2019 FULL YEAR RESULTS

DEBT INVESTOR UPDATE

AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED

ABN 11 005 357 522

CONTENTS

2019 FULL YEAR RESULTS

All figures within this investor discussion pack are presented on Cash Profit (Continuing operations) basis in Australian Dollars unless otherwise noted. In arriving at Cash Profit, Statutory Profit has been adjusted to exclude non-core items, further information is set out on page 77-81 of the 2019 Full Year Consolidated Financial Report.

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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TLAC & TIER 2 CAPITAL UPDATE

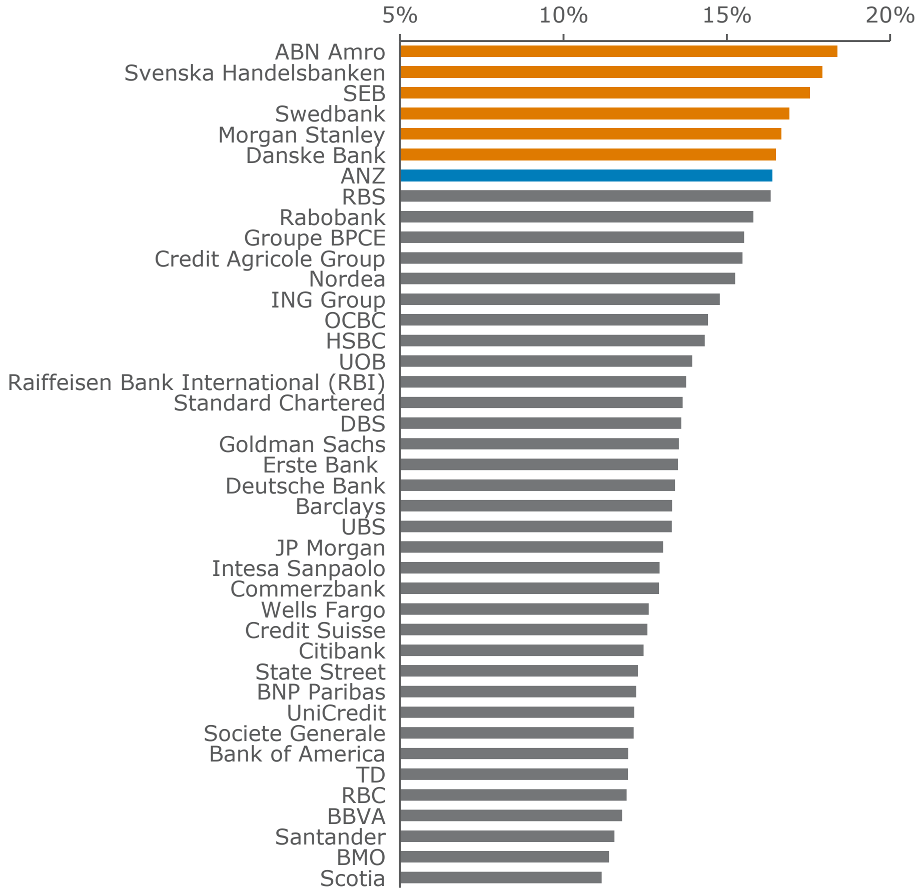
ANZ'S INTERNATIONALLY COMPARABLE[1] REGULATORY CAPITAL POSITION

APRA Level 2 CET1 – 30 September 2019		11.4%
Corporate undrawn EAD and unsecured LGD adjustments	Australian ADI unsecured corporate lending LGDs and undrawn CCFs exceed those applied in many jurisdictions	1.6%
Equity Investments & DTA	APRA requires 100% deduction from CET1 vs. Basel framework which allows concessional threshold prior to deduction	0.9%
Mortgages	APRA requires use of 20% mortgage LGD floor vs. 10% under Basel framework. Additionally, APRA also requires a higher correlation factor vs. 15% under Basel framework.	1.2%
Specialised Lending	APRA requires supervisory slotting approach which results in more conservative risk weights than under Basel framework	0.7%
IRRBB RWA	APRA includes in Pillar 1 RWA. This is not required under the Basel framework	0.2%
Other	Includes impact of deductions from CET1 for capitalised expenses and deferred fee income required by APRA, currency conversion threshold and other retail standardised exposures	0.4%
Basel III Internationally Comparable CET1		**16.4%**
Basel III Internationally Comparable Tier 1 Ratio		**18.8%**
Basel III Internationally Comparable Total Capital Ratio		**21.4%**

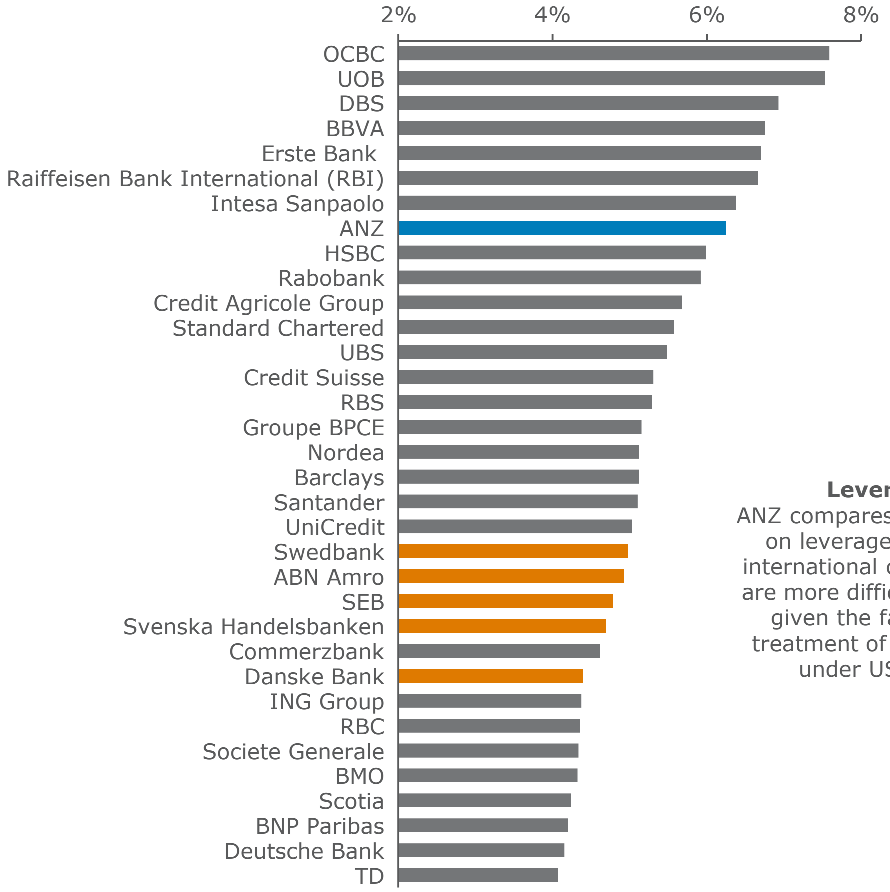
1. Internationally Comparable methodology aligns with APRA's information paper entitled International Capital Comparison Study (13 July 2015). Basel III Internationally Comparable ratios do not include an estimate of the Basel I capital floor

CET1 AND LEVERAGE IN A GLOBAL CONTEXT

CET1 RATIOS[1]



LEVERAGE RATIOS[1,2]



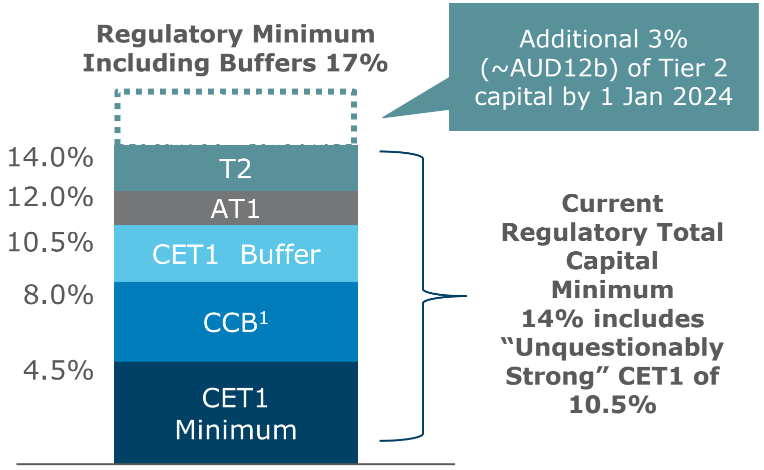
Leverage
ANZ compares equally well on leverage, however international comparisons are more difficult to make given the favourable treatment of derivatives under US GAAP

1. CET1 and leverage ratios are based on ANZ estimated adjustment for accrued expected future dividends where applicable. ANZ ratios are on an Internationally Comparable basis. All data sourced from company reports and ANZ estimates based on last reported half/full year results assuming Basel III capital reforms fully implemented 2. Includes adjustments for transitional AT1 where applicable. Exclude US banks as leverage ratio exposures are based on US GAAP accounting and therefore incomparable with other jurisdictions which are based on IFRS.

AUSTRALIA'S TLAC REGIME

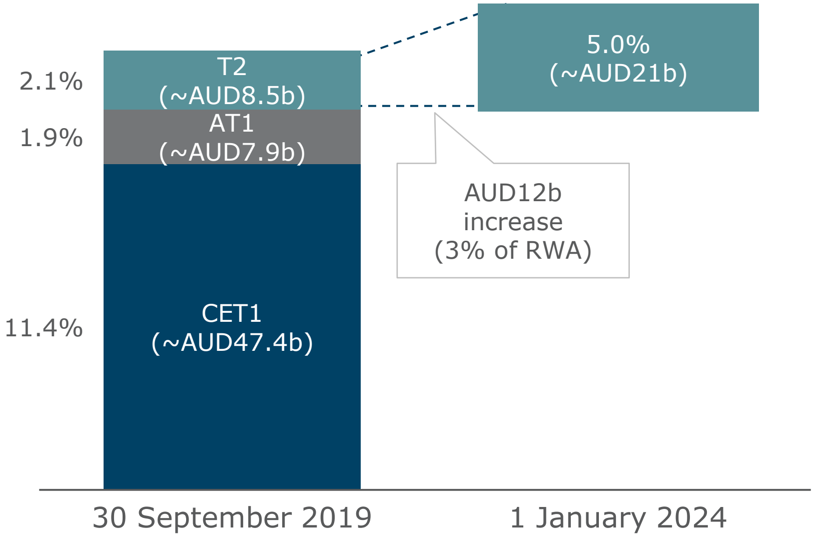
APRA'S TLAC REQUIREMENTS

- APRA has announced that it will require Australian D-SIB's to meet TLAC requirements by an **increase in Total Capital of 3%** of RWA by Jan 2024
- Its overall targeted calibration of an additional 4%-5% of RWA to meet TLAC remains unchanged, so over the next four years they will consider "feasible alternative methods" for raising an additional 1% to 2% of RWA



ANZ'S TOTAL REGULATORY CAPITAL

- Based on ANZ's RWA of AUD417b as at 30 September 2019, the additional 3% equates to an incremental increase of approximately ~**AUD12b of Tier 2 capital**
- This will result in an estimated Total Capital ratio, on an internationally harmonised basis of ~**25%** well in excess of the FSB TLAC minimum of 21.5% (18% plus Capital Conservation Buffer (CCB) of 3.5%)
- Tier 2 capital outstanding as at 30 September 2019 is ~AUD8.5b (2.1% of Level 2 RWA)
- Total Tier 2 requirement (including refinancing) by January 2024 is ~AUD21b (5.0% of Level 2 RWA)



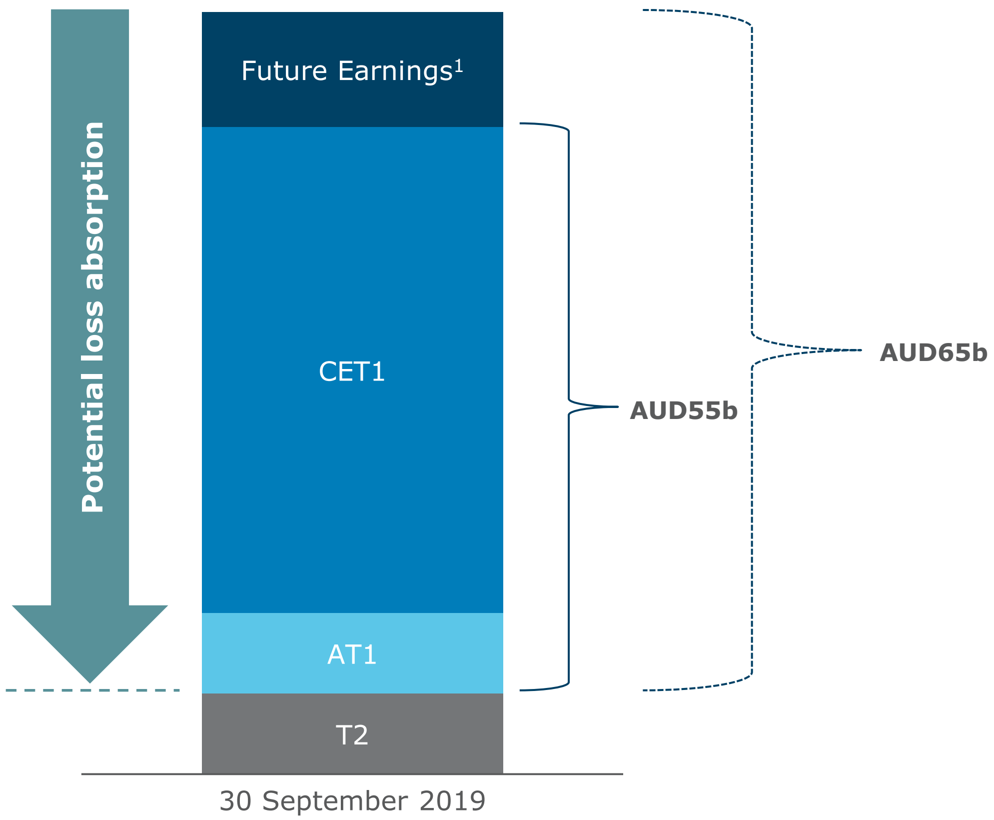
1. APRA may set higher minimum capital requirements for individual ADIs. A counter-cyclical buffer of up to 2.5% may also be required, which APRA has currently set for Australia at 0%.

CET1 VOLUME IN EXCESS AT UNQUESTIONABLY STRONG, MANAGEMENT ACTIONS AND PROFITABILITY PROTECT TIER 2 INVESTORS

BUFFERS AND PROTECTIONS FOR TIER 2 INVESTORS

Management Actions	Possible actions that may be considered to strengthen capital include: • Reducing dividend payout • DRP discount and underwrite • New share issuance • Expense management • Restricting RWA growth
CCB Restrictions	Regulatory restrictions on ordinary share dividends, discretionary bonuses and AT1 distribution payments if CCB buffer is breached
Hierarchy Respected	Mandatory conversion to equity or write-off of AT1 securities if CET1 ratio falls to 5.125% of RWA or at the point of non-viability (determined by APRA)

ANZ'S BALANCE SHEET AND EARNINGS BUFFERS



1. Future earnings are not forecast. Cash Profit before provisions and tax for the 12 months to 30 September 2019 was AUD10.0b. Represents an additional potential amount available for loss absorption.

ANZ'S TIER 2 CAPITAL PROFILE[1]

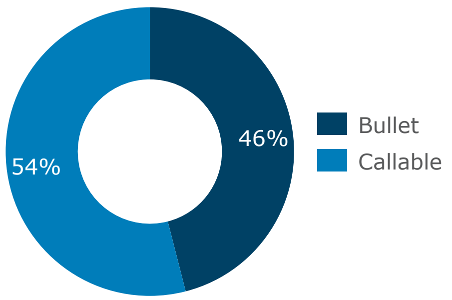
ANZ'S TIER 2 CAPITAL REQUIREMENT TO PROGRESSIVELY INCREASE POST TLAC ANNOUNCEMENT

- Issued AUD1.75b in July 2019
- Current portfolio includes 38% in AUD (32% domestic AUD) – strong capacity remaining in AUD
- Annual total T2 issuance expected to be ~AUD4bn
- Required portfolio increase from AUD7.6b to ~AUD21b by January 2024
- Potential issuance in multiple currencies in both callable and bullet format
- Capacity in EUR T2 with no current outstandings following recent Sep-19 maturity
- No AUD retail T2 outstanding
- Extensive global USD T2 investor base
- ANZ has historically had strong support from Asian local currency markets, both in benchmark and Private Placement format
- Increased T2 issuance expected to be offset by reduction in other senior unsecured funding
- Well managed amortisation profile provides flexibility regarding issuance tenor

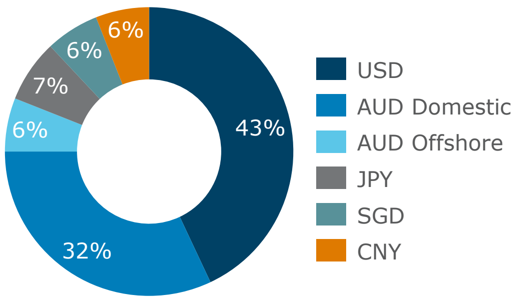
TIER 2 CAPITAL

Notional amount

By Format

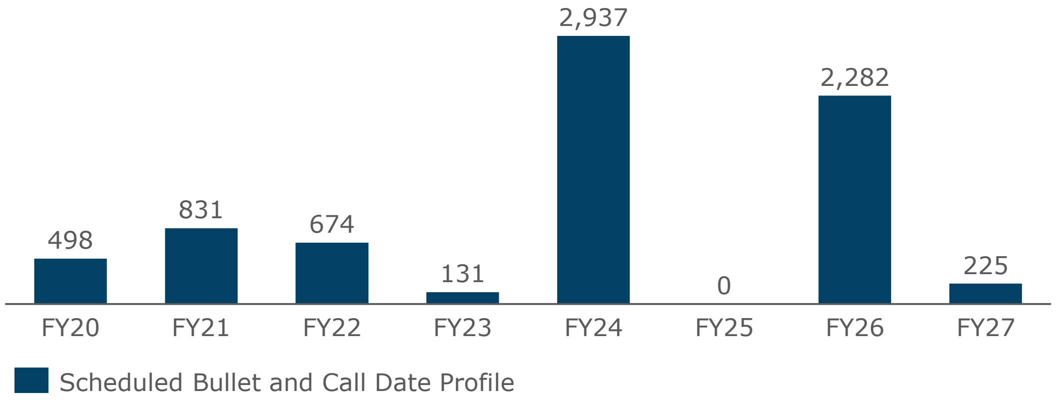


By Currency



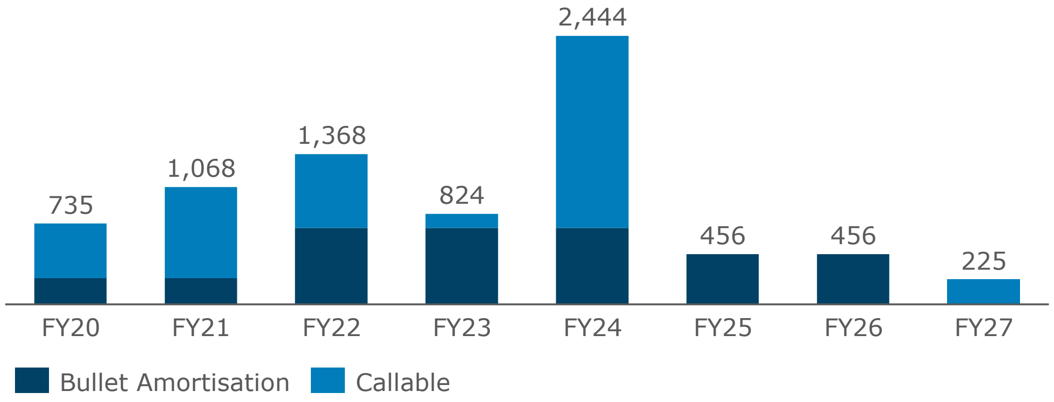
FUNDING PROFILE

Notional amount, AUDm



CAPITAL AMORTISATION PROFILE[2]

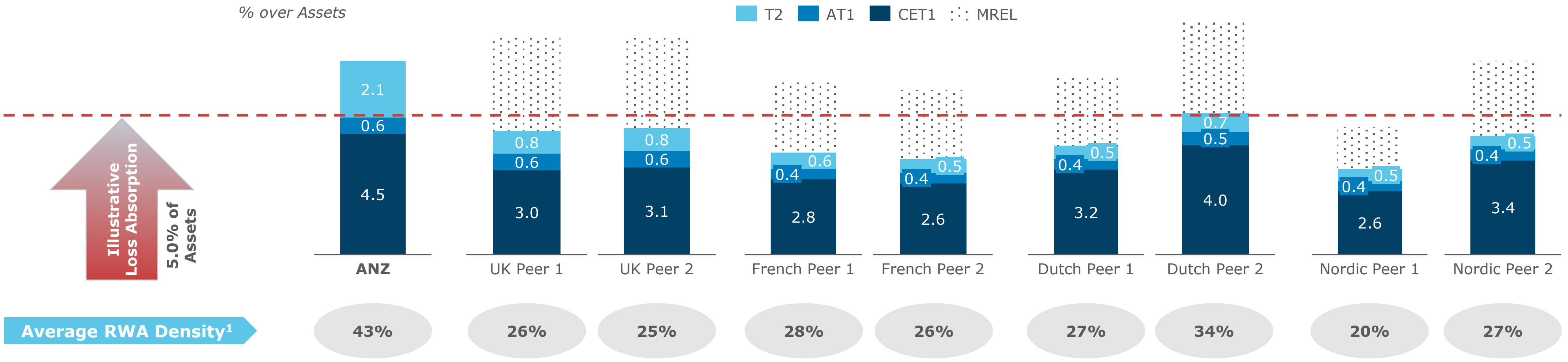
AUDm



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. Amortisation profile is modelled based on scheduled first call date for callable structures and in line with APRA's amortisation requirements for bullet structures.

AUSTRALIAN TIER 2 IN A TLAC/MREL CONTEXT

APRA'S CONSERVATIVE RISK WEIGHTS COMBINED WITH "UNQUESTIONABLY STRONG" CET1 REQUIREMENTS PROVIDE STRONG PROTECTIONS FOR TIER 2 INVESTORS. AN ILLUSTRATIVE LOSS OF 5% OF ASSETS IS PRESENTED BELOW



KEY METRICS

	ANZ	UK Peer 1	UK Peer 2	French Peer 1	French Peer 2	Dutch Peer 1	Dutch Peer 2	Nordic Peer 1	Nordic Peer 2
ROE[2] (%)	**10.9**	9.3%	11.5%	9.6%	5.5%	13.6%	5.9%	9.0%	7.2%
Cost/Income (%)	**49.5**	64.0%	45.9%	64.5%	54.0%	56.4%	64.4%	57.4%	60.0%
NIM (%)	**1.76**	3.4%	2.9%	1.1%	1.7%	1.7%	1.4%	0.8%	0.9%
NPL (%)	**0.33**	2.4%	1.9%	2.5%	3.4%	2.3%	3.2%	1.3%	1.9%

Source: Company disclosures and Moody's Ratings. Latest available data as of 4 November 2019 (as at 30 September 2019 for ANZ)
1. Over total assets.
2. RoTE are shown for the UK banks as ROE is not available.

PROPOSED TRANSACTION OVERVIEW

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

- On January 1 2016, the 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 AUD50bn**. 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’s proposed transaction would be one of the first “follow on” SDG transactions from an issuer. It would also be the first SDG bank capital transaction from an Australian Bank.
- ANZ’s proposed SDG Tier 2 bond will rank **pari passu** with all other ANZ outstanding Tier 2 debt instruments.
- Proceeds of this bond and ANZ’s first SDG bond will be used to partially **finance or refinance** an AUD3,394m / EUR2,096m* 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.
- ANZ continues to observe and support the development of “sustainable” capital markets. A Tier 2 SDG bond would be a natural evolution for ANZ following the successful issuance of our inaugural EUR750m SDG senior bond in February 2018.

*Eligible Asset volumes are as at 30 September 2019. AUD total figure is equivalent to EUR 2,096m using AUD/EUR exchange rate as at 30 September 2019. 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 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 Senior Unsecured 0.625 percent Notes due 21 February 2023 (XS1774629346) and proposed transaction.

ANZ EMTN EUR TIER 2 SUBORDINATED SDG NOTES KEY TERMS

Issuer	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) ("ANZ")
Issuer Senior Ratings	Aa3 (Stable) | AA- (Stable) | AA- (Negative) (Moody's/S&P/Fitch)
Expected Issue Rating[2]	Baa1 | BBB +| A+ (Moody's/S&P/Fitch)
Programme / Documents	Information Memorandum for ANZ's Euro Medium Term Note Programme dated 21 May 2019 ("Information Memorandum") as supplemented[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
Format	Fixed Rate Sustainable Development Goals (SDG) Subordinated Notes; Registered Form; EUR denominated
Early Optional Redemption Date	– Issuer may redeem the Notes in whole (but not in part) at its discretion on: (i) the specified date if there is an Issuer Call Option; (ii) certain tax events; or (iii) certain regulatory events. – Redemption at prevailing principal amount plus accrued but unpaid interest. – Early redemption of the Subordinated Notes is subject to APRA's prior written approval
Clearing	Euroclear, Clearstream
Min Denom	EUR100k with integral multiples of EUR1k
Other	ASX wholesale debt listing (securities are not quoted for trading on ASX); IWT exempt (except as specified in the Information Memorandum); No set-off or cross-default
Governing Law	English law, except for conversion, write-off and subordination provisions which are governed by Victorian and Australian law

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	A Non-Viability Trigger Event occurs when APRA has provided a written determination to ANZBGL that the conversion or write-off of certain securities of ANZBGL is necessary because without either such Conversion or Write-Off or a public sector injection of capital, ANZBGL would become non-viable
Loss Absorption Mechanism	- 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 shares[1] - 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; or (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 (with effect from the Non-Viability Trigger Event)
Conversion Price	– 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) – VWAP is calculated as the equivalent in the specific currency (if the Notes are not denominated in AUD)
Use of Proceeds	– ANZ intends to use an amount equal to the net proceeds of the issue of the Notes to finance or refinance Eligible Assets which satisfy ANZ's SDG Bond Framework – A failure by ANZ to: (i) allocate and use the proceeds as described in the Framework; (ii) comply with the framework or prepare reports; or (iii) the failure of any third-party opinions will not be an Event of Default and holders will have no recourse to ANZ – No security interest in the Eligible Assets is created
Selling Restrictions	As set out in the section headed "Subscription and Sale" in the Information Memorandum

If Call Option:

Issuer Call Option	– In whole (but not in part) at the Issuer's discretion on the Interest Payment Date scheduled to fall on [] 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 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

SUSTAINABLE DEVELOPMENT GOALS

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

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 **AUD15bn** in environmentally sustainable solutions by **October 2020**

We recently announced a new commitment to fund and facilitate **AUD50bn 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 ~AUD1.8bn 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 was awarded the **Best Sustainable Finance House 2018 award by FinanceAsia**

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

FY19 ESG TARGET PERFORMANCE

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			
Implement new Dispute Resolution Principles in Australia	Implemented	✓	
Communicate with >700,000 of our retail and commercial customers by 2019 to help them get more value from our products and services and establish positive financial behaviours	>1 million	✓	
ENVIRONMENTAL SUSTAINABILITY			7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action
Fund and facilitate at least AUD15 billion by 2020 towards environmentally sustainable solutions for our customers including initiatives that help lower carbon emissions, improve water stewardship and minimise waste[1]	AUD19.1 billion	✓	
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)	-25%	→	
FINANCIAL WELLBEING			1 No poverty; 5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities; 17 Partnerships for the goals
Help enable social and economic participation of 1 million people by 2020[2]	>998k	→	
Increasing women in leadership to 33.1% by 2019 (34.1% by 2020)[3]	32.5%	✗	
Recruiting >1,000 people from under-represented groups by 2020	734	→	
HOUSING			9 Industry, innovation and infrastructure; 10 Reduced inequalities; 11 Sustainable cities and communities
Provide NZD100 million of interest free loans to insulate homes for ANZ mortgage holders (New Zealand)	NZD6.3 million	→	
Offer all ANZ first home buyers access to financial coaching support	>3.3k coaches trained	→	

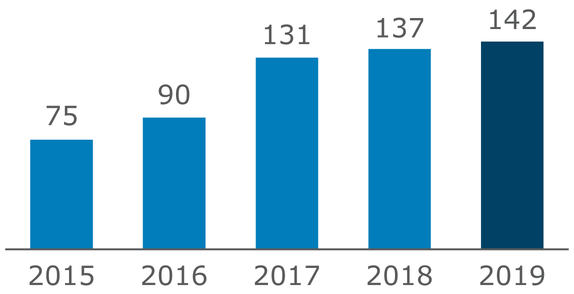
For detailed performance information refer to the 2019 ESG Supplement available in December 2019 anz.com/cs.

1. Including renewable energy generation, green buildings and less emissions intensive manufacturing and transport 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 3. FY18-FY20 target is defined as Women in Leadership which measures representation at the Senior Manager, Executive and Senior Executive levels.

ESG PERFORMANCE TRENDS

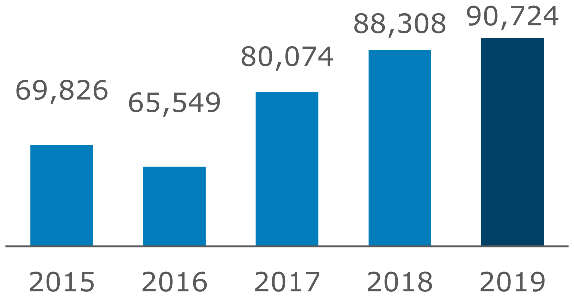
COMMUNITY INVESTMENT[1]

Total community investment (AUDm)



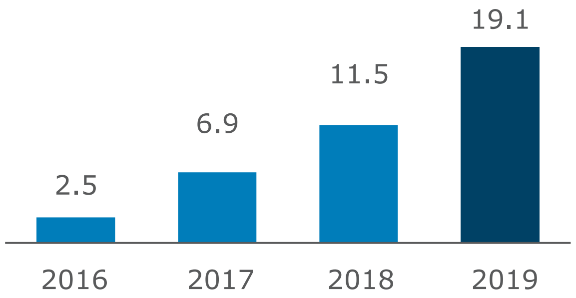
MONEYMINDED & SAVER PLUS

Estimated # of people reached



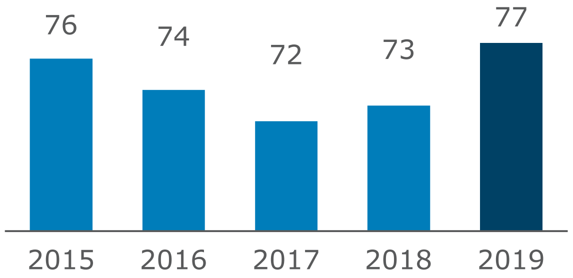
ENVIRONMENTAL FINANCING $15B TARGET

Funded and facilitated (AUDb)



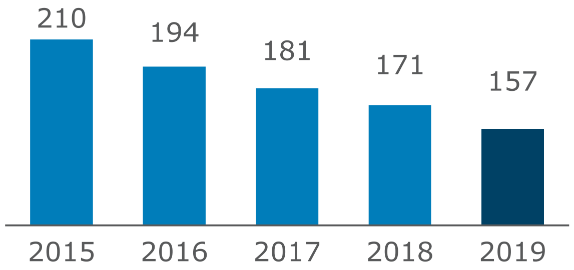
EMPLOYEE ENGAGEMENT[2]

Employee engagement score (%)



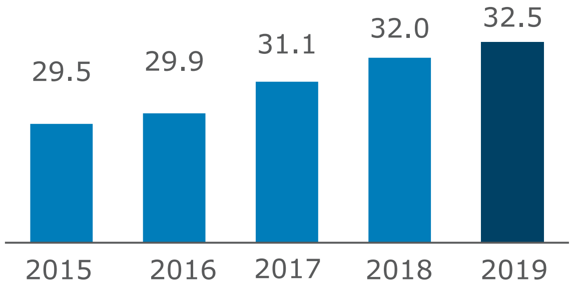
ENVIRONMENTAL FOOTPRINT TARGET

Scope 1 & 2 greenhouse gas emissions (k tonnes CO2-e)



WOMEN IN LEADERSHIP[3]

Representation (%)



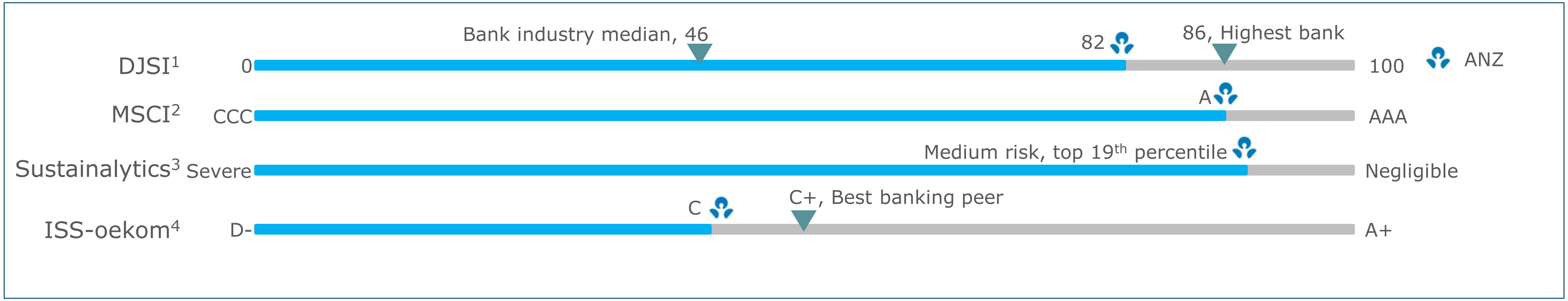
1. Figure includes forgone revenue (2019 = $109m), being the cost of providing low or fee-free accounts to a range of customers such as government benefit recipients, not-for-profit organisations and students 2. The 2017 engagement survey was run as a pulse survey sent to 10% of the bank's employees with a 57% response rate. For all other years the employee engagement survey was sent to all staff 3. Measures representation at the Senior Manager, Executive and Senior Executive Levels. Includes all employees regardless of leave status but not contractors (which are included in FTE).

ANZ'S ESG RATING SCORECARD

TRACKING OF EXTERNAL ESG RATING PERFORMANCE

Context:

Our reputation indicators identify our key weakness, scrutinised in the Royal Commission, as our failure to always responsibly deliver products and services, e.g. fees for no service.



Outcome:

Reputation indicators for ANZ and other major banks show long-term, mid-range rank among major corporates, followed by 12 months of decline throughout the Royal Commission. 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, October 2019, MSCI ESG Research; 3: ESG Risk Rating Report, April 2019; 4: Corporate Rating, April 2019, Institutional Shareholder Services – oekom.

SDG BOND FRAMEWORK & ELIGIBLE ASSETS

ANZ SDG BOND PROGRAMME OVERVIEW

ANZ SDG Bond Framework

- Aligned to the UN SDGs and updated to align to the 2018 ICMA Principles and Guidelines
- Obtained a second party opinion from Sustainalytics[1] to confirm alignment of the ANZ SDG Bond Framework with the 2018 ICMA Principles and Guidelines (this opinion is available on the ANZ Debt Investor website)
- Obtained pre-issuance assurance from Ernst & Young (EY)[2] to confirm that the allocation of proceeds to eligible assets has been done in accordance with the ANZ SDG Bond Framework. ANZ will continue to obtain assurance on an annual basis (these assurance statements are available on the ANZ Debt Investor website)

Governance

ANZ's SDG Programme adheres to the four pillars:

1. **Use of Proceeds –**
   - Project Finance loans, Corporate loans and ANZ expenditures aligned to the Eligible Categories
   - Corporate loans must have a definable purpose that derive at least 90% of their revenue from activities in the Eligible Categories
2. **Process for Evaluation & Selection –**
   - 9 of the 17 SDGs were selected based on ANZ's business activities and operations
3. **Management & Tracking of Proceeds**
   - Green Bond Working Group ensures proceeds remain allocated
   - Monthly monitoring of the eligible asset register/pool
   - Unallocated proceeds: to be invested in cash or Government/Semi-Government securities only
4. **Reporting & Disclosures**
   - Semi-annual Use of Proceeds reports
   - Annual Impact reports
   - Assurance statements, second party opinions and the SDG Bond Framework on the Debt Investor website

Progress

- Issued first SDG Bond in February 2018
- Reported/reporting Use of Proceeds reports semi-annually (on the ANZ Debt Investor website)
- Published Inaugural Impact report in July 2019 (on the ANZ Debt Investor website)
- Evolved the Eligible Asset pool from EUR925m at issuance to EUR2,096m as at 30 September 2019 (this is an increase of EUR1,171m)

1. Currently, the provider of the Sustainalytics opinion is not subject to specific regulatory or other regime or oversight and that opinion is provided for information purposes only and on a no liability basis.
2. 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

ANZ IS A LEAD ISSUER IN SUSTAINABILITY BONDS

ANZ’S INAUGURAL SDG BOND WAS ISSUED IN FEBRUARY 2018

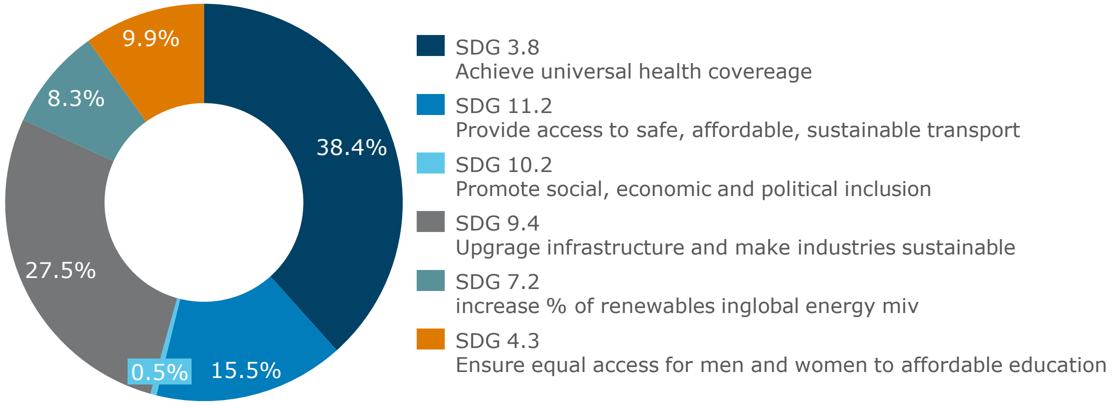
- The ANZ SDG Bond Framework was developed in line with the International Capital Market Association (“ICMA”) Green Bond Principles (“GBP”), Social Bond Principles (“SBP”) 2017, and related Sustainability Bond Guidelines 2017 (“SBG”)
- ANZ’s successful inaugural SDG Bond issued in February 2018 was a EUR750m 5 year senior unsecured, paying fixed rate annual coupons, ranking pari passu with all other ANZ senior unsecured debt instruments
- Proceeds were used to finance or refinance an AUD1,450 / EUR925[1] pool of ANZ loans and expenditures that directly promote the SDGs (“Eligible Assets”) as identified in the ANZ SDG Bond Framework
- The inaugural SDG Bond Impact Report was published in July 2019 and Use of Proceeds reports have been published semi annually
- Payment of interest or principal is not linked to the credit or sustainability performance of the Eligible Assets

OUTSTANDING BOND AND ELIGIBLE ASSET REPORTING[2]

Bond Features	
Issuer	ANZ
Issue date	21 February 2018
Currency	EUR
Tenor	5 years
Issued amount	750 million
ISIN:	XS1774629346

Eligible Assets (EUR million)		Unallocated Proceeds
21 February ’18	**925**	0
31 March ’18	**913.8**	0
30 September ’18	**928.9**	0
31 January ’19	**879.6**	0
31 March ’19	**977.4**	0
30 September ‘19	**939.2**	0

ALLOCATION OF PROCEEDS BY SDGS[3]



1. Eligible Asset volume as at 31 January 2018 and AUD/EUR as at 12 February 2018. 2. Use of Proceeds Reports available at https://www.anz.com/debtinvestors/centre/green-sustainability-bonds. 3. Allocation of proceeds as at 30 September 2019.

ANZ’S INAUGURAL SDG BOND IMPACT REPORT WAS PUBLISHED IN JULY 2019

INAUGURAL REPORTED IMPACTS[1] AS AT 31 MARCH 2019

SDGs	Impact (at project/asset level)[2]
3 GOOD HEALTH AND WELL-BEING	• Hospitals: ~4,180 beds in total • Aged Care: 149 homes and ~12,700 beds
4 QUALITY EDUCATION	• 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
7 AFFORDABLE AND CLEAN ENERGY	• Wind and solar energy generation: ○ wind farm (2) ○ solar farm (1) ○ total installed capacity of 460MW • Total of ~27,000 tCO2 of avoided emissions
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Construction of 6 green buildings to either Green Star Design or NABERS standards
10 REDUCED INEQUALITIES	• 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
11 SUSTAINABLE CITIES AND COMMUNITIES	• 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

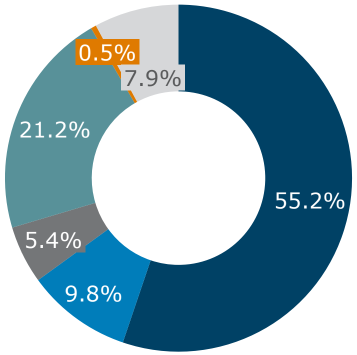
1. SDG Bond Impact Report available at https://www.anz.com/debtinvestors/centre/green-sustainability-bonds
2. ANZ wishes to highlight and draw investors’ attention to the fact that the impact figures above, other than in respect of SDG 10, have been presented, analysed and recorded at the project level 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.

EVOLUTION OF ELIGIBLE ASSET POOL

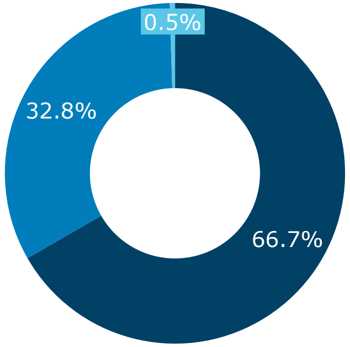
FEBRUARY 2018

Pool Size: EUR925m

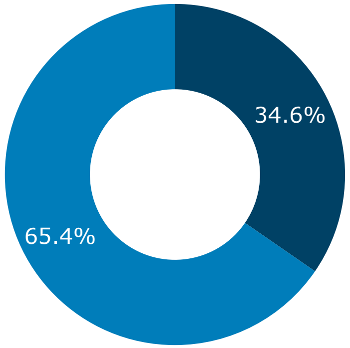
By SDGs



By Loan Type

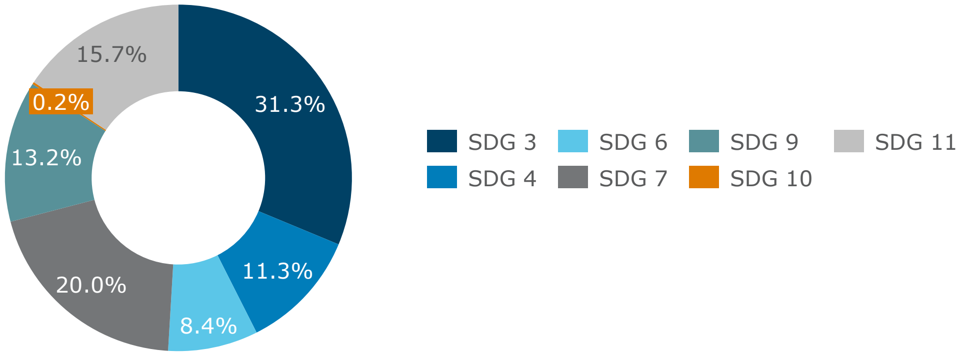


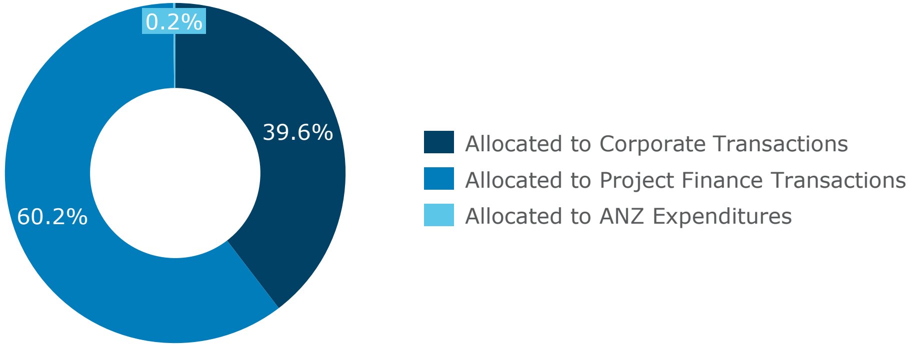
By Asset Type

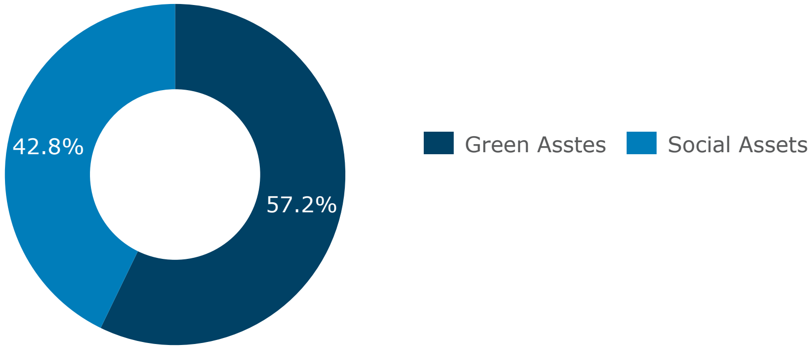


SEPTEMBER 2019

Pool Size: EUR2,096m







ELIGIBLE ASSETS[1]

SDGs	GBP/SBP Category[2]	Asset / Type	Location	Total by SDGs (AUD)	Total by SDGs (EUR)	%
3 GOOD HEALTH AND WELL-BEING	Access to essential services; Socioeconomic advancement and empowerment; Affordable basic infrastructure	Aged Care & Hospital / Corporate & Project Finance	Australia, VIC, QLD, NSW, SA	1,062m	656m	31.3%
4 QUALITY EDUCATION	Access to essential services; Socioeconomic advancement and empowerment	University & Student housing / Corporate & Project Finance	Australia, VIC, NSW, ACT, TAS	382m	236m	11.3%
6 CLEAN WATER AND SANITATION	Affordable basic infrastructure, sustainable water and wastewater management, socioeconomic advancement and empowerment	Desalination / Project finance	VIC, NSW	284m	175m	8.4%
7 AFFORDABLE AND CLEAN ENERGY	Renewable energy	Renewable – Solar, Wind, Hydro / Project Finance	VIC, NSW, QLD, TAS, Taiwan	678m	418m	19.9%
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Green buildings	Commercial Office / Corporate & ANZ Expenditure	VIC, NSW, QLD, WA, NT, Australia	448m	276m	13.2%
10 REDUCED INEQUALITIES	Socioeconomic advancement and empowerment	ANZ Money Minded and Saver Plus / ANZ expenditure	Global	7m	4m	0.2%
11 SUSTAINABLE CITIES AND COMMUNITIES	Clean transportation; Affordable basic infrastructure; Access to essential services	Clean Transport / Project Finance	Australia, NSW, QLD	534m	329m	15.7%
	Unallocated Proceeds			0m	0m	0%
	Total			**AUD 3,394m[3]**	**EUR 2,096[3]**	**100%**

1. These calculations are of available Eligible Assets as at the date of this presentation that may be financed or refinanced in part or in whole by the net proceeds of the existing SDG Bond and the proposed SDG Bond, if issued. This information is indicative only and subject to change without notice. 2. GBP refers to Green Bond Principles and SBP refers to Social Bond Principles. 3. Eligible Asset volumes are as at 30 September 2019. AUD total figure is equivalent to EUR 2,096m using AUD/EUR exchange rate as at 30 September 2019. 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 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 Senior Unsecured 0.625 percent Notes due 21 February 2023 (XS1774629346) and proposed transaction.

INDEPENDENT REVIEW

SUSTAINALYTICS OPINION AND ERNST & YOUNG ASSURANCE

ANZ retains a second party opinion from Sustainalytics[1] to confirm the alignment of the ANZ SDG Bond Framework with the GBPs, SBPs and relevant SDGs.

"Overall, Sustainalytics is of the opinion that the ANZ SDG Bond Framework is credible and transparent as: (i) it aligns with the Sustainability Bond Guidelines 2018, (ii) it transparently links example projects and eligibility criteria, as well as assets to the SDGs, and (iii) ANZ commits to report transparently on social and environmental impact, and progress towards the SDGs annually throughout the term of the bond"

- **Sustainalytics**

This opinion is available on the ANZ Debt Investor Website

ANZ has also obtained pre-issuance assurance from Ernst & Young ("EY")[2] to confirm that the proposed allocation of proceeds to Eligible Assets has been done in accordance with the ANZ SDG Bond Framework. ANZ will continue to obtain assurance on an annual basis.

"Based on our reasonable assurance procedures, as described in this statement as of 01 November 2019, 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 2018 and Green Bond Principles 2018, in all material respects"

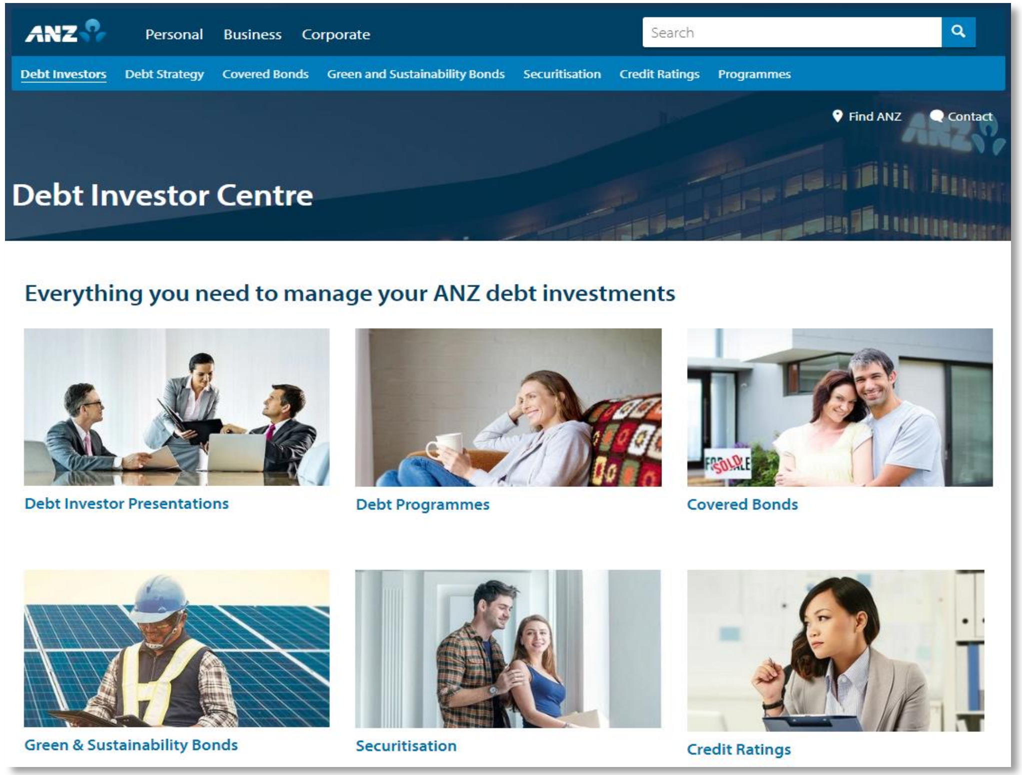
- EY

These assurance statements are available on the ANZ Debt Investor Website

1. 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.
2. 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

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

Corporate Governance Statement
anz.com/corporategovernance

APPENDIX 1: ELIGIBLE ASSET CATEGORIES

3 GOOD HEALTH AND WELL-BEING

Eligibility Criteria: Activities that provide access to essential health-care services, promote metal 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

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4 QUALITY EDUCATION

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

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6 CLEAN WATER AND SANITATION

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

---

7 AFFORDABLE AND CLEAN ENERGY

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

APPENDIX 1: CONTINUED

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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

---

10 REDUCED INEQUALITIES

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

---

11 SUSTAINABLE CITIES AND COMMUNITIES

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

---

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Eligibility Criteria: Activities that improve waste management by reducing waste from the source, recycling or 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

---

13 CLIMATE ACTION

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

2019 FULL YEAR RESULTS

SHAYNE ELLIOTT

CHIEF EXECUTIVE OFFICER

FINANCIAL SNAPSHOT

	FY19	FY19 v FY18
Statutory Profit ($m)	**5,953**	**-7%**
Cash Profit (continuing operations)[1] ($m)	**6,470**	**0%**
Return on Equity	10.9%	-10bps
Earnings Per Share (cents)	228	+2%
Dividend Per Share (cents)	160	flat
Franking (FY19 avg)	85%	-15%
CET1 Ratio (APRA)	11.4%	stable
Total Capital (CET1) ($m)	47,355	+6%
Net Tangible Assets Per Share ($)	19.59	+6%
Shares on issue (end of period #m)	2,835	-1%
Risk Weighted Assets ($b)	417	+7%

- Solid result in a challenging environment
- Disciplined approach to balance sheet growth
- Capital management driving real benefits to shareholders

1. Includes the impact of large / notable items

6 POINT PLAN

FOCUSING RESOURCES TO DELIVER FOR CUSTOMERS, SHAREHOLDERS & THE COMMUNITY

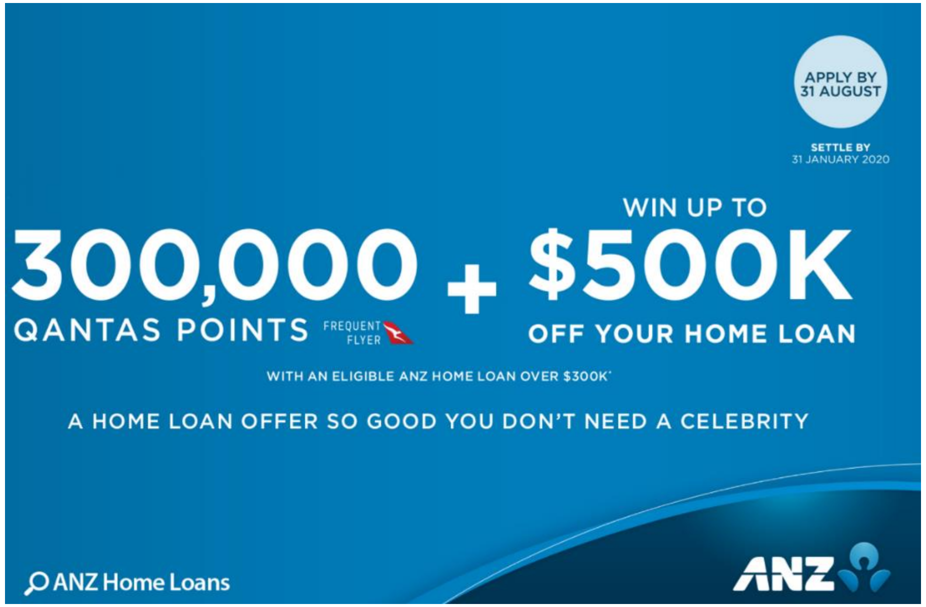
1. Running the business well
2. Maintaining discipline within Institutional
3. Resolving our challenges in NZ
4. Investing to prepare Australia for growth
5. Driving further simplification
6. Building the team’s resilience and capability

RUN THE BUSINESS WELL

AUSTRALIA RETAIL AND COMMERCIAL

- Changed our management structure & team
- Continuing to invest in process redesign
- Refining credit policies within a prudent risk appetite
- Delegating more decisions to front line
- Monitoring key operational metrics
- Focusing on improving operational capacity and approval turnaround time

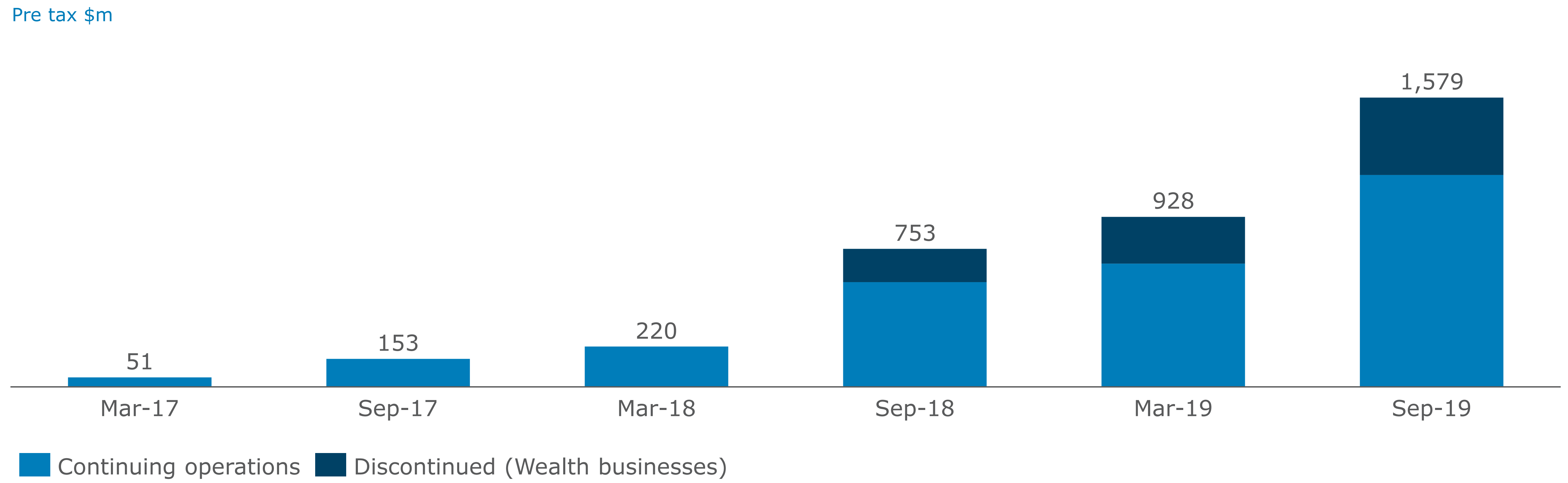
LAUNCHED A MAJOR HOUSING MARKETING CAMPAIGN



RUN THE BUSINESS WELL

CUSTOMER REMEDIATION

CUMULATIVE CUSTOMER REMEDIATION CHARGE



>1,000 people progressing remediation activities

RUN THE BUSINESS WELL

NEW ZEALAND

BS11 (Outsourcing Policy)

Requires all large banks in New Zealand to have compliant outsourcing arrangements by 2022

To ensure banks can continue to run, manage, and provide banking services to NZ customers on a standalone basis if required

RBNZ Capital Review Paper 4

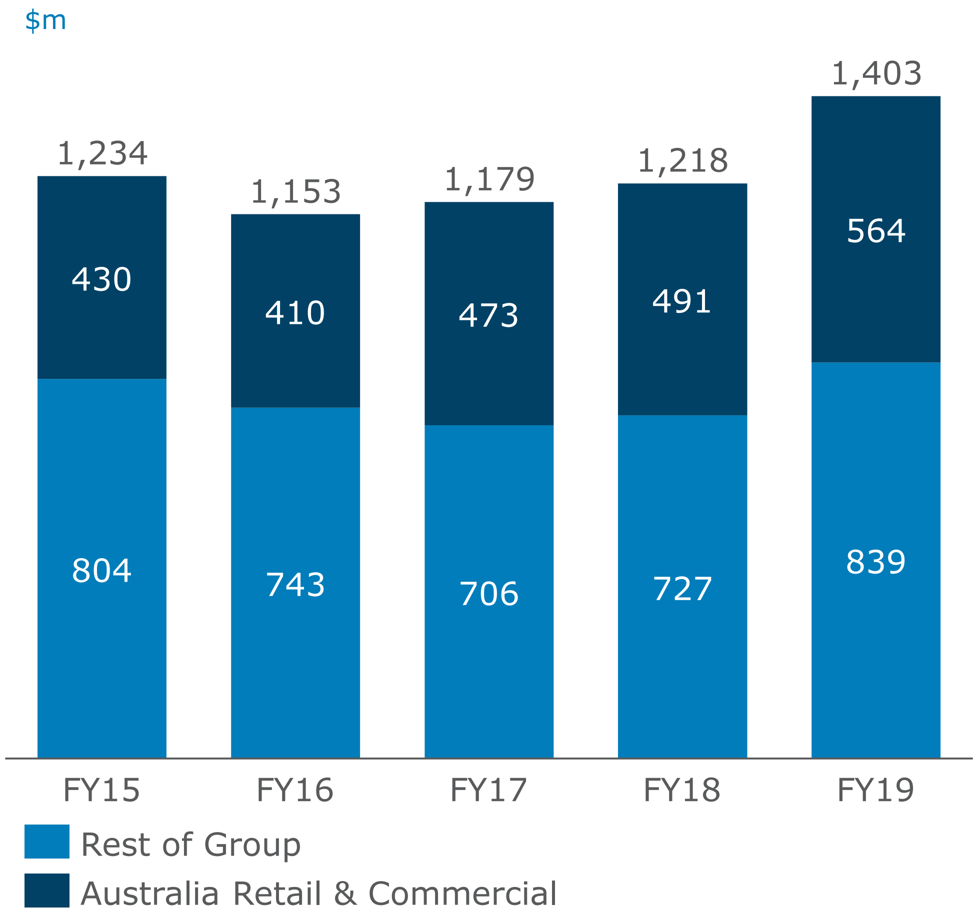
Expected to be finalised in Dec 2019

Relates to the amount of regulatory capital required of locally incorporated banks

Impacts Group capital requirements as New Zealand is required to retain earnings & reduce dividends paid to ANZ parent entity to meet higher capital requirements

INVESTING FOR GROWTH

GROUP INVESTMENT SPEND[1]

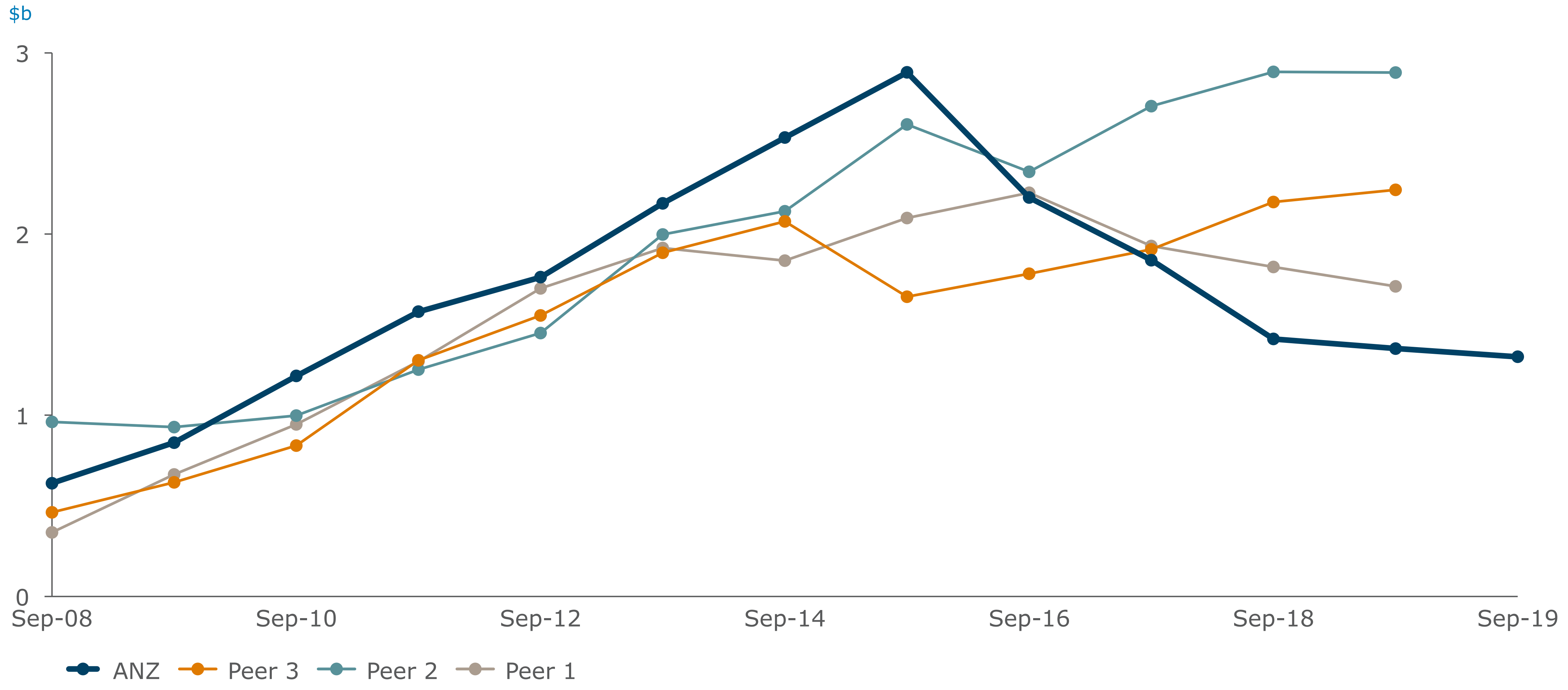


1. Prior periods restated from previously reported information to include technology infrastructure spend, property projects and scaled agile delivery

PREPARING FOR CHANGE

LAST DECADE	NEXT DECADE?
Universal services	Specialisation
Mass share	Targeted share
One price for all	Risk based pricing
Transactions	Discussions
Value from branches	Value from data
High system growth	Low system growth
Bank competition	Experience competition
Hardware	Software
Waterfall	Agile
More capital	More compliance
Enforceable undertakings	Court action
Falling credit costs	Rising credit costs
Globalisation	Protectionism
Financial risk	Non-financial risk

CAPITALISED SOFTWARE BALANCE[1]

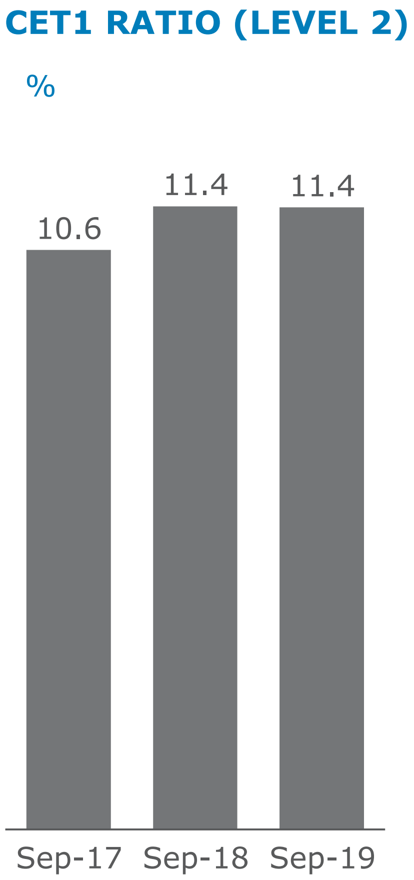


1. Source: Capitalised software balances sourced from publicly available company financials; 2019 numbers are based on the most recently disclosure financial statements

2019 FULL YEAR RESULTS

MICHELLE JABLKO
CHIEF FINANCIAL OFFICER

OVERVIEW



1. Cash Profit from continuing operations
2. FY17 has not been restated for AASB15 impacts

REGULATORY DEVELOPMENTS

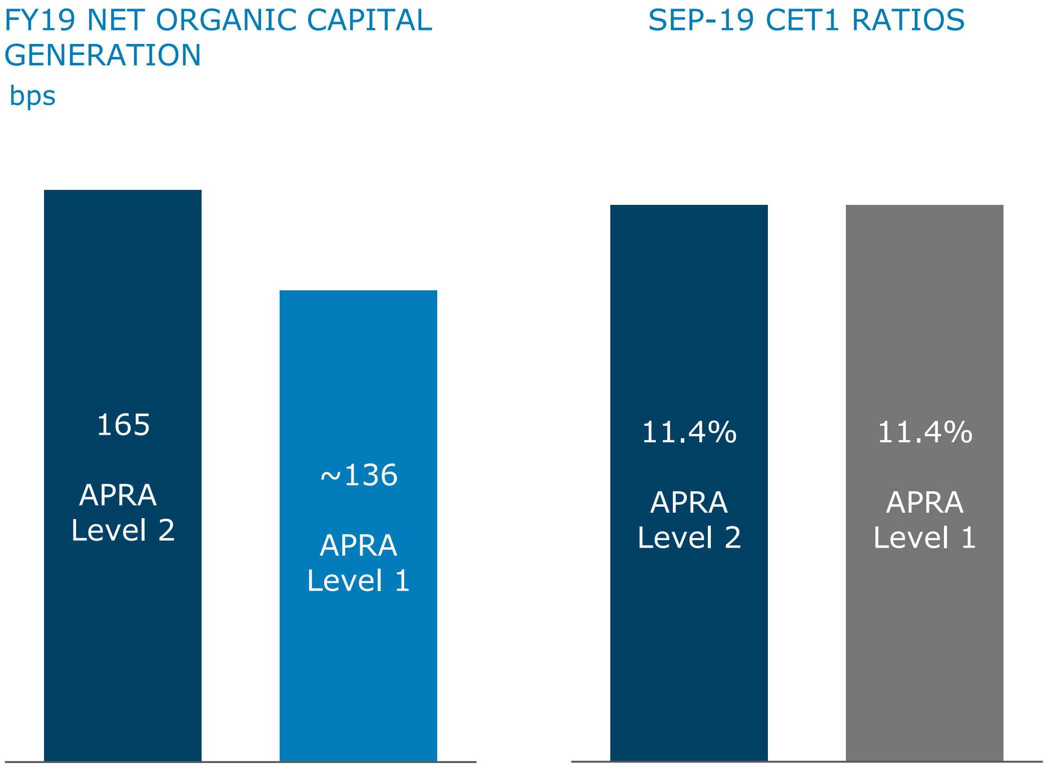
IN CONSULTATION STAGE

- APRA - Investments in subsidiaries (APS111)
- RBNZ - Capital proposals
- APRA - Ongoing APRA regulatory reviews[1]

RECENTLY FINALISED (IMPLEMENTING)

- APRA - Limits on related party exposures (APS222)
- APRA - Loss absorbing capacity (TLAC)

APRA LEVEL 1 & LEVEL 2



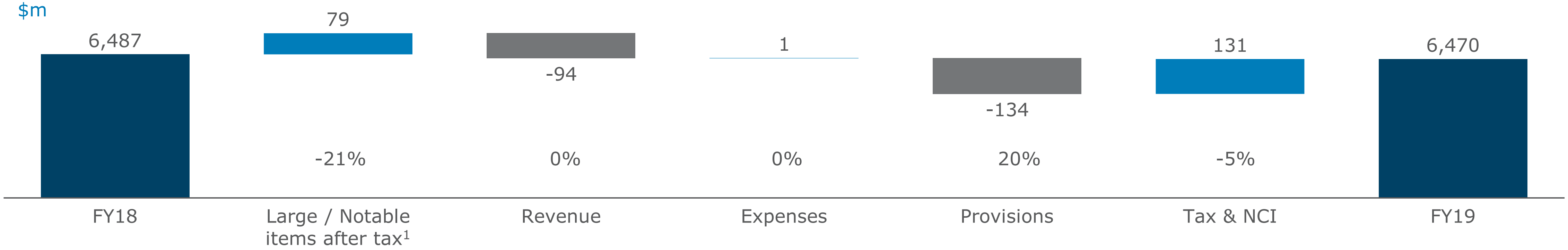
Level 1 lower than Level 2 due to ~$1.5b lower NZ dividends in 2019

1. Other ongoing APRA regulatory reviews potentially impacting the future capital position include: Revisions to capital framework (RWA) and Unquestionably Strong capital calibration, Transparency, Comparability and Flexibility proposals, revisions to Interest Rate Risk to the Banking Book and Market Risk.

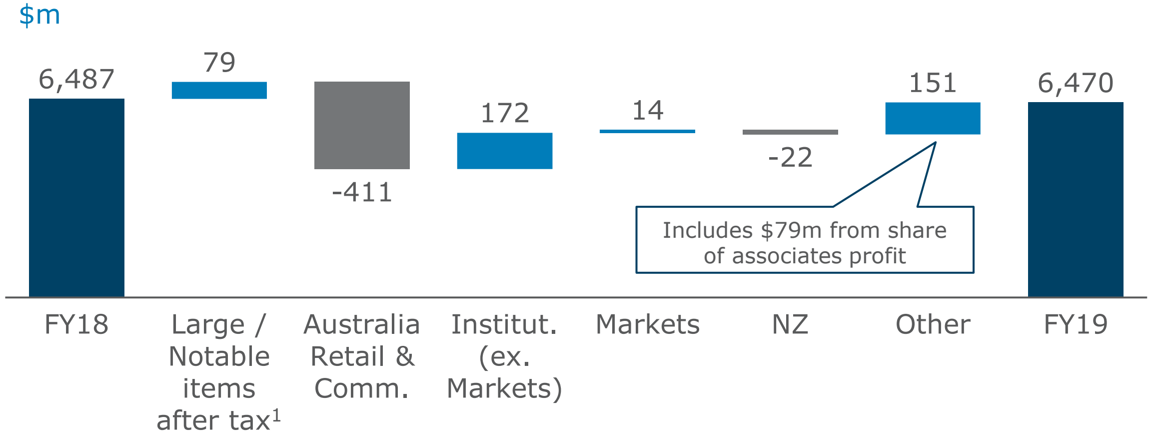
FINANCIAL PERFORMANCE

CASH PROFIT CONTINUING OPERATIONS

CASH PROFIT DRIVERS



CASH PROFIT DIVISIONAL PERFORMANCE



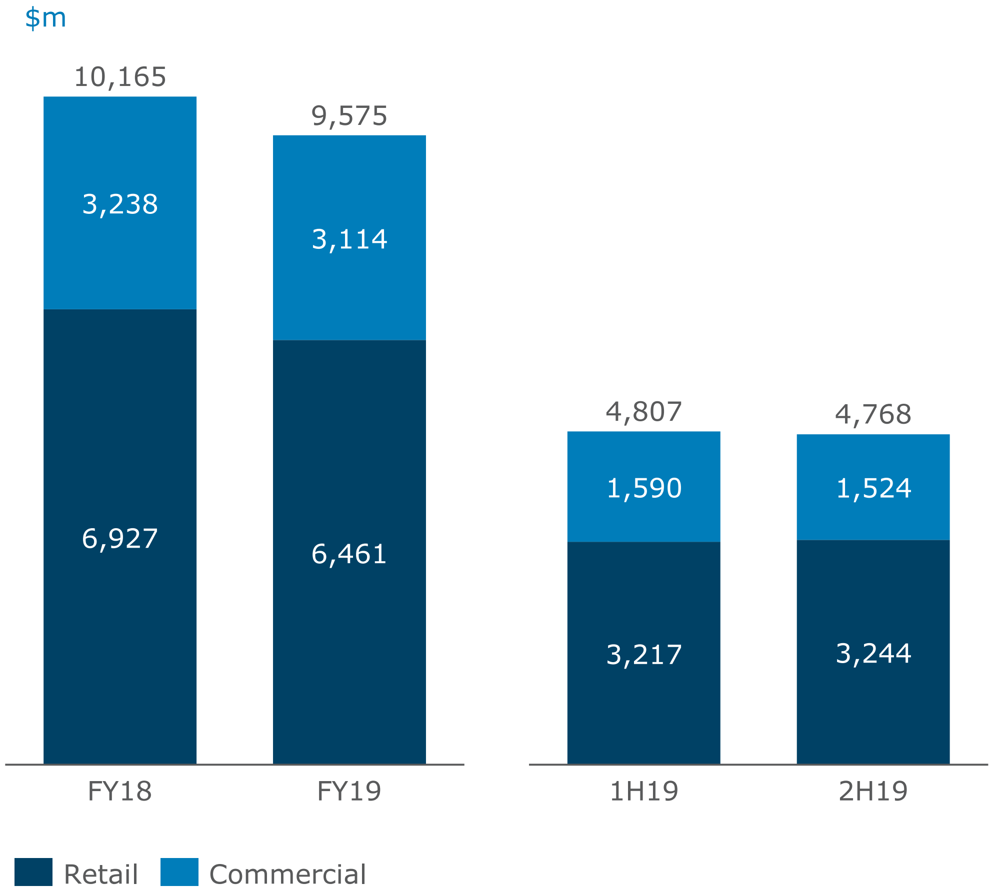
FY19 v FY18	Australia Retail & Commercial	Institutional	NZ (NZD)
Income	-6%	5%	2%
Expenses	0%	-3%	5%
Cash Profit	-10%	11%	-4%

1. Details of large / notable items provided in the investor discussion pack – additional financials section

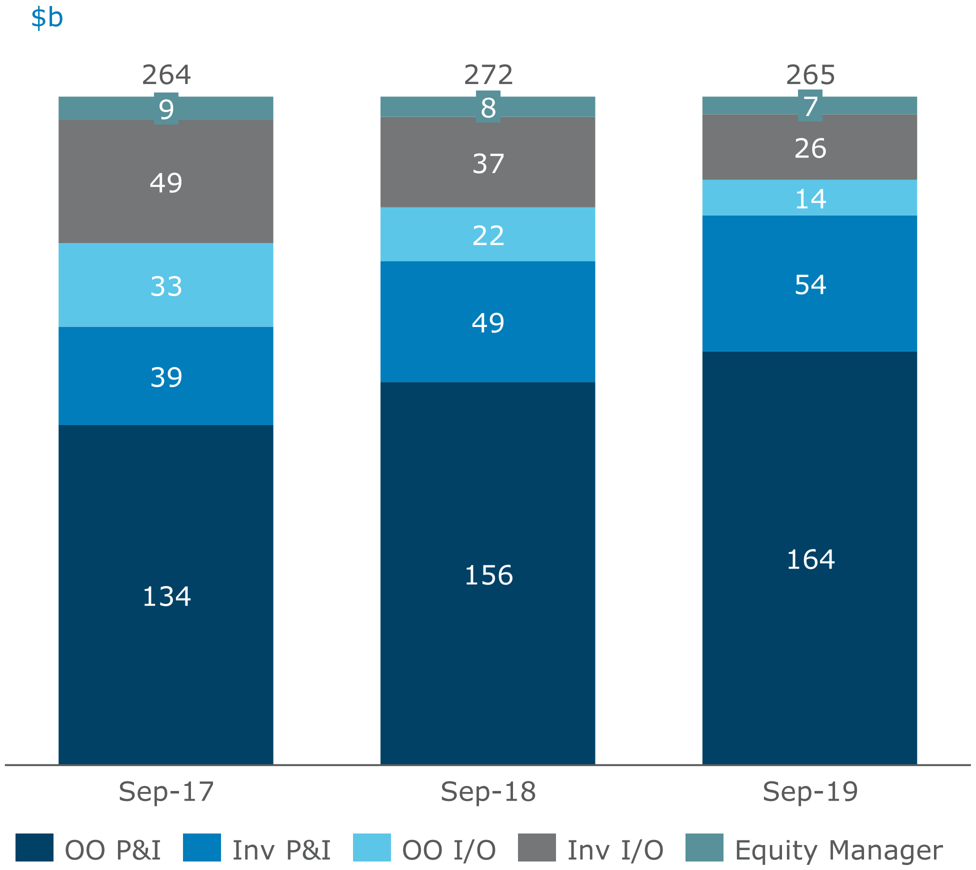
AUSTRALIA RETAIL & COMMERCIAL

INCOME EXCLUDING LARGE / NOTABLE ITEMS AND HOUSING PORTFOLIO

INCOME COMPOSITION



HOUSING PORTFOLIO[1,2]



1. Includes Non Performing Loans
2. The current classification of Investor vs Owner Occupier is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances

AUSTRALIA RETAIL & COMMERCIAL - HOUSING MOMENTUM

IMPROVING MOMENTUM

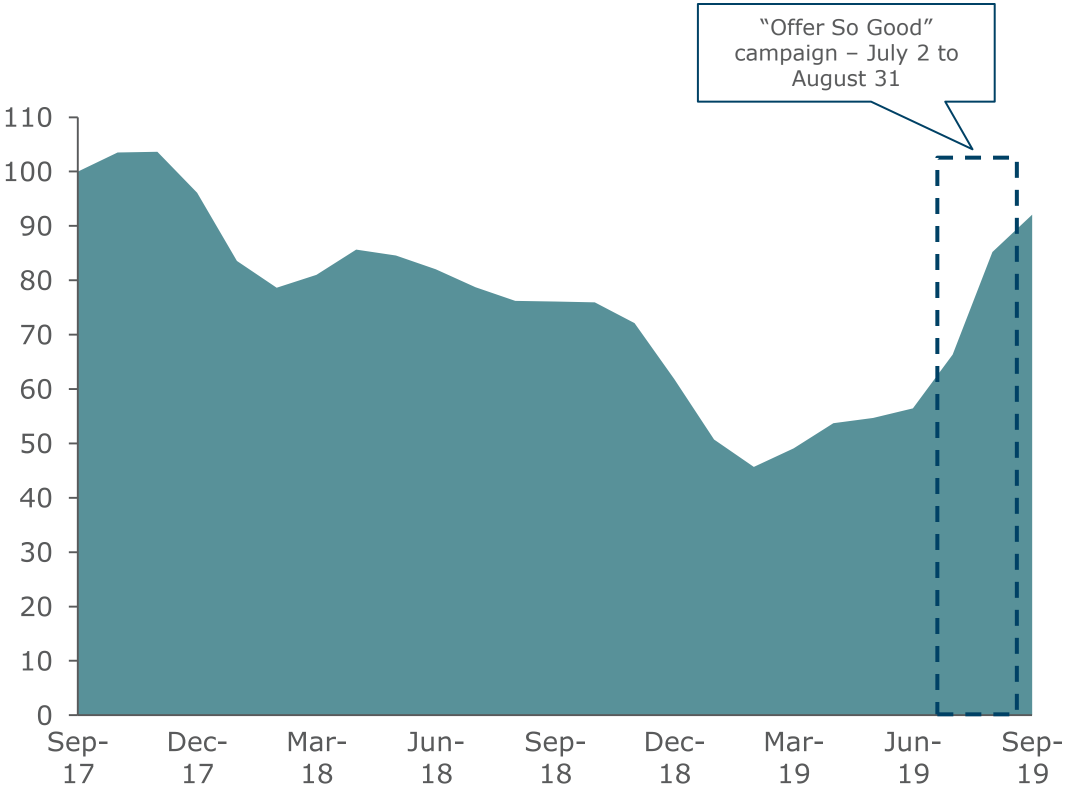
- Clarity and consistency on policy and risk settings
- Approval turnaround times
- Industry conditions

OUTLOOK

- Pick up in application volumes in 4Q19
- Improved momentum into 1Q20
- Faster loan amortisation in a low rate environment

HOME LOAN APPLICATION TREND

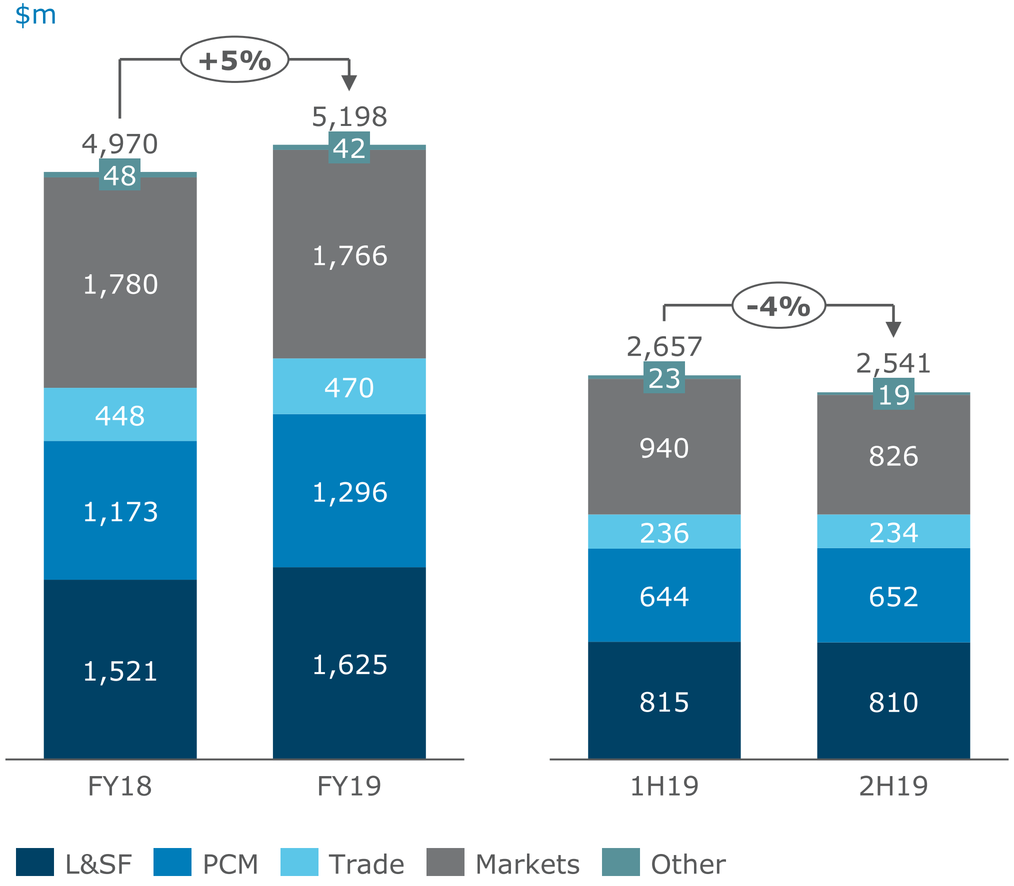
3 month rolling average (Index Sep 2017 = 100)



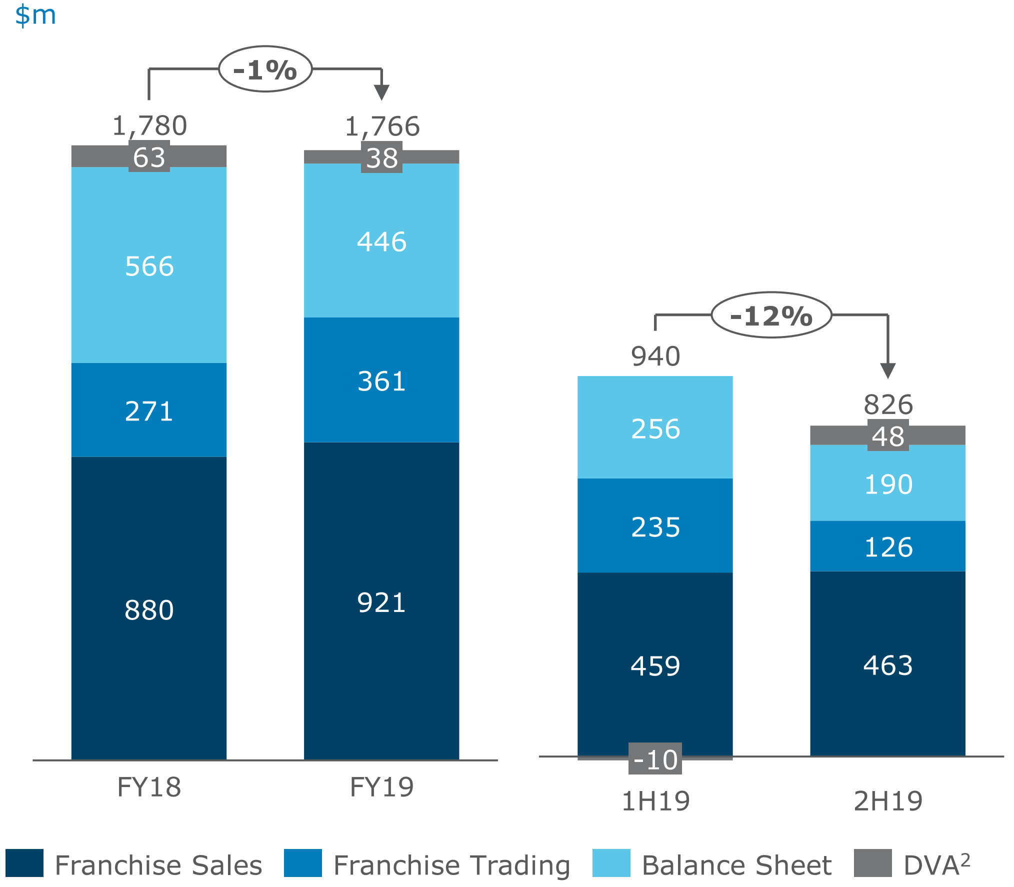
INSTITUTIONAL

INCOME CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

INSTITUTIONAL INCOME COMPOSITION[1]



MARKETS INCOME COMPOSITION

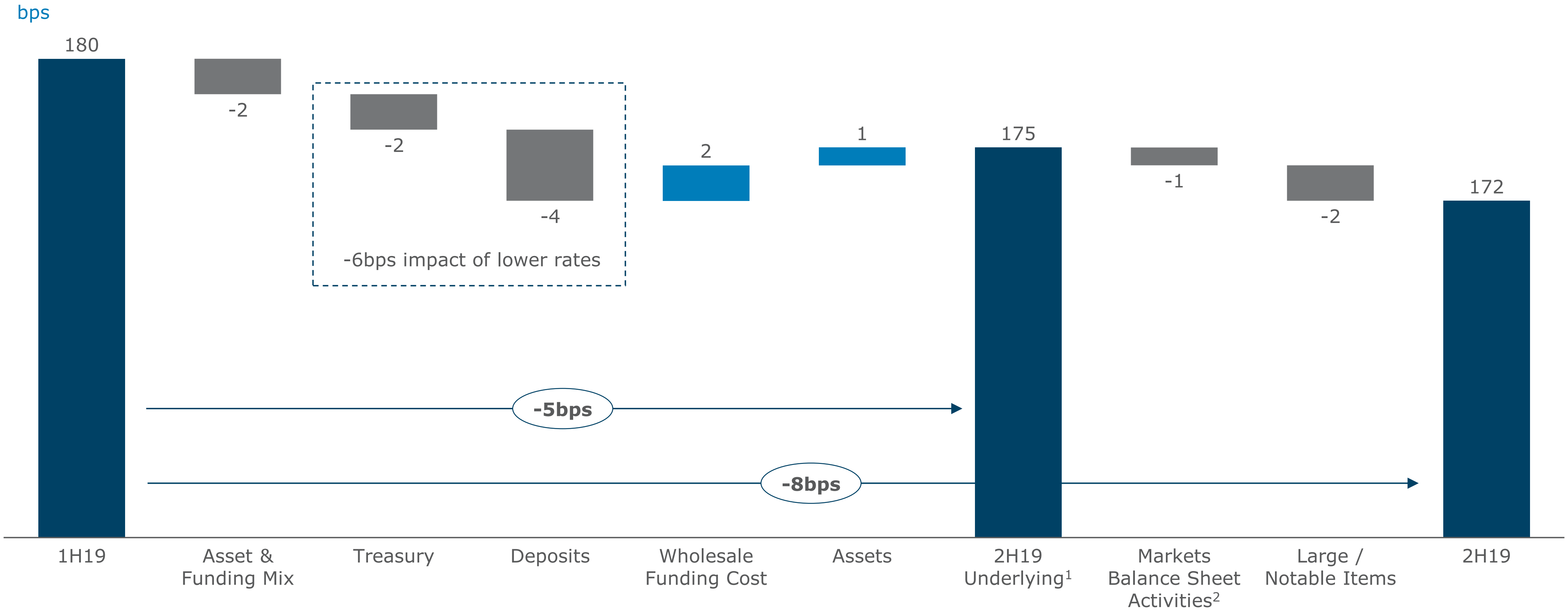


1. L&SF: Loans & Specialised Finance; PCM: Payments & Cash Management; Trade: Trade & Supply Chain
2. Derivative valuation adjustments

NET INTEREST MARGIN

CONTINUING OPERATIONS

GROUP NET INTEREST MARGIN (NIM)



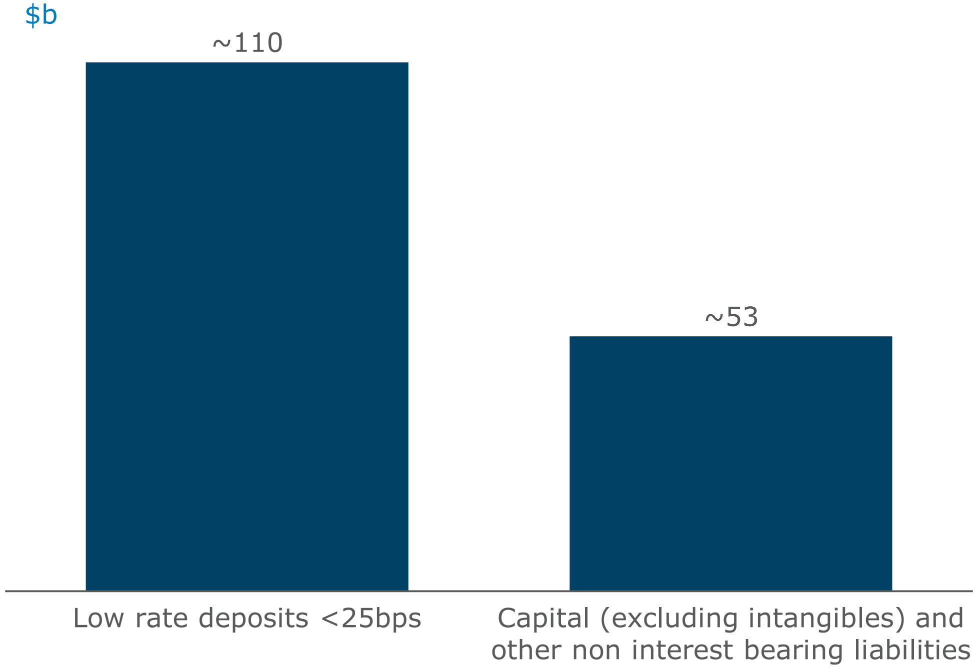
1. Excluding large / notable items and Markets Balance Sheet activities
2. Includes the impact of growth in discretionary liquid assets and other balance sheet activities

MARGIN ENVIRONMENT

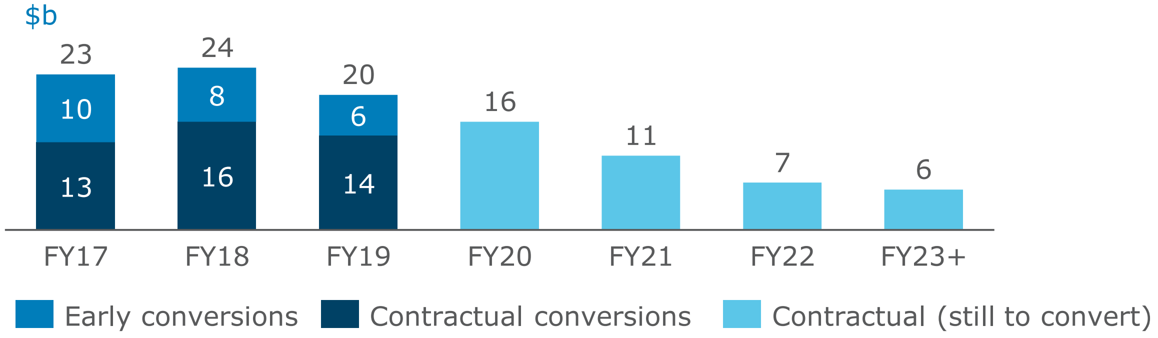
LOW RATE ENVIRONMENT

Sep-19

Sensitivity to a 25bps drop in AUD, NZD and USD interest rates	
Deposits & earnings on capital	~3 bps

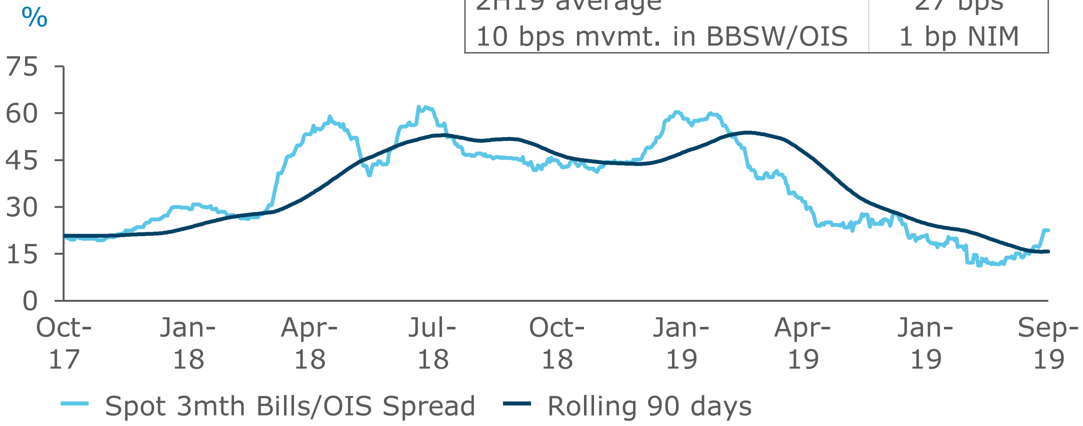


SWITCHING FROM INTEREST ONLY TO PRINCIPAL & INTEREST



BILLS/OIS SPREAD

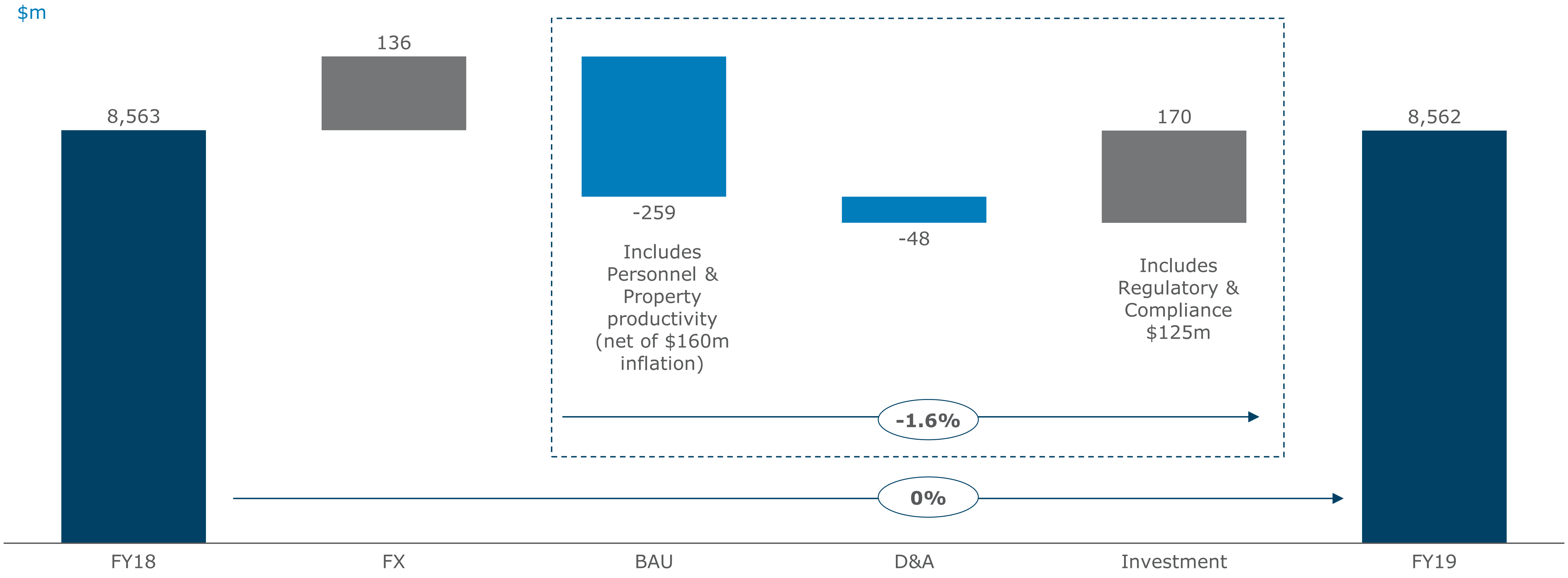
1H19 average	48 bps
2H19 average	27 bps
10 bps mvmt. in BBSW/OIS	1 bp NIM



EXPENSES

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

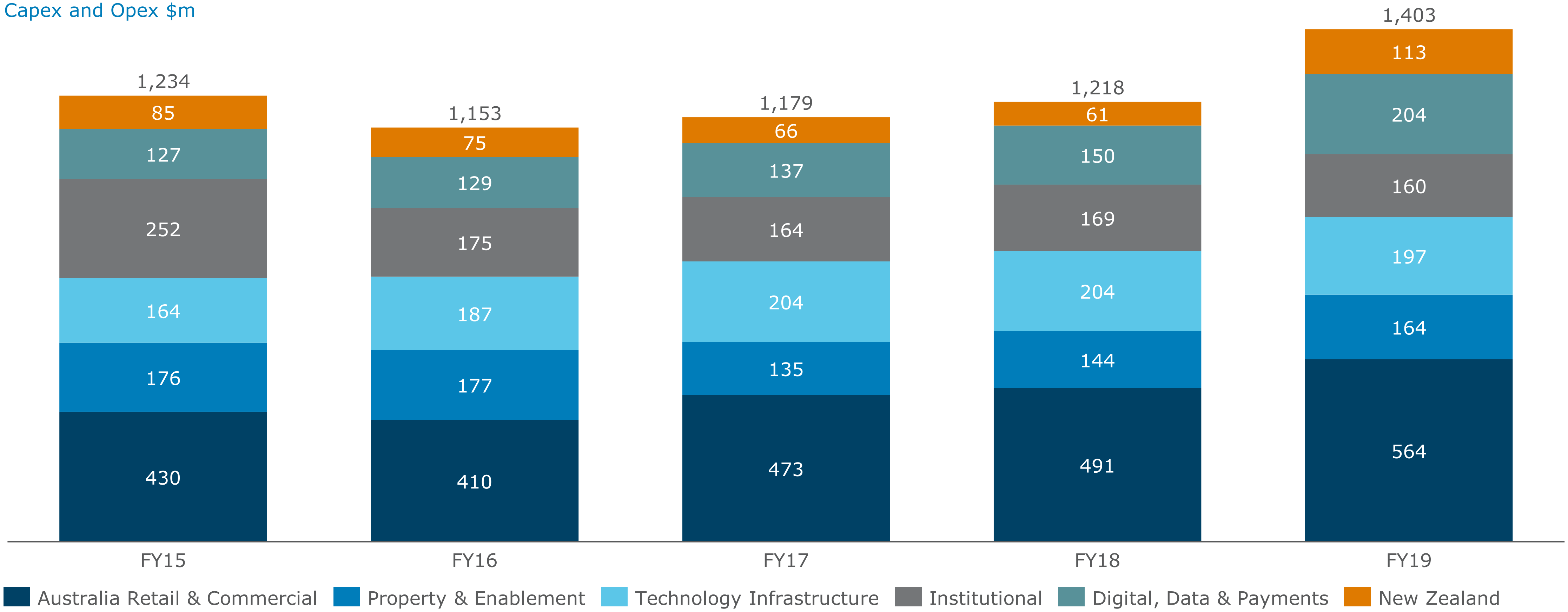
FY19 EXPENSE DRIVERS



INVESTMENT SPEND

CONTINUING OPERATIONS

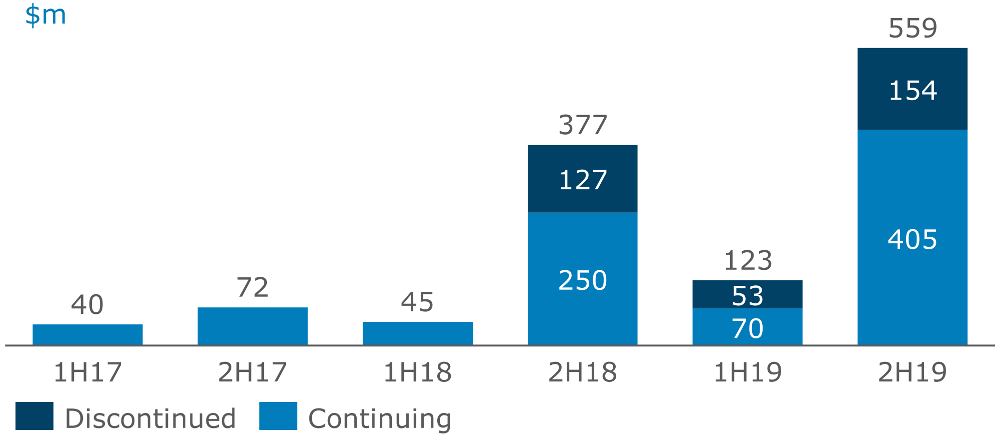
TOTAL INVESTMENT SPEND BY DIVISION[1]



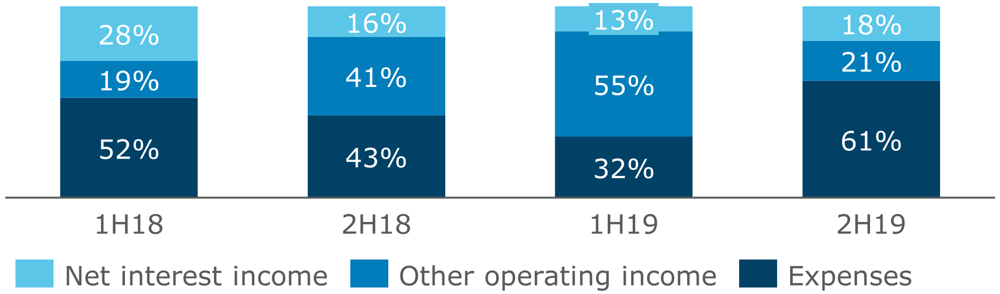
1. Prior periods restated from previously reported information to include technology infrastructure spend, property projects and scaled agile delivery

CUSTOMER REMEDIATION

TOTAL REMEDIATION - POST TAX IMPACT



TOTAL REMEDIATION – P&L IMPACT



Financial impact

- $826m ($682m post tax) charge in FY19
- $1,579m ($1,216m post tax) charges since 1H17
- $1,139m provisions on balance sheet at 30 Sep 2019

Progress to date[1]

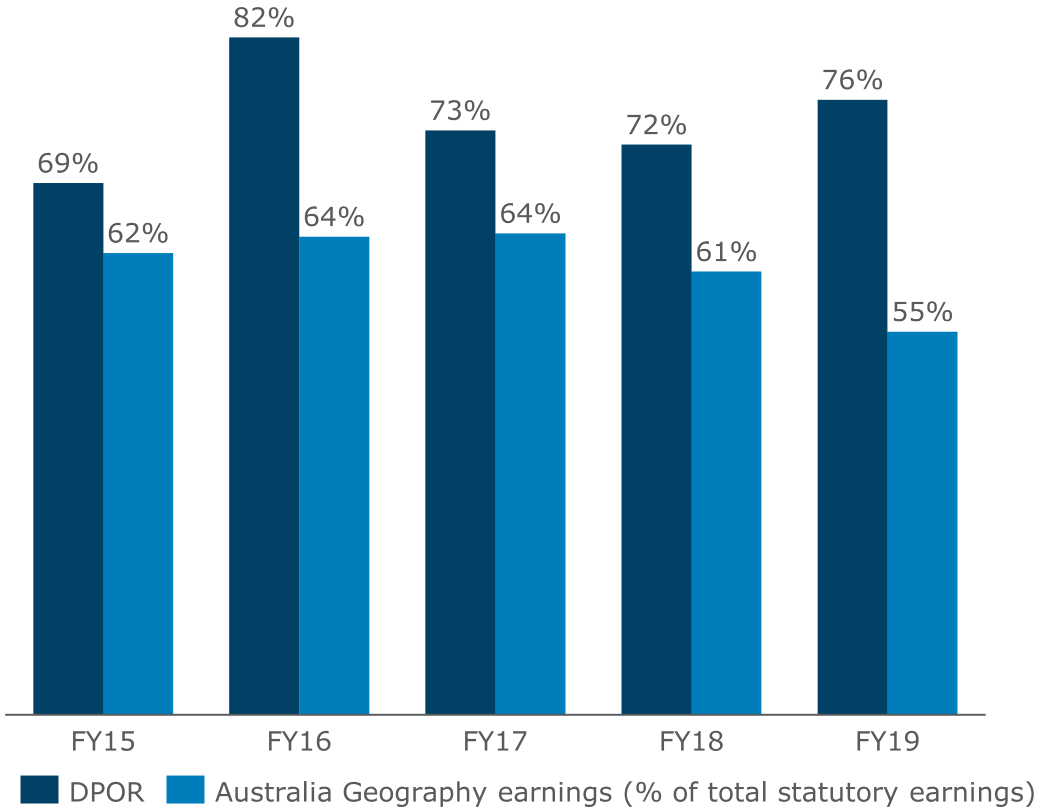
- Banking product & service review well progressed
- Remediation of advice & other wealth products continue
- Over 1,000 staff progressing remediation activities

1. Salaried Financial Planner fee for no service addressed in prior years (>$150m cumulative pre-tax charges).

DIVIDEND

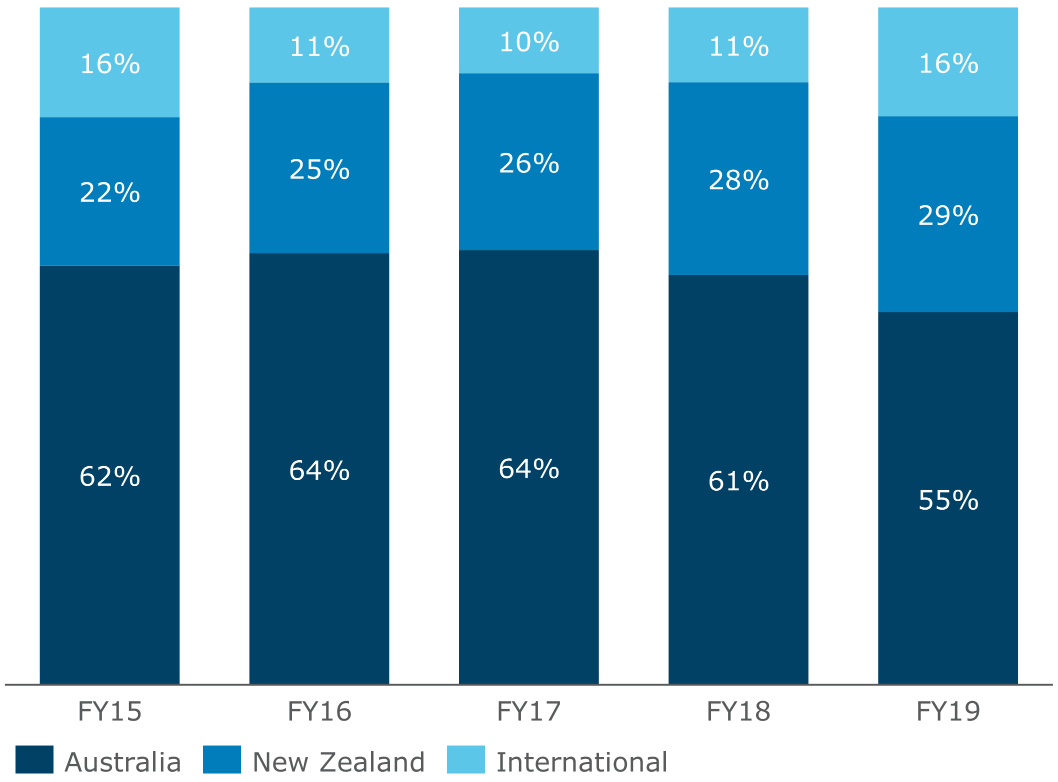
GEOGRAPHIC EARNINGS

AUSTRALIA GEOGRAPHY EARNINGS & DPOR[1]



GEOGRAPHIC EARNINGS[1]

% of total Group Statutory Profit



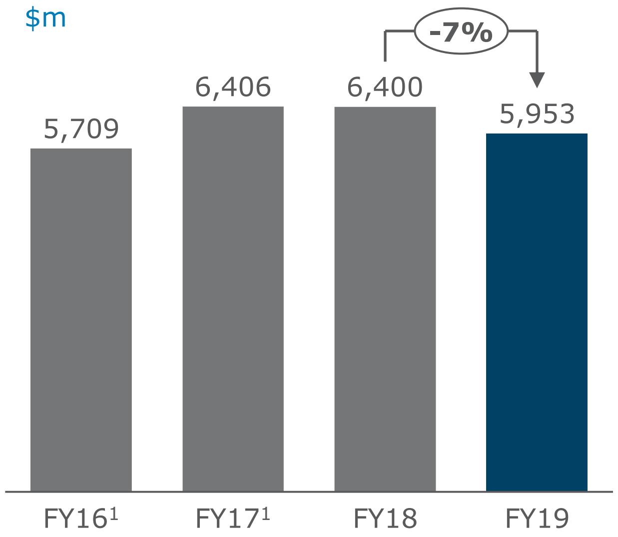
1. Statutory Profit basis
2. DPOR: Dividend payout ratio

2019 FULL YEAR RESULTS

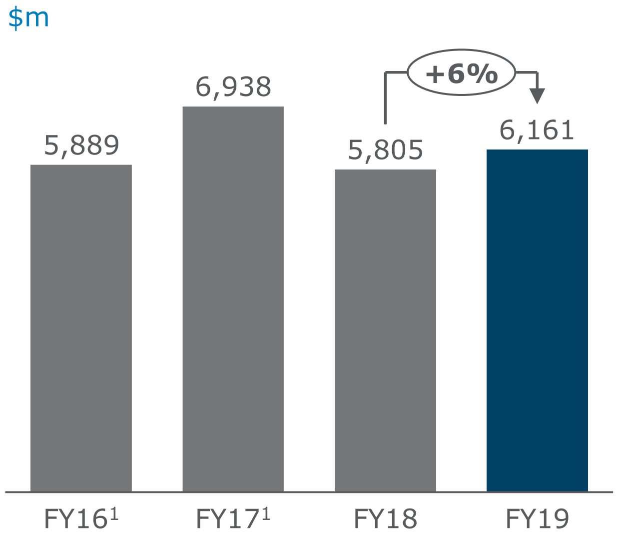
INVESTOR DISCUSSION PACK
GROUP & DIVISIONAL PERFORMANCE

FINANCIAL PERFORMANCE – STATUTORY TO CASH PROFIT

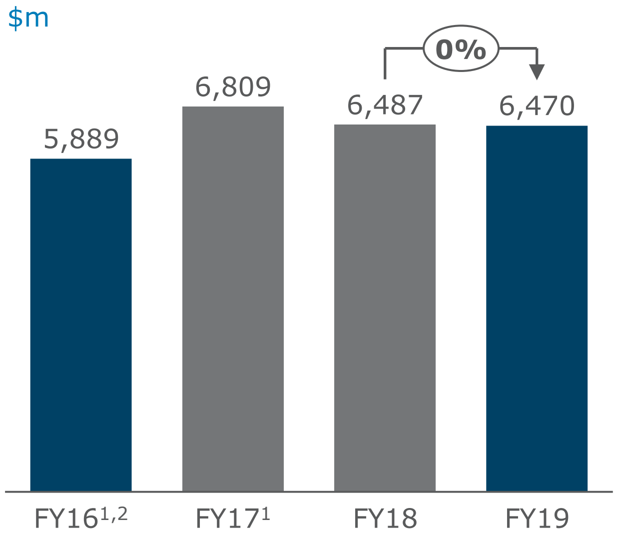
STATUTORY PROFIT



CASH PROFIT REPORTED



CASH PROFIT CONTINUING OPERATIONS



STATUTORY TO CASH ADJUSTMENTS

Cash profit represents ANZ's preferred measure of the result of the ongoing business activities of the Group, enabling readers to assess Group and Divisional performance against prior periods and against peer institutions.

To calculate cash profit, the Group excludes non-core items from statutory profit. Cash Profit continuing operations excludes the financial results of the Wealth Australia businesses being divested and associated Group reclassification and consolidation impacts treated as discontinued operations from a financial reporting perspective.

1. FY16 and FY17 have not been restated for AASB15 impacts
2. FY16 has not been restated to reflect discontinued operations

LARGE / NOTABLE (L/N) ITEMS[1]

	1H17	2H17	1H18	2H18	1H19	2H19
Cash Profit Continuing Operations ($m)	**3,355**	**3,454**	**3,493**	**2,994**	**3,564**	**2,906**
Gain / (Loss) on sale from divestments	-284	14	138	53	187	18
Divested business results	274	187	70	56	25	7
Customer remediation	-40	-72	-45	-250	-70	-405
Restructuring	-25	-18	-55	-104	-36	-18
Royal Commission legal costs	0	0	-11	-27	-9	-1
Gain on sale of 100 Queen St. Melbourne	112	0	0	0	0	0
Accelerated software amortisation	0	0	0	-206	0	0
Total L/N within Cash Continuing Profit	**37**	**111**	**97**	**-478**	**97**	**-399**
Cash Profit ex L/N	**3,318**	**3,343**	**3,396**	**3,472**	**3,467**	**3,305**
Cash Profit ex L/N Growth HOH		*0.75%*	*1.59%*	*2.24%*	*-0.14%*	*-4.67%*
Cash Profit ex L/N Growth PCP			*2.35%*	*3.86%*	*2.09%*	*-4.81%*

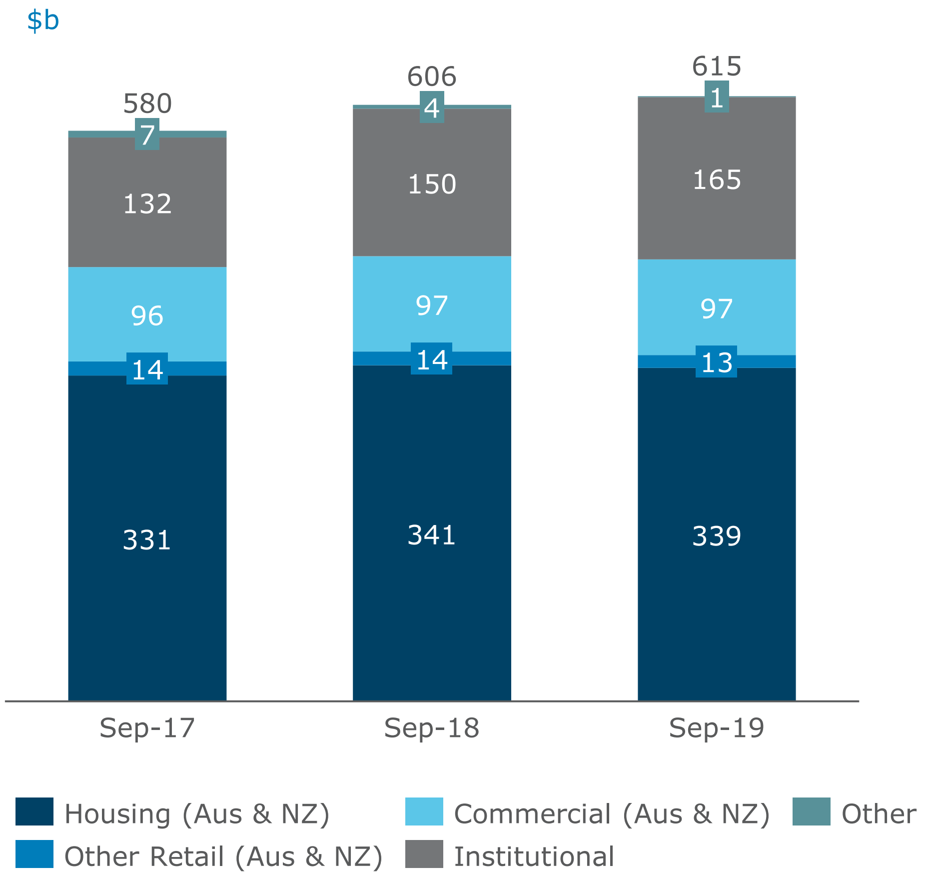
	1H17	2H17	1H18	2H18	1H19	2H19
Gain / (Loss) on Sale from divestments ($m)						
Asia Retail	✓	✓	✓			
MCC			✓	✓		
SRCB			✓			
UDC			✓	✓		
Cambodia JV				✓		✓
OPL NZ				✓	✓	✓
PNG Retail, Com, SME				✓		✓
Paymark					✓	
Divested Business Results ($m)						
SRCB	✓					
Asia Retail	✓	✓	✓			
MCC	✓	✓		✓		
OPL NZ	✓	✓	✓	✓	✓	
Paymark	✓	✓	✓	✓	✓	
Cambodia JV	✓	✓	✓	✓	✓	✓
PNG Retail, Com, SME	✓	✓	✓	✓	✓	✓

1. Large / notable items exclude the gain / (loss) on sale and divested business results of OnePath Life and One Path P&I, both accounted for as discontinued businesses.

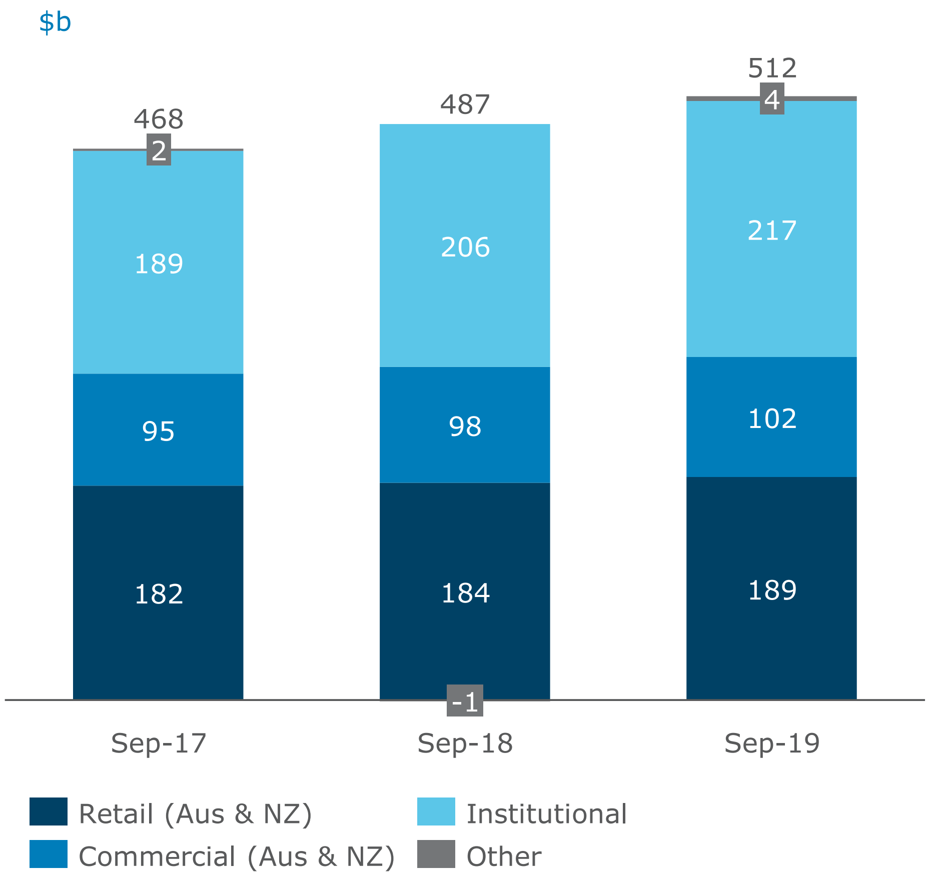
BALANCE SHEET COMPOSITION

BY SEGMENT

NET LOANS & ADVANCES



CUSTOMER DEPOSITS

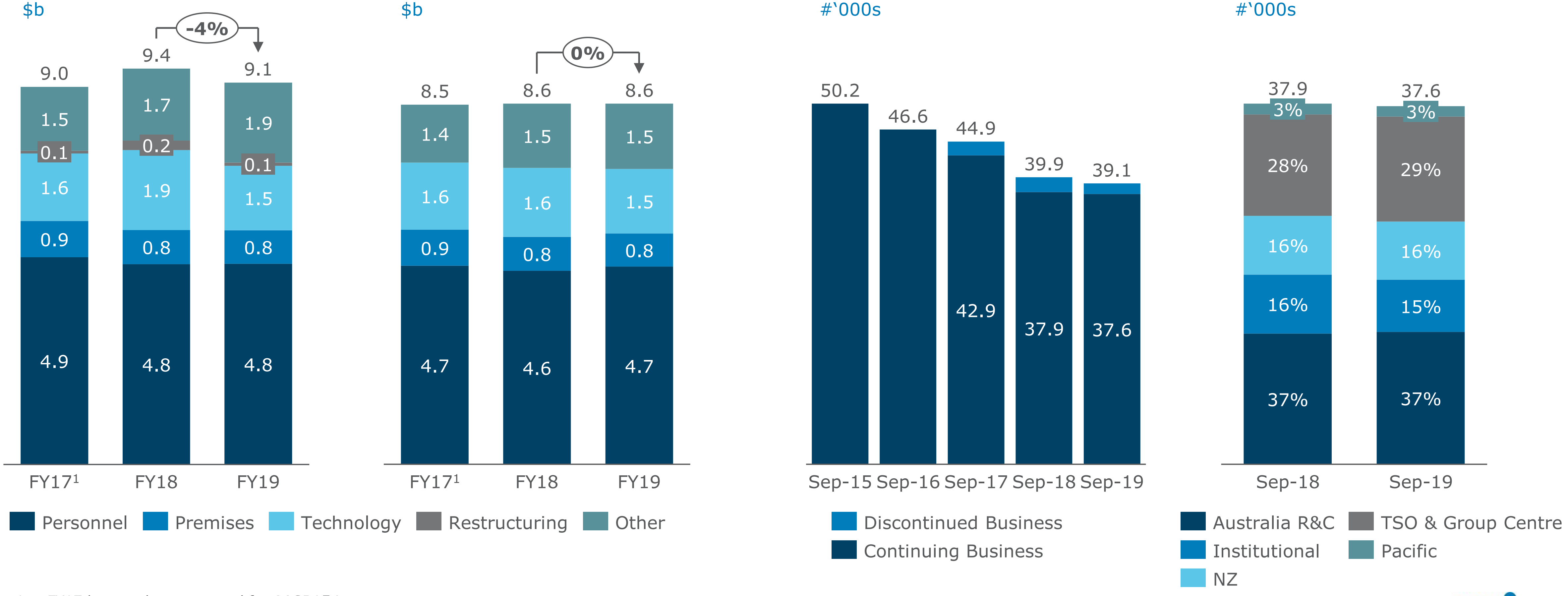


EXPENSE MANAGEMENT

CONTINUING OPERATIONS

TOTAL EXPENSES

FULL TIME EQUIVALENT STAFF

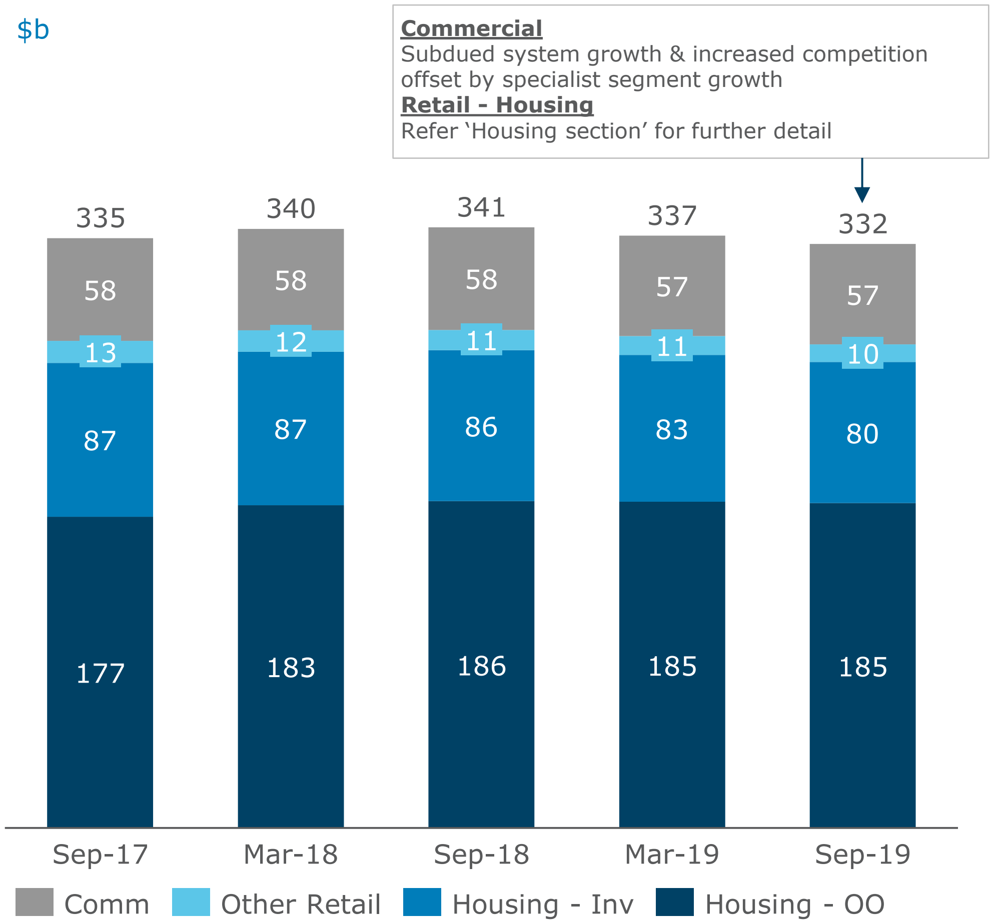


1. FY17 has not been restated for AASB15 impacts

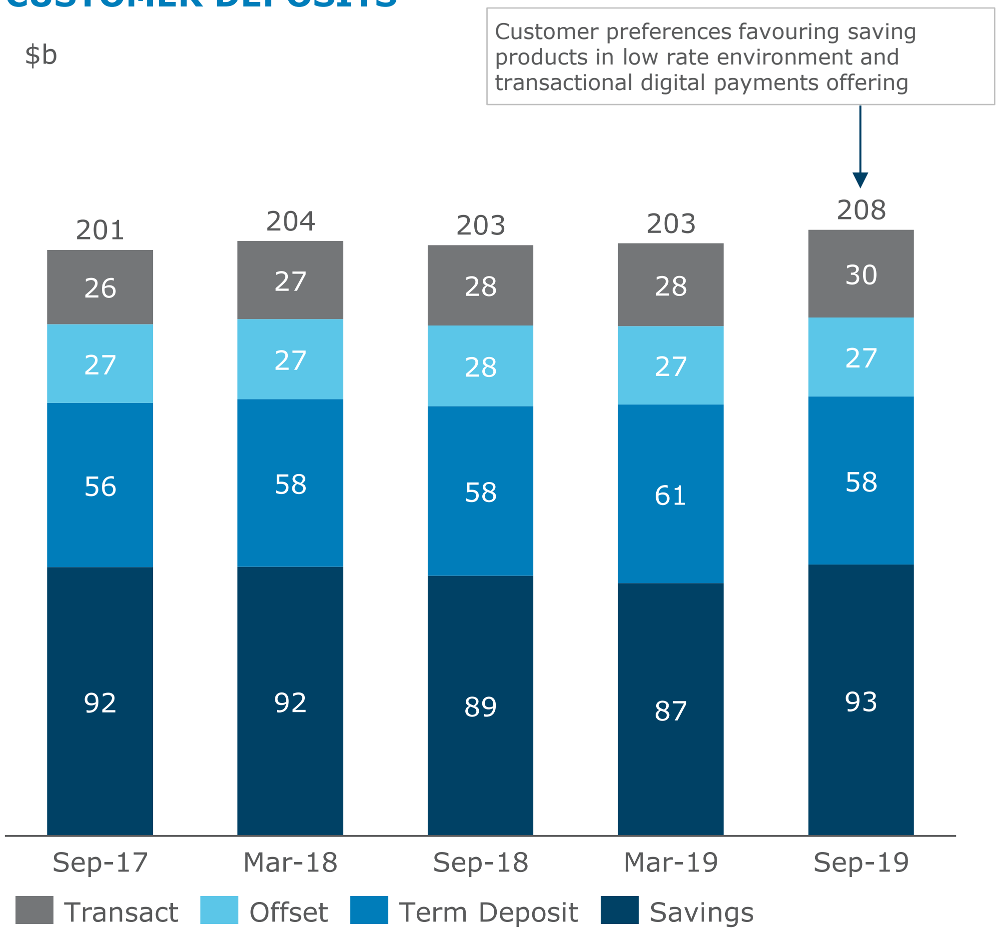
AUSTRALIA RETAIL & COMMERCIAL

BALANCE SHEET

NET LOANS & ADVANCES[1]



CUSTOMER DEPOSITS



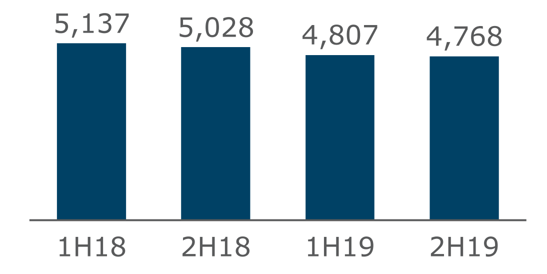
1. Housing - OO includes Equity Manager; Other retail includes Australia Wealth retained

AUSTRALIA RETAIL & COMMERCIAL

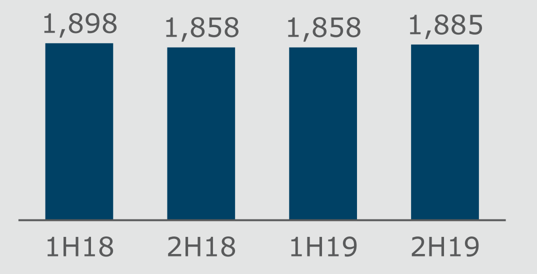
FINANCIAL PERFORMANCE: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

Slower credit demand, tighter home loan origination risk settings, increased competition, deposit margin impacts	Productivity initiatives including workforce and branch optimisation have offset increased compliance costs and technology infrastructure spend	Lower collective provision charge reflects reduced FUM. Credit provisions remain below long-run averages	Profit and Returns

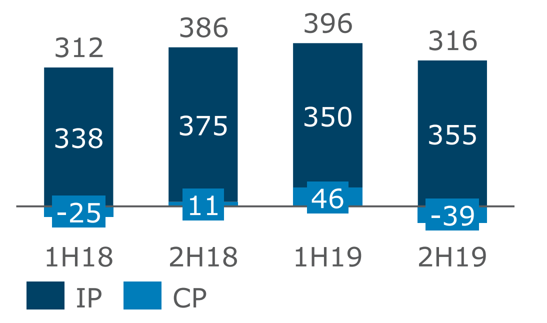
Income ($m)



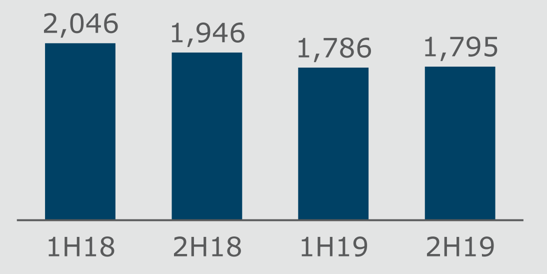
Expenses ($m)



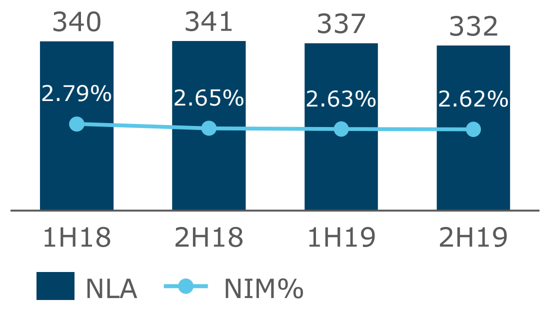
Total Provisions ($m)



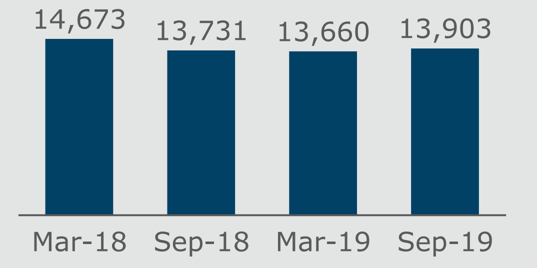
Cash Profit ($m)



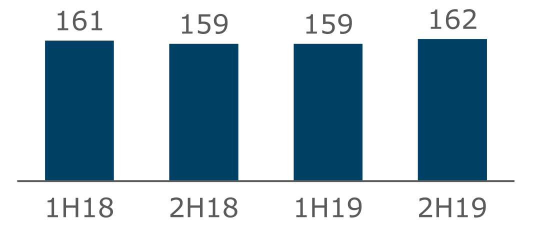
NLAs ($b) & NIM



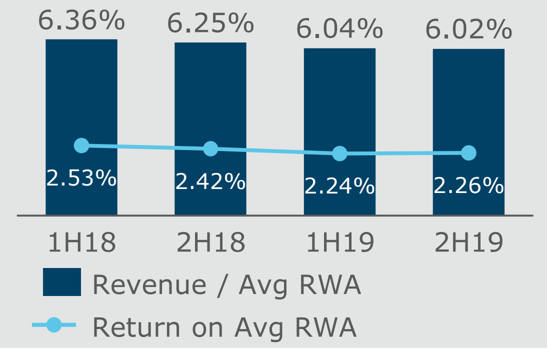
FTE



Risk Weighted Assets ($b)



Return

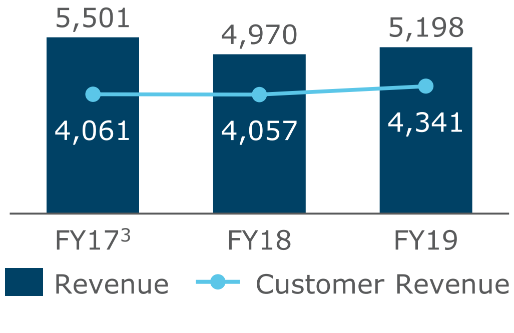


INSTITUTIONAL

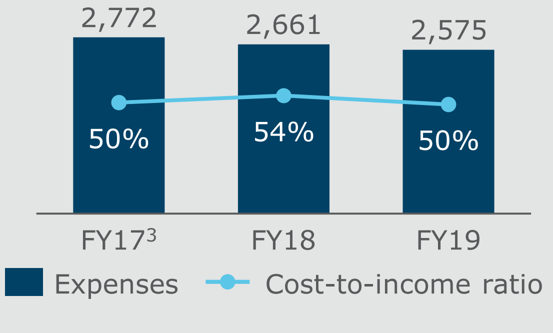
FY19 FINANCIAL PERFORMANCE: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

Continued momentum and customer revenue growth	Productivity focus maintained, absolute cost reduction	Credit charges remained below long run trend	Targeted profitable growth and improved returns

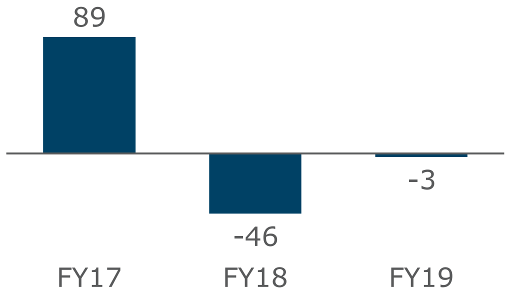
Income ($m)



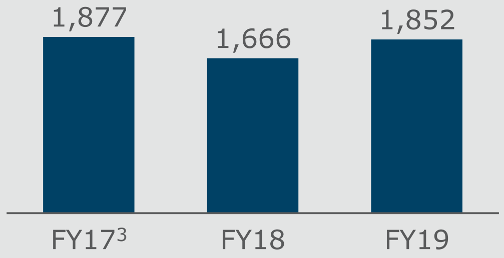
Expenses ($m)



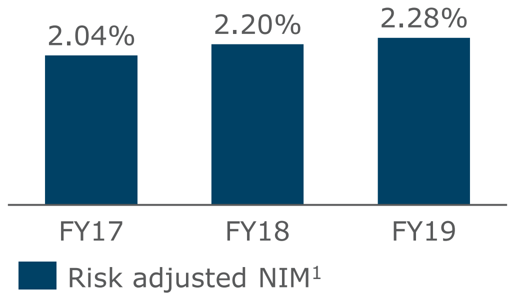
Total Provisions ($m)



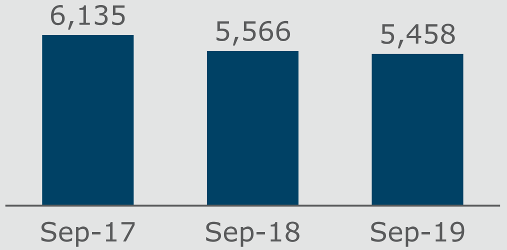
Cash Profit ($m)



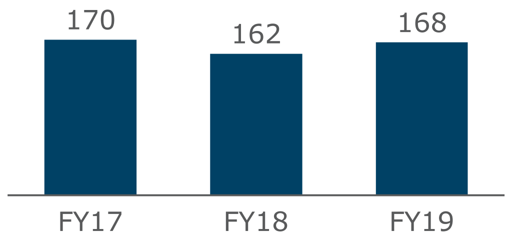
Risk Adjusted Margin



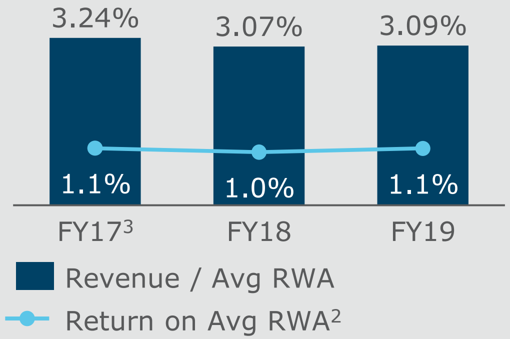
FTE



Avg. Risk Weighted Assets ($b)



Return



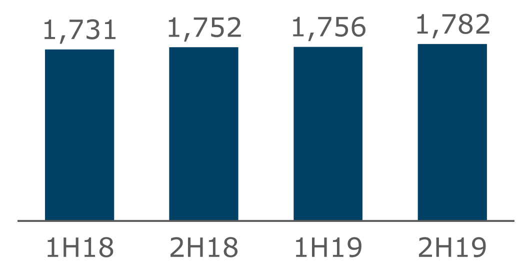
1. Institutional ex-Markets net interest income divided by average credit risk weighted assets
2. Cash profit divided by average risk weighted assets
3. FY17 has not been restated for AASB15 impacts

NEW ZEALAND DIVISION

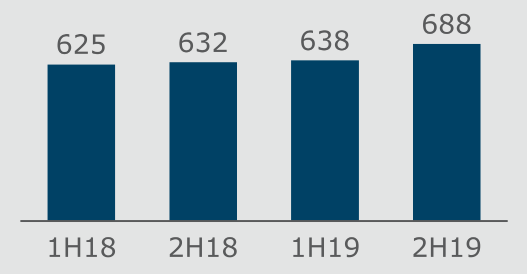
FINANCIAL PERFORMANCE: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

Solid home lending growth within a competitive environment	Increased regulatory compliance requirements	Provisions returning to more normalised levels	Margin compression, compliance costs and provisions impacting returns

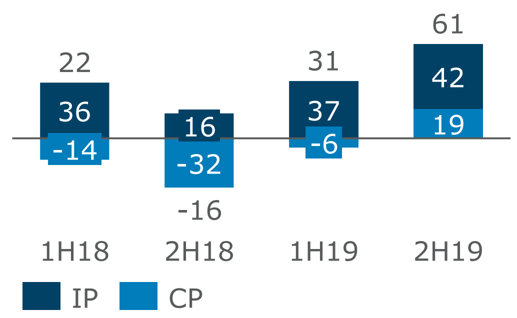
Income (NZDm)



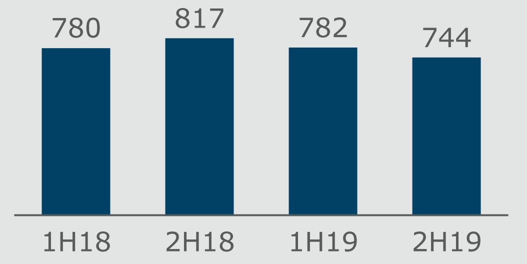
Expenses (NZDm)



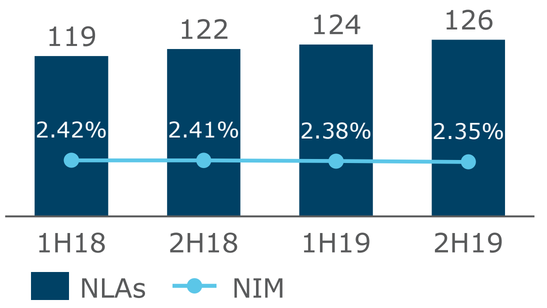
Total Provisions (NZDm)



Cash Profit (NZDm)

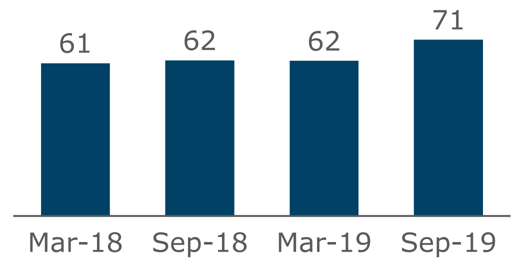


NLAs (NZDb) & NIM

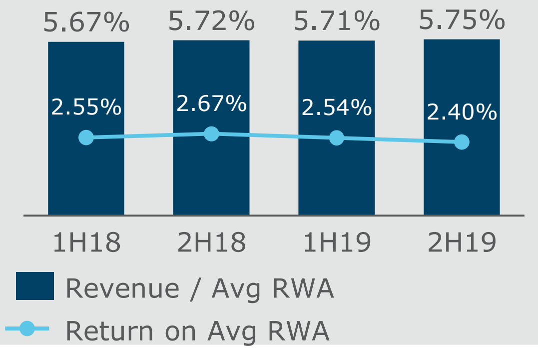


FTE[1]

Risk Weighted Assets (NZDb)



Return



1. On a Continuing Operations basis

2019 FULL YEAR RESULTS

INVESTOR DISCUSSION PACK
TREASURY

REGULATORY CAPITAL

CAPITAL UPDATE

- APRA Level 2 CET1 ratio of 11.4% (16.4% on an Internationally Comparable basis[1]), which is in excess of APRA's 'unquestionably strong' benchmark[2].
- APRA Level 1 CET1 ratio of 11.4%. Level 1 consolidation primarily comprises ANZ BGL (the Parent including offshore branches) but excludes offshore banking subsidiaries[3].
- APRA Leverage ratio of 5.6% (or 6.2% on an Internationally Comparable basis).
- Asset divestments contributed ~$2b in 2H19 (mainly divestment of OPL Australia)
- Pro-forma adjusted CET1 ratio of ~11.5%, including benefits from P&I divestment (~20bps), partially offset by IFRS16 impacts (~-7bps)

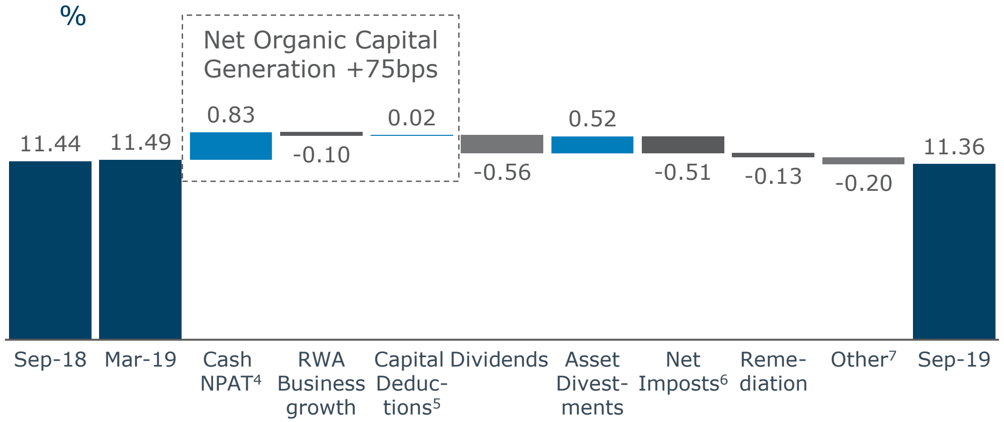
Organic Capital Generation

- Net organic capital generation of 75bps for 2H19 – in line with historical averages of ~80bps (excluding Institutional rebalancing)

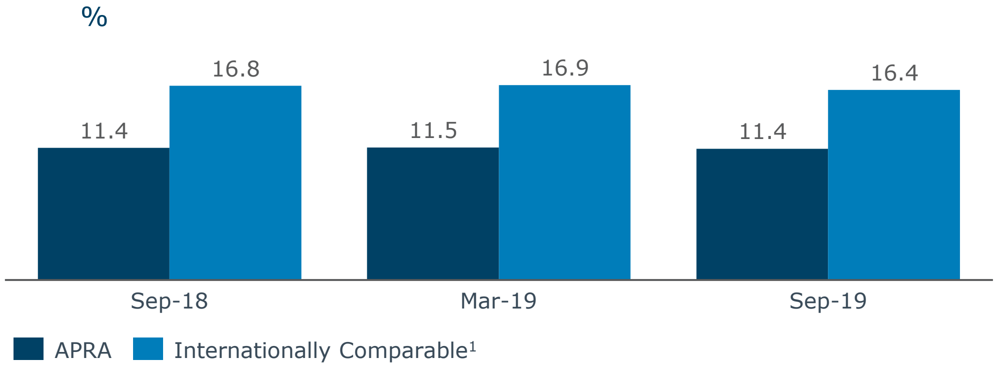
Capital Outlook – Regulatory Development

- RBNZ capital proposal – Potential impact of NZ$6b to NZ$8b for ANZ NZ (from Sep-18). Final impact depends on the outcome of the RBNZ consultation.
- APRA loss absorbing capacity (TLAC) – Total Capital requirements increased by 3% of RWA (~$12b in Tier 2 based on Sep-19 position) by January 2024.
- Revisions to treatment of equity investments in subsidiaries - in the absence of any offsetting management actions, this implies a reduction in ANZ's Level 1 CET1 capital ratio of up to approximately $2.5b (75bps). However, ANZ believes that this outcome is unlikely and, post implementation of management actions, the net capital impact could be minimal.
- Other ongoing APRA regulatory reviews potentially impacting the future capital position include: Revisions to capital framework (RWA), Unquestionably Strong capital calibration, and the Transparency, Comparability and Flexibility proposals.

APRA LEVEL 2 COMMON EQUITY TIER 1 (CET1)



LEVEL 2 BASEL III CET1



1. Internationally Comparable methodology aligns with APRA's information paper entitled International Capital Comparison Study (13 July 2015). Basel III Internationally Comparable ratios do not include an estimate of the Basel I capital floor 2. Based on APRA information paper "Strengthening banking system resilience – establishing unquestionably strong capital ratios" released in July 2017 3. Refer to ANZ Basel III APS330 Pillar 3 disclosures 4. Cash NPAT excludes 'Large/notable' items' and one-off items 5. Mainly comprises the movement in retained earnings in deconsolidated entities and capitalised software 6. Includes SA-CCR (-18bps); APRA Operational Risk overlay (-18bps); and RWA floors for NZ housing/farm exposures (-18bps) 7. Other impacts include movements in non-cash earnings and net foreign currency translation

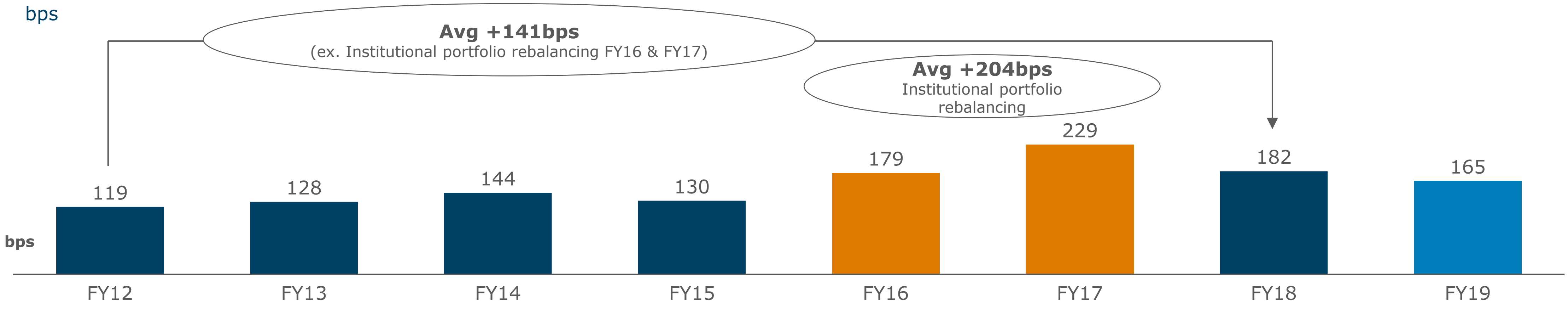
REGULATORY CAPITAL GENERATION

COMMON EQUITY TIER 1 GENERATION (bps)	2H averages 2H12-2H18	2H19	Full Year average FY12-FY18	FY19
Cash NPAT[1]	95	83	189	172
RWA movement	1	(10)	(13)	(7)
Capital Deductions[2]	(6)	2	(18)	-
Net capital generation	**90**	**75**	**158**	**165**
Gross dividend	(61)	(57)	(128)	(117)
Dividend Reinvestment Plan[3]	10	1	19	2
Core change in CET1 capital ratio	**39**	**19**	**49**	**50**
Other non-core and non-recurring items	(2)	(32)	7	(58)
Net change in CET1 capital ratio	**37**	**(13)**	**56**	**(8)**

Organic Capital Generation

- Net organic capital generation of +165bps for FY19 and +75bps for 2H19
- Excluding Institutional portfolio rebalancing period, FY19 net organic capital generation is stronger by +24bps

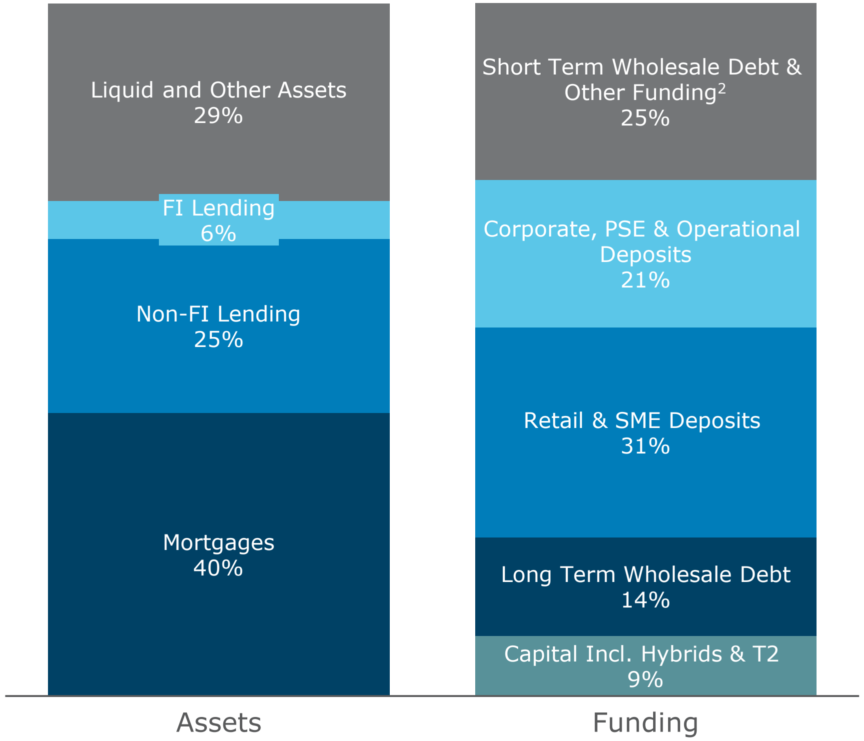
HISTORICAL NET ORGANIC CAPITAL GENERATION



1. Cash NPAT excludes 'large/notable items' & one off items (which are included as "other non-core and non-recurring items")
2. Represents movement in retained earnings in deconsolidated entities, capitalised software, expected losses in excess of eligible provisions shortfall and other intangibles
3. Includes Bonus Option Plan

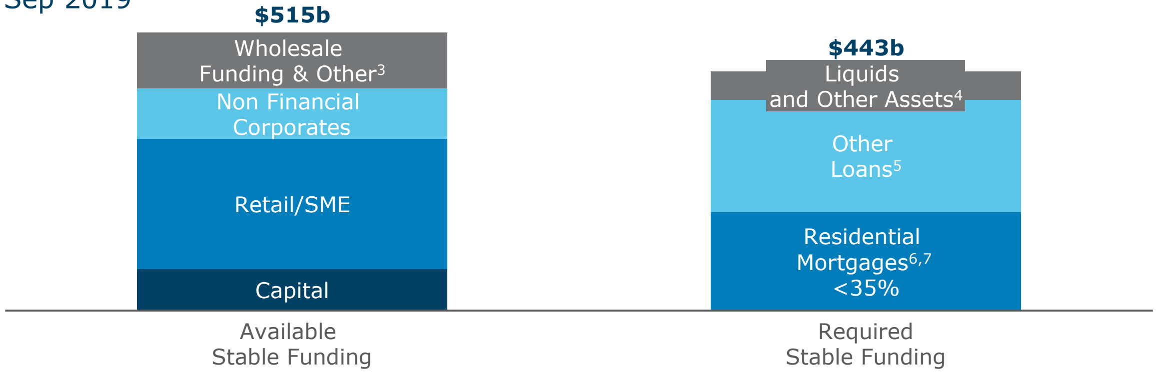
BALANCE SHEET STRUCTURE[1]

BALANCE SHEET COMPOSITION



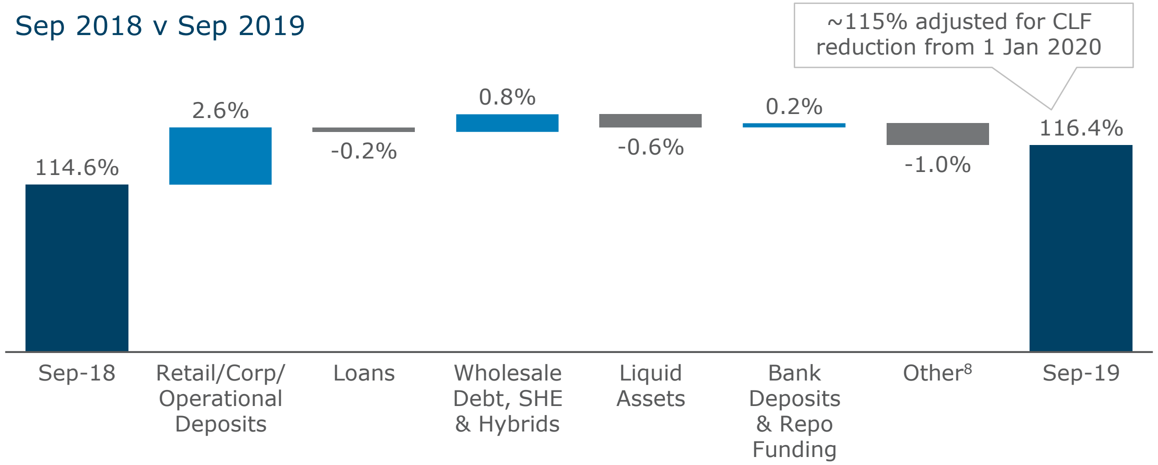
NSFR COMPOSITION

Sep 2019



NSFR MOVEMENT

Sep 2018 v Sep 2019

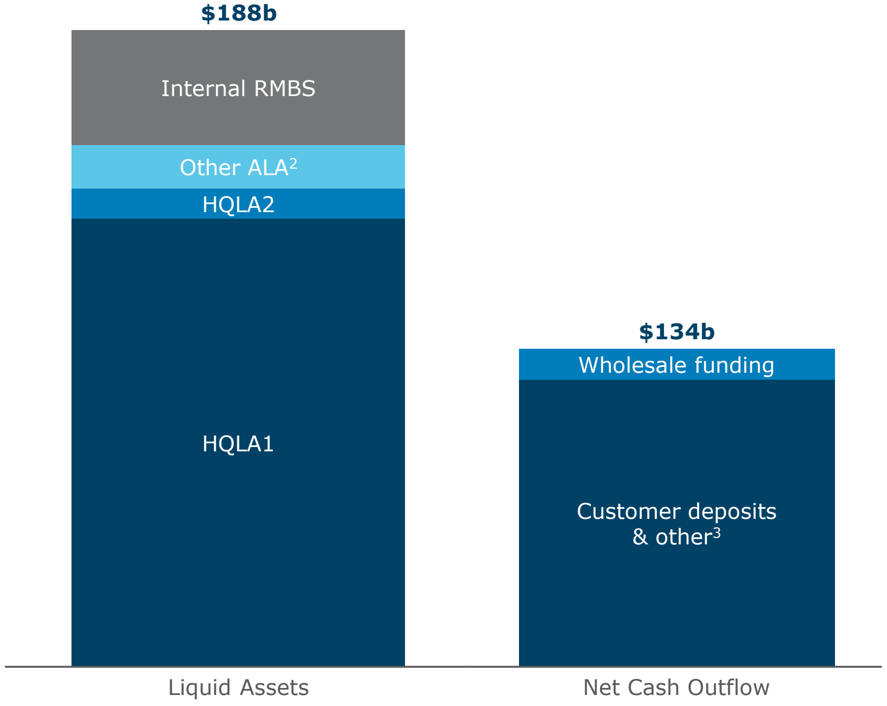


1. NSFR Required Stable Funding (RSF) and Available Stable Funding (ASF) categories and all figures shown are on a Level 2 basis per APRA prudential standard APS210 2. Includes FI/Bank deposits, Repo funding and other short dated liabilities 3. ‘Other’ includes Sovereign, and non-operational FI Deposits 4. ‘Other Assets’ include Off Balance Sheet, Derivatives, Fixed Assets and Other Assets 5. All lending >35% Risk weight 6. Includes NSFR impact of self-securitised assets backing the Committed Liquidity Facility (CLF) 7. <35% Risk weighting as per APS 112 Capital Adequacy: Standardised Approach to Credit Risk 8. Net of other ASF and other RSF

LIQUIDITY COVERAGE RATIO (LCR) SUMMARY[1]

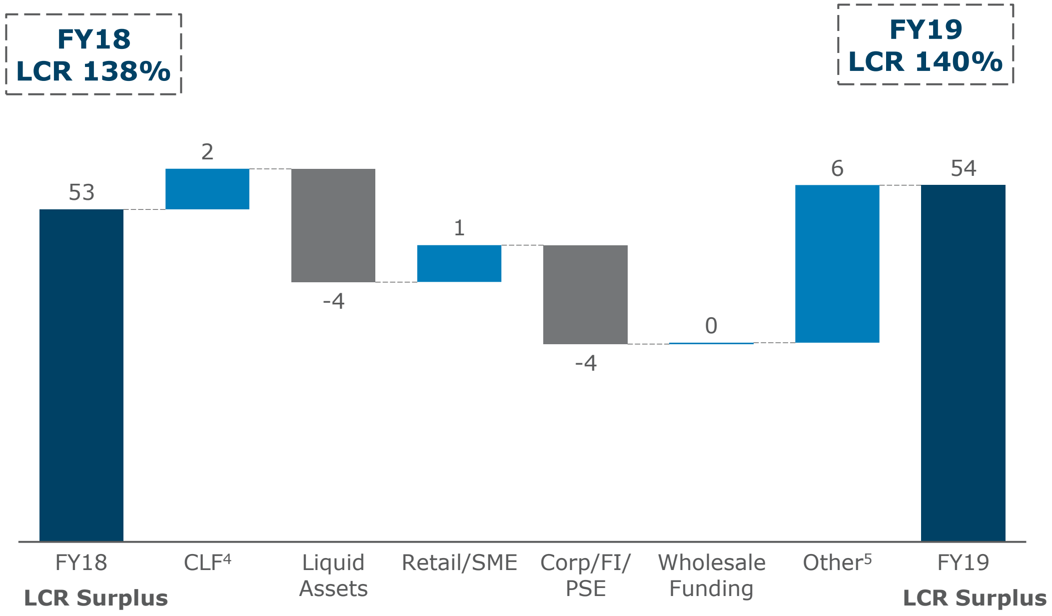
LCR COMPOSITION (AVERAGE)

FY19



MOVEMENT IN AVERAGE LCR SURPLUS ($b)

FY18 v FY19



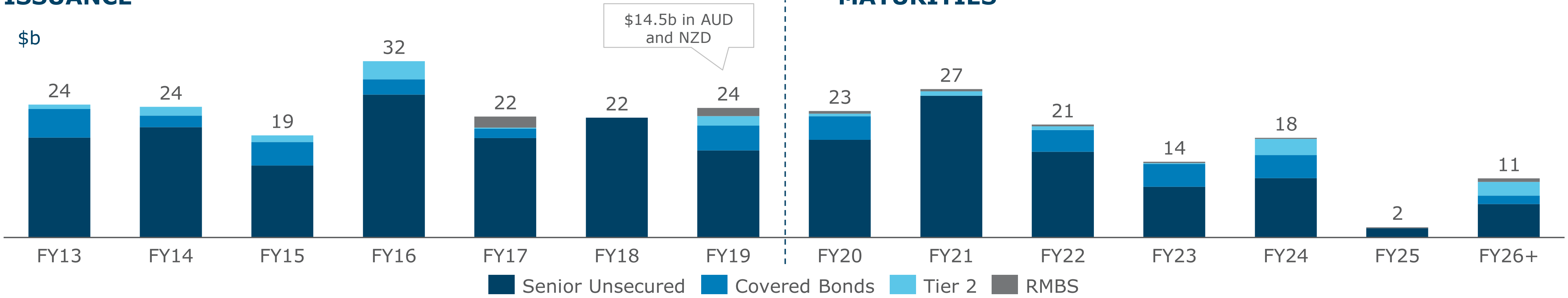
1. All figures shown on a Level 2 basis as per APRA Prudential Standard APS210 2. Comprised of assets qualifying as collateral for the Committed Liquidity Facility (CLF), excluding internal RMBS, up to approved facility limit; and any assets contained in the RBNZ's liquidity Policy – Annex: Liquidity Assets – Prudential Supervision Department Document BS13A 3. 'Other' includes off-balance sheet and cash inflows 4. RBA CLF increased by $1.1b from 1 January 2019 to $48.0b (2018: $46.9b, 2017: $43.8b) 5. 'Other' includes off-balance sheet and cash inflows

TERM WHOLESALE FUNDING PORTFOLIO[1]

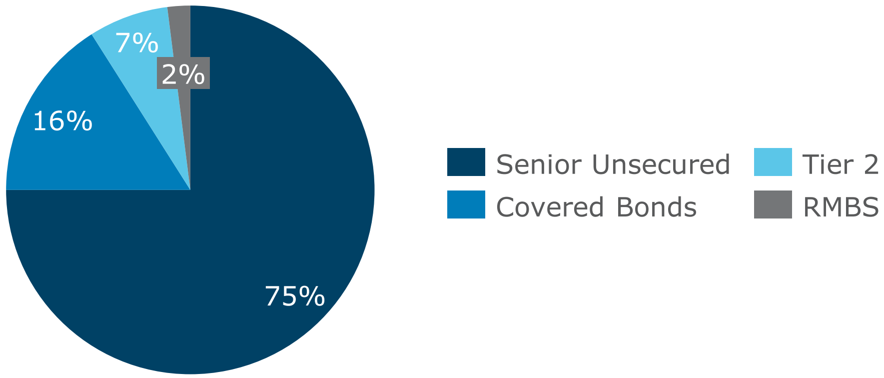
- ANZ's term funding requirements depend on market conditions, balance sheet needs and exchange rates, amongst other factors
- ANZ estimates an FY20 funding requirement broadly consistent with previous years at ~$25b

ISSUANCE

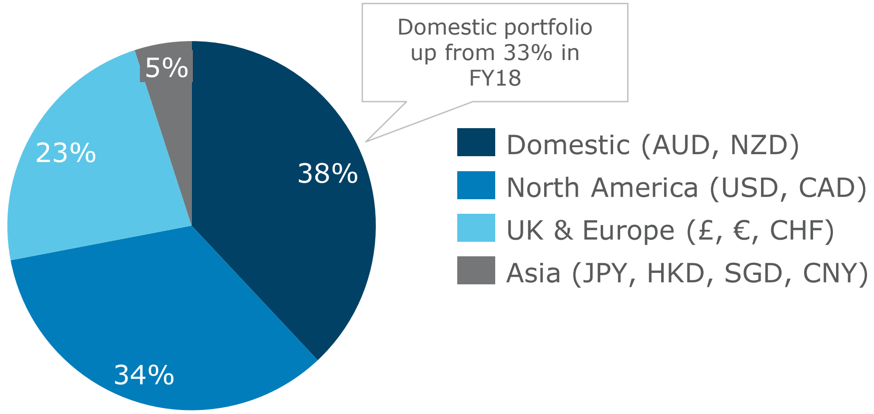
MATURITIES



PORTFOLIO



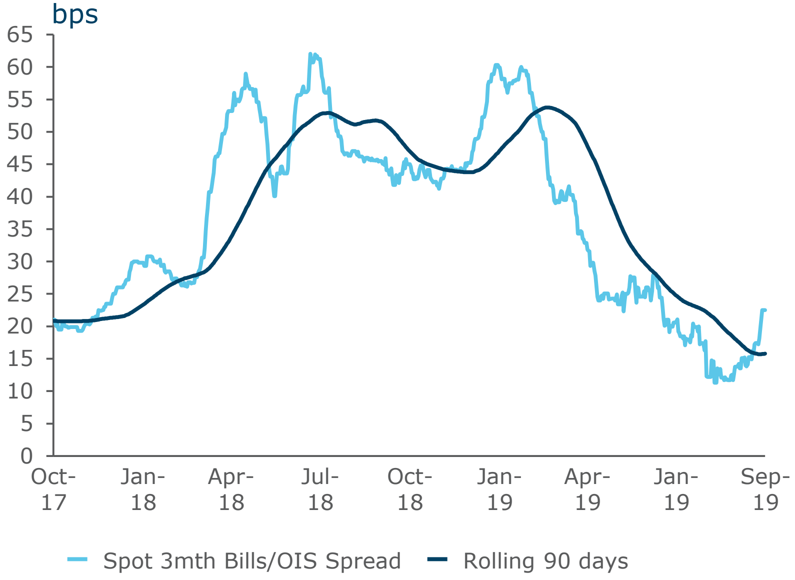
PORTFOLIO BY CURRENCY



1. All figures based on historical FX and exclude AT1. Includes transactions with an original call or maturity date greater than 12 months as at the respective reporting date. Tier 2 maturity profile is based on the next callable date

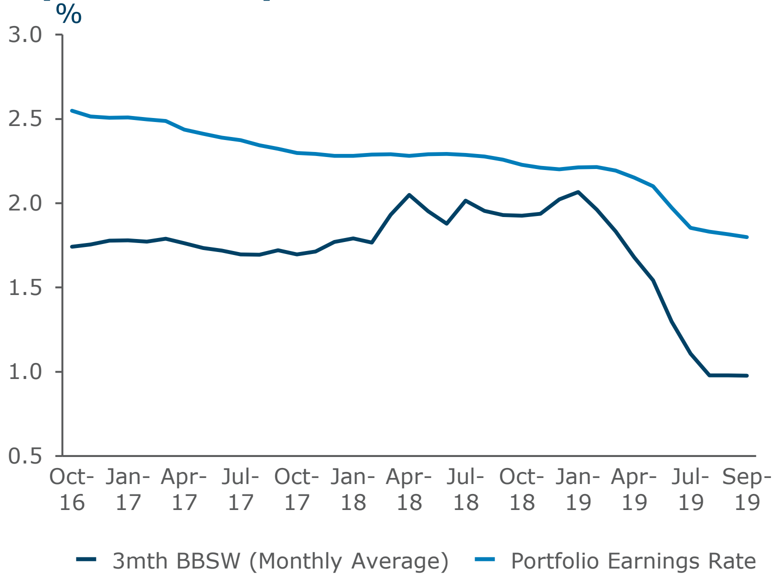
IMPACTS OF RATE MOVEMENTS

BILLS/OIS SPREAD



FY18 Ave[1]: 36.3bps	
1H18 Ave: 24.4bps	2H18 Ave: 48.1bps
FY19 Ave[1]: 37.5bps	
1H19 Ave: 48.0bps	2H19 Ave: 27.0bps

CAPITAL & REPLICATING DEPOSITS PORTFOLIO (AUSTRALIA)



FY18 Ave: 2.29%	
1H18 Ave: 2.29%	2H18 Ave: 2.28%
FY19 YTD Ave: 2.08%	
1H19 Ave: 2.21%	2H19 Ave: 1.95%

CAPITAL[2] & REPLICATING DEPOSITS PORTFOLIO

	AUST	NZ	APEA
Volume ($A)	~60bn	~20bn	~10bn
Target Duration	Rolling 3 to 5 years		Various
Proportion Hedged	~70%	~75%	Various

1. 90 day rolling average of spot 3mth Bills/OIS spread
2. Includes other Non-Interest Bearing Assets & Liabilities

CAPITAL FRAMEWORK

CURRENT REGULATORY PROPOSALS AND RECENT FINALISATION[1]

<table>
<tr><th></th><th>1H19</th><th>2H19</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th></tr>
<tr><td>RBNZ capital framework</td><td>Consultation</td><td>Finalise[2]</td><td colspan="4">Transition</td><td>Implementation</td></tr>
<tr><td>Counterparty Credit Risk[3]</td><td></td><td>Implementation</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Leverage ratio</td><td colspan="2">Consultation</td><td>Finalise</td><td></td><td>Implementation</td><td></td><td></td></tr>
<tr><td>Advanced approach to credit risk</td><td></td><td colspan="2">Consultation</td><td></td><td>Implementation</td><td></td><td></td></tr>
<tr><td>Standardised approach to credit risk</td><td colspan="2">Consultation</td><td>Finalise</td><td></td><td>Implementation</td><td></td><td></td></tr>
<tr><td>Operational risk</td><td colspan="2">Consultation</td><td>Finalise</td><td>Implementation</td><td></td><td></td><td></td></tr>
<tr><td>Interest rate risk in the banking book</td><td></td><td colspan="2">Consultation</td><td></td><td>Implementation</td><td></td><td></td></tr>
<tr><td>Loss absorbing capacity (LAC)[4]</td><td>Consultation</td><td>Finalise</td><td colspan="4">Transition</td><td>Implementation</td></tr>
<tr><td>Related party exposures</td><td>Consultation</td><td>Finalise</td><td></td><td>Implementation</td><td></td><td></td><td></td></tr>
<tr><td>Capital treatment for Investments in subsidiaries (Level 1)</td><td></td><td></td><td>Consultation</td><td>Implementation</td><td></td><td></td><td></td></tr>
</table>

1. Timeline is based on APRA's 2019 Policy Agenda (published February 2019) 2. RBNZ is expected to finalise reforms towards the end of 2019 calendar year 3. Implementation 1 July 2019
4. Only in relation to the 3% of RWA increase in Total Capital requirements announced in July 2019

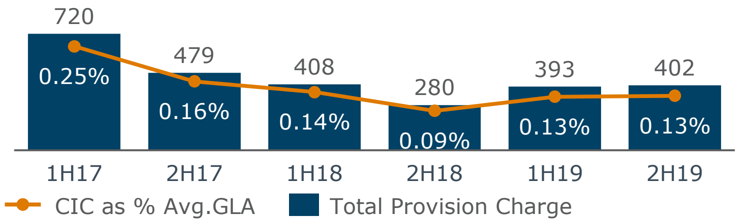
2019 FULL YEAR RESULTS

INVESTOR DISCUSSION PACK
RISK MANAGEMENT

KEY RISK METRICS

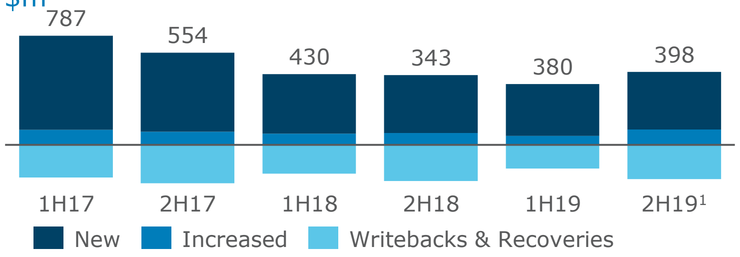
CREDIT IMPAIRMENT CHARGE

$m



INDIVIDUAL PROVISION (IP) CHARGE

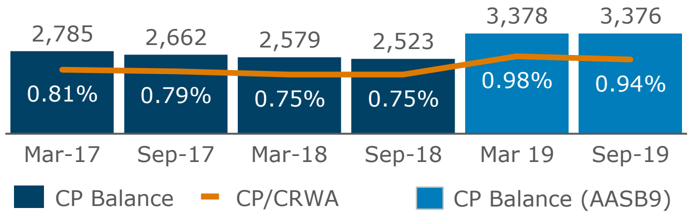
$m



COLLECTIVE PROVISION (CP) BALANCE & COVERAGE

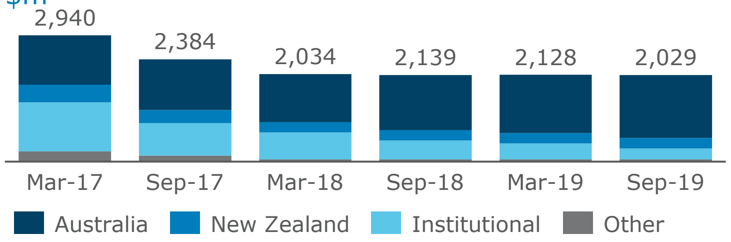
$m

Sep-19 CP/CRWA impacted -3bps by increase in CRWA's from regulatory & methodology changes (incl. SA-CCR)



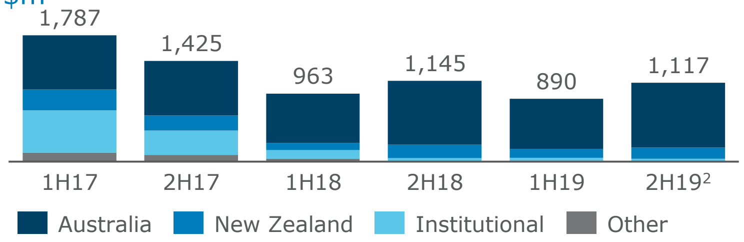
GROSS IMPAIRED ASSETS

$m



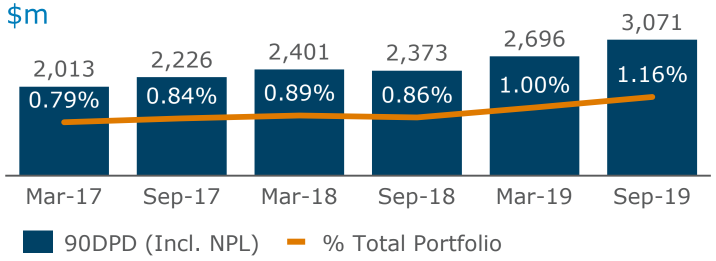
NEW IMPAIRED ASSETS

$m



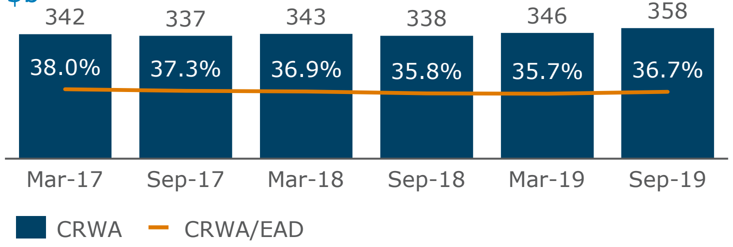
AUSTRALIA MORTGAGES 90DPD (INCL NPL)

$m



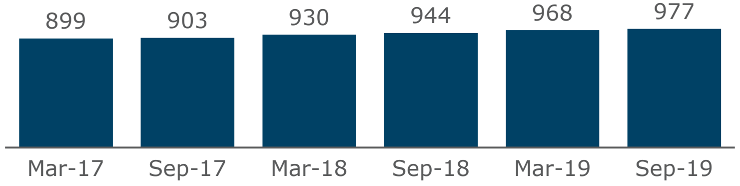
CREDIT RWA

$b



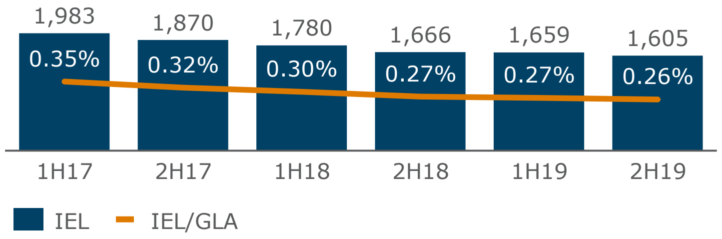
EXPOSURE AT DEFAULT (EAD)

$b



INTERNAL EXPECTED LOSS (IEL)

$m

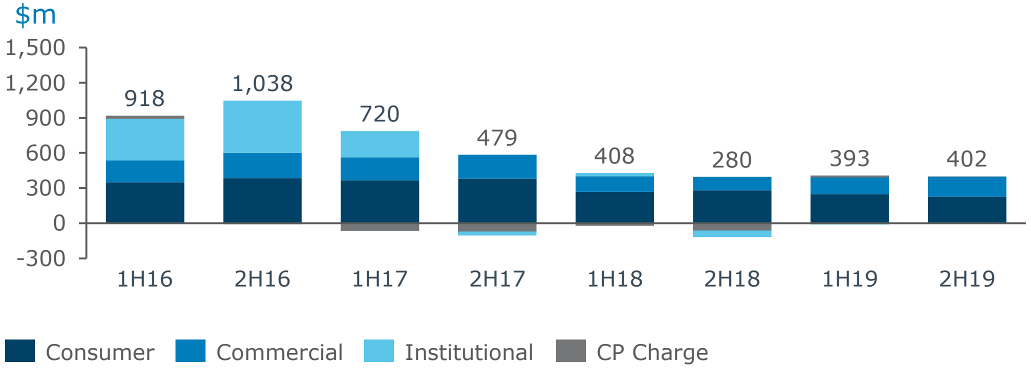


1. Increase to New and Increased Individual Provisions and Writebacks & Recoveries compared to prior half is largely related to the home loan portfolio in Australia Retail and Commercial following the implementation of a more market responsive collateral valuation methodology
2. New Impaired Assets in 2H19 includes a $167m uplift on 1H19 in Australia home loans following the implementation of revised provisioning and impairment processes (including a more market responsive collateral valuation methodology)

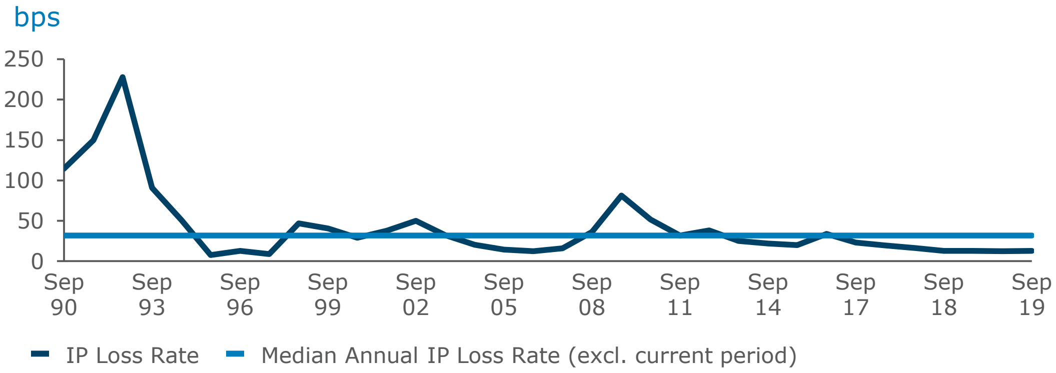
RISK MANAGEMENT

PROVISIONS

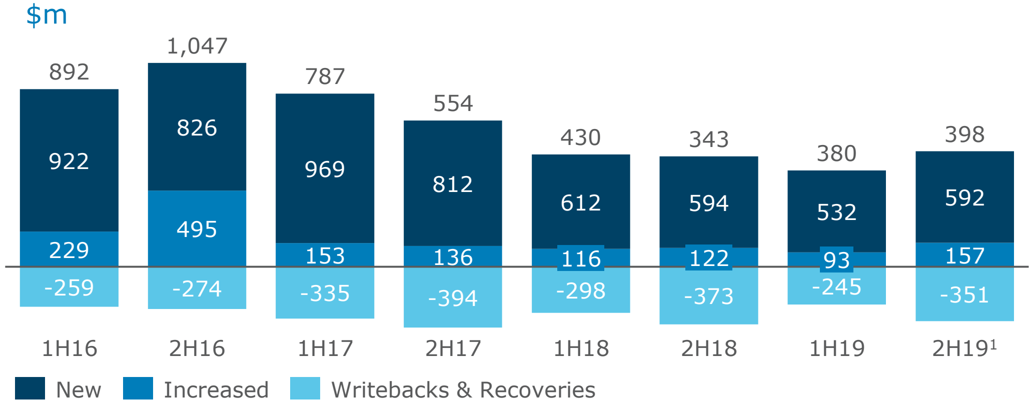
CREDIT IMPAIRMENT CHARGE



ANZ HISTORICAL LOSS RATES



INDIVIDUAL PROVISION CHARGE



LONG RUN LOSS RATE (INTERNAL EXPECTED LOSS)

%

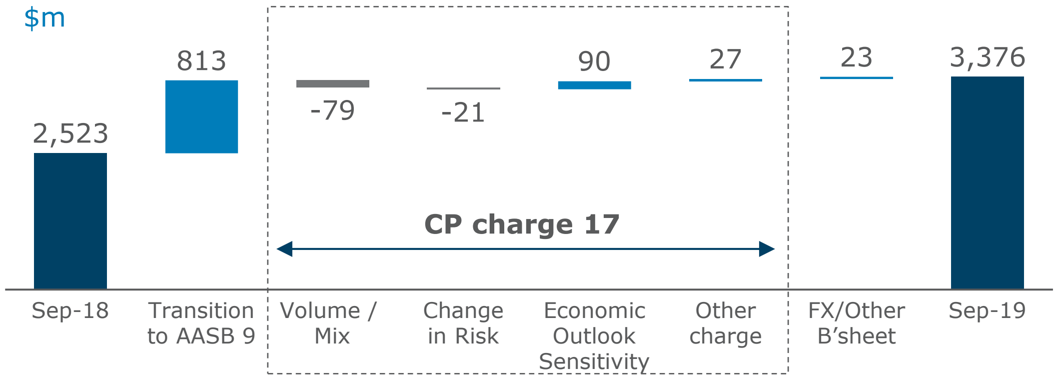
Division	Mar-16	Sep-16	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19	Sep-19
Australia	0.35	0.33	0.33	0.33	0.31	0.29	0.29	0.29
New Zealand	0.25	0.26	0.26	0.22	0.21	0.19	0.19	0.18
Institutional	0.37	0.36	0.35	0.30	0.32	0.27	0.27	0.25
Other	1.47	1.79	1.60	1.69	1.95	1.78	1.60	1.40
Subtotal	**0.34**	**0.33**	**0.33**	**0.30**	**0.30**	**0.27**	**0.27**	**0.26**
Asia Retail	1.50	1.51	1.51	2.75	0	0	0	0
Total	**0.37**	**0.35**	**0.35**	**0.32**	**0.30**	**0.27**	**0.27**	**0.26**

IP: Individual Provision charge; CP: Collective Provision charge; CIC: Total Credit Impairment charge

1. Increase to New and Increased Individual Provisions and Writebacks & Recoveries compared to prior half is largely related to the home loan portfolio in Australia Retail and Commercial following the implementation of a more market responsive collateral valuation methodology

COLLECTIVE PROVISION

COLLECTIVE PROVISION BALANCE

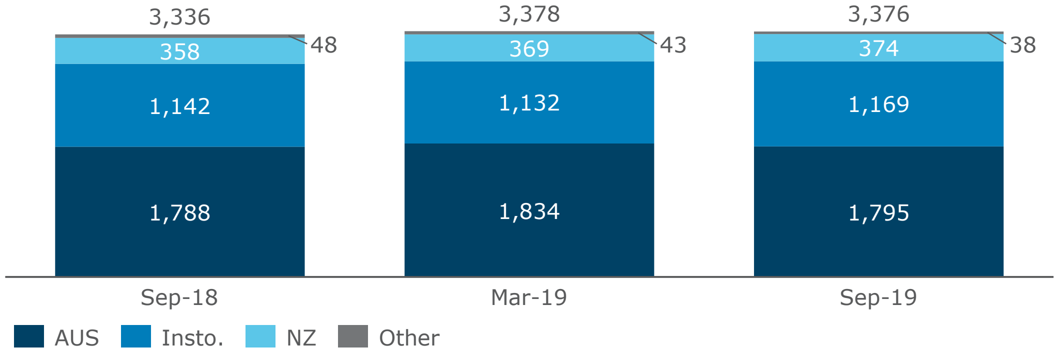


COLLECTIVE PROVISION CHARGE[1]

AASB9			
$m	1H19	2H19	FY19
CP charge	**13**	**4**	**17**
Volume/Mix	-28	-51	-79
Change in Risk	-40	19	-21
Economic outlook sensitivity	73	17	90
Other	8	19	27

COLLECTIVE PROVISION BALANCE

BY DIVISION ($m) AASB9



PROVISION BALANCE/COVERAGE RATIO

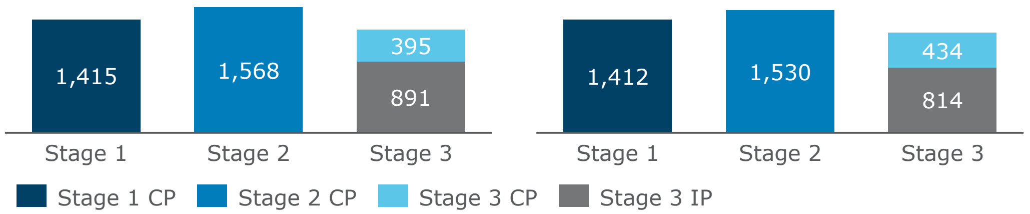
BY STAGES ($m) AASB9

31 Mar-19

Coverage ratio by stage[2]		
1	2	3
0.19%	3.31%	20.76%

30 Sep-19

Coverage ratio by stage[2]		
1	2	3
0.17%	2.40%	18.03%

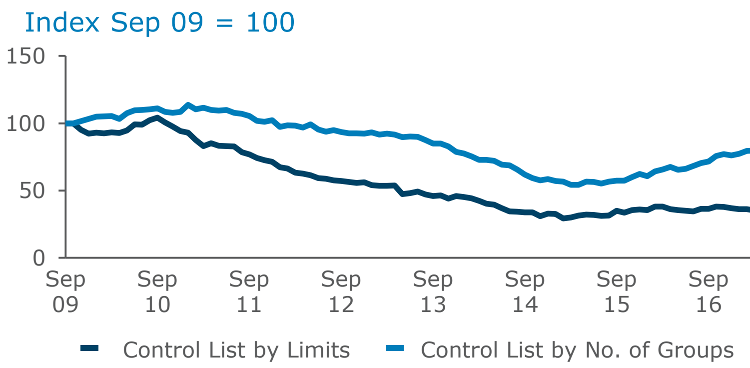


1. Change in methodology introduced in 2H19 to measure components of CP charge
2. Coverage ratio calculated as Provision Balance to Gross Loans & Advances for on-balance sheet exposures. Reduction in 2H19 stage 2 coverage ratio is a result of (a) Denominator effect: increased stage 2 GLA in Australian home loans due to implementation of a revised provisioning model plus higher delinquency levels, and (b) Numerator effect: stable stage 2 ECL with the home loan ECL increase offset by decreases for other Australian portfolios and Institutional

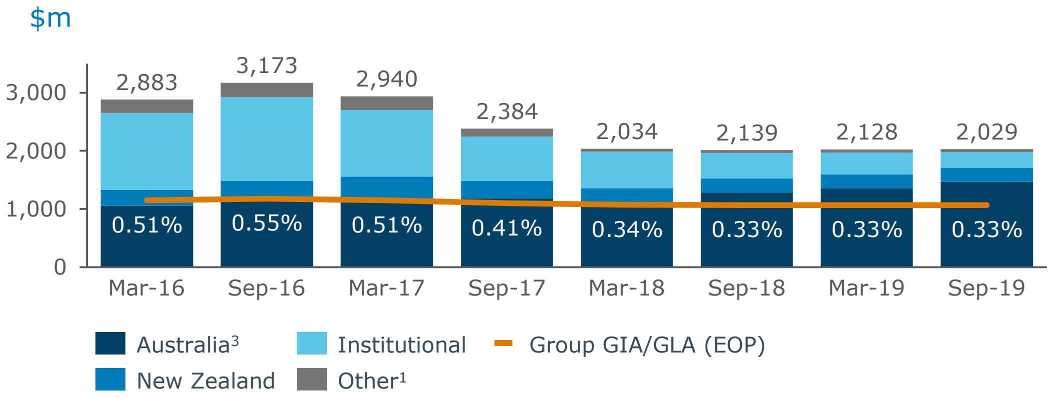
RISK MANAGEMENT

IMPAIRED ASSETS

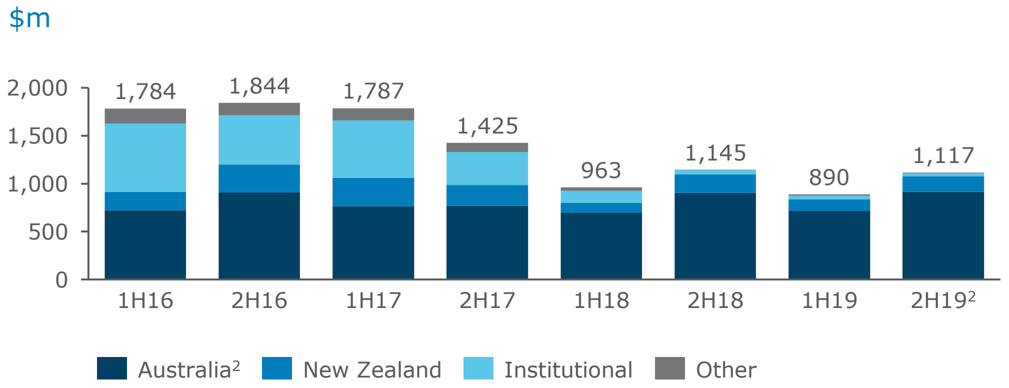
CONTROL LIST



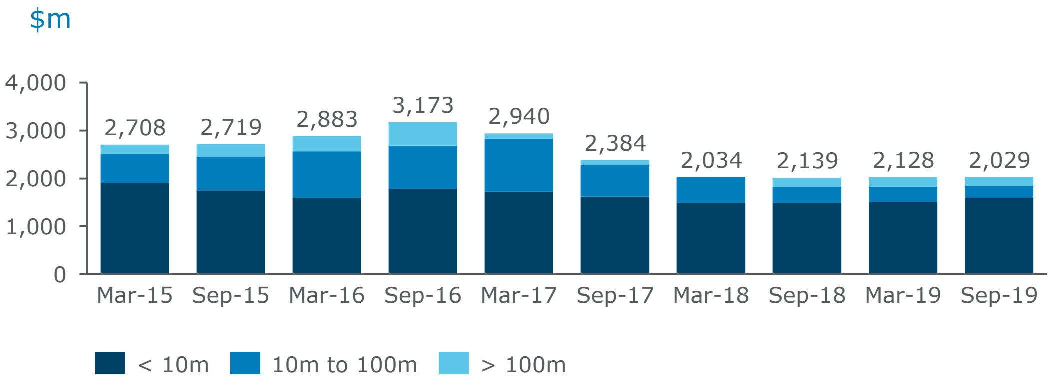
GROSS IMPAIRED ASSETS BY DIVISION



NEW IMPAIRED ASSETS BY DIVISION



GROSS IMPAIRED ASSETS BY EXPOSURE SIZE[3]

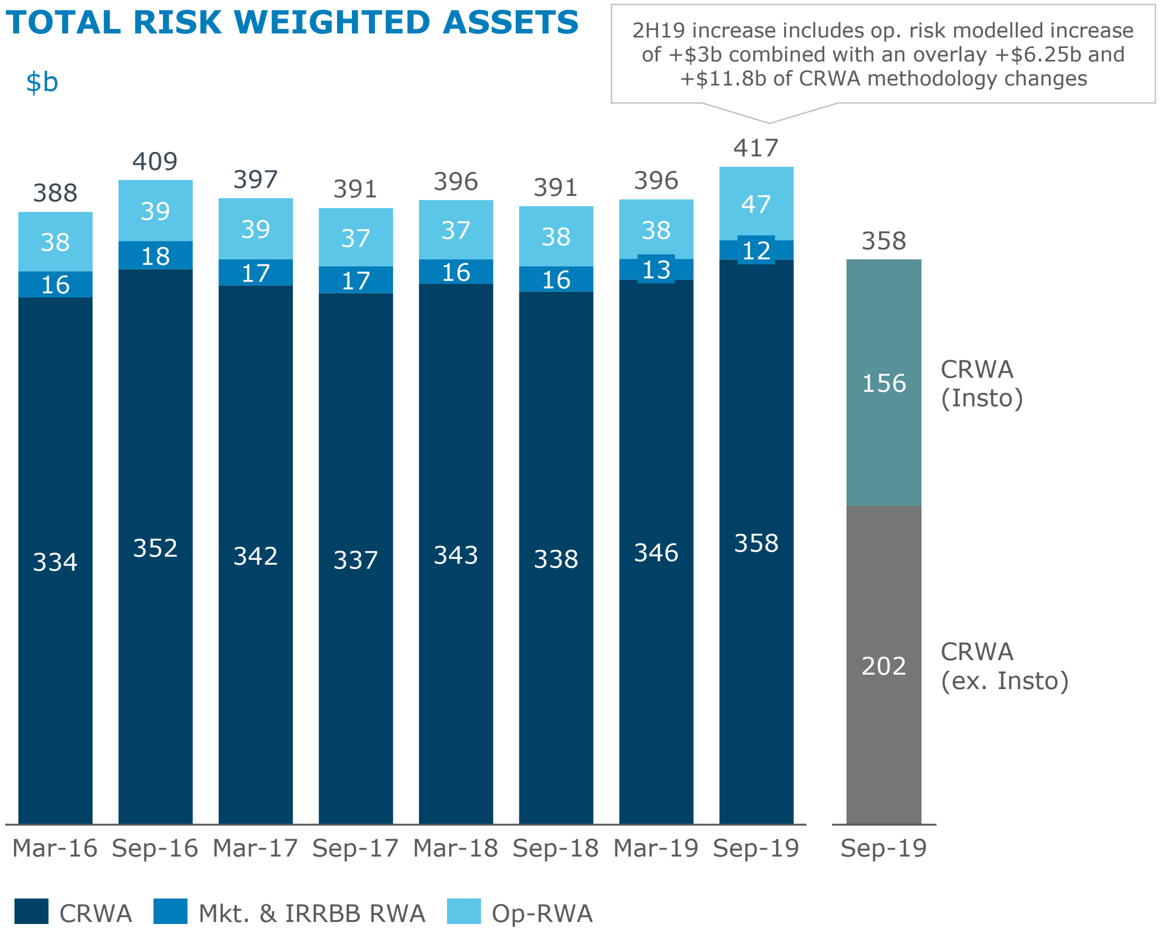


1. Other includes Retail Asia & Pacific and Australian Wealth
2. New Impaired Assets in 2H19 includes a $167m uplift on 1H19 in Australia home loans following the implementation of revised provisioning and impairment processes (including a more market responsive collateral valuation methodology)
3. The increase referred to in footnote 2 has been largely offset in Gross Impaired Assets by the return of previously impaired home loans to a past due but not impaired status

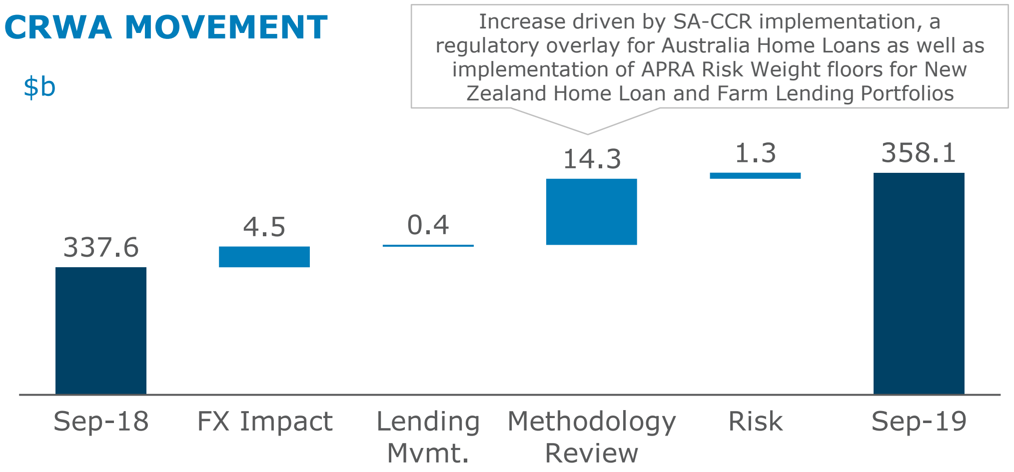
RISK MANAGEMENT

RISK WEIGHTED ASSETS

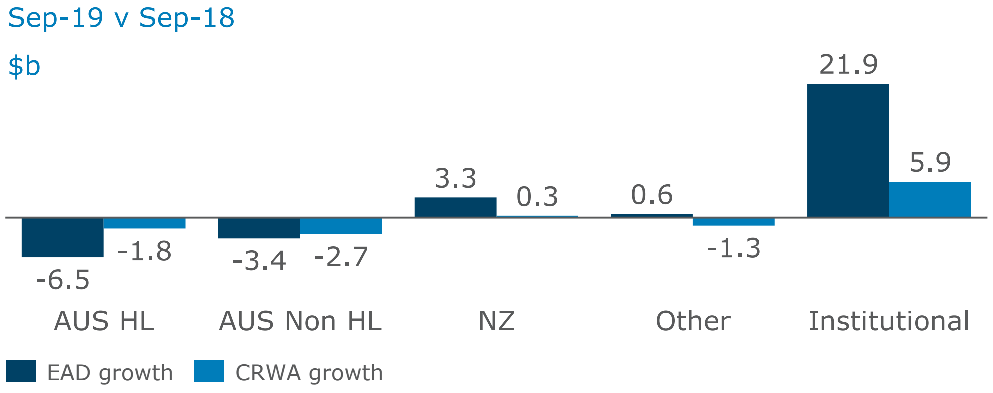
TOTAL RISK WEIGHTED ASSETS



CRWA MOVEMENT



GROUP EAD & CRWA GROWTH MOVEMENT[1,2]



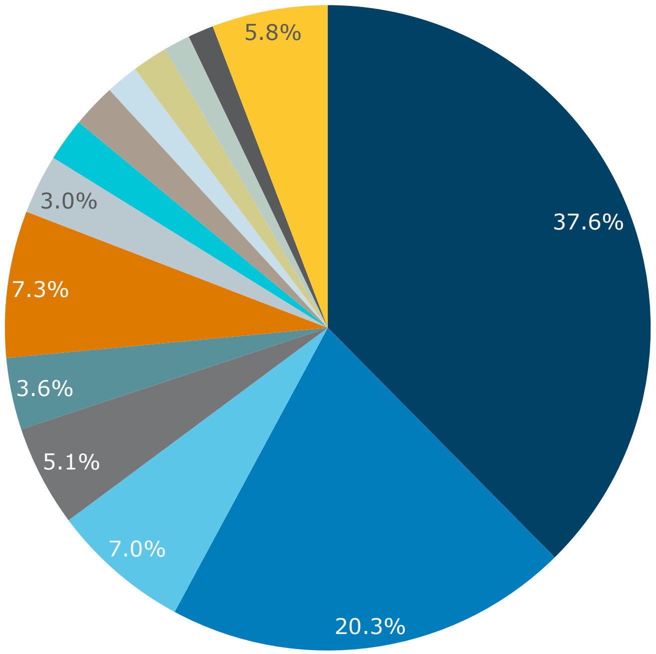
1. Post CRM EAD, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. Excludes amounts for 'Securitisation' and 'Other Assets' Basel asset classes
2. Refers to FX adjusted lending movement, excluding Methodology Review and Risk

RISK MANAGEMENT

PORTFOLIO COMPOSITION

EXPOSURE AT DEFAULT (EAD) DISTRIBUTION

TOTAL GROUP EAD (Sep-19) = $977b[1]



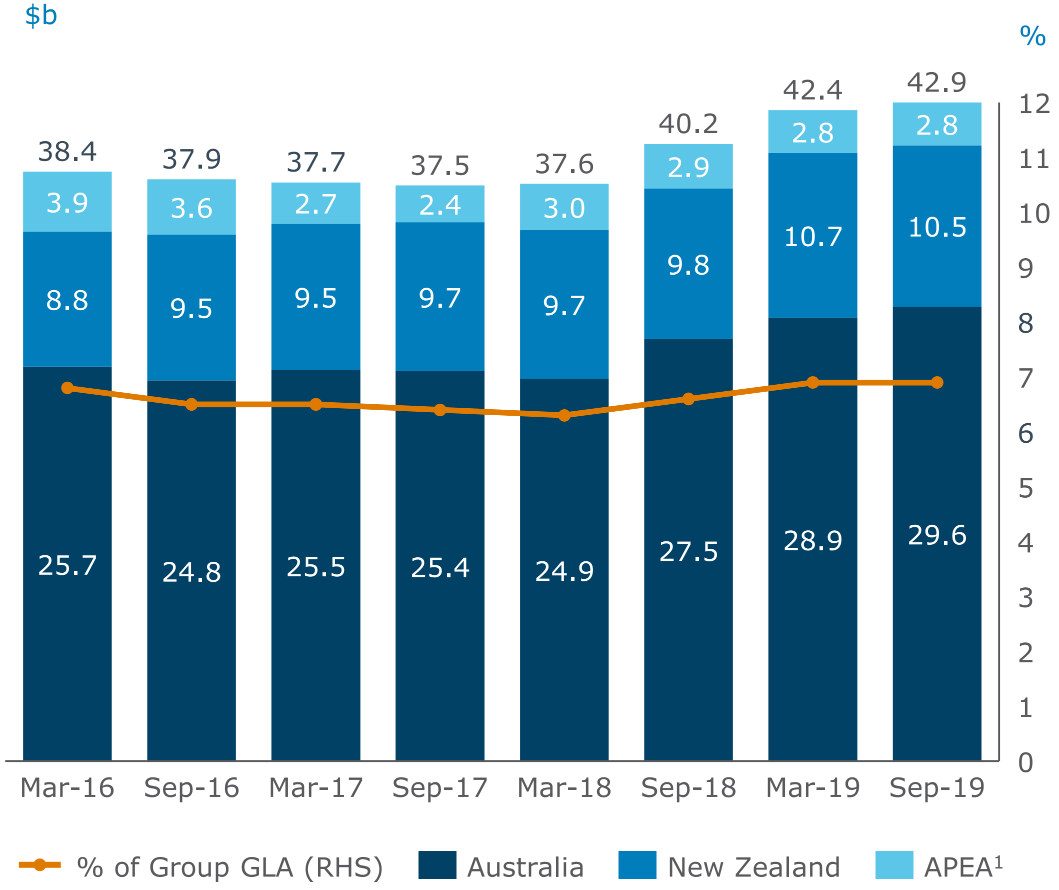
Category	% of Group EAD			% of Portfolio in Non Performing			Portfolio Balance in Non Performing
	Sep-18	Mar-19	Sep-19	Sep-18	Mar-19	Sep-19	Sep-19
Consumer Lending	39.7%	38.8%	37.6%	0.2%	0.2%	0.1%	$549m
Finance, Investment & Insurance	19.6%	20.2%	20.3%	0.0%	0.1%	0.0%	$73m
Property Services	6.8%	7.0%	7.0%	0.3%	0.3%	0.2%	$158m
Manufacturing	4.6%	4.7%	5.1%	0.4%	0.3%	0.3%	$138m
Agriculture, Forestry, Fishing	3.7%	3.7%	3.6%	1.1%	1.1%	1.1%	$373m
Government & Official Institutions	6.9%	6.8%	7.3%	0.0%	0.0%	0.0%	$0m
Wholesale trade	3.0%	3.0%	3.0%	0.3%	0.3%	0.3%	$78m
Retail Trade	2.2%	2.2%	2.2%	0.9%	0.7%	0.7%	$157m
Transport & Storage	2.0%	2.1%	2.2%	0.2%	0.2%	0.3%	$75m
Business Services	1.6%	1.6%	1.6%	0.9%	1.0%	1.0%	$166m
Resources (Mining)	1.6%	1.6%	1.8%	0.3%	0.3%	0.2%	$40m
Electricity, Gas & Water Supply	1.2%	1.2%	1.3%	0.1%	0.1%	0.1%	$17m
Construction	1.4%	1.3%	1.3%	1.7%	1.8%	1.7%	$218m
Other	5.7%	5.7%	5.8%	0.4%	0.4%	0.4%	$224m
Total	100%	100%	100%				$2,267m
Total Group EAD[1]	**$944b**	**$968b**	**$977b**				

1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral

RISK MANAGEMENT

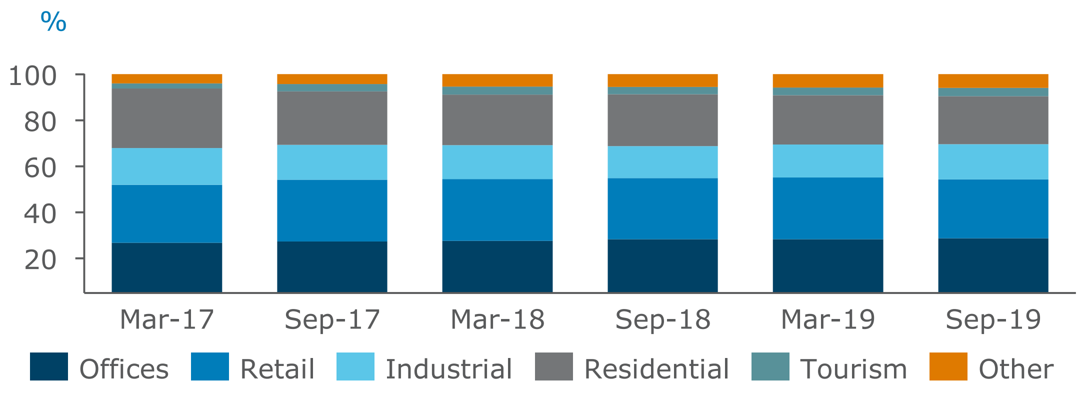
COMMERCIAL PROPERTY PORTFOLIO

COMMERCIAL PROPERTY OUTSTANDINGS BY REGION



1. APEA = Asia Pacific, Europe & America

COMMERCIAL PROPERTY OUSTANDINGS BY SECTOR



PROPERTY PORTFOLIO MANAGEMENT

- Australian exposure increased by 2% HOH driven by higher lending to Funds and REITs in the Industrial sector partly offset by a decline in Residential lending given the slowdown in the residential property market. Retail exposure declined over the half and the Retail portfolio continues to be closely monitored owing to the weak operating environment
- Slight decline in New Zealand exposure was driven by exchange rate movements and some significant repayments occurring during 2H FY19
- APEA exposure remained stable for 2H19 with the portfolio concentrated on large well rated names in Singapore and Hong Kong. The Hong Kong Property market has seen a 1% index decline given current unrest. Market consensus estimates a decline as high of 10-20% if the protests continue through the year. The Hong Kong property portfolio remains subject to close monitoring of internal and external metrics

RESIDENTIAL DEVELOPMENT

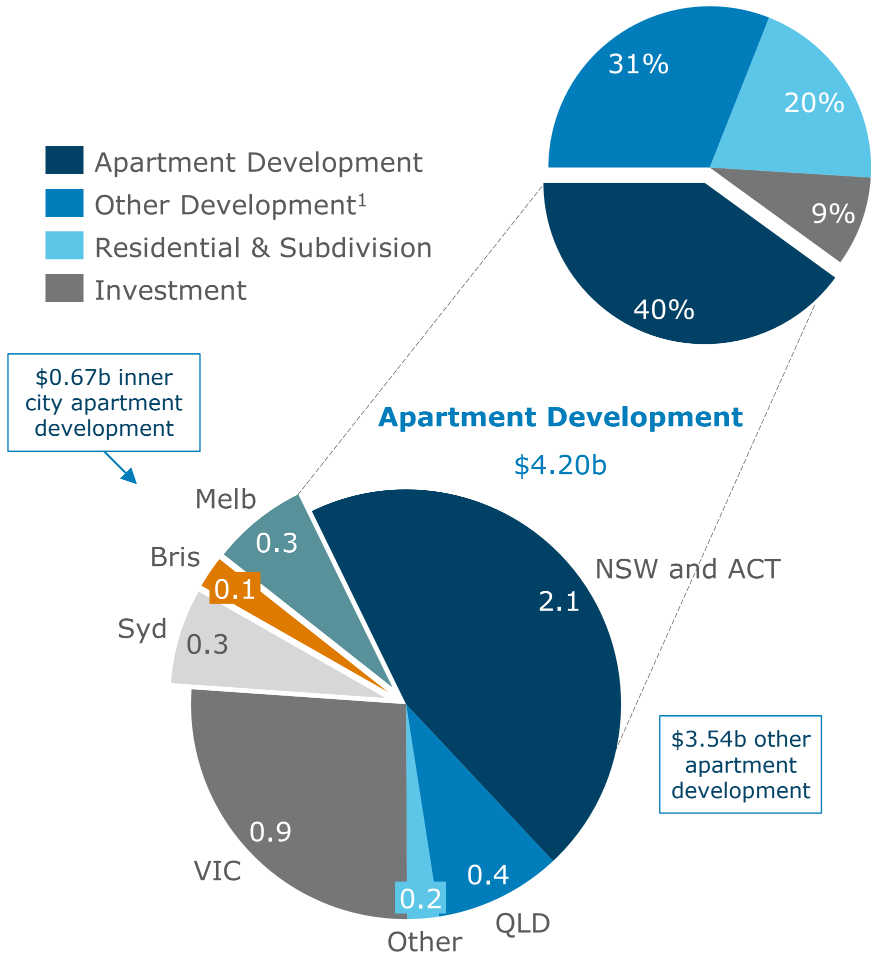
OVERVIEW

- Average qualifying pre-sales for Inner City Apartment Development loans and corresponding LVRs were 101% and 52%, respectively as at Sep 19 (as compared to presales of 101% and LVR of 49% in Mar 19). These loans remain subject to tight parameters around LVR, presale debt cover and quantum of foreign purchaser presales. Overall appetite for Apartment Development has remained unchanged over the last half. The quality and experience of developers and builders remains a key selection criterion.
- Outside of Inner City locations, development exposures are predominantly in the suburbs of the capital cities of the above listed states.
- Residential Development projects continue to be closely monitored with level of oversight driven by progress of the project vs. plan, industry trends and emerging risks.

	Sep-18 ($b)	Sep-19 ($b)
Total Exposure	10.28	10.60
Apartments (>3 levels)	3.97	4.20
Inner City	0.56	0.70

PROFILE (SEP-19)

Total Residential Limits: **$10.6b**



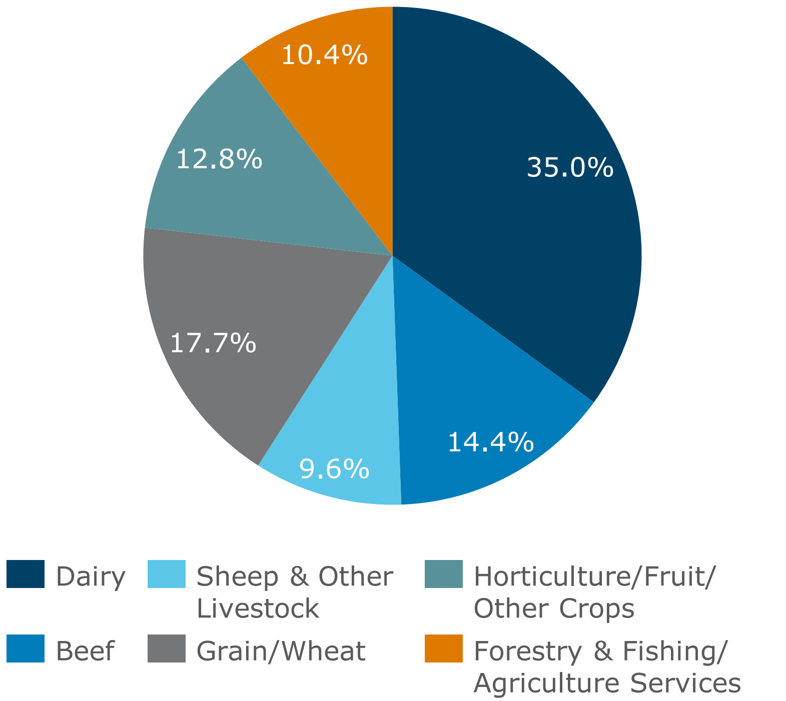
1. Other Development primarily comprises Low Rise & Prestige Residential and Multi Project Development

RISK MANAGEMENT

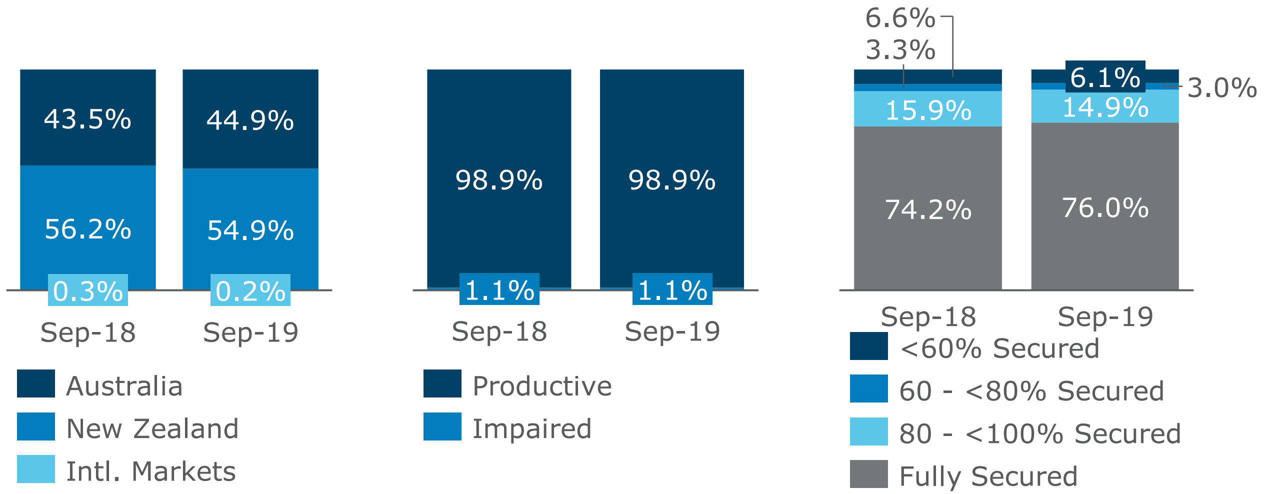
GROUP AGRICULTURE PORTFOLIO

AGRICULTURE EXPOSURE BY SECTOR (% EAD)

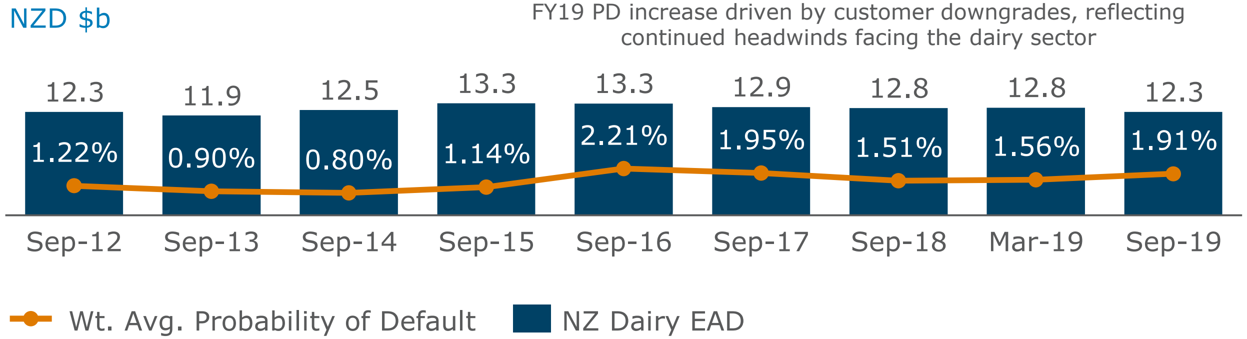
Total EAD (Sep-19)	As a % of Group EAD
A$35.2b	3.6%



GROUP AGRICULTURE EAD SPLITS[1]



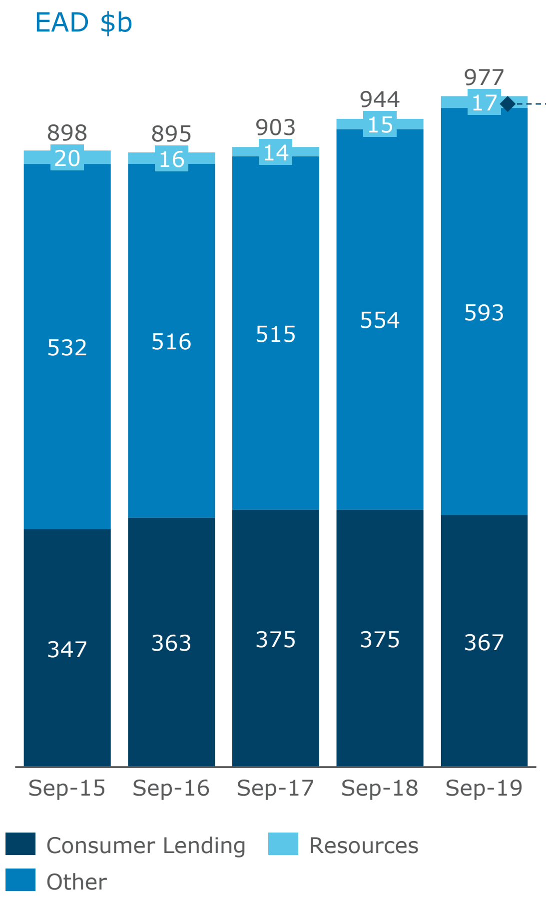
NEW ZEALAND[2] DAIRY CREDIT QUALITY



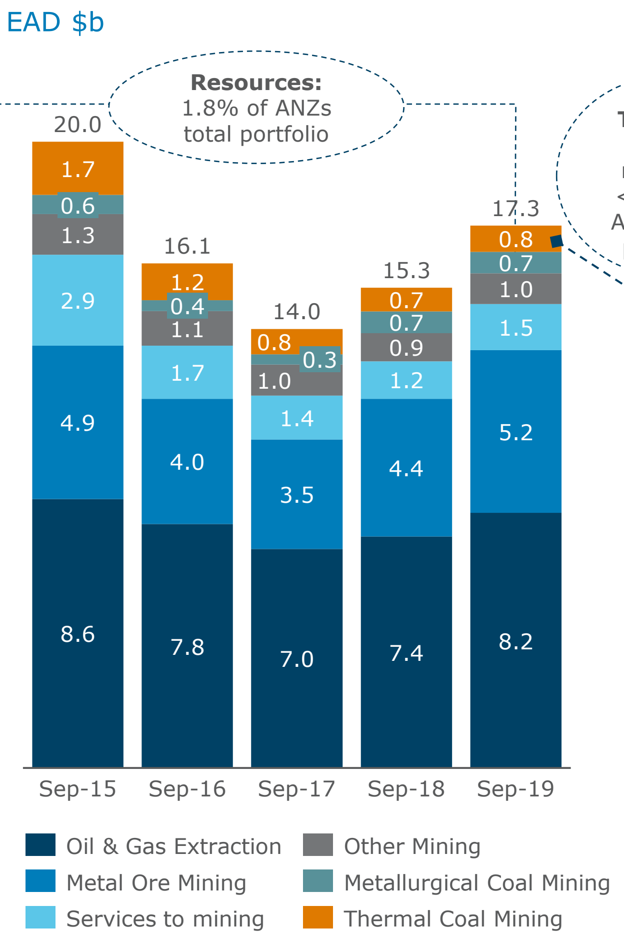
1. Security indicator is based on ANZ extended security valuations
2. Dairy exposures for all of ANZ New Zealand (includes Commercial and Agriculture, Institutional and Business Banking portfolios)

GROUP RESOURCES PORTFOLIO

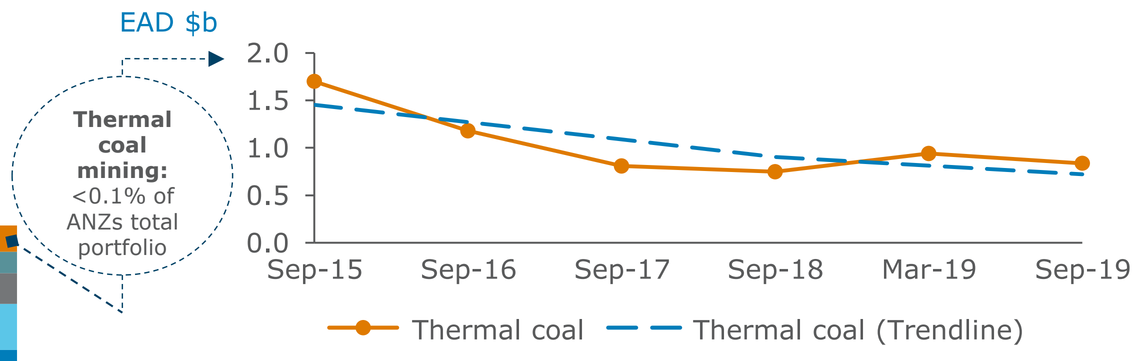
TOTAL ANZ PORTFOLIO



RESOURCES PORTFOLIO



THERMAL COAL EXPOSURE



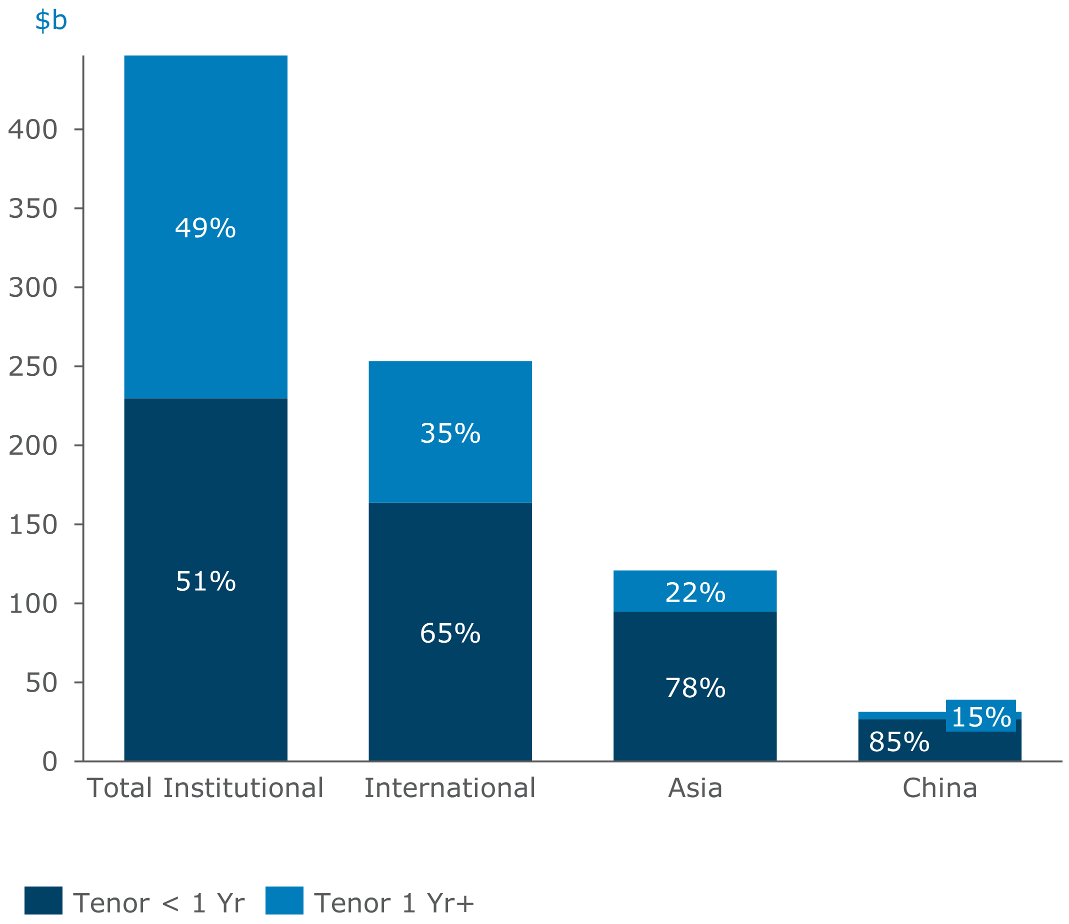
RESOURCES PORTFOLIO MANAGEMENT

- Portfolio is skewed towards well capitalised and lower cost resource producers.
- 32% of the book is less than one year duration.
- Investment grade exposures represent 79% of the portfolio vs. 68% at Sep 18.
- Increase in total coal mining exposure in FY19 primarily reflects mergers and acquisitions activity related to existing mines in 1H19, ie predominantly metallurgical coal assets sold by diversified miners to existing customers along with foreign currency exchange movements. Financing is mainly used to support continuing operations, and not mine expansions.
- Thermal coal exposure is currently $838m. We expect our thermal coal exposure to decline over time, as it has since 2015 (reducing by 50% between FY15-FY19). Decreased exposure in 2H19 compared to 1H19 reflects ongoing portfolio management and application of ANZ policies. Our exposures to thermal coal are primarily concentrated in a small number of Australian-based miners.
- Exposure to metallurgical coal mining (used for steel making) is currently $686m.

RISK MANAGEMENT

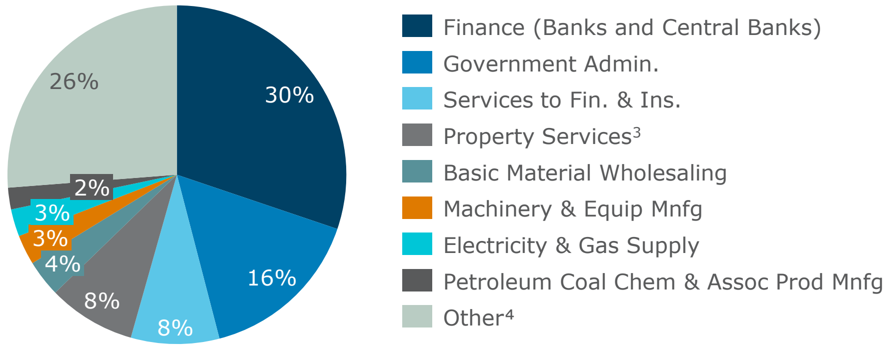
ANZ INSTITUTIONAL PORTFOLIO (COUNTRY OF INCORPORATION[1])

INSTITUTIONAL PORTFOLIO SIZE & TENOR (EAD[2])



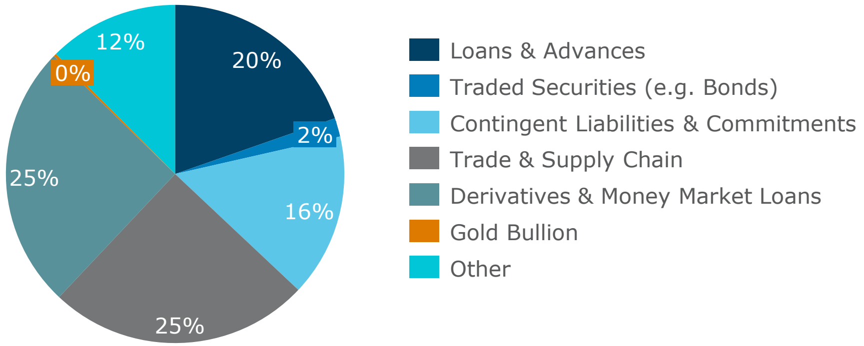
ANZ INSTITUTIONAL INDUSTRY COMPOSITION

EAD (Sep-19): A$447b[2]



ANZ INSTITUTIONAL PRODUCT COMPOSITION

EAD (Sep-19) A$447b[2]



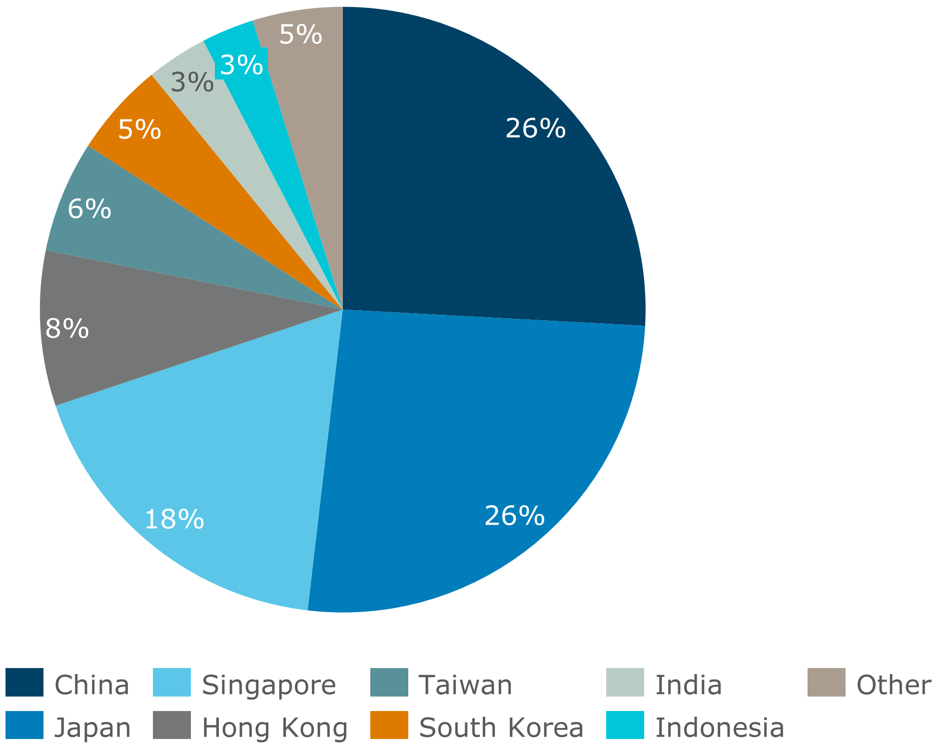
1. Country is defined by the counterparty's Country of Incorporation 2. Data provided is as at Sep-19 on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. Position excludes Basel Asset Class 'Securitisation', 'Other Assets', 'Retail' and manual adjustments 3. ~90% of the ANZ Institutional "Property Services" portfolio is to entities incorporated in either Australia or New Zealand 4. Other is comprised of 47 different industries with none comprising more than 2.1% of the Institutional portfolio.

RISK MANAGEMENT

ANZ ASIAN INSTITUTIONAL PORTFOLIO (COUNTRY OF INCORPORATION[1])

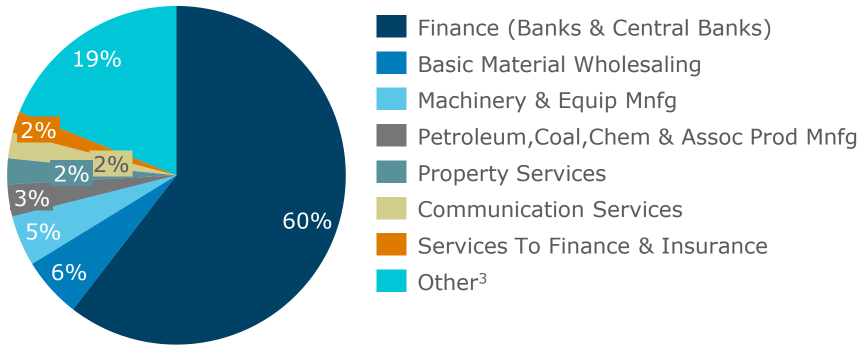
COUNTRY OF INCORPORATION[1]

EAD (Sep-19): A$121b[2]



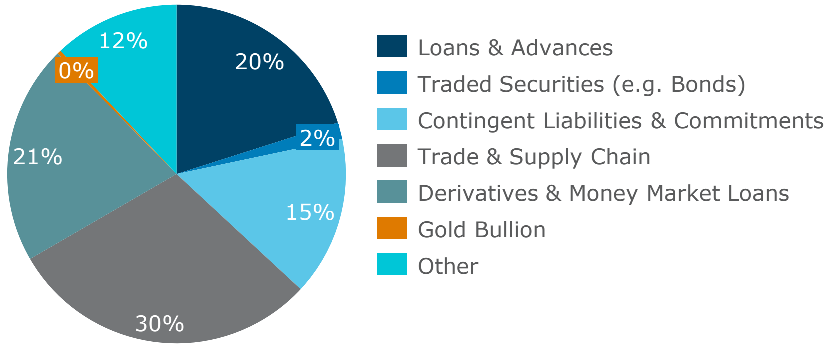
ANZ ASIA INDUSTRY COMPOSITION

EAD (Sep-19): A$121b[2]



ANZ ASIA PRODUCT COMPOSITION

EAD (Sep-19): A$121b[2]



1. Country is defined by the counterparty's Country of Incorporation 2. Data provided is as at Sep-19 on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. Position excludes Basel Asset Class 'Securitisation', 'Other Assets', 'Retail' and manual adjustments 3. "Other" within industry is comprised of 43 different industries with none comprising more than 2.2% of the Asian Institutional portfolio; Other product category is predominantly exposure due from other financial institutions

2019 FULL YEAR RESULTS

INVESTOR DISCUSSION PACK
HOUSING PORTFOLIO

AUSTRALIA HOME LOANS

PORTFOLIO OVERVIEW

	Portfolio[1]			Flow[2]	
	FY17	FY18	FY19	FY18	FY19
Number of Home Loan accounts[1]	1,009k	1,011k	983k	170k[3]	119k[3]
Total FUM[1]	$264b	$272b	$265b	$57b	$40b
Average Loan Size[4]	$262k	$269k	$270k	$382k	$378k
% Owner Occupied[5]	63%	65%	67%	70%	73%
% Investor[5]	33%	32%	30%	29%	26%
% Equity Line of Credit	4%	3%	3%	1%	1%
% Paying Variable Rate Loan[6]	83%	84%	84%	84%	78%
% Paying Fixed Rate Loan[6]	17%	16%	16%	16%	22%
% Paying Interest Only	31%	22%	15%	13%	11%
% Broker originated	51%	52%	52%	55%	53%

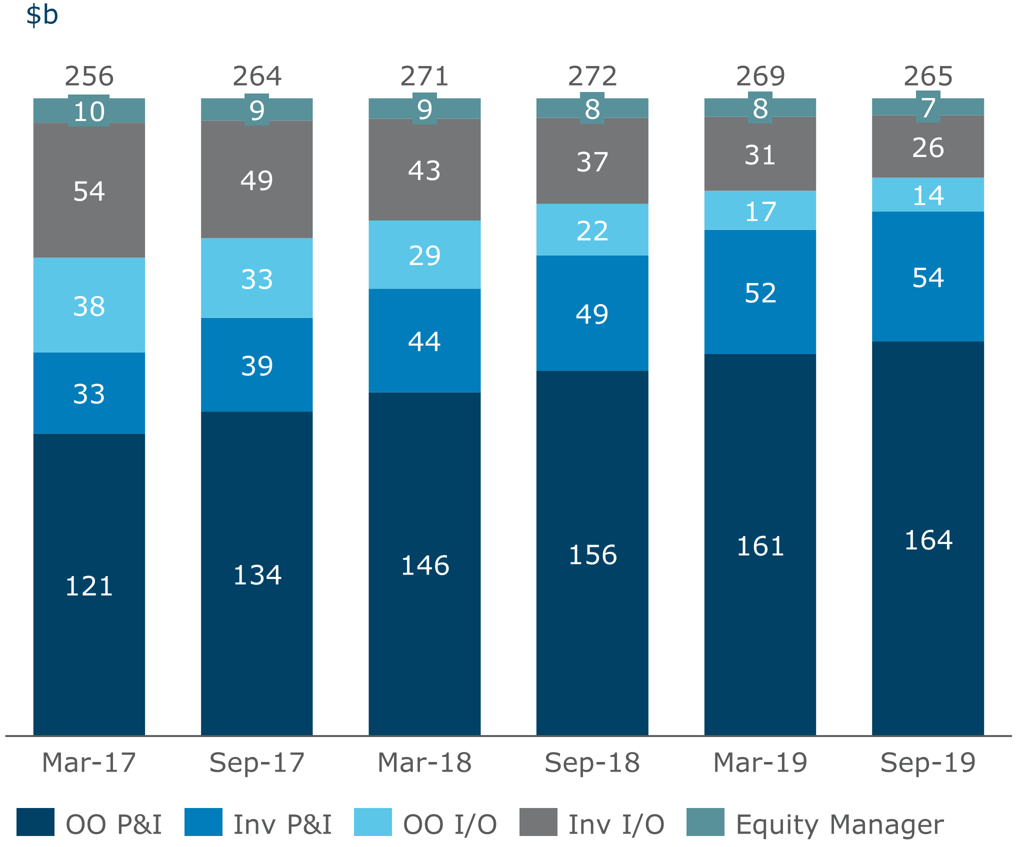
	Portfolio[1]		
	FY17	FY18	FY19
Average LVR at Origination[7,8,9]	69%	67%	67%
Average Dynamic LVR (excl offset)[8,9,10,11,12]	55%	55%	57%
Average Dynamic LVR (incl offset)[8,9,10,11,12]	50%	50%	52%
Market Share (MBS publication)[13]	15.7%	15.5%	n/a
Market share (MADIS publication)	n/a	n/a	14.3%
% Ahead of Repayments[14]	71%	72%	76%
Offset Balances[15]	$27b	$28b	$27b
% First Home Buyer	7%	7%	8%
% Low Doc[16]	4%	4%	4%
Loss Rate[17]	0.02%	0.02%	0.04%
% of Australia Geography Lending[18,19]	64%	63%	61%
% of Group Lending[18]	45%	45%	43%

1. Home Loans portfolio (includes Non Performing Loans, excludes Offset balances) 2. YTD unless noted 3. New accounts includes increases to existing accounts and split loans (fixed and variable components of the same loan) 4. Average loan size for Flow excludes increases to existing accounts (note the average loan size previously reported in 1H18 and prior included increases to existing accounts) 5. The current classification of Investor vs Owner Occupier is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances. 6. Excludes Equity Manager 7. Originated in the respective year 8. Unweighted 9. Includes capitalised LMI premiums 10. Valuations updated to Aug-19 where available 11. Includes Non Performing Loans and excludes accounts with a security guarantee 12. Historical DLVR has been restated as a result of enhancements to methodology 13. APRA Monthly ADI Statistics to Aug-19 – Note APRA changed the underlying market share definition in Jul-19 and historical periods (FY17 & FY18) are not comparable to FY19 14. % of Owner Occupied and Investment Loans that have any amount ahead of repayments. Includes Offset balances. Excludes Equity Manager. Includes Non Performing Loans 15. Balances of Offset accounts connected to existing Instalment Loans 16. Low Doc is comprised of less than or equal to 60% LVR mortgages primarily for self-employed without scheduled PAYG income. However, it also has ~0.1% of less than or equal to 80% LVR mortgages, primarily booked pre-2008 17. Annualised write-off net of recoveries 18. Based on Gross Loans and Advances 19. Australia Geography includes Australia Division, Wealth Australia and Institutional Australia

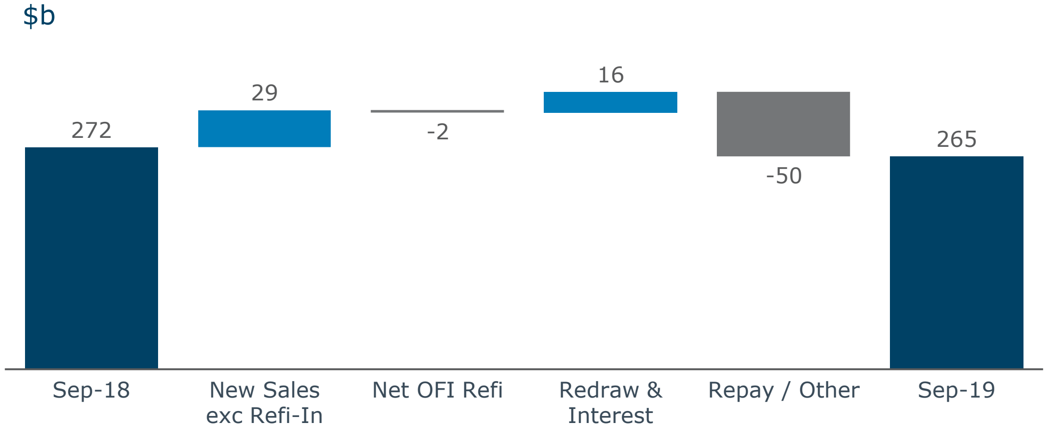
AUSTRALIA HOME LOANS

PORTFOLIO GROWTH

HOME LOAN COMPOSITION[1,2]



LOAN BALANCE & LENDING FLOWS[1]



ANZ MORTGAGE LENDING PORTFOLIO CHANGE

FY19 v FY18	Owner Occupied[3]	Investor
Housing Portfolio	-1%	-7%

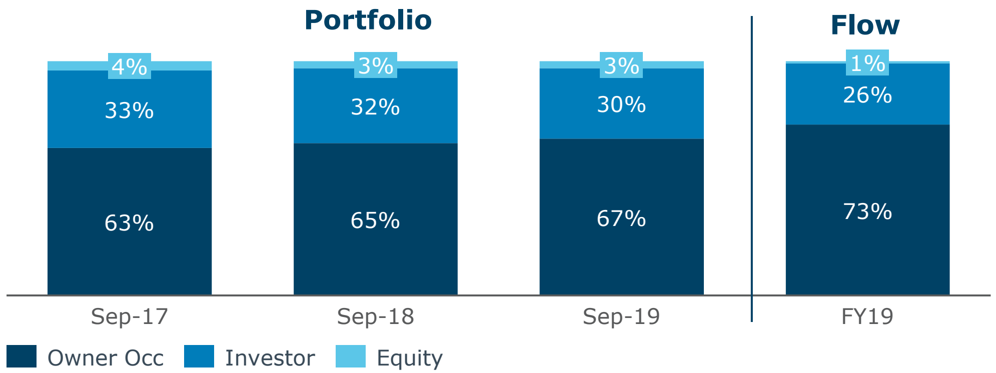
FY19 v FY18	Principal & interest[3]	Interest only
Housing Portfolio	6%	-33%

1. Includes Non Performing Loans
2. The current classification of Investor vs Owner Occupier is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances
3. Includes Equity Manager

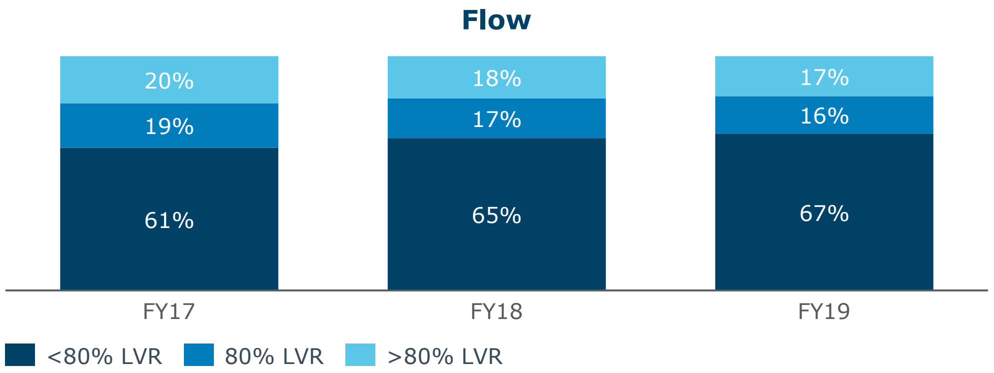
AUSTRALIA HOME LOANS

PORTFOLIO[1,2] & FLOW[3] COMPOSITION

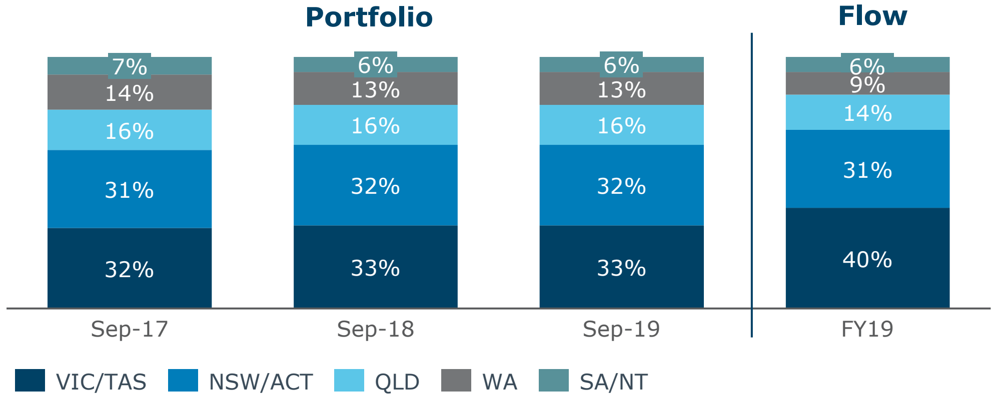
BY PURPOSE



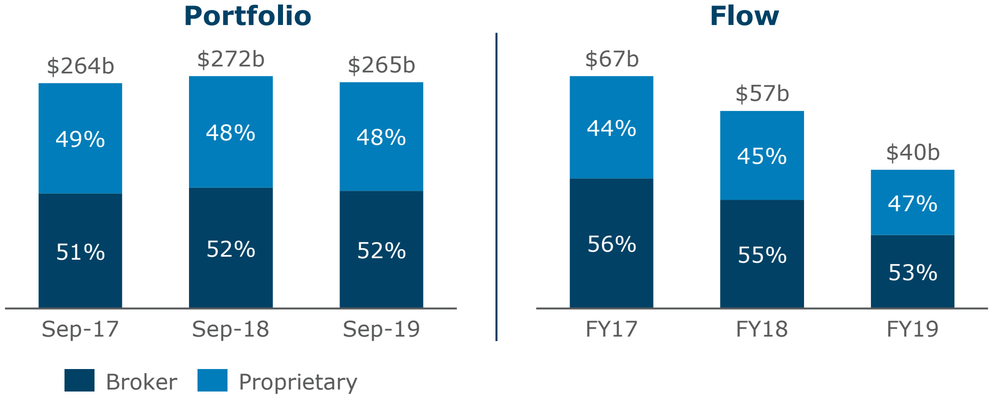
BY ORIGINATION LVR[4]



BY LOCATION



BY CHANNEL



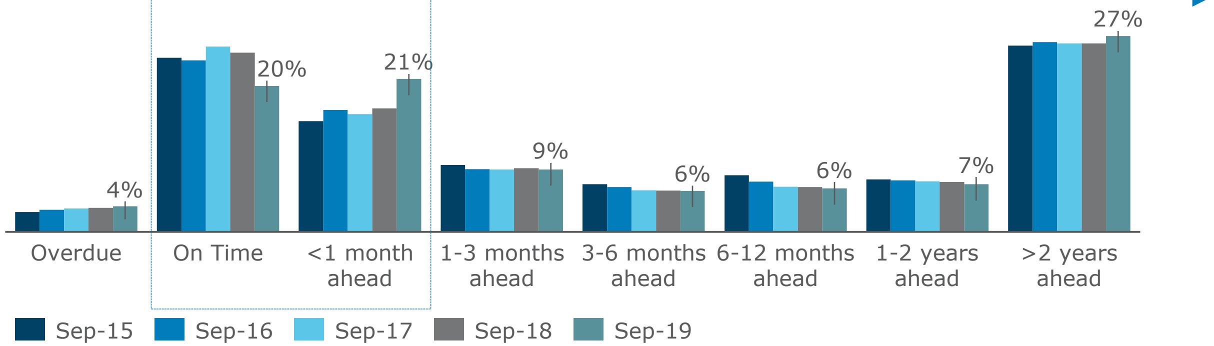
1. Includes Non Performing Loans. 2. The current classification of Investor vs Owner Occupier is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances 3. YTD unless noted 4. Includes capitalised LMI premiums

AUSTRALIA HOME LOANS

PORTFOLIO DYNAMICS

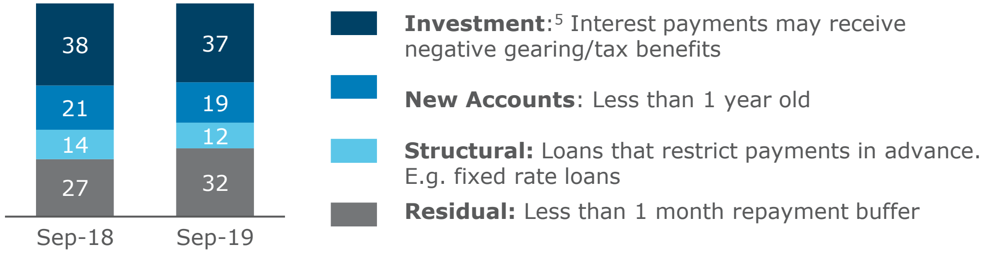
HOME LOANS REPAYMENT PROFILE[1,2]

76% of accounts ahead of repayments



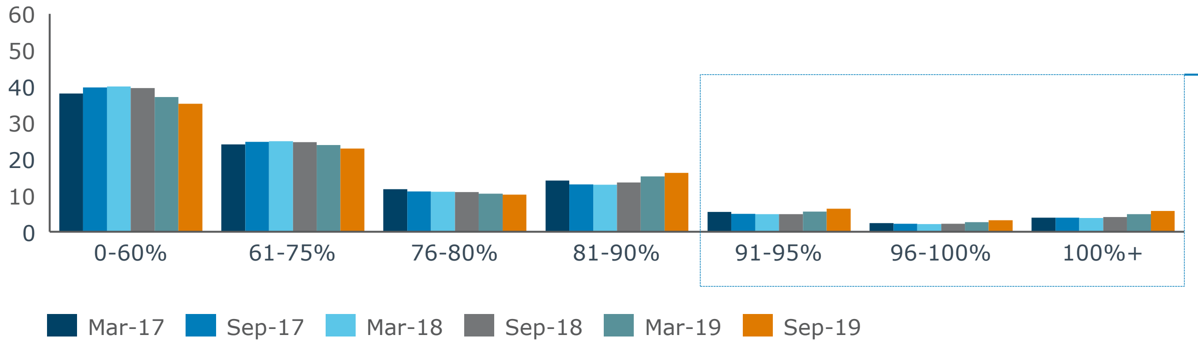
HOME LOANS ON TIME & <1 MONTH AHEAD PROFILE[1,2]

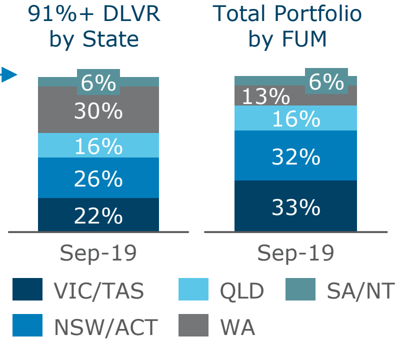
% composition of accounts (September 19)



DYNAMIC LOAN TO VALUE RATIO[3,4,6,7]

% of portfolio





NEGATIVE EQUITY

Net of offset balances

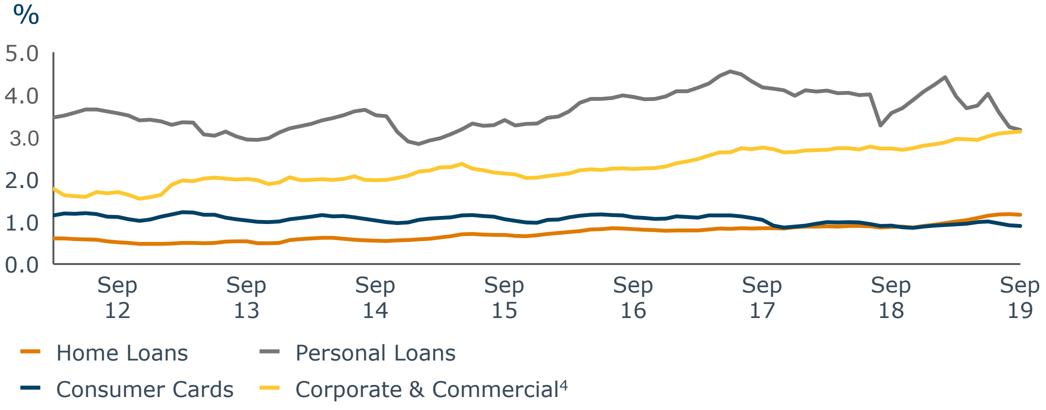
- Represents 4.8% of portfolio
- Skew to mining states – WA, QLD & NT represent 65% of negative equity
- 59% ahead of repayments
- 47% with LMI

1. Includes Non Performing Loans 2. % of Owner Occupied and Investment Loans that have any amount ahead of repayments. Includes Offset balances. Excludes Equity Manager. Includes Non Performing Loans 3. Includes capitalised LMI premiums 4. Valuations updated to Aug'19 where available 5. The current classification of Investor vs Owner Occupier, is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances 6. Historical DLVR has been restated as a result of enhancements to methodology 7. Includes Non Performing Loans and excludes accounts with a security guarantee

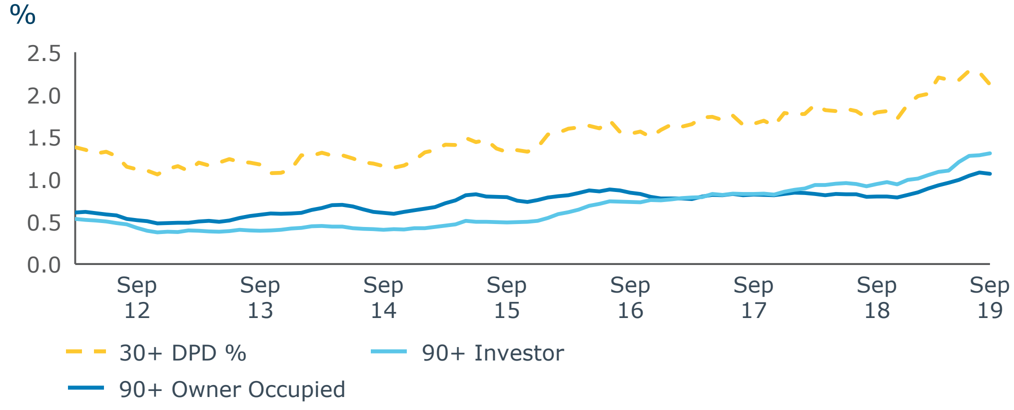
AUSTRALIA HOME LOANS

PORTFOLIO PERFORMANCE

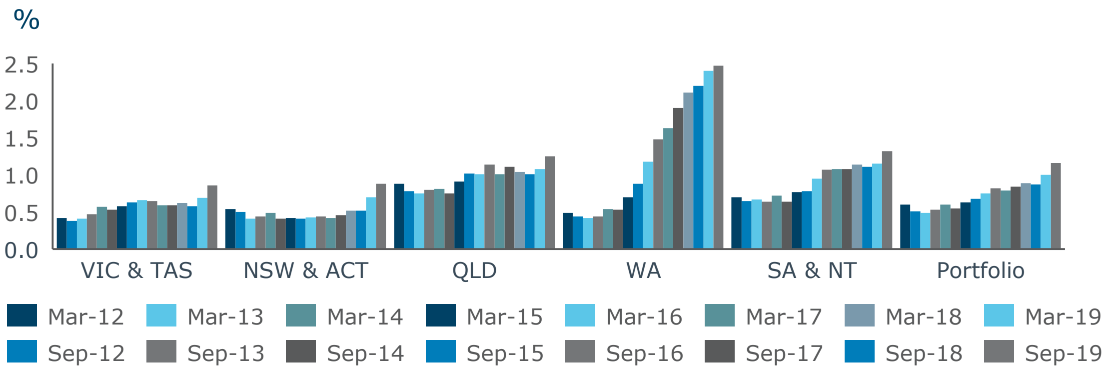
PRODUCT 90+ DAY DELINQUENCIES[1,2,3]



HOME LOAN DELINQUENCIES[1,2,5]

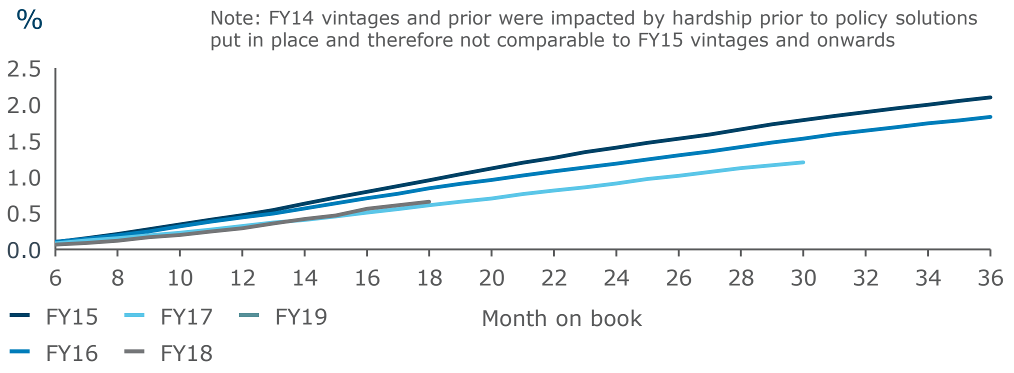


HOME LOANS 90+ DPD BY STATE[1,2]



HOME LOANS - 90+ DPD (BY VINTAGE)[6]

Note: FY14 vintages and prior were impacted by hardship prior to policy solutions put in place and therefore not comparable to FY15 vintages and onwards



1. Includes Non Performing Loans 2. ANZ delinquencies calculated on a missed payment basis 3. For Personal Loans, a new collections platform was implemented in Aug-18 enabling automated charge-off of late stage accounts. This resulted in a step change to 90+ rates. Following this, compatibility issues between systems resulted in an accumulation of 90+ debt not being charged-off, causing the 90+ rate to increase. This issue has now been resolved and the 90+ rate has returned to expected levels in FY19 4. Retail portfolio (Small Business, Commercial Cards and Asset Finance) 5. The current classification of Investor vs Owner Occupier, is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances 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

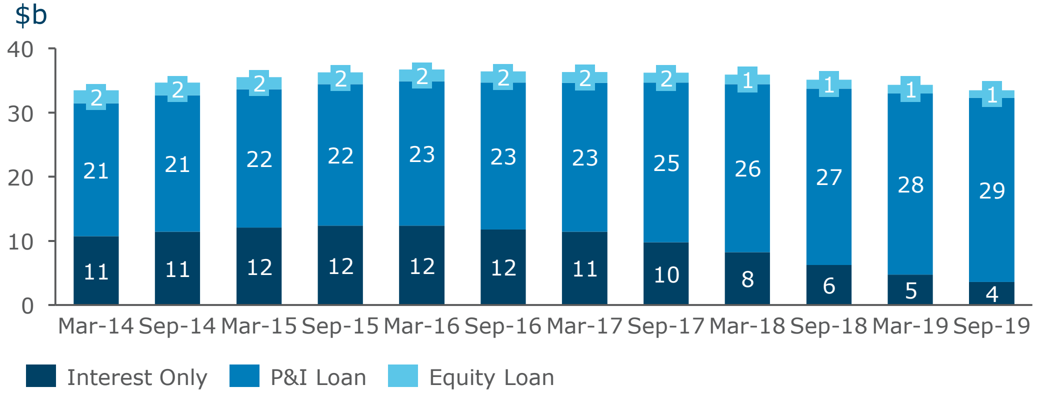
AUSTRALIA HOME LOANS

WESTERN AUSTRALIA

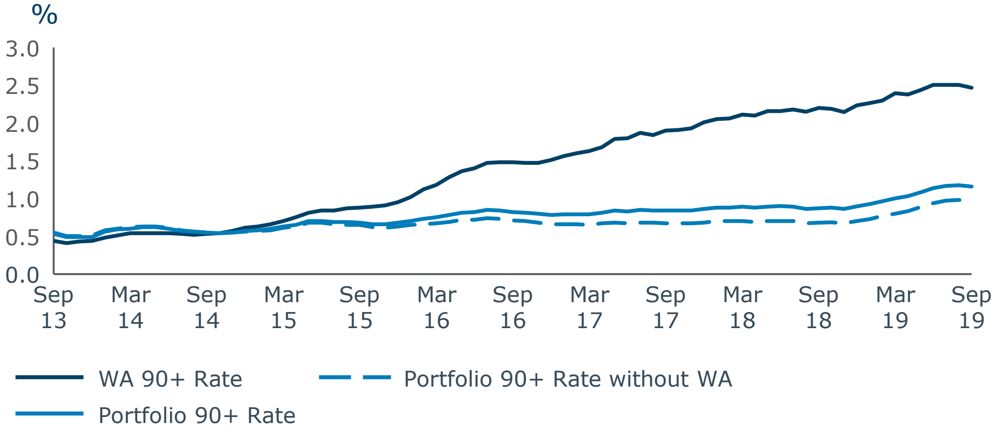
- Exposure to WA has decreased since Mar-16 driven by the economic environment and credit policy tightening (mining town lending)
- Currently WA comprises 13% of portfolio FUM (and is decreasing), however it comprises 27% of 90+ delinquencies (and one half of portfolio losses[1])
- Tailored treatment of collection and account management strategies in place

Economic indicators[2]	2012	2013	2014	2015	2016	2017	2018	2019
Unemployment rate	3.9%	4.7%	5.0%	6.1%	6.3%	5.6%	6.1%	6.1%
SFD[3] growth	13.8%	1.5%	-1.8%	-1.3%	-7.3%	-3.9%	0.3%	-0.9%
Population Growth	3.1%	2.2%	1.1%	0.85%	0.63%	0.71%	0.88%	-

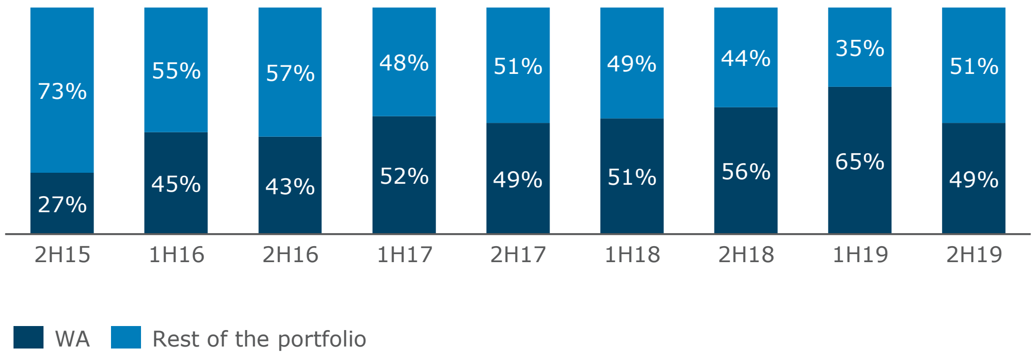
WA OUTSTANDING BALANCE



HOME LOANS AND WA 90+ DELINQUENCIES[4,5]



HOME LOANS COMPOSITION OF LOSSES[1]



1. Losses are based on New Individual Provision Charges 2. Unemployment Rate as at September 3. State Final Demand (year on year growth) 4. Includes Non Performing Loans 5. ANZ delinquencies calculated on a missed payment basis

AUSTRALIA HOME LOANS

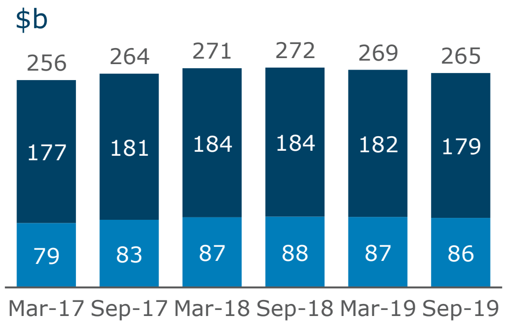
NEW SOUTH WALES/ACT

Portfolio
- NSW/ACT makes up 32% of portfolio FUM and 25% of 90+ days past due.
- 76% in advance of repayments which is in line with the total portfolio.
- 18% of the portfolio is Interest Only & reducing.

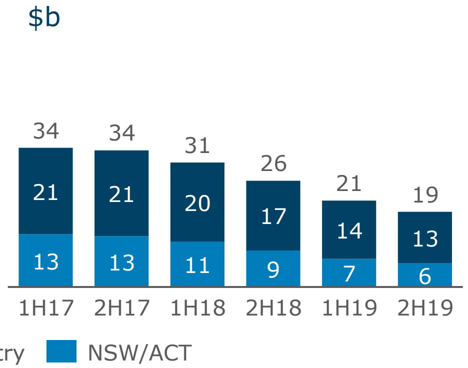
90+ days past due
- NSW/ACT at 88bps is similar to VIC/TAS at 86bps & 28bps below national level.
- Increase in the past 6 months, primarily driven by older vintages
- Since FY15, credit quality has improved year-on-year, with FY17 & FY18 vintages performing better than FY15 & FY16 vintages.

Dynamic LVR
- 12.2% of NSW/ACT portfolio >90% DLVR

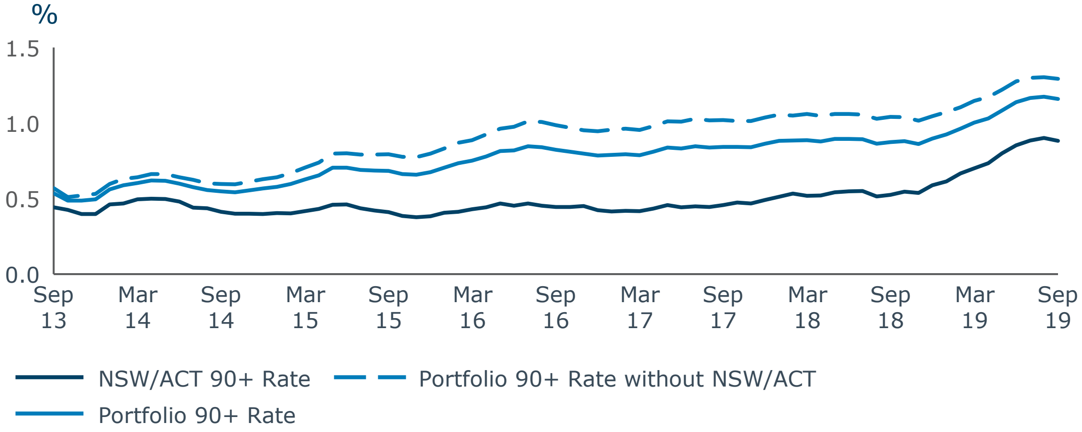
HOUSING PORTFOLIO[1]



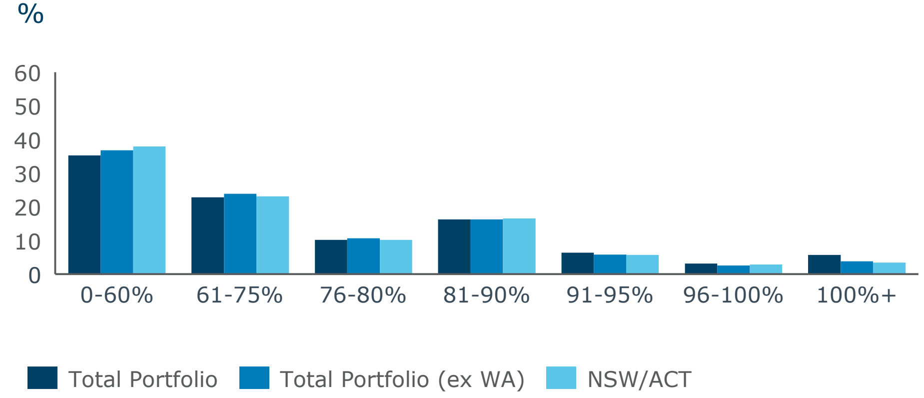
HOUSING FLOW



HOME LOANS AND NSW/ACT 90+ DELINQUENCIES[1,2]



NSW/ACT DYNAMIC LVR PROFILE – SEPTEMBER 2019[1,3,4,5]



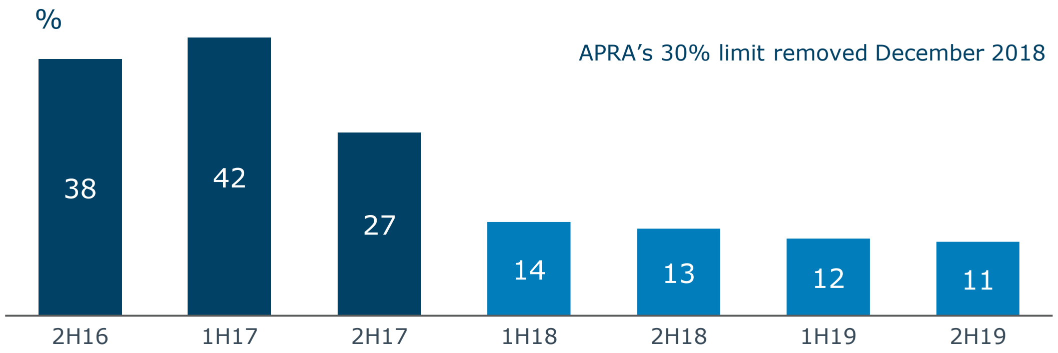
1. Includes Non Performing Loans 2. ANZ delinquencies calculated on a missed payment basis 3. Includes capitalised LMI premiums 4. Valuations updated to Aug-19 where available 5. Includes Non Performing Loans and excludes accounts with a security guarantee

AUSTRALIA HOME LOANS

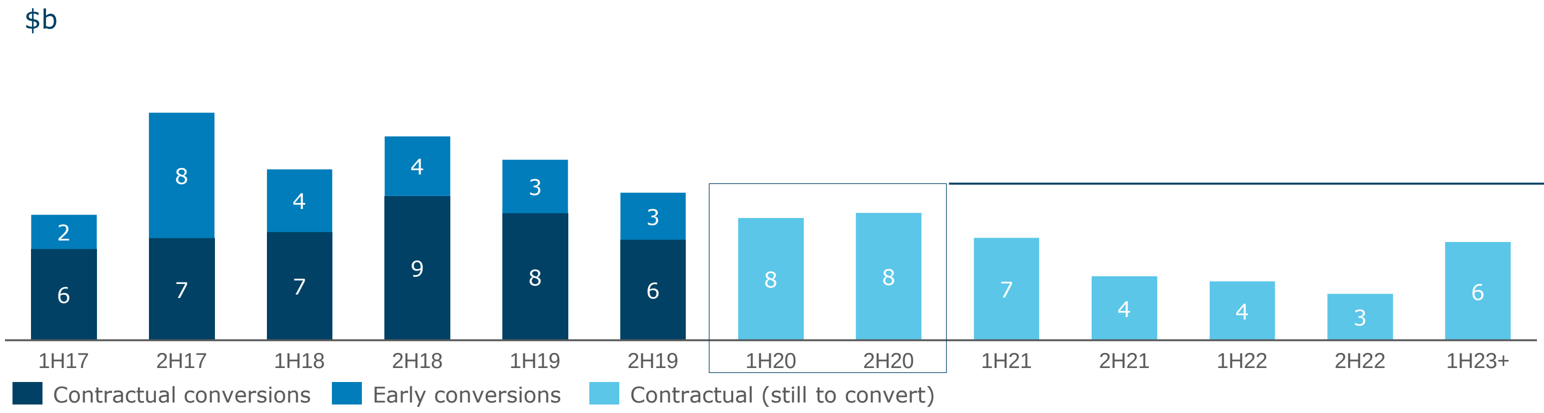
INTEREST ONLY

- Serviceability assessment is based on ability to repay principal & interest repayments calculated over the residual term of loan
- 86% of Interest Only customers have net income >$100k p.a. (portfolio 66%)
- Historical policy & pricing changes have led to a reduction in Interest Only lending. ANZ's Interest Only flow composition is 11% for 2H19.
- Proactive contact strategies are in place to prepare customers for the change in their repayments ahead of Interest Only expiry

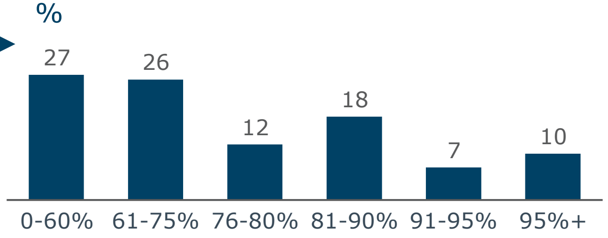
INTEREST ONLY FLOW COMPOSITION



SWITCHING INTEREST ONLY TO P&I AND SCHEDULED INTEREST ONLY TERM EXPIRY[1,2]



DYNAMIC LVR PROFILE OF 12 MONTH FORWARD CONVERSIONS[3]



1. Total portfolio including new flows 2. As at Sep-19 3. Includes Non Performing Loans and excludes accounts with a security guarantee

AUSTRALIA HOME LOANS

UNDERWRITING PRACTICES AND POLICY CHANGES[1]

Multiple checks during origination process

Quality assurance, info verification & policy reviews

Pre – application[2]	Income & Expenses
Application	Know Your Customer
Serviceability	Income Verification Income Shading Expense Models Interest Rate Buffer Repayment Sensitisation
Collateral / Valuations	LVR Policy LMI Policy Valuations Policy
Credit Assessment	Credit History Bureau Checks
Fulfilment	Documentation Security

- End-to-end home lending responsibility managed within ANZ
- Effective hardship & collections processes
- Full recourse lending
- ANZ assessment process across all channels

Serviceability	
Aug'15	Interest rate floor applied to new and existing mortgage lending introduced at 7.25%
Apr'16	Introduction of an income adjusted living expense floor (HEM*) Introduction of a 20% haircut for overtime and commission income Increased income discount factor for residential rental income from 20% to 25%
Nov'18	Enhanced Responsible Lending processes including additional enquiry and increase in minimum monthly credit card expense
Jul'19	Increase of interest rate buffer to 2.50% and reduction of interest rate floor to 5.50%

*The HEM benchmark is developed by the Melbourne Institute of Applied Economic and Social Research ('Melbourne Institute'), based on a survey of the spending habits of Australian families.

1. 2015 to 2019 material changes to lending standards and underwriting
2. Customers have the ability to assess their capacity to borrow on ANZ tools

AUSTRALIA HOME LOANS

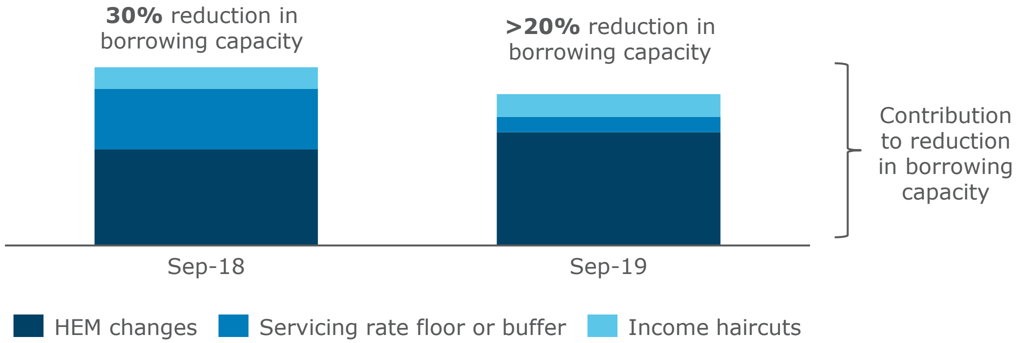
UNDERWRITING PRACTICES AND POLICY CHANGES[1] - JUNE 2015 TO SEPTEMBER 2019

ANZ LVR Caps
- LVR cap reduced to 70% in high risk mining towns in June 2015; reduced to 90% for investment loans (July 2015)
- Restricted new housing lending (new security to ANZ) to max. 80% LVR for all apartments within 7 inner city Brisbane postcodes (October 2017)
- Restricted investment lending (new security to ANZ) to max 80% LVR for all apartments within 4 inner city Perth postcodes (October 2017)
- Increase maximum LVR on interest only investment loans from 80% to 90% in March 2019 (excluding Mining towns and Apartment restrictions)

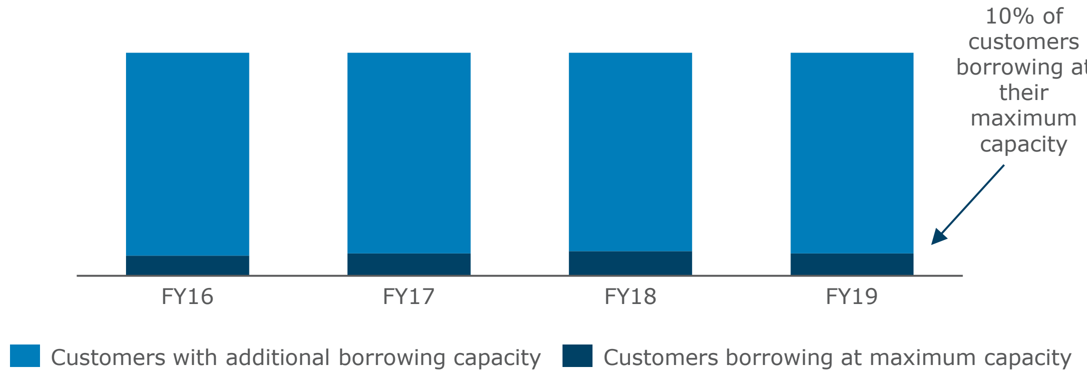
ANZ Assessment
- Interest rate floor (new & existing lending) at 7.25% (August 2015)
- Income adjusted living expense floor (HEM); 20% haircut for overtime & commission; Increased income discount factor for residential rental income from 20% to 25% (April 2016)
- Limited acceptance of foreign income to demonstrate serviceability and tightened controls on verification (September 2016)
- Minimum default housing expense (rent/board) applied to all borrowers not living in their own home & seeking RILs[2] or EMAs[3] (July 2017)
- IO renewals became Credit Critical events (full income verification & serviceability test) including P&I to IO & converting to or extending IO term (March 2018)
- Enhanced Responsible Lending Requirements including additional enquiry and increase in minimum monthly credit card expense (November 2018)
- Interest rate floor (new & existing lending) at 5.50% and interest rate buffer of 2.50% (July 2019)

ANZ Product and Other Limitations
- Decreased max. IO term of owner occupied loans to 5 years (January 2017)
- Withdrew lending to non-residents (September 2016); tightened acceptances for guarantees (December 2016); clarified residential lending to trading companies is not acceptable (December 2017)
- Increased maximum term of interest only investment loans from 5 to 10 years (from March 2019)

DRIVERS OF REDUCTION IN CUSTOMER BORROWING CAPACITY (v 2015)[4]



ANZ PORTFOLIO BORROWING CAPACITY SUMMARY[5]



1. 2015 to 2019 material changes to lending standards and underwriting 2. Residential Investment Loans 3. Equity Manager Accounts. 4. ANZ modelled outcome of 4 borrowing scenarios indexed to 2015 and using a customer lending rate of 3.90%: i. Couple, no dependents, ii. Single, no dependents, iii. Couple 2 dependents, iv. Couple, no dependents, higher income earners, where application parameters such as income are held steady while policy components are adjusted based on 2015 and 2019 settings. 5. Based on financial years.

AUSTRALIAN HOME LOANS

STRESS TESTING THE AUSTRALIAN MORTGAGE PORTFOLIO

- ANZ conducts regular stress tests of its loan portfolios to meet risk management objectives and satisfy regulatory requirements.
- Stress tests are highly assumption-driven; results will depend on economic assumptions, on modelling assumptions, and on assumptions about actions taken in response to the economic scenario.
- This illustrative recession scenario assumes significant reductions in consumer spending and business investment, which lead to eight consecutive quarters of negative GDP growth. This results in a significant increase in unemployment and material nationwide falls in property prices.
- Estimated portfolio losses under these stressed conditions are manageable and within the Group's capital base, with cumulative total losses at $2.7b over three years (net of LMI recoveries).
- The results have marginally improved from the stress test six months ago. Key reason for the stressed losses reduction is the improved property price outlook and the impact of the three rate cuts since May 2019, which are reflected in the underlying scenario.

Assumptions	Base[1]	Year 1	Year 2	Year 3
Unemployment rate	5.1%	5.5%	9.8%	10.5%
Cash Rate	1.5%	0.25%	0%	0%
Real GDP year ended growth	1.9%	0%	-4.7%	-0.6%
Cumulative reduction in house prices	-	-32.3%	-38.8%	-31.7%
Portfolio size ($b)	295	294	287	278

Outcomes	Year 1	Year 2	Year 3
Net Losses ($m)	286	1,282	1,141
Net losses (bps)	10	45	41

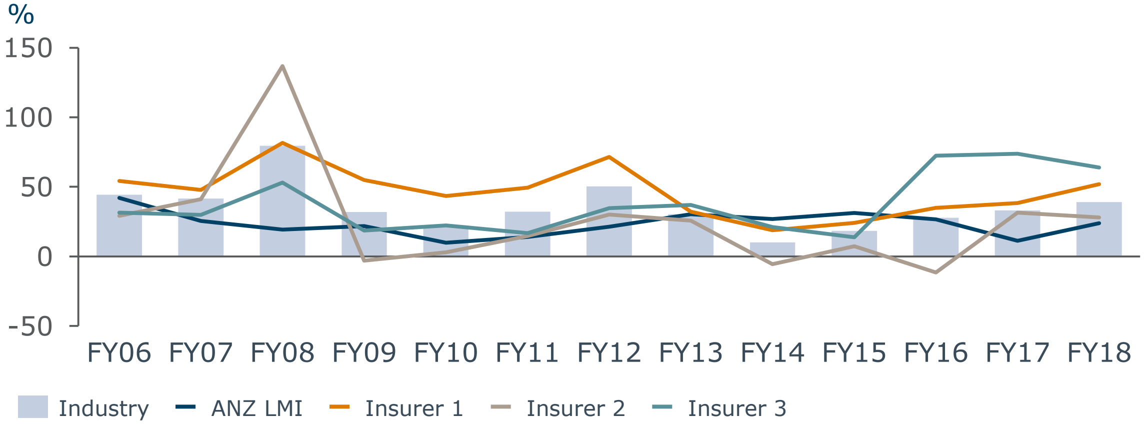
1. Based on mortgage exposure at default and conditions as at 31 March 2019

LENDERS MORTGAGE INSURANCE

SEPTEMBER FULL YEAR 2019 RESULTS

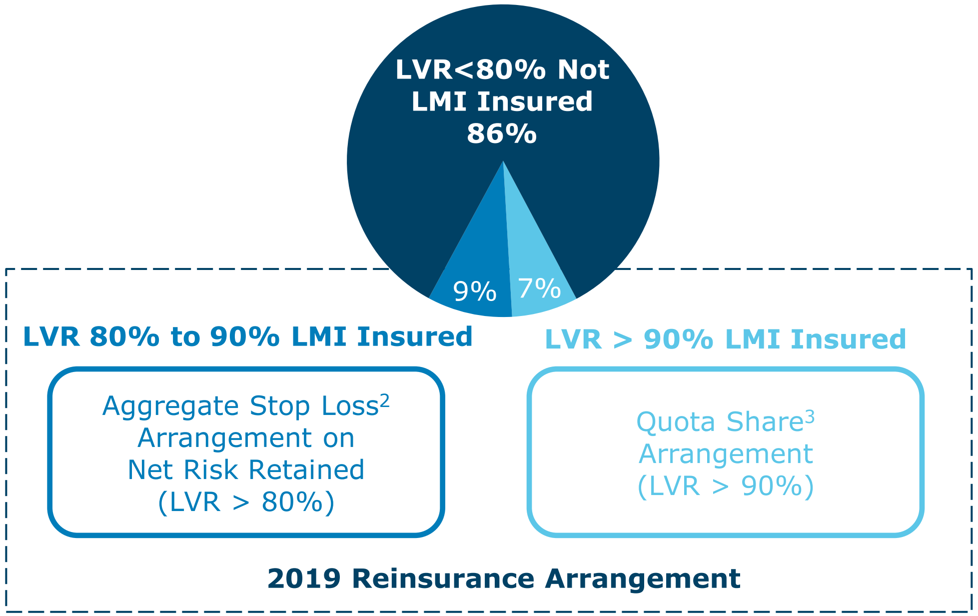
Gross Written Premium ($m)	$80.7m
Net Claims Paid ($m)	$31.4m
Loss Rate (of Exposure - annualised)	12.0bps

ANZLMI MAINTAINED STABLE LOSS RATIOS[1]



LMI & REINSURANCE STRUCTURE

Australian Home Loan portfolio LMI and Reinsurance Structure at 30 Sep 19 (% New Business FUM Oct-18 to Sep-19)



ANZLMI uses a **diversified panel of reinsurers** (10+) comprising a mix of APRA authorised reinsurers and reinsurers with highly rated security

Reinsurance is comprised of a **Quota Share arrangement3** with reinsurers for mortgages 90% LVR and above and in addition an **Aggregate Stop Loss arrangement2** for policies over 80% LVR

1. Negative Loss ratios are the result of reductions in outstanding claims provisions. Source: APRA general insurance statistics (loss ratio net of reinsurance) 2. Aggregate Stop Loss arrangement – reinsurer indemnifies ANZLMI for an aggregate (or cumulative) amount of losses in excess of a specified aggregate amount. When the sum of the losses exceeds the pre-agreed amount, the reinsurer will be liable to pay the excess up to a pre-agreed upper limit 3. Quota Share arrangement - reinsurer assumes an agreed reinsured % whereby reinsurer shares all premiums and losses accordingly with ANZLMI

NEW ZEALAND HOME LOANS

PORTFOLIO OVERVIEW[1]

	Portfolio			Flow
	FY17	FY18	FY19	FY19
Number of Home Loan Accounts	520k	526k	527k	118k
Total FUM	NZD77b	NZD81b	NZD85b	NZD19b
Average Loan Size[2]	NZD148k	NZD153k	NZD161k	NZD157k
% Owner Occupied	73%	74%	75%	77%
% Investor	27%	26%	25%	23%
% Paying Variable Rate Loan[3]	21%	18%	15%	14%
% Paying Fixed Rate Loan[3]	79%	82%	85%	86%
% Paying Interest Only	22%	21%	19%	19%
% Paying Principal & Interest	78%	79%	81%	81%
% Broker Originated[4]	35%	36%	38%	40%

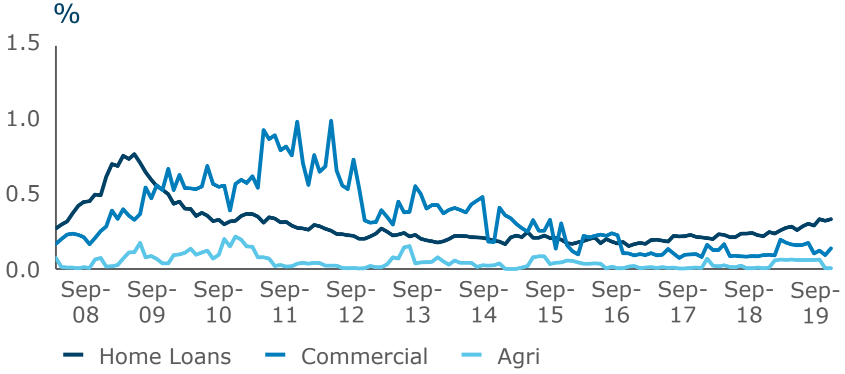
	Portfolio		
	FY17	FY18	FY19
Average LVR at Origination[2]	59%	58%	56%
Average Dynamic LVR[2]	43%	41%	42%
Market Share[5]	31.1%	30.9%	30.7%
% Low Doc[6]	0.44%	0.38%	0.34%
Home Loan Loss Rates	(0.01%)	0.00%	0.00%
% of NZ Geography Lending	61%	62%	63%

1. New Zealand Geography
2. Average data as of September 2019
3. Flow excludes revolving credit facilities
4. Flow FY19 11 months to August 2019
5. Source: RBNZ, FY19 share of all banks as at August 2019
6. Low documentation (low doc) lending allowed customers who met certain criteria to apply for a mortgage with reduced income confirmation requirements. New low doc lending ceased in 2007

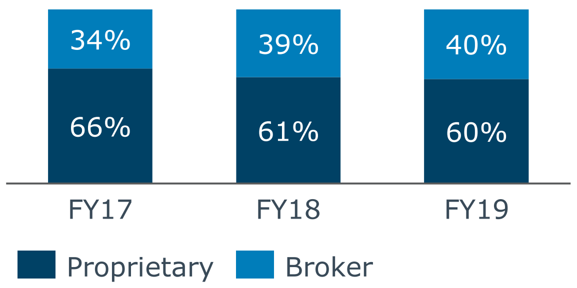
NEW ZEALAND HOME LOANS

HOME LENDING & ARREARS TRENDS[1]

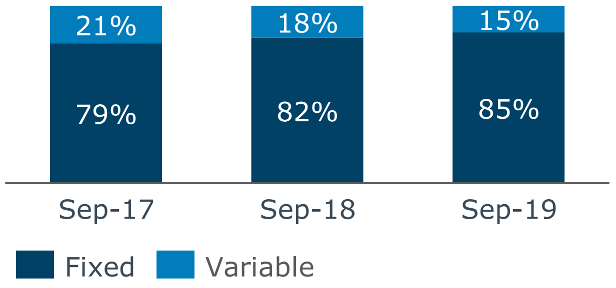
NZ DIVISION 90+DAYS DELINQUENCIES



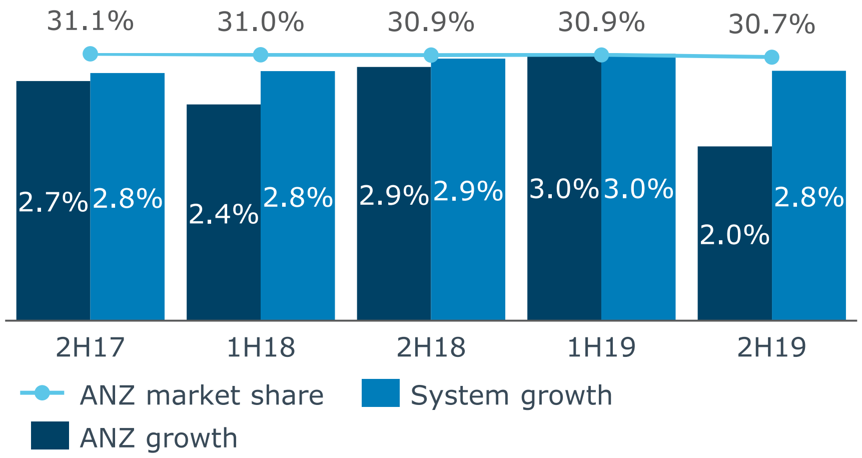
HOUSING FLOWS[2]



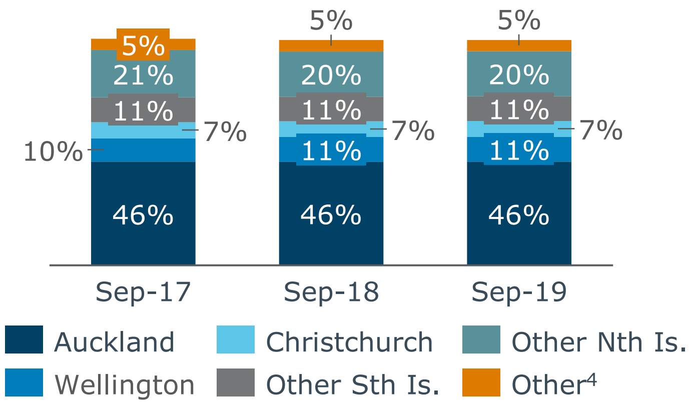
HOUSING PORTFOLIO



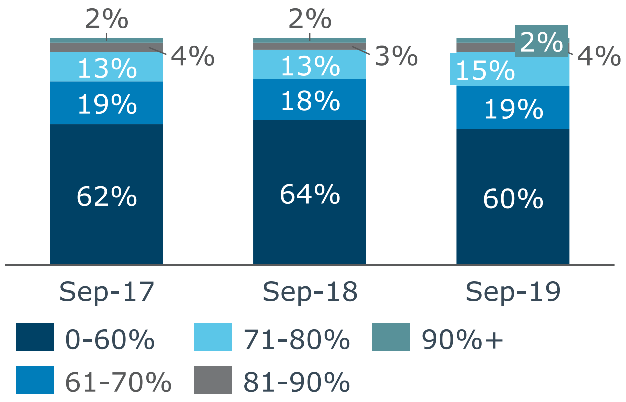
MARKET SHARE[3]



HOUSING PORTFOLIO BY REGION



ANZ HOME LOAN LVR PROFILE[5]



1. New Zealand Geography 2. Flow FY19 11 months to August 2019 3. Source: RBNZ, 2H19 market share as at August 2019 4. Other includes loans booked centrally (Business Direct, Contact Centre, Lending Services, Property Finance) 5. Dynamic basis

2019 FULL YEAR RESULTS

INVESTOR DISCUSSION PACK

ROYAL COMMISSION UPDATE & REGULATORY REFORMS

ROYAL COMMISSION

OUR APPROACH, OUR RESPONSE

WE ARE RESPONDING TO THE 'SPIRIT AND THE LETTER' OF THE ROYAL COMMISSION.

Initial response

- Committed in February 2019 to sixteen actions that we can take now including:
  - removing overdrawn and dishonour fees on our Pensioner Advantage account
  - improving our service to Indigenous customers in remote communities by setting up a dedicated phone service and giving them easier options to prove their identity
  - publishing principles to help family farming customers in financial distress
  - publishing principles on acting as a model litigant in disputes with our customers
  - implementing pay reforms that replace individual-based bonuses for most of our employees with an incentive based on the overall performance of the Group
- Reviewed individual cases highlighted at the Commission and taken action where appropriate to resolve the matters
- Reported to Government that we have made significant progress on the RC recommendations directed at banks, concerning distressed agricultural loans, remuneration of front line staff, the Sedgwick Review and changing culture and governance

Lessons from our experience

- Identified eight lessons from our misconduct and failures to meet community standards and expectations to inform our response to the 'spirit and letter' of the Royal Commission
- Now identifying measures that will allow us to be confident that these lessons have been acted on

Governance – aligned to the APRA self-assessment

- Established a Royal Commission and Self-Assessment Oversight Group to oversee an integrated response to the Royal Commission and Self-Assessment. The Oversight Group is chaired by the Deputy Chief Executive Officer and includes the Group Chief Risk Officer

Constructive engagement with reform

- Engaging constructively with Government and its agencies as they implement the recommendations directed at them
  - Government has indicated that majority of its reforms will be consulted on and introduced into Parliament by the end of 2020

STRENGTHENING OUR RISK CULTURE

- We have strengthened the way we deal with risk events through an enhanced Accountability and Consequence Framework, which is applicable to all of our people.
- In 2019 across the Group, 151 employees were dismissed for breaches of our Code of Conduct. A further 516 employees received a formal disciplinary outcome, with managers required to apply impacts to their performance and remuneration outcomes as part of the annual review process.
- At the senior leadership level, 30 current or former senior leaders (senior executives, executives and senior managers) received a consequence in 2019 for Code of Conduct breaches or findings of accountability for a material event, or otherwise left the bank after an investigation had been initiated.
- The 30 employees represent ~ 1% of the senior leader population. The consequences applied included warnings, impacts to performance and/or remuneration outcomes and cessation of employment.

SENIOR LEADER CONSEQUENCES IN 2019*

Remuneration consequence	23
Warning/advice	12
No longer employed	7

* Individuals are included under all categories that are relevant, meaning one individual may be reflected in multiple categories.

2019 FULL YEAR RESULTS

INVESTOR DISCUSSION PACK

CORPORATE OVERVIEW &

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

ESG – GOVERNANCE OVERVIEW

BOARD OF DIRECTORS

Chaired by David Gonski, Chairman

Audit Committee

Chair:
Paula Dwyer

Risk Committee

Chair:
Graeme Liebelt

Ethics, Environment, Social and Governance Committee

Chair:
David Gonski

Digital Business and Technology Committee

Chair:
Jane Halton

Human Resources Committee

Chair:
Ilana Atlas

Nomination and Board Operations Committee

Chair:
David Gonski

Ethics and Responsible Business Committee (ERBC)

Chaired by Shayne Elliott, CEO

Customer Fairness Advisor, Australia

Reports to Shayne Elliott, CEO

Royal Commission & Self-Assessment Oversight Group

Chaired by Kevin Corbally, CRO and Alexis George, DCEO

Customer Advocate, Australia

Reports to Mark Hand, Group Executive, Australia Retail and Commercial Banking

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
Code of Conduct review	Review of complaints themes and potential systemic issues
Oversight and approval of ESG reporting and targets	Oversight and approval of corporate governance policies, principles, regulatory and policy responses

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
Examine complaints themes and potential systemic issues	Set Social and Environmental Risk policy and monitor implementation
Set ESG targets and monitor progress	Monitor and determine sensitive customer transactions

‘WHAT WE CARE ABOUT MOST’ – A YEAR IN REVIEW

Build leadership in key areas	More Australians and New Zealanders have access to affordable, liveable, sustainable housing	• Joint Lead Manager on $315m National Housing Finance and Investment Corporation bond, and NZD$500m and NZD$600m bonds for Housing New Zealand to provide new and upgraded social housing • Provided >1,800 interest-free loans to improve the health of New Zealand households through our New Zealand ‘Healthy Homes’ initiative
	The food, beverage and agricultural sector is more sustainable and financially resilient	• Supported the purchase of the Great Cumbung Swamp - Australia’s largest purchase of mixed-use conservation and agricultural property by dollar value • Advisor and Joint Lead Manager on $400m green bond for Woolworths Group to improve energy efficiency (solar, lighting, refrigeration systems) in its supermarkets
	Australia’s energy supply, transmission and distribution is more efficient, cleaner and affordable	• Project finance commitment to renewable energy increased ~27% from FY18 $1,076m to FY19 $1,371m (figure quoted is project finance made on a non or limited recourse basis and excludes corporate debt facilities)
Ensure ANZ is living up to its commitments	Improve our standards and practices	• Established a $100m Housing ‘Virtual Fund’ to support the financing of more affordable, secure and sustainable homes • Committed to 100% renewable electricity across our global premises by 2025
	Develop products and services	• Expanded sustainable finance offering to establish sustainability-linked loans market in Australia and New Zealand • Continued expansion of Home Buyers Coach training, currently >3,300 home coaches active in Australia and New Zealand
	Use insights, advocacy and partnerships	• Delivered new housing market insights with bi-annual ANZ-Core Logic Housing Affordability Report • Conducted research to assess the impact of Money Minded on financial wellbeing
Continue to improve housing, environment and financial wellbeing outcomes for the community	Alleviate homelessness	• Supported youth employment through the opening of two social enterprise cafés: Home.Two and STREAT • Raised >$150k for the St Vincent de Paul ‘CEO Sleepout’ - equivalent to providing >5,000 meals for those experiencing homelessness
	Connect to the environment	• Over 18,000 hours volunteered by employees towards environmental sustainability • More than 1,250 employees volunteered with Sustainable Coastlines New Zealand collecting more than 10,000 litres of rubbish
	Facilitate financial inclusion	• Through ANZ Technology ‘Return to Work’ program we employed 30 women who had been out of the workforce for an extended period • Improved the financial literacy of >87,500 people through our Money Minded program

CREATING VALUE FOR OUR STAKEHOLDERS

CUSTOMERS

- **8.7m** total retail, commercial and Institutional customers
- **$291b** in retail & commercial customer deposits in Australia and New Zealand
- **$339b** in home lending in Australia and New Zealand
- **Full mobile wallet offering**, including Apple Pay™, GooglePay™, Samsung Pay™, FitBit Pay™ and Garmin Pay™
- **#1** Lead bank for trade services[1]

EMPLOYEES

- **39,060** people employed (FTE)
- **734** people recruited from under-represented groups, including refugees, people with disability and Indigenous Australians since 2016
- **32.5%** of women in leadership, increase from 27.9% in Sep 2014[2]
- **~1.5m hours** of training undertaken

COMMUNITY

- **$142m** contributed in community investment[3]
- **134,930** volunteering hours completed by employees
- **$3.2b** in taxes incurred; money used by governments to provide public services and amenities[4]
- **>998k people** reached through our target to help enable social and economic participation[5]

SHAREHOLDERS

- **>500,000** Retail & Institutional shareholders
- **$6.5b**[6] cash profit reported
- **227.6** cents earnings per share
- **160 cents** per share dividend for FY19[7]
- **10.9%** return on average ordinary shareholders equity

All financial metrics are as at 30 September 2019 (P&L growth metrics for the full year ended 30 September 2019) unless otherwise stated.

1. Peter Lee Associates Large Corporate and Institutional Transactional Banking Surveys, Australia 2004-2019 and New Zealand 2005-2019 2. Measures representation at the Senior Manager, Executive and Senior Executive Levels. Includes all employees regardless of leave status but not contractors (which are included in FTE) 3. Figure includes foregone revenue of $109 million 4. Total taxes borne by the Group, includes unrecovered GST/VAT, employee related taxes and other taxes. Inclusive of discontinued operations 5. 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 6. On a cash profit continuing operations basis 7. FY19 franking average 85%

2019 FULL YEAR RESULTS

CLIMATE-RELATED FINANCIAL DISCLOSURES

CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)[1]

Governance	Strategy	Risk Management	Metrics & targets
• Board Risk Committee oversees management of climate-related risks • Board Ethics, Environment, Social and Governance Committee oversees and approves climate-related objectives, goals and targets • Ethics and Responsible Business Committee (executive management) oversees our approach to sustainability and reviews climate-related risks	• Low carbon financial products and services • Staff training on transition planning • Reducing our own operational footprint • Focus on a 'just and orderly' low carbon transition • UNEP FI[2] TCFD group that issued recommendations on portfolio transition and physical risks • Analysis of flood-related risks for home loan portfolio in a major regional location of Australia • Flood-related analysis and test-pilot of socio-economic indicators for customer financial resilience	• Climate-related risks identified as potential credit risk • Climate change risk added to Group and Institutional Risk Appetite Statements • Climate change identified as a Principal Risk and Uncertainty in our UK Disclosure and Transparency Rules Submission • Guidelines and training provided to 1,000 of our Institutional bankers on customer transition plans • Enhanced analysis and credit terms applied to agricultural purchases in certain regions • New agribusiness customers assessed for climate resilience	• 29 engagements with large emitting customers to establish transition plans – targeting 100 customers by 2021 • $19.1 billion funded and facilitated in environmentally sustainable solutions • Declining exposure to the most carbon-intensive energy; thermal coal mining exposures halved since 2015 • 100% renewable electricity for our operations by 2025, with our emissions targets aligned with Paris Agreement goals

1. A Financial Stability Board TaskForce released recommendations on financial disclosures in June 2017 to help investors better understand climate-related risks and opportunities. ANZ supports the TCFD recommendations and is using them to guide its disclosures 2 United Nations Environmental Programme for Financial Institutions

SUPPORTING OUR CUSTOMERS AND TRAINING OUR STAFF ON THE DEVELOPMENT OF LOW CARBON TRANSITION PLANS

CUSTOMER MANAGEMENT AND STAFF TRAINING

ANZ customer management informed by climate-related engagement

- We have identified carbon-intensive sectors most likely to be impacted by climate change
- There are 100 of our largest emitting business customers in those sectors
- We are supporting these customers to establish, or strengthen their low carbon transition plans
- We will use the results of this engagement to inform our risk assessment of customers in these sectors

Training our staff to engage with customers on climate-risk

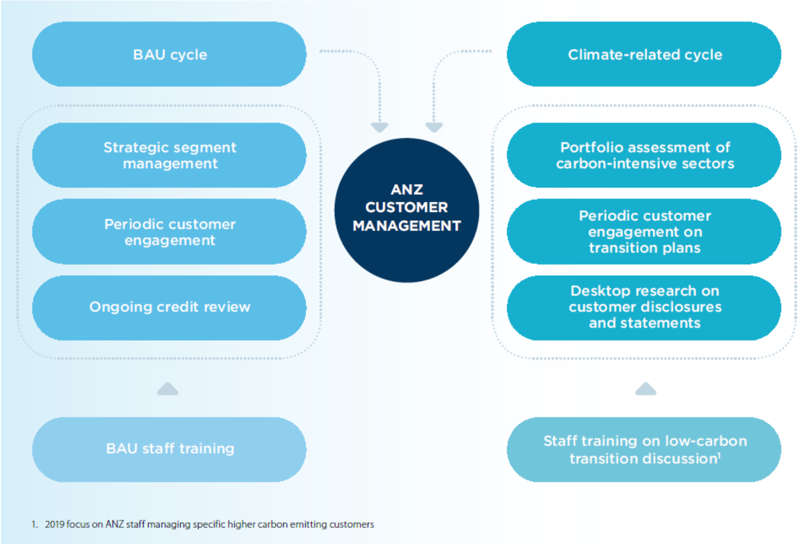
- This year we provided training to over 1,000 bankers in our Institutional and Corporate businesses. The training covered:
    - how climate-related risks and opportunities might manifest for our customers
    - what elements we would expect to see in a robust transition plan
    - market and regulatory drivers that are focusing stakeholder attention on our customers
    - whether they have plans in place to manage their climate-related risks and opportunities

CUSTOMER EXAMPLE: BHP'S TRANSITION PLANNING

BHP has an integrated strategy including:

- Targets to hold net operational emissions at or below FY2017 levels by FY2022 while continuing to grow their business.
- Active stewardship role working with customers, suppliers and other value chain participants to influence reductions in scope 3 including:
    - A commitment to spend US$400m to develop technology to reduce emissions.

HOW WE SUPPORT OUR CUSTOMERS – INCLUDING INCORPORATION OF CLIMATE-RISK MANAGEMENT



1. 2019 focus on ANZ staff managing specific higher carbon emitting customers

2019 FULL YEAR RESULTS

DEBT INVESTOR PRESENTATION
ECONOMICS

ECONOMICS

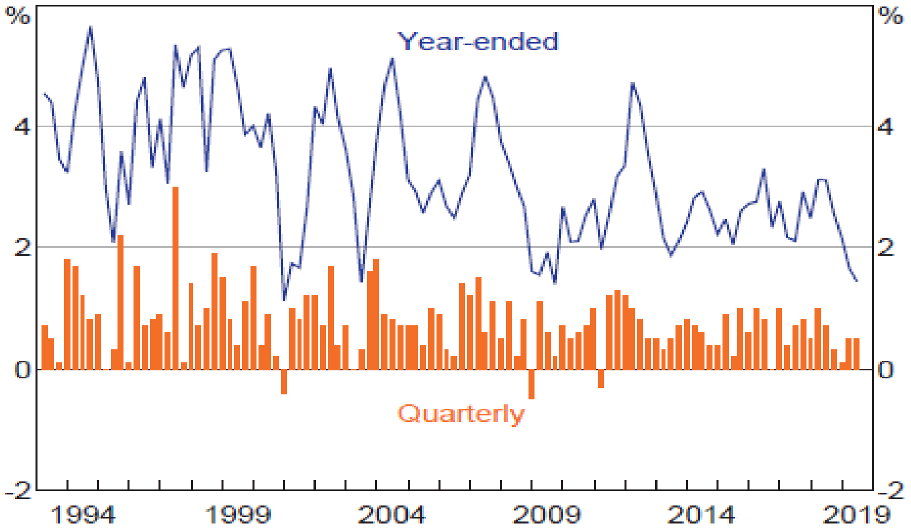
AUSTRALIA FORECAST TABLE[1]

	2016	2017	2018	2019F	2020F
Australia – annual % growth GDP	2.8	2.4	2.8	1.9	2.8
Domestic final demand (% q/q)	1.8	3.0	2.8	1.0	1.7
Headline CPI (% y/y)	1.3	1.9	1.9	1.4	1.7
Core CPI (%y/y)	1.5	1.8	1.9	1.4	1.7
Employment (%y/y)	1.0	3.3	2.3	2.0	1.9
Wage Price Index (%y/y)	2.0	2.0	2.2	2.3	2.3
Unemployment (ann. avg)	5.7	5.5	5.0	5.2	5.0
Current Account (% of GDP)	-3.3	-2.6	-2.1	0.6	-0.1
Terms of Trade	0.4	12.1	2.0	5.6	-4.9
RBA cash rate (% year end)	1.50	1.50	1.50	0.75	0.25
3yr bond yield (% year end)	1.83	1.75	2.06	0.75	0.75
10 year bond yield (% year end)	2.31	2.64	2.64	1.00	1.25
AUD/USD (year-end value)	0.74	0.77	0.74	0.65	0.70

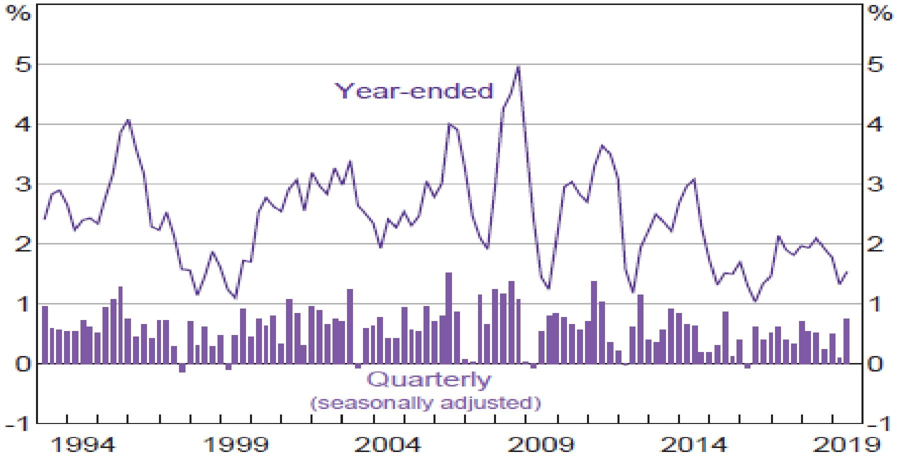
1. Based on 24th Sep 2019 forecast

AUSTRALIAN ECONOMY

GDP GROWTH[1]



CONSUMER PRICE INFLATION[1]

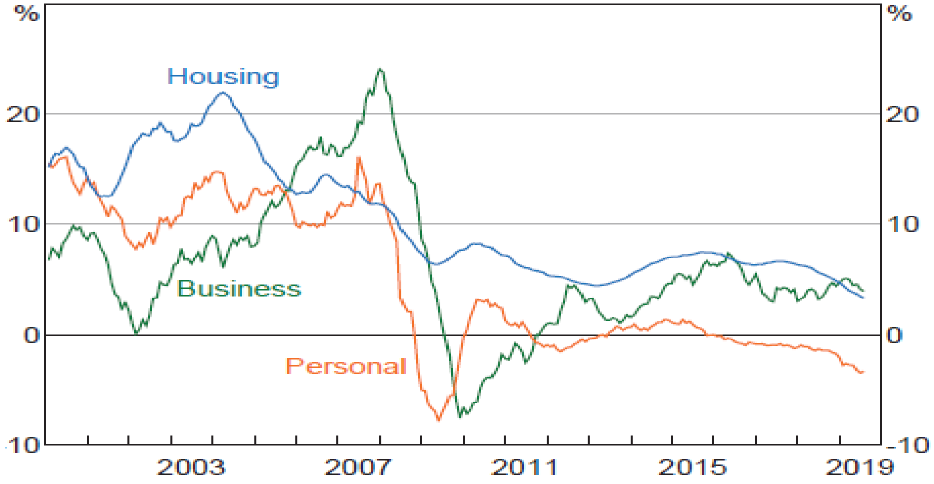


* Excluding interest charges prior to the September quarter 1998 and adjusted for the tax changes of 1999–2000

Sources: ABS; RBA

CREDIT GROWTH BY SECTOR[1]

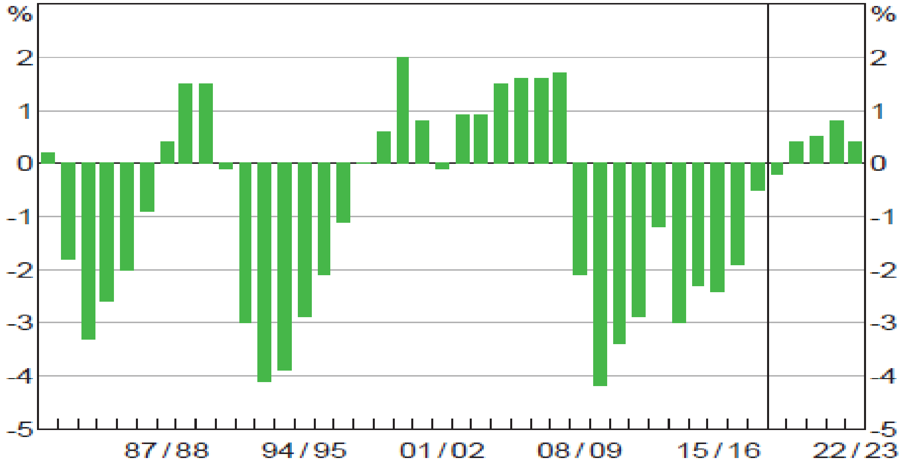
(year ended)



Sources: ABS; APRA; RBA

AUSTRALIAN GOVERNMENT BUDGET BALANCE[2]

Per cent of nominal GDP



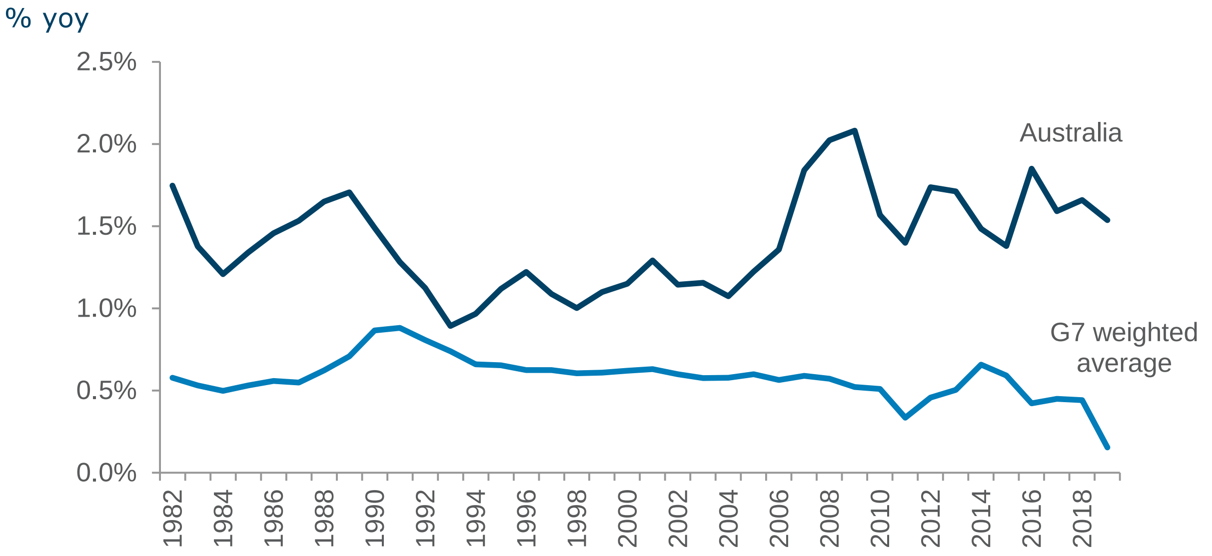
* Underlying cash balance; 2019/20 Budget

Source: Australian Treasury

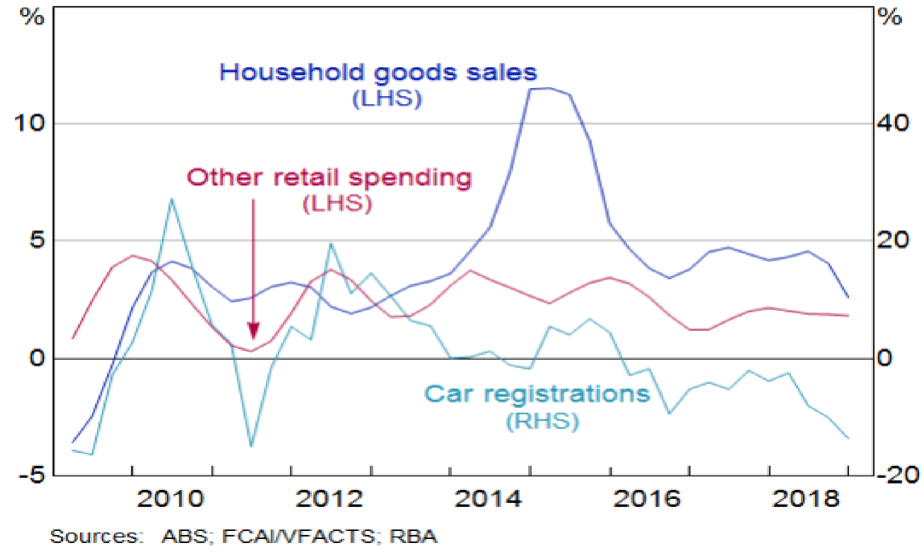
Sources: 1. RBA Chart Pack Oct 2019

AUSTRALIAN ECONOMY AND POPULATION

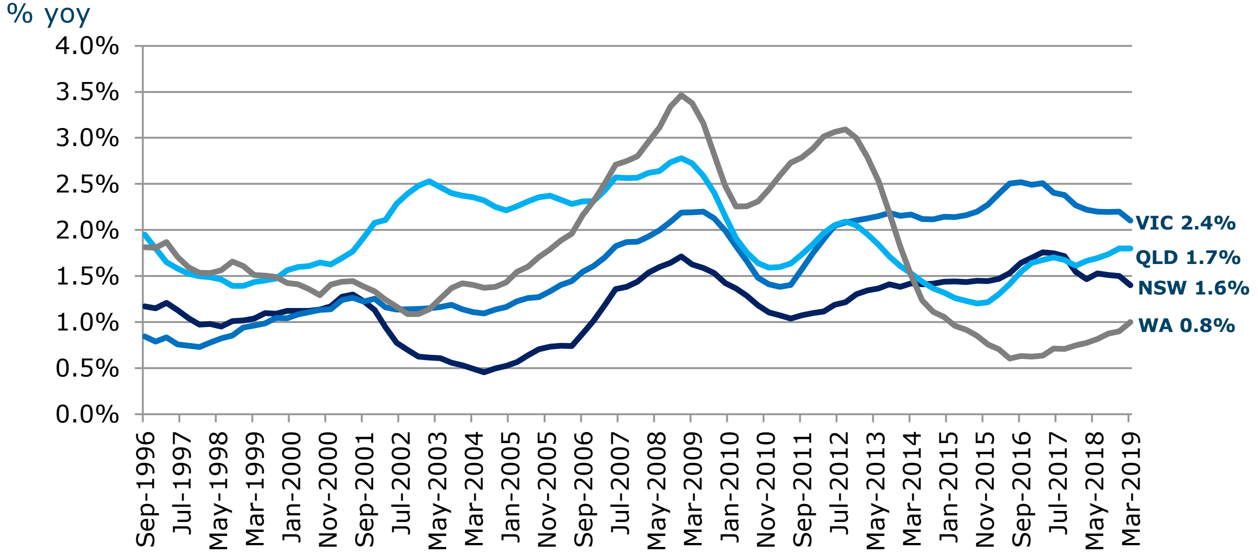
POPULATION GROWTH[1] – AUSTRALIA AND G7



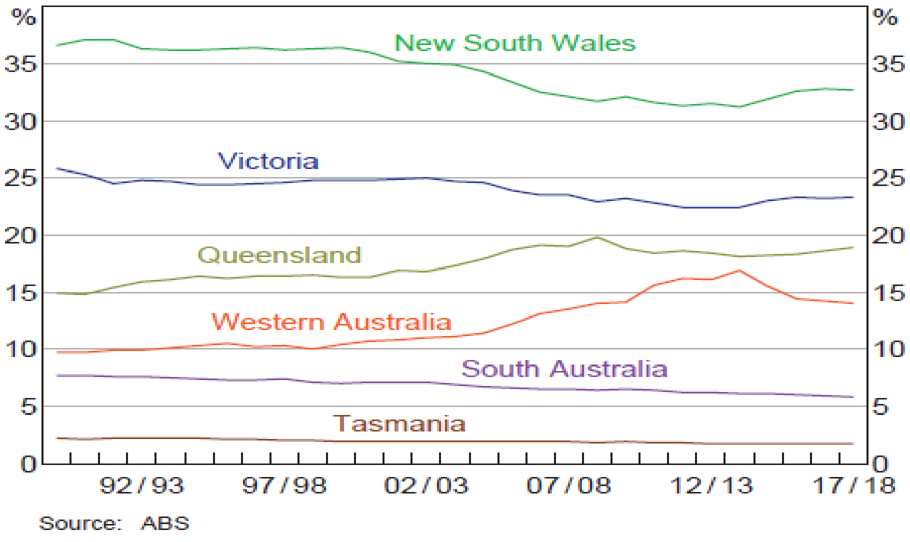
CONSUMER SPENDING GROWTH[4]



POPULATION GROWTH – MAJOR STATES[3]



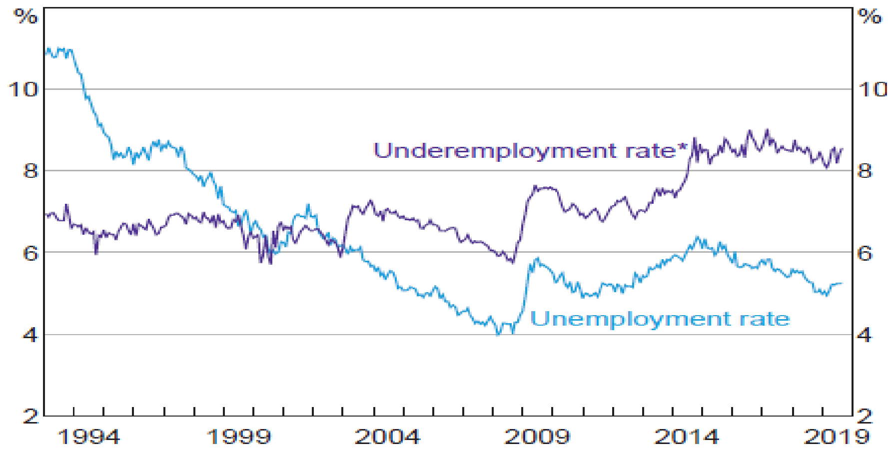
STATE SHARE OF OUTPUT[2]



Sources: 1. ABS, IMF. 2. Chart Pack Oct 2019, 3. ABS. 4 . RBA Speech: "What's up (and Down) With Households ", March 2019.

AUSTRALIAN LABOUR MARKET

UNEMPLOYMENT AND UNDEREMPLOYMENT[1]

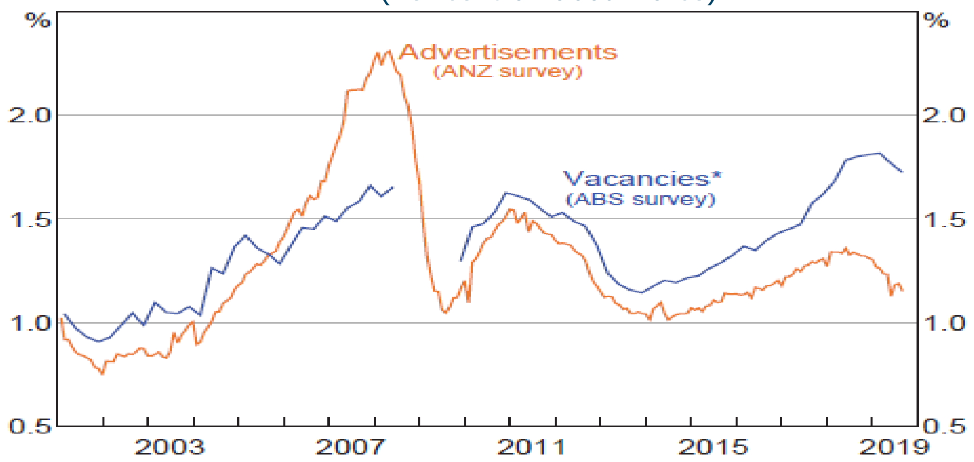


* Full-time workers on reduced hours for economic reasons and part-time workers who would like, and are available, to work more hours

Source: ABS

JOB VACANCIES AND ADVERTISEMENTS[1]

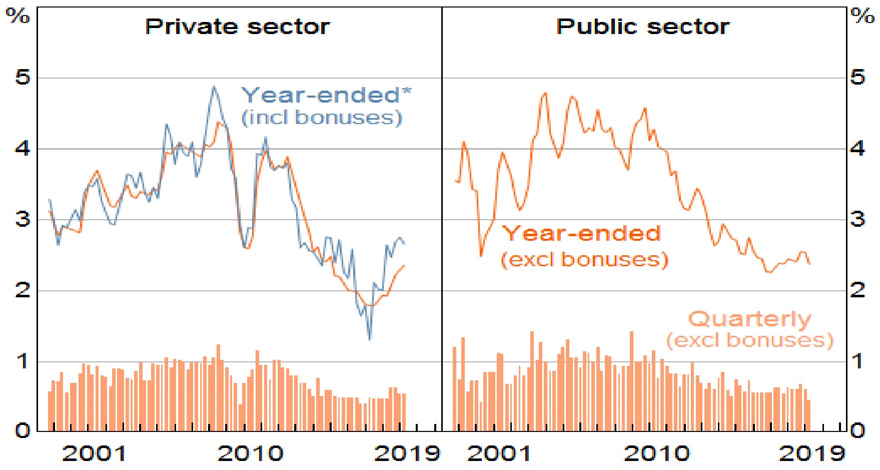
(Per cent of labour force)



* This survey was suspended between May 2008 and November 2009

Sources: ABS; ANZ

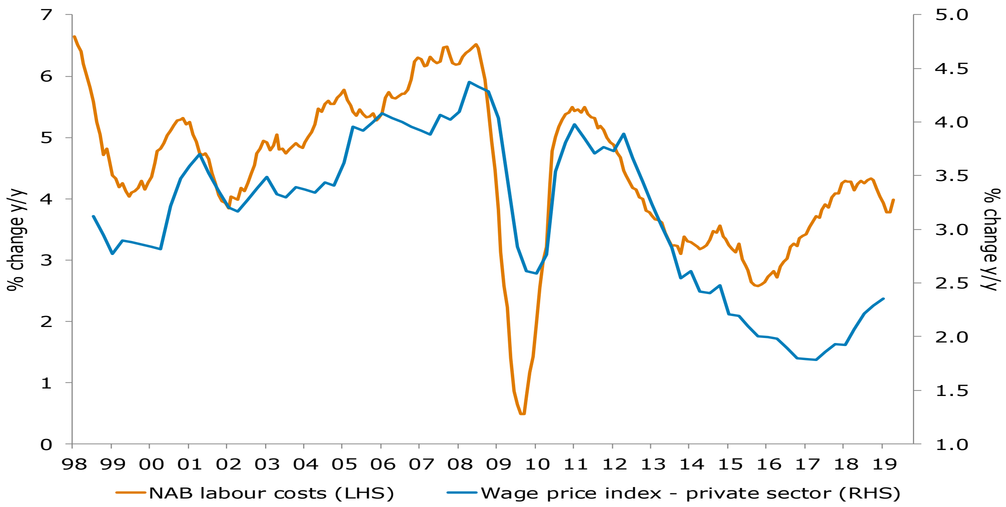
WAGE PRICE INDEX GROWTH[2]



* Not seasonally adjusted; bonuses include commissions

Source: ABS

LABOUR COSTS AND INFLATION[3]

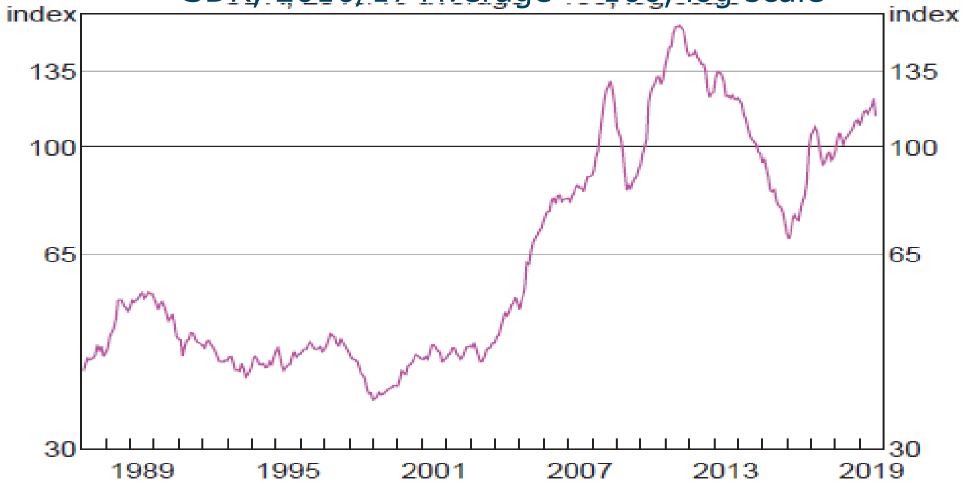


Sources: 1. RBA Chart Pack Oct 2019 2. RBA Speech: "The Labour Market and Spare Capacity", June 2019. 3. ABS, ANZ Research

COMMODITY PRICES[1]

RBA INDEX OF COMMODITY PRICES

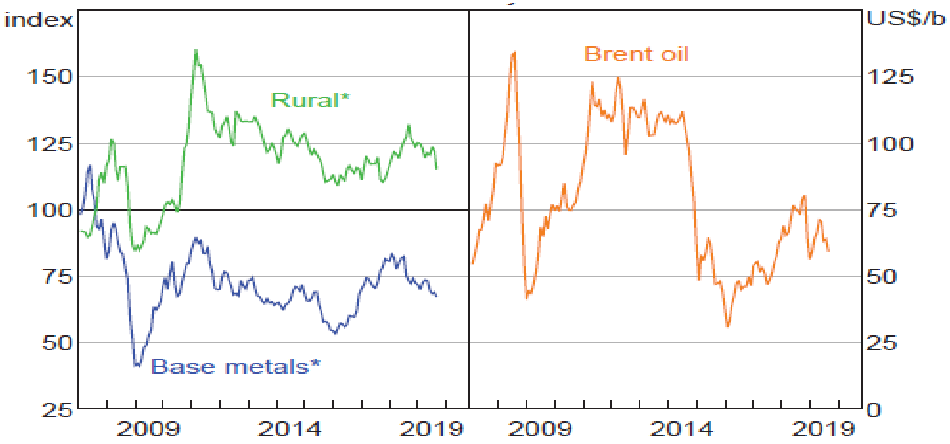
SDR, 2016/17 Average = 100, log scale



Source: RBA

BASE METALS, RURAL, AND OIL PRICES

Weekly

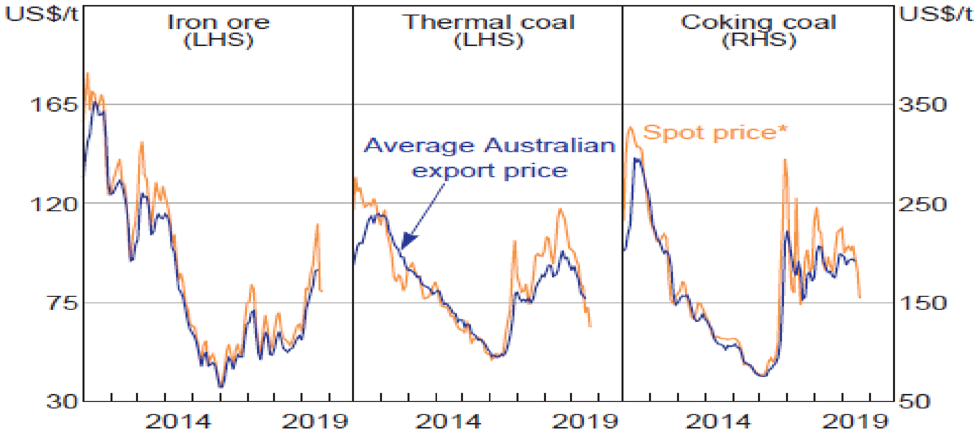


* RBA Index of Commodity Prices sub-indices; SDR terms; 2007 average = 100

Sources: Bloomberg; RBA

BULK COMMODITY PRICES

Free on board basis

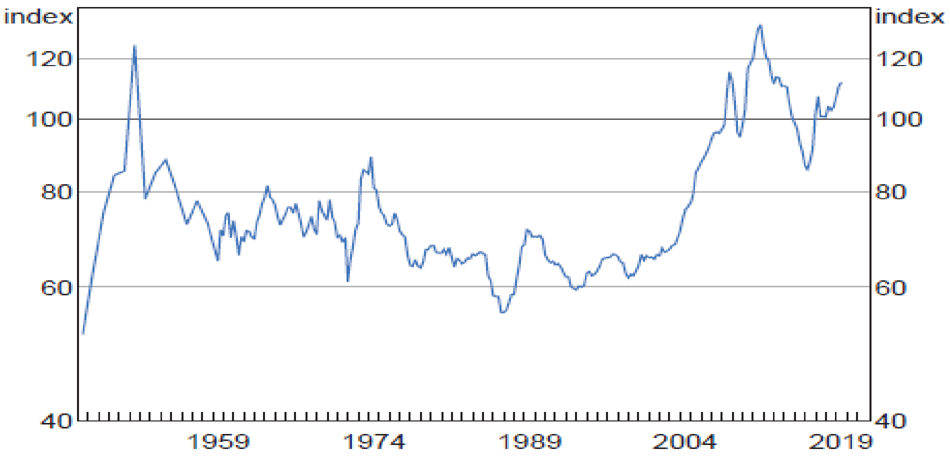


* Iron ore 62% Fe Fines Index; Newcastle thermal coal and premium hard coking coal

Sources: ABS; Bloomberg; IHS Markit; RBA

TERMS OF TRADE*

2016/17 average = 100, log scale



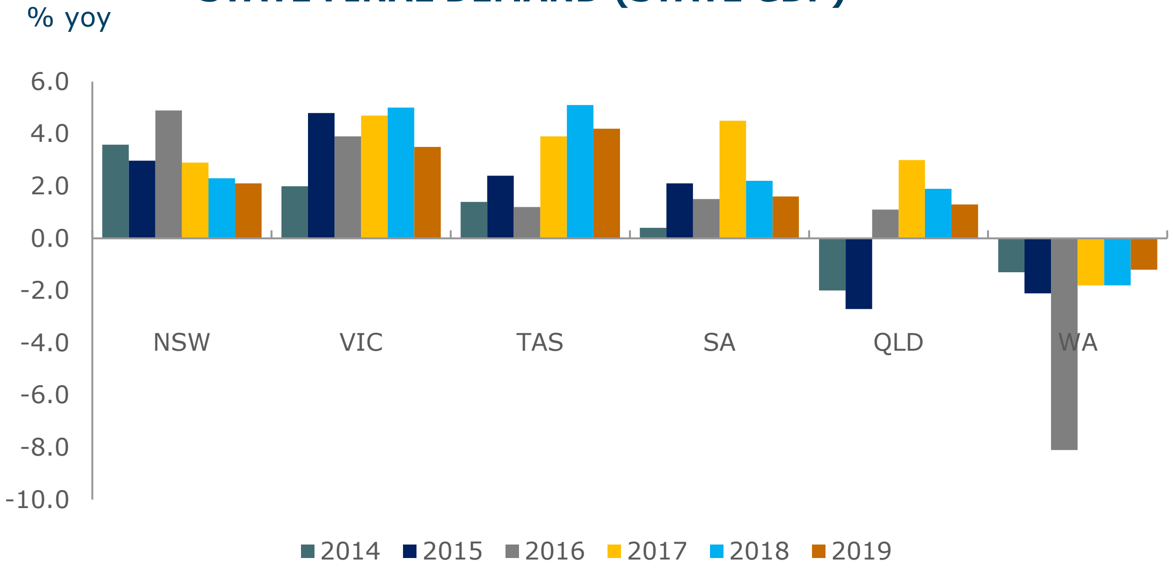
* Annual data are used prior to 1960

Sources: ABS; RBA

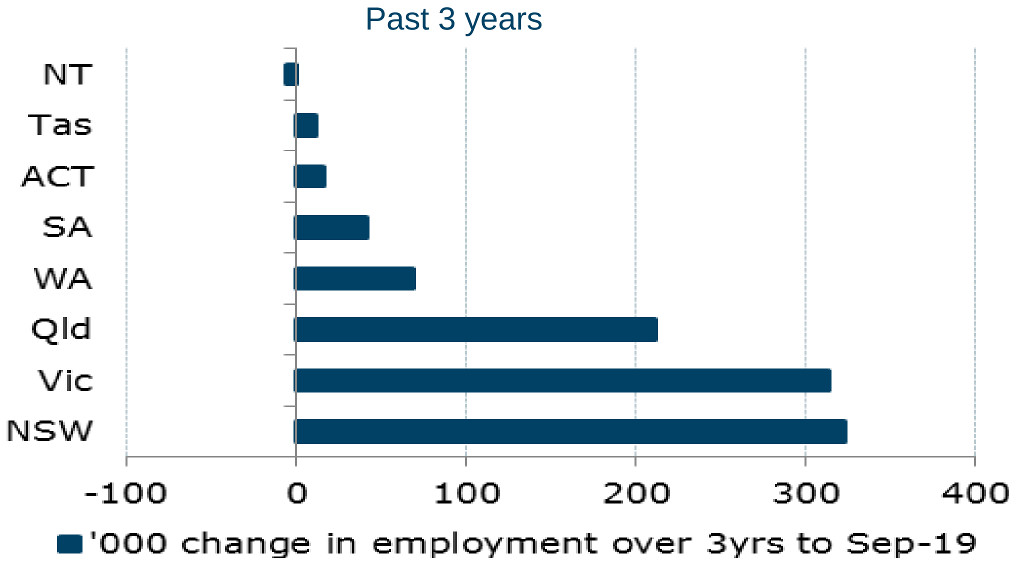
1. RBA Chart Pack Oct 2019

AUSTRALIAN ECONOMY – STATE BY STATE

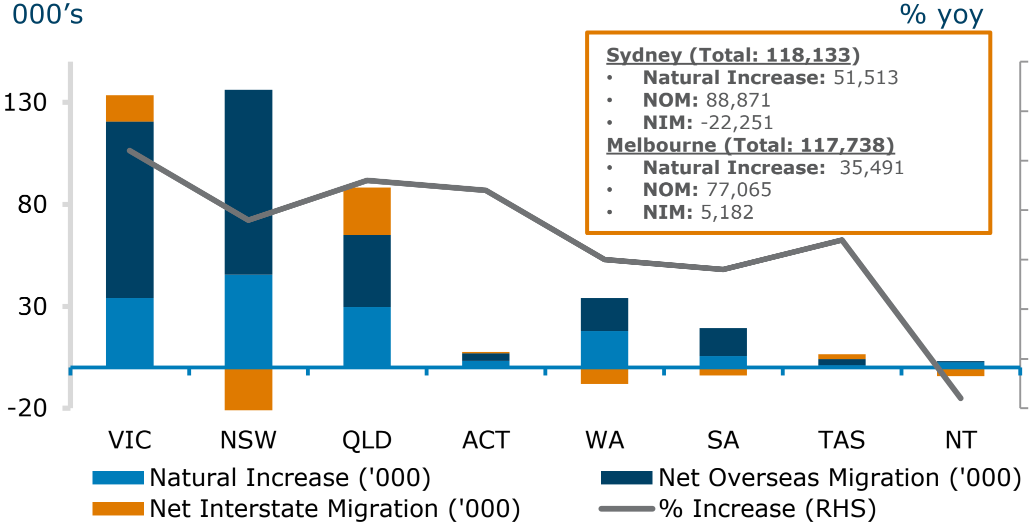
STATE FINAL DEMAND (STATE GDP)[1]



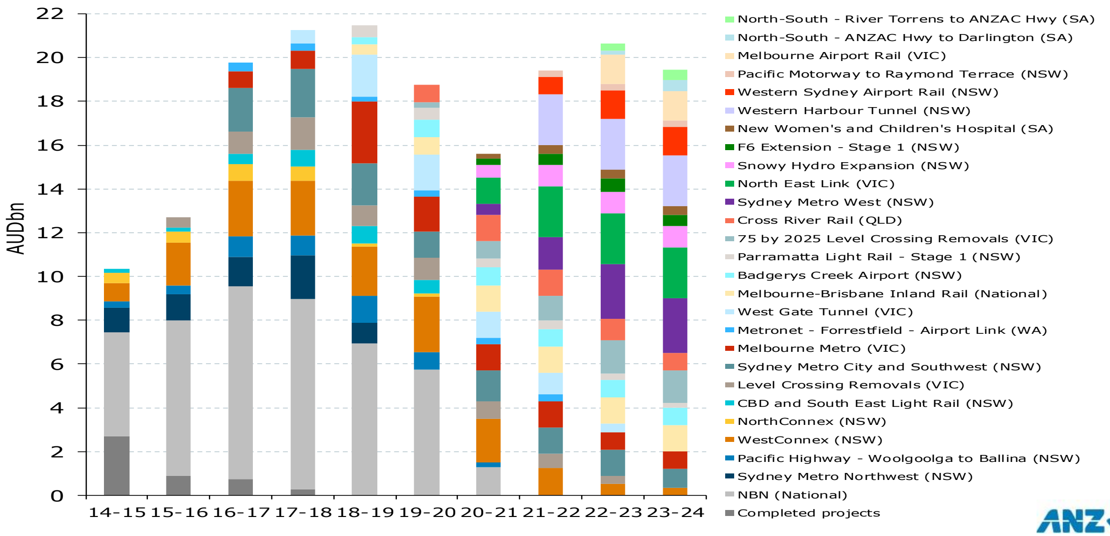
CHANGE IN EMPLOYMENT BY STATE[1]



POPULATION GROWTH[1]



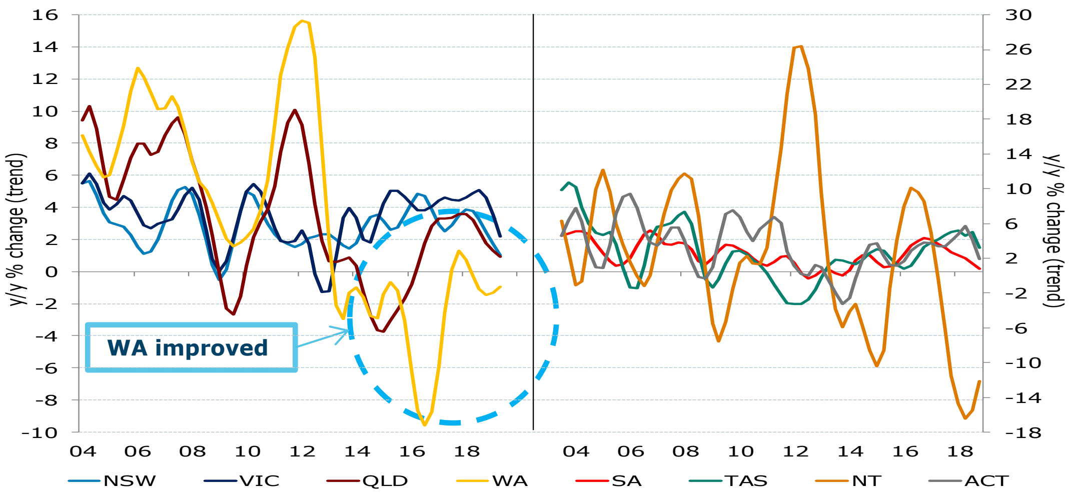
MAJOR INFRASTRUCTURE PROJECTS[2]



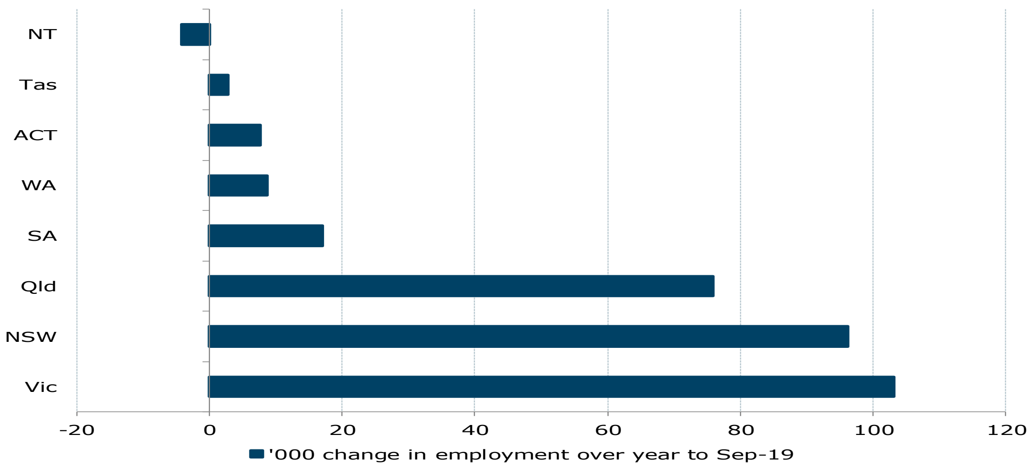
Sources: 1. ABS. 2. ANZ Research

AUSTRALIAN ECONOMY – WA AND QLD[1]

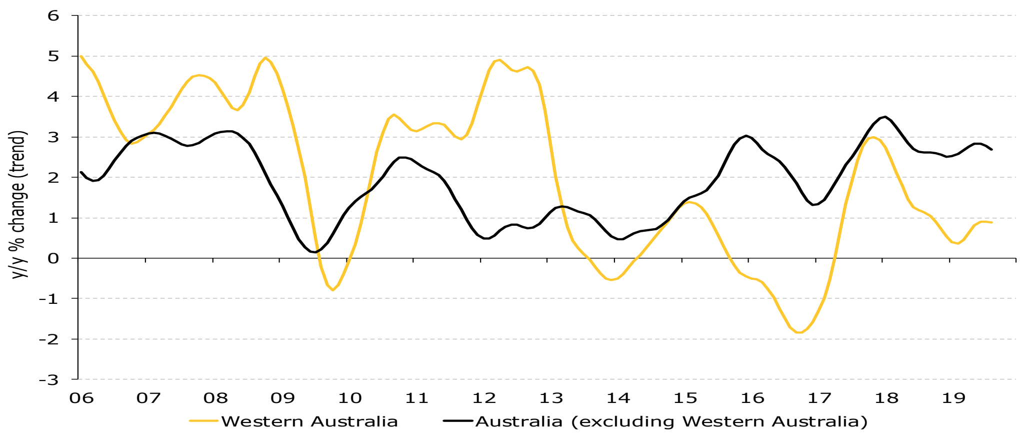
WA GDP HAS IMPROVED



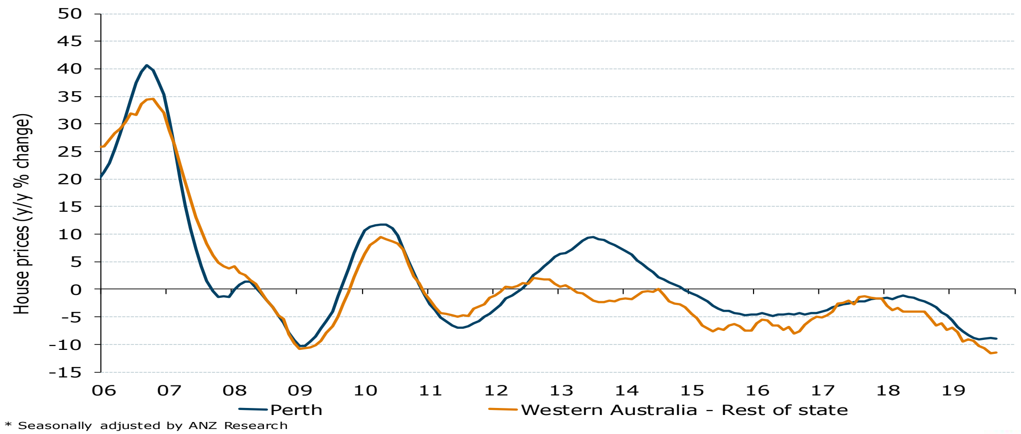
6 MONTHS OF JOB GROWTH IN WA AND QLD



WA EMPLOYMENT



WA HOUSE PRICES

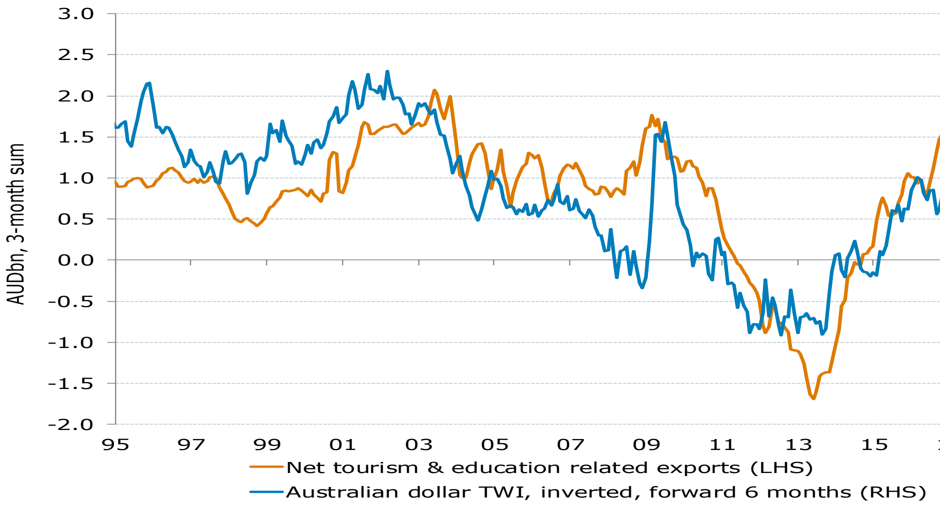


* Seasonally adjusted by ANZ Research

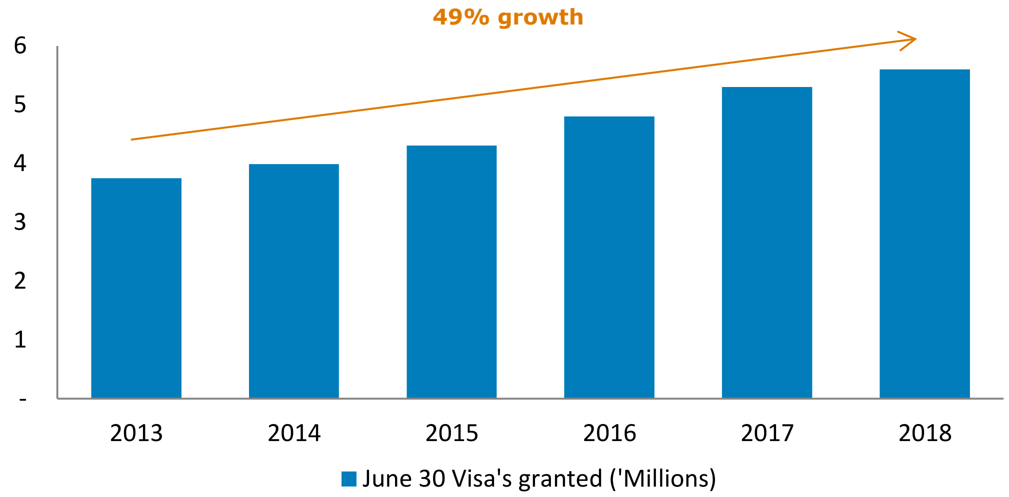
1. ANZ Research

AUSTRALIAN ECONOMY – SERVICE EXPORTS

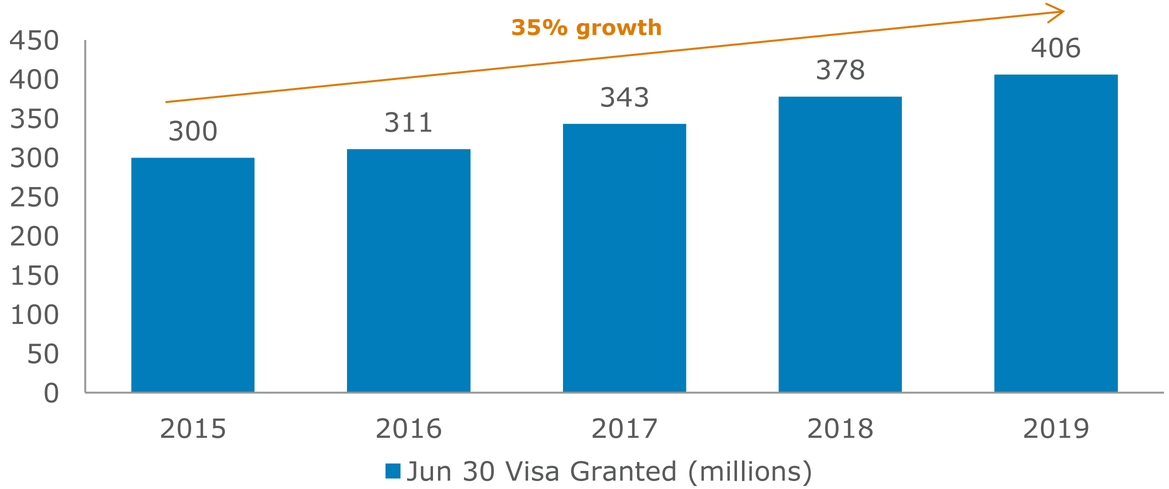
SERVICE EXPORTS AND AUD[1]



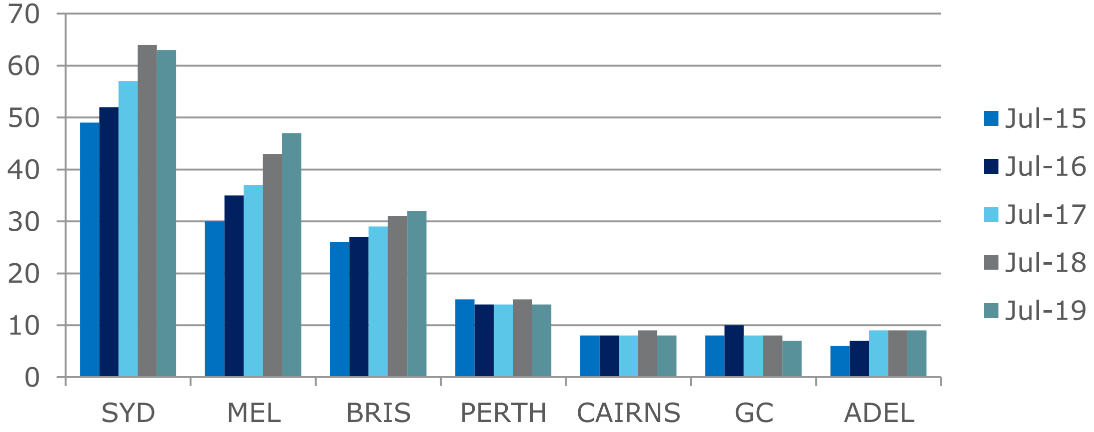
INTERNATIONAL TOURIST VISA'S GRANTED[2]



INTERNATIONAL STUDENT VISAS[2]



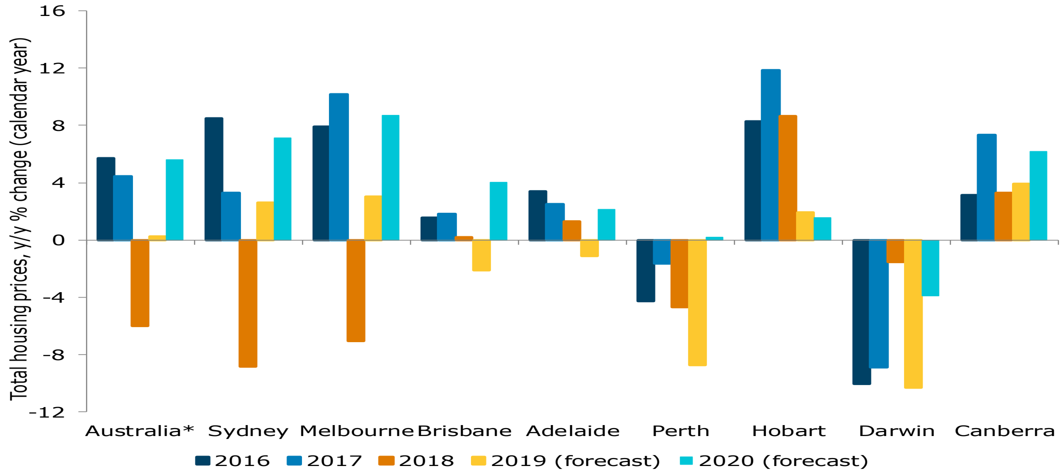
NUMBER OF INTERNATIONAL CITIES WITH CONNECTING FLIGHTS[3]



Sources: 1. ABS, ANZ Research. 2. Department of Immigration and Border Protection. 3. Department of Infrastructure and Development International Airline Activity Time Series

AUSTRALIAN HOUSING DYNAMICS: A COOLING MARKET

HOUSING PRICE FORECASTS BY STATE[3]

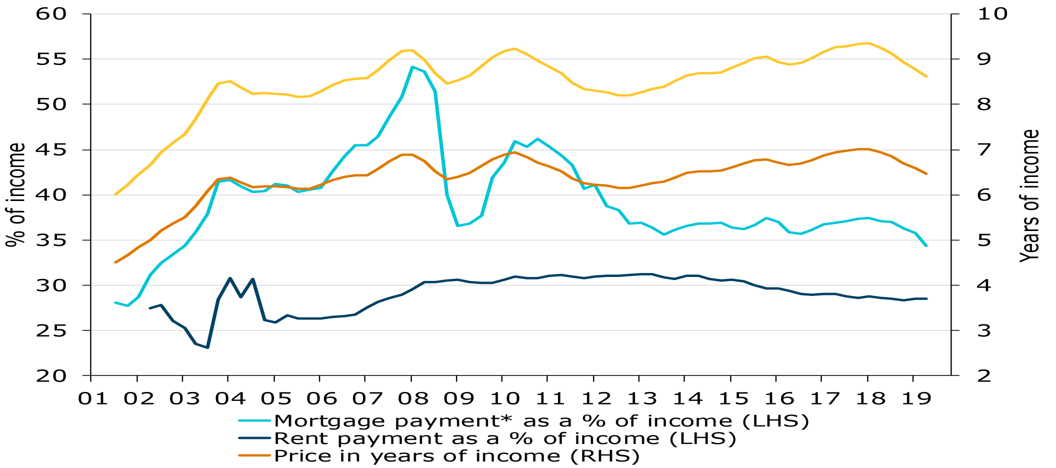


* Capital city weighted average

HOUSE PRICE GROWTH[1]

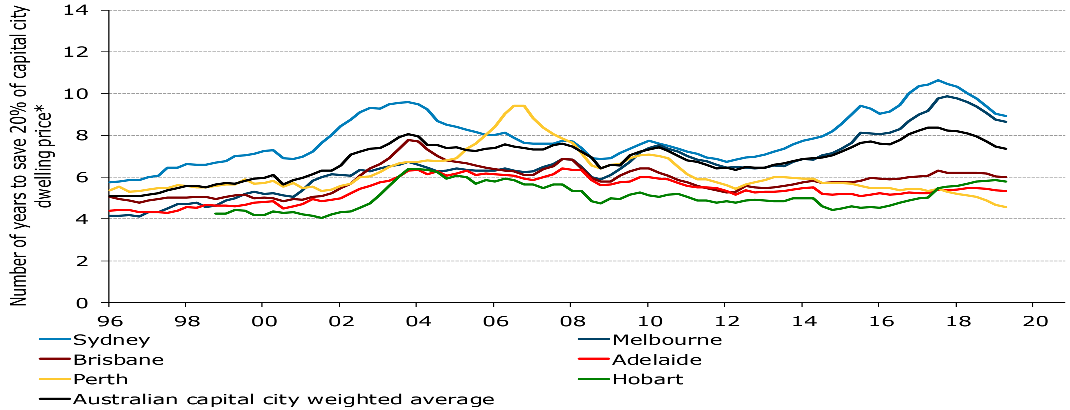
Sep 2019	yoy %			5 yr Cumulative 2013-2018			5 yr Cumulative Sep 14-Sep 19		
	All dwellings	Houses	Units	All dwellings	Houses	Units	All dwellings	Houses	Units
Sydney	**-4.7**	-5.0	-4.1	**43.4**	46.8	35.9	19.6	20.6	16.8
Melbourne	**-3.9**	-5.9	0.5	**40.5**	50.8	21.4	25.9	30.2	17.3
Brisbane	**-2.1**	-2.3	-1.5	**15.5**	19.8	-1.4	6.9	10.3	-6.6
Adelaide	**-1.1**	-1.4	0.3	**16.8**	17.9	10.9	9.9	10.5	7.1
Perth	**-9.0**	-9.0	-9.2	**-11.8**	-9.8	-19.8	-20.7	-19.3	-26.2
Darwin	**-9.4**	-11.3	-5.6	**-22.1**	-14.2	-34.0	-30.0	-25.3	-36.9
Canberra	**1.3**	2.1	-1.5	**21.4**	27.3	3.3	22.8	28.3	5.2
Hobart	**2.5**	3.4	-0.7	**36.2**	36.1	36.9	38.5	41.3	27.4

OVERALL AFFORDABILITY[2,3]



* Mortgage repayments on 80% LVR of median capital city house price
** At 15% savings rate on average state/territory household disposable income

DEPOSIT AFFORDABILITY[2,3]

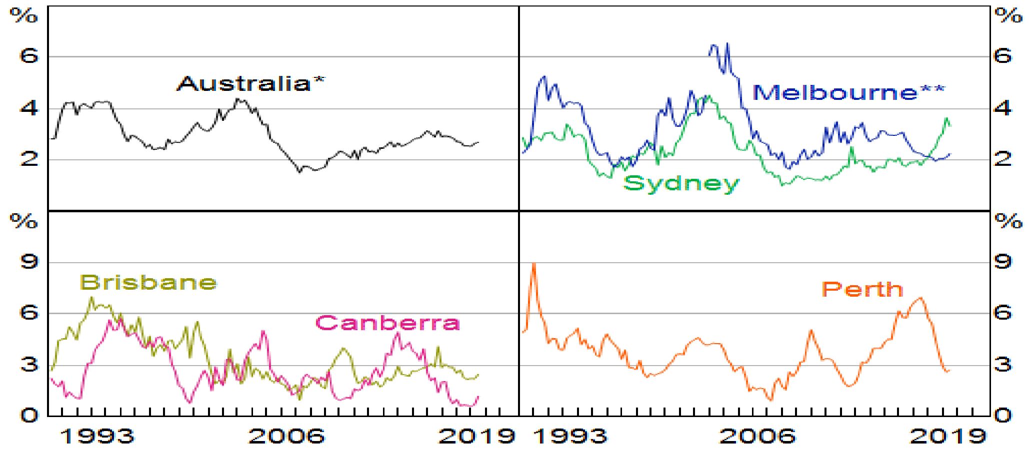


* At 15% savings rate on average state/territory household disposable income

Sources: 1. CoreLogic RP Data values as at September 2019. 2. Residex,, RBA. 3. ANZ Research

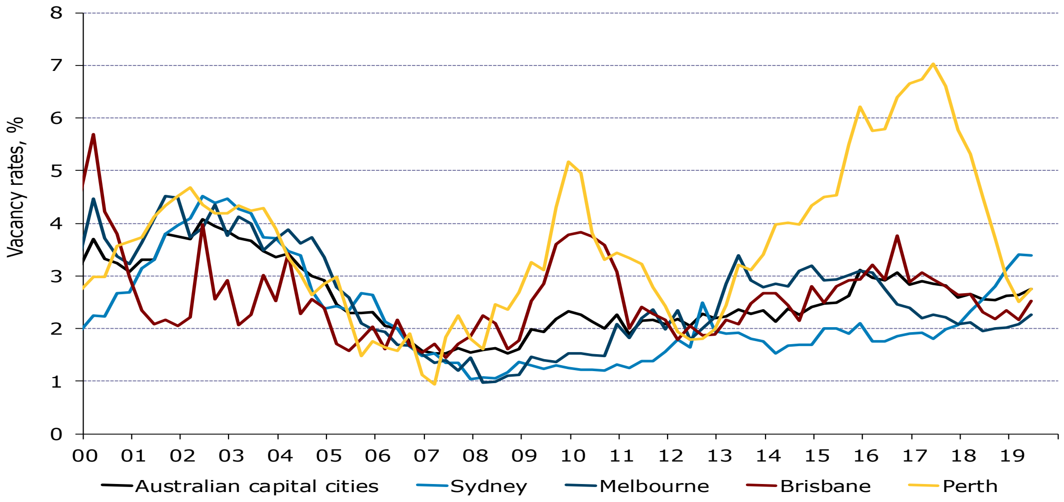
RENTAL VACANCY RATES REMAIN LOW

RENTAL VACANCY RATES[1]
Seasonally adjusted*

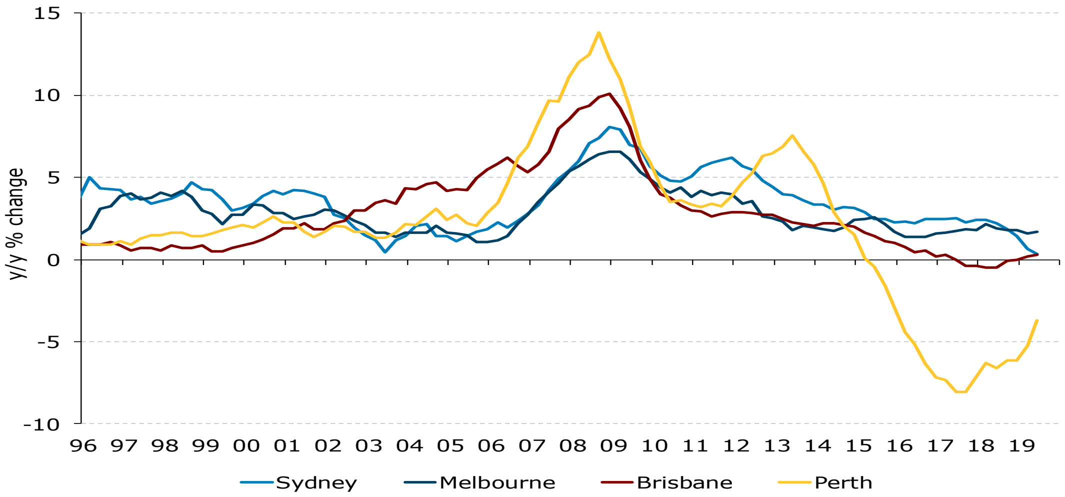


* Capital cities excluding Adelaide, Darwin and Hobart
** Series break December quarter 2002

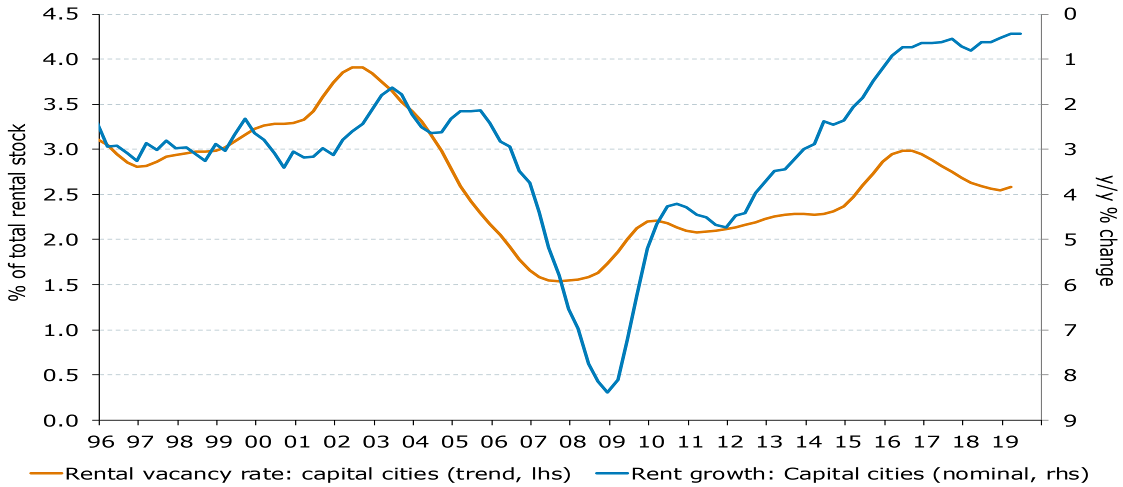
VACANCY RATES BY STATE[2,3]



RENTS[2,3]



RENTS & VACANCY RATES[2,3]

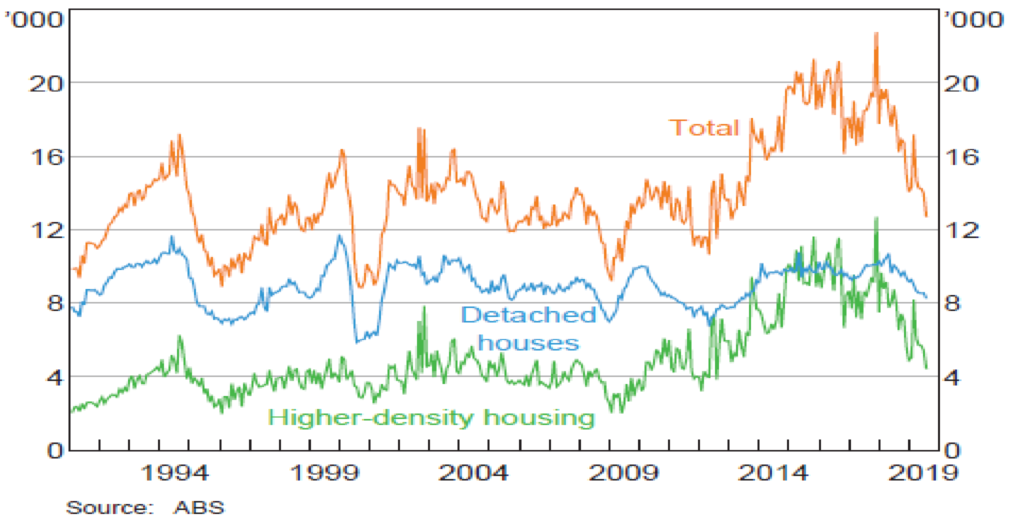


Sources: 1. RBA Speech: "Housing and the Economy" Oct 2019. 2. CoreLogic RP Data values as at 30 September 2019. 3. Residex, RBA, ANZ Research

AUSTRALIAN HOUSING DYNAMICS

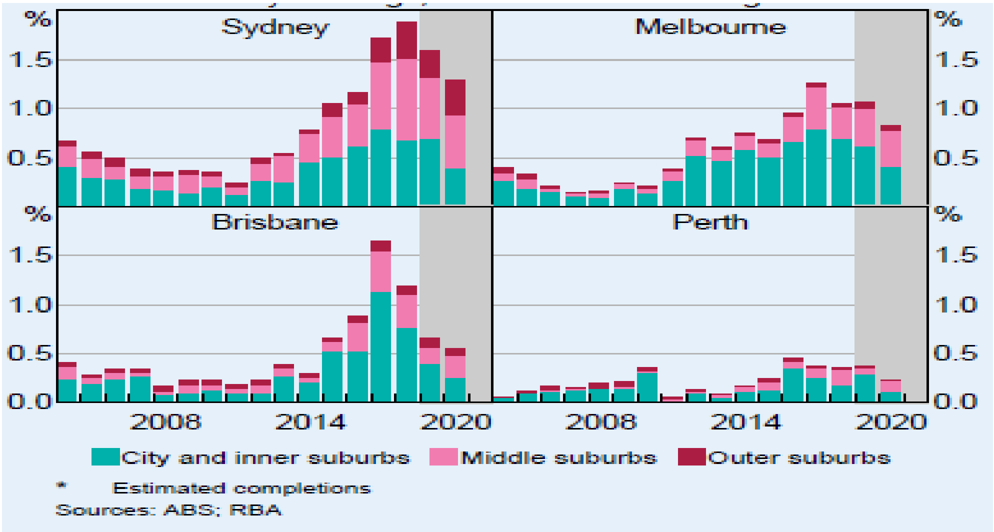
PRIVATE RESIDENTIAL BUILDING APPROVALS[1]

Monthly

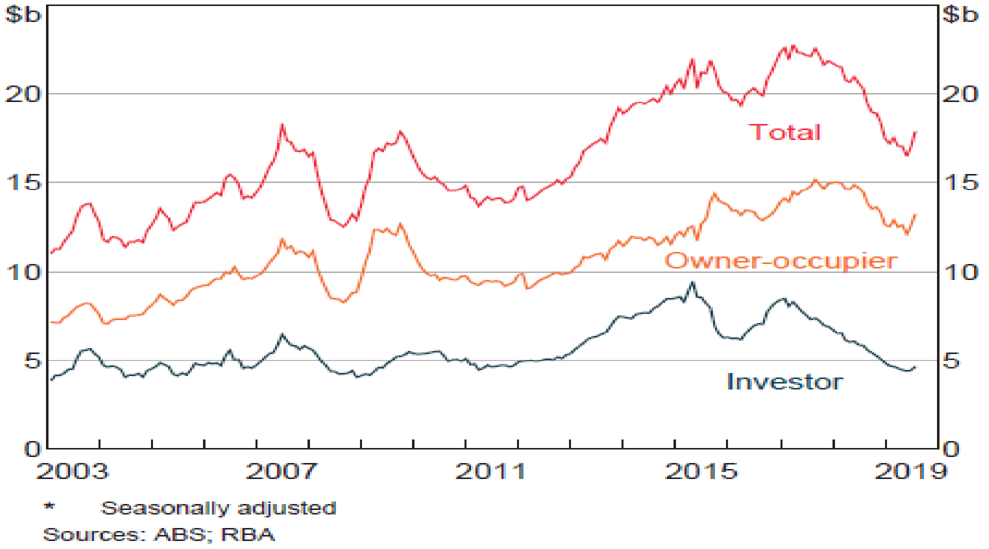


HIGH DENSITY APARTMENT COMPLETIONS[2]

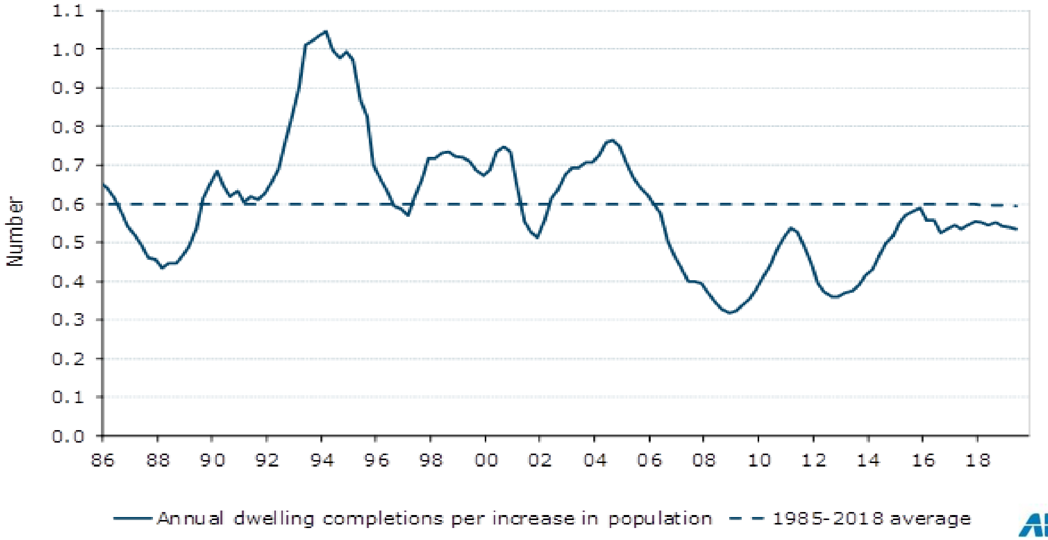
4+ Storey buildings, share of 2016 dwelling stock



HOUSING LOAN APPROVALS[1]



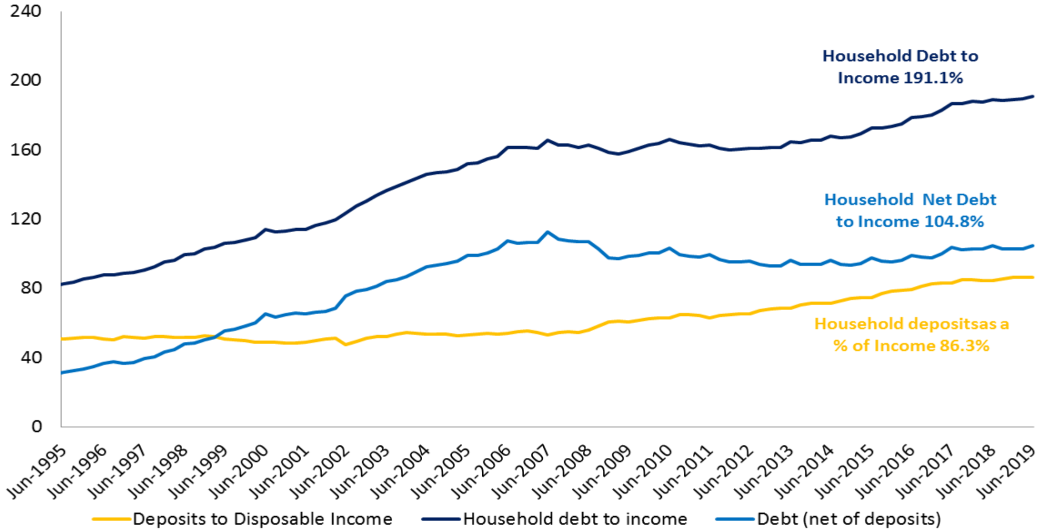
HOUSING STARTS AND COMPLETIONS[3]



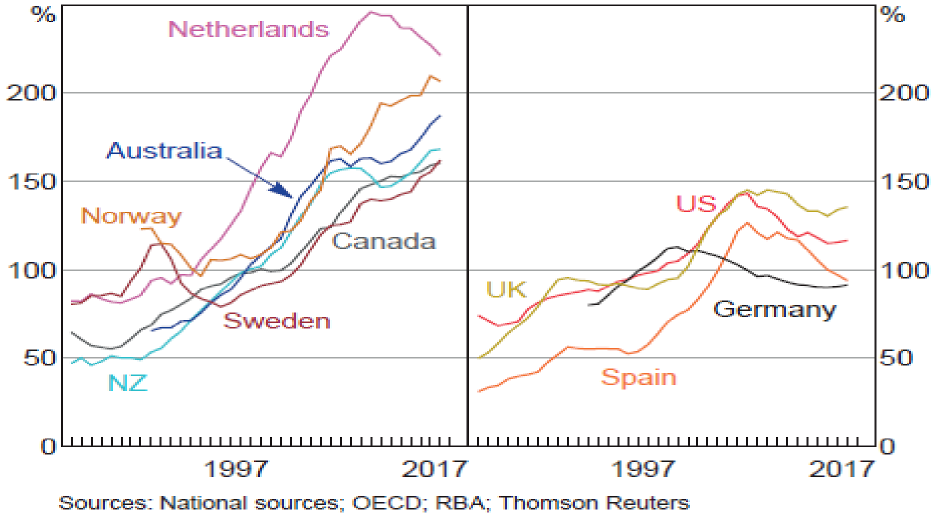
Sources: 1. RBA Chart Pack Oct 2019, ABS 2. RBA Financial Stability Review, April 2019. 3. ANZ Research

AUSTRALIAN HOUSING
HOUSEHOLD DEBT AND INCOME

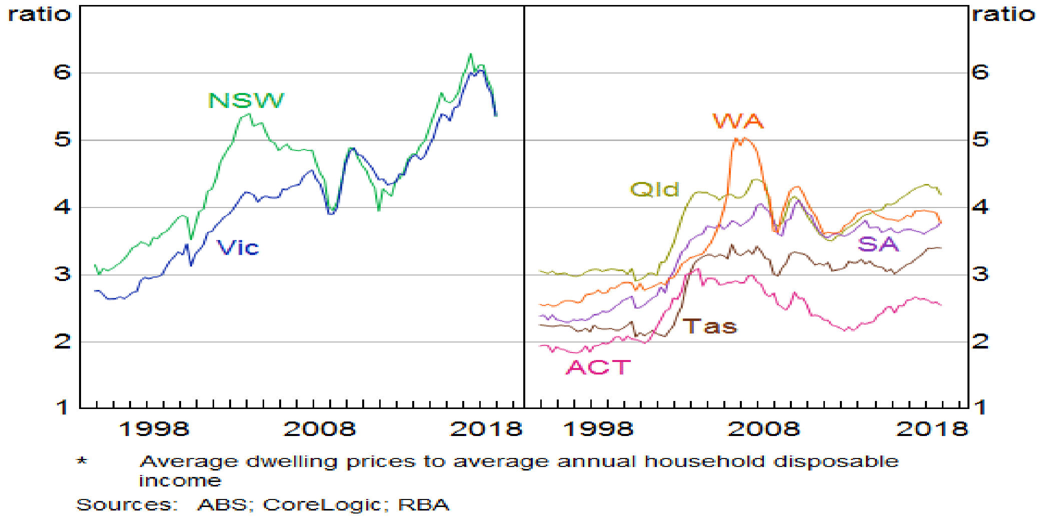
HOUSEHOLD DEBT AND DEPOSITS[1]
% of annual household disposable income



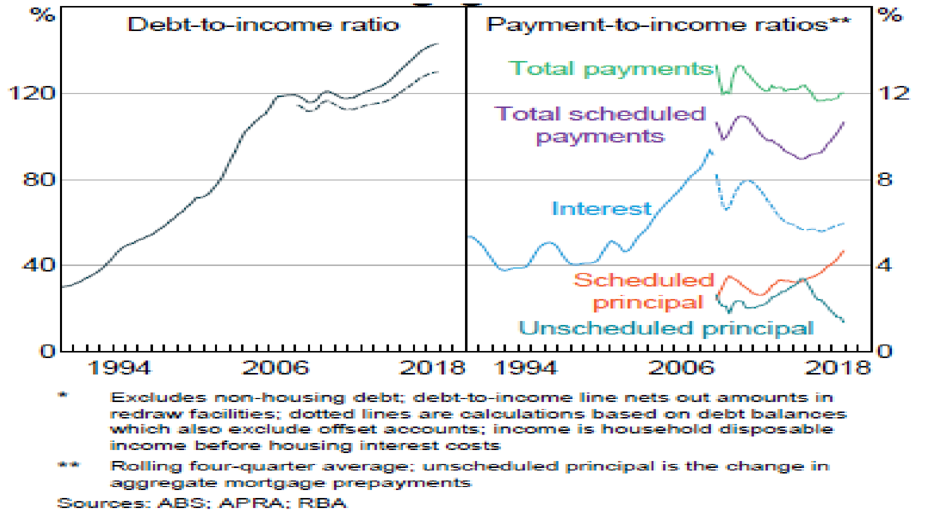
HOUSEHOLD DEBT-TO-INCOME RATIOS[2]



HOUSING PRICE-TO-INCOME RATIO[3]



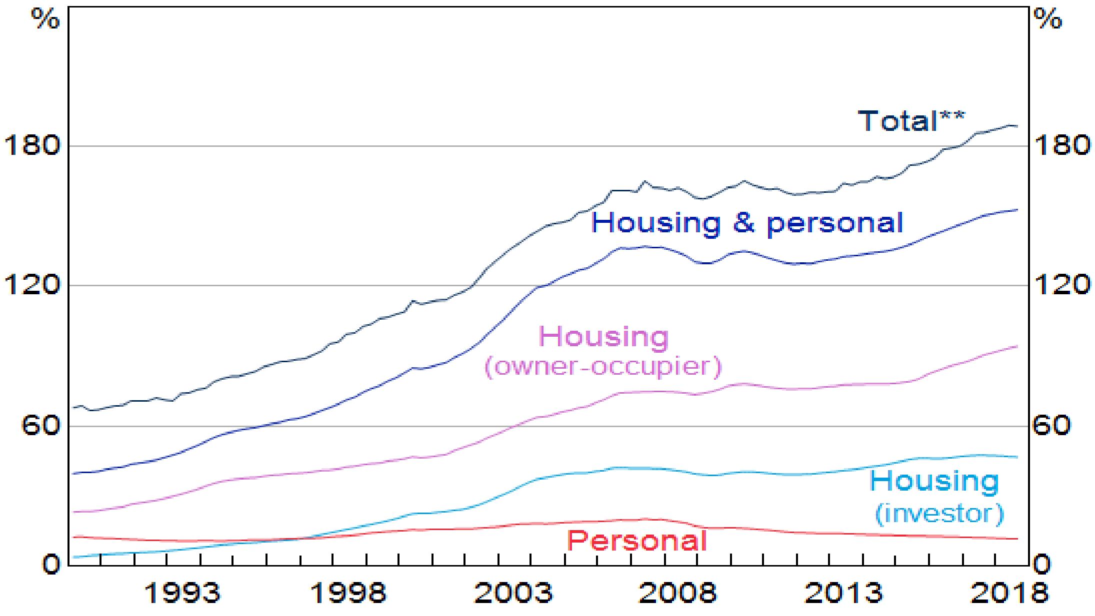
HOUSEHOLD MORTGAGE DEBT INDICATORS[2]



Sources: 1. ABS, RBA. Housing Debt refers to ratio of housing debt to annualised household disposable income. Deposits include transferrable and other deposits. 2. RBA Financial Stability Review, April 2019 3. RBA Speech: "The Housing Market and the Economy", March 2019.

AUSTRALIAN HOUSING
HOUSEHOLD DEBT

HOUSEHOLD DEBT[1]
Per cent of household disposable income

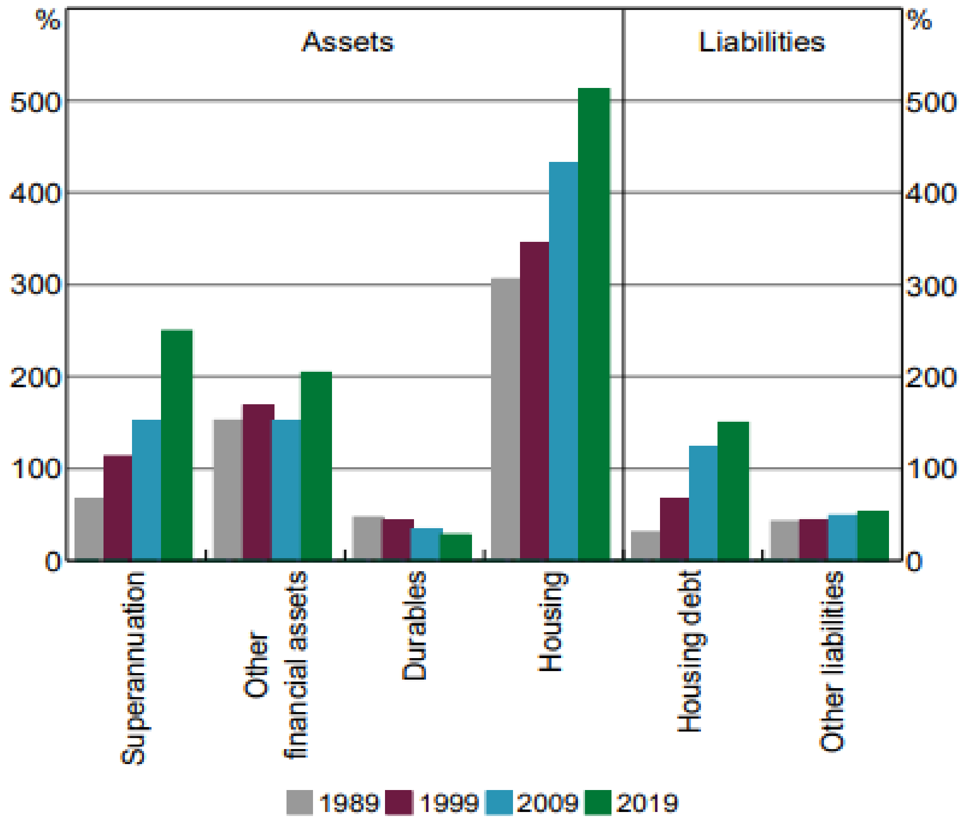


* Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises

** Includes debt of unincorporated enterprises and debt owed to non-financial organisations (e.g. HECS-HELP)

Sources: ABS; APRA; RBA

HOUSEHOLD BALANCE SHEET[2]
Relative to disposable income



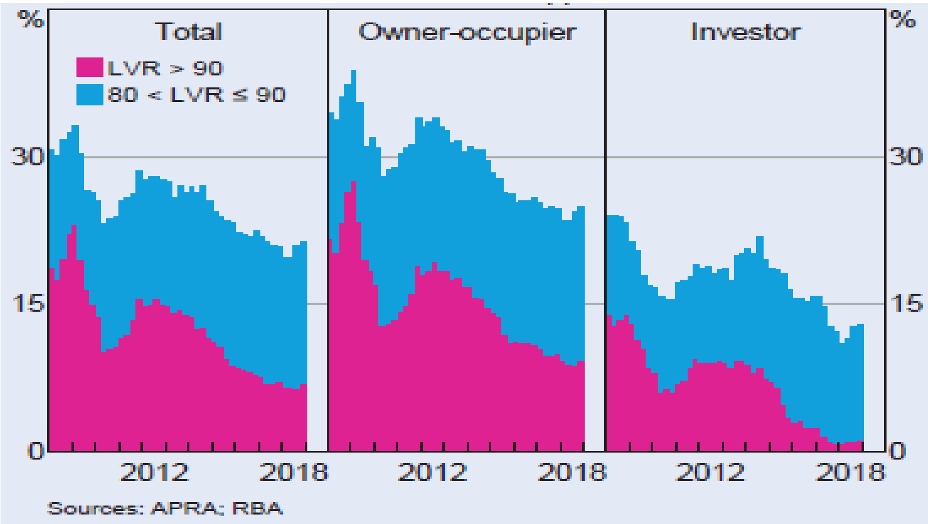
* Other financial assets include financial assets held outside of superannuation; other liabilities include personal credit, student loans and other household liabilities

Sources: ABS; RBA

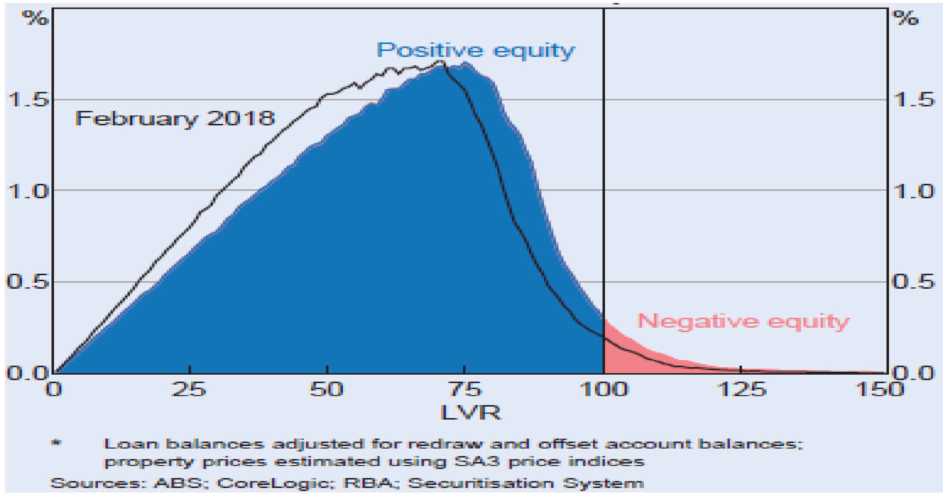
Sources: 1. RBA Speech: "Property, Debt and Financial Stability", March 2019. 2. RBA. Financial Stability Review, October 2019

AUSTRALIAN HOUSING
LOW LEVELS OF HIGH LVR LENDING - ISOLATED NEGATIVE EQUITY[1]

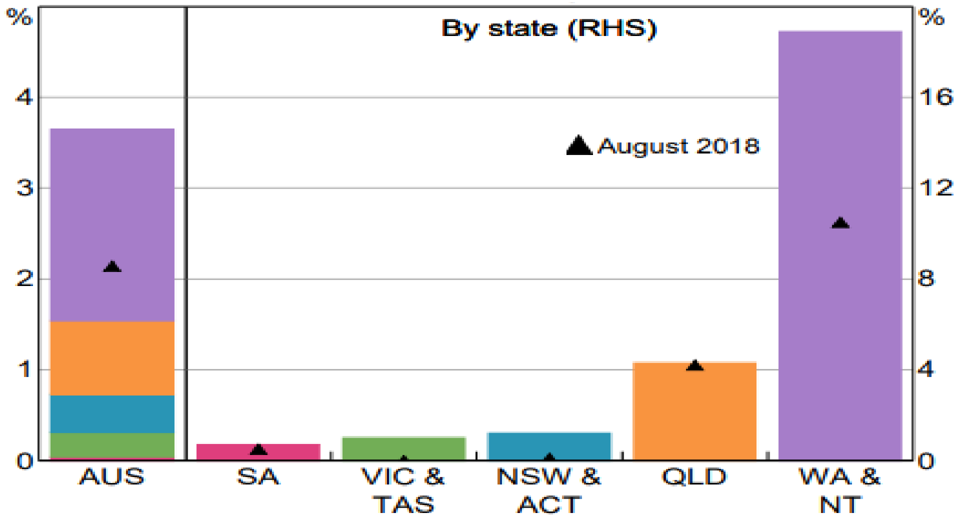
ADIs' HIGH LVR LOANS[1]
Share of new loan approvals



CURRENT DYNAMIC LVR DISTRIBUTION[1]
Share of balances, February 2019



LOANS IN NEGATIVE EQUITY[2]
Share of balances, February 2019

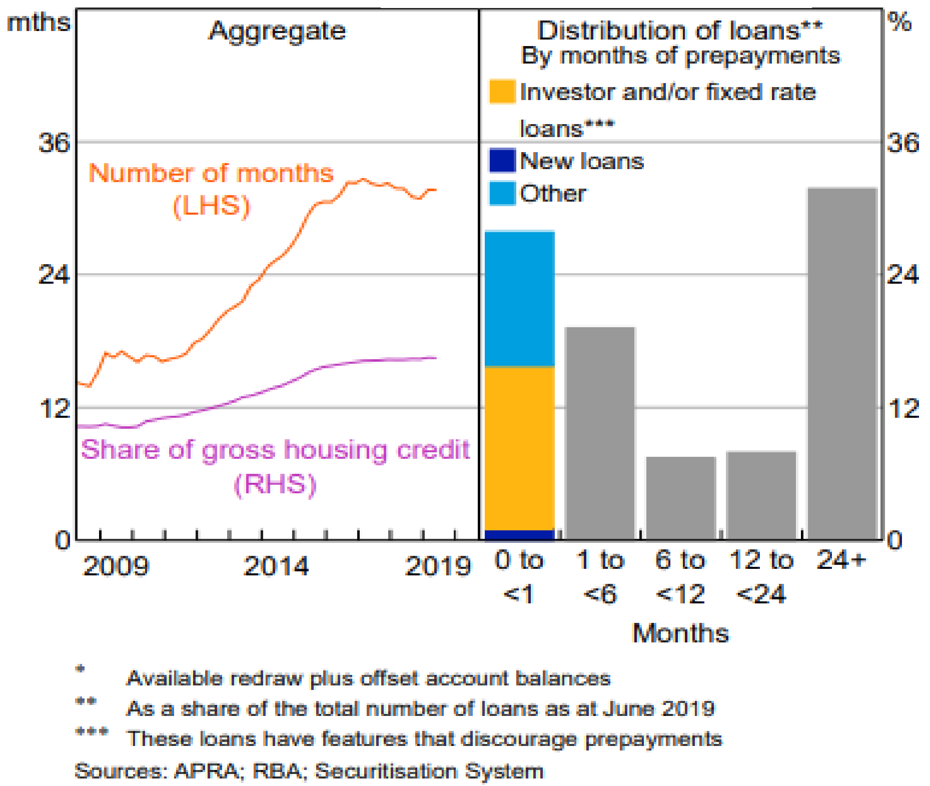


Sources: ABS; CoreLogic; RBA; Securitisation System

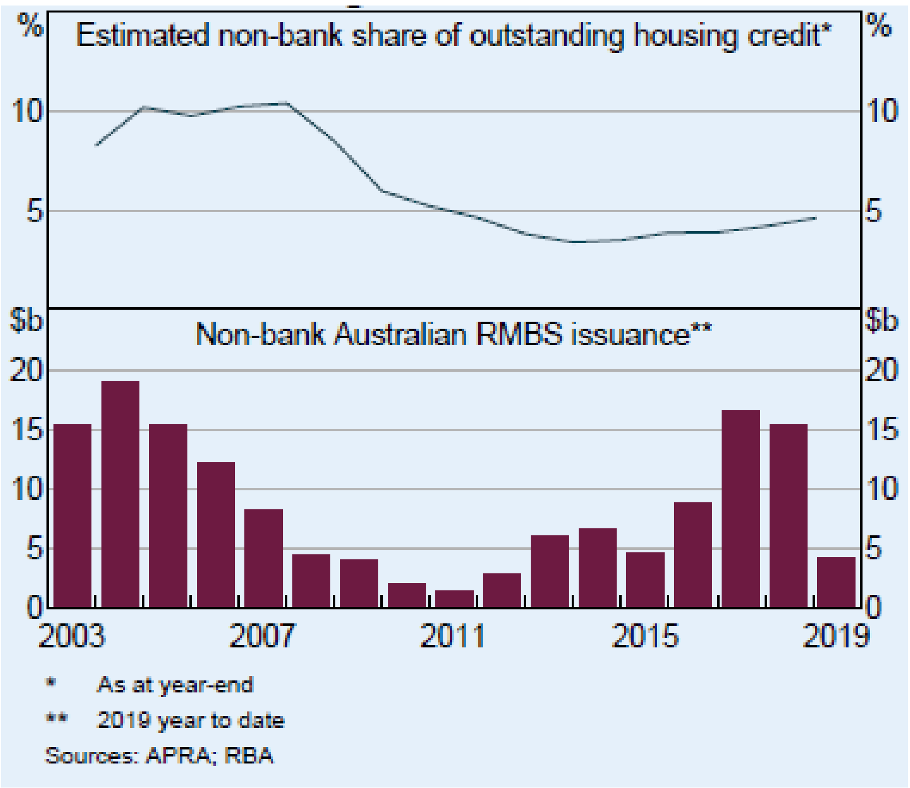
Sources: 1. RBA. Financial Stability Review, April 2019. 2. RBA. Financial Stability Review, October 2019

AUSTRALIAN MORTGAGE STABILITY
OFFSET BALANCES AND SMALL SHADOW BANKING SECTOR

HOUSEHOLD MORTAGE BUFFERS[1]



NON-BANK HOUSING CREDIT AND RMBS ISSUANCE[2]



- Aggregate buffers of 16.5% of outstanding mortgage balance or 2.5 years scheduled payments (at current interest rates)
- Of those with <1 month buffer, this includes
  - Investor mortgages who have tax incentives not to repay tax deductible debt early
  - Fixed rate mortgages

Sources: 1. RBA. Financial Stability Review, October 2019 2. RBA. Financial Stability Review, April 2019