

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

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

**2018 END OF YEAR UPDATE
PUBLISHED NOVEMBER 2018**



PURPOSE

This report provides an update to investors on the use of proceeds, as at 30 September 2018, of the EUR 750,000,000 fixed rate notes due 21 February 2023 Sustainable Development Goals (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 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 joined over 30 leaders from the Australian business community in signing 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 30 September 2018. The following tables show the key bond details, the value of Eligible Assets at the past two reporting periods, and the six SDGs to which the proceeds of the Bond promote. 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

The change in Eligible Asset value since 31 March 2018 is due to:

1. movement in foreign exchange rates;
2. repayment of one of the property facilities 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.

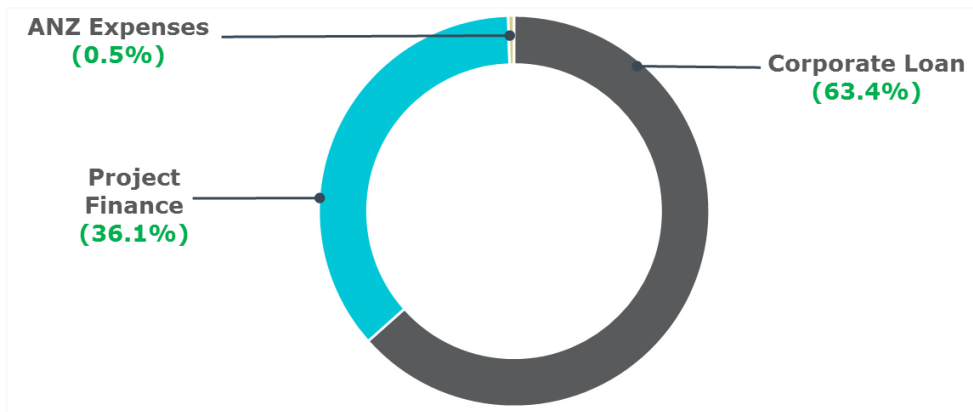
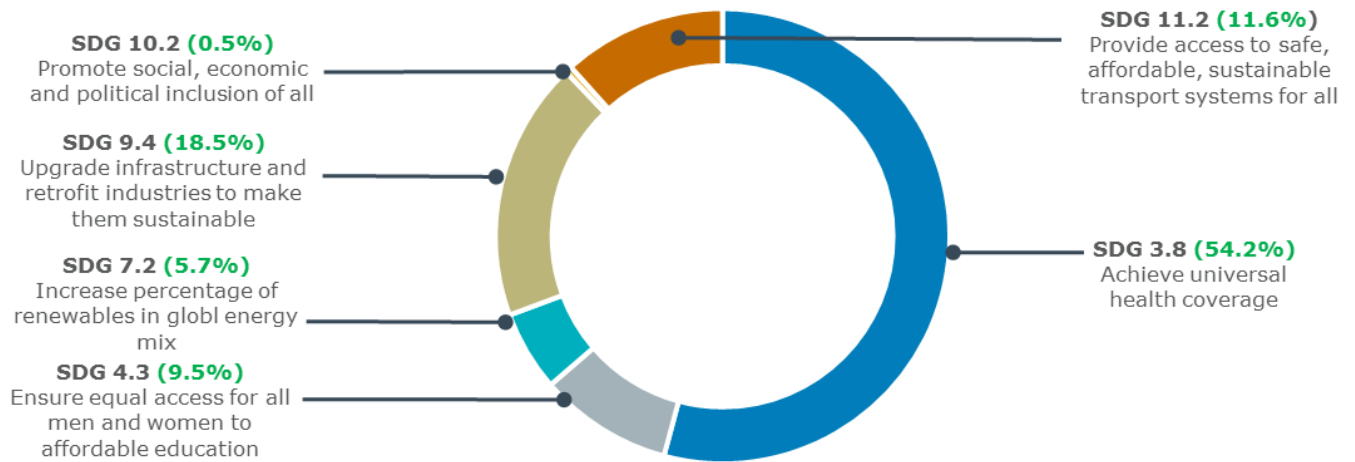


ANZ SDG BOND FRAMEWORK

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 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 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 30 September 2018. Also shown below is the allocation of bond proceeds to the type of Loan Asset or SDG related ANZ Expenditures.





Asset balances are largely unchanged from half year reporting, with an overall increase in asset values of EUR15m. The most significant moves have resulted in an increase in asset values for SDG 11 Sustainable Cities and Communities, and SDG 7 Affordable and Clean Energy, with a reduction in value for SDG 9 Industry, Innovation and Infrastructure.





Reporting Notes

- The value of Eligible Assets is as at 30 September 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 30 September 2018 was AUD 1 = 0.62050 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 30 SEPTEMBER 2018

Following bond issuance, ANZ sought Borrower consent to disclose detail of the Assets. Borrower consent has been forthcoming from the majority of Borrowers. Where there are two or less Assets in an SDG group, ANZ has 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	503.04	54.2%
	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	88.34	9.5%
	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		
							52.99	5.7%
	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	171.93	18.5%
	9.4	Green Building	Building with green standard	Not disclosed	Australia	Corporate Loan		
	9.4	Green Building	Building with green standard	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	4.46	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	108.13	11.6%
Total EUR million							928.88	100%

ANZ is committed to transparency of reporting and disclosure within the Sustainable and Green Bond market, and we welcome investor feedback on 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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