



Supplementary Prospectus Dated 5 December 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*

US\$30,000,000,000

ANZ Global Covered Bond Programme

unconditionally and irrevocably guaranteed as to payments of interest and principal by

Perpetual Corporate Trust Limited

*Australian Business Number 99 000 341 533
(incorporated with limited liability in Australia)
as Trustee of the ANZ Residential Covered Bond Trust*

This supplement (the "**Supplement**") to the base prospectus of Australia and New Zealand Banking Group Limited ("**ANZBGL**") dated 13 November 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\$30,000,000,000 ANZ Global Covered Bond Programme established by ANZBGL.

The purpose of this Supplement is to update the sub-section entitled "Recent Developments" in the section entitled "Australia and New Zealand Banking Group Limited and its Subsidiaries" in the Base Prospectus with information regarding RBNZ's capital requirements.

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, 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.

ANZ update on RBNZ capital requirements

ANZBGL has provided an update on the impacts of today's release of RBNZ's final capital requirements¹.

The net impact on the Group is an increase in Common Equity Tier 1 ("**CET1**") capital of approximately A\$3.0 billion by July 2027 (based on the Group's 30 September 2019 balance sheet), which includes a approximately A\$1 billion management buffer.

¹ RBNZ released its consultation paper titled "Capital Review Paper 4: How much capital is enough?" on 14 December 2018.

The impact is net of approximately NZ\$1.5 billion of profits that ANZ Bank New Zealand Limited (“**ANZ New Zealand**”) has retained in 2019 in anticipation of meeting higher requirements (i.e. a total CET1 impact of approximately A\$4.5 billion which is lower than what was previously anticipated²).

The key changes to the RBNZ final capital requirements relative to the consultation paper:

- No change in total Tier 1 capital required for ANZ New Zealand of 16%, however the transition period is longer at seven years, and there is a reduced impact on CET1 capital for the Group³.
- A greater proportion of the increase is in Additional Tier 1 (“**AT1**”) capital (2.5% compared to the initial proposal of 1.5%), decreasing the amount of CET1 capital required.
- Redeemable preference shares allowable as AT1 capital. It is anticipated that ANZ New Zealand will be able to refinance existing internal AT1 securities to external counterparties.

ANZ Chief Executive Officer Shayne Elliott said: “Today’s announcement provides the certainty required to prepare our business for the future.

“While the increased capital requirements remain significant, the consultation was thorough and the concerns of industry were given a fair hearing. We remain aligned with the RBNZ’s objective to ensure a sound and efficient financial system in New Zealand.

“We have been planning for these changes since the original consultation. Given the extended transition period and our strong capital position, we are confident we can meet the higher requirements without the need to raise additional capital,” Mr Elliott said.

ANZ’s CET1 capital ratio as at 30 September 2019 was 11.4%, which was around A\$3.5 billion above APRA’s stated unquestionably strong level of 10.5%.

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.

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.

2 ANZBGL commented on the consultation paper in an ASX Announcement dated 14 December 2018 and responded to the consultation paper on 17 May 2019.

3 Based on APRA’s Prudential Standard APS 111 (Capital Adequacy: Measurement of Capital) proposals dated 15 October 2019.