

FINAL TERMS SHEET

as at 10 September 2021

FOR AN ISSUE OF NZ\$600,000,000
ANZ UNSECURED SUBORDINATED NOTES

This is a summary only. More details are contained in the Limited Disclosure Document for the Offer dated 25 August 2021 (LDD). The LDD is available free of charge on the online Disclose Register maintained by the Companies Office at www.disclose-register.companiesoffice.govt.nz/ (offer number OFR13137) or can be obtained from the Joint Lead Managers or your usual financial adviser.

JOINT LEAD MANAGERS:



Warning

This investment is riskier than a bank deposit. The ANZ unsecured subordinated notes (**Notes**) are complex financial products that are not suitable for many investors. If you do not fully understand how they work or the investment risks associated with them (including possible delays in payment and loss of income and principal invested), you should not invest in them. Australia and New Zealand Banking Group Limited (**ANZBGL**) does not guarantee or support ANZ Bank New Zealand Limited (**ANZ**) or the Notes being issued. The Notes do not represent deposits or other liabilities of ANZBGL. You should read the LDD before deciding to invest in the Notes. You can also seek advice from a financial advice provider to help you make an investment decision.

Capitalised terms used but not defined in this Terms Sheet have the meaning given to them in the LDD unless the context otherwise requires.

KEY DATES FOR THE OFFER

LDD registration	Wednesday, 25 August 2021
Opening Date	Monday, 6 September 2021
Closing Time	Friday, 1.00pm, 10 September 2021
Rate Set Date	Friday, 10 September 2021
Issue Date	Friday, 17 September 2021
Expected date of quotation on the NZX Debt Market	Monday, 20 September 2021

KEY DATES FOR THE NOTES

First Interest Payment Date	Friday, 17 December 2021
Interest Payment Dates	<ul style="list-style-type: none">• 17 March, 17 June, 17 September and 17 December in each year until the date on which the Notes are repaid; and• the date on which the Notes are repaid
Optional redemption dates	Thursday, 17 September 2026 (First Optional Redemption Date) and each subsequent Interest Payment Date (each, an Optional Redemption Date)
Maturity Date	Wednesday, 17 September 2031

OVERVIEW OF THE NOTES

Issuer	ANZ		
Description	Unsecured, subordinated notes		
Ranking	<p>In a liquidation of ANZ the claims of Holders will rank:</p> <ul style="list-style-type: none"> behind the claims of all depositors and holders of other liabilities, securities, instruments and other obligations of ANZ, except for the claims and rights described below; equally with the claims of other Holders and the claims of holders of any other securities, instruments and other obligations of ANZ that rank equally with the Notes (e.g. other Tier 2 Capital); and ahead of the rights of ANZ's shareholders and holders of any other securities and other instruments that rank behind the Notes (e.g. Additional Tier 1 Capital) 		
Issue amount	NZ\$600,000,000.		
Credit ratings		Senior credit rating of the Issuer	Credit rating of the Notes
	S&P Global Ratings	AA- (Stable)	A-
	Fitch	A+ (Stable)	n/a
	Moody's	A1 (Stable)	n/a
	A credit rating is not a recommendation by any rating organisation to buy, sell or hold the Notes and may be subject to revision or withdrawal at any time		
Purpose	The Offer will raise Tier 2 Capital to help ANZ meet its regulatory capital requirements and manage its capital position. The proceeds of the Offer will be used for ANZ's general corporate purposes.		
Regulatory treatment	Tier 2 Capital		
No guarantee	The Notes are not guaranteed by ANZBGL, any of ANZ's subsidiaries or any other person		
Not deposit liabilities	<p>The Notes are not deposit liabilities of ANZ. The Notes do not represent deposits or other liabilities of ANZBGL.</p> <p>ANZ is not an authorised deposit-taking institution under the Banking Act 1959 of Australia (Banking Act). The depositor protection provisions in Division 2 of Part II of the Banking Act do not apply to ANZ. The Notes are not "protected accounts" or "deposit liabilities" within the meaning of the Banking Act and an investment in the Notes is not covered by the Australian Government's Financial Claims Scheme.</p>		
Repayment	<p>The Notes must be repaid by ANZ on the Maturity Date.</p> <p>ANZ may repay all or some of the Notes earlier on an Optional Redemption Date or if a Tax Event or Regulatory Event occurs.</p> <p>Early repayment is subject to certain conditions, including satisfaction of the Solvency Condition and the prior written approval of the Reserve Bank of New Zealand (Reserve Bank). The Reserve Bank's approval for any early repayment of Notes is at the absolute discretion of the Reserve Bank.</p> <p>Holders have no right to request that the Notes be repaid early.</p>		
Amount that is payable to Holders if the Notes are repaid	Holders will receive the Face Value plus all accrued but unpaid interest on the Notes when the Notes are repaid		
Interest rate	The interest rate until the First Optional Redemption Date will be a fixed rate (Fixed Rate).		
	The interest rate for subsequent interest periods will be a floating rate (Floating Rate).		
Issue Margin	1.25% per annum.		
	The Issue Margin for the Notes will not change once set.		
Fixed Rate	2.999% per annum.		

Floating Rate	<p>The Floating Rate will be determined by ANZ on the first Business Day of each interest period ending after the First Optional Redemption Date, and will be announced by ANZ via NZX on or about that date.</p> <p>The Floating Rate will be equal to the sum of the 3 Month Bank Bill Rate plus the Issue Margin.</p> <p>If the sum of the 3 Month Bank Bill Rate plus the Issue Margin is less than 0% per annum, the Floating Rate will be deemed to be 0% per annum.</p>
3 Month Bank Bill Rate	<p>The FRA rate administered by the New Zealand Financial Benchmark Facility (NZFBF) (or any person that takes over the administration of that rate) for bank bills having a term of, or of about, 3 months as displayed at or about 10.45am or such later time as ANZ may determine on the first Business Day of the interest period on Bloomberg BKBM page 'GDCO 2805 1' (or any successor page) or if that rate is not displayed, the equivalent rate provided by the NZFBF (or any person that takes over the administration of that rate), in each case expressed as a percentage per annum and rounded, if necessary, to the nearest 4 decimal places with 0.00005 being rounded up</p>
Alternative base rate	<p>ANZ is able to replace the 3 Month Bank Bill Rate with an alternative reference rate if the 3 Month Bank Bill Rate becomes unavailable</p>
Interest payments	<p>Interest is scheduled to be paid quarterly in arrear on each Interest Payment Date and on the date on which the Notes are repaid.</p> <p>When interest is payable at the Fixed Rate, it will be calculated on an annual basis and payable in equal amounts on each Interest Payment Date unless the Notes are repaid on a date that is not a scheduled quarterly Interest Payment Date. If the Notes are repaid on a date that is not a scheduled quarterly Interest Payment Date, the interest payable on the date of repayment will be adjusted to reflect the number of days from the previous Interest Payment Date (or the Issue Date if the Notes are repaid prior to the first Interest Payment Date) to the date of repayment (i.e. calculated on an Actual/Actual basis).</p> <p>When interest is payable at the Floating Rate, interest will be calculated on the basis of the actual number of days in the Interest Period (i.e. calculated on an Actual/365 basis).</p>
Solvency Condition	<p>The payment of interest on each Interest Payment Date (other than the Maturity Date) and any early repayment of the Notes is conditional on ANZ satisfying the Solvency Condition. The Solvency Condition will be satisfied if ANZ is Solvent at the time the payment is due and ANZ is able to pay the amount and still be Solvent immediately after paying the amount. The Solvency Condition does not apply to payments that are required to be made on the Maturity Date.</p> <p>For the purposes of the Solvency Condition, "Solvent" means satisfying the solvency test contained in section 4 of the Companies Act 1993.</p>
No event of default for failure to satisfy the Solvency Condition	<p>No event of default will occur if ANZ does not pay an amount scheduled to be paid on the Notes because the Solvency Condition is not satisfied</p>
Unpaid interest accumulates	<p>Unpaid interest accumulates. This means that if interest is not paid on the Notes on an Interest Payment Date because the Solvency Condition is not satisfied, the unpaid interest will remain owing, will itself bear interest, and will be payable on the earlier of the next Business Day on which the Solvency Condition is satisfied and the Maturity Date.</p>
Events of default	<p>The Notes have very limited events of default, as described below:</p> <ul style="list-style-type: none"> • Payment default: an event of default will occur if ANZ does not pay any Face Value due in respect of the Notes within 7 days of its due date, or ANZ does not pay any interest due in respect of the Notes within 15 days of its due date. • Commencement of liquidation: an event of default will occur on the commencement of liquidation of ANZ. <p>To the extent that a payment on the Notes is not made because the Solvency Condition is not satisfied, the amount is not due and payable and a payment default cannot occur.</p>

Limited enforcement rights and rights in liquidation of ANZ	<p>If an event of default occurs and is continuing, Holders' rights are limited, as described below.</p> <p>In the case of a payment default, a Holder may bring proceedings:</p> <ul style="list-style-type: none"> • to recover any amount then due and payable but unpaid on its Notes (subject to satisfaction of the Solvency Condition if the payment of the unpaid amount was subject to the Solvency Condition); • to obtain an order for specific performance of any other obligation in respect of its Notes; or • for the liquidation of ANZ. <p>In the case of a commencement of liquidation, in addition to the rights listed above, the Face Value of each Note and any accrued but unpaid interest on the Notes will immediately become due and payable and the Holder may claim in the liquidation of ANZ for that amount (on a subordinated basis).</p>
No restrictions on other securities or liabilities	<p>There are no restrictions on ANZ issuing further securities or creating further liabilities after the Notes have been issued that rank equally with, behind or ahead of, the Notes in a liquidation of ANZ. ANZ could therefore, at any time after the Issue Date, issue further securities or create further liabilities that rank equally with, behind or ahead of the Notes in its absolute discretion.</p>
Conversion, exchange or non-viability triggers	Not applicable
Brokerage	0.50% on firm allocations plus 0.50% brokerage, payable by ANZ as issuer
Minimum denominations	NZ\$5,000, and in multiples of NZ\$1,000 thereafter
Face Value/Issue Price	NZ\$1.00 per Note
Record date	<p>In the case of payments of:</p> <ul style="list-style-type: none"> • interest, the date which is 10 days before the relevant Interest Payment Date; or • any other amount, a date determined by ANZ and notified to Holders, <p>or in either case such other date as may be required by NZX</p>
Business Day (for interest payment purposes)	A day that is not a Saturday or Sunday and on which banks are open for general business in Auckland and Wellington
Business Day convention (for interest payment purposes)	<p>If an Interest Payment Date on or before the First Optional Redemption Date is not a Business Day, ANZ will make payment on the next Business Day, but no adjustment will be made to the amount of interest payable.</p> <p>If an Interest Payment Date after the First Optional Redemption Date is not a Business Day, the Interest Payment Date will be the next Business Day, unless that day falls in the next calendar month, in which case it will be the preceding Business Day, and the amount of interest payable will be adjusted to reflect the actual payment date.</p>
ISIN	NZANBDT024C7
NZX code	ANZ intends to quote the Notes on the NZX Debt Market. NZX ticker code ANB170 has been reserved for the Notes. NZX takes no responsibility for the content of this terms sheet. NZX is a licensed market operator and the NZX Debt Market is a licensed market under the Financial Markets Conduct Act 2013.
Principal documents	<p>Limited Disclosure Document relating to the Offer of Notes dated 25 August 2021</p> <p>ANZ Subordinated Notes Deed Poll dated 25 August 2021</p> <p>Other documents and information are available on the online Disclose Register maintained by the Companies Office at www.disclose-register.companiesoffice.govt.nz/ (offer number OFR13137)</p>
Governing law	The Notes, the Deed Poll and the Offer are governed by New Zealand law

Approved Issuer Levy	ANZ intends to register the Notes for approved issuer levy (AIL) and, where it is eligible to do so in respect of interest paid to a non-resident Holder that is subject to the non-resident withholding tax rules (and unless otherwise elected by the Holder) to pay AIL in lieu of deducting non-resident withholding tax. If the Notes qualify for the 0% rate of AIL, ANZ intends to apply the 0% rate, otherwise it will apply AIL at the applicable rate. The amount of any AIL paid will be deducted from payments to you.
Selling restrictions	<p>The LDD only constitutes an offer of Notes to retail investors in New Zealand and to institutional investors in accordance with the selling restrictions set out in the LDD.</p> <p>ANZ has not taken and will not take any action that would permit a public or regulated offering of the Notes, or possession or distribution of any offering material in respect of the Notes, in any country or jurisdiction where action for that purpose is required (other than New Zealand).</p> <p>The Notes may only be offered for sale or sold in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered.</p> <p>The LDD and any disclosure statement, information memorandum, prospectus, circular, advertisement or other offering material in respect of the Notes may only be published, delivered or distributed in or from any country or jurisdiction in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which the material is published, delivered or distributed).</p> <p>Specific selling restrictions will apply to an initial offer of the Notes in the European Economic Area, the United Kingdom, Australia, Hong Kong, Japan, Singapore, Taiwan and the United States or to US Persons.</p>
Arranger	ANZ Bank New Zealand Limited
Joint Lead Managers	ANZ Bank New Zealand Limited, Craigs Investment Partners Limited, Forsyth Barr Limited, Hobson Wealth Partners Limited and Jarden Securities Limited
Registry and paying agent	<p>Computershare Investor Services Limited</p> <p>The Notes will be accepted for settlement in the NZClear system</p>

