

Supplementary Offering Memorandum Dated August 27, 2019

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\$10,000,000,000 Medium-Term Notes
Series A Notes Due One Year or More from Date of Issue

This supplement (the "**Supplement**") to the offering memorandum (the "**Offering Memorandum**") of ANZ Bank New Zealand Limited ("**ANZ New Zealand**") and ANZ New Zealand (Int'l) Limited ("**ANZNIL**"), dated July 11, 2019, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000, as amended, and is prepared in connection with the US\$10,000,000,000 medium-term note program established by ANZ New Zealand (as Issuer and Guarantor of notes issued by ANZNIL) and ANZNIL (as Issuer).

The purpose of this Supplement is to:

- (A) update the section entitled "*Recent Developments*" on pages 8-9 of the Offering Memorandum in relation to (i) the FMA's announcement on its review of ANZ New Zealand's reporting of related party transactions; (ii) an outlook revision by Fitch; and (iii) APRA's announcement that it will reduce the limits for Australian ADIs' exposures to related entities by January 2021;
- (B) update the 'Credit rating agency' table in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and funding—General*" on page 98 of the Offering Memorandum, with information regarding an outlook revision by Fitch; and
- (C) update the section entitled "*Regulation and Supervision—Restrictions on ANZBGL's ability to provide financial support—Effect of APRA's Prudential Standards*" on pages 57-58 of the Offering Memorandum, with information about APRA's announcement that it will reduce the limits for Australian ADIs exposures to related entities by January 2021.

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

(A) Updates to the section entitled "Recent Developments"

By virtue of this Supplement, the section entitled "*Recent Developments*" on pages 8–9 of the Offering Memorandum is updated with the following:

(i) FMA review of related party transactions: The paragraph under the heading "*Financial Markets Authority ("FMA") review of related party transactions*" on page 9 of the Offering Memorandum is updated with the following:

In June 2019, it was reported in the media that a subsidiary of ANZ New Zealand sold an Auckland property to the wife of Mr. David Hisco, ANZ New Zealand's former Chief Executive Officer. The property was purchased for \$7.55 million in early 2011 and sold for \$6.9 million in July 2017. Following consultation with the FMA and the RBNZ, ANZ New Zealand provided relevant information regarding its reporting of related party transactions in its financial statements to the FMA.

On August 22, 2019, the FMA announced that it had determined that the ANZ New Zealand Group should have disclosed the sale as a related party transaction in its 2017 Disclosure Statement. In the FMA's view, the disclosure was material for financial reporting purposes given the nature of the transaction.

ANZ New Zealand disagrees with the FMA's finding. It considers the transaction was not material information on the basis that this disclosure would not influence the economic decisions of users of its financial statements.

The FMA has informed the RBNZ of its determination, reflecting the RBNZ's role in banking supervision, and as part of the joint focus on conduct and culture. The Australian Securities and Investments Commission, as one of the primary regulators of ANZ New Zealand's ultimate parent company, ANZBGL, has also been informed.

The FMA has engaged with Chartered Accountants Australia and New Zealand as the front line regulator for auditors in New Zealand, for it to consider whether to assess the auditor's procedures in determining the disclosures in the 2017 Disclosure Statement.

The FMA noted that it has not assessed the appropriateness of the sale price of the property as this is a matter for other agencies to consider. The FMA is continuing to engage with ANZ New Zealand, and will require ANZ New Zealand to issue a corrective statement relating to the 2017 Disclosure Statement. The FMA also expects ANZ New Zealand to review its internal financial reporting in light of this issue.

(ii) Additional information: The following additional information is included at the end of the "Recent Developments" section on page 9 of the Offering Memorandum:

Fitch Outlook Revision

On July 17, 2019, Fitch announced that it had revised its outlook for ANZBGL's Long-Term Issuer Default Rating ("**IDR**") to Negative from Stable. ANZBGL's IDR was reaffirmed at AA- with all other ratings unchanged. The outlook is consistent with Fitch's announced outlook for the other three major Australian banks.

Fitch stated that the main driver for the rating action was APRA's announcement on July 11, 2019 that it was applying additional operational-risk capital requirements to three major Australian banks, including ANZBGL.

As a result, Fitch also revised the outlook for ANZ New Zealand's IDR to Negative from Stable. Fitch reaffirmed ANZ New Zealand's IDR at AA- with all other ratings unchanged.

APRA confirms reduction in limits on Australian ADIs' related entities exposures

On August 20, 2019, APRA confirmed it will implement its previously announced proposal to reduce limits for Australian ADIs' exposures to related entities, reducing limits from 50% of Level 1 total capital to 25% of Level 1 Tier 1 Capital.

ANZBGL's exposure to the ANZ New Zealand Group is impacted by this change. ANZBGL's exposure to ANZ New Zealand is presently expected to be at or around the revised limit. APRA's announcement means that ANZBGL could have limited capacity to increase exposures to the ANZ New Zealand Group, although the final impact will be dependent on a number of factors, including the size and composition of ANZBGL's and the ANZ New Zealand Group's balance sheets at the time of implementation.

While the change announced will not be effective until January 2021, ANZ New Zealand notes APRA's statement that they are open to providing entity-specific transitional arrangements or flexibility on a case-by-case basis. ANZ New Zealand expects this flexibility could include the timeframe available to satisfy the new requirements and the circumstances under which an exemption may be available, such as periods of funding market disruption.

The changes outlined in APRA’s announcement could adversely impact the ANZ New Zealand Group’s Position, credit ratings and our ability to grow our business. The changes could have a material impact on us and our business planning, such as requiring a higher proportion of earnings to be retained to meet increased capital requirements.

(B) Updates to the ‘Credit rating agency’ table

By virtue of this Supplement, the ‘Credit rating agency’ table on page 98 in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and funding—General” of the Offering Memorandum and the preceding paragraph are updated with the following:

The cost and availability of our senior unsecured financing is influenced by credit ratings. As of August 27, 2019, credit ratings and outlook for our short-term and long-term senior unsecured debt were as follows:

Credit rating agency	Short-term debt	Long-term debt	Outlook
S&P	A-1+	AA-	Stable
Moody’s	P-1	A1	Stable
Fitch	F1+	AA-	Negative

(C) Updates to the “Restrictions on ANZBGL’s ability to provide financial support” section

By virtue of this Supplement, the paragraph on page 58 of the Offering Memorandum in the section entitled “Restrictions on ANZBGL’s ability to provide financial support” that states “APRA is currently consulting on the proposed changes... implemented by January 1, 2020” is amended as follows:

On August 20, 2019, APRA confirmed it will implement its previously announced proposal to reduce limits for Australian ADIs’ exposures to related entities, reducing limits from 50% of Level 1 total capital to 25% of Level 1 Tier 1 Capital.

ANZBGL’s exposure to the ANZ New Zealand Group is impacted by this change. ANZBGL’s exposure to ANZ New Zealand is presently expected to be at or around the revised limit. APRA’s announcement means that ANZBGL could have limited capacity to increase exposures to the ANZ New Zealand Group, although the final impact will be dependent on a number of factors, including the size and composition of ANZBGL’s and the ANZ New Zealand Group’s balance sheets at the time of implementation.

While the change announced will not be effective until January 2021, ANZ New Zealand notes APRA’s statement that they are open to providing entity-specific transitional arrangements or flexibility on a case-by-case basis. ANZ New Zealand expects this flexibility could include the timeframe available to satisfy the new requirements and the circumstances under which an exemption may be available, such as periods of funding market disruption.

The changes outlined in APRA’s announcement could adversely impact the ANZ New Zealand Group’s Position, credit ratings and our ability to grow our business. The changes could have a material impact on us and our business planning, such as requiring a higher proportion of earnings to be retained to meet increased capital requirements.

Each of ANZ New Zealand and ANZNIL accepts responsibility for the information contained in this Supplement and to the best of the knowledge of each of ANZ New Zealand and ANZNIL (which have 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.

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

To the extent that there is any inconsistency between any statement contained in this Supplement and any other statement contained in the Offering Memorandum, the statements contained in this Supplement will prevail.

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.

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