



ANZ TIER 2 SUSTAINABLE DEVELOPMENT GOALS (SDG) BOND

INVESTOR PRESENTATION

AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED

ABN 11 005 357 522



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Investors should not subscribe for or purchase any Securities referred to in this presentation except on the basis of the information in the information memorandum dated 21 May 2019, as supplemented by supplements dated 10 July 2019, 11 July 2019, 18 July 2019, 1 August 2019, 19 August 2019, 20 August 2019 and 5 November 2019.

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TLAC & TIER 2 CAPITAL UPDATE



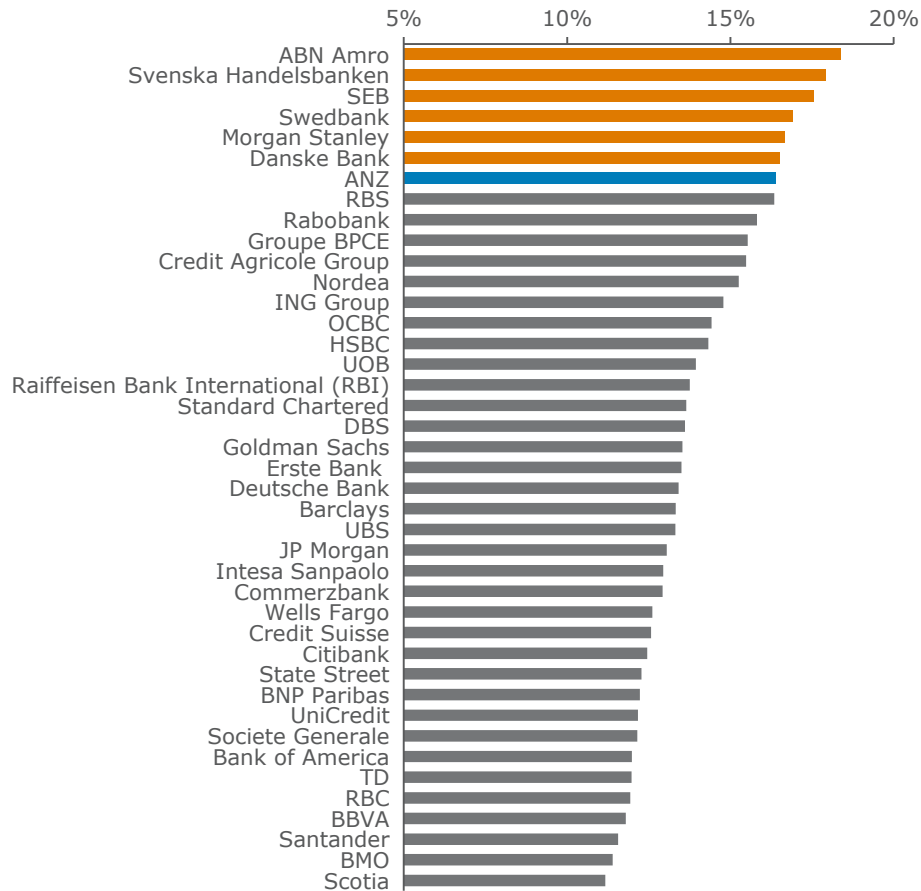
ANZ'S INTERNATIONALLY COMPARABLE¹ REGULATORY CAPITAL POSITION

APRA Level 2 CET1 – 30 September 2019		11.4%
Corporate undrawn EAD and unsecured LGD adjustments	Australian ADI unsecured corporate lending LGDs and undrawn CCFs exceed those applied in many jurisdictions	1.6%
Equity Investments & DTA	APRA requires 100% deduction from CET1 vs. Basel framework which allows concessional threshold prior to deduction	0.9%
Mortgages	APRA requires use of 20% mortgage LGD floor vs. 10% under Basel framework. Additionally, APRA also requires a higher correlation factor vs. 15% under Basel framework.	1.2%
Specialised Lending	APRA requires supervisory slotting approach which results in more conservative risk weights than under Basel framework	0.7%
IRRBB RWA	APRA includes in Pillar 1 RWA. This is not required under the Basel framework	0.2%
Other	Includes impact of deductions from CET1 for capitalised expenses and deferred fee income required by APRA, currency conversion threshold and other retail standardised exposures	0.4%
Basel III Internationally Comparable CET1		16.4%
Basel III Internationally Comparable Tier 1 Ratio		18.8%
Basel III Internationally Comparable Total Capital Ratio		21.4%

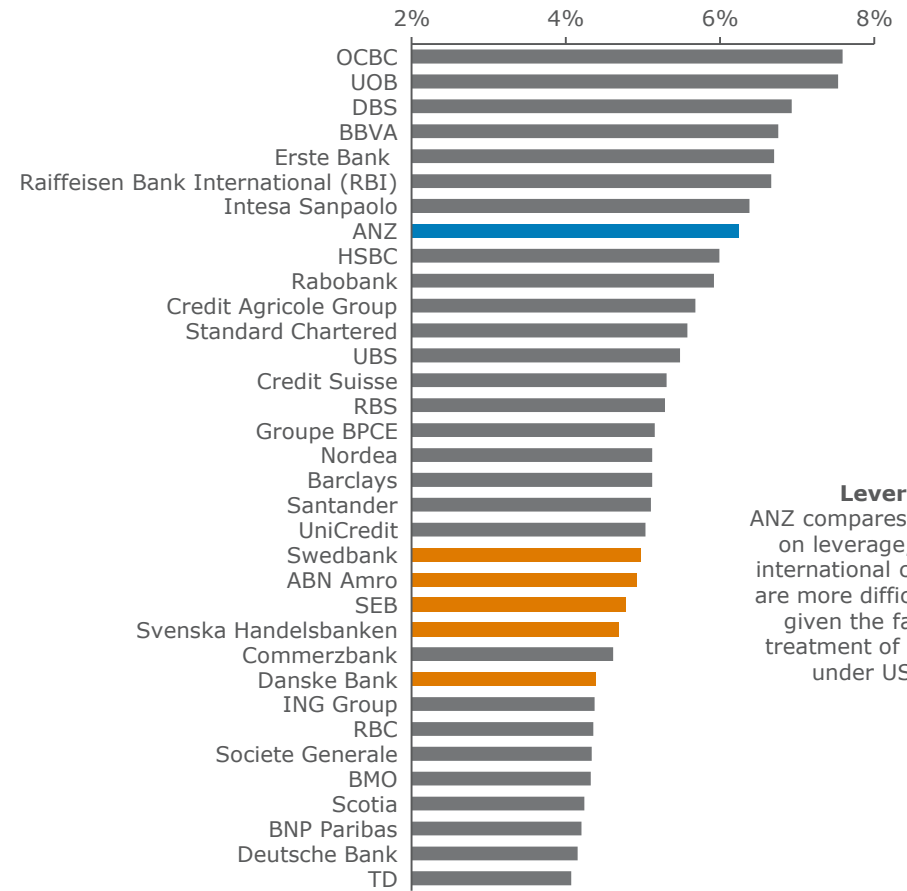
1. Internationally Comparable methodology aligns with APRA's information paper entitled International Capital Comparison Study (13 July 2015). Basel III Internationally Comparable ratios do not include an estimate of the Basel I capital floor

CET1 AND LEVERAGE IN A GLOBAL CONTEXT

CET1 RATIOS¹



LEVERAGE RATIOS^{1,2}



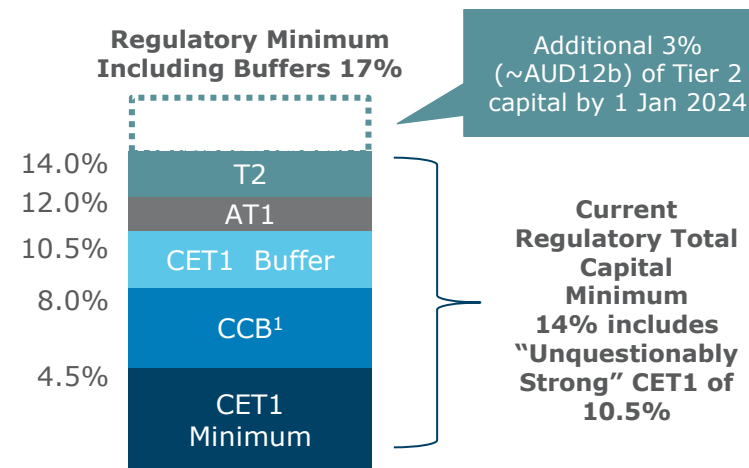
Leverage
ANZ compares equally well on leverage, however international comparisons are more difficult to make given the favourable treatment of derivatives under US GAAP

1. CET1 and leverage ratios are based on ANZ estimated adjustment for accrued expected future dividends where applicable. ANZ ratios are on an Internationally Comparable basis. All data sourced from company reports and ANZ estimates based on last reported half/full year results assuming Basel III capital reforms fully implemented 2. Includes adjustments for transitional AT1 where applicable. Exclude US banks as leverage ratio exposures are based on US GAAP accounting and therefore incomparable with other jurisdictions which are based on IFRS.

AUSTRALIA'S TLAC REGIME

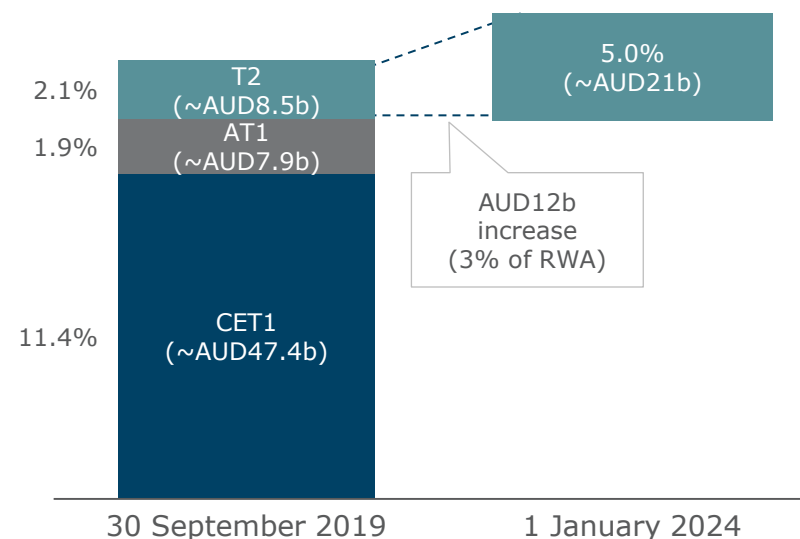
APRA'S TLAC REQUIREMENTS

- APRA has announced that it will require Australian D-SIB's to meet TLAC requirements by an **increase in Total Capital of 3%** of RWA by Jan 2024
- Its overall targeted calibration of an additional 4%-5% of RWA to meet TLAC remains unchanged, so over the next four years they will consider "feasible alternative methods" for raising an additional 1% to 2% of RWA



ANZ'S TOTAL REGULATORY CAPITAL

- Based on ANZ's RWA of AUD417b as at 30 September 2019, the additional 3% equates to an incremental increase of approximately **~AUD12b of Tier 2 capital**
- This will result in an estimated Total Capital ratio, on an internationally harmonised basis of **~25%** well in excess of the FSB TLAC minimum of 21.5% (18% plus Capital Conservation Buffer (CCB) of 3.5%)
- Tier 2 capital outstanding as at 30 September 2019 is ~AUD8.5b (2.1% of Level 2 RWA)
- Total Tier 2 requirement (including refinancing) by January 2024 is ~AUD21b (5.0% of Level 2 RWA)



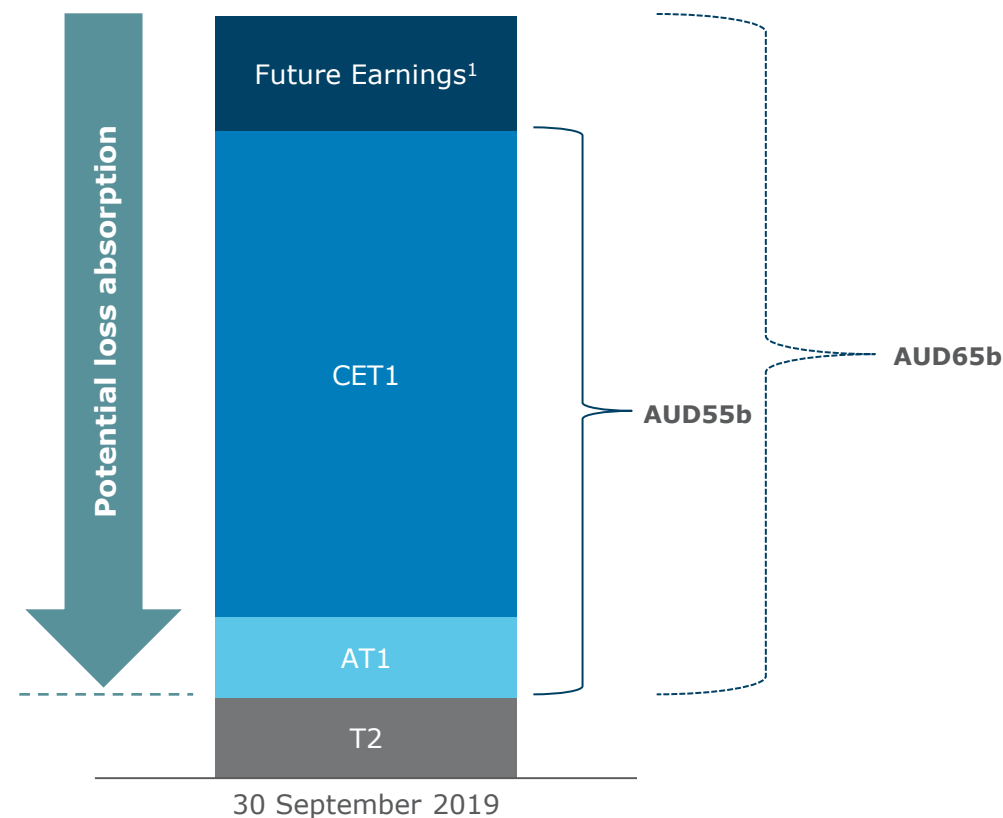
1. APRA may set higher minimum capital requirements for individual ADIs. A counter-cyclical buffer of up to 2.5% may also be required, which APRA has currently set for Australia at 0%.

CET1 VOLUME IN EXCESS AT UNQUESTIONABLY STRONG, MANAGEMENT ACTIONS AND PROFITABILITY PROTECT TIER 2 INVESTORS

BUFFERS AND PROTECTIONS FOR TIER 2 INVESTORS

Management Actions	Possible actions that may be considered to strengthen capital include: <ul style="list-style-type: none"> • Reducing dividend payout • DRP discount and underwrite • New share issuance • Expense management • Restricting RWA growth
CCB Restrictions	Regulatory restrictions on ordinary share dividends, discretionary bonuses and AT1 distribution payments if CCB buffer is breached
Hierarchy Respected	Mandatory conversion to equity or write-off of AT1 securities if CET1 ratio falls to 5.125% of RWA or at the point of non-viability (determined by APRA)

ANZ'S BALANCE SHEET AND EARNINGS BUFFERS



1. Future earnings are not forecast. Cash Profit before provisions and tax for the 12 months to 30 September 2019 was AUD10.0b. Represents an additional potential amount available for loss absorption.

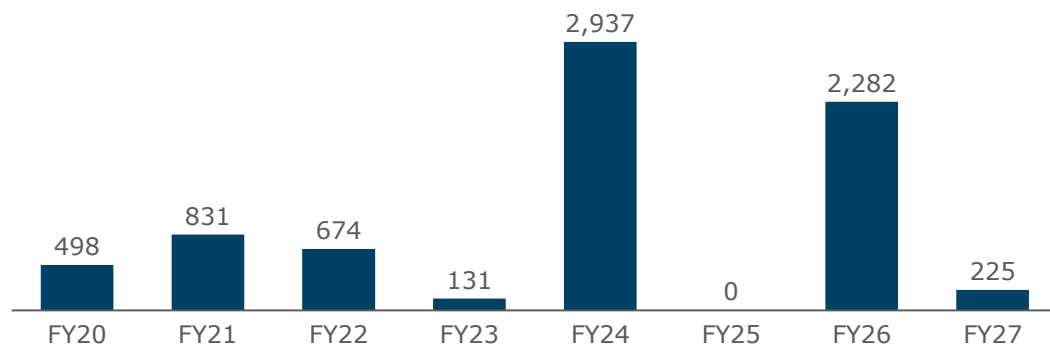
ANZ'S TIER 2 CAPITAL PROFILE¹

ANZ'S TIER 2 CAPITAL REQUIREMENT TO PROGRESSIVELY INCREASE POST TLAC ANNOUNCEMENT

- Issued AUD1.75b in July 2019
- Current portfolio includes 38% in AUD (32% domestic AUD) – strong capacity remaining in AUD
- Annual total T2 issuance expected to be ~AUD4bn
- Required portfolio increase from AUD7.6b to ~AUD21b by January 2024
- Potential issuance in multiple currencies in both callable and bullet format
- Capacity in EUR T2 with no current outstandings following recent Sep-19 maturity
- No AUD retail T2 outstanding
- Extensive global USD T2 investor base
- ANZ has historically had strong support from Asian local currency markets, both in benchmark and Private Placement format
- Increased T2 issuance expected to be offset by reduction in other senior unsecured funding
- Well managed amortisation profile provides flexibility regarding issuance tenor

FUNDING PROFILE

Notional amount, AUDm

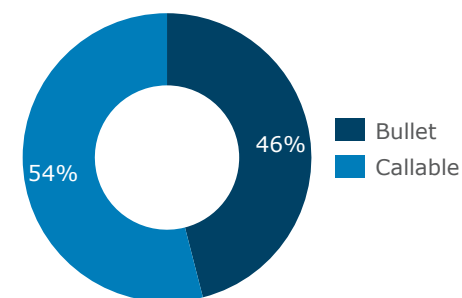


■ Scheduled Bullet and Call Date Profile

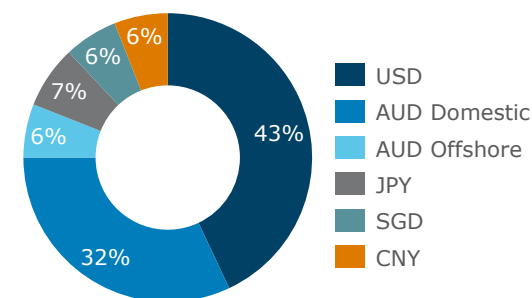
TIER 2 CAPITAL

Notional amount

By Format

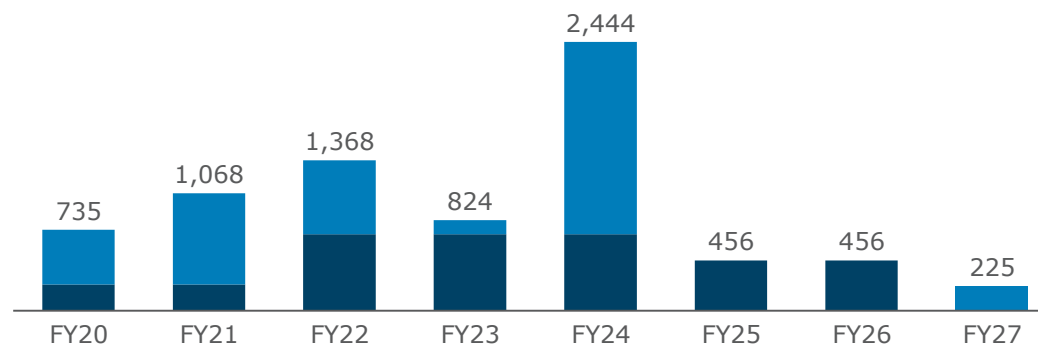


By Currency



CAPITAL AMORTISATION PROFILE²

AUDm

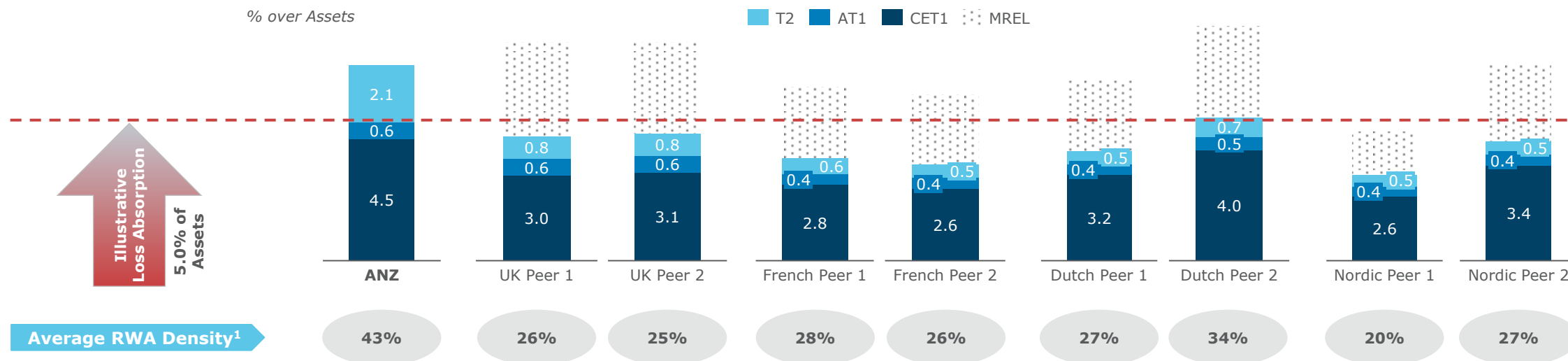


■ Bullet Amortisation ■ Callable

1. Profile is AUD equivalent based on historical FX, excluding Perpetual Floating rate notes issued 30 October 1986 (which loses Basel III transitional relief in 2021). Any call is subject to APRA's prior written approval and note holders should not expect approval to be given.
 2. Amortisation profile is modelled based on scheduled first call date for callable structures and in line with APRA's amortisation requirements for bullet structures.

AUSTRALIAN TIER 2 IN A TLAC/MREL CONTEXT

APRA'S CONSERVATIVE RISK WEIGHTS COMBINED WITH "UNQUESTIONABLY STRONG" CET1 REQUIREMENTS PROVIDE STRONG PROTECTIONS FOR TIER 2 INVESTORS. AN ILLUSTRATIVE LOSS OF 5% OF ASSETS IS PRESENTED BELOW



KEY METRICS

ROE ² (%)	10.9	9.3%	11.5%	9.6%	5.5%	13.6%	5.9%	9.0%	7.2%
Cost/Income (%)	49.5	64.0%	45.9%	64.5%	54.0%	56.4%	64.4%	57.4%	60.0%
NIM (%)	1.76	3.4%	2.9%	1.1%	1.7%	1.7%	1.4%	0.8%	0.9%
NPL (%)	0.33	2.4%	1.9%	2.5%	3.4%	2.3%	3.2%	1.3%	1.9%

Source: Company disclosures and Moody's Ratings. Latest available data as of 4 November 2019 (as at 30 September 2019 for ANZ)

1. Over total assets.

2. RoTE are shown for the UK banks as ROE is not available.

PROPOSED TRANSACTION OVERVIEW

ANZ IS CONSIDERING AN INAUGURAL SDG TIER 2 TLAC ELIGIBLE BOND ISSUE

- On January 1 2016, the SDGs came into effect. The 17 goals and 169 targets are aimed at **solving the world's most pressing sustainable development challenges** – ending global poverty, protecting our planet and ensuring human rights – by 2030.
- In September 2016 our CEO Shayne Elliott joined over 30 leaders from the Australian business community to sign a public CEO Statement of Support for the Goals.
- In September 2019 ANZ became a founding signatory to the UN Principles for Responsible Banking, a key aim of which is to accelerate the banking industry's contribution to the achievement of society's goals as expressed in the SDGs and the Paris Climate Agreement.
- On 4 November 2019 our CEO announced **ANZ's new 2025 sustainable financing target of AUD50bn**. This is targeted towards initiatives that help improve environmental sustainability, increase access to affordable housing and promote financial wellbeing and is directly mapped to 6 of the SDGs.
- ANZ issued an inaugural EUR750m 5 year fixed rate SDG senior bond transaction in February 2018.
- ANZ's proposed transaction would be one of the first "follow on" SDG transactions from an issuer. It would also be the first SDG bank capital transaction from an Australian Bank.
- ANZ's proposed SDG Tier 2 bond will rank **pari passu** with all other ANZ outstanding Tier 2 debt instruments.
- Proceeds of this bond and ANZ's first SDG bond will be used to partially **finance or refinance** an AUD3,394m / EUR2,096m* pool of ANZ loans and expenditures that **directly promote the SDGs** ("Eligible Assets") as identified in the **ANZ SDG Bond Framework**.
- Payment of interest or principal is **not linked to the credit or sustainability performance** of the Eligible Assets.
- ANZ continues to observe and support the development of "sustainable" capital markets. A Tier 2 SDG bond would be a natural evolution for ANZ following the successful issuance of our inaugural EUR750m SDG senior bond in February 2018.

*Eligible Asset volumes are as at 30 September 2019. AUD total figure is equivalent to EUR 2,096m using AUD/EUR exchange rate as at 30 September 2019. Please note that the Issuer has issued, and may, from time to time, issue Other SDG Securities and use their proceeds of issue to finance or refinance Eligible Assets. The Issuer may, from time to time, re-allocate or apportion at its discretion Eligible Assets among the Notes and other SDG Securities. The Eligible Assets currently support an existing EUR750m Senior Unsecured 0.625 percent Notes due 21 February 2023 (XS1774629346) and proposed transaction.

ANZ EMTN EUR TIER 2 SUBORDINATED SDG NOTES KEY TERMS

Issuer	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) ("ANZ")
Issuer Senior Ratings	Aa3 (Stable) AA- (Stable) AA- (Negative) (Moody's/S&P/Fitch)
Expected Issue Rating²	Baa1 BBB + A+ (Moody's/S&P/Fitch)
Programme / Documents	Information Memorandum for ANZ's Euro Medium Term Note Programme dated 21 May 2019 ("Information Memorandum") as supplemented ¹
Status	Subordinated Notes. The Subordinated Notes will be direct, unsecured and subordinated obligations of ANZ and are expected to constitute Tier 2 capital of ANZ
Ranking	The Subordinated Notes will rank equally among themselves and with Equal Ranking Securities, behind Senior Creditors and ahead of Junior Ranking Securities as described in the Information Memorandum
Format	Fixed Rate Sustainable Development Goals (SDG) Subordinated Notes; Registered Form; EUR denominated
Early Optional Redemption Date	<ul style="list-style-type: none"> - Issuer may redeem the Notes in whole (but not in part) at its discretion on: (i) the specified date if there is an Issuer Call Option; (ii) certain tax events; or (iii) certain regulatory events. - Redemption at prevailing principal amount plus accrued but unpaid interest. - Early redemption of the Subordinated Notes is subject to APRA's prior written approval
Clearing	Euroclear, Clearstream
Min Denom	EUR100k with integral multiples of EUR1k
Other	ASX wholesale debt listing (securities are not quoted for trading on ASX); IWT exempt (except as specified in the Information Memorandum); No set-off or cross-default
Governing Law	English law, except for conversion, write-off and subordination provisions which are governed by Victorian and Australian law

1. Defined terms have the meaning contained in the Information Memorandum.

2. Ratings may be changed, suspended or withdrawn at any time and are not a recommendation to buy, hold or sell any security.

Non-Viability Trigger Event	A Non-Viability Trigger Event occurs when APRA has provided a written determination to ANZBGL that the conversion or write-off of certain securities of ANZBGL is necessary because without either such Conversion or Write-Off or a public sector injection of capital, ANZBGL would become non-viable
Loss Absorption Mechanism	<ul style="list-style-type: none"> - If a Non-Viability Trigger Event occurs, ANZ will be required to immediately convert some or all of the principal amount of the Subordinated Notes into ANZ ordinary shares¹ - Subordinated Notes only absorb loss after all Additional Tier 1 Securities are written off or converted to ordinary shares (in full) - A mechanism to sell any shares issued as a result of conversion and deliver cash to investors is included in the programme if the noteholder (1) notifies the Issuer prior to the Non-Viability Trigger Event that it does not wish to receive shares; (2) is a foreign holder; or (3) in certain other instances specified in the Information Memorandum - If conversion does not occur within 5 Business Days of a Trigger Event Date, the Notes will be written off (with effect from the Non-Viability Trigger Event)
Conversion Price	<ul style="list-style-type: none"> - Variable with 1% discount to the 5 Business Day VWAP prior to the Non-Viability Trigger Event (subject to a floor set at 20% of the VWAP over the 20 Business Days prior to the Issue Date) - VWAP is calculated as the equivalent in the specific currency (if the Notes are not denominated in AUD)
Use of Proceeds	<ul style="list-style-type: none"> - ANZ intends to use an amount equal to the net proceeds of the issue of the Notes to finance or refinance Eligible Assets which satisfy ANZ's SDG Bond Framework - A failure by ANZ to: (i) allocate and use the proceeds as described in the Framework; (ii) comply with the framework or prepare reports; or (iii) the failure of any third-party opinions will not be an Event of Default and holders will have no recourse to ANZ - No security interest in the Eligible Assets is created
Selling Restrictions	As set out in the section headed "Subscription and Sale" in the Information Memorandum

If Call Option:

Issuer Call Option	<ul style="list-style-type: none"> - In whole (but not in part) at the Issuer's discretion on the Interest Payment Date scheduled to fall on [] at the prevailing principal amount plus any accrued but unpaid interest - Early redemption of the Subordinated Notes is subject to the prior written approval of APRA
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1. All Notes must convert into ANZ ordinary shares or are written off in the event that APRA has notified ANZ in writing that without a public sector injection of capital, or equivalent support, ANZ would become non-viable.



SUSTAINABILITY AT ANZ

ANZ AND THE SDGs

ANZ IS A SIGNATORY TO THE CEO STATEMENT OF SUPPORT ISSUED BY THE UN GLOBAL COMPACT NETWORK OF AUSTRALIA IN SEPTEMBER 2016

In November 2019, we announced our commitment to a new AUD50b 2025 Sustainability Target aligned to the SDGs



On January 1 2016, the United Nations SDGs came into effect. The 17 goals and 169 targets are aimed at **solving the world's most pressing sustainable development challenges** – ending global poverty, protecting our planet and ensuring human rights – by 2030.

ANZ recognises the important role businesses will play in achieving the SDGs and believes them to **represent an opportunity for business-led solutions** and technologies to be developed and implemented

ANZ HAS AN INTEGRATED APPROACH TO SUSTAINABILITY

PURPOSE

ANZ's purpose is to shape a world where people and communities thrive

ANZ's Board has the highest level of oversight for sustainability

We were the first bank globally to report using the recommendations of the TCFD

Chaired by ANZ's CEO, the **Ethics and Responsible Business Committee** is accountable for advancing ANZ's purpose

ANZ's Sustainability Framework



ESG TARGETS

We exceeded our 2015 commitment to fund and facilitate at least **AUD15bn** in environmentally sustainable solutions by **October 2020**

We recently announced a new commitment to fund and facilitate **AUD50bn by 2025** towards sustainable solutions

In 2018 we renewed our support for Paris and issued a revised Climate Change Statement committing us to encourage and support 100 of our largest emitting customers transition to a low carbon economy

ANZ has introduced a new target to procure **100% renewable electricity** for our global operations by 2025

ANZ's business operations have been **carbon neutral since 2010**

ANZ has **committed to enable social and economic participation of 1 million people by 2020** through our initiatives to support financial wellbeing

Through the **Healthy Homes initiative**, we have committed to provide NZD100m of interest free loans to insulate homes for ANZ mortgage holders in New Zealand

"Each year, ANZ sets public targets which reflect our strategic priorities and respond to our most material environmental, social and governance issues (ESG)."

- news.anz.com 4 November 2019

TEAM

ANZ Group Treasury has implemented Green and Sustainability Bond programs with ~AUD1.8bn on issue currently, and intends to target annual issuance with their programs.

ANZ has a **dedicated Sustainable Finance team** that actively works with institutional customers to fund requirements for a transition towards a low carbon, more sustainable economy

ANZ was awarded the **Best Sustainable Finance House 2018 award by FinanceAsia**

Contributed to market development across Asia Pacific through the following industry group memberships:

- ICMA Green Bond Principles
- Climate Bonds Initiative (CBI) partner
- LMA/APLMA Green Loans Committees
- SteerCo & Technical Working Group Members/Leads – Australian Sustainable Finance Initiative and NZ Sustainable Finance Forum
- UN Global Compact's Action Platform for Financial Innovation of the SDGs

"ESG used to be something you did as an add-on. Now it's an integral part of how we run the bank – it's part of everything we do."























Shayne Elliott, CEO

FY19 ESG TARGET PERFORMANCE

SCORECARD SNAPSHOT

We are committed to the United Nations Sustainable Development Goals (SDGs). Our ESG targets support 10 of the 17 SDGs.

 Achieved
  In progress
  Not achieved

ESG target	Progress	Outcome	Relevant SDGs
FAIR AND RESPONSIBLE BANKING			
Implement new Dispute Resolution Principles in Australia	Implemented		
Communicate with >700,000 of our retail and commercial customers by 2019 to help them get more value from our products and services and establish positive financial behaviours	>1 million		
ENVIRONMENTAL SUSTAINABILITY			
Fund and facilitate at least AUD15 billion by 2020 towards environmentally sustainable solutions for our customers including initiatives that help lower carbon emissions, improve water stewardship and minimise waste ¹	AUD19.1 billion		  
Reduce the direct impact of our business activities on the environment by reducing scope 1 & 2 emissions by 24% by 2025 and 35% by 2030 (against a 2015 baseline)	-25%		 
FINANCIAL WELLBEING			
Help enable social and economic participation of 1 million people by 2020 ²	>998k		  
Increasing women in leadership to 33.1% by 2019 (34.1% by 2020) ³	32.5%		 
Recruiting >1,000 people from under-represented groups by 2020	734		
HOUSING			
Provide NZD100 million of interest free loans to insulate homes for ANZ mortgage holders (New Zealand)	NZD6.3 million		  
Offer all ANZ first home buyers access to financial coaching support	>3.3k coaches trained		

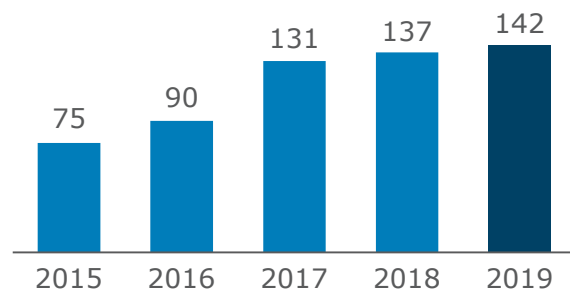
For detailed performance information refer to the 2019 ESG Supplement available in December 2019 anz.com/cs.

1. Including renewable energy generation, green buildings and less emissions intensive manufacturing and transport 2. Through our initiatives to support financial wellbeing including financial inclusion, employment and community programs, and targeted banking products and services for small businesses and retail customers 3. FY18-FY20 target is defined as Women in Leadership which measures representation at the Senior Manager, Executive and Senior Executive levels.

ESG PERFORMANCE TRENDS

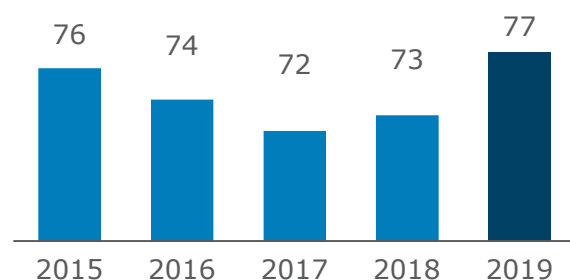
COMMUNITY INVESTMENT¹

Total community investment (AUDm)



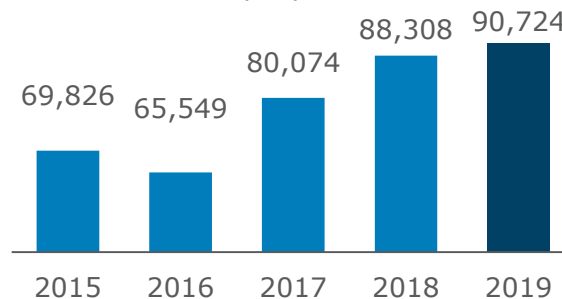
EMPLOYEE ENGAGEMENT²

Employee engagement score (%)



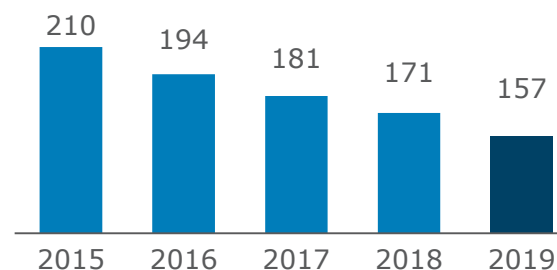
MONEYMINDED & SAVER PLUS

Estimated # of people reached



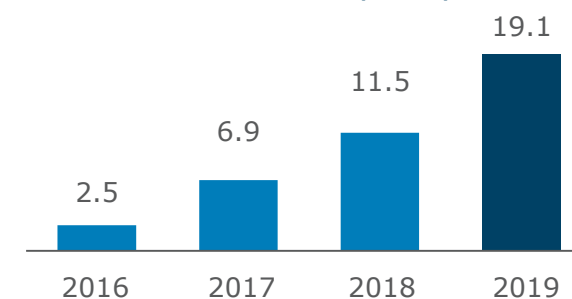
ENVIRONMENTAL FOOTPRINT TARGET

Scope 1 & 2 greenhouse gas emissions (k tonnes CO₂-e)



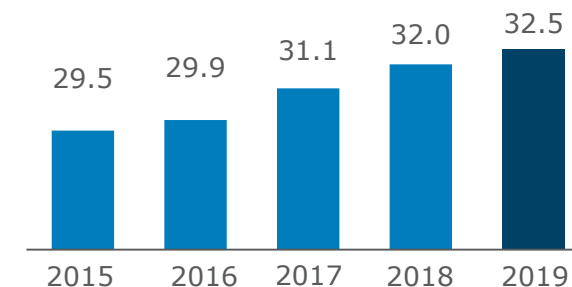
ENVIRONMENTAL FINANCING \$15B TARGET

Funded and facilitated (AUDb)



WOMEN IN LEADERSHIP³

Representation (%)



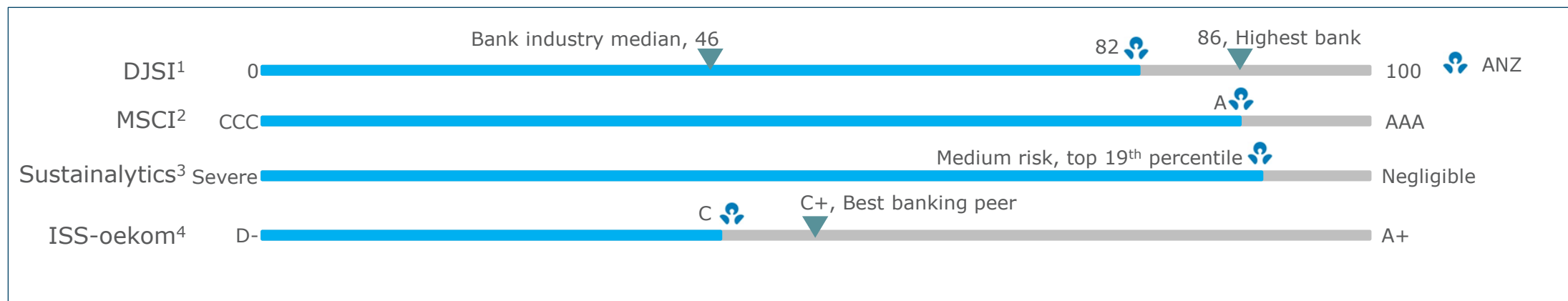
1. Figure includes forgone revenue (2019 = \$109m), being the cost of providing low or fee-free accounts to a range of customers such as government benefit recipients, not-for-profit organisations and students 2. The 2017 engagement survey was run as a pulse survey sent to 10% of the bank's employees with a 57% response rate. For all other years the employee engagement survey was sent to all staff 3. Measures representation at the Senior Manager, Executive and Senior Executive Levels. Includes all employees regardless of leave status but not contractors (which are included in FTE).

ANZ'S ESG RATING SCORECARD

TRACKING OF EXTERNAL ESG RATING PERFORMANCE

Context:

Our reputation indicators identify our key weakness, scrutinised in the Royal Commission, as our failure to always responsibly deliver products and services, e.g. fees for no service.



Outcome:

Reputation indicators for ANZ and other major banks show long-term, mid-range rank among major corporates, followed by 12 months of decline throughout the Royal Commission. All indicators are consistent.

Relevant ESG target:

Group scorecard, maintain strong performance on Dow Jones Sustainability Index.

1: 2019, Dow Jones Sustainability Index; 2: ESG Rating, October 2019, MSCI ESG Research; 3: ESG Risk Rating Report, April 2019; 4: Corporate Rating, April 2019, Institutional Shareholder Services – oekom.



SDG BOND FRAMEWORK & ELIGIBLE ASSETS

ANZ SDG BOND PROGRAMME OVERVIEW

ANZ SDG Bond Framework

- Aligned to the UN SDGs and updated to align to the 2018 ICMA Principles and Guidelines
- Obtained a second party opinion from Sustainalytics¹ to confirm alignment of the ANZ SDG Bond Framework with the 2018 ICMA Principles and Guidelines (this opinion is available on the ANZ [Debt Investor website](#))
- Obtained pre-issuance assurance from Ernst & Young (EY)² to confirm that the allocation of proceeds to eligible assets has been done in accordance with the ANZ SDG Bond Framework. ANZ will continue to obtain assurance on an annual basis (these assurance statements are available on the ANZ [Debt Investor website](#))

Governance

ANZ's SDG Programme adheres to the four pillars:

- 1. Use of Proceeds –**
 - Project Finance loans, Corporate loans and ANZ expenditures aligned to the Eligible Categories
 - Corporate loans must have a definable purpose that derive at least 90% of their revenue from activities in the Eligible Categories
- 2. Process for Evaluation & Selection –**
 - 9 of the 17 SDGs were selected based on ANZ's business activities and operations
- 3. Management & Tracking of Proceeds**
 - Green Bond Working Group ensures proceeds remain allocated
 - Monthly monitoring of the eligible asset register/pool
 - Unallocated proceeds: to be invested in cash or Government/Semi-Government securities only
- 4. Reporting & Disclosures**
 - Semi-annual Use of Proceeds reports
 - Annual Impact reports
 - Assurance statements, second party opinions and the SDG Bond Framework on the [Debt Investor website](#)

Progress

- Issued first SDG Bond in February 2018
- Reported/reporting Use of Proceeds reports semi-annually (on the ANZ [Debt Investor website](#))
- Published Inaugural Impact report in July 2019 (on the ANZ [Debt Investor website](#))
- Evolved the Eligible Asset pool from EUR925m at issuance to EUR2,096m as at 30 September 2019 (this is an increase of EUR1,171m)

1. Currently, the provider of the Sustainalytics opinion is not subject to specific regulatory or other regime or oversight and that opinion is provided for information purposes only and on a no liability basis.
2. The Ernst & Young Assurance is subject to the specific scope, limitations, assumptions and qualifications set out in it, including that Ernst & Young does not accept or assume any responsibility to any third parties

ANZ IS A LEAD ISSUER IN SUSTAINABILITY BONDS

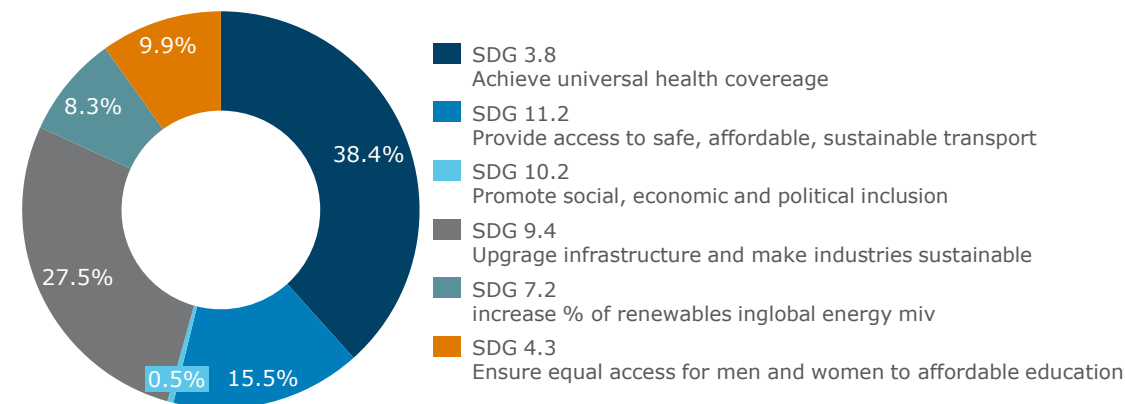
ANZ'S INAUGURAL SDG BOND WAS ISSUED IN FEBRUARY 2018

- The ANZ SDG Bond Framework was developed in line with the International Capital Market Association ("ICMA") Green Bond Principles ("GBP"), Social Bond Principles ("SBP") 2017, and related Sustainability Bond Guidelines 2017 ("SBG")
- ANZ's successful inaugural SDG Bond issued in February 2018 was a EUR750m 5 year senior unsecured, paying fixed rate annual coupons, ranking pari passu with all other ANZ senior unsecured debt instruments
- Proceeds were used to finance or refinance an AUD1,450 / EUR925¹ pool of ANZ loans and expenditures that directly promote the SDGs ("Eligible Assets") as identified in the ANZ SDG Bond Framework
- The inaugural SDG Bond Impact Report was published in July 2019 and Use of Proceeds reports have been published semi annually
- Payment of interest or principal is not linked to the credit or sustainability performance of the Eligible Assets

OUTSTANDING BOND AND ELIGIBLE ASSET REPORTING²

Bond Features		Eligible Assets (EUR million)		Unallocated Proceeds
Issuer	ANZ	21 February '18	925	0
Issue date	21 February 2018	31 March '18	913.8	0
Currency	EUR	30 September '18	928.9	0
Tenor	5 years	31 January '19	879.6	0
Issued amount	750 million	31 March '19	977.4	0
ISIN:	XS1774629346	30 September '19	939.2	0







ALLOCATION OF PROCEEDS BY SDGS³



1. Eligible Asset volume as at 31 January 2018 and AUD/EUR as at 12 February 2018. 2. Use of Proceeds Reports available at <https://www.anz.com/debtinvestors/centre/green-sustainability-bonds>. 3. Allocation of proceeds as at 30 September 2019.

ANZ'S INAUGURAL SDG BOND IMPACT REPORT WAS PUBLISHED IN JULY 2019

INAUGURAL REPORTED IMPACTS¹ AS AT 31 MARCH 2019

SDGs	Impact (at project/asset level) ²
	<ul style="list-style-type: none"> Hospitals: ~4,180 beds in total Aged Care: 149 homes and ~12,700 beds
	<ul style="list-style-type: none"> Operation of existing 3,700 student beds across 9 sites Construction of new 500-bed student residence Access to affordable housing that does not exceed 75% of market rental rates
	<ul style="list-style-type: none"> Wind and solar energy generation: <ul style="list-style-type: none"> wind farm (2) solar farm (1) total installed capacity of 460MW Total of ~27,000 tCO2 of avoided emissions
	<ul style="list-style-type: none"> Construction of 6 green buildings to either Green Star Design or NABERS standards
	<ul style="list-style-type: none"> Money-Minded: as of November 2018, has reached 580,000 participants across 25 countries in the Asia Pacific region Saver Plus program: assisted over 36,000 people with financial wellbeing
	<ul style="list-style-type: none"> 1 existing train network upgrade : 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

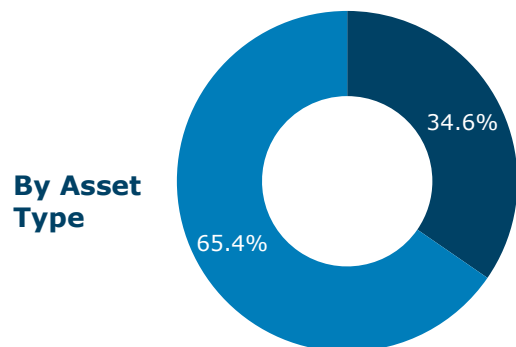
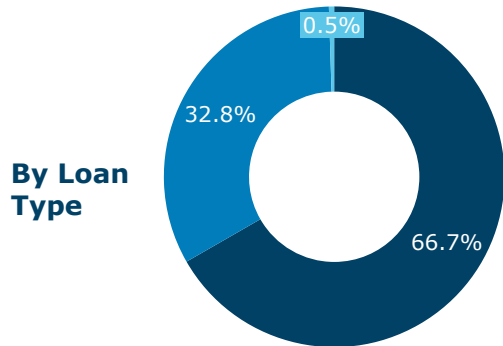
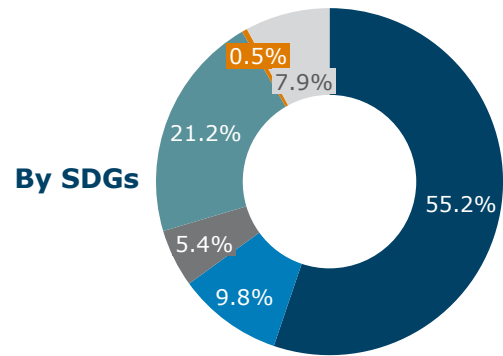
1. SDG Bond Impact Report available at <https://www.anz.com/debtinvestors/centre/green-sustainability-bonds>

2. 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. In instances where ANZ's lending to a project is nil at 31 March 2019 (i.e. a loan facility continues to exist, however the lending is undrawn at that time), the impact figures for the individual projects remain incorporated in the aggregated impact data. This treatment has been applied in order to protect the confidentiality of ANZ's customers.

EVOLUTION OF ELIGIBLE ASSET POOL

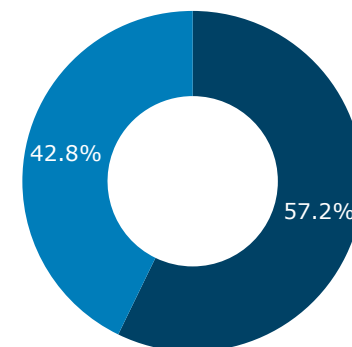
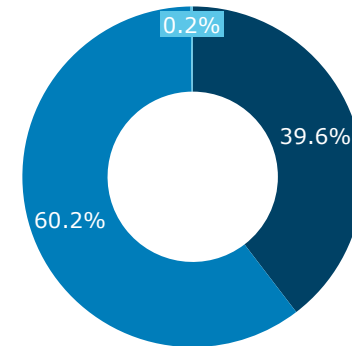
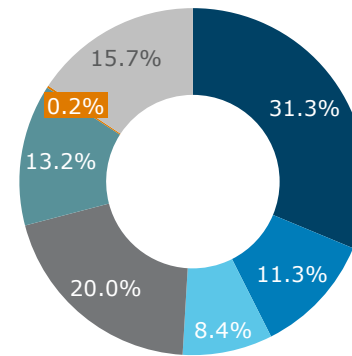
FEBRUARY 2018

Pool Size: EUR925m







SEPTEMBER 2019

Pool Size: EUR2,096m



ELIGIBLE ASSETS¹

SDGs	GBP/SBP Category ²	Asset / Type	Location	Total by SDGs (AUD)	Total by SDGs (EUR)	%
	Access to essential services; Socioeconomic advancement and empowerment; Affordable basic infrastructure	Aged Care & Hospital / Corporate & Project Finance	Australia, VIC, QLD, NSW, SA	1,062m	656m	31.3%
	Access to essential services; Socioeconomic advancement and empowerment	University & Student housing / Corporate & Project Finance	Australia, VIC, NSW, ACT, TAS	382m	236m	11.3%
	Affordable basic infrastructure, sustainable water and wastewater management, socioeconomic advancement and empowerment	Desalination / Project finance	VIC, NSW	284m	175m	8.4%
	Renewable energy	Renewable – Solar, Wind, Hydro / Project Finance	VIC, NSW, QLD, TAS, Taiwan	678m	418m	19.9%
	Green buildings	Commercial Office / Corporate & ANZ Expenditure	VIC, NSW, QLD, WA, NT, Australia	448m	276m	13.2%
	Socioeconomic advancement and empowerment	ANZ Money Minded and Saver Plus / ANZ expenditure	Global	7m	4m	0.2%
	Clean transportation; Affordable basic infrastructure; Access to essential services	Clean Transport / Project Finance	Australia, NSW, QLD	534m	329m	15.7%
	Unallocated Proceeds			0m	0m	0%
	Total			AUD 3,394m³	EUR 2,096³	100%

1. These calculations are of available Eligible Assets as at the date of this presentation that may be financed or refinanced in part or in whole by the net proceeds of the existing SDG Bond and the proposed SDG Bond, if issued. This information is indicative only and subject to change without notice. 2. GBP refers to Green Bond Principles and SBP refers to Social Bond Principles. 3. Eligible Asset volumes are as at 30 September 2019. AUD total figure is equivalent to EUR 2,096m using AUD/EUR exchange rate as at 30 September 2019. Please note that the Issuer has issued, and may, from time to time, issue Other SDG Securities and use their proceeds of issue to finance or refinance Eligible Assets. The Issuer may, from time to time, re-allocate or apportion at its discretion Eligible Assets among the Notes and other SDG Securities. The Eligible Assets currently support an existing EUR750m Senior Unsecured 0.625 percent Notes due 21 February 2023 (XS1774629346) and proposed transaction.

INDEPENDENT REVIEW

SUSTAINALYTICS OPINION AND ERNST & YOUNG ASSURANCE

ANZ retains a second party opinion from Sustainalytics¹ to confirm the alignment of the ANZ SDG Bond Framework with the GBPs, SBPs and relevant SDGs.

"Overall, Sustainalytics is of the opinion that the ANZ SDG Bond Framework is credible and transparent as: (i) it aligns with the Sustainability Bond Guidelines 2018, (ii) it transparently links example projects and eligibility criteria, as well as assets to the SDGs, and (iii) ANZ commits to report transparently on social and environmental impact, and progress towards the SDGs annually throughout the term of the bond"

- Sustainalytics

This opinion is available on the ANZ [Debt Investor Website](#)

ANZ has also obtained pre-issuance assurance from Ernst & Young ("EY")² to confirm that the proposed allocation of proceeds to Eligible Assets has been done in accordance with the ANZ SDG Bond Framework. ANZ will continue to obtain assurance on an annual basis.

"Based on our reasonable assurance procedures, as described in this statement as of 01 November 2019, in our opinion ANZ's bond issuance process in relation to its Sustainable Development Goals (SDG) Bond meets the requirements of the Sustainability Bond Guidelines 2018 and associated Social Bond Principles 2018 and Green Bond Principles 2018, in all material respects"

- EY

These assurance statements are available on the ANZ [Debt Investor Website](#)

1. Currently, the provider of the Sustainalytics opinion is not subject to any specific regulatory or other regime or oversight and that opinion is provided for information purposes only and on a no liability basis.
2. The Ernst & Young Assurance is subject to the specific scope, limitations, assumptions and qualifications set out in it, including that Ernst & Young does not accept or assume any responsibility to any third parties



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For further information visit

ANZ Debt Investor Centre
<https://www.anz.com/debtinvestors/centre/>

ANZ ESG Supplement
[anz.com/cs](https://www.anz.com/cs)

Corporate Governance Statement
[anz.com/corporategovernance](https://www.anz.com/corporategovernance)

APPENDIX 1: ELIGIBLE ASSET CATEGORIES



Eligibility Criteria: Activities that provide access to essential health-care services, promote mental health and wellbeing and achieve universal health coverage

Examples: Public hospitals, private hospitals that are non-for-profit or provide social benefit programs to disadvantaged communities, aged care services



Eligibility Criteria: Activities that promote equal access for all men and women to affordable and quality education

Examples: Technical, vocational and tertiary education providers, construction of facilities such as tertiary campuses, universities, student housing or training infrastructure



Eligibility Criteria: Activities that provide access to safe and affordable drinking water, improve water quality and/or increase water use efficiency

Examples: Water treatment facilities, water supply and distribution, water recycling facilities



Eligibility Criteria: Activities that increase the share of renewable energy in the global mix, and expand infrastructure and upgrade technology for supplying modern, reliable and sustainable energy services for all

Examples: Wind, solar, hydro power, biomass, or geothermal generation, as well as energy efficient technologies in new and refurbished buildings, energy storage, district heating or smart grids

APPENDIX 1: CONTINUED



Eligibility Criteria: Activities that upgrade infrastructure and retrofit industries and make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies

Examples: Construction, renovation or operation of sustainable buildings with minimum GREEN STAR 5, NABERS 5, BREAM Excellent, NABERNZ excellent energy ratings, or equivalent



Eligibility Criteria: Activities aimed at supporting people from marginalised / underrepresented groups to advance their socio-economic position

Examples: Financial education programs, training programs and services for individuals to access employment, access to affordable housing with high employment availability to low socio-economic groups



Eligibility Criteria: Activities that contribute to the construction or investment of registered affordable housing, or construction or operation of clean transportation facilities or associated infrastructure

Examples: Light passenger rail, new rail facilities for public use, electric vehicles, cycle ways and other forms of bicycle infrastructure



Eligibility Criteria: Activities that improve waste management by reducing waste from the source, recycling or composting or diverting waste from landfill

Examples: Waste management facilities, Waste to energy facilities, facilities that encourage sustainable farming practices that includes organic farming and water efficiency initiatives



Eligibility Criteria: Activities that demonstrably contribute to reducing vulnerability to climate and do not increase carbon emissions, or improve education or effective planning and management of climate change

Examples: Natural disaster prevention infrastructure, education programmes to increase awareness and knowledge on climate related issues