

# DEBT CAPITAL MARKETS INVESTOR PRE-MARKETING AND ALLOCATION PROCESS

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## 1. PURPOSE OF THIS NOTICE

This document summarises the process at Australia and New Zealand Banking Group Limited and ANZ Bank New Zealand Limited (each, **ANZ**) relating to pre-marketing to prospective investors and allocation when appointed by an issuer (**Issuer**) to act as arranger or a lead manager, for the issue of debt securities.

Pre-marketing and allocations are made in line with the relevant industry body standards (where applicable) and in accordance with applicable laws and regulations.

## 2. ISSUER LIAISON

- This document will be published on the ANZ Institutional website (<https://www.anz.com/institutional/rates-fees-terms/disclosures/>) and discussed with the Issuer to understand their allocation preferences.
- Where ANZ is sole lead manager it will discuss the funding objectives with the Issuer and obtain instructions on their preferred target investor market ahead of announcing the transaction to the market.
- Where ANZ is acting as part of a syndicate of dealers, it is expected that one or more of the lead managers will be responsible for discussing with the Issuer to obtain the Issuer's guidance, preferences and instructions and will share these with the syndicate group in a timely manner.
- The Issuer can always provide guidance and instructions at any point during the pre-marketing and allocation process.

## 3. PRE-MARKETING: PROSPECTIVE INVESTOR SELECTION

When approaching prospective investors for pre-marketing (including market sounding and investor roadshow activities), ANZ will treat investors in a fair and transparent manner whilst seeking Issuer preferences and views, and take into account other relevant factors, such as:

- The nature and manner of the prospective investor's participation in similar transactions
- Whether the prospective investor has expressed interest in the Issuer
- The level of engagement by the prospective investor in the Issuer, or in the Issuer's sector, or in past offerings by the Issuer
- Eligibility of the prospective investor to participate (e.g. due to deal documentation or selling restrictions)

In addition, ANZ may also take into consideration factors outlined in the Allocation Approach (below), to the extent they are applicable.

## 4. ALLOCATION APPROACH

ANZ will engage with the investors approached throughout the book building process to understand investor interest and demand. Any allocation of bonds by ANZ to investors in the order book will be in accordance with the Issuer's preferences, objectives and instructions. The allocation strategy will be discussed with the Issuer at the earliest opportunity and updates provided to the Issuer on the progress of the book build in a timely manner. The Issuer's allocation decisions are final.

The following factors are examples of factors that will be taken into consideration when making allocation recommendations to the Issuer:

- Applicable target market for the debt securities
- Total oversubscription of the order book versus the size of the deal to be allocated
- Selling restrictions in the jurisdiction(s) applicable to the investor
- Avoidance of allocations in inconvenient or uneconomic amounts for the Issuer
- Investor characteristics:
  - Specific investor or investor type preference of the Issuer
  - Geographical preference of the Issuer
  - Mix of investors to aid secondary market liquidity
- Investor behaviour:
  - Pro-active expressions of interest in terms of price or quantity in the marketing and pre-marketing process

- Size of investor interest (may be absolute and/or relative to the investor's portfolio or assets under management)
- Participation in liability management exercise
- Track record in investing in the Issuer's past bonds
- Track record in investing in sector/issue type
- Track record of an investor behaviour that is consistent with the Issuer's objectives or expectations
- Past consistency between an investor's demand and its actual interest
- Timing of the investor's interest in the deal process
- Price or spread limits given by the investor
- Length of the investor's expected holding period for the securities

Allocations will not be based on the expressed or implied level of business that ANZ hopes to do with, or by the amount of trading, fees or other income received or expected from an investor. Final allocations are always subject to approval by the Issuer.

## 5. ALLOCATION TO ANZ INTERNAL BOOKS

If an allocation is made to an internal book of ANZ, it must be justified with respect to the objectives of the allocation process. Any such allocation must not take preference over similar investor-type allocations. If the book is oversubscribed, allocations to similar external investors must take priority, depending on the Issuer's strategy and guidance, as well as the nature of existing investors. The Issuer must consent to any allocation to an ANZ internal book.

## 6. ENQUIRIES

If you have questions after reading this document or concerning our dealings with you, we encourage you to contact your Relationship Manager or ANZ Markets contact.

## 7. DOCUMENT GOVERNANCE

This document will be subject to periodic review by ANZ Compliance and Audit functions.

## ABOUT THIS NOTIFICATION

This document is also available at <https://www.anz.com/institutional/rates-fees-terms/disclosures/>. It may be updated from time to time in order to address regulatory and industry changes and any other applicable developments.

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