

# FINAL TERMS SHEET

8 March 2024

FOR AN ISSUE OF NZ\$275 MILLION  
PERPETUAL PREFERENCE SHARES

JOINT LEAD MANAGERS:



This terms sheet (**Terms Sheet**) is a summary only. More details are contained in the limited disclosure document (**LDD**) for the offer of perpetual preference shares (**PPS**) dated 1 March 2024 (the **Offer**). The LDD is available free of charge on the online Disclose Register maintained by the Companies Office at [www.disclose-register.companiesoffice.govt.nz/](http://www.disclose-register.companiesoffice.govt.nz/) (offer number OFR13716) or can be obtained from the Joint Lead Managers or your usual financial advice provider.

The PPS do not have the same rights (including voting rights) or privileges, or the same opportunity to increase in value, as ordinary shares. Scheduled distributions may be cancelled and ANZ Bank New Zealand Limited (**ANZ**) is under no obligation to pay cancelled distributions at a later date. The PPS are perpetual and have no fixed term. Holders have no right to require repayment for any reason.

ANZ's parent companies, ANZ Group Holdings Limited (**ANZGHL**) and Australia and New Zealand Banking Group Limited (**ANZBGL**), do not guarantee or support ANZ or the PPS. ANZ is not an authorised deposit-taking institution under the Banking Act 1959 of Australia. The PPS do not represent deposits or other liabilities of ANZGHL or ANZBGL. Holders are exposed to investment risks, including those set out in the previous paragraph and loss of income and principal invested. You should read the LDD before deciding to invest in the PPS. You can also seek advice from a financial advice provider to help you make an investment decision.

ANZ reserves the right to cancel the Offer prior to the issue of the PPS.

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	Friday, 1 March 2024
Opening Date	Monday, 4 March 2024
Closing Time	11.00am on Friday, 8 March 2024
Rate Set Date	Friday, 8 March 2024
Issue Date	Tuesday, 19 March 2024
Expected date of quotation on the NZX Debt Market	Wednesday, 20 March 2024

## KEY DATES FOR THE PPS

No fixed maturity date	The PPS have no fixed maturity date and will remain on issue indefinitely if not redeemed by ANZ.
First Scheduled Distribution Payment Date	Wednesday, 19 June 2024
First Optional Redemption Date	Tuesday, 19 March 2030
Scheduled Distribution Payment Dates	19 March, 19 June, 19 September and 19 December in each year
Optional Redemption Dates	The First Optional Redemption Date and each Scheduled Distribution Payment Date after that date.  Any redemption of the PPS is at the option of ANZ, subject to conditions and may not occur.
Distribution Payment Dates	Distributions on the PPS are scheduled to be paid quarterly in arrear on each Scheduled Distribution Payment Date and, if the PPS are redeemed, on the date on which the PPS are redeemed.  Distributions are discretionary, non-cumulative and subject to conditions (see below).

## PERPETUAL PREFERENCE SHARES

<b>Issuer</b>	ANZ Bank New Zealand Limited		
<b>Description</b>	Perpetual preference shares		
<b>Purpose</b>	<p>The Offer will raise Additional Tier 1 Capital to help ANZ meet its regulatory capital requirements and manage its capital position.</p> <p>The proceeds of the Offer will be used for ANZ's general corporate purposes.</p>		
<b>Issue amount</b>	NZ\$275 million.		
<b>Regulatory treatment</b>	Additional Tier 1 Capital		
<b>Credit ratings</b>		<b>Senior credit rating of ANZ</b>	<b>Credit rating of the PPS</b>
	S&P Global Ratings	AA- (Stable)	BBB
	Fitch	A+ (Stable)	Not rated
	Moody's Investors Service	A1 (Stable)	Not rated
	A credit rating is not a recommendation by any rating organisation to buy, sell or hold the PPS. The above credit ratings are current as at the date of this Terms Sheet and may be subject to suspension, revision or withdrawal at any time.		
<b>Legal form</b>	Equity		
<b>Accounting form</b>	Equity		
<b>Ranking and rights in liquidation</b>	<p>In a liquidation of ANZ, each PPS gives the Holder, in the distribution of surplus assets of ANZ, the right to payment of a maximum amount equal to the Issue Price, which ranks:</p> <ul style="list-style-type: none"> <li>behind the claims of all depositors and other creditors of ANZ (including holders of Tier 2 Capital instruments of ANZ), except for the claims and rights described below;</li> <li>equally with the rights of other Holders and the rights and claims of holders of any other preference shares, securities or other obligations of ANZ that rank equally with the PPS; and</li> <li>ahead of the rights of ANZ's ordinary shareholders.</li> </ul> <p>In a liquidation of ANZ, it is unlikely that there will be surplus assets available for the liquidator to pay any amount to Holders in respect of the PPS.</p>		
<b>No guarantee or security</b>	The PPS are not guaranteed by any person (including ANZGHL, ANZBGL or any of ANZ's subsidiaries) and are unsecured.		
<b>Not deposit liabilities</b>	The PPS are not deposit liabilities of ANZ. The PPS do not represent deposits or other liabilities of ANZGHL or ANZBGL.		
<b>Issue Price</b>	NZ\$1.00 per PPS		
<b>No fixed maturity date</b>	The PPS have no fixed maturity date and will remain on issue indefinitely if not redeemed by ANZ.		
<b>Redemption</b>	<p>ANZ may redeem all of the PPS:</p> <ul style="list-style-type: none"> <li>on an Optional Redemption Date; or</li> <li>at any time if a Tax Event or Regulatory Event occurs.</li> </ul> <p>ANZ may only redeem the PPS if certain conditions are met, including:</p> <ul style="list-style-type: none"> <li>the Reserve Bank having given its written approval to the redemption (approval is at the absolute discretion of the Reserve Bank); and</li> <li>ANZ satisfying the Solvency Condition.</li> </ul> <p>Any redemption of the PPS is at the option of ANZ, subject to conditions and may not occur.</p>		

<b>Amount that is payable to Holders if the PPS are redeemed</b>	Holders will receive the Issue Price if the PPS are redeemed.
<b>No holder redemption rights</b>	Holders have no right to require that the PPS be redeemed.
<b>Distributions</b>	Distributions on the PPS are expected to comprise a cash amount and imputation credits. The cash amount and imputation credits together will be equal to the Distribution Rate.
<b>Distribution Rate</b>	<p>The Distribution Rate will be a fixed rate for a period of 6 years, after which it will change to a floating rate that resets at quarterly intervals.</p> <p>The Distribution Rate until the First Optional Redemption Date will be 7.60% per annum.</p> <p>The Distribution Rate after the First Optional Redemption Date will be reset quarterly to be the sum of the applicable 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 Distribution Rate will be 0% per annum.</p> <p>When the Distribution Rate is reset, the new Distribution Rate will be announced by ANZ via NZX on or about the date it is reset.</p>
<b>Issue Margin</b>	<p>3.25% per annum</p> <p>The Issue Margin for the PPS will not change.</p>
<b>3 Month Bank Bill Rate</b>	<ul style="list-style-type: none"> <li>• 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 (New Zealand time) or such later time as ANZ may determine on the previous Scheduled Distribution Payment Date on Bloomberg BKBM page 'GDCO 2805' (or any successor page); or</li> <li>• if that rate is not displayed by 10.45am (New Zealand time) or such later time as ANZ may determine on that date (other than on account of a BKBM Disruption Event), the equivalent rate provided by the NZFBF (or any person that takes over the administration of that rate) at or around that time on that date,</li> </ul> <p>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>
<b>Alternative reference rate</b>	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><b>How the cash amount of fully imputed distributions is determined</b></p>	<p><b>Distributions made on or before the First Optional Redemption Date</b></p> <ul style="list-style-type: none"> <li>The cash distribution payable on each PPS on each Scheduled Distribution Payment Date on or before the First Optional Redemption Date and on the date the PPS are redeemed (if they are redeemed on a date on or before the First Optional Redemption Date that is a Scheduled Distribution Payment Date) is calculated according to the following formula:</li> </ul> $\text{Cash distribution payable} = \frac{\text{Distribution Rate} \times (1 - \text{Tax Rate}) \times \text{Issue Price}}{4}$ <ul style="list-style-type: none"> <li>The cash distribution payable on each PPS on the date the PPS are redeemed (if they are redeemed on a date before the First Optional Redemption Date that is not a Scheduled Distribution Payment Date) is calculated according to the following formula:</li> </ul> $\text{Cash distribution payable} = \left( \frac{\text{Distribution Rate} \times (1 - \text{Tax Rate}) \times \text{Issue Price}}{4} \right) \times \frac{A}{B}$ <p><b>Distributions made after the First Optional Redemption Date</b></p> <ul style="list-style-type: none"> <li>The cash distribution payable on each PPS on each Distribution Payment Date after the First Optional Redemption Date and on the date the PPS are redeemed (if they are redeemed on a date after the First Optional Redemption Date) is calculated in accordance with the following formula:</li> </ul> $\text{Cash distribution payable} = \frac{\text{Distribution Rate} \times (1 - \text{Tax Rate}) \times \text{Issue Price} \times A}{365}$
	<p><b>Determining the cash amount</b></p> <p>For the purposes of determining the cash amount, the Distribution Rate will be expressed as a decimal. In addition:</p> <p>“<b>A</b>” means, in respect of a Distribution Payment Date, the number of days from (and including) the preceding Scheduled Distribution Payment Date (or the Issue Date in the case of the first Distribution Payment Date) to (but excluding) the Distribution Payment Date.</p> <p>“<b>B</b>” means, in respect of a Distribution Payment Date, the number of days from (and including) the preceding Scheduled Distribution Payment Date (or the Issue Date in the case of the first Distribution Payment Date) to (but excluding) the date that would have been the next Scheduled Distribution Payment Date had the PPS not been redeemed.</p> <p>“<b>Tax Rate</b>” means the New Zealand corporate tax rate on the relevant Distribution Payment Date (expressed as a decimal).</p>
<p><b>Imputation credits</b></p>	<p>Distributions on the PPS are expected to be fully imputed. If a distribution is not fully imputed, the cash amount will be increased by an amount corresponding to the shortfall in imputation credits.</p>
<p><b>Distributions are discretionary and subject to conditions</b></p>	<p>ANZ has full discretion at all times to cancel distributions on the PPS. In addition, the payment of a distribution on a Distribution Payment Date is subject to:</p> <ul style="list-style-type: none"> <li>the payment of the distribution being permitted by ANZ’s conditions of registration as at the time of the payment; and</li> <li>ANZ satisfying the Solvency Condition.</li> </ul>
<p><b>Solvency Condition</b></p>	<p>The payment of distributions on a Distribution Payment Date and any redemption of the PPS is conditional on ANZ satisfying the Solvency Condition. The Solvency Condition will be satisfied if ANZ:</p> <ul style="list-style-type: none"> <li>is Solvent (as defined below) on the applicable payment date; and</li> <li>is able to pay the amount and remain Solvent immediately after paying the amount.</li> </ul> <p>For the purposes of the Solvency Condition, “<b>Solvent</b>” means satisfying the solvency test contained in section 4 of the Companies Act 1993, as modified by section 52 of that Act.</p>

<b>Distributions are non-cumulative</b>	<p>Distributions are non-cumulative. If a distribution is not paid when scheduled, ANZ is under no obligation to pay that distribution at a later date. Non-payment will not constitute a default by ANZ, and Holders will have no right to take action against ANZ or any other member of the ANZ Group in respect of that non-payment.</p> <p>“ANZ Group” means ANZ, 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.</p>
<b>Distribution stopper</b>	<p>If a distribution is not paid in full within 3 Business Days of a Distribution Payment Date, ANZ 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, until:</p> <ul style="list-style-type: none"> <li>• ANZ pays a distribution on the PPS in full on a subsequent Scheduled Distribution Payment Date; or</li> <li>• there are no PPS outstanding.</li> </ul>
<b>Limited enforcement rights</b>	<p>The terms of the PPS do not include events of default or any other provisions entitling Holders to require that the PPS be redeemed.</p> <p>Holders have no right to apply for the liquidation or administration of ANZ or any other member of the ANZ Group, or to cause a receiver or receiver and manager to be appointed in respect of ANZ or any other member of the ANZ Group on the grounds of ANZ’s failure or potential failure to pay distributions on the PPS or for any other reason in connection with ANZ’s compliance with the terms of the PPS.</p>
<b>No restrictions on other securities or liabilities</b>	<p>There are no restrictions on ANZ issuing further securities or incurring further liabilities after the PPS have been issued that rank equally with, or in priority to, the PPS in a liquidation of ANZ.</p> <p>ANZ could therefore, at any time after the Issue Date, issue further securities or incur further liabilities that rank equally with or in priority to the PPS.</p>
<b>No voting rights</b>	<p>Holders have no right to vote at any general meeting of ANZ or participate in any other decision or resolution of ANZ’s ordinary shareholders.</p>
<b>No other rights</b>	<p>Holders have no right to participate in the issue of any other securities of ANZ or any other member of the ANZ Group or to participate in any bonus issues of securities of ANZ or any other member of the ANZ Group. Holders have no rights to participate in the profits or property of ANZ, except by receiving distributions on the PPS (which are discretionary and subject to conditions).</p>
<b>Conversion, exchange or non-viability triggers</b>	<p>The PPS have no conversion or exchange options and no non-viability triggers.</p>
<b>Business Day (for distribution payment purposes)</b>	<p>A day that is not a Saturday or Sunday and on which banks are open for general business in Auckland and Wellington.</p>
<b>Business Day convention (for distribution payment purposes)</b>	<p>If a Distribution 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 distribution payable.</p> <p>If a Distribution Payment Date after the First Optional Redemption Date is not a Business Day, the Distribution 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, in either case, the amount of the distribution paid will be adjusted to reflect the actual payment date.</p>
<b>Record Date</b>	<p>In the case of:</p> <ul style="list-style-type: none"> <li>• distributions, the date which is 10 days before the relevant Distribution Payment Date; or</li> <li>• any redemption, a date determined by ANZ and notified to Holders.</li> </ul>
<b>Brokerage</b>	<p>0.50% on firm allocations plus 0.50% brokerage, payable by ANZ as Issuer.</p>
<b>No gross up</b>	<p>There will be no gross up for RWT, NRWT or any other form of withholding.</p>
<b>ISIN</b>	<p>NZANBEP002C6</p>
<b>NZX Code</b>	<p>ANZ intends to quote the PPS on the NZX Debt Market. NZX ticker code ANBHD has been reserved for the PPS. 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.</p>

<b>Documents</b>	<ul style="list-style-type: none"> <li>• LDD relating to the offer of PPS dated 1 March 2024</li> <li>• ANZ's constitution</li> <li>• Terms of the PPS</li> <li>• Other documents and information are available on the online Disclose Register maintained by the Companies Office at <a href="http://www.disclose-register.companiesoffice.govt.nz/">www.disclose-register.companiesoffice.govt.nz/</a> (offer number OFR13716).</li> </ul>
<b>Governing law</b>	New Zealand
<b>Minimum subscription amount</b>	NZ\$5,000 and in multiples of NZ\$1,000 thereafter.
<b>No public pool</b>	There will be no public pool for the PPS. All PPS will be reserved for subscription by clients of the Joint Lead Managers, Primary Market Participants and other persons invited to participate in the Bookbuild.
<b>Selling restrictions</b>	<p>The LDD constitutes an offer of PPS to New Zealand investors.</p> <p>The PPS may only be offered for sale and sold in New Zealand.</p> <p>ANZ has not taken and will not take any action which would permit a public or regulated offering of PPS, or possession or distribution of any offering material in respect of the PPS, in any country or jurisdiction other than New Zealand.</p> <p>Following their issue, the PPS 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>
<b>No underwriting</b>	The Offer is not underwritten.
<b>Arranger</b>	ANZ Bank New Zealand Limited
<b>Joint Lead Managers</b>	ANZ Bank New Zealand Limited, Craigs Investment Partners Limited, Forsyth Barr Limited, Hobson Wealth Partners Limited and Jarden Securities Limited.
<b>Registry and paying agent</b>	<p>Computershare Investor Services Limited</p> <p>The PPS will be accepted for settlement in the NZClear system.</p>

