Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Australia and New Zealand Banking Group Limited (**ANZ**)

ABN

11 005 357 522

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	1. Options to subscribe for ordinary shares 2. Fully paid ordinary shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1. 110,365 options 2. 1,590,452 fully paid ordinary shares

+ See chapter 19 for defined terms.

| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. <u>110,365 options</u>
110,365 Performance Rights (options) automatically exercised on 19 December 2021, unless further deferred, (the relating shares will be Restricted in trust for a 12 month retention period), at a zero exercise price and subject to the following performance conditions:
• The Performance Rights will be granted in two tranches:
    ○ Tranche 1 (75% of the grant) will be subject to a relative Total Shareholder Return (TSR) performance condition with a Select Financial Services comparator group; and
    ○ Tranche 2 (25% of the grant) will be subject to an Absolute Compound Annual Growth Rate Total Shareholder Return (CAGR TSR) performance condition.
Tranche 1
• The proportion of Performance Rights that become exercisable in tranche 1 will depend upon the TSR achieved by ANZ relative to the companies in the comparator group, measured over the three year performance period from 22 November 2018 to, and calculated as at, the end of the three year performance period (close of business on 21 November 2021).
• Performance equal to the median TSR of the comparator group will result in half of the Performance Rights becoming exercisable on 19 December 2021.
• Performance above median will result in further Performance Rights for tranche 1 becoming exercisable on 19 December 2021, increasing on a straight-line basis until all of the Performance Rights for that tranche become exercisable where ANZ's TSR is at or above the 75th percentile of TSR in the comparator group. Where ANZ's performance falls between two of the comparators TSR is measured on a pro-rata basis. The actual relative level of TSR, rather than simple ranking, will determine the level of vesting.
Tranche 2
• The proportion of Performance Rights that become exercisable in tranche 2 will depend upon the Absolute Compound Annual Growth Rate (CAGR) TSR achieved by ANZ relative to the CAGR TSR targets set by the Board of ANZBGL for this award measured over the three year performance period (commencing 22 November 2018).
• Performance equal to 10% CAGR TSR will result in half the Performance Rights becoming exercisable (50% vesting) on 19 December 2021. |

- Performance above 10% CAGR TSR will result in further Performance Rights becoming exercisable, increasing on a straight-line basis until all of the Performance Rights become exercisable where ANZ's CAGR TSR is 15% (100% vesting) on 19 December 2021.
- Where ANZ's performance falls between 10% and 15%, Absolute CAGR TSR is measured on a pro-rata basis.
- The Board retains discretion to adjust the Absolute CAGR TSR hurdle in exceptional circumstances to ensure that employees are neither advantaged nor disadvantaged by matters outside management's control that materially affect achievement of the ATSR performance condition.

Tranches 1 and 2
- An averaging calculation is used for TSR over a 90 trading day period for start and end values in order to reduce share price volatility.
- Each TSR performance hurdle for the two tranches of Performance Rights will only be tested once at the end of the three year performance period. The percentage of Performance Rights in a tranche that vest as a result of the TSR calculation will be fixed. If the Performance Rights do not pass the performance hurdle on the testing date, they will lapse.
- Each tranche is measured independently.

2. <u>1,590,452 fully paid ordinary shares</u>
Terms of the shares will be the same as the terms of existing ordinary shares.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	1. <u>110,365 options</u> Inapplicable, as no ANZ options are currently listed save that in the event of exercise the resulting ordinary shares issued will rank equally in all respects from the date of allotment with the existing class of quoted securities. 2. <u>1,590,452 fully paid ordinary shares</u> Yes
5	Issue price or consideration	1. 110,365 options – zero exercise price 2. 1,590,452 fully paid ordinary shares at nil consideration
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	1. 110,365 Performance Rights issued to Mr Elliott for the purposes set out in the notice convening ANZ's 2018 Annual General Meeting. 2. 1,590,452 fully paid ordinary shares issued under the Bonus Option Plan (BOP).
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B,* and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A

6e	Number of ⁺securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A

6f	Number of ⁺securities issued under an exception in rule 7.2	N/A

6g	If ⁺securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺issue date and both values. Include the source of the VWAP calculation.	N/A

6h	If ⁺securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A

6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A

7	⁺Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	1. 110,365 options – 19/12/18 2. 1,590,452 fully paid ordinary shares – 18/12/18

+ See chapter 19 for defined terms.

8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	Number	+Class
		2,869,360,600	Fully paid ordinary shares
		11,200,000	ANZ Capital Notes 1
		16,100,000	ANZ Capital Notes 2
		9,701,791	ANZ Capital Notes 3
		16,220,000	ANZ Capital Notes 4
		9,310,782	ANZ Capital Notes 5

USD1,250,000,000 2.05 per cent Covered Bond due May 2020

CNY2,500,000,000 4.75 per cent Fixed Rate Subordinated Notes due January 2025

SGD500,000,000 3.75 per cent Fixed Rate Subordinated Notes due March 2027

AUD200,000,000 4.75 per cent Fixed Rate Subordinated Notes due May 2027

USD1,000,000,000 Perpetual Subordinated Contingent Convertible Securities

AUD225,000,000 4.75 per cent Fixed Rate Subordinated Notes due September 2032

9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	Number	+Class
		7,309,617	Options on issue (there are no options approved for grant but not yet granted)

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	1. Not applicable 2. Same as existing fully paid ordinary shares

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A

12	Is the issue renounceable or non-renounceable?	N/A

13	Ratio in which the ⁺securities will be offered	N/A

14	⁺Class of ⁺securities to which the offer relates	N/A

15	⁺Record date to determine entitlements	N/A

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A

17	Policy for deciding entitlements in relation to fractions	N/A

18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A

19	Closing date for receipt of acceptances or renunciations	N/A

20	Names of any underwriters	N/A

21	Amount of any underwriting fee or commission	N/A

22	Names of any brokers to the issue	N/A

23	Fee or commission payable to the broker to the issue	N/A

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A

28	Date rights trading will begin (if applicable)	N/A

29	Date rights trading will end (if applicable)	N/A

30	How do security holders sell their entitlements *in full* through a broker?	N/A

31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A

32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A

33	⁺Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34   Type of ⁺securities
      (*tick one*)

(a)   ☒   ⁺Securities described in Part 1

(b)   ☐   All other ⁺securities

          Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35   ☐   If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36   ☐   If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
          1 - 1,000
          1,001 - 5,000
          5,001 - 10,000
          10,001 - 100,000
          100,001 and over

37   ☐   A copy of any trust deed for the additional ⁺securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of ⁺securities for which ⁺quotation is sought	N/A

38 Number of +securities for which +quotation is sought — N/A

39 +Class of +securities for which quotation is sought — N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:
- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A

42 Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)

Number	⁺Class
N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

1   +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2   We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

    Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3   We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4   We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ....   Date: 21 December 2018
                 Company Secretary

Print name: Simon Pordage

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