Supplementary Prospectus
Dated 15 July 2019

Australia and New Zealand Banking Group Limited

Australian Business Number 11 005 357 522
(Incorporated with limited liability in Australia and registered in the State of Victoria)

Index Linked Notes

This supplement (this "**Supplement**") to the prospectus of Australia and New Zealand Banking Group Limited ("**ANZ**"), dated 19 November 2018 allowing for the issue of index linked notes by ANZ (the "**Prospectus**"), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000, as amended (the "**FSMA**"). It should be read alongside the prospectus relating to ANZ's Market Issuance Programme (the "**Programme Prospectus**"), which was published on 19 November 2018 and supplemented by the supplementary prospectuses dated 10 December 2018, 18 December 2018, 8 February 2019, 20 February 2019, 2 May 2019 and 15 July 2019 (the **"Programme Prospectus Supplements"**).

The purpose of this Supplement is to update the Prospectus following the release by the Australian Prudential Regulation Authority ("**APRA**") of a response to submissions on its proposed loss-absorbing capacity requirements and, subsequently, a revised outlooks announcement by S&P Global Ratings ("**S&P**"), and an announcement by ANZ in relation to an additional operational risk capital requirement to be applied by APRA.

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

This Supplement is supplemental to, and should be read and construed together with, the Prospectus.

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.

Programme Prospectus Supplements

On 10 December 2018, 18 December 2018, 8 February 2019, 20 February 2019, 2 May 2019 and 15 July 2019, the Programme Prospectus Supplements were published and copies of the Programme Prospectus Supplements were filed with the National Storage Mechanism, and will be available for inspection at www.morningstar.co.uk/nsm.

By virtue of this Supplement, the Programme Prospectus Supplements shall be deemed to be incorporated into, and form part of, the Prospectus.

Update of the Prospectus – APRA releases response to submissions on its proposed loss-absorbing capacity requirements, S&P announces revised outlooks for major Australian banks, and APRA to apply additional operational risk capital requirement

Further to the release by APRA of a discussion paper titled "Increasing the loss-absorbing capacity of ADIs to support orderly resolution" on 8 November 2018, APRA provided a response to submissions on 9 July 2019.

APRA announced that it will require domestic systemically important banks ("D-SIBs"), including ANZ, to increase their Total Capital by 3% of risk-weighted assets ("RWA") by January 2024. The initial proposal contained in APRA's discussion paper was 4% to 5% of RWA.

Based on ANZ's RWA of A$396bn as at 31 March 2019, this represents an incremental increase in the Total Capital requirement of approximately A$12bn, with an equivalent decrease in other senior funding[1]. APRA continues to anticipate that D-SIBs would satisfy the requirement predominantly with Tier 2 capital.

APRA noted that its "overall targeted calibration of an additional four to five percentage points of loss-absorbing capacity remains unchanged. Over the next four years, feasible alternative methods for raising the additional one to two percentage points will be considered in consultation with industry and other interested stakeholders."

Subsequently, on 9 July 2019, S&P Global Ratings ("S&P") advised that, following APRA's announcement that it is proceeding with its plan to strengthen Australian banks' loss absorbing capacity, S&P has revised its outlooks on the four major Australian banks, including ANZ, to stable from negative.

On 11 July 2019, ANZ announced that APRA has advised ANZ that it will require an additional capital overlay of A$500 million[2] for operational risk following APRA's recent report on Australian banks' self-assessments into governance, culture and accountability.

This represents an 18 basis point impact on ANZ's Common Equity Tier 1 ("CET1") capital ratio.[3] The increased capital requirement is effective from 30 September 2019.

APRA notes that the overlay will apply until ANZ has effectively completed the planned uplift in non-financial risk management as outlined in ANZ's Self-Assessment Roadmap.

Separately, as previously announced by APRA, the revisions to the measurement of counterparty credit risk (SA-CCR) commenced on 1 July 2019. ANZ estimates that these changes will result in an increase in risk weighted assets, equivalent to approximately 15 basis points of CET1 capital.

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

Save as disclosed in this Supplement or in any document incorporated by reference into, and forming part of, this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

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[1] This is updated from ANZ's announcement dated 8 November 2018 following release of APRA's initial discussion paper of the same date

[2] The impact on risk weighted assets is $500 million multiplied by 12.5 as per APRA's prudential standards. Consequently, the actual impact on capital will vary depending on ANZ's capital ratio at the time.

[3] Based on ANZ's capital position as at 31 March 2019.