News Release

For release: 1 June 2021

ANZ launches ANZ Capital Notes 6 Offer and ANZ Capital Notes 1 Reinvestment Offer

ANZ today announced the offer of a new Additional Tier 1 capital security, ANZ Capital Notes 6, to raise A$1 billion with the ability to raise more or less (**Offer**).

The Offer contains a **Reinvestment Offer** under which Eligible CN1 Holders[1] may apply to sell some or all of their ANZ Capital Notes 1 (ASX: ANZPD) issued on 7 August 2013 (**CN1**) to the CN1 Nominated Purchaser appointed by ANZ and to reinvest the proceeds in ANZ Capital Notes 6.

Key points

- **Opening:** The Offer is expected to open on Wednesday, 9 June 2021.
- **Use of proceeds:** ANZ will use the proceeds of the Offer to refinance CN1 and for general corporate purposes.
- **Regulatory capital:** ANZ Capital Notes 6 will constitute Additional Tier 1 Capital under current Australian Prudential Regulation Authority (**APRA**) standards.
- **Joint Lead Managers and Co-Manager:** ANZ Securities Limited, Commonwealth Bank of Australia, E&P Corporate Advisory Pty Limited, Morgan Stanley Australia Securities Limited, Morgans Financial Limited, Ord Minnett Limited, Shaw and Partners Limited, UBS AG, Australia Branch and Westpac Institutional Bank have been appointed as Joint Lead Managers. Crestone Wealth Management Limited has been appointed as Co-Manager.
- **Offer Structure:** The Offer comprises:
    - a ***Reinvestment Offer***, under which Eligible CN1 Holders may apply to have some or all of the CN1 registered to them at 7.00pm AEST on Thursday, 27 May 2021 resold to the CN1 Nominated Purchaser for $100 each and their Resale Proceeds reinvested in ANZ Capital Notes 6;
    - an ***ANZ Securityholder Offer***, under which Australian resident holders of ANZ Ordinary Shares, CN1 or ANZ Capital Notes 2, 3, 4 or 5 who were on the Register for those securities at 7:00pm AEST on Thursday, 27 May 2021 can apply for ANZ Capital Notes 6;
    - a ***Broker Firm Offer***, under which retail clients of Syndicate Brokers invited to participate by a Syndicate Broker may apply for an allocation of Capital Notes 6 (including retail clients who are Eligible CN1 Holders applying under the Reinvestment Offer); and

[1] To be an Eligible CN1 Holder, you must: (1) have been a registered holder of CN1 at 7:00pm AEST on 27 May 2021; (2) be shown on the CN1 register as having an address in Australia; and (3) 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 prevented from receiving the invitation to participate in the Offer or receiving ANZ Capital Notes 6 under the laws of any jurisdiction.

  - an ***Institutional Offer***, under which certain Institutional Investors invited by ANZ Securities may bid for Capital Notes 6 in the Bookbuild.

- **Pro rata distributions:** The CN1 distribution scheduled to be paid on Wednesday, 1 September 2021 has been split into two distributions to facilitate the Reinvestment Offer – the First Pro Rata Distribution and the Second Pro Rata Distribution.

  - The First Pro Rata Distribution of $0.8573 per CN1 is scheduled to be paid on all CN1 on the ANZ Capital Notes 6 Issue Date (which is expected to be Thursday, 8 July 2021) to holders of CN1 on the record date (which is expected to be 30 June 2021).
  - The Second Pro Rata Distribution of $0.3655 per CN1 is scheduled to be paid on 1 September 2021 to all holders of CN1 outstanding on the record date (which is expected to be 24 August 2021). CN1 holders will not receive the Second Pro Rata Distribution in respect of any CN1 they reinvest under the Reinvestment Offer as those CN1 will be resold to the CN1 Nominated Purchaser before the record date for the Second Pro Rata Distribution.

- **Closing Dates:** The closing date for the ANZ Securityholder Offer and the Reinvestment Offer is scheduled to be at 5:00pm AEST on Wednesday, 30 June 2021. The closing date for the Broker Firm Offer (other than for applications to reinvest CN1) and the Institutional Offer is scheduled to be at 10:00am AEST on Wednesday, 7 July 2021.

Further information about the CN1 Reinvestment Offer

A key element of the Offer is the Reinvestment Offer that will help enable ANZ to refinance CN1. Participation in the Reinvestment Offer by Eligible CN1 Holders is optional.

- **Reinvestment Offer:** Eligible CN1 Holders may apply to have some or all of their CN1 registered to them at 7:00pm AEST on Thursday, 27 May 2021, resold to the CN1 Nominated Purchaser for $100 each and their Resale Proceeds reinvested in ANZ Capital Notes 6.

- **Additional ANZ Capital Notes 6:** Eligible CN1 Holders will also have the opportunity to apply for additional ANZ Capital Notes 6 under the ANZ Securityholder Offer or the Broker Firm Offer.

- **Remaining CN1:** As at the date of this release, ANZ intends to issue a redemption notice for the redemption of the Non-Participating CN1 on 1 September 2021. Any redemption is subject to final approval and may be subject to conditions. If final approval is not obtained or any conditions to the redemption are not satisfied, the redemption may not occur.

- **Amendment of CN1 terms:** To facilitate the Reinvestment Offer, ANZ has made certain amendments to the CN1 terms. The amended CN1 terms were lodged with the ASX today and are also available on the ANZ website at anz.com/shareholder/centre/your-shareholding/alternative-securities/anz-capital-notes and currently at capitalnotes6.anz.com.

ANZ Capital Notes 6 and further information

The ANZ Capital Notes 6 Prospectus, attached to this release (**Prospectus**), has been lodged with the Australian Securities and Investments Commission (**ASIC**) and is available within Australia at capitalnotes6.anz.com. A replacement Prospectus, containing the Margin, will be made available on the ASX and at capitalnotes6.anz.com when the Offer opens.

Investors who wish to apply for ANZ Capital Notes 6 should read the Prospectus in its entirety and it is recommended that they seek professional guidance which takes into account their particular investment objectives, financial situation and needs from a professional advisor who is licensed by ASIC to give such advice. ANZ Capital Notes 6 are

complex, involve increased risks compared to other less risky and less complex bank investments such as deposits and may not be suitable for all investors.
Applications may only be made during the Offer Period by completing an online application via capitalnotes6.anz.com, quoting your SRN/HIN and (if applying under the ANZ Securityholder Offer) paying using BPay®. No cash or cheque payments will be accepted. If you are a retail client of a Syndicate Broker you can also apply through your Syndicate Broker. The Prospectus can only be obtained electronically and ANZ will not be providing paper copies of the Prospectus.

Key features of ANZ Capital Notes 6

- ANZ Capital Notes 6 are fully paid, convertible, perpetual, unsecured, subordinated notes issued by ANZ.
- Distributions on ANZ Capital Notes 6 are payable in cash based on a floating rate and are non-cumulative. Distributions are scheduled to be paid quarterly in arrears, subject to a Payment Condition not existing and ANZ's absolute discretion.
- The Distribution Rate will be calculated as the sum of the applicable 3 month BBSW rate plus the Margin, together multiplied by (1 – the Australian corporate tax rate, which is currently 30%). Distributions are expected to franked at the same rate as dividends on Ordinary Shares. If a Distribution is not fully franked, ANZ will pay an additional amount in cash to compensate holders for the unfranked component.
- The Margin will be determined under the Bookbuild scheduled for Tuesday, 8 June 2021 and is expected to be in the range of 3.00% to 3.20%.
- ANZ may elect to Convert, Redeem or Resell all or some ANZ Capital Notes 6 that are outstanding on 20 March 2028, 20 June 2028 or 20 September 2028, or following a Tax Event or Regulatory Event. Conversion, Redemption or Resale is subject to certain conditions, including APRA's prior written approval.
- ANZ Capital Notes 6 will Convert into a variable number of ANZ Ordinary Shares on 20 September 2030 (subject to the Mandatory Conversion Conditions being satisfied), unless they are Converted, Redeemed or Resold earlier.
- Where a Trigger Event occurs (which includes where ANZ encounters severe financial difficulty), the ANZ Captial Notes 6 are required to be Converted or Written Off. Holders are likely to suffer loss if ANZ Capital Notes 6 are Converted or Written Off as a result of a Trigger Event.
- ANZ must Convert all ANZ Capital Notes 6 if a Change of Control Event occurs, subject to certain conditions.

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

For investor enquiries about the ANZ Capital Notes 6 Offer please visit capitalnotes6.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 AEST).

For media enquiries only contact:
Stephen Ries, Head of Corporate Communications +61 409 655 551

Approved for distribution by ANZ's Continuous Disclosure Committee

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE U.S. This announcement does not constitute financial product advice and is not an offer of ANZ Capital Notes 6. ANZ Capital Notes 6 have not been and will not be registered under the U.S. Securities Act of 1933, as amended (Securities

Act), or the securities laws of any state or jurisdiction of the United States and may not be offered, sold or resold, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the Securities Act.

Key dates for the ANZ Capital Notes 6 Offer	
Lodgement of the Prospectus with ASIC	Tuesday, 1 June 2021
Bookbuild to determine the Margin	Tuesday, 8 June 2021
Lodgement of the replacement Prospectus with ASIC and announcement of the Margin	Wednesday, 9 June 2021
Opening Date	Wednesday, 9 June 2021
Closing Date for the ANZ Securityholder Offer	5.00pm AEST on Wednesday, 30 June 2021
Closing Date for the Broker Firm Offer (other than applications to reinvest CN1) and the Institutional Offer	10.00am AEST on Wednesday, 7 July 2021
Issue Date	Thursday, 8 July 2021
ANZ Capital Notes 6 commence trading on ASX (normal settlement basis)	Friday, 9 July 2021
Confirmation Statements despatched by	Thursday, 15 July 2021
Record date for the first Distribution	7:00pm AEST on Friday, 10 September 2021
First Distribution Payment Date	Monday, 20 September 2021
First Optional Exchange Date	Monday, 20 March 2028[2]
Mandatory Conversion Date	Friday, 20 September 2030
Key dates for the CN1 Reinvestment Offer	
Record date for determining Eligible CN1 Holders for the Reinvestment Offer (relevant CN1 must also be held on the Closing Date for the Reinvestment Offer)	7:00pm AEST on Thursday, 27 May 2021
Opening Date for the Reinvestment Offer	Wednesday, 9 June 2021
Closing Date for the Reinvestment Offer	5:00pm AEST on Wednesday, 30 June 2021
Record date for the First Pro Rata Distribution	7:00pm AEST on Wednesday, 30 June 2021
Expected date for the resale of the Participating CN1 to the CN1 Nominated Purchaser	Thursday, 8 July 2021
Payment date for the First Pro Rata Distribution	Thursday, 8 July 2021
Issue date for ANZ Capital Notes 6	Thursday, 8 July 2021
Record date for the Second Pro Rata Distribution	Tuesday, 24 August 2021
Payment date for the Second Pro Rata Distribution and the optional exchange date for the Non-Participating CN1	Wednesday, 1 September 2021
Mandatory conversion date for the Non-Participating CN1 (unless otherwise exchanged before that date)	Friday, 1 September 2023

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

[2] 20 June 2028 and 20 September 2028 are also Optional Exchange Dates.

ANZ CAPITAL NOTES 6
PROSPECTUS

PROSPECTUS FOR THE ISSUE OF ANZ CAPITAL NOTES 6 TO RAISE $1 BILLION WITH THE ABILITY TO RAISE MORE OR LESS

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

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

CO-MANAGER
CRESTONE WEALTH MANAGEMENT

IMPORTANT NOTICES

About this Prospectus

This Prospectus relates to the offer by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (**ANZ**) of mandatorily convertible subordinated perpetual securities (**ANZ Capital Notes 6** or **Notes**) to raise $1 billion with the ability to raise more or less.

This Prospectus is dated 1 June 2021 and was lodged with ASIC on that date. This Prospectus expires on 1 June 2022 and no Notes will be issued on the basis of this Prospectus after that date.

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

This Prospectus also contains information in relation to the Reinvestment Offer. Neither ANZ, the CN1 Nominated Purchaser nor any other person is providing any investment advice or making any recommendation to Eligible CN1 Holders in respect of the Reinvestment Offer.

ANZ Capital Notes 6 are higher risk than deposits

ANZ Capital Notes 6 are issued by ANZ under the Note Terms and Holders have no claim on ANZ except as provided in those Note Terms.

ANZ Capital Notes 6 are not:

- deposit liabilities or protected accounts of ANZ under the Banking Act; or
- guaranteed or insured by any government, government agency, compensation scheme or by any other person.

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

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

Defined words and expressions

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

A reference to time in this Prospectus is to Australian Eastern Standard Time (**AEST**) 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.

Exposure period

The Corporations Act prohibits ANZ from processing Applications in the seven day period after 1 June 2021 (which may be extended by ASIC for up to a further seven days), being the date on which this Prospectus was lodged with ASIC. This period is referred to as the **Exposure Period**. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants before the Offer Period commences. No Applications received will be accepted until after the expiry of the Exposure Period.

How to access this Prospectus and apply

This Prospectus can be obtained electronically from capitalnotes6.anz.com. ANZ will not be providing paper copies of this Prospectus.

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

During the Offer Period:

- Eligible CN1 Holders can apply for Notes by following the Reinvestment Application instructions at capitalnotes6.anz.com;
- Eligible ANZ Securityholders can apply for Notes by following the Securityholder Application instructions at capitalnotes6.anz.com; and
- Broker Firm Applicants can access a copy of the Broker Firm Application Form from their Syndicate Broker and should contact their Syndicate Broker for instructions on how to apply.

Eligible ANZ Securityholders applying for Notes under the ANZ Securityholder Offer must make their Application Payment using BPAY – no other form of payment will be accepted.

The Corporations Act prohibits any person from passing the Broker Firm 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.

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

Providing personal information

You will be asked to provide personal information to ANZ (directly or via its agents) if you apply for the Notes. See Section 8.9 for information on how ANZ (and its agents) collect, hold and use this personal information.

Restrictions in foreign jurisdictions

For details of the selling restrictions that apply to the Notes in foreign jurisdictions – see Section 8.8.

No representations other than in this Prospectus

You should rely only on information in this Prospectus.

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

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

Diagrams

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

GUIDANCE FOR RETAIL INVESTORS

01 Read this Prospectus in full

This Prospectus is important and you should read it in its entirety.

In considering whether to apply for Notes, it is important you consider all risks and other information regarding an investment in Notes in light of your particular investment objectives and circumstances, as the Offer and the information in this Prospectus do not take into account those objectives and circumstances.

02 Understand the risks

The Notes are complex, involve increased risks (outlined below) compared to other less risky and less complex bank investments such as deposits and may not be suitable for all investors. You should not see the Notes as an alternative to investments such as deposits.

- The overall complexity of the Notes may make the Note Terms difficult to understand.
- The Notes are not guaranteed or insured by any government, government agency, compensation scheme or by any other person.
- If ANZ encounters severe financial difficulty, the Notes may be Converted into Ordinary Shares or Written-Off and you may suffer a loss of your investment as a consequence.
- Distributions on the Notes may not be paid.
- The Notes may never Convert or be Redeemed and may remain on issue indefinitely.
- The market price of Notes may move up and down.
- The liquidity of the Notes may be low and you may be unable to sell Notes.

If you do not fully understand how the Note Terms work or the risks associated with the Notes, you should not invest in them.

03 Speak to your professional adviser

If you wish to apply for Notes, it is recommended that you seek professional guidance which takes into account your particular investment objectives, financial situation and needs from a professional adviser who is licensed by ASIC to give such advice.

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**.

04 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' at **moneysmart.gov.au**. The guidance includes a series of questions you should ask before you invest in hybrid securities.

05 Learn more about investing in bank hybrid securities

ANZ has developed a website containing an introductory guide to bank hybrid securities which may assist you to better understand bank hybrid securities, their features and their risks. The guide explains the different ways you may invest in a bank, including by depositing money or investing in securities issued by a bank.

The guide is available at **shareholder.anz.com/education/hybrids**.

06 Obtain further information about ANZ and ANZ Capital Notes 6

ANZ is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. ANZ must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about ANZ that a reasonable person would expect to have a material effect on the price or value of its securities including ANZ Capital Notes 6.

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 ANZ's ASX announcements may be viewed at **asx.com.au**.

07 Enquiries

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 AEST) or contact your Syndicate Broker or other professional adviser who is licensed by ASIC to give such advice.

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KEY DATES

KEY DATES FOR THE OFFER	DATE
Record date for determining Eligible ANZ Securityholders	7.00pm AEST on 27 May 2021
Lodgement of this Prospectus with ASIC	1 June 2021
Bookbuild to determine the Margin	8 June 2021
Lodgement of the replacement Prospectus with ASIC and announcement of the Margin	9 June 2021
Opening Date	9 June 2021
Closing Date for the ANZ Securityholder Offer	5:00pm AEST on 30 June 2021
Closing Date for the Broker Firm Offer (except for Applications to reinvest CN1) and Institutional Offer	10:00am AEST on 7 July 2021
Issue Date	8 July 2021
ANZ Capital Notes 6 commence trading on the ASX on a normal settlement basis	9 July 2021
Confirmation Statements despatched by	15 July 2021

KEY DATES FOR ANZ CAPITAL NOTES 6	DATE
Record Date for the first Distribution	7.00pm AEST on 10 September 2021
First Distribution Payment Date[1]	20 September 2021
First Optional Exchange Date[2]	20 March 2028
Mandatory Conversion Date	20 September 2030[3]

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

2 20 June 2028 and 20 September 2028 are also Optional Exchange Dates.

3 The Mandatory Conversion Date may be later than 20 September 2030, or may not occur at all, if the Mandatory Conversion Conditions are not satisfied – see Section 6.1.8.

KEY DATES FOR ANZ CAPITAL NOTES 1 (CN1) HOLDERS

KEY DATES FOR ANZ CAPITAL NOTES 1 (CN1) HOLDERS	DATE
Record date for determining Eligible CN1 Holders for the Reinvestment Offer (relevant CN1 must also be held on the Closing Date for the Reinvestment Offer)	7.00pm AEST on 27 May 2021
Opening Date for the Reinvestment Offer	9 June 2021
Closing Date for the Reinvestment Offer	5:00pm AEST on 30 June 2021
Record date for the First Pro Rata Distribution	7.00pm AEST on 30 June 2021
Expected date for the resale of the Participating CN1 to the CN1 Nominated Purchaser	8 July 2021
Payment date for the First Pro Rata Distribution[4]	8 July 2021
Issue Date for ANZ Capital Notes 6	8 July 2021
Record date for the Second Pro Rata Distribution	7.00pm AEST on 24 August 2021
Payment date for the Second Pro Rata Distribution and the optional exchange date for the Non-Participating CN1[5]	1 September 2021
Mandatory conversion date for the Non-Participating CN1 (unless otherwise exchanged before that date)	1 September 2023[6]

Dates may change

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

ANZ and the Joint Lead Managers may bring forward or extend any Closing Date without notice, or withdraw the Offer at any time before the Notes are issued. If the Offer is withdrawn before the issue of the Notes, all Application Payments received by ANZ will be refunded (without interest) to Applicants as soon as practicable.

You are encouraged to apply as soon as possible after the Opening Date.

4 Payment of the First Pro Rata Distribution is subject to this Prospectus not being withdrawn, the payment conditions in the CN1 terms and ANZ's absolute discretion.

5 Payment of the Second Pro Rata Distribution is subject to the payment conditions in the CN1 terms and ANZ's absolute discretion. As at the date of this Prospectus, ANZ intends to issue a redemption notice for the redemption of all remaining CN1 on 1 September 2021. Any redemption is subject to final approval and may be subject to conditions. If final approval is not obtained or any conditions to the redemption are not satisfied, the redemption may not occur.

6 The mandatory conversion date for the remaining CN1 may be later than 1 September 2023, or may not occur at all, if the mandatory conversion conditions for CN1 are not satisfied.

01

SECTION 01

INVESTMENT OVERVIEW

THIS SECTION PROVIDES A SUMMARY OF THE KEY FEATURES AND RISKS OF ANZ CAPITAL NOTES 6.

IF YOU WISH TO APPLY FOR NOTES, IT IS IMPORTANT THAT YOU FIRST READ THIS PROSPECTUS IN FULL AND IT IS RECOMMENDED THAT YOU SEEK PROFESSIONAL GUIDANCE WHICH TAKES INTO ACCOUNT YOUR PARTICULAR INVESTMENT OBJECTIVES, FINANCIAL SITUATION AND NEEDS FROM A PROFESSIONAL ADVISER WHO IS LICENSED BY ASIC TO GIVE SUCH ADVICE.

1.1 KEY FEATURES OF THE OFFER AND ANZ CAPITAL NOTES 6

Topic	Summary	Where to find more information
Issuer	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (**ANZ**).	Section 5
Type of instrument	ANZ Capital Notes 6 are: • **fully paid** – at $100 per Note; • **convertible** – in certain circumstances, the Notes will Convert into Ordinary Shares; • **redeemable and resaleable** – in certain circumstances, ANZ may be permitted to repay the Face Value of the Notes or transfer the Notes to a third party (but there are significant restrictions on repayment or transfer of the Notes); • **non-cumulative** – Distributions are discretionary and unpaid Distributions do not accumulate. Holders will not have any right to compensation if ANZ does not pay a Distribution; • **perpetual** – the Notes do not have any fixed maturity date and could remain on issue indefinitely if they are not Converted or Redeemed (in which case you would not receive your capital back or be issued any Ordinary Shares); • **unsecured** – they are not guaranteed or secured, are not deposit liabilities of ANZ and are not protected accounts for the purposes of the Banking Act; • **subordinated** – although they have priority over Ordinary Shares and rank equally with Equal Ranking Instruments, they are subordinated to the claims of Senior Creditors (including ANZ depositors) in a winding-up; • **exposed to Trigger Events** – where a Trigger Event occurs (which includes where ANZ encounters severe financial difficulty), the Notes are subject to Conversion into Ordinary Shares or Write Off, in which case Holders are likely to suffer loss; and • **listed** – ANZ will apply for Notes to be listed on ASX and Notes are expected to trade under ASX code "ANZPI". The Note Terms are complex and derive from the detailed capital requirements which APRA applies to these instruments, including that the Notes absorb losses by being Converted or Written Off where a Trigger Event (including severe financial difficulty) occurs. In this way, the Notes and ANZ's other regulatory capital instruments help to protect ANZ's depositors and Senior Creditors from losses ANZ may incur. ANZ's ability to pay a Distribution or to Convert, Redeem or Resell the Notes at its option are in each case subject to a number of restrictions, including, in the case of payment of a Distribution, APRA not objecting to the Distribution and, in the case of Conversion, Redemption or Resale, APRA giving its prior written approval to the Conversion, Redemption or Resale.	
Offer size	$1 billion, with the ability to raise more or less. There is no minimum subscription amount under the Offer.	
Face Value	$100 per Note. This is the price you need to pay to apply for each Note under this Prospectus.	

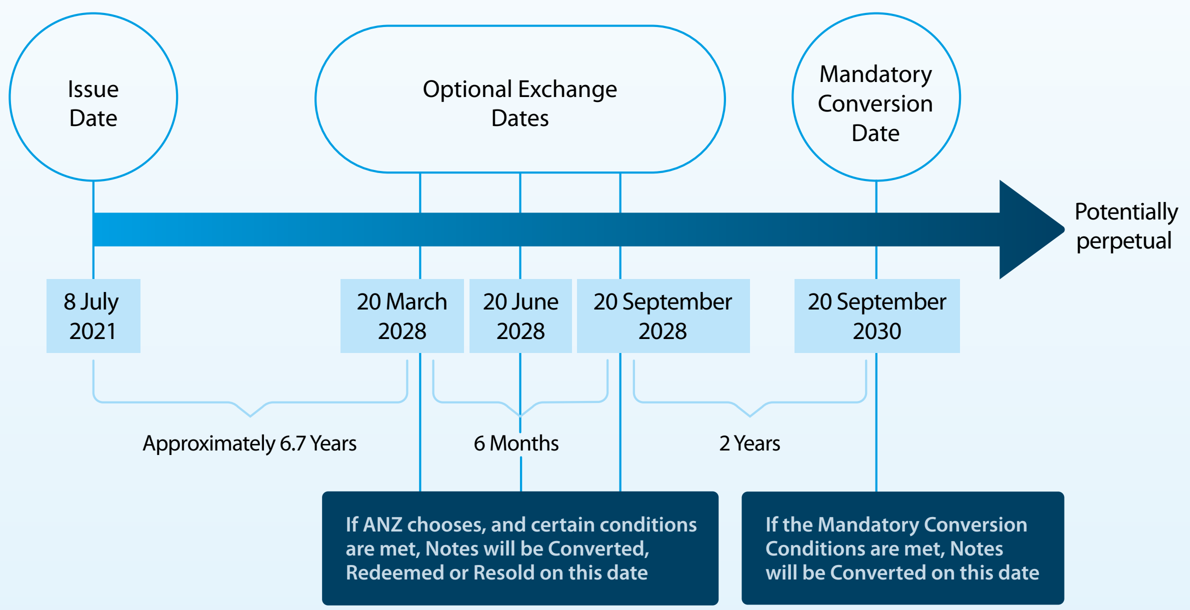
Topic	Summary	Where to find more information
Purpose of the Offer	ANZ is issuing the Notes to help meet the capital requirements for ADIs set by APRA. APRA requires ANZ to maintain a level of regulatory capital to help promote the stability of ANZ and protect ANZ's depositors and other creditors.	
Regulatory treatment	APRA has confirmed that the Notes will constitute Additional Tier 1 Capital for the purposes of ANZ's regulatory capital requirements.	
Use of proceeds	ANZ will use the proceeds of the Offer to refinance CN1 and for general corporate purposes.	
Distributions	Distributions are cash payments on the Notes which are scheduled to be paid quarterly until all Notes are Converted or Redeemed. The Distribution Rate is calculated in accordance with the following formula: **Distribution Rate = (BBSW Rate + Margin) x (1 – Tax Rate)** Where: • **Margin** is the margin determined under the Bookbuild (expected to be in the range of 3.00% to 3.20%); and • **Tax Rate** is the Australian corporate tax rate applicable to the franking account of ANZ as at the relevant Distribution Payment Date. As at the date of this Prospectus, the Tax Rate is 30%.	Section 2.1
Franking	Distributions paid on the Notes are expected to be franked at the same rate as dividends on Ordinary Shares. 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, ANZ will pay an additional amount in cash to compensate the Holder for the unfranked component. 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 the ANZ Group that will be subject to tax in Australia. Holders should refer to the Australian taxation summary in Section 7.	Section 2.1.3
Payment of Distributions	Payments of Distributions are at the absolute discretion of ANZ, which means ANZ does not have to pay them. Distributions are also only payable if the Payment Conditions are satisfied. Distributions are non-cumulative which means that unpaid Distributions do not accumulate and Holders will not have any right to compensation if ANZ does not pay a Distribution. Failure to pay a Distribution when scheduled will not constitute an event of default. If a Distribution is not paid in full on a Distribution Payment Date, subject to certain exceptions, ANZ cannot pay or resolve to pay any 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).	Section 2.1.5 – 2.1.9

1.1 KEY FEATURES OF THE OFFER AND ANZ CAPITAL NOTES 6 (CONT)

Topic	Summary	Where to find more information
Distribution Payment Dates	The Distribution Payment Dates are, generally, 20 March, 20 June, 20 September and 20 December. The first Distribution is scheduled to be paid on 20 September 2021. You should note that the first Distribution Period is shorter than the normal Distribution Period.	Section 2.1.5
Do ANZ Capital Notes 6 have a maturity date?	Holders should be aware that the Notes do not have a fixed maturity date. While the Notes are scheduled to Convert into Ordinary Shares on 20 September 2030, 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. 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 the Holders suffering a loss.	Sections 2.2 – 2.5

1.2 SUMMARY OF CERTAIN EVENTS THAT MAY OCCUR WHILE THE ANZ CAPITAL NOTES 6 ARE ON ISSUE

The diagram and table below summarise certain events that may occur while the ANZ Capital Notes 6 are on issue, and what Holders may receive if those events occur. The events depend on a number of factors including ANZ's share price, the occurrence of contingencies and in some cases election by ANZ. As a result the events may not occur.



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

What can happen?	When does this happen?	Is APRA approval needed?[7]	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 2030 (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[8]	Variable number of Ordinary Shares
Optional Conversion	20 March 2028, 20 June 2028 or 20 September 2028	Yes	Yes	Approximately $101[8]	Variable number of Ordinary Shares
Optional Redemption	20 March 2028, 20 June 2028 or 20 September 2028	Yes	Yes	$100	Cash
Optional Resale	20 March 2028, 20 June 2028 or 20 September 2028	Yes	No	$100	Cash
Conversion in other circumstances	If a Tax Event or Regulatory Event occurs	Yes	Yes	Approximately $101[8, 9]	Variable number of Ordinary Shares
	If a Change of Control Event occurs	No	Yes	Approximately $101[8, 9]	Variable number of Ordinary Shares
	If a Trigger Event occurs	No	No	Depending on the market price of the Ordinary Shares, Holders are likely to receive significantly less than approximately $101[10, 11, 12]	Variable number of Ordinary Shares, capped at the Maximum Conversion Number[12]
Redemption in other circumstances	If a Tax Event or Regulatory Event occurs	Yes	Yes	$100[8]	Cash
Resale in other circumstances	If a Tax Event or Regulatory Event occurs	Yes	No	$100[8]	Cash

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

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

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

10 Section 6.1.9 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 Ordinary Shares within 5 Business Days after a Trigger Event Conversion Date, the Notes will be Written Off, meaning the Notes will never Convert or be Exchanged, all rights (including to Distributions) in respect of the Notes will be terminated and the Holder will not have their capital repaid.

1.3 RANKING OF NOTES IN A WINDING-UP OF ANZ

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

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

		Examples	Examples of existing ANZ obligations and securities[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 ANZ, though they are secured over assets that form part of the Group
		Subordinated unsecured debt	Subordinated unsecured debt obligations
	Equal ranking obligations	Preference shares and other equally ranked instruments	ANZ Capital Notes 6 and ANZ Capital Securities (in each case if they have not been exchanged for Ordinary Shares) Where Notes are Exchanged for Ordinary Shares, Holders have the claims of holders of Ordinary Shares. If, following a Trigger Event Notes are Written Off, Holders have no claim at all on ANZ, and they are likely to be worse off than holders of Ordinary Shares.
Lower ranking/ later priority	Lower ranking obligations	Ordinary Shares	Ordinary Shares

13 This is a very simplified capital structure of ANZ and does not include every type of security or other obligation issued by ANZ. ANZ has the right to issue further debt, deposits or other obligations or securities of any kind at any time. ANZ Capital Notes 6 do not limit the amount of senior debt, deposits or other obligations or securities that may be incurred or issued by ANZ at any time.

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

ANZ Capital Notes 6 are different from and higher risk than term deposits. They are also different from ANZ Capital Securities (including CN1 and CN5) and Ordinary Shares. You should consider these differences in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) before deciding to apply for Notes. A table highlighting the key differences between the Notes and CN1 is set out in Section 3.2.

	Term deposit	CN5	ANZ Capital Notes 6	Ordinary Shares
Protected under the Financial Claims Scheme	Yes[14]	No	No	No
Margin	Varies from product to product	3.80%	3.00% to 3.20%, to be determined under the Bookbuild	N/A
Distribution/ dividend rate	Fixed	Floating	Floating	Variable – as determined by ANZ
Distribution/dividend payment dates	Often at the end of term or per annum	Quarterly	Quarterly	Generally half-yearly – as determined by ANZ in its absolute discretion
Conditions to payment of distributions/ dividends	None, subject to applicable laws and any specific conditions	Yes, subject to ANZ's absolute discretion and payment conditions	Yes, subject to ANZ's absolute discretion and Payment Conditions	Yes, subject to ANZ's absolute discretion and applicable laws and regulations
Distribution/dividend restriction if distribution/dividend not paid	No	Yes, applies to Ordinary Shares until the next quarterly distribution payment date	Yes, applies to 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 "ANZPH"	Yes, ANZ Capital Notes 6 are expected to be quoted as "ANZPI"	Yes – quoted as "ANZ"
Term	Often between 1 month and 5 years	Perpetual, subject to mandatory conversion into Ordinary Shares on 20 March 2027 (approximately 9.5 years after its issue date)	Perpetual, subject to Mandatory Conversion into Ordinary Shares on 20 September 2030 after approximately 9.25 years	Perpetual
Mandatory conversion into Ordinary Shares	No	Yes	Yes See Section 2.2	N/A

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	CN5	ANZ Capital Notes 6	Ordinary Shares
APRA written approval required for conversion, redemption or resale (if applicable)	N/A	Yes[15]	Yes[16]	N/A
ANZ's early conversion option	No	Yes	Yes See Section 2.3	N/A
ANZ's early redemption option	No	Yes	Yes See Section 2.3	No
ANZ's resale rights	No	Yes	Yes See Section 2.3	No
Other ANZ early redemption options	No	Yes	Yes See Section 2.3	No
Trigger Event	No	Yes	Yes See Section 2.5	N/A
Voting rights	N/A	No right to vote at general meeting of holders of Ordinary Shares	No right to vote at general meeting of holders of Ordinary Shares	Right to vote at general meeting of holders of Ordinary Shares
Ranking	Refer to Section 1.3			

1.5 KEY RISKS OF ANZ CAPITAL NOTES 6

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 and in ANZ. Many of those risks are outside the control of ANZ and its Directors. The key risks are detailed in Section 6 and you should read that section in full before deciding to invest. The section below outlines the key risks associated with an investment in the Notes.

Topic	Summary	Where to find more information
ANZ Capital Notes 6 are not deposit liabilities or protected accounts	ANZ Capital Notes 6 are not deposit liabilities of ANZ, are not protected accounts for the purposes of the Banking Act or any other accounts with ANZ and are not guaranteed or insured by any person.	Section 6.1.14
Financial market conditions and liquidity of Notes	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. 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 Ordinary Shares or other securities issued by ANZ or other entities.	Sections 6.1.1 and 6.1.2

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 CN5 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
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 6.1.5
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 6.1.7
Mandatory Conversion may not occur on the Mandatory Conversion Date	ANZ Capital Notes 6 have no fixed maturity date but will Convert into Ordinary Shares on 20 September 2030 if the Mandatory Conversion Conditions are satisfied, unless Notes are otherwise Exchanged on or before that date. If these conditions are not met on 20 September 2030, 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. If the Mandatory Conversion Conditions are never satisfied there is a risk that the Notes may never Convert and could remain on issue indefinitely.	Sections 2.2.2 and 6.1.8
Holders have no right to request early Exchange	Holders have no right to request that their Notes be Exchanged. Unless their Notes are Exchanged, to realise their investment, Holders 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 6.1.10
Mandatory Conversion or Write Off following a Trigger Event	If a Trigger Event occurs and Notes are Converted, the number of 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 Ordinary Shares at the time, Holders are likely to receive significantly less than approximately $101 worth of 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. A Trigger Event may occur at any time.	Sections 2.5 and 6.1.9
Ranking in a winding-up of ANZ	On a winding-up of ANZ, the Notes rank for payment ahead of 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 Ordinary Shares prior to a winding-up of ANZ, the Ordinary Shares received on Conversion will rank equally with other Ordinary Shares and a holder's claim in a winding-up of ANZ will therefore rank lower than it would have if the Notes had not been Converted. If Notes are Written Off, those Notes will never Convert or be Exchanged and Holders will not have their capital repaid at all.	Section 6.1.14
ANZ may issue further securities	There is no limit on the amount of senior debt, deposits or other obligations or securities that may be incurred or issued by ANZ at any time, which may affect a Holder's ability to be repaid on a winding-up of ANZ.	Section 6.1.19

Topic	Summary	Where to find more information
Fluctuation in Ordinary Share price	The market price of Ordinary Shares will move up or down due to various factors, including investor perceptions, domestic and worldwide economic conditions, ANZ's financial performance and position, and transactions affecting the share capital of ANZ. As a result, the price used to calculate the number of Ordinary Shares received by Holders upon Conversion may be different to the market price of the Ordinary Shares when they are issued or thereafter. The COVID-19 pandemic has, and will likely continue to, severely impact global, regional and national economies and markets. The expected duration and magnitude of the COVID-19 pandemic and its potential impacts on the economy and the market price for Ordinary Shares are unclear.	Sections 6.1.2, 6.1.3, 6.1.4 and 6.1.8
ANZ's financial performance and position	The market price of the Notes (and the Ordinary Shares into which they can Convert) may be affected by ANZ's financial performance and position. For specific risks associated with an investment in ANZ, see Section 6.2. ANZ's financial performance and position may also affect the credit ratings associated with ANZ's securities, which may impact the market price and liquidity of the Notes. ANZ's credit rating 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
Offer Structure	The Offer comprises: • a Reinvestment Offer; • an ANZ Securityholder Offer; • a Broker Firm Offer; and • an Institutional Offer. Information about the different types of offers and how to apply is set out in Sections 3 and 4.	Sections 3 and 4
Reinvestment Offer	Under the Reinvestment Offer Eligible CN1 Holders may apply to have some or all of the CN1 registered to them at 7.00pm AEST on 27 May 2021 resold to the CN1 Nominated Purchaser for $100 per CN1 and their Resale Proceeds reinvested in Notes. Eligible CN1 Holders can also apply for additional Notes under the ANZ Securityholder Offer or the Broker Firm Offer. For information on the Reinvestment Offer, including the options available to Eligible CN1 Holders, see Section 3. Any Participating CN1 resold to the CN1 Nominated Purchaser under the Reinvestment Offer will be redeemed by ANZ in accordance with the CN1 terms on the Issue Date once those Participating CN1 are held by the CN1 Nominated Purchaser. Any Non-Participating CN1 (being those CN1 not resold to the CN1 Nominated Purchaser under the Reinvestment Offer) will remain on issue subject to the CN1 terms. As at the date of this Prospectus, ANZ intends to issue a redemption notice for the redemption of the Non-Participating CN1 on 1 September 2021. Any redemption is subject to final approval and may be subject to conditions. If final approval is not obtained or any conditions to the redemption are not satisfied, the redemption may not occur. Following the Reinvestment Offer, it is expected that the number of CN1 on issue will be significantly reduced, which would impact on the liquidity of the CN1 while they remain on issue.	Section 3

Topic	Summary	Where to find more information
CN1 Distributions	The CN1 distribution scheduled to be paid on 1 September 2021 has been split into two distributions to facilitate the Reinvestment Offer – the First Pro Rata Distribution and the Second Pro Rata Distribution. The First Pro Rata Distribution of $0.8573 per CN1 is scheduled to be paid on all CN1 on the Issue Date (which is expected to be 8 July 2021). If you hold CN1 on the record date for the First Pro Rata Distribution (which is expected to be 30 June 2021), then you will receive the First Pro Rata Distribution irrespective of whether your CN1 participate in the Reinvestment Offer or not (subject to this Prospectus not being withdrawn, the payment conditions in the CN1 terms and ANZ's absolute discretion). The First Pro Rata Distribution is a separate distribution payment from ANZ and does not form part of the Resale Price. The Second Pro Rata Distribution of $0.3655 per CN1 is scheduled to be paid on all CN1 outstanding on 1 September 2021. If you hold CN1 on the record date for the Second Pro Rata Distribution (which is expected to be 24 August 2021), then you will receive the Second Pro Rata Distribution (subject to the payment conditions in the CN1 terms and ANZ's absolute discretion). You will not receive the Second Pro Rata Distribution in respect of any Participating CN1 as those Participating CN1 will be resold to the CN1 Nominated Purchaser before the record date for the Second Pro Rata Distribution.	Section 3.1.10
How to Apply	To apply for Notes, you must apply online at capitalnotes6.anz.com or through a Syndicate Broker. See Sections 3 and 4 for further details.	Sections 3 and 4
Minimum Application	Your Application must be for a minimum of 50 Notes ($5,000). If you are an Eligible CN1 Holder and own less than 50 CN1, you can still apply for Notes under the Reinvestment Offer but you must apply to reinvest all of your CN1.	Sections 3 and 4
Allocation policy	**ANZ Securityholder Applicants and Direct Reinvestment Applicants** • Allocations of Notes to Direct Reinvestment Applicants and ANZ Securityholder Applicants will be determined by ANZ in consultation with the Joint Lead Managers and may be scaled back if there is excess demand for the Offer. • In the event of excess demand, ANZ's current intention is to give preference to Direct Reinvestment Applicants over ANZ Securityholder Applicants while still providing for a proportion of the available Notes to be allocated to ANZ Securityholder Applicants. How ANZ scales back Applications will depend on the extent of Applications from Direct Reinvestment Applicants and ANZ Securityholder Applicants. • In the event of excess demand, it is possible that the scale back applied to ANZ Securityholder Applicants will be greater than that applied to Direct Reinvestment Applicants. • If a Direct Reinvestment Applicant's Application is scaled back, that Direct Reinvestment Applicant will continue to hold their CN1 which are not resold to the CN1 Nominated Purchaser under the Reinvestment Offer. **Institutional Offer and Broker Firm Offer** • Allocations to Institutional Investors will be determined by ANZ and ANZ Securities following completion of the Bookbuild. • Allocations to Syndicate Brokers will be determined by ANZ in consultation with the Joint Lead Managers following completion of the Bookbuild. • Allocations to Broker Firm 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 from Broker Firm Applicants to be scaled back by a Syndicate Broker. ANZ takes no responsibility for any allocation, scale back or rejection that is decided by a Syndicate Broker.	Section 4.4.3
More information	If you have any questions about the Offer or how to apply for the Notes, please call the ANZ Information Line on 1800 113 399 (within Australia) or +61 3 9415 4010 (international) (Monday to Friday – 8:30am to 5:30pm AEST) or contact your Syndicate Broker or other professional adviser who is licensed by ASIC to give such advice.	

02

SECTION 02

ABOUT ANZ CAPITAL NOTES 6

THIS SECTION IS AN OVERVIEW OF THE KEY FEATURES OF ANZ CAPITAL NOTES 6.

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 IN FULL AND IT IS RECOMMENDED THAT YOU SEEK PROFESSIONAL GUIDANCE WHICH TAKES INTO ACCOUNT YOUR PARTICULAR INVESTMENT OBJECTIVES, FINANCIAL SITUATION AND NEEDS FROM A PROFESSIONAL ADVISER WHO IS LICENSED BY ASIC TO GIVE SUCH ADVICE.

KEY QUESTIONS ABOUT ANZ CAPITAL NOTES 6

Topic	Summary	Where to find more information
2.1 DISTRIBUTIONS		
ANZ Capital Notes 6 are expected to pay quarterly floating rate non-cumulative Distributions, which are expected to be franked at the same rate as dividends on Ordinary Shares and accordingly Holders are expected to receive a combination of cash Distributions and franking credits until all Notes are Converted, Redeemed or Written Off. Payment of the Distributions is at ANZ's discretion and subject to the payment not resulting in ANZ breaching APRA's capital adequacy requirements or becoming (or being likely to become) insolvent, or APRA objecting to the payment (the **Payment Conditions**). The Payment Conditions are described in Section 2.1.6 below. Distributions on Notes are based on a floating rate and are non-cumulative. This means that if a Distribution or part of a Distribution is not paid on a Distribution Payment Date, Holders have no claim or entitlement in respect of non-payment nor any right to receive that Distribution at any later time. All payments of Distributions are subject to applicable law.		
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 the margin determined under the Bookbuild (expected to be in the range of 3.00% to 3.20%); and **Tax Rate** is the Australian corporate tax rate applicable to the franking account of ANZ as at the relevant Distribution Payment Date. As at the date of this Prospectus, the Tax Rate is 30%, although the Tax Rate may change in future years – see Section 6.1.17. For example, assuming the BBSW Rate on the first Business Day of the Distribution Period is 0.03% per annum and assuming the Margin is 3.00% per annum, then the Distribution Rate for that Distribution Period would be calculated as follows: BBSW Rate — 0.03% per annum Plus the Margin — + 3.00% per annum Equivalent unfranked distribution rate — 3.03% per annum Multiplied by (1 – Tax Rate) — x 0.70 **Indicative Distribution Rate** — 2.12% per annum	Clause 3.1 of the Note Terms

Topic	Summary	Where to find more information
2.1 DISTRIBUTIONS (CONT)		
2.1.2 How will the Distribution be calculated for each Distribution Period?	Distributions scheduled to be paid on each Distribution Payment Date will be calculated using the following formula: $$\text{Distribution} = \frac{\text{Face Value x Distribution Rate} \times \text{N}}{365}$$ where: **Face Value** means \$100 per Note; **Distribution Rate** means the rate (expressed as a percentage per annum) calculated as set out in Section 2.1.1; and **N** means the number of days in the Distribution Period calculated as set out in the Note Terms. For example, if the Distribution Rate was 2.1210% 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: Indicative Distribution Rate — 2.1210% 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** — \$0.5288 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. The above example is for illustrative purposes only. Actual Distributions may be higher or lower than this example. The Distribution Rate for the first Distribution Period will be set on the Issue Date and will include the Margin determined under the Bookbuild. You should note that the Distribution Period for the first Distribution is a shorter period of 81 days and Distribution Periods will otherwise generally be 90 to 92 days.	Clauses 3.1, 13 and 17.2 of the Note Terms

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

Topic	Summary	Where to find more information
2.1 DISTRIBUTIONS (CONT)		
2.1.3 What is the impact of franking credits?	Distributions are expected to be franked at the same rate as dividends on Ordinary Shares and, accordingly, Holders are expected to receive a combination of cash Distributions and franking credits. ANZ currently franks Ordinary Shares at 100%. The level of franking may vary over time and Distributions may be partially, fully or not franked. If the potential value of the franking credits is taken into account in full, the Distribution Rate of 2.1210% per annum in the example in Section 2.1.2 would be equivalent to an unfranked distribution rate of approximately 3.03% per annum. 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. For example, if the franking rate applicable to the Distribution was only 90%, then the cash Distribution on each Note for that Distribution Period (if the Distribution Period was for 91 days) would be calculated as follows: Indicative Distribution Rate — 2.1210% 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** — $0.5288 Divided by 1 – (Tax Rate x (1 – Franking Rate)) — 0.97 **Indicative partially franked cash Distribution payment for the Distribution Period per Note** — $0.5452 The above example is for illustrative purposes only. Actual Distributions may be higher or lower than this example. 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. If the corporate tax rate applicable to ANZ were to change, the cash amount of Distributions and the amount of any franking credits would change. For instance, if the tax rate decreases the cash amount of any Distribution ANZ may pay would increase and the franking credits attached to that Distribution would decrease. The laws relating to the availability of franking may change. Holders should refer to the Taxation Summary in Section 7 and seek professional advice in relation to their tax position.	Sections 6.1.6 and 6.1.17 Clause 3.2 of the Note Terms

18 Distribution periods will otherwise generally contain 90 to 92 days.

Topic	Summary	Where to find more information

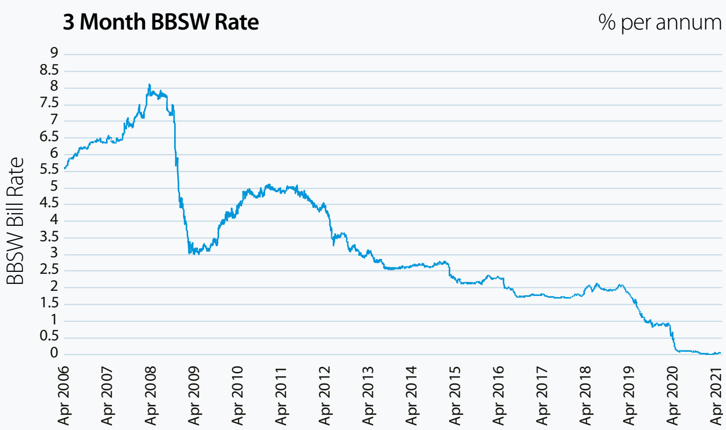
2.1 DISTRIBUTIONS (CONT)

2.1.4 What is the BBSW Rate?

Where to find more information: Clause 3.1 of the Note Terms

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.

The graph below illustrates the movement in the BBSW Rate over the last 15 years. The rate on 18 May 2021 was 0.04% per annum.



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.

If ANZ determines that BBSW has been affected by a "Reference Rate Disruption Event", ANZ may select an alternative reference rate that it considers appropriate and make other related changes to the Terms (subject, in each case, to APRA's prior written approval). Broadly, a "Reference Rate Disruption Event" occurs where BBSW has been discontinued or has ceased to be generally accepted in the Australian market for securities such as the Notes. ANZ is required to act in good faith and in a commercially reasonable manner in selecting an alternative reference rate, and may consult with sources that it considers appropriate, but may otherwise exercise its discretion.

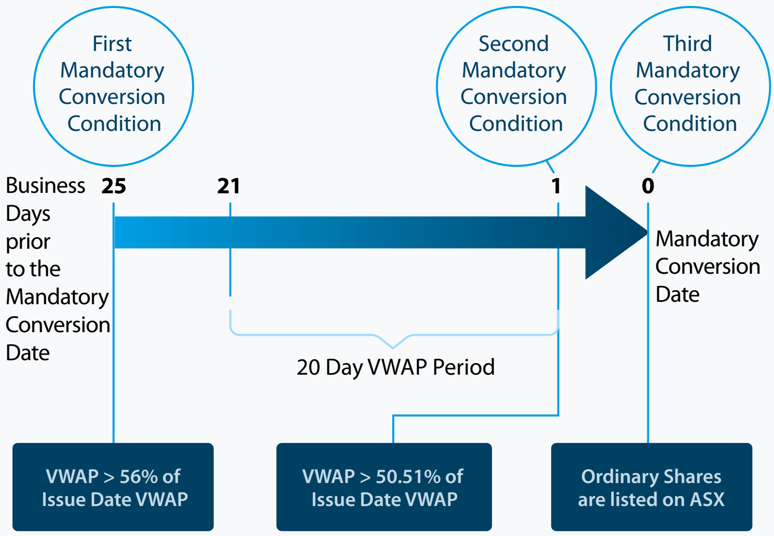
It is possible for BBSW to become negative. If BBSW becomes negative, the negative amount will be taken into account in calculating the Distribution Rate. If the Distribution Rate was negative as a result, Holders would not receive a distribution and there would be no obligation on Holders to pay ANZ. For example, if the BBSW Rate is -1.00% per annum, the Margin is 3.0% per annum and the Australian corporate tax rate is 30%, then the Distribution Rate will be 1.4% per annum, calculated as follows:

Distribution Rate = (-1.00% + 3.00%) x (1 – 30%) = 1.4%

The above example is for illustrative purposes only. Actual Distributions may be higher or lower than this example.

Topic	Summary	Where to find more information
2.1 DISTRIBUTIONS (CONT)		
2.1.5 When are the Distribution Payment Dates?	Subject to ANZ's absolute discretion and the Payment Conditions, Distributions are payable quarterly in arrears on the Distribution Payment Dates. The first Distribution Payment Date is 20 September 2021. 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. In addition, if Exchange occurs on a day that is not a scheduled Distribution Payment Date (other than as a result of a Trigger Event where Holders have no right to a Distribution), subject to ANZ's absolute discretion and the Payment Conditions, 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.	Clauses 3.3, 3.5 and 17.2 of the Note Terms
2.1.6 What are the Payment Conditions?	Distributions may not always be paid. The payment of each Distribution is subject to ANZ's absolute discretion and no Payment Condition existing in respect of the relevant Distribution Payment Date. A Payment Condition will exist where: • the payment of Distributions will result in ANZ (on a Level 1 basis) or the ANZ Group (on a Level 2 basis or, if applicable, a Level 3 basis) not complying with APRA's then current capital adequacy requirements; • the payment of Distributions would result in ANZ becoming, or being likely to become, insolvent for the purposes of the Corporations Act; or • APRA objects to the payment of the Distribution. All payments are subject to applicable law.	Clauses 3.3, 13.9 and 17.2 of the Note Terms
2.1.7 What is the Distribution Restriction and when will it apply?	If for any reason a Distribution has not been paid in full on a Distribution Payment Date (the **Relevant Distribution Payment Date**), ANZ must not, subject to certain exceptions, without approval of a Special Resolution, until and including the next quarterly Distribution Payment Date: • resolve to pay or pay any Ordinary Share Dividend; or • undertake any Buy-Back (as defined in the Note Terms) or Capital Reduction, unless the Distribution is paid in full within 3 Business Days of the Relevant Distribution Payment Date.	Clauses 3.7 and 3.8 of the Note Terms
2.1.8 Are any deductions made on the Distributions?	ANZ may deduct from any Distribution payable in accordance with the Note Terms the amount of any tax required by law to be deducted in respect of such amount. ANZ may also make a deduction on account of FATCA and is not required to pay an additional amount (or take any further action) where it has made a deduction on account of tax or FATCA.	Clauses 13.10 and 13.11 of the Note Terms

Topic	Summary	Where to find more information
2.1 DISTRIBUTIONS (CONT)		
2.1.9 How will Distributions be paid?	Distributions are scheduled to be paid to Holders whose details are recorded with the Registry by close of business on the relevant Record Date (as defined in the Note Terms). Distributions and any other amount payable will be paid by: • electronic transfer to an Australian dollar bank account maintained in Australia with a financial institution nominated by the Holder; or • at ANZ's option, if no such account is nominated, sending a cheque to the address of the Holder. In order to receive a payment, a Holder will need to notify the Registry by close of business on the relevant Record Date (as defined in the Note Terms) of an Australian dollar bank account maintained in Australia with a financial institution to which payment should be made. If the Holder does not so notify the Registry, or the payment does not complete, the amount will be held as a non-interest bearing deposit until such account is nominated, claims may no longer be made in respect of that amount or ANZ deals with the amount in accordance with the laws relating to unclaimed moneys.	Clause 13 of the Note Terms
2.2 MANDATORY CONVERSION		
ANZ Capital Notes 6 do not have a maturity date but are scheduled to be Converted into Ordinary Shares on 20 September 2030 if the Notes have not been Exchanged prior to that date, provided that certain conditions are met. These conditions may never be satisfied and therefore Notes may never Convert into Ordinary Shares.		
2.2.1 When is the Mandatory Conversion Date?	The Mandatory Conversion Date is 20 September 2030 or if the Mandatory Conversion Conditions are not satisfied on that date, the first Distribution Payment Date on which the Mandatory Conversion Conditions are satisfied.	Clause 4.2 of the Note Terms

Topic	Summary	Where to find more information
2.2 MANDATORY CONVERSION (CONT)		
2.2.2 What are the Mandatory Conversion Conditions?	Conversion will not occur unless all the Mandatory Conversion Conditions are satisfied. The Mandatory Conversion Conditions are: • **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 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 Ordinary Shares in respect of the possible Mandatory Conversion Date. Broadly, a Delisting Event occurs when ANZ is delisted, its Ordinary Shares have been suspended from trading for a certain period, or ANZ is prevented by applicable law or any other reason from Converting Notes. The following diagram illustrates the operation of the conditions.  **Note:** These dates are subject to adjustments to account for any days where trading in Ordinary Shares does not occur.	Clauses 4.3, 6.1 and 17.2 of the Note Terms

Topic	Summary	Where to find more information
2.2 MANDATORY CONVERSION (CONT)		
2.2.3 What are the reasons for the Mandatory Conversion Conditions?	It is intended that upon a Mandatory Conversion, the Holder receives Ordinary Shares worth approximately \$101 that are capable of being sold on ASX. 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 6 due to Prudential Standards and ratings agency requirements. The maximum number is based on the Issue Date VWAP of 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. If the price of Ordinary Shares were to fall significantly and there were no Mandatory Conversion Conditions, the number of Ordinary Shares that you would receive might be limited by that cap and in that case the value of those Ordinary Shares would be likely to be less than \$101. In order to give Holders some protection against receiving Ordinary Shares worth less than approximately \$101, the First and Second Mandatory Conversion Conditions have been included, so that where the VWAP of Ordinary Shares has fallen to less than the specified percentage of the Issue Date VWAP, Mandatory Conversion is deferred. So that Holders receive 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 Ordinary Shares are not listed, Mandatory Conversion is deferred.	
2.2.4 Until when is Mandatory Conversion deferred if the Mandatory Conversion Conditions are not satisfied?	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.	Clauses 4.2 and 4.3 of the Note Terms
2.2.5 How many Ordinary Shares will Holders receive on Mandatory Conversion?	If Notes are Converted on the Mandatory Conversion Date, Holders will receive a number of Ordinary Shares per Note that is equivalent to the number calculated using the following formula: $\frac{\text{Face Value}}{99\% \times \text{VWAP}}$ The VWAP for this purpose is the VWAP during the 20 Business Days on which trading in Ordinary Shares took place before the Mandatory Conversion Date. In the above calculation there is a small Conversion discount since selling costs are likely to apply to the sale of Ordinary Shares on ASX. For example, assuming the VWAP is \$28.00, the number of Ordinary Shares a Holder would receive following Conversion on a Mandatory Conversion Date would be calculated as follows: Face Value: \$100.00 Divided by VWAP x 0.99: ÷ \$27.72 Ordinary Shares per Note: 3.6075 Assuming the price of those Ordinary Shares on the Mandatory Conversion Date is also \$28.00, the aggregate value of those Ordinary Shares (calculated by multiplying 3.6075 by 28.00) would be approximately \$101. The above example is for illustrative purposes only. The actual VWAP and the number of Ordinary Shares Holders might receive on Conversion on the Mandatory Conversion Date may be higher or lower than in this example.	Clauses 6 and 17.2 of the Note Terms

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Topic	Summary	Where to find more information
2.2 MANDATORY CONVERSION (CONT)		
2.2.6 What is the Issue Date VWAP?	The Issue Date VWAP is 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 Notes were issued, subject to certain adjustments (described in Section 2.2.7 below).	Clause 17.2 of the Note Terms
2.2.7 What adjustments to the Issue Date VWAP are made to account for changes to ANZ's capital and what is their effect?	The Issue Date VWAP may be adjusted to reflect a consolidation, division or reclassification of Ordinary Shares and pro rata bonus issues as set out in the Note Terms (but not other transactions, including rights issues, which may affect the capital of ANZ). 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 Ordinary Shares at which those conditions would be satisfied. 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.	Clauses 6.2 to 6.8 of the Note Terms
2.3 OPTIONAL EXCHANGE BY ANZ		
ANZ Capital Notes 6 have no fixed maturity but ANZ may choose to Exchange all or some ANZ Capital Notes 6 on the Optional Exchange Date or after a Tax Event or Regulatory Event occurs, in each case if APRA has given its approval and certain conditions are met. In addition, ANZ (or any Related Entity of ANZ) may at any time purchase Notes in the open market or otherwise, at any price (subject to the prior written approval of APRA).		
2.3.1 What does Exchange mean?	Exchange means: • Notes are Converted into a variable number of Ordinary Shares with a value[19] of approximately $101 per Note; • Notes are Redeemed for $100 per Note; • Notes are Resold to a purchaser nominated by ANZ (that cannot be ANZ or a Related Entity of ANZ) for $100 per Note; or • a combination of the above. No Exchange elected by ANZ will occur without APRA's prior written approval and unless certain conditions are met. Holders should not expect that APRA will give its approval for any Exchange.	Clauses 5 and 17.2 of the Note Terms
2.3.2 When are the Optional Exchange Dates?	The Distribution Payment Date falling on 20 March 2028, 20 June 2028 or 20 September 2028.	Clause 17.2 of the Note Terms
2.3.3 What is a Tax Event?	Broadly, a Tax Event will occur if ANZ receives professional advice that, as a result of: • a change in the tax law in Australia; or • an administrative pronouncement or ruling affecting taxation in Australia, on or after the Issue Date (and which on the Issue Date was not expected by ANZ to occur), there is more than an insubstantial risk which the Directors determine to be unacceptable that ANZ would be exposed to more than an insignificant adverse tax consequence or increased cost in relation to Notes being on issue or any Distribution would not be a frankable distribution for tax purposes.	Clauses 5.1 and 17.2 of the Note Terms

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

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Topic	Summary	Where to find more information
2.3 OPTIONAL EXCHANGE BY ANZ (CONT)		
2.3.4 What is a Regulatory Event?	Broadly, a Regulatory Event will occur if: • ANZ receives legal advice that, as a result of a change of Australian law or regulation or any statement of APRA on or after the Issue Date (and which on the Issue Date was not expected by ANZ to occur) (a **Regulatory Change**), – additional requirements (which are not insignificant) would be imposed on ANZ; or – there would be a negative impact on ANZ in relation to Notes which is not insignificant and which the Directors determine to be unacceptable; or • the Directors determine that, as a result of a Regulatory Change, ANZ is not or will not be entitled to treat all Notes as Additional Tier 1 Capital.	Clauses 5.1 and 17.2 of the Note Terms
2.3.5 Are there restrictions on which Exchange Method ANZ may choose?	Yes. Please see Sections 2.3.6, 2.3.7 and 2.3.8 below. In addition, where there is an Exchange on an Optional Exchange Date and the Exchange Method is Conversion, the Exchange Notice must be given no earlier than 25 Business Days before the Optional Exchange Date. Where the Exchange Method is Redemption or Resale, the notice period is only 5 Business Days.	Clause 5.2 of the Note Terms
2.3.6 What are the conditions or restrictions on Conversion as the Exchange Method?	If ANZ wishes to Exchange Notes by Converting them, there are two types of restrictions which apply: • **Restrictions on choosing to Convert** ANZ may not choose to Convert Notes if on the second Business Day before the date on which an Exchange Notice is to be sent: – the VWAP is less than or equal to 22.50% of the Issue Date VWAP; or – a Delisting Event has occurred (see Section 2.2.2). • **Restrictions on completing the Conversion** If ANZ has sent an Exchange Notice, ANZ must not Convert the Notes if the Second Mandatory Conversion Condition or the Third Mandatory Conversion Condition would not be satisfied in respect of the Exchange Date. This restriction is tested as if the Exchange Date were a possible Mandatory Conversion Date and as if the Second Mandatory Conversion Condition referred to 20.21% of the Issue Date VWAP. If that occurs, ANZ will notify Holders and the Conversion will be deferred until the next Distribution Payment Date on which the Mandatory Conversion Conditions would be satisfied (applied on the same bases). The percentages used in the above conditions are derived from market precedents and the cap on the number of Ordinary Shares that are permitted to be issued in these circumstances under the Prudential Standards and ratings agency requirements. The cap in the case of Conversion in these circumstances is set by dividing the Face Value of the Notes by 20% of the Issue Date VWAP.	Clauses 5.2, 5.4 and 5.5 of the Note Terms
2.3.7 How many Ordinary Shares will Holders receive if Conversion is the Exchange Method?	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 Ordinary Shares with a value of approximately $101 (based on a VWAP during a period of 20 Business Days in which trading in Ordinary Shares took place before the Conversion date).	Clauses 5 and 6 of the Note Terms

Topic	Summary	Where to find more information
2.3 OPTIONAL EXCHANGE BY ANZ (CONT)		
2.3.8 Are there any restrictions on Redemption?	ANZ may only elect to Redeem Notes with APRA's prior written approval. ANZ is not permitted to Redeem any Note at any time unless those Notes being Redeemed are replaced concurrently or beforehand with Tier 1 Capital of the same or better quality as the Notes and the replacement of the Notes is done under conditions that are sustainable for ANZ's income capacity, or APRA is satisfied that the capital position of the ANZ Level 1 Group, the ANZ Level 2 Group and, if applicable, the ANZ Level 3 Group is well above its minimum capital requirements after ANZ elects to Redeem the Notes.	Clauses 5.2(c) and 7 of the Note Terms
2.3.9 What happens on Resale?	ANZ may only elect to Resell Notes with APRA's prior written approval. If ANZ elects for Notes to be Resold, subject to payment by the Purchaser of the Face Value of those Notes, the Holder's Notes will be transferred to the Purchaser on the Exchange Date. If the Purchaser does not pay the Face Value of any Notes, these Notes will not be transferred and the Holder has no claim against ANZ as a result of the non-payment. ANZ may appoint one or more Purchasers for the Resale on such terms as may be agreed between ANZ and 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: • 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. If ANZ appoints more than one Purchaser in respect of a Resale, all or any of the Notes held by a Holder which are being Resold may be purchased by any one or any combination of the Purchasers, as determined by ANZ. ANZ may not appoint itself or a Related Entity as a Purchaser.	Clause 8 of the Note Terms
2.3.10 What factors will influence ANZ's decision to Exchange the Notes?	ANZ will consider a number of factors when determining whether to Exchange all or some Notes on an Optional Exchange Date or after a Tax Event or Regulatory Event occurs. Those factors will include, among other things, ANZ's regulatory capital requirements and financial condition at the time, the market conditions prevailing at the time and the cost to ANZ of replacing the Notes with another form of Additional Tier 1 Capital.	
2.3.11 Can Holders request Exchange?	Holders do not have a right to request Exchange.	Clause 9.10(g) of the Note Terms
2.3.12 Purchases	ANZ (or any Related Entity of ANZ) may at any time purchase Notes in the open market or otherwise, at any price (subject to the prior written approval of APRA).	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, ANZ must give a notice to Convert all ANZ Capital Notes 6 on issue into a number of Ordinary Shares.		
2.4.1 When will a Change of Control Event occur?	Broadly, a Change of Control Event occurs if steps are taken to acquire control of ANZ 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.	Clauses 4.10 and 17.2 of the Note Terms
2.4.2 What happens on a Change of Control Event?	If a Change of Control Event occurs, ANZ must, subject to certain further restrictions, give a Change of Control Conversion Notice to Convert each Note into a number of Ordinary Shares with a value of approximately $101 (based on the VWAP during a period, usually 20 Business Days, on which trading in Ordinary Shares took place immediately preceding (but not including) the Business Day before the Change of Control Conversion Date), provided certain conditions are satisfied (see below).[20]	Clauses 4.10 and 17.2 of the Note Terms
2.4.3 What are the restrictions on Conversion on a Change of Control Conversion Date?	Following the occurrence of a Change of Control Event, ANZ may not proceed to Convert Notes if, on the date on which Conversion is to occur (**Change of Control Conversion Date**), certain further restrictions apply. 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. The percentages used in the above conditions are derived from market precedents and the cap on the number of Ordinary Shares that are permitted to be issued in these circumstances under the Prudential Standards and ratings agency requirements.	Clause 4.10 of the Note Terms
2.4.4 What happens if Conversion does not occur on a Change of Control Conversion Date?	If ANZ has given a Change of Control Conversion Notice but the restrictions prevent Conversion, ANZ will give a new Change of Control Conversion Notice to Convert the Notes on the next Distribution Payment Date (under clause 3.5(a) of the Note Terms). Conversion will not occur if the restrictions described in Section 2.4.3 apply on that date. This process will be repeated until a Conversion occurs.	Section 2.4.3 Clause 4.10 of the Note Terms

20 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 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 Ordinary Shares that Holders receive may differ from the Ordinary Share price on or after the Change of Control Conversion Date. This means that the value of Ordinary Shares received may be more or less than anticipated when they are issued or thereafter.

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Topic	Summary	Where to find more information
2.5 AUTOMATIC CONVERSION FOLLOWING A TRIGGER EVENT		
ANZ Capital Notes 6 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 Ordinary Shares that Holders will receive on a Conversion in these circumstances will not be greater than the Maximum Conversion Number. A Trigger Event may occur where ANZ encounters severe financial difficulty. In the event of a Conversion following a Trigger Event, depending on the market price of Ordinary Shares at the relevant time, Holders are likely to receive 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.		
2.5.1 What is a Trigger Event?	There are two types of Trigger Events: • a Common Equity Capital Trigger Event; and • a Non-Viability Trigger Event. **Common Equity Capital Trigger Event** A Common Equity Capital Trigger Event will occur if, at any time ANZ determines, or APRA has notified ANZ in writing that it believes, that a Common Equity Capital Ratio is equal to or less than 5.125%. ANZ must immediately notify APRA in writing if it makes such a determination. 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 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. See Section 5.4 for more information about ANZ's Common Equity Capital Ratio. **A Non-Viability Trigger Event** A Non-Viability Trigger Event will occur if, at any time: • APRA notifies ANZ in writing that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZ would become non-viable; or • APRA notifies ANZ in writing that it has determined that without a public sector injection of capital (or equivalent support) ANZ would become non-viable. APRA has not provided specific guidance on when it will consider an entity to be non-viable. However, APRA has indicated that non-viability is likely to arise prior to the insolvency of an ADI. Non-viability could be expected to include serious impairment of ANZ's financial position and insolvency; however, it is possible that APRA's definition of non-viable may not necessarily be confined to solvency or capital measures and APRA's position on these matters may change over time.	Sections 5.4 and 6.1.9 Clauses 4.5, 4.6, 4.9 and 17.2 of the Note Terms

Topic	Summary	Where to find more information
2.5 AUTOMATIC CONVERSION FOLLOWING A TRIGGER EVENT (CONT)		
2.5.2 What happens following a Trigger Event?	ANZ may be required to Convert a number of Notes into Ordinary Shares following the occurrence of a Trigger Event. If a Trigger Event occurs, ANZ must Convert the Notes immediately on that day. ANZ must notify Holders as soon as practicable of that 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. 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. If a Note is Written Off: • 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.	Clauses 4.7, 4.8, 4.9, 6.1 and 6.13 of the Note Terms
2.5.3 How many Ordinary Shares will Holders receive if Notes are Converted on a Trigger Event Conversion Date?	If Notes are Converted on a Trigger Event Conversion Date, Holders will receive a number of 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 Ordinary Shares received is limited to the Maximum Conversion Number: $\frac{\text{Face Value}}{99\% \times \text{VWAP}}$ The cap imposed by the Maximum Conversion Number is likely to mean that fewer, and possibly significantly fewer, Ordinary Shares would be received by a Holder than if this cap did not exist. This is explained further in Section 2.5.4. The VWAP for this purpose is the VWAP during the 5 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Trigger Event Conversion Date (when the price of Ordinary Shares may be low). In the above calculation there is a small Conversion discount since selling costs are likely to apply to the sale of Ordinary Shares on ASX.	Clauses 6.1 to 6.7 of the Note Terms
2.5.4 What is the Maximum Conversion Number?	The Maximum Conversion Number in the case of a Trigger Event is determined using the following formula: $\frac{\text{Face Value}}{\text{Issue Date VWAP} \times 0.2}$ This formula is derived from market precedents and the cap on the number of Ordinary Shares that are permitted to be issued in these circumstances under the Prudential Standards and ratings agency requirements. This means that, depending on the market price of Ordinary Shares at the relevant time, a Holder is likely to receive significantly less than approximately $101 worth of Ordinary Shares per Note and is likely to suffer a loss as a consequence.	

Topic	Summary	Where to find more information
2.5 AUTOMATIC CONVERSION FOLLOWING A TRIGGER EVENT (CONT)		
2.5.5 Is there a worked example illustrating how many Ordinary Shares a Holder will receive on Conversion following a Trigger Event?	This example illustrates how many 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 $28. 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 2.2.7). **Step 1 – Calculate the indicative number of Ordinary Shares using the Conversion mechanics** Face Value: $100.00 Divided by VWAP x 0.99: ÷ $4.4550 Ordinary Shares per Note: 22.4467 **Step 2 – Calculate the Maximum Conversion Number** Face Value: $100.00 Divided by Issue Date VWAP × 0.2: ÷ $5.60 Ordinary Shares per Note: =17.8571 **Step 3 – Assess the effect of the Maximum Conversion Number** In this example, the Maximum Conversion Number is lower than the indicative number of 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 Ordinary Shares a Holder would receive per Note at 17.8571 Ordinary Shares. If those Ordinary Shares were sold on ASX at the same price as the VWAP (being $4.50), the Holder would receive $80.36 and have suffered a loss on their investment of $19.64.	

Topic	Summary	Where to find more information
2.5 AUTOMATIC CONVERSION FOLLOWING A TRIGGER EVENT (CONT)		
2.5.6 How many Notes need to be Converted or Written Off on the occurrence of a Trigger Event?	If a Trigger Event occurs, ANZ must convert or write off sufficient Relevant Securities (including some or all Notes) to restore the Common Equity Capital Ratio to a percentage above 5.125%, or to satisfy APRA that ANZ is viable without further conversion or write off (as applicable). If ANZ is required to Convert some Notes, ANZ will endeavour to Convert Notes and convert into Ordinary Shares or write off other Relevant Securities on an approximately pro-rata basis or in a manner that is otherwise, in the opinion of ANZ, fair and reasonable. This is subject to such adjustment as ANZ may determine to take account of the effect on marketable parcels of Notes and the need to round to whole numbers the number of Ordinary Shares and any Notes or other Relevant Securities remaining on issue. In addition, where the Relevant Securities are in different currencies, ANZ may treat the Relevant Securities as if converted into a single currency at rates of exchange it considers reasonable. However, this determination must not impede the immediate Conversion of the relevant number of Notes. Holders should be aware that: • Relevant Securities such as Notes, CN1, CN2, CN3, CN4 and CN5 will be converted or written off before any Tier 2 Capital instruments are converted or written off; • ANZ has no obligation to maintain on issue any Relevant Securities and does not, and may never, have on issue Relevant Securities which require them to be converted or written off before the Notes or in full; and • where a Non-Viability Trigger Event occurs because APRA determines that, without a public sector injection of capital or equivalent support, ANZ would become non-viable, all the Notes will be Converted. The Conversion of Notes into 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 Ordinary Shares at the time, Holders are likely to receive significantly less than approximately $101 worth of Ordinary Shares per Note and to suffer loss as a consequence.	Clauses 4.8, 4.9 and 9.11 of the Note Terms
2.6 OTHER		
2.6.1 Can ANZ issue further Notes or other instruments?	ANZ reserves the right to issue further securities of any kind (whether ranking equally with, in priority to or junior to or having different rights from the Notes) without the consent of the Holders. Notes do not: • confer on Holders any right to subscribe for new securities in ANZ or to participate in any bonus issues of shares in ANZ's capital; • prevent ANZ from redeeming, buying back, converting, returning capital on or converting any securities, other than the Notes (except as described in Section 2.1.7); and • prevent ANZ from incurring or guaranteeing any indebtedness upon such terms as ANZ thinks fit in its sole discretion.	Clause 9.11 of the Note Terms
2.6.2 What voting rights do Notes carry?	Holders do not have voting rights at a meeting of members of ANZ.	Clause 10.2 of the Note Terms

Topic	Summary	Where to find more information
2.6 OTHER (CONT)		
2.6.3 Can ANZ amend the Note Terms?	Subject to complying with all applicable laws, ANZ may amend the Note Terms without the consent of Holders in circumstances including where ANZ reasonably considers the amendment: • is made to correct a manifest error; • is of a formal, minor or technical nature; • is necessary to comply with any law, the provisions of any statute or the requirements of any statutory authority; • is expedient for the purposes of listing or clearing the Notes; • amends certain dates or time periods in connection with Mandatory Conversion or Exchange; or • in any other case, will not materially adversely affect the rights of Holders as a whole. ANZ may also amend the Note Terms if the amendment has been approved by a Special Resolution. 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.	Clause 14 of the Note Terms
2.6.4 What is an Approved NOHC Event?	An Approved NOHC Event is an event initiated by the Directors which would result in ANZ having an ultimate holding company which is a "non-operating holding company" within the meaning of the Banking Act (**NOHC**) and where, following the occurrence of that event: • the ordinary shares of the NOHC are listed on ASX; and • the NOHC agrees to Convert the Notes into Ordinary Shares in the NOHC in place of ANZ's obligation to Convert the Notes into Ordinary Shares. If an Approved NOHC Event occurs, the Note Terms may be amended to enable the substitution of the Approved NOHC as the issuer of ordinary shares on Conversion (including following the Mandatory Conversion Date). The Approved NOHC will use all reasonable endeavours to procure quotation of these shares on the securities exchange on which its other Ordinary Shares are quoted. The occurrence of an Approved NOHC Event does not allow ANZ to elect to Exchange Notes nor does it entitle Holders to Exchange their Notes. Holders do not have any right to vote on an Approved NOHC Event and Holders have no rights to require ANZ to give an Approved NOHC Substitution Notice. Following the substitution of an Approved NOHC as issuer of the Ordinary Shares on Conversion, prior to Conversion, Holders continue to hold a security in ANZ which ranks in a winding-up of ANZ as described in the table in Section 1.3 and which is convertible into ordinary shares in the Approved NOHC in the same circumstances in which it would have otherwise been converted into Ordinary Shares in ANZ. Holders do not have any claim on the assets of the Approved NOHC or any other subsidiary of the Approved NOHC other than following Conversion as a holder of ordinary shares in the Approved NOHC. There is no restriction on an Approved NOHC declaring or paying a dividend on, or buying back or reducing capital on its ordinary shares if ANZ does not pay a Distribution on a Note.	Clauses 9.10, 11, 14.2 and 17.2 of the Note Terms

Topic	Summary	Where to find more information
2.6 OTHER (CONT)		
2.6.5 What is the ANZ Capital Notes 6 Deed Poll?	A trustee has not been appointed for ANZ Capital Notes 6. Instead, the ANZ Capital Notes 6 Deed Poll has been made by ANZ in favour of each person who is from time to time a Holder. The ANZ Capital Notes 6 Deed Poll gives legal effect to ANZ's obligations in the Note Terms. Under the ANZ Capital Notes 6 Deed Poll, ANZ also undertakes to appoint the Registry and procure the Registry to establish and maintain a principal Register. The ANZ Capital Notes 6 Deed Poll also includes provisions for meetings of Holders. Holders will be bound by the terms of the ANZ Capital Notes 6 Deed Poll, the Note Terms and this Prospectus when ANZ Capital Notes 6 are issued or transferred to them or they purchase ANZ Capital Notes 6. Each Holder can enforce ANZ's obligations under the ANZ Capital Notes 6 Deed Poll, including the Note Terms and the provisions for meetings, independently of the Registry and each other. A copy of the ANZ Capital Notes 6 Deed Poll can be obtained from capitalnotes6.anz.com.	ANZ Capital Notes 6 Deed Poll
2.6.6 What if a Holder is not resident in Australia?	If the Register indicates that a Holder's address is outside of Australia (or ANZ believes that a Holder may not be a resident of Australia) (such a Holder, a **Foreign Holder**) and that Foreign Holder's Notes are to be Converted, ANZ is entitled in certain circumstances to issue the relevant Ordinary Shares to a nominee (who may not be ANZ or a Related Entity of ANZ) who will sell those Ordinary Shares and pay a cash amount equal to the net proceeds to the Foreign Holder.	Clauses 6.10 and 17.2 of the Note Terms
2.6.7 What happens if FATCA Withholding is required to be made?	Where a FATCA Withholding would be required or permitted to be made in respect of Ordinary Shares issued on Conversion of Notes, ANZ may either issue the Ordinary Shares which the Holder is obliged to accept to the Holder of the Notes net of FATCA Withholding and issue the balance of Ordinary Shares to a nominee or issue the Ordinary Shares which the Holder is obliged to accept entirely to a nominee. In each case, the nominee (which may not be ANZ or a Related Entity of ANZ) will sell the Ordinary Shares issued to it, deal with any proceeds of their disposal in accordance with FATCA and, where the Ordinary Shares have been issued entirely to the nominee, pay a cash amount equal to the Proceeds net of any FATCA Withholding to the Holder.	Clause 6.11 of the Note Terms
2.6.8 Where Ordinary Shares are issued to a nominee, does the nominee or ANZ have any duties on a sale?	None of ANZ 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.	Clause 6.14 of the Note Terms
2.6.9 Is there a time limit on claims in respect of the Notes?	Holders should be aware that ANZ is entitled to refuse any claim against it for a payment under a Note where the claim is made more than 10 years (in the case of Face Value) or 5 years (in the case of Distributions and other amounts) from the date on which payment first became due.	Clause 13.4 of the Note Terms

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

03

SECTION 03

ABOUT THE REINVESTMENT OFFER

THIS SECTION SETS OUT:

THE OPTIONS AVAILABLE TO CN1 HOLDERS;

THE DIFFERENCE BETWEEN CN1 AND ANZ CAPITAL NOTES 6;

FURTHER INFORMATION ABOUT PARTICIPATING IN THE REINVESTMENT OFFER AND HOW TO REINVEST YOUR RESALE PROCEEDS INTO ANZ CAPITAL NOTES 6; AND

THE RISKS ASSOCIATED WITH PARTICIPATING IN THE REINVESTMENT OFFER.

Topic	Summary
3.1 THE REINVESTMENT OFFER	
3.1.1 What are CN1?	CN1 (or ANZ Capital Notes 1) are fully paid, non-cumulative, convertible, transferable, redeemable, subordinated, perpetual, unsecured notes that were issued by ANZ on 7 August 2013. CN1 trade on the ASX under the ASX code "ANZPD".
3.1.2 What is the Reinvestment Offer?	The Reinvestment Offer is an invitation to Eligible CN1 Holders to apply to have some or all of the CN1 registered to them at 7.00pm AEST on 27 May 2021 resold to the CN1 Nominated Purchaser and their Resale Proceeds reinvested into Notes.[21]
3.1.3 What are my options as a CN1 holder?	**Participate in the Reinvestment Offer** Eligible CN1 Holders can apply to participate in the Reinvestment Offer. Information on how to apply to participate in the Reinvestment Offer is set out in Section 4. By applying to participate in the Reinvestment Offer, an Eligible CN1 Holder is: • applying to have some or all of the CN1 that are registered to them at 7.00pm AEST on 27 May 2021 resold to the CN1 Nominated Purchaser for $100 per CN1; • applying for a corresponding number of Notes; and • directing the CN1 Nominated Purchaser to pay their Resale Proceeds to ANZ as the Application Payment for those Notes. **Do not participate in the Reinvestment Offer** If you are not eligible to participate in the Reinvestment Offer, or if you are eligible but choose not to participate, you can: • take no action. Your CN1 will remain on issue, subject to the CN1 terms. For further detail on what will happen to CN1 that are not resold to the CN1 Nominated Purchaser under the Reinvestment Offer, see Section 3.1.9; or • sell your CN1 on-market through your broker or otherwise at the prevailing market price. Where you do so: – you may have to pay brokerage and may receive a price greater or less than the face value of $100 per CN1; – you will not be entitled to receive any distributions on the CN1 you sell if you are not a CN1 holder on the relevant record date for the distribution (including the Pro Rata Distributions); and – if eligible, use the sale proceeds from any CN1 you sell to subscribe for Notes under the ANZ Securityholder Offer or the Broker Firm Offer before the respective Closing Dates. **Purchase Notes under the Offer (other than under the Reinvestment Offer)** If you satisfy the eligibility requirements set out in Section 4 you can separately apply for Notes under the ANZ Securityholder Offer or the Broker Firm Offer whether or not you apply to participate in the Reinvestment Offer. There are important differences between CN1 and ANZ Capital Notes 6 that Eligible CN1 Holders should consider before applying to participate in the Reinvestment Offer. See Section 3.2 for more information.
3.1.4 Who is the CN1 Nominated Purchaser?	UBS (or a permitted successor)

21 The market price of CN1 is subject to change from time to time and CN1 holders may be able to sell or dispose of their CN1 at a price higher or lower than the price they would receive if they were to resell their CN1 under the Reinvestment Offer (being $100 per CN1). The current market price of CN1 is available at the ASX website (asx.com.au).

Topic	Summary
3.1 THE REINVESTMENT OFFER (CONT)	
3.1.5 Am I eligible to participate in the Reinvestment Offer?	Only Eligible CN1 Holders can apply to participate in the Reinvestment Offer. To be an Eligible CN1 Holder, you must: • have been a registered holder of CN1 at 7:00pm AEST on 27 May 2021; • be shown on the CN1 register as having an address in Australia; and • 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 prevented from receiving the invitation to participate in the Offer or receiving ANZ Capital Notes 6 under the laws of any jurisdiction.
3.1.6 How do I participate in the Reinvestment Offer?	Information on how to apply to participate in the Reinvestment Offer is set out in Section 4. If you apply to have your CN1 participate in the Reinvestment Offer, you must ensure that you do not otherwise sell or dispose of any of those CN1. Eligible CN1 Holders who apply to participate in the Reinvestment Offer are taken to agree to a holding lock being placed on the relevant CN1 until the Issue Date. If CN1 that are intended to participate in the Reinvestment Offer are disposed of prior to the Closing Date for the Reinvestment Offer, the number of Participating CN1 for a relevant holder will be reduced to equal the number of CN1 available on the Closing Date for the Reinvestment Offer, which is expected to be 5:00pm AEST on 30 June 2021. An Application to participate in the Reinvestment Offer is irrevocable once submitted unless ANZ gives notice that it will not accept the Application.
3.1.7 What is the difference between a Participating CN1 and a Non-Participating CN1?	In this Prospectus, CN1 that are: • resold and reinvested in Notes under the Reinvestment Offer are referred to as **Participating CN1**; and • not resold under the Reinvestment Offer are referred to as **Non-Participating CN1**.
3.1.8 What will happen to the Participating CN1?	Any Participating CN1 will be redeemed by ANZ in accordance with the CN1 terms on the Issue Date once those Participating CN1 are held by the CN1 Nominated Purchaser.
3.1.9 What will happen to the Non-Participating CN1?	Any Non-Participating CN1 will remain on issue subject to the CN1 terms. As at the date of this Prospectus, ANZ intends to issue a redemption notice for the redemption of the Non-Participating CN1 on 1 September 2021. Any redemption is subject to final approval and may be subject to conditions. If final approval is not obtained or any conditions to the redemption are not satisfied, the redemption may not occur. If CN1 are still on issue on 1 September 2023, the CN1 will automatically convert into Ordinary Shares where the mandatory conversion conditions set out in the CN1 terms are satisfied. If those conditions are not satisfied, the CN1 will remain on issue until the first CN1 distribution payment date after 1 September 2023 on which the conditions are satisfied (unless otherwise dealt with in accordance with their terms). Following the Reinvestment Offer, it is expected that the number of CN1 on issue will be significantly reduced, which would impact on the liquidity of the CN1 while they remain on issue.

Topic	Summary
3.1 THE REINVESTMENT OFFER (CONT)	
3.1.10 What distributions will I receive as a CN1 holder?	The CN1 distribution scheduled to be paid on 1 September 2021 has been split into two distributions to facilitate the Reinvestment Offer – the First Pro Rata Distribution and the Second Pro Rata Distribution. The First Pro Rata Distribution of $0.8573 per CN1 is scheduled to be paid on all CN1 on the Issue Date (which is expected to be 8 July 2021). It was calculated in accordance with the CN1 terms and will be paid in respect of the period from (and including) 1 March 2021 to (but excluding) the Issue Date. If you hold CN1 on the record date for the First Pro Rata Distribution (which is expected to be 30 June 2021), then you will receive the First Pro Rata Distribution irrespective of whether your CN1 participate in the Reinvestment Offer or not (subject to this Prospectus not being withdrawn, the payment conditions in the CN1 terms and ANZ's absolute discretion). The First Pro Rata Distribution is a separate distribution payment from ANZ and does not form part of the Resale Price. The Second Pro Rata Distribution of $0.3655 per CN1 is scheduled to be paid on all CN1 outstanding on 1 September 2021. It was calculated using the same bank bill rate as that used to calculate the First Pro Rata Distribution and will be paid in respect of the period from (and including) the Issue Date to (but excluding) 1 September 2021. If you hold CN1 on the record date for the Second Pro Rata Distribution (which is expected to be 24 August 2021), then you will receive the Second Pro Rata Distribution (subject to the payment conditions in the CN1 terms and ANZ's absolute discretion). You will not receive the Second Pro Rata Distribution in respect of any Participating CN1 as those Participating CN1 will be resold to the CN1 Nominated Purchaser before the record date for the Second Pro Rata Distribution. Any payment of the Pro Rata Distributions will be made via direct credit in accordance with your existing CN1 payment instructions. If you have not provided direct credit details, ANZ will deal with any payment in accordance with the CN1 terms. If you wish to change your CN1 payment instructions for the payment of any Pro Rata Distribution you must provide updated instructions to the Registry by 5:00pm AEST on the relevant Record Date for that Pro Rata Distribution.
3.1.11 If I apply to participate in the Reinvestment Offer, will I receive a priority allocation of Notes?	Details on the allocation policy are set out in Section 4.3.3.
3.1.12 Can my Application be subject to any scale back?	For information of any potential scale back under the Offer (including in respect of Applications under the Reinvestment Offer), see Section 4.3.3.
3.1.13 What are the tax implications of participating in the Reinvestment Offer and will any brokerage or stamp duty be payable?	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. No brokerage or stamp duty is payable in connection with the resale of CN1 under the Reinvestment Offer or the reinvestment of your Resale Proceeds in Notes. CN1 holders who choose to sell their CN1 on-market (and not have them resold under the Reinvestment Offer) through their broker may be required to pay applicable brokerage.

Topic	Summary
3.1 THE REINVESTMENT OFFER (CONT)	
3.1.14 Why have the CN1 terms been amended?	ANZ has amended the CN1 terms to facilitate the Reinvestment Offer. In particular, the amendments enable: • the resale of the Participating CN1 to the CN1 Nominated Purchaser for $100 per Participating CN1; • the redemption of the Participating CN1 on the Issue Date once they are held by the CN1 Nominated Purchaser; and • the payment of the Pro Rata Distributions. The amendments have been made under clause 14 of the CN1 terms.

3.2 WHAT ARE THE KEY DIFFERENCES BETWEEN CN1 AND ANZ CAPITAL NOTES 6?

There are a number of differences between CN1 and ANZ Capital Notes 6 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 Notes and CN1 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 Notes.

Topic	CN1	ANZ Capital Notes 6
Protected under the Financial Claims Scheme	No	No
Term	Perpetual, subject to mandatory conversion into Ordinary Shares on 1 September 2023 (approximately 10 years after its issue date)	Perpetual, subject to Mandatory Conversion into Ordinary Shares on 20 September 2030 (approximately 9.2 years after the Issue Date)[22]
Margin	3.40%	3.00% to 3.20% to be determined under the Bookbuild
Distribution rate	Floating	Floating
Distribution payment dates	Half yearly	Quarterly
Rights if distributions not fully franked	Franked, subject to gross up for any unfranked portion	Franked, subject to gross up for any unfranked portion
Conditions to payment of distributions	Yes, subject to ANZ's absolute discretion and certain payment conditions	Yes, subject to ANZ's absolute discretion and Payment Conditions
Distribution restriction if distribution not paid	Yes, if a distribution is not paid ANZ must not pay certain distributions on its Ordinary Shares until and including the next semi-annual distribution payment date	Yes, applies to Ordinary Shares until the next quarterly Distribution Payment Date – see Section 2.1.7
Transferable	Yes – quoted on ASX as "ANZPD"	Yes – expected to be quoted on ASX as "ANZPI"
Mandatory conversion into Ordinary Shares	Yes, on 1 September 2023 if the mandatory conversion conditions are satisfied	Yes, on 20 September 2030 if the Mandatory Conversion Conditions are satisfied
ANZ's early conversion option	Yes, on 1 September 2021 with APRA's prior written approval	Yes, on 20 March 2028, 20 June 2028 or 20 September 2028 only, with APRA's prior written approval – see Section 2.3
ANZ's early redemption option	Yes, on 1 September 2021 with APRA's prior written approval	Yes, on 20 March 2028, 20 June 2028 or 20 September 2028 only, with APRA's prior written approval – see Section 2.3

22 ANZ Capital Notes 6 may also be Converted, Redeemed, Resold or Written Off in a number of other circumstances as described in this Prospectus.

Topic	CN1	ANZ Capital Notes 6
ANZ resale rights	Yes, with APRA's prior wrriten approval	Yes, with APRA's prior written approval – see Section 2.3
Other ANZ early redemption or resale options	Tax and regulatory events with APRA's prior written approval	Tax and Regulatory Events with APRA's prior written approval – see Section 2.3
Other ANZ early conversion options	Tax and regulatory events with APRA's prior written approval Change of control	Tax and Regulatory Events with APRA's prior written approval – see Section 2.3 Change of Control Event – see Section 2.4
Automatic conversion or write-off following a trigger event	Yes, ANZ must convert CN1 if the common equity capital ratio of the ANZ Level 1 Group or the ANZ Level 2 Group as prescribed by APRA falls to or below 5.125% or if a non-viability event occurs. If ANZ is unable to convert within 5 business days of the trigger event, the CN1 will not be converted but will instead be written off.	Yes, ANZ must Convert the Notes if a Common Equity Capital Trigger Event in respect of the ANZ Level 1 Group or the ANZ Level 2 Group, or a Non-Viability Trigger Event, occurs – see Section 2.5. If the Notes are not Converted within 5 Business Days of a Trigger Event Conversion Date for any reason (including an Inability Event) in accordance with the Note Terms, the Notes may be Written Off – see Section 6.1.9.
Capital classification	Additional Tier 1 Capital	Additional Tier 1 Capital
Voting rights	No right to vote at general meeting of holders of Ordinary Shares	No right to vote at general meeting of holders of Ordinary Shares
Ranking	Equal to ANZ Capital Securities, senior to Ordinary Shares, subordinated to claims of senior creditors (including ANZ depositors)	Equal to ANZ Capital Securities, senior to Ordinary Shares, subordinated to claims of Senior Creditors (including ANZ depositors)

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

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

- the Resale Price for a Participating CN1 (which does not include your entitlement to the First Pro Rata Distribution) may be less than the ASX trading price of CN1 (which may include an amount representing any accrued distribution). Rather than participating in the Reinvestment Offer, Eligible CN1 Holders may obtain a better financial outcome by selling their CN1 on-market and investing the proceeds in ANZ Capital Notes 6 (although any Application may be scaled back);
- if you are an Eligible CN1 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 6. As such, you will be subject to the risks associated with an investment in ANZ Capital Notes 6 and in ANZ, many of which are outside the control of ANZ and its 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 6 and CN1 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.

04

SECTION 04

HOW TO APPLY

THIS SECTION SETS OUT:

- 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 APPLYING FOR ANZ CAPITAL NOTES[23]

4.1.1 Reinvestment Offer

Eligible CN1 Holders may apply under the Reinvestment Offer by following the Reinvestment Application instructions at capitalnotes6.anz.com or through a Syndicate Broker, in either case after the Reinvestment Offer opens.

This Section 4.1.1 sets out how to apply under the Reinvestment Offer online at capitalnotes6.anz.com. See Section 4.1.3 for information on how to apply under the Reinvestment Offer through a Syndicate Broker.

Who may apply?	Eligible CN1 Holders – being: • registered holders of CN1 at 7:00pm AEST on 27 May 2021; • who are shown on the CN1 register as having an address in Australia; and • are 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 receiving ANZ Capital Notes 6 under the laws of any jurisdiction.
When to apply	• Applications will only be accepted during the Offer Period for the Reinvestment Offer which is expected to open on 9 June 2021 and close at 5.00pm AEST on 30 June 2021. • Eligible CN1 Holders who are clients of a Syndicate Broker should seek instructions from their Syndicate Broker on how to participate in the Reinvestment Offer.
How to apply	• Visit capitalnotes6.anz.com and follow the Reinvestment Application instructions on that website. • You will need your SRN or HIN which can be found on the holding statement for your CN1, payment advice and certain materials sent to you by ANZ in relation to the Offer. • You must apply to reinvest a minimum of 50 CN1 in Notes (unless you hold less than that amount of CN1). • If you hold less than 50 CN1, you can still apply to participate in the Reinvestment Offer, but you must apply to reinvest all of your CN1 in Notes. • You may wish to apply for more Notes than the number of CN1 that you hold, under the ANZ Securityholder Offer or Broker Firm Offer. Applications for additional Notes under the ANZ Securityholder Offer or Broker Firm Offer must be for a minimum of 50 Notes ($5,000). • If you are only applying under the Reinvestment Offer, an Application Payment is not necessary as the Resale Proceeds will be applied to the Application Payment to the extent required. • If you wish to apply for additional Notes under the ANZ Securityholder Offer or Broker Firm Offer, an Application Payment will be necessary. If you are applying under the ANZ Securityholder Offer, your Application Payment must be made by BPAY. See Section 4.1.4 for further details on paying by BPAY. • If you apply to participate in the Reinvestment Offer, you are taken to agree to a holding lock being placed on the CN1 the subject of your Reinvestment Application until the Issue Date. • If you dispose of the CN1 the subject of your Reinvestment Application before the Closing Date for the Reinvestment Offer, the number of your Participating CN1 will be reduced to the number of CN1 you hold on the Closing Date for the Reinvestment Offer, which is expected to be 5:00pm AEST on 30 June 2021. • A Reinvestment Application is irrevocable once submitted unless ANZ gives notice that it will not accept the Application. • ANZ, in consultation with the Joint Lead Managers, reserves the right to reject any Application, or to allocate any Eligible CN1 Holder a lesser number of Notes than that which they applied for.

23 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 6 are issued.

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4.1.2 ANZ Securityholder Offer

Eligible ANZ Securityholders may apply under the ANZ Securityholder Offer by following the Securityholder Application instructions at capitalnotes6.anz.com.

Payments must be made by BPAY. Cash, cheques and money orders will not be accepted.

Who may apply?	Eligible ANZ Securityholders – being: • registered holders of Ordinary Shares, CN1, CN2, CN3, CN4 or CN5 at 7:00pm AEST on 27 May 2021; • who are shown on the Register as having an address in Australia; and • who are 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 receiving ANZ Capital Notes 6 under the laws of any jurisdiction.
When to apply	• Applications will only be accepted during the Offer Period for the ANZ Securityholder Offer which is expected to open on 9 June 2021 and close at 5.00pm AEST on 30 June 2021.
How to apply	• Visit capitalnotes6.anz.com and follow the Securityholder Application instructions on that website. • You will need your SRN or HIN which can be found on the holding statement for your ANZ securities, payment advice and certain materials sent to you by ANZ in relation to the Offer. • Your Application must be for a minimum of 50 Notes ($5,000). • Your Application Payment should equal the number of Notes you wish to apply for multiplied by $100 (being the Face Value of the Notes). • Your Application Payment must be made only by BPAY. See Section 4.1.4 for further details on paying by BPAY. • Your Application Payment must be received by the Closing Date for the ANZ Securityholder Offer which is expected to be 5.00pm AEST on 30 June 2021. If your Application Payment is not received by that time, you will not receive any Notes. • ANZ, in consultation with the Joint Lead Managers, reserves the right to reject any Application, or to allocate any Eligible ANZ Securityholders a lesser number of Notes than that which they applied for.

4.1.3 Broker Firm Offer

Who may apply?	• A retail client of a Syndicate Broker invited to participate through the Broker Firm Offer by a Syndicate Broker (including retail clients who are Eligible CN1 Holders applying under the Reinvestment Offer).
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	• You must contact your Syndicate Broker for instructions on how to apply. • If you are applying under the Reinvestment Offer, the minimum Application amount requirements applicable to the Reinvestment Offer apply (see Section 4.1.1). Otherwise, your Application must be for a minimum of 50 Notes ($5,000). • If you are only applying for Notes under the Reinvestment Offer, an Application Payment is not necessary as the Resale Proceeds will be applied to the Application Payment to the extent required. If you wish to apply for additional Notes, an Application Payment will be necessary. Contact your Syndicate Broker for instructions on how to make the Application Payment.

4.1.4 BPAY payments

Application Payments under the ANZ Securityholder Offer can only be made by BPAY. No cash or cheque payments will be accepted. To make an Application Payment using BPAY you will need the Biller Code and your unique reference number. Those will be provided to you by following the Securityholder Application instructions at capitalnotes6.anz.com.

BPAY payments must be made from an Australian dollar account of an Australian financial institution. You need to check with your financial institution in relation to your daily transaction limit and their BPAY closing times to ensure that your Application Payment will be received by the Closing Date for the ANZ Securityholder Offer. If your Application Payment is not received by the Closing Date for the ANZ Securityholder Offer, your Application will be incomplete and will not be accepted. The Application Payment may be made by one or more BPAY payments over multiple days, as long as the last payment is received by the Closing Date.

4.1.5 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.

4.1.6 Representations, warranties and acknowledgements

When lodging your Application, you will be required to give certain representations, warranties and acknowledgements to ANZ. In particular, you will be asked to acknowledge that in applying for Notes ANZ has recommended that you obtain professional guidance which takes into account your particular investment objectives, financial situation and needs from a professional adviser who is licensed by ASIC to give such advice. If you do not give this acknowledgement (by ticking the relevant box), your Application will not be accepted by ANZ. If you cannot, or are not sure whether you can, provide this acknowledgement, then you should not invest in Notes.

4.1.7 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.

4.1.8 Application Payments held on trust

All Application Payments received before Notes are issued will be held by ANZ on trust in an account established solely for the purposes of depositing Application Payments received. Any interest that accrues in that account will be retained by ANZ. After Notes are issued to successful Applicants, the Application Payments held on trust will be payable to ANZ.

4.1.9 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 4.3.3.

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.

4.2 PROVISION OF PERSONAL INFORMATION

The information about you included as part of your Application is used for the purposes of processing your Application and, if your Application is successful, to administer your Notes. For information about the acknowledgements and privacy statement in relation to personal information that you provide to ANZ by completing an Application – see Section 8.9.

4.3 BOOKBUILD AND ALLOCATION POLICY

4.3.1 Bookbuild

The Bookbuild will be conducted by the Joint Lead Managers in consultation with ANZ. In the Bookbuild, participants will be invited to lodge bids for a number of Notes. The Bookbuild will be conducted before the Opening Date of the Broker Firm Offer to determine the Margin and firm Allocations of Notes to Bookbuild participants. The Bookbuild will be conducted in the manner contemplated in this Prospectus and otherwise on the terms and conditions agreed to by ANZ and the Joint Lead Managers in the Offer Management Agreement.

4.3.2 Settlement

The Joint Lead Managers have agreed with ANZ to bid into the Bookbuild 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 8.5.

4.3.3 Allocation Policy

Broker Firm Offer and Institutional Offer	Allocations to Syndicate Brokers will be determined by ANZ in consultation with the Joint Lead Managers following completion of the Bookbuild. Allocations to Broker Firm 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 from Broker Firm Applicants to be scaled back by a Syndicate Broker. ANZ takes no responsibility for any allocation, scale back or rejection that is decided by a Syndicate Broker. Allocations to Institutional Investors will be determined by ANZ Securities and ANZ following completion of the Bookbuild.
ANZ Securityholder Applicants and Direct Reinvestment Applicants	Allocations of Notes to ANZ Securityholder Applicants and Direct Reinvestment Applicants will be determined by ANZ in consultation with the Joint Lead Managers and may be scaled back if there is excess demand for the Offer. In the event of excess demand, ANZ's current intention is to give preference to Direct Reinvestment Applicants over ANZ Securityholder Applicants while still providing for a proportion of the available Notes to be allocated to ANZ Securityholder Applicants. How ANZ scales back Applications will depend on the extent of Applications from Direct Reinvestment Applicants and ANZ Securityholder Applicants. In the event of excess demand, it is possible that the scale back applied to ANZ Securityholder Applicants will be greater than that applied to Direct Reinvestment Applicants. If a Direct Reinvestment Applicant's Application is scaled back, that Direct Reinvestment Applicant will continue to hold their CN1 which are not resold to the CN1 Nominated Purchaser. Any scale back and the basis of Allocation will be announced on 8 July 2021 on ASX. ANZ, at its discretion and in consultation with the Joint Lead Managers, reserves the right to: • allocate to any ANZ Securityholder Applicant or Direct Reinvestment Applicant all Notes for which they have applied; • reject any Application by an ANZ Securityholder Applicant or a Direct Reinvestment Applicant; or • allocate to any ANZ Securityholder Applicant or Direct Reinvestment Applicant a lesser number of Notes than that applied for, including less than the minimum Application of Notes or none at all. No assurance is given that any ANZ Securityholder Applicant or Direct Reinvestment Applicant will receive an Allocation.

4.4 ASX QUOTATION, CONFIRMATION STATEMENTS AND OTHER INFORMATION

4.4.1 ASX quotation

ANZ will apply 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 this 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 9 July 2021 under ASX code "ANZPI".

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 AEST) or your Syndicate Broker, after the Issue Date to enquire about your Allocation. Alternatively, if you are an ANZ Securityholder Applicant, you can check your holding online at www.investorcentre.com. To use this facility, you will need internet access and your HIN or SRN to pass the security features on the website.

4.4.2 Confirmation Statements

ANZ has applied for Notes to participate in CHESS. No certificates will be issued for Notes. ANZ expects that Confirmation Statements for issuer sponsored holders and confirmations for CHESS holders will be despatched to successful Applicants by 15 July 2021.

4.4.3 Provision of bank account details for Distributions

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

4.4.4 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.

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

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

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

4.5 ENQUIRIES

4.5.1 Eligible ANZ Securityholders and eligible CN1 Holders

If you wish to apply for Notes, it is recommended that you seek professional guidance which takes into account your particular investment objectives, financial situation and needs from a professional adviser who is licensed by ASIC to give such advice.

You can also 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 AEST) if you:

- have further questions on how to apply for ANZ Capital Notes 6;
- require assistance to complete your Application; or
- have any other questions about the Offer.

4.5.2 Broker Firm Applicants

If you have further questions about your application under the Broker Firm Offer, please call your Syndicate Broker.

05

SECTION 05

ABOUT ANZ

THIS SECTION SETS OUT:

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

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

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

5.1 OVERVIEW OF ANZ

The ANZ Group began its Australian operations in 1835 and its New Zealand operations in 1840. ANZ is a public company limited by shares incorporated in Australia and was registered in the State of Victoria on 14 July 1977. ANZ's registered office is located at Level 9, 833 Collins Street, Docklands, Victoria, 3008, Australia and the telephone number is +61 3 9683 9999. Its Australian Company Number is 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, its operations span Australia, New Zealand, a number of countries in the Asia Pacific region, the United Kingdom, France, Germany and the United States.

As at 31 March 2021, the ANZ Group had total assets of approximately A$1,018.3 billion, and shareholders' equity excluding non-controlling interests of approximately A$62.6 billion. In terms of total assets among banking groups, the ANZ Group ranked second in Australia[24] and first in New Zealand[25] as at 31 March 2021. ANZ's principal ordinary share listing and quotation is on the ASX. Its ordinary shares are also quoted on the New Zealand Stock Exchange (NZX). At the close of trading on 31 March 2021, ANZ had a market capitalisation of approximately A$80.2 billion which ranked among the top six largest companies listed on the ASX.

Principal activities of the ANZ Group

The Group operates on a divisional structure with five continuing divisions: Australia Retail and Commercial, Institutional, New Zealand, Pacific, and TSO 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 of 31 March 2021, the principal activities of the five continuing divisions were:

Australia Retail and Commercial

The Australia Retail and Commercial division comprises the Retail and Commercial and Private Bank business units.

- Retail provides products and services to consumer customers in Australia via the branch network, mortgage specialists, contact centres and a variety of self-service channels (internet banking, phone banking, ATMs, website and digital banking) and third party brokers.
- Commercial and Private Bank provides a full range of banking products and financial services, including asset financing, across the following customer segments: medium to large commercial customers and agribusiness customers across regional Australia, small business owners and high net worth individuals and family groups, in addition to financial planning services provided by salaried financial planners and investment lending secured by approved securities.

Institutional

The Institutional division services government, global institutional and corporate customers across three product sets: Transaction Banking, Corporate Finance and Markets.

- Transaction Banking provides 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 loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance and corporate advisory.
- Markets provide risk management services on foreign exchange, interest rates, credit, commodities and debt capital markets in addition to managing the Group's interest rate exposure and liquidity position.

New Zealand

The New Zealand division comprises the Retail and Commercial business units.

- Retail provides a full range of banking and wealth management services to consumer, private banking and small business banking customers. It delivers services via internet and app-based digital solutions and a network of branches, mortgage specialists, relationship managers and contact centres.
- Commercial provides a full range of banking services including traditional relationship banking and sophisticated financial solutions through dedicated managers focusing on privately owned medium to large enterprises, the agricultural business segment, and government and government-related entities.

Pacific

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

TSO and Group Centre

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

24 Source: Commonwealth Bank of Australia results announcement for the financial half year ended 31 December 2020; National Australia Bank results announcement for the financial half year ended 31 March 2021, Westpac Banking Corporation results announcement for the financial half year ended 31 March 2021.

25 Source: Reserve Bank of New Zealand Bank Financial Strength Dashboard (https://bankdashboard.rbnz.govt.nz/summary) for the quarter ending 31 December 2020.

5.2 ANZ GROUP STRATEGY

Our strategy is focused on improving the financial wellbeing of our customers; having the right people who listen, learn and adapt; putting the best tools and insights into their hands; and focusing on those few things that we believe really add value to customers and doing them right the first time.

In particular, we want to help customers:

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

In doing so, we seek to improve the financial wellbeing of our customers, people and communities by helping them make the most of their money throughout their lives; supporting household, business and financial practices that improve environmental sustainability; and improving the availability of suitable and affordable housing options for all Australians and New Zealanders.

PURPOSE

Our purpose is to shape a world where people and communities thrive

Strategic Imperatives	Strategy			Creating value for our stakeholders
Create a simpler, better capitalised, better balanced bank	Improving the financial wellbeing of customers			Decent returns for shareholders
Build a superior experience for our people and customers in order to compete in the digital age	looking to save for, buy and own a home	looking to start, buy and grow a business	looking to move capital and goods around the region	Great experience for customers
Focus our efforts where we can carve out a winning position	with people who listen, learn and adapt		with the best tools and insights	Engaged, adaptable & capable employees
Drive a purpose and values led transformation of the Bank	with flexible, resilient, digital infrastructure that supports great customer experience at lower cost			Improved financial wellbeing, housing and environmental sustainability outcomes for customers and communities

5.3 FINANCIAL INFORMATION ABOUT ANZ

5.3.1 2020 Financial Year

The Group's statutory profit after tax for the year ended 30 September 2020 attributable to the shareholders of ANZ was $3,577 million, compared to $5,953 million for the year ended 30 September 2019, a decrease of 40%. The dividend for the year ended 30 September 2020 was 60 cents per Ordinary Share (fully franked) compared to 160 cents per Ordinary Share (partially franked) for the year ended 30 September 2019 representing a decrease of 63%.

5.3.2 2021 Interim results

The Group's statutory profit after tax for the half year ended 31 March 2021 attributable to the shareholders of ANZ was $2,943 million compared to $1,545 million for the half year ended 31 March 2020, an increase of 90%. The 2021 interim dividend of 70 cents per Ordinary Share (fully franked) represented an increase from the 2020 interim dividend of 25 cents.

5.3.3 Historical results

The profit information in Sections 5.3.1 and 5.3.2 is historical information and is not a forecast of results to be expected in future periods.

5.3.4 Impact of the Offer on ANZ's consolidated balance sheet

The issue of the Notes will increase the Group's subordinated debt and cash by approximately $985 million ($1 billion gross proceeds of the Offer, less approximately $15 million of Offer costs) with no impact on the Group's net assets or shareholders' equity.

If all CN1 are either resold to the CN1 Nominated Purchaser under the Reinvestment Offer and consequently redeemed by ANZ or redeemed on 1 September 2021 (the **CN1 optional exchange date**), the Group's subordinated debt and cash would reduce by approximately $1.12 billion, with no impact on the Group's net assets or shareholders' equity.

On a net basis, the Offer of the Notes and the redemption of all of the CN1 would reduce the Group's subordinated debt and cash by approximately $135 million. However, ANZ does not expect that all CN1 holders will elect to participate in the Reinvestment Offer. The Offer of the Notes and any redemption of the CN1 under the Reinvestment Offer or on the CN1 optional exchange date will not have a material impact on the 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.

ANZ may raise more or less than $1 billion under the Offer and not all CN1 holders may choose to participate in the Reinvestment Offer. As at the date of this Prospectus, ANZ intends to issue a redemption notice for the redemption of all remaining CN1 on 1 September 2021. Any redemption is subject to final approval and may be subject to conditions. See section 3.1.9 for further details. In any of these scenarios, the figures referred to above will be impacted accordingly.

5.4 CAPITAL ADEQUACY

5.4.1 Prudential regulation

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

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

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

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

ANZ must also comply 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 ANZ's and the Group's capital ratios as at 31 March 2021 and the effect of the Offer, see Sections 5.4.6 and 5.4.7.

5.4.2 Basel III Framework

ANZ has been accredited by APRA to use the Advanced Internal Ratings Based (**IRB**) methodology for calculating credit RWA and the Advanced Measurement Approach for calculating operational RWA equivalent. 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**).

5.4.3 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 6). 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.

5.4.4 APRA's Common Equity Capital Ratio requirements

Minimum Capital Ratios

APRA's Basel III Prudential Standards currently require a minimum Common Equity Capital Ratio of 4.5%, although APRA may require ADIs, such as ANZ, to maintain a higher capital ratio which may not be disclosed (**Prudential Capital Ratio** or **PCR**). APRA also requires ADIs to hold Common Equity Tier 1 Capital buffers (**Combined Capital Buffers**) consisting of:

- a capital conservation buffer (**CCB**) of 2.5%, unless APRA determines otherwise; plus
- an additional capital buffer of 1.0% from 1 January 2016 given APRA has determined that ANZ is an important bank to the Australian financial system (otherwise known as a 'domestic systemically important bank' or a **D-SIB**); plus
- a counter-cyclical capital buffer (**CCyB**). In respect of Australian exposures the buffer is currently 0%, although it may vary over time up to 2.5% in response to market conditions. Regulators in some jurisdictions in which ANZ operates have set counter-cyclical capital buffers that apply to exposures in that jurisdiction, and as such apply to ANZ. As at 31 March 2021, the weighted average aggregate of non- Australian counter-cyclical capital buffers that apply to ANZ was 0%.

Volatility in the 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 payment of Ordinary Share Dividends (generally in July and December of each year) which decrease the ratio.

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

The differences between the Common Equity Capital Ratios for the ANZ Level 1 Group and ANZ Level 2 Group relate principally to the capital held within offshore banking subsidiaries and the treatment of insurance and funds management subsidiaries at Level 1. So long as ANZ is able to apply the Group's capital management strategy to those subsidiaries, including repatriating dividends from those subsidiaries (with the approval of the local regulator), ANZ would expect that those capital ratios would move in a 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 increase the divergence.

The ANZ Level 1 Group's Common Equity Capital Ratio has been impacted by the reduced dividends from its New Zealand subsidiary as a result of the RBNZ's restrictions on the amount of dividends that New Zealand banks could pay as well as the RBNZ's requirements for New Zealand banks to hold more capital. The Level 1 and Level 2 Common Equity Capital Ratios may also diverge further as APRA's proposed revisions to the capital treatment of an ADI's banking and insurance subsidiaries at Level 1 are implemented. These regulatory developments are described in more detail in section 5.4.5 below.

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 8% 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.

5.4.5 Regulatory Developments

Unquestionably strong capital requirements

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

- In July 2017, APRA released an information paper outlining its assessment on the additional capital required for the Australian banking sector to be considered 'unquestionably strong' as originally outlined in the FSI final report in December 2014. APRA indicated that in the case of the four major Australian banks, this equated to a benchmark Common Equity Capital Ratio, under the current capital adequacy framework, of at least 10.5% from 1 January 2020.
- APRA is consulting on a number of proposals in relation to revisions to the risk-weighting framework for credit risk, operational risk, market risk and interest rate risk in the banking book requirements.
- In December 2020, APRA released an updated consultation paper regarding proposed changes to the capital framework for ADIs aimed at embedding 'unquestionably strong' levels of capital, improving the flexibility of the framework, and improving the transparency of ADI capital strength. These proposals are expected to be implemented from 1 January 2023. Key aspects of APRA's latest December 2020 proposals are:
  - Increased alignment with the internationally agreed Basel Framework;
  - Implementing more risk-sensitive risk weights for residential mortgage lending;
  - The introduction of a capital floor that limits the RWA outcome for IRB ADIs, including ANZ, to no less than 72.5% of the equivalent RWA outcome under the standardised approach;
  - Improving the flexibility of the capital framework through the introduction of a default level of the CCyB of 1.0% of RWA and increasing the CCB for D-SIBs by 1.5% (from 2.5% to 4.0%). If implemented, this would increase the Minimum Capital Ratio (which includes the Combined Capital Buffers) to 10.5% from 8% currently;
  - Improving the transparency and comparability of ADIs' capital ratios, including by requiring IRB ADIs to also publish their capital ratios under the standardised approach; and
  - Implementing a minimum leverage ratio for IRB ADIs of 3.5%. The leverage ratio would be calculated as an ADI's Tier 1 Capital divided by the ADI's total on and off-balance sheet exposures. It is designed to complement the risk-based capital framework by limiting the amount of debt that can be used to fund bank lending.

APRA has indicated in its proposals that it expects a decrease in RWA by approximately 10% for IRB ADIs, but that this would be offset by the increased capital allocation to the Combined Capital Buffers. APRA has also indicated that, as ADIs are currently meeting the 'unquestionably strong' benchmarks, it is not APRA's intention to require ADIs to raise additional capital. Accordingly, APRA has sought to calibrate the proposed capital requirements for ADIs, measured in dollar terms, to be consistent at an industry level with the existing 'unquestionably strong' capital benchmarks for ADIs under the current capital framework. The impact of these proposed changes on individual ADIs (including ANZ), however, will vary depending on the final form of requirements implemented by APRA.

APRA's proposed revisions to ADI's capital adequacy requirements

In October 2019, APRA released a discussion paper on draft revisions to the prudential standard APS111 Capital Adequacy: Measurement of Capital for consultation. The most material change from APRA's proposal is in relation to the treatment of capital investments for each banking and insurance subsidiary at Level 1 with the tangible component of the investment changing from a 400% risk weighting to:

- a 250% risk weighting up to an amount equal to 10% of ANZ's net Level 1 Common Equity Tier 1 Capital; and
- the remainder of the investment will be treated as a Common Equity Tier 1 Capital Deduction.

In May 2021 APRA released a response to submissions in relation to the discussion paper which confirmed that APRA intends to continue to implement these proposals. The proposed implementation date for these revisions has been deferred by APRA to January 2022.

ANZ is reviewing the implications for its current investments. The net impact on the Group is unclear and will depend upon a number of factors including:

- the final form of the prudential standard;
- the capitalisation of the affected subsidiaries at the time of implementation; and
- the effect of possible management actions that may offset the impact of these proposals.

Based on ANZ's current investment in its affected subsidiaries and in the absence of any offsetting management actions, the implementation of these proposals could reduce the Common Equity Capital Ratio of the ANZ Level 1 Group by up to approximately $2 billion (approximately 0.6%). There is no impact on the Common Equity Capital Ratio for the ANZ Level 2 Group arising from these proposed changes.

The RBNZ review of capital requirements

In December 2019, the RBNZ announced its capital review policy decisions for New Zealand banks. In November 2020, the RBNZ released for consultation its draft Banking Prudential Requirements for these capital policy changes. The key requirements include:

- a tier 1 capital requirement of 16% of RWA for ANZ's New Zealand banking subsidiary ANZ Bank New Zealand Limited (**ANZ New Zealand**) of which up to 2.5% of this could be in the form of additional tier 1 capital. ANZ New Zealand's total capital requirement remains at 18% of RWA of which up to 2% can be tier 2 capital;
- redeemable preference shares are allowable as additional tier 1 capital;
- increasing RWA outcomes for IRB banks to approximately 90% of what would be calculated under the standardised approach; and
- implementation over a transition period concluding on 1 July 2028.

RBNZ announcement on actions to support the banking system

In April 2020, the RBNZ announced that to further support the stability of the financial system during the period of economic uncertainty brought about by the COVID-19 pandemic, New Zealand's retail banks agreed with the RBNZ that during that period there would be no payment of dividends on ordinary shares and that they should not redeem non-common equity tier 1 capital instruments.

In March 2021, the RBNZ announced that these restrictions on dividends and the redemption of non-common equity tier 1 capital instruments would be eased. As a result, ANZ New Zealand is now able to pay up to 50% of its earnings as dividends to shareholders. These restrictions will remain in place until 1 July 2022, at which point the RBNZ intends to remove the restrictions, subject to prevailing economic conditions.

The impact of regulatory developments is uncertain

Given the number of items that are yet to be finalised by APRA and the RBNZ, the final outcome of APRA's Unquestionably Strong capital requirements and any further changes to APRA's or the RBNZ's prudential standards, the impact on the Group remains uncertain.

5.4.6 The ANZ Group's Common Equity Capital Ratio

The Common Equity Capital Ratios of the ANZ Level 1 and Level 2 Groups were 12.2% and 12.4% at 31 March 2021 respectively.

ANZ is currently targeting a Common Equity Capital Ratio above 10.5%. ANZ gives no assurance as to what its Common Equity Capital Ratio for the ANZ Level 1 Group or ANZ Level 2 Group will be at any time. These ratios may be significantly impacted by the currently proposed or future regulatory changes, unexpected events affecting ANZ's business, operations and financial condition, any acquisitions or capital reductions and by APRA's prescriptions for the determination of the ratios at Level 1 or Level 2. Following the finalisation of the prudential standards described in section 5.4.5 above, ANZ's Common Equity Capital Ratios, and the buffers of Common Equity Tier 1 Capital ANZ holds above the Common Equity Capital Trigger and Minimum Capital Ratio, may differ from current levels.

ANZ also announced that its dividend reinvestment plan (**DRP**) will continue to apply for the interim 2021 dividend at no discount and that it intends to neutralise the impact of ordinary shares allocated under the DRP. Further, ANZ's capital position provides flexibility to return surplus capital to shareholders which would have the effect of reducing ANZ's Common Equity Capital Ratios. Any decision to return surplus capital will balance the importance of capital efficiency against maintaining an appropriately strong balance sheet as there is more clarity around the economic situation.

ANZ currently has $6.5 billion and $7.9 billion of Common Equity Tier 1 Capital for the ANZ Level 1 Group and ANZ Level 2 Group respectively in excess of 10.5% . However, assuming ANZ had a Level 1 and Level 2 Common Equity Capital Ratio of 10.5% as at 31 March 2021, this would have equated to:

- approximately $20.2 billion and $21.9 billion of surplus Common Equity Tier 1 Capital for the ANZ Level 1 Group and ANZ Level 2 Group respectively 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; and
- approximately $9.3 billion and $10.2 billion of surplus Common Equity Tier 1 Capital for both the ANZ Level 1 Group and ANZ Level 2 Group respectively in excess of a Common Equity Tier 1 Capital Ratio of 8.0% which is the current APRA Minimum Capital Ratio applying under the Prudential Standards to a D-SIB and at which point the limits to the Maximum Distributable Amount apply.

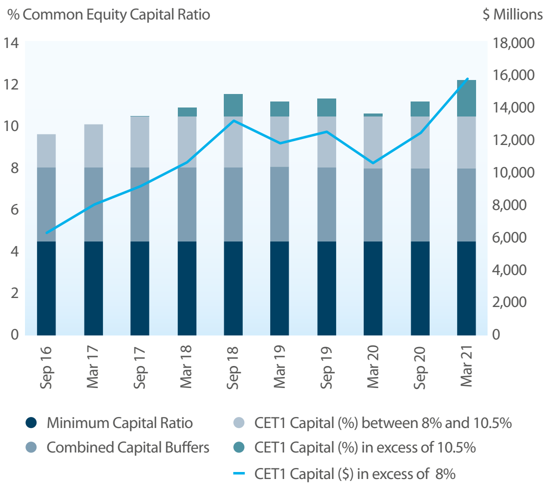
The graphs below show ANZ's Common Equity Capital Ratios at Level 1 and Level 2 (in percentage terms), including the amount of Common Equity Tier 1 Capital held:

- between the Minimum Capital Ratio of 8.0% and 10.5% ; and
- between 10.5% and the actual Common Equity Tier 1 Capital applying at that time.

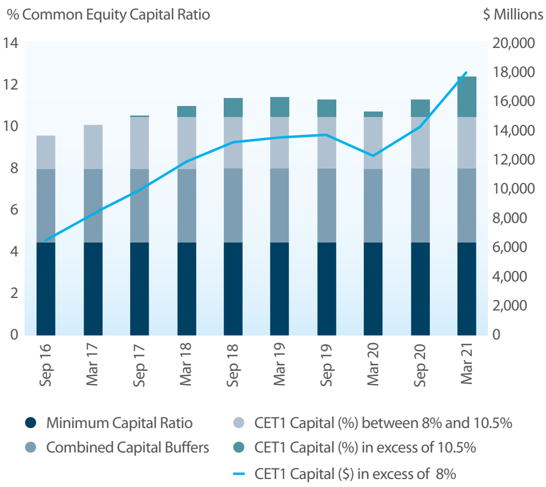
The graphs also show the amount of Common Equity Tier 1 Capital (**CET1 Capital**) held by the ANZ Level 1 Group and ANZ Level 2 Group (in dollar terms) in excess of 8%.

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 certain actions on ANZ's capital ratios. However, in the future and in certain circumstances the Level 2 ratio may become the binding constraint.

LEVEL 1



LEVEL 2



5.4.7 Proforma consolidated capital adequacy position as at 31 March 2021

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 March 2021 adjusted for the effect of the proposed issue of $1 billion of Notes under the Offer net of a redemption of the $1.12 billion of CN1 either as a result of the Reinvestment Offer or on the 1 September 2021 CN1 optional exchange date.

In the proforma adjustments contained in the table below:

- the second and third columns show the reduction in the capital adequacy ratios if all CN1 were redeemed;
- the fourth column shows the impact of the Offer of $1 billion of Notes less Common Equity Tier 1 Capital Deductions of approximately $15 million, being the estimated costs of the Offer; and
- the last column shows the net effect of the redemption of all of the CN1and the Offer of the Notes.

If there is an over or under-subscription for the Notes, not all CN1 participate in the Reinvestment Offer or ANZ is not able to redeem the remaining CN1, 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, the level of participation in the Reinvestment Offer and the amount of CN1 redeemed. ANZ's capital adequacy ratios will also be impacted by organic capital growth, changes in provisions and RWA growth since 31 March 2021.

ANZ'S SUMMARISED CONSOLIDATED CAPITAL ADEQUACY RATIOS AS AT 31 MARCH 2021

ANZ Level 2 Group[1]	ANZ 31 March 2021[2]	Proforma adjustment: CN1 Redemption	Proforma ANZ 31 March 2021 after the CN1 Redemption	Proforma adjustment: CN6 issue	Proforma ANZ 31 March 2021 net of CN1 Redemption and CN6 issue
Common Equity Capital Ratio	12.4%	0%	12.4%	0%	12.4%
Additional Tier 1 Capital Ratio	1.9%	-0.3%	1.6%	0.2%	1.8%
Tier 1 Capital	14.3%	-0.3%	14.0%	0.2%	14.3%
TOTAL CAPITAL RATIO	18.3%	-0.3%	18.1%	0.2%	18.3%

1 The capital adequacy ratios contained in this table have been rounded to the nearest decimal place. The 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 March 2021 are extracted from the financial statements for the half-year ended 31 March 2021 (which are not subject to KPMG's audit or review processes).

The adjustments in the table above in respect of the ANZ Level 2 Group would have had a similar effect on the ANZ Level 1 Group ratios as at 31 March 2021 on a proforma basis. The Tier 1 Capital Ratio and Total Capital Ratio for the ANZ Level 1 Group as at 31 March 2021 would have reduced by 0.3% as a result of a redemption of all the CN1 and increased by 0.3% as a result of an issue of $1 billion of Notes.

5.5 FUNDING AND LIQUIDITY

5.5.1 Existing framework

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

ANZ's liquidity and funding risks are governed by a detailed policy framework that is approved by ANZ's Board Risk Committee. The management of the liquidity and funding positions and risks is overseen by the Group Asset and Liability Committee. ANZ's liquidity risk appetite is defined by the ability to meet a range of regulatory requirements and internal liquidity metrics mandated by ANZ's Board Risk Committee. The metrics cover a range of scenarios of varying duration and level of severity. This framework helps:

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

A key component of this framework is the Liquidity Coverage Ratio (LCR) that was implemented in Australia on 1 January 2015. The LCR is a severe short-term liquidity stress scenario, introduced as part of the Basel III international framework for liquidity-risk measurement, standards and monitoring. As part of meeting the LCR requirements, ANZ has a Committed Liquidity Facility (CLF) with the RBA. The CLF was established as a solution to a High Quality Liquid Asset (HQLA) shortfall in the Australian marketplace and provides an alternative form of RBA-qualifying liquid assets. The total amount of the CLF available to a qualifying ADI is set annually by APRA. APRA has reduced the CLF for 2021 which is driven by the increase in government securities outstanding in Australia that are available for ADIs to hold. APRA has indicated that if this increase continues, the CLF may no longer be required in the foreseeable future.

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

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

5.5.2 Liquidity Ratios

ANZ's Level 2 Group NSFR as at 31 March 2021, and average LCR for the half year to 31 March 2021, were 121% and 138% respectively, above the minimum requirements of 100% for both ratios.

06

SECTION 06

INVESTMENT RISKS

THIS SECTION DESCRIBES SOME OF THE POTENTIAL RISKS ASSOCIATED WITH AN INVESTMENT IN ANZ CAPITAL NOTES 6 AND IN ANZ.

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 AND IN ANZ, MANY OF WHICH ARE OUTSIDE THE CONTROL OF ANZ AND ITS DIRECTORS. THESE RISKS INCLUDE THOSE IN THIS SECTION AND OTHER MATTERS REFERRED TO IN THIS PROSPECTUS.

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6.1 RISKS ASSOCIATED WITH INVESTING IN ANZ CAPITAL NOTES 6

6.1.1 Liquidity

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

Notes are expected to Convert into Ordinary Shares on 20 September 2030 (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 Ordinary Shares at or after the time of Conversion or the market for Ordinary Shares may be less liquid than that for securities issued by other entities at the time of Conversion.

6.1.2 Financial Market conditions

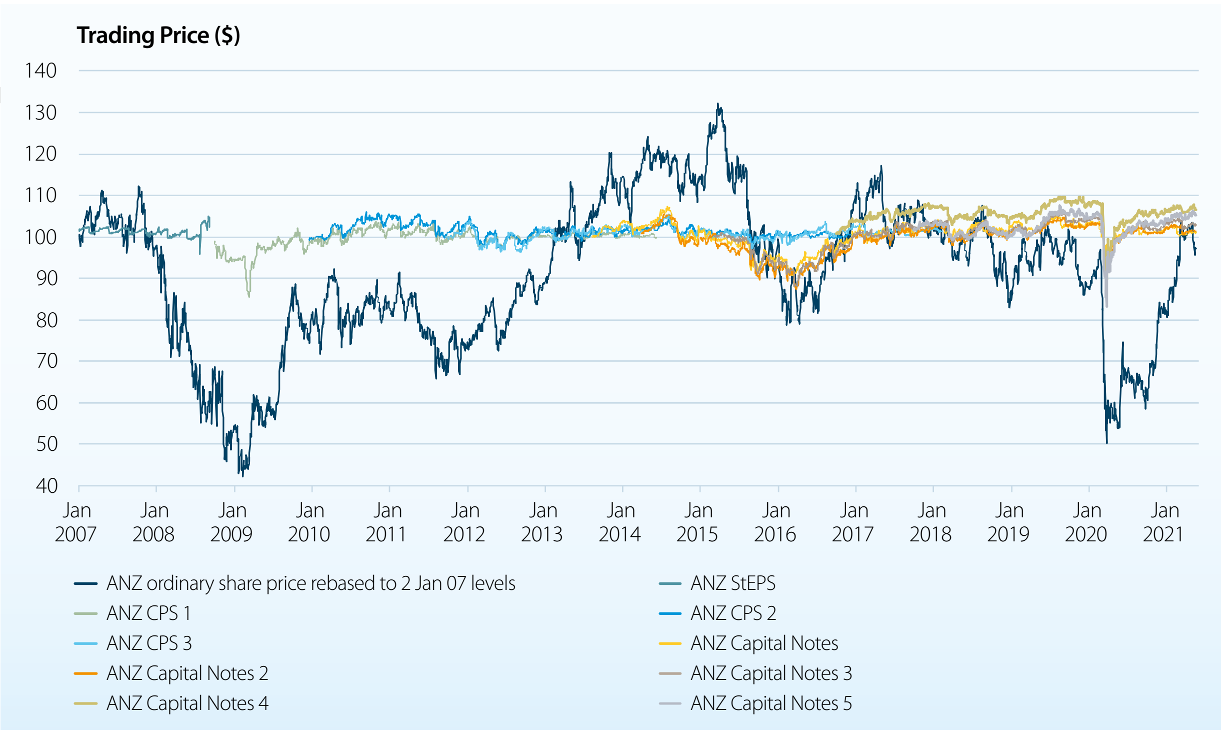
The market price of Notes may move up or down due to various factors, including investor perceptions, worldwide economic conditions, credit spreads, movements in the market price of Ordinary Shares or senior or subordinated debt, the occurrence or potential occurrence of a Trigger Event or factors resulting in ANZ deciding or not being permitted to make payments on the Notes, the method of calculating the outstanding amount (if any) of the Notes following a Conversion or Write Off, the outstanding amount of Notes, the risk of early redemption following a Tax Event or Regulatory Event, ANZ's financial condition and results of operations, investor confidence and market liquidity, the level, direction and volatility of market interest rates generally and factors that may affect ANZ's 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 Ordinary Shares to changes in interest rates and credit spreads. Increases in relevant interest rates or ANZ's credit spread may adversely affect the market price of Notes. In recent years markets have become more volatile. Volatility risk is the potential for fluctuations in the price of securities, sometimes markedly and over a short period. Investing in volatile conditions implies a greater level of volatility risk for investors than an investment in a more stable market.

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

The Ordinary Shares held as a result of any Conversion of Notes will, following Conversion, rank equally with existing Ordinary Shares. Accordingly, the ongoing value of any Ordinary Shares received upon Conversion will depend upon the market price of 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.

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



6.1.3 Exposure to ANZ's financial performance and position

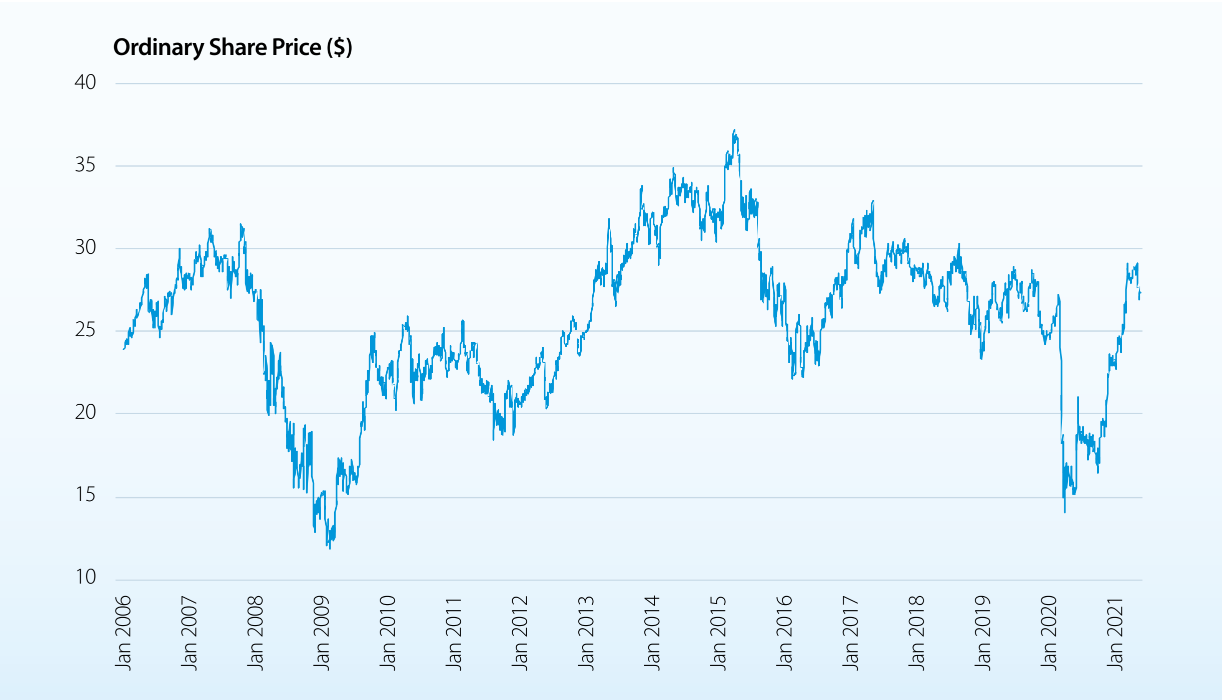
If the Group's financial performance or position declines, or if market participants anticipate that it may decline, an investment in Notes could decline in value even if Notes have not been Converted. Accordingly, when you evaluate whether to invest in Notes, you should carefully evaluate the investment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

6.1.4 Fluctuation in Ordinary Share Price

Upon Conversion (other than Conversion resulting from a Trigger Event – see Section 6.1.9), Holders will receive approximately $101 worth of Ordinary Shares per Note (based on the VWAP during the 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Conversion Date or other date on which Notes are Converted). The market price of Ordinary Shares will move up or down due to various factors, including investor perceptions, domestic and worldwide economic conditions and ANZ's or the Group's financial performance and position – see Section 6.1.2. In addition, a Trigger Event is likely to be accompanied by a deterioration in the market price of the Ordinary Shares. The VWAP during the relevant period before the date of Conversion that is used to calculate the number of Ordinary Shares that Holders receive may differ from the Ordinary Share price on or after the date of Conversion. This means that the value of Ordinary Shares received may be more or less than anticipated when they are issued or thereafter.

The COVID-19 pandemic has, and will likely continue to, severely impact global, regional and national economies and markets. The expected duration and magnitude of the COVID-19 pandemic and its potential impacts on the economy and the market price for Ordinary Shares are unclear.

TRADING PRICES OF ORDINARY SHARES



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

6.1.5 Distributions may not be paid

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

The Prudential Standards also impose restrictions on the proportion of profits that can be paid through ordinary dividends, Additional Tier 1 capital distributions (including Distributions on the Notes) and discretionary staff bonuses if the Common Equity Capital Ratio falls into its Combined Capital Buffers – see Section 5.4.4.

Distributions may not be paid if APRA objects to the payment of discretionary capital distributions. APRA stated, in response to the significant disruption caused by the COVID-19 pandemic, that it expected ADIs (such as ANZ) to take a measured approach to capital distributions until the economic outlook was clearer. While this guidance is not expected to prohibit ANZ from paying Distributions, there is the risk that if the economic outlook remains negative or uncertain for a prolonged period of time, APRA may object to the payment of a Distribution.

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

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

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

However, if ANZ does not pay a Distribution in full on a Distribution Payment Date, then the Distribution Restriction applies to ANZ unless the Distribution is paid in full within 3 Business Days of that date. The Distribution Restriction only restricts distributions in respect of Ordinary Shares. The restriction only applies until and including the next quarterly Distribution Payment Date. The dates for distribution with respect to Ordinary Shares are determined by ANZ, generally occur twice a year and do not bear a fixed relation to the Distribution Payment Dates for Notes. Accordingly, as soon as the Distribution Restriction ceases to apply (as will be the case if the next scheduled Distribution is paid in full) ANZ will not be restricted from making a distribution on its Ordinary Shares – see Section 2.1.7 for more details. Where an Approved NOHC is substituted as the issuer of ordinary shares on Conversion, there is no restriction on the Approved NOHC declaring or paying a dividend on or, buying back or reducing capital on its ordinary shares if ANZ does not pay a Distribution on a Note (see Section 2.6.4).

Changes in regulations applicable to ANZ, or its other obligations, may impose additional requirements which prevent ANZ from paying a Distribution in additional circumstances. Restrictions on the proportion of profits that can be paid through ordinary dividends, Additional Tier 1 capital distributions (including Distributions on ANZ Capital Notes 6) and discretionary staff bonuses will apply if the Common Equity Capital Ratio falls into the Combined Capital Buffer. For further information, see Sections 5.4 and 6.1.9.

6.1.6 Distributions may not be fully franked

ANZ expects Distributions to be franked at the same rate as dividends on Ordinary Shares. ANZ currently franks Ordinary Shares at 100%. The level of franking may vary over time and Distributions may be partially, fully or not franked. There is no guarantee that ANZ will have sufficient franking credits in the future to frank Distributions.

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.

6.1.7 Changes in Distribution Rate

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

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

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

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

6.1.8 ANZ Capital Notes 6 are perpetual and mandatory conversion may not occur on the scheduled mandatory Conversion Date or at all

Notes are expected to Convert into Ordinary Shares on 20 September 2030 (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 Ordinary Share price relative to the Issue Date VWAP, or if 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 Ordinary Share price may be affected by transactions affecting the share capital of ANZ, 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 Ordinary Shares and pro rata bonus issues of Ordinary Shares as described in Clause 6 of the Note Terms and not for other transactions, including rights issues, placements, returns of capital, buy-backs or special dividends. The Note Terms do not limit the transactions which ANZ 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 Ordinary Share price deteriorates significantly and never recovers, it is possible that the Mandatory Conversion Conditions will never be satisfied and, if this occurs, Notes will never Convert.

6.1.9 Conversion on account of a Trigger Event

There are two types of Trigger Events:

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

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

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

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

The Non-Viability Trigger Event means the earlier of:

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

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

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

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

- the number of Ordinary Shares issued per Note is limited to the Maximum Conversion Number and this number of Ordinary Shares may have a value of less than $101;
- if the number of Ordinary Shares to be issued is calculated, based on VWAP, to be less than the Maximum Conversion Number, the VWAP may differ from the 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 Ordinary Shares received on Conversion as well as ANZ's 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 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 Ordinary Shares, including for example rights issues, returns of capital, buy-backs or special dividends. The Note Terms do not limit the transactions that ANZ may undertake with respect to its share capital and any such action may increase the risk that Holders receive only the Maximum Conversion Number and so may adversely affect the position of Holders.

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

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

Holders should be aware that:

- Relevant Securities such as Notes will be converted or written off before any Tier 2 Capital instruments are converted or written off;
- ANZ has no obligation to maintain on issue any Relevant Securities and does not, and may never, have on issue Relevant Securities which require them to be converted or written off before Notes or in full; and
- where a Non-Viability Trigger Event occurs because APRA determines that, without a public sector injection of capital or equivalent support, ANZ would become non-viable, all the Notes will be Converted.

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

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

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

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

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

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

6.1.11 Conversion on Change of Control Event

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

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

If the restrictions prevent Conversion, ANZ will, as noted in Section 2.4.4, give a new Change of Control Conversion Notice which will specify Conversion as the Exchange Method for Conversion on the next Distribution Payment

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

6.1.12 Optional Exchange by ANZ is subject to certain events occurring

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

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

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

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

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

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

6.1.13 Conversion conditions

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

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

Furthermore, as set out in Section 6.1.9, Conversion following a Trigger Event is not subject to any conditions.

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

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

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

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

6.1.15 Changes to credit ratings

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

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

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

6.1.16 Regulatory classification

APRA has provided confirmation that Notes will, once issued, constitute Additional Tier 1 Capital. However, if as a result of a change of Australian law or regulation or any statement of APRA, APRA subsequently determines that all of the Notes are not or will not qualify as Additional Tier 1 Capital, ANZ may decide that a Regulatory Event has occurred. A Regulatory Event will not arise where at the Issue Date ANZ expected the event would occur. A Regulatory Event will allow Exchange of all or some Notes on issue at the option of ANZ (subject to APRA's prior written approval). For the risks attaching to ANZ's discretion to Exchange in certain specified circumstances see Section 6.1.10.

6.1.17 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 ANZ's costs in relation to Notes; or
- a distribution on Notes not being frankable,

ANZ is entitled to Exchange all or some Notes (subject to APRA's prior written approval – see Section 6.1.10). ANZ will not be entitled to Exchange in these circumstances if ANZ expected the event on the Issue Date.

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

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

6.1.18 Accounting standards

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

6.1.19 Future issues or redemptions of securities by ANZ

Notes do not in any way restrict ANZ from:

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

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

The Notes do not restrict ANZ from issuing securities of any kind (whether ranking with, in priority to or junior to or having different rights from the Notes). Accordingly, ANZ may in the future issue securities that:

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

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

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

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

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

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

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

6.1.20 Imposition of Non-Operating Holding Company

Certain events are categorised under the Note Terms as Approved NOHC Events. Where an Approved NOHC Event occurs and certain other conditions are satisfied, the Approved NOHC Event will not trigger a Conversion of Notes but will instead allow ANZ to make amendments to substitute the Approved NOHC as the issuer of the ordinary shares issued on Conversion and will permit ANZ to make certain other amendments to the Note Terms. Accordingly, potential investors should be aware that, if an Approved NOHC Event occurs and a substitution of the issuer of the ordinary shares on Conversion is effected under the Note Terms, Holders will be obliged to accept the Approved NOHC Ordinary Shares and will not receive Ordinary Shares on Conversion.

Potential investors should also be aware that Holders may not have a right to vote on any proposal to approve, implement or give effect to a NOHC Event.

ANZ has made no decision to implement a NOHC.

Following an Approved NOHC Event, ANZ would continue to be regulated by APRA. However, depending on the structure of the acquirer following an Approved NOHC Event and the capital framework which APRA determines to apply to it, the composition of ANZ's three capital measurement levels may be affected, which in turn may affect the likelihood of ANZ being able to make Distributions on Notes.

After an Approved NOHC Event Holders will remain noteholders in ANZ with the same rights to Distributions and to payment in a winding-up of ANZ as before the Approved NOHC Event, but on Conversion Holders will receive ordinary shares in the Approved NOHC and not Ordinary Shares in ANZ. However, potential investors should be aware that, although there may be circumstances where a Distribution Restriction applies to ANZ where ANZ does not pay a Distribution on a Note (see Section 2.1.7 and 6.1.5), after an Approved NOHC Event has occurred, the Approved NOHC would not be subject, under the Note Terms, to a restriction on the payment of distributions on its share capital where ANZ fails to pay a Distribution on a Note. Notes will remain quoted on ASX, but ANZ's Ordinary Shares may cease to be quoted.

Where an Approved NOHC Event is accompanied by a transfer of assets from ANZ or a subsidiary to the Approved NOHC or another subsidiary of the Approved NOHC, ANZ may as a result have reduced assets which may affect its credit rating and its ability to meet the claims of its creditors and shareholders (including Holders). Holders do not have any claim on the assets of the Approved NOHC or any other subsidiary of the Approved NOHC other than following Conversion as a holder of ordinary shares in the Approved NOHC.

6.1.21 Shareholding limits and nominee sales

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

Mergers, acquisitions and divestments of Australian public companies listed on ASX (such as ANZ) 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 Ordinary Shares into which they may Convert), Holders do not breach any applicable restrictions on ownership.

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

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

None of ANZ 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.

6.1.22 Powers of a Banking Act Statutory Manager and of APRA

In certain circumstances APRA may appoint a statutory manager to take control of the business of an ADI, such as ANZ. 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; or
- 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 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 ADI's business.

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

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

A transfer under the FSTR Act overrides anything in any contract or agreement to which ANZ is party and thus may have an adverse effect on ANZ'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.

6.1.23 Amendment of Note Terms

ANZ may, in certain circumstances, amend the Note Terms without the consent of Holders. ANZ may also amend the Note Terms if the amendment has been approved by a Special Resolution of Holders. However, no amendment to the Note Terms is permitted without APRA's prior written approval if such amendment may affect the classification of ANZ Capital Notes 6 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.

6.1.24 No rights with respect to Ordinary Shares

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

6.1.25 Design and Distribution Obligations

On 5 April 2019, the DDO Legislation was enacted. The DDO Legislation imposes additional obligations on ANZ regarding the design and distribution of certain financial products offered to retail investors (including hybrid securities), 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 under the DDO Legislation are scheduled to come into force in October 2021 and therefore do not apply to the Offer. The design and distribution obligations in the DDO Legislation are also limited to issuances of securities requiring a regulated disclosure document, which means that even if the obligations become effective while ANZ Capital Notes 6 are on issue, they will not apply to secondary market trading of ANZ Capital Notes 6.

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**). Unlike the design and distribution obligations, the Product Intervention Power has already come into force. It is uncertain whether ASIC would perceive there to be any significant consumer detriment in relation to ANZ Capital Notes 6 or similar securities. The DDO Legislation requires ASIC to undertake a consultation process before it exercises the Product Intervention Power.

The impact of these new obligations remains untested, however there is a risk that they may adversely impact the issue, distribution and reinvestment of financial products in the future, including instruments like ANZ Capital Notes 6. These changes may also affect the liquidity of funding instruments (including hybrids such as ANZ Capital Notes 6), if they lead to a material reduction in future issuance volumes or secondary trading activity by investors.

6.2 PRINCIPAL RISKS AND UNCERTAINTIES ASSOCIATED WITH ANZ

6.2.1 Introduction

The Group's activities are subject to risks, including risks arising from the coronavirus pandemic (COVID-19), that can adversely impact its business, operations, results of operations, reputation, prospects, liquidity, capital resources, financial performance and financial condition (together, the **Group's Position**). Certain risks and uncertainties that the Group may face are summarised below.

Additional risks and uncertainties that the Group is unaware of, or that the Group currently deems to be immaterial, may also become important factors that affect it. If any of the listed or unlisted risks actually occur, the Group's Position could be materially and adversely affected, with the result that the trading price of the Group's equity or debt securities could decline, and investors could lose all or part of their investment.

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

The outbreak of the novel strain of coronavirus in late 2019, specifically identified as SARS-CoV-2, with the disease referred to as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Governments, including those in Australia and New Zealand, have imposed wide ranging restrictions on, suspensions of, or advice against, regional and international travel, events, meetings and many other normal activities and undertaken substantial and costly monetary and fiscal interventions designed to stabilise sovereign nations and financial markets. While certain restrictions have been lifted or modified, governments may in the foreseeable future reintroduce prior restrictions or implement and introduce further measures to contain the pandemic. Further, although globally and domestically COVID-19 vaccines have been deployed, there are uncertainties associated with the long-term effectiveness and the success of nation-wide vaccination programmes. Consequently, the full extent of the duration and severity of the impact of the COVID-19 pandemic, as well as the effectiveness of the government and central bank response to the pandemic, remain subject to significant uncertainties.

In response to the COVID-19 pandemic, the Group established a range of accommodations and measures, such as loan payment deferral, designed to assist its personal and business customers but there can be no assurance that these accommodations and measures will be sufficient to prevent or mitigate further hardship, or ensure the delivery of the Group's products and services, and there is a risk that the Group's Position may be materially and adversely affected. These accommodations and measures, and any future accommodations and measures, while supporting the Group's customers, may in turn have a negative impact on the Group's Position, may negatively impact the Group's net interest margin, and may result in the Group assuming a greater level of risk than it would have under ordinary circumstances and the Group's Position may be materially and adversely affected as a result.

Significant requests for assistance from retail and small business customers have been received by the Group's customer service team. These requests may grow if there are further outbreaks and the Group is continuing to address additional resourcing and process changes to enable it to support its customers. It remains uncertain, at this stage, what percentage of its lending portfolio will be impacted. Whilst there have been signs of improvement, in the longer term, asset values may start to deteriorate if a large quantity of retail and business customers liquidate their investments, which may also be exacerbated by the cessation of government assistance, either during, or immediately after, the crisis or due to a decrease in demand for these assets. In both scenarios loan-to-value ratios are expected to be impacted.

To the extent the COVID-19 pandemic continues to adversely affect the Group's Position, it may also have the effect of heightening many of the other risks described in this Section 6.2.

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

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

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

The COVID-19 pandemic has had, and is expected to continue to have, a significant impact on the global economy and global markets, as well as on Australia and New Zealand. The imposition of travel restrictions, border controls, social distancing, quarantine protocols and other containment measures contributed, and may continue to contribute to a continuing slowdown in economic conditions across the world and suppress demand for commodities, interrupt the supply chain for many industries globally, dampen consumer confidence and suppress business earnings and growth prospects, all of which could contribute to ongoing volatility in global financial markets.

The impact of this shock on credit losses and asset values continues to be very uncertain. Many of the policies that have been put in place are designed to 'hibernate' parts of the economy, at different times, so that activity can resume when the pandemic subsides. Even as some economies recover, however, there is considerable uncertainty about the length of these periods of hibernation, the most appropriate economic structure once the crisis has passed and the overall impact on confidence to invest in the future. While the future impact of the economic disruption caused by COVID-19, and the governmental responses to it, remain uncertain, the Group may be materially adversely affected by a protracted downturn in economic conditions globally and, in particular, in Australia and New Zealand.

Global political conditions that impact the global economy have led to, and may continue to result in extended periods of increased political and economic uncertainty and volatility in the global financial markets, which could adversely affect the Group's Position. This political and economic uncertainty has in the past led to declines in market liquidity and activity levels, volatile market conditions, a contraction of available credit, lower or negative interest rates, weaker economic growth and reduced business confidence, each of which may adversely affect the Group's Position. These conditions may also adversely affect the Group's ability to raise medium or long-term funding in the international capital markets.

Should difficult economic conditions in markets in which the Group or its customers or counterparties operate develop or persist, asset values in the housing, commercial or rural property markets could decline, unemployment could rise and corporate and personal incomes could suffer. Deterioration in global markets, including equity, property, currency and other asset markets, may impact the Group's customers and the security the Group holds against loans and other credit exposures, which may impact the Group's ability to recover loans and other credit exposures.

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

All or any of the negative political, business or economic conditions described above may cause a reduction in demand for the Group's products and services and/or an increase in loan and other credit defaults and bad debts, which may adversely affect the Group's Position.

6.2.4 Risk related to real estate markets in Australia, New Zealand or other markets

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

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

Since 2009, the world's major central banks have embarked upon unprecedented monetary policy stimulus. The resulting weight of funds searching for yield continues to be a significant driver underlying property markets in the Group's core property jurisdictions (Australia, New Zealand, Singapore and Hong Kong). However, although values for completed tenanted properties and residential house prices, particularly in metro east coast Australian and New Zealand markets, rose steadily until 2018, the fall in Australian house prices in 2018 was the largest since the global financial crisis. In the latter part of 2019 and early 2020, property prices across Australia had started to increase, and although this trend was disrupted by COVID-19, property prices in Australia are rising again. Similarly, New Zealand residential property prices have increased in recent months.

Despite initial concerns about the negative impacts of COVID-19 and the threat of a long-term recession, most commercial property markets have been resilient in large part due to government stimulus, record low interest rates and strong liquidity (debt and equity) seeking long term defensive assets. However, some segments of the market have experienced more direct and ongoing consequences of COVID-19, especially with respect to mobility, international and domestic tourism, including discretionary retail, hotel accommodation, student accommodation and large scale inner city residential development.

Separately, a highly competitive construction sector with declining profit margins, could impact contractor and sub-contractor cash flow and liquidity, which presents an indirect risk to the Group's commercial property development financing activities. Longer term, given a prolonged period of asset price inflation and record low interest rates, the Group's portfolio of commercial property loans may become more susceptible to a sudden and material increase in interest rates, which could cause a decline in interest coverage ratios and asset values, which could increase refinance risk and necessitate equity contributions towards debt reduction.

6.2.5 Risk related to acquisitions and/or divestments

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

Integration (or separation) of an acquired (or divested) business can be complex and costly, sometimes including combining (or separating) relevant accounting and data processing systems, and management controls, as well as managing relevant relationships with employees, customers, regulators, counterparties, suppliers and other business partners.

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

Transactions that the Group has previously announced but not yet completed include a proposed merchant acquiring joint venture arrangement with Worldline, a European payment systems provider. The transaction, which remains subject to regulatory and other approvals and card scheme arrangements between ANZ and Worldline, is expected to be completed in late 2021.

6.2.6 Risk that the Group is exposed to credit loss

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

The risk of credit-related losses has increased as a result of the impact of COVID-19. The risk of credit-related losses may further increase as a result of a number of factors, including deterioration in the financial condition of the economies in which the Group or its customers or counterparties operate, a sustained high level of unemployment in the markets in which the Group or its customers or counterparties operate, more expensive imports into Australia and New Zealand due to the reduced strength of the Australian and New Zealand dollars relative to other currencies, a deterioration of the financial condition of the Group's customers or counterparties, a reduction in the value of assets the Group holds as collateral, and a reduction in the market value of the counterparty instruments and obligations it holds.

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

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

- industries impacted by the COVID-19 pandemic particularly: transportation (including airlines, shipping, road and rail); ports, tourism and travel (including accommodation, food and beverage); healthcare; agriculture; entertainment; education; retail (including e-commerce due to a reduction in logistics activity); property (particularly shopping malls, office buildings and hotels); construction and contractors;
- industries exposed to the unwind of government stimulus packages and/or timing of the opening of borders (both domestic and international) as well as industries reliant on consumer discretionary spending;
- the Commercial property sector (including construction and contractors) which is exposed to a decline in investor demand for large scale inner city apartment buildings and a material decline in net migration. In some markets, contractors and sub-contractors may face cash flow/liquidity issues over the next 12-24 months as current projects run off and their forward books are diminished. Projects are expected to be more competitively bid with tighter profit margins;
- industries at risk of sanctions, geopolitical tensions or trade disputes (e.g. technology, agriculture and communications) and/or declining global growth and disruption to global supply chains;
- customers and industries exposed to disruption from physical climate risk (e.g. bushfires, flood, storm and drought), and transition risk (e.g. industry exposed to carbon reduction requirements and resulting changes in demand for goods and services or liquidity); and
- industries exposed to the volatility of the United States Dollar as well as the Australian Dollar and New Zealand Dollar.

The decision by the Group to provide customers impacted by the COVID-19 pandemic the option of suspending or deferring certain mortgage or loan repayments may lead to an increase in the level of credit risk related losses. There can be no guarantee that at the conclusion of the deferral or suspension period, customers will be able to recommence their loan repayment obligations, leading to a potential increase in credit risk related losses, which could have a material adverse effect on the Group's Position.

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

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

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

COVID-19 has had, and may continue to have an impact on the regulation and supervision of, and enforcement against, financial services groups such as the Group. Any future ramifications of COVID-19 remain uncertain and, as of the date of this Prospectus, difficult to predict. There have been delays and deferrals to the implementation of regulatory reforms in Australia and New Zealand and a re-ranking of priorities, including enforcement priorities. Such delays and deferrals could impact the Group's ability to manage regulatory change and increase the risk of the Group not complying with new regulations when they come into effect. Governments worldwide have imposed wide ranging restrictions on, suspensions of, or advice against, travel, events, meetings and many other normal activities and have undertaken substantial and costly interventions to stabilise sovereign nations and financial markets. Governments already have and may continue to implement and introduce further measures to contain the pandemic.

The ongoing COVID-19 pandemic also has the potential to complicate the Group's dealings with its regulators in a number of ways. In particular, disruptions to the Group's business, operations, third party contractors and suppliers resulting from the COVID-19 outbreak may increase the risk that the Group will not be able to satisfy its regulatory obligations or processes and/or address outstanding issues, potentially increasing the prospect of a regulator taking adverse action against the Group. Although there is continuing engagement with regulators with respect to banking industry wide loan repayment deferrals and assistance to customers to get back to making their repayments, the Group remains susceptible to regulatory action where it fails to satisfy its regulatory obligations.

6.2.8 Risk arising from litigation and contingent liabilities

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

The Group had contingent liabilities as at 31 March 2021 in respect of the matters outlined in Note 21 of the 2021 Interim Financial Statements.

Note 21 includes, among other things, descriptions of:

- regulatory and customer exposures;
- benchmark/rate actions;
- capital raising actions;
- consumer credit insurance litigation;
- Esanda dealer car loan litigation;
- OnePath superannuation litigation;
- the Royal Commission;
- security recovery actions; and
- warranties and indemnities.

In recent years there has been an increase in the number of matters on which the Group engages with its regulators. There have also been significant increases in the nature and scale of regulatory investigations, surveillance and reviews, civil and criminal enforcement actions (whether by court action or otherwise), formal and informal inquiries, regulatory supervisory activities and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. The Group has received various notices and requests for information from its regulators as part of both industry-wide and 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 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, reporting and disclosure obligations and product disclosure documentation. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain.

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

6.2.9 Risk relating to operational risk events

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

Operational risk categories include but are not limited to:

- internal fraud (for example, involving employees or contractors);
- external fraud (for example, fraudulent loan applications or ATM skimming);
- employment practices, loss of key staff, inadequate workplace safety and failure to effectively implement employment policies;
- impacts on clients, products and business practices (for example, misuse of customer data or anti-competitive behaviour);
- business disruption (including systems failures);
- reputational risk;
- cyber risk;
- conduct and culture risks;
- damage to physical assets; and
- execution, delivery and process management (for example, processing errors or data management failures).

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

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

COVID-19 challenges have resulted in a number of changes in terms of how the Group is undertaking its operations including adapting to remote working arrangements. While the lifting of restrictions in Australia and New Zealand has allowed a number of ANZ staff to return to work on ANZ premises, many ANZ staff continue to work remotely. Although technology has been successfully deployed to ensure remote working capabilities are available to the relevant staff, greater reliance on digital channels creates heightened risks associated with cyber-attacks and the impact those attacks might have on our systems and service availability, which could affect ANZ technology assets as well as third party technology suppliers and critical services on which the Group relies, such as telecommunications operators.

All or any of the impacts described above may cause a reduction in productivity or delays in completing important activities or increased regulatory scrutiny, which could subsequently result in customer remediation activities, or fines, all of which may adversely affect the Group's Position.

6.2.10 Risk associated with information security including cyber-attacks

The primary focus of information security is to protect information and technology systems from disruptions to confidentiality, integrity or availability. As a bank, the 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 Group operates. This information is processed and stored on both internal and third party hosted environments. Any failure of security controls operated by the Group or its third parties could adversely affect the Group's business.

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

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

Additionally, failures in the 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 Group's ability to retain and attract customers, and thus may adversely affect the Group's Position.

6.2.11 Risk arising from impact of future climate events, geological events, plant, animal and human diseases and other extrinsic events

The Group and its customers are exposed to climate-related events. These events include severe storms, drought, fires, cyclones, hurricanes, floods and rising sea levels. The Group and its customers may also be exposed to other events such as geological events (including volcanic seismic activity or tsunamis), plant, animal and human diseases or a pandemic such as COVID-19, which is causing significant impacts on the Group's operations and its customers. The COVID-19 pandemic has resulted in a widespread health crisis that could continue to adversely affect the economies and financial markets of many countries, including Australia and New Zealand, resulting in an economic downturn that could affect the Group and its customers. See Section 6.2.2 "Risk arising from the COVID-19 pandemic and future outbreaks of other communicable diseases or pandemic" for further details regarding the different impacts from COVID-19.

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

07

SECTION 07

TAXATION SUMMARY

THIS SECTION CONTAINS A SUMMARY OF THE AUSTRALIAN TAX CONSEQUENCES FOR POTENTIAL HOLDERS AND PARTICIPATING CN1 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 CN1 HOLDERS. ACCORDINGLY, EACH POTENTIAL HOLDER AND EACH PARTICIPATING CN1 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;
- in relation to a Non Resident Holder, hold their Notes through a permanent establishment in Australia.

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

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

7.1.2 Class ruling sought on the Notes

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

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

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

- only be binding on the Commissioner of Taxation if the Offer is carried out in the specific manner described in the class ruling;
- only apply to Resident Holders that are within the class of entities specified in the class ruling, which is expected to be Resident Holders who acquire their Notes through the Offer and hold them on capital account for tax purposes. Therefore, the class ruling will not apply to Resident Holders who hold their Notes as trading stock or on revenue account or who are subject to the "taxation of financial arrangements" provisions in relation to their Notes;
- only rule on tax laws applicable as at the date the class ruling is issued;
- not consider the tax consequences of a Conversion of Notes on a Trigger Event occurring;
- not consider the tax treatment of Distributions received by partnerships or trustee investors; and
- not consider the tax consequences for Resident Holders for whom gains and losses from Notes are subject to the "taxation of financial arrangements" provisions in Division 230 of the Tax Act. It is noted that Division 230 will generally not apply to the financial arrangements of individuals, unless an election has been made for those rules to apply.

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 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 Holder, the 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 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 Holders. 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 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 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 Holder is entitled in an income year does not exceed $5,000. This is referred to as the "small shareholder rule". However, a 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 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.

Another such rule (in section 207-158 of the Tax Act) can apply when a franked distribution gives rise to a foreign income tax deduction for the issuer of certain types of equity instruments. However, following a recent legislative amendment to section 207-158, it is now clear that this provision should not apply to deny franking credits or tax offsets to Resident Holders in relation to Distributions on their Notes.

(b) Non Resident Holders

Distributions should not be subject to Australian non-resident 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 Holder on disposal of Notes should be taxed under the CGT provisions. Holders should refer to the class ruling on this point.

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

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

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

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

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

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

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

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

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

The Government has announced that "managed investment trusts" (**MITs**) and "attribution managed investment trusts" (**AMITs**) will not be entitled to the CGT discount at the trust level. This change was previously scheduled to apply from 1 July 2020, but has now been delayed and will instead apply for income years commencing on or after the date that is three months from the date of Royal Assent of the enabling legislation. While it is not certain when this change will come into effect, the Government has indicated that it is committed to legislating this measure. Once 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

As the Commissioner's view is expected to be that the Notes are not "traditional securities", Non Resident Holders should generally not be taxable on any gain realised on disposal of their Notes, as the Notes should generally not be "taxable Australian property" for the purposes of the CGT provisions.

(b) Disposal through Conversion

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

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

7.1.5 Provision of TFN and/or ABN

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

7.1.6 GST

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

7.1.7 Stamp duty

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

7.2 SUMMARY OF AUSTRALIAN TAX CONSEQUENCES FOR ELIGIBLE CN1 HOLDERS WHO PARTICIPATE IN THE REINVESTMENT OFFER

The following is a summary of the Australian tax consequences for certain Australian tax resident Eligible CN1 Holders who are subject to Class Ruling CR 2013/55 (which sets out certain Australian tax consequences for certain Australian tax residents who invested in CN1 in the initial offering) and hold their Participating CN1 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 Eligible CN1 Holders who:

- acquired their CN1 otherwise than under the initial offering;
- hold their CN1 in their business of share trading, dealing in securities or otherwise hold their CN1 on revenue account or as trading stock;
- hold their CN1 through a permanent establishment outside of Australia;
- 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 CN1 or the Notes that they will acquire under the Reinvestment Offer; and/or
- do not participate in the Reinvestment Offer and continue to hold their CN1 (other than in Section 7.2.1 below, regarding the treatment of the First Pro Rata Distribution).

7.2.1 First Pro Rata Distribution on CN1

Holders of CN1, including Eligible CN1 Holders who participate in the Reinvestment Offer, may receive the First Pro Rata Distribution on their CN1 that is expected to be paid, subject to this Prospectus not being withdrawn, the payment conditions in the CN1 terms and ANZ's absolute discretion.

The tax treatment of any First Pro Rata Distribution should be the same as the treatment of other distributions received on the CN1, as outlined in Class Ruling CR 2013/55. On this basis, provided that a CN1 holder is a "qualified person" (see the general comments in Section 7.1.3 and Class Ruling CR 2013/55), a CN1 holder should generally include the amount of the First Pro Rata Distribution as well as an amount equal to any franking credits attached to the First Pro Rata Distribution in their assessable income and should qualify for a tax offset equal to the franking credits.

7.2.2 Disposal of CN1

(a) Disposal at the Resale Price

For CGT purposes, Eligible CN1 Holders who participate in the Reinvestment Offer will be taken to have disposed of their Participating CN1 for the Resale Price, being $100. The capital proceeds from the disposal will then be used to subscribe for Notes.

Eligible CN1 Holders may make a capital gain or capital loss on the disposal of their Participating CN1, depending on whether the capital proceeds from the disposal are more than the CGT cost base for their Participating CN1, or whether the capital proceeds are less than the reduced cost base for their Participating CN1, respectively. Capital losses can generally only be offset against capital gains, but can be carried forward for use in a later year.

An Eligible CN1 Holder's CGT cost base (or reduced cost base) for each Participating CN1 should include the amount they paid to acquire the Participating CN1 and may also include certain other non-deductible incidental costs (e.g. brokerage or advisory fees) associated with acquiring and/or disposing of the Participating CN1. If the Participating CN1 have been owned for at least 12 months prior to the disposal (excluding the days of acquisition and disposal), an Eligible CN1 Holder (other than a company) may be entitled to receive CGT discount treatment in respect of any gain arising on disposal of CN1, such that a percentage of the gain is not included in assessable income. The discount percentage is applied to the amount of the capital gain after offsetting any current year or carried forward capital losses. The discount percentages are 50%, 50% and 33⅓% for Eligible CN1 Holders who are individuals, trusts and complying superannuation entities respectively.

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

7.2.3 Cost base of Notes acquired under the Reinvestment Offer

The amount of the Resale Price for CN1 that is applied in subscribing for Notes under the Reinvestment Offer should be included in a Holder's cost base (and reduced cost base) for the purposes of determining any future capital gain or capital loss on the disposal of Notes on-market, or through a Conversion, Redemption or Resale (see Section 7.1.4 above).

08

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 ORDINARY SHARES THAT MAY BE ISSUED ON CONVERSION, THE DISCLOSURE OF INTERESTS OF THE DIRECTORS AND ADVISERS AND THE RELIEF THAT REGULATORS HAVE GRANTED TO ANZ IN RESPECT OF THE OFFER.

8.1 REPORTING AND DISCLOSURE OBLIGATIONS

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

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

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

8.2 AVAILABILITY OF DOCUMENTS

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

- the annual financial report for the year ended 30 September 2020;
- the consolidated financial report and dividend announcement for the half year ended 31 March 2021;
- any continuous disclosure notices given by ANZ in the period after the lodgement of the annual financial report of ANZ for the year ended 30 September 2020 and before lodgement of this Prospectus with ASIC; and
- the Constitution.

The financial reports for the year ended 30 September 2020 and the half year ended 31 March 2021, 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 INCORPORATION BY REFERENCE

The following documents are incorporated by reference into this Prospectus:

- A summary of the principal provisions of the OMA ANZ has 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 8.5 (**OMA Summary**). The OMA Summary contains information on ANZ's obligations in relation to the conduct of the Offer, the representations, warranties and undertakings provided by ANZ 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 Ordinary Shares (**Ordinary Share Summary**). The Ordinary Share Summary contains, among other things, information on the rights of Ordinary Shareholders to:
  - receive dividends;
  - participate in ANZ's dividend reinvestment plan or bonus option plan;
  - participate in or vote at ANZ's general meetings; and
  - transfer Ordinary Shares.

The OMA Summary and the Ordinary Share Summary can be obtained free of charge during the Offer Period from capitalnotes6.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

8.4 CONSENTS

8.4.1 Directors

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

8.4.2 Other Consenting Parties

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	• ANZ Securities[26] • Commonwealth Bank of Australia • E&P Corporate Advisory • Morgan Stanley • Morgans • Ord Minnett • Shaw and Partners • UBS • Westpac
Co-Manager	Crestone Wealth Management
Australian accounting adviser	KPMG Transaction Services
Australian legal advisers	King & Wood Mallesons
Australian tax adviser	Greenwoods & Herbert Smith Freehills Pty Ltd
Registry	Computershare Investor Services Pty Limited
Auditor	KPMG
CN1 Nominated Purchaser	UBS (or a permitted successor)

8.5 INTERESTS OF ADVISERS

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

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

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

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

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

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

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

KPMG Transaction Services (a division of KPMG Financial Advisory Services (Australia) Pty Ltd) has provided due diligence services on certain financial disclosures in this Prospectus. In respect of this work, ANZ estimates that it will pay approximately $82,500 (excluding disbursements and GST) to KPMG Transaction Services for work up to the date of this Prospectus. Further amounts may be paid to KPMG Transaction Services under its normal time based charges.

King & Wood Mallesons has acted as Australian legal adviser to ANZ in relation to the Offer, assisting with the due diligence and verification program and performing due diligence on required legal matters. In respect of this work, ANZ estimates that it will pay approximately $325,000 (excluding disbursements and GST) to King & Wood Mallesons for work up to the date of this Prospectus. Further amounts may be paid to King & Wood Mallesons under its normal time based charges.

Greenwoods & Herbert Smith Freehills Pty Ltd has acted as Australian taxation adviser to ANZ in relation to the Offer. In respect of this work, ANZ estimates that it will pay approximately $95,000 (excluding disbursements and GST) to Greenwoods & Herbert Smith Freehills Pty Ltd for work up to the date of this Prospectus. Further amounts may be paid to Greenwoods & Herbert Smith Freehills Pty Ltd under its normal time based charges.

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

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

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

8.6 INTERESTS OF DIRECTORS

Details of the Directors' holdings in Ordinary Shares and other 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 CN1) subject to the Listing Rules (including any waivers as described in Section 8.7).

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

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

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

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

The Constitution contains provisions about the remuneration of the Directors. As remuneration for their services as Directors, the non-executive Directors are paid an amount of remuneration determined by the Board, subject to a maximum annual aggregate amount determined by Shareholders in a general meeting. The maximum annual aggregate amount has been set at $4,000,000. Each 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 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.

ANZ has entered into a Director's Access Insurance and Indemnity Deed with each Director. Under that deed, a Director is entitled (among other things) to be indemnified against liabilities incurred as a Director to the extent permitted by law. Subject to and so far as may be permitted under applicable law, they are also permitted to be indemnified under the Constitution and ANZ may enter and pay premiums on directors and officers liability insurance policies for their benefit.

8.7 ASX RELIEF

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

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

8.8 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 Broker Firm Offer or Institutional Offer where such offer is made in accordance with the laws of that jurisdiction.

Each person submitting an Application will be deemed to have acknowledged that it is aware of the restrictions referred to in this Section 8.8 and to have represented and warranted that it is able to apply for and acquire Notes in compliance with those restrictions.

8.9 PRIVACY STATEMENT

If you apply for Notes, you will be asked to provide personal information to ANZ and its agents. ANZ and its agents will seek to ensure that they collect, hold, use and disclose that personal information in accordance with the Privacy Act and ANZ's Privacy Policy, 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) and 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. Without this information ANZ would not be able to do these things. 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), requires various items of personal information to be collected.

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

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

You consent to ANZ using your personal information to keep you informed about ANZ's business activities, progress and development and bring to your attention a range of products and services offered by ANZ. You can contact ANZ or the Registry on 1800 113 399 (within Australia) or +61 3 9415 4010 (international) (Monday to Friday – 8:30am to 5:30pm AEST) to withdraw your consent to ANZ using or disclosing your personal information in the way described in the previous sentence. It is important that you contact ANZ or the Registry if you do not consent to this use because, by investing in Notes, you will be taken to have otherwise consented.

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

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

Under the Privacy Act, you may request access to your personal information held by or on behalf of ANZ. You can request access to your personal information or obtain further information about ANZ's management of your personal information by contacting the Registry or ANZ.

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

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

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

8.10 CORPORATIONS ACT

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

A

APPENDIX A

NOTE TERMS

THIS APPENDIX A CONTAINS THE FULL NOTE TERMS.

1 ANZ CAPITAL NOTES

1.1 ANZ Capital Notes 6

ANZ Capital Notes 6 are fully paid mandatorily convertible subordinated perpetual securities (**ANZ Capital Notes 6 or Notes**) in the form of unsecured notes issued by ANZ. ANZ Capital Notes 6 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 6 are not deposit liabilities of ANZ, are not protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act or of the Financial Claims Scheme established under Division 2AA of Part II of the Banking Act, are not any other kind of account with ANZ and are not guaranteed or insured by any government, government agency or compensation scheme in Australia or any other jurisdiction or by any other person.

1.2 Face value

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

2 TITLE AND TRANSFER

2.1 Title

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

2.2 Register conclusive as to ownership

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

2.3 Non-recognition of interests

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

No notice of any trust, Encumbrance or other interest in, or claim to, any Note will be entered in the Register. Neither ANZ nor the Registry need take notice of any trust, Encumbrance or other interest in, or claim to, any Note, except as ordered by a court of competent jurisdiction or required by law, and no trust, Encumbrance or other interest in, or claim to, any Note will in any way affect any provision of these Note Terms.

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

2.4 Joint Holders

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

2.5 Dealings in Whole

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

2.6 Transfer

(a) A Holder may transfer a Note:

- (i) while the Note is lodged in CHESS, in accordance with the ASX Settlement Operating Rules;
- (ii) at any other time:
  - (A) by a proper transfer under any other computerised or electronic system recognised by the Corporations Act; or
  - (B) by any proper or sufficient instrument of transfer of marketable securities under applicable law.

(b) The Registry must register a transfer of a Note to or by a person who is entitled to make or receive the transfer as a consequence of:

- (i) death, bankruptcy, liquidation or winding-up of a Holder; or
- (ii) a vesting order by a court or other body with power to make the order on receiving the evidence that the Registry or ANZ requires.

3 DISTRIBUTIONS

3.1 Distributions

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

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

where:

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

Distribution Rate = (BBSW Rate + Margin) × (1 - Tax Rate)

where:

BBSW Rate means:

(a) subject to paragraph (b), BBSW; and

(b) if ANZ determines that a Reference Rate Disruption Event has occurred, then, subject to APRA's prior written approval, ANZ:

- (A) shall use as the reference rate such Alternative Reference Rate as it may determine;
- (B) 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
- (C) in making the determinations under paragraphs (A) and (B) above:
  - (aa) shall act in good faith and in a commercially reasonable manner;

(ab) may consult with such sources of market practice as it considers appropriate; and

(ac) may otherwise make such determination in its discretion.

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

For the purposes of the foregoing:

(c) **BBSW Rate** means, for a Distribution Period:

(A) 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

(B) if ANZ determines that such rate (expressed as a percentage per annum) as is described in paragraph (A) above:

(aa) is not published by midday (or such other time that ANZ considers appropriate on that day); or

(ab) is published, but is affected by an obvious error,

such other rate (expressed as a percentage per annum) that ANZ determines as appropriate having regard to comparable indices then available.

(d) "**Determination Date**" means:

(A) in the case of the first Distribution Period, on the Issue Date; and

(B) in the case of any other Distribution Period, on the first Business Day of that Distribution Period;

(e) "**Reference Rate Disruption Event**" means that, in ANZ's opinion, the rate described in paragraph (a) above:

(A) has been discontinued or otherwise ceased to be calculated or administered; or

(B) 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:

(A) a reference rate that is, in ANZ's opinion, appropriate to floating rate debt securities of a tenor and interest period most comparable to that of Notes; or

(B) such other reference rate as ANZ considers appropriate having regard to available comparable indices.

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

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

N means in respect of:

(a) the first Distribution Payment Date, the number of days from (and including) the Issue Date until (but not including) the first Distribution Payment Date; and

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

3.2 Franking adjustments

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

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

where:

D means the Distribution calculated under clause 3.1;

Tax Rate has the meaning given in clause 3.1; and

F means the applicable Franking Rate.

3.3 Payment of a Distribution

Each Distribution is subject to:

(a) ANZ's absolute discretion; and

(b) no Payment Condition existing in respect of the relevant Distribution Payment Date.

3.4 Distributions are non-cumulative

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

(b) No interest accrues on any unpaid Distributions and the Holders have no claim or entitlement in respect of interest on any unpaid Distributions.

3.5 Distribution Payment Dates

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

(a) each 20 March, 20 June, 20 September and 20 December commencing on 20 September 2021 until (but not including) the date on which a Redemption or Conversion of that Note occurs in accordance with these Note Terms (a **Scheduled Distribution Payment Date**); and

(b) each date on which a Conversion, Redemption or Resale of that Note occurs, in each case in accordance with these Note Terms.

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

3.6 Record Dates

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

3.7 Restrictions in the case of non-payment

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

(a) resolve to pay or pay any Ordinary Share Dividend; or

(b) undertake any Buy-Back or Capital Reduction,

unless the Distribution is paid in full within 3 Business Days of the Relevant Distribution Payment Date.

3.8 Exclusions from restrictions in case of non-payment

The restrictions in clause 3.7 do not apply:

(a) to a Buy-Back or Capital Reduction in connection with any employment contract, employee share scheme, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors or consultants of ANZ or any Controlled Entity; or

(b) to the extent that at the time a Distribution has not been paid on the relevant Distribution Payment Date, ANZ is legally obliged to pay on or after that date an Ordinary Share Dividend or complete on or after that date a Buy-Back or Capital Reduction.

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

(a) taking security over ANZ Shares in the ordinary course of business; and

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

4 MANDATORY CONVERSION

4.1 Mandatory Conversion

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

4.2 Mandatory Conversion Date

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

(a) 20 September 2030 (the **Scheduled Mandatory Conversion Date**); and

(b) the first Distribution Payment Date after the Scheduled Mandatory Conversion Date (a **Subsequent Mandatory Conversion Date**),

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

4.3 Mandatory Conversion Conditions

The Mandatory Conversion Conditions for each Relevant Date are:

(a) the VWAP on the 25th Business Day immediately preceding (but not including) the Relevant Date (the **First Test Date**, provided that if no trading in Ordinary Shares took place on that date, the First Test Date is the first Business Day before the 25th Business Day immediately preceding (but not including) the Relevant Date on which trading in Ordinary Shares took place) is greater than 56.00% of the Issue Date VWAP (the **First Mandatory Conversion Condition**);

(b) the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Relevant Date (the **Second Test Period**) is greater than 50.51% of the Issue Date VWAP (the **Second Mandatory Conversion Condition**); and

(c) no Delisting Event applies in respect of the Relevant Date (the **Third Mandatory Conversion Condition** and, together with the First Mandatory Conversion Condition and the Second Mandatory Conversion Condition, the **Mandatory Conversion Conditions**).

4.4 Non-Conversion Notices

If:

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

(b) the Second Mandatory Conversion Condition or the Third Mandatory Conversion Condition is not satisfied in relation to a Relevant Date, ANZ will notify Holders on or as soon as practicable after the Relevant Date,

in either case that Mandatory Conversion will not (or, as the case may be, did not) occur on the Relevant Date (a **Non-Conversion Notice**).

4.5 Common Equity Capital Trigger Event

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

4.6 Non-Viability Trigger Event

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

(a) the issuance of a notice in writing by APRA to ANZ that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZ would become non-viable; or

(b) a determination by APRA, notified to ANZ in writing, that without a public sector injection of capital, or equivalent support, ANZ would become non-viable.

4.7 Trigger Event Conversion Date

A **Trigger Event Conversion Date** means:

(a) in the case of a Common Equity Capital Trigger Event, the date on which the determination or notification is made under clause 4.5; and

(b) in the case of a Non-Viability Trigger Event, the date on which APRA notifies ANZ of such Non-Viability Trigger Event as contemplated in clause 4.6.

4.8 Conversion on Trigger Event Conversion Date

If a Trigger Event occurs:

(a) on the Trigger Event Conversion Date, subject only to clause 4.9(c), so many of the Notes will immediately Convert as is:

(i) in the case of a Common Equity Capital Trigger Event, sufficient (as determined by ANZ in accordance with paragraph (b) below) to increase the relevant Common Equity Capital Ratio to a percentage above 5.125% determined by ANZ in consultation with APRA; or

(ii) in the case of a Non-Viability Trigger Event, required by APRA's notice under clause 4.6 and, where such notice does not require all Relevant Securities to be converted into Ordinary Shares or written off, sufficient (determined by ANZ in accordance with paragraph (b) below) to satisfy APRA that ANZ is viable without further conversion or write off.

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

(b) in determining the number of Notes which must be Converted in accordance with this clause, ANZ will:

(i) first, convert into Ordinary Shares or write off Relevant Securities whose terms require or permit them to be converted into Ordinary Shares or written off either before Conversion of Notes or in full; and

(ii) secondly, if conversion into Ordinary Shares or write off of those Relevant Securities is not sufficient to satisfy the requirements of clause 4.8(a)(i) or 4.8(a)(ii) (as applicable), subject to clause 4.8(e)(iv):

(A) ANZ will endeavour to Convert Notes and convert into Ordinary Shares or write off other Relevant Securities on an approximately pro-rata basis or in a manner that is otherwise, in the opinion of ANZ, fair and reasonable (subject to such adjustment as ANZ may determine to take into account the effect on marketable parcels and the need to round to whole numbers the number of Ordinary Shares and any Notes or other Relevant Securities remaining on issue); and

(B) where the currency of the principal amount of Relevant Securities is not the same for all Relevant Securities, ANZ may treat the Relevant Securities as if converted into a single currency of ANZ's choice at such rate of exchange for each such currency as ANZ in good faith considers reasonable;

(c) on the Trigger Event Conversion Date ANZ must determine the Holders whose Notes will be Converted at the time on that date that the Conversion is to take effect and in making that determination may make any decisions with respect to the identity of the Holders at that time and date as may be necessary or desirable to ensure Conversion occurs immediately in an orderly manner, including disregarding any transfers of Notes that have not been settled or registered at that time;

(d) ANZ must give notice of that event (a **Trigger Event Notice**) as soon as practicable to Holders which must specify:

(i) the Trigger Event Conversion Date;

(ii) the number of Notes Converted; and

(iii) the relevant number of other Relevant Securities converted or written off;

(e) despite any other provision in this clause 4.8, none of the following events shall prevent, impede or delay the immediate Conversion of Notes as required by clause 4.8(a):

(i) any failure or delay in the conversion or write off of other Relevant Securities;

(ii) any failure or delay in giving a Trigger Event Notice;

(iii) any failure or delay in quotation of Ordinary Shares to be issued on Conversion; and

(iv) any requirement to select or adjust the number of Notes to be Converted or any right to make determinations in accordance with clause 4.8(b)(ii) or 4.8(c);

(f) from the Trigger Event Conversion Date, subject to clauses 6.13 and 10.2, ANZ shall treat the Holder of any Note which is required to be Converted as the holder of the relevant number of Ordinary Shares and will take all such steps, including updating any register, required to record the Conversion.

4.9 Priority of Conversion obligations

(a) Conversion on account of the occurrence of a Trigger Event is not subject to the matters described in clause 4.3 as Mandatory Conversion Conditions.

(b) A Conversion required on account of a Trigger Event takes place on the date, and in the manner, required by clause 4.8, notwithstanding anything in clauses 4.1, 4.10, 5 or 9.

(c) If Conversion has not been effected within 5 Business Days after the relevant Trigger Event Conversion Date for any reason (including an Inability Event), Conversion of those Notes on account of the Trigger Event will not occur and those Notes shall be Written Off in accordance with clause 6.13 and the provisions of clauses 4.8(b), 4.8(c) and 4.8(d) shall apply in respect of that Write Off and those Notes as if each reference in those clauses to "Conversion" or "Convert" were a reference to "Write Off".

4.10 Mandatory Conversion on Change of Control

(a) If a Change of Control Event occurs, ANZ must notify Holders as soon as practicable after becoming aware of that event by providing a notice to Holders (a **Change of Control Conversion Notice**) and Convert all (but not some only) Notes on the Change of Control Conversion Date, subject to and in accordance with this clause 4 and clause 6.

(b) A Change of Control Conversion Notice must specify:

(i) the details of the relevant Change of Control Event;

(ii) the date on which Conversion is to occur (the **Change of Control Conversion Date**), which must be:

(A) the Business Day prior to the date reasonably determined by ANZ to be the last date on which holders of Ordinary Shares can participate in the bid or scheme concerned or such other earlier date as ANZ may reasonably determine having regard to the timing for implementation of the bid or scheme concerned; or

(B) such later date as APRA may require; and

(iii) whether any Distribution will be paid on the Change of Control Conversion Date.

(c) A Change of Control Conversion Notice is taken to be revoked and Conversion will not occur if, on the Change of Control Conversion Date:

(i) the Second Mandatory Conversion Condition (calculated as if it referred to 20.21% of the Issue Date VWAP); or

(ii) the Third Mandatory Conversion Condition,

would not be satisfied, in each case, determined as if each reference to "Relevant Date" in those conditions were a reference to the "Change of Control Conversion Date".

(d) If clause 4.10(c) applies, ANZ must:

(i) notify Holders as soon as practicable that Conversion will not (or did not) occur (a **Deferred Change of Control Conversion Notice**); and

(ii) subject to this clause 4.10, give a new Change of Control Conversion Notice on or before the 25th Business Day prior to the immediately succeeding Scheduled Distribution Payment Date (under clause 3.5(a)) which is at least 25 Business Days after the date on which the Deferred Change of Control Conversion Notice was given.

(e) If a new Change of Control Conversion Notice is revoked, clause 4.10(d) shall be reapplied in respect of each subsequent Distribution Payment Date (under clause 3.5(a)) until a Conversion occurs.

(f) Nothing in this clause 4.10 limits the operation of clause 4.8.

5 OPTIONAL EXCHANGE BY ANZ

5.1 Optional Exchange by ANZ

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

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

(b) all or some Notes on an Optional Exchange Date.

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

5.2 Contents of Exchange Notice

An Exchange Notice must specify:

(a) the details of any Tax Event or Regulatory Event to which the Exchange Notice relates;

(b) the date on which Exchange is to occur (the **Exchange Date**), which:

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

(ii) in the case of an Optional Exchange Date, the Optional Exchange Date which must fall:

(A) no earlier than 25 Business Days after the date on which the Exchange Notice is given, where the Exchange Method is Conversion; and

(B) no earlier than 5 Business Days after the date on which the Exchange Notice is given, where the Exchange Method is Redemption or Resale;

(c) the Exchange Method, which may not be Redemption unless either:

(i) Notes the subject of the Exchange are replaced concurrently or beforehand with Tier 1 Capital of the same or better quality and the replacement of the Notes is done under conditions that are sustainable for ANZ's income capacity; or

(ii) APRA is satisfied that the capital position of the ANZ Level 1 Group, the ANZ Level 2 Group and, if applicable, the ANZ Level 3 Group is well above its minimum capital requirements after ANZ elects to Redeem the Notes;

(d) if less than all Outstanding Notes are subject to Exchange, which Notes are subject to Exchange; and

(e) whether any Distribution will be paid on the Exchange Date.

5.3 Exchange Method

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

(a) Convert Notes into Ordinary Shares in accordance with clause 6;

(b) Redeem Notes in accordance with clause 7; or

(c) Resell Notes in accordance with clause 8.

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

5.4 Restrictions on election by ANZ of Conversion as Exchange Method

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

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

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

5.5 Conditions to Conversion occurring once elected by ANZ

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

(a) the Exchange Date will be deferred until the first Distribution Payment Date (under clause 3.5(a)) on which the Mandatory Conversion Conditions would be satisfied if that Distribution Payment Date were a Relevant Date for the purposes of clause 4 (the **Deferred Conversion Date**);

(b) ANZ must Convert the Notes on the Deferred Conversion Date (unless the Notes are earlier Exchanged in accordance with these Note Terms); and

(c) until the Deferred Conversion Date, all rights attaching to the Notes will continue as if the Exchange Notice had not been given.

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

5.6 Purchases

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

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

6 CONVERSION MECHANICS

6.1 Conversion

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

(a) ANZ 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;

(b) 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 immediately and irrevocably terminated for an amount equal to the Face Value of that Note and ANZ will apply that Face Value by way of payment for subscription for the Ordinary Shares to be allotted and issued under clause 6.1(a). 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;

(c) 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; and

(d) 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).

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 Directors; and

(b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on ASX as ex dividend or ex any other distribution or entitlement, and Notes will Convert into Ordinary Shares which would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

6.3 Adjustments to VWAP for divisions and similar transactions

Where during the relevant VWAP Period there is a change in the number of the Ordinary Shares on issue as a result of a division, consolidation or reclassification of ANZ'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 ANZ 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;

V_0 means the Issue Date VWAP applying immediately prior to the application of this formula;

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

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

(b) Clause 6.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.

(c) For the purpose of clause 6.5(a), an issue will be regarded as a pro rata issue notwithstanding that ANZ does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing ANZ is not in contravention of the ASX Listing Rules.

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

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

6.6 Adjustment to Issue Date VWAP for divisions and similar transactions

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

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

where:

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

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

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

6.7 No adjustment to issue date VWAP in certain circumstances

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

6.8 Announcement of adjustment to VWAP or Issue Date VWAP

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

6.9 Ordinary Shares

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

6.10 Foreign Holders

Where Notes held by a Foreign Holder are to be Converted, unless ANZ is satisfied that the laws of the Foreign Holder's country of residence permit the issue of Ordinary Shares to the Foreign Holder (but as to which ANZ is not bound to enquire), either unconditionally or after compliance with conditions which ANZ in its absolute discretion regards as acceptable and not unduly onerous, the Ordinary Shares which the Foreign Holder is obliged to accept will be issued to a nominee (which may not be ANZ or a Related Entity of ANZ) who will sell those Ordinary Shares and pay a cash amount equal to the Proceeds to the Foreign Holder.

6.11 FATCA Withholding on Conversion

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

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

(b) entirely to a nominee,

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

6.12 Listing Ordinary Shares issued on Conversion

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

6.13 Write Off

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

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

(a) the Note will not be Converted on that date and will not be Converted, Redeemed or Resold under these Note Terms on any subsequent date; and

(b) the relevant Holders' rights (including to payment of Distributions and Face Value) in relation to such Note are immediately and irrevocably terminated and written off.

6.14 No duties on sale

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

7 REDEMPTION MECHANICS

7.1 Redemption mechanics to apply to Redemption

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

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

7.2 Redemption

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

7.3 Effect of Redemption on Holders

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

8 RESALE ON EXCHANGE DATE

(a) If, subject to APRA's prior written approval, ANZ elects to Resell Notes in accordance with these Note Terms, the provisions of this clause 8 apply to that Resale.

(b) ANZ may appoint one or more Purchasers for the Resale on such terms as may be agreed between ANZ and the Purchaser (and to the extent that any such terms may cause the Notes to cease to be Additional Tier 1 Capital, with the prior written approval of APRA) including:

  (i) as to the conditions of any Resale, the procedures for settlement of such Resale and the circumstances in which the Exchange Notice specifying Resale as the Exchange Method may be amended, modified, added to or restated;

  (ii) as to the substitution of another entity (not being ANZ or a Related Entity of ANZ) as Purchaser if, for any reason, ANZ is not satisfied that the Purchaser will perform its obligations under this clause 8; and

  (iii) as to the terms (if any) on which any Notes acquired by a Purchaser may be redeemed, converted or otherwise dealt with.

(c) If ANZ appoints more than one Purchaser in respect of a Resale, all or any of the Notes held by a Holder which are being Resold may be purchased by any one or any combination of the Purchasers, as determined by ANZ.

(d) ANZ may not appoint itself or any Related Entity of ANZ as a Purchaser.

(e) If ANZ issues an Exchange Notice specifying Resale as the Exchange Method:

  (i) each Holder is taken irrevocably to offer to sell the relevant number of their Notes to the Purchaser on the Exchange Date for a cash amount per Note equal to the Face Value;

  (ii) subject to payment by the Purchaser of the Face Value to Holders, all right, title and interest in the relevant number of Notes will be transferred from the Holders to the Purchaser on the Exchange Date; and

  (iii) if the Purchaser does not pay the Face Value to the relevant Holders on the Exchange Date, the Exchange Notice specifying Resale as the Exchange Method will be void as it relates to that Purchaser, the relevant number of Notes will not be transferred to the Purchaser, those Notes are not Resold on that date and a Holder has no claim on ANZ as a result of that non-payment.

(f) Clause 13 will apply to payments by the Purchaser as if the Purchaser was ANZ. If any payment to a particular Holder is not made or treated as made on the Exchange Date because of any error by or on behalf of the Purchaser, the relevant Notes of that Holder will not be transferred until payment is made but the transfer of all other relevant Notes will not be affected by the failure.

9 GENERAL RIGHTS IN RESPECT OF NOTES

9.1 Ranking in a winding-up

(a) If an order is made by a court of competent jurisdiction in Australia (other than an order successfully appealed or permanently stayed within 30 days), or an effective resolution passed, for the winding-up of ANZ in Australia, the Notes are redeemable for the Face Value in accordance with this clause 9.1.

(b) In a winding-up of ANZ in Australia, a Note confers upon the Holder, subject to clauses 4.8 and 6.13, the right to payment in cash of the Face Value on a subordinated basis in accordance with clause 9.1(c), but no further or other claim on ANZ in the winding-up of ANZ in Australia, including with respect to any unpaid Distribution.

(c) Holders will rank for payment of the Face Value in a winding-up of ANZ in Australia:

(i) in priority to Ordinary Shares;

(ii) equally among themselves and with all Equal Ranking Instruments with respect to priority of payment in a winding-up; and

(iii) junior to the claims of all Senior Creditors with respect to priority of payment in a winding-up in that:

(A) all claims of Senior Creditors must be paid in full (including in respect of any entitlement to interest under section 563B of the Corporations Act) before the claims of the Holders are paid; and

(B) until the Senior Creditors have been paid in full, the Holders must not claim in the winding-up of ANZ in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive,

so that the Holder receives, for each Note it holds, an amount equal to the amount it would have received if, in the winding-up of ANZ, it had held an issued and fully paid Preference Share.

9.2 No charge

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

(a) create a charge or security interest on or over any right of the Holder; or

(b) require the consent of any Senior Creditor to any amendment of these Note Terms made in accordance with clause 14.

9.3 Agreements of Holders as to subordination

Each Holder irrevocably agrees:

(a) that clause 9.1 is a debt subordination for the purposes of section 563C of the Corporations Act;

(b) that it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Corporations Act to the extent that a holder of a Preference Share would not be entitled to such interest;

(c) not to exercise any voting or other rights as a creditor in the winding-up of ANZ in any jurisdiction:

(i) until after all Senior Creditors have been paid in full; or

(ii) otherwise in a manner inconsistent with the subordination contemplated by clause 9.1;

(d) that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the winding-up of ANZ in respect of a Note in excess of its entitlement under clause 9.1; and

(e) that the debt subordination effected by clause 9.1 is not affected by any act or omission of ANZ or a Senior Creditor which might otherwise affect it at law or in equity.

9.4 Calculations and rounding of payments

Unless otherwise specified in these Note Terms:

(a) all calculations of amounts payable in respect of a Note will be rounded to four decimal places; and

(b) for the purposes of making payment to a Holder in respect of the Holder's aggregate holding of Notes, any fraction of a cent will be disregarded.

9.5 No set-off or offsetting rights

A Holder:

(a) may not exercise any right of set-off against ANZ in respect of any claim by ANZ against that Holder; and

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

9.6 No security

Notes are unsecured.

9.7 Shortfall on winding-up

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

9.8 No other claim

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

9.9 Power of Attorney

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

(b) The power of attorney given in this clause 9.9 is given for valuable consideration and to secure the performance by the Holder of the Holder's obligations under these Note Terms and is irrevocable.

9.10 Holder acknowledgments

Each Holder irrevocably:

(a) upon Conversion of a Note in accordance with clause 6, consents to becoming a member of ANZ and agrees to be bound by the Constitution, in each case in respect of the Ordinary Shares issued on Conversion (or, where an Approved NOHC Substitution Notice has been given, consents to becoming a member of that Approved NOHC and agrees to be bound by its constitution);

(b) acknowledges and agrees that an Approved NOHC may be substituted for ANZ as provider of ordinary shares on Conversion and that if such a substitution is effected on the terms provided by the amendment in accordance with clause 14.2, the Holder is obliged to accept ordinary shares in that Approved NOHC on a Conversion, and will not receive Ordinary Shares;

(c) acknowledges and agrees that any amendment made in accordance with clause 14.2 to effect the substitution of an Approved NOHC as the issuer of ordinary shares on Conversion does not require the consent of Holders;

(d) acknowledges and agrees that it is obliged to accept ordinary shares upon a Conversion notwithstanding anything that might otherwise affect a Conversion of Notes including:

  (i) any change in the financial position of ANZ or any Approved NOHC since the Issue Date;

  (ii) any disruption to the market or potential market for the ordinary shares or to capital markets generally;

  (iii) any breach by ANZ or any Approved NOHC of any obligation in connection with Notes; and

  (iv) any dispute as to the calculation of the Common Equity Capital Ratio or the occurrence of a Non-Viability Trigger Event;

(e) acknowledges and agrees that:

  (i) where clause 4.8 applies, there are no other conditions to Conversion occurring as and when provided in clauses 4.5 to 4.9 (inclusive);

  (ii) the only conditions to a Mandatory Conversion are the Mandatory Conversion Conditions;

  (iii) the only conditions to a Conversion pursuant to clause 4.10 or on account of an Exchange under clause 5 are the conditions expressly applicable to such Conversion as provided in clauses 4.10 and 5 of these Note Terms and no other conditions or events will affect Conversion; and

  (iv) the Holder should not expect that APRA's approval will be given for any Exchange of Notes under the Note Terms;

(f) agrees to provide to ANZ 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; and

(h) acknowledges it has no remedies on account of a failure by ANZ to issue Ordinary Shares in accordance with clause 6 other than (and subject always to clause 4.9) to seek specific performance of the obligation to issue the Ordinary Shares.

9.11 No other rights

(a) Notes do not confer any claim on ANZ except as set out in these Note Terms.

(b) Notes do not confer on Holders any right to subscribe for new securities in ANZ or to participate in any bonus issues of securities of ANZ.

(c) Nothing in these Note Terms prevents ANZ from:

  (i) issuing securities of any kind (whether ranking equally with, in priority to or junior to or having different rights from the Notes);

  (ii) except as provided in clause 3.7, redeeming, buying back, converting, returning capital on or converting any securities, other than the Notes; or

  (iii) the incurring or guaranteeing by ANZ of any indebtedness upon such terms as ANZ thinks fit in its sole discretion.

9.12 CHESS

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

(a) the rights and obligations of a person holding Notes; and

(b) all dealings (including transfers and payments) in relation to the Notes within CHESS,

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

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

9.13 Independent obligations

Each entry in the Register constitutes a separate and individual acknowledgement to the relevant Holder of the indebtedness of ANZ to the relevant Holder. The Holder to whom those obligations are owed is entitled to enforce them without having to join any other Holder or any predecessor in title of a Holder.

10 VOTING AND OTHER RIGHTS

10.1 Meetings

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

10.2 No voting

Notes do not confer on Holders a right to vote at any meeting of members of ANZ.

10.3 No right to apply for the winding-up of ANZ

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

10.4 No events of default

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

11 APPROVED NOHC EVENTS AND SUBSTITUTION

11.1 ANZ may give approved NOHC Substitution Notice

If:

(a) an Approved NOHC Event is proposed to occur; and

(b) the Approved NOHC agrees for the benefit of Holders:

  (i) to deliver Approved NOHC Ordinary Shares under all circumstances when ANZ 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 NOHC Ordinary Shares issued under these Note Terms (with all necessary modifications) on the securities exchanges on which the other Approved NOHC Ordinary Shares are quoted at the time of a Conversion,

ANZ may give a notice (an **Approved NOHC Substitution Notice**) to Holders (which, if given, must be given as soon as practicable before the Approved NOHC Event and in any event no later than 10 Business Days before the Approved NOHC Event occurs) specifying the amendments to these Note Terms which will be made in accordance with clause 14.2 to effect the substitution of an Approved NOHC as the issuer of ordinary shares on Conversion (the **Approved NOHC Substitution Terms**).

An Approved NOHC Substitution Notice, once given, is irrevocable.

11.2 Consequences of approved NOHC Substitution Notice

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

11.3 No obligation to Substitute

A Holder has no right to require ANZ to give an Approved NOHC Substitution 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 NOHC Substitution Notice and an ANZ Details Notice, given to Holders by ANZ publishing the notice on its website and announcing the publication of the notice to ASX.

12.2 Non-receipt of notices by Holders

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

12.3 Notices to ANZ

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

(a) in legible writing or typing and in English;

(b) addressed as shown below

Attention: Company Secretary
Australia and New Zealand
Banking Group Limited

Address: ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands 3008 Victoria Australia
Email address: cosec@anz.com

or to such other address or email address as ANZ notifies to Holders as its address or email address (as the case may be) for notices or other communications in respect of these Note Terms from time to time (an **ANZ Details Notice**);

(c) signed by the person making the communication or by a person duly authorised by that person; and

(d) delivered or posted by prepaid post to the address, or sent by email to the email address, specified in clause 12.3(b).

12.4 Receipt

A notice or other communication will be taken to be received:

(a) if sent by email, the earlier of:

(i) the time when the sender receives confirmation of receipt from the intended recipient or an automated message confirming delivery; and

(ii) four hours after the time sent (as recorded on the device from which the sender sent the email) (or, if sent on a day that is not a Business Day or after 5:00pm (Melbourne time), 9:00am (Melbourne time) on the next Business Day) unless the sender receives an automated message that the email has not been delivered;

(b) if sent by post, six Business Days after posting if posted to an address in Australia and 10 Business Days after posting if posted to an address outside of Australia;

(c) if published by an announcement on ASX, when the announcement is made on ASX; and

(d) if published in a newspaper, on the first date that publication has been made in the chosen newspaper.

13 PAYMENTS

13.1 Payments to Holders on the Record Date

Distributions are only payable on a Distribution Payment Date to those persons registered as Holders on the Record Date for that Distribution payment.

13.2 Manner of payment to Holders

Payments will be made by ANZ in its absolute discretion by:

(a) crediting on the relevant payment date the amount due to an Australian dollar bank account maintained in Australia with a financial institution (excluding credit card accounts), notified by the Holder to the Registry by close of business on the Record Date in respect of that payment; or

(b) at ANZ's option if no such account is notified, by sending a cheque through the post at the Holder's risk directed to:

(i) the address of the Holder (or in the case of a jointly held Note, the address of the joint Holder named first in the Register); or

(ii) to any other address the Holder (or in the case of a jointly held Note, all the joint Holders) directs in writing.

A cheque sent through the post on or before the date for payment is taken to have been received on the payment date.

13.3 Uncompleted payments

If:

(a) a Holder has not notified the Registry of an Australian dollar bank account maintained with a financial institution (excluding credit card accounts) to which payments in respect of the Notes may be credited; or

(b) the transfer of any amount for payment to the credit of the nominated account does not complete for any reason, the amount of the uncompleted payment will be held in a special purpose account maintained by ANZ or the Registry until:

(i) the Holder nominates a suitable Australian dollar account maintained in Australia with a financial institution to which the payment may be credited or ANZ elects to pay the amount by cheque;

(ii) ANZ determines as permitted by clause 13.4 to refuse any claim in respect of that amount in which case ANZ may treat that amount as its own; or

(iii) ANZ is entitled or obliged to deal with the amount in accordance with the law relating to unclaimed moneys.

Where this clause 13.3 applies the amount payable in respect of the Notes shall be treated as having been paid on the date scheduled for payment. A Holder is not entitled to any interest in respect of the account in which uncompleted payments are held or in respect of any delay in payment.

13.4 Time limit on claims

ANZ is entitled to refuse any claim against it for a payment under a Note where the claim is made more than 10 years (in the case of Face Value) or 5 years (in the case of Distributions and other amounts) from the date on which payment first became due.

13.5 Determination and calculation final

Except where there is fraud or a manifest error, any determination or calculation which ANZ makes in accordance with these Note Terms is final and binds ANZ, the Registry and each Holder.

13.6 Payment to joint Holders

A payment to any one of joint Holders will discharge ANZ's liability in respect of that payment.

13.7 Payment on business days

If a payment is to be made to an account on a Business Day on which banks are not open for business in the place the account is located, payment will be made on the next day on which banks are open for business in that place, and no additional interest is payable in respect of that delay in payment. Nothing in this clause applies to any payment referred to in clause 6.1(b).

13.8 No interest accrues

No interest accrues on any unpaid amount in respect of any Note.

13.9 Payments subject to law

All payments are subject to applicable law.

13.10 Taxation deductions and withholdings

ANZ or the Purchaser, as applicable, may make any deduction or withholding from any amount payable in respect of the Notes (or upon or with respect to the issue of any Ordinary Shares upon a Conversion), as required by law or any agreement with a governmental authority. If any such deduction or withholding has been paid to the relevant governmental authority and the balance paid (or, in the case of a Conversion, Ordinary Shares issued) to the relevant Holder, then the full amount payable (or, in the case of a Conversion, the Conversion Number of Ordinary Shares) to such Holder shall be deemed to have been duly paid and satisfied (or, in the case of a Conversion, issued) by ANZ or the Purchaser, as applicable.

If any withholding or deduction arises, ANZ or the Purchaser, as applicable, will not be required to pay any further amounts or issue any further Ordinary Shares on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder or a beneficial owner of Notes for or in respect of any such withholding or deduction.

13.11 FATCA

Without limiting clause 13.10, ANZ 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, ANZ 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.

ANZ, in its absolute discretion, may require information from a Holder to be provided to any relevant authority, to determine the applicability of any withholding under or in connection with FATCA.

13.12 Tax File Number

Without limiting clause 13.10, ANZ will, if required, withhold an amount from payments of Distributions on the Notes at the highest marginal tax rate plus the highest Medicare levy if a Holder has not supplied an appropriate tax file number, Australian business number or exemption details.

14 AMENDMENT OF THESE NOTE TERMS

14.1 Amendment without consent

Subject to complying with all applicable laws and clause 14.4, ANZ may amend these Note Terms without the authority, assent or approval of Holders where the amendment in the reasonable opinion of ANZ:

(a) is made to correct a manifest error;

(b) is of a formal, minor or technical nature;

(c) is necessary to comply with any law, the provisions of any statute or the requirements of any statutory authority;

(d) is made in accordance with ANZ's adjustment rights in clause 6;

(e) is expedient for the purpose of enabling the Notes to be listed or to remain listed on a securities exchange (including, without limitation, in connection with any change in the principal securities exchange on which Ordinary Shares are listed) or lodged in a clearing system or to remain lodged in a clearing system or to be offered for sale or for subscription under the laws for the time being in force in any place;

(f) amends any date or time period stated, required or permitted in connection with any Mandatory Conversion or Exchange in a manner necessary to facilitate the Mandatory Conversion or Exchange; or

(g) in any other case, will not materially adversely affect the rights of Holders as a whole.

14.2 Amendment without consent for Substitution of an approved NOHC

Subject to complying with all applicable laws and clause 14.4, if the circumstances described in clauses 11.1(a) and 11.1(b) apply, without the authority, assent or approval of Holders, ANZ may give an Approved NOHC Substitution Notice which:

(a) 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 on the date the Conversion is to occur;

   (ii) each Holder (or nominee where clause 6.10 applies) will be issued a number of Approved NOHC Ordinary Shares equal to the Conversion Number; and

   (iii) as between ANZ and the Approved NOHC each Note held by the Approved NOHC as a result of the transfer will be automatically Converted into Ordinary Shares in a number such that the total number of Ordinary Shares held by the Approved NOHC increases by the number which equals the number of Approved NOHC Ordinary Shares issued by the Approved NOHC to Holders on Conversion; and

(b) makes such other amendments as in ANZ's reasonable opinion are necessary and appropriate to effect the substitution of an Approved NOHC as the provider of the ordinary shares on Conversion in the manner contemplated by these Note Terms and consistent with the requirements of APRA in relation to Additional Tier 1 Capital, including without limitation:

   (i) amendments and additions to the definition of "ANZ Group", "Franking Rate", "Ordinary Shares", "Regulatory Event" and "Tax Event";

   (ii) amendments to the mechanics for adjusting the Conversion Number; and

   (iii) any term defining the rights of Holders if the Conversion is not effected which is appropriate for the Notes to remain as Tier 1 Capital.

14.3 Amendment with consent

Without limiting clause 14.1 or clause 14.2, but subject to clause 14.4, ANZ may amend these Note Terms if the amendment has been approved by a Special Resolution.

14.4 APRA approval

No amendment to these Note Terms is permitted without APRA's prior written approval if such amendment may affect the classification of Notes as Additional Tier 1 Capital on a Level 1, Level 2 or (if applicable) Level 3 basis. This applies regardless of whether such amendment would require Holder approval.

14.5 Meanings

In this clause 14, amend includes modify, cancel, alter or add to, and amendment has a corresponding meaning.

15 QUOTATION ON ASX

ANZ must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure, at its own expense, quotation of the Notes on ASX.

16 GOVERNING LAW AND JURISDICTION

16.1 Governing law

The Notes and these Note Terms are governed by and shall be construed in accordance with the laws in force in the State of Victoria, Australia.

16.2 Jurisdiction

ANZ has irrevocably agreed for the benefit of the Holders that the courts of Victoria, Australia are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly has submitted to the non-exclusive jurisdiction of the courts of Victoria, Australia. ANZ waives any objection to the courts of Victoria, Australia on the grounds that they are an inconvenient or inappropriate forum.

16.3 Service of process

ANZ agrees that process in connection with any proceedings in Victoria, Australia may be served at the principal office of ANZ, which, as at the Issue Date is located at ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands 3008 Victoria, Australia. Nothing in these Note Terms affects the right to serve process in any other manner permitted by law.

17 INTERPRETATION AND DEFINITIONS

17.1 Interpretation

(a) Unless otherwise specified, a reference to a clause is a reference to a clause of these Note Terms.

(b) If a calculation is required under these Note Terms, unless the contrary intention is expressed, the calculation will be rounded to four decimal places.

(c) Any provisions which refer to the requirements of APRA or any other prudential regulatory requirements will apply to ANZ only if ANZ is an entity, or the holding company of an entity, or is a direct or indirect Subsidiary of a NOHC, subject to regulation and supervision by APRA at the relevant time.

(d) Any provisions which require APRA's consent or approval will apply only if APRA requires that such consent or approval be given at the relevant time.

(e) Any provisions in these Note Terms requiring the prior approval of APRA for a particular course of action to be taken by ANZ do not imply that APRA has given its consent or approval to the particular action as of the Issue Date.

(f) A reference to any term defined by APRA (including, without limitation, "Common Equity Tier 1 Capital", "Level 1", "Level 2", "Level 3", "Additional Tier 1 Capital", "Tier 1 Capital" and "Tier 1 Capital Ratio") shall, if that term is replaced or superseded in any of APRA's applicable prudential regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term.

(g) The terms takeover bid, relevant interest, scheme of arrangement and buy-back when used in these Note Terms have the meaning given in the Corporations Act.

(h) Headings and boldings are for convenience only and do not affect the interpretation of these Note Terms.

(i) The singular includes the plural and vice versa.

(j) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

(k) Other than in relation to a Trigger Event and a Conversion on a Trigger Event Conversion Date, if an event under these Note Terms must occur on a stipulated day which is not a Business Day, then the stipulated day will be taken to be the next Business Day.

(l) A reference to dollars, A$, $ or cents is a reference to the lawful currency of Australia.

(m) A reference to a term defined by the ASX Listing Rules, the ASX Settlement Operating Rules or the ASX Operating Rules shall, if that term is replaced in those rules, be taken to be a reference to the replacement term.

(n) If the principal securities exchange on which Ordinary Shares are listed becomes other than ASX, unless the context otherwise requires a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, the ASX Settlement Operating Rules, the ASX Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be).

(o) Calculations, elections and determinations made by ANZ under these Note Terms are binding on Holders in the absence of manifest error.

(p) So long as the Notes are quoted on ASX and in 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 means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

ANZ Capital Notes 6 has the meaning given in clause 1.1.

ANZ Capital Notes 6 Deed Poll means the deed poll relating to the Notes made by ANZ on or about 1 June 2021.

ANZ Details Notice has the meaning given in clause 12.3.

ANZ Group means ANZ and its Controlled Entities.

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

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

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

ANZ 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.

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

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 NOHC Substitution Notice has the meaning given in clause 11.1.

Approved NOHC Substitution Terms has the meaning given in clause 11.1.

APRA means the Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of ANZ, the ANZ Group or any NOHC.

ASX means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires, or any successor.

ASX Listing Rules means the listing rules of ASX as amended, varied or waived (whether in respect of ANZ or generally) from time to time.

ASX Operating Rules means the market operating rules of ASX as amended, varied or waived (whether in respect of ANZ or generally) from time to time.

ASX Settlement Operating Rules means the settlement operating rules of ASX from time to time with any applicable modifications or waivers granted by ASX.

Attorney has the meaning given in clause 9.9.

Banking Act means the Banking Act 1959 (Cth).

BBSW Rate has the meaning given in clause 3.1.

Broker Firm Reinvestment Offer has the meaning given in the Prospectus.

Broker Firm Reinvestment Offer Bookbuild means the process conducted prior to the opening of the Broker Firm Reinvestment Offer whereby certain investors lodge bids for Notes under the Broker Firm Reinvestment Offer and, on the basis of those bids, ANZ and the joint lead managers to the Offer determine the Margin.

Business Day means:

(a) a day which is a business day within the meaning of the ASX Listing Rules; and

(b) for the purposes of determining an Exchange Date (except where the Exchange is by way of Conversion on account of a Trigger Event), the calculation or payment of a Distribution or of any other sum, a day on which banks are open for general business in Melbourne, Victoria.

Buy-Back means a transaction involving the acquisition by ANZ of its Ordinary Shares pursuant to an offer made in its discretion in accordance with the provisions of Chapter 2J of the Corporations Act.

Capital Notes 1 means the convertible notes issued by ANZ in 2013 under a prospectus dated 10 July 2013 (which replaced a prospectus dated 2 July 2013).

Capital Notes 2 means the convertible notes issued by ANZ in 2014 under a prospectus dated 19 February 2014 (which replaced a prospectus dated 11 February 2014).

Capital Notes 3 means the convertible notes issued by ANZ in 2015 under a prospectus dated 5 February 2015 (which replaced a prospectus dated 23 January 2015).

Capital Notes 4 means the convertible notes issued by ANZ in 2016 under a prospectus dated 24 August 2016 (which replaced a prospectus dated 16 August 2016).

Capital Notes 5 means the convertible notes issued by ANZ in 2017 under a prospectus dated 24 August 2017 (which replaced a prospectus dated 16 August 2017).

Capital Reduction means a reduction in capital initiated by ANZ in its discretion in respect of its 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 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 on issue; or

  (ii) the Directors, acting as a board, issue a statement that at least a majority of the Directors 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; or

(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 that will be on issue after the scheme is implemented and:

  (i) all classes of members of ANZ 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; 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.

Notwithstanding the foregoing, none of the events described above will constitute a Change of Control Event if the event would be a NOHC Event and:

(i) the acquirer (or its ultimate holding company) assumes all of ANZ'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 Change of Control Event, or a Trigger Event in respect of the acquirer (or its ultimate holding company) (for which purposes all references in this clause to ANZ will be read as a reference to the acquirer (or its ultimate holding company)); and

(ii) the ordinary shares of the acquirer (or its ultimate holding company) are listed on ASX.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) or its affiliates, or any system that replaces it relevant to the Notes (including in respect of the transfer or Conversion of the Notes).

Common Equity Capital Ratio means either of:

(a) in respect of the ANZ Level 1 Group, the ratio of Common Equity Tier 1 Capital to risk weighted assets of the ANZ Level 1 Group; and

(b) in respect of the ANZ Level 2 Group, the ratio of Common Equity Tier 1 Capital to risk weighted assets of the ANZ Level 2 Group,

in each case, as prescribed by APRA from time to time.

Common Equity Capital Trigger Event has the meaning given in clause 4.5.

Common Equity Tier 1 Capital has the meaning given by APRA from time to time.

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

Control has the meaning given in the Corporations Act.

Controlled Entity means, in respect of ANZ, an entity ANZ Controls.

Conversion means, in relation to a Note, the allotment and issue of Ordinary Shares and the termination of the Holder's rights in relation to that Note, in each case in accordance with clause 6 and Convert and Converted have corresponding meanings.

Conversion Number has the meaning given in clause 6.1.

Corporations Act means the *Corporations Act 2001* (Cth).

Cum Value has the meaning given in clause 6.2.

Deferred Change of Control Conversion Notice has the meaning given in clause 4.10(d).

Deferred Conversion Date has the meaning given in clause 5.5.

Deferred Conversion Notice has the meaning given in clause 5.5.

Delisting Event means, in respect of a date, that:

(a) Ordinary Shares ceased to be listed or admitted to trading on ASX on or before that date (and where the cessation occurred before that date, Ordinary Shares continue not to be listed or admitted to trading on that date); or

(b) trading of Ordinary Shares on ASX is suspended for a period of consecutive days which includes:

(i) at least five consecutive Business Days prior to that date; and

(ii) that date; or

(c) an Inability Event subsists.

Determination Date has the meaning given in clause 3.1.

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

Distribution has the meaning given in clause 3.1.

Distribution Payment Date has the meaning given in clause 3.5 whether or not a Distribution is, or is able to be, paid on that date.

Distribution Period means in respect of:

(a) the first Distribution Period, the period from (and including) the Issue Date until (but not including) the first Distribution Payment Date following the Issue Date; and

(b) each subsequent Distribution Period, the period from (and including) the preceding Distribution Payment Date until (but not including) the next Distribution Payment Date.

Distribution Rate has the meaning given in clause 3.1.

Encumbrance means any mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement, any other security agreement or security arrangement (including any security interest under the Personal Property Securities Act 2009 (Cth)) and any other arrangement of any kind having the same effect as any of the foregoing other than liens arising by operation of law.

Equal Ranking Instruments means, in respect of the return of capital in a winding-up:

(a) each preference share that ANZ may issue that ranks or is expressed to rank equally with the foregoing and the Notes in respect of distributions or for the return of capital in a winding-up of ANZ (as the case may be);

(b) Capital Notes 1;

(c) Capital Notes 2;

(d) Capital Notes 3;

(e) Capital Notes 4;

(f) Capital Notes 5;

(g) ANZ Perpetual Subordinated Contingent Convertible Securities; and

(h) any present or future securities or other instruments that rank or are expressed to rank in respect of the return of capital in a winding-up equally with those securities and the Notes.

Exchange means the Conversion, Redemption or Resale of the Notes and Exchanged has a corresponding meaning.

Exchange Date has the meaning given in clause 5.2(b).

Exchange Method has the meaning given in clause 5.3.

Exchange Notice has the meaning given in clause 5.1.

External Administrator means, in respect of a person:

(a) a liquidator, a provisional liquidator, an administrator or a statutory manager of that person; or

(b) a receiver, or a receiver and manager, in respect of all or substantially all of the assets and undertaking of that person, or in either case any similar official.

Face Value means the face value and denomination of the Notes as specified in clause 1.2.

FATCA means:

(a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

FATCA Withholding means any deduction or withholding imposed or required pursuant to FATCA.

First Mandatory Conversion Condition has the meaning given in clause 4.3.

First Optional Conversion Restriction has the meaning given in clause 5.4.

First Test Date has the meaning given in clause 4.3.

Foreign Holder means a Holder whose address in the Register is a place outside Australia or who ANZ otherwise believes may not be a resident of Australia.

Franking Rate (expressed as a decimal) means the franking percentage (within the meaning of Part 3-6 of the Tax Act or any provisions that revise or replace that Part) applicable to the franking account of ANZ as at the relevant Distribution Payment Date.

Holder means a person whose name is registered in the Register as the holder of a Note.

Inability Event means ANZ is prevented by applicable law or order of any court or action of any government authority (including regarding the insolvency, winding-up or other external administration of ANZ) or any other reason from Converting the 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(a).

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 6 Deed Poll.

NOHC means the ultimate holding company of ANZ after a NOHC Event which must be a "non-operating holding company" within the meaning of the Banking Act.

NOHC Event means an event which:

(a) is initiated by the Directors, acting as a board; and

(b) would otherwise be a Change of Control Event,

but the result of which would be that the person who would be the ultimate holding company of ANZ would be a NOHC.

Non-Conversion Notice has the meaning given in clause 4.4.

Non-Conversion Test Date has the meaning given in clause 5.4.

Non-marketable Parcel has the meaning given in the Constitution.

Non-Viability Trigger Event has the meaning given in clause 4.6.

Note has the meaning given in clause 1.1.

Note Terms means these terms of issue of Notes.

Notification Date has the meaning given in the Meeting Provisions.

Offer means the invitation under the Prospectus made by ANZ for persons to subscribe for Notes.

Optional Conversion Restrictions has the meaning given in clause 5.4.

Optional Exchange Date means the Distribution Payment Date falling on 20 March 2028, 20 June 2028 or 20 September 2028.

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

Ordinary Shareholder means a person whose name is registered as the holder of an Ordinary Share.

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

Outstanding Notes has the meaning given in the Meeting Provisions.

Payment Condition means, with respect to a Distribution payment on the Notes on a Distribution Payment Date:

(a) making the Distribution payment on the Notes on the payment date would result in ANZ (on a Level 1 basis) or of the ANZ Group (on a Level 2 basis or, if applicable, Level 3 basis) not complying with APRA's then current capital adequacy requirements;

(b) making the Distribution payment would result in ANZ becoming, or being likely to become, insolvent for the purposes of the Corporations Act; or

(c) APRA objecting to the Distribution payment on the Notes on the payment date.

Preference Share means a notional preference share in the capital of ANZ conferring a claim in the winding-up of ANZ equal to the Face Value and ranking equally in respect of return of capital in a winding-up senior to Ordinary Shares and equally with each of the securities which is an Equal Ranking Instrument.

Proceeds means the net proceeds of a sale of Ordinary Shares actually received by the nominee calculated after deduction of any applicable brokerage, stamp duty and other taxes and charges, including the nominee's reasonable out of pocket costs, expenses and charges properly incurred by it or on its behalf in connection with such sale from the sale price of the Ordinary Shares.

Prospectus means the prospectus for the Offer including these Note Terms.

Purchaser means, subject to clause 8(d), one or more third parties selected by ANZ in its absolute discretion.

Record Date means for payment of a Distribution:

(a) the date which is eight calendar days before the Distribution Payment Date for that Distribution; or

(b) such other date as is determined by the Directors in their absolute discretion and communicated to ASX not less than seven Business Days before the specified Record Date,

or in either case such other date as may be required by ASX.

Redeem means, in relation to a Note, redeem it in accordance with clause 7, and Redeemed and Redemption have corresponding meanings.

Reference Rate Disruption Event has the meaning given in clause 3.1.

Register means a register of holders of Notes established and maintained by or on behalf of ANZ. The term Register includes:

(a) any sub-register maintained by, or on behalf of ANZ under the Corporations Act, the ASX Listing Rules or ASX Settlement Operating Rules; and

(b) any branch register, provided that, in the event of any inconsistency, the principal register will prevail over any sub-register or branch register.

Registry means ANZ or any other registrar that maintains the Register.

Regulatory Event means:

(a) the receipt by the Directors of an opinion from a reputable legal counsel that, as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in, any law or regulation in Australia or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations or any statement of APRA which amendment, clarification or change is effective, or pronouncement, action or decision is announced, on or after the Issue Date and which on the Issue Date is not expected by ANZ to come into effect (each, a **Regulatory Change**), more than de minimis additional requirements would be imposed on ANZ or there would be a more than de minimis negative impact on ANZ in relation to or in connection with Notes which the Directors (having received all approvals they consider in their absolute discretion to be necessary (including from APRA)) determine at their absolute discretion, to be unacceptable; or

(b) the determination by the Directors (having received all approvals they consider in their absolute discretion to be necessary (including from APRA)) that, as a result of a Regulatory Change, ANZ is not or will not be entitled to treat all Notes as Additional Tier 1 Capital, except where the reason ANZ is not or will not be entitled to treat all Notes as Additional Tier 1 Capital is because ANZ has exceeded a limit or other restriction on the recognition of Additional Tier 1 Capital which was in effect on the Issue Date or which on the Issue Date is expected by ANZ to come into effect.

Related 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 1, Capital Notes 2, Capital Notes 3, Capital Notes 4, Capital Notes 5, ANZ Perpetual Subordinated Contingent Convertible Securities.

Reorganisation has the meaning given in clause 6.3(a).

Resale means the sale of Notes by Holders to the Purchaser in accordance with clause 8 and Resell and Resold have corresponding meanings.

Scheduled Distribution Payment Date has the meaning given in clause 3.5.

Scheduled Mandatory Conversion Date has the meaning given in clause 4.2.

Second Mandatory Conversion Condition has the meaning given in clause 4.3 (but in clause 4.10 and clause 5.5, as adjusted in that clause).

Second Optional Conversion Restriction has the meaning given in clause 5.4.

Second Test Period has the meaning given in clause 4.3.

Senior Creditors means all present and future creditors of ANZ, including depositors, whose claims are:

(a) entitled to be admitted in the winding-up of ANZ; and

(b) not expressed to rank equally with, or subordinate to, the claims of a Holder.

Special Resolution means either (i) a resolution passed at a meeting of Holders by a majority of at least 75% of the votes validly cast by Holders in person or by proxy and entitled to vote on the resolution or (ii) a resolution signed within one month from the Notification Date by Holders representing at least 75% of the aggregate nominal amount of Outstanding Notes as at the Notification Date.

Subsequent Mandatory Conversion Date has the meaning given in clause 4.2.

Subsidiary has the meaning given in the Corporations Act.

Tax Act means:

(a) the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth) as the case may be and a reference to any Section of the Income Tax Assessment Act 1936 (Cth) includes a reference to that Section as rewritten in the Income Tax Assessment Act 1997 (Cth);

(b) any other law setting the rate of income tax payable and any regulation promulgated under it; and

(c) any regulation made under any of those laws.

Tax Event means the receipt by the Directors of an opinion from a reputable legal counsel or other tax adviser in Australia experienced in such matters to the effect that, as a result of:

(a) any amendment to, clarification of, or change (including any announcement of a change that will be introduced) in, the laws or treaties or any regulations affecting taxation in Australia;

(b) any judicial decision, official administrative pronouncement, published or private ruling or advice (including a failure or refusal to provide a ruling or advice), regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) affecting taxation in Australia (Administrative Action);

(c) any amendment to, clarification of, or change in, an Administrative Action that provides for a position that differs from the current generally accepted position; or

(d) a challenge asserted or threatened in writing by the Australian Taxation Office or other relevant taxing authority in Australia in connection with the Notes,

in each case, by any legislative body, court, governmental authority (including, without limitation, a tax authority) or regulatory body in Australia, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known, which amendment, clarification, change or Administrative Action is effective, or which pronouncement or decision is announced, on or after the Issue Date and which on the Issue Date is not expected by ANZ to come into effect, there is more than an insubstantial risk which the Directors determine (having received all approvals they consider in their absolute discretion to be necessary (including from APRA)) at their absolute discretion to be unacceptable that:

(i) ANZ or another member of the ANZ Group would be exposed to more than a de minimis adverse tax consequence or increased cost (including without limitation through the imposition of any taxes, duties, assessments or other charges) in relation to Notes; or

(ii) ANZ 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 Directors determine, in their absolute discretion, 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.

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.

B

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
AEST	Australian Eastern Standard Time
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: • ANZ Securityholder Applicants, Direct Reinvestment Applicants and Broker Firm Applicants at the end of the Offer Period; and • Syndicate Brokers and Institutional Investors under the Bookbuild
ANZ	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522, AFSL 234527)
ANZ Capital Notes 6 or Notes	fully paid notes issued by ANZ which will Mandatorily Convert into Ordinary Shares (subject to certain conditions being satisfied), and which are to be issued under this Prospectus
ANZ Capital Notes 6 Deed Poll	the deed poll relating to the Notes made by ANZ on or about 1 June 2021
ANZ Capital Securities	CN1, CN2, CN3, CN4, CN5 and ANZ Perpetual Subordinated Contingent Convertible Securities
ANZ Group or Group	ANZ and its controlled entities
ANZ Level 1 Group	ANZ and those of its controlled entities included by APRA from time to time in the calculation of ANZ's capital ratios on a Level 1 basis
ANZ Level 2 Group	ANZ together with each Related Entity included by APRA from time to time in the calculation of ANZ's capital ratios on a Level 2 basis
ANZ Level 3 Group	ANZ together with each Related Entity included by APRA from time to time in the calculation of ANZ's capital ratios on a Level 3 basis
ANZ 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
ANZ Securities	ANZ Securities Limited (ABN 16 004 997 111, AFSL 237531)
ANZ Securityholder	a holder of an Ordinary Share, CN1, CN2, CN3, CN4 or CN5 on the Register at 7:00pm AEST on 27 May 2021
ANZ Securityholder Applicant	an Eligible ANZ Securityholder who makes an Application under the ANZ Securityholder Offer
ANZ Securityholder Offer	the invitation to Eligible ANZ Securityholders to apply directly to ANZ for Notes under this Prospectus

Term	Meaning
ANZ Share Investing	Share Investing Limited (ABN 93 078 174 973, AFSL 238277)
Applicant	a person who submits an Application
Application	a valid application for a specified number of Notes made at capitalnotes6.anz.com or through a Syndicate Broker (including on a Broker Firm Application Form)
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
APRA	Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of ANZ or any NOHC
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532)
ASX Settlement Operating Rules	the settlement operating rules of ASX Settlement from time to time
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	the rate (expressed as a percentage per annum) designated "BBSW" in respect of prime bank eligible securities having a tenor of 3 months which rate ASX (or its successor as administrator of that rate) publishes through information vendors at approximately 10:30am (Sydney time) (or such other time at which such rate is accustomed to be so published) on the Determination Date, or a successor to that rate. For the full definition – see clause 3.1 of the Note Terms
Board or Directors	some or all of the directors of ANZ acting as a board
Bookbuild	the process conducted prior to the opening of the Broker Firm Offer whereby certain investors lodge bids for Notes and, on the basis of those bids, ANZ and the Joint Lead Managers determine the Margin, as described in this Prospectus
Broker Firm Applicant	a retail client of a Syndicate Broker who applies for Notes through a Syndicate Broker under the Broker Firm Offer
Broker Firm Application Form	the application form accompanying this Prospectus upon which a Broker Firm Applicant can make an Application

Term	Meaning
Broker Firm Offer	the invitation to retail clients of Syndicate Brokers, to apply for an allocation of Notes through Syndicate Brokers under this Prospectus (including under the Reinvestment Offer)
Business Day	• a day which is a business day within the meaning of the Listing Rules; and • for the purposes of determining an Exchange Date (except where the Exchange is by way of Conversion on account of a Trigger Event), the calculation or payment of a Distribution or of any other sum, a day on which banks are open for general business in Melbourne, Victoria
Capital Reduction	a reduction in capital initiated by ANZ in its discretion in respect of its Ordinary Shares n any way permitted by the provisions of Chapter 2J of the Corporations Act
CGT	capital gains tax
Change of Control Conversion Date	the date on which Conversion as a result of a Change of Control Event is to occur, as discussed in Section 2.4.3 For the full definition – see clause 4.10(b) of the Note Terms
Change of Control Conversion Notice	a notice given by ANZ following a Change of Control Event pursuant to clause 4.10(a) of the Note Terms
Change of Control Event	broadly, occurs when certain takeover bids or schemes of arrangement occur in relation to ANZ and certain further approvals or conditions needed for the acquisition to occur or be implemented have been obtained or satisfied or waived For the full definition – see clause 17.2 of the Note Terms
CHESS	Clearing House Electronic Subregister System operated by ASX Settlement or its affiliates, or any system that replaces it relevant to the Notes (including in respect of the transfer or Conversion of the Notes)
Closing Date	the last day on which Applications will be accepted, which is expected to be: • 5:00pm AEST on 30 June 2021 for Applications under the Reinvestment Offer; • 5:00pm AEST on 30 June 2021 for Applications under the ANZ Securityholder Offer; and • 10:00am AEST on 7 July 2021 for Applications under the Broker Firm Offer (excluding Applications under the Reinvestment Offer)
CN1	fully paid convertible notes issued by ANZ under a prospectus dated 10 July 2013 (which replaced a prospectus dated 2 July 2013)
CN1 Nominated Purchaser	UBS (or a permitted successor)
CN2	fully paid convertible notes issued by ANZ under a prospectus dated 19 February 2014 (which replaced a prospectus dated 11 February 2014)
CN3	fully paid convertible notes issued by ANZ acting through its New Zealand branch under a prospectus dated 5 February 2015 (which replaced a prospectus dated 23 January 2015)
CN4	fully paid convertible notes issued by ANZ under a prospectus dated 24 August 2016 (which replaced a prospectus dated 16 August 2016)
CN5	fully paid convertible notes issued by ANZ under a prospectus dated 24 August 2017 (which replaced a prospectus dated 16 August 2017)
Co-Manager	Crestone Wealth Management

Term	Meaning
Common Equity Capital Ratio	either of: • 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	ANZ determines, or APRA has notified ANZ in writing that it believes, that a Common Equity Capital Ratio is equal to or less than 5.125%
Common Equity Tier 1 Capital	has the meaning given by APRA from time to time
Common Equity Tier 1 Capital Deductions	the deductions from Common Equity Tier 1 Capital as described by APRA from time to time, which includes intangible assets (including goodwill), investments in insurance subsidiaries and financial institutions, the excess of expected losses over eligible provisions, capitalised expenses and software and net deferred tax assets
Commonwealth Bank of Australia	Commonwealth Bank of Australia Limited (ABN 48 123 123 124, AFSL 234945)
Confirmation Statement	a statement issued to Holders by the Registry which sets out details of Notes allotted to them under the Offer
Consenting Party	each of the consenting parties named in Section 8.4.2
Constitution	the constitution of ANZ as amended from time to time
Conversion	in relation to a Note, the conversion of that Note into a variable number of 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)
Crestone Wealth Management	Crestone Wealth Management Limited (ABN 50 005 311 937)
Delisting Event	in respect of a date, that: • Ordinary Shares have ceased to be listed or admitted to trading on ASX on or before that date; • trading of 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
Direct Reinvestment Applicant	an Eligible CN1 Holder who makes an Application under the Reinvestment Offer directly to ANZ via capitalnotes6.anz.com.
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 September 2021, 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

Term	Meaning
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
Eligible ANZ Securityholder	an ANZ Securityholder who: • is shown on the Register as having an address in Australia; and • 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 receiving ANZ Capital Notes 6 under the laws of any jurisdiction.
Eligible CN1 Holder	a person who: • was registered as a holder of CN1 at 7:00pm AEST on 27 May 2021; • is shown on the CN1 register as having an address in Australia; and • 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 receiving ANZ Capital Notes 6 under the laws of any jurisdiction
Equal Ranking Instruments	in respect of the return of capital in a winding-up: • each preference share that ANZ may issue that ranks or is expressed to rank equally with the foregoing and the Notes in respect of distributions or for the return of capital in a winding-up of ANZ (as the case may be); • Capital Notes 1; • Capital Notes 2; • Capital Notes 3; • Capital Notes 4; • Capital Notes 5; • 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
E&P Corporate Advisory	E&P Corporate Advisory Pty Limited (ABN 21 137 980 520; AFSL 338 885)
Exchange	any of the following: • 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 Exchanged has a corresponding meaning For the full definition – see clause 17.2 of the Note Terms
Exchange Date	the date on which Exchange is to occur For the full definition – see clause 5.2(b) of the Note Terms
Exchange Method	the means by which Exchange is effected For the full definition – see clause 5.3 of the Note Terms
Exchange Notice	a notice issued by ANZ to a Holder under clause 5.1 of the Note Terms
Exposure Period	the seven day period after the date this Prospectus was lodged with ASIC during which the Corporations Act prohibits the processing of Applications
Face Value	the face value for Notes, being $100 per Note

Term	Meaning
FATCA	(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	any deduction or withholding imposed or required pursuant to FATCA
Financial Claims Scheme	the scheme established under Division 2AA of Part II of the Banking Act
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 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
First Optional Conversion Restriction	on the second Business Day before the date on which an Exchange Notice is to be sent by ANZ (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred) the VWAP on that date is less than or equal to 22.50% of the Issue Date VWAP
First Pro Rata Distribution	a distribution of $0.8573 per CN1 expected to be paid on the Issue Date (subject to this Prospectus not being withdrawn, the payment conditions in the CN1 terms and ANZ's absolute discretion) for the period from (but excluding) 1 March 2021 to (and including) the Issue Date, and which is expected to have a record date of 30 June 2021
First Test Date	has the meaning given in clause 4.3(a) of the Note Terms
GST	goods and services tax
HIN	Holder Identification Number for Ordinary Shares, ANZ Capital Securities or Notes (when issued) held on the CHESS subregister
Holder	a person whose name is registered in the Register as the holder of a Note
Inability Event	ANZ is prevented by applicable law or order of any court or action of any government authority (including regarding the insolvency, winding-up or other external administration of ANZ) or any other reason from Converting the Notes
Institutional Investor	an institutional investor who is a wholesale client for the purposes of section 761G of the Corporations Act and participates 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 8 July 2021
Issue Date VWAP	the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Issue Date, subject to any adjustments under clause 6 of the Note Terms For the full definition – see clause 17.2 of the Note Terms
Joint Lead Managers	ANZ Securities, Commonwealth Bank of Australia, E&P Corporate Advisory, Morgan Stanley, Morgans, Ord Minnett, Shaw and Partners, UBS and Westpac
Level 1, Level 2 and Level 3	those terms as defined by APRA from time to time

Term	Meaning
Listing Rules	the listing rules of ASX, with any modification or waivers which ASX may grant to ANZ or generally from time to time
Mandatory Conversion	the mandatory conversion under clause 4 of the Note Terms of the Notes to Ordinary Shares on the Mandatory Conversion Date. Mandatorily Convert has a corresponding meaning
Mandatory Conversion Conditions	the following conditions: • First Mandatory Conversion Condition; • Second Mandatory Conversion Condition; and • Third Mandatory Conversion Condition. For the full definition – see clause 4.3 of the Note Terms
Mandatory Conversion Date	the earlier of 20 September 2030 and the next Distribution Payment Date after that date on which the Mandatory Conversion Conditions are satisfied
Margin	the margin (expressed as a percentage per annum) determined under the Bookbuild
Maximum Conversion Number	has the meaning given in clause 6.1(a) of the Note Terms
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)
NOHC	the ultimate holding company of ANZ after any NOHC Event which must be a "non-operating holding company" within the meaning of the Banking Act
NOHC Event	an event which: • is initiated by the Directors, acting as a Board; and • would otherwise be a Change of Control event, but the result of which would be that the person who would be the ultimate holding company of ANZ would be a NOHC
Non-Conversion Test Date	the second Business Day before the date on which an Exchange Notice is to be sent by ANZ (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred)
Non-Participating CN1	CN1 that are not resold to the CN1 Nominated Purchaser under the Reinvestment Offer
Non Resident Holder	a Holder who is not a tax resident of Australia
Non-Viability Trigger Event	the earlier of: • the issuance of a notice in writing by APRA to ANZ that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZ would become non-viable; or • a determination by APRA, notified to ANZ in writing, that without a public sector injection of capital, or equivalent support, ANZ would become non-viable
Note Terms	the full terms of issue of Notes, as set out in Appendix A
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 6 Deed Poll
Offer	the offer by ANZ of Notes under this Prospectus to raise $1 billion with the ability to raise more or less
Offer Management Agreement or OMA	the offer management agreement entered into between ANZ and the Joint Lead Managers in connection with the Offer

Term	Meaning
Offer Period	the period from the Opening Date to the last Closing Date
Opening Date	the day the Offer opens, which is expected to be 9 June 2021
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 2028, 20 June 2028 or 20 September 2028 – see clause 17.2 of the Note Terms
Ord Minnett	Ord Minnett Limited (ABN 86 002 733 048)
Ordinary Share	a fully paid ordinary share in the capital of ANZ (or in the event of a NOHC Event, the NOHC (where applicable))
Ordinary Share Dividend	any interim, final or special dividend payable in accordance with the Corporations Act and the Constitution of ANZ in relation to Ordinary Shares
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
Participating CN1	CN1 held by an Eligible CN1 Holder that are, or are to be, resold to the CN1 Nominated Purchaser under the Reinvestment Offer
Payment Conditions	the tests which need to be satisfied so that ANZ can pay a Distribution, summarised as follows: • payment of the Distribution not resulting in ANZ (on a Level 1 basis) or the ANZ Group (on a Level 2 basis or, if applicable, Level 3 basis) not complying with APRA's then current capital adequacy requirements as they are applied to ANZ or the Group (as the case may be) at the time; • payment of the Distribution not resulting in ANZ becoming, or being likely to become, insolvent; and • APRA not otherwise objecting to the payment of the Distribution For the full description of the tests – see the definition of Payment Condition in clause 17.2 of the Note Terms
Preference Share	a notional preference share in the capital of ANZ conferring a claim in the winding-up of ANZ equal to the Face Value and ranking equally in respect of return of capital in a winding-up senior to Ordinary Shares and equally with each of the securities which is an Equal Ranking Instrument
Privacy Act	Privacy Act 1988 (Cth)
Pro Rata Distribution	the First Pro Rata Distribution and the Second Pro Rata Distribution
Prospectus	this document (including the electronic form of this document), and any supplementary or replacement prospectus in relation to this document
Prudential Standards	the ADI prudential standards issued by APRA, which define and document APRA's framework for assessing, among other things, the capital adequacy of an ADI
Purchaser	one or more third parties selected by ANZ in its absolute discretion
RBA	Reserve Bank of Australia
RBNZ	Reserve Bank of New Zealand
Redeem	in relation to a Note, to redeem, in accordance with clause 7 of the Note Terms, and Redeemed and Redemption have corresponding meanings

Term	Meaning
Register	the official register of Ordinary Shares, CN1, CN2, CN3, CN4, CN5 and/or ANZ Capital Notes 6 (if issued) as the context requires, each being maintained by ANZ or the Registry on ANZ's behalf and including any subregister established and maintained in CHESS
Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other registry that ANZ appoints to maintain the Register
Regulatory Event	broadly, occurs when ANZ receives legal advice that, as a result of a change of law or regulation in Australia or statement of APRA on or after the Issue Date (each, a Regulatory Change), more than de minimis additional requirements would be imposed on ANZ or there would be a more than de minimis negative impact on ANZ in relation to Notes which the Directors determine to be unacceptable, or the Directors determine that, as a result of a Regulatory Change, ANZ will not be entitled to treat all Notes as Additional Tier 1 Capital. A Regulatory Event will not arise where, at the Issue Date, ANZ expected the event would occur For the full definition – see clause 17.2 of the Note Terms
Reinvestment Application	an online Application by an Eligible CN1 Holder under the Reinvestment Offer made by following the instructions at capitalnotes6.anz.com
Reinvestment Offer	the invitation to Eligible CN1 Holders to apply either directly to ANZ or through their Syndicate Broker to have their CN1 resold to the CN1 Nominated Purchaser and their Resale Proceeds reinvested in Notes
Related Entity	has the meaning given by APRA from time to time
Relevant Date	each of: • 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 Ordinary Shares or written off where that event occurs. It includes Notes, CN1, CN2, CN3, CN4, CN5 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
Resale Price	the price paid to an Eligible CN1 Holder by the CN1 Nominated Purchaser in connection with the resale of their Participating CN1 under the Reinvestment Offer, being $100
Resale Proceeds	in relation to an Eligible CN1 Holder, the amount equal to the number of their Participating CN1 multiplied by the Resale Price
Resident Holder	an Australian tax resident Holder
Scheduled Mandatory Conversion Date	20 September 2030
Second Mandatory Conversion Condition	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 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

Term	Meaning
Second Pro Rata Distribution	a distribution of $0.3655 per CN1 expected to be paid on 1 September 2021 (subject to the payment conditions in the CN1 terms and ANZ's absolute discretion) for the period from (but excluding) the Issue Date to (and including) 1 September 2021, and which is expected to have a record date of 24 August 2021
Second Test Period	the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Relevant Date
Securityholder Application	an online Application by an Eligible ANZ Securityholder under the ANZ Securityholder Offer made by following the instructions at capitalnotes6.anz.com
Senior Creditors	all present and future creditors of ANZ, including depositors, whose claims are: • entitled to be admitted in the winding-up of ANZ; and • not expressed to rank equally with, or subordinate to, the claims of a Holder
Shareholder or Ordinary Shareholder	a person whose name is registered as the Holder of an Ordinary Share
Shaw and Partners	Shaw and Partners Limited (ABN 24 003 221 583, AFSL 236 048)
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
SRN	Securityholder Reference Number for Ordinary Shares, ANZ Capital Securities or Notes (when issued) held on the issuer sponsored subregister
Syndicate Broker	any of the Joint Lead Managers, Co-Manager or Participating Brokers
Tax	any deduction or withholding required by any applicable law or other taxes, levies, imposts, charges or duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties and expenses in connection with them
Tax Act	• 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	broadly, occurs when ANZ receives professional advice that, as a result of a change in Australian law, or an administrative pronouncement or ruling affecting taxation in Australia, on or after the Issue Date (and which on the Issue Date was not expected by ANZ to occur), there is a more than insubstantial risk which the Directors determine to be unacceptable that ANZ would be exposed to more than an insignificant adverse tax consequence or increased cost in relation to Notes or any Distribution would not be a frankable distribution for tax purposes For the full definition – see clause 17.2 of the Note Terms
Tax Rate	the Australian corporate tax rate applicable to the franking account of ANZ as at the relevant Distribution Payment Date. As at the date of this Prospectus, the Tax Rate is 30%
TFN	Tax File Number
Third Mandatory Conversion Condition	no Delisting Event applies in respect of the Relevant Date
Tier 1 Capital	Tier 1 Capital of ADIs (including ANZ) as described by APRA from time to time

Term	Meaning
Tier 1 Capital Ratio	that ratio as defined by APRA from time to time
Tier 2 Capital	Tier 2 Capital of ADIs (including ANZ) as defined by APRA from time to time
Total Capital Ratio	that ratio as defined by APRA from time to time
Trigger Event	a Common Equity Capital Trigger Event or a Non-Viability Trigger Event
Trigger Event Conversion Date	• in the case of a Common Equity Capital Trigger Event, the date on which the determination or notification is made under clause 4.5 of the Note Terms; and • in the case of a Non-Viability Trigger Event, the date on which APRA notifies ANZ of such Non-Viability Trigger Event as contemplated in clause 4.6 of the Note Terms
UBS	UBS AG, Australia Branch (ABN 47 088 129 613, AFSL 231087)
US Person	has the meaning given in Regulation S of the US Securities Act
US Securities Act	United States Securities Act of 1933, as amended
VWAP	broadly, the average of the daily volume weighted average sale prices of 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)
Written Off	in respect of a Note and a Trigger Event Conversion Date: • the Note will not be Converted on that date and will not be Converted, Redeemed or Resold under these Note Terms on any subsequent date; and • the relevant Holders' rights (including to payment of Distributions and Face Value) in relation to such Note are immediately and irrevocably terminated and written off

CORPORATE DIRECTORY

ISSUER

Australia and New Zealand Banking Group Limited
ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands VIC 3008

AUDITOR

KPMG
Tower Two
Collins Square
727 Collins Street
Melbourne VIC 3008

AUSTRALIAN LEGAL ADVISERS

King & Wood Mallesons
Level 27, Collins Arch
447 Collins Street
Melbourne VIC 3000

AUSTRALIAN TAX ADVISER

Greenwoods & Herbert Smith Freehills Pty Ltd
Level 34, ANZ Tower
161 Castlereagh Street
Sydney NSW 2000

REGISTRY

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

HOW TO CONTACT US

Call us on the ANZ Information Line
1800 113 399 (within Australia)
+ 61 3 9415 4010 (international)

(Monday to Friday – 8:30am to 5:30pm AEST)

Website: **capitalnotes6.anz.com**

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

Commonwealth Bank of Australia
Ground Floor, Tower 1
201 Sussex Street
Sydney NSW 2000

E&P Corporate Advisory Pty Limited
Mayfair Building,
171 Collins Street
Melbourne VIC 3000

Morgan Stanley Australia Securities Limited
Level 39, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Morgans Financial Limited
Level 29, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

Ord Minnett Limited
Level 8, NAB House
255 George Street
Sydney NSW 2000

Shaw and Partners Limited
Level 7, Chifley Tower
2 Chifley Square
Sydney NSW 2000

UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Westpac Institutional Bank
Level 18, Westpac Place
275 Kent Street
Sydney NSW 2000

CO-MANAGER

Crestone Wealth Management Limited
Level 32, Chifley Tower
2 Chifley Square
Sydney NSW 2000

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

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