

13 FULL YEAR RESULTS

AUSTRALIA AND
NEW ZEALAND
BANKING GROUP
LIMITED

29 OCTOBER 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 32 with further information included on pages 81 to 89 of the 2013 Full Year Results announcement

13 FULL YEAR RESULTS

AUSTRALIA AND
NEW ZEALAND
BANKING GROUP
LIMITED
29 OCTOBER 2013



Mike Smith
Chief Executive Officer

Delivering for shareholders and customers

2013 Result	FY13 \$M	FY12 \$M	FY13 v FY12
Cash Profit	6,498	5,830	Up 11%
Statutory Profit	6,272	5,661	Up 11%
Cash Earnings per Share (cents)	238.5	218.5	Up 9%
Dividend per share (cents)	164.0	145.0	Up 13%
Cash Return on Equity	15.3%	15.1%	Up 20bps

- Super regional strategy delivering sustained business growth and improving returns
- Strong growth in key customer segments and markets
- A more efficient, higher quality bank

SUPER REGIONAL STRATEGY

STRONG
CORE
MARKETS

PROFITABLE
ASIAN
GROWTH

ENTERPRISE
APPROACH

STRONG LIQUIDITY AND CAPITAL MANAGEMENT

DISCIPLINED AND EXPERIENCED MANAGEMENT



Strengthen our position in core markets of Australia and New Zealand to drive Group earnings and returns

Above market growth in core customer segments

✓ Home Loans ✓ Retail Deposits ✓ Cards ✓ Commercial Lending & Deposits ✓ FX, Trade & Capital Markets

Cost to Income down

Australia ↓330bps

New Zealand ↓750bps

Strong Customer Satisfaction

Australia & New Zealand >80%

Transforming our business for future success

✓ Banking on Australia

✓ New Zealand Simplification

✓ Wealth – simpler, digital, cross sell

PROFITABLE
ASIAN
GROWTH

Asian expansion focused on connecting customers to faster growing regional capital, trade and wealth flows

Achieving double-digit income growth in Asia in targeted segments

Institutional Asia ↑19%

Trade ↑10%

Markets ↑25%

Cash Management ↑9%

Increased quality and sustainability

Institutional lending: 75% investment grade; 74% < 1 year tenor

Revenue Mix: 55% OOI / 45% NII

Improved returns driven by business mix and scale benefits

Institutional Asia CTI ↓80bps

Retail Asia CTI ↓580bps



Built on common infrastructure and enterprise focus for greater responsiveness, efficiency and control

Building operational leverage and efficiency

Business volume growth of up to 12% & **Operations expenses down 10%**

Enterprise approach to operations delivers:

Reduced cost and complexity

Enhanced customer experience

Stronger controls and risk management

Higher staff engagement

STRONG LIQUIDITY AND CAPITAL MANAGEMENT

Maintaining a strong balance sheet and conservative funding approach

One of the world's strongest, best capitalised banks

AA band credit rating **APRA Common Equity Tier 1 ratio ↑47 bps to 8.5%, Internationally Harmonised 10.8%**

Disciplined management of balance sheet, liquidity and funding

Lowest structural funding gap of domestic peers **62% customer funded** **Liquidity portfolio ↑\$7b to \$122b**

Delivering on capital efficiency and returns

DRP neutralisation

Increased DPOR

Reducing RWA intensity

Improved ROE

DISCIPLINED AND EXPERIENCED MANAGEMENT

Experienced management team.
Growing the business in a
low risk, sustainable manner

A strong effective management team

A diverse workforce appropriate for the strategy

Disciplined approach to acquisitions

Driving quality outcomes while investing for the future

Building a
better bank
for customers

Building a
better bank
for shareholders

CEO Priorities

**Improving customer
experience**

**Diversifying
revenue**

**Improving
productivity**

**Improving
returns**

Financial Outcomes

Above peer growth

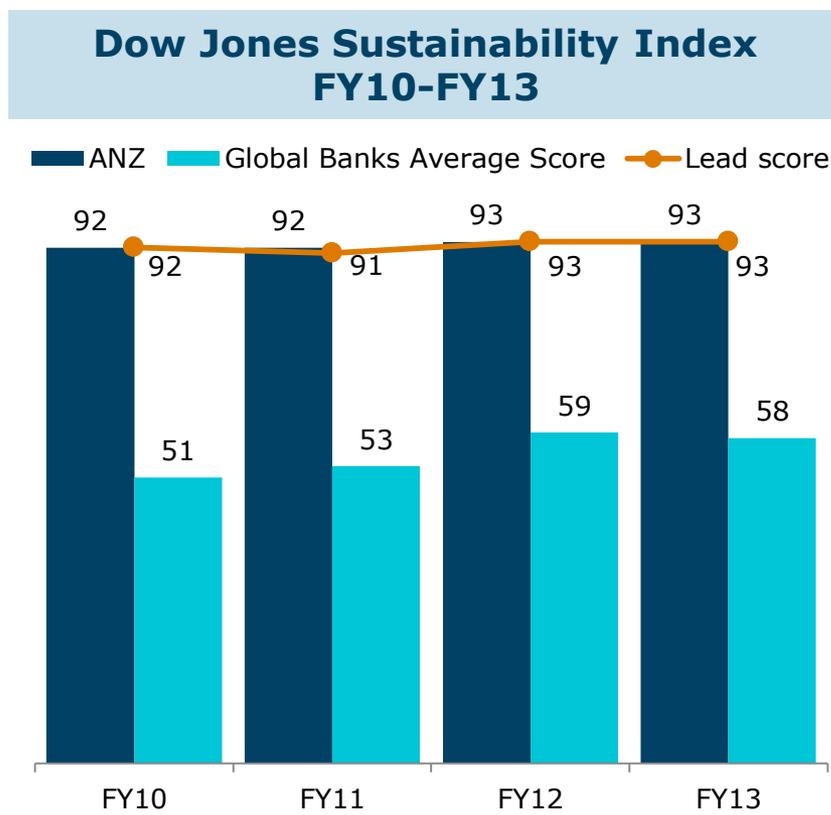
CTI <43%

ROE of 16%+

Rated most sustainable bank globally in the 2013 Dow Jones Sustainability Index for the sixth time in seven years

DJSI assesses business management practices including corporate governance, risk management, customer relations, brand management, human resources policies and practices, corporate community investment, climate change mitigation and environmental performance.

72%	ANZ Employee Engagement up from 70% in FY12
38%	Women in management, steady since FY12
5,286	IIB lenders who completed Social & Environmental training since introduction in 2011
49,259	People reached through financial education programs in FY13; 240,000 in the past 10 years



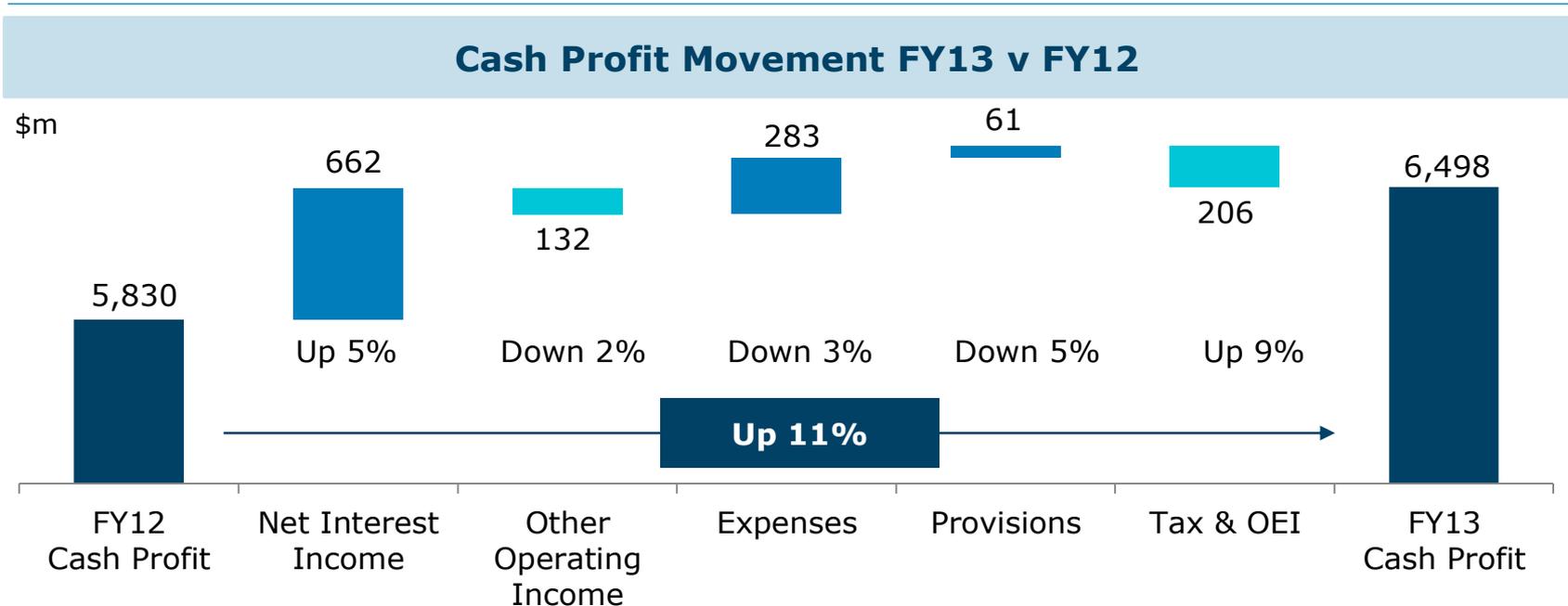
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Shayne Elliott
Chief Financial Officer

2013 financial performance



	FY13	1 Year	3 Year		FY13	1 Year	3 Year
Return on Equity	15.3%	+20bps	+41bps	Total Shareholder Return		32%	56%
Earnings per Share (cents)	238.5	+9%	+25%	Economic Profit	2,701	+14%	+2%
Dividend per Share	164.0	+13%	+30%	Return on RWA¹	2.09%	+7bps	+12bps

1. Basel basis

Impact of foreign exchange and one-off items

\$m	Actual			FX Adjusted FY13 v FY12
	FY12	FY13	FY13 v FY12	
Headline Operating Income	17,848	18,378	3.0%	
Visa sale	(291)			
Funding Value Adjustment (FVA)		61		
Core Operating Income	17,557	18,439	5.0%	4.2%
Headline Operating Expenses	8,519	8,236	(3.3%)	
NZ Simplification	(148)	(18)		
Software Impairment	(273)			
Core Operating Expenses	8,098	8,218	1.5%	0.3%
Headline Cash Net Profit after Tax	5,830	6,498	11.5%	
Core Cash Net Profit after Tax	5,931	6,554	10.5%	9.9%

The Group Result in 2013

Growth 2013 v 2012 Adjusted for FX & One-Off Items

Growth	Income	Expenses
Australia	+6.9%	+0.2%
Wealth	+4.0%	-0.3%
Institutional Asia	+16.2%	+14.5%

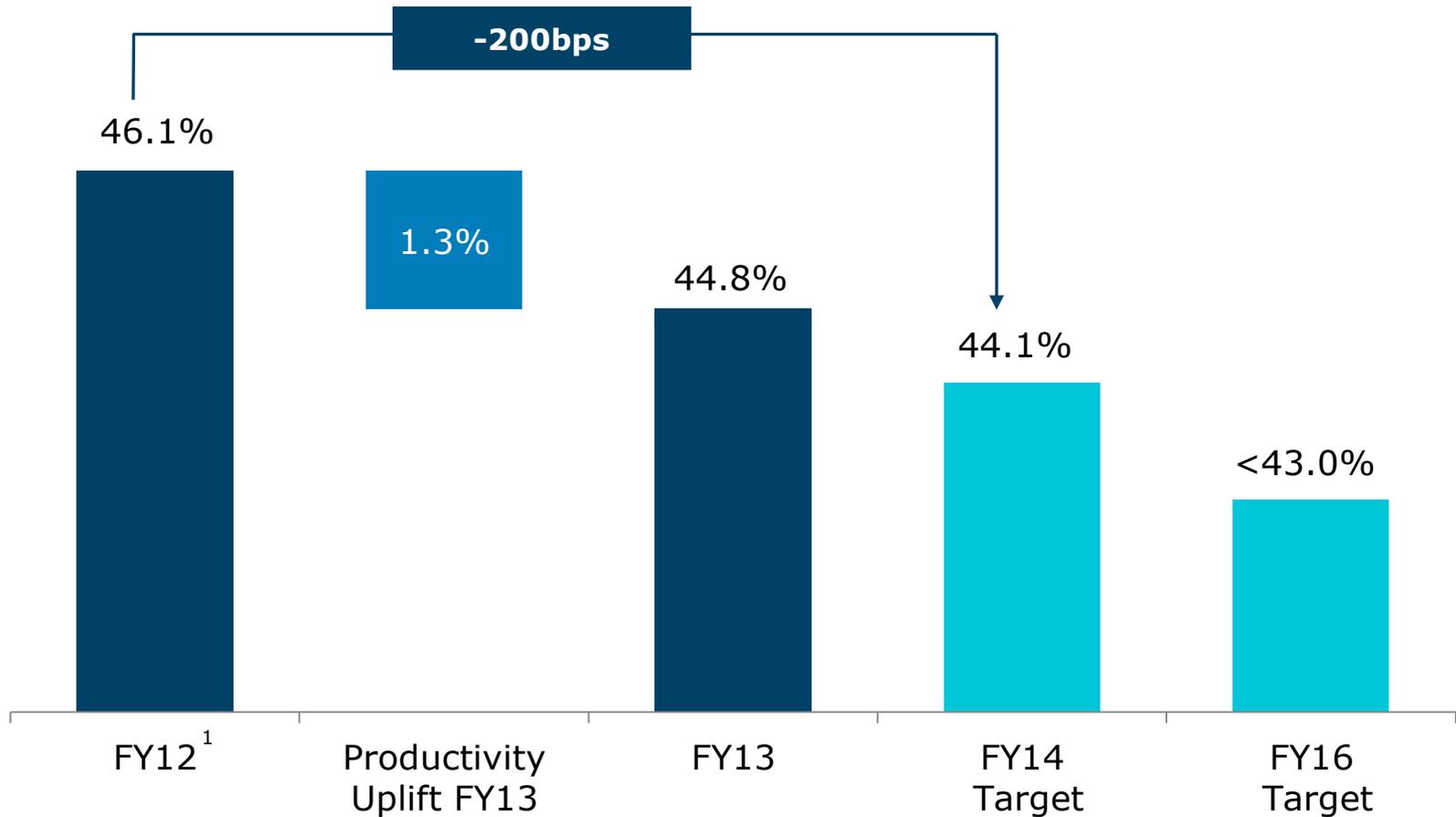
Productivity	Income	Expenses
New Zealand	-0.3%	-3.6%
Institutional Aust/NZ	-3.3%	-6.6%
Retail Asia	+2.9%	-4.4%

Operating Income +4.2%

Operating Expenses +0.3%

Productivity Commitments

Cost to Income Ratio



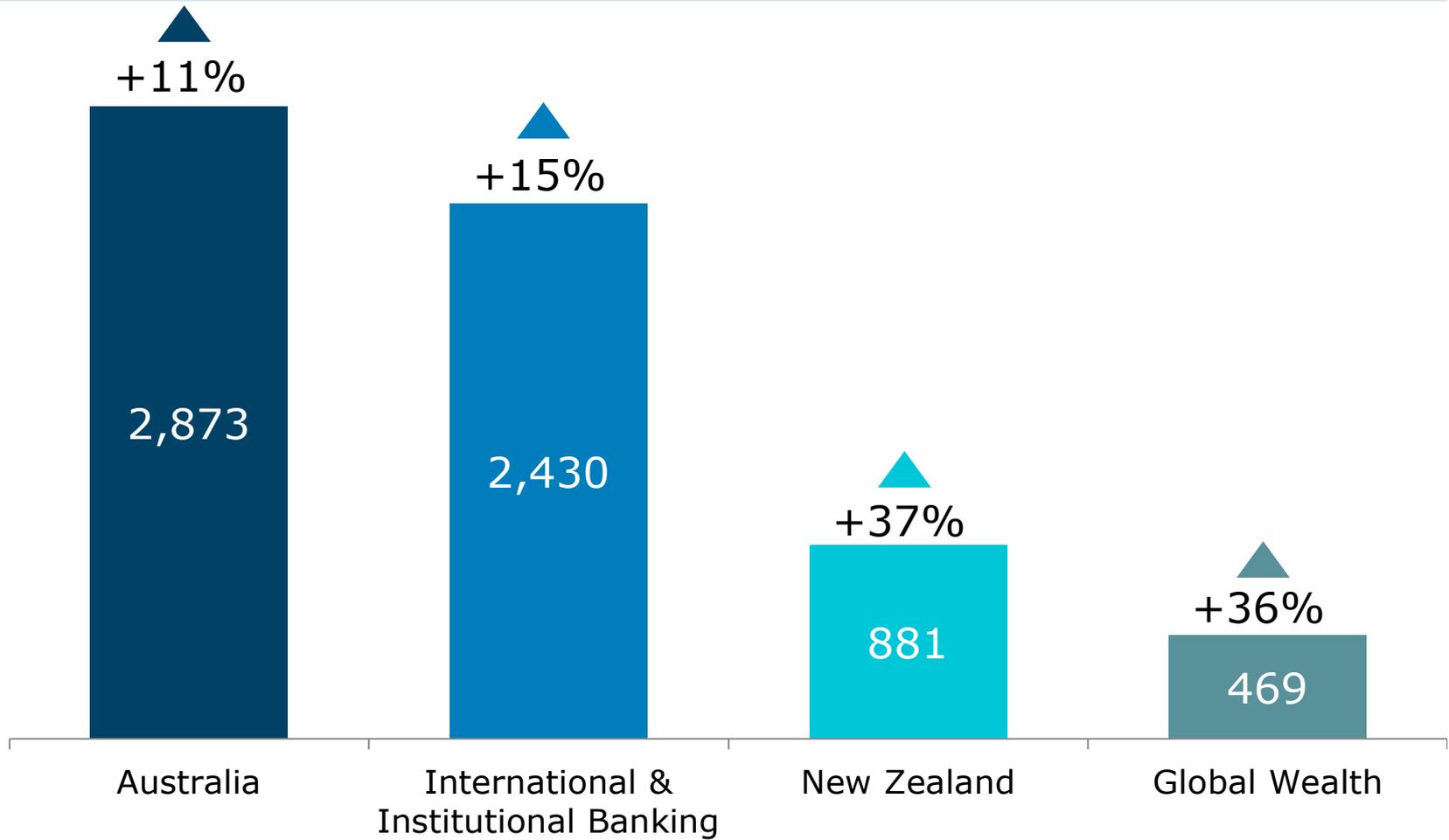
1. Excludes impact of one-off items in FY12 – Gain on Visa sale (\$291m), software impairment (\$273m) and NZ Simplification (\$148m)

2013 Result by Division

	FY13	v FY12		FY13	v FY12
Australia			New Zealand (NZD)		
Operating Income	7,867	+7%	Operating Income	2,678	-1%
Operating Expenses	2,951	-2%	Operating Expenses	1,155	-15%
Cost to Income Ratio	37.5%	-330 bps	Cost to Income Ratio	43.1%	-750 bps
Net Interest Margin	2.53%	+5 bps	Net Interest Margin	2.49%	-14 bps
International & Institutional Banking			Global Wealth		
Operating Income	6,564	+2%	Operating Income	1,510	+5%
Operating Expenses	2,970	-3%	Operating Expenses	944	-2%
Cost to Income Ratio	45.2%	-260 bps	Cost to Income Ratio	62.5%	-470 bps
NIM ex markets	2.69%	-41 bps	Lapse Rates - Australia	13.7%	-20 bps

2013 Result by Division

FY13 Cash Net Profit after Tax (\$m)



Excludes Group Centre that includes a \$301m decrease in revenue mainly due to the gain on sale of Visa shares in 2012

SUPER REGIONAL STRATEGY

STRONG
CORE
MARKETS

PROFITABLE
ASIAN
GROWTH

ENTERPRISE
APPROACH

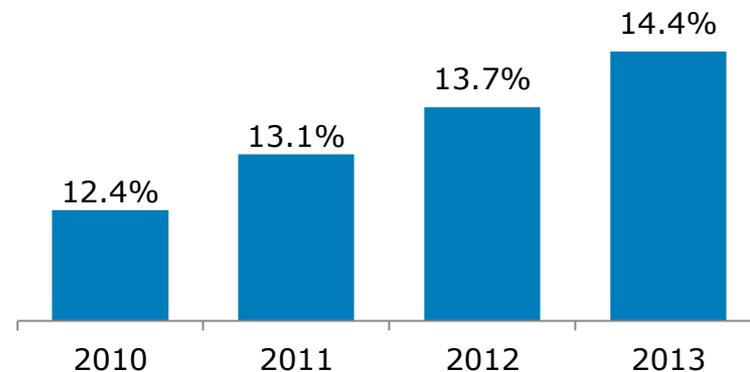
STRONG LIQUIDITY AND CAPITAL MANAGEMENT

DISCIPLINED AND EXPERIENCED MANAGEMENT

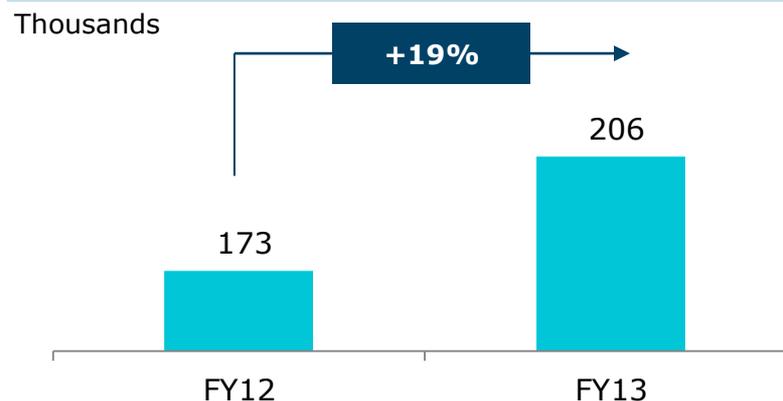
Strengthening Australia – Retail & Wealth

↑ 9%	Increase in economic capital allocated to Australia Retail
68%	Branch sales staff now accredited to sell home loans
30%	Branch sales staff accredited to sell Wealth products
201	Smart ATM's installed
↑ 16%	Increase in branch Home Loan sales
50,000	New Smart Choice superannuation customers

Retail Market Share¹



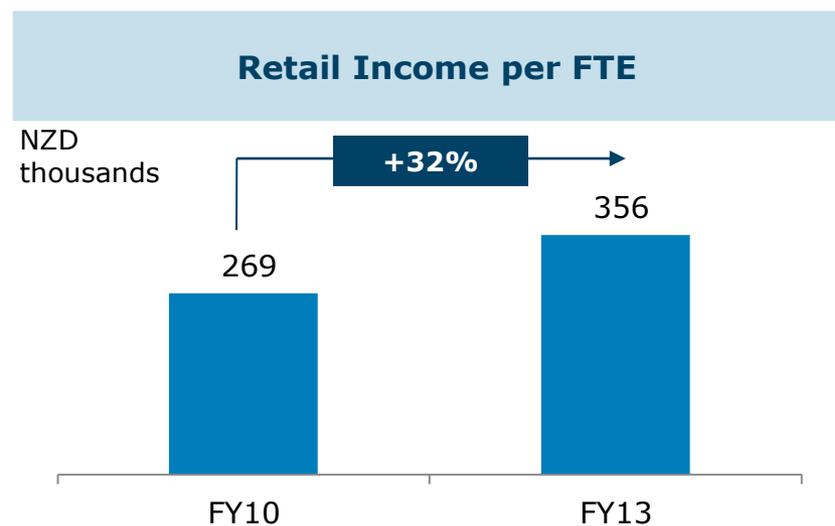
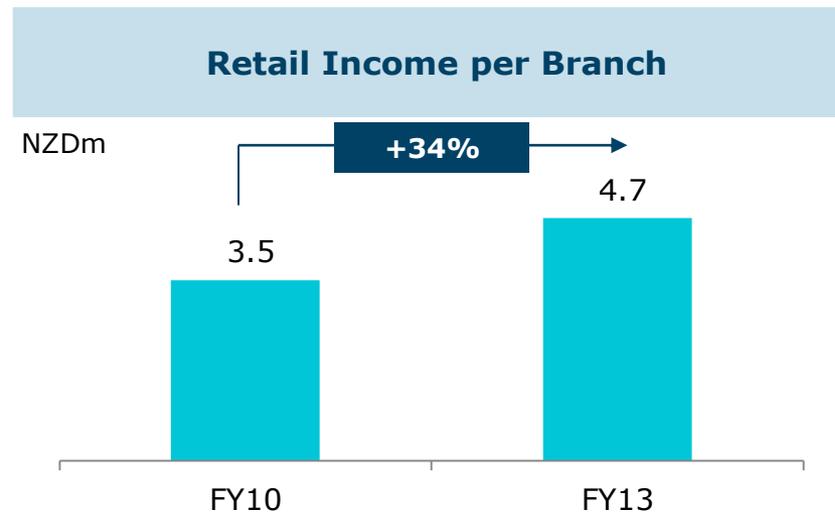
Wealth Products Sold Through Retail Distribution



1. Source: Roy Morgan Research: rolling 12 months, traditional banking consumer market (Deposits, Cards & Loans). All years as at August

Strengthening New Zealand – Retail & Wealth

85	Products removed as part of simplification
↑31%	Increase in Kiwisaver FUM, 81% of sales via branches
↑7%	Increase in branch coverage since 2010 ¹
↓7%	Reduction in branch expenses
60%	Auckland sales staff relocated to match market opportunities
↓10%	Total New Zealand FTE



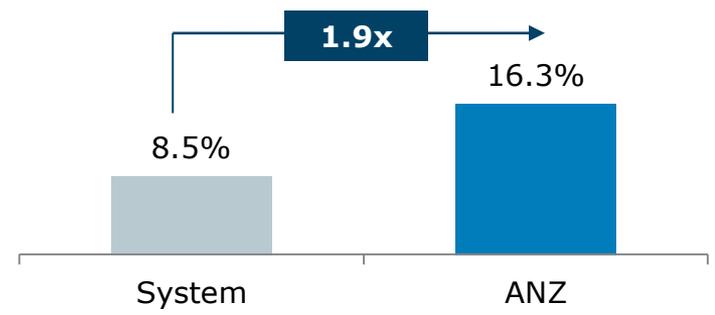
1. Branch coverage measures the areas in which ANZ is represented relative to where New Zealanders do business

Strengthening Institutional and Commercial in Australia & New Zealand

Grow Commercial

↑ 9%	Increase in economic capital allocated to Australia
↑ 30,000	Growth in Australia customer numbers ¹
↑ 13%	Growth in New Zealand Small Business customers

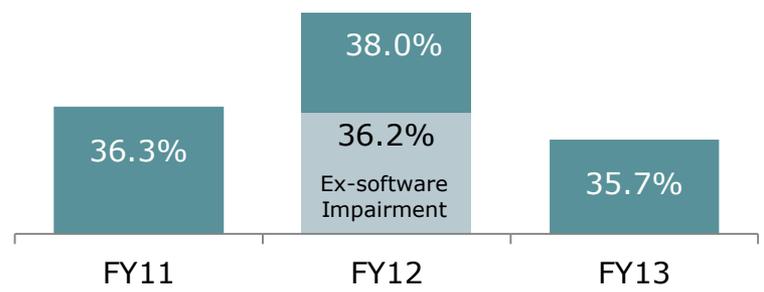
Corporate & Commercial Banking Australia Combined Lending and Deposit Growth²



Drive productivity in Institutional

↓ 5%	Reduction in Aust/NZ operating expenses
↓ 6%	Reduction in FTE Aust/NZ
↑ 36%	Increase in income referred to Asia

Institutional Australia & New Zealand Cost to Income Ratio



1. Excludes Esanda; 2. Source: Lending - RBA Lending and Credit Aggregates and Deposits – APRA Monthly Banking Statistics, Non-Financial Corporations

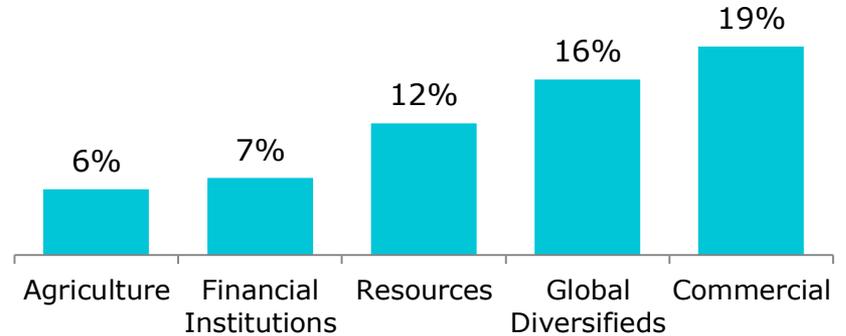


Profitable Growth in Asia

Build Scale

↑ 11%	Institutional Asia customer growth
↑ 35%	ANZ Transactive customer growth
↑ 96%	ANZ Transactive monthly transaction volume growth

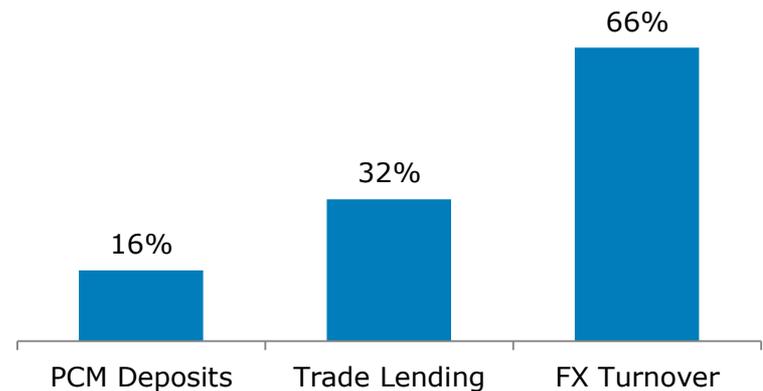
Asia Customer Growth FY13 v FY12



Drive Capital Efficiency

↑ 24%	Increase in capital allocated to Asia Trade
74%	% Institutional Asia portfolio with tenor < 1 year
↓ 270bps¹	Decline in Asia cost to income

Asia Volume Growth FY13 v FY12



1. Adjusted for FX and prior period one-off items, unadjusted down 710bps

Trade a key driver of return

What Customers Want

- ✓ On the ground presence
- ✓ Risk and liquidity appetite
- ✓ Processing expertise

What ANZ Likes

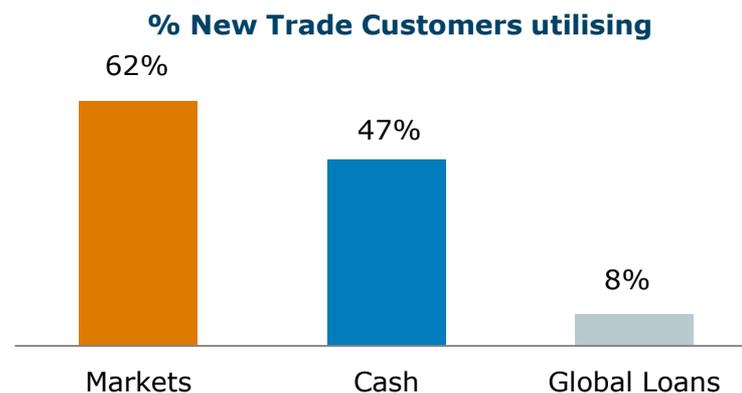
- ✓ Quality multinational customer base
- ✓ Short duration
- ✓ High quality, high probability cross-sell

Natural cross sell product for Cash and Markets

\$1 of Trade income = \$1.08 of Cross-Sell¹



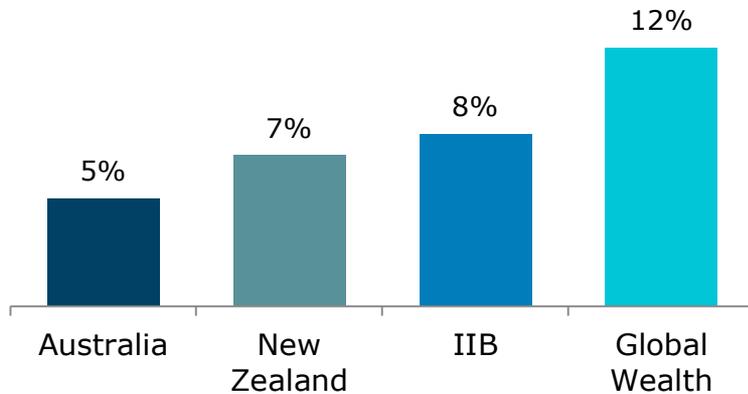
With strong utilisation by new to bank Trade led customers



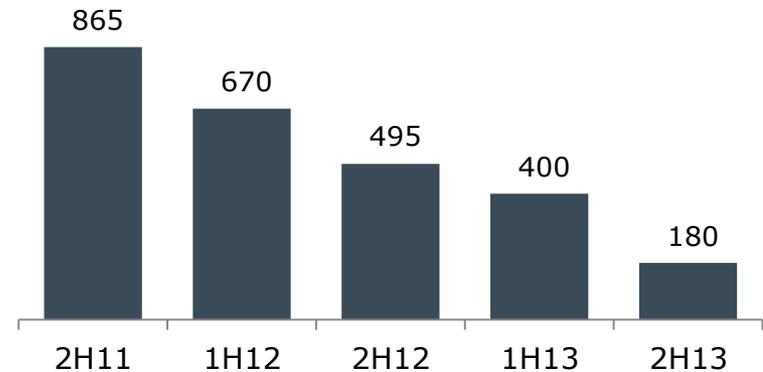
1. New to bank trade led customers using Markets and Payments & Cash Management Products

Productivity

**Operations Volume Growth
FY13 v FY12**



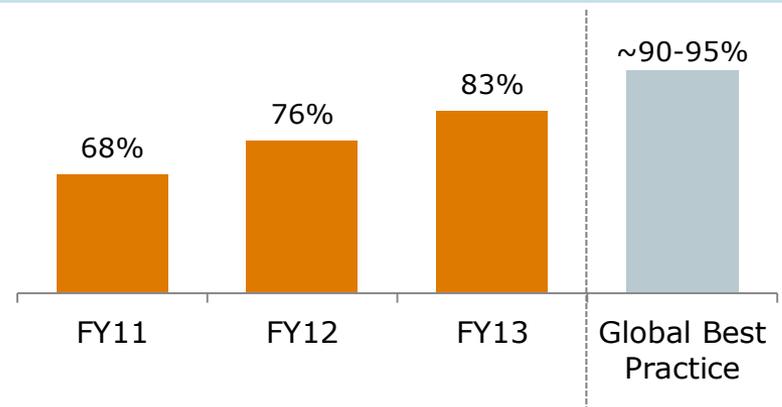
**Transaction Quality, Manual Payments
Defects Per Million**



**Operations Expense Growth
FY13 v FY12**



**Straight Through Processing Aust/NZ
% of Total Transactions**



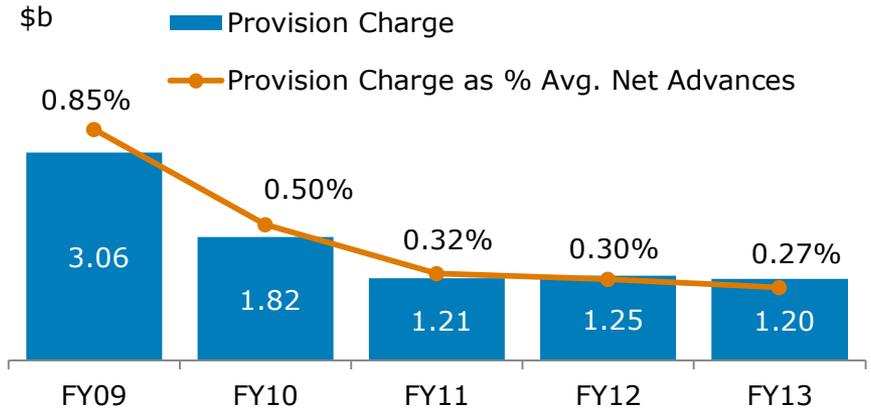
Credit Quality

**Institutional diversification
delivering improved credit quality**

% Institutional Exposure At Default

48%	Exposures < 1 year Tenor
78%	Investment Grade Exposures (68% in 2010)
29%	Asia Exposures 74% <1 year tenor
39%	Global Loans (47% in 2010)
41%	Average Credit RWA rate (54% in 2010) ¹

Group Provision Charge



Group Impaired Assets

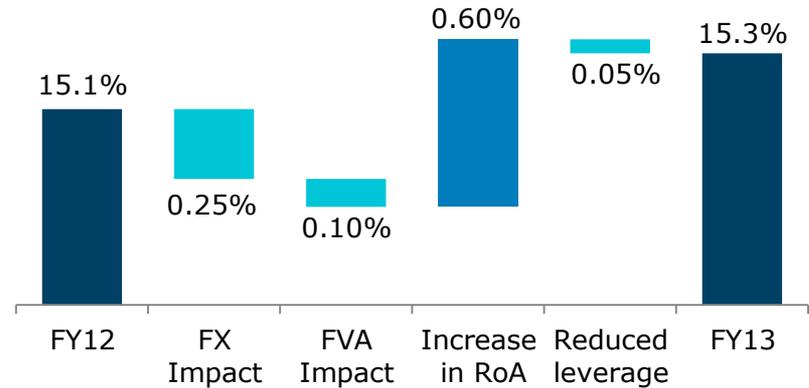


1. Basel 2 basis

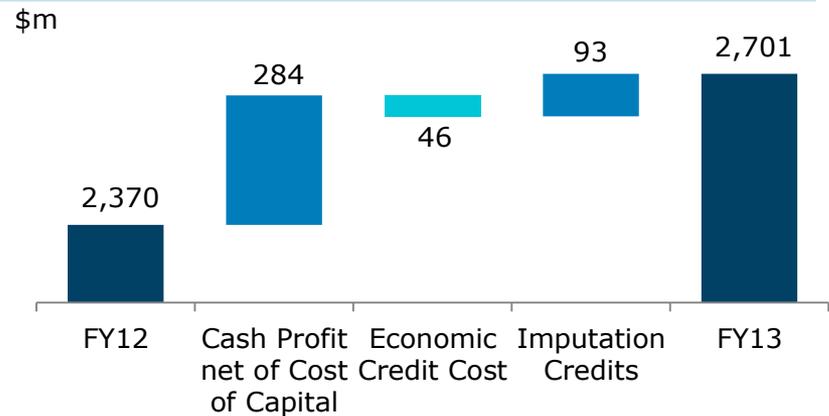
Capital efficiency

\$4.5 billion	Organic capital generated in FY13
↑ 7bps	Return on Risk Weighted Assets increase ¹
✓	Proactive allocation of resources
↓ 200bps	Average Credit RWA rate (CRWA/EAD) ¹
↑ 510bps	3 year DPOR increase
✓	Neutralised Dividend Reinvestment Plan

Return on Equity Movement FY13 v FY12



Economic Profit Movement FY13 v FY12



1. Basel 2 basis

CEO Priorities

Improving customer experience

Diversifying revenue

Improving productivity

Improving returns

Strategic Focus

- ✓ Proactive capital allocation
- ✓ Build share in Australia
- ✓ Grow Institutional businesses aligned to trade and capital flows
- ✓ Further improve productivity in NZ
- ✓ Use scale to lower unit cost
- ✓ Maintain risk appetite

FY14 Outlook

Revenue Growth
~4-5%

Expense Growth
~2%

Stable Risk

Above Peer
EPS

Improved
ROE

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Additional Financial
Information

Overview of Financial Performance

	FY13 \$M	FY12 \$M	FY13 v FY12
Cash Profit	6,498	5,830	+11%
Operating Income	18,378	17,848	+3%
Expenses	8,236	8,519	-3%
Provisions	1,197	1,258	-5%
Statutory NPAT	6,272	5,661	+11%
EPS (cents)	239	219	+9%
Dividend per Share (cents)	164	145	+13%

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

Adjustments between Statutory Profit and Cash Profit

	FY13 \$M	FY12 \$M
Statutory NPAT	6,272	5,661
Adjustments between statutory profit and cash profit		
Treasury shares adjustment	84	96
Revaluation of policy liabilities	46	(41)
Economic hedging	(13)	229
Revenue and net investment hedges	159	(53)
Structured credit intermediation trades	(50)	(62)
Total Adjustments	226	169
Cash Profit	6,498	5,830

1. Refer to pages 81 to 89 of the ANZ Consolidated Financial Report Dividend Announcement and Appendix 4E for an analysis of the reconciliation of Statutory Profit to Cash Profit

Segment Performance

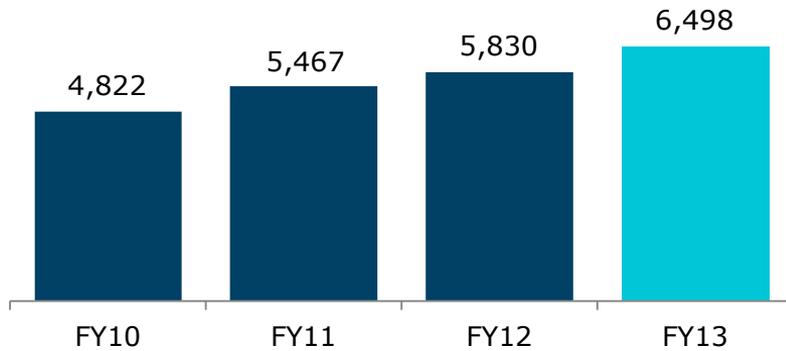
	Profit Before Provisions	Profit Before Provisions	Cash Profit	Cash Profit	Cash Profit
\$M	FY13	FY13 v FY12	FY13	FY12	FY13 v FY12
Australia	4,916	+13%	2,873	2,598	+11%
IIB	3,594	+7%	2,430	2,111	+15%
New Zealand	1,256	+21%	881	642	+37%
Global Wealth	566	+20%	469	346	+36%
Group Centre	(190)	Large	(155)	133	Large
Total	10,142	+9%	6,498	5,830	+11%

All figures are presented on Cash basis

Financial Performance Snapshot

Cash Profit

\$m

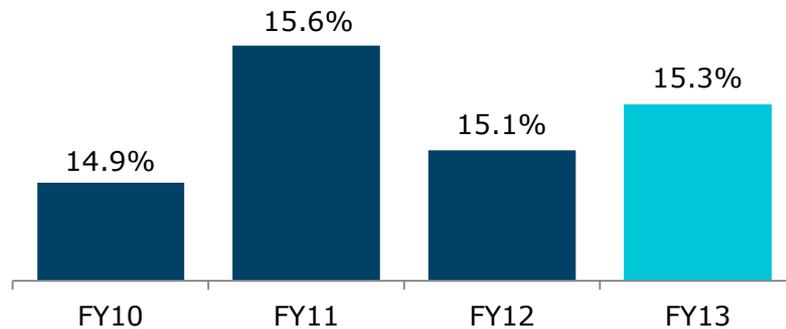


EPS

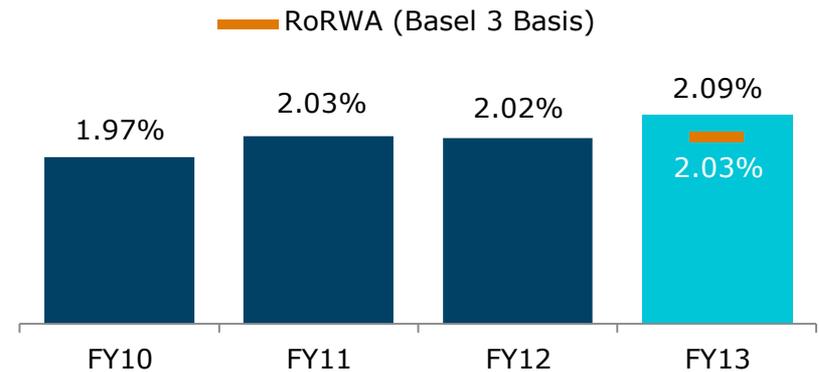
cents



Return on Equity



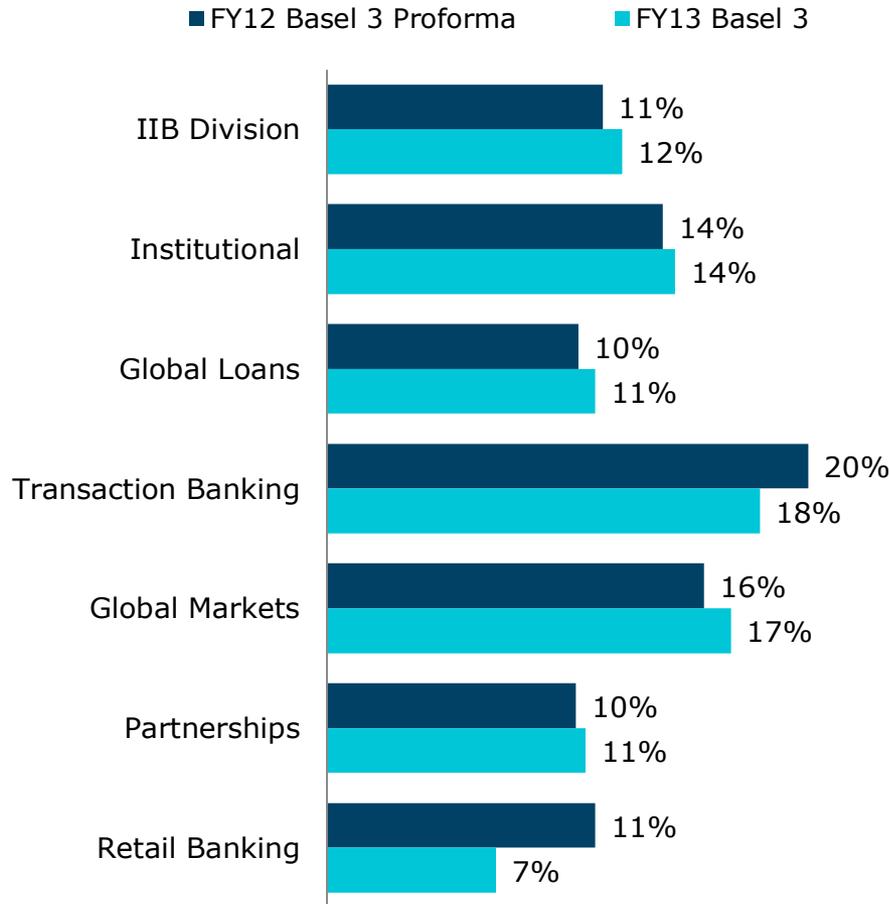
Return on Risk Weighted Assets



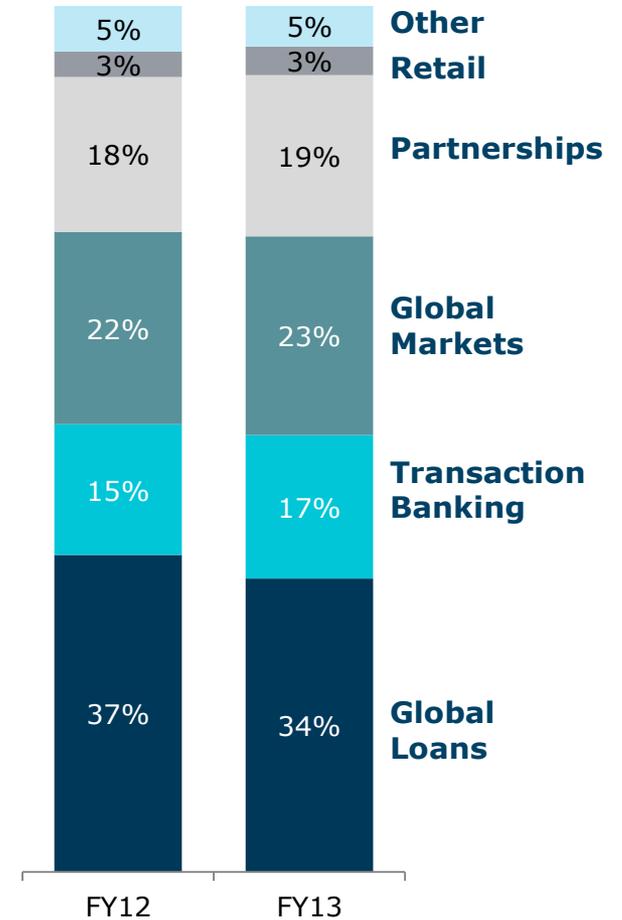
All figures are presented on Cash basis

Return on Equity

IIB Return on Equity (Regulatory Capital Basel 3)¹



Basel 3 Capital Usage Mix

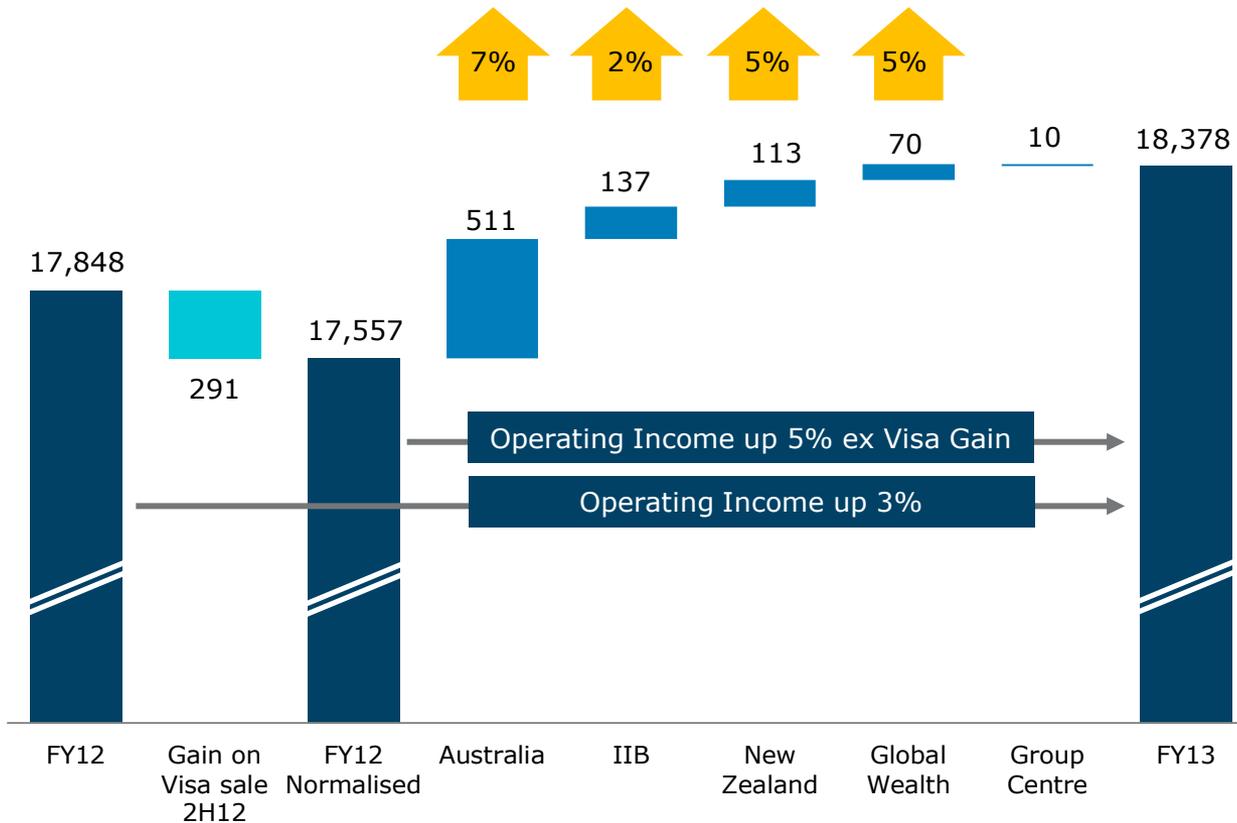


1. Capital calculated in accordance with APRA Standards. Capital represents Converted Basel 3 Average RWA plus Average Capital Deductions (i.e. partnership investment)

Drivers of income growth in FY13

Operating Income by Division Movement FY13 v FY12

\$m



Australia

- Above system growth in mortgages and strong growth in C&CB
- Disciplined margin management partly offset by deposit pricing pressure

International & Institutional Banking

- Volume growth in APEA deposits and lending offset by margin pressure from competition, mix shift to lower risk trade products and lower rate environment
- OOI higher driven by Trade and Markets and Asia Partnerships

New Zealand

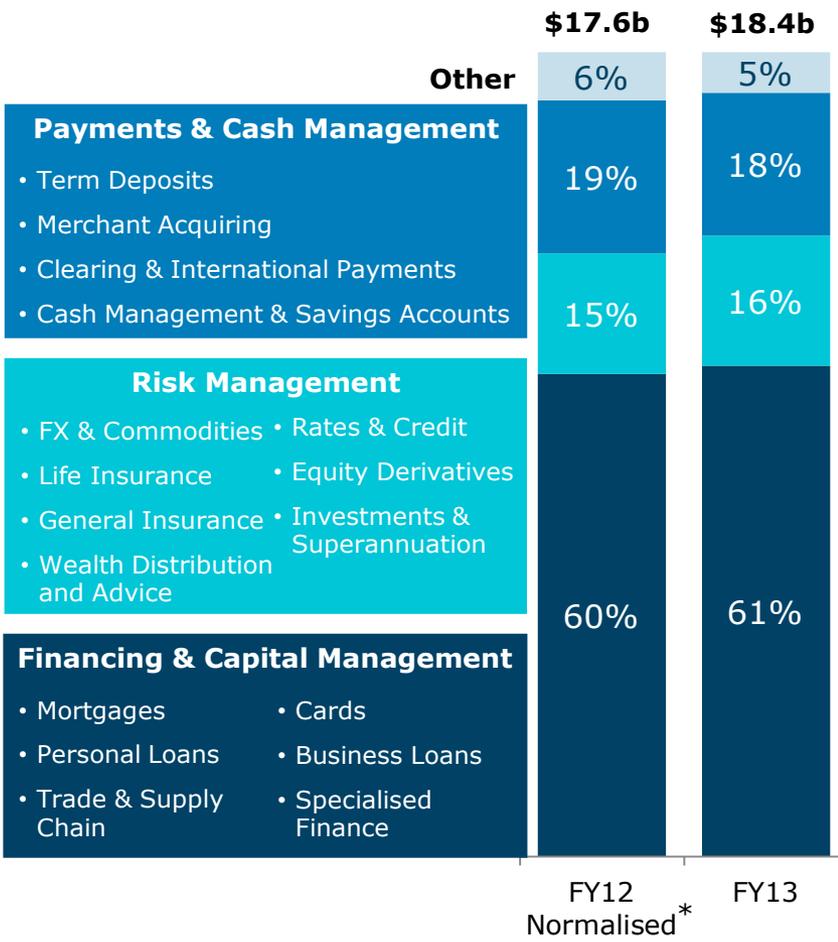
- Margins impacted by competition, mix impacts with customers preferring lower margin fixed rate products and higher funding costs, partially offset by improved deposit margins
- OOI driven by the sale of EFTPOS and improved wealth management and insurance revenues

Global Wealth

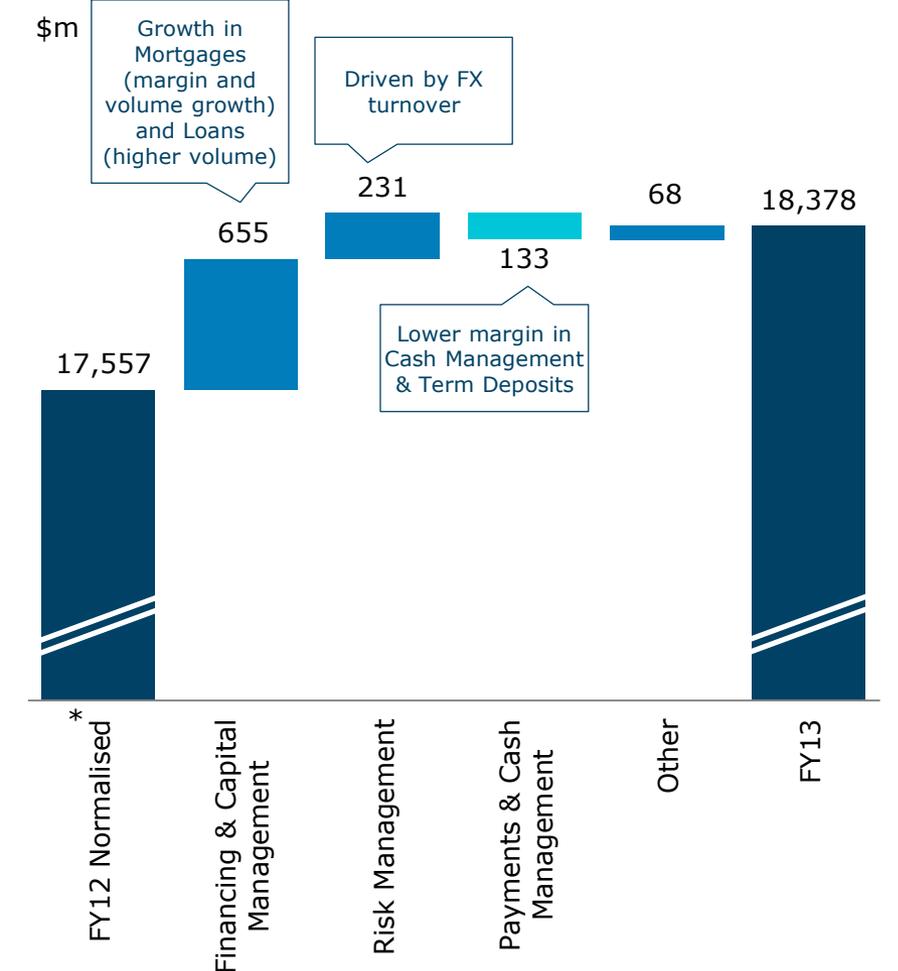
- Growth in Funds Management, Insurance and Private Wealth income driven by gains in the investment market, improved insurance related claims, stable lapse experience, higher inforce premiums and solid growth in volumes

Income by Line of Business

Operating Income Mix by Line of Business



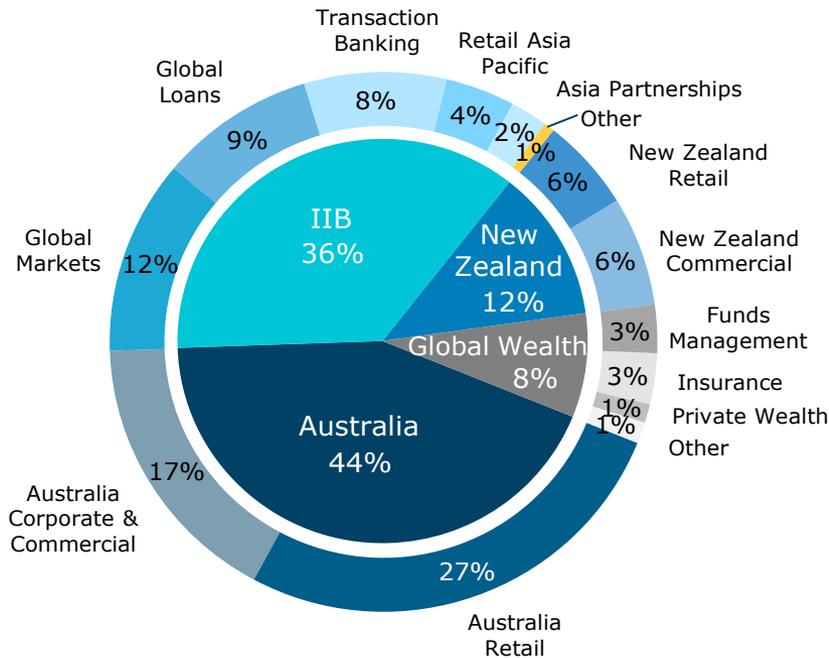
Operating Income Movement FY13 v FY12



* FY12 operating income adjusted to exclude the gain on Visa share sale (\$291m)

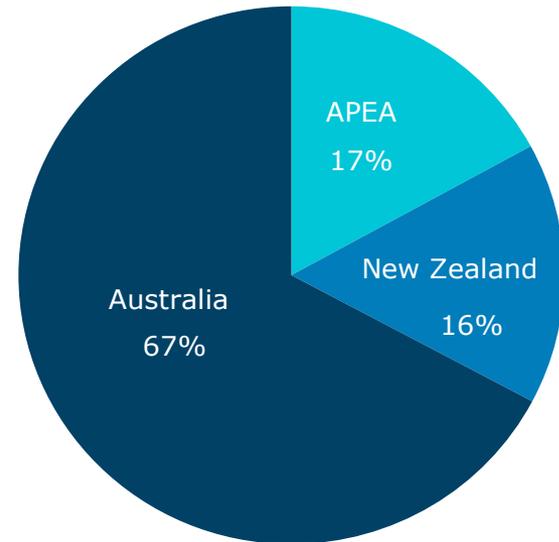
Income by Division and Geography

Operating Income Mix by Division (FY13)



Operating Income Mix by Geography (FY13)

FY13 Network Revenue¹ from APEA represented 21.4% of Group Operating Income

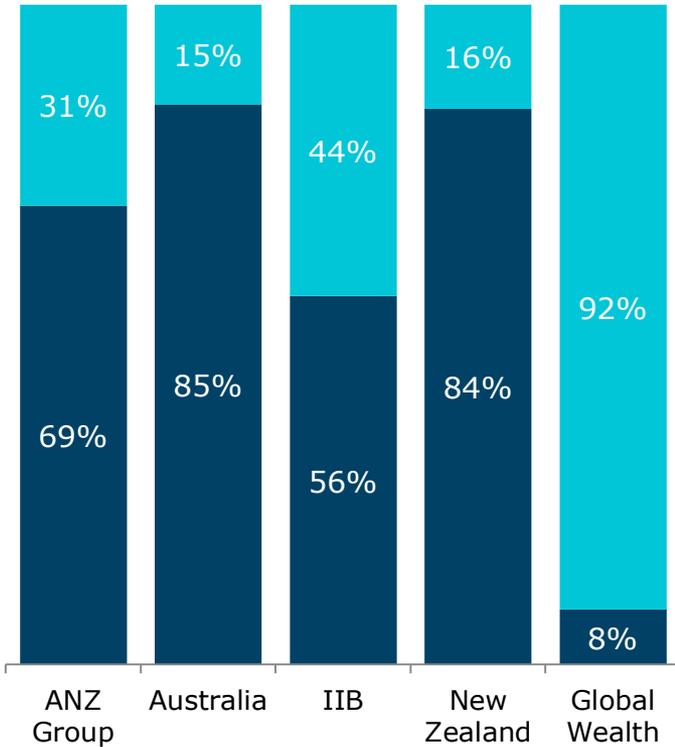


1. Network revenue represents income booked in a jurisdiction different from where a client relationship is managed

Other Operating Income

Operating Income Mix

■ Other Operating Income ■ Net Interest Income



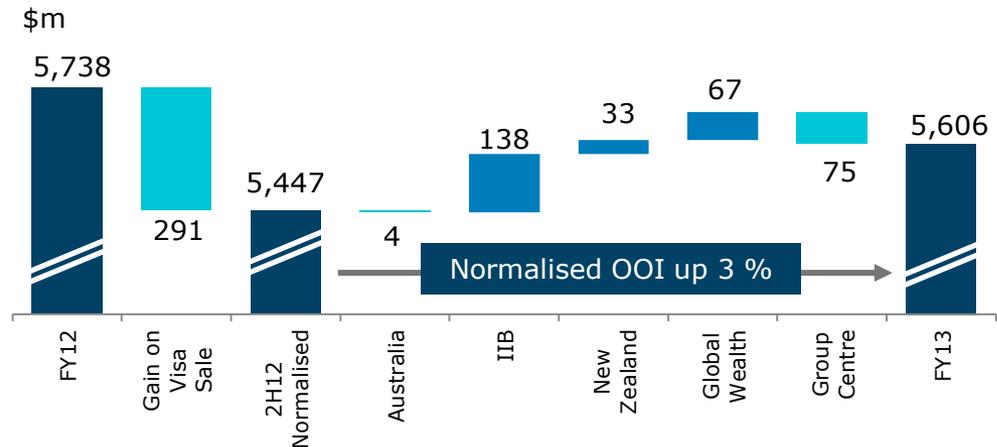
3% | 7% | 2% | 5% | 5%

Operating Income Growth FY13 v FY12

Net Interest Income movement FY13 v FY12



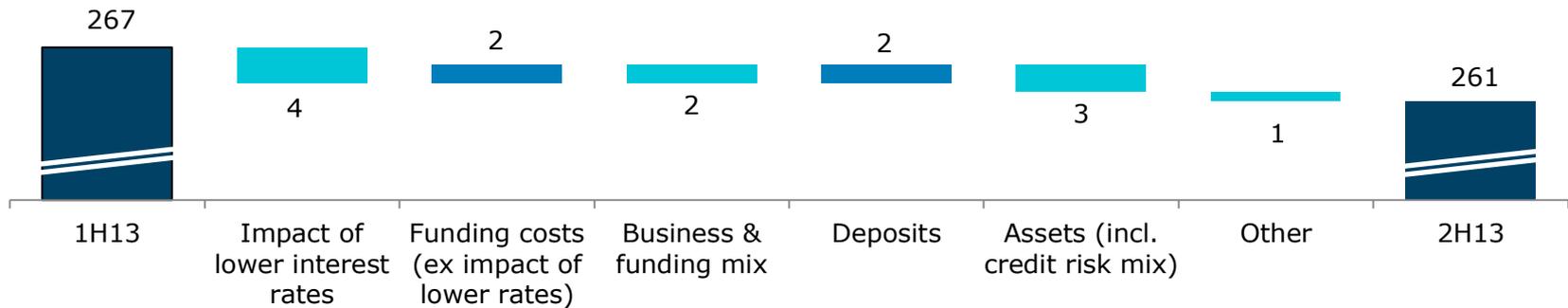
Other Operating Income movement FY13 v FY12



Net Interest Margin – Group ex markets

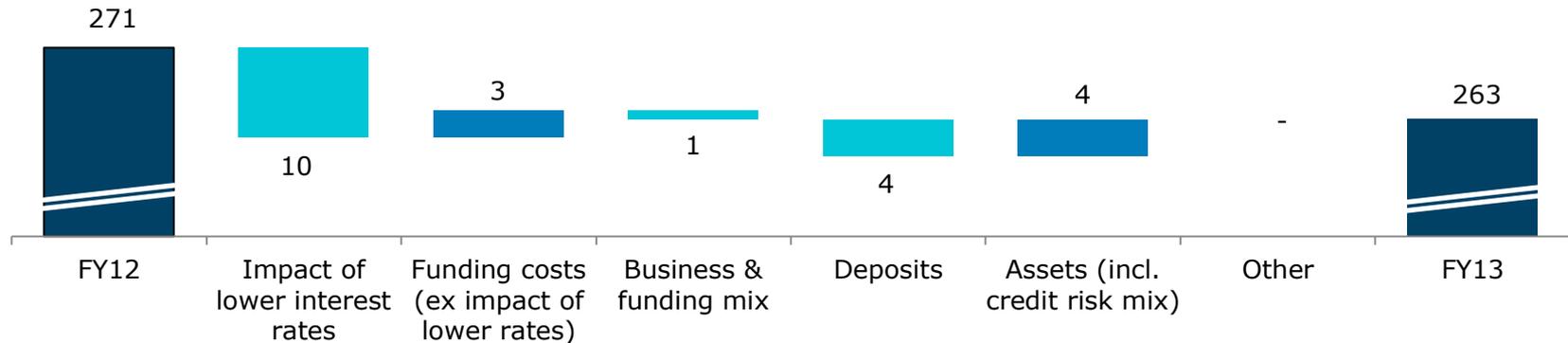
Net Interest Margin movement 2H13 v 1H13

bps



Net Interest Margin movement FY13 v FY12

bps



Net Interest Margin – Movement summary

Net Interest Margin Movment Summary 2H13 v 1H13

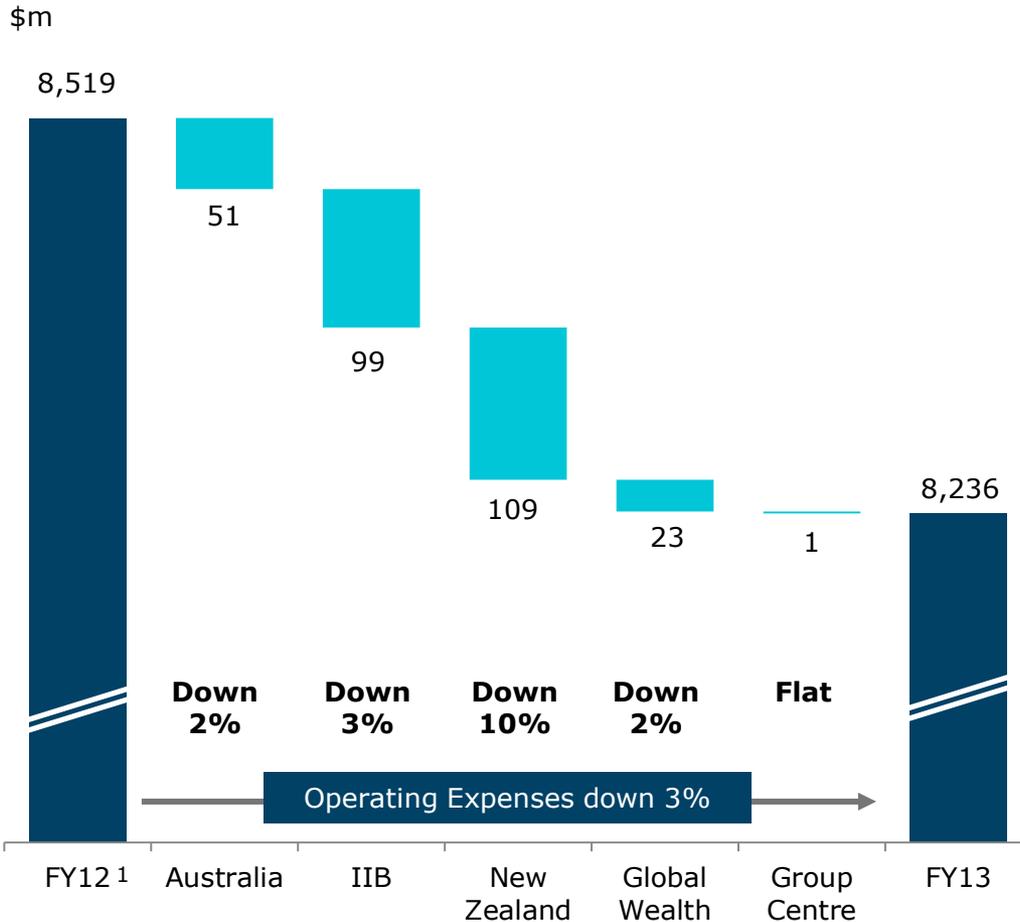
bps	Group	Divisions		
		Australia	New Zealand	IIB
1H13 NIM excluding Markets	267	253	249	277
Funding costs (incl. impact of lower interest rates)	-2	3	2	-8
Business & funding mix	-2	-1	-1	-3
Deposits	2	1	11	-
Assets (incl. credit risk mix)	-3	-	-9	-5
Other	-1	-4	-3	-
Total Movement	-6	-1	0	-16
2H13 NIM excluding Markets	261	252	249	261

Net Interest Margin Movment Summary FY13 v FY12

bps	Group	Divisions		
		Australia	New Zealand	IIB
FY12 NIM excluding Markets	271	248	263	310
Funding costs (incl. impact of lower interest rates)	-7	1	-7	-25
Business & funding mix	-1	-1	4	-3
Deposits	-4	-9	9	-2
Assets (incl. credit risk mix)	4	17	-18	-10
Other	-	-3	-2	-1
Total Movement	-8	5	-14	-41
FY13 NIM excluding Markets	263	253	249	269

Operating Expenses

Operating Expenses by Division movement FY13 v FY12



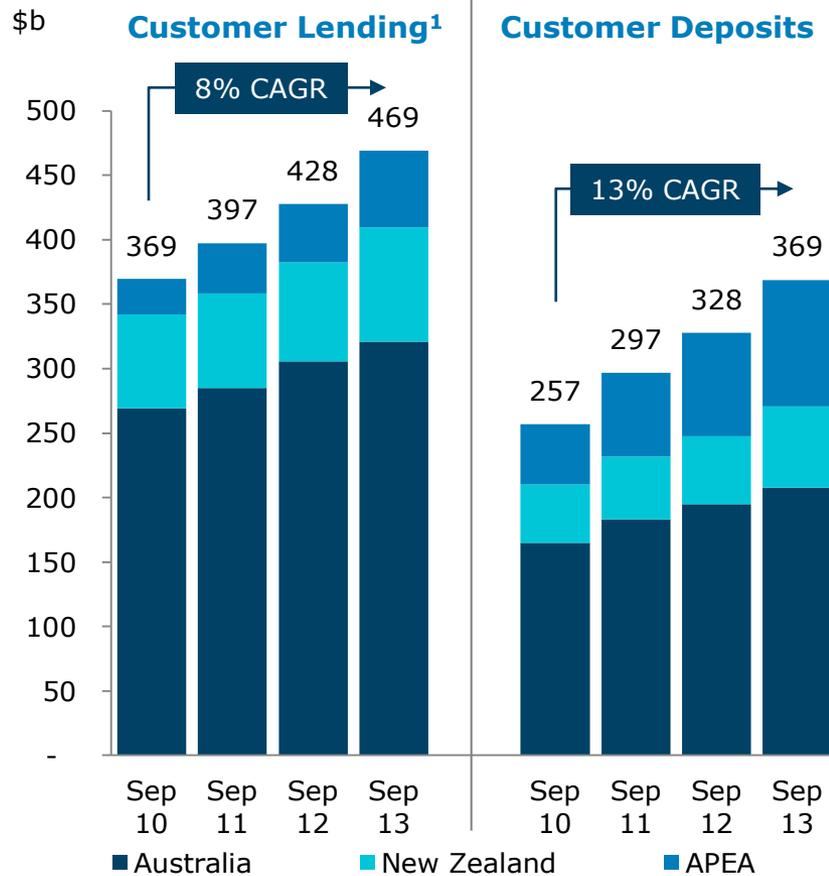
Operating Expense growth



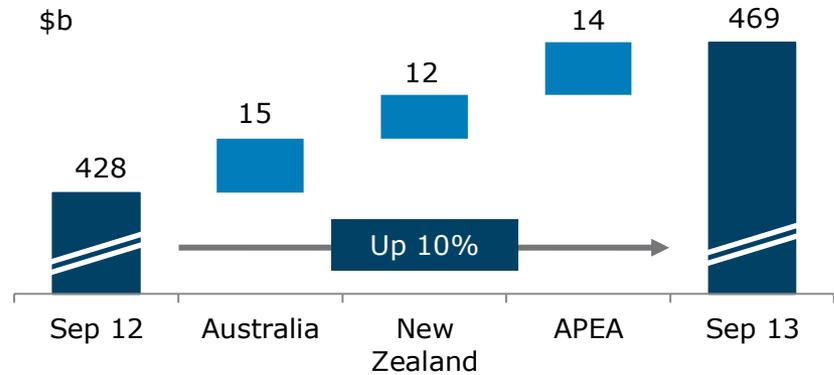
1. Includes \$274m software impairment and \$148 New Zealand Simplification programme restructuring expenses

Balance sheet

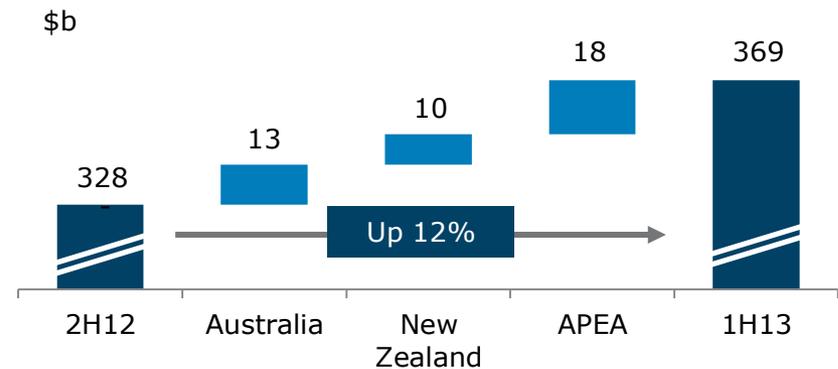
Customer Lending & Deposits by Geography



Customer Lending¹ movement FY13 v FY12



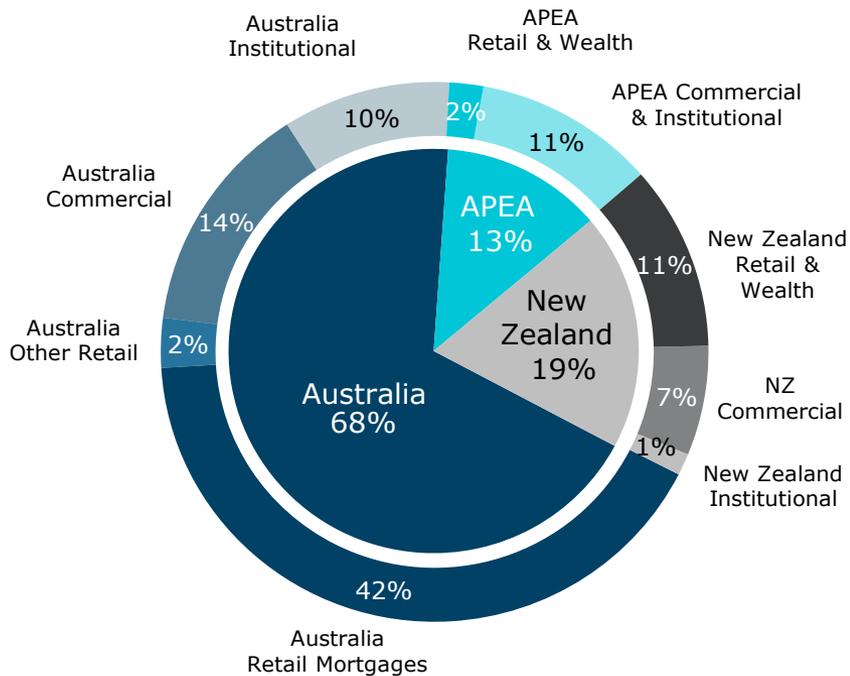
Customer Deposits movement FY13 v FY12



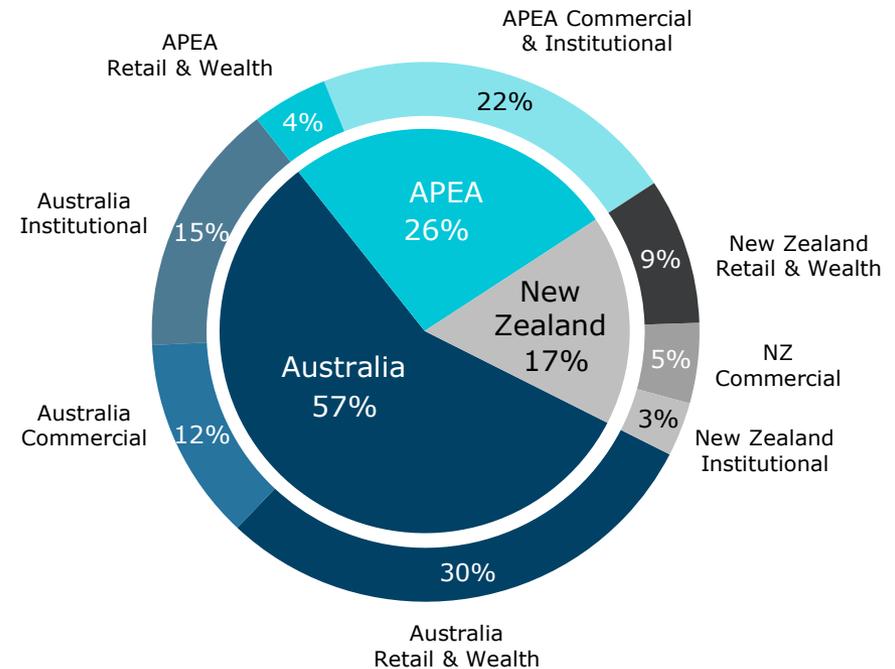
1. Customer lending represents Net Loans & Advances including acceptances

Balance Sheet composition by Geography

Customer Lending¹ by Geography



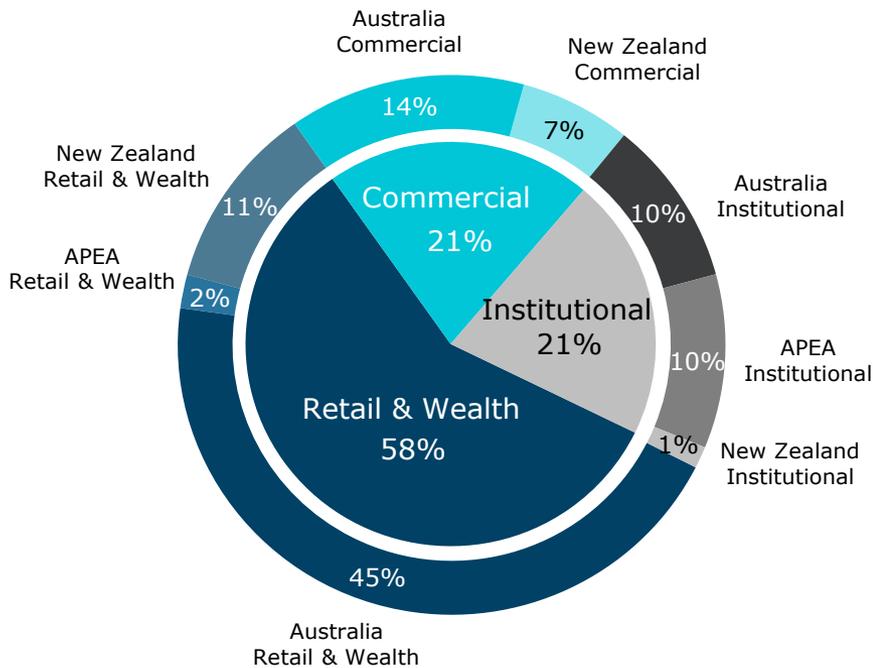
Customer Deposits by Geography



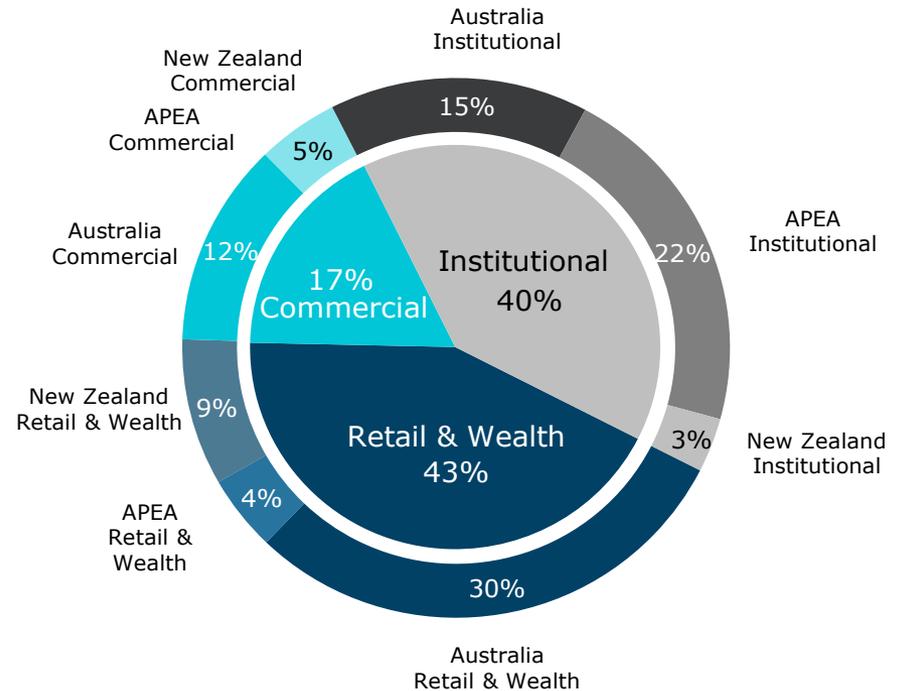
1. Customer lending represents Net Loans & Advances including acceptances

Balance Sheet composition by Segment

Customer Lending¹ by Segment



Customer Deposits by Segment



1. Customer lending represents Net Loans & Advances including acceptances

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Group Treasury

Strong Balance Sheet profile

FY13 v FY12

↑ 47bps

APRA Basel 3 CET1

↑ 76bps

Internationally Harmonised CET1

62%

Customer Funded Balance Sheet

\$24b

Term Wholesale Funding issued, 29% to Domestic investors



Lowest funding gap of Australian major banks

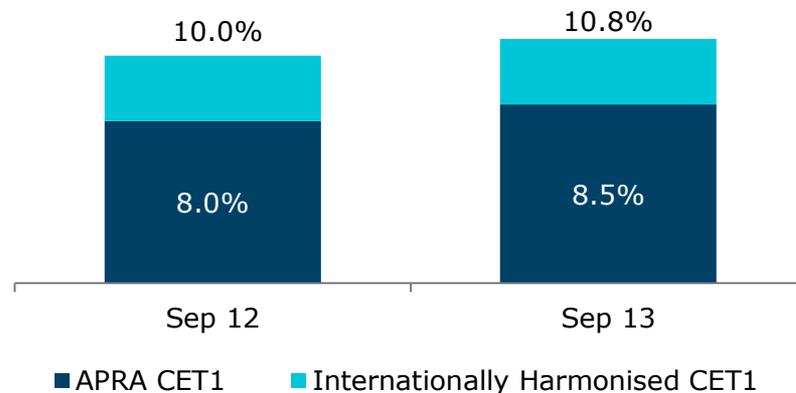
↑ \$7b

Total Liquidity Portfolio

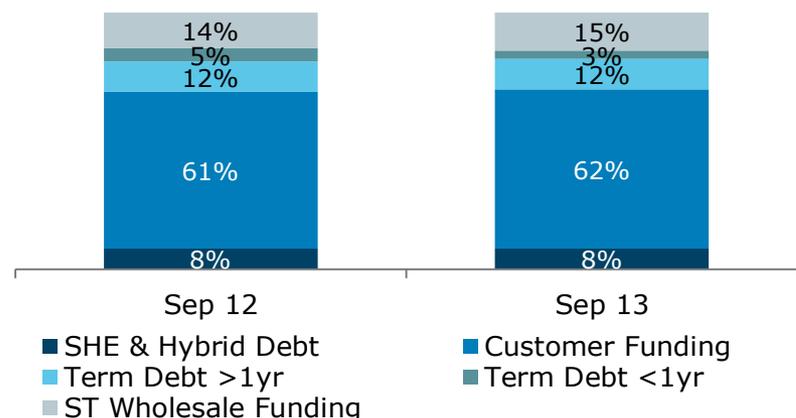
~60%

FX earnings hedges in place for FY14

Capital

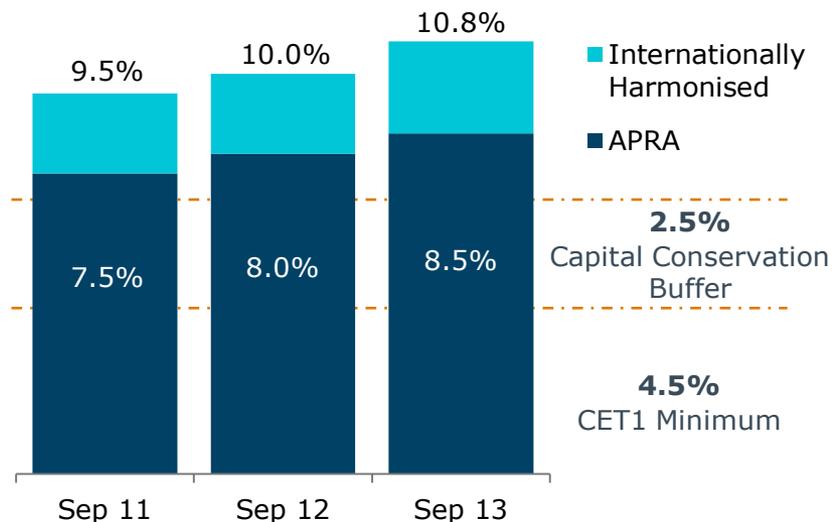


Stable Funding Mix



Capital levels remain well positioned

Basel 3 CET1



Capital Overview

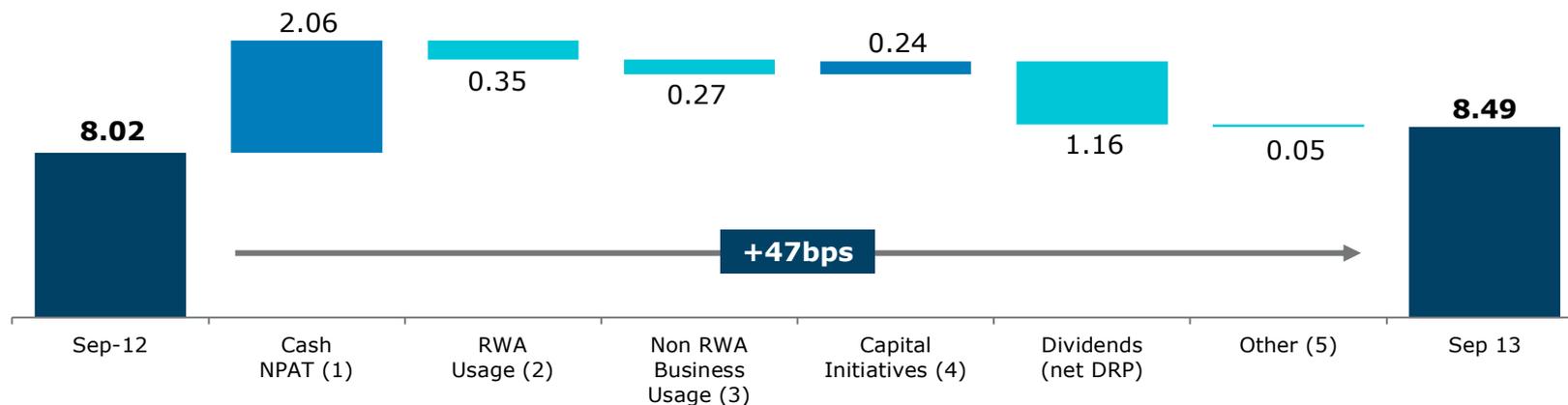
- Capital generation and initiatives in FY13 have lifted capital levels by 47bps (APRA CET1) and 76bps (Internationally Harmonised CET1)
- The group is well placed in regards to capital targets and remains focused on driving further efficiencies
- Dividend Payout to remain towards upper end of 65% - 70% range (Cash Earnings) in the near term, 69.3% in FY13
- DRP/BOP will again be neutralised via on-market buyback

Capital position reconciliation under Basel 3

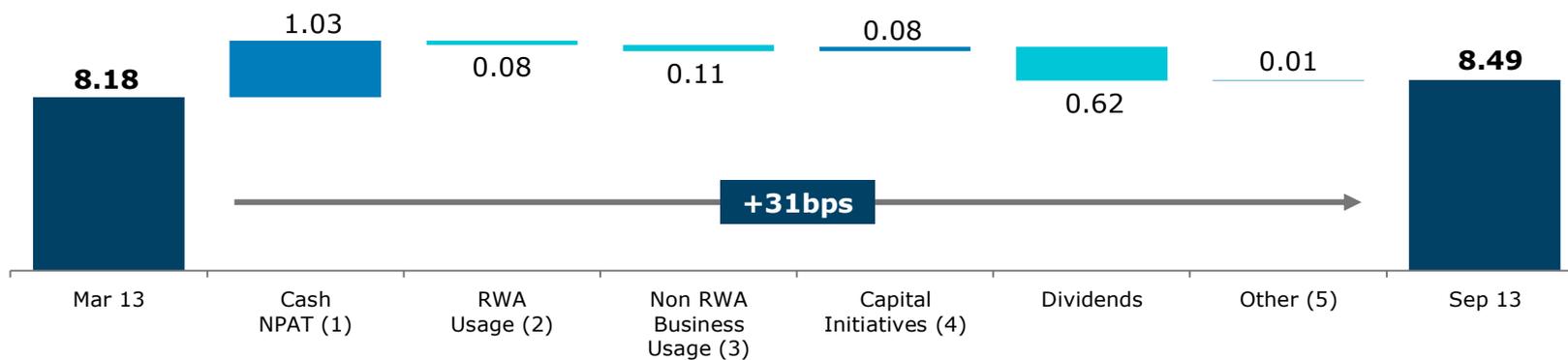
	CET1	Tier 1	Total Capital
Sep 13 APRA	8.5%	10.4%	12.2%
10% allowance for investments in insurance subs and ADIs	0.8%	0.8%	0.7%
Mortgage 20% LGD floor and other measures	0.5%	0.6%	0.7%
IRRBB RWA (APRA Pillar 1 approach)	0.5%	0.6%	0.7%
Up to 5% allowance for deferred tax asset	0.3%	0.2%	0.2%
Other capital items	0.2%	0.2%	0.2%
Sep 13 Internationally Harmonised	10.8%	12.8%	14.7%

Capital levels have increased in FY13

CET1 – APRA (Sep 2013 v Sep 2012)



CET1 – APRA (Sep 2013 v Mar 2013)

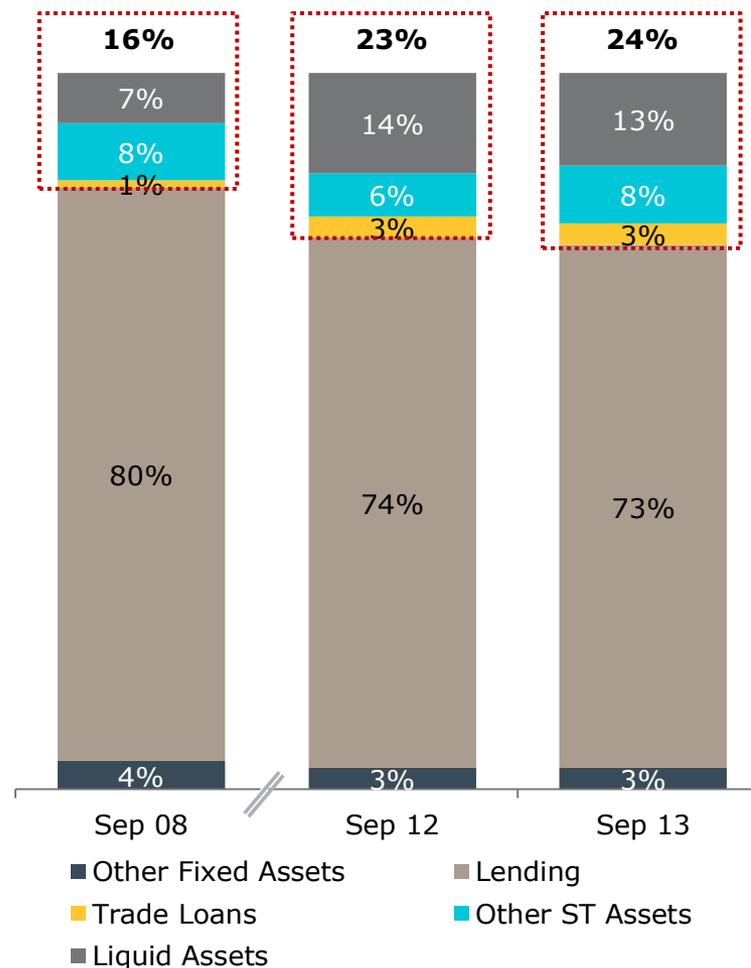
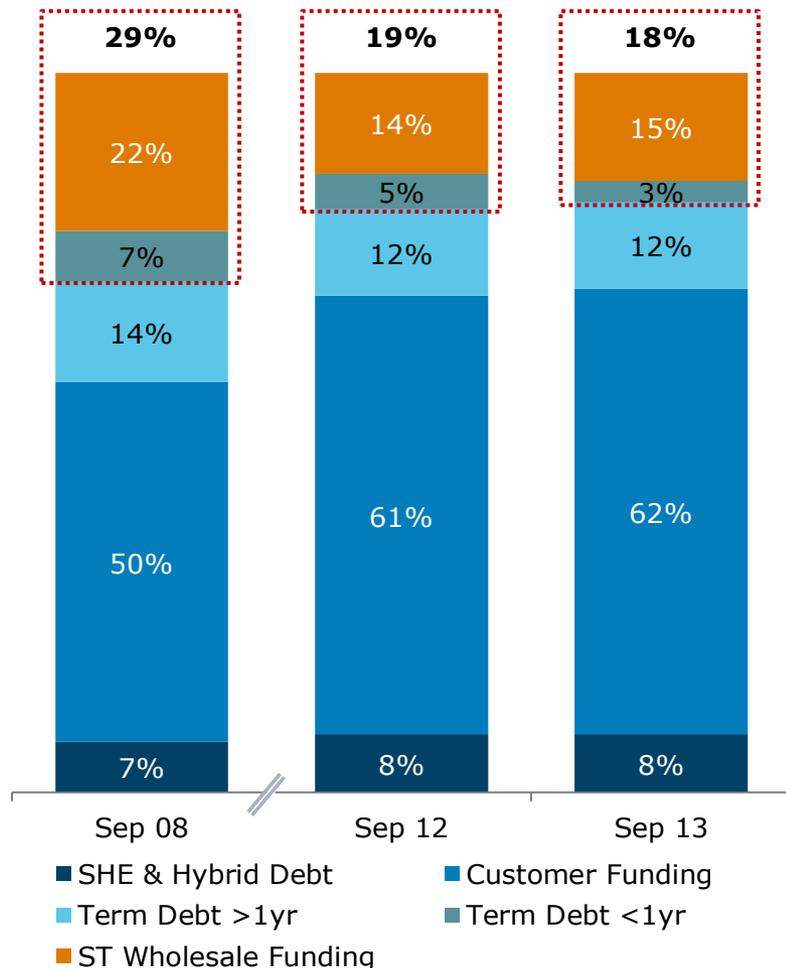


1. Cash earnings net of pref shares. 2. Includes impact of expected loss versus eligible provision shortfall 3. Includes capital retention of deconsolidated entities, capitalised software and other intangibles. 4. Includes refinance of ANZ Wealth (1H13) and ANZ LMI (2H13). 5. Includes net FX, Non-Cash NPAT items, net deferred tax assets.

Liquidity position has benefitted from an improvement in both funding mix and asset profile

Funding mix has stabilised

Shortened asset tenor

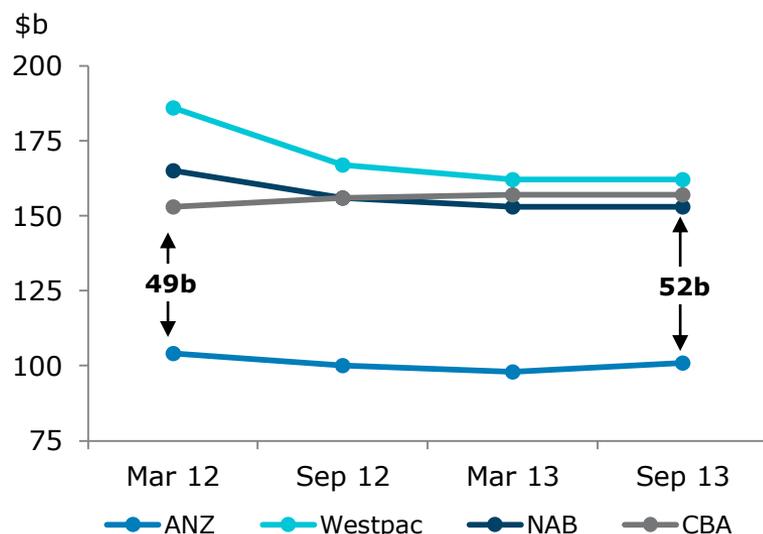


Lowest structural funding gap of major domestic peers, providing flexibility

Peer Funding Comparison

	ANZ	Westpac	NAB	CBA
Loan – Deposit Ratio (%)	127%	145%	145%	139%
Loan – Deposit Gap (\$b)	101	162	153	157
Australia Household Funding Gap (\$b)	115	181	129	174

Loan – Deposit Gap

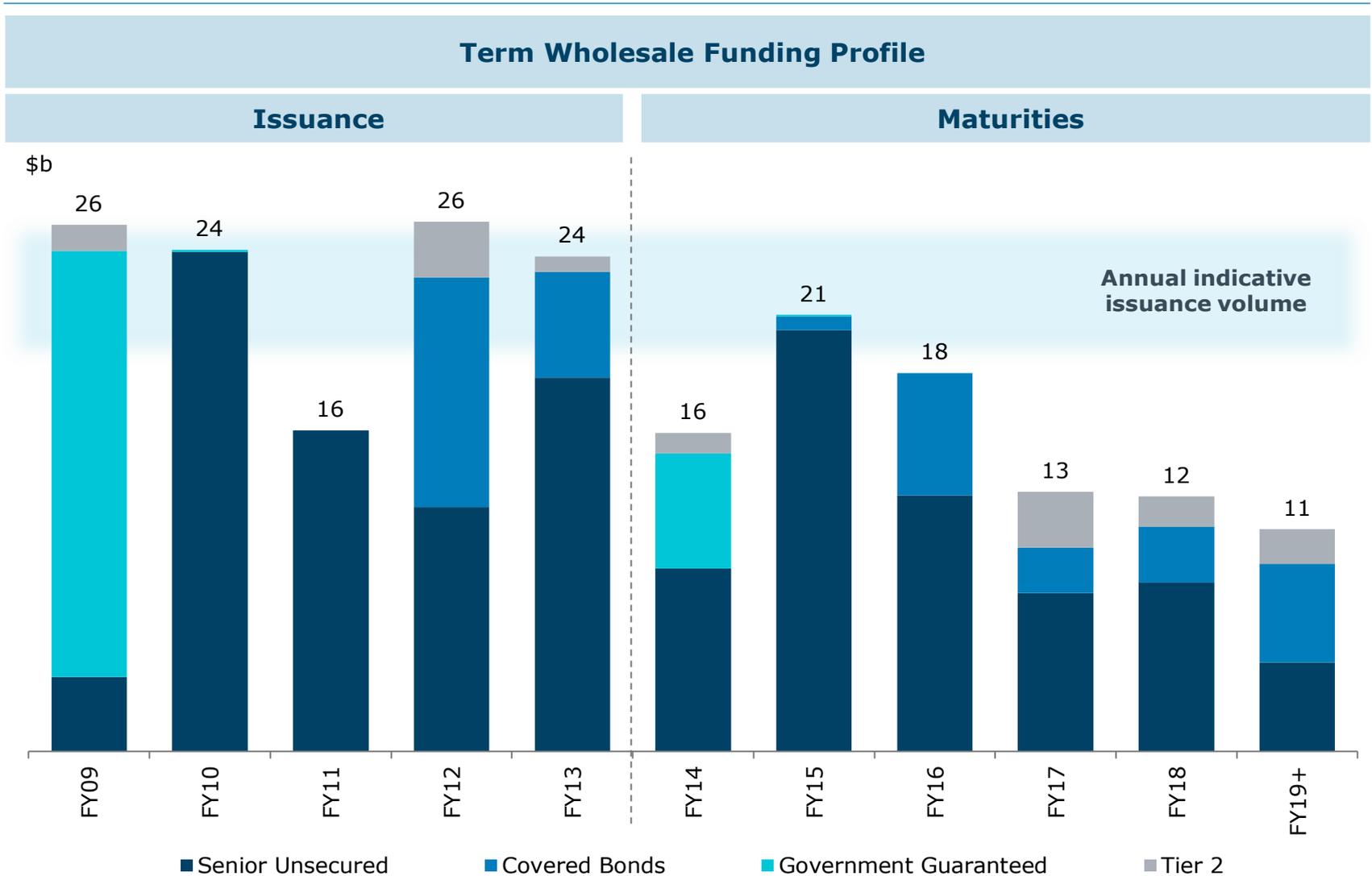


Benefits of a lower Funding Gap

- Improved capability to manage periods of market volatility
- Lessens reliance on offshore wholesale markets – a key focus of Rating Agencies
- Enables ANZ to be a regular, but not too frequent, issuer in offshore benchmark markets
- Provides greater flexibility for ANZ to manage changes in system credit growth

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

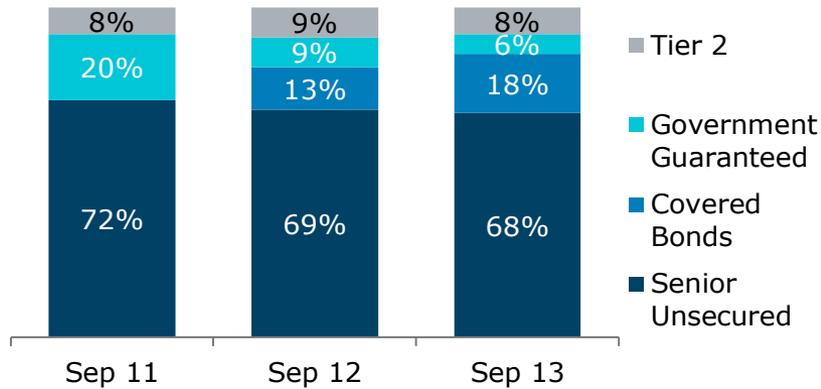
A sustainable term wholesale funding profile



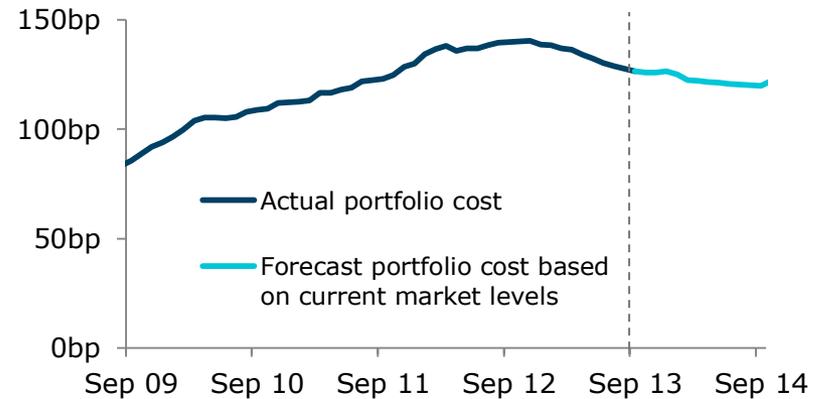
Includes transactions with a call date or maturity date greater than 12 months at time of issue. Excludes Hybrids.

...which is well diversified

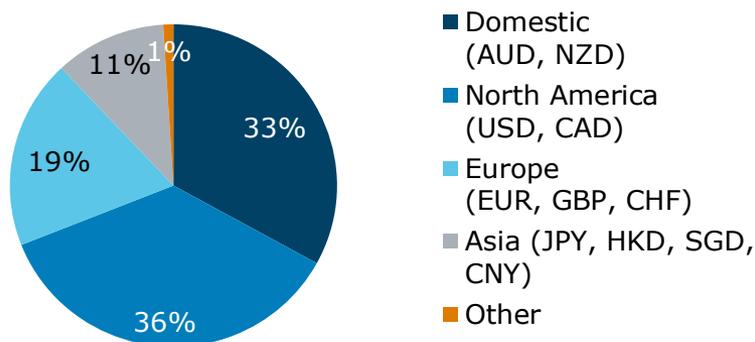
Term Wholesale Funding Portfolio (by Type)



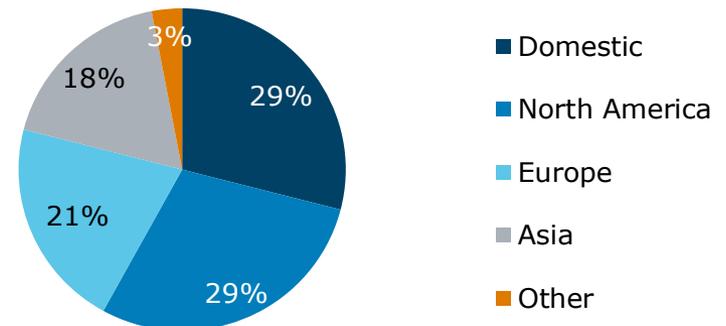
Term Wholesale Funding Portfolio Cost



Term Wholesale Funding Portfolio (by Currency)

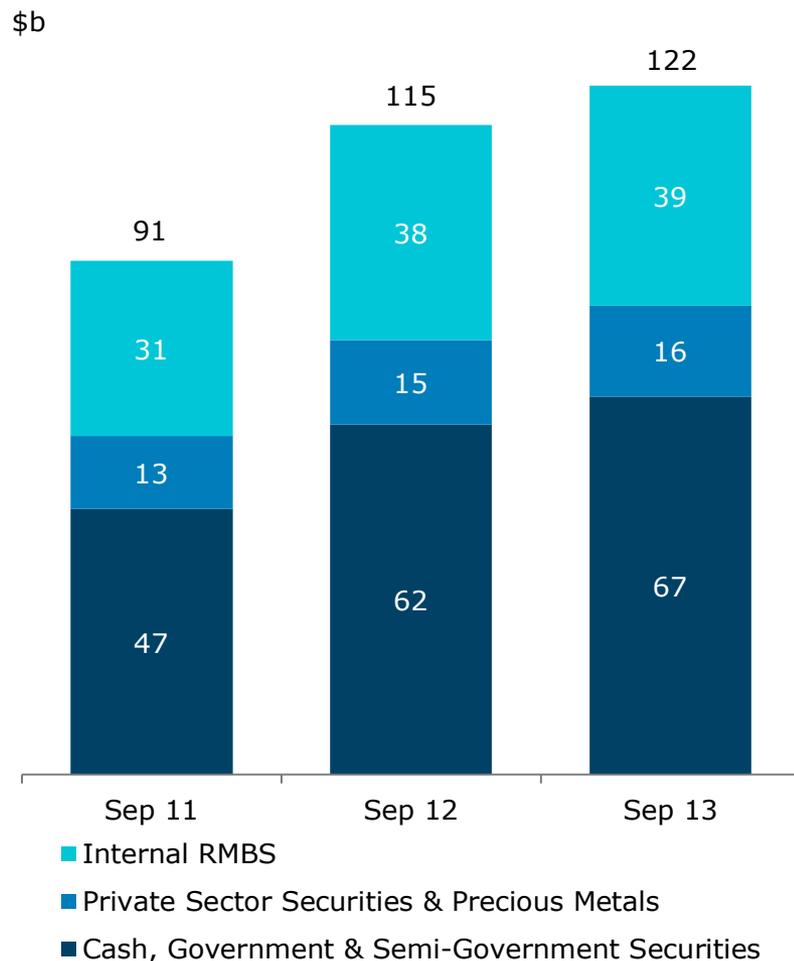


FY13 Term Debt Issuance (by Investor Location)



Strong liquid asset position

Liquidity Portfolio

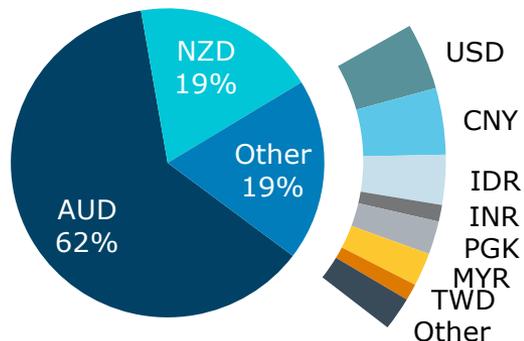


Basel 3 Liquidity Rules Update

- In August, APRA provided further details on their approach to Basel 3 Liquidity implementation relating to High Quality Liquid Assets (“HQLA”)
- Each ADI needs to hold their relative component of the available HQLA in the system
- The RBA have indicated that the current aggregate holdings of HQLA at an industry level is appropriate
- Final mix of HQLA and Committed Liquidity Facility (CLF) for individual banks is still to be determined by APRA

Impact of the lower \$A

Earnings Composition by Currency

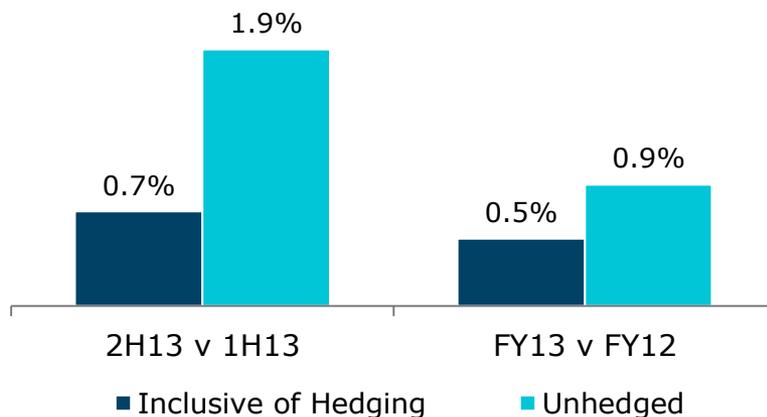


Funding impact

A lower \$A has a favourable impact on ANZ's funding activities:

- Results in cash inflows under the cross currency swaps in place for the existing foreign currency wholesale funding
- Future foreign currency wholesale funding requirements are lower to meet the same \$A funding task

FY13 Earnings Per Share (EPS) impact



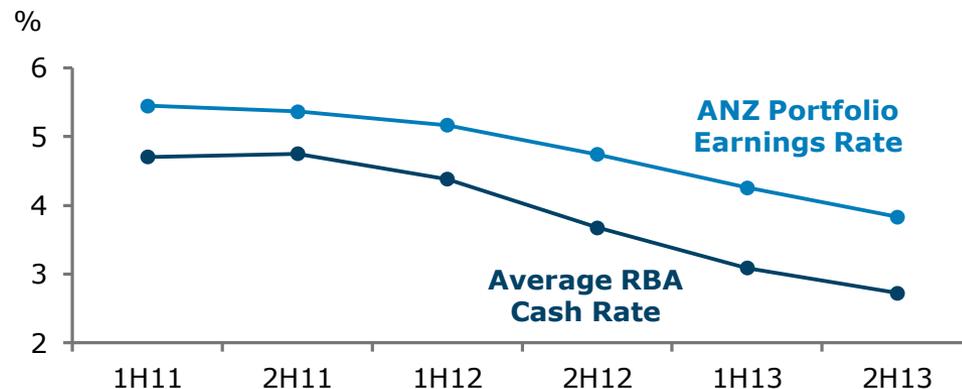
FY14 foreign currency hedging

- The key objective of hedging is to manage short term EPS volatility arising from foreign currency earnings
- Hedging currently in place to meet FY14 foreign currency earnings: ~50% of USD earnings and ~65% of NZD earnings
- At 30 September hedging levels, expected EPS impact on FY14 earnings (inclusive of hedges) is positive ~1% of earnings
- Sensitivity to a 5% appreciation of the AUD would negatively impact FY14 EPS by ~0.7% of earnings

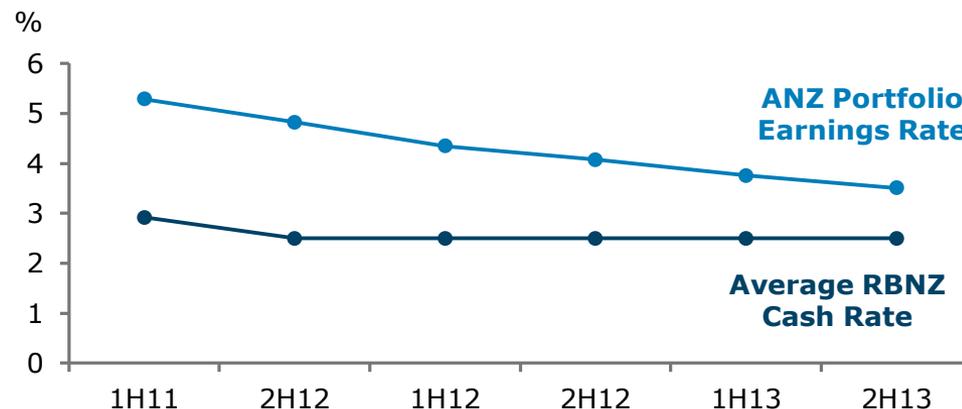
Capital and Replicating Portfolio

Portfolio Earnings & Spread to Cash

Australia



New Zealand



Replicating Portfolios

- Portfolio earnings on capital are fully allocated to ANZ businesses and therefore impact business NIM's
- ~\$45bn of capital and low interest rate sensitive deposits are notionally invested along the yield curve – typical investment tenor is between 3 and 5 years
- This strategy has resulted in a consistently higher yield and NIM outcome relative to being invested at the cash rate
- In FY13, portfolio earnings benefit relative to the average cash rate was ~\$370m in Australia and ~\$125m in New Zealand
- The low interest rate environment is reducing the absolute NIM benefit. This impact is lessening as term rates bottom

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Risk Management

Strong credit quality

Credit Quality Trends FY13 v FY12

100bps

Collective Provision coverage¹

↓ 5%

Total Provision charge

↓ 18%

Gross Impaired Assets

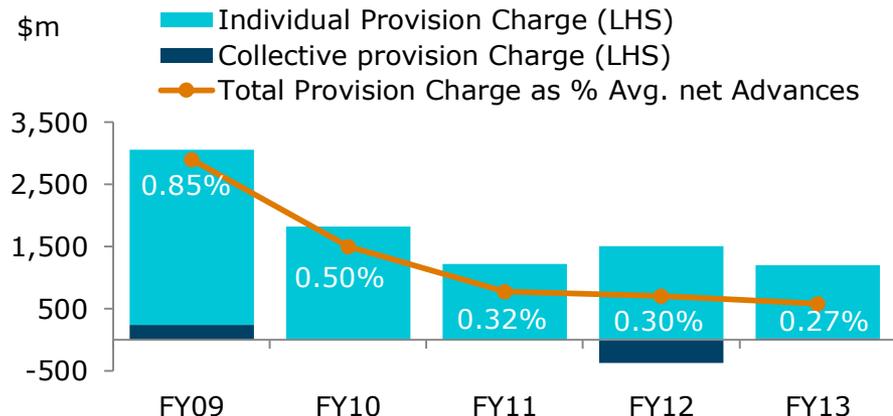
↓ 22%

New Impaired Assets

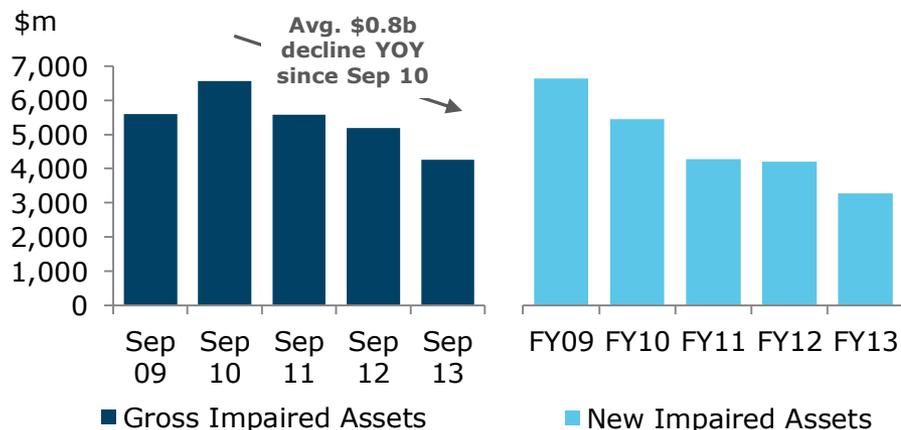
↓ 200bps

Average Credit RWA rate (CRWA/EAD)²

Provision Charge



Impaired Assets

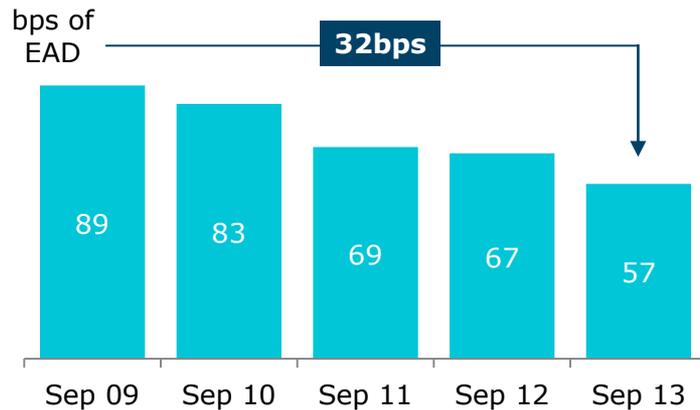


1. Collective Provision coverage on an APRA Basel 3 basis. This ratio is the collective provision balance as a proportion of Credit Risk Weighted Assets
 2. Credit RWA measured on a Basel 2 basis

Continued transformation of Institutional business delivering improved Group credit quality

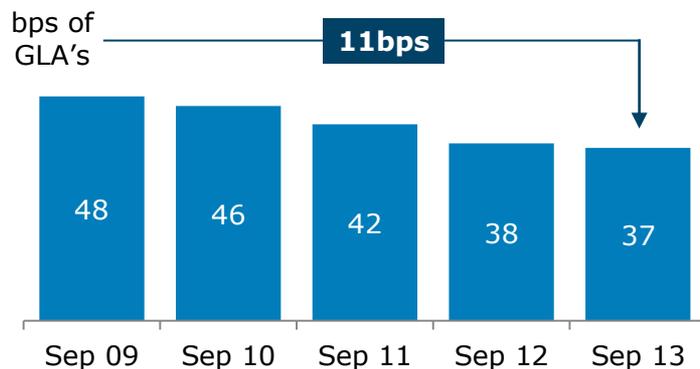
Expected Loss rates continue to decline...

Group Regulatory Expected Loss



- Regulatory Expected Loss is a one-year downturn loss measure as prescribed by APRA and reported in the Results Announcement
- Includes conservative overlays that are not reflective of an 'expected' outcome such as:
 - includes Balance Sheet Individual Provisions (which have already been expensed to Profit and Loss)
 - assumes stressed asset valuations
 - places a minimum 20% LGD (Loss Given Default) on all Australian Mortgages

Group Internal Expected Loss

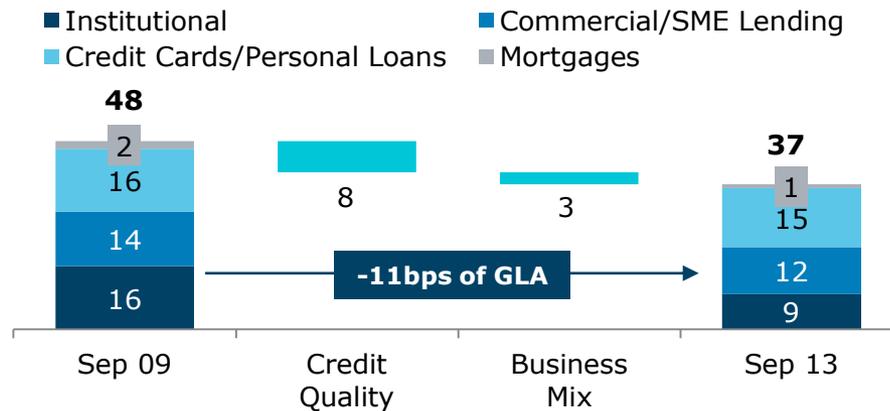


- The Group's Internal Expected Loss is intended to reflect an average one-year loss outcome through an economic cycle measured using regulatory inputs (except for collateral values)
- In most years the actual loss rate will be below the Internal Expected Loss rate
- The 11bps improvement in Internal Expected Loss rate since FY09 is predominantly credit quality driven
- As Internal Expected Loss assumes a one-year portfolio it does not capture the benefit of a shortening average tenor, for example Trade Finance

Continued transformation of Institutional business delivering improved Group credit quality

...driven by targeted credit quality improvement in Institutional

Contribution to Group Internal Expected Loss



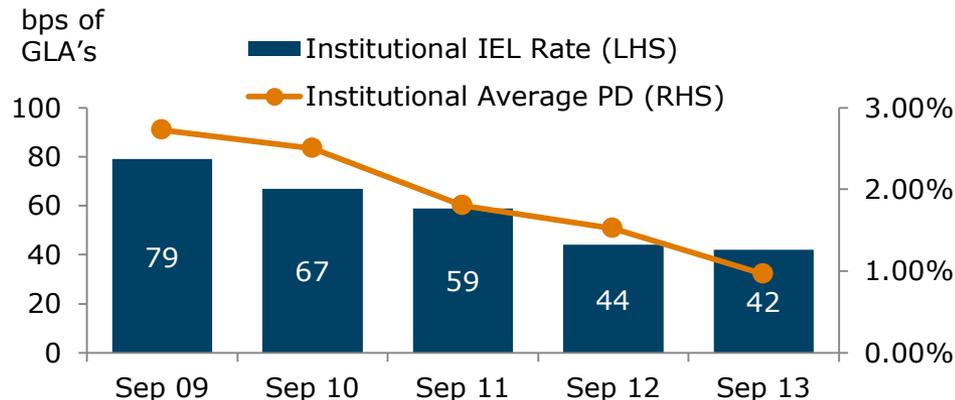
Credit Quality improvement reflects:

- Progression in credit cycle, as stress moved through the Institutional book and the portfolio re-rated
- Actively improving the credit quality mix of our customer base

Business Mix improvement reflects:

- Institutional credit exposure growth exceeding SME/Commercial growth

Significant reduction in Institutional average Probability of Default (PD)

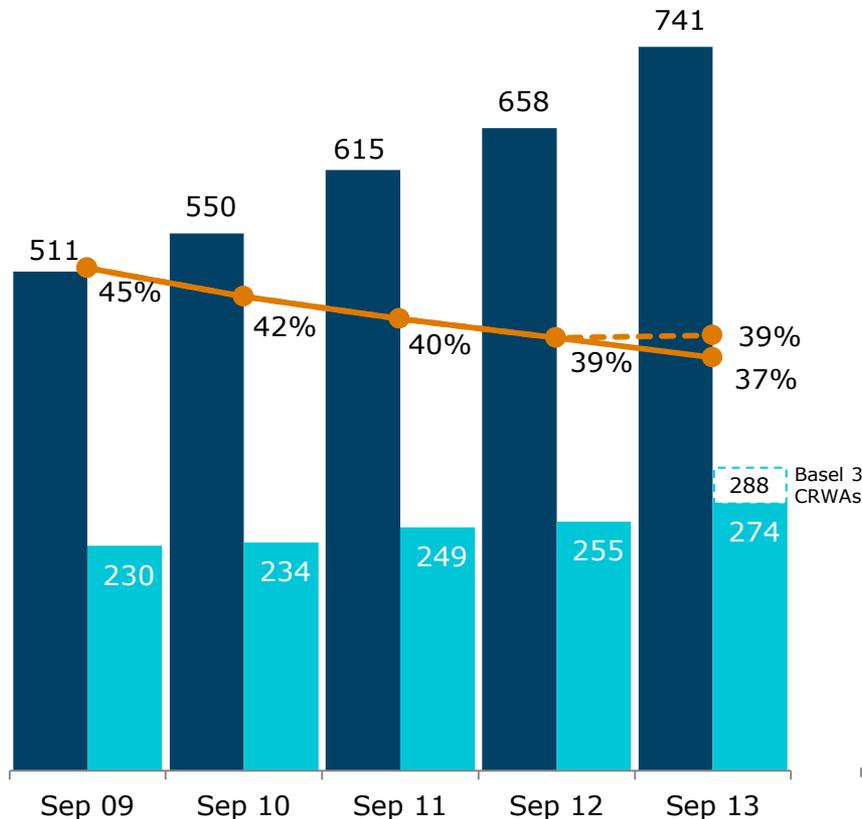


- Global Institutional Expected Loss rate has reduced by more than 37bps since FY09
- Loss rate improvement driven by average counterparty credit quality improvement
- Counterparty credit quality improvement can be seen via the ongoing reduction in Institutional average PD

Continued improvement in Credit RWA rate

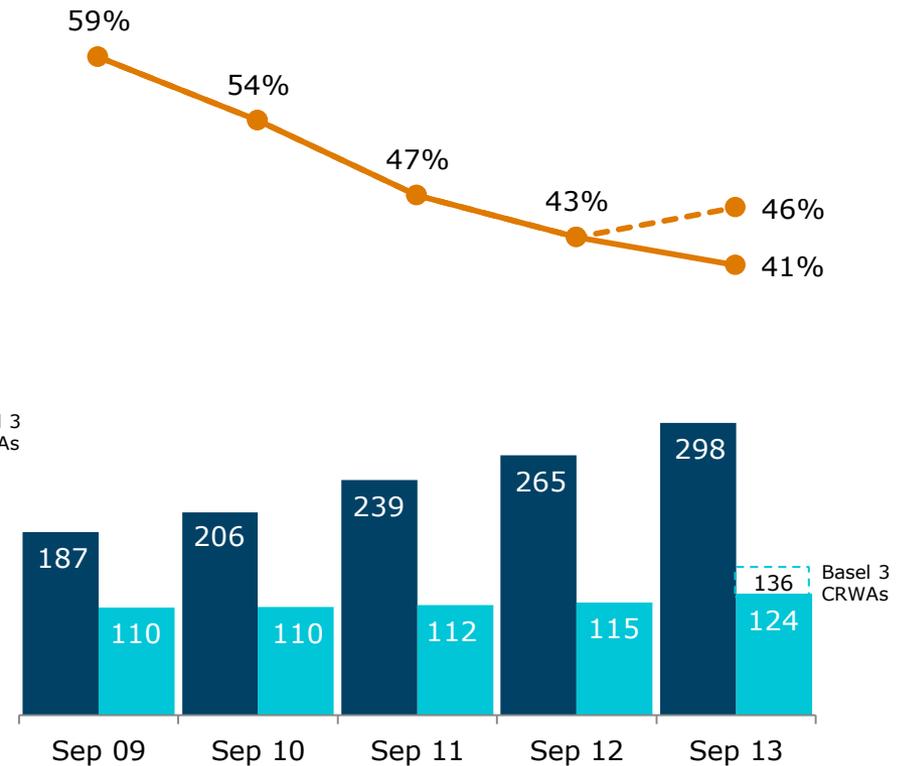
Group Exposure at Default and Credit Risk Weighted Assets

- Exposure at Default (\$b)
- Basel 2 Credit Risk Weighted Assets (\$b)
- CRWA / EAD (%) - Basel 2
- CRWA / EAD (%) - Basel 3



Global Institutional Exposure at Default and Credit Risk Weighted Assets

- Exposure at Default (\$b)
- Basel 2 Credit Risk Weighted Assets (\$b)
- CRWA / EAD (%) - Basel 2
- CRWA / EAD (%) - Basel 3



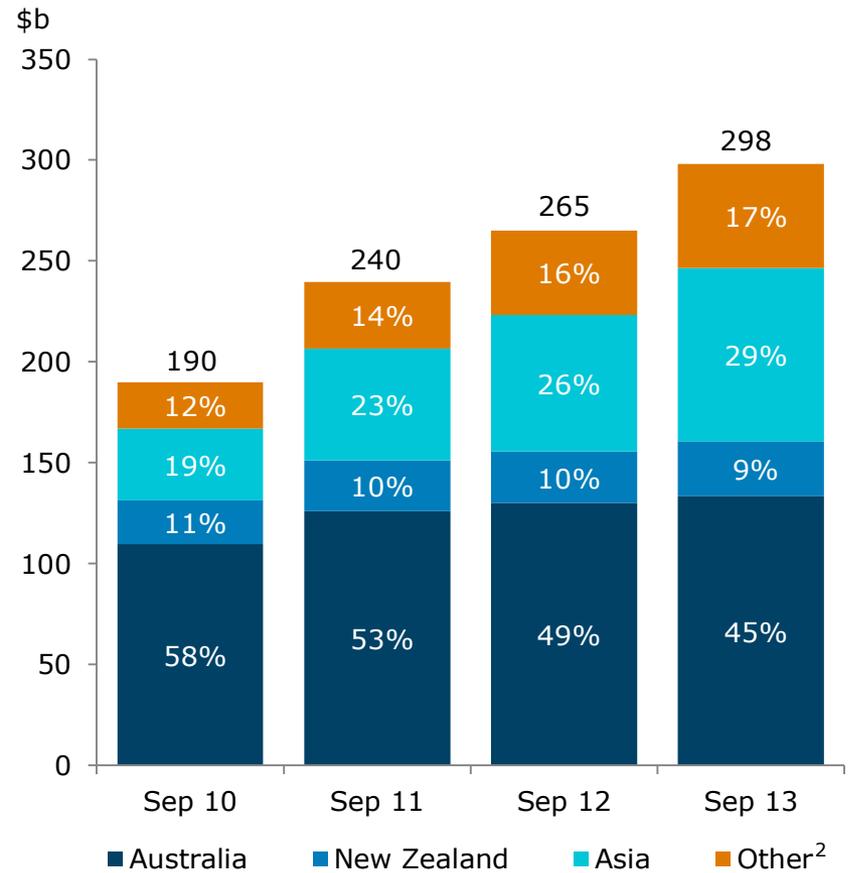
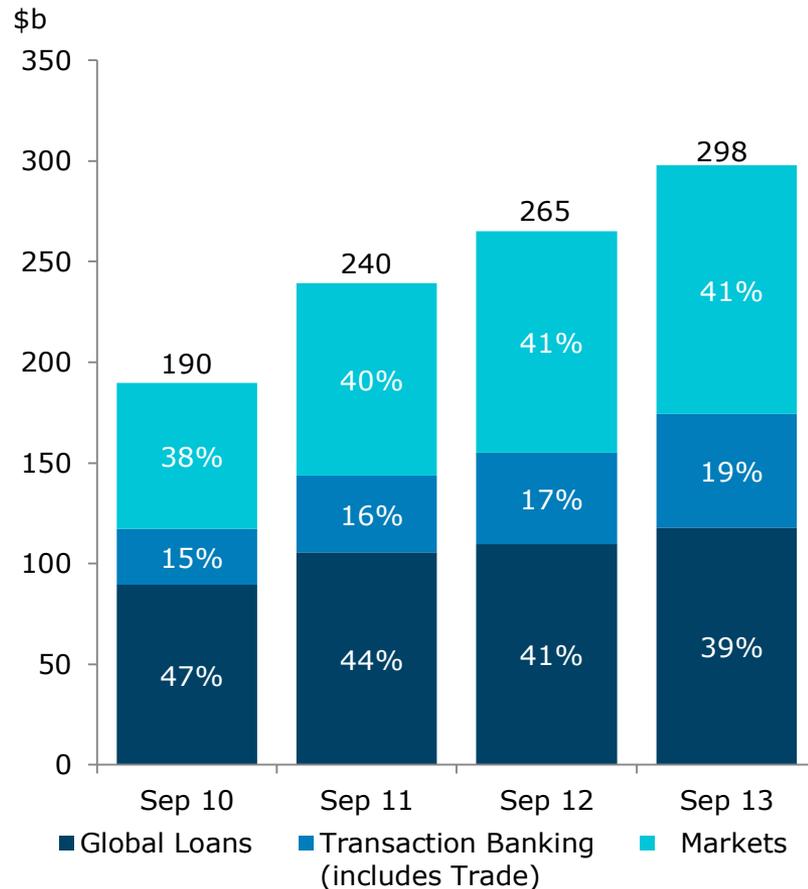
Super Regional strategy has diversified the Institutional portfolio by Product and Geography

Traditional Lending has reduced to ~40% of Institutional credit exposure...

...driven by increased diversification into Asia

Institutional credit exposure composition (by Product)¹

Institutional credit exposure composition (by Geography)¹

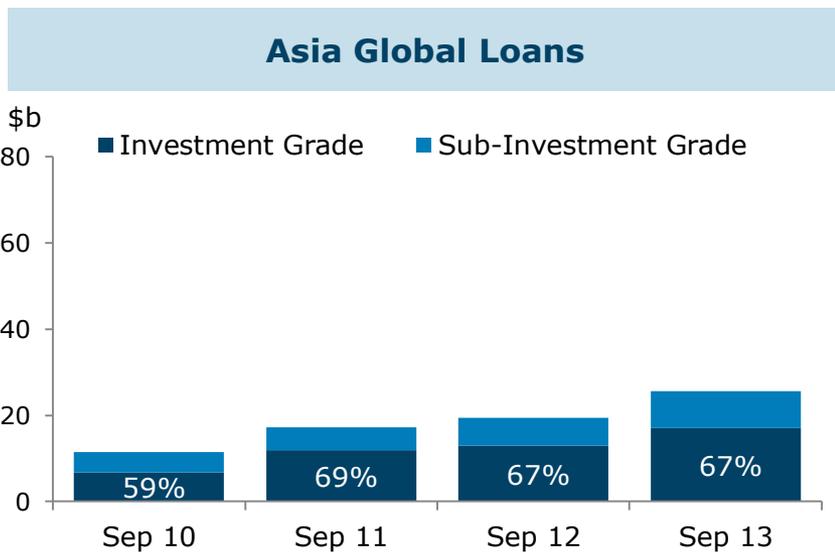
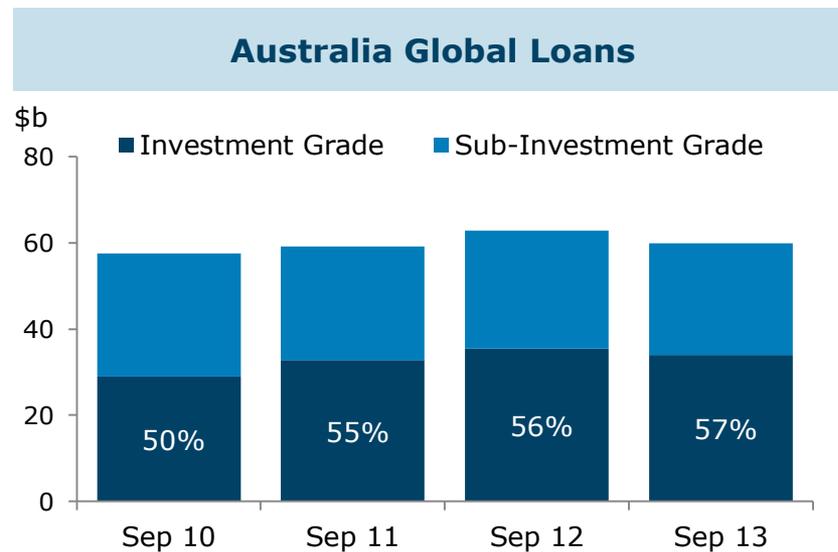
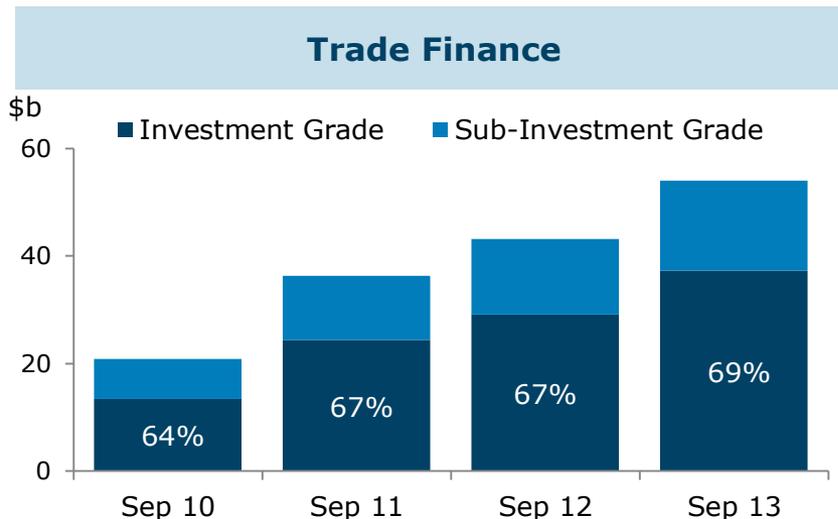


1. Credit exposure represents Regulatory Exposure At Default (EAD)

2. Europe, America, Pacific and Other

Trade Finance and Asia Institutional growth has improved average credit quality for Institutional

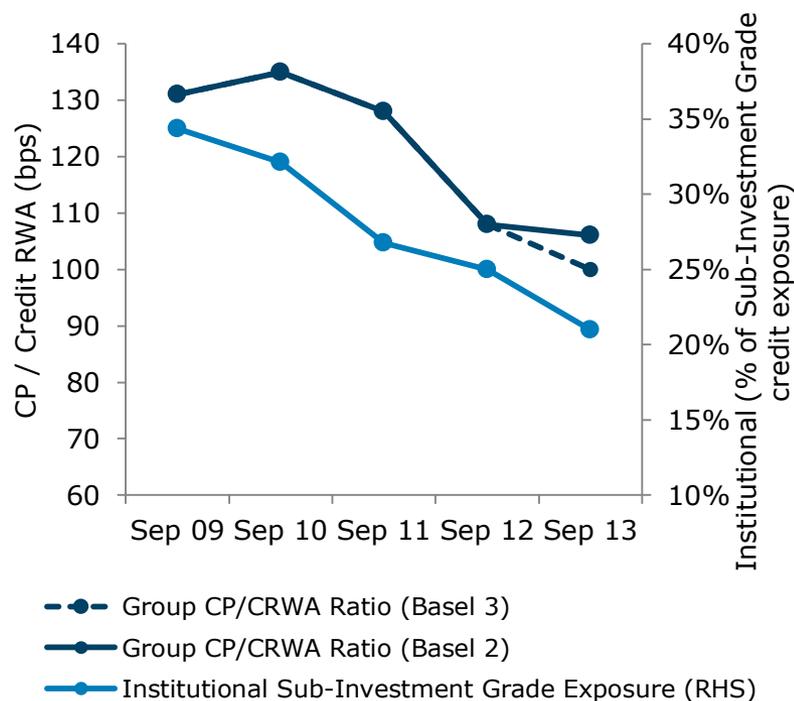
- Trade Finance portfolios provide access to a large and high quality multi-national customer base
- Strong growth in Trade Finance portfolio focussed on shorter duration exposures to investment grade counterparties
- Asia Global Loans focussed on shorter duration to Investment Grade customers
- Asia Global Loans has a higher proportion of investment grade credit exposure than Australia Global Loans



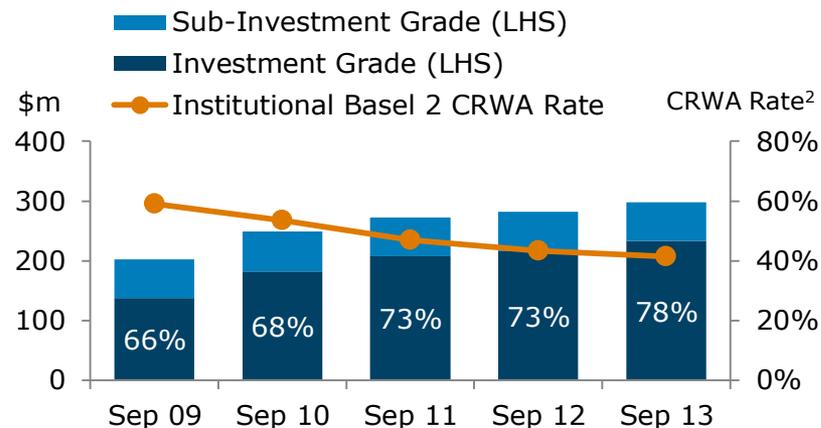
Strong Collective Provisioning Coverage

Global Institutional Sub-Investment Grade¹ Exposures continue to decline

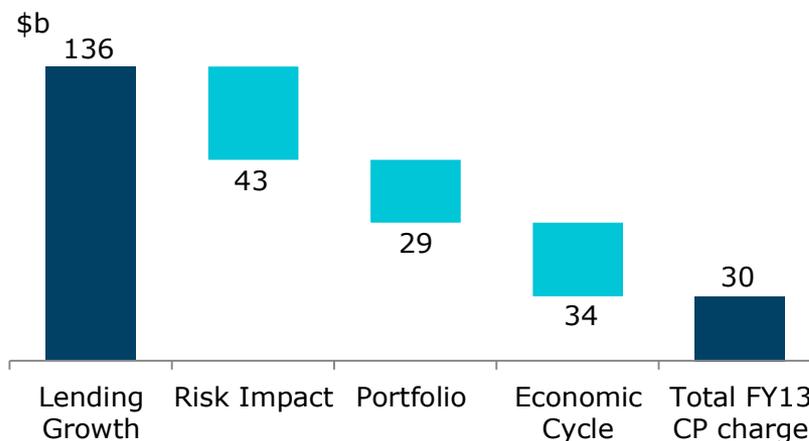
- ANZ remains appropriately provided for with a Collective Provision coverage ratio of 100bps
- Reductions in Collective Provision overlay have occurred in line with portfolio improvement
- This improvement can be seen by the reduction in Institutional Sub-Investment Grade Exposure



Trend in Global Institutional composition



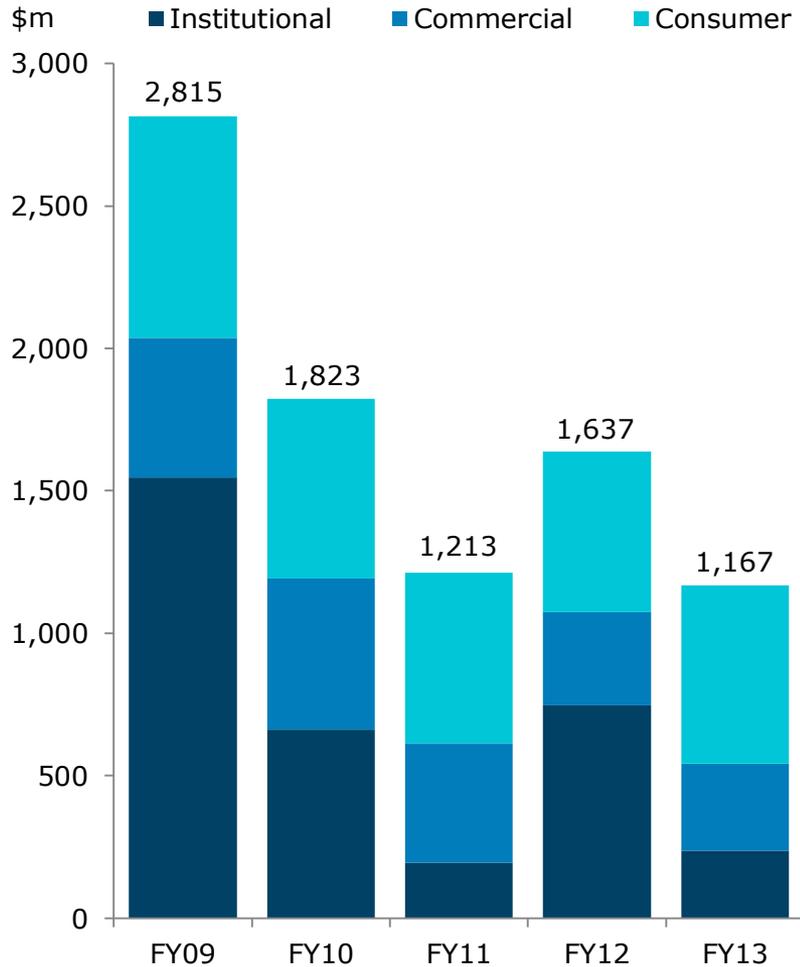
Collective Provision Charge (CP) by Source



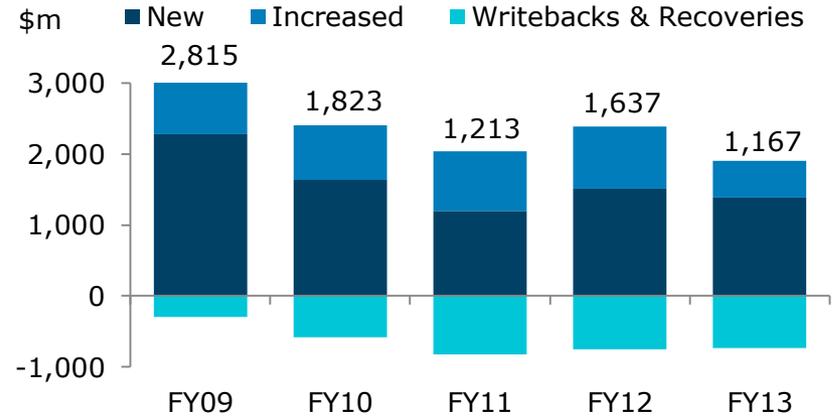
1. Sub-Investment grade defined as exposures with a rating below BBB-
 2. CRWA Rate defined as Credit Risk Weighted Assets as a percentage of Exposure at Default (EAD)

Individual Provision Charge

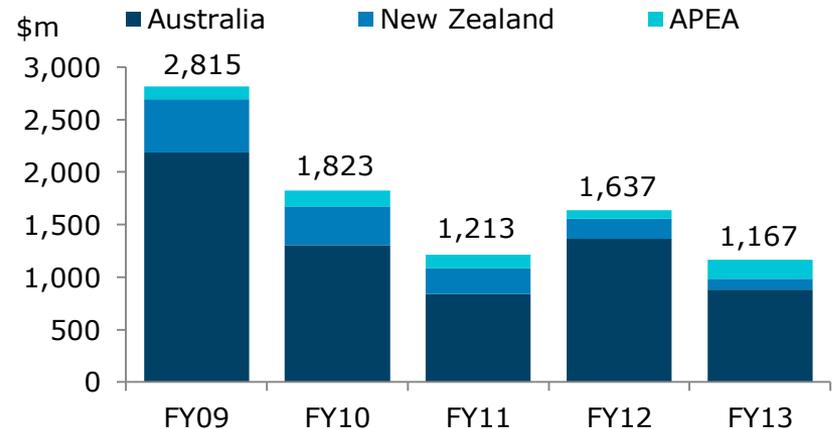
Individual Provision Charge by Segment



Individual Provision Charge Composition

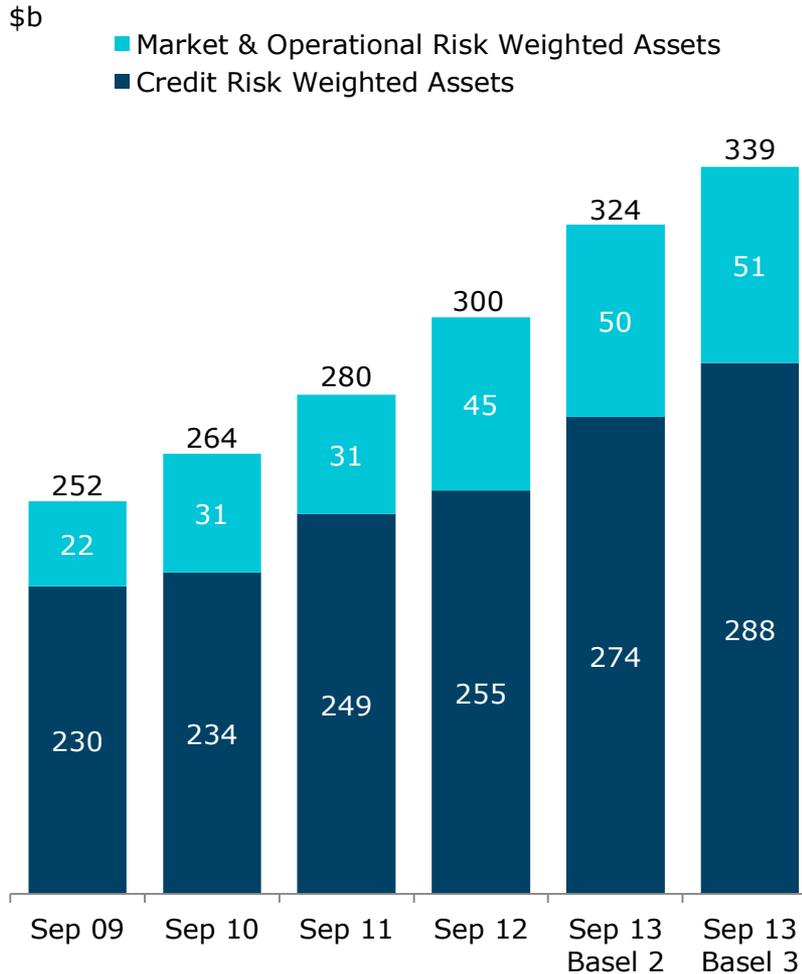


Individual Provision Charge by Region

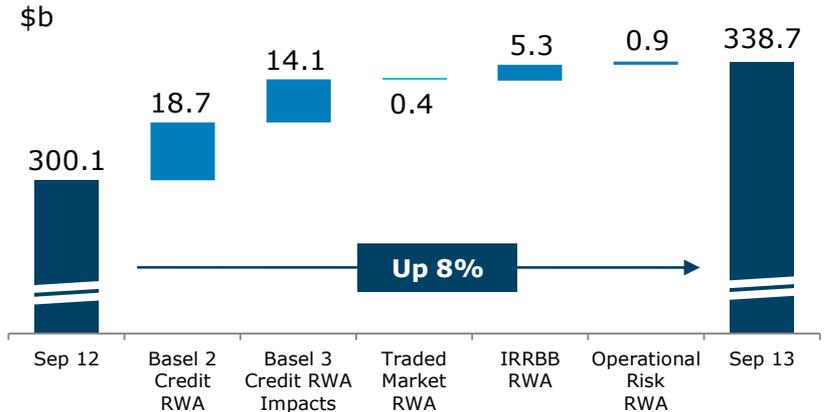


Risk Weighted Assets

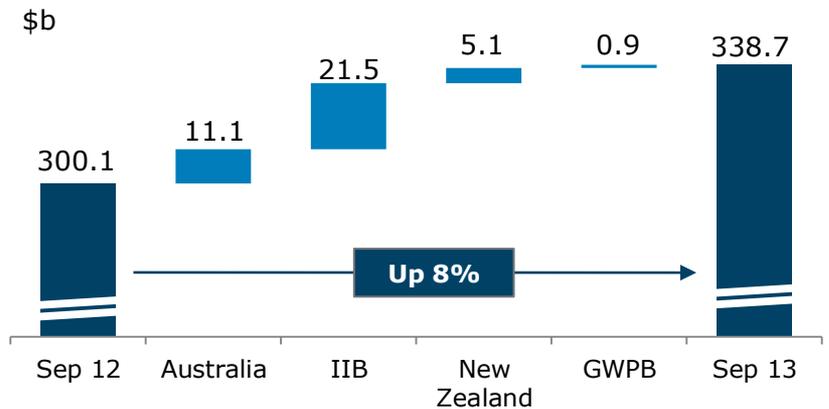
Total Risk Weighted Assets



Total Risk Weighted Assets movement Sep 2013 v Sep 2012



Total Risk Weighted Assets movement by Division Sep 2013 v Sep 2012

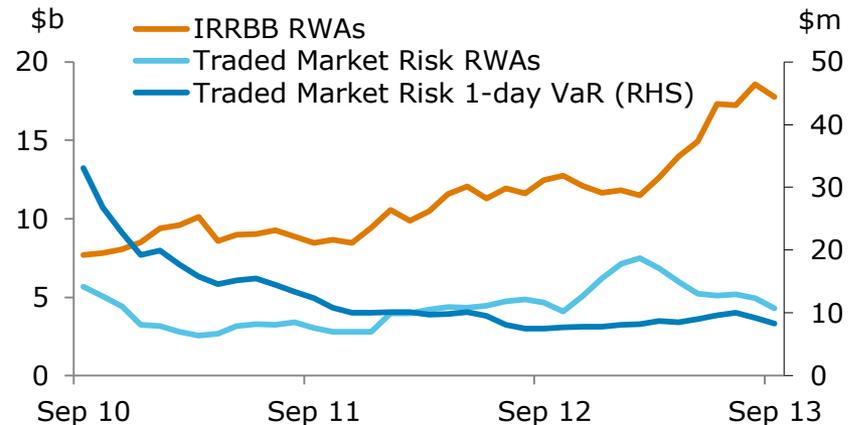


Traded Market Risk & IRRBB Risk Weighted Assets

Strategic decisions driving Risk Weighted Asset and VaR outcomes

- FY13 increase in IRRBB VaR and RWA partly reflects modest increase in Capital and Replicating portfolio duration and additional liquid assets
- Increased diversification over time in the Traded Market portfolio has reduced Traded Market Risk 1-day 99% VaR whilst Traded Market Risk RWAs were impacted by Jan 2012 Basel 2.5 introduction

Market Risk Weighted Asset Trends



Generating improved Markets Risk-adjusted Income outcomes

- Sales & Trading business has continued to grow its income stream in parallel with reducing the Traded Market Risk 1-day 99% VaR
- The improved 1-day 99% VaR trend reflects the diversification benefit achieved via Asian growth and via growth and diversity in our Foreign Exchange business

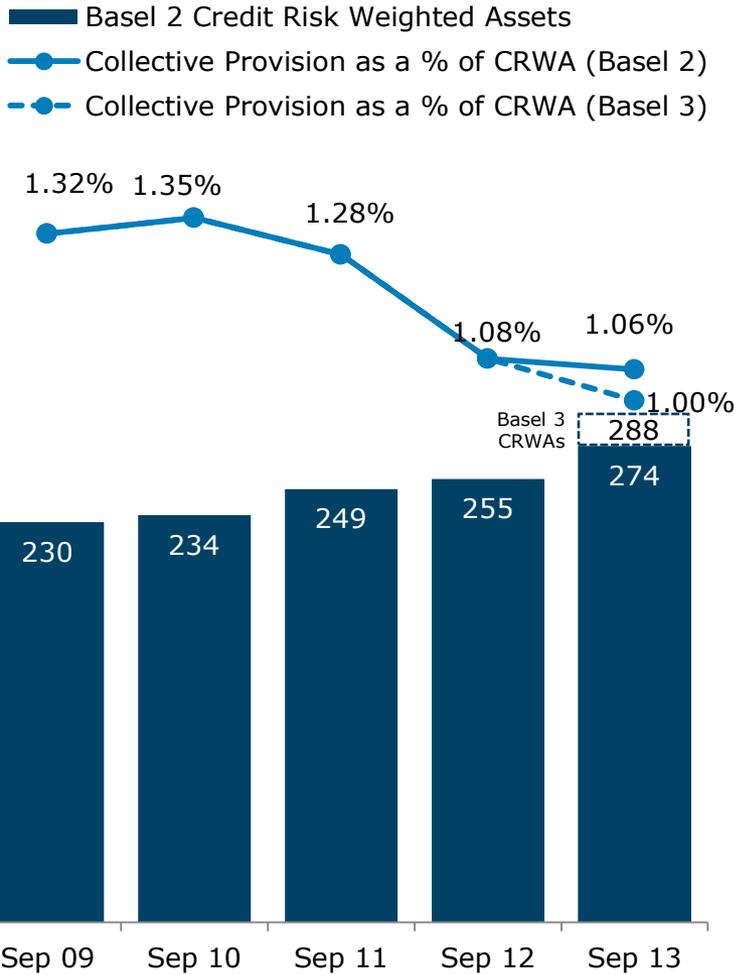
Income (\$) / VaR¹



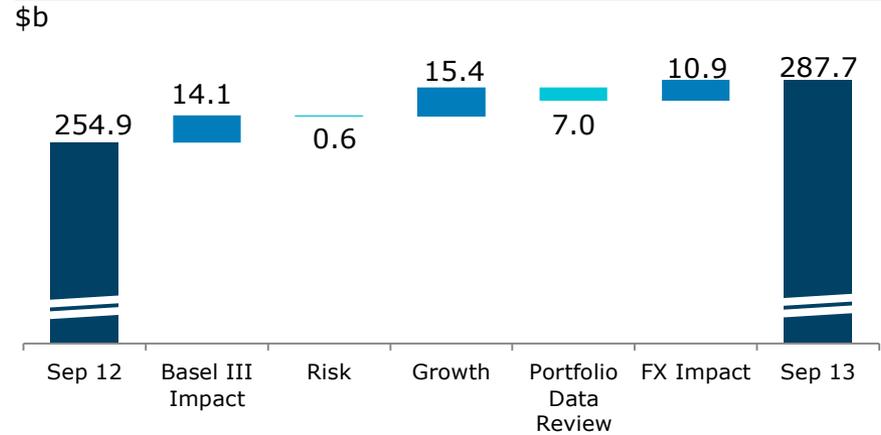
1. Average 1-day 99% VaR

Credit Risk Weighted Assets

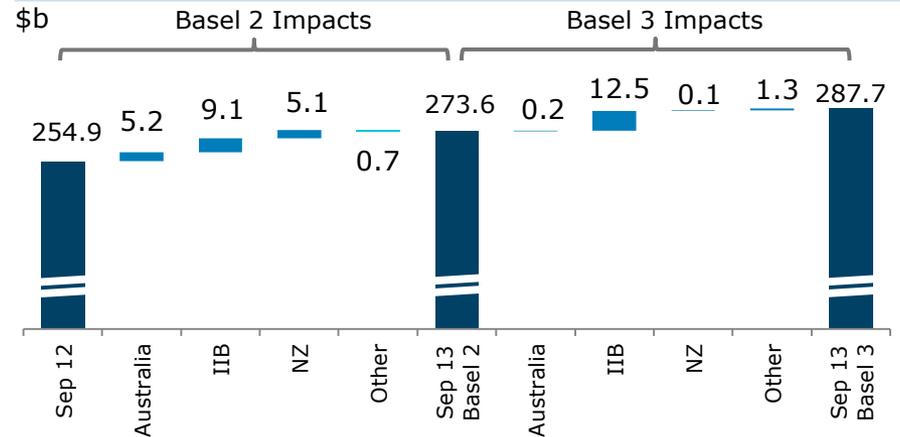
Credit Risk Weighted Assets



Credit Risk Weighted Assets movement Sep 2013 v Sep 2012

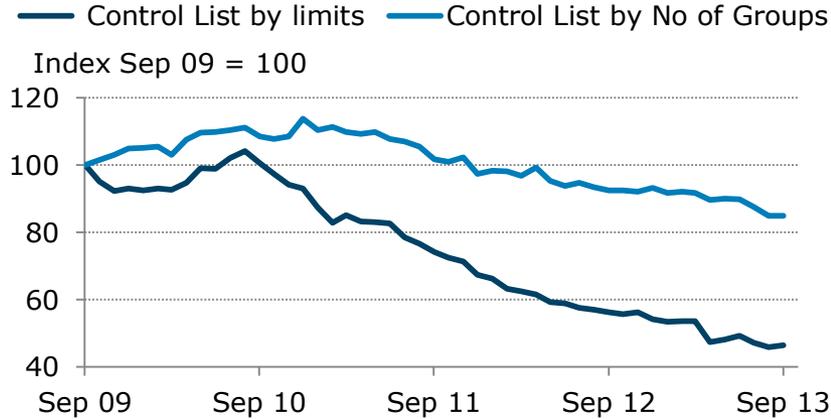


Credit Risk Weighted Assets movement by Division Sep 2013 v Sep 2012

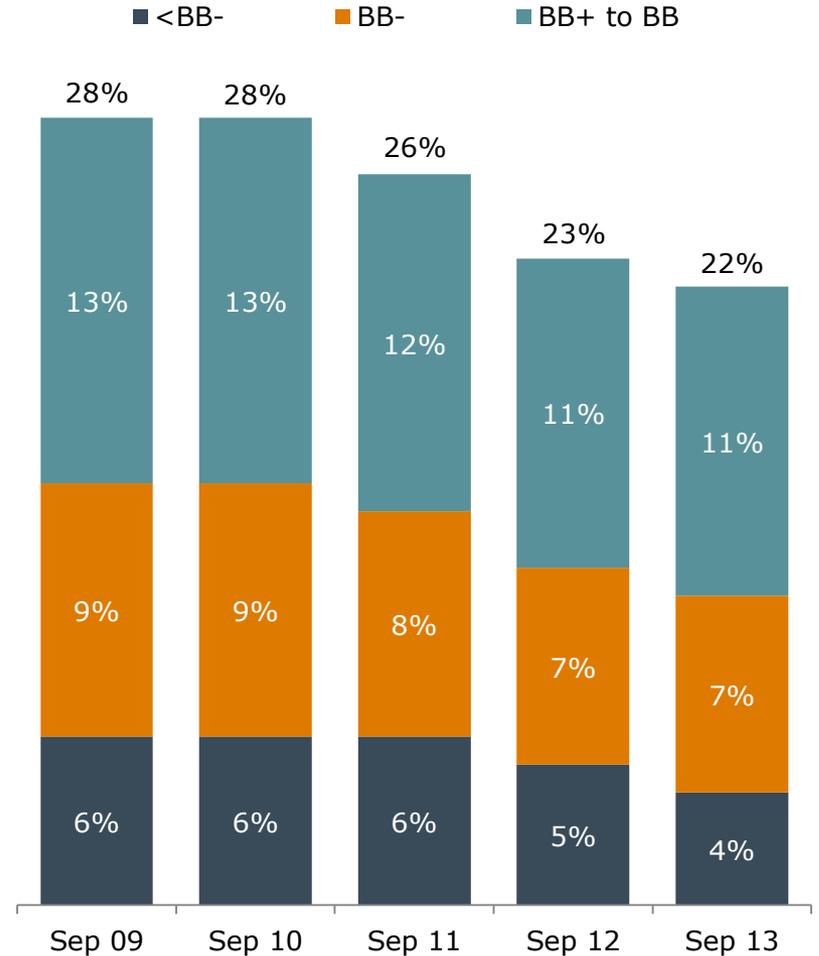


Control List and Risk Grade Profiles

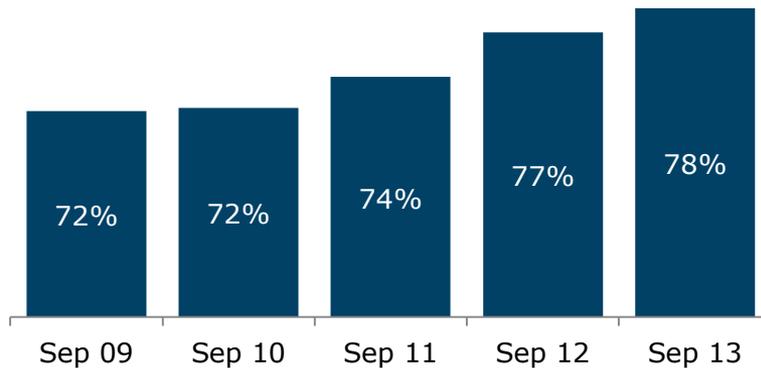
Control List



Group Sub-Investment Grade¹ Exposures as % Exposure at Default



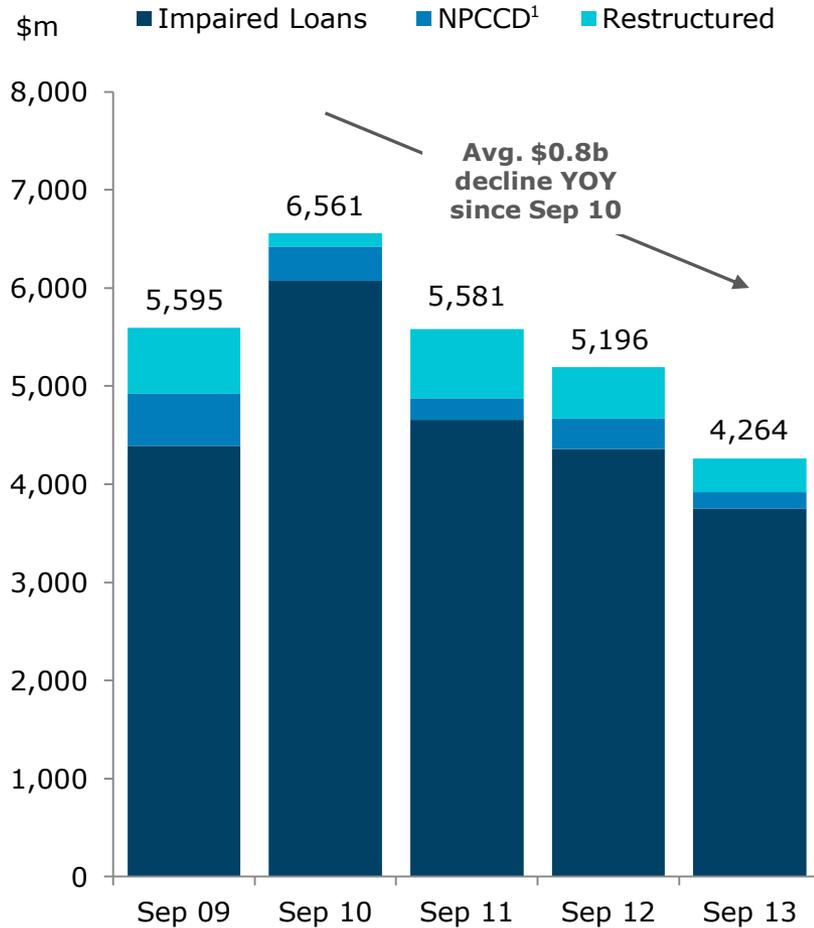
Investment Grade Risk Profile



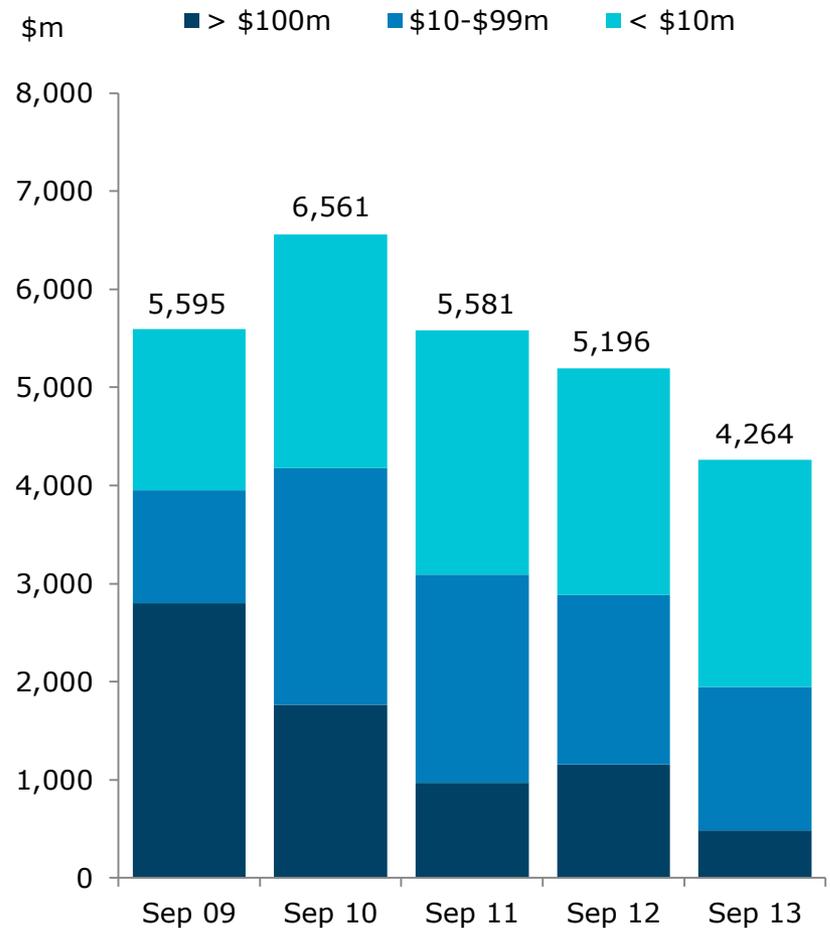
1. Sub-investment grade defined as exposures with a rating below BBB-

Gross Impaired Assets

Gross Impaired Assets by Type



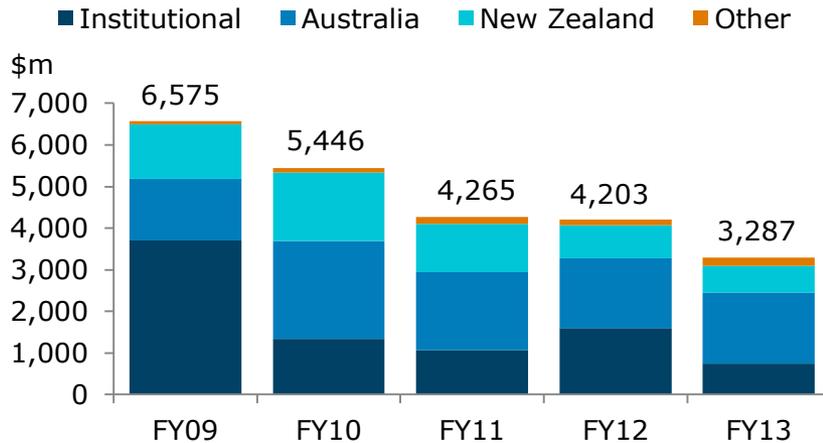
Gross Impaired Assets by Size of Exposure



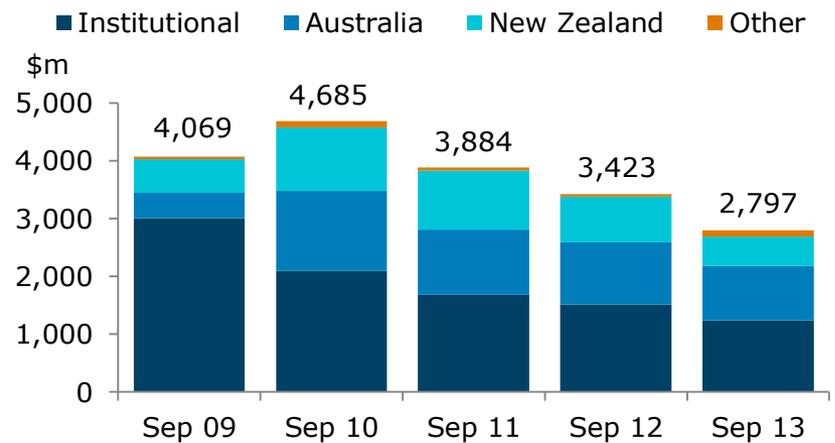
1. NPCCD - Non-Performing Commitments, Contingents & Derivatives

Impaired Assets

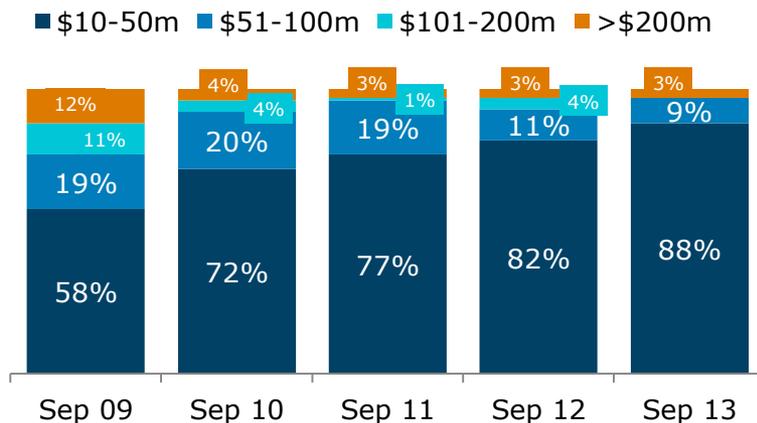
New Impaired Assets by Division



Net Impaired Assets by Division



Impaired Assets Concentration by number of Customers¹



Impaired Assets Concentration by value of Impaired Assets¹



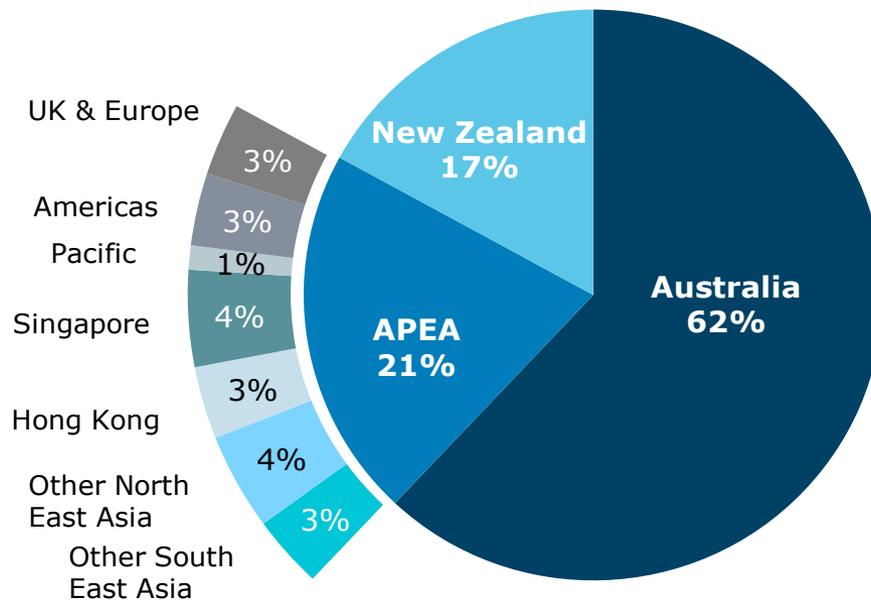
1. Only >\$10m customers

Total Credit Exposure (EAD) by Geography

Exposure by Geography

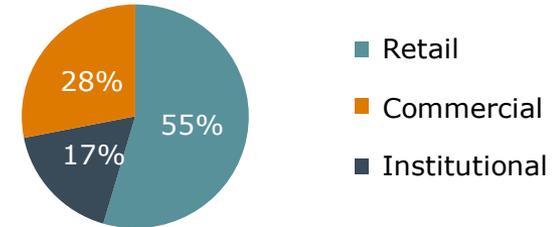
Total Exposure at Default (Sep 13) - \$725b¹

Australia	New Zealand	APEA
\$450.6b	\$123.6b	\$150.8b

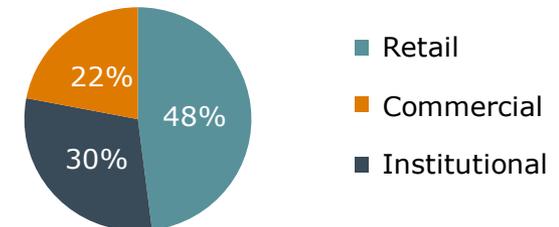


Exposure at Default by Line of Business²

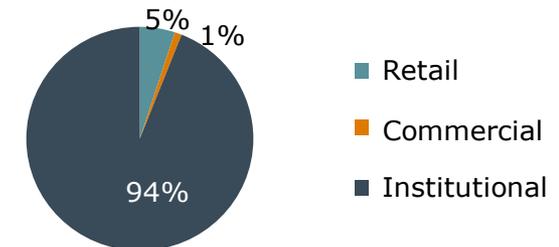
Australia



New Zealand



APEA



1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel asset classes
 2. Institutional includes exposure to Bank and Sovereign counterparties and ANZ's Liquidity portfolio

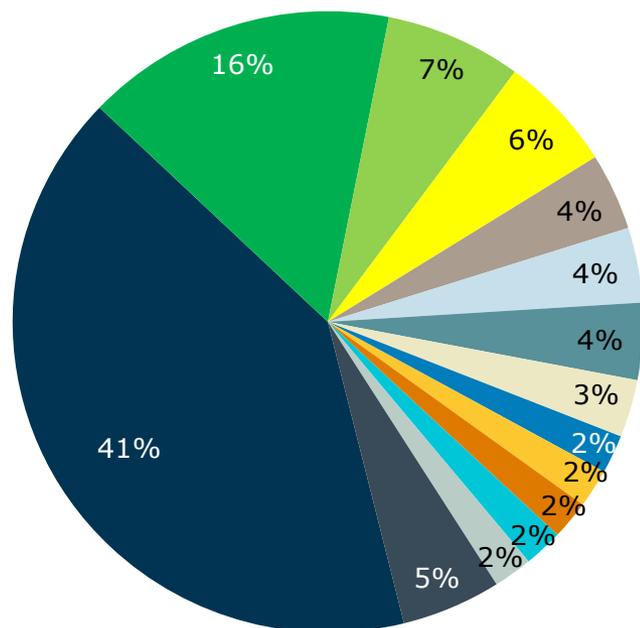
Total Credit Exposure (EAD) by Industry

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

ANZ Group

Total EAD (Sep 13)

\$725b



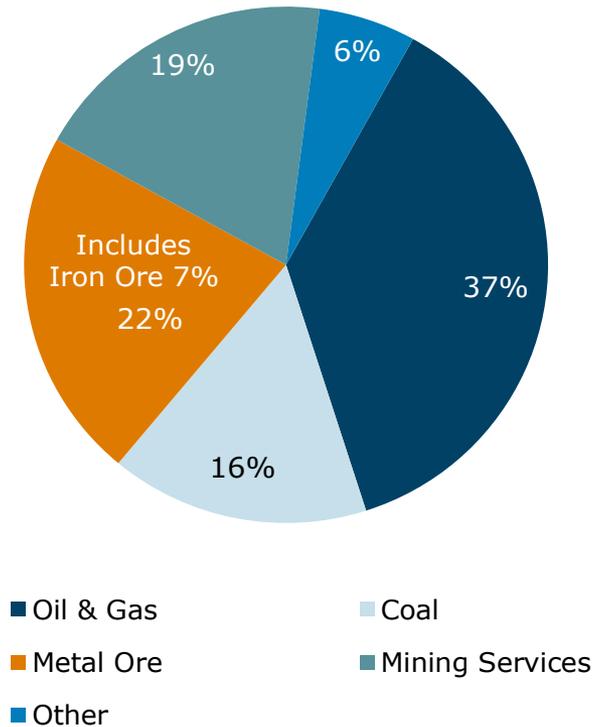
Category	EAD		% in Non Performing	
	Mar 13	Sep 13	Mar 13	Sep 13
Consumer Lending	40.4%	40.8%	0.2%	0.2%
Finance, Investment & Insurance	16.8%	15.9%	0.2%	0.1%
Property Services	7.1%	7.1%	1.6%	1.1%
Manufacturing	6.1%	6.0%	1.0%	0.7%
Agriculture, Forestry, Fishing	4.2%	4.3%	4.1%	4.1%
Government & Official Institutions	3.9%	4.0%	0.0%	0.0%
Wholesale trade	4.0%	3.9%	0.6%	0.8%
Retail Trade	2.9%	2.9%	0.8%	0.9%
Transport & Storage	2.2%	2.2%	2.0%	1.6%
Business Services	1.9%	2.0%	0.7%	0.5%
Resources (Mining)	1.8%	1.9%	0.2%	1.2%
Electricity, Gas & Water Supply	1.7%	1.7%	0.1%	0.1%
Construction	1.6%	1.7%	1.2%	1.1%
Other	5.4%	5.7%	0.1%	0.9%

Resources

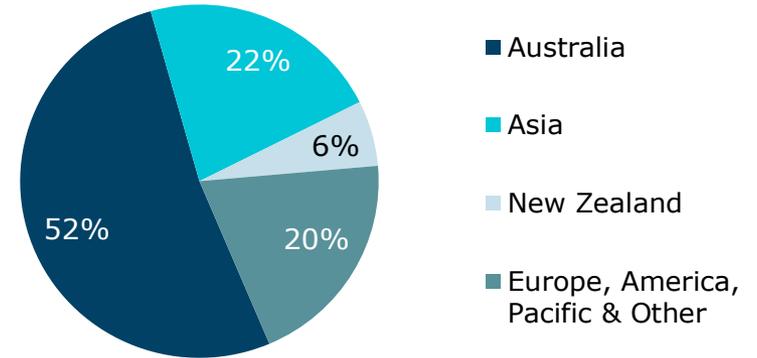
Resources Exposure by Sector (% EAD)

Resources

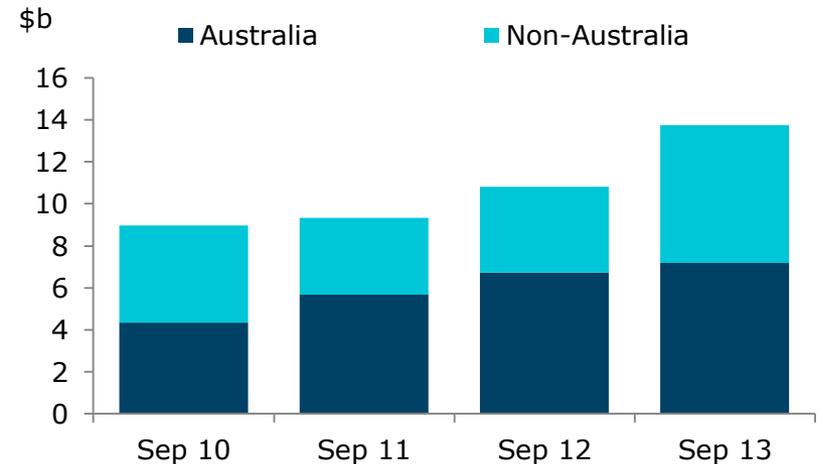
Total EAD (Sep 13)	As a % of Group EAD
\$13.7b	1.9%



Resources Exposure by Geography (EAD)



Resources Exposure by Geography (EAD)

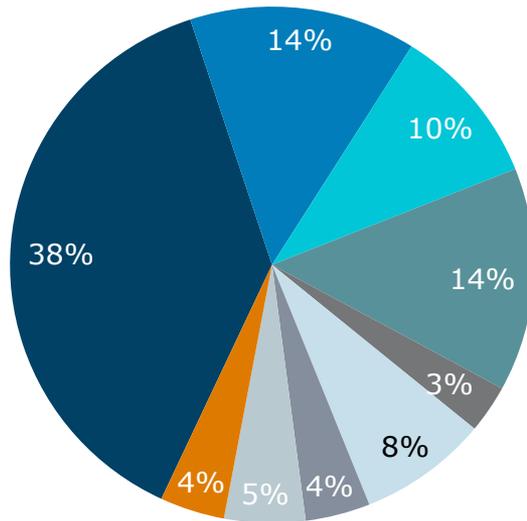


Agriculture

Agriculture Exposure by Sector (% EAD)

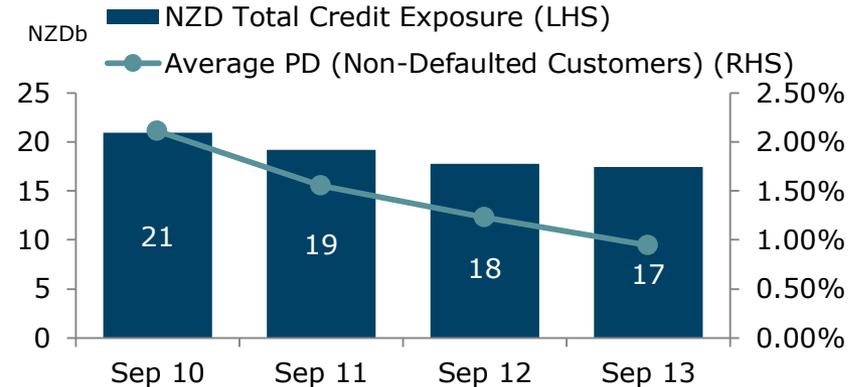
Agriculture

Total EAD (Sep 13)	As a % of Group EAD
\$30.9b	4.3%

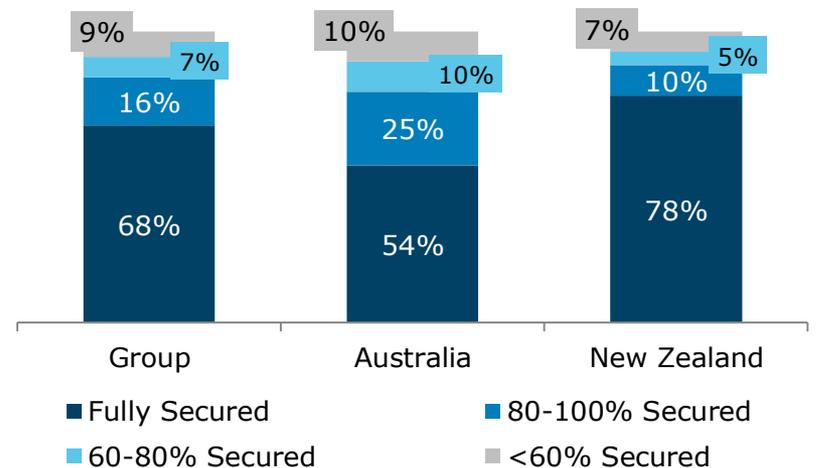


- Dairy¹
- Sheep & Other Livestock
- Wheat
- Other Crops
- Agriculture Services
- Beef
- Grain
- Horticulture/Fruit
- Forestry & Fishing

New Zealand Agri Credit Exposure (EAD) and Average Probability of Default



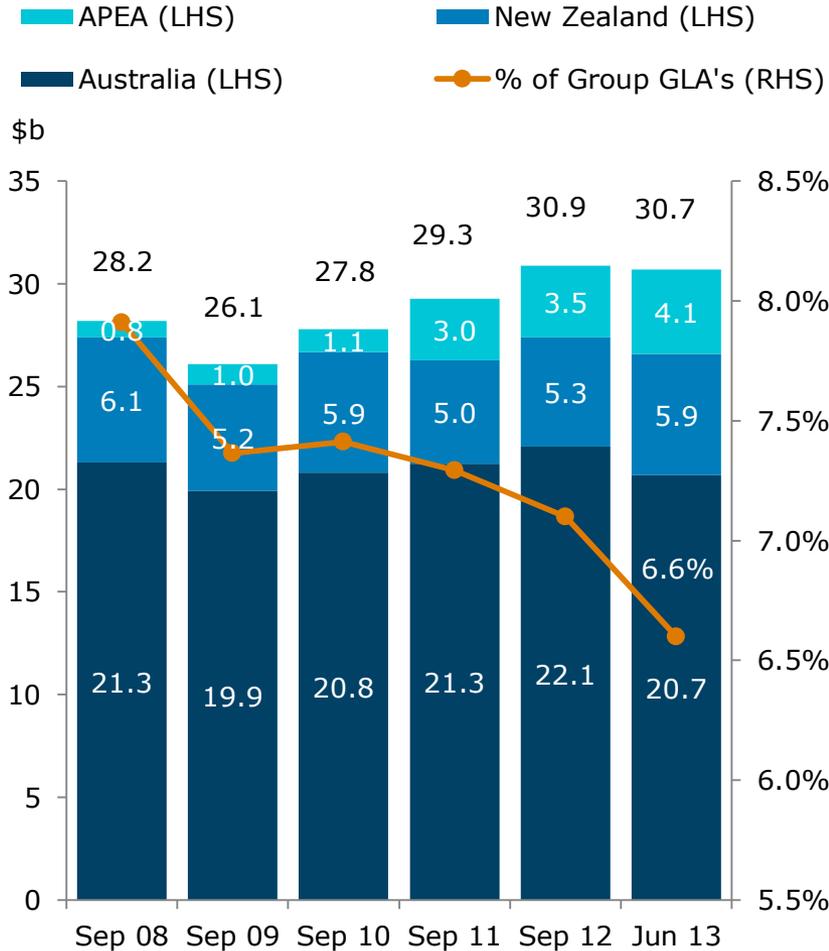
Agriculture Security Levels



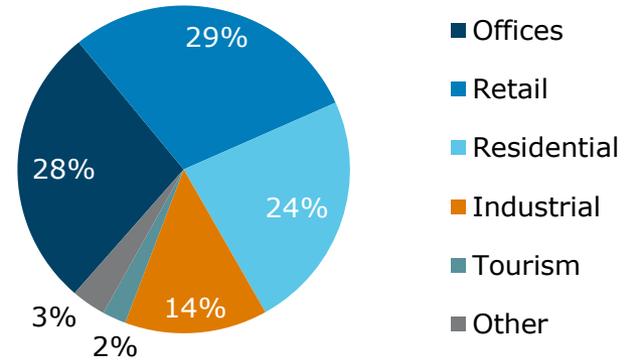
1. 93% of Dairy exposure is in New Zealand Agri

Commercial Property credit exposure

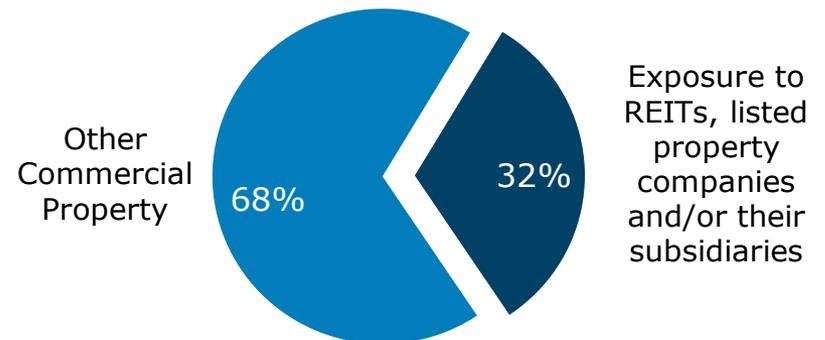
Commercial Property Exposure Gross Loans and Advances by Region



Commercial Property Exposure by Sector

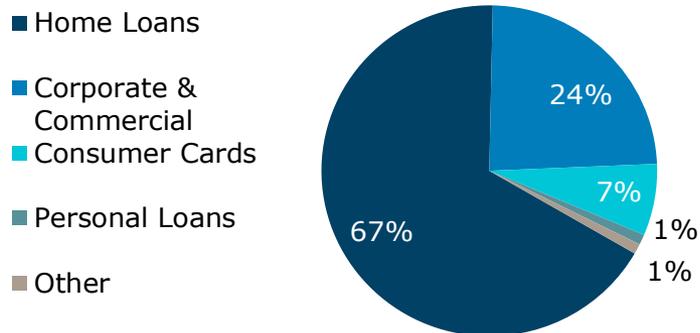


Exposure to REIT's, Listed Property Companies and/or their subsidiaries

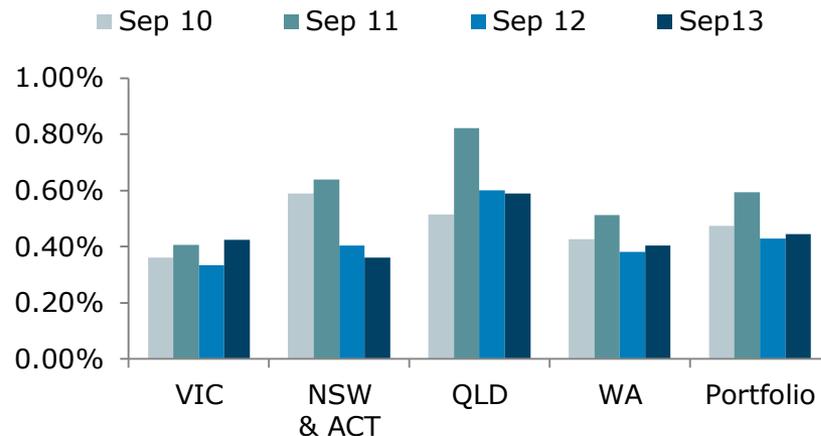


Australia Division Credit Quality

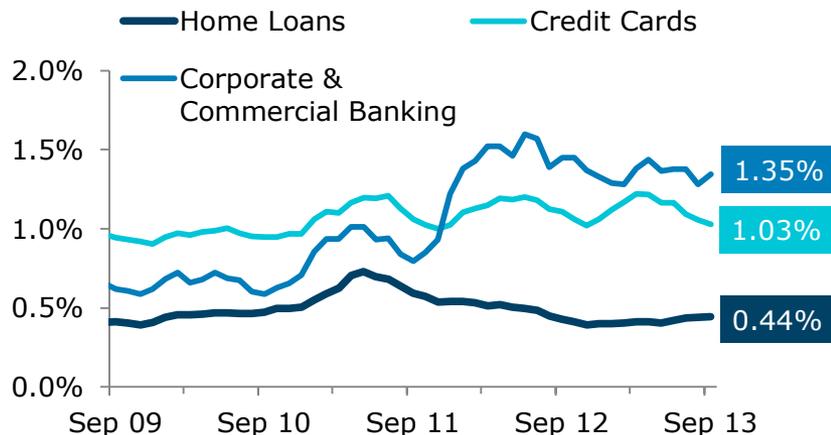
Australia Division Credit Exposure (EAD)



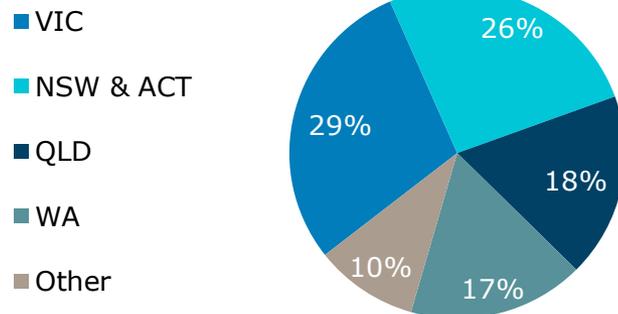
Australia Home Loans 90+ day delinquencies by state



Australia Division 90+ day delinquencies



Australia Home Loan Portfolio by state

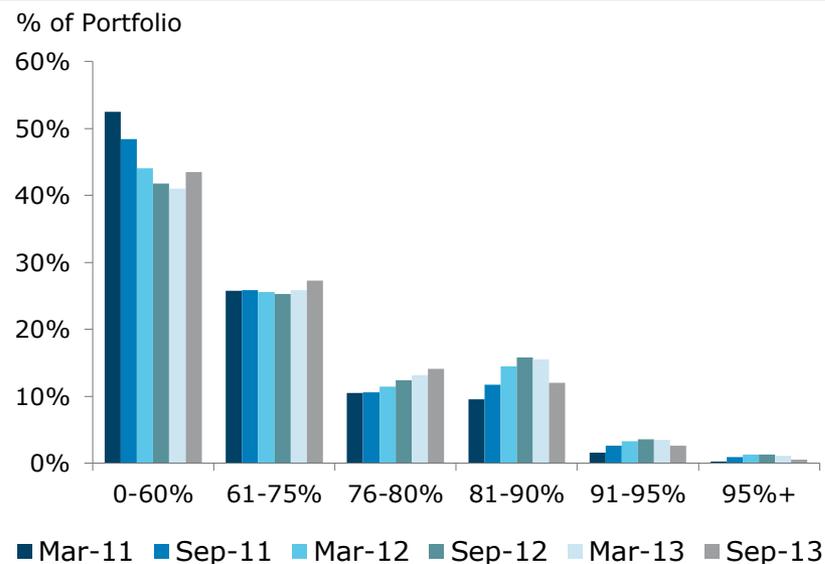


Changes to treatment of hardship cases within Home Loan 90+ DPD impacted underlying trends during FY13. Sep 2013 90+ DPD 0.40% excluding change and 0.44% including.

Australia Division - Home Loan Portfolio

Total Number of Home Loan Accounts	887k
Total Home Loan FUM	\$195b
% of Total Australia Geography Lending	60%
% of Total Group Lending	41%
Owner Occupied Loans - % of Portfolio ¹	62%
Average Loan Size at Origination (2H13 average) ²	\$329k
Average LVR at Origination (2H13 average)	70%
Average Dynamic LVR of Portfolio	50%
% of Portfolio Ahead on Repayments ³	57%
First Home Owners - % of New Lending	7%
% of Portfolio Paying Interest Only ⁴	32%

Dynamic Loan to Value Ratio



Individual Provision as % Gross Loans

	1H12	2H12	1H13	2H13
ANZ Group Total	0.36%	0.43%	0.27%	0.24%
Australia Home Loans	0.03%	0.02%	0.02%	0.02%

1. Excludes funds in Equity Manager Accounts.

2. Average loan size of home loans written in 2H13 excluding offset accounts

3. % of customers paying Principal and Interest that are one month or more ahead of repayments

4. Excludes revolving credit facilities

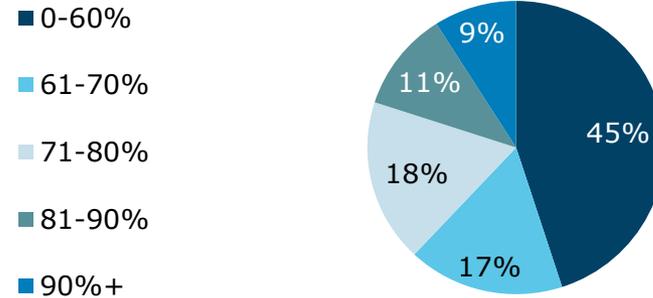
New Zealand Division – Home Loan Portfolio

Total Number of Home Loan Accounts	478k
Total Home Loan FUM (NZD)	\$59b
% of Total New Zealand Lending	56%
% of Total Group Lending	11%
Owner Occupied Loans - % of Portfolio	77%
Average Loan Size at Origination (2H13 average) (NZD)	\$247k
Average LVR at Origination (2H13 average)	67%
Average Dynamic LVR of Portfolio	47%
% of Portfolio Paying Interest Only ¹	21%

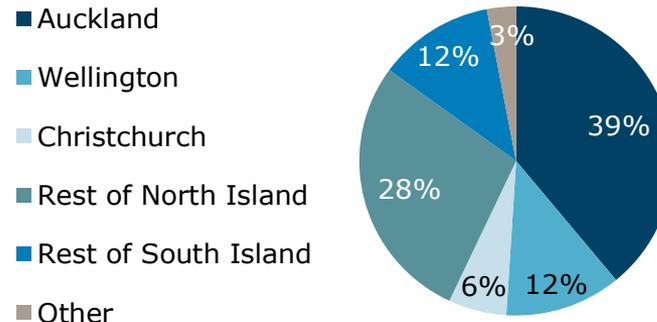
Individual Provision as % Gross Loans

	1H12	2H12	1H13	2H13
ANZ Group Total	0.36%	0.43%	0.27%	0.24%
New Zealand Home Loans	0.05%	0.03%	0.02%	0.02%

Dynamic Loan to Valuation Ratio



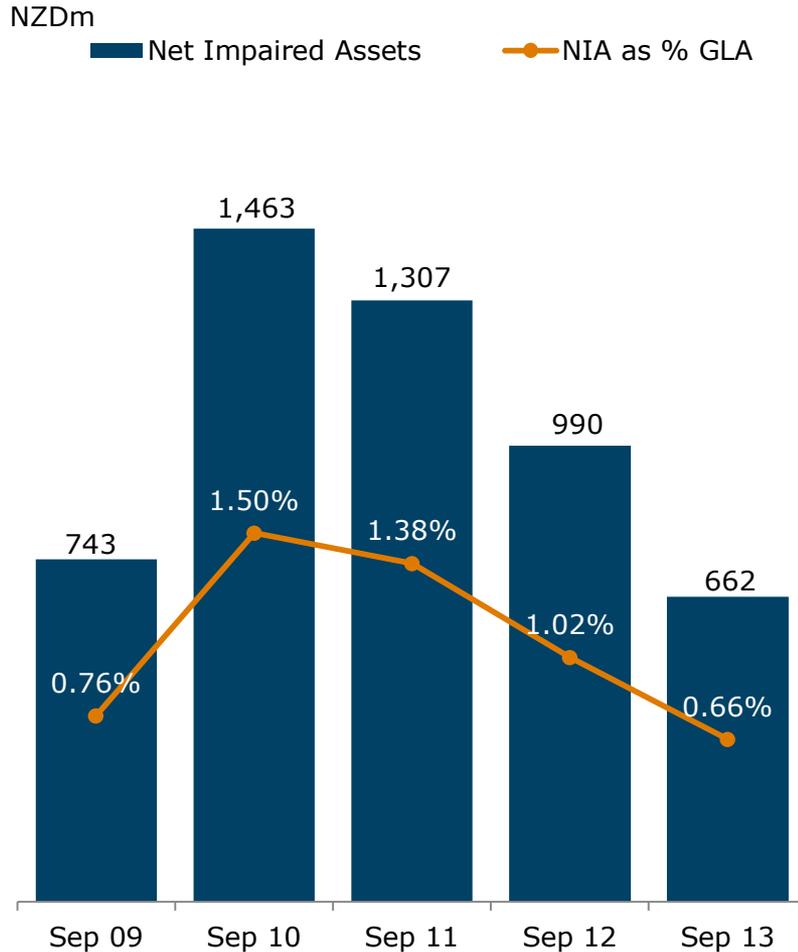
Home Loan Portfolio by Region



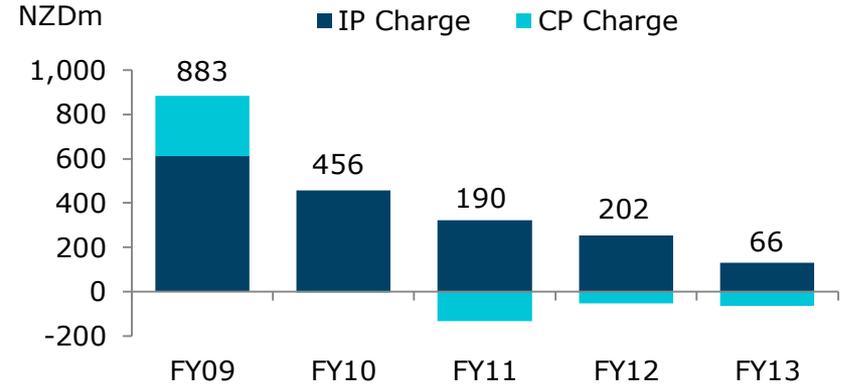
1. Excludes revolving credit facilities

New Zealand – Credit Quality

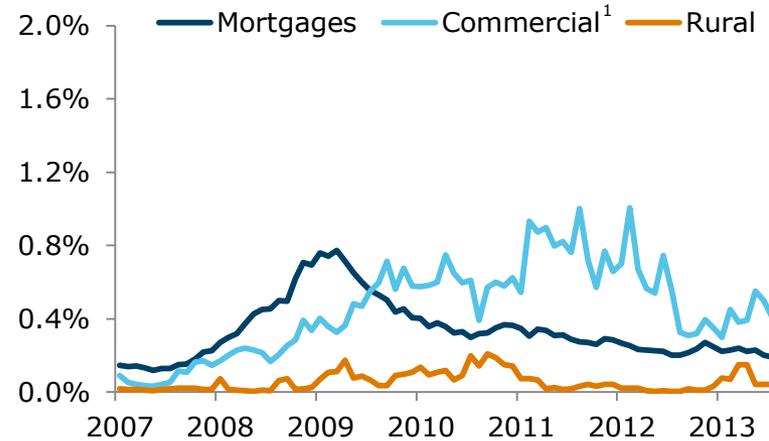
New Zealand Geography Net Impaired Assets



New Zealand Geography Total Provision Charge



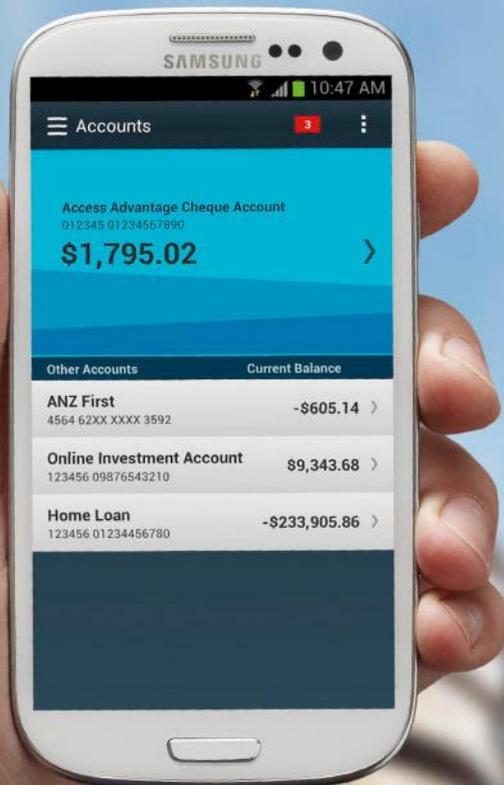
New Zealand Division 90+ days delinquencies



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

13 FULL YEAR RESULTS

AUSTRALIA AND
NEW ZEALAND
BANKING GROUP
LIMITED
29 OCTOBER 2013



Australia Division



A strong domestic franchise is critical to the success of ANZ's Super Regional strategy

The Banking on Australia program is our path to:

- Delivering **consistent** above system **growth** focused in our target segments,
- Maintaining **strong margins, cost discipline** and **asset quality**,
- And **leveraging ANZ's Super Regional advantage** to bring the whole of ANZ to our customers

To deliver peer leading financial outcomes

We are transforming the business to position ANZ for growth in a changing environment

Building our lead in mobile & digital



- Expanding customer reach and deepening loyalty
- New mobile & digital foundations
- Rapid evolution of our market leading applications



Transforming our distribution channels

Retail



- Transforming branches and contact centres to focus on more complex sales
- Multi-channel connectivity
- Migrating low value transactions to self service

Corporate & Commercial Banking



- Using our super regional advantage to bring whole of ANZ
- Providing market leading banker tools & centralised service
- Offering deep industry insight

Simplifying our products & process



- Digitising and automating
- Paperless processing
- Simplifying product range

Accelerating through customer insights



- New information platforms
- Single customer view enabled
- Insight driven offers

Banking on Australia is delivering strong outcomes

FY13 Performance: NPAT up 11% to \$2.87bn

Retail		Corporate & Commercial Banking	
#1	Strongest overall growth of major banks across Home Loans, Deposits and Cards in FY13 ¹	↑7%	Lending Growth
14	Quarters of Above System Home Loan growth ²	6	Quarters of Above System Lending growth ²
↑17%	Profit before Provisions growth	↑30,000	Growth in Customer Numbers ⁴
>80%	MFI Customer satisfaction ³	7,000+	ANZ Fastpay Users
↑19%	Increase in sales via Digital channels	↓158bps	Reduction in Cost to Income ratio
↓11%	Reduction in customer complaints	45,000+	Frontline training hours invested

1. Source: APRA Monthly Banking Statistics, 12 months to August 2013. Excludes impact from sale of Origin Mortgage Management Services;

2. To June quarter 2013. Retail Source: APRA Monthly Banking Statistics, excludes impact from sale of Origin Mortgage Management Services; C&CB

Source: RBA Lending and Credit Aggregates - Non Financial Corporations.; 3. Source: Roy Morgan Research, 6 months to August 2013;

4. Excludes Esanda.

Delivering strong financial results

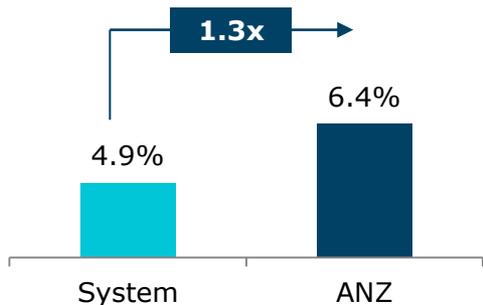
		Income (\$m)	Expenses (\$m)	PBP (\$m)	NPAT (\$m)	Cost to Income %
Australia Division	FY13	7,867	2,951	4,916	2,873	37.5%
	v FY12 %	+7%	-2%	+13%	+11%	-330bps
Retail	FY13	4,846	1,974	2,872	1,732	40.7%
	v FY12 %	+9%	-2%	+17%	+20%	-434bps
Corporate & Commercial Banking	FY13	3,015	972	2,043	1,141	32.2%
	v FY12 %	+4%	-1%	+6%	-2%	-158bps

Achieving above system growth

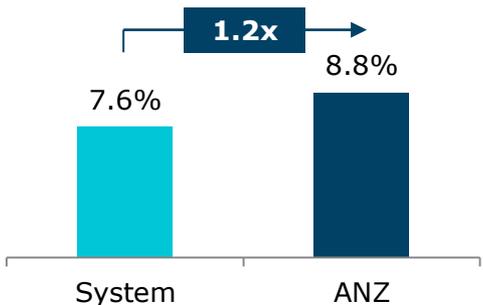
Retail

Strongest overall growth of major banks across Home Loans, Deposits and Cards in FY13

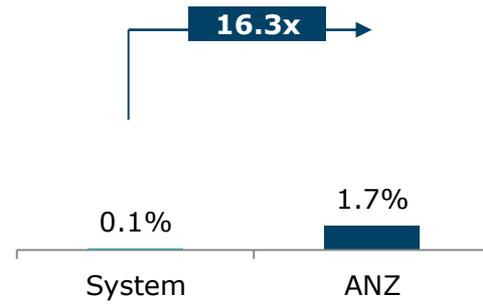
Home Loans¹



Deposits¹



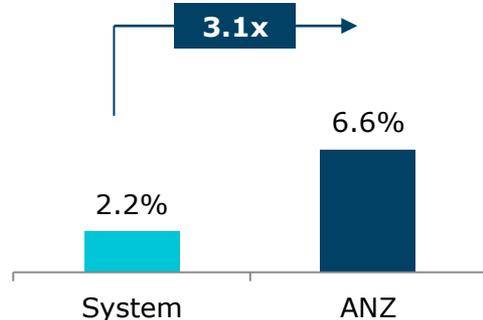
Consumer Cards¹



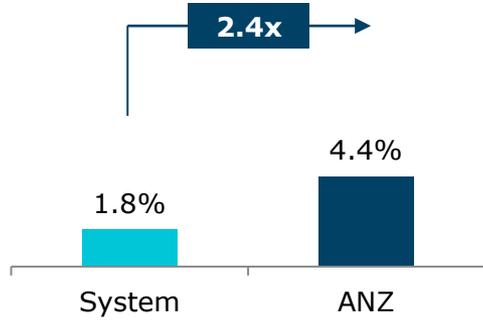
Corporate & Commercial Banking

Delivering above system growth and cross sell income to Institutional, Retail and Wealth

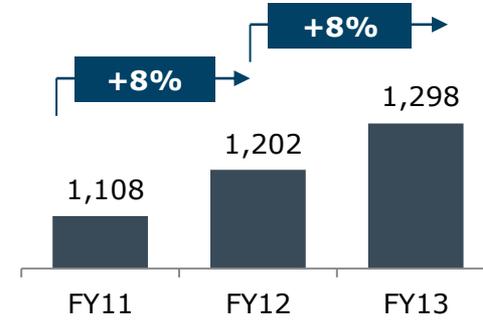
Lending²



Deposits²



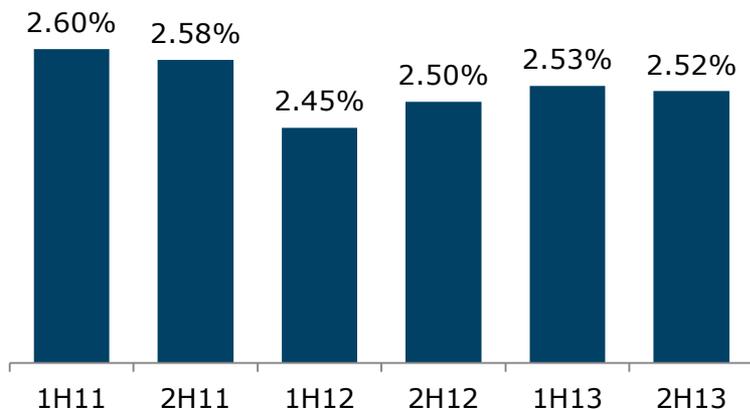
Cross Sell Income³ (\$m)



1. Source: APRA Monthly Banking Statistics, Sep 2012 to Aug 2013. System adjusted for new ADI incorporations; 2. Source: Lending - RBA Lending and Credit Aggregates and Deposits - APRA Monthly Banking Statistics, Non-Financial Corporations, Sep 2012 to Aug 2013; 3. C&CB cross sell includes income booked in Retail, Wealth and International and Institutional Banking.

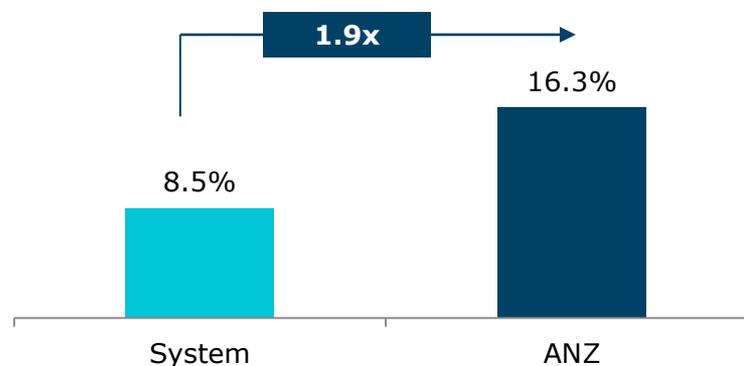
And increasing market share while maintaining margins

Net Interest Margin

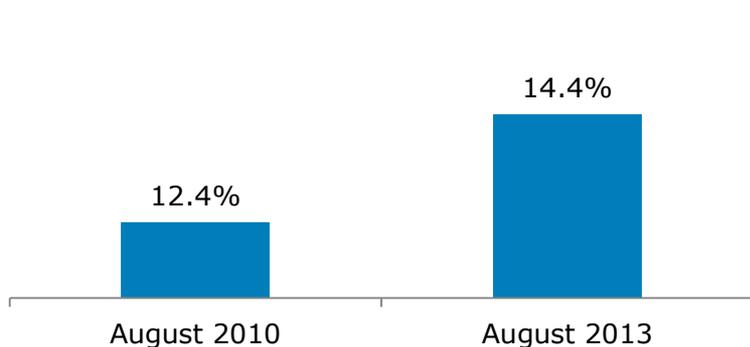


Corporate & Commercial Banking Combined Lending and Deposit Growth²

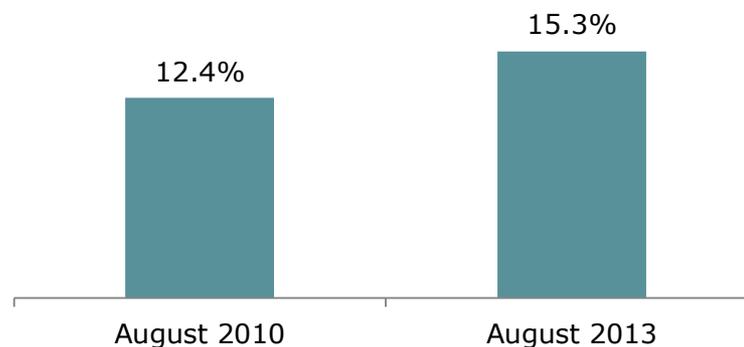
Growth August 2013 v August 2011



Retail Market Share¹



Affluent Market Share¹

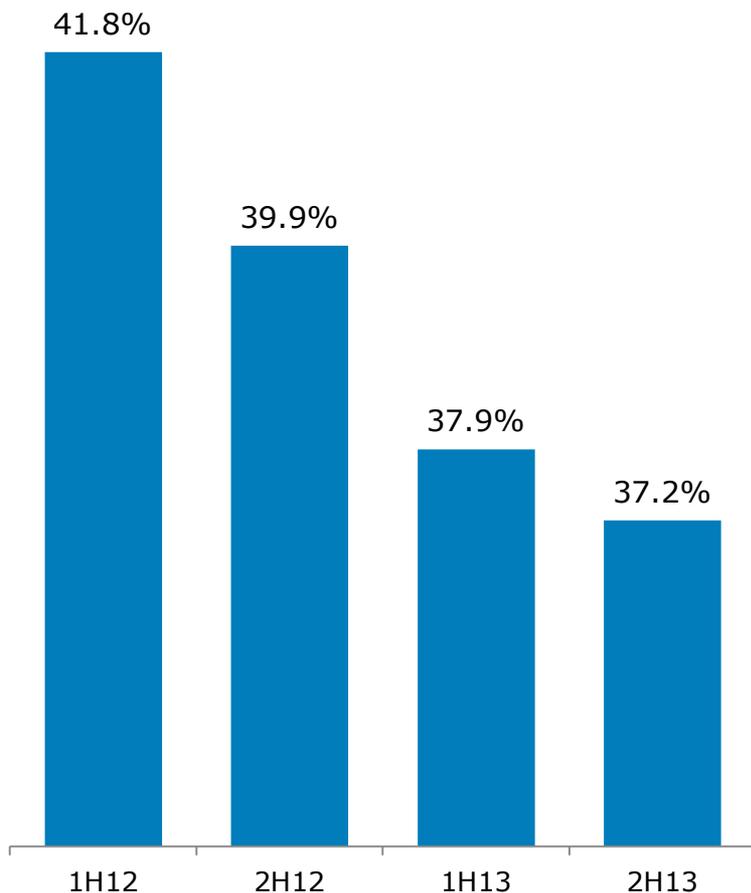


1. Source: Roy Morgan Research: rolling 12 months, traditional banking consumer market (Deposits, Cards & Loans); Affluent defined as customers with all financial services FUM between \$400k and \$1m (in all financial institutions) or income greater than \$150k/year;

2. Source: Lending - RBA Lending and Credit Aggregates and Deposits - APRA Monthly Banking Statistics, Non-Financial Corporations.

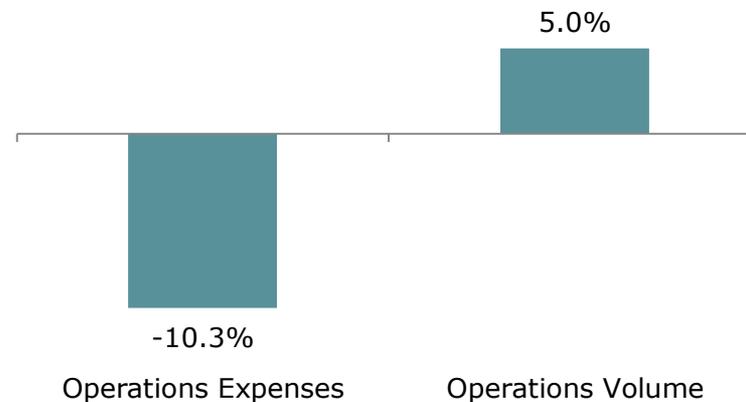
Improving sales efficiency and productivity

Australia Division Cost to Income Ratio



Australia Operations Efficiency

Growth FY13 v FY12



↑ 7%

Uplift in branch sales per FTE in 2013

↑ 15%

Increase in Home loans approved at first application 2H13

178,000

Frontline hours freed up through Operations efficiency

Retail Credit Quality

↓ 3bps

Improvement in Home Loan 90+ days past due in 2013¹

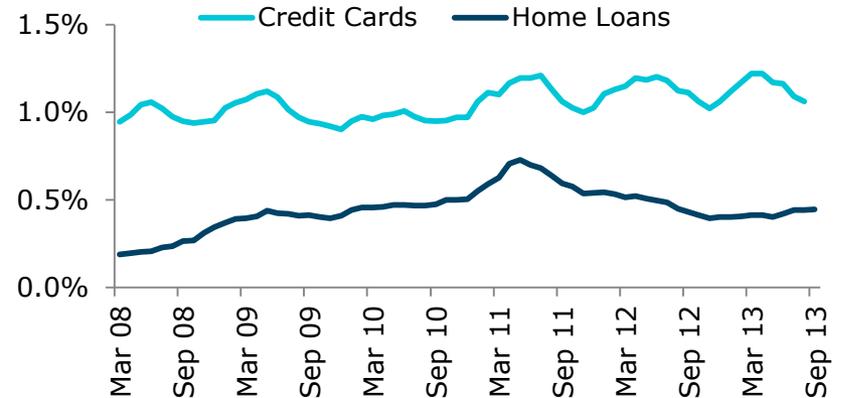
↓ 13%

Reduction in Credit Card provisions in FY13, 30+ and 90+ day delinquencies at lowest level in 3 years

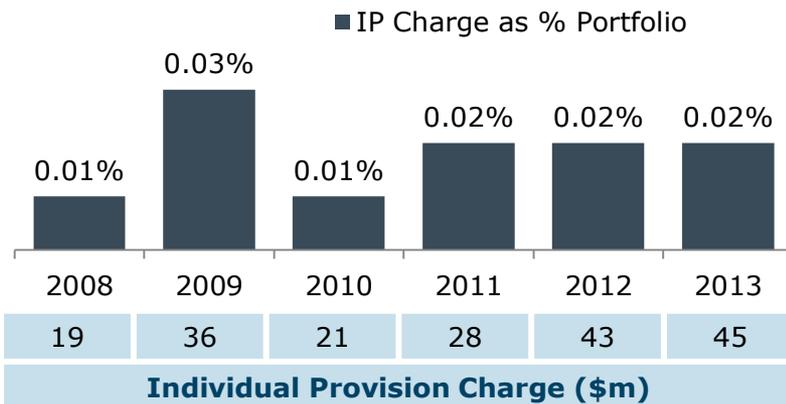
✓

Maintained prudent risk settings

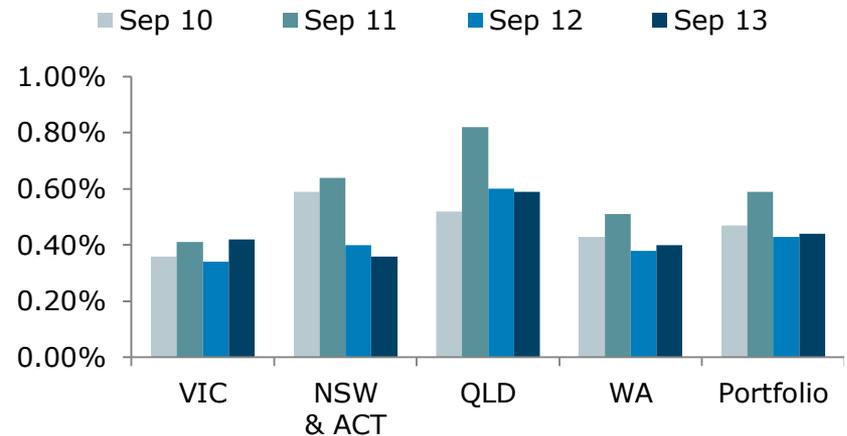
Australia Retail 90+ days past due¹



Home Loan Loss Rates



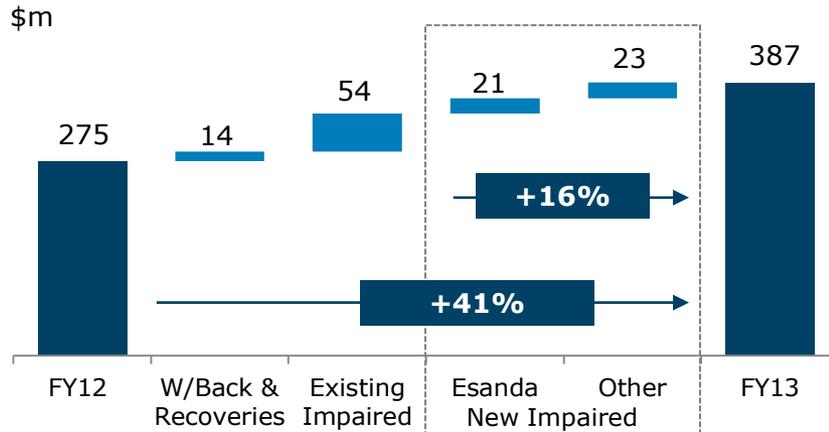
Home Loans 90+ days past by state



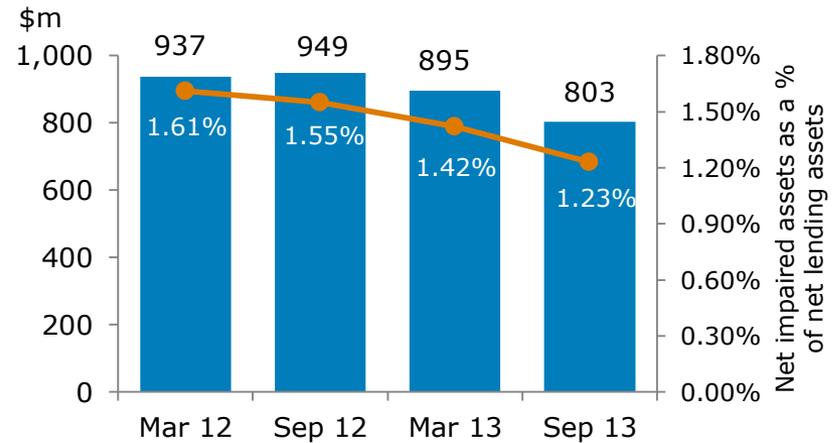
1. Excludes changes to treatment of hardship cases that impacted underlying trend. Sep 2013 90+ DPD 0.40% excluding hardship change and 0.44% including.

Corporate & Commercial Banking Credit Quality

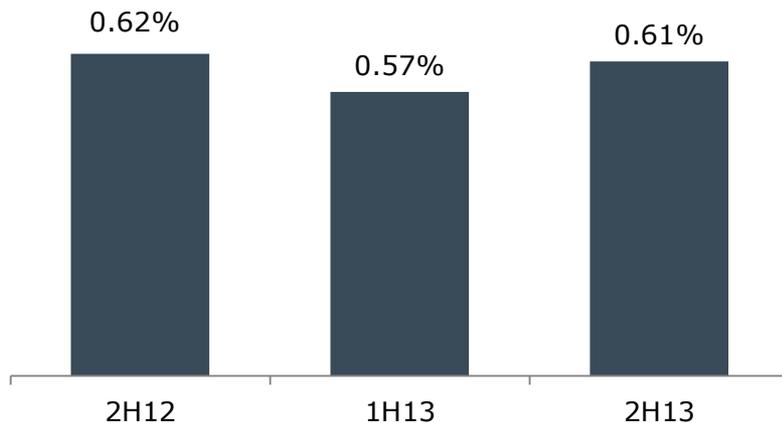
Individual Provision Charge Movement FY13 v FY12



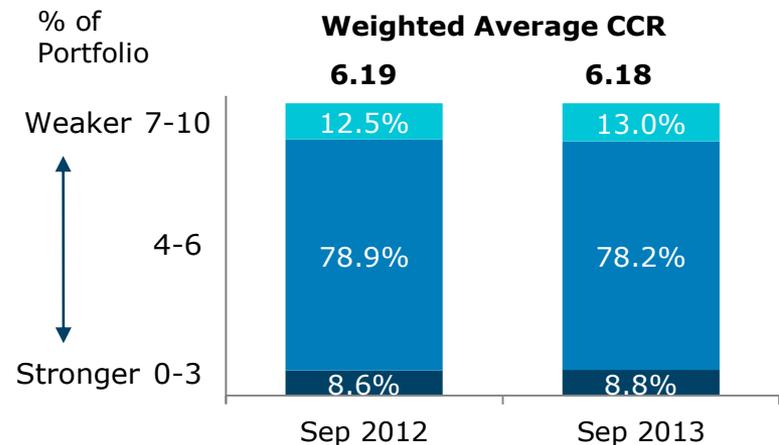
Net Impaired Assets



Individual Provision Charge as % Gross Loans & Advances



Customer Credit Rating (CCR) Profiles by Exposure at Default

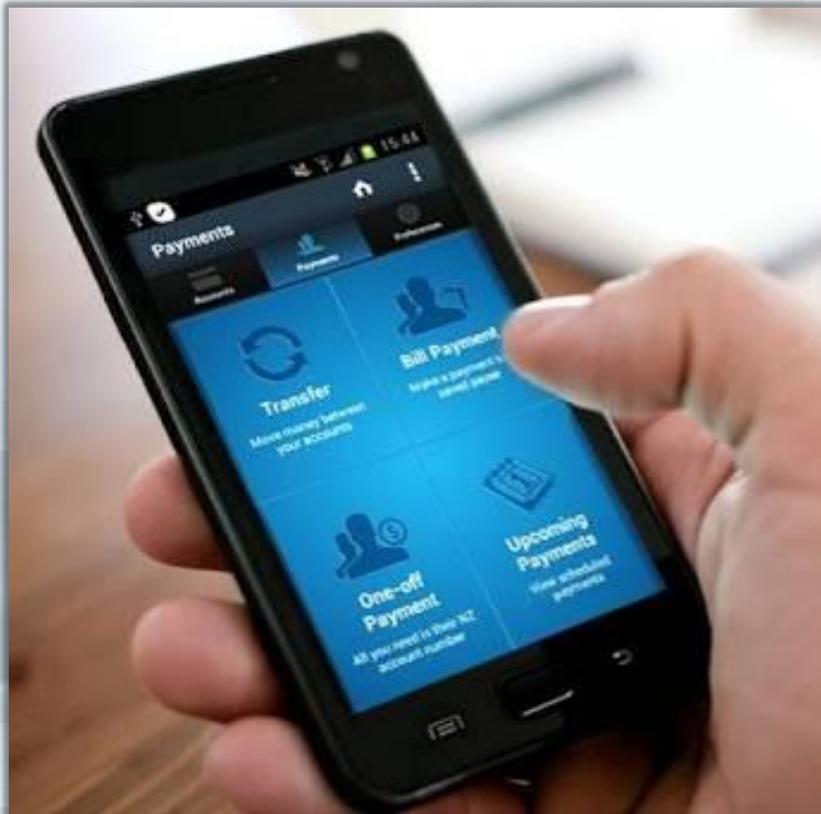


Significant progress made on mobile and digital agenda

Banking on Australia



ANZ goMoney™ is our market leading mobile banking app



2010

First payments app in the Australian market



Available for iPhone and Android

1.0m

Active goMoney users²

>25m

goMoney logins per month

>\$56b

Transactions processed

ANZ's award-winning app¹ provides a secure and convenient way to bank, 24/7

Customers with ANZ goMoney™ demonstrate greater loyalty

Transforming our branches to focus on more complex needs, generate increased cross-sell and productivity



7%

Uplift in branch sales in FY13

5%

Drop in branch traffic due to increased self service

18%

Uplift in sales via Video Conference in 2H13

74

New look sales focused branches

201

Smart ATMs installed

Transforming our distribution network by embracing new technology to meet the changing needs of customers

Interactive frontline sales tools that improve banker productivity and deliver ANZ's super regional capabilities to our customers

100%

C&CB frontline bankers with iPads

>5,000

Digital A-Z reviews completed in last 3 months

33

Markets connected via Super Regional App

↓48 hrs

Average turnaround time saving with each "Sign-on-Glass" application

8 Frontline Applications Developed

- 1 **A-Z Review**
Customer needs assessment
- 2 **Collaboration**
Video access to specialists
- 3 **Super Regional**
ANZ regional capability resource
- 4 **Voice notes**
Capture of customer notes
- 5 **On Boarding & Identification**
Customer information capture
- 6 **ANZ Podcast**
Banker Training
- 7 **ANZ Hub**
Customer & frontline information
- 8 **ANZ App catalogue**
Source of banker apps



- **Faster application turnaround**
- **Access to bank-wide digital customer information**

ANZ FastPay™ is our award winning mobile merchant app, enabling our small business customers to be paid 'on the go'



- **Mobile merchant app for faster card payments**
- **Allows businesses to accept card sales on iPhone or iPad with same-day settlement**



Winner, FIIA Award for Innovation and the Trailblazer award for innovation in banking¹



Available for iPhone and iPad

7,000+ FastPay users

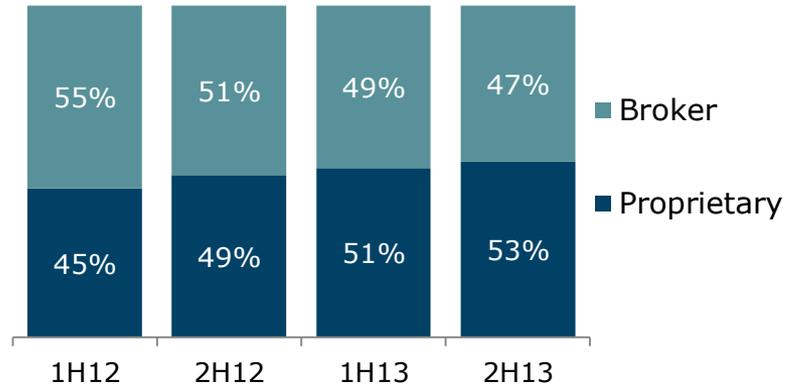
30% Monthly growth in FastPay customers

>140k Transactions processed

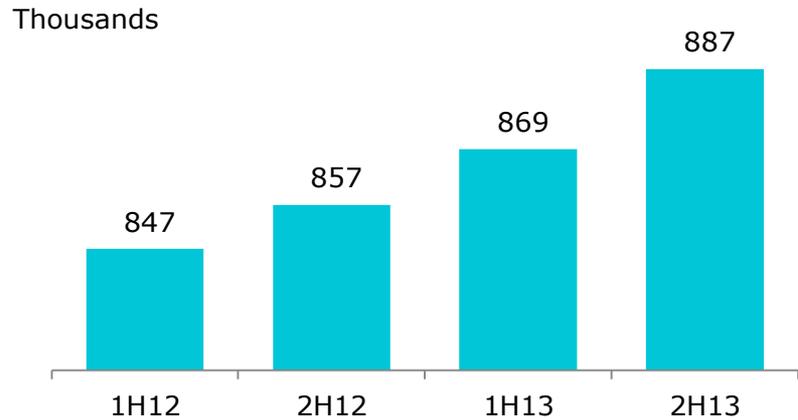
Retail Transformation is improving Home Loan capability

1.1 million	A to Z customer needs reviews completed in 2013
68%	Branch sales staff now accredited to sell home loans
↑ 16%	Increase in branch Home Loan sales in 2013
✓	Delivered Home Loan continuous improvement program
\$13 billion	Home Loan growth achieved in 2013
19%	Percentage of online chats generating mortgage referrals

Home Loan Sales Mix by Channel



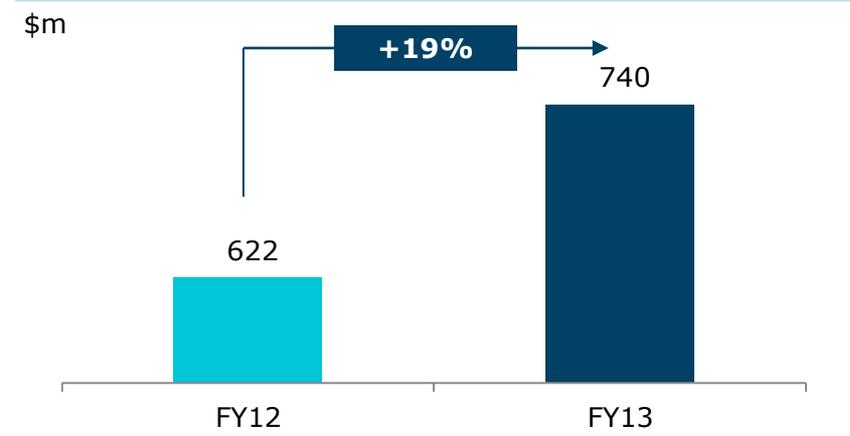
Total Home Loan Accounts



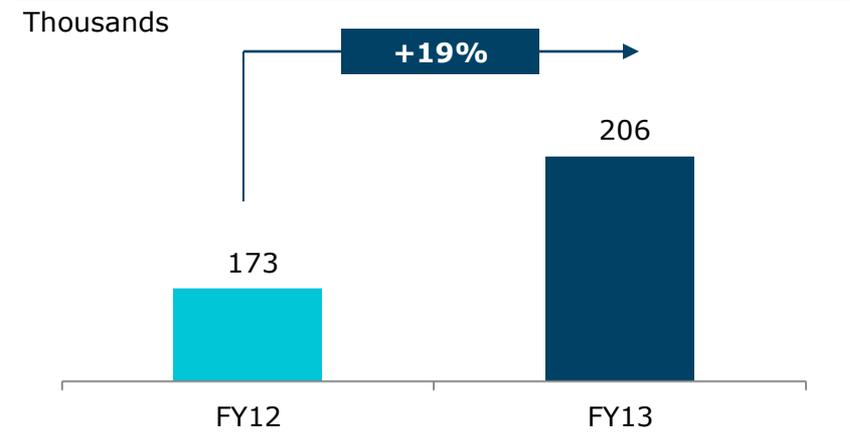
And increasing cross sell of retail, wealth and small business solutions to our customers

1,600	Branch staff trained to sell Small Business transaction accounts
1,300	Branch staff accredited to sell Wealth products
23,000	Smart Choice Super sales sold through branch network since November 2012 launch
↑ 16%	Growth in Small Business deposit accounts
414,000	Business sales and wealth referrals through branches

Revenue from Retail Products Sold to Commercial Customers

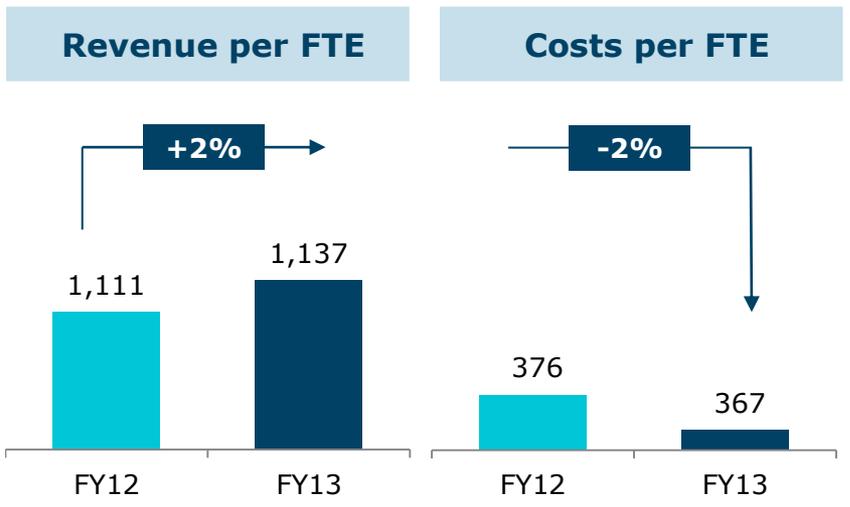


Wealth Products Sold Through Retail Distribution



Corporate & Commercial Banking transformation is enhancing banker productivity

↑ 8%	Growth in cross sell revenue to \$1.3 billion
↑ 20%	Growth in leads to frontline
✓	Establishment of cross border on-boarding team
47	Processes removed from frontline staff
12 to 1	Different product applications consolidated to a single form
12	Products decommissioned



Money Magazine Business Bank of the Year



Best Value Australia Agribusiness

CANSTAR Best Value Australia Agribusiness Award



Financial Insights Innovation Award

FIIA Innovative in Mobile Payments Award 2013



Banking & Payments ASIA TRAILBLAZER AWARDS

CHANNEL EXCELLENCE

Trailblazer 'Channel Excellence in Mobile - Payments' Award 2013

Delivering leading insight and support to help corporate & commercial customers improve their business

#1	No.1 Most Trusted Adviser ¹
\$750 million	Lent to new small businesses in the first 6 months under our \$1 billion pledge
6,000	Monthly customer visits to the Small Business HUB, an online customer portal
✓	Small business customer approval notification via SMS
✓	Simplified application and assessment for new small businesses
✓	Single point of contact for Business Banking servicing

Leading Insights Capabilities

Business Insights

Real-time peer benchmarking tool for small and medium sized business clients



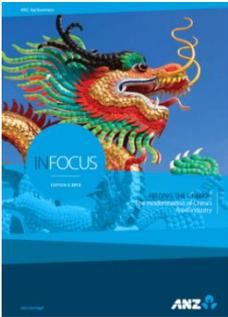
Client Insights

Bespoke strategic industry and customer insight for corporate clients



ANZ Insight Series

A series of client reports covering long-term opportunities and challenges across Asia Pacific



1. Peter Lee Associates 2013 Large Corporate and Institutional Relationship Banking survey Australia

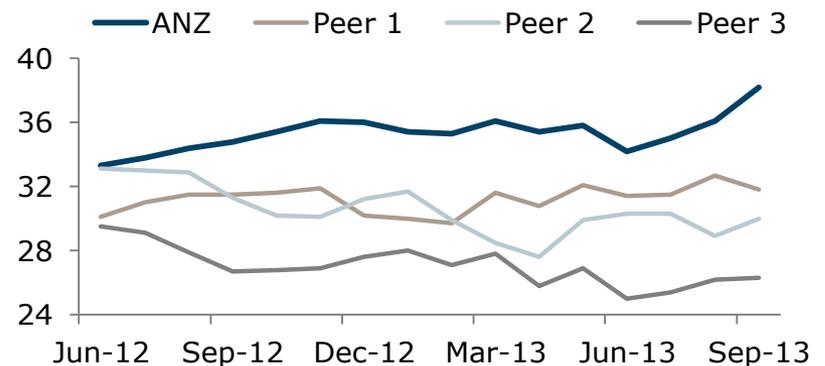
And leveraging our super regional advantage to bring the whole of ANZ to our customers

100%	Relationship Frontline staff with Super Regional training
↑ 45%	Growth in cross-border referrals from Australia
25%	Relationship Frontline staff with hands-on experience in key Asian markets
↑ 30%	Growth in foreign exchange customers
2,500	Customers per week visit anz.com Super-regional site

Super Regional iPad App to facilitate cross-border customer conversations



"Can Service My Business Needs Across Australia, NZ and Asia"¹



1. DBM's Business Financial Services Monitor. Rolling 3 month average, as at Sept-13. Defined as proportion of Commercial Banking customers with \$1m to less than \$40m turnover who associate bank with the statement 'can service my business needs across Australia, NZ and Asia'

A strong domestic franchise is critical to the success of ANZ's Super Regional strategy.



Outperforming the market

- Strongest overall growth of major banks across Home Loans, Deposits and Cards in FY13
- Strong above system lending growth in Corporate & Commercial Banking
- Retail MFI Customer Satisfaction >80%¹ and complaints down 11%



Trained and productive workforce

- CTI down 330bps to 37.5% and revenue per FTE up 7.1%
- Highly trained & engaged workforce with 170k+ hours of frontline sales training



Strong asset quality

- Average risk grade maintained for Corporate & Commercial Banking, with net impaired assets as a % of portfolio reducing 32bps to 1.23% over the year
- Improved Home Loan and Credit Card delinquency rates



Innovative Technology

- Deepening customer reach and loyalty
- Enhancing the customer experience
- Improving frontline productivity



ANZ's Super Regional advantage

- Leveraging our Super Regional advantage to bring the whole of ANZ to our customers

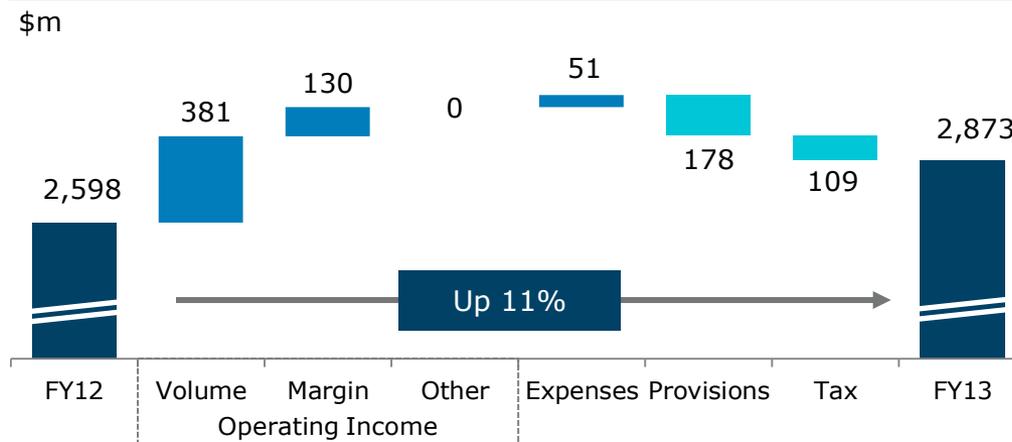
Banking on Australia is delivering

Australia Division 2013 Performance

Financial Highlights – FY13

\$m, 12 months	FY13	v FY12
Operating Income	7,867	7%
Operating Expenses	(2,951)	(2%)
Profit before Provisions	4,916	13%
Provisions	(820)	28%
Net Profit after Tax	2,873	11%
Net Interest Margin (%)	2.53%	Up 5bps
Cost to Income Ratio (%)	37.5%	Down 330bps

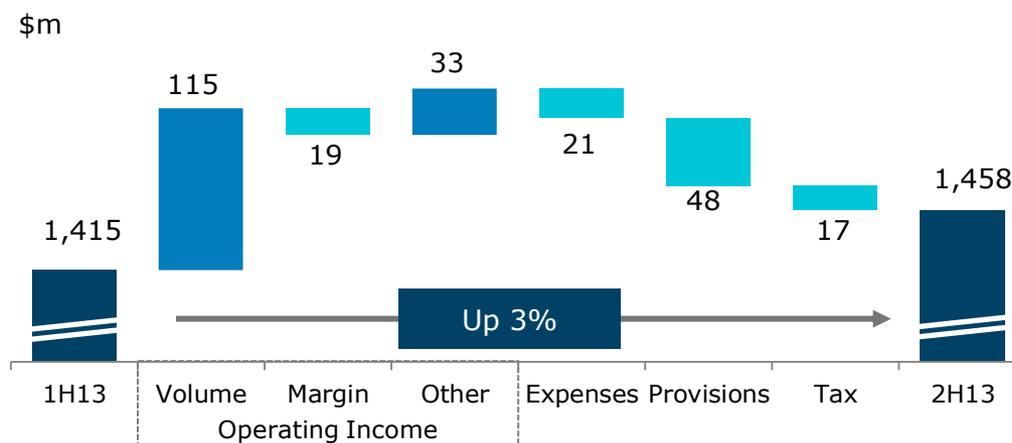
Net Profit after Tax Movement FY13 v FY12



Financial Highlights – 2H13

\$m, 6 months	2H13	v 1H13
Operating Income	3,998	3%
Operating Expenses	(1,486)	1%
Profit before Provisions	2,512	4%
Provisions	(434)	12%
Net Profit after Tax	1,458	3%
Net Interest Margin (%)	2.52%	Down 1bps
Cost to Income Ratio (%)	37.2%	Down 70bps

Net Profit after Tax Movement 2H13 v 1H13

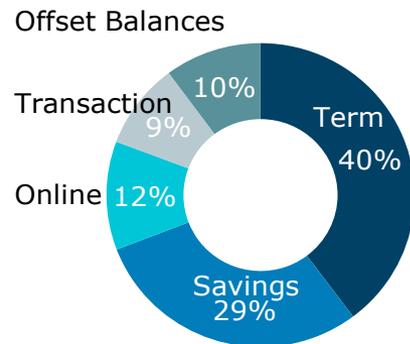


Australia Division 2013 Performance

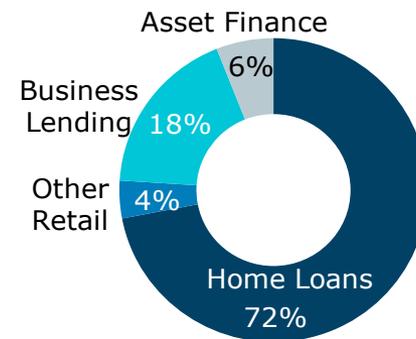
Australia Division Balance Sheet

\$b	Sep 2013	v Mar 2013	v Sep 2012
Customer Deposits	152.4	5%	8%
Retail Deposits	107.0	5%	10%
C&CB Deposits	45.4	4%	5%
Customer Lending	271.6	4%	7%
Home Loan Lending	195.0	4%	7%
Other Retail Lending	11.3	3%	6%
C&CB Lending	65.3	3%	7%

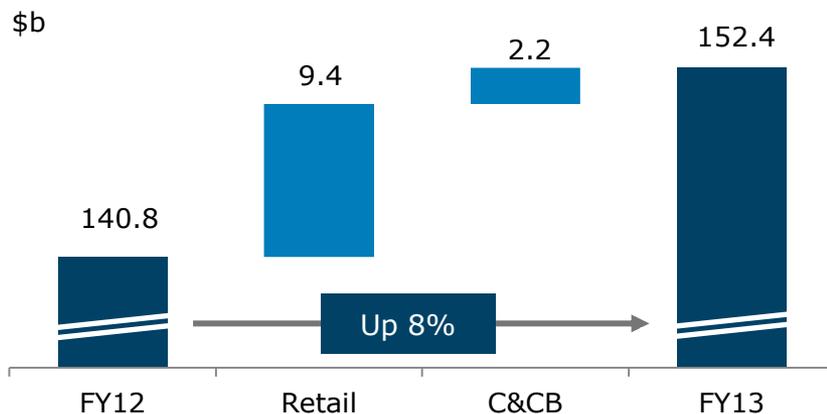
Customer Deposits



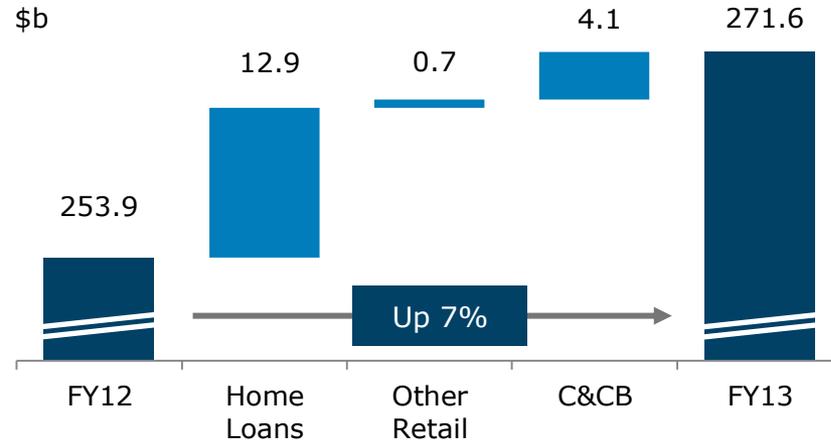
Customer Lending



Customer Deposits Movement Sep 2013 v Sep 2012



Customer Lending Movement Sep 2013 v Sep 2012



13 FULL YEAR RESULTS

AUSTRALIA AND
NEW ZEALAND
BANKING GROUP
LIMITED
29 OCTOBER 2013



International and
Institutional Banking
Division

Building a leading regional bank focused on customer relationships and driven by Trade and Capital Flows

- Leveraging our **strengths in Australia and New Zealand** while **increasing our contribution from Asia**
- Intermediating **Trade and Capital Flows** in the Asia Pacific region
- Diversifying by **customer, geography and product** while using **scalable platforms**
- Tight **risk** discipline, **improving returns**

International & Institutional Banking Division summary

Institutional Banking – Australia & New Zealand

Asia

Global products summary

Financials

Strong business outcomes driven by enhanced focus on target customers and disciplined management

- **Increased Operating Income 2%, NPAT 15% and ROE 82 bps to 12.2^{1,2}**
- **Enhanced focus on target segments:** Financial Institutions, Natural Resources, Global Diversified, Agriculture, Asia Commercial and Asia Retail Affluent
- Maintained **tight cost discipline** with costs down 3% and CTI down 260 bps to 45.2%¹
- **Reduced risk** with percentage of the portfolio that is investment grade up 3% to 78% and the percentage of net assets that are impaired down 37 bps
- **Disciplined balance sheet management** with Loan to Deposit Ratio dropping 1.4% to 67.5%

Note: Growth rates compare FY13 v FY12

1. Excluding the impact of one-off software impairment of AUD162m in 2H12, Costs were up 2% YOY, CTI flat YOY, NPAT up 8% YOY, ROE up 6 bps

2. Calculated on a Basel 3 basis

Disciplined execution of our strategy is driving improved performance

Customer	32%	% Institutional customers dealing with IIB in multiple countries
	 Volume ¹ growth	Strong growth in priority segments – Natural Resources +6%, Global Diversified +9%, Financial Institutions +17%, Asia Commercial +30%, Asia Retail Affluent +31%, Agriculture -13%
	 Customer Acquisition in Asia	Institutional +11%, Affluent Retail +16%, Commercial +19%
Geography	35%	Cross border income ² as a percentage of Institutional customer income
	3x faster	Cross border income growth = 3x Local income growth ³
	48%	FY13 APEA operating income as a percentage of Total IIB operating income - up 12% since FY10
Product	Diversification	FX income represents 41% of Global Markets income growing at a 14% CAGR since FY10
		Trade income represents 13% of Global Institutional income growing at a 18% CAGR since FY10
		Trade volumes growing at 59% CAGR since FY10

Note: Growth rates compare FY13 v FY12 unless specifically stated

1. Volume represents total lending and deposits

2. Represents referred income booked in a jurisdiction different from where a client relationship is managed

3. Income CAGR FY10 – FY13

Financial outcomes - FY13

		Income (\$m)	Expenses (\$m)	PBP (\$m)	NPAT (\$m)	Cost to Income %
IIB Division	FY13	6,564	2,970	3,594	2,430	45.2%
	v FY12 %	+2%	-3%	+7%	+15%	-260bps
Global Institutional	FY13	5,302	2,126	3,176	2,101	40.1%
	v FY12 %	+1%	flat	+2%	+10%	-50bps
Transaction Banking	FY13	1,523	667	856	590	43.8%
	v FY12 %	flat	-3%	+3%	+6%	-169bps
Global Loans	FY13	1,669	399	1,270	752	23.9%
	v FY12 %	-8%	-12%	-6%	+6%	-130bps
Global Markets	FY13	2,110	1,060	1,050	759	50.2%
	v FY12 %	+11%	+8%	+13%	+19%	-112bps
Retail Asia Pacific	FY13	746	655	91	47	87.8%
	v FY12 %	+4%	-2%	+69%	-22%	-485bps
Asia Partnerships	FY13	403	7	396	398	n.a
	v FY12 %	+16%	-13%	+17%	+16%	n.a

Strong customer relationships

Source	Performance Indicator	2013 Rank	2012 Rank
Australia			
Peter Lee Associates ¹	Overall Market Penetration	Tied for 1 st	2
	Relationship Strength Index	2	2
New Zealand			
Peter Lee Associates ²	Overall Market Penetration	1	1
	Relationship Strength Index	1	1
Asia Pacific			
Greenwich Associates ³	Overall Market Penetration	4	5
	Greenwich Quality Index ⁴	Tied for 1 st	Tied for 10 th
Asiamoney ⁵	Overall FX Services voted by Financial Institutions	1	2
	FX Services voted by Corporates	4	5
	FX Options voted by Financial Institutions	2	1

Sources:

1. Peter Lee Associates 2013 Large Corporate and Institutional Relationship Banking survey Australia
2. Peter Lee Associates 2013 Large Corporate and Institutional Relationship Banking survey NZ
3. Greenwich Associates 2012 Large Corporate Banking survey Asia (Note that results for the 2013 survey will be made available at the end of 2013)
4. Greenwich Quality Index is based on overall relationship quality
5. Asiamoney, 2013

Diversification by customer

Customer Value Proposition

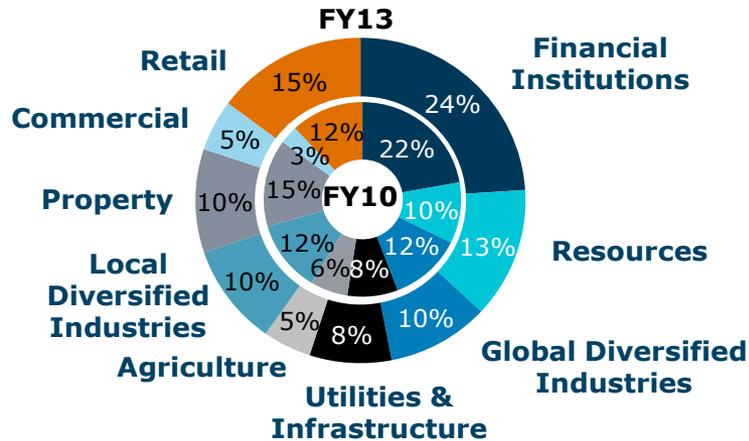
Institutional: International connectivity, insights, strong balance sheet and consistency of relationship to deliver flow and value added solutions

Asia Pacific Commercial: Seamless connectivity to customers targeting those with cross border needs

Asia Pacific Retail: Banking and wealth solutions focussed primarily on affluent and emerging affluent customers

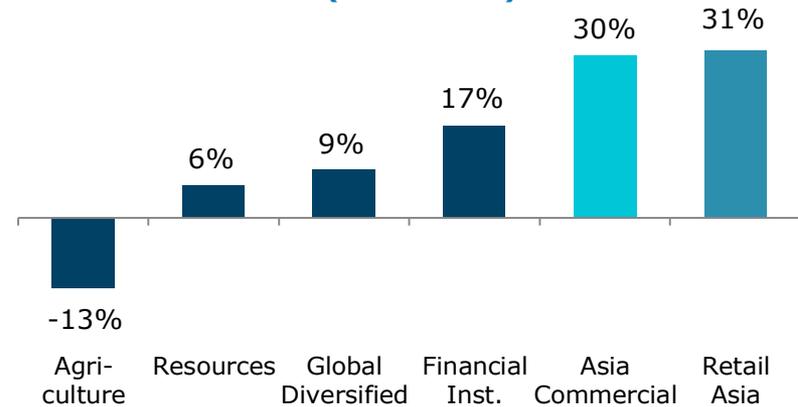
Growing priority customers

Income by Customer Segment (FY10-FY13)



Growing volume with target customers

Volume Growth¹ (FY12-FY13)



- **Financial Institutions** - capital, portfolio management, liquidity & transactional banking solutions
- **Resources** - specialist banking products and services
- **Global Diversified Industries** – financial and capital management solutions to clients across a range of global industries
- **Commercial** – solutions, insights and banking support to corporates with cross border needs
- **Retail** – banking solutions and advisory capabilities for affluent and emerging affluent customers

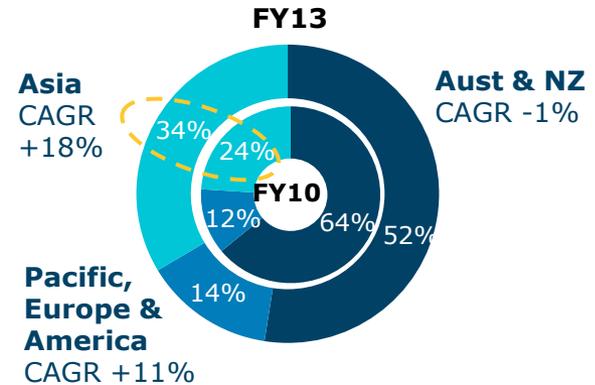
1. Volume reflects total lending and deposits on a constant currency basis

Diversification by geography and product

Geography	Accessing fast growing Asia: 18% CAGR in Asia IIB income over last three years ¹
Product	Diversifying income to create greater resilience against changing economic cycles
Income Mix	Lowering balance sheet intensity and delivering improved capital efficiency

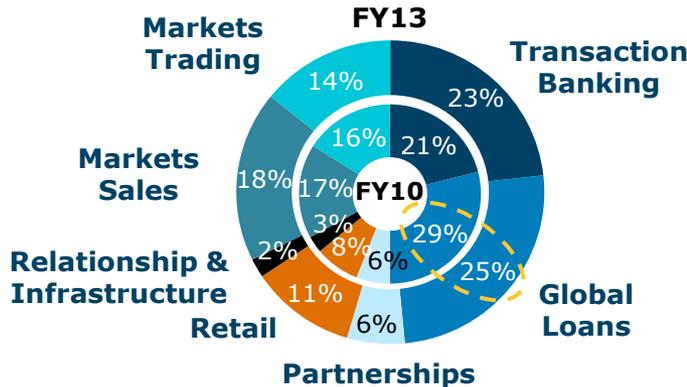
Income by Geography

Income by Geography (FY10-FY13)



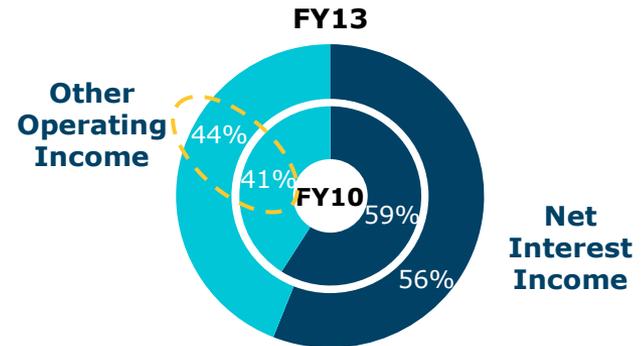
Income by Product

Income by Product (FY10-FY13)



Income Mix

Income Composition (FY10-FY13)



1. CAGR calculated using AUD

Cross border income is 35% of Institutional customer revenue - 3x faster growth than domestic

Domestic Institutional		Cross Border ¹ Institutional	
\$0.5 billion	FY13 cross sell of Institutional products into Commercial Australia & NZ	\$1.6 billion	FY13 cross border income
5% CAGR²	Local income growth	15% CAGR²	Cross border income growth with 43% CAGR ² in Intra Asia Referrals
 6%	Domestic lending growth	 18%	Cross border lending growth
14%	% Top 100 Institutional customers ³ banked in one country	86%	% Top 100 Institutional customers ³ banked in multiple countries

Note: Growth rates compare FY13 v FY12 unless specifically stated

1. Cross border business represents income booked in a jurisdiction different to where a client relationship is managed

2. Income CAGR FY10 – FY13

3. Top 100 Institutional customers by FY13 income

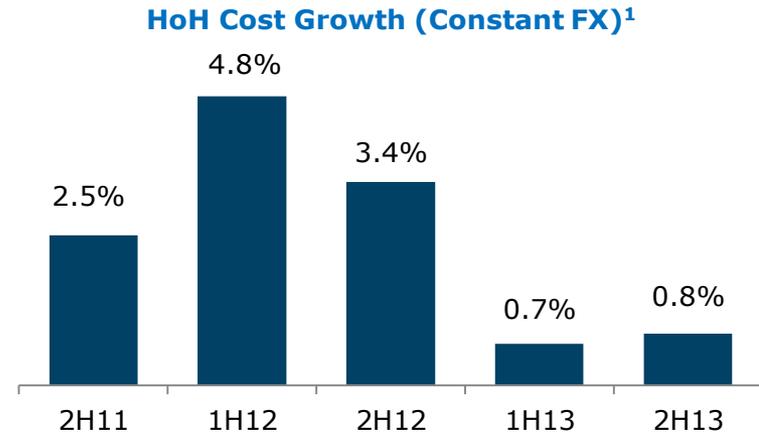
Productivity gains enabling focused investment spend

JAWs Flat Delivered flat JAWs YOY

Costs up 1% HOH Driving efficiency by leveraging Global Hubs

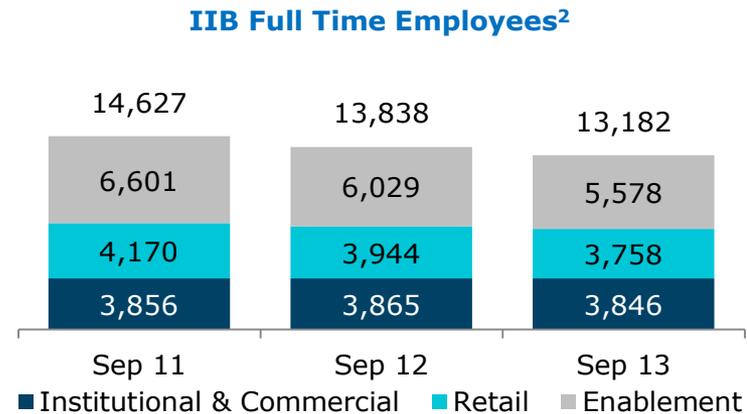
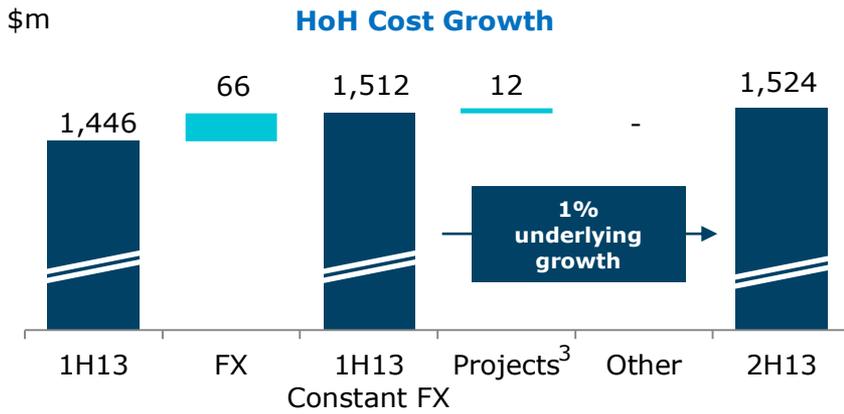
\$88m Incremental spend in FY13 In Technology and front line coverage

Strong productivity outcomes



Very modest HoH growth from projects

Managing FTE whilst selectively investing

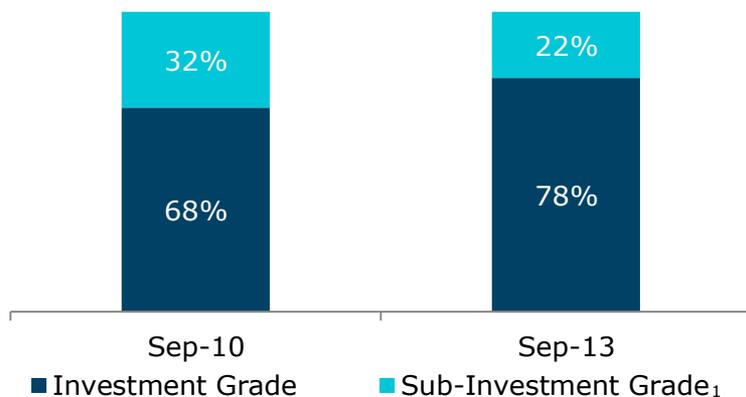


1. 2H12 figures exclude one-off Software impairment of AUD162m
 2. Includes contract employees
 3. Includes Asian Core Banking Engine, Transactive and compliance projects

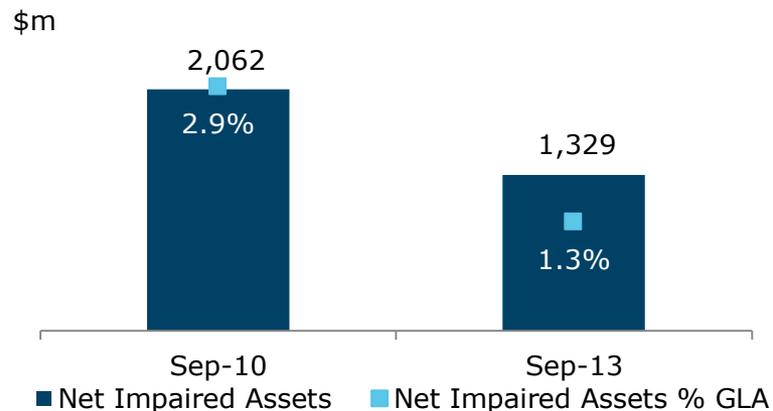


Institutional - A higher quality balance sheet

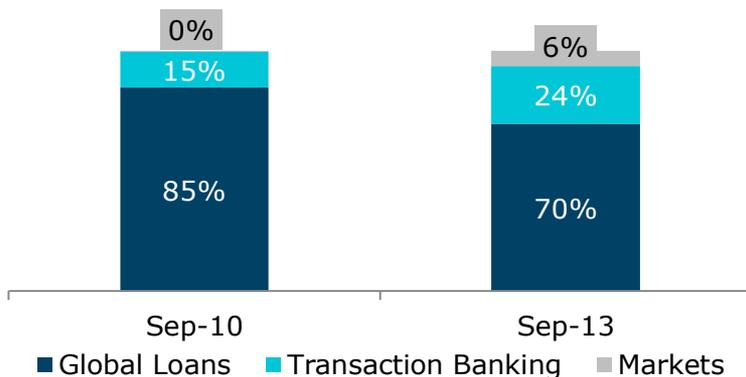
Institutional Risk Grade Profile by Exposure at Default



Net Impaired Assets



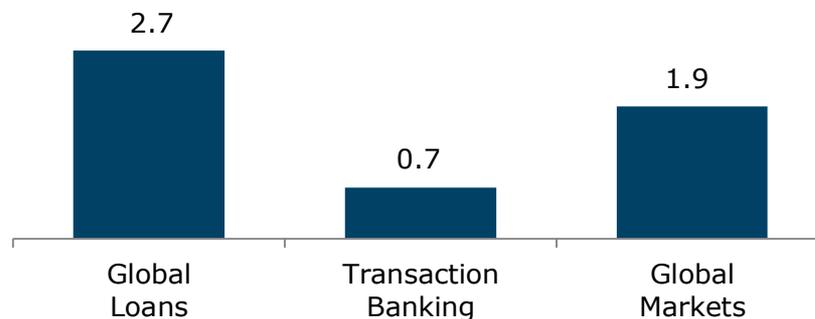
Lending Composition



Tenor by Exposure at Default

FY13 Avg. Tenor (years)

48% of portfolio has a tenor <1 year



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

International & Institutional Banking Division summary

Institutional Banking – Australia & New Zealand

Asia

Global products summary

Financials

Reshaping the Australia & New Zealand Institutional businesses

- Improving **customer relationships** in **target growth segments**: Financial Institutions, Natural Resources, Agriculture, Global Diversified
- **Maximising cross sell** of flow and value added products within our customer base
- **Intensifying connectivity with Asia** with a focus on increasing “throw” business¹
- **Maintaining cost discipline**
- **Improving risk profile**

A market leading Australian and New Zealand Institutional business

FY13 Performance: NPAT up 12% to \$1.46 billion

Market Position^{1,2}

**Australia
#1**

Market Penetration (equal)

Trusted Adviser

Relationship Capability

Lead Trade Bank

Loan Syndications (MLA and Bookrunner)³

USPP and MTN's both in Corporate Market

Australian Mandated Arranger and Bookrunner - Project Finance

**New Zealand
#1**

Market Penetration

Lead Bank Penetration

Relationship Strength

Corporate and Frequent Issuer Bonds

Note: Growth rates compare FY13 v FY12

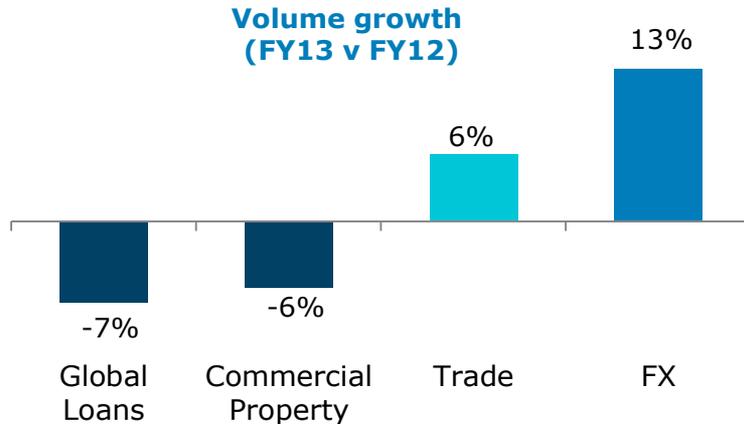
1. Source: Peter Lee Associates 2013

2. Source: Thompson Reuters

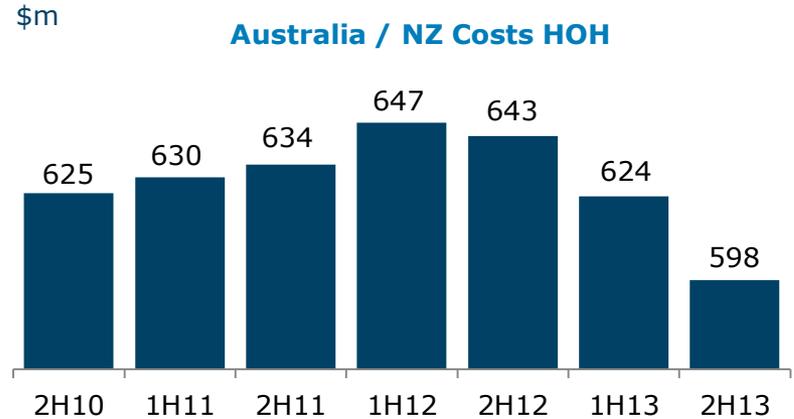
3. Source: Bloomberg (including self led)

Re-shaping the Australia and New Zealand Institutional businesses

Shifting business mix with a greater focus on flow and value added products

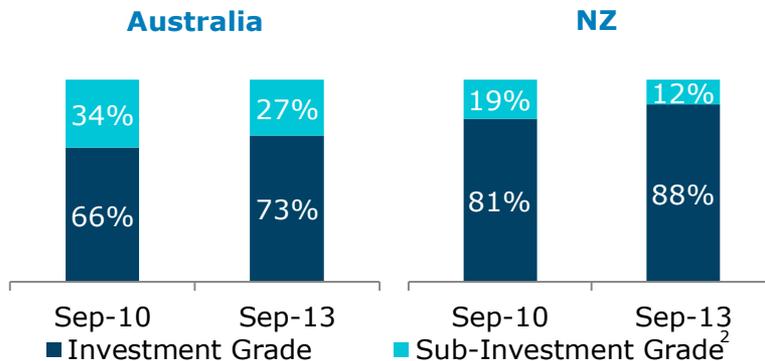


Maintaining cost discipline with costs down 5% YOY¹



Improving risk profile

Institutional Aus/NZ Risk Grade Profile by Exposure at Default



Greater connectivity and cross sell



Note: Growth rates compare FY13 v FY12

1. Costs exclude 2H12 software impairment of \$66m

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

International & Institutional Banking Division summary

Institutional Banking – Australia & New Zealand

Asia

Global products summary

Financials

Growing in Asia

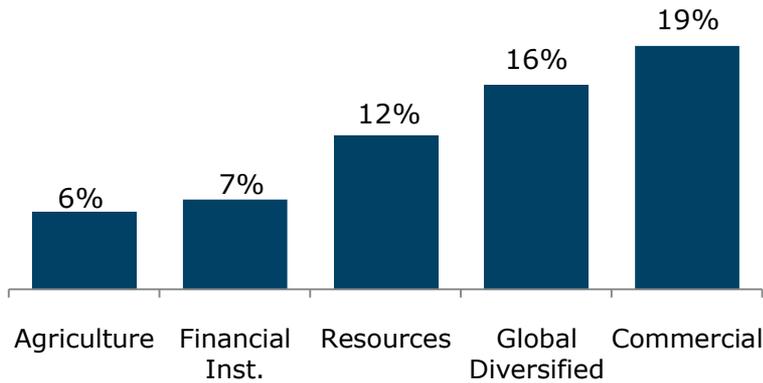
We continue to build our Asia business by:

- Intermediating the fast growing **Trade and Capital Flows** in the region
- **Focusing on our target segments** of Financial Institutions, Natural Resources, Global Diversified, Agriculture, Asia Commercial, Asia Retail Affluent
- **Expanding our products** delivering strong capabilities in Trade, FX and Debt Capital Markets
- **Increasing cross sell**, including Markets and Trade products to our Commercial customers
- **Building liquidity** through our retail business and **strengthening our brand** across the region

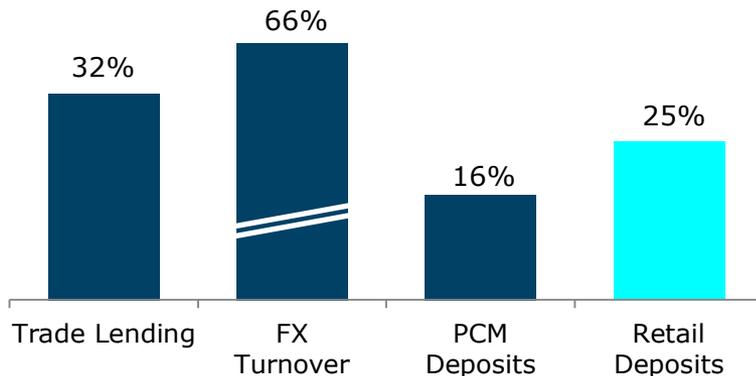
A top 4 Corporate Bank in Asia with a growing customer base

Growing our customer base and volume in key products

Growth In Asia Customer Numbers By Segment (FY13 v FY12)

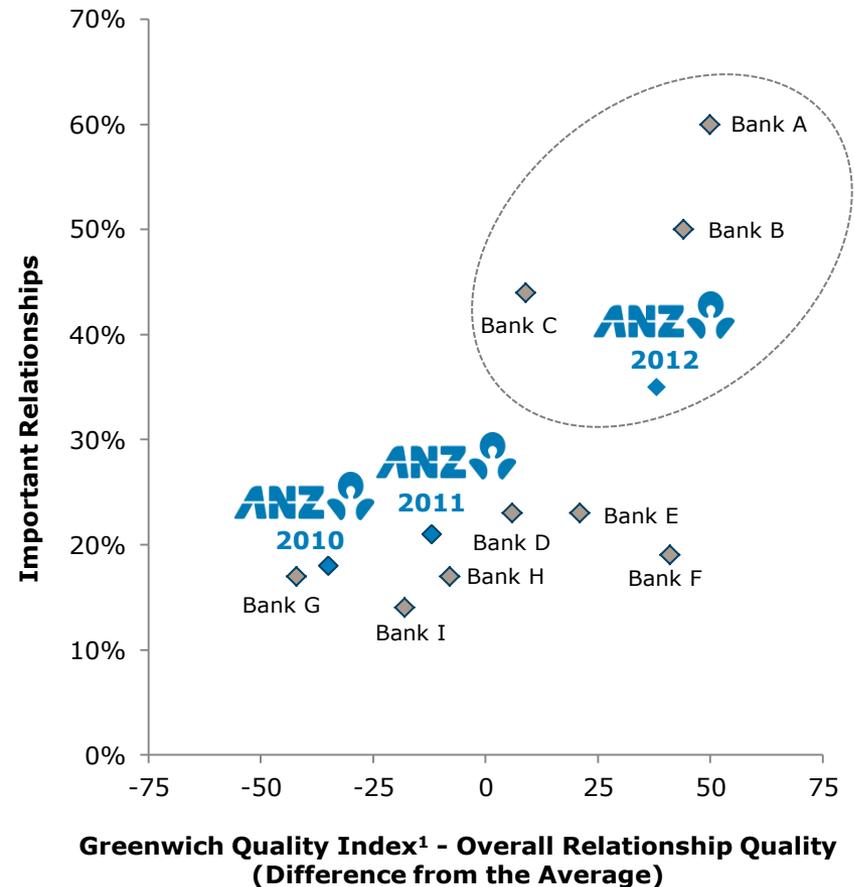


Asia Volume Growth (FY13 v FY12)



A top 4 Corporate Bank in Asia

Greenwich Associates Large Corporate Survey Overall Relationship Quality

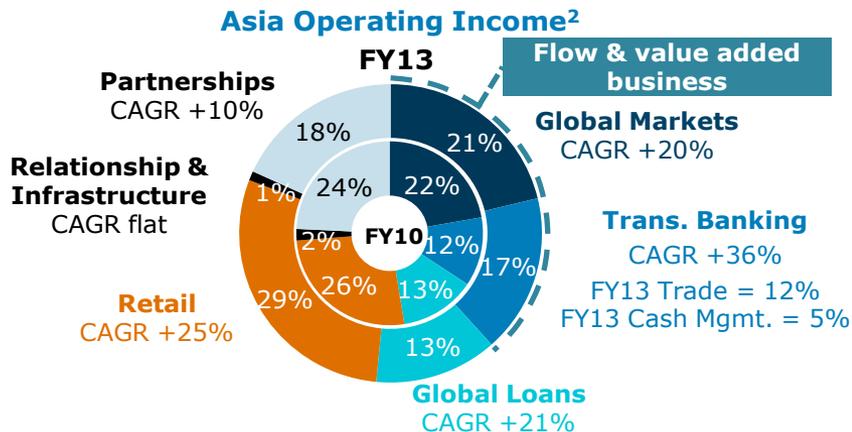


1. The Greenwich Quality Index score is based upon a normalized composite of all qualitative evaluations transformed to a scale of 0 to 1,000 with the difference from the average shown. Note: Cross-pairs are calculated by the average of the banks shown in graph.

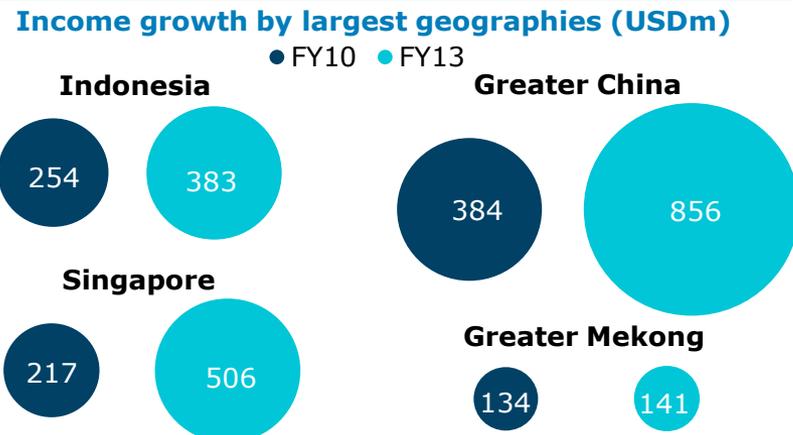
Asian business growing in line with strategy

FY13 Performance: NPAT up 45% to USD0.6 billion¹

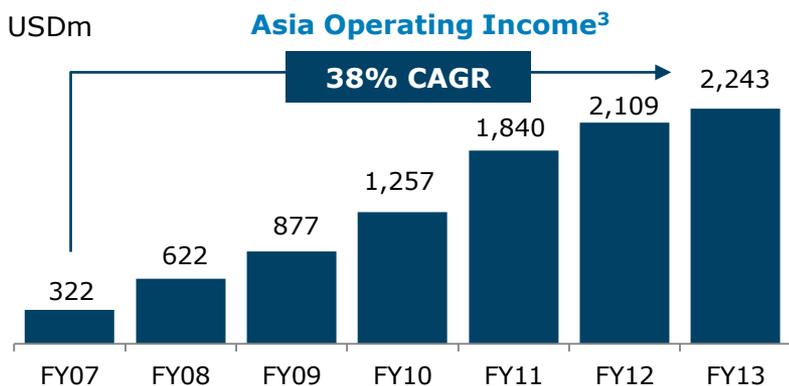
Growing flow and value added products



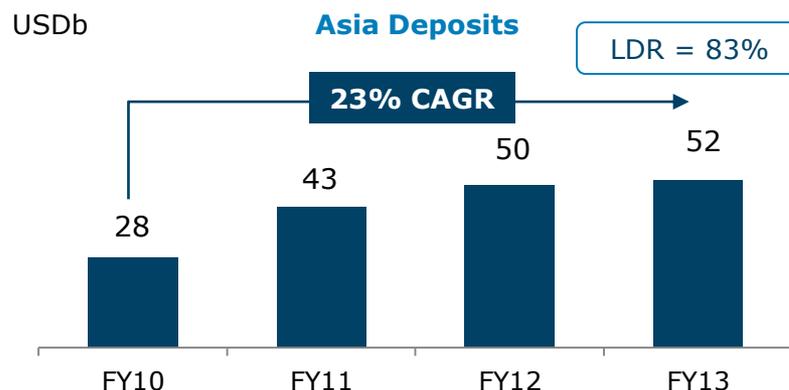
Gaining momentum across the region



Delivering strong growth



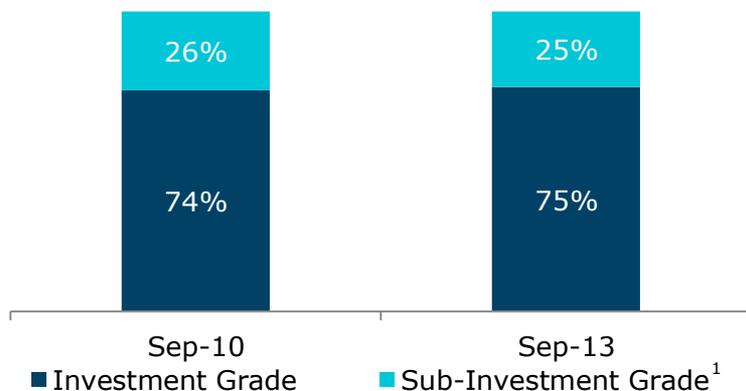
Realising liquidity advantages



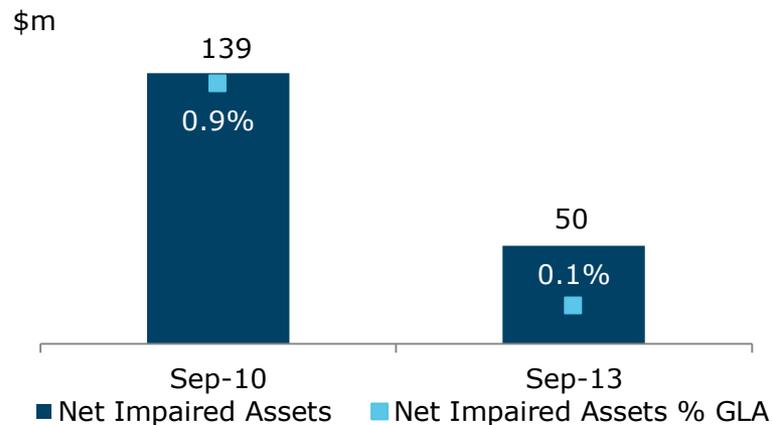
1. NPAT up 19% if adjusted for software impairment on a USD basis
 2. FY10-13 CAGR in USD
 3. Includes Asia Private Bank

Asia Institutional balance sheet – Shorter tenor

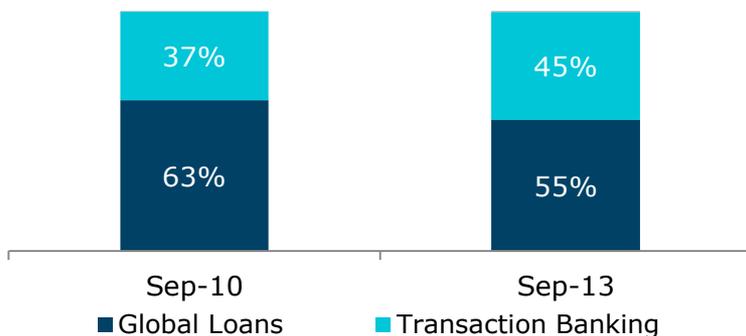
Institutional Asia Risk Grade Profile by Exposure at Default



Net Impaired Assets



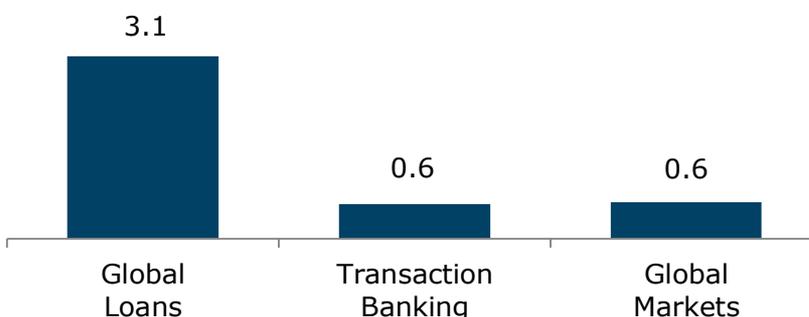
Lending Composition



Tenor by Exposure at Default

FY13 Avg. Tenor (years)

74% of portfolio has a tenor <1 year

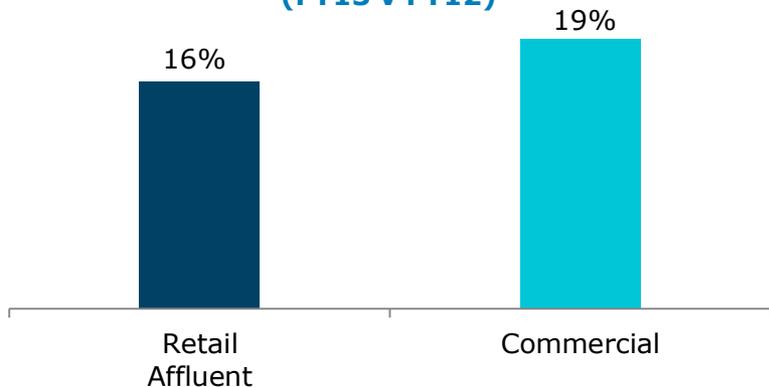


1. Sub-investment grade defined as exposures with a rating below BBB-

Asia Pacific Commercial and Retail

Ongoing customer acquisition in Asia

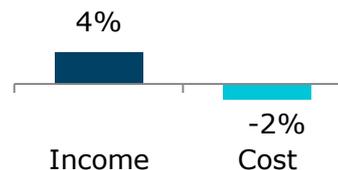
Active Customer Growth (FY13 v FY12)



Growing with positive JAWS (FY13 v FY12)

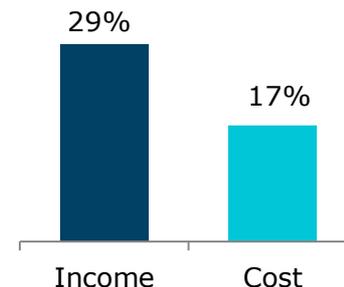
Retail

JAWs +6%



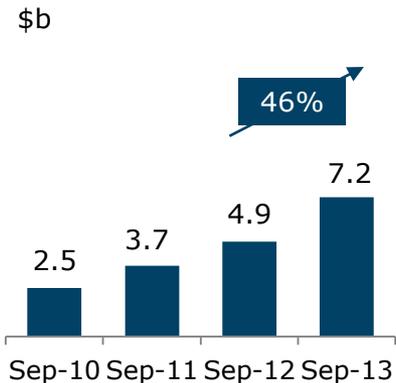
Commercial

JAWs +12%

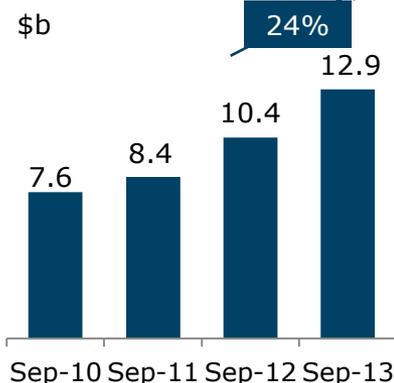


Retail: A source of liquidity

Lending



Deposits



Commercial Asia: Institutional product cross sell to Commercial customers

Commercial Asia cross sell income growth (FY13 v FY12)



87% of Commercial income is generated from markets, cash and trade

Note: Growth rates compare FY13 v FY12

International & Institutional Banking Division summary

Institutional Banking – Australia & New Zealand

Asia

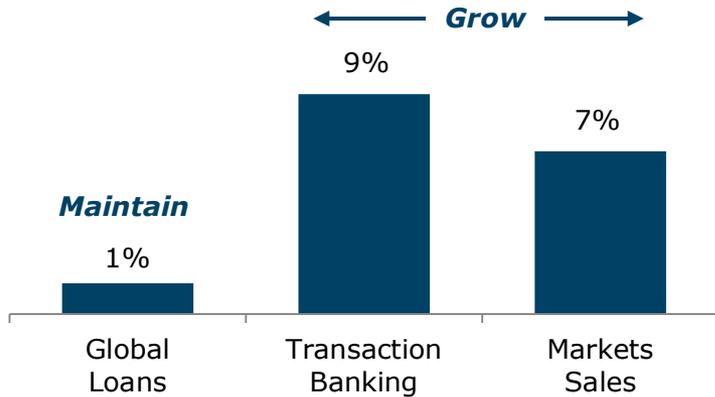
Global products summary

Financials

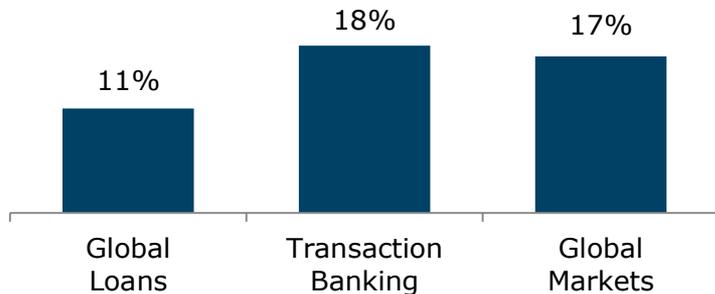
Growing faster in higher return products

Growing higher return flow and value added products

Revenue Growth by Product (FY10-FY13)

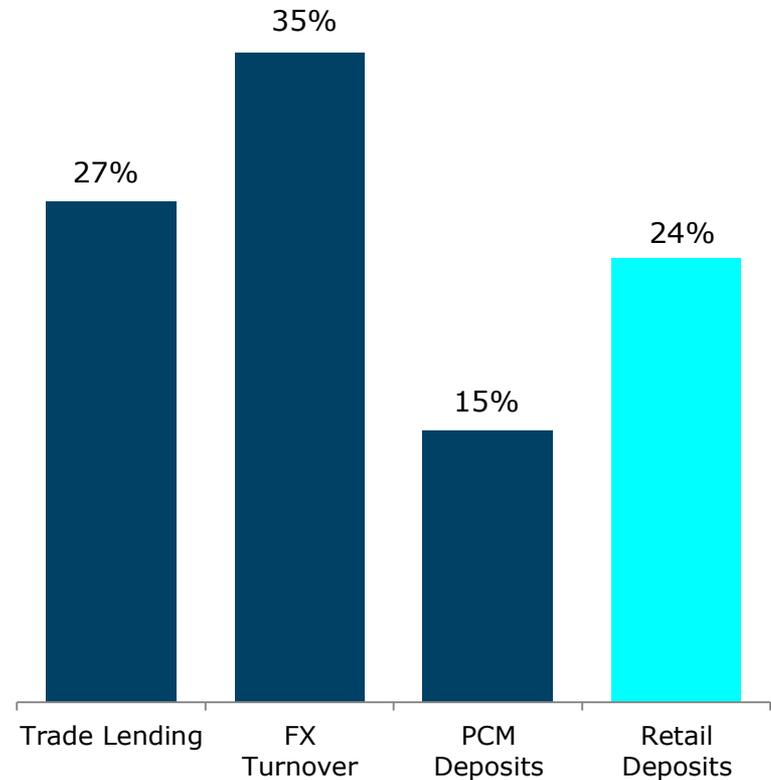


FY13 Return on Equity (Regulatory Capital Basel 3¹)



Growing volume

IIB Volume Growth (FY12-FY13)



1. Capital calculated in accordance with APRA Standards, and represents Average Basel 3 RWA plus Capital Deductions

Transaction Banking

Trade & Supply Chain

Asia Expansion

Franchise expansion into Asia has driven volumes and income growth

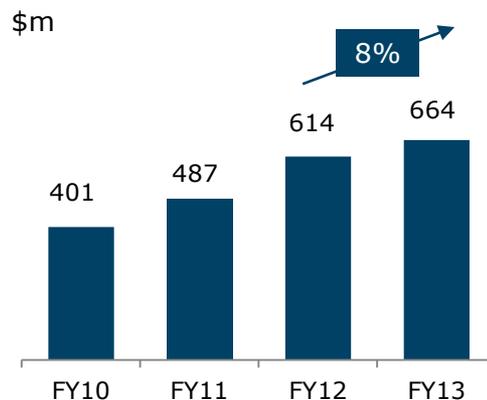
Customer Segments

75% of Assets with Financial Institutions, Resources and Global Diversified. 60% of assets are Intra-Asia trade

Strong Market Position

#1 in Australia and NZ¹
Rapid growth in Asia, now ranked #5 in the region²

Income



Net Lending Assets



Payments & Cash

Self funded

Provided ~\$50b in surplus deposits after self funding low risk trade assets

Strong Deposit Growth

Deposit growth assisting to offset margin impact from low base rate environment

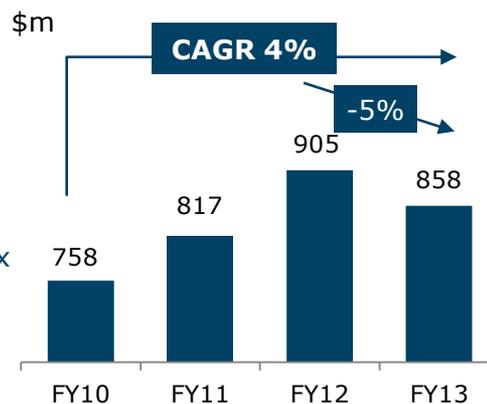
Asian Income Growth

9% growth in Asia revenue driven by increased volumes and better quality funding mix

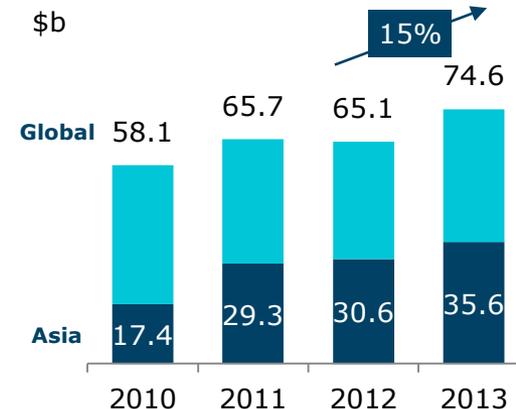
Transactive Asia

Coverage to be extend beyond existing 5³ markets to Taiwan, India, Philippines and China in 2014

Income



Deposits



1. Global Finance Magazine, 2012 Best Trade Finance Banks
2. Greenwich Associates, 2013 Asian Large Corporate Trade Finance Survey
3. Existing deployment includes Singapore, Hong Kong, Vietnam, Cambodia and Japan (Liquidity only)

Trade a key driver of returns

What Customers Want

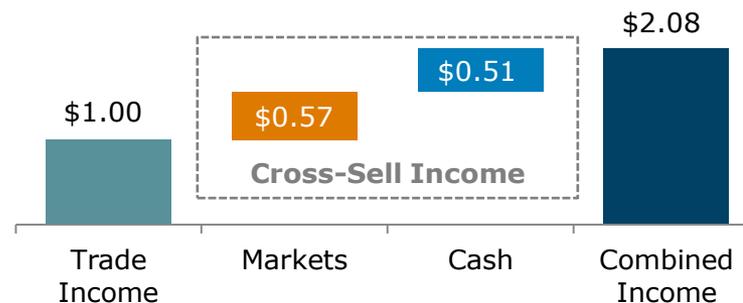
- ✓ On the ground presence
- ✓ Risk and liquidity appetite
- ✓ Processing expertise

What ANZ Likes

- ✓ Quality multinational customer base
- ✓ Short duration
- ✓ Cross-sell income

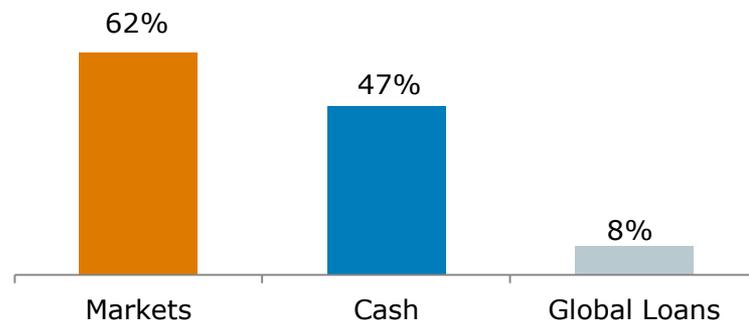
Natural cross sell product for Cash and Markets

For every \$1 of Trade income we generate additional Cross Sell of \$1.08¹



Strong utilisation by new to bank Trade led customers

% of cross sold products that new to bank trade led customers used over past 30mths (as at Sep 2013)



1. Trade led customers using Markets and Payments & Cash Management Products

Global Markets

Increased & Diversified Earnings

↑ 11%

Markets income growth - FX income up 14% YOY

↑ 28%

Trading income on the back of client flows and improved execution capabilities

Expanded Asia Footprint

24%

Contribution to Global Markets sales from Asian clients

#1

Overall FX Services voted by Financial Institutions¹

#1

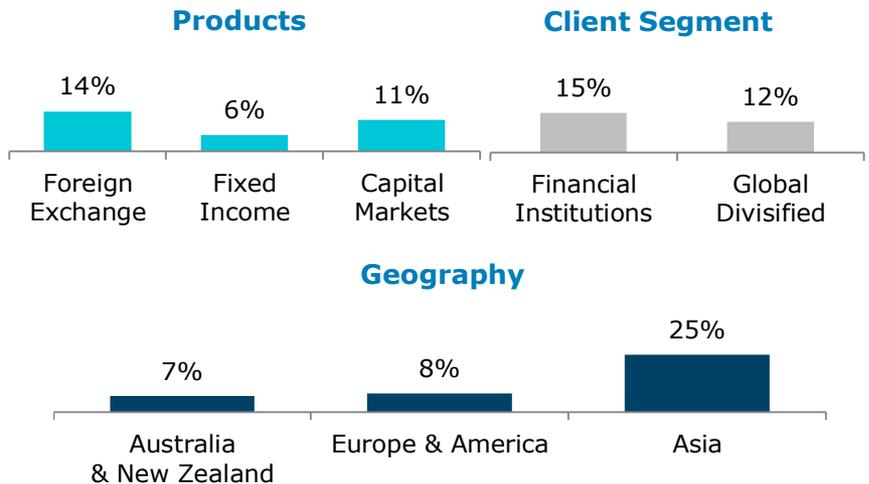
Regional Best Sales Service in Interest Rate Derivatives – G10¹

Enhanced Risk Systems Framework

↑ 16%

Improvement in Traded Income/\$ VAR to global best practice levels driven by a strong risk framework

Global Markets income growth by product, client and geography (FY13 v FY12)



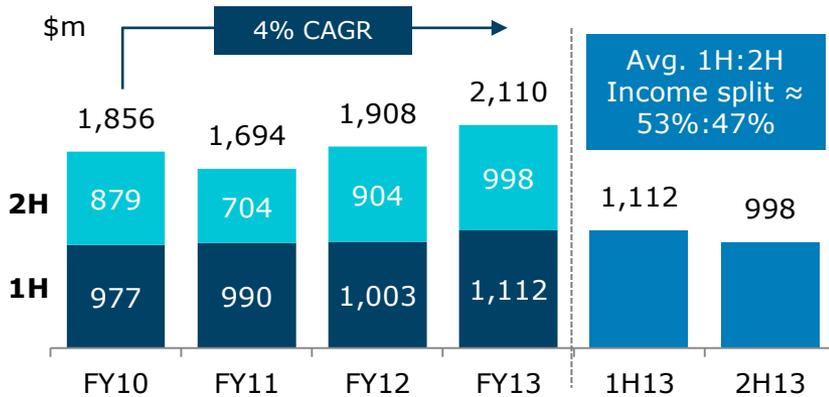
An improved risk profile



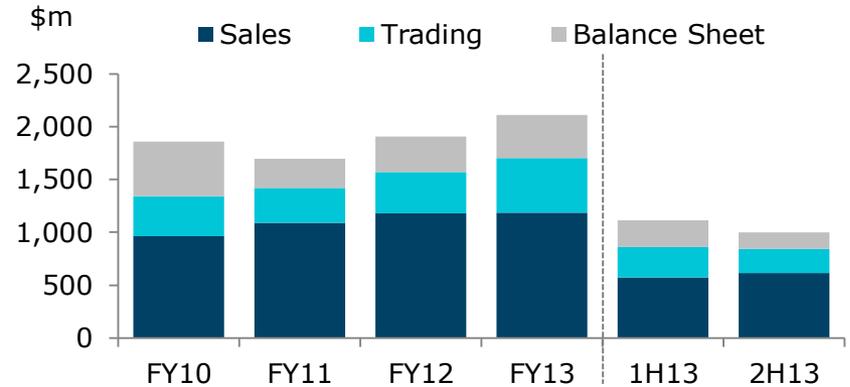
1. Asiamoney FX & FI polls 2013

Global Markets showing consistent growth while building out capabilities in core franchise products

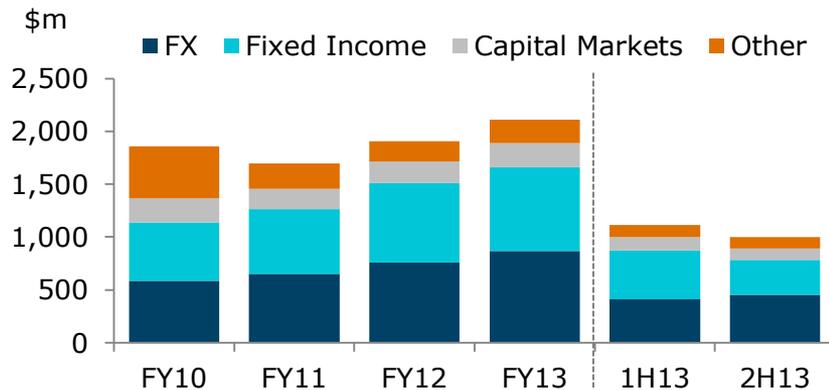
Global Markets Income



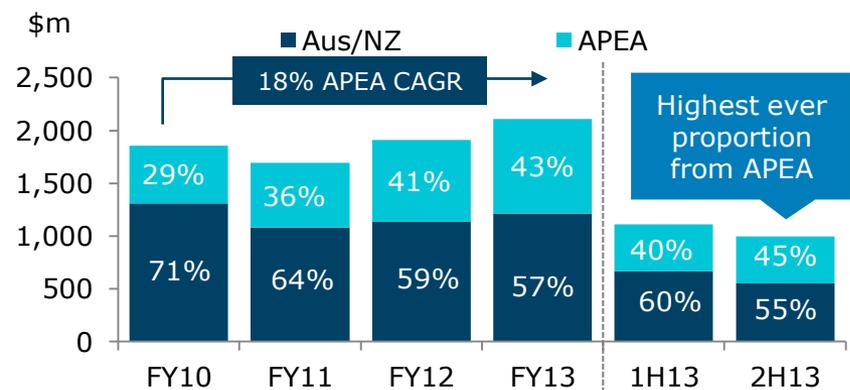
Global Markets Income by Type



Global Markets Income by Product



Global Markets Income by Geography



Maintaining a lead position with our customers

Capital Markets League Tables

Loan Syndications

Category	Volume USDb	% mkt	No. Issue	3Q13 Rank
Australia (MLA)	9.2	18	81	1
Australia (Bookrunner)	6.1	27	21	1
Asia-Pacific ex-Japan (MLA)	17.3	6	186	3
Asia Pacific ex-Japan (Bookrunner)	10.8	7	51	3
Asia Pacific ex-Japan G3 Currency Loans (Bookrunner)	4.8	8	27	1

Source – Thomson Reuters LPC and Dealogic

Bonds

Category	Volume USDb	% mkt	No. Issue	3Q13 Rank
Australia	11.9	13	61	2
New Zealand	2.9	34	30	1
Asia Pacific ex-Japan	15.8	3	108	11

Source – Bloomberg (including self led)

Build out of Global Markets capabilities in Asia showcases implementation of super regional strategy

FX Options - built out product capability (e.g. CNY/CNH) in conjunction with intensive marketing to Asian Corporate & Commercial client segment in particular

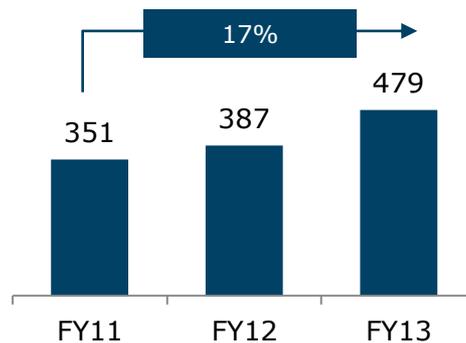
Local Markets – Asian government bond inventory and distribution to investor clients. Significantly better market share in bonds & rates, building Asian currency FX flow from asset managers and Sovereign Wealth Funds & Central Banks

Credit - Added local Loan Syndications capability in Indonesia and Japan. Significantly enhanced USD DCM credentials in Asia, volume up ~300% YoY. Largest term loan facility in Asia (\$8b Alibaba), 40% of DCM and Loan Synd. revenues from Asia

Commodities - Scaling up Precious Metals business, established ANZ as key player in physical gold in China. Opened Gold vault facility in Singapore, diversifying into structured solutions in coal, iron ore, etc, connecting the producers and consumers in our footprint



Global Markets Asia Income (\$m)



EUROMONEY

FX POLL

BEST FOR ASIAN TIMEZONE CLIENT SERVICE
2012 - 2013

AsiaRisk

Commodity Rankings

BEST FOR GOLD
2012 & 2013

ASIAMONEY

FX POLL

BEST FOR OVERALL FX SERVICES
2013
Voted by Financial Institutions

KangaNews

FIXED INCOME RESEARCH POLL

NO. 1 BEST MACROECONOMIC RESEARCH AND ANALYSIS
2013

APLMA

APLMA SYNDICATED LOAN AWARDS

ASIA PACIFIC SYNDICATED LOAN HOUSE OF THE YEAR
2012

Shanghai Gold Exchange

BEST MARKET MAKER
2011 - 2013

International & Institutional Banking Division summary

Institutional Banking – Australia & New Zealand

Asia

Global products summary

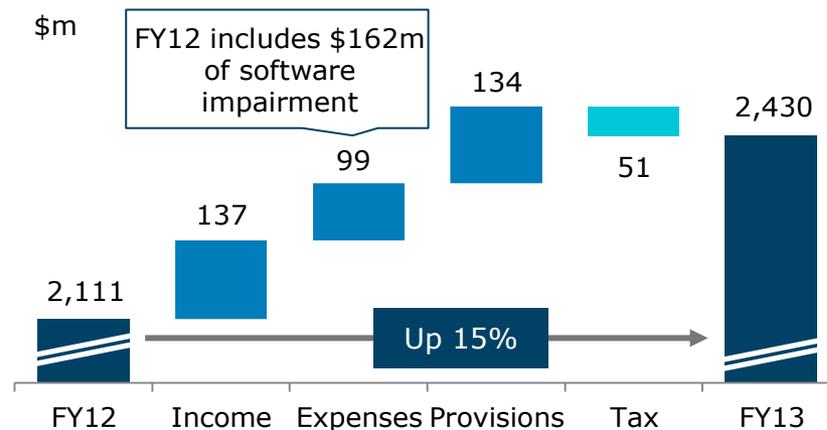
Financials

IIB Division 2013 Performance

Financial Highlights – FY13

\$m	FY13	v FY12
Operating Income	6,564	2%
Operating Expenses	(2,970)	(3%)
Profit before Provisions	3,594	7%
Provisions	(317)	(30%)
Net Profit after Tax	2,430	15%
Net Interest Margin ex. Markets (%)	2.69%	-41bps
Cost to Income Ratio (%)	45.2%	Down 254bps

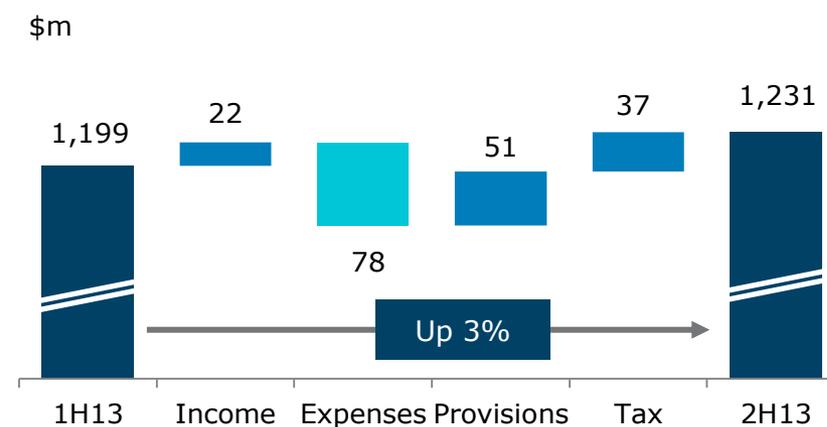
Net Profit after Tax Movement FY13 v FY12



Financial Highlights – 2H13

\$m	2H13	v 1H13
Operating Income	3,293	1%
Operating Expenses	(1,524)	5%
Profit before Provisions	1,769	(3%)
Provisions	(133)	(28%)
Net Profit after Tax	1,231	3%
Net Interest Margin ex. Markets (%)	2.61%	-16bps
Cost to Income Ratio (%)	46.3%	Up 210bps

Net Profit after Tax Movement 2H13 v 1H13

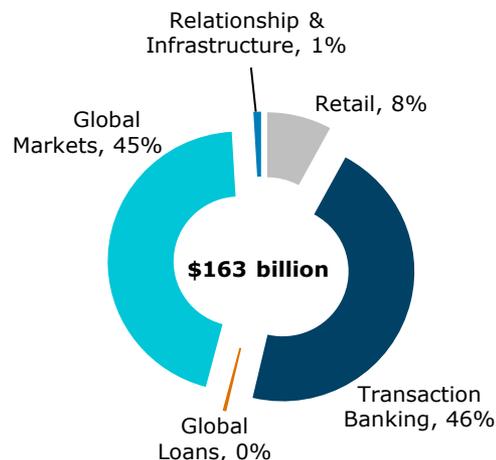


IIB Division 2013 Performance

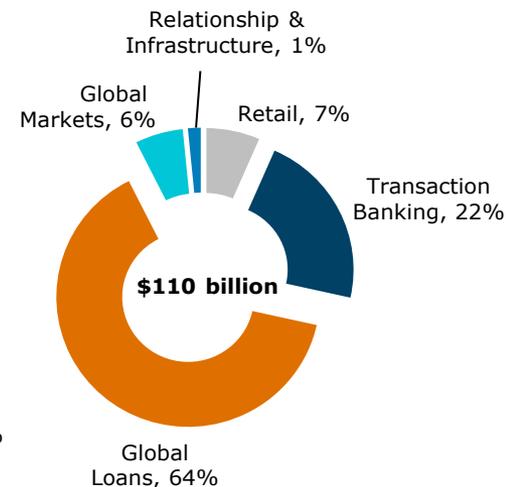
IIB Division Balance Sheet

\$b	Sep 2013	v Mar 2013	v Sep 2012
Customer Deposits	163.2	7%	14%
Retail	12.9	18%	24%
Global Institutional	148.7	7%	14%
Transaction Banking	74.6	19%	15%
Global Loans	0.7	1%	-14%
Global Markets	73.3	-4%	13%
Relationship & Infrastructure	1.5	8%	-1%
Customer Lending	110.1	7%	12%
Retail	7.2	27%	46%
Global Institutional	101.2	6%	10%
Transaction Banking	24.1	9%	27%
Global Loans	70.6	4%	4%
Global Markets	6.5	13%	16%
Relationship & Infrastructure	1.7	27%	56%

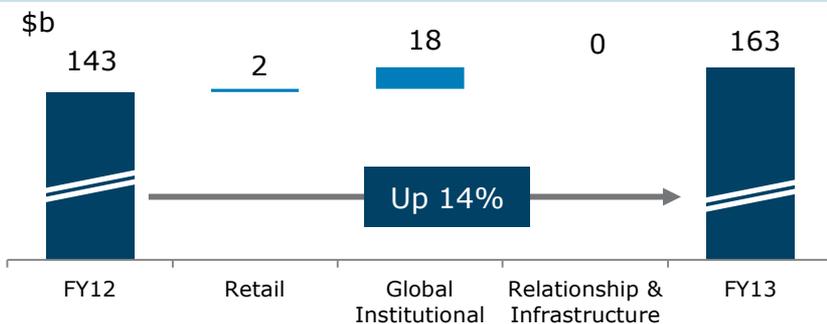
Customer Deposits



Customer Lending



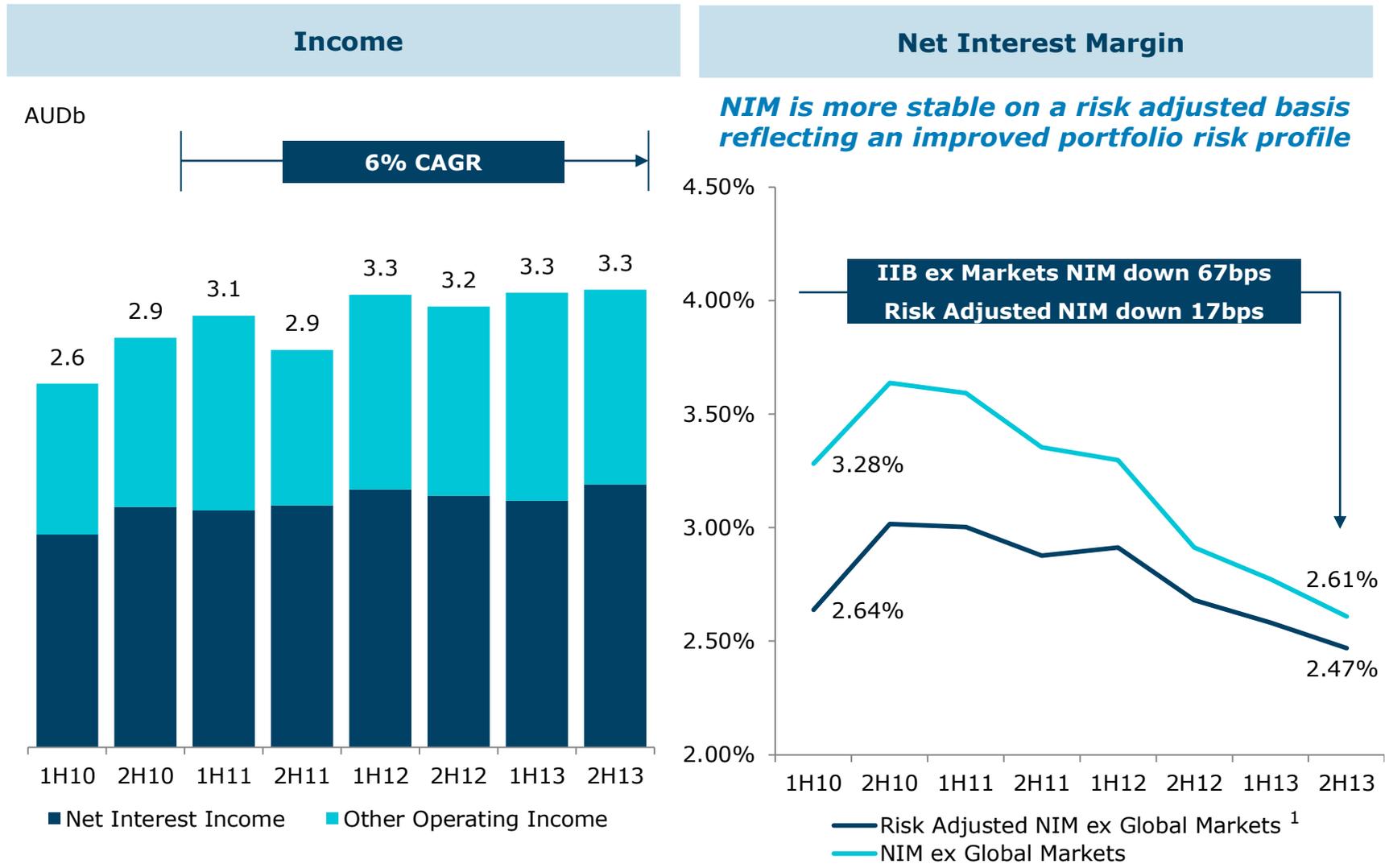
Customer Deposits Movement Sep 2013 v Sep 2012



Customer Lending Movement Sep 2013 v Sep 2012



Diversification of income and more stable risk adjusted margins



1. Risk Adjusted NIM represents NII/CRWA

13 FULL YEAR RESULTS

AUSTRALIA AND
NEW ZEALAND
BANKING GROUP
LIMITED
29 OCTOBER 2013



New Zealand Division

A strong domestic franchise in New Zealand is critical to the success of ANZ's Super Regional strategy

The New Zealand strategy is focused on:

- Delivering a **better banking experience** for our **customers by simplifying the business** (products, processes and systems)
- Delivering **scale benefits** and driving **improved efficiency** and **returns**
- Growing **market share** in target segments

Our strategy has been to significantly simplify and focus our business to create scale

Create Scale
2010 - 2013

Leverage Scale
2013-2016

Scale advantage
2017+

	2010	2012	2013	2017+
Systems	2	1	1	1
Brands	2	1	1	1
Brand Consideration¹	27%	32%	39%	Market leading
Staff engagement	64%	74%	76%	Best practice
CTI – NZ Geography²	49.1%	47.7%	42.5%	Market leading
CTI – NZ Division²	48.4%	50.6%	43.1%	Market leading
Cash profit NZDm²	545	827	1,068	

- Brought together 2 brands as ANZ
- Moved to 1 core banking system
- Created 1 management structure
- Simplified and moved to a single set of policies, processes and products

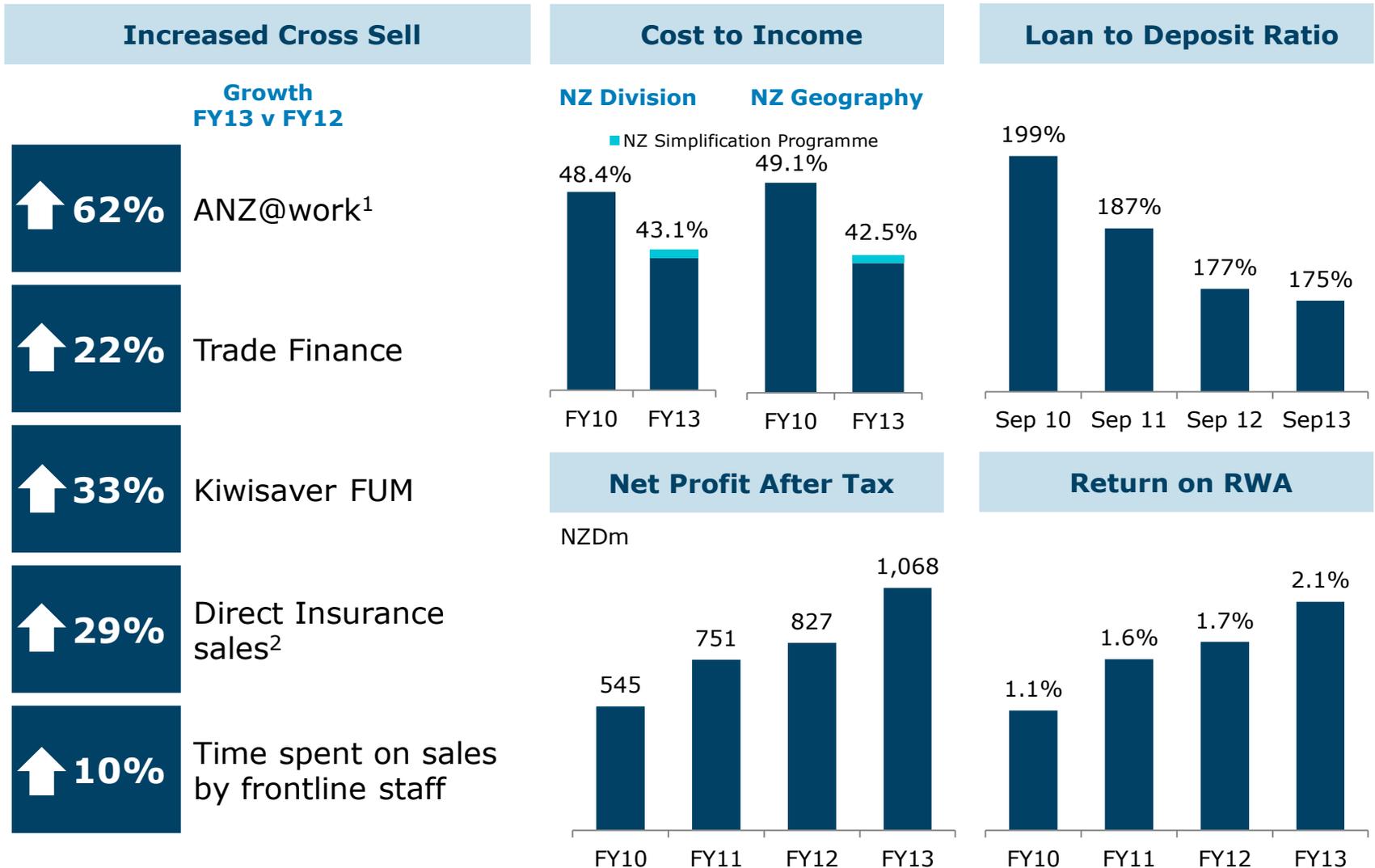
- Leverage global hubs and shared platforms
- Further improve branch coverage
- Roll out customer data focused sales strategy

- Natural competitive advantage in key markets

Note:

1. Brand consideration - sourced from IPSOS Brand Tracking (first choice, or seriously considered)
2. NPAT and CTI includes NZ Simplification Programme (NZS) costs (pre-tax: FY10 nil, FY12 NZD196m, FY13 NZD22m)
3. Represents NZ Division, unless otherwise noted

Creating scale to build a stronger bank

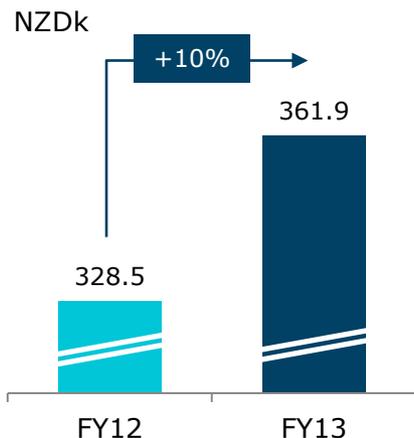


1. ANZ@work is a banking benefits program for employees of ANZ's corporate, institutional and selected commercial customers. The program provides consumer product benefits and discounts along with local relationship and financial literacy support, because of the relationship ANZ has with the customers' employer

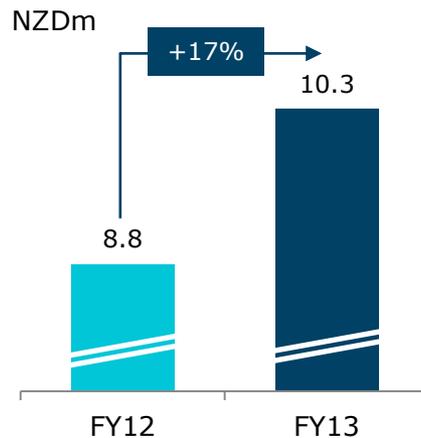
2. Includes sales of white-labelled General Insurance products

New operating model is enabling productivity and efficiency improvements

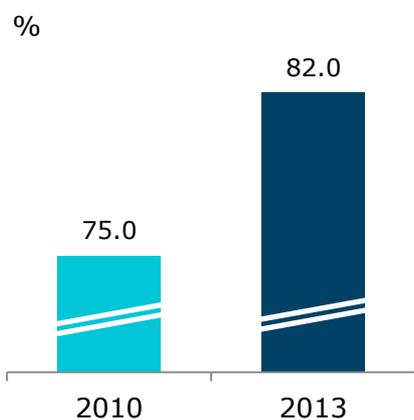
Revenue per FTE



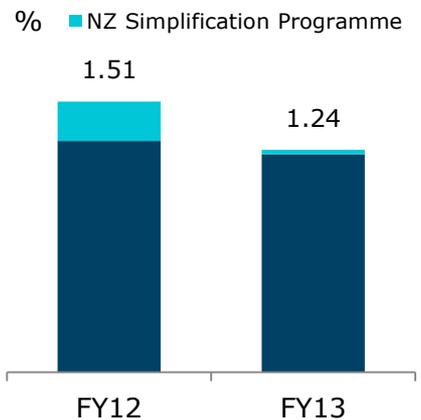
Revenue per Branch



Branch Coverage¹



Cost % average total assets



Optimising branch network

↑ 7%	Branch coverage up 7% over 3 years
↓ 7%	Branch costs down 7% YOY (-6% HOH)

Leveraging scale

↑ 10%	Revenue per FTE up 10% YOY (+8% HOH)
↑ 17%	Revenue per branch up 17% YOY (+16% HOH)

Achieving productivity gains

↓ 3%	Costs down 3% YOY (-1% HOH) ex. NZ Simplification Programme costs ²
Simplified Business	Simplified processes and removed duplication

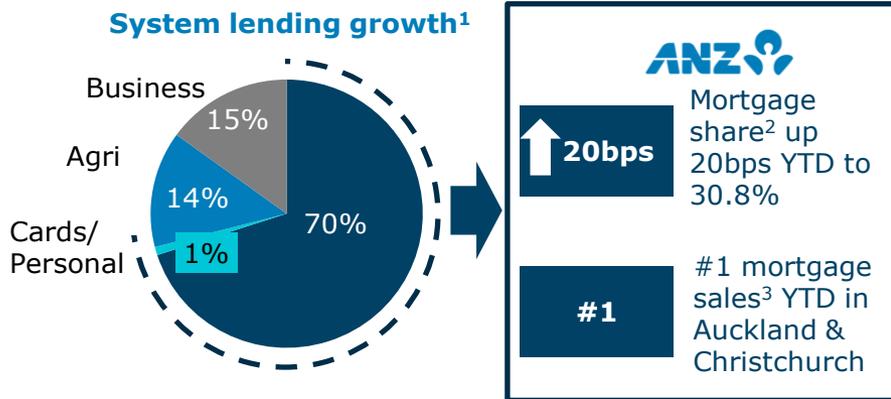
Productivity savings enabling increased investment

Investing in sales capability leading to increased retail sales from proprietary channels & improved customer experience

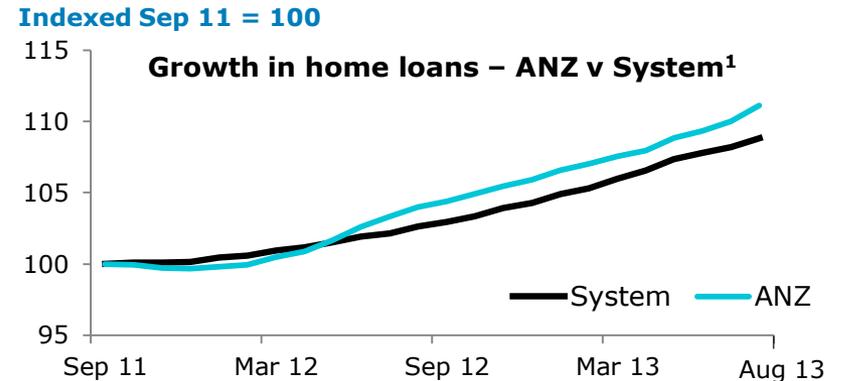
1. Branch coverage measures the areas in which ANZ is represented relative to where New Zealanders do business
 2. NZ Simplification pre-tax costs were FY12 NZD196m; FY13 NZD22m; 1H13 NZD18m; 2H13 NZD4m

Transforming our lending book by focusing on growing mortgage share and balancing risk in the Agri portfolio...

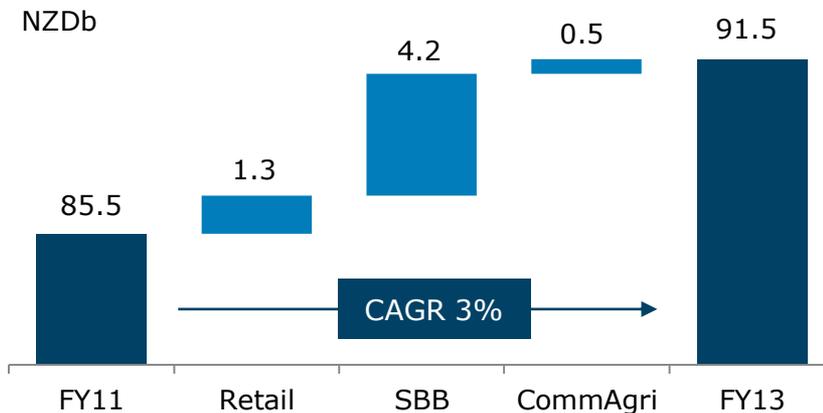
System lending growth driven by mortgages



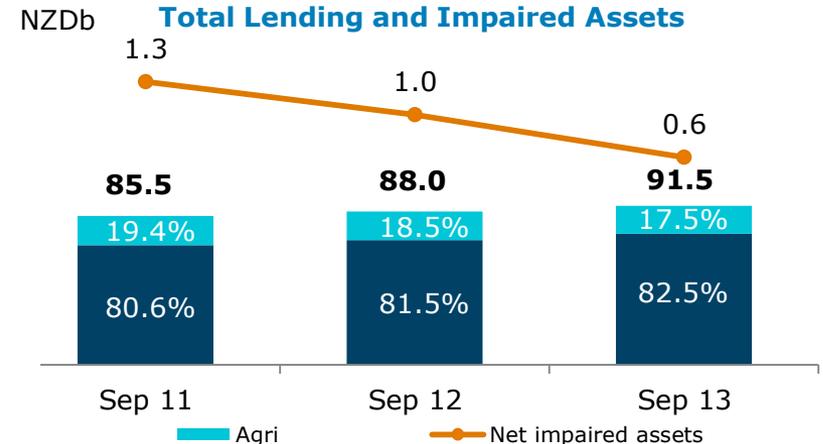
ANZ out-performing system in key home loans segment



Growing mortgages through Retail and Small Business Bank, de-leveraging in Agri



Agri exposure rebalanced and credit quality improved



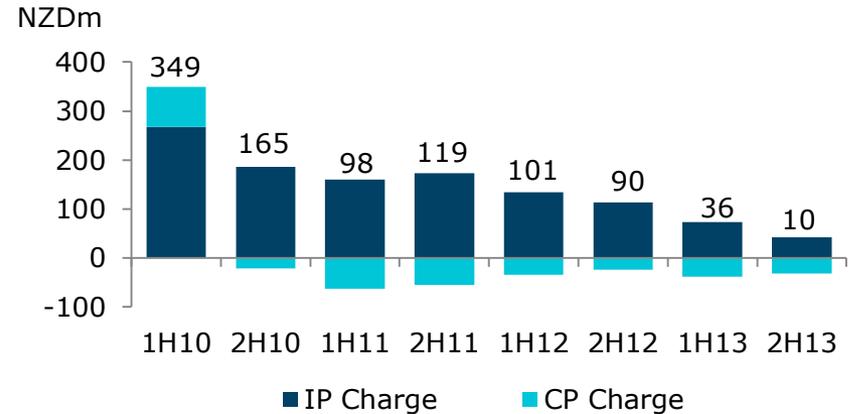
1. Source: RBNZ schedule S7; September 11 to August 13
2. Source: RBNZ schedule S7; September 12 v August 13
3. Terralink

... and this is driving continued improvement in credit quality

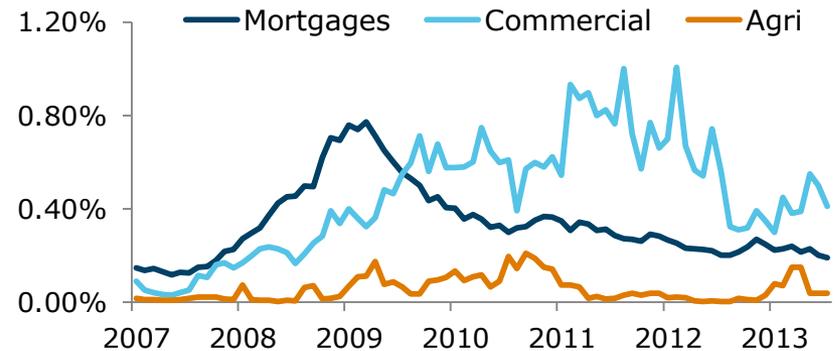
Net impaired assets (NIA)



Total provision charge



90+ days arrears



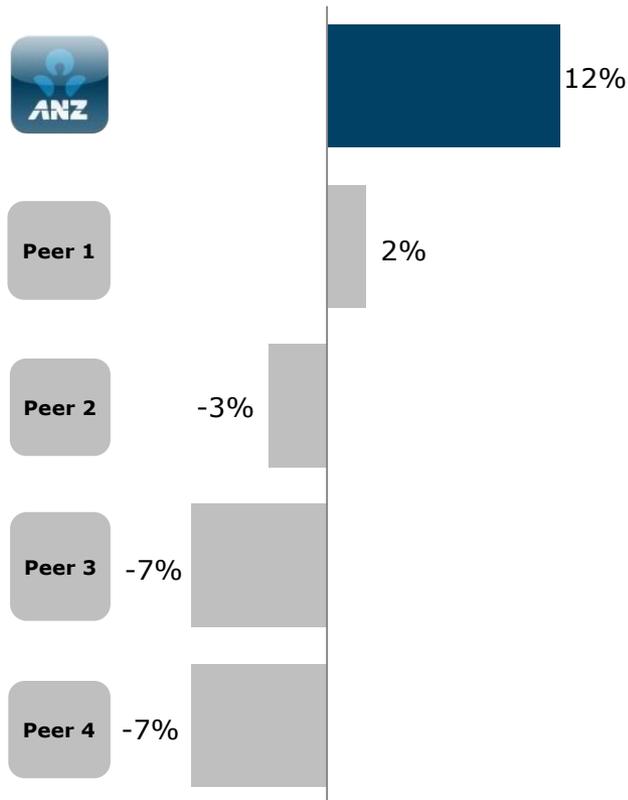
Single brand focus has resulted in increased consideration and higher profile

Increased Brand Consideration...

... driven by best in market advertising campaigns

Brand Consideration¹

ANZ's advertising stands out in the market and is delivering high advertising awareness. Combining our marketing spend from two brands into one is having the expected impact



... and evidenced by greater market recognition



1. NZ brand consideration change from August 2010 to August 2013 sourced from IPSOS Brand Tracking (online survey, first choice or seriously considered). Six month rolling average

Retail – Driving sales through investment in sales capability, channels and branch coverage

Strong result

↑ 4%

Cash profit up 4% YOY & 15% HOH

↓ 2%

CTI down 2% YOY & 3% HOH

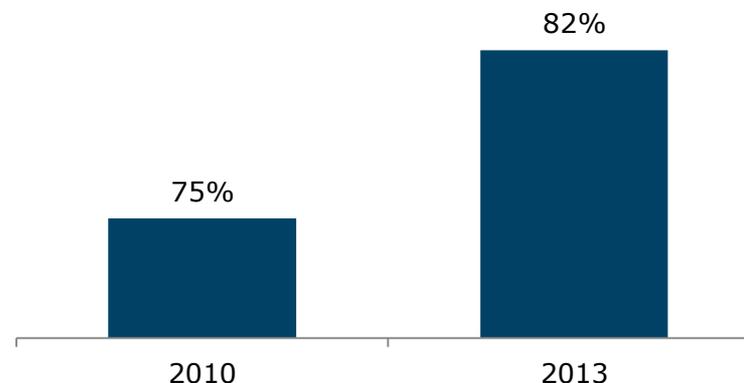
↑ 12%

Consideration¹ scores

↑ 13%

Staff engagement up 13% to 76% over 3 years

Increased branch coverage²



Increased sales capability during the year

↑ Coverage

Added branches in 8 new communities over 2 years

↑ 30%

Improved insurance sales performance of front line staff that completed new life insurance training

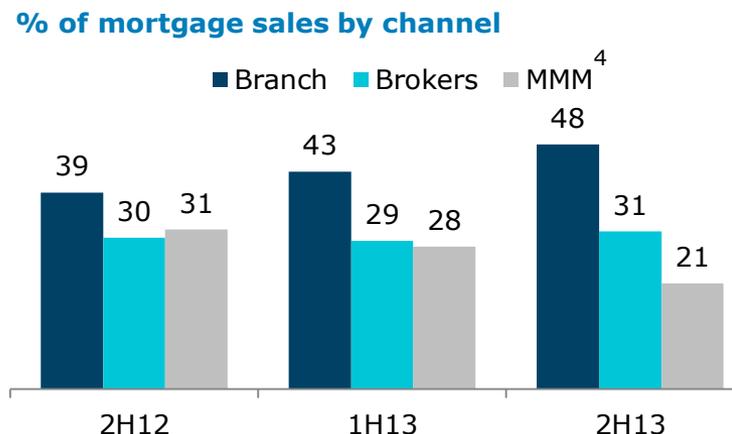
↑ 10%

Average time frontline spent on sales

↑ 20%

Sales of general and life insurance products

Increased sales capability driving higher % of mortgage sales³ through branches



1. Brand consideration – IPSOS Brand Tracking

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

3. Excludes Small Business Banking

4. Mobile Mortgage Manager

Retail - fewer, simpler products

ANZ has award-winning products, including more 5-star Credit Card Ratings¹ than any other bank – which has driven market share gains



Low rate



Airpoints Platinum



Freedom transaction



Cashback Rewards



Flexiplus Mortgage

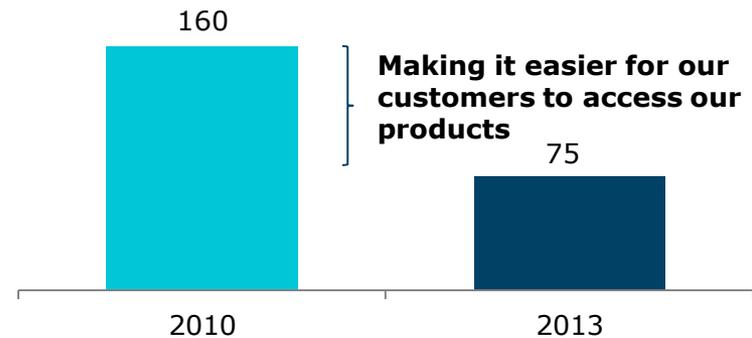


Fixed Mortgage



A simplified product suite

Retail & Business Banking Products



Increased cross sell



The proportion of Retail customers with four or more needs met has increased 9% over the past three years

1. Source: Canstar Credit Card rating report November 2012

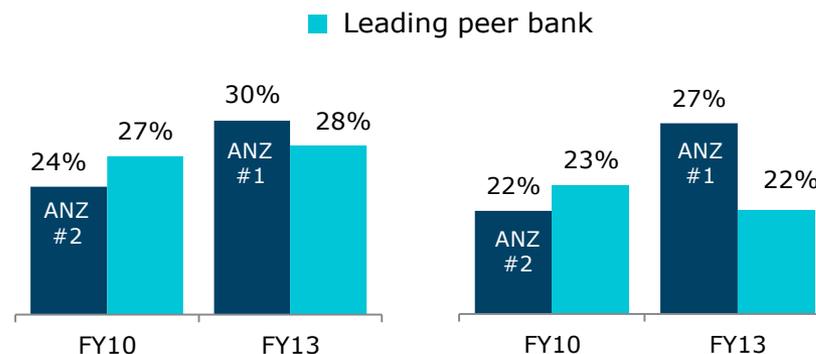
Winning in key growth mortgage markets without increasing risk

#1	Share of new mortgage sales ¹ in Auckland and Christchurch
67%	Average LVR at origination ⁴
24% >80% LVR mortgages	<p>>80% LVR lending accounts for c.24% of ANZ NZ's existing mortgage book²</p> <p>ANZ >80% LVR new mortgage lending is less than the NZ banks average of c.30%³ due to our lower emphasis on >90% LVR lending</p>

Winning share in Auckland and Christchurch

Share of new mortgage sales in Auckland¹

Share of new mortgage sales in Christchurch¹

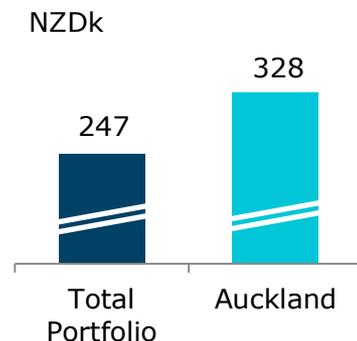


Auckland mortgages reflect higher average loan size but similar portfolio quality

Average LVR at Origination⁴

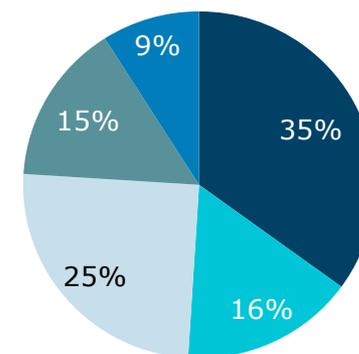


Average Loan Size at Origination⁴



Loan to Valuation Ratio - portfolio composition (on balance sheet)

- 0-60%
- 61-70%
- 71-80%
- 81-90%
- 90%+



1. Source: Terralink
 2. New RBNZ restrictions effective 1 October 2013 require banks' new >80% LVR mortgage lending to be capped at 10% of total new mortgage lending. Banks must be compliant by March 2014
 3. RBNZ publication, Regulatory impact assessment: restrictions on high-LVR residential mortgage lending, August 2013
 4. 2H13 Average

Commercial - Strong growth in Small Business Banking

Profit growth driven by lending volumes and improved economic environment

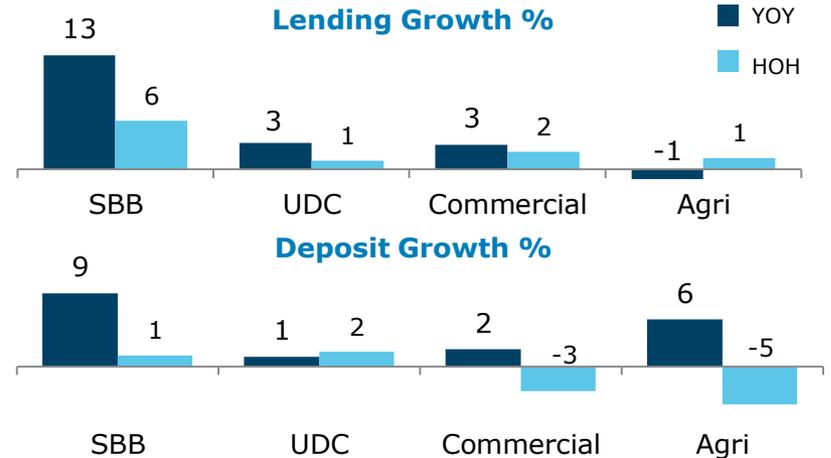
↑ 11% HOH profit growth (+17% YOY) driven by small business lending

↑ 11% YOY increase in revenue cross sell to \$93m

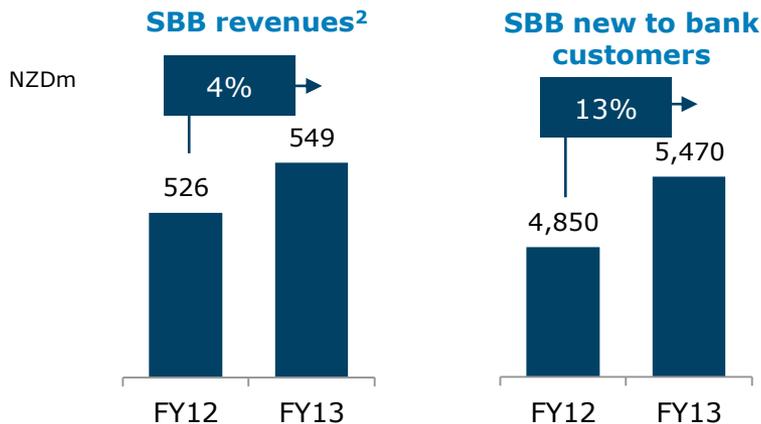
↓ Risk Higher risk exposures at default (CCR¹ 7-10) has reduced by NZD3b since FY10

↑ 18% Return on RWA up 18% YOY

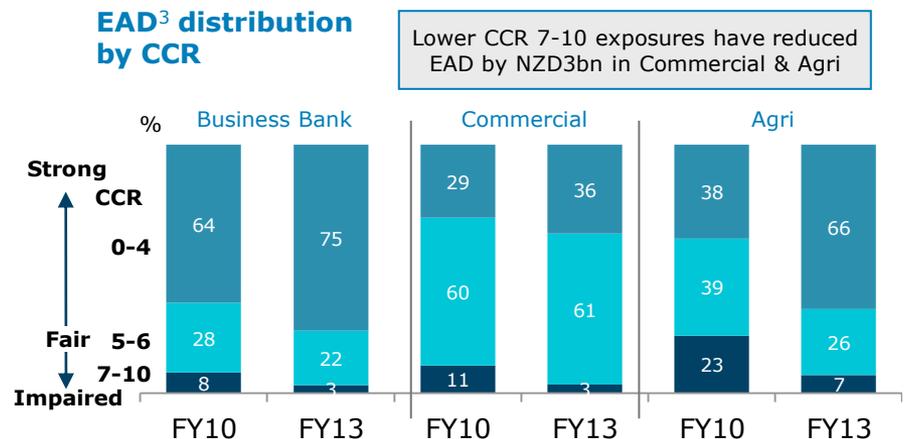
Lending and Deposit Growth



SBB is performing well



Considerable improvement in book quality



1. Customer Credit Rating
 2. Normalised to exclude EFTPOS
 3. EAD=Exposure at Default

Commercial – delivering insight to our customers and connecting them to the region

Connecting customers abroad

Customer tours to India, Hong Kong and China



Leading the Agribusiness market

Best Agri Bank



Best Agribusiness Bank
New Zealand

Sponsor:
Young
Farmers



Strategic Partner: National
Fieldays



Providing thought-leadership

'Passing the Baton'
Succession planning guide



Sector focus papers



UDC - 75 years of providing asset finance to customers



Customers are increasingly using digital channels to do their banking

>50%

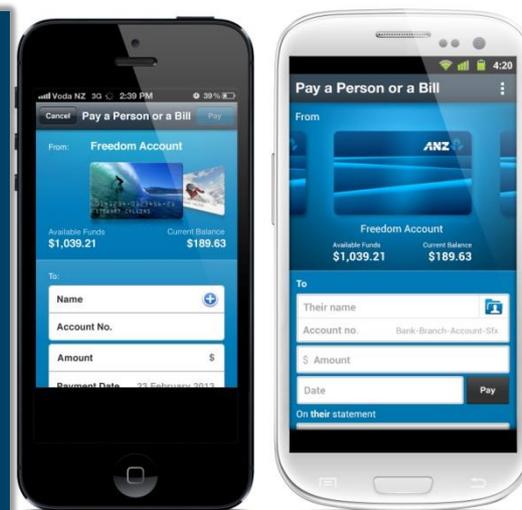
Greater than 50% of ANZ NZ customers are using digital channels to do their banking

57%

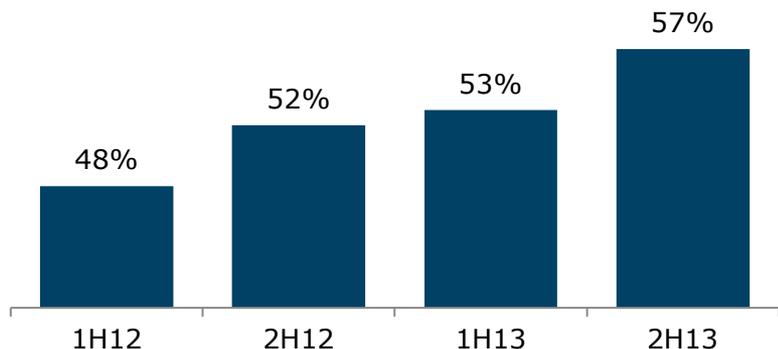
57% of customer transactions now digital (up 5% YOY)

#1 Banking App¹

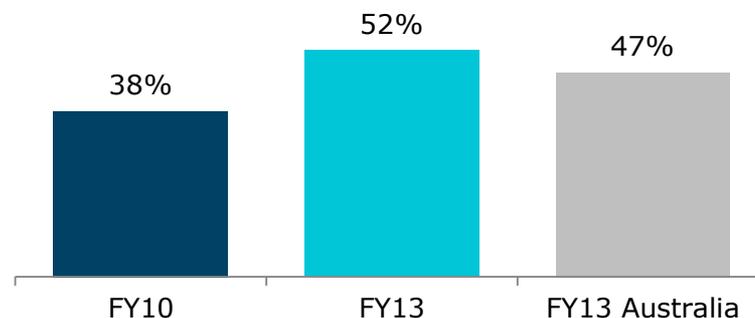
ANZ goMoney™ is currently the most downloaded banking app in New Zealand



% of transactions² using digital channels



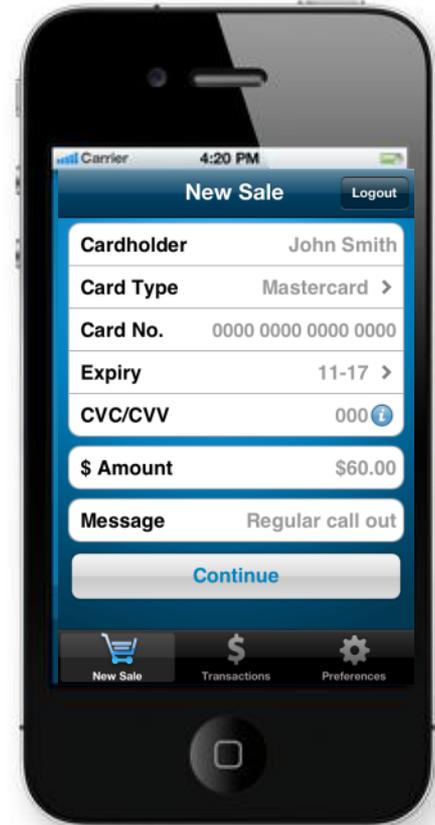
% of customers actively using Internet Banking or goMoney™



1. Source: Apple App Store, Google Play
2. Volume of retail transactions by number

ANZ FastPay™ to be launched

- Award winning mobile merchant app currently operational in Australia and soon to be launched in New Zealand
- Enables business customers to process credit and debit card payments securely using their iPhone or Android smartphone
- Provides same day access to takings in your linked ANZ Business Account
- Receipts are emailed directly to the customer



Financial outcomes – FY13

		Income (NZDm)	Expenses (NZDm)	PBP (NZDm)	NPAT (NZDm)	Cost to Income %
New Zealand Division	FY13	2,678	1,155	1,523	1,068	43.1%
	v FY12 %	-1%	-15%	+14%	+29%	-7.5%
Retail	FY13	1,223	638	585	380	52.2%
	v FY12 %	0%	-3%	+3%	+4%	-1.6%
Commercial Banking	FY13	1,441	488	953	699	33.9%
	v FY12 %	-1%	-3%	0%	+17%	-0.7%

Financial outcomes – 2H13

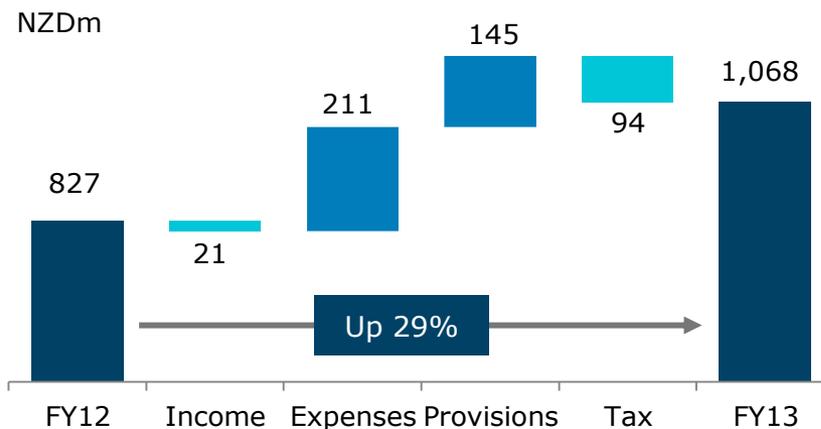
		Income (NZDm)	Expenses (NZDm)	PBP (NZDm)	NPAT (NZDm)	Cost to Income %
New Zealand Division	2H13	1,361	566	795	571	41.6%
	v 1H13 %	+3%	-4%	+9%	+15%	-3.1%
Retail	2H13	627	318	309	203	50.7%
	v 1H13 %	+5%	-1%	+12%	+15%	-3.0%
Commercial Banking	2H13	728	243	485	367	33.4%
	v 1H13 %	+2%	-1%	+4%	+11%	-1.0%

New Zealand Division 2013 Performance

Financial Highlights – FY13

NZDm	FY13	v FY12
Operating Income	2,678	-1%
Operating Expenses	1,155	-15%
Profit before Provisions	1,523	+14%
Provisions	46	-76%
Net Profit after Tax	1,068	+29%
Net Interest Margin (%)	2.49%	-0.14%

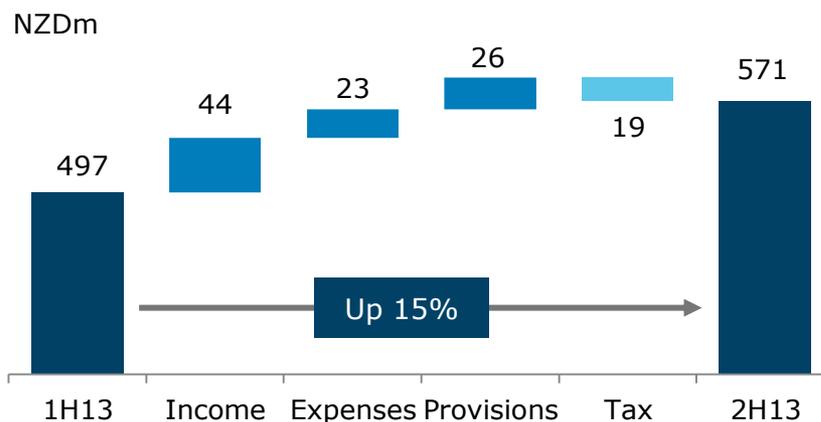
Net Profit after Tax Movement FY13 v FY12



Financial Highlights – 2H13

NZDm	2H13	v 1H13
Operating Income	1,361	+3%
Operating Expenses	566	-4%
Profit before Provisions	795	+9%
Provisions	10	-72%
Net Profit after Tax	571	+15%
Net Interest Margin (%)	2.49%	0%

Net Profit after Tax Movement 2H13 v 1H13

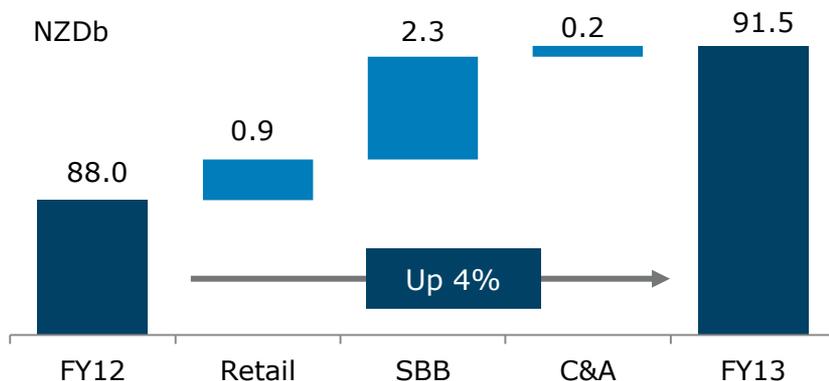


New Zealand Division 2013 Performance

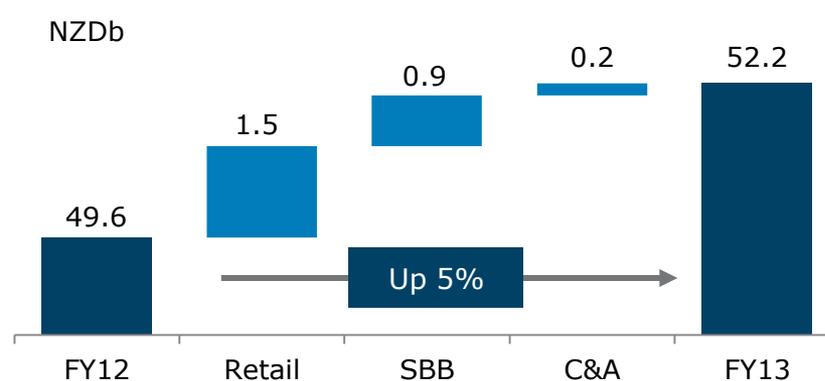
New Zealand Division Balance Sheet

NZDb	Sep 2013	Mar 2013	Sep 2012	v Mar 2013	v Sep 2012
Customer Lending	91.5	89.3	88.0	+2%	+4%
Retail	36.4	35.8	35.5	+2%	+3%
Small Business Banking	20.4	19.2	18.2	+6%	+13%
Commercial & Agri (C&A)	34.6	34.2	34.4	+1%	+1%
Risk Weighted Assets	50.3	50.8	49.8	-1%	+1%
Customer Deposits	52.2	51.7	49.6	+1%	+5%
Retail	32.0	31.4	30.5	+2%	+5%
Small Business Banking	10.8	10.6	9.9	+1%	+9%
Commercial & Agri (C&A)	9.4	9.6	9.2	-2%	+2%

Customer Lending Movement Sep 2013 v Sep 2012



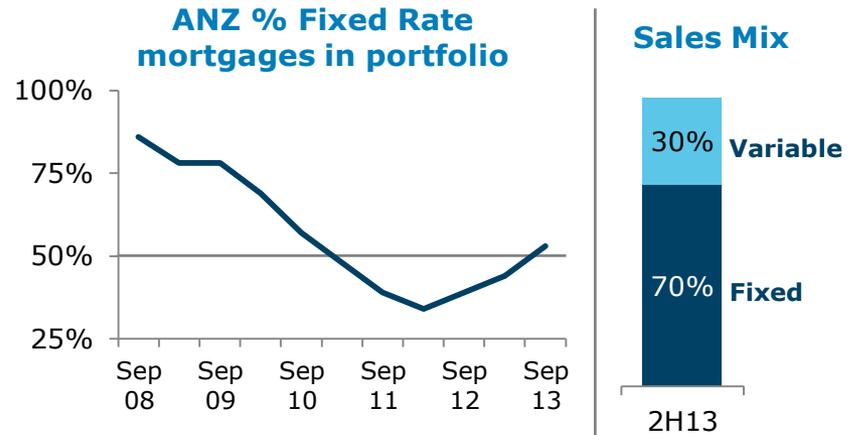
Customer Deposits Movement Sep 2013 v Sep 2012



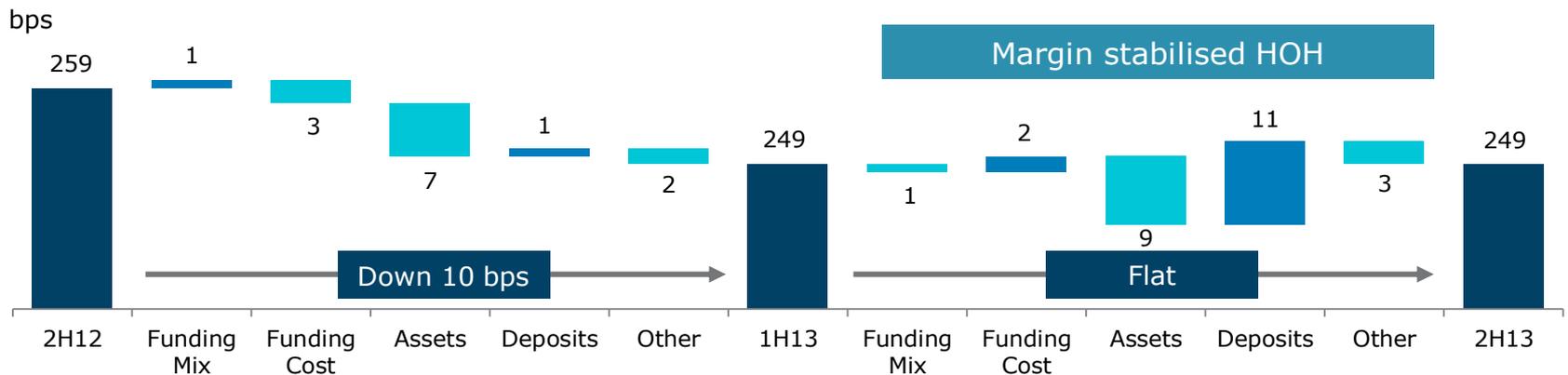
Net interest margin has stabilised in 2H13

- Net Interest Margin stabilised in 2H13
- Challenges from:
 - Intensified lending competition
 - Continued structural shift back towards fixed rate mortgages
- Decline in lending margins offset by lower funding costs and improved deposit margins

Shift in borrower preference back towards fixed rate mortgage products



New Zealand Division - Net Interest Margin Movement



13 FULL YEAR RESULTS

AUSTRALIA AND
NEW ZEALAND
BANKING GROUP
LIMITED
29 OCTOBER 2013



Global Wealth

ANZ Global Wealth is delivering innovative and differentiated financial solutions to customers across the region, enabling active engagement in growing and protecting their wealth

This will deliver **value to the Group** through:

- Deeper and longer **customer relationships** with **improved customer economics**
- **Diversified** revenue stream
- **Improved return on capital**
- Important and growing source of **liquidity**

Global Wealth's transformation strategy is delivering

Financial

Driving higher returns

- 36% increase in cash profit
- 470bps reduction in Cost to Income ratio
- Marginal return on capital increased 130bps. Performing above mid-teen hurdles

Customer

Innovative and differentiated solutions to customers

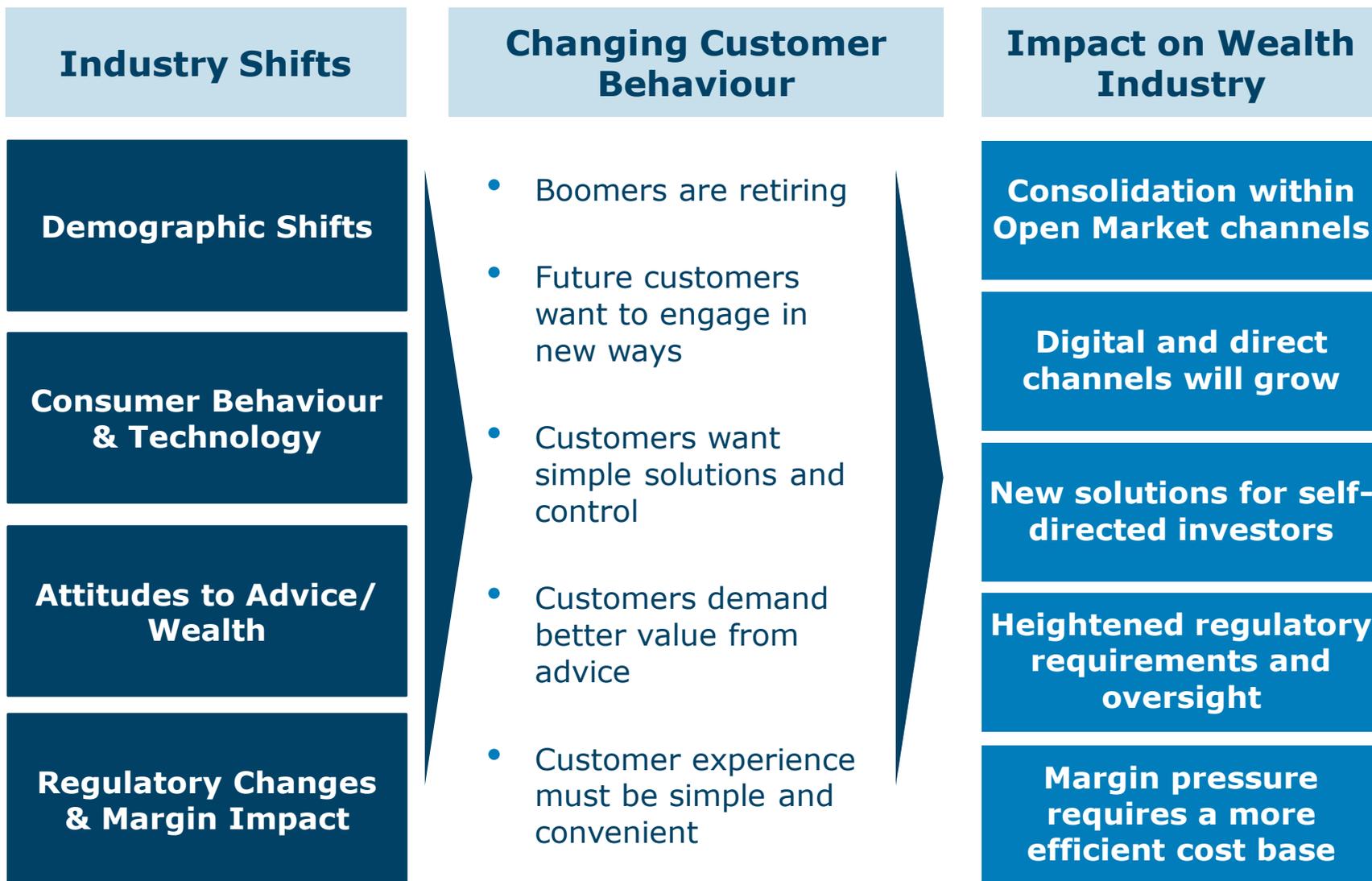
- 11% increase in wealth solutions held by ANZ customers
- Direct insurance sales up 13% in Australia and 33% in New Zealand
- More than 50,000 ANZ Smart Choice Super accounts opened to date
- Risk inforce from ANZ Financial Planning up 16%, aligned channels up 7%
- Netflows from ANZ Financial Planning up \$264m, aligned channels up \$282m

Capabilities

Scalable and efficient operating model

- Retention activities delivering insurance lapse rate improvements of 20bps in Australia and 70bps in New Zealand
- MySuper licence approved by APRA and positioned to capture the growth in superannuation in Australia

Wealth Management sector is undergoing a 'once in a generation' transition

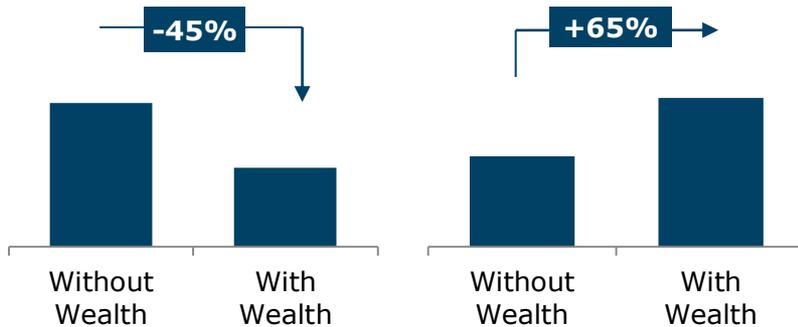


Global Wealth supports ANZ's Super Regional Strategy

Improved customer economics

Customer Attrition

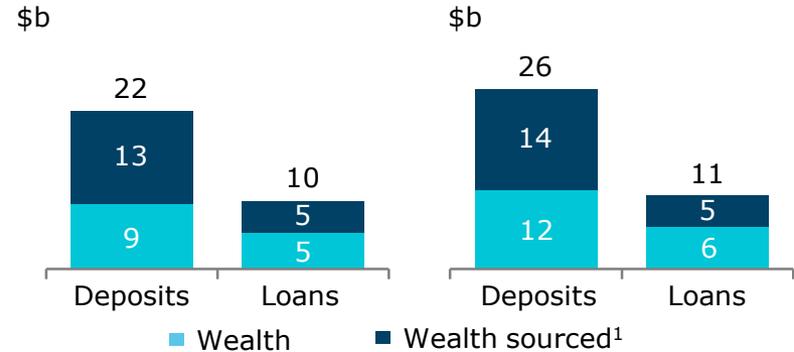
Revenue per customer



Important source of liquidity

FY12

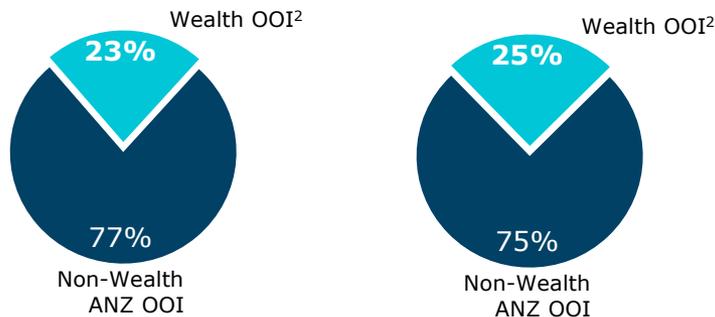
FY13



Significant source of other operating income (OOI) for ANZ

FY12

FY13



Delivering value to the Group

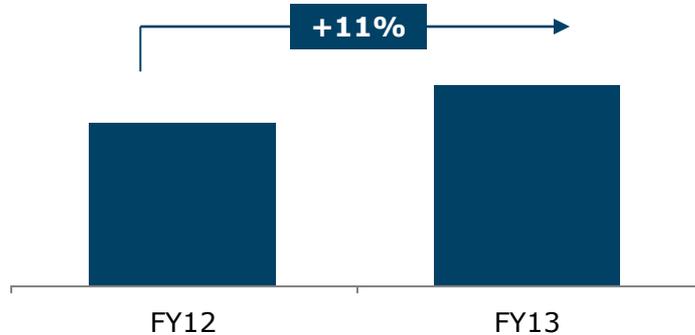
- Deeper and longer customer relationships with improved customer economics
- Diversified revenue stream (significant source of non-interest income)
- Important and growing source of liquidity

1. Wealth Sourced includes deposits & lending from Private Bank and E*TRADE which is sourced by Global Wealth but registered in other divisions.
 2. Wealth OOI includes Other Operating Income, Net Funds Management and Insurance Income

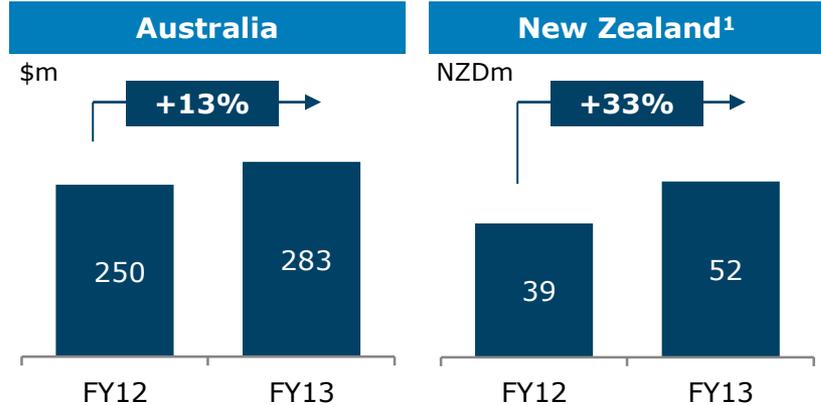
Embed wealth solutions into all customer touch points across the bank

Increased Wealth Solutions to ANZ Customers

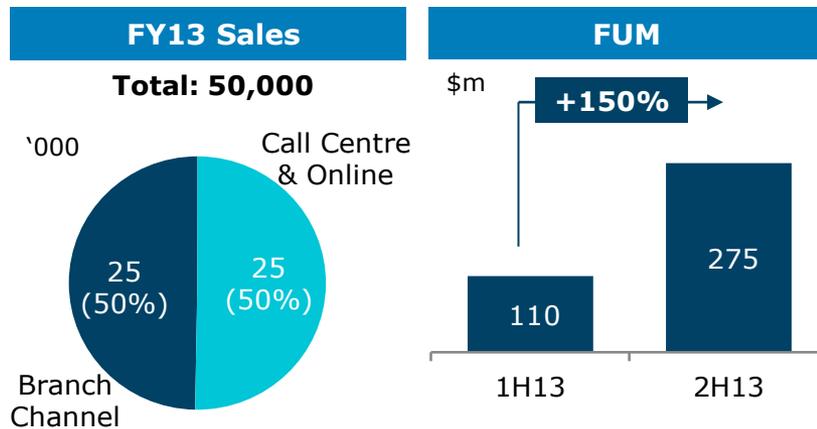
(Includes Australia, New Zealand & Asia)



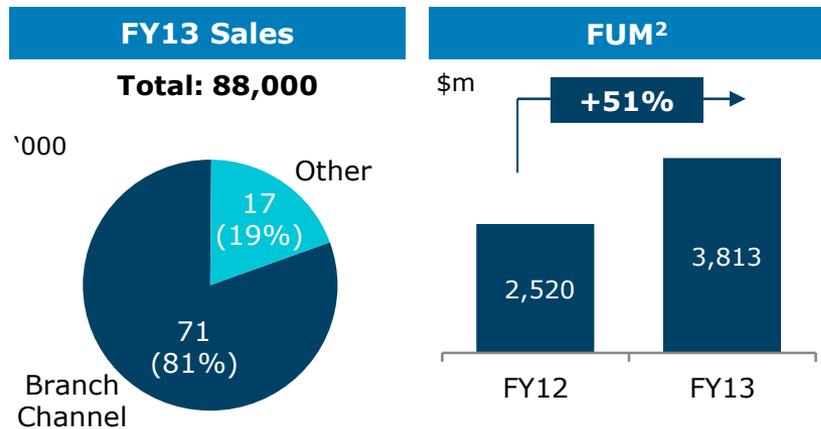
Direct Insurance sales



ANZ Smart Choice Super Accounts and FUM



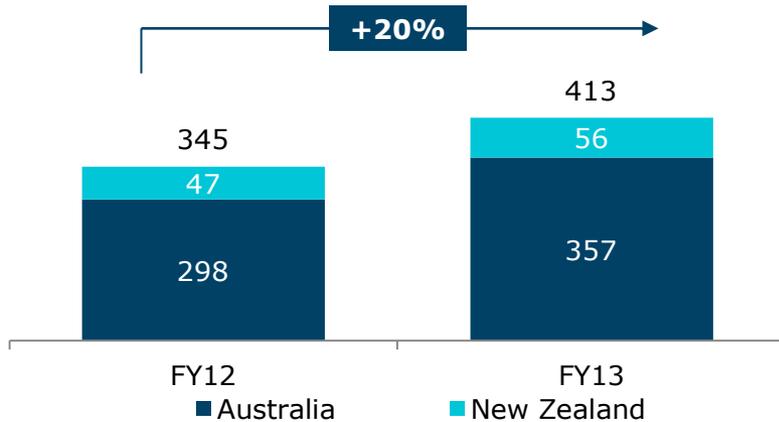
KiwiSaver Accounts and FUM



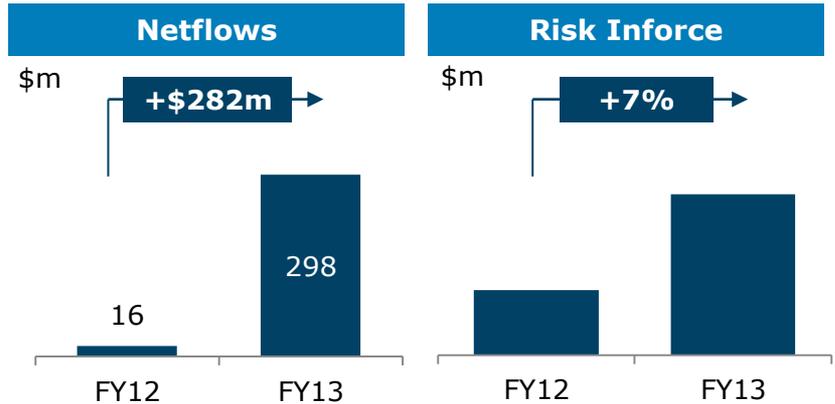
1. Includes sales of white-labelled General Insurance products
 2. KiwiSaver FUM in AUD

Build a highly skilled, trained and productive adviser force

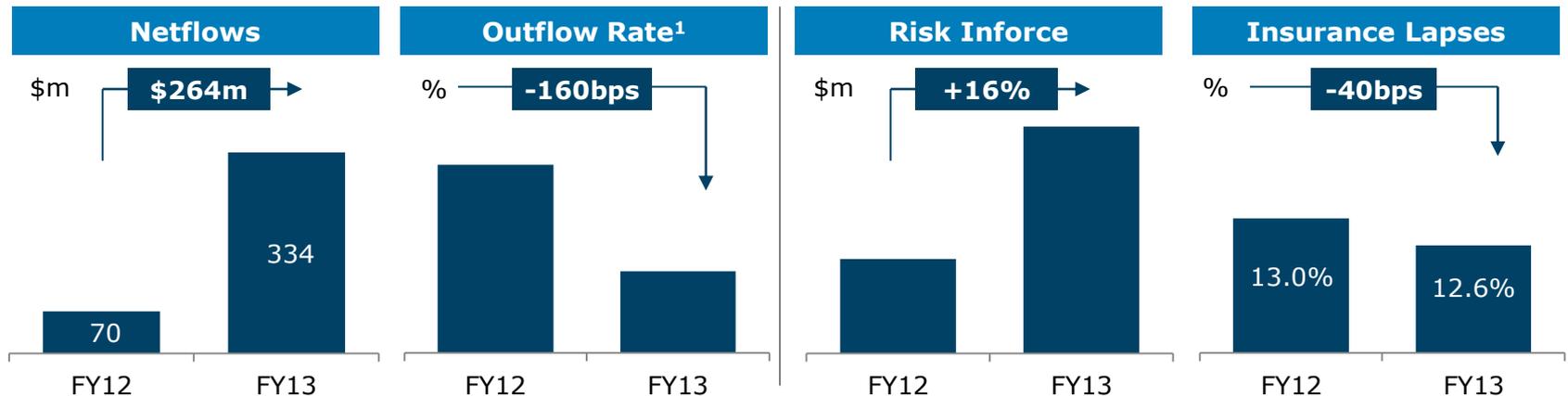
Increased capacity in ANZ Financial Planning



Stronger flows from aligned channels



Higher quality business through ANZ Financial Planning



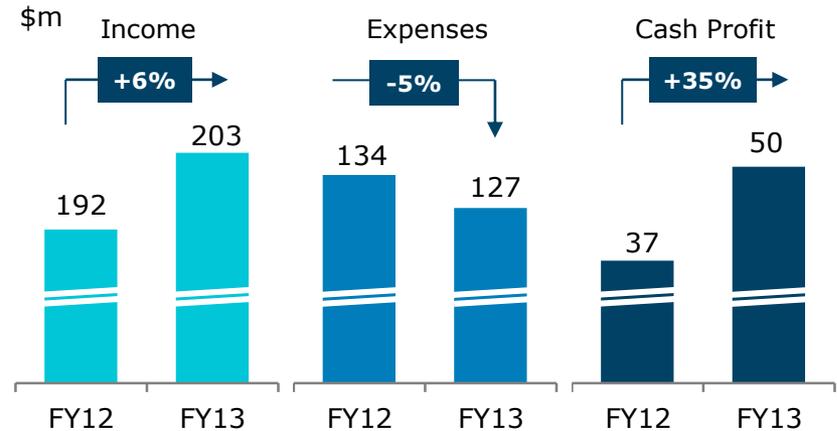
1. Outflow rate is defined as total outflows divided by average Funds Under Management during the period.

Grow our presence in Wealth and Private Bank across the region

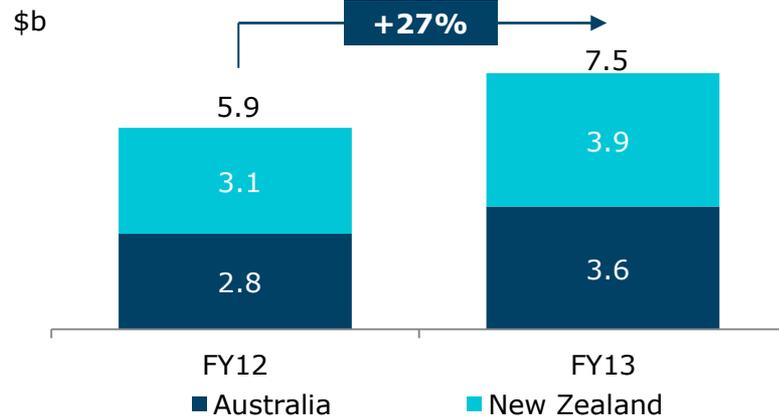
Comments

- Launched investment solution for Australian Significant Investor Visa program
- Launched China Mutual Funds through QDII and sales volumes above expectations
- Vontobel partnership progressing – target in market in FY14

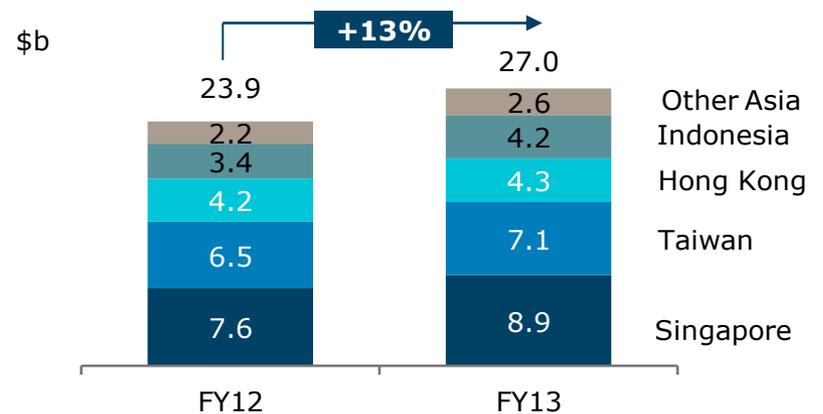
Global Private Wealth Financials



Global Private Wealth – Funds Under Management

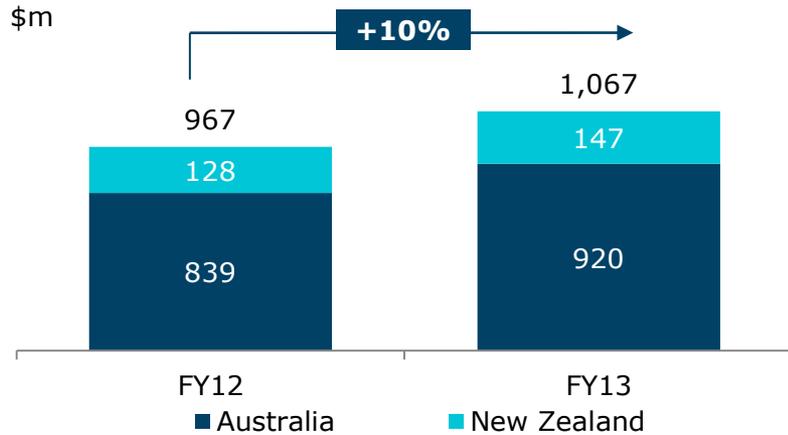


Asia Private Bank and Retail Wealth Sales

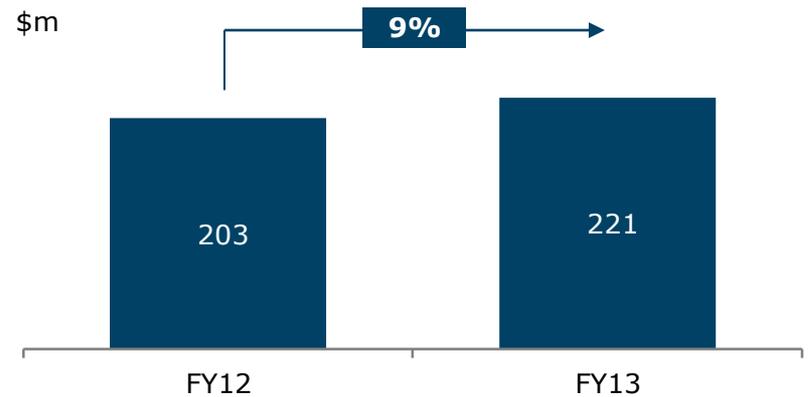


Deliver higher returns in Life Insurance

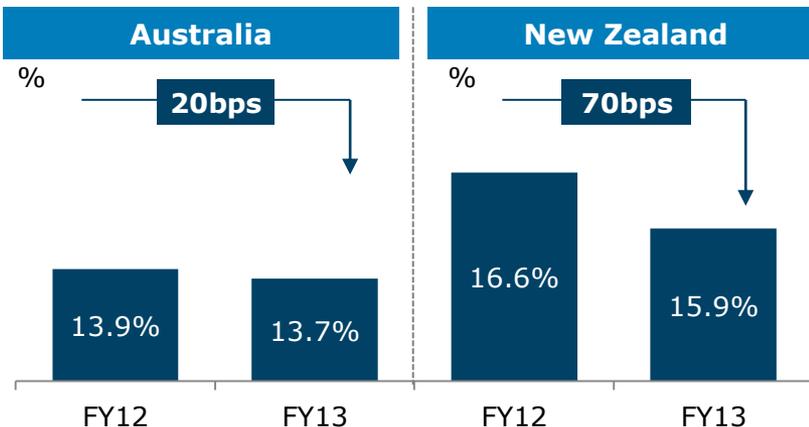
Retail Life Insurance Inforce



Insurance Cash Profit



Retail Life Lapse Rates

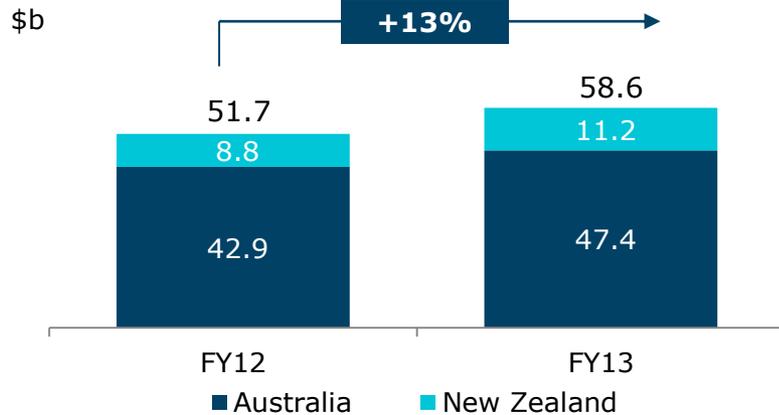


Awards

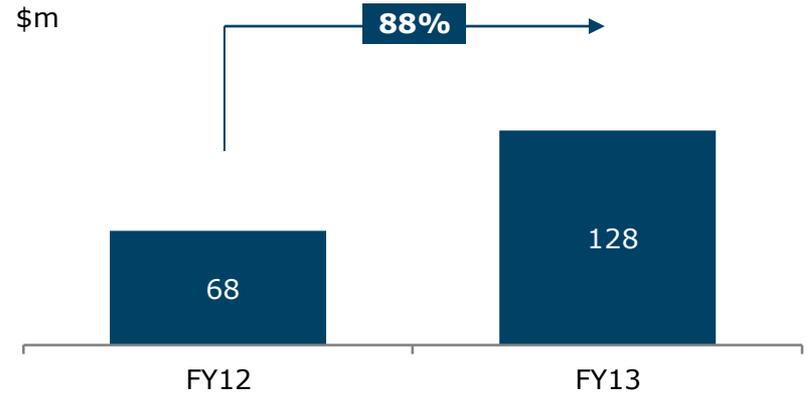


Position for growth in Funds Management

Funds Under Management (FUM)



Funds Management Cash Profit



Efficiently delivering MySuper

- MySuper license approved by APRA
- Our MySuper compliant offering (ANZ Smart Choice Super) is a market leading solution that secures our ability to capture the growth of superannuation in Australia
- With ANZ Smart Choice Super, we are seizing the opportunity of regulatory reform to materially grow our business and increase market share

Awards



CANSTAR

ANZ SmartChoice Super awarded 'Outstanding Value' in all life stage categories for 2013



Money Magazine

OneAnswer Frontier awarded 'Best Featured Pension Product' for 2013



FundSource

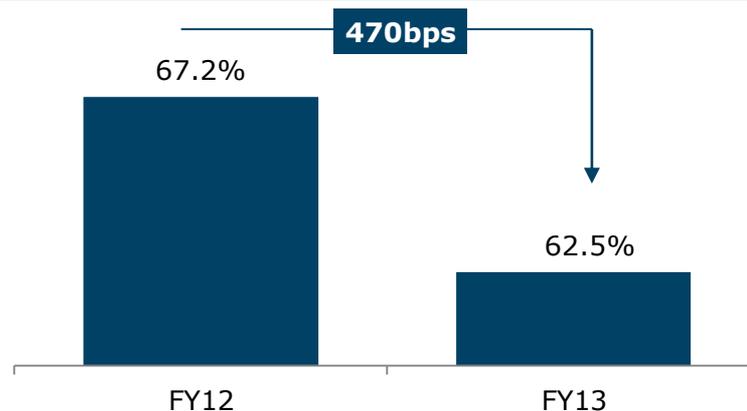
New Zealand Fund Manager and KiwiSaver Manager of the Year for 2012

Simplify the business and leverage global capabilities

Comments

- Cost to Income Ratio improved by 470bps
- Improvement in Insurance Expense to Inforce premiums in Australia by 70 bps
- Improved Funds Management Expense to Average FUM in Australia¹ by 15 bps
- Progress made on simplifying our processes with 20% of Operations FTE now operating from regional centres of excellence and Operations cost per FTE decreased by 17%

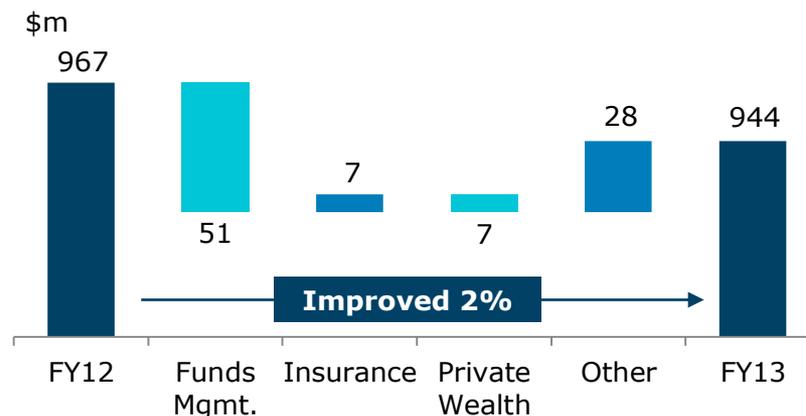
Global Wealth Cost to Income Ratio



Centralising our investment capabilities

- We have established a centralised Chief Investment Office that delivers a single set of investment themes, asset allocations and advice recommendations
- This allows us to better serve our customers with more timely, consistent and improved investment outcomes

Operating Expenses



1. Funds management expense and FUM only relates to Pensions & Investments business

ANZ Global Wealth is investing for the future

Developing innovative solutions for the self directed customer



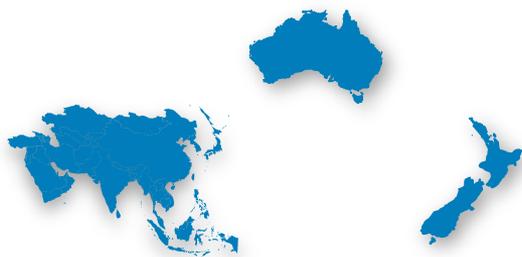
- Expanding ANZ Smart Choice Super to provide a MySuper compliant solution for Employers
- Launching ANZ Self Managed Super - an integrated solution for self managed super funds

Connecting customers to their wealth through integrated channels



- Launching digital Wealth Investment Centre
- Piloting an IBM Watson enabled insurance advice solution

Leveraging global capabilities for service and scale efficiencies



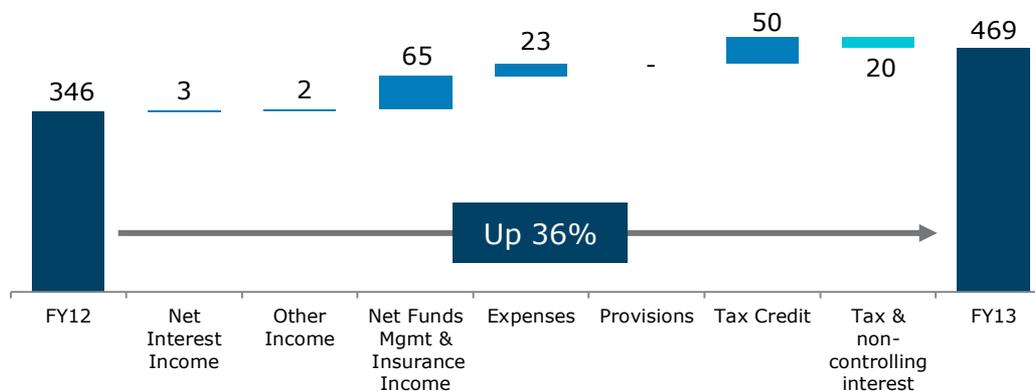
- Progressing integration of the insurance business in Australia and New Zealand
- Migrating KiwiSaver onto ANZ Smart Choice Super registry
- Leveraging E*TRADE capabilities for innovative self directed solutions

Global Wealth Division 2013 Performance

Financial Highlights – FY13

\$m	FY13	v FY12
Operating Income	1,510	5%
Operating Expenses	944	(2%)
Profit before Provisions	566	20%
Provisions	(4)	(0%)
Net Profit After Tax	469	36%
Cost to Income Ratio (%)	62.5%	Down 470bps (YoY)

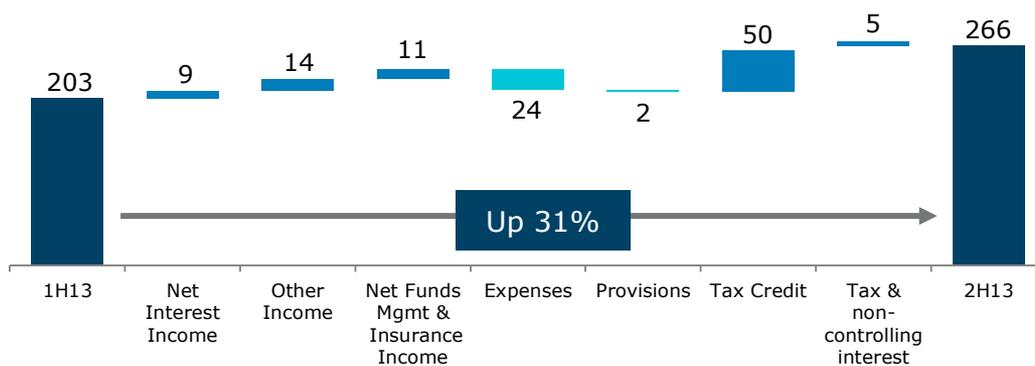
Cash Profit movement – FY13 v FY12



Financial Highlights – 2H13

\$m	2H13	v 1H13
Operating Income	772	5%
Operating Expenses	484	5%
Profit before Provisions	288	4%
Provisions	(3)	Large
Net Profit After Tax	266	31%
Cost to Income Ratio (%)	62.7%	Up 40 bps (HoH)

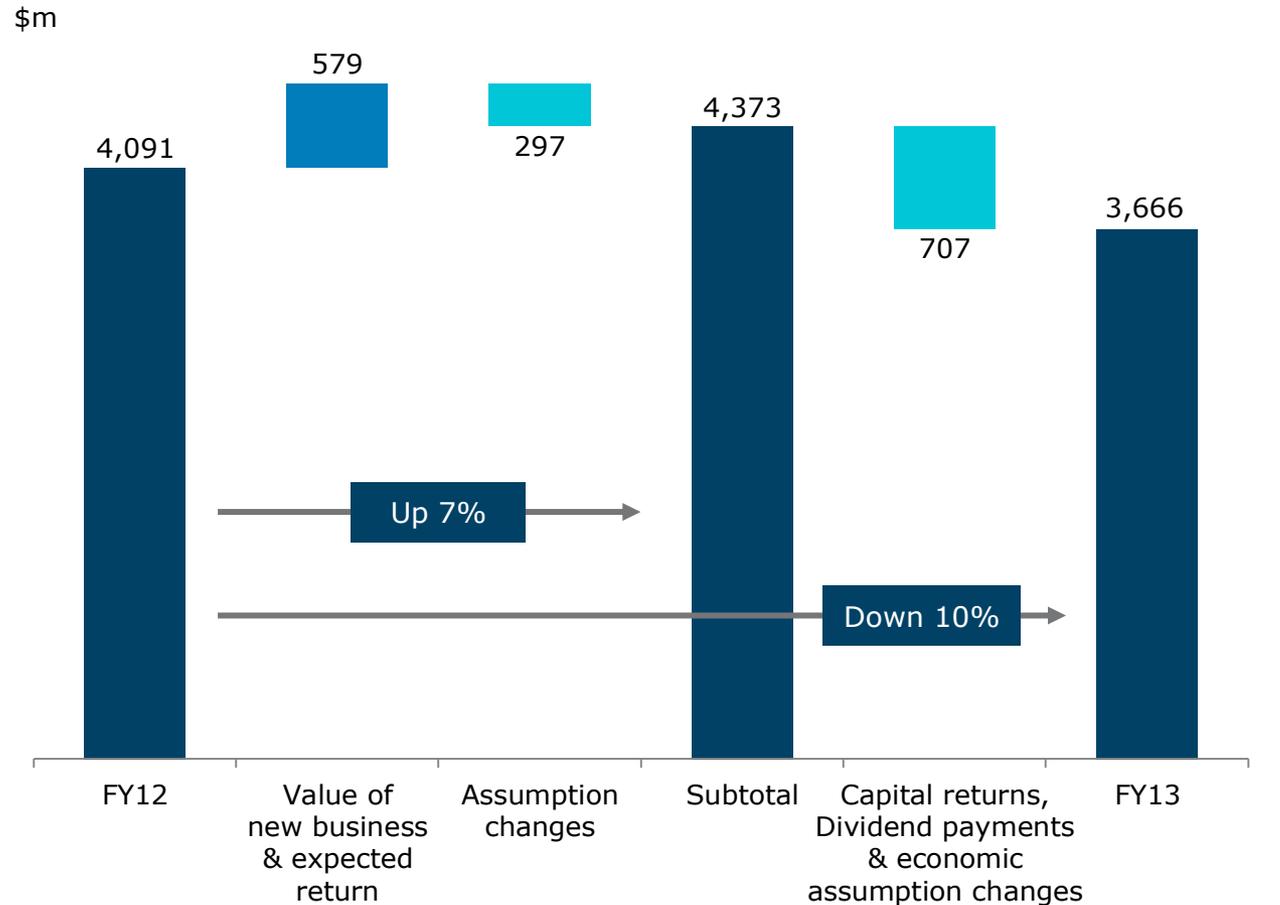
Cash Profit movement – 2H13 v 1H13



Embedded Value - Life and Investments

Embedded Value¹

- The embedded value has continued to grow from the addition of profitable new business.
- This growth has been partially offset due to assumptions changes driven by:
 - higher claims on the current group portfolio;
 - higher lapse experience in the retail portfolio; and
 - margin compression from the implementation of the MySuper Program.
- As a result embedded value increased by 7% prior to capital returns and dividend payments.



1. Includes Insurance & Investments (Australia & New Zealand)

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