



Media Release

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ANZ provides update on Asian portfolio composition

ANZ today released an updated investor presentation in advance of this week's CLSA investor conference in Hong Kong providing additional information on the composition of its Asian portfolio.

The additional information highlights:

- ANZ's Institutional Asia Exposure at Default¹ (EAD) totals \$104 billion as at 30 June 2015 (circa 12% of ANZ Group EAD).
- China's EAD equates to \$26.1 billion (~3% of total EAD) of which \$9b is onshore.
- 88% of ANZ's China EAD has a tenor of less than one year including trade and supply chain and bonds compared with 50% for Institutional overall.
- 55% of ANZ's China EAD are to financial institutions, with more than half of that being to the top five systemically important Chinese banks.
- ANZ's China assets have a stronger average credit rating than ANZ's Institutional assets in Australia and New Zealand.

In an interview with ANZ's *BlueNotes* publication regarding the global economic environment and the investor presentation to be published today, ANZ Chief Executive Officer Mike Smith said: "Compared to where we were pre-crisis we look like a very different bank. We have a very strong balance sheet, a very good credit book and a very good capital position.

"We have a very high quality exposure in China and therefore return is going to be a little lower than if you were to go up the risk curve. The alternative in terms of the institutional bank is to look for growth in Australia at a much higher risk. We have not done that and the credit quality of the group is better than it ever has been.

"China only accounts for about three per cent of our total outstandings as a Group which is very small. The significance of that is that 88% of our exposure to China is of a tenor of less than one year which....means that should there be issues, our ability to reduce our exposure is very straight forward," Mr Smith said.

For the full interview with Mr Smith see www.bluenotes.anz.com and for the investor pack visit anz.com/shareholder

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¹ Exposure at Default (EAD) is defined as the expected facility exposure as the date of default, which reflects limits rather than outstandings