



Supplementary Prospectus Dated 1 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)
as Issuer*

ANZ Bank New Zealand Limited

*(incorporated with limited liability in New Zealand)
as Issuer and Guarantor of Notes issued by ANZ New Zealand (Int'l) Limited*

ANZ New Zealand (Int'l) Limited

*(incorporated with limited liability in New Zealand)
as Issuer*

US\$60,000,000,000

Euro Medium Term Note Programme

This supplement (the "**Supplement**") to the base prospectus of Australia and New Zealand Banking Group Limited ("**ANZBGL**") dated 21 May 2019, as supplemented by the supplementary prospectuses dated 10 July 2019, 11 July 2019 and 18 July 2019 (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**") and is prepared in connection with the US\$60,000,000,000 Euro Medium Term Note Programme established by ANZBGL (as Issuer), ANZ Bank New Zealand Limited ("**ANZ New Zealand**") (as Issuer and Guarantor of Notes issued by ANZ New Zealand (Int'l) Limited ("**ANZNIL**") and ANZNIL (as Issuer).

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

- (A) the section entitled "Recent Developments" in Section 5 (Description of Australia and New Zealand Banking Group Limited and its Subsidiaries) following announcements by ANZBGL 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 ; and
- (B) paragraph 4(i) in the section entitled "Additional Information" (on page 186) in relation to item (A)(1) above.

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

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

ANZBGL accepts responsibility for the information contained in this Supplement and to the best of the knowledge of ANZBGL (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.

(A) Recent Developments

(1) ASIC civil proceedings on periodical payment fees

On 25 July 2019, ANZBGL announced that ASIC has advised ANZBGL 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, ANZBGL 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 occasions where the fees were applied.

While ANZBGL is still considering the matters raised by ASIC, ANZBGL 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, ANZBGL 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 portfolios¹.

The impact is equivalent to a 20 basis point reduction in the Group's Level 2 Common Equity Tier 1 ("**CET1**") capital ratio². The changes are effective 30 September 2019.

There is no impact on ANZBGL'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 ANZBGL on a stand-alone ADI basis excluding subsidiaries; Level 2 is the Group including ANZBGL 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) Additional Information

By virtue of this Supplement, paragraph 4(i) in the section entitled "Additional Information" (on page 186 of the Base 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 any of the Issuers or the Guarantor is aware) during the last 12 months which may have, or have had in the recent past, a significant effect on the financial position or profitability of any of the Issuers or the Guarantor or, in respect of ANZBGL and ANZ New Zealand only, ANZBGL, ANZ New Zealand and their subsidiaries taken as a whole, except in the case of:

(i) ANZBGL only, (A) as set out in Note 19 to ANZBGL'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 ANZBGL's audited annual consolidated financial statements for the year ended 30 September 2018, which are incorporated by reference into this Base Prospectus and (B) as set out in item (A)(1) above of this Supplement; and"

¹ As noted in ANZ New Zealand's Registered Bank Disclosure Statement released in May 2019.

² The new floors result in risk weights for New Zealand mortgages being broadly consistent with Australian mortgages.

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 Base Prospectus or in any information or document incorporated by reference into, and forming part of, the Base 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 Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.