

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

EUR750 MILLION WHOLESALE SUSTAINABLE DEVELOPMENT GOALS
BOND - USE OF PROCEEDS REPORT

2018 HALF YEAR UPDATE
PUBLISHED 28 MAY 2018



PURPOSE

This report provides an update to investors on the use of proceeds, as at 31 March 2018, of the EUR 750,000,000 fixed rate notes due 21 February 2023 Sustainable Development Goals (SDG) Bond.

The SDG Bonds were 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 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 January 1 2016, the United Nations SDGs came into effect. The SDGs encompass 17 goals aimed at solving the world's most pressing sustainable development challenges over the 15 years to 2030. ANZ is committed to the SDGs, and in recognition of the important role business will play in achieving the SDGs, ANZ's 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 2016.

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 March 2018. The following tables show the key bond details, the value of Eligible Assets at the past two reporting periods, and the nine SDGs to which the proceeds of the Bond promote.

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	Unallocated Proceeds
21 February 2018	925.0	0
31 March 2018	913.8	0

The change in Eligible Asset value between the reporting dates is due to movement in foreign exchange rates and changes in drawn balances.

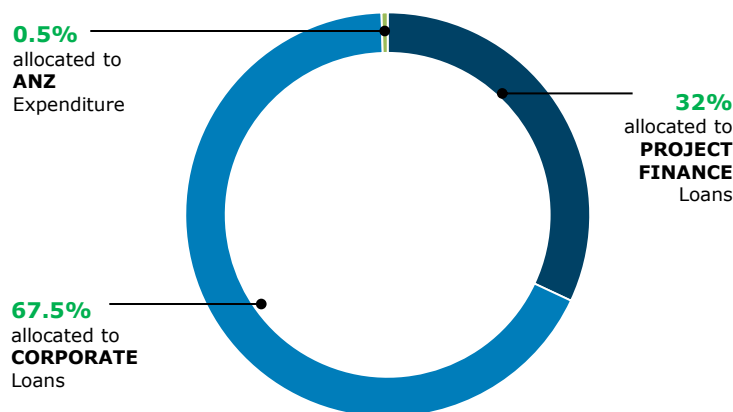
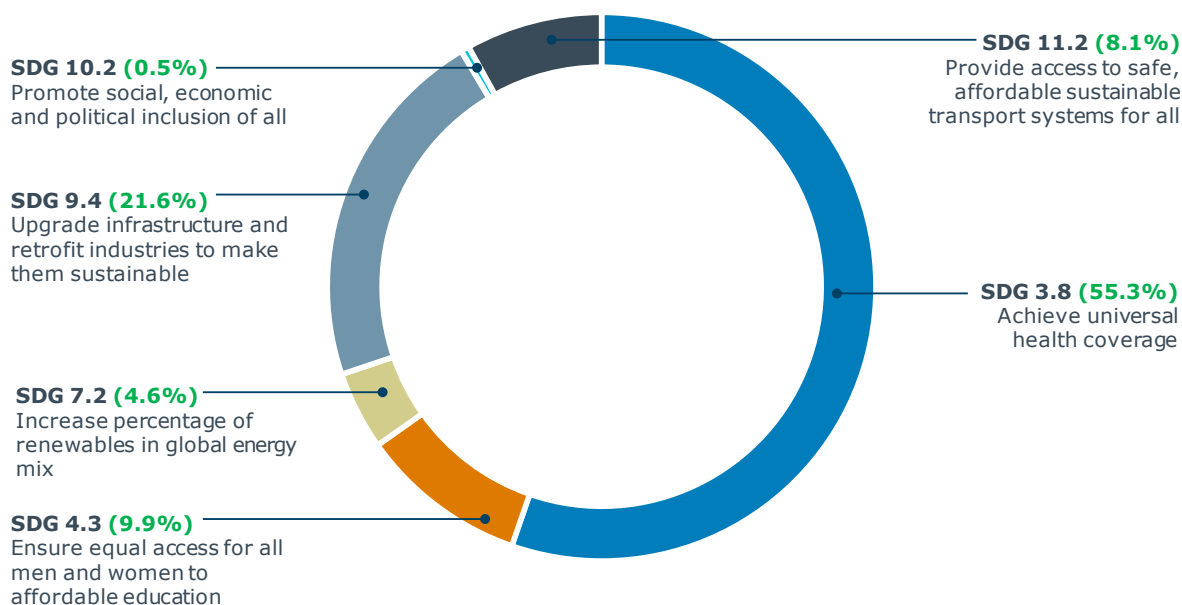


ANZ SDG BOND FRAMEWORK

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 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 suggests 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](#).

ALLOCATION OF BOND PROCEEDS

The 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 March 2018. Also shown below is allocation of bond proceeds to the type of Loan Asset or ANZ Expenditures.









Reporting Notes

- The value of Eligible Assets is as at 31 March 2018, and is sourced from ANZ’s SDG Bond Asset Register which draws from ANZ’s financial reporting systems.
- The foreign exchange conversion rate applied for all Eligible Assets to convert from Australian Dollar to Euro is the rate used by the ANZ Finance team for end of month balance sheet reporting, which for 31 March 2018 was AUD 1 = 0.62210 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 21 February 2018 issuance.

USE OF PROCEEDS AS AT 31 MARCH 2018

Following bond issuance ANZ sought Borrower consent to disclose the detail of the Assets. Borrower consent to disclose has been forthcoming from the majority of Borrowers, though in some instances they have preferred to be listed as Not Disclosed. In addition, where there are two or less Assets in an SDG group, ANZ elected to list these Borrowers and Assets as Not Disclosed in order to protect Asset Value confidentiality. In both cases, these assets are marked as “Not disclosed”.

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
	3.8	Access to essential services	Hospital	Not disclosed	Australia	Corporate Loan		
	3.8	Access to essential services	Hospital	InfraShore Finance - Royal North Shore Hospital	NSW	Project Finance		
	3.8	Access to essential services	Hospital	Not disclosed	Australia	Project Finance		
	3.8	Access to essential services	Hospital	St John of God Healthcare – Not for Profit hospitals	VIC	Corporate Loan	505.42	55.3%
	3.8	Access to essential services	Aged Care	Allity - Aged Care Facilities	NSW, QLD, SA, VIC	Corporate Loan		
	3.8	Access to essential services	Aged Care	BlueCross SapphireCare Group – Aged Care Facilities	VIC	Corporate Loan		
	3.8	Access to essential services	Aged Care	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		
	4.3	Socioeconomic advancement and empowerment	Tertiary educational	Not disclosed	Australia	Corporate Loan		
	4.3	Socioeconomic advancement and empowerment	Tertiary educational	Monash University – operation of university	VIC	Corporate Loan	90.34	9.9%
	4.3	Socioeconomic advancement and empowerment	Tertiary educational	University of New South Wales – operation of NSW university		Corporate Loan		

	7.2	Renewable Energy	Renewable Energy Generation	Not disclosed	Australia	Project Finance		
	7.2	Renewable Energy	Renewable Energy Generation	Not disclosed	Australia	Project Finance	42.29	4.6%
	9.4	Green Building	Building with green standard	Brookfield – Wynyard Place	NSW	Corporate Loan		
	9.4	Green Building	Building with green standard	Not disclosed	Australia	Corporate Loan		
	9.4	Green Building	Building with green standard	Lend Lease One International Towers Sydney Trust – Tower 1 International Towers Sydney	NSW	Corporate Loan		
	9.4	Green Building	Building with green standard	Not disclosed	Australia	Corporate Loan	197.63	21.6%
	9.4	Green Building	Building with green standard	ANZ Banking Group – tenancy at 839 Collins Street Melbourne	VIC	ANZ Expenditure		
	9.4	Green Building	Building with green standard	Not disclosed	Australia	Corporate Loan		
	10.2	Socioeconomic advancement and empowerment	Financial education programs	ANZ Money Minded and Saver Plus	Australia	ANZ Expenditure	4.47	0.5%
	11.2	Affordable basic infrastructure	Clean transportation facilities	Not disclosed	Australia	Project Finance		
	11.2	Affordable basic infrastructure	Clean transportation facilities	Not disclosed	Australia	Project Finance	73.65	8.1%
Total EUR million							913.80	100%

ANZ is committed to transparency of reporting and disclosure within the Sustainable and Green Bond market, and we welcome investor feedback with regards to the contents of this and future reports.

Enquiries

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

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