

ANZ GREEN BOND

JUNE 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, a 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](#). At issuance the portfolio of loans amounted to approximately AUD 1 billion.

ANZ also released the [Green Bond Impact Report](#) in December 2017 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) | Unallocated Proceeds | Action Taken |
|-----------|--------------------------------|---------------------------------|----------------------|--------------|
| 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 |
| Jun 2018 | \$757.21 | \$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 June 2018 quarter three assets were removed from the pool of Eligible Assets as the existing facilities were re-financed. These were the Macarthur Wind Farm, Boco Rock Wind Farm, and Brookfield Place Tower 2. Additional assets have been added to the list of eligible assets for inclusion in the bond after June 30, which will be reported in the October quarter Investor Update.

Please note: The March 2018 Quarter Investor Update noted that the Macarthur Wind Farm had been removed from the pool of eligible assets due to a naming error, as it was in fact the Mumbida Wind Farm that had been removed during that quarter. The Eligible Asset balance given for March was correct and was not affected by the asset naming error.

Annual Assurance

Annual post-issuance assurance of the Green Bond has been conducted as at 31 May 2018, with EY confirming that ANZ's bond issuance process continues to meet the project identification, project minimum criteria, management of proceeds, and reporting requirements of the Climate Bond Standard. The 2018 ANZ Green Bond Audit Report has been loaded to the [ANZ Debt Investor website](#).

Enquiries

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

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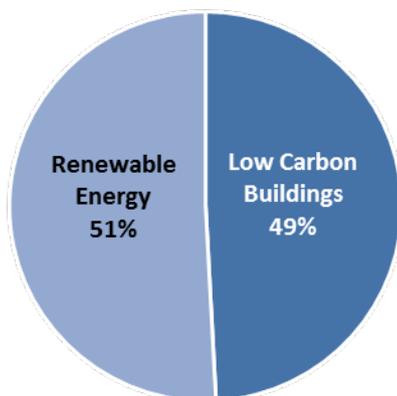
Please note: This report will be reissued/updated as soon as practicable after any re-certification or re-assurance of the Green Bonds, or any verification of new Eligible Assets as a result of substitution or addition. This report will also be updated within 120 days after ANZ issues its year-end results,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

APPENDIX 1

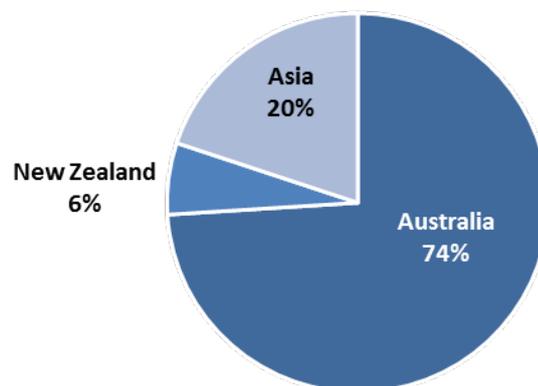
a) List of Eligible Assets as at 30 June

| Project | Class | Country |
|----------------------------------|----------|--------------------|
| Bald Hills 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 |
| Taralga Wind Farm | Wind | Australia |
| Tararua Wind Farm | Wind | New Zealand |
| Collins Square, Melbourne | Building | Australia |
| Liberty Place, Sydney | Building | Australia |
| Southern Cross | Building | Australia |
| Current Aggregated Volume | | ~A\$757.21M |

By Asset Class



By Geography



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 –commercial buildings that meet a minimum required threshold of CO2 emissions as established by the CBI based on the top 15% of buildings in each city for low carbon emission intensity (checked and reported annually).