

Independent Reasonable Assurance Report to the Directors and Management of ANZ

Assurance conclusion

Based on our reasonable assurance procedures, as described in this statement as of 20 April 2015, in our opinion ANZ's bond issuance process in relation to its 2015 Green Bond meets the project identification, project minimum criteria, management of proceeds, and reporting requirements of the Climate Bond Standard, in all material respects.

Scope

We have performed a reasonable assurance engagement in relation to ANZ's 2015 Green Bond issuance in order to provide an opinion as to whether the subject matter detailed below meets, in all material respects, the criteria as presented below as of 20 April 2015.

Subject matter

The subject matter for our assurance is:

- ANZ's Green Bond Issuance process, being:
 - Identification of wind energy generation, solar energy generation and commercial building projects;
 - Minimum criteria for eligible wind energy generation, solar energy generation and lower emissions commercial building projects;
 - Policies and procedures for the management of proceeds; and
 - Policies and procedures for reporting on use of proceeds and project performance
- ANZ's list of 2015 Green Bond nominated wind, solar PV and commercial building projects

Criteria

The criteria for our procedures ('the criteria') is:

- The Climate Bond Standard v1.0, including eligibility criteria for wind energy generation and solar energy generation
- The Climate Bond Standard Energy Efficiency – Commercial Property eligibility criteria and guidelines

Assurance Approach

Our assurance approach was conducted in accordance with the Australian Standard on Assurance Engagements ASAE 3000: *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3100: *Compliance Engagements*.

Management Responsibility

The management of ANZ ('Management') are responsible for the collection, preparation and presentation of the subject matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support the Green Bond issuance process.

Assurance Practitioner's Responsibility

Our responsibility is to express a reasonable assurance conclusion as to whether the subject matter is presented in accordance with the criteria, in all material aspects. Our assurance engagement has been planned and performed in accordance with the Australian Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and ASAE 3100: *Compliance Engagements* ('ASAE 3100').

Level of Assurance

A reasonable assurance engagement consists of making enquiries and applying analytical, controls testing and other evidence-gathering procedures that are sufficient for us to obtain a meaningful level of assurance as the basis for a positive form of conclusion. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Approach

Our assurance procedures performed included, but were not limited to:

- Assessing policies and procedures established by ANZ related to the issuance of the 2015 Green Bond;
- Confirming eligibility of nominated projects for inclusion in ANZ's 2015 Green Bond
- Interviewing selected business unit and group level personnel to understand the key issues related to the ANZ's policies and procedures;
- Reviewing selected performance information for all nominated projects, and documentation supporting assertions made in the subject matter;
- Checking the accuracy of calculations performed, and
- Obtaining and reviewing evidence to support key assumptions and other data.

A summary of our assurance procedures is shown in the following Table.

Item	Requirement	Assurance Procedures
1	Project Nomination	► Reviewed documentation of the process that ANZ follows to identify projects, and confirmed eligibility requirements for inclusion of Nominated Projects in the 2015 Green Bond issuance.
2	Use of Proceeds	► Reviewed the allocation of funds to ensure they can be against nominated projects
3	Non-Contamination	► Reviewed documentation for the management of proceeds from the 2015 Green Bond issuance for funds that are not allocated to a nominated project.
4	Environmental & Social Integrity	► Reviewed ANZ's environmental and social integrity policy and confirmed its coverage for all nominated projects.
5	Verification	► Confirmed that ANZ undertook a third-party verification before issuance of the Green Bond with an approved Climate Bond verifier
6	Climate Bond Certification and Limits of Use	► Confirmed that ANZ intends to use the Climate Bond Certification mark for the term of the approved 2015 Green Bond while the bond maintains compliance with the Climate Bond Standard.
7	Non-Compliance	► Confirmed that ANZ's policy is to inform the CBI and all relevant stakeholders if the 2015 Green Bond becomes non-compliant with the Climate Bond Standard
8	Eligible projects & physical assets	► Confirmed that nominated projects in the bond are eligible projects under the Climate Bond standard
9	Technical criteria	► Tested nominated projects to determine that they meet the minimum technical requirements of the Climate Bonds Standard
10	Traceability	► Confirmed that policies, process and procedures for tracking financial flows of the bond principal between ANZ's 2015 Green Bond and the linked Nominated Project(s) are in place.
11	Project holding	► Confirmed that policies, process and procedures for demonstrating that the linked portfolio underlying the bond continues to hold nominated projects equal to the face value of the bond issuance are in place.
12	Confidentiality	► Confirmed that policies, processes and procedures to ensure that nominated project names and details are disclosed to the Verifier
13	Settlement period	► Confirmed that policies, processes and procedures to ensure that the settlement timeframe is specified, and that settlement occur within the stated timeframe are in place.
14	Earmarking funds	► Confirmed that policies, processes and procedures to identify flows of proceeds related to the Bond have been established.

Limitations

There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ASAE 3000, ASAE 3100 and the Climate Bond Standard is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the ANZ's 2015 Green Bond pre-issuance, and did not include statutory financial statements. Our assurance is limited to policies and procedures in place as of 20 April 2015, ahead of the issuance of ANZ's 2015 Green Bond.

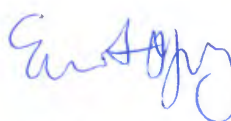
Use of Report

Our responsibility in performing our assurance activities is to the directors of ANZ only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party

may place on the 2015 Green Bond issuance is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third party purpose.

Our Independence and Assurance Team

In accordance with APES 110, the firm and all professional personnel involved in this engagement have met the independence requirements of Australian or International professional ethical requirements. Our team has the required competencies and experience for this assurance engagement.



Ernst & Young



Dr Matthew Bell
Partner
Sydney, Australia
20 April 2015