

ANZ BANK NEW ZEALAND LIMITED LIMITED DISCLOSURE DOCUMENT

AN OFFER OF MEDIUM TERM FLOATING RATE BONDS
10 MARCH 2016

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose. ANZ Bank New Zealand Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.



1. KEY INFORMATION SUMMARY

1.1 What is this?

This is an offer of unsecured unsubordinated medium term bonds (**Bonds**). The Bonds are debt securities issued by ANZ Bank New Zealand Limited (**ANZ**). You give ANZ money, and in return ANZ promises to pay you interest and repay the money at the end of the term. If ANZ runs into financial trouble, you might lose some or all of the money you invested.

1.2 About ANZ Group

ANZ and the companies that it owns make up the ANZ Group. ANZ is a registered bank under the Reserve Bank of New Zealand Act 1989. ANZ has itself, or through its predecessors, carried on the business of banking in New Zealand since 1840. ANZ is organised into the following three major business segments – Retail (comprising personal, Business Banking and Wealth), Commercial (comprising Commercial & Agri) and our Institutional business.

The Retail, Commercial and Institutional segments all operate under the ANZ brand except in specialised markets.

In specialised markets, the ANZ Group is further represented by the following brands:

- UDC (asset finance);
- ANZ Securities (online share and debt instrument trading);
- ANZ New Zealand Investments Limited (superannuation and investment products);
- OnePath Life (insurance); and
- Bonus Bonds.

ANZ is not a bank or an authorised deposit-taking institution which is authorised under the Banking Act 1959 of Australia. The Australian Prudential Regulatory Authority regulates all authorised deposit-taking institutions in Australia. ANZBGL, ANZ's parent company, is an authorised deposit-taking institution in Australia, however ANZ is not.

Information about ANZ and ANZ's financial statements are published quarterly in disclosure statements required under the Reserve Bank of New Zealand Act 1989. ANZ's quarterly disclosure statements can be viewed and downloaded from ANZ's website at www.anz.co.nz/about-us/media-centre/investor-information.

1.3 Purpose of this offer

The purpose of this offer is to raise money for the general corporate purposes of ANZ.

1.4 Key terms of the offer

Description: Unsecured unsubordinated floating rate bonds.

Term: 3 years maturing on 22 March 2019.

Interest rate: The interest rate will be a floating rate which will be reset on the first day of each quarterly Interest Period.

The interest rate for each Interest Period will be equal to the sum of the 3 Month Bank Bill Rate (a benchmark interest rate for a term of 3 months) and the Margin. The interest rate will be announced by ANZ on the first day of each Interest Period.

Interest Payment Dates: Each 22 March, 22 June, 22 September and 22 December during the term of the Bonds, commencing on 22 June 2016.

Opening Date: 10 March 2016.

Closing Date: 2:00pm, 16 March 2016, or earlier at the discretion of ANZ.

Brokerage: You are not required to pay brokerage or any charges to ANZ in connection with your application for Bonds. However, you may have to pay brokerage to the firm from whom you receive an allocation of Bonds.

1.5 No guarantee

The Bonds are not guaranteed by any member of the ANZ Group or any other person and ANZ is solely responsible for the repayment of the Bonds.

The Bonds are not deposits or liabilities of ANZBGL. ANZBGL does not support or guarantee the Bonds or ANZ's liabilities in respect of the Bonds.

1.6 How you can get your money out early

Neither you nor ANZ is able to redeem your Bonds before the end of their term. However, ANZ may be required to repay the Bonds early if an Event of Default occurs. See section 5 of this LDD (Key features of Bonds) for more information on Events of Default.

ANZ intends to quote the Bonds on the NZX Debt Market. This means you may be able to sell them on the NZX Debt Market before the end of their term if there are interested buyers. If you sell your Bonds, the price you get will vary depending on factors such as the financial condition of ANZ Group and movements in the market interest rates. You may receive less than the full amount that you paid for them.

1.7 How Bonds rank for repayment

The Bonds will rank equally with ANZ's other unsecured and unsubordinated obligations. This means in a liquidation of ANZ your rights and claims as a Bondholder:

- will rank **after** all secured creditors and creditors preferred by law (e.g. employees up to a cap of \$22,160 each and the IRD in respect of certain unpaid taxes);
- will rank **equally** with other Bondholders and with all other unsecured unsubordinated creditors (including depositors, holders of other bonds issued under the Deed Poll and other debt issuance programmes, and trade creditors); and
- will rank **ahead** of holders of subordinated debt and shares in ANZ.

More information on how the Bonds rank for repayment can be found in section 5 of this LDD (Key features of Bonds).

1.8 No security

The Bonds are not secured against any asset of ANZ.

1.9 Key risks affecting this investment

Investments in debt securities have risks. A key risk is that ANZ does not meet its commitments to repay you or pay you interest (**credit risk**). Section 6 of this LDD (Risks of investing) discusses the main factors that give rise to credit risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate for these Bonds should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with a higher risk of defaulting on their commitments. You need to decide whether the offer is fair. ANZ considers that the most significant risk factors are:

- Risks associated with lending, extending credit and providing insurance products;
- Risks to ANZ's earnings due to changes in financial markets;
- Risks that ANZ cannot fund increases in assets or meet its payment obligations;
- Risks relating to the operation of ANZ's business;
- Risks arising from legal or other proceedings; and
- Risks arising from changes to laws and regulation.

These risks reflect the nature of ANZ's business as a financial institution and the financial services industry in which it operates. This summary does not cover all of the risks of investing in the Bonds. You should also read section 5 (Key features of Bonds) and section 6 (Risks of investing) of this LDD.

1.10 What is the Bonds' credit rating?

A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision.

The Bonds have been rated by Standard & Poor's and Moody's Investors Service. As at the date of this LDD, the Bonds have not been rated by Fitch Ratings. However ANZ expects Fitch Ratings to rate the Bonds prior to the Issue Date.

Standard & Poor's and Fitch Ratings give ratings from "AAA" through to "CC", and Moody's Investors Service gives ratings from Aaa to Ca, excluding ratings attached to entities in default, as set out in the table below.*

As at the date of this LDD the Bonds have been assigned a credit rating of AA- by Standard & Poor's and Aa3 by Moody's Investors Service. ANZ expects that the credit rating initially assigned to the Bonds by Fitch Ratings will be AA-. ANZ expects Fitch Ratings to assign this credit rating prior to the Issue Date.

The following table describes the credit rating grades available:

Summary descriptions of Standard & Poor's ratings	Standard & Poor's	Moody's Investors Service	Fitch Ratings
The following grades display investment grade characteristics:			
Extremely strong capacity to meet its financial commitments.	AAA	Aaa	AAA
Very strong capacity to meet its financial commitments.	AA Credit rating for the Bonds AA-*	Aa Credit rating for the Bonds Aa3*	AA***
Strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.	A	A	A
Adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.	BBB	Baa	BBB
The following grades have predominantly speculative characteristics:			
Less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.	BB	Ba	BB
More vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.	B	B	B
Currently vulnerable and dependent upon favourable business, financial, and economic conditions to meet its financial commitments.	CCC	Caa	CCC
Currently highly vulnerable. A default has not yet occurred, but Standard & Poor's expects default to be a virtual certainty, regardless of the anticipated time to default.	CC to C	Ca to C**	CC to C

* Credit ratings from Standard & Poor's and Fitch Ratings may be modified by the addition of "+" or "-" to show the relative standing within the "AA" to "B" categories. Moody's Investors Service applies numerical modifiers 1, 2, and 3 to each of the "Aa" to "Caa" classifications to show the relative standing within those categories, with 1 indicating the higher end and 3 the lower end of the rating category.

** If a rating of "C" is given by Moody's Investors Service, the issuer is typically in default.

*** ANZ expects that the credit rating initially assigned to the Bonds by Fitch Ratings will be AA-. As at the date of this LDD, the Bonds have not been rated by Fitch Ratings.

CONTENTS

1. Key information summary	i
2. Key dates and offer process	2
3. Terms of the offer	2
4. Purpose of the offer	3
5. Key features of Bonds	3
6. Risks of investing	5
7. Tax	6
8. Approved issuer levy and FATCA	6
9. Selling restrictions	7
10. How to complain	10
11. Where you can find more information	10
12. How to apply	10
13. Contact information	10
14. Glossary	11

2. KEY DATES AND OFFER PROCESS

Opening Date: 10 March 2016.

Closing Date: 2:00pm, 16 March 2016, or earlier at the discretion of ANZ.

Rate Set Date: 16 March 2016, or earlier at the discretion of ANZ.

Issue Date: 22 March 2016.

Expected date of initial quotation and trading of the Bonds on the NZX Debt Market: 23 March 2016.

First Interest Payment Date: 22 June 2016.

Interest Payment Dates: Each 22 March, 22 June, 22 September and 22 December, during the term of the Bonds.

Maturity Date: 22 March 2019.

The Opening Date and the Closing Date are indicative only and are subject to change. ANZ has the right in its absolute discretion and without notice to open or close the offer early, to accept late applications, and to extend the Closing Date. If the Closing Date is extended, the Issue Date, the expected date of initial quotation and trading of the Bonds on the NZX Debt Market, the Interest Payment Dates and the Maturity Date may be extended accordingly. Any such changes will not affect the validity of any applications received.

ANZ reserves the right to cancel the offer and the issue of the Bonds, in which case all application monies received by ANZ will be refunded (without interest) as soon as practicable.

3. TERMS OF THE OFFER

Issuer

ANZ Bank New Zealand Limited.

Description

Unsecured unsubordinated floating rate bonds.

Offer amount

Up to \$100 million, with unlimited oversubscriptions.

Term and Maturity Date

3 years maturing on 22 March 2019.

Principal Amount

\$1.00 per Bond.

Issue Price

Each Bond is issued at par (\$1.00 per Bond).

Interest rate

The interest rate will be a floating rate which will be reset on the first day of each quarterly Interest Period. The interest rate for each Interest Period will be equal to the sum of the 3 Month Bank Bill Rate (a benchmark interest rate for a term of 3 months) and the Margin. The interest rate will be announced by ANZ on the first day of each Interest Period.

The Margin will be set on the Rate Set Date by ANZ in consultation with the Arranger and will be announced via NZX on or about the Rate Set Date. The Margin will not change during the term of the Bonds.

The interest rate will fluctuate over time as a result of movements in the 3 Month Bank Bill Rate and it is possible that the interest rate may become negative. If the interest rate becomes negative and as a result the amount of interest payable on the Bonds on an Interest Payment Date is a negative amount, then that amount will be deducted, to the extent required to reduce the negative amount to zero, from payments of interest on subsequent Interest Payment Dates and if required, on the repayment of the Principal Amount on the Maturity Date of the Bonds.

Interest Payment Dates

Each 22 March, 22 June, 22 September and 22 December during the term of Bonds, commencing on 22 June 2016.

Interest Period

An Interest Period is the period from (and including) an Interest Payment Date (or the Issue Date in the case of the first Interest Period) to (but excluding) the next Interest Payment Date.

Interest payments

Interest payable on each Interest Payment Date will be calculated on the basis of the actual number of days in the Interest Period that ends on (but does not include) the Interest Payment Date.

If the Bonds are repaid on a date that is not an Interest Payment Date following an Event of Default, 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 Bonds are repaid prior to the first Interest Payment Date) to the date of repayment.

Business day convention

If an Interest Payment 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 first preceding Business Day, and in each case, the amount of interest payable will be adjusted to reflect the actual payment date.

Entitlement to payments

Payments on the Bonds will be made to the persons who are the registered Bondholders as at 5pm on the 10th day before the relevant payment date or, if that day is not a Business Day, the preceding Business Day or such other date as is advised by the Securities Registrar to Bondholders from time to time.

Ranking of Bonds

The Bonds are unsecured unsubordinated obligations of ANZ.

Section 5 of this LDD (Key features of Bonds) contains more information on the ranking of the Bonds.

Offer Opening and Closing Dates

See section 2 of this LDD (Key dates and offer process).

How to apply

Application instructions are set out in section 12 of this LDD (How to apply).

Minimum application amount

\$10,000 and in multiples of \$1,000 thereafter, provided that offers of Bonds in or into Australia will be made in accordance with the Australian selling restrictions contained in section 9 of this LDD (Selling restrictions).

Brokerage

You are not required to pay brokerage or any charges to ANZ in connection with your application for Bonds. However, you may have to pay brokerage to the firm from whom you receive an allocation of Bonds.

Quotation

ANZ intends to apply to NZX for permission to quote the Bonds on the NZX Debt Market.

NZX ticker code ANBFA has been reserved for the Bonds.

Early redemption

You have no right to require ANZ to redeem your Bonds prior to the Maturity Date, except if an Event of Default occurs.

Events of Default

If an Event of Default occurs you may, by notice in writing to ANZ, require any Bond you hold to be repaid early.

Section 5 of this LDD (Key features of Bonds) contains more information on Events of Default.

Other bonds

ANZ is able to issue other series of bonds under the Deed Poll without your consent on such terms as it may determine.

Transfers

ANZ will not register any transfer of Bonds if the transfer is for an aggregate Principal Amount of less than NZ\$1,000 (or a multiple of NZ\$1,000) or if the transfer would result in you holding Bonds with an aggregate Principal Amount of less than \$10,000, unless you would then hold no Bonds.

ANZ will only register a transfer of Bonds in, to or from Australia if the transfer complies with the Australian selling restrictions contained in section 9 of this LDD (Selling restrictions).

Selling restrictions

The offer of Bonds by ANZ is subject to the selling restrictions contained in section 9 of this LDD (Selling restrictions).

By subscribing for Bonds, you agree to indemnify ANZ, the Arranger and their respective directors, officers, employees and agents in respect of any loss, cost, liability or expense sustained or incurred as a result of you breaching the selling restrictions contained in section 9 of this LDD (Selling restrictions).

Governing Law

New Zealand.

Deed Poll

The terms and conditions of the Bonds are set out in the Deed Poll. Bondholders are bound by, and are deemed to have notice of, the Deed Poll. If you require further information in relation to the Deed Poll you may obtain a copy free of charge from the Disclose register at www.business.govt.nz/disclose.

Trading your Bonds on the NZX Debt Market

To be eligible to trade your Bonds on the NZX Debt Market you must have an account with a Primary Market Participant, a common shareholder number (CSN) and an authorisation code. If you do not have an account with a Primary Market Participant you should be aware that opening an account can take a number of days depending on the Primary Market Participant's new client procedures.

If you do not have a CSN you will be automatically assigned one. If you do not have an authorisation code, it is expected that you will be sent one by the Securities Registrar. If you have an account with a Primary Market Participant and have not received an authorisation code by the date you want to trade your Bonds, your Primary Market Participant can arrange to obtain your authorisation code from the Securities Registrar. Your Primary Market Participant will be charged a fee for requesting your authorisation code from the Securities Registrar and may pass this cost on to you.

4. PURPOSE OF THE OFFER

The purpose of the offer of the Bonds is to raise funds for the general corporate purposes of ANZ. The offer is not underwritten. The use of the money raised will not change depending on the total amount that is raised.

5. KEY FEATURES OF BONDS


5.1 General

A number of the key features of the Bonds are described in section 3 of this LDD (Terms of the offer). The other key features of the Bonds are described below. The Deed Poll is included on the Disclose register at www.business.govt.nz/disclose. The information in this section is a summary of certain terms of the Deed Poll.

5.2 Ranking

The Bonds constitute unsecured unsubordinated obligations of ANZ. On a liquidation of ANZ amounts owing to Bondholders rank equally with all other unsecured unsubordinated obligations of ANZ.

The ranking of the Bonds on the liquidation of ANZ is summarised in the diagram below:

Ranking on the liquidation of ANZ	Categories of liabilities/equity	Indicative amounts of existing liabilities and equity of ANZ as at 31 December 2015 (NZ\$ million)
Higher ranking/earlier priority		
	Liabilities that rank in priority to the Bonds	Secured creditors and creditors preferred by law (including covered bonds) ¹ \$4,966
	Liabilities that rank equally with the Bonds (including the Bonds)	Unsecured unsubordinated obligations (including money owed by ANZ to depositors, holders of other bonds issued under the Deed Poll and other debt issuance programmes, and trade creditors) \$128,264
	Liabilities that rank below the Bonds	Subordinated obligations (including regulatory capital instruments that have been issued by ANZ) ² \$2,643
	Equity	Ordinary shares, reserves and retained earnings \$12,496
Lower ranking/later priority		

The actual amounts of liabilities and equity of ANZ at the point of its liquidation will be different to the indicative amount set out in the diagram above.

Amounts in the diagram above assume \$100 million of Bonds are issued and an equivalent amount of existing debt is repaid at the same time. This means the indicative amounts in the table above will not change as a result of the issue of the Bonds.

Liabilities that rank in priority to the Bonds at 31 December 2015 include:

- Employee entitlements for unpaid salaries and wages, holiday pay and bonuses and PAYE of \$138 million; and
- Covered Bonds of \$4,828 million.

Restrictions on creating further liabilities

There are no restrictions on ANZ creating further liabilities that, on a liquidation of ANZ, would rank equally with, or in priority to, the Bonds. ANZ could therefore, at any time after the Issue Date, create further liabilities that rank equally with or in priority to the Bonds. These further liabilities could, for example, be a new series of bonds issued under the Deed Poll.

Events of Default

If an Event of Default occurs and you give notice requiring early repayment, then ANZ must immediately pay you the Principal Amount of your Bonds together with accrued interest on those Bonds. In summary, the Events of Default are:

- non-payment for 14 days or more; or
- a dissolution of ANZ in certain circumstances (other than for the purpose of solvent reconstruction or amalgamation).

For full details of the Events of Default see clause 9 of the Deed Poll.

Amending the terms of the Bonds

The Deed Poll may be amended without your consent in certain limited circumstances, including if the amendment is necessary to comply with any law or the Listing Rules, is of a minor or technical nature only, or is not prejudicial to the interests of Bondholders or is inapplicable to any Bonds outstanding at that time. Amendments made in accordance with the Deed Poll are binding on you even if you did not agree to them.

¹ Covered bonds are an unsecured claim on ANZ but are secured over certain assets which have been sold by ANZ to the ANZNZ Covered Bond Trust. Those assets do not qualify for derecognition so still appear in ANZ's financial statements but are not available to creditors of ANZ, including Bondholders.

² This includes preference shares that rank equally with perpetual subordinated debt.

6. RISKS OF INVESTING

6.1 Introduction

This section 6 describes potential risks associated with an investment in the Bonds. This section describes certain:

- general risks associated with an investment in the Bonds; and
- significant specific risks relating to ANZ's creditworthiness.

The selection of risks relating to ANZ's creditworthiness has been based on an assessment of a combination of the probability of a 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 that other risks will not emerge over time.

Where practicable, ANZ seeks to implement risk mitigation strategies to minimise the exposure to certain risks outlined below, although there can be no assurance that such arrangements will fully protect ANZ from such risks.

You should carefully consider these risks (together with the other information in this LDD) before deciding to invest in the Bonds.

This summary does not cover all of the risks of investing in the Bonds.

The statement of risks in this section does not take account of your personal circumstances, financial position or investment requirements. It is important, therefore, that before making any investment decision, you give consideration to the suitability of an investment in the Bonds in light of your individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues).

6.2 General risks

Overview

An investment in the Bonds is subject to the general risks that:

- ANZ becomes insolvent and is unable to meet its obligations under the Bonds, including the obligations to pay interest on, and repay the Principal Amount of, the Bonds; and
- if you wish to sell your Bonds before maturity:
 - the price at which you are able to sell your Bonds may be less than the amount you paid for the Bonds due to interest rate movements or for other reasons; or
 - you may be unable to sell your Bonds at all due to lack of demand or because the Bonds cease to be quoted on the NZX Debt Market.

General risks related to the insolvency of ANZ

In an insolvency of ANZ your claims will rank equally with other Bondholders and equally with claims of other unsecured unsubordinated creditors (including holders of other bonds issued under the Deed Poll and other debt issuance programmes, and trade creditors), but after secured creditors and all creditors preferred by law. In an insolvency of ANZ, there may be a shortfall of funds to pay

all amounts ranking ahead of and equally with the Bonds. If this occurs, this would result in you not receiving a full return of the Principal Amount of the Bonds or any accrued interest that is unpaid at that time.

General risks related to the market for the Bonds

Market related risks

The market price of the Bonds will fluctuate due to various factors, including investor perceptions, New Zealand and international economic conditions, changes in interest rates, credit spreads, inflation rates and foreign exchange rates, and the financial performance and position of ANZ.

The Bonds may trade at a market price below their Principal Amount of NZ\$1.00. If you sell your Bonds at such a time, you may lose some of the money you invested.

The interest rate will fluctuate over time as a result of movements in the 3 Month Bank Bill Rate. As the interest rate fluctuates, it may become less attractive compared to returns on other investments, including the possibility that the interest rate may be negative.

Liquidity

The market for the Bonds may not be liquid and may be less liquid than the market for comparable securities issued by ANZ or other entities. If liquidity is low, you may be unable to sell your Bonds at an acceptable price or at all.

6.3 Specific risks relating to ANZ's creditworthiness

Like any other business, ANZ is exposed to the effects of an adverse change in the economy and general business conditions, including increased competition, weakening of real estate markets and asset impairment. In addition, as a financial institution, ANZ is exposed to the risks described below that reflect the nature of its business and the environment in which it operates.

Risks associated with lending, extending credit and providing insurance products

As a bank, ANZ is exposed to the risks associated with lending and extending credit to customers and other parties. Less favourable business or economic conditions, whether generally or in a specific industry sector or geographic region, or external events such as climatic, biological or geological disasters, could expose ANZ to increased risk that those customers and other parties will default, causing loss to ANZ. The ANZ Group is also exposed to insurance and reinsurance risks in its insurance business.

Risks to ANZ's earnings due to changes in financial markets

ANZ is exposed to market risk, which is the risk to its earnings and costs arising from changes in interest rates, foreign exchange rates, credit spreads, equity prices and indices, prices of commodities, debt securities and other financial contracts including derivatives (which are contracts with a return based on, or derived from one or more of these rates or prices).

Risks that ANZ cannot fund increases in assets or meet its payment obligations

ANZ is exposed to liquidity risk, which is the risk that ANZ has insufficient capacity to fund increases in assets, or is unable to meet its payment obligations as they fall due, including repaying depositors or maturing debt. Liquidity and funding risk are part of all banking operations due to the timing mismatch between cash inflows and cash outflows, which ANZ closely manages.

Risks relating to the operation of ANZ's business

ANZ is exposed to operational risks, which may result in direct or indirect financial or reputational losses. Such risks arise from (amongst other things) process or human error or failure, fraud, computer systems failure, breach of physical or information security, breaches of ANZ's internal policies and of laws and regulations, and from the management, design and implementation of major projects.

In addition, ANZ is exposed to operational failings by third-party providers (including outsourcing), natural disasters, political, security and social events and to failings in the financial services sector.

ANZ is also exposed to reputation risk and the risk of loss of key staff. Damage to reputation and loss of key staff may have wide-ranging impacts.

Risks arising from legal or other proceedings

From time to time ANZ may be subject to major litigation, regulatory actions, or other legal proceedings which, if determined against ANZ, may result in costs, losses or other adverse effects. ANZ may also be exposed to risks from the unsuitable provision of advice, recommendations or guidance about financial products and services in the course of its sales and marketing activities.

Risks arising from changes to laws and regulation

Changes to laws, regulations, codes of practice, accounting standards or policies, or the way they are applied or their inputs, could affect ANZ in substantial and unpredictable ways. These may include altering ANZ's required levels of bank liquidity and capital adequacy, limiting the types of financial services and products that ANZ can offer or increasing the ability of other parties to offer competing financial services and products, as well as changes to accounting standards, taxation laws and prudential regulatory requirements.

In addition, ANZ's failure to comply with laws, regulations or codes of practice (including without limitation in relation to money laundering, terrorist financing, market manipulation and sanctions) could result in the imposition of regulatory fines and sanctions by regulatory agencies and compensatory action by affected persons, and could damage ANZ's reputation.

Impact of risks

ANZ expects some of these risks to arise in the normal course of its business. When they do, such as a customer defaulting on a payment, or ANZ being involved in a dispute, this can lead to a loss, increase in costs or a reduction in revenues. ANZ closely manages these risks

and in the normal course of business these risks are not expected to have a materially adverse impact on ANZ. However, if unusual circumstances exist, such as there being widespread defaults in a particular sector, or if international funding markets cease functioning properly, the risks can become more difficult to manage and the impact on ANZ can be more severe. In extreme circumstances, a failure to manage these risks could mean that ANZ is not able to meet its payment obligations on the Bonds.

6.4 More information

ANZ's latest interim and full year disclosure statements published under section 81 of the Reserve Bank of New Zealand Act 1989 contain more information on the risks ANZ faces in carrying on its business as a registered bank, and the steps ANZ takes to mitigate these risks. You can obtain a copy of the latest interim and full year disclosure statements (which contain ANZ's most recent financial statements), free of charge, from ANZ's registered office at Ground Floor, ANZ Centre, 23-29 Albert Street, Auckland 1010 or at www.anz.co.nz/about-us/media-centre/investor-information.

7. TAX

The returns on the Bonds will be affected by taxes. The information in this section relates to New Zealand tax resident Bondholders and non-resident Bondholders engaged in business through a fixed establishment in New Zealand only, and is based on the law in force at the date of this LDD.

Resident withholding tax (**RWT**) will be deducted from interest paid to New Zealand tax resident Bondholders and non-resident Bondholders engaged in business through a fixed establishment in New Zealand at the relevant rate unless a valid RWT exemption certificate has been provided to the Securities Registrar.

There may be other tax consequences for Bondholders from acquiring or disposing of the Bonds, including under the financial arrangements rules in the Income Tax Act 2007.

If you have any questions regarding the tax consequences of investing in the Bonds, including any questions in respect of section 8 of this LDD (Approved issuer levy and FATCA), you should seek advice from a tax adviser.

8. APPROVED ISSUER LEVY AND FATCA

Approved issuer levy

ANZ proposes to register the Bonds for approved issuer levy (**AIL**) and, where it is eligible to do so in respect of interest paid to a non-resident Bondholder not engaged in business through a fixed establishment in New Zealand, to pay AIL in lieu of deducting non-resident withholding tax, unless you notify the Securities Registrar that non-resident withholding tax should be withheld. If the Bonds qualify for the 0% rate of AIL, ANZ intends to apply the 0% rate. Any AIL paid by ANZ other than at the 0% rate will be paid by ANZ on its own account and will not be deducted from the interest paid to the relevant Bondholder.

ANZ is not eligible to pay AIL in respect of interest paid on a Bond where the Bond is held jointly and at least one of the joint Bondholders is a New Zealand tax resident. Withholding tax will be deducted from such interest at the applicable RWT rate, as required by law. Non-resident Bondholders may then claim a refund from Inland Revenue to the extent that tax was withheld in excess of their applicable non-resident withholding tax rate (taking into account any applicable double tax treaty).

FATCA

FATCA means the Foreign Account Tax Compliance Act provisions, sections 1471 through 1474 of the United States Internal Revenue Code (including any regulations or official interpretations issued, agreements entered into or non-US laws enacted with respect to those provisions). If you are a US taxpayer or, in some cases, a non-US entity with substantial US owners, then in order to comply with FATCA, it is possible that ANZ (or, if Bonds are held through another financial institution, such other financial institution) may be required to request certain information from you or the beneficial owners of your Bonds, which information may in turn be provided to the Internal Revenue Service (**IRS**). ANZ may also be required to withhold US tax on some portion of payments in relation to your Bonds made after 31 December 2018 if such information is not provided or if payments are made to certain foreign financial institutions that have not entered into an agreement with the IRS (and are not otherwise exempt from, or deemed to comply with, FATCA).

This information is based on regulations and guidance issued by the US Department of Treasury and the IRS as at the date of this LDD. Future regulations, guidance or international agreements implementing the same may affect the application of FATCA to ANZ, Bondholders or beneficial owners of the Bonds.

9. SELLING RESTRICTIONS

This LDD only constitutes an offer of Bonds to the public in New Zealand and to certain New Zealand and overseas institutional investors. ANZ has not taken and will not take any action which would permit a public offering of Bonds, or possession or distribution of any offering material in respect of the Bonds, in any country or jurisdiction where action for that purpose is required (other than New Zealand). The Bonds may only be offered for sale or sold in a jurisdiction other than New Zealand in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered.

Any information memorandum, disclosure statement, circular, advertisement or other offering material in respect of the Bonds may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which the material is published, delivered or distributed).

Set out below are specific selling restrictions that apply to an offer of the Bonds in Switzerland, the European Economic Area, the United Kingdom, Australia, Hong Kong, Japan, Singapore, Taiwan and the United States. These selling restrictions do not apply to an offer of the Bonds in New Zealand.

These selling restrictions may be modified by ANZ and the Arranger, including following a change in a relevant law, regulation or directive. Persons into whose hands this LDD comes are, and each Bondholder is, required by ANZ and the Arranger to comply with these selling restrictions and all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Bonds or have in their possession or distribute such offering material, in all cases at their own expense.

Switzerland

The Bonds shall not be publicly offered, sold, advertised, distributed or redistributed, directly or indirectly, in or from Switzerland, and neither this LDD nor any other solicitation for investments in the Bonds may be communicated, distributed or otherwise made available in Switzerland in any way that could constitute a public offering within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations (**CO**) or of Article 3 or Article 5 of the Swiss Federal Act on Collective Investment Schemes (**CISA**) unless the legal and regulatory conditions imposed on a public offering under the CO or CISA are satisfied. This LDD may not comply with the information standards required under the CO and the CISA, and in particular with the guidelines on informing investors about structured products as published in September 2014 by the Swiss Bankers Association, as applicable.

The Bonds do not constitute collective investments within the meaning of the CISA. Accordingly, Bondholders do not benefit from protection under the CISA or from the supervision of the Swiss Financial Market Supervisory Authority. Investors are exposed to the default risk of ANZ.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), the Arranger has agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**), it has not made and will not make an offer of Bonds to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Bonds to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Arranger; or

- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Bonds referred to in (a) to (c) above will require ANZ or the Arranger to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Bonds to the public” in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds so as to enable an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

The Arranger has agreed that:

- (a) Financial promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, the **FSMA**) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to ANZ; and
- (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 any Bonds in, from or otherwise involving the United Kingdom.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the **Corporations Act**)) in relation to the Bonds (including this LDD) has been or will be lodged with or registered by the Australian Securities and Investments Commission (**ASIC**) or the Australian Securities Exchange Limited. The Arranger has represented and agreed that it:

- (a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Bonds in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any draft, preliminary or final form offering memorandum, advertisement or other offering material relating to the Bonds in Australia,

unless:

- (i) the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding money lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 and Chapter 7 of the Corporations Act and does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (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; and
- (iii) for so long as the directive issued by the Assistant Treasurer of the Commonwealth of Australia dated 23 September 1996 as contained in Banking (Exemption) Order No. 82 (or any successor or replacement instrument) remains in force, the offers and any transfers are for parcels of not less than A\$500,000 in aggregate principal amount.

Credit ratings in respect of the Bonds are for distribution only to persons in Australia 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 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 LDD and anyone who receives this LDD must not distribute it to any person who is not entitled to receive it.

Hong Kong

The Arranger has represented and agreed that:

- (a) no Bonds have been, and no Bonds will be, offered or sold in the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), by means of any document, (except for Bonds 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 Bonds 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 Bonds 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 Bonds 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 the Arranger has represented and agreed that it will not offer or sell any Bonds, 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, or for the benefit of, 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” will mean any resident of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended).

Singapore

This LDD has not been registered as a prospectus with the Monetary Authority of Singapore, and the Bonds will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the SFA). Accordingly, this LDD and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person arising from Section 275(1A) of the SFA, and in accordance with the applicable conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust will not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to an offer in accordance with the conditions referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Taiwan

No person or entity in Taiwan is authorised to distribute or otherwise intermediate the offering of the Bonds or the provision of information relating to this offer, including, but not limited to, this LDD. The Bonds may be made available outside Taiwan for purchase by Taiwan resident investors either directly or through a duly licensed Taiwan intermediary but may not be sold or offered within Taiwan. Any subscriptions of Bonds will only become effective upon acceptance by ANZ or the Arranger outside Taiwan and will be deemed a contract entered into in the jurisdiction of incorporation of ANZ or the Arranger, as the case may be.

United States

This LDD (including an electronic copy) may not be distributed or released, in whole or in part, in the United States. The Bonds have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States, and they may not be offered or sold in the United States. The Bonds are being offered and sold in the offer solely outside the United States pursuant to Regulation S under the US Securities Act.

Any offer, sale or resale of Bonds in the United States by a dealer (whether or not participating in the offer) may violate the registration requirements of the US Securities Act.

10. HOW TO COMPLAIN

If you have any problems or concerns about the Bonds, please contact ANZ via the contact details in section 13 of this LDD (Contact information) outlining your problems or concerns and ANZ will endeavour to resolve the issues through its internal dispute resolution procedures. You may request a copy of these procedures by writing to ANZ at the address in section 13 of this LDD (Contact information).

If ANZ has not been able to resolve the complaint, you may be able to take your complaint to the Banking Ombudsman Scheme, which is an approved dispute resolution scheme. The scheme will not charge a fee to any complainant to investigate or resolve a complaint and can be contacted at Freepost 218002, PO Box 25327, Featherston Street, Wellington 6146, by phone 0800 805 950 or by email help@bankomb.org.nz.

11. WHERE YOU CAN FIND MORE INFORMATION

Further information relating to ANZ and the Bonds is available free of charge on the online Disclose register maintained by the Companies Office. The Disclose register can be accessed at www.business.govt.nz/disclose. You will need to search for the offer on the Disclose register. You can do this by searching for the offer name “ANZ Bank New Zealand Limited Floating Rate Medium Term Bonds”, or by searching for the issuer “ANZ Bank New Zealand Limited”.

A copy of the information on the Disclose register is also available on request to the Registrar of Financial Service Providers at registrar@fspr.govt.nz. The information contained on the Disclose register includes a copy of the Deed Poll, credit rating reports from Standard & Poor's and Moody's Investors Service in relation to the Bonds and other material information.

Further information about ANZ is available in ANZ's most recent disclosure statement (which includes ANZ's most recent financial statements). ANZ's most recent disclosure statement, and other information about ANZ, is available from ANZ's website at www.anz.co.nz/about-us/media-centre/investor-information. A printed copy of the most recent disclosure statement will be provided, free of charge, where the request is made at ANZ Bank New Zealand Limited's registered office at Ground Floor, ANZ Centre, 23-29 Albert Street, Auckland 1010. Where the request is made at any branch or agency of ANZ, the statement will be provided, free of charge, within two working days.

12. HOW TO APPLY

There is no public pool for the Bonds. This means that if you want to apply for Bonds you must contact a Primary Market Participant or approved financial intermediary. You can find a Primary Market Participant by visiting www.nzx.com/investing/find_a_participant.

The Primary Market Participant or approved financial intermediary will:

- provide you with a LDD (if you have not already received one);
- explain what you need to do to apply for Bonds; and
- explain what payments need to be made by you (and by when).

13. CONTACT INFORMATION

Contact details of the Issuer

The Treasurer
ANZ Bank New Zealand Limited
Level 10, 171 Featherston Street
PO Box 540
Wellington 6011
Phone: +64 4 436 6798

Contact details of the Securities Registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
Private Bag 92119
Auckland 1142
Phone: +64 9 488 8777

14. GLOSSARY

3 Month Bank Bill Rate

for an Interest Period, the “FRA” rate for bank bills having a term of 3 months (rounded, if necessary, to the nearest 4 decimal places with 5 being rounded up) as displayed on Reuters page BKBM (or any page which replaces that page) on the first business day of the Interest Period or if that rate is not displayed by 10.45am (New Zealand time) on that date, the rate specified in good faith by ANZ at or around that time on that date, having regard to the extent possible to rates quoted by each of 3 leading banks selected by ANZ, as being the average of the bid and offered rates for such bank bills at or around that time on that date

ANZ

ANZ Bank New Zealand Limited

ANZ Group

ANZ and all of its subsidiaries

ANZBGL

Australia and New Zealand Banking Group Limited

Arranger

ANZ Bank New Zealand Limited

Bondholder

a person whose name is entered in the Register as a holder of a Bond

Bonds

the bonds constituted and issued pursuant to the Deed Poll and offered pursuant to this LDD

Business Day

a day (other than a Saturday or Sunday) on which banks are open for the transaction of general banking business in Auckland and Wellington

Deed Poll

the Deed Poll dated 18 January 2006 made by ANZ (as amended from time to time)

Disclose register

the online offer register maintained by the Companies Office and the Registrar of Financial Service Providers known as “Disclose”

Event of Default

has the meaning given to it in clause 9 of the Deed Poll, and is summarised in section 5 of this LDD (Key features of Bonds)

Fitch Ratings

Fitch Australia Pty Limited

FMC Act

Financial Markets Conduct Act 2013

Interest Period

the period from (and including) an Interest Payment Date (or the Issue Date in the case of the first Interest Period) to (but excluding) the next Interest Payment Date

LDD

this limited disclosure document dated 10 March 2016

Listing Rules

the listing rules applying to the NZX Debt Market as amended from time to time

Margin

the rate (expressed as a percentage rate per annum) as determined under the bookbuild and announced via NZX on or about the Rate Set Date

Moody's Investors Services

Moody's Investors Services Pty Limited

NZX

NZX Limited

NZX Debt Market

the debt security market operated by NZX

Organising Participant

ANZ Bank New Zealand Limited

Primary Market Participant

has the meaning given to that term in the Listing Rules

Principal Amount

\$1.00 per Bond

Register

the register of Bonds maintained by the Securities Registrar

Securities Registrar

Computershare Investor Services Limited

Standard & Poor's

Standard & Poor's Rating Services, a division of McGraw-Hill Financial, Inc.

