

ANZ GREEN BOND

MARCH 2018 QUARTER INVESTOR UPDATE

As part of ANZ's commitment to actively managing and reducing the environmental impact of its activities, ANZ issued an AUD 600 million 5 year fixed rate Green Bond in June 2015. The bond finances in part, an approximately AUD 1 billion portfolio of loan assets in renewable energy projects and commercial low carbon buildings in the Asia Pacific region that meet the Eligibility Criteria for Use of Proceeds as set out in our [Framework](#).

ANZ has also recently released the [Green Bond Impact Report](#) which provides an analysis of the impact of asset investment on communities and the environment.

Certification & Verification

ANZ's Framework has been assured by EY against CBI criteria. The first Green Bond issuance was also assured by EY against the CBI criteria on a pre-issuance basis and continues to be assured on a post-issuance basis annually (access the latest Assurance statement [here](#)).

ANZ may seek further certification from the CBI if the Framework changes or if a particular issuance requires it as determined by ANZ, in which case further assurance from a CBI-approved verifier (for example, EY) will also be sought. This assurance will ensure that the issuance aligns with the process and procedure set out in the Framework on a pre-issuance basis and at least once post-issuance in accordance with the CBI criteria as it stands from time to time.

Eligible Assets

The Green Bond was used to refinance ANZ's loan assets in certain CBI-eligible asset classes, namely renewable energy (wind, solar) and green buildings. Appendix 1 sets out the current list of Eligible Assets, together with further information on how Eligible Assets are defined.

To comply with the CBI standards and in particular requirements on "unallocated proceeds", ANZ stated its intention to ensure that the balance of Eligible Assets would always be greater than or equal to the Green Bonds outstanding. The following table sets out the Eligible Assets position as at the end of each quarter:

Table 1: Eligible Assets balance

Date	Eligible Asset balance (AUD m)	Green Bonds Outstanding (AUD m)	Surplus Funds	Action Taken
Sep 2016	\$1,100.0	\$600	\$0	N/A
Dec 2016	\$1,090.6	\$600	\$0	N/A
Mar 2017	\$1,046.3	\$600	\$0	N/A
Jun 2017	\$1,035.7	\$600	\$0	N/A
Sept 2017	\$1,023.4	\$600	\$0	N/A
Dec 2017	\$1,014.1	\$600	\$0	N/A
Mar 2018	\$974.05	\$600	\$0	N/A

In addition, ANZ may substitute, remove or add new Eligible Assets as Use of Proceeds to assist with managing these requirements, and also where Eligible Assets no longer remain on ANZ's balance sheet due to maturity, refinance or termination.

During the March 2018 quarter one asset, Macarthur Wind Farm, was prepaid and therefore removed from the pool of Eligible Assets.

Enquiries

Enquires in relation to this report or ANZ Green Bonds can be directed to:

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Please note: This report will be reissued/updated as soon as practicable after any re-certification or re-assurance of the Green Bonds, or any verification of new Eligible Assets as a result of substitution or addition. This report will also be updated within 120 days after ANZ issues its year-end results, if an update has not already occurred as a result of re-certification, re-assurance or verification of new assets.

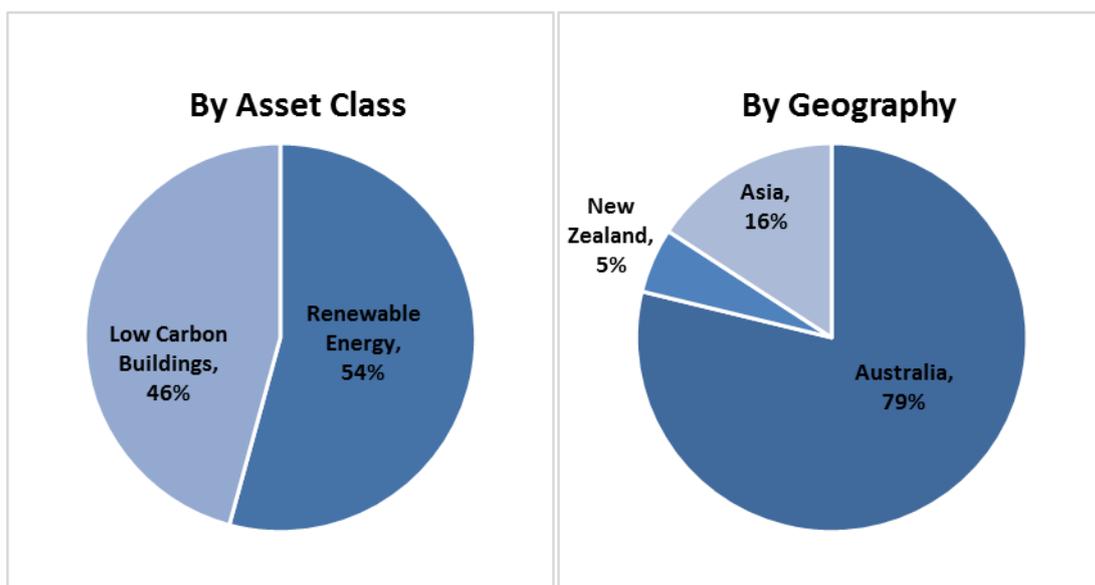
APPENDIX 1

a) Current list of Eligible Assets

Project	Class	Country
Bald Hills Wind Farm	Wind	Australia
Boco Rock Wind Farm	Wind	Australia
Burgos Wind Farm	Wind	Philippines
Changbin Wind Farm	Wind	Taiwan
Chungwei Wind Farm	Wind	Taiwan
Collgar Wind Farm	Wind	Australia
Coonooer Bridge Wind Farm	Wind	Australia
Mahinerangi Wind Farm	Wind	New Zealand
Miaoli Wind Farm	Wind	Taiwan
Mumbida Wind Farm	Wind	Australia
Taralga Wind Farm	Wind	Australia
Tararua Wind Farm	Wind	New Zealand
Brookfield Tower Place 2, Perth	Building	Australia
Collins Square, Melbourne	Building	Australia
Liberty Place, Sydney	Building	Australia
Southern Cross	Building	Australia

Current Aggregated Volume

~A\$974m



b) Definition of Eligible Assets (summary of CBI criteria):

Wind – projects involved in the development, construction and operation of wind farms; or operate production facilities dedicated solely to wind energy; or have wholly dedicated transmission infrastructure for wind farms.

Solar – projects involved in the development, construction and operation of generation facilities, where 100% of electricity is derived from solar energy or where no more than 15% of electricity is supported by gas fired back-up; or projects that operate production facilities wholly dedicated to solar energy development; or projects with wholly dedicated transmission infrastructure for eligible solar electricity generation facilities.

Commercial Buildings – Green Star 4 Star-rated commercial buildings that meet a minimum required threshold of CO2 emissions and that are at least in the top 15% of buildings in their city for reduced carbon emissions (checked and reported annually).