

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 | ANZ Capital Notes 5 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 10,000,000 ANZ Capital Notes 5, but fewer may be issued |

+ See chapter 19 for defined terms.

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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)

Refer to the ANZ Capital Notes 5 Prospectus lodged with ASIC and ASX on 16 August 2017 (**Prospectus**) (in particular Section 1 “Investment overview”, Section 2 “About ANZ Capital Notes 5” and the Note Terms in Appendix A).

Capitalised terms in this Appendix 3B have the meaning set out in the Prospectus.

ANZ Capital Notes 5 are fully paid, convertible, redeemable and resaleable, non-cumulative, perpetual, unsecured subordinated notes of ANZ.

On the first to occur of 20 March 2027 (if the Mandatory Conversion Conditions are satisfied on that date) and the first Distribution Payment Date after that date on which the Mandatory Conversion Conditions are satisfied, ANZ must Convert all of the ANZ Capital Notes 5 then on issue into Ordinary Shares.

ANZ may elect to Exchange all or some ANZ Capital Notes 5 on issue on 20 March 2025, where a Tax Event occurs, or where a Regulatory Event occurs. Exchange in these circumstances is subject to APRA’s prior written approval and certain conditions as described in Section 2.3 of the Prospectus.

ANZ must Convert all (but not some only) ANZ Capital Notes 5 on the occurrence of a Change of Control Event. Conditions may apply to any Conversion following a Change of Control Event. Details are set out in Section 2.4 of the Prospectus.

ANZ will be required to Convert a number of ANZ Capital Notes 5 into Ordinary Shares (subject to the Maximum Conversion Number) following the occurrence of a Trigger Event (which comprises a Common Equity Capital Trigger Event or a Non-Viability Trigger Event). If the ANZ Capital Notes 5 are not Converted within 5 Business Days for any reason (including because of an Inability Event) they will be Written Off, which means all rights in relation to those ANZ Capital Notes 5 will be terminated, and those Holders will not have their capital repaid.

Holders of ANZ Capital Notes 5 do not have any right to vote at meetings of members of ANZ. Holders have certain voting rights which can be exercised at a meeting of Holders.

⁺ See chapter 19 for defined terms.

4	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>In a winding-up of ANZ, ANZ Capital Notes 5 rank ahead of Ordinary Shares, equally among themselves, equally with Equal Ranking Instruments (including ANZ Capital Securities) and behind all Senior Creditors of ANZ, including depositors.</p> <p>Holder's rights in relation to ANZ Capital Notes 5 may be terminated where Conversion does not occur as required following a Trigger Event.</p> <p>For more information in relation to the ranking of ANZ Capital Notes 5 refer to Section 1.3 of the Prospectus.</p>
5	Issue price or consideration	\$100 per ANZ Capital Note 5
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	ANZ will use the proceeds of the Offer to refinance CPS3 and for general corporate purposes.
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	Not applicable
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Not applicable
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Not applicable

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable
6f	Number of +securities issued under an exception in rule 7.2	Not applicable
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.	Not applicable
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	Not applicable
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	Not applicable
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.	ANZ Capital Notes 5 are expected to be issued on 28 September 2017.

+ See chapter 19 for defined terms.

	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Fully paid ordinary shares
	2,937,415,327	
	13,400,000	Fully paid Convertible Preference Shares issued in 2011 (CPS3)
	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

USD1,250,000,000 2.050 per cent Covered Bond due May 2020

CNY2,500,000,000 4.75 per cent Fixed Rate Subordinated Notes due 30 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

USD 1,000,000,000 Perpetual Subordinated Contingent Convertible Securities

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	7,245,488 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)	<p>Subject to the Payment Conditions and ANZ's absolute discretion, Distributions are payable quarterly in arrears on the Distribution Payment Dates (each 20 December, 20 March, 20 June, and 20 September). The first Distribution Payment Date is scheduled to be 20 December 2017.</p> <p>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"> the payment of Distributions will result in ANZ (on a Level 1 basis) or the Group (on a Level 2 basis or, if applicable, a Level 3 basis) not complying with APRA's then current capital adequacy requirements; the payment of Distributions would result in ANZ becoming, or being likely to become, insolvent for the purposes of the Corporations Act; or APRA objects to the payment of the Distribution. <p>All payments are subject to applicable law.</p>

Part 2 - Pro rata issue

11 Is security holder approval required? Not applicable

12 Is the issue renounceable or non-renounceable? Not applicable

+ See chapter 19 for defined terms.

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- | | | |
|----|--|----------------|
| 13 | Ratio in which the +securities will be offered | Not applicable |
| 14 | +Class of +securities to which the offer relates | Not applicable |
| 15 | +Record date to determine entitlements | Not applicable |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | Not applicable |
| 17 | Policy for deciding entitlements in relation to fractions | Not applicable |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | Not applicable |
| 19 | Closing date for receipt of acceptances or renunciations | Not applicable |

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20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable
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	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

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

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Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

Not applicable

39 +Class of +securities for which quotation is sought

Not applicable

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

Not applicable

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)

Not applicable

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Not applicable	

+ 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.

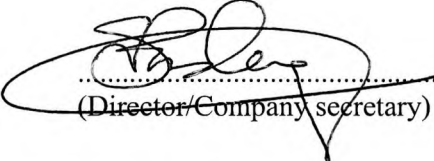
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) 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: 16 August 2017
(Director/Company secretary)

Print name: Simon Pordage

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