

News Release

For release: 22 February 2024

ANZ Capital Notes 9 Replacement Prospectus

The ANZ Capital Notes 9 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 20 February 2024.

Investors applying for ANZ Capital Notes 9 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 9 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 Group's Continuous Disclosure Committee

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ANZ CAPITAL NOTES 9 PROSPECTUS

PROSPECTUS FOR THE ISSUE OF
ANZ CAPITAL NOTES 9 TO RAISE \$1.7 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
BELL POTTER
COMMONWEALTH BANK OF AUSTRALIA
E&P CORPORATE ADVISORY
MORGAN STANLEY
MORGANS

NATIONAL AUSTRALIA BANK
ORD MINNETT
SHAW AND PARTNERS
UBS
WESTPAC INSTITUTIONAL BANK

CO-MANAGERS

JBWERE
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) (ANZBGL) of mandatorily convertible subordinated perpetual securities (ANZ Capital Notes 9 or Notes) to raise \$1.7 billion with the ability to raise more or less.

This Prospectus is issued by ANZBGL. This Prospectus is dated 22 February 2024 and was lodged with ASIC on that date. This is a replacement prospectus that replaces the prospectus dated 14 February 2024 that was lodged with ASIC on that date (Original Prospectus). This Prospectus expires on 12 March 2025 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 ANZBGL nor any other person is providing any investment advice or making any recommendation to Eligible CN4 Holders in respect of the Reinvestment Offer through this Prospectus.

ANZ Capital Notes 9 are higher risk than deposits

ANZ Capital Notes 9 are issued by ANZBGL under the Note Terms. ANZBGL is an ADI and a subsidiary of ANZGHL. Other than ANZBGL, no member of the ANZ Group is an ADI for the purposes of the Banking Act. ANZGHL is the non-operating holding company of the ANZ Group. Holders have no claim on ANZBGL, ANZGHL or any other member of the ANZ Group except as provided in the Note Terms.

ANZ Capital Notes 9 are not:

- deposit liabilities of ANZBGL;
- 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 ANZGHL 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 ANZBGL, ANZGHL, any other member of the ANZ Group or any other person.

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

Consider the ASIC guidance for Retail Investors

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.

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 ANZBGL from processing Applications in the seven day period after 14 February 2024, 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. ANZBGL 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 ANZGHL and Eligible CN4 Holders cannot apply directly to ANZBGL 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 ANZBGL (directly or via its agents) if you apply for the Notes. See Sections 4.3 and 8.11 for information on how ANZBGL (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 ANZBGL 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 ANZGHL or any other person.</p> <p>If ANZBGL encounters severe financial difficulty, the Notes may be Converted into ANZGHL 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 ANZBGL.</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>ANZBGL 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 ANZBGL, ANZGHL and ANZ Capital Notes 9</p>	<p>ANZBGL and ANZGHL are subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. Each of ANZBGL and ANZGHL 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 ANZBGL and ANZGHL 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

The Offer is 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 9 to Wholesale Investors.

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

- the class of Retail Investors that comprises the target market for ANZ Capital Notes 9 (**Notes Target Market**); and
- the conditions on how ANZ Capital Notes 9 are to be distributed under the Offer to help make it likely that Retail Investors who acquire ANZ Capital Notes 9 under the Offer are within that Notes Target Market.

As further described below, in response to the DDO Regime and consistent with the CN7 and CN8 offers:

- ANZBGL has made the decision not to include a specific offer for ANZGHL or ANZBGL securityholders and not to allow Eligible CN4 Holders to apply directly to ANZBGL to participate in the Reinvestment Offer;
- ANZ Capital Notes 9 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 9 once issued. All investors will be able to buy and sell ANZ Capital Notes 9 on the ASX at the prevailing market price in the usual course once ANZ Capital Notes 9 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 9 on the ASX may be required to pay applicable brokerage.

What does this mean for ANZ Capital Notes 9?

The way the Offer will be conducted is consistent with the CN7 and CN8 offers.

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 9 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 9 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 9 work or the risks associated with them or if you have any questions about the Offer, ANZ Capital Notes 9 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 CN4 Holders for the Reinvestment Offer (relevant CN4 must also be held on the Closing Date for the Reinvestment Offer)	7.00pm on 8 February 2024
Lodgement of the Original Prospectus with ASIC	14 February 2024
Bookbuild to determine the Margin and announcement of the Margin	20 February 2024
Lodgement of this Prospectus with ASIC	22 February 2024
Opening Date	22 February 2024
Closing Date for the Reinvestment Offer	5.00pm on 11 March 2024
Closing Date for the New Money Offer	10.00am on 18 March 2024
Issue Date	20 March 2024
ANZ Capital Notes 9 commence trading on the ASX on a normal settlement basis	21 March 2024
Confirmation Statements despatched by	26 March 2024

KEY DATES FOR ANZ CAPITAL NOTES 9	DATE
Record Date for the first Distribution	7.00pm on 7 June 2024
First Distribution Payment Date ¹	20 June 2024
First Optional Exchange Date ²	20 March 2031
Mandatory Conversion Date ³	20 September 2033

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 ANZBGL'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, except where the Distribution Payment Date is 20 September 2031, where the Distribution Payment Date becomes the preceding day which is a Business Day.

2 20 June 2031 and 19 September 2031 are also Optional Exchange Dates. As 20 September 2031 is not a Business Day, this date has been brought forward to the preceding Business Day.

3 The Mandatory Conversion Date may be later than 20 September 2033, or may not occur at all if the Mandatory Conversion Conditions are not satisfied.

KEY DATES FOR ANZ CAPITAL NOTES 4 (CN4) HOLDERS

KEY DATES FOR ANZ CAPITAL NOTES 4 (CN4) HOLDERS	DATE
Redemption notice given in respect of CN4	14 February 2024
Last day of trading in CN4	6 March 2024
Record date for the Final CN4 Distribution	7.00pm on 8 March 2024
Payment date for the Final CN4 Distribution ⁴	20 March 2024
Payment date for CN4 Redemption	20 March 2024

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 CN4 Redemption which are fixed, unless CN4 are required to be converted or written-off before 20 March 2024 or APRA revokes its approval of the CN4 Redemption).

ANZBGL 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 CN4 Distribution is subject to the payment conditions in the CN4 terms and ANZBGL's absolute discretion.

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

**THIS SECTION PROVIDES A SUMMARY
OF THE KEY FEATURES AND RISKS OF
ANZ CAPITAL NOTES 9.**

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 9

Topic	Summary	Where to find more information
Issuer	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (ANZBGL). ANZBGL is an ADI, a subsidiary of ANZGHL and a member of the ANZ Group. ANZGHL is the non-operating holding company of ANZ Group. ANZGHL does not guarantee or otherwise provide any assurance in respect of the Notes.	Section 5
Type of instrument	<p>ANZ Capital Notes 9 are:</p> <ul style="list-style-type: none"> • fully paid – at \$100 per Note; • convertible – in certain circumstances, the Notes will Convert into ANZGHL Ordinary Shares; • redeemable and resaleable – in certain circumstances, ANZBGL 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 ANZBGL 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 ANZGHL Ordinary Shares); • unsecured – they are not secured, are not deposit liabilities of ANZBGL or ANZGHL, are not protected accounts for the purposes of the Banking Act and are not guaranteed by ANZGHL or any other person; • subordinated – subordinated to the claims of Senior Creditors (including ANZBGL depositors) in a winding-up, but rank equally with Equal Ranking Instruments and ahead of ANZBGL Ordinary Shares; • exposed to Trigger Events – where a Trigger Event occurs (which includes where ANZBGL encounters severe financial difficulty), the Notes are subject to Conversion into ANZGHL Ordinary Shares or Write Off, in which case Holders are likely to suffer loss; and • listed – ANZBGL has applied for Notes to be listed on ASX and Notes are expected to trade under ASX code “AN3PL”. <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 ANZBGL’s other regulatory capital instruments help to protect ANZBGL’s depositors and Senior Creditors from losses ANZBGL may incur.</p> <p>ANZBGL’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	\$1.7 billion, with the ability to raise more or less.	
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	ANZBGL is issuing the Notes to help meet the capital requirements for ADIs set by APRA. APRA requires ANZBGL to maintain a level of regulatory capital to help promote the stability of ANZBGL and protect ANZBGL’s depositors and other creditors.	

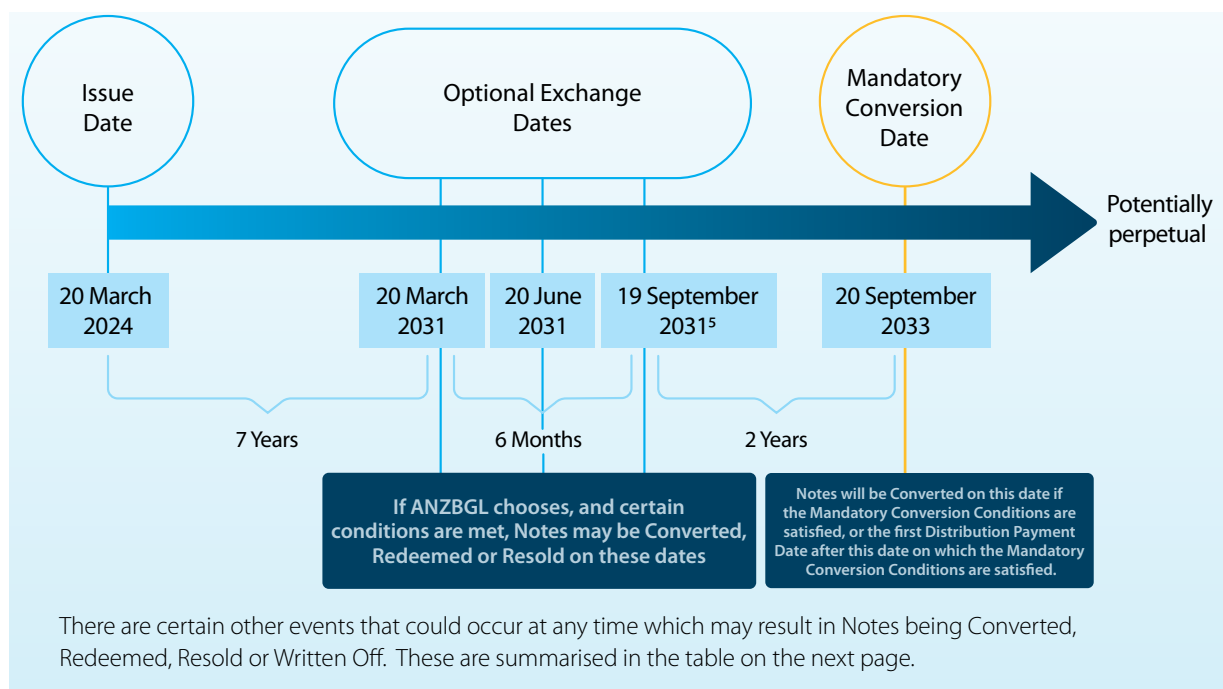
Topic	Summary	Where to find more information
Regulatory treatment	APRA has confirmed that the Notes will constitute Additional Tier 1 Capital for the purposes of ANZBGL's regulatory capital requirements.	See Section 5.7.3
Use of proceeds	ANZBGL will use the proceeds of the Offer to refinance CN4 and 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 2.90%, as determined under the Bookbuild; and • Tax Rate is the Australian corporate tax rate applicable to the franking account of ANZGHL 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 ANZGHL 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 ANZBGL, which means ANZBGL 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 ANZBGL 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, ANZBGL cannot pay or resolve to pay any ANZBGL 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 ANZGHL.</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 2024.</p>	Section 2.1.5

1.1 KEY FEATURES OF THE OFFER AND ANZ CAPITAL NOTES 9 (CONT)

Topic	Summary	Where to find more information
Do ANZ Capital Notes 9 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 ANZGHL Ordinary Shares on 20 September 2033, 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 ANZGHL	<p>ANZGHL is not the issuer of the Notes and does not guarantee or provide any assurance in respect of ANZBGL's obligations under the Note Terms.</p> <p>Under the ANZ Capital Notes 9 Deed Poll, ANZGHL agrees to Convert the Notes into ANZGHL 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 ANZGHL; and ANZGHL will issue to the Holder the number of ANZGHL Ordinary Shares calculated in accordance with the Note Terms. <p>ANZBGL does not guarantee or otherwise provide assurance in respect of ANZGHL's obligations in connection with Conversion.</p>	Section 2.2.5

1.2 SUMMARY OF CERTAIN EVENTS THAT MAY OCCUR WHILE THE ANZ CAPITAL NOTES 9 ARE ON ISSUE

The diagram and table below summarise certain events that may occur while the ANZ Capital Notes 9 are on issue, and what Holders may receive if those events occur. The events depend on a number of factors including ANZGHL's share price, the occurrence of contingencies and in some cases election by ANZBGL. As a result the events may not occur.



⁵ As 20 September 2031 is not a Business Day, this date has been brought forward to the preceding Business Day.

What can happen?	When does this happen?	Is APRA approval needed? ⁶	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 2033 (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 ⁷	Variable number of ANZGHL Ordinary Shares
Optional Conversion	20 March 2031, 20 June 2031 or 19 September 2031 ⁸	Yes	Yes	Approximately \$101 ⁷	Variable number of ANZGHL Ordinary Shares
Optional Redemption	20 March 2031, 20 June 2031 or 19 September 2031 ⁸	Yes	Yes	\$100	Cash
Optional Resale	20 March 2031, 20 June 2031 or 19 September 2031 ⁸	Yes	No	\$100	Cash
Conversion in other circumstances	If a Tax Event or Regulatory Event occurs	Yes	Yes	Approximately \$101 ^{7,9}	Variable number of ANZGHL Ordinary Shares
	If a Change of Control Event occurs	No	Yes	Approximately \$101 ^{7,9}	Variable number of ANZGHL Ordinary Shares
	If a Trigger Event occurs	No	No	Depending on the market price of the ANZGHL Ordinary Shares, Holders are likely to receive significantly less than approximately \$101 ^{10,11,12}	Variable number of ANZGHL Ordinary Shares, capped at the Maximum Conversion Number ¹²
Redemption in other circumstances	If a Tax Event or Regulatory Event occurs	Yes	Yes	\$100 ⁹	Cash
Resale in other circumstances	If a Tax Event or Regulatory Event occurs	Yes	No	\$100 ⁹	Cash

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

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

8 As 20 September 2031 is not a Business Day, this date has been brought forward to the preceding Business Day.

9 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 ANZBGL's discretion and provided the conditions to payment are met).

10 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.

11 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.

12 However, if the Notes are not Converted for any reason (including an Inability Event) into ANZGHL 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 ANZBGL

The table below illustrates how the Notes would rank upon a winding-up of ANZBGL, if they are on issue at the time. In the table, a 'higher ranking' obligation is one which will be paid out of ANZBGL'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 ANZBGL, the Notes rank ahead of ANZBGL's Ordinary Shares, equally among themselves, equally with Equal Ranking Instruments (including ANZ Capital Securities) and behind all Senior Creditors of ANZBGL, including depositors.

	Examples	Examples of existing ANZBGL obligations and securities ¹³
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 ANZBGL, though they are secured over assets that form part of the ANZ Group
		Subordinated unsecured debt
		Subordinated unsecured debt obligations
Equal ranking obligations	Preference shares and other equally ranked instruments	ANZ Capital Notes 9 and ANZ Capital Securities (in each case if they have not been converted into ANZGHL Ordinary Shares)
		Where Holders have received ANZGHL Ordinary Shares on Conversion, Holders have the claims of holders of ANZGHL Ordinary Shares. If, following a Trigger Event, Notes are Written Off, Holders have no claim at all on ANZBGL or ANZGHL (even though ANZGHL Ordinary Shares will still be on issue), and they are likely to be worse off than holders of ANZGHL Ordinary Shares or ANZBGL Ordinary Shares
Lower ranking/ later priority	Lower ranking obligations	ANZBGL Ordinary Shares

¹³ This is a very simplified capital structure of ANZBGL and does not include every type of security or other obligation issued by ANZBGL. ANZBGL has the right to issue further debt, deposits or other obligations or securities of any kind at any time. ANZ Capital Notes 9 do not limit the amount of senior debt, deposits or other obligations or securities that may be incurred or issued by ANZBGL at any time.

1.4 DIFFERENCES BETWEEN THE NOTES AND OTHER TYPES OF INVESTMENTS IN ANZBGL AND ANZGHL

ANZ Capital Notes 9 are different from and higher risk than term deposits. There are also differences between ANZ Capital Notes 9, the other ANZ Capital Notes (such as CN4 and CN8) and ANZGHL 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 ANZ Capital Notes 9 and CN4 is set out in Section 3.2.

	Term deposit	CN8	ANZ Capital Notes 9	ANZGHL Ordinary Shares
Protected under the Financial Claims Scheme	Yes ¹⁴	No	No	No
Margin	Varies from product to product	2.75%	2.90%, as determined under the Bookbuild	N/A
Distribution/dividend rate	Fixed	Floating	Floating	Variable – as determined by ANZGHL
Distribution/dividend payment dates	Often at the end of term or per annum	Quarterly	Quarterly	Generally half-yearly – as determined by ANZGHL in its absolute discretion
Conditions to payment of distributions/dividends	None, subject to applicable laws and any specific conditions	Yes, subject to ANZBGL's absolute discretion and payment conditions	Yes, subject to ANZBGL's absolute discretion and Payment Conditions	Yes, subject to ANZGHL's absolute discretion and applicable laws and regulations
Distribution/dividend restriction if distribution/dividend not paid	No	Yes, applies to ANZBGL Ordinary Shares until the next quarterly distribution payment date	Yes, applies to ANZBGL 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 "AN3PK"	Yes, ANZ Capital Notes 9 are expected to be quoted as "AN3PL"	Yes – quoted as "ANZ"
Term	Often between 1 month and 5 years	Perpetual, subject to mandatory conversion into ANZGHL Ordinary Shares on 20 September 2032 (approximately 9.5 years after the Issue Date)	Perpetual, subject to Mandatory Conversion into ANZGHL Ordinary Shares on 20 September 2033 (approximately 9.5 years after the Issue Date)	Perpetual

¹⁴ 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	CN8	ANZ Capital Notes 9	ANZGHL Ordinary Shares
Mandatory conversion into ANZGHL Ordinary Shares	No	Yes	Yes See Section 2.2	N/A
APRA written approval required for conversion, redemption or resale (if applicable)	N/A	Yes ¹⁵	Yes ¹⁶	N/A
ANZBGL's early conversion option	No	Yes	Yes See Section 2.3	N/A
ANZBGL's early redemption option	No	Yes	Yes See Section 2.3	No
ANZBGL's resale rights	No	Yes	Yes See Section 2.3	No
Other ANZBGL 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 a general meeting of holders of ANZGHL Ordinary Shares or ANZBGL Ordinary Shares	No right to vote at a general meeting of holders of ANZGHL Ordinary Shares or ANZBGL Ordinary Shares	Right to vote at a general meeting of holders of ANZGHL Ordinary Shares
Ranking	Refer to Section 1.3			

1.5 KEY RISKS OF ANZ CAPITAL NOTES 9

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 ANZBGL and in the ANZ Group generally. Many of those risks are outside the control of ANZBGL, ANZGHL 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 9 are not deposit liabilities or protected accounts	ANZ Capital Notes 9 are not deposit liabilities of ANZBGL or ANZGHL, are not protected accounts for the purposes of the Banking Act or any other accounts with ANZBGL or ANZGHL and are not guaranteed or insured by ANZGHL or any other person.	Section 6.1.16

¹⁵ 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 CN8 terms).

¹⁶ 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 ANZGHL Ordinary Shares or other securities issued by ANZBGL, ANZGHL or other entities.</p>	Sections 6.1.1 and 6.1.3
Distributions may not be paid	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.	Section 6.1.6
Changes in Distribution Rate	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.	Section 6.1.9
Mandatory Conversion may not occur on the Mandatory Conversion Date	<p>ANZ Capital Notes 9 have no fixed maturity date but will Convert into ANZGHL Ordinary Shares on 20 September 2033 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 2033, 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	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.	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 ANZGHL 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 ANZGHL Ordinary Shares at the time, Holdings are likely to receive significantly less than approximately \$101 worth of ANZGHL 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. In addition, if Notes are Written Off, Holdings have no claim at all on ANZBGL or ANZGHL (even though ANZGHL Ordinary Shares will still be on issue), and they are likely to be worse off than holders of ANZGHL Ordinary Shares or ANZBGL Ordinary Shares.</p> <p>A Trigger Event may occur at any time.</p>	Sections 2.5 and 6.1.11

Topic	Summary	Where to find more information
Ranking in a winding-up of ANZ	On a winding-up of ANZBGL, the Notes rank for payment ahead of ANZBGL 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 Holders will lose all or some of their investment. If the Notes have been Converted into ANZGHL Ordinary Shares prior to a winding-up of ANZBGL, the ANZGHL Ordinary Shares received on Conversion will rank equally with other ANZGHL Ordinary Shares. If Notes are Written Off, those Notes will never Convert or be Exchanged and Holders will not have their capital repaid at all. In addition, if Notes are Written Off, Holders have no claim at all on ANZBGL or ANZGHL (even though ANZGHL Ordinary Shares will still be on issue), and they are likely to be worse off than holders of ANZGHL Ordinary Shares or ANZBGL Ordinary Shares.	Section 6.1.16
ANZBGL and ANZGHL 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 ANZBGL or ANZGHL at any time, which may affect a Holder's ability to be repaid on a winding-up of ANZBGL or a Holder's interest in ANZGHL on Conversion.	Section 6.1.21
Fluctuation in ANZGHL Ordinary Share price	The market price of the Notes may be significantly impacted by the market price of ANZGHL Ordinary Shares. The market price of ANZGHL 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 ANZGHL. As a result, the price used to calculate the number of ANZGHL Ordinary Shares received by Holders upon Conversion may also be different to the market price of the ANZGHL Ordinary Shares when they are issued or thereafter.	Sections 6.1.3, 6.1.5 and 6.1.10
Financial performance and position of ANZBGL and ANZGHL	The market price of the Notes (and the ANZGHL Ordinary Shares into which they can Convert) may be affected by ANZBGL's and ANZ Group's financial performance and position. For specific risks associated with an investment in ANZBGL and the ANZ Group generally, see Section 6.2. ANZBGL and ANZ Group's financial performance and position may also affect any credit ratings associated with ANZBGL's and ANZGHL's securities, which may impact the market price and liquidity of the Notes. Any credit rating applicable to ANZBGL and ANZGHL may be revised, withdrawn or suspended by ratings agencies at any time.	Section 6.2

1.6 WHAT IS THE OFFER AND HOW DO I APPLY?

Topic	Summary	Where to find more information
Notes Target Market	ANZBGL has made a target market determination for ANZ Capital Notes 9 in accordance with its obligations under the DDO Regime (Target Market Determination). The Target Market Determination describes, among other things, the class of Retail Investors that comprises the target market for ANZ Capital Notes 9 (Notes Target Market). That Notes Target Market is set out in Section 4 and a copy of the Target Market Determination is available at capitalnotes.anz.com . If you are a Retail Investor and wish to apply for Notes: <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

Topic	Summary	Where to find more information
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>	Section 3 and 4
Reinvestment Offer	<p>On 14 February 2024, ANZBGL issued a redemption notice for the CN4 in accordance with the CN4 terms. That notice confirms that on 20 March 2024, ANZBGL will redeem all CN4 for their face value of \$100 per CN4.</p> <p>The Reinvestment Offer provides Eligible CN4 Holders with the opportunity to reinvest some or all of their CN4 Redemption Proceeds into ANZ Capital Notes 9.</p> <p>Eligible CN4 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 CN4 Holders, see Section 3. All Applications for the Reinvestment Offer must be submitted through a Syndicate Broker.</p>	Section 3
Final CN4 Distribution	<p>The Final CN4 Distribution of \$1.8227 per CN4 is scheduled to be paid on all CN4 on 20 March 2024.</p> <p>If you hold CN4 on the record date for the Final CN4 Distribution (which is 7.00pm on 8 March 2024), then you will receive the Final CN4 Distribution irrespective of whether you are participating in the Reinvestment Offer or not (subject to the payment conditions in the CN4 terms and ANZBGL's absolute discretion).</p>	Section 3.1.7
How to apply	<p>You can only apply for Notes through a Syndicate Broker. See Sections 3 and 4 for further details.</p>	Section 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 CN4 Holder and own less than 50 CN4, you can still apply for Notes under the Reinvestment Offer but you must apply to reinvest all of your CN4.</p>	Section 3 and 4
Allocation policy	<ul style="list-style-type: none"> • Allocations to Institutional Investors were determined by ANZBGL and ANZ Securities following completion of the Bookbuild. • Allocations to Syndicate Brokers were determined by ANZBGL 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. ANZBGL takes no responsibility for any allocation, scale back or rejection that is decided by a Syndicate Broker. 	Section 4.4.3
More information	<p>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.</p>	



SECTION 02

ABOUT ANZ CAPITAL NOTES 9

THIS SECTION IS AN OVERVIEW OF THE KEY FEATURES OF ANZ CAPITAL NOTES 9.

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 9

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 ANZGHL 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 ANZGHL's capital and what is their effect?

2.3 Optional Exchange by ANZBGL

- 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 ANZBGL may choose?
- 2.3.6. What are the conditions or restrictions on Conversion as the Exchange Method?
- 2.3.7. How many ANZGHL 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 ANZBGL'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 ANZGHL 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 ANZGHL 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 ANZBGL issue further Notes or other instruments?
- 2.6.2. What voting rights do Notes carry?
- 2.6.3. Can ANZBGL amend the Note Terms?
- 2.6.4. What is an Approved Successor Event?
- 2.6.5. What is the ANZ Capital Notes 9 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 ANZGHL Ordinary Shares are issued to a nominee, does the nominee, ANZBGL or ANZGHL 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 ANZBGL 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 9 are expected to pay quarterly floating rate non-cumulative Distributions, which are expected to be franked at the same rate as dividends on ANZGHL 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 ANZBGL's discretion and subject to the payment not resulting in ANZBGL 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.

2.1.1 How will the Distribution Rate be calculated?

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:

Distribution Rate = (BBSW Rate + Margin) x (1 – Tax Rate) where:

BBSW Rate means the BBSW Rate on the first Business Day of the Distribution Period – see Section 2.1.4;

Margin is 2.90%, as determined under the Bookbuild; and

Tax Rate is the Australian corporate tax rate applicable to the franking account of ANZGHL 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.

For example, assuming the BBSW Rate on the first Business Day of the Distribution Period is 4.35% per annum and given the Margin is 2.90% per annum, then the Distribution Rate for that Distribution Period would be calculated as follows:

BBSW Rate	4.3500% per annum
Plus the Margin	+ 2.9000% per annum
Equivalent unfranked distribution rate	7.2500% per annum
Multiplied by (1 – Tax Rate)	x 0.70
Indicative Distribution Rate	5.0750% per annum

Clause 3.1 of the Note Terms

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 5.0750% 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="400 896 1171 1187"> <tr> <td>Indicative Distribution Rate</td> <td style="text-align: right;">5.0750% 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 Period¹⁷</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;">\$1.2653</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.</p>	Indicative Distribution Rate	5.0750% per annum	Multiplied by the Face Value	x \$100.00	Multiplied by the number of days in the Distribution Period ¹⁷	x 91	Divided by 365	÷ 365	Indicative fully franked cash Distribution payment for the Distribution Period per Note	\$1.2653	<p>Clauses 3.1, 13 and 17.2 of the Note Terms</p>
Indicative Distribution Rate	5.0750% per annum											
Multiplied by the Face Value	x \$100.00											
Multiplied by the number of days in the Distribution Period ¹⁷	x 91											
Divided by 365	÷ 365											
Indicative fully franked cash Distribution payment for the Distribution Period per Note	\$1.2653											

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

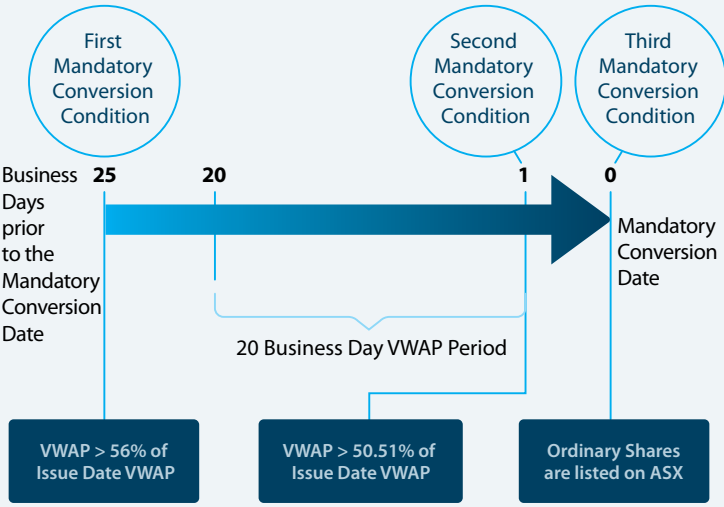
Topic	Summary	Where to find more information												
2.1 DISTRIBUTIONS (CONT)														
<p>2.1.3 What is the impact of franking credits?</p>	<p>Distributions on the Notes are expected to be franked at the same rate as dividends on the ANZGHL Ordinary Shares. ANZGHL's most recent ordinary dividend paid in December 2023 was franked at 56%. 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 5.0750% per annum in the example in Section 2.1.2 would be equivalent to an unfranked distribution rate of approximately 7.2500% 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 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="432 891 1198 1189"> <tr> <td>Indicative Distribution Rate</td> <td>5.0750% 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 Period¹⁸</td> <td>x 91</td> </tr> <tr> <td>Divided by 365</td> <td>÷ 365</td> </tr> <tr> <td>Sub total</td> <td>\$1.2653</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 \$1.3044</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 ANZGHL 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 ANZBGL 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	5.0750% per annum	Multiplied by the Face Value	x \$100.00	Multiplied by the number of days in the Distribution Period ¹⁸	x 91	Divided by 365	÷ 365	Sub total	\$1.2653	Divided by 1 – (Tax Rate x (1 – Franking Rate))	0.97	<p>Sections 6.1.7 and 6.1.19</p> <p>Clause 3.2 of the Note Terms</p>
Indicative Distribution Rate	5.0750% per annum													
Multiplied by the Face Value	x \$100.00													
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Sub total	\$1.2653													
Divided by 1 – (Tax Rate x (1 – Franking Rate))	0.97													

¹⁸ 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 6 February 2024 was 4.3500% per annum.</p> <div data-bbox="411 656 1150 1070" data-label="Figure"> <table border="1"> <caption>3 Month BBSW Rate (Estimated Data)</caption> <thead> <tr> <th>Date</th> <th>BBSW Bill Rate (% per annum)</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>4.5</td></tr> <tr><td>Jan 2012</td><td>4.0</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>2.2</td></tr> <tr><td>Jan 2017</td><td>2.0</td></tr> <tr><td>Jan 2018</td><td>2.0</td></tr> <tr><td>Jan 2019</td><td>2.0</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>0.5</td></tr> <tr><td>Jan 2023</td><td>3.5</td></tr> <tr><td>Jan 2024</td><td>4.35</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 ANZBGL determines that BBSW has been affected by a “Reference Rate Disruption Event”, ANZBGL 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. In making these determinations, ANZBGL is required to act in good faith and in a commercially reasonable manner after consultation with such sources of market practice as it considers appropriate.</p>	Date	BBSW Bill Rate (% per annum)	Jan 2006	5.5	Jan 2007	6.0	Jan 2008	8.0	Jan 2009	3.0	Jan 2010	4.0	Jan 2011	4.5	Jan 2012	4.0	Jan 2013	3.5	Jan 2014	3.0	Jan 2015	2.5	Jan 2016	2.2	Jan 2017	2.0	Jan 2018	2.0	Jan 2019	2.0	Jan 2020	1.0	Jan 2021	0.5	Jan 2022	0.5	Jan 2023	3.5	Jan 2024	4.35	<p>Clause 3.1 of the Note Terms</p>
Date	BBSW Bill Rate (% per annum)																																									
Jan 2006	5.5																																									
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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 ANZBGL'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 2024.</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, except where the Distribution Payment Date is 20 September 2031, where the Distribution Payment Date becomes the preceding day which is a 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 ANZBGL's absolute discretion and the Payment Conditions.</p>	<p>Clauses 3.3, 3.5, 6.1(e) 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 ANZBGL'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 ANZBGL (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 ANZBGL 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), ANZBGL 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 ANZBGL 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 ANZGHL resolving to pay or paying any dividend on, or buying back, or reducing capital on, ANZGHL Ordinary Shares. However, ANZGHL's capacity to do so may be reduced by the application of the Distribution Restriction on ANZBGL.</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>ANZBGL 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>ANZBGL 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)		
<p>2.1.9 How will Distributions be paid?</p>	<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 amounts 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 ANZBGL's option, if no such account is nominated, by sending a cheque to the address of the Holder or by any other method as ANZBGL determines. <p>To receive a payment by electronic transfer, 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 the first to occur of the following:</p> <ul style="list-style-type: none"> • such account is nominated or ANZBGL elects to pay the amount by cheque or another method; • claims may no longer be made in respect of that amount; or • ANZBGL deals with the amount in accordance with the laws relating to unclaimed moneys. 	<p>Clause 13 of the Note Terms</p>

Topic	Summary	Where to find more information
2.2 MANDATORY CONVERSION		
2.2.1 When is the Mandatory Conversion Date?	The Mandatory Conversion Date is 20 September 2033 or if the Mandatory Conversion Conditions are not satisfied on that date, the next Distribution Payment Date on which the Mandatory Conversion Conditions are satisfied.	Clause 4.2 of the Note Terms
2.2.2 What are the Mandatory Conversion Conditions?	<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 ANZGHL 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 ANZGHL Ordinary Shares in respect of the possible Mandatory Conversion Date. Broadly, a Delisting Event occurs when ANZGHL is delisted, ANZGHL Ordinary Shares have been suspended from trading for a certain period, or ANZBGL or ANZGHL is prevented by applicable law or any other reason from performing any of their obligations necessary to effect Conversion of any 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 ANZGHL Ordinary Shares does not occur.</p>	Clauses 4.3, 6.1 and 17.2 of the Note Terms

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 ANZGHL 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 9 due to Prudential Standards and ratings agency requirements. The maximum number is based on the Issue Date VWAP of ANZGHL 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 ANZGHL Ordinary Shares were to fall significantly and there were no Mandatory Conversion Conditions, the number of ANZGHL Ordinary Shares that you would receive might be limited by that cap and in that case the value of those ANZGHL Ordinary Shares would be likely to be less than \$101. To give Holders some protection against receiving ANZGHL Ordinary Shares worth less than approximately \$101, the First and Second Mandatory Conversion Conditions have been included, so that where the VWAP of ANZGHL 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 ANZGHL 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 ANZGHL 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 ANZGHL; and • ANZGHL will issue to the Holder the number of ANZGHL Ordinary Shares calculated using the formula set out below. <p>ANZBGL, ANZ BH and ANZGHL have agreed that where a Conversion occurs, ANZGHL will subscribe for ordinary shares in ANZ BH and ANZ BH will subscribe for ANZBGL 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 ANZGHL 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 ANZGHL 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 ANZGHL 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 ANZGHL Ordinary Shares on ASX.</p> <p>For example, assuming the VWAP is \$27.00, the number of ANZGHL 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 931"> <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;">÷ \$26.73</td> </tr> <tr> <td>Ordinary Shares per Note</td> <td style="text-align: right;">3.7411</td> </tr> </table> <p>Assuming the price of those ANZGHL Ordinary Shares on the Mandatory Conversion Date is also \$27.00 the aggregate value of those ANZGHL Ordinary Shares (calculated by multiplying 3.7411 by \$27.00) would be approximately \$101.</p> <p>The above example is for illustrative purposes only. The actual VWAP and the number of ANZGHL 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	÷ \$26.73	Ordinary Shares per Note	3.7411	<p>Clauses 6 and 17.2 of the Note Terms</p>
Face Value	\$100.00							
Divided by VWAP x 0.99	÷ \$26.73							
Ordinary Shares per Note	3.7411							
<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 ANZGHL 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 ANZGHL's capital and what is their effect?</p>	<p>The Issue Date VWAP may be adjusted to reflect a consolidation, division or reclassification of ANZGHL 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 ANZGHL). 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 ANZGHL 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 ANZBGL

ANZ Capital Notes 9 have no fixed maturity but ANZBGL may choose to Exchange all or some ANZ Capital Notes 9 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, ANZBGL (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 ANZGHL Ordinary Shares with a value¹⁹ of approximately \$101 per Note; • Notes are Redeemed for \$100 per Note; • Notes are Resold to a purchaser nominated by ANZBGL (that cannot be ANZBGL, ANZGHL or any other Related Entity of ANZBGL) for \$100 per Note; or • a combination of the above. <p>No Exchange elected by ANZBGL 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 2031, 20 June 2031 or 19 September 2031.²⁰</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 ANZBGL 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 ANZBGL to occur), there is more than an insubstantial risk which the Directors determine to be unacceptable that ANZBGL, ANZGHL 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>

¹⁹ Based on the VWAP during a period, being 20 Business Days, on which trading in ANZGHL Ordinary Shares took place immediately preceding the Exchange Date. The VWAP of ANZGHL Ordinary Shares during the relevant period before the Exchange Date that is used to calculate the number of ANZGHL Ordinary Shares that Holders receive may differ from the Ordinary Share price on or after the Exchange Date. This means that the value of ANZGHL Ordinary Shares received may be more or less than anticipated when they are issued or thereafter.

²⁰ As 20 September 2031 is not a Business Day, this date has been brought forward to the preceding Business Day.

Topic	Summary	Where to find more information
2.3 OPTIONAL EXCHANGE BY ANZBGL (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"> • ANZBGL 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 ANZBGL to occur) (a Regulatory Change), <ul style="list-style-type: none"> – additional requirements (which are more than de minimis) would be imposed on ANZBGL or ANZGHL; or – there would be a negative impact on ANZBGL or ANZGHL 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, ANZBGL 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 ANZBGL 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 later 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 ANZBGL 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 ANZBGL 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 ANZBGL has sent an Exchange Notice, ANZBGL 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, ANZBGL 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 ANZGHL Ordinary Shares that are permitted to be issued in these circumstances under the Prudential Standards. 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 ANZBGL (CONT)		
2.3.7 How many ANZGHL Ordinary Shares will Holders receive if Conversion is the Exchange Method?	<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 ANZGHL Ordinary Shares with a value of approximately \$101 (based on a VWAP during a period of 20 Business Days in which trading in ANZGHL 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 ANZGHL; and ANZGHL will issue to Holders the number of ANZGHL Ordinary Shares calculated as set out above. 	Clauses 5 and 6 of the Note Terms
2.3.8 Are there any restrictions on Redemption?	<p>ANZBGL may only elect to Redeem Notes with APRA's prior written approval. ANZBGL 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 ANZBGL'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 ANZBGL elects to Redeem the Notes.</p>	Clauses 5.2(c) and 7 of the Note Terms
2.3.9 What happens on Resale?	<p>ANZBGL may only elect to Resell Notes with APRA's prior written approval. If ANZBGL 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 ANZBGL as a result of the non-payment.</p> <p>ANZBGL may appoint one or more Purchasers for the Resale on such terms as may be agreed between ANZBGL 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 ANZBGL 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 ANZBGL.</p> <p>ANZBGL may not appoint itself, ANZGHL or another Related Entity as a Purchaser.</p>	Clause 8 of the Note Terms
2.3.10 What factors will influence ANZBGL's decision to Exchange the Notes?	<p>ANZBGL 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, ANZBGL's regulatory capital requirements and financial condition at the time, the market conditions prevailing at the time and the cost to ANZBGL of replacing the Notes with another form of Additional Tier 1 Capital.</p>	
2.3.11 Can Holders request Exchange?	<p>Holders do not have a right to request Exchange.</p>	Clause 9.10(g) of the Note Terms
2.3.12 Purchases	<p>ANZBGL, ANZGHL 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>	Clause 5.6 of the Note Terms

Topic	Summary	Where to find more information
2.4 CONVERSION FOLLOWING A CHANGE OF CONTROL EVENT		
If a Change of Control Event occurs, ANZBGL must give a notice to Convert all ANZ Capital Notes 9 on issue into a number of ANZGHL Ordinary Shares.		
<p>2.4.1 When will a Change of Control Event occur?</p>	<p>Broadly, a Change of Control Event occurs if:</p> <ul style="list-style-type: none"> • steps are taken to acquire control of ANZBGL or ANZGHL 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 ANZBGL's capital. <p>Not all corporate activities that have the effect of a change of control of ANZBGL or ANZGHL 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>	<p>Clauses 4.10 and 17.2 of the Note Terms</p>
<p>2.4.2 What happens on a Change of Control Event?</p>	<p>If a Change of Control Event occurs, ANZBGL must, subject to certain further restrictions, give a Change of Control Conversion Notice to Convert each Note into a number of ANZGHL Ordinary Shares with a value of approximately \$101 (based on the VWAP during a period, usually 20 Business Days, on which trading in ANZGHL Ordinary Shares took place immediately preceding (but not including) the Business Day before the Change of Control Conversion Date).²¹</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 ANZGHL; and • ANZGHL will issue to Holders the number of ANZGHL Ordinary Shares calculated as set out above. 	<p>Clauses 4.10 and 17.2 of the Note Terms</p>
<p>2.4.3 What are the restrictions on Conversion on a Change of Control Conversion Date?</p>	<p>Following the occurrence of a Change of Control Event, ANZBGL will 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 ANZGHL Ordinary Shares that are permitted to be issued in these circumstances under the Prudential Standards.</p>	<p>Clause 4.10 of the Note Terms</p>
<p>2.4.4 What happens if Conversion does not occur on a Change of Control Conversion Date?</p>	<p>If ANZBGL has given a Change of Control Conversion Notice but the restrictions prevent Conversion, ANZBGL will give a new Change of Control Conversion Notice to Convert the Notes on the next Distribution Payment Date. 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>	<p>Section 2.4.3 Clause 4.10 of the Note Terms</p>

²¹ 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 ANZGHL 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 ANZGHL Ordinary Shares that Holders receive may differ from the ANZGHL Ordinary Share price on or after the Change of Control Conversion Date. This means that the value of ANZGHL 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 9 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 ANZGHL 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 ANZBGL encounters severe financial difficulty. In the event of a Conversion following a Trigger Event, depending on the market price of ANZGHL Ordinary Shares at the relevant time, Holders are likely to receive ANZGHL 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. If Notes are Written Off, Holders have no claim at all on ANZBGL or ANZGHL (even though ANZGHL Ordinary Shares will still be on issue), and they are likely to be worse off than holders of ANZGHL Ordinary Shares or ANZBGL Ordinary Shares.

<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 ANZBGL determines, or APRA has notified ANZBGL in writing that it believes, that a Common Equity Capital Ratio is equal to or less than 5.125%.</p> <p>ANZBGL 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 ANZBGL 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 5.7 for more information about ANZBGL'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 ANZBGL in writing that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZBGL would become non-viable; or • APRA notifies ANZBGL in writing that it has determined that without a public sector injection of capital (or equivalent support) ANZBGL 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 ANZBGL'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>ANZBGL may be required to Convert a number of Notes into ANZGHL Ordinary Shares following the occurrence of a Trigger Event. If a Trigger Event occurs, ANZBGL must Convert the Notes immediately on that day. On Conversion, the Notes will be automatically transferred from Holders to ANZGHL and ANZGHL will issue to Holders the number of ANZGHL Ordinary Shares calculated as set out below.</p> <p>ANZBGL 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>If Notes are Written Off, Holders have no claim at all on ANZBGL or ANZGHL (even though ANZGHL Ordinary Shares will still be on issue), and they are likely to be worse off than holders of ANZGHL Ordinary Shares or ANZBGL Ordinary Shares.</p>	<p>Clauses 4.7, 4.8, 4.9, 6.1 and 6.13 of the Note Terms</p>
<p>2.5.3 How many ANZGHL 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 ANZGHL 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 ANZGHL 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, ANZGHL 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 ANZGHL Ordinary Shares took place immediately preceding (but not including) the Trigger Event Conversion Date (when the price of ANZGHL 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 ANZGHL Ordinary Shares on ASX.</p>	<p>Clauses 6.1 to 6.7 of the Note Terms</p>

Topic	Summary	Where to find more information												
2.5 AUTOMATIC CONVERSION FOLLOWING A TRIGGER EVENT (CONT)														
<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 ANZGHL 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 ANZGHL Ordinary Shares at the relevant time, a Holder is likely to receive significantly less than approximately \$101 worth of ANZGHL Ordinary Shares per Note and is likely to suffer a loss as a consequence.</p>													
<p>2.5.5 Is there a worked example illustrating how many ANZGHL Ordinary Shares a Holder will receive on Conversion following a Trigger Event?</p>	<p>This example illustrates how many ANZGHL 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 \$27.00.</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="432 1104 1011 1216"> <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>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="432 1274 1011 1386"> <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;">÷ \$5.40</td> </tr> <tr> <td>Ordinary Shares per Note</td> <td style="text-align: right;">=18.5185</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 ANZGHL 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 ANZGHL Ordinary Shares a Holder would receive per Note at 18.5185 ANZGHL Ordinary Shares. If those ANZGHL Ordinary Shares were sold on ASX at the same price as the VWAP (being \$4.50), the Holder would receive \$83.33 and have suffered a loss on their investment of \$16.67.</p>	Face Value	\$100.00	Divided by VWAP x 0.99	÷ \$4.4550	Ordinary Shares per Note	22.4467	Face Value	\$100.00	Divided by Issue Date VWAP x 0.2	÷ \$5.40	Ordinary Shares per Note	=18.5185	
Face Value	\$100.00													
Divided by VWAP x 0.99	÷ \$4.4550													
Ordinary Shares per Note	22.4467													
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Divided by Issue Date VWAP x 0.2	÷ \$5.40													
Ordinary Shares per Note	=18.5185													

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, ANZBGL 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 ANZBGL is viable without further conversion or write off (as applicable).</p> <p>In that circumstance, ANZBGL will endeavour to convert each class of Relevant Securities on an approximately pro-rata basis or in a manner that is otherwise, in the opinion of ANZBGL, fair and reasonable. This is subject to such adjustment as ANZBGL may determine to take account of the effect on marketable parcels and the need to round to whole numbers the number of ANZGHL Ordinary Shares and any Notes or other Relevant Securities remaining on issue. In addition, where the Relevant Securities are in different currencies, ANZBGL 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, CN4, CN5, CN6, CN7 and CN8 will be converted or written off before any Tier 2 Capital instruments are converted or written off; • ANZBGL 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, ANZBGL would become non-viable, all the Notes will be Converted. <p>The Conversion of Notes into ANZGHL 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 ANZGHL Ordinary Shares at the time, Holders are likely to receive significantly less than approximately \$101 worth of ANZGHL 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 ANZBGL issue further Notes or other instruments?</p>	<p>ANZBGL 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. ANZGHL 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 ANZBGL, ANZGHL or any other member of the ANZ Group (other than on Conversion) or to participate in any bonus issues of shares by ANZBGL, ANZGHL or any other member of the ANZ Group; • prevent ANZBGL, ANZGHL 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 ANZBGL, ANZGHL 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>
<p>2.6.2 What voting rights do Notes carry?</p>	<p>Holders do not have voting rights at a meeting of members of ANZBGL, ANZGHL or any other member of the ANZ Group.</p>	<p>Clause 10.2 of the Note Terms</p>

Topic	Summary	Where to find more information
2.6 OTHER (CONT)		
<p>2.6.3 Can ANZBGL amend the Note Terms?</p>	<p>Subject to complying with all applicable laws, ANZBGL may amend the Note Terms without the consent of Holders in certain circumstances including where ANZBGL reasonably considers the amendment:</p> <ul style="list-style-type: none"> • is made to correct a manifest or proven 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 ANZBGL'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, without such amendment materially adversely affecting the interests of Holders as a whole; or • in any other case, will not materially adversely affect the rights of Holders as a whole. <p>ANZBGL 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>	<p>Clause 14 of the Note Terms</p>
<p>2.6.4 What is an Approved Successor Event?</p>	<p>Subject to certain conditions (including the receipt of APRA's prior written approval where required), ANZBGL 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>ANZBGL may elect to substitute an Approved NOHC, ANZGHL or ANZBGL 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, ANZBGL 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 ANZGHL 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 ANZBGL 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. Holders do not have any right to vote on an Approved Successor Event and Holders have no rights to require ANZBGL to give an Approved Successor Notice. 	<p>Clauses 11.1, 14.2 and 17.2 of the Note Terms</p>

Topic	Summary	Where to find more information
2.6 OTHER (CONT)		
<p>2.6.5 What is the ANZ Capital Notes 9 Deed Poll?</p>	<p>A trustee has not been appointed for ANZ Capital Notes 9. Instead, the ANZ Capital Notes 9 Deed Poll has been made by ANZBGL and ANZGHL in favour of each person who is from time to time a Holder. The ANZ Capital Notes 9 Deed Poll gives legal effect to ANZBGL's and ANZGHL's obligations in the Note Terms.</p> <p>Under the ANZ Capital Notes 9 Deed Poll, ANZBGL also undertakes to appoint the Registry and procure the Registry to establish and maintain a principal Register.</p> <p>The ANZ Capital Notes 9 Deed Poll also includes provisions for meetings of Holders.</p> <p> Holders will be bound by the terms of the ANZ Capital Notes 9 Deed Poll, the Note Terms and this Prospectus when ANZ Capital Notes 9 are issued or transferred to them or they purchase ANZ Capital Notes 9.</p> <p>Each Holder can enforce ANZBGL's and ANZGHL's obligations under the ANZ Capital Notes 9 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 9 Deed Poll can be obtained from capitalnotes.anz.com.</p>	<p>ANZ Capital Notes 9 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 ANZBGL 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, the relevant ANZGHL Ordinary Shares may be issued to a nominee (who may not be ANZBGL, ANZGHL or another Related Entity of ANZBGL) who will sell those ANZGHL 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 ANZGHL Ordinary Shares issued on Conversion of Notes, the ANZGHL Ordinary Shares which the Holder is obliged to accept will be issued, at ANZBGL's election, either:</p> <ul style="list-style-type: none"> • to the Holder net of FATCA Withholding and issue the balance of ANZGHL Ordinary Shares to a nominee; or • entirely to a nominee. <p>In each case, the nominee (which may not be ANZBGL, ANZGHL or another Related Entity of ANZBGL) will sell the ANZGHL Ordinary Shares issued to it, deal with any proceeds of their disposal in accordance with FATCA and, where the ANZGHL 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 ANZGHL Ordinary Shares are issued to a nominee, does the nominee, ANZBGL or ANZGHL have any duties on a sale?</p>	<p>None of ANZBGL, ANZGHL or the nominee owes any obligations or duties to Holders in relation to the price at which ANZGHL Ordinary Shares are sold or has any liability for any loss suffered by a Holder as a result of the sale of ANZGHL 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 ANZBGL 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 ANZBGL binding?	Except where there is fraud or a manifest or proven error, any determination or calculation which ANZBGL makes in accordance with the Note Terms is final and binds ANZBGL, 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 ANZBGL in respect of any claim by ANZBGL against that Holder and will have no offsetting rights or claims on ANZBGL if ANZBGL does not pay a Distribution when scheduled under the Note Terms. ANZBGL may not exercise any right of set-off against a Holder in respect of any claim by that Holder against ANZBGL.	Clause 9.5 of the Note Terms
2.6.12 What is the power of attorney?	Each Holder agrees to appoint each of ANZBGL, ANZGHL, their respective officers and any External Administrator of ANZBGL or ANZGHL (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 to: <ul style="list-style-type: none"> • effect any transfers of Notes or make any entry in the Register in connection with a Conversion, Redemption, Resale, Approved Successor Event or substitution of an Approved NOHC; or • facilitate the performance of a Holder's obligations in connection with a Conversion, Redemption, Resale, Approved Successor Event or substitution of 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



SECTION 03

**ABOUT THE
REINVESTMENT
OFFER**

THIS SECTION SETS OUT:

THE OPTIONS AVAILABLE TO CN4 HOLDERS;

THE DIFFERENCE BETWEEN CN4 AND ANZ
CAPITAL NOTES 9;

FURTHER INFORMATION ABOUT
PARTICIPATING IN THE REINVESTMENT
OFFER AND HOW TO REINVEST YOUR
CN4 REDEMPTION PROCEEDS INTO ANZ
CAPITAL NOTES 9; AND

THE RISKS ASSOCIATED WITH PARTICIPATING
IN THE REINVESTMENT OFFER.

Topic	Summary
3.1 THE REINVESTMENT OFFER	
3.1.1 What are CN4?	CN4 (or Capital Notes 4) are fully paid, non-cumulative, convertible, transferable, redeemable, subordinated, perpetual, unsecured notes that were issued by ANZBGL on 27 September 2016. The CN4 terms were amended on 3 January 2023 to reflect the establishment of ANZGHL as the head entity of the ANZ Group. CN4 trade on the ASX under the ASX code "AN3PG".
3.1.2 What is happening to CN4?	<p>On 14 February 2024, ANZBGL issued a redemption notice in accordance with the CN4 terms. The redemption notice confirms that on 20 March 2024, ANZBGL will redeem all CN4 for their face value of \$100 per CN4. If you are an Eligible CN4 Holder and participate in the Reinvestment Offer, your CN4 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 CN4 terms) but the CN4 Redemption may not occur for a number of reasons, including if a trigger event occurs under the CN4 terms or APRA revokes its approval of the CN4 Redemption.</p> <p>If the CN4 Redemption does not occur, except as a result of a trigger event occurring in respect of the CN4, CN4 holders will continue to hold their CN4.</p> <p>To facilitate the CN4 Redemption, the CN4 will cease trading on ASX on 6 March 2024.</p> <p>A final distribution of \$1.8227 per CN4 is scheduled to be paid by ANZBGL in respect of all CN4 on 20 March 2024 (subject to the payment conditions in the CN4 terms and ANZBGL's absolute discretion) (Final CN4 Distribution). The record date for the Final CN4 Distribution is 7.00pm on 8 March 2024. All holders of CN4 on the record date will be entitled to receive the Final CN4 Distribution, including Eligible CN4 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 CN4 Holders to apply to have some or all of their CN4 Redemption Proceeds reinvested into Notes.²²</p> <p>If you are an Eligible CN4 Holder and you participate in the Reinvestment Offer, your CN4 Redemption Proceeds that you reinvest into Notes will be used to fund the Application Payment for the Notes. Those CN4 Redemption Proceeds will not be paid to you.</p> <p>Eligible CN4 Holders are not required to participate in the Reinvestment Offer and there is no guarantee Applications under the Reinvestment Offer will be accepted.</p>

²² The market price of CN4 is subject to change from time to time and CN4 holders may be able to sell or dispose of their CN4 at a price higher or lower than the price they would receive for the CN4 under the CN4 Redemption (being \$100 per CN4). The current market price of CN4 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 CN4 holder?</p>	<p>Participate in the Reinvestment Offer</p> <p>Eligible CN4 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 CN4 Redemption Proceeds will be paid to you on 20 March 2024 along with the Final CN4 Distribution; or • sell your CN4 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 CN4; – will not be entitled to receive the Final CN4 Distribution if you are not a CN4 holder on the record date for the distribution (7.00pm on 8 March 2024); and – if eligible, may use the sale proceeds from any CN4 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 differences between CN4 and ANZ Capital Notes 9 that Eligible CN4 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 CN4 Holders can apply to participate in the Reinvestment Offer.</p> <p>To be an Eligible CN4 Holder, you must:</p> <ul style="list-style-type: none"> • have been a registered holder of CN4 at 7.00pm on 8 February 2024; • be shown on the CN4 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 9 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 CN4 the subject of your Application.</p> <p>Eligible CN4 Holders who apply to participate in the Reinvestment Offer are taken to agree to a holding lock being placed on the CN4 the subject of their Application until the Issue Date.</p> <p>If CN4 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 CN4 available on the Closing Date for the Reinvestment Offer, which is expected to be 5.00pm on 11 March 2024.</p> <p>An Application to participate in the Reinvestment Offer is irrevocable once submitted unless ANZBGL 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 CN4 holder?	<p>The Final CN4 Distribution of \$1.8227 per CN4 is scheduled to be paid by ANZBGL in respect of all CN4 on 20 March 2024 (subject to the payment conditions in the CN4 terms and ANZBGL's absolute discretion). The record date for the Final CN4 Distribution is 7.00pm on 8 March 2024. All holders of CN4 on the record date will be entitled to receive the Final CN4 Distribution, including Eligible CN4 Holders who participate in the Reinvestment Offer.</p> <p>Any payment of the Final CN4 Distribution will be made via direct credit in accordance with your existing CN4 payment instructions. If you have not provided direct credit details, ANZBGL will deal with any payment in accordance with the CN4 terms.</p> <p>If you wish to change your CN4 payment instructions for the payment of the Final CN4 Distribution then you must provide updated instructions to the Registry by 7.00pm on 8 March 2024.</p>
3.1.8 If I apply to participate in the Reinvestment Offer, will I receive a priority allocation of Notes?	<p>Details on the allocation policy are set out in Section 4.4.3.</p>
3.1.9 Can my Application be subject to any scale back?	<p>For information of any potential scale back under the Offer (including in respect of Applications under the Reinvestment Offer), see Section 4.4.3.</p>
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 CN4 Redemption or the reinvestment of your CN4 Redemption Proceeds in Notes.</p> <p>CN4 Holders who choose to sell their CN4 on-market through their broker may be required to pay applicable brokerage.</p>

3.2 WHAT ARE THE KEY DIFFERENCES BETWEEN CN4 AND ANZ CAPITAL NOTES 9?

There are a number of differences between CN4 and ANZ Capital Notes 9 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 9 and CN4 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 9.

Topic	CN4	ANZ Capital Notes 9
Issuer	ANZBGL	ANZBGL
Protected under the Financial Claims Scheme	No	No
Term	Perpetual, subject to mandatory conversion into ANZGHL Ordinary Shares on 20 March 2026 (approximately 9.5 years after its issue date)	Perpetual, subject to Mandatory Conversion into ANZGHL Ordinary Shares on 20 September 2033 (approximately 9.5 years after the Issue Date) ²³
Margin	4.7%	2.90%, as determined under the Bookbuild
Distribution rate	Floating	Floating
Distribution payment dates	Quarterly	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 ANZBGL's absolute discretion and the payment conditions under the CN4 terms	Yes, subject to ANZBGL's absolute discretion and Payment Conditions
Distribution restriction if distribution not paid	Yes, if a distribution is not paid ANZBGL must not pay certain distributions on ANZBGL Ordinary Shares until and including the next quarterly distribution payment date. There is no restriction on ANZGHL	Yes, applies to ANZBGL Ordinary Shares until and including the next quarterly Distribution Payment Date – see Section 2.1.7. There is no restriction on ANZGHL
Transferable	Yes – quoted on ASX as “AN3PG”	Yes – expected to be quoted on ASX as “AN3PL”
Mandatory conversion into ANZGHL Ordinary Shares	Yes, on 20 March 2026 if the mandatory conversion conditions under the CN4 terms are satisfied	Yes, on 20 September 2033 if the Mandatory Conversion Conditions are satisfied
ANZBGL's early conversion option	Yes, on 20 March 2024 with APRA's prior written approval	Yes, on 20 March 2031, 20 June 2031 or 19 September 2031, ²⁴ with APRA's prior written approval – see Section 2.3
ANZBGL's early redemption option	Yes, on 20 March 2024 with APRA's prior written approval	Yes, on 20 March 2031, 20 June 2031 or 19 September 2031, ²⁴ with APRA's prior written approval – see Section 2.3

²³ ANZ Capital Notes 9 may also be Converted, Redeemed, Resold or Written Off in a number of other circumstances as described in this Prospectus.

²⁴ As 20 September 2031 is not a Business Day, this date has been brought forward to the preceding Business Day.

Topic	CN4	ANZ Capital Notes 9
ANZBGL resale rights	Yes, with APRA's prior written approval	Yes, with APRA's prior written approval – see Section 2.3
Other ANZBGL early redemption or resale options	Tax events (in Australia only) and regulatory events under the CN4 terms 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 ANZBGL early conversion options/ events	Tax events and regulatory events under the CN4 terms 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, ANZBGL must convert CN4 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 under the CN4 terms occurs. If ANZBGL is unable to convert CN4 within 5 business days of the trigger event, the CN4 will not be converted but will instead be written off.	Yes, ANZBGL 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 ANZGHL Ordinary Shares or ANZBGL Ordinary Shares	No right to vote at general meeting of holders of ANZGHL Ordinary Shares or ANZBGL Ordinary Shares
Ranking	Equal to ANZ Capital Securities, senior to ANZBGL Ordinary Shares, subordinated to claims of senior creditors (including ANZBGL depositors)	Equal to ANZ Capital Securities, senior to ANZBGL Ordinary Shares, subordinated to claims of Senior Creditors (including ANZBGL 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 CN4 Redemption amount of \$100 per CN4 (which does not include the Final CN4 Distribution) may be less than the ASX trading price of CN4 (which may include an amount representing the accrued portion of the Final CN4 Distribution). Rather than participating in the Reinvestment Offer, Eligible CN4 Holders may obtain a better financial outcome by selling their CN4 on-market and investing the proceeds in ANZ Capital Notes 9 (although any Application may be scaled back);
- if you are an Eligible CN4 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 9. As such, you will be subject to the risks associated with an investment in ANZ Capital Notes 9, in ANZBGL and in the ANZ Group generally, many of which are outside the control of ANZBGL, ANZGHL 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 9 and CN4 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

ANZBGL has made a target market determination for ANZ Capital Notes 9 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 comprises the target market for ANZ Capital Notes 9 (**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 9 (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 9;
- 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 9 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 NOTES²⁵

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

The Offer does not contain a specific offer for securityholders of ANZGHL or ANZBGL and Eligible CN4 Holders cannot apply directly to ANZBGL 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 and Institutional Investors.
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 CN4 in Notes (unless you hold less than that amount of CN4); – if you hold less than 50 CN4, you can still apply to participate in the Reinvestment Offer, but you must apply to reinvest all of your CN4 in Notes; and – an Application Payment is not necessary as your CN4 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.

²⁵ 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 9 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 ANZBGL. In particular, if you are a Retail Investor, you will be required to represent to ANZBGL that you have received personal advice from a qualified financial adviser in relation to your acquisition of ANZ Capital Notes 9.

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 ANZBGL 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 ANZBGL in the manner contemplated in this Prospectus and otherwise on the terms and conditions agreed to by ANZBGL 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 ANZBGL 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. ANZBGL 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 ANZBGL following completion of the Bookbuild.

4.5 ASX QUOTATION, CONFIRMATION STATEMENTS AND OTHER INFORMATION

4.5.1 ASX quotation

ANZBGL 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 21 March 2024 under ASX code "AN3PL".

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

ANZBGL has applied for Notes to participate in CHESS. No certificates will be issued for Notes. ANZBGL expects that Confirmation Statements for issuer sponsored holders and confirmations for CHESS holders will be despatched to successful applicants by 26 March 2024.

4.5.3 Provision of bank account details for Distributions

ANZBGL'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, ANZBGL'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, ANZBGL 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, ANZBGL 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 and the unfranked portion is not declared to be conduit foreign income.



05

SECTION 05

ABOUT ANZBGL, ANZGHL 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 ANZBGL AND ANZGHL; AND

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

5.1 OVERVIEW OF ANZ GROUP

The ANZ Group is one of the four major banking groups headquartered in Australia. ANZBGL is a public company incorporated and domiciled in Australia with debt listed on securities exchanges. ANZBGL's registered office is located at Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia, and the telephone number is +61 3 9683 9999. ANZBGL's Australian Business Number is ABN 11 005 357 522.

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

As at 30 September 2023, the ANZ Group had total assets of \$1,105.6 billion and share capital and reserves attributable to shareholders of the Company of \$69.5 billion.

On 3 January 2023, ANZBGL implemented a restructure that resulted in ANZGHL becoming the new listed parent company of the ANZ Group in place of ANZBGL (**Restructure**). ANZGHL is a non-operating holding company (**NOHC**) and is authorised as such for the purposes of the Banking Act 1959 (Cth) (the **Banking Act**). ANZGHL is listed, and ANZGHL ordinary shares are quoted, on the ASX.

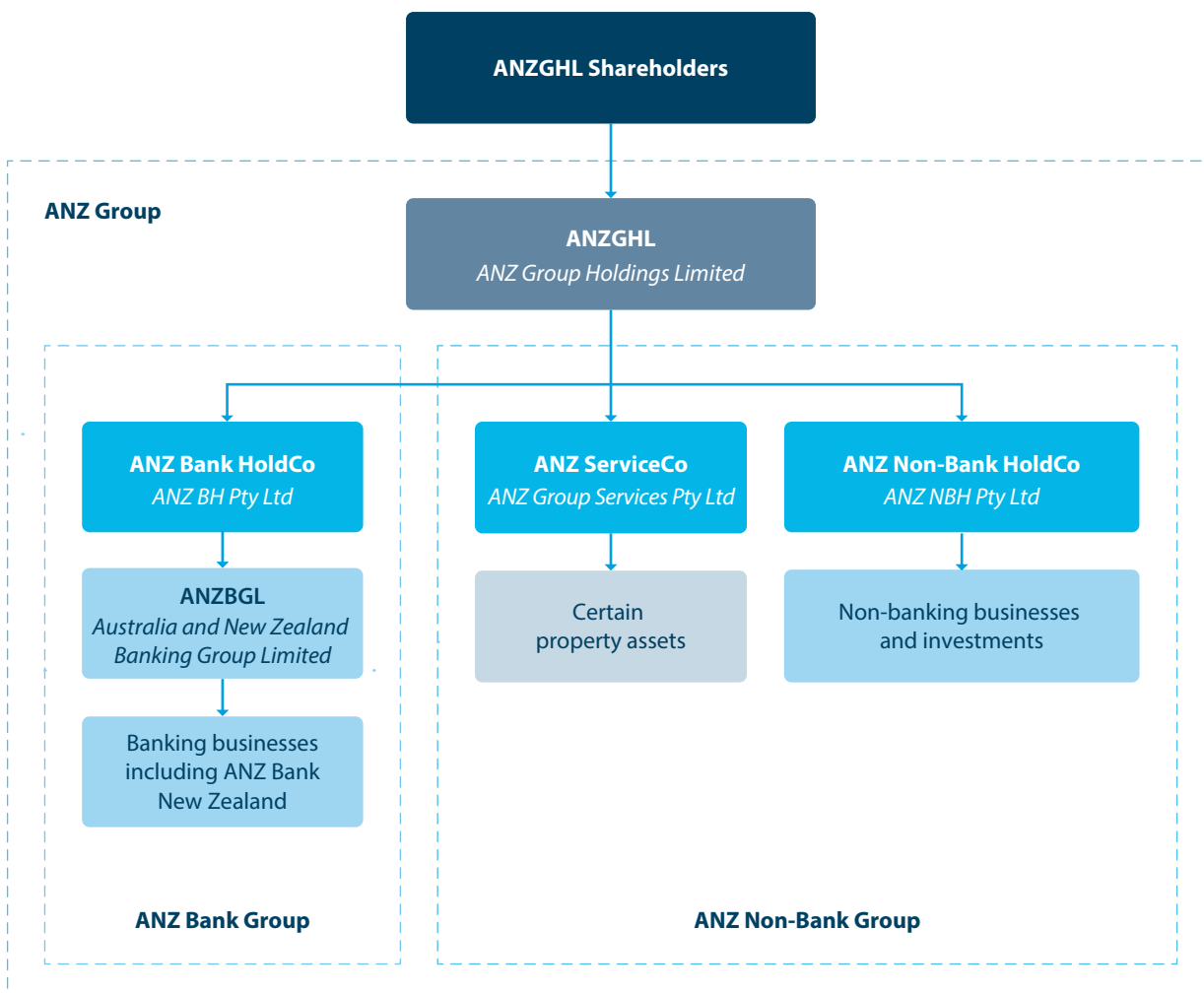
ANZGHL ordinary shares are also quoted on the New Zealand Stock Exchange (**NZX**). ANZBGL is an Authorised Deposit-Taking Institution (**ADI**) and is regulated by various prudential regulators, including the Australian Prudential Regulation Authority (**APRA**) in Australia and the Reserve Bank of New Zealand (**RBNZ**) in New Zealand. Following the Restructure, ANZBGL is a subsidiary of ANZGHL.

The composition of the ANZ Group following the Restructure is set out in the diagram below.

It should be noted that ANZGHL:

- does not guarantee ANZBGL's obligations generally or in connection with any securities issued by ANZBGL;
- does not have any obligations under the terms and conditions of senior debt issued by ANZBGL; and
- does not have any obligations under the terms and conditions of Tier 2 Capital securities or Additional Tier 1 Capital securities issued by ANZBGL (such as the Notes and other ANZ Capital Securities), except to the extent that such securities are convertible into ANZGHL Ordinary Shares as provided for in the terms and conditions of such securities.

Prior to the implementation of the Restructure, ANZBGL's principal ordinary share listing and quotation was on the ASX. Its ordinary shares were also quoted on the NZX. As a result of the Restructure, ANZBGL's ordinary shares are no longer listed or quoted on the ASX or NZX.



5.2 BUSINESS MODEL

The ANZ Group's business model primarily consists of raising funds through customer deposits and the wholesale debt markets and lending those funds to customers. In addition, the ANZ Group operates a Markets business which earns revenue from sales, trading and risk management activities. The ANZ Group also provides payments and clearing solutions.

The ANZ Group's primary lending activities are personal lending covering residential home loans, credit cards and overdrafts, and lending to corporate and institutional customers.

The ANZ Group's income is derived from a number of sources, primarily:

- Net interest income – represents the difference between the interest income the ANZ Group earns on its lending activities and the interest paid on customer deposits and wholesale funding;
- Net fee and commission income – represents fee income earned on lending and non-lending related financial products and services. It includes net funds management income;
- Share of associates' profits – represents the ANZ Group's share of the profit of an entity over which the ANZ Group has significant influence but not control; and
- Other income – includes net income from insurance business, revenue generated from sales, trading and risk management activities in the Markets business, net foreign exchange earnings, gains and losses from economic and revenue and expense hedges, and gains or losses from divestments and business closures.

5.3 STRATEGY

The ANZ Group's strategy is focused on improving the financial wellbeing and sustainability of its customers; by providing excellent services, tools and insights that engage and retain customers and support them in achieving their goals.

In particular, the ANZ Group wants 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.

The ANZ Group believes its strategy will be enabled by:

- **Propositions** its customers love – with easy-to-use services that evolve to meet their changing needs.
- Flexible and resilient digital banking **Platforms** – powering the ANZ Group's customers and made available for others to power the industry.
- **Partnerships** that unlock new value – with ecosystems that help customers further 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 it creates.

5.4 PRINCIPAL ACTIVITIES

During the 2023 financial year, the ANZ Group operated on a divisional structure with six divisions: Australia Retail, Australia Commercial, Institutional, New Zealand, Pacific, and Group Centre.

The divisions reported below are consistent with operating segments as defined in AASB 8 Operating Segments and with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer.

As at 30 September 2023, the principal activities of the ANZ Group's six divisions were:

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: SME Banking (small business owners and medium commercial customers) and Specialist Business (large commercial customers, high net worth individuals and family groups).

Institutional

The Institutional division services institutional and corporate customers and governments across Australia, New Zealand and International (including Papua New Guinea (**PNG**)) 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 ANZ Group's interest rate exposure and liquidity position.
- Central Functions consists of enablement functions that help deliver payments services, operational support and digital capability across both the Institutional division and the wider enterprise.

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. It delivers services via internet and app-based digital solutions and network of branches, mortgage specialists, relationship managers and contact centres.
- Business & Agri (previously "Business") provides a full range of banking services, through its 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.
- Central Functions includes Treasury and back-office support functions.

Pacific

The Pacific division provides products and services to retail and commercial customers (including multi-nationals) and to governments located in the Pacific region, excluding PNG, which forms part of the Institutional division.

Group Centre

Group Centre division provides support to the operating divisions, including technology, property, risk management, financial management, treasury, strategy, marketing, human resources, corporate affairs, and shareholder functions. It also includes minority investments in Asia and interests in the ANZ Non-Bank Group.

Possible M&A developments

As the ANZ Group focuses on its strategy, it continues to regularly examine a range of opportunities, including acquisitions and divestments, including the divestment of non-core businesses. In recent years, ANZ has sold or exited 29 businesses releasing capital that has been returned to shareholders or deployed to other parts of the ANZ Group to fund growth. The only material non-core businesses left are ANZ Group's three remaining Asian Bank investments. For further information, see Section 6.2.9.

5.5 DEVELOPMENTS TO THE ANZ GROUP

On 18 July 2022, the ANZ Bank Group announced an agreement to purchase 100% of the shares in SBGH Limited, the immediate non-operating holding company of Suncorp Bank. The acquisition was subject to Australian Competition and Consumer Commission (ACCC) authorisation or approval. The ACCC declined to grant authorisation for this acquisition in August 2023. On 25 August 2023, the ANZ Bank Group filed an application for Australian Competition

Tribunal review of the decision by the ACCC not to grant the authorisation. Under Australian competition law, the Australian Competition Tribunal is the review body for merger authorisation decisions and can vary or set aside the ACCC's decision.

On 20 February 2024, the the Australian Competition Tribunal delivered its decision to authorise the acquisition. Accordingly, subject to the ACCC or another third party seeking judicial review on limited grounds by the Full Federal Court and the remaining acquisition conditions being satisfied in due course, including Federal Treasurer approval and certain amendments to the State Financial Institutions and Metway Merger Act 1996 (QLD), the acquisition will proceed.²⁶ Assuming these conditions are satisfied, and the authorisation is not subject to judicial review, completion of the acquisition is expected to occur in or around mid-calendar year 2024. The capital requirements for the acquisition are sourced from existing available capital (for further information see Section 5.7.7).

For further information, see the risks related to the ANZ Bank Group's business activities and industry in Sections 6.2.1 - 6.2.9.

5.6 FINANCIAL INFORMATION ABOUT THE ANZ GROUP AND ANZBGL

5.6.1 ANZ Group's 2023 Financial Year

The ANZ Group's statutory profit after tax for the year ended 30 September 2023 attributable to the shareholders of ANZGHL was \$7,098 million, compared to \$7,119 million for the year ended 30 September 2022. The ANZ Group's dividend for the year ended 30 September 2023 was 175 cents per ANZGHL Ordinary Share (with the 2023 interim dividend of 81 cents fully franked and the 2023 final dividend of 94 cents partially franked at 56%) compared to 146 cents (fully franked) for the year ended 30 September 2022, an increase of 20%.

5.6.2 ANZBGL's 2023 Financial Year

The ANZ Bank Group's statutory profit after tax for the year ended 30 September 2023 attributable to the shareholders of ANZBGL was \$7,165 million, compared to \$7,119 million for the year ended 30 September 2022. The dividend paid by ANZBGL for the year ended 30 September 2023 was \$5,600 million compared to \$3,965 million for the year ended 30 September 2022.

5.6.3 2024 Pillar 3 update

ANZBGL released its Pillar 3 for the 3 months to 31 December 2023 on 12 February 2024.

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

²⁶ ANZBGL will also have a termination right under the Suncorp Bank Sale Agreement if APRA issues a written communication to ANZBGL under or in connection with APS 222 Associations with Related Entities (APS 222) to the effect that ANZBGL must not proceed with completion of the acquisition.

5.6.4 Historical results

The profit information in Sections 5.6.1 and 5.6.2 is historical information and is not a forecast of results to be expected in future periods.

5.6.5 Impact of the Offer on the ANZ Group's balance sheet

The issue of the Notes will increase the ANZ Group's subordinated debt and cash by approximately \$1,675 million (\$1.7 billion gross proceeds of the Offer, less approximately \$25 million of Offer costs) with no impact on the ANZ Group's net assets or shareholders' equity.

If all CN4 are redeemed by ANZBGL on 20 March 2024, the ANZ Group's subordinated debt and cash would reduce by approximately \$1,622 million, with no impact on the ANZ Bank Group's net assets or shareholders' equity.

On a net basis, the Offer of the Notes and the redemption of all of the CN4 would increase the ANZ Group's subordinated debt and cash by approximately \$53 million. The Offer of the Notes and the redemption of all of the CN4 will not have a material impact on the ANZ 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 ANZBGL raises more or less than \$1.7 billion under the Offer the figures referred to above will be impacted accordingly.

5.6.6 Impact of the Offer on the ANZ Bank Group's balance sheet

The issue of the Notes and the redemption of all of the CN4 will have the same impact on the ANZ Bank Group's balance sheet as on the ANZ Group's balance sheet as set out in Section 5.6.5 above.

5.7 CAPITAL ADEQUACY

5.7.1 Prudential regulation

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

ANZBGL is regulated by APRA because of its status as an ADI and ANZGHL is regulated by APRA as a NOHC. APRA's Prudential Standards aim to ensure that ADIs (including ANZBGL) 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. ANZBGL and specified APRA-approved 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. ANZ Bank 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, ANZGHL as the NOHC and all its related bodies corporate. Whilst ANZBGL 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 5.7.5.

ANZBGL measures capital adequacy monthly and reports for prudential purposes on a Level 1 and Level 2 basis.

Following the implementation of the NOHC restructure in January 2023, APRA's authority for ANZGHL to be a NOHC of ANZBGL (as an ADI) includes five conditions on the ANZ Group's capital management framework. Two of these are quantitative requirements being:

- ANZGHL must always ensure that the quality and quantity of the total capital of the ANZ Level 3 group is equivalent to, or greater than, the quality and quantity of the sum of the total capital of the ANZ Bank Group and the ANZ Non-Bank Group.
- ANZGHL must calculate and manage capital for the ANZ Non-Bank Group in accordance with an Economic Capital Model (ECM), which requires the amount of capital held, in the form of Common Equity Tier 1 Capital, to be equal to or greater than the capital requirement as calculated under the ECM. As at 30 September 2023, the ANZ Non-Bank Group held actual capital in excess of the economic capital requirement of \$181 million.

ANZBGL 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 2023 and the effect of the Offer on these ratios, see Sections 5.7.6 and 5.7.7.

5.7.2 Basel III Framework

ANZBGL 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**).

5.7.3 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 9). 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.

5.7.4 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 ANZBGL, 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**), which 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 ANZBGL is a D-SIB; plus
- a counter-cyclical capital buffer (**CCyB**) which is set on a jurisdictional basis. In respect of Australian exposures, the default rate for the CCyB is currently 1.0%, although it may vary over time up to 3.5% in response to market conditions. Regulators in some jurisdictions in which ANZBGL operates have set CCyBs that apply to exposures in that jurisdiction, and as such apply to ANZBGL. As at 30 September 2023, ANZBGL's CCyB was effectively 0.6583%.

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 ANZBGL 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 ANZBGL.

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 ANZBGL is able to apply the ANZ Group capital management strategy to those subsidiaries, including repatriating dividends from those subsidiaries (with the approval of the local regulator), ANZBGL 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 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 is currently 10.25% (assuming the 1% CCyB applies to all of ANZBGL'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.

5.7.5 Regulatory Developments

APRA Capital Reform

APRA released new bank capital adequacy requirements applying to Australian incorporated registered banks, which are set out in the Prudential Standards. APRA implemented these new requirements from 1 January 2023.

The new capital adequacy requirements include changes to the prudential standards with key features of the reforms including:

- improving the flexibility of the capital framework through larger capital buffers that can be used by banks to support lending during periods of stress;
- changes to RWA through more risk-sensitive risk weights increasing capital requirements for higher risk lending and decreasing it for lower risks;

- changes to loss given default rates (LGD) including approved use of an IRB approved LGD model for mortgage portfolios;
- an increase in the IRB scalar factor (from 1.06x to 1.1x);
- a requirement that IRB ADIs calculate and disclose RWA under the standardised approach and the introduction of a capital floor at 72.5% of standardised RWA; and
- use of prescribed New Zealand authority's equivalent prudential rules for the purpose of calculating the Level 2 regulatory capital requirement.

The application of the APRA Capital Reform reduced ANZBGL's RWA by \$34.5 billion as at 30 September 2023, equivalent to a 1.0% Common Equity Tier 1 Capital Ratio benefit. This was partially offset by APRA's expectations that ADIs operate a higher capital ratio to maintain an unquestionably strong level.

However, APRA continues to consult on and finalise revisions to a number of remaining 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.

APRA Discussion Paper on Additional Tier 1 Capital in Australia

In September 2023, APRA released a discussion paper entitled “Enhancing bank resilience: Additional Tier 1 Capital in Australia” (**APRA Discussion Paper**). In the APRA Discussion Paper, APRA states that it is exploring the effectiveness of Additional Tier 1 Capital in Australia. Potential options raised by APRA include:

- improving the key design features of Additional Tier 1 Capital (including potentially increasing capital trigger event threshold requirements from the current 5.125% to a higher level) so it more effectively absorbs losses;
- changing the required level or mix of regulatory capital requirements to reduce reliance on Additional Tier 1 Capital; and
- changes to diversify the investor base for Additional Tier 1 Capital instruments away from domestic retail investors.

APRA has sought feedback from stakeholders on the questions outlined in the APRA Discussion Paper and has indicated that following discussions with the Council of Financial Regulators, it intends to formally consult in 2024 on any proposed amendments to relevant Prudential Standards.

APRA has indicated that in implementing any options, there would be a transition time to enable issuers to adjust to new requirements and that this would include transition time if needed for existing Additional Tier 1 instruments to be replaced to ensure an orderly adjustment.

Until APRA's proposed changes (if any) are known, it is not possible to state what their impact (if any) might be on the Notes or the ANZ Group. Some of the risks that could result are described in Section 6.1.2 and Section 6.1.18.

The RBNZ review of capital requirements

The RBNZ's revised 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 ANZBGL's New Zealand banking subsidiary, ANZ Bank New Zealand Limited (**ANZ NZ**), still being implemented are as follows:

- ANZ NZ's tier 1 capital requirement will increase to 16% of RWA, of which up to 2.5% can be in the form of additional tier 1 capital under RBNZ's BPR. ANZ NZ's total capital requirement will increase to 18% of RWA, of which up to 2% can be tier 2 capital under RBNZ's BPR. The increased capital ratio requirements are being implemented progressively from 1 July 2022 to 1 July 2028.

- Additional tier 1 capital must consist of perpetual preference shares which may be redeemable. Tier 2 capital must consist of long-term subordinated debt.

The net impact on the ANZ Level 1 Group's Common Equity Tier 1 Capital is approximately \$1.0 billion to \$1.5 billion between 30 September 2023 and the end of the transition period in 2028 (based on the ANZ Group's 30 September 2023 balance sheet). The amount could also vary over time subject to changes to the capital position in ANZ NZ (e.g. from RWA growth, management buffer requirements, and potential dividend payments).

Group regulation – roadmap for review

In October 2022, APRA released a roadmap for review of the prudential framework for groups. The review will focus on rationalising requirements, promoting consistency, and providing clarity across different standards that apply to groups. As part of the review, guidelines for licensing new NOHC authorities will be updated. For existing APRA authorised NOHCs, there will be no immediate changes, although APRA will seek to ensure new or adjusted NOHC license conditions are applied in a consistent manner. The review will be multi-year, finishing in 2025.

5.7.6 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 12.6% and 13.1% at 31 December 2023 respectively. The December 2023 position incorporates the impacts from payment of ANZBGL's 2023 dividend payment, amongst other movements in the capital base. At 30 September 2023, the Common Equity Capital Ratios of the ANZ Level 1 and Level 2 Groups were 13.2% and 13.3% 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. ANZBGL 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 may be significantly impacted by the currently proposed or future regulatory changes, unexpected events affecting ANZBGL'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.

As at 31 December 2023, ANZBGL had approximately \$8.7 billion and \$12.0 billion of Common Equity Tier 1 Capital for the ANZ Level 1 Group and ANZ Level 2 Group respectively in excess of 10.25%. The 31 December 2023 capital position incorporates:

1. the impacts from payment of ANZBGL's 2023 final dividend of \$2.83 billion; and
2. the benefit of the \$3.5 billion equity raising in August 2022 to fund the acquisition of the Suncorp Bank. ANZBGL's Common Equity Tier 1 Capital Ratios will be reduced as a result of either completion of the Suncorp acquisition (refer to sections 5.5 and 5.7.7 for more details of the impact of the completion of the Suncorp Transaction), or any capital return if the acquisition does not complete.

This would also have equated to approximately \$27.5 billion and \$34.0 billion of surplus Common Equity Tier 1 Capital for the ANZ Level 1 Group and ANZ Level 2 Group respectively as at 31 December 2023 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.

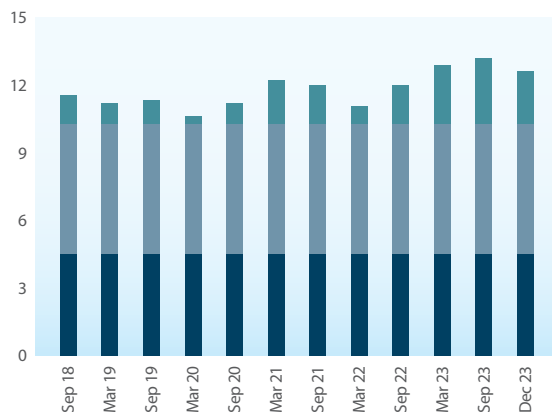
The Common Equity Tier 1 Capital for the ANZ Level 1 Group and ANZ Level 2 Group is monitored and considered by the ANZ Group and its boards on an ongoing basis, including having regard to the balance between prudential regulatory requirements, capital efficiency and the importance of maintaining an appropriately strong balance sheet. Where it is considered appropriate having regard to those and other factors, ANZGHL may take capital management actions which have the effect of returning capital to shareholders and reducing ANZ's Common Equity Capital Ratios (although no decision to take any such action has been made as at the date of this Prospectus).

The graphs below show ANZBGL'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 ANZBGL'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.

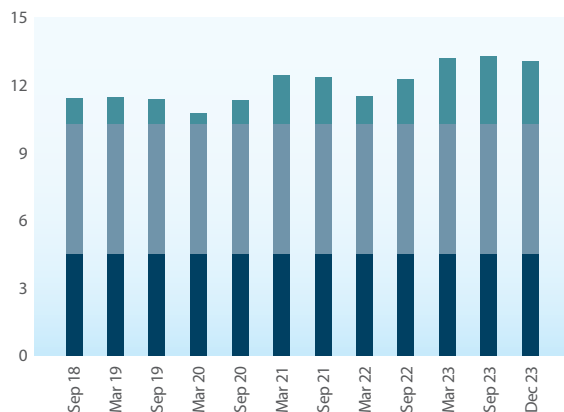
LEVEL 1

% Common Equity Capital Ratio



LEVEL 2

% Common Equity Capital Ratio



● Minimum Common Equity Tier 1 (CET1) capital requirement ● Combined Capital Buffer ● Common Equity Tier 1 Capital above 10.25%

5.7.7 Proforma consolidated capital adequacy position as at 31 December 2023

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 2023 adjusted for the effect of the proposed issue of \$1.7 billion of Notes under the Offer net of a redemption of the \$1,622 million of CN4 on 20 March 2024.

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 CN4 were redeemed;
- the sixth column shows the impact of the issue of \$1.7 billion of Notes less Common Equity Tier 1 Capital Deductions of approximately \$25 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 2023 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. ANZBGL's capital adequacy ratios will also be impacted by organic capital growth, changes in provisions and RWA growth since 31 December 2023.

ANZBGL'S SUMMARISED CONSOLIDATED CAPITAL ADEQUACY RATIOS AS AT 31 DECEMBER 2023						
ANZ Level 2 Group ¹	ANZBGL 30 Sep 2023	ANZBGL 31 Dec 2023 ²	Proforma adjustment: CN4 Redemption	Proforma ANZBGL 31 Dec 2023 after the CN4 Redemption	Proforma adjustment: CN9 issue	Proforma ANZBGL 31 Dec 2023 after CN4 Redemption and CN9 issue
Common Equity Capital Ratio	13.3%	13.1%	0.0%	13.1%	0.0%	13.1%
Additional Tier 1 Capital Ratio	1.9%	1.9%	-0.4%	1.5%	0.4%	1.9%
Tier 1 Capital	15.2%	15.0%	-0.4%	14.6%	0.4%	15.0%
Total Capital Ratio	21.0%	20.6%	-0.4%	20.2%	0.4%	20.6%

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 2023 are extracted from the ANZBGL Basel III Pillar 3 Disclosure as at 31 December 2023 (which are not subject to KPMG's audit or review processes).

The adjustments in the table above from the CN4 redemption and the issue of the Notes 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 2023 on a proforma basis. The Tier 1 Capital Ratio and Total Capital Ratio for the ANZ Level 1 Group as at 31 December 2023 would have reduced by 0.4% as a result of a redemption of all the CN4 and increased by 0.5% as a result of an issue of \$1.7 billion of Notes.

The table below shows the estimated impact of the completion of the acquisition of Suncorp Bank on the proforma capital adequacy ratios as at 31 December should it complete (see Section 5.5 for more details).

IMPACT OF SUNCORP ACQUISITION ON ANZBGL'S 31 DECEMBER 2023 PROFORMA CAPITAL RATIOS			
ANZ Level 2 group ¹	Proforma ANZBGL 31 December 2023 after CN4 Redemption and CN9 issue	Suncorp Acquisition	Proforma ANZBGL 31 December 2023 net of all proforma adjustments & Suncorp acquisition
Common Equity Capital Ratio	13.1%	-1.2%	11.8%
Additional Tier 1 Capital Ratio	1.9%	-0.1%	1.8%
Tier 1 Capital	15.0%	-1.4%	13.6%
Total Capital Ratio	20.6%	-1.7%	18.9%

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.

The expected net impact of the Suncorp Transaction on the ANZ Level 1 Group's Common Equity Capital Ratio is a reduction of approximately 0.6% on a proforma basis as at 31 December 2023.

5.8 OTHER AUSTRALIAN REGULATORS

In addition to APRA and its prudential and regulatory supervision, ANZBGL and its Australian subsidiaries are supervised and regulated in some respects by other regulators including ASIC, ACCC, AUSTRAC, OAIC and various securities exchanges.

ASIC is Australia's corporate, markets, financial services and consumer credit regulator. It regulates Australian companies, financial markets, financial services organisations and professionals who deal in and advise on investments, superannuation, insurance, deposit-taking and credit. As the consumer credit regulator, ASIC licenses and regulates people and businesses engaging in consumer credit activities (including banks, credit unions, finance companies, and mortgage and finance brokers). ASIC ensures that licensees meet required standards, including those related to responsibilities to consumers that are set out in the Australian National Consumer Credit Protection Act 2009. As the markets regulator, ASIC assesses how effectively authorised financial markets are complying with their legal obligations to operate fair, orderly and transparent markets. Since 1 August 2010, ASIC has had responsibility for the supervision of trading on Australia's domestic licensed equity, derivatives and futures markets. As the financial services regulator, ASIC licenses and monitors financial services businesses to ensure that they operate efficiently, honestly and fairly. These businesses typically deal in superannuation, managed funds, shares and company securities, derivatives and insurance. ANZBGL provides products and participates in markets regulated by ASIC.

The ACCC is an independent Commonwealth statutory authority that promotes competition and fair trading in the Australian marketplace to benefit consumers, businesses and the community. It also regulates some national infrastructure services. Its primary responsibility is to ensure that individuals and businesses, including the ANZ Group, comply with the Australian competition, fair trading and consumer protection laws.

AUSTRAC is Australia's financial intelligence agency and its anti-money laundering and counter-terrorism financing regulator. The ANZ Group is required to comply with certain anti-money laundering and counter-terrorism financing legislation and regulations under Australian law, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 of Australia (**AML Act**). The AML Act is administered by AUSTRAC.

The OAIC is an independent agency within the Australian Attorney General's portfolio. Its primary functions are privacy, freedom of information and government information policy, with responsibilities including conducting investigations, reviewing decisions, handling complaints, and providing guidance and advice.

Secrecy obligations may apply from time to time under or in connection with applicable laws including, without limitation, anti-money laundering, whistleblowing and banking and prudential laws and regulations. Information subject to such secrecy obligations may not be publicly disclosed.

5.9 FUNDING AND LIQUIDITY

5.9.1 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 ANZBGL and managed in accordance with the risk appetite set by the Board.

ANZBGL's liquidity and funding risks are governed by a detailed policy framework that is approved by ANZBGL's Board Risk Committee. The management of the liquidity and funding positions and risks is overseen by the ANZ Group Asset and Liability Committee. ANZBGL's liquidity risk appetite is defined by the ability to meet a range of regulatory requirements and internal liquidity metrics mandated by ANZBGL'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 ANZ 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, ANZBGL 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.

ANZBGL 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 ANZBGL's offshore operations.

5.9.2 Liquidity Ratio

ANZ's Level 2 Group average LCR for the quarter to 31 December 2023 was 129.8%, 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 9, ANZBGL AND THE ANZ GROUP. THEY ARE ALSO POTENTIAL RISKS ASSOCIATED WITH AN INVESTMENT IN ANZGHL.

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 ANZBGL AND IN ANZGHL, MANY OF WHICH ARE OUTSIDE THE CONTROL OF ANZBGL, ANZGHL 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 9

6.1.1 Investments in ANZ Capital Notes 9 are an investment in ANZBGL

Investments in Notes are an investment in ANZBGL 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 ANZGHL Ordinary Shares or other securities issued by ANZBGL, ANZGHL 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 ANZBGL, ANZGHL and the ANZ 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.

The liquidity of the market for Notes may be negatively impacted by a number of factors, including changes in law, including laws relating to franking credits or other laws, or if pursuant to the DDO Legislation, ASIC exercises its product intervention powers in relation to Notes or comparable securities issued by ANZBGL or other entities, or changes resulting from the APRA Discussion Paper (see Section 6.1.27 and 6.2.16).

Notes are expected to Convert into ANZGHL Ordinary Shares on 20 September 2033 (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 ANZGHL Ordinary Shares at or after the time of Conversion or the market for ANZGHL 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 ANZGHL Ordinary Shares or senior or subordinated debt issued by ANZBGL or ANZGHL, the occurrence or potential occurrence of a Trigger Event or factors resulting in ANZBGL 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, ANZBGL'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 ANZBGL'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 ANZGHL Ordinary Shares to changes in interest rates and credit spreads. Increases in relevant interest rates or ANZBGL'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.²⁷

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

ANZGHL Ordinary Shares issued as a result of any Conversion of Notes will, following Conversion, rank equally with existing ANZGHL Ordinary Shares. Accordingly, the ongoing value of any ANZBGL Ordinary Shares received upon Conversion will depend upon the market price of ANZGHL 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 ANZ Group's financial performance and position

If the ANZ 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.

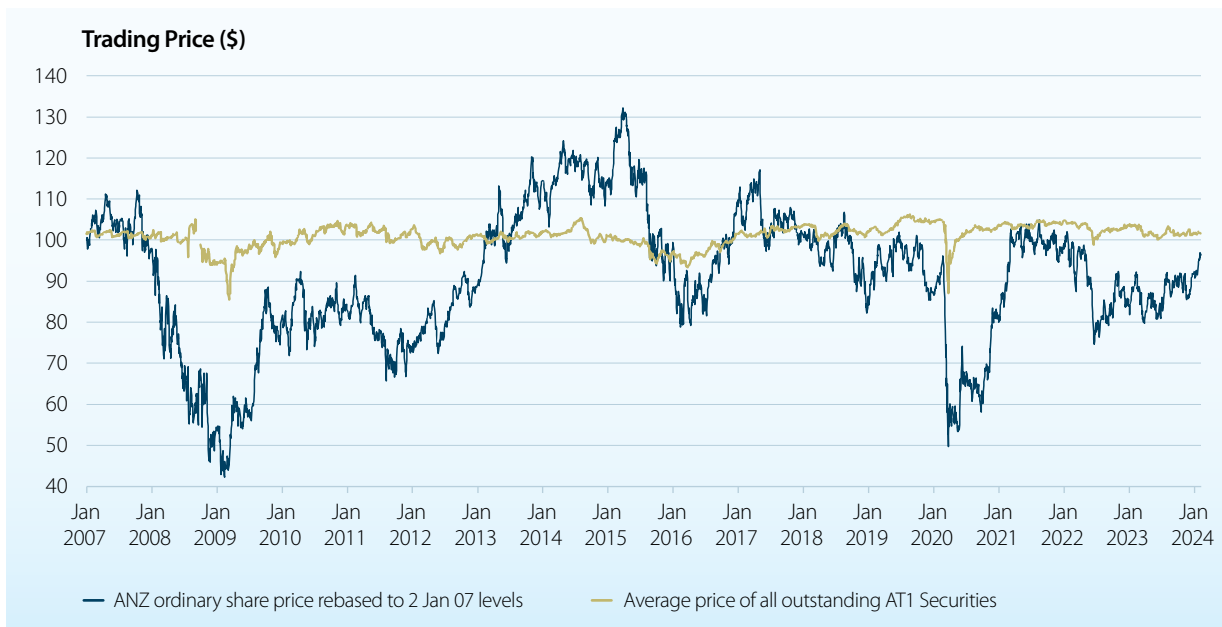
6.1.5 Fluctuation in ANZGHL Ordinary Share Price

Upon Conversion (other than Conversion resulting from a Trigger Event – see Section 6.1.11), Holders will receive approximately \$101 worth of ANZGHL Ordinary Shares per Note (based on the VWAP during the 20 Business Days on which trading in ANZGHL Ordinary Shares took place immediately preceding (but not including) the Mandatory Conversion Date or other date on which Notes are Converted). As illustrated in the graphs below, the market price of ANZGHL Ordinary Shares will move up or down due to various factors, including investor perceptions, domestic and worldwide economic conditions and ANZBGL's, ANZGHL's or the ANZ 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 ANZGHL Ordinary Shares. The VWAP during

²⁷ ANZBGL was the head entity of the ANZ Group until 3 January 2023, following which ANZGHL became the head entity of the ANZ Group.

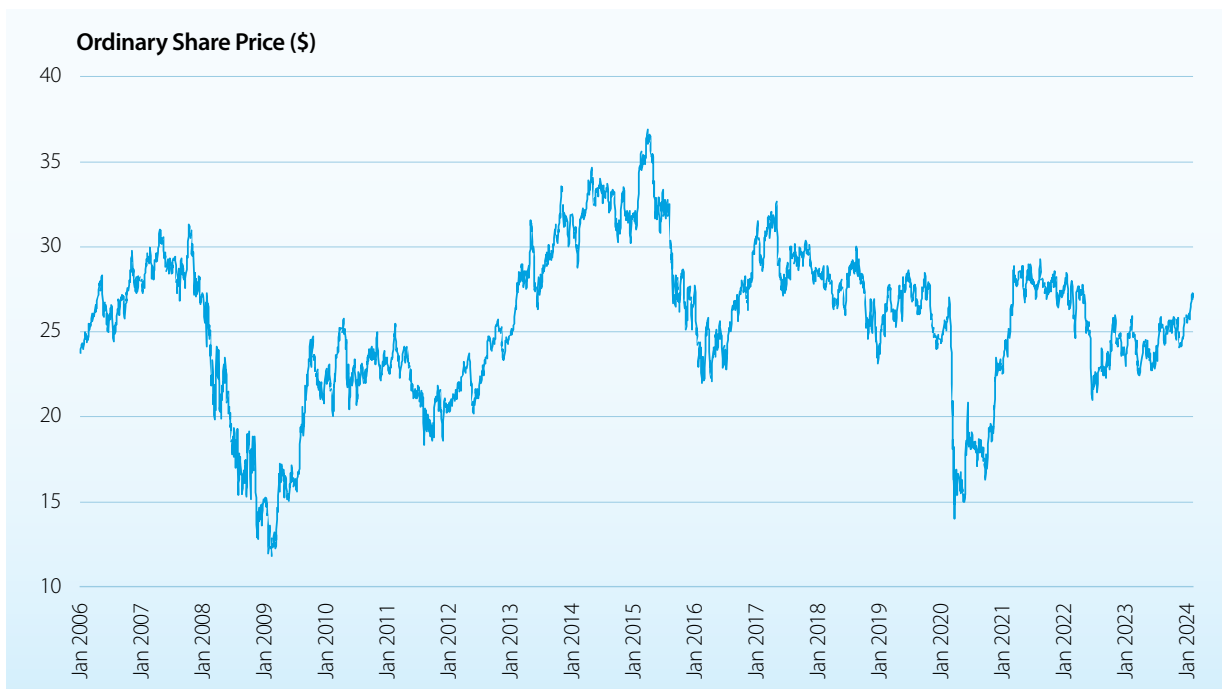
the relevant period before the date of Conversion that is used to calculate the number of ANZGHL Ordinary Shares that Holders receive may differ from the ANZGHL Ordinary Share price on or after the date of Conversion. This means that the value of ANZGHL Ordinary Shares received may be more or less than anticipated when they are issued or thereafter.

AVERAGE TRADING PRICES OF SELECTED ANZ CAPITAL SECURITIES COMPARED TO AN ADJUSTED ANZ ORDINARY SHARE PRICE^{1, 2}



- 1 This graph reflects ordinary movements in the trading prices of the relevant securities and does not reflect total shareholder return for those securities over the period.
- 2 The rebasing of the ordinary share price has been undertaken to illustrate the historical volatility of ordinary shares against AT1 securities. The ordinary share price is of ordinary shares in the capital of ANZBGL in respect of the period before 3 January 2023 and the ANZGHL Ordinary Shares thereafter.

TRADING PRICES OF ORDINARY SHARES



Other events and conditions may affect the ability of Holders to trade or dispose of the ANZGHL Ordinary Shares issued on Conversion, for example, the willingness or ability of ASX to accept the ANZBGL Ordinary Shares issued on Conversion for listing or any practical issues which affect that listing, any disruption to the market for the ANZGHL Ordinary Shares or to capital markets generally, the availability of purchasers for ANZGHL Ordinary Shares and any costs or practicalities associated with trading or disposing of ANZGHL 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 ANZGHL 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 ANZBGL to pay Distributions. Distributions will only be paid at ANZBGL's discretion. ANZBGL 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 ANZBGL not complying with APRA's current capital adequacy arrangements, (2) making the payment would not result in ANZBGL becoming, or being likely to become, insolvent for the purposes of the Corporations Act and (3) APRA does not object 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 5.7.4.

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 ANZBGL does not pay a Distribution when scheduled, a Holder:

- has no right to apply for ANZBGL, ANZGHL 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 ANZBGL, ANZGHL or any other member of the ANZ Group merely on the grounds that ANZBGL 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 ANZBGL.

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

However, if ANZBGL does not pay a Distribution in full on a Distribution Payment Date, then the Distribution Restriction applies to ANZBGL unless the Distribution is paid in full within 3 Business Days of that date. The Distribution Restriction only restricts distributions in respect of ANZBGL Ordinary Shares. It does not restrict distributions in respect of ANZGHL Ordinary Shares. The Distribution Restriction only applies until and including the next quarterly Distribution Payment Date. The dates for distribution with respect to ANZBGL Ordinary Shares are determined by ANZBGL, 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) ANZBGL will not be restricted from making a distribution on ANZBGL Ordinary Shares – see Section 2.1.7 for more details.

As noted above, there is no restriction on ANZGHL resolving to pay or paying any dividend on, or buying back, or reducing capital on, ANZGHL Ordinary Shares if ANZBGL does not pay a Distribution on a Note. However, ANZGHL's capacity to do so may be reduced by the application of the Distribution Restriction on ANZBGL described above. It is expected that dividends from ANZBGL will be a significant portion of the profits of ANZGHL, at least in the short to medium term. However, the profit contribution of ANZBGL to ANZGHL 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 ANZBGL 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 9) and discretionary staff bonuses will apply if the Common Equity Capital Ratio falls into the Combined Capital Buffer. For further information, see Sections 5.7 and 6.1.11.

Refer to Sections 5.7.4 and 5.7.5 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 ANZBGL 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 are expected to be franked at the same rate as dividends on the ANZGHL Ordinary Shares. ANZGHL's most recent ordinary dividend paid in December 2023 was franked at 56%. The level of franking may vary over time and Distributions may be partially, fully or not franked. There is no guarantee that ANZGHL 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 ANZGHL Ordinary Shares

ANZGHL Ordinary Shares are a different type of investment from Notes. For example, dividends on ANZGHL Ordinary Shares are not determined by a formula. ANZGHL Ordinary Shares rank behind the claims of all other securities and debts of ANZGHL in a winding-up of ANZGHL. ANZGHL 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 ANZGHL Ordinary Shares issued on Exchange. For example, the willingness or ability of ASX to accept the ANZGHL Ordinary Shares issued on Exchange for quotation or any practical issues which affect that quotation, any disruption to the market for the ANZGHL Ordinary Shares or to capital markets generally, the availability of purchasers for ANZGHL Ordinary Shares and any costs or practicalities associated with trading or disposing of ANZGHL 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 ANZBGL, ANZGHL 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 ANZBGL.

ANZBGL 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 ANZBGL determines that BBSW has been affected by a “Reference Rate Disruption Event”, ANZBGL 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). In making such determinations, ANZBGL must act in good faith and a commercially reasonable manner after consultation with such sources of market practice as it considers appropriate.

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 9 are perpetual and Mandatory Conversion may not occur on the Scheduled Mandatory Conversion Date or at all

Notes are expected to Convert into ANZGHL Ordinary Shares on 20 September 2033 (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 ANZGHL Ordinary Share price relative to the Issue Date VWAP, or if ANZGHL 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 ANZGHL Ordinary Share price may be affected by transactions affecting the share capital of ANZGHL, 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 ANZGHL Ordinary Shares and pro rata bonus issues of ANZGHL 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 ANZGHL 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 ANZGHL 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.

ANZBGL must Convert Notes into ANZGHL 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 ANZBGL, and by APRA's prescriptions for the determination of the ratios at Level 1 or Level 2. Accordingly, there is a risk that ANZBGL's Common Equity Capital Ratio falls to 5.125% or below and that as a result, Notes Convert into ANZGHL 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 ANZBGL that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZBGL would become non-viable; or
- a determination by APRA, notified to ANZBGL in writing, that without a public sector injection of capital, or equivalent support, ANZBGL 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 ANZBGL. For instance, systemic and non-systemic macroeconomic, environmental and operational factors, globally and in Australia and New Zealand may affect the viability of ANZBGL.

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 ANZGHL Ordinary Shares per Note (and suffer loss as a consequence) because:

- the number of ANZGHL Ordinary Shares issued per Note is limited to the Maximum Conversion Number and this number of ANZGHL Ordinary Shares may have a value of less than \$101;
- if the number of ANZGHL Ordinary Shares to be issued is calculated, based on VWAP, to be less than the Maximum Conversion Number, the VWAP may differ from the ANZGHL 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 ANZGHL Ordinary Shares received on Conversion as well as ANZGHL 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 ANZGHL 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 ANZGHL Ordinary Shares, including for example rights issues, returns of capital, buy-backs or special dividends. The Note Terms do not limit the transactions that ANZGHL 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 ANZBGL or ANZGHL is prevented from performing any of their obligations necessary to effect Conversion of any 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 ANZBGL or ANZGHL) 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. If Notes are Written Off, Holders have no claim at all on ANZBGL or ANZGHL (even though ANZGHL Ordinary Shares will still be on issue), and they are likely to be worse off than holders of ANZGHL Ordinary Shares or ANZBGL Ordinary Shares.

The laws under which an Inability Event may arise include laws relating to the insolvency, winding-up or other external administration of ANZBGL. 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;
- ANZBGL 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. In addition, there is no requirement that the rights attaching to ANZGHL Ordinary Shares or ANZBGL Ordinary Shares be cancelled or limited before Relevant Securities are subject to loss absorption;
- where a Non-Viability Trigger Event occurs because APRA determines that, without a public sector injection of capital or equivalent support, ANZBGL would become non-viable, all the Notes will be Converted;
- the greater the number of Relevant Securities and Tier 2 Capital instruments that are required to be converted, the more likely the market price of ANZGHL 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 ANZGHL Ordinary Shares at the time those instruments were issued. A holder of ANZ Capital Notes 9 who receives the Maximum Conversion Number of ANZGHL Ordinary Shares on Conversion of their Notes may receive fewer ANZGHL Ordinary Shares per Note than a holder of another Relevant Security the terms of which provide for a higher maximum conversion number.

See Section 5.7 for more details of ANZBGL's capital structure and capital ratios.

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

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

For example, if APRA approves an election by ANZBGL to Redeem or Resell the Notes, Holders will receive cash equal to \$100 per Note rather than ANZGHL 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 ANZGHL Ordinary Shares on Conversion, they will have the same rights as other ANZGHL Ordinary Shareholders, which are different to the rights attaching to Notes.

If ANZBGL 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 ANZBGL as a result of that non-payment.

6.1.13 Conversion on Change of Control Event

If a Change of Control Event occurs, ANZBGL is required to Convert all Notes in accordance with the Note Terms (see Clause 4.10 of the Note Terms). ANZBGL 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, ANZBGL 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 ANZBGL or ANZGHL 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 ANZBGL's or ANZGHL's business, or ANZBGL's shareholding. Where the corporate activity is not a Change of Control Event, ANZBGL 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 ANZBGL is subject to certain events occurring

If ANZBGL 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 ANZGHL Ordinary Share price on the second Business Day before the date on which an Exchange Notice is to be sent by ANZBGL (or, if trading in ANZGHL Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in ANZGHL Ordinary Shares occurred).

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

APRA has 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 ANZBGL 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 ANZBGL'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 ANZGHL Ordinary Shares issued on Conversion, for example, the willingness or ability of ASX to accept the ANZGHL Ordinary Shares issued on Conversion for listing or any practical issues which affect that listing, any disruption to the market for the ANZGHL Ordinary Shares or to capital markets generally, the availability of purchasers for ANZGHL Ordinary Shares and any costs or practicalities associated with trading or disposing of ANZGHL 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 ANZBGL

Notes are not deposit liabilities of ANZBGL or ANZGHL and the payment of Distributions and payment on Redemption or Resale is not guaranteed by ANZBGL, ANZGHL or by any other person. 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 ANZBGL in respect of Notes except as provided in the Note Terms. Notes are unsecured.

In the event of a winding-up of ANZBGL, 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 ANZBGL 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 ANZBGL, 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 ANZGHL Ordinary Shares, Holders will become holders of ANZGHL 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 Notes are Written Off, Holders have no claim at all on ANZBGL or ANZGHL (even though ANZGHL Ordinary Shares will still be on issue), and they are likely to be worse off than holders of ANZGHL Ordinary Shares or ANZBGL Ordinary Shares.

If there is a shortfall of funds on a winding-up of ANZBGL 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 ANZBGL. 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 ANZBGL become insolvent.

6.1.17 Changes to credit ratings

ANZBGL'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 ANZBGL 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 ANZGHL 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, the Directors may determine that a Regulatory Event has occurred. A Regulatory Event will not arise where at the Issue Date ANZBGL expected the event would occur. A Regulatory Event will allow Exchange of all or some Notes on issue at the option of ANZBGL (subject to APRA's prior written approval). For the risks attaching to ANZBGL's discretion to Exchange in certain specified circumstances see Section 6.1.12.

There is a risk that the outcome of the consultation foreshadowed in the APRA Discussion Paper might result in APRA determining that Notes should not be included in Additional Tier 1 Capital, either immediately, or as APRA has suggested in the APRA Discussion Paper, after some transitional period. Such an outcome could result in ANZBGL deciding that a Regulatory Event has occurred. Such an outcome may also affect the market price and liquidity of Notes.

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,

ANZBGL is entitled to Exchange all or some Notes (subject to APRA's prior written approval – see Section 6.1.12). ANZBGL will not be entitled to Exchange in these circumstances if ANZBGL 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 ANZBGL may pay would increase and the franking credits attached to that Distribution would decrease.

ANZBGL 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 ANZBGL in future financial periods. This may adversely affect the ability of ANZBGL to pay Distributions.

6.1.21 Future issues or redemptions of securities by ANZBGL or ANZGHL

Notes do not in any way restrict ANZBGL or ANZGHL 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).

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

ANZBGL may in the future issue securities that:

- rank for dividends or payments of capital (including on the winding-up of ANZBGL) 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.

ANZBGL 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, ANZBGL 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 ANZBGL, ANZGHL 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 ANZBGL or ANZGHL may have on the market price or liquidity of Notes or of the likelihood of ANZBGL making payments on Notes.

Similarly, Notes do not restrict ANZBGL 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).

ANZBGL 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 ANZBGL 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 ANZBGL of existing securities may have on the market price or liquidity of Notes or on ANZBGL'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 ANZGHL, 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 ANZGHL) 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 ANZGHL 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 ANZBGL 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, ANZBGL is entitled, in certain circumstances, to appoint a nominee (who may not be ANZBGL, ANZGHL or a Related Entity of ANZBGL). If a nominee is appointed, the relevant ANZGHL Ordinary Shares issued on Conversion will be issued to the nominee who will sell those ANZGHL Ordinary Shares and pay a cash amount equal to the net proceeds to the Foreign Holder. There is a risk that ANZBGL 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 ANZGHL Ordinary Shares issued on Conversion of Notes, ANZBGL may either issue the ANZGHL Ordinary Shares which the Holder is obliged to accept to the Holder of the Notes net of FATCA Withholding and issue the balance of ANZGHL Ordinary Shares to a nominee or will issue the ANZGHL Ordinary Shares which the Holder is obliged to accept entirely to a nominee. In each case, the nominee (which may not be ANZBGL, ANZGHL or a Related Entity of ANZBGL) will sell

the ANZGHL Ordinary Shares issued to it, deal with any proceeds of their disposal in accordance with FATCA and, where the ANZGHL 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 ANZBGL, ANZGHL or the nominee owes any obligations or duties to Holders in relation to the price at which ANZGHL Ordinary Shares are sold or has any liability for any loss suffered by a Holder as a result of the sale of ANZGHL Ordinary Shares.

6.1.23 Powers of a Banking Act Statutory Manager and of APRA

ANZBGL is an ADI and ANZGHL 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 ANZBGL or ANZGHL 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 ANZBGL or ANZGHL to transfer all or part of its business, or require the transfer of shares in ANZBGL, 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 ANZBGL or ANZGHL is party and thus may have an adverse effect on ANZBGL's or ANZGHL's 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.

The Banking Act does not impose on APRA any requirement to ensure that, in the exercise of its powers, holders of regulatory capital securities (such as ANZ Capital Notes 9) are no worse off than they would be in an insolvency.

6.1.24 Amendment of Note Terms

ANZBGL may, in certain circumstances, amend the Note Terms without the consent of Holders. ANZBGL 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 9 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), ANZBGL may elect to substitute an Approved Successor:

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

ANZBGL may elect to substitute an Approved NOHC, ANZGHL or ANZBGL 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, ANZBGL 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 ANZGHL 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 ANZBGL 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 ANZBGL 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 ANZBGL (or ANZGHL, as the case may be) and the substitution may adversely affect the position of Holders.

6.1.26 No rights with respect to ANZGHL Ordinary Shares

Holders have no voting or other rights in relation to ANZGHL Ordinary Shares until ANZGHL Ordinary Shares are issued to them. In addition, the Notes do not confer on Holders any right to subscribe for new securities in ANZBGL or ANZGHL or to participate in any bonus issue of securities. The rights attaching to ANZGHL Ordinary Shares if ANZGHL Ordinary Shares are issued will be the rights attaching to ANZGHL Ordinary Shares at that time. Holders have no right to vote on or otherwise to approve any changes to ANZGHL's constitution in relation to the ANZGHL 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 ANZBGL 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 9.

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 9 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 uncertain, 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 9. These changes may also affect the liquidity of funding instruments (including instruments like ANZ Capital Notes 9), 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 ANZBGL AND THE ANZ BANK GROUP

The ANZ Bank Group's activities are subject to risks and uncertainties that can materially and adversely impact its business, business model, operations, results of operations, reputation, prospects, liquidity, capital resources, financial performance and financial condition (together, the **ANZ Bank Group's Position**). These risks and uncertainties may be financial or non-financial and may result from external factors over which the ANZ Bank Group may have little or no control. The risks and uncertainties described below are not the only ones that the ANZ Bank Group may face. Additional risks and uncertainties that the ANZ Bank Group is unaware of, or that the ANZ Bank Group currently does not consider material, may also become important factors that affect it. If any of the specified or unspecified risks and uncertainties actually occur (individually or collectively), the ANZ Bank Group's Position may be materially and adversely affected, with the result that the trading price or value of the ANZ Bank Group's equity or debt securities could decline and investors could lose all or part of their investment.

Risks related to the ANZ Bank Group's business activities and industry

6.2.1 Changes in political and economic conditions, particularly in Australia, New Zealand, the Asia Pacific region, the United Kingdom, Europe and the United States (the Relevant Jurisdictions), may adversely affect the ANZ Bank Group's Position

The ANZ Bank Group's financial performance is influenced by the political, economic and financial conditions in the countries and regions in which the ANZ Bank Group, its customers and its counterparties carry on business.

The ANZ Bank Group can give no assurances as to the likely future conditions in the economies of the Relevant Jurisdictions where the ANZ Bank Group has its main operations, or other jurisdictions in which the ANZ Bank Group operates or obtains funding.

The political, economic and financial conditions in the Relevant Jurisdictions may be impacted by a range of factors including, but not limited to, domestic and international economic events, the stability of the banking system and any related implications for funding and capital markets, other changes in financial markets, global supply chain developments, political developments, pandemics and natural disasters.

Instability in political conditions may result in uncertainty, declines in market liquidity, increases in volatility in global financial markets and adversely impact economic activity in the Relevant Jurisdictions, which could adversely affect the ANZ Bank Group's Position. Recent examples include the conflict in Ukraine, the Israel-Hamas war and the associated implementation of economic security-related legislation, sanctions and trade restrictions in various markets, and heightened tensions between the United States and China.

Although the ANZ Bank Group does not operate in and does not currently have any material direct exposure to Israel, Gaza, Russia or Ukraine, any prolonged market volatility or economic uncertainty could adversely affect the ANZ Bank Group's Position. Tensions between the United States and China also have the potential to adversely impact the markets in which the ANZ Bank Group operates and the ANZ Bank Group's Position. These geopolitical issues have led to the implementation of economic security-related legislation and trade restrictions in many markets, including enhanced inbound and outbound investment screening mechanisms, anti-coercion instruments, sanctions, export controls and security-related industrial policy.

Inflationary pressure is high in many economies, including in the Relevant Jurisdictions. Excessively strong demand for goods and services, geopolitical tensions, and global economic challenges such as supply chain issues, weather conditions in agricultural regions, high energy prices, high food prices and tight labour markets, have contributed to high inflation. The risk of persistently high inflation may exacerbate market volatility, further slow economic growth and increase unemployment, each of which may cause further declines in business and investor confidence and increase the risk of customer defaults, which could adversely affect the ANZ Bank Group's Position.

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 Bank 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 or economic security-related trade policies, including sanctions, could adversely affect Australian or New Zealand

economic activity, and as a result, could adversely affect the ANZ Bank Group's Position. Furthermore, if there was a broad-based and sustained economic slowdown in China, the health of the Chinese financial system may be adversely impacted, which could have negative effects on the global financial system and economy. This could result in an economic downturn, counterparties defaulting on their obligations, and countries introducing capital controls, and could adversely affect the ANZ Bank Group's Position. Refer to Section 6.2.5 "Changes in the real estate markets in Australia, New Zealand or other markets where the ANZ Bank Group does business may adversely affect the ANZ Bank Group's Position".

The stability of banking systems has come under scrutiny in recent times as a result of the failure of certain banking institutions in the United States and Europe. The risk of contagion from the failure of a bank or other financial institution could materially impact the ANZ Bank Group's ability to replace maturing liabilities and access funding in a timely and cost effective manner, which could adversely affect the ANZ Bank Group's Position. Refer to Section 6.2.13 "Liquidity and funding risk events may adversely affect the ANZ Bank Group's Position".

There has been a rise in investor caution across global commercial real estate markets as investors are reallocating to other investment classes or waiting for greater certainty with respect to inflation and interest rates, particularly as a result of weakening sentiment in the United States and Europe. A global liquidity constraint could compound the effects of weakening fundamentals on valuations and refinance risk in commercial real estate markets. Changes in the real estate markets in Australia, New Zealand or other markets where the ANZ Bank Group does business may adversely affect the ANZ Bank Group's Position. Negative developments in commercial real estate markets could lead to increased credit losses from business insolvencies, increased financial stress and defaults from higher leveraged borrowers, which could adversely affect the ANZ Bank Group's Position. Refer to Section 6.2.5 "Changes in the real estate markets in Australia, New Zealand or other markets where the ANZ Bank Group does business may adversely affect the ANZ Bank Group's Position".

If economic conditions deteriorate in the Relevant Jurisdictions, asset values in housing, commercial or rural property markets could decline, unemployment could rise and corporate and personal incomes could decline. Deterioration in global markets, including equity, property, currency and other asset markets, may impact the ANZ Bank Group's customers and the security the ANZ Bank Group holds against loans and other credit exposures. This may impact the ANZ Bank Group's ability to recover loans and other credit exposures. Should any of these occur, the ANZ Bank Group's Position could be adversely affected. Refer to Section 6.2.10 "Credit risk may adversely affect the ANZ Bank Group's Position".

6.2.2 The COVID-19 pandemic and future pandemics may adversely affect the ANZ Bank Group's Position

The effects of the COVID-19 pandemic continue to impact the ANZ Bank Group's Position, and the domestic and global economy. The future impacts of the COVID-19 pandemic remain uncertain. Further variants may develop that impact the ANZ Bank Group's customers and businesses and could lead to government having to take action which could adversely impact the ANZ Bank Group's Position. COVID-19 related supply chain disruption and mobility constraints could result in a decline in the ANZ Bank Group's profit margins, and could impact customers' cash flows, capital, liquidity and financing needs. Substantially reduced global economic activity during the COVID-19 pandemic caused substantial volatility in global financial markets. This is expected to continue to have a significant impact on the Relevant Jurisdictions. Customers enduring hardship may suffer detriment if the ANZ Bank Group cannot provide tailored support and sustainable arrangements based on individual circumstances. Political and economic conditions following the COVID-19 pandemic or other pandemics may cause a reduction in demand for the ANZ Bank Group's products and services, an increase in loan and other credit defaults, bad debts, and impairments and an increase in the cost of the ANZ Bank Group's operations. If any of these occur, the ANZ Bank Group's Position could be adversely affected.

6.2.3 Competition in the markets in which the ANZ Bank Group operates may adversely affect the ANZ Bank Group's Position

The markets in which the ANZ Bank Group operates are highly competitive. Competition is expected to continue to increase. Competitors include non-Australian financial service providers who expand in Australia or New Zealand, new non-bank entrants and smaller providers. Examples of factors that may affect competition and negatively impact the ANZ Bank Group's Position include:

- entities that the ANZ Bank 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 Bank Group would otherwise seek to employ;
- digital technologies and business models are changing customer behaviour and the competitive environment. Competitors are increasingly utilising new technologies including artificial intelligence (AI) and disrupting existing business models in the financial services sector;
- companies from outside of the financial services sector are directly competing with the ANZ Bank Group by offering products and services traditionally provided by banks. This includes new entrants obtaining banking licenses and partnering with existing competitors;

- 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 Bank Group may choose not, or may not be able, to provide financial services, competitively. A new form of currency could change how financial intermediation and markets operate and, with that, may adversely impact the competitive and commercial position of the ANZ Bank Group;
- Open Banking (as described below) may lead to increased competition (see Section 6.2.16 "Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the ANZ Bank Group's Position"); and
- the Australian and New Zealand Governments may consider implementing policies that further increase competition in the banking market. Recent examples include the Australian Parliament's inquiry into economic dynamism, competition and business formation and the ACCC's inquiry into the market for the supply of retail deposit products. The Australian Government has also recently commenced a review of its competition laws and institutions. In New Zealand, the Commerce Commission has also commenced a market study into any factors that may affect competition for the supply or acquisition of personal banking services. Whilst these inquiries and reviews may result in the implementation of policies that increase competition in the banking market, the exact impact of inquiries and reviews on the ANZ Bank Group remains unclear.

The impact on the ANZ Bank Group of an increase in competitive market conditions or a technological change that puts the ANZ Bank Group's business platforms at a competitive disadvantage, especially in the ANZ Bank Group's main markets and products, could lead to a material reduction in the ANZ Bank Group's market share, customers and margins and adversely affect the ANZ Bank Group's Position. Increased competition for deposits may increase the ANZ Bank Group's cost of funding. If the ANZ Bank Group is not able to successfully compete for deposits, the ANZ Bank Group may be forced to rely on less stable and/or more expensive forms of funding, or to reduce lending. This may adversely affect the ANZ Bank Group's Position. Geopolitical and economic disruptions could have a significant impact on competition and profitability in the financial services sector due to funding cost and credit provision increases, changes in interest rates, insufficient liquidity, implementation of business continuity plans, changes to business strategies and regulatory safe harbours. A low-growth environment may lead to heightened competitive intensity and margin compression, particularly amongst traditional competitors with strong business models.

6.2.4 The Restructure of the ANZ Bank Group that established a non-operating holding company may adversely affect the ANZ Bank Group's Position

The ANZ Bank Group implemented the Restructure that resulted in ANZGHL becoming the new listed parent company of the ANZ Bank Group in place of ANZBGL in 2023.

ANZGHL is a NOHC and is authorised as such for the purposes of the Banking Act. APRA's prudential framework for NOHCs is expected to become effective from 2025, following a period of industry consultation. There is a risk that APRA's final regulatory framework for NOHCs of ADIs and the regulation of ANZGHL over time will differ from the existing regulatory framework and increase the regulatory risk of the ANZ Bank Group. This may have negative consequences for the ANZ Bank Group and require further changes to be made to its structure. The post Restructure operating model may fail to function as expected and/or may fail to realise the anticipated benefits and further changes may therefore be required to the ANZ Bank Group structure. To the extent this occurs, this may adversely affect the ANZ Bank Group's Position.

6.2.5 Changes in the real estate markets in Australia, New Zealand or other markets where the ANZ Bank Group does business may adversely affect the ANZ Bank Group's Position

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

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

The scale and pace of interest rate rises have resulted in property prices declining in Australia and New Zealand since 2021. The extent of property price changes will ultimately depend on any further future interest rate rises or persistently high interest rates and the impact on the economy.

APRA included credit-based macroprudential policy measures within its Prudential Standard APS 220 Credit Risk Management (**APS 220**) with effect from 1 January 2023. These may be used by APRA to address systemic risks if needed. Future changes to these measures by APRA could restrict the ANZ Bank Group's flexibility and impact the profitability of one or more businesses. (Refer to Section 6.2.16 "Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the ANZ Bank Group's Position").

In New Zealand, median prices for residential property peaked in November 2021, before declining in the 2022 calendar year and early 2023. Higher interest rates and rising costs of living have put pressure on household balance sheets, and this has and is likely to continue to impact demand for residential and commercial property. These pressures are resulting in an increase in residential property related delinquencies in New Zealand, which, having been at low levels since COVID, have become more elevated over the year to September 2023.

Increases in interest rates may affect debt serviceability, increase loan defaults experienced by the ANZ Bank Group's borrowers, place pressure on loan covenants and reduce

demand for commercial and residential property and the ANZ Bank Group's associated lending products in both Australia and New Zealand. To address the current high inflation levels, there may be further interest rate increases. Any future interest rate rises or persistently high interest rates could also lead to increased credit losses from business insolvencies, increased mortgage stress and defaults, a potential adverse impact on markets, and a potential downturn in the Australian and New Zealand economies. This may in turn impact the ability of tenants to pay rent and in turn decrease the quality of real estate earnings of the ANZ Bank Group's borrowers.

Recent interest rate increases, asset price inflation and yield compression, may cause declines in interest coverage ratios and asset values. Valuations are presently lagging market sentiment. The ANZ Bank Group has been observing declining values for existing security and expects further declines in some segments in the next 12 months. Dated valuations benefit from a buffer created following asset price inflation until the middle of 2022. This may result in increased refinance risk and require equity contributions from borrowers towards debt reduction and/or a restructure of facilities. Secondary grade assets may be more susceptible to a decline in prices. This may be the case if investors have overlooked "fundamentals" in a highly competitive and liquid market (debt and equity). Refinance risk could be increased if there are liquidity constraints in the banking sector. The ANZ Bank Group has observed some signs of change in sentiment in non-bank debt markets as investors re-balance portfolios and change expectations in the face of greater uncertainty and volatility. This has resulted in an increased cost of financing rather than reduction in liquidity and the non-bank debt market remains an available source of refinancing. Non-bank financiers have supported the pre-development land and property development sector in recent years, so the number of new project starts may decline given higher cost of funding or if non-bank financiers begin to withdraw support from weaker sponsors.

Construction risk, including contractor stability, supply chain constraints, the cost of materials and high labour costs and shortages may impact commercial and larger residential project (land and apartments) developments and land values in the short to medium term.

The COVID-19 pandemic has triggered a change in the demand and supply dynamics in the office sector as flexible working arrangements have become a trend, which may impact investor demand and yield expectations, given a more modest demand and rental growth outlook, particularly for secondary grade assets.

Institutional investor clients may see their real estate investment portfolios in various geographies diminish in value as a result of changes in the real estate market, which could potentially lead to a reduction in their willingness and/or ability to repay related loan facilities owed to the ANZ Bank Group.

Separately, the general downturn and current reduced growth in the Chinese economy resulting from the slowdown of property development and downturn in the real estate market may result in future reduced demand for commodities (such as iron ore) resulting in a reduction in commodity prices and adversely impact demand for some Australian and New Zealand exports. Additionally, a slowdown of Chinese output may result in disruption to supply chains across a range of industry segments including discretionary retail, wholesale, manufacturing, packaging, and automotive segments.

Each of the factors outlined above may adversely affect the ANZ Bank Group's Position.

6.2.6 Sovereign risk events may destabilise global financial markets and may adversely affect the ANZ Bank Group's Position

Sovereign risk is the risk that governments will default on their debt obligations, be unable to refinance their debts as and when they fall due, thereby destabilising parts of their economy. Sovereign risk may adversely impact the ANZ Bank Group directly, through adversely impacting the value of the ANZ Bank Group's assets, or indirectly through destabilising global financial markets, thereby adversely impacting the ANZ Bank Group's Position. Sovereign risk exists in many economies, including the Relevant Jurisdictions. If a sovereign defaults, it could impact other markets and countries, the consequences of which may be similar to or worse than those experienced during the global financial crisis and subsequent sovereign debt crises.

6.2.7 Market risk events may adversely affect the ANZ Bank Group's Position

Market risk is the risk of loss arising from adverse changes in interest rates, currency exchange rates, credit spreads, or from fluctuations in bond, commodity or equity prices. For purposes of financial risk management, the ANZ Bank Group differentiates between traded and non-traded market risks. Traded market risks principally arise from the ANZ Bank Group's trading operations in interest rates, foreign exchange, commodities and securities. The non-traded market risk is predominantly interest rate risk in the banking book. Other non-traded market risks include transactional and structural foreign exchange risk arising from capital investments in offshore operations and non-traded equity risk. Losses arising from the occurrence of such market risk events may adversely affect the ANZ Bank Group's Position.

6.2.8 Changes in exchange rates may adversely affect the ANZ Bank Group's Position

The ANZ Bank Group conducts business in several different currencies. Accordingly, its businesses may be affected by movements in currency exchange rates. The ANZ Bank Group's annual and interim reports are prepared and stated in Australian dollars. Any change in the value of the Australian dollar against other currencies in which the ANZ Bank Group earns revenues (particularly the New Zealand

dollar and the U.S. dollar) or holds capital, may adversely affect the ANZ Bank Group's reported earnings and capital ratios. The ANZ Bank Group currently hedges to partially mitigate the impact of currency changes. There is no assurance that the ANZ Bank Group's hedges will be sufficient or effective, and any change in the value of the Australian dollar against other currencies in which the ANZ Bank Group earns its revenue, or holds capital, may have an adverse impact on the ANZ Bank Group's Position.

6.2.9 Acquisitions and divestments may adversely affect the ANZ Bank Group's Position

The ANZ Bank Group regularly examines a range of corporate opportunities, including acquisitions and divestments, to determine whether those opportunities will enhance the ANZ Bank Group's strategic position and financial performance. Integration (or separation) of an acquired (or divested) business can be complex and costly. It sometimes includes combining (or separating) accounting and data processing systems, technology platforms and management controls, as well as managing relationships and contracts with employees, customers, regulators, counterparties, suppliers and other business partners. The loss of key relationships and personnel from an acquisition or divestment could have an adverse effect on the ANZ Bank Group's Position.

There is no assurance that any acquisition (or divestment) will 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 prove to be accurate or achievable. Any acquisition (or divestment) may also impact the ANZ Bank Group's credit ratings, cost of funds and access to further funding, which could in turn adversely affect the ANZ Bank 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 a risk of counterparties making claims in respect of completed or uncompleted transactions against the ANZ Bank Group that could adversely affect the ANZ Bank Group's Position. All or any of these factors could adversely affect the ANZ Bank Group's ability to conduct its business successfully and impact the ANZ Bank Group's operations or results. There is 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 Bank Group or the counterparty to satisfy completion conditions or because other completion conditions such as regulatory, shareholder or other approvals are not satisfied. Should any of these integration or separation risks occur, this could adversely affect the ANZ Bank Group's Position.

Transactions that the ANZ Bank Group has announced but not completed include an agreement with Suncorp Group Limited (**SGL**) to purchase 100% of the shares in SBGH

Limited, the immediate non-operating holding company of Suncorp Bank. The ACCC declined to grant authorisation for this acquisition in August 2023. This decision was reviewed by the Australian Competition Tribunal. On 20 February 2024, the Australian Competition Tribunal delivered its decision to authorise the acquisition. Accordingly, subject to the ACCC or another third party seeking judicial review on limited grounds by the Full Federal Court and the remaining acquisition conditions being satisfied in due course, including Federal Treasurer approval and certain amendments to the State Financial Institutions and Metway Merger Act 1996 (QLD), the acquisition will proceed.²⁸

Assuming these conditions are satisfied, and the authorisation is not subject to judicial review, completion of the acquisition is expected to occur in or around mid-calendar year 2024.

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 Bank 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 Bank Group following the acquisition or otherwise reducing the anticipated benefits of the acquisition to the ANZ Bank Group, any of which might have an adverse effect on the ANZ Bank Group.

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

²⁸ ANZBGL will also have a termination right under the Suncorp Bank Sale Agreement if APRA issues a written communication to ANZBGL under or in connection with APS 222 to the effect that ANZBGL must not proceed with completion of the acquisition.

If for any reason any announced acquisition or divestment, including the acquisition of Suncorp Bank, is not completed, the ANZ Bank Group's ongoing business may be adversely impacted and the ANZ Bank Group may be subject to a number of risks. These risks include:

- financial markets may react negatively, resulting in negative impacts on the ANZ Bank Group's securities and other adverse impacts;
- the ANZ Bank Group may experience negative reactions from its customers, vendors, and employees;
- the ANZ Bank 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 Bank Group's management, which could otherwise have been devoted to other opportunities that may have benefited the ANZ Bank Group.

Risks related to the ANZ Bank Group's financial situation

6.2.10 Credit risk may adversely affect the ANZ Bank Group's Position

As a financial institution, the ANZ Bank Group is exposed to the risks resulting from or associated with extending credit, 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.

The risk of credit-related losses continues to be impacted by conditions relating to increased interest rates, high inflation, global supply chain disruptions and heightened political tensions, particularly those referred to in Section 6.2.1 "Changes in political and economic conditions, particularly in Australia, New Zealand, the Asia Pacific region, the United Kingdom, Europe and the United States (the "Relevant Jurisdictions"), may adversely affect the ANZ Bank Group's Position". The risk of credit-related losses has increased due to the factors described above and may further increase as a result of less favourable conditions, whether generally or in a specific industry sector or geographic region which could cause customers or counterparties to fail to meet their obligations. These conditions include but are not limited to, weakened confidence in the stability of the banking system generally or particular financial institutions that may impact the ANZ Bank Group, its customers or counterparties, a sustained high level of unemployment, continued increase in interest rates and inflationary conditions, and a reduction in the value of assets the ANZ Bank Group holds as collateral or the market value of the counterparty instruments and obligations it holds.

Some of the ANZ Bank Group's customers and counterparties with exposures to these sectors may be vulnerable:

- industries exposed to the unwinding of government stimulus packages and increasing interest rates;
- industries reliant on consumer discretionary spending;
- industries that are exposed to fuel supply shortages and rising costs including aviation, road transport, shipping and agriculture, particularly given the Ukraine conflict and its impact on oil and gas prices, production and supply;
- participants in energy or commodity markets that are exposed to rising margin requirements under derivatives that arise due to price volatility;
- industries at risk of sanctions, geopolitical tensions or trade disputes (these include technology, agriculture, communications and financial institutions);
- industries exposed to declining global growth and disruption to global supply chains. These include but are not limited to the retail, wholesale, automotive, manufacturing and packaging industries;
- the commercial property sector (including construction and contractors) which is exposed to rising interest rates impacting serviceability and downward pressure on valuations, particularly in the office sector given occupancy levels have not returned to pre-COVID-19 levels and in the retail sector given an expectation for a reduction in discretionary household spending resulting in a reduction in base rental, turnover rental and rental growth expectations. In some markets, commercial contractors and sub-contractors may face cash flow and liquidity issues over the next 12 to 24 months as current projects run off and the volume of forward looking projects are diminished. Whilst supply chain constraints and building material cost increases have somewhat stabilised, labour availability and mobility issues have increased given competing demand from Australian Government infrastructure projects in major capital cities;
- industries facing labour supply shortages and 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). For more information on climate-related risks, see Section 6.2.30 "Impact of future climate events, biodiversity loss, human rights, geological events, plant, animal and human diseases, and other extrinsic events may adversely affect the ANZ Bank Group's Position";
- industries exposed to the volatility in exchange rates and foreign exchange markets generally; and
- banks and financial services companies, as they may experience pressure on liquidity due to impacts of rapidly rising interest rates and the flow on impacts to asset values, which could result in the deterioration of credit ratings, the need for restructuring and recapitalisation, losses of confidence in financial institutions or a financial default.

The ANZ Bank 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 Bank Group's credit exposures, this may adversely affect the ANZ Bank Group's Position.

Credit risk may also arise from certain derivative, clearing and settlement contracts that the ANZ Bank Group enters into, and from the ANZ Bank 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 assessing whether to extend credit or enter into other transactions with customers and counterparties, the ANZ Bank Group relies on information provided by or on behalf of customers and counterparties, including financial statements and other financial information. The ANZ Bank Group may also rely on representations of customers and independent consultants as to the accuracy and completeness of that information. The ANZ Bank 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 Bank Group holds provisions for credit impairment that are determined based on current information and subjective and complex judgements of the impairment within the ANZ Bank Group's lending portfolio. If the information upon which the assessment is made is inaccurate or the ANZ Bank Group fails to analyse the information correctly, the provisions made for credit impairment may be insufficient, which may adversely affect the ANZ Bank Group's Position.

6.2.11 Challenges in managing the ANZ Bank Group's capital base could give rise to greater volatility in capital ratios, which may adversely affect the ANZ Bank Group's Position

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

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 Bank Group to raise additional capital. There is no certainty that any additional capital required would be available or could be raised on reasonable terms.

The ANZ Bank Group's capital ratios may be affected by a number of factors including (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) asset growth, (iii) changes in the value of the Australian dollar against other currencies in which the ANZ Bank Group operates (particularly the New Zealand dollar and U.S. 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 is no assurance that these regulations have had or will have their intended effect. The recent collapse of certain financial institutions in the United States and Europe may raise the likelihood of changes to capital and other regulatory requirements applicable to the ANZ Bank Group, which may impact the ANZ Bank Group's Position. For more information on recent prudential regulation changes that have impacted, or that may impact the ANZ Bank Group, see Section 6.2.16 "Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the ANZ Bank Group's Position". An inability of the ANZ Bank Group to maintain its regulatory capital may adversely affect the ANZ Bank Group's Position.

6.2.12 The ANZ Bank Group's credit ratings could change and adversely affect the ANZ Bank Group's ability to raise capital and wholesale funding and constrain the volume of new lending, which may adversely affect the ANZ Bank Group's Position

The ANZ Bank Group's credit ratings have a significant impact on its access to, and cost of, capital and wholesale funding. The ANZ Bank Group's credit ratings may also be important to customers or counterparties evaluating the ANZ Bank Group's products and services. Credit ratings and rating outlooks may be withdrawn, qualified, revised or suspended by credit rating agencies at any time. The methodologies used by ratings agencies to determine credit ratings and rating outlooks may be revised in response to legal or regulatory changes, market developments or for any other reason.

The ANZ Bank Group's credit ratings or rating outlooks could be negatively affected by a change in the credit ratings or rating outlooks of the Commonwealth of Australia or New Zealand, the occurrence of one or more of the other risks identified in this prospectus, a change in ratings methodologies or by other events or factors, including volatility in the banking sector. As a result, downgrades in the ANZ Bank Group's credit ratings or rating outlooks could occur that do not reflect changes in the general economic conditions or the ANZ Bank Group's financial condition. The ratings of individual securities (including, but not limited to, certain Tier 1 capital and Tier 2 capital securities and covered bonds) issued by the ANZ Bank Group (and other banks globally) could be impacted by changes in the

regulatory requirements for those instruments as well as the ratings methodologies used by rating agencies.

Any downgrade or potential downgrade to the ANZ Bank Group's credit ratings or rating outlooks may reduce access to capital and wholesale debt markets and could lead to an increase in funding costs, constrain the volume of new lending and affect the willingness of counterparties to transact with the ANZ Bank Group which may adversely affect the ANZ Bank Group's Position. Credit ratings are not a recommendation by the relevant rating agency to invest in securities offered by the ANZ Bank Group.

6.2.13 Liquidity and funding risk events may adversely affect the ANZ Bank Group's Position

Liquidity and funding risk is the risk that the ANZ Bank Group is unable to meet its payment obligations as they fall due (including repaying depositors and wholesale creditors) or that the ANZ Bank Group has insufficient capacity to fund increases in assets. Liquidity and funding risk is inherent in banking operations due to the timing mismatch between cash inflows and cash outflows.

Reduced liquidity could lead to an increase in the cost of the ANZ Bank Group's borrowings and constrain the volume of new lending which may adversely affect the ANZ Bank Group's Position.

Deterioration and volatility in market conditions and a decline in investor confidence in the ANZ Bank Group may materially impact the ANZ Bank Group's ability to replace maturing liabilities and access funding in a timely and cost effective manner, which may adversely impact the ANZ Bank Group's Position. Advances in technology allow customers to withdraw funds deposited with the ANZ Bank Group faster and may accelerate the risks associated with on-demand liabilities, such as transactional and savings deposits.

The ANZ Bank Group raises funding from a variety of sources, including customer deposits and wholesale funding in domestic and offshore markets to meet its funding requirements and to maintain or grow its business. Developments in major markets can adversely affect liquidity in global capital markets. For example, in times of liquidity stress, if there is damage to market confidence in the ANZ Bank Group or if funding inside or outside of domestic markets is not available or constrained, the ANZ Bank Group's ability to access sources of funding and liquidity may be constrained and the ANZ Bank Group will be exposed to liquidity and funding risk.

6.2.14 Changes in the valuation of some of the ANZ Bank Group's assets and liabilities may adversely affect the ANZ Bank Group's earnings and equity, and the ANZ Bank Group's Position

The ANZ Bank Group applies accounting standards, which require that various financial instruments, including derivative instruments, assets and liabilities classified as fair value through other comprehensive income, assets and liabilities classified as fair value through profit or loss, and certain other assets and liabilities (as per Note 18 of the annual financial report of ANZBGL for the year ended

30 September 2023 (**2023 Financial Report**)) are measured at fair value with changes in fair value recognised in earnings or equity.

Generally, to measure the fair value of these instruments, the ANZ Bank Group relies on quoted market prices, present value estimates or other valuation techniques that incorporate the impact of factors that a market participant would take into account when pricing the asset or liability. Certain other assets, including some unlisted equity investments, are valued using discounted cash flow techniques. The fair value of these instruments is impacted by changes in market prices or valuation inputs that may adversely affect the ANZ Bank Group's earnings and/or equity.

The ANZ Bank Group may be exposed to a reduction in the value of non-lending related assets as a result of impairments that are recognised in earnings. The ANZ Bank Group must test at least annually the recoverability of goodwill balances and intangible assets with indefinite useful lives or not available for use and other non-lending related assets including premises and equipment (including right-of-use assets arising from leases), investment in associates, capitalised software and other intangible assets where there are indicators of impairment.

To assess the recoverability of goodwill balances, the ANZ Bank Group uses a multiple of earnings calculation. Changes in the assumptions upon which the calculation is based, together with changes in earnings, may materially impact this assessment, resulting in the potential write-off of a part or all of goodwill balances.

In respect of other non-lending related assets, if an asset is no longer in use, or the cash flows generated by the asset do not support the carrying value, impairment charges may be recorded. This, in conjunction with the other potential changes above, could impact the ANZ Bank Group's Position.

6.2.15 Changes in accounting policies may adversely affect the ANZ Bank Group's Position

The accounting policies that the ANZ Bank Group applies are fundamental to how it records and reports its financial position and results of operations. Management exercises judgement in selecting and applying many of these accounting policies. This is so that the ANZ Bank Group complies with the applicable accounting standards or interpretations and reflects the most appropriate manner in which to record and report on the ANZ Bank Group's financial position and results of operations. These accounting policies may be applied inaccurately, resulting in a misstatement of the ANZ Bank Group's financial position. The application of new or revised accounting standards or interpretations may also adversely affect the ANZ Bank Group's Position. The ANZ Bank Group discloses the impact of new accounting standards that are effective for the first time in any reporting period, in the notes to the consolidated financial statements for that period. In some cases, management must select an accounting policy from two or more alternatives, any of which would comply with the relevant accounting standard or interpretation and be reasonable under the circumstances, yet might result in reporting materially different outcomes than would have been reported under the alternative.

Legal and regulatory risk

6.2.16 Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the ANZ Bank Group's Position

The ANZ Bank Group's businesses and operations are highly regulated. The ANZ Bank Group is subject to laws, regulations and policies, including industry self-regulation in the Relevant Jurisdictions (**Regulations**). Regulations continue to change and generally increase in scope, scale, complexity, cost and speed of required compliance (**Regulatory Change**). A failure by the ANZ Bank Group to comply with Regulations or manage Regulatory Change could result in regulatory investigations, legal or regulatory sanctions, financial or reputational loss, litigation, fines, penalties, restrictions on the ANZ Bank Group's ability to do business, revocation, suspension or variation of conditions of regulatory licences or other enforcement or administrative action or agreements (such as enforceable undertakings) any of which may adversely affect the ANZ Bank Group's Position. Such failures may also result in the ANZ Bank Group being exposed to the risk of litigation brought by third parties (including through class action proceedings). The outcome of any litigation (including class action proceedings) may result in the payment of compensation to third parties and further remediation activities. For information in relation to the ANZ Bank Group's litigation and contingent liabilities, see Section 6.2.17 "Litigation and contingent liabilities may adversely affect the ANZ Bank Group's Position" and Note 32 of the 2023 Financial Report.

Regulations can also affect the operating environment of, and impose significant compliance costs on, the ANZ Bank Group. Changes to the ANZ Bank Group's operating environment and the Regulations to which the ANZ Bank Group is subject to may affect the profitability of the ANZ Bank Group, change the level of competition that the ANZ Bank Group faces or impact the ability of the ANZ Bank Group to conduct one or more elements of its business. Increases in compliance costs could also decrease profitability and divert resources away from other priorities of the ANZ Bank Group, thereby impacting the ANZ Bank Group's ability to innovate and compete.

Prudential regulation

Prudential regulation is a type of Regulation and is subject to Regulatory Change. Developments in APRA and RBNZ prudential regulation may materially impact the ANZ Bank Group. There are typically a number of prudential regulatory proposals open for consultation with APRA and the RBNZ at any time. Changes to prudential regulation can increase the level of regulatory capital that the ANZ Bank Group is required to maintain, restrict the ANZ Bank Group's flexibility, require it to incur substantial costs and impact the profitability of one or more business lines, any of which may adversely affect the ANZ Bank Group's Position.

Recent prudential regulation changes that have impacted, or that may impact the ANZ Bank Group, include:

- **Market risk and counterparty credit risk:** APRA is consulting on revisions to prudential standards, guidance and reporting standards relating to market risk, being

IRRBB, Market Risk and Counterparty Credit Risk. APRA intends to finalise APS 117 IRRBB by the middle of 2024 ahead of the updated standard coming into effect from 1 October 2025.

- **Unquestionably strong capital framework:** APRA implemented its final requirements in relation to capital adequacy and credit risk for ADIs on 1 January 2023. However, APRA continues to consult and finalise revisions to a number of remaining prudential standards, being IRRBB, Market Risk and Counterparty Credit Risk. Given the number of items that are yet to be finalised by APRA, the aggregate outcome from all changes to APRA's Prudential Standards relating to their review of ADIs "unquestionably strong" capital framework remains uncertain.
- **Macroprudential policy framework:** APRA finalised its macroprudential policy framework in June 2022. To support the implementation of the framework, APRA formalised and embedded credit-based macroprudential policy measures within its Prudential Standards, within a new attachment to APS 220. APRA's objective is to strengthen the transparency, implementation and enforceability of macroprudential policy. The updates to APS 220 which became effective from 1 January 2023 included a set of credit-based macroprudential measures to be used to address systemic risks if needed. The updates to APS 220 include two main types of credit-based macroprudential measures: (i) lending limits (the purpose of temporary lending limits would be to moderate any excessive growth in higher-risk lending during periods of heightened systemic risks) and (ii) lending standards, where APRA may also set minimum requirements for lending standards, including measures such as the serviceability buffer for residential mortgages. APRA confirmed the current settings of (i) for lending limits, no limit restrictions in place on higher-risk lending but APRA continues to monitor higher risk lending at outlier banks for commercial property lending and (ii) for lending standards, the serviceability buffer is maintained at 3.0% above the loan rate. Future changes to these settings could restrict the ANZ Bank Group's flexibility and impact the profitability of one or more business lines. For further information, see Section 6.2.5 "Changes in the real estate markets in Australia, New Zealand or other markets where the ANZ Bank Group does business may adversely affect the ANZ Bank Group's Position".
- **Operational risk management:** APRA finalised prudential standard CPS 230 Operational Risk Management (**CPS 230**) in July 2023, which sets out minimum standards for managing operational risk, including updated requirements for business continuity planning and service provider risk management. The new standard incorporates updated requirements for service provider management (currently outsourcing) and business continuity management that are currently contained in prudential standards CPS 231 Outsourcing and CPS 232 Business Continuity Management. The effective date of compliance moved from 1 January 2024 to 1 July 2025. APRA will provide for transitional arrangements for pre-existing contractual arrangements with service providers. The requirements in the standard

will apply from the earlier of the next contract renewal date or 1 July 2026. A project team has been formed and the ANZ Bank Group will continue to work through the implementation process which is complex, and requires changes to systems, operations, and contractual arrangements with third parties.

- **Recovery and exit planning:** APRA finalised Prudential Standard CPS 190 Recovery and Exit Planning (**CPS 190**) in December 2022. CPS 190 is aimed at reinforcing the resilience of the financial system. It is designed to ensure that APRA regulated entities are better prepared to manage periods of severe financial stress. Under CPS 190, entities will be required to develop and maintain credible plans for managing periods of severe financial stress, including actions that could be taken to stabilise and restore financial resilience and actions that effect an orderly and solvent exit from regulated activity. These requirements will apply across all APRA regulated industries. CPS 190 will come into effect from 1 January 2024 for banks and insurers.
- **Resolution planning:** APRA finalised Prudential Standard CPS 900 Resolution Planning (**CPS 900**) in May 2023. CPS 900 requires entities that are significant financial institutions or those that provide critical functions, to support APRA in the development and implementation of a resolution plan so the entity can be managed by APRA in an orderly manner where the entity is unable to, or is likely to be unable to, meet its obligations or suspends, or is likely to suspend, payments. CPS 900 sets out certain requirements for entities to cooperate with APRA in resolution planning. Under CPS 900, APRA will develop a resolution plan, which sets out APRA's strategy for resolving an entity in the event of its failure. This could include, for example, plans to recapitalise, wind-down or transfer operations. It is an important complement to a financial contingency plan, which sets out an entity's plan for managing risks to its financial viability. The standard will come into effect on 1 January 2024.
- **ADI capital framework:** There is a risk that the outcome of the APRA Discussion Paper could include measures that limit the issue or distribution of Additional Tier 1 Capital instruments by banks in the future, including their ability to be traded on a listed market and that might affect the liquidity and market price of such instruments, including Notes.
- **Loss absorbing capacity:** APRA announced its decision on loss-absorbing capacity requiring Australian D-SIBs in July 2019, including ANZBGL, to increase their Total Capital by 3% of RWA by January 2024. On 2 December 2021, APRA announced that it had finalised its loss-absorbing capacity requirements and stated that it will require Australian D-SIBs to increase their Total Capital by a further 1.5% of RWA by January 2026. Inclusive of the previously announced interim increase of 3%, this will result in a total increase to the minimum Total Capital requirement of 4.5% of RWA. APRA expects the requirement to be satisfied predominantly with additional Tier 2 capital with an equivalent decrease in other senior funding. The amount of the additional Total Capital requirement will be based on the ANZ Bank Group's actual RWA as at January 2026.

- **RBNZ revisions to capital adequacy:** The RBNZ's revised capital adequacy requirements for New Zealand banks, which are set out in the Banking Prudential Requirements documents, are being implemented in stages during a transition period from October 2021 to July 2028. The net impact on ANZBGL's Level 1 CET1 capital is expected to be an increase in capital requirements of approximately A\$1 billion to A\$1.5 billion between 30 September 2023 and the end of the transition period in 2028 (based on the ANZ Bank Group's 30 September 2023 balance sheet). The amount could also vary over time subject to changes to the capital position in ANZ NZ (e.g. from RWA growth, management buffer requirements, potential dividend payments).
- **NZ contingent capital instruments:** ANZ NZ's contingent capital instruments will no longer be treated as eligible regulatory capital. The contingent capital Additional Tier 1 instruments (**Contingent AT1 Instruments**) will progressively lose eligible regulatory capital treatment over the transition period to 1 July 2028. The maximum eligible regulatory capital value of Contingent AT1 Instruments is the total outstanding value at 30 September 2021 ("Contingent AT1 Base") reduced by 12.5% of the Contingent AT1 Base on 1 January of each year from 2022 to 2028, with no Contingent AT1 Instruments eligible from 1 July 2028.

ASIC regulation

ASIC's current enforcement priorities focus on the need to reduce the risk of financial harm to consumers and uphold the integrity of Australia's financial markets. Specifically, ASIC has identified the following priority areas: enforcement action targeting poor design, distribution and marketing of financial products; misleading conduct in relation to sustainable finance including greenwashing and climate-related financial disclosures; misconduct involving high risk retail products including Contracts For Difference and crypto-assets; combating and disrupting investment scams and phishing websites; taking enforcement action where there are egregious failures to mitigate the risks of cyber-attacks and governance failures relating to cyber resilience; misleading and deceptive conduct relating to investment products; manipulation in energy and commodities derivatives markets; and unfair contract terms. A failure by the ANZ Bank Group to comply with applicable laws may have a negative impact on consumers or market integrity, or the ANZ Bank Group's reputation and financial performance and may give rise to litigation and regulatory enforcement proceedings, which may in turn, have an adverse impact on the ANZ Bank Group's Position.

Competition regulation

Competition in the Australian and New Zealand financial services sectors continues to be an important driver for Regulation and Regulatory Change. On 14 February 2023 the Australian Treasurer directed the ACCC to conduct an inquiry into the market for retail deposit products supplied by ADIs. It includes how banks set interest rates, as well as other terms and conditions. On 15 December 2023, the ACCC published the final report into the inquiry making 7 recommendations. These recommendations are designed

to increase transparency to support decision making, support more effective consumer engagement and reduce barriers to consumer switching to drive competition. The Australian Treasury will consult on these recommendations, along with the recommendations of the 2020 ACCC Home Loan Price Inquiry. The Australian Government has advised its response will be released in 2024. Refer to Section 6.2.3 in relation to competition risk impacts "Competition in the markets in which the ANZ Bank Group operates may adversely affect the ANZ Bank Group's Position". The ACCC announced its compliance and enforcement priorities for the year in March 2023. The ACCC announced that it will continue to focus on competition issues in the financial services sector, particularly with payment services and also noted its focus on promoting "healthy" competition in the financial services sector and investigating anti-competitive conduct. Increased scrutiny by the ACCC may result in an associated increase in costs for the ANZ Bank Group in addition to adversely impacting the ANZ Bank Group's ability to grow through the implementation of potential acquisitions which may in turn, have a negative impact on the ANZ Bank Group's Position. The Australian Government is further consulting on draft legislation to implement a designated complaints function within the ACCC. This will enable designated consumer and small business advocates to submit a complaint to the ACCC where they have evidence of a significant or systemic market issue that affects consumers or small businesses in Australia. It is not clear what impact, if any, this will have on the Group although complaints that relate to the Group may be made to the ACCC through the function.

The New Zealand Government directed the Commerce Commission to commence a market study into competition in the New Zealand retail banking sector in June 2023. The study is considering consumer behaviours and preferences, barriers to new competitors entering or expanding in the personal banking market, barriers to new or innovative products and services, and barriers that limit a consumer's ability to switch banks. As part of the study, the Commerce Commission will examine bank profitability and other financial measures to assess competition in the sector. The study is focused on personal banking services such as home loans and deposit accounts (including current savings and overdraft facilities). The Commerce Commission released a preliminary issues paper in August 2023, in which the Commerce Commission indicated that its initial view of the existing research was that New Zealand banks appeared more profitable than in comparable economies over the past decade, raising questions about the intensity of competition, including for personal banking services. The Commerce Commission is expected to issue its final report at the market study's completion in August 2024. While it is currently uncertain what impact (if any) the market study will have on the ANZ Bank Group's Position, any recommendations or policy initiatives adopted by the New Zealand Government as a result of the study could have a material impact on the ANZ Bank Group's profitability.

The Australian Government also announced a review of competition policy settings on 23 August 2023. Over two years, the review will look at competition laws, policies and institutions. The Australian Government has announced that the initial issues to be considered as part of the review include proposed changes to merger laws, as well as other competition law issues, non-compete and related clauses that restrict workers from changing employers and providing advice on competition issues raised by new technologies and the net zero transformation. The review will not issue a single report but will undertake rolling policy projects. It is uncertain what impact the review will have on the ANZ Bank Group's Position. However, there is no guarantee that the proposed changes will not have a material effect or impact on the ANZ Bank Group's Position.

Product regulation

There is a strong focus on the suitability of products offered by financial services providers, including the ANZ Bank Group. Regulatory policy development and monitoring of responsible consumer lending has increased significantly and continues to impact business practices. If additional changes in Regulation are implemented, as a result of the development and monitoring of responsible consumer lending, such changes may impact the manner in which the ANZ Bank Group provides consumer lending services in the future that may in some respects adversely affect the ANZ Bank Group's operations in this area and consequently, the ANZ Bank Group's Position. ASIC published updated regulatory guidance on responsible lending laws in December 2019. The Australian Financial Complaints Authority (**AFCA**) is consulting on its approach to assessing compliance by lenders, such as the ANZ Bank Group, with both consumer and small business lending requirements. There are new stricter anti-hawking prohibitions in relation to financial products and a deferred sales model for add on insurance. The design and distribution obligation legislation requires product issuers and distributors to, among other things, identify appropriate target markets for financial and credit products and distribute those products so that they likely reach the relevant target market. There are significant penalties for non-compliance and such legislation could impact the ANZ Bank Group's ability to issue and market financial products in the future. Increased compliance costs resulting from financial product distribution requirements and AFCA's new approach to assessing compliance may adversely impact the ANZ Bank Group's Position.

Senior executive regulation

The Financial Accountability Regime Act 2023 (the **FAR**) received Royal Assent on 14 September 2023. The FAR will be implemented in stages for in-scope entities within the ANZ Bank Group commencing with ANZGHL and ANZBGL from 15 March 2024, and then from 15 March 2025 for any insurers or licensed superannuation trustees within the ANZ Bank Group. Under the FAR, the ANZ Bank Group and certain senior personnel will be subject to, or impacted by, new or heightened accountability obligations. For example, the FAR will require ANZBGL to take reasonable steps to (a) conduct its business with honesty and integrity, and with

due skill, care and diligence; (b) deal with APRA and ASIC in an open, constructive and cooperative way; (c) prevent adverse effects on its prudential standing or prudential reputation; (d) ensure that certain directors, senior executives and other key personnel meet the above standards of conduct, and take reasonable steps to ensure compliance with applicable laws; and (e) ensure that related entities whose business and activities materially and substantially affect ANZBGL comply with the FAR in the same way as ANZBGL is required to. Potential risks to the ANZ Bank Group include the risk of penalties and the risk to the ANZ Bank Group's ability to attract and retain high-quality directors and senior executives.

Compensation Scheme of Last Resort

The ANZ Bank Group will incur costs and further exposures associated with the establishment of the Australian Government's Compensation Scheme of Last Resort (**CSLR**). The purpose of the CSLR is to support confidence in the financial system's dispute resolution framework by facilitating compensation payments to eligible consumers who have received a determination for compensation from the Australian Financial Complaints Authority. The Australian Government passed a bill implementing the CSLR in June 2023. The CSLR will be funded by the Australian Government in its first year of operation and thereafter will be funded through industry levies. The maximum industry funding in any year of operation is A\$250 million. In addition, funding to pay for certain determinations that relate to "pre-commencement" disputes will be provided by an initial levy of up to A\$250 million to be paid by ten industry participants, including the ANZ Bank Group. Neither the amount of the initial levy nor the ANZ Bank Group's share of it have been determined by the Australian Government. The outcomes and total costs associated with remaining possible exposures and the legislative change remain uncertain and their impact may adversely affect the ANZ Bank Group's Position.

Industry self-regulation

Industry best practice guidance and standards impacting retail and small business banking is a focus of regulators, interest groups and industry participants. In particular, an independent review of the Australian Banking Code (**Code**) made 116 recommendations in 2021. The Australian Banking Association (**ABA**) and member banks have been working to implement the accepted recommendations in an updated Code. The accepted recommendations include new definitions for "vulnerability" and "small business", the introduction of a requirement to meet with prospective guarantors before accepting a guarantee, and a replacement of the requirement to engage with customers in a "fair, reasonable and ethical manner" with a requirement aligning to the "efficiently, honestly and fairly" standard in the Corporations Act. The ABA has submitted the updated Code to ASIC for approval. ASIC is expected to make a decision on approval in the first half of 2024. A failure to comply with the Code may have a negative impact on the ANZ Bank Group's reputation and may result in litigation or regulatory enforcement actions, which may in turn, have an adverse impact on the ANZ Bank Group's Position.

Open banking regulation

Open Banking is part of a consumer data right (**CDR**) in Australia that came into effect in August 2019. The CDR gives customers access to and control over their data and establishes and seeks to improve consumers' ability to compare and switch between products and services. It is expected to reduce the barriers to new entrants into the banking industry in Australia. The CDR regime is evolving. The Australian Government released a statement in response to the Statutory Review of the CDR in June 2023 noting that the Australian Government will continue supporting operations in banking and energy and pause implementation of the CDR in other sectors to allow time for the CDR to mature across the banking and energy sectors. In June 2023, the New Zealand Government released a consultation bill which contemplates the introduction of a CDR in New Zealand. Open Banking may lead to increased competition that may adversely affect the ANZ Bank Group's Position. Refer to risk 3 "Competition in the markets in which the ANZ Bank Group operates may adversely affect the ANZ Bank Group's Position".

Cyber regulation

The Australian Security of Critical Infrastructure Act 2018 (Cth) was extended in 2021 to the financial services and markets sector. It includes "last resort" powers for the Australian Government to direct an entity to take a particular action and to authorise the Australian Signals Directorate (**ASD**), to intervene against cyber-attacks and registration and reporting requirements for critical infrastructure assets and cyber incidents. ASD is an intelligence agency that focuses on signals intelligence and cyber operations. Further reforms including positive security obligations for critical infrastructure assets to be delivered through sector-specific requirements and enhanced cyber security obligations for systems of national significance came into force in 2022. The Australian Government is consulting on proposed new cyber security legislation and on changes to the Security of Critical Infrastructure Act 2018 designed to address gaps in current laws and improve security and resilience. Implementation of the legislation could increase costs for the ANZ Bank Group, and may give rise to regulatory enforcement proceedings, which may in turn, adversely affect the ANZ Bank Group's Position.

Payments regulation

The Australian Government responded to three inquiries and reviews relating to payments in 2021. These were a review into the Australian payments system, an inquiry into mobile payments and digital wallets and an inquiry into Australia as a technology and financial centre (covering de-banking of fintech and cryptocurrency exchanges). The Australian Government agreed to many of the recommendations and the Australian Treasury is consulting on the implementation of the recommendations. The impact of this work on the ANZ Bank Group is not clear. Potential policy responses include new regulatory requirements and broader access to payment systems which could increase competition, which may adversely affect the ANZ Bank Group's Position. The Australian Government published its "Strategic Plan for the future

of Australia's payments system" in 2023 which sets out its policy objectives and priorities for the payments system. The strategic plan provides businesses with certainty and clarity on the Australian Government's approach to important issues in the payments system. The Strategic Plan also outlines the Australian Government's commitment to ensuring that Australia's payments system is safe, affordable, can be trusted and will remain readily accessible. For example, the availability of cash in the community has emerged as an issue of concern. The ACCC has granted interim authorisation to the Australian Banking Association, its member banks, and other relevant industry participants to discuss and develop arrangements to maintain the physical distribution of cash throughout the Australian economy. The authorisation application by the Australian Banking Association followed concerns expressed by the major supplier of cash-in-transit services in Australia, Armaguard, that the industry is not sustainable in its current form. Disruptions to cash-in-transit services could have a material impact on the Group's ability to provide cash to customers. Measures concerning cash-in-transit could increase costs on the Group, including if they were to involve the establishment of a utility for this service that receives funding from the banking industry. Consistent with the Strategic Plan, the Government is consulting on regulation of payments service providers. The impact on the ANZ Bank Group of any resulting regulatory changes to implement the Australian Government's policy objectives and priorities for the payments system is not clear. The timing of any impact to the ANZ Bank Group's Position as a result of this strategic plan is not known.

As part of its Strategic Plan, the Australian Government announced its intention to end the use of cheques by 2030. The Australian Government is consulting on opportunities and challenges in winding down the cheques system in a smooth and orderly manner. The impact of the winding down process on the Group is not yet clear.

Privacy regulation

Recent legislation has enhanced enforcement measures and increased penalties for serious or repeated privacy breaches of the Privacy Act. The imposition of such penalties on the ANZ Bank Group may adversely affect the ANZ Bank Group's Position. The Australian Government announced the pathway for privacy reform following the Privacy Act review. It includes amendments to the Privacy Act addressing some proposals and further consultation on broad reform proposals which would have a significant impact on how an entity can use individuals' information. The implications of the reforms for the ANZ Bank Group are not clear and will depend on the Australian Government's policy. The implementation of additional regulatory obligations regarding privacy may adversely affect the ANZ Bank Group's Position.

Digital identity

The Australian Government has introduced into Parliament legislation to establish a framework for digital identities. This framework would enable the phased expansion of the Australian Government Digital ID system, sets up a system that could see Australians provided with greater choice in which accredited state and territory digital ID service

providers they use to access Commonwealth services and appoints the ACCC as the initial digital ID regulator. Although the implications of this framework are not yet clear for the ANZ Bank Group, the ANZ Bank Group may need to adhere to certain Australian Government requirements if it wishes to become a provider of digital identity or to use digital identities as part of its onboarding process for customers. Such adherence could result in significant implementation and compliance costs, which may adversely affect the ANZ Bank Group's Position.

Quality of financial advice regulation

The Australian Government released a report on the "quality of advice" in 2023. The report contained recommendations for reforming the regulatory framework for the provision of financial advice. In response to the review, the Australian Government announced, among other things, that it would introduce a new class of financial adviser, introduce a modernised best interest duty and replace requirements to provide Statements of Advice with ones to provide a principles-based advice record. The Australian Government will consult on draft legislation in 2024. The impact of the changes to the law on the ANZ Bank Group are not yet clear.

Artificial intelligence regulation

The Australian Government consulted on the regulation of AI in 2023. The implications of the consultation for the ANZ Bank Group are not clear. They will depend on the policy implemented by the Australian Government. The introduction of additional regulatory obligations relating to the use of AI may adversely affect the ANZ Bank Group's Position.

Scams regulation

The Australian Government has committed to introduce new mandatory industry codes to outline the responsibilities of the private sector in relation to scam activity, with a focus on banks, digital communications platforms and telecommunications providers. The Australian Government has released consultation on the proposed features of a Scams Code Framework which would introduce obligations for these sectors to address scams. The ultimate form which this policy action will take is not known. Separately the ABA and its member banks released a Scams-Safe Accord outlining 7 initiatives to prevent, detect, and disrupt scams affecting individual and small business customers. Although it is unclear what impact the potential Australian Government policy action will have on the ANZ Bank Group, it is possible that the ANZ Bank Group will need to meet increased standards with respect to the identification, prevention and remediation of scam activity that concerns its customers. This may include standards or expectations concerning when the ANZ Bank Group will be liable to reimburse or compensate customers for losses arising from scam activity. Any failure to meet these standards or expectations may adversely affect the ANZ Bank Group's Position.

Unfair trading practices

The Australian Government released consultation on policy options to address unfair trading practices in the Australian consumer law in August 2023. The Australian Government states that unfair trading practices are particular types of

commercial conduct that are not covered by existing provisions of Australia's consumer laws but which nevertheless can result in significant consumer and small business harm. The consultation proposes four options, which include amending the statutory prohibition against unconscionable conduct, introducing a general prohibition on unfair trading practices and introducing a combination of general and specific prohibitions on unfair trading practices. While the Australian consumer law does not apply to ASIC-regulated financial products of the kind offered by the ANZ Bank Group, the consultation paper notes that a separate regulation impact assessment process will consider the extension of reform to ASIC regulated financial services in 2024. Although it is not clear which option the Australian Government will adopt for the Australian consumer law, and how, if at all, this will be carried across to ASIC-regulated financial services, there is a risk that the ANZ Bank Group would face increased compliance costs in meeting any new law which prohibited unfair trading practices. In the event of contravention of such a law, the ANZ Bank Group may face penalties. Any such increased costs or contraventions may adversely affect the ANZ Bank Group's Position.

Review of Personal Property Securities Regime

The Australian Government consulted on reforms to the Personal Property Securities Act 2009 following a statutory review of the Act (the Whittaker Review). The Whittaker Review made 394 recommendations and the Australian Government has accepted 345 of these. The Australian Government's overarching objective of the reforms is to simplify the personal property securities framework to make it easier for users to engage with, providing clearer, more accessible rules for the granting, validity and enforcement of security interests in personal property. The implications of the reforms for the ANZ Bank Group are not yet clear. There may be possible implications on security taking, registration, enforcement processes, operational processes, systems and documentation. Any implications for the ANZ Bank Group will depend on the Australian Government's decisions in finalising the draft legislation to be introduced to Parliament.

New Zealand regulation

The New Zealand Government and regulatory authorities have proposed and have implemented significant legislative and regulatory changes for New Zealand financial institutions. These changes include the RBNZ's reform of capital requirements and revised outsourcing policy (BS11), conduct regulations for financial institutions, a climate related financial risk disclosure regime, the replacement of the existing prudential supervision regime for banks with a deposit takers regime, including a depositor compensation scheme, changes to the consumer credit contract regime and a consumer data right. Such changes may adversely affect the ANZ New Zealand Group, potentially impacting its corporate structures, businesses, strategies, capital, liquidity, funding and profitability, cost structures, and the cost and access to credit for its customers and the wider economy. This in turn may adversely affect the ANZ Bank Group's Position.

Other Australian inquiries

There are other inquiries and interventions into Australia's financial sector. In 2022-23, these included four separate Parliamentary inquiries into "the cost of living", "promoting economic dynamism, competition and business formation", a "review of Australia's four major banks" and "bank closures in regional Australia". These inquiries are wide ranging and could lead to legislative or regulatory changes or measures that may adversely affect the ANZ Bank Group's Position, including through taxes and levies. For example, based on the conduct of these inquiries to date, the inquiry concerning bank closures in regional Australia could recommend that the Australian Government impose standards on banks concerning their presence in regional and rural areas while the major banks inquiry could recommend that the Australian Government impose standards on banks concerning scams. However, even if there are recommendations from these inquiries, it is not clear if the Australian Government would adopt those recommendations.

Other Australian regulation

The Australian Government finalised a regional banking taskforce in 2022 which assessed the impact of bank branch closures on regional communities. Banks are in the process of implementing the taskforce's recommendations, including by adding new requirements to the ABA's "Branch Closure Protocol", which will apply to the ANZ Bank Group when branches are closed. The Senate Standing Committee on Rural and Regional Affairs and Transport is also considering the current extent of bank closures in regional Australia. It will report to the Australian Parliament in May 2024. It is not clear what additional recommendations this Committee will make in addition to those of the regional banking taskforce.

Finally the Australian Parliament has passed a law that bans the use of credit cards for online wagering. This will occur by using bank identification numbers to identify and block credit card payments. The impact of this work on the ANZ Bank Group is not clear. See also Section 6.2.18 "Significant fines and sanctions in the event of breaches of law or regulation relating to anti-money laundering, counter-terrorism financing and sanctions may adversely affect the ANZ Bank Group's Position".

Regulator powers and penalties

There are increased penalties for breaches of laws in Australia, including the Australian consumer law, as well as increased powers to regulators and funding for regulators to enforce breaches. Increasing regulatory powers include ASIC's product intervention power and proposed expansions of ASIC's directions powers. The Australian Treasury Laws Amendment (Strengthening Corporate and Financial Sector Penalties) Act 2019 (Cth) significantly increased the sanctions applicable to the contravention of a range of corporate and financial sector obligations. Maximum fines and civil penalties for breaches of the Competition and Consumer Act (including the Australian consumer law) have increased and a civil penalty regime introduced for unfair contract terms. This includes

increasing the maximum pecuniary penalty for corporations where relevant from 10% of a corporation's annual turnover to 30% of adjusted turnover over the period the breach occurred. The imposition of such penalties on the ANZ Bank Group may adversely affect the ANZ Bank Group's Position.

6.2.17 Litigation and contingent liabilities may adversely affect the ANZ Bank Group's Position

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

The ANZ Bank Group had contingent liabilities as at 30 September 2023 in respect of the matters outlined in Note 32 of the 2023 Financial Report. Note 32 includes, among other things, the following matters:

- regulatory and customer exposures;
- South African rate action;
- capital raising action;
- Esanda dealer car loan litigation;
- OnePath superannuation litigation;
- New Zealand loan information litigation;
- Credit cards litigation;
- the Royal Commission;
- security recovery actions; and
- warranties, indemnities and performance management fees.

The ANZ Bank 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 Bank Group has received various notices and requests for information from its regulators as part of both industry-wide and ANZ Bank 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 however 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.

6.2.18 Significant fines and sanctions in the event of breaches of law or regulation relating to anti-money laundering, counter-terrorism financing and sanctions may adversely affect the ANZ Bank Group's Position

Anti-money laundering (AML), counter-terrorism financing (CTF) and sanctions compliance have been the subject of significant regulatory change and enforcement in recent years. The increasingly complicated environment in which the ANZ Bank Group operates has heightened these operational and compliance risks. Furthermore, increased transparency around the outcomes of compliance issues at financial institutions domestically and globally together with related fines and settlement sums mean that these risks continue to be an area of focus for the ANZ Bank Group.

The Australian Government began a consultation process on potential reforms to the AML and CTF regulatory regime in 2023. The consultation has two parts: the simplification and modernisation of the regime; and the implementation of "Tranche II" reforms to extend the regime to certain "high-risk" professions, including lawyers, accountants, trust and company service providers, real estate agents and dealers in precious metals and stones. The impact of this development on the ANZ Bank Group is not yet clear. The reform process could lead to new regulatory requirements, which may adversely affect the ANZ Bank Group's Position.

The New Zealand Government has also recently undertaken a review of its Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act), with a report tabled in New Zealand's parliament by the Minister of Justice in November 2022 outlining more than two hundred potential areas for law reform (ranging from minor clarifications to existing requirements and definitions to new obligations imposed on reporting entities). Several of the proposed recommendations have been accepted and introduced in an early package of reform through newly issued regulations, with the first tranche of regulations being introduced in July 2023 (consisting of largely definitional changes and clarifications). The second and third tranches of regulation are being introduced in June 2024 and June 2025 respectively and will make changes to various existing obligations (including customer due diligence, enhanced due diligence, and ongoing due diligence requirements) as well as introducing new obligations. It is anticipated that further reform will be made via amendments to the primary AML/CFT Act in due course, following further public consultation on areas identified through the review that have not been introduced via regulations. The timing for any further legislative change is currently unknown. Although there is no clear view of the outcome of the reforms at this stage, the reform process could lead to new regulatory requirements being imposed on the ANZ Bank Group, which may adversely affect the ANZ Bank Group's Position.

Due to the Ukraine conflict, there are currently a large number of sanctions applied to Russia, and other countries, by regulators around the globe. Whilst many governments across the United States, Europe and Australia agree in relation to sanctions targets, the nuances and specific restrictions are not fully aligned. Companies are assessing

their risk appetite regarding ongoing business activity with or in Russia or with Russian owned entities. This has heightened the operational and compliance risks in navigating those transactions and dealings that are considered lawful, or within other counterparties' risk appetite. This situation is expected to continue whilst the conflict persists.

In Australia, in recent years, there has been an increase in action taken by AML/CTF regulators against "Reporting Entities". A "Reporting Entity" is a legal entity that provides at least one "designated service" to a customer, such as opening a bank account or providing a loan. Since 2017, the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) has taken three public enforcement actions (resulting in fines and other penalties) against major banks in Australia, as well as actions against a number of other banks, casinos and other Reporting Entities, using its various regulatory powers including appointment of auditors and infringement notices.

In New Zealand, the RBNZ has stated that its appetite for taking formal enforcement action for breaches of the New Zealand AML and CTF legislation has increased. The propensity for other regulators (including in Asia and the Pacific) to take action for non-compliance with AML/CTF laws has also increased.

Close monitoring of the different levels and types of financial crimes continues across the ANZ Bank Group. Scams continue to be pervasive and evolve quickly and to the extent that new risks emerge, there is a continuing risk that the management of alerts for potential money laundering or terrorism financing activities may be impacted.

The risk of non-compliance with AML/CTF and sanction laws remains high given the scale and complexity of the ANZ Bank Group and the lack of clarity around some mandatory reporting requirements. Emerging technologies, such as those provided by virtual asset service providers (e.g. digital currency exchanges and wallet providers) as well as increasingly complex remittance arrangements via fintechs and other disruptors, may limit the ANZ Bank Group's ability to track the movement of funds, develop relevant transaction monitoring, and meet reporting obligations. The complexity of the ANZ Bank Group's technology, and the increasing frequency of changes to systems that play a role in AML/CTF and sanctions compliance puts the ANZ Bank Group at risk of failing to identify an impact on the systems and controls in place. A failure to operate a robust program to report the movement of funds, combat money laundering, terrorism financing, and other serious crimes may have serious financial, legal and reputational consequences for the ANZ Bank Group and its employees.

Consequences can include fines, criminal and civil penalties, civil claims, reputational harm and limitations on doing business in certain jurisdictions. These consequences, individually or collectively, may adversely affect the ANZ Bank Group's Position. The ANZ Bank Group's foreign operations may place the ANZ Bank Group under increased scrutiny from regulatory authorities and subject the ANZ Bank Group to increased compliance costs.

6.2.19 Changes in monetary policies may adversely affect the ANZ Bank Group's Position

Central monetary authorities (including the RBA, the RBNZ, the United States Federal Reserve, the European Central Bank, the Bank of England and monetary authorities in the Asian jurisdictions in which the ANZ Bank Group operates) set official interest rates or take other measures to affect the demand for money and credit in their relevant jurisdictions. In some jurisdictions, currency policy is used to influence general business conditions and the demand for money and credit. These measures and policies can significantly affect the ANZ Bank Group's cost of funds for lending and investing and the return that the ANZ Bank Group will earn on those loans and investments. These factors impact the ANZ Bank Group's net interest margin and can affect the value of financial instruments it holds, such as debt securities and hedging instruments. The measures and policies of the central monetary authorities can also affect the ANZ Bank Group's borrowers, potentially increasing the risk that they may fail to repay loans. Changes in interest rates and monetary policy are difficult to predict and may adversely affect the ANZ Bank Group's Position. Refer to Section 6.2.5 "Changes in the real estate markets in Australia, New Zealand or other markets where the ANZ Bank Group does business may adversely affect the ANZ Bank Group's Position" and Section 6.2.10 "Credit risk may adversely affect the ANZ Bank Group's Position".

6.2.20 Ongoing significant compliance costs with respect to the evolving and extensive Automatic Exchange of Information obligations imposed by global customer tax transparency regimes may adversely affect the ANZ Bank Group's Position

There continues to be mandatory and substantial changes to, and increasing regulatory focus on, compliance by all global Financial Institutions (**FIs**), including the ANZ Bank Group, with global customer tax transparency regimes, under the Foreign Account Tax Compliance Act (**FATCA**), the Organisation for Economic Co-operation and Development's (**OECD's**) Common Reporting Standard (**CRS**) and similar anti-tax avoidance regimes. This includes global regulatory movement to enforcement and penalty activities and increasing regulatory implementation of additional compliance framework requirements, compliance assessment requirements, questionnaires, onsite financial institution audits, evidentiary requirements, detailed rules and frameworks to close down circumventions and deter, detect and penalise non-compliance. The ongoing OECD government level peer reviews and IRS and regulatory FLS compliance review/audit requirements increase scrutiny and therefore unplanned workload of FIs globally. Each country of CRS adoption is being pushed by the OECD to ensure its penalty regime is sufficient to deter and penalise non-compliance.

As the ANZ Bank Group is an in scope FI operating in a globally interlinked operating environment, the highly complex and rigid nature of the obligations under each country's varied implementation of these regimes present heightened operational and compliance risks for the ANZ Bank Group. As international regulatory compliance

frameworks mature and regulators shift focus to enforcement (which may include financial penalties and other more general tax risk framework implications), this may result in significant penalty provision requirements and reputational damage in the event of failures. Accordingly compliance with global customer tax transparency regimes is a key area of focus and major cost for the ANZ Bank Group.

Under FATCA and other relevant U.S. Treasury Regulations, the ANZ Bank Group could be subject to:

- a 30% withholding tax on certain amounts (including amounts payable to customers), and be required to provide certain information to upstream payers, as well as other adverse consequences, if the ongoing detailed obligations are not adequately met; and
- broader compliance issues, significant withholding exposure, competitive disadvantage and other operational impacts if the FATCA Intergovernmental Agreements between the United States and the applicable jurisdictions in which the ANZ Bank Group operates cease to be in effect.

Under the CRS, the ANZ Bank Group:

- faces challenges in developing countries where the ANZ Bank Group has operations, such as the Pacific region. The local regulators in these countries are generally assisted by a "partner" country. The introduction of standards and evidentiary requirements continue to be challenging to implement and adhere to;
- must deal with substantial ongoing country specific variations in local law and regulatory implementation, with significant broader "justified trust" ramifications and penalties for non-collection or failed reporting in respect of prescribed customer information;
- is under increasingly stringent regulatory scrutiny and measures as regulators turn their focus to the effectiveness of FIs implementation. This tightening of regulatory focus, at a varying pace in each country, can lead to a significant negative experience for affected customers (including unilateral account blocking and closure, underlying client issues resulting from same and potential direct customer penalties), which may adversely affect the ANZ Bank Group's Position and if not similarly implemented by other FIs, may present a significant competitive disadvantage and loss of business;
- faces poor customer outcomes with customers who may feel aggrieved as a result of blocking and closure impacts including increased potential exposure to legal and third party liability. This may be particularly the case if the ANZ Bank Group has not communicated the regulatory issue clearly to a customer or has blocked or closed the account incorrectly (for example, due to a data or process error); and
- continues to deal with the substantial implementation challenges associated with the complex requirements relating to intermediaries, which may increase the risk of regulatory ramifications.

The scale and complexity of the ANZ Bank Group means that the risk of non-compliance with FATCA, CRS and other tax reporting regimes is high. The loss of key resources and critical subject matter expertise, combined with the challenge of finding qualified replacements, increases

the risk of non-compliance with these obligations. A failure to successfully operate the implemented processes or to identify and implement all obligations could lead to legal, financial and reputational consequences for the ANZ Bank Group and its employees. Consequences include fines, criminal and civil penalties, civil claims, reputational harm, competitive disadvantage, loss of business and constraints on doing business.

External factors such as natural disasters and the COVID-19 pandemic have resulted in challenges for staff including unplanned staff absences, access to systems, tools and information, and impacted the delivery of the ANZ Bank Group's regulatory obligations on requisite timeframes, including mandatory FATCA and CRS regulatory reporting, customer follow-up strategies, resolution and action of regulatory recommendations, as well as continuous improvement activities required to achieve the zero rate of error expected by regulators. The ANZ Bank Group's global taxation obligations in relation to the enterprise's own tax lodgements and payments may similarly be impacted. Initial leniency from global regulators continues to be tightened or withdrawn due to the regulatory expectation for FIs to adapt to the ongoing challenges presented by external factors, thus heightening the risk of regulatory scrutiny, associated penalties and reputational ramifications resulting from any deficiencies or delays in meeting regulatory obligations.

These consequences, individually or collectively, may adversely affect the ANZ Bank Group's Position.

6.2.21 Unexpected changes to the ANZ Bank Group's licence to operate in any jurisdiction may adversely affect the ANZ Bank Group's Position

The ANZ Bank Group is licensed to operate in various jurisdictions. Unexpected changes in the conditions of the licenses to operate by governments, administrations or regulatory agencies that prohibit or restrict the ANZ Bank Group from trading in a manner that was previously permitted may adversely affect the ANZ Bank Group's Position.

Internal control, operations and reputational risk

6.2.22 Non-financial risk events may adversely affect the ANZ Bank Group's Position

Non-financial risk is the risk of loss and/or non-compliance (including failure to act in accordance with laws, regulations, industry standards and codes, and internal policies) resulting from inadequate or failed internal processes, people, system and/or data, or from external events. This includes operational risk, and the risk of reputation loss but excludes strategic risk.

Non-financial risk categories under the ANZ Bank Group's risk taxonomy include:

- financial crime (the risk of money laundering, sanctions violations, bribery and corruption, and "Know-Your-Customer" failure). See Section 6.2.18 "Significant fines and sanctions in the event of breaches of law or regulation relating to anti-money laundering, counter-terrorism financing and sanctions may adversely affect the ANZ Bank Group's Position";

- internal fraud (fraud attempted or perpetrated by an internal party (or parties) against the organisation);
- external fraud (fraud or theft attempted or perpetrated against the organisation by an external party (that is, a party without a direct relationship to the ANZ Bank Group (excluding customers)) without involvement of an employee);
- business continuity (failure of the business continuity management framework);
- physical security (the risk of damage to the ANZ Bank Group's physical assets, client assets, or public assets for which the ANZ Bank Group is liable, and (criminal) injury to the ANZ Bank 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 and execution (failure to process, manage and execute transactions and other processes correctly and appropriately);
- technology (the risk associated with the outage of systems, including hardware, software and networks). See Section 6.2.26 "Disruption of information technology systems or failure to successfully implement new technology systems could significantly interrupt the ANZ Bank Group's business, which may adversely affect the ANZ Bank Group's Position";
- conduct (the risk of loss or damage arising from the failure of the ANZ Bank Group, 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 Bank Group's business activities). See Section 6.2.25 "Conduct risk events may adversely affect the ANZ Bank Group's Position";
- legal (the risk of execution errors in legal procedures and processes);
- regulatory risk (failure to comply with any legal or regulatory obligations that are not captured through other mentioned risks). See Section 6.2.16 "Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the ANZ Bank Group's Position";
- third party (the risk of failing to manage third party relationships 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). See Section 6.2.27 "Risks associated with information security, including cyber-attacks, may adversely affect the ANZ Bank Group's Position";

- data (the risk of failing to appropriately manage and maintain data, including all types of data, for example, client data, employee data and the ANZ Bank Group's proprietary data (includes privacy)). See Section 6.2.28 "Data management risks may adversely affect the ANZ Bank Group's Position";
- model (the potential for adverse consequences from model errors based on the design, development, use and/or report of a model to inform business decisions). See Section 6.2.29 "Modelling risks may adversely affect the ANZ Bank Group's Position"; 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 Bank Group is obliged to perform (e.g. regulatory reporting, financial reporting).

Loss from risk events may adversely affect the ANZ Bank 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 information.

Non-Financial 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 impacts (see Section 6.2.24 "Reputational risk events as well as operational failures and regulatory compliance failures may give rise to reputational risk, which may undermine the trust of stakeholders, erode the ANZ Bank Group's brand and adversely affect the ANZ Bank Group's Position").

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

All major offices have returned to at least, a blended/hybrid working environment, including adapting to remote working arrangements since the COVID-19 pandemic. 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 ANZ Bank Group's Position from a reputational, financial and compliance perspective.

As the ANZ Bank Group increases the adoption of AI which includes, technologies such as machine learning through predictive analytics, process automation and decision generation to support its customers and business processes, the ANZ Bank Group may become more exposed to associated AI risks, such as lack of transparency, inaccurate decisions or unintended consequences that are inconsistent with the ANZ Bank Group's policies or values. These could have adverse financial and non-financial impacts on the ANZ Bank Group.

6.2.23 Human capital risk, which relates to the inability to attract, develop, motivate and retain the ANZ Bank Group's people to meet current and future business needs, could result in poor financial and customer outcomes and reduce the ability of the ANZ Bank Group to deliver against customer and other stakeholders' expectations

Key executives, employees and directors play an integral role in the operation of the ANZ Bank Group's business and its pursuit of its strategic objectives. The unexpected departure of an individual in a key role or the ANZ Bank 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 ANZ Bank Group's Position.

6.2.24 Reputational risk events as well as operational failures and regulatory compliance failures may give rise to reputational risk, which may undermine the trust of stakeholders, erode the ANZ Bank Group's brand and adversely affect the ANZ Bank Group's Position

The ANZ Bank Group's reputation is a valuable asset and a key contributor to the support that it receives from the community in respect of its business initiatives and its ability to raise funding or capital. Reputational risk may arise as a result of an external event or the ANZ Bank Group's actual or perceived actions and practices, which include operational and regulatory compliance failures. The occurrence of such events may adversely affect perceptions about the ANZ Bank Group held by the public (including the ANZ Bank Group's customers), shareholders, investors, regulators and rating agencies. The impact of a risk event on the ANZ Bank Group's reputation may exceed any direct cost of the risk event itself and may adversely impact the ANZ Bank Group's Position.

The ANZ Bank Group may suffer reputational damage where one of its practices fails to meet community expectations. Community expectations are continually changing and evolving. If expectations exceed the standard required to comply with applicable law, the ANZ Bank Group may incur reputational damage even where it has met its legal obligations. A divergence between community expectations and the ANZ Bank Group's practices could arise in a number of ways including in relation to its product and services disclosure practices, pricing policies and use of data. The ANZ Bank Group's reputation may be adversely affected by community perception of the broader financial services industry, particularly in an environment of rising interest rates. Reputational damage may arise from the ANZ Bank Group's failure to effectively manage risks, enforcement or supervisory action by regulators, adverse findings from regulatory reviews and failure or perceived failure to adequately respond to community, environmental and ethical issues. From time to time the ANZ Bank Group may be subjected to heightened public scrutiny and potential reputational damage as a result of the actions of activist shareholders. Areas which have attracted investor activism in Australia primarily relate to environmental and social issues and include concerns about the actions of the ANZ Bank Group itself or parties that the ANZ Bank Group finances.

Operational and regulatory compliance failures or perceived failures may give rise to reputational risk. Such operational and regulatory compliance failures include, but are not limited to:

- failures related to fulfilment of identification of obligations;
- failures related to new product development;
- failures related to ongoing product monitoring activities;
- failures related to suitability requirements when products are sold outside of the target market;
- failure to comply with disclosure obligations;
- failure to properly manage risk (e.g. credit, market, operational or compliance);
- market manipulation or anti-competitive behaviour;
- inappropriate crisis management/response to a crisis event;
- inappropriate handling of customer complaints;
- inappropriate third party arrangements;
- privacy breaches; and
- unexpected risks.

Damage to the ANZ Bank Group's reputation may have wide-ranging impacts, including adverse effects on the ANZ Bank Group's profitability, capacity and cost of funding, increased regulatory scrutiny, regulatory enforcement actions, additional legal risks and limiting the availability of new business opportunities. The ANZ Bank Group's ability to attract and retain customers could also be adversely affected if the ANZ Bank Group's reputation is damaged, which may adversely affect the ANZ Bank Group's Position.

6.2.25 Conduct risk events may adversely affect the ANZ Bank Group's Position

Conduct risk is the risk of loss or damage arising from the failure of the ANZ Bank Group, 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 Bank Group's business activities.

Conduct risks include:

- the provision of unsuitable or inappropriate advice to customers;
- the representation of, or disclosure about, a product or service which is inaccurate, or does not provide adequate information about risks and benefits to customers;
- a failure to deliver product features and benefits in accordance with terms, disclosures, recommendations and advice;
- a failure to appropriately avoid or manage conflicts of interest;
- inadequate management of complaints or remediation processes;
- a failure to respect and comply with duties to customers in financial hardship; and
- unauthorised trading activities in financial markets, in breach of the ANZ Bank Group's policies and standards.

There has been an increasing regulatory and community focus on conduct risk, including in Australia and New Zealand. Financial pressure has increased for customers with the rising cost-of-living and reduction in disposable income creating pressure on affordability. This may impact both the ability to lend to customers, the extent to which forbearance may need to be offered to those already struggling. It is expected to increase the number of customers that may fall into financial difficulty, and therefore increase the need for the ANZ Bank Group to provide enhanced support. As this occurs, it is likely to have the greatest impact on customers in challenging financial circumstances. This is an evolving situation. The ANZ Bank Group will need to continue to address the increased demand for forbearance and provide appropriate tailored solutions to address complex customer needs to help mitigate the risk of customer harm.

Where a conduct risk event occurs, the ANZ Bank Group has a centralised team responsible for customer remediation programs, including addressing conduct issues identified in ANZ Bank Group reviews. Conduct risk events may not only negatively impact customers and market integrity, but may expose the ANZ Bank Group to regulatory actions, restrictions or conditions on banking licenses and reputational consequences that may adversely affect the ANZ Bank Group's Position. Remediation programs may not be implemented appropriately or may lead to further remediation work being required, resulting in litigation, regulatory action and increasing cost to the ANZ Bank Group, which may adversely affect the ANZ Bank Group's Position. For further discussion of the increasing regulatory focus on conduct risk, see Section 6.2.16 "Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the ANZ Bank Group's Position" and Section 6.2.17 "Litigation and contingent liabilities may adversely affect the ANZ Bank Group's Position".

6.2.26 Disruption of information technology systems or failure to successfully implement new technology systems could significantly interrupt the ANZ Bank Group's business, which may adversely affect the ANZ Bank Group's Position

The ANZ Bank 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 Bank Group uses or is dependent upon, may result in the ANZ Bank Group failing to meet its compliance obligations and customers' banking needs. In a digital world, customers' expectations of "always on" 24/7 banking services necessitates highly available and resilient IT systems.

The ANZ Bank 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 and restoration and business rules and automation. Inadequate responses to these risk exposures could lead to unstable or insecure systems, which could adversely impact customers, increase the ANZ Bank Group's costs, and result in non-compliance with regulatory requirements, any of which may adversely affect the ANZ Bank Group's Position.

The ANZ Bank 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 Bank Group's network, including ANZ New Zealand and international branches, which rely on the ANZ Bank Group to provide a number of IT systems. A failure of the ANZ Bank Group's systems may affect the ANZ Bank Group's network, which may in turn adversely affect the ANZ Bank Group's Position. The COVID-19 pandemic highlighted that these arrangements must cater for 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 ANZ Bank Group's Position.

The ANZ Bank 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 Bank 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 ANZ Bank Group's Position.

This Section should be read in conjunction with Section 6.2.27 "Risks associated with information security, including cyber-attacks, may adversely affect the ANZ Bank Group's Position" as information security breaches and cyber-attacks have the potential to result in the disruption of IT systems.

6.2.27 Risks associated with information security, including cyber-attacks, may adversely affect the ANZ Bank Group's Position

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 Bank 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 Bank 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 Bank Group or its third parties could adversely affect the ANZ Bank Group's business.

Information security risks for the ANZ Bank Group have increased significantly in recent years in part because of the proliferation of technologies, such as the internet and mobile banking to conduct financial transactions, and the increased sophistication and activities of organised crime, hackers, terrorists, nation-states, activists and other external parties. Cyber threats, such as advanced persistent threats, distributed denial of service, malware and ransomware, are continuously evolving, becoming more sophisticated and increasing in volume. As cyber threats evolve, the ANZ Bank Group expects to adapt to modify or enhance layers of defense or to investigate and remediate any information security vulnerabilities. System enhancements and updates may create risks associated with implementing new systems and integrating them with existing ones.

Following the COVID-19 pandemic, hybrid working has increased the number of staff working in flexible arrangements, which may increase information security risks to the ANZ Bank 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.

In the past year, there has been a record level of exposure for individuals and organisations from data breaches. Millions of Australians and New Zealanders now have their data publicly exposed, coinciding with a significant rise in fraud and scams across the region. Failures in the ANZ Bank 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 Bank Group's ability to retain and attract customers and may adversely affect the ANZ Bank Group's Position.

6.2.28 Data management risks may adversely affect the ANZ Bank Group's Position

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 Bank 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 Bank Group's data, systems and technology, could result in ineffective risk management practices and, inaccurate risk reporting which may adversely impact the ANZ Bank Group's Position. Furthermore, failure to comply with data management obligations, including regulatory obligations may cause the ANZ Bank Group to incur losses, or result in regulatory action.

6.2.29 Modelling risks may adversely affect the ANZ Bank Group's Position

The ANZ Bank 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 ANZ Bank Group's Position.

Environmental, social and governance risks

6.2.30 Impact of future climate events, biodiversity loss, human rights, geological events, plant, animal and human diseases, and other extrinsic events may adversely affect the ANZ Bank Group's Position

The ANZ Bank Group and its customers are exposed to environmental, social and governance risks, including

climate related events, geological events (such as volcanic or seismic activity or tsunamis), biodiversity loss including as a result of species extinction or decline, ecosystem degradation and nature loss (**Biodiversity Loss**), plant, animal and human diseases or pandemics such as COVID-19 and human rights risks. Each of these can cause significant impacts on the ANZ Bank Group's operations and its customers.

Climate related events may include severe storms, drought, fires, cyclones, hurricanes, floods and rising sea levels. The impact of these events may be widespread through second order impacts. For example, the economic impacts of a drought may extend beyond primary producers to other customers of the ANZ Bank Group, including suppliers to the agricultural sector, and to those who reside in, and operate businesses within, affected communities. As a result, the ANZ Bank Group may be exposed to climate-related events directly, and through the impact of these events on its customers. Refer to Section 6.2.32 "Risks associated with lending to customers that could be directly or indirectly impacted by climate risk may adversely affect the ANZ Bank Group's Position".

Biodiversity Loss is an emerging risk that the ANZ Bank Group is seeking to understand further. Biodiversity risks are closely linked to climate related risks. Biodiversity risks can arise from lending to customers that are dependent on nature or whose actions may have negative impacts on nature. These risks can also arise from legal and regulatory changes, which impact the ANZ Bank Group directly or indirectly through the ANZ Bank Group's customers. Failure to manage these risks may lead to financial and non-financial risks and may adversely affect the ANZ Bank Group's Position.

Human rights risks relate to the safety and security of the ANZ Bank Group's people, labour rights, modern slavery, privacy and consumer protection, corruption and bribery, environmental protection and land access and rights. The ANZ Bank 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 ANZ Bank Group's Position.

Laws and regulations relating to climate change, biodiversity, human rights, or other environmental, social or governance risks, as well as the perspectives of shareholders, employees and stakeholders, may affect whether and on what terms and conditions the ANZ Bank Group engages in certain activities or offers certain products. Depending on their frequency and severity, these risks may interrupt or restrict the provision of services such as the ANZ Bank Group branch or business centres or other ANZ Bank Group services. They may also adversely affect the ANZ Bank Group's financial condition or collateral position in relation to credit facilities extended to customers, which in turn may adversely affect the ANZ Bank Group's Position.

6.2.31 The ANZ Bank Group's risk management framework may fail to manage all existing risks appropriately or detect new and emerging risks fast enough, which could adversely affect the ANZ Bank Group's Position

Risk management is an important part of the ANZ Bank Group's activities. It includes the identification, measurement, monitoring and mitigation of the ANZ Bank Group's risk and reporting on the ANZ Bank Group's risk profile and effectiveness of identified controls. There is no assurance that the ANZ Bank Group's risk management framework will be effective. This includes effectiveness in relation to existing risks and new and emerging risks that the ANZ Bank Group may not anticipate or identify in a timely manner and for which its controls may not be effective. Failure to manage risks effectively could adversely impact the ANZ Bank Group's reputation or compliance with regulatory obligations.

The effectiveness of the ANZ Bank Group's risk management framework is connected to the establishment and maintenance of a sound risk management culture, supported by appropriate remuneration structures. A failure in designing or effectively implementing appropriate remuneration structures, could have an adverse impact on the ANZ Bank Group's risk culture and effectiveness of the ANZ Bank Group's risk management frameworks.

The ANZ Bank Group seeks to continuously improve its risk management frameworks. It has implemented, and regularly reviews, its risk management policies and allocates additional resources across the ANZ Bank Group to manage and mitigate risks. Such efforts may not insulate the ANZ Bank Group from exposure to risks and no assurance is given that the ANZ Bank Group's risk management framework will be effective. A failure in the ANZ Bank Group's risk management processes or governance could result in the ANZ Bank Group suffering unexpected losses and reputational damage, and failing to comply with regulatory obligations, which could adversely affect the ANZ Bank Group's Position.

6.2.32 Risks associated with lending to customers that could be directly or indirectly impacted by climate risk may adversely affect the ANZ Bank Group's Position

The ANZ Bank Group's most material climate-related risks arise from lending to business and retail customers.

Customers may be affected directly by physical and transition risks. These include the effect of extreme weather events on a customer's business or property, including impacts to the cost and availability of insurance and insurance exclusions, changes to the regulatory and policy environment in which the customer operates, disruption from new technology and changes in demand towards low carbon products and services. Climate related risks may indirectly affect a customer through impacts to its supply chain.

Climate risks may affect the ability of customers to repay debt, result in an increased probability of default, result in "stranded assets", and impact the amount the ANZ Bank Group is able to recover due to the value or liquidity of collateral held as security being impaired. Examples of climate-related events in Australia that have impacted customer revenue include severe drought conditions, bushfires in 2019 and 2020, and severe flooding in 2021 and 2022 as well as recent flooding events in Queensland during December 2023. Similar events have occurred in New Zealand in recent years such as Cyclone Gabrielle in February 2023 and severe flooding in 2023.

Risks associated with climate change are subject to increasing regulatory, political and societal focus.

Further embedding climate change risk into the ANZ Bank Group's risk management framework and adapting the ANZ Bank Group's operation and business strategy to address the risks and opportunities posed by climate change and the transition to a low carbon economy, could have a significant impact on the ANZ Bank Group.



SECTION 07

TAXATION SUMMARY

THIS SECTION CONTAINS A SUMMARY OF THE AUSTRALIAN TAX CONSEQUENCES FOR POTENTIAL HOLDERS AND PARTICIPATING CN4 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 CN4 HOLDERS. ACCORDINGLY, EACH POTENTIAL HOLDER AND EACH PARTICIPATING CN4 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

ANZBGL 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 ANZBGL’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 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.

A new rule prevents certain distributions which are funded by a capital raising from being franked. This new rule is not expected to apply to 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.

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 ANZBGL'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 33 1/3% 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

ANZBGL 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 ANZBGL).

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 CN4 HOLDERS

We have set out below some high-level comments in respect of certain Australian tax resident CN4 holders regarding the redemption of the CN4 and the Reinvestment Offer, where those holders are subject to Class Ruling CR 2016/68 (which sets out certain Australian tax consequences for certain Australian tax residents who invested in CN4 in the initial offering) and hold their CN4 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 CN4 Holders who:

- acquired their CN4 otherwise than under the initial offering;
- hold their CN4 in their business of securities trading, dealing in securities or otherwise hold their CN4 on revenue account or as trading stock;
- are not Australian residents for tax purposes;
- are Australian tax residents but acquired and/or hold their CN4 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 CN4 or the Notes that they will acquire under the Reinvestment Offer.

7.2.1 Final CN4 Distribution

Holders of CN4, including Eligible CN4 Holders who participate in the Reinvestment Offer, will receive the Final CN4 Distribution that is expected to be paid on 20 March 2024, subject to the payment conditions in the CN4 terms and ANZBGL's absolute discretion.

The tax treatment of the Final CN4 Distribution should be the same as the treatment of other distributions received on the CN4, as outlined in Class Ruling CR 2016/68. On this basis, provided that a CN4 holder is a "qualified person" (see the general comments in Section 7.1.3 and Class Ruling CR 2016/68), a CN4 holder should generally include the amount of the Final CN4 Distribution as well as an amount equal to any franking credits attached to the Final CN4 Distribution in their assessable income and should qualify for a tax offset equal to the franking credits.

7.2.2 Redemption of CN4

A CGT event will occur for CN4 holders upon redemption of the CN4. This will apply to all CN4 holders (i.e. both Eligible CN4 Holders who participate in the Reinvestment Offer and CN4 holders that do not participate in the Reinvestment Offer).

CN4 holders may make a capital gain or capital loss on the redemption of their CN4, depending on whether the capital proceeds from the disposal are more than the CGT cost base for their CN4, or whether the capital proceeds are less than the reduced cost base for their CN4, 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 CN4 (and therefore the redemption capital proceeds) is equal to the \$100 face value of the CN4. 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 ANZBGL's non-share capital account.

A CN4 holder's CGT cost base (or reduced cost base) for each CN4 should include the amount they paid to acquire the CN4 and may also include certain other non-deductible incidental costs (e.g. brokerage or advisory fees) associated with acquiring and/or disposing of the CN4. If the CN4 have been owned for at least 12 months prior to the redemption (excluding the days of acquisition and disposal), a CN4 holder (other than a company) may be entitled to receive CGT discount treatment in respect of any gain arising on redemption of CN4, 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 CN4 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 CN4 Redemption Proceeds which are 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 ANZGHL 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 ANZBGL IN RESPECT OF THE OFFER.

8.1 REPORTING AND DISCLOSURE OBLIGATIONS

ANZBGL is admitted to the official list of ASX as a debt listing and is a disclosing entity for the purposes of the Corporations Act. ANZGHL 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 ANZBGL and ANZGHL 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).

ANZBGL and ANZGHL 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, ANZBGL and ANZGHL 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

ANZBGL 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 ANZBGL for the year ended 30 September 2023;
- any continuous disclosure notices given by ANZBGL and ANZGHL in the period after the lodgement of the annual financial report of ANZBGL and ANZGHL (as applicable) for the year ended 30 September 2023 and before lodgement of the Original Prospectus with ASIC; and
- the Constitution.

The financial report for the year ended 30 September 2023, 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

ANZGHL, ANZ BH and ANZBGL have entered into the Implementation Deed, pursuant to which they have agreed that where a Conversion occurs, ANZGHL will subscribe for ordinary shares in ANZ BH and ANZ BH will subscribe for ANZBGL 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 ANZBGL and ANZGHL 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 ANZBGL's obligations in relation to the conduct of the Offer, the representations, warranties and undertakings provided by ANZBGL and ANZGHL 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 ANZGHL Ordinary Shares (**ANZGHL Ordinary Share Summary**). The ANZGHL Ordinary Share Summary contains, among other things, information on the rights of ANZGHL Ordinary Shareholders to:
 - receive dividends;
 - participate in ANZGHL's dividend reinvestment plan or bonus option plan;
 - participate in or vote at ANZGHL's general meetings; and
 - transfer ANZGHL Ordinary Shares.

The OMA Summary and the ANZGHL 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 ANZBGL 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

ANZGHL 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. ANZGHL has also consented to all statements about ANZGHL 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 Securities²⁹ • Bell Potter • Commonwealth Bank of Australia • E&P Corporate Advisory • Morgan Stanley • Morgans • NAB • Ord Minnett • Shaw and Partners • UBS • Westpac
Co-Managers	<ul style="list-style-type: none"> • JBWere • 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, Bell Potter, Commonwealth Bank of Australia, E&P Corporate Advisory, Morgan Stanley, Morgans, NAB, 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 ANZBGL. 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 ANZBGL 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.

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.

²⁹ A liability of ANZ Securities is neither a deposit with, nor a liability of, ANZBGL. ANZ Securities is a separate entity from ANZBGL and is not an ADI.

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, ANZBGL estimates that it will pay approximately \$85,000 (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 ANZBGL 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, ANZBGL estimates that it will pay approximately \$300,000 (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 ANZBGL 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 ANZBGL or ANZGHL;
 - the Offer; or
 - any property acquired or proposed to be acquired by ANZBGL in connection with the formation or promotion of ANZBGL, ANZGHL 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 ANZBGL, ANZGHL or the Offer.

The Joint Lead Managers and their respective affiliates and any of their respective directors, officers, employees, partners, advisers, contractors or agents (the **JLM Parties**) 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 and businesses may include securities issuing, securities trading, brokerage activities, the provision of retail, business, private, commercial, and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services or the provision of finance, including in respect of securities of, or loans to, ANZ Group entities. In the ordinary course of these activities, each JLM Party may at any time hold long or short positions and may trade or otherwise effect transactions, or take or enforce security, for its own account or the accounts of customers or investors, in debt, equity or hybrid securities or senior loans or financial products of any ANZ Group entities or any other person that may be involved in the Offer, and may finance

the acquisition of those securities and/or financial products and take or enforce security over those securities and/or financial products. 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 ANZGHL except for Graham Hodges and John Cincotta.

Details of the Directors' holdings in ANZGHL 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 CN4) 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 ANZBGL or ANZGHL;
- the Offer; or
- any property acquired or proposed to be acquired by ANZBGL or ANZGHL in connection with the formation or promotion of ANZBGL, ANZGHL 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 ANZBGL, ANZGHL or the Offer.

The ANZGHL constitution and the Constitution contain provisions about the remuneration of the ANZGHL Directors and Directors respectively. As remuneration for their services as directors, the non-executive ANZGHL 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 ANZGHL Ordinary Shareholders in a general meeting. The maximum annual aggregate amount has been set at \$4,000,000. Each Director and ANZGHL 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 ANZGHL 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.

8.8 ASX RELIEF

ASX has granted the following waivers and confirmations to ANZBGL and ANZGHL 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 ANZBGL 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 ANZGHL Directors (and their associates) to participate in the Offer, without ANZGHL Ordinary Shareholder approval, on the following conditions:
 - the Directors (and their associates) and ANZGHL 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;
 - ANZBGL releases the terms of the waiver to the market; and
 - when Notes are issued, ANZBGL and ANZGHL announce to the market the total number of Notes issued to the Directors (and their associates) and ANZGHL Directors (and their associates) in aggregate; and
- confirmation that the timetable for the Offer is acceptable.

8.9 ASIC RELIEF

ANZBGL 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.

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.

8.11 PRIVACY STATEMENT

If you apply for Notes, you will be asked to provide personal information to ANZBGL and its agents. ANZBGL 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 ANZBGL and its agents may use your information to comply with these requirements.

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

- its agents, contractors or third party service providers to whom ANZBGL 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 ANZBGL using your personal information to keep you informed about ANZBGL's business activities, progress and development and bring to your attention a range of products and services offered by ANZBGL. You can contact ANZBGL 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 ANZBGL using or disclosing your personal information in the way described in the previous sentence. It is important that you contact ANZBGL or the Registry if you do not consent to this use because, by investing in Notes, you will be taken to have otherwise consented.

ANZBGL may disclose information to recipients which are located outside Australia. You can find details about the location of some of these recipients in ANZBGL'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.

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

- the circumstances in which ANZBGL 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 ANZBGL has breached the Privacy Act or an applicable code and how ANZBGL 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 ANZBGL or the Registry so that your records can be corrected. To assist ANZBGL with this, please contact ANZBGL or the Registry if any of the details you have provided have changed.

8.12 CORPORATIONS ACT

This Prospectus is issued by ANZBGL 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 9

ANZ Capital Notes 9 are fully paid mandatorily convertible subordinated perpetual securities (**ANZ Capital Notes 9** or **Notes**) in the form of unsecured notes issued by ANZBGL. ANZ Capital Notes 9 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 9 are not deposit liabilities of ANZBGL, 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 ANZBGL and are not guaranteed or insured by any government, government agency or compensation scheme in Australia or any other jurisdiction or by ANZGHL 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, ANZBGL 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 ANZBGL, ANZGHL 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 ANZBGL 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:

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

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 ANZBGL determines that a Reference Rate Disruption Event has occurred, then, subject to APRA's prior written approval, ANZBGL:
 - (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, shall act in good faith and in a commercially reasonable manner after consultation with such sources of market practice as it considers appropriate.

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** 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 ANZBGL 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 ANZBGL considers appropriate on that day); or
 - (B) is published, but is affected by an obvious error;
 - (iii) such other rate (expressed as a percentage per annum) that ANZBGL 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 ANZBGL determines, after consultation with such sources of market practice as it considers appropriate, that 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 ANZBGL'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 ANZBGL 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 ANZGHL 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) ANZBGL'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, ANZBGL 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 2024 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, except where the Distribution Payment Date is 20 September 2031, where the Distribution Payment Date becomes the preceding 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**), ANZBGL must not, without approval of a Special Resolution, until and including the next Distribution Payment Date:

- (a) resolve to pay or pay any ANZBGL 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 ANZBGL 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, ANZBGL is legally obliged to pay on or after that date an ANZBGL Ordinary Share Dividend or complete on or after that date a Buy-Back or Capital Reduction.

Nothing in these Note Terms prohibits ANZBGL or a Controlled Entity from purchasing ANZGHL Shares (or an interest therein) in connection with transactions for the account of customers of ANZBGL or customers of entities that ANZBGL Controls or, with the prior written approval of APRA, in connection with the distribution or trading of ANZGHL 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 ANZGHL Shares in the ordinary course of business; and
- (b) acting as trustee for another person where neither ANZGHL 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 ANZBGL 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 2033 (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, ANZBGL 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, ANZBGL 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 ANZBGL determines, or APRA has notified ANZBGL in writing that it believes, that a Common Equity Capital Ratio is equal to or less than 5.125%. ANZBGL 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 ANZBGL that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZBGL would become non-viable; or
- (b) a determination by APRA, notified to ANZBGL in writing, that without a public sector injection of capital, or equivalent support, ANZBGL 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 ANZBGL 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 ANZBGL in accordance with paragraph (b) below) to increase the relevant Common Equity Capital Ratio to a percentage above 5.125% determined by ANZBGL 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 ANZBGL in accordance with paragraph (b) below) to satisfy APRA that ANZBGL 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, ANZBGL 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) ANZBGL 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 ANZBGL, fair and reasonable (subject to such adjustment as ANZBGL 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, ANZBGL may treat the Relevant Securities as if converted into a single currency of ANZBGL's choice at such rate of exchange for each such currency as ANZBGL in good faith considers reasonable;

- (c) on the Trigger Event Conversion Date ANZBGL 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) ANZBGL 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, ANZBGL and ANZGHL 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, ANZBGL 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 ANZBGL 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 ANZBGL 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, ANZBGL 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 ANZBGL

5.1 Optional Exchange by ANZBGL

ANZBGL 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 ANZBGL unless ANZBGL 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 ANZBGL'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 ANZBGL 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 ANZBGL 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 ANZBGL issues an Exchange Notice to Exchange only some Notes, ANZBGL 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 ANZBGL of Conversion as Exchange Method

ANZBGL 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 ANZBGL (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 ANZBGL

If ANZBGL 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) ANZBGL 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.

ANZBGL 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

ANZBGL 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 ANZBGL 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 ANZGHL 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) ANZGHL 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 ANZGHL 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, ANZGHL and ANZBGL under the Implementation Deed, ANZGHL, ANZBGL and their Related Bodies Corporate will deal with the Notes being Converted so that they are converted into ANZBGL 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 ANZGHL 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 ANZGHL's 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 ANZGHL 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 ANZGHL does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing ANZGHL 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 ANZGHL 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, ANZBGL 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 ANZGHL 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

ANZBGL 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 ANZBGL 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 ANZBGL 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 ANZBGL is not bound to enquire), either unconditionally or after compliance with conditions which ANZBGL 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 ANZBGL or a Related Entity of ANZBGL) 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 ANZBGL'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 ANZBGL or a Related Entity of ANZBGL) 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

ANZGHL 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 ANZBGL, ANZGHL 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), ANZBGL 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, ANZBGL elects to Resell Notes in accordance with these Note Terms, the provisions of this clause 8 apply to that Resale.
- (b) ANZBGL may appoint one or more Purchasers for the Resale on such terms as may be agreed between ANZBGL 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 ANZBGL or a Related Entity of ANZBGL) as Purchaser if, for any reason, ANZBGL 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 ANZBGL 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 ANZBGL.
- (d) ANZBGL may not appoint itself or any Related Entity of ANZBGL as a Purchaser.
- (e) If ANZBGL 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 ANZBGL as a result of that non-payment.
- (f) Clause 13 will apply to payments by the Purchaser as if the Purchaser was ANZBGL. 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 ANZBGL in Australia, the Notes are redeemable for the Face Value in accordance with this clause 9.1.
- (b) In a winding-up of ANZBGL 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 ANZBGL in the winding-up of ANZBGL in Australia, including with respect to any unpaid Distribution.
- (c) Holders will rank for payment of the Face Value in a winding-up of ANZBGL in Australia:
 - (i) in priority to ANZBGL 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 ANZBGL 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 ANZBGL, 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 ANZBGL 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 ANZBGL 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 ANZBGL 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 ANZBGL in respect of any claim by ANZBGL against that Holder; and
- (b) will have no offsetting rights or claims on ANZBGL if ANZBGL does not pay a Distribution when scheduled under the Note Terms. ANZBGL may not exercise any right of set-off against a Holder in respect of any claim by that Holder against ANZBGL.

9.6 No security

Notes are unsecured.

9.7 Shortfall on winding-up

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

9.9 Power of Attorney

- (a) Each Holder appoints each of ANZBGL, ANZGHL, their respective officers and any External Administrator of ANZBGL or ANZGHL (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 to:
- (i) effect any transfers of Notes or make any entry in the Register in connection with any 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; or
 - (ii) facilitate the performance or observance of the obligations of the Holder arising in connection with any such 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 ANZGHL and agrees to be bound by the ANZGHL 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 ANZGHL 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 ANZBGL, ANZGHL 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 ANZBGL, ANZGHL 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 ANZBGL and ANZGHL 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 ANZBGL, ANZGHL 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 ANZGHL's 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, ANZGHL has issued the Conversion Number of Ordinary Shares to the Holder but the Note has not been transferred free from Encumbrance to ANZGHL, 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 ANZBGL, ANZGHL 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 ANZBGL, ANZGHL or any other member of the ANZ Group (other than on a Conversion) or to participate in any bonus issues of securities of ANZBGL, ANZGHL or any other member of the ANZ Group.
- (c) Nothing in these Note Terms prevents ANZBGL or ANZGHL 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 ANZBGL, ANZGHL or any other member of the ANZ Group of any indebtedness upon such terms as ANZBGL, ANZGHL 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 ANZBGL 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, ANZBGL and ANZGHL 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 ANZBGL 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 ANZBGL, ANZGHL 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 ANZBGL, ANZGHL 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 ANZBGL, ANZGHL or any other member of the ANZ Group in any jurisdiction merely on the grounds that ANZBGL 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 ANZBGL may give Approved Successor Notice

ANZBGL 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 ANZGHL 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 ANZBGL, the Approved Successor has entered into arrangements with ANZBGL 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 ANZBGL 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 ANZBGL 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 ANZBGL 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 ANZBGL

All notices or other communications by a Holder to ANZBGL 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 ANZBGL 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 ANZBGL 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 ANZBGL's option if no such account is notified:
 - (i) by sending a cheque through the post at the Holder's risk directed to:
 - (A) 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
 - (B) to any other address the Holder (or in the case of a jointly held Note, all the joint Holders) directs in writing; or
 - (ii) by any other method as ANZBGL determines.

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 payable in respect of the Notes 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 the first to occur of the following:

- (i) the Holder nominates a suitable Australian dollar account maintained in Australia with a financial institution to which the payment may be credited or ANZBGL elects to pay the amount by cheque or by any other method;
- (ii) ANZBGL determines as permitted by clause 13.4 to refuse any claim in respect of that amount in which case ANZBGL may treat that amount as its own (subject to clause 13.3(b)(iii)); or
- (iii) ANZBGL 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

ANZBGL 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 or proven error, any determination or calculation which ANZBGL makes in accordance with these Note Terms is final and binds ANZBGL, the Registry and each Holder.

13.6 Payment to joint Holders

A payment to any one of joint Holders will discharge ANZBGL'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

ANZBGL, ANZGHL 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 ANZBGL, ANZGHL or the Purchaser, as applicable.

If any withholding or deduction arises, ANZBGL, ANZGHL 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, ANZBGL, ANZGHL 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 ANZBGL nor ANZGHL 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.

ANZBGL or ANZGHL, 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, ANZBGL 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, ANZBGL may amend these Note Terms without the authority, assent or approval of Holders where the amendment in the reasonable opinion of ANZBGL:

- (a) is made to correct a manifest or proven 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 ANZBGL'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 without such amendment materially adversely affecting the interests of Holders as a whole and 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, ANZBGL 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 ANZBGL) (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 ANZBGL and the Transferee, each Note held by the Transferee as a result of the transfer will be automatically Converted into ANZBGL Ordinary Shares in a number and at a price such that the issued ordinary share capital of ANZBGL 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 ANZBGL 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 ANZBGL'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 ANZBGL'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", "ANZGHL Shares", "ANZBGL 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, ANZBGL 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

ANZBGL 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

ANZBGL and ANZGHL 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. ANZBGL and ANZGHL 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) ANZBGL agrees that process in connection with any proceedings in Victoria, Australia may be served at the principal office of ANZBGL, which, as at the Issue Date is located at ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands 3008 Victoria, Australia.
- (b) ANZGHL agrees that process in connection with any proceedings in Victoria, Australia may be served at the principal office of ANZGHL, 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 ANZBGL or ANZGHL only if ANZBGL or ANZGHL (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 ANZBGL 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 ANZBGL or ANZGHL under these Note Terms are binding on Holders in the absence of manifest or proven error.
- (p) So long as the Notes are quoted on ASX and in CHESS, 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 Capital Notes 9 has the meaning given in clause 1.1.

ANZ Capital Notes 9 Deed Poll means the deed poll relating to the Notes made by ANZBGL and ANZGHL on or about 14 February 2024.

ANZ Details Notice has the meaning given in clause 12.3.

ANZ Group means ANZGHL and its Controlled Entities.

ANZ Level 1 Group means ANZBGL and those of its controlled entities included by APRA from time to time in the calculation of ANZBGL's capital ratios on a Level 1 basis.

ANZ Level 2 Group means ANZBGL together with each Related Entity included by APRA from time to time in the calculation of ANZBGL's capital ratios on a Level 2 basis.

ANZ Level 3 Group means ANZBGL together with each Related Entity included by APRA from time to time in the calculation of ANZBGL's capital ratios on a Level 3 basis.

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).

ANZBGL means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

ANZBGL Ordinary Share means a fully paid ordinary share in the capital of ANZBGL.

ANZBGL Ordinary Share Dividend means any interim, final or special dividend payable in accordance with the Corporations Act and the Constitution in relation to ANZBGL Ordinary Shares.

ANZGHL means ANZ Group Holdings Limited (ABN 16 659 510 791).

ANZGHL Directors means some or all of the directors of ANZGHL acting as a board.

ANZGHL Constitution means the constitution of ANZGHL as amended from time to time.

ANZGHL Shares means Ordinary Shares or any other shares in the capital of ANZGHL.

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) ANZGHL; or
- (c) ANZBGL,

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 ANZBGL, the ANZ Group, ANZGHL 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 ANZBGL, ANZGHL 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 ANZBGL, ANZGHL 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 has the meaning given in clause 3.1.

BBSW Rate has the meaning given in clause 3.1.

Bookbuild means the process conducted by ANZBGL or its agents before the opening of the Offer whereby certain investors lodge bids for Notes and, on the basis of those bids, ANZBGL 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 ANZBGL of ANZBGL Ordinary Shares pursuant to an offer made in its discretion in accordance with the provisions of Chapter 2J of the Corporations Act.

Capital Notes 4 means the convertible notes issued by ANZBGL 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 ANZBGL 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 ANZBGL 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 ANZBGL in 2022 under a prospectus dated 23 February 2022 (which replaced a prospectus dated 15 February 2022) (as amended).

Capital Notes 8 means the convertible notes issued by ANZBGL in 2023 under a prospectus dated 23 February 2023 (which replaced a prospectus dated 15 February 2023).

Capital Reduction means a reduction in capital initiated by ANZBGL in its discretion in respect of ANZBGL 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 ANZBGL 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 ANZBGL Ordinary Shares on issue (as the case may be); or
 - (ii) the ANZGHL 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 ANZGHL 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 ANZBGL Ordinary Shares that will be on issue after the scheme is implemented and:
- (i) all classes of members of ANZGHL or ANZBGL (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 ANZBGL 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 ANZBGL; or
 - (ii) enters into an agreement to acquire beneficially more than 50% of the voting shares in the capital of ANZBGL 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 ANZGHL's 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 ANZGHL 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 ANZBGL, the person acquiring the relevant interest in or acquiring voting shares in ANZBGL is a wholly owned Subsidiary of ANZGHL 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 ANZBGL as amended from time to time.

Control has the meaning given in the Corporations Act.

Controlled Entity means an entity ANZGHL 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 ANZBGL 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 ANZBGL 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 ANZBGL (as the case may be);
- (b) Capital Notes 4;
- (c) Capital Notes 5;
- (d) Capital Notes 6;
- (e) Capital Notes 7;
- (f) Capital Notes 8;
- (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 ANZBGL 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 ANZGHL 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 9 Implementation Deed" entered into between, amongst others, ANZGHL and ANZBGL on or about 14 February 2024.

Inability Event means ANZBGL or ANZGHL 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 ANZBGL or ANZGHL) 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 9 Deed Poll.

NOHC means the ultimate holding company of ANZBGL 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 ANZGHL 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 ANZBGL 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 ANZGHL 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 ANZBGL 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 2031, 20 June 2031 or the Business Day preceding 20 September 2031.

Ordinary Share means a fully paid ordinary share in the capital of ANZGHL.

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 ANZBGL (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 ANZBGL 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 ANZBGL conferring a claim in the winding-up of ANZBGL equal to the Face Value and ranking equally in respect of return of capital in a winding-up senior to ANZBGL 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 ANZBGL 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 ANZBGL. The term Register includes:

- (a) any sub-register maintained by, or on behalf of ANZBGL 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 ANZBGL 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 ANZBGL to come into effect (each, a **Regulatory Change**), more than de minimis additional requirements would be imposed on ANZBGL or ANZGHL or there would be a more than de minimis negative impact on ANZBGL or ANZGHL in relation to or in connection with Notes which the Directors determine (having received all approvals they consider to be necessary (including from APRA)) to be unacceptable; or
- (b) the determination by the Directors (having received all approvals they consider to be necessary (including from APRA)) that, as a result of a Regulatory Change, ANZBGL is not or will not be entitled to treat all Notes as Additional Tier 1 Capital, except where the reason ANZBGL is not or will not be entitled to treat all Notes as Additional Tier 1 Capital is because ANZBGL 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 ANZBGL 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 4, Capital Notes 5, Capital Notes 6, Capital Notes 7, Capital Notes 8 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 ANZBGL, including depositors, whose claims are:

- (a) entitled to be admitted in the winding-up of ANZBGL; 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 ANZBGL to come into effect, there is more than an insubstantial risk which the Directors determine (having received all approvals they consider to be necessary (including from APRA)), to be unacceptable that:

- (i) ANZBGL, ANZGHL 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) ANZGHL 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 ANZGHL Directors determine to be unacceptable).

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;
- (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.

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 Bank Group	holds the ANZ Group's banking businesses (including ANZBGL and ANZ NZ), all international regulated bank operations and insurance businesses
ANZBGL	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522, AFSL 234527)
ANZBGL Ordinary Share	a fully paid ordinary share in the capital of ANZBGL
ANZBGL Ordinary Share Dividend	any interim, final or special dividend payable in accordance with the Corporations Act and the Constitution in relation to ANZBGL Ordinary Shares
ANZ BH	ANZ BH Pty Limited (ABN 45 658 939 952)
ANZ Capital Notes 9 or Notes	fully paid notes issued by ANZBGL which will Mandatorily Convert into ANZGHL Ordinary Shares (subject to certain conditions being satisfied), and which are to be issued under this Prospectus
ANZ Capital Notes 9 Deed Poll	the deed poll relating to the Notes made by ANZBGL and ANZGHL on 14 February 2024
ANZ Capital Securities	CN4, CN5, CN6, CN7, CN8 and ANZ Perpetual Subordinated Contingent Convertible Securities
ANZ Group	ANZGHL and its controlled entities
ANZGHL	ANZ Group Holdings Limited (ABN 16 659 510 791)
ANZGHL Board or ANZGHL Directors	some or all of the directors of ANZGHL acting as a board
ANZGHL Ordinary Shareholder	a person whose name is registered as the holder of an ANZGHL Ordinary Share
ANZGHL Ordinary Share or Ordinary Share	a fully paid ordinary share in the capital of ANZGHL
ANZ Level 1 Group	ANZBGL and those of its controlled entities included by APRA from time to time in the calculation of ANZBGL's capital ratios on a Level 1 basis
ANZ Level 2 Group	ANZBGL together with each Related Entity included by APRA from time to time in the calculation of ANZBGL's capital ratios on a Level 2 basis

Term	Meaning
ANZ Level 3 Group	ANZBGL together with each Related Entity included by APRA from time to time in the calculation of ANZBGL'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
ANZ NZ	ANZ Bank New Zealand Limited
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)
Application	a valid application for a specified number of Notes made through a Syndicate Broker (including on an Application Form)
Application Form	the paper or online 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; • ANZGHL; or • ANZBGL, <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 Note 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 ANZBGL, the ANZ Group or any NOHC
APRA Discussion Paper	The Discussion Paper released by APRA in September 2023 entitled "Discussion Paper – Enhancing bank resilience: Additional Tier 1 Capital in Australia", described in Section 5.7.5
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

Term	Meaning
ATO	Australian Taxation Office
Attorney	an attorney of a Holder appointed in accordance with clause 9.9 of the Note Terms
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	<p>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.</p> <p>For the full definition – see clause 3.1 of the Note Terms</p>
Bell Potter	Bell Potter Securities Limited (ABN 25 006 390 772)
Board or Directors	some or all of the directors of ANZBGL 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, ANZBGL 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 ANZBGL in its discretion in respect of its ANZBGL Ordinary Shares in any way permitted by the provisions of Chapter 2J of the Corporations Act
CCB	has the meaning given in Section 5.7.4
CCyB	has the meaning given in Section 5.7.4
CGT	capital gains tax
Change of Control Conversion Date	<p>the date on which Conversion as a result of a Change of Control Event is to occur, as discussed in Section 2.4.3</p> <p>For the full definition – see clause 4.10(b) of the Note Terms</p>
Change of Control Conversion Notice	a notice given by ANZBGL following a Change of Control Event pursuant to clause 4.10(a) of the Note Terms
Change of Control Event	<p>broadly, occurs when:</p> <ul style="list-style-type: none"> • certain takeover bids or schemes of arrangement occur in relation to ANZBGL or ANZGHL 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 ANZBGL's capital. <p>For the full definition – see clause 17.2 of the Note Terms</p>

Term	Meaning
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 11 March 2024 for Applications under the Reinvestment Offer; and • 10.00am on 18 March 2024 for Applications under the New Money Offer
CN4 or Capital Notes 4	fully paid convertible notes issued by ANZBGL under a prospectus dated 24 August 2016 (which replaced a prospectus dated 16 August 2016). The CN4 terms were amended on 3 January 2023
CN4 Redemption	the redemption of all CN4 for \$100 per CN4 on 20 March 2024 in accordance with the CN4 terms and the redemption notice issued by ANZBGL on 14 February 2024
CN4 Redemption Proceeds	the amount equal to the number of CN4 redeemed under the CN4 Redemption multiplied by the CN4 Redemption Price
CN5	fully paid convertible notes issued by ANZBGL 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 ANZBGL 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 ANZBGL under a prospectus dated 23 February 2022 (which replaced a prospectus dated 15 February 2022). The CN7 terms were amended on 3 January 2023
CN8	fully paid convertible notes issued by ANZBGL under a prospectus dated 23 February 2023 (which replaced a prospectus dated 15 February 2023)
Co-Managers	JBWere and LGT Crestone Wealth Management
Common Equity Capital Ratio	either of: <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, in each case, as prescribed by APRA from time to time
Common Equity Capital Trigger Event	ANZBGL determines, or APRA has notified ANZBGL 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 (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

Term	Meaning
Consenting Party	each of the consenting parties named in Section 8.5.2
Constitution	the constitution of ANZBGL as amended from time to time
Conversion	in relation to a Note, the conversion of that Note into a variable number of ANZGHL 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"> • ANZGHL Ordinary Shares have ceased to be listed or admitted to trading on ASX on or before that date; • trading of ANZGHL 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 2024, 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)
ECM	the economic capital model as referred to in Section 5.7.1
Eligible CN4 Holder	a person who: <ul style="list-style-type: none"> • was a registered holder of CN4 at 7.00pm on 8 February 2024; • is shown on the CN4 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 9 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 ANZBGL 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 ANZBGL (as the case may be); • CN4; • CN5; • CN6; • CN7; • CN8; • 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 ANZBGL 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 CN4 Distribution	<p>the final distribution of \$1.8227 per CN4 scheduled to be paid on all CN4 on 20 March 2024 (subject to the payment conditions in the CN4 terms and ANZBGL's absolute discretion)</p>
Financial Claims Scheme	<p>the scheme established under Division 2AA of Part II of the Banking Act</p>

Term	Meaning
First Mandatory Conversion Condition	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 ANZGHL 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 ANZGHL Ordinary Shares took place) is greater than 56.00% of the Issue Date VWAP
First Optional Conversion Restriction	on the second Business Day before the date on which an Exchange Notice is to be sent by ANZBGL (or, if trading in ANZGHL Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in ANZGHL 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 9 Implementation Deed" entered into between, amongst others, ANZGHL and ANZBGL on 14 February 2024
Inability Event	ANZBGL or ANZGHL 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 ANZBGL or ANZGHL) 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 20 March 2024
Issue Date VWAP	the VWAP during the period of 20 Business Days on which trading in ANZGHL 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
JBWere	JBWere Limited (ABN 68 137 978 360)
Joint Lead Managers	ANZ Securities, Bell Potter, Commonwealth Bank of Australia, E&P Corporate Advisory, Morgan Stanley, Morgans, NAB, 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
LGD	loss given default as referred to in Section 5.7.5
LGT Crestone Wealth Management	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 ANZBGL 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 ANZGHL Ordinary Shares on the Mandatory Conversion Date. Mandatorily Convert has a corresponding meaning

Term	Meaning
Mandatory Conversion Conditions	<p>the following conditions:</p> <ul style="list-style-type: none"> • First Mandatory Conversion Condition; • Second Mandatory Conversion Condition; and • Third Mandatory Conversion Condition. <p>For the full definition – see clause 4.3 of the Note Terms</p>
Mandatory Conversion Date	the earlier of 20 September 2033 and the next Distribution Payment Date after that date on which the Mandatory Conversion Conditions are satisfied
Margin	2.90% per annum, as determined under the Bookbuild
Maximum Conversion Number	has the meaning given in clause 6.1(a) of the Note Terms
Melbourne time	the time in Melbourne, Australia
Minimum Capital Ratio	has the meaning given in Section 5.7.4
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)
NAB	National Australia Bank Limited (ABN 12 004 044 937)
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 9 (other than under the Reinvestment Offer)
NOHC	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 ANZBGL 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 ANZBGL (or, if trading in ANZGHL Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in ANZGHL 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 ANZBGL that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZBGL would become non-viable; or • a determination by APRA, notified to ANZBGL in writing, that without a public sector injection of capital, or equivalent support, ANZBGL 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 9, 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 9 Deed Poll

Term	Meaning
Offer	the offer by ANZBGL of Notes under this Prospectus to raise \$1.7 billion with the ability to raise more or less
Offer Management Agreement or OMA	the offer management agreement entered into between ANZBGL, ANZGHL 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 22 February 2024
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 2031, 20 June 2031 or 19 September 2031 ³⁰ – see clause 17.2 of the Note Terms
Ord Minnett	Ord Minnett Limited (ABN 86 002 733 048)
Ordinary Share or ANZGHL Ordinary Share	a fully paid ordinary share in the capital of ANZGHL
Original Prospectus	the prospectus dated 14 February 2024 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 ANZBGL can pay a Distribution, summarised as follows:</p> <ul style="list-style-type: none"> • payment of the Distribution not resulting in ANZBGL (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 ANZBGL or ANZ Group (as the case may be) at the time; • payment of the Distribution not resulting in ANZBGL 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 ANZBGL conferring a claim in the winding-up of ANZBGL equal to the Face Value and ranking equally in respect of return of capital in a winding-up senior to ANZBGL 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 ANZBGL in its absolute discretion
RBA	Reserve Bank of Australia

³⁰ As 20 September 2031 is not a Business Day, this date has been brought forward to the preceding Business Day.

Term	Meaning
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 ANZGHL Ordinary Shares, CN4, CN5, CN6, CN7, CN8 and/or ANZ Capital Notes 9 (if issued) as the context requires, each being maintained by ANZBGL, ANZGHL or the Registry on behalf of ANZBGL or ANZGHL 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 ANZBGL appoints to maintain the Register
Regulatory Event	broadly, occurs when ANZBGL or ANZGHL 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 ANZBGL or there would be a more than de minimis negative impact on ANZBGL or ANZGHL in relation to Notes which the Directors determine to be unacceptable, or the Directors determine that, as a result of a Regulatory Change, ANZBGL will not be entitled to treat all Notes as Additional Tier 1 Capital. A Regulatory Event will not arise where, at the Issue Date, ANZBGL 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 CN4 Holder under the Reinvestment Offer made by following the instructions at capitalnotes.anz.com
Reinvestment Offer	the invitation to Eligible CN4 Holders to apply through their Syndicate Broker to have their CN4 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 ANZGHL Ordinary Shares or written off where that event occurs. It includes Notes, CN4, CN5, CN6, CN7, CN8 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
Restructure	The restructure implemented by ANZBGL on 3 January 2023 that resulted in ANZGHL becoming the new listed parent company of the ANZ Group in place of ANZBGL
Retail Investor	an investor who is a “retail client” under the Corporations Act
RWA	has the meaning given in Section 5.7.1
Scheduled Mandatory Conversion Date	20 September 2033

Term	Meaning
Second Mandatory Conversion Condition	the VWAP during the period of 20 Business Days on which trading in ANZGHL 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 ANZGHL Ordinary Shares took place immediately preceding (but not including) the Relevant Date
Senior Creditors	all present and future creditors of ANZBGL, including depositors, whose claims are: <ul style="list-style-type: none"> entitled to be admitted in the winding-up of ANZBGL; 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)
Suncorp Transaction	ANZ Bank Group's proposed acquisition of Suncorp Bank from Suncorp Group Limited as outlined in Section 5.5
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
Syndicate Broker	any of the Joint Lead Managers, Co-Managers or Participating Brokers
Target Market Determination	the target market determination for ANZ Capital Notes 9 issued by ANZBGL in accordance with its obligations under the DDO Regime, that can be obtained electronically from capitalnotes.anz.com
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 ANZBGL receives professional advice that, as a result of:</p> <ul style="list-style-type: none"> a change in 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 ANZBGL to occur), there is a more than insubstantial risk which the Directors determine to be unacceptable that ANZBGL, ANZGHL or another member of the ANZ Group 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 ANZGHL 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

Term	Meaning
Tier 1 Capital	Tier 1 Capital of ADIs (including ANZBGL) 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 ANZBGL) 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 ANZBGL 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 ANZGHL 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
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

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Docklands VIC 3008

AUDITOR

KPMG

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Collins Square
727 Collins Street
Melbourne VIC 3008

AUSTRALIAN LEGAL AND TAX ADVISERS

King & Wood Mallesons

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447 Collins Street
Melbourne VIC 3000

REGISTRY

Computershare Investor Services Pty Limited

Yarra Falls
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Abbotsford VIC 3067

HOW TO CONTACT US

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Find us on the web at anz.com

JOINT LEAD MANAGERS

ANZ Securities Limited

ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands VIC 3008

Bell Potter Securities Limited

Level 29
101 Collins Street
Melbourne VIC 3000

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

National Australia Bank

Level 6
2 Carrington Place
Sydney NSW 2000

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 3, Westpac Place
275 Kent Street
Sydney NSW 2000

CO-MANAGERS

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LGT Crestone Wealth Management Limited

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