

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED (ABN
11 005 357 522)**

**ANZ SUSTAINABLE DEVELOPMENT GOALS BONDS
USE OF PROCEEDS REPORT**

UPDATE AS AT 31 MARCH 2020



PURPOSE

This report provides an update to investors as at 31 March 2020, on the use of proceeds of Australia and New Zealand Banking Group Limited (“ANZ”) Sustainable Development Goals Bonds (“**SDG Bonds**”). ANZ issued its inaugural SDG Bond (“**SDG Bond 1**”) in February 2018 pursuant to its wholesale EMTN information memorandum dated 16 May 2017 as supplemented. ANZ issued a second SDG Bond (“**SDG Bond 2**”) in November 2019 pursuant to its wholesale EMTN information memorandum dated 21 May 2019 as supplemented. No transfers may be made to retail clients (as defined in section 761G of the Corporations Act 2001 of Australia) and no bids or offers may be made on an Australian Securities Exchange trading platform with a value less than A\$500,000 (or its equivalent in an alternate currency) as set out in ANZ’s EMTN Information Memorandum.

This report is not a prospectus or other disclosure document in relation to the SDG Bonds, and does not constitute an offer or invitation for the bonds for issue or sale in Australia. SDG Bonds are only available for sale to persons in Australia in circumstances where disclosure is not required in accordance with Part 6D.2 or Chapter 7 of the Corporations Act. The SDG Bonds have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States or any jurisdiction, and the securities may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons unless an exemption from the registration requirements of the US Securities Act is available and the offer and sale is in accordance with applicable state securities laws of any state of the United States. This report is not an offer or invitation to any U.S. persons (as defined in Regulation S under the US Securities Act).

ANZ AND THE SDGS

On 1 January 2016, the United Nations SDGs came into effect, comprising 17 goals and 169 targets aimed at solving the world’s most pressing sustainable development challenges to 2030. ANZ is committed to the SDGs, and in recognition of the important role business will play in achieving the Goals, in September 2016 ANZ’s CEO Shayne Elliott signed a CEO Statement of Support for the SDGs.

SUMMARY OF ANZ SDG BONDS ON ISSUE

100% of proceeds from ANZ’s SDG Bonds were allocated to Eligible Assets at issuance, and remain fully allocated as at 31 March 2020. The following tables show the key SDG Bond details and, the value of Eligible Assets as at 31 March 2020 and as at past reporting periods. Eligible Asset categories continue to be linked to a selection of nine SDGs referenced below.

ANZ has issued, and may, from time to time, issue other bonds, notes or debt securities and use their proceeds of issue to finance or refinance Eligible Assets (“Other SDG Securities”). The Issuer may, from time to time, re-allocate or apportion at its discretion Eligible Assets among the SDG Bonds and Other SDG Securities. Please note ANZ reporting now presents the Australian dollar proceeds as hedged at issue against the Australian dollar Eligible Asset portfolio.

SDG Bond Details		
Issuer	Australia and New Zealand Banking Group	
Bonds Outstanding	SDG BOND 1	SDG BOND 2
Issue Date	21 February 2018	21 November 2019
Currency	EUR	EUR
Format	Senior	Tier 2
Maturity Date	21 February 2023	21 November 2029
Optional Redemption Date	N/A	21 November 2024
Issued Amount	750 million	1 billion
AUD Issuance Proceeds	1.17 billion	1.62 billion
ISIN	XS1774629346	XS2082818951

SDG Bond Details	Eligible Assets AUD million	Total AUD Funding Equivalent	Change to Eligible Assets	Unallocated Proceeds
21 February '18	1,450.0	1,170.0		0
31 March '18	1,468.9	1,170.0	+1.3%	0
30 September '18	1,497.0	1,170.0	+1.9%	0
31 January '19	1,391.7	1,170.0	-7.0%	0
31 March '19	1,548.3	1,170.0	+11.2%	0
30 September '19	1,521.1	1,170.0	-1.8%	0
31 March '20	3,299.2	2,792.0	+116.9%	0



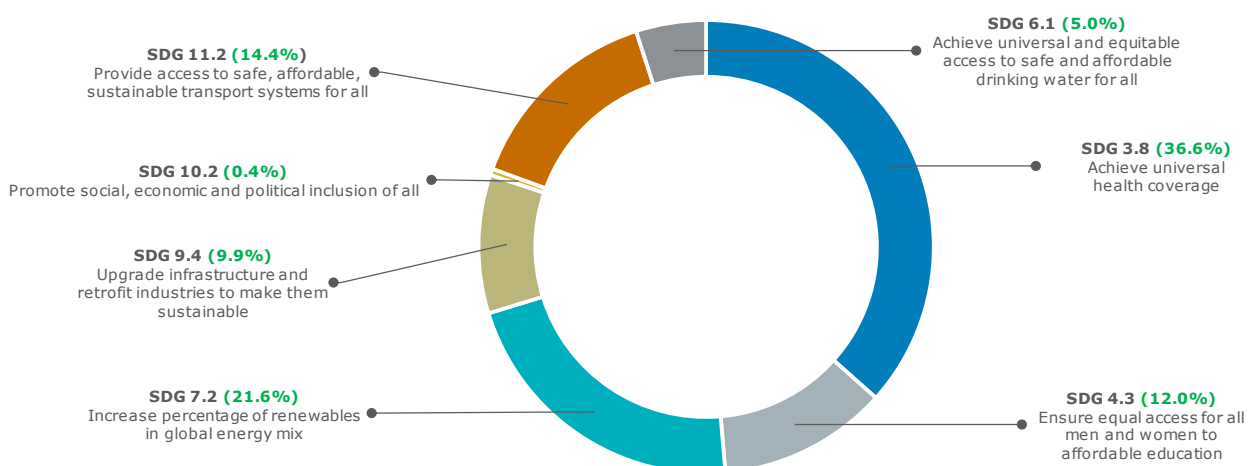
ANZ SDG BOND FRAMEWORK

The ANZ SDG Bond Framework was developed in line with the International Capital Market Association’s (“ICMA”) [Green Bond Principles \(“GBP”\)](#), [Social Bond Principles \(“SBP”\)](#) 2018, and related [Sustainability Bond Guidelines \(“SBG”\)](#) 2018. The proceeds of the SDG Bonds have been used to finance or refinance assets that align with ANZ’s Eligible Categories and that promote any of the nine SDGs which ANZ selected. ANZ recommends that this report be read in conjunction with the full version of the ANZ SDG Bond Framework, which is available on the ANZ Debt Investor Centre [website](#).

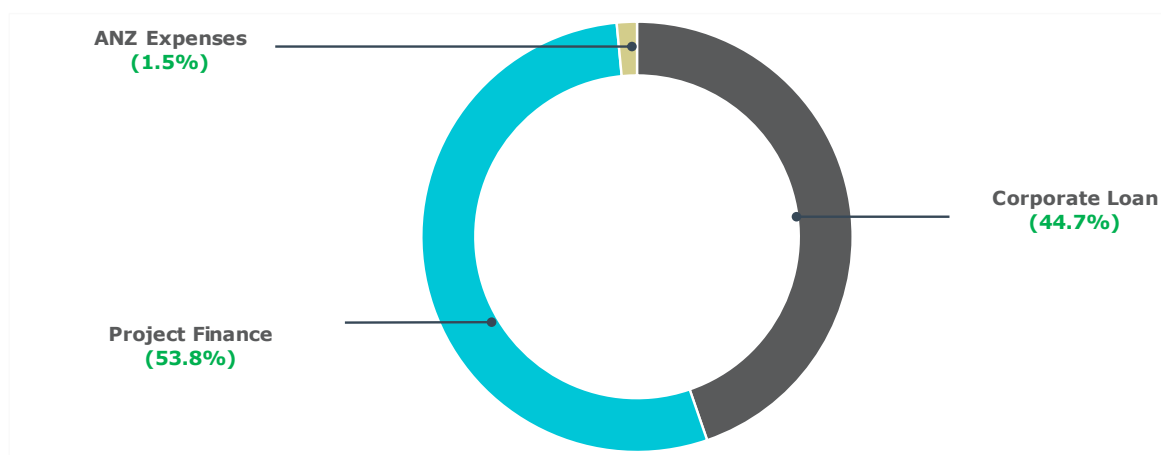
ALLOCATION OF BOND PROCEEDS

The proceeds from ANZ’s SDG Bonds on issue have been allocated to Eligible Assets which align with the SDGs. The following diagram shows alignment of the Eligible Assets with the relevant SDG Targets as at 31 March 2020. Also shown below is the allocation of bond proceeds to the type of Loan Asset or SDG related ANZ Expenditures.

Allocation of proceeds by SDG (31 March 2020):



Allocation of proceeds by loan (31 March 2020):










The overall increase in asset values is due to the inclusion of additional assets to support the issuance of SDG Bond 2. Consequently, the make-up of the SDG Bond Eligible Asset portfolio has shifted with a notable increase in SDG 7 - Affordable and Clean Energy from 8.3% to 21.6%. Whilst SDG 9 - Industry, Innovation and Infrastructure has reduced from 27.5% to 9.9%. This shift is further illustrated by the increase in allocation of proceeds to Project Finance loans from 34.0% to 53.8%.

Reporting Notes

- The value of Eligible Assets is as at 31 March 2020, and is sourced from ANZ’s SDG Bond Asset Register.
- There is no link between the Eligible Assets and the SDG Bonds themselves, as set out in the pricing supplements for the SDG Bonds, dated 19 February 2018 and 21 November 2019.
- Twenty four new assets were added to the Eligible Asset portfolio to support the issuance of SDG Bond 2

USE OF PROCEEDS AS AT 31 MARCH 2020

SDG	SDG Target	GBP/SBP Project Category	Eligible Asset	Aggregate Asset Value (AUD million)	% of Eligible Assets
 3 GOOD HEALTH AND WELL-BEING	3.8	Access to essential services	Hospital	1,207.49	36.6%
			Aged Care		
 4 QUALITY EDUCATION	4.3	Socioeconomic advancement and empowerment	Tertiary educational student housing	397.43	12.0%
			Tertiary educational		
 6 CLEAN WATER AND SANITATION	6.1	Clean water and sanitation	Drinking water	164.30	5.0%
 7 AFFORDABLE AND CLEAN ENERGY	7.2	Renewable Energy	Renewable Energy Generation – Wind, Solar and Hydro	713.28	21.6%
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4	Green Buildings	Buildings with Green Standard	326.04	9.9%
 10 REDUCED INEQUALITIES	10.2	Socioeconomic Advancement and Empowerment	Financial Education Programs	14.81	0.4%
 11 SUSTAINABLE CITIES AND COMMUNITIES	11.2	Affordable Basic Infrastructure	Clean Transportation Facilities	475.87	14.4%
Total AUD million				3,299.22	100%

Notes

Undisclosed Borrowers:

Borrower names are not disclosed in the table above, due to confidentiality restrictions. ANZ is in ongoing discussions with Borrowers regarding disclosure approval to debt investors.

Investor Feedback:

ANZ is committed to transparency of reporting and disclosure in the Sustainable and Green Bond market and we welcome investor feedback on the contents of this and future reports.

COVID-19 Update:

ANZ has undertaken analysis into the potential impacts of COVID-19 on the Eligible Asset portfolio. ANZ notes that the impacts of the COVID-19 pandemic on loan portfolios are variable and can arise unexpectedly. ANZ will continue to monitor the Eligible Asset portfolio as well as continuing to maintain an inventory of potential Eligible Assets.

Enquiries:

Enquires in relation to this report or ANZ SDG Bonds can be directed to DebtIR@anz.com

Disclaimers

1. This report is provided for information purposes only.
2. The information presented is correct at the date stated. This report does not contain all relevant information in respect of the SDG Bonds. All information is subject to change without notice or update.
3. Investors should make their own assessment and seek their own independent professional advice to enable them to make any decision concerning their investment in the SDG Bonds.
4. Any statement on any future matter is a present prediction of a possible future outcome, the accuracy of which cannot be guaranteed. Past performance is not a guide to future performance.

