

# 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<br>2. Fully paid ordinary shares  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 1. 201,086 options<br>2. 27,635 fully paid ordinary shares  |
| 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>201,086 options</u><br>(a) In accordance with the ANZ Share Option Plan (the "Option Plan"), and as part of the LTI arrangements for the CEO, a total of 201,086 LTI Performance Rights (the "Performance Rights") in ANZ were granted to Mr Michael Smith on 18 December 2013 to acquire the number of ordinary fully paid shares in ANZ, subject to: <ul style="list-style-type: none"> <li>• the Rules of the Option Plan; and</li> <li>• the conditions set out below (which reflect the terms contained in ANZ's Notice of 2013 AGM in respect of the grant to Mr Smith which was approved by shareholders).</li> </ul> (b) the exercise price is zero for all Performance Rights;<br>(c) the ANZ Board retains a discretion to make a cash equivalent payment in lieu of an |

allocation of shares on vesting and exercise of Mr Smith's Performance Rights and this discretion is to be used only in limited circumstances (see below);

(d) subject to satisfactorily meeting the time and performance hurdles the Performance Rights will vest three years from the date of allocation;

(e) the Performance Rights may be exercised, subject to the forfeiture conditions, after 18 December 2016 and before the close of business on 18 December 2018 (after which date the Performance Rights will lapse) subject to satisfactorily meeting the performance conditions;

(g) the Performance Rights are split into two tranches and are subject to the following performance conditions:

- Vesting of Tranche 1 (100,832 options) will depend on the TSR performance of ANZ relative to a peer group comprising a selection of financial services companies (Tranche 1 Comparator Group) and vesting of Tranche 2 (100,254 options) will depend on the TSR performance of ANZ relative to a peer group comprising the companies making up the S&P/ASX 50 Index as at the commencement of the performance period (22 November 2013) (the Tranche 2 Comparator Group). Each tranche will be measured independently from the other.
- The proportion of Performance Rights that become exercisable will depend upon the TSR achieved by ANZ relative to the companies in each of the comparator groups, measured over the 3 year performance period.
- The performance period commences on 22 November 2013 and ends on the third anniversary being 22 November 2016.
- Performance equal to the median TSR of the relevant comparator group will result in half of the Performance Rights becoming exercisable.
- Performance above median 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 TSR is at or above the 75th percentile of TSRs in the relevant comparator group.
- An averaging calculation will be used for TSRs over a 90 trading day period for start and end values in order to

---

+ See chapter 19 for defined terms.

reduce share price volatility.

(h) the TSR performance hurdle will only be tested once at the end of the vesting period for each tranche. The percentage of Performance Rights that vest as a result of the TSR calculation will be fixed for the duration of the exercise period. If the Rights do not pass the performance hurdle on the testing date, or they are not exercised by the end of the relevant exercise period (2 years from the date of vesting) they will lapse.

(i) subject to the rules of the Option Plan, if Mr Smith ceases employment with ANZ:

- Due to resignation: all unexercised Performance Rights will lapse;
- Due to termination on notice or cessation of employment by mutual agreement: all Performance Rights which have vested or which vest during the notice period will be retained and become exercisable by Mr Smith; all remaining Performance Rights will vest and become exercisable, subject to the relevant time and performance conditions being satisfied, unless the Board determines otherwise and unless the Board determines to deliver them to Mr Smith as a cash equivalent payment (see below);
- Due to termination without notice, all unexercised Performance Rights will lapse (whether or not the Performance Rights have vested); or
- Due to death or total and permanent disablement, the performance conditions will be waived and all unvested Performance Rights will vest.

(j) in the event of a takeover, scheme of arrangement or other change of control event occurring, the performance condition applying to the Performance Rights will be tested and the Performance Rights will vest based on the extent to which the performance condition is satisfied.

No pro rata reduction in vesting will occur based on the period of time from the date of grant to the date of the change of control event occurring, and vesting will only be determined by the extent to which the performance condition is satisfied. Any Performance Rights which vest based on satisfaction of the performance condition will vest at a time (being no later than the final date on which the change of control event will occur) determined by the Board. Any Performance Rights which do not vest will lapse with effect from the date of the change of control event occurring, unless the Board determines otherwise.

(k) if the Board exercises a discretion to make a cash equivalent payment to Mr Smith in lieu of an allocation of shares, Mr Smith will receive a cash equivalent payment in respect of any Performance Rights that vest. This payment will be in lieu of the shares that would otherwise have been received and will be calculated based on a 5 day Volume Weighted Average Price (VWAP) of shares up to and including the date of vesting. The cash payment will be made in Australian dollars, unless the Board determines otherwise, in which case the foreign exchange rate applied will be the 'spot' price for the relevant currency on the date of exercise.

2. 27,635 fully paid ordinary shares  
 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. 201,086 options

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. 27,635 fully paid ordinary shares

Yes.

5 Issue price or consideration

1. 201,086 options – zero exercise price  
 2. Fully paid ordinary shares:  
     7,430 shares           at \$22.80  
     20,205 shares         at \$23.71

6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)

1. 201,086 Performance Rights issued to Mr Michael Smith, Chief Executive Officer of ANZ for the purposes set out in the notice convening ANZ's 2013 Annual General Meeting.

2. 27,635 fully paid ordinary shares issued on exercise of options.

+ See chapter 19 for defined terms.

|    |  |     |
|----|--|-----|
| 6a | Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?  | No  |
|    | If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i> , and comply with section 6i   |     |
| 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. 201,086 options – 18 December 2013   |
| 2. Fully paid ordinary shares:<br>27,635 shares                      24/12/2013 |

8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)

| Number        | +Class   |
|---------------|--|
| 2,744,102,108 | Fully paid ordinary shares                                     |
| 10,812,124    | Fully paid convertible preference shares issued in 2008 (CPS1) |
| 19,687,224    | Fully paid Convertible Preference Shares issued in 2009 (CPS2) |
| 13,400,000    | Fully paid Convertible Preference Shares issued in 2011 (CPS3) |
| 15,086,520    | ANZ Subordinated Notes   |
| 11,200,000    | ANZ Capital Notes  |

+ See chapter 19 for defined terms.

AUD96,380,000 Floating Rate TCD due January 2014

AUD1,048,846,000 5.25% TCD due January 2014

AUD1,700,000,000 Floating Rate TCD due February 2014

AUD600,000,000 6.25% TCD due February 2014

AUD2,500,000,000 Floating Rate TCD due November 2014

AUD1,375,000,000 6.75% TCD due November 2014

USD1,500,000,000 1.00% Covered Bond due October 2015

USD750,000,000 Floating Rate Covered Bond due October 2015

AUD1,000,000,000 Floating Rate TCD due October 2015

AUD1,450,000,000 Floating Rate TCD due May 2016

AUD775,000,000 6.75% TCD due May 2016

|    |   |   |                                      |
|----|---|---|--------------------------------------|
| 9  | Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable) | Number  | <sup>+</sup> Class                   |
|    |   | 5,946,728   | Options on issue                     |
|    |   | 500,000   | December 2004 Euro Preference Shares |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)  | 1. Not applicable<br>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<br><br><small>Note: Security holders must be told how their entitlements are to be dealt with.<br/>Cross reference: rule 7.7.</small> | 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 |

---

+ See chapter 19 for defined terms.

|    |   |     |
|----|---|-----|
| 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 <i>in full</i> through a broker?  | N/A |
| 31 | How do security holders sell <i>part</i> 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 | <sup>+</sup> 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 <sup>+</sup>securities  
(tick one)

(a)  <sup>+</sup>Securities described in Part 1 (NB: this relates only to the fully paid ordinary shares described in Part 1)

(b)  All other <sup>+</sup>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    |        |
| 39 | +Class of +securities for which quotation is sought   | N/A    |        |
| 40 | <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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | N/A    |        |
| 41 | <p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>  | N/A    |        |
| 42 | Number and +class of all +securities quoted on ASX (including the +securities in clause 38)   | Number | +Class |
|    |   | N/A    | N/A    |

## 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: 14 January 2014  
Company Secretary

Print name: John Priestley

== == == == ==

---

+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

| <b>Rule 7.1 – Issues exceeding 15% of capital</b>   |  |
|---|--|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>   |  |
| <i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue   |  |
| <p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |  |
| <b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period   |  |
| <b>“A”</b>  |  |

+ See chapter 19 for defined terms.

|   |  |
|---|--|
| <b>Step 2: Calculate 15% of “A”</b>   |  |
| “B”   | 0.15<br><i>[Note: this value cannot be changed]</i>                    |
| <b>Multiply</b> “A” by 0.15   |  |
| <b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>  |  |
| <p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |  |
| “C”   |  |
| <b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>   |  |
| “A” x 0.15<br><br><i>Note: number must be same as shown in Step 2</i>   |  |
| <b>Subtract</b> “C”<br><br><i>Note: number must be same as shown in Step 3</i>  |  |
| <b>Total</b> [“A” x 0.15] – “C”   | <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

## Part 2

| <b>Rule 7.1A – Additional placement capacity for eligible entities</b>   |   |
|--|---|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>  |   |
| <b>“A”</b><br><br><i>Note: number must be same as shown in Step 1 of Part 1</i>  |   |
| <b>Step 2: Calculate 10% of “A”</b>  |   |
| <b>“D”</b>   | 0.10<br><br><i>Note: this value cannot be changed</i> |
| <b>Multiply “A” by 0.10</b>  |   |
| <b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>  |   |
| <b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A<br><br><b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |   |
| <b>“E”</b>   |   |

+ See chapter 19 for defined terms.

|  |   |
|--|---|
| <b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b> |   |
| "A" x 0.10<br><br><i>Note: number must be same as shown in Step 2</i>                                  |   |
| <b>Subtract "E"</b><br><br><i>Note: number must be same as shown in Step 3</i>                         |   |
| <b>Total</b> ["A" x 0.10] – "E"  | <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

---

+ See chapter 19 for defined terms.