

12

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

25 October 2012

**Results Presentation &
Investor Discussion Pack**



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FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

25 October 2012

Mike Smith
Chief Executive Officer



Overview of financial performance

	2012	
	\$M	%
Underlying Profit^{1, 2, 3}	6,011	+6%
Operating Income	17,579	+5%
Expenses	8,022	+4%
Provisions	1,246	+3%
Statutory Net Profit After Tax	5,661	+6%
EPS (cents)	225.3	+3%
Dividend per Share (cents)	145	+4%
Net Interest Margin	2.31%	-11bps
Customer deposits	327,876	+10%
Net loans and advances⁴	427,823	+8%

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

1. The statutory profit is adjusted to exclude certain non-core items to arrive at underlying profit

2. A reconciliation between statutory profit to underlying profit has been provided on page 23 of this presentation

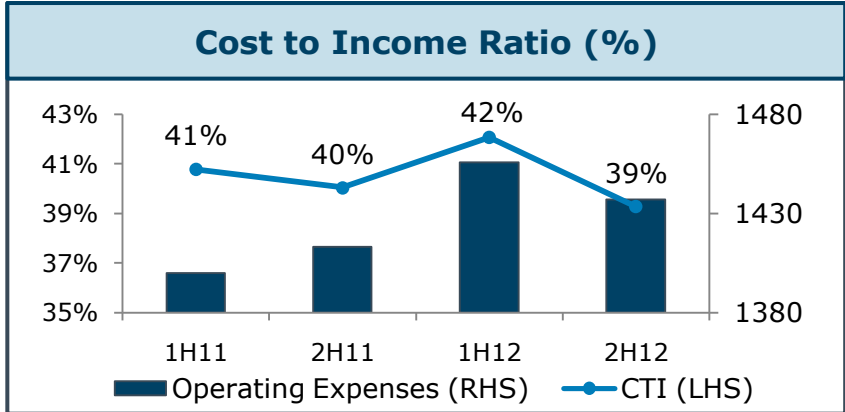
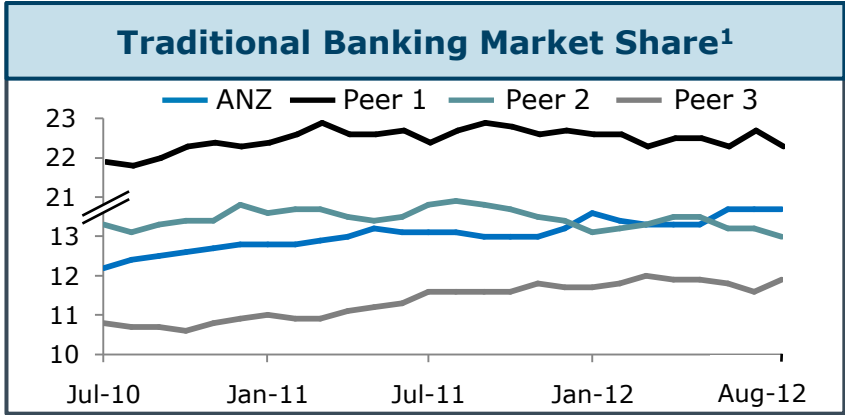
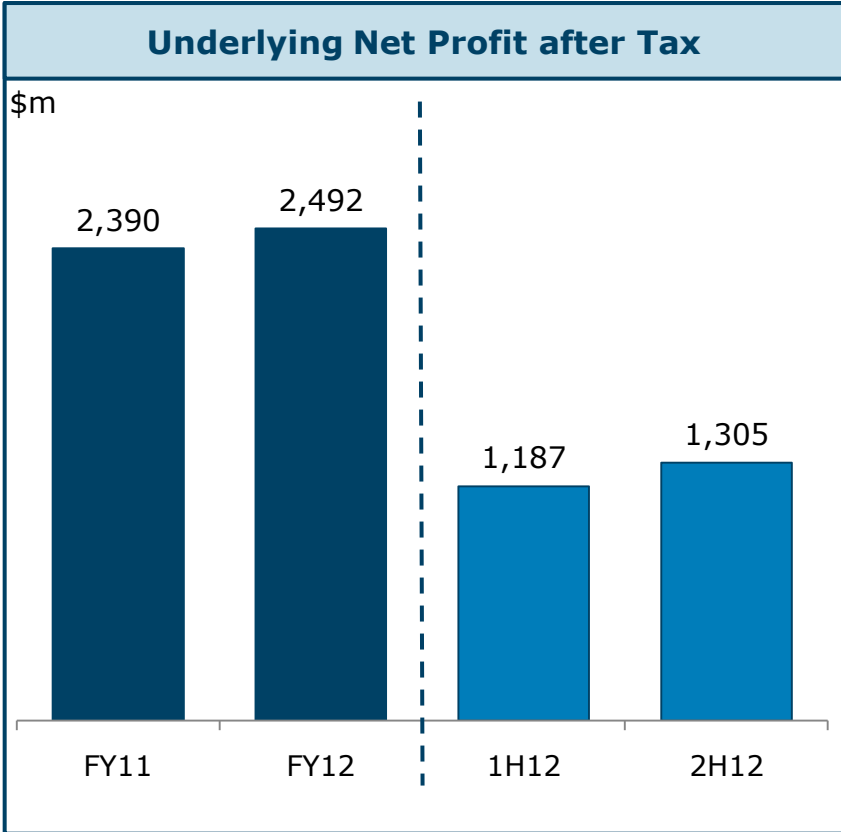
3. Refer to pages 75 to 84 of the ANZ Consolidated Financial Report Dividend Announcement and Appendix 4E for an analysis of the reconciliation of statutory profit to underlying profit

4. Including acceptances

Australia Division

Underlying profit growth **FY12 v FY11**

Australia Division **4%**



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

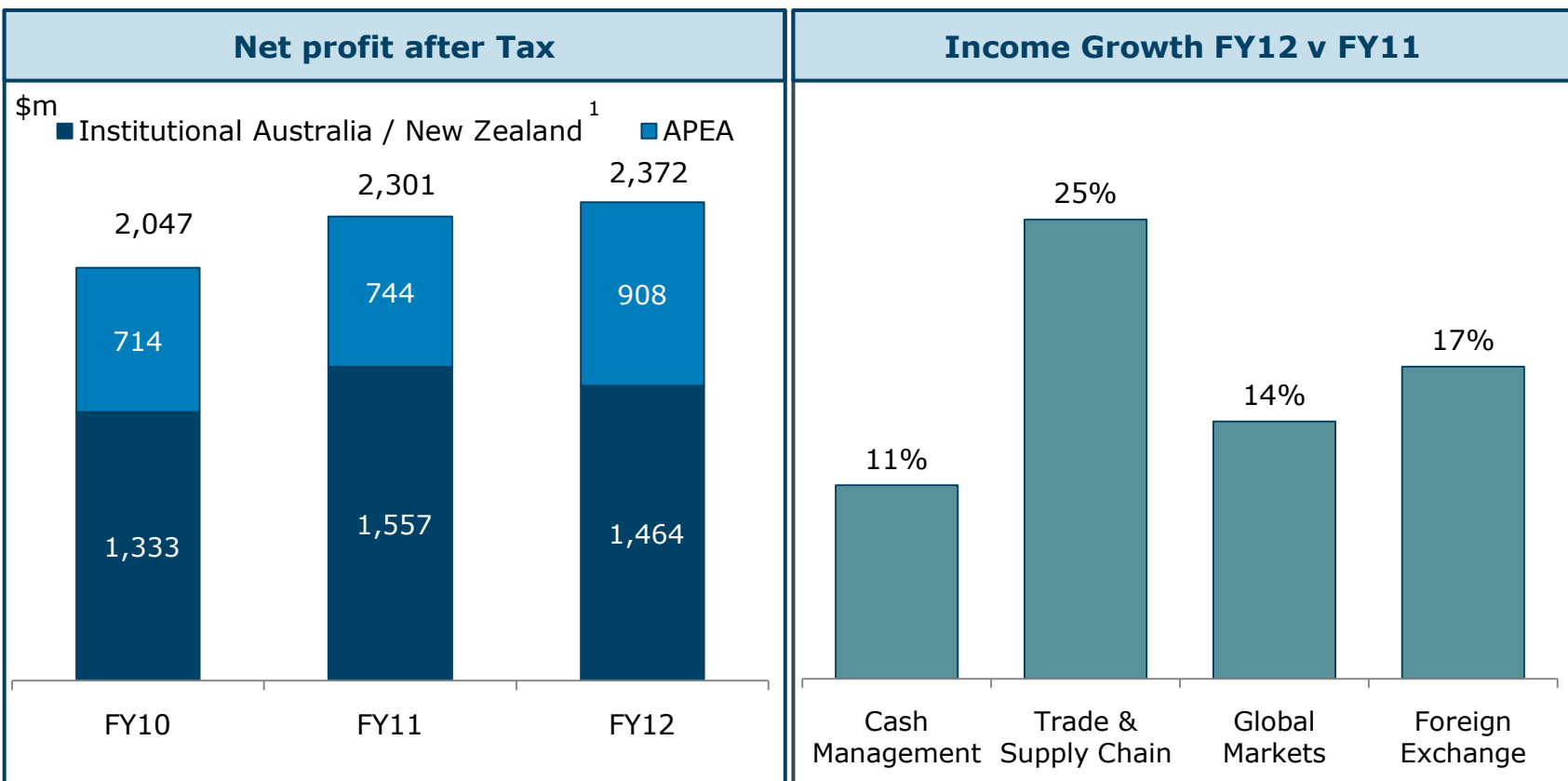


International and Institutional Banking (IIB) Division

Underlying profit growth (AUDm) **FY12 v FY11**

IIB Division

3%



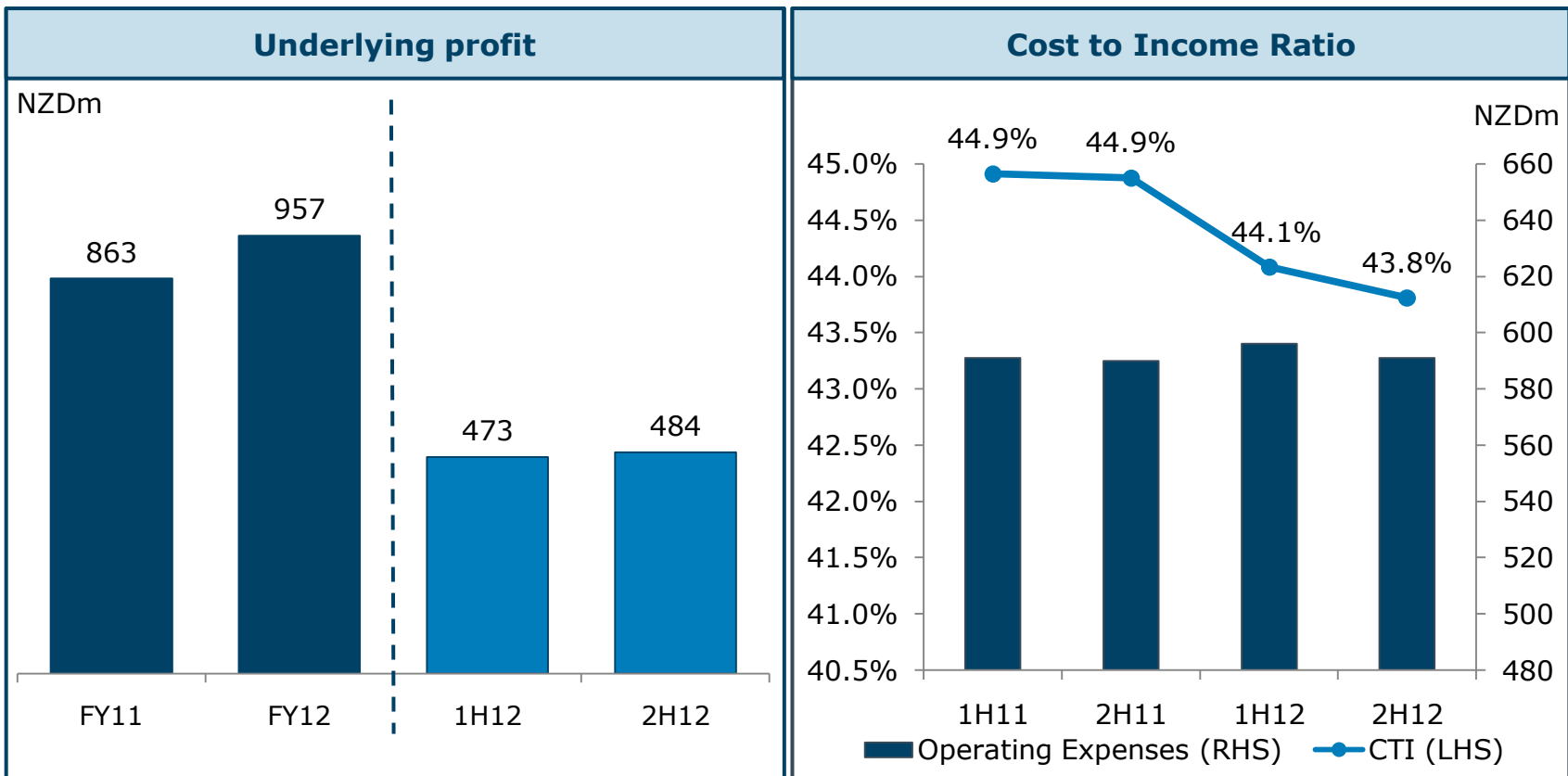
1. Includes Relationship & Infrastructure Australia / New Zealand



New Zealand Businesses

Underlying profit growth (NZDm) **FY12 v FY11**

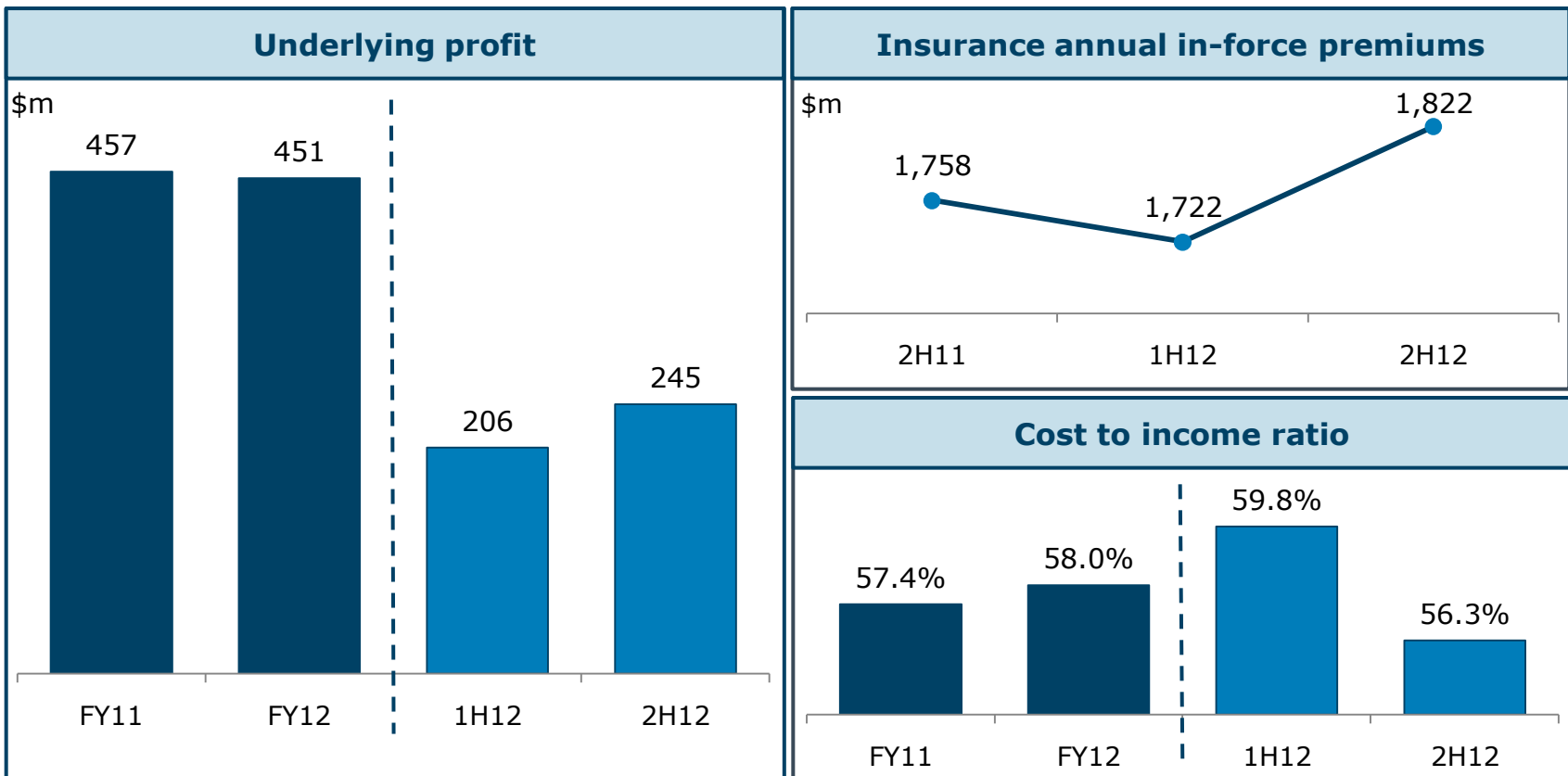
New Zealand Businesses **11%**



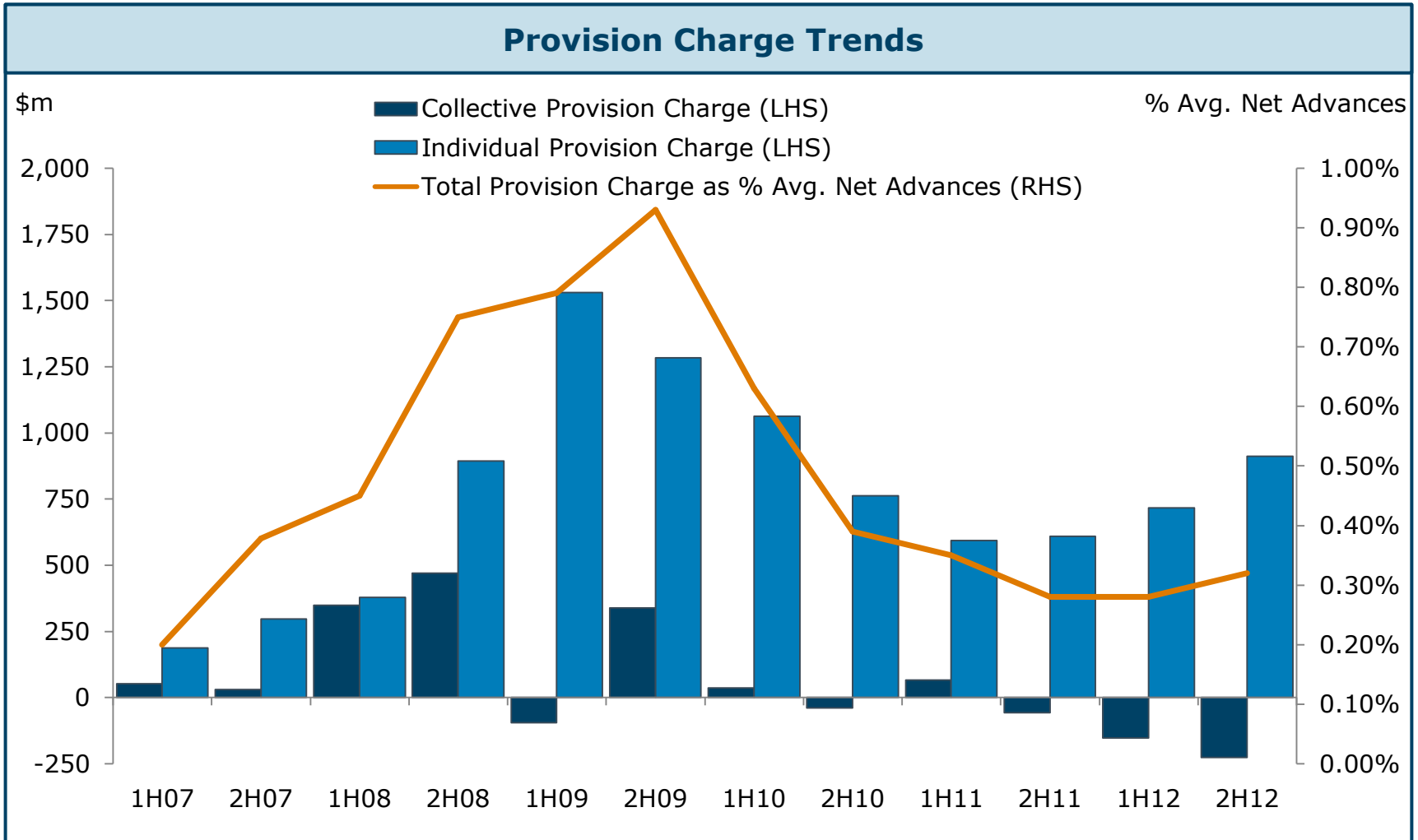
Global Wealth and Private Banking Division

Underlying profit growth **FY12 v FY11**

Global Wealth and Private Banking Division **-1%**



Credit Quality



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FULL YEAR RESULTS

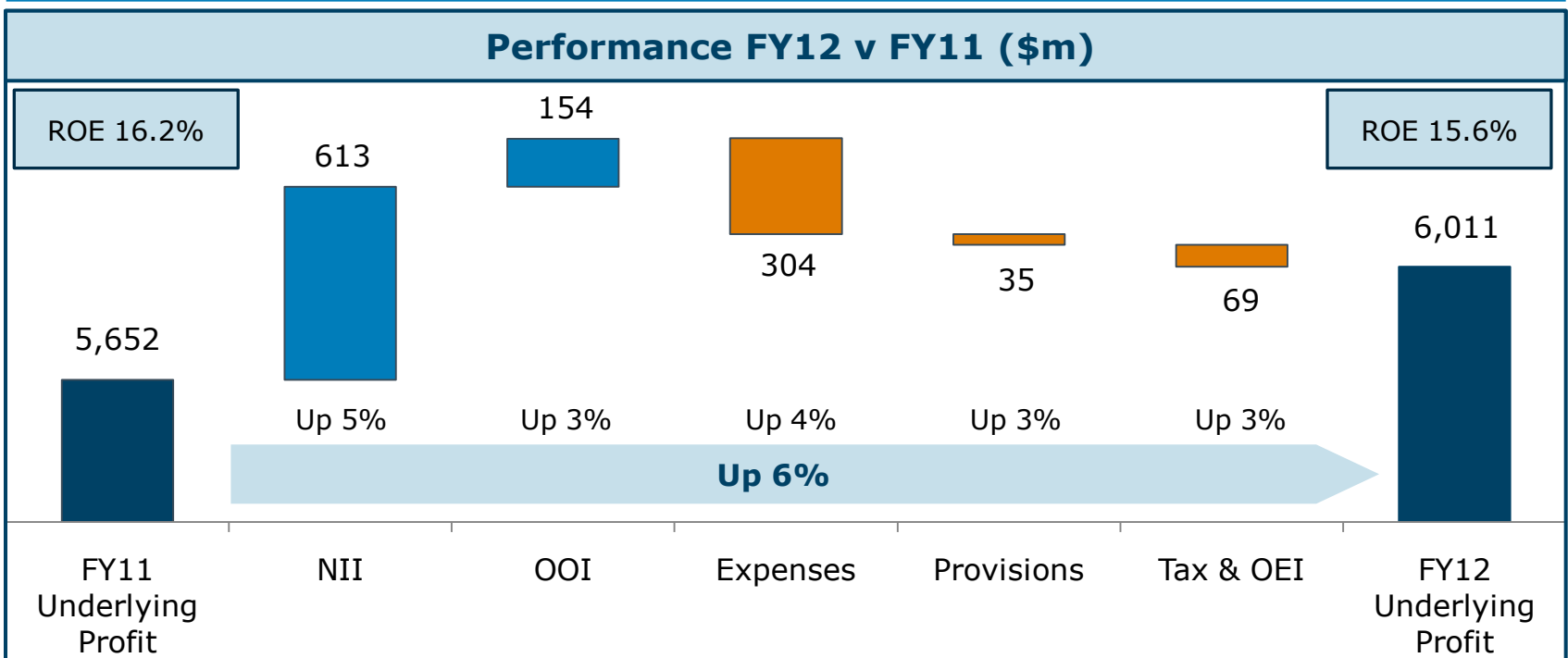
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

25 October 2012

Shayne Elliott
Chief Financial Officer



2012 Full year financial performance



Performance 2H12 v 1H12 (\$m)

1H12 Underlying Profit	NII	OOI	Expenses	Provisions	Tax & OEI	2H12 Underlying Profit
2,973	143	28	18	(116)	(8)	3,038
	Up 2%	Up 1%	Flat	Up 21%		Up 2%

Super Regional Strategy – 5 Core Themes

1

Strengthen our position in Australia and New Zealand

2

Capture faster growing regional flows in trade, capital and wealth

3

Diversify revenue streams by product, geography and customer

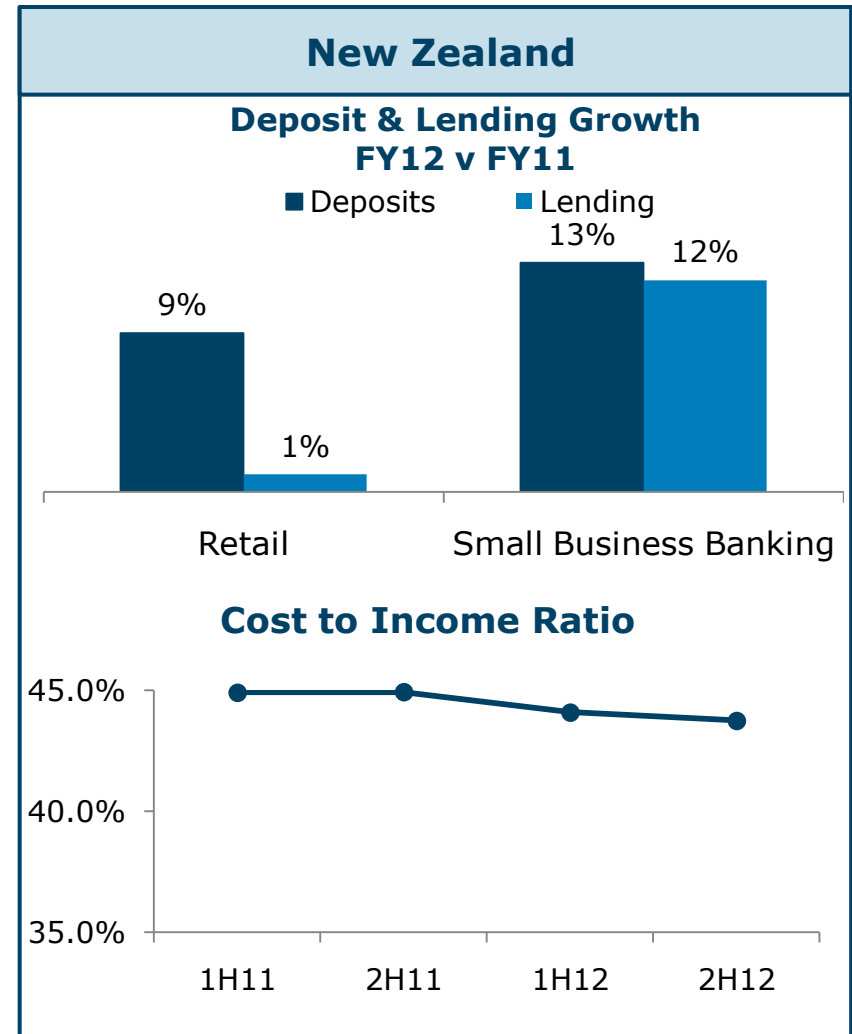
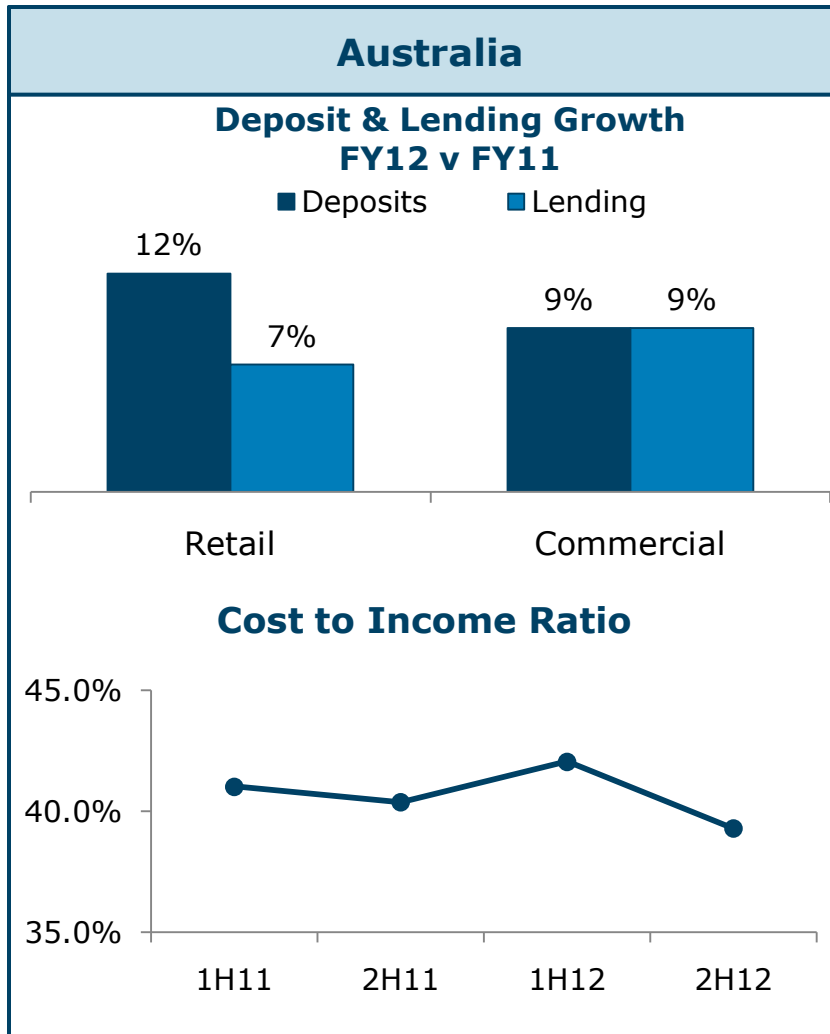
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Leverage global hubs and shared platforms

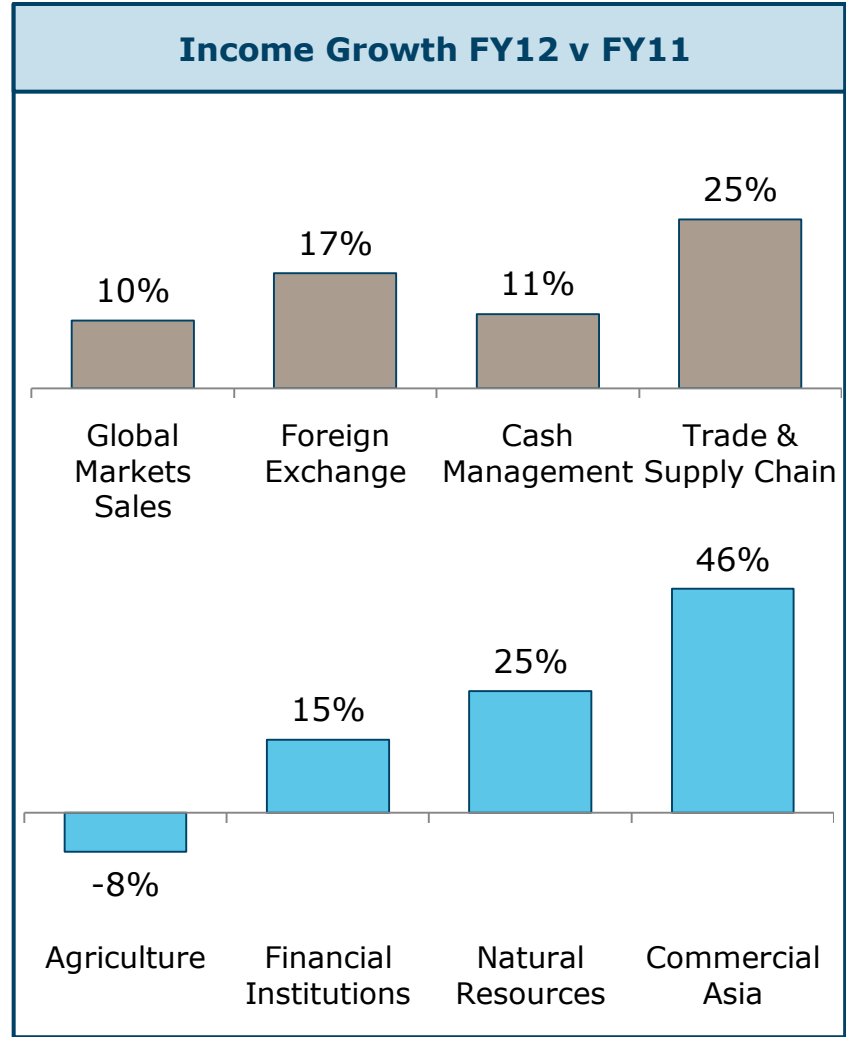
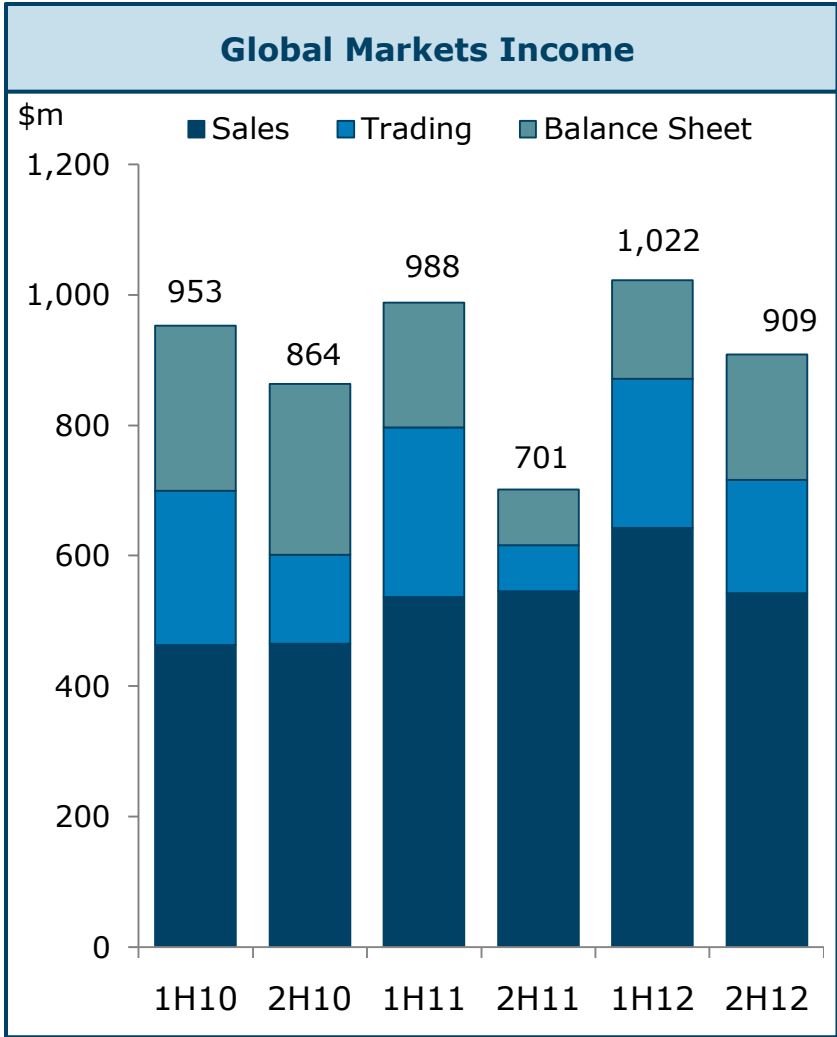
5

Drive capital efficiency and superior returns for shareholders

Strengthening our position in Australia & New Zealand

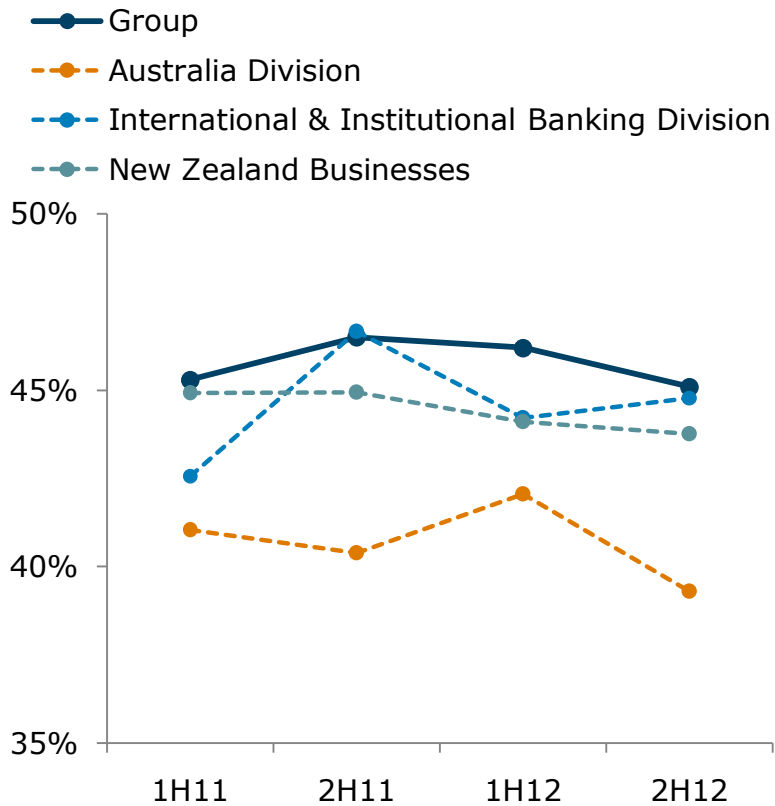


Capturing regional flows and diversifying income

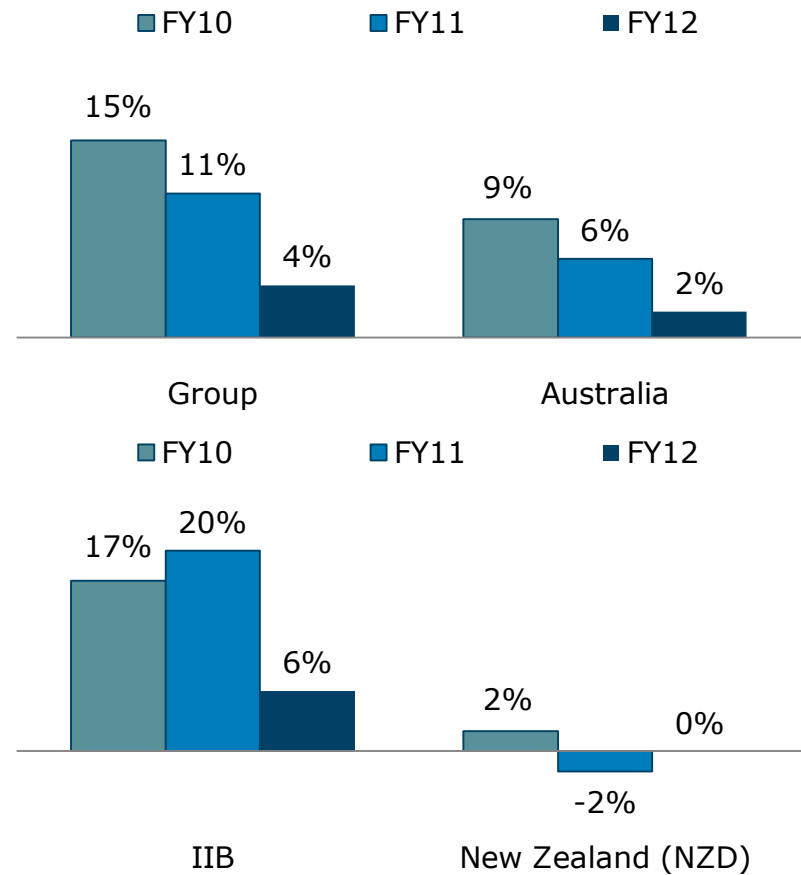


Productivity focus is delivering results

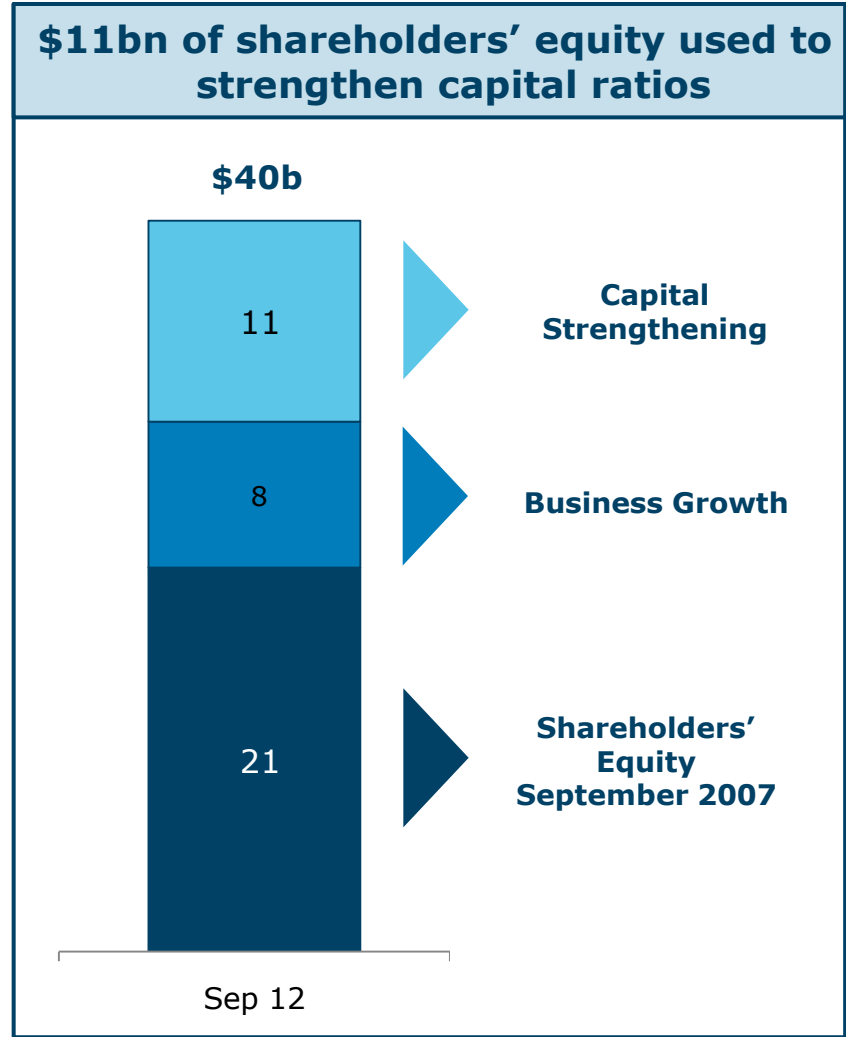
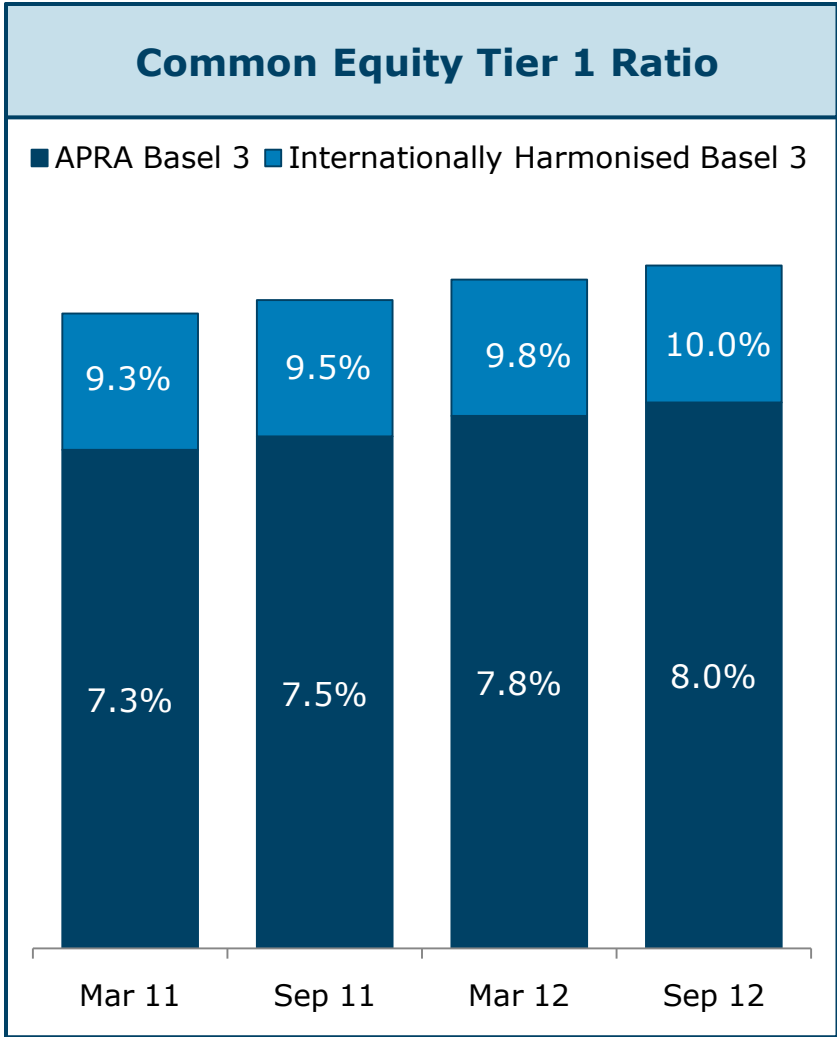
Cost to Income Ratio (%)



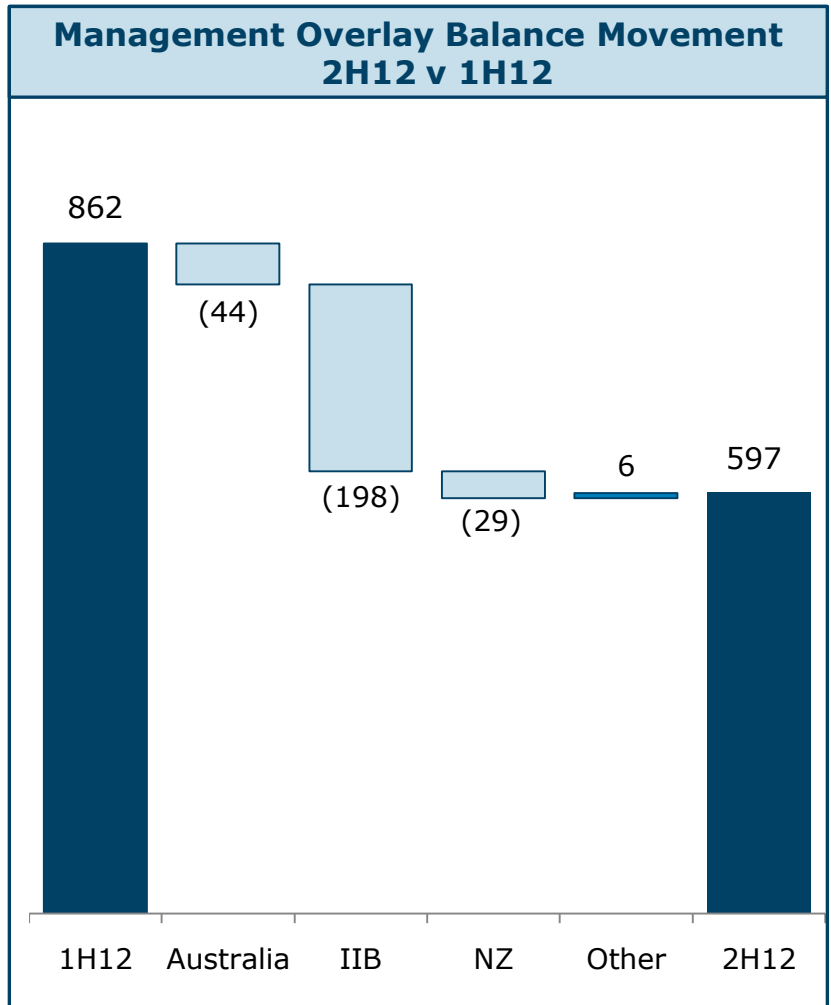
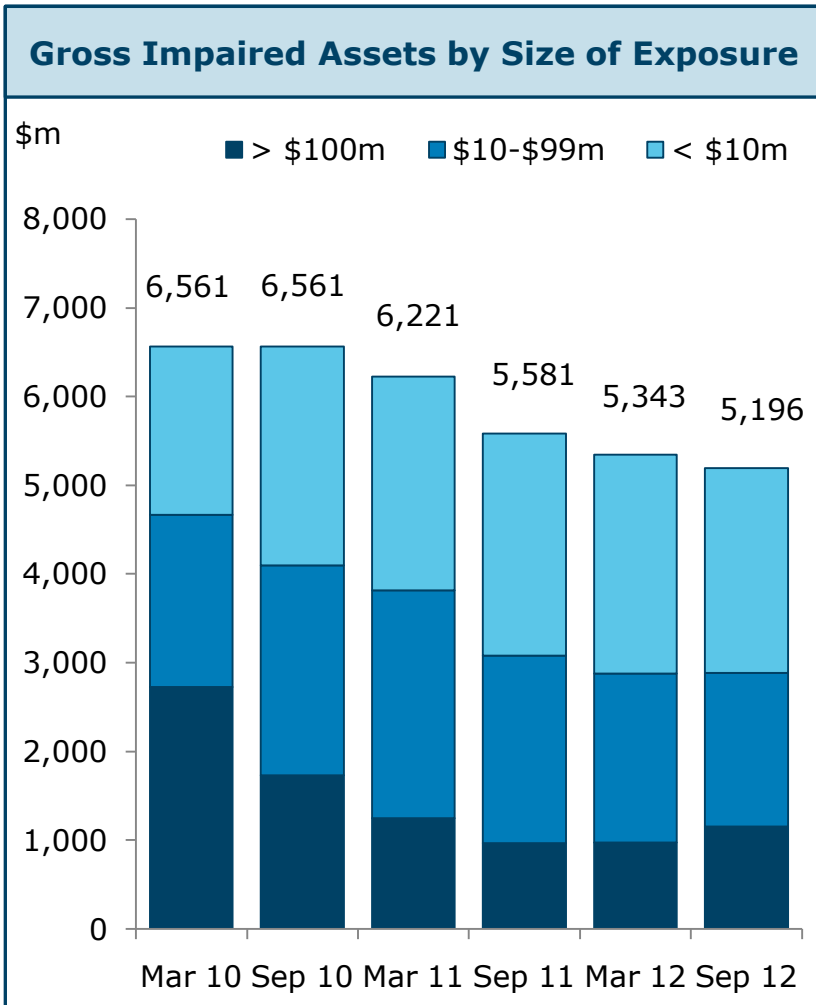
Operating Expense Growth (%)



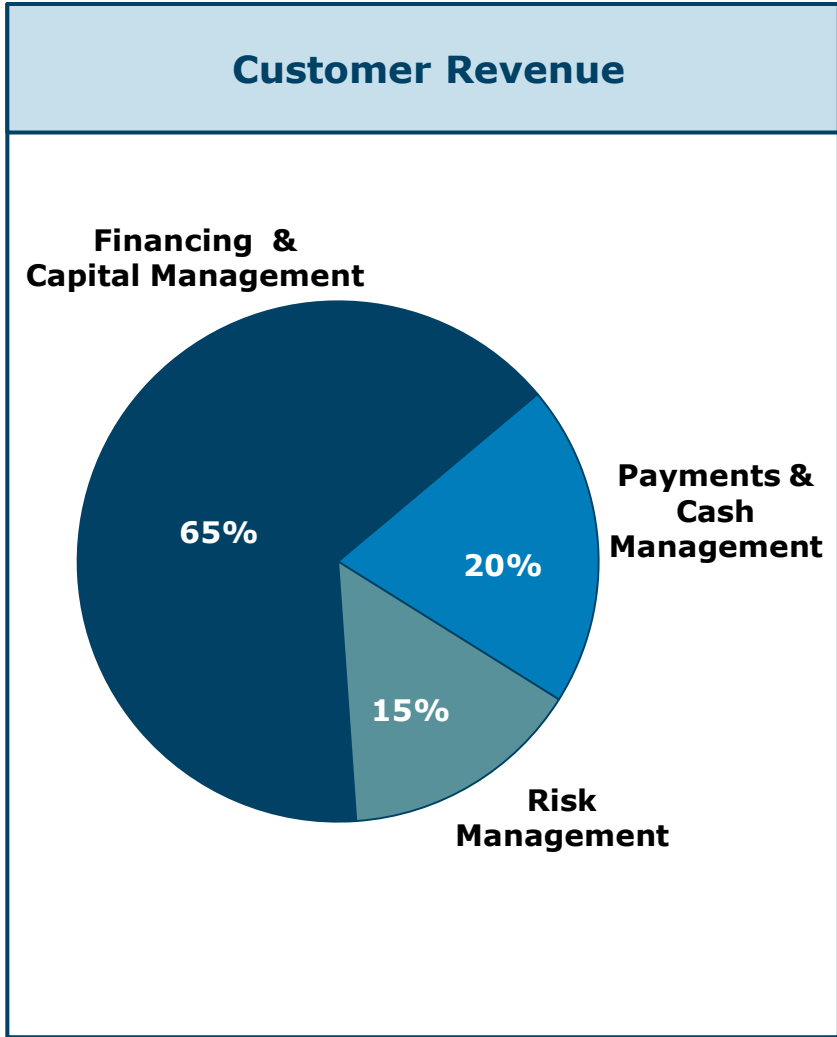
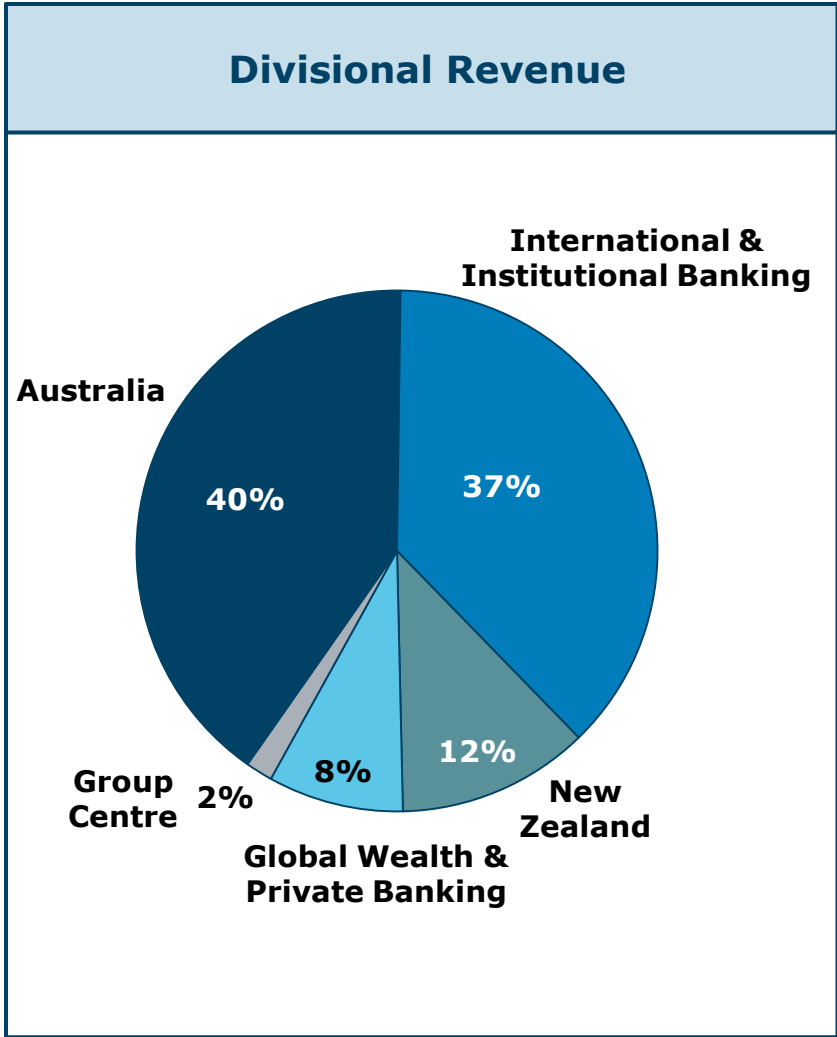
Effective capital management critical in a lower growth environment



Credit quality tracking in line with expectations

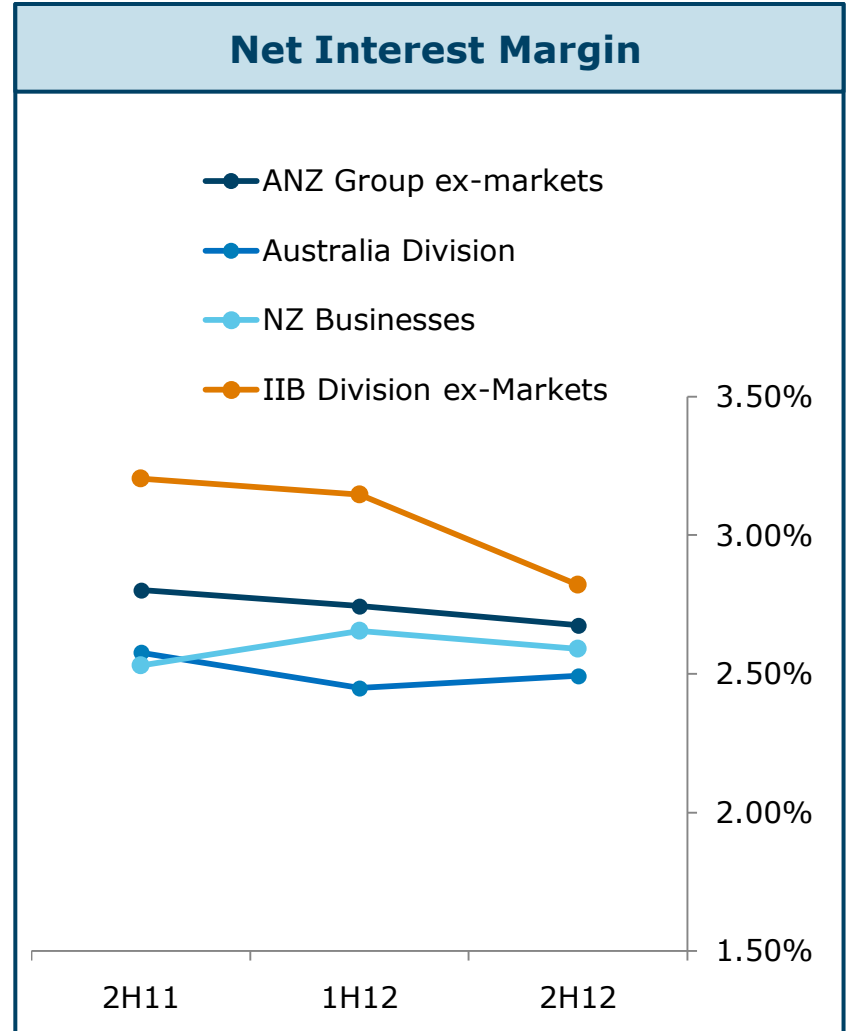
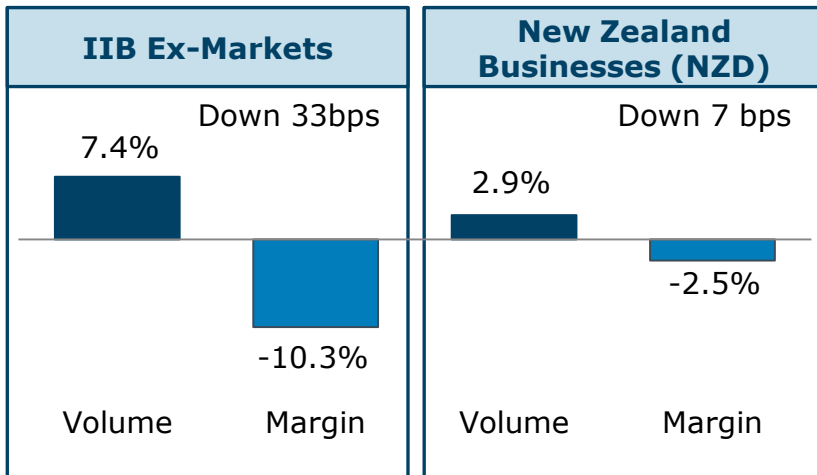
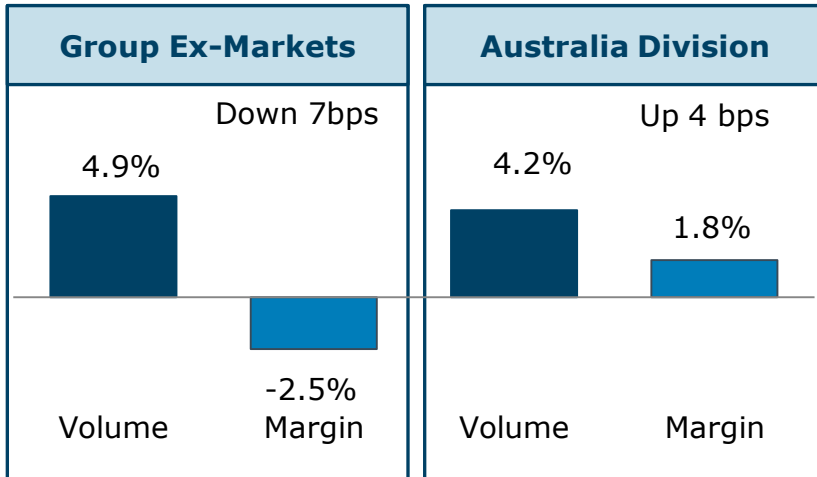


2012 Operating Income Mix

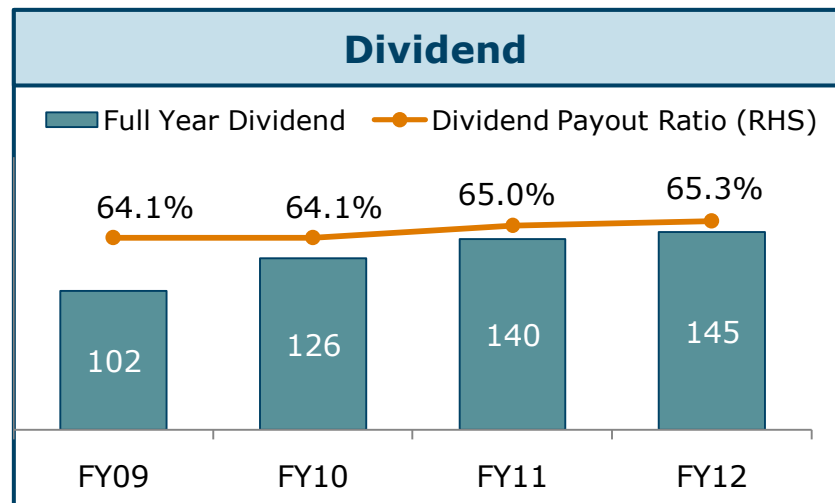
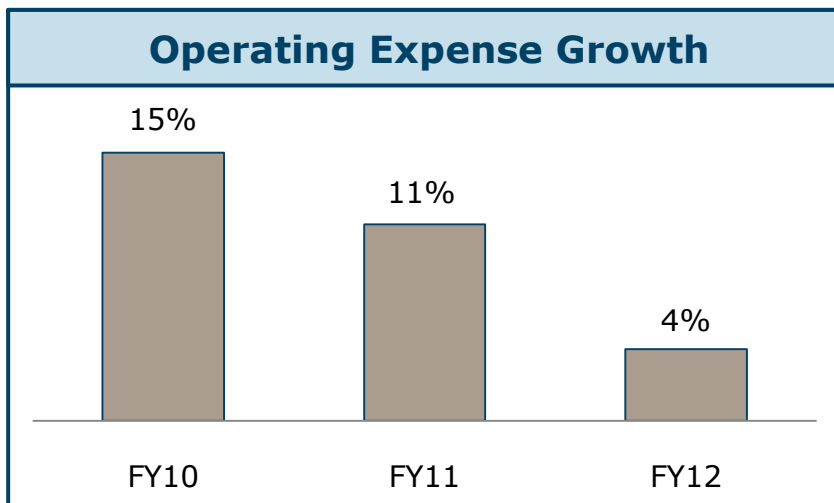
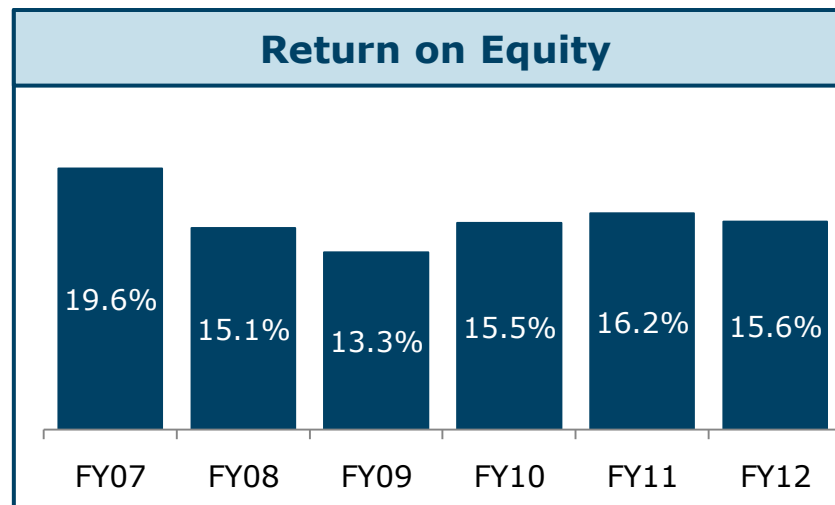
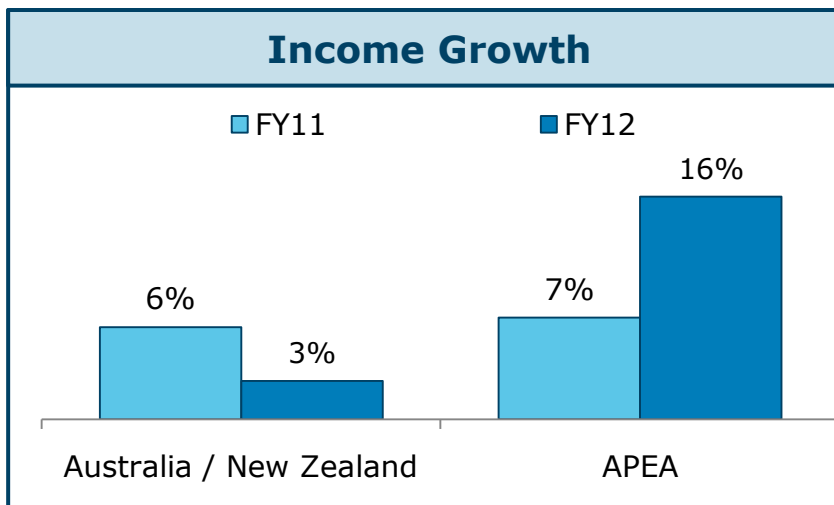


Net Interest Margin trends

Net Interest Income 2H12 v 1H12



Outlook - Continuing to execute our super regional strategy



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25 October 2012

**Investor Discussion Pack
Additional Financial Information**



Adjustments between statutory profit and underlying profit

	2H12	FY12
	\$M	\$M
Statutory profit	2,742	5,661
Adjustments between statutory profit and underlying profit		
Gain on sale of Visa shares	(224)	(224)
New Zealand Simplification programme	59	105
Acquisition related adjustments	13	41
Treasury shares adjustment	26	96
Economic hedging - fair value (gains)/losses	207	229
Revenue and net investment hedges (gains)/losses	10	(53)
Capitalised software impairment	220	220
NZ managed funds impacts	-	1
Non continuing businesses	(15)	(65)
Total adjustments between statutory profit and underlying profit¹	296	350
Underlying profit	3,038	6,011

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

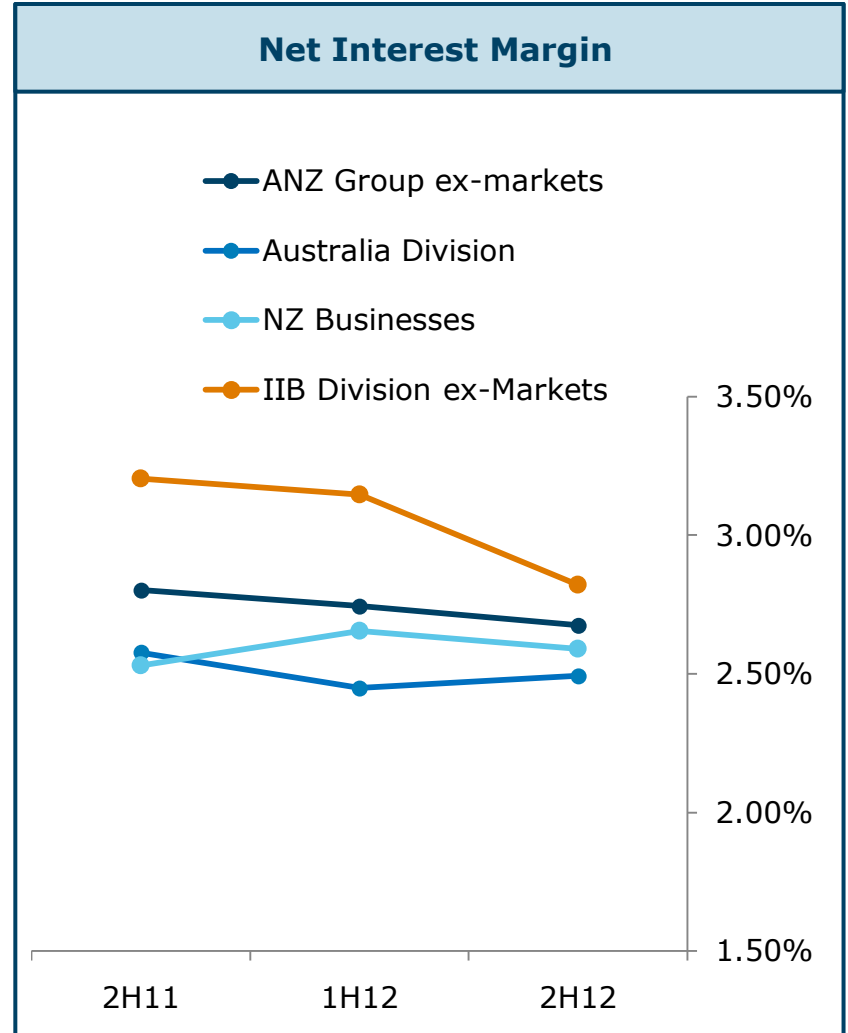
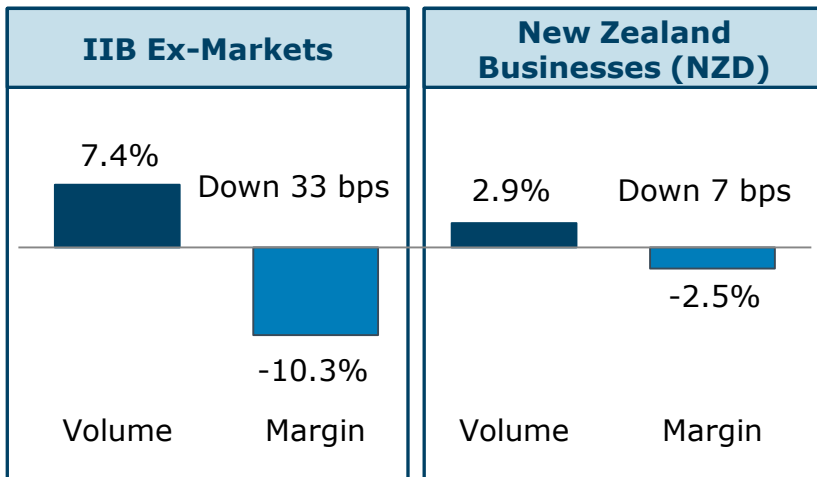
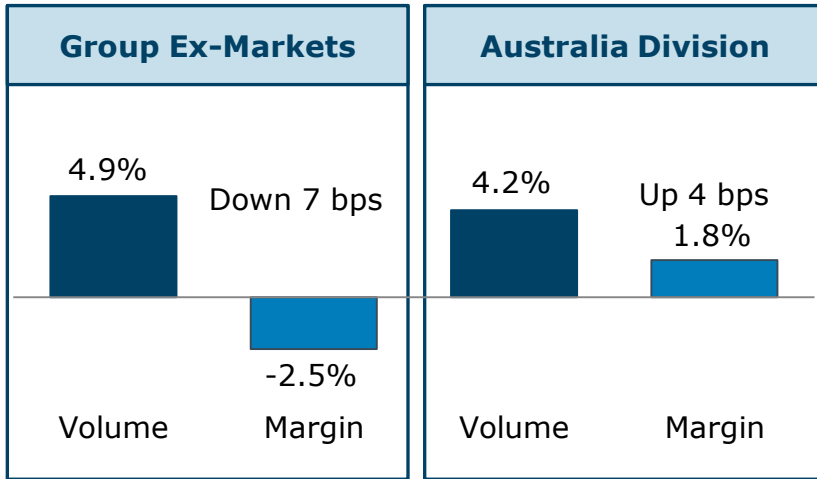
Net Interest Margin (NIM) movement summary

Basis points (bps)	Group		Divisions						Regions			
	HOH	YOY	Australia Division		NZ Businesses		IIB Division		Australia		NZ	
HOH			YOY	HOH	YOY	HOH	YOY	HOH	YOY	HOH	YOY	
Starting NIM	235	242	245	259	266	252	195	209	251	259	247	235
Funding & Asset Mix	-2	1	-1	-2	3	7	-8	-11	-3	-1	2	6
Funding Costs	-2	-8	5	-3	-2	-15	-11	-7	-2	-6	-1	-10
Deposits	-11	-10	-16	-14	-9	1	-4	-7	-12	-11	-9	2
Assets	9	6	18	10	4	13	-7	-15	13	7	3	12
Other	-1	2	-2	-3	-3	4	-3	0	-1	-1	-3	2
Movement excl. Global Markets	-7	-9	4	-12	-7	10	-33	-40	-5	-12	-8	12
Markets	0	-2	0	0	0	0	14	16	2	2	0	-4
Total Movement	-7	-11	4	-12	-7	10	-19	-24	-3	-10	-8	8
Ending NIM	228	231	249	247	259	262	176	185	248	249	239	243

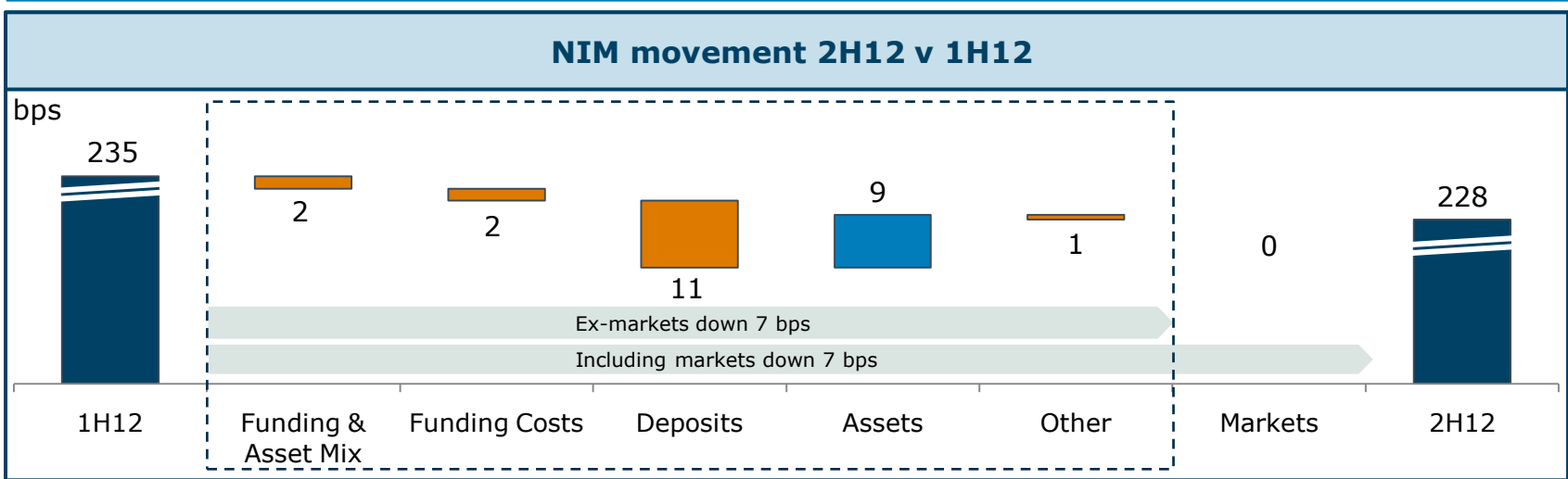
Some small variances to the detailed NIM pages exist as a result of rounding

NIM – Divisional Trends

Net Interest Income 2H12 v 1H12

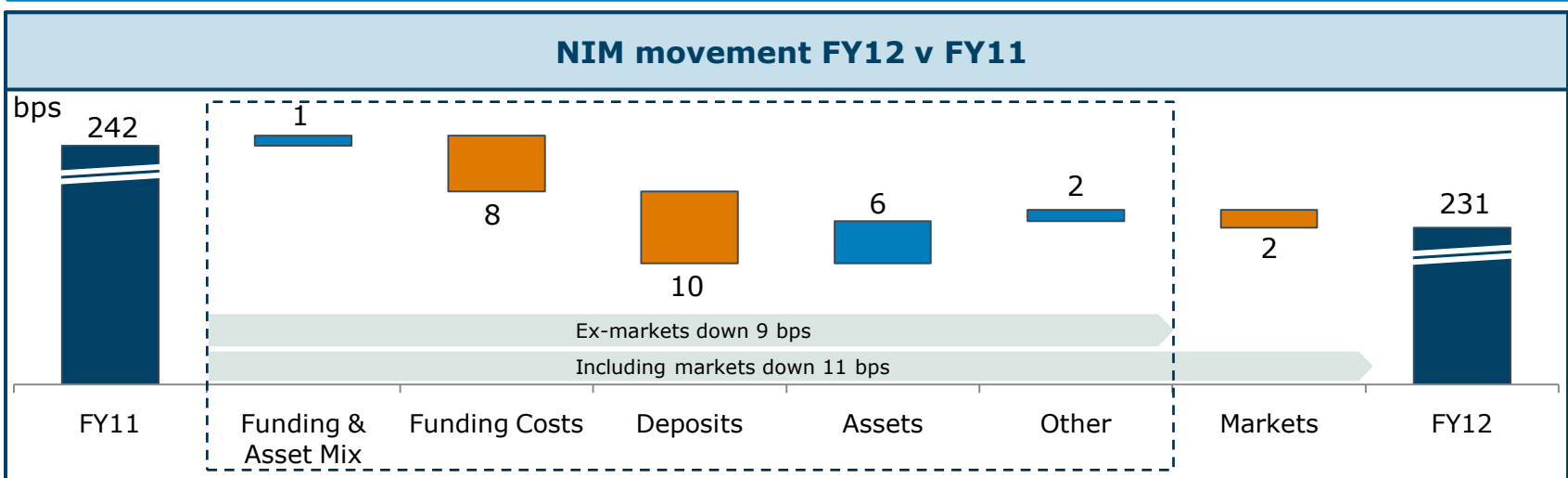


NIM – Group



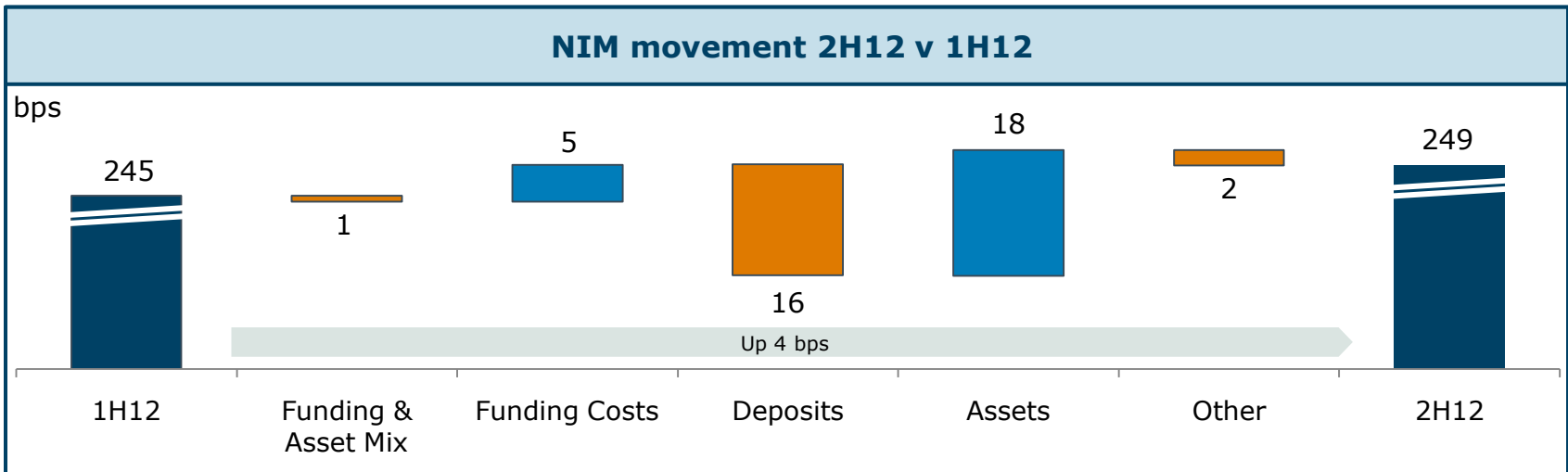
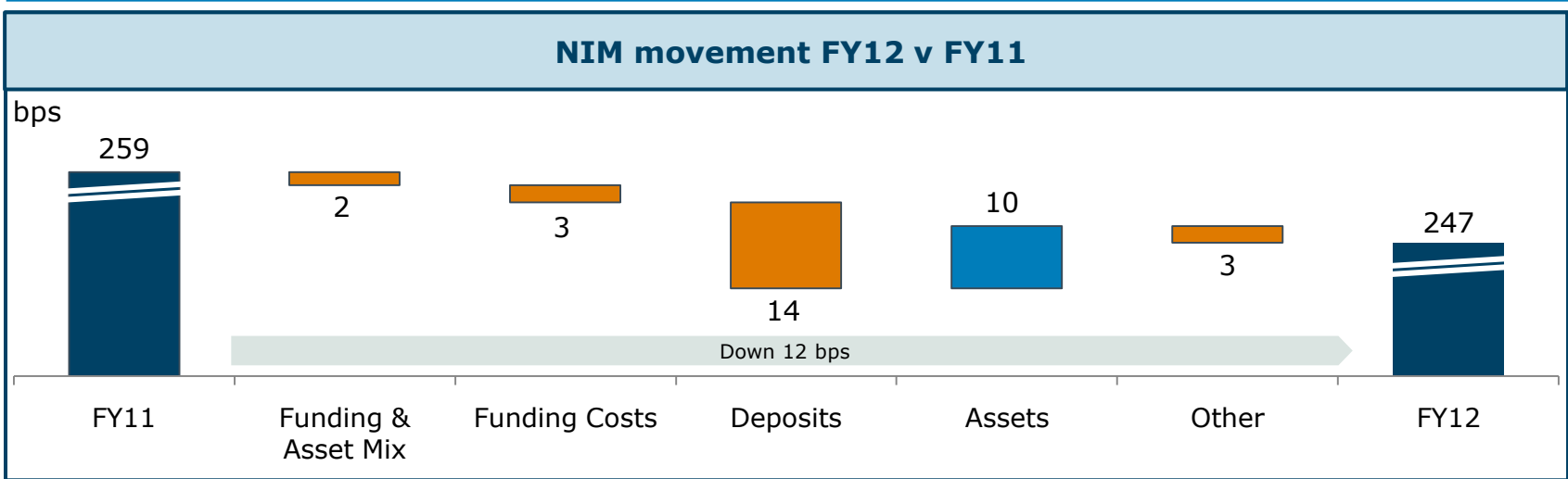
Key drivers of movement	
Funding & Asset Mix	Relative increase in Transaction Banking and lower growth in cards
Funding Costs	Lower returns on invested capital, wholesale funding costs stabilised in the half
Deposits	Strong competition for deposits in Australia and NZ and an increase in proportion of term deposits, particularly in Australia and IIB
Assets	Asset repricing benefits in Australia and New Zealand, partially offset by increased pricing competition in Global Loans

NIM – Group

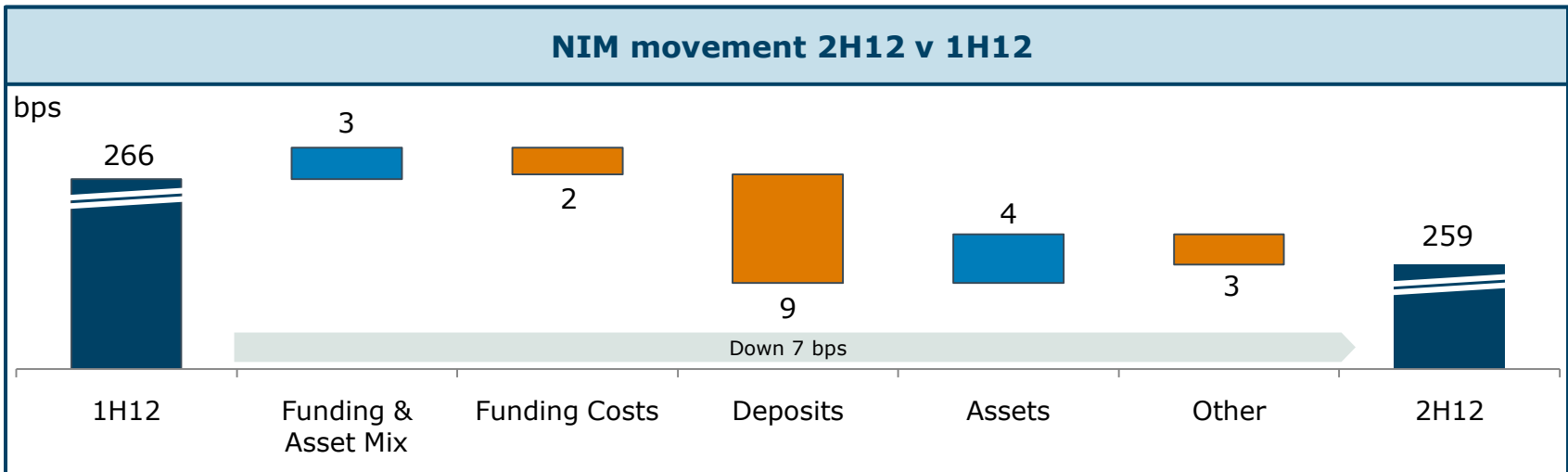
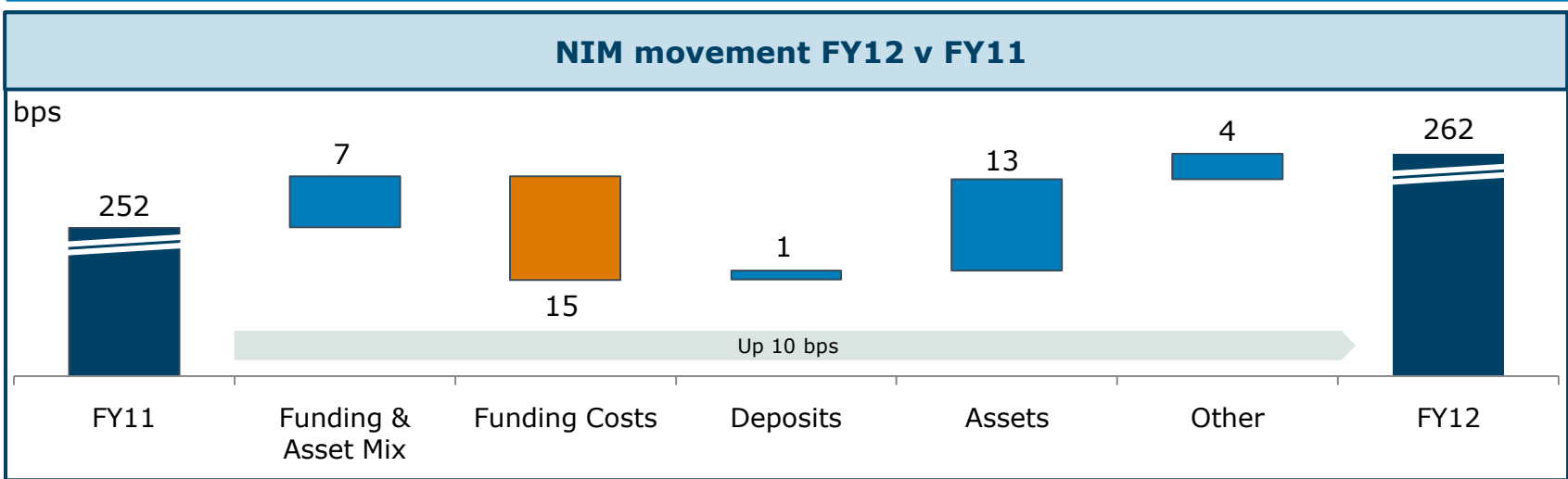


Key drivers of movement	
Funding & Asset Mix	Reduced reliance on wholesale funding offset by growth in Transaction Banking and lower growth in Cards
Funding Costs	Lower returns on invested capital and higher wholesale funding costs
Deposits	Effects of strong competition for deposits primarily in Australia
Assets	Asset repricing benefits in Australia and New Zealand, partially offset by increased pricing competition in Global Loans

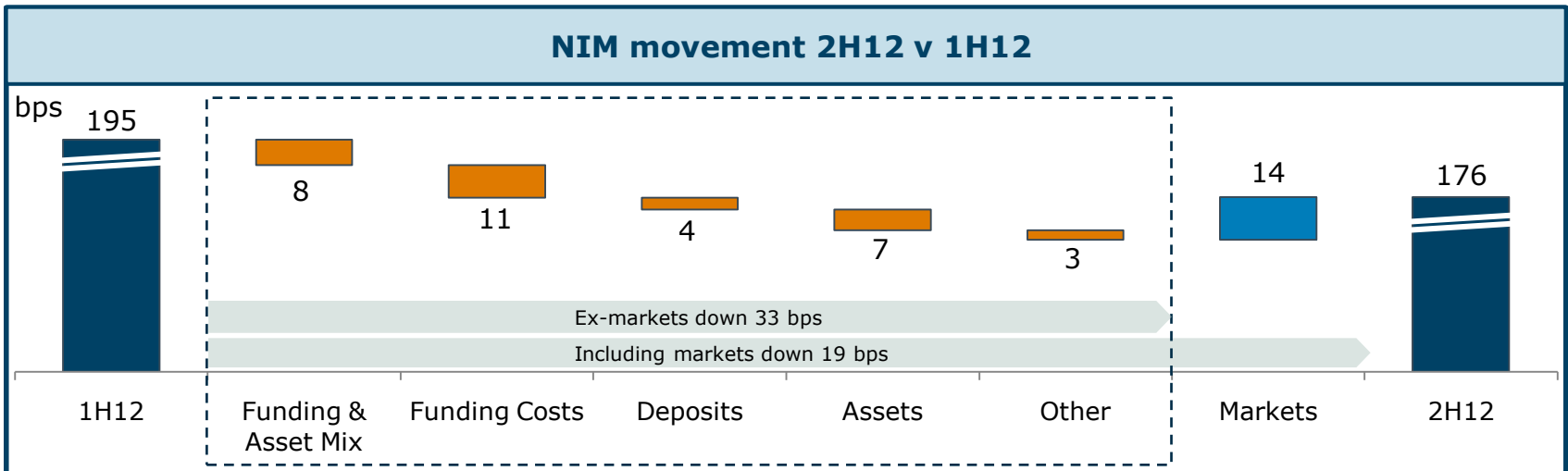
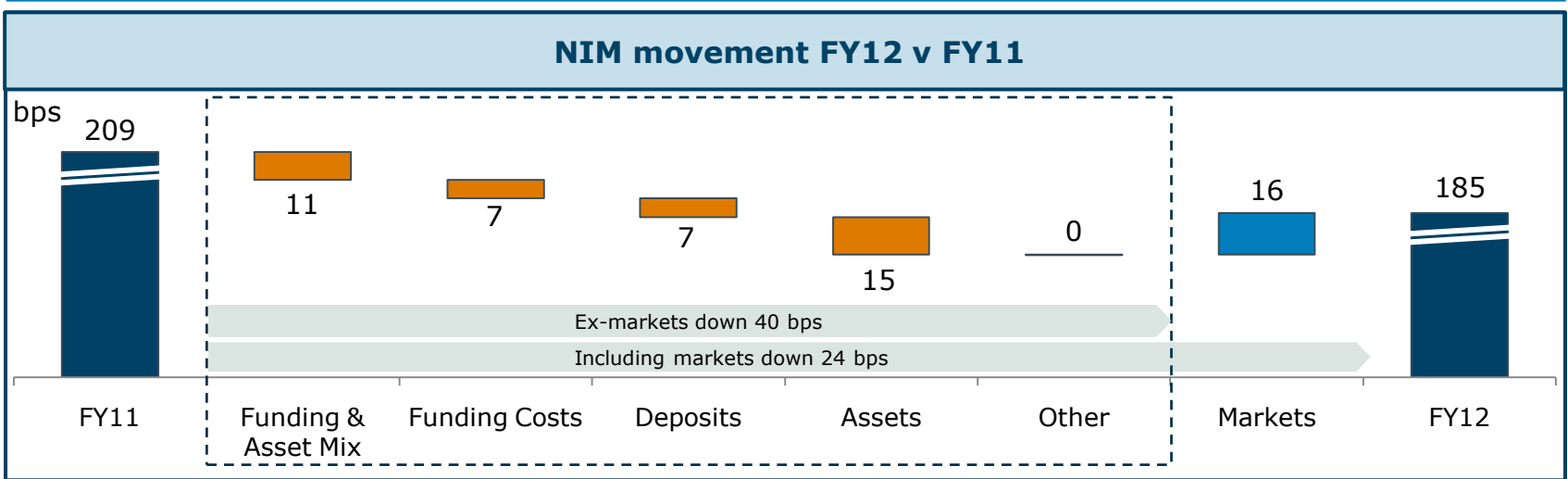
NIM – Australia Division



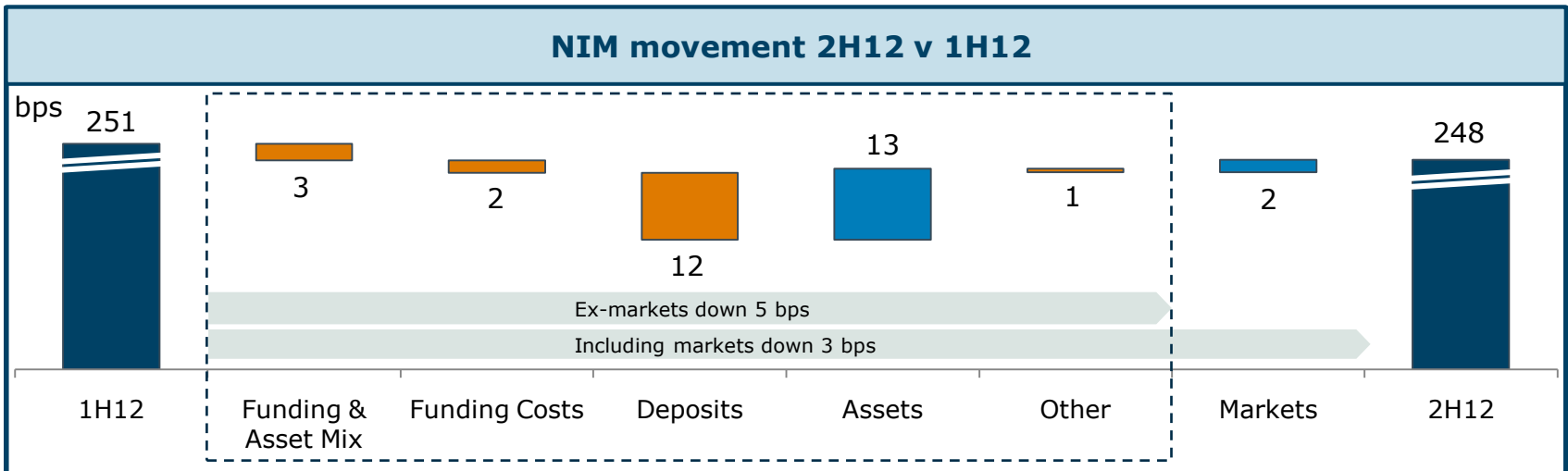
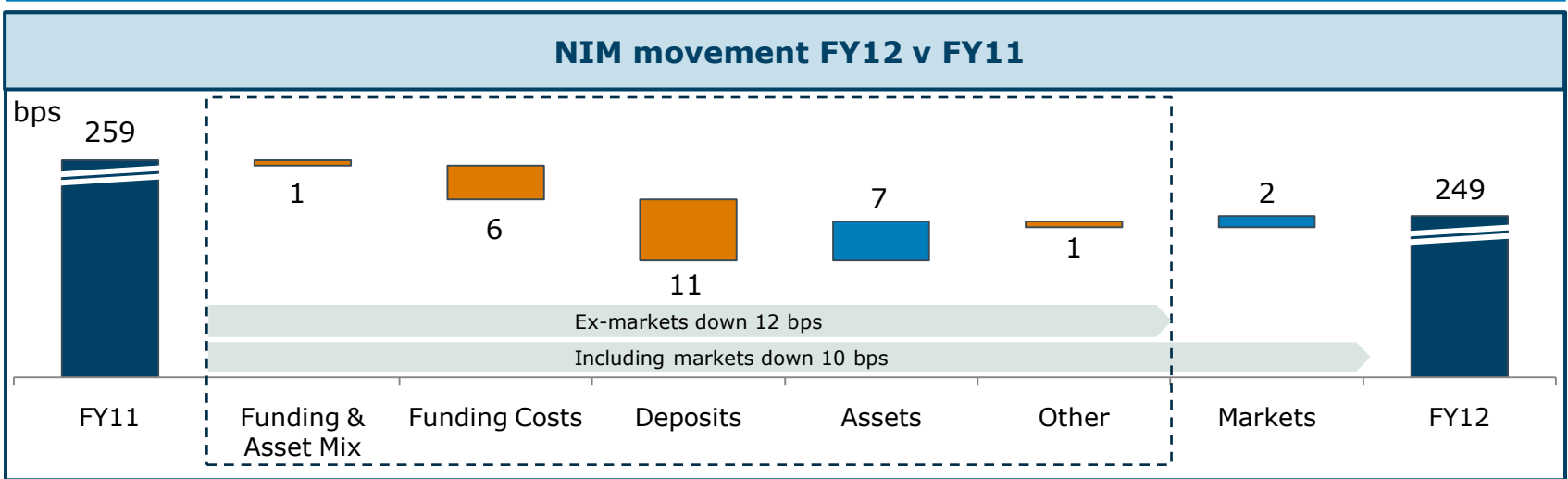
NIM – New Zealand Division



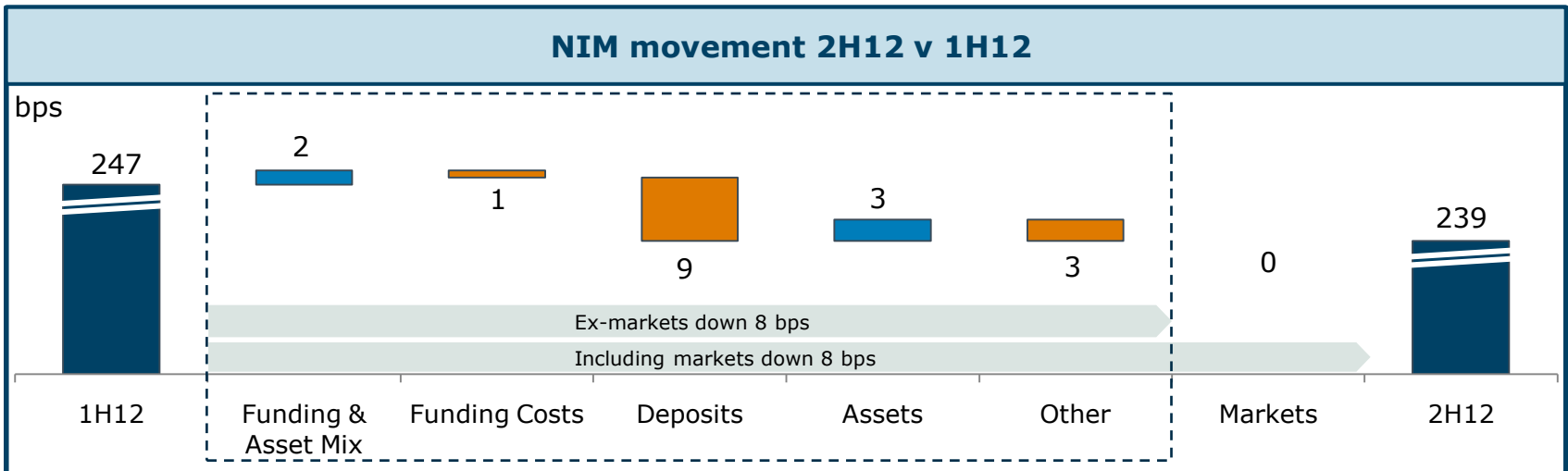
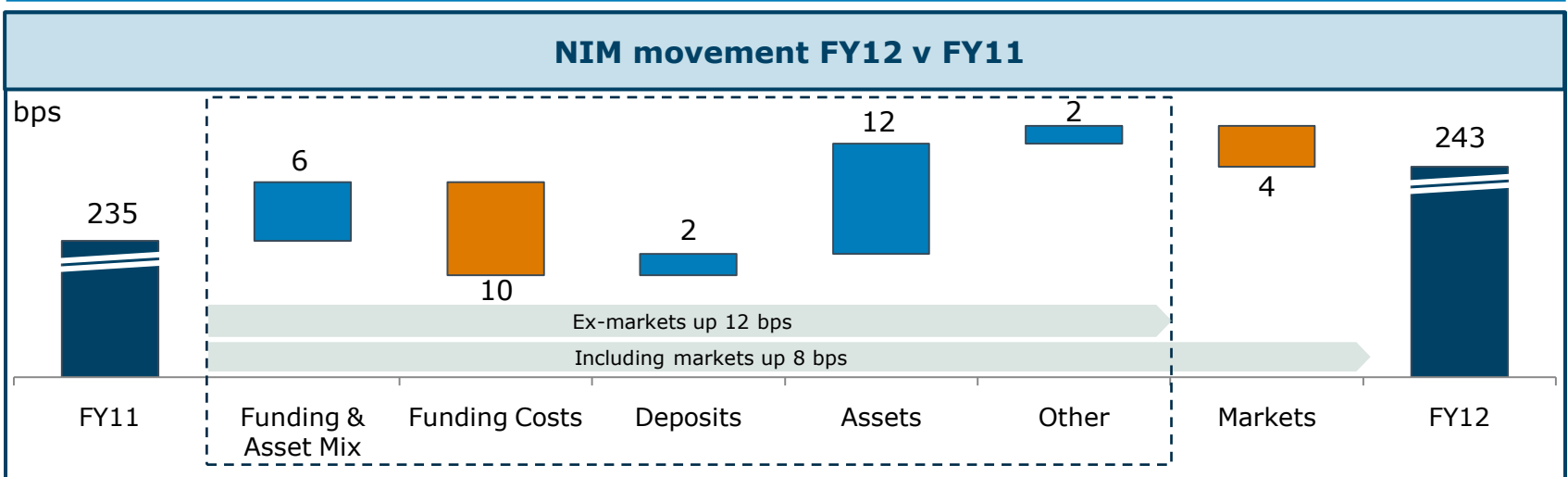
NIM – International & Institutional Banking Division



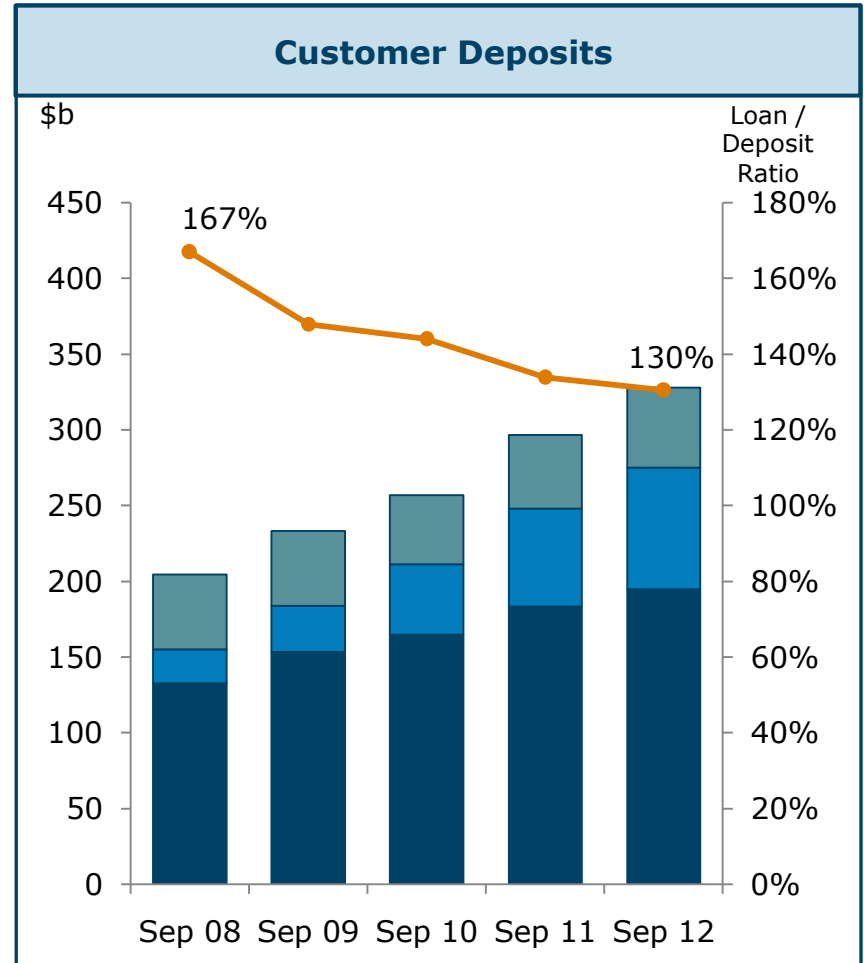
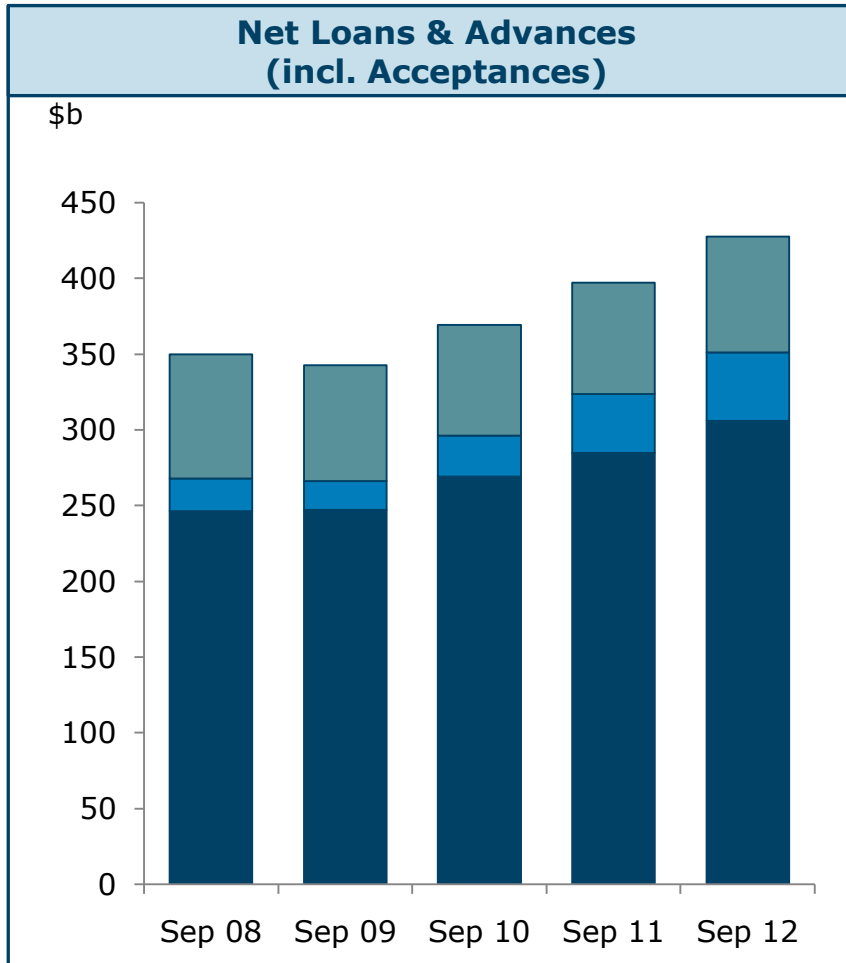
NIM – Australia Geography



NIM – New Zealand Geography



Balance Sheet – Customer Lending & Deposits



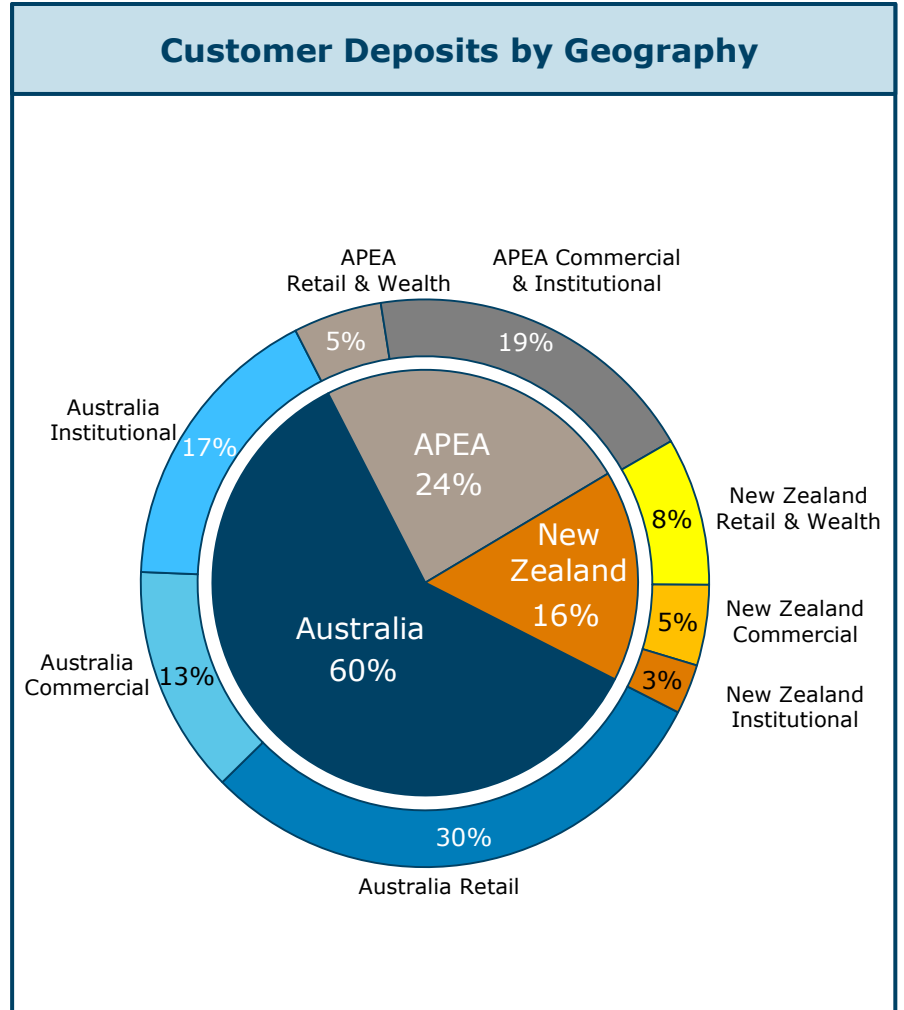
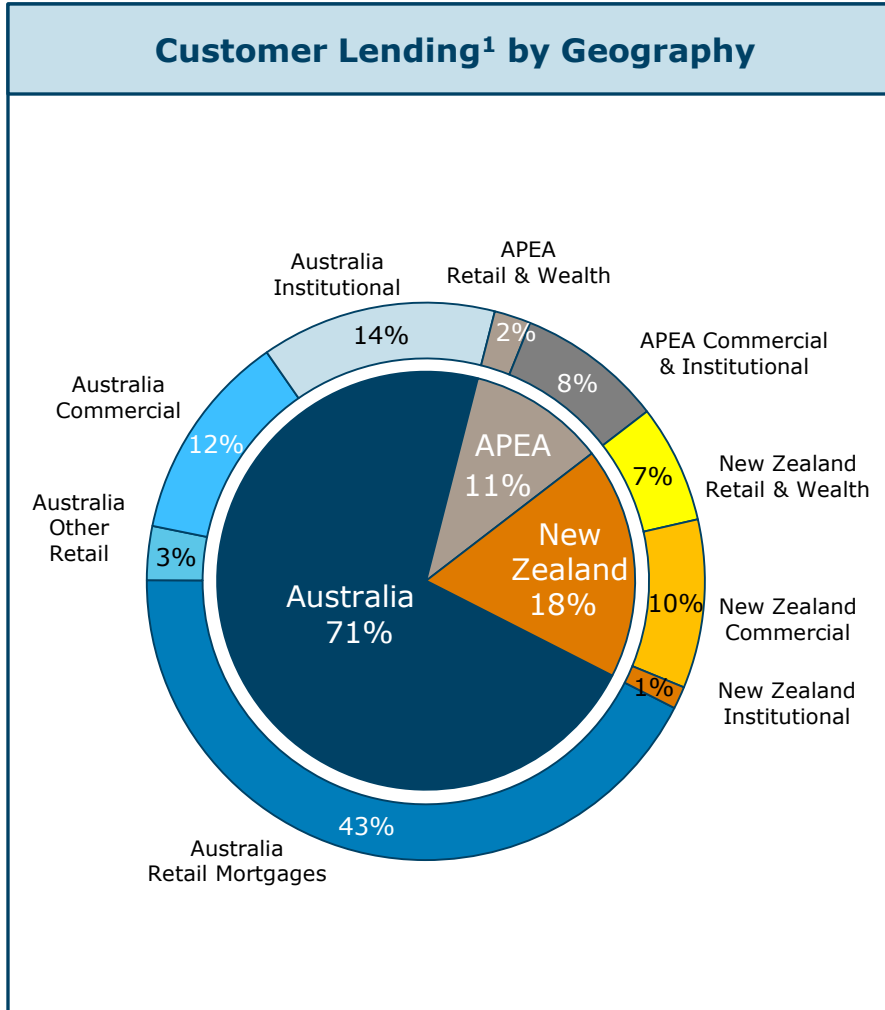
■ Australia

■ APEA

■ New Zealand

— Group LTD Ratio (RHS)

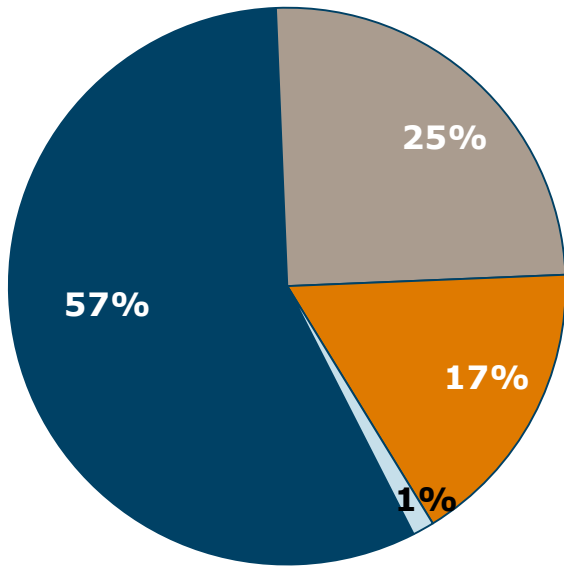
Balance Sheet – Composition by Geography



1. Customer lending represents Net Loans & Advances including acceptances

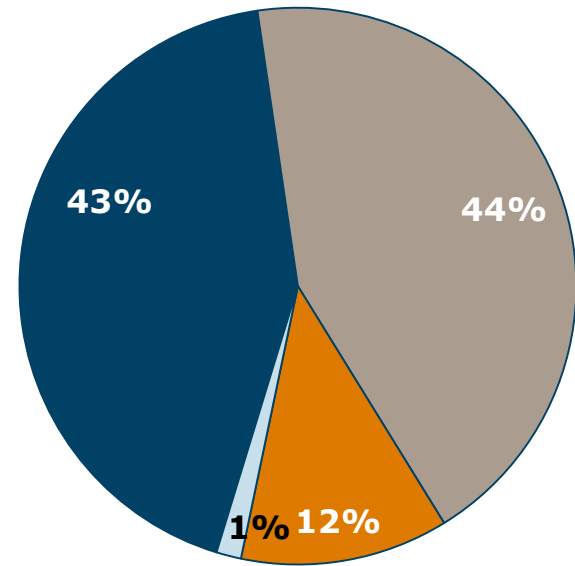
Balance Sheet – Composition by Division

Customer Lending¹ by Division



- Australia
- International & Institutional Banking
- New Zealand
- Global Wealth & Private Banking

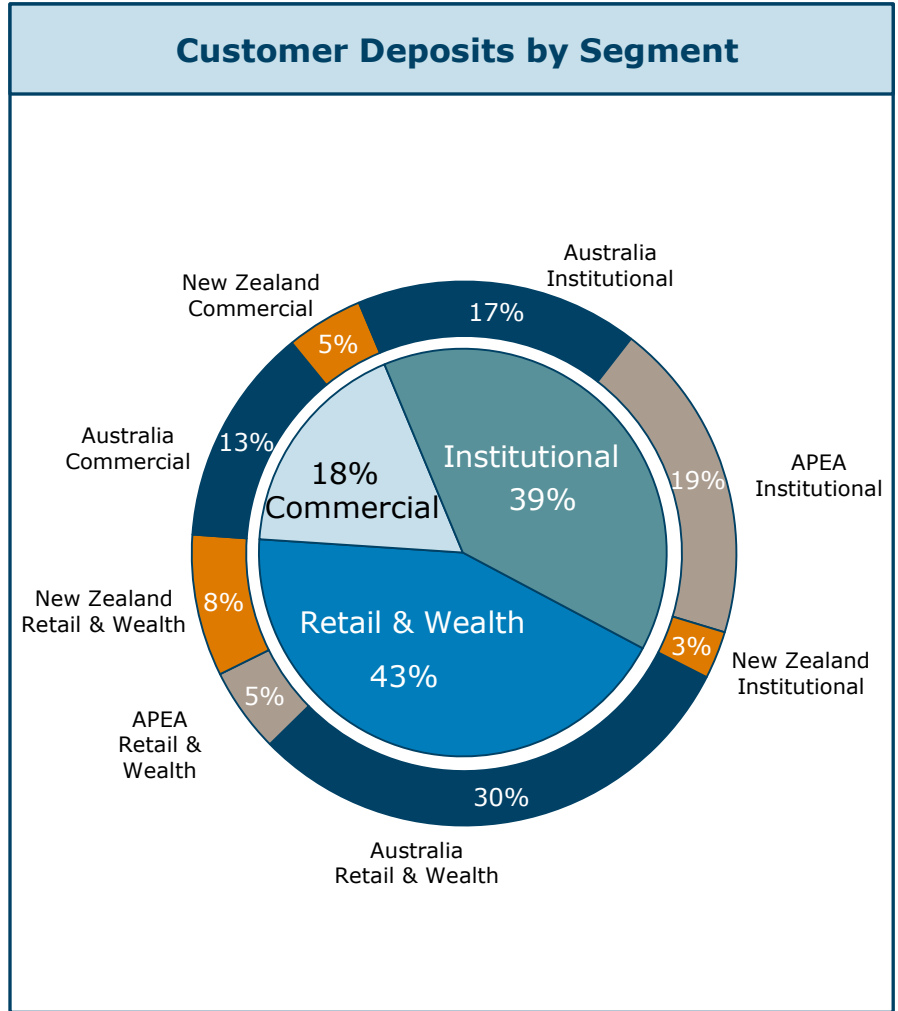
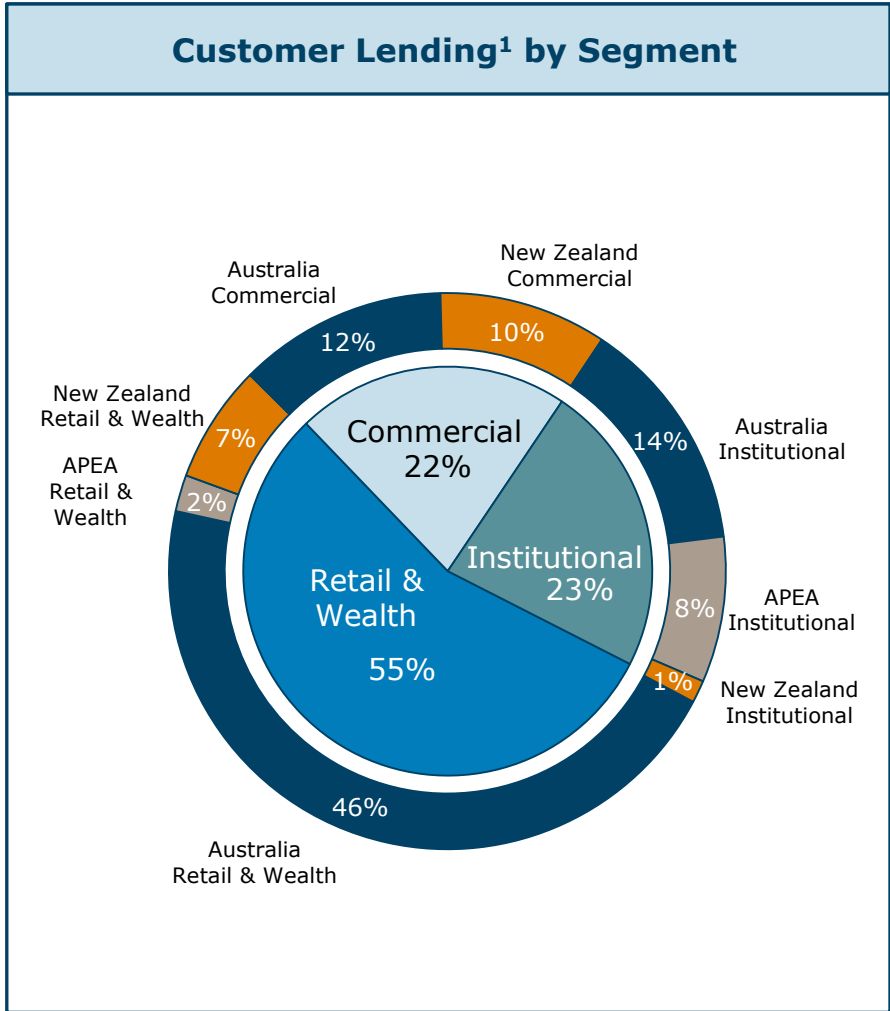
Customer Deposits by Division



- Australia
- International & Institutional Banking
- New Zealand
- Global Wealth & Private Banking

1. Customer lending represents Net Loans & Advances including acceptances

Balance Sheet – Composition by Segment



1. Customer lending represents Net Loans & Advances including acceptances

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FULL YEAR RESULTS

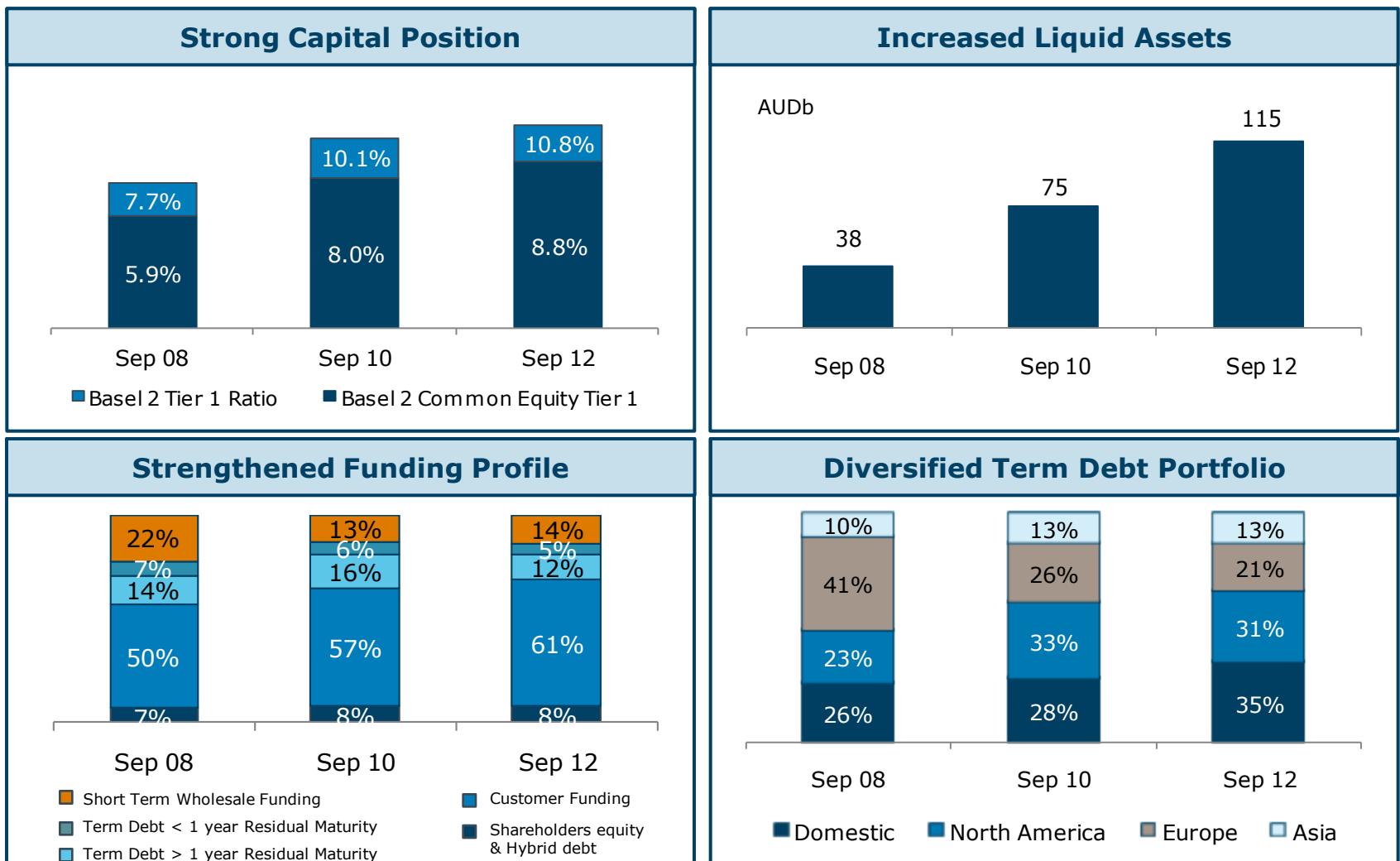
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Investor Discussion Pack
Treasury

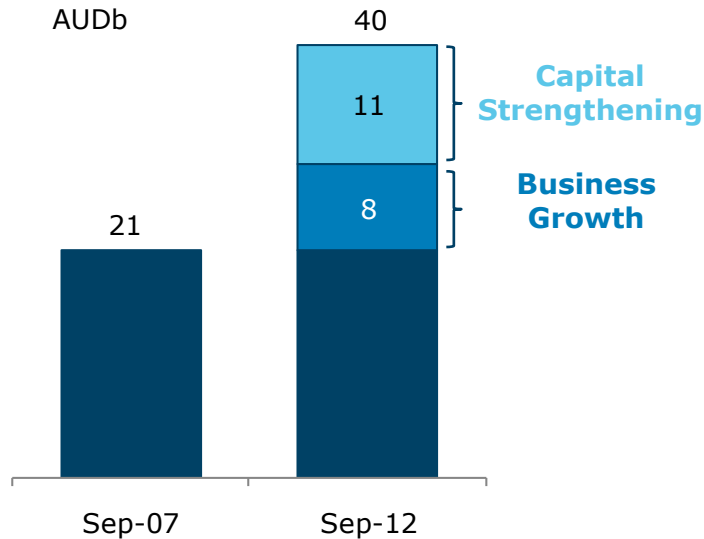


Balance Sheet strengthening has been a consistent focus

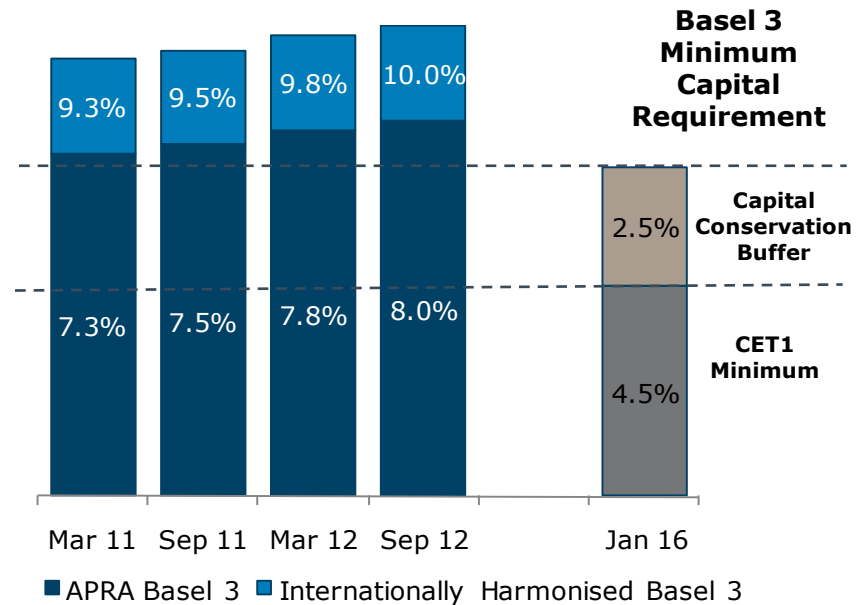


ANZ is in a strong capital position

\$11bn of shareholders' equity used to strengthen capital ratios



Capital levels are well positioned (CET1)

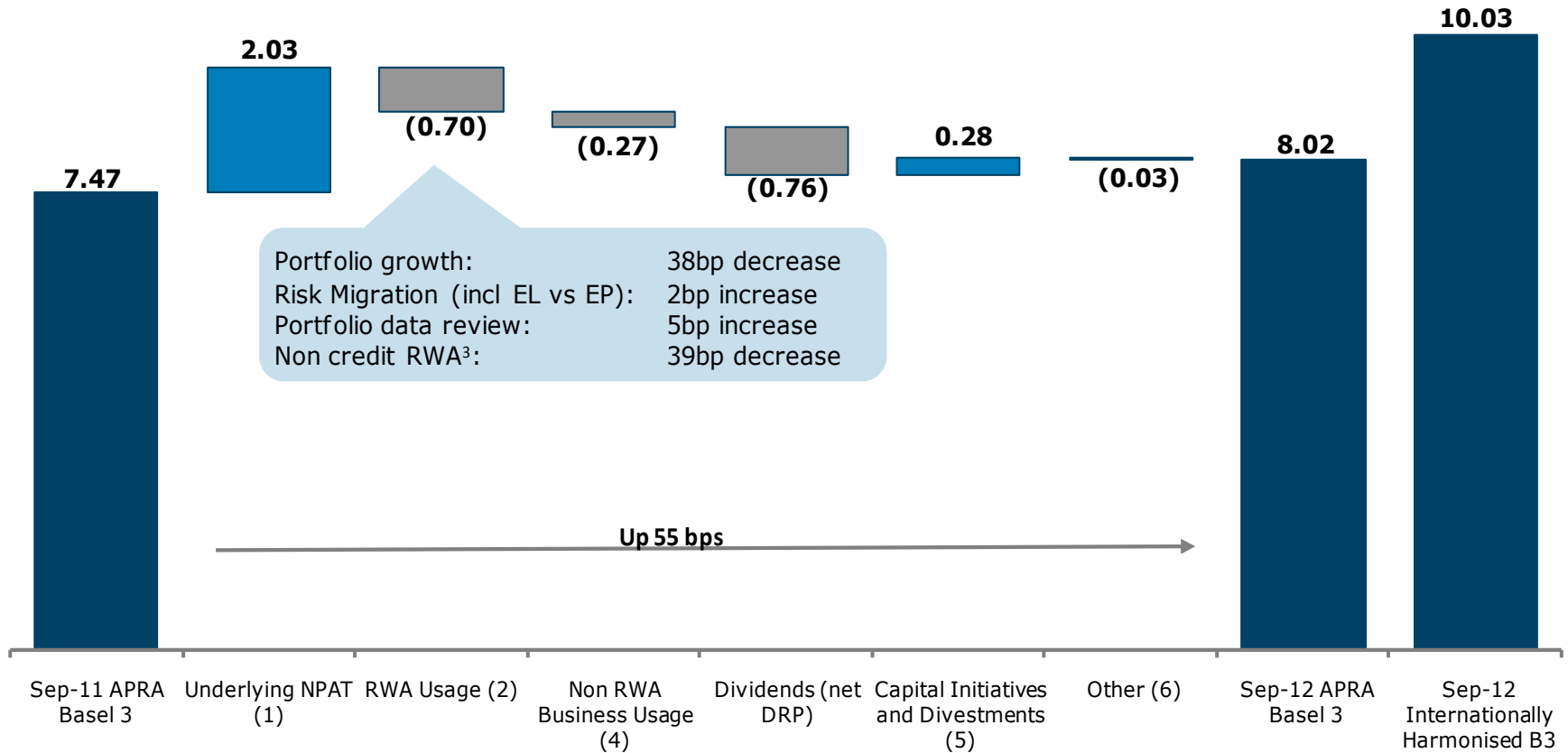


Capital Management Agenda

- Capital strengthening phase is largely complete
- Discount applied to Dividend Reinvestment Plan removed for the 2012 Final Dividend
- Continuing focus on capital allocation and optimisation

Solid organic capital generation underpins strong Basel 3 CET1 position

Capital Position (APRA Basel 3 Common Equity Tier 1)



1. Underlying earnings net of pref shares. 2. Includes impact of expected loss versus eligible provision shortfall 3. Includes Operational model risk (22bps). 4. Includes capital retention of deconsolidated entities, capitalised software (before write off) and other intangibles. 5. Includes external refinance of OnePath Australia and sale of shares in VISA Inc. 6. Net FX, Non-Core NPAT items, net deferred tax assets and AFS reserve.

Reconciliation of ANZ's capital position under Basel 3

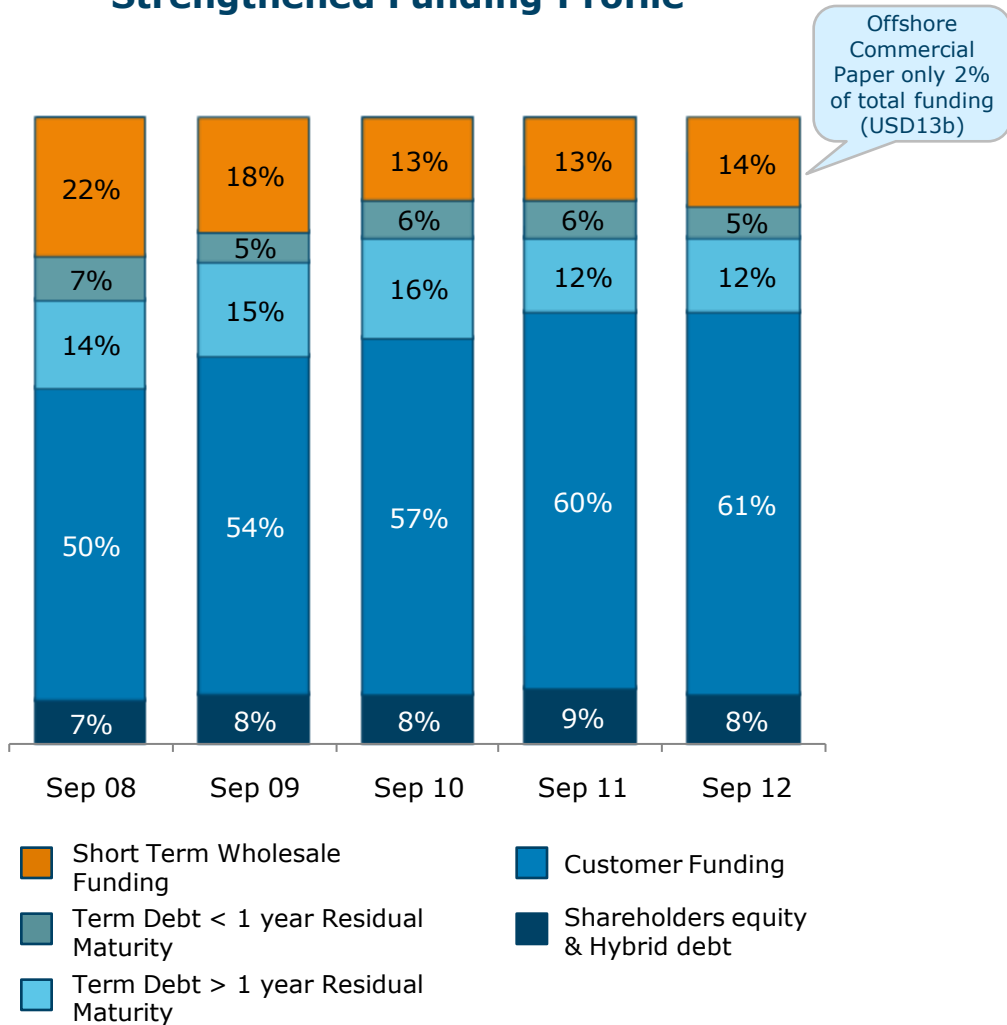
ANZ capital ratios: Basel 2 to Basel 3

	CET1	Tier-1	Total Capital
Sep-12 APRA Basel 2	8.8%	10.8%	12.2%
Dividend not provided for (net of DRP)	0.5%	0.5%	0.5%
Investments in ADI and overseas equivalents	-0.4%	-0.4%	0.0%
Investments in ANZ insurance subs including OnePath	-0.3%	-0.3%	0.0%
Expected losses in excess of eligible provisions	-0.2%	-0.2%	0.0%
Other	0.0%	-0.1%	-0.1%
10% reduction of existing hybrid and Tier 2 securities	0.0%	-0.2%	-0.4%
Estimated increase in RWA ¹	-0.4%	-0.4%	-0.5%
Sep-12 APRA Basel 3	8.0%	9.7%	11.7%
10% allowance for investments in insurance subs and ADIs	0.7%	0.7%	0.7%
Up to 5% allowance for deferred tax asset	0.2%	0.2%	0.2%
Other capital items	0.2%	0.2%	0.2%
Mortgage 20% LGD floor and other measures	0.5%	0.6%	0.6%
IRRBB RWA (APRA Pillar 1 approach)	0.4%	0.4%	0.5%
Sep-12 Internationally Harmonised Basel 3	10.0%	11.8%	13.9%

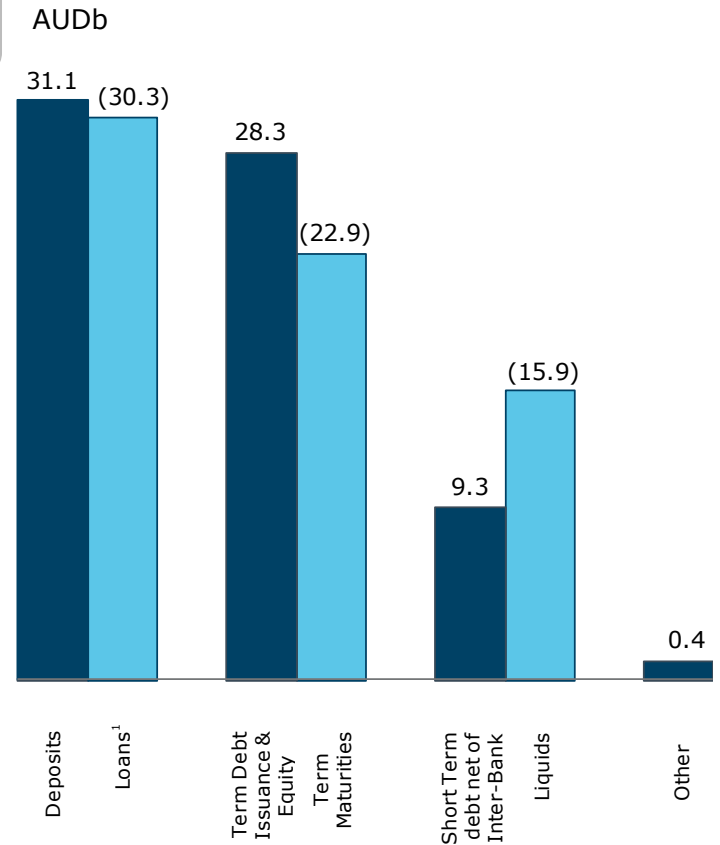
1. Includes credit counterparty but excludes any Basel 3 liquidity changes.

Well diversified funding profile with a low reliance on offshore short term wholesale debt

Strengthened Funding Profile



FY12 Lending growth fully funded by deposit growth

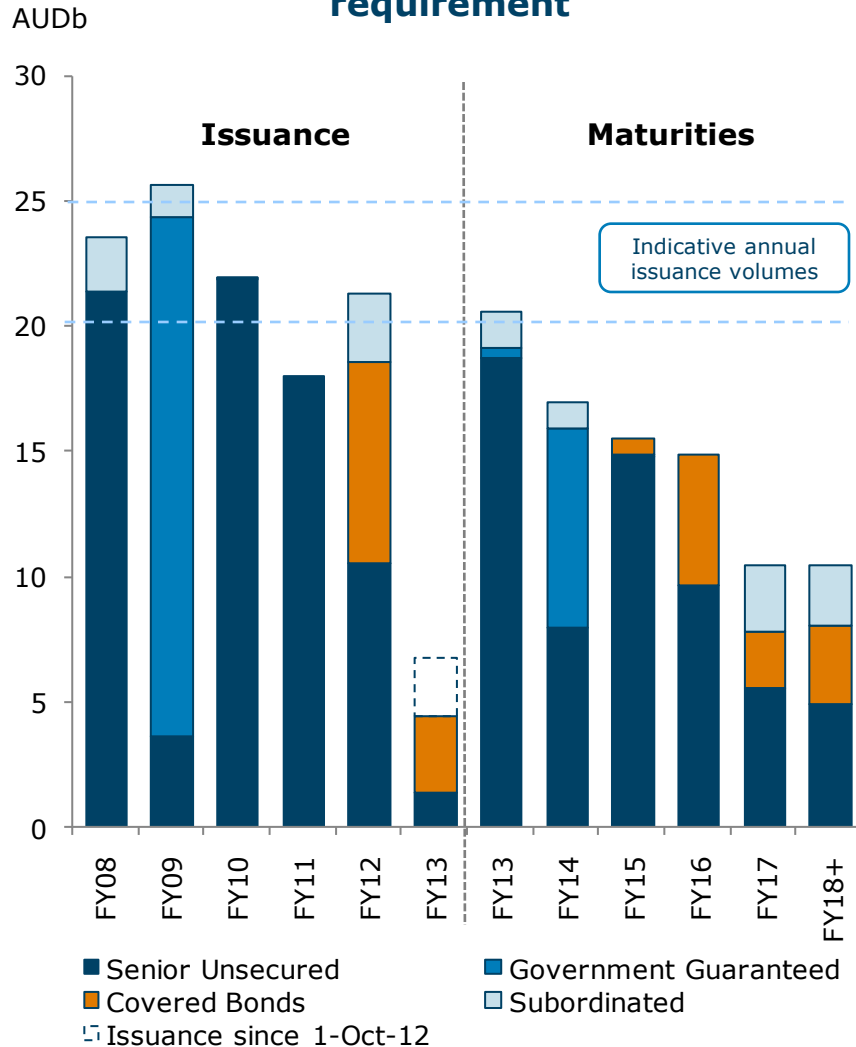


1. Excludes unfunded documentary credit acceptances

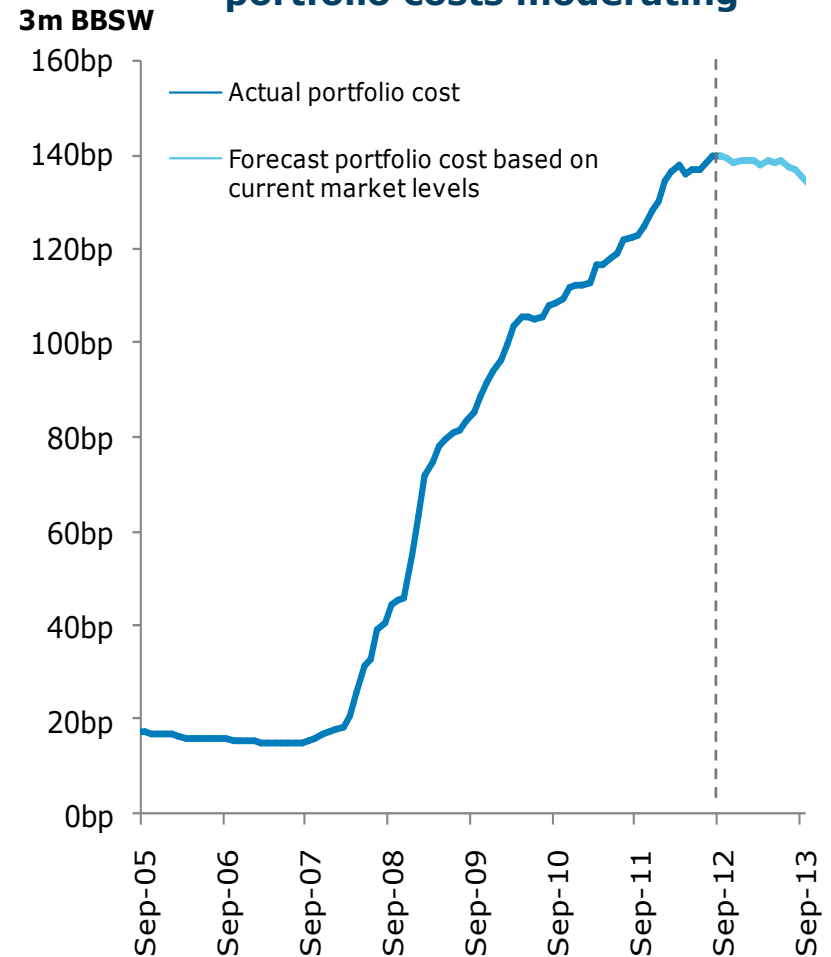


FY13 term funding well progressed, already one third complete

Consistent term wholesale funding requirement

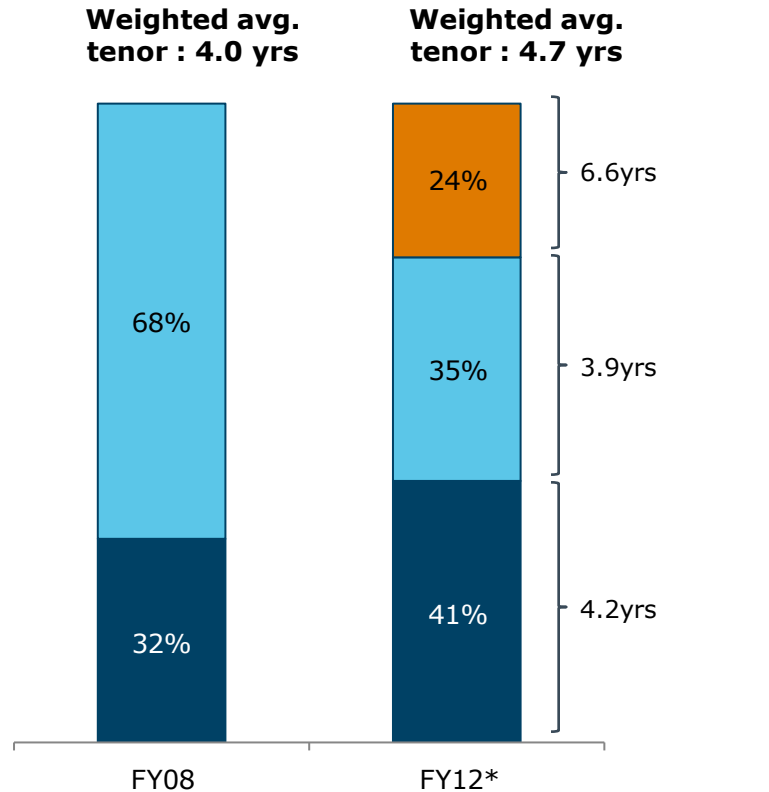


Growth in term wholesale funding portfolio costs moderating

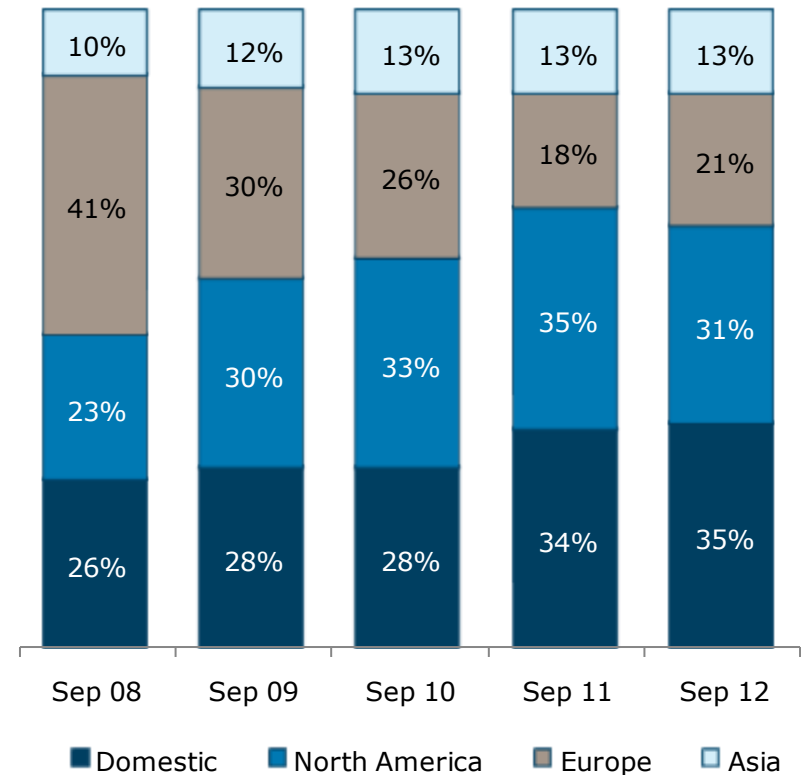


Recent issuance has been well diversified supporting a sustainable wholesale debt portfolio

Term Debt Issuance



Term Debt Outstandings



- AUD/NZD
- Foreign Currency - Senior Unsecured/Subordinated
- Foreign Currency - Covered Bonds

*Excludes FY13 pre-funding



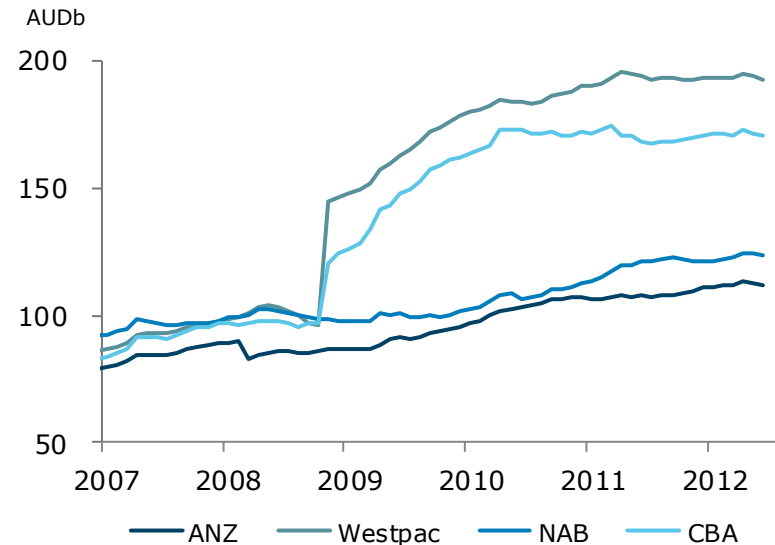
Lower structural funding gap provides funding flexibility

	ANZ	Westpac	NAB	CBA
Loan – Deposit Ratio (%)	130%	158%	152%	141%
Loan – Deposit Gap (\$b)	100	186	165	156
Australia Household Funding Gap (\$b)	112	193	124	171

ANZ has built a sustainable balance sheet

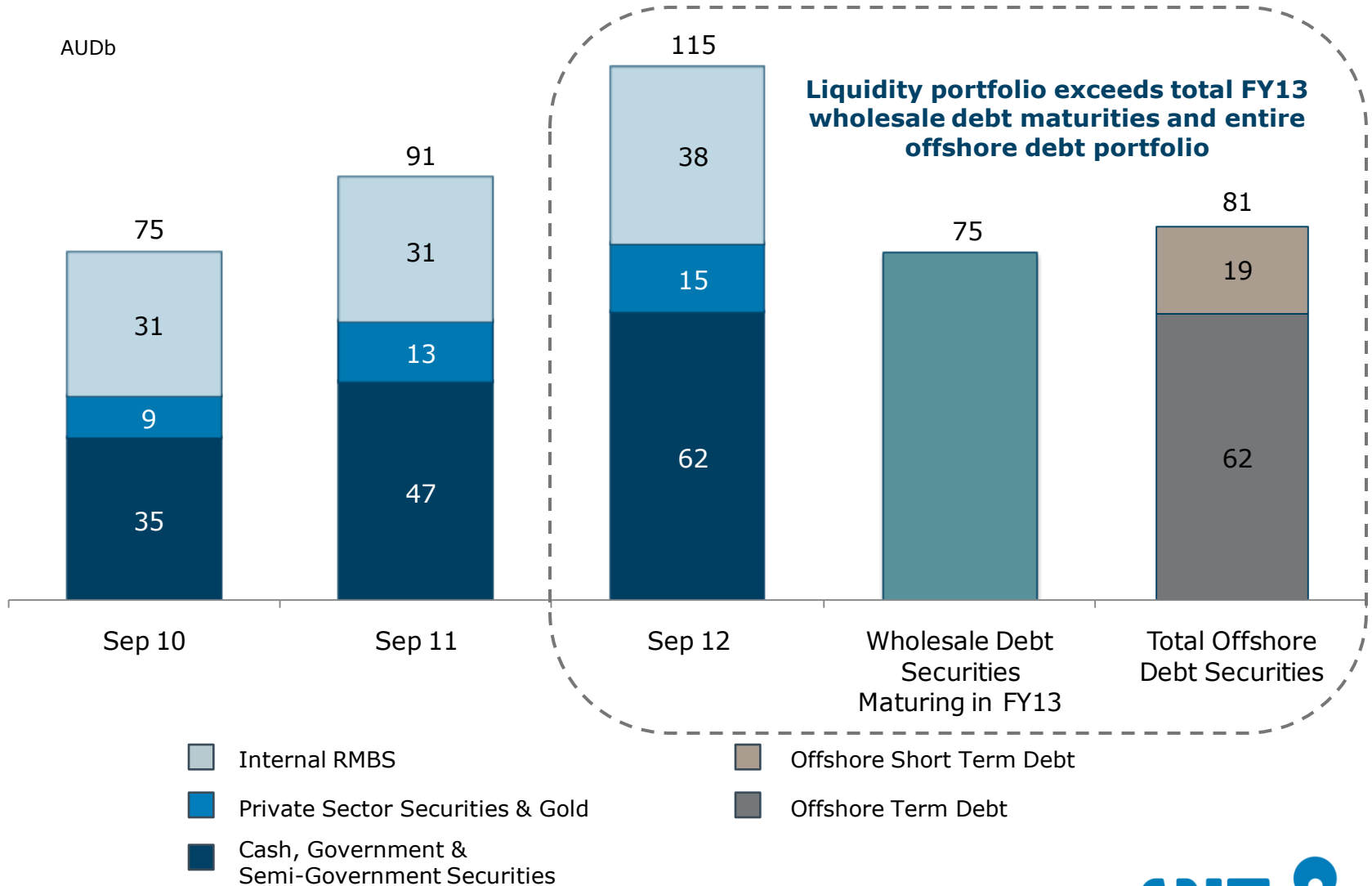
- Having the **lowest wholesale funding requirement** enables ANZ to :
 - Reduce reliance on offshore short term funding markets
 - Limit benchmark issuance in offshore markets
 - Maintain a consistent & sustainable funding program
 - Provide flexibility in issuance timing
- Stable **AA category credit ratings** across all major rating agencies despite ongoing bank ratings downgrades

Australian Household Funding Gap



Source: APRA (Aug 12) and latest bank published financial statements

Liquid assets of \$115b provides a high level of coverage and significantly exceeds total offshore debt outstanding

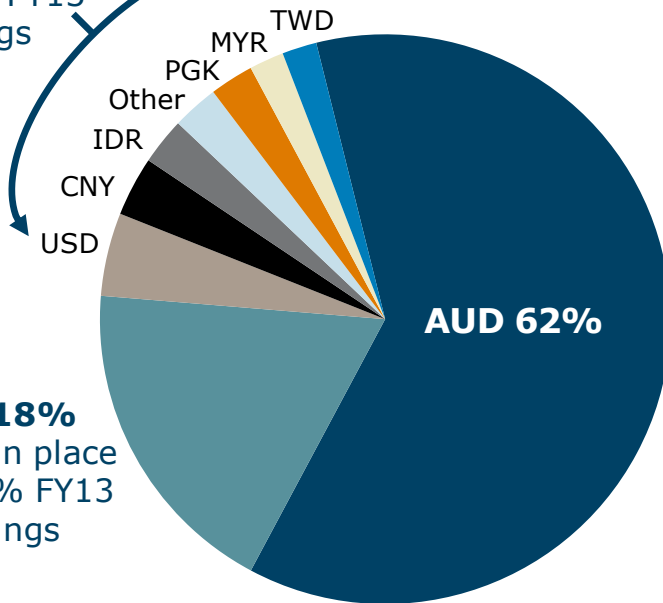


Hedging has negated the impact on earnings of sustained \$A strength

FY12 Earnings Composition by Currency

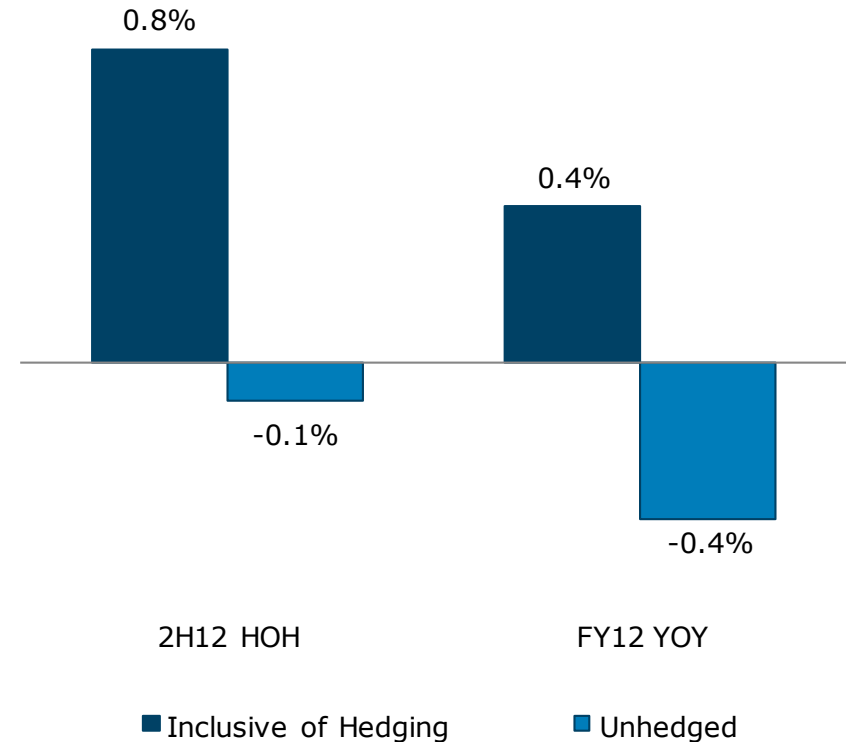
**Non AUD & NZD
20%**

Hedges in place
for ~50% FY13
earnings



NZD 18%
Hedges in place
for ~60% FY13
earnings

EPS Impact from Hedging



12

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

25 October 2012

**Investor Discussion Pack
Risk Management**

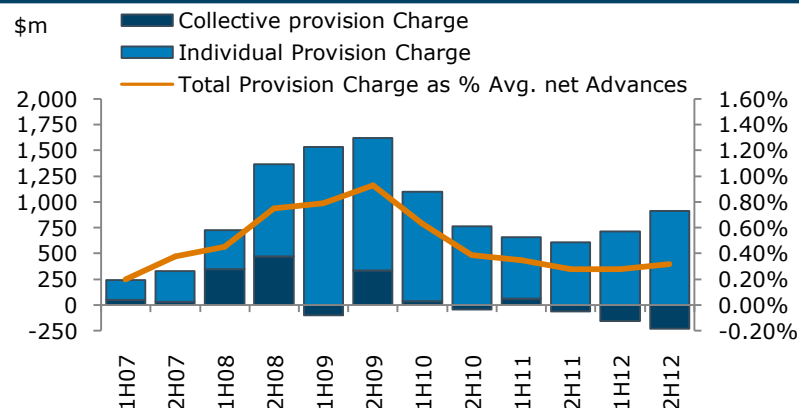


Credit quality in line with expectations

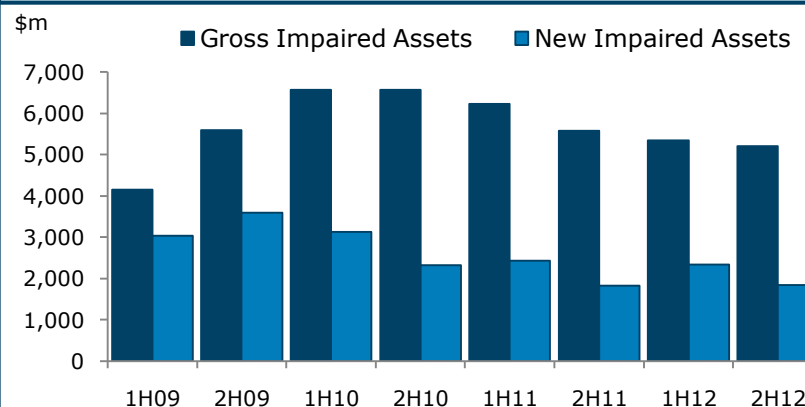
Credit Quality Trends

- The provision charge of \$1.25 billion was broadly in line with last year, albeit the mix of collective and individual provisions differed
- ANZ remains appropriately provided for with the total provision coverage ratio at 1.78% and the collective provision ratio at 1.08%
- Gross impaired assets reduced 7% YOY and 3% HOH
- New impaired assets declined 22% HOH
- All divisions saw HOH decreases in new impaired assets with the exception of Australia, with increases predominantly in regional agri-business
- Increased individual provisions reflected losses associated with two large single names. Management overlays have been released in relation to these movements as the rest of the portfolio is now less concentrated

Provision Charge

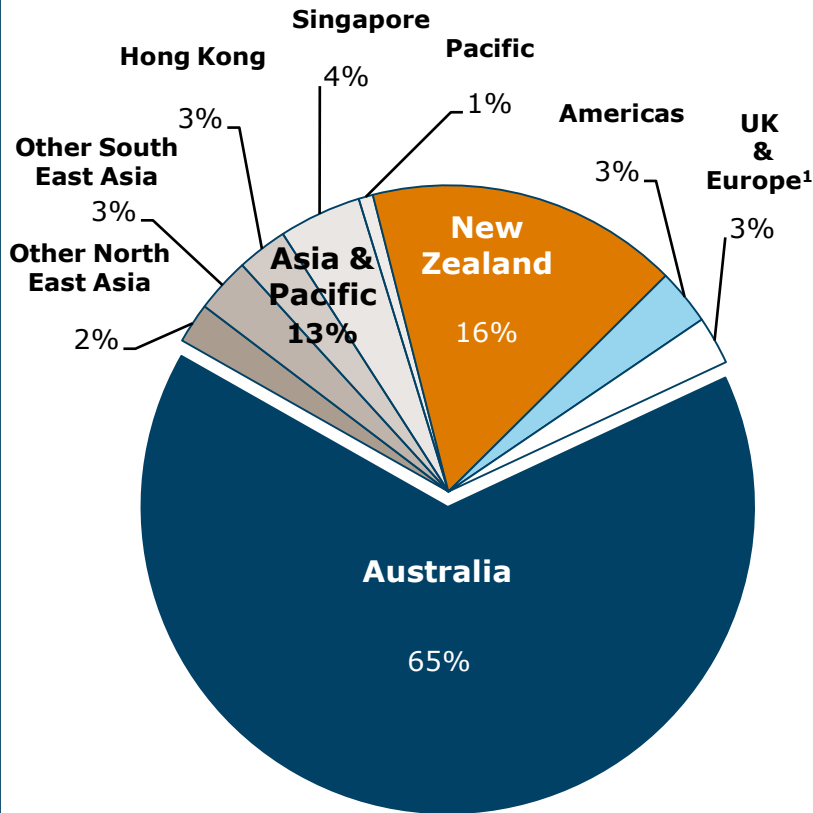


Impaired Assets



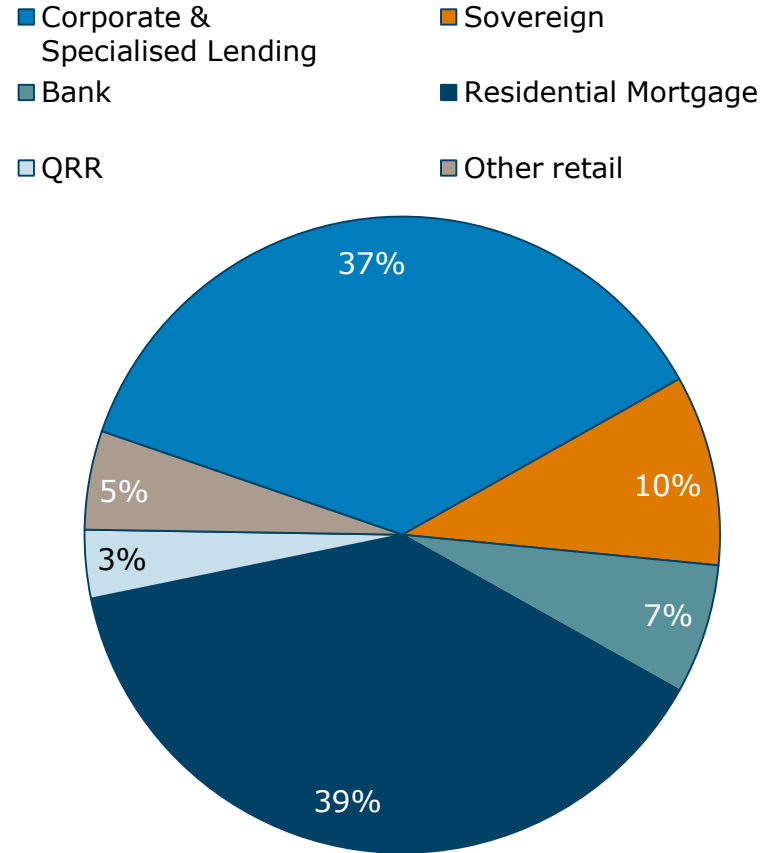
Exposure composition by Geography and Asset Class

Exposure at Default by Geography (Sep 2012)

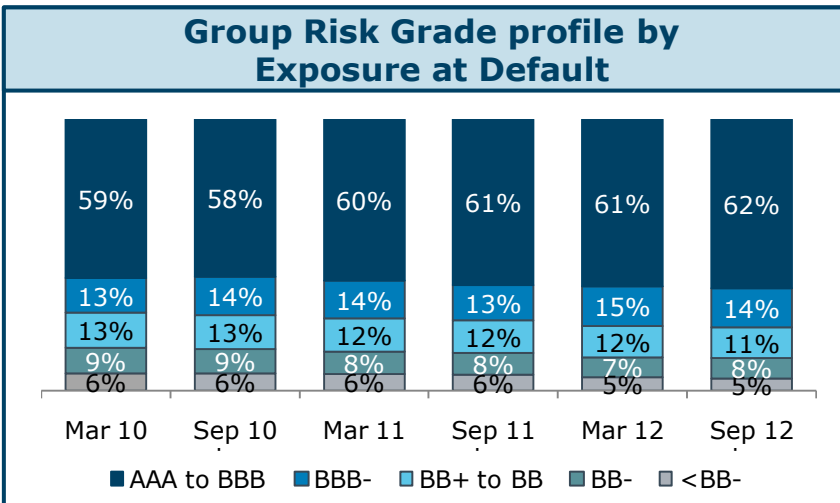
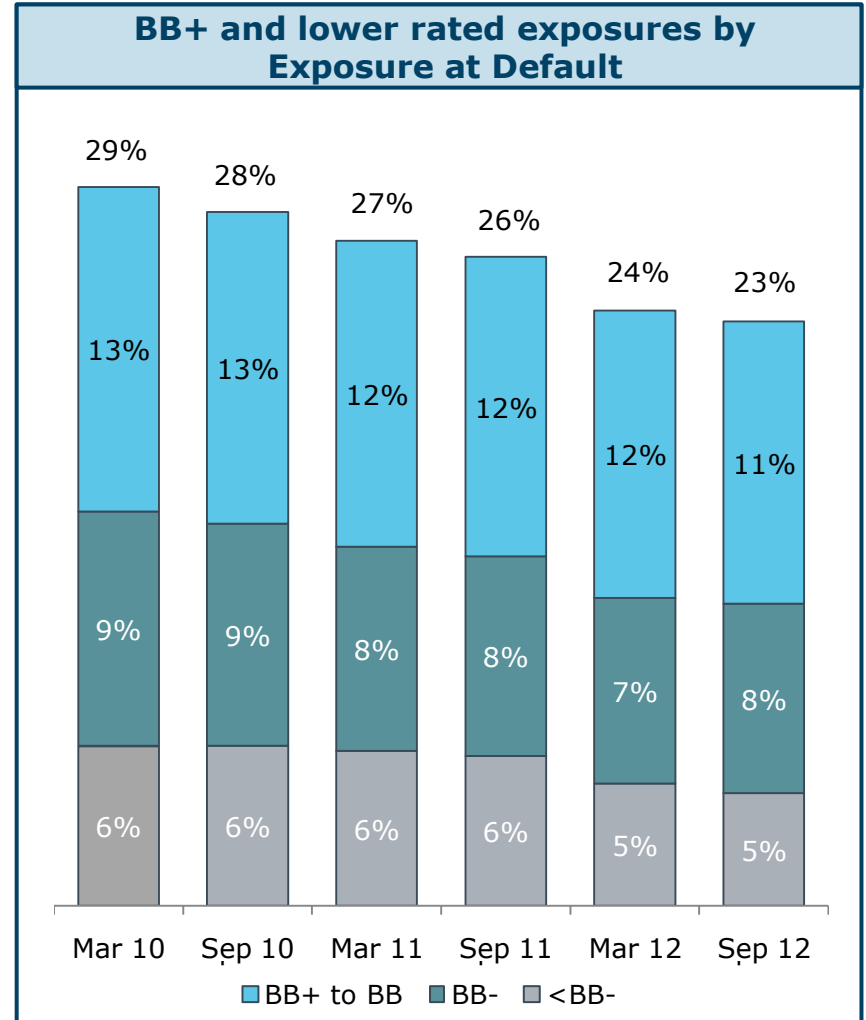
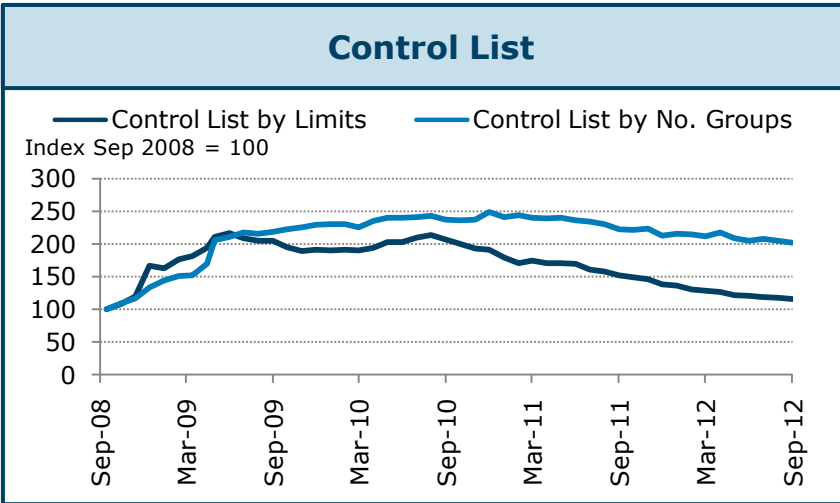


1. Inclusive of exposure booked to large multi-nationals doing business in Asia-Pacific

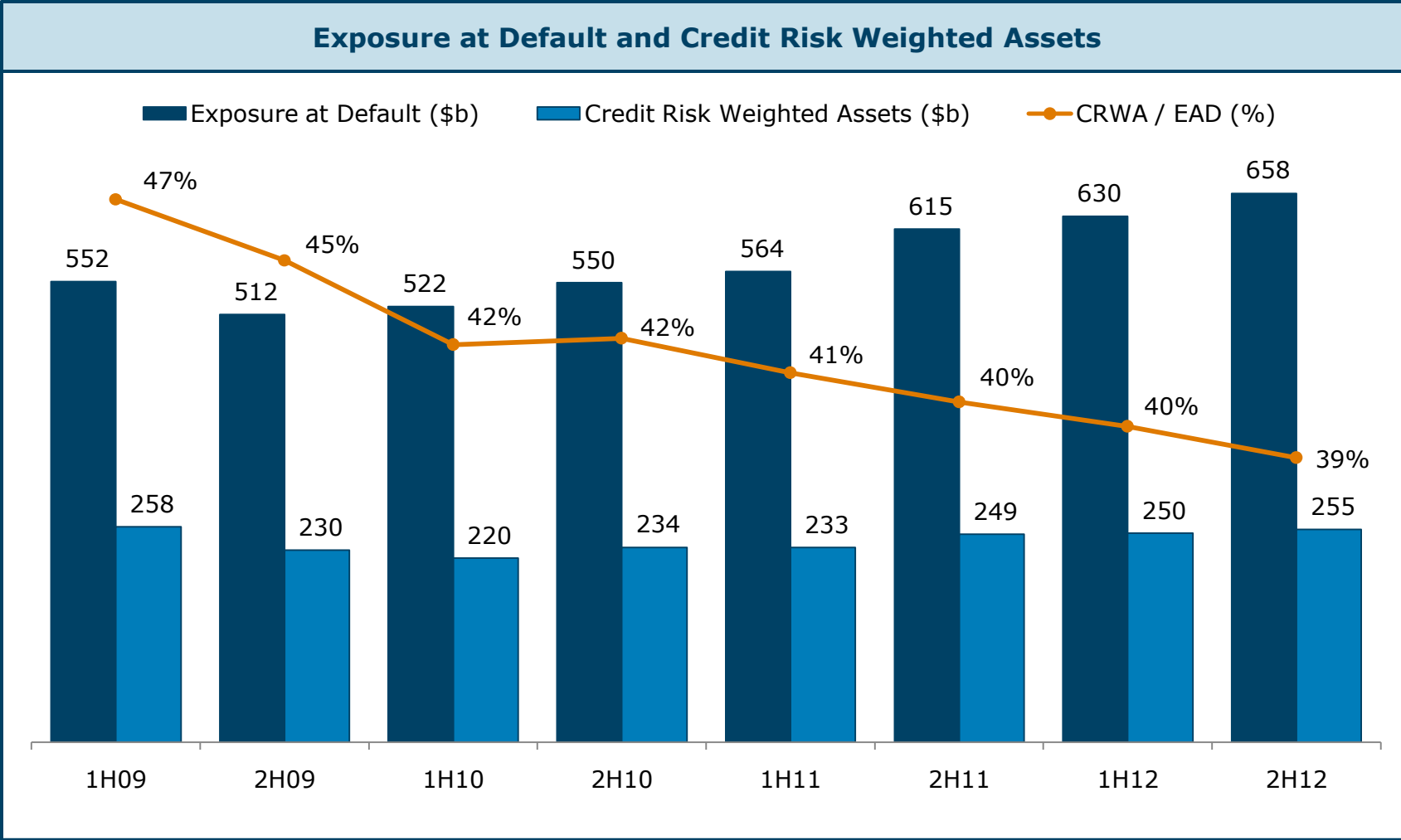
Exposure at Default by Basel Asset Class (Sep 2012)



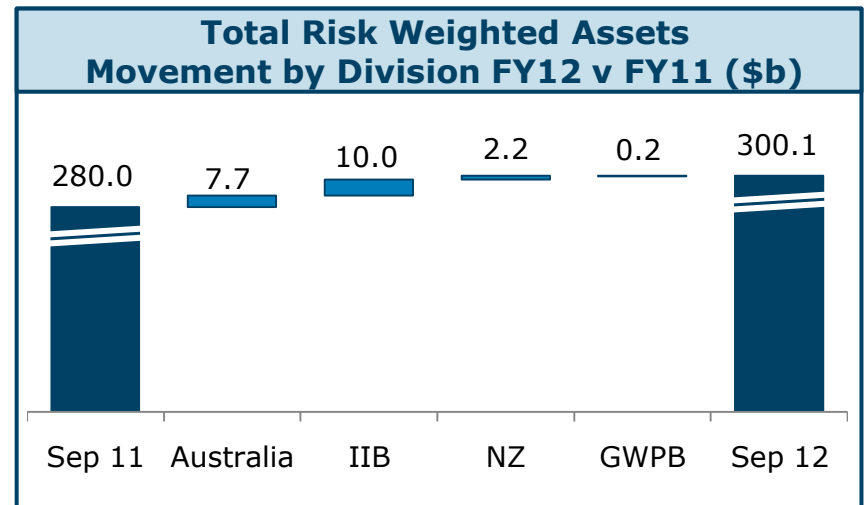
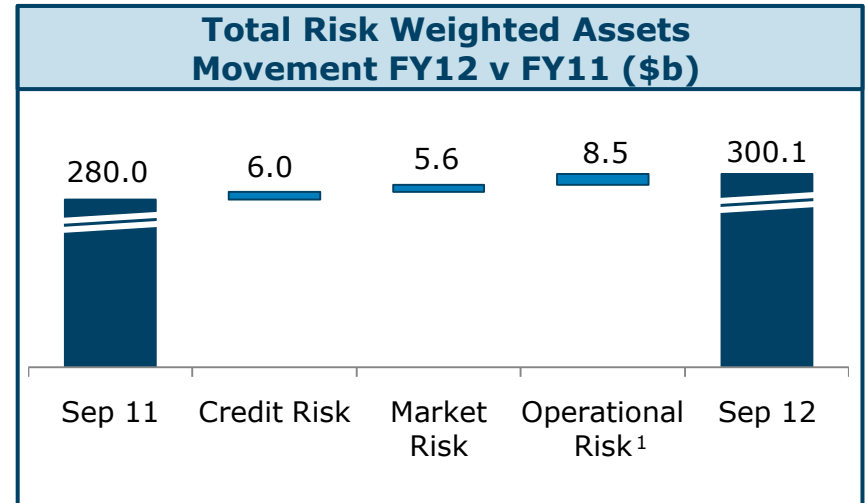
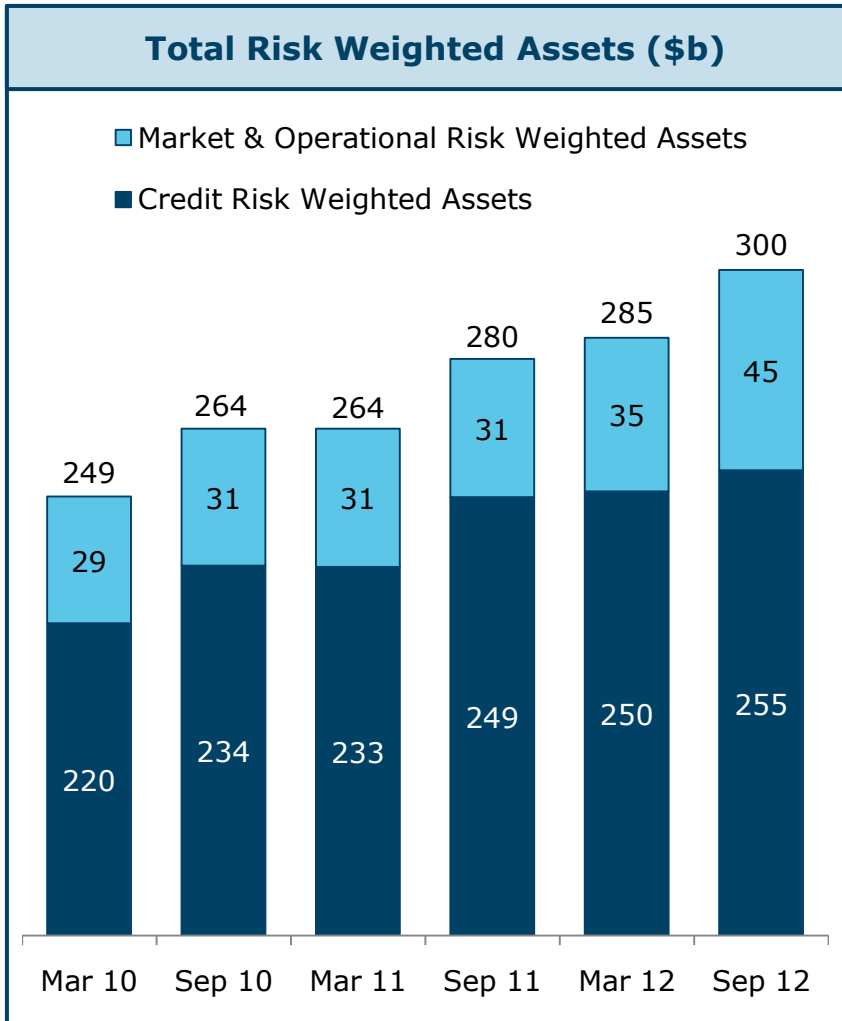
Control Lists and Risk Grade Profiles



Continued improvement in Credit RWA rate

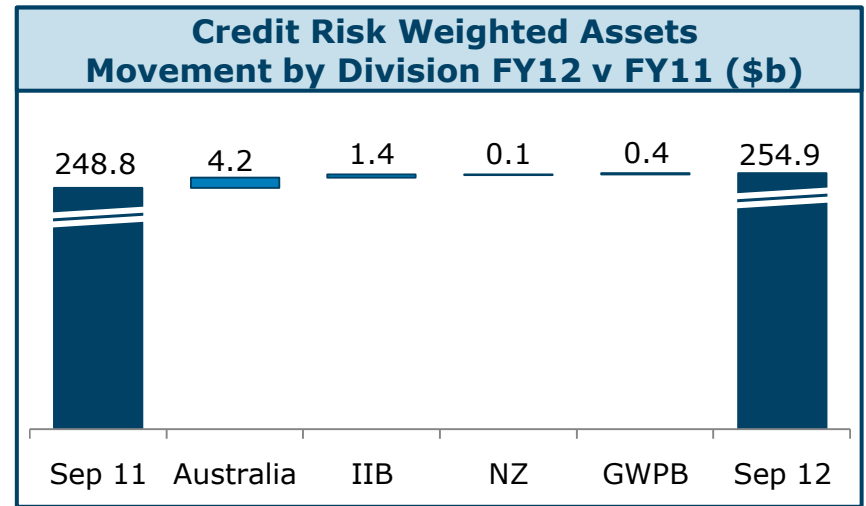
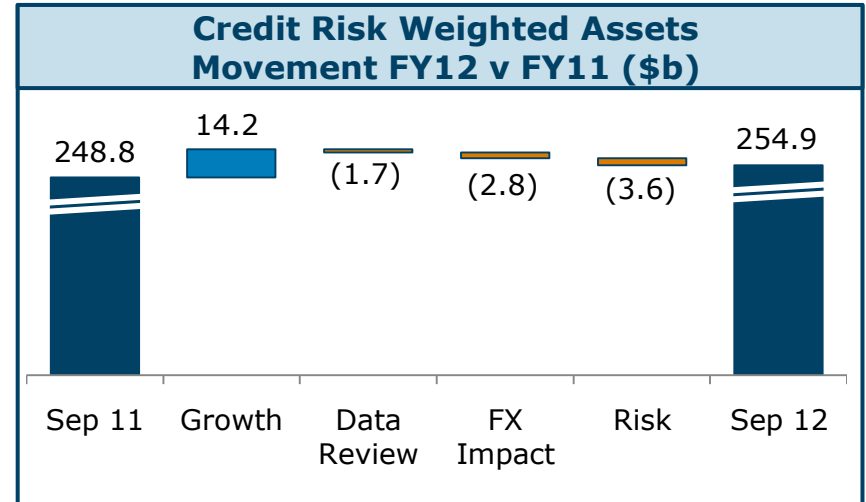
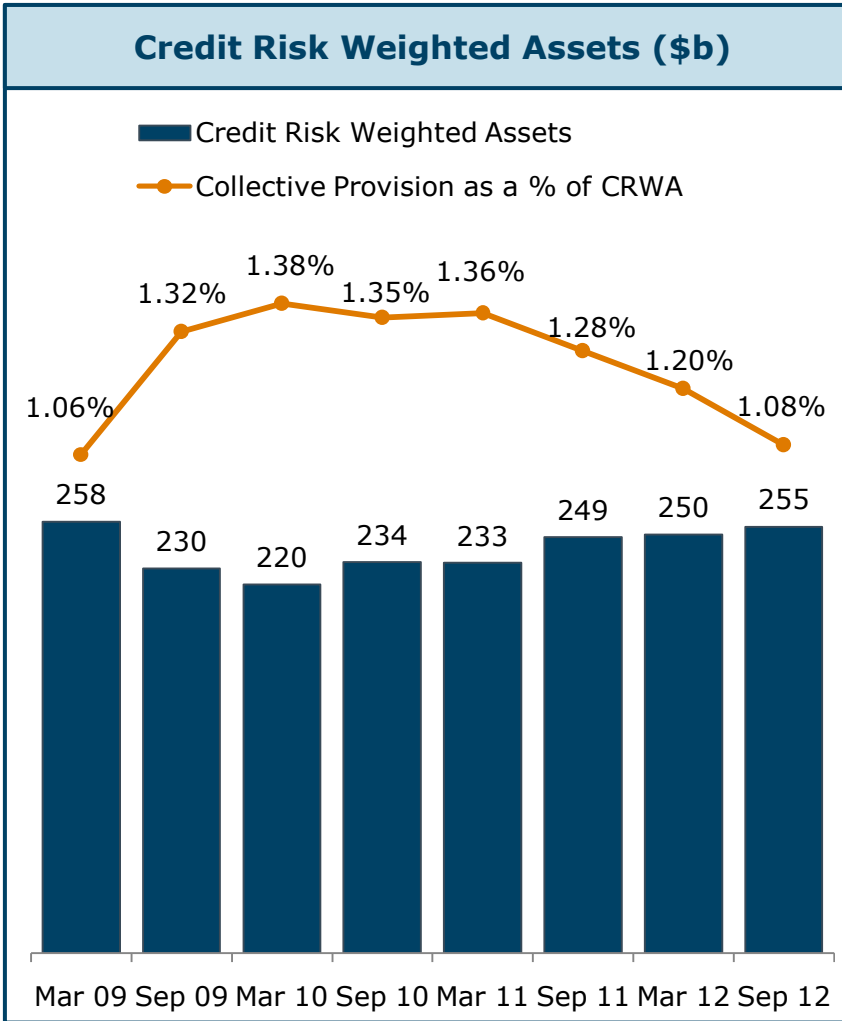


Risk Weighted Assets

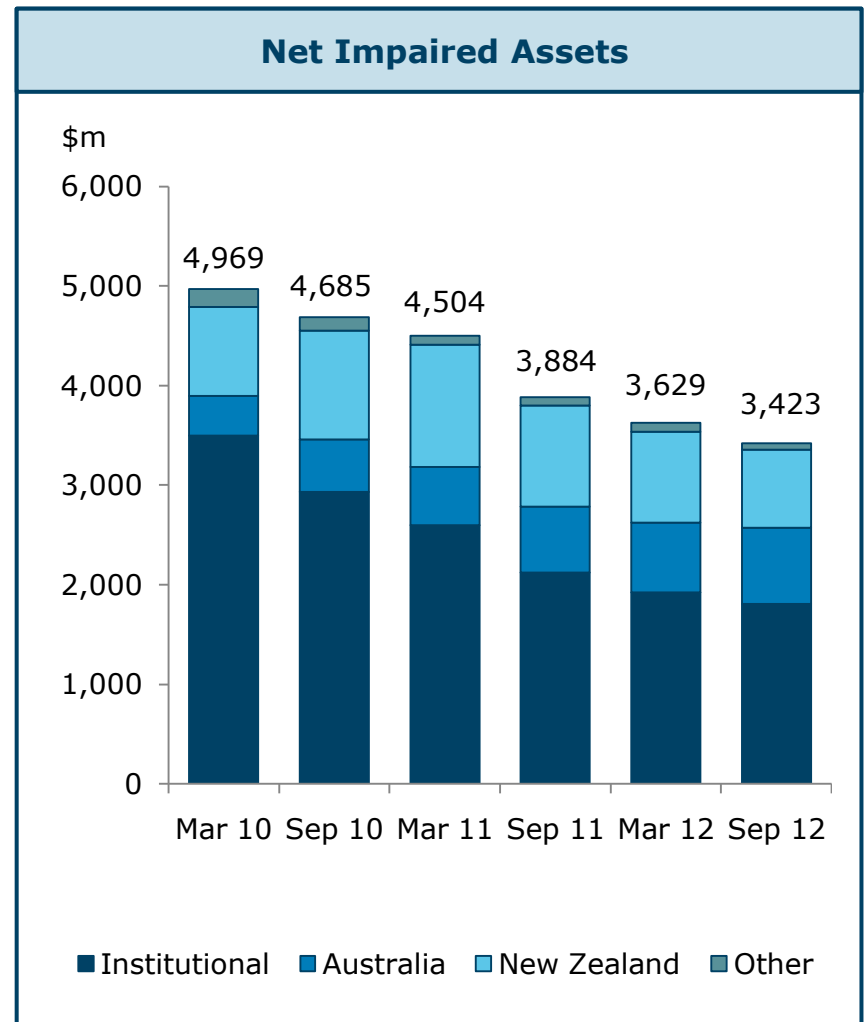
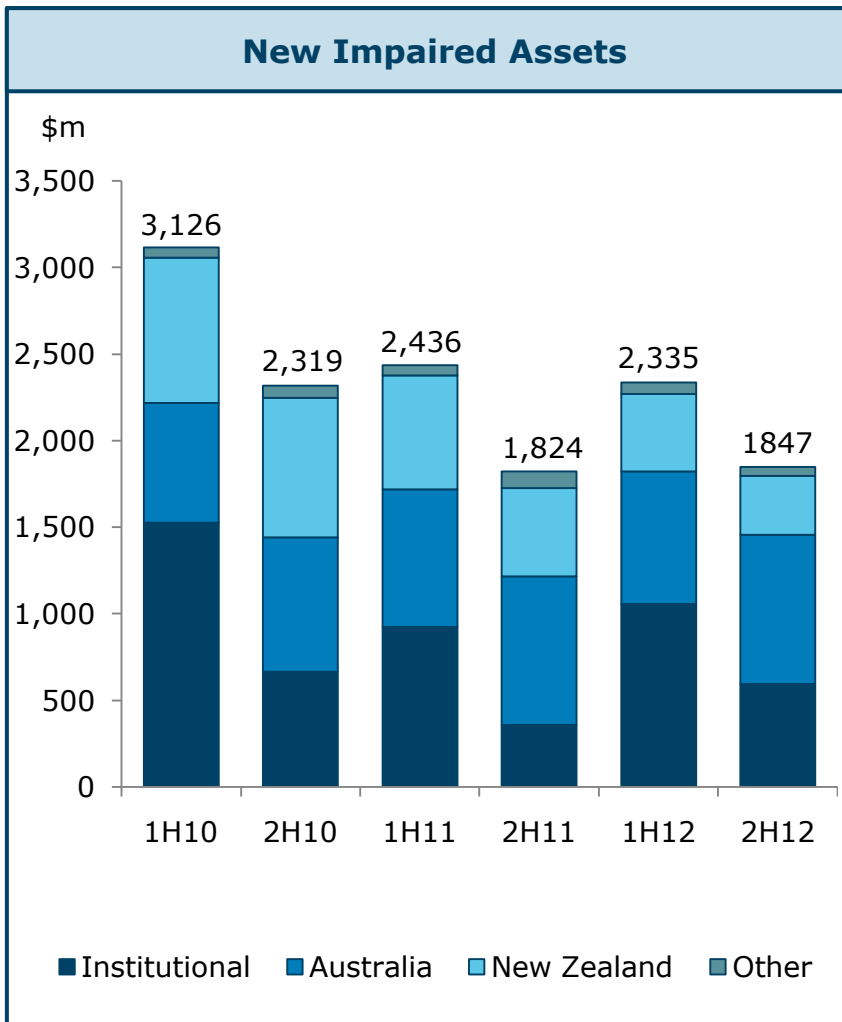


1. Driven by improvements to operational risk capital model

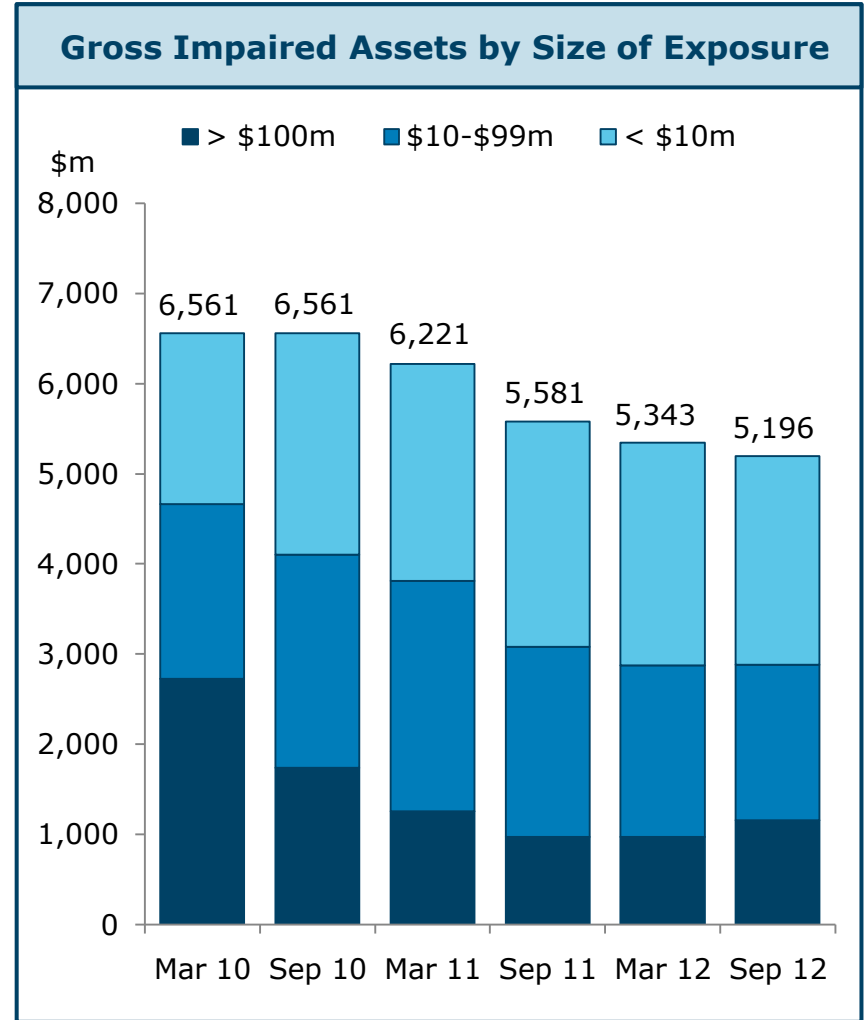
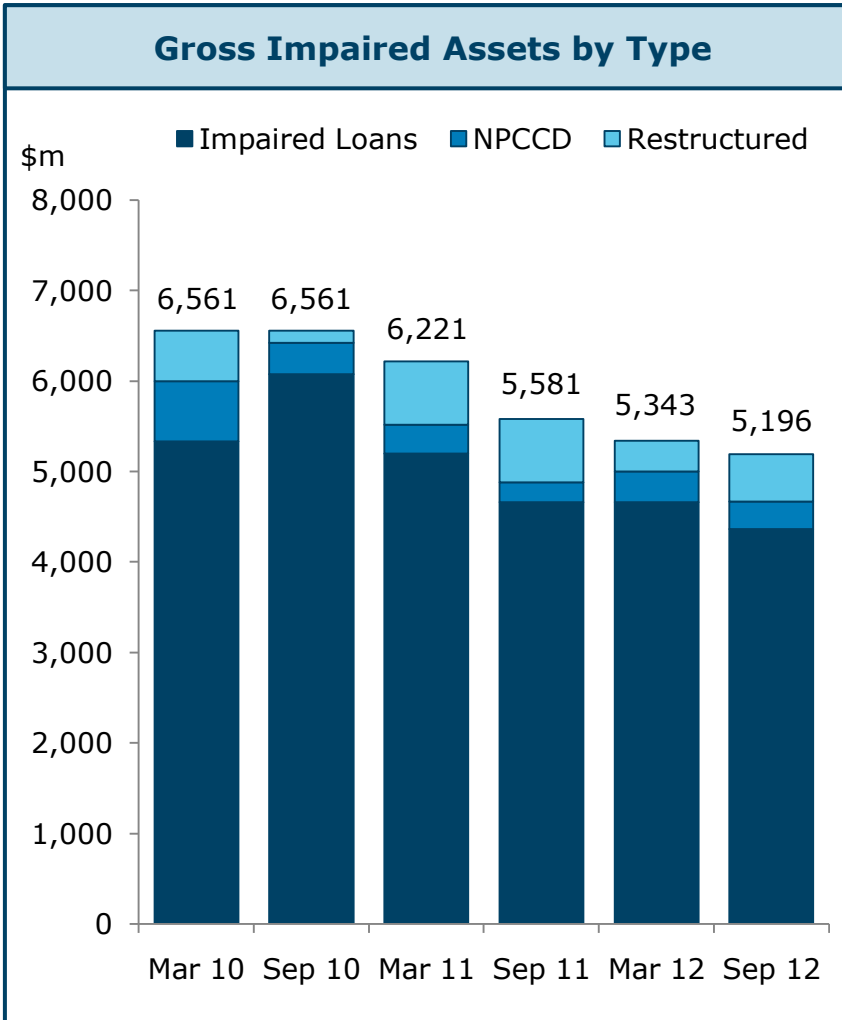
Credit Risk Weighted Assets



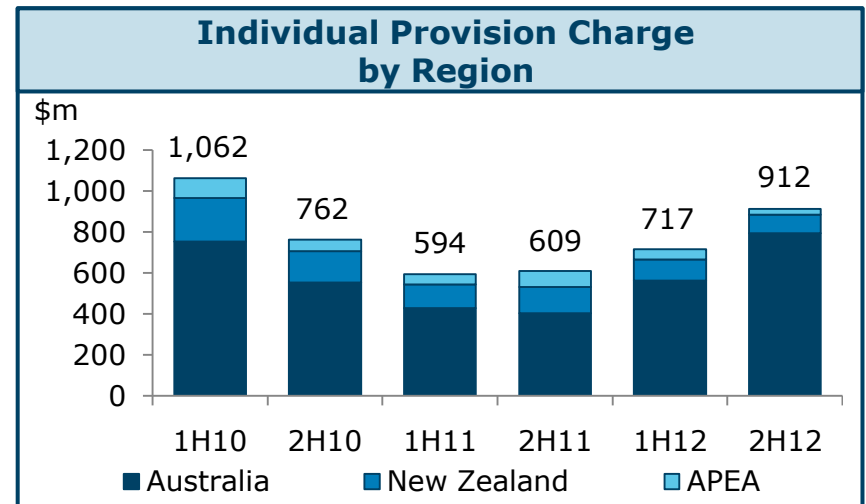
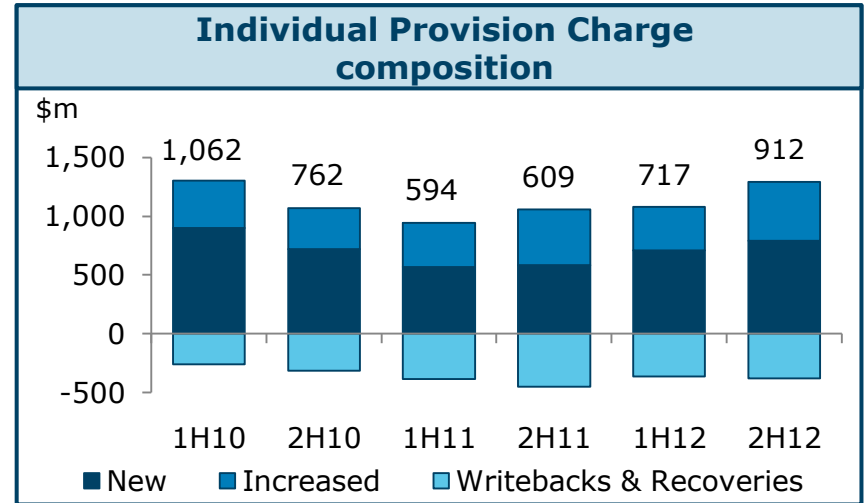
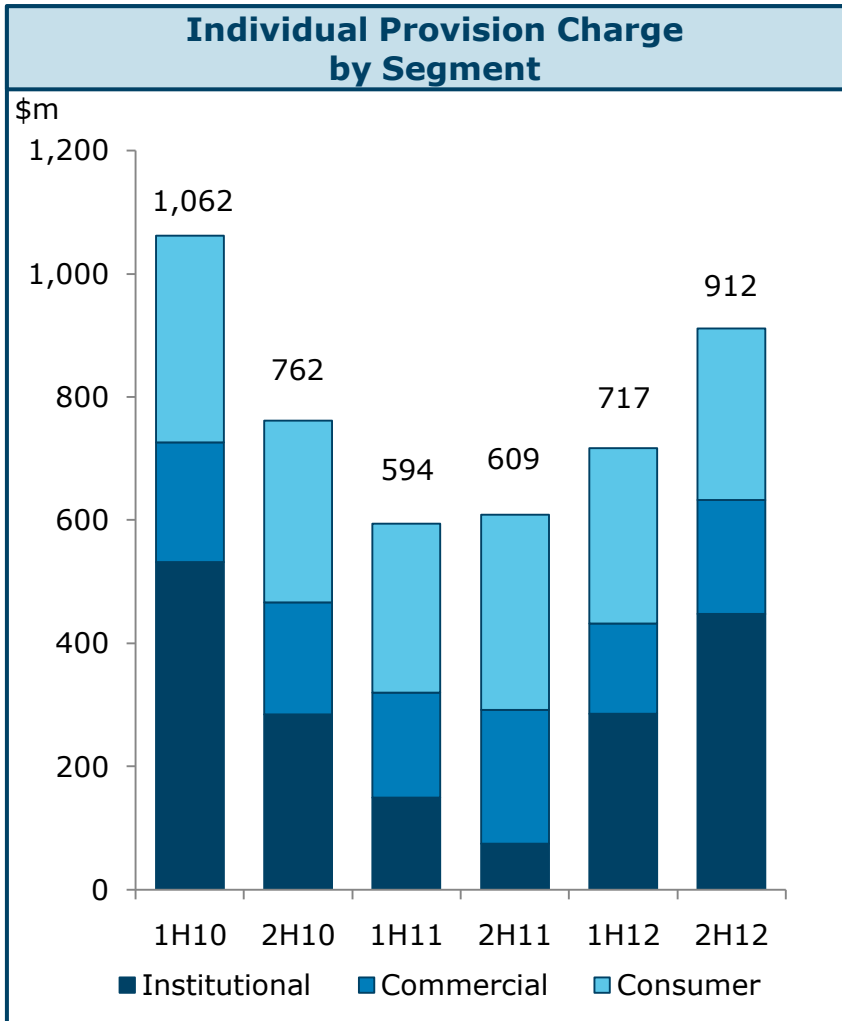
Impaired Assets by Division



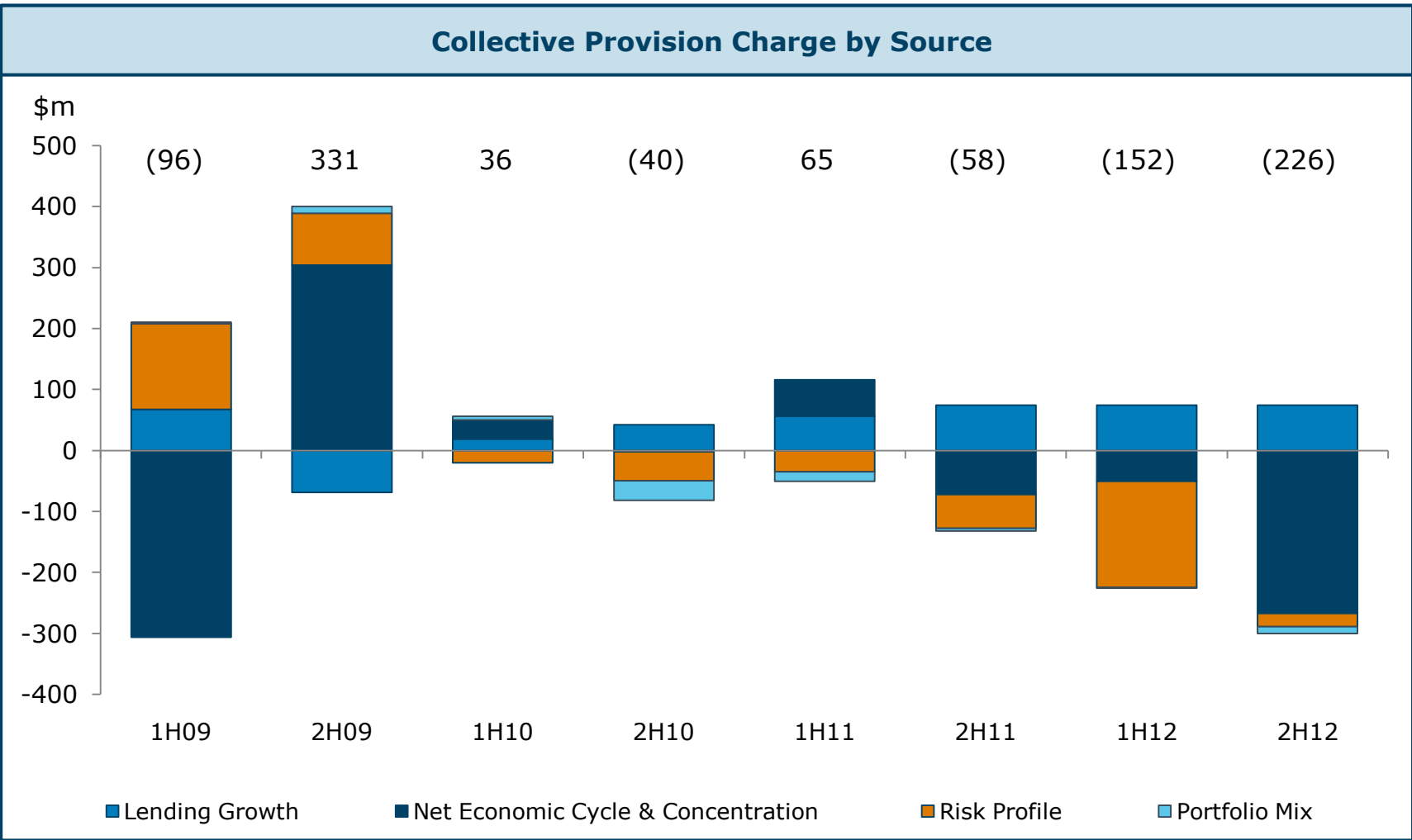
Gross Impaired Assets



Individual Provision Charge



Collective Provision Charge

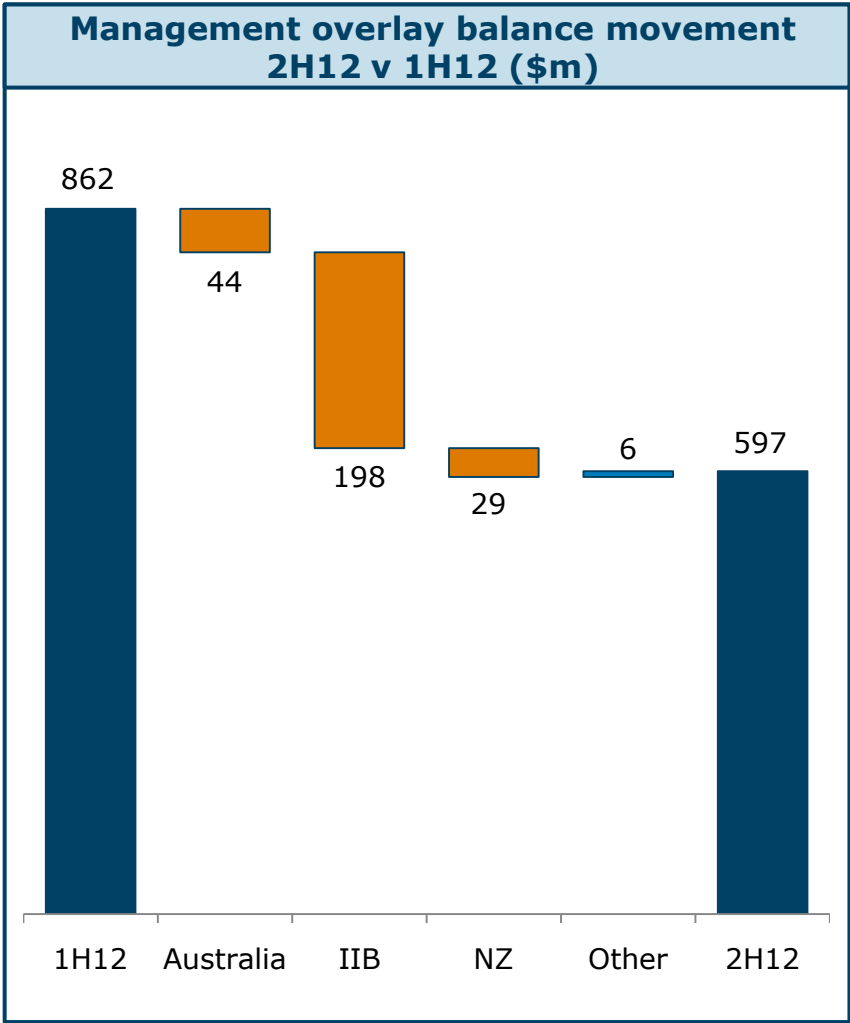
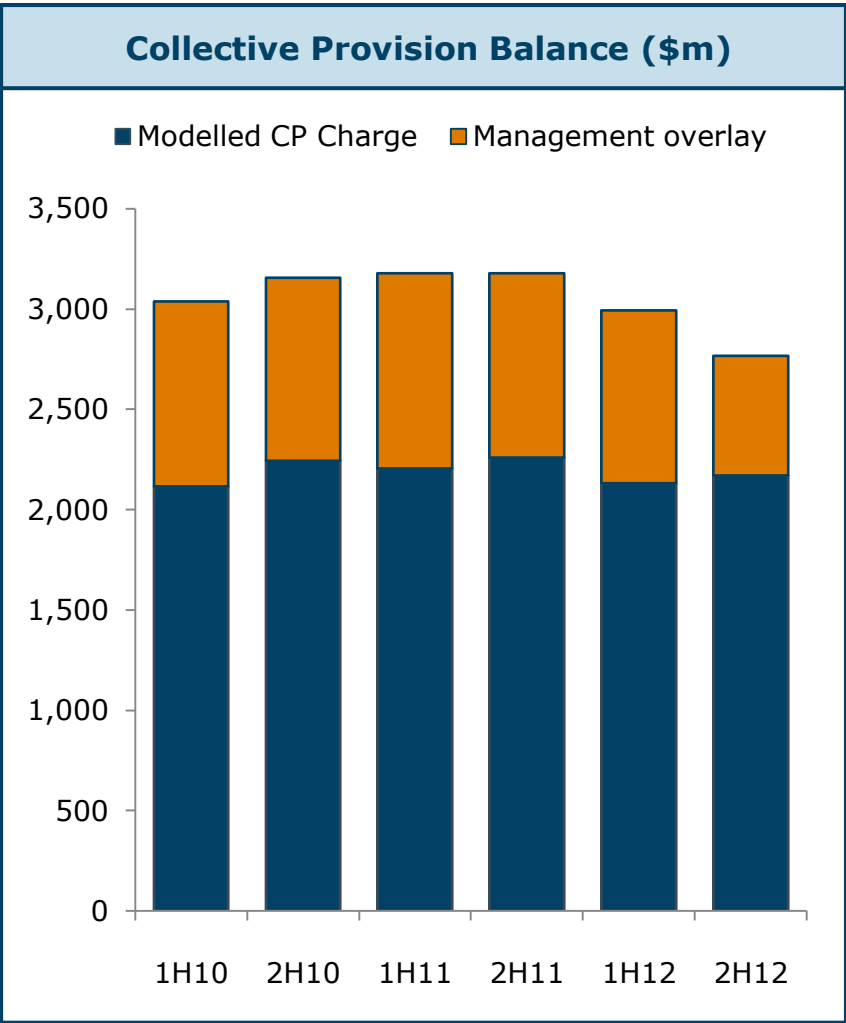


Collective Provision Charge by Source

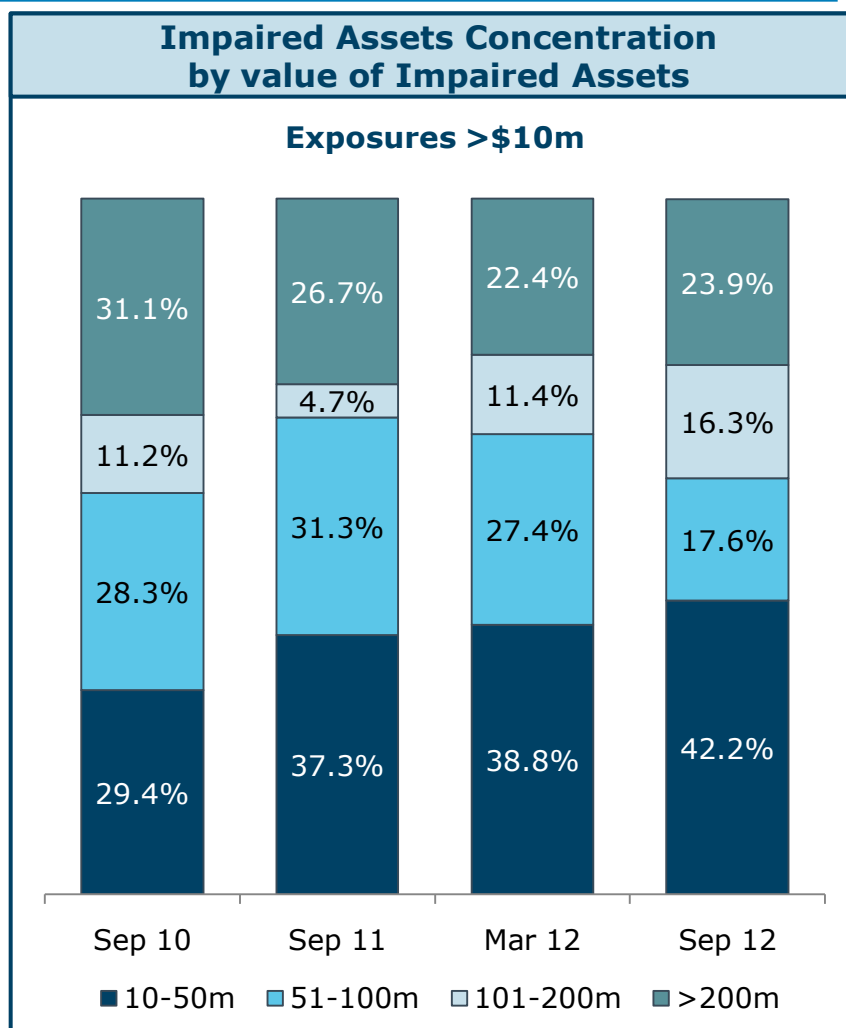
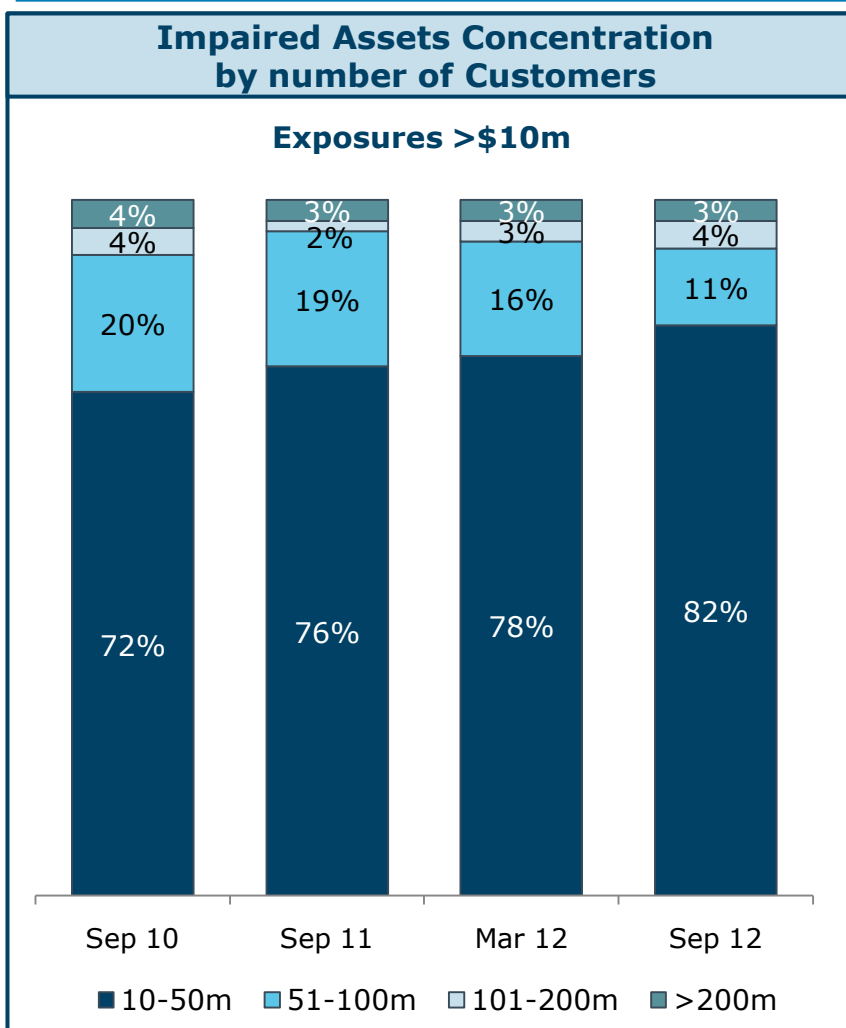
FY12 (\$m)	Risk Impact	Lending Growth	Portfolio Mix	Economic Cycle & Concentration	Total
Australia Division	10	53	(22)	(79)	(38)
International & Institutional Banking	(198)	90	10	(201)	(299)
New Zealand Businesses	(6)	4	(1)	(42)	(45)
Global Wealth & Private Banking Division	(3)	1	1	0	(1)
Other	0	0	0	5	5
Total	(196)	148	(12)	(318)	(378)

2H12 (\$m)	Risk Impact	Lending Growth	Portfolio Mix	Economic Cycle & Concentration	Total
Australia Division	1	30	(13)	(44)	(27)
International & Institutional Banking	(27)	38	3	(198)	(184)
New Zealand Businesses	5	6	(1)	(29)	(19)
Global Wealth & Private Banking Division	(1)	0	0	0	(1)
Other	0	0	0	4	4
Total	(22)	74	(11)	(267)	(226)

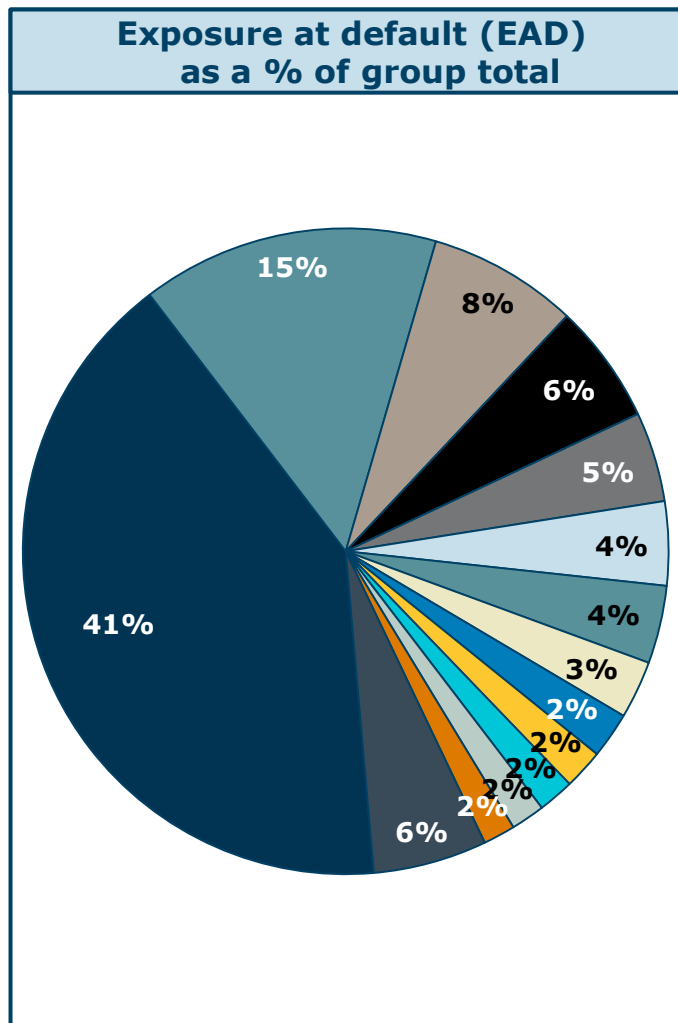
Collective Provision Balance



Impaired Asset Concentration

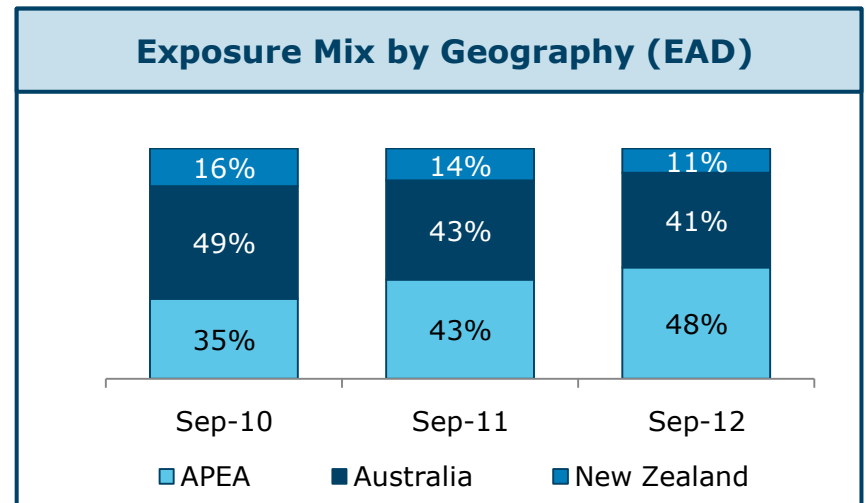
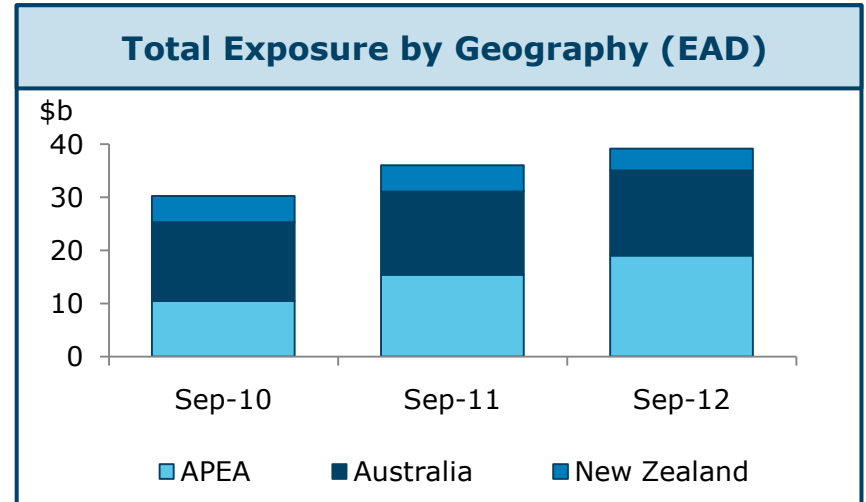
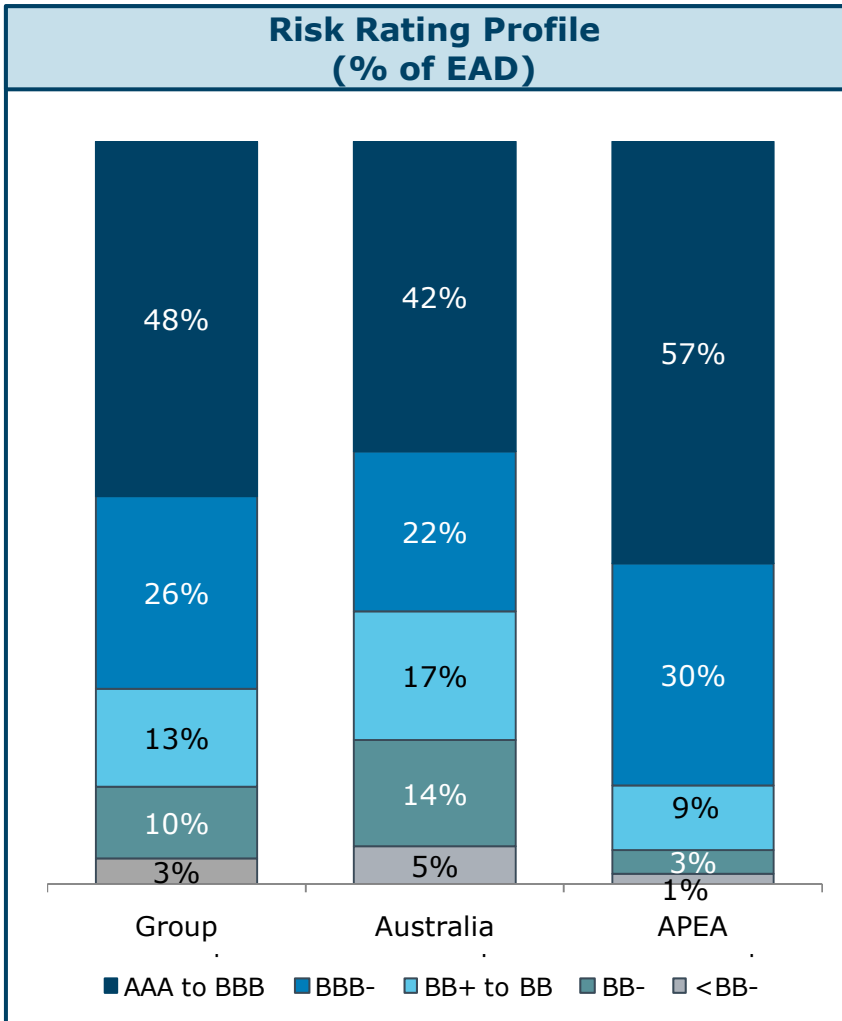


Total lending exposures by Industry Sector



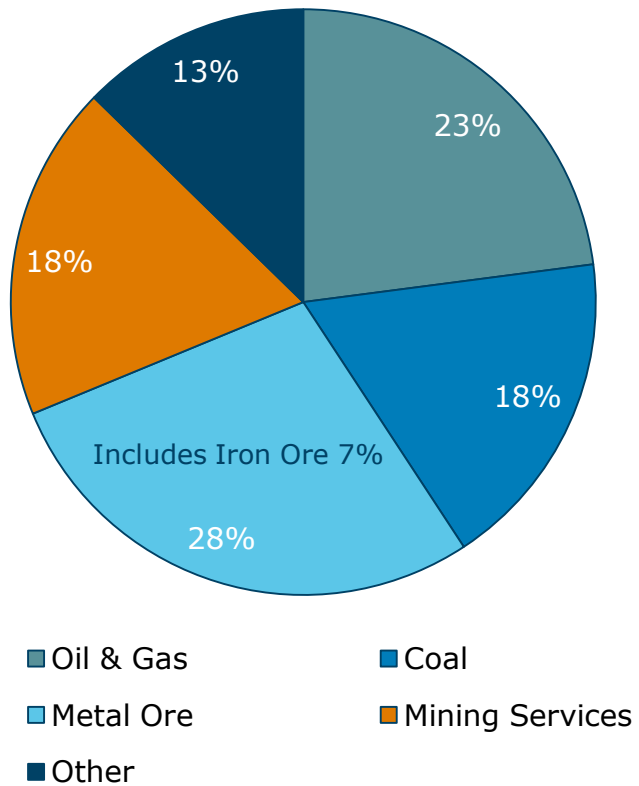
Category	EAD		% in Non Performing	
	Sep-11	Sep-12	Sep-11	Sep-12
Consumer Lending	43.6%	41.0%	0.3%	0.3%
Finance, Investment & Insurance	14.5%	14.9%	0.3%	0.5%
Property Services	7.1%	7.5%	1.9%	1.6%
Manufacturing	5.9%	6.0%	1.9%	1.2%
Agriculture, Forestry, Fishing	4.5%	4.5%	4.4%	3.9%
Government & Official Institutions	4.4%	4.2%	0.0%	0.0%
Wholesale trade	3.2%	3.9%	0.8%	0.6%
Retail Trade	2.6%	2.9%	0.7%	0.9%
Transport & Storage	2.1%	2.3%	0.7%	3.2%
Business Services	1.8%	2.0%	1.1%	0.9%
Electricity, Gas & Water Supply	1.7%	1.8%	0.0%	0.2%
Construction	1.6%	1.7%	4.5%	1.4%
Resources (Mining)	1.5%	1.6%	0.1%	0.2%
Other	5.5%	5.7%	0.1%	0.1%

Manufacturing

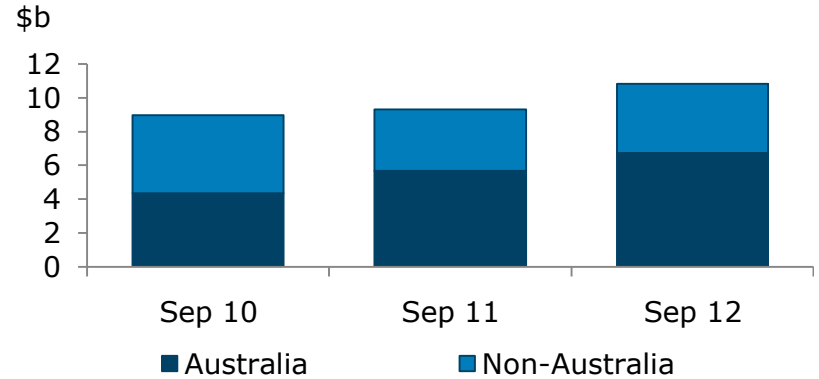


Resources

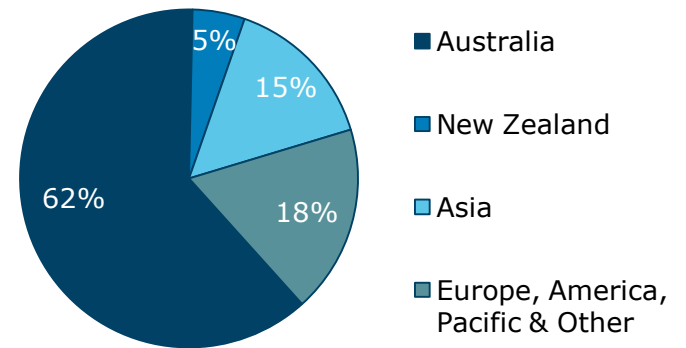
Resources Total Committed Exposure (EAD)



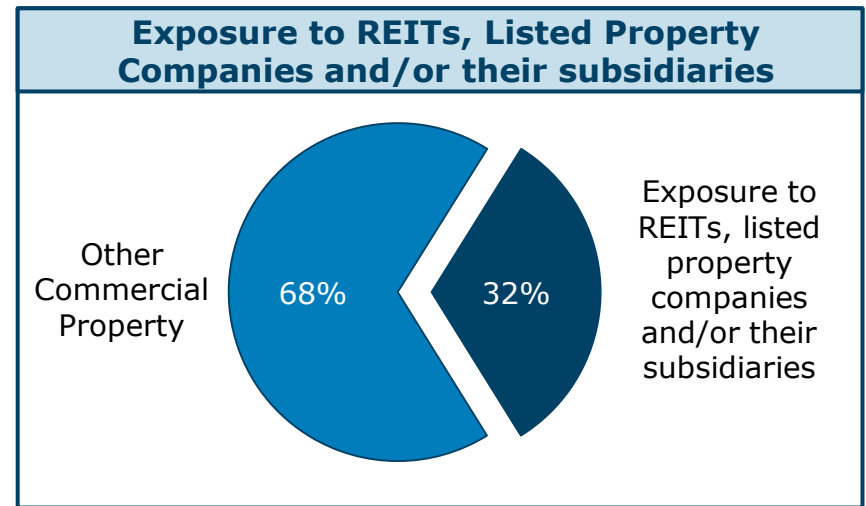
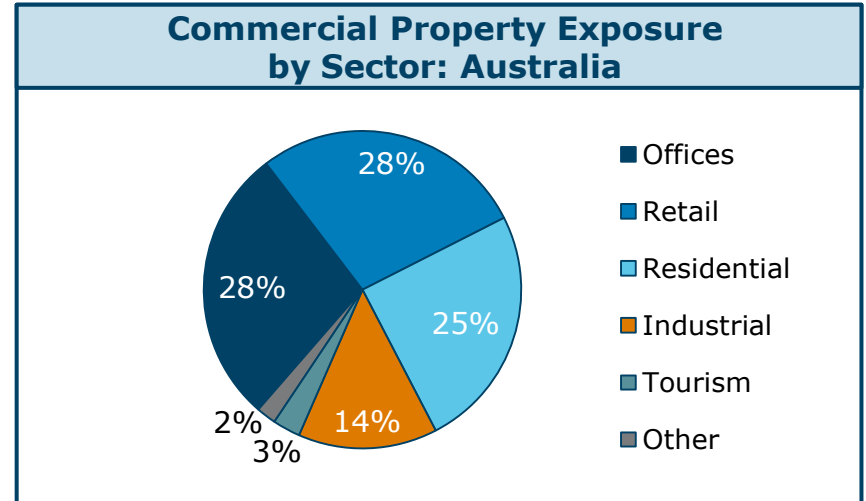
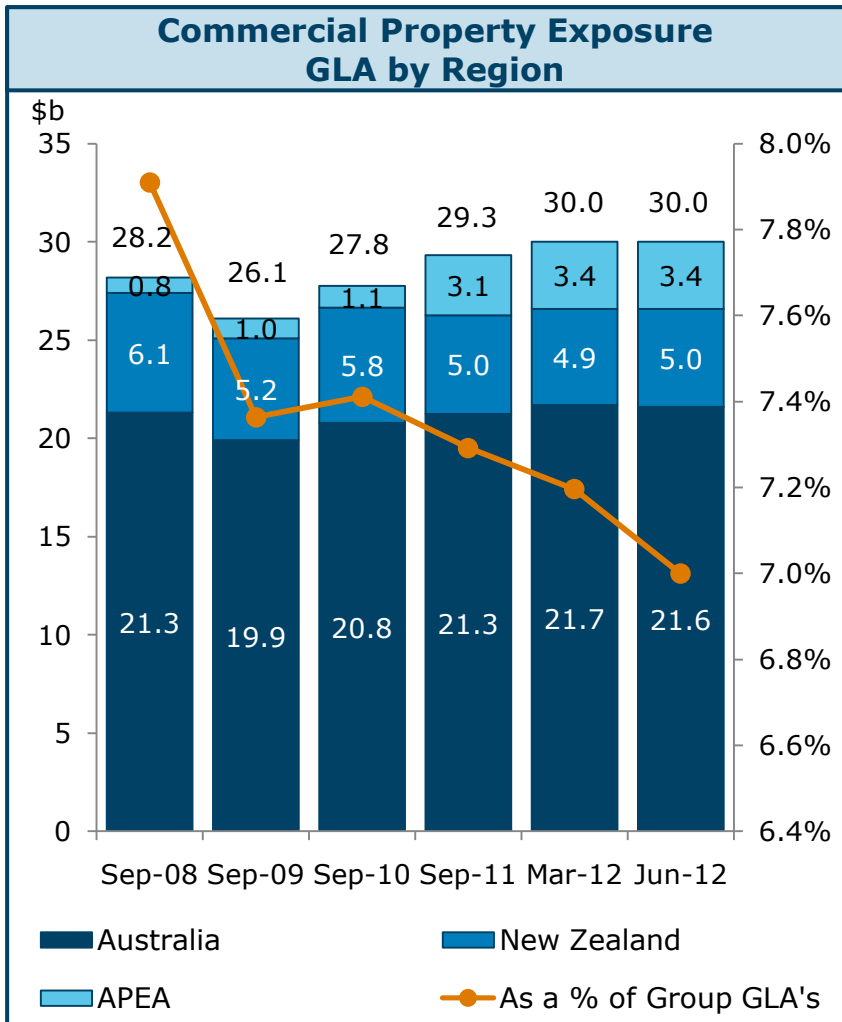
Resources Exposure by Geography (EAD)



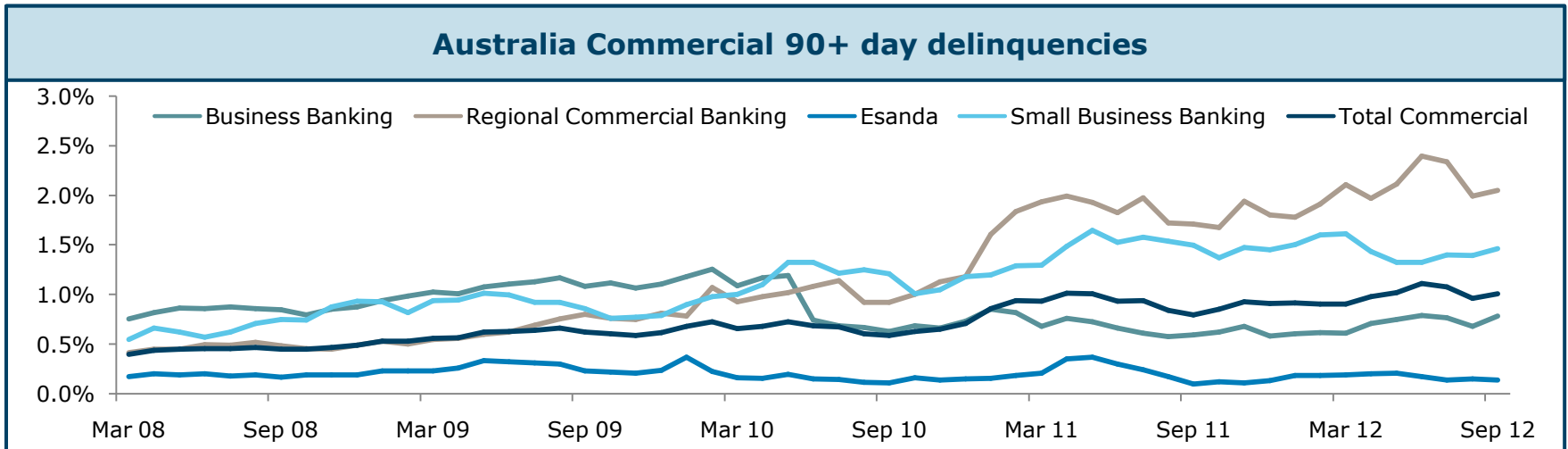
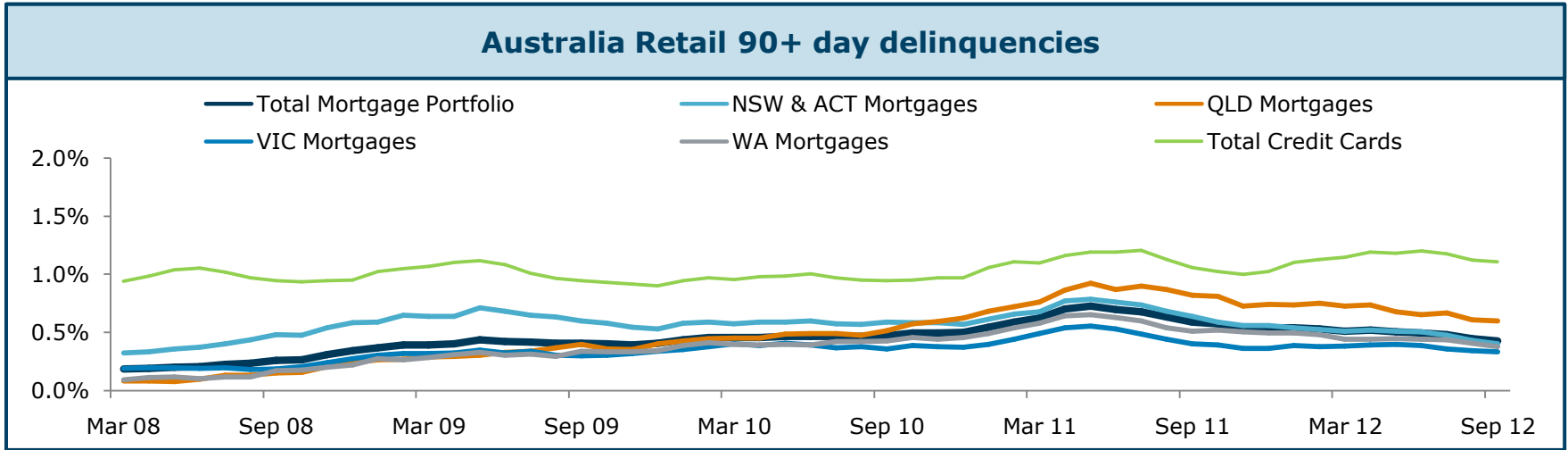
Resources Exposure by Geography (EAD)



Commercial Property Credit Exposure

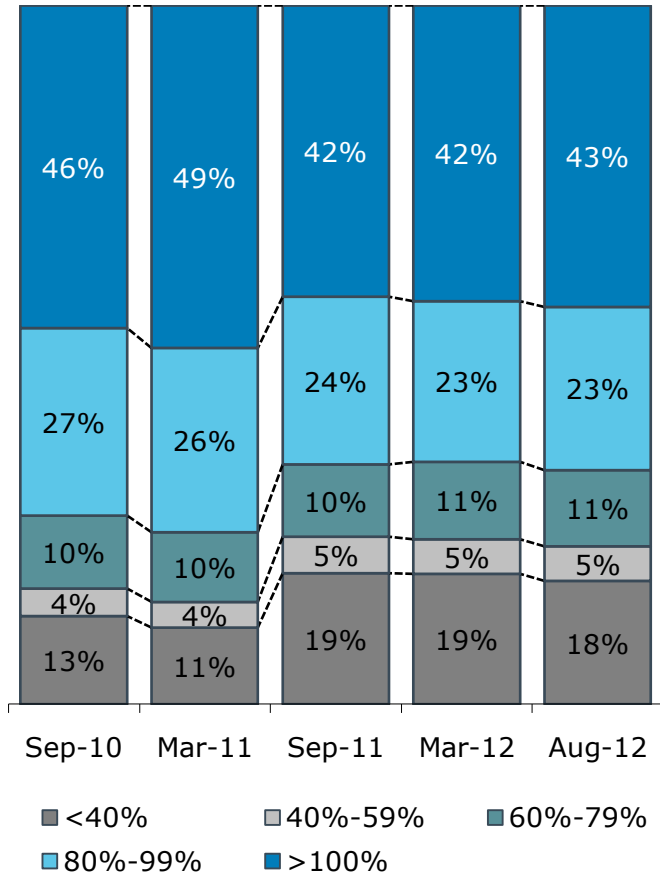


Australia 90+ day delinquencies

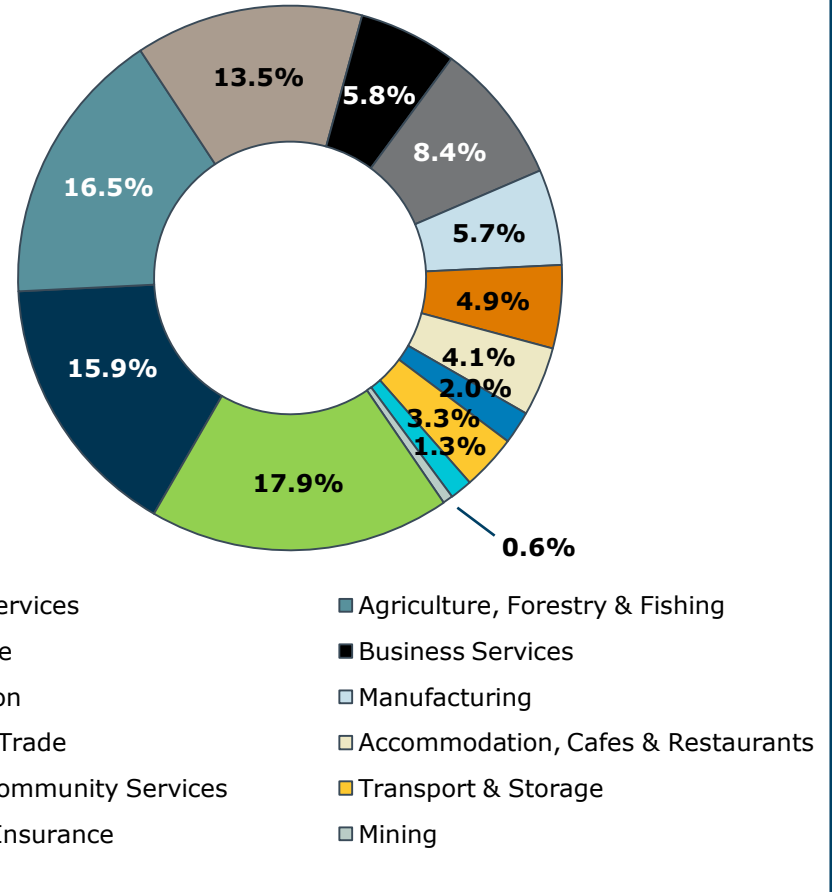


Australia Division - Commercial

Commercial Australia Security Cover



Exposure at default (EAD) by industry sector (%)



Australia Division – Mortgages

Portfolio Statistics

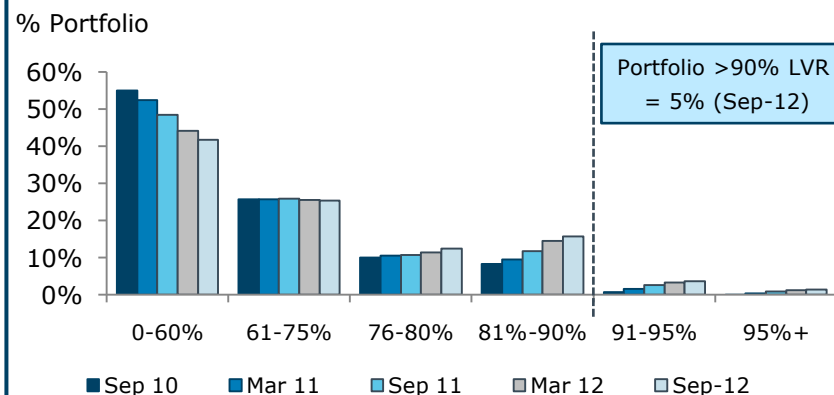
Total Number of Mortgage Accounts	848k
Total Mortgage FUM	\$182b
% of Total Australia Region Lending	60%
% of Total Group Lending	43%
Owner Occupied Loans - % of Portfolio	63%
Average Loan Size at Origination	\$262k
Average LVR at Origination	64%
Average Dynamic LVR of Portfolio	52%
% of Portfolio Ahead on Repayments ¹	49%
First Home Owners - % of Portfolio	9%
First Home Owners - % of New Lending	8%

Mortgages have low loss rates

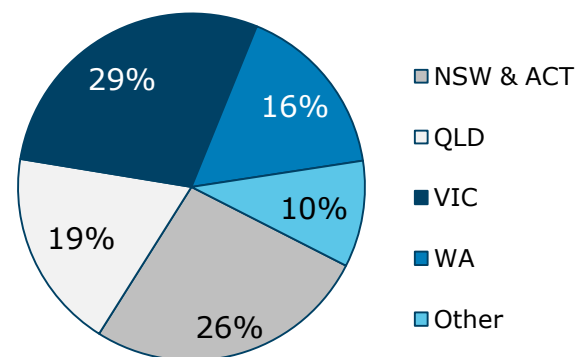
Individual Provision Loss Rates

	1H10	2H10	1H11	2H11	1H12	2H12
Group	0.62%	0.42%	0.32%	0.31%	0.36%	0.43%
Australia Mortgages	0.02%	0.01%	0.01%	0.03%	0.03%	0.02%

Dynamic Loan to Valuation Ratio

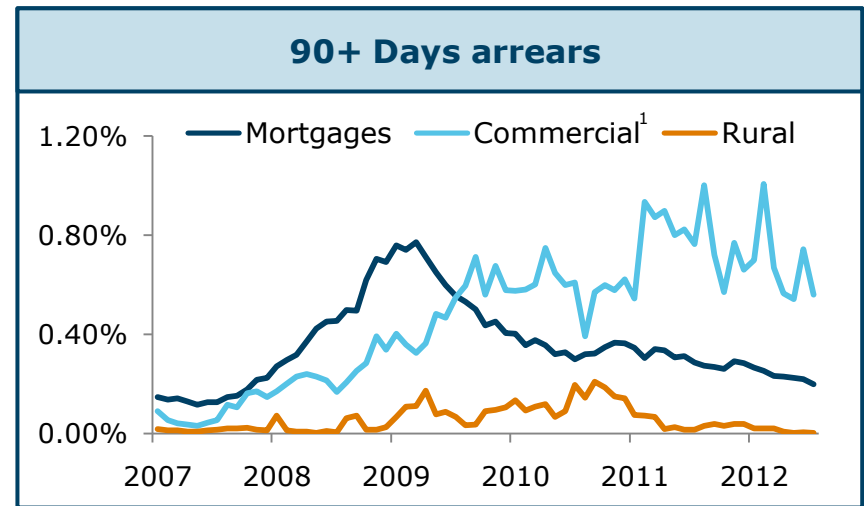
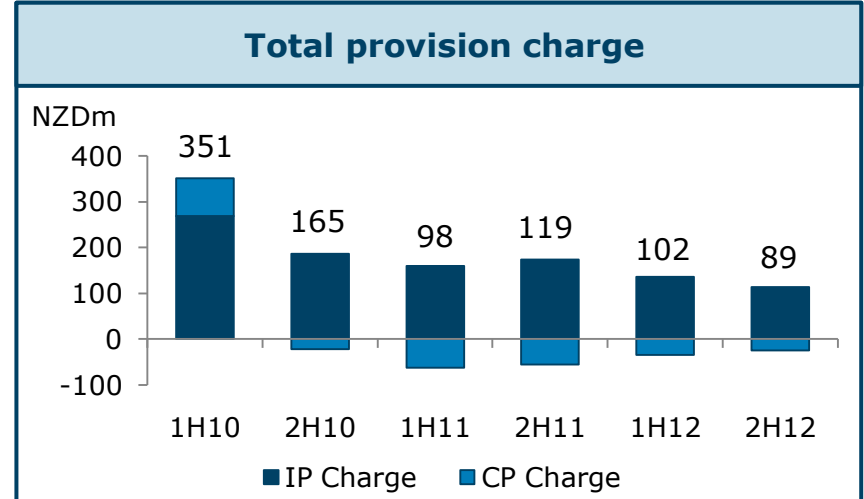
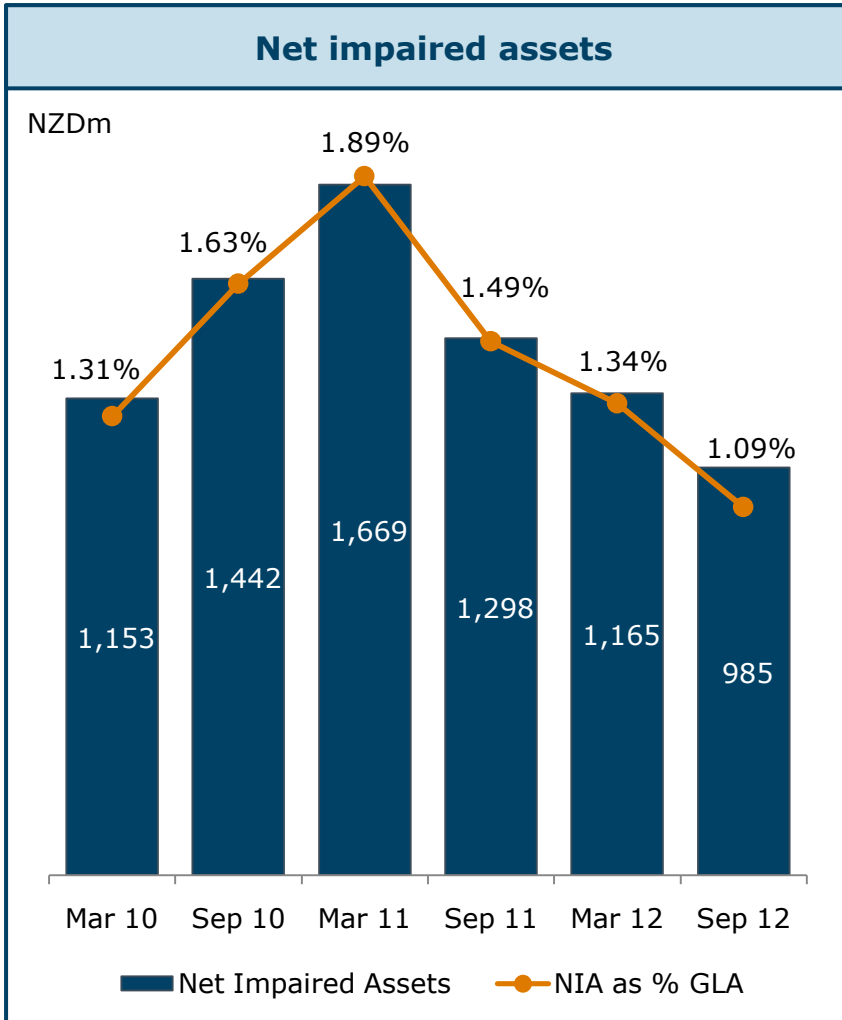


Mortgage Portfolio by State (Sep 2012)



1. One month or more ahead of repayments. Excludes funds in offset accounts.

New Zealand Businesses



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

12

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

25 October 2012

Divisional Performance
Australia Division



We're transforming the business to adapt to the changed banking environment

Domestic challenges

Meeting changing customer expectations

- Customers want:
 - Greater mobility and flexibility around their banking
 - Better customer experience
 - Greater understanding of their needs and targeted offerings

Greater need for productivity

- Slower volume environment increases the need for simple products and processes to lower the cost to serve

Increased competition for liquidity

- Post FY08, deposits have increased from approximately 50% to 61% of funding

Challenging macro-economic dynamics

- Slower economic growth leading to lower credit growth
- Weaker consumer confidence
- Margin erosion (i.e. increased funding costs)

Increased regulation

- Changing capital requirements
- Higher compliance costs

ANZ Response

Initiated productivity agenda focused on 'right-sizing' the business and reducing cost to serve

- Expenses down 1% HOH
- Despite slowing revenue environment, we've maintained CTI at ~40% to 41% since FY09

Disciplined management of pricing, discounting and balance sheet composition

- Self funding the loan book
- Focus on service and empowering our customers rather than be a price leader

Implemented customer segment strategy targeting high value customer segments in both Retail and Commercial

- Grown share of wallet and increased market share in traditional banking
- Above system growth in household and business lending and household deposits

Launched the "Banking on Australia" investment program

- Simplifying the way we do business
- Branch Network Reconfiguration
- Digital and mobile channels lower cost to serve and create additional revenue opportunities
- Improving sales effectiveness and lowering cost to serve in our Commercial business
- Investing in customer understanding & insight to improve targeting

We are making good progress on our strategic agenda

1. Targeting high-value customer segments with tailored banking propositions

- Market share gains in traditional banking, affluent and household deposits and lending
- Continuing to grow share of wallet and focusing on higher value retail and commercial segments

2. Leveraging our super-regional strengths

- The only Australian bank with the ability to connect customers across Asia, New Zealand and Australia
- Becoming the bank of choice for migrant customers

3. Good traction on the Banking on Australia agenda

- 46 new look branches to be completed by end of 2012 as part of 5 year branch refurbishment program
- Roll out of Cisco videoconferencing to 44 rural and remote branches by end of 2012
- ANZ goMoney continues to be a recognised leader in mobile banking applications
- Launched ANZ FastPay - processes same day credit and debit card transactions using an iPhone or iPad

4. Achieving market recognition

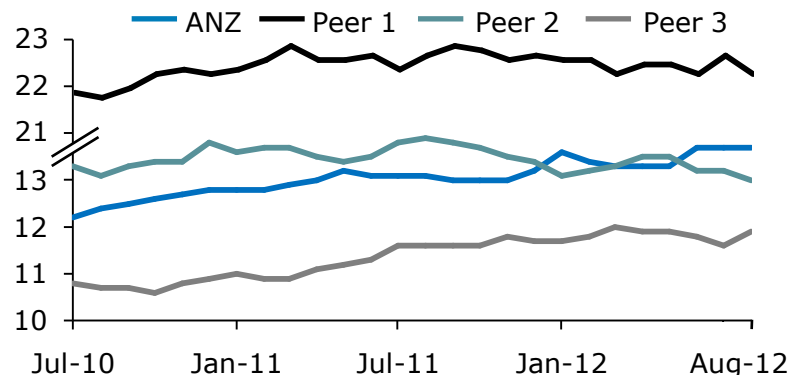
- Awarded Money Magazine's Bank of the Year and Home Lender of the Year and Capital CFO's Business Bank of the Year

5. Delivering strong 2H12 and FY12 outcome

- Underlying profit up 10% HOH and 4% YOY
- Positive Jaws in 2H12 and FY12 with expenses down 1% HOH
- Net interest margin recovery in 2H12
- Credit quality sound in both Retail and Commercial

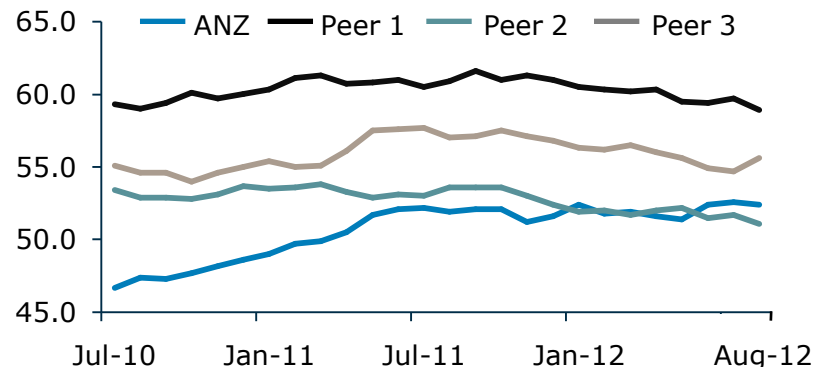
Retail Traditional Banking Market Share¹

(%) Market share - Traditional Banking



Retail Traditional Banking Share of Wallet¹

(%) Share of Wallet - Traditional Banking

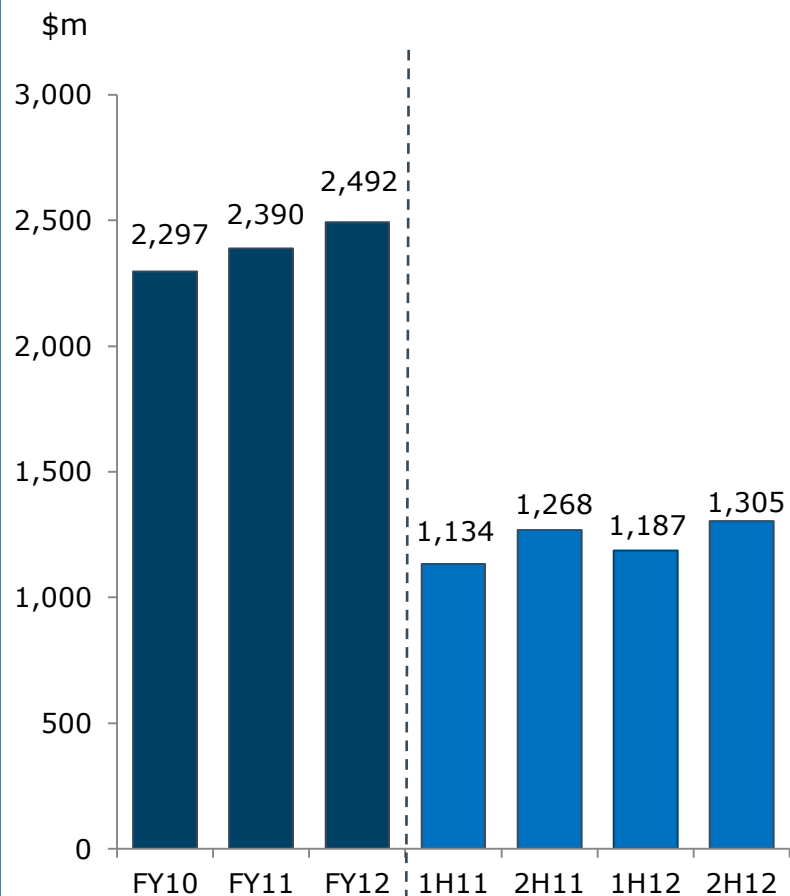


1. Source: Roy Morgan Research: Aust Pop'n aged 14+, rolling 12 months, Trad Banking Consumer Market (Deposits, Cards & Loans), Peers: CBA (excl Bankwest), NAB, Westpac (excl Bank of Melbourne & St George)

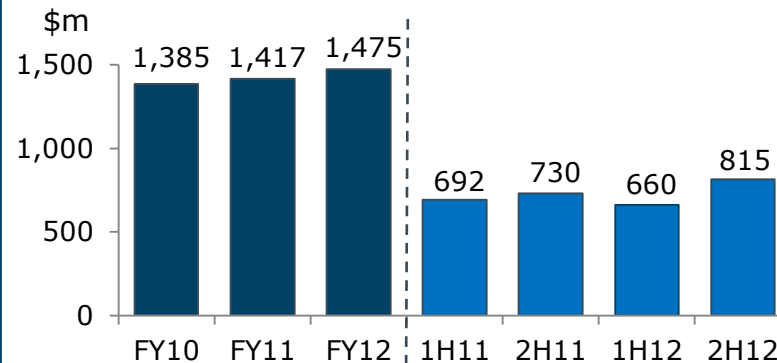


Australia Division – Financial performance

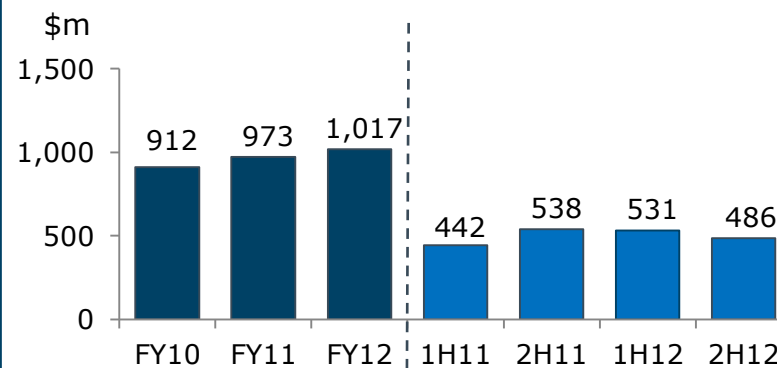
Australia division: Underlying profit¹



Retail: Underlying profit¹

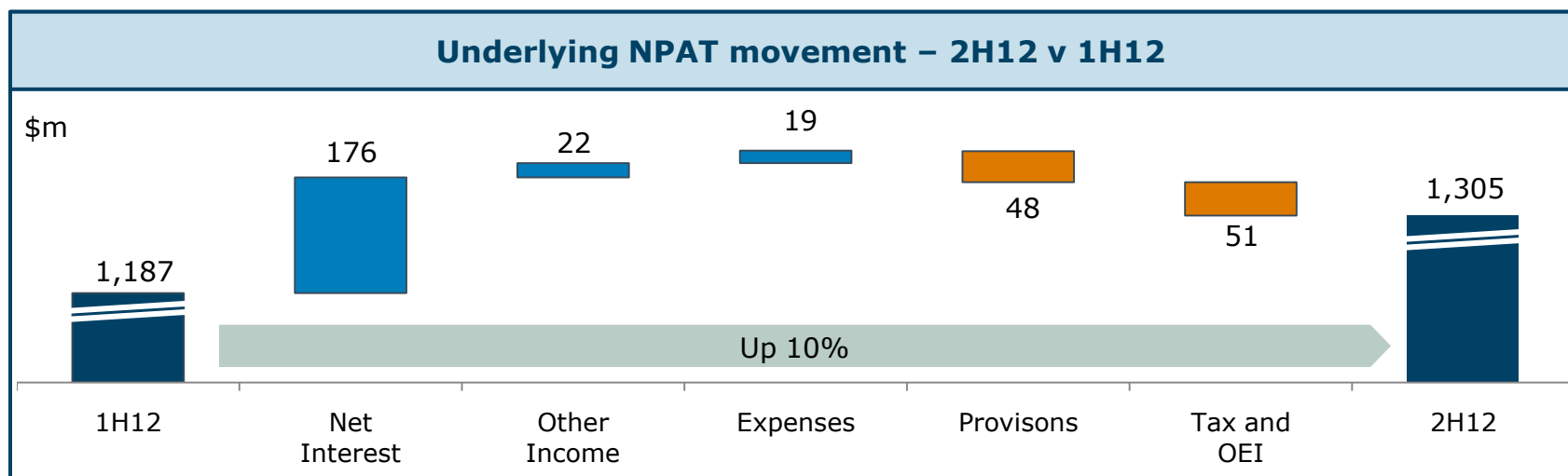
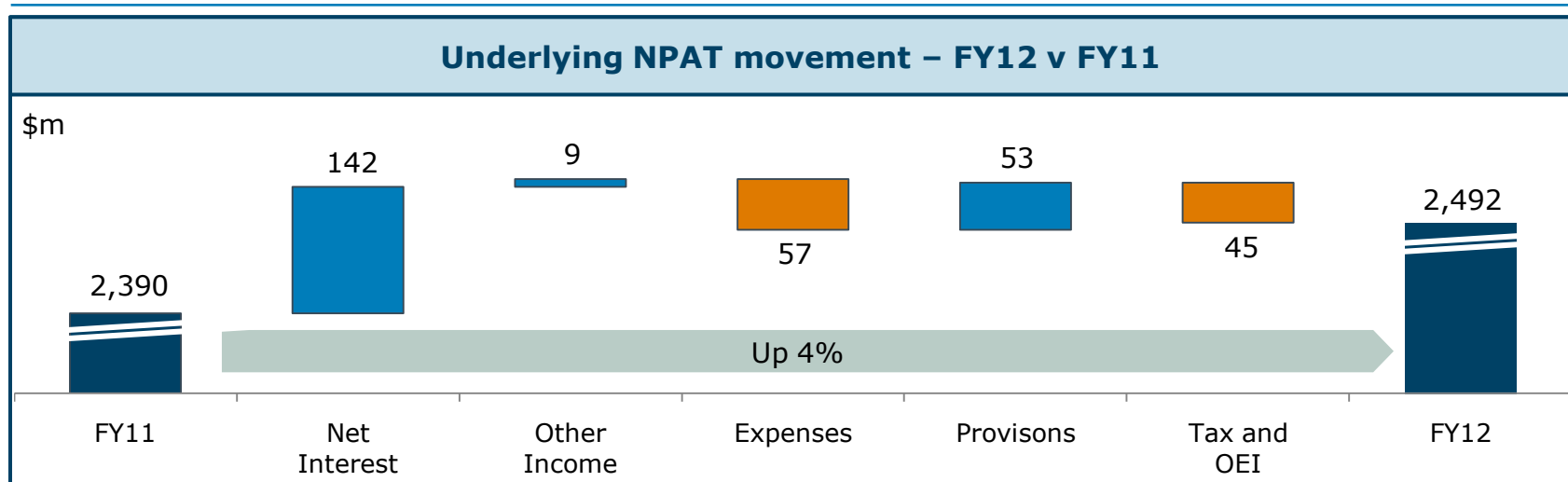


Commercial: Underlying profit¹

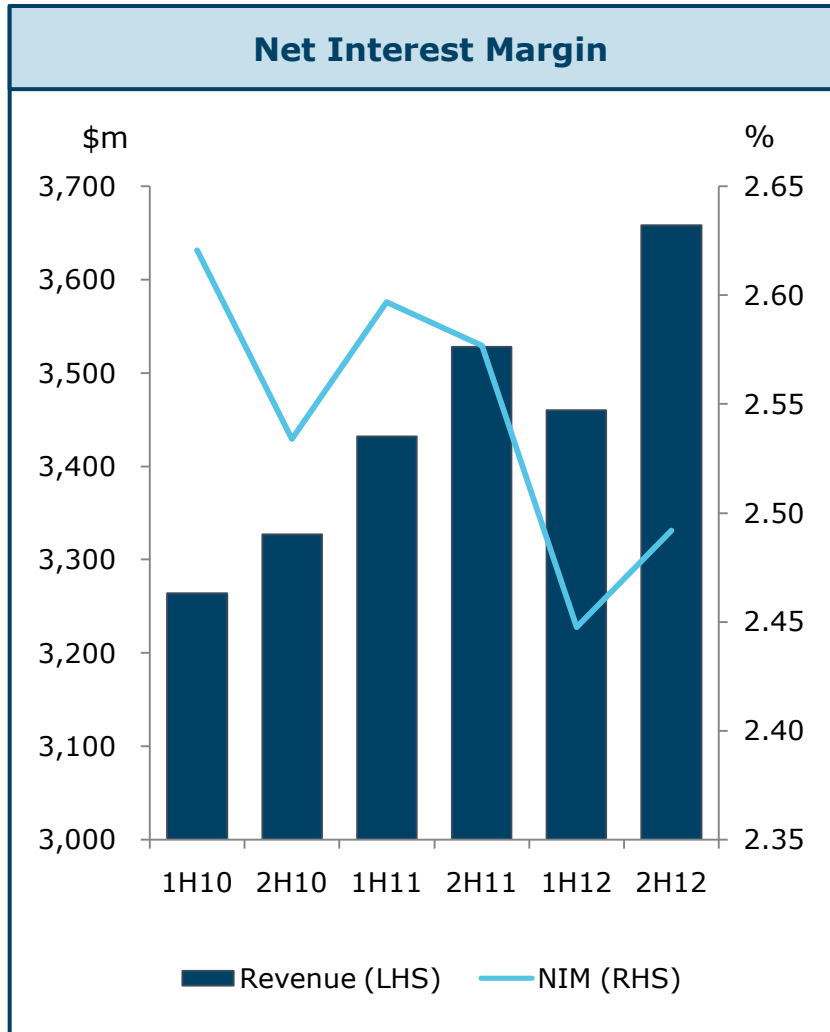


1. Statutory profit is adjusted to exclude certain non-core items to arrive at underlying profit

Australia Division – Financial performance



Australia Division – Net Interest Margin



- Net interest margin has declined since 1H10, primarily impacted by:
 - Deposit margins adversely impacted by increased competition for deposits driven by regulatory and funding requirements
 - Deposit mix impact with increasing customer preference for term deposit and on-line offerings
 - Increased average cost of term wholesale funding
- 1H12 margins negatively impacted by widening of short term wholesale spreads, which have improved in 2H12
- 2H12 operating income up 6% and NIM up 4 bps driven by tighter margin management offset by increased funding costs, in particular deposit costs remain elevated
- Pressure on margins likely to continue in FY13, however ongoing margin management is expected to offset headwinds

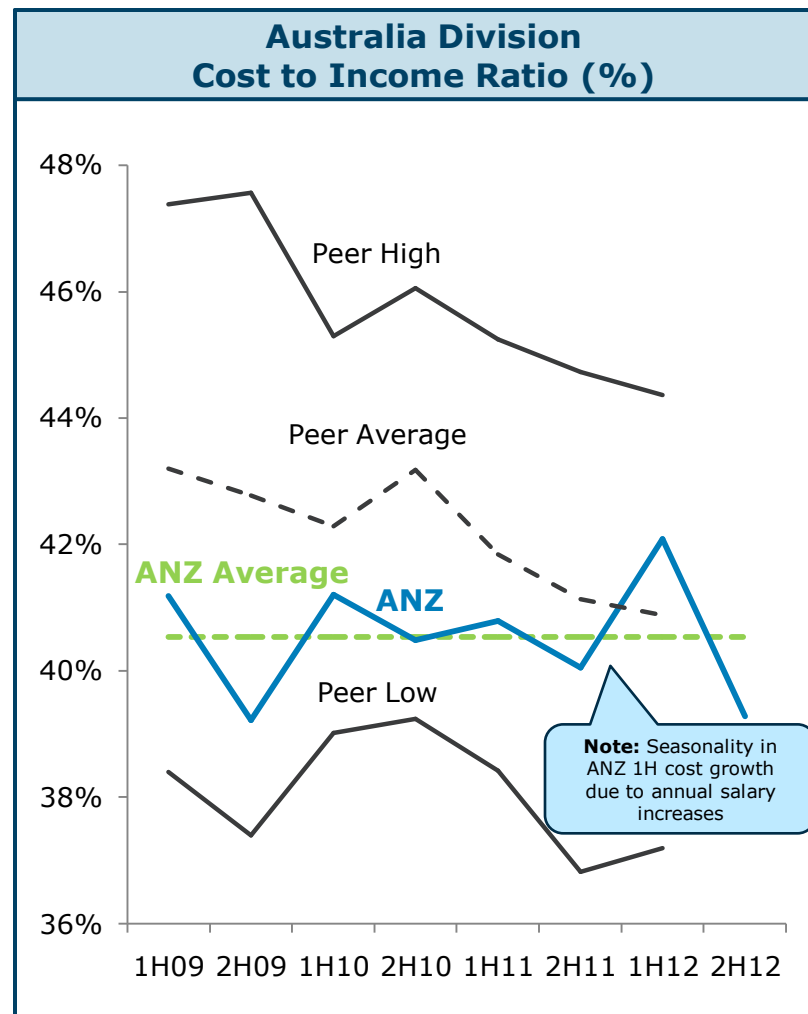
Australia Division - Building greater productivity into our business

Strategy

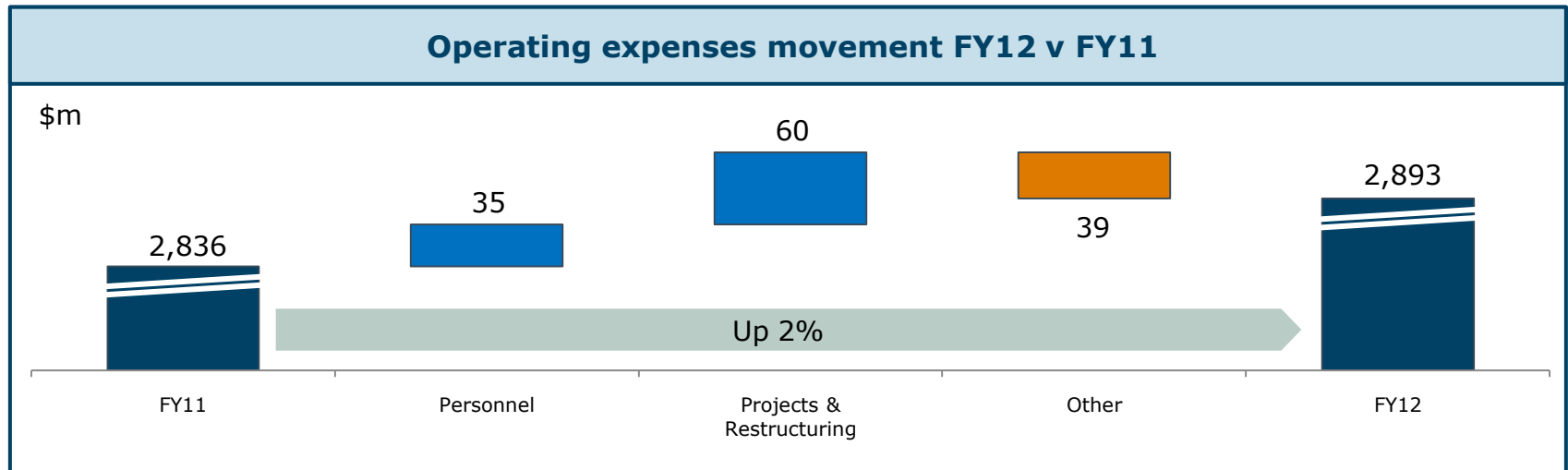
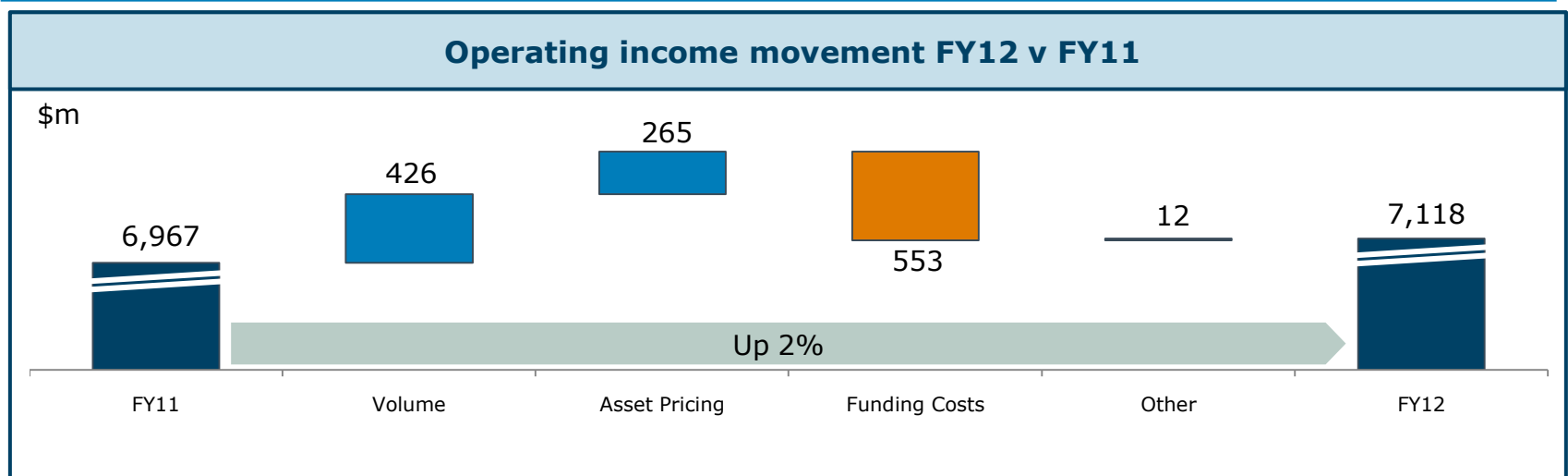
- Sustainable cost reduction through strategic transformation and simplification initiatives
 - Digital online and mobile channels
 - Branch network reconfiguration
 - Product simplification and improvement
 - Automation of manual processes
 - Right-sizing our enablement functions for the current environment
 - Better alignment of organisational structures between individual businesses
 - Use of regional support hubs
- While at the same time generating additional revenue streams through a broader range of sales and servicing activities via digital and retail distribution channels and cross-sell

Outcomes 2012

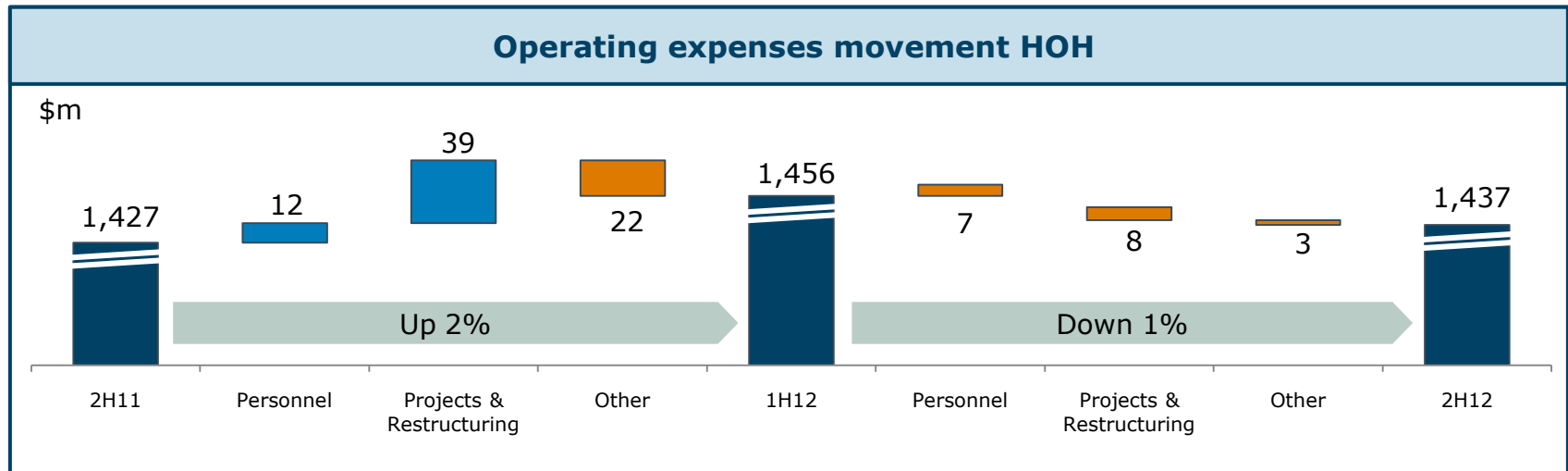
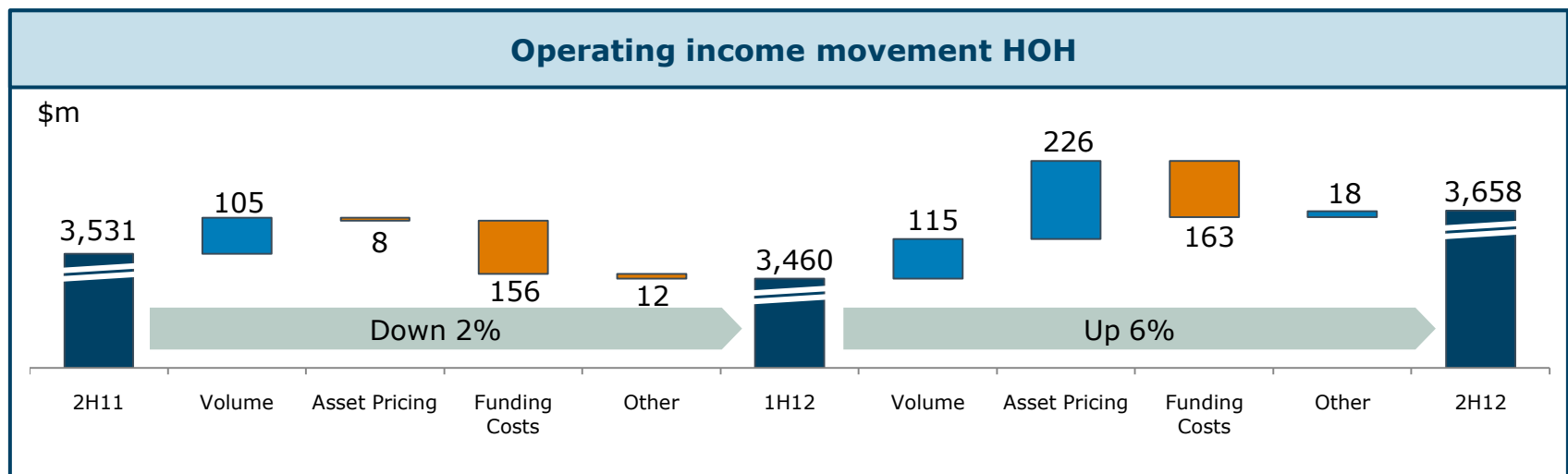
- Implemented initiatives to deliver productivity savings via task elimination & automation, process improvement, better workforce management and improved queue management
- Absorbed a 14% increase in volumes and tasks for Australian Operations in FY12 while maintaining SLA's and reducing costs by 4%
- Monthly customer complaints down 4% in FY12



Australia Division – Operating Income and Expenses



Australia Division – Operating Income and Expenses



Retail – Delivering a distinctive customer proposition and transforming the distribution network

1. Delivering tailored offerings across banking targeting high value customer segments

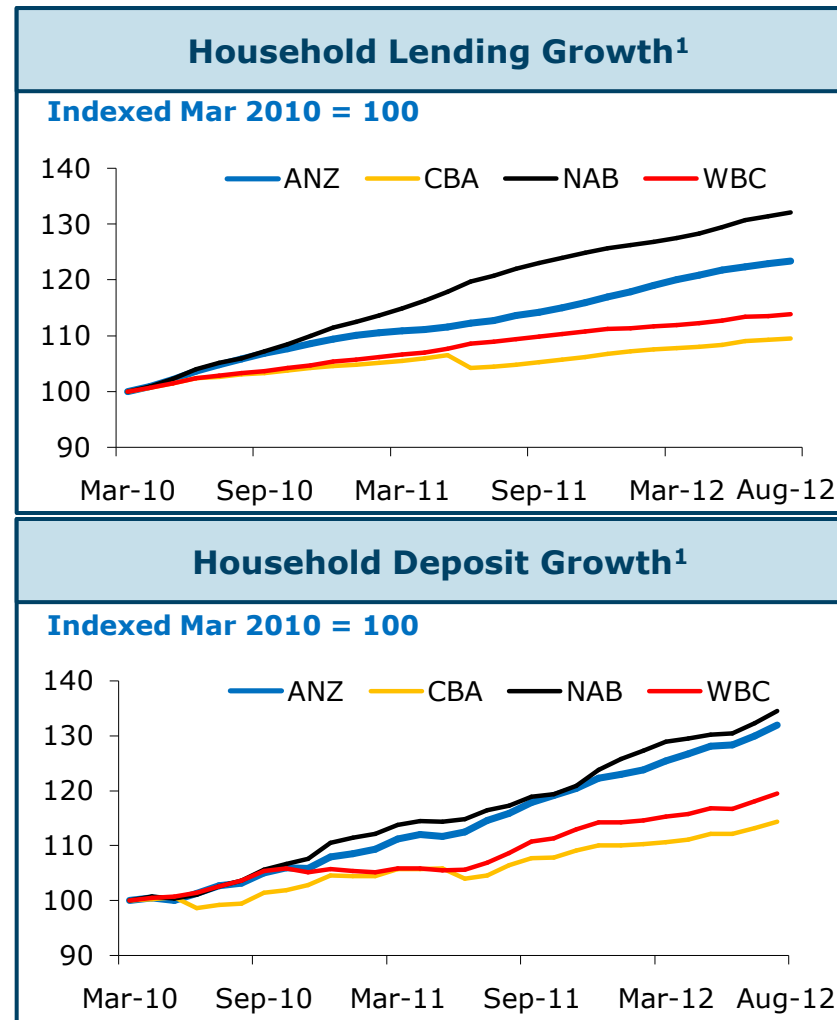
- Customer segment strategy focusing on Young Money, Professionals and Executives, Affluent 50+, International and Small Business owners
- Traditional Banking market share up 0.6% to 13.7% (12 months to Aug 2012)²
- Affluent Traditional Banking market share up 0.7% to 14.9% (12 months to Aug 2012)²
- Above system growth in household lending (1.2x system) and household deposits (1.2x system)

2. Transforming the distribution network through branch reconfiguration and development of mobile and digital capabilities

- Reconfiguring the distribution network, including branches, to deliver improved customer experience and cost efficiency
- Developing online and mobile digital channels to meet customer expectations for greater mobility and flexibility around their banking

3. Delivering a distinctive Retail customer proposition through greater understanding of customer needs and targeted offerings

- Investing in analytic capabilities to drive greater customer insight and better address customer needs
- Delivering targeted customer offers aligned to customer needs and preferences
- Simplifying products and processes to make things easier for our customers and people

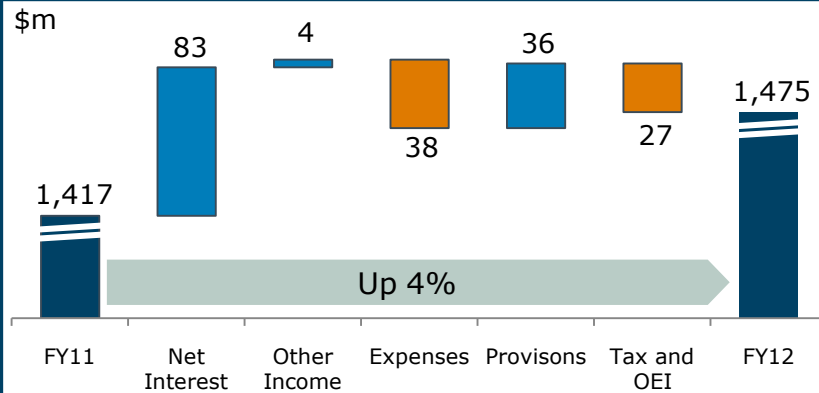


1. Source: APRA

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

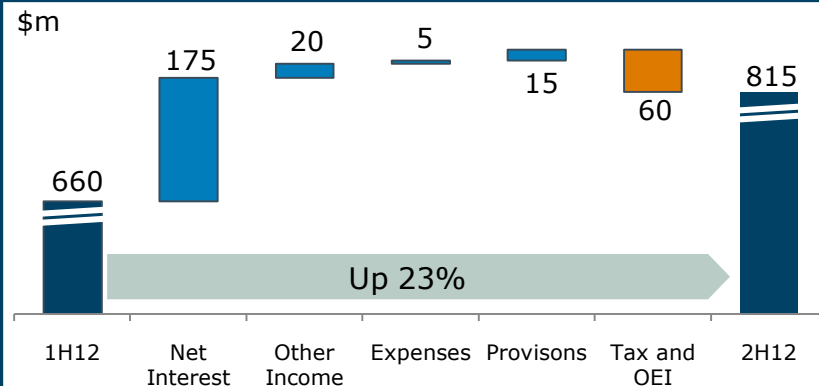
Retail – Financial performance

Underlying NPAT movement – FY12 v FY11



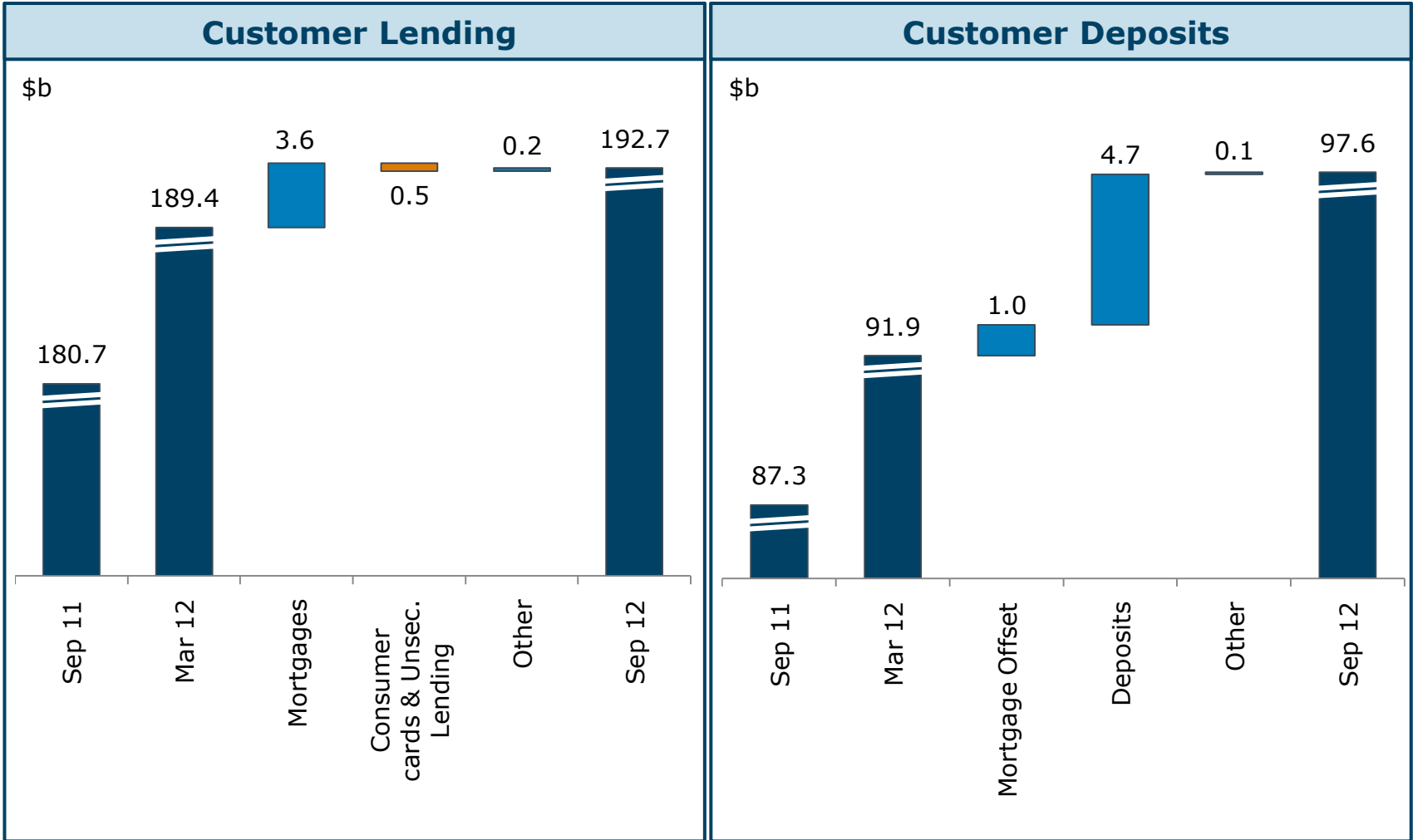
- Net interest income increased by 2% YOY through growth in mortgage lending and margin management, partially offset by the impact of declining deposit margins and higher funding costs
- NIM reduced by 12 bps due to increasing deposit costs
- Expense growth was contained to 2% with the impact of annual salary rises, inflation and project investment being offset by productivity initiatives
- Provision expense was down 9% driven by improved delinquency trends in the mortgages portfolio and the release of surplus collective provisions

Underlying NPAT movement – 2H12 v 1H12



- Net interest income increased by 10% in the half primarily due to margin improvement and above system growth in household lending
- 1% reduction in costs for the second half with benefits emerging from productivity program
- NIM improved by 4bps in the half due to management of pricing, discounting and balance sheet composition
- Provision expense reduced by 8% due to improved delinquency trends and the release of surplus collective provisions

Retail – Balance Sheet



Retail – Branch network reconfiguration: improving customer experience and lowering cost to serve

Re-defining the retail customer experience with technology enabled, open plan branches...



Branch: York & Market, Sydney

New generation intelligent ATM's with greater functionality

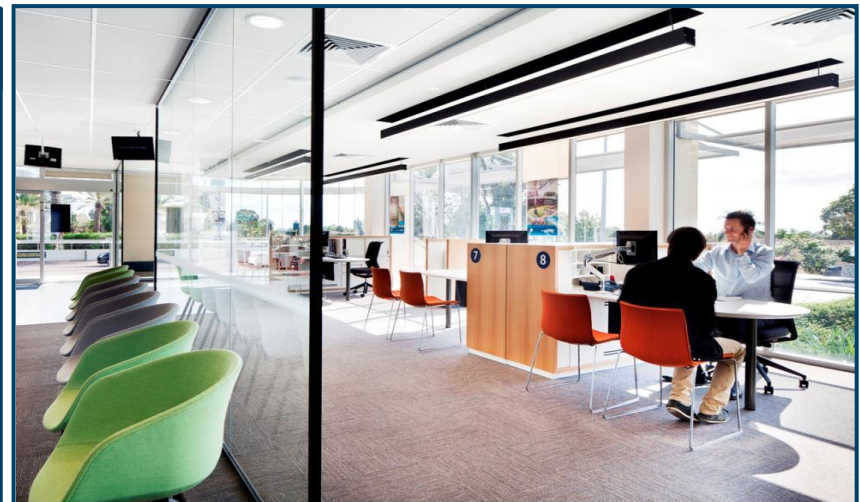


- A new branch design with sales capabilities aligned to changing customer demand
- Becoming centres of advice for complex customer needs, as everyday transaction numbers decline
- Greater access to specialists through use of in-branch video conferencing facilities
 - Roll out of Cisco videoconferencing to 44 rural and remote branches by end of 2012
- Branch footprint designed to maximise sales capability and incorporate new technologies
 - Reduce excess space in our branch property portfolio by approximately 36%
 - 25% reduction in property expenses expected over time
- 800 'next generation', deposit taking ATMs to be rolled out to branches commencing June 2013 allowing 24/7 access to many traditional teller services
- Providing access to simple wealth products to meet customer needs
 - Initial rollout to 200 branches by end of 2012

Retail – Right sizing our branches and increasing sales capability

- A circa 5 year program, 46 branches to be completed in Calendar 2012
- Align our branch footprint to changing customer demand and improve productivity (more complex activities performed in branch, better customer discussion facilities, etc.)
- Right sizing our branches, improving the proportion of usable floor space (significant reduction in back of house space requirements) and moving to a more flexible layout
- In tandem with an improving online and digital offering

Example of improved space utilisation	
	Metro/ Suburban Branch
Net lettable area	↓ c.40%
Back of house requirement	↓ c.70%
Consulting room and sales points	↑

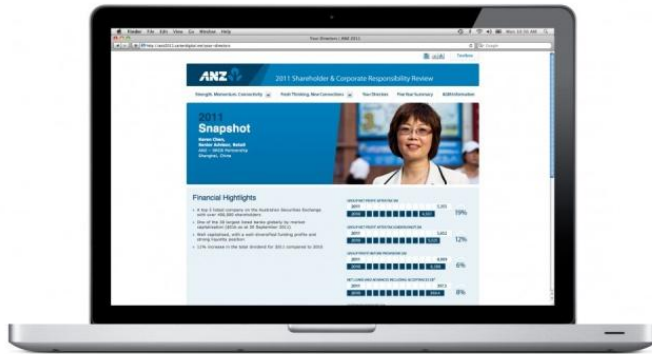


Branch: Booragoon, Western Australia



Retail – Developing new channels in line with shifting customer preferences

Intuitive next generation online platforms...



... and peer-leading mobile platforms



- Growing customer preference for self-service channels with digital transactions accounting for more than 64% of all ANZ transactions processed
- Generating additional revenue streams through greater functionality and cross-sell opportunities while lowering the cost to serve
- ANZ goMoney a recognised leader in mobile banking applications
 - Over 780,000 registered users
 - 30 million transactions totalling \$17 billion conducted in the past 12 months (Sep 2012)
 - Available on up to 5 simultaneous devices
 - Android version launched in September 2012
- Enhanced Internet Banking functionality allows customers to do more of their banking without the involvement of branches or call centres
 - Includes travel notifications, adding Cardholders, eStatements
 - 359 million transactions totalling \$600 billion have been conducted over the past 12 months (Sep 2012)
- Trialling ANZ mobile wallet using NFC technology on Android devices

Retail – Mortgages

Portfolio Statistics

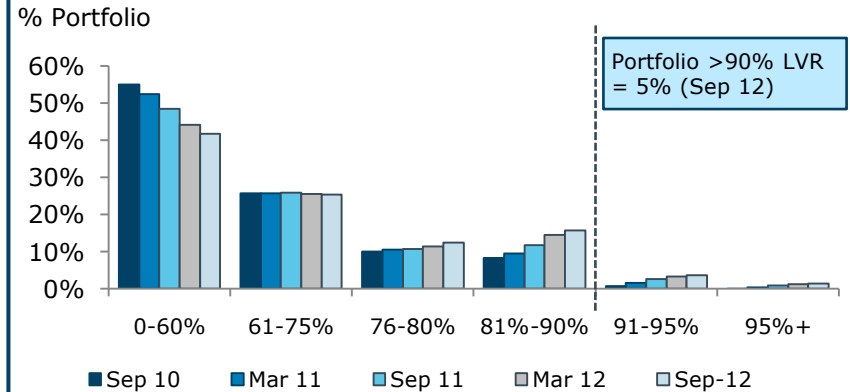
Total Number of Mortgage Accounts	848k
Total Mortgage FUM	\$182b
% of Total Australia Region Lending	60%
% of Total Group Lending	43%
Owner Occupied Loans - % of Portfolio	63%
Average Loan Size at Origination	\$262k
Average LVR at Origination	64%
Average Dynamic LVR of Portfolio	52%
% of Portfolio Ahead on Repayments ¹	49%
First Home Owners - % of Portfolio	9%
First Home Owners - % of New Lending	8%

Mortgages have low loss rates

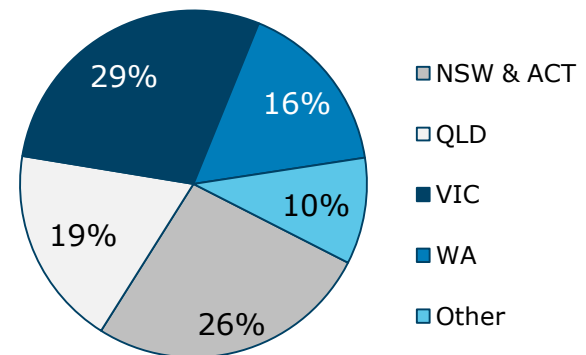
Individual Provision Loss Rates

	1H10	2H10	1H11	2H11	1H12	2H12
Group	0.62%	0.42%	0.32%	0.31%	0.36%	0.43%
Australia Mortgages	0.02%	0.01%	0.01%	0.03%	0.03%	0.02%

Dynamic Loan to Valuation Ratio

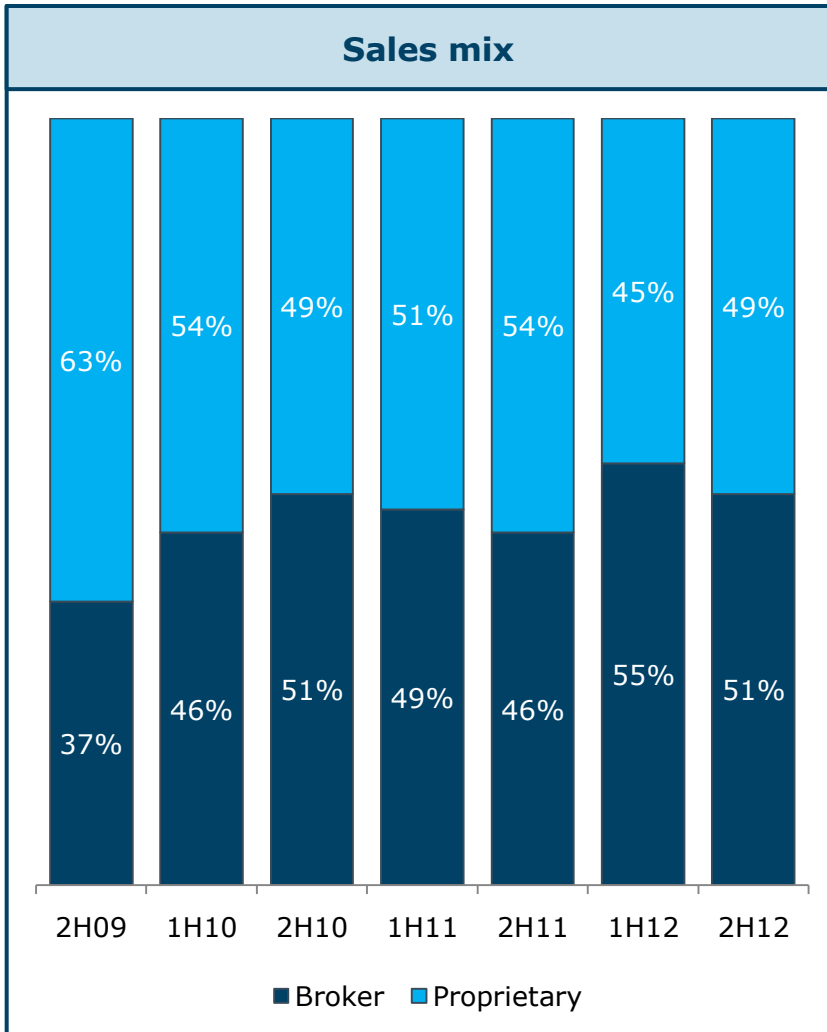


Mortgage Portfolio by State (Sep 2012)

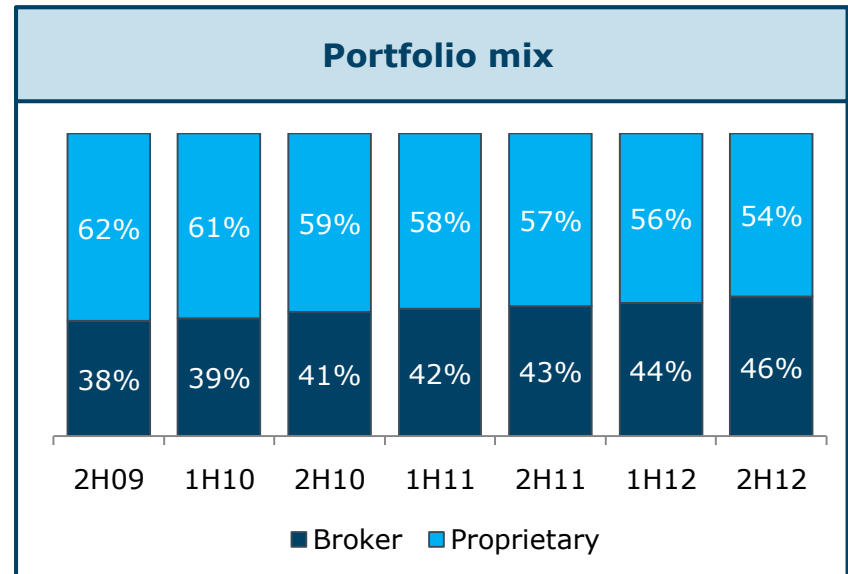


1. One month or more ahead of repayments. Excludes funds in offset accounts.

Retail – Mortgages by channel



- Strengthening the sales capability of our network as part of the Banking on Australia program
- New automated mortgages platform largely rolled out across the network
- Broker originated mortgages remain an important channel and deliver a high proportion of new-to-bank and affluent customers



1. Source: APRA

Commercial – Leveraging our regional footprint and growing the customer base

1. Growing through customer acquisition and increased cross-sell

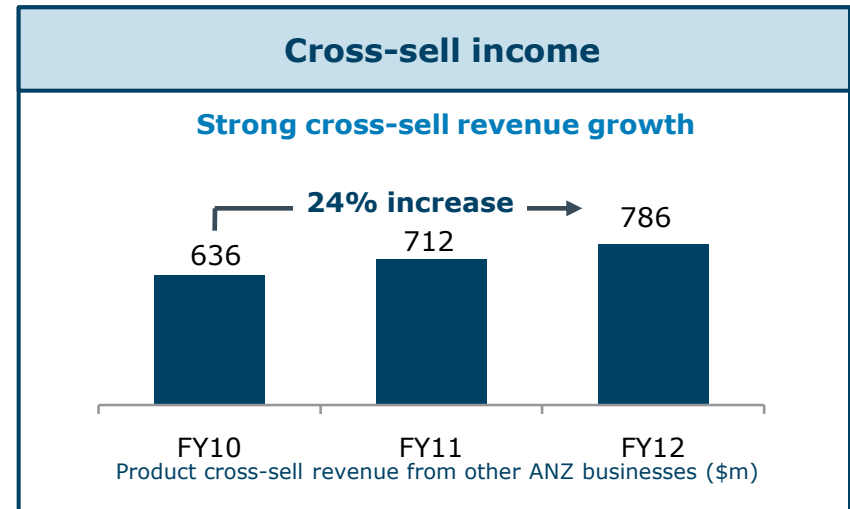
- Focusing on acquiring new-to-bank customers
 - Targeting trading businesses with more complex, cross-regional needs
 - Acquired 30k net new clients in FY12
- Enhancing product and distribution propositions to increase cross-sell opportunities
 - Institutional cross-sell revenue up 25.1% YOY
 - Mortgages cross-sell revenue up 12.6% YOY
 - Investment and insurance cross-sell revenue up 27.7% YOY
- Increased lending and deposit FUM by 9% YOY

2. Leveraging our regional footprint and capabilities to meet customer needs

- Working closely with customers to provide better connections across the region
- Increased cross border referrals by 40% YOY

3. Improving productivity and customer experience

- Streamlining processes to provide more time with customers
- Investing in online and mobile platforms to deliver convenient and innovative banking solutions



Awarded Business Bank of the Year 2012



Business Bank of the Year
AFR Capital CFO Awards 2012

Based on performance against the following criteria:

- Relationship management
- Advice
- Deal execution
- Client satisfaction
- Market share and penetration
- League table positions

Commercial – Capitalising on our super regional capabilities

1. Increased client awareness of our super regional strengths and upskilled staff

- Demonstrated our leading renminbi (RMB) capabilities to 700 customers and staff across 6 states
- Up-skilled 600 frontline staff across 5 cities and provided 80 bankers with hands-on experience in key Asian markets

2. Better connecting our customers across the region

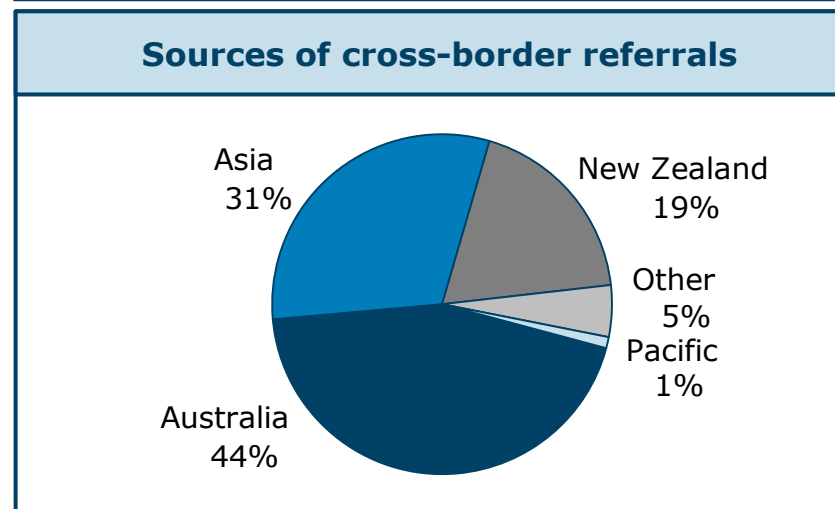
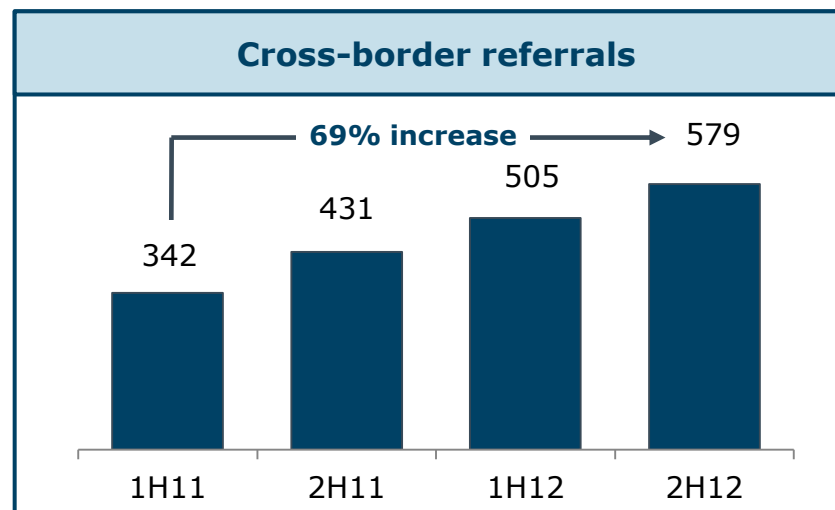
- Increased cross-border referrals by 69% since 1H11 and 40% YOY
- Developed a standard global credit framework and principles providing customers with agile and timely cross border credit

3. Recognised by government entities for our leading capabilities across Asia

- Chosen by Victorian Government Trade Mission to provide participants with local insights on doing business and banking with China and India

4. Extending markets and trade product capability to our medium and small business clients

- Trade Finance revenue generated by Commercial clients up 20% YOY
- Global Markets revenue generated by Commercial clients up 40% YOY



Commercial – Improving productivity and customer experience

**ANZ OneSwitch
has simplified
customer
onboarding**

**649 applications
since launch**



Intelligent use of technology driving improved customer experience



Using tablet technology to enhance sales process



Creating applications to deliver convenient banking solutions

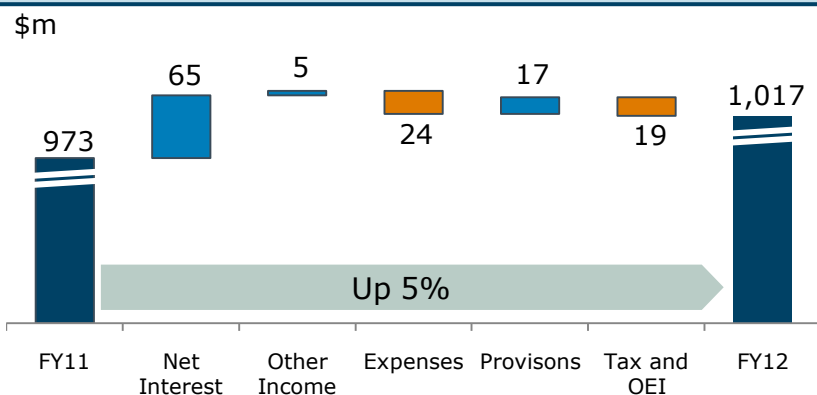
- Enhancing frontline sales productivity by simplifying processes and systems to provide more time with customers
- Simplified customer on boarding with ANZ OneSwitch - 1 form, 1 signature, 1 week, 1 point of contact
- Using technology to enhance customer experience and offer greater control
 - On site needs analysis via tablet technology
 - ANZ Fastpay – ‘on the go’ merchant transactions via iPad or iPhone
 - ANZ Transactive mobile app - ‘on the go’ banking app for business customers

- Engaging with customers through social media platforms (Twitter, LinkedIn and the Small Business Hub)
- Fostering innovation by assisting prospective small business owners fast-track their development (‘ANZ Innovyz START Program’)



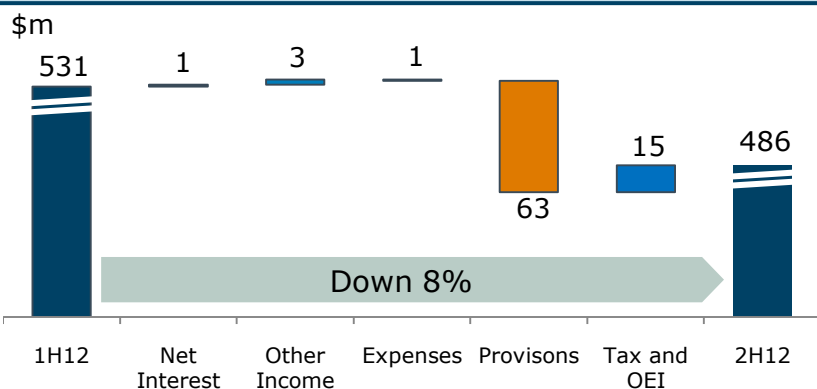
Commercial – Financial performance

Underlying NPAT movement – FY12 v FY11



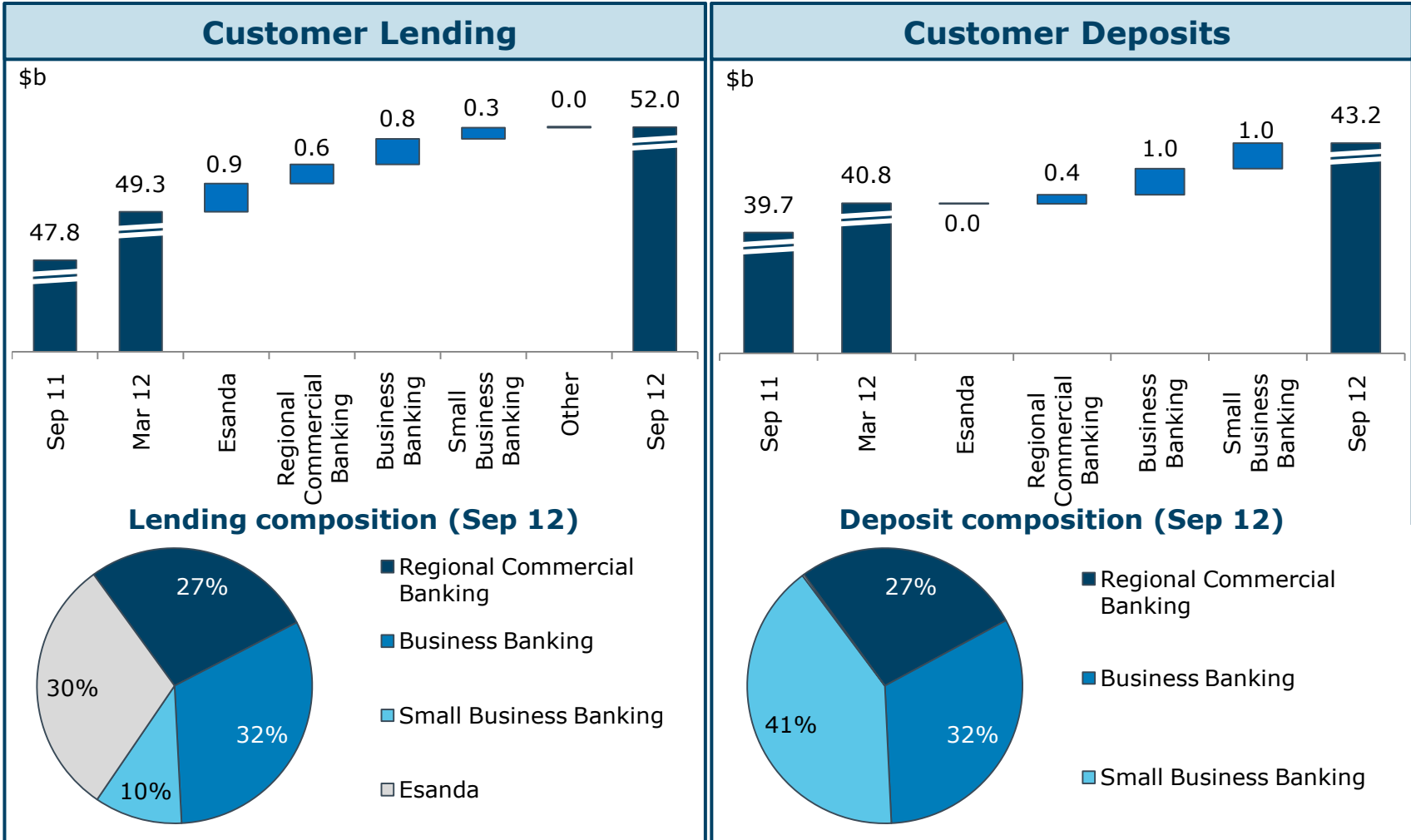
- Net interest income up 3% YOY driven by balance sheet growth and margin management, partially offset by lower margins on deposits
- 3% expense growth from salary increases and investment in projects, partially offset by a reduction in FTE and productivity initiatives
- Neutral JAWS. Cost to Income ratio flat YOY at 34.2%
- Provisions down 6% with a reduced provision charge (release of \$54m in FY12 of surplus flood provisions raised in March 2011) offset by lending growth and impact of current economic environment.

Underlying NPAT movement – 2H12 v 1H12

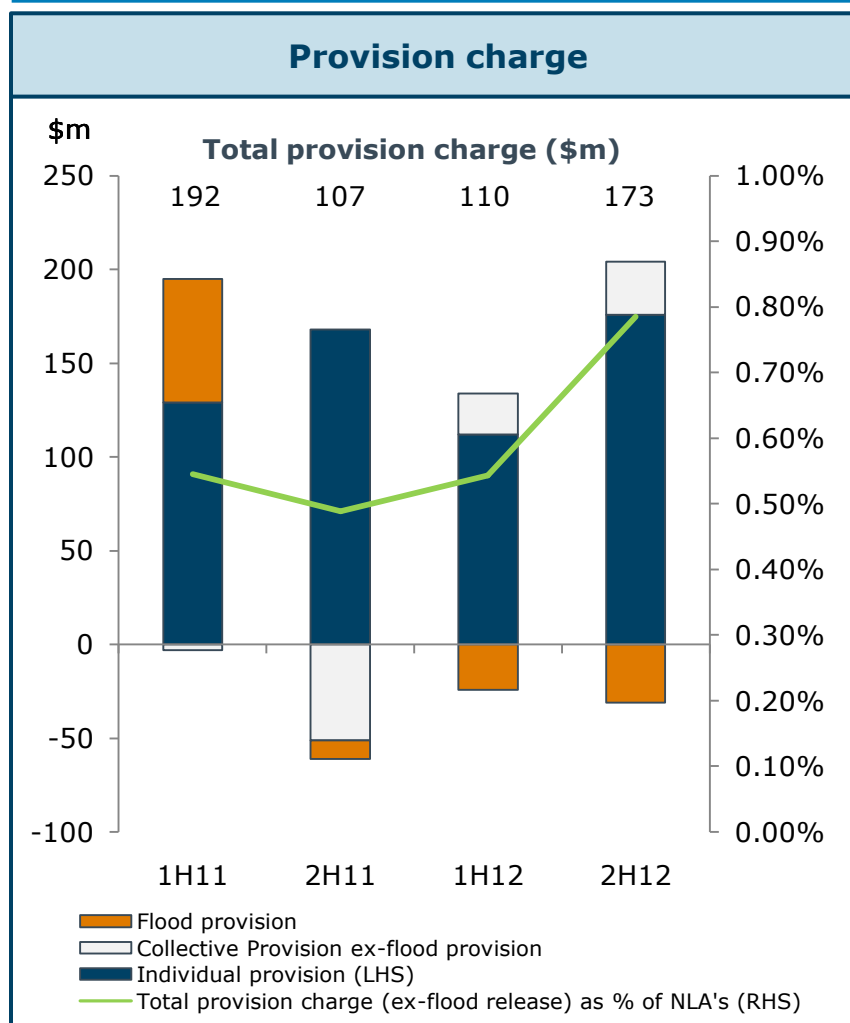


- Net interest income flat with asset repricing and volume growth (lending growth of 5%, deposit growth of 6%) offset by deposit margin declines
- Expenses flat reflecting benefits of restructuring activities and a continued focus on driving productivity savings
- Provisions up 57% HOH driven by an increase in individual provisions reflecting softer economic conditions across a number of sectors, partially offset by the release of surplus flood provisions

Commercial – Balance Sheet

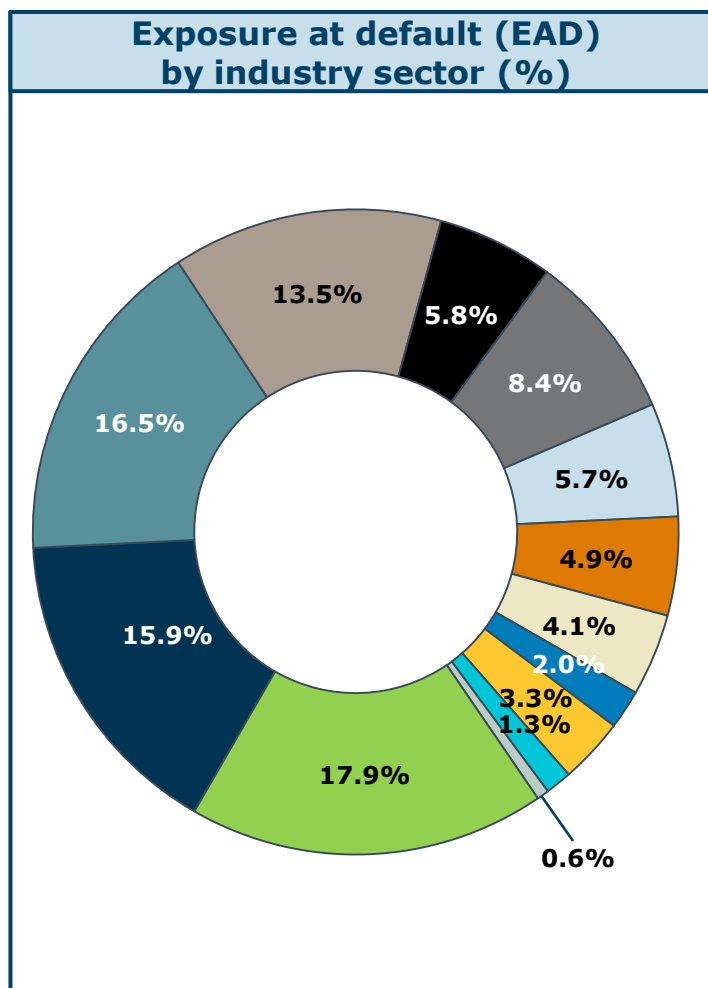


Commercial – Provisions



- Increased provision charge reflects increased lending volume in addition to softening of economic conditions across a number of sectors
- The provision charge for 2H12 was primarily driven by an increase in individual provisions
 - Circa 35% or \$62m of the 2H12 individual provision related to Regional Commercial Banking reflecting pressure in Agri-business sector mainly QLD and NT
- Collective provision overlay relating to flood provision taken up in 1H11 has now been fully released
- While the portfolio remains well secured, the economic recovery following the floods has been slower than expected

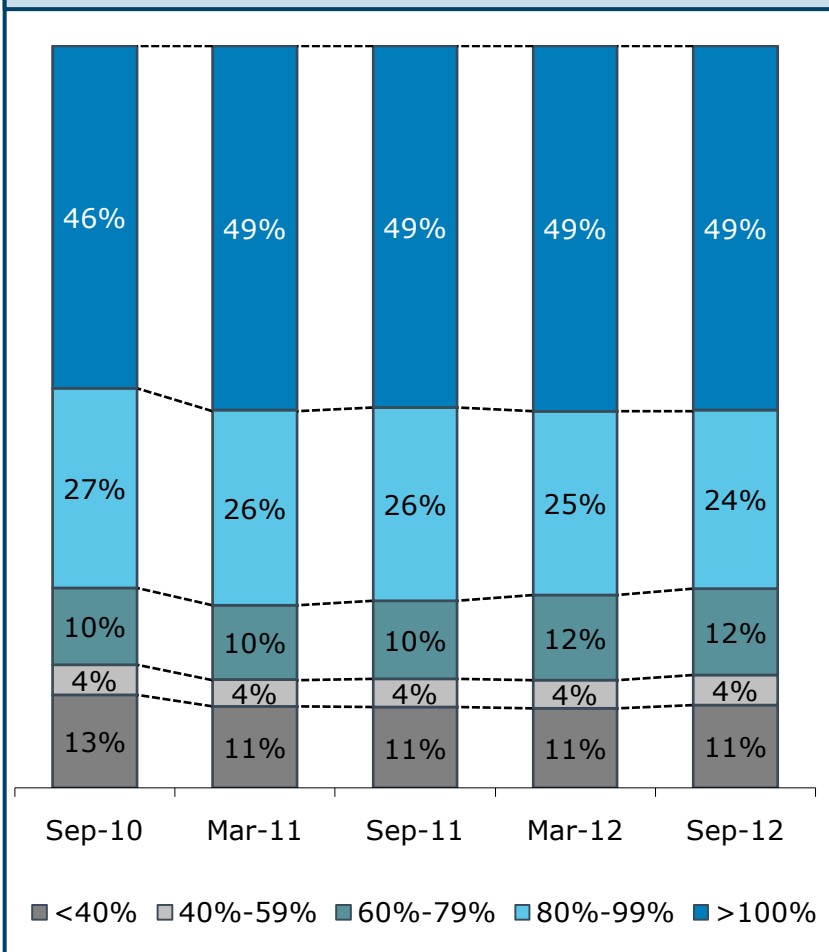
Commercial – Total lending exposures by sector



Category	EAD			% in Non Performing		
	Sep 12	Mar 12	Sep 11	Sep 12	Mar 12	Sep 11
Property services	15.9%	15.0%	14.7%	1.1%	1.0%	1.0%
Agriculture, forestry & fishing	16.5%	17.0%	17.0%	6.6%	5.8%	5.0%
Retail Trade	13.5%	14.5%	13.8%	1.3%	1.0%	1.2%
Construction	8.4%	8.5%	8.4%	1.6%	1.6%	1.4%
Business services	5.8%	6.0%	6.0%	1.1%	1.3%	1.3%
Manufacturing	5.7%	5.7%	5.8%	1.8%	2.0%	2.4%
Wholesale trade	4.9%	4.9%	4.9%	0.8%	0.8%	1.7%
Accommodation, cafes & restaurants	4.1%	4.1%	3.8%	1.5%	1.6%	1.6%
Health & community services	2.0%	2.0%	1.9%	1.4%	1.6%	1.5%
Transport & storage	3.3%	3.4%	3.6%	1.6%	1.6%	1.7%
Finance & insurance	1.3%	1.3%	1.4%	2.2%	1.6%	1.2%
Mining	0.6%	0.5%	0.7%	0.8%	0.9%	0.7%
Other	17.9%	17.1%	18.0%	1.4%	1.3%	1.2%

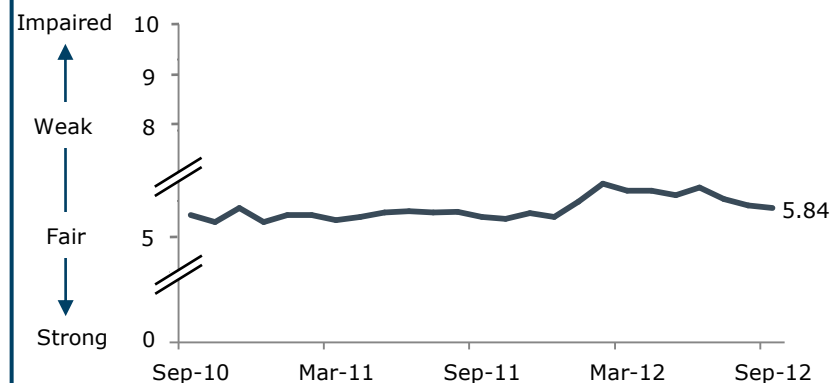
Commercial – Risk grade profiles

Commercial Australia Security Cover

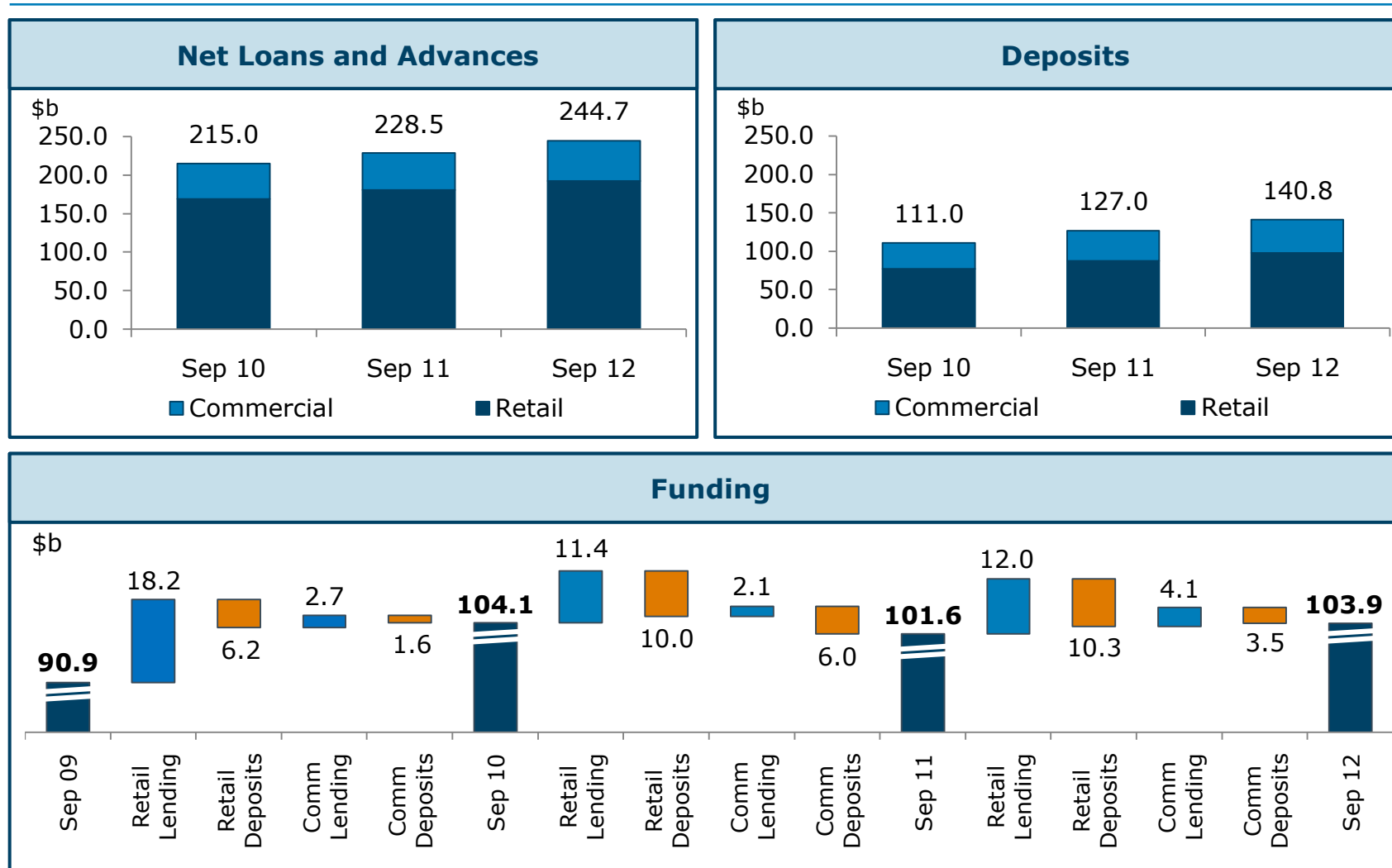


- The Commercial book is well secured with 72% of Commercial lending book being more than 80% secured
- Security Indicator (SI) profiles have decreased slightly from Sep-11, reflecting underlying changes in property values
- Average Customer Credit Rating (CCR) is stable YOY and has improved slightly from 1H12

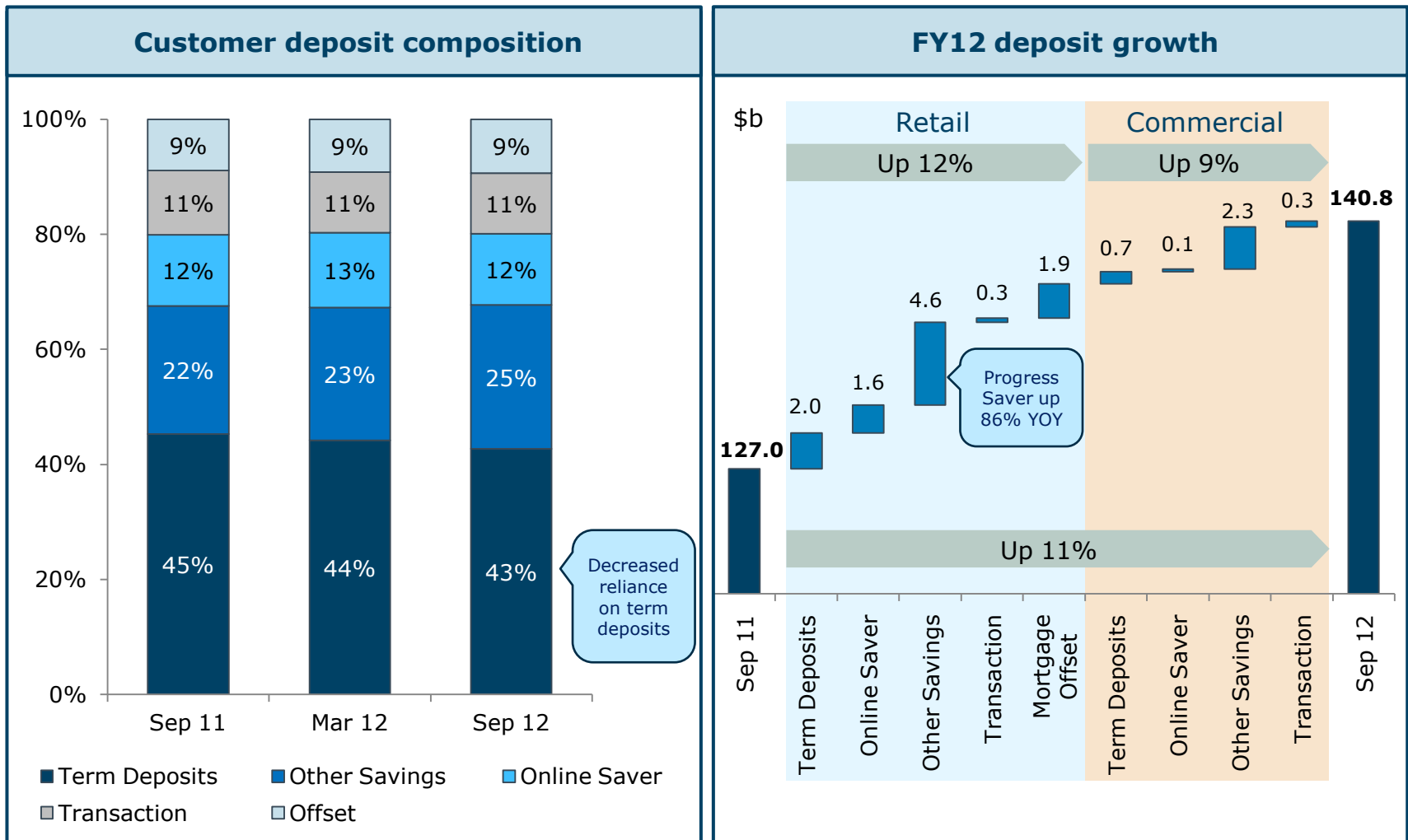
Weighted Average Customer Credit Rating



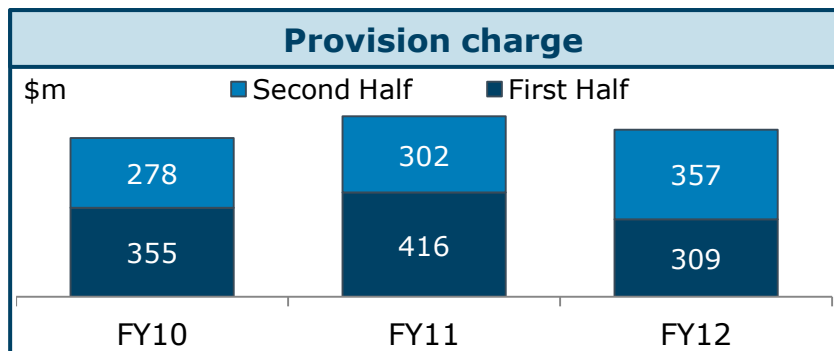
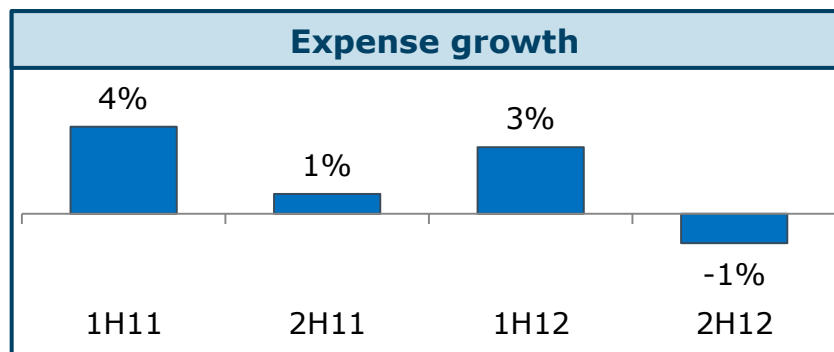
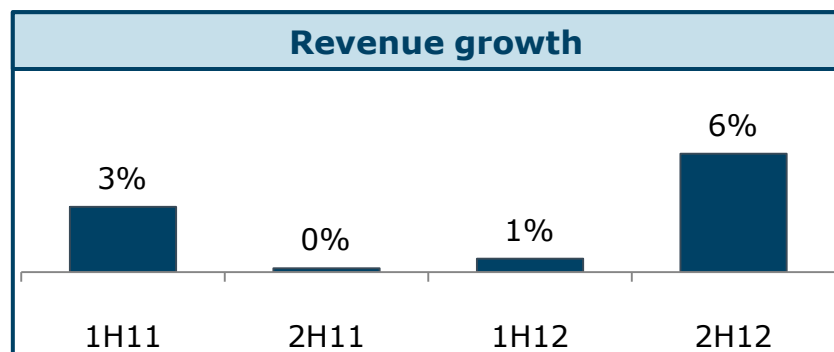
Australia Division – Balance sheet



Australia Division – Deposits



Australia Division – Outlook



Revenue

- Above system growth in mortgages in FY12 provides good balance sheet momentum leading into FY13
- Targeting to grow lending at or above system in FY13
- Disciplined management of margins in FY12 to continue in FY13 to minimise downside from funding impacts
- Continuing to transform business to address revenue headwinds, including competition for deposits

Expenses

- Full year effect of productivity initiatives implemented in FY12 will be reflected in FY13
- However, seasonal impact of wage increases expected in 1H13

Provisions

- FY12 provision release associated with flood provisions not expected to recur in FY13
- Modest increase in 2H12 provisions likely to continue into FY13
- Continue to be cautious and disciplined in our approach to lending and risk management

12

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING
GROUP LIMITED

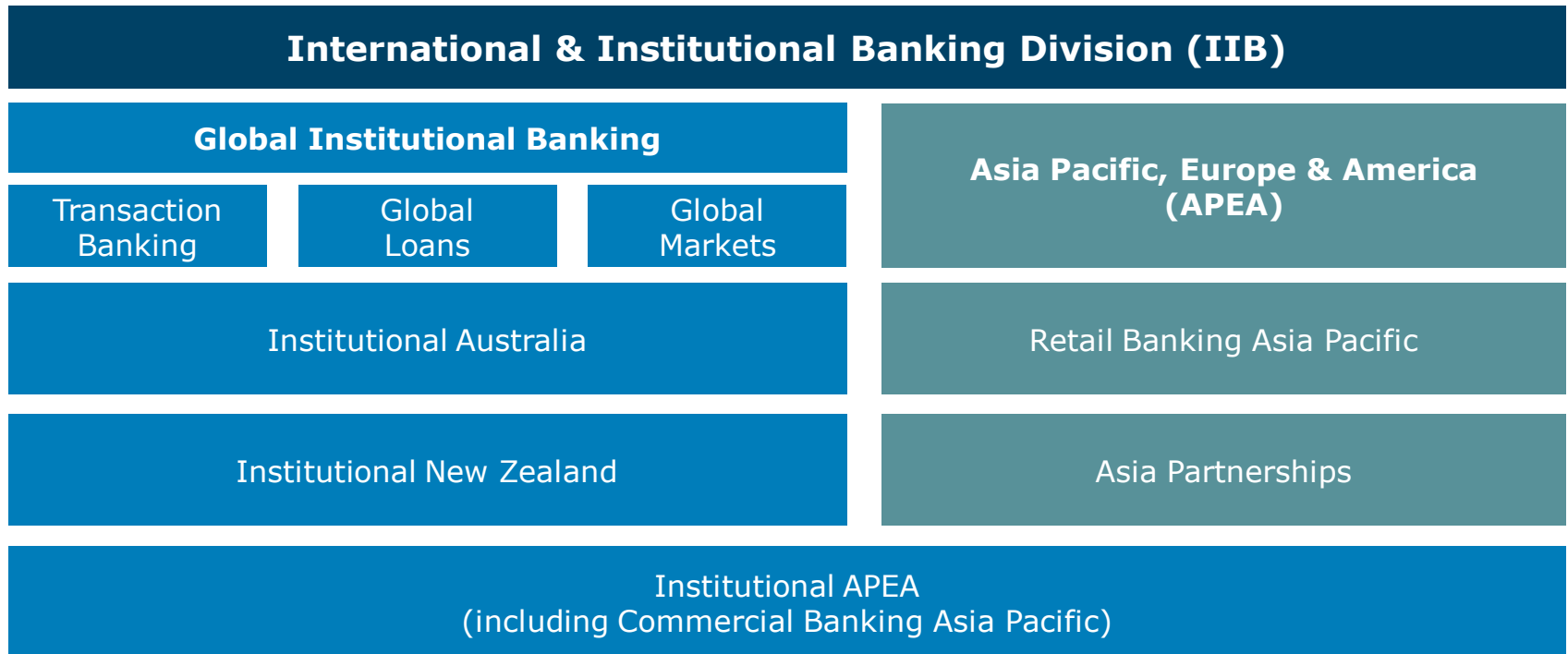
25 October 2012

**Investor Discussion Pack
International & Institutional Banking (IIB)**



International & Institutional Banking (IIB)

A new division that combines Global Institutional and Asia Pacific, Europe & America Divisions (APEA)



International & Institutional Banking – growing in line with strategy

- **Super Regional strategy continues to build momentum**

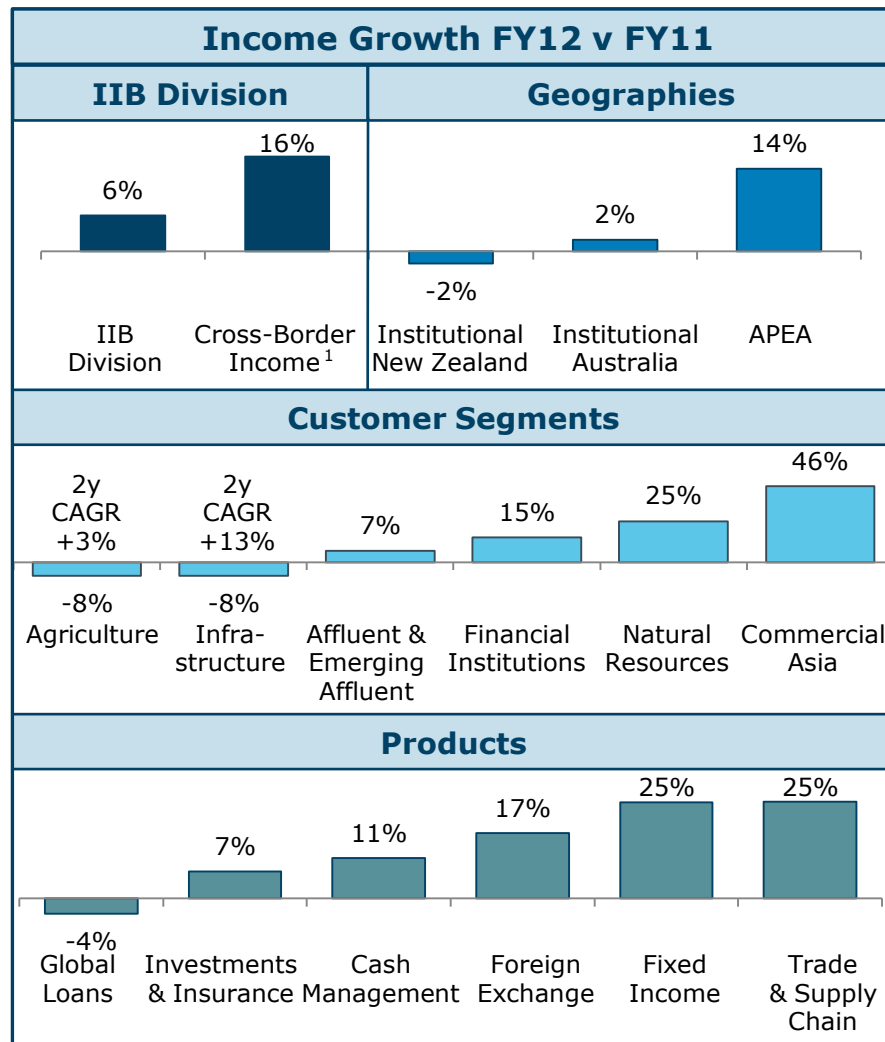
- Growing in our priority markets
- Delivering greater cross-border connectivity
- With total cross-border income up 16% YOY

- **Client growth focussed on key strategic segments**

- Delivering growth in key investment segments
- Lower cost business model allows continued investment in priority segments

- **Shifting business model and becoming a modern Institutional bank**

- Continuing to diversify income by product
- Well funded, low risk balance sheet, loan to deposit ratio at Sep 2012 - 75%
- 42% of APEA Institutional lending book represents short-dated trade finance which grew 30% YOY

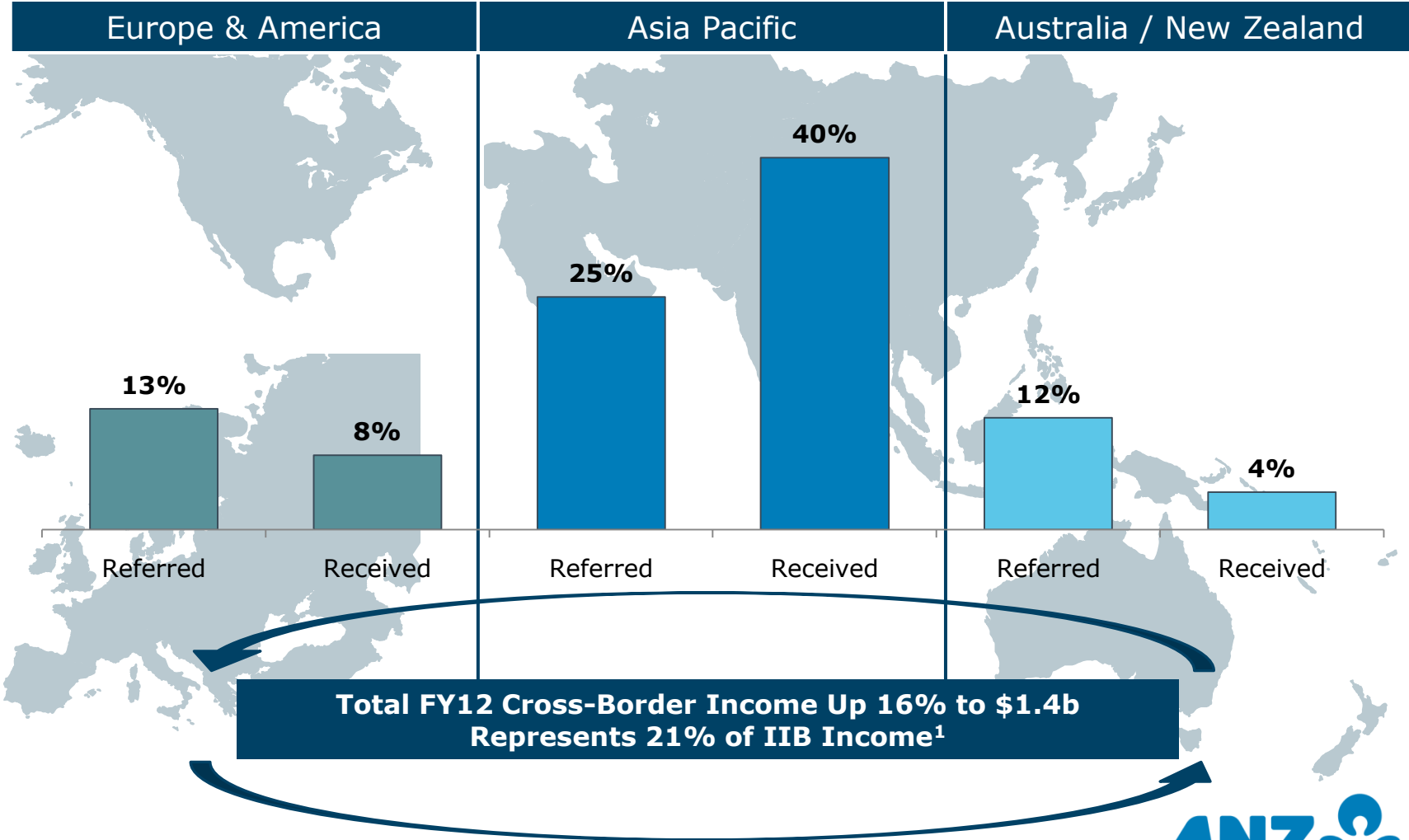


1. Represents referred income booked in a jurisdiction different to where a client relationship is managed.



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

Cross-Border Income FY12

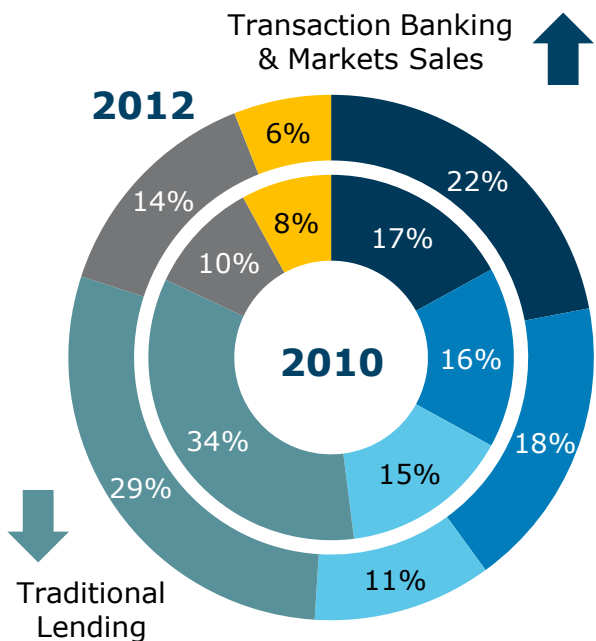


1. Total referred cross-border income as % total IIB income



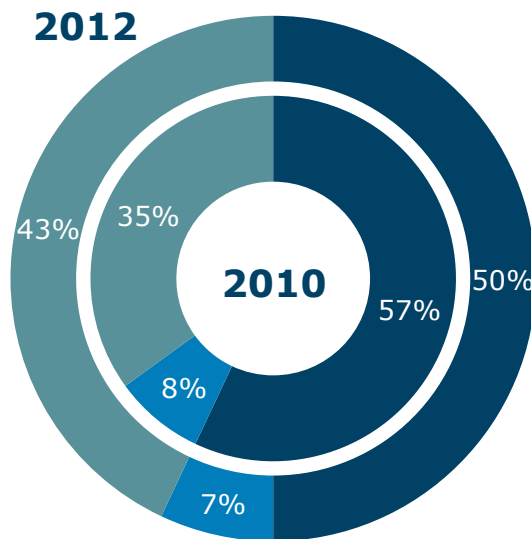
Increasing geographic diversity and increasing contribution of value added and flow products

Income Mix by Product



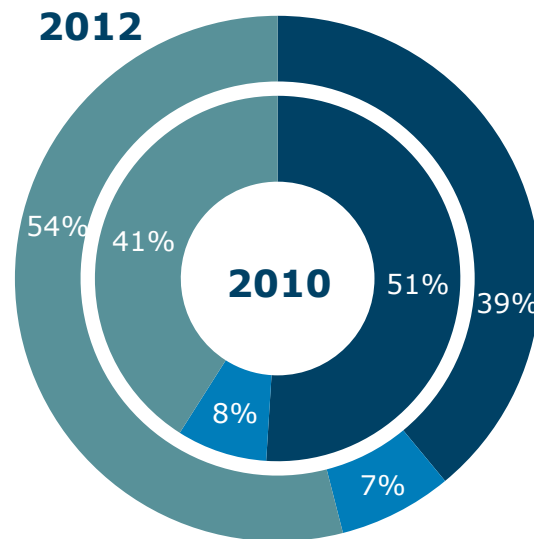
- Transaction Banking
- Markets Sales
- Markets Trading & Balance Sheet
- Global Loans
- Retail
- Partnerships / Other

Income Mix by Geography



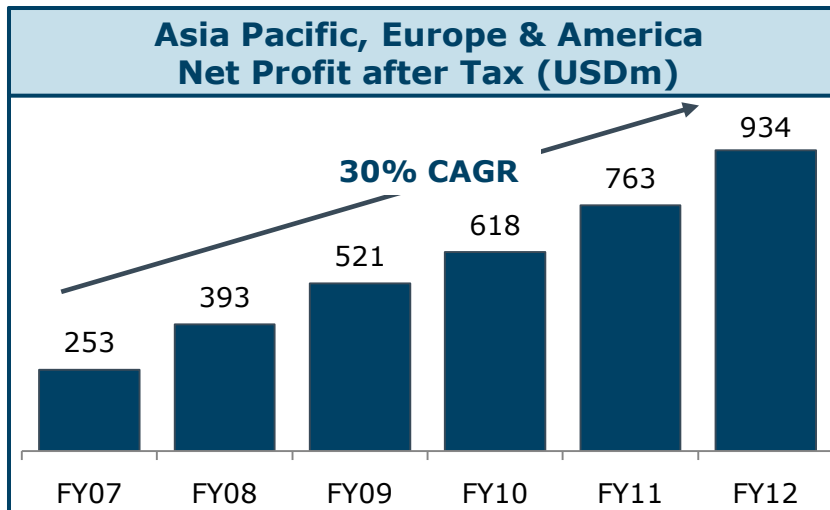
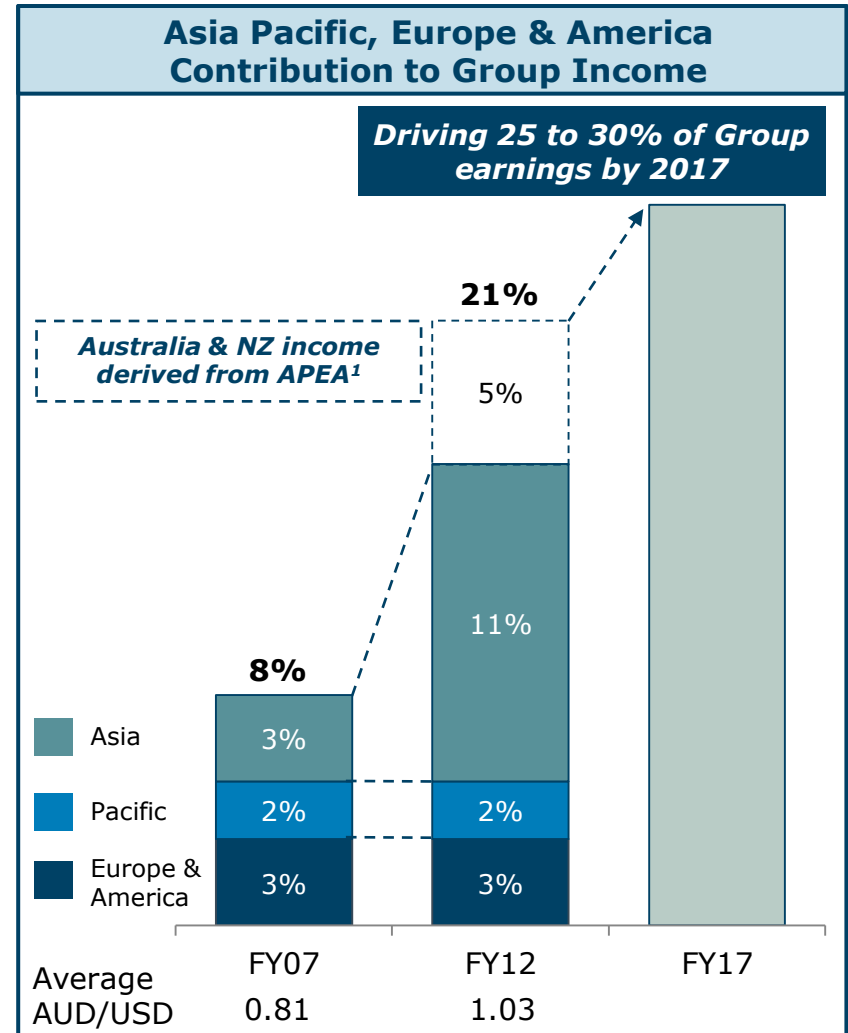
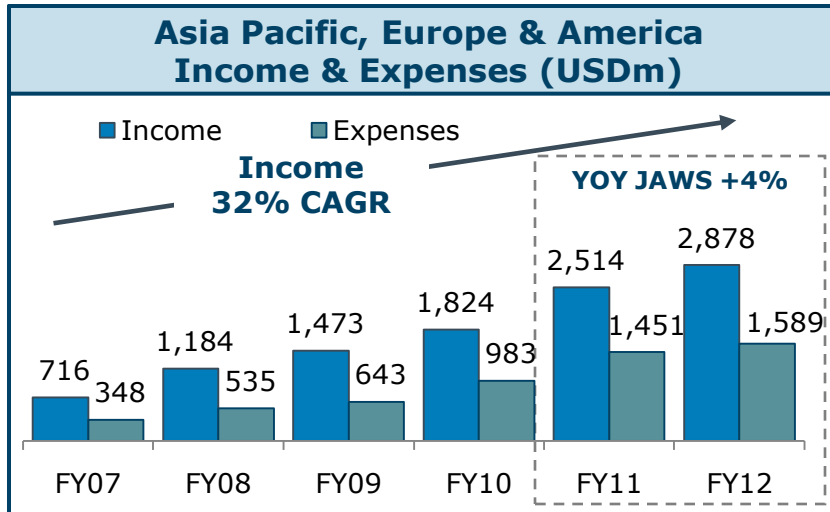
- Institutional Australia
- Institutional New Zealand
- APEA

Deposit Mix by Geography



- Institutional Australia
- Institutional New Zealand
- APEA

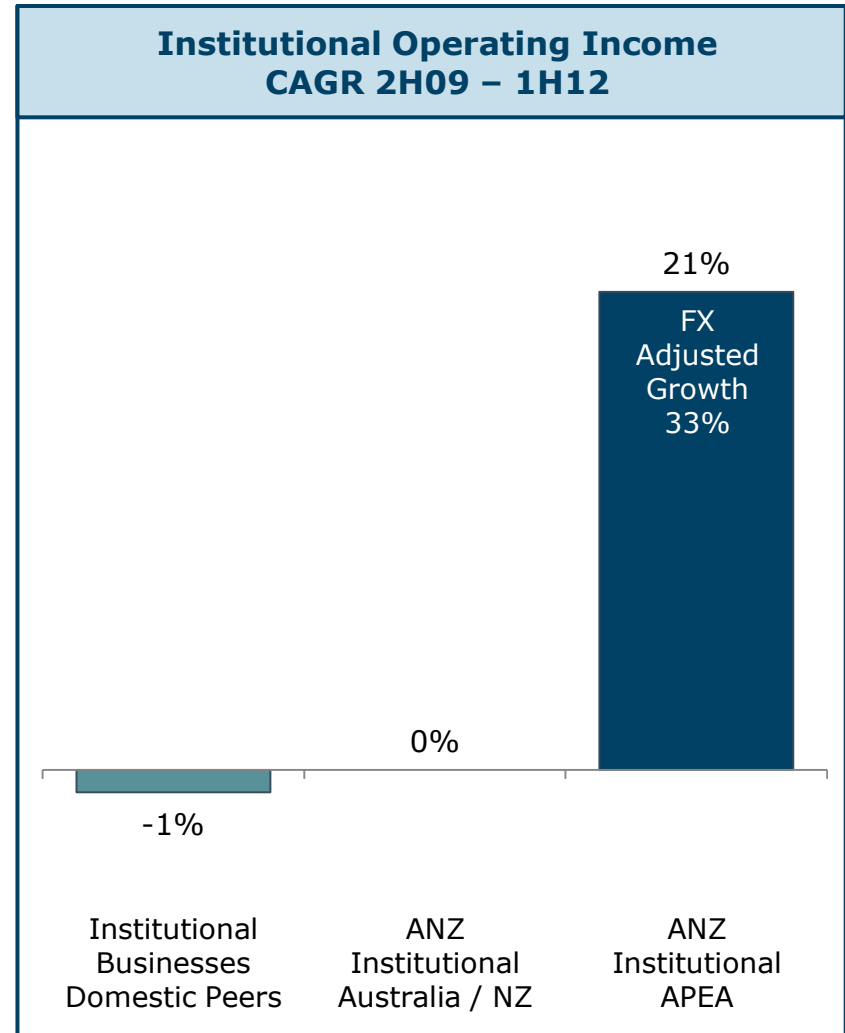
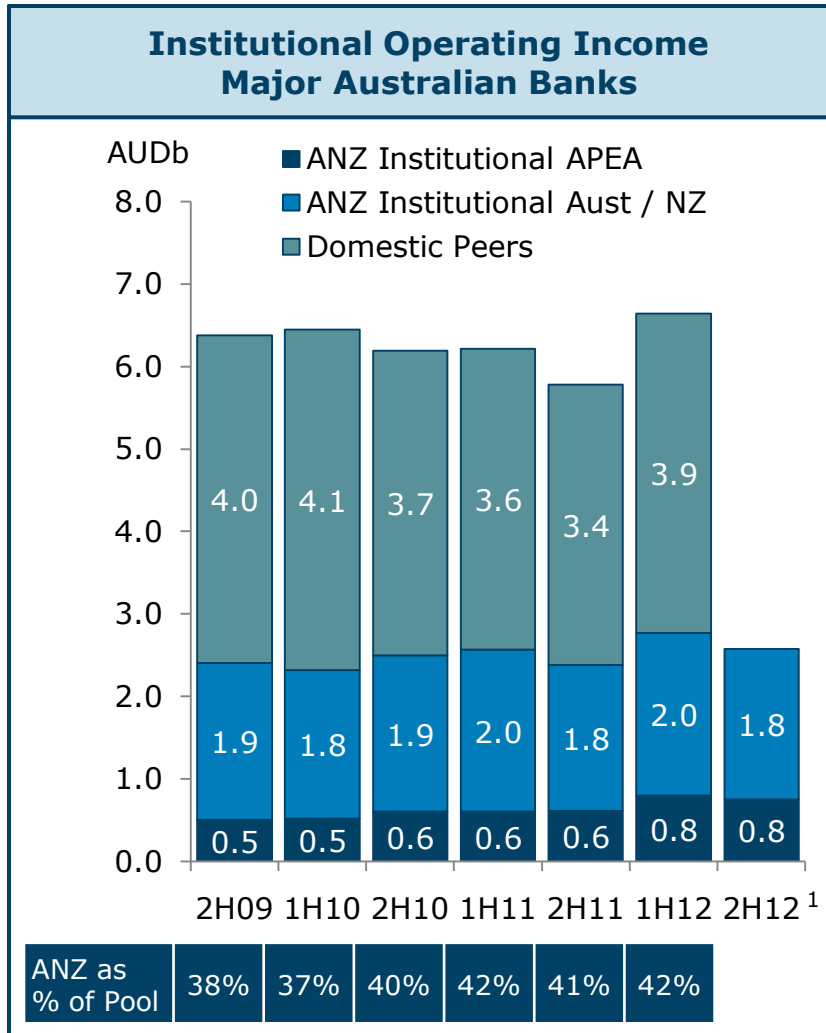
Significant growth in APEA has been achieved against currency translation headwind



1. Australia & NZ income derived from APEA not available for FY07



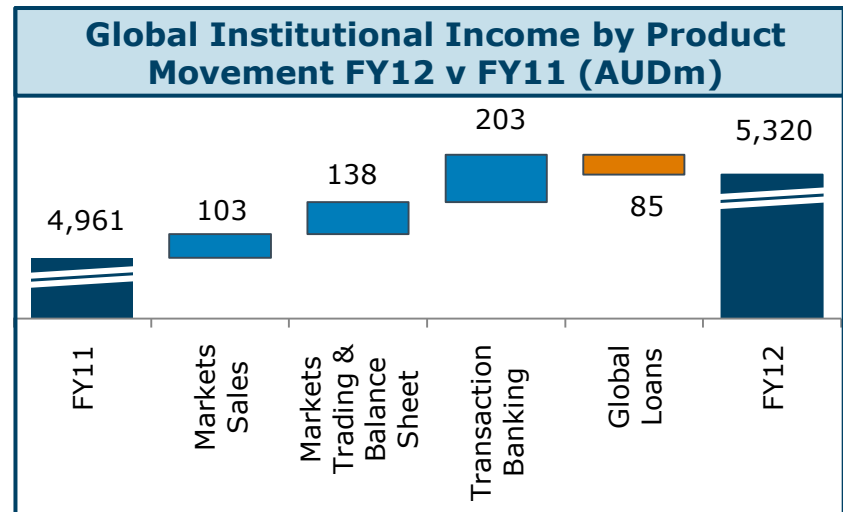
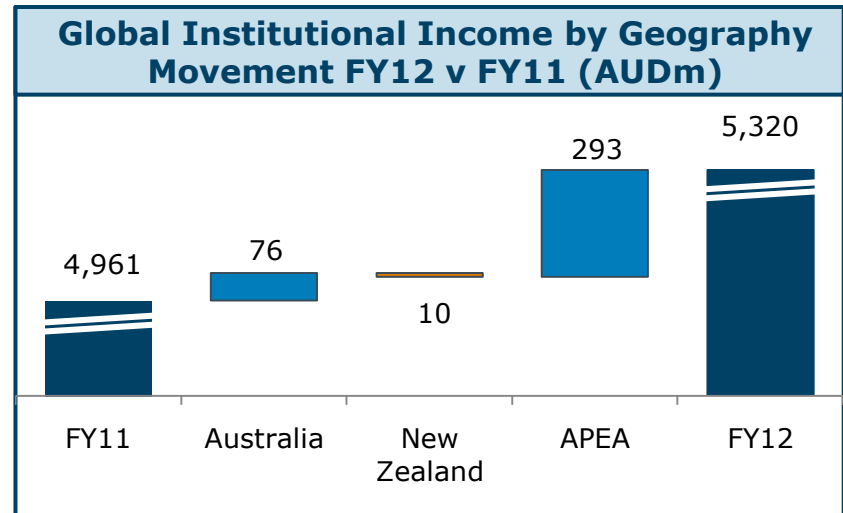
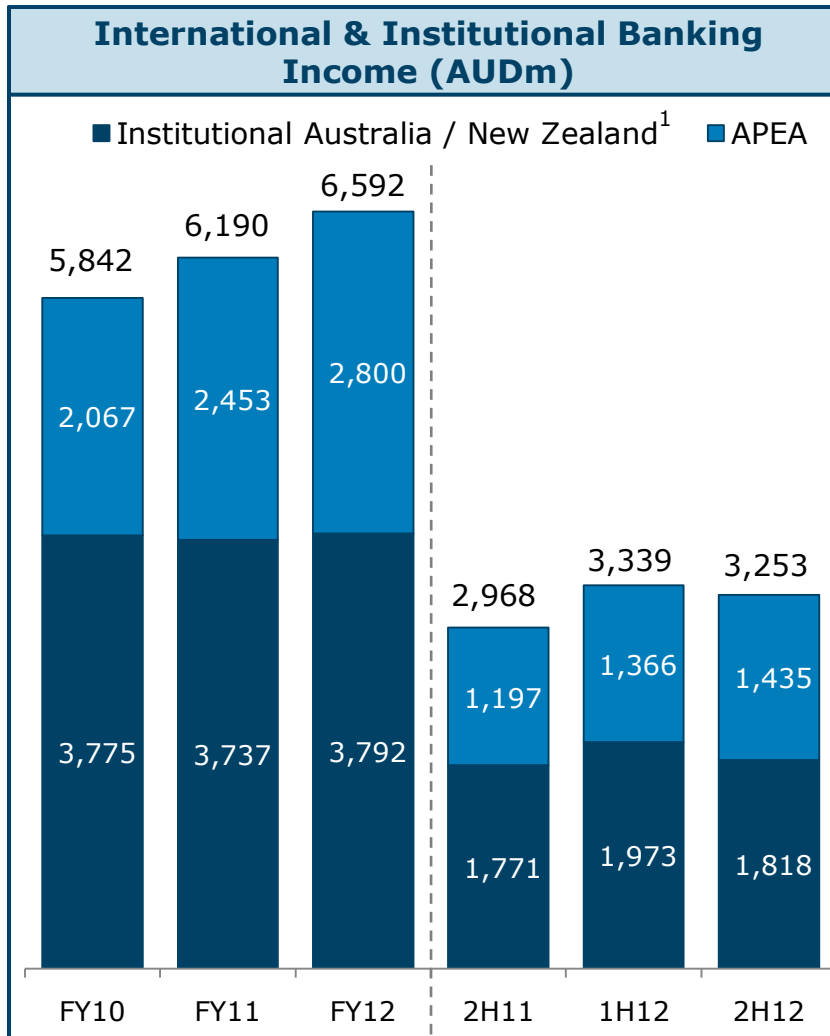
Super regional strategy giving us access to growth not available from a domestic only strategy



1. 2H12 not yet disclosed for all peers.



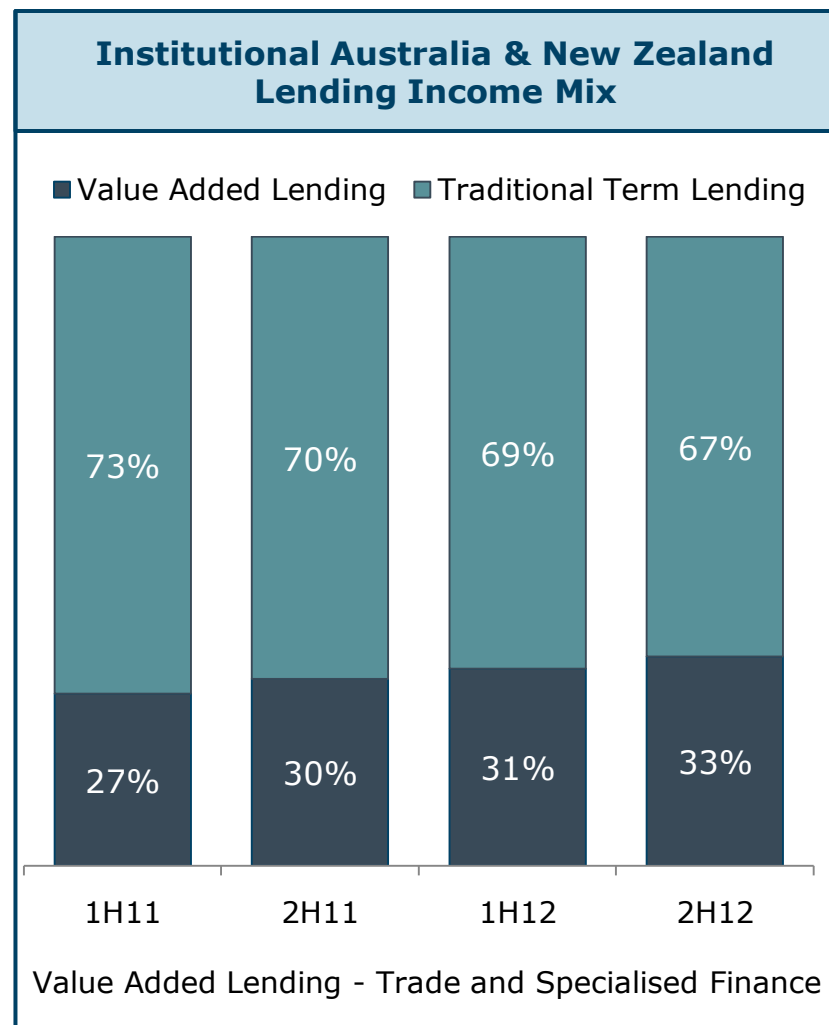
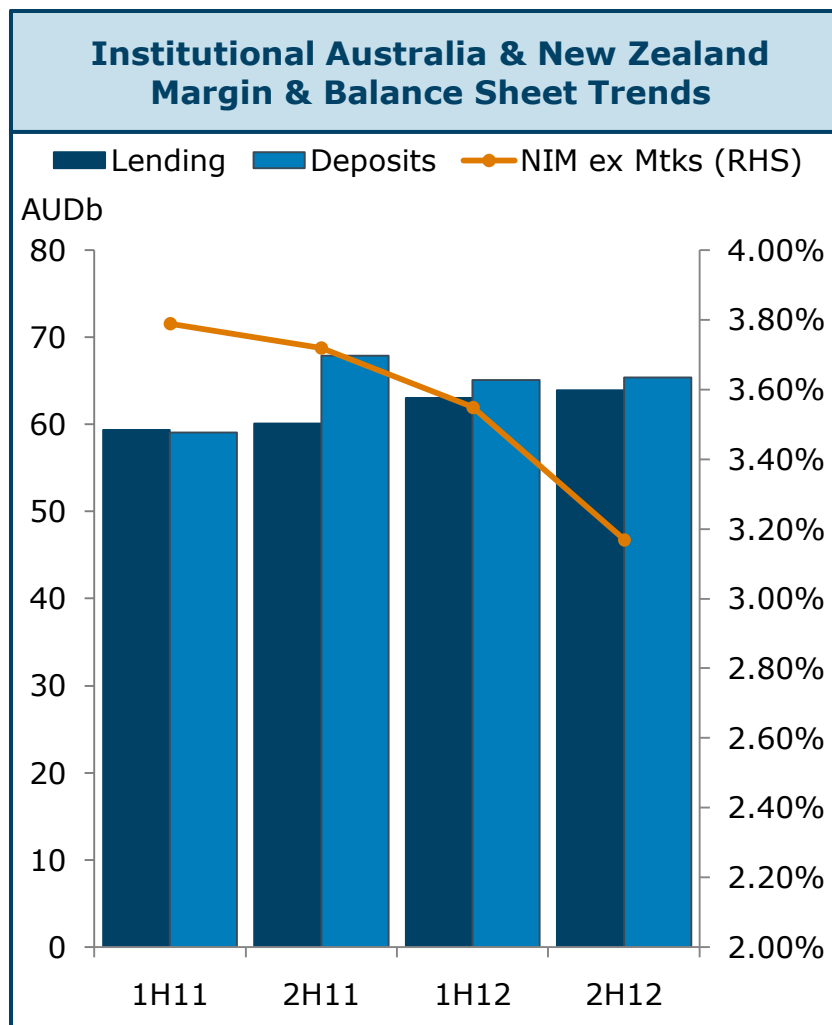
APEA franchise is a key driver of income growth



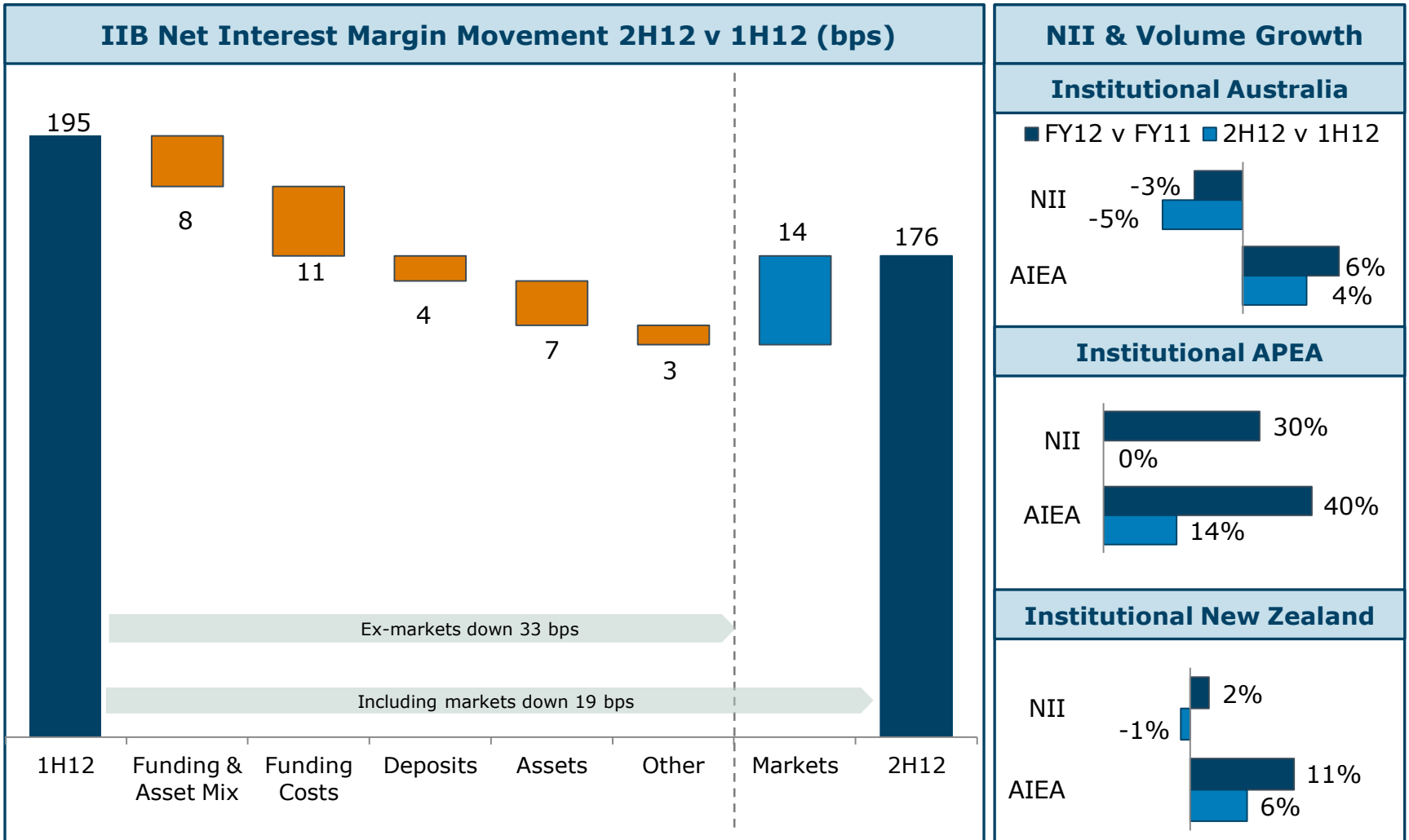
1. Includes Relationship & Infrastructure Australia / New Zealand



Shifting our business model in response to the changing environment in Australia and New Zealand



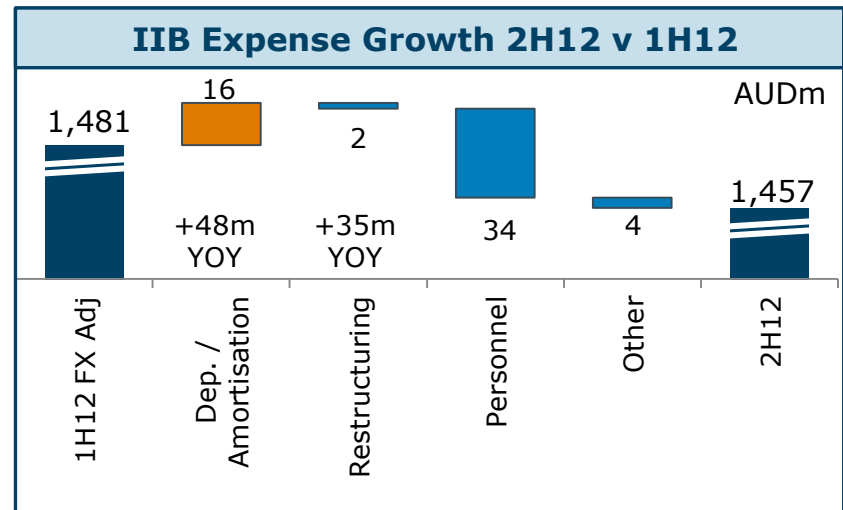
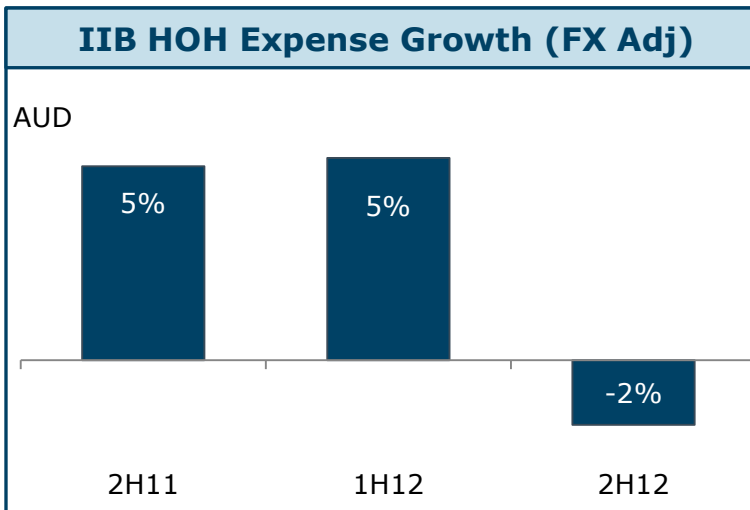
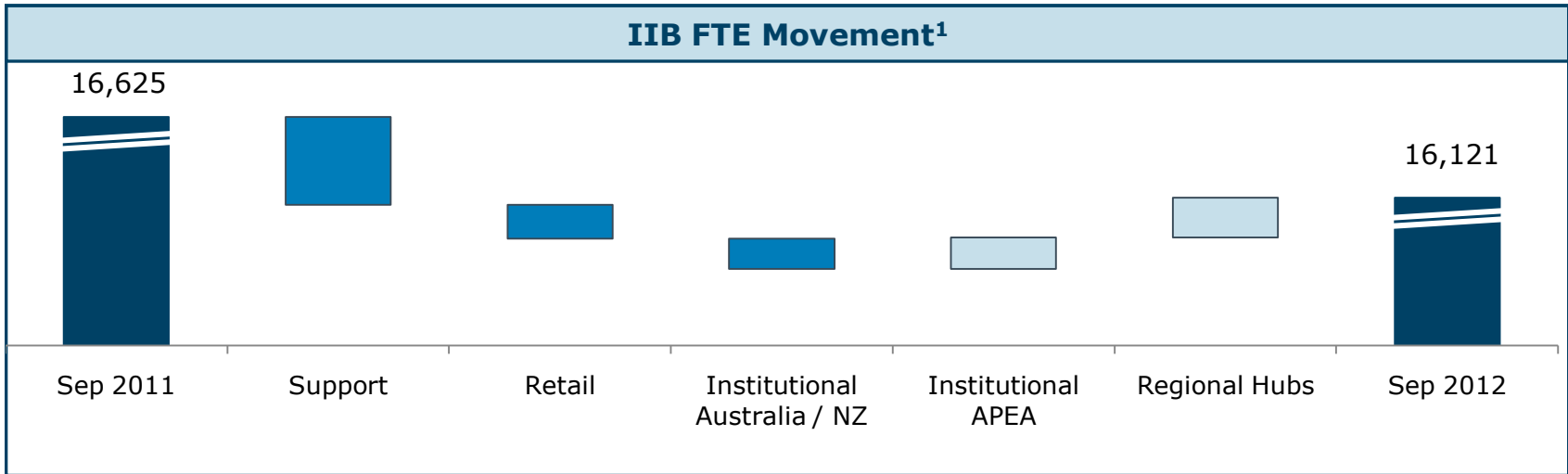
Margin impacted by higher wholesale funding costs and competition for deposits and lending in Australia



NII – Net Interest Income
AIEA – Average Interest Earning Assets

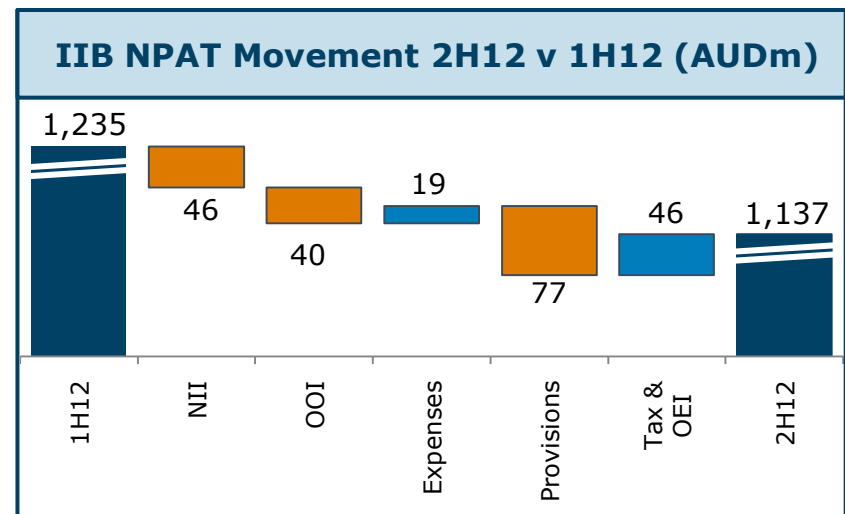
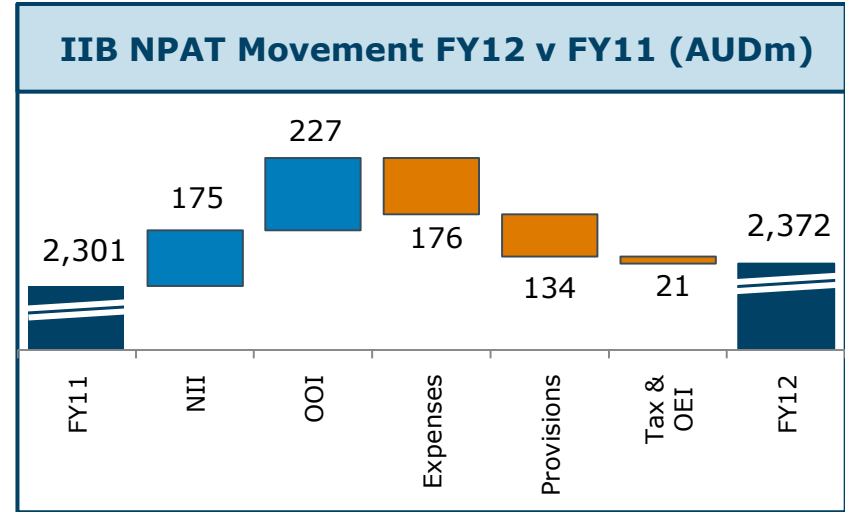
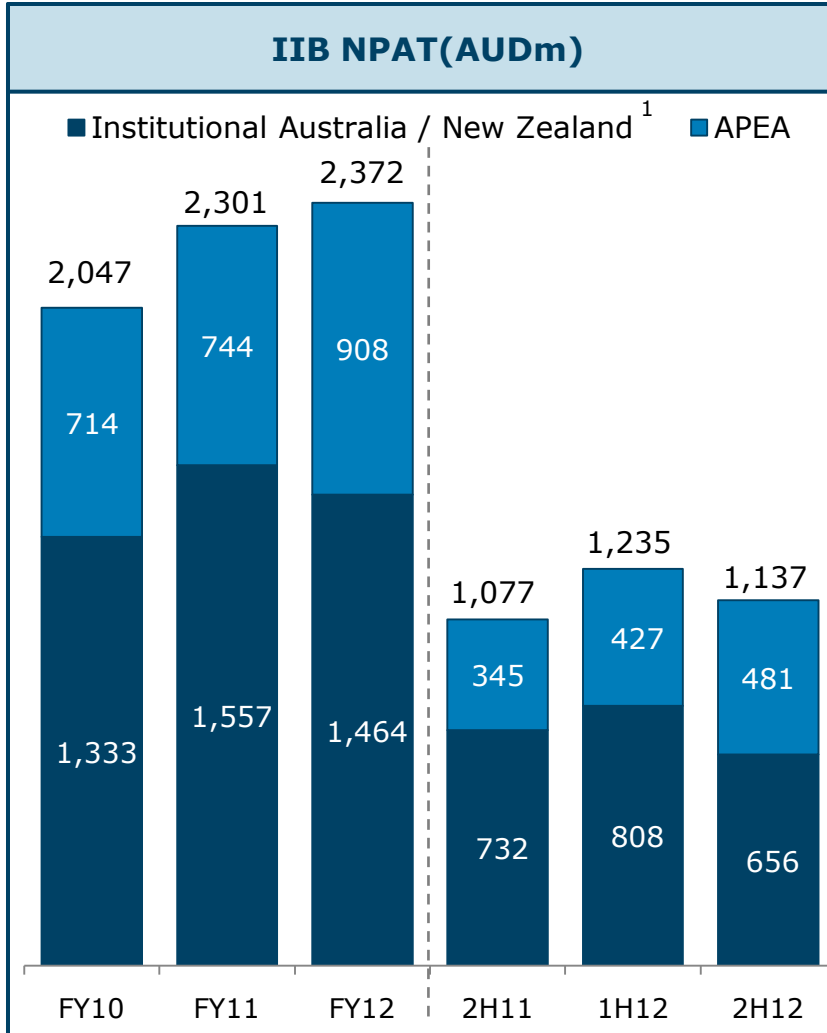


Adapting to the new environment by creating a more efficient, lower cost business model



1. Includes contract employees.

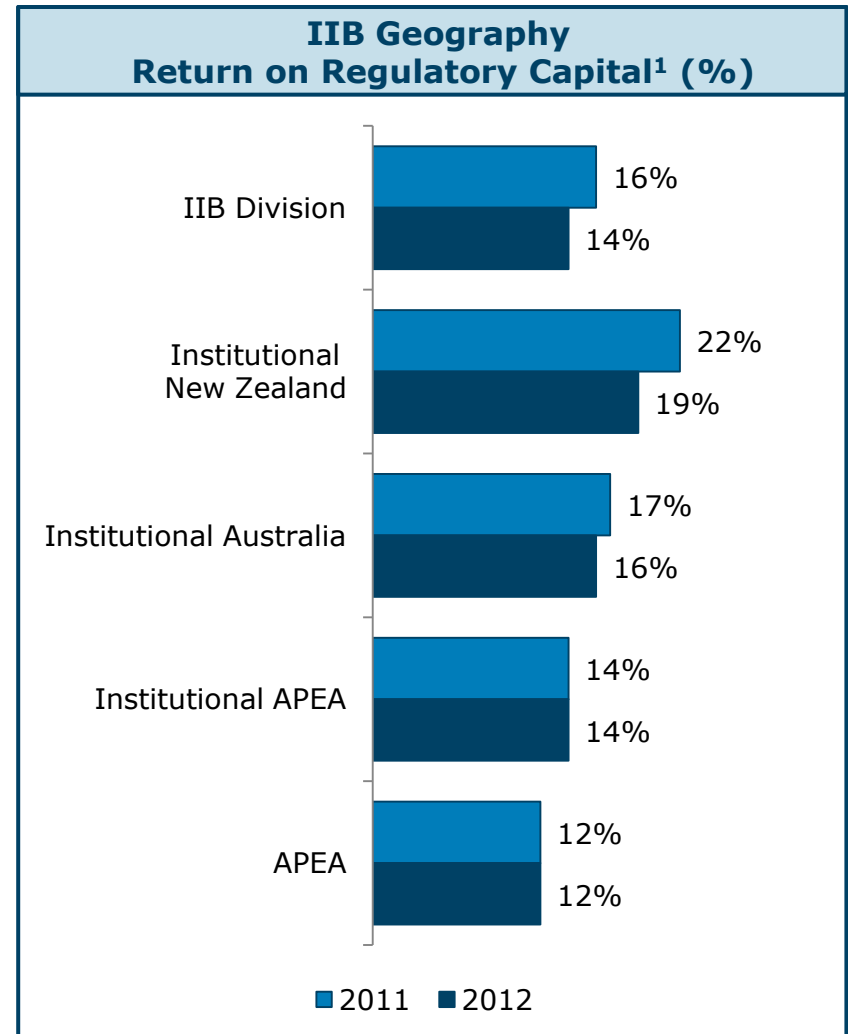
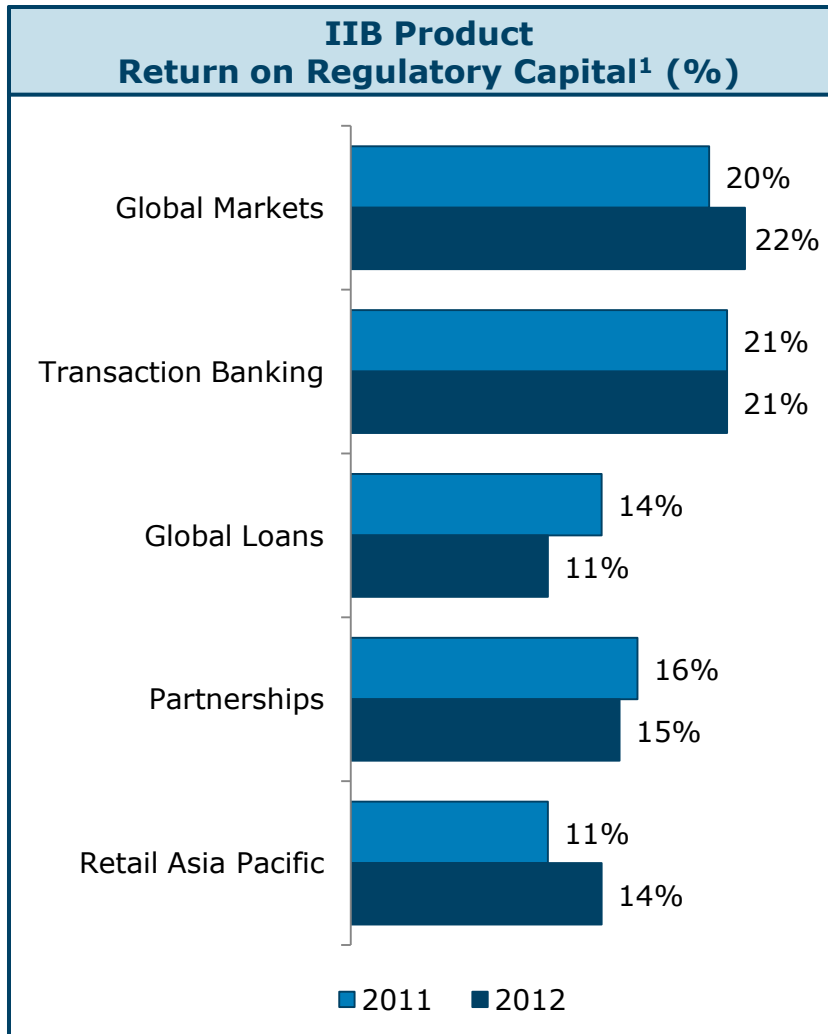
Productivity focus drove reduction in expenses 2H12 against more challenging macro environment



1. Includes Relationship & Infrastructure Australia / New Zealand

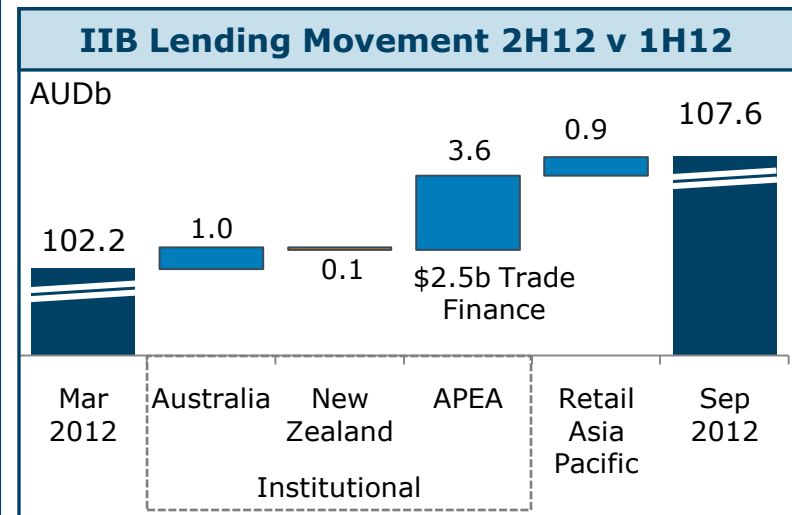
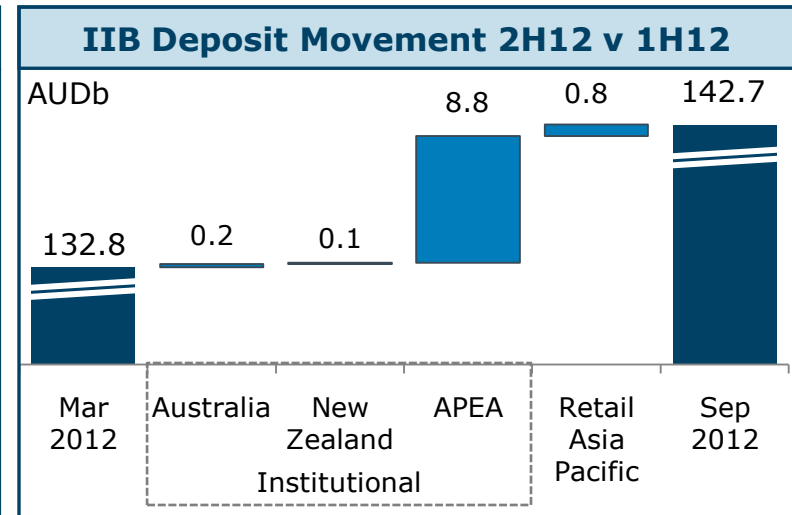
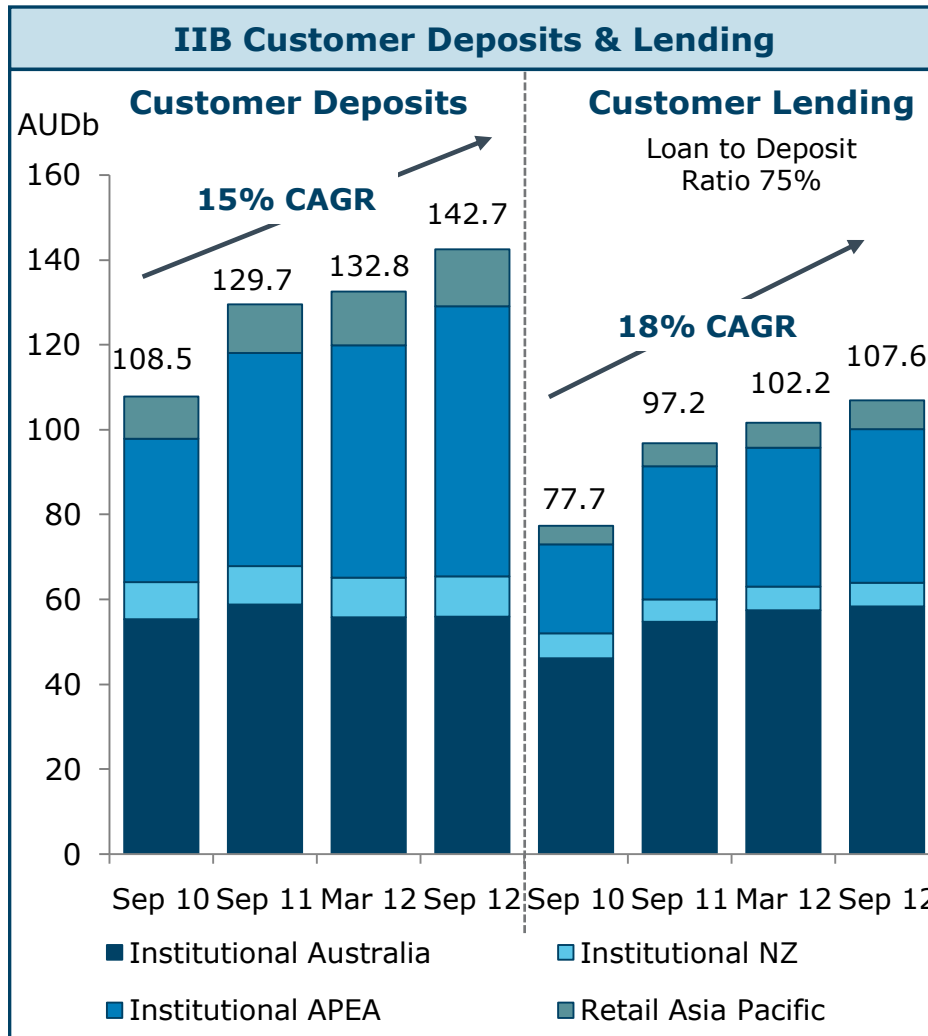


Return on Equity maintained in faster growing regions and products

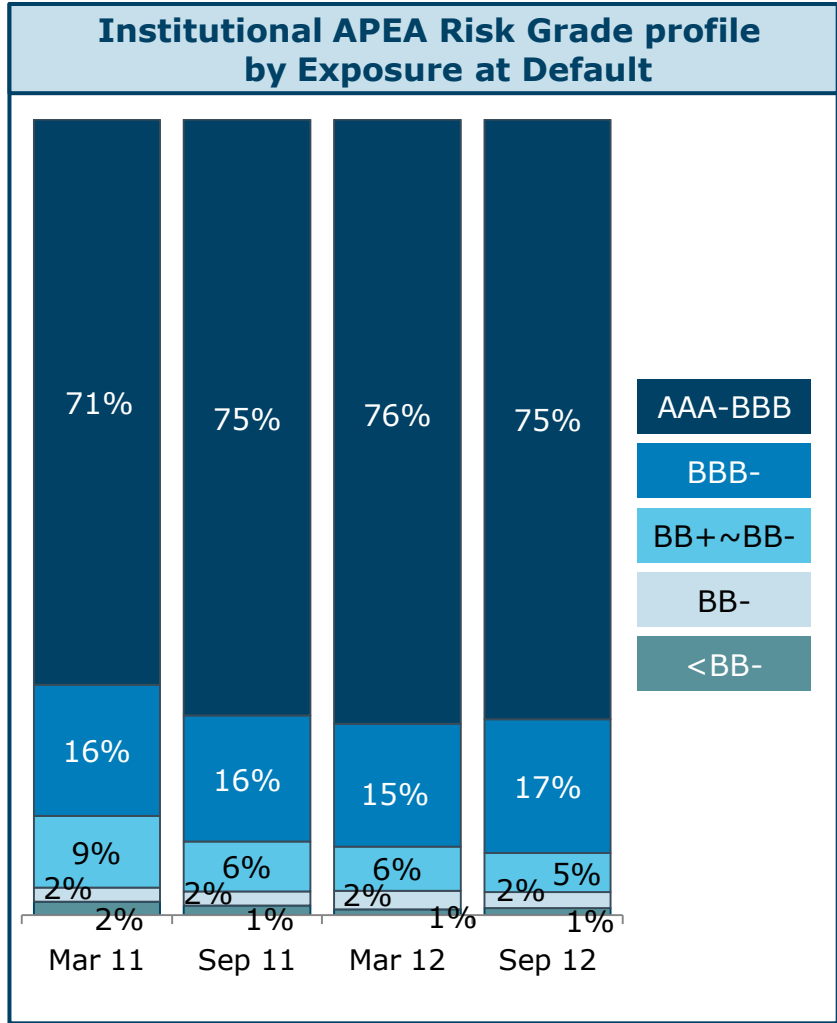
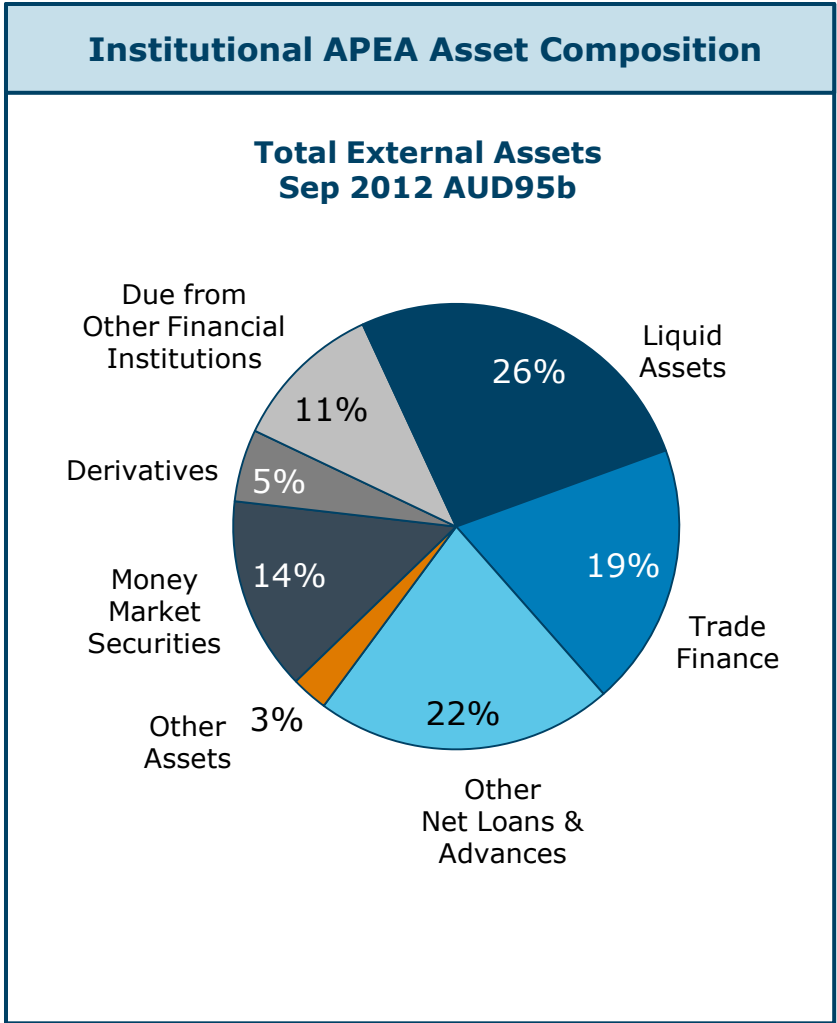


1. Capital represents average Basel 2 RWA x 8.5% plus full year average capital deductions (such as investment in partnerships, software capitalisation, deferred acquisition costs, deferred income)

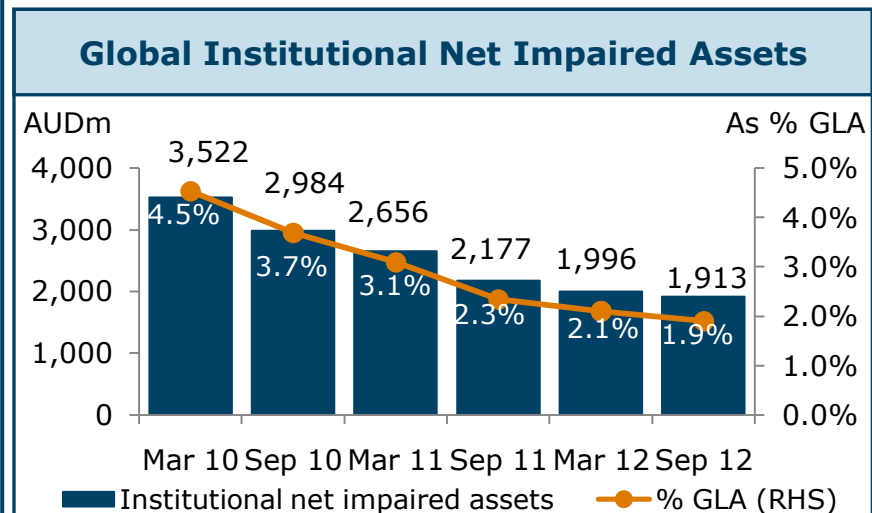
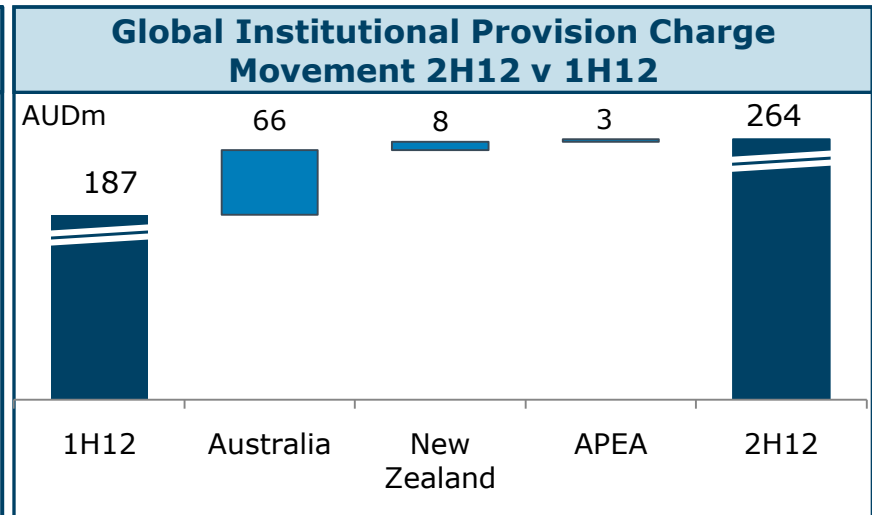
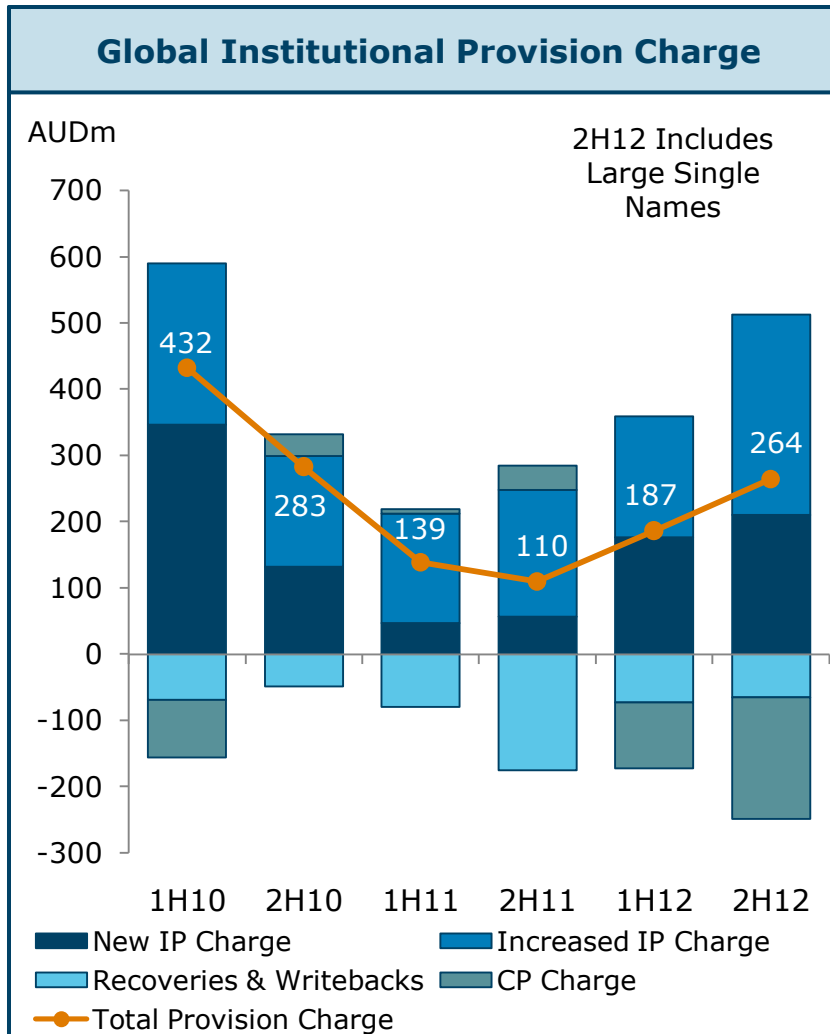
APEA franchise a differentiator in volume growth and continues to strengthen group balance sheet



Well diversified and high quality assets in APEA



Impaired Assets have continued to decline, provision charge growth driven by legacy exposures in Australia



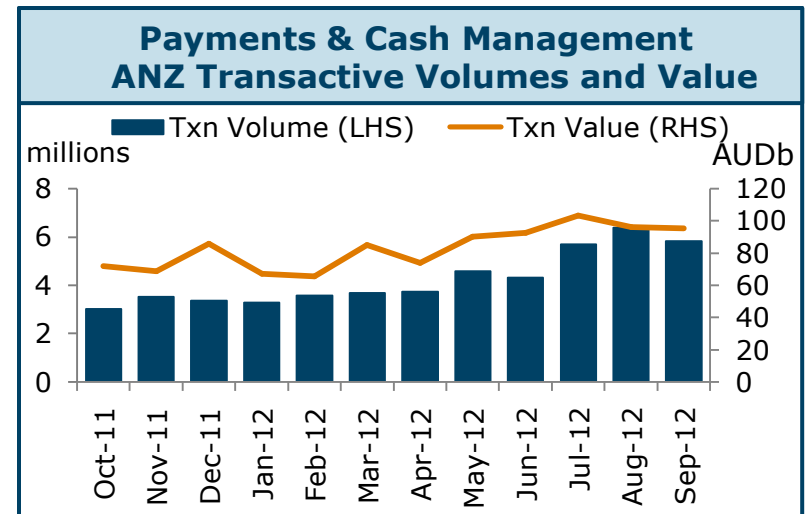
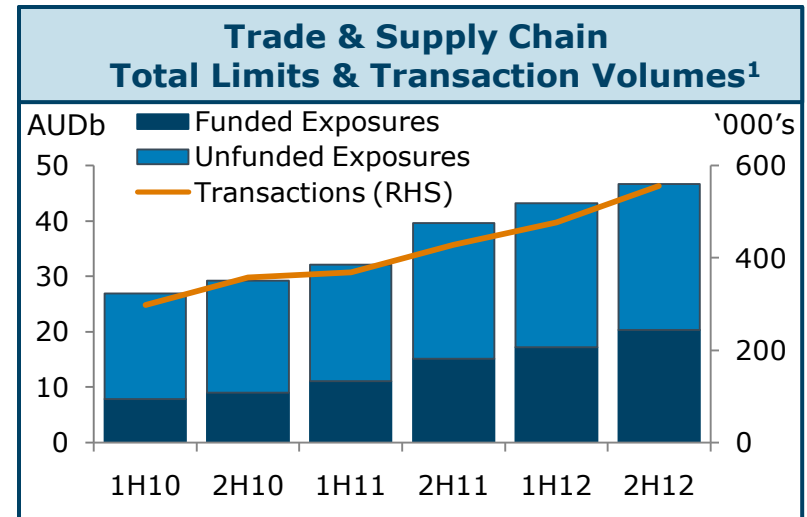
Transaction Banking

Trade & Supply Chain - continuing to leverage regional trade network and build customer franchise in FY12

- Income¹ up +34% to \$464m
- Client growth of 15%
- Asset growth of 20% across all regions
- Continuing to build Asian presence
 - Income growth of 57%, client growth 22%
 - Recognised as a leading regional trade bank, ranked No. 3 International Trade Bank in Indonesia and Philippines and No. 1 in Vietnam²
- Focusing on productivity and efficiency resulted in 5% decrease in expenses and significant ROE uplift

Payments & Cash Management - growing customer base and transaction flow in FY12

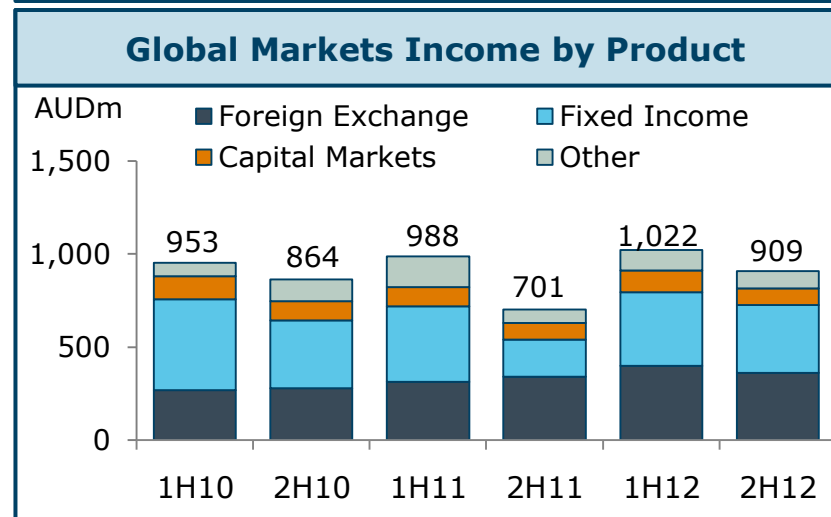
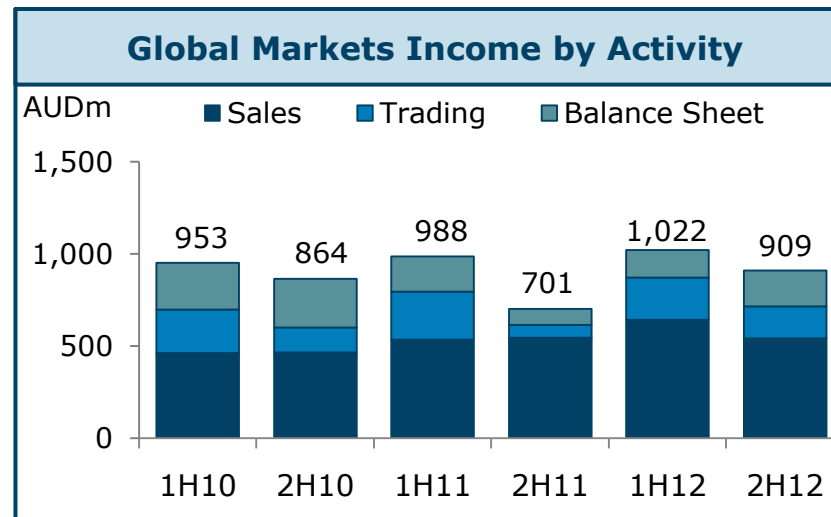
- PCM customers grew 20%, 80% of this in Asia
- Global average cash volumes³ increased by \$11bn to \$67bn
- Deployed ANZ Transactive into key geographies including Singapore, Hong Kong and the Pacific
- Continuing to deliver market leading solutions:
 - ANZ Transactive mobile application
 - Cashactive - a web-based liquidity solution that simplifies receivable and reconciliation activities



1. Excluding non-trade guarantee income
 2. Trade Finance Magazine, Awards for Excellence, 2012
 3. Cash volumes include clearing balances

Global Markets

- APEA continued to show strong growth with total income up 26% YOY and now represents 40% of Markets income
- Sales income was up 9% YOY due to a broadening of our client base with Capital Markets up 6%, Investor Sales up 23% and Wealth Sales up 33% YOY
- Sales income HOH was down 16% reflecting low volatility and a softening economy in 2H12.
- However, all regions showed continued growth from FY11 to FY12 in line with our strategic objectives
- Trading and Balance Sheet income grew 23% YOY, reflecting a recovery from the volatile trading environment experienced in late 2011
- Continued focus on FX as a priority product resulted in income growth of 17% YOY and now represents 39% of Markets income
- Progress in FX is reflected in ANZ's rankings in recent 2012 FX Polls
 - Asiamoney - No. 2 in FX Services to Financial Institutions
 - Asiamoney - No. 5 in FX Services to Corporates
 - Euromoney – Best in Asian Currencies



Debt Capital Markets

Asian Capital Markets platform delivering growth

- Building deeper relationships in Asia with key distribution clients - hedge funds, pension funds sovereigns, life insurers and HNW / Affluent
- Introduced ~400 new investors globally in FY12
- Distribution capabilities increasing the velocity of balance sheet and broadening our reach with clients

Maintained strong presence in Home Markets

- #1 in Australia for MLA and Bookrunner for all League Tables and including #1 MLA New Zealand (Bloomberg)
- #1 in Australia for Bonds excluding self-led deals with 17.6% market share (6.5% ahead of nearest competitor)
- #1 in NZ for Bonds with 49% market share excluding self led deals

A market leader for syndicated loans in the Asia Pacific region

- #1 MLA in the Asia-Pac region ex Japan (Thomson Reuters LPC).
- No. 1 in Australia Bookrunner tables with USD4.06bn

Corporate and frequent issuer bonds league table rankings					
Category	Q3 2012				2011
	Rank	Volume	% mkt	No. Issue	Rank
Australia	2	AUD9.8b	17.6	68	1
New Zealand	1	NZD2.8b	40.2	23	1
Asia Pacific ex-Japan	10	USD17.6b	2.5	110	9
China offshore (Dim Sum)	8	CNY4.1b	3	11	29

Source: Bloomberg (including self led)

Loan syndications league table rankings					
Category	Q3 2012				2011
	Rank	Volume USD b	% mkt	No. Issue	Rank
Australia (MLA)	1	8.6	18.4	70	1
Asia-Pac ex-Japan (MLA)	1	13.7	7	136	1
Asia (MLA)	17	3.1	1.8	42	16
Asia (Bookrunner) ¹	8	1.7	3.5	18	9

Source: Thomson Reuters LPC

1. In G3, HK, SING & AUD

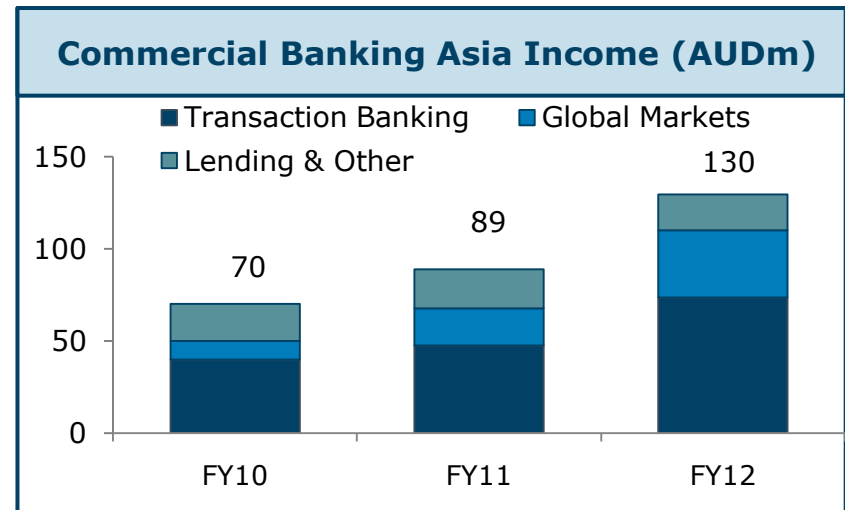
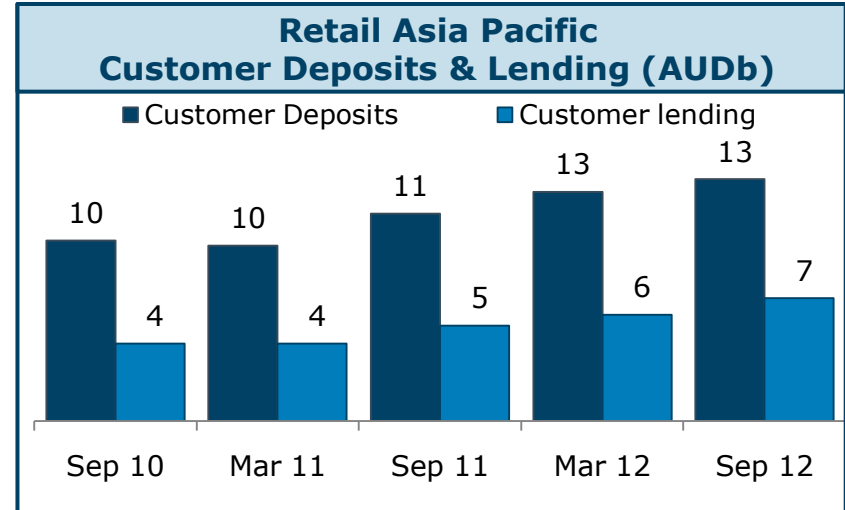
Retail Banking Asia Pacific & Commercial Banking Asia

Retail Banking Asia Pacific

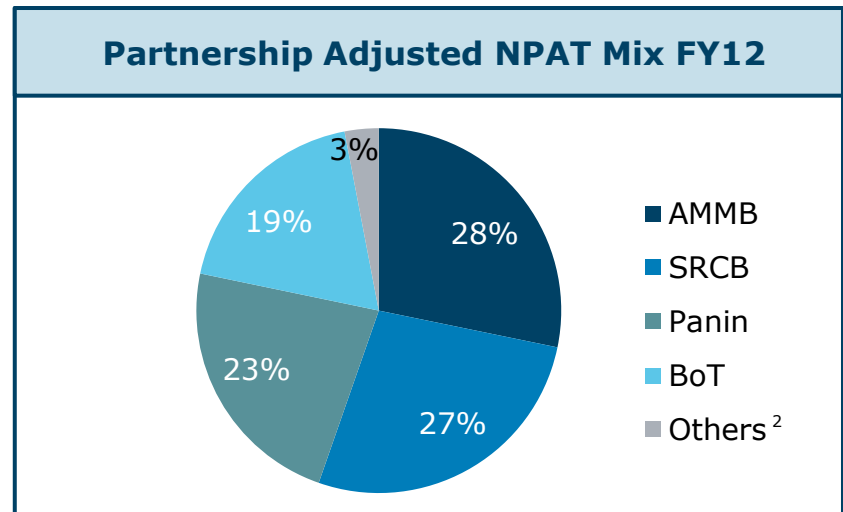
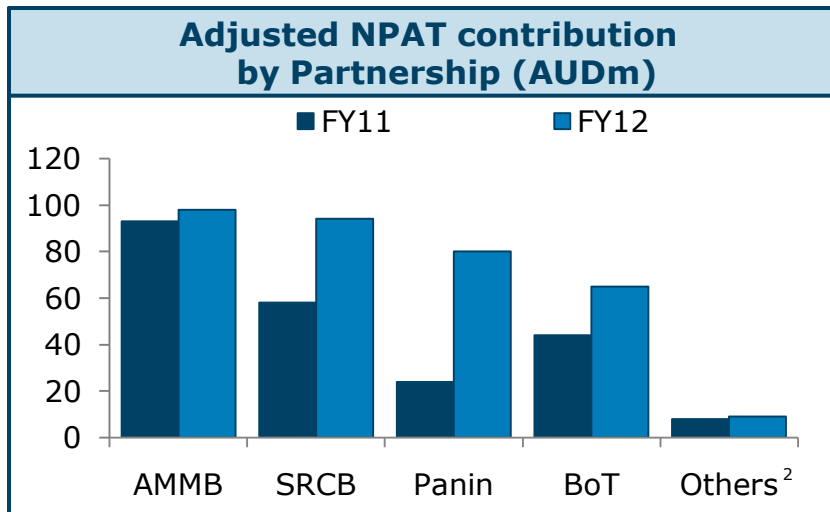
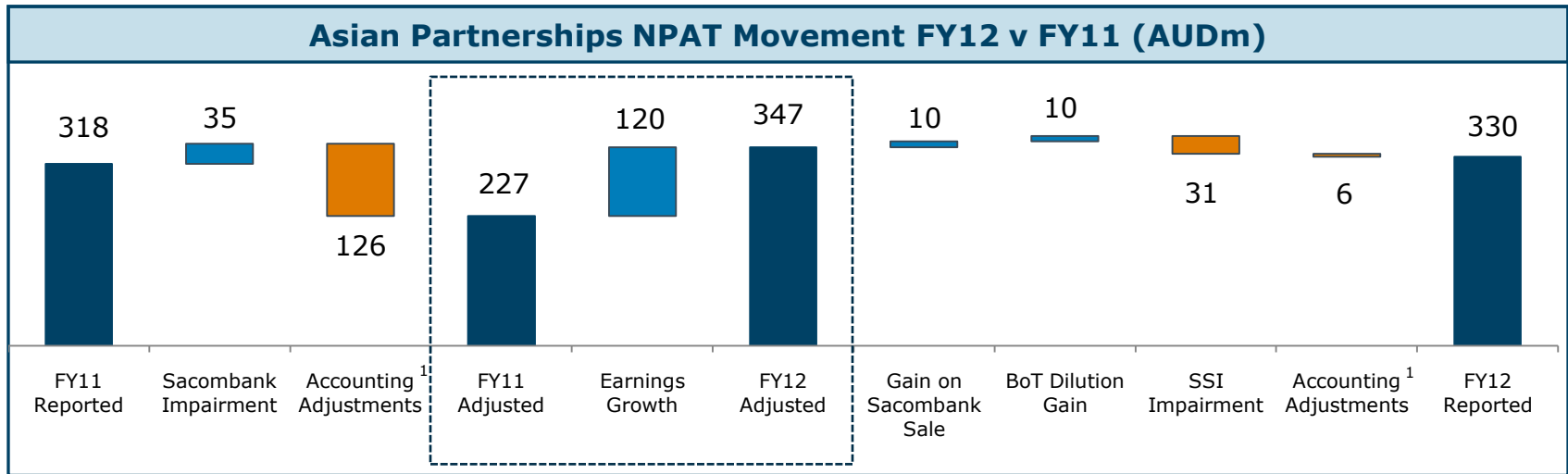
- Customer deposits and lending grew 17% and 27% year-on-year in Asia
- In 2012 on-boarded 27,574 new "Signature Priority Banking" customers
- Improved product holding per customer to 1.8, primarily within the affluent segment
- Delivering on productivity agenda with full year JAWS +1.3%
- Launched Mortgage loans in Hong Kong and opened high-visibility, street-level flagship branch in Kowloon

Commercial Banking Asia Pacific

- Focused on Hong Kong, Singapore & Taiwan markets
- Active customers up 21% in 2012
- Income growth of 46% year-on-year driven through priority products of Transaction Banking and Markets
- Customer deposits and lending grew 53% and 73% respectively in 2012



Asia Partnerships



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

2. Comprises Metrobank, Saigon Securities & Sacombank

The impact we are achieving with our clients is recognised across the region

Institutional



GREENWICH LARGE CORPORATE BANKING STUDY

TOP 5 CORPORATE BANK IN ASIA FOR BANKING PENETRATION¹

2012 ASIA



PETER LEE ASSOCIATES LARGE CORPORATE AND INSTITUTIONAL RELATIONSHIP BANKING SURVEY

NO. 1 FOR DOMESTIC BANKING PENETRATION²

2012 AUSTRALIA



PETER LEE ASSOCIATES LARGE CORPORATE AND INSTITUTIONAL RELATIONSHIP BANKING SURVEY

NO. 1 FOR RELATIONSHIP STRENGTH AMONGST LEAD DOMESTIC RELATIONSHIPS³

2012 NEW ZEALAND



PETER LEE ASSOCIATES LARGE CORPORATE AND INSTITUTIONAL RELATIONSHIP BANKING SURVEY

NO. 1 FOR MOST TRUSTED ADVISER²

2012 AUSTRALIA



EXCELLENCE AWARDS

BEST TRADE FINANCE BANK IN ASIA PACIFIC

2012 ASIA PACIFIC



AWARDS FOR EXCELLENCE

BEST TRADE BANK - AUSTRALASIA

2012 AUSTRALASIA



EUROMONEY FOREIGN EXCHANGE SURVEY

BEST IN ASIAN CURRENCIES

2012 ASIA



FX POLL

BEST FOR OVERALL FX SERVICES

2012 HONG KONG & VIETNAM



CFO AWARDS

SYNDICATED BANK LOAN OF THE YEAR

2012 FORTESCUE

Retail



12TH CAPITAL OUTSTANDING ENTERPRISE AWARDS

BEST DEPOSITS SERVICE BANK

2012 HONG KONG



PRIME AWARDS FOR BANKING & FINANCE CORPORATIONS

BEST CONSUMER FINANCE BANK

2011 HONG KONG



BENCHMARK ADVISOR OF THE YEAR

BENCHMARK ADVISOR OF THE YEAR AWARD FOR ONE OF OUR RETAIL BANKERS

2012 HONG KONG



CAPITAL MAGAZINE'S MERITS OF ACHIEVEMENTS IN BANKING AND FINANCE

PREMIUM BANKING SERVICES AWARD


2012 HONG KONG



SERVICE TO CARE AWARD

SERVICE TO CARE AWARD

2012 INDONESIA



SERVICE QUALITY AWARD

SERVICE QUALITY AWARD IN REGULAR BANKING


2012 INDONESIA



SERVICE EXCELLENCE AWARD

SERVICE EXCELLENCE AWARDS FOR CALL CENTRE

2012 INDONESIA



WEBAWARD

WEBAWARD FOR ANZ MOBILE BANKING

2011 TAIWAN



GLOBAL FINANCE WORLD'S BEST INTERNET BANK

WORLD'S BEST INTERNET BANK

2012 TAIWAN

1. Based on Greenwich Large Corporate Banking Study 2012.
2. Rated No.1 equal in the Peter Lee Associates Large Corporate and Institutional Relationship Banking Australia Survey, 2012. Ranked against the top 4 competitors
3. Based on the Peter Lee Associates Large Corporate and Institutional Relationship Banking Survey New Zealand 2012. Ranked against the top 3 competitors

We are winning greater value added and substantial flow transactions

Value-added transactions


BP Capital Markets

AUD500m
Senior Bonds

2012

BHP Billiton

AUD1bn
Senior Bonds

2012


Alibaba Group Holdings

USD3bn
Bridge/Term Loan Facility

2012


Tencent Holdings

USD600m
Senior Unsecured Bonds

2012


PT Bayan Resources

975,000 tonnes
Thermal Coal
Extendable Hedge

2012

 TRANSPOWER
Transpower

NZD300m
Senior Bond (fixed & floating)

2012


Fiji Sugar

EUR40m
Structured Trade
Finance Facility

2012

 SANDFIRE RESOURCES NL
Sandfire Resources NL

AUD390m
Mining Project
Finance

2011


Regal Hotels International Holdings

USD300m
Debut Bond

2012

Substantial Flow transactions


Origin Energy

AUDUSD500m
FX trade deal

2011


All Chinese Banks

52 tons
(USD3.0bn)
in Physical Gold
supplied by
ANZ Bullion

2012


Hyundai Capital Services

AUD175m
Senior Eurobond
and Cross Currency
Swap

2012

 Envestra
Envestra

USD150m, AUD50m
10 & 15 yr Bond
and Cross Currency
Interest Rate Swap

2012


PT Bayan Resource Tbk

USD700m
Club Deal Security
Agent/Account
Bank

2012

 BUNGE
Bunge China

Soybean hedging
for US and Chinese
based entities

2012

 HUAWEI
TP Huawei Tech Investment

USD57m
Receivable
Financing

2012


Govt of Timor Leste

Trade Finance LC
USD 172m
Betano Power Plant

2012


Boral

AUDEUR 500m
FX trade deal

2011

12

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

25 October 2012

Divisional Performance
New Zealand Businesses



The New Zealand simplification strategy is delivering

Most convenient

- We have the most branches and the most ATM's. 7 new branches opened in growth areas since the simplification programme began
- Increasing the number of wealth, commercial and small business specialists
- NBNZ's #1 internet banking¹ and ANZ's GoMoney give customers more access to services and products than any other bank

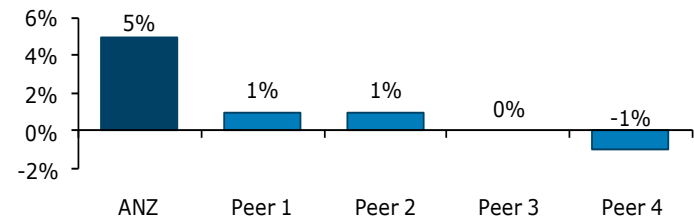
Most efficient

- Productivity and simplification focus resulting in efficiency gains (lower cost to income ratio and tight management of headcount)
- One product suite enabling broader and more effective reach. Product variations reduced from 309 to 137
- Aligned processes across the bank enhancing automation and increasing sales conversion whilst reducing errors and duplication

Most connected

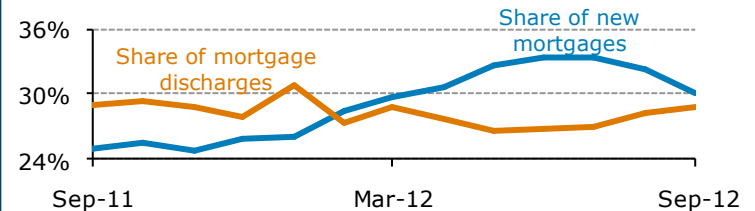
- Super regional advantage - the only bank in NZ to directly access 32 markets across the region
- Connecting businesses within the region via Trans-Tasman and China forums for Commercial customers
- Connecting businesses within New Zealand through hosted workshops, forums and events

Change in Customer Satisfaction



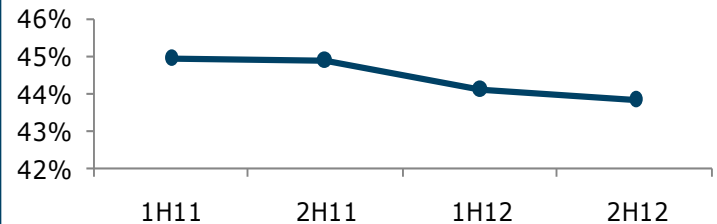
Source: Nielsen Consumer Finance Monitor.
Change measured from September 2011 to September 2012

Mortgage Market Share



Source: Terralink

Cost to Income Ratio



1. Source: Nielson

A strong financial performance for New Zealand Businesses

Simplification driving productivity gains

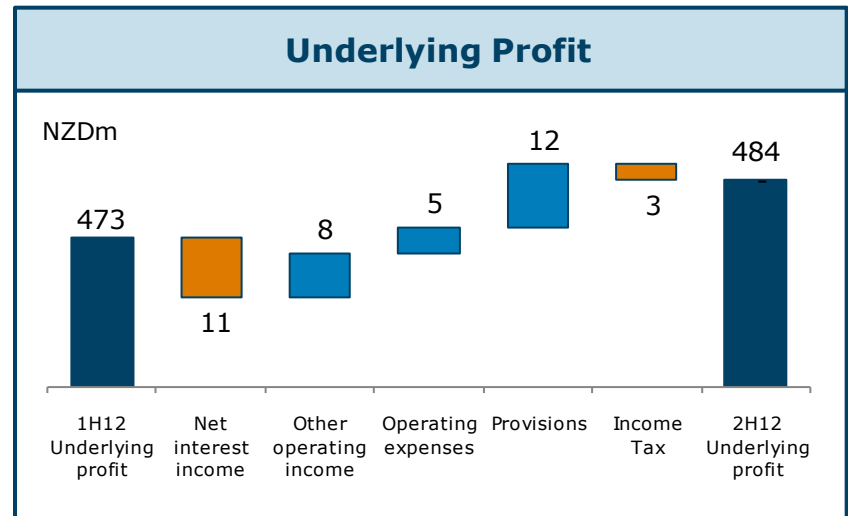
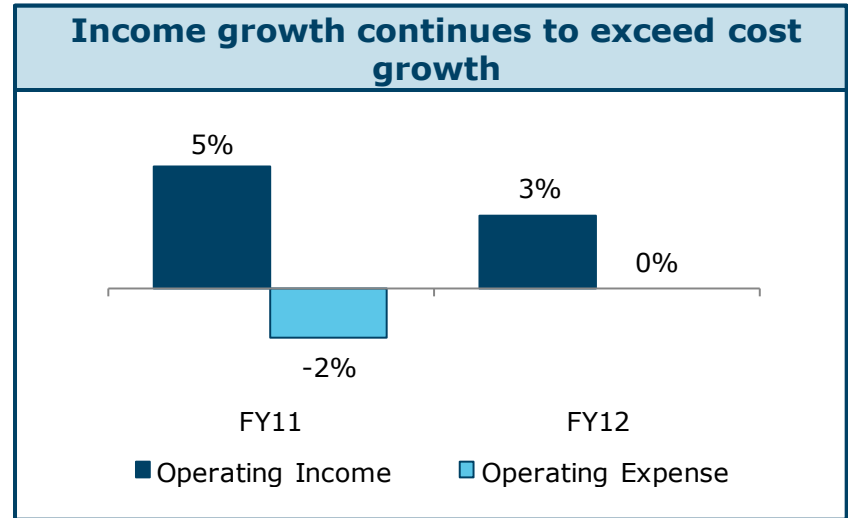
- Profit up 2% HOH (PBP +0.3%), 11% YOY (PBP up 4%)
- Operating expenses down 1% HOH through simplification, productivity gains and tight management of discretionary expenditure
- Operating income flat HOH with a decline in NIM offset by increased other operating income from volume growth, earthquake insurance recoveries and higher cards income
- Cost to income ratio declined YOY by 100bps (30bps HOH), with positive jaws of 3% (1% HOH)

Balance sheet growth

- Lending volumes increased by 3% HOH and YOY assisted by above-system growth in mortgages (particularly in Auckland)
- Customer deposits grew 3% HOH and 9% YOY, and the funding gap improved by \$1.5b

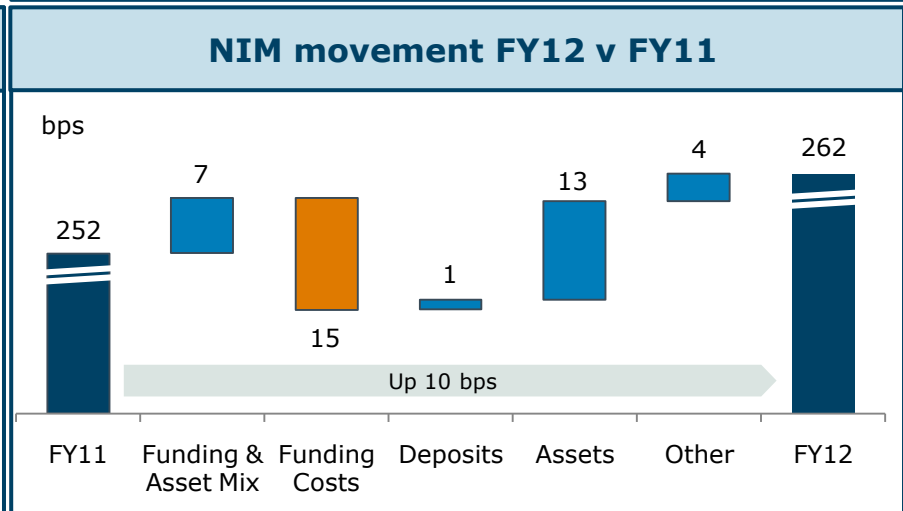
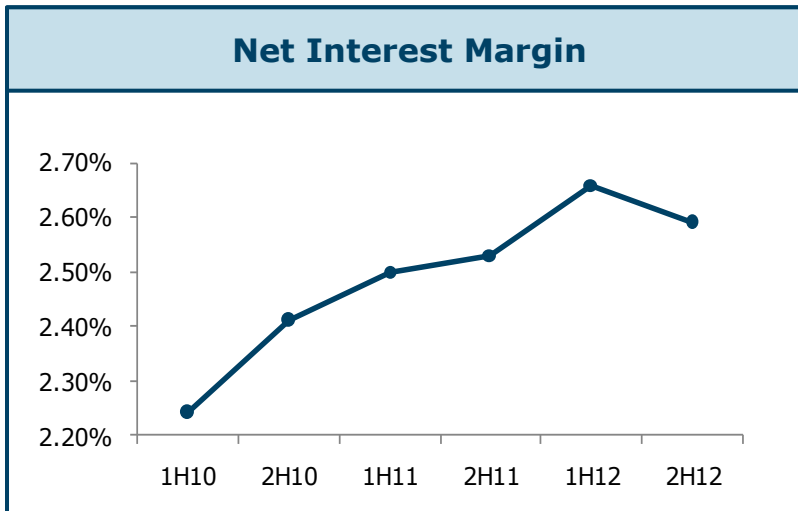
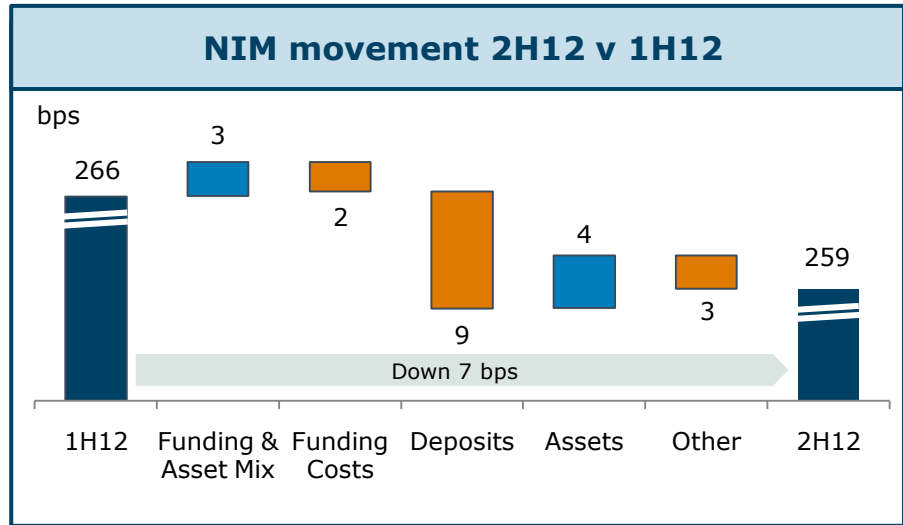
Improvement in credit quality as we continue to support our customers

- Reviewed and enhanced risk policies and practices to support sustainable business growth in challenging environment
- Individual provision loss rate down 6bps HOH to 0.26%
- Sound credit processes led to a decline in delinquency rates and impaired assets are down 15% HOH



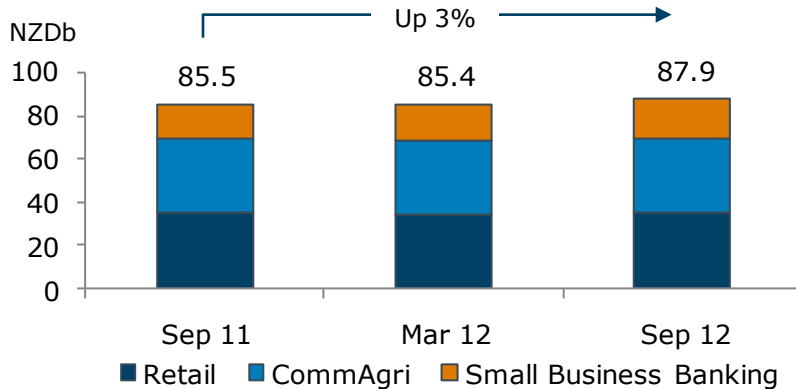
Net Interest Margin – New Zealand Businesses

- Net interest margin increased 11bps YOY
- HOH margin decline resulted from increased competition for deposits, higher wholesale funding costs
- Movement also impacted by balancing volume growth and pricing



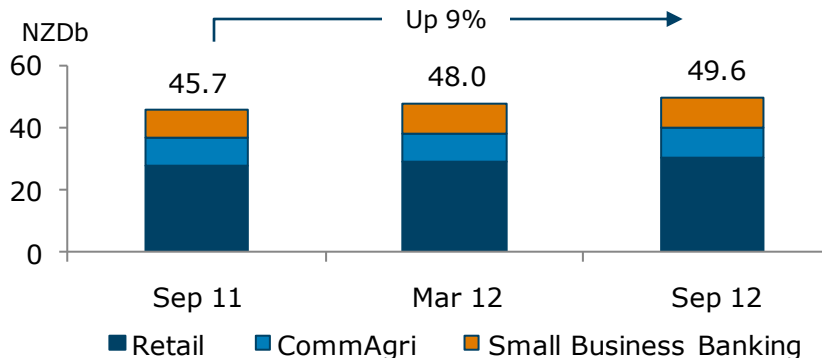
Good growth in Balance Sheet

Net Loans and Advances



- Increased 3% HOH with Retail and Small Business Banking growing at greater than system due to a focus on mortgages and the small business segment
- Retail lending up 2% HOH and 1% YOY
- Small Business lending up 7% HOH and 12% YOY
- CommAgri growth was moderated by ongoing Agri de-leveraging, up 2% HOH and flat YOY

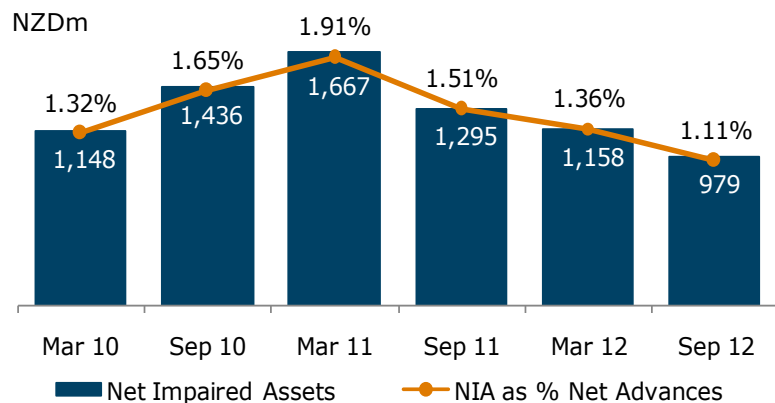
Customer Deposits



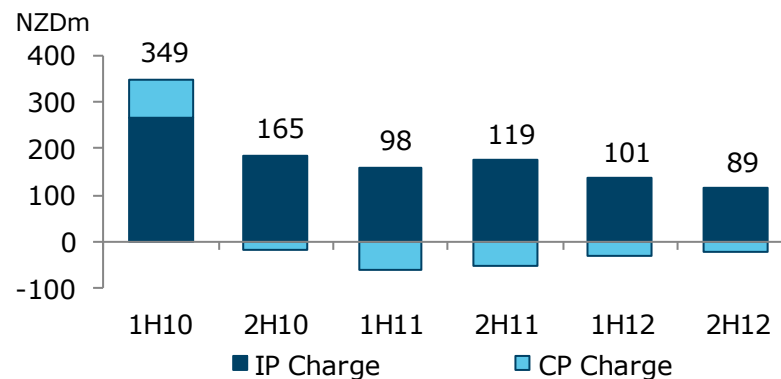
- Funding gap improved \$1.5b, Loan to Deposit ratio improved 10 percentage points and deposits up 9% YOY
- Retail deposit growth was greater than system, up 6% HOH and 9% YOY
- Small Business Banking deposits increased 4% HOH and 13% YOY underpinning the total Commercial Segment (flat HOH, up 7% YOY)

Credit quality improving

Net Impaired Assets



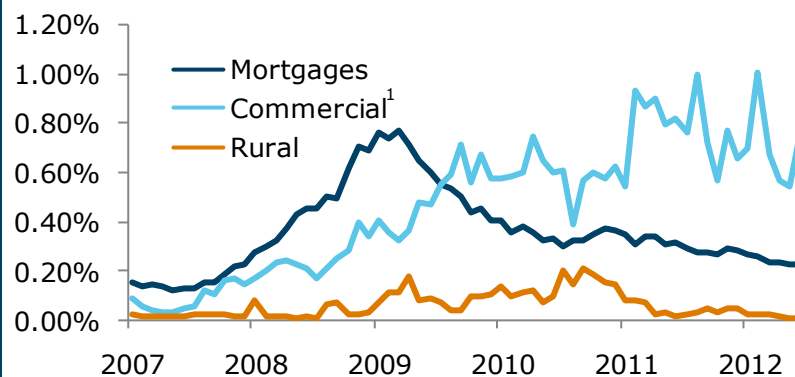
Total provision charge



Key Credit Metrics

Measure	FY11	FY12	Movt
Net Impaired Assets (NZDm)	1,295	979	-24%
NIA/Net Advances	1.51%	1.11%	-40bps
IP Loss Rate	0.38%	0.29%	-9bps
Average CCR Risk Grade	5.16	4.96	-0.20
90 Day Delinquencies	0.36%	0.26%	-10bps

90+ Days Arrears



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

Retail segment – increase focus on sales and customer service is delivering

Improved distribution

- More branches in growth catchments
- Capacity released through simplification reinvested to increase number of Home Loan Specialists and Mobile Mortgage Bankers

Targeted IT investment

- Focused IT development has improved the online banking experience (usage up 15%, satisfaction 99%) and available to another 1 million customers after the system conversion

Better processes

- Improved scorecards create productivity gains allowing staff to spend more time serving customers
- Simplified home loan process manifests in a faster response to customers

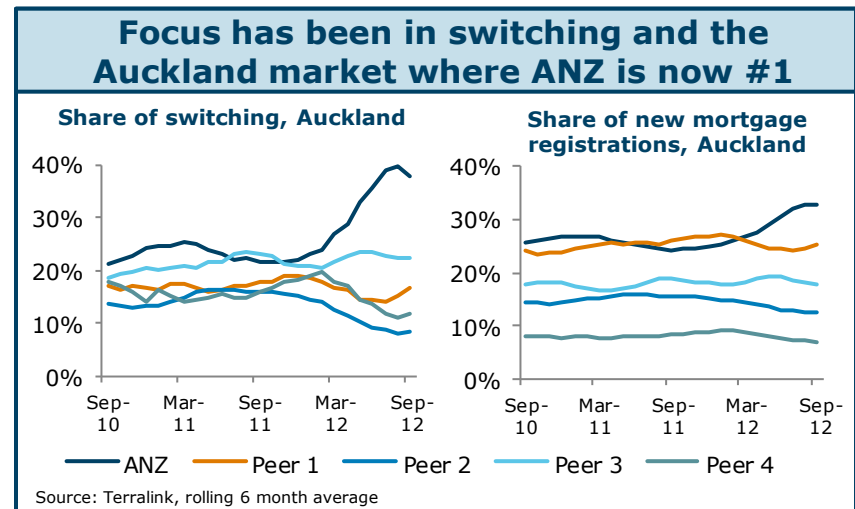
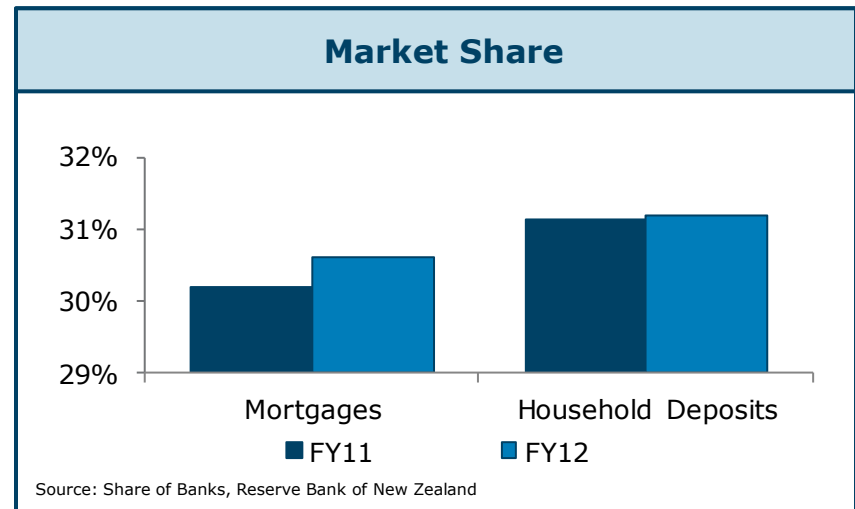
Improved market leverage

- More focused use of sponsorships and marketing effort

Simplification working

- Unprecedented growth in ANZ brand consideration with ANZ now #1 for ad awareness¹
- ANZ is #1 in new mortgage registrations and Auckland mortgage market share²

1. Source: Nielson
2. Source: Terralink



Strong Retail financial performance

Underlying profit

- NPAT performance up 5% HOH, 24% YOY

Cost management focus

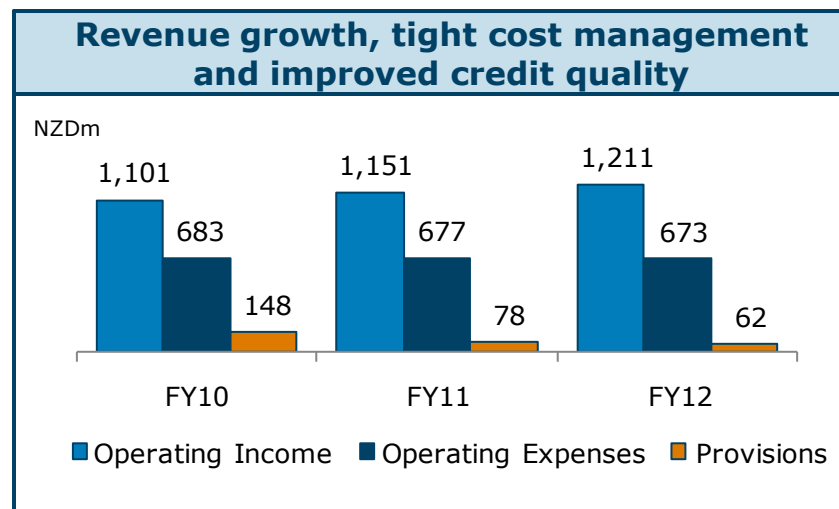
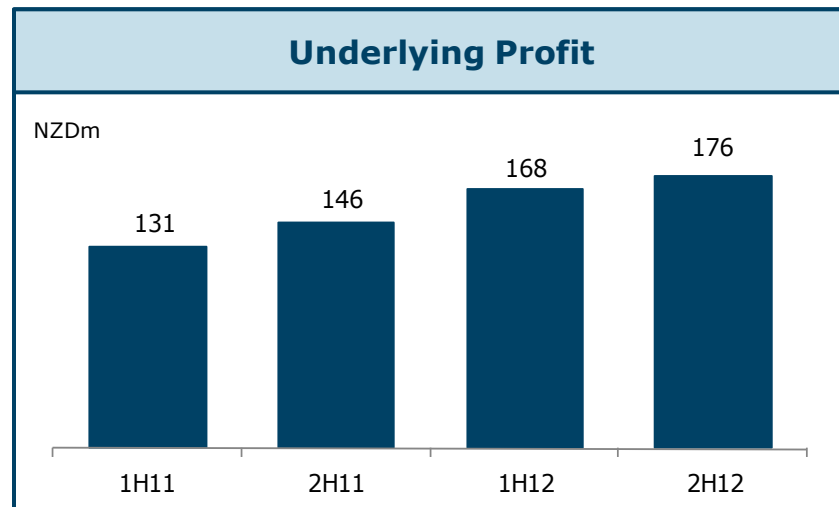
- Operating income flat HOH and up 5% YOY
- Operating expenses down 3% HOH, 1% YOY

Growth momentum through simplification and enhanced customer proposition

- 2% growth in lending volumes and 6% growth in deposits HOH

Continued improvement in credit quality

- Delinquencies have reduced to the lowest levels since the start of the GFC
- Volume growth has been in <90LVR mortgages with >90LVR continuing to decline (down 8bps HOH, 69bps YOY)
- Net impaired assets declined by 26% HOH and 42% YOY



CommAgri – simplification strategy focusing on leveraging scale and connectivity

Leverage our scale

- Implemented a simplified and more efficient operating model aligned to customer needs delivering greater customer satisfaction and consistency
- Investment in best practice Sales Framework to drive consistent sales disciplines, delivery to customer and performance monitoring
- Commercial risk management and lending practices embedded into Agri through Credit Pathways training, cashflow analysis, corporate Agri model and business of farming

Connectivity & sector focus

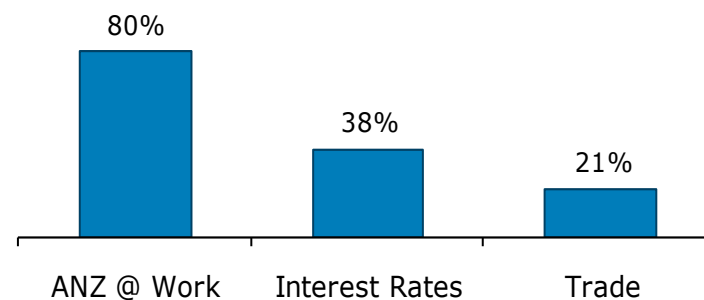
- Adding value via thought leadership including Farm Start-up Package, Future Farmers, sector collaborations, Fielddays, Privately Owned Business Barometer

Super regional differentiation

- Leveraging super-regional via Vietnam tour, China Business Forum, Sea Edge Symposium and Viewpoint on Asia and Trans-Tasman
- Customer service delivered in New Zealand resulted in customers' Australian banking being transferred from competitors to ANZ
- First ANZ India account opened for Commercial customer

Better connectivity with strong growth in cross sell into other ANZ businesses

YOY Change in Cross-Sell Revenue



Best Agribusiness Bank NZ



Best Agribusiness Bank
New Zealand

"We couldn't go past ANZ and National Bank as the institution providing the best value to rural customers."

The focus on the agri-sector through its core products, as well as provision and facilitation of rural seminars and meetings for agri-participants is a strong sign they are staying true to their commitment to the agri-market for the long haul."

Small Business Banking – simplification strategy driving strong growth in this important segment

- Small Business Banking is an important segment in New Zealand, where 90% of businesses employ 5 or fewer staff (31% of employment) and constitute 44% of GDP

Optimise location of bankers

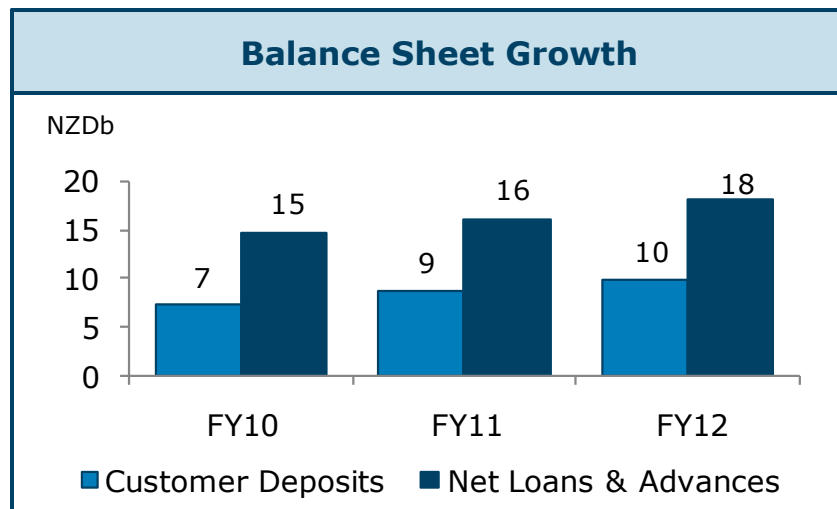
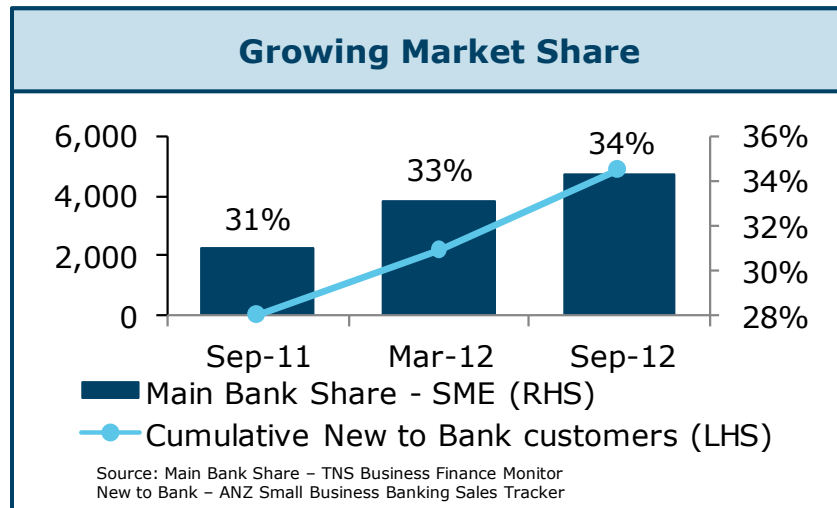
- Bankers moved into branches around network to provide 4% improvement in market coverage, driving lending growth and increased revenue performance

Optimise time spent with customers

- 52 simplification initiatives have allowed each banker to spend more time with customers
- Increased training and performance management has achieved significant sales uplift

Develop segment specialisation, including:

- Migrants - Super regional focus with 40+ migrant focused offices across NZ
- Agri - dedicated small business Agri bankers
- Start-ups - launched ANZ Farm Start-up Package including specialised workshops helping farmers to achieve their goals. Over a third of packages opened were new to bank customers



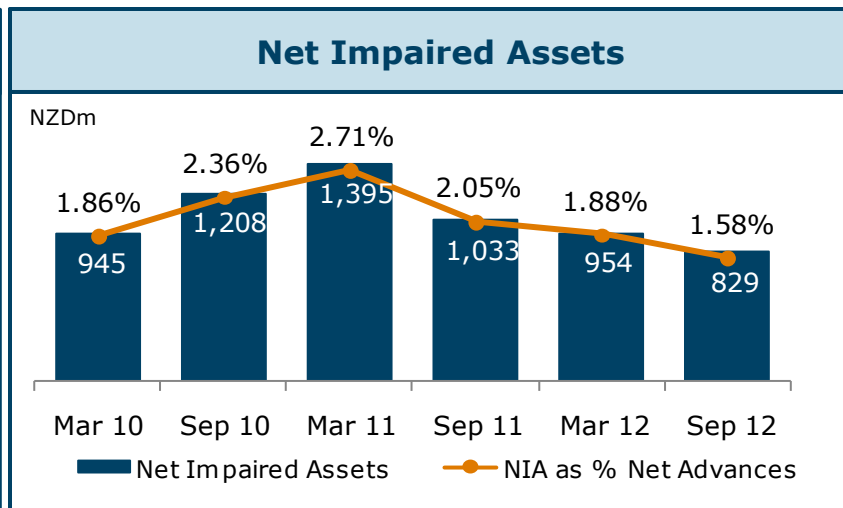
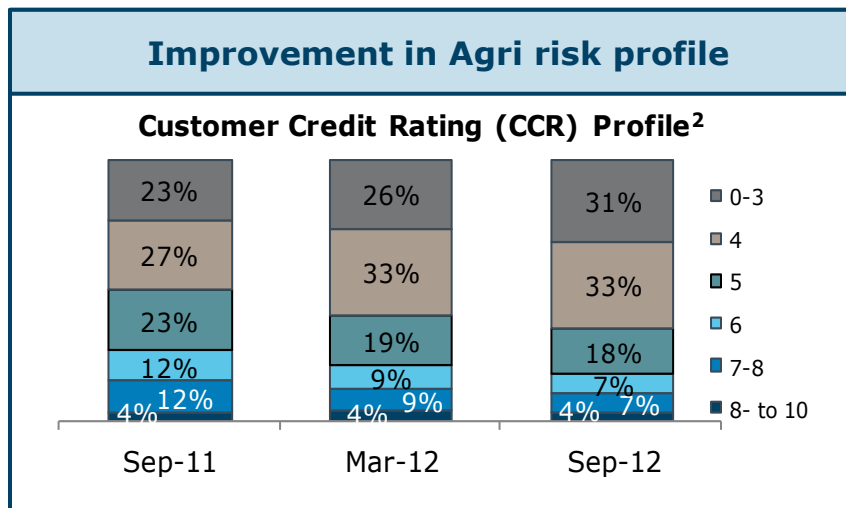
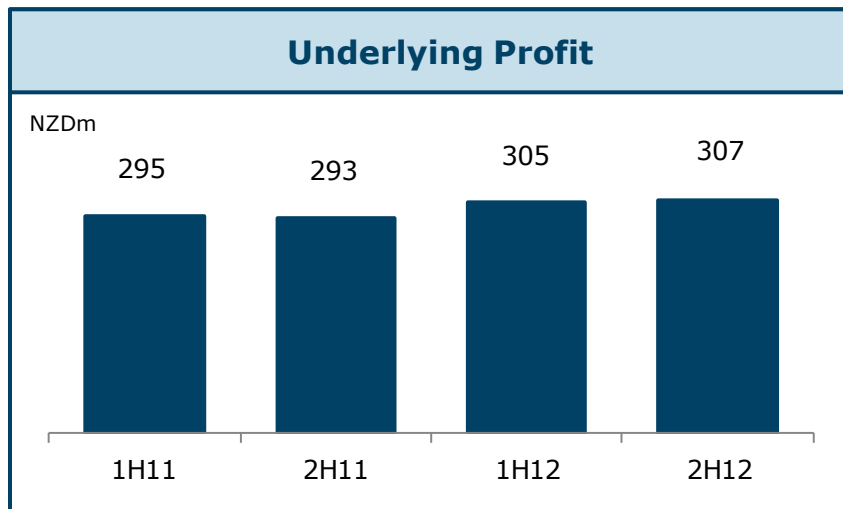
Commercial Segment¹ – improvement in asset quality delivering a better return

Underlying Profit

- NPAT up 1% HOH, 4% YOY as the Agri portfolio continues to deleverage improving the quality of earnings and returns

Improvement in credit quality

- Net impaired loans as a percentage of net advances declined HOH by 30bps to 1.58%
- The Agri portfolio continues to improve following a period of strengthening commodity prices and de-leveraging



¹ The Commercial Segment includes Commercial, Agri and Small Business Banking

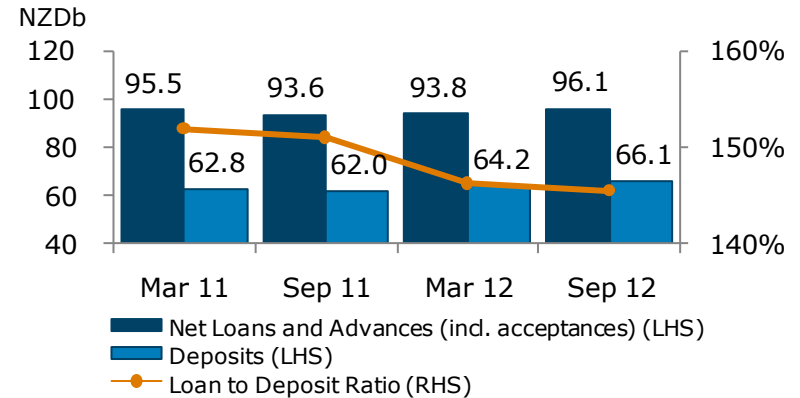
² CCR is a measure reflecting the ability to service and repay debt. Risk grades are from 0 (highest quality) to 10 (default)

New Zealand Geography – strong balance sheet and funding

A Strong and Stable Bank

- Funding gap improved by \$1.6b YOY, Loan to Deposit Ratio down 6 percentage points to 145%
- Increased funding diversification with improved deposit mix and covered bond programme
- Core Funding Ratio has improved from 84% to 87.6%

Strong Balance Sheet Growth

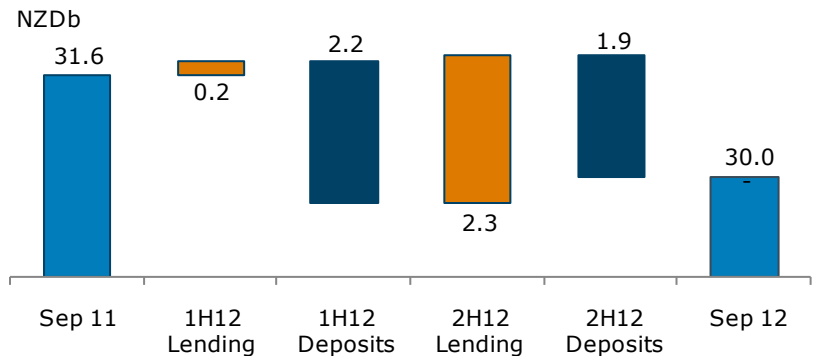


Key Metrics

Measure	FY10	FY11	FY12
Customer Deposits	56.5%	59.1%	59.9%
Liquid Assets (\$m)	15,200	16,600	17,100
Core Funding Ratio*	83.1%	84.0%	87.6%

* The Reserve Bank of New Zealand minimum ratio will be 75% from 1 January 2013

Funding Gap improvement as deposit growth exceeds lending growth – FY12 v FY11



Short Term Strategic Priorities – management of brand merge

- We announced that the ANZ and The National Bank (NBNZ) will come together and the NBNZ brand will be phased out over the next two years
- Our simplification strategy will continue and we are positioned well for future balance sheet growth and efficiency gains

Most convenient

- Immediate focus – successfully convert to a single technology platform with minimal disruption to customers (systems merge end of October 2012)
- The largest single branch network in NZ, optimised to provide more coverage from less branches
- More specialists, enhancing customer experience

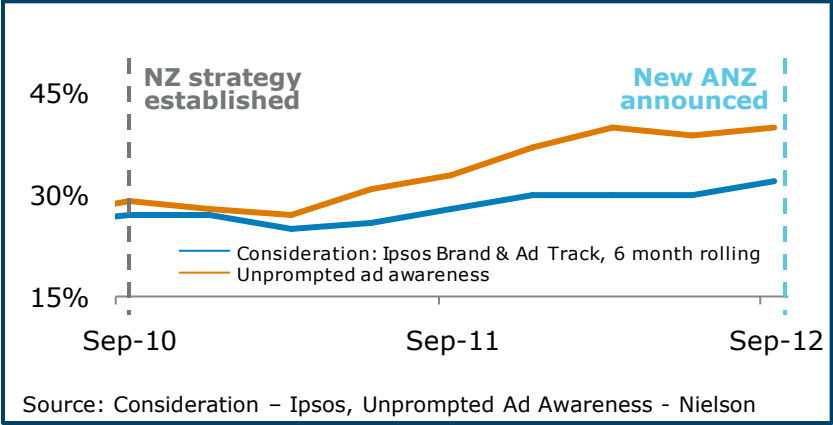
Most efficient

- A single system generating operating efficiencies
- More efficient investment in both technology and marketing
- A single distinctive brand and one product suite offering customers the best of both brands

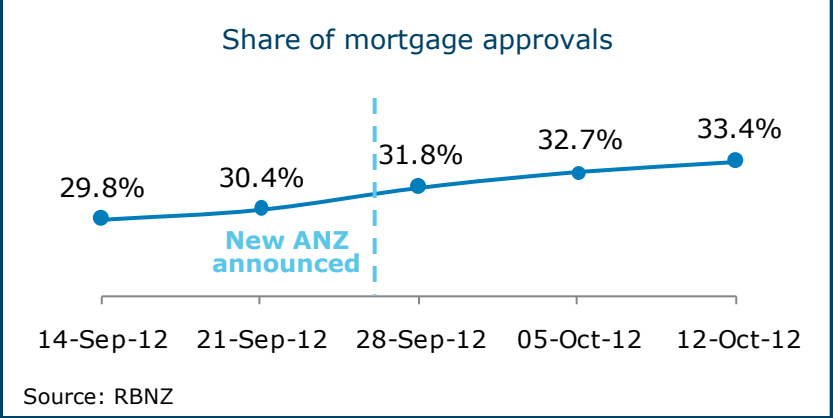
Most connected

- Access scale delivered by a single technology platform and the footprint of a single brand. The new ANZ NZ can offer more, both locally and globally
- Most connected locally. Leverage combined footprint and specialists to provide more people, in more places to provide more service to more customers
- Most connected globally. More regional specialists. Only high street bank in NZ to directly access 32 markets across the region

We made sure the market was ready for the new ANZ



Trends encouraging in mortgage approvals since new ANZ brand announcement



12

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

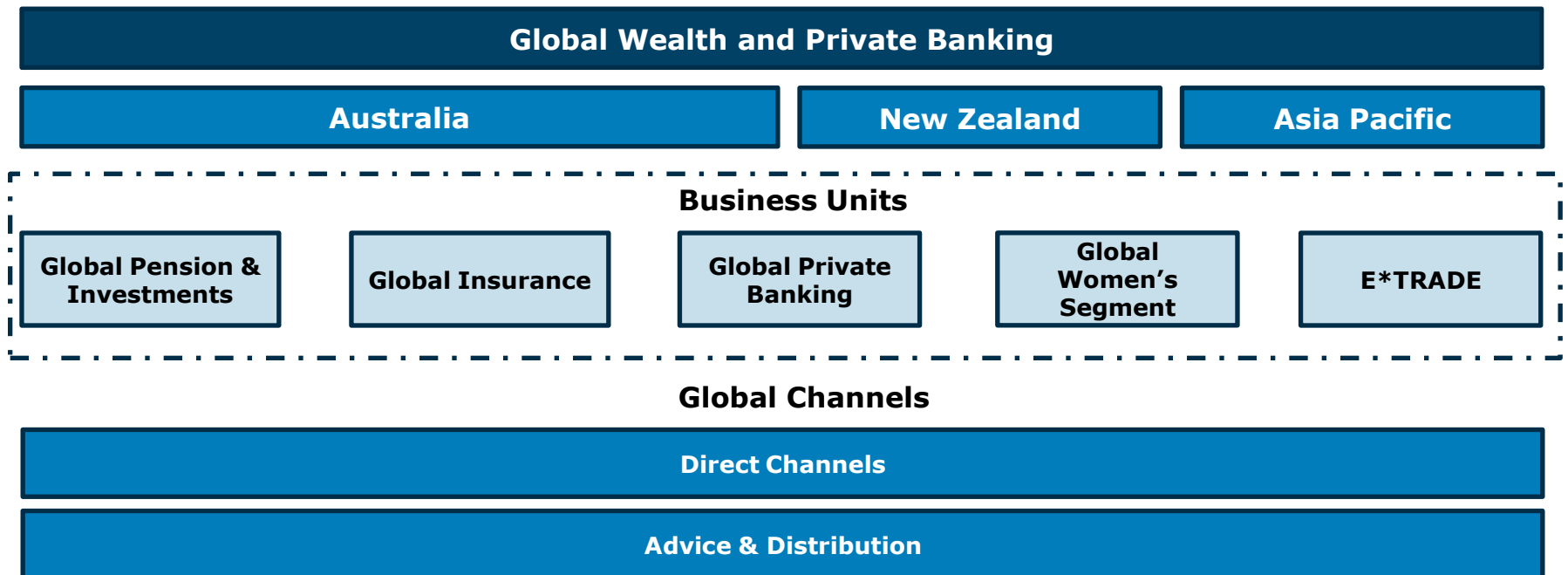
25 October 2012

Divisional Performance
Global Wealth and Private Banking Division

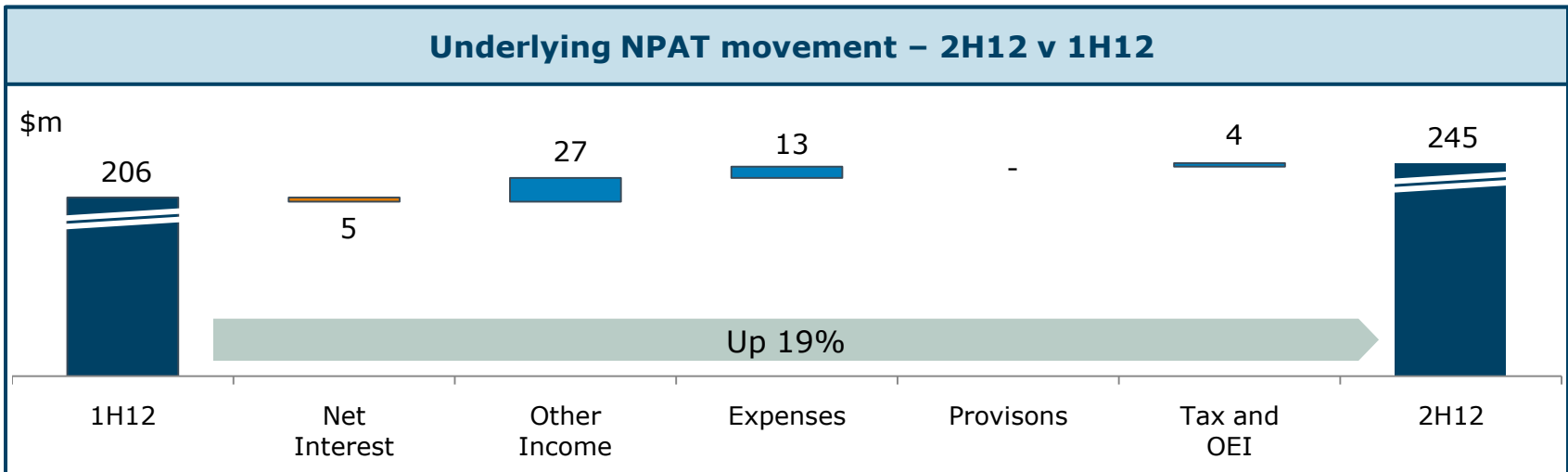
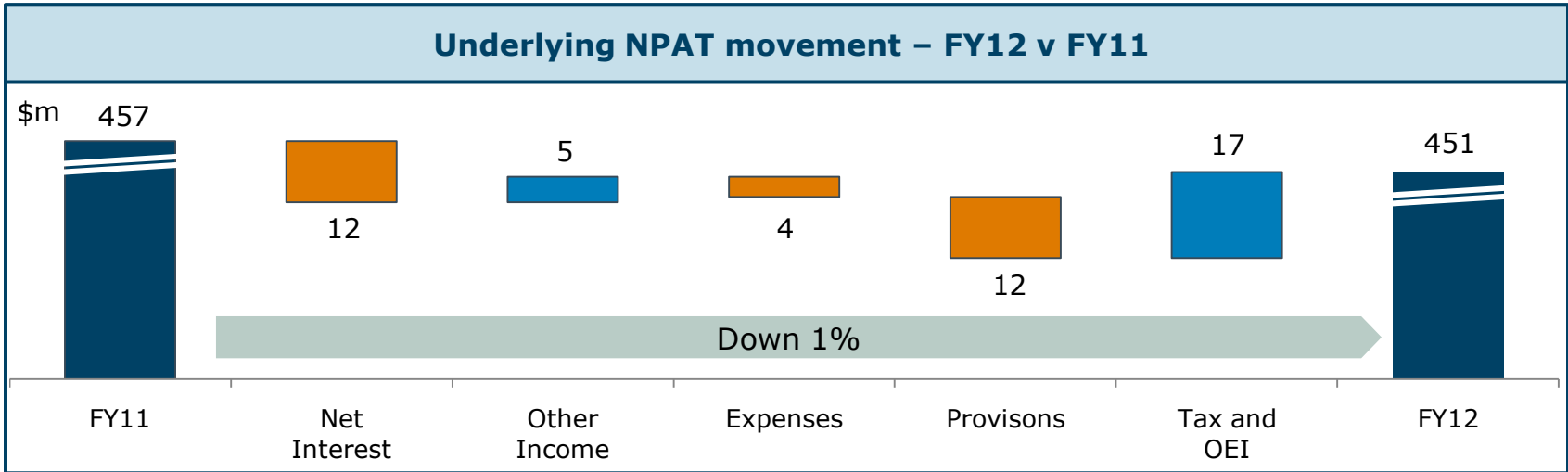


Global Wealth and Private Banking (GWPB)

- A new division that combines Global Wealth and Private Banking across Australia, New Zealand and the Asia Pacific
- Responsible for delivering investment, superannuation, insurance and advice solutions and private banking services to our customers
- The business is managed on a global basis to ensure an aligned approach and leverage our talent, systems and operations

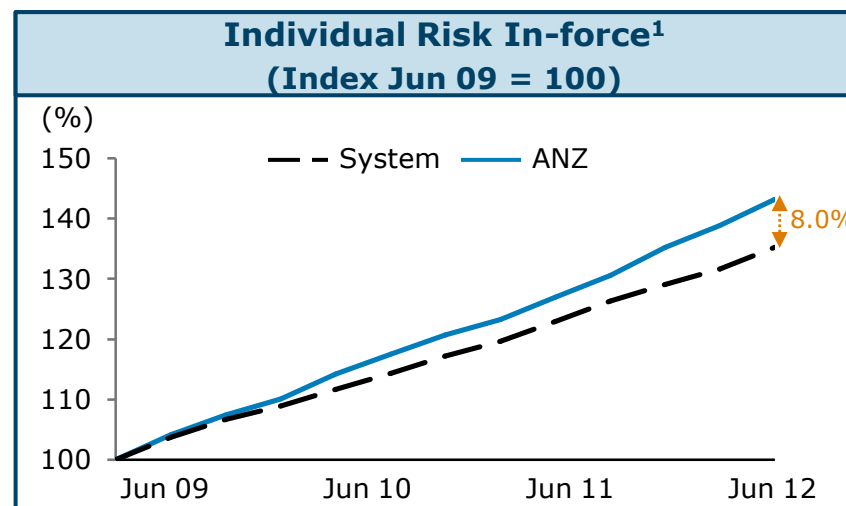
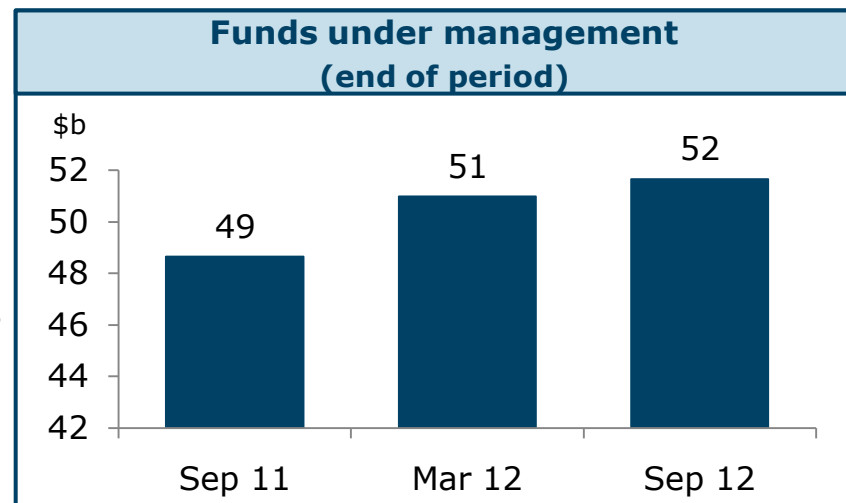


Global Wealth and Private Banking – Financial performance



Wealth – Business performance

- NPAT up 19% HOH but down 1% YOY
- Net funds management and insurance income up 4% HOH and 2% YOY
 - Better performance in insurance income and investment earnings, partially offset by lower funds management and advice income as adverse investor sentiment impacted volumes and margins
- 3% reduction in costs HOH as productivity benefits emerged with the CTI ratio down 350 bps HOH to 56.3%
- FUM up 1% HOH and 6% YOY with New Zealand strongly up 5% HOH and 15% YOY
- Annual in-force premiums up 6% HOH and 4% YOY with annual individual in-force premiums up 7% HOH and 11% YOY
 - Favourable claims experience, partially offset by higher lapse rates



1. Source: Plan for Life



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