

2015

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
29 October 2015

RESULTS PRESENTATION & INVESTOR DISCUSSION
PACK



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All figures within this investor discussion pack are presented on Cash 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 84 of the 2015 Full Year Consolidated Financial Report.

2015 | FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
29 October 2015

Mike Smith
Chief Executive Officer



Financial performance

	2015 (\$m)	2014 (\$m)	change (%)
Statutory profit	7,493	7,271	3%
Cash Profit	7,216	7,117	1%
Cash Earnings Per Share (cents)	260.3	260.3	-
Cash Dividend Per Share (cents)	181	178	2%
ROE	14.0%	15.4%	(140)bps
CET1			
APRA Basis	9.6%	8.8%	80bps
Internationally harmonised	13.2%	12.5%	70bps

- Modest profit growth, record result
- Domestic businesses continue to perform; increased investment in FY15
- IIB soft finish to the year; responding to challenging environment

Delivered sustainable customer franchise gains

PBP

+10%

Australia Retail

- 6th consecutive year of market share gain in Home Loans
- NSW up 20% in Home Loan FUM
- +150k new customers in FY15

+2%

Australia Commercial

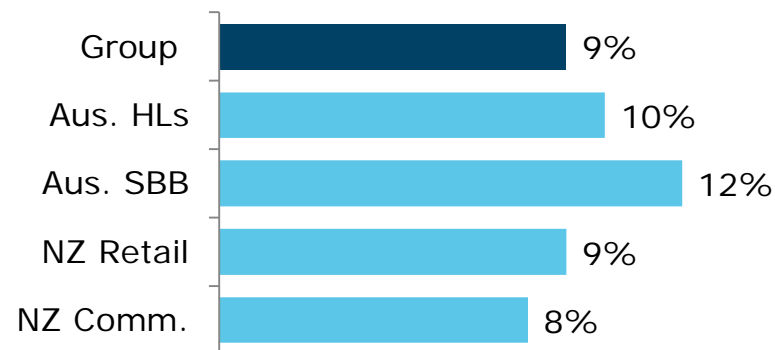
- Investment in priority segments
- 12% growth in Small Business NLA
- +130 FTE in NSW, SBB and Health

+7%

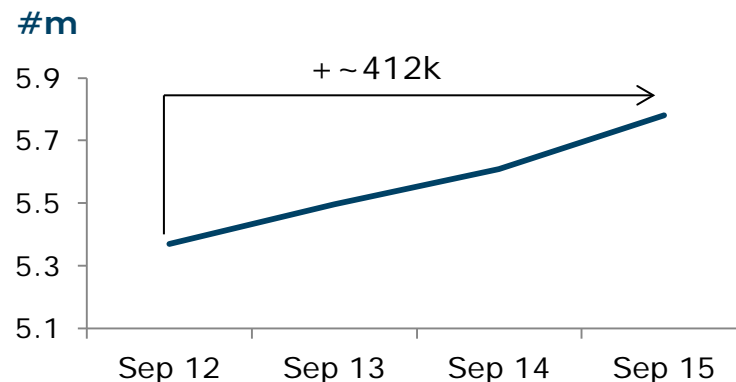
New Zealand

- 8.5% growth in NLA
- Increase in market share in all segments except for Agriculture
- 127bp decrease in CTI to 39.7%

FY15 NLA¹ growth



Australia Division Customer Growth (2012-2015)

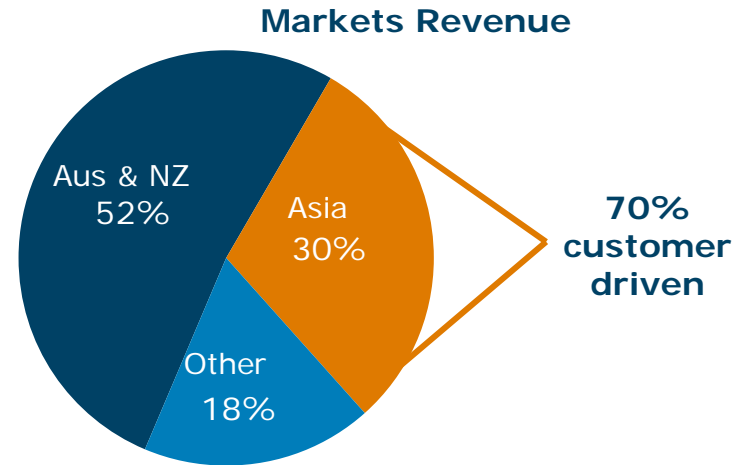


1. NLA: Net Loans and Advances

Delivered sustainable customer franchise gains

Asia

- 13% PBP growth; 6% NPAT growth
- 14% revenue growth; 15% OOI growth
- Markets sales up 15%
- Greater China NPAT up 20%
- Improved productivity with 20% increase in revenue per FTE



Extending Digital Capability

- **ANZ goMoney:**



Mobile banking now 62% of AU digital logins

\$64b processed in FY15

Joint 1st CSAT score for mobile banking in NZ

- **Digital Sales¹ growth FY15:**

30% increase in Australia, 32% in New Zealand

- **Global Wholesale Digital FY15**

Rolled out in 17 countries, \$2.5 trillion in value transacted

1. Australia: Digital Sales growth, New Zealand: Digital Sales Revenue growth

Managing for a challenging environment

	Challenges	Management
Revenue	<ul style="list-style-type: none">• Softer Q4 in Markets• Balance sheet trade-offs (RWA growth and trade)	<ul style="list-style-type: none">• Investment in high return businesses• Portfolio mix
Costs	<ul style="list-style-type: none">• Cost headwinds (compliance and regulation)• IIB responding to challenging environment but more needed• Continued investment in Australia and Global Markets	<ul style="list-style-type: none">• FTE reduction• 10% Ops & Service productivity• Automation & Digitisation
Returns	<ul style="list-style-type: none">• Higher capital creates a stronger, better positioned bank, but comes at a cost	<ul style="list-style-type: none">• Capital Management• Portfolio mix
Provisions	<ul style="list-style-type: none">• Balance sheet remains robust• Modest swing in collective provision cycle with Individual Provisions stable	<ul style="list-style-type: none">• Scorecards• Portfolio mix• Customer selection

SUPER REGIONAL STRATEGY

STRONG CORE
MARKETS

PROFITABLE
ASIAN
GROWTH

ENTERPRISE
APPROACH

STRONG LIQUIDITY AND CAPITAL MANAGEMENT

DISCIPLINED AND EXPERIENCED MANAGEMENT

2007 - 2015 Scorecard

	2007	2015	
A stronger more profitable Bank	Capital (CET1) ¹	4.1%	9.6%
	Liquidity ²	\$30bn	\$135bn
	Total Assets	\$393bn	\$890bn
	Profit	\$3.9bn	\$7.2bn

Better Bank for Customers

- A stronger Brand
- More customers; significant investment
- Growing market share
- Strong digital credentials

Completed rollout of Super Regional Network

- Top 4 Corporate Bank in Asia³
- APEA 20% of Group revenue; network revenue 25%⁴
- Unique market footprint; in 34 markets supported by Regional Hubs

Positioned for sustainable future

- Values led culture
- High Staff engagement - 76% vs 64% in 2008
- Strong portfolio of businesses

1. Internal estimate at FY07

2. Excludes internal RMBS

3. Greenwich Associates 2014 Asian Large Corporate Banking Study.

4. APEA Network Revenue represents income generated in Australia & New Zealand as a result of referral from ANZ's APEA network.

2015 | FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
29 October 2015

Shayne Elliott
Chief Financial Officer



Cash Profit

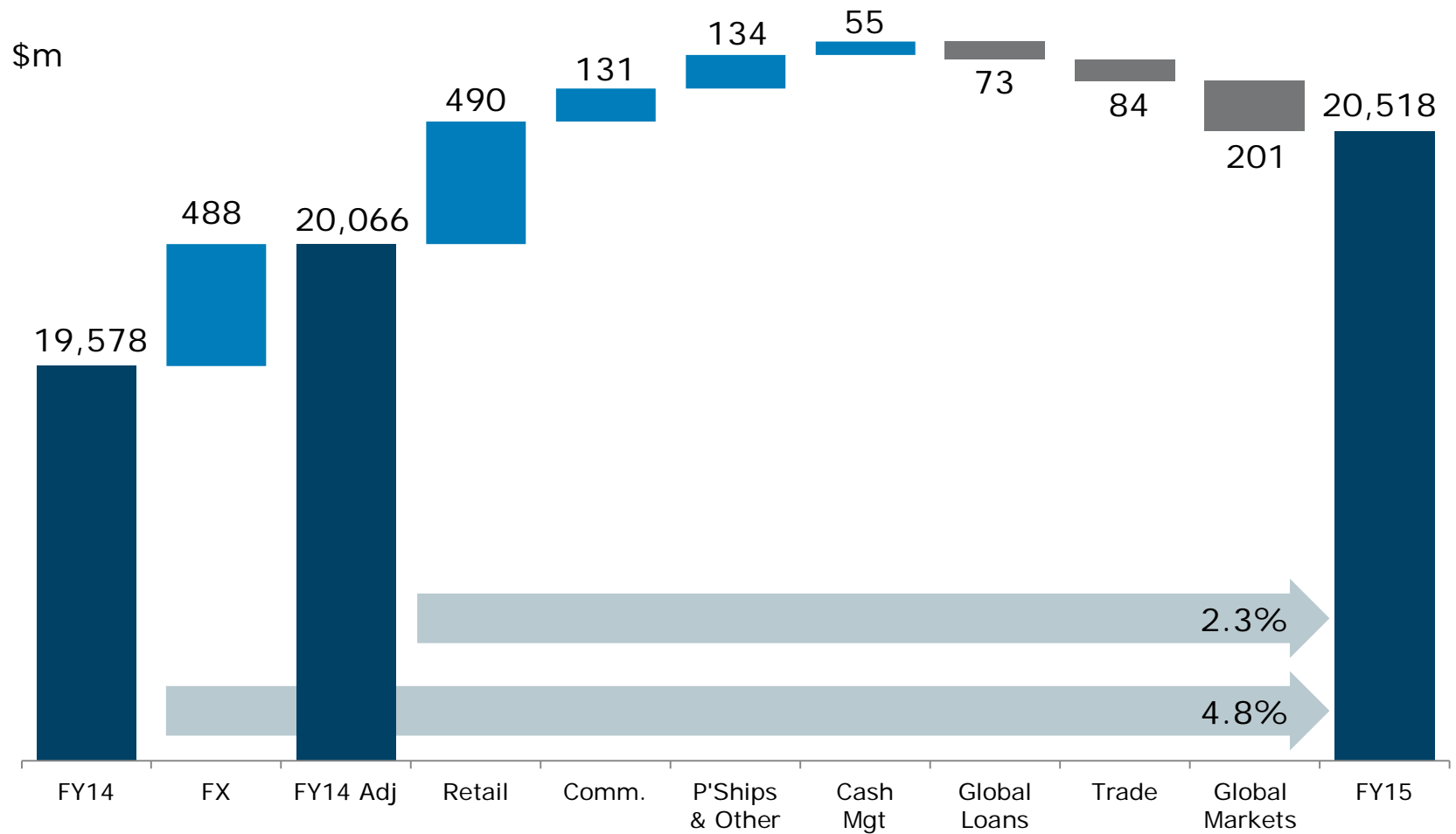
FY15 vs FY14	(\$m)	change
Income	20,518	4.8%
<i>Net Interest income</i>	14,616	5.9%
<i>Other operating income</i>	5,902	2.1%
Expenses	9,359	6.8%
PBP	11,159	3.2%
Provisions	1,205	21.8%
Cash Profit	7,216	1.4%

- FX contributed 2.5% to revenue growth, 3.8% to expense growth
- Expenses slowed in 2H15 finishing "on guidance" at +3% FX adjusted
- Provisions at \$1.2b in line with 3Q15 trading update "guidance"

2H15 vs 1H15	(\$m)	change
Income	10,333	1.5%
Expenses	4,766	3.8%
PBP	5,567	(0.4)%
Provisions	695	36.3%
Cash Profit	3,540	(3.7)%

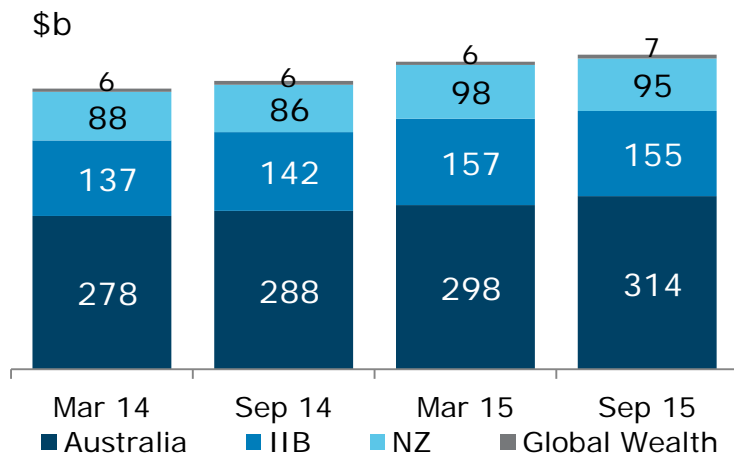
- Lower revenue growth in 2H15 with weaker markets revenue in Aug/Sep

Income drivers

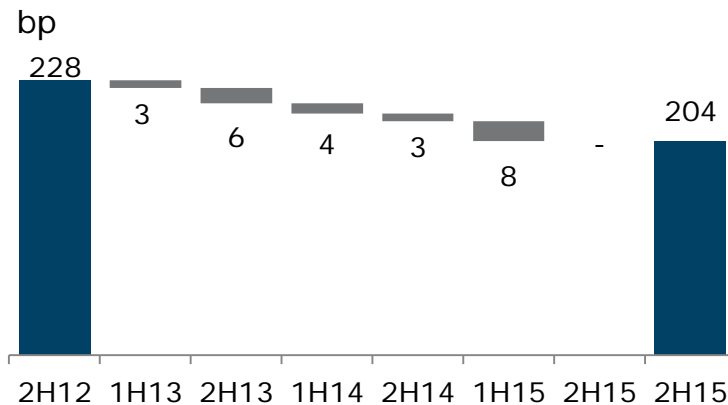


Volume and margin analysis

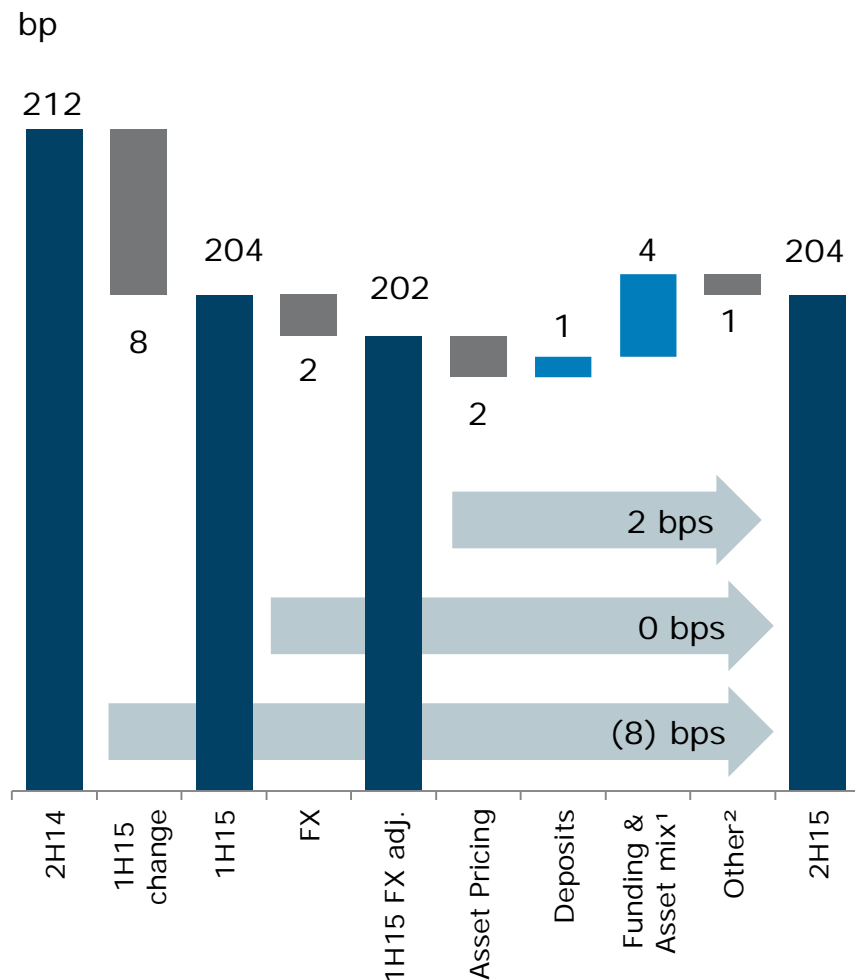
Divisional lending growth



Group NIM

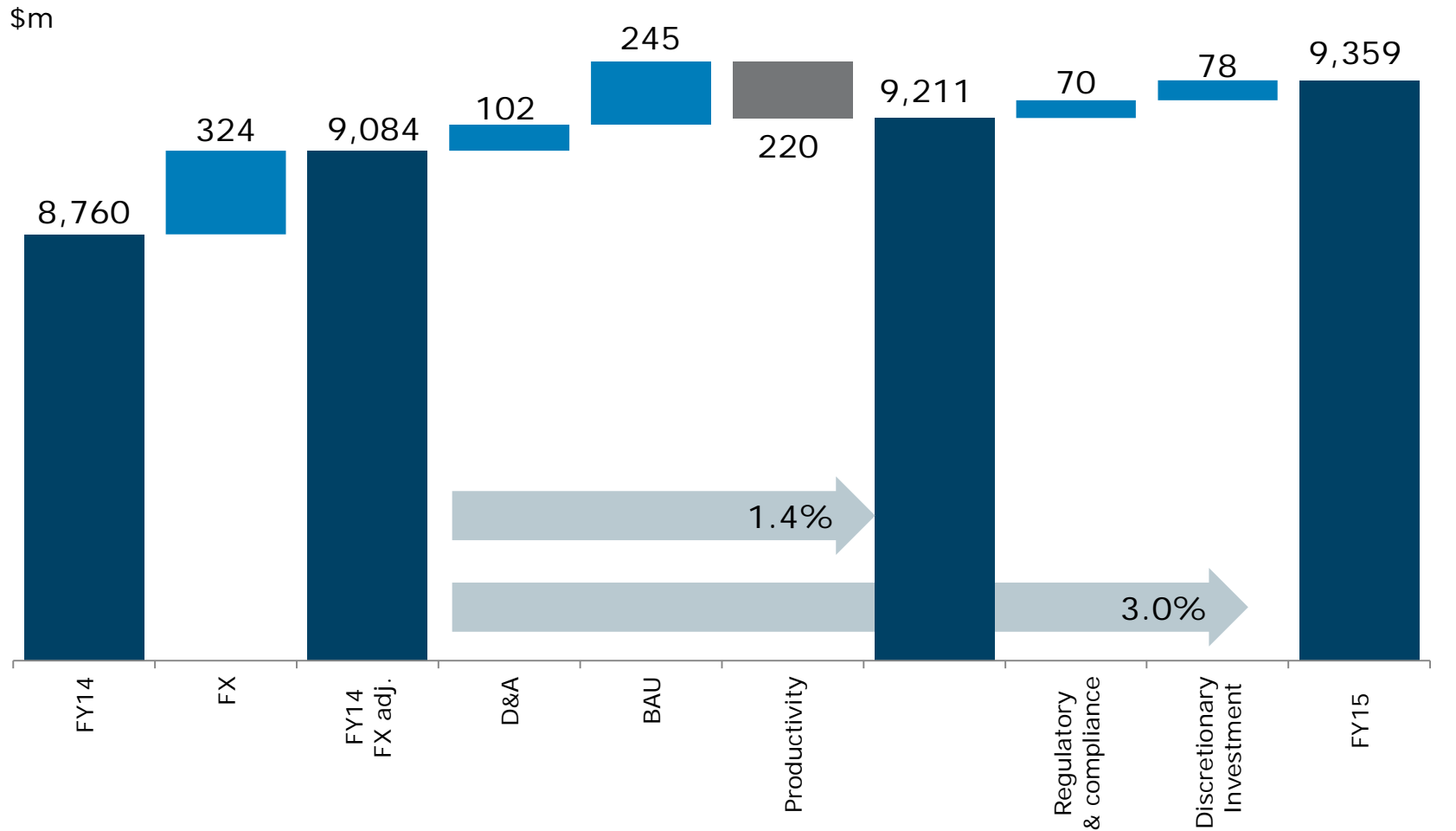


2H15 NIM movement



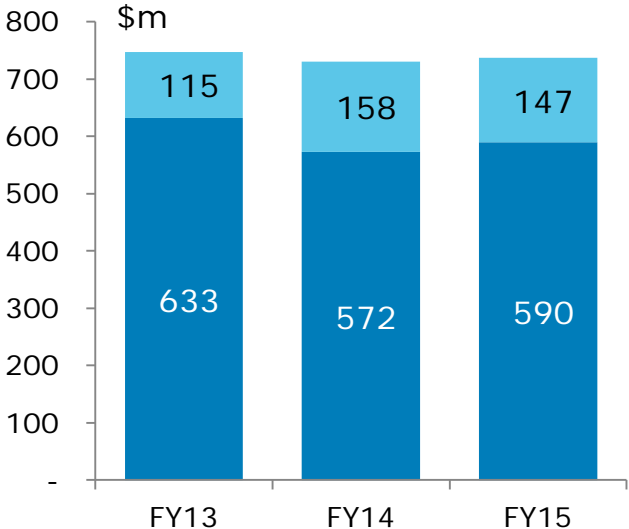
1. Includes asset and funding mix and funding costs
 2. Other includes Treasury & Markets

Expense drivers



Consistent project investment

Strategic initiatives



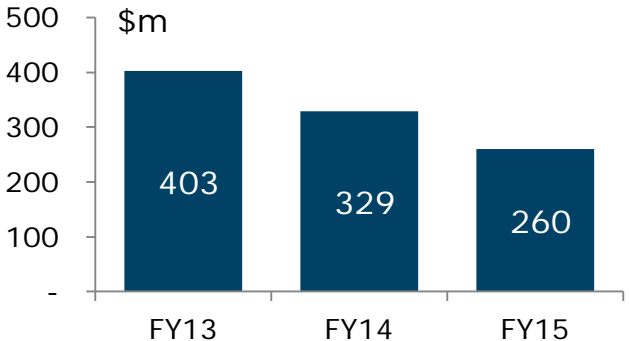
Efficiency

- Re-engineering/automating
- Integrating end-to-end workflow
- Standardising systems & processes

Product re-engineering & digitisation

- Multi channel platform for retail
- End-to-end wholesale lending
- Modern, resilient payments network
- Scalable platforms for Markets growth
- Enterprise-wide data management

Remediation & infrastructure

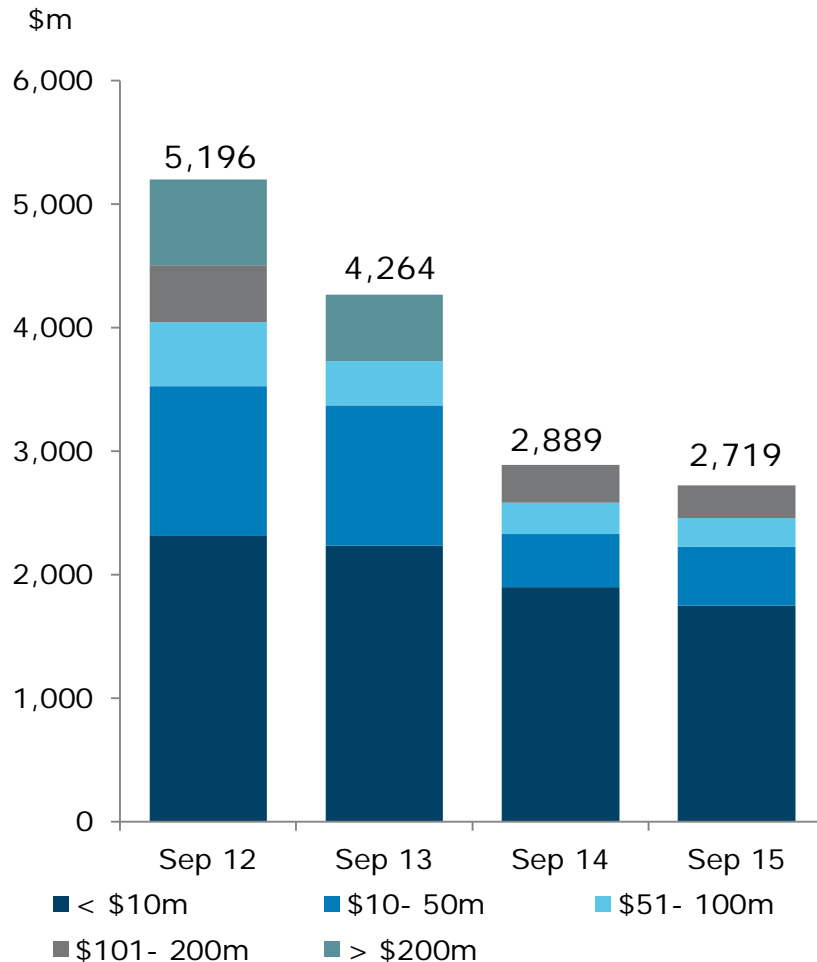


Remediation & infrastructure

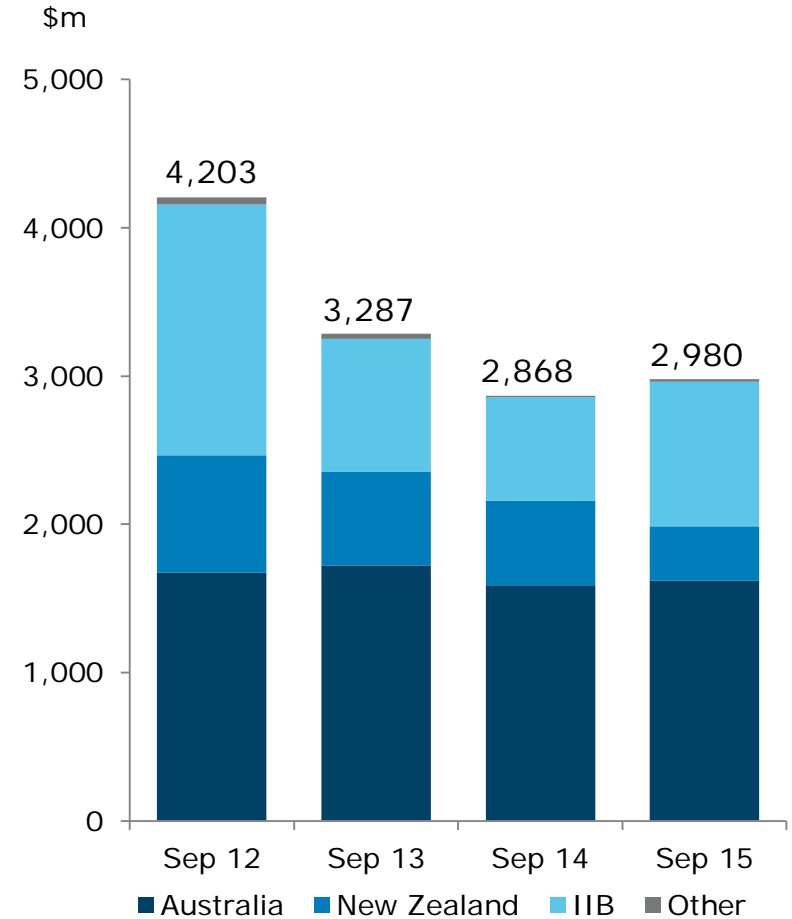
- Minimising operating risks
- Enhancing resilience
- Strengthening IT security

Improved impaired asset trends

Gross impaired assets

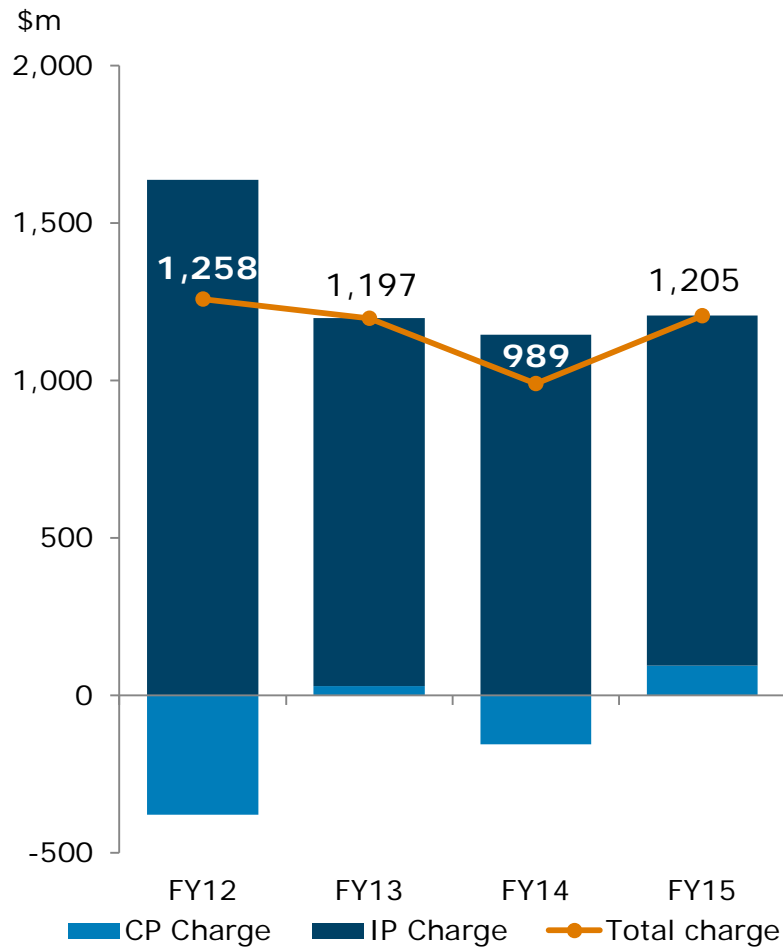


New impaired assets

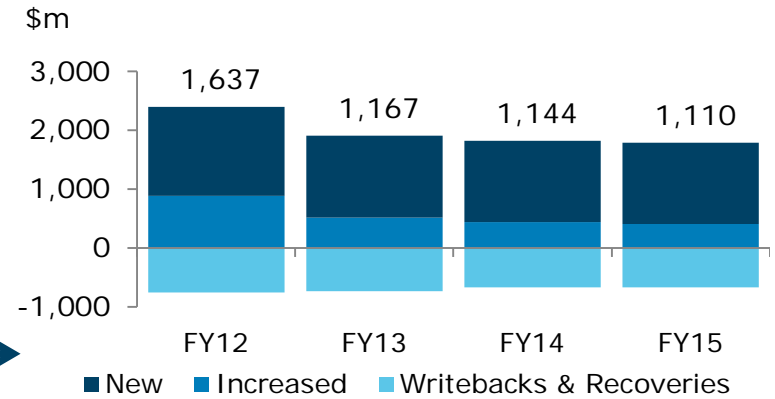


Provisions

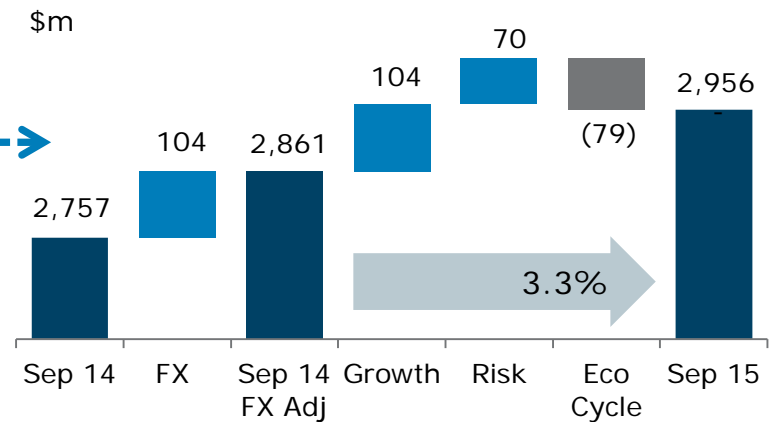
Total Provision charge



Individual Provision charge

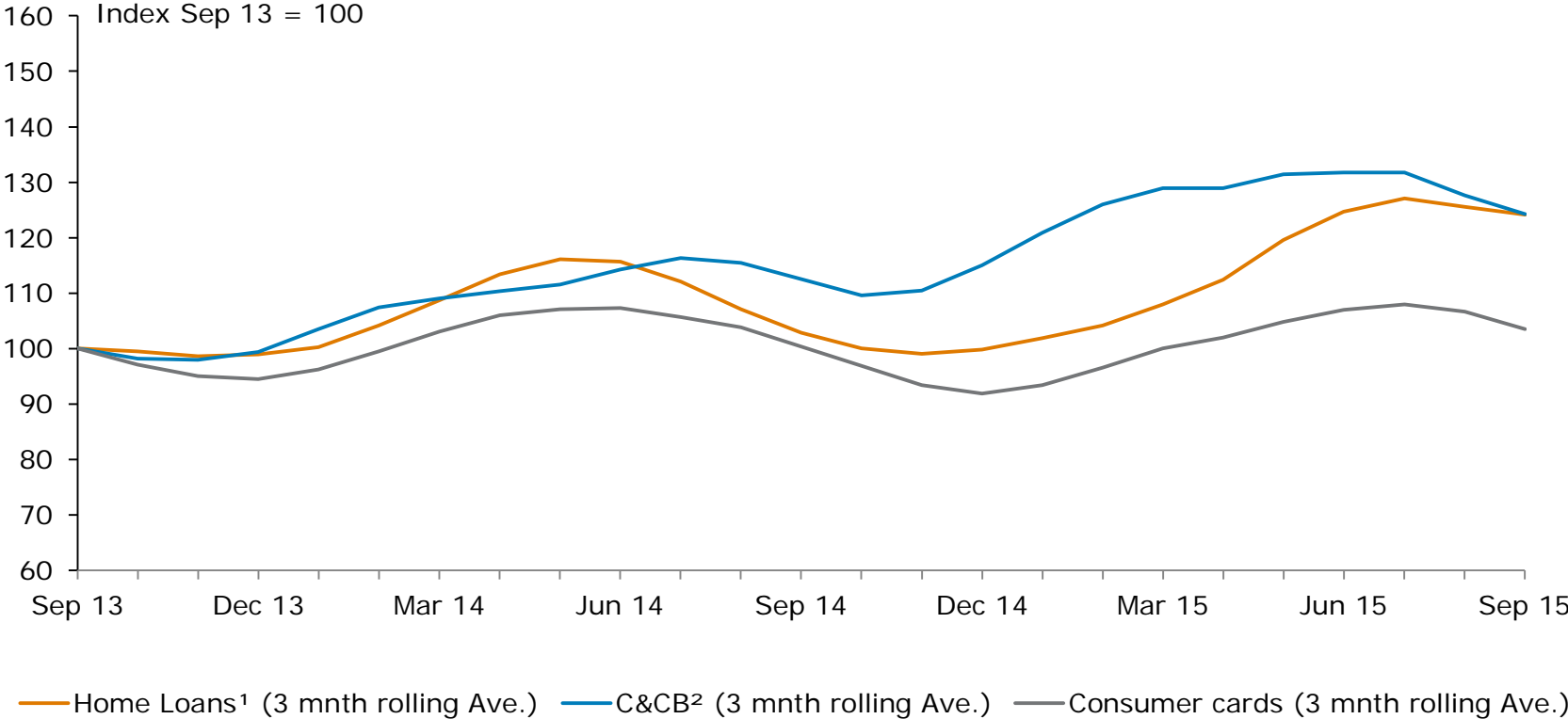


Collective Provision balance



Credit quality indicators - Australia

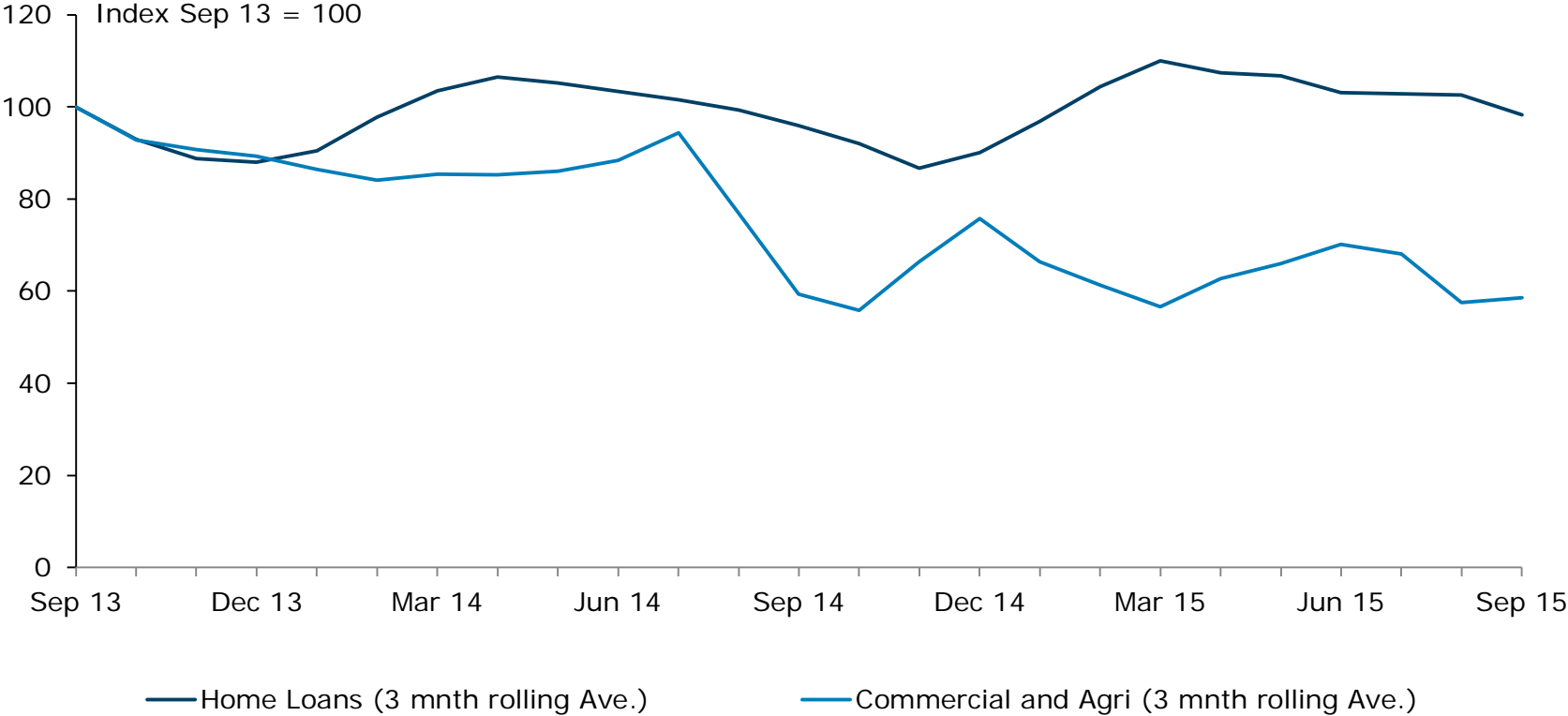
90+ day arrears



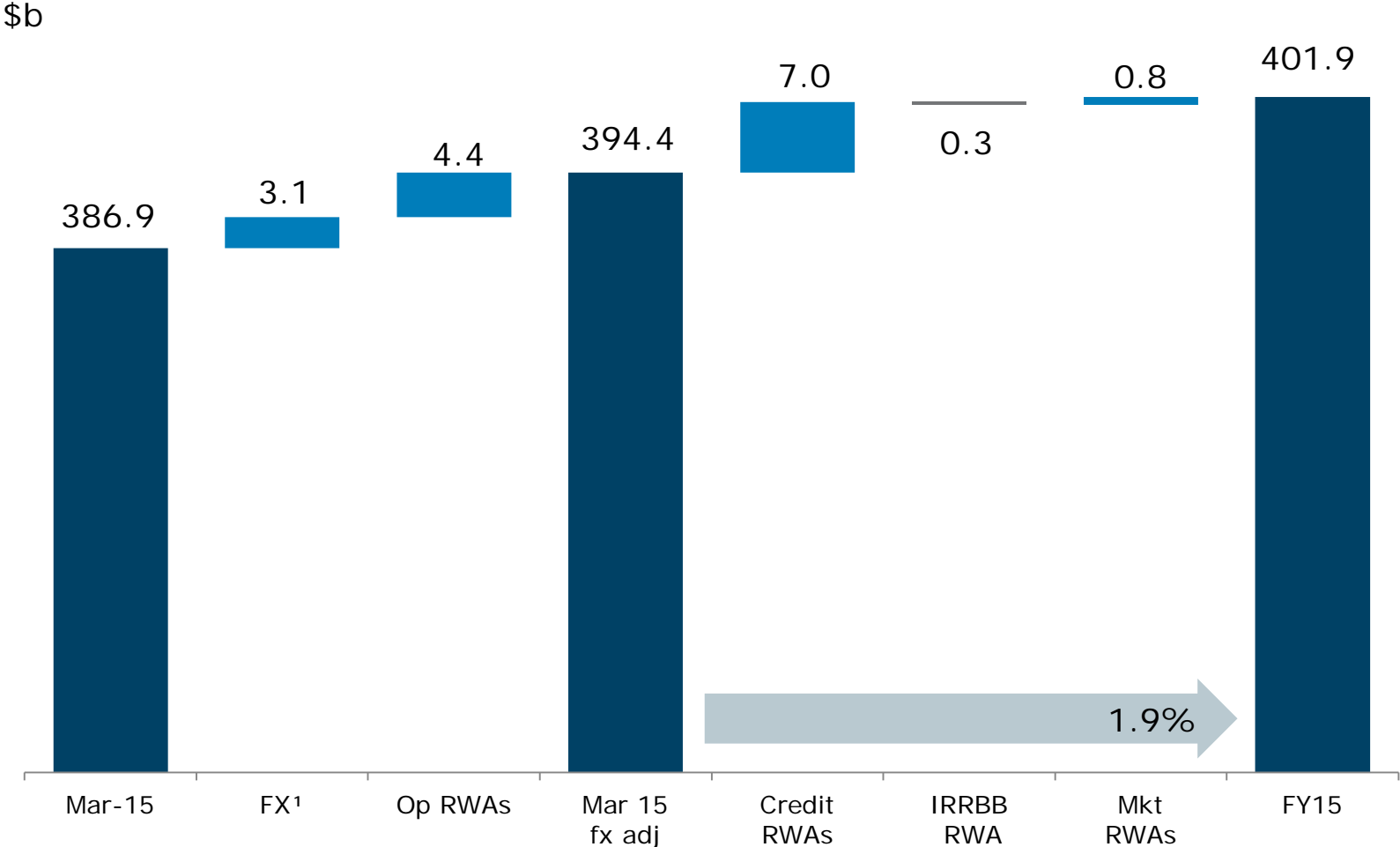
1. Adjusted to remove the impact of hardship methodology changes
 2. Corporate & Commercial Banking

Credit quality indicators – New Zealand

90+ day arrears



Risk Weighted Asset movement – second half



1. FX impact on Credit RWAs only

Capital & Liquidity

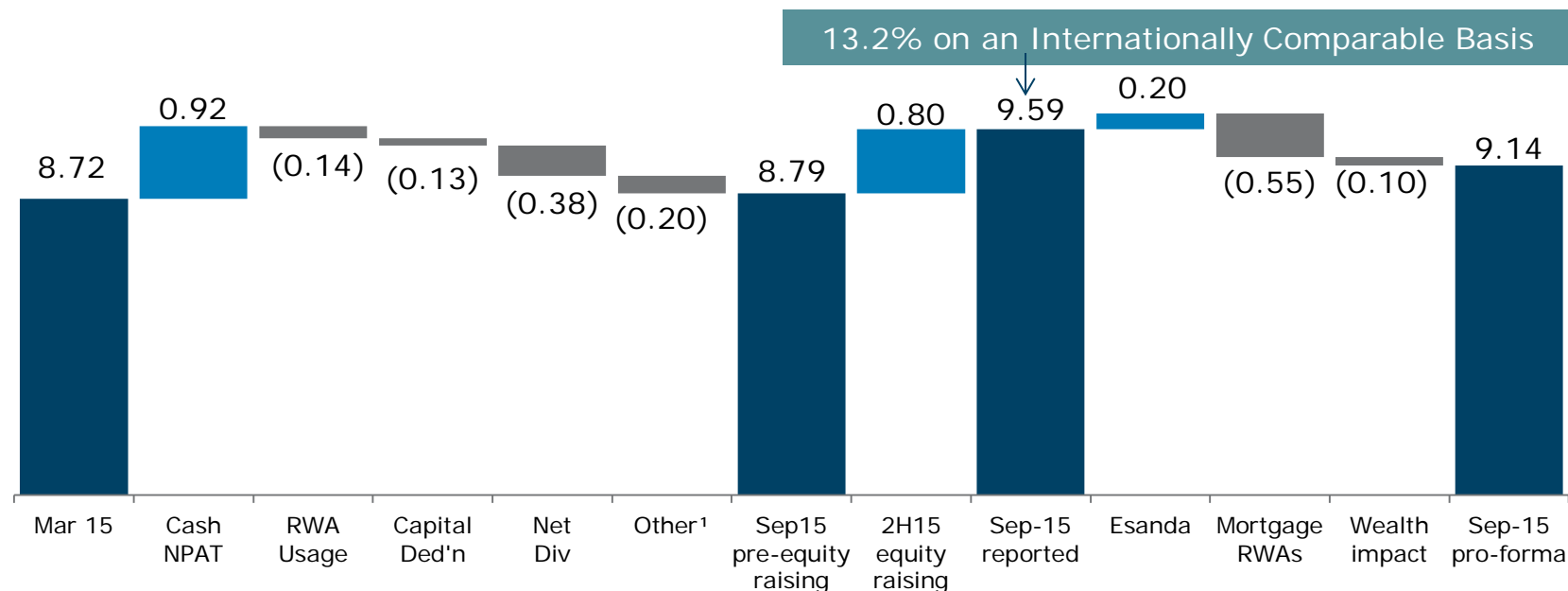
Basel III Liquidity Coverage Ratio (Sep 15)

	Sep 15	vs Mar 15
Liquid Assets	\$185b	+\$12b
Net cash outflows	\$151b	+\$6b
LCR	122%	+3%
LCR surplus	\$34b	+\$6b

APRA Basel III Leverage Ratio (Sep 15)²

APRA basis (%)	5.07
Equity Investments	0.49
DTA	0.07
Other	0.02
Internationally comparable basis	5.65

CET1 (%)

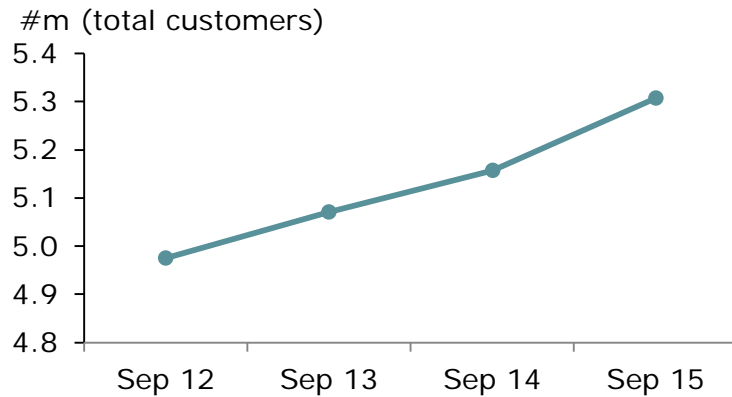


- Includes impact of increased Operational Risk RWA as a result of APRA's accreditation of ANZ's new Operational Risk Measurement System and repayment of the first tranche of debt issued by ANZ Wealth Australia Limited
- Leverage ratios includes Additional Tier 1 securities subject to Basel III transitional relief net of any transitional adjustments

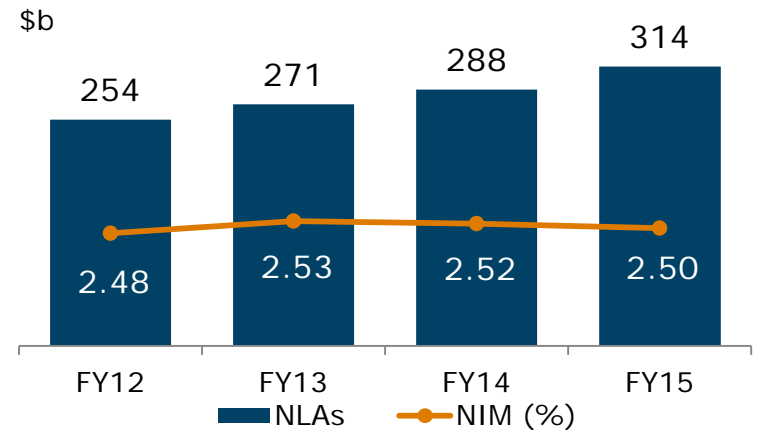
Divisional highlights

Australia – another strong year

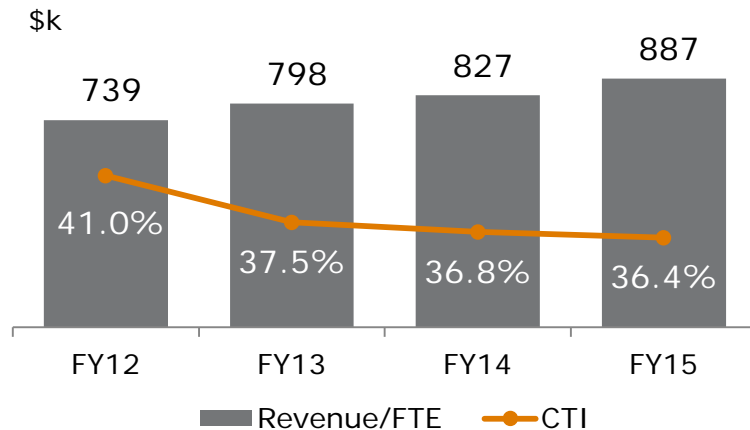
Retail customer growth



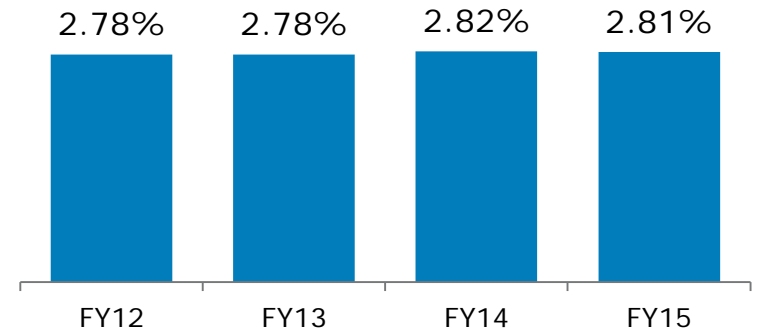
Lending growth



Continued productivity improvement

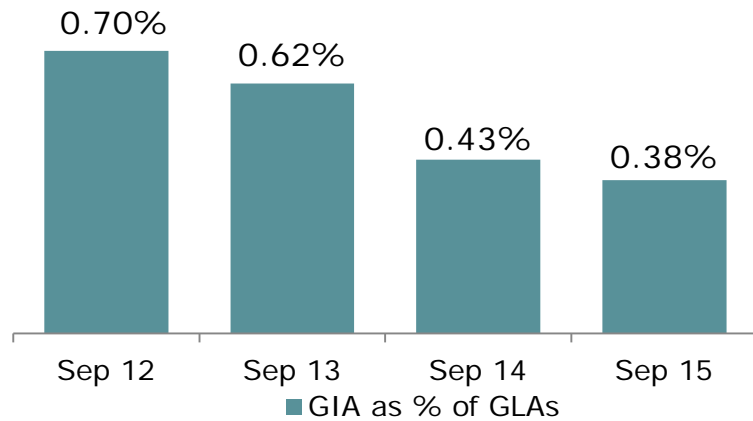


RORWA

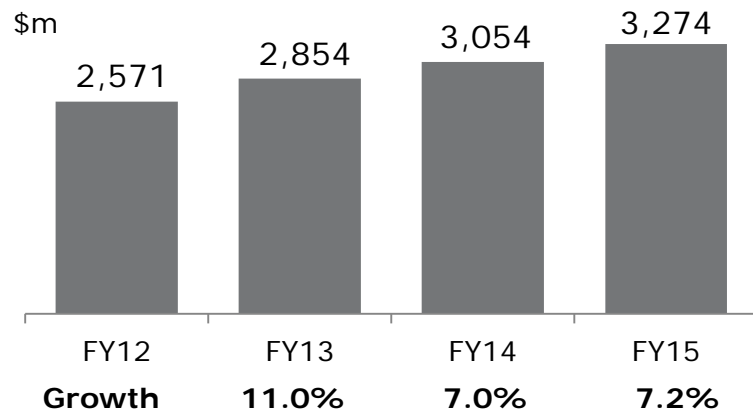


Australia – well managed

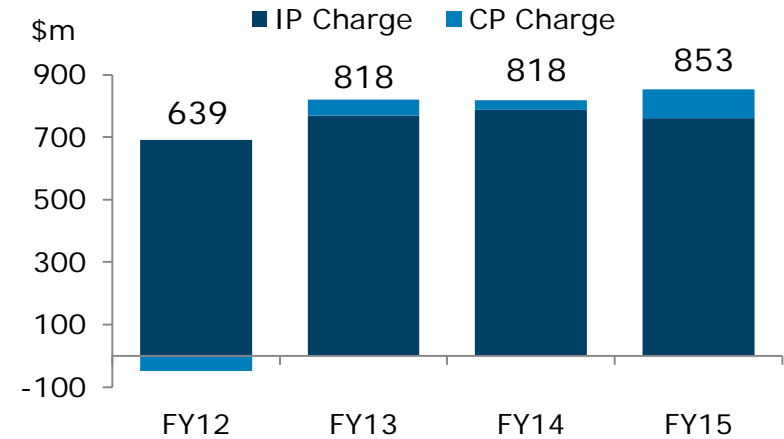
Impaired assets



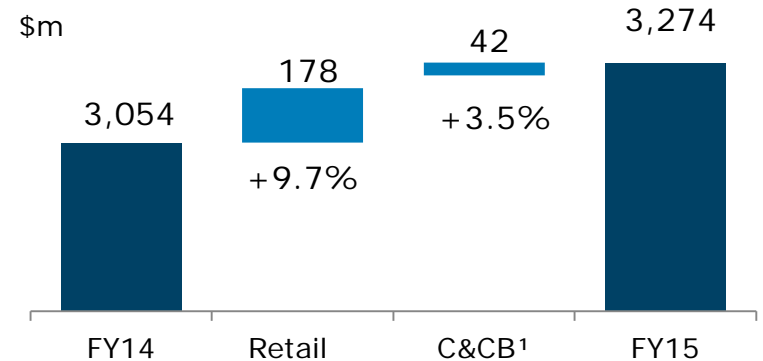
Cash Profit



Provision charge



Profit contribution



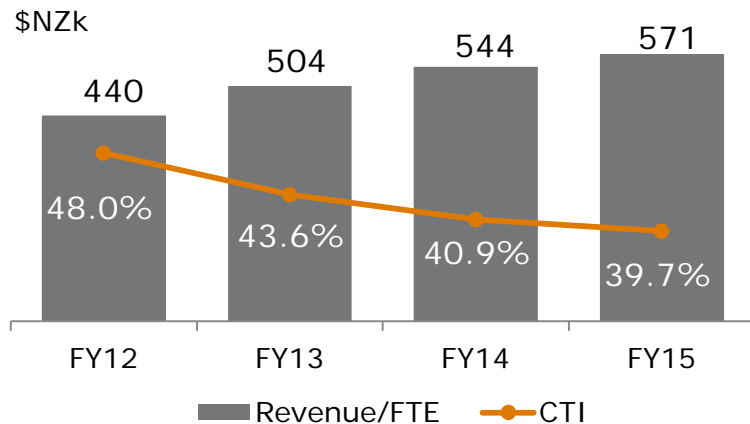
1. C&CB refers to Corporate and Commercial Banking

New Zealand – consistent strong performance

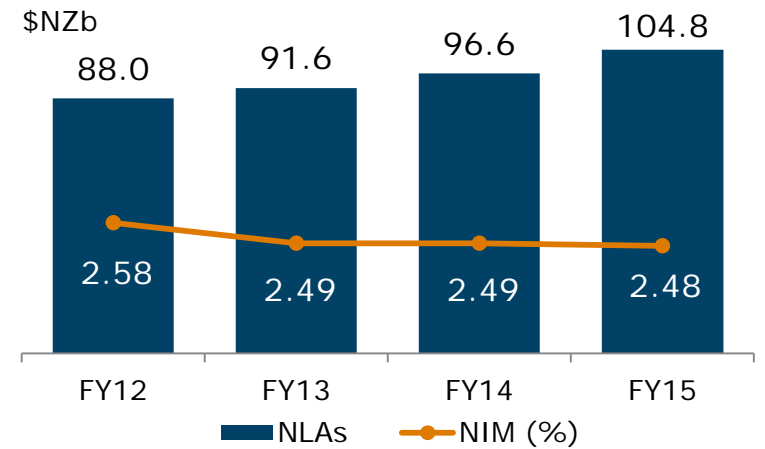
“Tight five” market share growth FY15



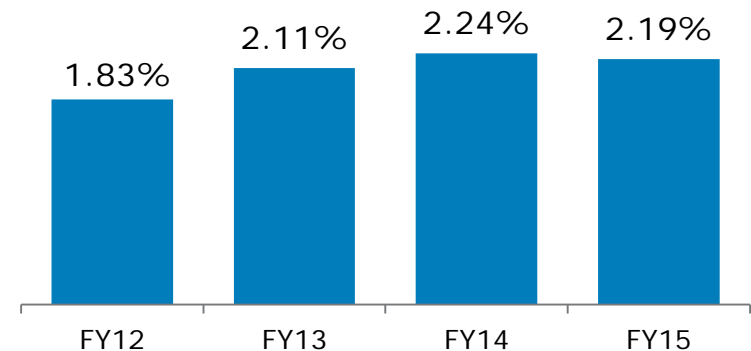
Continued productivity improvement



Lending growth

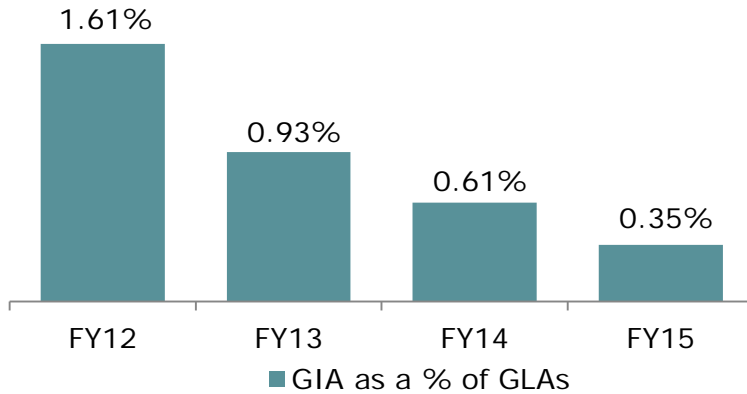


Return on RWAs

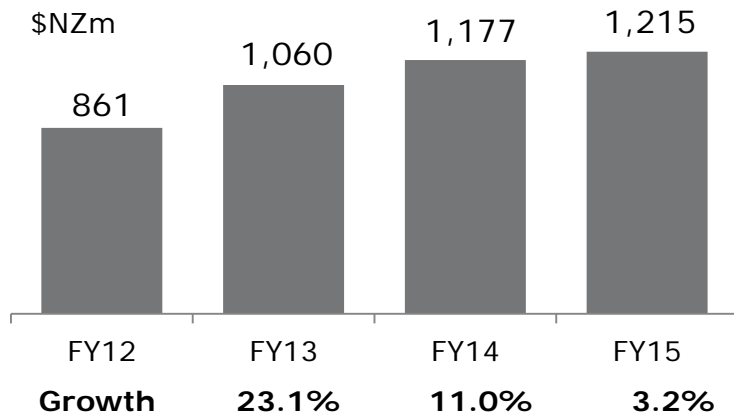


New Zealand – well managed

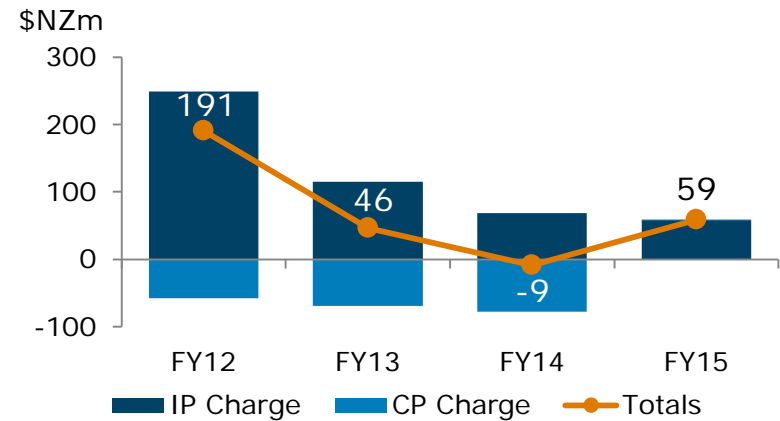
Impaired assets



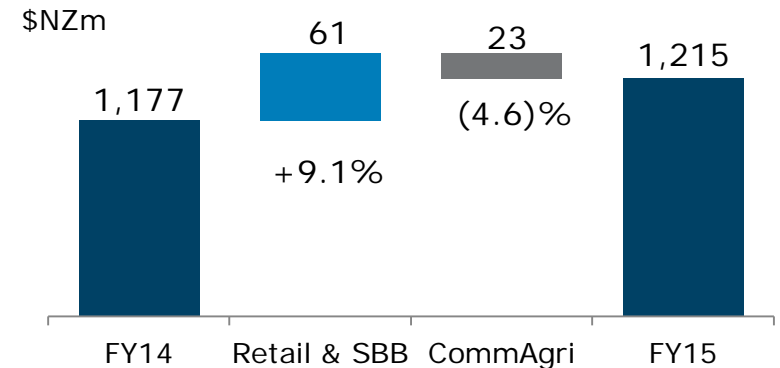
Cash Profit



Provision charge



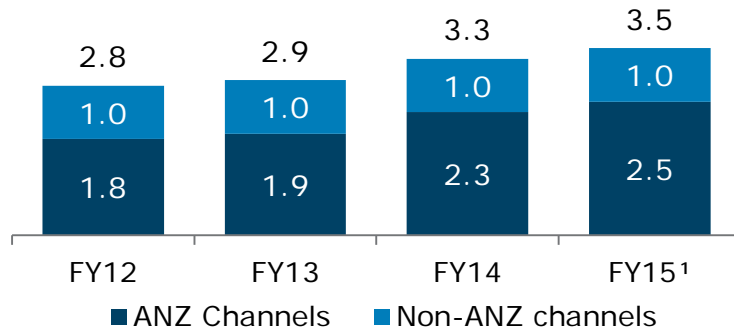
Profit contribution



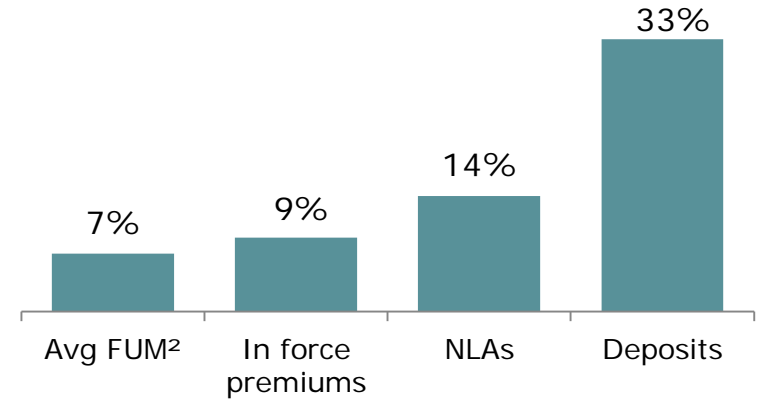
Global Wealth – delivering as planned

Wealth solutions growth

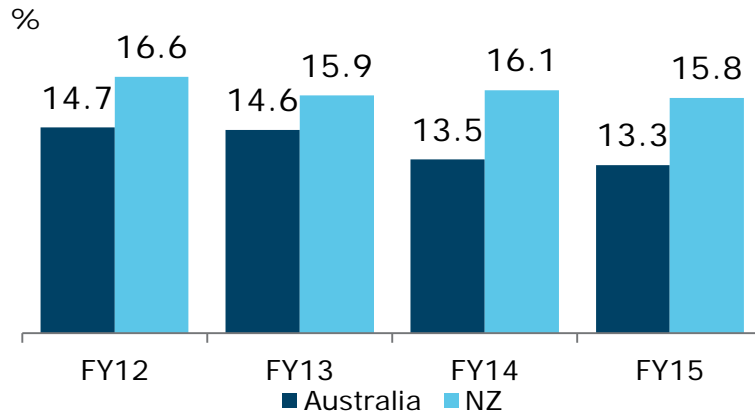
#m (Wealth Solutions)



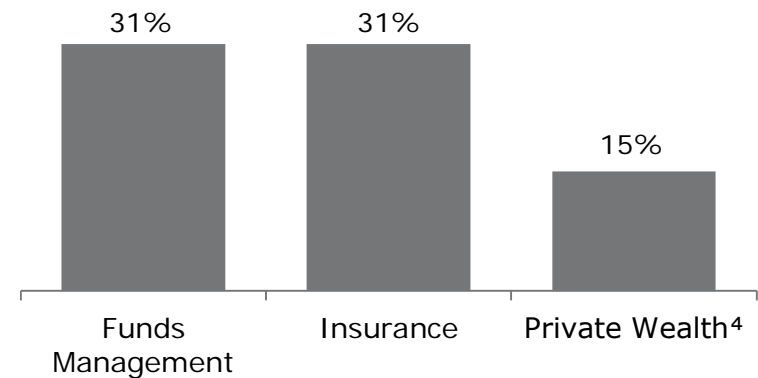
FY15 key drivers



Lapse rates³

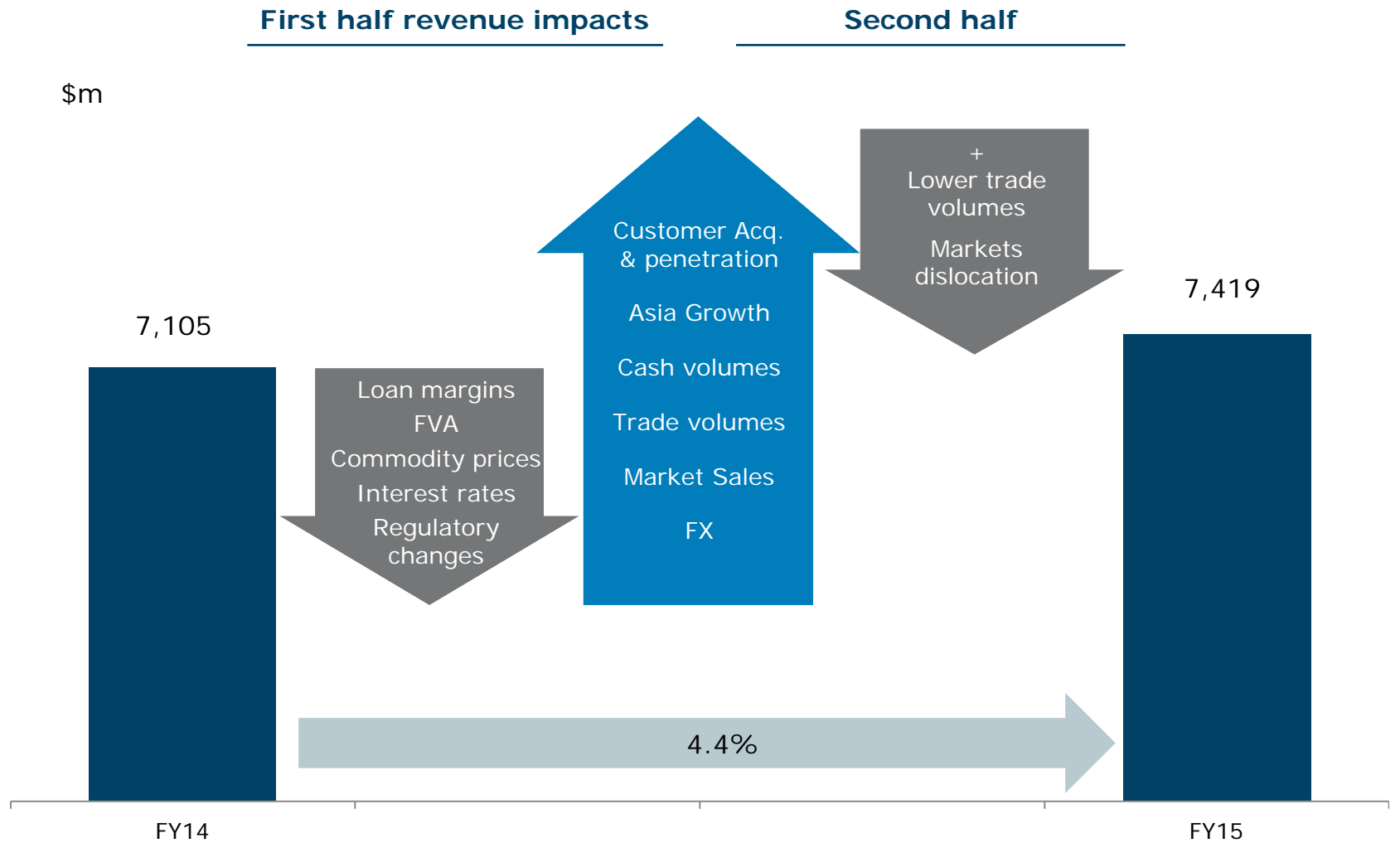


FY15 Profit growth



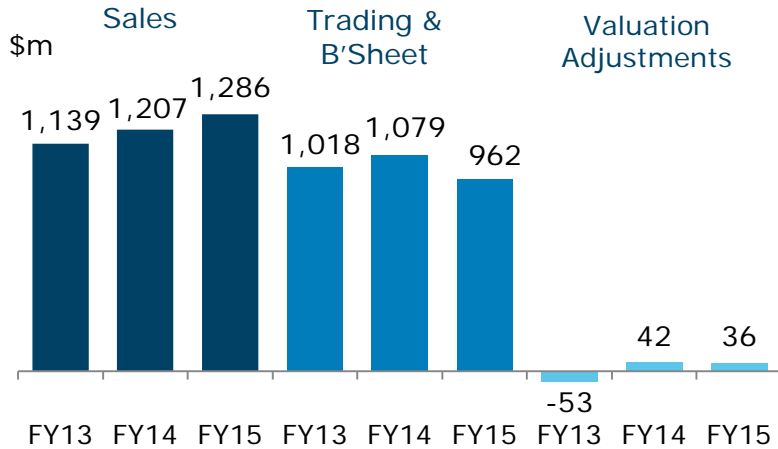
1 FY15 Wealth solutions number is based on Q3 2015 Actuals; 2. Average FUM includes Funds Management FUM and Private Wealth Investment FUM. 3. A definition change to the Australian Retail risk lapse rates was made to reflect the inclusion of partial premium reductions within the policy renewal period. Prior comparative periods have been restated to align with revised methodology. 4. Private Wealth excludes the impact of sale of ANZ Trustees.

IIB – 2015 revenue headwinds & tailwinds continue

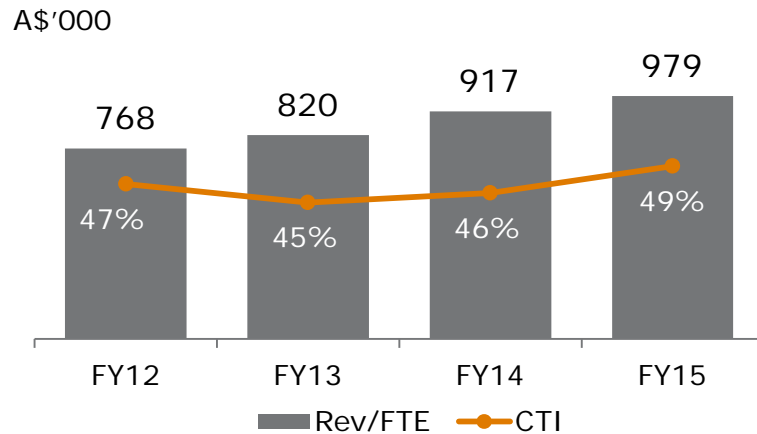


IIB - performance

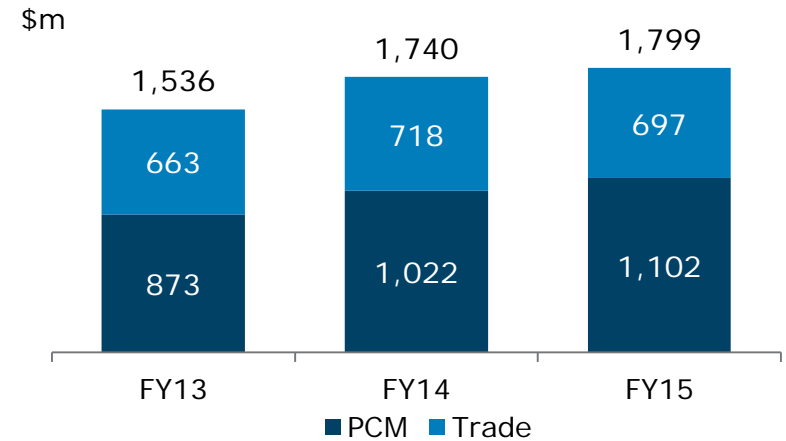
Global Markets income



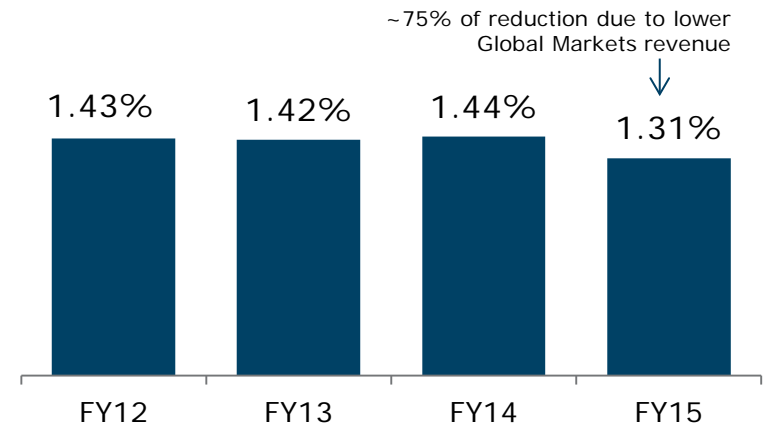
IIB Productivity



Transaction Banking

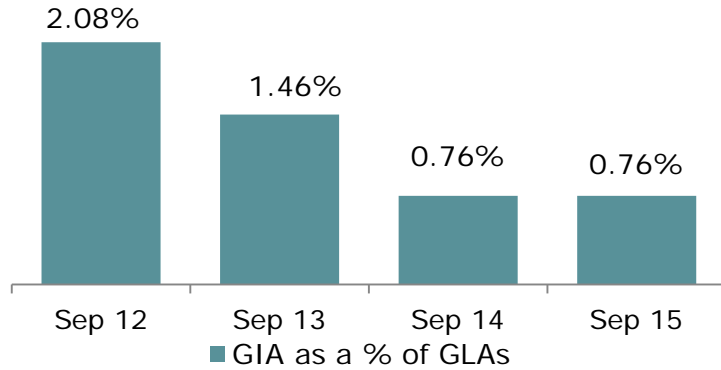


Return on RWAs

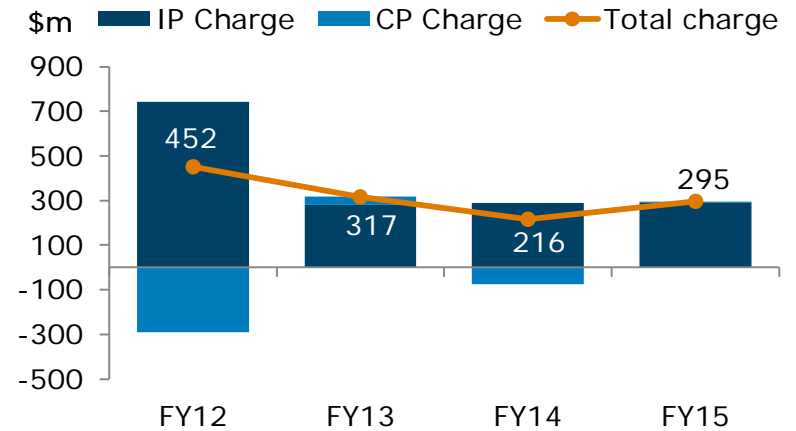


IIB - performance

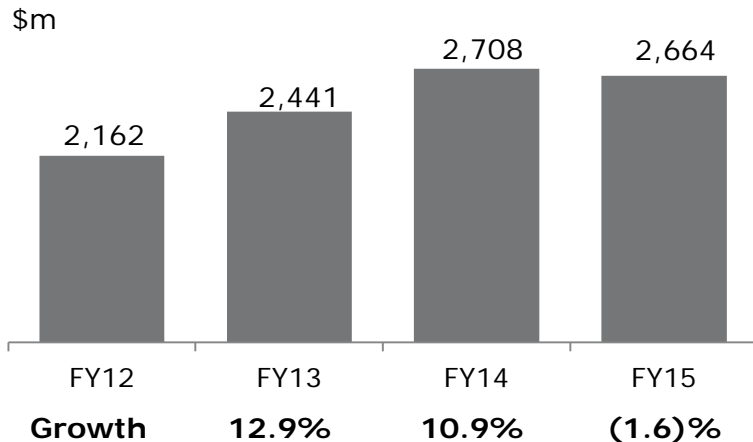
Impaired assets



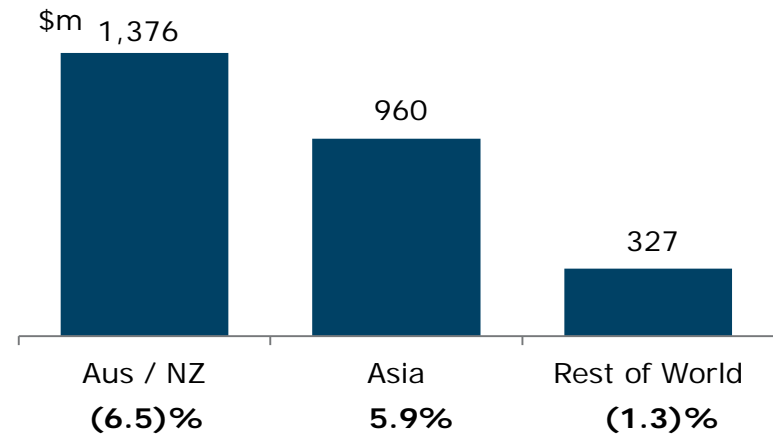
Provision charge



Cash Profit



Profit contribution



Focus areas

1. Continue to invest in responsible Australian growth
 2. Keep focused and disciplined in New Zealand
 3. Much tighter management of returns in IIB
 4. Tilt investment to digital and productivity
 5. Further simplify and rebalance the portfolio, removing distractions
-
-

2015

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
29 October 2015

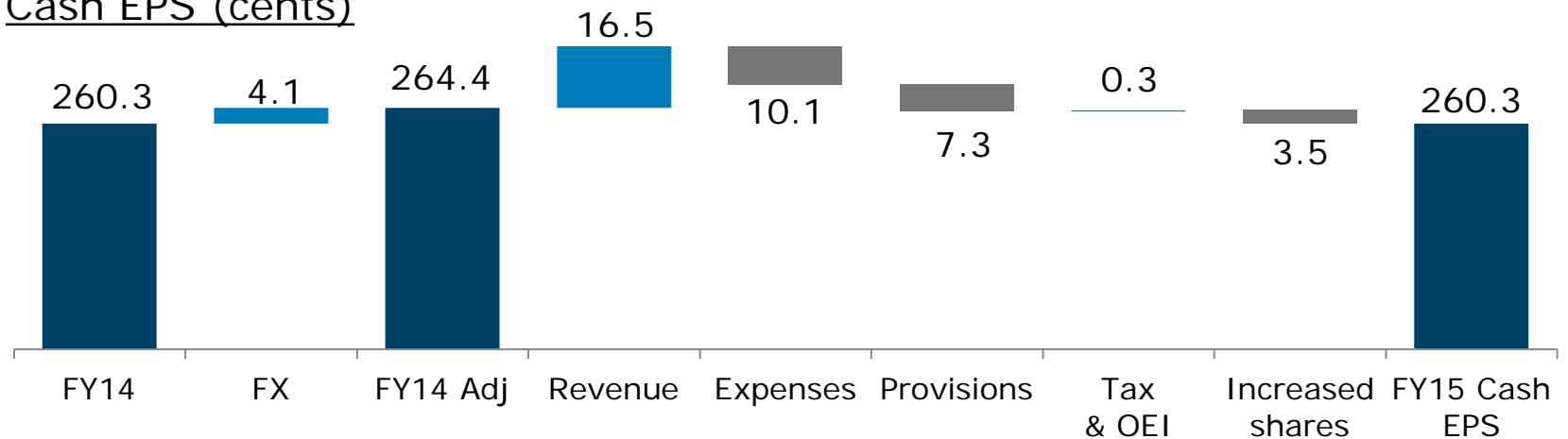
Additional Group information



FX impact

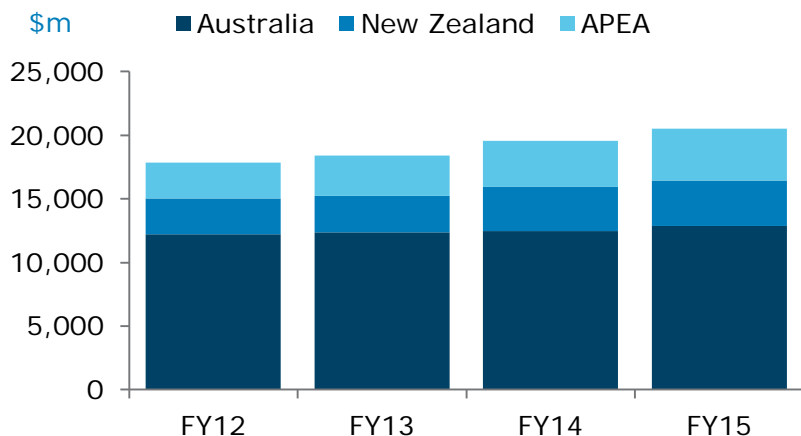
	FY15 Growth (%)	FX impact (%)	Adjusted growth (%)
Revenue	4.8	2.5	2.3
Expenses	6.8	3.8	3.0
PBP	3.2	1.6	1.6
Provisions	21.8	2.0	19.8
Cash Profit	1.4	1.6	(0.2)

Cash EPS (cents)

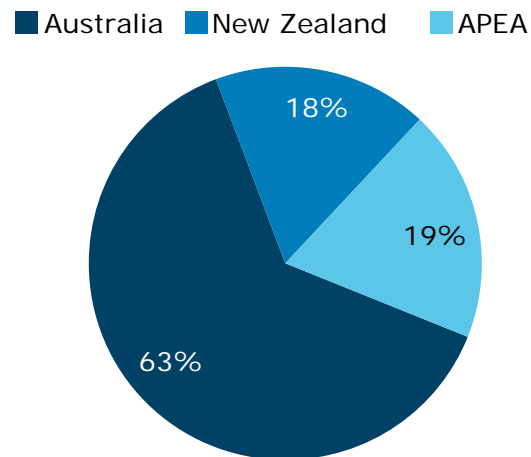


Income composition – geography & division

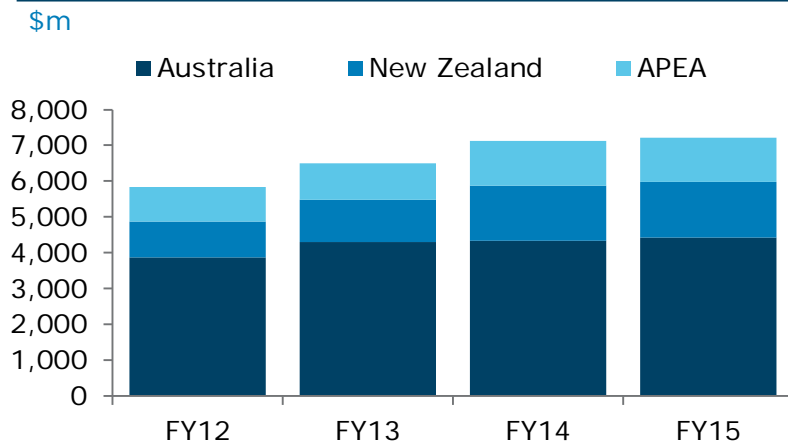
Operating Income by Geography



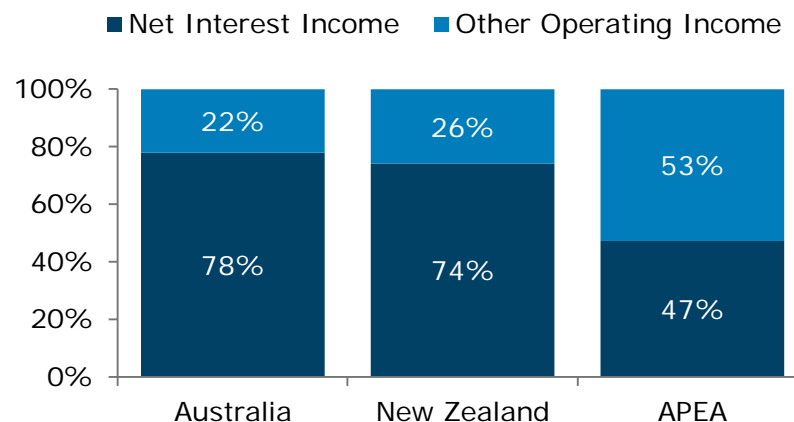
Operating Income by Geography



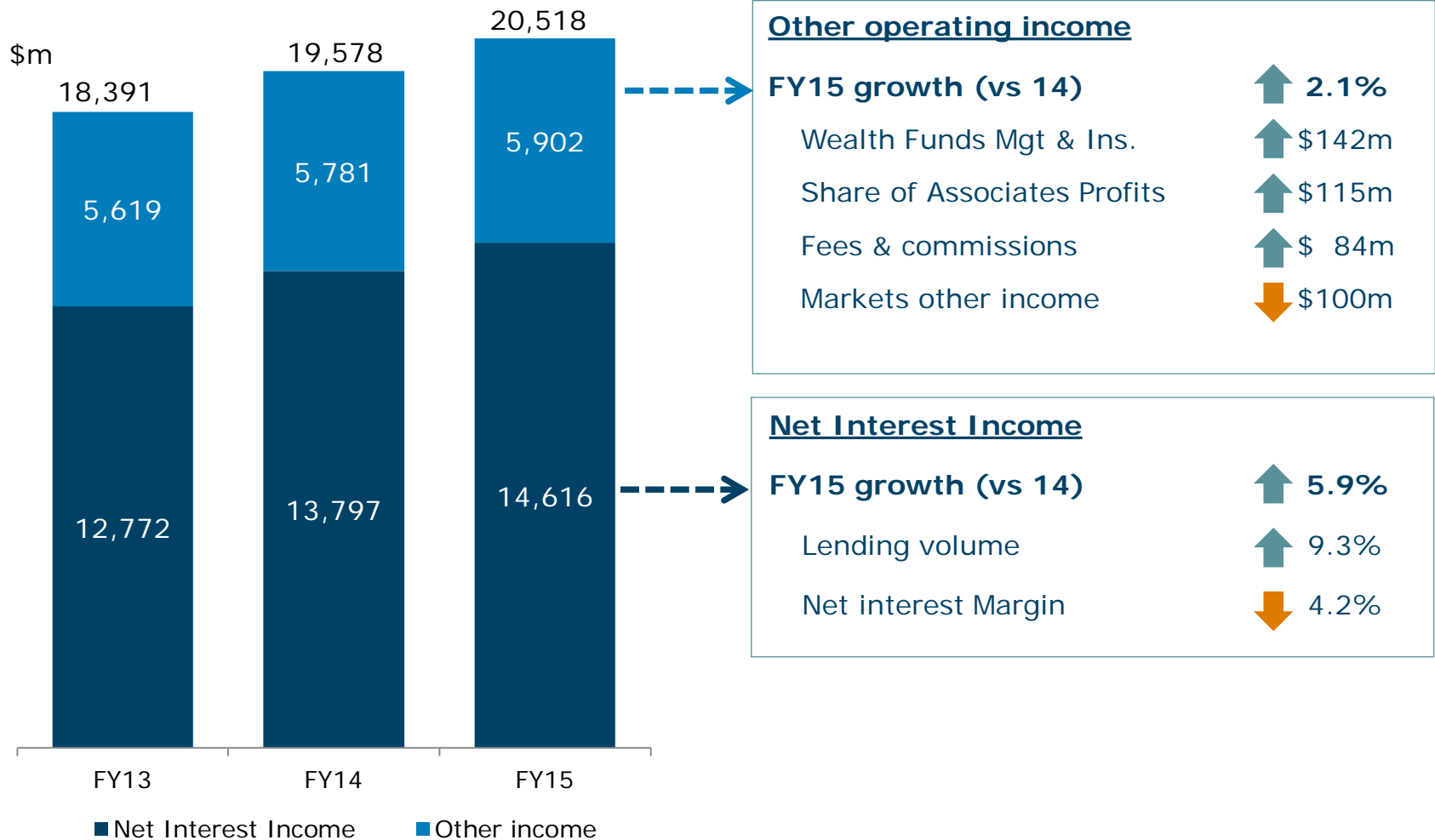
Net Profit after Tax by Geography



Operating Income by income type

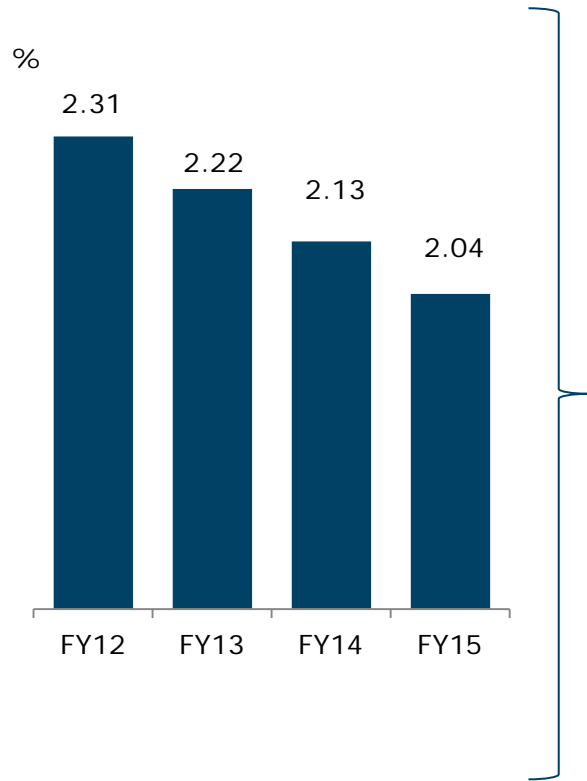


Operating income - composition

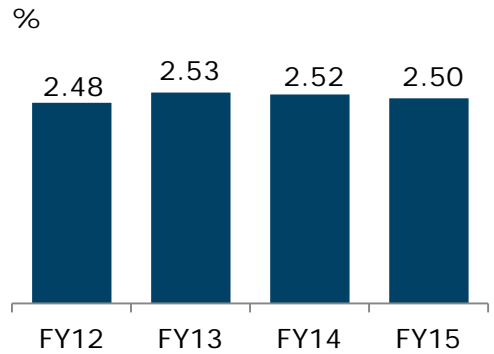


Net Interest Margin - trends

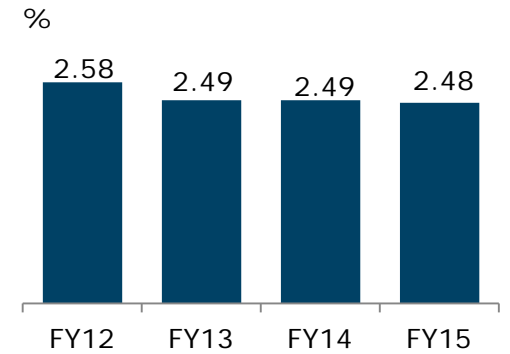
Group NIM



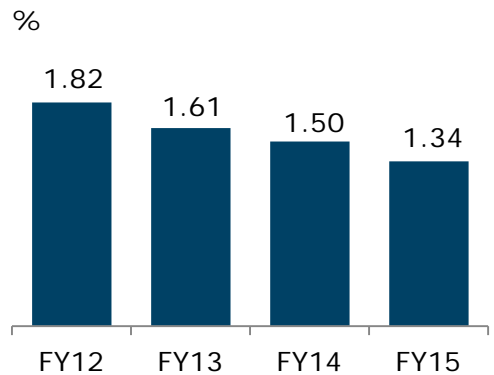
Australia Division



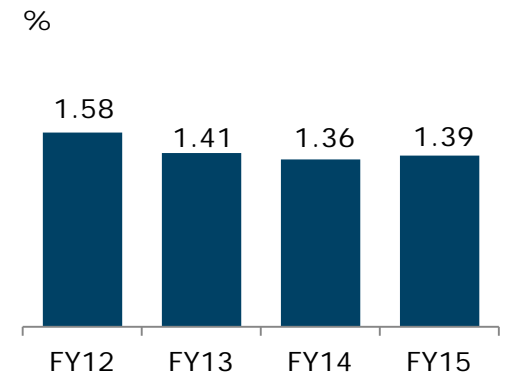
NZ Division (NZ)



IIB Division

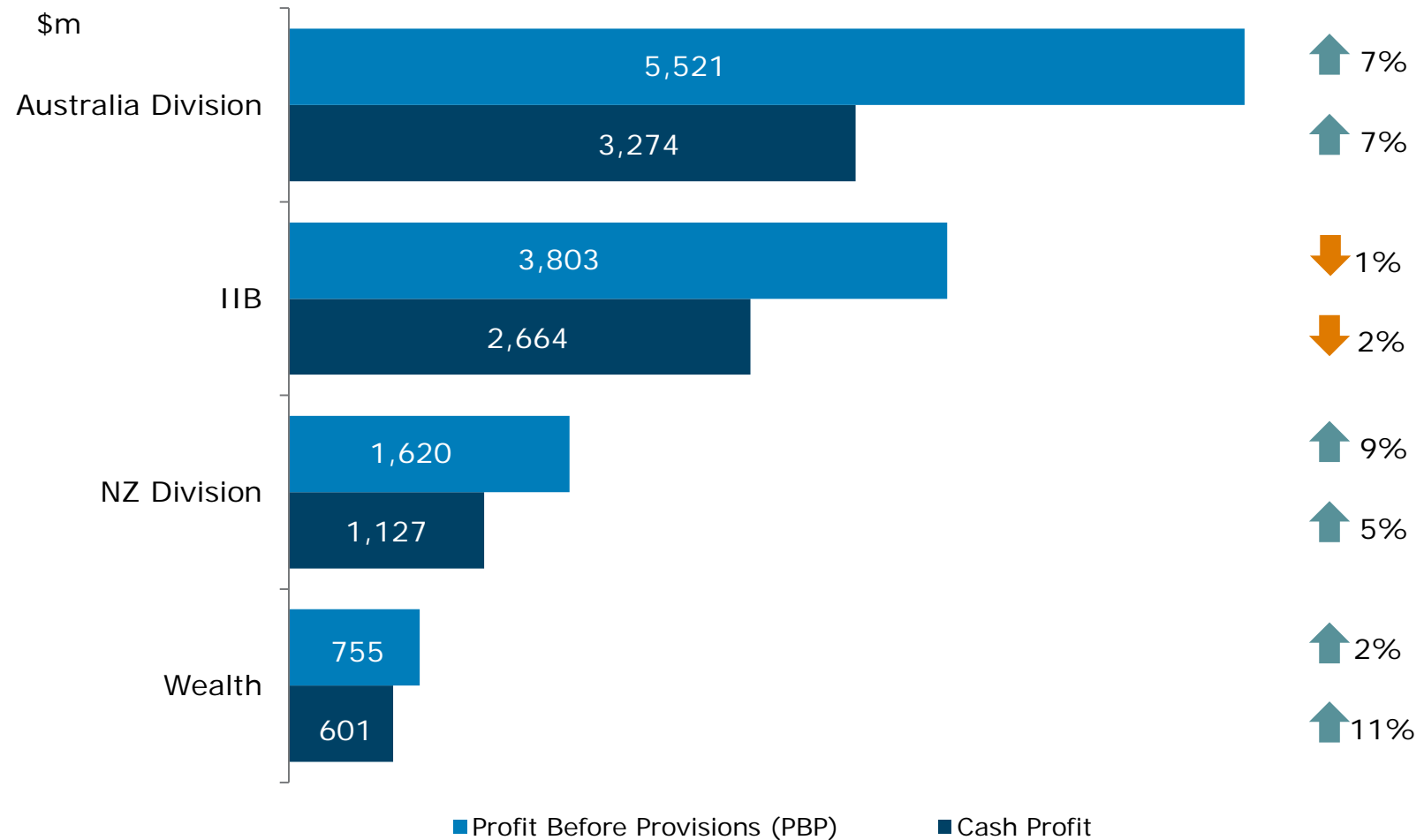


Institutional Asia



Divisional overview

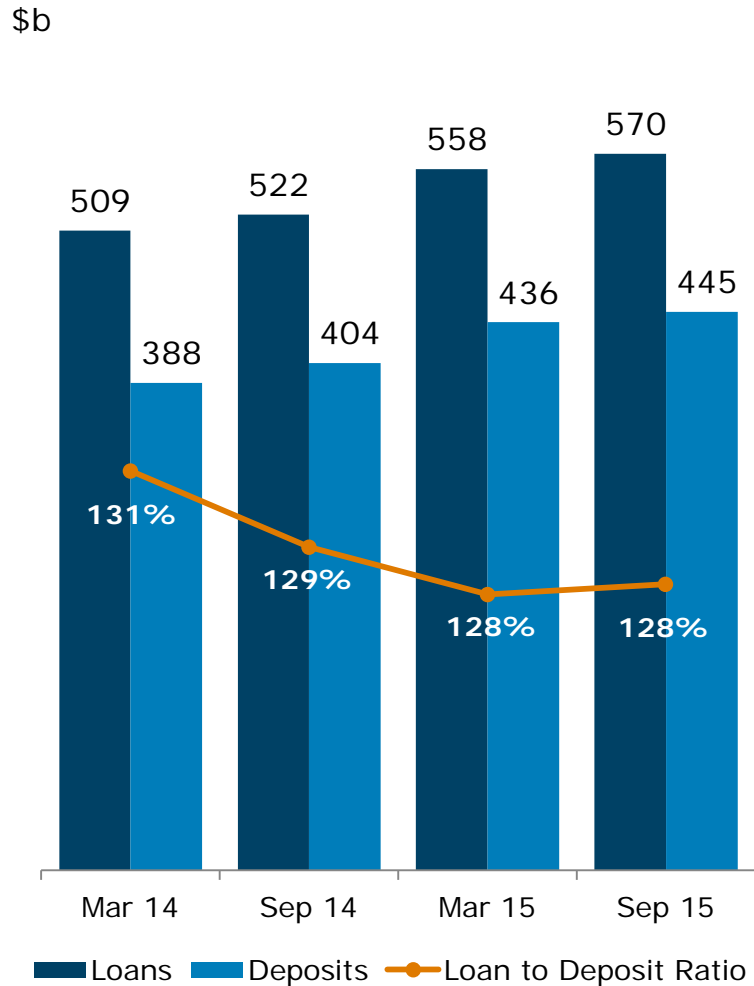
Profit growth¹



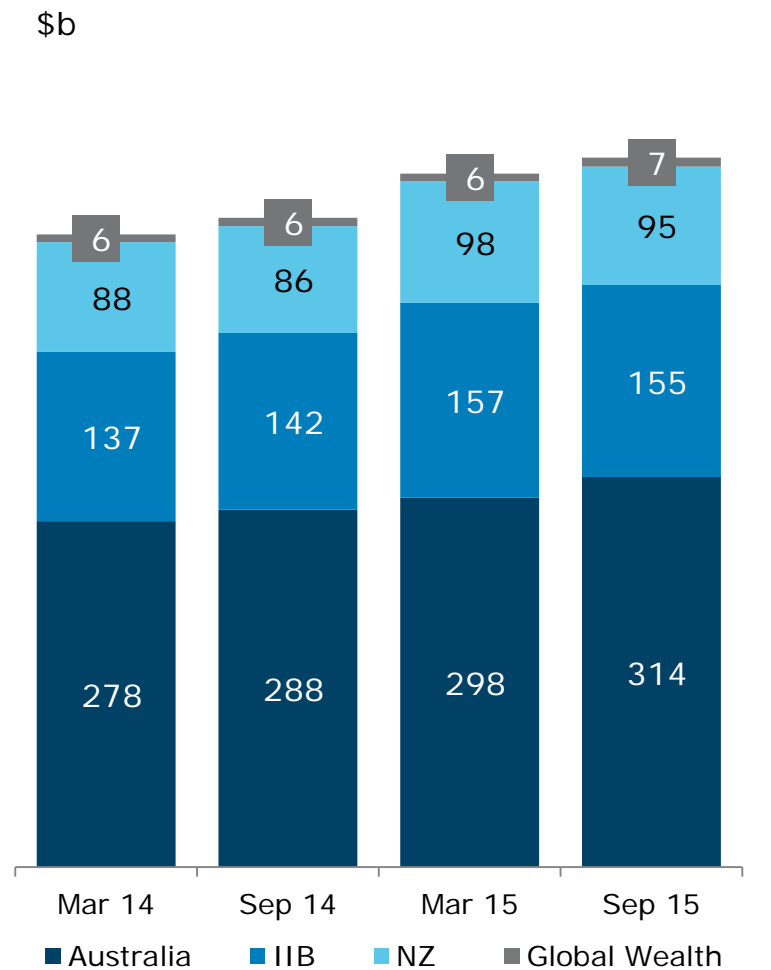
1. Excludes GTSO and Group centre

Volume growth

Group Loans and Deposits



Divisional lending growth



Note: Deposits refer to Customer Deposits; Loans are represented on a Net Loans and Advances basis.

Digital investment is transforming the business

	Digitally connected	Highly engaged	Easy path to purchase
Aus	<p>+9% increase in digitally active customers¹ (25% uplift from 2012)</p>	<p>+10% increase in transactions via Digital² (39% uplift from 2012)</p>	<p>+30% increase in Digital Sales (110% uplift from 2012)</p>
NZ	<p>>50% Of all card PINs now selected using Digital channels</p>	<p>66% Of transactions via Digital Channels (up from 61% in FY14)</p>	<p>+32% increase in Sales revenue from Digital Sales</p>
IIB	<p>Winner Celent Model Payments Innovation 2015 (Global Payments)</p>	<p>+36% Increase in volume of FX deals processed through Global FX</p>	<p>\$2.5 trillion Of value processed through Global Wholesale Digital this year</p>
Wealth	<p>10.5m Customer logins to GROW since launch</p>	<p>+14.5% Growth in self directed solutions³</p>	<p>65% CAGR Growth in digitally enabled FUM (ANZ SmartChoice / KiwiSaver)⁴</p>

All numbers YoY except where indicated

1: 12 months to July 2015; 2: Total volume of Digital transactions (IB, goMoney, Grow); 3. As at 30 June 2015 – customers who ask to connect via / receive information via mobile; 4. ANZ SmartChoice includes Retail & Employer. CAGR FY13-15.

2015

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
29 October 2015

Treasury

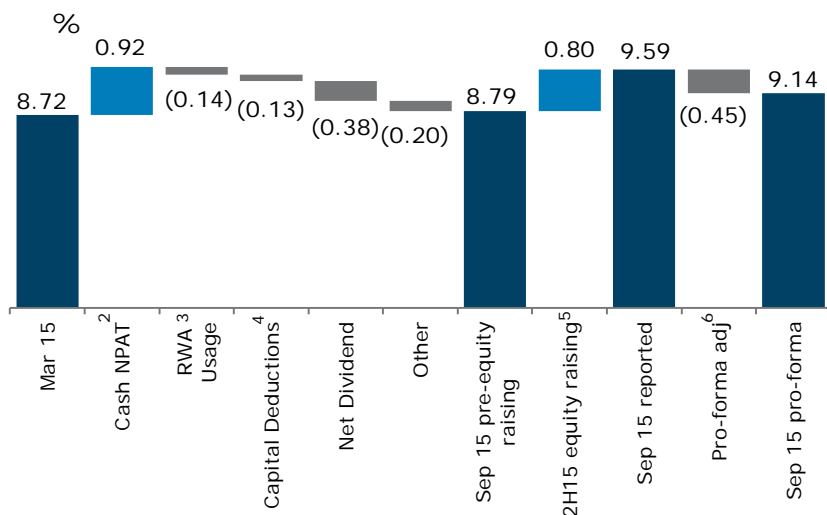


Regulatory capital

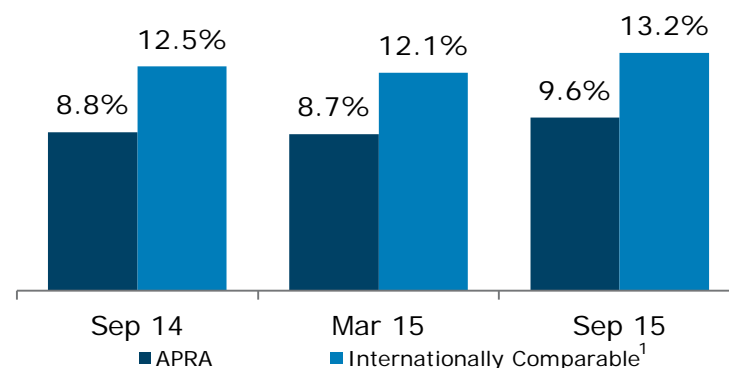
Capital Update

- Common Equity Tier 1 ratio 9.6% at FY15 on an APRA basis or 13.2% on an Internationally Comparable¹ basis. Target remains around 9% on an APRA basis.
- \$3.2bn equity raising completed in second half. Addresses impact of APRA's Australian IRB mortgage risk weight floor effective July 2016. Expect APRA CET1 > 9% post introduction of mortgage floor.
- Final dividend 95 cents per share. Dividend Reinvestment Plan will operate with no discount applied to new shares issued.

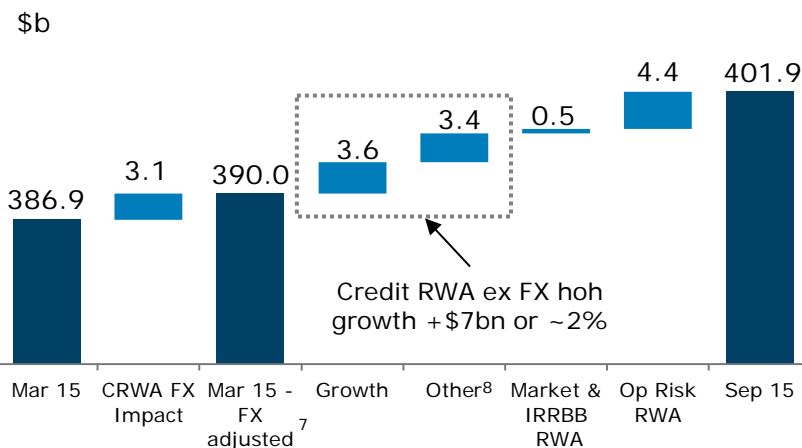
APRA CET1 position



Basel III Common Equity Tier 1 (CET1)



Total RWA movement – Sep 15 v Mar 15



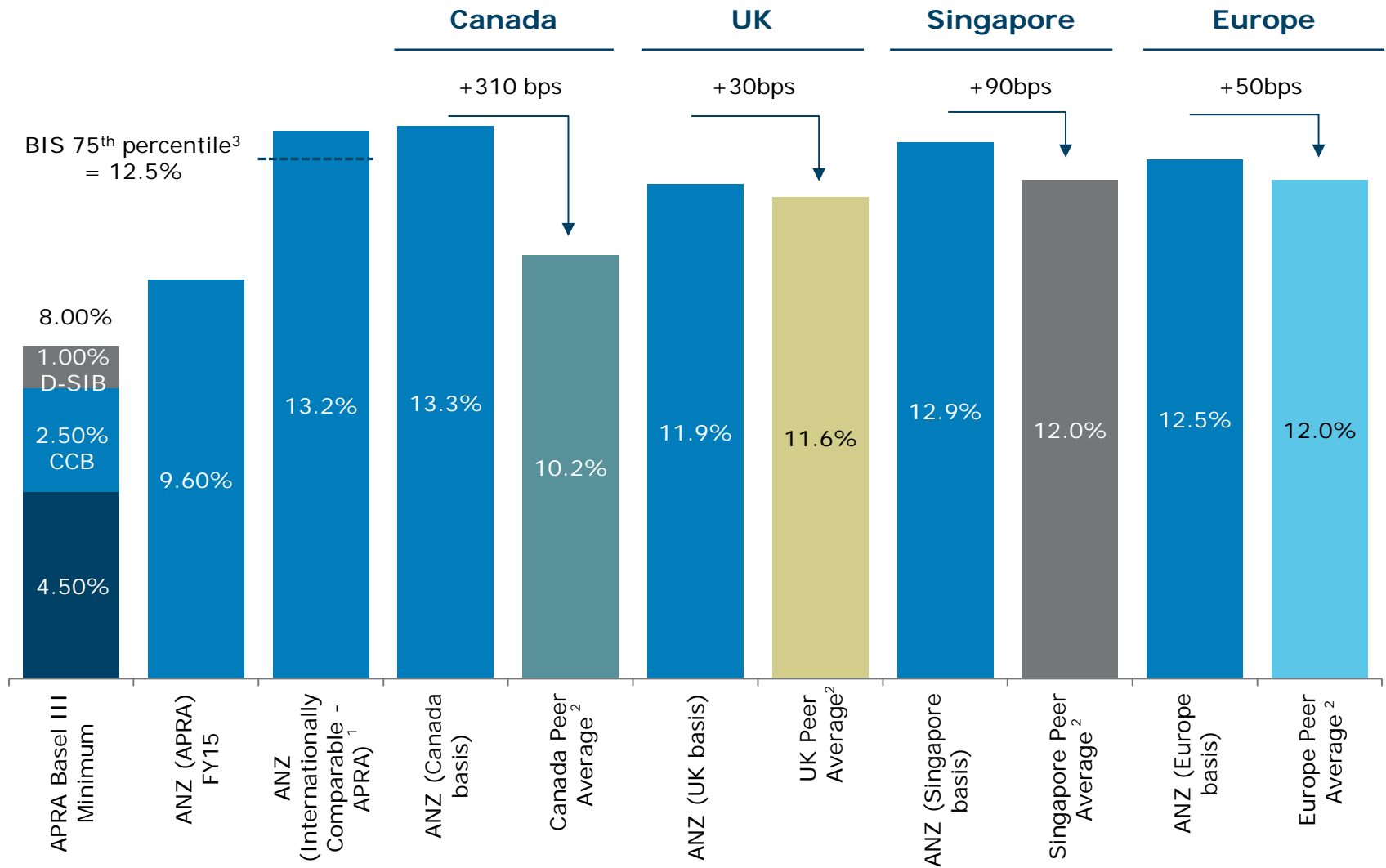
1. Internationally Comparable methodology aligns with APRA's information paper entitled *International Capital Comparison Study* (13 July 2015). Basel III Internationally Comparable ratios do not include an estimate of the Basel I capital floor. 2. Cash profit net of preference share dividends. 3. Includes EL vs. EP shortfall. 4. Represents the movement in retained earnings in deconsolidated entities, capitalised software and other intangibles. 5. \$3.2bn equity raising completed in August/September 2015. 6. Approximate pro-forma numbers include the Australian IRB mortgage RWA floor impacts, ANZ Wealth refinancing and Esanda sale. 7. FX adjustment only on cRWA. 8. Other includes risk and portfolio data review impact.

Internationally Comparable regulatory capital position

		APRA Study ¹
APRA Common Equity Tier 1 (CET1)		9.6%
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.	1.0%
Mortgage 20% LGD floor	APRA requires use of 20% mortgage LGD floor vs. 10% under Basel framework.	0.4%
Specialised Lending	APRA requires supervisory slotting approach which results in more conservative risk weights than under Basel framework.	0.4%
IRRBB RWA	APRA includes in Pillar 1 RWA. This is not required under the Basel framework.	0.2%
Basel III Internationally Comparable CET1		13.2%
Basel III Internationally Comparable Tier 1 Ratio		15.3%
Basel III Internationally Comparable Total Capital Ratio		17.8%

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.

ANZ's CET1 ratio vs international peers



1. Internationally Comparable methodology aligns with APRA's information paper entitled *International Capital Comparison Study* (13 July 2015). 2. Peer estimates are based on RWA weighted average of G-SIB/D-SIBs (ex Singapore which is based on DBS, OCBC and UOB) fully loaded Basel III capital ratios per most recent disclosures. 3. Top quartile CET1 on fully phased-in Basel 3 basis (Table A-3), Basel III Monitoring Report - September 2015 (Basel Committee on Banking Supervision).

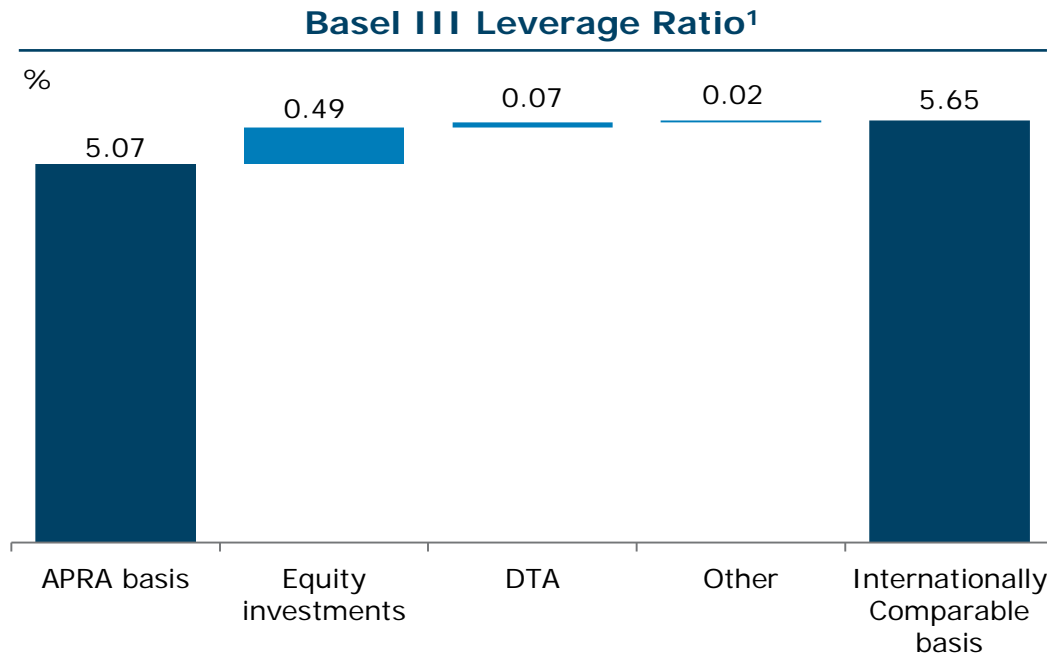
Regulatory capital generation

Common Equity Tier 1 generation (bps)

	FY avg FY12– FY14	FY15
Cash profit	206	200
RWA growth	(50)	(36)
Capital deductions	(26)	(34)
Net capital generation	130	130
Gross dividend	(134)	(138)
Dividend Reinvestment Plan	27	34
Core change in CET1 capital ratio	23	26
Other non-core and non- recurring items	21	(26)
Net change in CET1 capital ratio	44	-

- Net capital generation of 130 bps consistent with performance over recent years
- FY15 non-core and non-recurring items mainly due to increased Operational Risk RWA as a result of APRA's accreditation of ANZ's new Operational Risk Measurement System and repayment of the first tranche of debt issued by ANZ Wealth Australia Limited
- Excludes the 80bps CET1 benefit from \$3.2bn equity raising completed in second half 2015

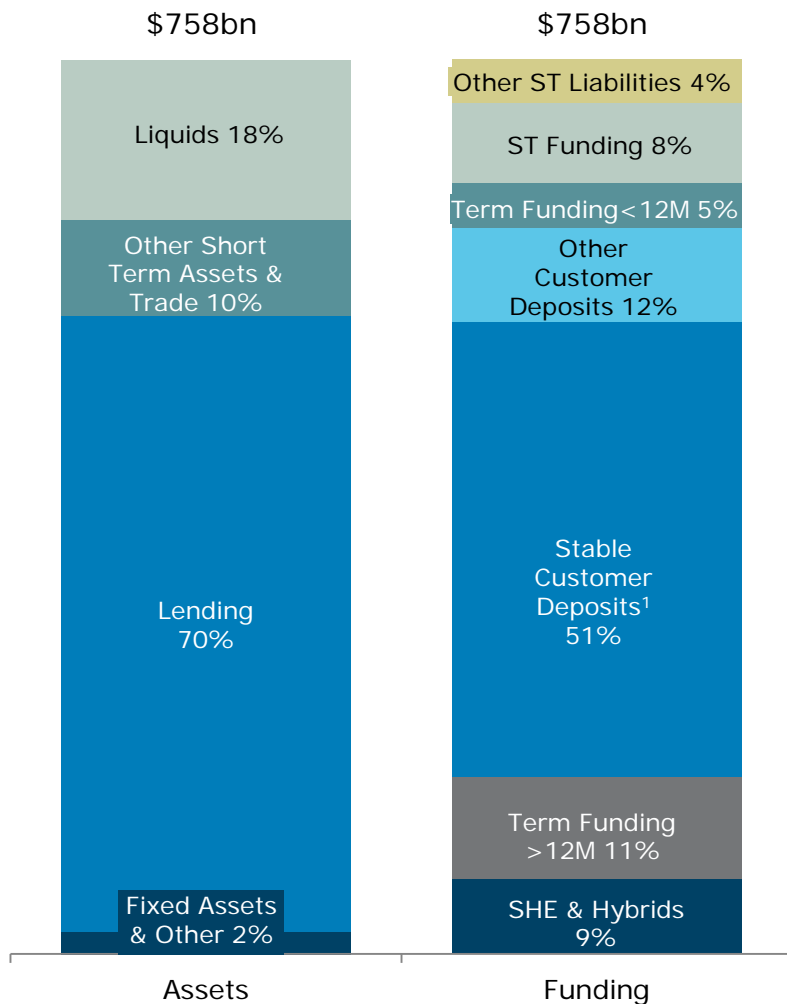
Basel III Leverage Ratio



- Leverage ratio well placed between median and top quartile of top 100 global banks.²
- Top 100 position not directly comparable to Australian banks due to accounting differences. For example U.S. banks leverage ratios are higher due to US GAAP's favourable treatment of derivatives.³
- ANZ compares well with banks with similar operating models, i.e. mortgages on balance sheet. For example:
 - The 5 Scandinavian banks represented in the top quartile for CET1 (with CET1 ratios ranging from 13.3% to 22.4%)⁴ report leverage ratios in the range of 3.8% to 4.5%⁵
 - The 5 top Canadian banks currently report leverage ratios in the range of 3.7% to 4.2%⁵
- No minimum requirement has yet been set by APRA. The BCBS minimum is 3%. The leverage ratio is currently a 'disclosure only' requirement but will become a binding Pillar 1 requirement from 1 January 2018.

1. Leverage ratios includes Additional Tier 1 securities subject to Basel III transitional relief net of any transitional adjustments. 2. BCBS data as at December 2014. 3. FDIC December 2014. 4. Top quartile D-SIBs, last reported fully loaded Basel III basis. 5. Most recently disclosed company reports.

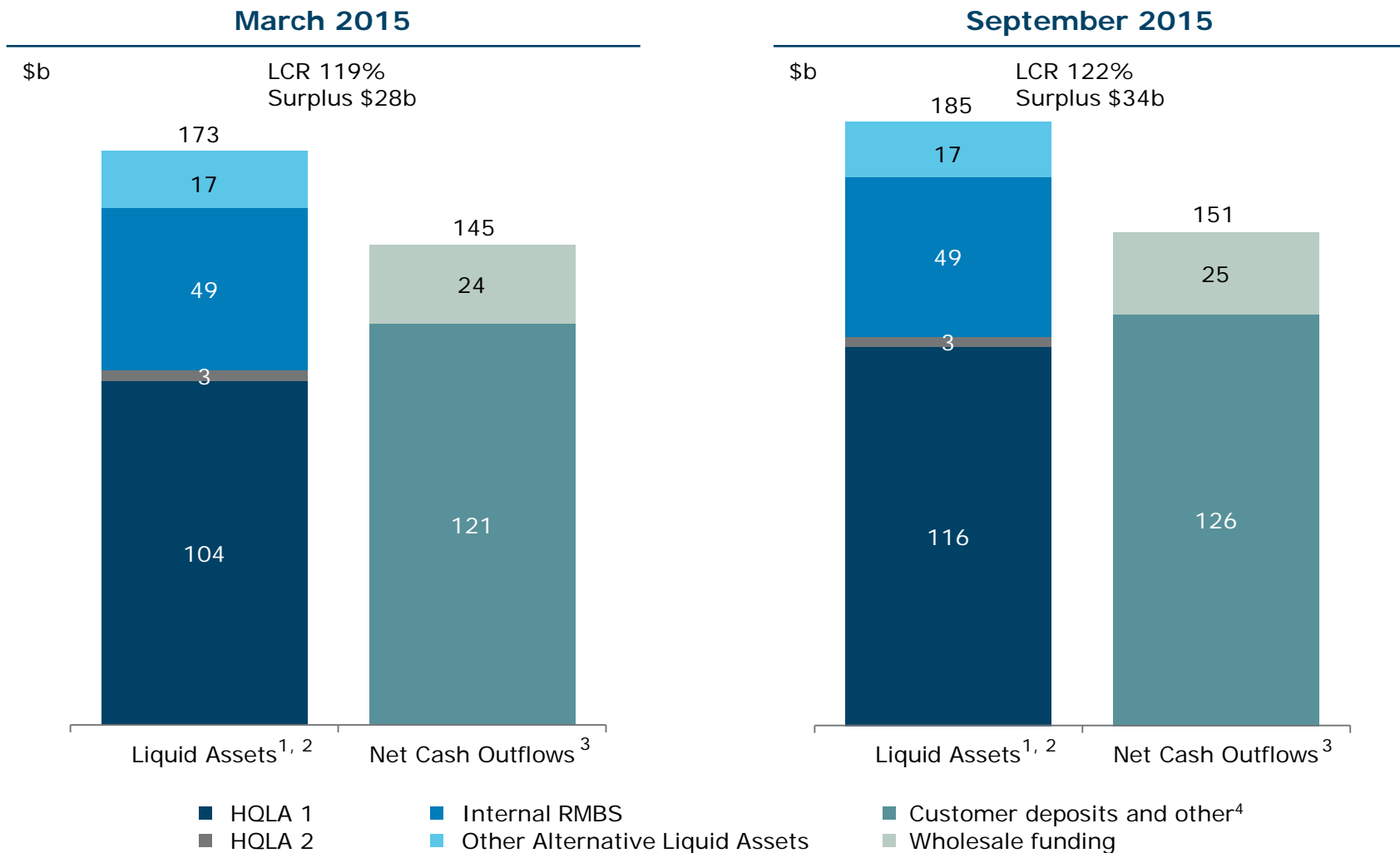
Balance sheet composition



- Stable balance sheet composition
- Completed \$3.2bn equity raising in 2H15
- Term assets funded by equity, term funding and stable customer deposits
- Further improvement in composition of customer deposits with growth in stable deposits 12% over the year vs. 10% growth in total customer deposits
- ~3% of Australian assets funded by short-term offshore wholesale funding²

1. Stable customer deposits represent operational type deposits or those sources from retail / business / corporate customers and the stable component of Other funding liabilities. 2. Excludes intragroup and foreign resident deposits.

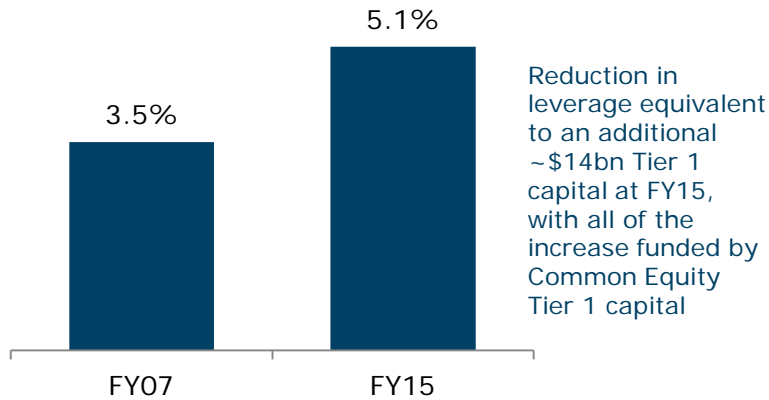
Basel III Liquidity Coverage Ratio



1. Post haircut market value as defined in APS210.
 2. Includes \$54bn Committed Liquidity Facility.
 3. Basel III LCR 30 day stress scenario cash outflows.
 4. Other include off-balance sheet and cash inflows.

Balance sheet strengthening

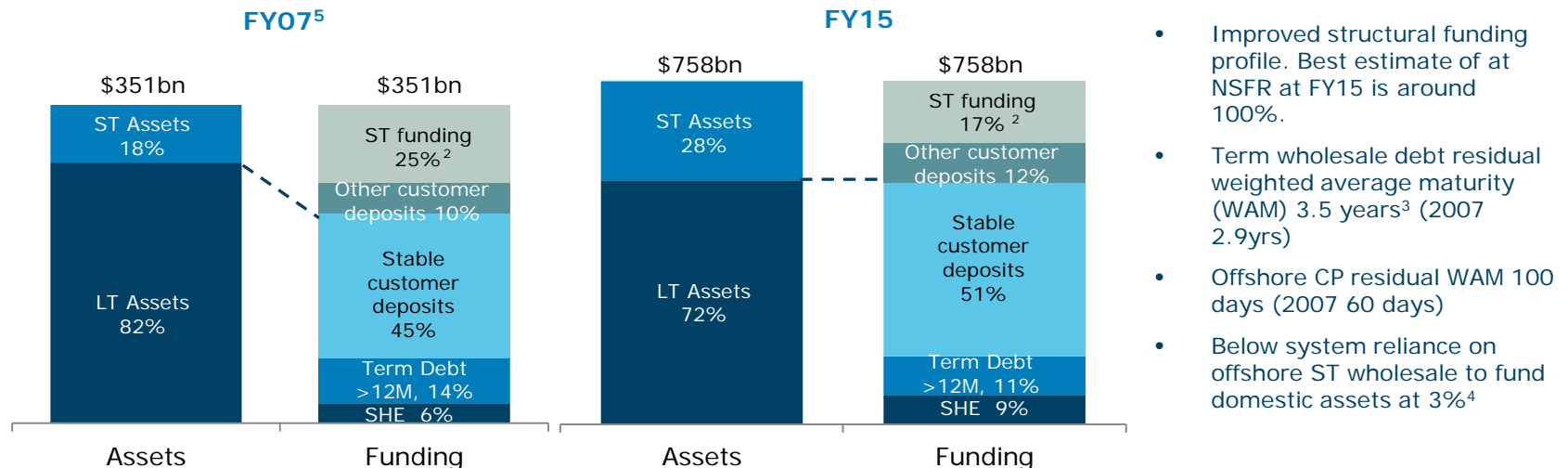
Leverage ratio¹



Liquidity

FY07	FY15
<ul style="list-style-type: none"> 8 calendar day Short Term Crisis scenario HQLA include cash, RBA repo eligible securities, bank bills/CDs, deposits with ADIS 	<ul style="list-style-type: none"> 30 calendar day Basel III Liquidity Coverage Ratio (LCR) requirement Fully compliant at Sep 2015 with Basel III LCR 122%, equivalent to a \$34bn surplus HQLA include cash, central bank reserves, claims on sovereigns/supras and the CLF

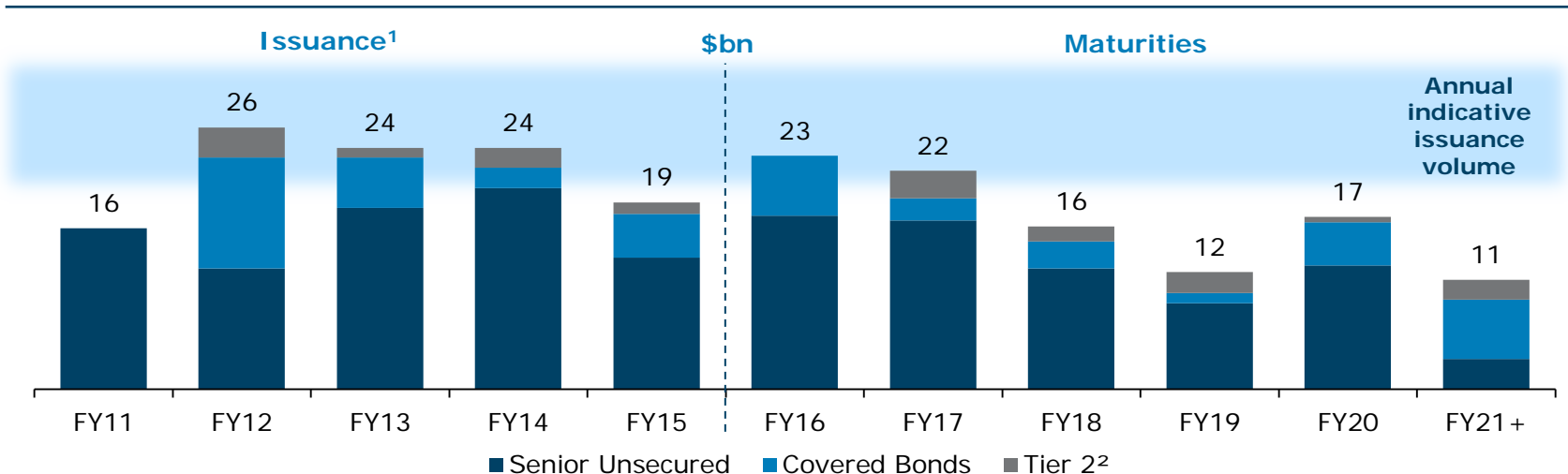
Balance Sheet Structure



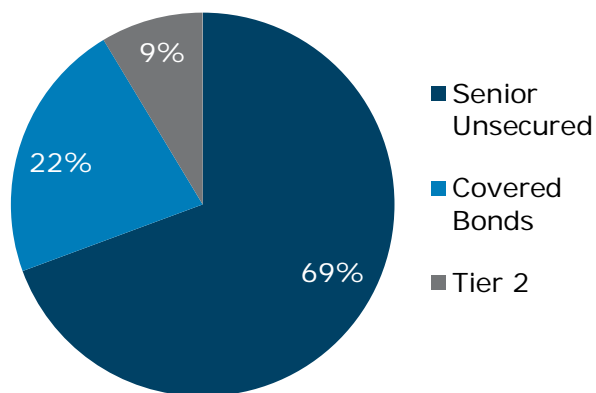
1. FY07 CET1 estimated Basel III leverage ratio. APRA basis. 2. ST funding includes short term wholesale funding, other short term liabilities and term debt maturing in less than 12 months. 3. Term debt with residual maturity greater than 12 months as at 30 September 2015. 4. Based on ANZ and APRA system data as at December 2014, ex intragroup and foreign resident deposits. 5. FY07 best estimate.

Term wholesale funding portfolio

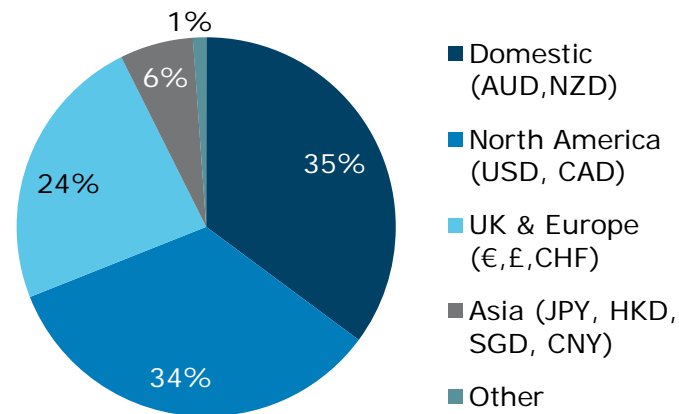
Term Funding Profile



Portfolio by Type



Portfolio by Currency



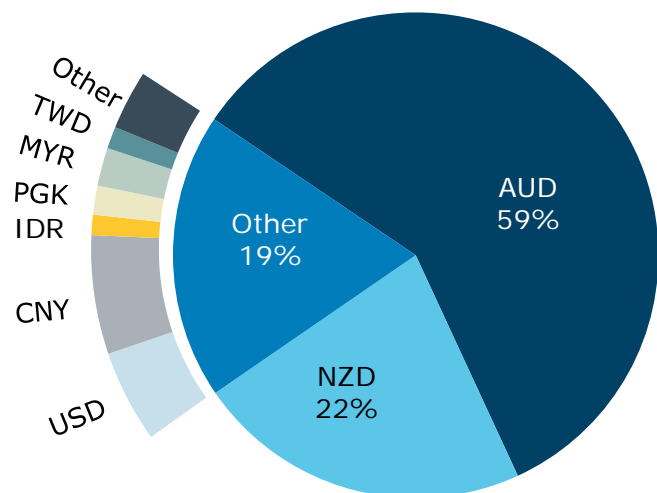
All figures based on historical FX and excludes hybrids.

1. Includes transactions with a call or maturity date greater than 12 months as at 30 September in the respective year of issuance.

2. Tier 2 profile is based on the next callable date.

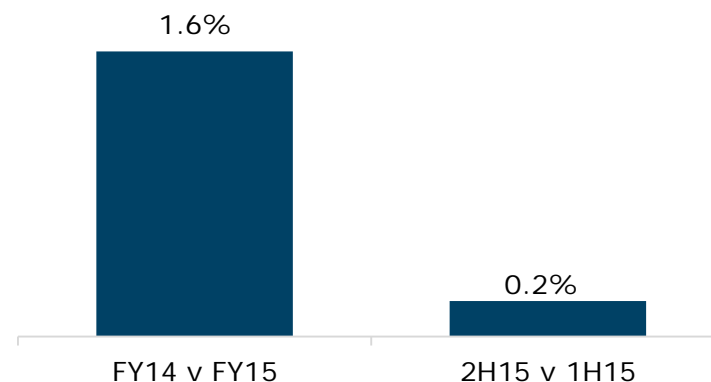
Foreign currency hedging – earnings benefit from lower AUD

FY15 Earnings Composition (by currency)

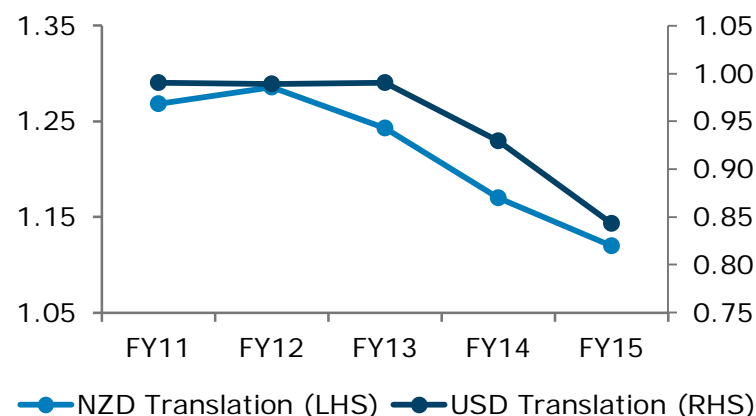


- The key objective of hedging is to manage short term EPS volatility arising from foreign currency earnings
- Hedges currently in place:
 - FY16: ~70% of NZD and ~25% of USD (inc. currencies that are highly correlated to AUD/USD) earnings.
 - FY17: ~50% of NZD
 - FY18: ~25% of NZD
- Hedging has reduced the impact of a 5% movement of the AUD on FY16 EPS to ~1%.

Earnings per Share FX Impact¹



Translation Rates (inclusive of hedges)



1. Underlying basis, inclusive of hedges.

Regulatory landscape

	Status	ANZ's position	
Capital	Leverage ratio	<ul style="list-style-type: none"> APRA introduced amendments in May 2015 for calculating the leverage ratio as a disclosure only requirement No minimum currently specified, BCBS minimum 3% 	APRA basis leverage ratio 5.1%, Internationally Comparable basis 5.6% as at 30 September 2015
	Level 3 capital adequacy "Conglomerates"	<ul style="list-style-type: none"> APRA draft Level 3 standards Aug 2014 Finalisation and implementation deferred until FSI recommendations considered by government/APRA 	No material impact expected based on current draft standards
	Basel Standardised and floors	<ul style="list-style-type: none"> BCBS consultation papers released Dec 2014 propose changes to Standardised risk weights, introduction of Advanced approach capital floors 	ANZ has participated in BCBS QIS. Impact of any changes subject to final BCBS calibration and APRA implementation.
	Total Loss Absorbing Capacity (TLAC)	<ul style="list-style-type: none"> Financial Stability Board (FSB) proposal released Nov 2014 details minimum TLAC requirements for G-SIBs Expect final FSB TLAC rules by Nov 2015 	Proposal currently does not apply to D-SIBs. If applied to ANZ, wide range of outcomes depending on calibration including basis for measuring capital base, D-SIB minimum etc.
Funding	Net Stable Funding Ratio	<ul style="list-style-type: none"> BCBS standard Oct 2014 APRA standard yet to be finalised, expected implementation 2018 	Best estimate of NSFR around 100% at end FY15 depending on calibration. Do not expect that full compliance will require any material change to balance sheet composition.
Other	Financial System Inquiry (FSI)	<ul style="list-style-type: none"> Key recommendations to government: <ul style="list-style-type: none"> Set standards such that Australian ADI capital ratios are unquestionably strong Raise Advanced IRB mortgage risk weights to narrow difference with Standardised approach Implement loss absorption and recapitalisation framework in-line with international practice Introduce Basel framework leverage ratio 	<p>30 September 2015 Internationally Comparable CET1 ratio of 13.2% within the top quartile of international peers</p> <p>25% Australian residential mortgage risk weight floor becomes effective July 2016. ANZ's 2H15 \$3.2bn equity raising fully addresses this requirement.</p>

2015

FULL YEAR RESULTS

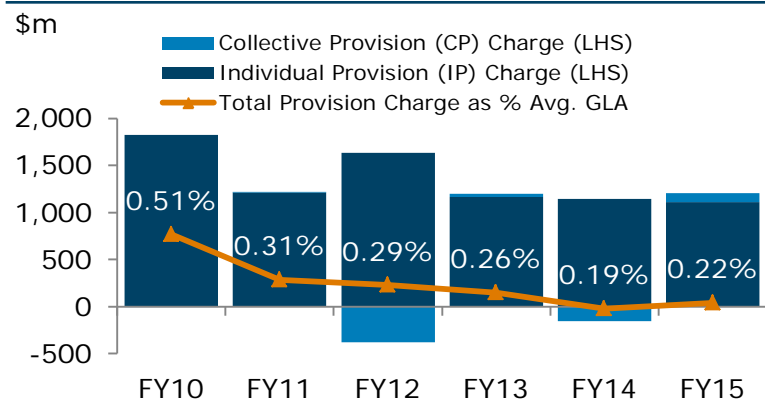
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
29 October 2015

Risk Management

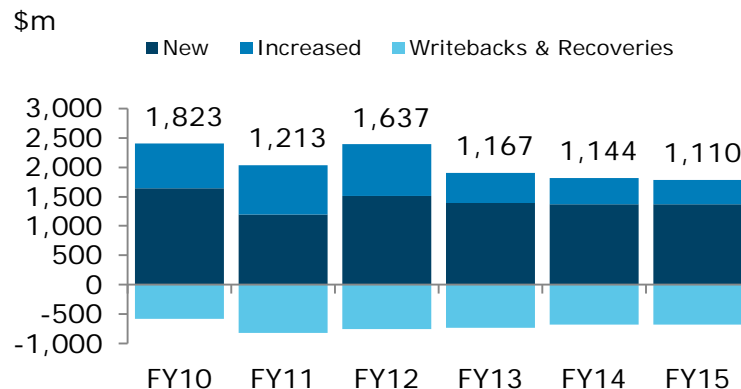


Credit Impairment Charge - \$1,205m

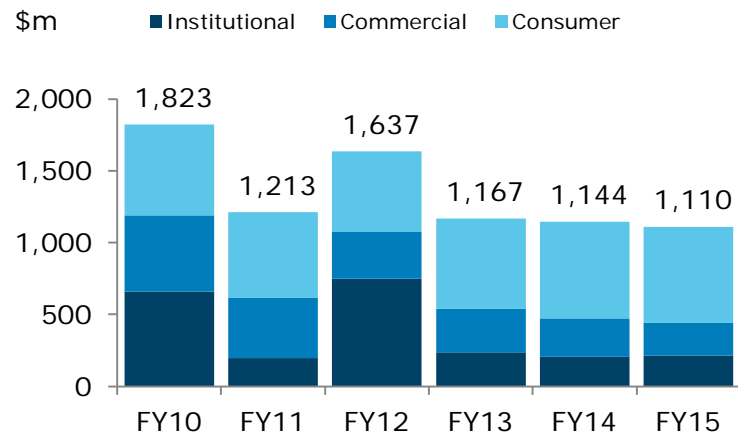
Provision charge



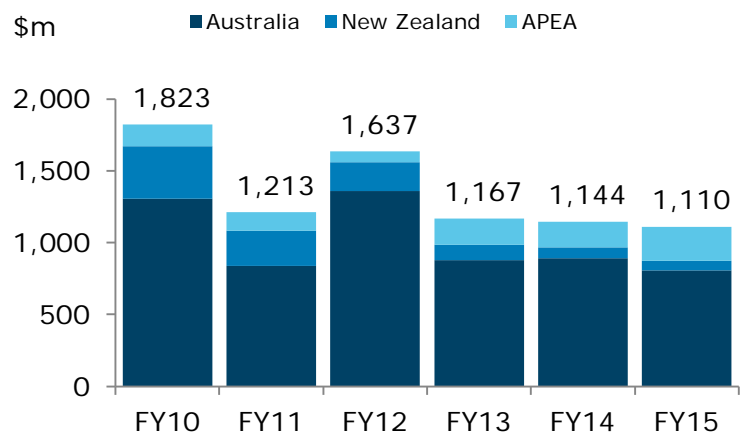
Individual provision charge composition



Individual provision charge by segment



Individual provision charge by region

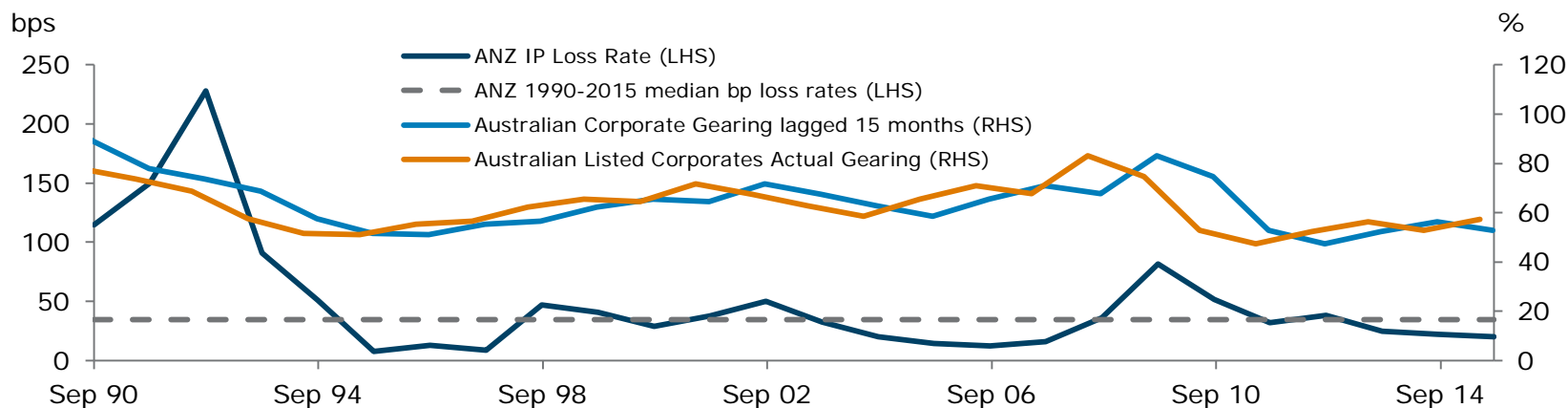


Historic loss rates

Australian Industry Corporate Gearing

- Industry corporate gearing ratios¹, when lagged by 15 months, display a strong relationship to credit impairment, indicating current corporate gearing is a useful leading indicator of loss.
- The uptick observed in the most recent Australian industry corporate gearing ratio is consistent with a modest increase observed in collective provision. Collective Provisioning represents the anticipated loss expected to emerge in the Australian Corporate portfolio, typically over the next 18-24 months.
- Although there is some pressure on loss rates, IP as % of Avg. NLA at Sep 15 was 20bps, which is similar to that observed between 2004 and 2007.
- IP as % of Avg. NLA (20 bps) is the 6th lowest rate since 1990.

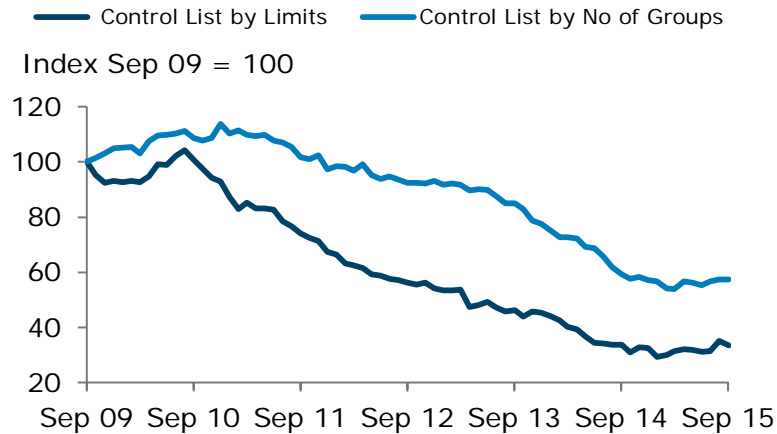
Australian industry corporate gearing vs. historical observed loss rates



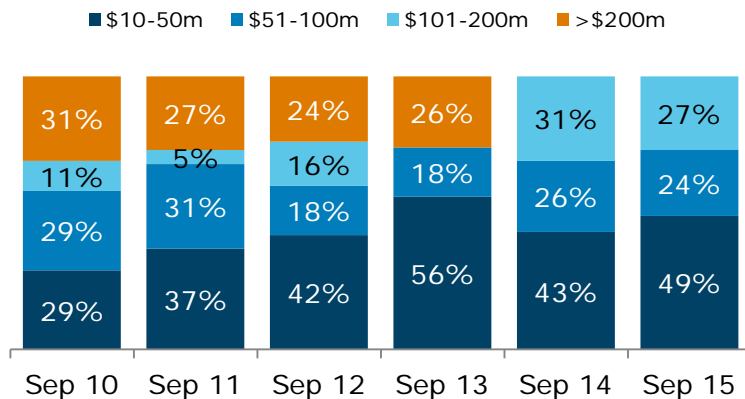
1. Corporate Gearing Ratio is the book value debt-to-equity ratio for Australian listed corporations. Source: RBA FSR

Impaired Assets - YoY

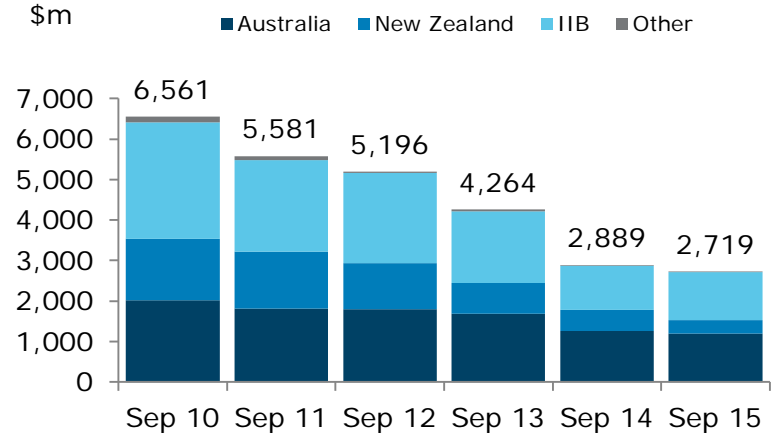
Control list



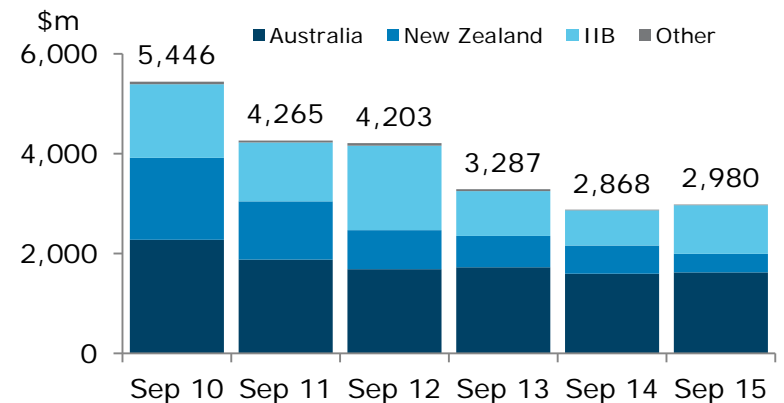
Gross impaired assets by size of exposure¹



Gross Impaired assets by division



New impaired assets by division



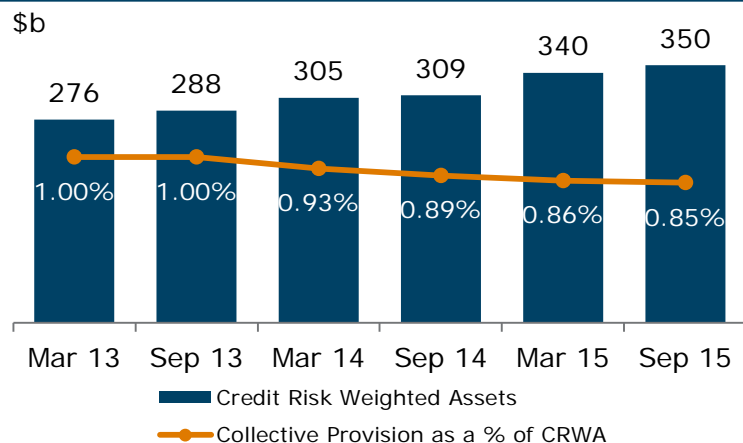
1. Only >\$10m customers.

Collective Provision

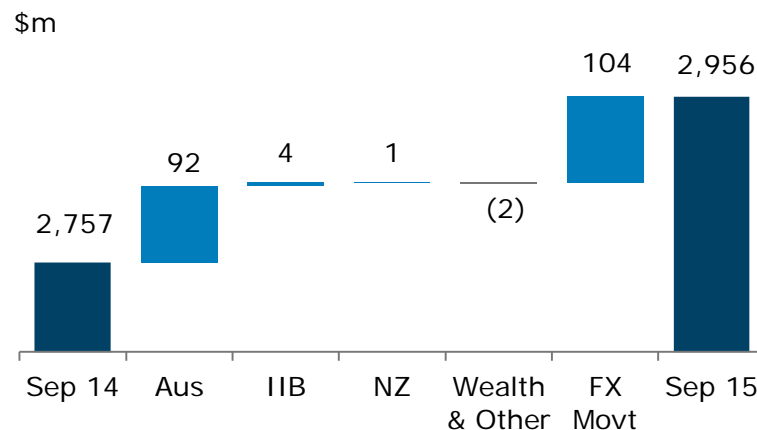
Collective Provision charge

	FY12	FY13	FY14	FY15
Lending growth	148	136	146	104
Portfolio Mix	-12	-29	-20	0
Risk Profile	-196	-43	-232	70
Eco cycle	-319	-34	-49	-79
Total CPC	-379	30	-155	95

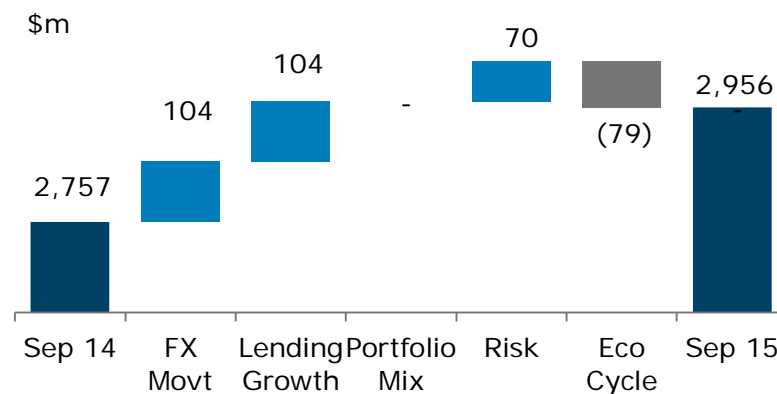
Collective Provision coverage



Collective provision balance by division

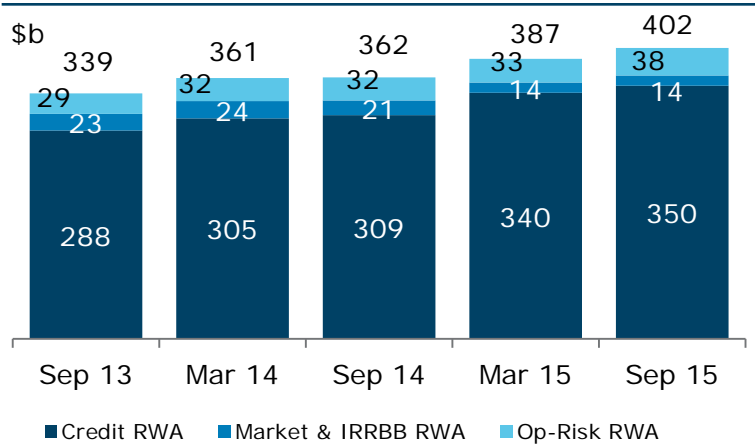


Collective provision balance by source

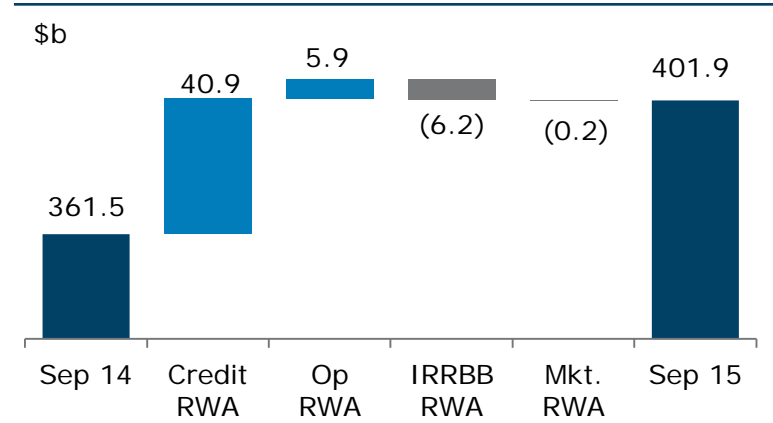


Risk Weighted Assets

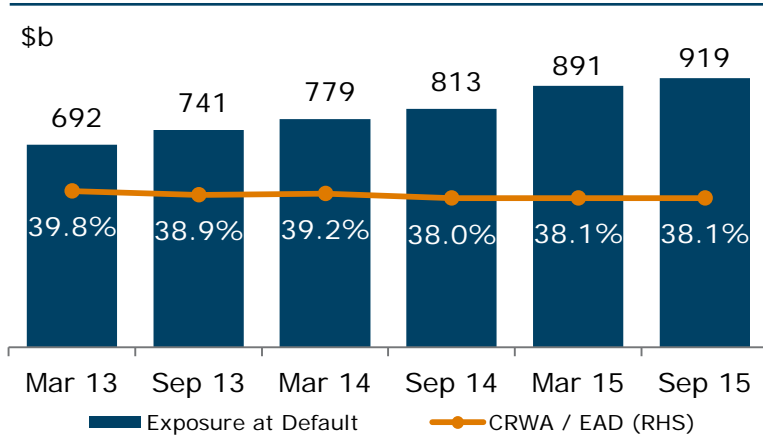
Total risk weighted assets (RWA)



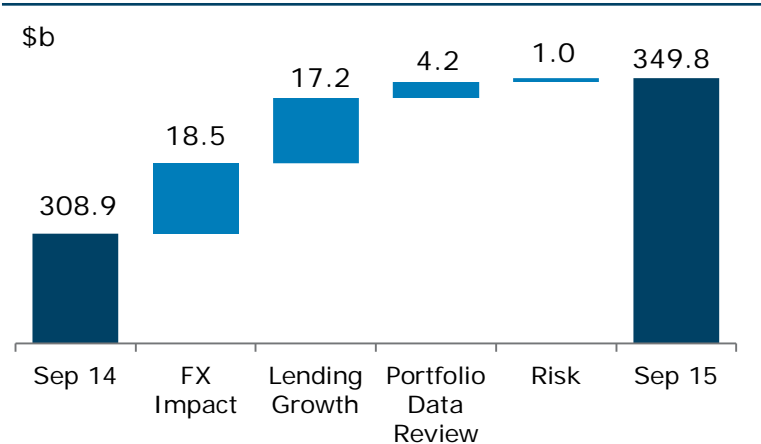
Total RWA movement



Group EAD¹ & CRWAs



CRWA movement - Sep 15 v Sep 14



1. Post CRM EAD, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. Includes amounts for 'Securitisation' and 'Other Assets' Basel asset classes.

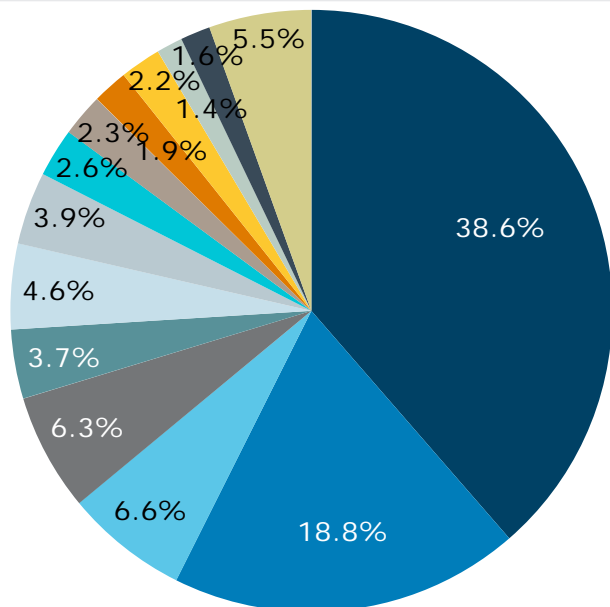
Portfolio composition

Exposure at default (EAD) as a % of Group total

ANZ Group

Total Group EAD (Sep 15)

\$898b¹

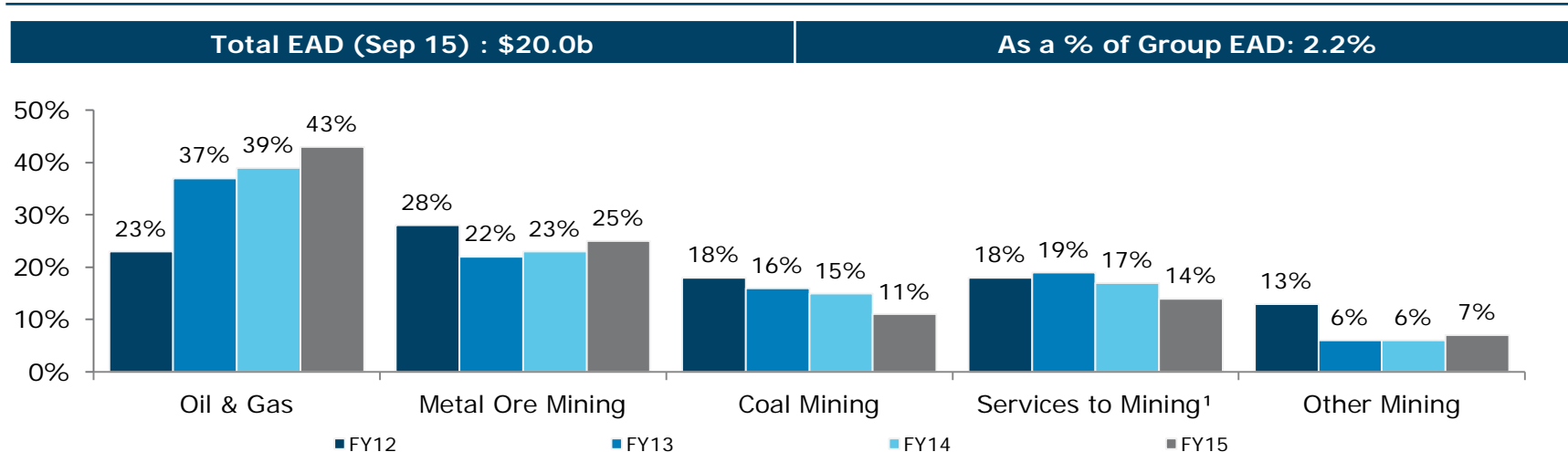


Category	% of Group EAD		% of Portfolio in Non Performing		Portfolio Balance in Non Performing
	Sep-14	Sep-15	Sep-14	Sep-15	Sep-15
Consumer Lending	39.5%	38.6%	0.2%	0.2%	\$555m
Finance, Investment & Insurance	17.6%	18.8%	0.0%	0.1%	\$100m
Property Services	6.9%	6.6%	1.3%	0.7%	\$401m
Manufacturing	6.3%	6.3%	0.5%	0.6%	\$322m
Agriculture, Forestry, Fishing	3.9%	3.7%	2.5%	1.8%	\$587m
Government & Official Institutions	4.0%	4.6%	0.0%	0.0%	\$0m
Wholesale trade	4.0%	3.9%	0.5%	0.4%	\$146m
Retail Trade	2.7%	2.6%	0.5%	0.7%	\$157m
Transport & Storage	2.3%	2.3%	2.1%	1.1%	\$221m
Business Services	1.9%	1.9%	1.2%	0.9%	\$142m
Resources (Mining) ²	2.2%	2.2%	0.8%	2.3%	\$463m
Electricity, Gas & Water Supply	1.6%	1.4%	0.1%	0.1%	\$9m
Construction	1.7%	1.6%	1.8%	1.7%	\$239m
Other	5.5%	5.5%	0.4%	0.4%	\$184m

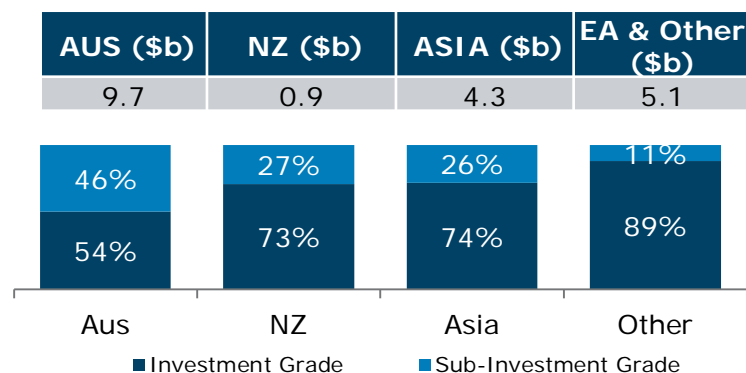
1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel asset classes. Data is provided as at Sep 15 on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. Note that APS330 disclosure is reported on a Pre CRM basis.
2. FY15 non-performing balance and % has been re-stated to accommodate post- balance date changes.

Resources Portfolio

Resources exposure by sector (% EAD)



Resources exposure credit quality (EAD)



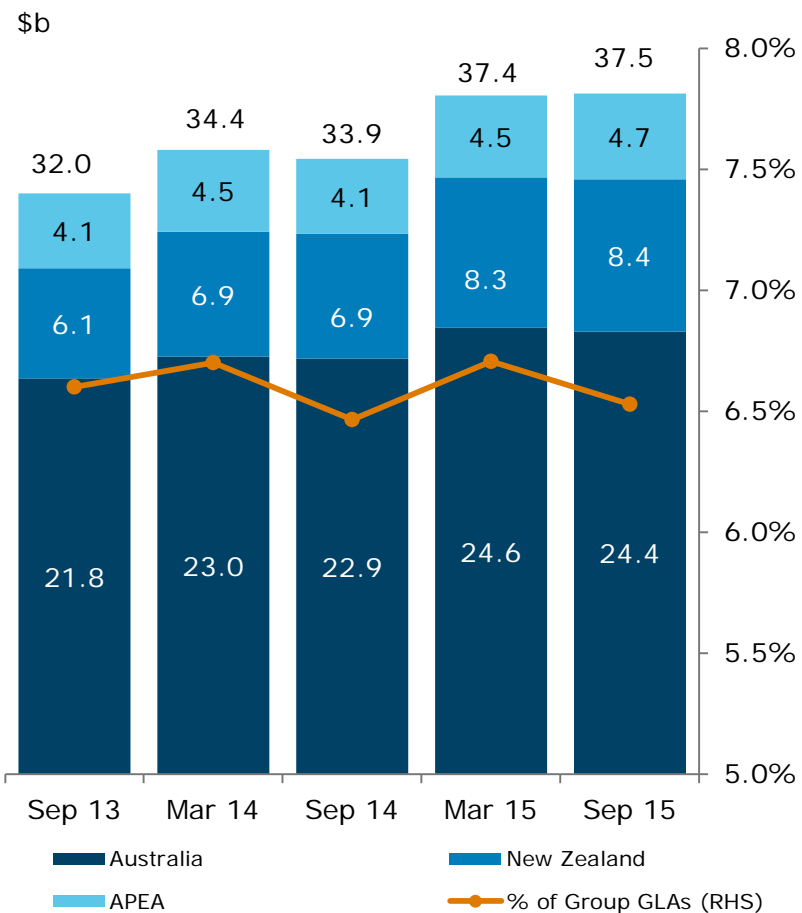
Resources portfolio management

- Portfolio is skewed towards well capitalised and lower cost resource producers. Over a third of the book is less than one year duration.
- Investment grade exposures represent 68% of portfolio vs. 64% at FY14.
- Trade business unit accounts for 19% of the Total Resources EAD.
- Services to mining¹ customers are subject to heightened oversight given the cautious outlook for services sector.

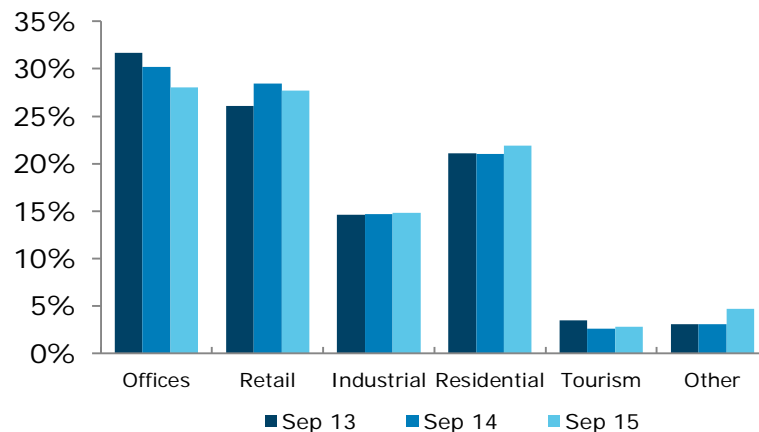
1. Services to Mining includes businesses that perform a range of Mining support activities on a contract or fee basis such as petroleum and mineral exploration.

Commercial property portfolio

Commercial Property outstandings by region¹



Commercial Property outstandings by sector¹



Property portfolio management

- Over the past few years, we have tightened our lending criteria within agreed strategy parameters.
- This includes tightened criteria around LVR and pre-sales qualifications, as well as tightened minimum acceptable ratings for originating & renewing business.
- EAD growth has primarily occurred in the metro capital city markets on the Eastern seaboard of Australia, driven by the strong residential development cycle underway.

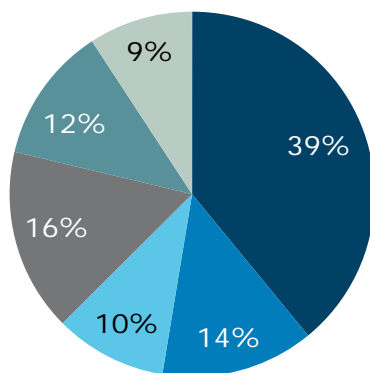
1. As per ARF230 disclosure.

Agri portfolio

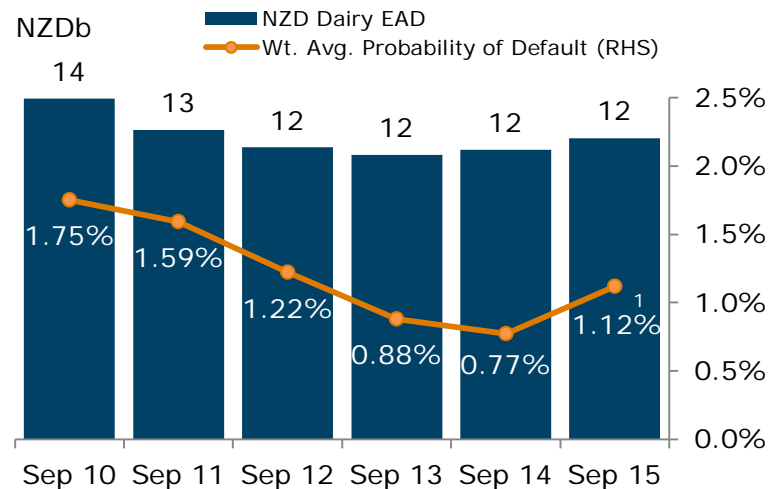
Agriculture exposure by sector (% EAD)

Total EAD (Sep 15)	As a % of Group EAD
AUD\$33.2b	3.7%

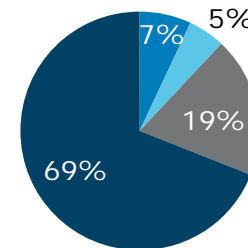
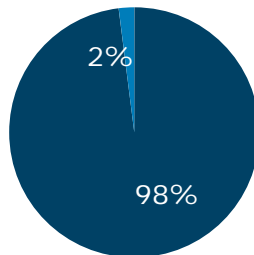
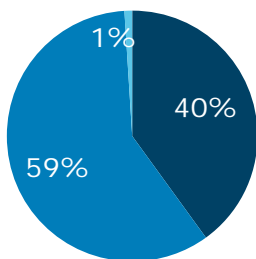
- Dairy
- Beef
- Sheep & Other Livestock
- Grain/Wheat
- Horticulture/Fruit/Other Crops
- Forestry & Fishing/Agriculture Services



New Zealand Dairy credit quality



Group Agriculture EAD splits



■ Australia ■ New Zealand ■ Int Markets

■ Productive ■ Impaired

■ < 60% Secured ■ 60 - < 80% Secured
 ■ 80 - < 100% Secured ■ Fully Secured

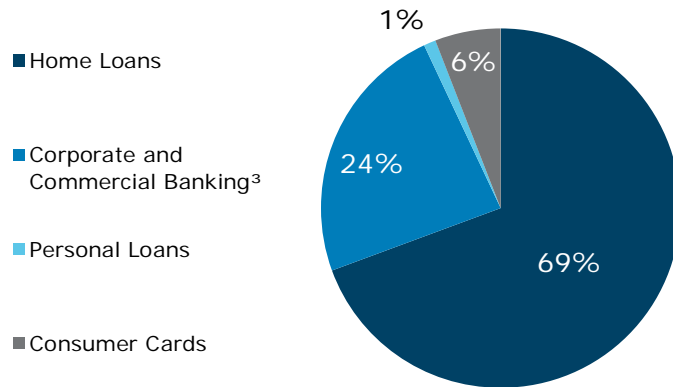
1. Wholesale PD model changes account for 16bps increase in FY15.

Industry Themes and Guidelines for Quality

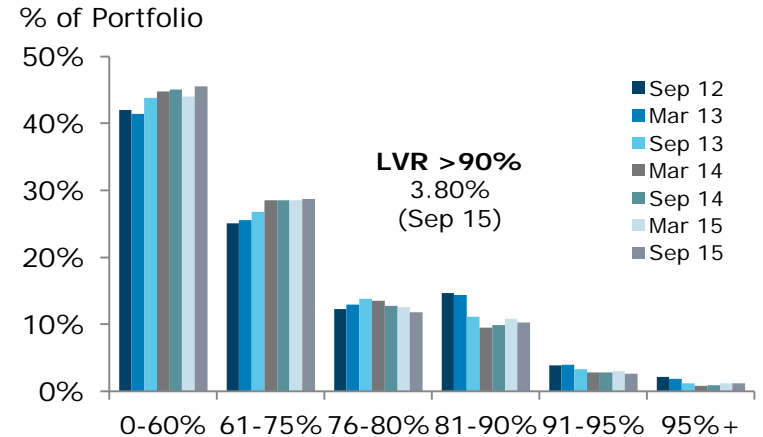
Areas on Watch	ANZ Lending Principles Examples
<p>1. Commercial Property</p> <p>Land and buildings primarily leased to third parties or new buildings constructed to be leased or sold to third parties.</p>	<ul style="list-style-type: none"> • Focus on key markets in Australia, New Zealand, Singapore and Hong Kong • No appetite for speculative development • Limited appetite to lend against third party leased specialised buildings
<p>2. Residential Property</p> <p>Residential Land and/or buildings</p> <ul style="list-style-type: none"> • Variable or fixed rate • Owner occupied, investor, equity loan • Interest only or Principal & Interest 	<ul style="list-style-type: none"> • Triggers and controls guide growth in investment, interest only and high LVR-band lending • Very limited appetite for Self Managed Super Fund lending • No appetite for reverse home loans or sub-prime loans
<p>3. Resources Sector</p> <p>Industry sectors include:</p> <ul style="list-style-type: none"> • Metal Ore (Including Iron Ore) • Mining and Mining Services • Mining infrastructure • Oil and Gas • Coal 	<ul style="list-style-type: none"> • Relationships focused on low cost producers • We are focused on intermediating trade and FX flows • Mining infrastructure cost sustainability monitored • Preference for equipment leasing over unsecured lending • Facilitation of at least \$10bn by 2020 to support our customers to transition to a low carbon economy

Australia Division

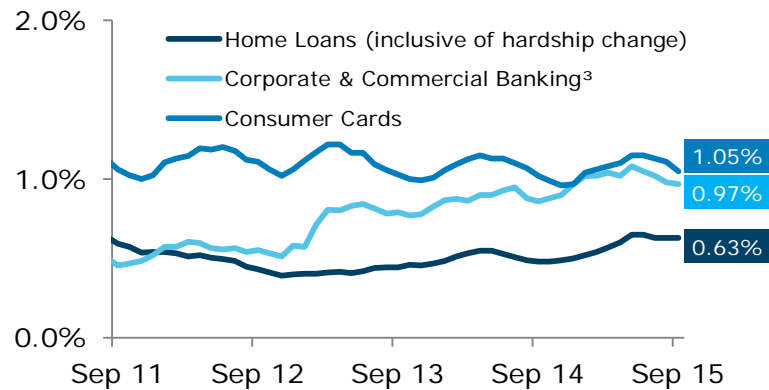
Australia division credit exposure (EAD)



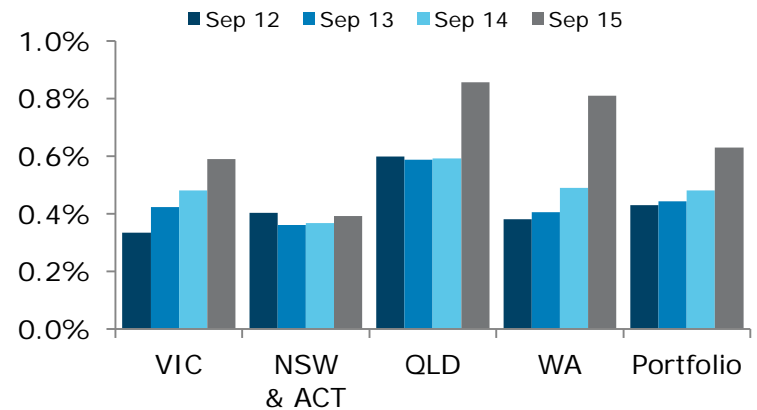
Dynamic Loan to Value Ratio (FY15)^{2,4}



Australia Division 90+ day delinquencies¹



Australia Home Loans 90+ dpd by state¹



1. Exclusive of Non Performing Loans.
2. Including capitalised premiums.
3. Includes Small Business, Commercial Cards and Esanda Retail.
4. Valuations updated Sep 15 where available.

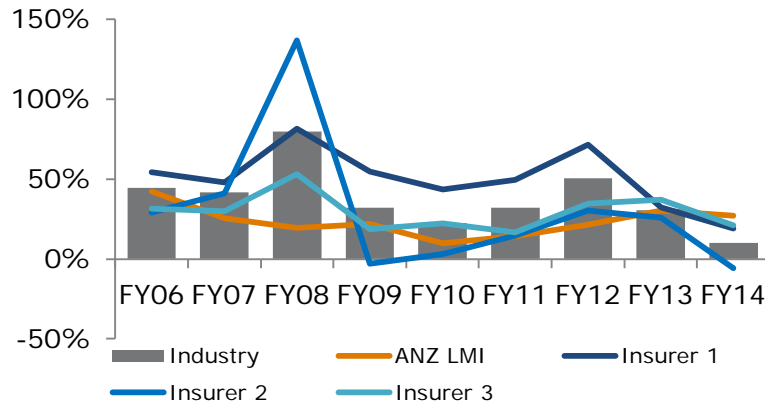
Stable LMI loss rates below industry average

Background

Financial Year 2015 Results

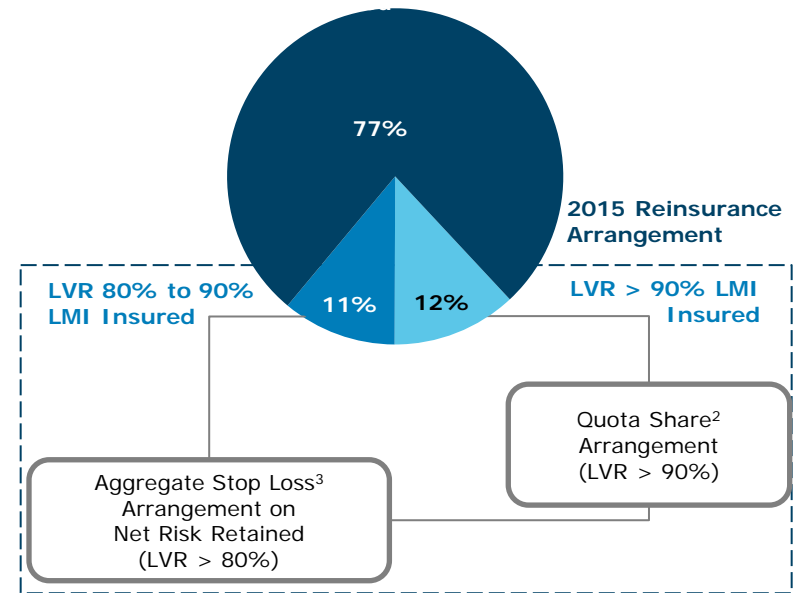
Gross Written Premium (\$m)	\$229m
Net Claims Paid (\$m)	\$9.4m
Loss Rate (of Exposure)	5.8 bps

ANZLMI maintains low loss ratios¹



Australian Home Loan portfolio LMI and Reinsurance Structure at 30 Sep 2015

% 2015 FUM



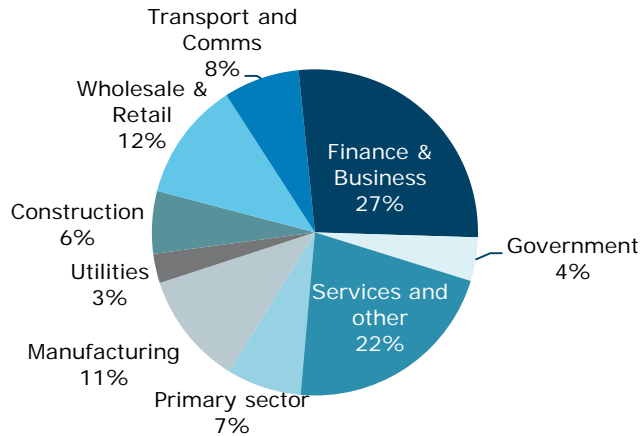
ANZLMI uses a **diversified panel of reinsurers** (10+) comprising a mix of APRA authorised reinsurers and reinsurers with highly rated security.

Reinsurance is comprised of a **Quota Share arrangement²** with reinsurers for mortgages 90% LVR and above and in addition an **Aggregate Stop Loss arrangement³** 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. Quota Share arrangement - reinsurer assumes an agreed reinsured % whereby reinsurer shares all premiums and losses accordingly with ANZLMI. 3. 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.

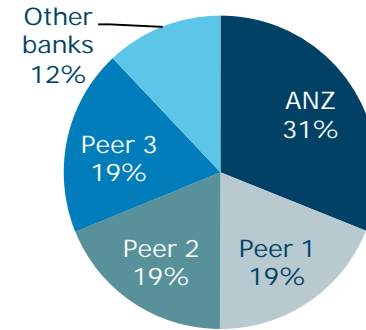
New Zealand - market characteristics

GDP contribution by industry¹

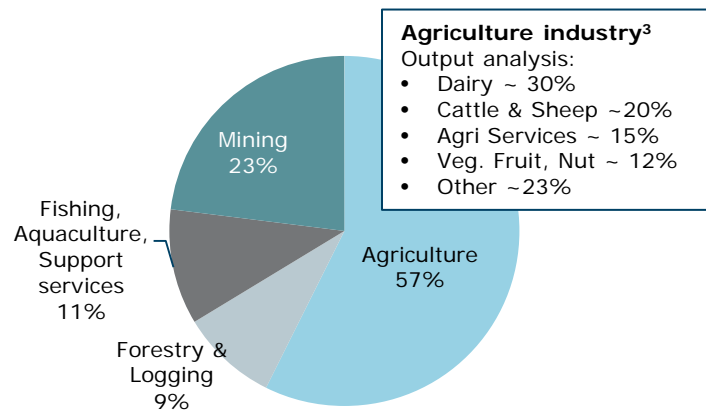


Banking market²

88% of NZ banking sector Net Loans & Advances (\$341b) are with the big 4 banks

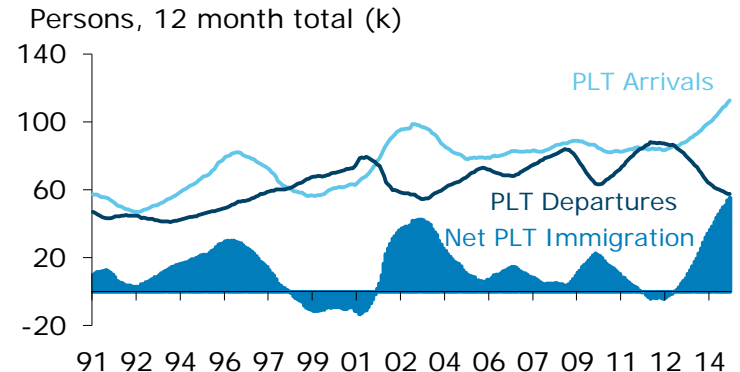


Primary sector GDP contribution¹



Positive migration impact on population

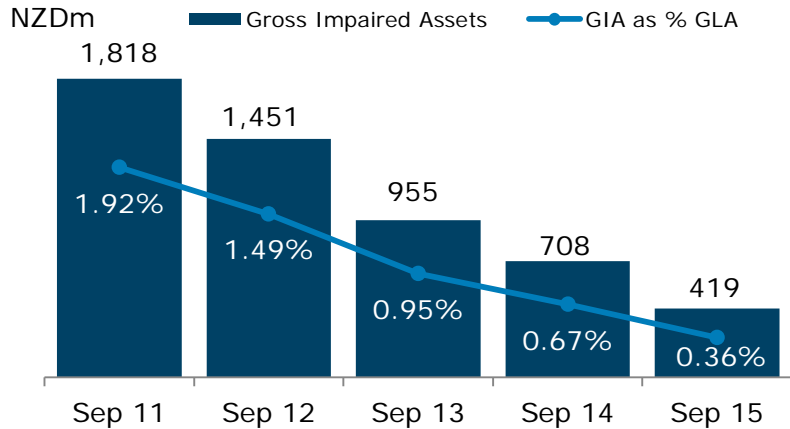
Population forecast: 5m by 2030, aided by migration



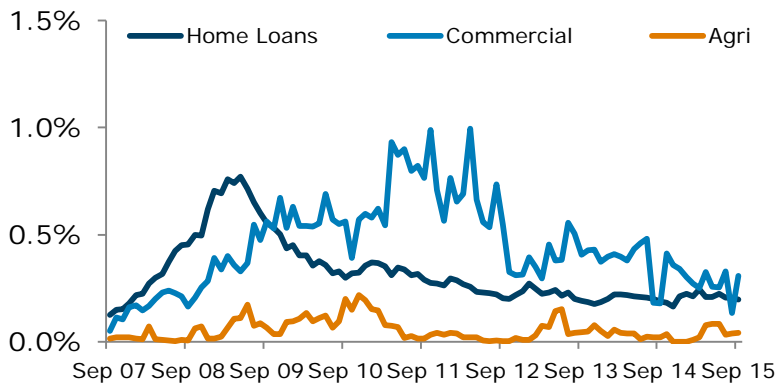
1. Statistics NZ
 2. KPMG Financial Institutional Performance Survey Review 2014
 3. Statistics NZ, ANZ analysis

New Zealand

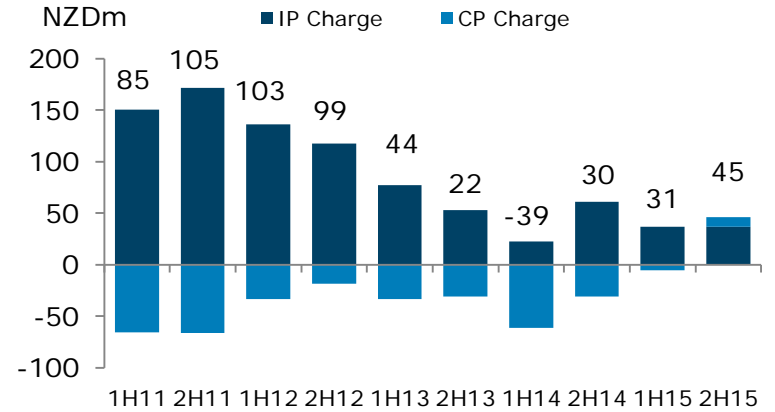
New Zealand Geography gross impaired assets



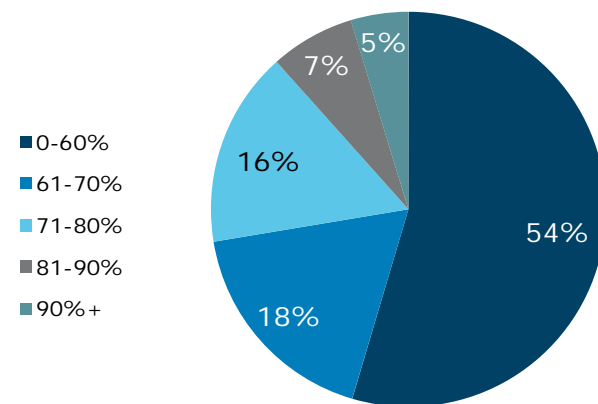
New Zealand Division 90+ days delinquencies



New Zealand Geography total provision charge



Mortgage Dynamic Loan to Value Ratio¹



1. Average dynamic LVR as at Aug 2015 (not weighted by balance).

2015

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
29 October 2015

Portfolio composition by exposure at default
International & Institutional Banking (IIB)

Asia

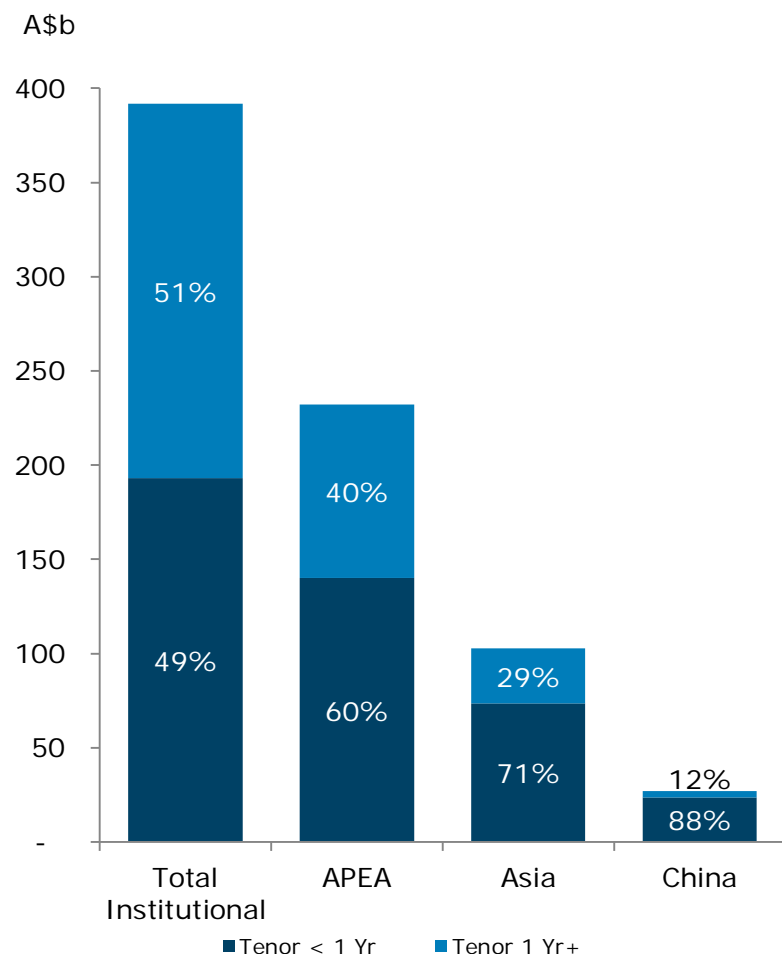
China



ANZ Institutional Portfolio

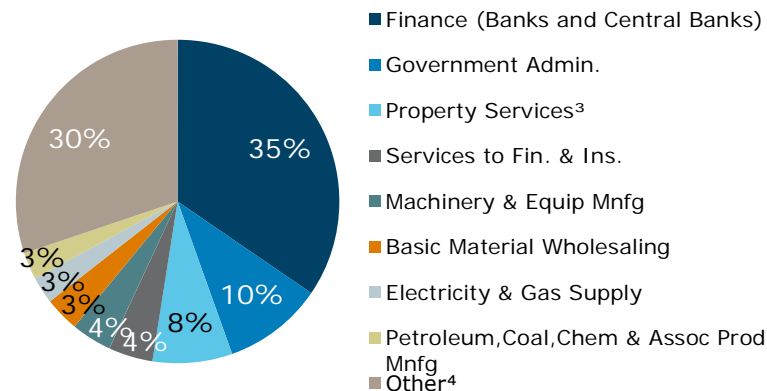
Country of Incorporation²

Institutional Portfolio size & tenor (EAD)¹



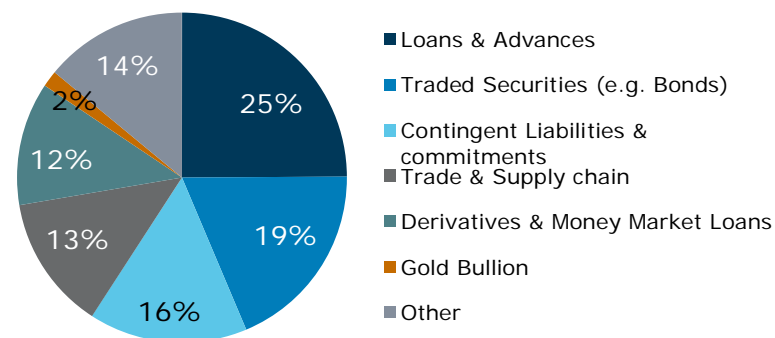
ANZ Institutional industry composition

EAD(September 15): AU\$392b¹



ANZ Institutional product composition

EAD(September 15): AU\$392b¹



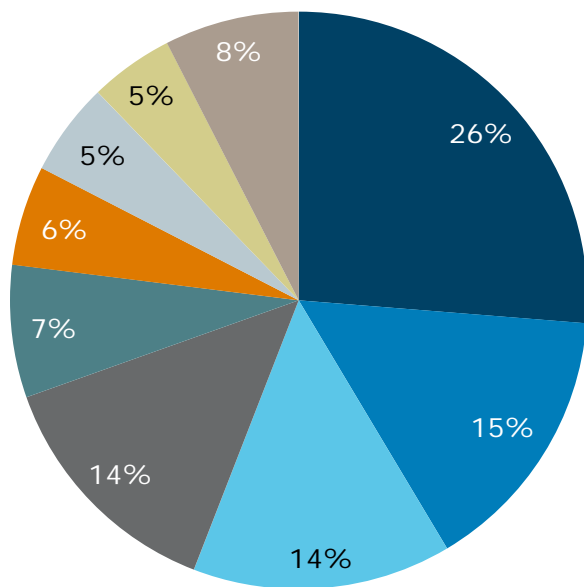
1. Data is provided as at Sep 15 on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. Position excludes Basel Asset Class "Retail". 2. Country is defined by the counterparty's Country of Incorporation 3. 81% of the ANZ Institutional "Property Services" portfolio is to entities incorporated in either Australia or New Zealand. 4. Other is comprised of 48 different industries with none comprising more than 2.5% of the Institutional portfolio.

ANZ Asian Institutional Portfolio

Country of Incorporation

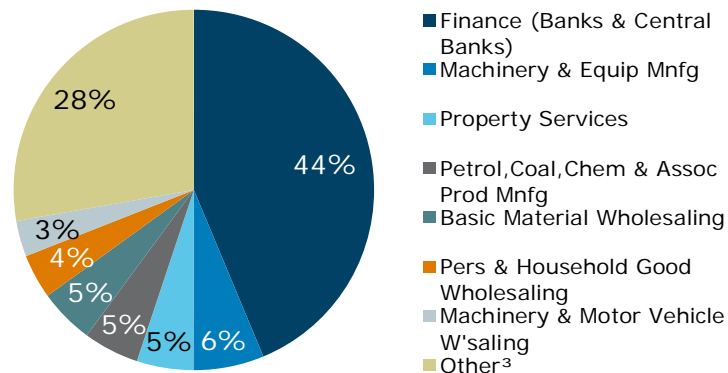
Country of Incorporation²

EAD(September 15): AU\$103b¹



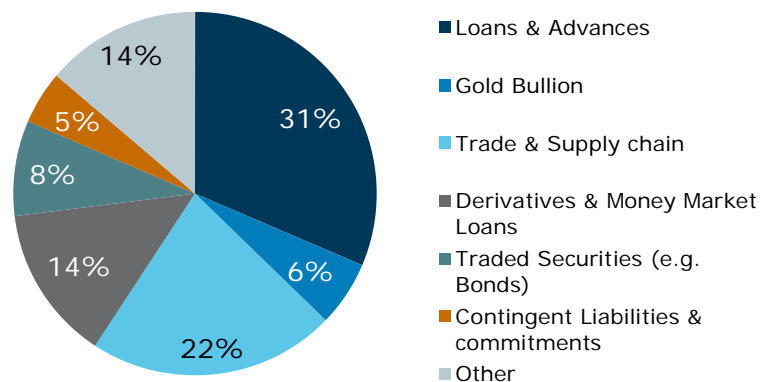
ANZ Asia industry composition

EAD(September 15): AU\$103b¹



ANZ Asia product composition

EAD(September 15): AU\$103b¹



1. Data is provided as at Sep15 on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. Position excludes Basel Asset Class "Retail".
2. Country is defined by the counterparty's Country of Incorporation.
3. Other is comprised of 46 different industries with none comprising more than 2.5% of the Asian Institutional portfolio.

ANZ China portfolio

Country of Incorporation²

China EAD

- Total China EAD of A\$27b, with 38% or \$10.3b booked onshore in China.

Tenor ~88% of EAD has a tenor less than 1 year

Risk rating

- China exposure has a stronger average credit rating than Asia, APEA, Australia and NZ, with lower historic credit provisions and loss rates.

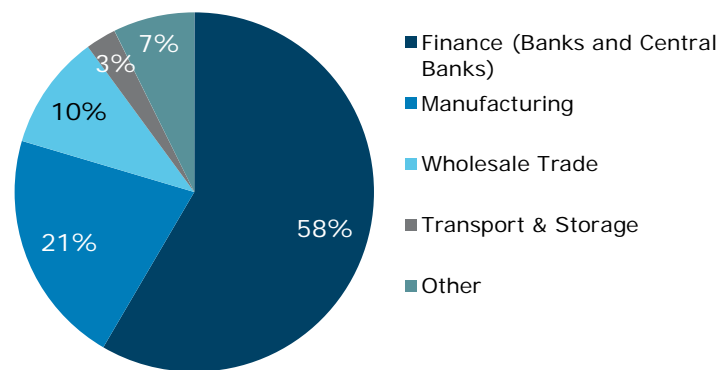
Industry

- 58% of China exposures to Financial institutions, with ~55% of this to the Top 5 Chinese systemically important banks.

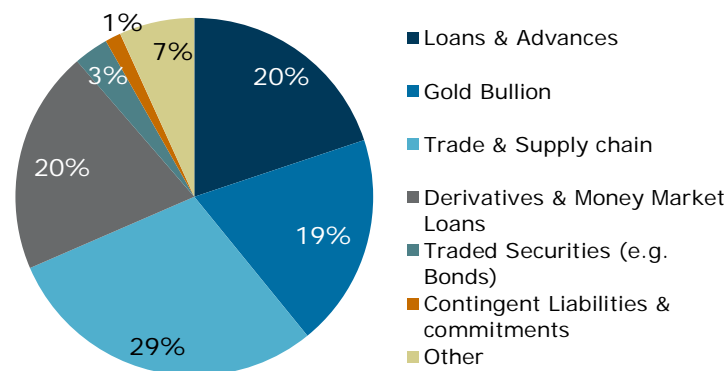
Products

- Mix focused on short term trade and markets facilities providing flexibility to change composition of the portfolio
- Within Global loans and advances circa 63% have a tenor of less than 1 year

ANZ China industry composition (EAD)¹



ANZ China product composition (EAD)¹



1. Data is provided as at Sep15 on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. Position excludes Basel Asset Class "Retail".
 2. Country is defined by the counterparty's Country of Incorporation.

2015

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
29 October 2015

Corporate Sustainability



Sustainability

Managing social and environmental risks and opportunities

Approach



- ANZ's approach to sustainability supports achievement of our business strategy by guiding the way we make decisions and conduct business in all of the markets in which we operate. Our decision making processes take into account the social and environmental impacts of ANZ's operations and prioritise building trust and respect amongst our stakeholders.
- ANZ reports bi-annually on our sustainability performance.
- Our 2015 Corporate Sustainability Report will be available on anz.com in December 2015.

Key highlights

\$74.7 million

in community investment¹

81.7%

proportion of low carbon energy generation in our project finance energy portfolio²

\$10 billion

commitment to support our customers to transition to a low carbon economy by 2020

87%

of employees have adopted flexible working practices

>360K

people reached through our financial education program MoneyMinded³

68%

reduction of Lost Time Injuries over the last ten years in Australia

>108K

hours volunteered by employees

40.4%

Women in management⁴

>146K

customers registered for goMoney™ in the Pacific since launch in 2013

1. Includes foregone revenue.
 2. From a 2011 baseline of 59%.
 3. Since 2003 (estimated number).
 4. Based on employee headcount.

Sustainability

Performance against ANZ's Priority Areas

	Priority Areas	2015 Performance
Sustainable Development	Integrating social and environmental considerations into business decisions, products and services to help customers achieve their sustainability ambitions and deliver long term value for stakeholders.	<ul style="list-style-type: none"> Completed a review of ANZ's sensitive sector policies, including strengthening our lending rules governing coal mining, transportation and use of coal in energy generation 81.7% of Project Finance lending to lower-carbon power generation¹
Diversity and Inclusion	Building the most diverse and inclusive workforce of any major bank in the region to help ANZ to innovate, identify new markets, connect with customers and make more informed business decisions.	<ul style="list-style-type: none"> 40.4% of Women in Management² 48% increase in number of people with a disability recruited 87% of employees adopting flexible work practices³
Financial Inclusion and Capability	Building the financial capability of people across the region to promote financial inclusion and progression of individuals and communities.	<ul style="list-style-type: none"> > 67K lower income and low financial capability people reached through MoneyMinded >1.5K customers, ANZ employees and general public reached through MoneyMinded online in Australia Registered >146K customers for goMoney™ in the Pacific⁴

ANZ's sustainability framework also incorporates our approach to customers, people and suppliers, the communities in which we operate and the environment, to ensure we are managing our business sustainably for all of our stakeholders.

Performance against ANZ's 2015 sustainability targets and our new 2016 sustainability targets will be available in the 2015 Corporate Sustainability Review, published on anz.com in December 2015.

1. Portfolio summary: coal fired 18.3%, gas fired 22.0%, renewables 59.7%.

2. 39.2% at end of 2014.

3. ANZ's Flexibility Policy also extended to Hong Kong and India.

4. Over 57% new to ANZ.

2015 | FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
29 October 2015

Divisional performance

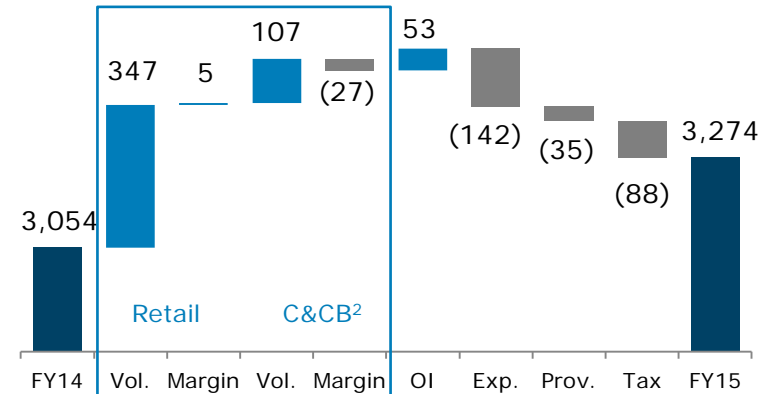


Australia Division

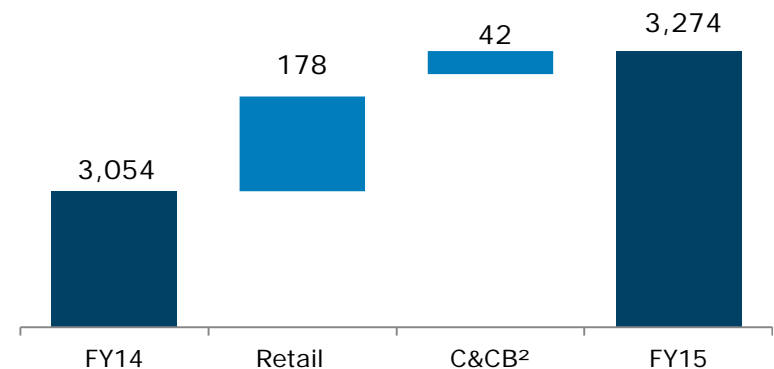
FY15 results

	FY15		2H15	
	\$m	% gth YOY ¹	\$m	% gth HOH ¹
Net Interest Income	7,509	6%	3,839	5%
Other Income	1,169	5%	598	5%
Total Income	8,678	6%	4,437	5%
Retail	5,334	8%	2,758	7%
C&CB ²	3,344	3%	1,679	1%
Expenses	3,157	5%	1,601	3%
PBP	5,521	7%	2,836	6%
Provision charge	853	4%	458	16%
NPAT	3,274	7%	1,672	4%
Net Interest Margin	2.50%	(2bps)	2.50%	flat
Cost to Income	36.4%	(42bps)	36.1%	(61bps)
Net Loans and Adv.	313,672	9%	313,672	5%
Customer Deposits	169,280	5%	169,280	4%
Provision % of avg GLA	28bps	(1bp)	30bps	3bps

Net Profit contribution by P&L Line (\$m)



Net Profit contribution by business (\$m)

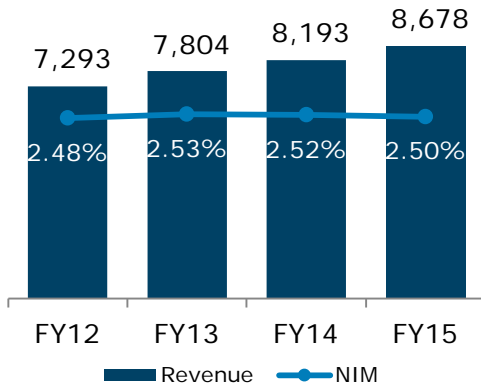


- YoY: Comparisons are on a cash basis comparing 12 months to 30 September 2015 to 12 months to 30 September 2014. HoH: Comparisons are on a cash basis comparing 6 months to 30 September 2015 to 6 months to 31 March 2015.
- C&CB refers to Corporate and Commercial Banking.

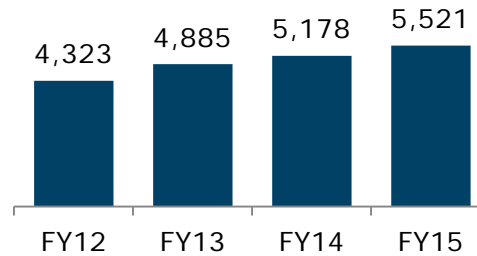
Australia Division – overview

Delivering strong returns

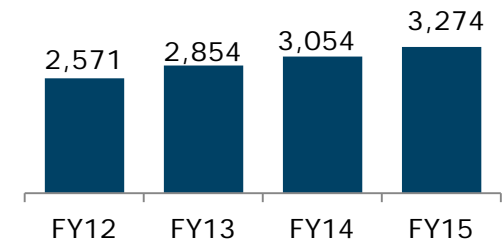
Revenue (\$m) & NIM



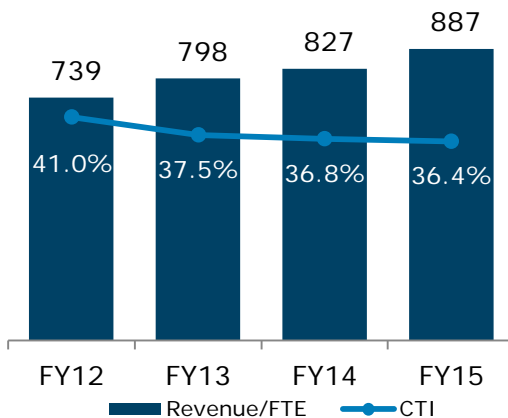
PBP (\$m)



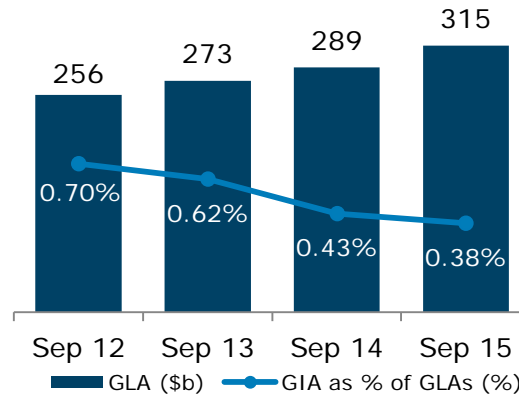
Cash profit (\$m)



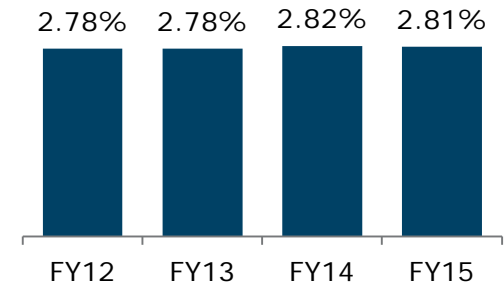
Rev. per FTE (\$'000) & CTI



Credit quality



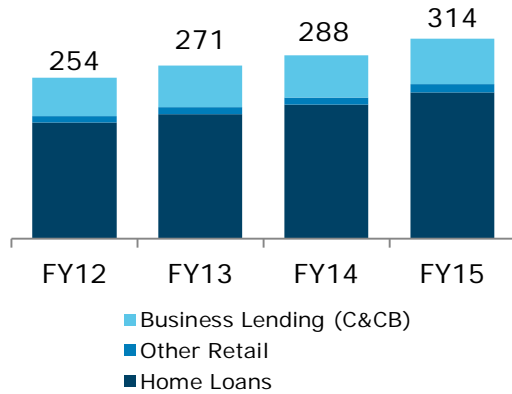
Return on RWAs



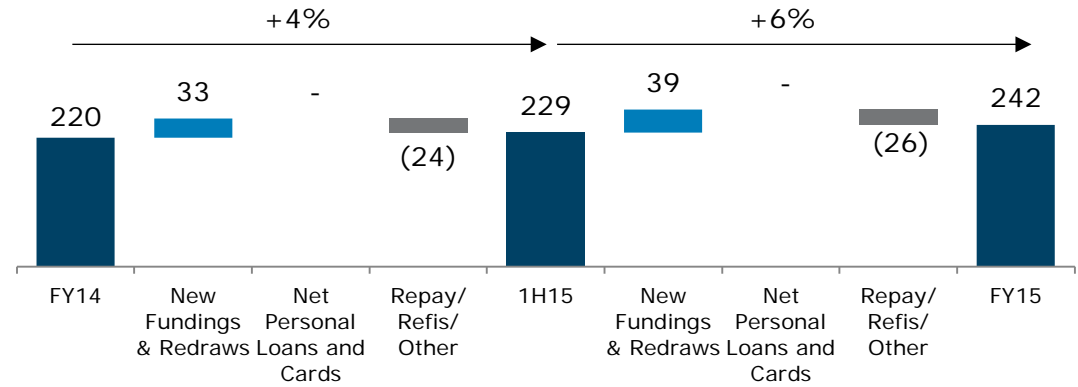
Australia Division – balance sheet overview

Strong second half momentum

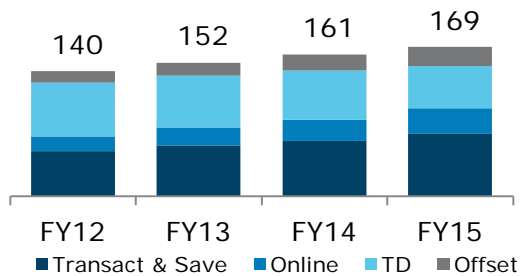
Lending¹ growth (\$b)



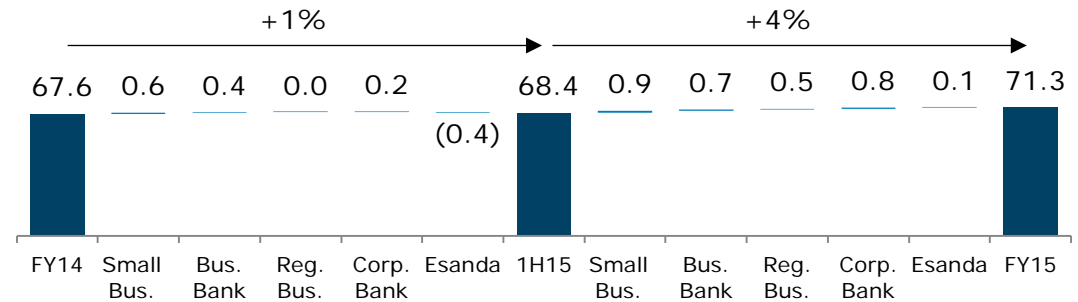
2015 lending¹ flows – Retail (\$b)



Deposit growth (\$b)



2015 lending¹ flows – C&CB (\$b)

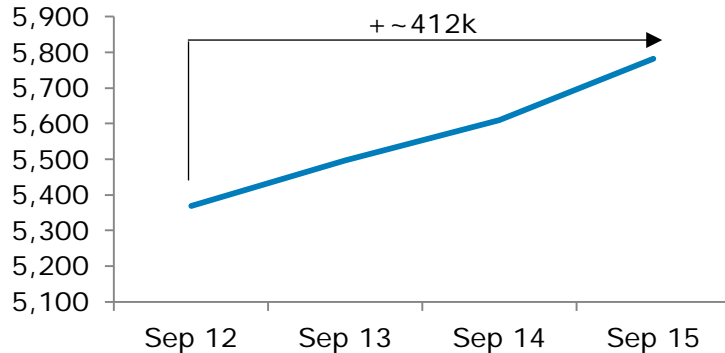


1. Lending refers to Net Loans and Advances.

Delivered strong outcomes in customer acquisition, product penetration and sales

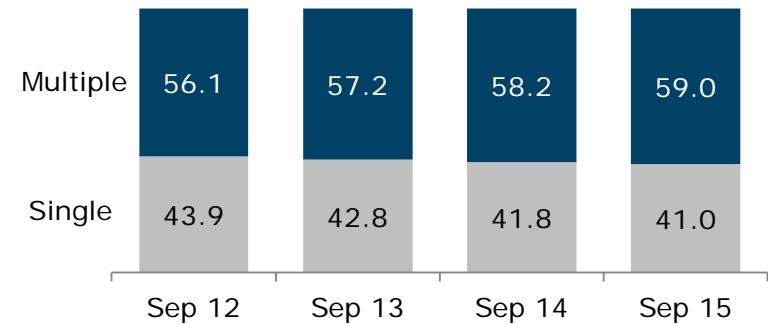
Grow customers ('000)

Australia Division



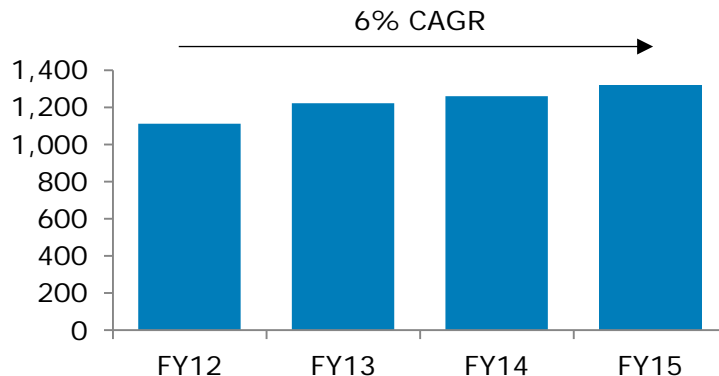
Grow products per customer (%)

Retail Products per Customer



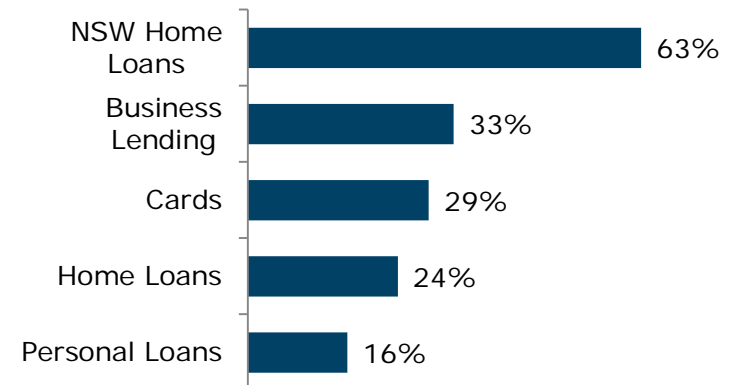
Deepening customer relationships (\$m)

C&CB Cross Sell



Strong sales outcomes (PCP¹)

Sales growth

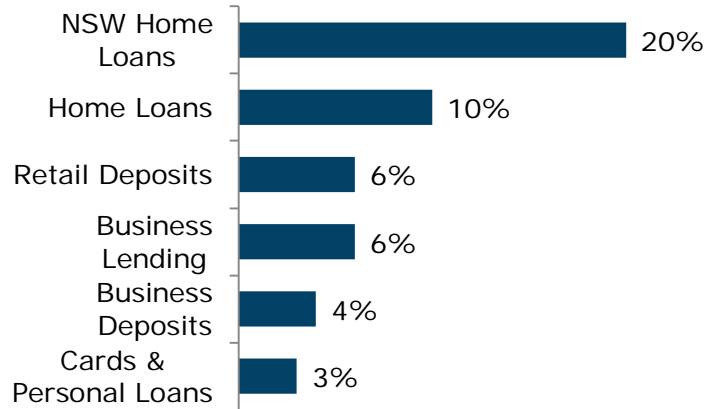


1. Cards refers to Card acquisition (number of accounts). All other metrics relate to gross lending FUM on acquisition. PCP: Comparing end of period 30 September 2015 to 30 September 2014.

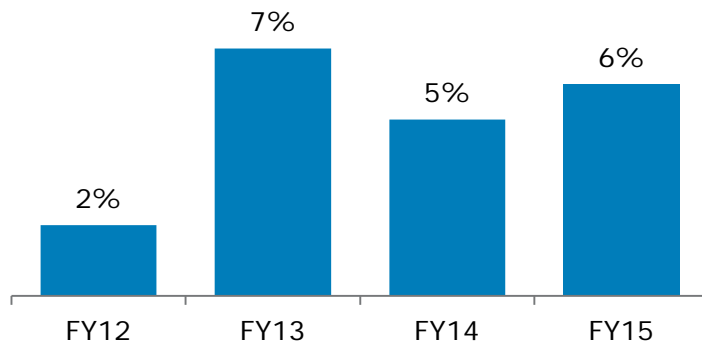
Delivered strong revenue and volume growth, while managing costs and credit quality

Strong FUM growth (PCP¹)

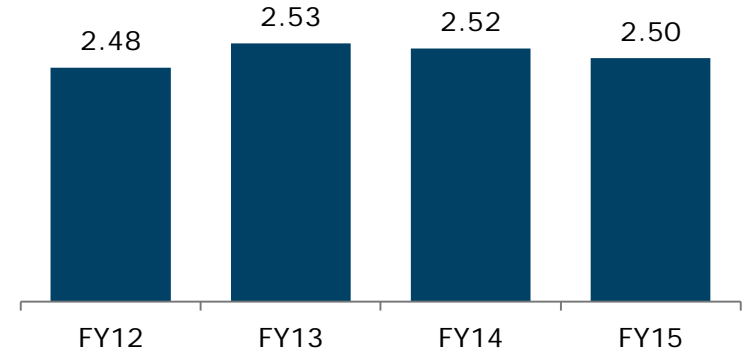
FUM growth



Strong revenue growth

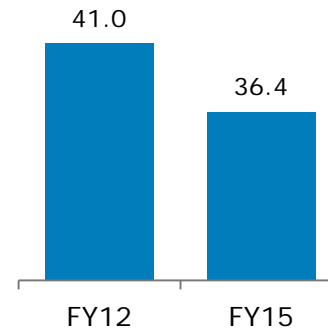


Effective margin management (NIM %)

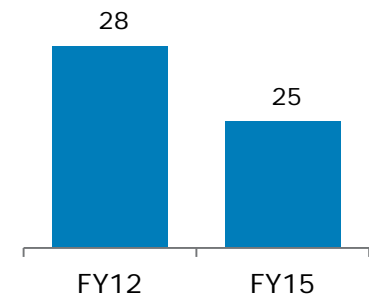


Costs and provisions well managed

CTI (%)



IP Loss Rate (bps)



1. PCP: Comparing end of period 30 September 2015 to 30 September 2014.

Transforming our channels, delivering an enhanced customer experience

Improving the Customer Experience



Aligning branches to customers' needs

- 6 new 'digital' branches with striking customer-led design
- Better support for customers with assisted service on digital devices
- Enhanced privacy for goal-based customer discussions via digital A-Z Reviews
- Streamlined capture, use and re-use of data to fulfil customers' financial needs

New Tools for Customers & Bankers



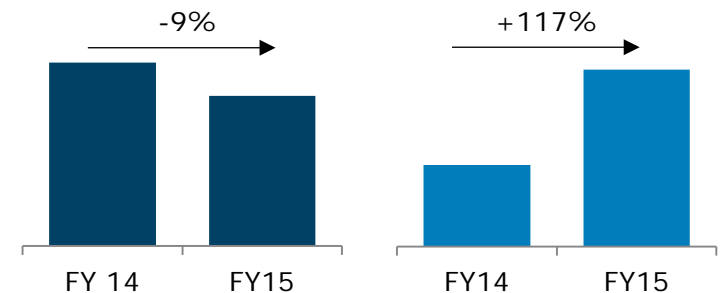
- New appointment booking tool for customer discussions
- A-Z Reviews for over 2,000 customers per day
- New borrowing scenario tool for mortgage specialists
- Real Time Customer Feedback across all channels
- 'Big data' driving more intelligent leads and offers

Increased ATM Functionality & Security

- World first 'tap & pin' technology for chip-based (EMV) security and speed

Branch Cash Transactions¹

Smart ATM Deposits



1. Branch Over the Counter Transactions

Building Digital Capabilities

Foundations for a consistent digital experience on any channel/device

Foundation capabilities have been delivered...



ANZ GoMoney



ANZ FastPay



ANZ Shield



Currency by ANZ



Banker's Desktop

...supported by the progressive implementation of common platforms...

Security

Application Process Interface Services

Multi-Channel Platform

- Real-time Onboarding
- Sales & Service
- Transaction & Payments
- Rich Content

...and delivering an improved banker and customer experience



Redesigned user experience across digital touch points



Integrated customer needs discovery, sales, and onboarding tool

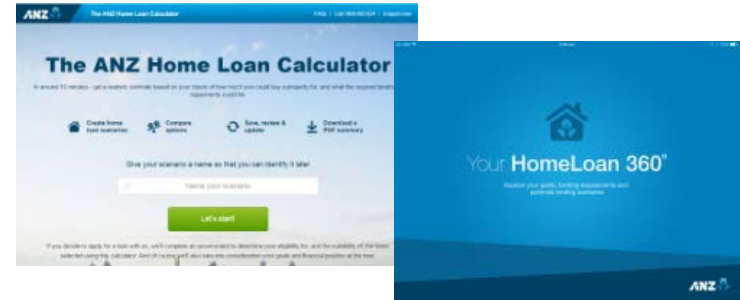


Global content rollout across anz.com

More innovative Digital solutions in 2016, making it easier for customers with their everyday banking needs

goMoney & MobilePay

- Refreshed goMoney™ app on new scalable multi-channel platform
- MobilePay™ to deliver simple everyday transactions through mobile



Tools and Calculators

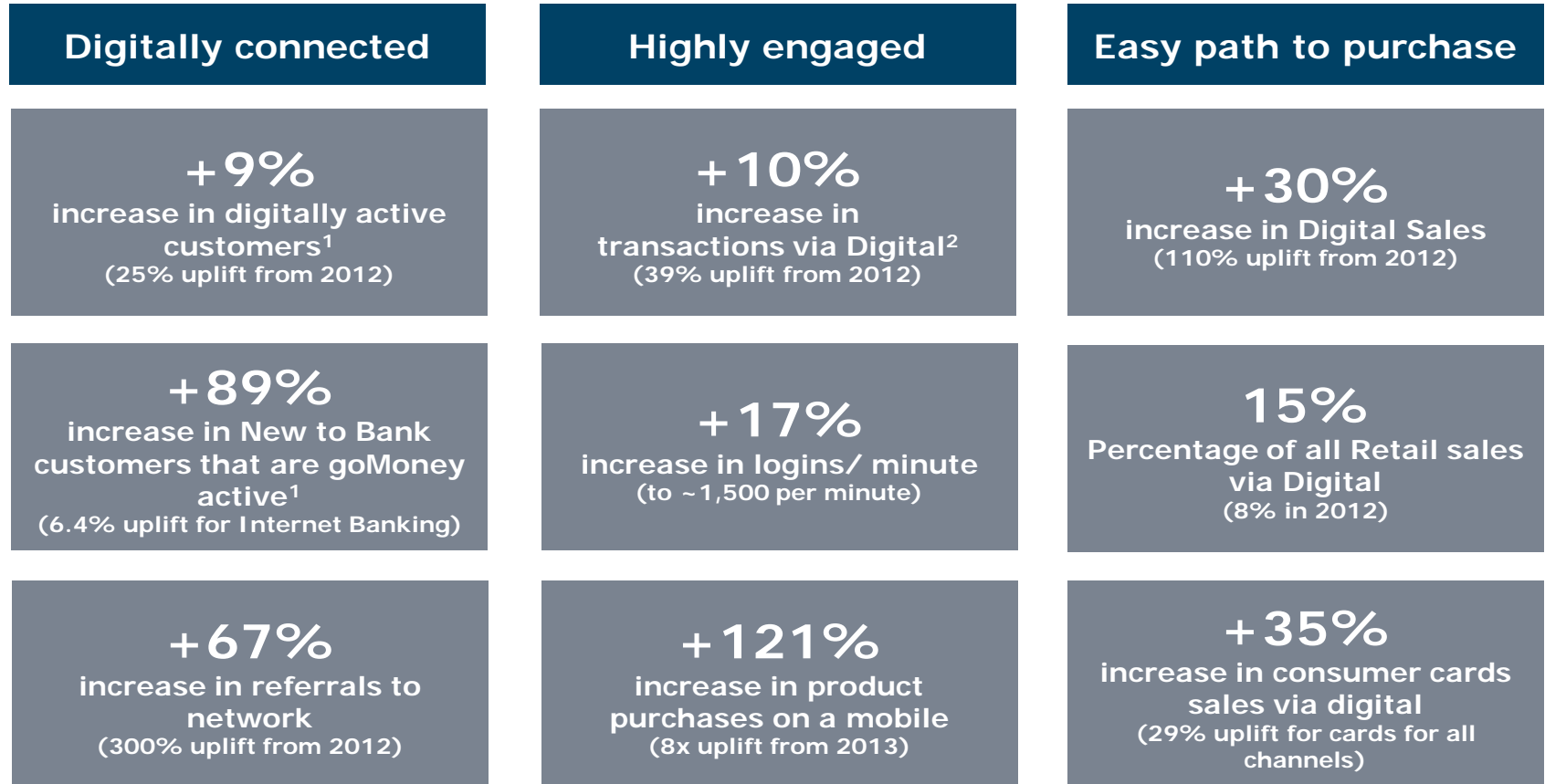
- *Your HomeLoan 360* is an innovative tool for our mobile salesforce
- *ANZ Home Loan Calculator* to help customers accurately understand their borrowing power

Internet Banking and ANZ.com

- New simple, intuitive menu with a universal design that adapts to any device
- Mobile authorisation and payment management for Commercial customers
- Sophisticated personalised experience based on customer behaviour



Digital transformation is improving the customer experience and driving commercial outcomes



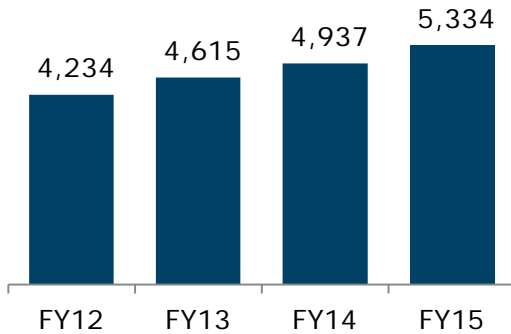
All numbers YoY except where indicated.

1. 12 months to July 2015. 2. Total volume of Digital transactions (IB, goMoney, Grow).

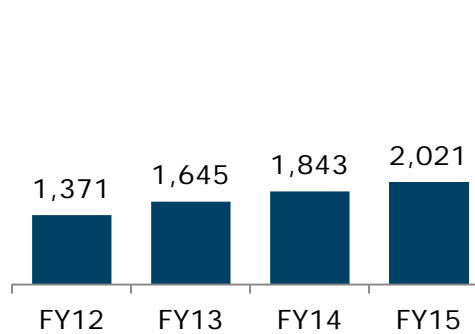
Retail – Overview

Sustainable growth and increasing market share

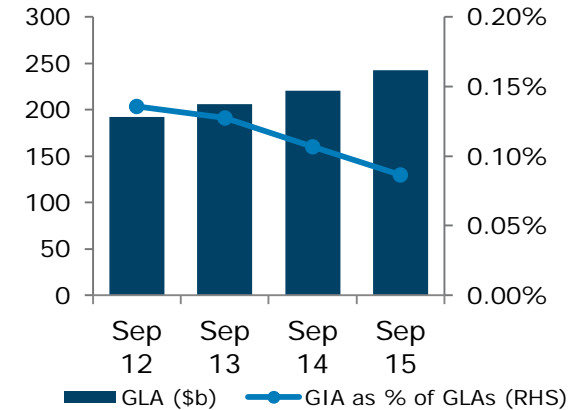
Revenue (\$m)



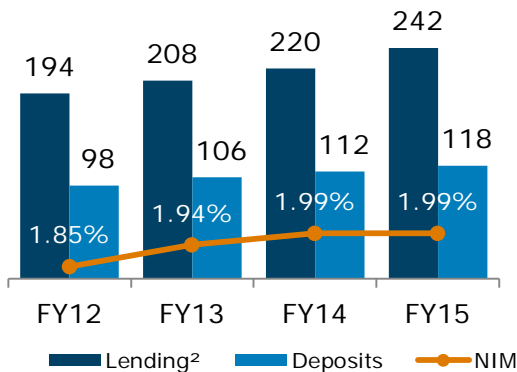
Cash profit (\$m)



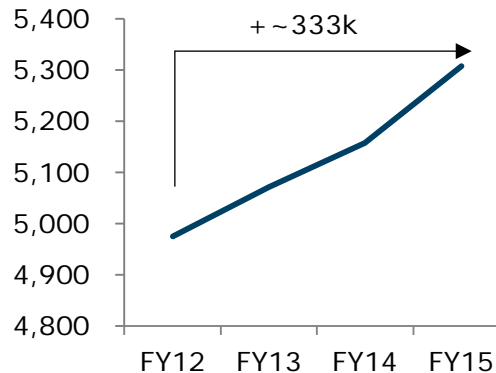
Credit quality



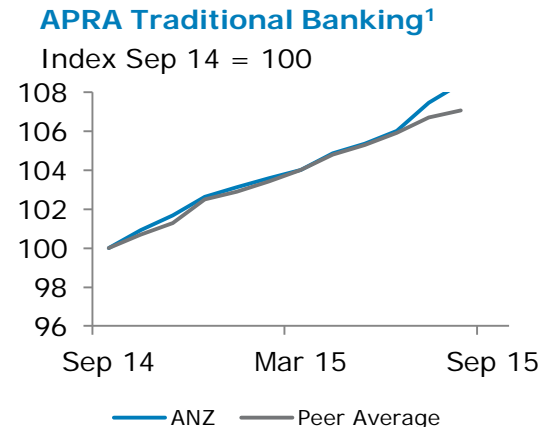
FUM growth (\$b) & NIM



Customer growth ('000)



Market share



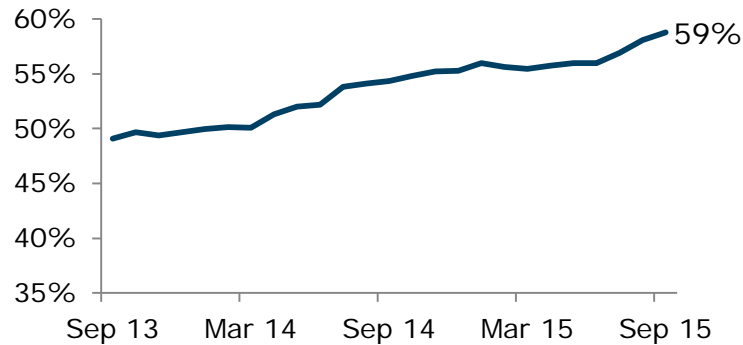
1. Traditional Banking includes Home Loans, Household Deposits & Credit Cards to Aug 15
 2. Lending refers to Net Loans and Advances.

Retail – outcome

Growing share while enhancing the customer experience

Building sales capacity

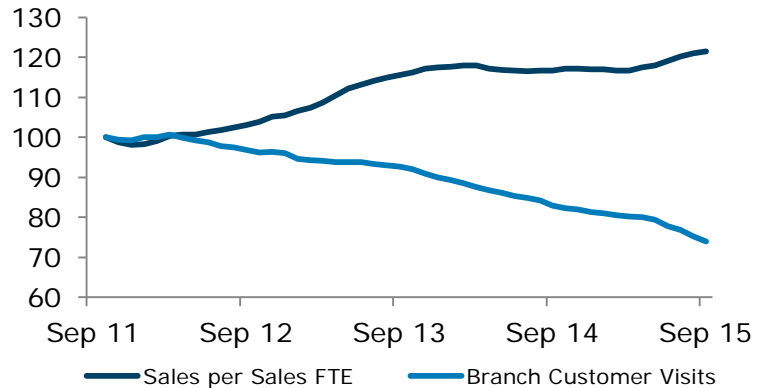
Sales Staff % Mix of Frontline FTE¹



Increasing sales productivity

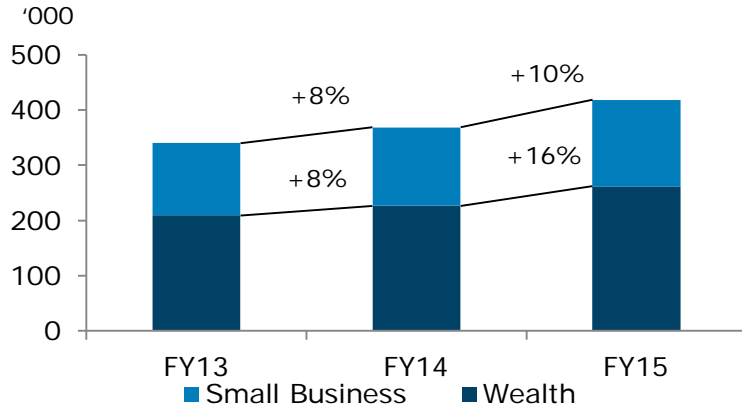
Index of Branch customers and sales performance

Index Sep 11 = 100



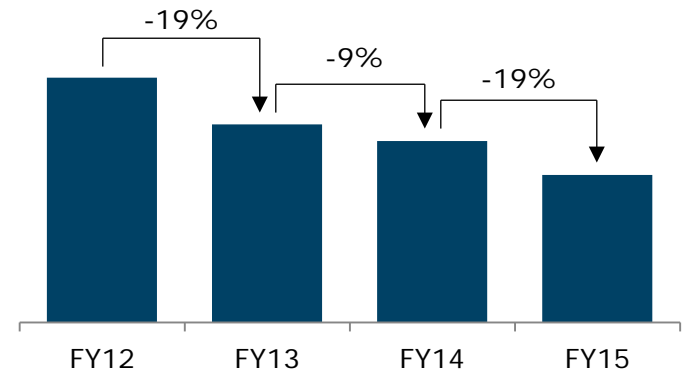
Growing focus on Whole of Customer

Cross Sell Volumes²



Enhancing customer experience

Average Number of Monthly Complaints



1. Mix of FTE across Branch and Contact Centre.
 2. Cross sell of non-Retail products through Retail Distribution channels

Retail - Home Loans

Good Business		Growing Strongly		Managed Prudently	
\$231b	Home Loan Portfolio (40% of the group)	↑24%	Sales of \$66b up significantly on FY14	50%	Dynamic LVR of the portfolio
↑10%	Strong FUM growth driving \$2.7b revenue	↑36%	Increase in Proprietary channel FUM growth	42%	% of population ahead on their repayments ⁴
↓29%	Complaint volumes. 3 rd consecutive year of double digit reduction	1.3¹x	x System growth	1bp	Individual provision charge as % of Gross Loans & Advances
# 1	Award winning – Mortgage Lender or the Year ² & Best First Home Buyer ³	↑20%	NSW Home Loan FUM growth	63bps	90+ days past due delinquency rate

1. APRA excluding incorporations, as at August 2015.
2. Australian Lending Awards Feb 15.
3. CANSTAR Bank of the Year awards July 2015.
4. % of Customer > 30 days ahead of repayment.

Retail - Home Loans

Portfolio remains strong

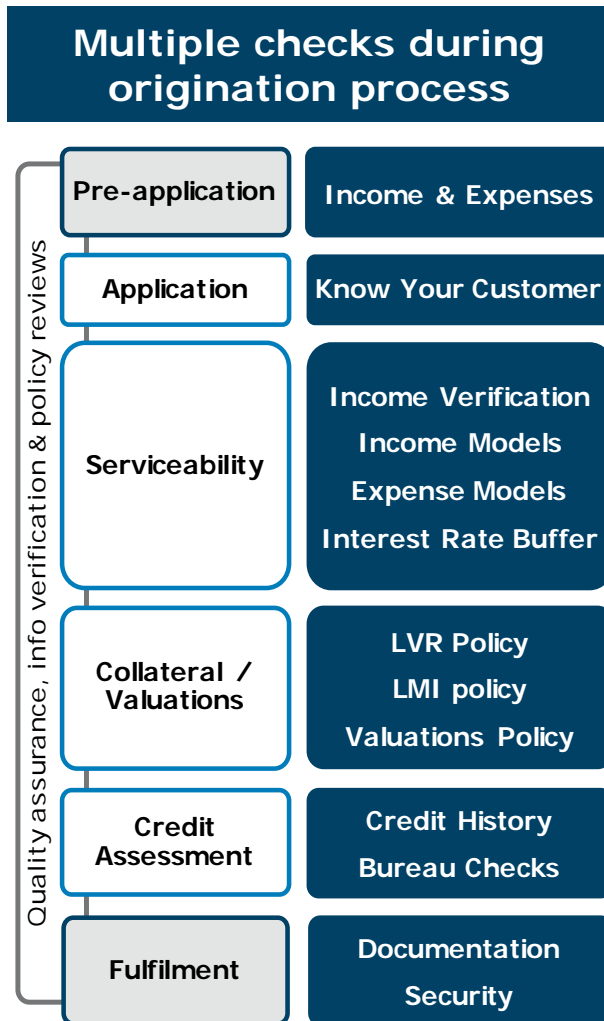
Portfolio Statistics ¹	FY14	FY15
Total Number of Home Loan Accounts	919k	954k
Total Home Loans FUM	\$209b	\$231b
% of Total Australia Geography Lending	60%	60%
% of Total Group Lending	40%	40%
Owner Occupied Loans - % of Portfolio ²	61%	61%
Investor Loans - % of Portfolio ²	39%	39%
Offset balances	\$18b	\$22b
% of Portfolio Paying Interest Only ^{8,9}	34%	37%
% of Portfolio Ahead on Repayments ^{7,8}	45%	42%

Portfolio Statistics ¹	FY14	FY15
Average Loan Size at Origination ^{3,4}	\$352k	\$389k
Average Loan Size	\$227k	\$242k
Average LVR at Origination ^{3,4,5}	71%	71%
Average Dynamic LVR of Portfolio ^{4,5,6}	50%	50%
First home buyer	7%	7%
Broker originated	47%	48%
Low doc	9%	7%
Group Loss Rates	0.22%	0.20%
Home Loans Loss Rate	0.01%	0.01%

1. Exclusive of non performing loans, exclusive of offset balances. 2. Excludes Equity Manager. 3. Originated FY15. 4. Unweighted . 5. Including capitalised premiums. 6. Valuations updated Sep 2015 where available. 7. % of Customer >30 days ahead of repayments. 8. Excludes revolving credit. 9. At reporting period.

Retail – Home Loans

Underwriting practices



End-to-end home lending responsibility managed within ANZ

- Pre-sales (digital & marketing)
- Proprietary sales and/or verification of 3rd parties¹
- In-house loan origination, assessment, fulfilment
- Collections activity

Effective hardship & collections processes

- Dedicated hardship team
- Early warning based on system triggers

Full recourse lending

- Multiple actions to manage potential losses

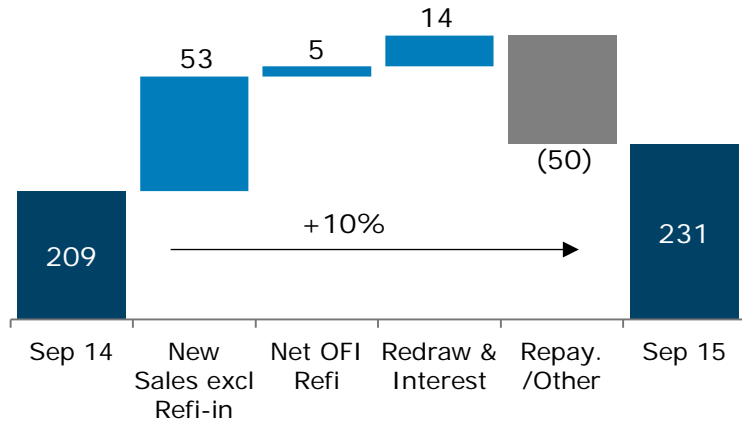
ANZ assessment process across all channels

- ANZ network
- Mobile
- Broker
- Digital
- Ongoing management of serviceability requirements

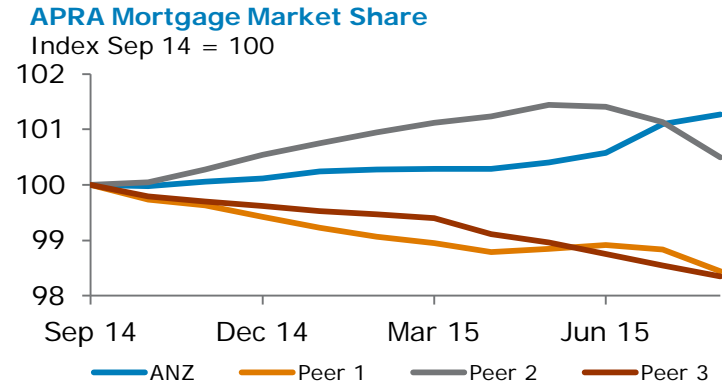
1. 3rd party sales channels (e.g. Broker) require ANZ accreditation & are subject to ongoing compliance monitoring to distribute ANZ home lending products.

Australian Home Loans Composition and flows

Home Loan lending flows (\$b)

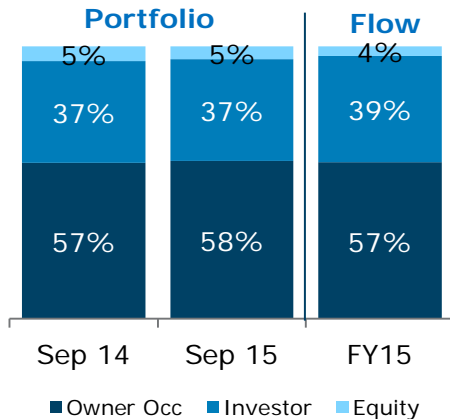


Home Loan market share movement

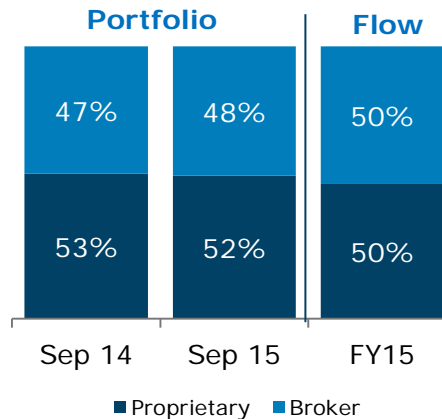


Home Loan portfolio & flow composition

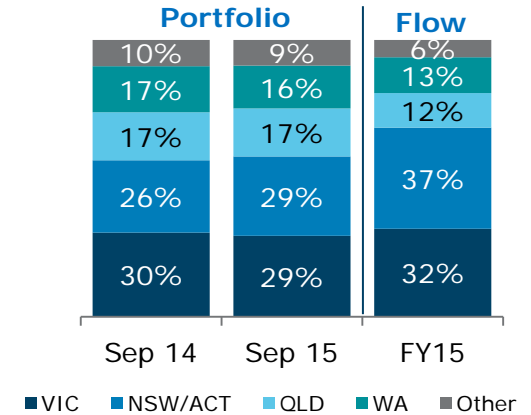
By purpose:



By channel:



By location¹:

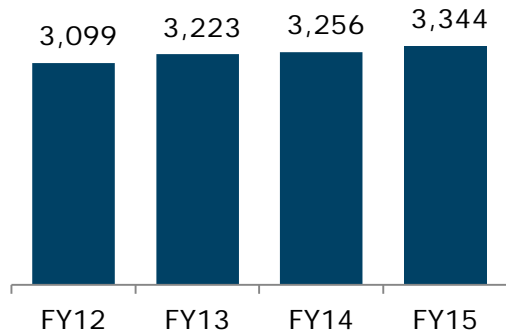


1. Exclusive of non performing loans.

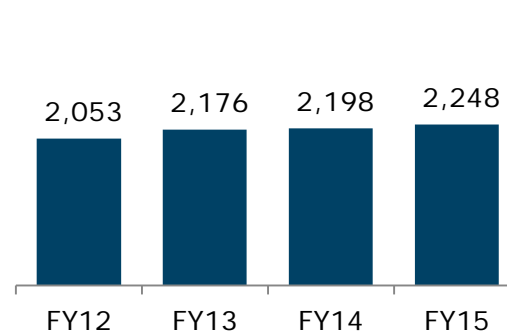
Corporate and Commercial Banking – overview

Consistent growth with expenses and risk profile both well managed

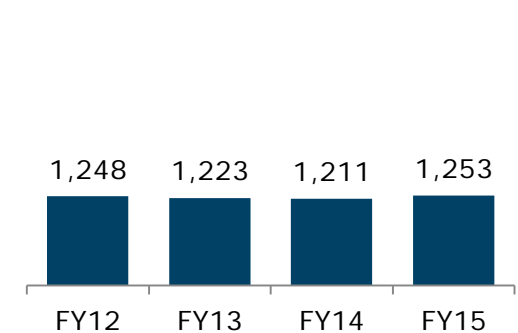
Revenue (\$m)



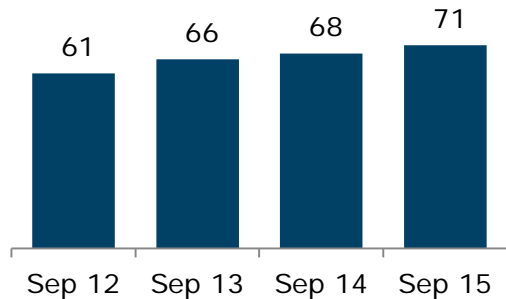
PBP(\$m)



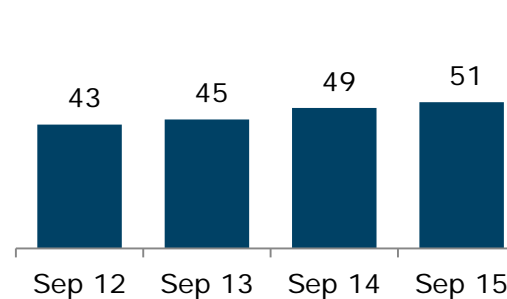
Cash profit (\$m)



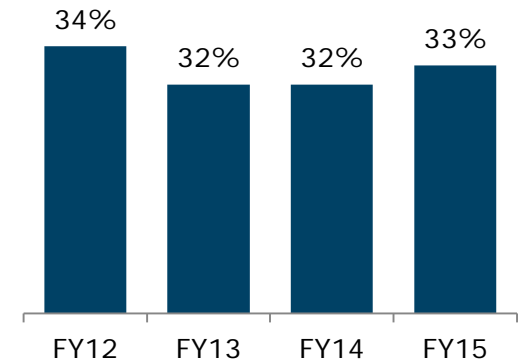
NLAs (\$b)



Deposits (\$b)



Cost to Income (%)

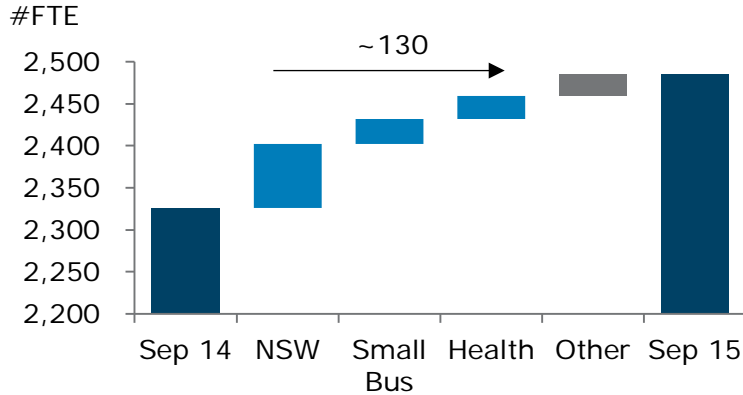


Corporate and Commercial Banking - outcome

Investing in priority areas to sustain growth

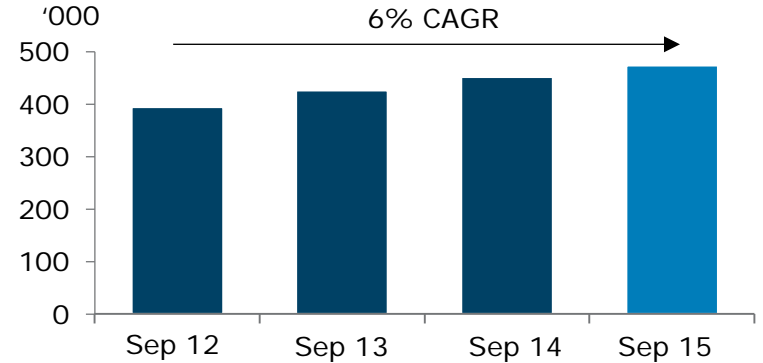
Adding capacity in growth areas

Employees



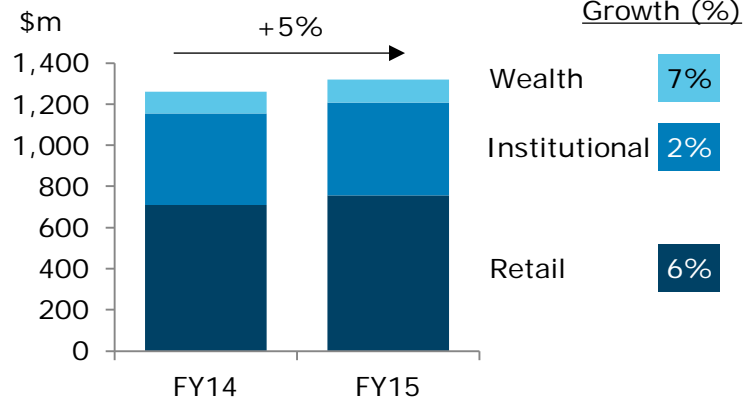
Continuing to grow the customer base

Customers¹



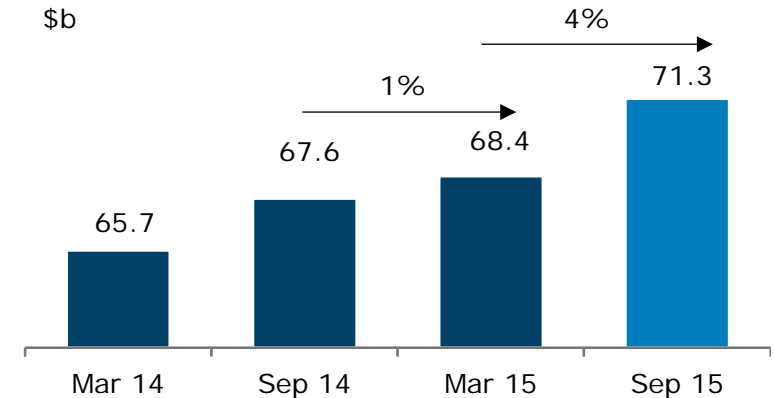
Deepening customer relationships

Cross Sell Revenue



Solid second half momentum

Net Loans and Advances



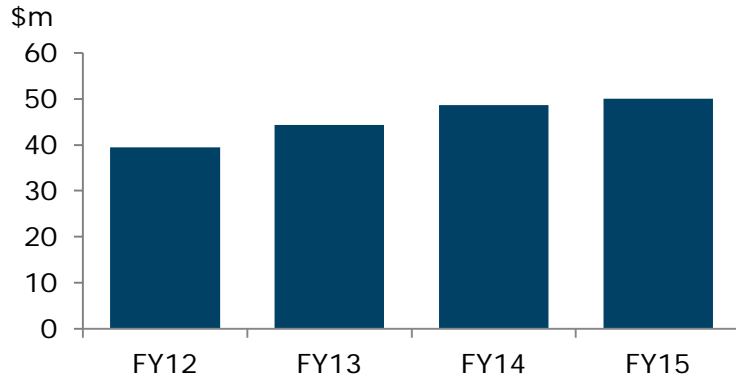
1. Corporate and Commercial Banking customers excluding Esanda.

Corporate and Commercial Banking

Managing productivity, margins and credit quality

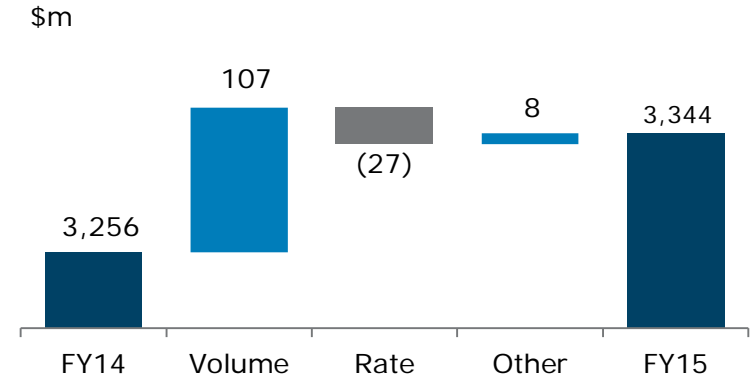
Improving workforce productivity

FUM per Average FTE



Effectively managing margins

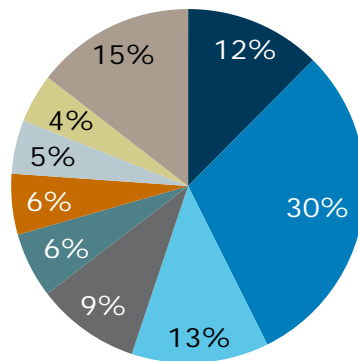
Revenue contribution



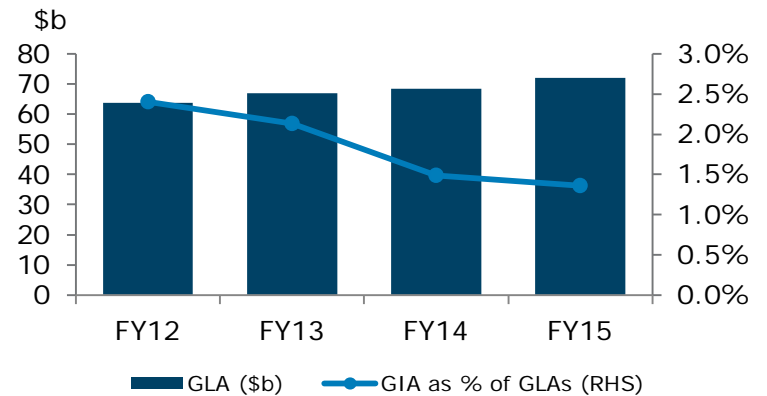
Maintaining sound asset quality

EAD by Industry

- Retail
- Property & Construction
- Agriculture
- Business Services
- Accommodation, Cafes & Restaurants
- Manufacturing
- Wholesale Trade
- Health & Services
- Other



GIA as % of GLAs

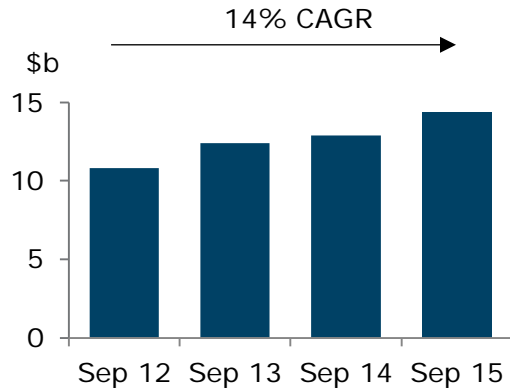


Small Business Banking

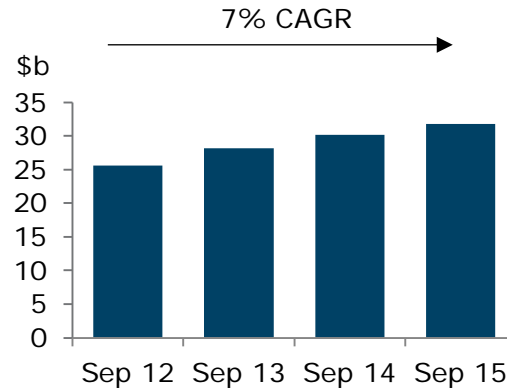
Strong performance by a leading proposition and sustained focus

Strong Performance, Well Diversified, Sound Quality

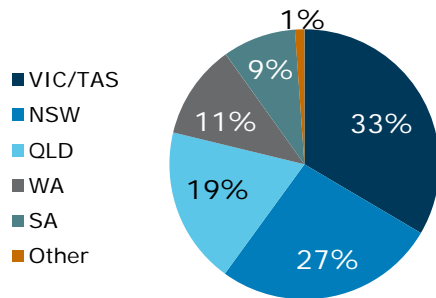
NLAs



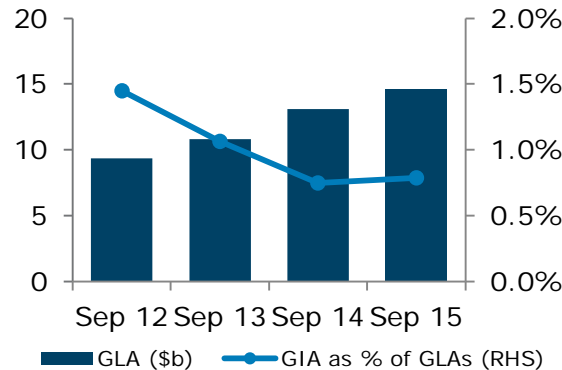
Deposits



Lending by Geography¹



Lending and Credit Quality



Leading Proposition

- #1** First in market, leading needs assessment solution (Digital A-Z Review)
- ✓** Tailored solutions (e.g. Start Ups Package), policies and processes
- ~80%** Funds disbursed within 24 hours of drawdown request

Continued Investment

- ↑8%** More small business bankers added in FY15
- ~70%** Branch sales staff accredited to serve small business customers
- \$2b** Expanded lending pledge for new small businesses

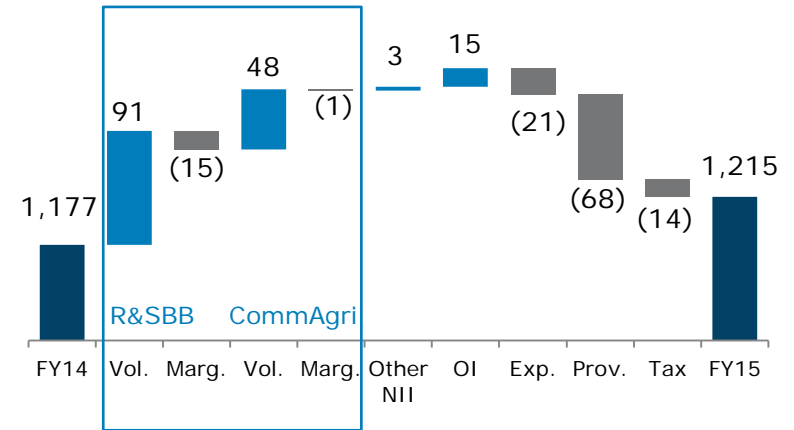
1. Gross lending assets (excluding cross-sell) by geography.

New Zealand Division

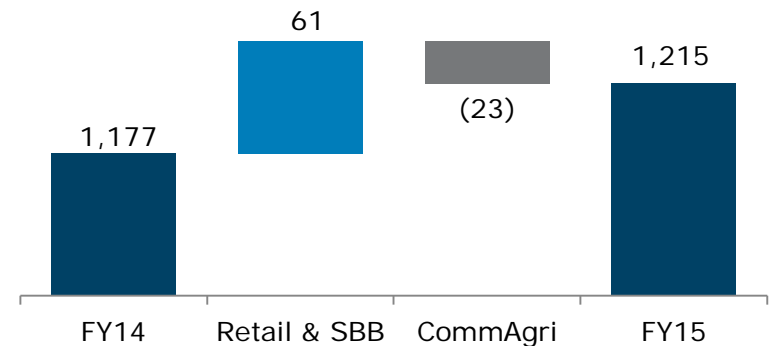
Balance sheet momentum coupled with productivity gains

	FY15		2H15	
	NZDm	% gth YOY ¹	NZDm	% gth HOH ¹
Net Int Income	2,498	5%	1,257	1%
Other Income	397	4%	201	3%
Total Income	2,895	5%	1,458	1%
Retail & SBB	1,957	5%	989	2%
CommAgri	921	5%	461	0%
Other ²	17	70%	8	(11%)
Expenses	1,148	2%	572	(1%)
PBP	1,747	7%	886	3%
Provision charge	59	large	39	95%
NPAT	1,215	3%	610	1%
Net Interest Margin	2.48%	(1 bps)	2.44%	(8 bps)
Cost to Income	39.7%	(127 bps)	39.2%	(85 bps)
Net Loans and Adv.	104,756	8%	104,756	5%
Customer Deposits	65,689	14%	65,689	7%
Provision % of avg GLA	0.06%	7 bps	0.08%	3 bps

Net Profit contribution by P&L Line (NZDm)



Net Profit contribution by business (NZDm)

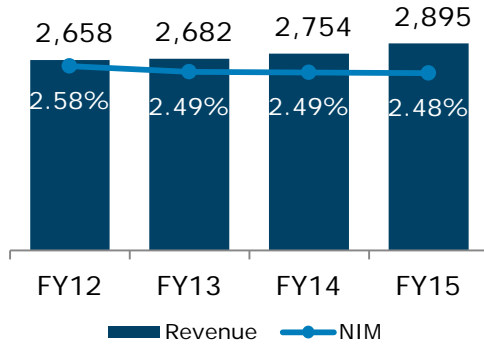


1. YOY: Comparisons are on a cash basis comparing 12 months to 30 September 2015 to 12 months to 30 September 2014. HOH: Comparisons are on a cash basis comparing 6 months to 30 September 2015 to 6 months to 31 March 2015.
 2. Other = Central Functions.

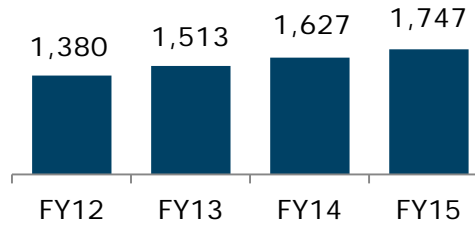
New Zealand Division – overview

Strong returns, high quality portfolio

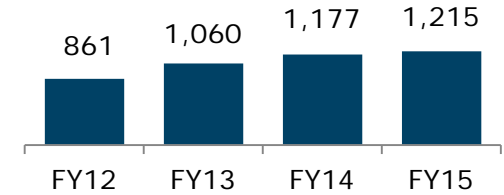
Revenue (NZDm) & NIM



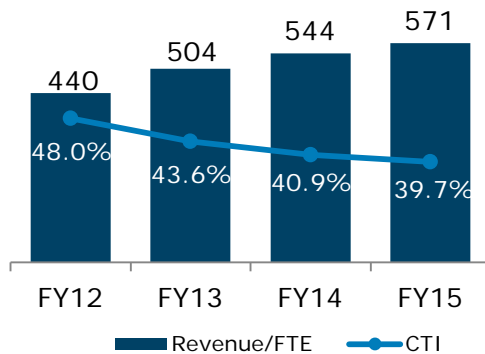
PBP¹(NZDm)



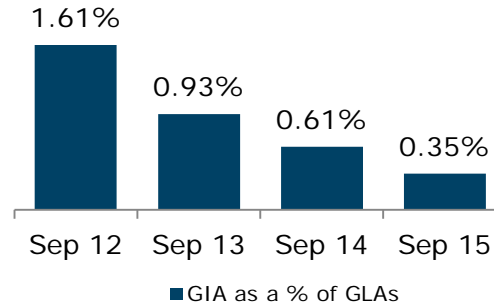
Cash profit (NZDm)



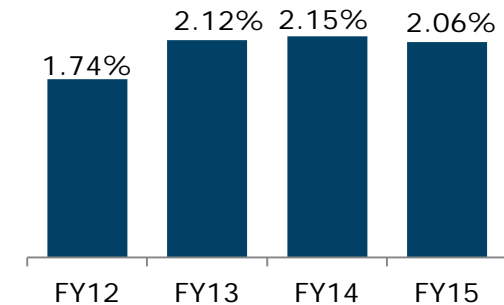
Rev. per FTE (NZDk) & CTI



Credit Quality



Return on RWAs

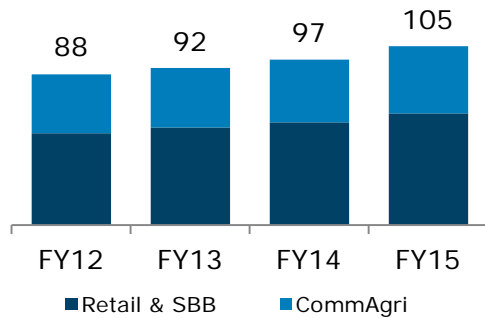


1. PBP: Profit before provisions.

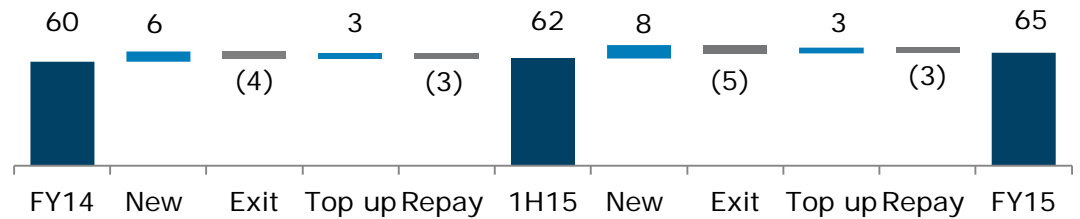
New Zealand Division – balance sheet overview

\$8b lending growth, largely funded by deposits

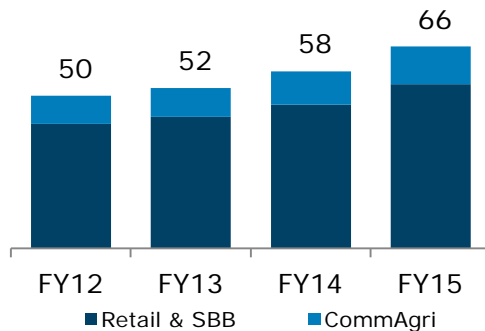
Lending¹ growth (NZDb)



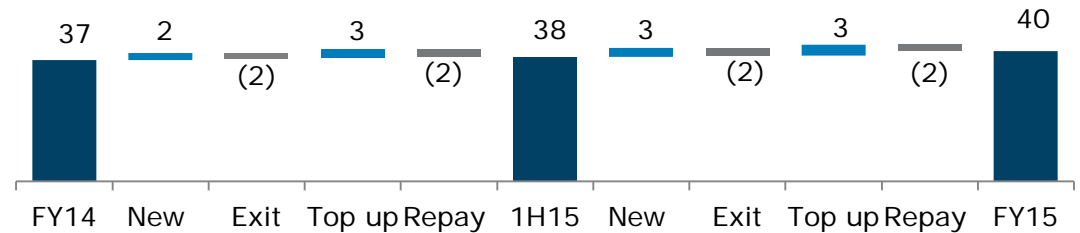
2015 lending² flows – Retail & Small Bus. Bank (NZDb)



Deposit³ growth (NZDb)



2015 lending² flows – Commercial & Agri (NZDb)

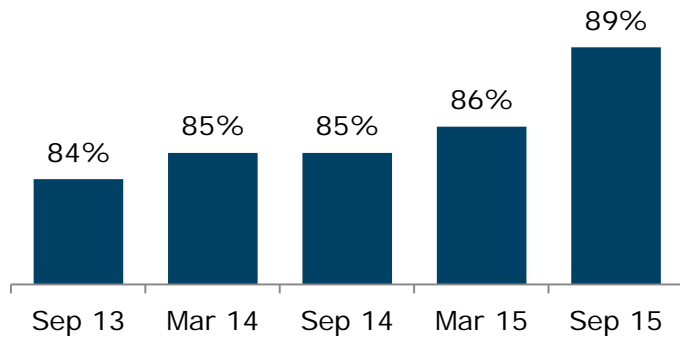


1. Net loans and advances.
2. Gross loans and advances excluding capitalised brokerage/mortgage origination fees, unearned income and customer liabilities for acceptances.
3. Customer deposits.

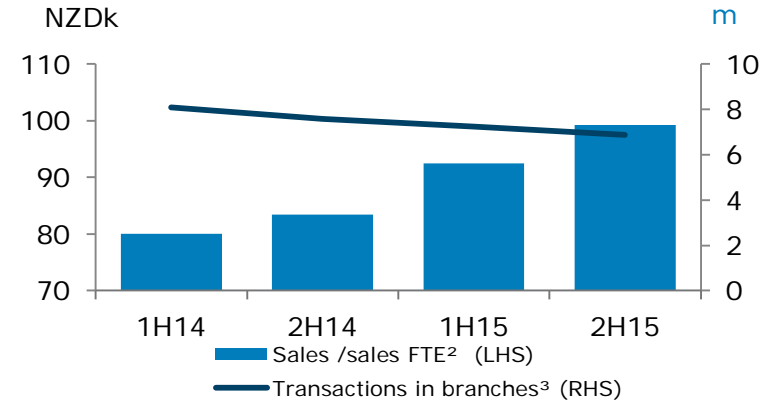
Delivering results through sales

Building a world class sales and service capability

Customer satisfaction¹

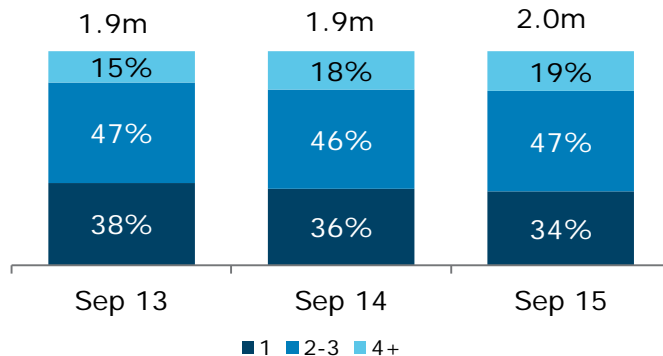


R&SBB sales productivity

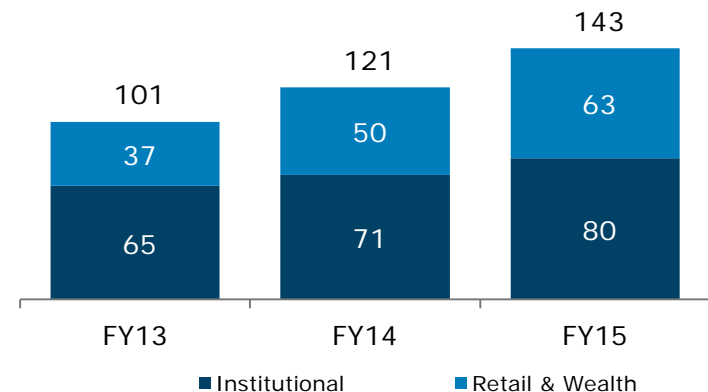


Products per customer

% of Retail customers



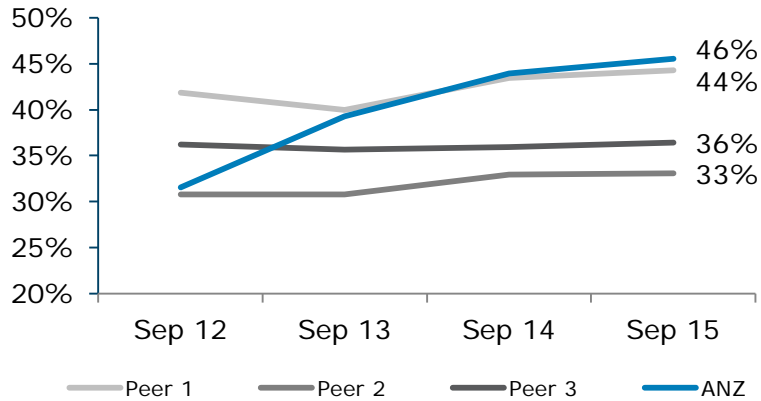
CommAgri customer revenue recognised in other segments⁴ (NZDm)



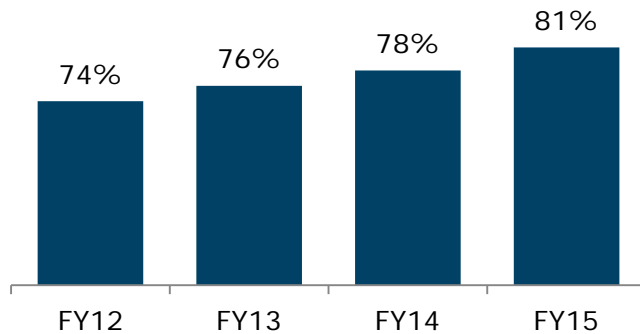
1. Source: Camorra Retail Market Monitor (RMM), 6 month rolling.
 2. Mix of FTE across Branch, Specialist Distribution, Contact Centre, Small Business Banking and Migrant Banking.
 3. Over the counter branch transactions.
 4. Retail includes Small Business Banking.

Positioning ANZ for success

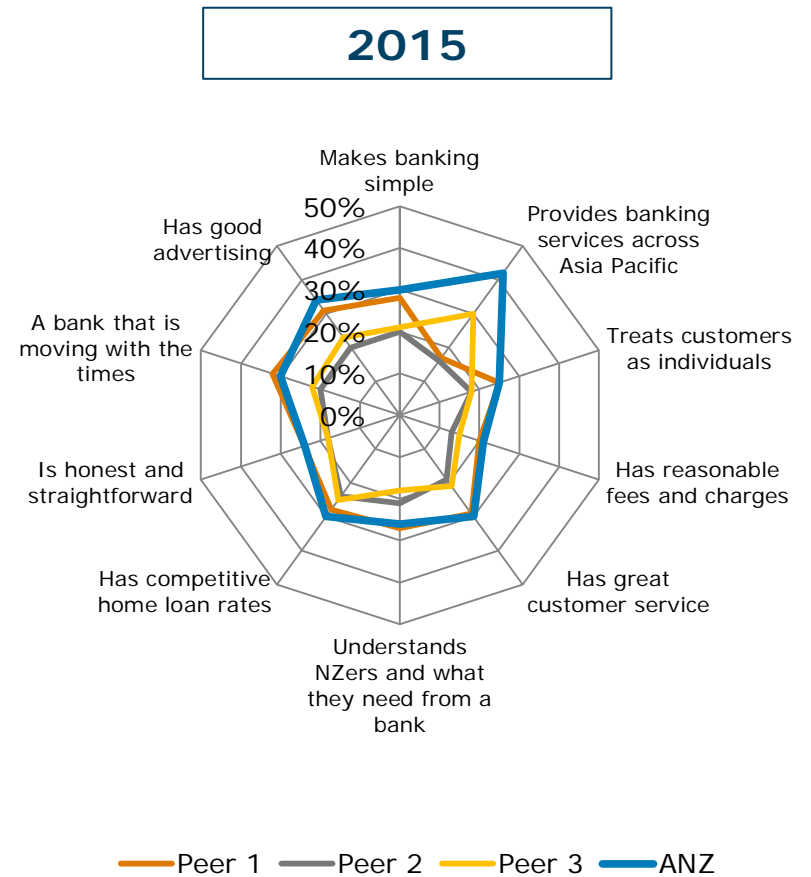
Major banks brand consideration¹



Staff engagement²



Major banks brand strength¹



1. Source: McCulley Research Limited, 6 month rolling – September 2015.
 2. Source: Internal survey.

Enhancing the customer experience

Empowering our customers with digital solutions

FY10 – FY15

✓ ANZ NBNZ move to one IT system

✓ ANZ goMoney™



New Zealand's *Favourite* banking App

✓ ANZ internet banking – 1m customers

✓ ANZ FastPay

✓ ANZ BizHub



✓ Smart ATMs

✓ Live Chat

✓ Online Store

✓ ANZ FutureWise

✓ ANZ Transactive Mobile



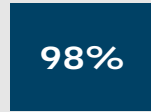
Customers able to roll-over their Home Loan fixed rates through Digital channels



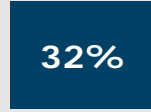
Straight through processing of credit limit increases through Digital



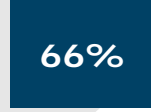
Hours freed up for staff through Digital process improvements in FY15



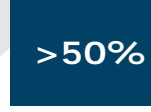
goMoney™ customer satisfaction score as at Sep 15¹



Increase in sales revenue from Digital sales, compared to FY14



Transactions via Digital channels, up from 61% in FY14



Of all card PINs now selected using Digital channels

FY16 – FY18

Improved technology for staff
End to end customer self-service

goMoney™ mobile wallet

ANZ FastPay 2

Improved anz.co.nz

Digital eco-systems

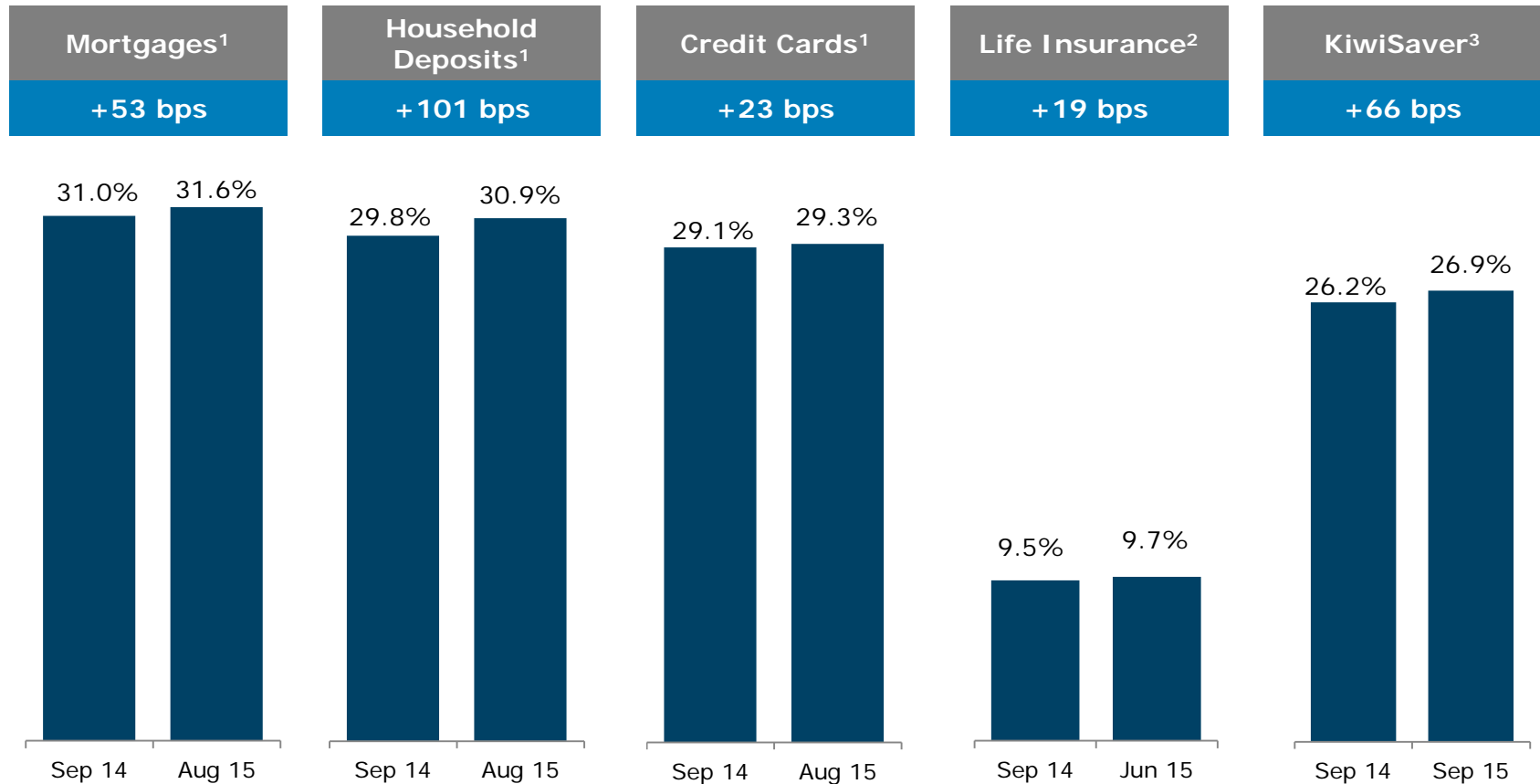


1. Camorra Retail Market Monitor (RMM), 6 month rolling.

Strong and stable returns for the ANZ Group

Delivering through focus on 5 priority products

Growth in key products in FY15

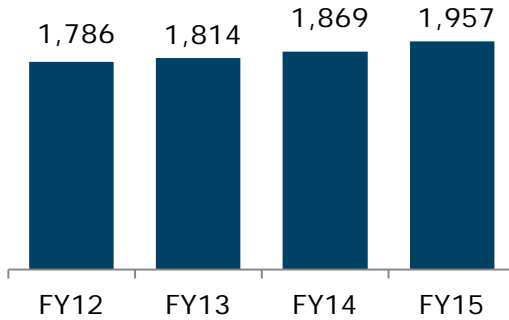


1. Source: RBNZ, share of all banks.
 2. Source: FSC (Financial Services Council), share of all providers.
 3. Source: IRD, member share of all providers.

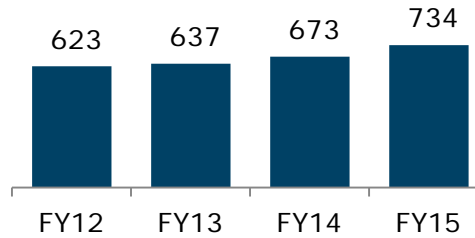
Retail & Small Business Banking

Successful customer acquisition strategy

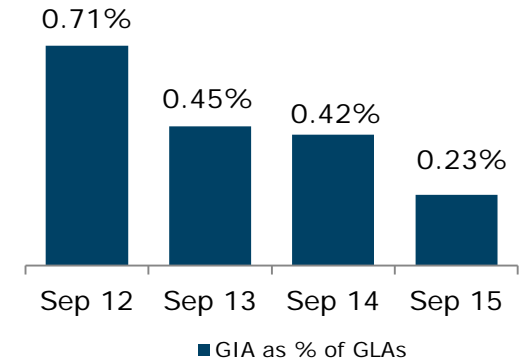
Revenue (NZDm)



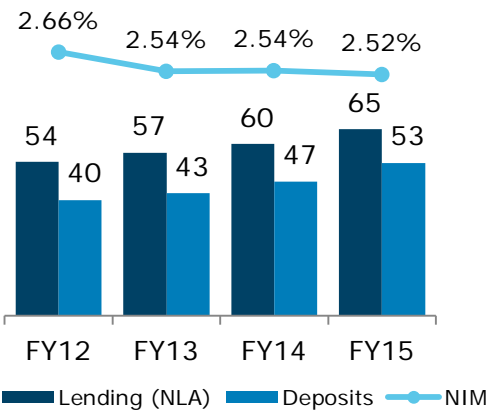
Cash Profit (NZDm)



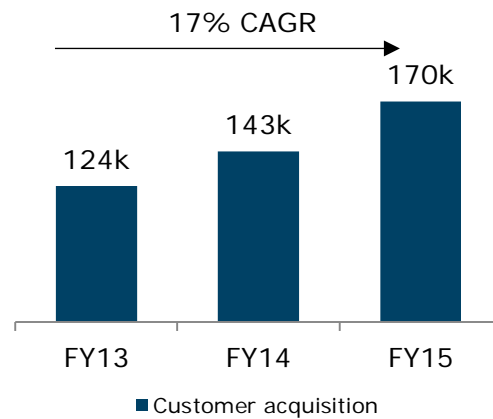
Credit Quality



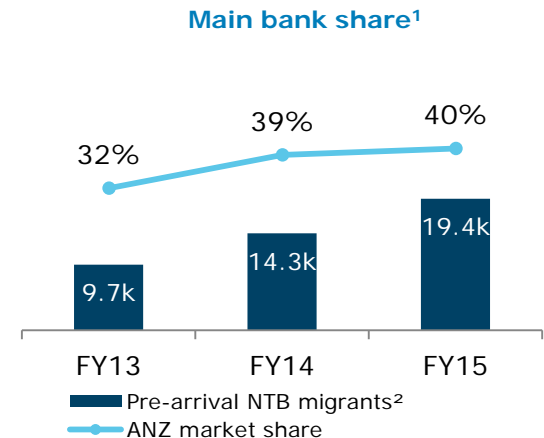
FUM (NZDb) & Margins



Retail & SBB customer growth



Migrant banking



1. Source: Retail Market Monitor, 12 month rolling.
 2. New customers onboarded prior to arriving in NZ.

New Zealand - Home Loan Portfolio¹

Portfolio Statistics	FY14	FY15
Total Number of Home Loan Accounts	488k	502k
Total Home Loans FUM	62b	68b
% of Total New Zealand Geography Lending	59%	59%
% of Total Group Lending	11%	11%
Owner Occupied Loans - % of Portfolio	76%	74%
Investor Loans - % of Portfolio	24%	26%
% of Portfolio Paying Interest Only ⁴	22%	23%

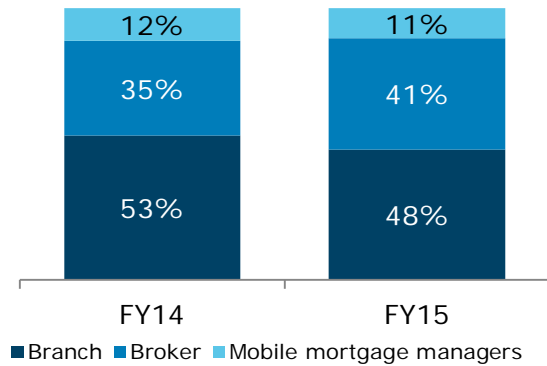
Portfolio Statistics	FY14	FY15
Average Loan Size at Origination	\$260k	\$306k
Average LVR at Origination ²	64%	64%
Average Dynamic LVR of Portfolio ³	50%	47%
Broker originated	28%	31%
Low doc (discontinued in 2009)	1%	1%
Group Loss Rates	0.22%	0.20%
Mortgage Loss Rates	0.06%	0.01%

1. New Zealand Geography.
2. Average LVR at Origination (not weighted by balance).
3. Average dynamic LVR as at Aug 2015 (not weighted by balance).
4. Excludes revolving credit facilities.

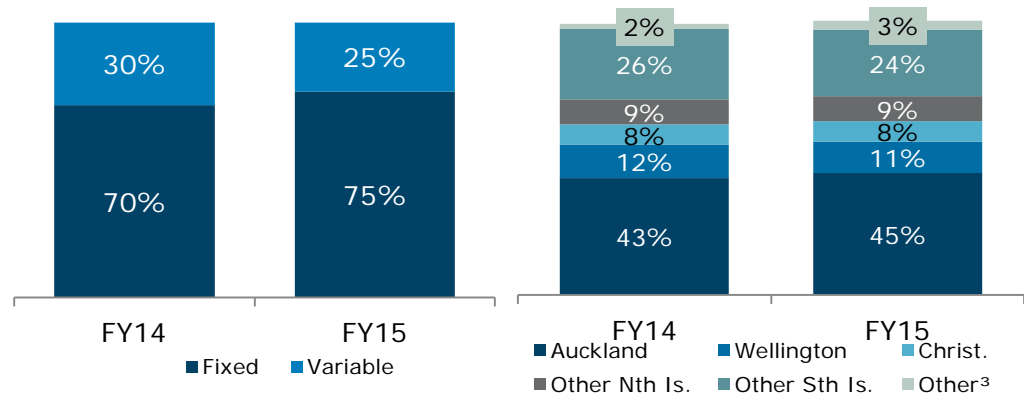
New Zealand - Home Loan Portfolio¹

Composition and flows

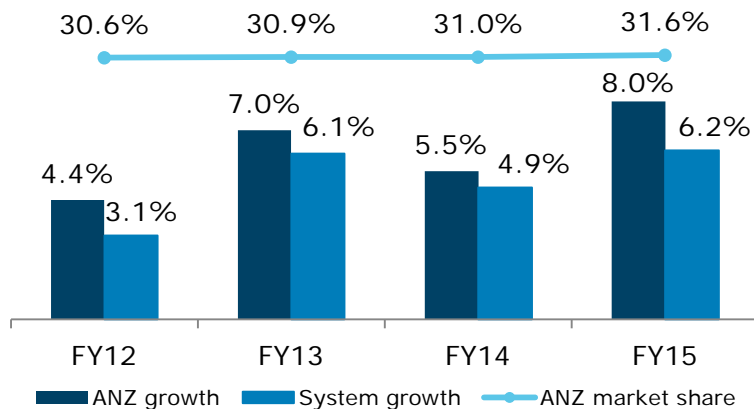
Flow²



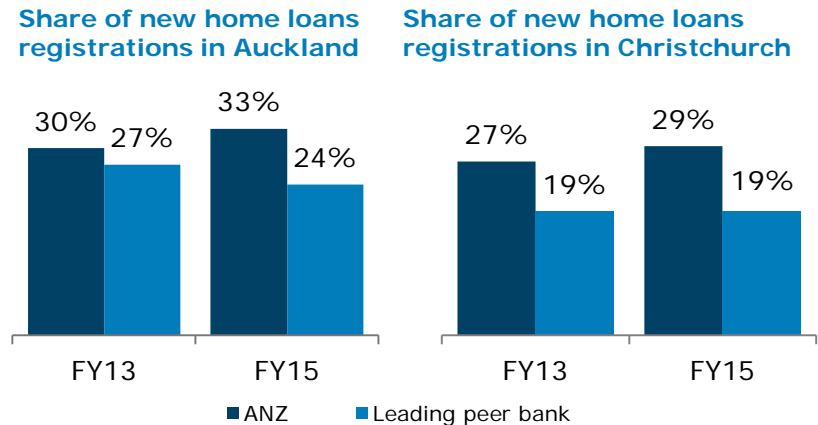
Portfolio



Market Share⁴



#1 in Auckland and Christchurch⁵

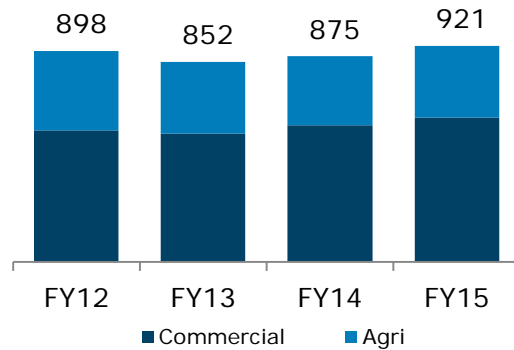


1. New Zealand Geography. 2. Retail and Small Business Banking mortgage flow. Branch includes Small Business Banking Managers. 3. Other includes loans booked centrally (Business Direct, Contact Centre, Lending Services, Property Finance). 4. Source: RBNZ, share of all banks – FY15 as at August 2015. 5. Source: CoreLogic.

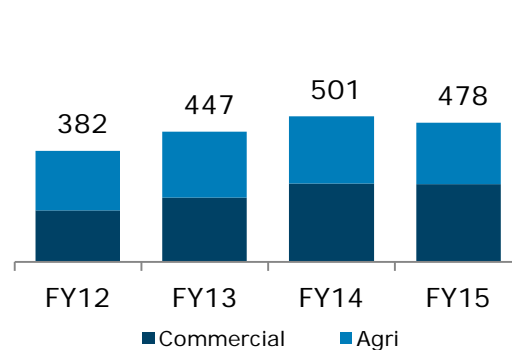
Commercial & Agri

Well positioned business winning in target segments

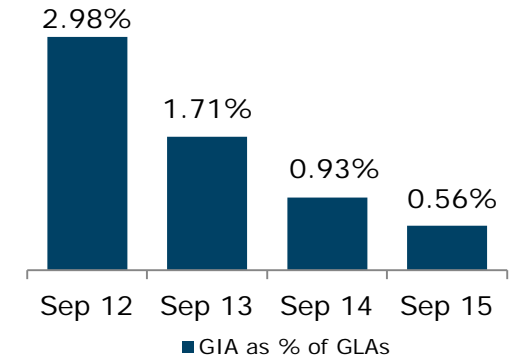
Revenue (NZDm)



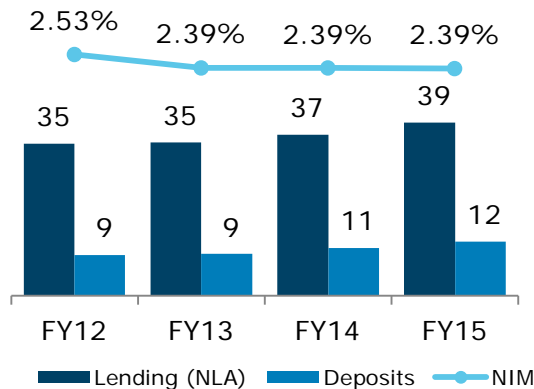
Cash profit (NZDm)



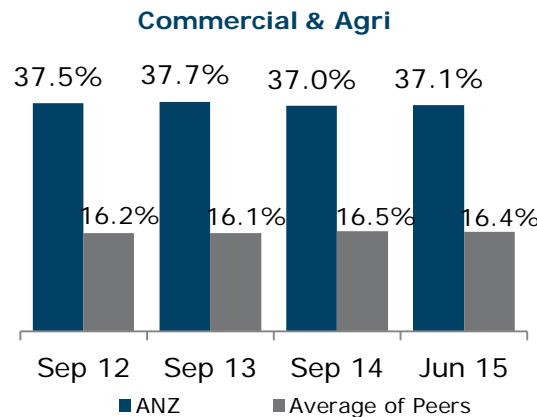
Credit Quality



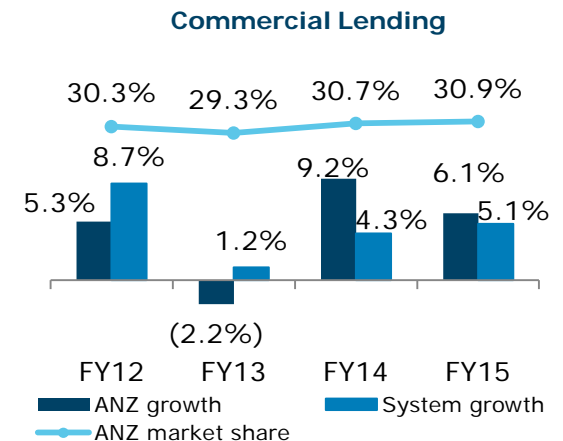
FUM (NZDb) & Margins



Main Bank share¹



Market share²



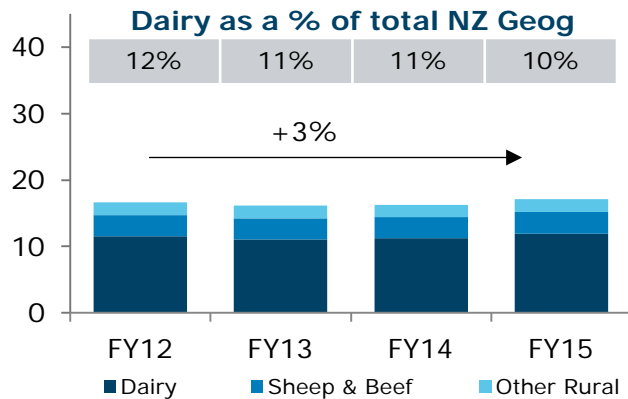
1. Source: TNS BFM, 12 month rolling (quarterly data) – June 2015.

2. Source: RBNZ, share of all banks – FY15 as at August 2015 (includes Small Business Banking and Institutional lending).

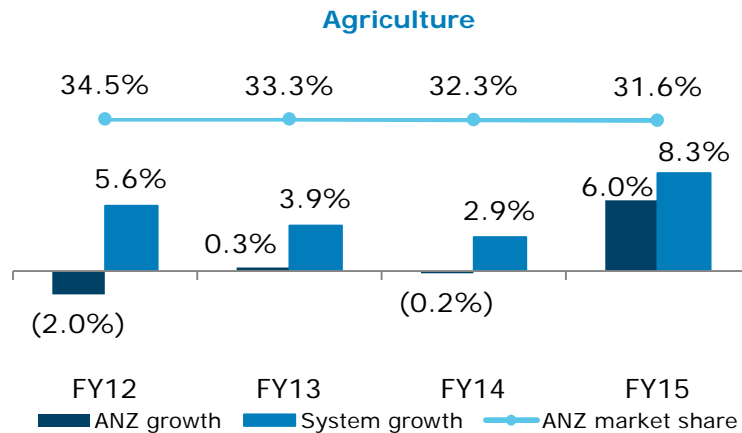
New Zealand – Agri¹

Focusing on high quality incremental growth

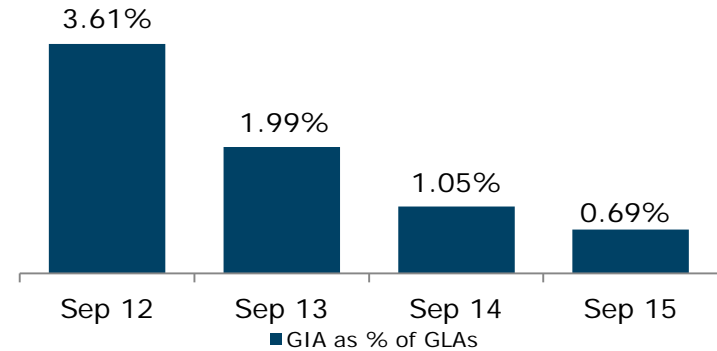
Agri Portfolio² (NZDb)



Market Share³



Credit Quality



Approach to the Agriculture Sector

- High quality, low LVR dairy portfolio
- Focus on supporting existing dairy customers
- Diversified agriculture portfolio
- Continuing to grow sheep & beef and horticulture segments
- Stringent credit assessment process

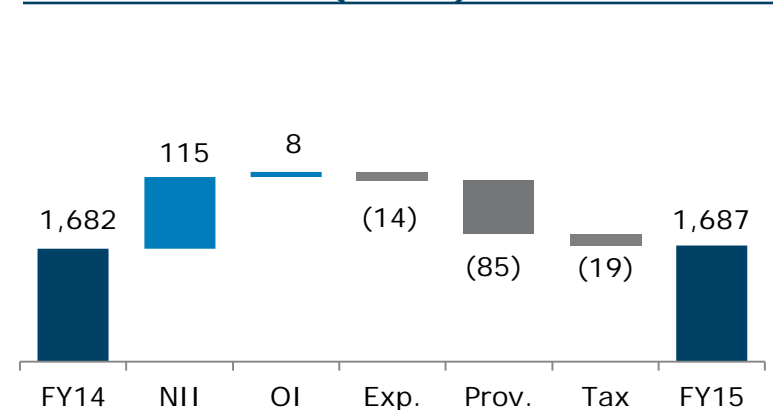
1. New Zealand Geography.
 2. Gross loans and advances.
 3. Source: RBNZ, share of all banks – FY15 as at August 2015.

New Zealand Geography

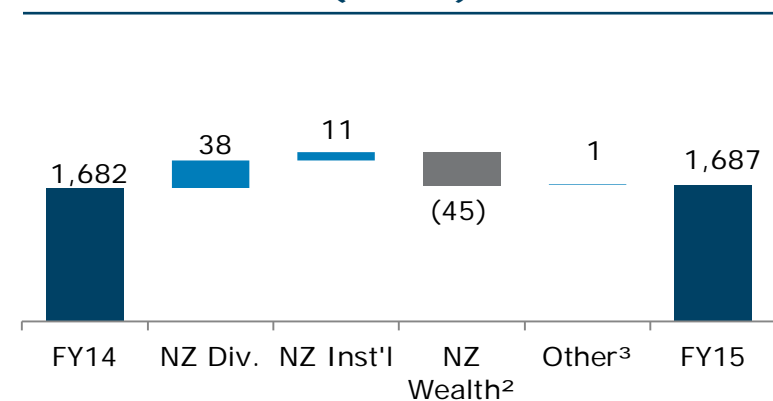
Volume growth and productivity initiatives delivering record profit

	FY15		2H15	
	NZDm	% gth YOY ¹	NZDm	% gth HOH ¹
Net Int Income	2,880	4%	1,458	3%
Other Income	1,005	1%	496	(3%)
Total Income	3,885	3%	1,954	1%
NZ Division	2,895	5%	1,458	1%
NZ Institutional	667	6%	332	(1%)
NZ Wealth ²	323	(14%)	166	6%
Other ³	0	(100%)	(2)	Large
Expenses	1,478	1%	739	0%
PBP	2,407	5%	1,215	2%
Provision charge	76	Large	45	45%
NPAT	1,687	0%	846	1%
Cost to Income	38.0%	(87 bps)	37.8%	(45 bps)
Net Loans and Adv.	114,376	8%	114,376	5%
Customer Deposits	84,870	11%	84,870	6%
Provision % of avg GLA	0.07%	8 bps	0.08%	2 bps

Cash profit contribution by P&L Line (NZDm)



Cash profit contribution by business (NZDm)

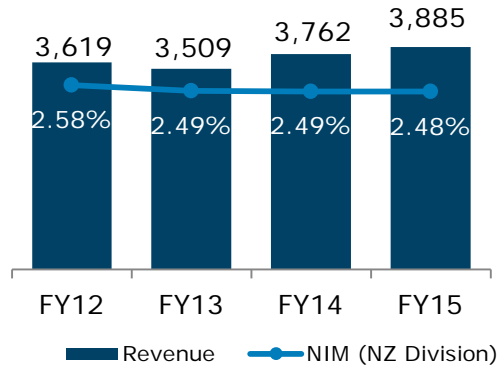


1. YOY: Comparisons are on a cash basis comparing 12 months to 30 September 2015 to 12 months to 30 September 2014. HOH: Comparisons are on a cash basis comparing 6 months to 30 September 2015 to 6 months to 31 March 2015.
2. Wealth result includes one-off \$91m insurance recovery revenue related to the ING frozen funds in FY14.
3. Other includes NZ GTSO, Enablement and Shareholder Functions.

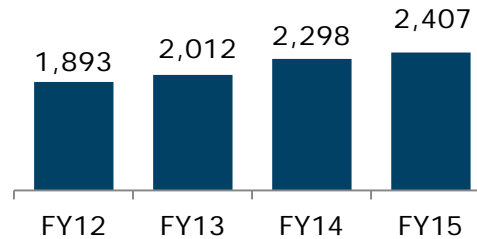
New Zealand Geography – overview

Continuing to leverage our scale to deliver quality returns

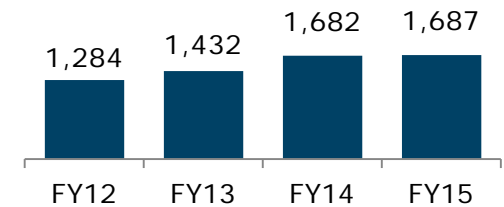
Revenue (NZDm) & NIM



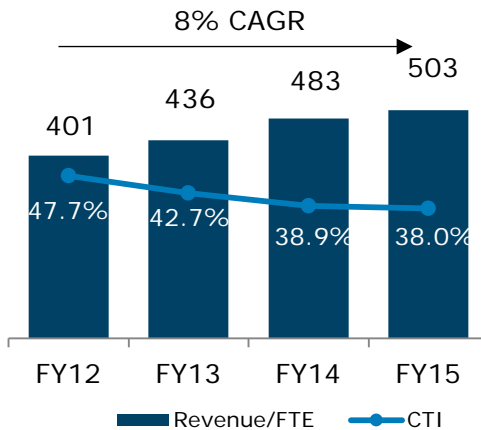
PBP¹ (NZDm)



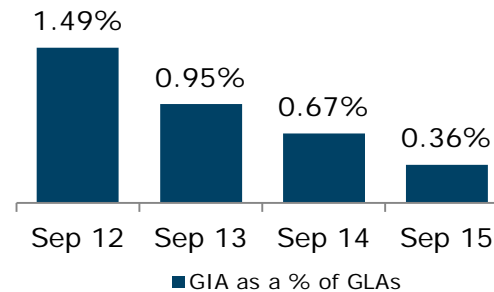
Cash profit (NZDm)



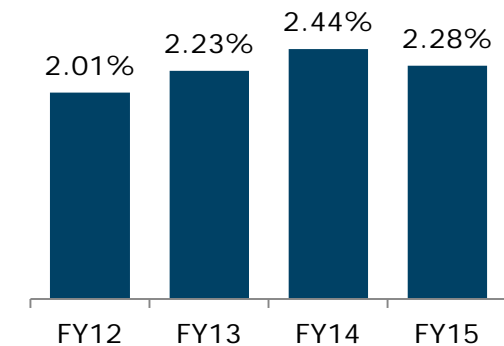
Rev. per FTE² (NZDk) & CTI



Credit Quality



Return on RWAs



1. PBP: Profit Before Provisions.

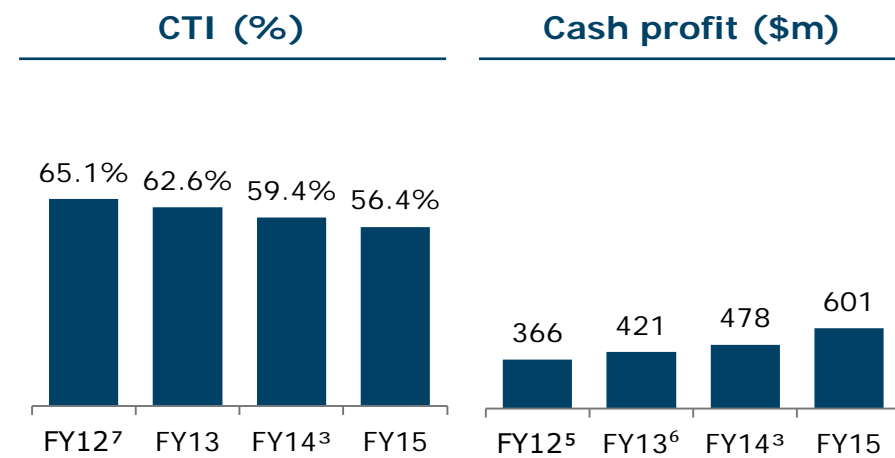
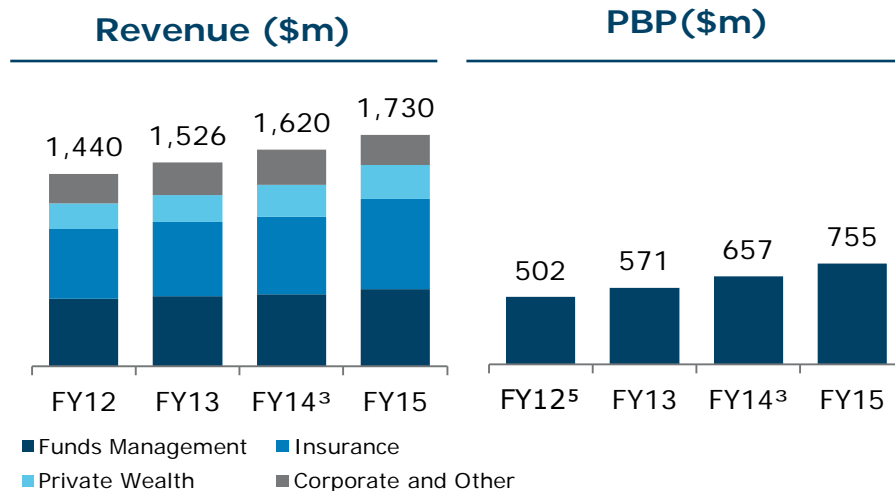
2. FTE exclusive of Global Hubs FTE in NZ.

Note: FY14 result includes one-off \$91m insurance recovery revenue related to the ING frozen funds.

Global Wealth Division Financial Performance

Delivering strong financial performance

	FY15			2H15	
	\$m ¹	% gth YOY ²	% gth (ex trustees) ³	\$m ¹	% gth HoH ²
Income	1,730	(1%)	7%	880	4%
Net Int Inc	178	6%	6%	90	2%
OI	191	(42%)	(6%)	94	(3%)
FM & Insurance	1,361	9%	9%	696	5%
Funds Mgt	574	6%	6%	290	2%
Insurance	680	18%	18%	348	5%
Private Wealth	251	(31%)	4%	127	2%
Expenses	975	(3%)	1%	486	(1%)
PBP	755	2%	15%	394	9%
Provisions	0	large	large	(1)	large
NPAT¹	601	11%	26%	342	32%
Average FUM	65,805	7%	11%	66,993	4%
Deposits (customer)	18,467	33%	33%	18,467	6%
Inforce Premiums	2,217	9%	9%	2,217	3%
EV ⁴	4,598	18%	18%	4,422	5%
VNB	200	18%	18%	109	11%

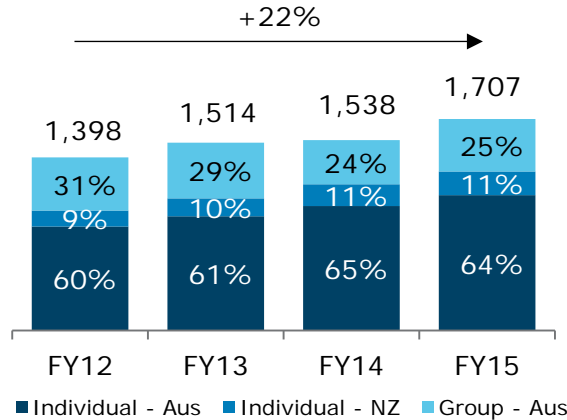


1. FY15 and 2H15 NPAT includes a \$56m non-recurring tax consolidation benefit. 2. YoY: Comparisons are on a cash basis comparing 12 months to 30 September 2015 to 12 months to 30 September 2014. HoH: Comparisons are on a cash basis comparing 6 months to 30 September 2015 to 6 months to 31 March 2015. 3. FY14 results normalised for ANZ Trustees gain on sale income (-\$125m), ANZ Trustees related expenses (\$41m), NPAT net impact (-\$64m), FY14 average FUM normalised to exclude ANZ Trustees FUM (\$2,033m). 4. Embedded value is gross of transfers. 5. FY12 results normalised for a non-recurring software impairment (\$29m). 6. FY13 results normalised for a one-off tax consolidation adjustment (-\$50m)

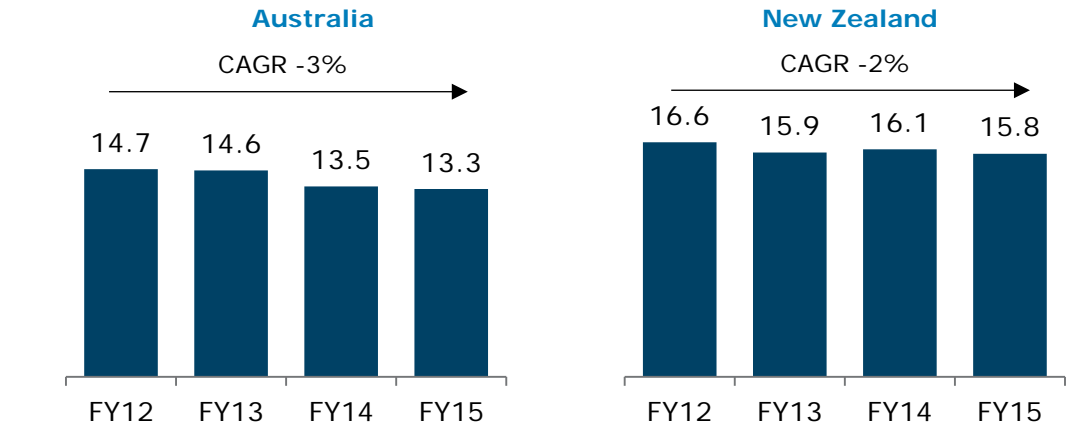
Global Wealth - Insurance

Continues to deliver growth in inforce premiums and embedded value

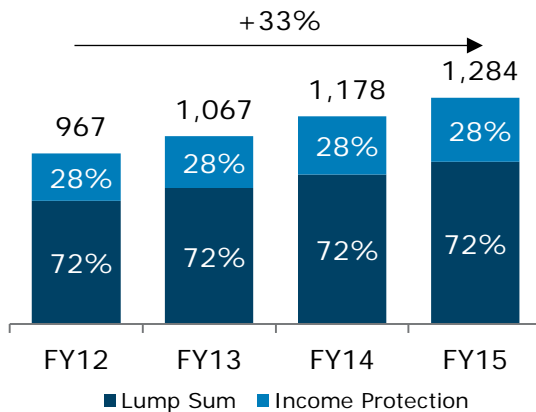
Stable mix of Life Insurance inforce (\$m)



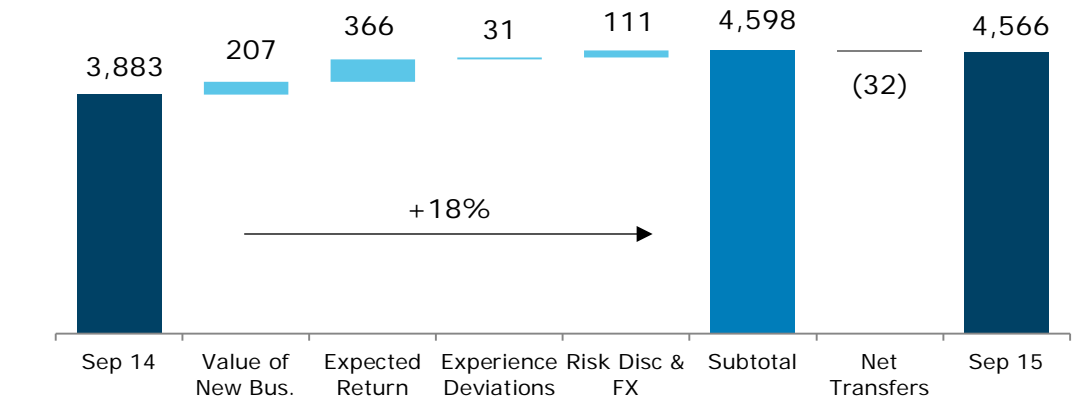
Lapse rates¹ (%)



Individual Life Insurance product mix (\$m)



Embedded Value growth² (\$m)

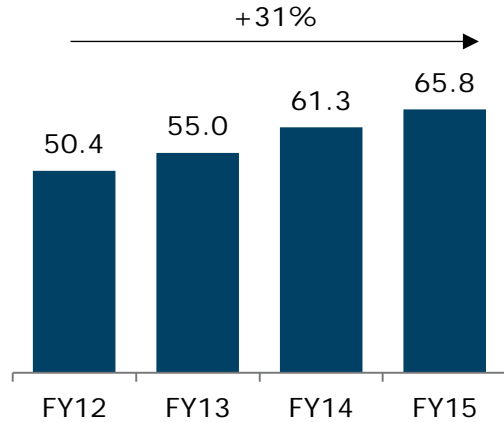


1. A definition change to the Australian Retail risk lapse rate was made to reflect the inclusion of partial premium reductions within the policy renewal period. Prior comparative periods have been restated to align with revised methodology.
 2. Includes Insurance and Funds Management businesses in Australia and New Zealand.

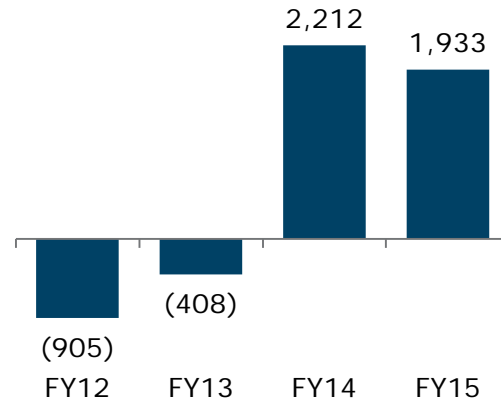
Global Wealth – Funds Management & Private Wealth

Positive volume growth in customer deposits and key digital solutions

Funds Mgt average FUM¹ (\$b)

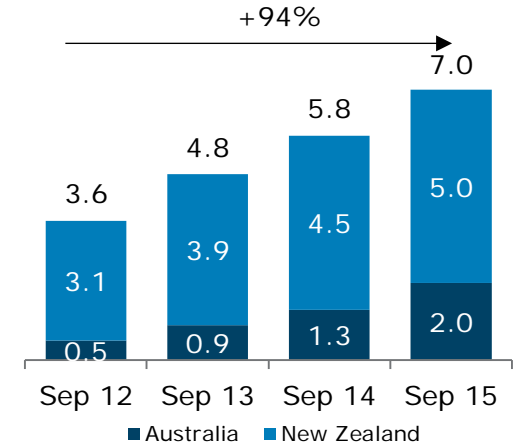


Funds Mgt netflows¹ (\$m)



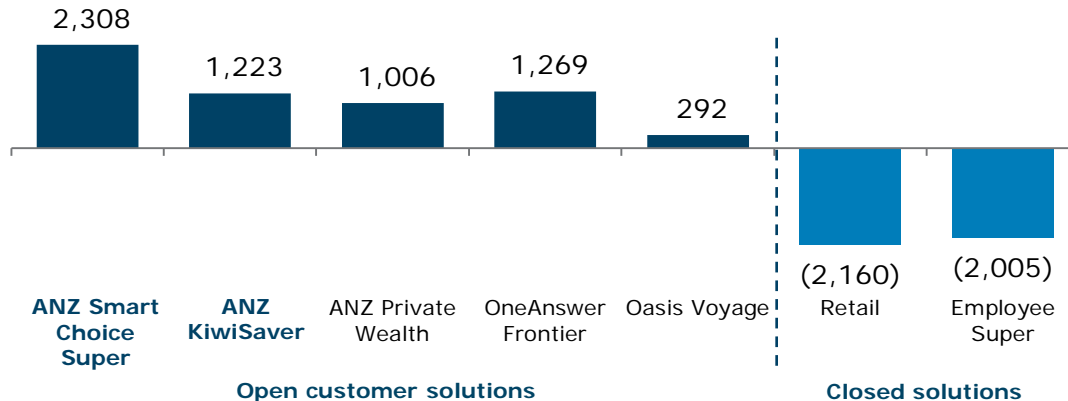
Private Wealth²

Investment FUM (\$b)

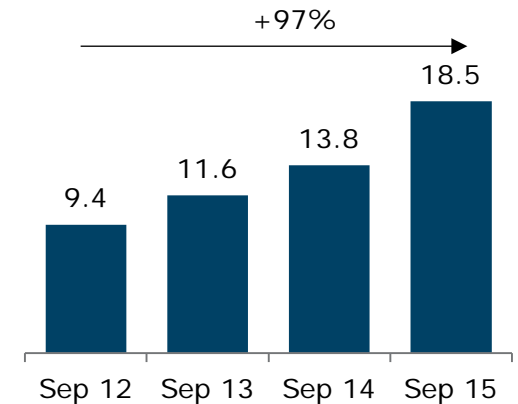


Funds Management FY15 netflows by solution (\$m)

Reshaping our funds business to customer centric digital solutions



Customer Deposits (\$b)

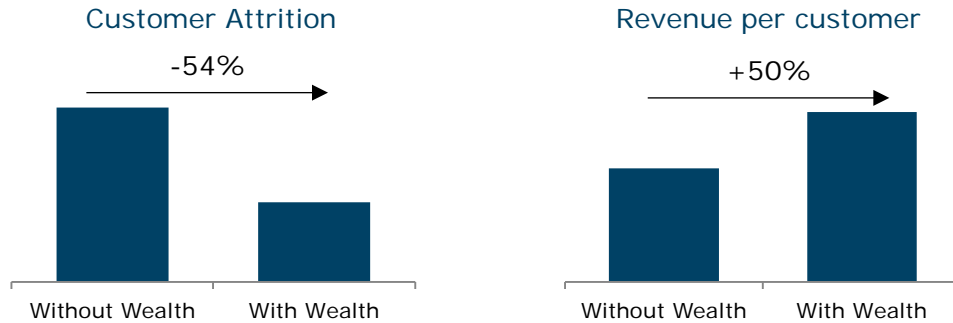


1. Funds Management average FUM and netflows include Private Wealth Investment FUM.
 2. Private Wealth Investment FUM has been normalised to exclude ANZ Trustees FUM in the prior comparative periods.

Global Wealth – strengthening customer relationships

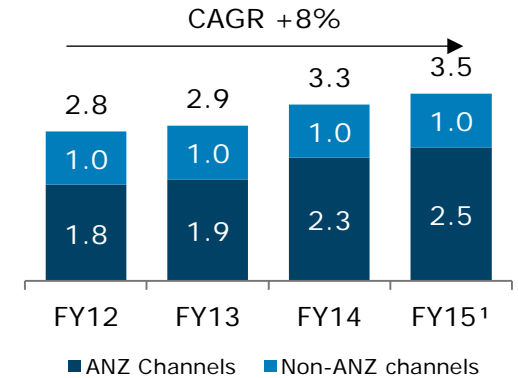
Deepening customer relationships

Deeper and longer customer relationships with improved customer economics



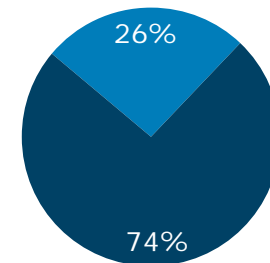
Cross-divisional contribution

Wealth Solutions (m)



Significant Non-NII contributor

FY15 Non Net Interest Income % of Group

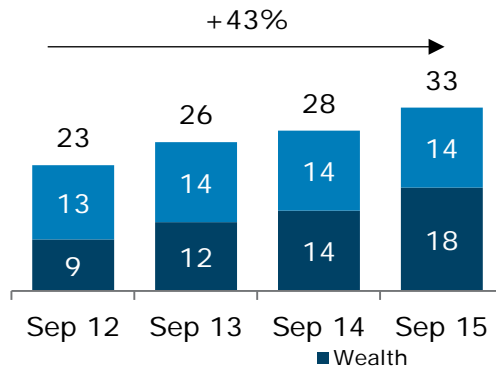


■ Wealth Non NII⁴ ■ Non-Wealth Non NII

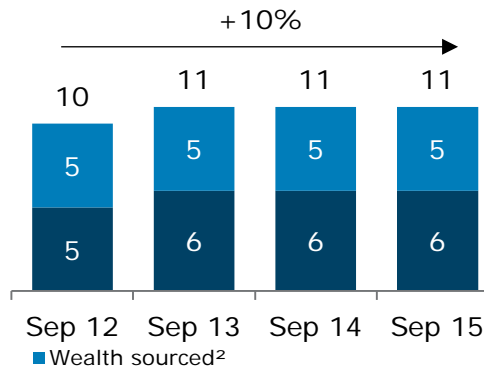
Cross-divisional contribution

Important and growing source of liquidity

Customer Deposits (\$b)



Net Loans and Advances³ (\$b)



1. FY15 Wealth Solutions number is based on Q3 2015 Actuals.
2. Wealth sourced includes deposits & lending from Private Wealth and E*TRADE which is sourced by Global Wealth but reported in other divisions.
3. Wealth net loans and advances excludes Corporate banking deposits and includes E*TRADE investment lending.
4. Wealth Non Net Interest Income includes Other Operating Income and Net Funds Management and Insurance Income.

Global Wealth is investing for the future

Developing innovative solutions for the self directed customer



- ANZ Smart Choice Super MySuper compliant solution for Employees and Employers. **FUM now exceeds \$4.3bn¹**
- Reshaping our business to customer centric digital solutions - Grow by ANZ. **Over 10 million logins since launch**

Connecting customers to their wealth through integrated channels



- Grow by ANZ: your money – connected & simplified. Insurance on Grow **launched September 2015**
- Grow Centres: now in Sydney and Melbourne – expanding concept via **“modular”** in branch solutions
- Ongoing success of Women’s Initiative – helping women connect, protect and grow their financial wellbeing, **over 18M online impressions**

Leveraging global capabilities for service and scale efficiencies



- Digital tools for Financial Planners to improve customer experience **launched August 2015**
- Insurance business in New Zealand **consolidated**

1. Includes ANZ Smart Choice Employer and ANZ Smart Choice Retail FUM.

Global Wealth is reshaping the business through customer centric digital solutions

Digitally connected

10.5m

Customer logins to **GROW** since launch

2 times

GROW users hold **twice the retail average** in FUM

Highly engaged

91%

ANZ **Smart Choice** Retail customers **Gen X / Y**¹

96%

ANZ **Smart Choice** Retail users ask to connect **via mobile**³

Simple, accessible solutions

+14.5%

Growth in **self directed** solutions²

65% CAGR

Growth in **digitally enabled FUM** (ANZ **Smart Choice / KiwiSaver**)⁴

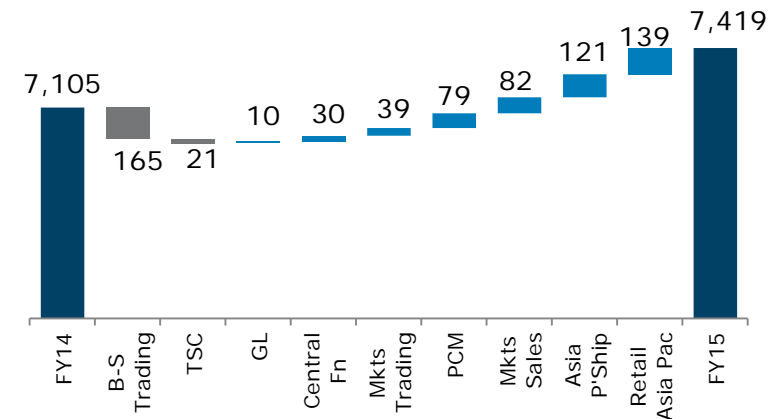
1. As at 30 June 2015.
2. As at 30 June 2015 – customers who ask to connect via / receive information via mobile.
3. Annual growth to 30 June 2015, for Australia only.
4. ANZ **Smart Choice** includes Retail & Employer. CAGR FY13-15.

International & Institutional Banking (IIB)

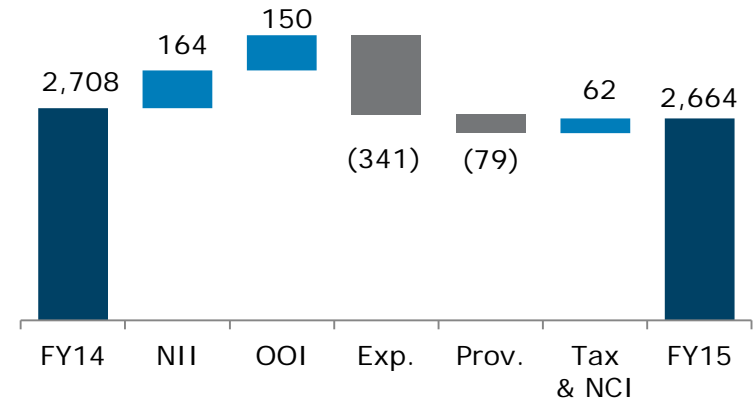
FY15 results

	FY15		2H15		% gth HOH ¹
	\$m	% gth YOY ¹	\$m	% gth PCP ¹	
Net Interest income	4,173	4%	2,146	7%	6%
Other operating income	3,246	5%	1,487	1%	(15%)
Total Income	7,419	4%	3,633	4%	(4%)
Global Products	5,818	0%	2,826	0%	(6%)
Retail Asia Pacific	956	17%	495	20%	7%
Asia Partnerships	608	25%	300	26%	(3%)
Operating expenses	3,616	10%	1,845	12%	4%
PBP	3,803	(1%)	1,788	(3%)	(11%)
Credit impairment charge	295	37%	197	Large	Large
NPAT	2,664	(2%)	1,205	(10%)	(17%)
OOI/Total Income	43.7%	17 bps	40.9%	(119 bps)	(554 bps)
NIM	1.34%	(16 bps)	1.34%	(11 bps)	0 bps
Cost to income	48.7%	265 bps	50.8%	344 bps	402 bps
Credit impair. chg/Avg GLA	0.19%	4 bps	0.25%	17 bps	12 bps
GIA as a % of GLA	0.76%	0 bps	0.76%	0 bps	11 bps

Revenue contribution by product



Net Profit contribution by P&L Line

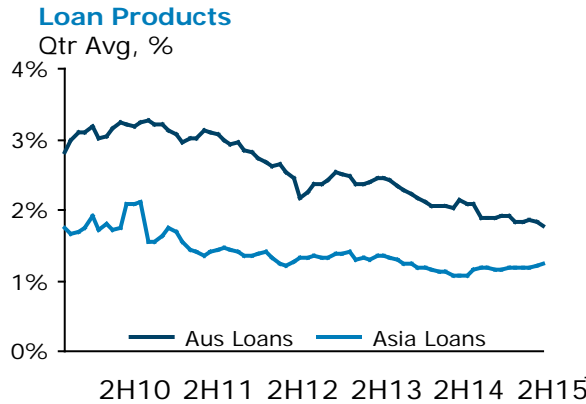


1. YoY: Comparisons are on a cash basis comparing 12 months to 30 September 2015 to 12 months to 30 September 2014. HoH: Comparisons are on a cash basis comparing 6 months to 30 September 2015 to 6 months to 31 March 2015.

Notes: GL: Global Loans and Advisory. PCM: Payments and Cash Management. TSC: Trade and Supply Chain. GIA: Gross Impaired Assets. GLA: Gross Loans and Advances. NCI: Non-controlling interest. B-S Trading: Balance Sheet Trading

Market conditions were challenging...

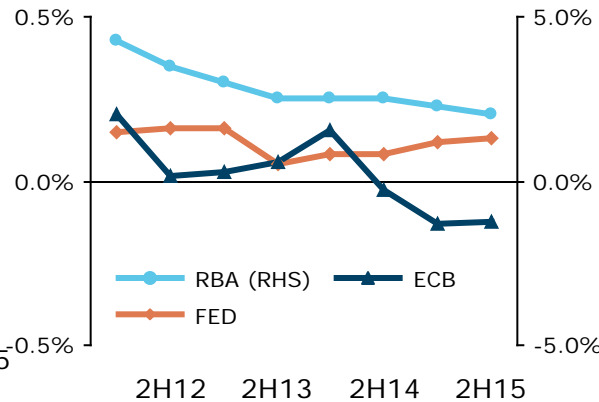
NIM pressure, especially in Australia Loan Products



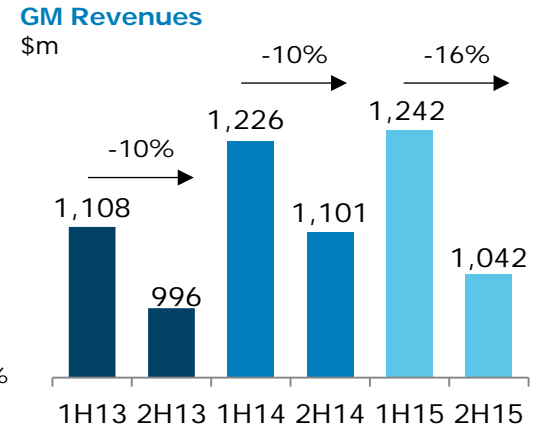
Growth in Australia's trade corridors will take time to recover



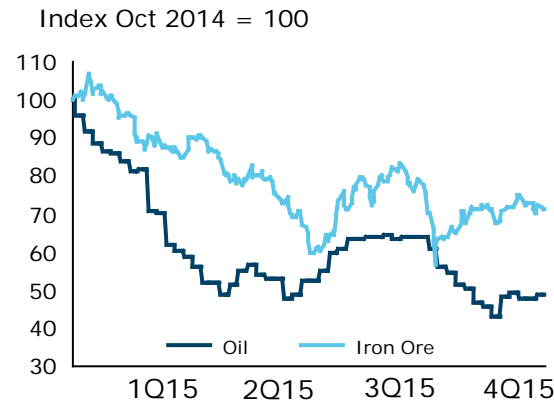
Low rates globally



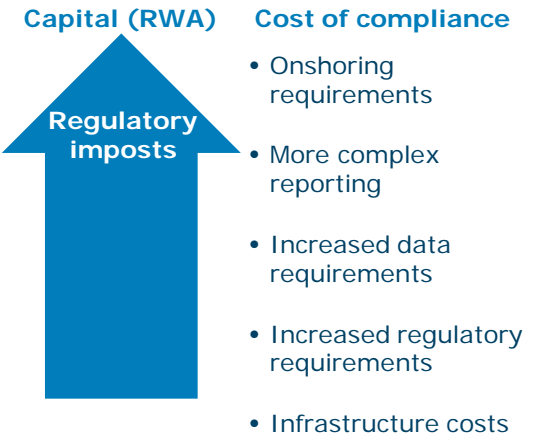
Market Dislocation



Commodity price decline



Regulatory capital



Notes: GM: Global Markets

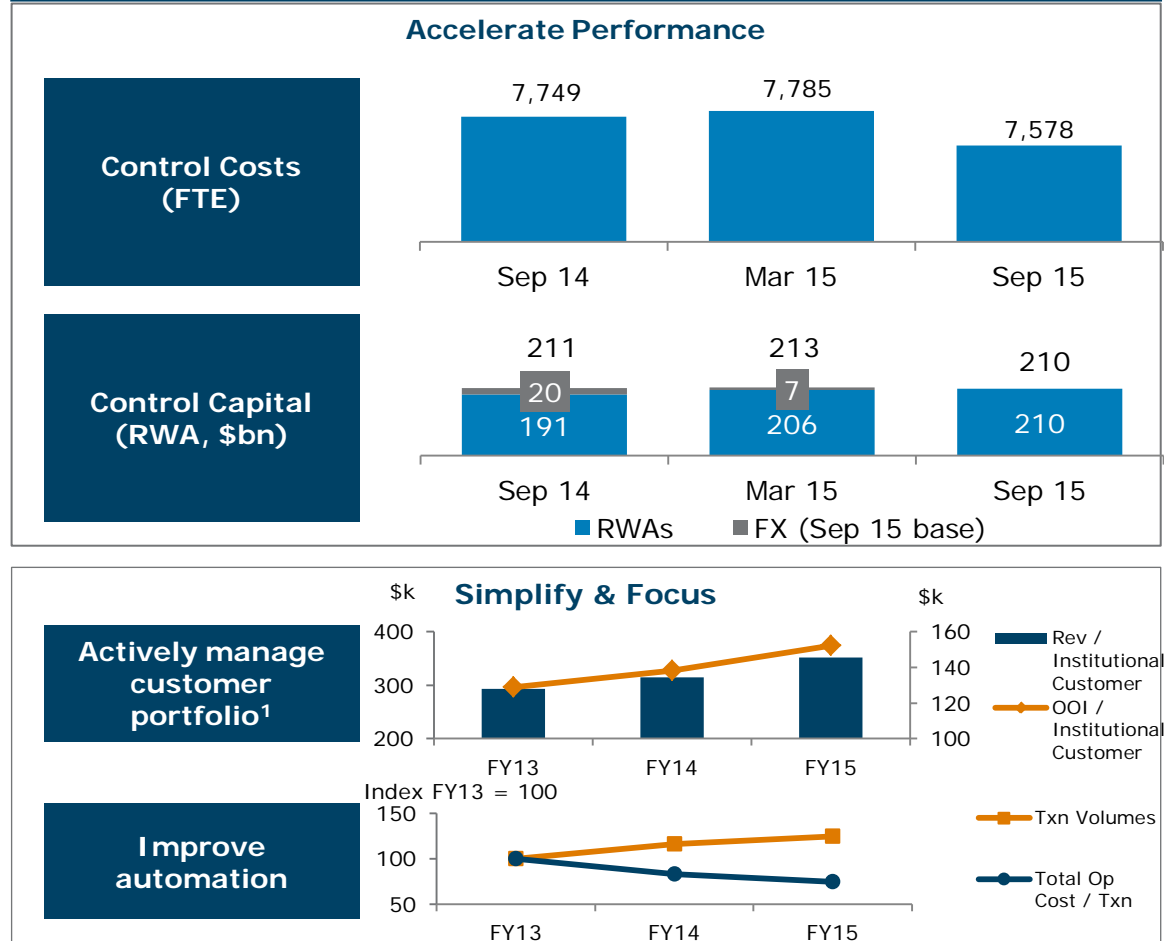
IIB took action in 2H15 to mitigate headwinds

Laying the foundation for improving returns

Headwinds

- NIM pressure
- Low Trade Volumes
- Continued low interest rates
- Weak commodity prices
- Market Dislocation
- Regulatory Imposts

Management Initiatives



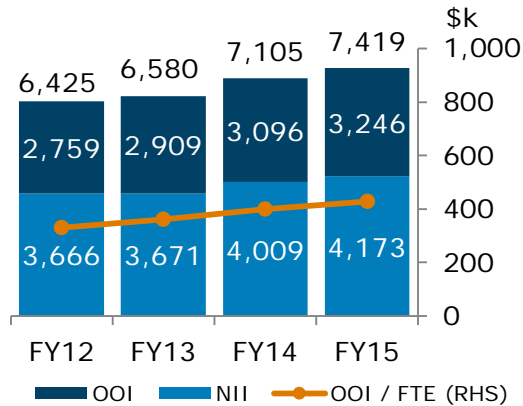
There is a time lag between the revenue impact of capital initiatives and the return benefit

1. IIB Institutional Customers excluding Pacific

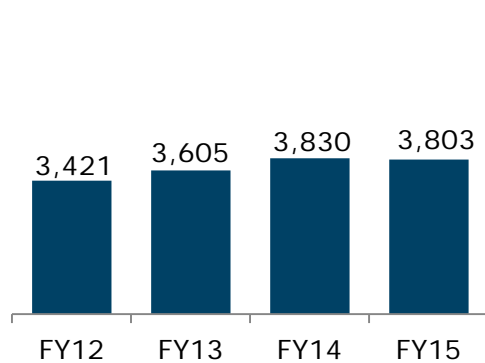
IIB revenue continued to grow

But profit was challenged

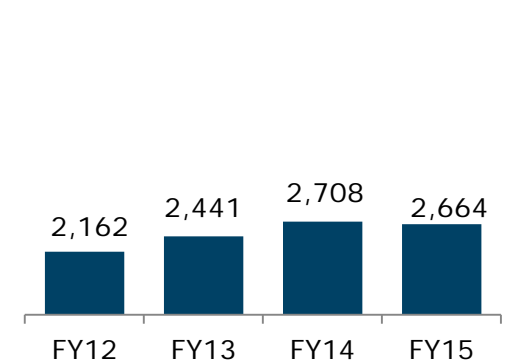
Revenue (\$m)



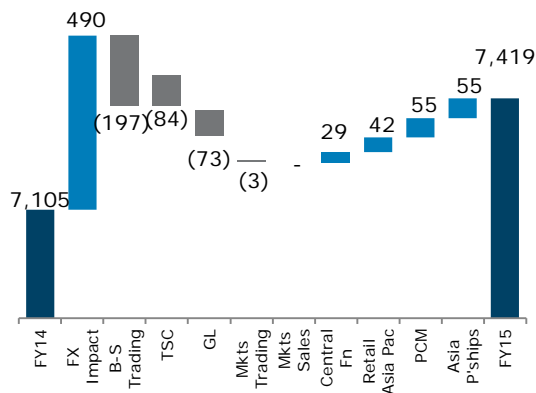
PBP (\$m)



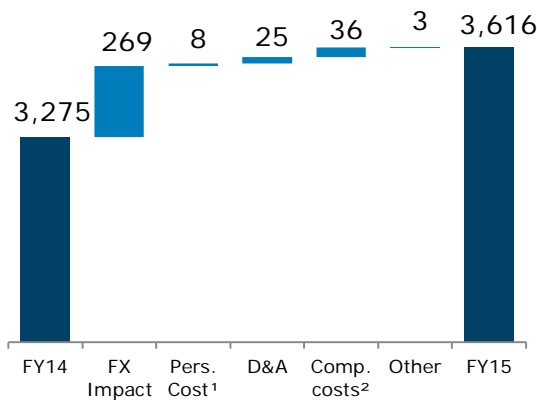
Cash profit (\$m)



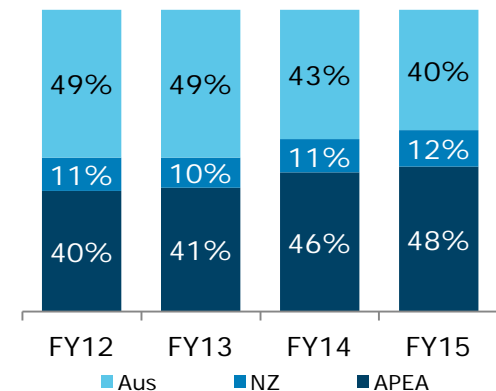
Revenue waterfall (\$m)



Expense waterfall (\$m)



Geographic cash profit

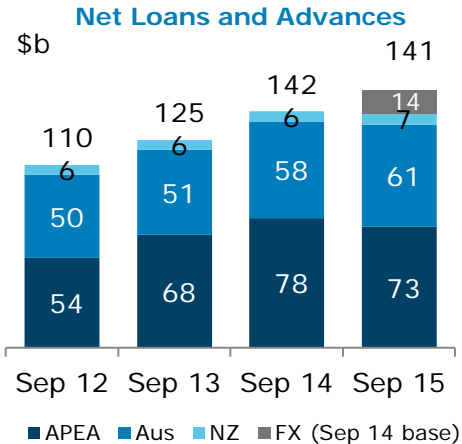


1. Personnel costs. 2. Compliance costs

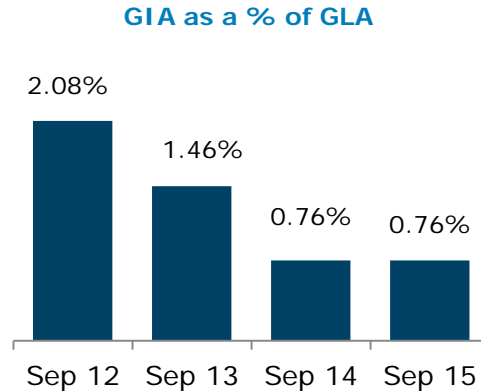
GL: Global Loans & Advisory. PCM: Payments and Cash Management. TSC: Trade and Supply Chain. B-S Trading: Balance Sheet Trading

Strong customer funding base and disciplined risk management support targeted balance sheet growth

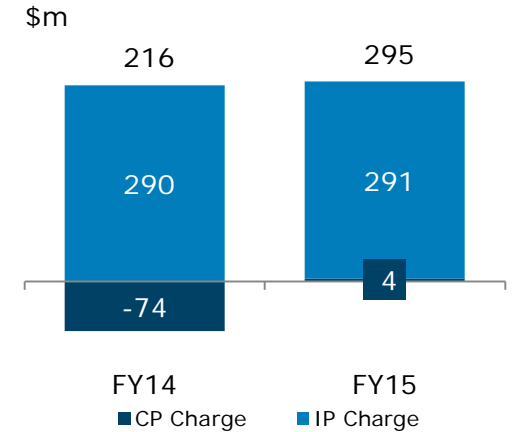
Increasing geographic diversification



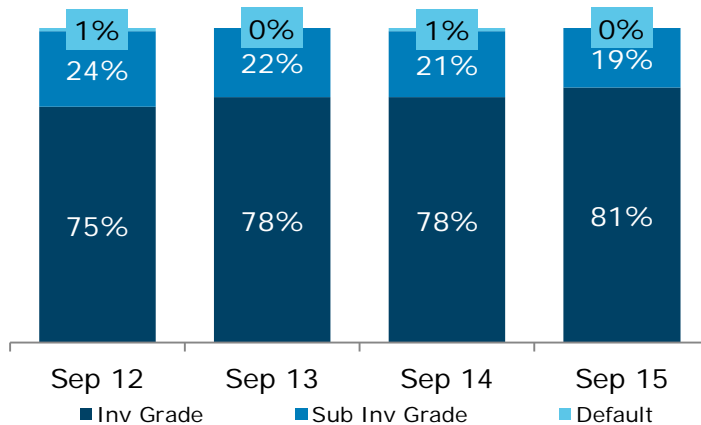
Credit quality



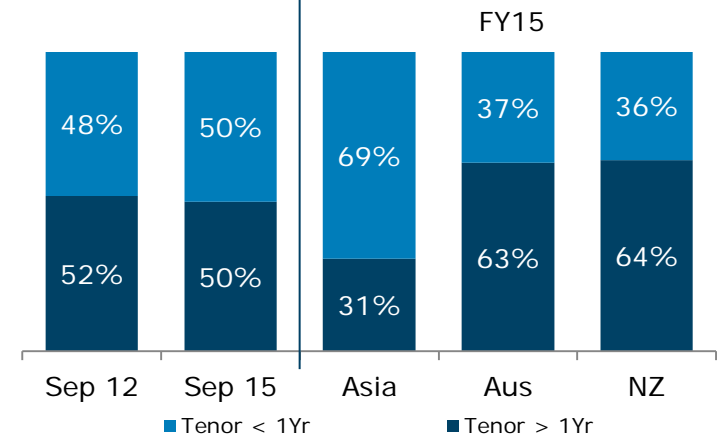
Provisions impacted by FY14 collective provision benefit



Asset risk grade profile



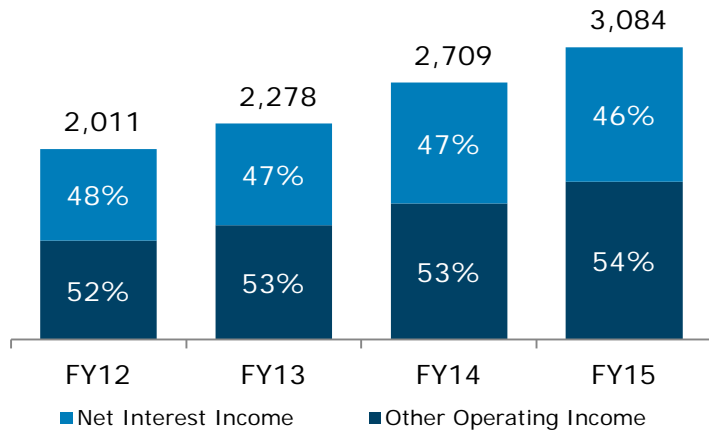
Asset tenor profile



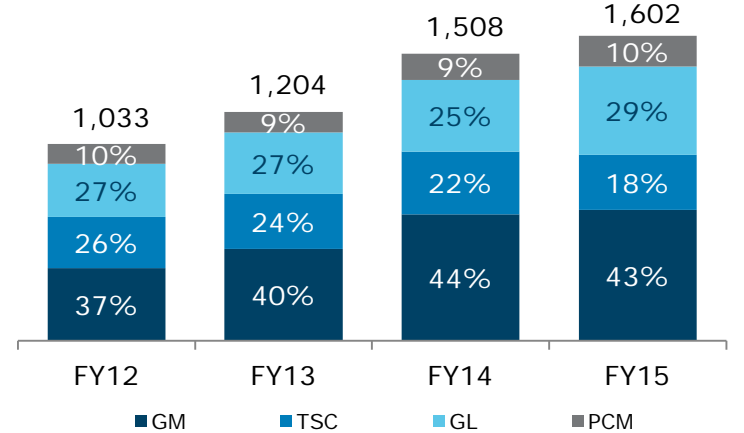
The Asia franchise performed well

Delivering growth and improving productivity

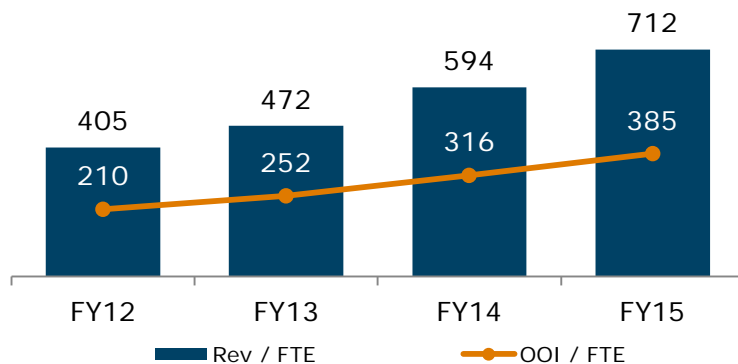
IIB Asia Revenue (\$m)



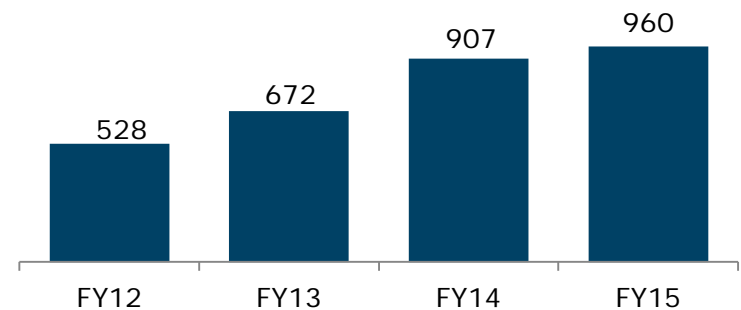
IIB Asia Institutional Revenue (\$m)¹



IIB Asia Revenue per FTE (\$'000)



Cash profit (\$m)



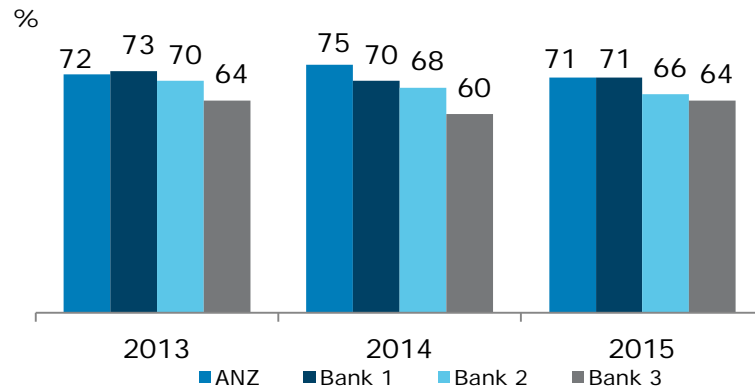
1. IIB Asia Institutional excluding partnerships

Notes: GM: Global Markets. 4GL: Global Loans and Advisory. PCM: Payments and Cash Management. TSC: Trade and Supply Chain.

Our customers are recognising us as a leader across our major products and geographies

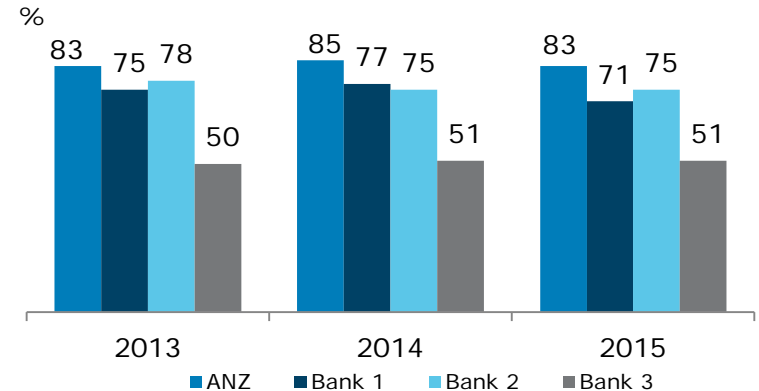
#1 for overall market penetration in Australia...

Domestic Banking Penetration, Australia¹



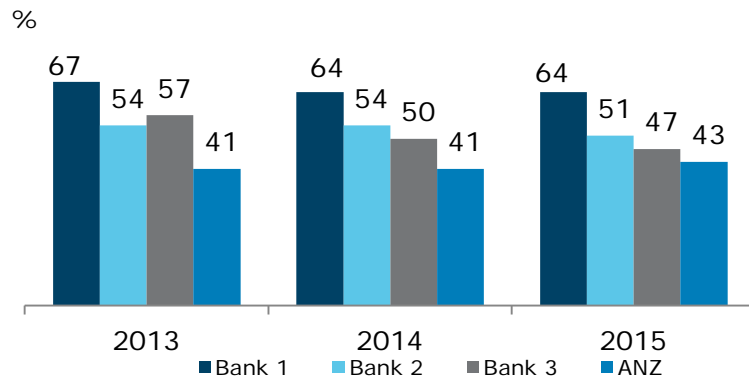
Clear market leader in New Zealand

Domestic Banking Penetration, New Zealand¹



Narrowed the gap to #3 in Asia

Total Asia (Ex Japan) Market Penetration²



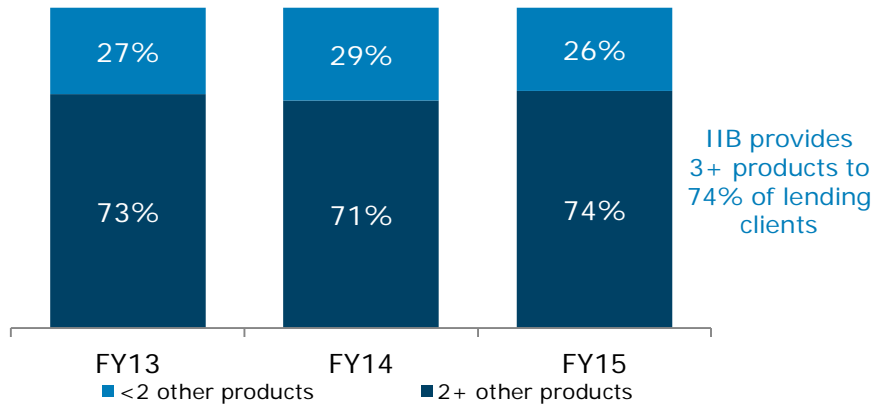
Product excellence continues to be recognised

- We maintained our #1 position for Overall Best Banks for Regional Interest Rates³
- We are #2 for Overall Best Banks for Regional Commodities³
- We jumped from #4 to #1 For Overall FX Services as voted by Corporates³
- We were the Best Bank for Cash Management, Asia Pacific⁴
- We won the Silver Awards for Excellence, Best Trade Bank in Asia Pacific⁵
- We won the Triple A Awards for Best in Working Capital & Trade Finance ASEAN⁶

1. Peter Lee & Associates, 2013 to 2015 Survey results, Australia and New Zealand. 2. Greenwich & Associates, 2012 to 2014 Large Corporate Survey Results. 3. Asia Money FX and Fixed Income Polls, 2015. 4. Global Finance, 2015. 5. Trade & Forfaiting Review, 2015. 6. The Asset, 2015.

The depth and quality of our customer relationships is improving

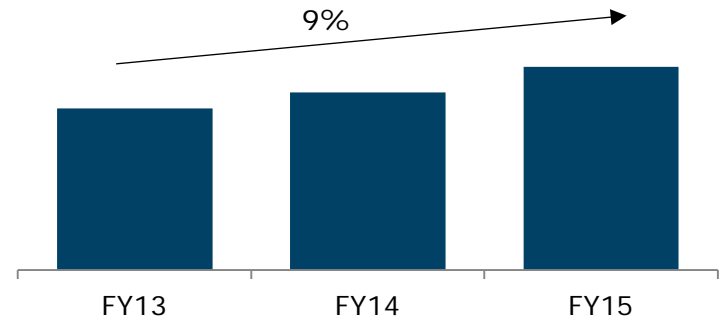
Better leveraging our lending book¹



Especially in Asia

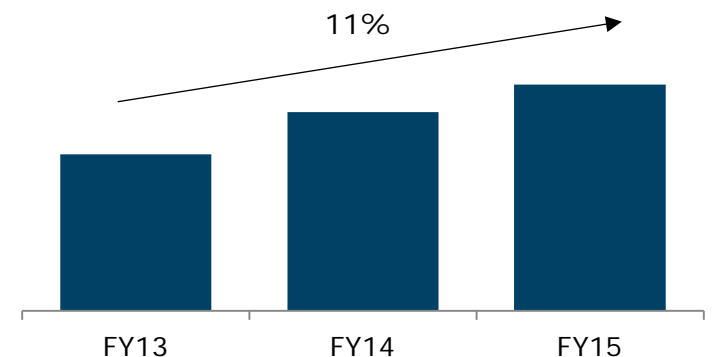
Customer profitability improving

Institutional Customer OOI / # of Institutional Customers²

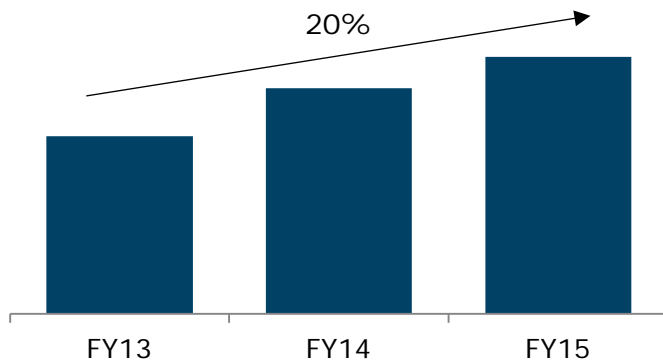


Customers increasingly using higher return products

Clearing, Cash & FX revenue / # of Institutional Customers



Institutional Customer OOI / # of Institutional Customer



1. Refers to any additional product(s) other than Loan products
 2. Commercial Pacific book is excluded from data set

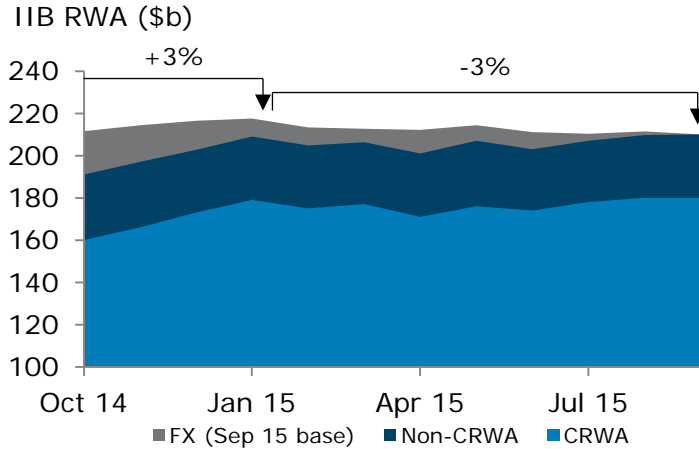
Developing deeper customer relationships through multi geography solutions

	Customer	The Solution	Why ANZ?
China-Australia	<ul style="list-style-type: none"> Chinese engineering firm acquired an Australian firm for more than \$1 billion as part of its international expansion 	<ul style="list-style-type: none"> ANZ was mandated lead arranger for both a syndicated bridge facility and syndicated guarantee facility FX Swap Transaction banking 	<ul style="list-style-type: none"> Long term existing relationship with the target Relationship with the parent in China Local market knowledge in both geographies Ability to mobilise committed deal team across China, Hong Kong and Australia to ensure delivery
Intra-Asia	<ul style="list-style-type: none"> Chinese conglomerate looking to manage its supply chain more effectively across the region 	<ul style="list-style-type: none"> ANZ provided multi-currency option facility to support trade across the region, as well as cash management 	<ul style="list-style-type: none"> Multi-dimensional view of the supply chain ANZ footprint, including China, the Philippines and Cambodia
Trans-Tasman	<ul style="list-style-type: none"> Customer built a trans-Tasman business through multiple acquisitions Operated on old technology platform and had multiple banking partners 	<ul style="list-style-type: none"> ANZ provided a full transaction banking solution across both markets: cash pooling, payment services, cards and merchant services 	<ul style="list-style-type: none"> Demonstrated solution across markets Product knowledge and solution capability Commitment to continuous improvement

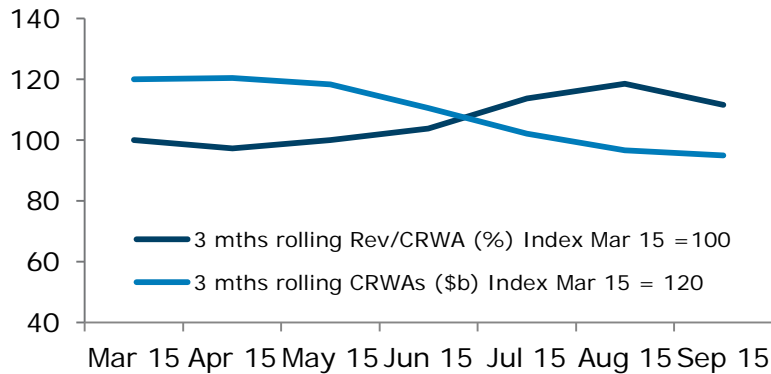
Focus on capital efficiency

Increasing the profitability of Trade Finance

IIB has managed RWAs tightly...

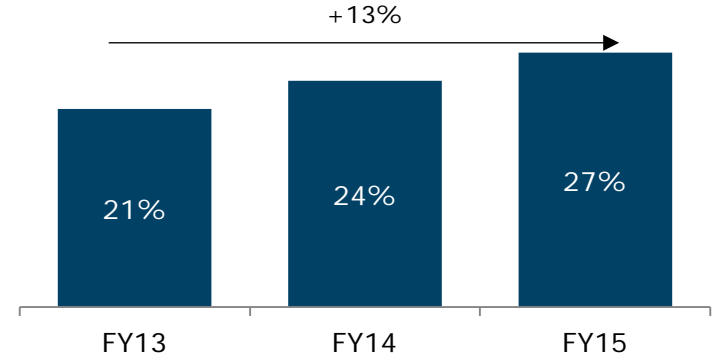


Reshaping the Core Trade Portfolio has released capital and assisted returns....

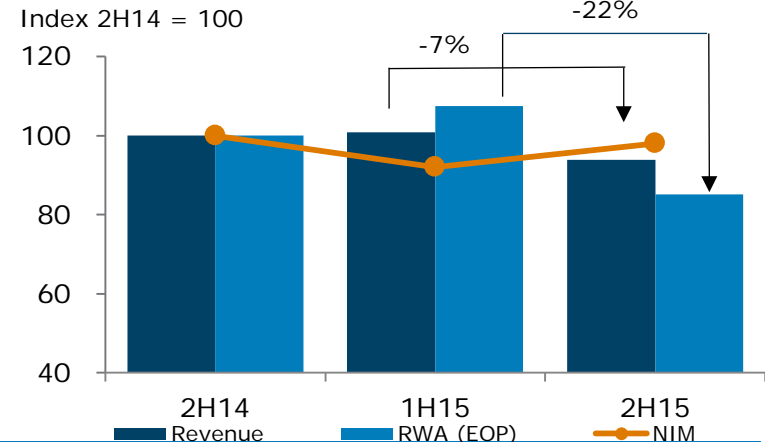


...with capital focused on higher ROE products

RWA usage – Customer non-Loans products¹



.... stabilising NIM with modest impact on revenue

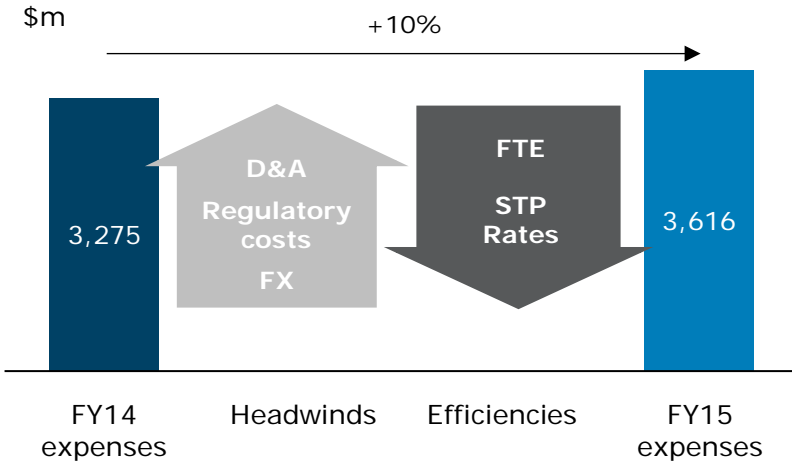


1. Comprising of Global Markets (ex. Balance Sheet), PCM, Retail

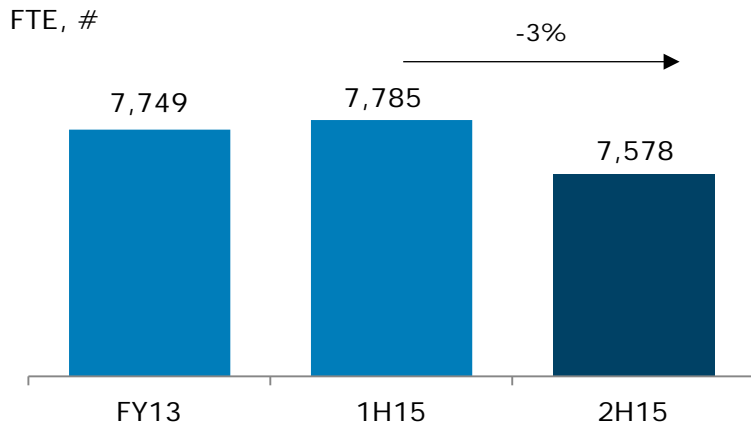
Increasing efficiency, productivity & customer experience

To counter environmental headwinds

Action taken to manage cost headwinds

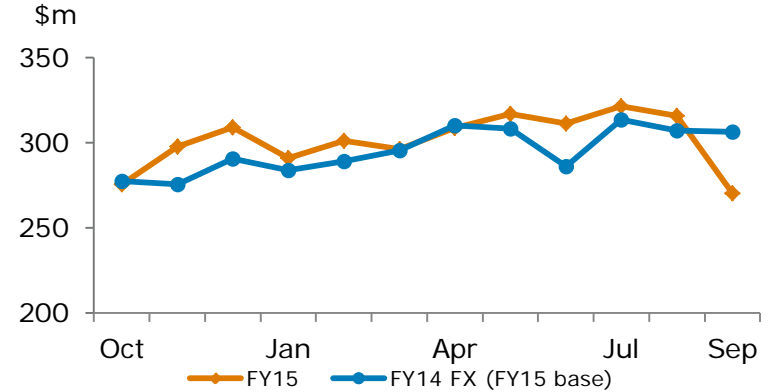


FTE has declined 3% in 2H15



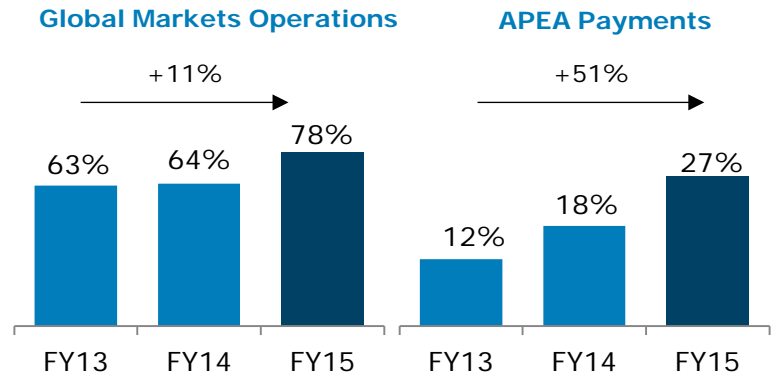
Having an impact on the expense base

IIB FY15 Total Expenses



STP rates continue to improve

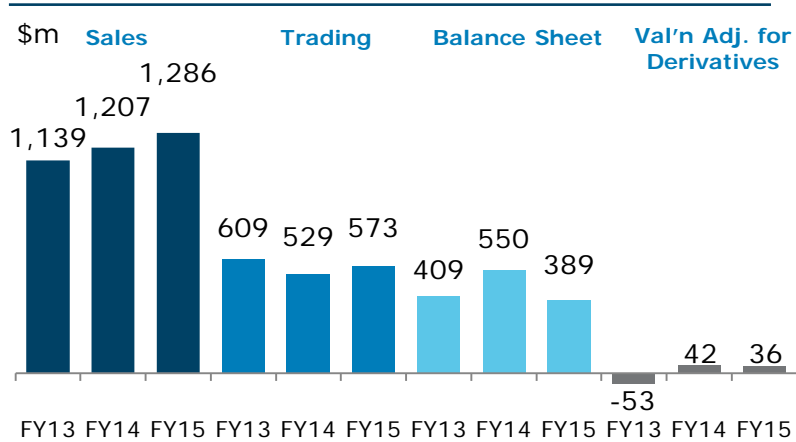
Straight Through Processing Rates, %



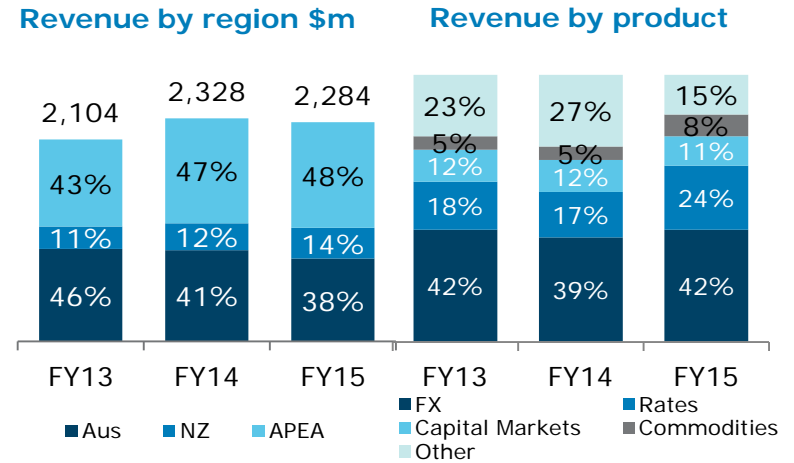
Record Global Markets customer sales revenue

Trading & Balance Sheet impacted by 4Q trading conditions

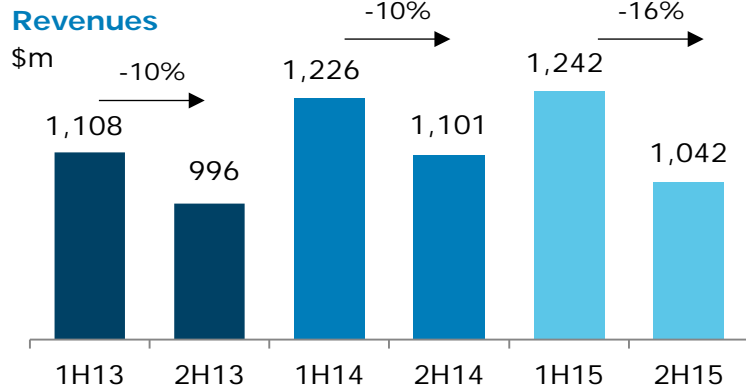
Customer facing markets revenue is growing



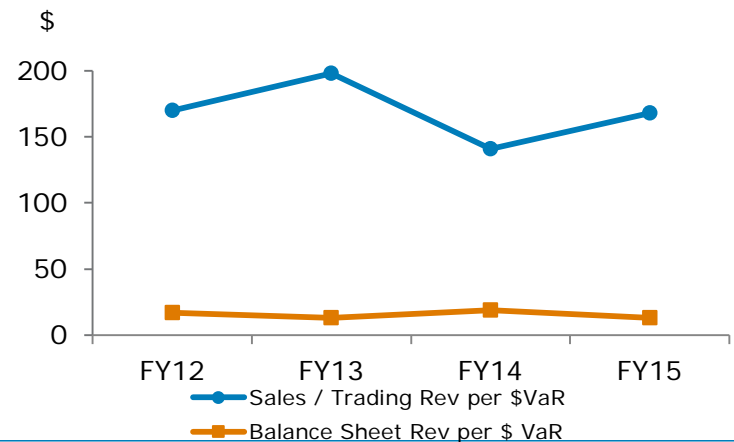
...in APEA across diverse product range



Notwithstanding Q4 market dislocation

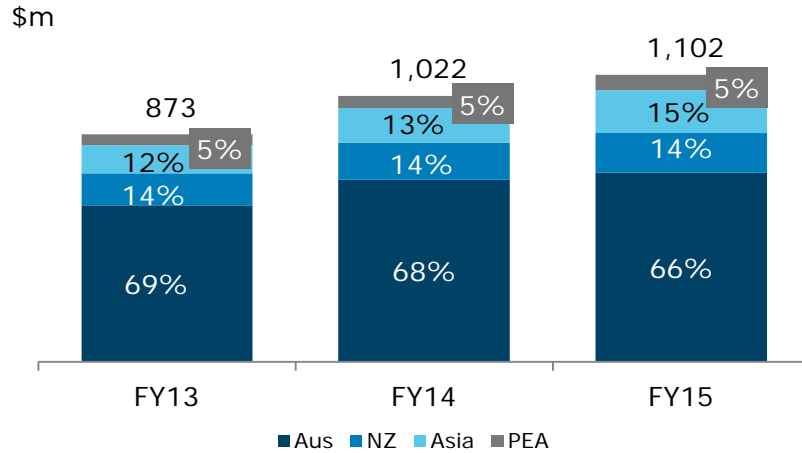


Risk position remains conservative

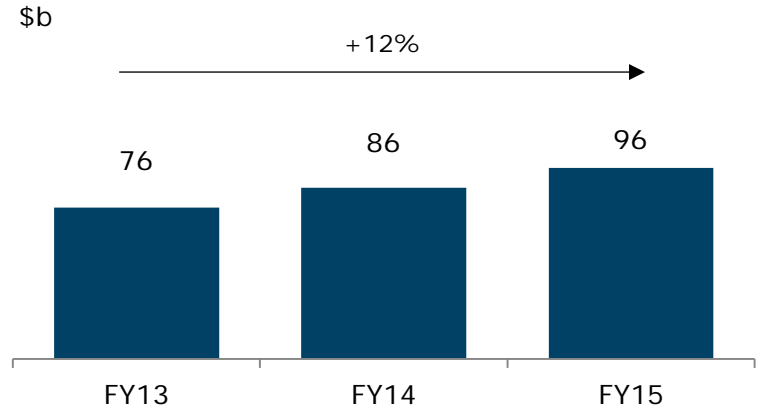


Trade and Cash Management are delivering in tougher conditions

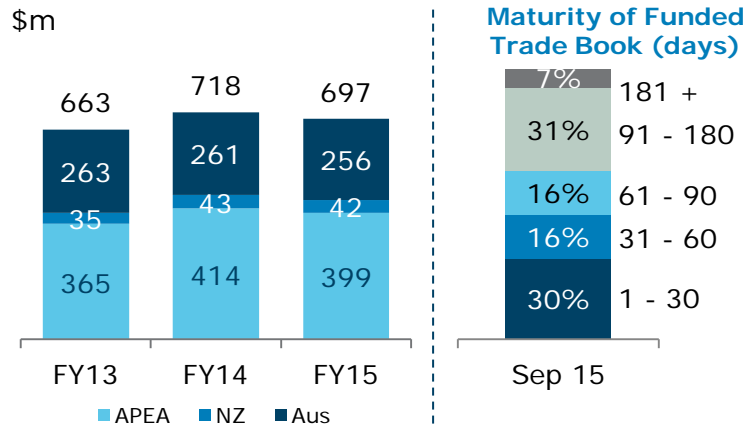
PCM revenue is at record levels



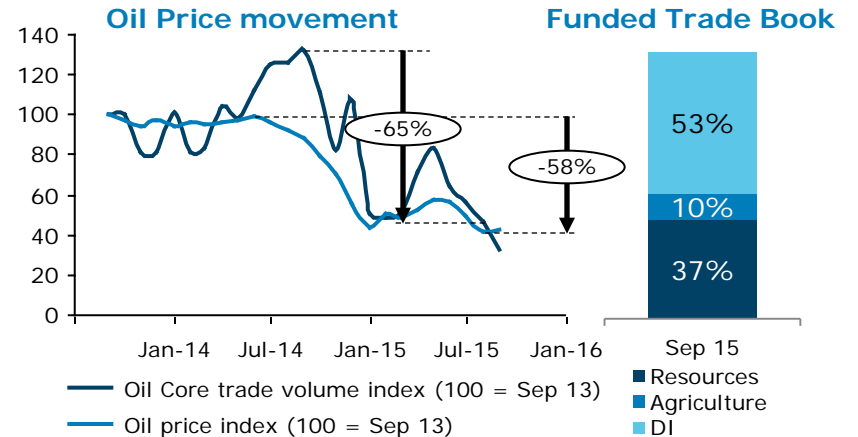
Deposit growth is strong



Trade revenues broadly flat ...



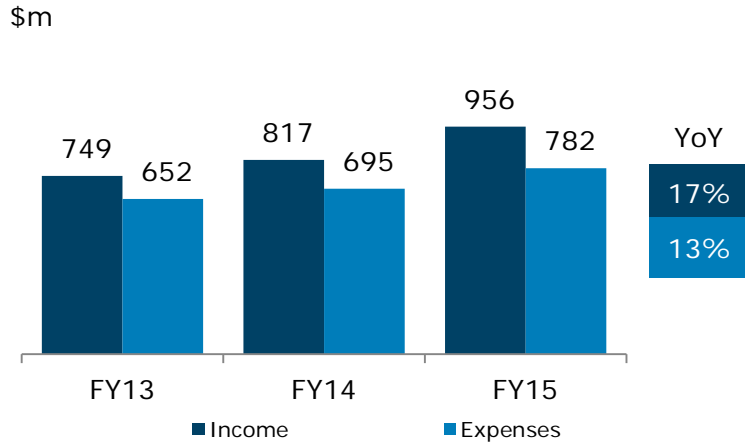
... despite a significant decline in commodity prices



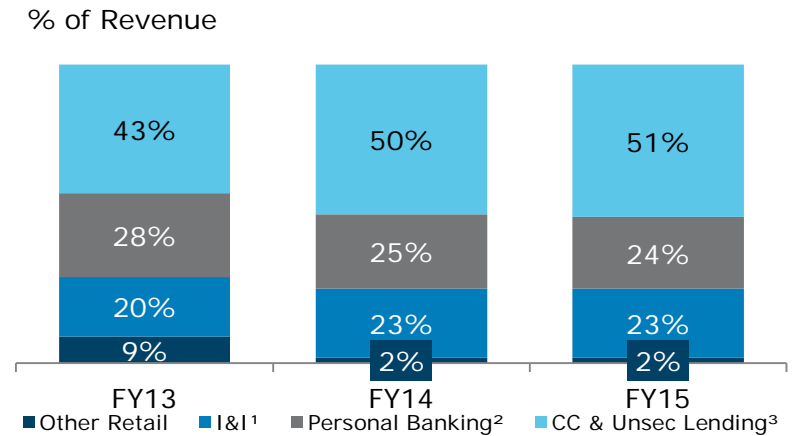
Notes: PCM: Payments and Cash Management. PEA: Pacific and EMEA

Retail revenue has grown 17%

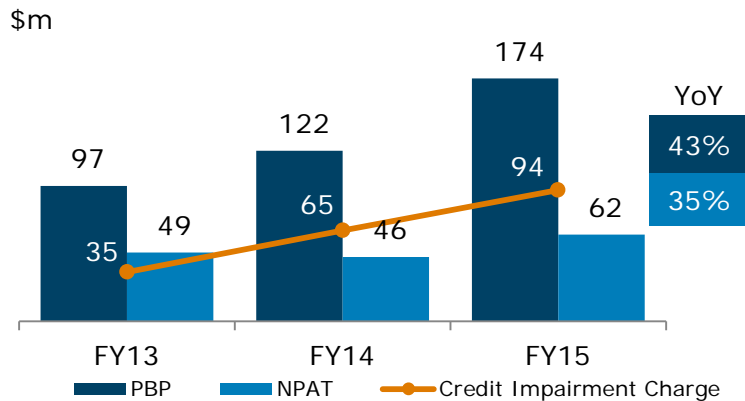
Revenue has grown 17%



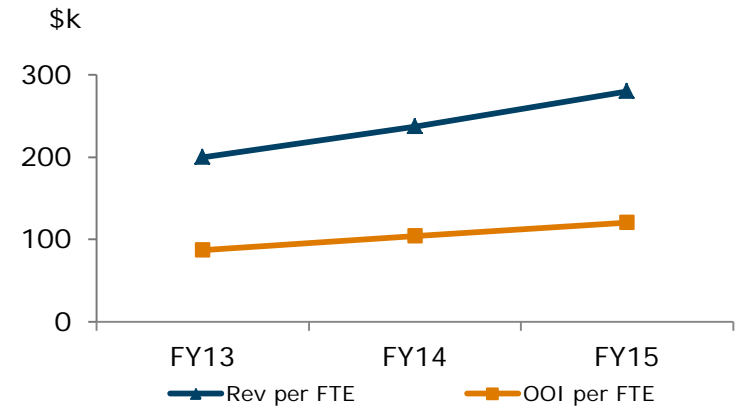
Stable product mix



Delivering 43% PBP growth



Improving productivity



1. I&I: Investment and Insurance
2. Personal banking includes home loans and deposits.
3. Credit cards and Unsecured Lending

Enterprise Approach

Improving customer experience, productivity and control

Delivering a stronger and more efficient bank

via an enterprise approach to **operations** and **technology**

benefiting our **customers**, **employees** and **shareholders**

Improving customer experience

- Easier on-boarding and faster approvals
- Quality service
- Consistency across channels

Driving operational productivity

- Absorb significant volume growth
- Sustainable cost reduction
- Simplified processes

Reducing operating risk

- Consistent, standard processes
- Reduced error rates
- Upgraded infrastructure and security systems

Building Common Technology Platforms

across all main business lines to drive standardisation, simplification and automation.

Utilising our Regional Delivery Network

to improve customer experience and drive down cost to serve.

↓ 19%

Customer complaints
(Australian Ops)

↓ 20bps

Operations cost
to income

↑ 10%

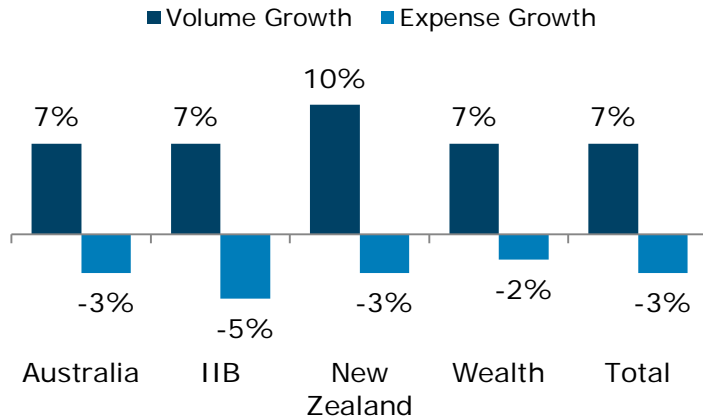
Operations
productivity

Accelerating progress through **digitisation** and **industrialisation**

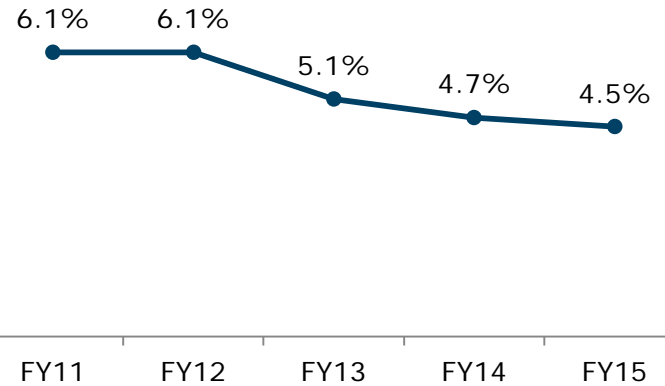
Productivity

Sustainable improvement across the business

Operations and service productivity

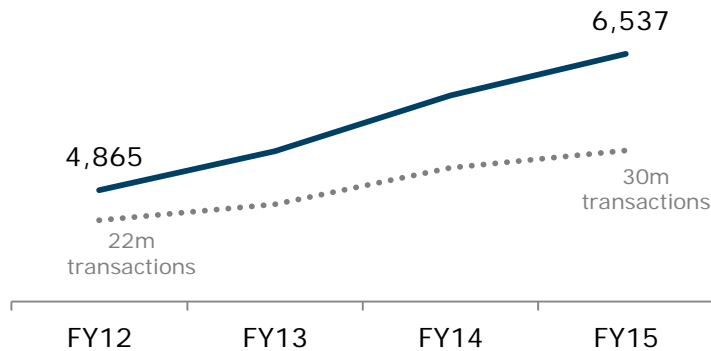


Operations cost to Group income



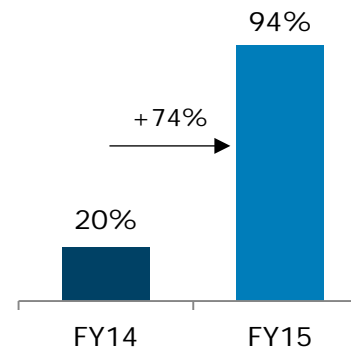
Transaction processing efficiency

Transactions per FTE in international markets

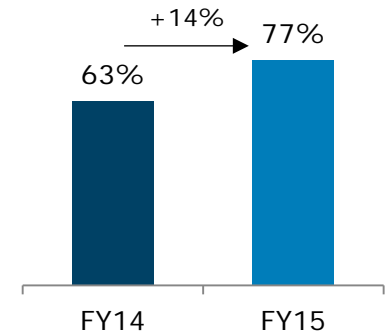


Automation

STP for International Money Transfers¹



STP for Trade Capture, Confirmation and Settlements



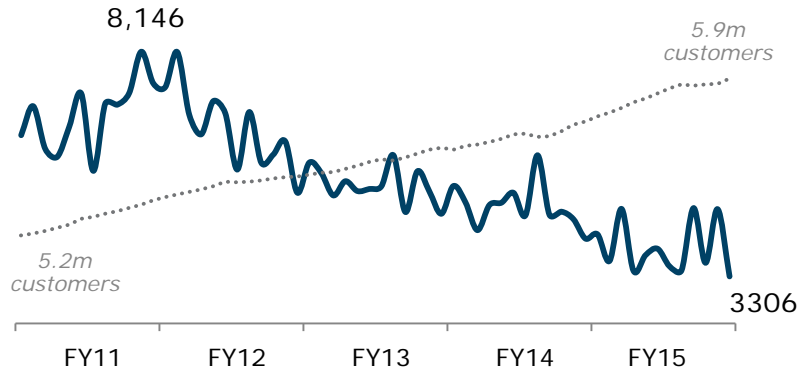
1. Represents International Money Transfers originated through Internet Banking, Australia.

Customer Experience

Better outcomes through global processes and systems

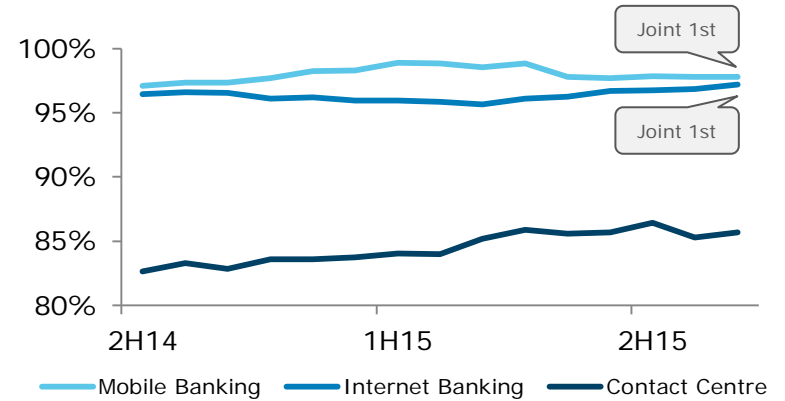
Customer Complaints

Average Customer Complaints, Australia



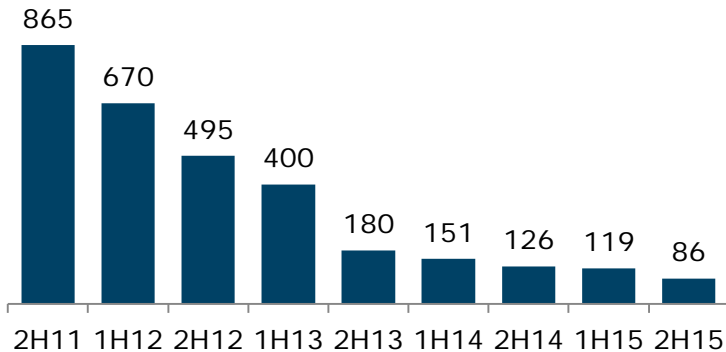
Customer Satisfaction

New Zealand Customer Satisfaction (rolling 6-month average)



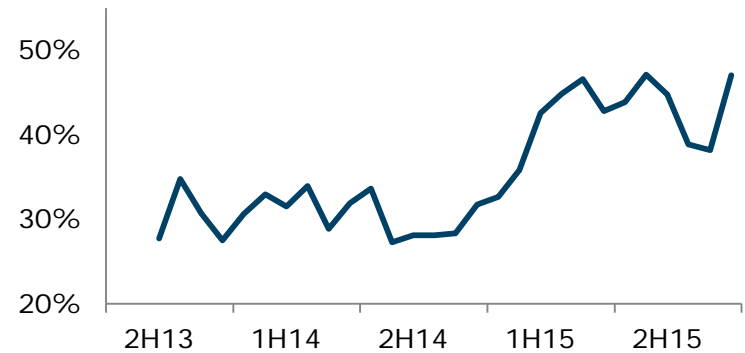
Quality

Manual Payments defects per million transactions



Net Promoter Score

Home Loan NPS for Australian Branch Network



Regional Delivery Network

Improving resilience and productivity, while supporting business growth

Driving sustained productivity benefits



Supporting regional growth

Leveraging time zone advantages

- ~20 hour servicing window for Retail and Wholesale Lending, supporting "same day" propositions
- Retail mortgages "time to yes" down from 4 days to 1; "same day" decisions for 5,000 customers every month

Centralising and scaling core functions to support business growth

- Wholesale lending operations merged into one global function, supported by a common platform
- Payments and Markets operations delivered by hubs for branch openings in Paris, Thailand, India and Myanmar

Building regional voice capability

- Manila awarded Best Global In-House Centre of the Year, International ICT Awards, with Wealth voice services exceeding industry average NPS by 26 percentage points

Leveraging skills and talent across the region

- Recruiting in-region expertise for specialised markets (e.g. Institutional – Finance, Analytics and Credit)

Location agnostic processing and resilience

- Payments Ops in 5 locations, and Mortgage Ops in 4, mitigating disruption risk and ensure business resilience

Common Technology Platforms

Increasing capability and delivering strategy

	Coverage	Value ¹	
Global Wholesale Digital	17 countries	\$2.5 trillion	Value of transactions processed this year ²
Global Retail Cards	20 countries	>8 million	Active cards in circulation
Global Process Management	24 countries	6,000 hours	Saved by automating steps for international payments investigations ³
Global Payments	12 countries	Winner	Celent Model Bank for Payments Innovation 2015
Global FX	15 countries	↑36%	Increase in volume of FX deals processed year-on-year
Global Customer Registry	27 countries	>17 million	Customer records so far

1. Represents examples of value delivered by platforms in FY15 unless otherwise stated.

2. Represents payables processed, annualised for FY15.

3. Based on a time saving of 5 minutes per case for case creation, across ~70,000 cases processed in FY15 in Australia and New Zealand.

Building Digital Capabilities

Transforming customer experience and operational productivity

Channel Digitisation

ANZ goMoney



Mobile banking now 62% of AU digital logins
\$64b processed in FY15
Joint 1st CSAT score for mobile banking in NZ

Grow by ANZ



Banking, super, share investing, insurance and insights for Wealth

ANZ FastPay Next Generation



Secure merchant app allowing small business to process card payments on the go

Currency by ANZ

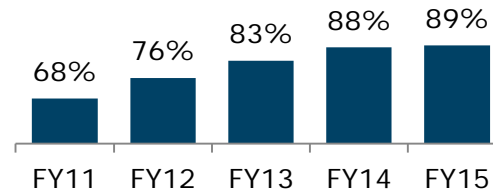


Live FX app via cloud technology. Access to 70 live currencies and 5,000 currency pairs

Process Industrialisation

Payments

STP rates for AUD and NZD wholesale clearing continue to rise¹



Wholesale Lending

100%

STP for global agency lending; processed \$27b in Australia and \$350m in New Zealand

One

globally standardised process, enabling location agnostic processing & resilience

Global

wholesale lending and credit decisioning systems

Digital Mindset

Digital Board Advisors



Established International Technology and Digital Business Advisory Panel — first among Australia's banks and other major companies

Executive Education



Rolling out co-developed education on digital disruption with industry-leading MIT

Innovation Ecosystems



Leveraging unique cultures and technology capabilities of universities, partners, innovation labs, and Australian and international fintech hubs



1. Represents inward payments to Australia / New Zealand.

Case Study

Wholesale Lending

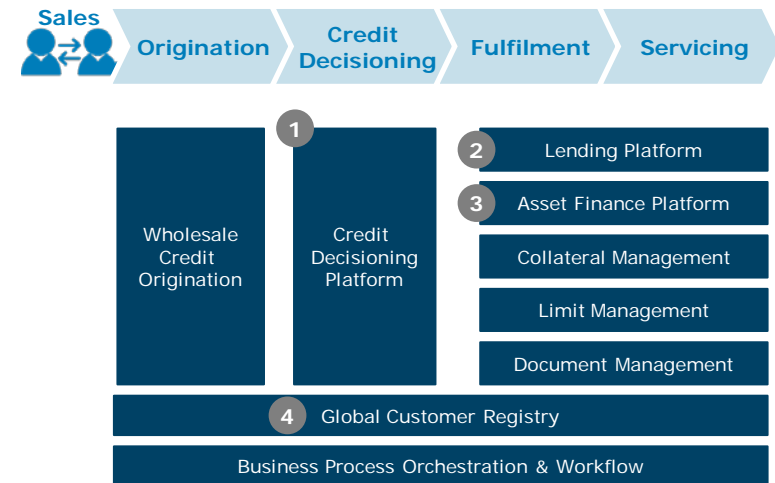
Operating across our regional network...

Distribution of Global Wholesale Lending Operations



- One Global Wholesale Lending Operations Team operating across the region
- 38% of activities performed in our regional hubs, supported by Enterprise Workflow platform
- 10% year-on-year productivity
- Standard processes, enabling location agnostic processing and resilience
- Leveraging automation to release people from repetitive, low-value work, and refocus on delivering better customer experience

...enabled by shared platforms



- 1 Established global wholesale credit decisioning platform
- 2 Lending platform supporting product rationalisation. Agency Services processing now 100% STP. Over \$28b in payments and loan transactions processed in 4 months
- 3 Asset Finance platform delivering faster quotes (from 2 days to <1 hour)
- 4 Global customer registry across regions

Case Study

Australia Home Loans

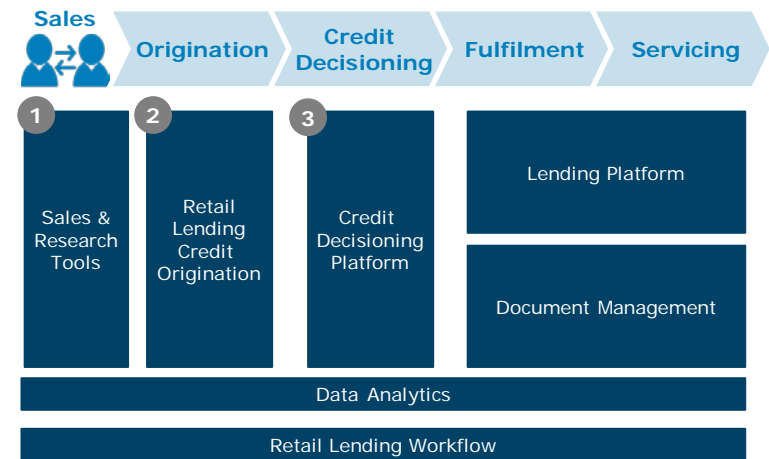
Operating across our regional network...

Distribution of Australia Retail Lending Operations



- 70% of activities performed in regional hubs. ~20 hour servicing window supporting “same day” approvals
- 6-day processing delivering “same day” decisions on Saturday for 1,200 customers every month
- NPS for Branch-based lending up 10 percentage points as part of Real Time Customer Feedback program
- Leveraging automation to release people from repetitive, low-value work

...enabled by shared platforms

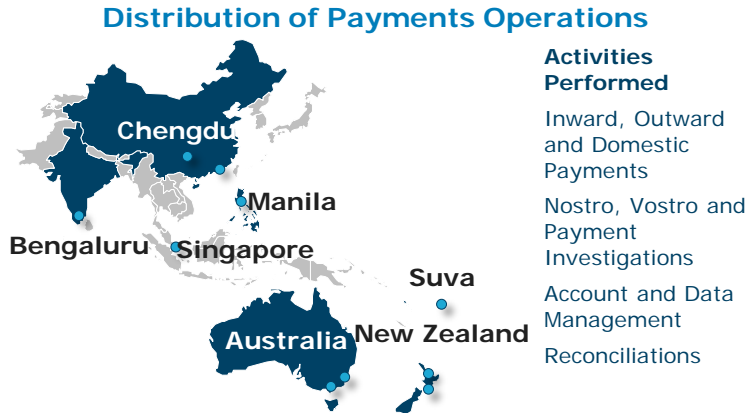


- 1 Sales applications providing a step change in tools for Mobile Lenders, plus enhancements to internet banking including STP and pre-approval
- 2 Consolidating from three to one home loan origination platform by FY17
- 3 Transition to common credit decisioning platform by FY17 will enable capital optimisation, significant cost savings and reduced decisioning time

Case Study

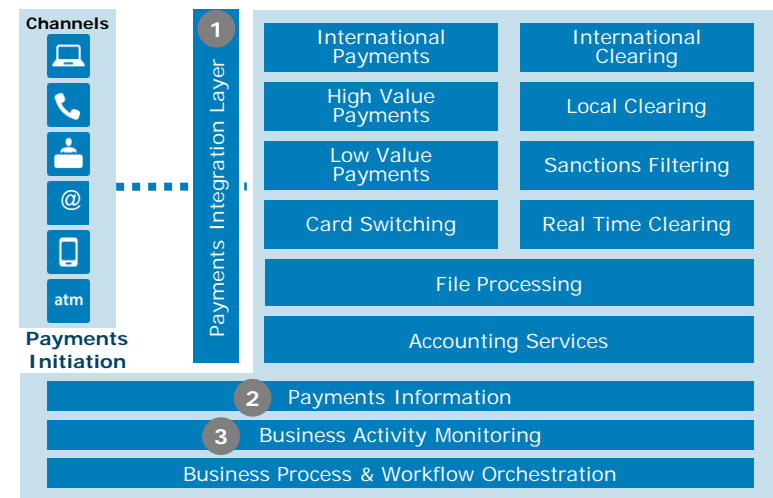
AUD Payments

Operating across our regional network...



- 1.8m AU domestic payments a day, unit costs down 27%¹
- STP of International Payments via AU Internet Banking up from 81% to 91%
- Better customer experience, with Trans-Tasman payments between ANZ accounts executed in <20 seconds
- Better quality globally, with manual payment defects per million transactions reduced from 865 in 2011 to 86 today
- Delivering scale, absorbing 27% volume growth since 2012 in International Payments at marginal cost increase
- Improved business resilience, with Real Time Gross Settlement outages in AU reduced by 34% year-on-year

...enabled by shared platforms



- 1 Standardised connection to payments, accounting and FX services. AU Internet Banking and Wholesale Lending (Agency) using connection, with more services planned
- 2 Real time monitoring of International and High Value Payments processing for Australia and New Zealand to enhance network resilience and customer service
- 3 For payments originated manually by customers, our DocFlow application standardises the capture of these instructions across 15 countries

1. Volume includes direct entry, cheque, and high value. Unit cost represents reduction between May-Jul 2015 vs Q4 FY14.

Annual Investment

Delivering enterprise capabilities to support super regional growth

Risk

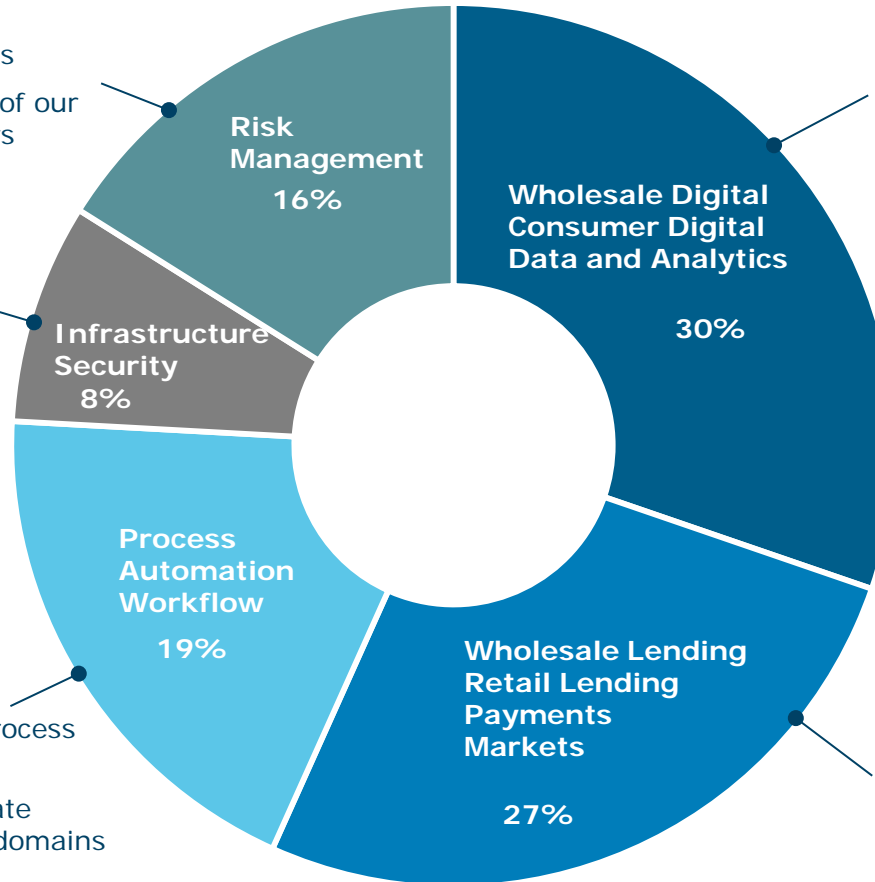
- Minimised operating risks
- Maintain the confidence of our customers and regulators

Stability and Security

- Upgraded infrastructure
- Enhanced resilience
- Strong security
- Reduced cost-to-serve

Productivity

- Simplify and integrate end-to-end workflow
- Increase systems and process standardisation
- Re-engineer and automate high-priority enterprise domains



Digitisation and CX

- Drive consistent customer experience across segment channels
- Foundations for omni-channel CX
- Enterprise-wide data management
- Customer insight and related analytics

Product Processing

- Coordinated approach to end-to-end wholesale lending
- Global capabilities for consumer lending
- Modern, resilient payments network
- Supporting markets growth with scalable platforms

ANZ invests approximately AUD1,200m per year in new technology. Disciplined management is allowing us to fund an increasing proportion of this annual investment from productivity gains in our wider delivery cost base

The material in this presentation is general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate

This presentation may contain forward-looking statements including statements regarding our intent, belief or current expectations with respect to ANZ's business and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices. When used in this presentation, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to ANZ and its management, are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Such statements constitute "forward-looking statements" for the purposes of the United States Private Securities Litigation Reform Act of 1995. ANZ does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

For further information visit

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