

**Australia and New Zealand Banking Group Limited**

Australian Business Number 11 005 357 522
(Incorporated with limited liability in Australia)

**MARKETS ISSUANCE PROGRAMME
Relating to Notes, Certificates and Warrants****This Supplement**

This supplement (this "**Supplement**") to the base prospectus of Australia and New Zealand Banking Group Limited (the "**Issuer**" or "**ANZ**") dated 13 February 2017 for the Markets Issuance Programme relating to Notes, Certificates and Warrants (the "**Original Base Prospectus**"), as supplemented by the supplementary prospectuses dated 17 February 2017, 11 May 2017, 27 June 2017, 24 July 2017 and 4 August 2017 (the "**Base Prospectus**"), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000, as amended (the "**FSMA**").

Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

ANZ accepts responsibility for the information contained in this Supplement and to the best of the knowledge of ANZ (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Investors should be aware of their rights under section 87Q(4) to (6) of the FSMA.

A copy of this Supplement has been filed with the National Storage Mechanism and will be available for inspection at www.morningstar.co.uk/uk/nsm.

Purpose

The purpose of this Supplement is to:

- supplement the Base Prospectus with information contained in ANZ's trading update for the three months to 30 June 2017;
- incorporate by reference into the Base Prospectus ANZ's Basel III Pillar 3 Disclosure as at 30 June 2017; and
- to update the section entitled "Recent Developments" in the Section "Information about ANZ" of the Base Prospectus, with information regarding an announcement by ANZ relating to certain Standard & Poor's credit rating changes.

(1) ANZ Trading Update - Third Quarter FY2017

On 15 August 2017, ANZ released a Trading Update for the three months to 30 June 2017 which included the following information.

"ANZ's unaudited Statutory Profit for the third quarter to 30 June 2017 was \$1.67 billion. Cash Profit for the same period was \$1.79 billion.¹

Financial Performance Summary (Cash Basis)

Comparisons are Cash Profit based and for the third quarter Financial Year 2017 to 30 June compared to the average of the first two quarters of Financial Year 2017 unless otherwise noted.

	3Q17
Profit before provisions	\$2.79 billion
Provisions	\$243 million
Cash Profit	\$1.79 billion

- Cash Profit of \$1.79 billion up 5.3%. Profit before Provisions increased 0.3%.
- Customer deposit growth of 2.3% with net lending asset growth of 2.0% during the quarter.
- Revenue decreased 0.3% which in part reflected a normalisation of the Markets business performance after an unusually strong first half along with the sale of 100 Queen Street.
- Expenses reduced 1% and continue to be well managed. As flagged the proceeds of the sale of 100 Queen Street are being reinvested in the business with approximately two thirds occurring in the second half, largely in the final quarter.
- The Group Net Interest Margin (NIM) was stable², up several basis points excluding Markets. Australia Division NIM improved offsetting a decline in Institutional NIM. The Australian Bank Levy will impact the NIM in the fourth quarter being reflected within the cost of funds.
- The reshaping of the Institutional Division asset base continued with Risk Weighted Assets (RWA) reducing a further \$3 billion to \$156 billion, with a cumulative reduction of \$12 billion (-7%) during the Financial Year to date. The changing profile of the book has resulted in a decline in the Division's provision charge and an improvement in the risk adjusted return (NII/Average Credit Risk Weighted Assets (CRWA)).
- Above system growth in residential mortgages in Australia has been primarily driven by the Owner Occupier segment. The Division is tracking well in respect of meeting various macro prudential requirements regarding mortgage growth.

Group Credit Quality

The total provision charge of \$243 million was comprised of an Individual Provision (IP) charge of \$308 million and a Collective Provision (CP) release. The release of CP was largely driven by continued reshaping of the Institutional portfolio along with some transfers to IP.

Capital

The Australian Prudential Regulation Authority Common Equity Tier 1 (CET1) ratio was 9.8% at 30 June, which incorporates 51 basis points of net organic capital generation offset by the Interim Dividend (59 bps) and adoption of the new RWA models for Australian Residential Mortgages.³ Proforma CET 1 was 10.5%.⁴

Post the end of the third quarter ANZ completed the sale of the Retail and Wealth businesses in China and Singapore to DBS with Hong Kong expected to complete prior to the end of the second-half. All other transactions remain subject to regulatory approvals and completion.

CEO Commentary

ANZ Chief Executive Officer Shayne Elliott said: "This period has seen further progress in improving returns based on rebalancing our business portfolio, ongoing cost management discipline and improved capital efficiency. Although we are in period of lower sector revenue growth with some parts of the economy experiencing challenges, credit quality has improved.

"We are seeking to deliver sustainable returns to our shareholders and at the same time to live up to the expectations of our customers and the community. To do this we are changing the way we work and thinking differently to ensure we continue to provide a compelling service to our customers and make a meaningful contribution to the communities in which we operate," Mr Elliott said.

M&A & Other Items Included in Cash Profit

\$m	1H17 Reported	3Q17
Asian Minority pro-forma	58	
Reclassification of Asia Retail & Wealth to held for sale	-284	6
Total Specified Items	-226	6
Gain on sale of 100 Queen St Melbourne	112	
Institutional Markets - derivative valuation adjustments	115	33
Total other items	227	33

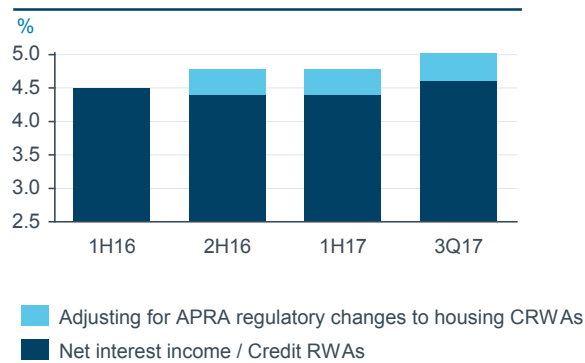
***All items are post tax impacting the revenue line of the Profit & Loss**

Footnotes:

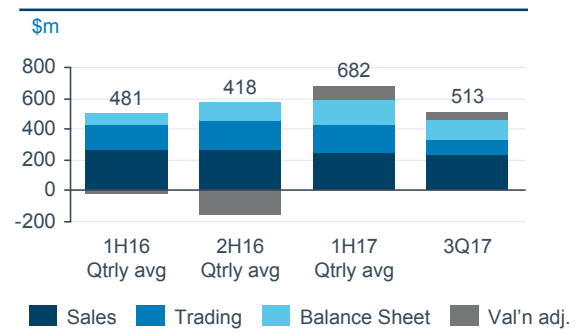
- ¹ Cash Profit excludes non-core items included in Statutory profit and is provided to assist with understanding the results of the ongoing business activities of the Group.
- ² Versus Group NIM at 30 March 2017 of 200 basis points (258 basis points excluding Markets) as reported in the Consolidated Financial Report & Dividend Announcement page 20.
- ³ In an ASX release on 1 June 2017 ANZ advised the average risk weight for its Australian residential mortgage lending book would increase following completion of the Australian Prudential Regulation Authority's review of ANZ's mortgage capital model. The average risk weight outcome is a dynamic calculation.
- ⁴ Proforma Common Equity Tier 1 (CET1) incorporates the capital benefit arising from the disposal of assets which have been announced but were not completed as at 30 June 2017.

Financial Performance

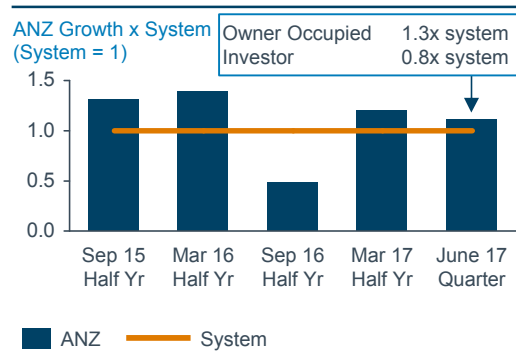
Risk Adjusted Returns¹



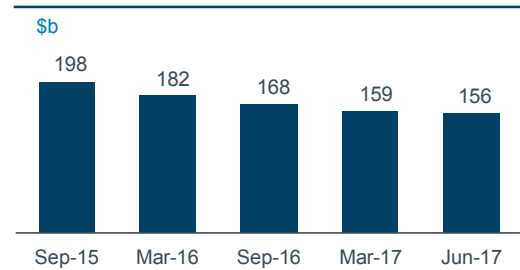
Markets income



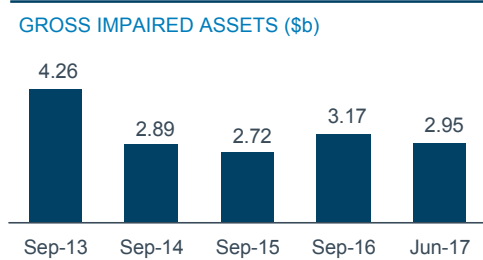
Aus. Household lending growth²



Institutional RWAs



Credit Quality



Capital

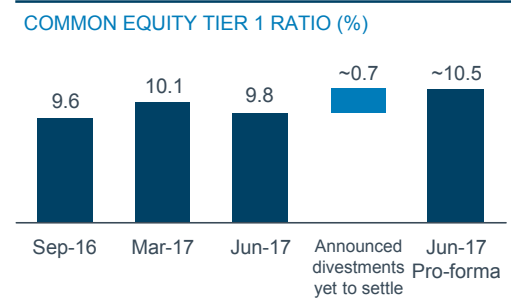


Chart Footnotes

¹ Excludes Markets income

² Source: ANZ analysis of APRA monthly banking statistics

(2)ANZ Basel III Pillar 3 Disclosure - As at 30 June 2017

On 15 August 2017, ANZBGL released its Basel III Pillar 3 Disclosure as at 30 June 2017 (the "**Basel III Disclosure**"). A copy of the Basel III Disclosure and a copy of this Supplement have been filed with the National Storage Mechanism and will be available for inspection at www.morningstar.co.uk/uk/nsm and, by virtue of this Supplement, the Basel III Disclosure shall be deemed to be incorporated into, and form part of, the Base Prospectus.

A copy of the Basel III Disclosure which is incorporated into, and forms part of, this Supplement is also available at <http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme>.

(3) S&P downgrades Australian Banking Industry Country Risk assessment

On 22 May 2017, Standard & Poor's (S&P) announced it had lowered its assessment of the standalone credit profiles of almost all financial institutions operating in Australia.

As a result, S&P downgraded its ratings on hybrid and subordinated debt instruments issued by ANZ and ANZ New Zealand by one notch in line with ANZ's revised standalone credit profile.

S&P also affirmed ANZ's senior unsecured credit rating at AA- (long term) and A-1+ (short term). Both ratings continue to have a negative outlook.

The revised ANZ ratings are:

- Senior debt: Stable at AA- (negative)
- Basel 2 Subordinated debt: downgraded from A- to BBB+
- Basel 3 Subordinated debt: downgraded from BBB+ to BBB
- Hybrid debt: downgraded from BBB- to BB+

To the extent that there is any inconsistency between any statement contained in this Supplement and any other statement contained in the Base Prospectus or in any information or in any document incorporated by reference into, and forming part of, the Base Prospectus, the statements contained in this Supplement will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.