

# SUMMARY TERMS SHEET

## ANZ CAPITAL NOTES 4

### KEY FEATURES OF THE OFFER

Issuer	➤ Australia and New Zealand Banking Group Limited ABN 11 005 357 522 ("ANZ").
Description	➤ Fully paid, convertible, redeemable and resaleable, non-cumulative, perpetual, unsecured, subordinated, listed notes issued by ANZ ("ANZ Notes 4" or "Notes").
Offer Size	➤ A\$1 billion, with the ability to raise more or less.
Use of proceeds	➤ The Offer is part of ANZ's ongoing capital management strategy. ANZ will use the proceeds to refinance CPS2 and for general corporate purposes.
Offer Structure	<p>➤ The Offer comprises:</p> <ul style="list-style-type: none"><li>○ an ANZ Securityholder Offer;</li><li>○ a Reinvestment Offer;</li><li>○ a Broker Firm Offer; and</li><li>○ an Institutional Offer.</li></ul> <p>Applications from ANZ Securityholder Applicants and CPS2 Reinvestment Applicants may be scaled back if there is excess demand for the Offer.</p>
Minimum Application amount	<p>➤ 50 Notes (\$5,000) and thereafter in multiples of 10 Notes (\$1,000).</p> <p>➤ If you are an Eligible CPS2 Holder and own less than 50 CPS2, you can still apply to participate in the Reinvestment Offer but you must apply to reinvest all of your CPS2.</p>

### KEY FEATURES OF ANZ CAPITAL NOTES 4

Face Value	➤ A\$100 per Note. This is the price you need to pay to apply for each Note under the Prospectus.
Term	➤ Holders should be aware that the Notes do not have a fixed maturity date. While the Notes are scheduled to Convert into Ordinary Shares on 20 March 2026, that Conversion is subject to conditions which may never be met. Accordingly, if the Notes are not Exchanged (via Conversion, Redemption or Resale), they could remain on issue indefinitely. Holders have no right to request or require an Exchange.
Distributions	<p>➤ Distributions are cash payments on the Notes which are scheduled to be paid quarterly until all Notes are Converted or Redeemed.</p> <p>➤ The Distribution Rate is calculated in accordance with the following formula: <b>Distribution Rate = (BBSW Rate + Margin) x (1 – Tax Rate)</b> Where:</p> <ul style="list-style-type: none"><li>○ <b>Margin</b> is the margin determined under the Bookbuild (expected to be in the range of 4.70% to 4.90%; and</li><li>○ <b>Tax Rate</b> is the Australian corporate tax rate applicable to the franking account of ANZ as at the relevant Distribution Payment Date. As at the date of this Prospectus, the Tax Rate is 30%.</li></ul> <p>➤ The Distribution Payment Dates are, generally, 20 March, 20 June, 20 September and 20 December.</p> <p>➤ The first Distribution is scheduled to be paid on 20 December 2016. You should note that the first Distribution Period is shorter than the normal Distribution Period.</p> <p>➤ Distributions paid on the Notes are expected to be fully or substantially franked.</p>
Distribution Payment Conditions	<p>➤ Distributions may not always be paid. The payment of each Distribution is subject to ANZ's absolute discretion and no Payment Condition existing in respect of the relevant Distribution Payment Date.</p> <p>➤ A Payment Condition will exist where:</p>

	<ul style="list-style-type: none"> <li>○ the payment of Distributions will result in ANZ (on a Level 1 basis) or the ANZ Group (on a Level 2 basis or, if applicable, a Level 3 basis) not complying with APRA's then current capital adequacy requirements;</li> <li>○ the payment of Distributions would result in ANZ becoming, or being likely to become, insolvent for the purposes of the Corporations Act; or</li> <li>○ APRA objects to the payment of the Distribution.</li> </ul> <p>➤ All payments are subject to applicable law.</p>
Mandatory Conversion Date	<p>➤ The Mandatory Conversion Date is 20 March 2026 or if the Mandatory Conversion Conditions are not satisfied on that date, the first Distribution Payment Date on which the Mandatory Conversion Conditions are satisfied.</p>
Mandatory Conversion Conditions	<p>➤ Conversion will not occur unless all the Mandatory Conversion Conditions are satisfied. The Mandatory Conversion Conditions are:</p> <ul style="list-style-type: none"> <li>○ <b>First Mandatory Conversion Condition:</b> the VWAP on the 25th Business Day before a potential Mandatory Conversion Date is greater than 56.00% of the Issue Date VWAP.</li> <li>○ <b>Second Mandatory Conversion Condition:</b> the VWAP during the period of 20 Business Days in which trading in Ordinary Shares took place before a potential Mandatory Conversion Date is greater than 50.51% of the Issue Date VWAP.</li> <li>○ <b>Third Mandatory Conversion Condition:</b> no Delisting Event applies to Ordinary Shares in respect of the possible Mandatory Conversion Date. Broadly, a Delisting Event occurs when ANZ is delisted, its Ordinary Shares have been suspended from trading for a certain period, or ANZ is prevented by applicable law or any other reason from Converting Notes.</li> </ul> <p>➤ It is intended that upon a Mandatory Conversion, the Holder receives Ordinary Shares worth approximately \$101 that are capable of being sold on ASX.</p> <p>➤ There is a cap on the maximum number of shares that Holders can be issued on conversion of an instrument such as ANZ Capital Notes 4 due to Prudential Standards and ratings agency requirements. The maximum number is based on the Issue Date VWAP of Ordinary Shares, and, in the case of Mandatory Conversion, is set by dividing the Face Value of the Notes by 50% of the Issue Date VWAP.</p> <p>➤ If the price of Ordinary Shares were to fall significantly, the number of shares that you would receive may be limited to the Maximum Conversion Number and the value of those Ordinary Shares is likely to be less than \$101. In order to give Holders some protection against receiving Ordinary Shares worth less than approximately \$101, the First and Second Mandatory Conversion Conditions have been included, so that where the VWAP of Ordinary Shares has fallen to less than the specified percentage of the Issue Date VWAP, Mandatory Conversion is deferred.</p> <p>➤ In order that Holders receive on Conversion Ordinary Shares capable of being sold on ASX, the Third Mandatory Conversion Condition has been included, so that if Ordinary Shares are not listed, Mandatory Conversion is deferred.</p>
How many Ordinary Shares will Holders receive on Mandatory Conversion?	<p>➤ If Notes are Converted on the Mandatory Conversion Date, Holders will receive a number of Ordinary Shares per Note that is equivalent to the number calculated using the following formula:</p> $\frac{\text{Face Value}}{99\% \times \text{VWAP}}$ <p>➤ The VWAP for this purpose is the VWAP during the 20 Business Days on which trading in Ordinary Shares took place before the Mandatory Conversion Date.</p> <p>➤ In the above calculation, there is a small Conversion discount since selling costs are likely to apply to the sale of Ordinary Shares on ASX.</p>
Optional Exchange by ANZ	<p>➤ ANZ Capital Notes 4 have no fixed maturity but ANZ may choose to Exchange all or some ANZ Capital Notes 4 on the Optional Exchange Date or all Notes after a Tax Event or Regulatory Event occurs, in each case if APRA has given its approval and certain conditions are met.</p>
What is the Optional Exchange Date?	<p>➤ 20 March 2024, which is 2 years before the Mandatory Conversion Date.</p>

---

What does Exchange mean?

- Exchange means:
    - Notes are Converted into a variable number of Ordinary Shares with a value<sup>1</sup> of approximately<sup>1</sup> \$101 per Note;
    - Notes are Redeemed for \$100 per Note;
    - Notes are Resold to a purchaser nominated by ANZ (that cannot be ANZ or a Related Entity of ANZ) for \$100 per Note; or
    - a combination of the above.
  - No Exchange will occur without APRA's prior written approval and unless certain conditions are met.
  - Holders should not expect that APRA will give its approval for any Exchange.
  - Further detail on Exchange is available in section 2.3 of the Prospectus.
- 

Automatic Conversion following a Trigger Event

- ANZ Capital Notes 4 are required to be Converted following the occurrence of a Trigger Event.
  - The Mandatory Conversion Conditions do not apply to a Conversion following a Trigger Event. The number of Ordinary Shares that Holders will receive on a Conversion in these circumstances will not be greater than the Maximum Conversion Number.
  - A Trigger Event may occur where ANZ encounters severe financial difficulty. In the event of a Conversion following a Trigger Event, depending on the market price of Ordinary Shares at the relevant time, Holders are likely to receive Ordinary Shares that are worth significantly less than approximately \$101 for each Note they hold and may suffer loss as a consequence. If the Notes are not Converted for any reason (including an Inability Event) they will be Written Off, which means all rights in relation to those Notes will be terminated, and Holders will not have their capital repaid.
- 

What is a Trigger Event?

There are two types of Trigger Events:

**1. Common Equity Capital Trigger Event**

- A Common Equity Capital Trigger Event will occur if, at any time ANZ determines, or APRA has notified ANZ in writing that it believes, that a Common Equity Capital Ratio is equal to or less than 5.125%.
- ANZ must immediately notify APRA in writing if it makes such a determination.
- The Common Equity Capital Ratio is the ratio of Common Equity Tier 1 Capital of the ANZ Level 1 Group or the ANZ Level 2 Group (as applicable) (including Ordinary Shares, retained earnings and certain reserves but net of Common Equity Tier 1 Capital Deductions) to the risk weighted assets of the ANZ Level 1 Group or the ANZ Level 2 Group respectively, as prescribed by APRA.
- The Common Equity Capital Ratios of both the ANZ Level 1 and Level 2 Groups was 9.7% at 30 June 2016, which take into account the 2016 interim dividend paid on 1 July 2016. See section 5.4.8 and 5.4.9 of the Prospectus for more information about the Common Equity Capital Ratio.

**2. A Non-Viability Trigger Event**

- A Non-Viability Trigger Event will occur if, at any time:
    - APRA notifies ANZ in writing that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZ would become non-viable; or
    - APRA notifies ANZ in writing that it has determined that without a public sector injection of capital (or equivalent support) ANZ would become non-viable.
  - APRA has not provided guidance on when it will consider an entity to be non-viable. However, it is likely that APRA will consider an entity to be non-viable when, for example, the entity is suffering from significant financial stress, is insolvent or cannot raise money in the public or private market.
- 

What happens following a Trigger Event?

- ANZ may be required to Convert a number of Notes into Ordinary Shares following the occurrence of a Trigger Event. If a Trigger Event occurs, ANZ must Convert the Notes immediately on that day. ANZ must notify Holders as soon as practicable of that event occurring, but the Conversion occurs whether or not that notice is given. Conversion in these circumstances is not subject to the Mandatory Conversion Conditions (or any other conditions) and so cannot be stopped for those reasons.
  - If Conversion has not been effected within 5 Business Days after the Trigger Event Conversion Date for any reason (including an Inability Event), the Notes will be Written Off with effect on and from the Trigger Event Conversion Date and a Holder will suffer loss as a consequence.
- 

<sup>1</sup> Based on the VWAP during a period, usually 20 Business Days, on which trading in Ordinary Shares took place immediately preceding the Exchange Date. The VWAP of Ordinary Shares during the relevant period before the Exchange Date that is used to calculate the number of Ordinary Shares that Holders receive may differ from the Ordinary Share price on or after the Exchange Date. This means that the value of Ordinary Shares received may be more or less than anticipated when they are issued or thereafter.

- If a Note is Written Off:
  - the Note will not be Converted on that date and will not be Exchanged on any other date; and
  - the relevant Holder's rights (including to payment of Distributions and Face Value) in relation to such Note are immediately and irrevocably terminated and Written Off.
- If Notes are Converted on a Trigger Event Conversion Date, Holders will receive a number of Ordinary Shares per Note that is equivalent to the number calculated using the following formula, being subject to a cap so that the number of Ordinary Shares received is limited to the Maximum Conversion Number:

$$\frac{\text{Face Value}}{99\% \times \text{VWAP}}$$

- The cap imposed by the Maximum Conversion Number is likely to mean that fewer, and possibly significantly fewer, Ordinary Shares would be received by a Holder than if this cap did not exist.
- The VWAP for this purpose is the VWAP during the 5 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Trigger Event Conversion Date (when the price of Ordinary Shares may be low).
- The Maximum Conversion Number in the case of a Trigger Event is determined using the following formula:

$$\frac{\text{Face Value}}{\text{Issue Date VWAP} \times 0.2}$$

- This formula is derived from market precedents and the cap on the number of Ordinary Shares that are permitted to be issued in these circumstances under the Prudential Standards and ratings agency requirements.
- This means that, depending on the market price of Ordinary Shares at the relevant time, a Holder is likely to receive significantly less than approximately \$101 worth of Ordinary Shares per Note and is likely to suffer a loss as a consequence.

#### Ranking of ANZ Capital Notes 4 in a Winding Up

- On a winding-up of ANZ, the Notes rank for payment ahead of Ordinary Shares, equally among themselves, equally with Equal Ranking Instruments (including ANZ Capital Securities), and behind all Senior Creditors, including depositors. This means that, on a winding-up, there is a risk that Holders will lose all or some of their investment.
- If the Notes have been Converted into Ordinary Shares prior to a winding-up of ANZ, the Ordinary Shares received on Conversion will rank equally with other Ordinary Shares and a holder's claim in a winding-up of ANZ will therefore rank lower than it would have if the Notes had not been Converted. If Notes are Written Off, those Notes will never Convert or be Exchanged and Holders will not have their capital repaid at all.

#### ANZ Capital Notes 4 are not deposit liabilities or protected accounts

ANZ Capital Notes 4 are not:

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

#### Regulatory treatment

- APRA has confirmed that the Notes will constitute Additional Tier 1 Capital for the purposes of ANZ's regulatory capital requirements.
- The Notes and ANZ's other regulatory capital help to protect ANZ's depositors and other creditors by providing a capital buffer which supports losses that may be incurred on ANZ's assets.

#### ASX quotation

- ANZ will apply for ANZ Capital Notes 4 to be listed on ASX and ANZ Capital Notes 4 are expected to trade under ASX code "ANZPG".

#### Offer Document

- Prospectus dated on or about 16 August 2016

### INFORMATION ABOUT THE REINVESTMENT OFFER

#### What are CPS2?

- CPS2 are fully paid preference shares issued by ANZ in 2009 that trade on ASX under code "ANZPA".

#### Reinvestment Offer

- Under the Reinvestment Offer, ANZ is proposing to buy-back CPS2 from Eligible CPS2 Holders for \$100 per CPS2. Eligible CPS2 Holders who successfully participate in the Reinvestment Offer will not receive the buy-back proceeds from ANZ, instead the buy-back proceeds will be applied to the Application Payment for ANZ Capital Notes 4. Eligible CPS2 Holders will also receive a Pro Rata Dividend for those CPS2 that are

	<p>reinvested (subject to the conditions to payment in the CPS2 terms).</p> <p>➤ Eligible CPS2 Holders are persons who are:</p> <ul style="list-style-type: none"> <li>○ registered as a holder of CPS2 at 7:00pm AET on 8 August 2016;</li> <li>○ shown on the CPS2 register as having an address in Australia; and</li> <li>○ not in the United States or acting as a nominee for, or for the account or benefit of, a US Person or not otherwise prevented from receiving the Reinvestment Offer or ANZ Capital Notes 4 under the laws of any jurisdiction.</li> </ul>
Options for Eligible CPS2 Holders	<p>➤ Eligible CPS2 Holders can:</p> <ol style="list-style-type: none"> <li>1. apply to reinvest all or some of your CPS2 in ANZ Capital Notes 4;</li> <li>2. apply for more ANZ Capital Notes 4 than the number of CPS2 that you have applied to be reinvested;</li> <li>3. sell your CPS2 on market through your broker or otherwise (if you have not elected for the CPS2 to be reinvested); or</li> <li>4. take no action and potentially have your CPS2 resold for \$100 each on 15 December 2016.</li> </ol>
Key differences between ANZ CPS2 and ANZ capital Notes 4	<p>➤ There are a number of differences between ANZ Capital Notes 4 and CPS2 which Eligible CPS2 Holders should be aware of before deciding to reinvest your CPS2 under the Reinvestment Offer. The table in section 3.2 of the Prospectus describes the key features of the Notes and CPS2 and highlights the main differences between them. You should consider these differences in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) before deciding to apply for Notes.</p>
What are the risks associated with participating in the Reinvestment Offer?	<p>➤ If you are an Eligible CPS2 Holder and you apply under the Reinvestment Offer, you may receive an allocation of ANZ Capital Notes 4. As such, you will be subject to the risks associated with an investment in ANZ Capital Notes 4 and in ANZ, many of which are outside the control of ANZ and its directors. These risks are outlined in Section 6 of the Prospectus and should be considered before you apply under the Reinvestment Offer.</p> <p>➤ The Reinvestment Offer is not a simple rollover into a similar investment. ANZ Capital Notes 4 and CPS2 have different benefits and risks, which must be evaluated separately (see the Prospectus).</p> <p>➤ The buy-back proceeds paid to an Eligible CPS2 Holder for a Reinvestment CPS2 may be less than the market value of CPS2. Rather than participating in the Reinvestment Offer, Eligible CPS2 Holders may obtain a better financial outcome by selling their CPS2 on market and investing the proceeds in ANZ Capital Notes 4.</p>
<b>KEY RISKS ASSOCIATED WITH AN INVESTMENT IN ANZ CAPITAL NOTES 4</b>	
<p>Before deciding whether to apply for Notes, you should consider whether the Notes are a suitable investment for you. There are risks associated with investing in Notes and in ANZ. Many of those risks are outside the control of ANZ and its Directors. The key risks are detailed in Section 1.5 and Section 6 of the Prospectus and you should read that section in full before deciding to invest. The section below outlines the key risks associated with an investment in the Notes.</p>	
ANZ Capital Notes 4 are not deposit liabilities or protected accounts	<p>➤ ANZ Capital Notes 4 are not deposit liabilities of ANZ, are not protected accounts for the purposes of the Banking Act or any other accounts with ANZ and are not guaranteed or insured by any person.</p>
Financial market conditions and liquidity	<p>➤ The market price of the Notes may move up or down due to various factors that affect financial market conditions. It is possible that the Notes may trade at a market price below their Face Value of \$100. This means that Holders who seek to sell their Notes at that time may do so at a loss.</p> <p>➤ The liquidity of the Notes may be low and the market for the Notes may be volatile. This means that Holders may not be able to sell their Notes at an acceptable price, at or above Face Value or at all. The market for the Notes may be less liquid and/or more volatile than the market for Ordinary Shares or other securities issued by ANZ or other entities.</p>
Distributions may not be paid	<p>➤ There is a risk that Distributions may not be paid.</p> <p>➤ If a Distribution is not paid in full on a Distribution Payment Date, Holders have no claim or entitlement in respect of non-payment nor any right to receive that Distribution at any later time. Non-payment is not an event of default.</p>
Changes in Distribution Rate	<p>➤ The Distribution Rate will move up or down over time as a result of movements in the BBSW Rate. There is a risk that the Distribution Rate may become less attractive when compared to the rates of return available on other investments.</p>



Mandatory Conversion may not occur on the Mandatory Conversion Date	<ul style="list-style-type: none"> <li>➤ ANZ Capital Notes 4 have no fixed maturity date but will Convert into Ordinary Shares on 20 March 2026 if the Mandatory Conversion Conditions are satisfied, unless Notes are otherwise Exchanged on or before that date. If these conditions are not met on 20 March 2026, Conversion will occur on the next Distribution Payment Date on which they are satisfied. There is a risk that Conversion will not occur because the Mandatory Conversion Conditions are not satisfied.</li> <li>➤ If the Mandatory Conversion Conditions are never satisfied there is a risk that the Notes may never Convert and could remain on issue indefinitely.</li> </ul>
Holders have no right to request early Exchange	<ul style="list-style-type: none"> <li>➤ Holders have no right to request that their Notes be Exchanged. Unless their Notes are Exchanged, to realise their investment, Holders would need to sell their Notes on the ASX at the prevailing market price. That price may be less than the Face Value, and there may be no liquid market in the Notes. The Note Terms contain no events of default.</li> </ul>
Mandatory Conversion or Write Off following a Trigger Event	<ul style="list-style-type: none"> <li>➤ If a Trigger Event occurs and Notes are Converted, the number of Ordinary Shares a Holder will receive for each Note is limited to the Maximum Conversion Number. This means that, depending on the market price of Ordinary Shares at the time, Holders are likely to receive significantly less than approximately \$101 worth of Ordinary Shares per Note and may suffer loss as a consequence. Where Conversion is not effected within five Business Days after the Trigger Event Conversion Date for any reason (including an Inability Event), the Notes will be Written Off. This means that all rights (including to Distributions and to Face Value in respect of those Notes), will be terminated with effect on and from the Trigger Event Conversion Date. A Holder's investment will lose all of its value, they will not have their capital repaid and they will not receive any compensation.</li> <li>➤ A Trigger Event may occur at any time.</li> </ul>
Ranking in a winding-up of ANZ	<ul style="list-style-type: none"> <li>➤ On a winding-up of ANZ, the Notes rank for payment ahead of Ordinary Shares, equally among themselves, equally with Equal Ranking Instruments (including ANZ Capital Securities), and behind all Senior Creditors, including depositors. This means that, on a winding-up, there is a risk that Holders will lose all or some of their investment. If the Notes have been Converted into Ordinary Shares prior to a winding -up of ANZ, the Ordinary Shares received on Conversion will rank equally with other Ordinary Shares and rank lower than they would have had they still remained ANZ Capital Notes 4. If Notes are Written Off, Holders will not have their capital repaid at all.</li> </ul>
ANZ may issue further securities	<ul style="list-style-type: none"> <li>➤ There is no limit on the amount of senior debt, deposits or other obligations or securities that may be incurred or issued by ANZ at any time, which may affect a Holder's ability to be repaid on a winding-up of ANZ.</li> </ul>
Fluctuation in Ordinary Share price	<ul style="list-style-type: none"> <li>➤ The market price of Ordinary Shares will move up or down due to various factors, including investor perceptions, domestic and worldwide economic conditions, ANZ's financial performance and position, and transactions affecting the share capital of ANZ. As a result, the price used to calculate the number of Ordinary Shares received by Holders upon Conversion may be different to the market price of the Ordinary Shares when they are issued or thereafter.</li> </ul>
ANZ's financial performance and position	<ul style="list-style-type: none"> <li>➤ The market price of the Notes (and the Ordinary Shares into which they can Convert) may be affected by ANZ's financial performance and position. For specific risks associated with an investment in ANZ, see Section 6.2 of the Prospectus.</li> <li>➤ ANZ's financial performance and position may also affect the credit rating associated with ANZ's securities, which may impact the market price and liquidity of the Notes. ANZ's credit rating may be revised, withdrawn or suspended by ratings agencies at any time.</li> </ul>

## ASIC GUIDANCE IN RELATION TO HYBRIDS

ASIC has released information for retail investors who are considering investing in hybrid securities	<ul style="list-style-type: none"> <li>➤ ASIC has published guidance on hybrid securities on its MoneySmart website which may be relevant to your consideration of Notes. You can find this guidance by searching 'hybrid securities' at <a href="http://www.moneysmart.gov.au">www.moneysmart.gov.au</a>. The guidance includes a series of questions you should ask before you invest in hybrid securities, as well as a short quiz to check your understanding of how hybrids work, their features and risks.</li> <li>➤ ANZ has developed an interactive module on bank hybrid securities which may assist you to better understand bank hybrid securities, their features and their risks. The module explains the different ways you may invest in a bank, including by depositing money or investing in securities issued by a bank.</li> <li>➤ The module is available at <a href="http://shareholder.anz.com/education/hybrids">shareholder.anz.com/education/hybrids</a>.</li> </ul>
---	--

This document provides a summary of the key features and risks of ANZ Capital Notes 4. ANZ strongly recommends that you read the Prospectus in full, in particular the sections dedicated to risks and taxation before deciding whether to apply for ANZ Capital Notes 4.

## KEY DATES FOR THE OFFER

Lodgement of Prospectus with ASIC	16 August 2016
Bookbuild to determine the Margin and announcement of the Margin	23 August 2016
Lodgement of the replacement prospectus with ASIC	24 August 2016
Opening Date	24 August 2016
Closing Date for ANZ Securityholder Offer	5:00pm AET on 19 September 2016
Closing Date for Broker Firm Offer and Institutional Offer	10:00am AET on 26 September 2016
Issue Date	27 September 2016
ANZ Capital Notes 4 commence trading on ASX (deferred settlement basis)	28 September 2016
Confirmation Statements despatched by	4 October 2016
ANZ Capital Notes 4 commence trading on ASX (normal settlement basis)	5 October 2016
First Distribution Payment Date <sup>1</sup>	20 December 2016
Optional Exchange Date	20 March 2024
Mandatory Conversion Date <sup>2</sup>	20 March 2026

## KEY DATES FOR CPS2 HOLDERS

Record date for determining Eligible CPS2 Holders for Reinvestment Offer (relevant CPS2 must also be held on Closing Date for the Reinvestment Offer)	8 August 2016
Opening Date for the Reinvestment Offer	24 August 2016
Closing Date for the Reinvestment Offer	5:00pm AET on 19 September 2016
Closing Date for the Broker Firm Offer (applications in respect of Reinvestment CPS2)	5:00pm AET on 19 September 2016
Number of Reinvestment CPS2 confirmed and announced	23 September 2016
Reinvestment CPS2 cease trading on ASX (but remain quoted on ASX)	23 September 2016
Reinvestment CPS2 Buy-back Date and payment date for Pro Rata Dividend on Reinvestment CPS2 <sup>3</sup>	27 September 2016
Last day of trading for remaining CPS2 on ASX	28 November 2016
Remaining CPS2 cease trading (but remain quoted on ASX)	29 November 2016
Record date for scheduled quarterly dividend for remaining CPS2	30 November 2016

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

<sup>2</sup> The Mandatory Conversion Date may be later than 20 March 2026, or may not occur at all, if the Mandatory Conversion Conditions are not satisfied – see Section 6.1.9 of the Prospectus.

<sup>3</sup> Payment of the relevant dividend is subject to the payment tests in the CPS2 terms (including that the Board resolves to pay the relevant dividend).

### Dates may change

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

ANZ and the Joint Lead Managers may agree to vary the timetable, including extending any Closing Date, closing the Offer early without notice, or withdrawing the Offer at any time before the Notes are issued. If the Offer is withdrawn before the issue of the Notes, all Application Payments received by ANZ will be refunded (without interest) to Applicants as soon as possible after the withdrawal.

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

## Important Information

This document is issued and distributed by ANZ Securities Limited ABN 16 004 997 111 ("ANZ Securities") (Australian Financial Services License no. 237531) and relates to the offer of ANZ Capital Notes 4 ("Product"), issued or to be issued by Australia and New Zealand Banking Group Limited ABN 11 005 357 522 ("Issuer"). It is intended only for the person to whom it was directly provided by ANZ Securities. Its distribution may be restricted by law in certain jurisdictions. Persons who receive this document must inform themselves about and observe all relevant restrictions. Nothing in this document is intended to be an offer to sell, or a solicitation of an offer to buy, any product, instrument or investment, to effect any transaction or to conclude any legal act of any kind. If, despite the foregoing, any services or products referred to in this document are deemed to be offered in the jurisdiction in which this document is received or accessed, no such service or product is intended for nor available to persons resident in that jurisdiction if it would be contradictory to local law or regulation. Such local laws, regulations and other limitations always apply with non-exclusive jurisdiction of local courts. This document may not be reproduced, distributed or published by any recipient for any purpose.

This document contains general information only. Its purpose is to bring to your attention, the possibility of investing in the Product which is offered under the prospectus issued on or about 16 August 2016 ("Prospectus"). It has been prepared without taking into account the objectives, financial situation or needs of any person. It does not contain any recommendations, statements of opinion or advice. Full details of the offer of the Product, including any foreign selling restrictions, are set out in the Prospectus. Anyone wishing to acquire the Product will need to complete the application form that will be in or will accompany the Prospectus. The Prospectus is available upon request from your financial advisor or ANZ Private Wealth Manager. Before making an investment decision, you should read the Prospectus in full and seek independent financial, legal, taxation and other relevant advice having regard to your particular circumstances. Neither ANZ Securities nor its related bodies corporate, affiliates, officers, employees, contractors nor agents of each of them ("Affiliates") has authorised or issued the Prospectus and does not make, or purport to make, any statement that is included in the Prospectus and there is no statement included in the Prospectus which is based on any statement made by ANZ Securities or its Affiliates. To the maximum extent permitted by law, ANZ Securities and its Affiliates expressly disclaim and take no responsibility for any part of the Prospectus or in connection with the issue of the Product.

The information and any views or opinions in this document are based on information which ANZ Securities considers reliable as at the date of issue of this document, but are subject to change without notice. All price information is indicative only. Any views or opinions which comprise estimates, forecasts or other projections, are subject to significant uncertainties and contingencies that cannot reasonably be anticipated. Such views and opinions may not always be achieved or prove to be correct. Indications of past performance will not necessarily be repeated in the future. No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past or that significant losses will be avoided. Additionally, this document may contain 'forward looking statements'. Actual events or results or actual performance may differ materially from those reflected or contemplated in such forward looking statements. All investments entail a risk and may result in both profits and losses. Foreign currency rates of exchange may adversely affect the value, price or income of or associated with the Product. ANZ Securities and its Affiliates do not make any representation as to the accuracy, completeness, currency or suitability of any views or opinions in this document.

Except as required by law, and only to the extent so required, neither ANZ Securities nor its Affiliates warrant or guarantee the performance of the Product or any return on any associated investment. ANZ Securities and its Affiliates expressly disclaim any responsibility and shall not be liable for any loss, damage, claim, liability, proceedings, cost or expense ("Liability") arising directly or indirectly and whether in tort (including negligence), contract, equity or otherwise out of or in connection with this document. If this document has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. ANZ Securities and its Affiliates do not accept any Liability as a result of electronic transmission of this document.

Disclosure of interests: ANZ Securities is a joint lead manager, and will enter into an offer management agreement in relation to, the offer of the Product ("Offer Management Agreement"). Please note:

- Section 8.6 of the Prospectus describes ANZ Securities' role in relation to the offer and describes the fees payable under the Offer Management Agreement. In particular, estimated fees that are payable by the Issuer to the joint lead managers under the Offer Management Agreement making certain assumptions as to the allocation of the Product between the various types of offers. The actual amount payable will not be known until the allotment of the Product.
- As a salaried employee, your ANZ Private Wealth Manager (if applicable) does not earn any up-front or on-going/trail commissions, but may receive a bonus and/or other remuneration as a result of you acquiring the Product and/or on the basis of the performance of the Product. If you have been referred to Australia and New Zealand Banking Group Limited ABN 11 005 357 522 ("ANZ") by any person, the person may receive a benefit in respect of any transactions effected on your behalf, details of which are available on request.
- ANZ Private Wealth Managers are Representatives of ANZ, the holder of an Australian Financial Services License.
- ANZ Securities, its Affiliates or their customers may have or have had interests or long or short positions in the Product, and may make purchases or sales in the Product as principal or agent.
- ANZ Securities and its Affiliates may rely on information barriers and other arrangements to control the flow of information contained in one or more business areas within ANZ Securities or within its Affiliates into other business areas of ANZ Securities or of its Affiliates.

For a full disclosure of interests, please refer to the Prospectus.

Please contact your financial advisor or ANZ Private Wealth Manager for further information about this document generally, or to correct your details, or to remove your name from this distribution list.

---

<sup>4</sup> The appointment of the Nominated Purchaser and the issue of the resale notice are subject to APRA approval. ANZ intends to appoint a wholly-owned subsidiary as the Nominated Purchaser. Any resale may be subject to conditions. If these approvals are not obtained, an appropriate Nominated Purchaser cannot be identified or any conditions to resale are not met, the resale may not occur. If the resale does not occur, where the mandatory conversion conditions in respect of the CPS2 are satisfied on 15 December 2016, the CPS2 will convert into Ordinary Shares. If the mandatory conversion conditions in respect of the CPS2 are not satisfied on that date, the CPS2 will remain on issue until the first CPS2 dividend payment date on which the conditions are satisfied unless otherwise dealt with in accordance with their terms. Payment of the dividend is subject to the payment tests in the CPS2 terms (including that the Board resolves to pay the dividend).