

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

**EUR750 MILLION WHOLESALE SUSTAINABLE DEVELOPMENT GOALS BOND
- USE OF PROCEEDS AND INTERIM IMPACT REPORT**

31 JANUARY 2019



PURPOSE

This report provides an update to investors, as at 31 January 2019, on the use of proceeds and the “interim impact” of the EUR 750,000,000 fixed rate notes Sustainable Development Goals (“SDGs”) Bond due 21 February 2023 (“SDG Bond”).

The SDG Bond was issued pursuant to ANZBGL’s wholesale EMTN information memorandum dated 16 May 2017 as supplemented (“EMTN Information Memorandum”). 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 Bond, and does not constitute an offer or invitation for the bond 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 Bond has 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.

BOND SUMMARY

100% of proceeds from ANZ’s inaugural EUR750 million SDG Bond were allocated to Eligible Assets at issuance, and remain fully allocated as at 31 January 2019. The following tables show the key bond details, the value of Eligible Assets Eligible asset categories continue to be linked to a broader selection of nine SDGs.

SDG Bond Details	
Issuer	Australia and New Zealand Banking Group
Issue Date	21 February 2018
Currency	EUR
Tenor	5 years
Issued Amount	750 million
ISIN	XS1774629346

Date	Eligible Assets EUR million	Change to Eligible Assets	Unallocated Proceeds
21 February '18	925.0		0
31 March '18	913.8	-1.2%	0
30 September '18	928.9	+1.7%	0
31 January '19	879.6	- 5.31%	0

The change in Eligible Assets value since 30 September 2018 is due to:

1. movement in foreign exchange rates;
2. repayment of a green building and a health facility in full; and
3. scheduled amortisation of term loan facilities.

These reductions have been offset by continued drawdown of those facilities which are under construction.

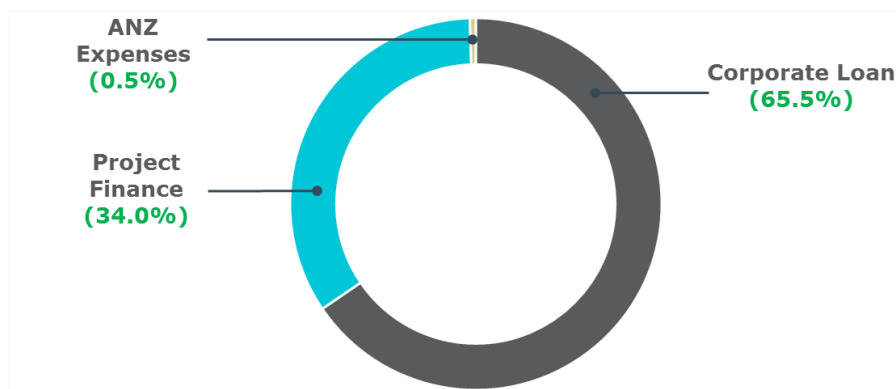
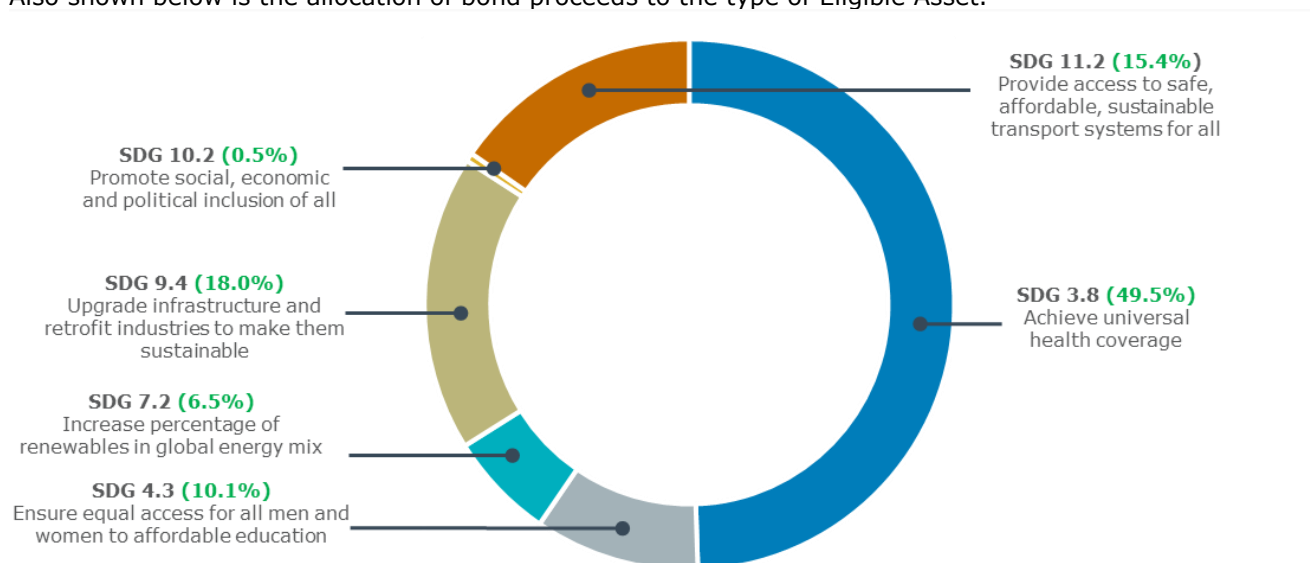


ANZ SDG BOND FRAMEWORK

The ANZ SDG Bond Framework was developed in line with the International Capital Market Association’s (“**ICMA**”) [Green Bond Principles \(“GBP”\)](#), [Social Bond Principles \(“SBP”\)](#) 2017, and related [Sustainability Bond Guidelines 2017 \(“SBG”\)](#). The proceeds of the SDG Bond were 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 website \(http://debtinvestors.anz.com/green-sustainability-bonds\)](http://debtinvestors.anz.com/green-sustainability-bonds).

ALLOCATION OF BOND PROCEEDS

ANZ’s SDG bond proceeds 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 January 2019. Also shown below is the allocation of bond proceeds to the type of Eligible Asset.









Asset balances are relatively unchanged from end of year reporting with an overall decrease in asset values of EUR49m. The most significant moves have resulted in a decrease in asset values for SDG 3 Good Health and Wellbeing and SDG 9 Industry, Innovation and Infrastructure, with an increase in value for SDG 11 Sustainable Cities and Communities.

Reporting Notes

- The value of Eligible Assets is as at 31 January 2019, and is sourced from ANZ’s SDG Bond Asset Register.
- The foreign exchange conversion rate applied for all Eligible Assets to convert from Australian Dollars to Euros is AUD 1 = 0.63202 EUR.
- There is no link between the Eligible Assets and the SDG bond itself, as set out in the pricing supplement for the SDG Bond, dated 19 February 2018.
- No new Assets have been added to the Bond since its issue date.

USE OF PROCEEDS AND “INTERIM IMPACT” REPORT AS AT 31 JANUARY 2019

SDG	SDG Target	GBP/SBP Project Category	Eligible Asset Type	Borrower - Asset	Location	Project Finance/ Corporate Loan/ ANZ Expenditure	Aggregate Asset Value (EUR million)	% of Eligible Assets	Impacts (at project/asset level)
									Please see the important note below regarding the presentation of these impact figures. With the exception of SDG 10, the figures are “gross figures” per project, rather than apportioned based on ANZ’s lending to the project.
	3.8	Access to essential services	Hospital	Not Disclosed	Australia	Corporate Loan	435.28	49.5%	<p>Construction and/or operation of the following services in the healthcare industry:</p> <ul style="list-style-type: none"> - public hospitals (2) - not-for-profit hospitals (1) - registered aged care facility providers (3) <p>Hospitals are servicing major urban population catchments, and provide the following services:</p> <ul style="list-style-type: none"> - acute and clinical - mental health - community health - rehabilitation - teaching - ~4180 beds in total <p>Aged Care facilities are providing residential services across New South Wales, Victoria, Western Australia, Queensland and South Australia, supplying a total of:</p> <ul style="list-style-type: none"> - 149 homes - ~12,700 beds
				InfraShore Finance - Royal North Shore Hospital	NSW	Project Finance			
				St John of God Healthcare – Not for Profit hospitals	Australia	Corporate Loan			
			Aged Care	Allity - Aged Care Facilities	NSW, QLD, SA, VIC	Corporate Loan			
				BlueCross SapphireCare Group – Aged Care Facilities	VIC	Corporate Loan			
				ACIT Finance – Opal Aged Care Facilities	NSW, VIC, WA & QLD	Corporate Loan			
	4.3	Socioeconomic advancement and empowerment	Tertiary educational student housing	Cullinan Finance Company - ANU PBSA portfolio	ACT	Project Finance	88.62	10.1%	<p>Operation of the following services in the education sector:</p> <ul style="list-style-type: none"> - Universities (3) - Purpose Built Student Accommodation (PBSA) provider (1) <p>The Universities are all leading Australian tertiary institutions providing quality education to ~166,400 students.</p> <p>The PBSA facilities are located at Australia National University in Canberra, and include:</p> <ul style="list-style-type: none"> - operation of an existing 3,700 student beds across 9 sites - construction of a new 500-bed student residence to meet growing demands for on-campus housing - access to affordable housing that does not exceed 75% of market rental rates
			Tertiary educational	Macquarie University – operation of university	Australia	Corporate Loan			
				Monash University – operation of university	VIC	Corporate Loan			
				University of New South Wales – operation of university	NSW	Corporate Loan			
	7.2	Renewable Energy	Renewable Energy Generation – Wind and Solar	Not Disclosed	Australia	Project Finance	57.43	6.5%	<p>Newly constructed wind and solar energy generation:</p> <ul style="list-style-type: none"> - wind farm (1) - solar farm (1) - total installed capacity of 183MW - total of 33 GWh of generation in FY18: enough to supply ~4,770 Australian homes with clean energy for a year - total of ~27,000 tCO2 of avoided emissions: equivalent to taking ~8,540 cars off road for a year
				Not Disclosed	Australia	Project Finance			

SDG	SDG Target	GBP/SBP Project Category	Eligible Asset Type	Borrower - Asset	Location	Project Finance/ Corporate Loan/ ANZ Expenditure	Aggregate Asset Value (EUR million)	% of Eligible Assets	Impacts (at project/asset level)
									Please see the important note below regarding the presentation of these impact figures. With the exception of SDG 10, the figures are "gross figures" per project, rather than apportioned based on ANZ's lending to the project.
	9.4	Green Buildings	Buildings with green standard	Brookfield – Wynyard Place	NSW	Corporate Loan	158.62	18.0%	<p>Construction of 4 green buildings to either Green Star Design or NABERS standards:</p> <ul style="list-style-type: none"> - 2 buildings under construction with 6 Star Green Star Design ratings: Wynyard Place; 839 Collins Street - 1 building constructed with 6 Star Green Star Design & As is rating as well as 6 Star Green Star Performance rating and WELL Platinum Core & Shell v1 rating, and awaiting sufficient time in operation to receive NABERS rating: Tower 1 International Towers, Sydney - 1 buildings achieving 5.0 Star NABERS rating: not disclosed <p>For information on Green Star Design and NABERS ratings systems, see:</p> <ul style="list-style-type: none"> - https://new.gbca.org.au/green-star/rating-system/ - https://www.nabers.gov.au/about/what-nabers
				Not Disclosed	Australia	Corporate Loan			
				Lend Lease One International Towers Sydney Trust – Tower 1 International Towers Sydney	NSW	Corporate Loan			
				ANZ Banking Group – tenancy at 839 Collins Street Melbourne	VIC	ANZ Expenditure			
	10.2	Socioeconomic advancement and empowerment	Financial education programs	ANZ Money Minded and Saver Plus	Australia	ANZ Expenditure	4.54	0.5%	<p>Delivery of Money Minded, a free education program that assists people in making better decisions on money management. As of November 2018, the program has reached out to 580,000 participants across 25 countries in the Asia and Pacific region.</p> <p>Operation of the Saver Plus program which helps people across 60 communities in Australia to have their savings for educational products matched at a rate of 1:1 (up to \$500). The Saver Plus program has assisted over 36,000 people with their financial wellbeing and improve confidence of vulnerable groups in the community. 100% of participants reported an increase in life, financial and employment satisfaction.</p>
	11.2	Affordable basic infrastructure	Clean transportation facilities	Not Disclosed	Australia	Project Finance	135.11	15.4%	<p>Construction of low carbon transport alternatives to support growing urban populations:</p> <ul style="list-style-type: none"> - 1 existing train network upgrade to improve capacity and efficiency: 500k more passenger movements during week day peak periods - 1 new light rail network construction to be powered entirely by renewable energy, creating a 33% reduction in emissions - Infrastructure Sustainability Council of Australia (ISCA) ratings of "Commended" and "Excellent" achieved respectively.
				Not Disclosed	Australia	Project Finance			

Notes:

1. Interim Impact Report:

ANZ's first Impact report was due to be released in line with ANZ's FY18 Full Year Corporate Sustainability Review, which was released in late December 2018. ANZ now intend to release its first impact report in line with ANZ's FY19 Half Year Corporate Sustainability Review due to be released in May 2019.

ANZ has produced this interim impact report to keep investors updated with regards to the impacts that the lending within our SDG Bond portfolio contributes to.

ANZ wishes to highlight and draw investors' attention to the fact that the impact figures above, other than in respect of SDG 10, have been presented, analysed and recorded at the project level and have not been apportioned in accordance with the volume of ANZ's lending to each project. Although ANZ is a co-financier, impact figures have not been presented on the basis of the volume of ANZ's lending to each project at this stage.

2. Assurance:

Ernst & Young (EY) is engaged to perform certain assurances on the first Impact Report. ANZBGL expects to release the EY assurance report at that time.

EY performed certain assurance procedures on this interim Impact Report. EY has confirmed that nothing has come to their attention to say that the Interim Impact Report did not meet the following expectations, based on their procedures. EY's positive assurance opinion regarding this Interim Impact Report pertains to:

- The structure of the interim Impact Report meeting the requirements of the ANZ SDG Bond Framework;
- The disclosures described in the Framework were included in the interim Impact Report;
- The individual impact data described in the Impact Report being accurately transcribed from the source data and information provided by ANZ;
- The reviewed asset values, inclusive of geographical and industry split, were disclosed accurately and in line with the ANZ's SDG Bond Asset Register.

3. Undisclosed Borrowers:

Certain Borrower names are not disclosed in the table above, due to confidentiality restrictions. Where there are two or fewer Assets in an SDG group, ANZ has referenced these Borrowers and Assets as "not disclosed".

Investor Feedback

ANZ is committed to transparency of reporting and disclosure in the Sustainable and Green Bond market. We welcome investor feedback in this regard, as well as the contents of this and future reports generally.

Enquiries

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

Scott Gifford
Head of Debt Investor Relations
Ph: +61 3 8655 5683
Email: scott.gifford@anz.com

Katharine Tapley
Head of Sustainable Finance
Ph: +61 2 8937 6092
Email: katharine.tapley@anz.com

