



## Supplementary Prospectus Dated 2 August 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)

#### MARKETS ISSUANCE PROGRAMME Relating to Notes, Certificates and Warrants

This supplement (this "**Supplement**") to the prospectus of Australia and New Zealand Banking Group Limited (the "**Issuer**" or "**ANZ**") dated 19 November 2018 for the Markets Issuance Programme relating to Notes, Certificates and Warrants, as supplemented by the supplementary prospectuses dated 10 December 2018, 18 December 2018, 8 February 2019, 20 February 2019, 2 May 2019, 15 July 2019 and 19 July 2019 (the "**Prospectus**"), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000, as amended (the "**FSMA**").

The purpose of this Supplement is to update the following sections of the Prospectus:

- (A) the section headed "*Information about ANZ – Recent Developments*" on page 195 of the Prospectus following announcements by ANZ in relation to (1) civil proceedings on periodical payment fees by the Australian Securities and Investments Commission ("**ASIC**"); and (2) new risk weight floors to be applied to New Zealand mortgage and farm lending portfolios for Level 2 reporting;
- (B) paragraph 5 in the section headed "General Information" (on page 237) in relation to item (A)(1) above.

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](http://www.morningstar.co.uk/uk/nsm).

#### **(A) Information about ANZ – Recent Developments**

##### ***(1) ASIC civil proceedings on periodical payment fees***

On 25 July 2019, ANZ announced that ASIC has advised ANZ it intends to commence civil penalty proceedings against the bank in relation to the charging of fees for periodical payments in certain circumstances prior to February 2016.

These fees were the subject of a class action which was settled in December 2018 for A\$1.5 million, pending court approval.

Separately, ANZ has already provided for approximately A\$50 million in customer remediation payments for this matter of which more than A\$28 million has already been paid to customers impacted since 2008.

In this matter, we understand ASIC will seek pecuniary penalties in respect of 1.3 million instances where the fees were applied.

While ANZ is still considering the matters raised by ASIC, ANZ categorically denies any deliberate wrongdoing and intends to vigorously defend any such allegation.

Subsequently, on 25 July 2019, the Australian Government Solicitor filed documents in the Federal Court relating to this matter.

## **(2) Risk Weight Floors for New Zealand Mortgage and Farm Lending Portfolios (Level 2)**

On 29 July 2019, ANZ announced new risk weight floors will be applied to the New Zealand mortgage and farm lending portfolios for Level 2 reporting, following notification by the Australian Prudential Regulation Authority ("**APRA**").

This was in response to an increase in risk weights applied by the Reserve Bank of New Zealand ("**RBNZ**") for these portfolios.

The impact is equivalent to a 20 basis point reduction in the Group's Level 2 Common Equity Tier 1 ("**CET1**") capital ratio . The changes are effective 30 September 2019.

There is no impact on ANZ's Level 1 capital ratio, and the higher risk weights for New Zealand were effectively incorporated into the Level 1 ratio as at 31 March 2019.

Level 1 is ANZ on a stand-alone ADI basis excluding subsidiaries; Level 2 is the Group including ANZ and its banking subsidiaries.

As of the 30 June 2019, the Group's Level 2 CET1 capital ratio was 11.8%, well in excess of APRA's Unquestionably Strong Requirement of 10.5%.

On a pro-forma basis, inclusive of the above changes as well as the recently announced increase in operational risk capital requirements and the implementation of the revised counterparty credit risk (SA-CCR) prudential standard, the Group's Level 2 CET1 ratio is 11.3%.

## **(B) General Information**

By virtue of this Supplement, paragraph 5 in the section entitled "General Information" (on page 237 of the Prospectus) is deleted and replaced with the following:

*"There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months before the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of it or the Issuer and its subsidiaries taken as a whole, except: (i) as set out in Note 19 to the Group's unaudited interim consolidated financial statements for the half-year ended 31 March 2019 and under the sections entitled "Other Contingent Liabilities and "Contingent Assets" in Note 33 to the Group's audited annual consolidated financial statements for the year ended 30 September 2018 which are incorporated by reference into this Prospectus and (ii) as set out in item (A)(1) above of this Supplement."*

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, 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.