

# **ANZ HOLDINGS NZ NOTES**

## **INFORMATION MEMORANDUM**

### **ANZ HOLDINGS NZ NOTES**

#### **ISSUER**

ANZ HOLDINGS (NEW ZEALAND) LIMITED (a company incorporated in New Zealand with Company Number 389403)

#### **SOLE LEAD MANAGER**

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

The date of this Information Memorandum is 11 September 2024

## IMPORTANT NOTICES

### About this Information Memorandum

This Information Memorandum relates to the offer (**Offer**) by ANZ Holdings (New Zealand) Limited (a company incorporated in New Zealand with Company Number 389403) (**ANZ Holdings NZ** or **Issuer**) of subordinated perpetual A\$ denominated securities (**ANZ Holdings NZ Notes** or **Notes**) to raise A\$800 million with the ability to raise more or less.

This Information Memorandum is issued by the Issuer and is dated 11 September 2024.

This Information Memorandum has been prepared by and issued with the authority of the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum.

### About the Issuer and the Notes

The Issuer is the New Zealand non-operating holding company of ANZ Bank New Zealand Limited (a company incorporated in New Zealand with Company Number 35976) (**ANZ Bank NZ**) and an indirectly wholly owned subsidiary of ANZ Group Holdings Limited (ABN 16 659 510 791) (**ANZGHL**). The Issuer is not an ADI which is authorised under the Banking Act or supervised by APRA, nor a registered bank under New Zealand law.

The Notes are not deposit liabilities of Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (**ANZBGL**), ANZ Bank NZ or any member of the ANZ Group, or protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act. An investment in the Notes will not be covered by the depositor protection provisions in section 13A of the Banking Act and will not be covered by the Australian Government's bank deposit guarantee (also commonly referred to as the Financial Claims Scheme). The Notes are not any other accounts with any member of the ANZ Group or guaranteed or insured by any government, government agency, compensation scheme in Australia, New Zealand or any other jurisdiction or by ANZGHL, ANZBGL, ANZ Bank NZ or any other person.

### Role of ANZBGL and other members of ANZ Group

The Issuer is an indirect subsidiary of ANZBGL. ANZBGL has been appointed as the Sole Lead Manager and the Calculation Agent in respect of the Notes, and from time to time may make investments in, and loans to, the Issuer (whether directly or indirectly). Except to the extent of its roles as Sole Lead Manager and Calculation Agent, ANZBGL does not undertake any obligations in respect of the Notes. It does not guarantee the Issuer's obligations generally or in respect of the Notes, or assume any liability towards the Holders.

Members of the ANZ Group may receive fees, brokerage and commissions and may act as a principal in dealing in the Notes. The Issuer may also agree to reimburse ANZBGL or other members of the ANZ Group for certain expenses incurred in connection with the offer and sale of the Notes.

Members of the ANZ Group have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business. In addition, in the ordinary course of business, members of the ANZ Group are involved in a wide range of financial services and businesses including securities trading and brokerage activities and providing commercial and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services, out of which conflicting interests or duties may arise. In the ordinary course of these activities, members of the ANZ Group may at any time hold long or short positions, and may trade or otherwise effect transactions, each for its own account or the accounts of investors or any other party that may be involved in the issue of Notes.

No member of the ANZ Group, including the Sole Lead Manager, undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Information Memorandum or to advise any investor or potential investor in the Notes of any information coming to the attention of that person.

### No independent advice

Each potential investor in or purchaser of Notes should determine (and will be taken to have determined) for itself the financial condition and affairs of the Issuer and the relevance and sufficiency of the information contained in this Information Memorandum, the documents and information incorporated by reference and any other financial statements. Such purchase or acquisition of Notes

should be (and will be deemed as having been) based upon the investor's own independent investigation of the financial condition and affairs and their own appraisal of the creditworthiness of the Issuer, after taking all appropriate advice from qualified professional persons. Any investment decision should be based on that decision, investigation and appraisal and not on this Information Memorandum.

No advice is given in respect of the taxation treatment of potential investors or purchasers in connection with investment in any Notes or the legal consequences of such an acquisition and each investor or purchaser should consult its own professional adviser.

### No independent verification

Other than the Issuer to the extent expressly stated herein, no member of the ANZ Group has separately verified the information contained in this Information Memorandum, or makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Information Memorandum. Neither this Information Memorandum nor any document or information incorporated by reference herein is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either of the Issuer or any member of the ANZ Group that any recipient of this Information Memorandum or any document or information incorporated by reference herein should purchase or acquire any Notes.

### No representations other than in this Information Memorandum

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

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

### Currency of information

Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the ANZ Group since its date of publication or that there has been no adverse change in the financial position of the Issuer or the ANZ Group since its date or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### Defined words and expressions

Some capitalised words and expressions used in this Information Memorandum have defined meanings. The Glossary in Appendix B defines these words and expressions. The definitions specific to the Notes are in clause 13.2 of the Note Terms in Appendix A.

### Diagrams

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

### Distribution arrangements

The distribution of this Information Memorandum and the issuance, offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum or interests in or rights in respect of the Notes may come are required by the Issuer and the Sole Lead Manager to inform themselves about and to observe any such restrictions. No action has been taken by the Issuer or the Sole Lead Manager which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction in the United States. Subject to certain exceptions, the Notes may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). For a description of certain restrictions on acceptance, offers, issues and sales of the Notes and on distribution of this Information Memorandum, see Section 6.2. This Information Memorandum does not constitute an offer of, or an

invitation by or on behalf of either of the Issuer or the Sole Lead Manager to subscribe for, purchase or acquire any Notes and should not be considered as a recommendation by the Issuer or the Sole Lead Manager or any of them that any recipient of this Information Memorandum should subscribe for or purchase any Notes. Each recipient of this Information Memorandum shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. Any investment decision should be made on the basis of the final terms and conditions of the Notes and the Information contained in this Information Memorandum.

#### **Selling restrictions to Australian investors**

Notes that are offered for issue or sale or transferred in, or into, Australia are offered only in circumstances that would not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act and issued and transferred in compliance with the terms of the exemption from compliance with section 66 of the Banking Act that is available to the Issuer. Such Notes are issued or transferred in, or into, Australia in parcels of not less than A\$500,000 in aggregate principal amount.

#### **No retail product distribution conduct**

This Information Memorandum and the Notes are not for distribution to any person in Australia who is a retail client for the purposes of section 761G of the Corporations Act. No target market determination has been or will be made for the purposes of Part 7.8A of the Corporations Act.

#### **Selling restrictions to New Zealand investors**

This Information Memorandum may not be distributed or made available in New Zealand. The Notes are not being offered or made available for purchase in New Zealand. Any application for Notes under this Information Memorandum may not be accepted from any investor in New Zealand.

#### **Notification under Section 309B(1) of the Securities and Futures Act 2001 of Singapore (the “SFA”)**

The Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the **MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

#### **Prohibition of sales to EEA retail investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

#### **Prohibition of sales to UK retail investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and

therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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## **DOCUMENTS INCORPORATED BY REFERENCE**

This Information Memorandum should be read and construed in conjunction with:

- the unaudited interim financial statements of the Issuer for the nine months ended 30 June 2024 attached to this Information Memorandum in Appendix C;
- the audited full year disclosure statement of ANZ Bank NZ for the year ended 30 September 2023 and the unaudited disclosure statement of ANZ Bank NZ for the half year ended 31 March 2024, each as lodged on ASX; and
- any amendment or supplement to this Information Memorandum, which shall be deemed to be incorporated in, and to form part of, this Information Memorandum.

Any statement or information contained in this Information Memorandum or in any document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained herein or in a document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

References to “Information Memorandum” are to this Information Memorandum and to any other document incorporated by reference collectively and to any of them individually, in each case as modified or superseded.

Copies of:

- all documents incorporated by reference into this Information Memorandum; and
- the ANZ Holdings NZ Notes Deed Poll,

may be obtained from the Issuer.

ANZ Bank NZ’s financial statements are published in annual and half-yearly disclosure statements. The disclosure statements for the year ended 30 September 2023 and the half year ended 31 March 2024 are lodged with ASX and NZX and are available at [asx.com.au](http://asx.com.au) or at [www.anz.com/shareholder/centre/reporting/new-zealand-disclosure-statement/](http://www.anz.com/shareholder/centre/reporting/new-zealand-disclosure-statement/).

## KEY DATES

KEY DATES FOR THE OFFER	DATE
Publication of Preliminary Information Memorandum	29 August 2024
Publication of this Information Memorandum	11 September 2024
Issue Date	18 September 2024

KEY DATES FOR THE NOTES	DATE
First Interest Payment Date <sup>1</sup>	18 October 2024
First Optional Redemption Date <sup>2</sup>	18 October 2030

A reference to time in this Information Memorandum is to Melbourne, Australia time unless otherwise stated. A reference to A\$, AUD, Australian dollars and cents is to Australian currency unless otherwise stated. A reference to NZ\$ or New Zealand dollars is a reference to New Zealand currency. Unless otherwise stated, all figures have been rounded to two decimal places.

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<sup>1</sup> Interest is scheduled to be paid quarterly at the end of each Interest Period (on 18 October, 18 January, 18 April, and 18 July each year commencing on 18 October 2024) and, if the Notes are Redeemed on a day that is not a scheduled Interest Payment Date, on the Redemption Date. Interest is subject to the Issuer's absolute discretion and the Payment Condition and is non-cumulative. If a PPS De-recognition Event occurs, Interest will cease to be discretionary and non-cumulative, but remains subject to the Payment Condition. If any of these scheduled dates are not Business Days, then the Interest Payment Date will occur on the next Business Day.

<sup>2</sup> The Notes are also Redeemable at the Issuer's option on each Interest Payment Date after 18 October 2030 or on a Business Day on or following the PPS Redemption Date or following the occurrence of a Tax Event or Regulatory Event.





## **SECTION 1 INVESTMENT OVERVIEW**

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

IF YOU WISH TO INVEST IN THE NOTES, IT IS IMPORTANT THAT YOU FIRST READ THIS INFORMATION MEMORANDUM IN FULL. IF YOU HAVE ANY QUESTIONS ABOUT THE OFFER OR THE NOTES, YOU SHOULD SEEK ADVICE FROM A PROFESSIONAL ADVISER WHO IS LICENSED TO GIVE THAT ADVICE.

## 1.1 KEY FEATURES OF THE OFFER AND THE NOTES

The following summary of the key features of the Offer and the Notes does not purport to be complete and should be read in conjunction with the remainder of this Information Memorandum, the ANZ Holdings NZ Notes Deed Poll (as defined below) and the Note Terms. Capitalised expressions in this section which are not otherwise defined have the meanings given in clause 13.2 of the Note Terms. This summary must be read as an introduction to this Information Memorandum and any decision to invest in the Notes should be based on a consideration of this Information Memorandum as a whole, including the information and documents incorporated by reference.

Topic	Summary
<b>Issuer</b>	<p>ANZ Holdings (New Zealand) Limited (a company incorporated in New Zealand with Company Number 389403).</p> <p>The Issuer is a company incorporated under New Zealand law. It is a member of the ANZ Group and owns 100% of the ordinary share capital in ANZ Bank NZ. It is a non-operating holding company and its assets primarily comprise its investments in ANZ Bank NZ.</p>
<b>ANZ Group</b>	<p>The ANZ Group is one of the four major banking groups headquartered in Australia. ANZGHL is the non-operating holding company of the ANZ Group. ANZBGL is an ADI within the ANZ Group and ANZ Bank NZ is a registered bank under New Zealand law within the ANZ Group.</p> <p>See Section 3 for a description and diagram of the relevant members of the ANZ Group.</p>
<b>Sole Lead Manager</b>	ANZBGL
<b>Agency arrangements</b>	The Issuer has appointed ANZBGL as calculation and paying agent in respect of the Notes.
<b>Offer size</b>	A\$800 million.
<b>Face Value</b>	A\$10,000 per Note.
<b>The Notes</b>	<p>Notes are:</p> <ul style="list-style-type: none"> <li>• <b>fully paid</b> – at A\$10,000 per Note;</li> <li>• <b>redeemable</b> – in certain circumstances, the Issuer may choose to repay the Face Value of the Notes (subject to the Payment Condition);</li> <li>• <b>non-cumulative and discretionary</b> – Interest is discretionary and is only payable if the Issuer satisfies the Payment Condition in respect of the relevant Interest Payment Date. Unpaid Interest does not accumulate and Holders will not have any right to compensation if the Issuer does not pay Interest;<sup>3</sup></li> <li>• <b>perpetual</b> – the Notes do not have a fixed maturity date and could remain on issue indefinitely if they are not Redeemed (in which case your ability to exit your investment may be dependent on your ability to sell the Notes);</li> <li>• <b>unsecured</b> – the Notes are not secured, are not deposit liabilities of the Issuer or any other member of the ANZ Group, are not protected accounts for the purposes of the Banking Act and are not guaranteed by ANZ Bank NZ, any other member of the ANZ Group or any other person;</li> <li>• <b>subordinated</b> – the claims of Holders are subordinated to the claims of Senior Creditors of the Issuer (in a liquidation), but rank equally with Equal Ranking Instruments and ahead of Junior Ranking Instruments;</li> <li>• <b>not convertible</b> – the Notes are not subject to conversion into ordinary shares in any circumstances; and</li> <li>• <b>transferrable only through the Austraclear System</b> – Notes are cleared and transferred in the Austraclear System. Notes will not be listed or tradeable on ASX or any other exchange.</li> </ul> <p>The Note Terms are complex, and the Issuer's ability to pay Interest or to Redeem the Notes is largely dependent upon the receipt of distributions from</p>

<sup>3</sup> If a PPS De-recognition Event occurs, Interest will cease to be discretionary and non-cumulative, but remains subject to the Payment Condition.

Topic	Summary
	ANZ Bank NZ, including distributions on the ANZ Bank NZ 2024-2 Preference Shares (once issued).
<b>Selling and transfer restrictions</b>	<ul style="list-style-type: none"> <li>• <b>Australia:</b> Notes may only be issued in compliance with the selling restrictions set out in Section 6.2. Notes that are offered for issue or sale or transferred in, or into, Australia are offered only in circumstances that would not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act and issued and transferred in compliance with the terms of the exemption from compliance with section 66 of the Banking Act that is available to the Issuer. Such Notes are offered and/or traded in parcels of not less than A\$500,000.</li> <li>• <b>New Zealand:</b> This Information Memorandum may not be distributed or made available in New Zealand. The Notes are not being offered or made available for purchase in New Zealand. Any application for Notes under this Information Memorandum may not be accepted from any investor in New Zealand.</li> <li>• <b>Other:</b> For restrictions on distribution in other jurisdictions, see Section 6.2.</li> </ul>
<b>Form of Notes</b>	<p>The Notes will be issued in registered form. The Notes will be constituted by the ANZ Holdings NZ Notes Deed Poll given by the Issuer for the benefit of Holders of those Notes from time to time and will take the form of entries on a Register maintained by the Registrar.</p> <p>See Section 2.3.4.</p>
<b>Payments</b>	<p>The Notes will be lodged within the Austraclear System. Payments in respect of the Notes will be made by crediting the amount due to the account of the relevant Holder in accordance with the Austraclear Regulations.</p> <p>See also 'Payment of Interest' below and Section 2.1.</p>
<b>Purpose of the Offer and use of proceeds</b>	<p>The Issuer is issuing the Notes to help ANZ Bank NZ meet the capital requirements set by the RBNZ. The RBNZ requires ANZ Bank NZ to maintain an adequate level of regulatory capital to provide a buffer to absorb losses from its activities before depositors and other creditors are affected.</p> <p>The Notes will fund the Issuer's acquisition of the ANZ Bank NZ 2024-2 Preference Shares, which are intended to constitute Additional Tier 1 Capital for ANZ Bank NZ. ANZ Bank NZ intends to issue the ANZ Bank NZ 2024-2 Preference Shares on or about the date that the Notes are issued.</p> <p>To address the currency mismatch between the Notes and the ANZ Bank NZ 2024-2 Preference Shares, the Issuer will enter into the Cross-Currency Swap in connection with the Notes.</p> <p>See Section 1.2 below for a description of the key features of the ANZ Bank NZ 2024-2 Preference Shares and Section 1.3 below for a description of the key features of the Cross-Currency Swap.</p>
<b>Regulatory treatment</b>	<p>The Notes do not qualify as regulatory capital of any member of the ANZ Group for the purposes of the requirements of APRA or the RBNZ.</p>
<b>Interest</b>	<p>Notes are scheduled to pay quarterly floating rate non-cumulative Interest, which will not be franked.<sup>4</sup></p> <p>See Section 2.1.</p>
<b>Interest Payment Dates</b>	<p>The Interest Payment Dates are generally each 18 October, 18 January, 18 April and 18 July and, if the Notes are Redeemed on a day that is not a scheduled Interest Payment Date, the Redemption Date. The first payment of Interest is scheduled on 18 October 2024.</p> <p>See Section 2.1.4.</p>
<b>Payment of Interest</b>	<p>Payment of Interest is at the absolute discretion of the Issuer and is subject to the Payment Condition being satisfied in respect of the relevant Interest Payment Date.</p> <p>Interest is non-cumulative, which means that unpaid Interest does not accumulate and Holders will not have any right to compensation if the Issuer does not pay Interest.<sup>4</sup></p> <p>Failure to pay Interest when scheduled will not constitute an event of default.</p>

<sup>4</sup> If a PPS De-recognition Event occurs, Interest will cease to be discretionary and non-cumulative, but remains subject to the Payment Condition.

Topic	Summary
	See Sections 2.1.4–2.1.7 and 2.1.9.
<b>Restrictions in the case of non-payment</b>	<p>If Interest is not paid within 3 Business Days of an Interest Payment Date, the Issuer must not, without approval of a Special Resolution:</p> <ul style="list-style-type: none"> <li>• resolve to pay or pay any Junior Ranking Distribution; or</li> <li>• undertake any redemption, repayment, Buy-Back or Capital Reduction in respect of any Junior Ranking Instrument,</li> </ul> <p>until the Issuer pays Interest on 2 consecutive Scheduled Interest Payment Dates following the Relevant Interest Payment Date or there are no Notes outstanding. These restrictions do not apply to Equal Ranking Instruments or obligations owed to Senior Creditors. This means the Issuer could pay interest or distributions on an Equal Ranking Instrument even though Interest is not paid on the Notes. See Sections 2.1.6 and 4.1.15.</p>
<b>Payment Condition</b>	<p>The Issuer will satisfy the Payment Condition:</p> <p>(a) in respect of an Interest Payment Date, if:</p> <ul style="list-style-type: none"> <li>(i) the Issuer is Solvent on the Interest Payment Date; and</li> <li>(ii) the Issuer is able to pay the amount of Interest in respect of all Notes and remain Solvent immediately after the Interest payment, and</li> </ul> <p>(b) in respect of a Redemption, if:</p> <ul style="list-style-type: none"> <li>(i) the Issuer is Solvent on the Redemption Date; and</li> <li>(ii) the Issuer is able to pay the Redemption Amount in respect of all Notes and remain Solvent immediately after such payment.</li> </ul>
<b>No maturity date</b>	<p>The Notes have no fixed maturity date.</p> <p>Holders have no right to require Redemption. The Issuer is not obliged to Redeem the Notes except where the Issuer is in liquidation (in which case the claims of Holders are subordinated as described in Section 1.4).</p>
<b>Redemption</b>	<p>The Issuer can Redeem the Notes on an Optional Redemption Date. The first Optional Redemption Date is 18 October 2030 and subsequent Optional Redemption Dates are on each quarterly Interest Payment Date after that date. The Issuer can also Redeem the Notes on a Business Day on or following the PPS Redemption Date or following the occurrence of a Tax Event or Regulatory Event.</p>
<b>Credit rating</b>	<p>The Notes are rated BBB by S&amp;P Global Ratings Australia Pty Ltd (<b>S&amp;P</b>).</p> <p>A rating is not a recommendation to buy, sell or hold Notes and is subject to variation, suspension or withdrawal at any time by the assigning organisation.</p> <p>Any credit rating in respect of the Notes or the Issuer is for distribution only to persons who are not a “retail client” within the meaning of section 761G of the Corporations Act and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or Chapter 7 of the Corporations Act and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which an investor may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives it must not distribute it to any person who is not entitled to receive it.</p>
<b>No listing</b>	The Notes will not be quoted on ASX or on any other stock exchange.
<b>ISIN</b>	AU3FN0091583
<b>Governing law</b>	State of Victoria, Australia.

## 1.2 KEY FEATURES OF THE ANZ BANK NZ 2024-2 PREFERENCE SHARES

Topic	Summary
<b>ANZ Bank NZ 2024-2 Preference Shares issued by ANZ Bank NZ</b>	<p>ANZ Bank NZ intends to issue the ANZ Bank NZ 2024-2 Preference Shares to the Issuer on or about the date that the Notes are issued.</p> <p>Holder will not have any direct interest in the ANZ Bank NZ 2024-2 Preference Shares. Notes do not confer on the Holder any claim on the Issuer or ANZ Bank NZ in respect of the ANZ Bank NZ 2024-2 Preference Shares.</p> <p>The ANZ Bank NZ 2024-2 Preference Shares are intended to constitute Additional Tier 1 Capital for ANZ Bank NZ.</p>
<b>No maturity date</b>	The ANZ Bank NZ 2024-2 Preference Shares have no fixed maturity date and will remain on issue indefinitely if not redeemed by ANZ Bank NZ.
<b>Distributions on the ANZ Bank NZ 2024-2 Preference Shares</b>	The ANZ Bank NZ 2024-2 Preference Shares entitle the Issuer in respect of its holding of the ANZ Bank NZ 2024-2 Preference Shares to quarterly discretionary and non-cumulative distributions. The distribution rate will be a floating rate that resets at quarterly intervals to be equal to the sum of the applicable 3-month NZ bank bill rate (a New Zealand benchmark interest rate for a 3-month period) plus a margin.
<b>Redemption of the ANZ Bank NZ 2024-2 Preference Shares</b>	<p>The ANZ Bank NZ 2024-2 Preference Shares do not provide the Issuer in respect of its holding of the ANZ Bank NZ 2024-2 Preference Shares a right to redeem the ANZ Bank NZ 2024-2 Preference Shares for any reason. ANZ Bank NZ can redeem the ANZ Bank NZ 2024-2 Preference Shares on an optional redemption date or at any time if a tax event or regulatory event occurs.</p> <ul style="list-style-type: none"> <li>• The first optional redemption date is 18 October 2030 and subsequent optional redemption dates are on each quarterly scheduled distribution payment date after that date.</li> <li>• A tax event<sup>5</sup> occurs if ANZ Bank NZ determines, in its absolute discretion, that: <ul style="list-style-type: none"> <li>○ there has been, or there will be, a change in any New Zealand law, regulation, ruling or directive (including by way of the imposition of, or any change to, any New Zealand law, regulation, ruling or directive);</li> <li>○ there has been, or there will be, a change in the application, interpretation or administration of any New Zealand law, regulation, ruling or directive by any authority (including the New Zealand Inland Revenue Department); or</li> <li>○ any member of the ANZ Bank NZ Group is or will be required to comply with a change in any New Zealand law, regulation, ruling or directive or changed application, interpretation or administration,</li> </ul> <p>in each case that applies, or is to apply, after the issue date and which directly or indirectly affects the taxation treatment in relation to the ANZ Bank NZ 2024-2 Preference Shares with the effect that any member of the ANZ Bank NZ Group would be exposed to an increase to its costs in relation to the ANZ Bank NZ 2024-2 Preference Shares, provided that such event is not minor and could not reasonably have been anticipated by ANZ Bank NZ at their issue date.</p> </li> <li>• A regulatory event<sup>6</sup> occurs if ANZ Bank NZ determines, in its absolute discretion, that there has been, or there will be, any amendment to, clarification of, change in or to, change in the interpretation, application or administration of, or imposition of: <ul style="list-style-type: none"> <li>○ any law, regulation or directive in New Zealand;</li> <li>○ any official administrative pronouncement or action or judicial decision interpreting or applying any law, regulation or directive in New Zealand; or</li> </ul> </li> </ul>

<sup>5</sup> The definition of "tax event" under the terms of the ANZ Bank NZ 2024-2 Preference Shares differs from the definition of "Tax Event" in respect of the Note Terms.

<sup>6</sup> The definition of "regulatory event" under the terms of the ANZ Bank NZ 2024-2 Preference Shares differs from the definition of "Regulatory Event" in respect of the Note Terms.

Topic	Summary
	<ul style="list-style-type: none"> <li>○ any order, direction, standard, requirement (including any prudential regulation requirement), guideline or statement of the RBNZ (whether or not having the force of law),</li> </ul> <p>in each case that applies, or is to apply, after the issue date and, as a result, either:</p> <ul style="list-style-type: none"> <li>○ ANZ Bank NZ is or will be adversely affected in relation to its regulatory capital treatment of the ANZ Bank NZ 2024-2 Preference Shares; or</li> <li>○ ANZ Bank NZ is not or will not be entitled to treat some or all the ANZ Bank NZ 2024-2 Preference Shares as Additional Tier 1 Capital provided that such event is not minor and could not reasonably have been anticipated by ANZ Bank NZ at the issue date.</li> </ul>
<b>Ranking of the ANZ Bank NZ 2024-2 Preference Shares in a liquidation</b>	<p>In a liquidation of ANZ Bank NZ, each ANZ Bank NZ 2024-2 Preference Share confers upon the Issuer in respect of its holding of the ANZ Bank NZ 2024-2 Preference Shares, in the distribution of surplus assets of ANZ Bank NZ, the right to payment of an amount equal to the issue price, which ranks:</p> <ul style="list-style-type: none"> <li>• behind the claims of all depositors and holders of other liabilities, securities, instruments and other obligations of ANZ Bank NZ (including Tier 2 Capital instruments), except for the rights and claims described below;</li> <li>• equally with the rights of other holders of ANZ Bank NZ 2024-2 Preference Shares and the rights and claims of holders of any other preference shares (including without limitation the ANZ Bank NZ 2022 Preference Shares and the ANZ Bank NZ 2024-1 Preference Shares that are quoted on the NZX Debt Market), securities or other obligations of ANZ Bank NZ that rank equally with the ANZ Bank NZ 2024-2 Preference Shares (including, without limitation, the ANZ Bank NZ AT1 Notes); and</li> <li>• ahead of the rights of ANZ Bank NZ's ordinary shareholders.</li> </ul> <p>In a liquidation of ANZ Bank NZ, it is unlikely that there will be surplus assets available for the liquidator to pay any amount to the Issuer in respect of its holding of the ANZ Bank NZ 2024-2 Preference Shares.</p>
<b>Restrictions in the case of non-payment of the ANZ Bank NZ 2024-2 Preference Shares</b>	<p>If, for any reason, a distribution is not paid in full on the ANZ Bank NZ 2024-2 Preference Shares within 3 business days of a distribution payment date, ANZ Bank NZ must not authorise or pay a dividend on its ordinary shares, acquire its ordinary shares or otherwise undertake a capital reduction in respect of its ordinary shares.</p> <p>These restrictions will apply until:</p> <ul style="list-style-type: none"> <li>• ANZ Bank NZ pays a distribution on the ANZ Bank NZ 2024-2 Preference Shares on a subsequent distribution payment date; or</li> <li>• there are no longer any ANZ Bank NZ 2024-2 Preference Shares outstanding.</li> </ul> <p>These restrictions do not apply to other instruments issued by ANZ Bank NZ, such as debt securities or other Additional Tier 1 Capital instruments. This means ANZ Bank NZ could pay a distribution or interest on other preference shares or debt securities issued by ANZ Bank NZ, even though a distribution was not paid on the ANZ Bank NZ 2024-2 Preference Shares.</p> <p>The Issuer is the holder of ANZ Bank NZ's ordinary shares as well as the ANZ Bank NZ 2024-2 Preference Shares (once issued) and is largely dependent upon distributions for its cash flow. For example, if ANZ Bank NZ does not pay distributions to the Issuer in respect of its investments, the Issuer may not have the capacity to pay Interest on the Notes.</p>

### 1.3 KEY FEATURES OF THE CROSS-CURRENCY SWAP


Topic	Summary
<b>Cross-Currency Swap</b>	<p>The ANZ Bank NZ 2024-2 Preference Shares are denominated in New Zealand dollars and are scheduled to pay distributions in New Zealand dollars by reference to a New Zealand bank bill rate and a margin. However, the Notes are denominated in Australian dollars and are scheduled to pay Interest in Australian dollars by reference to an Australian bank bill rate and a margin.</p>

Topic	Summary
	<p>To address this currency mismatch, the Issuer intends to enter into the Cross-Currency Swap with ANZ Bank NZ.</p> <p>Under the Cross-Currency Swap, the Issuer intends to swap the proceeds of the issue of the Notes for New Zealand dollars. This New Zealand dollar amount will be used to subscribe for the ANZ Bank NZ 2024-2 Preference Shares.</p> <p>Under the Cross-Currency Swap, on each quarterly Interest Payment Date on the Notes (up to and concluding on the first Optional Redemption Date):</p> <ul style="list-style-type: none"> <li>• the Issuer will receive a floating rate Australian dollar amount from ANZ Bank NZ; and</li> <li>• the Issuer will pay a floating rate New Zealand dollar amount to ANZ Bank NZ.</li> </ul> <p>The Cross-Currency Swap will terminate on the first Optional Redemption Date, regardless of whether or not the Notes remain on issue after that date. The Issuer may enter into a replacement swap arrangement on or after the first Optional Redemption Date, unless the Notes have been Redeemed. There is no guarantee as to whether (or on what terms) the Issuer would be able to enter into such replacement swap arrangement.</p> <p>The New Zealand dollar principal amount and floating rates under the Cross-Currency Swap may differ under any replacement cross-currency swap arrangement.</p> <p>The Issuer's obligations under the Cross-Currency Swap are not subordinated, discretionary or conditional on the receipt of distributions on the ANZ Bank NZ 2024-2 Preference Shares.</p> <p>There are no restrictions under the terms of the Notes on the circumstances in which the Issuer or ANZ Bank NZ may terminate or close-out the Cross-Currency Swap. The amounts payable by the Issuer on a termination or close-out of the Cross-Currency Swap could be significant.</p> <p>The Issuer's obligations in respect of the Notes are subordinated to its obligations under the Cross-Currency Swap. Accordingly, in a liquidation, the Issuer is required to discharge its obligations in respect of the Cross-Currency Swap before paying amounts in respect of the Notes. See Section 1.4 for further detail.</p>

#### 1.4 RANKING OF NOTES IN A LIQUIDATION OF THE ISSUER

The table below illustrates how a Holder's claim would rank for payment of the Face Value in a liquidation of the Issuer. In the table 'higher ranking' represents a claim which will be paid out of the Issuer's available assets in a liquidation before claims or rights with a lower ranking. It may be that lower ranking security holders, including Holders, will only have part or none of their claims or rights paid (in the case of Holders, the claim for the Face Value), as there may be insufficient assets remaining after higher ranking claims have been paid.

As shown in the table below, in a liquidation of the Issuer, the Notes rank ahead of Junior Ranking Instruments, equally among themselves, equally with Equal Ranking Instruments and behind the claims of all Senior Creditors of the Issuer. At the date of this Information Memorandum, the Issuer does not have any material senior creditors. For further information, see Section 4.

		Examples	Examples of Issuer obligations and securities <sup>7</sup>
<p>Higher ranking/ earlier priority</p>  <p>Lower ranking/ later priority</p>	Senior Creditors	Liabilities preferred by law	Liabilities preferred by law including certain taxes
		Unsubordinated unsecured debt	Derivative liabilities (including the Cross-Currency Swap), trade and general creditors
	Equal Ranking Instruments	Subordinated unsecured debt	The Notes
	Junior Ranking Instruments	Preference shares, subordinated debt that is expressed to rank equally with preference shares and ordinary shares	Obligations under the Subordinated Loan, the RPS and ANZ Holdings NZ Ordinary Shares

## 1.5 DIFFERENCES BETWEEN THE NOTES AND OTHER TYPES OF INVESTMENTS IN ANZ GROUP ENTITIES

The Notes differ from other types of investments in ANZ Group entities.

In particular, Holders should be aware that:

- **Issuer:** the Issuer is an intermediate non-operating holding company within the ANZ Group and it is not an ADI or a registered bank under New Zealand law – refer to the structure chart in Section 3.1.3;
- **Structurally subordinated:** the Issuer's assets are primarily its investments in ANZ Bank NZ, and its ability to service its obligations in respect of the Notes is largely dependent upon it receiving distributions on those investments;
- **Not deposits or guaranteed:** the Notes are not deposit liabilities of any member of the ANZ Group and they are not guaranteed by any member of the ANZ Group;
- **Not protected by government:** the Notes are not protected accounts for the purposes of the Banking Act or any other accounts with any member of the ANZ Group and are not guaranteed or insured by any government, government agency or compensation scheme in Australia, New Zealand or any other jurisdiction or by any other person;
- **Margin:** the Margin payable on the Notes may be lower than the margin payable on other investments in ANZ Group entities;
- **Subordinated:** the Notes are subordinated to the claims of Senior Creditors of the Issuer and rank in liquidation of the Issuer as described in Section 1.4;
- **Not franked:** the returns on the Notes are not franked for Australian tax purposes;
- **Not quoted:** the Notes are not quoted on any exchange, and are transferrable only via Austraclear (subject to a minimum parcel size of A\$500,000);

<sup>7</sup> This is a very simplified capital structure of the Issuer and does not include every type of security or other obligation issued by the Issuer. The Issuer has the right to incur further debts or other obligations or issue securities of any kind at any time. The Notes do not limit the amount of senior debt or other obligations or securities that may be incurred or issued by the Issuer at any time.



- **Not convertible:** the Notes are not convertible in any circumstances into ordinary shares in the Issuer, ANZGHL or any other member of the ANZ Group; and
- **No restriction on change of control:** the Notes do not restrict changes in control of the Issuer and Holders have no right to require repayment of their investment if the Issuer ceases to be a member of the ANZ Group.

## 1.6 KEY RISKS OF THE NOTES

There are risks associated with investing in the Notes, in the Issuer and in the ANZ Group generally. Many of those risks are outside the control of the Issuer. Prospective investors or purchasers should consult their own financial, tax and legal advisers about the risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances. The key risks are detailed in Section 4 and you should read that section in full before deciding to invest. The table below outlines the key risks associated with an investment in the Notes.

Topic	Summary	Where to find more information
<b>Notes are issued by the Issuer and are not deposit liabilities or protected accounts of, or guaranteed by, any member of the ANZ Group</b>	<p>Notes are issued by the Issuer under the Note Terms.</p> <p>Notes are not deposit liabilities of any member of the ANZ Group, are not protected accounts for the purposes of the Banking Act or any other accounts with any member of the ANZ Group. The Notes are not guaranteed or insured by any government, government agency or compensation scheme in Australia, New Zealand or any other jurisdiction or by any other person.</p> <p> Holders have no claim on the Issuer except as provided in the Note Terms and as provided in the ANZ Holdings NZ Notes Deed Poll and have no claim on ANZ Bank NZ or any other member of the ANZ Group.</p> <p>The risks associated with the Notes could result in the loss of some or all of your investment and associated income. The investment performance of the Notes is not guaranteed by the Issuer, ANZ Bank NZ or any other member of the ANZ Group.</p>	Sections 4.1.1 and 4.1.9
<b>No rights or claims in respect of the ANZ Bank NZ 2024-2 Preference Shares</b>	<p>The proceeds of the Notes will fund the acquisition of the ANZ Bank NZ 2024-2 Preference Shares, and certain events affecting the ANZ Bank NZ 2024-2 Preference Shares may affect the position of Holders in respect of the Notes. Further, the Issuer's ability to service its obligations in respect of the Notes is largely dependent upon it receiving returns on its investments, including the ANZ Bank NZ 2024-2 Preference Shares.</p> <p>However, Notes are not secured against the ANZ Bank NZ 2024-2 Preference Shares and Holders have no interest in or right to vote on or otherwise control matters affecting the ANZ Bank NZ 2024-2 Preference Shares.</p>	Section 4.1.1

Topic	Summary	Where to find more information
<b>Financial market conditions and liquidity of Notes</b>	<p>There may be no liquid market for Notes. Holders who wish to sell their Notes are subject to a minimum transfer parcel of A\$500,000 and may be unable to sell their Notes at an acceptable price, or at all, if insufficient liquidity exists in the market for Notes or there is no secondary market for Notes.</p> <p>The market price of the Notes may move up or down due to various factors that affect financial market conditions and may be sensitive to changes in interest rates and credit spreads. It is possible that the Notes may trade at a market price below their Face Value of A\$10,000.</p> <p>Unlike some other securities issued by members of the ANZ Group, the Notes will not be listed on any exchange.</p>	Sections 4.1.1, 4.1.2 and 4.1.3
<b>Interest may not be paid</b>	<p>There is a risk that Interest may not be paid.</p> <p>There is no obligation for the Issuer to pay Interest.<sup>8</sup> Interest will only be paid at the Issuer's absolute discretion and is subject to the Payment Condition. If Interest is not paid in full on an Interest Payment Date, Holders have no claim or entitlement in respect of non-payment nor any right to receive that Interest at any later time. Non-payment is not an event of default.</p> <p>The Issuer will invest the net proceeds of the Notes in the ANZ Bank NZ 2024-2 Preference Shares. Distributions on the ANZ Bank NZ 2024-2 Preference Shares are discretionary and subject to certain conditions and unpaid distributions do not accumulate.</p> <p>An example of when the Issuer may exercise its discretion to not pay Interest on the Notes is if a distribution is not paid by ANZ Bank NZ on the ANZ Bank NZ 2024-2 Preference Shares.</p>	Section 4.1.5
<b>Restrictions in the case of non-payment of Interest are limited</b>	<p>The Issuer's failure to pay interest on the Notes does not restrict any other member of the ANZ Group from making any distributions or taking other actions, and only results in limited restrictions on the ability of the Issuer with respect to Junior Ranking Instruments.</p>	Section 4.1.5
<b>Changes in Interest Rate</b>	<p>The Interest Rate will move up or down over time as a result of movements in the BBSW Rate. There is a risk that the Interest Rate may become less attractive when compared to the rates of return available on other investments.</p>	Section 4.1.6

<sup>8</sup> If a PPS De-recognition Event occurs, Interest will cease to be discretionary and non-cumulative, but remains subject to the Payment Condition.

Topic	Summary	Where to find more information
<b>Holders have no right to require Redemption</b>	Holders have no right to require that their Notes be Redeemed. Unless their Notes are Redeemed, to realise their investment, Holders would need to sell their Notes in the over the counter market 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 4.1.7
<b>Ranking in a liquidation of the Issuer</b>	On a liquidation of the Issuer, the Notes rank for payment ahead of Junior Ranking Instruments, equally among themselves and with Equal Ranking Instruments, and behind all Senior Creditors. This means that on a liquidation there is a risk that Holders will lose all or some of their investment.	Section 4.1.9
<b>Structural subordination</b>	<p>The Issuer is an intermediate non-operating holding company whose assets are primarily investments in ANZ Bank NZ (including the ANZ Bank NZ 2024-2 Preference Shares that will be purchased by the Issuer using the net proceeds of the Notes). Accordingly, the Issuer's ability to service its obligations in respect of the Notes is largely dependent upon it receiving returns on those investments.</p> <p>The Issuer does not have the benefit of a liquidity facility or keepwell agreement from ANZBGL, ANZGHL, ANZ Bank NZ or any other member of the ANZ Group.</p>	Section 4.1.10
<b>The Issuer and ANZ Bank NZ may issue further securities and may acquire or dispose of assets</b>	<p>There is no restriction on the incurring, or limit on the amount of, senior debt, or other obligations or securities that may be incurred or issued by the Issuer, ANZ Bank NZ or any other member of the ANZ Group at any time, which may affect a Holder's ability to be repaid on a liquidation of the Issuer.</p> <p>Further, the Notes do not restrict the Issuer, ANZ Bank NZ or any other member of the ANZ Group from acquiring or disposing of assets that could affect the financial position of the Issuer, ANZ Bank NZ or such other member of the ANZ Group.</p>	Section 4.1.15
<b>Powers of APRA and the RBNZ</b>	The Issuer is not an ADI and is not a registered bank in New Zealand and is not supervised by APRA or the RBNZ. The Notes do not qualify as regulatory capital of any member of the ANZ Group for the purposes of the requirements of APRA or the RBNZ, and are not subject to Australian requirements for conversion and write-off of regulatory capital instruments. However, the exercise of the powers of APRA or the RBNZ may affect the Issuer or the Notes in a manner that is adverse to Holders.	Section 4.1.16 and 4.1.17

Topic	Summary	Where to find more information
<p><b>Financial performance and position of the Issuer, ANZ Bank NZ and other members of the ANZ Group</b></p>	<p>The market price of the Notes may be affected by the financial performance and position of the Issuer, ANZ Bank NZ, ANZGHL, ANZBGL and other members of the ANZ Bank NZ Group and ANZ Group. For specific risks associated with an investment in the Issuer, ANZ Bank NZ and the ANZ Group generally, see Section 4.2.</p> <p>The financial performance and position of the Issuer, ANZ Bank NZ, ANZGHL, ANZBGL and other members of the ANZ Bank NZ Group and ANZ Group may also affect any credit ratings associated with the Notes, which may impact the market price and liquidity of the Notes. Any credit rating applicable to the Notes may be revised, withdrawn or suspended by ratings agencies at any time.</p> <p>Additionally, changes in the valuation of some of the ANZ Bank NZ Group's assets and liabilities may adversely affect the ANZ Bank NZ Group's earnings and equity and the ANZ Bank NZ Group's Position.</p>	<p>Sections 4.1.3, 4.1.11 and 4.2</p>
<p><b>Not convertible into shares</b></p>	<p>Unlike some other perpetual non-cumulative securities issued by members of the ANZ Group, the Notes are not convertible in any circumstances into ordinary shares in the Issuer, ANZGHL or any other member of the ANZ Group.</p> <p>As a result, your ability to exit your investment may be dependent on your ability to sell the Notes.</p>	<p>Section 4.1.7</p>
<p><b>No change of control protection</b></p>	<p>The Notes do not restrict changes in control of the Issuer. Holders have no right to require repayment of their investment if the Issuer ceases to be a member of the ANZ Group.</p> <p>The Issuer and ANZ Bank NZ may cease to be indirect subsidiaries of ANZBGL or ANZGHL, or to be members of the ANZ Group, for a variety of reasons, including as a result of a voluntary restructure or the exercise of regulatory powers. None of ANZBGL, ANZGHL nor any other member of the ANZ Group has undertaken not to dispose of the Issuer or ANZ Bank NZ.</p>	<p>Section 4.1.20</p>

# 2

## **SECTION 2 ABOUT ANZ HOLDINGS NZ NOTES**

**THIS SECTION IS AN OVERVIEW OF THE KEY FEATURES OF ANZ HOLDINGS NZ NOTES.**

MORE DETAILED INFORMATION IS PROVIDED IN OTHER SECTIONS OF THIS INFORMATION MEMORANDUM AND THE NOTE TERMS.

IF YOU WISH TO INVEST IN THE NOTES, IT IS IMPORTANT THAT YOU FIRST READ THIS INFORMATION MEMORANDUM IN FULL. IF YOU HAVE ANY QUESTIONS ABOUT THE OFFER OR THE NOTES, YOU SHOULD SEEK ADVICE FROM A PROFESSIONAL ADVISER WHO IS LICENSED TO GIVE THAT ADVICE.

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Topic	Summary	Where to find more information
2.1 INTEREST	<p>Notes are scheduled to pay quarterly floating rate non-cumulative Interest, which will not be franked. If Interest is paid, Holders are expected to receive cash Interest until all Notes are Redeemed. Payment of Interest is at the Issuer’s absolute discretion and subject to the Payment Condition.</p> <p>Interest on the Notes is based on a floating rate and is non-cumulative. If Interest is not paid on an Interest Payment Date, Holders have no claim or entitlement in respect of non-payment nor any right to receive that Interest at any later time. If a PPS De-recognition Event occurs, the payment of Interest will cease to be discretionary and non-cumulative, but remains subject to the Payment Condition.</p> <p>All payments of Interest are subject to applicable law (including, without limitation, the laws of Australia and New Zealand).</p>	
2.1.1 <b>How will the Interest Rate be calculated?</b>	<p>The Interest Rate for each Interest Period will be set on the first Business Day of each Interest Period and will be calculated using the following formula:</p> <p>Interest Rate = (BBSW Rate + Margin)</p> <p>where:</p> <p><b>BBSW Rate</b> means the BBSW Rate on the first Business Day of the Interest Period – see Section 2.1.3; and</p> <p><b>Margin</b> means 2.95%.</p>	Clause 3.1 of the Note Terms
2.1.2 <b>How will Interest be calculated for each Interest Period?</b>	<p>Interest scheduled to be paid on each Interest Payment Date will be calculated using the following formula:</p> $\text{Interest} = \frac{\text{Face Value} \times \text{Interest Rate} \times N}{365}$ <p>where:</p> <p><b>Face Value</b> means A\$10,000 per Note;</p> <p><b>Interest Rate</b> means the rate (expressed as a percentage per annum) calculated as set out in Section 2.1.1; and</p> <p><b>N</b> means in respect of:</p> <ul style="list-style-type: none"> <li>the first Interest Payment Date, the number of days from (and including) the Issue Date until (but not including) the first Interest Payment Date; and</li> <li>each subsequent Interest Payment Date, the number of days from (and including) the preceding Interest Payment Date until (but not including) the relevant Interest Payment Date.</li> </ul>	Clauses 3.1 and 13.2 of the Note Terms
2.1.3 <b>What is the BBSW Rate?</b>	<p>The BBSW Rate is a benchmark 3 month floating interest rate for the Australian money market. The BBSW Rate for each Interest Period is set on the first Business Day of the relevant Interest Period (or the Issue Date, in the case of the first Interest Period).</p> <p>If the Calculation Agent determines that the BBSW Rate has been affected by a Reference Rate Disruption Event, the Calculation Agent may select an alternative reference rate that it considers appropriate and make other related changes to the Note Terms (provided that no amendment to the Note Terms shall be made unless the Issuer has received confirmation from ANZ Bank NZ that the proposed amendment will not impact the eligibility of the ANZ Bank NZ 2024-2 Preference Shares as Additional Tier 1 Capital for ANZ Bank NZ). Broadly, a Reference Rate Disruption Event occurs where the BBSW Rate has been discontinued or has ceased to be generally accepted in the Australian market for securities such as the Notes. The Calculation Agent 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.</p>	Clauses 3.1, 10.3 and 13.2 of the Note Terms

Topic	Summary	Where to find more information
<p><b>2.1.4</b></p> <p><b>When are the Interest Payment Dates?</b></p>	<p>Subject to the Issuer’s absolute discretion<sup>9</sup> and subject to satisfying the Payment Condition in respect of the relevant Interest Payment Date, interest is payable quarterly in arrear on the Interest Payment Dates – see Section 2.1.9. The first Interest Payment Date is 18 October 2024.</p> <p>Subsequent Interest Payment Dates occur on 18 January, 18 April, 18 July and 18 October in each year. If any of these dates are not Business Days, then the Interest Payment Date will occur on the next Business Day.</p>	<p>Clauses 3.2, 3.6 and 13.2 of the Note Terms</p>
<p><b>2.1.5</b></p> <p><b>Is the Issuer obliged to pay Interest?</b></p>	<p>Interest may not be paid. The Issuer’s ability to pay Interest is largely dependent upon it receiving distributions from ANZ Bank NZ, including distributions on the ANZ Bank NZ 2024-2 Preference Shares. The payment of Interest is subject to the Issuer’s absolute discretion and the Issuer satisfying the Payment Condition in respect of the relevant Interest Payment Date.<sup>9</sup></p> <p>The Payment Condition will be satisfied if on the relevant Interest Payment Date:</p> <ul style="list-style-type: none"> <li>• the Issuer is Solvent, and</li> <li>• the Issuer is able to pay the amount of Interest in respect of all Notes and remain Solvent immediately after the Interest payment.</li> </ul> <p>All payments are subject to applicable law.</p>	<p>Clauses 3.2, 9.8 and 13.2 of the Note Terms</p>
<p><b>2.1.6</b></p> <p><b>What are the restrictions in the case of non-payment and when will they apply to the Issuer and other members of the ANZ Group?</b></p>	<p>If Interest is not paid in full within 3 Business Days of an Interest Payment Date (the <b>Relevant Interest Payment Date</b>), the Issuer must not, without approval of a Special Resolution:</p> <ul style="list-style-type: none"> <li>• resolve to pay or pay any Junior Ranking Distribution; or</li> <li>• undertake any redemption, repayment, Buy-Back or Capital Reduction (each as defined in the Note Terms) in respect of any Junior Ranking Instrument,</li> </ul> <p>until the Issuer pays Interest on 2 consecutive Scheduled Interest Payment Dates following the Relevant Interest Payment Date or there are no Notes outstanding.</p> <p>These restrictions do not apply to Equal Ranking Instruments or obligations owed to Senior Creditors. This means the Issuer could pay interest on an Equal Ranking Instrument even though Interest is not paid on the Notes.</p> <p>These restrictions apply to the Issuer only. There is no restriction on ANZGHL, ANZBGL, ANZ Bank NZ or any other member of the ANZ Group resolving to pay or paying any dividend on, or buying back, or reducing capital. However, ANZGHL’s and ANZBGL’s capacity to do so may be reduced by the application of the restriction in the case of non-payment by the Issuer.</p>	<p>Clauses 3.8, 3.9 and 6.8 of the Note Terms</p>

<sup>9</sup> If a PPS De-recognition Event occurs, Interest will cease to be discretionary and non-cumulative, but remains subject to the Payment Condition.



Topic	Summary	Where to find more information
<p><b>2.1.7</b></p> <p><b>Are any deductions made on Interest?</b></p>	<p>The Issuer may deduct from any Interest payable in accordance with the Note Terms the amount of any tax required by applicable law to be deducted in respect of such amount. Where such a deduction is made, the Issuer will, subject to certain exceptions set out in clause 9.9(c)(ii) of the Note Terms, pay an additional amount so that, after the relevant deduction is made, the Holder receives the same amount the Holder would have received if no deduction had been required. In particular, no additional amounts are required to be paid by the Issuer with respect to, among other exceptions, deductions on account of Australian interest withholding tax or New Zealand resident withholding tax.</p> <p>The Issuer may also make a deduction on account of FATCA and is not required to pay an additional amount (or take any further action) where it has made a deduction on account of tax or FATCA.</p> <p>Where New Zealand non-resident withholding tax is required to be deducted from the payment of any Interest, the Issuer intends to reduce the rate of New Zealand non-resident withholding tax applicable to zero percent by registering the Notes with the New Zealand Inland Revenue and paying, on its own account, the New Zealand approved issuer levy. In such a case, the Issuer will not make any deduction from Interest payable in accordance with the Note Terms on account of New Zealand non-resident withholding tax.</p>	<p>Clauses 9.9 and 9.10 of the Note Terms</p>
<p><b>2.1.8</b></p> <p><b>How will Interest be paid?</b></p>	<p>Interest is scheduled to be paid to Holders whose details are recorded with the Registrar on the relevant Record Date (as defined in the Note Terms).</p> <p>Interest and any other amount payable will be paid by:</p> <ul style="list-style-type: none"> <li>• where Notes are lodged in the Austraclear System, crediting the amount due to the account of the Holder in accordance with the Austraclear Regulations;</li> <li>• electronic transfer to an Australian dollar bank account maintained in Australia with a financial institution nominated by the Holder; or</li> <li>• at the Issuer's option, if no such account is nominated, sending a cheque to the address of the Holder or such other method as the Issuer determines.</li> </ul> <p>To receive a payment, a Holder will need to notify the Registrar by 5:00pm Registry Office local time 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 Registrar, or the payment does not complete, the amount will be held in a special purpose account until such account is nominated, claims may no longer be made in respect of that amount or the Issuer deals with the amount in accordance with the laws relating to unclaimed moneys.</p>	<p>Clauses 3.7, 8.4, 9.1 and 9.2 of the Note Terms</p>

Topic	Summary	Where to find more information
<p>2.1.9</p> <p><b>What is a “PPS De-recognition Event” and what are the consequences?</b></p>	<p>A <b>PPS De-recognition Event</b> occurs when ANZ Bank NZ is not entitled to treat any of the ANZ Bank NZ 2024-2 Preference Shares as Additional Tier 1 Capital for ANZ Bank NZ. The Issuer expresses no opinion as to whether a PPS De-recognition Event will occur while the Notes are outstanding.</p> <p>If a PPS De-recognition Event occurs, then on and from the date when the PPS De-recognition Event occurs, for so long as the Notes are outstanding:</p> <ul style="list-style-type: none"> <li>• the payment of Interest will cease to be at the Issuer’s discretion;</li> <li>• the Issuer must pay Interest on each Interest Payment Date subject only to the Payment Condition being satisfied in respect of the relevant Interest Payment Date;</li> <li>• any Arrears of Interest accumulate and accrue Interest as Additional Interest Amounts;</li> <li>• any Arrears of Interest and Additional Interest Amounts remain a debt owing and are due and payable on the first to occur of the next Interest Payment Date on which the Payment Condition is satisfied and the Redemption Date, provided that the Payment Condition is satisfied in respect of that date;</li> <li>• all Additional Interest Amounts accrued up to an Interest Payment Date and not paid on such Interest Payment Date shall be added, for the purposes of calculating Additional Interest Amounts accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date; and</li> <li>• the amount payable if the Notes are Redeemed and the amount able to be claimed by a Holder in a liquidation of the Issuer is the aggregate of the Face Value, together with any unpaid Arrears of Interest and any Additional Interest Amounts calculated to the date on which the Notes are Redeemed or the date of commencement of the liquidation (as the case may be).</li> </ul> <p>A PPS De-recognition Event may also be a regulatory event under the terms of the ANZ Bank NZ 2024-2 Preference Shares, which (subject to the terms of that instrument, including the written approval of the RBNZ) entitles (but does not oblige) ANZ Bank NZ to redeem the ANZ Bank NZ 2024-2 Preference Shares. If the ANZ Bank NZ 2024-2 Preference Shares are redeemed, the Issuer can choose to Redeem the Notes if certain conditions are met.</p>	<p>Clauses 11 and 13.2 of the Note Terms</p>

## 2.2 OPTIONAL REDEMPTION BY THE ISSUER

The Issuer may choose to Redeem all (but not some) Notes on an Optional Redemption Date, on or after the PPS Redemption Date or after a Tax Event or Regulatory Event occurs, in each case if certain conditions are met. In addition, the Issuer (or any other member of the ANZ Group) may at any time purchase Notes in the open market or otherwise, at any price or consideration.

Topic	Summary	Where to find more information
<p>2.2.1</p> <p><b>What does Redemption mean?</b></p>	<p>Redemption means Notes are redeemed for the Redemption Amount.</p> <p>The Issuer may only Redeem the Notes if the Payment Condition is satisfied on the Redemption Date.</p> <p>The Payment Condition will be satisfied in respect of a Redemption if:</p> <ul style="list-style-type: none"> <li>• the Issuer is Solvent; and</li> <li>• the Issuer is able to pay the aggregate Redemption Amount in respect of all Notes that are the subject of the Redemption Notice and remain Solvent immediately after such payment.</li> </ul>	<p>Clauses 4 and 13.2 of the Note Terms</p>
<p>2.2.2</p> <p><b>When are the Optional Redemption Dates?</b></p>	<p>18 October 2030 and each Interest Payment Date thereafter.</p>	<p>Clause 13.2 of the Note Terms</p>
<p>2.2.3</p> <p><b>What is a Tax Event?</b></p>	<p>Broadly, a Tax Event will occur if the Issuer receives professional advice that, as a result of:</p> <ul style="list-style-type: none"> <li>• a change in the tax law in Australia or New Zealand;</li> <li>• any judicial decision, administrative pronouncement or ruling affecting taxation in Australia or New Zealand (<b>Administrative Action</b>);</li> <li>• 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</li> <li>• a challenge by a taxing authority in Australia or New Zealand in connection with the Notes,</li> </ul> <p>on or after the Issue Date (and which on the Issue Date is not expected by the Issuer), there is more than an insubstantial risk which the Directors determine to be unacceptable that the Issuer or another member of the ANZ Group would be exposed to more than a <i>de minimis</i> adverse tax consequence or increased cost (including without limitation through the imposition of any taxes, duties, assessments or other charges) or debit to the imputation credit account of the Issuer, an Imputation Group which the Issuer is a member of, or another member of the ANZ Group in relation to Notes, interest payable on, or expenditure incurred in respect to, any Note is not or may not be deductible for the purposes of New Zealand tax or a payment of Interest on Notes requires the Issuer to pay additional amounts.</p>	<p>Clause 13.2 of the Note Terms</p>
<p>2.2.4</p> <p><b>What is a Regulatory Event?</b></p>	<p>Broadly, a Regulatory Event will occur if the Issuer receives legal advice that, as a result of a change of Australian or New Zealand law or regulation or any statement of APRA or the RBNZ on or after the Issue Date (and which on the Issue Date is not expected by the Issuer),</p> <ul style="list-style-type: none"> <li>• additional requirements (which are more than <i>de minimis</i>) would be imposed on the Issuer or the ANZ Group; or</li> <li>• there would be a negative impact on the Issuer or the ANZ Group in relation to Notes which is more than <i>de minimis</i>,</li> </ul> <p>and which the Directors determine to be unacceptable.</p>	<p>Clause 13.2 of the Note Terms</p>

Topic	Summary	Where to find more information
<b>2.2.5</b> <b>When is the PPS Redemption Date?</b>	<p>The PPS Redemption Date is the date on which there are no ANZ Bank NZ 2024-2 Preference Shares outstanding.</p> <p>The ANZ Bank NZ 2024-2 Preference Shares may be redeemed on an optional redemption date or at any time if a tax event or regulatory event occurs (in each case, under and in accordance with the terms of the ANZ Bank NZ 2024-2 Preference Shares). See Section 1.2 for a summary of the key features of the ANZ Bank NZ 2024-2 Preference Shares, including a description of the circumstances in which they may be redeemed. Investors should note that the scheduled optional redemption dates of the ANZ Bank NZ 2024-2 Preference Shares coincide with the Optional Redemption Dates in respect of the Notes (as described in Section 2.2.2) and that a regulatory event in respect of the ANZ Bank NZ 2024-2 Preference Shares may also be a PPS De-recognition Event.</p>	Clause 13.2 of the Note Terms
<b>2.2.6</b> <b>Purchases</b>	<p>The Issuer or any other member of the ANZ Group may at any time purchase Notes in the open market or otherwise, at any price or consideration.</p>	Clause 4.4 of the Note Terms
<b>2.3 OTHER</b>		
<b>2.3.1</b> <b>Can the Issuer issue further Notes or other instruments?</b>	<p>The Issuer reserves the right to issue further securities or incur further obligations of any kind (whether ranking equally with, in priority to or junior to or having different rights from the Notes) without the consent of Holders. The Issuer also has the right to issue shares or any other securities of any kind without the consent of Holders.</p> <p>Notes do not:</p> <ul style="list-style-type: none"> <li>• confer on Holders any right to subscribe for new securities in the Issuer or any other member of the ANZ Group or to participate in any bonus issues of shares by the Issuer or any other member of the ANZ Group;</li> <li>• prevent the Issuer or any other member of the ANZ Group from redeeming, buying back, returning capital on or converting any securities (subject to the restrictions described in Section 2.1.6); and</li> <li>• prevent the Issuer or any other member of the ANZ Group from incurring or guaranteeing any indebtedness upon such terms as the Issuer or any other member of the ANZ Group thinks fit in its sole discretion.</li> </ul>	Clause 6.10 of the Note Terms
<b>2.3.2</b> <b>What voting rights do Notes carry?</b>	<p>Holders do not have voting rights at any meeting of members of the Issuer or any other member of the ANZ Group.</p>	Clause 7.2 of the Note Terms

Topic	Summary	Where to find more information
<p><b>2.3.3</b></p> <p><b>Can the Issuer amend the Note Terms?</b></p>	<p>The Issuer may amend the Note Terms without the consent of Holders in certain circumstances including where the Issuer reasonably considers the amendment:</p> <ul style="list-style-type: none"> <li>• is made to correct a manifest or proven error;</li> <li>• is of a formal, minor or technical nature;</li> <li>• is necessary to comply with any law, the provisions of any statute or the requirements of any statutory authority;</li> <li>• is made in accordance with the Issuer's adjustment rights in clause 3.1(b) of the Note Terms;</li> <li>• is expedient for the purposes of listing (if any) or clearing the Notes;</li> <li>• amends certain dates or time periods in connection with any Redemption without such amendment materially adversely affecting the interests of Holders as a whole and in a manner necessary to facilitate the Redemption; or</li> <li>• in any other case, will not materially adversely affect the rights of Holders as a whole.</li> </ul> <p>The Issuer may also amend the Note Terms if the amendment has been approved by a Special Resolution.</p> <p>No amendment to the Note Terms shall be made unless the Issuer has received confirmation from ANZ Bank NZ that the proposed amendment will not impact the eligibility of the ANZ Bank NZ 2024-2 Preference Shares as Additional Tier 1 Capital for ANZ Bank NZ.</p>	<p>Clause 10 of the Note Terms</p>
<p><b>2.3.4</b></p> <p><b>What is the ANZ Holdings NZ Notes Deed Poll?</b></p>	<p>ANZ Holdings NZ Notes Deed Poll has been made by the Issuer in favour of each person who is from time to time a Holder. The ANZ Holdings NZ Notes Deed Poll gives legal effect to the Issuer's obligations in the Note Terms.</p> <p>Under the ANZ Holdings NZ Notes Deed Poll, the Issuer also undertakes to appoint the Registrar and to procure that the Registrar will establish and maintain a principal Register.</p> <p>The ANZ Holdings NZ Notes Deed Poll also includes provisions for meetings of Holders.</p> <p> Holders will be bound by the terms of the ANZ Holdings NZ Notes Deed Poll and the Note Terms when Notes are issued or transferred to them or they purchase Notes.</p> <p>Each Holder can enforce the Issuer's obligations under the ANZ Holdings NZ Notes Deed Poll, including the Note Terms and the provisions for meetings, independently of the Registrar and each other.</p>	<p>ANZ Holdings NZ Notes Deed Poll</p>
<p><b>2.3.5</b></p> <p><b>Is there a time limit on claims in respect of the Notes?</b></p>	<p> Holders should be aware that the Issuer is entitled to refuse any claim against it for a payment under a Note where the claim is made more than 4 years from the date on which payment first became due.</p>	<p>Clause 9.3 of the Note Terms</p>
<p><b>2.3.6</b></p> <p><b>Are determinations binding?</b></p>	<p>Except where there is fraud or a manifest or proven error, any determination or calculation which the Calculation Agent or the Issuer makes in accordance with the Note Terms is final and binding on Holders.</p>	<p>Clause 9.4 of the Note Terms</p>

Topic	Summary	Where to find more information
<p><b>2.3.7</b></p> <p><b>Does set-off apply to payments in respect of the Notes?</b></p>	<p>A Holder:</p> <ul style="list-style-type: none"> <li>may not exercise any right of set-off against the Issuer in respect of any claim by the Issuer against that Holder; and</li> <li>will have no offsetting rights or claims on the Issuer if the Issuer does not pay Interest when scheduled under the Note Terms.</li> </ul> <p>The Issuer may not exercise any right of set-off against a Holder in respect of any claim by that Holder against the Issuer.</p>	<p>Clause 6.5 of the Note Terms</p>
<p><b>2.3.8</b></p> <p><b>What is the power of attorney?</b></p>	<p>Each Holder agrees to appoint each of the Issuer, its officers and any External Administrator of the Issuer (each an <b>Attorney</b>) severally to be the attorney of the Holder with power in the name and on behalf of the Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order to:</p> <ul style="list-style-type: none"> <li>effect any transfers of Notes or make any entry in the Register in connection with any Redemption; or</li> <li>facilitate the performance or observance of the obligations of the Holder arising in connection with any such Redemption.</li> </ul>	<p>Clause 6.9 of the Note Terms</p>
<p><b>2.3.9</b></p> <p><b>What are the tax implications of investing in the Notes?</b></p>	<p>Information about the Australian and New Zealand tax consequences of investing in the Notes is set out in Section 5.</p> <p>The tax implications of investing in Notes will depend on an investor's individual circumstances. Potential investors should obtain their own tax advice.</p>	<p>Section 5</p>
<p><b>2.4 NOTES UNQUOTED, AUSTRACLEAR SYSTEM AND TRANSFERS</b></p>		
<p><b>2.4.1</b></p> <p><b>The Notes will not be quoted</b></p>	<p>The Notes will not be quoted on ASX or any other stock exchange and will not participate in CHESS. No certificates will be issued for Notes unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.</p>	<p>Clause 2.8 of the Note Terms</p>
<p><b>2.4.2</b></p> <p><b>Registration and title</b></p>	<p>The Notes will be lodged in the Austraclear System. In the Austraclear System, the Registrar will enter Austraclear in the Register as the Holder of the Notes.</p> <p>Entry of the name of a person in the Register in respect of a Note constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the Holder of the Notes. No certificates or other evidence of title will be issued to Holders unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.</p> <p>Title to the Notes will be determined in accordance with the Austraclear Regulations.</p> <p>All dealings (including transfers and payments) in relation to Notes within the Austraclear System are governed by the regulations for the Austraclear System and need not comply with the Note Terms to the extent of any inconsistency.</p> <p>Any Holder who is not an Austraclear Participant will have to maintain arrangements with an Austraclear Participant in order to hold an interest in Notes. The Issuer has no responsibility for these arrangements or for the performance by any Austraclear Participant of its obligations.</p>	<p>Clause 2 of the Note Terms</p>

Topic	Summary	Where to find more information
<p><b>2.4.3</b></p> <p><b>Transfer of Notes</b></p>	<p>Notes may only be transferred in accordance with the Note Terms.</p> <p>Transfers of Notes in the Austraclear System will be made in accordance with the Austraclear Regulations and in minimum transfer amounts of not less than A\$500,000.</p> <p>No prospectus, product disclosure statement or other disclosure document has been prepared in Australia for the Notes.</p> <p>Notes are only transferable within, to or from Australia in the denominations specified in this Information Memorandum and Notes may only be transferred within, to or from Australia if the aggregate consideration payable by the transferee at the time of transfer is at least A\$500,000.</p> <p>Notes may only be transferred between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of the jurisdiction in which transfer takes place and the Notes are otherwise transferred in a manner that does not require disclosure to investors under the laws of that jurisdiction or jurisdictions.</p>	<p>Clause 2 of the Note Terms</p>



## **SECTION 3 ABOUT THE ISSUER, ANZ BANK NZ AND THE ANZ GROUP**

### **THIS SECTION SETS OUT:**

SELECTED CORPORATE AND BUSINESS DESCRIPTIONS OF THE ISSUER, ANZ BANK NZ AND THE ANZ GROUP;

SELECTED FINANCIAL INFORMATION IN RELATION TO THE ISSUER AND ANZ BANK NZ;

SELECTED REGULATORY CAPITAL INFORMATION IN RELATION TO THE ANZ GROUP, THE ISSUER AND ANZ BANK NZ; AND

SELECTED FUNDING AND LIQUIDITY INFORMATION IN RELATION TO ANZ BANK NZ.



## 3.1 CORPORATE AND BUSINESS DESCRIPTION

### 3.1.1 The Issuer

The Issuer was incorporated in New Zealand under the New Zealand Companies Act 1955 on 30 March 1988, was re-registered under the Companies Act on 27 June 1997 and is a company limited by shares. The Issuer is a member of the ANZ Group and owns 100% of the ordinary share capital of ANZ Bank NZ. The principal business activities of the Issuer consist of its activities as the New Zealand non-operating holding company of ANZ Bank NZ.

The Issuer is not an ADI which is authorised under the Banking Act, nor a registered bank under the BPS Act.

Selected financial and regulatory capital information in relation to the Issuer and the ANZ Bank NZ is set out in Sections 3.2 and 3.3.

### 3.1.2 ANZ Bank NZ

#### Overview

ANZ Bank NZ was incorporated in New Zealand under the New Zealand Companies Act 1955 on 23 October 1979, was re-registered under the Companies Act on 13 June 1997, and is a company limited by shares.

The Issuer holds 100% of the voting interest in ANZ Bank NZ. ANZ Bank NZ has also issued non-voting redeemable perpetual preference shares that are quoted on the NZX Debt Market.

ANZ Bank NZ intends to issue the ANZ Bank NZ 2024-2 Preference Shares to the Issuer on or about the date that the Notes are issued for an amount representing the proceeds of the Notes. The ANZ Bank NZ 2024-2 Preference Shares will rank equally with the ANZ Bank NZ 2024-1 Preference Shares, the ANZ Bank NZ 2022 Preference Shares and the ANZ Bank NZ AT1 Notes.

ANZ Bank NZ is a registered bank under the BPS Act. The RBNZ has prudential oversight over the ANZ Bank NZ Group.

As at 31 March 2024, the ANZ Bank NZ Group had total assets of NZ\$196,166 million and was the largest full service banking group in New Zealand measured by total assets compared to other registered banks in New Zealand based on the “Bank Financial Strength Dashboard” published by the RBNZ. As at 31 March 2024, ANZ Bank NZ held approximately 28% of the total assets held by registered banks in New Zealand, based on data series “S10 Banks: Balance Sheet for registered banks” published by the RBNZ. As at 31 March 2024, ANZ Bank NZ was supported by 101 branches.

#### Competitive strengths

ANZ Bank NZ considers that its competitive strengths are that it:

- is New Zealand’s largest bank, with a combined customer base of over 2 million;
- has the leading market share in New Zealand in mortgages and agricultural lending and remains one of the main providers of business lending – a diverse business mix reflecting the makeup of the economy;
- has a well-respected brand and nationwide presence;
- maintains strong local corporate governance and New Zealand-based management; and
- benefits from the international connectivity of the ANZ Group.

#### ANZ Bank NZ organisational structure

##### *Divisional Structure*

The ANZ Bank NZ Group is comprised of the Personal, Business & Agri and Institutional business units. These segments are supported by centralised back office and corporate functions. Funds management products are developed and procured through ANZ Bank NZ’s wholly-owned subsidiaries, ANZ New Zealand Investments Limited (a company incorporated in New Zealand with Company Number 424261) and ANZ Investment Services (New Zealand) Limited (a company incorporated in New Zealand with Company Number 378380). Insurance (underwritten by third parties) and funds management products are distributed through the Personal segment.

### *Personal*

Personal provides a full range of banking and wealth management services to consumer and private banking customers. The ANZ Bank NZ Group delivers its services via its internet and app-based digital solutions and network of branches, mortgage specialists, relationship managers and contact centres.

As at 31 March 2024, Personal had:

- A network of 101 branches and 471 ATMs. Customers have access to phone and mobile phone banking and online banking services.
- Net loans and advances of NZ\$108,400 million and customer deposits of NZ\$90,500 million.
- Total funds under management of NZ\$40,500 million.

### *Business & Agri*

Business & Agri provides a full range of banking services through the ANZ Bank NZ Group's digital, branch and contact centre channels, and traditional relationship banking and sophisticated financial solutions through dedicated managers. These cover privately owned small, medium and large enterprises, the agricultural business segment, government and government related entities.

As at 31 March 2024, Business & Agri had net loans and advances of NZ\$23,900 million and customer deposits of NZ\$18,300 million.

### *Institutional*

The Institutional division services government, in addition to global and domestic institutional and corporate customers, via the following business units:

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

As at 31 March 2024, Institutional had net loans and advances of NZ\$18,600 million and customer deposits of NZ\$26,600 million.

### *Other*

Other includes treasury and back office support functions, none of which constitutes a separately reportable segment.

### **3.1.3 The ANZ Group**

The Issuer is an indirectly wholly owned subsidiary of ANZGHL. ANZGHL is the listed parent company of the ANZ Group and is a non-operating holding company that is authorised as such for the purposes of the Banking Act.

ANZGHL is listed, and ANZGHL ordinary shares are quoted, on ASX and the New Zealand Stock Exchange. ANZGHL's principal businesses include ANZBGL and ANZ Bank NZ. ANZBGL is an ADI regulated by various prudential regulators, including APRA in Australia and the RBNZ in New Zealand. ANZBGL is a public company incorporated and domiciled in Australia with debt listed on securities exchanges.

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



## Statement of comprehensive income

The stand-alone statement of comprehensive income of ANZ Holdings NZ for the nine months ended 30 June 2024 is as follows:

For the nine months ended 30 June 2024	NZ\$m
Dividend income	2,041
Interest income	3
Interest expense	(70)
Net interest income / (expense)	(67)
<b>Profit before income tax</b>	<b>1,974</b>
Income tax credit / (expense)	18
<b>Profit for the period</b>	<b>1,992</b>

There are no items of other comprehensive income

## Balance sheet

The stand-alone balance sheet of ANZ Holdings NZ as at 30 June 2024 is as follows:

As at 30 June 2024	NZ\$m
<b>Assets</b>	
Cash and cash equivalents	69
Current tax assets	36
Investment in subsidiary (1)	12,769
<b>Total assets</b>	<b>12,874</b>
<b>Liabilities</b>	
Accrued interest payable	16
Deferred tax liabilities	2
Borrowings from the immediate parent company <sup>10</sup>	1,766
<b>Total liabilities</b>	<b>1,784</b>
<b>Net assets</b>	<b>11,090</b>
<b>Shareholder's equity</b>	
Share capital (1)	11,044
Retained earnings	46
<b>Total shareholder's equity</b>	<b>11,090</b>

Note:

(1) On 15 August 2024, the Issuer:

- received an NZ\$3,500 million dividend from ANZ Bank NZ and invested in a further NZ\$3,500 million of fully-paid ordinary shares issued by ANZ Bank NZ; and
- paid an NZ\$3,500 million dividend on its ordinary shares held by ANZ Funds and issued NZ\$3,500 million equivalent of fully-paid A\$ RPS to ANZ Funds.

## Capital and funding

The Issuer has on issue to its immediate parent company, ANZ Funds, NZ\$1,450 million of ANZ Holdings NZ Ordinary Shares and NZ\$13,094 million equivalent of NZ\$ and A\$ RPS.<sup>11</sup> The Issuer is

<sup>10</sup> The immediate parent company of the Issuer is ANZ Funds.

<sup>11</sup> Includes NZ\$3,500 million equivalent of A\$ RPS shares issued on 15 August 2024.

a debtor in respect of the Subordinated Loan, which is an NZ\$1,766 million loan from ANZ Funds. The ANZ Holdings NZ Ordinary Shares, RPS and Subordinated Loan are all Junior Ranking Instruments.

#### *Ordinary shares*

All ANZ Holdings NZ Ordinary Shares share equally in dividends and any proceeds available to ordinary shareholders in a liquidation of ANZ Holdings NZ. In the event of liquidation of ANZ Holdings NZ, the rights of holders of ANZ Holdings NZ Ordinary Shares to a distribution from the Issuer's remaining assets (if any) would rank behind the claims and rights of Holders of the Notes, holders of the RPS and ANZ Funds in respect of the Subordinated Loan. During the six months ended 31 March 2024 and the year ended 30 September 2023, ANZ Holdings NZ paid ordinary dividends of NZ\$1,085 million and NZ\$1,345 million respectively to its immediate parent company, ANZ Funds.

#### *RPS*

All RPS were issued by the Issuer to members of the ANZ Group. RPS carry no voting rights and are redeemable by the Issuer providing notice in writing to holders of the RPS. Dividends are payable at the discretion of the Directors of the Issuer and are non-cumulative. There are nine classes of RPS, relating to issues in 1988, 2005, 2007, 2008, 2009, 2014, 2015, 2018 and 2024. The Issuer did not pay any dividends on RPS during the nine months ended 30 June 2024 or the year ended 30 September 2023. In the event of liquidation of ANZ Holdings NZ, the rights of holders of RPS to a distribution (to the extent of their entitlement under the terms of the RPS) from the Issuer's remaining assets (if any) would rank behind the claims of Holders of the Notes, *pari passu* with the rights and claims of other holders of the RPS and ANZ Funds in respect of the Subordinated Loan but in priority to the rights of holders of ANZ Holdings NZ Ordinary Shares.

#### *Subordinated Loan*

The Issuer has borrowed NZ\$1,766 million from its immediate parent ANZ Funds under the Subordinated Loan. The Subordinated Loan matures on 29 April 2099 and pays interest semi-annually in arrear on 29 April and 29 October each year. Interest and other payments prior to maturity are subject to various conditions including the Issuer not being restricted from making such payments under the Note Terms and the Issuer being solvent on the payment date and immediately after the payment is made. Any amounts not paid will accumulate. In the event of liquidation of ANZ Holdings NZ, the rights of ANZ Funds to a distribution (to the extent of its entitlement under the terms of the Subordinated Loan) from the Issuer's remaining assets (if any) would rank behind the claims of Holders of the Notes, *pari passu* with the rights of holders of the RPS but in priority to the rights of holders of ANZ Holdings NZ Ordinary Shares.

#### **Other liabilities**

Other liabilities may include derivative financial instruments and other payables, such as certain taxes. These liabilities would rank ahead of the Notes in a liquidation and the creditors in respect of them constitute Senior Creditors.

The Issuer intends to enter into the Cross-Currency Swap to convert the Australian dollar proceeds of the issue of the Notes into New Zealand dollars. The New Zealand dollars will fund the purchase by the Issuer of the ANZ Bank NZ 2024-2 Preference Shares.

Under the Cross-Currency Swap, on each quarterly Interest Payment Date on the Notes:

- the Issuer will receive a floating rate Australian dollar amount from ANZ Bank NZ; and
- the Issuer will pay a floating rate New Zealand dollar amount to ANZ Bank NZ.

The Cross-Currency Swap will terminate on the first Optional Redemption Date, regardless of whether or not the Notes remain on issue after that date. The Issuer may enter into a replacement swap arrangement on or after the first Optional Redemption Date, unless the Notes have been Redeemed. There is no guarantee as to whether (or on what terms) the Issuer would be able to enter into such a replacement swap arrangement.

The Issuer's obligations under the Cross-Currency Swap are not subordinated, discretionary or conditional on the receipt of distributions on the ANZ Bank NZ 2024-2 Preference Shares.

### 3.3 SELECTED FINANCIAL INFORMATION FOR ANZ BANK NZ

#### 3.3.1 Impact of the Offer

The issue of the Notes will increase the Issuer's liabilities. The Issuer will swap the Australian dollar proceeds of the issue of the Notes into New Zealand dollars under the Cross-Currency Swap and will invest the New Zealand dollars swap proceeds into ANZ Bank NZ 2024-2 Preference Shares. There would be no impact on its shareholder's equity (aside from any issuance costs expensed or deducted).

#### 3.3.2 ANZ Bank NZ

ANZ Bank NZ's financial statements are published in annual and half-yearly disclosure statements. The disclosure statements for the year ended 30 September 2023 and the six months ended 31 March 2024 are lodged with ASX and NZX and are available at [asx.com.au](http://asx.com.au) or at [www.anz.com/shareholder/centre/reporting/new-zealand-disclosure-statement/](http://www.anz.com/shareholder/centre/reporting/new-zealand-disclosure-statement/).

#### ANZ Bank NZ capital structure

ANZ Bank NZ's capital structure as at 31 March 2024 and its pro forma capital structure based on an example NZ\$600 million ANZ Bank NZ 2024-2 Preference Share issue and certain other capital actions that have occurred after 31 March 2024 are set out in the table below.

NZ\$ million	31 March 2024	Certain capital actions after 31 March 2024	Potential ANZ Bank NZ 2024-2 Preference Share issue (example size)	31 March 2024 – pro forma following an example NZ\$600m ANZ Bank NZ 2024-2 Preference Share issue and certain other capital actions
<b>Share capital</b>				
Ordinary shares (1)	11,588	4,400	-	15,988
Preference shares (2)	1,125	(300)	600	1,425
<b>Total share capital</b>	<b>12,713</b>	<b>4,100</b>	<b>600</b>	<b>17,413</b>
<b>Reserves</b>				
Fair value through other comprehensive income reserve	(13)	-	-	(13)
Cash flow hedge reserve	(48)	-	-	(48)
<b>Total reserves</b>	<b>(61)</b>	<b>-</b>	<b>-</b>	<b>(61)</b>
Retained earnings	6,008	(4,400)	-	1,608
<b>Total shareholders' equity</b>	<b>18,660</b>	<b>(300)</b>	<b>600</b>	<b>18,960</b>

Notes:

- (1) On 25 June 2024, ANZ Bank NZ paid a NZ\$900 million dividend and issued NZ\$900 million of ordinary shares to the Issuer. On 15 August 2024, ANZ Bank NZ paid a NZ\$3,500 million dividend and issued NZ\$3,500 million of ordinary shares to the Issuer.
- (2) On 25 June 2024, ANZ Bank NZ redeemed NZ\$300 million of preference shares held by the Issuer. This redemption would reduce ANZ Bank NZ's Tier 1 Capital and Total Capital ratios by 0.28% on a pro forma basis based on ANZ Bank NZ's risk weighted assets (RWA) at 31 March 2024.

A NZ\$600 million issue of ANZ Bank NZ 2024-2 preference shares to the Issuer would increase ANZ Bank NZ's Tier 1 Capital and Total Capital ratios by 0.56% on a pro forma basis based on ANZ Bank NZ's RWA at 31 March 2024. If the issue size of the ANZ Bank NZ 2024-2 Preference Shares was more or less, the pro forma impact would be impacted accordingly.

### 3.3.3 Historical results

The financial information in Section 3.2.1 is historical information and is not a forecast of results to be expected in future periods.

## 3.4 SELECTED REGULATORY CAPITAL AND PRUDENTIAL REGULATORY INFORMATION

### 3.4.1 ANZ Group

APRA is the prudential regulator of the Australian financial services industry. ANZBGL is regulated by APRA because of its status as an ADI and ANZGHL is regulated by APRA as a non-operating holding company (NOHC). APRA's Prudential Standards aim to ensure that ADIs (including ANZBGL) remain adequately capitalised to support the risks associated with their activities, absorb losses and to generally protect Australian depositors.

The Issuer is not an ADI and is not a registered bank in New Zealand and is not supervised by APRA or the RBNZ. The Notes do not qualify as regulatory capital of any member of the ANZ Group for the purposes of the requirements of APRA or the RBNZ, and are not subject to Australian requirements for conversion and write-off of regulatory capital instruments. However, the exercise of the powers of APRA or the RBNZ may affect the Issuer or the Notes in a manner that is adverse to Holders.

#### Overview of APRA regulatory capital requirements

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

- Level 1 – the ADI on a standalone basis (i.e. ANZBGL and specified APRA-approved subsidiaries which are considered to form the ADI's Extended Licensed Entity). The Issuer is not part of the ANZ Level 1 Group. This is the ANZ Level 1 Group;
- Level 2 – the consolidated banking group (i.e. ANZ Bank Group (which includes the Issuer and ANZ Bank NZ) less certain subsidiaries and associates that are excluded under APRA's prudential standards). This is the ANZ Level 2 Group; and
- Level 3 – the conglomerate group at its widest level; that is, ANZGHL as the NOHC and all its related bodies corporate (including the Issuer and ANZ Bank NZ). This is the ANZ Level 3 Group.

ANZBGL measures capital adequacy monthly and reports for prudential purposes on a Level 1 and Level 2 basis. APRA's authority for ANZGHL to be a NOHC of ANZBGL (as an ADI) includes five conditions on the ANZ Group's capital management framework, including that ANZGHL must always ensure that the quality and quantity of the total capital of the ANZ Level 3 Group is equivalent to, or greater than, the quality and quantity of the sum of the total capital of the ANZ Bank Group and the ANZ Non-Bank Group.

The Basel Framework requires ADIs to hold a certain level of regulatory capital against its 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.

#### Group regulation – roadmap for review

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

#### APRA's Resolution Planning

APRA has introduced Prudential Standard CPS900 with effect from 1 January 2024. The objective of this Prudential Standard is to ensure that APRA-regulated entities can be resolved by APRA in an orderly manner if needed, where bespoke planning and pre-positioning is required. The aim of resolution is to protect beneficiaries, minimise disruption to the financial system, and provide continuity of critical functions in the event an entity becomes non-viable. ANZBGL must comply with an applicable requirement of this Prudential Standard on a group basis, including in relation to entities

that are not APRA-regulated. The exercise of APRA's resolution powers may affect the Issuer or the Notes in a manner that is adverse to Holders.

### **APRA's powers**

The Issuer is a member of the ANZ Group. The ANZ Group contains an ADI (ANZBGL) and is headed by an authorised NOHC of an ADI (ANZGHL).

APRA has extensive powers to give directions to an ADI or an authorised NOHC including to procure that a subsidiary (including the Issuer) takes or refrains from taking an action. The circumstances in which a direction may be given include where:

- the ADI, authorised NOHC of the ADI or the subsidiary (as applicable) has contravened, or is likely to contravene the Banking Act or the Financial Sector (Collection of Data) Act 2001 (**FSCODA**), or a prudential standard or requirement;
- the direction is necessary in the interests of depositors of the ADI;
- the ADI, authorised NOHC of the ADI or the subsidiary (as applicable) is, or is about to become, unable to meet its liabilities;
- there is a material risk to the security of the ADI's, the authorised NOHC of the ADI's or the subsidiary's (as applicable) assets or a material deterioration in the relevant body corporate's financial condition;
- the ADI, authorised NOHC of the ADI or the subsidiary (as applicable) is conducting its affairs in an improper or financially unsound way, or in a way that might promote instability in the Australian financial system; or that may cause it to be unable to continue to supply services to an ADI in the ANZ Group; or
- failure to give the direction would materially prejudice the interests of the ADI.

Where a direction has been given to an ADI or an authorised NOHC, or the grounds to give such a direction exist, APRA may also give a direction directly to the subsidiary, including the Issuer.

These directions include (but are not limited to), a direction:

- not to pay or agree to pay any amount to any person;
- not to provide any financial accommodation to any person, or to undertake any financial obligation on behalf of another person;
- not to pay dividends on shares or to repay any amount paid on shares;
- not to accept payment on account of share capital;
- not to transfer or agree to transfer an asset to any person;
- not to accept the deposit of any amount, or to not repay any deposit held;
- for the appointment and removal of directors and senior management;
- for the appointment and removal of auditors, and the undertaking of an audit of the business's affairs;
- to comply with provisions of the Banking Act or FSCODA, other conditions or directions made under the Banking Act or FSCODA, and prudential requirements or standards;
- to make changes to the subsidiary's systems, business practices or operations;
- to reconstruct, amalgamate or otherwise all or part of the subsidiary's business, structure or organisation, or the business, structure or organisation of the group constituted by the subsidiary and its subsidiaries; and
- to do or refrain from doing anything else in relation to the subsidiary's affairs.

A direction given to the Issuer, ANZBGL or ANZGHL may explicitly prohibit the Issuer from paying amounts in respect of the Notes, or may have the effect of limiting the Issuer's ability to pay amounts in respect of the Notes.



In certain circumstances, APRA may appoint a statutory manager to take control of the business of an ADI, an authorised NOHC of an ADI, or a subsidiary of either of them which is incorporated in Australia (each a **relevant entity**). The Issuer and ANZ Bank NZ are not incorporated in Australia, so APRA does not have the power to appoint a statutory manager to take control of these entities. However, as described in further detail below, the appointment of a statutory manager to other members of the ANZ Group may adversely affect the Issuer or the ANZ Bank NZ Group.

The circumstances in which APRA may appoint a statutory manager are defined in the Banking Act and include (but are not limited to):

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

In addition, APRA has the power to take control of the business of an authorised NOHC of an ADI, a subsidiary of that NOHC or a subsidiary of the ADI where APRA has appointed, or intends to appoint, a statutory manager to take control of the business of the relevant ADI and certain other conditions are met.

The powers of a Banking Act statutory manager extend to all the powers and functions of the relevant entity's board and include the power to alter the relevant entity's constitution, to issue, cancel or sell shares (or rights to acquire shares) in the relevant entity and to vary or cancel rights or restrictions attached to shares in a class of shares in the relevant entity. The Banking Act statutory manager is authorised to do so despite the Corporations Act, the relevant entity's constitution, any contract or arrangement to which the relevant entity is party or the ASX Listing Rules. The Banking Act statutory manager may also dispose of the whole or part of the relevant entity's business.

Although APRA cannot appoint a Banking Act statutory manager to take control of the Issuer, the Issuer and ANZ Bank NZ Group may nonetheless be adversely affected by the appointment of a Banking Act statutory manager to ANZBGL, ANZGHL or any intermediate holding companies of the Issuer which are incorporated in Australia. For example, a Banking Act statutory manager might:

- use its powers to extract funds from the Issuer and the ANZ Bank NZ group to increase the capital level of ANZBGL to a specified level; or
- dispose or cause the disposal, in whole or in part, of the ANZ Group's investments including any investment in the Issuer and the ANZ Bank NZ Group.

APRA may, in certain circumstances, require ANZBGL or ANZGHL to transfer all or part of its business, or require the transfer of shares in ANZBGL, to another entity under the Financial Sector (Transfer and Restructure) Act 1999 (Cth) (the **FSTR Act**). This may result in the transfer of the Issuer and ANZ Bank NZ Group to another entity.

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.

Under the Australian Prudential Regulation Authority Act (**APRA Act**), in performing its functions and exercising its powers, APRA must support the RBNZ in respect of prudential regulation in New Zealand and, to the extent reasonably practicable, avoid taking any action that is likely to have a detrimental effect on the stability of the financial system in New Zealand. Further, where APRA is proposing to take an action that may have a detrimental effect on the stability of the financial system in New Zealand, APRA will, to the extent reasonably practicable, consult with the RBNZ before taking the relevant action.

### **3.4.2 The Issuer**

The Issuer is not a registered bank in New Zealand and is not regulated or supervised by the RBNZ. However, as described in Section 3.4.6, the RBNZ's crisis management powers could extend to the Issuer in certain circumstances. The Issuer is not an ADI or a non-operating holding company in Australia, so it is not directly regulated or supervised by APRA as an authorised entity, although, as a subsidiary of an ADI, it may be the subject of directions by APRA in particular circumstances.

The Notes do not qualify as regulatory capital of any member of the ANZ Group for the purposes of the capital requirements of APRA or the RBNZ and are not subject to Australian requirements for conversion and write-off of regulatory capital instruments. However, the exercise of the powers of APRA or the RBNZ may affect the Issuer or the Notes in a manner that is adverse to Holders.

### **3.4.3 ANZ Bank NZ**

ANZ Bank NZ is a registered bank in New Zealand and is prudentially regulated and supervised by the RBNZ. The RBNZ requires ANZ Bank NZ to maintain an adequate level of regulatory capital to provide a buffer to absorb losses from its activities before depositors and other creditors are affected. The RBNZ's approach to assessing capital adequacy focuses on the credit risk associated with a bank's exposures, market and operational risks and the quality and quantity of a bank's capital.

The Issuer is issuing the Notes to help ANZ Bank NZ meet the capital requirements set by the RBNZ. The proceeds from the issuance of the Notes will fund the acquisition by the Issuer of ANZ Bank NZ 2024-2 Preference Shares. The ANZ Bank NZ 2024-2 Preference Shares will count as Additional Tier 1 Capital for ANZ Bank NZ under the RBNZ capital requirements.

## **Types of RBNZ regulatory capital in New Zealand**

The RBNZ classifies a bank's regulatory capital into different categories. These are referred to as Common Equity Tier 1 Capital (**CET1**), Tier 1 Capital (consisting of CET1 and Additional Tier 1 Capital) and Total Capital (consisting of Tier 1 Capital and Tier 2 Capital).

The RBNZ released new capital adequacy requirements in 2021 which significantly increase the regulatory capital requirements applying to New Zealand banks.

The following table sets out the different categories of regulatory capital, the minimum capital ratios that ANZ Bank NZ must maintain, and the prudential capital buffer above the minimum capital ratios that ANZ Bank NZ must maintain to avoid restrictions on distributions (among other things), in each case as at the date of this Information Memorandum and once the RBNZ's capital reforms are fully implemented in July 2028. The regulatory capital ratio requirements will increase progressively over this period.

		RBNZ's required ratio of capital to RWA to avoid restrictions on distributions	
Capital type	Description	As at the date of this Information Memorandum <sup>12</sup>	From July 2028 <sup>13</sup>
<b>CET1</b>	CET1 is the highest quality form of capital and is freely available to absorb losses. CET1 includes ordinary share capital, retained earnings, and certain accounting reserves. Some amounts (e.g. the value of goodwill) must be deducted to determine the final value of CET1.	More than 9%, including a prudential capital buffer of 4.5%	More than 13.5%, including a prudential capital buffer of 9%
<b>Additional Tier 1 Capital</b>	Additional Tier 1 Capital is a lower quality form of capital than CET1, but is still freely available to absorb losses. Additional Tier 1 Capital includes perpetual preference shares like the ANZ Bank NZ 2024-2 Preference Shares.	Up to 2.5%	Up to 2.5%
<b>Tier 1 Capital</b>	The sum of CET1 and Additional Tier 1 Capital	More than 11.5%, including a prudential capital buffer of 4.5%	More than 16%, including a prudential capital buffer of 9%
<b>Tier 2 Capital</b>	Tier 2 Capital is a lower quality form of capital than Tier 1 Capital, but is available to absorb losses in a liquidation. Tier 2 Capital includes subordinated debt instruments.	Up to 2%	Up to 2%
<b>Total Capital</b>	The sum of Tier 1 Capital and Tier 2 Capital	More than 13.5%, including a prudential capital buffer of 4.5%	More than 18%, including a prudential capital buffer of 9%

### Failure by a bank to maintain the prudential capital buffer

A failure to maintain the prudential capital buffer will not be a breach of a bank's Conditions of Registration but will result in a response from the RBNZ designed to encourage the bank to restore levels of capital.

If the prudential capital buffer is not maintained there is first a band where distributions are restricted to 100% of that year's earnings and no supervisory response is specified.

The supervisory response then escalates in 3 stages as the capital position deteriorates. At stages 1 and 2 there are further limits on distributions a bank may make on CET1. At stage 3, no distributions are allowed on CET1 and, from 1 July 2028, on Additional Tier 1 Capital (including the ANZ Bank NZ

<sup>12</sup> These are the ratios that apply to systemically important New Zealand banks, including ANZ Bank NZ. The ratios will progressively increase until July 2028.

<sup>13</sup> These are the ratios that will apply to systemically important New Zealand banks, including ANZ Bank NZ.

2024-2 Preference Shares). From 1 July 2028, stage 3 will apply if ANZ Bank NZ’s prudential capital buffer is 3% or less.

**3.4.4 ANZ Bank NZ’s capital management strategy**

ANZ Bank NZ’s core capital objectives are to:

- protect the interests of depositors, creditors and shareholders;
- ensure the safety and soundness of ANZ Bank NZ’s capital position; and
- ensure that the capital base supports ANZ Bank NZ’s risk appetite, and strategic business objectives, in an efficient and effective manner.

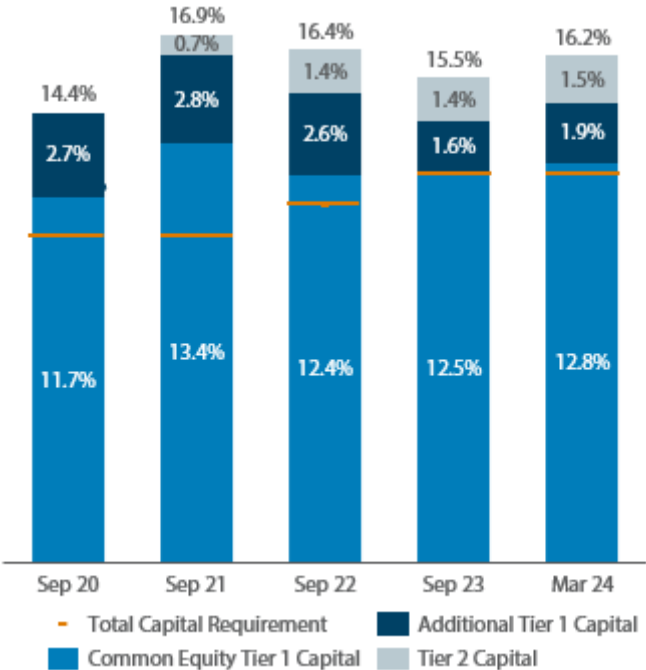
ANZ Bank NZ has minimum and trigger levels for CET1, Tier 1 Capital and Total Capital that aim to ensure sufficient capital is maintained to:

- meet minimum prudential requirements imposed by regulators;
- ensure consistency with ANZ Bank NZ’s overall risk profile and financial positions, taking into account its strategic focus and business plan; and
- support the internal risk capital requirements of the business.

**3.4.5 ANZ Bank NZ’s regulatory capital position**

The graph below shows ANZ Bank NZ’s historical regulatory capital position under the applicable RBNZ rules as at 30 September each year since 2020 and as at 31 March 2024. The Total Capital requirement increased from 10.5% to 11.5% on 1 July 2022, from 11.5% to 12.5% on 1 July 2023 and from 12.5% to 13.5% on 1 July 2024.

**ANZ Bank NZ’s historical regulatory capital position**



The information in the graph above is based on information in ANZ Bank NZ’s disclosure statement for each period. It is illustrative only and does not guarantee or forecast the future regulatory capital position for ANZ Bank NZ.

The RBNZ has introduced certain other capital changes applicable to systemically important New Zealand banks, including ANZ Bank NZ. These changes included introducing a standardised floor on RWA in January 2022, and increasing the multiplier applied to certain RWA in October 2022. Upon

implementation, both of these changes increased ANZ Bank NZ's RWA and lowered ANZ Bank NZ's regulatory capital ratios.

Contingent capital instruments will no longer be treated as eligible regulatory capital. As at 30 June 2024, ANZ Bank NZ had NZ\$938 million of Additional Tier 1 Capital notes outstanding (the ANZ Bank NZ AT1 Notes) that will progressively lose eligible regulatory capital treatment over the transition period to July 2028.

### 3.4.6 Powers of the RBNZ

The current framework for regulating and supervising registered banks in New Zealand (including ANZ Bank NZ) is under the BPS Act. The BPS Act will be replaced by the Deposit Takers Act 2023 (**Deposit Takers Act**), which is expected to be fully implemented by July 2028. Exercise of these powers by the RBNZ may impact the ability of ANZ Bank NZ to pay distributions to the Issuer in certain circumstances which could affect the Issuer's ability to pay amounts in respect of the Notes. The RBNZ also has powers in respect of the Issuer as an associated person of ANZ Bank NZ, which could also affect the Issuer's ability to pay amounts in respect of the Notes.

### 3.4.7 Powers of the RBNZ under the BPS Act

The main features of the RBNZ's regulatory and supervisory role under the BPS Act include:

- requiring all registered banks to comply with certain minimum prudential requirements, which are imposed via a bank's conditions of registration;
- monitoring each registered bank's financial condition and compliance with its conditions of registration;
- assessing whether a registered bank is "carrying on business in a prudent manner"; and
- using the RBNZ's crisis management powers available to it under the BPS Act to intervene where a registered bank's distress or failure situation threatens the soundness of the financial system.

The RBNZ possesses a number of crisis management and resolution powers under the BPS Act. Those powers include:

- recommending to the Minister of Finance that a registered bank's registration be cancelled;
- investigating the affairs of a registered bank or an associated person;
- giving directions to a registered bank or an associated person of a registered bank;
- subject to obtaining the prior consent of the Minister of Finance, removing, replacing or appointing a director of a registered bank or an associated person; or
- recommending to the Minister of Finance that a registered bank or an associated person be subject to statutory management.

An "associated person" of a registered bank is a broad concept and would include the Issuer as the non-operating holding company of ANZ Bank NZ.

The RBNZ has broad powers to give a direction to a registered bank or an associated person. The circumstances in which the RBNZ may give such a direction include if the RBNZ has reasonable grounds to believe that:

- the registered bank or associated person is insolvent or likely to become insolvent;
- the registered bank or associated person is about to suspend payment or is unable to meet its obligations as and when they fall due;
- the affairs of the registered bank or associated person are being conducted in a manner that is prejudicial to the soundness of the financial system;
- the circumstances of the registered bank or associated person are such as to be prejudicial to the soundness of the financial system; or
- the business of the registered bank has not been, or is not being, conducted in a prudent manner.

Before giving a direction to a registered bank or an associated person, the RBNZ must first obtain the consent of the Minister of Finance.

The RBNZ may give a direction to a registered bank or an associated person to do a number of things, including to:

- consult with the RBNZ about the circumstances of the registered bank or an associated person and the methods of resolving any difficulties facing the registered bank or the associated person;
- carry on business, or to cease to carry on its business, or any part of its business, in accordance with the direction;
- take action that is specified in the direction to address a breach of any condition of registration or any circumstances of financial difficulties; or
- take any other action specified in the direction

It is an offence for a registered bank or an associated person, or for an officer or employee of a registered bank or an associated person, to excuse, contravene or fail to comply with a direction given by the RBNZ without lawful justification. In some circumstances, it may be an offence to disclose that a direction has been given. This means that information about action taken by the RBNZ may not be publicly disclosed.

The RBNZ may make a recommendation to the Minister of Finance that a registered bank or an associated person be subject to statutory management. The RBNZ must not make such a recommendation to the Minister of Finance unless:

- it is satisfied on reasonable grounds that 1 or more of the circumstances to give a direction described above exist; or
- a registered bank or an associated person has failed to comply with a direction given by the RBNZ.

A statutory manager of a registered bank or an associated person has broad powers, including to:

- suspend in whole or in part the payment of any debt or the discharge of any obligation of the registered bank or associated person to any person;
- exercise all the powers, rights and privileges of the registered bank or associated person under any contract or otherwise and to exercise the powers of shareholders or the board of directors of the registered bank or associated person;
- carry on all or any part of the business of the registered bank or associated person;
- pay, in whole or in part, any creditor or class of creditors of the registered bank or associated person and make any compromise or arrangement with any creditor of the registered bank or associated person;
- sell or otherwise dispose of any part of the business undertakings of the registered bank or associated person on such terms and conditions the statutory manager thinks fit; and
- apply to put the registered bank or associated person into liquidation.

If ANZ Bank NZ or the Issuer became subject to statutory management, a moratorium would be imposed, and persons could not, among other things:

- commence or continue any action or other proceedings, including proceedings by way of counterclaim against ANZ Bank NZ or the Issuer (as applicable);
- issue any execution, attach any debt, or otherwise enforce or seek to enforce any judgment or order obtained in respect of ANZ Bank NZ or the Issuer (as applicable);
- take any steps to put ANZ Bank NZ or the Issuer (as applicable) into liquidation; or
- exercise any right of set off against ANZ Bank NZ or the Issuer (as applicable).

The exercise of powers by the RBNZ under the BPS Act, including the power to give a direction to or to recommend that ANZ Bank NZ or the Issuer be subject to statutory management, could affect the Issuer's ability to pay amounts in respect of the Notes.

In performing its functions or duties or exercising powers under the BPS Act the RBNZ must support APRA to meet its responsibilities relating to prudential regulation and financial system stability in Australia and, to the extent reasonably practicable, avoid any action that is likely to have a detrimental

effect on the financial system stability in Australia. Further, where the RBNZ is proposing to take an action that may have a detrimental effect on financial system stability in Australia, the RBNZ must, to the extent it considers reasonably practicable, consult with APRA before taking the proposed action.

### **3.4.8 Powers of the RBNZ under the Deposit Takers Act**

When it is fully implemented in July 2028, the Deposit Takers Act will, among other things:

- create a single regulatory regime for all bank and non-bank deposit takers;
- introduce a Depositor Compensation Scheme (**DCS**), which will protect up to NZ\$100,000 per eligible depositor, per licensed deposit taker, if a pay-out event is triggered;
- strengthen accountability requirements for directors of deposit takers;
- broaden the RBNZ's supervision and enforcement tools; and
- strengthen and clarify the RBNZ's crisis management and resolution powers.

The DCS will be funded by collecting levies from deposit takers, including ANZ Bank NZ, and is expected to commence in mid-2025, ahead of the rest of the Deposit Takers Act coming into effect in July 2028.

### **Standards**

Under the Deposit Takers Act, standards will replace the prudential requirements that are currently set out in banks' conditions of registration, the banking supervision handbook, the banking prudential requirements and orders in council. Each deposit taker will be required to be licensed and its licence will be subject to conditions that (among other things) will identify the standards that apply to the deposit taker. The RBNZ will be able to impose, vary, remove, add to, or substitute any conditions of licence of a deposit taker.

Under the Deposit Takers Act, the RBNZ may issue standards to regulate other matters, including a bail-in standard to require deposit takers to issue bail-in instruments that allow for the instruments to be converted to equity or written off in certain circumstances.

The RBNZ has recently consulted on policy proposals for four core standards under the Deposit Takers Act that will apply to deposit takers via their conditions of licence: a capital standard (minimum capital requirements), a liquidity standard (minimum liquidity requirements), a disclosure standard (information disclosure requirements) and a DCS standard (DCS disclosure and single depositor view requirements, which will specify how deposit takers inform the RBNZ of an eligible depositor's protected deposits). In August 2024, the RBNZ published a consultation paper on policy proposals for nine non-core standards under the Deposit Takers Act that will apply to deposit takers via their conditions of licence: an outsourcing standard, a lending standard (loan-to-value ratios and debt-to-income ratios); a related party exposures standard, a restricted activities standard (restrictions on insurance underwriting and material non-financial activities, approval requirements for overseas activities and limitations on covered bonds issuance), a governance standard (responsibilities of the board, structural and compositional requirements and fit and proper requirements), a risk management standard, an operational resilience standard (operational risk management, material service providers, information and communication technology and business continuity planning), an open bank resolution pre-positioning standard and a branch standard (which will not apply to ANZ Bank NZ). The outcome of these consultations is uncertain.

In August 2024, the RBNZ published a consultation paper on how it may operationalise its crisis management and resolution powers under the Deposit Takers Act. In the consultation paper, the RBNZ seeks feedback on its high-level approach to crisis management and resolution, the potential resolution 'tools' to give effect to different resolution strategies under its high-level approach, the potential role of a bail-in resolution tool and the development of a new crisis management standard. The outcome of the consultation, the possible development of a bail-in resolution tool and the impact of any bail-in resolution tool on any of ANZ Bank NZ's existing securities, such as the ANZ Bank NZ 2024-2 Preference Shares (once issued), is uncertain.

The standards are not expected to come into force until the Deposit Takers Act is fully implemented in July 2028.

## **Supervision and enforcement toolkit**

The Deposit Takers Act will provide the RBNZ with new supervisory and enforcement tools to support a more proactive approach to monitor deposit takers and deal with non-compliance. The new supervisory powers under the Deposit Takers Act include: information-gathering powers; on-site inspection powers, investigation powers, powers to issue warnings, powers to provide information to overseas supervisors and a duty to report non-compliance with prudential requirements. The RBNZ's new enforcement powers under the Deposit Takers Act include: enforceable undertakings, pecuniary penalties, infringement offences and banning orders.

## **Crisis management and resolution powers**

The crisis management and resolution regime in the Deposit Takers Act will be broadly the same as the regime in the BPS Act. This includes the RBNZ having the powers to:

- give directions to a deposit taker;
- give directions to an associated person of a deposit taker;
- approve the sale or other disposition of the whole or part of the capital or business undertaking of a deposit taker or an associated person of the deposit taker;
- remove or replace a director of a deposit taker or appoint a person as a director of a deposit taker; and
- recommend to the Minister of Finance that a licenced deposit taker or an associated person of a deposit taker be declared to be in resolution.

An “associated person” of a deposit taker is also a broad concept under the Deposit Takers Act and would include the Issuer as the holding company of ANZ Bank NZ.

There are some notable differences to the BPS Act regime, including:

- Resolution will replace statutory management under the Deposit Takers Act. The Deposit Takers Act will designate the RBNZ as the resolution authority for deposit takers to enable the powers that currently reside with a statutory manager to be exercised directly by the RBNZ.
- The RBNZ will be required to prepare and maintain a resolution plan for each deposit taker and publish a statement of resolution approach.
- Several of the RBNZ's crisis management powers will no longer be subject to obtaining the prior consent of the Minister of Finance (for example, the RBNZ's power to give directions to a deposit taker).
- The RBNZ will have the power to offer, issue or transfer any financial product in respect of which a deposit taker or an associated person in resolution is the issuer.
- The RBNZ may use the DCS fund to support a resolution measure to stabilise a failing deposit taker.
- Creditors and pre-resolution shareholders of a deposit taker or an associated person that is or has been in resolution must be compensated if they receive less favourable treatment than they would have under a liquidation as a result of the use of the RBNZ's resolution powers (the “no creditor worse off” principle).

The RBNZ will have broad powers to give a direction to a deposit taker. The circumstances in which the RBNZ may give such a direction to a deposit taker include if the RBNZ has reasonable grounds to believe that 1 or more of the following circumstances apply:

- the deposit taker is insolvent or likely to become insolvent;
- the circumstances of the deposit taker are such as to be prejudicial to the soundness of the financial system;
- the deposit taker's affairs are being conducted in a manner prejudicial to the deposit taker's solvency or the soundness of the financial system;
- the deposit taker has contravened, may have contravened, or is likely to contravene a requirement under an applicable standard or a condition of its licence to maintain a minimum amount (or ratio) of capital; or



- the deposit taker has contravened, may have contravened, or is likely to contravene any other prudential obligation in a material respect.

The RBNZ will have broad powers to give a direction to an associated person of a deposit taker. The circumstances in which the RBNZ may give such a direction to an associated person include if the RBNZ has reasonable grounds to believe that 1 or more of the following circumstances apply:

- the deposit taker's business and affairs are so closely connected with the associated person that the RBNZ would be unable to effectively exercise the crisis management and resolution powers conferred under the Deposit Takers Act in relation to the deposit taker unless a direction is issued to the associated person;
- the circumstances of the associated person are such as to be prejudicial to the deposit taker's solvency or the deposit taker's ability to comply with a prudential obligation in a material respect; or
- the associated person's affairs are being conducted in a manner prejudicial to the licenced deposit taker's solvency or the deposit taker's ability to comply with a prudential obligation in a material respect.

In respect of a deposit taker and an associated person, the RBNZ may only issue a direction if it considers that directing the deposit taker or associated person is necessary or desirable for 1 or more of the following purposes:

- to remedy or avoid the relevant matters described above;
- to avoid or mitigate any adverse effects arising, or likely to arise, in connection with the relevant matters described above; or
- to avoid any contravention or further contravention of a prudential obligation in connection with the relevant matters described above.

The RBNZ may give a direction to a deposit taker or an associated person to do a number of things, including to:

- consult with the RBNZ about the circumstances of the deposit taker or the associated person and the actions or proposed actions to resolve any difficulties facing the deposit taker or the associated person;
- carry on its business, or cease to carry on its business, or any part of its business, in accordance with the direction;
- take action specified in the direction to address the contravention of any prudential obligation or any circumstances of financial difficulties;
- implement all, or part, of the deposit taker's contingency and recovery plans in accordance with the direction; or
- issue shares in accordance with the direction.

In some circumstances, it may be an offence to disclose that a direction has been given. This means information about action taken by the RBNZ may not be publicly disclosed.

The RBNZ may make a recommendation to the Minister of Finance that a deposit taker or an associated person be declared to be in resolution.

The RBNZ may make a recommendation that a deposit taker be declared to be in resolution only if the RBNZ is satisfied on reasonable grounds that 1 or more of the following matters applies:

- the deposit taker is insolvent or likely to become insolvent;
- the deposit taker has contravened, may have contravened, or is likely to contravene a requirement under an applicable standard, or a condition of its licence, to maintain a minimum amount (or ratio) of capital;
- the deposit taker has contravened a direction given by the RBNZ;
- the deposit taker has persistently or seriously contravened any other prudential obligation; or

- an overseas supervisor has taken, or is taking, regulatory action against the deposit taker or against a person that controls the deposit taker.

The RBNZ may make a recommendation that an associated person be declared to be in resolution only if the RBNZ is satisfied on reasonable grounds that 1 or more of the following matters applies:

- the associated person has contravened, or is contravening, any direction or other requirement imposed by the Deposit Takers Act or any regulations made under the Act;
- the deposit taker's business and affairs are so closely connected with the associated person that the RBNZ would be unable to effectively exercise the crisis management and resolution powers conferred under the Deposit Takers Act in relation to the deposit taker unless the associated person is in resolution;
- the circumstances of the associated person are such as to be prejudicial to the deposit taker's solvency or the deposit taker's ability to comply with the prudential obligation in a material respect; or
- the associated person's affairs are being conducted in a manner prejudicial to the licenced deposit taker's solvency or the deposit taker's ability to comply with the prudential obligation in a material respect.

In respect of a deposit taker and an associated person, the RBNZ may only make a recommendation for a declaration of resolution if the RBNZ is satisfied that there is no reasonable prospect of the relevant matter being dealt with to the RBNZ's satisfaction in a timely and orderly manner other than through resolution.

The resolution manager appointed by the RBNZ (which may be the RBNZ itself) has broad powers to deal with a deposit taker or associated person in resolution, including to:

- exercise all the powers, rights and privileges of the deposit taker or associated person under any agreement or otherwise and to exercise the powers of shareholders or the board of directors of the deposit taker or associated person;
- carry on all or any part of the business of the deposit taker or associated person;
- pay, in whole or in part, any creditor or class or creditor, make a compromise or an arrangement with a creditor, compromise all calls, debts and claims subsisting between the deposit taker or associated person and any other person, and deal with all questions relating to the property of the deposit taker or associated person;
- offer and issue any financial product in respect of which the deposit taker or associated person is the issuer to any person or persons, and on any terms and conditions, that the resolution manager thinks fit;
- sell, transfer or otherwise dispose of the whole or any part of the business undertaking or property rights of the deposit taker or associated person, or transfer or otherwise dispose of any liabilities of the deposit taker or associated person, or to transfer any financial product in respect of which the deposit taker or associated person is the issuer, to any person or persons, and on any terms and conditions, that the RBNZ thinks fit;
- suspend in whole or in part the payment of any debt or the discharge of any obligation to any person; or
- apply for the deposit taker or associated person to be put into liquidation.

If ANZ Bank NZ or the Issuer became subject to resolution, a moratorium would be imposed, and persons could not, among other things:

- commence or continue any action or other proceedings including proceedings by way of counterclaim against ANZ Bank NZ or the Issuer (as applicable);
- issue any execution, attach any debt, or otherwise enforce or seek to enforce any judgment or order obtained in respect of ANZ Bank NZ or the Issuer (as applicable);
- take any steps to put ANZ Bank NZ or the Issuer (as applicable) into liquidation; or
- exercise any right of set off against ANZ Bank NZ or the Issuer (as applicable).

The exercise of powers by the RBNZ under the Deposit Takers Act, including the power to give a direction to or to recommend that ANZ Bank NZ or the Issuer be declared to be in resolution, could affect the Issuer's ability to pay amounts in respect of the Notes.

Under the Deposit Takers Act, in performing its functions or duties or exercising powers under the Deposit Takers Act the RBNZ must support APRA to meet its statutory responsibilities relating to prudential regulation and financial system stability in Australia and, to the extent reasonably practicable, avoid any action that is likely to have a detrimental effect on the financial system stability in Australia. Further, where the RBNZ is proposing to take an action that may have a detrimental effect on financial system stability in Australia, the RBNZ must, to the extent it considers reasonably practicable, consult with APRA before taking the proposed action.

### **3.5 FUNDING AND LIQUIDITY OF THE ANZ BANK NZ**

#### **3.5.1 Existing framework**

Liquidity and funding risk is the risk that a bank is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt, or that a bank 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 Bank NZ and managed in accordance with the risk appetite set by ANZ Bank NZ.

ANZ Bank NZ's liquidity and funding risks are governed by a detailed policy and risk appetite framework that is approved by ANZ Bank NZ's Board Risk Committee. ANZ Bank NZ's liquidity risk appetite is defined by the ability to meet a range of regulatory requirements and internal liquidity metrics. The metrics cover a range of scenarios of varying duration and level of severity. The management of the liquidity and funding positions and risks is overseen by ANZ Bank NZ's Asset and Liability Committee. The RBNZ's liquidity policy sets out its requirements for the management of liquidity risk by registered banks in New Zealand.

The RBNZ is undertaking a comprehensive review of its liquidity policy requirements for New Zealand deposit takers, with any changes not expected to be effective before 2028. The RBNZ's key policy decisions related to the review include:

- the retention of the RBNZ's existing quantitative liquidity metrics with modifications;
- the tightening of eligibility requirements for liquid assets; and
- the establishment of a committed liquidity facility for currently eligible liquid assets that do not meet the new eligibility requirements.

ANZ Bank NZ holds a diversified portfolio of cash and high quality liquid assets primarily to support liquidity risk management. The size of ANZ Bank NZ's liquidity portfolio is determined having regard to the amount required to meet the requirements of its internal and regulatory liquidity scenario metrics.

Assets held in the ANZ Bank NZ Group's liquidity portfolio are all denominated in New Zealand dollars and include balances held with the RBNZ and securities issued by the New Zealand Government, supranational agencies, highly rated banks, state owned enterprises and local authorities (including through a funding authority).

ANZ Bank NZ also holds unencumbered internal residential mortgage-backed securities which would be accepted as collateral by the RBNZ in repurchase transactions.

#### **3.5.2 Liquidity Ratio**

The RBNZ requires banks to meet quantitative liquidity requirements to help ensure that they are effectively managing their liquidity risk. The mismatch ratio is a measure of a bank's liquid assets, adjusted for expected cash inflows and outflows during a 1-month or 1-week period of stress. It is expressed as a ratio over the bank's total funding. The ANZ Bank NZ Group must maintain its 1-month and 1-week mismatch ratios above zero on a daily basis.

The RBNZ requires banks to obtain a minimum amount of funding from stable sources called core funding. The minimum amount of core funding is 75% of a bank's total loans. The ANZ Bank NZ Group must maintain its core funding ratio above the regulatory minimum on a daily basis.

Quarterly average for the three months ended 31 March 2024	
1-week mismatch ratio	9.2%
1-month mismatch ratio	8.1%
Core funding ratio	90.6%

# 4

## SECTION 4 INVESTMENT RISKS

**THIS SECTION DESCRIBES SOME OF THE POTENTIAL RISKS ASSOCIATED WITH AN INVESTMENT IN NOTES, ANZ HOLDINGS NZ AND ANZ HOLDINGS NZ'S INVESTMENT IN ANZ BANK NZ.**

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 WILL NOT EMERGE.

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

THERE ARE RISKS ASSOCIATED WITH AN INVESTMENT IN NOTES AND IN ANZ HOLDINGS NZ, MANY OF WHICH ARE OUTSIDE THE CONTROL OF ANZ HOLDINGS NZ AND ITS DIRECTORS. THESE RISKS INCLUDE THOSE IN THIS SECTION AND OTHER MATTERS REFERRED TO IN THIS INFORMATION MEMORANDUM.

Prospective investors should carefully consider the following discussion of the risk factors and the other information in this Information Memorandum and any applicable supplement and consult their own financial and legal advisers about the risks associated with the Notes before deciding whether an investment in the Notes is suitable for them.

## **4.1 RISKS ASSOCIATED WITH INVESTING IN ANZ HOLDINGS NZ NOTES**

### **4.1.1 Investments in Notes are an investment in the Issuer**

Investments in Notes are an investment in the Issuer. The Issuer is the non-operating holding company of ANZ Bank NZ. Therefore, an investment in the Notes may be affected by the ongoing performance and financial position of ANZ Bank NZ and its consolidated subsidiaries, and the solvency of any member of the ANZ Bank NZ Group.

The Issuer is not an ADI or a bank and does not accept deposits. Notes are not deposit liabilities and are not protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act. An investment in the Notes will not be covered by the depositor protection provisions in section 13A of the Banking Act and will not be covered by the Australian Government's bank deposit guarantee (also commonly referred to as the Financial Claims Scheme). The Notes are not guaranteed by any government, government agency or compensation scheme of Australia or New Zealand or by any other person or any other jurisdiction.

The proceeds of the issue of the Notes will fund the acquisition of the ANZ Bank NZ 2024-2 Preference Shares and certain events affecting the ANZ Bank NZ 2024-2 Preference Shares may affect the position of Holders in respect of the Notes. Further, the Issuer's ability to service its obligations in respect of the Notes is largely dependent upon it receiving returns on its investments, including the ANZ Bank NZ 2024-2 Preference Shares.

However, Notes are not secured against the ANZ Bank NZ 2024-2 Preference Shares and Holders have no interest in or right to vote on or otherwise control matters affecting the ANZ Bank NZ 2024-2 Preference Shares.

Changes in the valuation of the Issuer's assets and liabilities may also adversely affect the Issuer's earnings and equity.

### **4.1.2 There may be no liquid market for the Notes and the Notes are not listed on any stock exchange, listing authority or quotation system**

There may be no liquid market for Notes. 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 or there is no secondary 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 the Issuer, ANZ Bank NZ, ANZBGL, ANZGHL and the ANZ Group. There may be a limited number of buyers when you decide to sell your Notes. This may affect the price you receive for your Notes or the ability to sell your Notes at all.

The Notes are not listed on any stock exchange, listing authority or quotation system, which may materially affect an investor's ability to resell any Notes in the secondary market (if any).

While Notes remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Notes within the Austraclear System will be governed by the regulations for the Austraclear System – see Section 4.1.22 for further information about the Austraclear System and dealings with the Notes.

### **4.1.3 Changes in financial market conditions may adversely impact the price of the Notes**

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 senior or subordinated debt issued by the Issuer, ANZ Bank NZ, ANZBGL or ANZGHL, factors resulting in the Issuer deciding or not being permitted to make payments on the Notes, the occurrence of events giving rise to a right for the Issuer to Redeem the Notes, the Issuer's, ANZ Bank NZ's, ANZBGL's, ANZGHL's and the ANZ Group's financial condition and results of operations, investor confidence and market liquidity, the level, direction and volatility of market interest rates generally and factors that may affect the Issuer's, ANZ Bank NZ's, ANZBGL's, ANZGHL's and the ANZ Group's financial performance and position. Notes may trade at a market price below the Face Value.

The market price of Notes may be sensitive to changes in interest rates and credit spreads. Increases in relevant interest rates or the Issuer'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.

#### **4.1.4 The Notes are an exposure to the ANZ Bank NZ Group's financial performance and position, which may decline**

If the ANZ Bank NZ Group's financial performance or position declines, or if market participants anticipate that it may decline, an investment in Notes could decline in value. Accordingly, when you evaluate whether to invest in Notes, you should carefully evaluate the investment risks associated with an investment in the ANZ Bank NZ Group – see Section 4.2.

#### **4.1.5 Interest may not be paid as scheduled**

There is a risk that Interest will not be paid. There is no obligation for the Issuer to pay Interest. Interest will only be paid at the Issuer's absolute discretion and is subject to the Payment Condition.<sup>14</sup> The Issuer could exercise its discretion not to pay Interest at any time and for any reason.

The Payment Condition requires, that (1) the Issuer is Solvent on the Interest Payment Date and (2) the Issuer is able to pay the amount of Interest in respect of all Notes and remain Solvent immediately after the Interest payment. There is a risk that the Payment Condition will not be satisfied at the relevant date, in which case that Interest may not be paid.

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

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

Interest is non-cumulative,<sup>15</sup> and therefore if Interest is not paid Holders will not have any right to compensation.

If the Issuer does not pay Interest within 3 Business Days of an Interest Payment Date, then restrictions on distributions, redemptions, repayments, buy-backs or Capital Reductions in respect of the Junior Ranking Instruments (**Distribution Restriction**) apply to the Issuer until the Issuer pays Interest on 2 consecutive Scheduled Interest Payment Dates following the Relevant Interest Payment Date or there are no Notes outstanding.

The dates on which interest and distributions are payable on Junior Ranking Instruments may not be the same as Interest Payment Dates for Notes (and in particular, the interest or distribution periods for Junior Ranking Instruments may be longer than Interest Periods for the Notes). Accordingly, as soon as the Distribution Restriction ceases to apply (as will be the case if Interest is paid on the Notes on 2 consecutive Scheduled Interest Payment Dates) the Issuer will not be restricted from making a payment of interest or distribution on the Subordinated Loan, the RPS or the ANZ Holdings NZ Ordinary Shares (as the case may be) – see Section 2.1.6 for more details.

Changes in regulations applicable to the ANZ Group, or its other obligations, may impose additional requirements which prevent the Issuer from paying Interest in additional circumstances.

#### *Restrictions on distributions*

The Issuer is largely dependent upon the ANZ Group for its capital, and on distributions on investments in ANZ Bank NZ, including the ANZ Bank NZ 2024-2 Preference Shares for its cash flow. If ANZ Bank NZ does not pay distributions to the Issuer in respect of its investments, the Issuer may not have the capacity to pay Interest on the Notes.

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<sup>14</sup> If a PPS De-recognition Event occurs, Interest will cease to be discretionary and non-cumulative, but remains subject to the Payment Condition.

ANZ Bank NZ has full discretion at all times to cancel distributions on the ANZ Bank NZ 2024-2 Preference Shares. In addition, the payment of a distribution on the ANZ Bank NZ 2024-2 Preference Shares is subject to:

- the payment of the distribution being permitted by ANZ Bank NZ's Conditions of Registration at the time of the payment; and
- ANZ Bank NZ satisfying the solvency condition.

The payment of dividends on ANZ Bank NZ's ordinary shares is fully discretionary at all times. In addition, ANZ Bank NZ's Conditions of Registration limit the amount of distributions ANZ Bank NZ can pay in certain circumstances. For instance, the amount of earnings able to be distributed by ANZ Bank NZ (by way of dividends, share buy-backs or, eventually, payments on Additional Tier 1 Capital instruments) will become restricted if ANZ Bank NZ's prudential capital buffer falls below a certain level required by the RBNZ. A failure by ANZ Bank NZ to maintain the prudential capital buffer will not be a breach of its Conditions of Registration but will result in a response from the RBNZ designed to encourage ANZ Bank NZ to restore levels of capital.

If the prudential capital buffer is not maintained there is first a band where distributions are restricted to 100% of that year's earnings and no supervisory response is specified. The supervisory response then escalates in 3 stages as the capital position deteriorates. At stages 1 and 2 there are further limits on distributions ANZ Bank NZ may make on CET1 and an increasing supervisory response. At stage 3, no distributions are allowed on CET1 and, from 1 July 2028, on Additional Tier 1 Capital (including the ANZ Bank NZ 2024-2 Preference Shares). From 1 July 2028, stage 3 will apply if ANZ Bank NZ's prudential capital buffer is 3% or less.

The RBNZ may amend ANZ Bank NZ's Conditions of Registration to restrict ANZ Bank NZ from paying dividends on its ordinary shares and discretionary distributions on the ANZ Bank NZ 2024-2 Preference Shares, the ANZ Bank 2024-1 Preference Shares, the ANZ Bank NZ 2022 Preference Shares and the ANZ Bank NZ AT1 Notes. For example, for a period during the COVID-19 pandemic, the RBNZ amended ANZ Bank NZ's Conditions of Registration to prohibit the payment of any dividends by ANZ Bank NZ on its ordinary shares. Any restriction on ANZ Bank NZ's ability to pay distributions to the Issuer could adversely impact the Issuer's ability to pay discretionary distributions on the Notes.

The solvency condition will be satisfied if ANZ Bank NZ is solvent on the applicable distribution payment date and is able to pay the distribution and remain solvent immediately after paying the distribution.

#### **4.1.6 The Interest Rate is a floating rate and may change, which may make the Notes less attractive**

The Interest Rate is calculated for each Interest Period by reference to the BBSW Rate, which is influenced by a number of factors and varies over time. The Interest Rate will move (both increasing and decreasing) over time as a result of movements in the BBSW Rate – see Section 2.1.3.

As the Interest 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 Group 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 Interest Rate. Even if the Interest Rate is calculated to be negative, there will be no obligation on Holders to pay the Issuer.

The Issuer does not guarantee any particular rate of return on Notes.

If the Calculation Agent determines that the BBSW Rate has been affected by a "Reference Rate Disruption Event", the Issuer may select an alternative reference rate that it considers appropriate and make other related changes to the Note Terms (provided that no amendment to the Note Terms shall be made unless the Issuer has received confirmation from ANZ Bank NZ that the proposed amendment will not impact the eligibility of the ANZ Bank NZ 2024-2 Preference Shares as Additional Tier 1 Capital for ANZ Bank NZ) (see Section 2.1.3). There is a risk that the alternative reference rate that is used following a Reference Rate Disruption Event may not align with Holders' preferences.

#### **4.1.7 The Notes are perpetual and Holders have no right to require a Redemption**

The Notes are perpetual instruments. Holders have no right to require a Redemption. The Issuer is not obliged to Redeem the Notes except where the Issuer is in liquidation. The Notes will not be



quoted on ASX or on any other stock exchange. If the Notes are not Redeemed, Holders would need to sell their Notes in the over-the-counter market at the prevailing market price to realise their investment and in minimum transfer amounts of not less than A\$500,000. That market price may be less than the Face Value, or there may be no liquid market in the Notes which may result in Holders suffering a loss.

Unlike some other perpetual non-cumulative securities issued by members of the ANZ Group, the Notes are not convertible in any circumstances into ordinary shares in the Issuer, ANZGHL or any other member of the ANZ Group. As a result, your ability to exit your investment may be dependent on your ability to sell the Notes.

#### **4.1.8 Optional Redemption by the Issuer is subject to conditions that may not be met**

The Issuer may choose to Redeem all (but not some) Notes on an Optional Redemption Date, on or after the PPS Redemption Date or after a Tax Event or Regulatory Event occurs, in each case if certain conditions are met. Accordingly, if the Notes are not Redeemed, they could remain on issue indefinitely. Holders have no right to require Redemption.

There is no certainty that:

- the Issuer will choose, or is able, to Redeem the Notes on an Optional Redemption Date, on or after the PPS Redemption Date or after a Tax Event or a Regulatory Event; or
- the Issuer will be able to satisfy the Payment Condition.

The Payment Condition will be satisfied in respect of a Redemption if:

- the Issuer is Solvent on the Redemption Date; and
- the Issuer is able to pay the aggregate Redemption Amount in respect of all Notes and remain Solvent immediately after such payment.

ANZ Bank NZ can redeem all but not some of the ANZ Bank NZ 2024-2 Preference Shares on an optional redemption date or at any time if a tax event<sup>15</sup> or regulatory event<sup>16</sup> occurs as defined in the ANZ Bank NZ 2024-2 Preference Shares (see Section 1.2). The Issuer is not obliged to Redeem the Notes if the ANZ Bank NZ 2024-2 Preference Shares are redeemed by ANZ Bank NZ.

The Issuer may not have the capacity to Redeem the Notes on any Redemption Date under the Note Terms if ANZ Bank NZ has not redeemed the ANZ Bank NZ 2024-2 Preference Shares on, or prior to, the Redemption Date.

#### **4.1.9 There are restrictions on rights and ranking in a liquidation of the Issuer**

Notes are not deposit liabilities of any member of the ANZ Group and the payment of Interest and payment on Redemption is not guaranteed by the Issuer, ANZ Bank NZ or ANZGHL. Notes are not protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act. An investment in the Notes will not be covered by the depositor protection provisions in section 13A of the Banking Act and will not be covered by the Australian Government's bank deposit guarantee (also commonly referred to as the Financial Claims Scheme). 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 the Issuer, ANZ Bank NZ or ANZGHL in respect of Notes except as provided in the Note Terms. Notes are unsecured.

In a liquidation of the Issuer, claims in respect of Notes are subordinated and rank (i) in priority to claims of holders of Junior Ranking Instruments, (ii) equally among themselves and with all Equal Ranking Instruments, and (iii) junior to the claims of all Senior Creditors as set out in the Note Terms.

If there is a shortfall of funds on a liquidation of the Issuer 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 the Redemption Amount in a liquidation of the Issuer. Although the Notes may pay a higher rate of Interest than comparable instruments which are not subordinated, there is a significant risk that a Holder will lose all or some of their investment should the Issuer become insolvent.

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<sup>15</sup> The definition of "tax event" under the terms of the ANZ Bank NZ 2024-2 Preference Shares differs from the definition of "Tax Event" in respect of the Note Terms.

<sup>16</sup> The definition of "regulatory event" under the terms of the ANZ Bank NZ 2024-2 Preference Shares differs from the definition of "Regulatory Event" in respect of the Note Terms.

#### **4.1.10 The Notes are structurally subordinated**

The Issuer is an intermediate non-operating holding company whose assets are primarily investments in ANZ Bank NZ (including the ANZ Bank NZ 2024-2 Preference Shares that will be purchased by the Issuer using the net proceeds of the Notes). Accordingly, the Issuer's ability to service its obligations in respect of the Notes is largely dependent upon it receiving returns on those investments.

In the event that a subsidiary of the Issuer is wound up, the claims of the Issuer in respect of the subsidiary would be limited to the net surplus assets (if any) of that subsidiary after prior ranking claims and rights, including to depositors (in the case of ANZ Bank NZ), have been discharged or provided for. In a liquidation of ANZ Bank NZ, the claims of all of ANZ Bank NZ's creditors would need to be satisfied in full before ANZ Bank NZ's remaining assets (if any) would be available for distribution:

- on a pro-rata basis to satisfy the rights of holders of preference shares issued by ANZ Bank NZ (including the Issuer as holder of the ANZ Bank NZ 2024-2 Preference Shares) to be paid an amount equal to the issue price of those shares; and
- thereafter to the Issuer as holder of the ordinary shares in ANZ Bank NZ.

In addition, the Issuer is reliant on distributions on its investments in ANZ Bank NZ for its cash flow. The ability of ANZ Bank NZ to pay distributions, or otherwise make funds available to the Issuer, may in certain circumstances be subject to regulatory, contractual or legal restrictions (see Section 4.1.17 in relation to the powers of the RBNZ).

The Issuer does not have the benefit of a liquidity facility or keepwell agreement from ANZBGL, ANZGHL, ANZ Bank NZ or any other member of the ANZ Group.

If ANZ Bank NZ is liquidated, there may be insufficient funds to Redeem or pay Interest on the Notes and so the Notes may remain on issue indefinitely and may not pay any Interest.

#### **4.1.11 The credit rating of the Notes may change and adversely impact the Notes**

S&P may lower or withdraw its credit rating for the Notes if, in the sole judgement of S&P, the credit quality of the Notes has declined or is in question. In addition, at any time S&P may revise its relevant rating methodology with the result that, among other things, any rating assigned to the Notes may be lowered. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time (including as a result of changes to rating methodologies). A credit rating may not reflect the potential impact of all risks related to the structure of the Notes, the market, additional factors discussed in this Section 4 and other factors that may alter the value of the Notes. A downgrade in the corporate credit rating of a member of the ANZ Group or the sovereign credit rating of New Zealand or Australia may have a negative impact on the credit rating of the Notes.

In the event that the credit rating assigned to the Notes is subsequently lowered or withdrawn or qualified for any reason, no other person or entity is obliged to provide any additional support or credit enhancements with respect to the Notes. The Issuer may be adversely affected, the market value of the Notes is likely to be adversely affected and the ability of the Issuer to make payment under the Notes may be adversely affected.

#### **4.1.12 There are potential Australian and New Zealand tax consequences of investing in the Notes**

A general outline of the tax consequences of investing in Notes for certain potential investors is set out in the Taxation Summary in Section 5.1 (for Australian tax consequences) and Section 5.2 (for New Zealand tax consequences). 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.

#### **4.1.13 Tax law or practice may provide the Issuer with a right to Redeem the Notes**

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

- the Issuer or another member of the ANZ Group being exposed to more than a *de minimis* adverse tax consequence or increased cost; or
- interest payable on, or expenditure incurred in respect to, any Note is not or may not be deductible for the purposes of New Zealand tax; or

- a payment of Interest on Notes requiring the payment of additional amounts under clause 9.9 of the Note Terms; or
- a debit to the imputation credit account of the Issuer or another member of the ANZ Group in relation to Notes,

the Issuer is entitled to Redeem all (but not some) Notes. The Issuer will not be entitled to Redeem in these circumstances if the Issuer expected the event on the Issue Date.

There is no certainty that the Issuer would be able to Redeem the Notes in these circumstances. The Issuer's ability to Redeem the Notes will be largely dependent on the Issuer receiving the redemption proceeds from ANZ Bank NZ redeeming the ANZ Bank NZ 2024-2 Preference Shares. The occurrence of these circumstances will not necessarily entitle ANZ Bank NZ to choose to redeem the ANZ Bank NZ 2024-2 Preference Shares, and even if it did, any redemption of the ANZ Bank NZ 2024-2 Preference Shares by ANZ NZ Bank is subject to conditions which ANZ Bank NZ may not be able to meet.

#### **4.1.14 Changes to accounting policies may adversely impact the Notes**

The accounting policies that the Issuer applies are fundamental to how it records and reports its financial position and results. These accounting policies may be applied inaccurately, resulting in a misstatement of the Issuer's financial position. The application of new or revised accounting standards or interpretations may also adversely affect the Issuer.

In some cases, the Issuer must select an accounting policy from two or more alternatives, any of which would comply with the relevant accounting standard or interpretation and be reasonable under the circumstances, yet might result in reporting materially different outcomes than would have been reported under the alternative.

This may adversely affect the Issuer's financial performance and the ability to pay Interest.

#### **4.1.15 Future issues or redemptions of securities by the Issuer or any other member of the ANZ Group may adversely impact the Notes**

The Issuer may in the future issue securities that:

- rank for payments of interest or dividends or payments of capital (including on the liquidation of the Issuer) 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 Interest can be paid on Notes or Notes can be Redeemed); or
- have the same or different terms and conditions as Notes.

The Issuer may incur further indebtedness and may issue further securities before, during or after the issue of Notes without the consent of Holders. An investment in Notes carries no right to participate in any future issue of securities (whether equity, subordinated or senior debt or otherwise) by the Issuer or any other member of the ANZ Group.

No prediction can be made as to the effect, if any, which the future issue of securities by the Issuer or ANZGHL may have on the market price or liquidity of Notes or of the likelihood of the Issuer making payments on Notes. Accordingly, in a liquidation there is a risk that Holders will lose all or some of their investment.

Similarly, Notes do not restrict the Issuer 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 Restriction applies).

The Issuer may redeem or otherwise repay existing securities including existing Equal Ranking Instruments or Junior Ranking Instruments 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 the Issuer redeems or otherwise repays other securities (whether equity, subordinated or senior debt or otherwise).

No prediction can be made as to the effect, if any, which the future redemption or repayment by the Issuer of existing securities may have on the market price or liquidity of Notes or on the Issuer's financial position or performance. Accordingly, in a liquidation there is a risk that Holders will lose all or some of their investment.

#### **4.1.16 APRA has certain powers that may adversely impact the Notes**

The Issuer is not an ADI and is not supervised by APRA. The Notes will not constitute regulatory capital of any member of the ANZ Group for the purposes of APRA's regulatory capital requirements. However, the exercise of the powers of APRA may affect the Issuer or the Notes in a manner that is adverse to Holders.

The Issuer is a member of the ANZ Group. As described in Section 3.4.1, APRA has broad powers with respect to the ANZ Group.

Those powers include powers in certain circumstances to give directions to members of the ANZ Group, including the Issuer, or to ANZBGL or ANZGHL to cause the Issuer to do (or not do) the matters directed. The directions powers include powers to stop the payment of Interest or the Redemption of the Notes. Directions given to other members of the ANZ Group may also limit the ability of the Issuer to pay amounts in respect of the Notes.

APRA's powers also include powers to appoint a statutory manager to take control of ANZBGL, ANZGHL and, in certain circumstance, other subsidiaries within the ANZ Group that are incorporated in Australia. APRA does not have the power to appoint a statutory manager to the Issuer or to ANZ Bank NZ, as these members of the ANZ Group are not incorporated in Australia.

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

The exercise of these powers could directly or indirectly affect the Issuer or the Notes (or both) in a manner that is adverse to Holders. Holders have no remedies on account of the exercise of such powers.

#### **4.1.17 The RBNZ has certain powers that may adversely impact the Notes**

The Issuer is not a registered bank in New Zealand and is not supervised by the RBNZ. The Notes will not constitute regulatory capital of any member of the ANZ Group for the purposes of RBNZ's regulatory capital requirements. However, the exercise of the powers of the RBNZ may affect the Issuer or the Notes in a manner that is adverse to Holders.

As described in Section 3.4.7, the RBNZ possesses a number of crisis management and resolution powers under the BPS Act.

These powers apply to both ANZ Bank NZ as a registered bank and to its associated persons. An "associated person" is a broad concept and would include the Issuer as the holding company of ANZ Bank NZ.

The RBNZ has broad powers to give directions to a registered bank or an associated person if the RBNZ has reasonable grounds to believe that certain circumstances exist.

The RBNZ may also make a recommendation to the Minister of Finance that a registered bank or an associated person be subject to statutory management if the RBNZ is satisfied on reasonable grounds that certain circumstances exist. The statutory manager has broad powers to deal with a registered bank or an associated person in statutory management.

The exercise of powers by the RBNZ, including the power to give a direction to or to recommend that ANZ Bank NZ or the Issuer be subject to statutory management, could affect the Issuer's ability to pay amounts in respect of the Notes.

The RBNZ's crisis management and resolution powers will be broadly the same under the Deposit Takers Act once it is fully implemented, which is expected to be by July 2028, but with some notable differences. In August 2024, the RBNZ published a consultation paper on how it may operationalise its crisis management and resolution powers under the Deposit Takers Act, the outcome of which is uncertain. See Section 3.4.8.

#### **4.1.18 The Note Terms may be amended**

The Issuer may, in certain circumstances, amend the Note Terms without the consent of Holders. The Issuer 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 shall be made unless the Issuer has received confirmation from ANZ Bank NZ that the proposed amendment will not impact the eligibility of the ANZ Bank NZ 2024-2 Preference Shares as Additional Tier 1 Capital for ANZ Bank NZ. 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.

#### **4.1.19 Changes in law and regulation may provide the Issuer with a right to Redeem the Notes**

Broadly, if there is a change in any law or regulation in Australian or New Zealand and that change results in:

- more than *de minimis* additional requirements being imposed on the Issuer or the ANZ Group; or
- a more than *de minimis* negative impact on the Issuer or the ANZ Group in relation to or in connection with the Notes,

and which the Directors determine to be unacceptable, the Issuer is entitled to Redeem all (but not some) Notes. The Issuer will not be entitled to Redeem the Notes in these circumstances if the Issuer expected the change on the Issue Date.

There is no certainty that the Issuer would be able to Redeem the Notes in these circumstances. The Issuer's ability to Redeem the Notes will be largely dependent on the Issuer receiving the redemption proceeds from ANZ Bank NZ redeeming the ANZ Bank NZ 2024-2 Preference Shares. The occurrence of these circumstances will not necessarily entitle ANZ Bank NZ to choose to redeem the ANZ Bank NZ 2024-2 Preference Shares, and even if it did, any redemption of the ANZ Bank NZ 2024-2 Preference Shares by ANZ Bank NZ is subject to conditions which ANZ Bank NZ may not be able to meet.

#### **4.1.20 The Note Terms do not include a restriction on change of control of the Issuer**

The Notes do not restrict changes in control of the Issuer and Holders have no right to require repayment of their investment if the Issuer ceases to be a member of the ANZ Group.

The Issuer may cease to be an indirect subsidiary of ANZBGL or ANZGHL, or to be a member of the ANZ Group, for a variety of reasons, including as a result of a voluntary restructure or the exercise of regulatory powers. None of ANZBGL, ANZGHL nor any other member of the ANZ Group has undertaken not to dispose of the Issuer.

#### **4.1.21 Holders that are overseas persons are exposed to exchange rate risk**

The Issuer will pay Interest on the Notes in Australian dollars (the **Specified Currency**). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Australian dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or the Specified Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the amounts payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less Interest or returns than expected, or no Interest or returns.

As described in Section 1.3, the Issuer and ANZ Bank NZ intends to enter into the Cross-Currency Swap, to address the currency mismatch for ANZ Holdings NZ between the Notes and the ANZ Bank NZ 2024-2 Preference Shares.

#### **4.1.22 The Notes are held, paid and transferred in the Austraclear System**

The Notes, when issued, are intended to be entered in the Austraclear System. Notes entered into the Austraclear System will be transferable only in accordance with the Austraclear Regulations. The Notes are subject to a minimum transfer amount of A\$500,000.

Notes which are held in the Austraclear System will be registered in the name of Austraclear. Subject to the Austraclear Regulations, accountholders of the Austraclear System may acquire rights against Austraclear in relation to those Notes as beneficial owners and Austraclear is required to deal with such Notes in accordance with the directions and instructions of such accountholders. All payments by the Issuer in respect of the Notes will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear Regulations.

Holders who acquire an interest in Notes lodged in the Austraclear System must look solely to Austraclear for their rights in relation to such Notes and will have no claim directly against the Issuer in respect of the Notes, provided that under the Austraclear Regulations, Austraclear may direct the Issuer to make payments direct to the relevant accountholders of the Austraclear System.

Where Austraclear is registered as the holder of any Note that is lodged in the Austraclear System, Austraclear may, where specified in the Austraclear Regulations, transfer the Notes to the person in whose security record (as defined in the Austraclear Regulations) those Notes are recorded and, as a consequence, remove those Notes from the Austraclear System.

Potential investors in Notes should inform themselves of, and satisfy themselves with, the Austraclear Regulations and (if applicable) the arrangements between them and their nominees in the Austraclear System.

#### **4.2 PRINCIPAL RISKS AND UNCERTAINTIES ASSOCIATED WITH THE ISSUER AND THE ISSUER'S INVESTMENT IN ANZ BANK NZ**

The Issuer is a non-operating holding company and its assets primarily comprise its investments in ANZ Bank NZ. The Issuer's prospects are largely dependent upon the performance of ANZ Bank NZ and its consolidated subsidiaries (**ANZ Bank NZ Group**). The activities of ANZ Bank NZ Group are subject to risks and uncertainties that can materially impact the ANZ Bank NZ Group's operations, results of operations, reputation, prospects, liquidity, capital resources, financial performance and financial condition (together, the **ANZ Bank NZ Group's Position**). Any risks and uncertainties may be financial or non-financial and may result from external factors over which the ANZ Bank NZ Group may have little or no control. Any deterioration in the ANZ Bank NZ Group's Position is likely to adversely impact the Issuer's own reputation, prospects, liquidity, financial performance and financial condition (**ANZ Holdings NZ's Position**).

The risks and uncertainties described below are the risks and uncertainties that ANZ Bank NZ Group faces but are not the only ones that it may face. Additional risks and uncertainties that the Issuer or the ANZ Bank NZ Group are unaware of, or that the Issuer or the ANZ Bank NZ Group currently do not consider material, may also become important factors that affect the ANZ Bank NZ Group.

As at the date of this Information Memorandum, the Issuer believes that the below risk factors may affect its ability to fulfill its obligations under the Notes and could be material for the purpose of assessing the market risks associated with the Notes.

If any of the specified or unspecified risks and uncertainties actually occur (individually or collectively), the ANZ Bank NZ Group's Position may be materially and adversely affected, with the result that the ANZ Holding NZ's Position may be materially and adversely affected. This may negatively impact the Issuer's ability to make payments on the Notes when scheduled or the Issuer's ability to choose to Redeem the Notes, and result in a decline in the trading price of its debt securities (including the Notes) and investors could lose all or part of their investment.

##### **4.2.1 Risks related to the ANZ Bank NZ Group's business activities and industry**

###### ***Changes in political and economic conditions, particularly in the Relevant Jurisdictions, may adversely affect the ANZ Bank NZ Bank's Position***

The ANZ Bank NZ Group's financial performance is influenced by the political, economic and financial conditions in the countries and regions in which the ANZ Bank NZ Group, its customers and its counterparties carry on business. The ANZ Bank NZ Group can give no assurances as to the likely future conditions in the economies of the Relevant Jurisdictions where the ANZ Bank NZ Group has its main operations, or other jurisdictions in which the ANZ Bank NZ Group operates or obtains funding.

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

Instability in political conditions may result in uncertainty, declines in market liquidity and increases in volatility in global financial markets and may adversely impact economic activity in the Relevant Jurisdictions, which could in turn adversely affect the ANZ Bank NZ Group's Position. Recent examples include the conflict in Ukraine, the Israel-Hamas war and the associated implementation of economic security-related legislation, the possibility of that war expanding into wider regional conflict

in the Middle East, sanctions and trade restrictions in various markets, and heightened tensions between the United States and China, including with respect to the status of Taiwan.

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

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

China is one of New Zealand's major trading partners and a significant driver of commodity demand and prices in many of the markets in which the ANZ Bank NZ Group and its customers operate. Any heightening of geopolitical tensions and the occurrence of events that adversely affect China's economic growth and New Zealand's economic relationship with China, including the implementation of additional tariffs and other protectionist or economic security-related trade policies, including sanctions, could adversely affect New Zealand economic activity and, as a result, could adversely affect the ANZ Bank NZ Group's Position. Furthermore, if there were a broad-based and sustained economic slowdown in China, the health of the Chinese financial system may be adversely impacted, which could have negative effects on the global financial system and economy. This could result in an economic downturn, counterparties defaulting on their obligations and countries introducing capital controls and could adversely affect the ANZ Bank NZ Group's Position. Refer to "—Risks related to the ANZ Bank NZ Group's business activities and industry—Changes in the real estate market in New Zealand may adversely affect the ANZ Bank NZ Group's Position."

The stability of banking systems has come under scrutiny in recent times as a result of the failure of certain banking institutions in the United States and Europe. The risk of contagion from the failure of a bank or other financial institution could materially impact the ANZ Bank NZ Group's ability to replace maturing liabilities and access funding in a timely and cost-effective manner, which could adversely affect the ANZ Bank NZ Group's Position. Additionally, collapses of certain financial institutions in the United States, Europe and elsewhere could result in changes to capital and other regulatory requirements applicable to the ANZ Bank NZ Group, which may affect the ANZ Bank NZ Group's Position. Refer to "—Risks related to the ANZ Bank NZ Group's financial situation—Liquidity and funding risk events may adversely affect the ANZ Bank NZ Group's Position."

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

Slower growth and uncertainty regarding global growth in the future may depress global commodity prices, particularly dairy and agricultural prices, and add to financial market uncertainty. A further or sustained slowdown in global economic growth or a decline in commodity prices could depress the volume and price of New Zealand's exports, such as dairy products, with negative flow-on effects for those industries closely tied to the export sector. This could lead to increased credit losses and defaults from higher leveraged borrowers, which could adversely affect the ANZ Bank NZ Group's Position.

Movements in the New Zealand dollar illustrate the potential volatility in, and significance of global economic events to, the value of the New Zealand dollar relative to other currencies. Depreciation of the New Zealand dollar relative to other currencies would increase the foreign debt servicing obligations in New Zealand dollar terms of unhedged exposures. In contrast, an appreciation in the New Zealand dollar relative to other currencies could negatively impact New Zealand's agricultural exports and international tourism. Either of these events could negatively impact businesses and lead to increased credit losses, increased financial stress and defaults from higher leveraged borrowers, which could adversely affect the ANZ Bank NZ Group's Position.

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

### ***Competition in the markets in which the ANZ Bank NZ Group operates may adversely affect the ANZ Bank NZ Group's Position***

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

- entities that the ANZ Bank NZ Group competes with, including those outside of New Zealand, could be subject to lower levels of regulation and regulatory activity. This could allow them to offer more competitive products and services, because those lower levels of regulation may give them a lower cost base and/or the ability to attract employees that the ANZ Bank NZ Group would otherwise seek to employ;
- digital technologies and business models are changing customer behaviour and the competitive environment. Competitors are increasingly utilising new technologies including artificial intelligence (**AI**) and disrupting existing business models in the financial services sector;
- companies from outside of the financial services sector are directly competing with the ANZ Bank NZ Group by offering products and services traditionally provided by banks. This includes new entrants obtaining banking licences and partnering with existing competitors;
- consumers and businesses may choose to transact using, or to invest or store value in, new forms of currency (such as cryptocurrencies, which are largely unregulated, or central bank digital currencies) in relation to which the ANZ Bank NZ Group may choose not, or may not be able, to provide financial services competitively. For example, in April 2024, the RBNZ opened consultation on a central bank digital currency, the effect of which, if adopted, on the ANZ Bank NZ Group's Position is uncertain. A new form of currency could change how financial intermediation and markets operate and, with that, may adversely impact the competitive and commercial position of the ANZ Bank NZ Group; and
- the New Zealand Government may consider implementing policies that further increase competition in the banking market. In May 2024, the New Zealand Government introduced the Customer and Product Data Bill to Parliament, which, if passed, will establish a consumer data right that will seek to improve consumers' ability to compare and switch products. In August 2024, the New Zealand Commerce Commission (the **Commerce Commission**) published its recommendation to the Minister of Commerce and Consumer Affairs to designate the interbank payment network under the Retail Payment System Act 2022. If the interbank payment network is designated this will enable the Commerce Commission to use its regulatory powers to promote competition and innovation in the retail payment system. No decision by the Minister on designation has yet been announced. In August 2024, the Commerce Commission published its final report on its market study into competition for personal banking services in the New Zealand retail banking sector. The final report includes 14 recommendations that, together, aim to



support new entry and expansion, to reduce the regulatory barriers to competition and to empower consumers to get better prices and services. For example, with work already underway on the Consumer and Product Data Bill, the Commerce Commission has recommended that the New Zealand Government should commit to ensuring open banking (which allows banks to share a customer's financial data with third parties only if the customer instructs them to do so) is fully operational by June-2026. While it is currently uncertain what impact (if any) the market study will have on the ANZ Bank NZ Group's Position, any recommendations, policy initiatives or regulatory measures adopted by the New Zealand Government as a result of this market study could have a material impact on the ANZ Bank NZ Group's profitability (refer to "—Legal and regulatory risk—Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the ANZ Bank NZ Group's Position").

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

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

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

#### ***Changes in the real estate market in New Zealand may adversely affect the ANZ Bank NZ Group's Position***

Residential, commercial and rural property lending, together with real estate development and investment property finance, are important parts of the business of the ANZ Bank NZ Group.

The scale and pace of interest rate rises have resulted in commercial property prices declining in New Zealand since late 2021 through May 2024 by over 12% in the main metropolitan areas and in some segments, the full extent of such property price declines may not have yet been evidenced in softening market demand and valuations. The extent of future property price changes will depend on, among other things, any future interest rate rises or persistently high interest rates and their impact on the economy. The RBNZ expects inflation to be back within its mandated target band in the quarter ended 30 September 2024. In response the RBNZ lowered the Official Cash Rate in August 2024.

In New Zealand, median prices for residential property peaked in November 2021, before declining in 2022 and early 2023. House prices have increased 1.3% for the twelve months to June 2024. High interest rates and rising costs of living have put pressure on household balance sheets, and this has and is likely to continue to impact demand for residential and commercial property. These pressures are resulting in an increase in residential property related delinquencies in New Zealand, which, having been at low levels since the COVID-19 pandemic (**COVID-19**), have increased over the year to March 2024.

High interest rates may affect debt serviceability, increase loan defaults by the ANZ Bank NZ Group's borrowers, place pressure on loan covenants and reduce demand for commercial and residential property and the ANZ Bank NZ Group's associated lending products in New Zealand. To address inflation still being above the RBNZ's target levels, interest rates may be maintained at higher levels for an extended period. Any future interest rate rises, or persistently high interest rates, could also lead to increased credit losses from business insolvencies, increased mortgage stress and defaults, and a potential downturn in the New Zealand economy. This may in turn impact the ability of tenants to pay rent and in turn decrease the quality of real estate earnings of the ANZ Bank NZ Group's borrowers.

Interest rate increases, asset price inflation and yield compression may cause declines in interest coverage ratios and asset values in the ANZ Bank NZ Group's portfolio of commercial property

loans. Market sentiment remains weak, and the ANZ Bank NZ Group has been observing declining values for existing security and expects further declines in some segments in the next 12 months. Dated valuations still benefit from a buffer created following strong asset price inflation until late 2021. This may result in increased refinance risk and require equity contributions from borrowers towards debt reduction and/or a restructure of facilities. Secondary grade assets may be more susceptible to a decline in prices particularly if investors have overlooked weaker fundamentals during a more favourable economic outlook and interest rate environment. Refinance risk could be increased if there are liquidity constraints in the banking sector. The ANZ Bank NZ Group has observed some signs of change in sentiment in non-bank debt markets as investors rebalance portfolios and change expectations in the face of greater uncertainty and volatility. This has resulted in an increased cost of financing rather than reduction in liquidity, and the non-bank debt market remains an available source of refinancing. Non-bank financiers have supported the predevelopment land and property development sectors in recent years, so the number of new projects may decline given the higher cost of funding or if non-bank financiers begin to withdraw support from weaker sponsors.

Construction risk issues, including supply chain constraints and a rapid rise in material costs, compounded by labour shortages and increased labour costs, may impact contractor profitability, cash flow and financial stability, which in turn may impact delivery risk associated with commercial and larger residential development projects (including the development of land and apartments) and the feasibility of such developments and underlying land values in the short to medium term.

COVID-19 triggered an ongoing change in the demand and supply dynamics in the office sector as certain flexible working arrangements have continued, which may impact tenancy demand, reduce rental growth, increase incentives provided by owners to renters, soften investor demand and yield expectations and value, particularly for secondary grade assets with weaker environmental, social and governance (specifically energy efficiency) credentials, given tenants are being more discerning in a less competitive market.

While valuation degradation is not uniform across all commercial real estate sectors, some institutional and private investor clients may see their real estate investment portfolios diminish in value as a result of changes in the real estate market. This could potentially lead to a weakening in their risk profile and a reduction in their willingness and/or ability to repay related loan facilities owed to the ANZ Bank NZ Group.

While the New Zealand commercial real estate market has remained relatively resilient despite high inflation and elevated interest rates, weaker real estate markets in Europe, America and China could have a contagion effect on demand for New Zealand assets from foreign equity and debt capital markets.

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

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

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

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

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

### ***Pandemics and other public health crises may adversely affect the ANZ Bank NZ Group's Position***

The effects of a pandemic or other public health crisis may impact the ANZ Bank NZ Group's Position, as was the case with COVID-19. Further, variants with respect to diseases may develop that impact the ANZ Bank NZ Group's customers and businesses and could lead to government action, which could adversely impact the ANZ Bank NZ Group's Position. Additionally, supply chain disruption and mobility constraints resulting from pandemics or public health crises could result in a decline in the ANZ Bank NZ Group's profit margins and could impact customers' cash flows, capital, liquidity and financing needs. Political and economic conditions following such events may cause reduced demand for the ANZ Bank NZ Group's products and services, an increase in loan and other credit defaults, bad debts, and impairments and an increase in the cost of the ANZ Bank NZ Group's operations. If any of these occur, the ANZ Bank NZ Group's Position could be adversely affected.

### ***The restructure of the ANZ Group that established a NOHC may adversely affect the ANZ Bank NZ Group's Position***

In 2023, ANZBGL implemented a restructure that resulted in ANZGHL becoming the new listed ultimate parent company of the Issuer and the ANZ Bank NZ Group in place of ANZBGL. ANZGHL is a NOHC and is authorised as such for the purposes of the Banking Act.

The APRA prudential framework for NOHCs is expected to become effective from 2025, following a period of industry consultation, which is currently ongoing. There is a risk that APRA's final regulatory framework for NOHCs of ADIs and the regulation of ANZGHL over time will differ from the existing regulatory framework and increase the regulatory risk of the ANZ Group. This may have negative consequences for the Issuer and the ANZ Bank NZ Group (as they each form part of the ANZ Group) and require further changes to be made to the ANZ Group's structure.

The post-restructure operating model may fail to function as expected and/or may fail to realise the anticipated benefits, and further changes to the ANZ Group's structure may, therefore, be required. To the extent this occurs, this may adversely affect the ANZ Bank NZ Group's Position and ANZ Holdings NZ's Position.

### ***Changes in exchange rates may adversely affect the ANZ Bank NZ Group's Position***

The ANZ Bank NZ Group conducts business in several different currencies, although mainly in New Zealand dollars. Accordingly, its businesses may be affected by movements in currency exchange rates. The ANZ Bank NZ Group's financial statements are prepared and stated in New Zealand dollars. Any change in the value of the New Zealand dollar against other currencies in which the ANZ Bank NZ Group earns revenue, holds capital or issues capital instruments may adversely affect its reported earnings and/or capital ratios. The ANZ Bank NZ Group currently hedges to partially mitigate the impact of currency changes. There is no assurance that the ANZ Bank NZ Group's hedges will be sufficient or effective, and any change in the value of the New Zealand dollar against other currencies in which the ANZ Bank NZ Group earns its revenue, or holds capital, may have an adverse impact on the ANZ Bank NZ Group's Position.

An appreciation in the value of the New Zealand dollar relative to other currencies could have an adverse effect on certain portions of the New Zealand economy, including agricultural exports, international tourism, manufacturers, and import-competing producers, which may adversely affect the ANZ Bank NZ Group's Position. A depreciation in the value of the New Zealand dollar relative to other currencies will increase debt-servicing obligations in New Zealand dollar terms of unhedged foreign currency exposures.

### ***Acquisitions and divestments may adversely affect the ANZ Bank NZ Group's Position***

The ANZ Bank NZ Group regularly examines a range of corporate opportunities, including acquisitions and divestments, to determine whether those opportunities will enhance the ANZ Bank NZ Group's Position.

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

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

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

#### **4.2.2 Risks related to the ANZ Bank NZ Group's financial situation**

##### ***Credit risk may adversely affect the ANZ Bank NZ Group's Position***

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

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

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

- industries exposed to the unwinding of government stimulus packages and increasing interest rates;
- industries reliant on consumer discretionary spending;
- industries that are exposed to fuel supply shortages and rising costs including aviation, road transport, shipping and agriculture, particularly given the Ukraine and Middle East conflicts and their impact on oil and gas prices, production and supply;
- participants in energy or commodity markets that are exposed to rising margin requirements under derivatives that arise due to price volatility;
- industries at risk of sanctions, geopolitical tensions or trade disputes (these industries include technology, agriculture, communications and financial institutions);
- industries exposed to declining global growth and disruption to global supply chains (these include but are not limited to the retail, wholesale, automotive, manufacturing and packaging industries);

- the commercial property sector (including construction and contractors), which has been exposed to a rapid rise in interest rates, impacting serviceability and putting downward pressure on valuations, particularly in the office sector given occupancy levels have not returned to pre-COVID-19 levels. Changes in working patterns with what is seemingly a permanent increase in people working from home has seen a greater distinction between premium and lower quality office accommodation (including weaker environmental, sustainability and governance credentials), with the latter experiencing an increase in vacancies, decline in rents, increase in tenancy incentives and softening of yields and valuation. A weakening in discretionary spending could also impact rental growth and investor demand in the retail sector. In some markets, commercial contractors and sub-contractors may continue to face cash flow and liquidity issues as current projects run off and the volume of forward-looking projects are diminished. Supply chain constraints and building material cost increases have somewhat stabilised, but labour availability constraints remain;
- industries facing labour supply shortages and which are reliant on access to both skilled and unskilled migrant workers, including tourism and hospitality, technology, agriculture, retail, health, construction and services;
- customers and industries exposed to disruption from adverse natural events (e.g., earthquakes), physical climate risk (e.g., floods, storms and droughts), and transition risk (e.g., carbon reduction requirements and resulting changes in demand for liquidity or goods and services). Losses may be exacerbated if insurance becomes unavailable or unaffordable. For more information on climate-related risks, refer to “—Environmental, social and governance risks—Impact of future climate events, biodiversity loss, human rights, geological events, plant, animal and human diseases, and other extrinsic events may adversely affect the ANZ Bank NZ Group’s Position”;
- the dairy sector, where there is significant variation in the cost structures across New Zealand dairy farms, and some farms may struggle to achieve profitability;
- industries exposed to the volatility in foreign exchange markets generally; and
- banks and financial services companies, as they may experience pressure on liquidity due to impacts of high interest rates and the flow on impacts to asset values, which could result in the deterioration of credit ratings, the need for restructuring and recapitalisation, losses of confidence in financial institutions or a financial default.

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

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

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

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

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

The ANZ Bank NZ Group's capital base is critical to the management of its businesses and access to funding. The ANZ Bank NZ Group is required to maintain adequate regulatory capital by its primary regulator, the RBNZ.

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

The ANZ Bank NZ Group's capital ratios may be affected by a number of factors, such as (i) lower earnings, (ii) asset growth, (iii) changes in the value of the New Zealand dollar against other currencies in which the ANZ Bank NZ Group operates that impact RWA or regulatory capital, (iv) worsening of the risk grade of counterparties, (v) changes in business strategy (including acquisitions, divestments and investments or an increase in capital intensive businesses), (vi) changes in regulatory requirements and (vii) changes in the valuation of liquid assets held.

For more information on recent prudential regulation changes that have impacted or that may impact the ANZ Bank NZ Group refer to “—Legal and regulatory risk—Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the ANZ Bank NZ Group's Position”.

An inability of the ANZ Bank NZ Group to maintain its regulatory capital may adversely affect the ANZ Bank NZ Group's Position.

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

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

The credit ratings or rating outlooks assigned to the Issuer or its subsidiaries could be negatively affected by a change in a number of factors, including the ANZ Bank NZ Group's ability to maintain a stable earnings stream, capital ratios, credit quality and risk management controls, funding sources, and liquidity monitoring procedures. A credit rating downgrade or change in rating outlook could be driven by the occurrence of one or more of the other risks identified in this Information Memorandum, a change in ratings methodologies or other events, including volatility in the banking sector. In addition, any diminishment (either perceived or actual) of ANZBGL's support for the ANZ Bank NZ Group, a downgrade to any of ANZBGL's or New Zealand's or Australia's sovereign credit ratings or weakening of the related rating outlooks could adversely affect the ANZ Bank NZ Group's credit ratings or ratings outlook. New Zealand's or Australia's sovereign credit ratings or ratings outlook could be negatively impacted by a variety of factors, including fiscal spending, legislation and regulatory changes implemented by the Australian or New Zealand governments. As a result, downgrades in the ANZ Bank NZ Group's credit ratings or ratings outlooks could occur that do not reflect changes in the general economic conditions or the ANZ Bank NZ Group's financial condition. The ratings of individual securities (including, but not limited to, certain Additional Tier 1 Capital and Tier 2 Capital securities and covered bonds) issued by the ANZ Bank NZ Group (and other banks globally) could be impacted by changes in the regulatory requirements for those instruments as well as the ratings methodologies used by rating agencies.

Any downgrade or potential downgrade to the ANZ Bank NZ Group's credit ratings or rating outlooks may reduce access to capital and wholesale debt markets and could lead to an increase in funding costs, constrain the volume of new lending able to be extended and affect the willingness of counterparties to transact with the ANZ Bank NZ Group which may adversely affect the ANZ Bank NZ Group's Position.

Credit ratings are not a recommendation by the relevant rating agency to invest in securities offered by the ANZ Bank NZ Group.

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

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

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

The ANZ Bank NZ Group raises funding from a variety of sources, including customer deposits and wholesale funding in domestic and offshore markets to meet its funding requirements and to maintain or grow its business. Developments in major markets can adversely affect liquidity in global capital markets. For example, in times of liquidity stress, if there is damage to market confidence in the ANZ Bank NZ Group or if funding inside or outside of New Zealand is not available or constrained, the ANZ Bank NZ Group's ability to access sources of funding and liquidity may be constrained and the ANZ Bank NZ Group will be exposed to liquidity and funding risk. The RBNZ commenced the gradual reduction of the Large Scale Asset Purchase programme in 2022 and the Funding for Lending programme in 2023, which were introduced during the COVID-19 pandemic. Competition for deposits may increase as these programmes gradually unwind.

The Deposit Takers Act will introduce a DCS (Depositor Compensation Scheme) in New Zealand, expected in mid-2025 that will protect up to NZ\$100,000 of eligible deposits per depositor, per licensed deposit taker, if a pay-out event is triggered. Licensed deposit takers in New Zealand include registered banks and non-bank deposit takers (e.g., finance companies). The RBNZ expects some level of deposit interest rate convergence across the deposit taking industry, as deposits placed with deposit takers that are perceived to be higher-risk are provided protection under the DCS. This may lead to an increase in cost to the ANZ Bank NZ to attract deposits or may reduce the volume of deposits available.

An increase in liquidity risk could lead to an increase in the cost of the ANZ Bank NZ Group's borrowings, constrain the volume of new lending extended by ANZ Bank NZ and adversely affect the ANZ Bank NZ Group's ability to fulfill its payment obligations, which may adversely affect the ANZ Bank NZ Group's Position.

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

The ANZ Bank NZ Group applies accounting standards, which require that various financial instruments, including derivative instruments, assets and liabilities classified as fair value through other comprehensive income, assets and liabilities designated as fair value through profit or loss and certain other assets and liabilities (as per Note 1 to the ANZ Bank NZ half year ended 31 March 2024 unaudited disclosure statement and the ANZ Bank NZ year ended 30 September 2023 audited full year disclosure statement, respectively) are measured at fair value with changes in fair value recognised in earnings or equity.

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

The ANZ Bank NZ Group may be exposed to a reduction in the value of non-lending related assets as a result of impairments that are recognised in earnings. The ANZ Bank NZ Group must test at least annually the recoverability of goodwill balances and intangible assets with indefinite useful lives or which are not yet available for use and other non-lending related assets, including premises and

equipment (including right-of-use assets arising from leases), investment in associates, capitalised software and other intangible assets where there are indicators of impairment.

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

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

#### ***Changes to accounting policies may adversely affect the ANZ Bank NZ Group's Position***

The accounting policies that the ANZ Bank NZ Group applies are fundamental to how it records and reports its financial position and results of operations. The ANZ Bank NZ Group's accounting policies are set forth in Note 1 to ANZ Bank NZ's financial statements for the year ended 30 September 2023. Management exercises judgement in selecting and applying many of these accounting policies. This is so that the ANZ Bank NZ Group complies with the applicable accounting standards or interpretations and reflects the most appropriate manner in which to record and report on the ANZ Bank NZ Group's financial position and results of operations. These accounting policies may be applied inaccurately, resulting in a misstatement of the ANZ Bank NZ Group's financial position. The application of new or revised accounting standards or interpretations may also adversely affect the ANZ Bank NZ Group's Position. The ANZ Bank NZ Group discloses the impact of new accounting standards that are effective for the first time in any reporting period in the notes to the consolidated financial statements for that period.

In some cases, management must select an accounting policy from two or more alternatives, any of which would comply with the relevant accounting standard or interpretation and be reasonable under the circumstances, yet might result in reporting materially different outcomes than would have been reported under the alternative.

#### **4.2.3 Legal and regulatory risk**

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

The ANZ Bank NZ Group's businesses and operations are highly regulated. The ANZ Bank NZ Group is subject to laws, regulations and policies, including industry self-regulation, in the Relevant Jurisdictions (**Regulations**). Regulations continue to change, including with little or no notice, and are generally increasing in scope, scale, complexity, cost and speed of required compliance. Changes to Regulations and any associated increases in compliance costs may affect the profitability of the ANZ Bank NZ Group, change the level of competition that the ANZ Bank NZ Group faces or affect the ability of the ANZ Bank NZ Group to conduct one or more elements of its business. In addition, regulators are coming under increased pressure to take enforcement actions against entities that are not compliant with Regulations. The increasing complexity of Regulations and increased propensity for sanctions and more severe financial penalties for breaches could adversely affect the ANZ Bank NZ Group's results and reputation.

Regulations can and do affect the operating environment of and impose significant compliance costs on the ANZ Bank NZ Group. A failure by the ANZ Bank NZ Group to comply with Regulations or manage regulatory change could result in regulatory investigations, litigation, legal or regulatory sanctions, public criticism, financial or reputational loss, restrictions on the ANZ Bank NZ Group's ability to do business, fines or other enforcement or administrative actions or penalties. Any of these may adversely affect the ANZ Bank NZ Group's Position. Themes of recent Regulations include, but are not limited to, the prudential position of financial institutions, increasing transparency, the protection of customers, regulatory enforcement and the protection and use of information. Set out below are examples of recent or potential regulatory changes that could affect the ANZ Bank NZ Group's Position.

##### ***New Zealand Developments***

The New Zealand Government and its agencies, including the RBNZ, the Financial Markets Authority and the Commerce Commission, have supervisory oversight over the ANZ Bank NZ Group.



There have been a series of legislative and regulatory releases from these and other authorities that have proposed, or may result in, significant legal and regulatory changes for financial institutions in New Zealand. For example:

*Prudential Developments:* The RBNZ, APRA, the Basel Committee on Banking Supervision and regulators in other jurisdictions have revised standards and released discussion papers, proposals and decisions in regard to strengthening the resilience of the banking sector. As its key regulator, the RBNZ has extensive administrative, practical and investigative powers over the ANZ Bank NZ Group's business, and the ANZ Bank NZ Group continues to expect increased regulatory focus on capital and liquidity requirements. Further changes to the RBNZ's prudential standards could restrict the ANZ Bank NZ Group's flexibility, require it to incur substantial costs and/or impact the profitability of one or more of its business lines, any of which may adversely affect the ANZ Bank NZ Group's Position. More specifically, the following RBNZ reviews and policies may have a material impact on the ANZ Bank NZ Group's Position.

- *Capital adequacy:* Refer to “—Risks related to the ANZ Bank NZ Group's financial situation— Challenges in managing the ANZ Bank NZ Group's capital base could give rise to greater volatility in capital ratios, which may adversely affect the ANZ Bank NZ Group's Position” for further discussion.
- *Liquidity:* The RBNZ's liquidity policy (**BS13**) sets out the RBNZ's policy on management of liquidity risk by registered banks in New Zealand. In February 2022, the RBNZ began a comprehensive review of BS13. An updated liquidity policy is currently scheduled to be released in late 2026 or early 2027 as a core standard under the Deposit Takers Act. Future changes to liquidity requirements in New Zealand may adversely affect the ANZ Bank NZ Group's Position and may result in it incurring substantial costs in order to comply with such changes.
- *Changes to Conditions of Registration:* ANZ Bank NZ is a registered bank under the BPS Act and is supervised by the RBNZ. As part of its registration, ANZ Bank NZ is subject to Conditions of Registration imposed by the RBNZ. The Conditions of Registration may be changed by the RBNZ at any time, although the RBNZ is required to give ANZ Bank NZ notice and consider submissions made by ANZ Bank NZ prior to any such change. In the event that the RBNZ was to conclude that ANZ Bank NZ did not satisfy its Conditions of Registration, sanctions could be imposed on ANZ Bank NZ by the RBNZ. This may result in a range of possible consequences, including changes to ANZ Bank NZ's Conditions of Registration. The impact of such consequences may adversely affect the ANZ Bank NZ Group's Position.
- *Changes to Internal Ratings-Based (IRB) accreditation:* ANZ Bank NZ has received RBNZ accreditation as an advanced IRB approach bank under the principles laid out by the Basel Committee on Banking Supervision in respect of Basel III, except for operational risk capital, which is calculated in accordance with Banking Prudential Requirement 150: Standardised operational risk published by the RBNZ. That accreditation is subject to certain requirements, which have been incorporated into ANZ Bank NZ's Conditions of Registration. ANZ Bank NZ is reviewed by both the RBNZ and APRA in terms of maintaining that accreditation. Changes to ANZ Bank NZ's accreditation may adversely affect the ANZ Bank NZ Group's Position. From 30 June 2024, banks accredited to calculate their capital requirements for credit risk using an IRB approach (such as ANZ Bank NZ) must also disclose the equivalent capital requirement using the alternative standardised approach (which must be used by non-accredited banks).
- *Replacement of the BPS Act:* The BPS Act is being replaced by two separate pieces of legislation: the Reserve Bank of New Zealand Act 2021, which fully commenced in July 2022, and the Deposit Takers Act, which will be fully implemented in July 2028. The RBNZ is undertaking a multi-year work programme to develop policy, standards and regulations to support the commencement of the Deposit Takers Act regime. Until the Deposit Takers Act commences, the regulatory framework for banks will continue under the BPS Act. As at the date of this Information Memorandum, it is uncertain what impact these legislative changes may have on the ANZ Bank NZ Group. However, changes to the RBNZ's supervision and regulation of deposit takers, and other changes contained in the new legislation, may impact the ANZ Bank NZ Group's Position. Additionally, the RBNZ closed consultation in August 2024 on policy proposals for four core standards that will apply to deposit takers via their conditions of licence: a capital standard (minimum capital requirements), a liquidity standard

(minimum liquidity requirements), a disclosure standard (information disclosure requirements) and a DCS standard (DCS disclosure and customer information requirements, that will specify the information deposit takers will need to provide to the RBNZ regarding individual depositors' protected deposits). In August 2024, the RBNZ published a consultation paper on policy proposals for nine non-core standards under the Deposit Takers Act that will apply to deposit takers via their conditions of licence: an outsourcing standard, a lending standard (loan-to-value ratios and debt-to-income ratios); a related party exposures standard, a restricted activities (standard restrictions on insurance underwriting and material non-financial activities, approval requirements for overseas activities and limitations on covered bonds issuance), a governance standard (responsibilities of the board, structural and compositional requirements and fit and proper requirements), a risk management standard, an operational resilience standard (operational risk management, material service providers, information and communication technology and business continuity planning), an open bank resolution pre-positioning standard and a branch standard (which will not apply to ANZ Bank NZ). In August 2024, the RBNZ published a consultation paper on how it may operationalise its crisis management and resolution powers under the Deposit Takers Act. The outcome of these consultations is uncertain.

- *DCS*: The Deposit Takers Act will, among other things, introduce a DCS that will protect up to NZ\$100,000 of eligible deposits per depositor, per licensed deposit taker, if a pay-out event is triggered. The DCS will be funded by collecting levies from deposit takers, including ANZ Bank NZ. The RBNZ concluded its consultation on a levy framework in September 2023 but is yet to finalise how DCS levies will be set. The DCS is targeted for initial implementation in mid-2025, ahead of the rest of the Deposit Takers Act coming into effect. The RBNZ plans to finalise the DCS regulations by the end of 2024.

*Other developments*: Further reviews and/or changes to other regulatory policies or standards could restrict the ANZ Bank NZ Group's flexibility, require it to incur substantial costs and/or impact the profitability of one or more of its business lines, any of which may adversely affect the ANZ Bank NZ Group's Position. More specifically, the following regulatory changes, market study and other activities may have a material impact on the ANZ Bank NZ Group's Position.

- *Conduct regulations for financial institutions*: The Financial Markets (Conduct of Institutions) Amendment Act 2022 (**FMCIA Act**) was enacted in June 2022. It will come into force on 31 March 2025 and will implement a broad conduct regime for financial institutions that can be expanded over time with further obligations on regulated entities. In May 2024, the New Zealand Ministry of Business, Innovation and Employment opened consultation on a review of the requirements applicable to financial institutions under the FMCIA Act. In September 2024, the New Zealand Government released a Cabinet paper detailing its decisions, which included some minor changes to simplify the minimum requirements for a financial institution's fair conduct programme under the FMCIA. The Cabinet paper notes that the Government intends to introduce a bill to Parliament in December 2024 that would implement these changes. We expect any amendments to the FMCIA will commence in 2026 at the earliest. As of the date of this Information Memorandum, it is uncertain what impact the FMCIA Act will have on ANZ Bank NZ. However, it could result in increased compliance costs and/or liability in the case of non-compliance, which may adversely affect the ANZ Bank NZ Group's Position.
- *Open banking*: Emerging fintechs and banks partnering to develop a framework that provides third-party financial service providers open access to consumer banking, transaction, and other financial data from banks and non-bank financial institutions may lead to increased competition, which could result in weakening the profitability of banks that are slow to adapt to the changing financial system landscape.
- *Competition market study*: In June 2023, the New Zealand Government directed the Commerce Commission to commence a market study into competition in the New Zealand retail banking sector. In August 2024, the Commerce Commission published its final report. One of the Commerce Commission's findings is that New Zealand's four largest banks do not face strong competition when providing personal banking services in New Zealand. The Commerce Commission has set out 14 recommendations designed to improve competition in the market. While it is currently uncertain what impact (if any) the study will have on the ANZ Bank NZ Group's Position, any recommendations, policy initiatives or regulatory measures adopted by the New Zealand Government as a result of the market study could have a

material impact on the ANZ Bank NZ Group's profitability. Refer to "—Risks related to the ANZ Bank NZ Group's business activities and industry—Competition in the markets in which the ANZ Bank NZ Group operates may adversely affect the ANZ Bank NZ Group's Position".

- *Select Committee Banking Inquiry:* On 14 August 2024, the New Zealand Parliament's Finance and Expenditure Committee called for submissions on an inquiry into banking competition. The terms of reference include consideration of the state of competition in banking (including profitability), barriers preventing competition in banking, any possible impact of the regulatory environment on competition and efficient access to lending, rural banking and lending to Maori asset-holders, organisations, businesses, and individuals. Submissions are due on 25 September 2024. It is likely that a public hearing will be held in October 2024. While it is currently uncertain what impact (if any) the inquiry will have on the ANZ Bank NZ Group's Position, any recommendations, policy initiatives or regulatory measures adopted by the New Zealand Government as a result of the inquiry could have a material impact on the ANZ Bank NZ Group's profitability.
- *Interchange Fee Consultation:* In July 2024, the Commerce Commission opened a consultation on potential pricing and access issues relating to interchange fees charged within New Zealand's retail payments system. The consultation paper considers whether further regulation of interchange fees is required, including the potential introduction of new limits to the interchange fees that card issuers (such as ANZ Bank NZ) may charge. While the outcome of the consultation is currently uncertain, a reduction in the amount of interchange fees received by ANZ Bank NZ as card issuer may adversely affect the ANZ Bank NZ Group's Position.

Such changes may adversely affect the ANZ Bank NZ Group, potentially impacting its corporate structures, businesses, strategies, capital, liquidity, funding and profitability, cost structures, and the cost and access to credit for its customers and the wider economy. This in turn may adversely affect the ANZ Bank NZ Group's Position.

#### *Other offshore developments*

In jurisdictions where regulatory requirements do not apply directly to the ANZ Bank NZ Group, it may nonetheless be indirectly impacted by the regulatory requirements of its parent companies as at the date of this Information Memorandum, ANZGHL or ANZBGL, or counterparties that are established in, or otherwise subject to the requirements of, those jurisdictions.

As at the date of this Information Memorandum, it is uncertain what impact any further developments in these areas may have on the ANZ Bank NZ Group. However, heightened scrutiny of the financial services industry in New Zealand and Australia could lead to enforcement actions and additional costs that could adversely impact the ANZ Bank NZ Group's Position.

#### ***Litigation and contingent liabilities may adversely affect the ANZ Bank NZ Group's Position***

From time to time, the ANZ Bank NZ Group may be subject to material litigation, regulatory actions, legal or arbitration proceedings and other contingent liabilities that may adversely affect the ANZ Bank NZ Group's Position. Details regarding the ANZ Bank NZ Group's material contingent liabilities as at 31 March 2024 are contained in Note 11 to ANZ Bank NZ's financial statements for the six months ended 31 March 2024. Note 11 includes, among other things, a description of the loan information litigation.

The ANZ Bank NZ Group regularly engages with its regulators in relation to regulatory investigations, surveillance and reviews, reportable situations, civil enforcement actions (whether by court action or otherwise), formal and informal inquiries and regulatory supervisory activities in New Zealand and globally. The ANZ Bank NZ Group has received various notices and requests for information from its regulators as part of both industry-wide and ANZ Bank NZ 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, may include a range of matters, including responsible lending practices, regulated lending requirements, product suitability and distribution, interest and fees and the entitlement to charge them, customer remediation, wealth advice, insurance distribution, pricing, competition, conduct in financial markets and financial transactions, capital market transactions, anti-money laundering and counter-terrorism financing obligations, privacy obligations and information security, business continuity management, reporting and disclosure obligations and product disclosure documentation. There may be exposures to customers that are additional to any regulatory

exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain.

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

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

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

The New Zealand Government has undertaken a review of its Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the **AML/CTF Act**). The first of three tranches of regulations was introduced in July 2023 (consisting of largely definitional changes and clarifications). The second tranche of regulations came into force in June 2024, making changes to various existing obligations (including customer due diligence, enhanced due diligence and ongoing due diligence requirements) and introducing new obligations (including a specific recordkeeping obligation in relation to prescribed transaction reporting (**PTR**)). The third tranche of regulation is being introduced in June 2025 and will introduce further obligations (for example, the obligation for reporting entities to risk-rate new customers when conducting customer due diligence, keep a record of the risk rating and review that risk rating as it undertakes ongoing customer due diligence). It is anticipated that further reform will be made via amendments to the primary AML/CTF Act in due course, following further public consultation on areas identified through the review that have not been introduced via regulations. The timing for any further legislative change is currently unknown. Although there is no clear view of the outcome of the reforms at this stage, the reform process could lead to new regulatory requirements being imposed on the ANZ Bank NZ Group, which may adversely affect the ANZ Bank NZ Group's Position.

Due to the Ukraine conflict, there is currently a large number of sanctions applied to Russia, and other countries, by regulators around the globe. While many governments across New Zealand, the United States, Europe and Australia agree in relation to sanctions targets, the nuances and specific restrictions are not fully aligned. Companies are assessing their risk appetite regarding ongoing business activity with or in Russia or with Russian owned entities. This has heightened the operational and compliance risks in navigating those transactions and dealings that are considered lawful, or within other counterparties' risk appetite. This situation is expected to continue while the conflict persists.

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

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

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

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

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

Central monetary authorities (including the RBNZ, the Reserve Bank of Australia, the U.S. Federal Reserve, the European Central Bank and the Bank of England) set official interest rates or take other measures to affect the demand for money and credit in their relevant jurisdictions. Many central monetary authorities, including the RBNZ, undertook alternative approaches to implementing monetary policy in recent years that are now being unwound. In some jurisdictions, currency policy is used to influence general business conditions and the demand for money and credit. These measures and policies can significantly affect the ANZ Bank NZ Group's cost of funds for lending and investing and the return that the ANZ Bank NZ Group will earn on those loans and investments. These factors impact the ANZ Bank NZ Group's net interest margin and can affect the value of financial instruments it holds, such as debt securities and hedging instruments. The measures and policies of the central monetary authorities can also affect the ANZ Bank NZ Group's borrowers, potentially increasing the risk that they may fail to repay loans. Refer to “—Risks related to the ANZ Bank NZ Group's business activities and industry—Changes in the real estate market in New Zealand may adversely affect the ANZ Bank NZ Group's Position.”

Changes in interest rates and monetary policy are difficult to predict and may adversely affect the ANZ Bank NZ Group's Position.

***Ongoing significant compliance costs with respect to the evolving and extensive automatic exchange of information obligations imposed by global customer tax transparency regimes may adversely affect the ANZ Bank NZ Group's Position***

There continues to be mandatory and substantial changes to, and increasing regulatory focus on, compliance by all global Financial Institutions (**FIs**), including FIs within the ANZ Bank NZ Group, with global customer tax transparency regimes, under the Foreign Account Tax Compliance Act (**FATCA**), the Common Reporting Standard (**CRS**) of the Organisation for Economic Co-operation and Development (**OECD**) and similar anti-tax avoidance regimes. This includes global regulatory movement to enforcement and penalty activities and increasing regulatory implementation of additional compliance framework requirements, compliance assessment requirements, questionnaires, onsite financial institution audits/evidentiary requirements, detailed rules and frameworks to close down circumventions and deter, detect and penalise non-compliance.

The ongoing OECD government level peer reviews and Internal Revenue Service (**IRS**) and regulatory FI compliance review/audit requirements increase scrutiny and therefore unplanned workload of FIs globally. Each country of CRS adoption is being pushed by the OECD to ensure its penalty regime is sufficient to deter and penalise non-compliance.

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

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

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

Under the CRS, the ANZ Bank NZ Group:

- is under increasingly stringent regulatory scrutiny and measures as regulators turn their focus to the effectiveness of FI implementation. This tightening of regulatory focus, at a varying pace in each country, can lead to significant negative experiences for affected customers (including unilateral account blocking and closure, resulting underlying client issues and potential direct customer penalties), which may adversely affect the ANZ Bank NZ Group's Position and if not similarly implemented by other FIs, may present a significant competitive disadvantage and loss of business;
- faces poor customer outcomes with customers who may feel aggrieved as a result of blocking and closure impacts including increased potential exposure to legal and third party liability, particularly this may be the case if the ANZ Bank NZ Group has not communicated the regulatory issue clearly to a customer or has blocked or closed the account incorrectly (for example, due to a data or process error); and
- continues to deal with the substantial implementation challenges associated with the complex requirements relating to intermediaries, which may also increase the risk of regulatory ramifications.

The scale and complexity of the ANZ Bank NZ Group means that the risk of non-compliance with FATCA, CRS and other tax reporting regimes is high. The loss of key resources and critical subject matter expertise, combined with the challenge of finding qualified replacements increases the risk of non-compliance with these obligations. A failure to successfully operate the implemented processes or to identify and implement all obligations could lead to legal, financial and reputational consequences for the ANZ Bank NZ Group and its employees. Consequences include fines, criminal and civil penalties, civil claims, reputational harm, competitive disadvantage, loss of business and constraints on doing business.

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

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

#### **4.2.4 Internal control, operations and reputational risk**

##### ***Nonfinancial risk events may adversely affect the ANZ Bank NZ Group's Position***

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

Nonfinancial risk categories under ANZ Bank NZ Group's risk taxonomy include:

- financial crime (the risk of money laundering, sanctions violations, bribery and corruption, and "Know-Your-Customer" failure) (refer to "—Legal and regulatory risk—Significant fines and sanctions in the event of breaches of law or regulation relating to anti-money laundering, counter-terrorism financing and sanctions may adversely affect the ANZ Bank NZ Group's Position");
- internal fraud (fraud attempted or perpetrated by an internal party (or parties) against the organisation);
- external fraud (fraud or theft attempted or perpetrated against the organisation by an external party (that is, a party without a direct relationship to ANZ Bank NZ Group (excluding customers)) without involvement of an employee);
- business continuity (failure of the business continuity management framework);

- physical security (the risk of damage to ANZ Bank NZ Group’s physical assets, client assets, or public assets for which ANZ Bank NZ Group is liable, and (criminal) injury to ANZ Bank NZ Group’s employees or affiliates);
- people (the risk of breaching employment legislation, mismanaging employee relations and failing to ensure a safe working environment);
- transaction processing and execution (failure to process, manage and execute transactions and/or other processes correctly and appropriately);
- technology (the risk associated with the outage of systems, including hardware, software and networks). See “—Disruption of IT systems or failure to successfully implement new technology systems could significantly interrupt the ANZ Bank NZ Group’s business, which may adversely affect the ANZ Bank NZ Group’s Position”;
- conduct (the risk of loss or damage arising from the failure of the ANZ Bank NZ Group, its employees or agents to appropriately consider the interests of consumers, the integrity of the financial markets and the expectations of the community, in conducting the ANZ Bank NZ Group’s business activities). See “—Conduct risk events may adversely affect the ANZ Bank NZ Group’s Position”;
- legal (the risk of execution errors in legal procedures and processes);
- regulatory risk (failure to comply with any legal or regulatory obligations that are not captured through other mentioned risks). See “—Legal and regulatory risk—Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the ANZ Bank NZ Group’s Position”;
- third party (the risk of failing to manage third party relationships and risks appropriately, for example, not taking reasonable steps to identify and mitigate additional operational risks resulting from the outsourcing of services or functions);
- information security including cyber (the risk of information security incidents, including the loss, theft or misuse of data/information—this covers all types of data, and can include the failure to comply with rules concerning information security). See “—Risks associated with information security, including cyber-attacks, may adversely affect the ANZ Bank NZ Group’s Position”;
- data (the risk of failing to appropriately manage and maintain data, including all types of data, for example, client data, employee data and ANZ Bank NZ Group’s proprietary data (including privacy)). See “—Data management risks may adversely affect the ANZ Bank NZ Group’s Position”;
- model (the potential for adverse consequences from model errors based on the design, development, use and/or report of a model to inform business decisions). See “—Modelling risks may adversely affect the ANZ Bank NZ Group’s Position”; and
- statutory reporting and tax (the risk of failing to meet statutory reporting and tax payments/filing requirements). Statutory reporting includes all external reporting that the ANZ Bank NZ Group is obliged to perform (e.g., regulatory reporting, financial reporting).

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

Pursuant to RBNZ requirements, the ANZ Bank NZ Group must also maintain “operational risk capital” reserves in the event future operational events occur.

All major offices have returned to, at least, a blended/hybrid working environment, including adapting to remote working arrangements since the COVID-19 pandemic. Reliance on digital channels, including the ANZ Bank NZ Group’s operations, continues to remain high, which in turn heightens the risks associated with cyber-attacks and any disruption to system/service availability.

While business continuity plans have been tested and refined during the pandemic and remain subject to ongoing review, impacts to system/service availability still have the ability to impact the ANZ Bank NZ Group’s Position from a reputational, financial, customer and compliance perspective.

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

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

Key executives, employees and directors play an integral role in the operation of the ANZ Bank NZ Group's business and its pursuit of its strategic objectives. The unexpected departure of an individual in a key role, or the ANZ Bank NZ Group's failure to recruit, develop and retain an appropriately skilled and qualified person into these roles particularly in areas such as digital, technology, risk or compliance, could have an adverse effect on the ANZ Bank NZ Group's Position.

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

The ANZ Bank NZ Group's reputation is a valuable asset and a key contributor to the support that it receives from the community in respect of its business initiatives and its ability to raise funding or capital.

Reputational risk may arise as a result of an external event or the ANZ Bank NZ Group's actual or perceived actions and practices, which include operational and regulatory compliance failures. The occurrence of such events may adversely affect perceptions about the ANZ Bank NZ Group held by the public (including the ANZ Bank NZ Group's customers), shareholders, investors, regulators and rating agencies. The impact of a risk event on the ANZ Bank NZ Group's reputation may exceed any direct cost of the risk event itself and may adversely impact the ANZ Bank NZ Group's Position.

The ANZ Bank NZ Group may suffer reputational damage where one of its practices fails to meet community expectations. Community expectations are continually changing and evolving. If expectations exceed the standard required to comply with applicable law, the ANZ Bank NZ Group may incur reputational damage even where it has met its legal obligations. A divergence between community expectations and the ANZ Bank NZ Group's practices could arise in a number of ways, including in relation to its product and services disclosure practices, pricing policies and use of data. The ANZ Bank NZ Group's reputation may be adversely affected by community perception of the broader financial services industry, particularly in an environment of elevated interest rates. Reputational damage may also arise from the ANZ Bank NZ Group's failure to manage risks effectively, enforcement or supervisory action by regulators, adverse findings from regulatory reviews and failure or perceived failure to respond adequately to community, environmental and ethical issues.

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

- failure to comply with the ANZ Bank NZ Group's Conditions of Registration;
- failures related to fulfillment of identification obligations;
- failures related to new product development;
- failures related to ongoing product monitoring activities;
- failures related to suitability requirements when products are sold outside of the target market;
- failure to comply with disclosure obligations;
- failure to properly manage risk (e.g., credit, market, operational or compliance);
- market manipulation or anti-competitive behaviour;
- inappropriate crisis management/response to a crisis event;
- inappropriate handling of customer complaints;



- inappropriate third party arrangements;
- privacy breaches; and
- unexpected risks.

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

***Contagion and reputational risk events may adversely affect the ANZ Bank NZ Group's Position and ability to access the capital markets on favourable terms***

As the ANZ Bank NZ Group is part of a larger business group, the ANZ Bank NZ Group is vulnerable to financial and reputational damage by virtue of its association with other members of the ANZ Group, any of which may suffer the occurrence of a risk event. In the case of the ANZ Bank NZ Group, the damage may be financial and may materially impact its results if financial resources are withdrawn or not provided by ANZBGL to support the ANZ Bank NZ Group or another member of the ANZ Group. Reputational risk may also arise as a result of a contagion event or as a result of the ANZ Bank NZ Group's own actions. The reputational consequences (including damage to the ANZ Group franchise) of the occurrence of a risk event, for example a major operational failure or litigation, may exceed the direct cost of the risk event itself and may have a material impact on the ANZ Bank NZ Group's Position.

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

Conduct risk is the risk of loss or damage arising from the failure of its business, its employees or agents to appropriately consider the interests of consumers, the integrity of the financial markets, and the expectations of the community in conducting the ANZ Bank NZ Group's business activities.

Conduct risks include:

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

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

Where a conduct risk event occurs, the ANZ Bank NZ Group has a centralised team responsible for customer remediation programmes, including addressing conduct issues identified in ANZ Bank NZ Group reviews. Conduct risk events may not only negatively impact customers and market integrity but may expose the ANZ Bank NZ Group to regulatory actions, restrictions or conditions on banking licences and reputational consequences that may adversely affect the ANZ Bank NZ Group's Position. Remediation programmes may not be implemented appropriately or may lead to further remediation

work being required, resulting in litigation, regulatory action and increasing costs to the ANZ Bank NZ Group, which may adversely affect the ANZ Bank NZ Group's Position.

For further discussion of the increasing regulatory focus on conduct risk, refer to “—Legal and regulatory risk—Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the ANZ Bank NZ Group's Position” and “—Legal and regulatory risk—Litigation and contingent liabilities may adversely affect the ANZ Bank NZ Group's Position”.

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

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

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

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

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

In addition, ANZ Bank NZ Group relies on the ANZ Group to provide a number of IT systems. A failure of the ANZ Group's systems may affect the ANZ Bank NZ Group, which may in turn adversely affect the ANZ Bank NZ Group's Position.

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

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

The digital world is constantly evolving, with both positive innovation and new threats. As a result, the ANZ Bank NZ Group recognises that the risk of a cyber event or data loss remains a significant concern for its businesses. Cyber threats continue to increase in sophistication, persistence, scale, frequency and impact. Threats include but are not limited to: business email compromise, ransomware, distributed denial of service, data breaches and third-party exposures. Cyber-attacks have the potential to cause financial system instability and could result in serious disruption to customer banking services or compromise customer data privacy. As both the scale and complexity of such attacks are increasing, there is always a risk that countermeasures and layers of defence to

adequately mitigate risks may not be sufficient and that sensitive information may be inadvertently exposed.

The ANZ Bank NZ Group has noted increased external occurrences of ransomware and third-party data breaches, ongoing volatility in the global political landscape and the security implications of widespread adoption of AI. Intense public response to cyber-attacks has led to increased political focus with the potential for future significant increases in penalties for privacy breaches. Should the ANZ Bank NZ Group be the target of such an attack, then in addition to the risks discussed above, there is a risk of reputational damage in light of the public response to such an attack and/or penalties imposed by a regulator, which may materially adversely affect the ANZ Bank NZ Group's operations. The regulatory landscape is also evolving with additional local and international regulator focus on information security.

A focus on information security is key to protecting the confidentiality, integrity or availability of systems and data. The ANZ Bank NZ Group as part of its global banking operations handles and stores a considerable amount of personal and confidential information about its customers and its own internal processes, across the multiple geographies in which the ANZ Bank NZ Group operates. This information is processed and stored on both internal and third-party hosted environments. As such, weaknesses in key security policies or controls operated by the ANZ Bank NZ Group or third parties engaged by the ANZ Bank NZ Group could result in the loss of data or other personal or sensitive information and adversely affect the ANZ Bank NZ Group's business by resulting in financial losses (including costs relating to notifying and compensating customers), regulatory investigations, sanctions or reputational harm, thus affecting the ANZ Bank NZ Group's Position.

In September 2021, the ANZ Bank NZ Group was subjected to a sophisticated and sustained distributed denial of service (**DDoS**) attack against some of the ANZ Bank NZ Group's online customer-facing services. No customer data was compromised, however service availability was intermittent as the ANZ Bank NZ Group responded to the DDoS attack. The extended period of attack (including against other business entities in New Zealand) did result in rising customer frustration, which was exacerbated by increased call waiting times as call volumes rose within the contact centre. The ANZ Bank NZ Group's response to the incident was effective as a result of a well-prepared cyber-incident response playbook and active collaboration between technical specialists, executives and external vendors. The ANZ Bank NZ Group took some additional actions to strengthen its security capabilities as an outcome of the incident and continues to monitor its external environment as part of standard security practices. However, no assurance can be provided that ANZ Bank NZ Group's cyber incident responses will be successful in deterring future cyber-attacks.

#### ***Data management risks may adversely affect the ANZ Bank NZ Group's Position***

Data management refers to a set of processes and procedures used to manage data, including sensitive data, such as customer data, employee data and the ANZ Bank NZ Group's proprietary data. Specifically, the development, execution and oversight of plans, policies and practices that deliver, control, protect and enhance the value of the ANZ Bank NZ Group's data and information assets through their lifecycles. Data management risk is the risk of failing to achieve these objectives.

Deficiencies in data management can result in ineffective risk management practices and inaccurate risk reporting. In addition, failure to comply with data management obligations, including regulatory obligations, may cause the ANZ Bank NZ Group to incur losses or result in regulatory action, which may adversely impact the ANZ Bank NZ Group's Position.

#### ***Modelling risks may adversely affect the ANZ Bank NZ Group's Position***

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

#### 4.2.5 Environmental, social and governance risks

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

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

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

Examples of climate-related events include the Auckland floods and Cyclone Gabrielle (in 2023), and examples of geological events are the major earthquakes in the Canterbury area (in 2010 and 2011) and Kaikoura area (in 2016). A reduction in the value of New Zealand residential and commercial property (including the ability to insure property that could result in a reduction in the security values) as a result of climate-related or geological events could increase provisioning and lending losses, which would adversely affect the ANZ Bank NZ Group's Position.

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

Human rights risks relate to the safety and security of the ANZ Bank NZ Group's people, labour rights, modern slavery, privacy and consumer protection, corruption and bribery, environmental protection and land access and rights. The ANZ Bank NZ Group uses risk-based due diligence to identify human rights risks and impacts associated with its business relationships. Failure to manage these risks may adversely affect the ANZ Bank NZ Group's Position.

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

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

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

Risk management is an important part of the ANZ Bank NZ Group's activities. It includes the identification, measurement, monitoring and mitigation of the ANZ Bank NZ Group's risk and reporting on the ANZ Bank NZ Group's risk profile and effectiveness of identified controls. The effectiveness of the ANZ Bank NZ Group's risk management framework is not fully assured. This includes effectiveness in relation to existing risks and new and emerging risks that the ANZ Bank NZ Group may not anticipate or identify in a timely manner and for which its controls may not be effective. Failure

to manage risks effectively could adversely impact the ANZ Bank NZ Group's reputation or compliance with regulatory obligations.

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

The ANZ Bank NZ Group seeks to continuously improve its risk management frameworks. It has implemented, and regularly reviews, its risk management policies and allocates additional resources across the ANZ Bank NZ Group to manage and mitigate risks. Such efforts may not insulate the ANZ Bank NZ Group from exposure to risks or give full assurance that the ANZ Bank NZ Group's risk management framework will be effective. A failure in the ANZ Bank NZ Group's risk management processes or governance could result in the ANZ Bank NZ Group suffering unexpected losses and reputational damage, and failing to comply with regulatory obligations, which could adversely affect the ANZ Bank NZ Group's Position.

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

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

Climate risks may affect the ability of customers to repay debt, result in an increased probability of default, result in "stranded assets" and impact the amount the ANZ Bank NZ Group is able to recover due to the value or liquidity of collateral held as security being impaired. Examples of climate-related events in New Zealand that have impacted customer revenue include Cyclone Gabrielle and severe flooding in 2023.

Risks associated with climate change are subject to increasing regulatory, political and societal focus. The RBNZ released its first Climate Change Report in October 2021. The Climate Change Report outlined the RBNZ's approach to climate change, including future actions to further incorporate climate change into stress testing and embed climate change into supervisory frameworks, data collection and internal planning. Following consultation in 2023, the RBNZ published final guidance in March 2024 on its Guide to Managing Climate-Related Risks for prudentially regulated entities.

In 2023 the five largest New Zealand banks, including ANZ Bank NZ, undertook a climate stress test at the RBNZ's request. The stress test covered a period of 28 years and included the scenario "too little too late". The main purpose of the stress test was to test banks' abilities to withstand the impacts of severe but plausible long-term climate related risks and to uplift bank capability in managing climate related risks. The scenario featured high physical and transition risks across all the banking portfolios. The overall results showed that the scenario did not threaten bank solvency, as all banks were able to maintain their capital ratios above regulatory minimums. However, it did highlight that climate-related risks have the potential to significantly reduce bank profitability, raise risk-weighted assets and reduce shareholder returns over the medium to long term.

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 requires ANZ Bank NZ, as a "climate reporting entity", to annually prepare, seek independent assurance for and make public disclosures on the management of, and effects of climate change to its business, in accordance with climate-related disclosure standards issued by the New Zealand External Reporting Board. The first disclosures for ANZ Bank NZ will be due for the financial year ending 30 September 2024. Further embedding climate change risk into the ANZ Bank NZ Group's risk management framework in line with RBNZ's expectations and adapting the ANZ Bank NZ Group's operation and business strategy to address the risks and opportunities posed by climate change and the transition to a low carbon economy could have a significant impact on the ANZ Bank NZ Group.

# 5

## SECTION 5 TAXATION SUMMARY

THIS SECTION CONTAINS A SUMMARY OF THE AUSTRALIAN AND NEW ZEALAND TAX CONSEQUENCES FOR POTENTIAL HOLDERS AND IS BASED ON AUSTRALIAN AND NEW ZEALAND TAX LAW AND ADMINISTRATIVE PRACTICE AS AT THE DATE OF THIS INFORMATION MEMORANDUM. THIS SUMMARY IS NECESSARILY GENERAL IN NATURE AND IS NOT INTENDED TO BE DEFINITIVE TAX ADVICE TO POTENTIAL HOLDERS. ACCORDINGLY, EACH POTENTIAL 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.

## 5.1 SUMMARY OF AUSTRALIAN TAX CONSEQUENCES FOR HOLDERS

### INTEREST

The Notes should be characterised as non-share equity interests.

Interest paid on the Notes will be treated as a non-share dividend from a non-resident company for Australian taxation purposes. The Issuer will not frank the Interest payments.

Australian residents (**Australian Holders**) will include the amount of each non-share dividend in their assessable income.

Non-residents will only include Interest payments in assessable income to the extent to which Interest is derived from a source in Australia. It is not expected that the Interest payments will have such a source.

### REDEMPTION OF NOTES

As a Redemption of the Notes will be debited against the non-share capital account of the Issuer in an equivalent amount, no part of the amount payable upon Redemption should be treated as a non-share dividend.

### GAIN ON DISPOSAL

The Notes should not be characterised as “traditional securities”. As such, the CGT rules should govern the taxation consequences for Australian Holders who hold their Notes on capital account, rather than the specific rules for traditional securities.

The first element of the cost base and reduced cost base of the Notes should be \$10,000, being the money paid in respect of acquiring each Note (the price at which the Notes are issued). An Australian Holder will not pay, and will not be required to pay, any further amounts or give any other property to acquire a Note. However, the cost base and reduced cost base of the Notes may include other amounts expended by an Australian Holder with respect to those Notes, for example certain non-deductible incidental costs such as fees paid to professional advisors.

The Notes should be regarded as having been acquired when the contract was entered into to acquire the Notes. This should be the same as the date the Notes are issued.

If an Australian Holder sells their Notes, they will make a capital gain if the proceeds of sale exceed the cost base of those Notes. This capital gain will be included in their assessable income. Conversely, they will make a capital loss if the proceeds of sale are less than the cost base of those Notes. This capital loss will be applied against any other capital gains made by the Holder, and any remaining capital loss after that application will be carried over into subsequent income years.

If the Australian Holder has held the Notes for 12 months or more, they may benefit from the CGT discount. If the Australian Holder is an individual or trust, that discount is 50% of the gain. For a superannuation entity, the discount percentage is 33⅓%. Holders which are companies are not eligible for the CGT discount.

If the Australian Holder sells their Notes before 12 months have elapsed after they acquired them, the Australian Holder is not eligible for the CGT discount.

### TOFA

The TOFA regime contains tax timing rules for certain taxpayers to bring to account gains and losses from “financial arrangements”. The TOFA regime does not apply to individuals, superannuation entities or entities with an aggregated turnover of less than \$100 million, unless they have elected into the regime.

The tax outcome under the TOFA regime would be impacted by any elections made by a Holder. Holders who are subject to the TOFA regime should obtain specific tax advice relating to their individual circumstances.

## **GST**

Australian Holders should not be liable for GST in respect of their investment in the Notes or in the disposal of Notes.

## **STAMP DUTY**

Neither the issue to nor the receipt by an Australian Holder of the Notes, nor the Redemption of the Notes should give rise to a stamp duty liability in any Australian State or Territory provided that following the issue, receipt or Redemption of Notes, no Holder will, either alone or together with any associated persons, be entitled to a distribution of 50% or more of the property of the Issuer on a notional distribution of all the property of the Issuer.

## **5.2 SUMMARY OF NEW ZEALAND TAX CONSEQUENCES FOR HOLDERS**

### **INTEREST**

Interest arising under the Notes is derived from a New Zealand source and as such is subject to New Zealand taxation.

#### **Non-resident Withholding Tax**

New Zealand law requires a deduction on account of non-resident withholding tax (**NRWT**) to be made from the payment of interest (including amounts deemed to be interest) with a New Zealand source where the interest is derived by a person who is not a New Zealand Owner. If NRWT is required to be deducted from the payment of any interest, the Issuer intends to reduce the applicable rate of NRWT to zero per cent as a result of having received approved issuer status, registered the Notes with the New Zealand Inland Revenue and paying, on its own account, an approved issuer levy (currently equal to 2 per cent of such payments of interest), for so long as it does not incur any increased costs above the currently applicable amount of approved issuer levy or detriment for so doing and is legally able to do so.

Where NRWT is applied at the zero percent rate or deducted by the Issuer where the zero rate does not apply, no further New Zealand tax is payable by the person deriving the interest.

### **GENERAL TAXATION RULES**

#### **Financial Arrangements Rules**

For a beneficial owner that is a resident of New Zealand for income tax purposes, or that is not resident in New Zealand for income tax purposes to the extent to which the person owns the Notes for the purpose of a business carried on by the person through a fixed establishment in New Zealand, the Notes will be subject to the “financial arrangement rules” in the Income Tax Act 2007 of New Zealand. These rules treat as financial arrangements income all amounts received with respect to Notes held by such beneficial owners in excess of the amount paid to acquire the Notes. That financial arrangements income is required to be spread in accordance with a particular method applicable to the relevant beneficial owner which will depend on that beneficial owner’s specific circumstances.

#### **Profits on the disposal of Notes derived by a person who is not a New Zealand tax resident**

Profits derived from the disposal of the Notes by a person who is not a New Zealand tax resident and does not hold the Notes for the purposes of a business carried on through a fixed establishment in New Zealand, may also be subject to New Zealand taxation.

However, a person who is tax resident in Australia and does not have a permanent establishment in New Zealand, to which the beneficial ownership of Notes is attributable, should be able to claim relief



from New Zealand tax under the New Zealand/Australia double tax agreement on any profits derived from disposal of the Notes.

# 6

## **SECTION 6 ADDITIONAL INFORMATION**

THIS SECTION SETS OUT A NUMBER OF OTHER MATTERS THAT MAY NOT HAVE BEEN ADDRESSED IN DETAIL ELSEWHERE IN THIS INFORMATION MEMORANDUM.

## 6.1 REPORTING AND DISCLOSURE OBLIGATIONS

The Issuer is not admitted to any stock exchange.

## 6.2 SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in the Subscription Agreement entered into between the Issuer and the Sole Lead Manager, the Notes will be offered by the Issuer through the Sole Lead Manager.

### Australia

No prospectus, product disclosure document or other disclosure document (as defined in the Corporations Act) in relation to the Notes (including the Information Memorandum) has been or will be lodged with or registered by ASIC or the Australian Securities Exchange Limited or any other stock exchange licensed under the Corporations Act. The Sole Lead Manager has represented and agreed that in connection with the distribution of the Notes, it has not:

- (a) made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distributed or published and will not distribute or publish any draft, preliminary or final form information memorandum, advertisement or other offering material relating to the Notes in Australia,

unless:

- (i) the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency) disregarding money lent by the offeror or its associates (as described in Division 2 of Part 1.2 in Chapter 1 of the Corporations Act) or the offer, distribution or publication otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act and is not made to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
- (ii) such action complies with all applicable laws, directives and regulations and does not require any document to be lodged with, or registered by, ASIC.

In addition, the Sole Lead Manager has agreed that it will comply with the exemption from compliance with section 66 of the Banking Act that is available to the Issuer which requires all offers and transfers to be in parcels of not less than A\$500,000 in aggregate principal amount.

### Prohibition of Sales to EEA Retail Investors

This Information Memorandum is not a prospectus for the purposes of the EU Prospectus Regulation.

The Sole Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes or securities which are the subject of any offering contemplated by this Information Memorandum to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### United Kingdom

#### Prohibition of Sales to UK Retail Investors

This Information Memorandum is not a prospectus for the purposes of the UK Prospectus Regulation.

The Sole Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA and the regulations made under the EUWA;
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA and the regulations made under the EUWA.

### Other United Kingdom Regulatory Restrictions

The Sole Lead Manager has also represented and agreed that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer;
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom; and
- (c) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - a. whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - b. who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer.

### Hong Kong

The Sole Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”), by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (the “**SFO**”)) other than:
  - (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or
  - (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**Companies Ordinance**”) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") and, accordingly, the Sole Lead Manager has represented and undertaken that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **New Zealand**

This Information Memorandum may not be distributed or made available in New Zealand. The Notes are not being offered or made available for purchase in New Zealand. Any application for Notes under this Information Memorandum may not be accepted from any investor in New Zealand.

## **Singapore**

The Sole Lead Manager has acknowledged that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Sole Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA); or
- (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## **South Korea**

The Notes have not been and will not be registered with the Financial Services Commission of Korea for a public offering in Korea under the Financial Investment Services and Capital Markets Act of Korea. The Sole Lead Manager has represented and agreed that the Notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Law of Korea and its Enforcement Decree), or to any other person for reoffering, resale or re-delivery, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea, except as otherwise permitted by applicable Korean laws and regulations. Furthermore, the Notes may not be sold or resold to Korean residents unless the purchaser of the Notes complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the Foreign Exchange Transactions Law of Korea and its Enforcement Decree) in connection with the purchase of the Notes.

## **Taiwan**

The Notes may be made available for purchase from outside Taiwan by investors residing in Taiwan either directly or through a duly licensed Taiwan intermediary, but may not be offered or sold in Taiwan. Any subscriptions of Notes shall only become effective upon acceptance by the Issuer or the Sole Lead Manager outside Taiwan and shall be deemed a contract entered into in the jurisdiction of incorporation of the Issuer or Sole Lead Manager, as the case may be.

## **United States**

The Notes have not been, and will not be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph, have the meaning given to them by Regulation S under the Securities Act.

The Sole Lead Manager has represented and agreed that, it has not offered or sold Notes, and will not offer or sell Notes: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes within the United States or to, or for the account or benefit of, U.S. Persons except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each the Sole Lead Manager has represented and agreed, that none of it, its affiliates or any persons acting on its behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to the Notes, and it has complied and will comply with any applicable offering restrictions requirement of Regulation S. The Sole Lead Manager has agreed that, at or prior to the confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it or through it during the distribution compliance period (as defined in Regulation S under the Securities Act) a confirmation or notice to substantially the following effect:

"Neither the Notes covered hereby nor the Guarantee have been or will be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes comprising the relevant Tranche and the completion of the distribution of the Notes comprising the relevant Tranche as determined and certified by [*Name of Dealer or Dealers, as the case may be*], except, in either case, in accordance with Rule 903 of Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."

The Sole Lead Manager has agreed to notify the Registrar and the Issuer when it has completed its distribution of the Notes. In addition, until 40 days after the later of the commencement of the offering of the Notes and the completion of the distribution of the Notes, any offer or sale of Notes within the United States by the Sole Lead Manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

### **General**

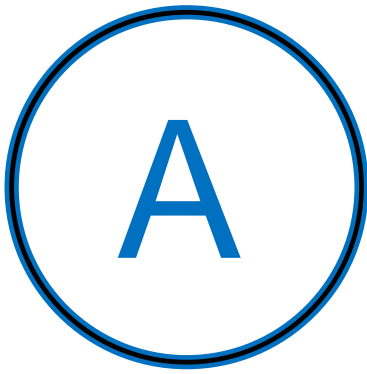
These selling restrictions may be modified by the agreement of the Issuer and the Sole Lead Manager including following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Information Memorandum.

No action has been taken in any country or jurisdiction by the Issuer that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

The Sole Lead Manager has agreed, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Information Memorandum, any other offering material, in all cases at its own expense.

The Sole Lead Manager shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable.

Persons into whose hands this Information Memorandum comes are required by the Issuer and the Sole Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.



## **Appendix A** **NOTE TERMS**

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

## **1 ANZ HOLDINGS NZ NOTES**

### **1.1 ANZ Holdings NZ Notes**

ANZ Holdings NZ Notes are fully paid subordinated perpetual securities (**ANZ Holdings NZ Notes or Notes**) in the form of unsecured notes issued by ANZ Holdings (New Zealand) Limited (**ANZ Holdings NZ or Issuer**). The Notes are issued in registered form by entry in the Register. They are issued, and may be Redeemed, according to these Note Terms.

The Issuer is not an authorised deposit-taking institution under the Banking Act and is not supervised by APRA. The Notes are not deposit liabilities of any member of the ANZ Group, 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 and are not any other kind of account with any member of the ANZ Group. The Notes are not guaranteed or insured by any government, government agency or compensation scheme in Australia, New Zealand or any other jurisdiction or by ANZBGL or any other person.

### **1.2 Face value**

The denomination and face value of each Note (**Face Value**) is A\$10,000.

## **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, the Issuer 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 the Issuer nor the Registrar 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 Registrar 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 Location of the Register**

The Register will be established and maintained by the Registrar at the Registry Office.

### **2.7 Austraclear**

If Notes are lodged in the Austraclear System, the Registrar will enter Austraclear in the Register as the Holder of those Notes. While those Notes remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Notes within the Austraclear System will be governed by the regulations for the Austraclear System and need not comply with these Note Terms to the extent of any inconsistency.



## **2.8 Certificates**

No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a Note unless the Issuer determines that such certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

## **2.9 Acknowledgement**

Where Austraclear is recorded in the Register as the Holder of a Note, each person in whose Security Record (as defined in the Austraclear Regulations) that Note is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of the Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Note but only indicates that such Note is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Note; and
- (b) the Holder does not rely on any fact, matter or circumstance contrary to clause 2.9(a).

## **2.10 Transfer**

- (a) Unless Notes are lodged in the Austraclear System, and subject to clause 2.11, all applications to transfer Notes must be made by lodging with the Registrar a properly completed transfer and acceptance form in the form approved by the Issuer and the Registrar. Any certificate relating to the Notes to be transferred must also be surrendered to the Registrar. Transfer and acceptance forms are available from the Registry Office. The Registrar will provide prompt marking and transfer services. Each transfer form must be accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Note, and be signed by both the transferor and the transferee. The transfer takes effect upon the transferee's name being entered on the Register.
- (b) Notes lodged in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

## **2.11 Limit on Transfer**

- (a) Notes may only be transferred within, to or from Australia if the consideration payable at the time of transfer is a minimum amount of A\$500,000.
- (b) Notes may only be transferred between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place and the transfer of the Notes otherwise does not require disclosure to investors in accordance with the laws of the jurisdiction in which the transfer takes place.

## **2.12 Closed Period**

A transfer of a Note shall not be effective unless and until entered on the Register. The Register will be closed for the purpose of determining entitlements to Interest payments at 5:00 pm Registry Office local time on the Record Date prior to the relevant Interest Payment Date. Therefore, transfers must be received by the Registrar at the Registry Office prior to that time in order for the transferee to be entitled to payment of the Interest on the relevant Interest Payment Date.

## **2.13 Austraclear Services Limited as Registrar**

If Austraclear Services Limited is the Registrar and Notes are lodged in the Austraclear System, despite any other provision of these Note Terms, such Notes are not transferable on the Register, and the Issuer may not, and must procure that the Registrar does not, register any transfer of those Notes issued by it and no member of the Austraclear System has the right to request any registration of any transfer of the relevant Notes, except:

- (a) for the purposes of any repurchase, Redemption or cancellation of the relevant Note, a transfer of the relevant Note from Austraclear to the Issuer may be entered in the Register; and
- (b) if Austraclear exercises or purports to exercise any power it may have under the Austraclear Regulations from time to time for the Austraclear System or these Note Terms, to require the relevant Note to be transferred on the Register to a member of the Austraclear System, the relevant Note may be transferred on the Register from Austraclear to the member of the Austraclear System.

In any of these cases, the relevant Note will cease to be held in the Austraclear System.

### 3 INTEREST

#### 3.1 Interest

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

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

where:

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

$$\text{Interest Rate} = (\text{BBSW Rate} + \text{Margin})$$

where:

**BBSW Rate** means:

- (a) subject to paragraph (b), BBSW; and
- (b) if the Calculation Agent determines that a Reference Rate Disruption Event has occurred, then:
  - (i) the Issuer shall use as the reference rate such Alternative Reference Rate as the Calculation Agent may determine;
  - (ii) the Issuer shall make such adjustments to these Note Terms as it determines are reasonably necessary to calculate Interest in accordance with such Alternative Reference Rate; and
  - (iii) in making the determinations under paragraphs (i) and (ii) above, each of the Issuer and the Calculation Agent shall act in good faith and in a commercially reasonable manner after consultation with such sources of market practice as each considers appropriate.

For the purposes of the foregoing:

- (c) **BBSW** means, for an Interest Period:
  - (i) the rate (expressed as a percentage per annum) designated "**BBSW**" in respect of prime bank eligible securities having a tenor of 3 months which rate ASX Benchmarks Pty Limited (ABN 38 616 075 417) (or its successor as administrator of that rate) publishes through information vendors at approximately 10:30am (Sydney time) (or such other time at which such rate is accustomed to be so published) on the Determination Date; or
  - (ii) if the Calculation Agent determines that such rate (expressed as a percentage per annum) as is described in paragraph (i) above:
    - (A) is not published by midday (Sydney time) (or such other time that the Calculation Agent considers appropriate on that day); or
    - (B) is published, but is affected by an obvious error,such other rate (expressed as a percentage per annum) that the Calculation Agent determines as appropriate having regard to comparable indices then available.
- (d) "**Determination Date**" means:
  - (i) in the case of the first Interest Period, on the Issue Date; and
  - (ii) in the case of any other Interest Period, on the first Business Day of that Interest Period;

- (e) **“Reference Rate Disruption Event”** means that the Calculation Agent determines, after consultation with such sources of market practice as it considers appropriate, that the rate described in paragraph (i) of the definition of BBSW in paragraph (c) above:
- (i) has been discontinued or otherwise ceased to be calculated or administered; or
  - (ii) is no longer generally accepted in the Australian market as a reference rate appropriate to floating rate debt securities of a tenor and interest period comparable to that of the Notes; and
- (f) **“Alternative Reference Rate”** means a rate other than the rate described in paragraph (i) of the definition of BBSW in paragraph (c) above that is generally accepted in the Australian market as the successor to BBSW, or if there is no such rate:
- (i) a reference rate that is, in the Calculation Agent’s opinion, appropriate to floating rate debt securities of a tenor and interest period comparable to that of Notes; or
  - (ii) such other reference rate as the Calculation Agent considers appropriate having regard to available comparable indices.

**Margin** (expressed as a percentage per annum) means 2.95%; and

**N** means, in respect of:

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

### **3.2 Payment of Interest**

Each Interest payment is subject to:

- (a) the Issuer’s absolute discretion; and
- (b) the Payment Condition being satisfied in respect of the relevant Interest Payment Date.

### **3.3 Interest is non-cumulative**

- (a) Interest is non-cumulative. If any Interest is not paid because of clause 3.2 or because of any applicable law, the Issuer has no liability to pay the unpaid amount of the Interest 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 Interest that is unpaid because of clause 3.2 and the Holders have no claim or entitlement in respect of interest on any unpaid Interest.

### **3.4 Effect of a PPS De-recognition Event**

This clause 3 shall be subject to clause 11 (“Consequences of a PPS De-recognition Event”).

### **3.5 Notification of non-payment of Interest**

The Issuer must notify Holders as soon as reasonably practicable if Interest will not be paid on an Interest Payment Date for any reason.

### **3.6 Interest Payment Dates**

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

- (a) each 18 January, 18 April, 18 July and 18 October commencing on 18 October 2024 until (but not including) the date on which a Redemption of that Note occurs in accordance with these Note Terms (a **Scheduled Interest Payment Date**); and
- (b) the date on which a Redemption of that Note occurs, in accordance with these Note Terms.

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

### **3.7 Record Date**

Interest is only payable on an Interest Payment Date to those persons registered as Holders on the Record Date for that payment of Interest.

### **3.8 Restrictions in the case of non-payment**

If for any reason Interest is not paid in full within 3 Business Days of an Interest Payment Date (the **Relevant Interest Payment Date**), the Issuer must not, without approval of a Special Resolution:

- (a) resolve to pay or pay any Junior Ranking Distribution; or
- (b) undertake any redemption, repayment, Buy-Back or Capital Reduction in respect of any Junior Ranking Instrument,

until the Issuer pays Interest in accordance with clause 3.1 on 2 consecutive Scheduled Interest Payment Dates following the Relevant Interest Payment Date or there are no Notes outstanding.

### **3.9 Exclusions from restrictions in case of non-payment**

The restrictions in clause 3.8 do not apply to the extent that at the time Interest has not been paid on the relevant Interest Payment Date, the Issuer is legally obliged to pay a Junior Ranking Distribution or complete on or after that date a redemption, repayment, Buy-Back or Capital Reduction in respect of a Junior Ranking Instrument.

## **4 OPTIONAL REDEMPTION BY THE ISSUER**

### **4.1 Optional Redemption by the Issuer**

Subject to clause 4.2, the Issuer may by notice to Holders (a **Redemption Notice**) elect to Redeem all (but not some) of the Notes:

- (a) on a Business Day on or following the PPS Redemption Date;
- (b) on a Business Day following the occurrence of a Tax Event or a Regulatory Event; or
- (c) on an Optional Redemption Date.

Subject to clause 4.2, a Redemption Notice once given is irrevocable.

### **4.2 Redemption on the Redemption Date**

- (a) The Issuer may only Redeem the Notes if the Payment Condition is satisfied on the Redemption Date.
- (b) If the Payment Condition is not satisfied on the Redemption Date, the Redemption Notice is taken to be withdrawn, and the Issuer shall notify the Holders of such withdrawal as soon as reasonably practicable.

### **4.3 Contents of Redemption Notice**

A Redemption Notice must specify:

- (a) the details of any Tax Event or Regulatory Event to which the Redemption Notice relates;
- (b) the date on which Redemption is to occur (the **Redemption Date**), which must fall no earlier than 5 Business Days after the date on which the Redemption Notice is given; and
- (c) whether any Interest will be paid on the Redemption Date.

### **4.4 Purchases**

The Issuer or any other member of the ANZ Group may at any time purchase the Notes in the open market or otherwise and at any price or consideration. Such Notes may be held, reissued, resold, or cancelled at the option of the Issuer or the relevant other member of the ANZ Group.

## **5 REDEMPTION MECHANICS**

### **5.1 Redemption mechanics to apply to Redemption**

If the Notes are Redeemed in accordance with these Note Terms, the provisions of this clause 5 apply to that Redemption.

### **5.2 Redemption**

Notes will be Redeemed by payment on the Redemption Date of the Face Value to the Holder, whether or not any Interest is paid on the Redemption Date.

### **5.3 Effect of Redemption on Holders**

On the Redemption 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 9.2), all other rights conferred, or restrictions imposed, by the Notes will no longer have effect.

### **5.4 Effect of a PPS De-recognition Event**

This clause 5 shall be subject to clause 11 (“Consequences of a PPS De-recognition Event”).

## **6 GENERAL RIGHTS IN RESPECT OF NOTES**

### **6.1 Ranking in a liquidation**

- (a) Upon the commencement of liquidation of the Issuer under the Companies Act or under any other legislation under which the Issuer will cease to be duly incorporated or to validly exist in New Zealand, the Notes are redeemable for the Face Value in accordance with this clause 6.1.
- (b) In a liquidation of the Issuer in New Zealand, a Note confers upon the Holder the right to payment in cash of the Face Value on a subordinated basis in accordance with clause 6.1(c), but no further or other claim on the Issuer in the liquidation of the Issuer in New Zealand, including with respect to any unpaid Interest.
- (c) Holders will rank for payment of the Face Value in a liquidation of the Issuer in New Zealand:
  - (i) in priority to claims of holders of Junior Ranking Instruments;
  - (ii) equally among themselves and with all Equal Ranking Instruments; and
  - (iii) junior to the claims of all Senior Creditors in that:
    - (A) all claims of Senior Creditors must be paid in full 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 liquidation of the Issuer 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.
- (d) This clause 6 shall be subject to clause 11 (“Consequences of a PPS De-recognition Event”).

### **6.2 No charge**

Nothing in clause 6.1 or clause 6.3 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 10.

### **6.3 Agreements of Holders as to subordination**

Each Holder irrevocably agrees:

- (a) that clause 6.1 is an agreement by the Holder to accept a lower priority in respect of the debt represented by each Note for the purposes of section 313(3) of the Companies Act than that which it would otherwise have had under section 313 of the Companies Act and that nothing

in sections 310 or 313 of the Companies Act will prevent these Note Terms from having effect according to their terms;

- (b) not to exercise any voting or other rights as a creditor in the liquidation of the Issuer in any jurisdiction otherwise in a manner inconsistent with the subordination contemplated by clause 6.1;
- (c) that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the liquidation of the Issuer in respect of a Note in excess of its entitlement under clause 6.1; and
- (d) that the debt subordination effected by clause 6.1 is not affected by any act or omission of the Issuer or a Senior Creditor which might otherwise affect it at law or in equity.

#### **6.4 Calculations and rounding of payments**

Unless otherwise specified in these Note Terms and, where a Note is lodged in the Austraclear System, subject to the Austraclear Regulations:

- (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.

#### **6.5 No set-off or offsetting rights**

A Holder:

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

The Issuer may not exercise any right of set-off against a Holder in respect of any claim by that Holder against the Issuer.

#### **6.6 No security**

Notes are unsecured.

#### **6.7 Shortfall on liquidation**

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

#### **6.8 No other claim**

Notes do not confer on the Holders any claim on the Issuer in a liquidation beyond payment of the Face Value.

#### **6.9 Power of Attorney**

- (a) Each Holder appoints each of the Issuer, its officers and any External Administrator of the Issuer (each an **Attorney**) severally to be the attorney of the Holder with power in the name and on behalf of the Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order to:
  - (i) effect any transfers of Notes or make any entry in the Register in connection with any Redemption; or
  - (ii) facilitate the performance or observance of the obligations of the Holder arising in connection with any such Redemption.
- (b) The power of attorney given in this clause 6.9 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.

## **6.10 Holder acknowledgments and no other rights**

- (a) Each Holder irrevocably acknowledges and agrees that a Holder has no right to require a Redemption.
- (b) Notes do not confer any claim on the Issuer or any other member of the ANZ Group except as set out in these Note Terms.
- (c) Notes do not confer on Holders any right to subscribe for new securities in the Issuer or any other member of the ANZ Group or to participate in any bonus issues of securities of the Issuer or any other member of the ANZ Group.
- (d) Nothing in these Note Terms prevents the Issuer 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 3.8, redeeming, buying back, converting, returning capital on or converting any securities; or
  - (iii) the incurring or guaranteeing by the Issuer or any other member of the ANZ Group of any indebtedness upon such terms as the Issuer or any other member of the ANZ Group thinks fit in its sole discretion.

## **6.11 Independent obligations**

Each entry in the Register constitutes a separate and individual acknowledgement to the relevant Holder of the indebtedness to, and obligations of, the Issuer 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.

## **7 VOTING AND OTHER RIGHTS**

### **7.1 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 the Issuer in accordance with clause 10.

### **7.2 No voting**

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

### **7.3 No right to apply for liquidation**

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

### **7.4 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, Interest on a Scheduled Interest Payment Date will not constitute an event of default.

## **8 NOTICES**

### **8.1 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) given to Holders by the Issuer publishing the notice on anz.com (or such other website identified by notice in writing to Holders from time to time by the Issuer).

## **8.2 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.

## **8.3 Notices to the Issuer**

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

- (a) in legible writing or typing and in English;
- (b) addressed as shown below

Attention: Directors  
ANZ Holdings (New Zealand) Limited  
Address: Ground Floor, ANZ Centre, 23-29 Albert Street, Auckland 1010, New Zealand  
Email address: lsgmailbox@anz.com

or to such other address or email address as the Issuer 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 **Issuer 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 8.3(b).

## **8.4 Receipt**

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

- (a) if sent by email, on 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 in a newspaper, on the first date that publication has been made in the chosen newspaper; and
- (d) if published on a website, on the first date that the publication has been made on the website.

# **9 PAYMENTS**

## **9.1 Manner of payment to Holders**

Payments in respect of Notes will be made by the Issuer by:

- (a) where Notes are lodged in the Austraclear System, crediting on the relevant payment date the amount due to the account of the relevant Holder in accordance with the Austraclear Regulations; or
- (b) if the relevant Notes have not been lodged or are removed from the Austraclear System, 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 Registrar by close of business on the Record Date in respect of that payment; or
- (c) at the Issuer's option if no such account is notified under paragraph (b):



- (i) sending a cheque through the post at the Holder's risk directed to:
  - (A) the address of the Holder (or in the case of a jointly held Note, the address of the joint Holder named first in the Register); or
  - (B) to any other address the Holder (or in the case of a jointly held Note, all the joint Holders) directs in writing; or
- (ii) any other method as the Issuer determines.

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

## **9.2 Uncompleted payments**

Where clause 9.1(b) applies, if:

- (a) a Holder has not notified the Registrar of an Australian dollar bank account maintained with a financial institution (excluding credit card accounts) to which payments in respect of the Notes may be credited; or
- (b) the transfer of any amount payable in respect of the Notes does not complete for any reason, the amount of the uncompleted payment will be held in a special purpose account maintained by the Issuer or the Registrar until the first to occur of the following:
  - (i) the Holder nominates a suitable Australian dollar account maintained in Australia with a financial institution to which the payment may be credited or the Issuer elects to pay the amount by cheque or any other method;
  - (ii) the Issuer determines as permitted by clause 9.3 to refuse any claim in respect of that amount in which case the Issuer may treat that amount as its own (subject to clause 9.2(b)(iii)); or
  - (iii) the Issuer is entitled or obliged to deal with the amount in accordance with the law relating to unclaimed moneys.

Where this clause 9.2 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.

## **9.3 Time limit on claims**

The Issuer is entitled to refuse any claim against it for a payment under a Note where the claim is made more than 4 years from the date on which payment first became due.

## **9.4 Determination and calculation final**

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

## **9.5 Payment to joint Holders**

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

## **9.6 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.

## **9.7 No interest accrues**

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

## **9.8 Payments subject to law**

All payments are subject to applicable law.

## 9.9 Taxation deductions and withholdings

- (a) the Issuer may make any deduction or withholding from any amount payable in respect of the Notes, 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 to the relevant Holder, then subject to clause 9.9(c), the full amount payable to such Holder shall be deemed to have been duly paid and satisfied by the Issuer.
- (b) If any withholding or deduction arises, then subject to clause 9.9(c), the Issuer will not be required to pay any further amounts 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.
- (c) To the extent that:
- (i) a law of any Relevant Jurisdiction requires the Issuer to make any deduction or withholding from any amount payable in respect of the Notes so that a Holder would not receive the full amount which is so payable; and
  - (ii) the relevant deduction or withholding is required to be made on a basis other than:
    - (A) the Holder having a connection with the Relevant Jurisdiction (other than the mere holding of the Notes or receipt of a payment in respect of Notes) or holding Notes jointly with a person having such a connection;
    - (B) the Holder:
      - (aa) not having provided information to the Issuer;
      - (ab) not having made a declaration or similar claim;
      - (ac) not having satisfied a reporting requirement,in each case, which could have avoided such deduction or withholding;
  - (C) on account of stamp duty, estate duty or similar transaction duty;
  - (D) on account of resident withholding tax imposed in accordance with the laws of New Zealand;
  - (E) on account of interest withholding tax imposed in accordance with the laws of Australia; or
  - (F) as provided in clause 9.10 in connection with FATCA,
- the amount of the payment that is payable will be increased so that, after making the relevant deduction, the Holder receives the amount that the Holder would have received if no deduction had been required.
- (d) Where clause 9.9(c) applies in respect of Interest, payment of any increased amount in accordance with clause 9.9(c) is subject to conditions to the payment of the Interest in clause 3.2 and clause 3.3 as if the increased amount were Interest.

## 9.10 FATCA

Without limiting clause 9.9, the Issuer may withhold or make deductions from payments 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 in accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, the Issuer will not be required to pay any further amounts 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.

The Issuer 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.

## 10 AMENDMENT OF THESE NOTE TERMS

### 10.1 Amendment without consent of Holders

Subject to clause 10.3, the Issuer may amend these Note Terms without the authority, assent or approval of Holders where the amendment in the reasonable opinion of the Issuer:

- (a) is made to correct a manifest or proven error;
- (b) is of a formal, minor or technical nature;
- (c) is necessary to comply with any law, the provisions of any statute or the requirements of any statutory authority;
- (d) is made in accordance with the Issuer's adjustment rights in clause 3.1(b);
- (e) is expedient for the purpose of enabling the Notes to be listed or to remain listed on a securities exchange 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 Redemption without such amendment materially adversely affecting the interests of Holders as a whole and in a manner necessary to facilitate the Redemption; or
- (g) in any other case, will not materially adversely affect the rights of Holders as a whole.

### 10.2 Amendment with consent of Holders

Without limiting clause 10.1, but subject to clause 10.3, the Issuer may amend these Note Terms if the amendment has been approved by a Special Resolution.

### 10.3 ANZ Bank NZ approval

No amendment to these Note Terms shall be made unless the Issuer has received confirmation from ANZ Bank NZ that the proposed amendment will not impact the eligibility of the PPS as Additional Tier 1 Capital.

### 10.4 Meanings

In this clause 10, **amend** includes modify, cancel, alter or add to, and **amendment** has a corresponding meaning.

## 11 CONSEQUENCES OF A PPS DE-RECOGNITION EVENT

If a PPS De-recognition Event occurs, then for so long as the Notes are outstanding:

- (a) clause 3.2(a) and clause 3.3 shall not apply;
- (b) the Issuer must pay Interest in accordance with clause 3.1 on each Interest Payment Date on or after the PPS De-recognition Event, subject only to the Payment Condition being satisfied in respect of the Interest Payment Date;
- (c) if Interest is not paid in full on an Interest Payment Date on or after the PPS De-recognition Event, the amount of unpaid interest (**Arrears of Interest**) accumulates and accrues Interest at the Interest Rate (as if it were an amount of Face Value) as provided in clause 3.1 (such additional interest accrued on such Arrears of Interest, an **Additional Interest Amount**);
- (d) any Arrears of Interest and Additional Interest Amounts remain a debt owing and are due and payable on the first to occur of the next Interest Payment Date on which the Payment Condition is satisfied and the Redemption Date, provided that the Payment Condition is satisfied in respect of that date;
- (e) all Additional Interest Amounts accrued up to an Interest Payment Date and not paid on such Interest Payment Date shall be added, for the purposes of calculating Additional Interest Amounts accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date; and
- (f) for the purposes of clauses 4, 5 and 6, the Redemption Amount payable if the Notes are Redeemed and the amount able to be claimed by a Holder in a liquidation of the Issuer is the aggregate of the Face Value, together with any unpaid Arrears of Interest and any Additional

Interest Amounts calculated to the date on which the Notes are Redeemed or the date of commencement of the liquidation (as the case may be).

## 12 GOVERNING LAW AND JURISDICTION

### 12.1 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.

### 12.2 Jurisdiction

The Issuer irrevocably agrees 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. The Issuer waives any objection to the courts of Victoria, Australia on the grounds that they are an inconvenient or inappropriate forum.

### 12.3 Service of process

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

## 13 INTERPRETATION AND DEFINITIONS

### 13.1 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) Headings and boldings are for convenience only and do not affect the interpretation of these Note Terms.
- (d) The singular includes the plural and vice versa.
- (e) 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.
- (f) A reference to any term defined by the RBNZ (including, without limitation, "Additional Tier 1 Capital") shall, if that term is replaced or superseded in any of the RBNZ's applicable prudential regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term.
- (g) 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.
- (h) A reference to dollars, A\$, \$ or cents is a reference to the lawful currency of Australia.
- (i) A reference to NZ\$ is a reference to the lawful currency of New Zealand.
- (j) Calculations, elections and determinations made by the Calculation Agent or the Issuer under these Note Terms are binding on Holders in the absence of manifest error.
- (k) A reference to Australia includes any political subdivision of, or authority in, the Commonwealth of Australia.

### 13.2 Definitions

**Additional Interest Amount** has the meaning given in clause 11.

**Additional Tier 1 Capital** means capital within the meaning of additional tier 1 capital in the RBNZ's prudential regulatory requirements from time to time.

**Alternative Reference Rate** has the meaning given in clause 3.1.

**ANZ Bank NZ** means ANZ Bank New Zealand Limited.

**ANZ Group** means ANZGHL and its Controlled Entities.

**ANZ Holdings NZ** means ANZ Holdings (New Zealand) Limited (a company incorporated in New Zealand with Company Number 389403).

**ANZ Holdings NZ Notes** has the meaning given in clause 1.1.

**ANZ Holdings NZ Notes Deed Poll** means the deed poll relating to the Notes made by the Issuer on or about 12 September 2024.

**ANZ Holdings NZ Ordinary Share** means a fully paid ordinary share in the capital of the Issuer.

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

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

**APRA** means the Australian Prudential Regulation Authority or any authority succeeding to its powers and responsibilities.

**Arrears of Interest** has the meaning given in clause 11.

**Attorney** has the meaning given in clause 6.9.

**Austraclear** means Austraclear Ltd (ABN 94 002 060 773).

**Austraclear Participant** means a Participant as defined in the Austraclear Regulations.

**Austraclear Regulations** means the regulations known as the 'Austraclear Regulations' established by Austraclear (as amended from time to time), together with any subsidiary rules or procedures of Austraclear that govern the use of the Austraclear System.

**Austraclear System** means the system operated by Austraclear for holding securities and the electronic recording and settling of transactions in those securities between members of that system.

**Banking Act** means the *Banking Act 1959* (Cth).

**BBSW** has the meaning given in clause 3.1.

**BBSW Rate** has the meaning given in clause 3.1.

**Business Day** means a day on which banks are open for general business in Melbourne, Australia and Auckland and Wellington, New Zealand that is not a Saturday or a Sunday.

**Buy-Back** means a transaction involving the acquisition by the Issuer of any Junior Ranking Instruments made in accordance with the Companies Act.

**Calculation Agent** means ANZBGL or such other party as appointed by the Issuer from time to time to perform the role of calculation agent as contemplated in these Note Terms.

**Capital Reduction** means a reduction in capital initiated by the Issuer in its discretion in respect of any Junior Ranking Instruments in any way permitted by law.

**Companies Act** means the Companies Act 1993 of New Zealand.

**Control** has the meaning given in the Corporations Act.

**Controlled Entity** means, in respect of ANZGHL, an entity that ANZGHL Controls.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Determination Date** has the meaning given in clause 3.1.

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

**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 any present or future securities or other instruments that the Issuer may issue that rank or are expressed to rank in a liquidation of the Issuer as the most junior claim in the liquidation of the Issuer ranking senior to Junior Ranking Instruments,

**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.

**FA Rules** means the "financial arrangements rules" as that term is defined in the Income Tax Act 2007 of New Zealand.

**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.

**Holder** means a person whose name is for the time being recorded in the Register to signify ownership of a Note. If a Note is owned jointly by more than one person, a Holder includes a person whose name appears in the Register as a joint owner.

**Imputation Group** means an "imputation group" as that term is defined in the Income Tax Act 2007 of New Zealand.

**Information Memorandum** means the information memorandum for the Offer including these Note Terms.

**Interest** has the meaning given in clause 3.1.

**Interest Payment Date** has the meaning given in clause 3.6 whether or not Interest is, or is able to be, paid on that date.

**Interest Period** means in respect of:

- (a) the first Interest Period, the period from (and including) the Issue Date until (but not including) the first Interest Payment Date following the Issue Date; and
- (b) each subsequent Interest Period, the period from (and including) the preceding Interest Payment Date until (but not including) the next Interest Payment Date.

**Interest Rate** has the meaning given in clause 3.1.

**Issue Date** means the date on which Notes are issued.

**Issuer** means ANZ Holdings NZ.

**Issuer Details Notice** has the meaning given in clause 8.3.

**Junior Ranking Distribution** means any dividend, distribution or interest payment in respect of any Junior Ranking Instrument.

**Junior Ranking Instruments** means:

- (a) ANZ Holdings NZ Ordinary Shares;
- (b) any preference shares in the capital of the Issuer (including but not limited to the RPS) on issue as at the Issue Date;
- (c) the Subordinated Loan; and

- (d) any present or future securities or other instruments that the Issuer may issue that rank or are expressed to rank in respect of the return of capital in a liquidation of the Issuer equally with ANZ Holdings NZ Ordinary Shares, the Subordinated Loan or the RPS.

**Margin** has the meaning given in clause 3.1.

**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 Holdings NZ Notes Deed Poll.

**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 Information Memorandum made by the Issuer for persons to subscribe for Notes.

**Optional Redemption Date** means 18 October 2030 and each following Interest Payment Date.

**Outstanding Notes** has the meaning given in the Meeting Provisions.

The **Payment Condition** will be satisfied:

- (a) in respect of an Interest Payment Date, if:
- (i) the Issuer is Solvent on the Interest Payment Date; and
  - (ii) the Issuer is able to pay the amount of Interest in respect of all Notes and remain Solvent immediately after the Interest payment; and
- (b) in respect of a Redemption if:
- (i) the Issuer is Solvent on the Redemption Date; and
  - (ii) the Issuer is able to pay the Redemption Amount in respect of all Notes and remain Solvent immediately after such payment.

**PPS** means the ANZ Bank NZ 2024-2 preference shares to be issued by ANZ Bank NZ on or around the Issue Date.

A **PPS De-recognition Event** means ANZ Bank NZ is not entitled to treat any of the PPS as Additional Tier 1 Capital.

**PPS Redemption Date** means the date on which there are no PPS outstanding.

**RBNZ** means the Reserve Bank of New Zealand.

**Record Date** means, for payment of Interest:

- (a) the date which is seven calendar days before the Interest Payment Date; or
- (b) where the Notes are lodged in the Austraclear System, such other date as may be required by the Austraclear Regulations.

**Redeem** means, in relation to a Note, redeem it in accordance with clauses 4 and 5, and **Redeemed** and **Redemption** have corresponding meanings.

**Redemption Amount** is the amount the Issuer must pay to Redeem the Notes in accordance with clauses 4, 5 and 11.

**Redemption Date** has the meaning given in clause 4.3(b).

**Redemption Notice** has the meaning given in clause 4.1.

**Reference Rate Disruption Event** has the meaning given in clause 3.1.

**Register** means the register of Holders maintained by the Registrar in accordance with the Registry Services Agreement or such other relevant agreement between the Registrar and the Issuer.

**Registrar** means Austraclear Services Limited (ABN 28 003 284 419) or such other person appointed and notified by the Issuer.

**Registry Office** means the following office of the Registrar: 20 Bridge Street, Sydney, NSW 2000 or such other place notified by the Issuer or the Registrar.

**Registry Services Agreement** means the Registry Services Agreement dated 4 September 2024 as amended from time to time, between the Registrar and the Issuer.

**Regulatory Event** means 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 New Zealand or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations or any statement of APRA or the RBNZ, 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 the Issuer, more than *de minimis* additional requirements would be imposed on the Issuer or the ANZ Group or there would be a more than *de minimis* negative impact on the Issuer or the ANZ Group in relation to or in connection with Notes which the Directors determine to be unacceptable.

**Relevant Interest Payment Date** has the meaning given in clause 3.8.

**Relevant Jurisdiction** means any country, or political subdivision or one or more countries, or any federation or association of countries:

- (a) in which the Issuer is incorporated, resident or domiciled for any tax purpose;
- (b) from which, or through which, any Interest or amount in respect of Notes is paid; or
- (c) in which the branch of the Issuer at or through which the Notes are on issue is located.

**RPS** means:

- (a) the 697,655,000 redeemable preference shares issued by the Issuer with an issue price of NZ\$1 per share in 1988;
- (b) the 366,611 redeemable preference shares issued by the Issuer with an issue price of A\$1,000 per share in 2005;
- (c) the 2,002,000,000 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2007;
- (d) the 500,000,000 redeemable preference shares issued by the Issuer with an issue price of NZ\$1 per share in 2008;
- (e) the 795,228,628 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2009;
- (f) the 898,397,703 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2014;
- (g) the 611,191,597 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2015;
- (h) the 2,849,679,411 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2018;
- (i) the 3,173,100,000 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2024; and
- (j) any other redeemable preference shares from time to time issued by the Issuer that rank or are expressed to rank in respect of the return of capital in a liquidation of the Issuer equally with the instruments described in paragraphs (a) to (i).

**Scheduled Interest Payment Date** has the meaning given in clause 3.6.

**Senior Creditors** means all present and future creditors of the Issuer whose claims are:

- (a) entitled to be admitted in the liquidation of the Issuer; and
- (b) are not in respect of Equal Ranking Instruments or Junior Ranking Instruments.

**Solvent** means the Issuer is able to satisfy the solvency test contained in section 4 of the Companies Act.



**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.

**Subordinated Loan** means the loans advanced by ANZ Funds Pty Limited (ACN 004 594 343) to the Issuer pursuant to a loan agreement dated 29 April 2019, as amended, restated and supplemented from time to time including as amended on 27 June 2024.

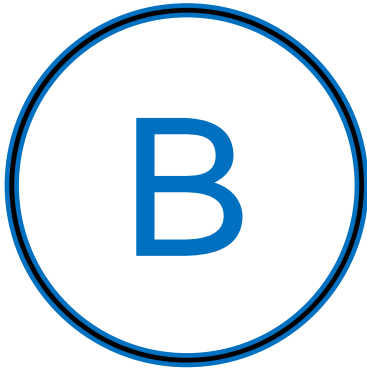
**Taxes** means any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Australia or by any authority therein or thereof having power to tax.

**Tax Event** means the receipt by the Directors of an opinion from a reputable legal counsel or other tax adviser in Australia or New Zealand 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 or New Zealand;
- (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 or New Zealand (**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, New Zealand Inland Revenue or other relevant taxing authority in Australia or New Zealand 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 or New Zealand, 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 the Issuer, there is more than an insubstantial risk which the Directors determine (having received all approvals they consider to be necessary) to be unacceptable that:

- (i) the Issuer would be required to pay an additional amount under clause 9.9;
- (ii) any Interest payable on or expenditure incurred under the FA Rules with respect to any Note is not, or may not be, allowed as a deduction for the purposes of New Zealand tax; or
- (iii) the Issuer 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) or debit to the imputation credit account of the Issuer, an Imputation Group which the Issuer is a member of, or another member of the ANZ Group in relation to Notes.



## **Appendix B** **GLOSSARY**

**THIS APPENDIX B IS A GLOSSARY OF TERMS USED THROUGHOUT THIS INFORMATION MEMORANDUM. THERE IS ALSO A LIST OF DEFINED TERMS IN CLAUSE 13.2 OF THE NOTE TERMS.**

Term	Meaning
<b>ABN</b>	Australian Business Number
<b>Additional Interest Amount</b>	additional Interest accrued on Arrears of Interest at the Interest Rate
<b>Additional Tier 1 Capital or AT1</b>	capital within the meaning of additional tier 1 capital in the RBNZ's prudential regulatory requirements from time to time.
<b>ADI</b>	authorised deposit-taking institution, as defined in the Banking Act
<b>ANZBGL</b>	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)
<b>ANZGHL</b>	ANZ Group Holdings Limited (ABN 16 659 510 791)
<b>ANZ Bank Group</b>	holds the ANZ Group's banking businesses (including ANZBGL and ANZ Bank NZ) and all international regulated bank operations
<b>ANZ Bank NZ</b>	ANZ Bank New Zealand Limited (Company Number 35976)
<b>ANZ Bank NZ 2022 Preference Shares</b>	NZ\$550 million ANZ Bank NZ perpetual preference shares issued on 18 July 2022
<b>ANZ Bank NZ 2024-1 Preference Shares</b>	NZ\$275 million ANZ Bank NZ perpetual preference shares issued on 19 March 2024
<b>ANZ Bank NZ 2024-2 Preference Shares</b>	ANZ Bank NZ perpetual preference shares issued on or about the Issue Date
<b>ANZ Bank NZ AT1 Notes</b>	NZ\$938 million of notes that are Additional Tier 1 Capital for ANZ Bank NZ and owned by ANZBGL, New Zealand branch
<b>ANZ Bank NZ Group</b>	ANZ Bank NZ, its wholly owned entities and all other entities consolidated for financial reporting purposes, as specified in its latest financial statements, on a consolidated and not an individual basis
<b>ANZ Bank NZ Group's Position</b>	ANZ Bank NZ Group's operations, results of operations, reputation, prospects, liquidity, capital resources, financial performance and financial condition
<b>ANZ Funds</b>	ANZ Funds Pty. Ltd. (ABN 61 004 594 343)
<b>ANZ Group or Group</b>	ANZGHL and its controlled entities
<b>ANZ Holdings NZ</b>	ANZ Holdings (New Zealand) Limited (a company incorporated in New Zealand with Company Number 389403)
<b>ANZ Holdings NZ's Position</b>	the Issuer's operations, results of operations, reputation, prospects, liquidity, capital resources, financial performance and financial condition
<b>ANZ Holdings NZ Notes or Notes</b>	fully paid notes issued by the Issuer which are to be issued under this Information Memorandum
<b>ANZ Holdings NZ Notes Deed Poll</b>	the deed poll relating to the Notes made by the Issuer on or about 12 September 2024
<b>ANZ Holdings NZ Ordinary Share</b>	a fully paid ordinary share in the capital of the Issuer
<b>ANZ Holdings NZ Preference Share</b>	each RPS and preference share in the capital of the Issuer

Term	Meaning
<b>ANZ Level 1 Group</b>	means ANZBGL and those of its controlled entities included by APRA from time to time in the calculation of ANZBGL's capital ratios on a Level 1 basis
<b>ANZ Level 2 Group</b>	means ANZBGL together with each related entity included by APRA from time to time in the calculation of ANZBGL's capital ratios on a Level 2 basis
<b>ANZ Level 3 Group</b>	means ANZBGL together with each related entity included by APRA from time to time in the calculation of ANZBGL's capital ratios on a Level 3 basis
<b>ANZ Non-Bank Group</b>	holds certain non-banking businesses and assets, being the ANZ Group's interests in the 1835i trusts, the Worldline merchant acquiring joint venture, Pollination, Lygon and the Trade Information Network
<b>APRA</b>	Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of ANZBGL, the ANZ Group or ANZGHL
<b>APRA Act</b>	Australian Prudential Regulation Authority Act 1998 (Cth)
<b>Arrears of Interest</b>	any amount of Interest which is not paid on an Interest Payment Date on or after a PPS De-recognition Event
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires, or any successor
<b>ASX Listing Rules</b>	means the listing rules of ASX as amended, varied or waived (whether in respect of ANZBGL, ANZGHL or generally) from time to time
<b>Attorney</b>	an attorney of a Holder appointed in accordance with clause 6.9 of the Note Terms
<b>Austraclear</b>	Austraclear Ltd (ABN 94 002 060 773)
<b>Austraclear Participant</b>	a Participant as defined in the Austraclear Regulations
<b>Austraclear Regulations</b>	the regulations known as the 'Austraclear Regulations' established by Austraclear (as amended from time to time), together with any subsidiary rules or procedures of Austraclear that govern the use of the Austraclear System
<b>Austraclear System</b>	the system operated by Austraclear for holding securities and the electronic recording and settling of transactions in those securities between members of that system
<b>Banking Act</b>	Banking Act 1959 (Cth)
<b>Banking Prudential Requirement or BPR</b>	means the banking prudential requirements set by the RBNZ from time to time
<b>BBSW Rate</b>	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 being so published) on the Determination Date (as defined in the Note Terms), or a successor to that rate.  For the full definition – see clause 3.1 of the Note Terms

Term	Meaning
<b>BPS Act</b>	Banking (Prudential Supervision) Act 1989 of New Zealand
<b>Business Day</b>	a day on which banks are open for general business in Melbourne, Victoria and Auckland and Wellington, New Zealand, that is not a Saturday or a Sunday
<b>Calculation Agent</b>	ANZBGL or such other party as appointed by the Issuer from time to time to perform the role of calculation agent as contemplated by the Note Terms
<b>Capital Reduction</b>	a reduction in capital initiated by the Issuer in its discretion in respect of any Junior Ranking Instruments in any way permitted by law
<b>CGT</b>	capital gains tax
<b>CHESS</b>	Clearing House Electronic Subregister System operated by the Australian Securities Exchange, or its affiliates or successors
<b>Common Equity Tier 1 Capital or CET1</b>	capital within the meaning of common equity tier 1 capital in the RBNZ's prudential requirements from time to time
<b>Companies Act</b>	Companies Act 1993 of New Zealand
<b>Conditions of Registration</b>	means the conditions of registration imposed on ANZ Bank NZ as a registered New Zealand bank by the RBNZ
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Cross-Currency Swap</b>	The cross-currency swap proposed to be entered between the Issuer and ANZ Bank NZ. See Section 1.3 for further details.
<b>Deposit Takers Act</b>	Deposit Takers Act 2023 of New Zealand
<b>Depositor Compensation Scheme or DCS</b>	has the meaning given in the Deposit Takers Act
<b>Directors</b>	some or all of the directors of the Issuer acting as a board
<b>Equal Ranking Instruments</b>	any present or future securities or other instruments that the Issuer may issue that rank or are expressed to rank in a liquidation of the Issuer as the most junior claim in the liquidation of the Issuer ranking senior to Junior Ranking Instruments
<b>External Administrator</b>	means, in respect of a person: <ul style="list-style-type: none"> <li>• a liquidator, a provisional liquidator, an administrator or a statutory manager of that person; or</li> <li>• 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</li> </ul>
<b>FA Rules</b>	the "financial arrangements rules" as that term is defined in the Income Tax Act 2007 of New Zealand
<b>Face Value</b>	the face value for Notes, being A\$10,000 per Note
<b>FATCA</b>	(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

Term	Meaning
	(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
<b>Financial Claims Scheme</b>	the scheme established under Division 2AA of Part II of the Banking Act
<b>FSCODA</b>	Financial Sector (Collection of Data) Act 2001 (Cth)
<b>FSTR Act</b>	Financial Sector (Transfer and Restructure) Act 1999 (Cth)
<b>Holder</b>	a person whose name is for the time being recorded in the Register to signify ownership of a Note. If a Note is owned jointly by more than one person, a Holder includes a person whose name appears in the Register as a joint owner
<b>Information Memorandum</b>	this document (including the electronic form of this document), and any supplementary or replacement information memorandum in relation to this document
<b>Imputation Group</b>	means an “imputation group” as that term is defined in the Income Tax Act 2007 of New Zealand
<b>Interest</b>	interest on Notes. For the full definition – see clause 3.1 of the Note Terms
<b>Interest Payment Date</b>	in respect of a Note, 18 October 2024, and after that each 18 January, 18 April, 18 July and 18 October until any Redemption Date, and, if the Notes are Redeemed, the Redemption Date For the full definition – see clause 3.6 of the Note Terms
<b>Interest Period</b>	a period from (and including) either the Issue Date or a subsequent Interest Payment Date until (but not including) the following Interest Payment Date
<b>Interest Rate</b>	the interest 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
<b>Issue Date</b>	the date Notes are issued to Holders, expected to be 18 September 2024
<b>Issuer</b>	ANZ Holdings NZ
<b>Junior Ranking Distribution</b>	means any dividend, distribution or interest payment in respect of any Junior Ranking Instrument
<b>Junior Ranking Instruments</b>	means: <ul style="list-style-type: none"> <li>any preference shares in the capital of the Issuer (including but not limited to the RPS) on issue as at the Issue Date;</li> <li>ANZ Holdings NZ Ordinary Shares;</li> <li>the Subordinated Loan; and</li> <li>any present or future securities or other instruments that the Issuer may issue that rank or are expressed to rank in respect of the return of capital in a liquidation of the Issuer equally with ANZ Holdings NZ Ordinary Shares, the Subordinated Loan or the RPS</li> </ul>
<b>Level 1, Level 2 and Level 3</b>	means those terms as defined by APRA from time to time

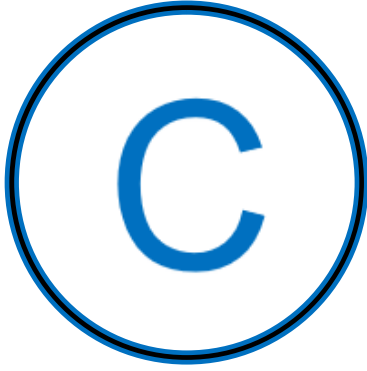
Term	Meaning
<b>Lygon</b>	Lygon 1B Pty Ltd (ACN 633 568 411)
<b>Margin</b>	2.95%
<b>New Zealand Owner</b>	the beneficial owner of a Note which is: <ul style="list-style-type: none"> <li>• a resident of New Zealand for income tax purposes; or</li> <li>• a non-resident that owns the Note for the purposes of a business carried on in New Zealand through a fixed establishment in New Zealand; or</li> <li>• a non-resident that is a registered bank in New Zealand and is engaged in business in New Zealand through a fixed establishment in New Zealand and is not associated with the Issuer</li> </ul>
<b>NOHC</b>	non-operating holding company
<b>Note Terms</b>	the full terms of issue of Notes, as set out in Appendix A
<b>Notification Date</b>	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 Holdings NZ Notes Deed Poll
<b>NRWT</b>	non-resident withholding tax
<b>NZX</b>	NZX Limited or the securities market operated by it, as the context requires, or any successor
<b>NZX Debt Market</b>	The debt market operated by NZX
<b>Offer</b>	the offer by the Issuer of Notes under this Information Memorandum to raise A\$800 million with the ability to raise more or less
<b>Optional Redemption Date</b>	means 18 October 2030 and each following Interest Payment Date – see clause 13.2 of the Note Terms
<b>Outstanding Notes</b>	all Notes that are on issue
<b>Payment Condition</b>	the tests which need to be satisfied so that the Issuer can pay Interest, summarised as follows: <ul style="list-style-type: none"> <li>(a) in respect of an Interest Payment Date, if; <ul style="list-style-type: none"> <li>(i) the Issuer is Solvent on the Interest Payment Date; and</li> <li>(ii) the Issuer is able to pay the amount of Interest in respect of all Notes and remain Solvent immediately after the Interest payment; and</li> </ul> </li> <li>(b) in respect of a Redemption, if: <ul style="list-style-type: none"> <li>(i) the Issuer is Solvent on the Interest Payment Date; and</li> <li>(ii) the Issuer is able to pay the Redemption Amount in respect of all Notes and remain Solvent immediately after such payment.</li> </ul> </li> </ul> <p>For the full description of the tests – see the definition of Payment Condition in clause 13.2 of the Note Terms</p>
<b>Pollination</b>	Pollination Global Holdings Limited Company No. 11892654, a company incorporated under the laws of England and Wales

Term	Meaning
<b>PPS De-recognition Event</b>	ANZ Bank NZ is not entitled to treat any of the ANZ Bank NZ 2024-2 Preference Shares as Additional Tier 1 capital for ANZ Bank NZ under the RBNZ capital rules
<b>PPS Redemption Date</b>	the date on which there are no ANZ Bank NZ 2024-2 Preference Shares outstanding
<b>Preliminary Information Memorandum</b>	the document (including the electronic form of the document) dated 29 August 2024 and substantially in the same form as this Information Memorandum
<b>RBNZ</b>	Reserve Bank of New Zealand
<b>Redeem</b>	in relation to a Note, to redeem, in accordance with clauses 4 and 5 of the Note Terms, and <b>Redeemed</b> and <b>Redemption</b> have corresponding meanings
<b>Redemption Amount</b>	The amount the Issuer must pay to Redeem the Notes. For the full definition – see clause 13.2 of the Note Terms
<b>Redemption Date</b>	the date on which Redemption is to occur. For the full definition – see clause 4.3(b) of the Note Terms
<b>Redemption Notice</b>	a notice issued by the Issuer to a Holder under clause 4.1 of the Note Terms
<b>Register</b>	the register of Holders maintained by the Registrar in accordance with the Registry Services Agreement or such other relevant agreement between the Registrar and the Issuer
<b>Registrar</b>	Austraclear Services Limited (ABN 28 003 284 419) or such other person appointed and notified by the Issuer
<b>Registry Services Agreement</b>	the Registry Services Agreement dated 4 September 2024 as amended from time to time, between the Registrar and the Issuer
<b>Regulatory Event</b>	broadly, occurs in relation to the Notes when the Issuer receives legal advice that, as a result of a change of law or regulation in Australia or New Zealand or statement of APRA or the RBNZ on or after the Issue Date, more than de minimis additional requirements would be imposed on the Issuer or a member of the ANZ Group or there would be a more than de minimis negative impact on the Issuer or a member of the ANZ Group in relation to Notes which the Directors determine to be unacceptable. A Regulatory Event will not arise where, at the Issue Date, the Issuer expected the event would occur.  For the full definition – see clause 13.2 of the Note Terms
<b>Relevant Interest Payment Date</b>	an Interest Payment Date if, for any reason, Interest is not paid in full within 3 Business Days of that date
<b>Relevant Jurisdictions</b>	New Zealand, Australia, the Asia Pacific region, the United Kingdom, Europe and the United States
<b>RPS</b>	means: <ul style="list-style-type: none"> <li>the 697,655,000 redeemable preference shares issued by the Issuer with an issue price of NZ\$1 per share in 1988;</li> <li>the 366,611 redeemable preference shares issued by the Issuer with an issue price of A\$1,000 per share in 2005;</li> </ul>



Term	Meaning
	<ul style="list-style-type: none"> <li>the 2,002,000,000 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2007;</li> <li>the 500,000,000 redeemable preference shares issued by the Issuer with an issue price of NZ\$1 per share in 2008;</li> <li>the 795,228,628 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2009;</li> <li>the 898,397,703 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2014;</li> <li>the 611,191,597 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2015;</li> <li>the 2,849,679,411 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2018;</li> <li>the 3,173,100,000 redeemable preference shares issued by the Issuer with an issue price of A\$1 per share in 2024; and</li> <li>any other redeemable preference shares from time to time issued by the Issuer that rank or are expressed to rank in respect of the return of capital in a liquidation of the Issuer equally with the instruments described in each of the above paragraphs</li> </ul>
<b>RWA</b>	means risk weighted assets
<b>Scheduled Interest Payment Date</b>	in respect of a Note, 18 October 2024, and after that each 18 January, 18 April, 18 July and 18 October until any Redemption Date
<b>Senior Creditors</b>	all present and future creditors of the Issuer whose claims are: <ul style="list-style-type: none"> <li>entitled to be admitted in the liquidation of the Issuer; and</li> <li>not expressed to rank equally with, or subordinate to, the claims of a Holder</li> </ul>
<b>Sole Lead Manager</b>	ANZBGL
<b>Solvent</b>	means, for the purposes of the Payment Condition, the Issuer is able to satisfy the solvency test contained in section 4 of the Companies Act
<b>Special Resolution</b>	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
<b>Subordinated Loan</b>	the loans advanced by ANZ Funds to the Issuer pursuant to a loan agreement dated 29 April 2019, as amended, restated and supplemented from time to time including as amended on 27 June 2024
<b>S&amp;P</b>	S&P Global Ratings Australia Pty Ltd (ABN 18 000 473 674)
<b>Tax Event</b>	broadly, occurs in relation to the Notes when the Issuer receives professional advice that, as a result of a change in Australian or New Zealand law, or an administrative pronouncement or ruling affecting taxation in Australia or New Zealand, on or after the Issue Date (and which on the Issue Date is not expected by the Issuer), there is a more than insubstantial risk which the Directors determine to be unacceptable that the Issuer would be required to pay additional amounts under clause 9.9 of the Note Terms, any Interest payable on any Note or expenditure under the FA Rules with respect to any Note is not or may not be allowed as a deduction for the purposes of New Zealand law or Issuer or another member of the ANZ Group would be exposed to more than an insignificant adverse tax

Term	Meaning
	consequence or increased cost or debit to the franking account of the Issuer or another member of the ANZ Group in relation to the Note Terms. For the full definition – see clause 13.2 of the Note Terms
<b>Tier 1 Capital</b>	capital within the meaning of tier 1 capital in the RBNZ's prudential requirements from time to time
<b>Tier 2 Capital</b>	capital within the meaning of tier 2 capital in the RBNZ's prudential requirements from time to time
<b>Total Capital</b>	capital within the meaning of total capital in the RBNZ's prudential requirements from time to time
<b>Trade Information Network</b>	Trade Information Network Limited Company No. 12210032, a company incorporated under the laws of England and Wales



## **Appendix C** **FINANCIAL STATEMENTS**

**THIS APPENDIX C CONTAINS THE INTERIM  
FINANCIAL STATEMENTS OF THE ISSUER  
FOR THE NINE MONTHS ENDED 30 JUNE  
2024.**

**ANZ HOLDINGS (NEW ZEALAND) LIMITED  
INTERIM FINANCIAL STATEMENTS**

FOR THE NINE MONTHS ENDED 30 JUNE 2024



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## GLOSSARY

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In these condensed interim financial statements (Interim financial statements) unless the context otherwise requires:

**Bank** means ANZ Bank New Zealand Limited.

**Banking Group** means the Bank and all its controlled entities.

**Company** means ANZ Holdings (New Zealand) Limited.

**Immediate Parent Company** means ANZ Funds Pty. Ltd.

**Ultimate Non-Bank Holding Company, ANZGHL** means ANZ Group Holdings Limited.

**ANZ Group** means the worldwide operations of ANZGHL including its controlled entities.

## INTERIM FINANCIAL STATEMENTS

### STATEMENT OF COMPREHENSIVE INCOME

	2024 NZ\$m	2023 NZ\$m
<b>For the nine months ended 30 June</b>		
Dividend income	2,041	908
Interest income	3	3
Interest expense	(70)	(51)
Net interest income / (expense)	(67)	(48)
<b>Profit before income tax</b>	<b>1,974</b>	<b>860</b>
Income tax credit / (expense)	18	12
<b>Profit for the period</b>	<b>1,992</b>	<b>872</b>

There are no items of other comprehensive income.

### BALANCE SHEET

As at	Note	30 Jun 24 NZ\$m	30 Sep 23 NZ\$m
<b>Assets</b>			
Cash and cash equivalents	5	69	80
Current tax assets		36	18
Investment in subsidiary	5	12,769	12,169
<b>Total assets</b>		<b>12,874</b>	<b>12,267</b>
<b>Liabilities</b>			
Derivative financial instruments	5	-	4
Accrued interest payable	5	16	27
Deferred tax liabilities		2	2
Debt issuances	5	-	285
Borrowings from Immediate Parent Company	5	1,766	1,766
<b>Total liabilities</b>		<b>1,784</b>	<b>2,084</b>
<b>Net assets</b>		<b>11,090</b>	<b>10,183</b>
<b>Shareholder's equity</b>			
Share capital	4	11,044	11,044
Retained earnings / (accumulated losses)		46	(861)
<b>Total shareholder's equity</b>		<b>11,090</b>	<b>10,183</b>

## INTERIM FINANCIAL STATEMENTS

### CASH FLOW STATEMENT

For the nine months ended 30 June	Note	2024 NZ\$m	2023 NZ\$m
<b>Profit after income tax</b>		1,992	872
<b>Adjustments to reconcile to net cash provided by/(used in) operating activities:</b>			
Non-cash dividend received		(900)	-
Net derivatives/foreign exchange adjustment		(1)	1
<i>Net (increase)/decrease in operating assets:</i>			
Current tax asset		(18)	(12)
<i>Net increase/(decrease) in operating liabilities:</i>			
Accrued interest payable		(11)	(1)
<b>Total adjustments</b>		(930)	(12)
<b>Net cash provided by operating activities</b>		1,062	860
<b>Cash flows from investing activities</b>			
Investment in subsidiary: <sup>1</sup>			
Proceeds from redemption of preference shares in the Bank	5	300	-
<b>Net cash provided by investing activities</b>		300	-
<b>Cash flows from financing activities</b>			
Redemption of debt issuances <sup>2</sup>	5	(288)	-
Dividends paid	5	(1,085)	(870)
<b>Net cash used in financing activities</b>		(1,373)	(870)
Net change in cash and cash equivalents		(11)	(10)
Cash and cash equivalents at beginning of period		80	65
<b>Cash and cash equivalents at end of period</b>		69	55

1 Non-cash movement in investment in subsidiary includes NZ\$900 million (30 June 2023: nil) from the purchase of ordinary shares in the Bank.

2 Non-cash movement in debt issuances includes a NZ\$3 million increase (30 June 2023: NZ\$12 million decrease) from the effect of foreign exchange rates.

### STATEMENT OF CHANGES IN EQUITY

	Note	Share capital NZ\$m	Retained earnings / (accumulated losses) NZ\$m	Total shareholder's equity NZ\$m
<b>As at 1 October 2022</b>		11,044	(882)	10,162
Profit for the period		-	872	872
<b>Total comprehensive income for the period</b>		-	872	872
<b>Transactions with equity holder in their capacity as equity holder:</b>				
Ordinary dividend paid		-	(870)	(870)
<b>As at 30 June 2023</b>		11,044	(880)	10,164
<b>As at 1 October 2023</b>		11,044	(861)	10,183
Profit for the period		-	1,992	1,992
<b>Total comprehensive income for the period</b>		-	1,992	1,992
<b>Transactions with equity holder in their capacity as equity holder:</b>				
Ordinary dividends paid	4	-	(1,085)	(1,085)
<b>As at 30 June 2024</b>		11,044	46	11,090

The notes appearing on pages 5 to 9 form an integral part of these interim financial statements

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 1. ABOUT OUR INTERIM FINANCIAL STATEMENTS

These are the interim financial statements for the Company for the nine months ended 30 June 2024. The Company is incorporated and domiciled in New Zealand and its registered office and address for services is Ground Floor, ANZ Centre, 23-29 Albert Street, Auckland, New Zealand.

On 26 August 2024, the Directors resolved to authorise the issue of these interim financial statements.

### BASIS OF PREPARATION

These interim financial statements have been prepared for the purposes of being included in offering documentation for a debt issuance to investors outside the ANZ Group.

These interim financial statements comply with:

- New Zealand Generally Accepted Accounting Practice (NZ GAAP), as defined in the New Zealand Financial Reporting Act 2013;
- NZ IAS 34 *Interim Financial Reporting* and other applicable Financial Reporting Standards, as appropriate for publicly accountable for-profit entities; and
- IAS 34 *Interim Financial Reporting*.

The Company is not publicly accountable, but has elected to apply Tier 1 Accounting Standards to these interim financial statements. The recognition and measurement requirements are the same as the Tier 2 Accounting Standards, which were applied in the prior period, but with increased disclosure requirements. The accounting policies adopted by the Company are consistent with those adopted and disclosed in the prior period.

There have been no other changes in accounting policies or early adoption of accounting standards in the preparation and presentation of the interim financial statements.

The material accounting policies adopted in the preparation of these interim financial statements are set out below.

We present the interim financial statements in New Zealand dollars, which is the Company's functional and presentation currency. We have rounded values to the nearest million dollars (NZ\$m), unless otherwise stated.

### BASIS OF MEASUREMENT

We have prepared the financial information in accordance with the historical cost basis - except for derivative financial instruments which we have stated at their fair value.

### FOREIGN CURRENCY TRANSLATION

#### Transactions and balances

Foreign currency transactions are translated into the relevant functional currency at the exchange rate prevailing at the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the relevant spot rate. Any foreign currency translation gains or losses that arise are included in profit or loss in the period they arise.

### KEY JUDGEMENTS AND ESTIMATES

In the process of applying the Company's accounting policies, management has made a number of judgements and applied estimates and assumptions about past and future events. Such estimates and judgements are reviewed on an ongoing basis.

### MATERIAL ACCOUNTING POLICIES

#### Dividend income

Dividends are recognised as revenue when the right to receive payment is established.

#### Interest income and interest expense

Interest income and interest expense is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

The effective interest method calculates the amortised cost of a financial asset or financial liability and allocates the interest income or interest expense, including any fees and directly related transaction costs that are an integral part of the effective interest rate, over the expected life of the financial asset or liability. The application of the method has the effect of recognising income and expense on the financial asset or liability evenly in proportion to the amount outstanding over the period to maturity or repayment.

#### Income tax

##### *Income tax expense*

Income tax on earnings for the year comprises current and deferred tax. It is recognised in the statement of comprehensive income as tax expense, except when it relates to items credited directly to equity, in which case it is recorded in equity.

##### *Current tax*

Current tax is the expected tax payable on taxable income for the year, based on tax rates and tax laws which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

##### *Deferred tax*

Deferred tax is accounted for using the tax balance sheet liability method. Deferred tax arises by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

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### Financial assets and financial liabilities

#### *Recognition*

Financial assets include cash and cash equivalents and accrued interest receivable. Financial liabilities comprise borrowings from Immediate Parent Company, debt issuances and accrued interest payable.

The Company recognises a financial asset or liability on its balance sheet when the Company becomes a party to the contractual provisions of the financial asset or liability. The Company derecognises a financial asset when the contractual rights to the cash flows expire or when the Company transfers substantially all risks and rewards of ownership. The Company derecognises a financial liability when it has discharged all contractual obligations.

#### *Measurement*

Financial assets (or financial liabilities) are initially recognised at fair value including (excluding) directly attributable transaction costs and subsequently measured at amortised cost.

### Cash and cash equivalents

Cash and cash equivalents includes current accounts and short-term deposits with original terms of maturity of three months or less that are readily convertible to cash and which are subject to insignificant risk of changes in value.

### Foreign currency swaps

Foreign currency swaps are derivative financial instruments and are recognised initially at fair value with gains or losses from subsequent measurement at fair value being recognised in the statement of comprehensive income.

### Investment in subsidiary

The Company's subsidiary is an entity it controls through being exposed to, or having rights to, variable returns from the entity; and being able to affect those returns through its power over the entity. The Company assesses whether it has power over the entity by examining the Company's existing rights to direct the relevant activities of the entity.

The investment in subsidiary is carried at cost less any accumulated impairment losses. There were no impairment losses as at 30 June 2024 (30 September 2023: nil).

At least at each reporting date, the Company reviews its investment in subsidiary for any indication of impairment. If an indication of impairment exists, then the Company determines the recoverable amount of the subsidiary using the higher of the subsidiary's fair value less cost of disposal; and its value-in-use. We use a discounted cash flow methodology, and other methodologies (such as capitalisation of earnings methodology), to determine the recoverable amount.

### Borrowings and debt issuances

Borrowings and debt issuances are recognised initially at fair value and subsequently measured at amortised cost.

### Share capital

#### *Ordinary shares*

Ordinary shares have no par value. They entitle holders to receive dividends, or proceeds available on winding up of the Company, in proportion to the number of fully paid ordinary shares held. They are recognised at the amount paid per ordinary share net of directly attributable costs. Every holder of fully paid ordinary shares present at a meeting in person, or by proxy, is entitled to:

- on a show of hands, one vote; and
- on a poll, one vote, for each share held.

#### *Redeemable preference shares*

Redeemable preference shares do not carry any voting rights. They are wholly classified as equity instruments as there is no contractual obligation for the Company to either deliver cash or another financial instrument or to exchange financial instruments on a potentially unfavourable basis.

In the event of liquidation, holders of preference shares are entitled to available subscribed capital per share, *pari passu* with all holders of existing redeemable preference shares and the borrowings from the Immediate Parent Company but in priority to all holders of ordinary shares. They have no entitlement to participate in further distribution of profits or assets.

## 2. FINANCIAL RISK MANAGEMENT

All aspects of risk are managed within ANZ Group's framework of policies, limits, control procedures, systems and reporting.

There are no material off balance sheet instruments.

### Credit risk

Credit risk is the potential that the counterparty to a financial transaction will fail to perform according to the terms and conditions of the contract, thus causing loss. The Company has no material credit risk exposures.

### Market risk

Interest rate risk relates to the potential adverse impact of changes in market interest rates on future net interest income of the Company. The Company manages its interest rate risk by ensuring interest rate exposures on financial liabilities are not concentrated in any particular period. As a result, a 1% rate shock would not have any material impact on profit or loss.

Currency risk arises from changes in foreign exchange rates impacting on residual currency positions that may result from the Company's business as a financial intermediary. Currency risk is monitored in terms of open positions to each currency, based on nominal value and the duration of each exposure. The total amount of foreign currency exposures, whether recognised or unrecognised, within each currency is not material.

### Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations on borrowings and debt issuances when they fall due. The Company manages its liquidity risk by monitoring and forecasting payment obligations on its financial liabilities (including contractually deferrable payments) relative to cash balances and distributions to be made in accordance with the Company's capital management policies.

## 3. FAIR VALUE MEASUREMENTS

### Fair value hierarchy

The Company categorises assets and liabilities carried at fair value into a fair value hierarchy as required by NZ IFRS 13 *Fair Value Measurement* based on the observability of inputs used to measure the fair value:

- Level 1 – valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuations using inputs other than quoted prices included within Level 1 that are observable for a similar asset or liability, either directly or indirectly; and
- Level 3 – valuations where significant unobservable inputs are used to measure the fair value of the asset or liability.

There were no assets or liabilities carried at fair value as at 30 June 2024 (September 2023: \$4 million derivative financial instrument liabilities were carried at fair value in accordance with Level 2 of the fair value hierarchy).

### Financial assets and financial liabilities not measured at fair value

The financial liabilities listed below are carried at amortised cost on the Company's balance sheet. While this is the value at which we expect the liabilities to be settled, the Company provides an estimate of the fair value of the financial liabilities at balance date in the table below.

Fair values of financial assets and liabilities carried at amortised cost not included in the table below approximate their carrying values. These financial assets and liabilities are short term in nature.

	Carrying amount		Fair value	
	30 Jun 24 NZ\$m	30 Sep 23 NZ\$m	30 Jun 24 NZ\$m	30 Sep 23 NZ\$m
<b>Financial liabilities</b>				
Borrowings from Immediate Parent Company	1,766	1,766	1,751	1,744
Debt issuances	-	285	-	286
<b>Total</b>	<b>1,766</b>	<b>2,051</b>	<b>1,751</b>	<b>2,030</b>

The following table sets out the Company's basis of estimating the fair values of financial liabilities carried at amortised cost where the carrying value is not typically a reasonable approximation of fair value.

Financial liability	Fair value approach
Debt issuances and borrowings from Immediate Parent Company	Calculated based on quoted market prices or observable inputs as applicable. If quoted market prices are not available, we use a discounted cash flow model using a yield curve appropriate for the remaining term to maturity of the debt instrument. The fair value reflects adjustments to credit spreads applicable to the Company for that instrument.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 4. SHAREHOLDER'S EQUITY

#### CAPITAL MANAGEMENT POLICIES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide capital for the Bank and to maintain an optimal capital structure to reduce the cost of capital.

The Company's capital comprises issued share capital and retained earnings. The Company manages its capital by distributing its retained profits to the Immediate Parent Company.

#### SHARE CAPITAL

The table below details the movement in issued shares and share capital for the period.

	Number of issued shares		NZ\$ millions	
	30 Jun 2024	30 Sep 2023	30 Jun 2024	30 Sep 2023
Ordinary shares	378,155,112	378,155,112	1,450	1,450
Redeemable preference shares:				
Redeemable preference shares at beginning of the period	8,354,563,940	8,354,563,940	9,594	9,594
Uncalled redeemable preference shares redeemed	(44,990)	-	-	-
Total redeemable preference shares at end of the period	8,354,518,950	8,354,563,940	9,594	9,594
<b>Total share capital</b>	<b>8,732,674,062</b>	<b>8,732,719,052</b>	<b>11,044</b>	<b>11,044</b>

#### Ordinary shares

All ordinary shares have the rights and powers prescribed by section 36 of the New Zealand Companies Act 1993.

Dividends paid of NZ\$1,085 million during the period amounted to approximately NZ\$2.87 per ordinary share (September 2023: Dividends paid of NZ\$1,345 million during the year amounted to approximately NZ\$3.56 per ordinary share).

#### Redeemable preference shares (RPS)

RPS carry no voting rights and are redeemable by the Company providing notice in writing to holders of the RPS. Dividends are payable at the discretion of the directors of the Company and are non-cumulative.

As at 30 June 2024 there were eight classes of RPS, relating to issues in 1988, 2005, 2007, 2008, 2009, 2014, 2015 and 2018. The Company did not pay any dividends on RPS during the nine months ended 30 June 2024 (September 2023: nil). The uncalled shares were redeemed for no value on 25 June 2024. There are no uncalled shares as at 30 June 2024 (September 2023: 44,990).

### 5. RELATED PARTY DISCLOSURES

#### Transactions with other members of the ANZ Group

The Company is incorporated in New Zealand and is a wholly owned subsidiary of the Immediate Parent Company. Both the Immediate Parent Company and the Ultimate Non-Bank Holding Company are incorporated in Victoria, Australia. All ordinary shares of the Bank, a registered bank incorporated in New Zealand, are owned by the Company.

The Company undertakes transactions with the Immediate Parent Company, and other members of the ANZ Group. These transactions principally consist of funding and hedging transactions, which are conducted on an arm's length basis and on normal commercial terms. Administrative functions are provided by the Bank for which no payments have been made.

	30 Jun 2024	30 Jun 2023
	NZ\$m	NZ\$m
<b>Transactions</b>		
<b>Ultimate Non-Bank Holding Company and other ANZ Group subsidiaries</b>		
Interest expense	15	15
Debt issuances redeemed <sup>1</sup>	288	-
<b>Immediate Parent Company</b>		
Interest expense	54	35
Preference shares redeemed <sup>2</sup>	-	-
Dividends paid	1,085	870
<b>Bank</b>		
Interest income	3	3
Dividends received	2,041	908
Ordinary shares purchased	900	-
Preference shares redeemed	(300)	-

1 A\$265 million subordinated debt was redeemed on 25 June 2024.

2 44,990 uncalled RPS were redeemed for no value on 25 June 2024.

	30 Jun 2024 NZ\$m	30 Sep 2023 NZ\$m
<b>Outstanding balances</b>		
<b>Bank</b>		
Cash and cash equivalents	69	80
Investment in subsidiary	12,769	12,169
<b>Total due from related parties</b>	<b>12,838</b>	<b>12,249</b>
<b>Ultimate Non-Bank Holding Company and other ANZ Group subsidiaries</b>		
Accrued interest payable	-	1
Debt issuances <sup>1</sup>	-	285
<b>Immediate Parent Company</b>		
Borrowings <sup>2</sup>	1,766	1,766
Accrued interest payable	16	26
<b>Bank</b>		
Derivative financial instruments	-	4
<b>Total due to related parties</b>	<b>1,782</b>	<b>2,082</b>

1 A\$265 million subordinated debt was redeemed on 25 June 2024.

2 The terms of the NZ\$1,766 million loan were amended on 27 June 2024, as follows:

i. A maturity date of 29 April 2099 was included (previously no fixed maturity date). The Company can only elect to repay the loan early if the Company has no subordinated perpetual non-cumulative securities in the form of unsecured notes on issue. If it does have such notes on issue, the loan can only be repaid on the maturity date.

ii. The loan was subordinated to rank pari-passu with the Company's RPS (previously the loan was a senior ranking exposure). The interest rate applicable to the loan was revised to reflect the loan's change in ranking in a liquidation of the Company.

iii. Interest payable on the loan was made deferrable and cumulative.

The amendments did not have a material impact on the interim financial statements.

The Company has provided commitments to, and received commitments from, the Bank as follows:

	30 Jun 2024 NZ\$m	30 Sep 2023 NZ\$m
Undrawn facilities provided to the Bank	1,431	1,420
Undrawn facilities provided by the Bank <sup>1</sup>	250	250

1 On 26 June 2024, the call facility agreement between the Company and the Bank was amended to remove the undrawn facility provided by the Bank, effective 15 July 2024.

## 6. SUBSEQUENT EVENTS

On 15 August 2024, the Bank issued NZ\$3,500 million of ordinary shares and paid an ordinary dividend of NZ\$3,500 million and the Company issued A\$3,173 million of RPS and paid an ordinary dividend of NZ\$3,500 million to the Immediate Parent Company.

On 21 August 2024, a service level agreement was entered into between the Company and the Bank under which the Bank will provide services to the Company. The agreement requires the Company to pay a fee for the services provided.

There have been no other significant events from 30 June 2024 to the date of approving the interim financial statements.



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