

13

HALF YEAR RESULTS
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

30 April 2013

**Results Presentation &
Investor Discussion Pack**



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All figures are presented on Cash basis in Australian Dollars unless otherwise noted. In arriving at cash profit, statutory profit is adjusted to exclude non-core items as set out on slide 25 with further information included on pages 75 to 84 of the 2013 Half Year Results announcement

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AUSTRALIA AND NEW ZEALAND
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Mike Smith
Chief Executive Officer



Focus on differentiated growth, productivity and shareholder returns

1. Growth

Diversified, low risk growth outcomes and opportunities

2. Productivity

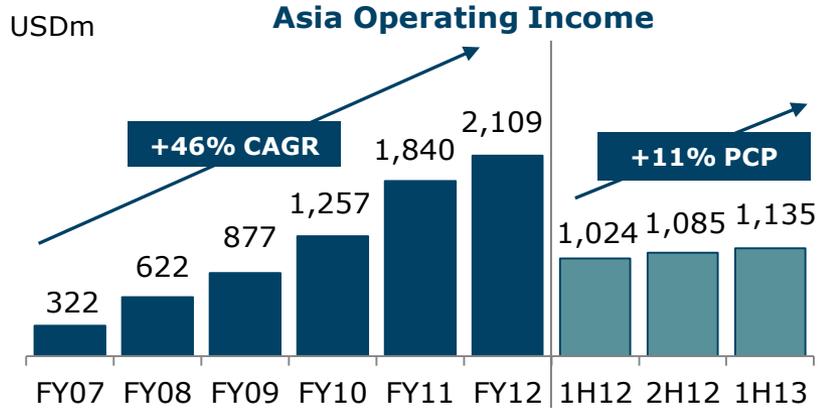
Step change in productivity and cost management

3. Shareholder Returns

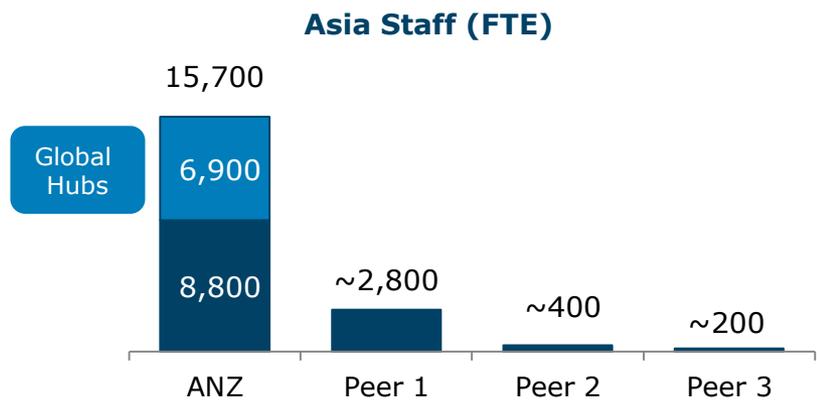
Driving improved ROE and shareholder returns

We have built scale, capability and momentum in Asia

ANZ has built a substantial business in Asia

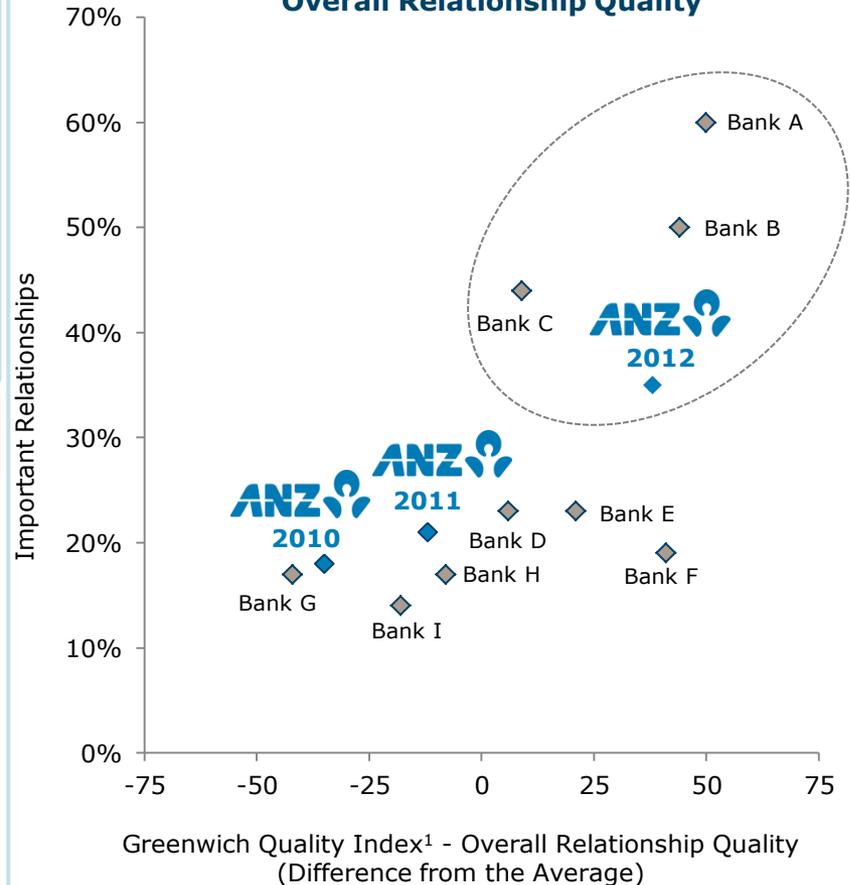


Significantly larger presence than domestic peers



A top 4 Corporate Bank in Asia

Greenwich Associates Large Corporate Survey Overall Relationship Quality



1. The Greenwich Quality Index score is based upon a normalized composite of all qualitative evaluations transformed to a scale of 0 to 1,000 with the difference from the average shown. Note: Cross-hairs are calculated by the average of the banks shown in graph.



A differentiated strategy that is delivering for shareholders and customers

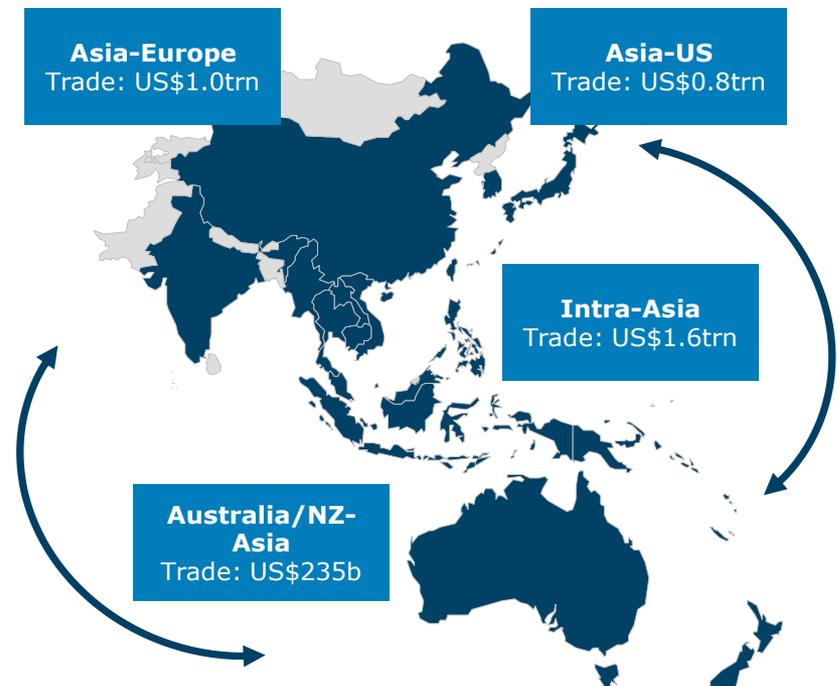
ANZ has built a substantial business in Asia



Average 5 year GDP growth



Established network to support faster growing regional flows in trade, capital and wealth



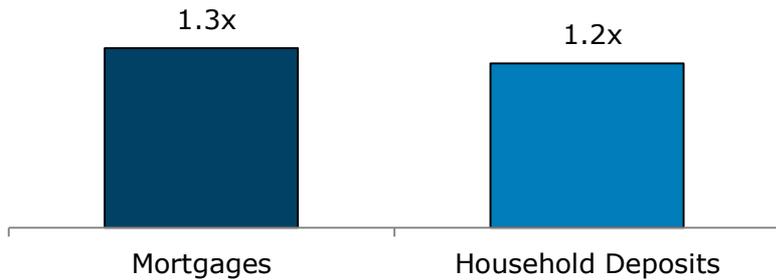
Source: World Trade Organisation

1. Greater Mekong includes Vietnam, Cambodia & Laos.

Diversified, low risk growth outcomes and opportunities

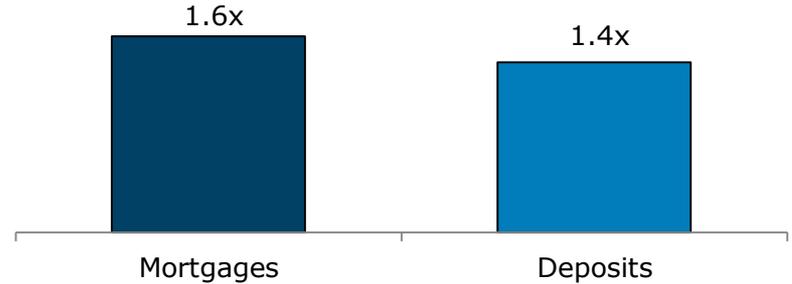
Australia

12 month growth vs system¹



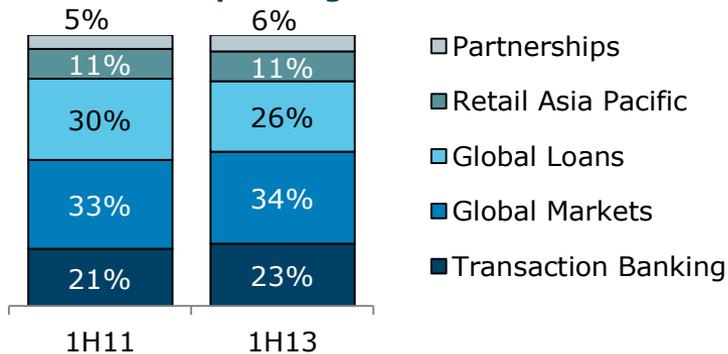
New Zealand

12 month growth vs system²



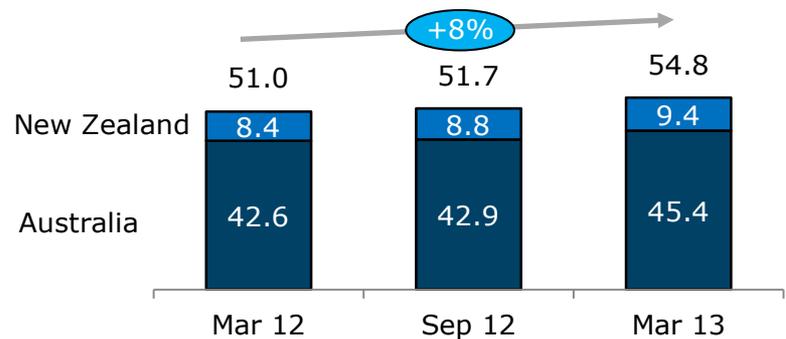
International & Institutional Banking

Operating Income Mix 1H13



Global Wealth

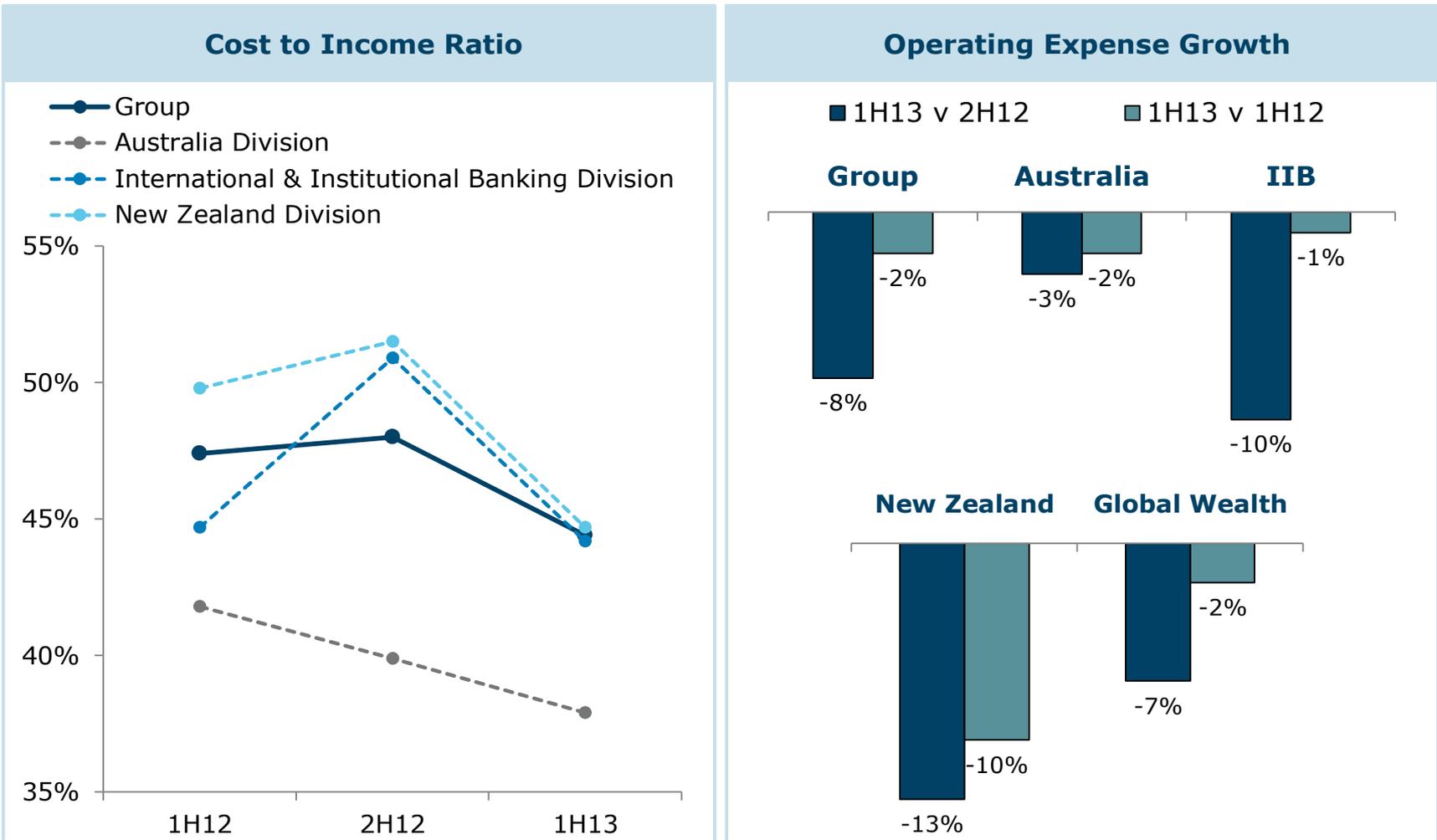
Funds Under Management (\$b)



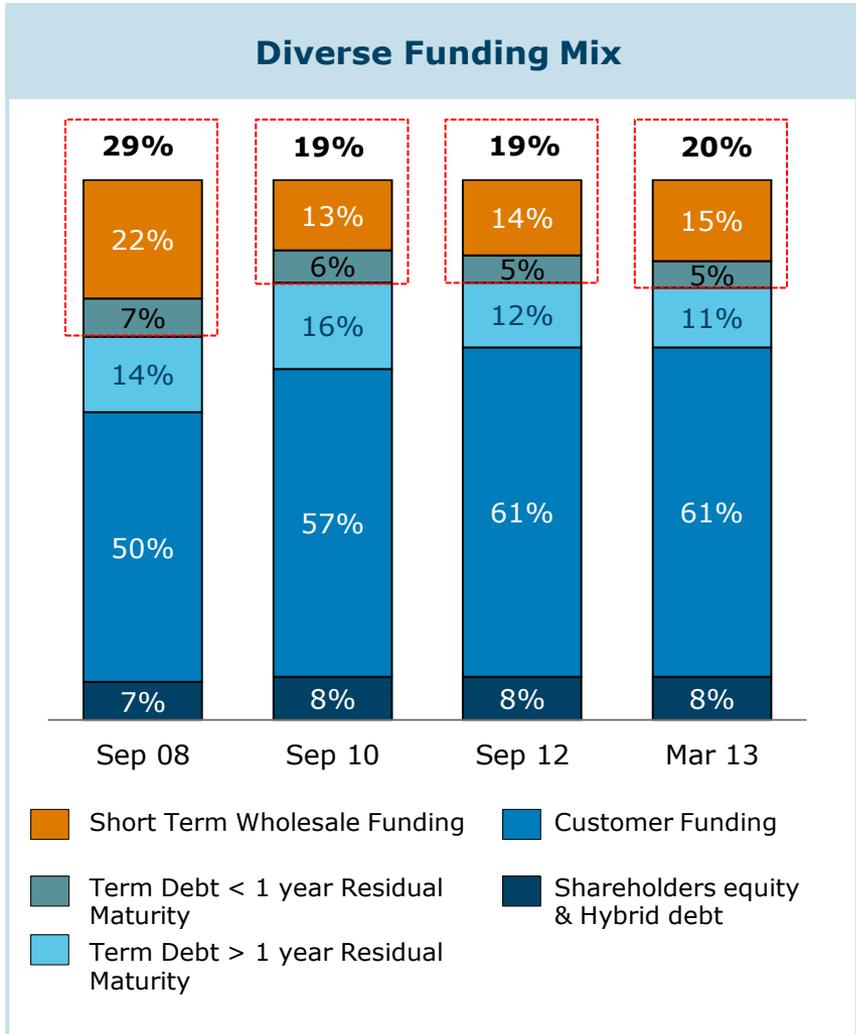
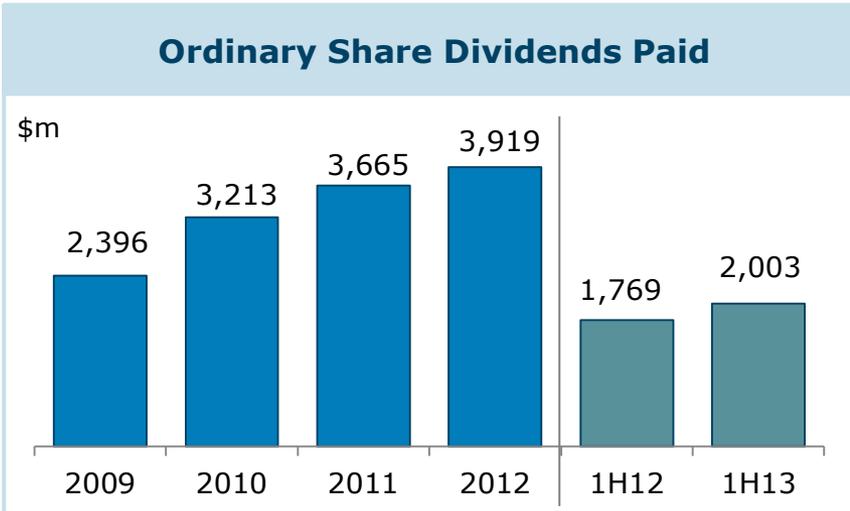
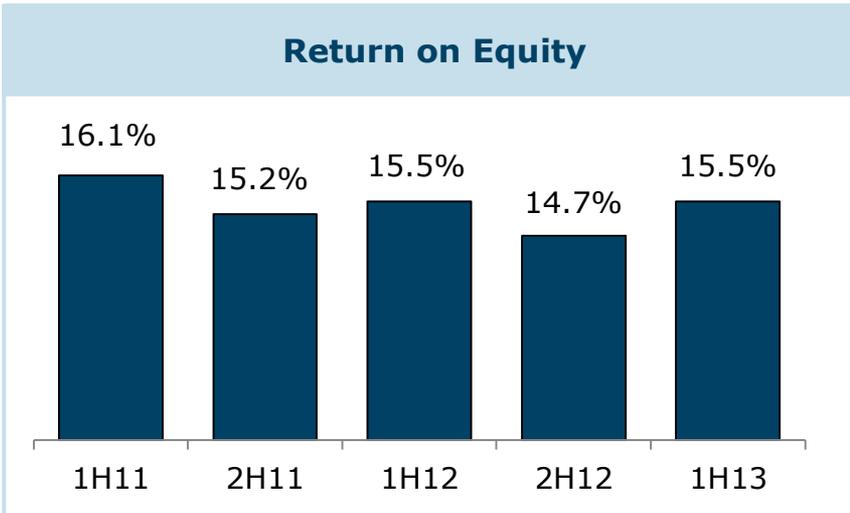
1. Source: Mortgage system based on RBA data. Household deposit system based on APRA banking statistics.

2. Source: RBNZ, Share of all providers. Mortgages at February 2013, Deposits as at December 2012

Step change in productivity and cost management



Shareholders are benefitting from ANZ's momentum driving increased returns



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BANKING GROUP LIMITED

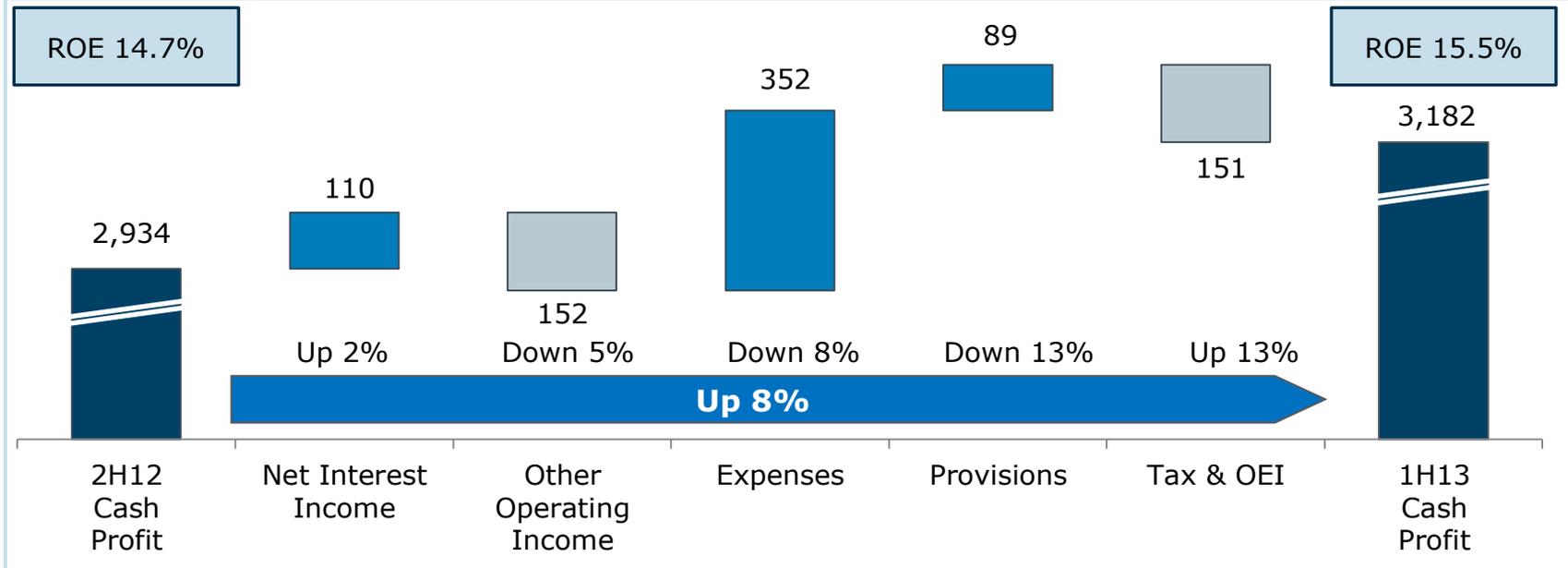
30 April 2013

Shayne Elliott
Chief Financial Officer



1H13 financial performance

Cash Profit Movement 1H13 v 2H12 (\$m)

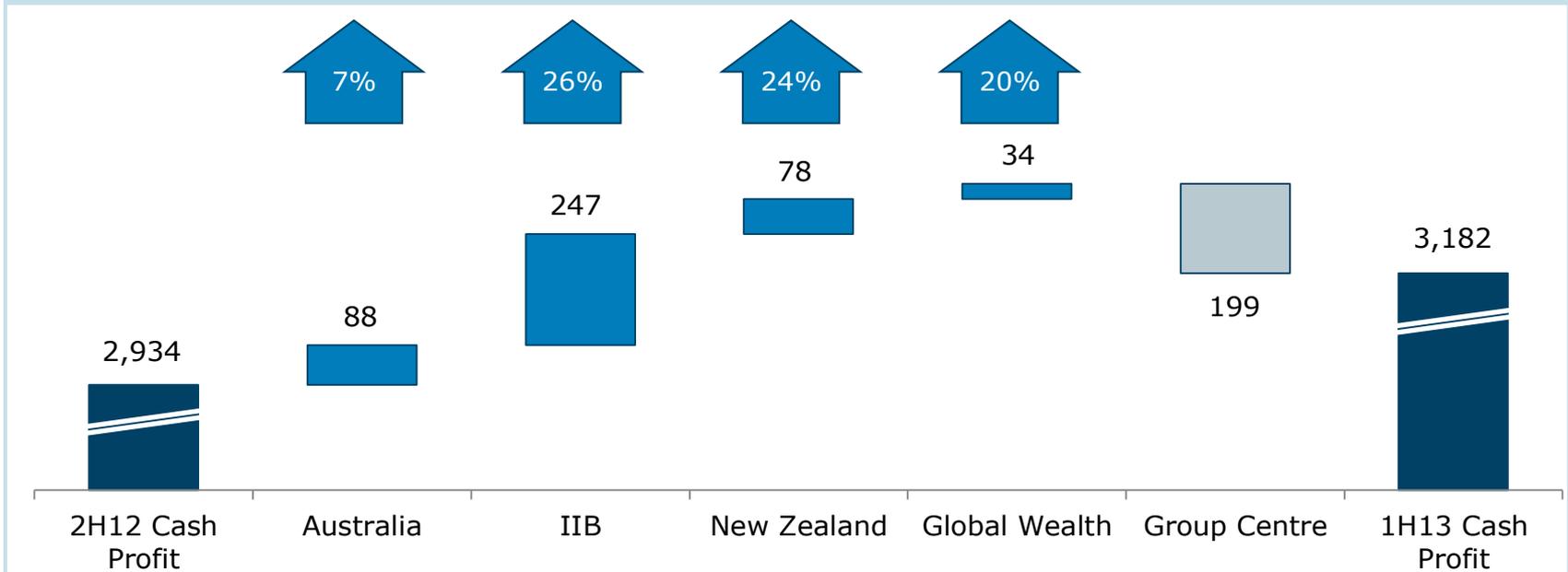


Cash Profit Movement 1H13 v 1H12 (\$m)

1H12 Cash Profit	Net Interest Income	Other Operating Income	Expenses	Provisions	Tax & OEI	1H13 Cash Profit
2,896	252	114	(99)	29	150	3,182
	Up 4%	Up 4%	Down 2%	Up 5%		Up 10%

1H13 financial performance by Division

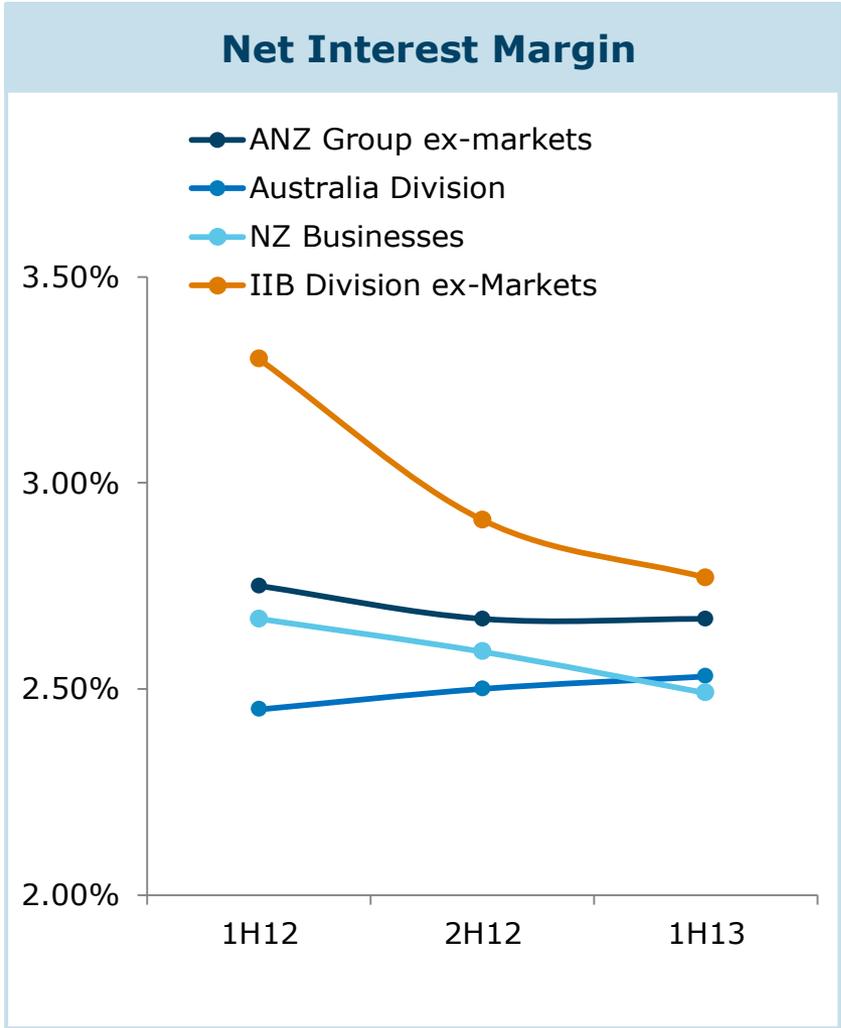
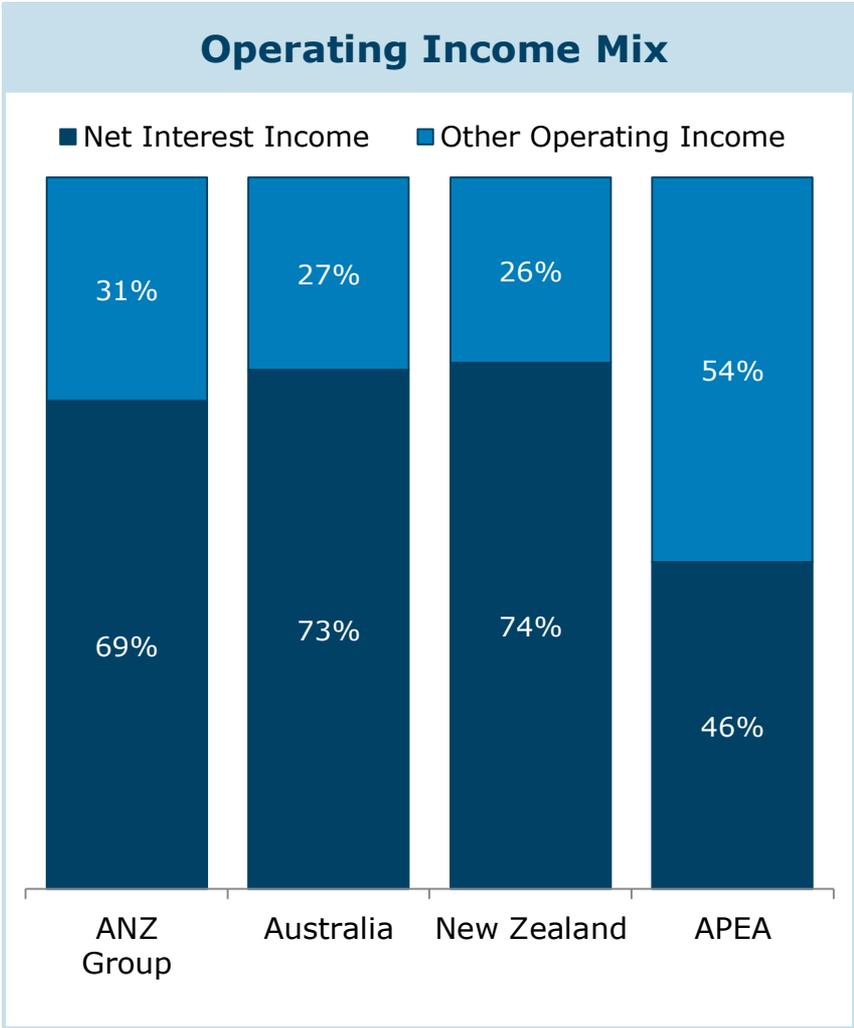
Cash Profit by Division 1H13 v 2H12 (\$m)



Cash Profit by Division 1H13 v 1H12 (\$m)

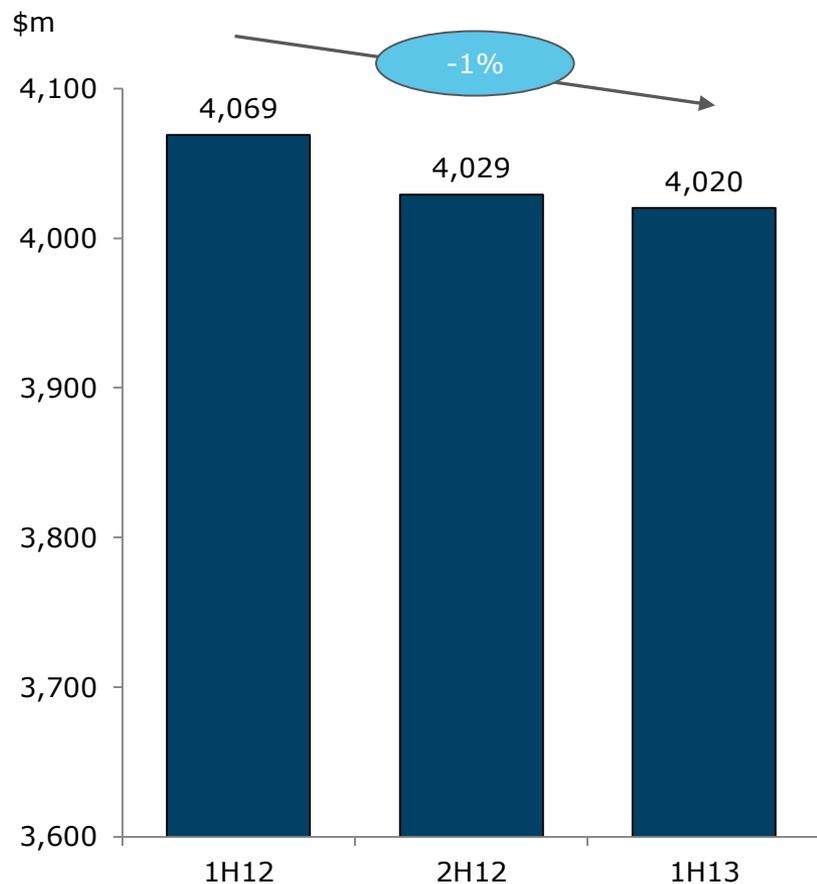
1H12 Cash Profit	Australia	IIB	New Zealand	Global Wealth	Group Centre	1H13 Cash Profit
2,896	144	40	74	26	2	3,182
	Up 11%	Up 3%	Up 23%	Up 15%		Up 10%

Operating Income and Net Interest Margin

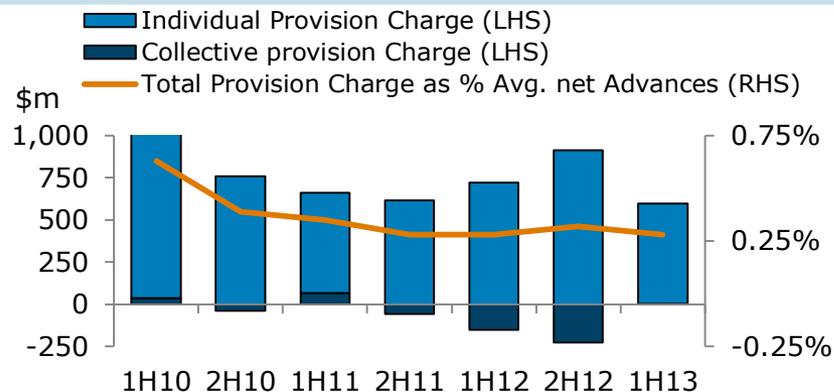


Progressing productivity agenda and improving credit quality

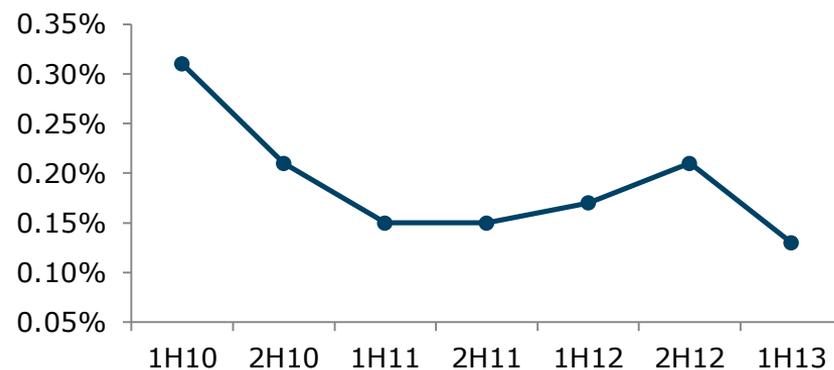
Operating Expenses normalised for one-off items¹



Provision Charge



Individual provision charge as % of Gross Loans and Advances



1. Excludes software impairment expenses (Sep 12 half: \$273m) and expenses related to the NZ Simplification (Mar 13 half: \$14m; Sep 12 half: \$84m; Mar 12 half: \$64m)

Delivering ANZ's strategy

Super Regional Strategy

To become the best connected and most respected bank across the region

Strengthen our position in Australia & New Zealand

Capture faster growing regional flows in trade, capital and wealth

Diversify revenue streams by product, geography and customer

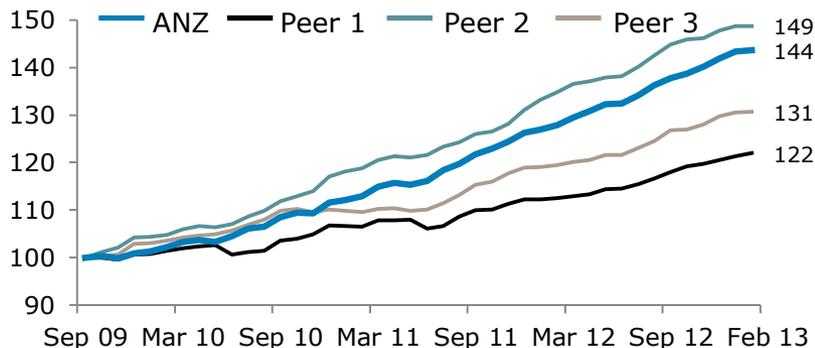
Drive operational efficiency and productivity

Manage risk, balance sheet and capital to drive superior return for shareholders

Strengthening our position in our home markets - Australia

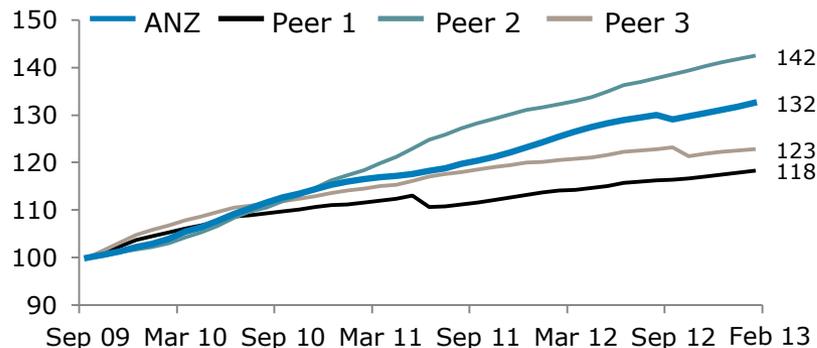
Household deposits growth¹

Indexed Sep 2009 = 100

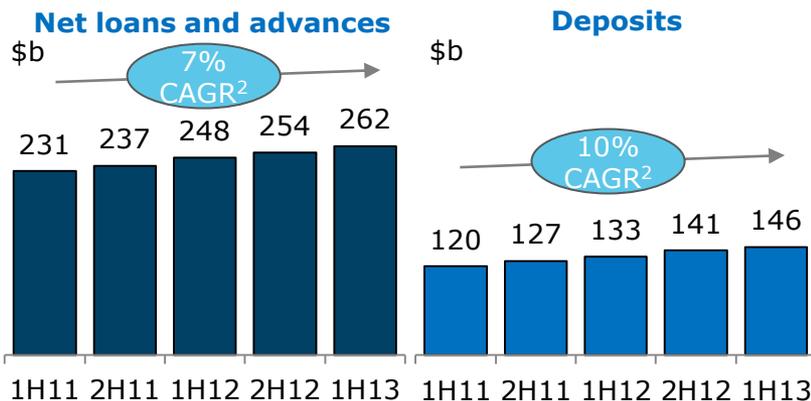


Household lending growth¹

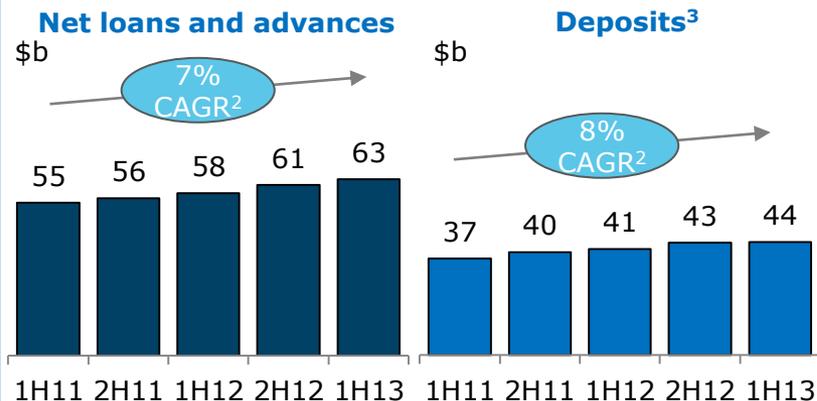
Indexed Sep 2009 = 100



Australia Division Net loans and advances & Deposits



Corporate & Commercial Banking Net loans and advances & Deposits



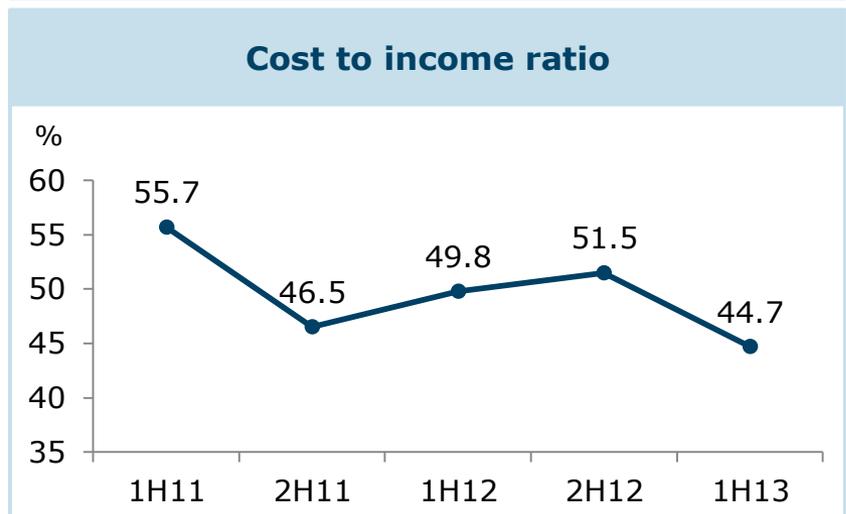
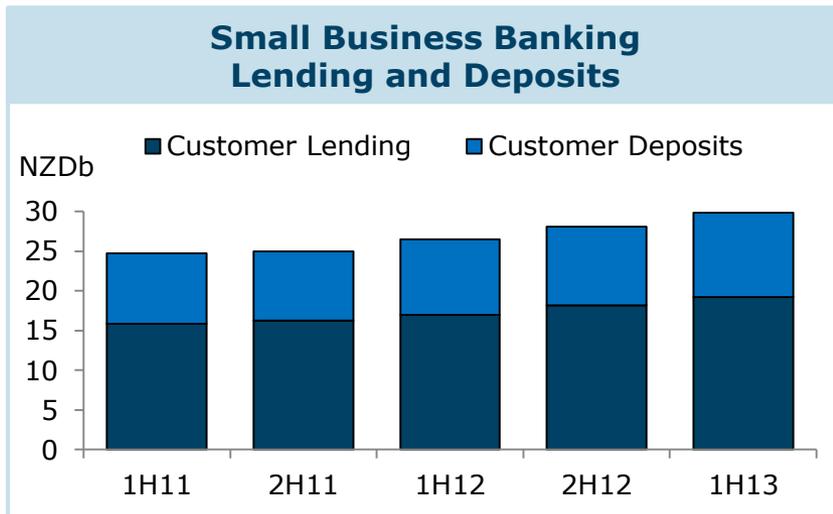
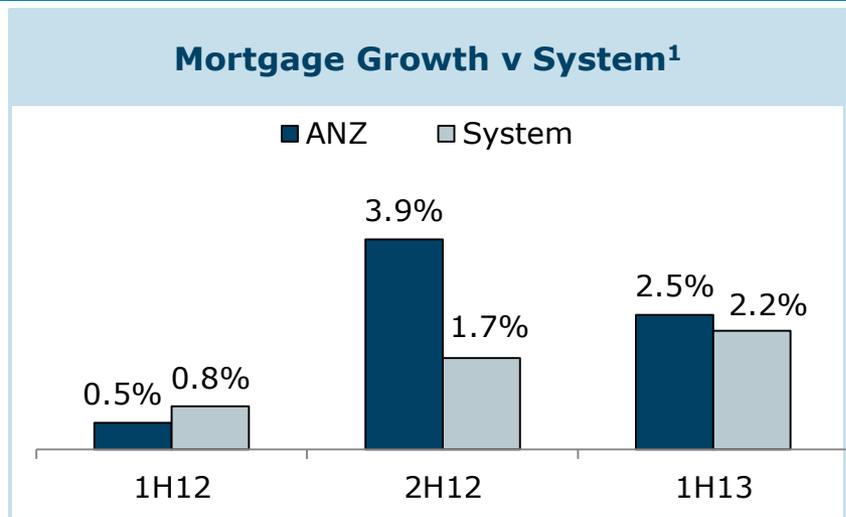
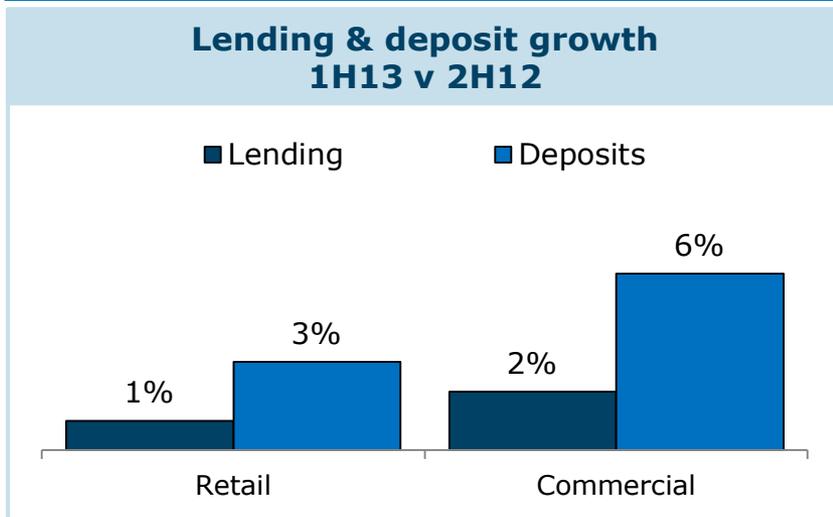
1. Source: APRA Banking statistics

2. Represents annualised CAGR

3. Excludes Corporate Banking deposits which are included in the IIB division deposits (Corporate Deposits as at Mar 13 half: \$5.8b Sep 12 half: \$6.2b; Mar 12 half: \$5.8b; Sep 11 half: \$6.3b; Mar 11 half: \$6.3b)



Strengthening our position in our home markets - New Zealand

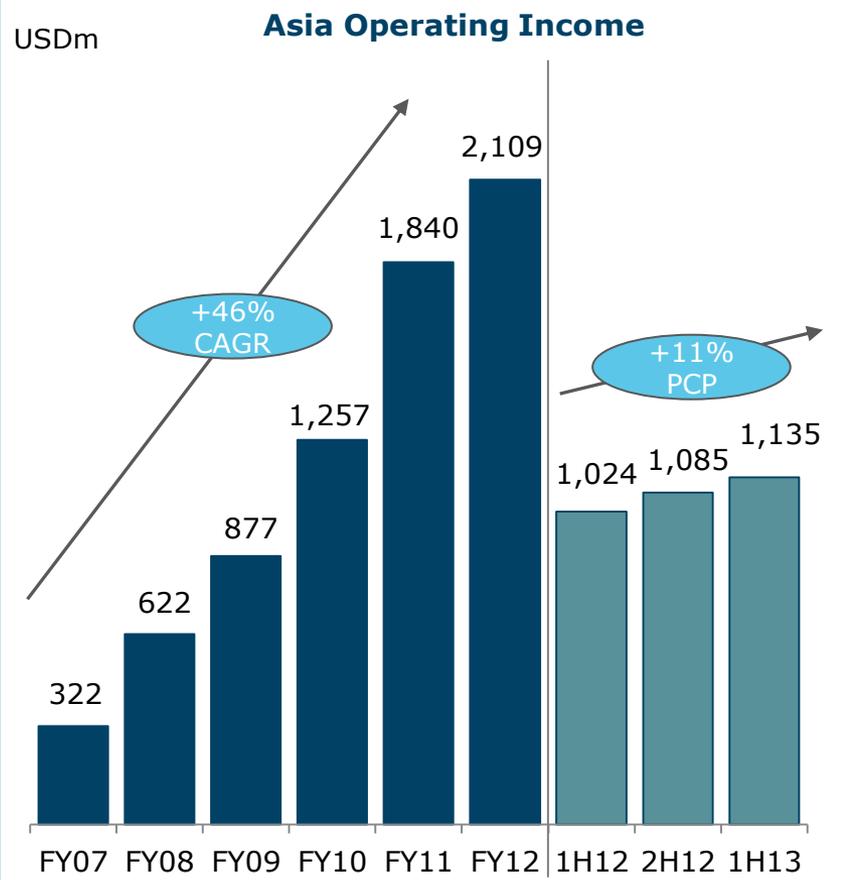


1. Data source: RBNZ NZ C6 and ANZ's submission to RBNZ. 1H13 data is as at Feb 13



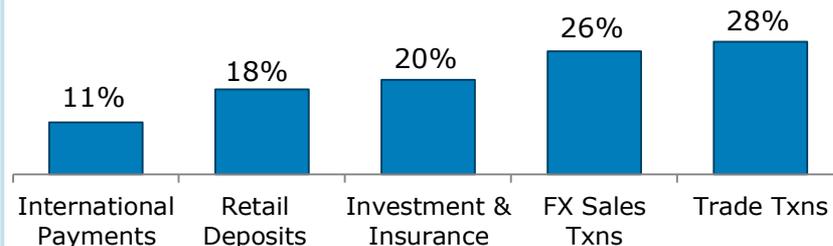
Capturing faster growing regional flows in trade, capital and wealth

Significant growth achieved since commencing super regional strategy



Volume growth has remained strong

Asia Volume growth (1H13 v 1H12)



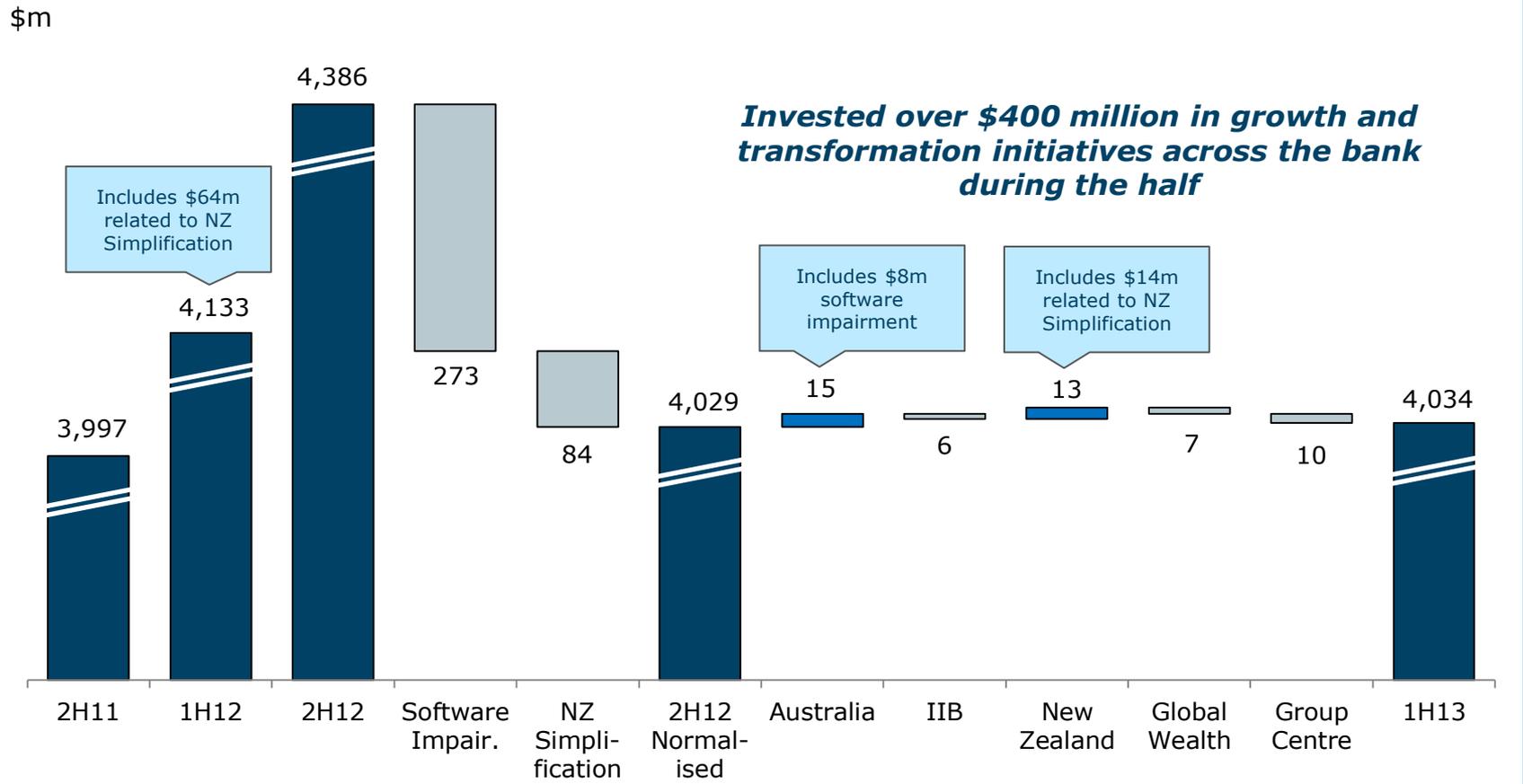
Achieved scale in core franchise markets



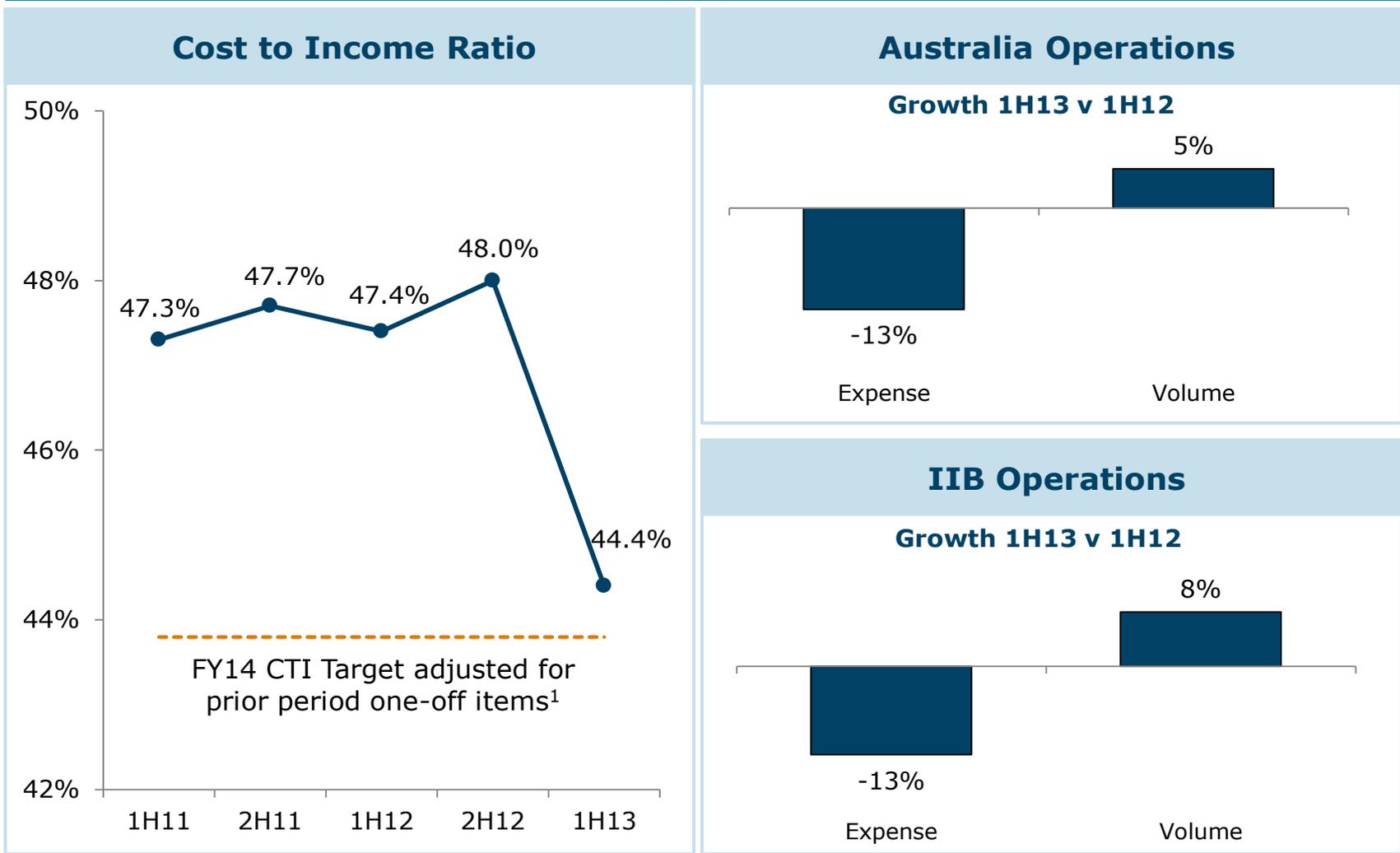
1. Greater Mekong – Vietnam, Cambodia & Laos.

Driving operational efficiency and productivity

Operating Expenses Movement by Division



Focused on increased productivity

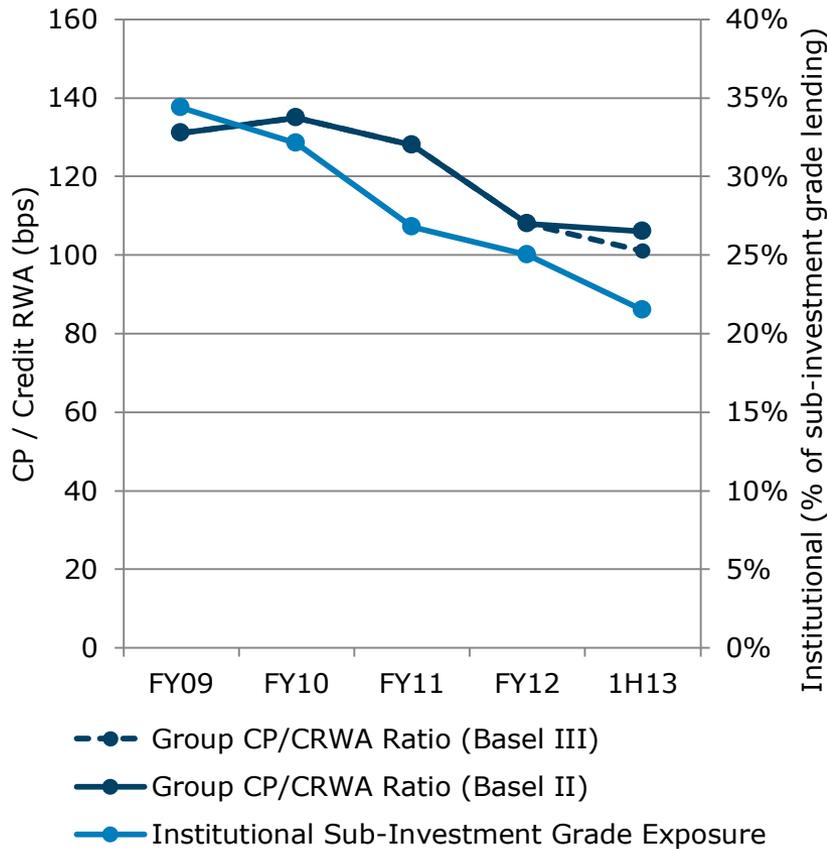


1. FY14 CTI Target of 43.8% based on a 2% reduction to FY12 CTI adjusted for the gain on sale of Visa shares (\$291m), expenses relating to capitalised software impairment (\$273m), forgone amortisation costs (\$25m) and NZ Simplification (\$149m)

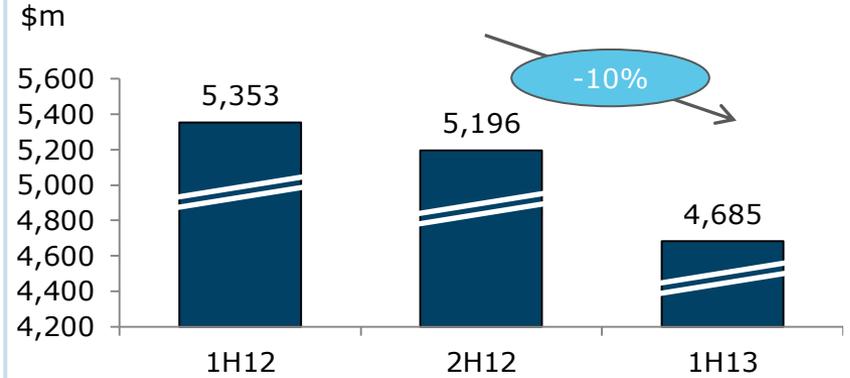


Credit quality in line with expectations

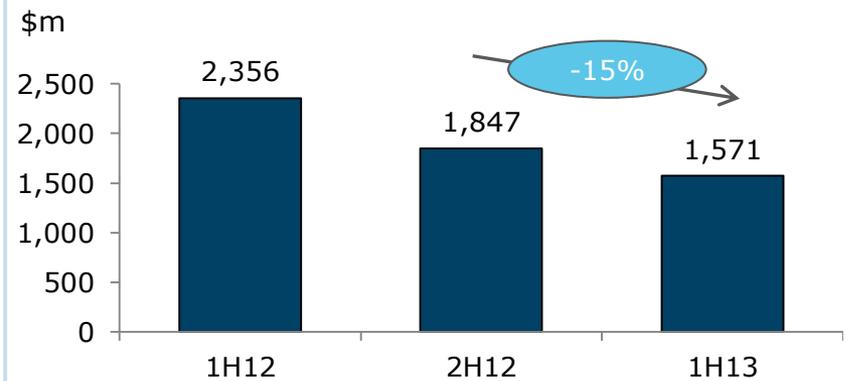
Global Institutional Sub Investment Grade Exposures continue to decline



Gross Impaired Assets

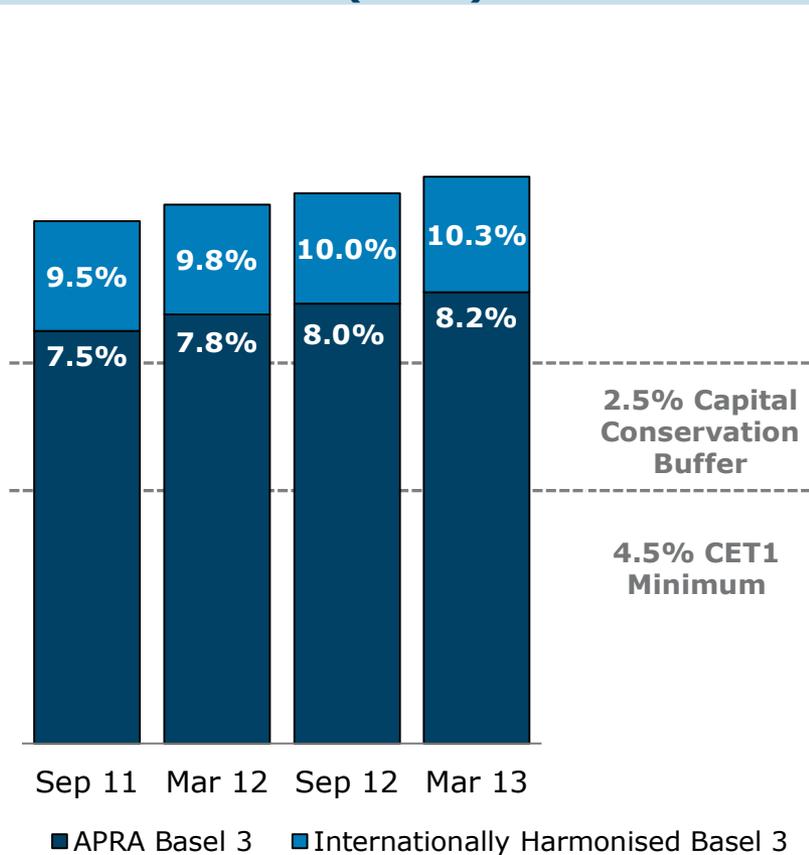


New Impaired Assets

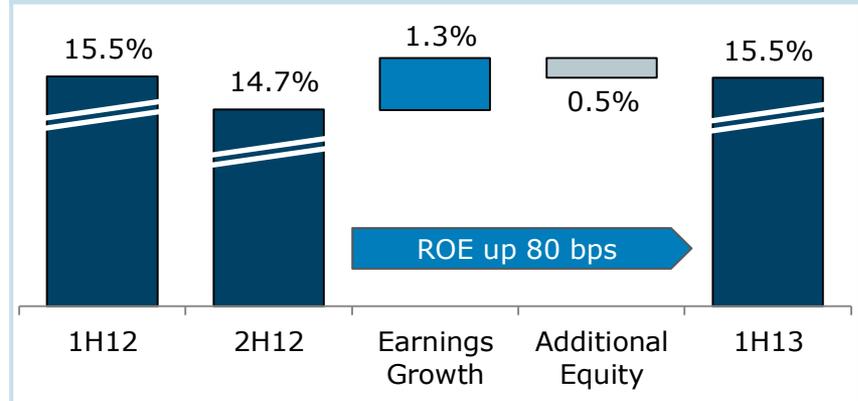


Driving capital efficiency and superior returns for shareholders

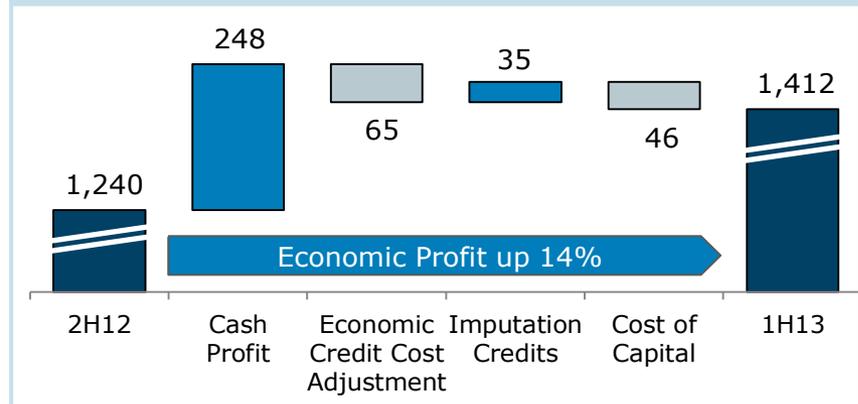
Capital levels are well positioned (CET1)



Return on Equity movement 1H13 v 2H12



Economic Profit movement 1H13 v 2H12



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AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

30 April 2013

**Investor Discussion Pack
Additional Financial Information**



Overview of financial performance

	1H13 \$M	Growth vs 2H12	Growth vs 1H12
Cash Profit	3,182	+8%	+10%
Operating Income	9,086	Flat	+4%
Expenses	4,034	-8%	-2%
Provisions	599	-13%	+5%
Statutory Net Profit After Tax	2,940	+7%	+1%
EPS (cents)	117	+7%	+7%
Dividend per Share (cents)	73	n/a	+11%
Net Interest Margin	2.25%	-3bps	-10bps
Customer deposits	344,135	+5%	+12%
Net loans and advances (incl. acceptances)	441,980	+3%	+7%

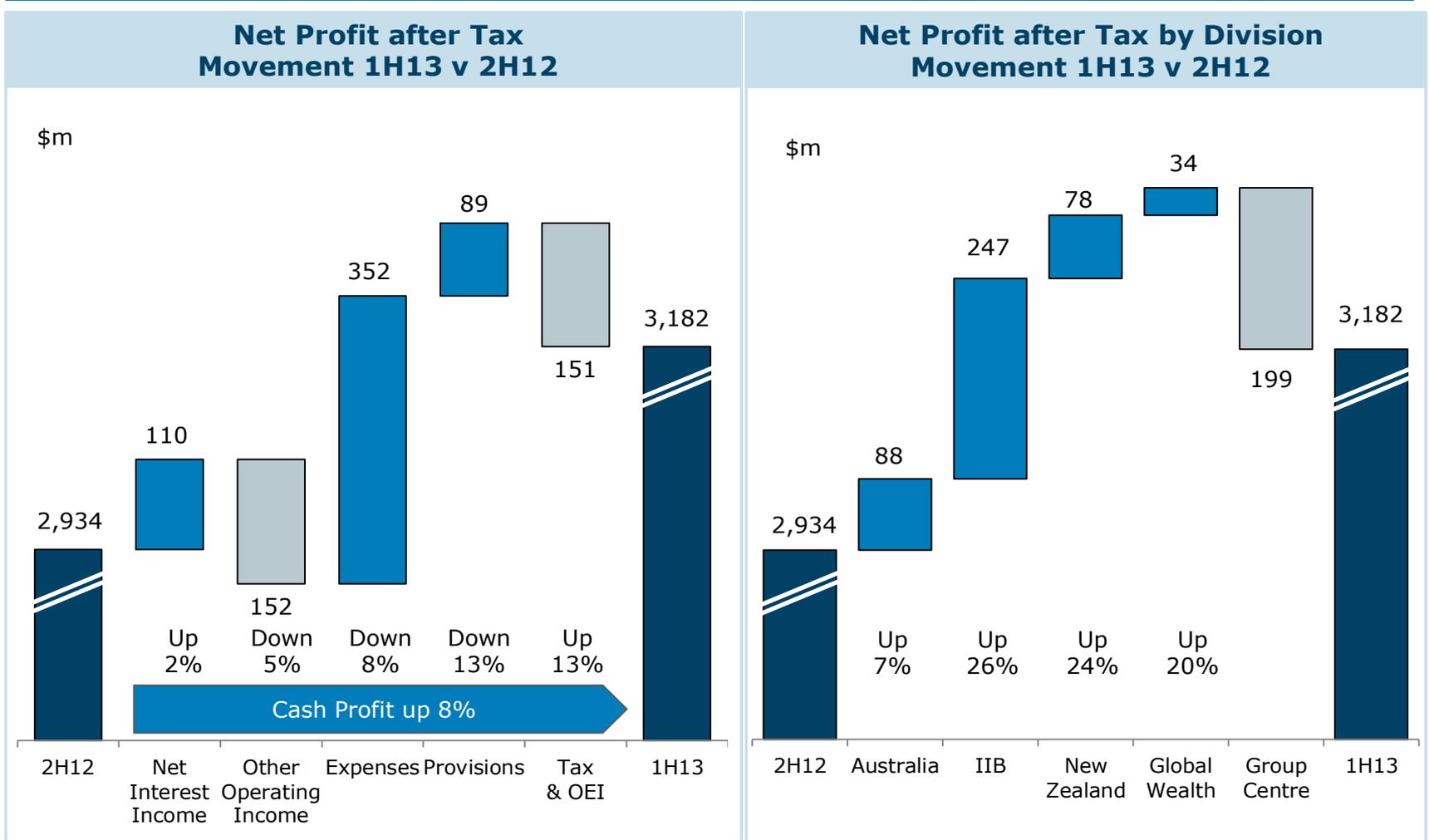
All figures other than Statutory Net Profit after Tax and Dividend are presented on Cash basis

Adjustments between Statutory Profit and Cash Profit

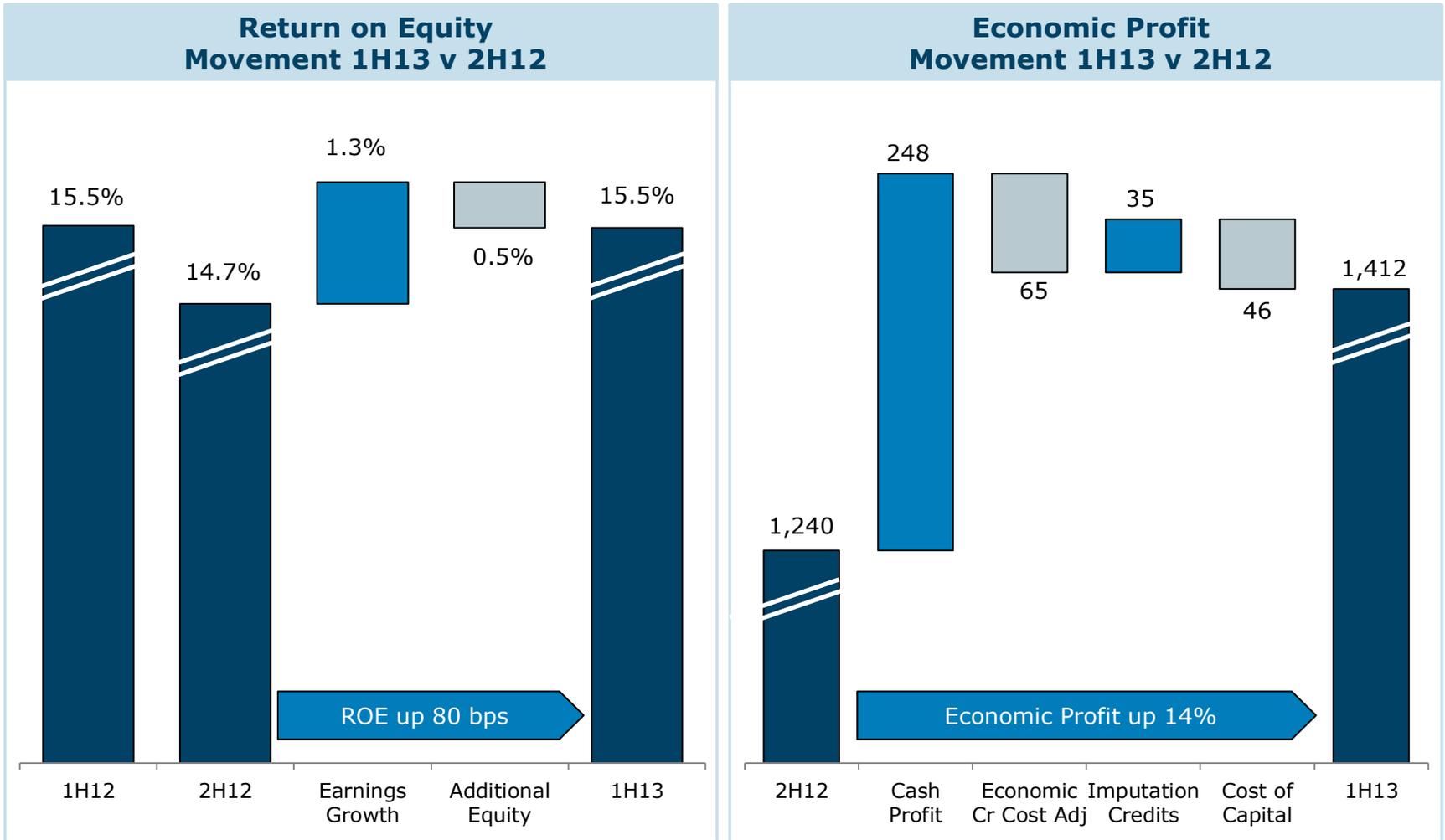
	1H13 \$M
Statutory profit	2,940
Adjustments between statutory profit and cash profit	
Treasury shares adjustment	53
Revaluation of policy liabilities	19
Economic hedging	192
Revenue and net investment hedges	16
Structured credit intermediation trades	(38)
Total adjustments between statutory profit and cash profit¹	242
Cash profit	3,182

1. Refer to pages 75 to 84 of the ANZ Consolidated Financial Report Dividend Announcement and Appendix 4E for an analysis of the reconciliation of statutory profit to cash profit

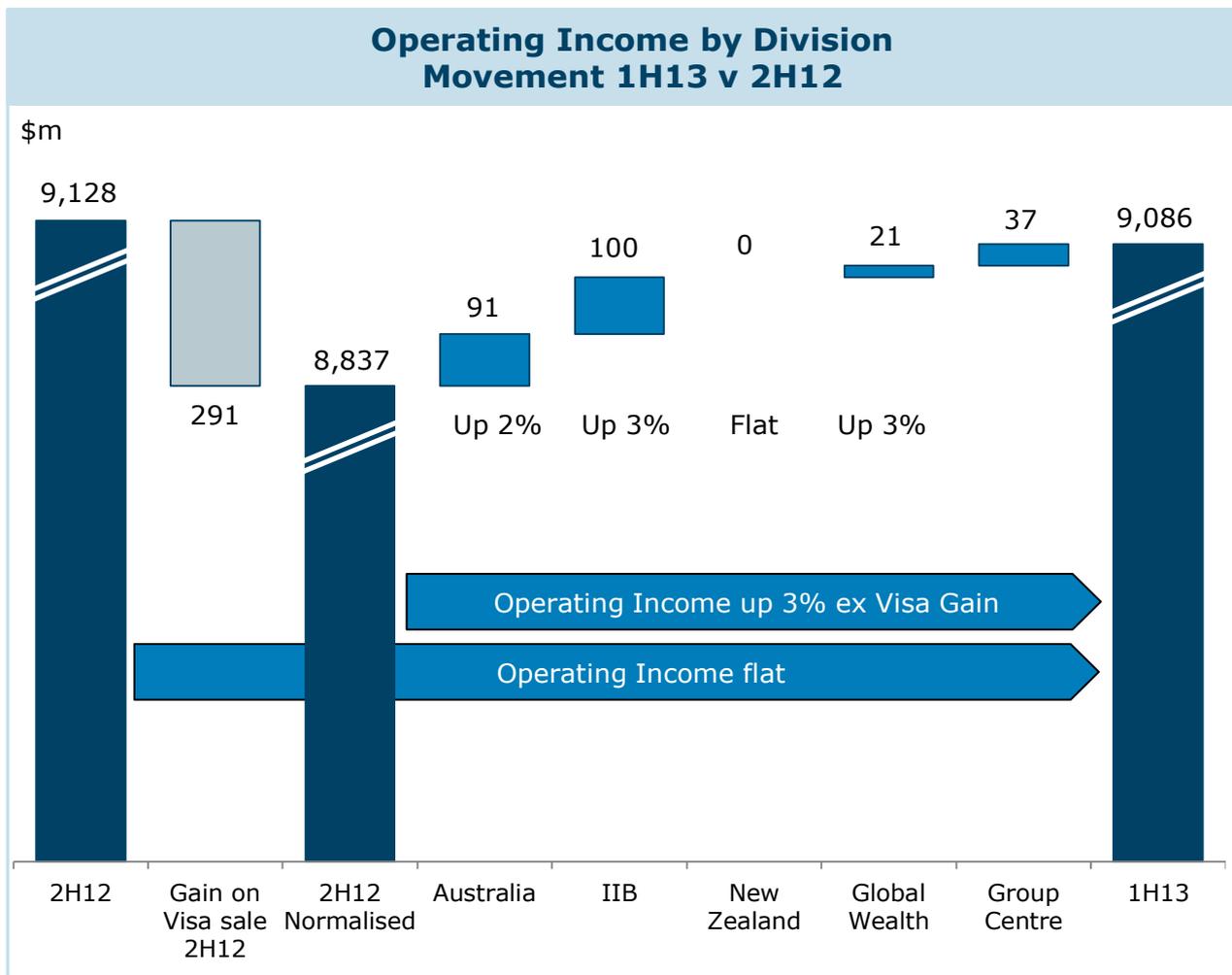
Cash Net Profit after Tax



Return on Equity and Economic Profit



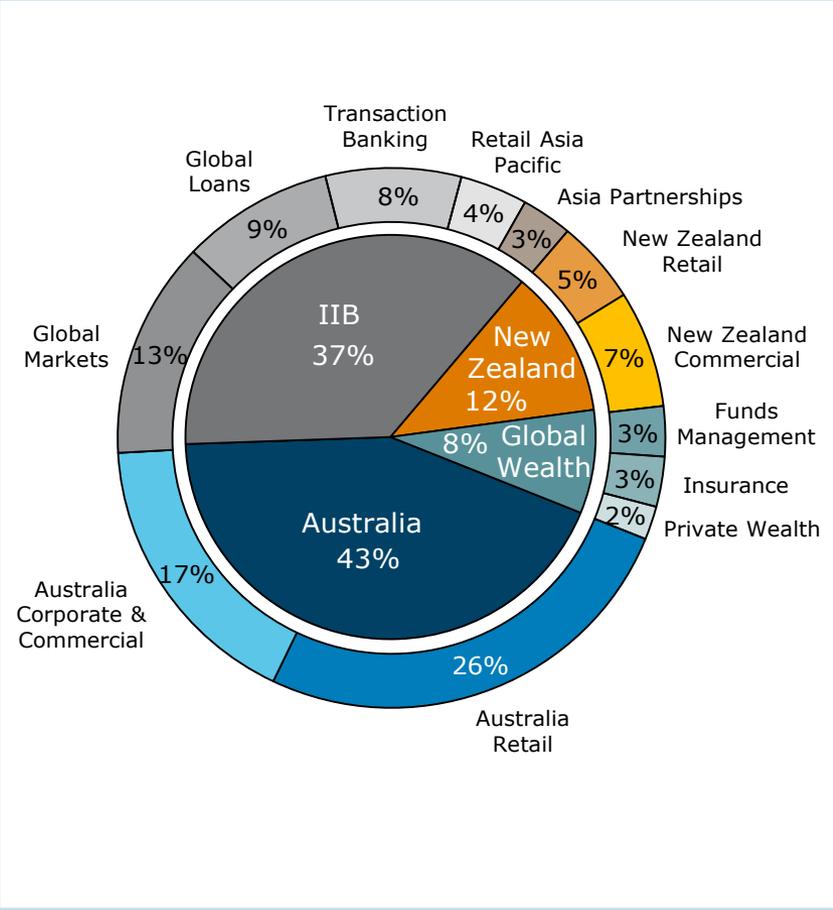
Global Markets, Australia Retail and Corporate & Commercial Banking the key drivers of income growth in 1H13



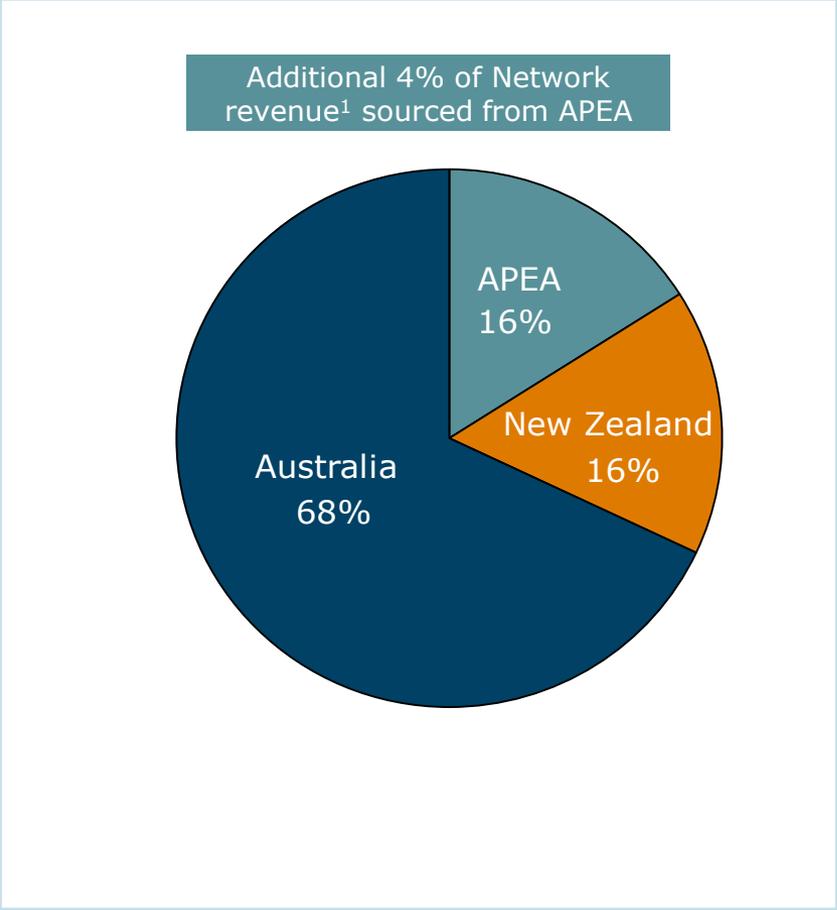
- Australia**
- Above system growth in mortgages and strong growth in C&CB
 - Active margin management outweighing deposit pricing pressures
- New Zealand**
- Margins impacted by increased competition and customers moving from variable to lower margin fixed mortgages offsetting positive contribution from lending growth
- International & Institutional Banking**
- Margins lower due to pricing pressure in deposits and increased competition
 - OOI higher driven by growth in Global Markets and higher customer volume
- Global Wealth**
- Operating income growth predominantly driven by strong gains in the investment market, an improvement in lapse experience and higher inforce premiums

Continue to diversify operating income by customer, product and geography

Operating Income Mix by Division (1H13)



Operating Income Mix by Geography (1H13)



1. Network revenue represents income booked in a jurisdiction different to where a client relationship is managed

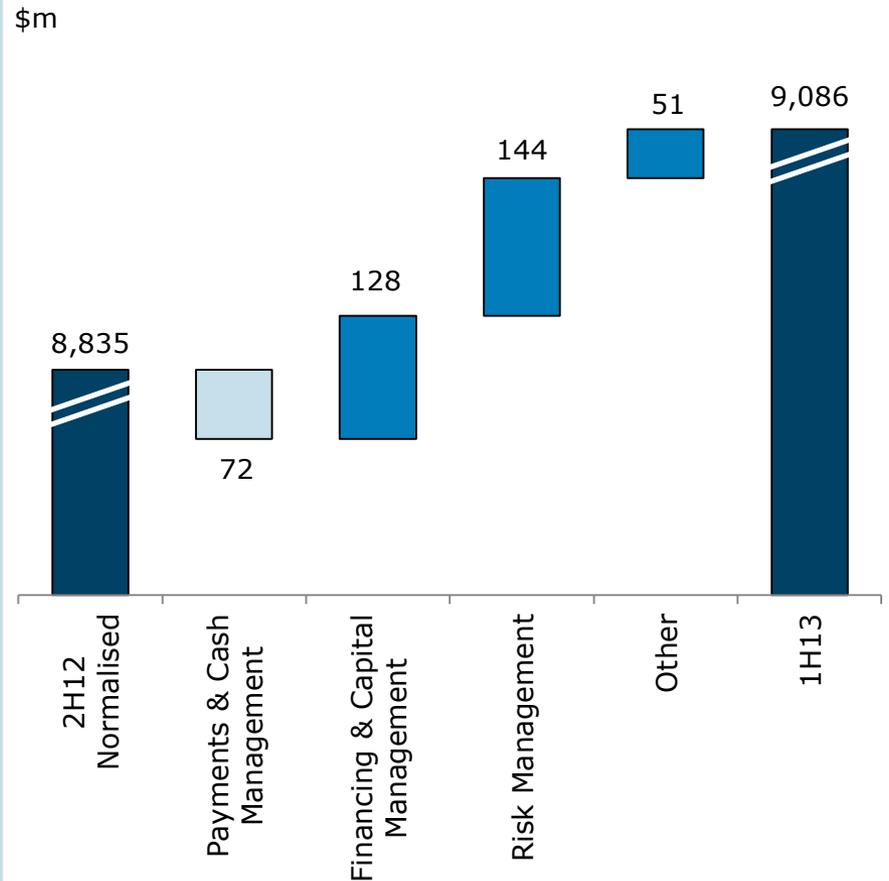


Key drivers of operating income

Operating Income Mix by Line of Business



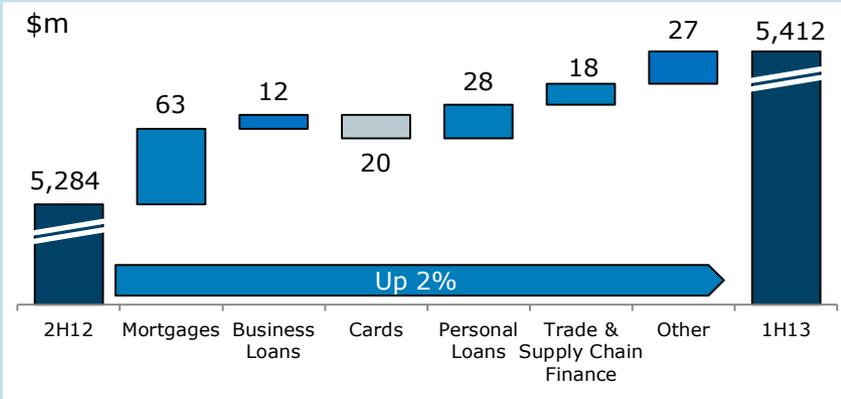
Operating Income movement 1H13 v 2H12¹



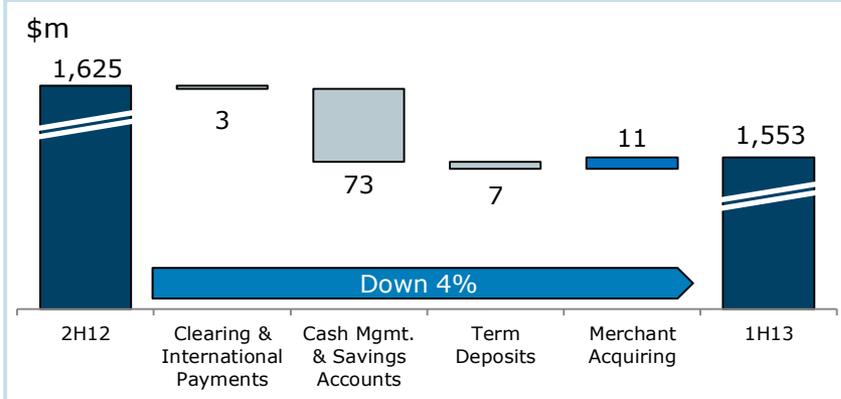
1. Note: 2H12 operating income adjusted to exclude the Visa share sale

Operating Income by line of business

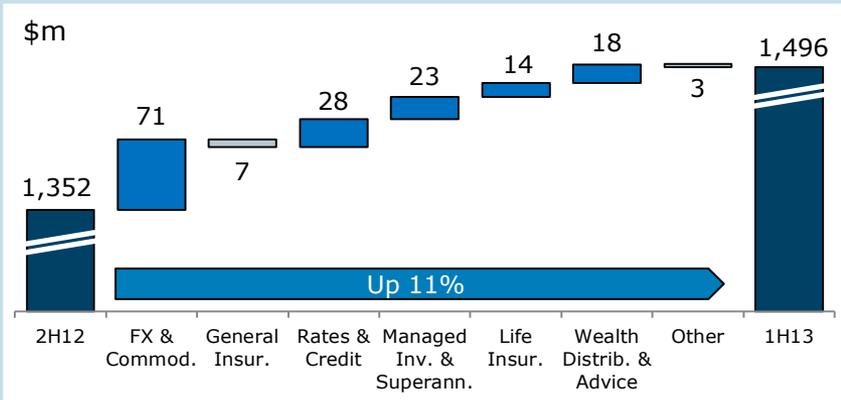
Financing & Capital Management



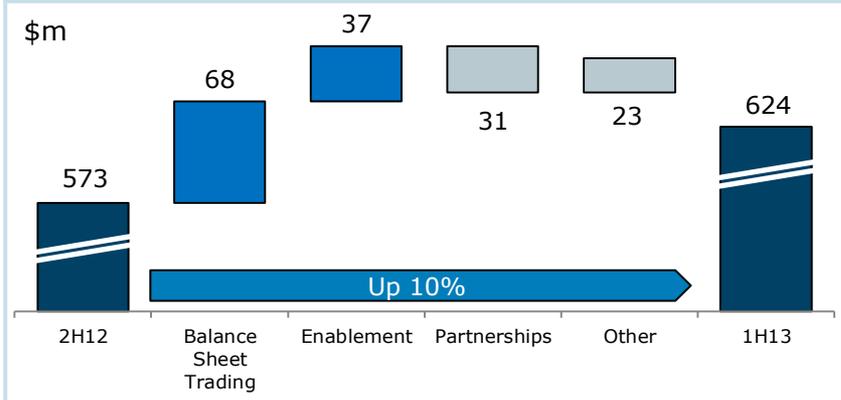
Payments & Cash Management



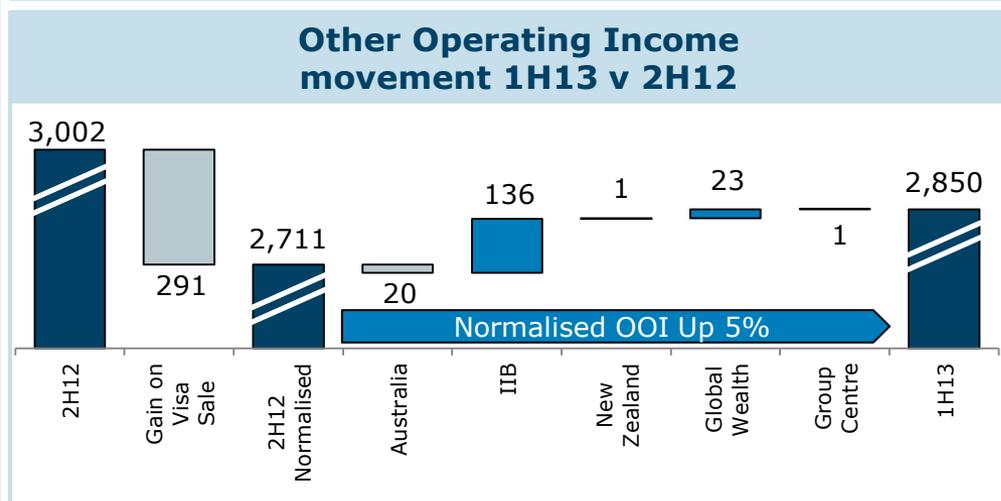
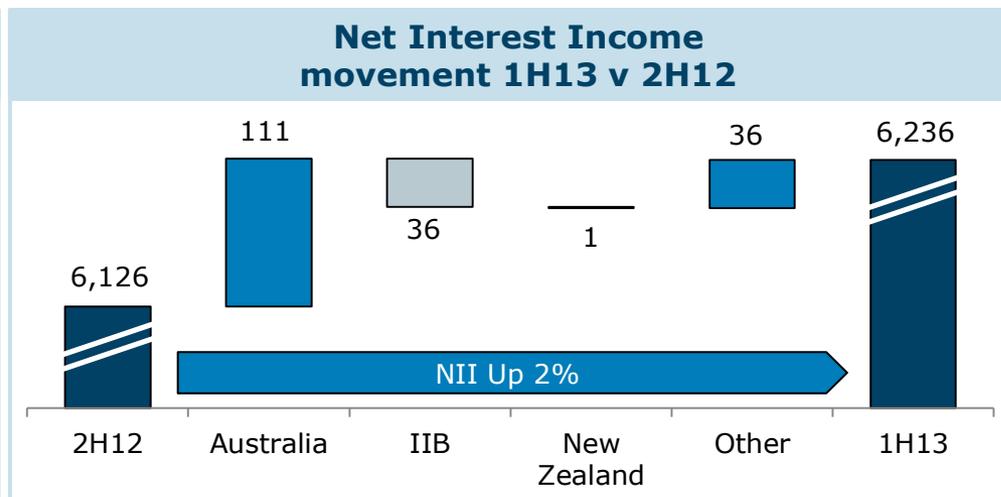
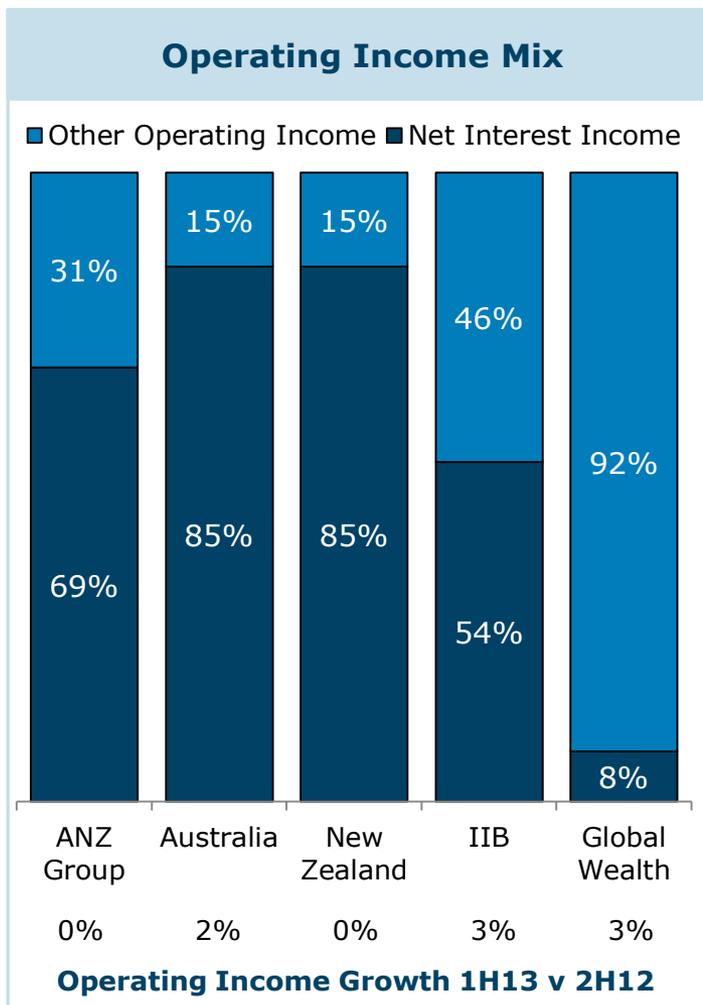
Risk Management



Other Income Streams



Growth in Institutional and Wealth increasing contribution of Other Operating Income



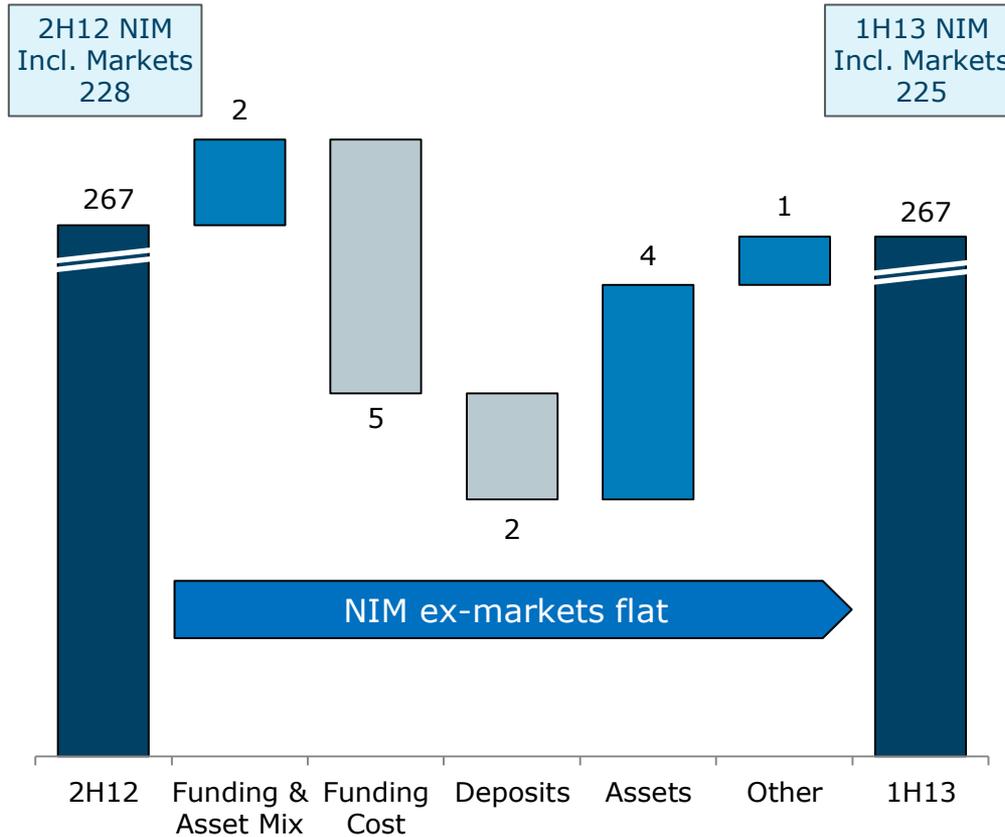
Net Interest Margin – movement summary

bps	Group	Divisions			Geographies	
		Australia	New Zealand	IIB	Australia	New Zealand
2H12 NIM ex-Markets	267	250	259	291	276	260
Funding & Asset Mix	2	0	1	-1	3	1
Funding Costs	-5	-4	-3	-10	-6	-2
Deposits	-2	-2	1	-4	-2	2
Assets	4	9	-7	0	8	-7
Other	1	0	-2	1	0	-3
Movement ex-Markets	0	3	-10	-14	3	-9
1H13 NIM ex-Markets	267	253	249	277	279	251

Margins – Group performance

Net Interest Margin movement 1H13 v 2H12

bps



Key drivers of NIM movement

Funding & Asset Mix

- Reduced reliance on wholesale funding

Funding Costs

- Lower earnings on capital and rate insensitive deposits due to declining interest rates, partially offset by stabilising wholesale funding costs

Deposits

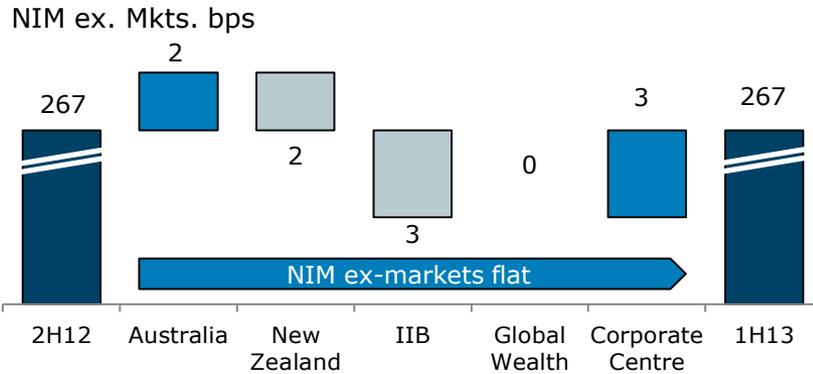
- Continued strong competition for deposits across all divisions

Assets

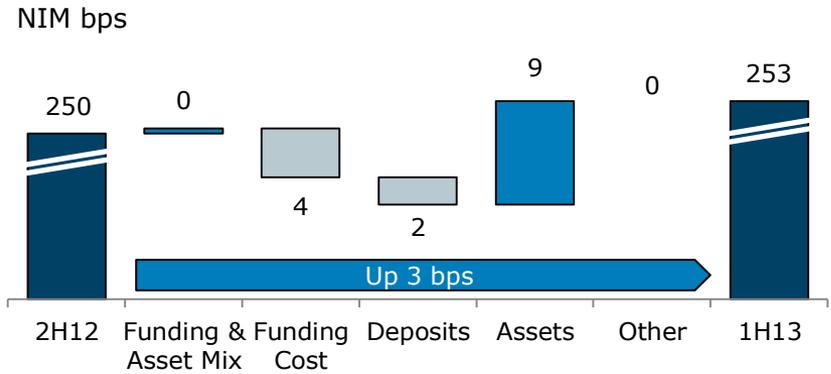
- Asset repricing benefits in Australia offset by margin pressure in New Zealand due to increased competition and customers moving from variable to lower margin fixed mortgages

Net Interest Margin – Divisional trends

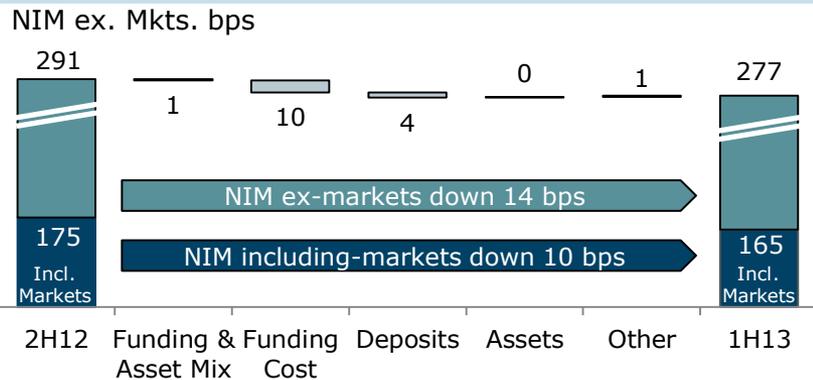
Divisional Margin Contribution movement 1H13 v 2H12



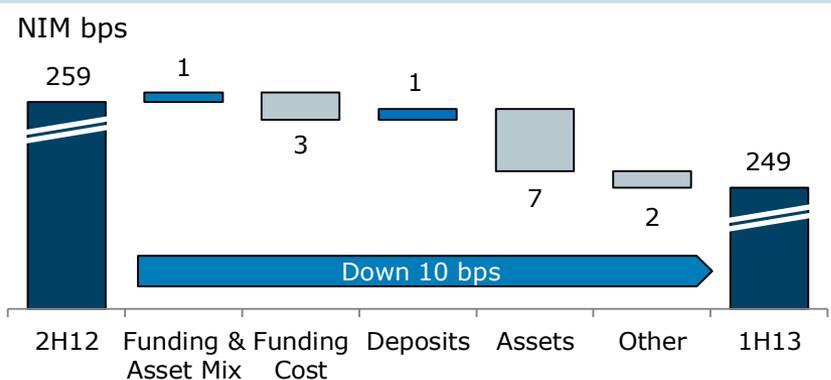
Australia Division movement 1H13 v 2H12



International & Institutional Banking movement 1H13 v 2H12

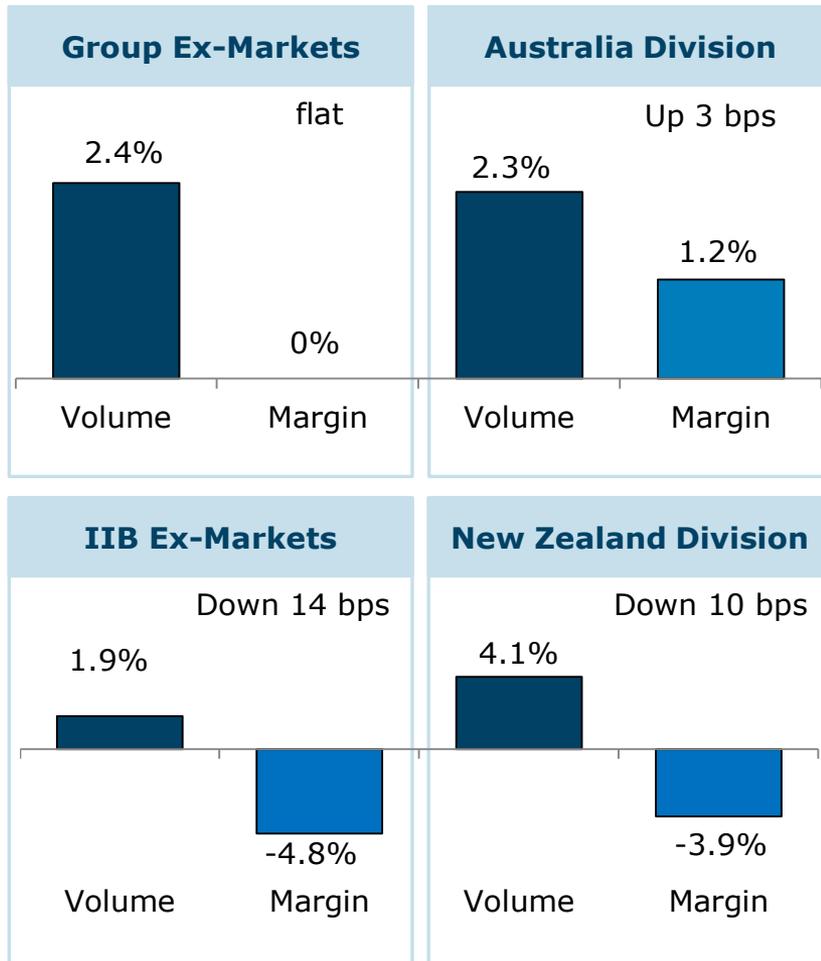


New Zealand Division movement 1H13 v 2H12

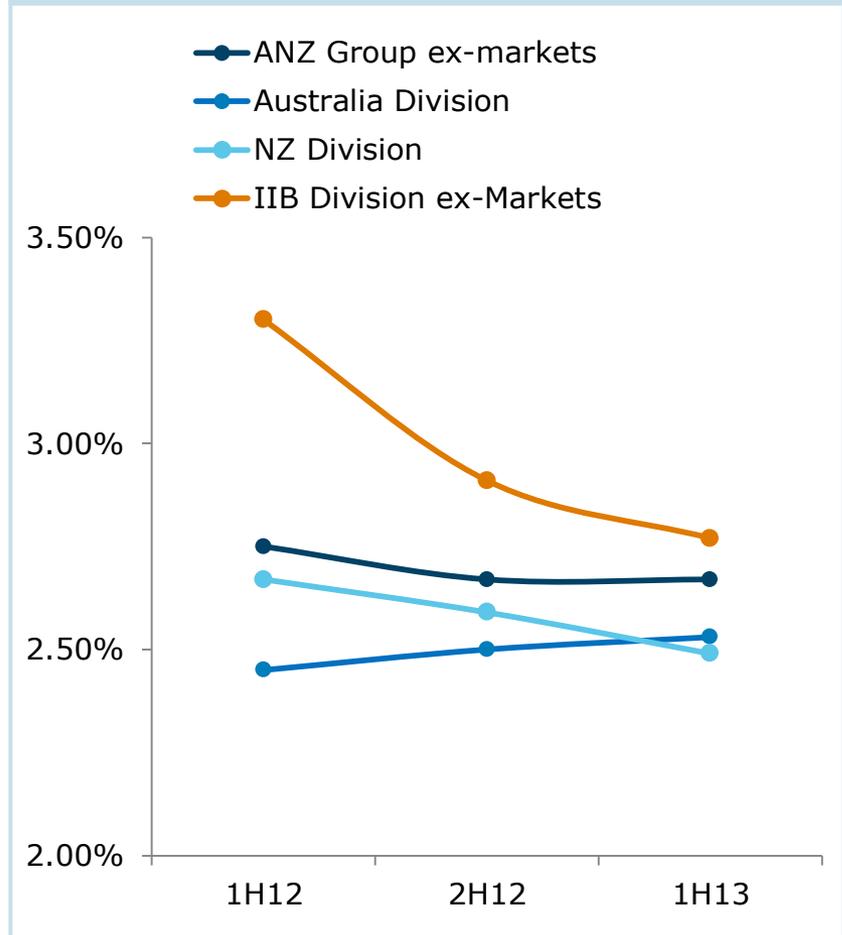


Net Interest Margin drivers and volume trends

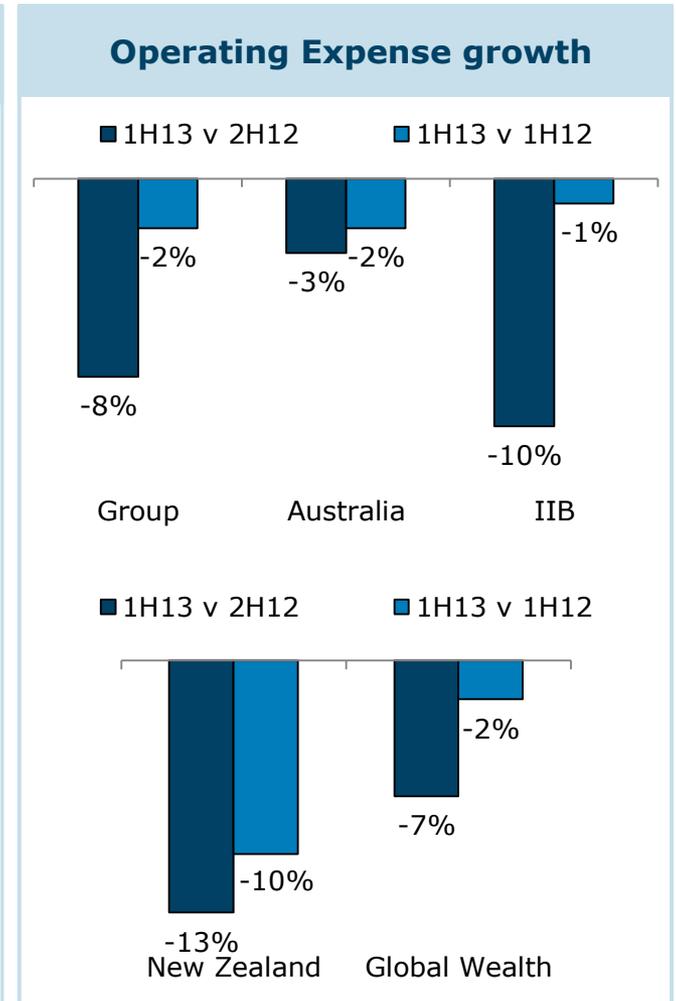
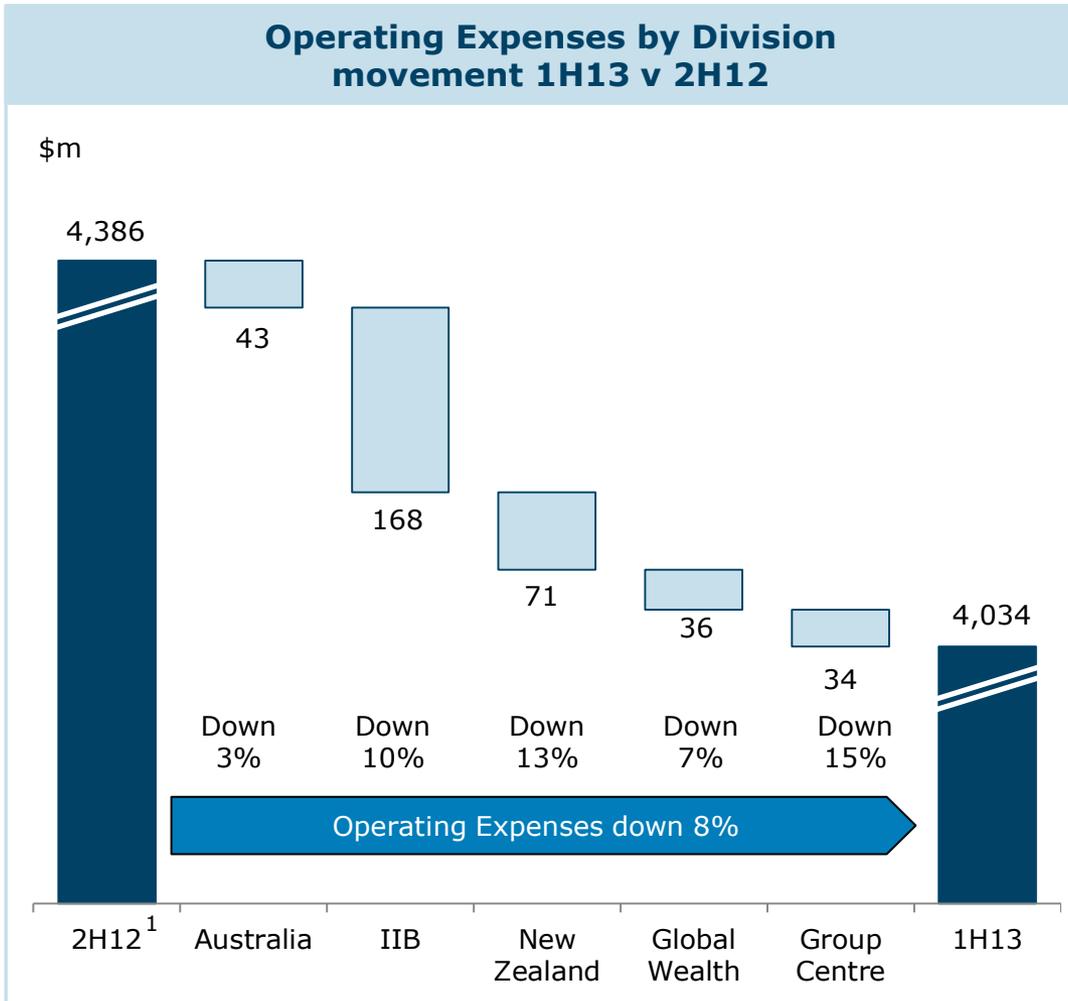
Net Interest Income 1H13 v 2H12



Net Interest Margin



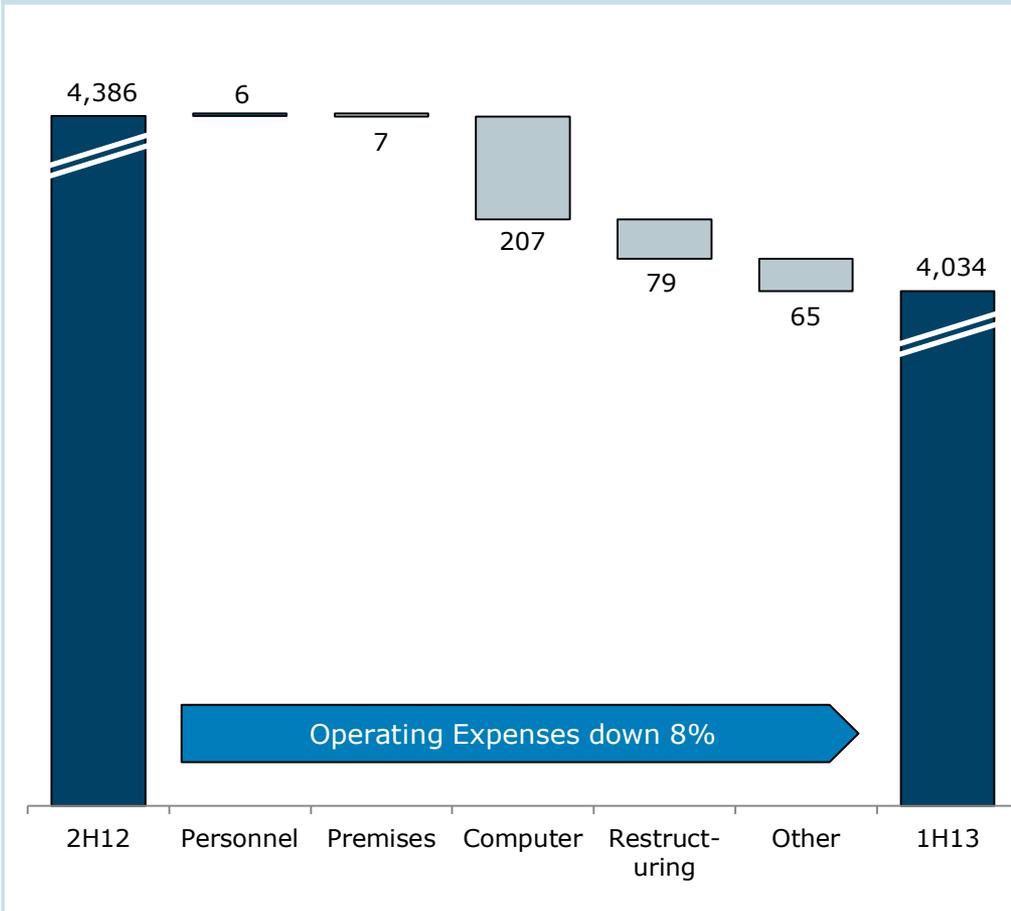
Operating Expenses



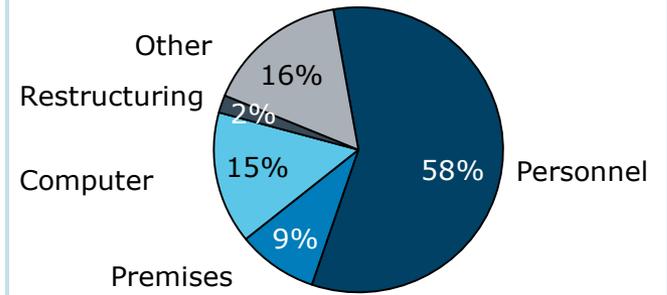
1. Includes \$273m software impairment and \$84 New Zealand simplification expenses

Operating Expense trends

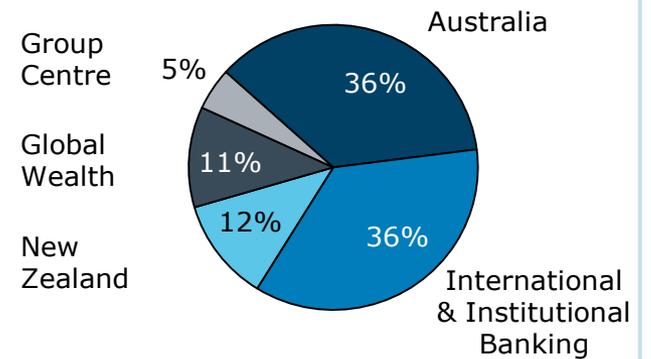
Operating Expenses by Category movement 1H13 v 2H12



Operating Expenses Mix by Category 1H13

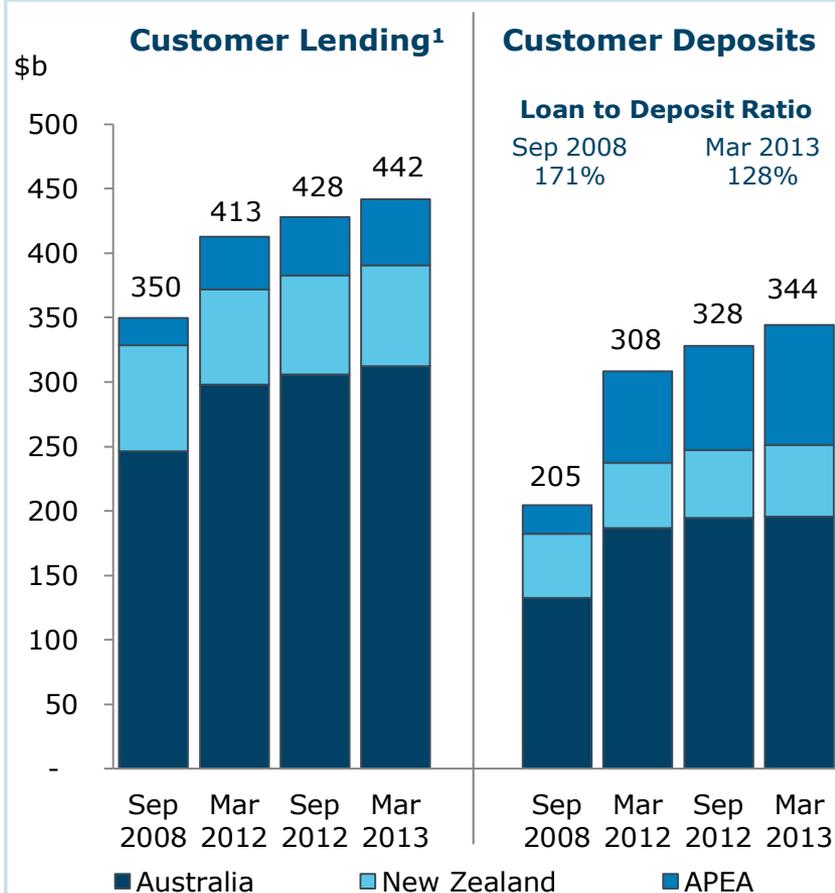


Operating Expenses Mix by Division 1H13

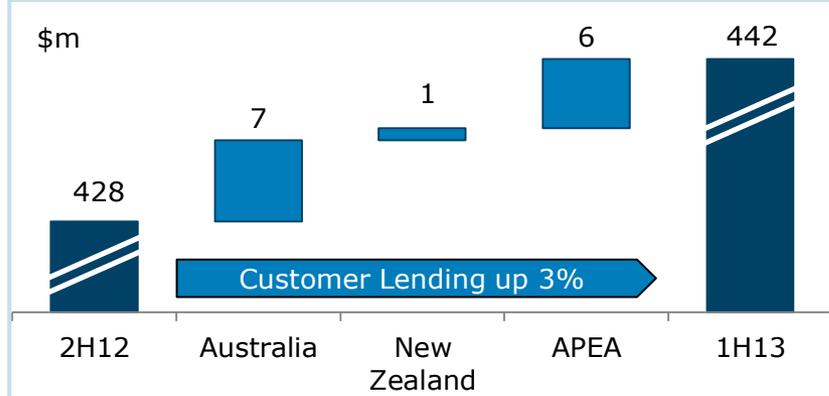


Continue to diversify balance sheet and increase proportion of customer funding

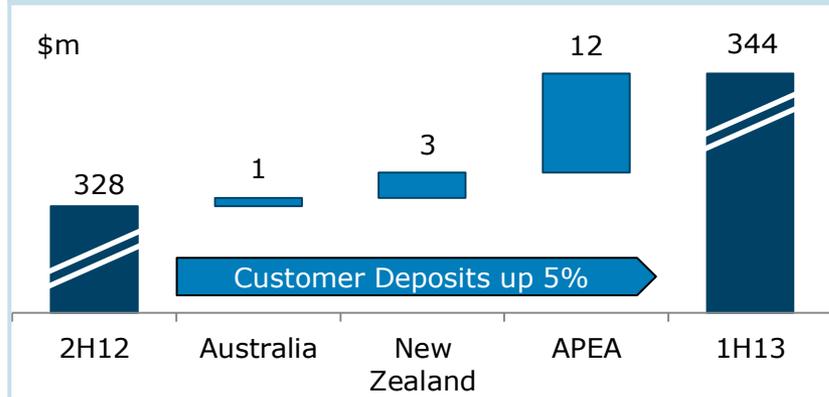
Customer Lending & Deposits by Geography



Customer Lending¹ movement 1H13 v 2H12



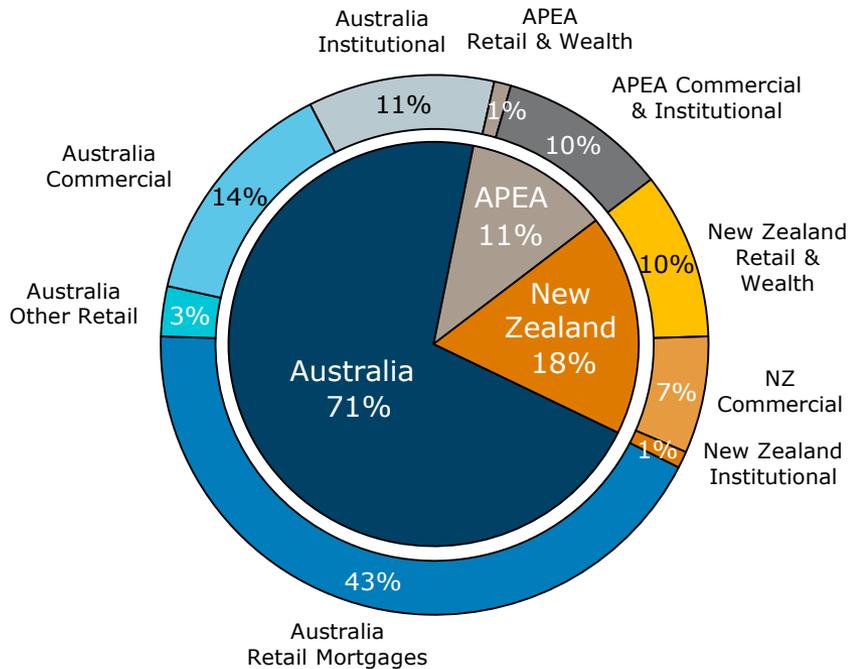
Customer Deposits movement 1H13 v 2H12



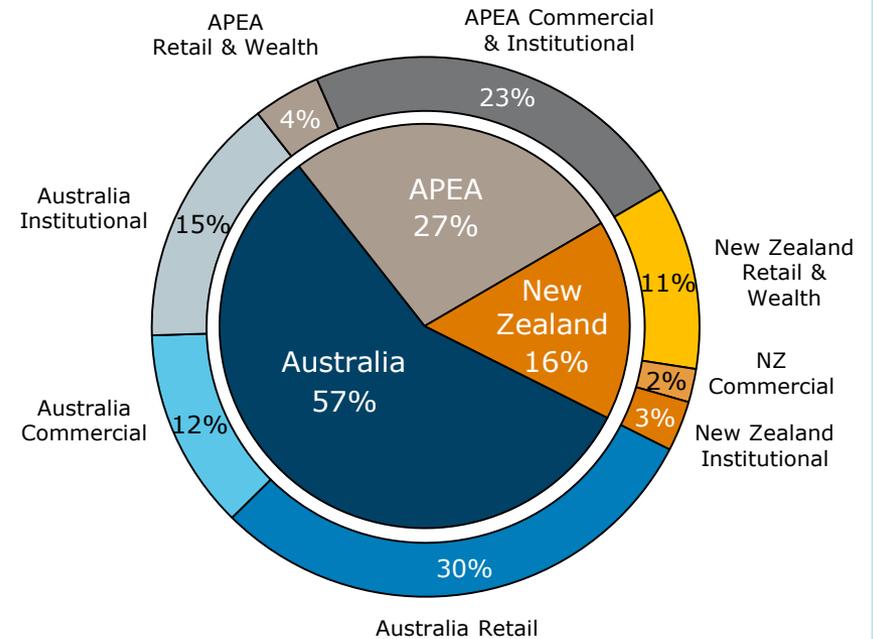
1. Customer lending represents Net Loans & Advances including acceptances

Balance Sheet composition by Geography

Customer Lending¹ by Geography



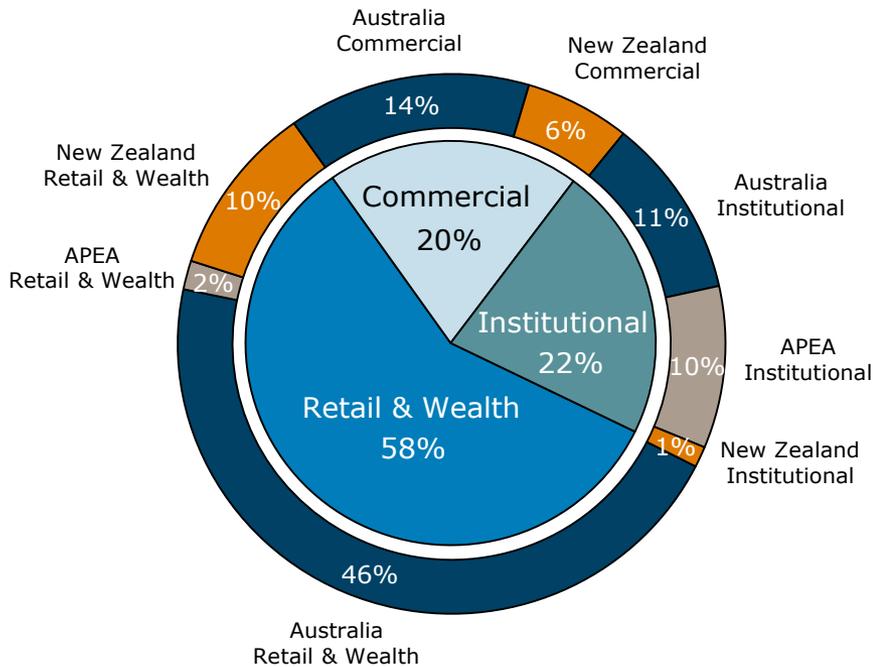
Customer Deposits by Geography



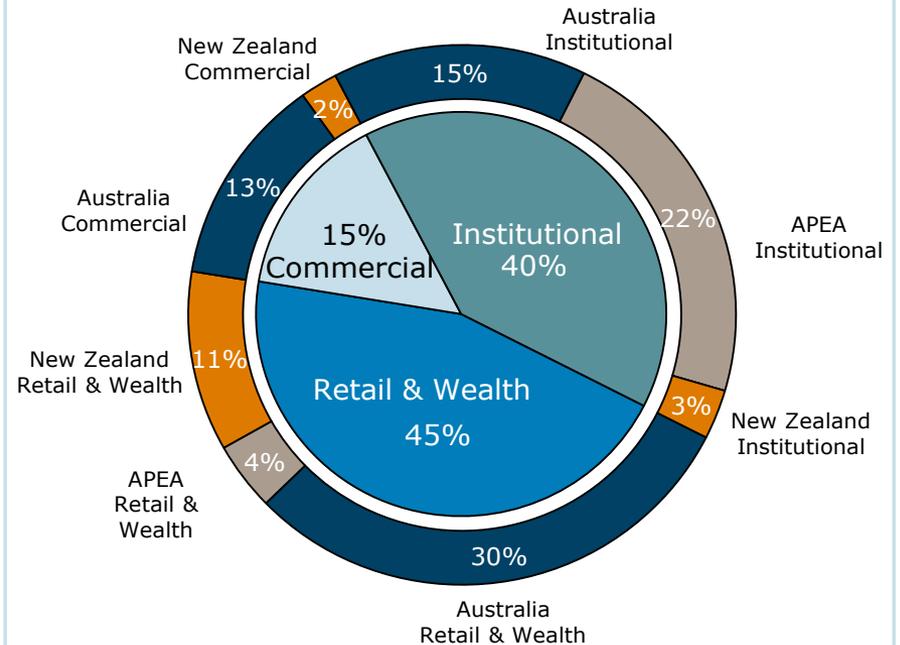
1. Customer lending represents Net Loans & Advances including acceptances

Balance Sheet composition by Segment

Customer Lending¹ by Segment



Customer Deposits by Segment



1. Customer lending represents Net Loans & Advances including acceptances

13

HALF YEAR RESULTS

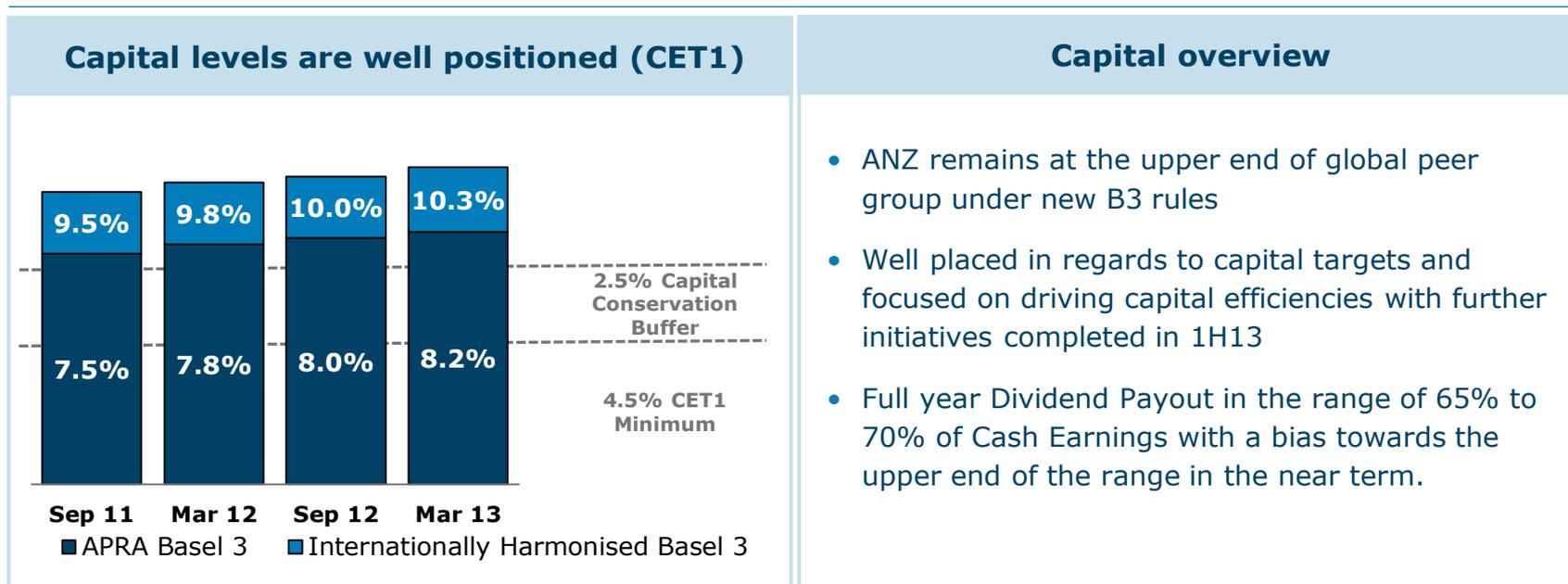
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

30 April 2013

Investor Discussion Pack
Treasury



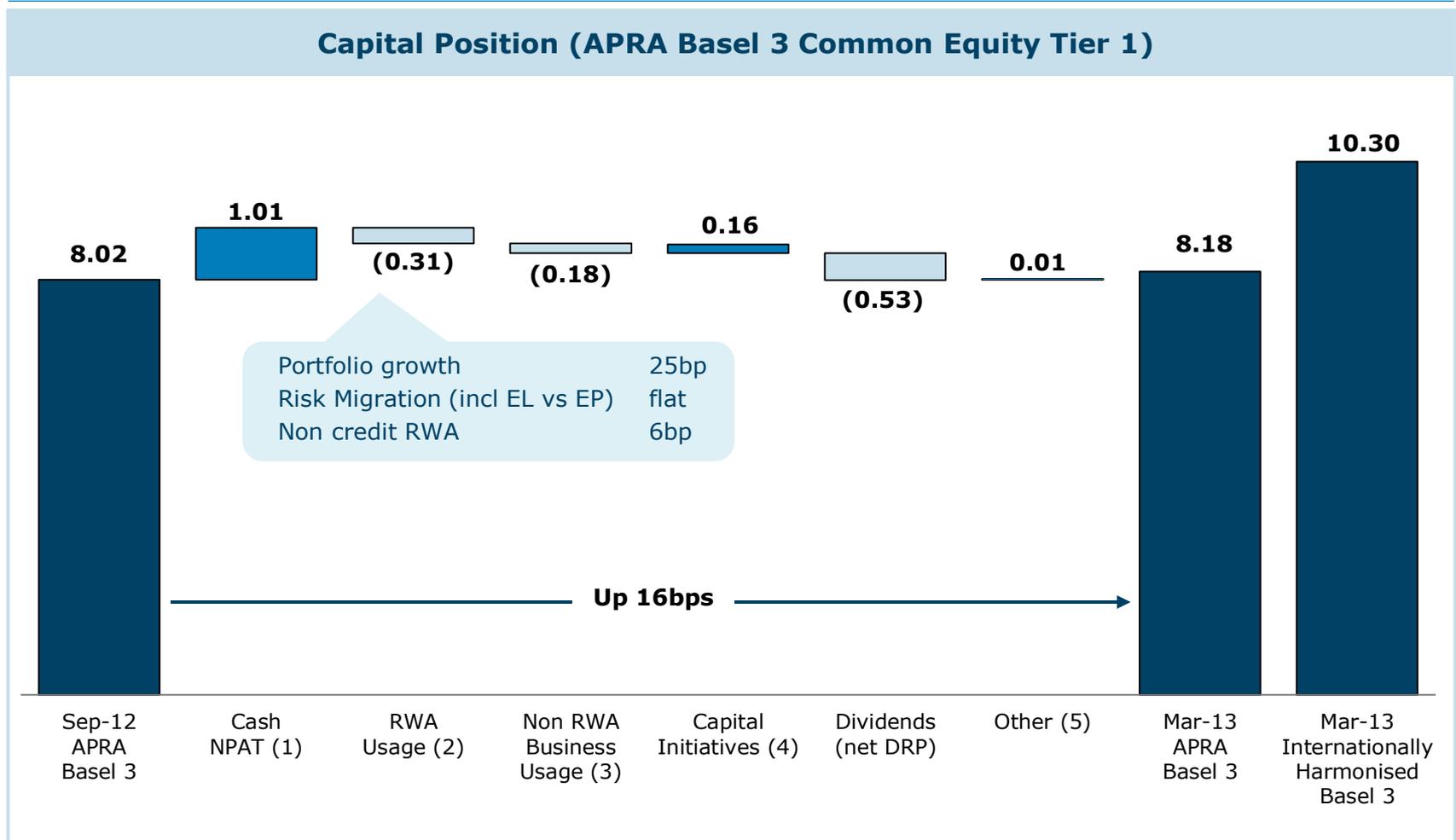
Strongly capitalised under new Basel 3 rules



Capital position reconciliation under Basel 3

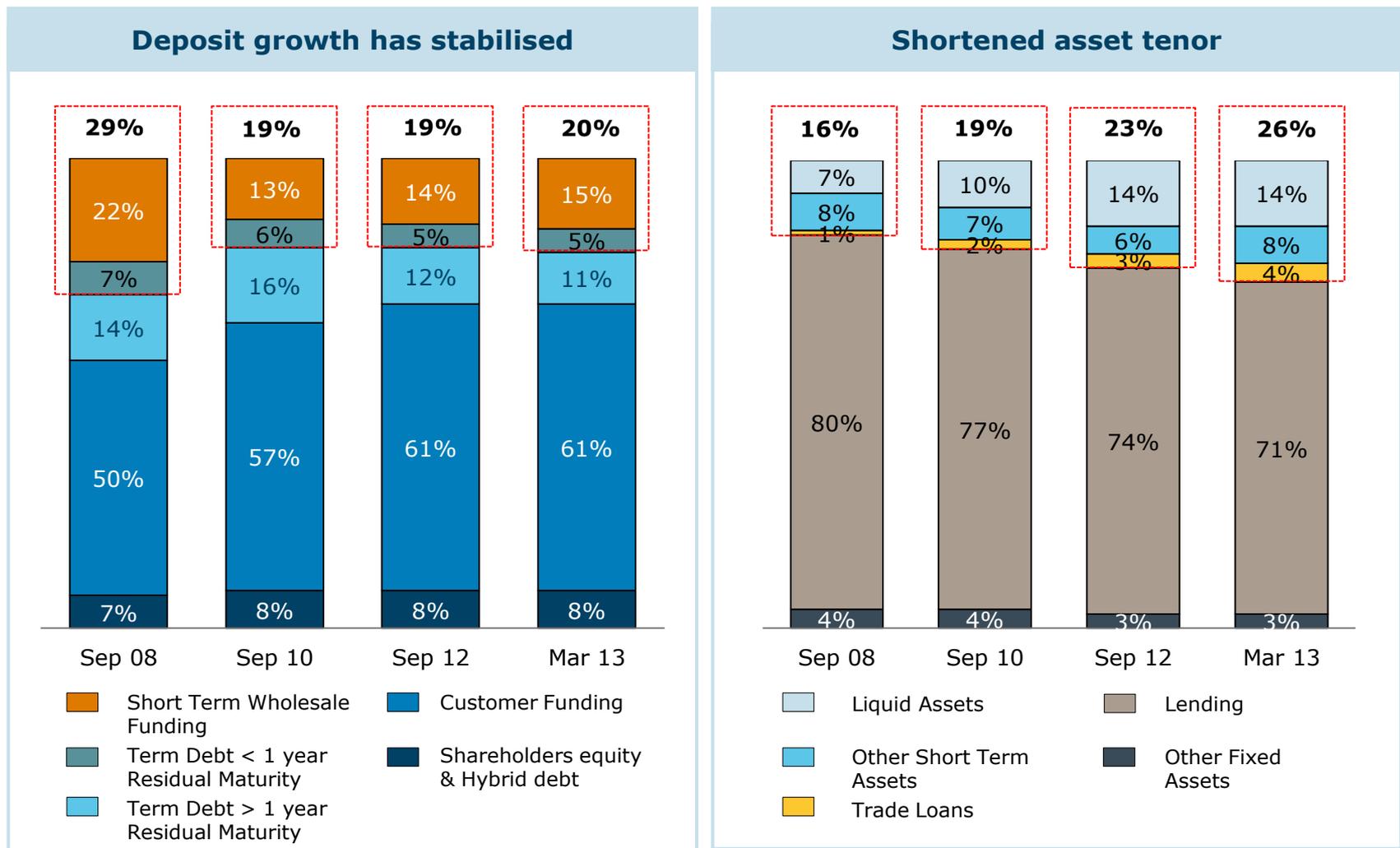
	CET1	Tier-1	Total Capital
Mar-13 APRA	8.2%	9.8%	11.7%
10% allowance for investments in insurance subs and ADIs	0.8%	0.8%	0.7%
Mortgage 20% LGD floor and other measures	0.4%	0.5%	0.6%
IRRBB RWA (APRA Pillar 1 approach)	0.4%	0.5%	0.5%
Up to 5% allowance for deferred tax asset	0.2%	0.2%	0.2%
Other capital items	0.3%	0.3%	0.3%
Mar-13 Internationally Harmonised	10.3%	12.1%	14.0%

Organic capital generation and capital initiatives have improved capital levels



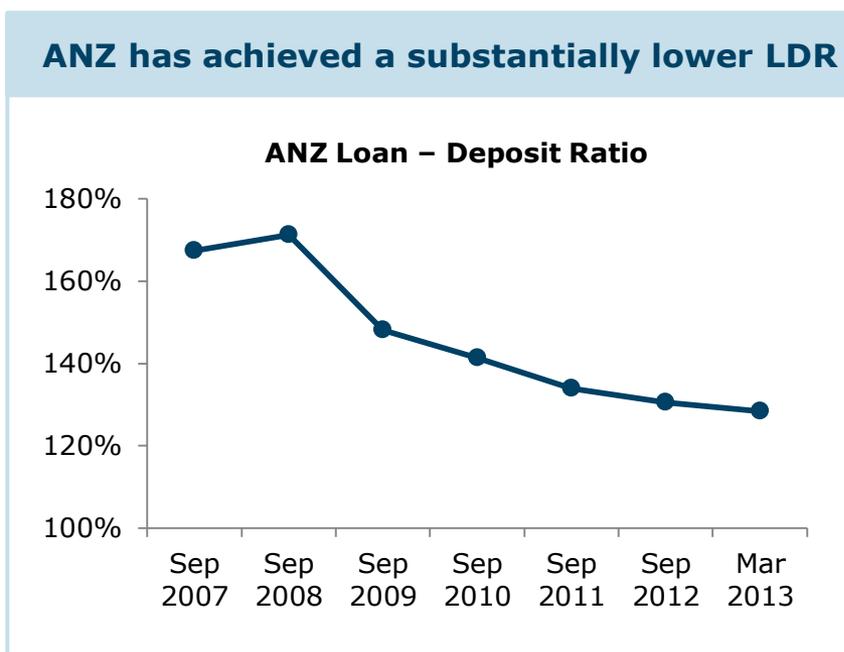
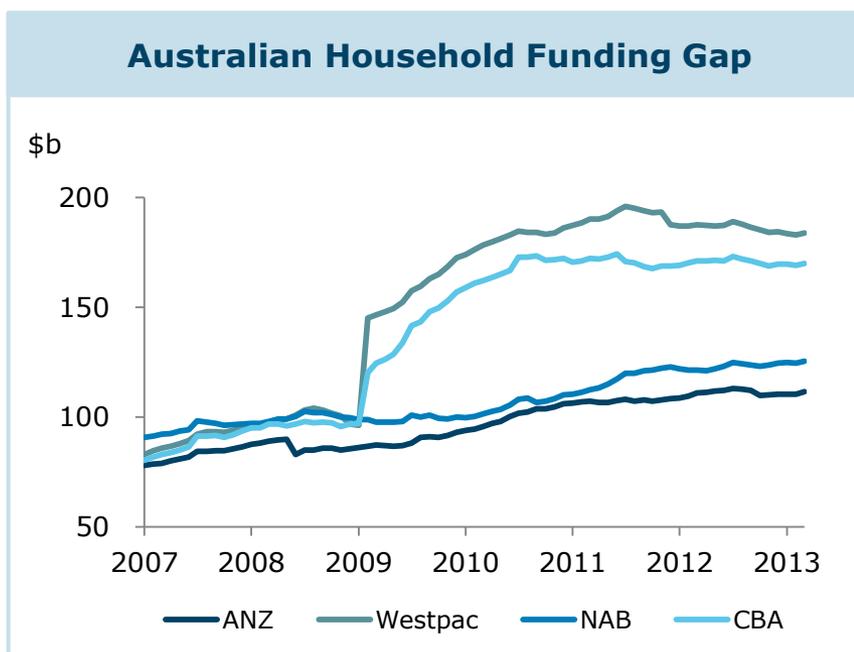
1. Cash earnings net of pref shares. 2. Includes impact of expected loss versus eligible provision shortfall 3. Includes capital retention of deconsolidated entities, capitalised software (before write off) and other intangibles. 4. Includes external refinancing of ANZ Wealth. 5. Includes net FX, Non-Core NPAT items, portfolio data review, net deferred tax assets.

Structural liquidity position strengthened – driven by growth in customer funding and shortened asset tenor



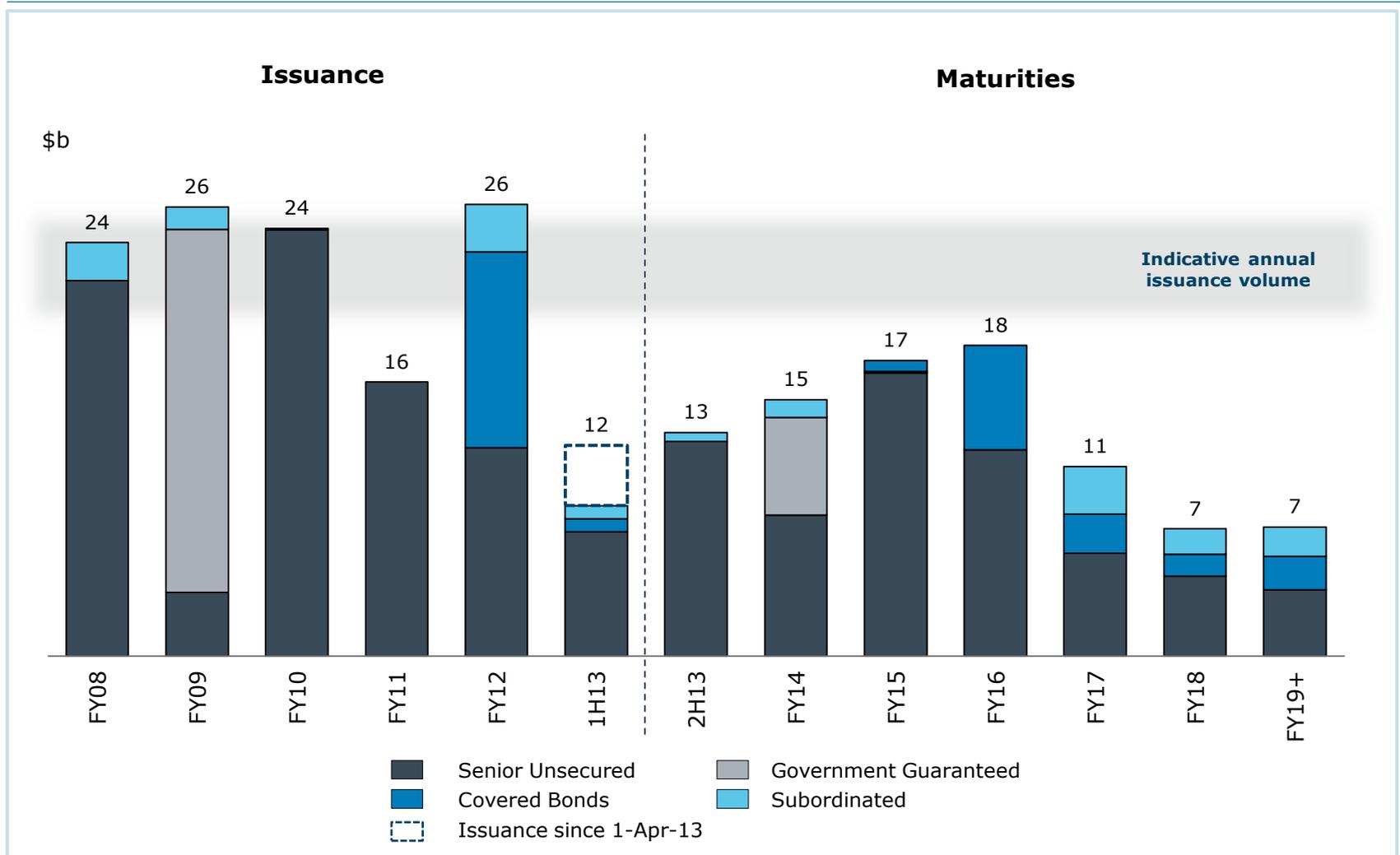
Lowest structural funding gap provides funding flexibility

	ANZ	Westpac	NAB	CBA
Loan – Deposit Ratio (%)	128%	148%	146%	141%
Loan – Deposit Gap (\$b)	97	167	156	157
Australia Household Funding Gap (\$b)	112	184	126	170



Source: APRA (Feb 13) and latest bank published financial statements

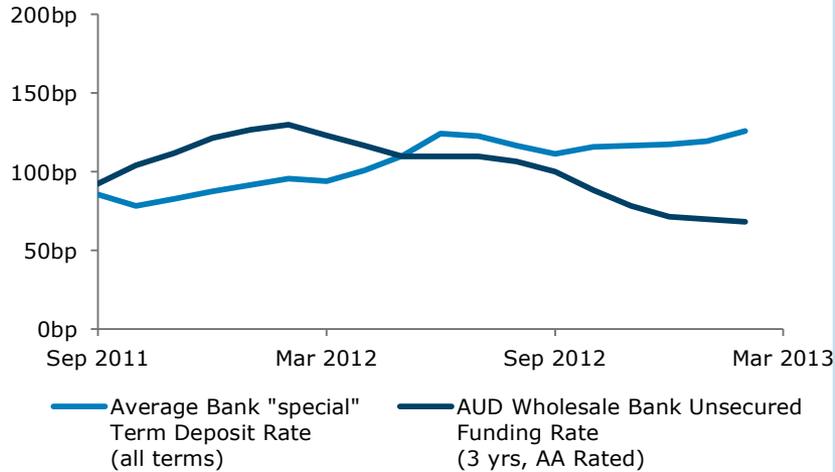
A sustainable term wholesale funding profile



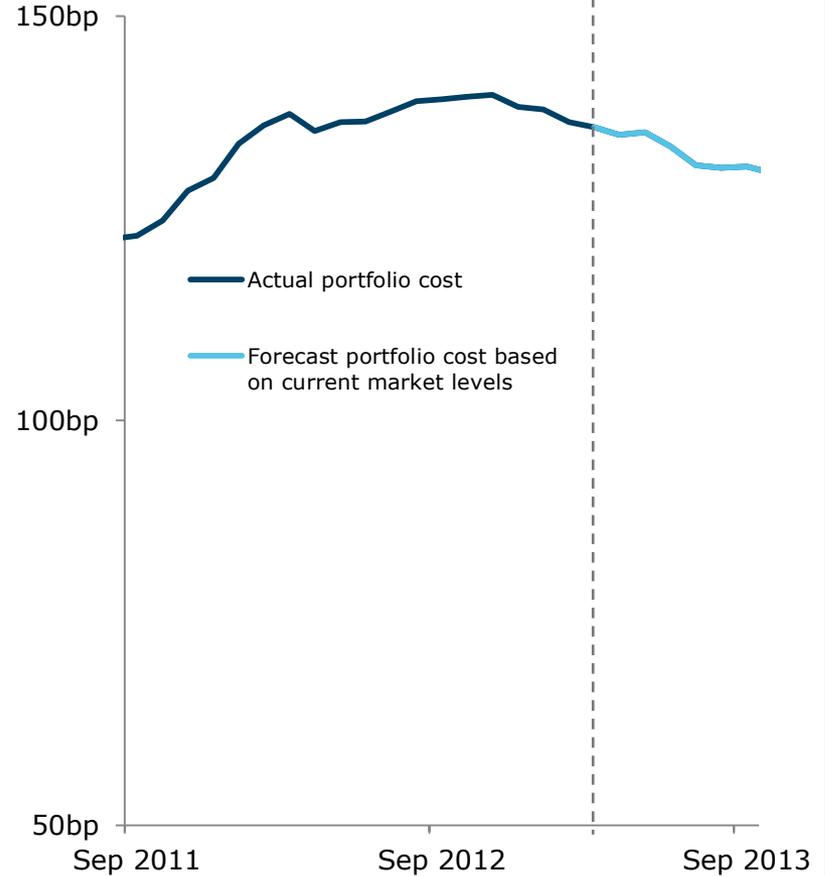
Note: Funding shown in year of issuance. Includes transactions with a call date or maturity date greater than 12 months at time of issue.

Portfolio wholesale funding costs stabilising, deposit costs remain relatively high

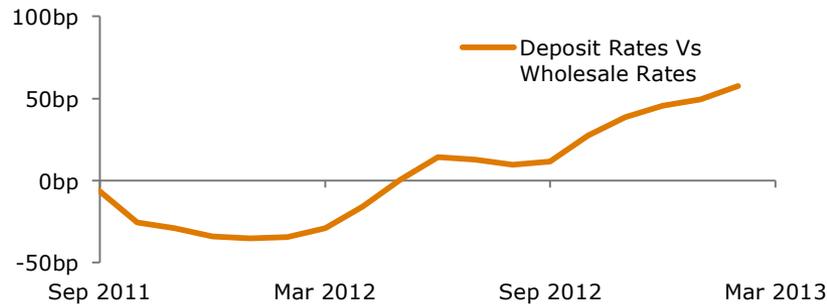
Retail deposit and wholesale funding margins (to 3mth BBSW)



Term Wholesale Funding Portfolio Costs



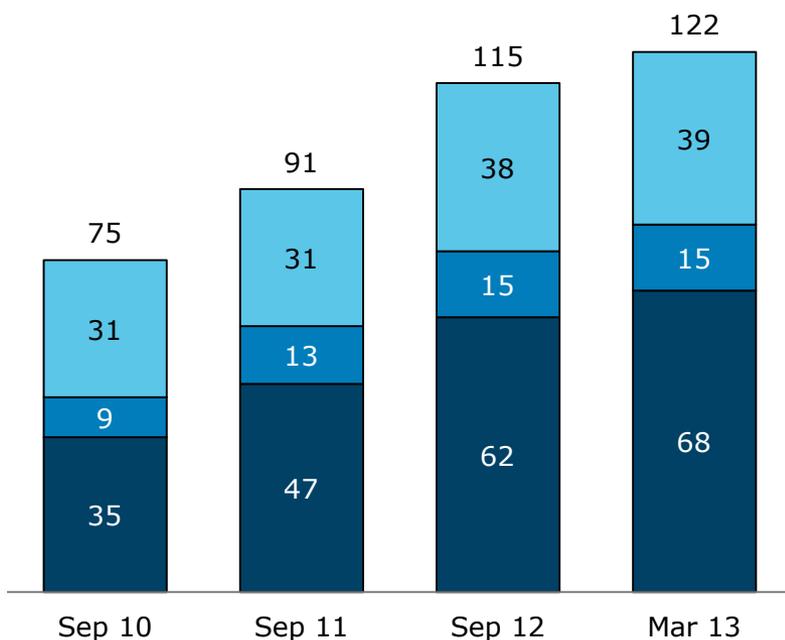
Spread between retail deposit rates and wholesale funding rates



Source: RBA, ANZ (3 month rolling averages)

Strong liquid asset position

Liquidity Portfolio



- Internal RMBS
- Private Sector Securities and precious metals
- Cash, Government & Semi-Government Securities

Basel 3 Liquidity Rules

- In January 2013, the Basel Committee announced revised details on the Liquidity Coverage Ratio ("LCR") including amendments to the outflow assumptions
- APRA is yet to finalise the LCR requirements for Australian banks, although this is expected shortly
- As a result of the shortage of HQLA (including Government bonds) in Australia, banks will be permitted to meet some of their liquidity requirement via the Committed Liquidity Facility ("CLF")
- The size and availability of the CLF has yet to be agreed with APRA and the RBA

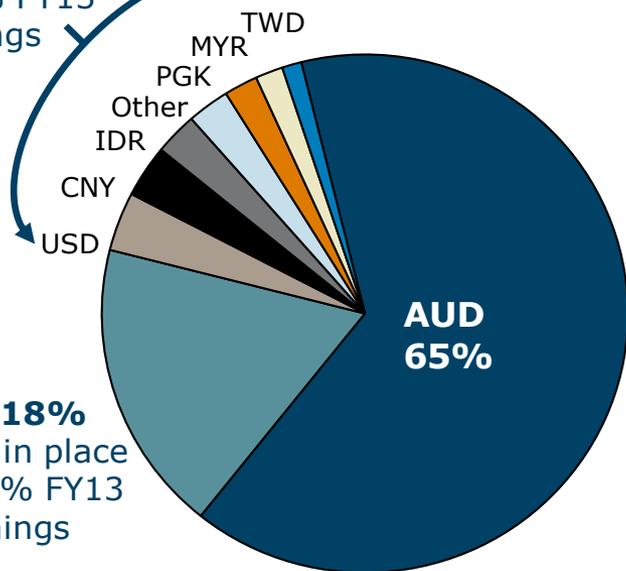
Hedging has partially offset the impact on earnings of sustained \$A strength

1H13 Earnings composition by Currency

Non AUD & NZD

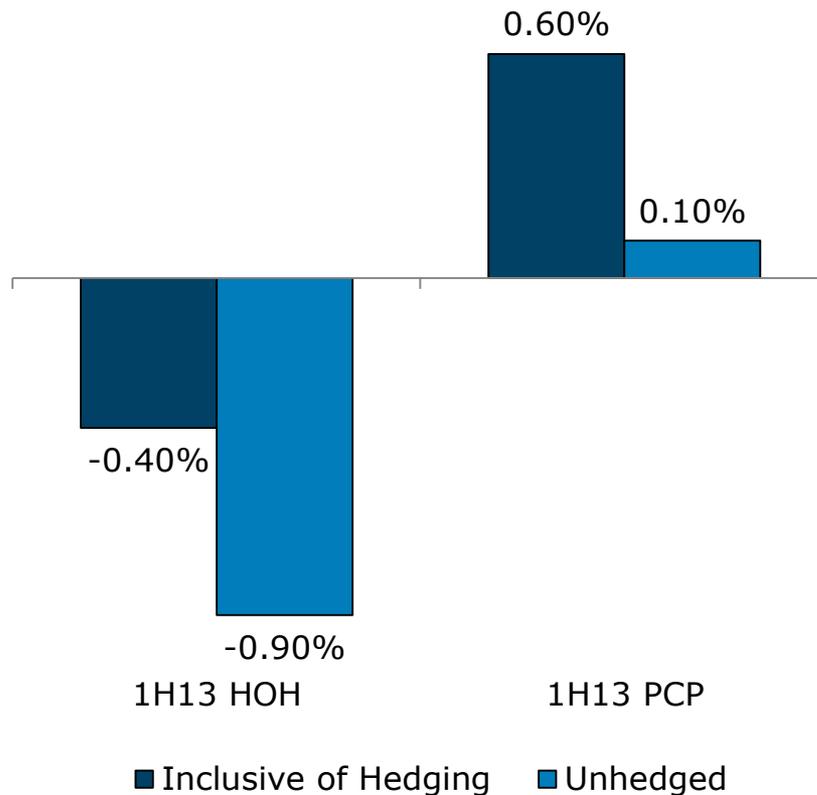
17%

Hedges in place for ~70% FY13 earnings



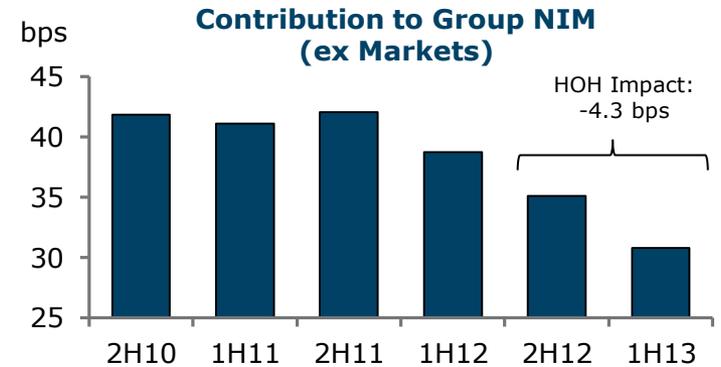
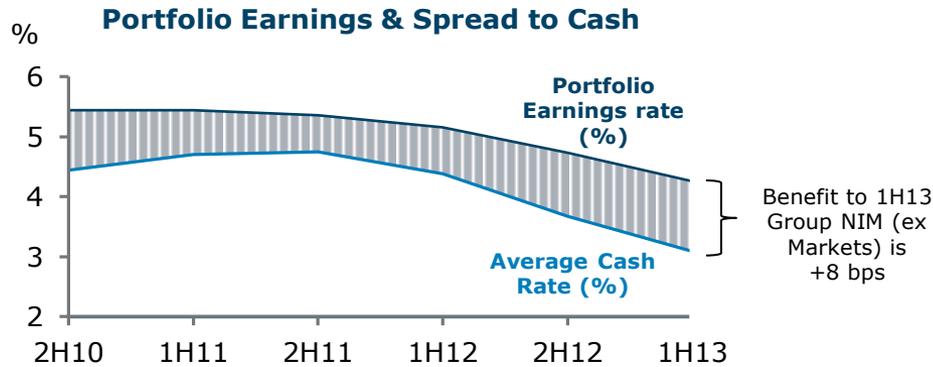
NZD 18%
Hedges in place for ~70% FY13 earnings

EPS impact from Hedging

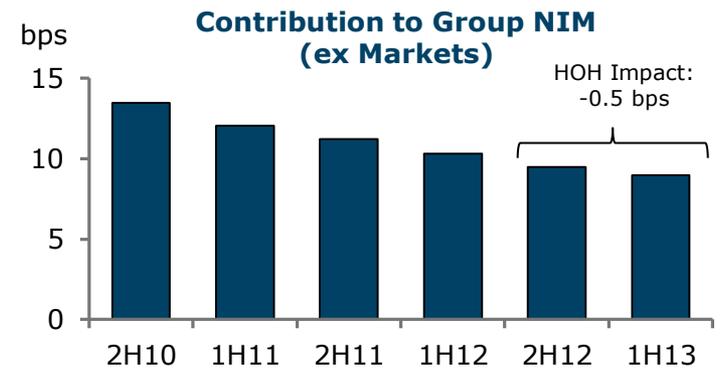
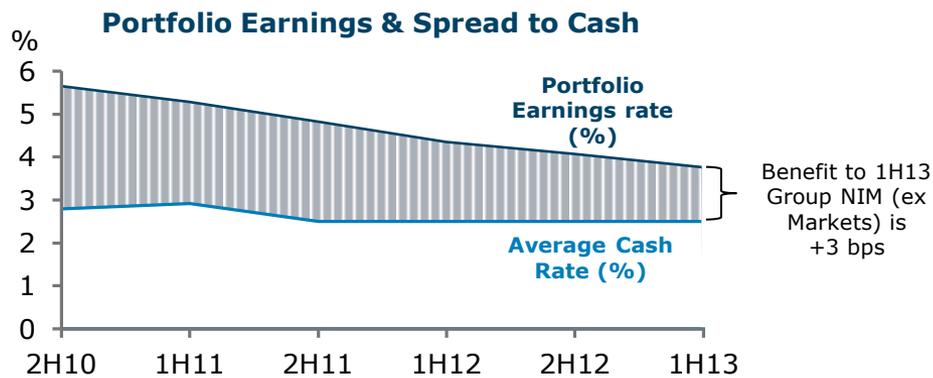


Capital and Replicating Portfolio – Earnings impacted by lower interest rates, but portfolio management mitigates full impact

Australia Capital and Replicating Portfolio



New Zealand Capital and Replicating Portfolio



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HALF YEAR RESULTS
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

30 April 2013

Investor Discussion Pack
Risk Management

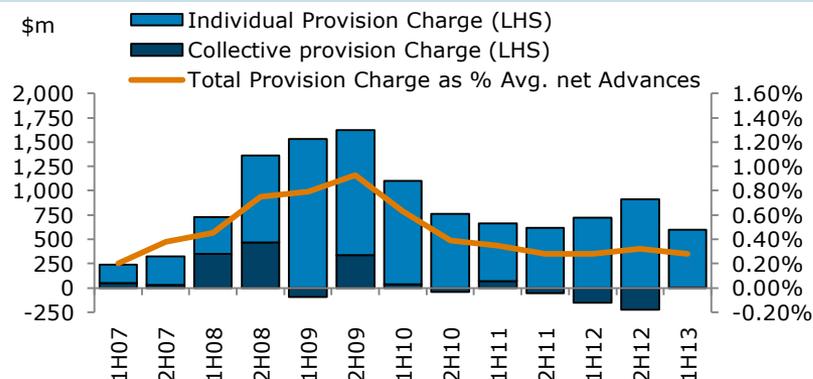


Credit quality in line with expectations

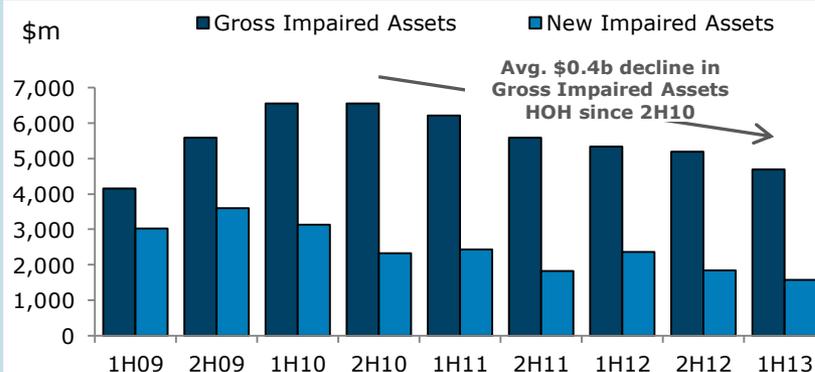
Credit Quality trends

- The 1H13 Provision charge of \$599m represents a 13% reduction HOH
- This lower Provision charge driven by reduction in both new individual provisions and top-up provisions to existing impaireds
- ANZ remains appropriately provided for the collective provision ratio at 1.01% following the introduction of APRA Basel III standards (1.06% on a Basel II basis)
- This coverage level reflects the ongoing improvement in credit quality of the Group's portfolio
- New impaired assets declined 15% HOH to \$1.6b, with all divisions seeing HOH reductions in new impaireds
- Gross impaired assets reduced 10% HOH to \$4.7b

Provision Charge

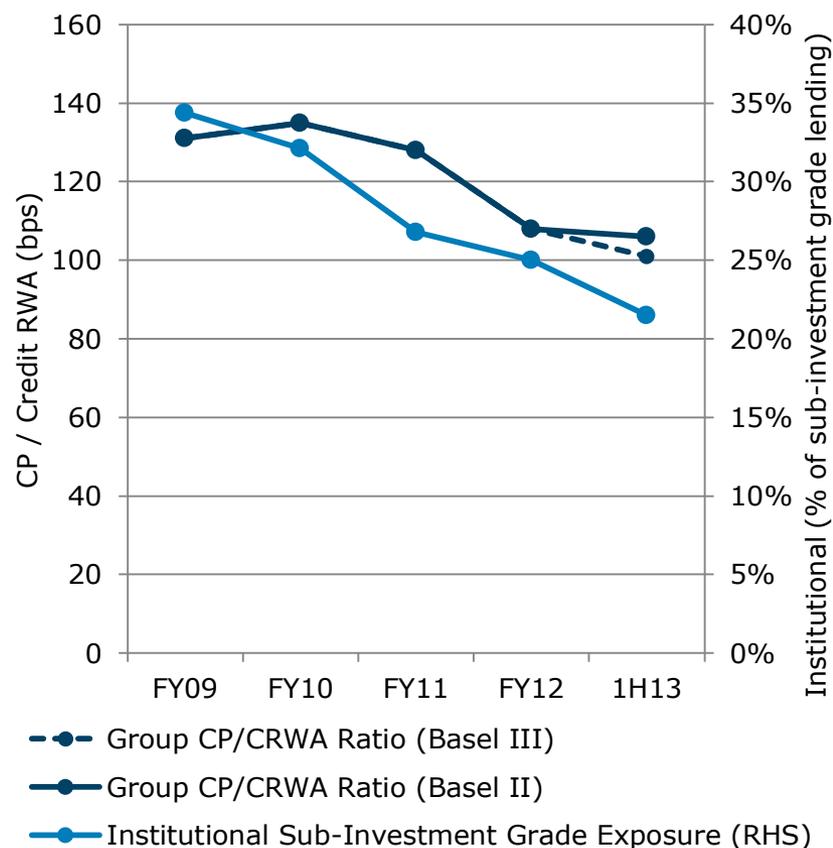


Impaired Assets

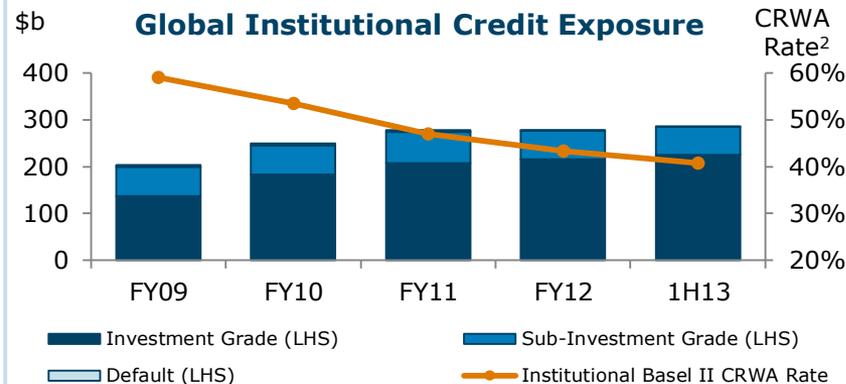


Collective Provisioning Coverage reflects Global Institutional Portfolio credit quality improvement

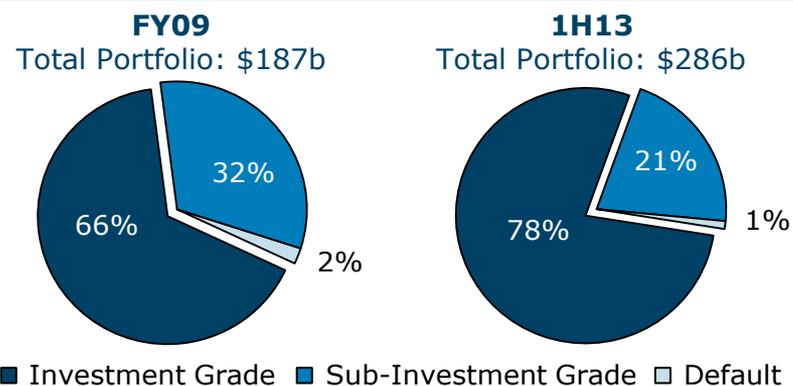
Global Institutional Sub Investment Grade¹ Exposures continue to decline



Trend in Global Institutional composition



Global Institutional Portfolio composition

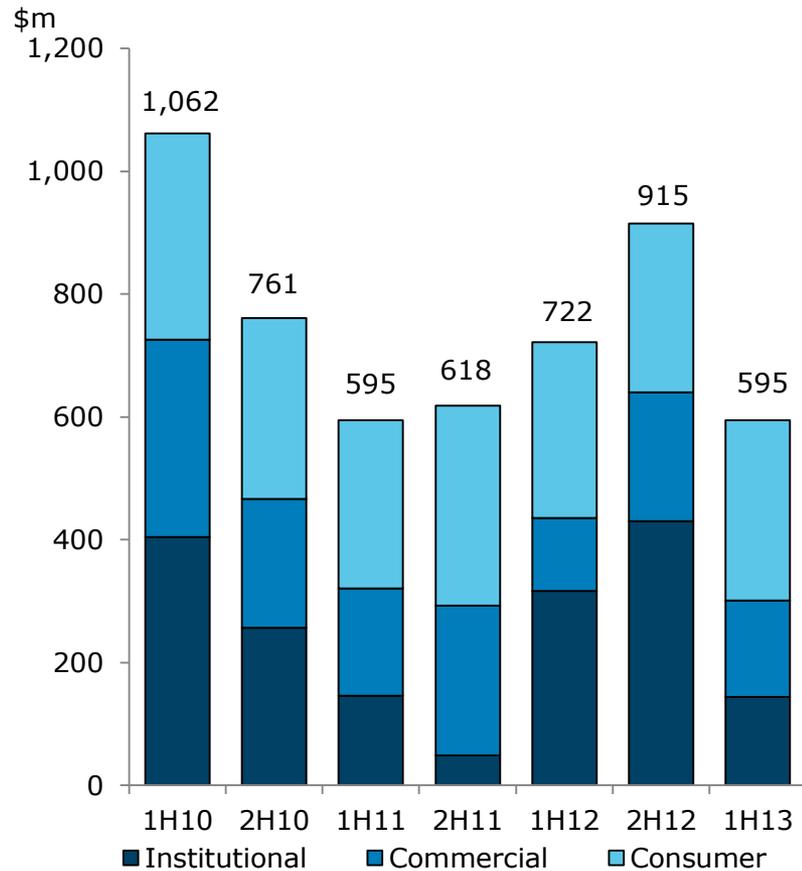


1. Sub-investment grade defined as exposures with a rating below BBB-

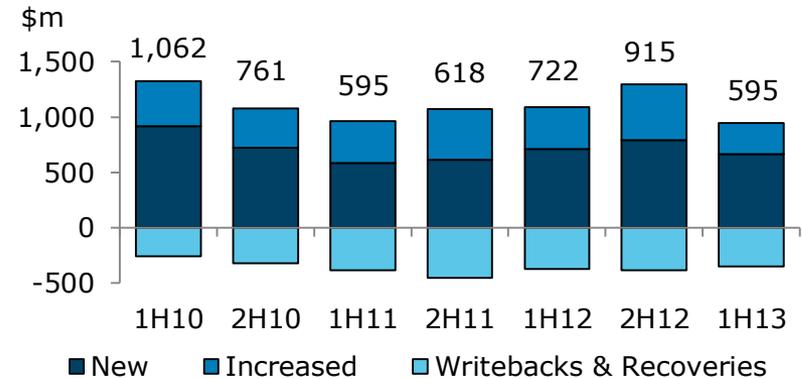
2. CRWA Rate defined as Credit Risk Weighted Assets as a percentage of Exposure at Default (EAD)

Individual Provision Charge

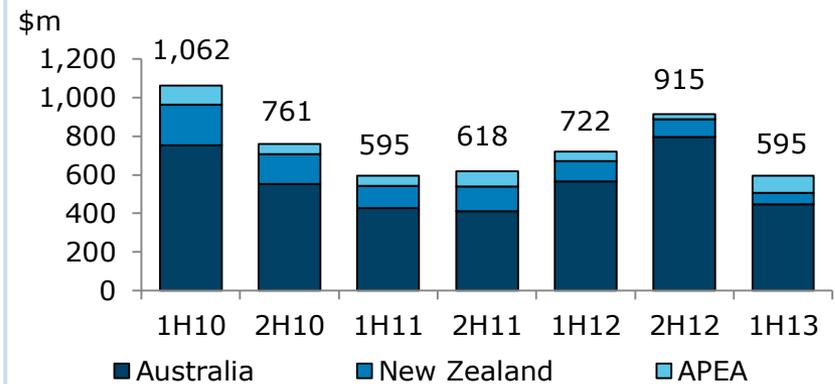
Individual Provision Charge by Segment



Individual Provision Charge Composition



Individual Provision Charge by Region



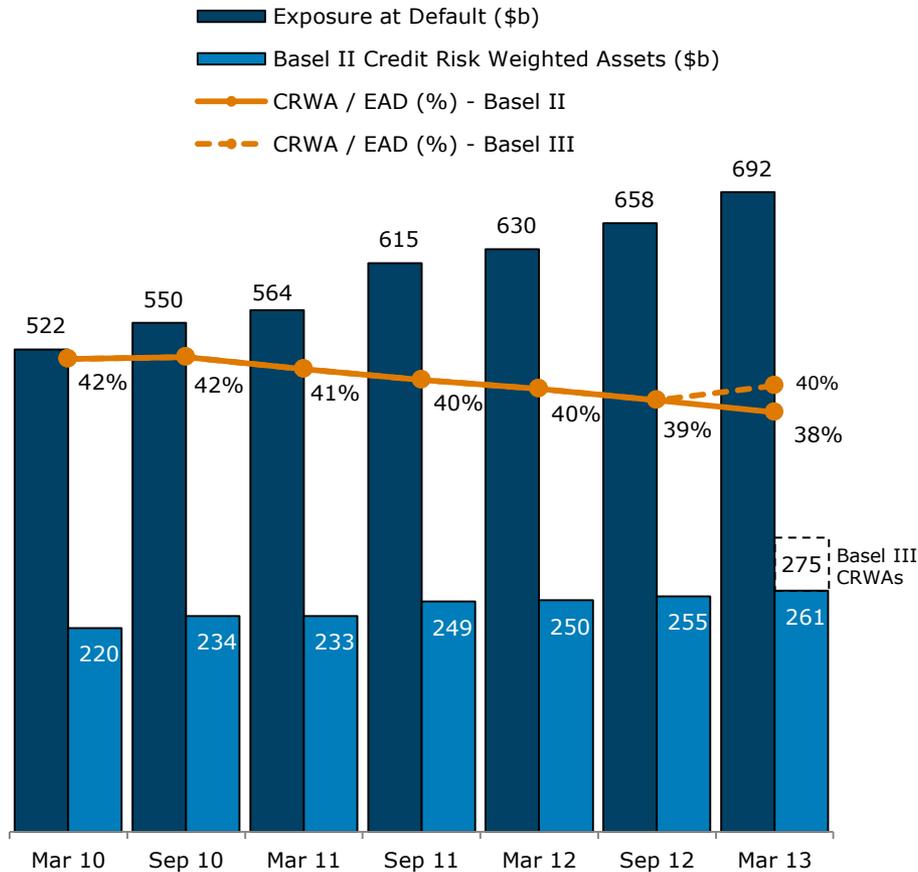
Collective Provision Charge by Source

1H13 (\$m)	Risk Impact	Lending Growth	Portfolio Mix	Economic Cycle & Concentration	Total
Australia Division	(13)	32	(3)	0	16
International & Institutional Banking	(11)	31	(3)	0	17
New Zealand Division	5	4	(14)	(25)	(30)
Global Wealth	(1)	1	1	0	1
Other	0	0	0	0	0
Total	(20)	68	(19)	(25)	4

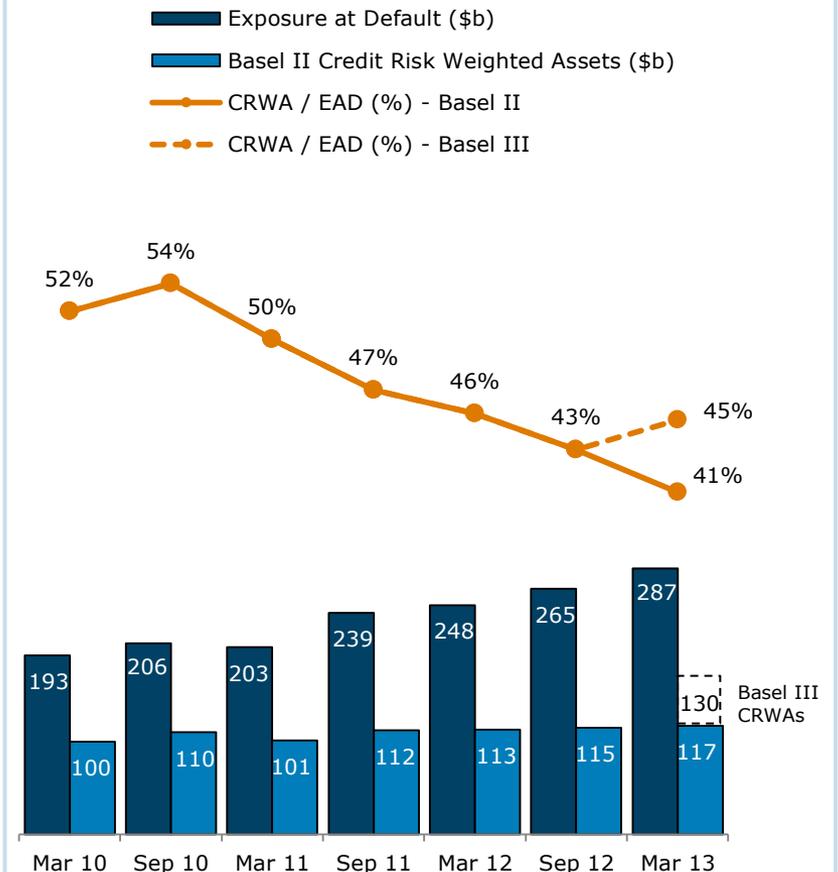
2H12 (\$m)	Risk Impact	Lending Growth	Portfolio Mix	Economic Cycle & Concentration	Total
Australia Division	1	30	(13)	(45)	(27)
International & Institutional Banking	(27)	38	3	(198)	(184)
New Zealand Division	5	6	(1)	(29)	(19)
Global Wealth	(1)	0	0	0	(1)
Other	0	0	0	4	4
Total	(22)	74	(11)	(268)	(227)

Continued improvement in Credit RWA rate

Group Exposure at Default and Credit Risk Weighted Assets

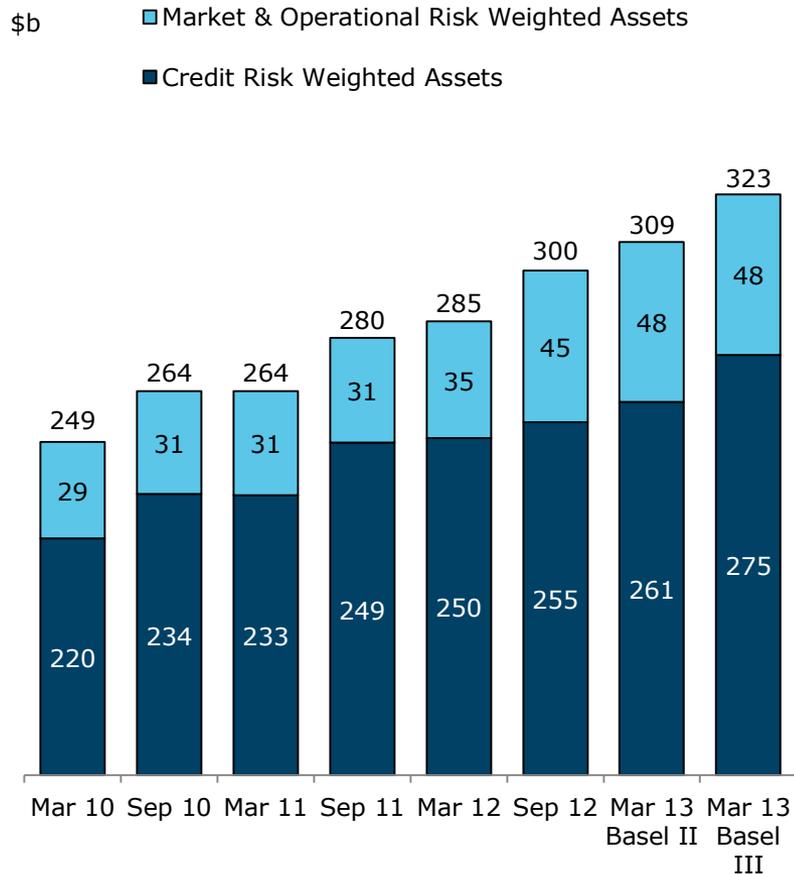


Global Institutional Exposure at Default and Credit Risk Weighted Assets

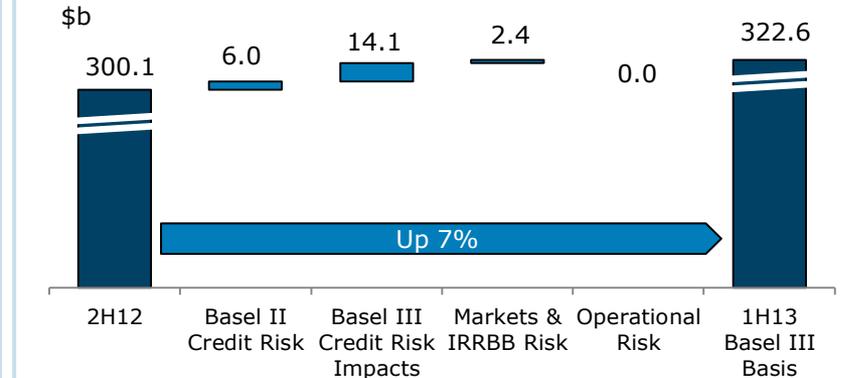


Risk Weighted Assets

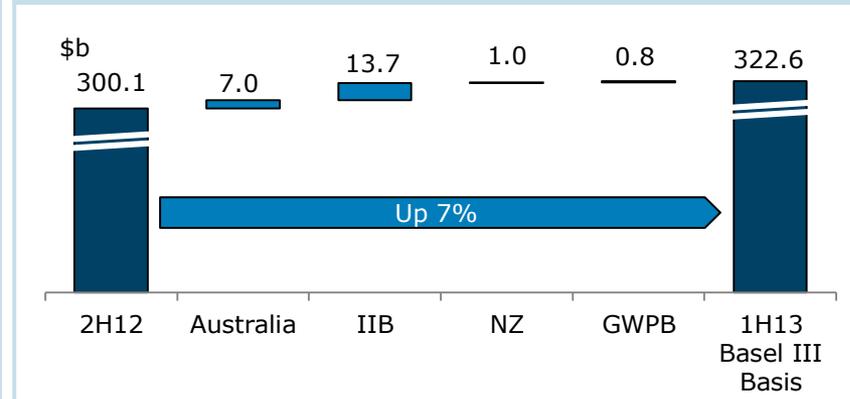
Total Risk Weighted Assets



Total Risk Weighted Assets movement 1H13 v 2H12

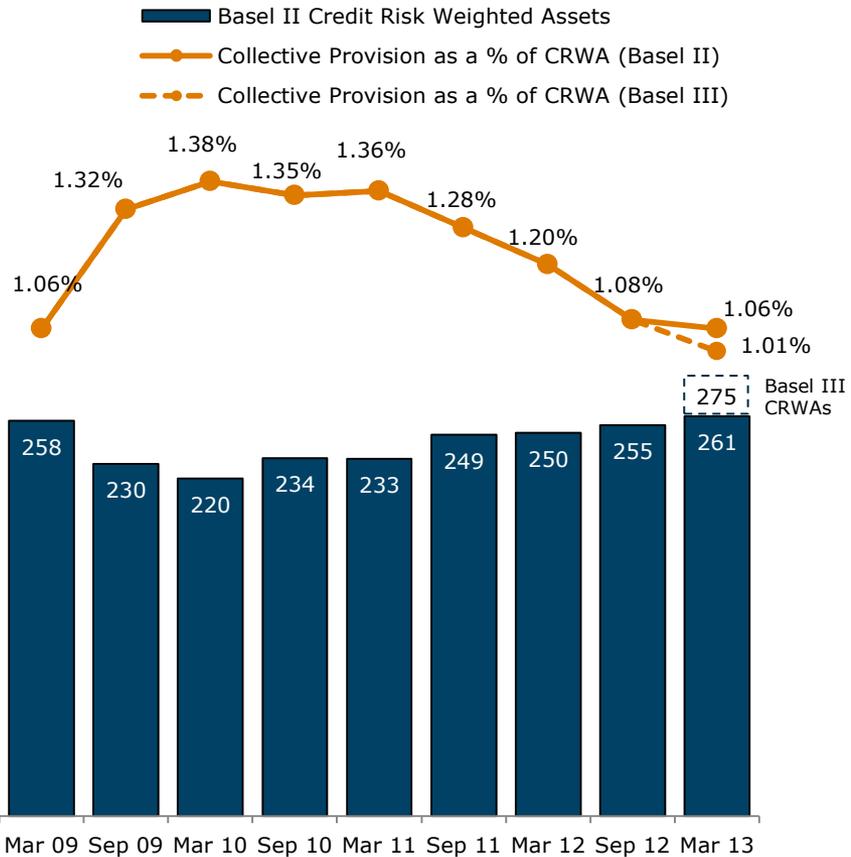


Total Risk Weighted Assets movement by Division 1H13 v 2H12

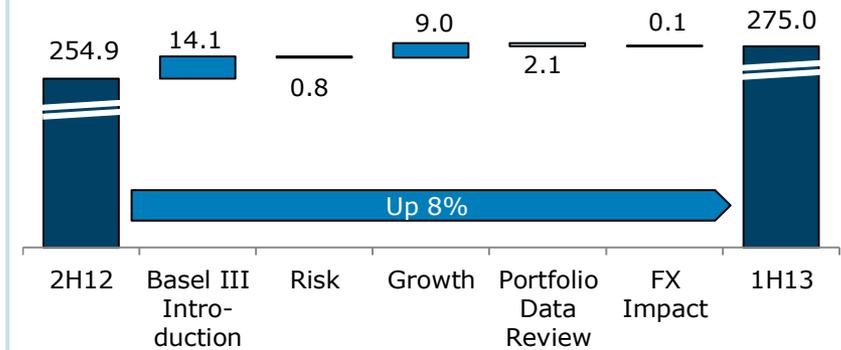


Credit Risk Weighted Assets

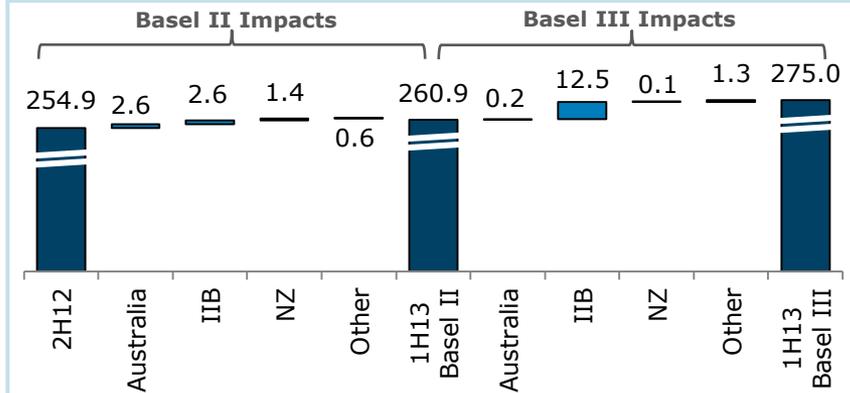
Credit Risk Weighted Assets (\$b)



Credit Risk Weighted Assets movement 1H13 v 2H12 (\$b)

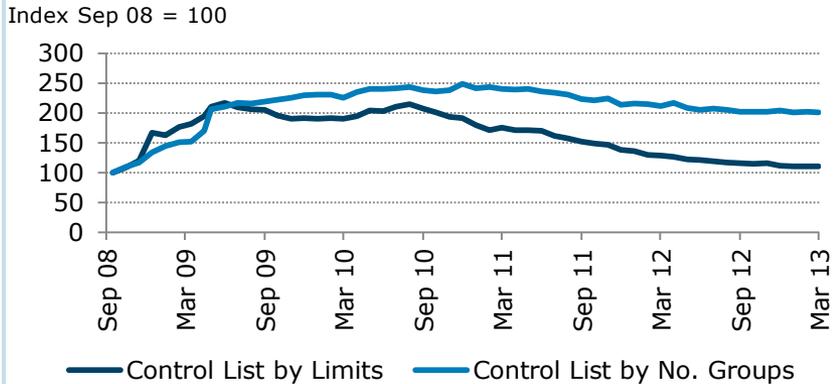


Credit Risk Weighted Assets movement by Division 1H13 v 2H12 (\$b)

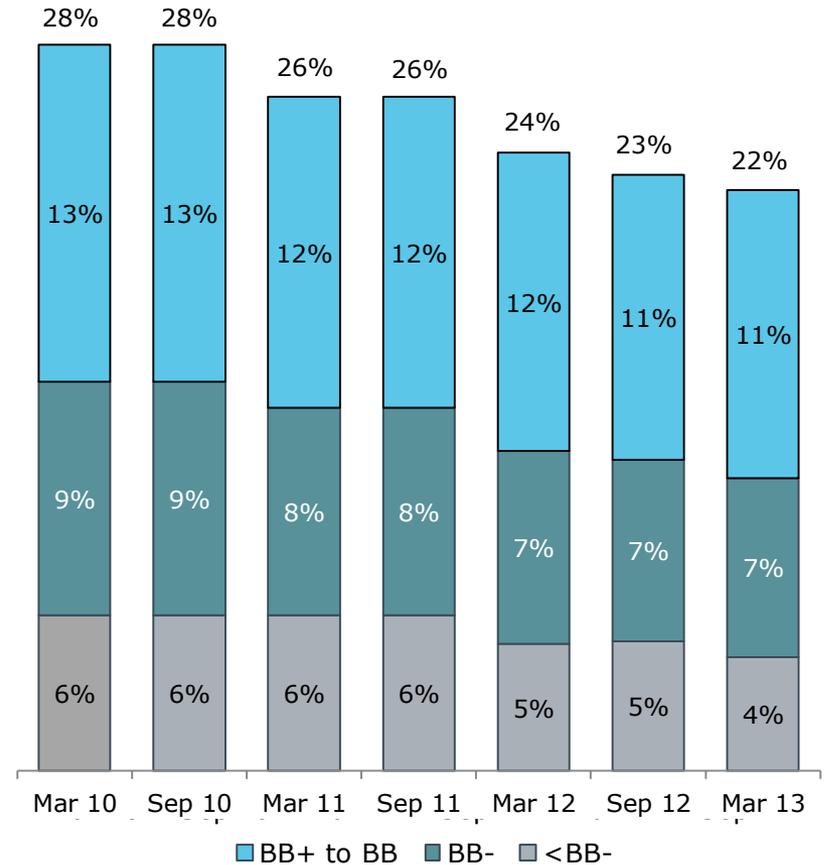


Control List and Risk Grade Profiles

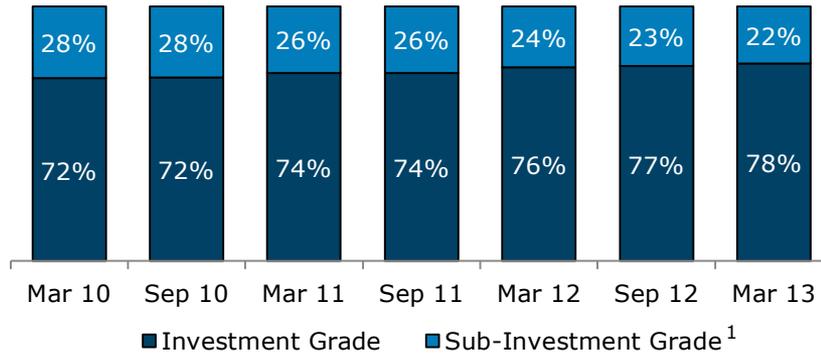
Control List



Group Sub-Investment Grade¹ Exposures as % Exposure at Default



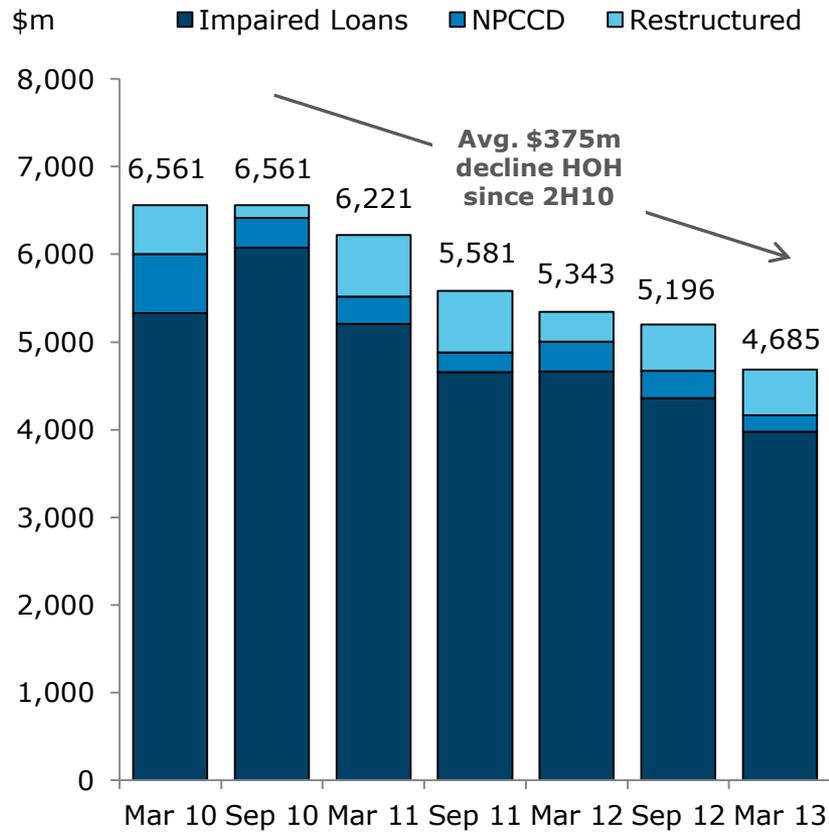
Group Risk Grade Profile



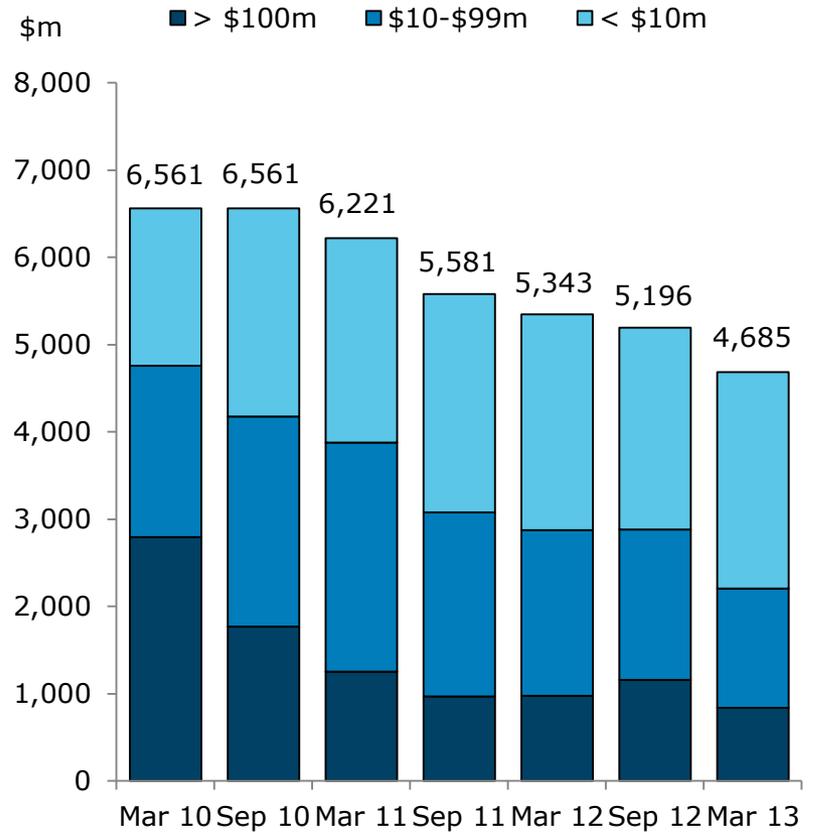
1. Sub-investment grade defined as exposures with a rating below BBB-

Gross Impaired Assets

Gross Impaired Assets by Type

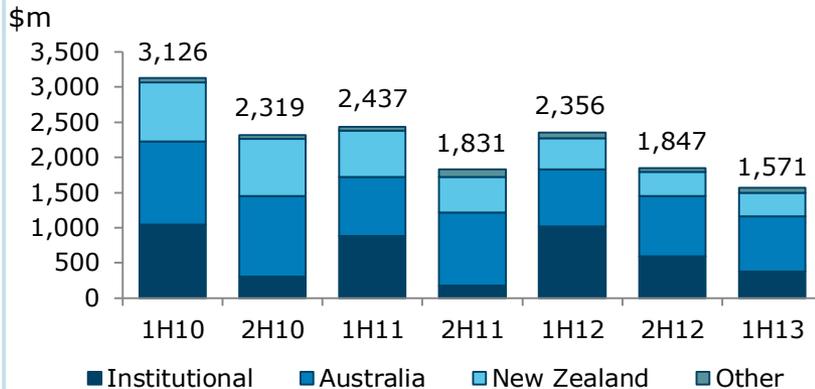


Gross Impaired Assets by Size of Exposure

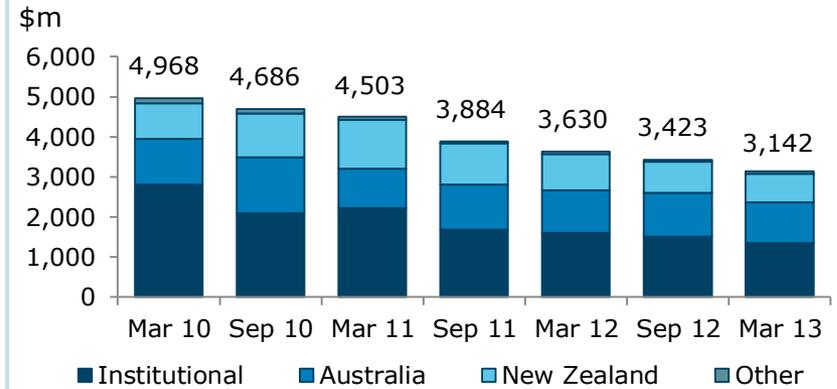


Impaired Assets

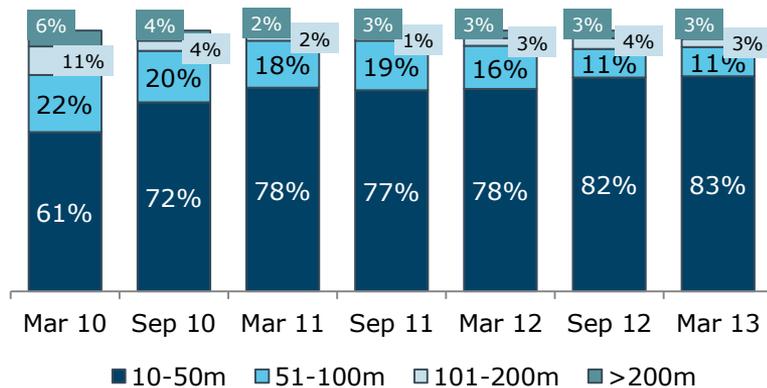
New Impaired Assets by Division



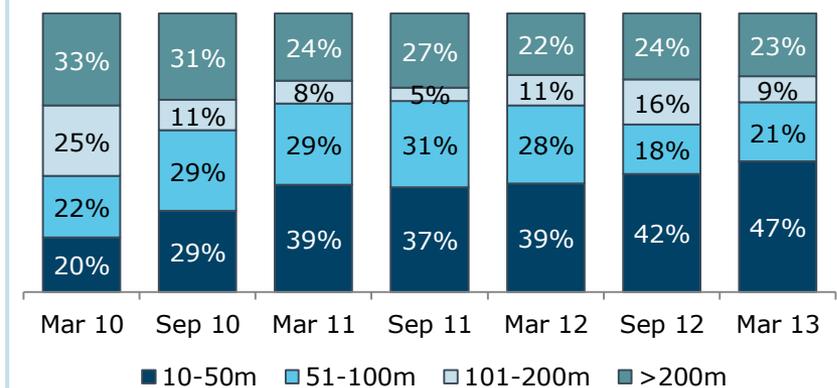
Net Impaired Assets by Division



Impaired Assets Concentration by number of Customers



Impaired Assets Concentration by value of Impaired Assets

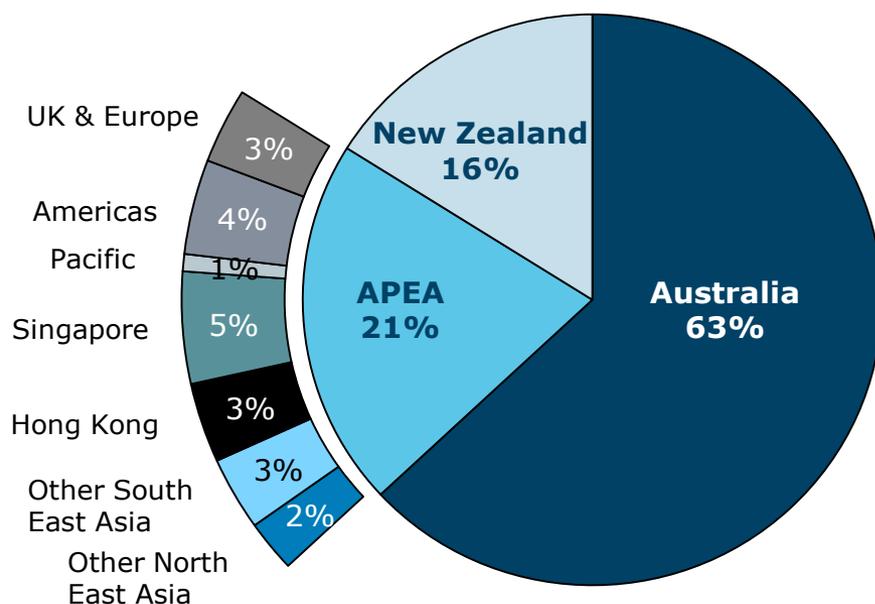


Total lending exposures by Geography

Exposure by Geography

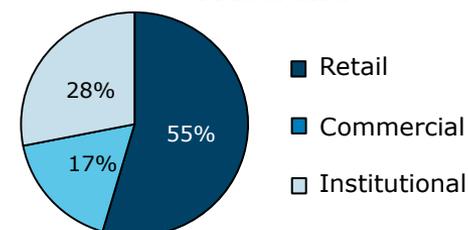
Total Exposure at Default (Mar 13) - \$693.2b¹

Australia	New Zealand	APEA
\$437.1	\$111.5	\$144.6

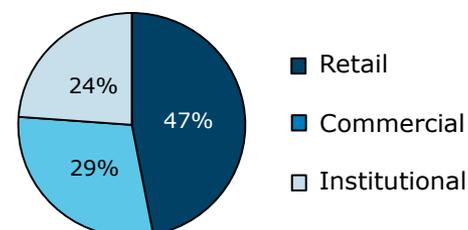


Exposure at Default by Line of Business

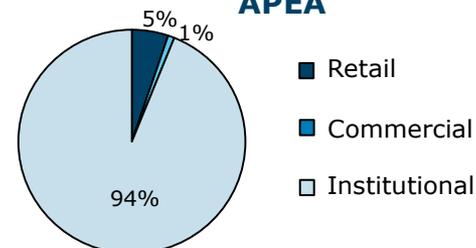
Australia



New Zealand



APEA



1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel asset classes

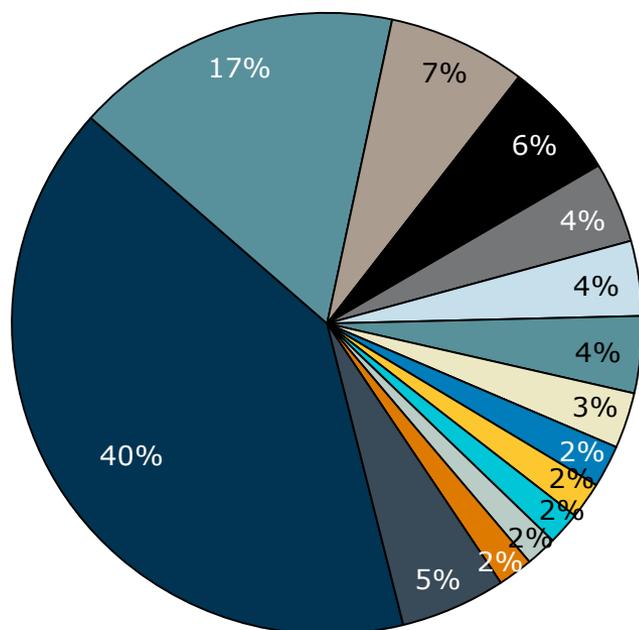
Total lending exposures by industry sector

Exposure at Default (EAD) as a % of group total

ANZ Group

Total EAD (Mar 13)

\$693.2b



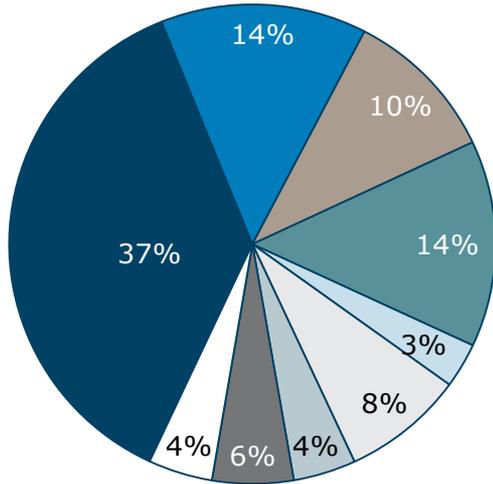
Category	EAD		% in Non Performing	
	Sep 12	Mar 13	Sep 12	Mar 13
Consumer Lending	41.0%	40.4%	0.3%	0.2%
Finance, Investment & Insurance	14.9%	16.8%	0.5%	0.2%
Property Services	7.5%	7.1%	1.6%	1.6%
Manufacturing	6.0%	6.1%	1.2%	1.0%
Agriculture, Forestry, Fishing	4.5%	4.2%	3.9%	4.1%
Government & Official Institutions	4.2%	3.9%	0.0%	0.0%
Wholesale trade	3.9%	4.0%	0.6%	0.6%
Retail Trade	2.9%	2.9%	0.9%	0.8%
Transport & Storage	2.3%	2.2%	3.2%	2.0%
Business Services	2.0%	1.9%	0.9%	0.7%
Electricity, Gas & Water Supply	1.8%	1.7%	0.2%	0.1%
Construction	1.7%	1.6%	1.4%	1.2%
Resources (Mining)	1.6%	1.8%	0.2%	0.2%
Other	5.7%	5.4%	0.1%	0.1%

Global Agriculture

Agriculture Exposure by Sector (EAD)

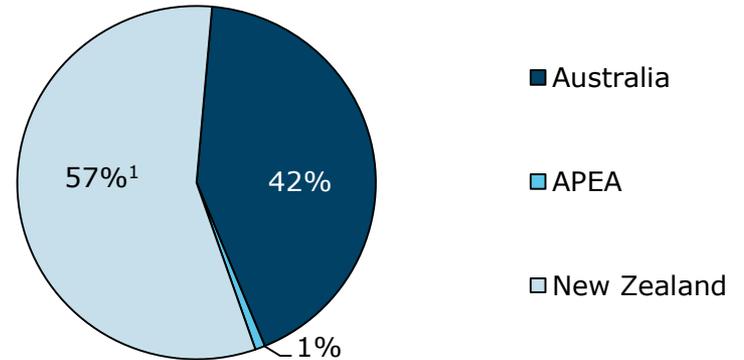
Agriculture

Total EAD (Mar 13)	As a % of Group EAD
\$29.2b	4.2%

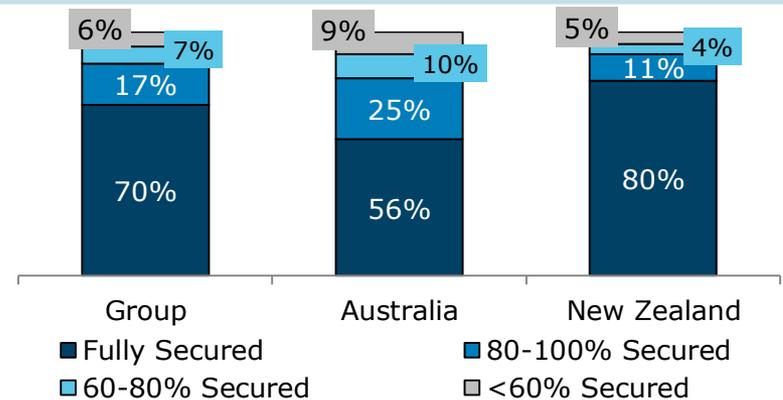


- Dairy
- Beef
- Sheep & Other Livestock
- Grain
- Wheat
- Horticulture/Fruit
- Other Crops
- Forestry & Fishing
- Agriculture Services

Agriculture Exposure by Geography



Agriculture Security Levels



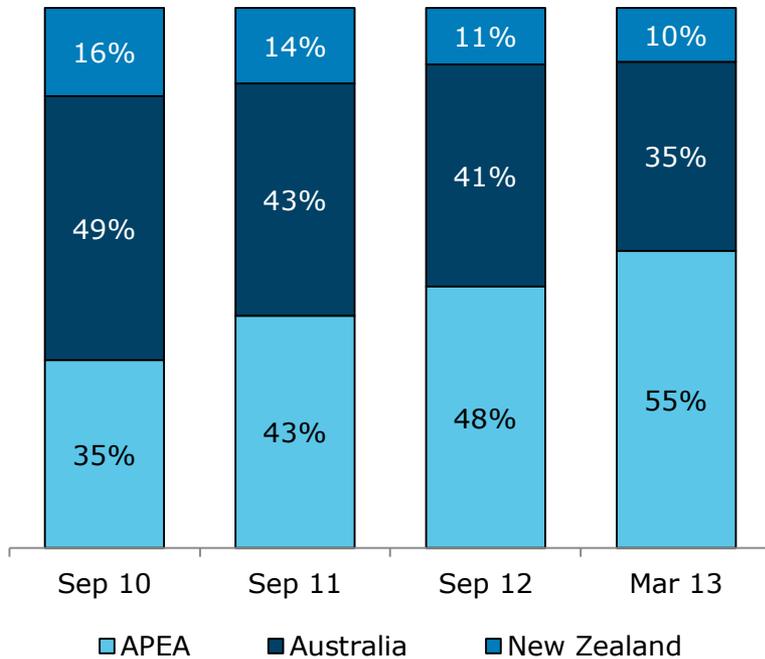
1. 60% of NZ Agriculture exposure is to Dairy Cattle Farming

Manufacturing

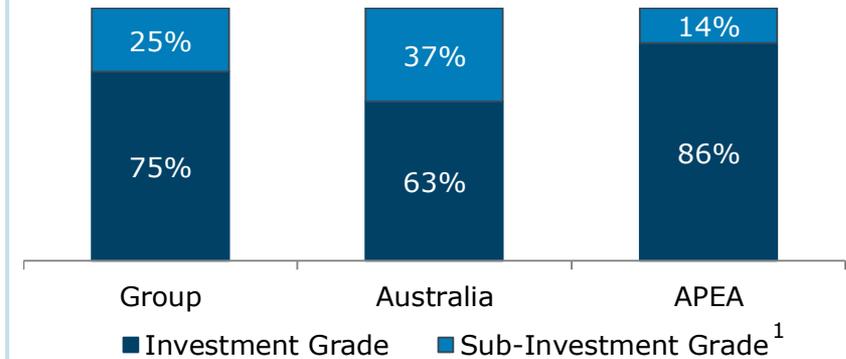
Risk Rating Profile (% EAD)

Manufacturing

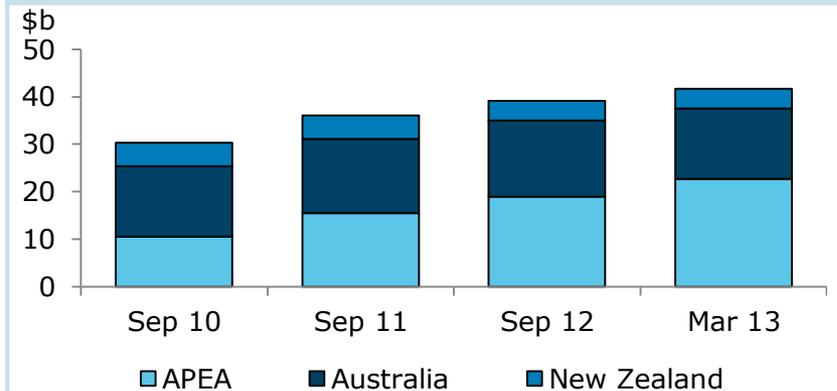
Total EAD (Mar 13)	As a % of Group EAD
\$41.9b	6.1%



Exposure Mix by Geography (EAD)



Total Exposure by Geography (EAD)



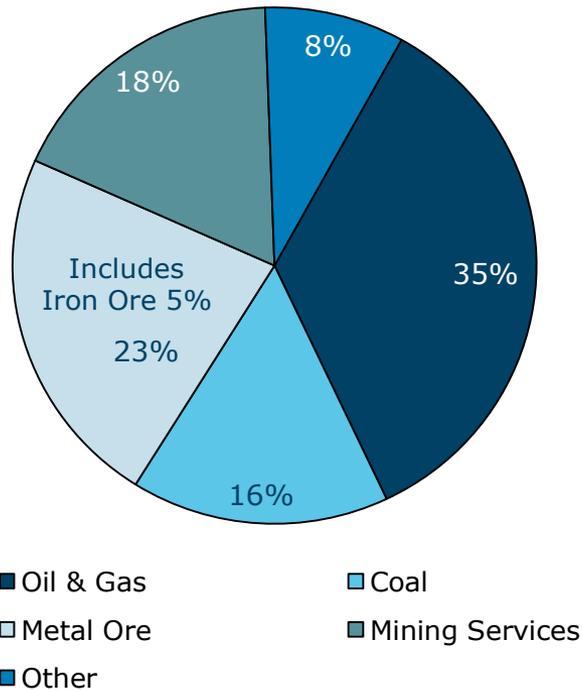
1. Sub-investment grade defined as exposures with a rating below BBB-

Resources

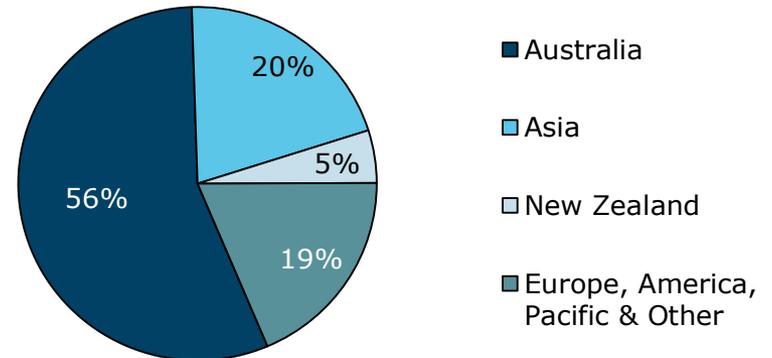
Resources Exposure by Sector (% EAD)

Resources

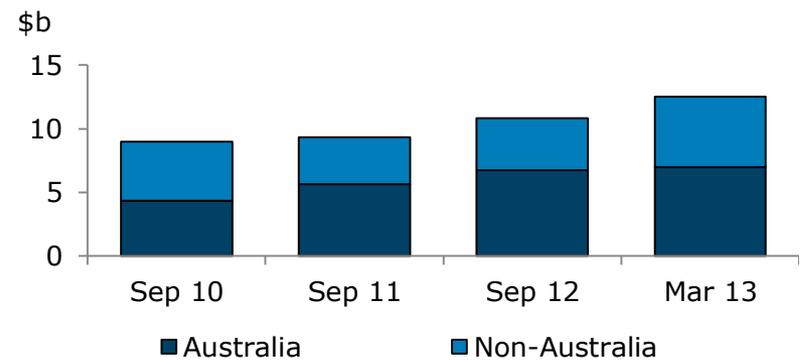
Total EAD (Mar 13)	As a % of Group EAD
\$12.5b	1.8%



Resources Exposure by Geography (EAD)

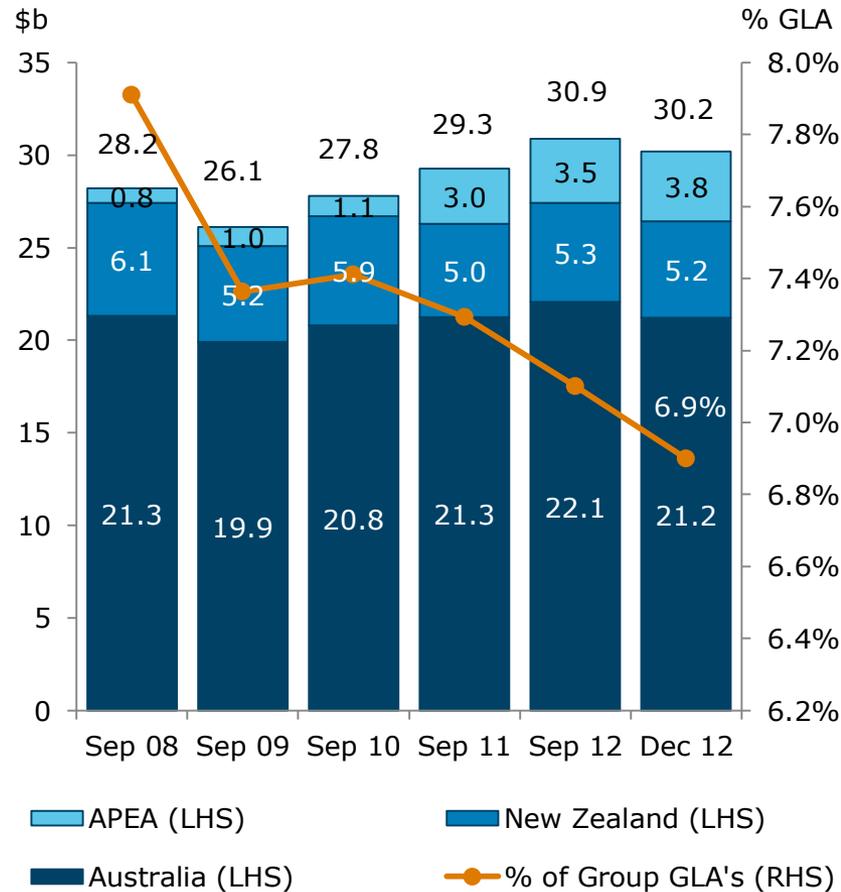


Resources Exposure by Geography (EAD)

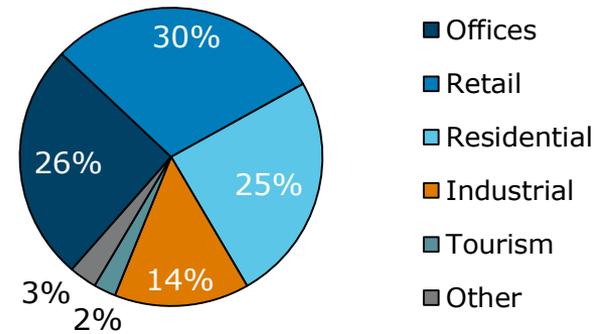


Commercial Property credit exposure

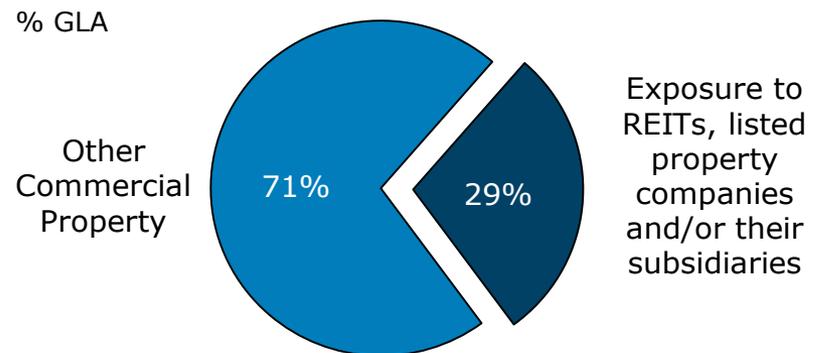
Commercial Property Exposure Gross Loans and Advances by Region



Commercial Property Exposure by Sector

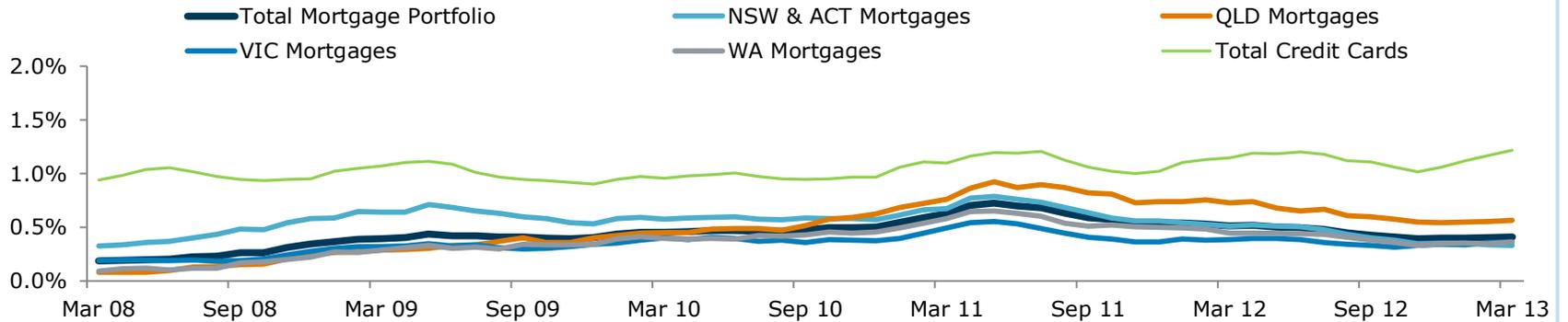


Exposure to REIT's, Listed Property Companies and/or their subsidiaries

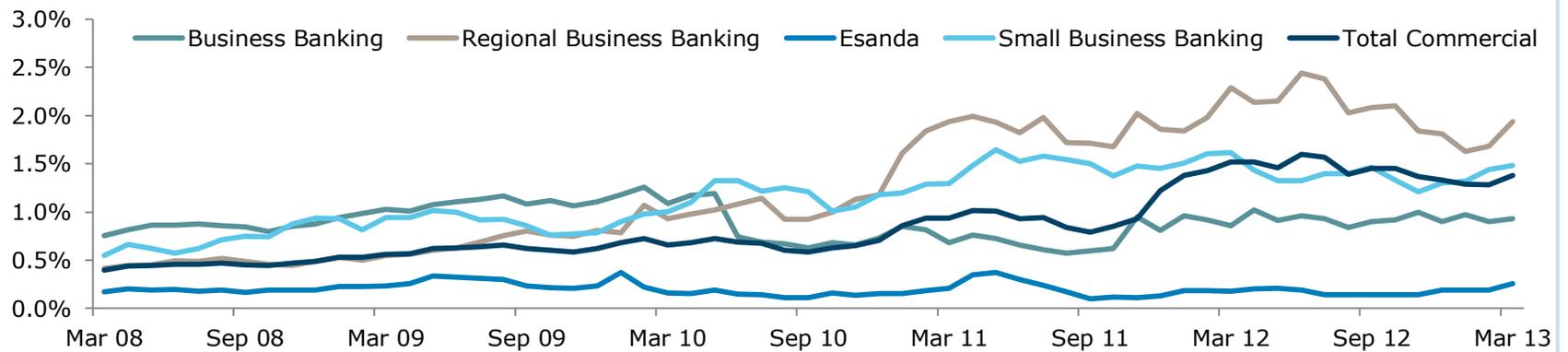


Australia 90+ day delinquencies

Australia Retail 90+ day delinquencies



Australia Commercial 90+ day delinquencies



Australia Division - Mortgages

Portfolio statistics

Total Number of Mortgage Accounts	860k
Total Mortgage FUM	\$188b
% of Total Australia Region Lending	60%
% of Total Group Lending	43%
Owner Occupied Loans - % of Portfolio	62%
Average Loan Size at Origination	\$262k
Average LVR at Origination	65%
Average Dynamic LVR of Portfolio	52%
% of Portfolio Ahead on Repayments ¹	59%
First Home Owners - % of New Lending	6%
% of Portfolio Paying Interest Only ²	32%

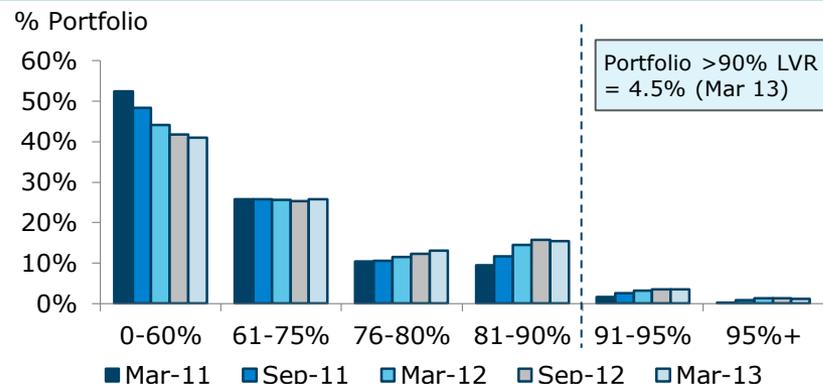
Mortgages have low loss rates

Individual Provision Loss Rates

	1H11	2H11	1H12	2H12	1H13
Group	0.32%	0.31%	0.36%	0.43%	0.27%
Australia Mortgages	0.01%	0.03%	0.03%	0.02%	0.01%

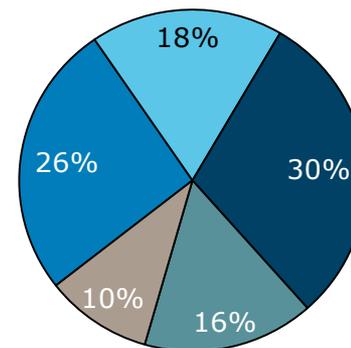
1. One month or more ahead of repayments. Excludes funds in offset accounts.
2. % of Portfolio of Instalment Loans. Excludes funds in Equity Manager Accounts.

Dynamic Loan to Valuation Ratio



Mortgage portfolio by State

- NSW & ACT
- QLD
- VIC
- WA
- Other



New Zealand - Mortgages

Portfolio statistics

Total Number of Mortgage Accounts	474k
Total Mortgage FUM	NZD 57b
% of Total New Zealand Lending	56%
% of Total Group Lending	10%
Owner Occupied Loans - % of Portfolio	78%
Average Loan Size at Origination ¹	NZD 229k
Average LVR at Origination	66%
Average Dynamic LVR of Portfolio	47%
% of Portfolio Paying Interest Only ²	21%

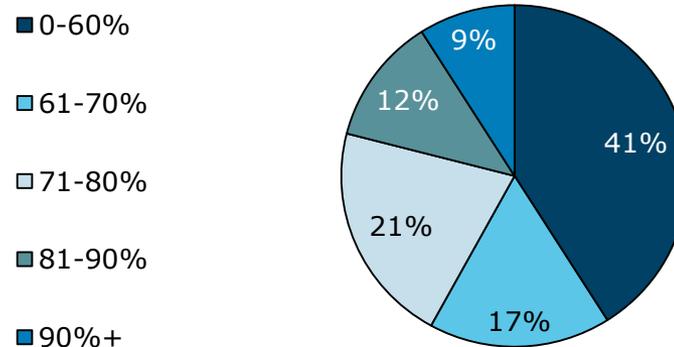
Mortgages have low loss rates

Individual Provision Loss Rates

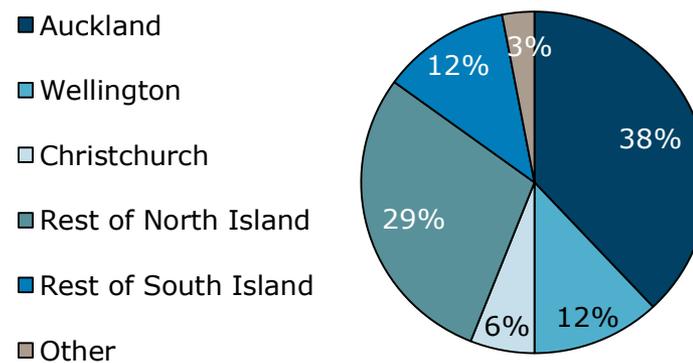
	1H11	2H11	1H12	2H12	1H13
Group	0.32%	0.31%	0.36%	0.43%	0.27%
New Zealand Mortgages	0.06%	0.07%	0.05%	0.03%	0.02%

1. 12 month average
2. Excludes revolving credit facilities

Dynamic Loan to Valuation Ratio

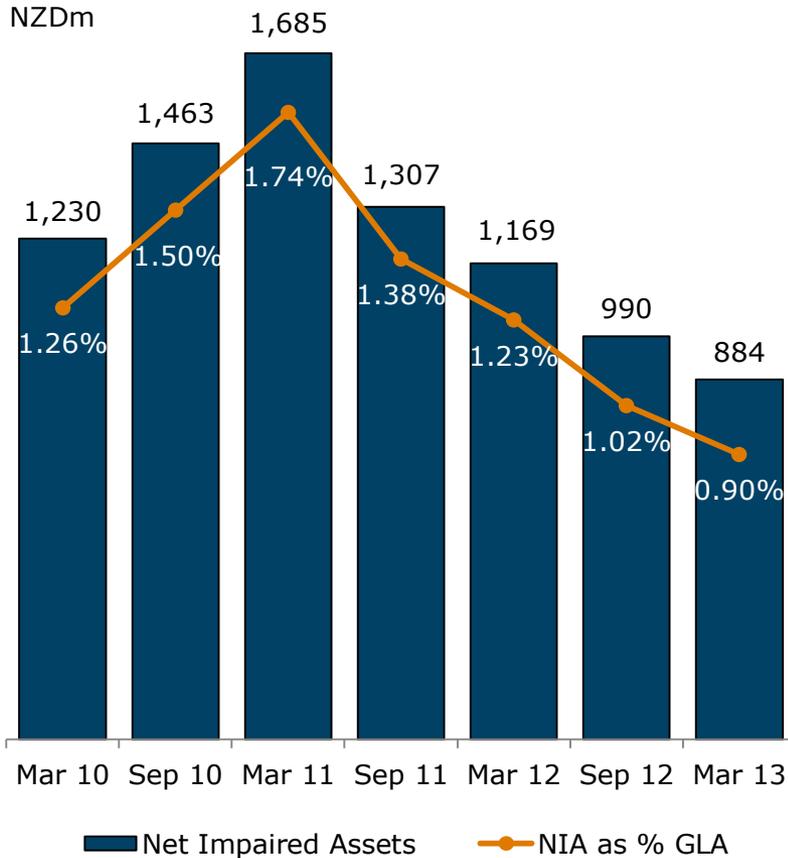


Mortgage portfolio by Region

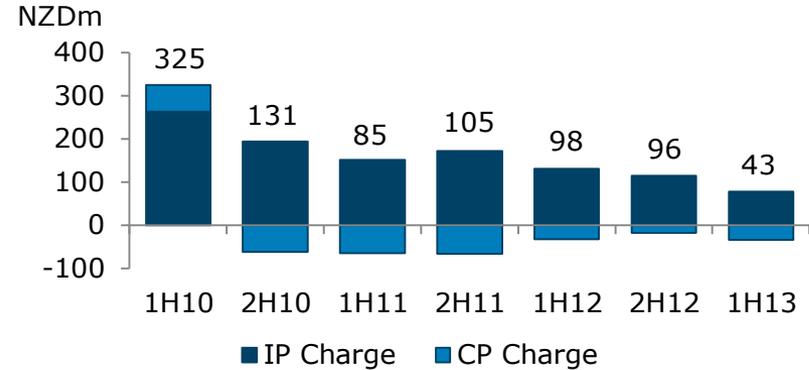


New Zealand Geography – credit quality

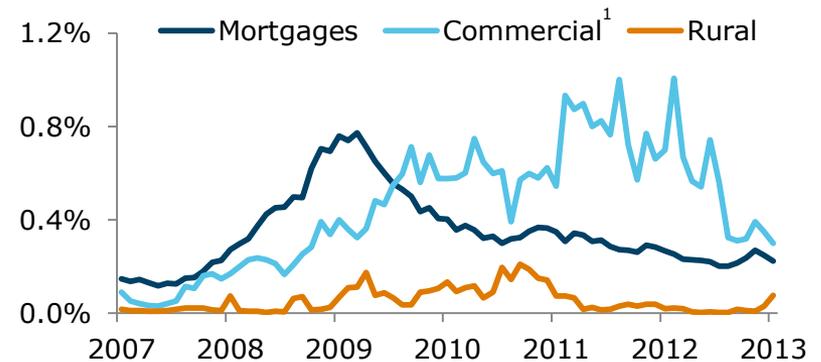
Net impaired assets



Total provision charge



90+ days delinquencies (New Zealand Division)



1. Spikes in 2012 Commercial 90 day delinquencies are primarily due to internal classifications rather than any deterioration in underlying credit quality.

13

HALF YEAR RESULTS
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

30 April 2013

Investor Discussion Pack
Australia



Australia Division

Strategic context

Strengthening the Franchise

- A strong domestic franchise is critical to the success of ANZ's super regional strategy, driving Group earnings and returns
- ANZ is targeting above peer growth in our key segments

In a changing credit environment

- The domestic macroeconomic environment including credit growth outlook remains relatively subdued
- A diversified channel strategy is key to connecting customers

By meeting customers' needs

- Customer banking preferences are changing. Customers want:
 - Mobility and flexibility around their banking
 - A better customer experience
 - Greater understanding of their needs and targeted offerings

And engaging in sustainable productivity

- ANZ will improve operational efficiency by leveraging global hubs and shared platforms designed & built with the customer in mind

ANZ Australia outcomes

Performing strongly across our portfolio

- A strong 1H13 result, broadly based across our businesses¹:
 - NPAT up 7%, 3 bps margin improvement, operating expenses down 3%, CTI down 200 bps to 37.9%, ROA up 5 bps
 - Above system volume growth, asset quality maintained
 - Traditional Banking Market Share grew from 14.0% to 14.3% over the 6 months to Mar 2013²
 - Retail customer satisfaction restored to 2011 levels from 76.0%³ to 80.0%⁴
 - 11% increase in C&CB cross sell driven by mortgage and trade product sales
 - Continue to lead our peers in "servicing customers' business needs across Australia, NZ & Asia"⁵

Investing for the future

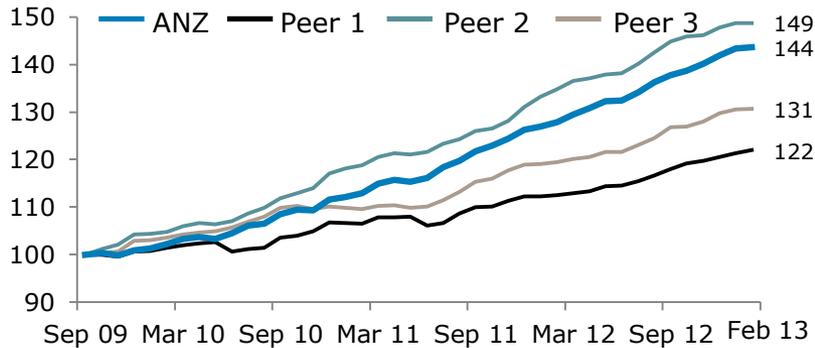
- We launched the Banking on Australia program to supercharge the transformation of our Australian business
 - Digital and mobile channels are lowering cost to serve, providing common platforms and creating further revenue opportunities
 - Transforming our distribution network to reduce branch footprint costs and improve frontline productivity
 - Simpler Banking productivity initiatives are underway delivering tangible benefits

1. All comparisons are 2H12 compared to 1H13 and on a cash basis unless otherwise noted
2. Source: Roy Morgan Research: Aust Pop'n aged 14+, rolling 12 months, Trad Banking Consumer Market (Deposits, Cards & Loans), Peers: CBA (excl Bankwest), NAB, Westpac (excl Bank of Melbourne & St George)
3. Source: Roy Morgan Research. Base: ANZ MFI Customers, aged 14+, rolling 6 months to September 2012
4. Source: Roy Morgan Research. Base: ANZ MFI Customers, aged 14+, rolling 6 months to March 2013
5. DBM Business Financial Services Monitor, 3-month rolling average. Defined as the proportion of all commercial banking customers with \$1m to less than \$40m turnover, who think 'Can service my business needs across Australia, New Zealand and Asia' applies to each bank

The Australian Franchise continues its trend of above system volume growth

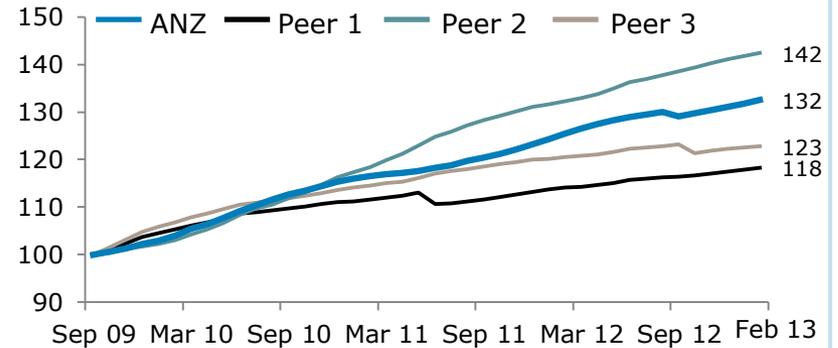
Household deposits growth¹

Indexed Sep 2009 = 100

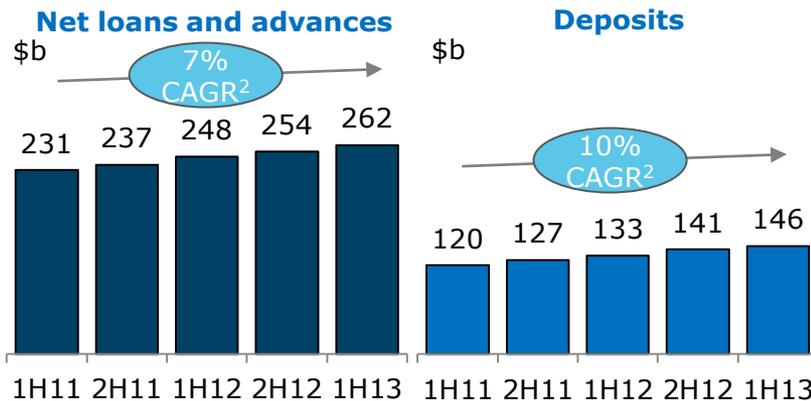


Household lending growth¹

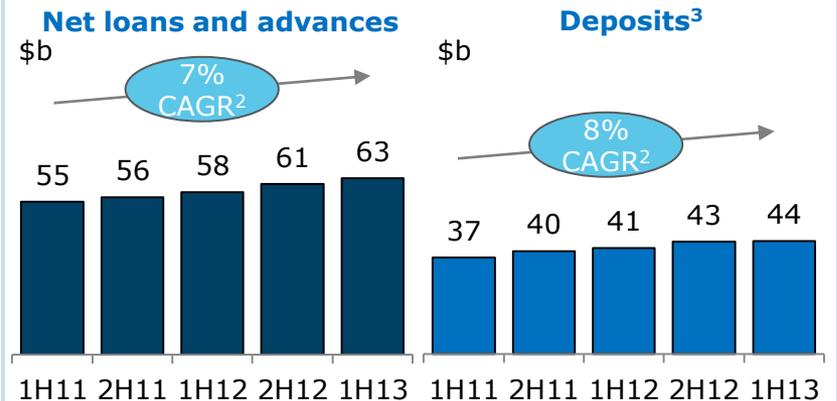
Indexed Sep 2009 = 100



Australia Division Net loans and advances & Deposits



Corporate & Commercial Banking Net loans and advances & Deposits



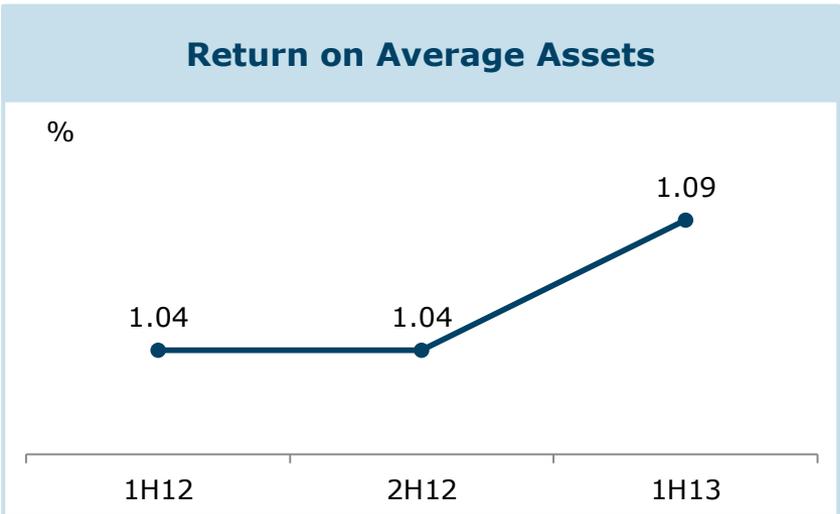
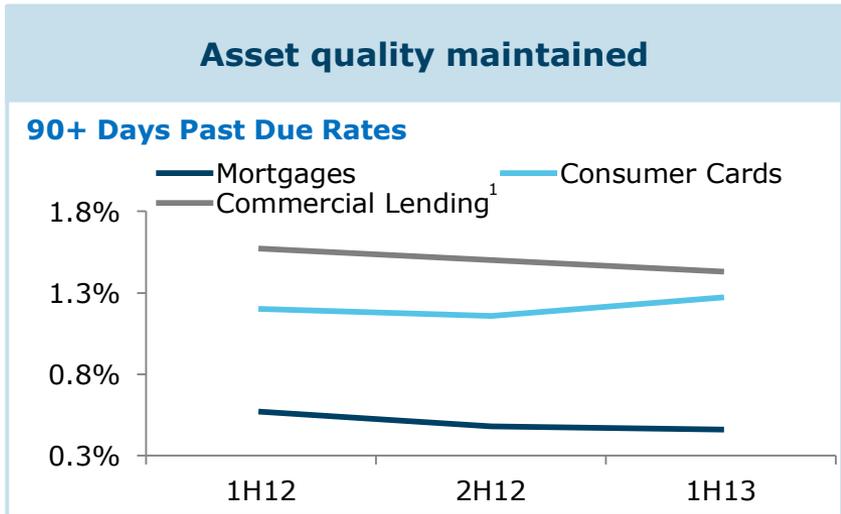
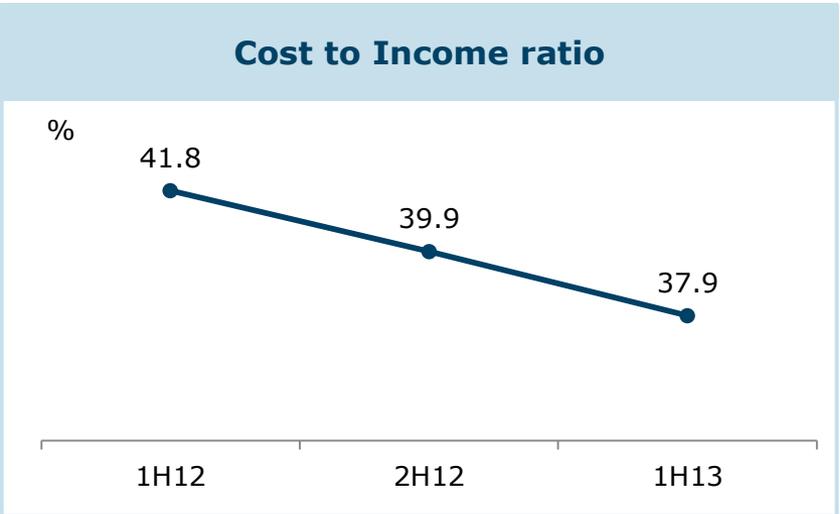
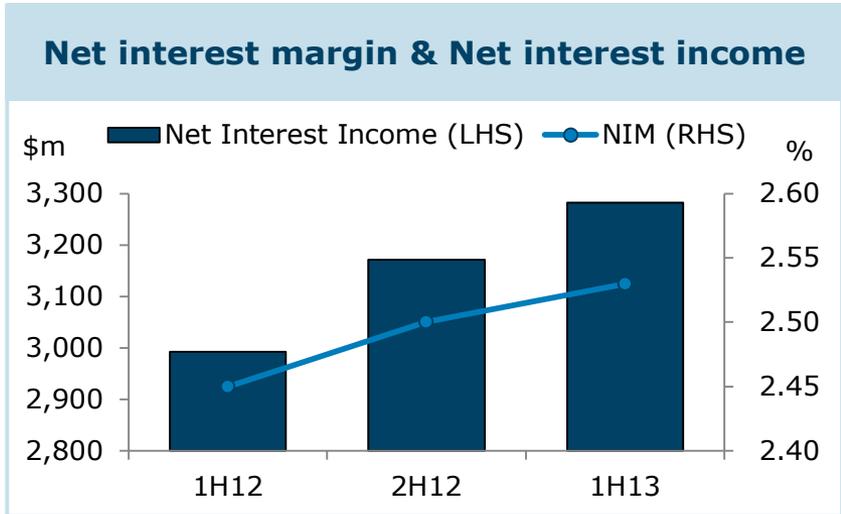
1. Source: APRA Banking statistics

2. Represents annualised CAGR

3. Excludes Corporate Banking deposits which are included in the IIB division deposits (Corporate Deposits as at Mar 13 half: \$5.8b Sep 12 half: \$6.2b; Mar 12 half: \$5.8b; Sep 11 half: \$6.3b; Mar 11 half: \$6.3b)



With a focus on margin management, cost control and asset quality ensuring growth in returns

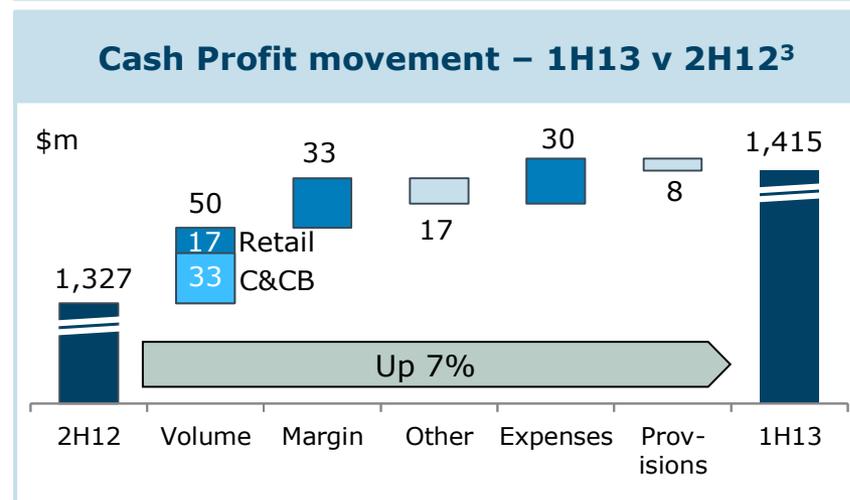
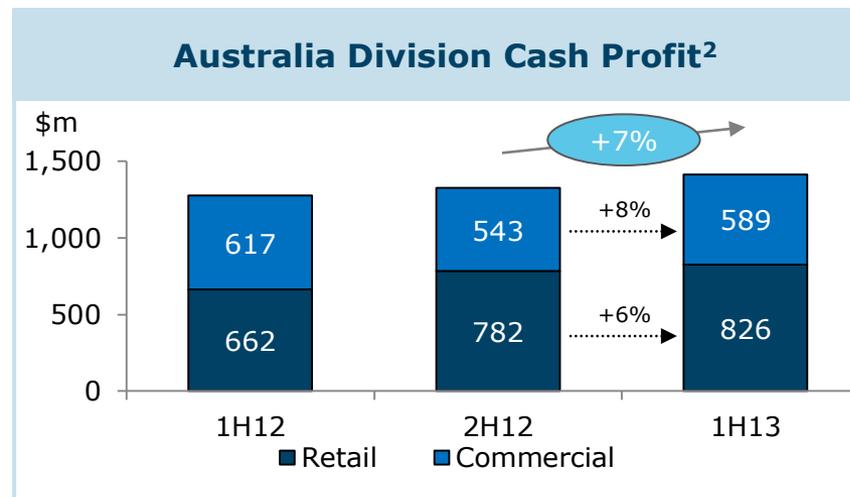


1. Excludes Corporate Banking



Strong broad based 1H13 performance

- A strong 1H13 result with volume, margin and expense management all contributing
- Above system asset growth in Retail (Mortgages) and strong asset growth in C&CB (Business Banking, Small Business Banking and Esanda)
- Asset growth largely self-funded with the majority of our above system deposit growth coming from Retail savings products
- NIM improved 3 bps HOH and 8 bps PCP due to disciplined margin management, partly offset by deposit pricing pressures
- Operating expenses down 3% HOH¹ and 2% PCP reflecting the focus on productivity and expense management, allowing targeted investment in our Banking on Australia program in 2H13
- Credit quality remains sound. Provision charge in line with volume growth after allowing for non recurring write-backs in 2H12
- Increasing our whole of bank customer share, focusing on share of wallet and cross sell growth

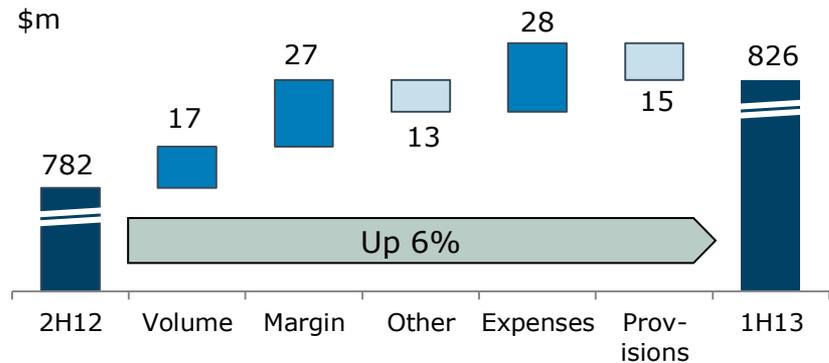


1. Operating expense now on a cash basis - excluding software write off's, operating expenses were flat HOH
 2. Excludes central costs
 3. Numbers reported post tax

Retail

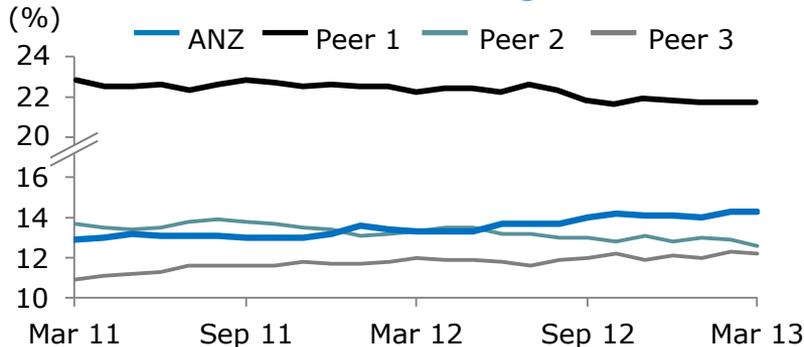
- 6% growth HOH in cash profit reflecting strong volume growth combined with NIM expansion and tight cost management
- ANZ grew overall market share from 12.9% to 14.3% over the 2 years to Mar 2013 and ranks second among the major domestic peer banks¹
 - Increased market share in the Affluent segment from 13.4% to 15.2% over the 2 years to Mar 2013, the biggest gain of the major banks²
- Strong all round result with above system growth in mortgages³ and deposits and strong growth in personal loans and merchants
- Improved customer satisfaction from 76.0%⁴ to 80.0%⁵ in the 6 months to Mar 2013, moving ANZ to third position of the four major banks

Cash Profit movement – 1H13 v 2H12⁶



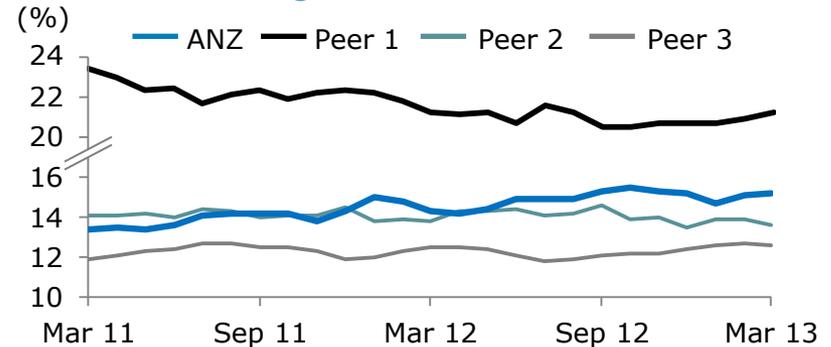
Traditional Banking market share¹

Market share – Traditional Banking



Affluent - Market share²

Traditional Banking



1. Source: Roy Morgan Research: Australia Pop'n aged 14+, rolling 12 months, Traditional Banking Consumer Market (Deposits, Cards & Loans), Peers: CBA (excl Bankwest), NAB, Westpac (excl Bank of Melbourne & St George)

2. Affluent Market defined as: People with \$400k -<\$1M in AFS FUM OR Personal Income \$150k+

3. Based on APRA statistics excluding the impact of the sale of Origin Mortgage Management Services

4. Source: Roy Morgan Research. Base: ANZ MFI Customers, aged 14+, rolling 6 months to September 2012

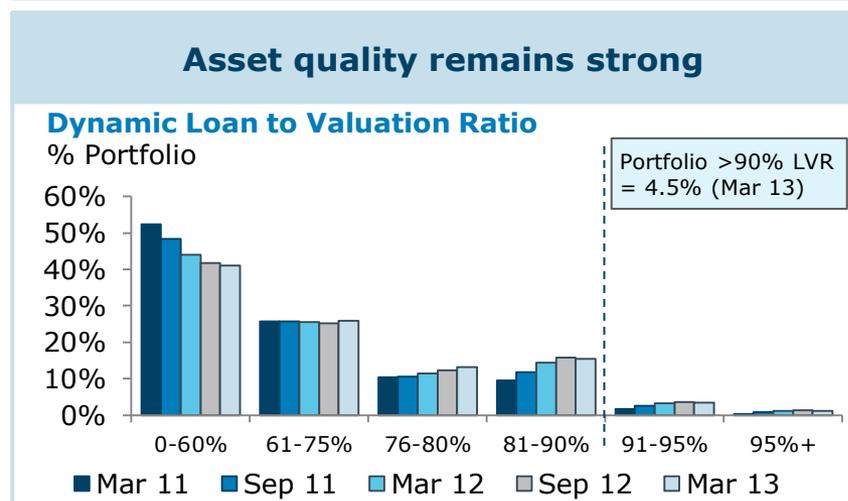
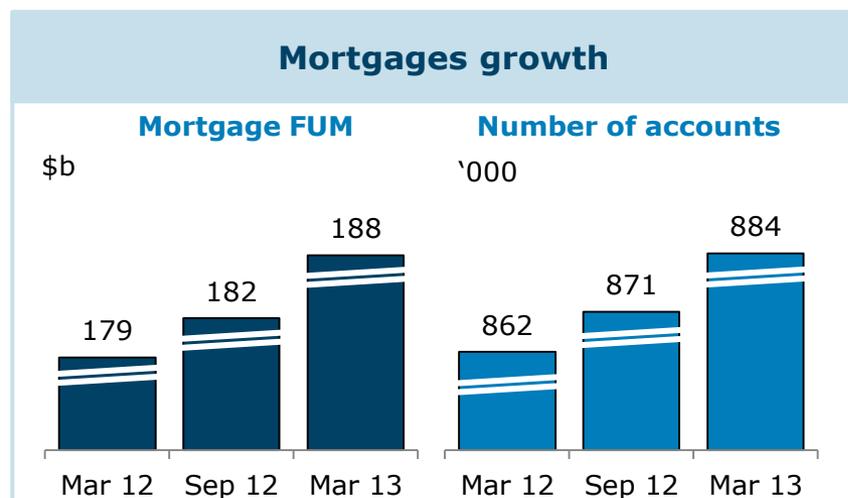
5. Source: Roy Morgan Research. Base: ANZ MFI Customers, aged 14+, rolling 6 months to March 2013

6. Numbers reported post tax



Strong mortgage performance

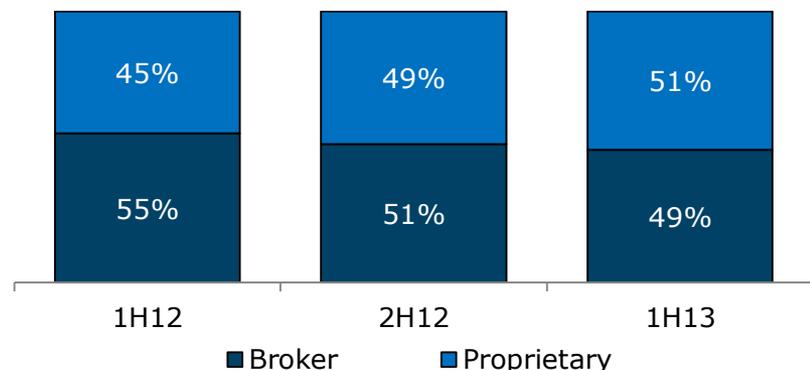
- Strong volume growth
 - Increase in mortgage market share from 14.5% (Feb 12) to 14.7% (Feb 13)¹
 - Above system mortgage growth for 13 consecutive quarters¹
 - Leveraging our network capability and driving growth from other channels delivered a 10% increase YOY in proprietary mortgage sales
- Divisional margin improved 3 bps HOH as a result of active management of pricing, basis, discounting, broker commissions, and an increase in proprietary mortgage sales
- Asset quality maintained
 - Continued acquisition focus on 75-90% LVR
 - Over 95% of mortgage portfolio has a dynamic LVR less than 90%
 - No change in underwriting standards
 - 90+ delinquencies down 2bps HOH to 41 bps
 - Mortgagee in Possession volumes reduced by 13%



1. Source: APRA Banking statistics excluding the impact of the sale of Origin Mortgage Management Services

Balancing proprietary and broker mortgage channels

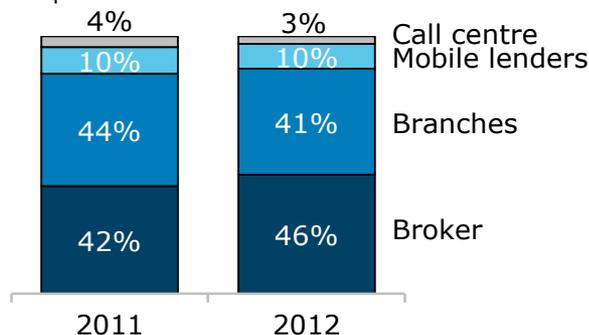
Trend improving in ANZ Proprietary/Broker sales mix...



- Program of initiatives executed to strengthen proprietary mortgage capability
 - Leveraging our network capability and driving growth from alternative proprietary channels has increased the proportion of proprietary sales from 45% to 51% in the last 12 months
 - Mortgage sales to C&CB customers has been a focus and has increased 36% PCP
- Broker originated loans deliver strong returns and remain an important source of high value new customers with average new loan sizes 23% higher than branch originated loans

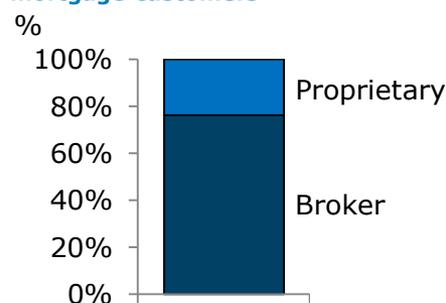
... noting customer preferences generally are shifting towards the Broker channel

Major banks' new lending by channel¹
%, 12 months to September 2012

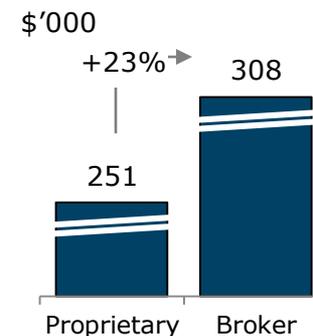


Broker channel remains an important channel given shifting customer preferences

Channel mix of new-to-bank mortgage customers



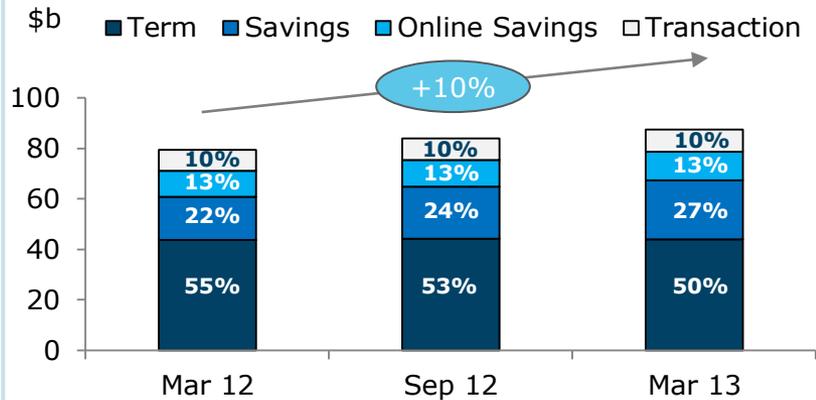
Average new loan size²



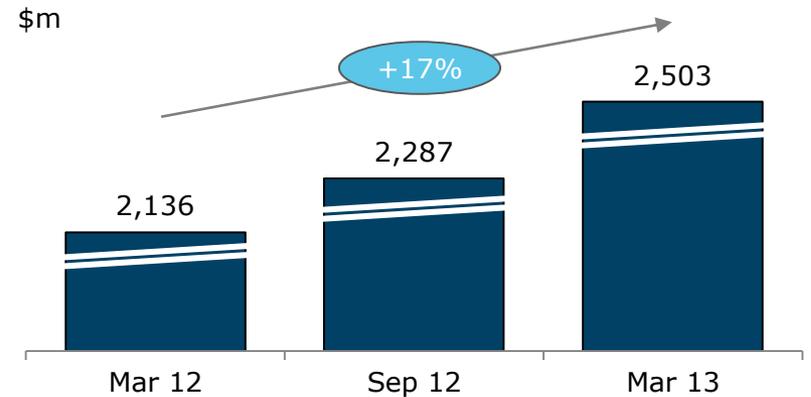
1. Including ANZ, NAB (excl. Ubank), CBA (excl. BankWest), WBC (excl. St George). Note 2011 is based on 12 months to June 11
2. Jan 2013 YTD

Broad based performance in delivering the Retail result

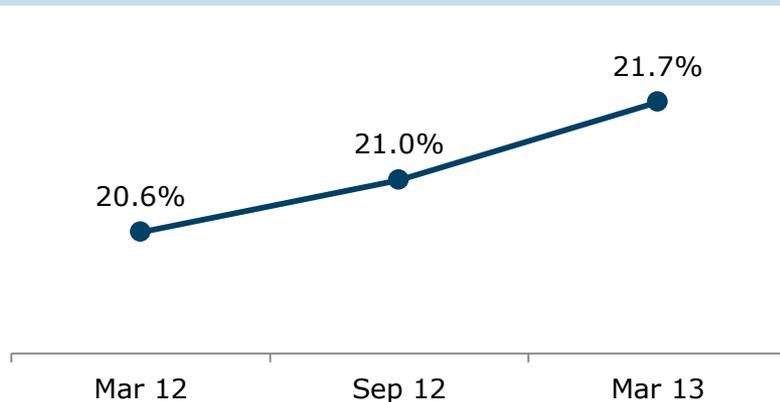
Deposit growth¹ strong driven by Savings, predominantly Progress Saver



Personal Loans momentum accelerating

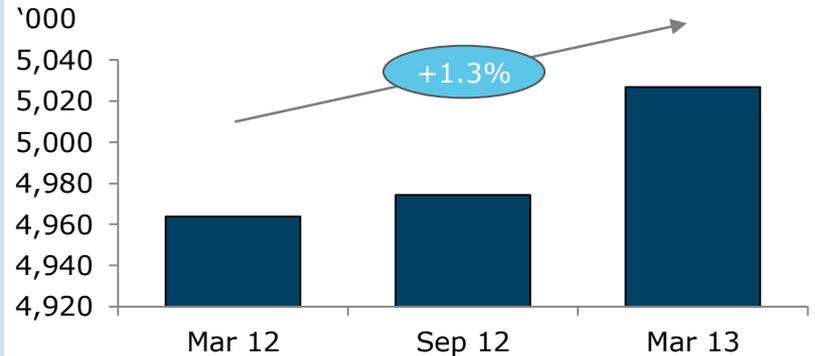


Merchant Services increasing market share^{2,3}



Customer Acquisition

Total customers



1. Excludes offset accounts

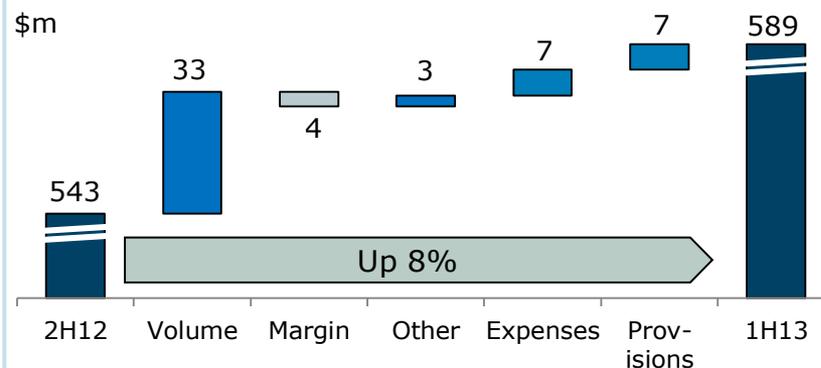
2. ANZ Merchant Services turnover as % of market turnover as reported by the RBA

3. Source: RBA acquiring data as at Jan 2013 rolling 12 month average turnover (includes credit, debit and charge cards)

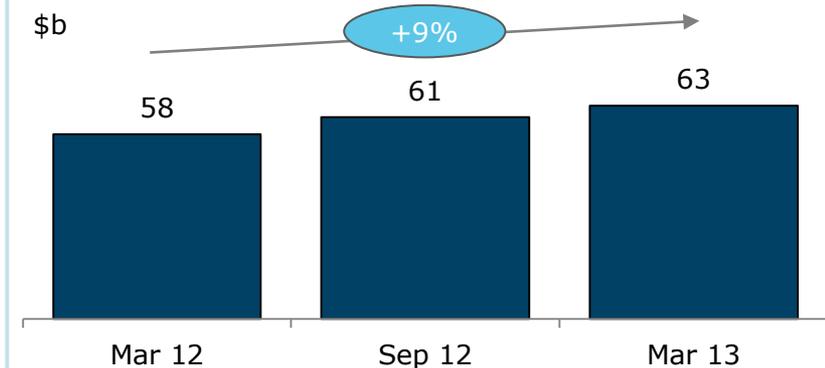
Corporate & Commercial Banking growing strongly

- 1H13 cash profit up 8% HOH driven by strong asset growth and tight cost control
- Strong volume growth with net loans and advances up 9% and deposits up 7% over the 12 months to March 2013
 - Asset growth over past 12 months has outperformed system growth in the business lending market¹
- Overall margin flat with improvement in lending margin offset by impact of lower interest rate environment and deposit price competition

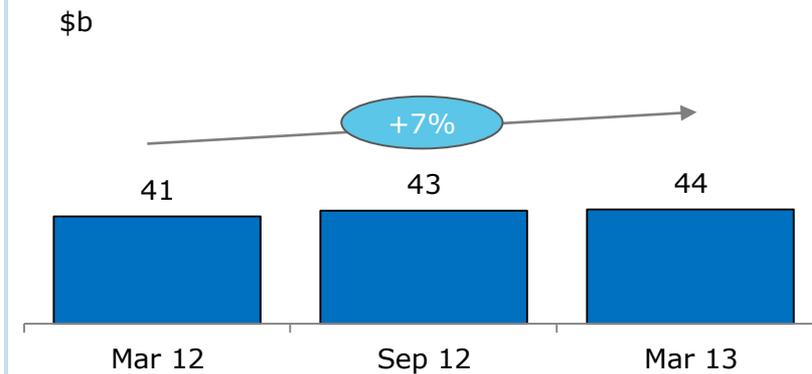
Cash Profit movement – 1H13 v 2H12³



Lending



Deposits²

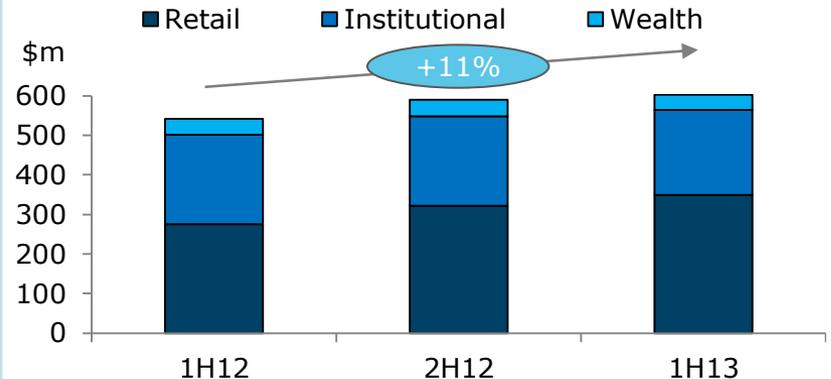


1. System represents business lending as reported in RBA Lending and Credit Aggregates monthly data series, scaled to APRA total lending to business (excluding APRA non-fin corps lending) data series on a quarterly basis
2. Excludes Corporate Banking deposits which are included in the IIB division deposits (Corporate Deposits as at Mar 13 half: \$5.8b Sep 12 half: \$6.2b; Mar 12 half: \$5.8b; Sep 11 half: \$6.3b; Mar 11 half: \$6.3b)
3. Numbers reported post tax

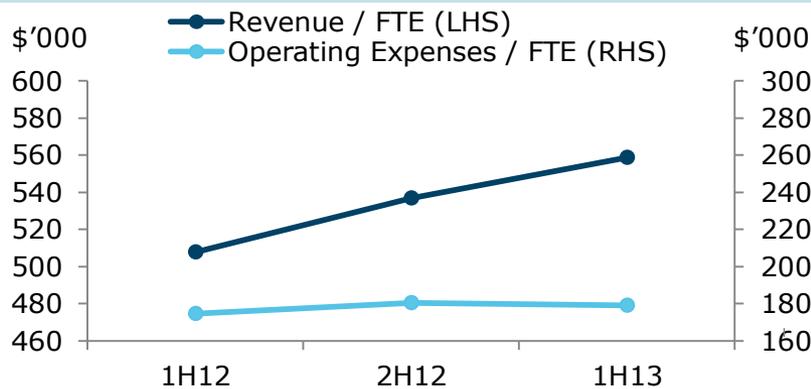
Corporate & Commercial Banking remains well managed

- Strong growth in cross sell revenue led by sales of mortgages to C&CB customers up 36% and Trade up 15% PCP
- Credit quality is well controlled and stable with a weighted average customer credit rating of 6.2 over the last 3 halves
- Focus on productivity has improved operational efficiency with revenue per FTE improving 4% HOH and 10% PCP and operating expenses per FTE down 1% HOH and up 3% PCP

Whole of customer focus delivering 11% cross sell revenue growth

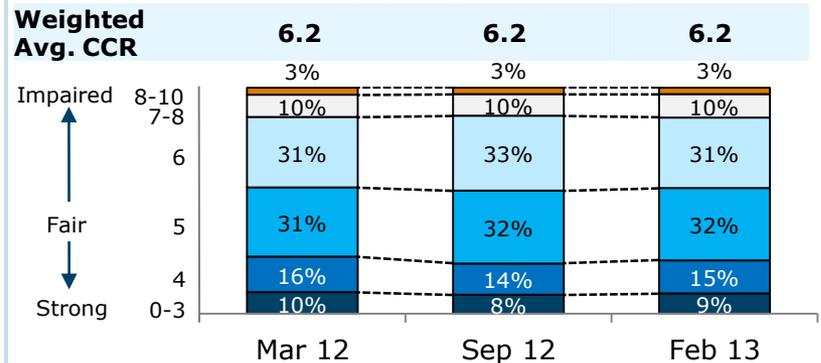


Revenue per FTE up, cost per FTE declining



Asset quality being maintained

Customer Credit Rating (CCR) Profiles by EAD



Corporate & Commercial Banking is winning business through customer growth driven by a differentiated value proposition

- Leveraging ANZ’s super regional advantage and ‘connectivity’ brand awareness (cross border referrals up 33% PCP)
- Focus on innovation to meet changing customer needs (23,000 downloads of ANZ FastPay app)
- Improving Banker capability
 - 1,300 staff up-skilled (super regional, credit and sales skills)
 - Enhanced sales tools and processes

ANZ FastPay - Australia’s first mobile payment App for small business

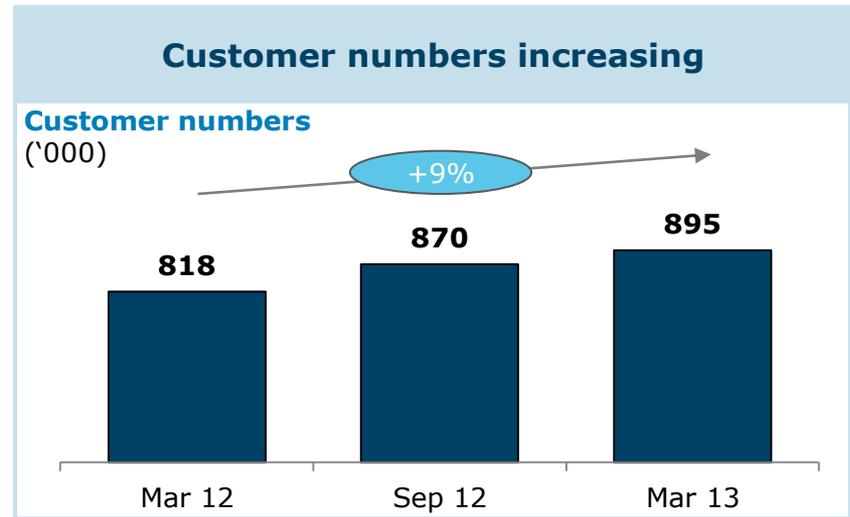
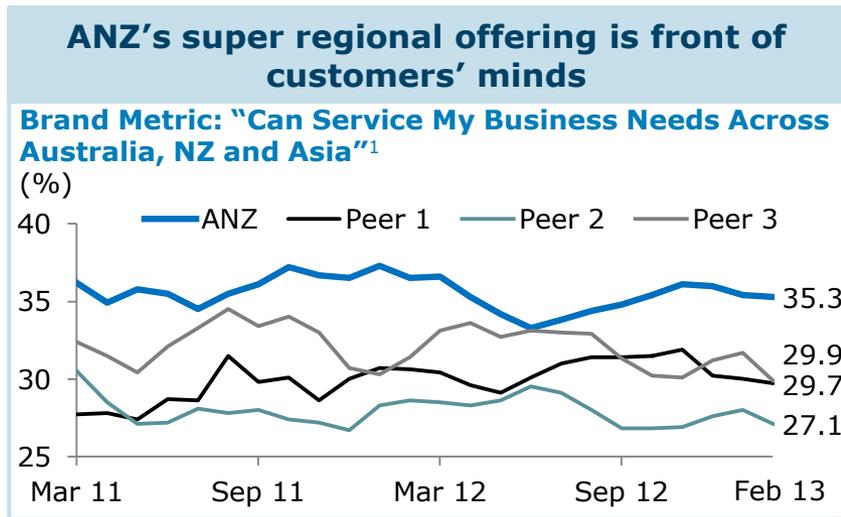




Winner
‘Innovative in Mobile Payments Award’²



Winner of Trailblazer Award for ‘Channel Excellence in Mobile – Payments’³



1. DBM Business Financial Services Monitor, 3-month rolling average. Defined as the proportion of all commercial banking customers with \$1m to less than \$40m turnover, who think ‘Can service my business needs across Australia, New Zealand and Asia’ applies to each bank

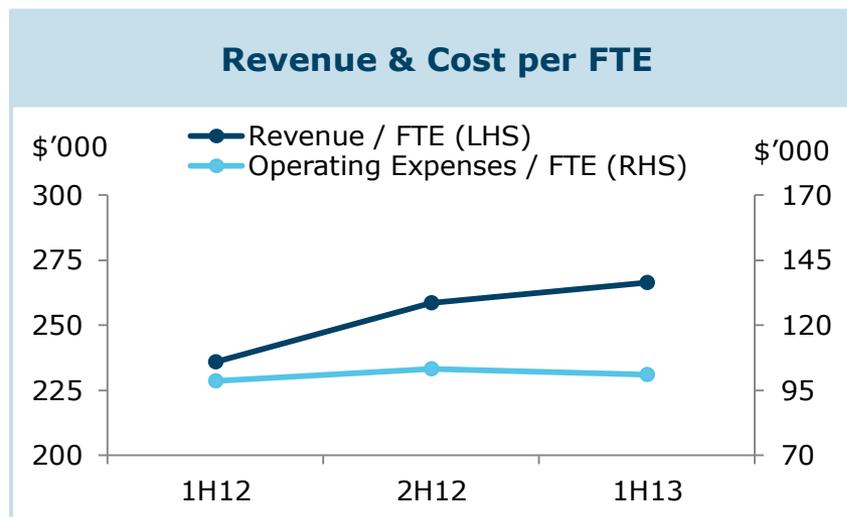
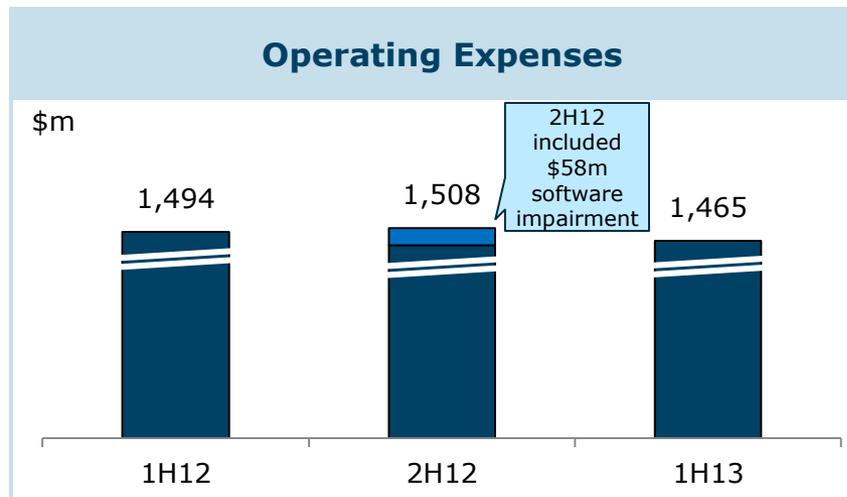
2. Financial Insights Innovation Awards (FIIA) 2013

3. 2013 Banking & Payments Asia Trailblazer Awards



Strong productivity focus continues, allowing targeted investment in Banking on Australia in 2H13

- Expenses down 3% HOH and 2% PCP, CTI down 200 bps HOH and 390 bps PCP to 37.9%
- Australia Operations expenses down 7% HOH and 13% PCP, while maintaining service levels and absorbing volume increases of 5% PCP
- Monthly customer complaints down 9% HOH
- Sustainable cost reduction through Banking on Australia transformation and simplification initiatives:
 - Transforming our distribution network to reduce branch footprint costs and improve frontline productivity
 - Focusing on end-to-end process improvement, product simplification and right-sizing enablement functions
- Use of Centres of Excellence and Regional Hubs
 - Turnaround times for Travel Card account openings reduced from 24 to 2 hours
 - Mortgage Assessment process improvements resulted in an additional 250 customers per month receiving same day approval
 - 75% reduction in Esanda application time
 - Bangalore hubs becoming more efficient (140 FTE equivalent of volume absorbed)



The Banking on Australia program

The 'Banking on Australia' program responds to changing customer expectations and the competitive domestic banking landscape. It's about putting customers in control of their finances and making it easy for them to bank with us.

Investing \$1.5 billion over five years to 2017 to reshape the way we do business

- Transforming our distribution network to deliver an improved customer experience through presenting the full array of ANZ's banking, wealth and institutional solutions
- Building our online and digital banking capabilities
- Simplifying our products and processes to free up productive time and make doing business easier for staff and customers
- Leveraging the connectivity of our unique super regional footprint
- Building the capability of our people to meet changing customer needs through better training, support, insights and customer analytics

Aiming to be the best connected, most respected bank across the Asia Pacific region

- Acquiring more quality customers than any other major domestic bank
- Achieving the highest customer satisfaction of the major banks
- Being the #1 Corporate and Commercial Bank
- Building our lead in digital and mobile banking
- Continuing to build a highly engaged workforce proud to work for ANZ



Banking on Australia

Embracing the digital age to meet customer expectations	Simplifying products, processes and improving productivity	Transforming & rejuvenating our distribution channels	Leveraging the connectivity and super regional footprint	Building the capability of our people to meet customer needs
<ul style="list-style-type: none"> • ANZ goMoney <ul style="list-style-type: none"> ➢ Over 1m users ➢ Available on iPhone and Android ➢ 1m goMoney logons in 1 day - now exceeding internet banking • ANZ FastPay <ul style="list-style-type: none"> ➢ Launched Oct 2012 ➢ 23k downloads & 6.5k active merchants (25% of which were new to bank) ➢ Winner `Innovative in Mobile Payments Award'¹ ➢ Winner of Trailblazer Award for `Channel Excellence in Mobile – Payments'² • ANZ Transactive for Mobile <ul style="list-style-type: none"> ➢ Launched Feb 2013 ➢ 1,685 users across 584 clients ➢ 9% of all Transactive users are now using mobile 	<ul style="list-style-type: none"> • Mobility, sales effectiveness & productivity enhanced for 300 Commercial Bankers to date via iPad supported business apps. <ul style="list-style-type: none"> ➢ 1,200 more bankers to be enabled in 2013 • ANZ OneSwitch – 271 business customers have switched to ANZ over the half, taking the total to 927 since 2011 • Re-engineered mortgage fulfilment model - 40% improvement in time to letter of offer • 9% reduction in complaints HOH • Streamlining our product offerings to better meet customers needs <ul style="list-style-type: none"> ➢ 13 commercial products decommissioned ➢ Now 3 simple categories for credit card offering – low rate, low fee and rewards 	<ul style="list-style-type: none"> • 43 video conferencing facilities deployed • 46 new look sales focused branches transformed to date with a total 9000 sqm reduction <ul style="list-style-type: none"> ➢ 78 branches in total will be transformed by Sept 2013 • 10% increase PCP in proprietary mortgage sales • 13% increase PCP in Wealth sales events across the Retail network • 800 iATMs to be introduced from June 2013 (200 installed by end of 2013) 	<ul style="list-style-type: none"> • Cross-border referrals up 33% YOY • 11% increase in C&CB cross sell • Improved productivity by migrating activities to Hubs <ul style="list-style-type: none"> ➢ 7,000 hours per month freed up for staff in the branch network ➢ Increased the number of branches with dedicated International Banking Services from 47 to 62 • 16% growth in new international customers 	<ul style="list-style-type: none"> • 150,000 hours training completed in the last 12 months • Over 3,000 staff trained and accredited to sell mortgages • 1,300 staff in 300 branches now accredited to sell wealth products <ul style="list-style-type: none"> ➢ 5,000 simple Wealth sales achieved in 1H13 • 3,000 branch staff completed the Sales Accelerator Program, enabling more in-depth A-Z Reviews with customers • Winning Whole of Wallet sales training being delivered to 600 Commercial bankers • 850 Commercial staff will have completed the credit pathways training by end of FY13

1. Financial Insights Innovation Awards (FIIA) 2013
 2. 2013 Banking & Payments Asia Trailblazer Awards



13

HALF YEAR RESULTS
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

30 April 2013

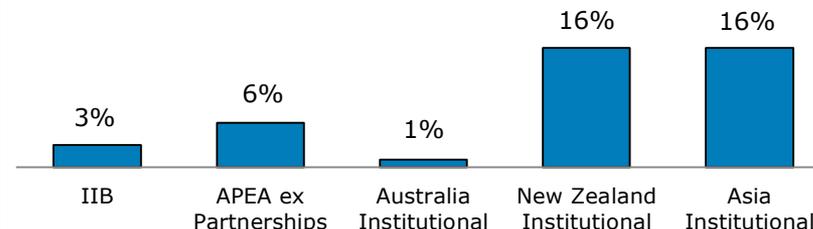
Investor Discussion Pack
International & Institutional Banking



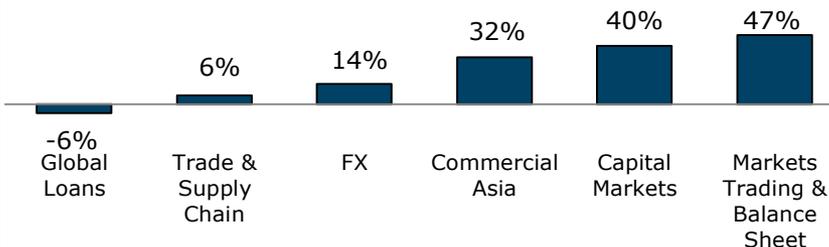
IIB growing in line with strategy while improving productivity

- Income growth continues**
 - IIB income growth of 3%, with Asia organic franchise income up 8%
 - Improved connectivity and growing volumes have countered margin pressures
 - Markets Trading and Balance Sheet grew 47% from strong customer flow and tightening credit spreads – average traded VaR down, now 47% lower than 2011
- We have a substantial business in Asia**
 - Recognised as a Top 4 Corporate Bank in Asia¹
 - Now generating over USD2bn per annum in income; CAGR of 46% since 2007
- In line with strategy, diversifying revenue streams to reduce reliance on lending**
 - Increased focus on flow and value added products such as markets, trade and cash management
 - Targeting less lending reliant FIG and Resource customer segments – trade volumes grew 17% and 13% respectively
- Positive JAWS of 4% through disciplined cost management and productivity initiatives**

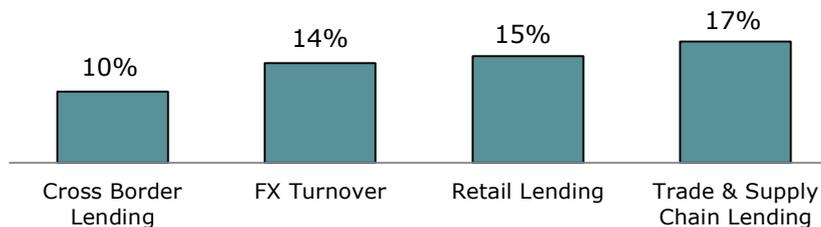
Operating Income growth 1H13 v 2H12



Operating Income growth 1H13 v 2H12



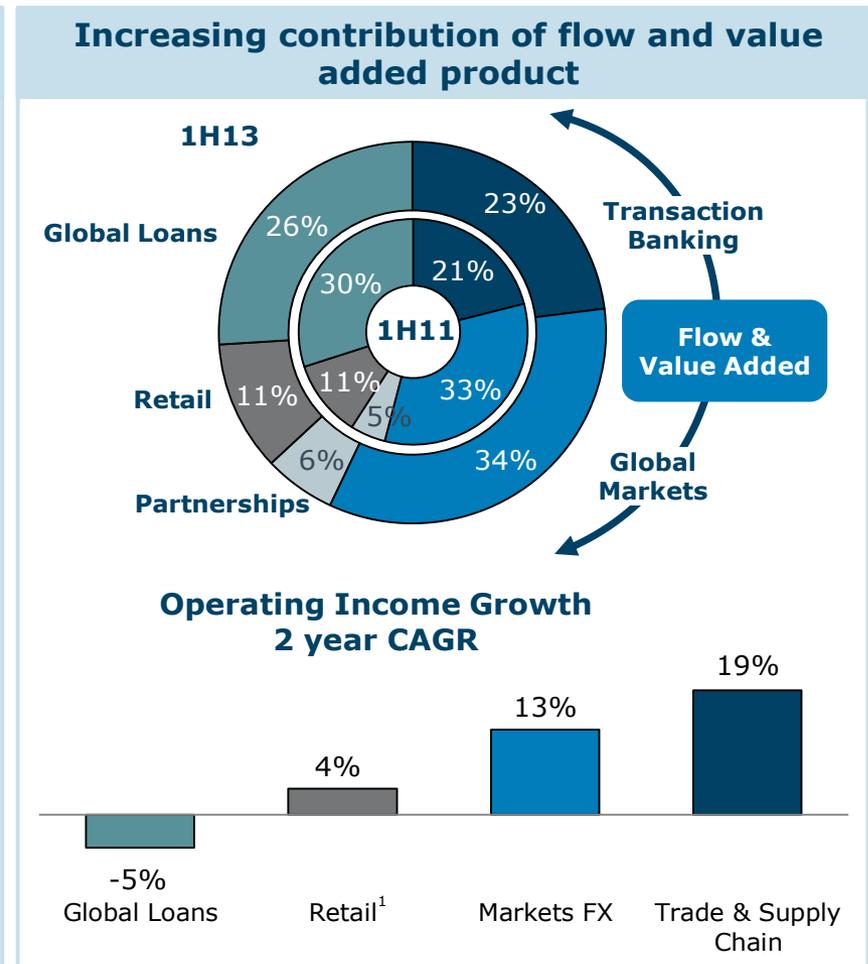
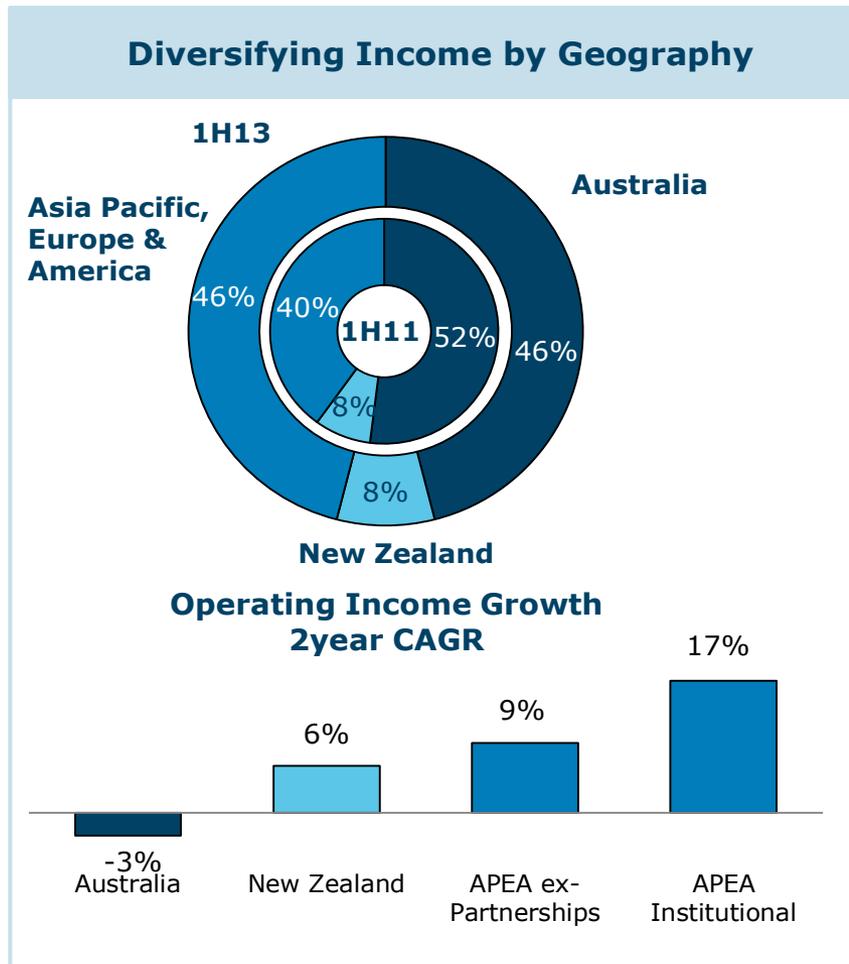
Volume growth 1H13 v 2H12



All growth rates reflect 1H13 v 2H12 unless otherwise stated

1. Greenwich Large Corporate Banking Survey, 2013

Increasing earnings diversity and focusing on higher return products and segments



1. Normalised for RBS acquisition non-recurring gains

Maintaining a leading position in Australia / New Zealand and gaining recognition in Asia

Leading in Priority products

- **Foreign Exchange & Commodities**
 - Number 1 primary supplier of spot FX and forward FX in Australia (East & Partners 2012)
 - Best for Asian Currencies & Best for Client Service in Asia Time Zone (Euromoney FX Survey 2012)
 - Best for FX Options as voted by Financial Institutions (AsiaMoney FX Poll 2012)
 - Ranked No. 4 in the 2012 AsiaMoney Commodity Poll (unranked in 2011)
- **Trade Finance**
 - Best Trade Finance Bank Australia for 6 years running (Global Finance)
 - Best Trade Finance Bank New Zealand for 5 years running (Global Finance)
 - Best Trade Bank in Asia Pacific (Trade and Forfaiting Review 2012)
- **Debt Capital Markets**
 - No. 1 Mandated Lead Arranger and Bookrunner in Australia / New Zealand (Thomson Reuters LPC 2012)
 - Market-leading Syndicated Loan Team in Asia Pacific (Asia-Pacific Syndicated Loan House of the Year, APLMA 2012)
 - Top four underwriter/arranger in the SGD and Dim Sum Bond Markets

Winning Flow & Value Added Deals

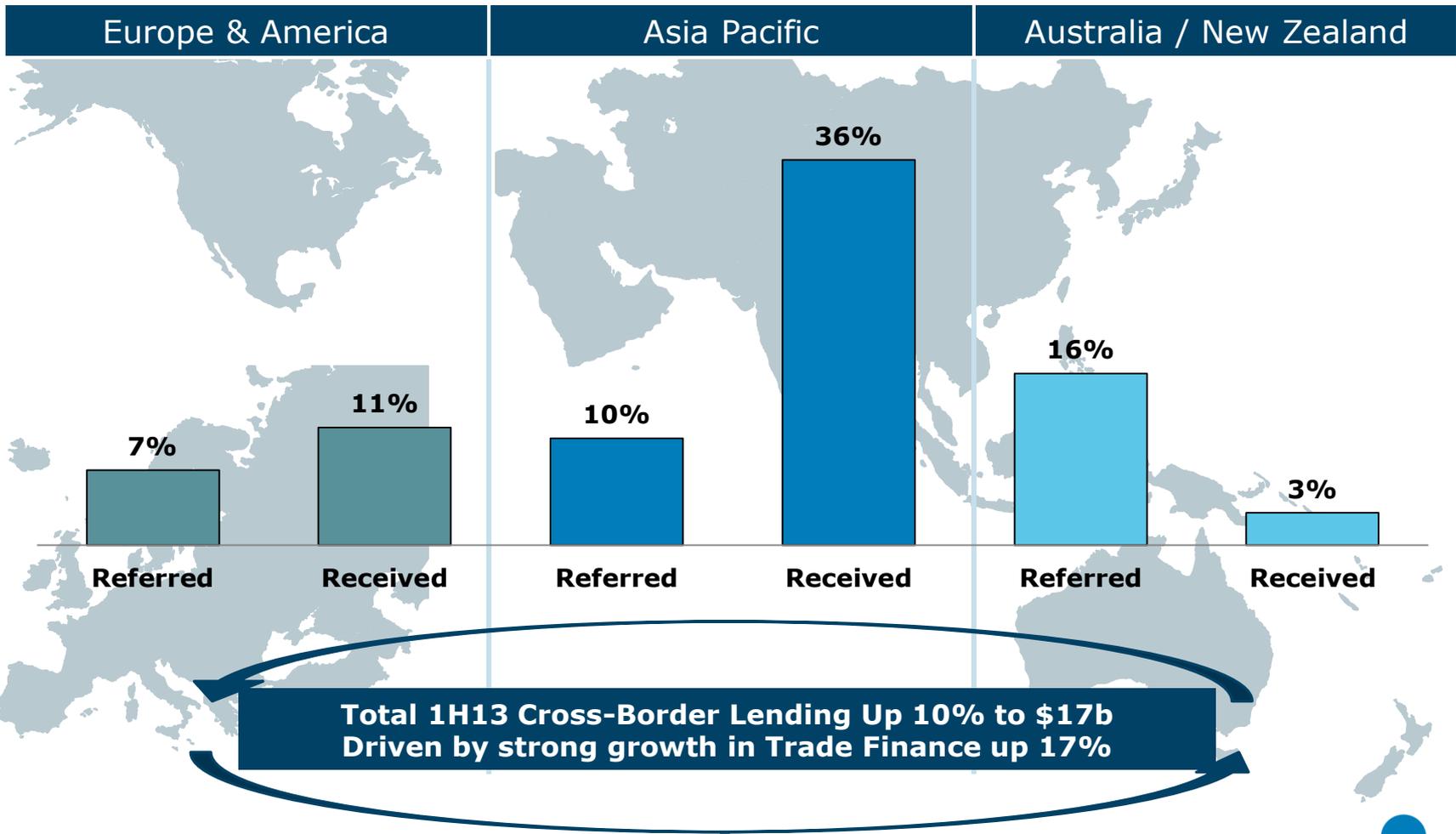
Leveraging ANZ's regional network and expertise in Trade & Supply Chain, Cash Management and Debt Capital Markets



- Pegatron is a world leader in the electronic and computing design and manufacturing services industry
- ANZ provided a scalable supply chain solution to facilitate the purchase of receivables from Apple Inc.
- This required an in-depth understanding of both companies, skills in structuring and syndicating the large USD900m deal, product expertise, operational controls, as well as appropriate risk appetite
- This deal was recognised as Deal of the Year 2012 by Trade Finance and Best Telecommunications & Technology Trade Finance Solution, Taiwan by The Asset in 2013

Connectivity is a key differentiator for ANZ, driving cross-border activity around the network

Cross-Border Lending Growth 1H13 v 2H12

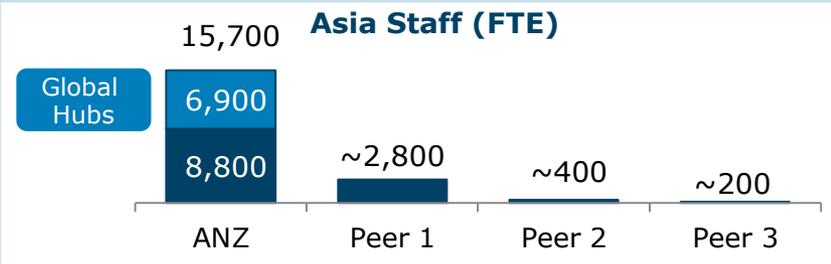


We have built scale, capability and momentum in Asia

ANZ has built a substantial business in Asia

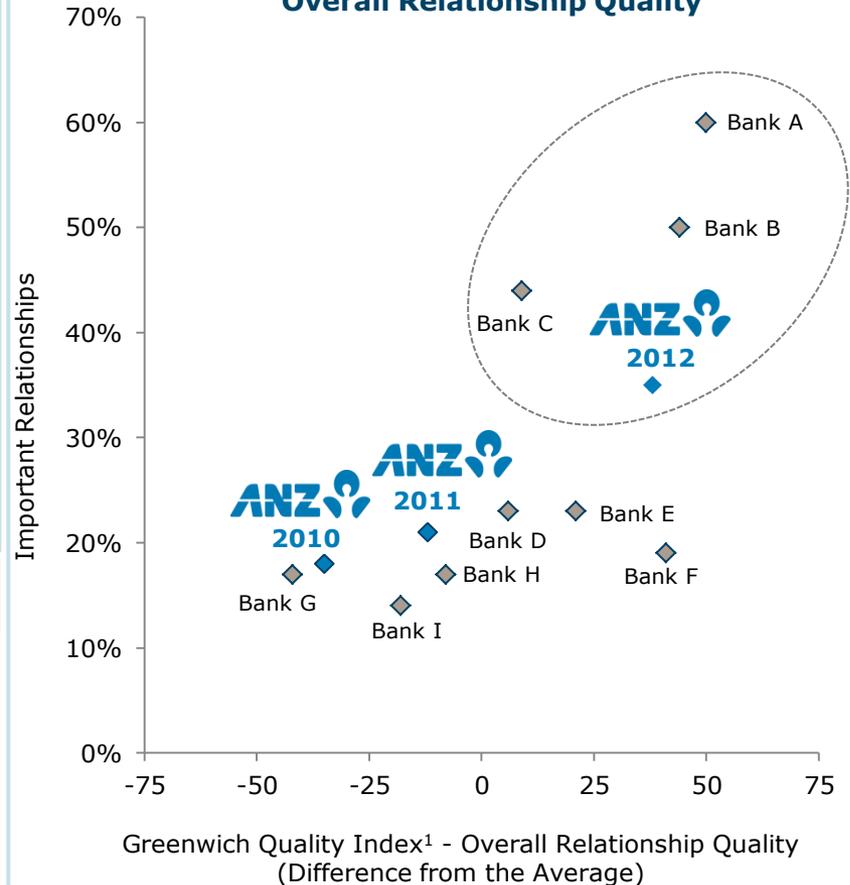


Significantly larger than Australian peers



A top 4 Corporate Bank in Asia

Greenwich Associates Large Corporate Survey Overall Relationship Quality

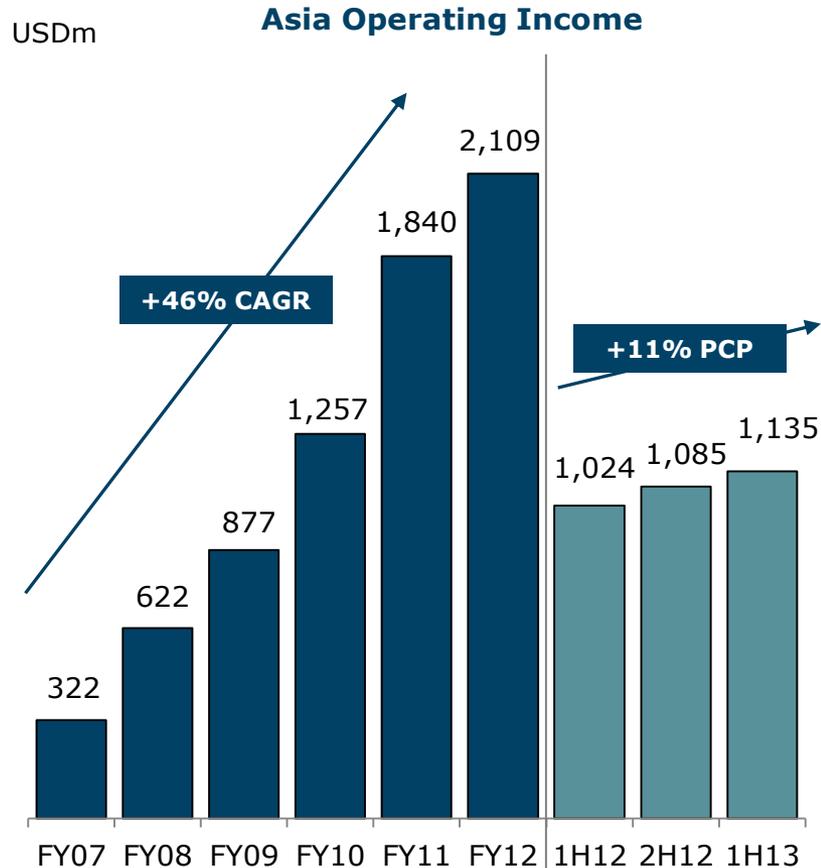


1. The Greenwich Quality Index score is based upon a normalised composite of all qualitative evaluations transformed to a scale of 0 to 1,000 with the difference from the average shown. Note: Cross-hairs are calculated by the average of the banks shown in graph.



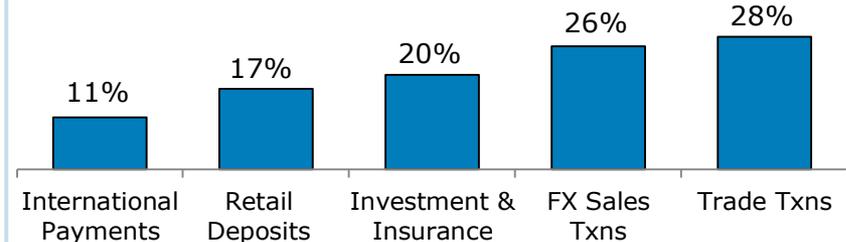
A focus on growth and scale in Asia to drive improved returns

Significant growth achieved since commencing super regional strategy

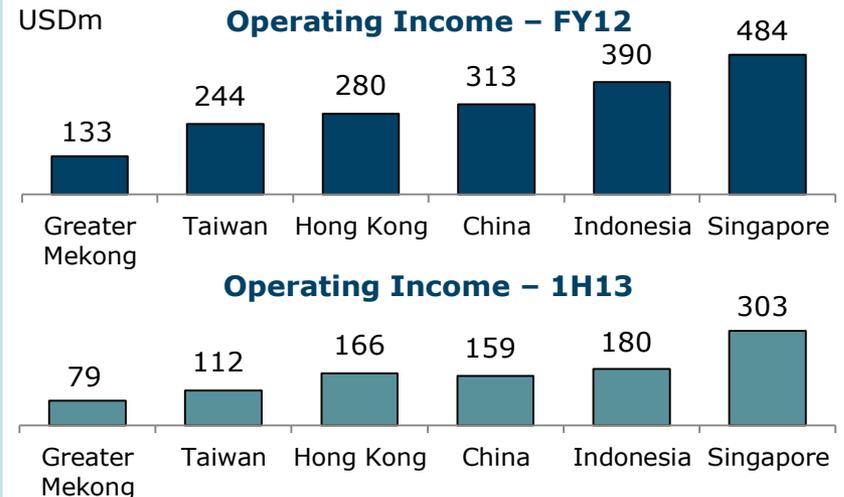


Volume growth has remained strong

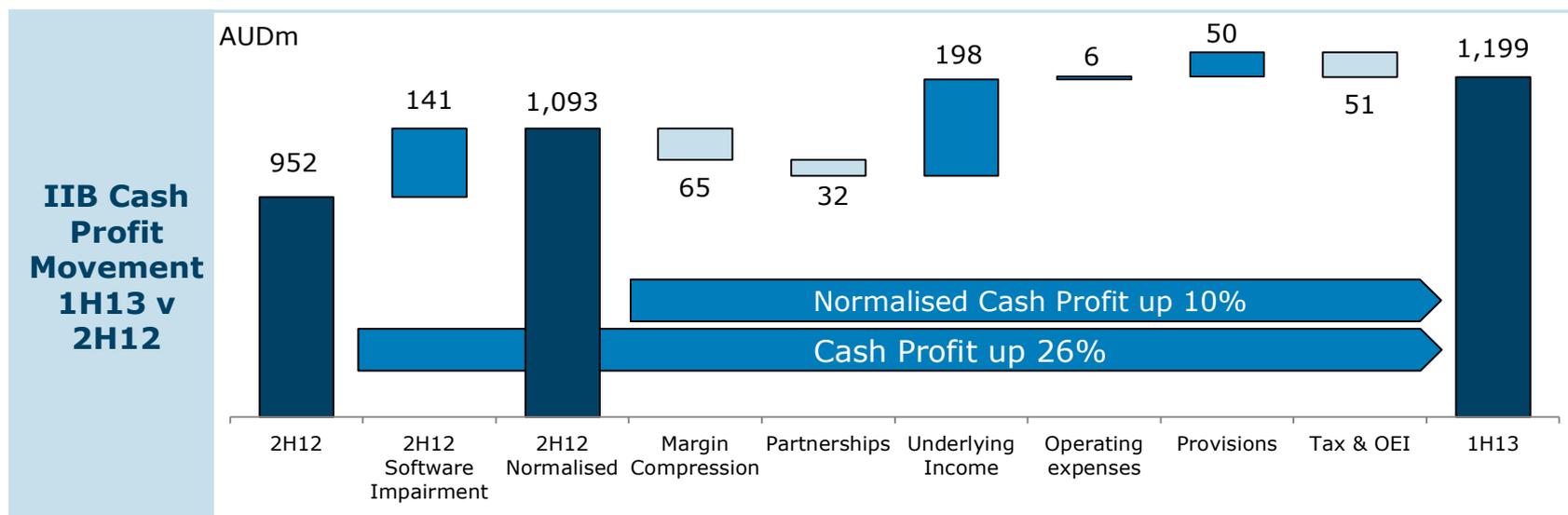
Asia Volume growth (1H13 v 1H12)



Achieved scale in core franchise markets



Underlying volume growth and disciplined cost management assisting to offset margin headwinds



Improving underlying volumes and strong Markets income growth

- Trade and FX volume growing at 17% and 14%
- Markets Trading & Balance Sheet Trading up 47%
- Capital Markets income up 40%

Disciplined cost management and productivity initiatives

- Normalised jaws of +4%
- 4% FTE reduction with FTE discipline in Enablement and Retail

Margin headwinds

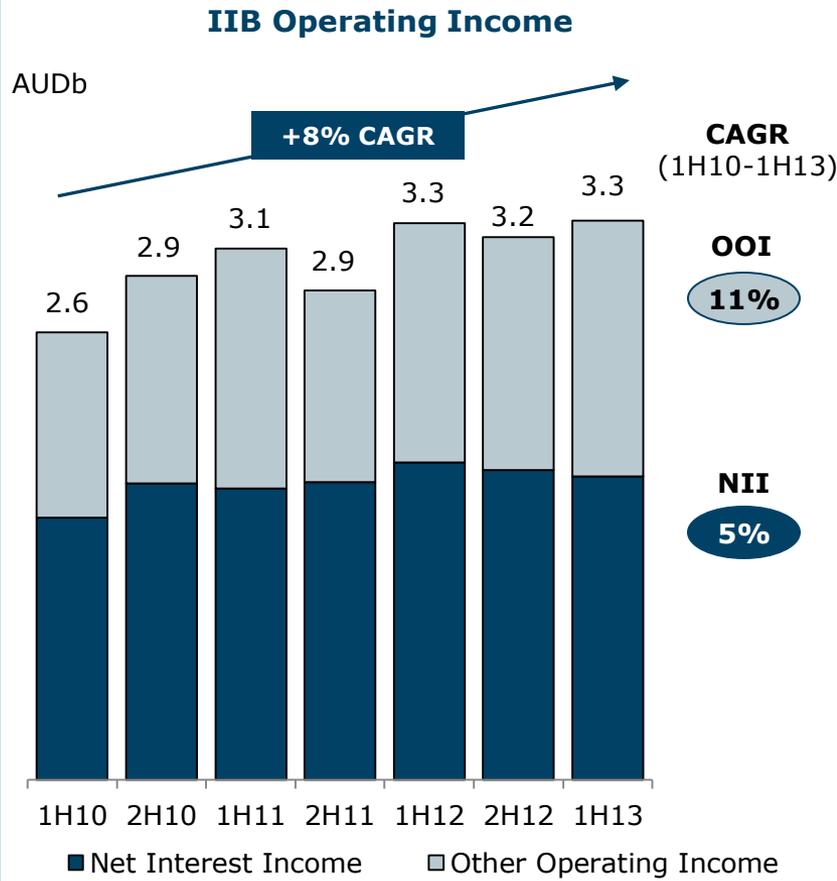
- IIB margin compression slowing to 14bps HOH vs 39bps in 2H12 on an ex-markets basis, of which 10bps related to capital and rate insensitive deposits from a lower interest rate environment
- Institutional HOH margin compression of 12 bps

Continued improvement in credit quality

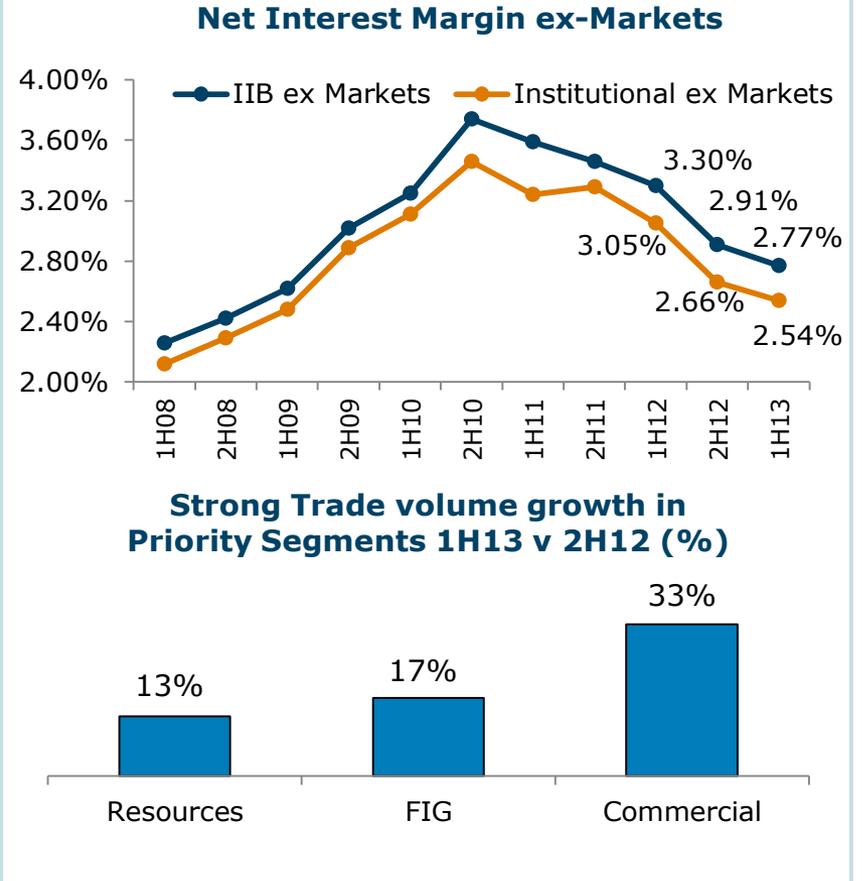
- Improved Impaired Assets / GLA at 1.37% in 1H13 (1.57% in 2H12)

Improving income quality whilst continuing to drive volume growth

Improving quality of earnings through growth of Non-Interest Income



Driving volumes growth to counter margin pressures and mix changes in our business

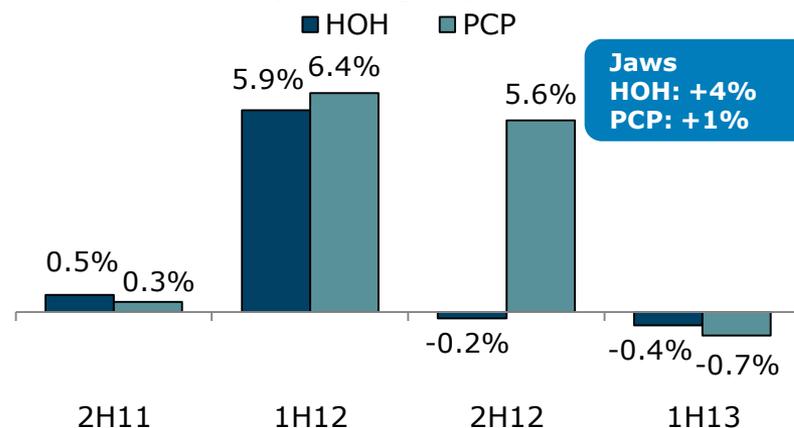


Disciplined cost management helping to fund investment in further growth

- Delivered positive income / expense JAWS both HOH and PCP
- Rebalancing coverage model to reflect changed business mix - FTE Reduction of 4% HOH
- Driving efficiency through leveraging Global Hubs
- Continuing to invest:
 - Technology Platforms:
 - Cash Management
 - Markets
 - Asia Core Banking and Internet Banking
 - Transaction Banking, Markets and Commercial Asia frontline build-out

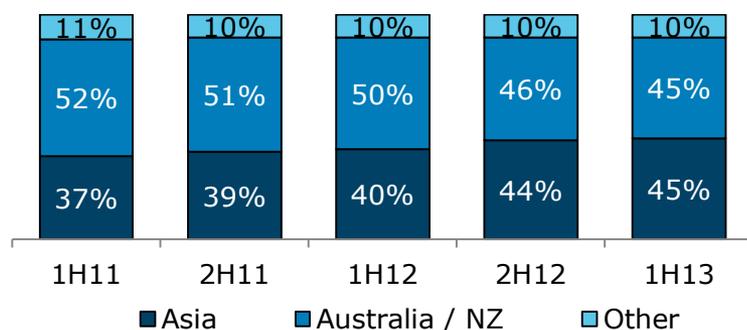
Delivering improved operational leverage

IIB Operating Expense Growth¹

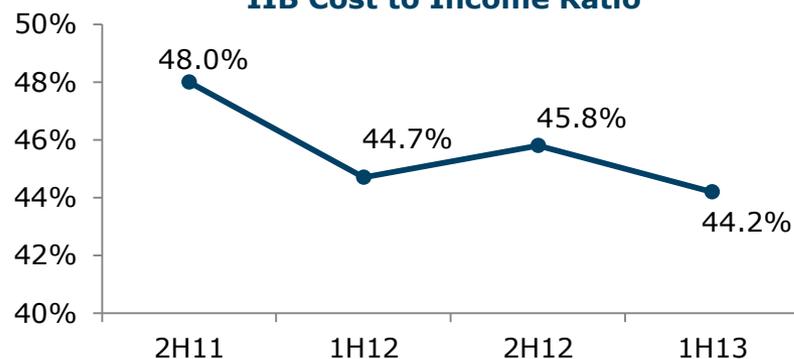


Rebalanced coverage model

Institutional Employees by Geography

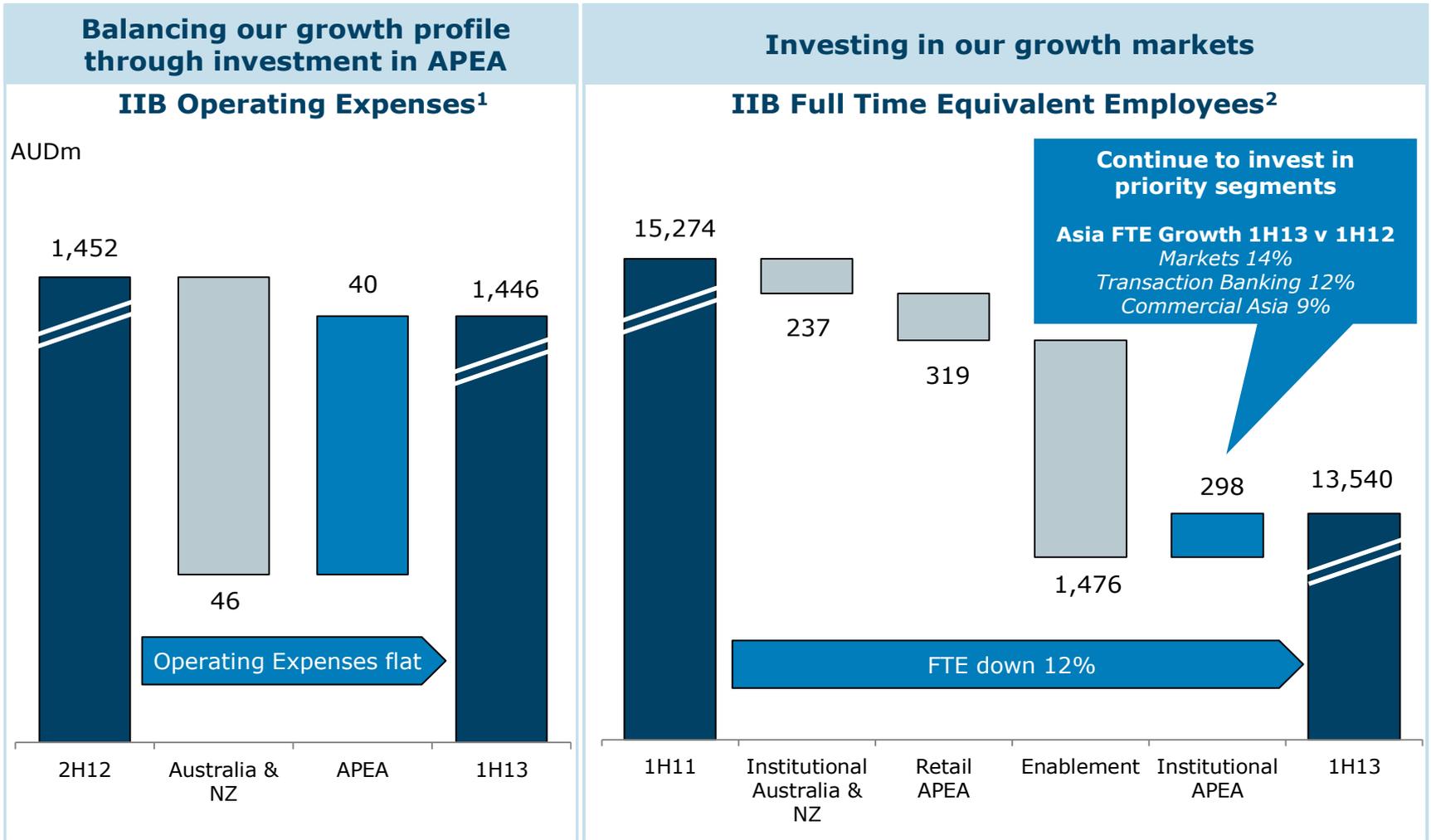


IIB Cost to Income Ratio



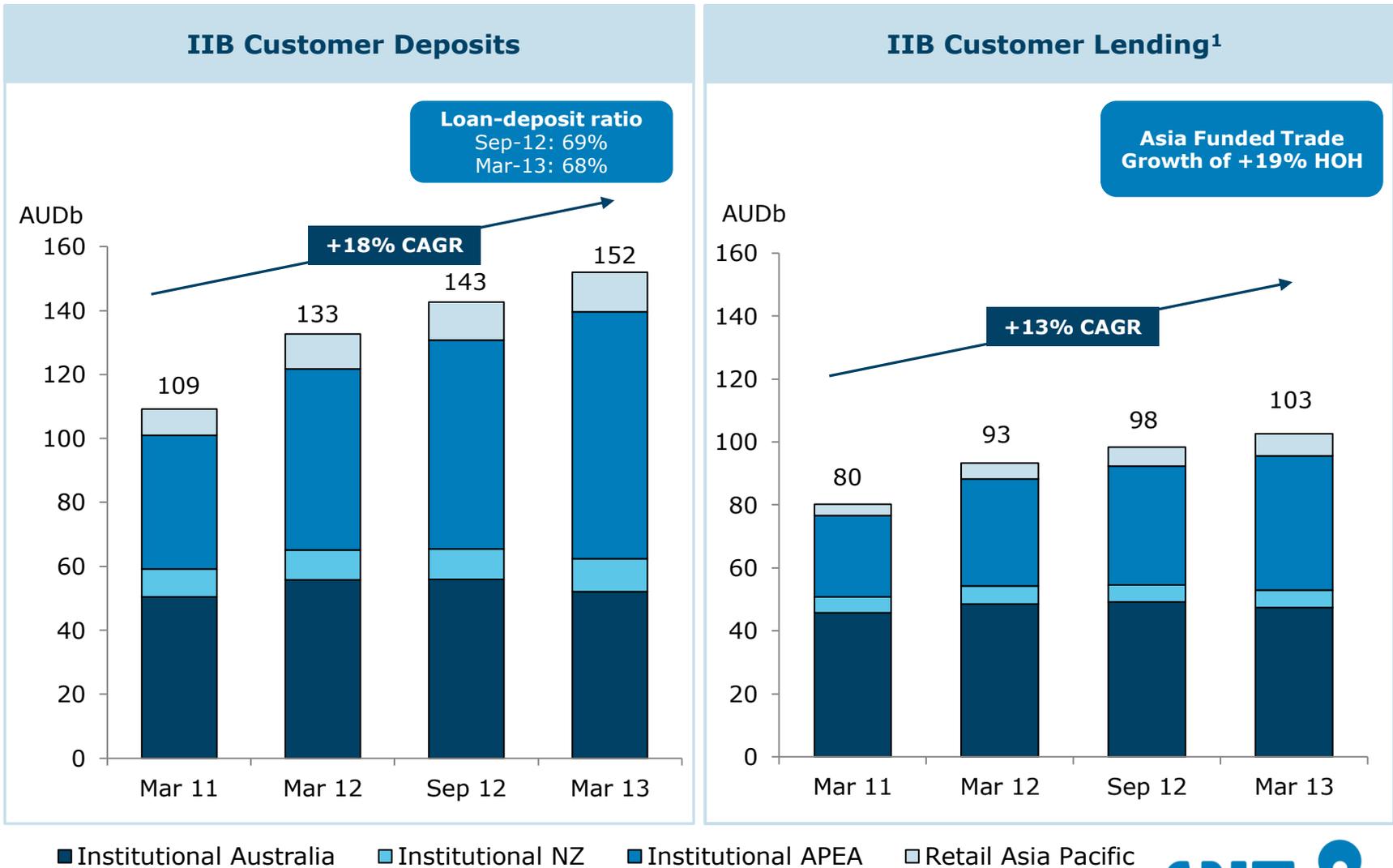
1. All numbers exclude one-off Software impairment of AUD162m in 2H12

Productivity gains invested in our Asia network



1. Excludes one-off Software impairment of AUD162m in 2H12
 2. Includes contract employees. Excludes global hubs

Continuing to grow and strengthen balance sheet

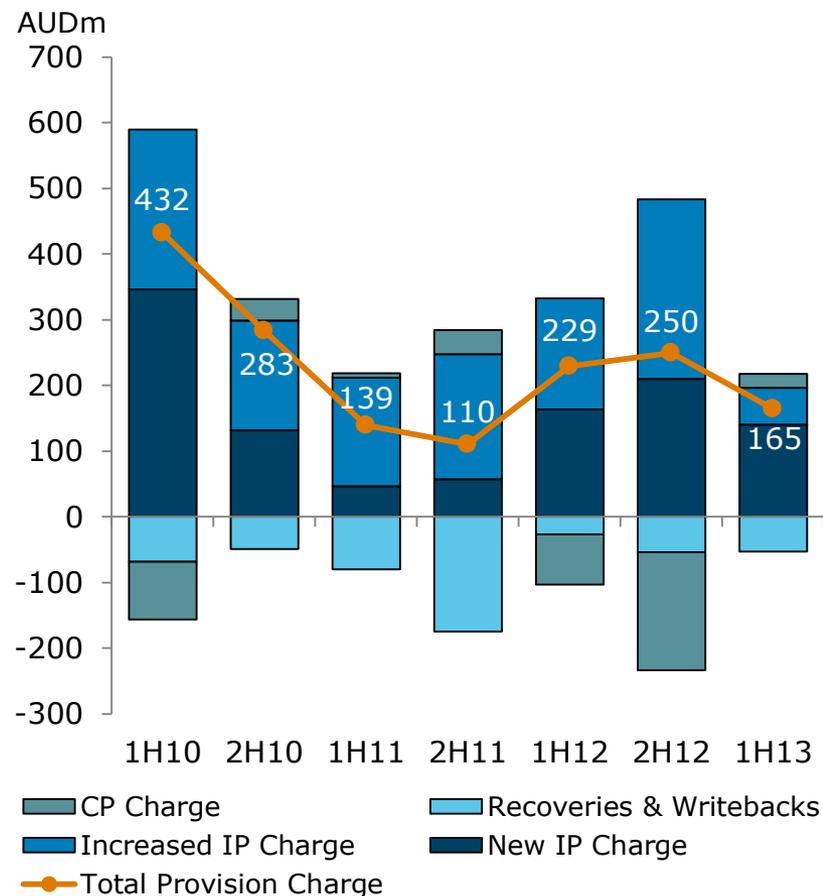


1. Net Loans & Advances (incl. acceptances)



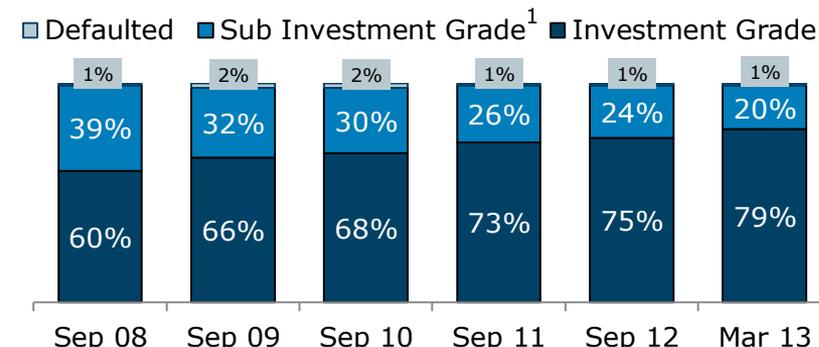
Institutional lending book continues to diversify and de-risk

Lower provision charge 1H13 due to absence of large single names

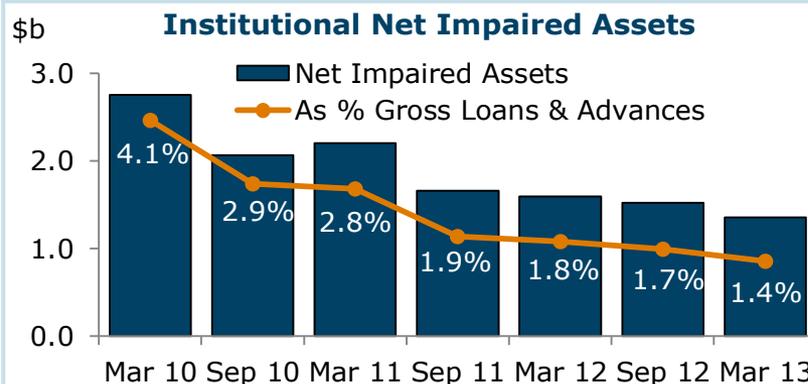


Institutional lending portfolio continues to improve

Institutional Risk Grade Profile by Exposure at Default

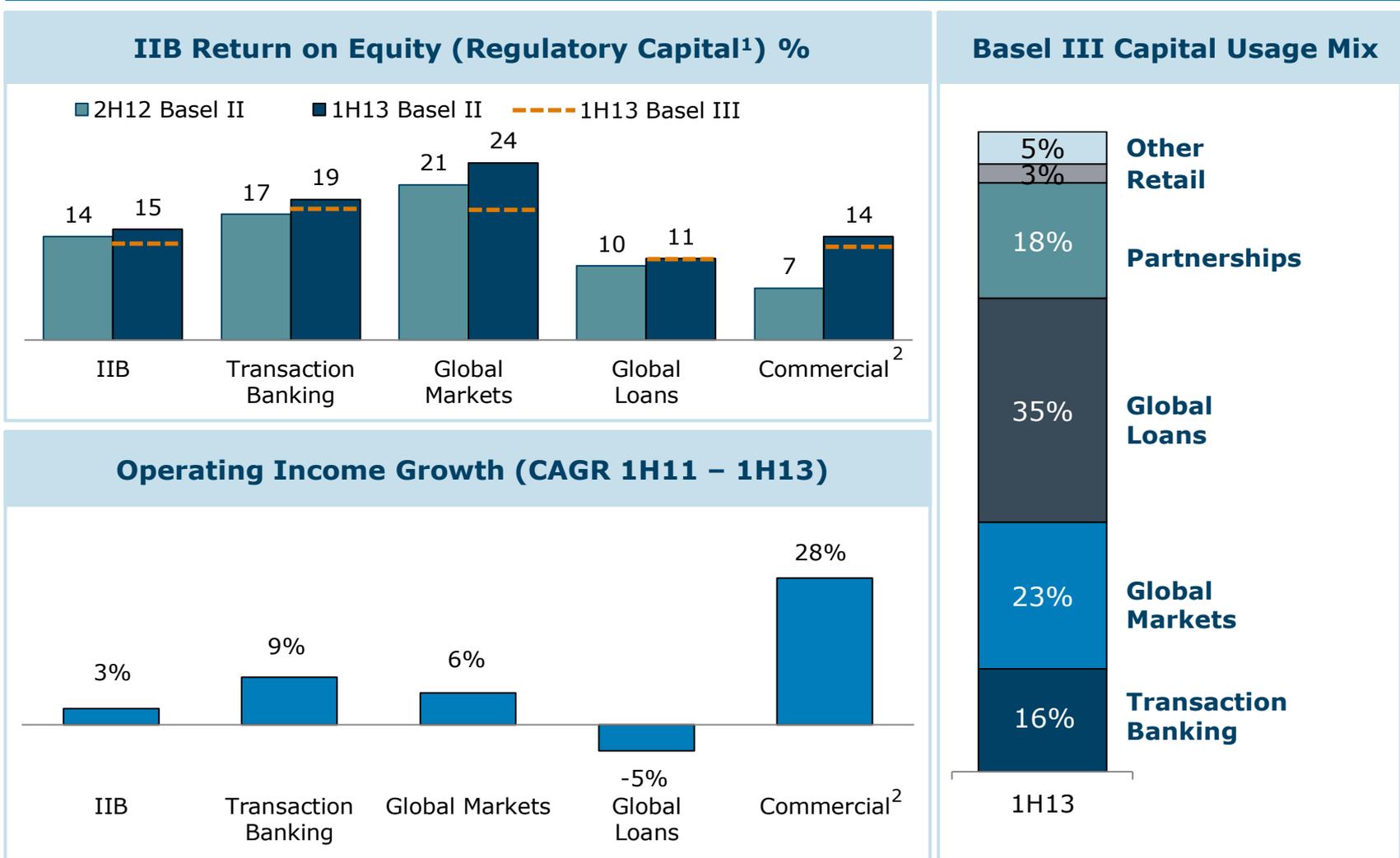


Improving Impaired Asset position



1. Sub-investment grade defined as exposures with a rating below BBB-

Growth is focused toward higher return products



1. Capital represents Average RWA x 8.3% plus Average Capital Deductions (ie partnership investment). PAT normalised to exclude 2H12 Software impairment
 2. Represents Commercial Asia-Pacific segment



Global Markets – significant and well diversified growth

Building client franchise in priority segments

- Financial Institutional clients on-boarding grew 43%
- Growing Commercial Asia presence - income doubled

Strong results in Flow & Value Added Products

- Gained market share in FX as volumes outpaced system growth
- Approval to trade directly between AUD and Renminbi – one of only five non-Chinese banks
- Experienced record demand for Gold Bullion – driving sales from Australia into the Asia region
- Capital Markets income up 40%; Maintained Top rating in Aus / NZ and improved ratings in Asia Pacific

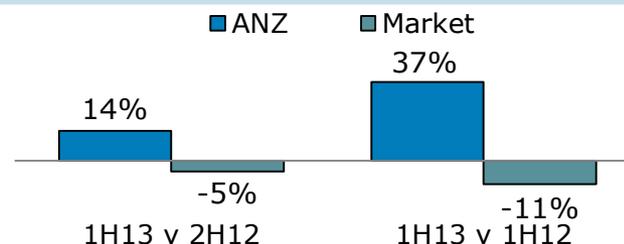
Gaining momentum across region

- Continue to maintain a strong domestic franchise whilst growing in Asia - Asia income up 38%; now represents 25% of Global Markets Sales income
- Growth momentum strong across Asia - in addition to Singapore and Hong Kong, 5 other Asian markets achieved income growth greater than 25%

Diversifying Trading income and reducing risk

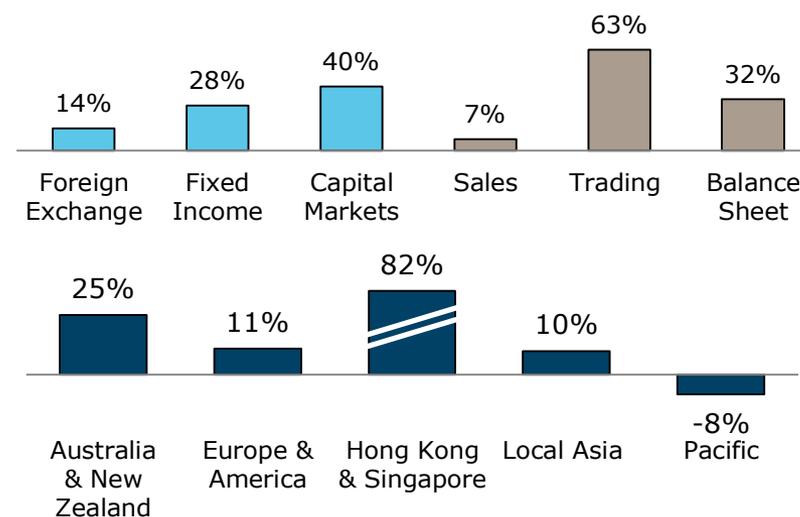
- More diversified, lower risk revenue streams, have continued to reduce avg. VaR, down 47% from 2011

Growing FX market share (Foreign Exchange Client Turnover)



'Market' – EBS Average Daily Volume + Reuters Average Daily Volume

Strategically diversified and growing income (1H13 v 2H12)



All growth rates reflect 1H13 v 2H12 unless otherwise stated.

Global Transaction Banking – growth in line with strategy

Progressing strategic agenda

- Capturing trade flows throughout Asia
- Reducing reliance on Net Interest Income
- Growing asset base with Financial Institutions
- Expanding customer base: up 14% PCP

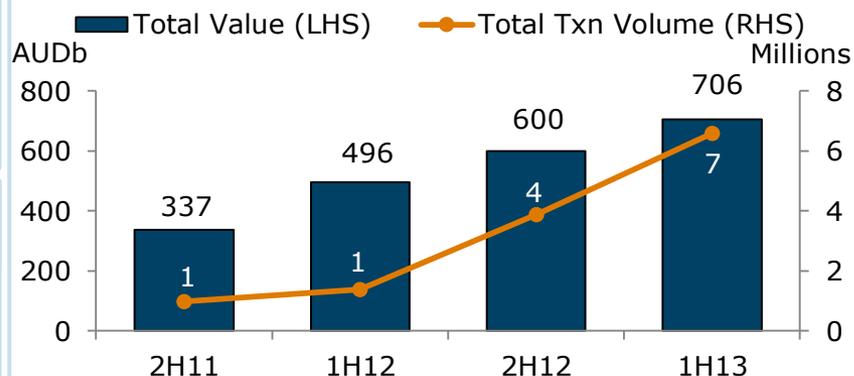
Underlying volume growth and fee uplift offsetting margin headwinds

- Trade volumes up 11% HOH, driven by APEA franchise which grew 15%
- Volume growth has offset margin compression driven by:
 - Lower funding spreads impacting Cash Management margins
 - Reversion back to long term average Asia Trade margins, as liquidity returned post 2012 European bank crisis

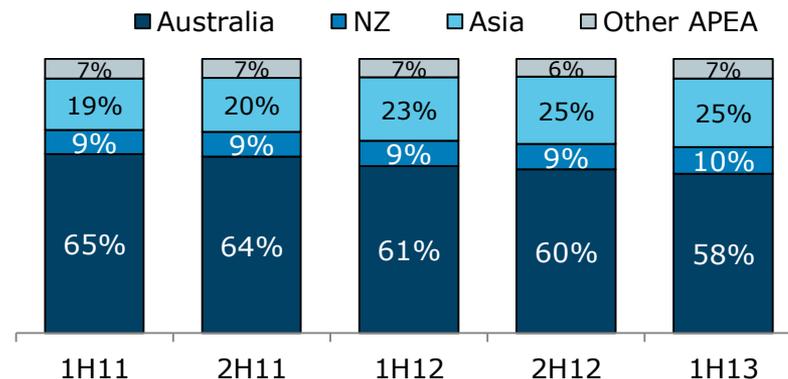
Expanding channel volume & capability

- ANZ Transactive continues to be rolled out across Asia
- Transactive Mobile launched in Australia: ~50% volume uplift during 2Q13
- Transactive Australia: 21% growth in 2Q13

ANZ Transactive transactions and cash volumes continue to grow



Transaction Banking Operating Income Mix by Geography



Retail Asia – building momentum across product range whilst managing costs effectively

Growing quality client base and volumes

- Normalised¹ Revenue +8% HOH (+9% PCP)
- Loan balances +16% HOH (+41% PCP)
- Deposits +7% HOH (+17% PCP)

Shifting product mix and growing income

- Changing product mix with increasing share of Investments and Insurance and Mortgages
- Asset under Management up 11% driven by expansion of product suite and proposition, supplemented by positive market sentiment

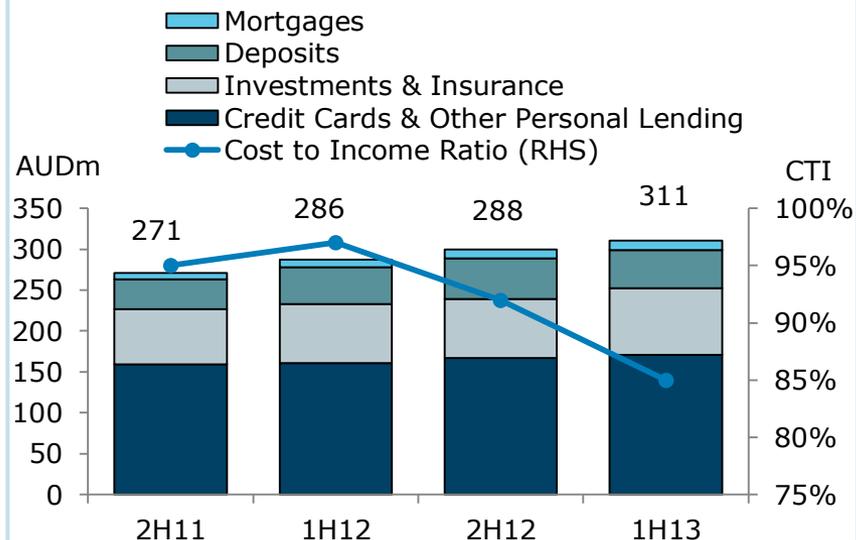
Continued focus on building Signature Priority Banking customer base

- Added an additional 8,000 Signature Priority Banking customers in 1H13

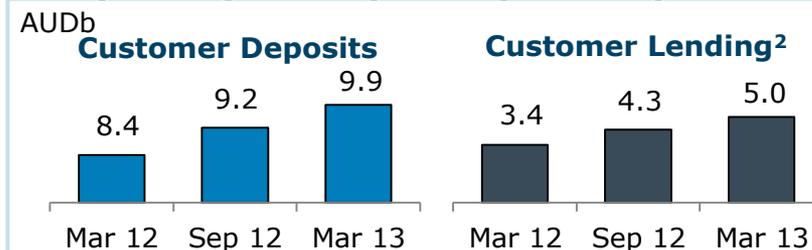
Cost disciplines and efficiency focus

- Strong FTE and expense discipline resulting in +8.4% JAWS (Normalised +9.6%)
- Reduction of 191 FTE since Sep 2011

Retail Asia growing income¹ and increasing efficiency



Continuing to provide funding, whilst growing lending in targeted segments



Data adjusted to be on constant FX rates

1. Normalised RBS acquisition non-recurring gains

2. Customer lending represents Net Loans & Advances including acceptances

Commercial Asia - delivering strong revenue growth with improved productivity

Continued strong growth momentum

- Income growth of 32% HOH (39% PCP), 2 year CAGR of 45%
- Growing and diversifying client base with active customers up 32% PCP
- Priority markets delivering - Hong Kong, Singapore & Taiwan represent 67% of total Commercial Asia revenue

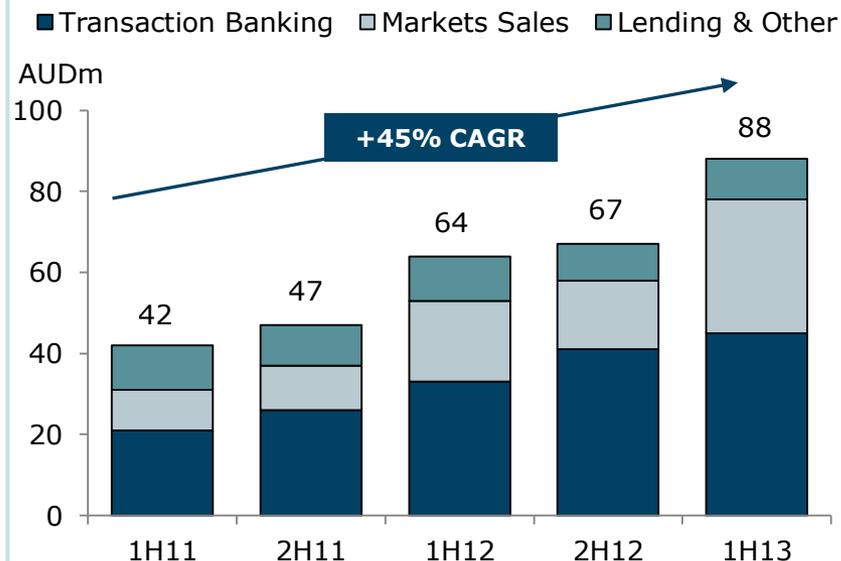
A focus on flow and value added products

- Markets income +102% HOH (+70% PCP)
- Transaction Banking income +10% HOH (+34% PCP)
- Transaction Banking and Markets make up 89% of total income

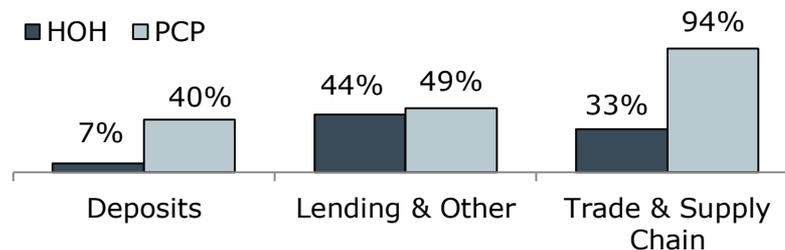
Maintaining cost discipline and balance sheet strength

- Positive income / expense Jaws of +26% HOH (+6% PCP)
- Strengthening balance sheet with a focus on short-dated trade lending

Commercial Asia Operating Income

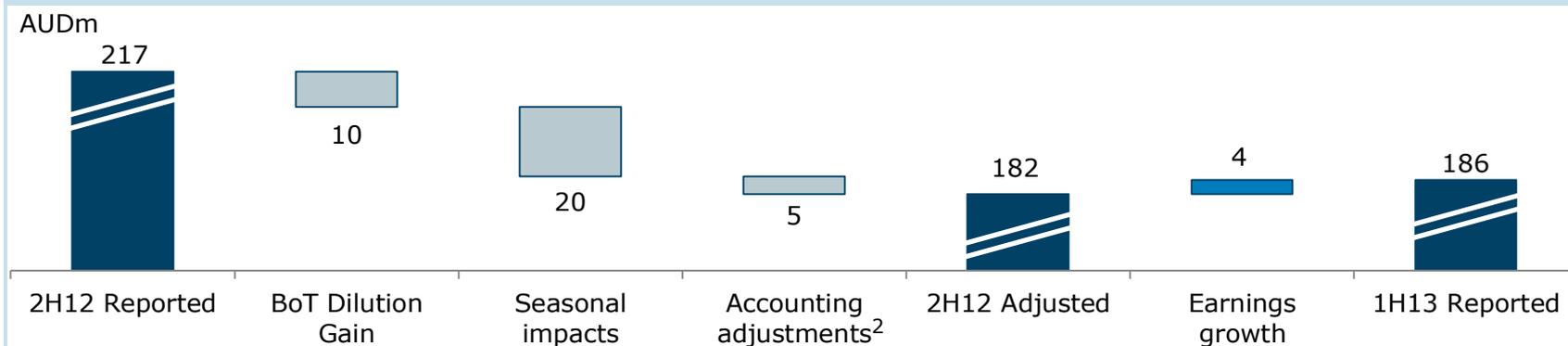


Commercial Asia Balance Sheet growth

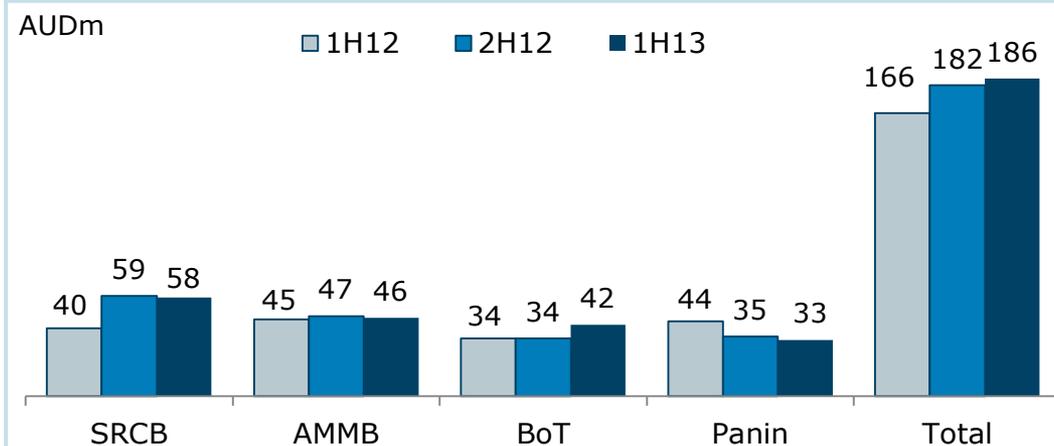


Asia Partnerships

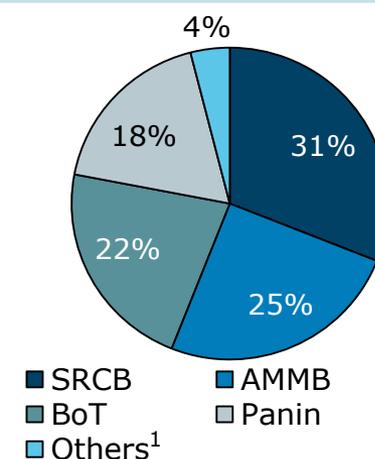
Partnerships Cash Profit movement 1H13 v 2H12



Adjusted Cash Profit contribution from Key Partnerships



Partnerships Cash Profit Mix 1H13



1. Other Partnerships comprises of Metrobank Card, Saigon Securities Inc. and Sacombank

2. Earnings recognised by ANZ differ from published results of partnerships due to application of IFRS, Group accounting policies and acquisition adjustments

13

HALF YEAR RESULTS
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

30 April 2013

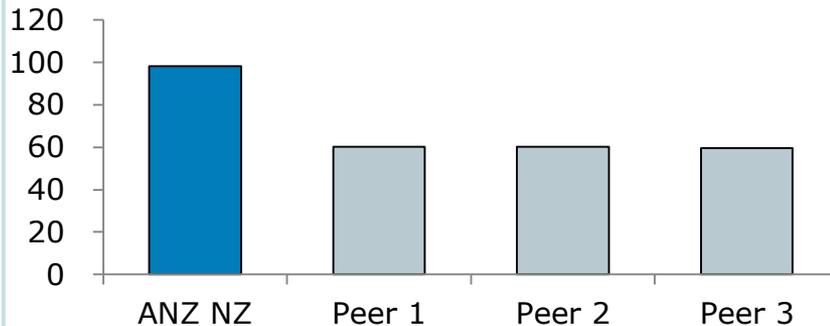
Investor Discussion Pack
New Zealand Division



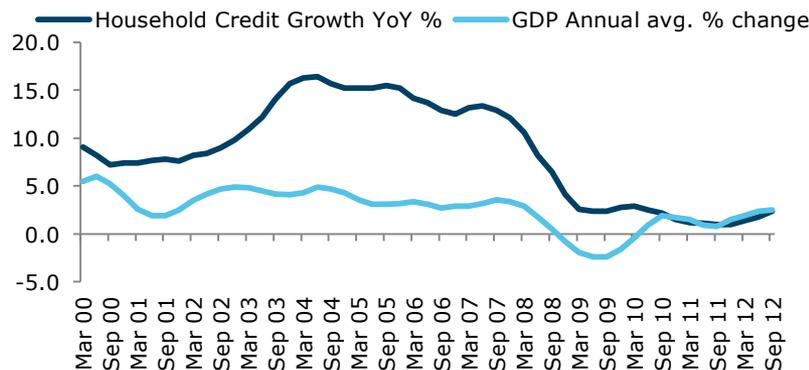
Harnessing the benefits of scale to compete in a lower growth, highly competitive market

As the largest bank in New Zealand ...

Gross Loans and Advances (NZDm)¹



... in a lower growth, highly competitive market² ...



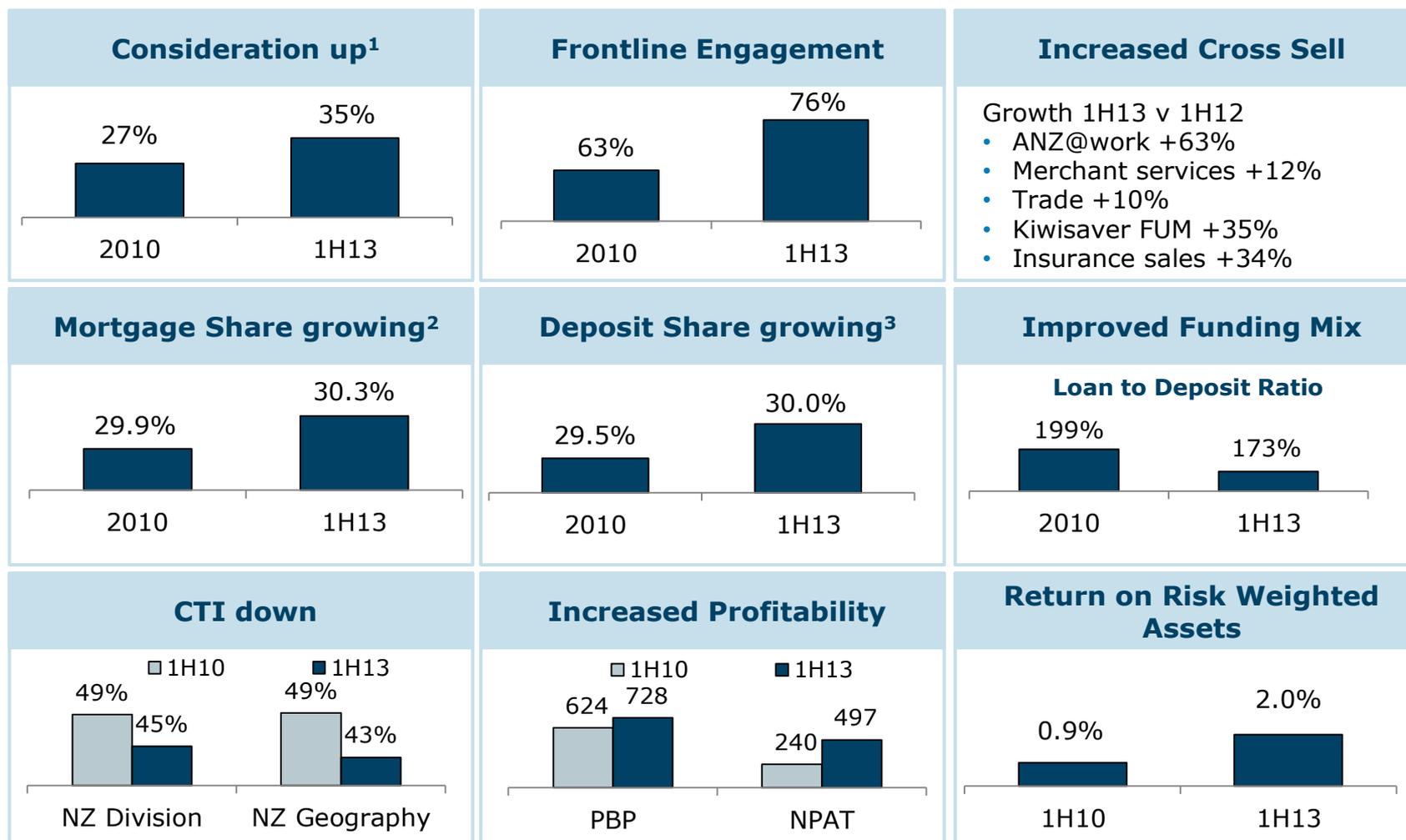
... we are harnessing the benefits of scale to drive greater value

- Simplify the business and reduce duplication
 - One management structure
 - One set of systems
 - One process and product set
 - One brand
- Develop a distinctive banking proposition across all businesses. Compared to peers:
 - More branches
 - More ATMs
 - More specialists in local markets
 - Branch network optimised to provide greater coverage of NZ
- Increase cross-sell
 - Grow Markets, Trade and Cash Management revenues in Commercial customer base
 - Grow sales of Life Insurance and Kiwisaver in Retail customer base
- Increase productivity and operational efficiency
 - Become the most efficient bank in New Zealand, reflective of our scale

¹ Based on Geographic Disclosure Statement data as at 31 December 2012

² RBNZ real gross domestic product and household credit data

Maintained momentum through a period of significant change



1. Source: Ipsos Branch Tracker - consumers saying the brand is their first choice or is seriously considered

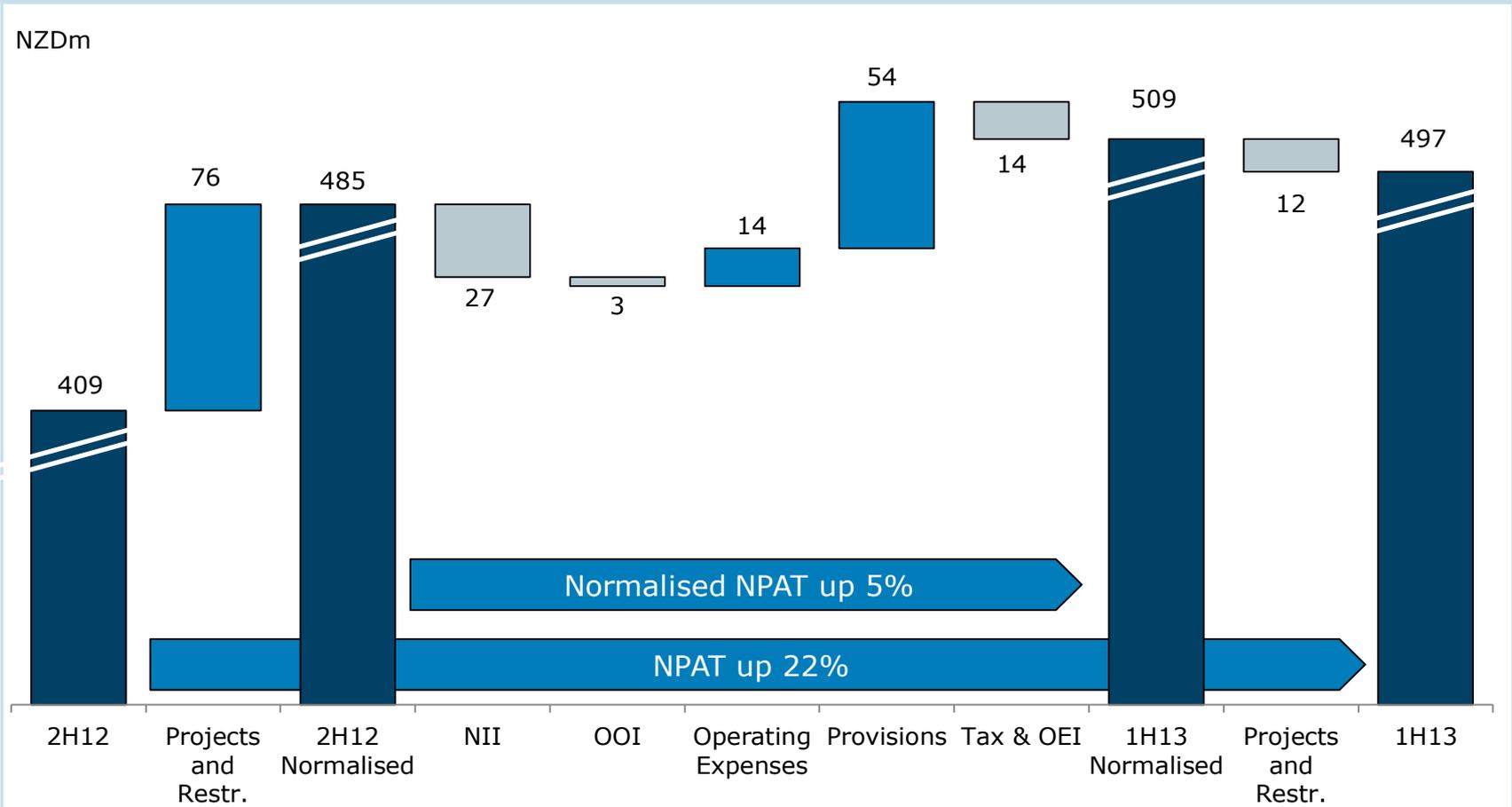
2. Source: RBNZ, February 2013

3. Source: RBNZ, December 2012

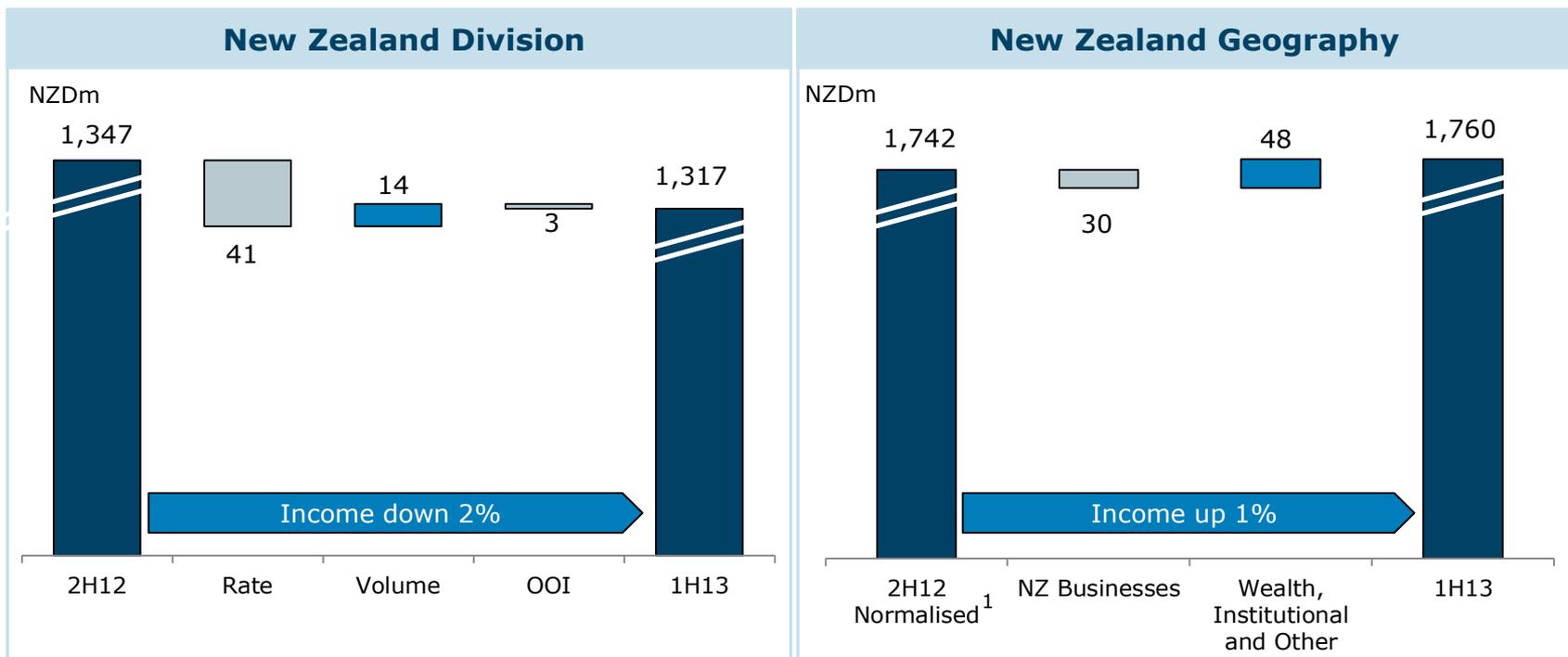


Driving greater efficiency in a challenging revenue environment

New Zealand Division Net Profit after Tax movement 1H13 v 2H12



Focus on cross sell in NZ Retail & Commercial supporting growth across New Zealand franchise

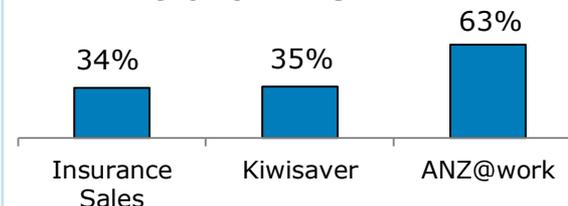


Driving better quality income

- Insurance sales from bank channels 1H13 up 9% HOH and up 34% PCP
- Increasing cross sell of Institutional products – Trade up 10% HOH
- The new ANZ is now attracting higher quality customers - higher earning, young professionals purchasing more products
- The proportion of new to bank Retail Home Loan customers that have 3+ needs met has increased 29%

Focus on increased cross-sell

Growth 1H13 v 1H12



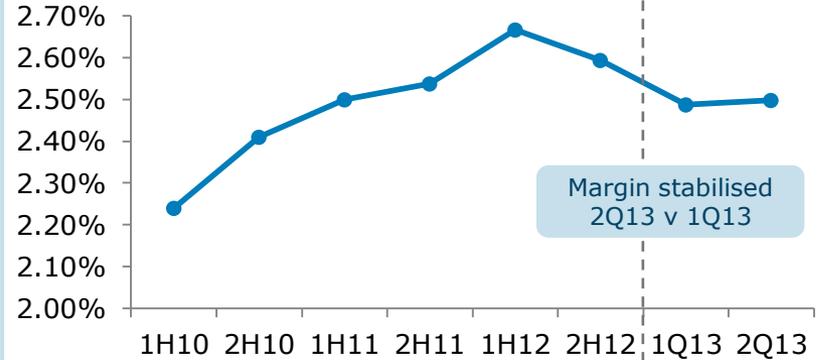
1. 2H12 Operating Income of NZD1,829m adjusted for NZD87m Visa sale.

Net Interest Margin

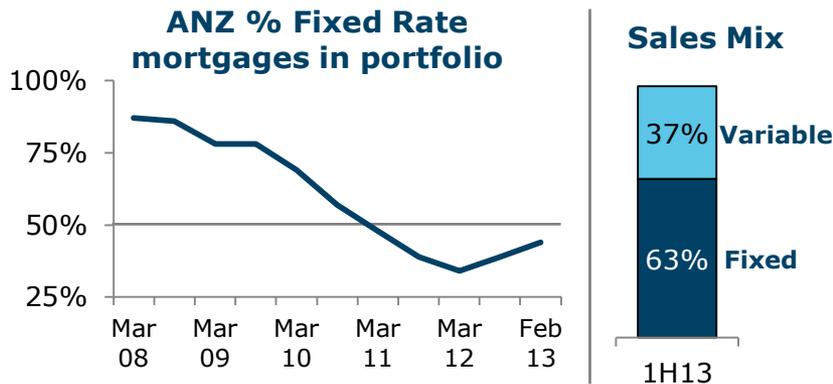
Managing margins against a challenging competitive landscape

- Net Interest Margin down 10bps HOH
- Reduction reflects two key drivers:
 - Tactical campaign at the time of systems merger and brand change
 - A structural shift back towards fixed rate mortgages
- New Zealand Simplification has put us in a better position to manage competitive dynamics as we better leverage our scale

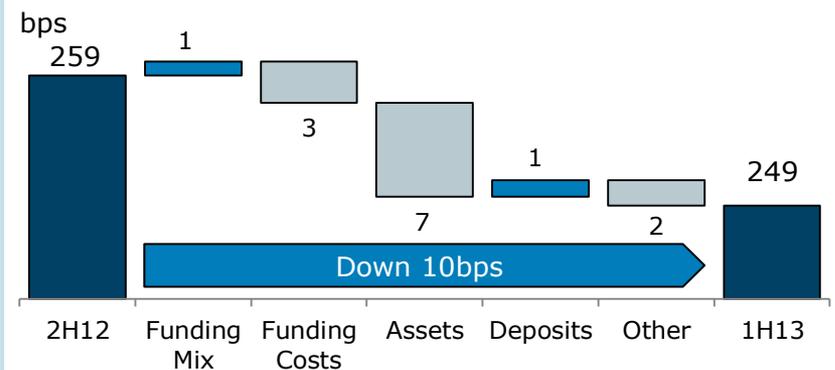
New Zealand Division Net Interest Margin



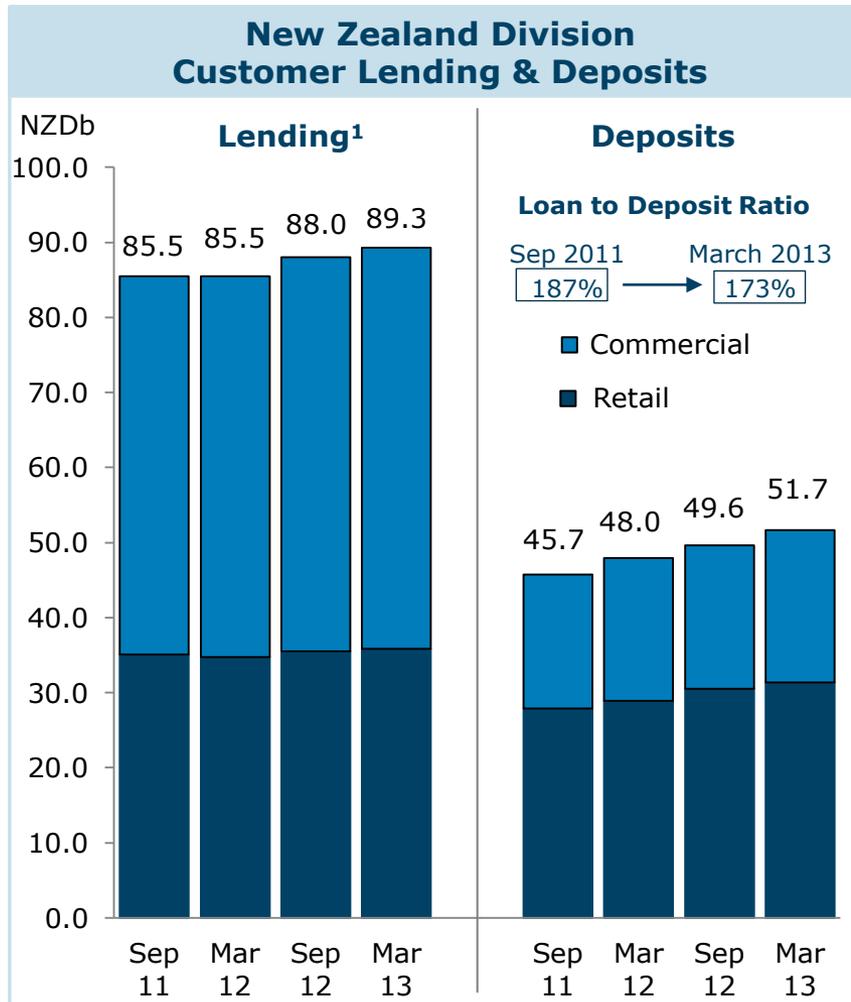
Shift in borrower preference back towards fixed rate mortgage products



Net Interest Margin Movement 1H13 v 2H12



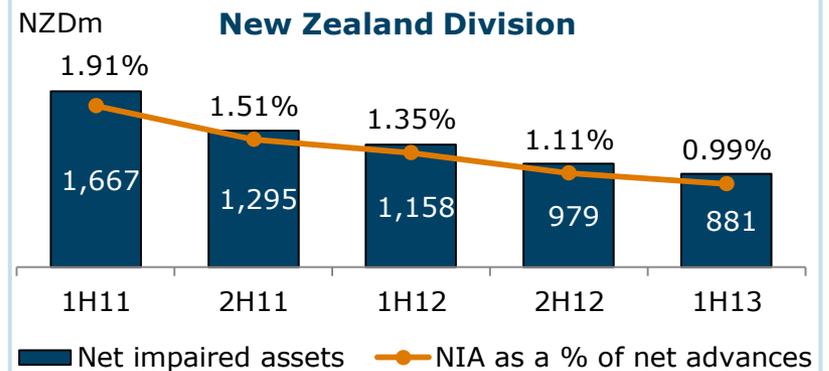
Strengthening the balance sheet



A focus on improving balance sheet quality

- Lending balances increased 1% in the first half, primarily from above-system mortgage growth
- Continued to self fund growth:
 - Customer deposits up 4% in the half
 - Loan to deposit ratio down a further 400 bps HOH to 173%
- Credit quality continues to improve:
 - Net impaired assets reduced 10% in 1H13

Credit quality continues to improve



1. Customer Lending represents Net Loans & Advances (incl. Acceptances)

Retail – continued to grow through the period of brand & system conversion

Maintained our focus during conversion

- Lending FUM has grown ~\$300m since brand announcement in September 2012
- ANZ remains #1 among peers for 'unprompted awareness' - a measure of how top of mind our brand is with New Zealanders

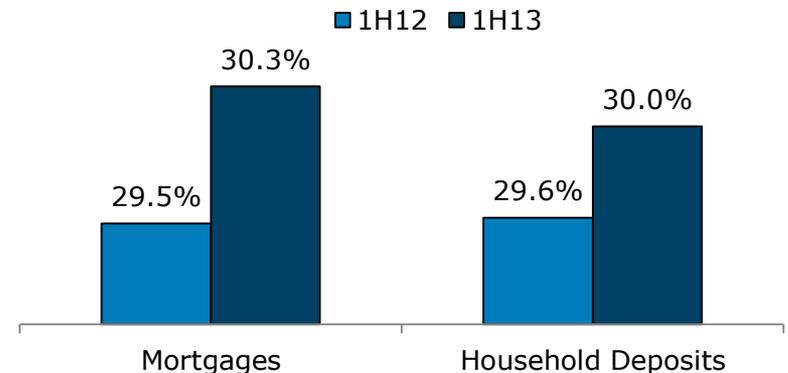
Simplifying Business & Leveraging Scale

- Business simplification continues to deliver process and customer service improvements
- Greater use of resource management tools to optimise sales time of frontline staff
- Continued investment in digital - digital channels up 11% on the same period last year

Next phase is well underway

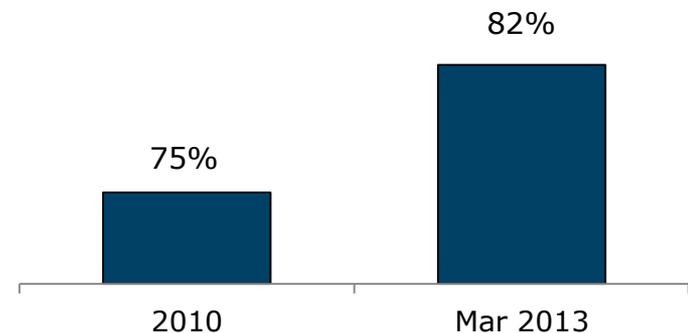
- External rebrand will be completed by July 2013 and future proofed modular design being rolled out
- Branch rationalisation and location optimisation to drive sales but with 20% less floor space

Growing market share¹



Creating one optimised network with increased coverage

Branch Coverage²

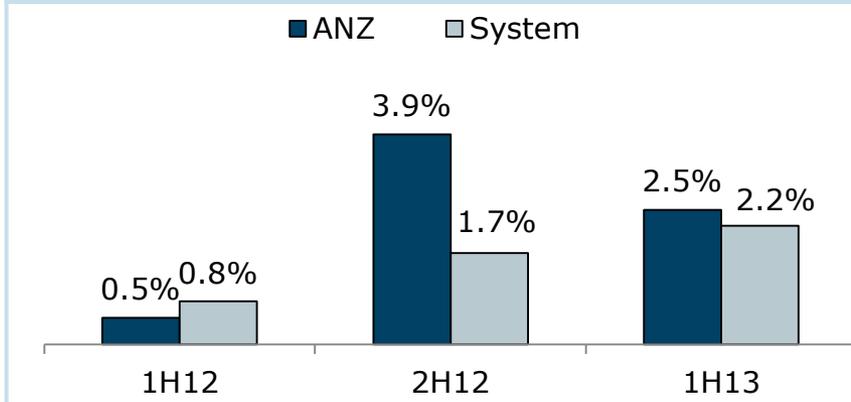


1. Source: RBNZ, Share of all providers. Mortgages at February 2013, Deposits as at December 2012

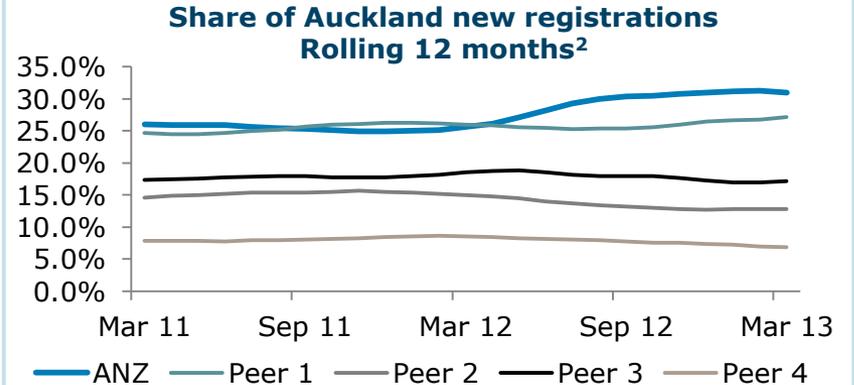
2. Branch coverage represents the areas in which ANZ is represented relative to where New Zealanders do business

Retail - growing share in mortgages whilst maintaining strong lending standards

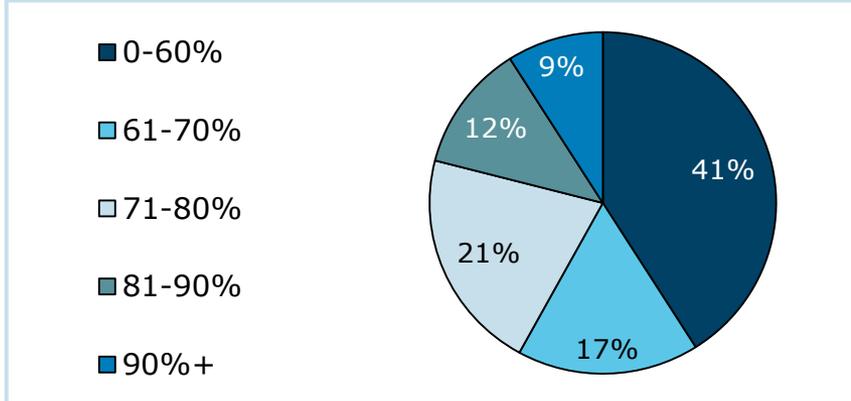
Mortgage Growth vs System¹



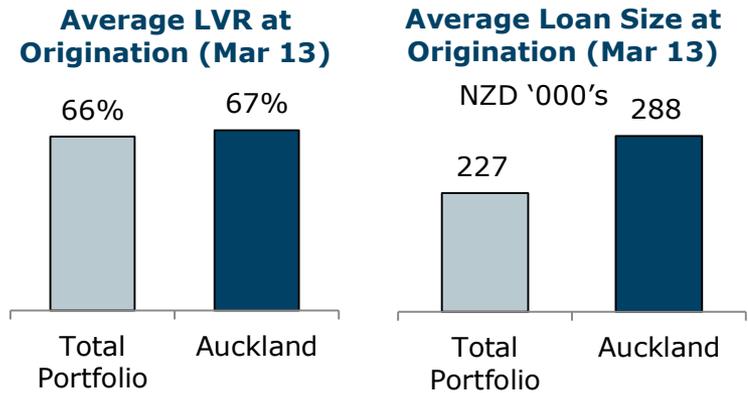
Winning share in Auckland



Dynamic Loan to Valuation Ratio (Mar 13)



Auckland mortgages reflect higher average amounts but similar quality to portfolio



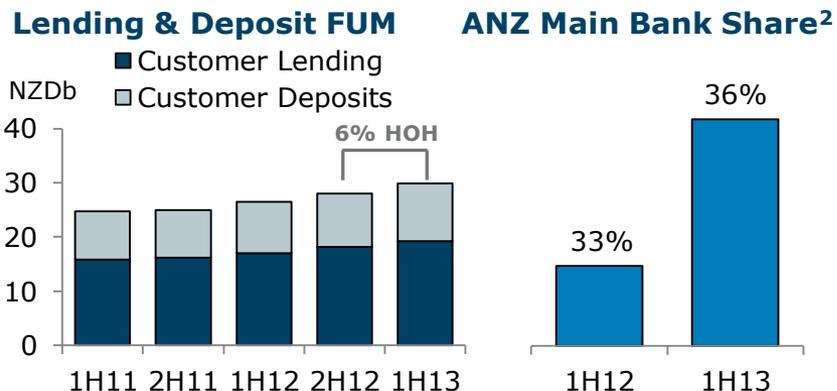
1. Data source: RBNZ NZ C6 and ANZ's submission to RBNZ. 1H13 data is as at Feb 13.
 2. Data source: Terralink

Commercial¹ – growth and improvement in asset quality delivering a better return

Small Business Banking

- 90% of businesses in New Zealand employ 5 or fewer staff (31% of employment and 44% of GDP)
- A continued focus on moving bankers to capture growth segments and simplifying the business is delivering good results:
 - 1H13 FUM growth of 6.3%
 - Satisfaction up 370bps YOY (Mar-13 vs. Mar-12)²
 - ~2,600 new customers acquired

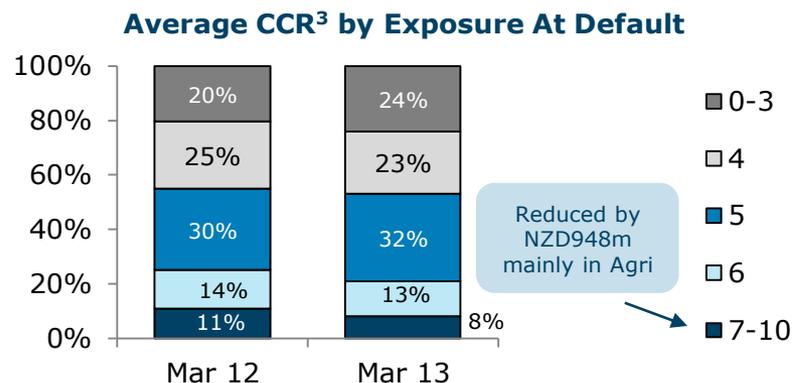
Small Business Banking continues to grow



Commercial & Agri

- Improvement in performance:
 - NPAT growth 14.5%
 - Agri market share has stabilised
- Satisfaction levels have been sustained through brand change
- Winner of CANSTAR's Best Agribusiness Bank award for the second consecutive year
- Agri share of land settlements average ~40% of market

Further improvement in Commercial & Agri credit quality



1. Commercial & Agri and Small Business Banking

2. TNS Business Finance Monitor

3. CCR is a measure reflecting the ability to service and repay debt. Risk grades are from 0 (highest quality) to 10 (default)



Next phase focused on leveraging our scale

Harness Scale
2010 - 2012

Leverage Scale
2013-2015

Scale advantage
2016+

Leverage scale through a focus on service, efficiency and cross sell

- **Continue to drive productivity benefits from simplified business model**
 - Committed focus on productivity and efficiency measures
- **Greater focus on service**
 - Branch upgrades designed around greater sales activities
 - Further increase in branch coverage
 - Increasing number of business bankers in local branches
- **Continue to drive cross-sell**
 - Improve diversity of income base through continuing to grow cross-sell across NZ franchise

Deploying a new modular branch design that requires 20% less floor space



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HALF YEAR RESULTS
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

30 April 2013

Investor Discussion Pack
Global Wealth Division



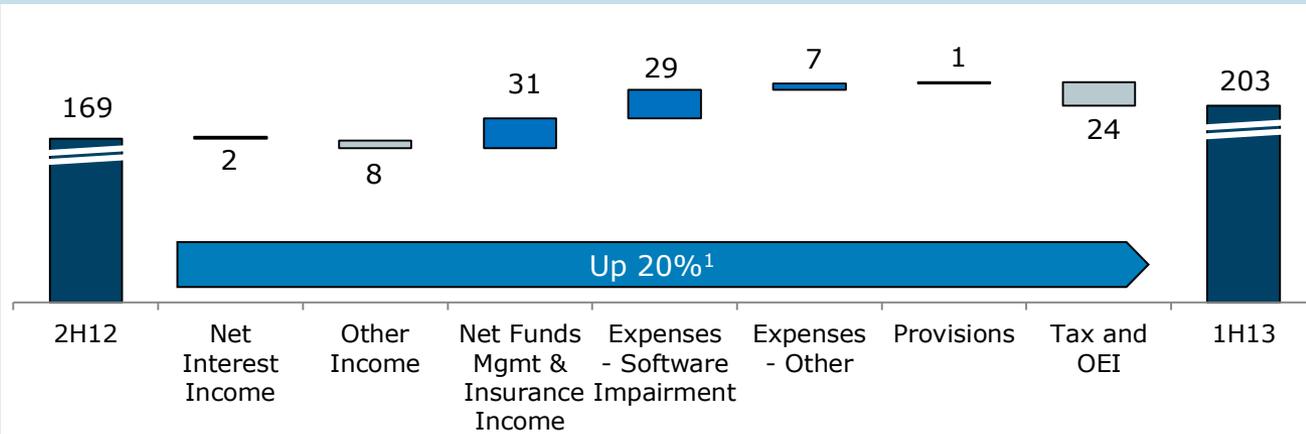
1H13 Strategic scorecard

Scorecard	Comments
<p>Grow relationships with existing ANZ customers:</p> <ul style="list-style-type: none"> ✓ Wealth solutions sold to ANZ customers ✓ Size of ANZ Financial Planning ✓ Productivity of ANZ Financial Planning ✓ Direct channel sales <p>Drive higher returns from existing businesses:</p> <ul style="list-style-type: none"> ✓ Grow Retail Life ✓ Netflows from aligned dealer groups ✓ Above market FUM growth <p>Simplify the business and leverage global capabilities:</p> <ul style="list-style-type: none"> ✓ Lower cost to income ✓ Reduce risk ✓ Leverage global model ✓ MySuper & FoFA ready 	<ul style="list-style-type: none"> • Net increase in Wealth solutions held by bank customers of 9% PCP • ANZ Smart Choice Super exceeding 800 account openings per week with a funding rate over 36% and day-1 insurance take-up of 50% • ANZ Financial Planning productivity up 21% PCP and 6% PCP per adviser for risk sales and investment inflows respectively • Direct Insurance sales to ANZ customers up 17% PCP in Australia and 34% PCP in New Zealand • Insurance inforce premiums up 10% PCP (Life & GI) • Turnaround in netflows from aligned dealer groups (1H13 v 1H12) • FUM up 8% PCP, although market share declined 40bps in Australia (6 months to Dec 12)¹ • CTI improved 280 bps PCP to 62% driven by business simplification and leveraging the global model • New fiduciary and internal governance structure to improve risk compliance and governance • Centralised the Chief Investment Office to improve consistency and quality of investment decisions • MySuper license application submitted

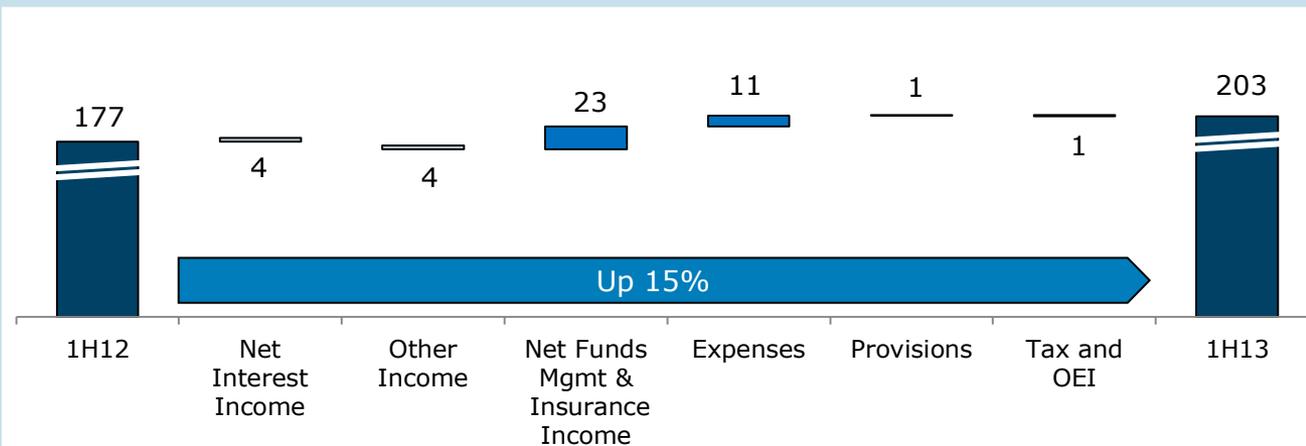
1. Source: Plan For Life

Headline result

Cash Profit movement – 1H13 v 2H12



Cash Profit movement – 1H13 v 1H12

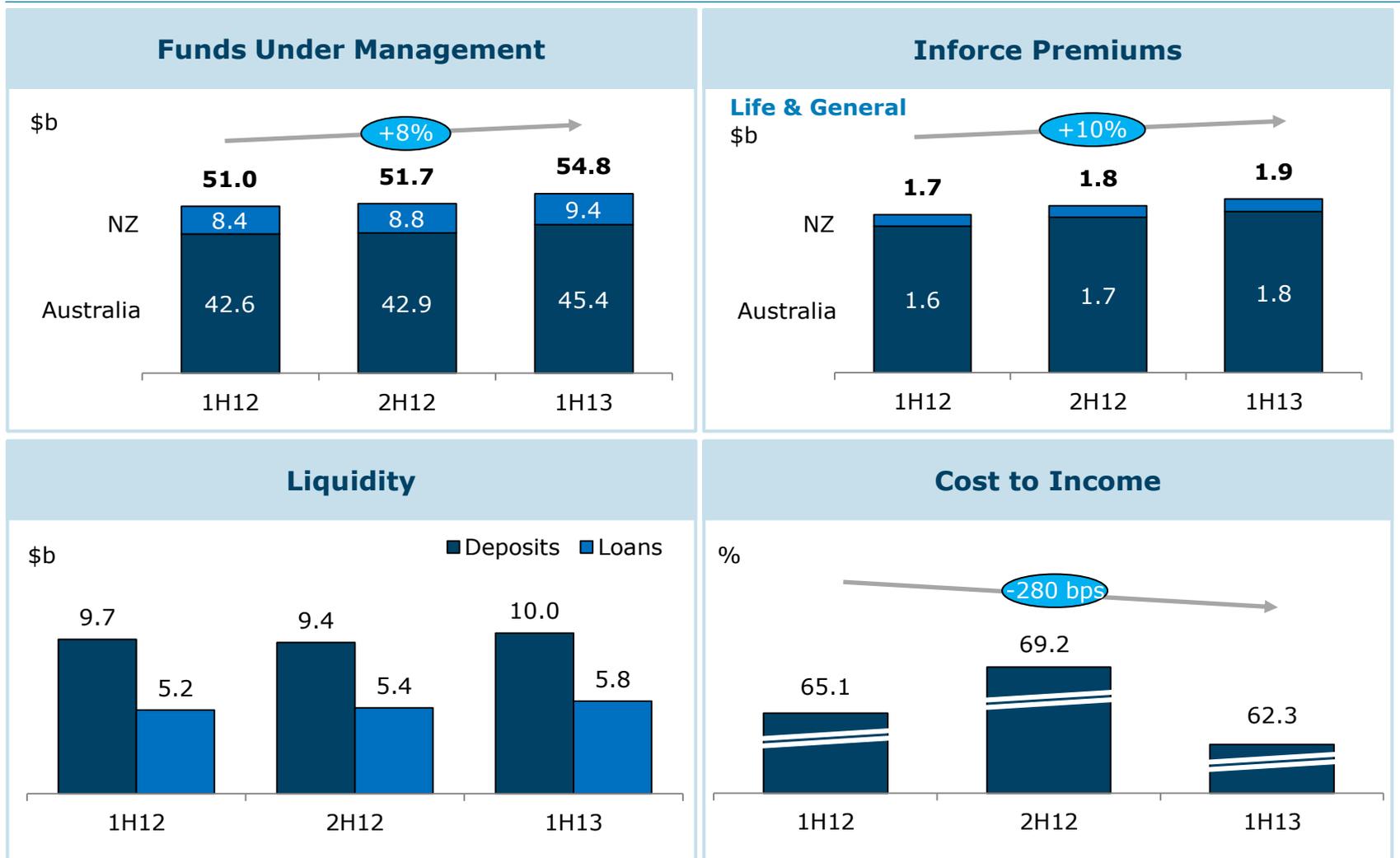


- Cash Profit up 20% HOH¹ and 15% PCP
- Movement this half mainly due to increase in net funds management and insurance income and a reduction in expenses
- Increase in PCP income driven by investment market gains, insurance inforce premiums growth and an improvement in claims
- Operating expenses declined PCP, as a result of business simplification initiatives

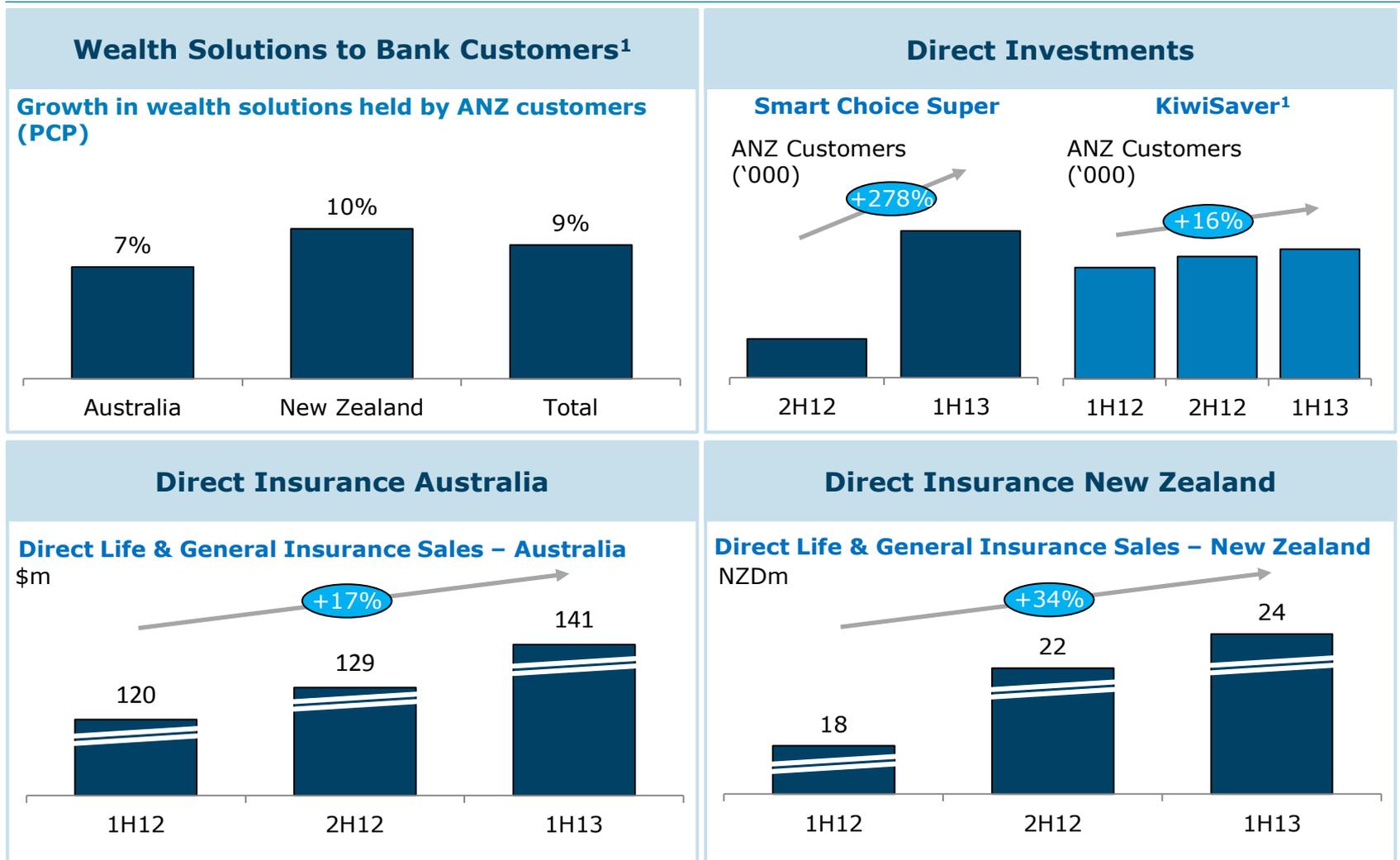
1. Cash profit is up 7% HOH excluding the software asset impairment charges in 2H12



Business drivers



Deepening relationships with existing ANZ Customers

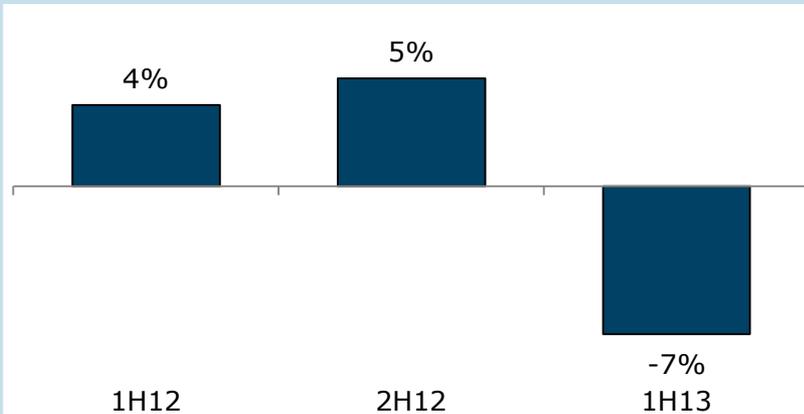


1. Source: ANZ Customer Analytics



Productivity

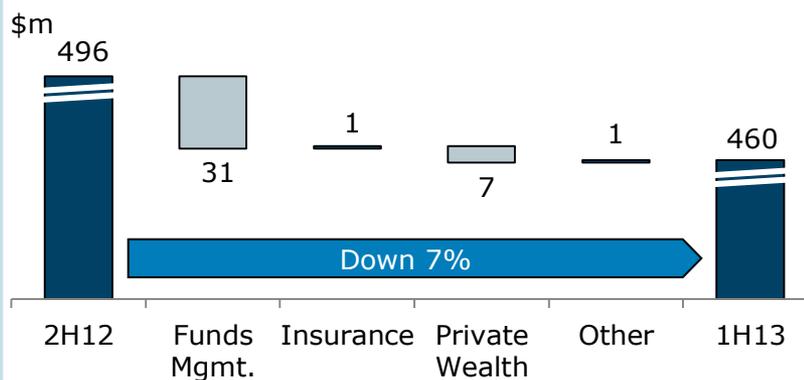
Operating Expense growth HOH



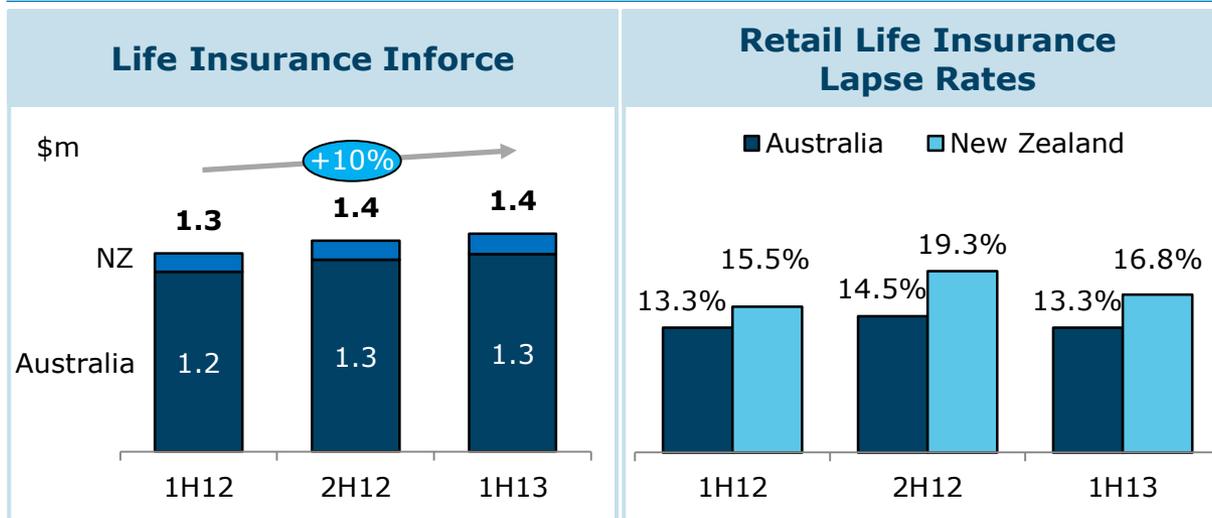
Comments

- In 1H13, operating expenses declined by 7% HOH, key factors impacting operating expenses were:
 - Annualised benefits from simplification initiatives commenced in FY12
 - Efficiency benefits from continued leveraging of the global operating model
 - Inclusion of non-recurring software asset impairment in 2H12
- Insurance operating expenses increased as a result of investment in growth initiatives, though partially offset by business simplification

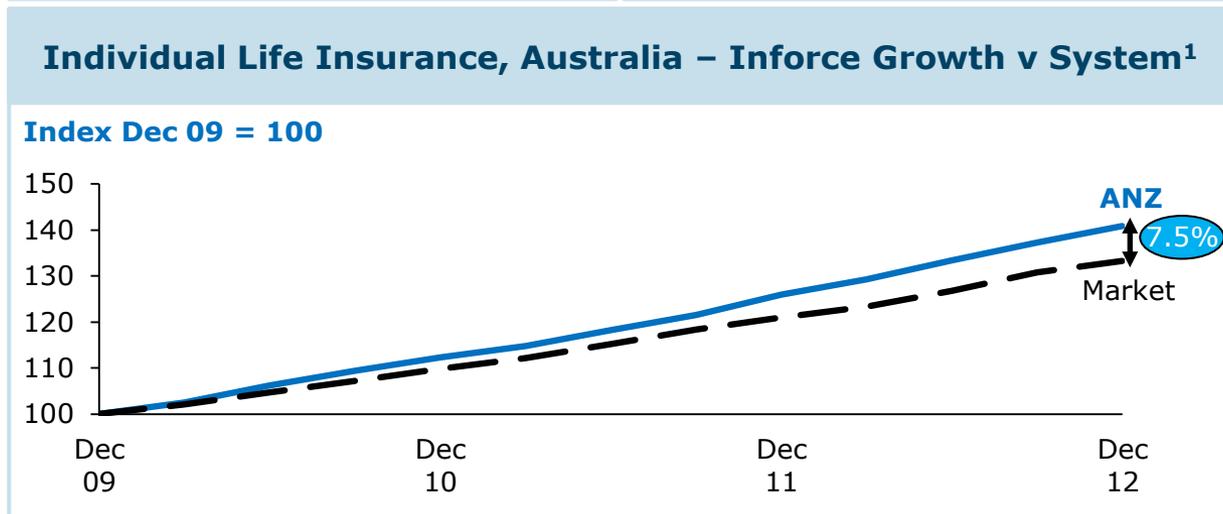
Operating Expense movement 2H12 v 1H13



Strong performance in Life Insurance



- Maintained double digit growth in Life Insurance, Inforce up 10% YoY
- Retail Life lapse rates are responding to retention activities started last year, coming off their high
- ANZ lapse rates in Australia remain lower than the industry average²



- Retail life continues to be supported by IFAs, remaining #1 in sales³
- Improving productivity of risk sales in ANZ Financial Planning is also driving above market growth

1. Source: Plan for Life (Dec 2012)
 2. Source: Plan for Life – Discontinuances for the year to December 2012 (Individual Risk Income & Lump Sum)
 3. Source: NMG Consulting (Dec 2012) – IFAs includes aligned and open market advisers



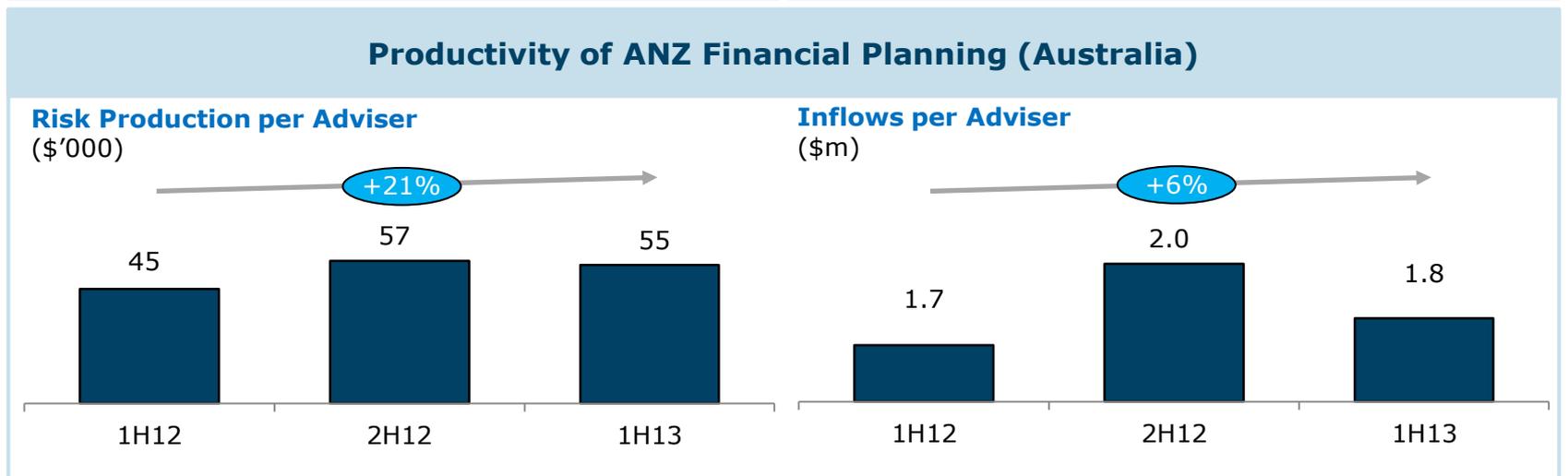
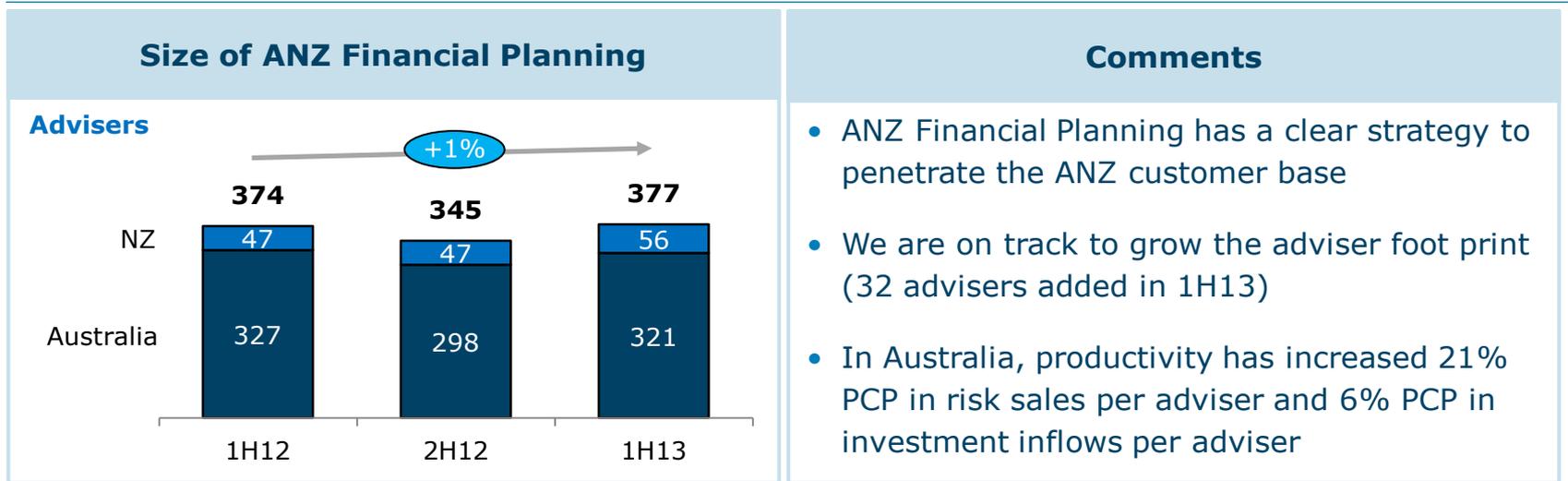
Funds Management Australia

Market Share ¹	Comments																			
<p>A bar chart showing market share percentages for two periods: Jun-12 and Dec-12. The bar for Jun-12 is labeled 7.80% and the bar for Dec-12 is labeled 7.40%.</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Market Share</th> </tr> </thead> <tbody> <tr> <td>Jun-12</td> <td>7.80%</td> </tr> <tr> <td>Dec-12</td> <td>7.40%</td> </tr> </tbody> </table>	Period	Market Share	Jun-12	7.80%	Dec-12	7.40%	<ul style="list-style-type: none"> As anticipated, vertical integration as a response to regulation is driving net outflows from open market advisers We responded to this by focusing on improving the productivity of our bank and aligned channels While we are seeing progress with this strategy, the increase in flows are not yet large enough to offset the net outflows from the open market As a result ANZ's market share of FUM in Australia declined 40bps in the six months to December 2012 In addition to focusing on owned and aligned channels ANZ launched Smart Choice Super to focus on non-advised customers 													
Period	Market Share																			
Jun-12	7.80%																			
Dec-12	7.40%																			
<h3 data-bbox="459 811 622 845">Netflows</h3> <p data-bbox="139 888 618 916">Netflows by Channel - Australia</p> <p data-bbox="139 928 193 956">\$m</p> <p>A waterfall chart showing netflows in millions of dollars for three periods: 1H12, 2H12, and 1H13. The chart compares two channels: ANZ & Aligned (dark blue bars) and Open Market (light blue bars). The total netflow is indicated as +\$204m, and the Open Market contribution is -\$151m.</p> <table border="1"> <thead> <tr> <th>Period</th> <th>ANZ & Aligned (\$m)</th> <th>Open Market (\$m)</th> <th>Total (\$m)</th> </tr> </thead> <tbody> <tr> <td>1H12</td> <td>~\$100</td> <td>~\$100</td> <td>~\$0</td> </tr> <tr> <td>2H12</td> <td>~\$100</td> <td>~\$100</td> <td>~\$0</td> </tr> <tr> <td>1H13</td> <td>~\$100</td> <td>~\$100</td> <td>~\$0</td> </tr> <tr> <td>Total</td> <td>~\$300</td> <td>~\$96</td> <td>~\$204</td> </tr> </tbody> </table>	Period	ANZ & Aligned (\$m)	Open Market (\$m)	Total (\$m)	1H12	~\$100	~\$100	~\$0	2H12	~\$100	~\$100	~\$0	1H13	~\$100	~\$100	~\$0	Total	~\$300	~\$96	~\$204
Period	ANZ & Aligned (\$m)	Open Market (\$m)	Total (\$m)																	
1H12	~\$100	~\$100	~\$0																	
2H12	~\$100	~\$100	~\$0																	
1H13	~\$100	~\$100	~\$0																	
Total	~\$300	~\$96	~\$204																	

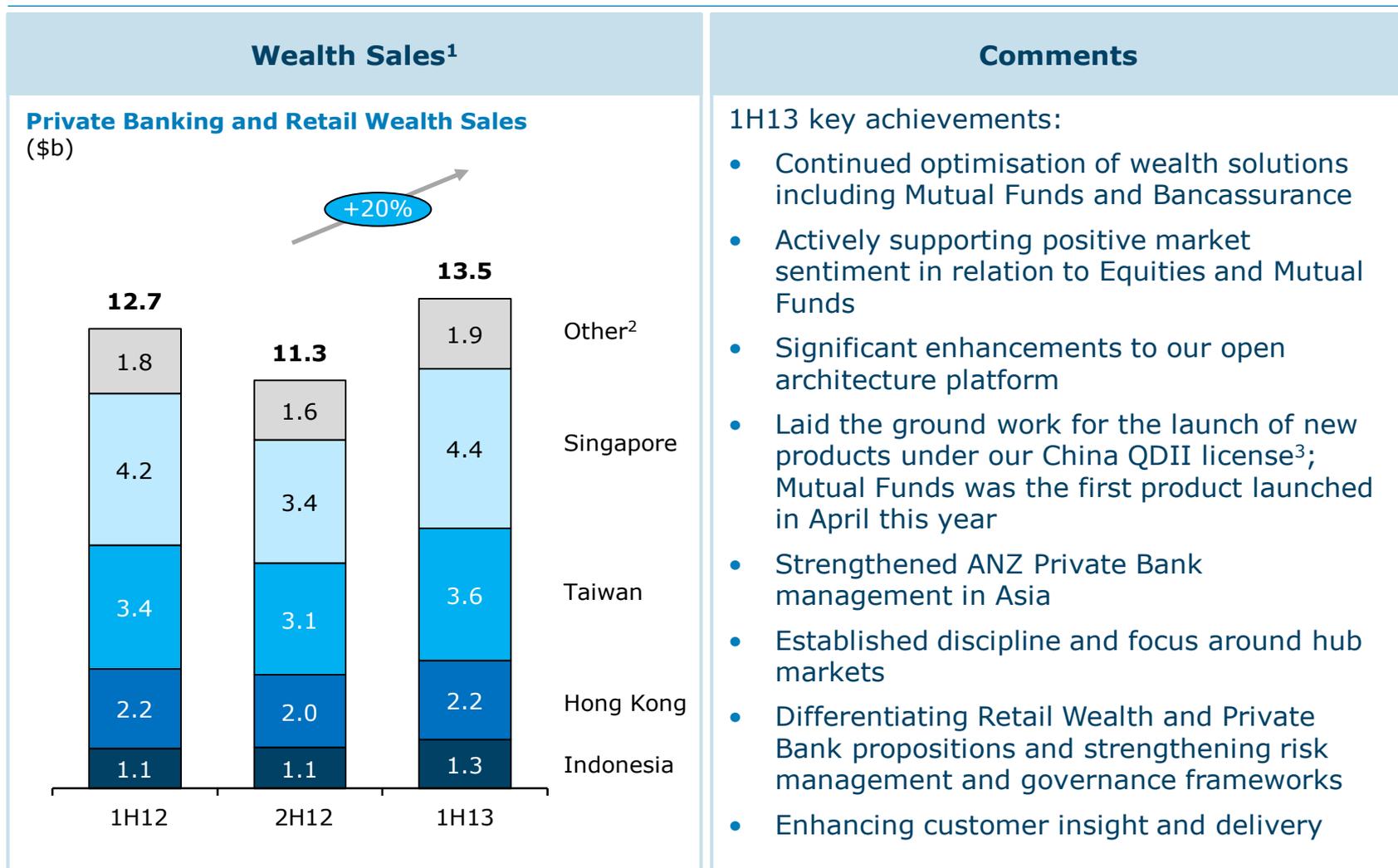
1. Plan for Life – Retail Funds Management Overview (excluding cash) (Dec 2012)



Distribution



Wealth Distribution Asia



1. Sales of third party investment and insurance products through ANZ channels measured by the 1st year premium for insurance, and the aggregated sales from new subscriptions for investment products plus redemptions on Bonds, Equities and ETF (Mutual Funds excluded)

2. Other countries include: Japan, China, Vietnam, Philippines and Cambodia

3. QDII license enables us to sell foreign securities to onshore Chinese investors



ANZ Smart Choice Super

ANZ Smart Choice Super – a low cost and innovative solution

Visibility

- See your super alongside other accounts
- Never lose your super again
- 24/7 access



Over 17,000 accounts already opened

Choice & Control

- Life stage investments
- Choose how involved you want to be with quality investment options



36% of these have rolled over their existing superannuation or commenced contributions

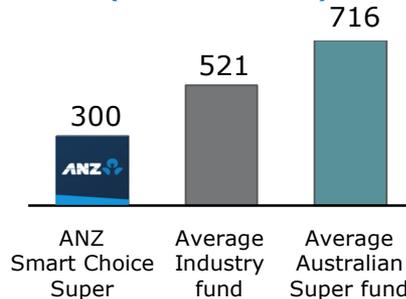
ANZ Smart Choice Super fees vs other super funds (from 1 Dec 2012)¹



Activation team now in place with strong customer response

Great Value¹

- One low investment fee (0.50%)
- 42% lower fees than the average industry fund



50% of accounts opened also take life insurance through ANZ Smart Choice Super

1. Note: Fee comparison based on the average total annual Investment Management fees, Performance fees, Administration fees, Asset Management fees and Member fees of 319 superannuation products in Australia (including 126 industry funds), on a \$50,000 account balance. Sourced from SuperRatings Pty Ltd's 'Fees Analysis' dated 21/11/2012 analysing fees current at 30/9/2012. All fees are subject to change

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HALF YEAR RESULTS
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

30 April 2013

Investor Discussion Pack
Economics



Economic updates

	Australia				New Zealand			
	2012	2013	2014	2015	2012	2013	2014	2015
GDP	3.5	2.7	2.8	3.5	2.4	2.8	2.8	2.3
Inflation	2.0	2.1	2.1	2.4	0.8	1.3	1.9	2.2
Unemployment	5.3	5.7	5.7	5.4	7.3	6.9	6.3	6.1
Cash rate	3.50	2.75	2.5	3.0	2.50	2.50	3.00	3.75
AUD/USD	1.04	1.05	1.03	0.95	N/A	N/A	N/A	N/A
Credit	4.0	3.3	4.8	5.2	3.9%	3.7%	3.7%	4.2%
- Housing	4.7	4.5	4.9	5.9	2.9	4.5	3.0	4.0
- Business ¹	3.7	1.6	4.6	4.0	5.3	3.9	4.6	4.5
- Other	-0.7	1.7	4.9	5.2	2.4	6.0	3.5	3.5

Source - ANZ economics team estimates. Based on 30 September bank year. Growth rates in through the year terms.

1. NZ Business includes Rural lending

Growth Forecasts – Asia

Emerging Asia GDP Growth Forecasts

	2007	2008	2009	2010	2011	2012	2013	2014
China	13.1	9.6	9.1	10.1	9.3	7.8	7.8	8.0
India	9.7	8.1	6.5	9.7	7.5	5.1	5.7	6.6
NIEs								
Hong Kong	6.4	2.4	-2.7	7.0	5.0	1.4	3.7	4.2
Korea	5.1	1.5	0.2	6.2	3.6	2.0	2.6	4.8
Singapore	8.6	2.3	-0.8	14.5	4.9	1.3	2.4	3.6
Taiwan	5.9	1.1	-1.9	10.9	4.0	1.3	3.6	4.6
ASEAN								
Indonesia	6.3	6.0	4.6	6.1	6.3	6.2	6.5	6.6
Malaysia	6.5	4.7	-1.7	7.2	5.1	5.6	5.5	4.5
Philippines	7.1	3.7	1.1	7.3	3.7	6.6	5.6	6.2
Thailand	4.9	2.5	-2.3	7.8	0.1	6.4	4.4	4.5
Vietnam	8.4	6.3	5.3	6.8	6.1	5.0	5.6	6.3
Total	10.4	7.4	6.0	9.3	7.4	6.1	6.3	6.9
Total (ex. China & India)	6.1	3.1	0.4	7.6	4.2	3.8	4.3	5.1

Note: Based on calendar year
Sources: CEIC, ANZ Economics

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