



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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Q3 TRADING & TREASURY UPDATE



OVERVIEW

FINANCIAL INFORMATION AS AT 30 JUNE 2020

(ALL COMPARISONS TO 1H20 QUARTERLY AVG UNLESS OTHERWISE STATED)

3Q20 Profit

- Unaudited Statutory Profit \$1.3b. For Continuing Operations, unaudited Cash Profit excluding Large / Notable Items \$1.6b (including Large / Notable items \$1.5b)
- Operating expenses down 1% reflecting disciplined cost management for the environment, while also investing record levels this quarter
- Revenue increased, benefiting from a stronger markets performance (~60% higher in 3Q20), partly offset by lower margins and transaction volumes
- Net interest margin of 1.59% for 3Q20 (1.69% for 1H20). Key drivers included low interest rates (-6 bps impact net of repricing), higher liquids, competition and mix (e.g. higher fixed rate mortgages), partially offset by lower funding costs and deposit mix

Capital, Dividend and RWA

- Group CET1 ratio (APRA Level 2) 11.1%. Pro Forma Group CET1 ratio (APRA Level 2) 11.3%¹
- Following strong growth in March, Institutional Credit RWA (ex FX & risk migration) was down \$10b in 3Q20
- Dividend of 25 cents per share fully franked declared for 1H20, no DRP discount
- Too early to update the 110bp base case capital impact from risk migration

Provision Charge and Credit Quality

- 3Q20 total provision charge \$500m. Individual provision charge \$264m, collective provision charge \$236m. Annualised 3Q20 loss rate 31 bps
- Group provision balance \$4.65b, collective provision coverage ratio 1.25%²
- Regrading wholesale exposures is well progressed, prioritising the segments and customers deemed more susceptible under the current crisis (regrading increased RWA by \$4b in 3Q20)

COVID-19 Assistance (at 31 July 2020)

- ~84,000 Australian Home Loan accounts (~\$31b of home loan balances) on COVID-19 loan repayment deferral (~9% of accounts, ~12% of home loan balances)
- ~22,000 Australian Commercial lending accounts (~\$10b EAD) on COVID-19 loan repayment deferral

1. Including conversion of NZD500m Capital Note & announced sale of UDC

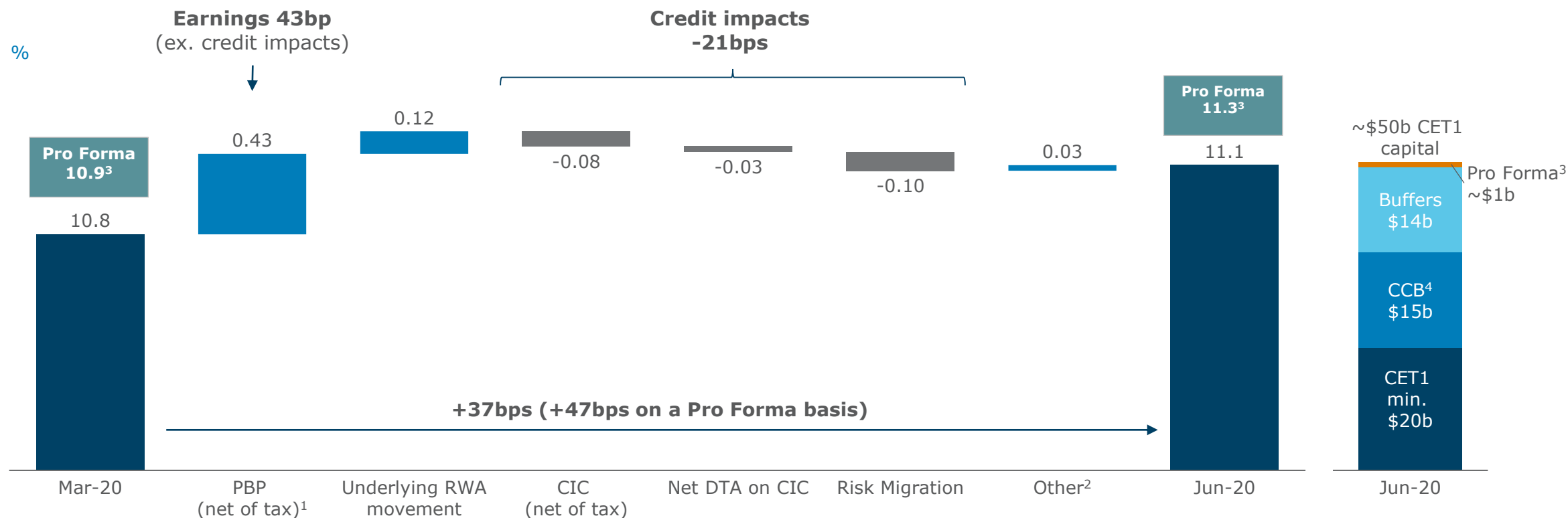
2. Collective Provision balance as a % of Credit Risk Weighted Assets

CAPITAL & DIVIDEND

APRA LEVEL 2 COMMON EQUITY TIER 1 RATIO (CET1)

1H20 DIVIDEND DECLARED

Dividend per share (fully franked) (no discount on DRP)	25c
% of 1H20 statutory profit	46%
% of 1H20 statutory profit (adj. for Panin & AmBank impairments)	30%
4Q20 CET1 impact of 1H20 dividend	15bps



1. Excludes large / notable items & one-off items

2. Includes Capital Deductions (mainly comprises the movement in retained earnings in deconsolidated entities and capitalised software) & other impacts including net RWA imposts/efficiencies movements in non-cash earnings, net foreign currency translation and other

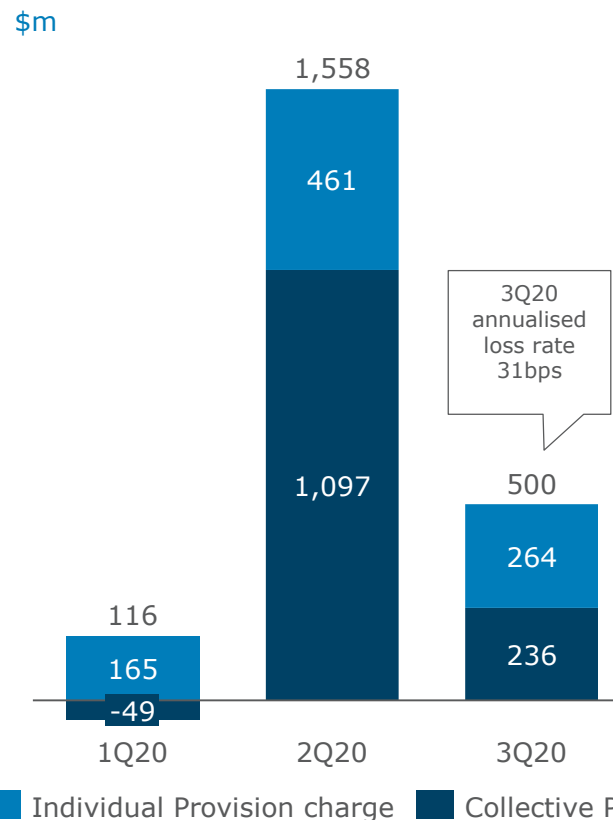
3. Including conversion of NZD500m Capital Note (Mar-20 & Jun-20) & announced sale of UDC (Jun-20)

4. Capital Conservation Buffer

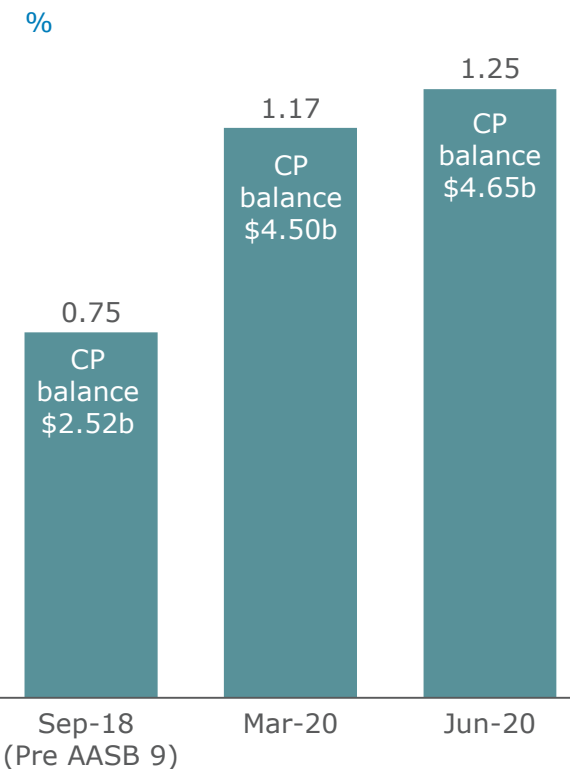
PROVISION CHARGE & COVERAGE

- 3Q20 Provision charge \$500m included:
 - \$264m Individual provision charge
 - \$236m Collective provision charge increasing total CP balance to \$4.65b as at 30 June 2020
- CP charge outcome for 3Q20 reflected:
 - the less adverse economic outlook as at 30 June 2020 relative to 31 March 2020, offset by;
 - additional downside risk and overlays reflecting ongoing COVID-19 uncertainties, including considerations around deferral packages and higher risk segments in the Commercial portfolios in Australia and New Zealand
 - the regrading of wholesale exposures, prioritising the segments and customers deemed more susceptible under the current crisis

PROVISION CHARGE



CP COVERAGE¹



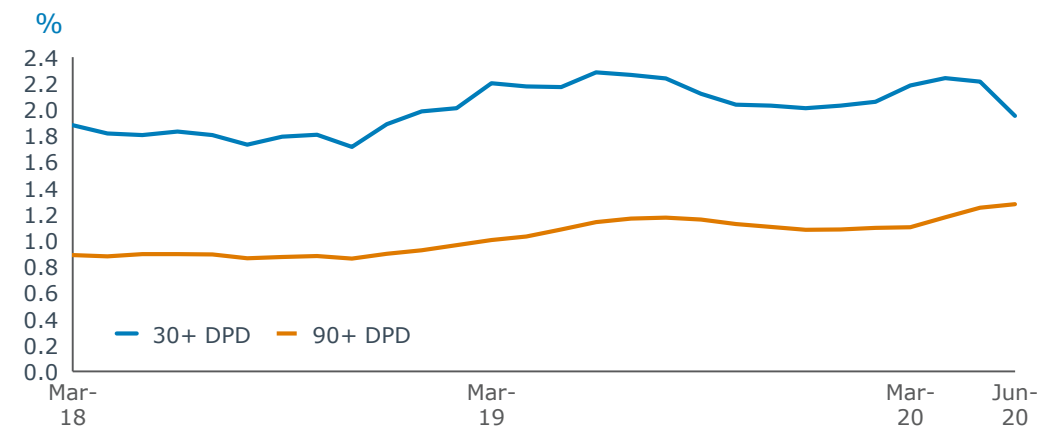
Long run provision charge, loss rates and coverage ratios are included in the 3Q20 Basel III Pillar 3 chart pack

1. Collective Provision Balance as a % of Credit RWA

AUSTRALIA HOME LOAN CREDIT QUALITY

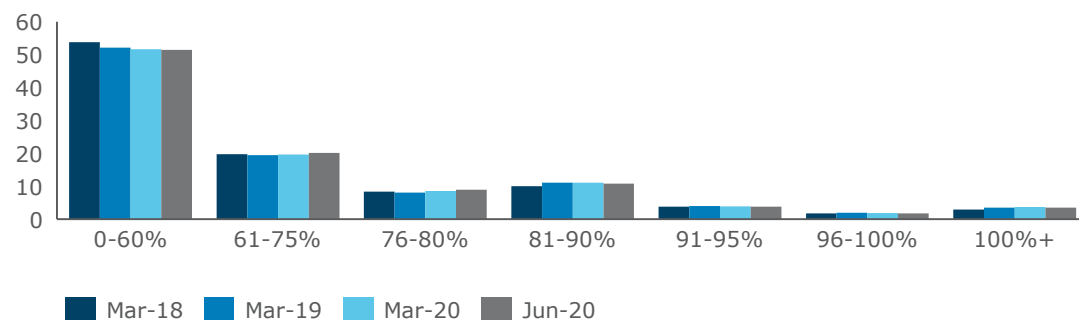
- For eligible home loans¹ receiving COVID-19 assistance, arrears are frozen for the period of the loan deferral
- Customers who requested assistance but were ineligible for repayment deferral based on these criteria were considered under ANZ Hardship arrangements, including payment moratoriums, where delinquency continues to increase when scheduled repayments are not made
- The increase in 90+ delinquency to 1.28% at June 2020 (up 18bps from March 2020) was driven by these customers impacted by COVID-19 but ineligible for deferral
- As a result of the assistance measures, a reduced number of accounts have missed scheduled payments in the quarter and 30+ delinquency has reduced 23bps QoQ to Jun-20

AUS. HOME LOANS DELINQUENCIES^{2,3,4}

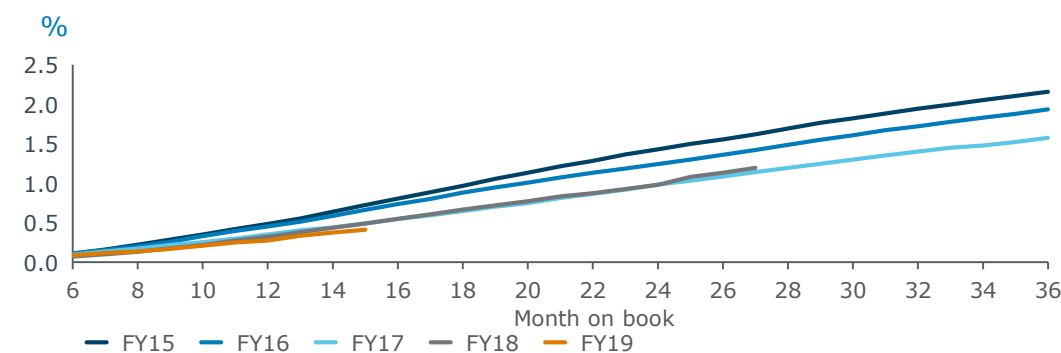


DYNAMIC LOAN TO VALUE RATIO⁵

% of total Portfolio Accounts



AUS. HOME LOANS 90+ DAYS PAST DUE⁶ (BY VINTAGE)



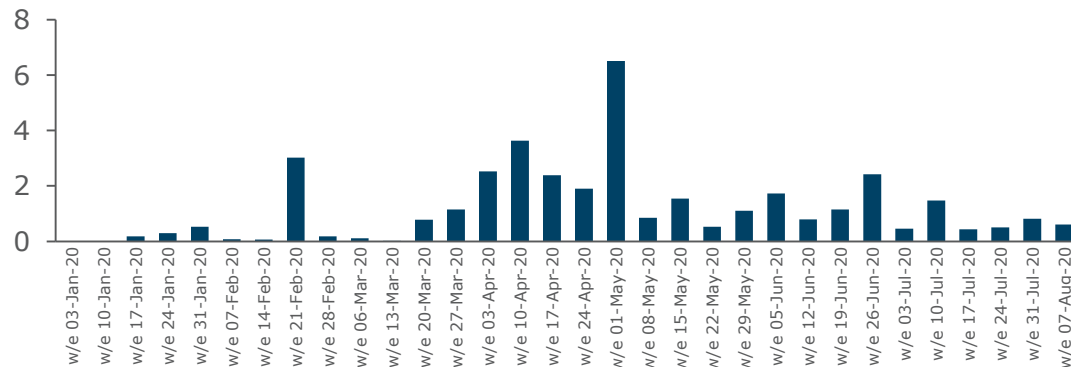
1. COVID-19 loan deferrals are available to customers if either their Home Loan repayments are less than 30 days past due, or if their repayments are less than 90 days past due and were up to date at 1 March 2020
2. Includes Non Performing Loans
3. ANZ delinquencies are calculated on a missed payment basis for amortising and Interest Only loans
4. 30+ and 90+ excludes eligible Home Loans accounts that had requested COVID-19 assistance but due to delays in processing had not had the loan repayment deferral applied to the account
5. Includes capitalised LMI premiums. Valuations updated to May-20 where available. Includes Non Performing Loans and excludes accounts with a security guarantee and unknown DLVR. DLVR does not incorporate offset balances
6. Home loans 90+ DPD vintages represent % ratio of over 90+ delinquent (measured by # accounts), contains at least 6 application months of that fiscal year contributing to each data point

CUSTOMER BEHAVIOUR

- Increased deposit balances YTD in Retail, Commercial and Institutional
- Within the Institutional and Corporate customer base, a number of customers have been proactive in managing costs and taking a conservative approach to capital and distribution
- Within the Retail portfolio:
 - credit card debt has reduced and offset balances increased
 - ~ two thirds of Australia home loan customers with loan repayment deferrals have increased their "buffer" (offset, redraw and credit in transaction and savings account) over the period February to July 2020

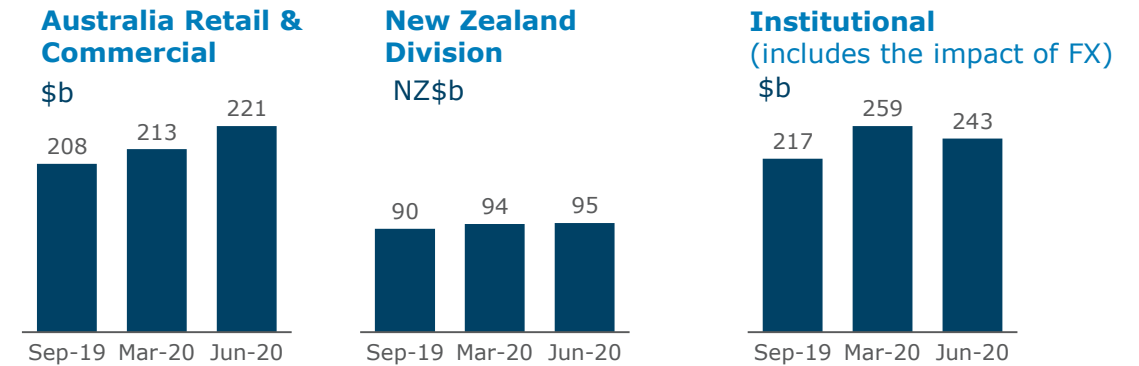
\$37B IN LARGE CORPORATE EQUITY RAISINGS FOR ASX AND NZX YTD¹

\$b System data

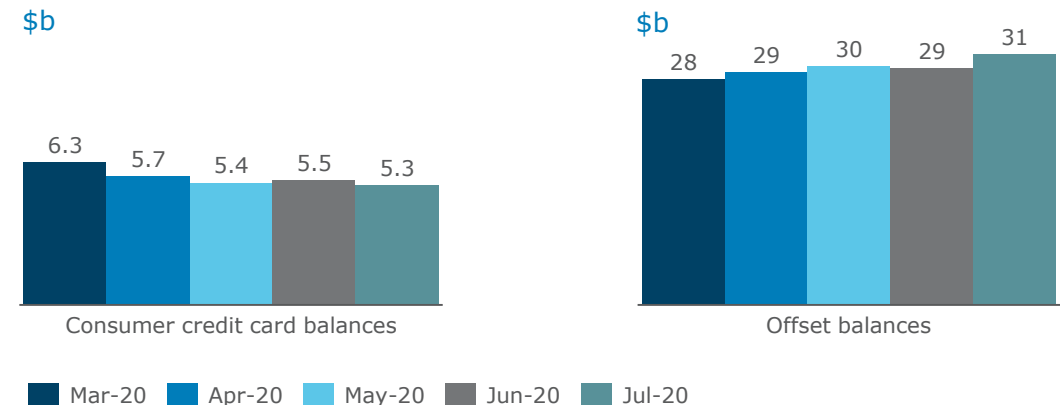


1. Source Dealogic, week ending 7 August 2020

ANZ DEPOSIT ACTIVITY



ANZ AUSTRALIA RETAIL ACCOUNT ACTIVITY



CUSTOMER SUPPORT – AUSTRALIA (HOME LOANS)

COVID-19 RELIEF - HOME LOAN PAYMENT DEFERRALS AT 31 JULY 2020

Home Loan relief at 31 July 2020:

- ~130k COVID-19 enquiries have been received to date, with 90k of these going onto COVID-19 relief measures offering payment deferral¹:
 - ~6,000 accounts have completed or unwound deferral arrangements over the period of March to end July 2020
 - ~84,000 accounts as at 31 July 2020 representing ~\$31b of home loan balances (~81,000 accounts at 30 June 2020) on deferral, ~9% of all home loan accounts, ~12% of home loan balances

Deferral cohort observation:

- ~ two thirds have stable or improved income⁵
- ~ one quarter have made at least one payment while on deferral
- ~ 95% have a 'savings buffer' (offset, redraw and credit in savings account)
- ~ half have at least a 3 month or greater payment 'buffer'⁶

3 month check in process:

- Formal processes have been developed to pro-actively identify customers at risk of being unable to return to full repayments, and put in place appropriate treatment strategies to minimise any adverse impacts
- Contact program is well progressed, prioritised to focus on home loan account cohorts where internal data suggests a potentially higher risk of difficulty

	Loan repayment deferrals Total Active deferrals at 31 July 2020	Total AUS. Home Loan Portfolio ²
Total number of home loans	84k	986k
Total \$ value of home loan balance	\$31b	\$268b
Offset balances	\$1.2b	\$29.4b
Avg. Dynamic LVR (Ex. offset) ^{3,4}	68%	56%
Average Loan Size	\$371k	\$272k
% Principal & Interest	92%	86%
% Owner Occupied	73%	68%

1. COVID-19 loan deferrals are available to customers if either their Home Loan repayments are less than 30 days past due, or if their repayments are less than 90 days past due and were up to date at 1 March 2020

2. Total portfolio statistics as at 30 June 2020

3. Unweighted based on # accounts

4. Includes capitalised LMI premiums, valuations for DLVR updated to May-20 where available, includes Non Performing Loans, excludes accounts with a security guarantee, and unknown DLVR

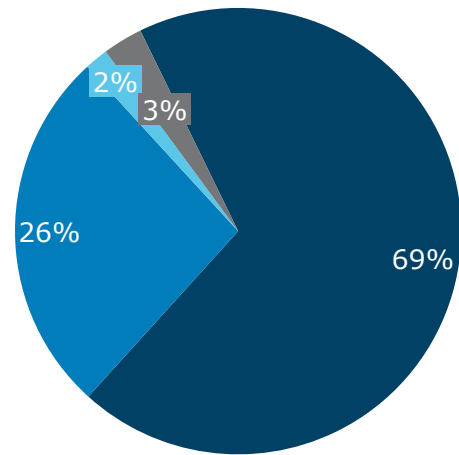
5. Based on deferral customers where ANZ can identify salary income, this excludes other income types and segments such as self-employed

6. Buffers are calculated at customer level, incorporating all Retail debts within the customer cluster at ANZ, and all funds available in ANZ redraw, offset and transaction and savings accounts

CUSTOMER SUPPORT – AUSTRALIA (HOME LOANS)

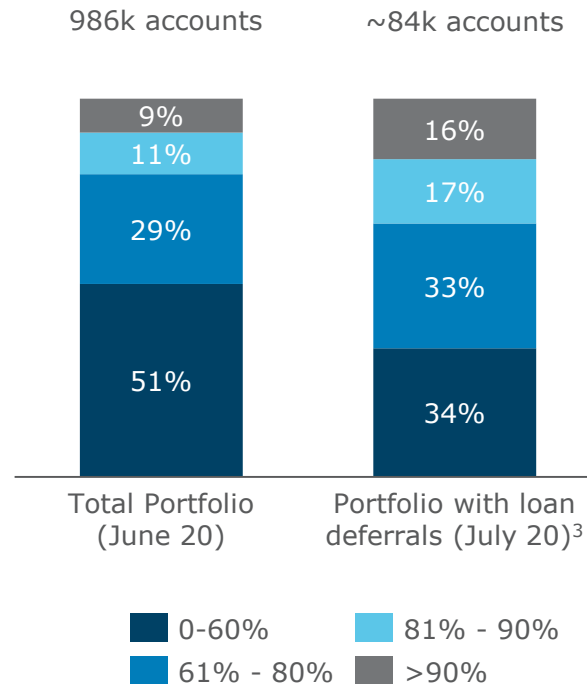
COVID-19 RELIEF - HOME LOAN PAYMENT DEFERRALS AT 31 JULY 2020

~130,000 COVID-19 ENQUIRIES RECEIVED
% of total requests (Mar-20 to Jul-20)

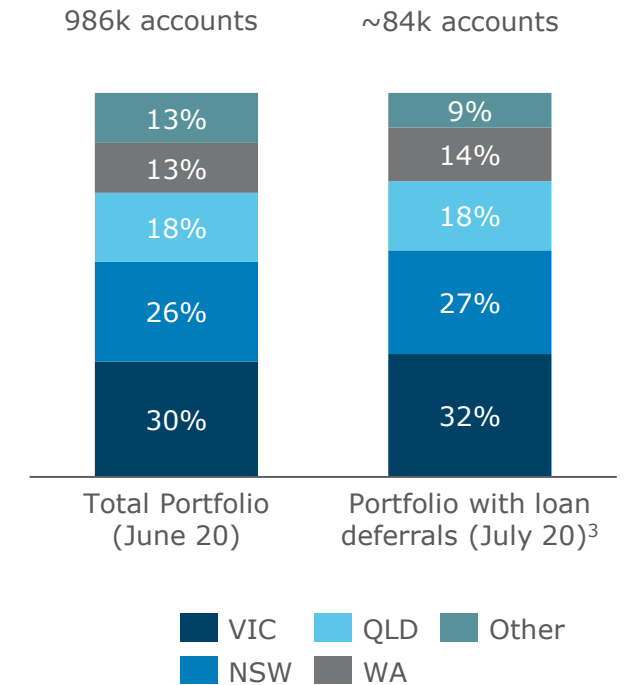


- Went onto repayment deferral
- Chose not to take up deferral
- Went onto other assistance
- Being processed at 31 July

DYNAMIC LOAN TO VALUE RATIO
(% of accounts)^{1,2}



PORTFOLIO BY STATE
(% of accounts)



1. Includes capitalised LMI premiums, valuations for DLVR updated to May-20 where available, includes Non Performing Loans, excludes accounts with a security guarantee, and unknown DLVR
 2. DLVR does not incorporate offset balances
 3. Active (outstanding) deferrals as at 31 July 2020

CUSTOMER SUPPORT – AUSTRALIA (COMMERCIAL)

COVID-19 RELIEF – COMMERCIAL BANKING¹ AT 31 JULY 2020

ANZ Commercial Banking:

- ~485k customers in Commercial Banking of which ~165k have lending across ~240k accounts
- Small Business Banking segment, ~91% of total Commercial lending customers, is weighted to deposits (currently ~3x deposit to lending)

Commercial customer relief at 31 July 2020:

- Deferrals are on an opt-in basis for the Commercial Banking portfolio
- All Commercial customers were spoken to prior to being processed for assistance to ensure they understood the terms of the assistance being offered
- As at 31 July ~22k accounts representing \$9.5b EAD (~21.5k accounts at 30 June) are receiving business loan deferrals
- ~3% of business loan deferrals have been partially or fully unwound at the customer's request

Deferred cohort observations²:

- ~45% have recorded stable or higher cash inflow vs same time last year
- ~30% have reduced cash outflows by >30%
- ~60% have higher cash balances vs March 2020
- ~50% are receiving JobKeeper payments

Assistance Provided at 31 July 2020	Accounts	EAD at 30 June 2020
Total Commercial lending	~240k	\$69b
Business loan deferrals	~22k	\$9.5b
Asset Finance loan deferrals	~13k	\$0.9b
Temporary overdraft increases	~11k	\$1.2b
JobKeeper and SME Guarantee Scheme	~3k	\$151m

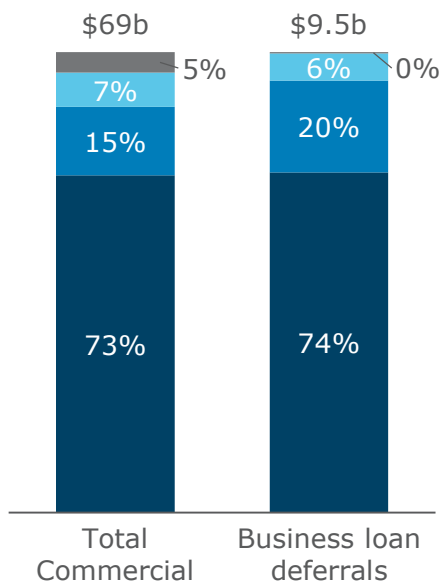
1. Commercial is made up Small Business Banking (lending <\$1m) & Business Banking (typically lending <\$10m)
 2. For Small Business Banking and Business Banking only, via ANZ transactional banking data

CUSTOMER SUPPORT – AUSTRALIA (COMMERCIAL)

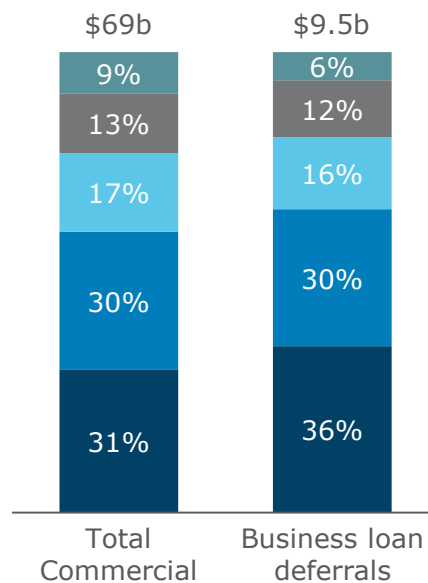
COVID-19 RELIEF – COMMERCIAL BANKING¹ AT 31 JULY 2020

BUSINESS LOAN DEFERRALS PROVIDED²

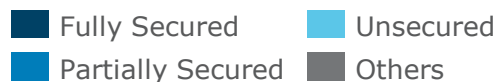
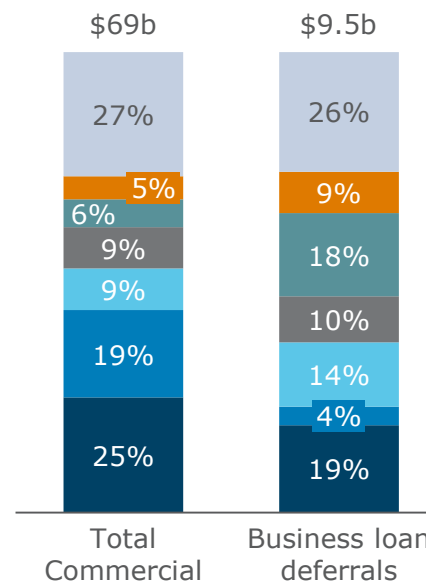
BY SECURITY PROFILE (% OF EAD)³



BY STATE (% OF EAD)⁴



BY INDUSTRY (% OF EAD)



- Commercial is made up Small Business Banking (lending <\$1m) & Business Banking (typically lending <\$10m). Note excludes Private Banking
- Active deferrals as at 31 July 2020, EAD as at 30 June 2020
- Fully Secured on a market value basis. Other includes loans secured by cash or via sovereign backing
- States based on primary postcode and excludes where none recorded in system. Some postcodes occur across two states

PROPOSED TRANSACTION OVERVIEW

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

- 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.
- 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 AUD50b**. 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 issued an EUR1b 10nc5 T2 SDG transaction in November 2019.
- ANZ's proposed SDG Tier 2 bond will rank **pari passu** with all other ANZ outstanding Tier 2 debt instruments.
- Proceeds of this bond (alongside ANZ's first two SDG bonds) will be used to partially **finance or refinance** an AUD5,687m¹ 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.
- An AUD Tier 2 SDG bond would be a natural evolution for ANZ following the recent maturity of our 2015 AUD650m Green bond, the successful issuance of our EUR750m SDG Senior bond in February 2018 and EUR1b 10nc5 Subordinated bond in November 2019.

1. Eligible Asset volumes are as at 31 July 2020. 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 information is indicative only and subject to change without notice. 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 0.625 percent Senior Unsecured Notes due 21 February 2023 (XS1774629346) and EUR1b 1.125 percent Subordinated Notes due 21 November 2029 (XS2082818951) and will also support the proposed Notes.

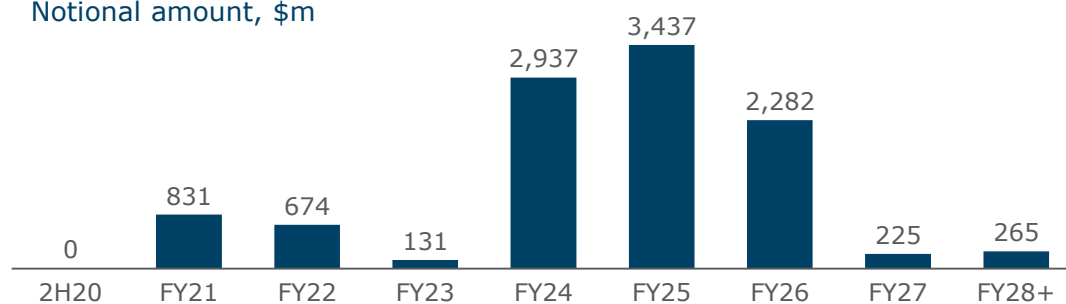
ANZ'S TIER 2 FY20 REQUIREMENT IS COMPLETE, PREFUNDING FY21¹

ANZ'S TIER 2 CAPITAL REQUIREMENT TO PROGRESSIVELY INCREASE TO MEET TLAC REQUIREMENT

- Issued AUD \$5.7b since July 2019 across AUD, EUR, and USD
- Current portfolio includes 29% in AUD (23% domestic AUD) – strong capacity remaining in AUD
- Issued AUD \$3.6b in 1H20 completing FY20 issuance requirements
- FY21 T2 issuance expected to be ~\$5b
- Required portfolio increase from \$10.8b to ~\$22b by January 2024 (based on 5% of current RWAs²)
- Planned issuance in multiple currencies in both callable and bullet 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, \$m



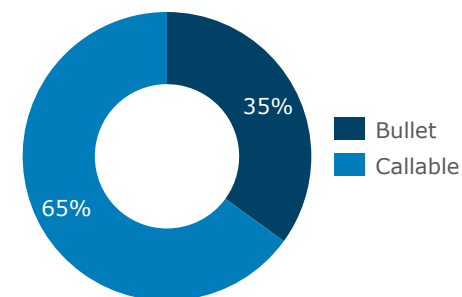
■ Scheduled Bullet and Call Date Profile

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. Current RWAs \$437b as at 30 June 2020
3. Amortisation profile is modelled based on scheduled first call date for callable structures and in line with APRA's amortisation requirements for bullet structures.

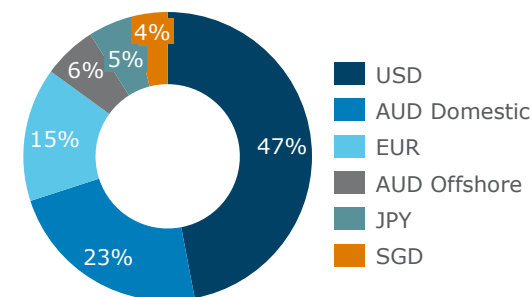
TIER 2 CAPITAL

Notional amount

By Format

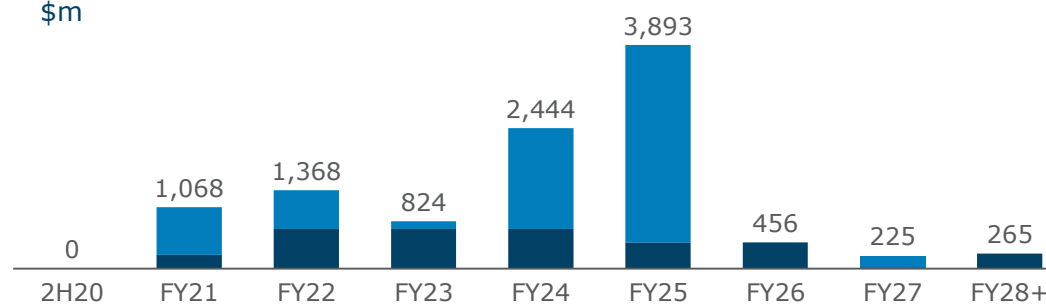


By Currency



CAPITAL AMORTISATION PROFILE³

\$m



■ Bullet Amortisation ■ Callable

ANZ AUD DOMESTIC 10.5NC5.5 TIER 2 SUBORDINATED NOTE TRANSACTION

Issuer	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) ("ANZ")
Issuer Senior Ratings	Aa3 (Stable) AA- (Negative) A+ (Negative) (Moody's/S&P/Fitch)
Expected Issue Rating²	Baa1 BBB+ A- (Moody's/S&P/Fitch)
Programme / Documents	Information Memorandum for ANZ's Australian Dollar Debt Issuance Programme dated 15 October 2018 ("Information Memorandum") 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
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 26 February 2026 and each quarterly Interest Payment Date thereafter up to but excluding the Final Maturity Date 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
Format	Floating Rate Subordinated Notes; Registered Form
Settlement Date	26 August 2020
First Optional Redemption Date	26 February 2026
Final Maturity Date	26 February 2031
Clearing	Austraclear, Euroclear, Clearstream
Min Denom	A\$1k, (A\$500k min. subscription)
Other	Not listed; IWT exempt; Victorian and Australian (Cth) Law
Selling Restrictions	As set out in the section headed "Subscription and Sale" in the Information Memorandum

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	<p>The earlier of APRA notifying ANZ in writing:</p> <ul style="list-style-type: none"> - that a conversion or write-off of Relevant Securities (Additional Tier 1 and Tier 2 capital instruments which are capable of being converted or written-off) is necessary because, without it, APRA considers that ANZ would become non-viable; or - that without a public sector injection of capital, or equivalent support, ANZ 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; and (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
Conversion Price	<p>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)</p>
Other Early Redemption Events	<ul style="list-style-type: none"> - In whole (but not in part) at the Issuer's discretion for tax and regulatory reasons 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

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 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 **AUD15b** in environmentally sustainable solutions by **October 2020**

We recently announced a new commitment to fund and facilitate **AUD50b 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 ~AUD2.8b 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 awarded the **Australian Sustainability Debt House of the Year for 2019 by KangaNews**, as well as the **Best Sustainable Finance House for 2019 and 2018**

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

ESG – GOVERNANCE OVERVIEW



BOARD AND EXECUTIVE COMMITTEES WORK TOGETHER

INDICATIVE RESPONSIBILITIES DEMONSTRATE HOW COMMITTEES MANAGE ESG

Ethics, Environment, Social and Governance Board committee

Purpose: Establish ethical and ESG guidelines and principles

Oversight of measures to advance Purpose and the Ethics and Responsible Business Committee	Review and monitor ethical, environmental, social and governance risks and opportunities
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Code of Conduct review	Review of complaints themes and potential systemic issues
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Oversight and approval of ESG reporting and targets	Oversight and approval of corporate governance policies, principles, regulatory and policy responses
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Ethics and Responsible Business Management committee

Purpose: Operationalise Board objectives and make decisions on issues and policies

Purpose, reputation and values review	Consider and decide on ethical, environmental, social and governance risks and opportunities
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Examine complaints themes and potential systemic issues	Set Social and Environmental Risk policy and monitor implementation
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Set ESG targets and monitor progress	Monitor and determine sensitive customer transactions
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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

ESG TARGET PERFORMANCE¹

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 RepTrak® community sentiment indicator – lead and improve relative to peers.	Ranked 1st relative to peers.		  
ENVIRONMENTAL SUSTAINABILITY Fund and facilitate at least AUD50 billion by 2025 towards sustainable solutions for our customers, including initiatives that help improve environmental sustainability, increase access to affordable housing and promote financial wellbeing.	AUD4.08 billion since 1 October 2019		 
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)	-29%		
FINANCIAL WELLBEING Help enable social and economic participation of 1 million people by 2020 ²	>998k		  
Increasing women in leadership to 34.1% by 2020 ³	33.1%		 
Recruiting >1,000 people from under-represented groups by 2020	829		
HOUSING Provide NZD100 million of interest free loans to insulate homes for ANZ mortgage holders (New Zealand)	NZD7.45 million		  
Offer all ANZ first home buyers access to financial coaching support	>5k coaches trained		

For detailed performance information refer to the 2019 ESG Supplement available in December 2019 and our 2020 Half Year ESG Target Update on anz.com/cs

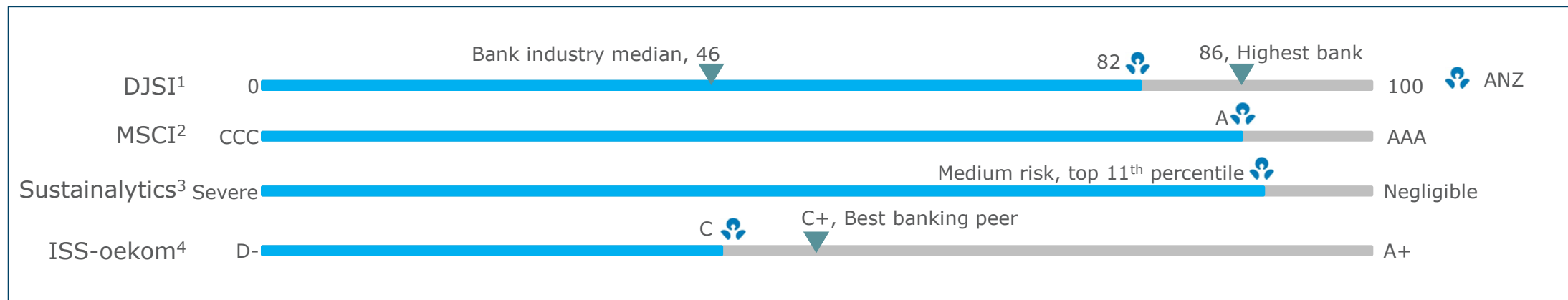
1. NB. Figures provided as at 31 March 2020 2. Through our initiatives to support financial wellbeing including financial inclusion, employment and community programs, and targeted banking products and services for small businesses and retail customers. NB. This is the figure at 30 Sep 2019. Updated figures available in our 2020 full year disclosures 3. FY18-FY20 target is defined as Women in Leadership which measures representation at the Senior Manager, Executive and Senior Executive levels.

HOW WE MEASURE AND COMMUNICATE

TRACKING OF EXTERNAL ESG RATING PERFORMANCE

Context:

Reputation indicators are increasingly being used by investors and analysts to understand our approach to ESG issues and to measure our ESG performance against our peers. We are rated based on our ESG disclosures, analysis of media coverage and, in the case of DJSI, a detailed survey. Indicators are firmly weighted towards governance and how we manage staff and customers.



Outcome:

Reputation indicators for ANZ and other major Australian banks show long-term, mid-range rank among major corporates. Our key weakness, scrutinised in the Royal Commission as our failure to always responsibly deliver products and services, continues to impact our performance although to a lesser extent than 12 months ago. All indicators are consistent.

Relevant ESG target:

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

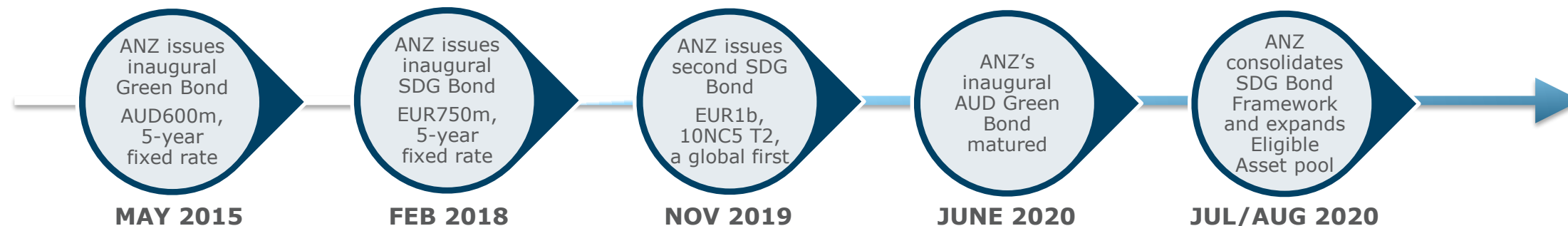
1. 2019, Dow Jones Sustainability Index. 2. ESG Rating, July 2020, MSCI ESG Research. 3. ESG Risk Rating Report, June 2020, Sustainalytics. 4. Corporate Rating, February 2020, Institutional Shareholder Services – oekom.



SDG BOND FRAMEWORK & ELIGIBLE ASSETS

ANZ SDG BOND PROGRAMME OVERVIEW

ANZ's experience as an issuer in sustainable capital markets



Why issue SDG Bonds?

- The UN Sustainable Development Goals ("SDGs"), launched in 2016, are aimed at solving the world's most pressing challenges ending global poverty, protecting our planet and ensuring human rights by 2030
- ANZ is continuously integrating the SDGs and is a founding signatory to the UN Principles for Responsible Banking
- As an issuer of SDG Bonds, ANZ is committed to demonstrating our alignment with the SDGs through Use of Proceeds and Impact reporting, in addition to our regular ESG reporting



Key characteristics of ANZ SDG Bonds

- The ANZ SDG Bond Framework ("Framework") is in line with the International Capital Market Association ("ICMA") Green Bond Principles 2018 ("GBP"), Social Bond Principles 2020 ("SBP") and Sustainability Bond Guidelines 2018 ("SBG") and aligned to the SDGs
- Payment of interest or principal is not linked to the credit or sustainability performance of the Eligible Assets
- Proceeds are used to finance or refinance a pool of ANZ loans and expenditures that directly promote the SDGs ("Eligible Assets")
- ANZ adopts a best-in-class assurance approach and provides semi-annual Use of Proceeds reporting and annual Impact reporting

ANZ SDG BOND FRAMEWORK

ANZ SDG Bond Framework

ANZ's Framework adheres to ICMA's four pillars which the SDG Bond Working Group is operationally accountable for:

1. USE OF PROCEEDS

- Project Finance loans, Corporate loans and ANZ expenditures aligned to the Eligible Categories
- Select labelled green, social or sustainability loans which align to the SDGs

2. PROCESS FOR EVALUATION & SELECTION

- Selected 11 of the 17 SDGs based on ANZ's business activities and operations

3. MANAGEMENT & TRACKING OF PROCEEDS

- ANZ's SDG Bond Working Group monitors the allocation of proceeds on a monthly basis
- Unallocated proceeds: to be invested in cash or Government/Semi-Government securities only

4. REPORTING & DISCLOSURES

- Semi-annual Use of Proceeds reports and annual Impact reports
- Assurance statements, Second Party Opinions and the SDG Bond Framework are available on the ANZ Debt Investor Website

Issuance Formats

ANZ recently updated the Framework to enhance and streamline processes

- Previously, ANZ had two separate Frameworks, a Green Bond Framework and an SDG Bond Framework
- Upon maturity of the ANZ Green Bond, ANZ sought to consolidate the Frameworks
- The new Framework enables the issuance of Sustainability Bonds, Green Bonds and Social Bonds (SDG Bonds) under the same governance process, in line with the ICMA principles and guidelines

Selected SDGs

ANZ recently expanded the Eligible Asset categories from 9 SDGs to 11 SDGs. The following SDGs were added:

- SDG 8: Decent Work and Economic Growth
- SDG 15: Life on Land

Targets within each SDG are also identified (refer to the full Framework on the [ANZ Debt Investor Centre](#))

Use of Proceeds



ANZ SDG BOND REPORTING AND INDEPENDENT REVIEW

Reporting

- ANZ publishes ongoing reporting on the [ANZ Debt Investor Website](#) as follows:

FRAMEWORK	SECOND PARTY OPINION	ASSURANCE STATEMENTS	USE OF PROCEEDS REPORT	IMPACT REPORT	CBI CERTIFICATION
Once off, or as updated at ANZ's discretion	Once off, and subsequently if material changes to the Framework occur	Annually as at 30 September or when assurance otherwise occurs, to the extent allowed by the assurer (publication in line with ANZ's full year results reporting timetable)	Semi-annually as at 31 March and 30 September, covering all bonds on issue (publication in line with ANZ's half and full year results reporting timetable)	Annually as at 30 September, incorporated into the corresponding Use of Proceeds Report, covering all bonds on issue (publication in line with ANZ's full year results reporting timetable)	At issue of any CBI certified Green Bonds issued under this Framework

Independent review

- Following the Framework update, ANZ sought an updated Second Party Opinion (SPO) from Sustainalytics and pre-issuance assurance from Ernst and Young. All assurance reports are featured on the [ANZ Debt Investor Website](#).

"Sustainalytics is confident that Australia & New Zealand Banking Group Ltd. is well-positioned to issue green, social and sustainability bond(s) and that the ANZ SDG Bond Framework is credible, impactful, and in alignment with the four core components of the Green Bond Principles (2018) and Social Bond Principles (2020), and therefore the Sustainability Bond Guidelines (2018)." - Sustainalytics

"Based on our reasonable assurance procedures, as described in this statement as of 17 August 2020, 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 2020 and Green Bond Principles 2018, in all material respects" - EY

- ANZ also undertakes ongoing annual assurance for all SDG Bonds on issue. This is due to be conducted as at 30 September, in line with ANZ's Annual Report and ESG Report

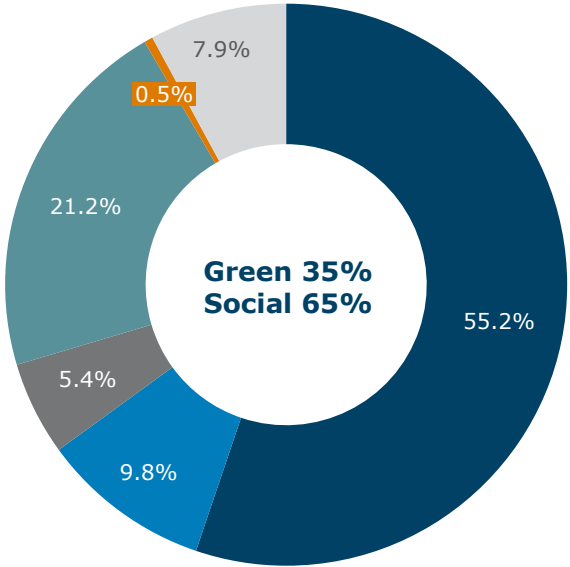
- Currently, the provider of the Sustainalytics opinion is not subject to any specific regulatory or other regime or oversight and that opinion is provided for information purposes only and on a no liability basis.
- The Ernst & Young Assurance is subject to the specific scope, limitations, assumptions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

EVOLUTION OF ANZ'S ELIGIBLE ASSET POOL

FEBRUARY 2018

Pool Size: AUD1.47b

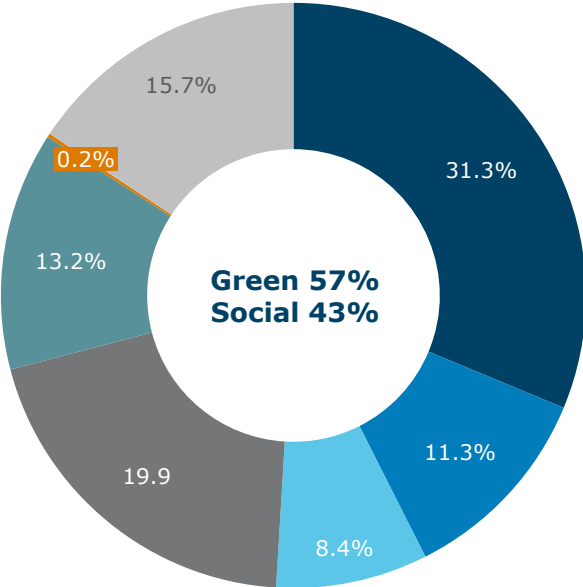
SDG Bonds on issue: AUD1.17b (equivalent)



NOVEMBER 2019

Pool Size: AUD3.39b

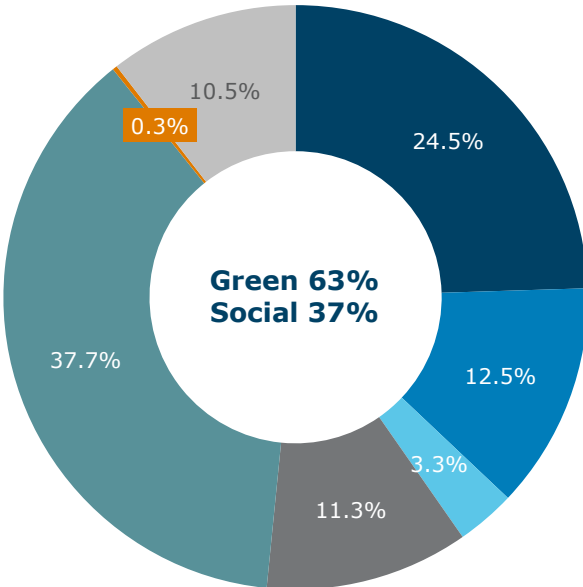
SDG Bonds on issue: AUD2.79b (equivalent)



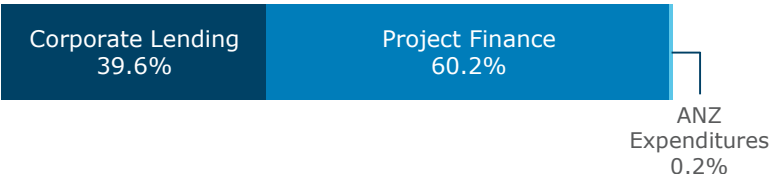
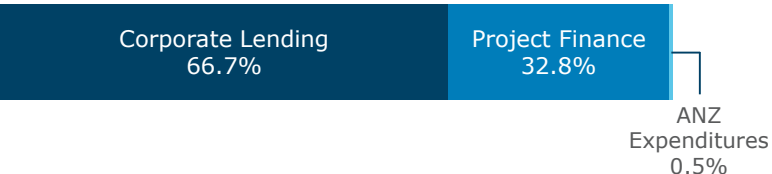
AUGUST 2020

Pool Size: AUD5.69b¹

SDG Bonds on issue: AUD2.79b (equivalent) plus proposed AUD issuance [TBD]










■ SDG 3: Good Health and Wellbeing
 ■ SDG 4: Quality Education
 ■ SDG 6: Clean Water and Sanitation
 ■ SDG 7: Affordable and Clean Energy
■ SDG 9: Industry, Innovation and Infrastructure
 ■ SDG 10: Reduced Inequalities
 ■ SDG 11: Sustainable Cities and Communities



1. Eligible Asset volumes are as at 31 July 2020. SDG breakdown may not total 100% due to rounding.

CURRENT ELIGIBLE ASSETS¹

SDGs	GBP/SBP Category ²	Asset / Type	Location	Total by SDGs (AUD)	%
	Access to essential services; Socioeconomic advancement and empowerment; Affordable basic infrastructure	Aged Care & Hospital / Corporate & Project Finance	Australia, VIC, QLD, NSW, SA	1,394m	24.5%
	Access to essential services; Socioeconomic advancement and empowerment	University & Student housing / Corporate & Project Finance	Australia, VIC, NSW, ACT, SA, TAS	713m	12.5%
	Affordable basic infrastructure, sustainable water and wastewater management, socioeconomic advancement and empowerment	Desalination / Project finance	VIC, NSW	185m	3.3%
	Renewable energy	Renewable – Solar, Wind / Corporate & Project Finance	VIC, NSW, QLD, SA, WA, TAS, Taiwan, Europe	641m	11.3%
	Green buildings	Commercial Office / Corporate & ANZ Expenditure	VIC, NSW, QLD, SA, WA, NT, Australia, Hong Kong, Singapore	2,142m	37.7%
	Socioeconomic advancement and empowerment	ANZ Money Minded and Saver Plus / ANZ expenditure	Global	15m	0.3%
	Clean transportation; Affordable basic infrastructure; Access to essential services	Affordable Housing & Clean Transport / Corporate & Project Finance	Australia, NSW, QLD, Germany	597m	10.5%
	Unallocated Proceeds			0m	0%
	Total			AUD 5,687m¹	100%³

1. Eligible Asset volumes are as at 31 July 2020. 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 information is indicative only and subject to change without notice. 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 0.625 percent Senior Unsecured Notes due 21 February 2023 (XS1774629346) and EUR1b 1.125 percent Subordinated Notes due 21 November 2029 (XS2082818951) and will also support the proposed Notes. 2. GBP refers to The Green Bond Principles 2018 and SBP refers to The Social Bond Principles 2020. 3. SDG breakdown may not total 100% due to rounding.



CONTACTS & APPENDICES

FURTHER INFORMATION

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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

Please refer to the Framework for full details on Eligible Assets



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



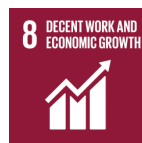
Eligibility Criteria: Activities that provide access to safe and affordable drinking water, improve water quality and/or increase water use efficiency

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



Eligibility Criteria: Activities that promote sustained, inclusive and economic growth and employment for all

Examples: SME lending and support, or programs and initiatives which seek to improve financial literacy and accessibility

APPENDIX 1: ELIGIBLE ASSET CATEGORIES (CONTINUED)

Please refer to the Framework for full details on Eligible Assets



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 at the source, recycling, 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









Eligibility Criteria: Activities that protect, restore or promote sustainable land use and natural ecosystems

Examples: Sustainable forestry, restoration of land and natural habitats

APPENDIX 2: ANZ'S SECOND SDG BOND IMPACT REPORT TO BE PUBLISHED IN LATE 2020

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/>

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.

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