

ANZ GREEN BOND

DECEMBER 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
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
Sept 2018	\$761.06	\$600	\$0	N/A
Dec 2018	\$703.64	\$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 December 2018 quarter the Collgar Wind Farm was refinanced and therefore the loan asset was removed from the pool.

As planned, the Eligible Asset balance continues to decrease as the Bond maturity date of June 2020 approaches. As noted, the intention is for the Eligible Asset balance to remain above the outstanding value of the Green Bond of AUD 600 million.

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

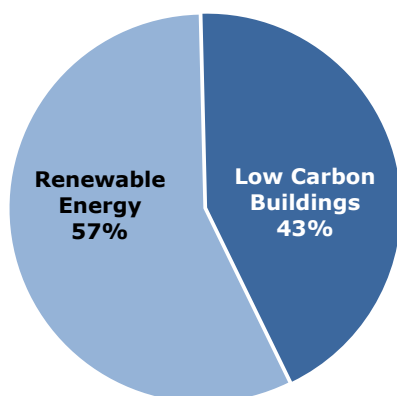
a) List of Eligible Assets as at 31 December 2018

Project	Class	Country
Bald Hills Wind Farm	Wind	Australia
Burgos Wind Farm	Wind	Philippines
Changbin Wind Farm	Wind	Taiwan
Chungwei Wind Farm	Wind	Taiwan
Coonooer Bridge Wind Farm	Wind	Australia
Granville Harbour Wind Farm	Wind	Australia
Mahinerangi Wind Farm	Wind	New Zealand
Miaoli Wind Farm	Wind	Taiwan
Murra Warra Wind Farm	Wind	Australia
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

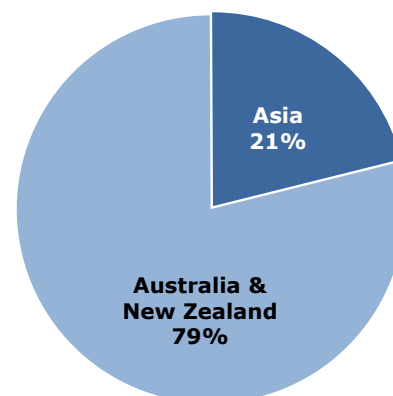
Current Aggregated Volume

~A\$703.64M

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).