

# 2020 HALF YEAR RESULTS

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HALF YEAR ENDED 31 MARCH 2020

**RESULTS PRESENTATION &  
INVESTOR DISCUSSION PACK**





# 2020 HALF YEAR RESULTS

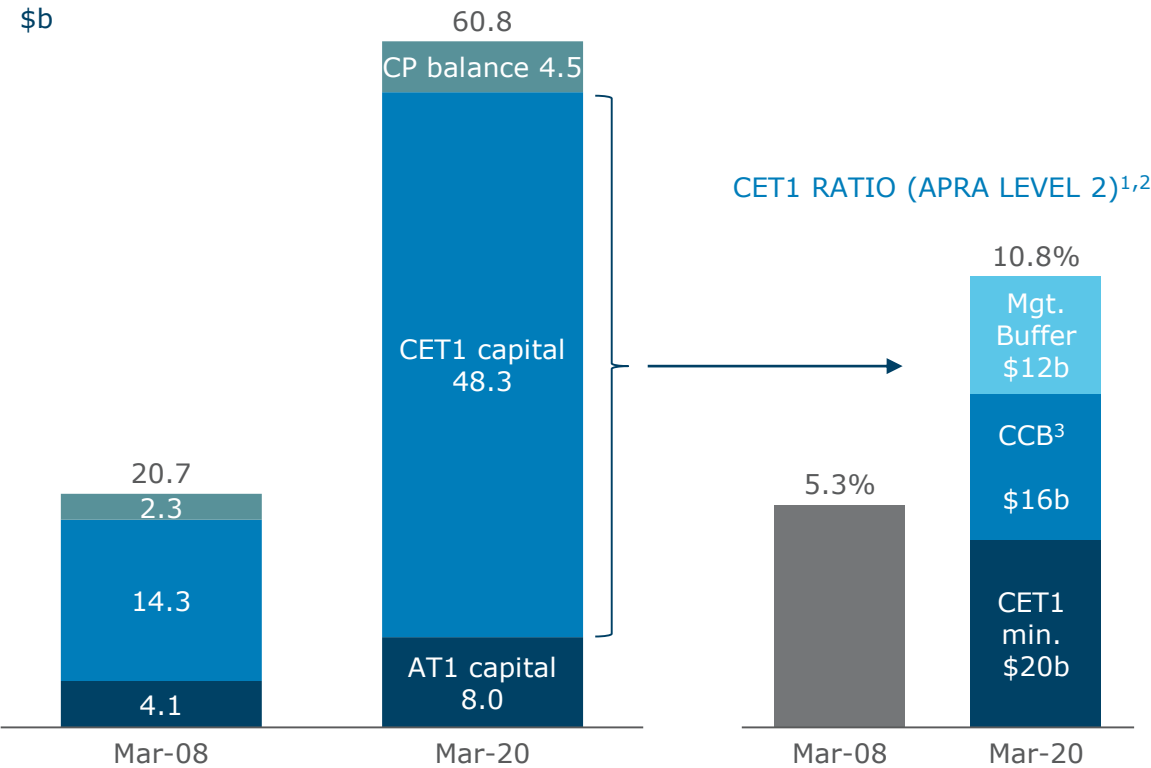
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**SHAYNE ELLIOTT**  
CHIEF EXECUTIVE OFFICER

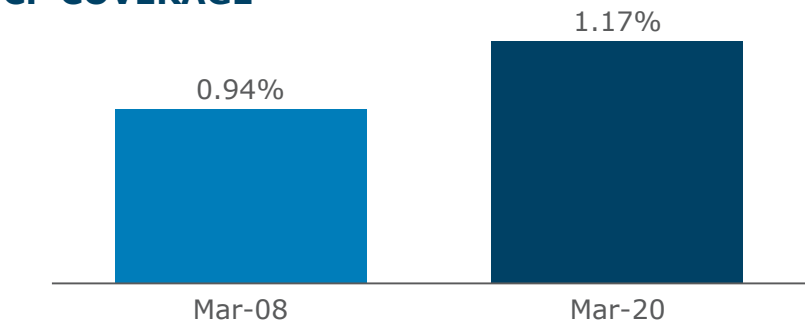


# BALANCE SHEET STRENGTH

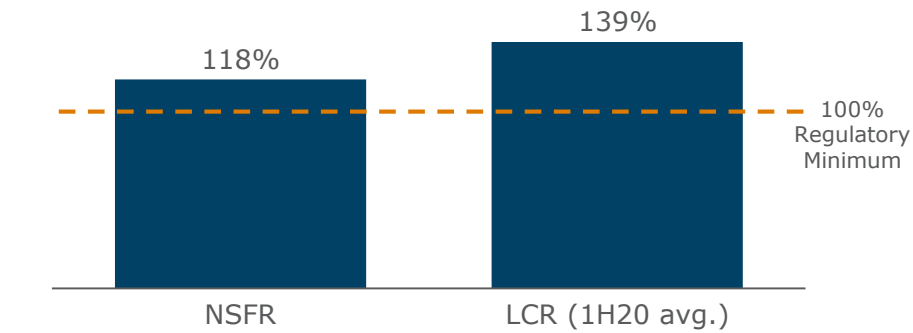
## TIER 1 CAPITAL & COLLECTIVE PROVISION BALANCE



## CP COVERAGE<sup>4</sup>



## LIQUIDITY (MAR-20)



1. Mar-08 based on Fundamental Tier 1 Capital  
2. Mar-20 capital ratios include RWA increase as a result of APRA modelling and policy related capital changes  
3. Capital Conservation Buffer  
4. Collectively assessed provisions as a % of credit risk weighted assets

# FINANCIAL PERFORMANCE

	1H20	1H20 v 2H19
<b>Statutory Profit (\$m)</b>	<b>1,545</b>	<b>-44%</b>
<b>Cash Profit (Continuing operations)<sup>1</sup> (\$m)</b>	<b>1,413</b>	<b>-51%</b>
Return on Equity	4.7%	-506bps
Earnings Per Share (cents)	49.9	-50%
<b>Cash Profit (Continuing operations) ex. large / notable items (\$m)</b>	<b>2,451</b>	<b>-26%</b>
<b>Dividend Per Share (cents)</b>	<b>Deferred</b>	<b>N/A</b>
CET1 Ratio (APRA Level 2) (%)	10.8	-60bps
Net Tangible Assets Per Share (\$)	19.89	+2%
Provision coverage ratio <sup>2</sup> (%)	1.17	+23bps

1. Includes the impact of large / notable items, excludes discontinued operations

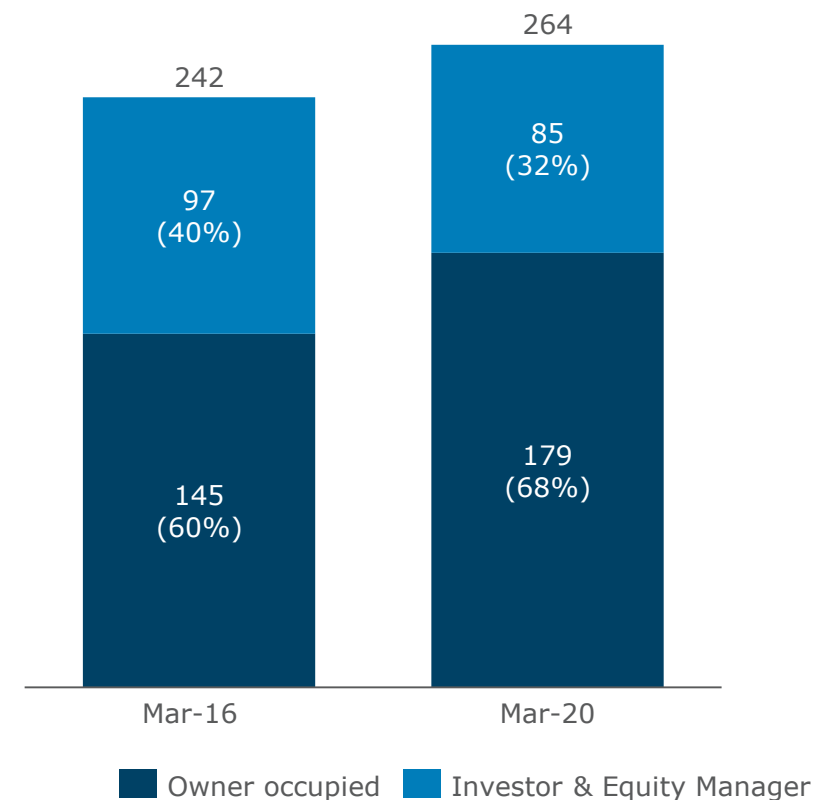
2. Collectively assessed provisions as a % of credit risk weighted assets

# SIMPLIFIED AND STRENGTHENED THE BANK

<b>Sold</b>	<ul style="list-style-type: none"> <li>• Asia Retail &amp; Wealth (IEL 151bps)<sup>1</sup></li> <li>• Esanda Dealer Finance (IEL 100bps)<sup>2</sup></li> <li>• NZ Life, Aus. Life, Aus. P&amp;I</li> </ul>
<b>Exited</b>	<ul style="list-style-type: none"> <li>• Emerging Corporate Asia (IEL 41bps)<sup>1</sup></li> <li>• ANZ Financial Planning</li> </ul>
<b>Restricted</b>	<ul style="list-style-type: none"> <li>• Unsecured retail lending</li> <li>• No retail home loan offering to SMSFs</li> <li>• Commercial property</li> </ul>
<b>Reduced</b>	<ul style="list-style-type: none"> <li>• Unsecured SME lending</li> <li>• Investor home loans</li> </ul>
<b>Rebalanced</b>	<ul style="list-style-type: none"> <li>• Capital towards Retail &amp; Commercial</li> <li>• Institutional portfolio (87% investment grade)</li> <li>• Housing portfolio to P&amp;I (86% Aus; 81% NZ)</li> </ul>

## AUSTRALIA HOME LOAN PORTFOLIO

Gross Loans & Advances (GLA) \$b



1. Internal expected loss as at Sep-16. This compared with total group IEL at Sep-16 of 35bps

2. Internal expected loss as at Sep-15. This compared with total group IEL at Sep-15 of 35bps

# OUR APPROACH

**PROTECT**

*... our people,  
customers &  
shareholders*

**ADAPT**

*... to the  
changing  
environment*

**ENGAGE**

*... even more  
proactively with our  
stakeholders*

**PREPARE**

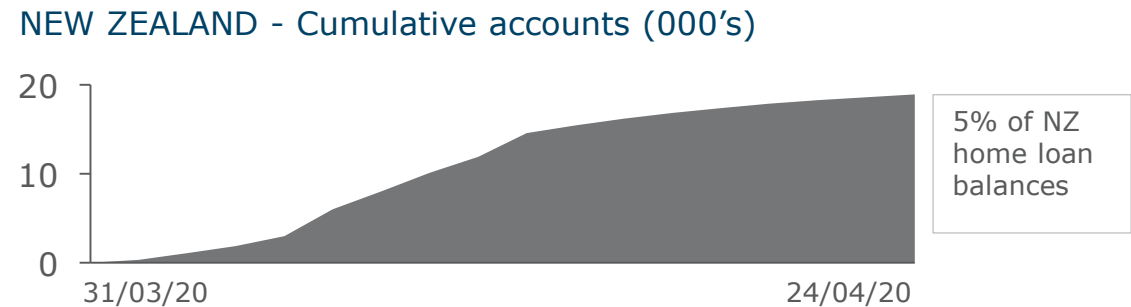
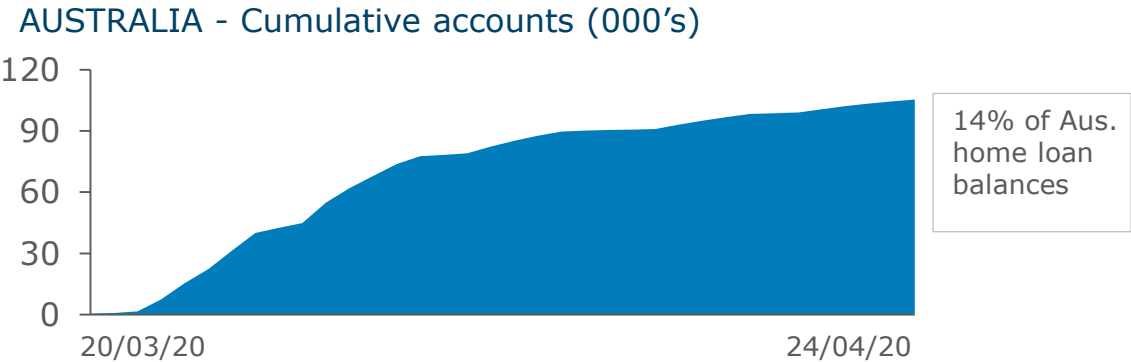
*... for the future*

# PROTECT OUR PEOPLE, OUR CUSTOMERS & SHAREHOLDERS



- Support measures for customers
- Introduced health & safety measures
- Deep-dive industry reviews

## REQUESTS FOR HOME LOAN DEFERRALS<sup>1</sup>



1. For Australia home loans, includes all requests for assistance by COVID19 impacted customers

# ADAPTING TO THE NEW ENVIRONMENT



Record volumes of home loan re-finance applications

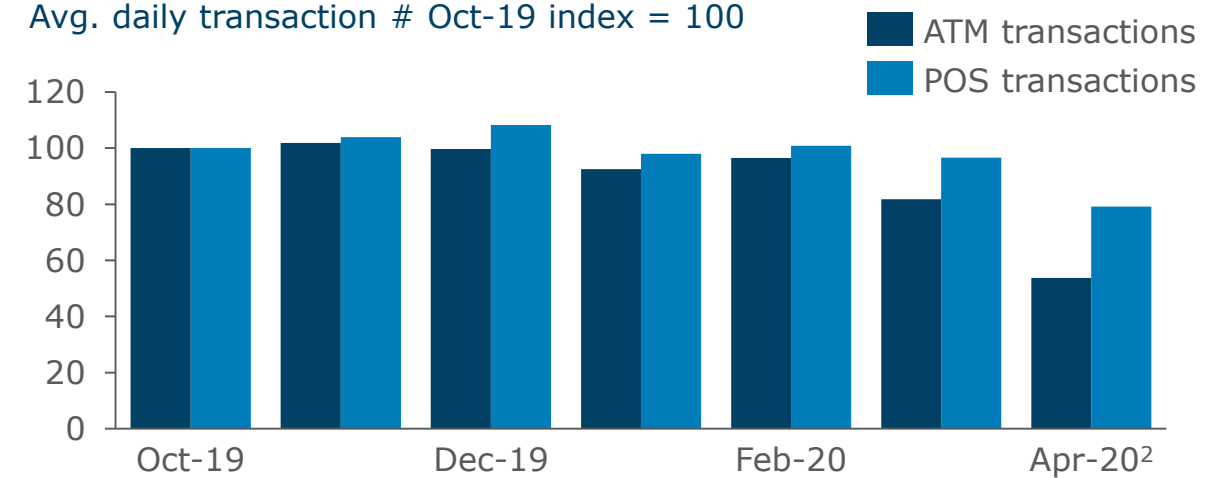
Collapse in ATM/Branch volume

95% of people working remotely<sup>1</sup>

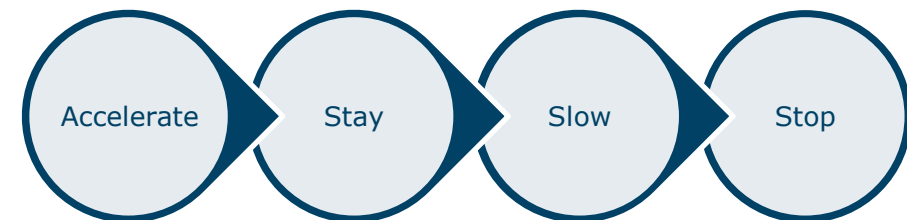
'Agile' enabling us to quickly adapt

## DRAMATIC FALLS IN ATM & POS TRANSACTIONS

Avg. daily transaction # Oct-19 index = 100



## EXISTING PLANS HAVE BEEN RUN THROUGH A FILTER PROCESS



1. Excluding Australian branch staff  
2. Average daily transactions to 26-Apr-20



# INCREASING ENGAGEMENT AND PREPARING FOR THE FUTURE

## ENGAGE

Keeping messages simple

Providing appropriate guidance

Being accessible

Drawing on experience to help customers make the right decisions & make better banking decisions

## PREPARE

Changing customer behaviour

Shift in relative attractiveness

Prudent rationalisation of capital & liquidity

## A LOT WILL CHANGE FOR THE LONG TERM

- |                           |                        |
|---------------------------|------------------------|
| • Consumer behaviour      | • Lower interest rates |
| • Technology usage        | • Higher debt levels   |
| • Supply chain management | • Industry reforms     |
| • Ways of working         | • Industry innovation  |

# OUTLOOK

- Entered the crisis in a strong position financially, operationally, culturally
- Difficult to predict depth of the economic impact & length of recovery
- Continue to focus on strategic clarity, prudent risk settings, execution discipline

OUR PRIORITIES
PRUDENT APPROACH TO RISK & CAPITAL
FOCUS ON LIQUIDITY
STAYING CLOSE TO CUSTOMERS
DYNAMIC PRICING OF RISK
OPERATIONAL AGILITY
CONTINUED FOCUS ON PRODUCTIVITY
INVESTING FOR THE LONG TERM

# 2020 HALF YEAR RESULTS

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**MICHELLE JABLKO**  
CHIEF FINANCIAL OFFICER



# AGENDA

1.

Key pillars in protecting our balance sheet

2.

Major components within capital

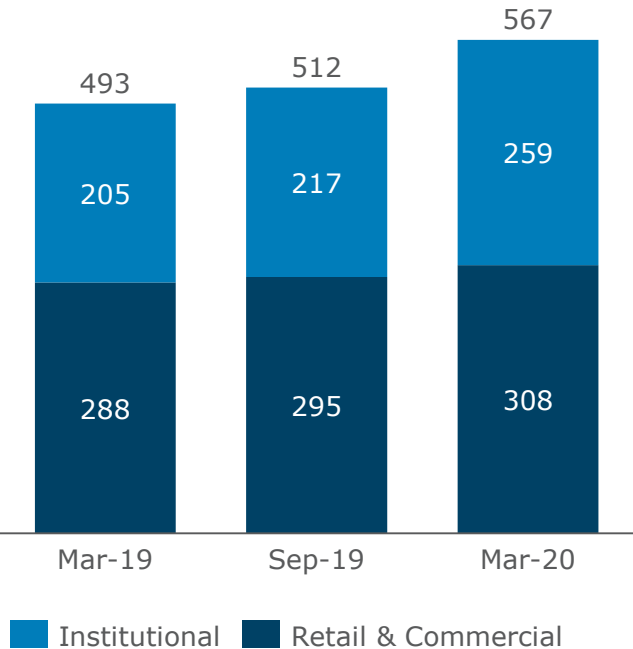
3.

Outlook on capital going forward

# LIQUIDITY & FUNDING

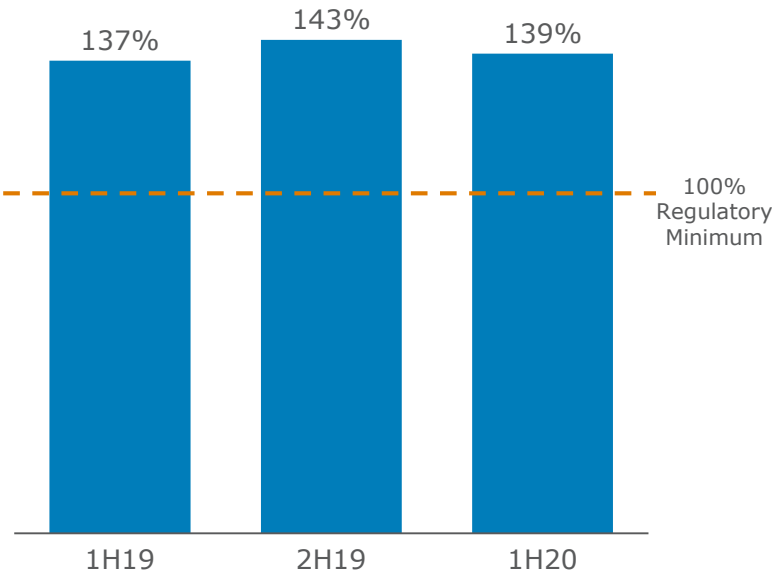
## CUSTOMER DEPOSITS

EOP \$b



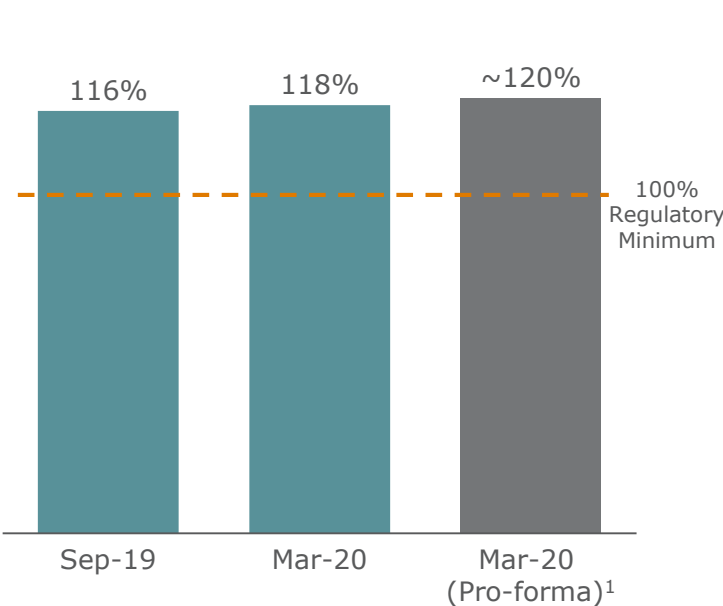
## LIQUIDITY COVERAGE RATIO

Average



## NET STABLE FUNDING RATIO

EOP

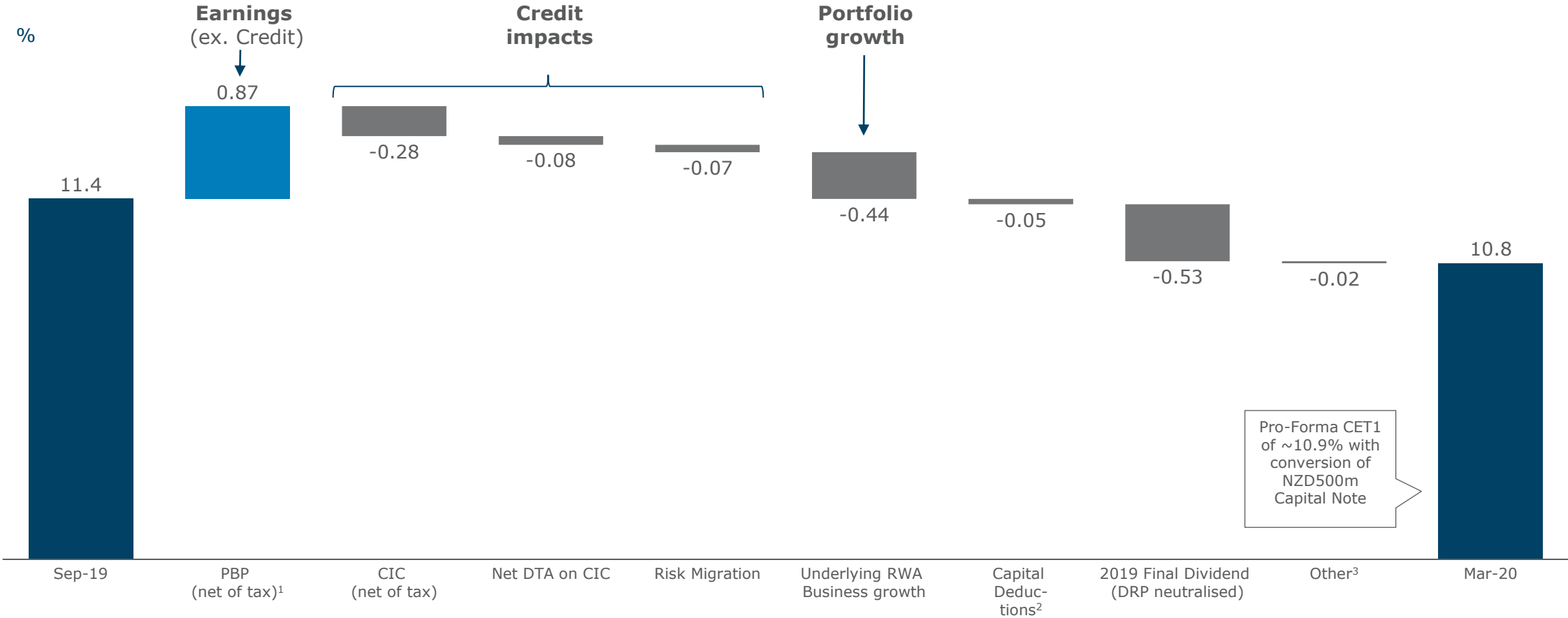


1. Pro-forma after incorporating the available Term Funding Facility of at least \$12b



# CAPITAL

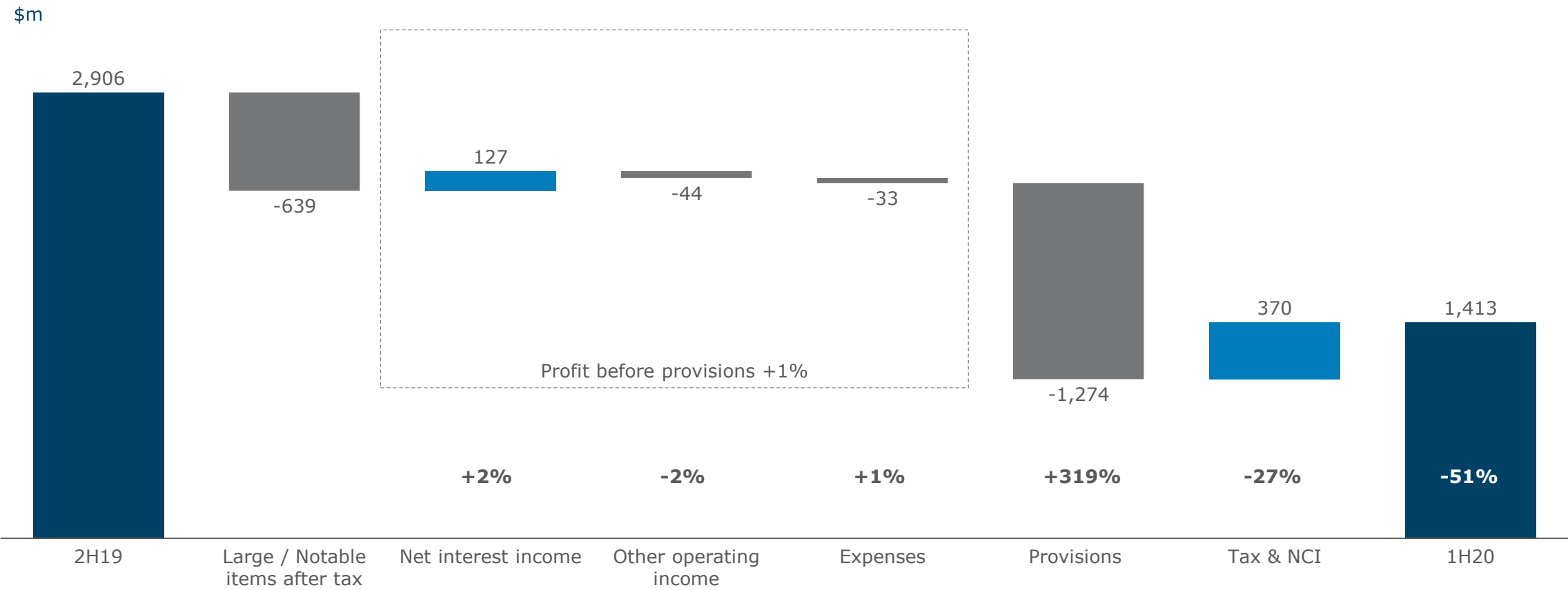
## APRA LEVEL 2 COMMON EQUITY TIER 1 RATIO (CET1)



1. Excludes large / notable items & one-off items  
2. Mainly comprises the movement in retained earnings in deconsolidated entities and capitalised software  
3. Other impacts include divestment benefits from Pensions & Investments, Net Imposts (incl. AASB16 impacts), movements in non-cash earnings, net foreign currency translation and other  
4. Internationally Comparable methodology aligns with APRA's information paper entitled International Capital Comparison Study (13 July 2015). Basel III Internationally Comparable ratios do not include an estimate of the Basel I capital floor

# FINANCIAL PERFORMANCE

## CASH PROFIT CONTINUING OPERATIONS



# FINANCIAL PERFORMANCE

## CONTINUING OPERATIONS

DIVISIONAL PERFORMANCE EX. LARGE / NOTABLE ITEMS (1H20 V 2H19)	Income	Expenses	PBP	Provisions	Cash Profit
Aus. Retail & Commercial	-2%	0%	-3%	+167%	-24%
Institutional	+10%	-1%	+20%	+1,968%	-27%
New Zealand (NZD)	-1%	+2%	-3%	+208%	-16%
<b>TOTAL<sup>1</sup></b>	<b>+1%</b>	<b>+1%</b>	<b>+1%</b>	<b>+319%</b>	<b>-26%</b>

LARGE / NOTABLE ITEMS (AFTER TAX \$m)	2H19	1H20	Change
Customer remediation	-405	-91	+314
Restructuring	-18	-74	-56
Lease-related items	Nil	-58	-58
Asian associate impairments	Nil	-815	-815
Other <sup>2</sup>	+24	Nil	-24
<b>TOTAL</b>	<b>-399</b>	<b>-1,038</b>	<b>-639</b>

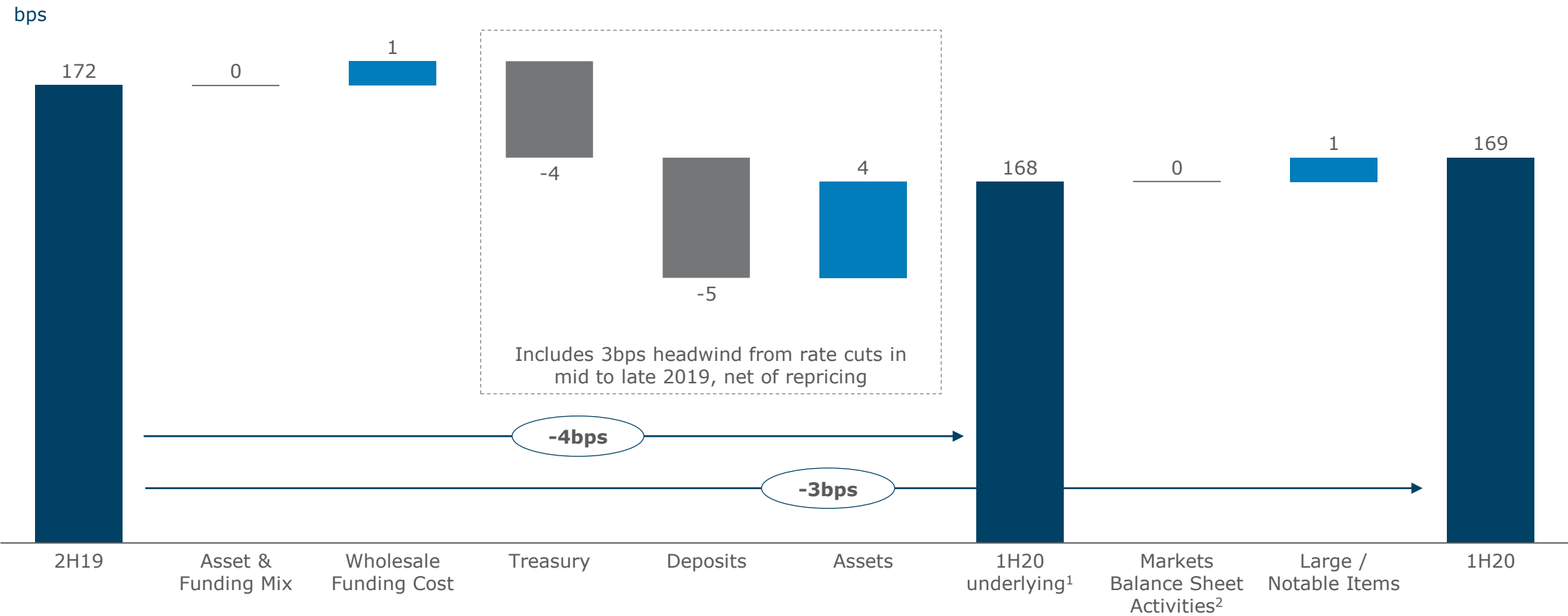
1. Total includes Australia Retail & Commercial, New Zealand (AUD), Institutional, Pacific, TSO & Group Centre

2. Other 2H19 includes Gain / (Loss) on sale from divestments (+18); Divested business results (+7); Royal Commission legal costs (-1)

# NET INTEREST MARGIN

## CONTINUING OPERATIONS

### GROUP NET INTEREST MARGIN (NIM)

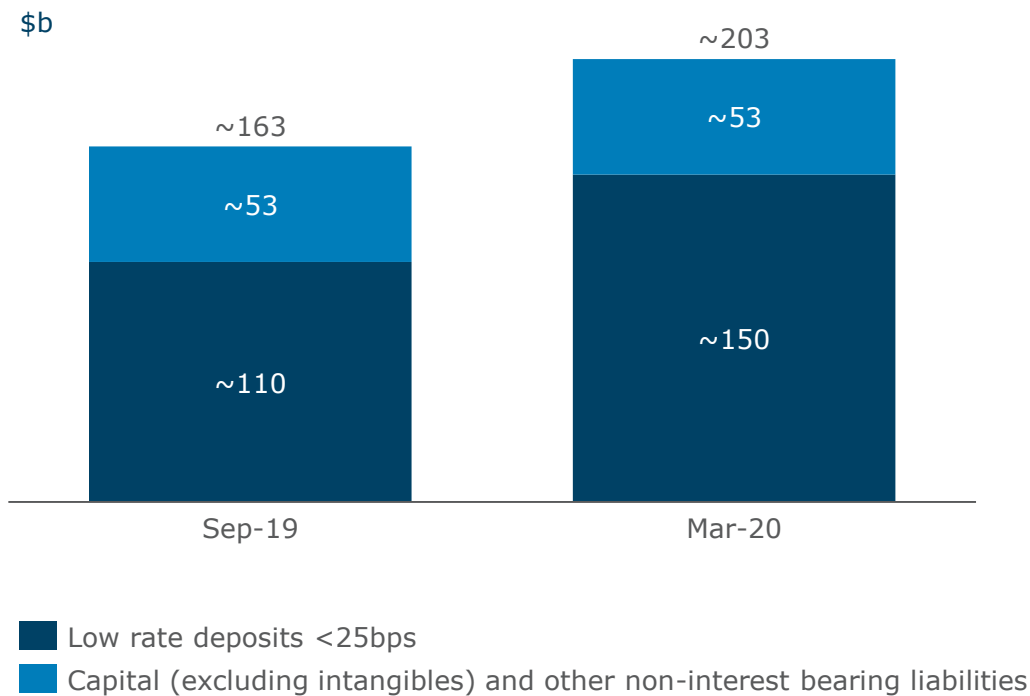


1. Excluding large / notable items and Markets Balance Sheet Activities  
2. Includes the impact of growth in discretionary liquid assets and other Balance Sheet Activities

# MARGIN CONSIDERATIONS

## LOW RATE ENVIRONMENT

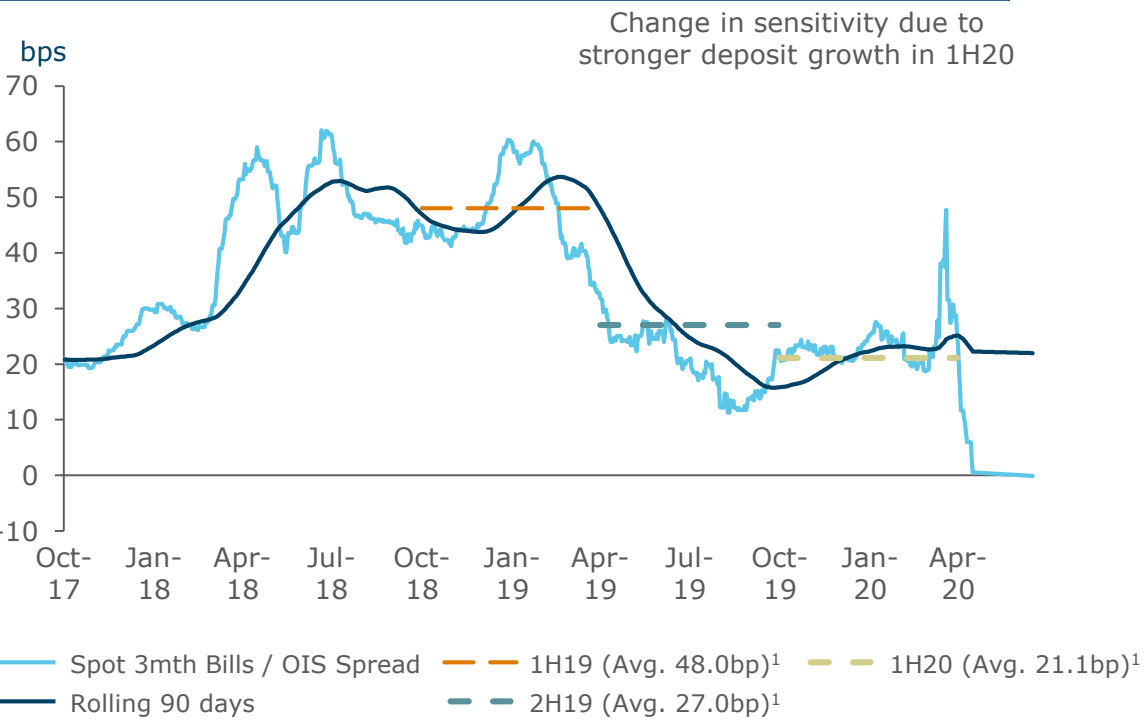
Net impact of previously announced AUD, NZD & USD rate	
2H20 impact (net of repricing)	~6bps



1. Rolling 90 days

## BILLS / OIS SPREAD

Sensitivity of 10bp change in Bills/OIS	NIM impact
30 Sep-19	1 bps
31 Mar-20	0.5 bps

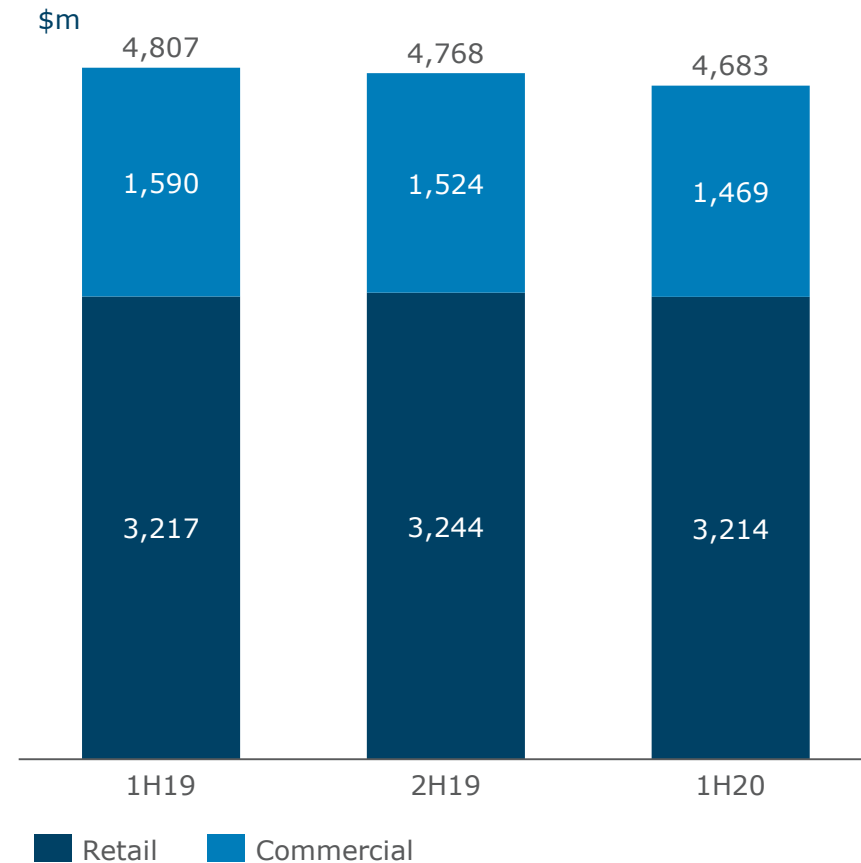




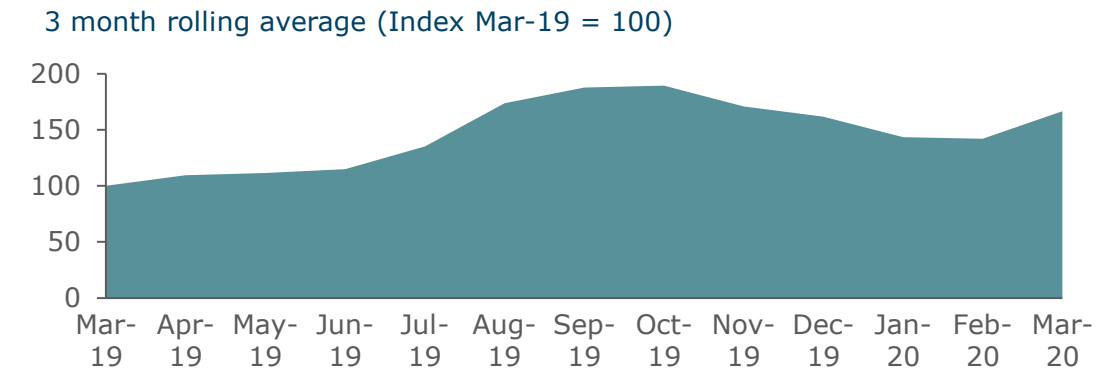
# AUSTRALIA RETAIL & COMMERCIAL

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

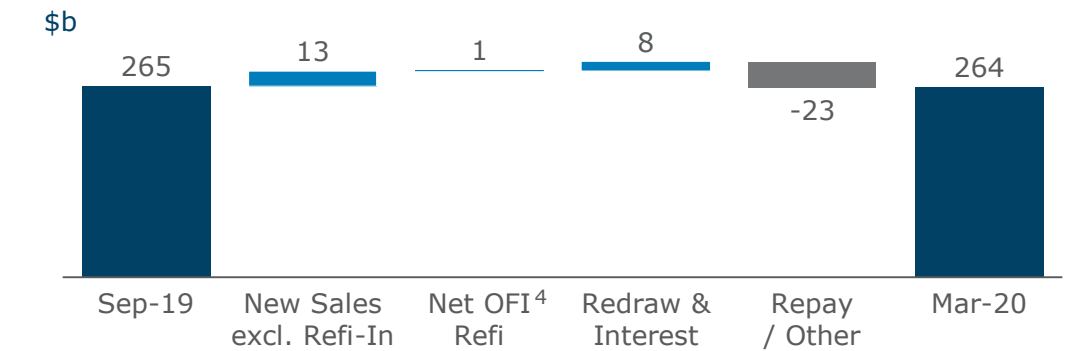
## INCOME CONTRIBUTION



## HOME LOAN APPLICATION<sup>1</sup> TREND



## HOME LOAN BALANCE & LENDING FLOWS<sup>2,3</sup>



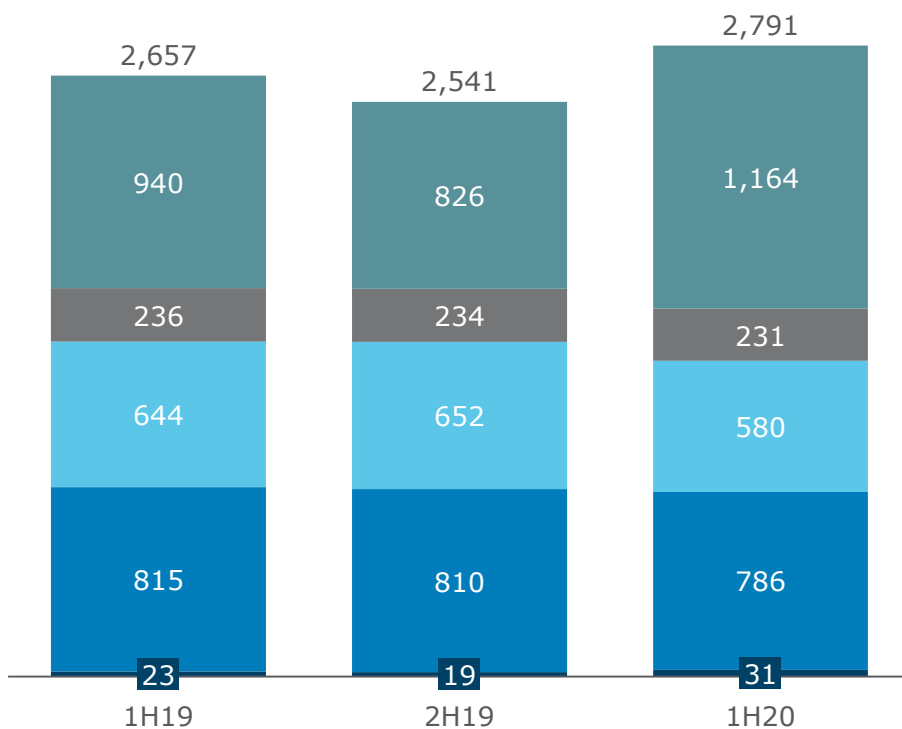
1. Applications based on \$
2. Includes Non-Performing Loans
3. Gross Loans & Advances
4. Other Financial Institution

# INSTITUTIONAL

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

## INSTITUTIONAL INCOME COMPOSITION<sup>1</sup>

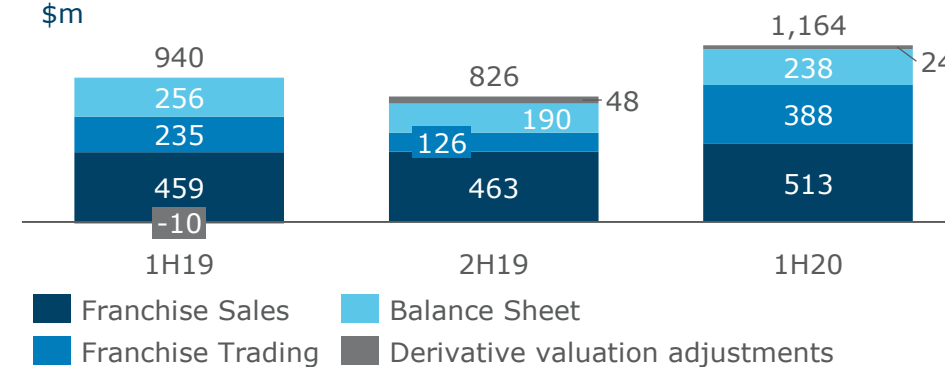
\$m



Markets Trade PCM L&SF Other

## MARKETS INCOME COMPOSITION

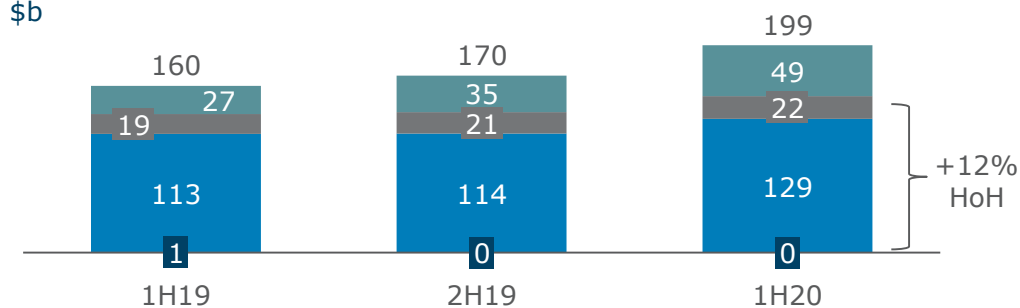
\$m



Franchise Sales Franchise Trading Balance Sheet Derivative valuation adjustments

## NET LOANS & ADVANCES<sup>2</sup>

\$b



Markets Transaction Banking L&SF Other

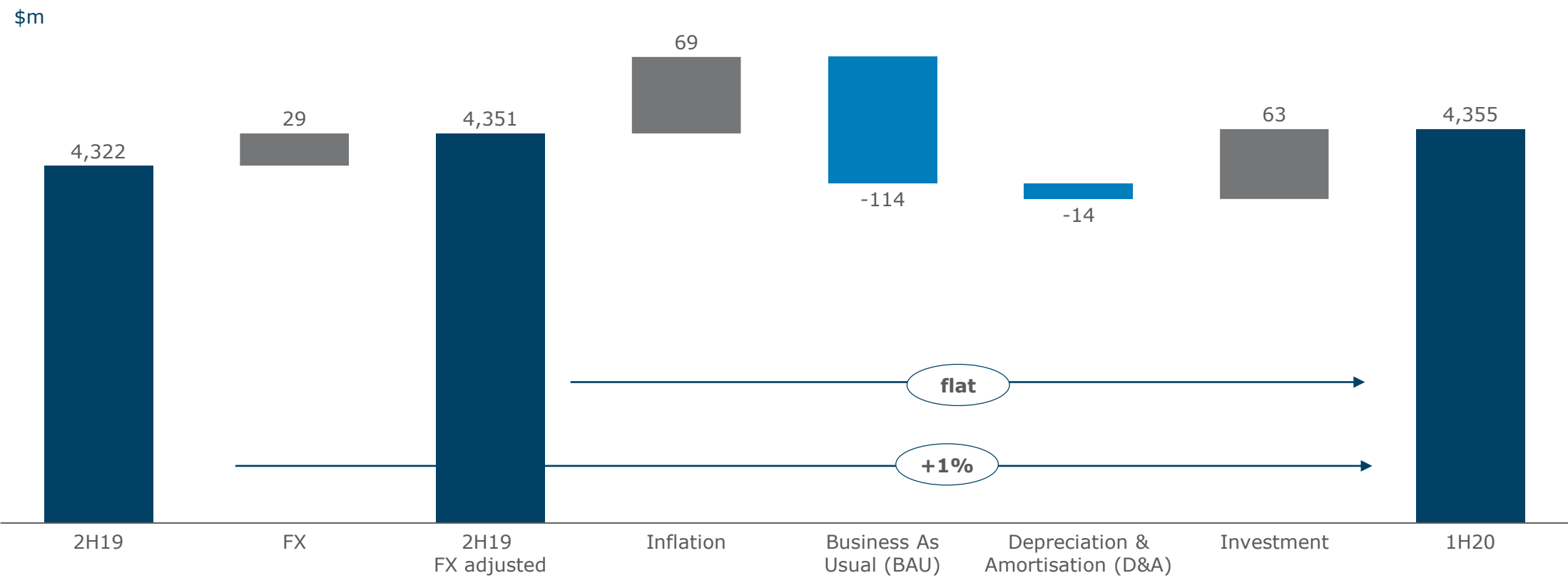
1. Trade: Trade & Supply Chain; PCM: Payments & Cash Management; L&SF: Loans & Specialised Finance

2. Prior periods are FX adjusted

# EXPENSES

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

## 1H20 EXPENSE DRIVERS



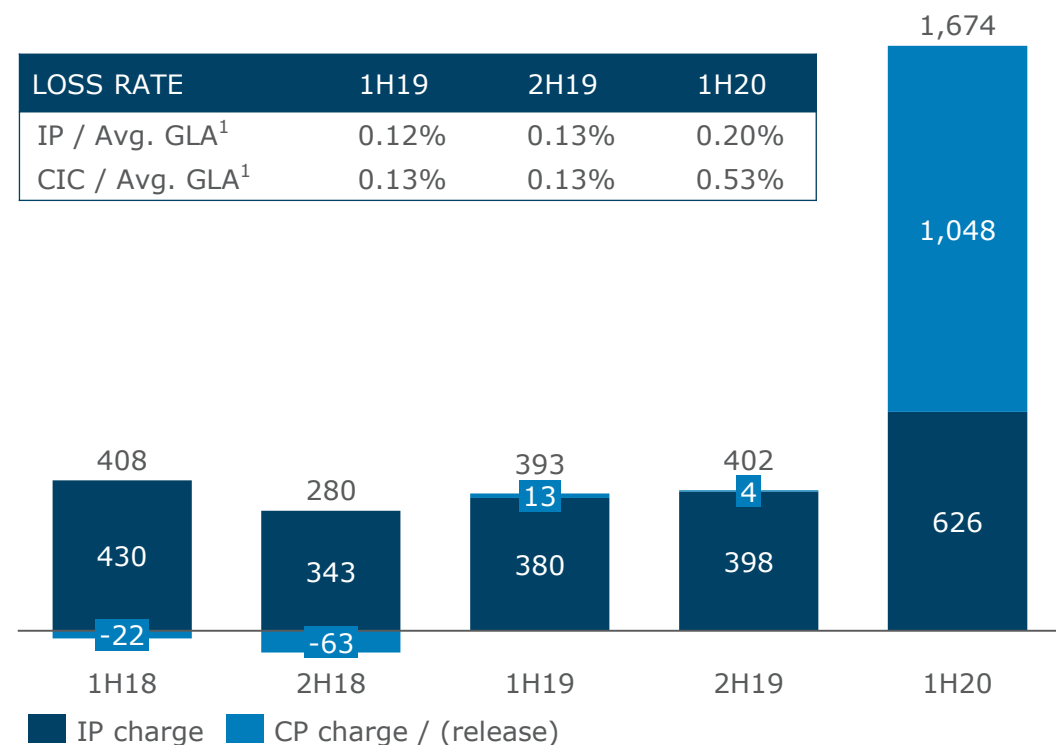
NOTE: 1H20 expenses are up \$78m, inclusive of accounting changes within large / notable items versus market guidance of +\$150m to \$200m

# CREDIT QUALITY

## PROVISION CHARGE CONTINUING OPERATIONS & IMPAIRED ASSETS

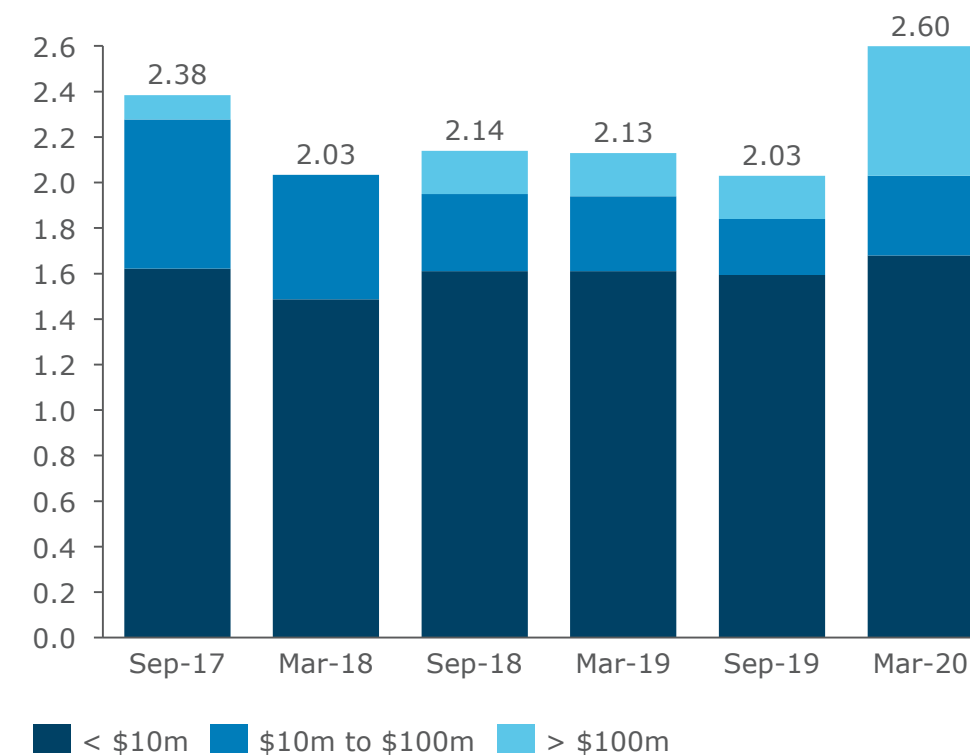
### TOTAL PROVISION CHARGE

\$m



### GROSS IMPAIRED ASSETS

\$b



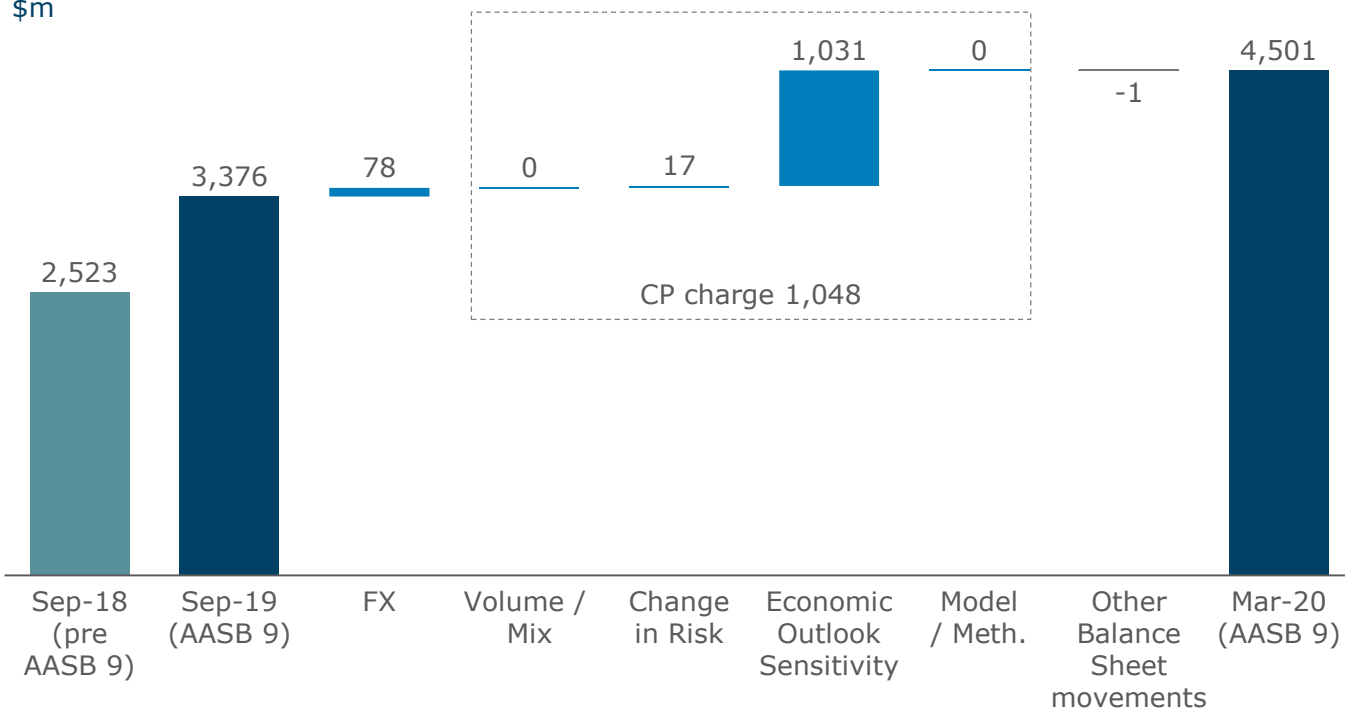
1. GLA: Gross Loans & Advances

# CREDIT QUALITY

## COLLECTIVE PROVISION BALANCE

### MOVEMENT

\$m

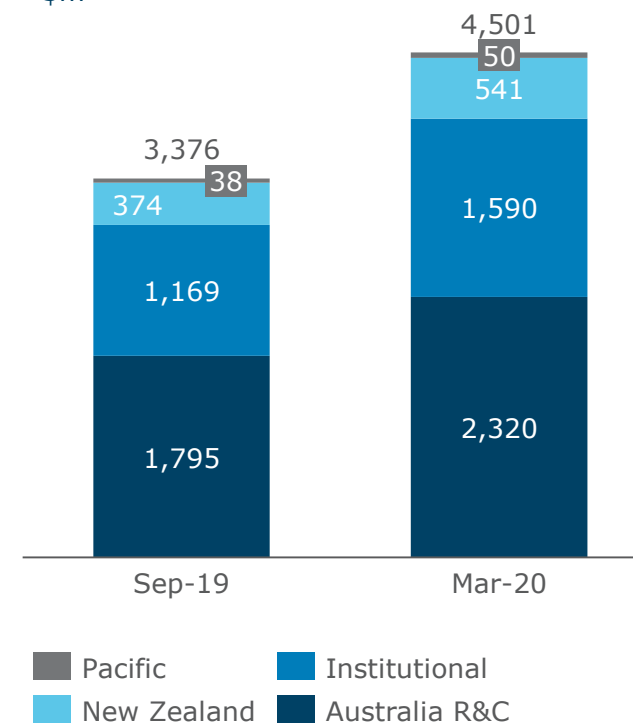


COVERAGE RATIO	Mar-19	Sep-19	Mar-20
IP / GIA <sup>1</sup>	42%	40%	42%
CP / CRWA <sup>2</sup>	0.98%	0.94%	1.17%

1. GIA: Gross Impaired Assets
2. CRWA: Credit Risk Weighted Assets

### BY DIVISION

\$m





# CREDIT QUALITY

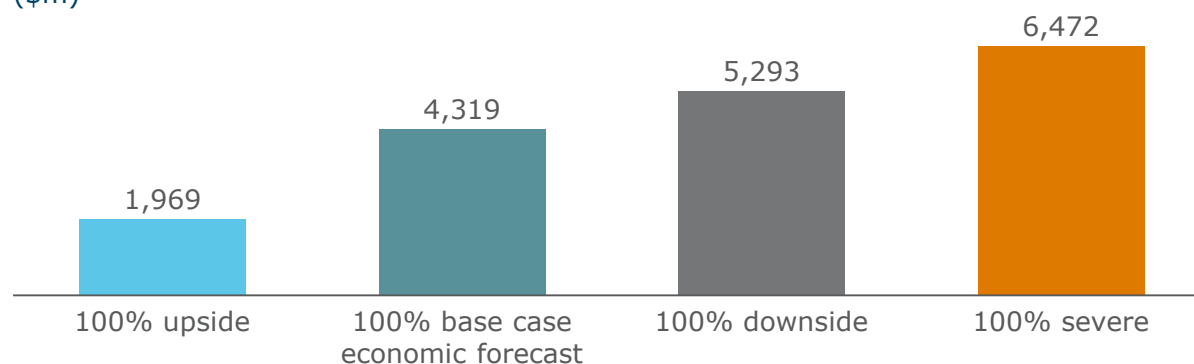
## BALANCE SHEET COLLECTIVE CREDIT PROVISION

### BASE CASE ECONOMIC FORECAST (AS AT 31 MARCH 2020 POST COMMENCEMENT OF COVID-19)

BASE CASE ECONOMIC FORECAST <sup>1</sup>	Australia			New Zealand		
	Jun-20 Qtr.	CY2020	CY2021	Jun-20 Qtr.	CY2020	CY2021
GDP change <sup>2</sup>	-13.0%	-4.7%	4.1%	-17.0%	-6.7%	4.2%
Unemployment rate <sup>3</sup>	13.0%	9.0%	7.3%	8.6%	7.4%	7.7%
Residential Property price change <sup>2</sup>	-1.1%	-4.1%	-6.3%	-2.0%	-1.9%	6.0%

### COLLECTIVE PROVISION BALANCE SCENARIOS<sup>4</sup> (31 MARCH 2020)

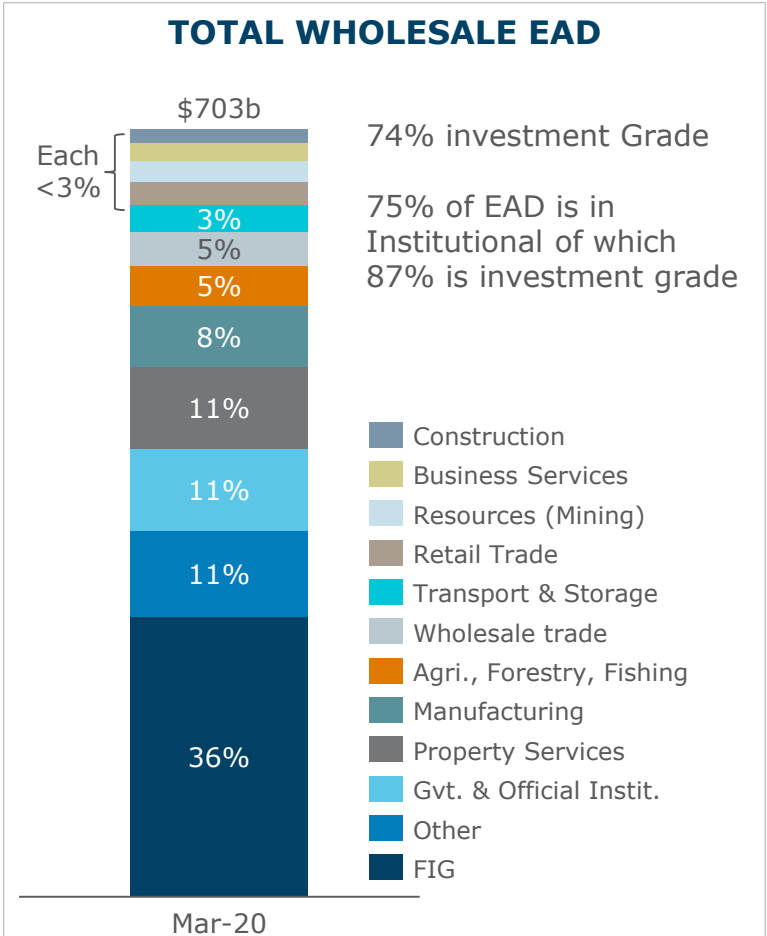
Weightings are applied to provisioning scenarios to determine collective provision balance (\$m)



Scenario	Base	Downside	Severe
Intensity of downturn	High	Medium	High
Duration of downturn	Short	Medium	Long
Level of govt. & central bank support for the economy	High	Medium	High
Time to full recovery	Medium	Medium	Long

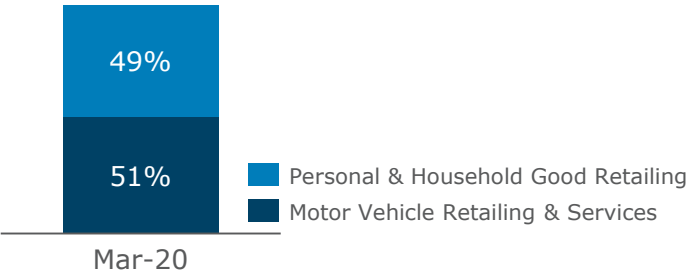
1. Subset of a range of economic indicators shown. Economic forecasts also undertaken for international markets
2. Jun-20 Qtr: Quarter on Quarter change; CY2020 & CY2021: December Year on Year change
3. Annual average
4. Illustration of the impact on ANZ's Expected Credit Loss (ECL) allowance under scenarios where a 100% weighting is applied

# INSTITUTIONAL & COMMERCIAL PORTFOLIO<sup>1</sup>

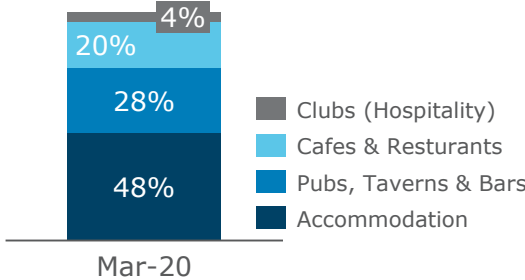


## EXPOSURE TO SOME INDUSTRIES MORE IMMEDIATELY IMPACTED BY COVID-19<sup>2</sup>

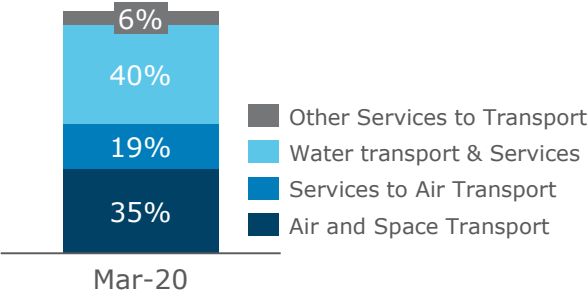
\$11b in Retail Trade



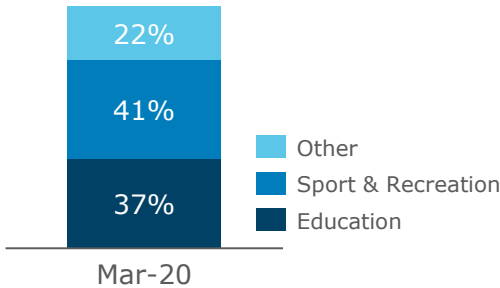
\$11b in Accommodation, Cafes & Restaurants



\$13b in Transport & Storage



\$6b in Education, Cultural & Recreational Services



1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral

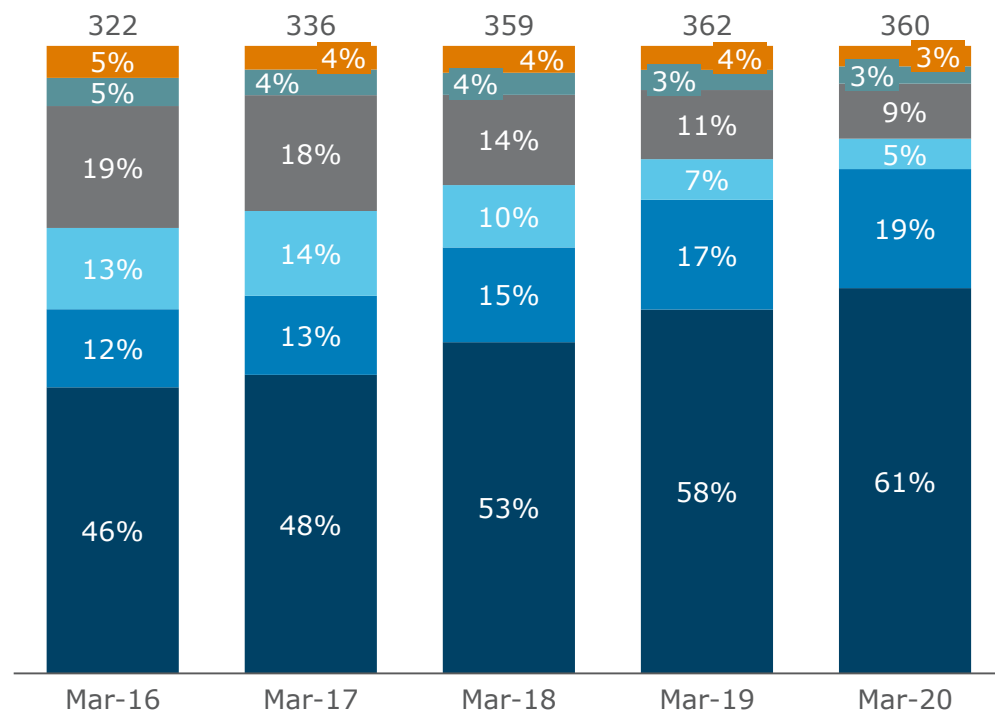
2. Exposure represents a subset of the relevant industry group more immediately impacted by COVID-19

# CONSUMER PORTFOLIO

## PORTFOLIO COMPOSITION

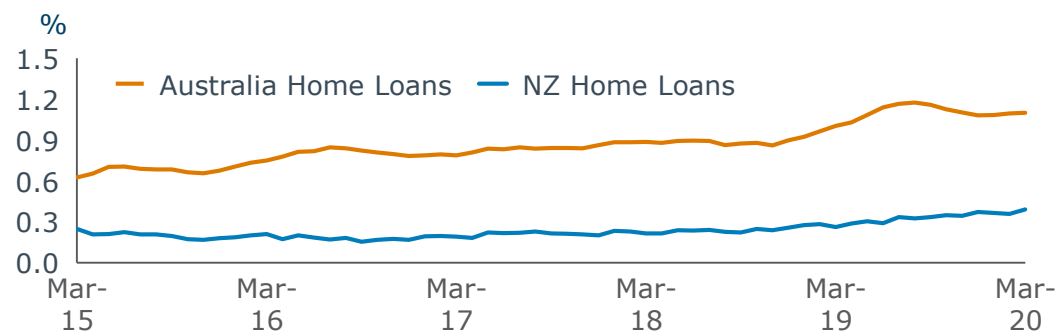
### CONSUMER PORTFOLIO<sup>1</sup> (AUS & NZ)

\$b



■ Housing OO P&I   
 ■ Housing OO I/O   
 ■ Equity Mgr  
■ Housing Inv P&I   
 ■ Housing Inv I/O   
 ■ Unsecured personal

### PRODUCT 90+ DAY DELINQUENCIES<sup>2</sup>



Home Loan portfolio dynamics <sup>3</sup> (Mar-20)	Australia	NZ
Average LVR at Origination	68%	57%
Average Dynamic LVR (excl. offsets)	56%	40%
% Owner Occupied	68%	75%
% Principal & Interest	86%	81%
% Low Doc	3%	0.3%
Loss Rate	3bps	1bps
% Ahead of Repayments	76%	N/A <sup>4</sup>

1. Net Loans & Advances
2. Includes Non-Performing Loans
3. Refer Australia & New Zealand Housing Portfolio section within the discussion pack for full list of portfolio dynamics, definitions and explanations
4. Majority of NZ home loans (86% of the portfolio at Mar-20) are on fixed rate with set repayments

# CUSTOMER SUPPORT<sup>1</sup>

COVID-19 RELIEF AND ASSISTANCE (AS AT 24 APRIL 2020)

## AUSTRALIA

### Home loans

Requests for repayment deferral <sup>2</sup>	~105,000
Lending value of assistance requested	\$36b
Average dynamic LVR	66%

### Business loans<sup>3</sup>

Lending value of repayment deferrals	\$7.5b
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## NEW ZEALAND

### Home loans

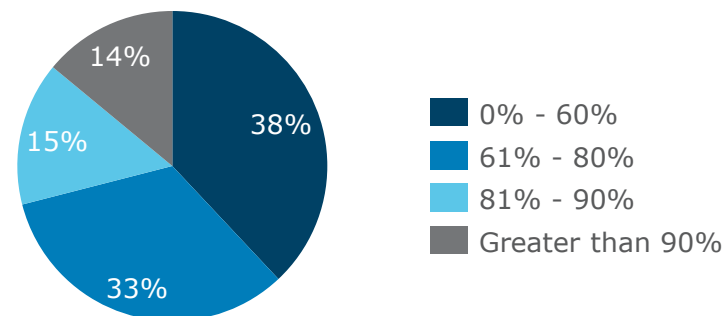
Requests for repayment deferral	~19,000
Lending value of assistance requested	NZD 12b

### Business loans

Temporary overdraft for working capital	NZD 25m
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## AUSTRALIA HOME LOANS

RELIEF ASSISTANCE REQUESTS (BY DLVR BAND)



## AUSTRALIA BUSINESS LENDING

RELIEF BY INDUSTRY (% OF LENDING EXPOSURE)



1. Requests by number of accounts
2. includes all requests for assistance by COVID19 impacted customers
3. Business loans as at 20<sup>th</sup> April 2020

# **CAPITAL AND DIVIDEND CONSIDERATIONS**

## THREE KEY FACTORS THAT INFLUENCE OUR THINKING

1. COVID-19 impacts to earnings and risk weight migration
2. Use of capital buffers
3. Our responses – including capital allocation, balance sheet growth, productivity measures



## CEO KEY MESSAGES

- Our long term strategy remains intact
- In a strong position to manage the crisis
- Remain committed to our \$8b cost ambition
- Short-term use of CET1 buffers are prudent and appropriate given what we know today

# 2020 HALF YEAR RESULTS

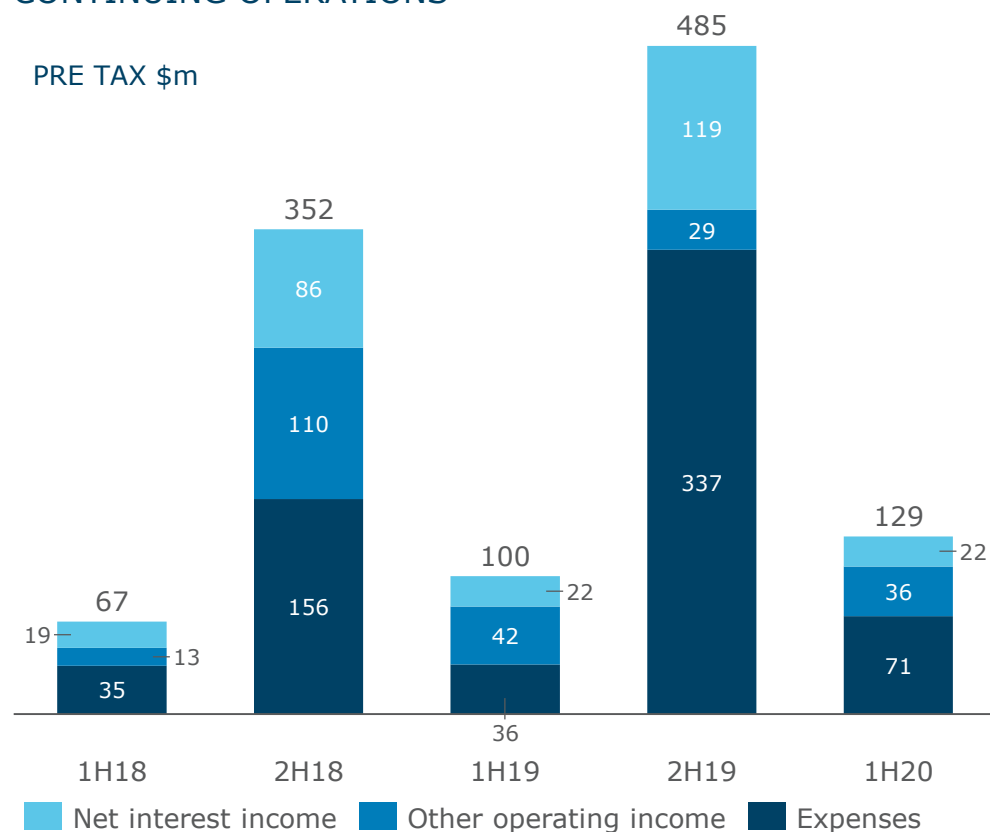
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**INVESTOR DISCUSSION PACK**  
GROUP & DIVISIONAL FINANCIAL PERFORMANCE

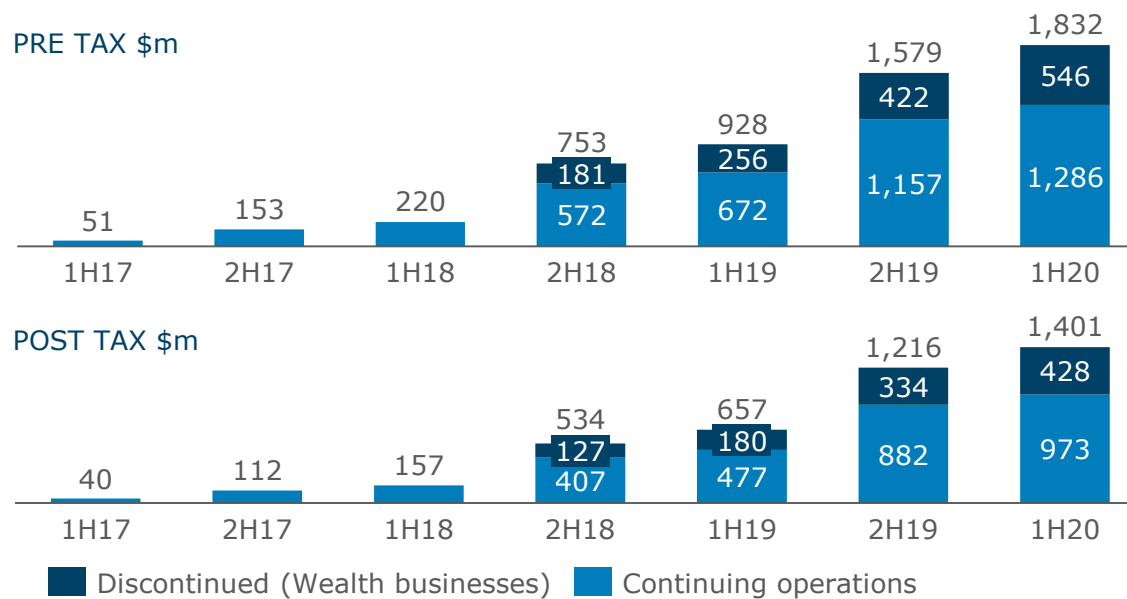


# CUSTOMER REMEDIATION

## CUSTOMER REMEDIATION CONTINUING OPERATIONS



## CUMULATIVE CUSTOMER REMEDIATION CONTINUING & DISCONTINUED OPERATIONS



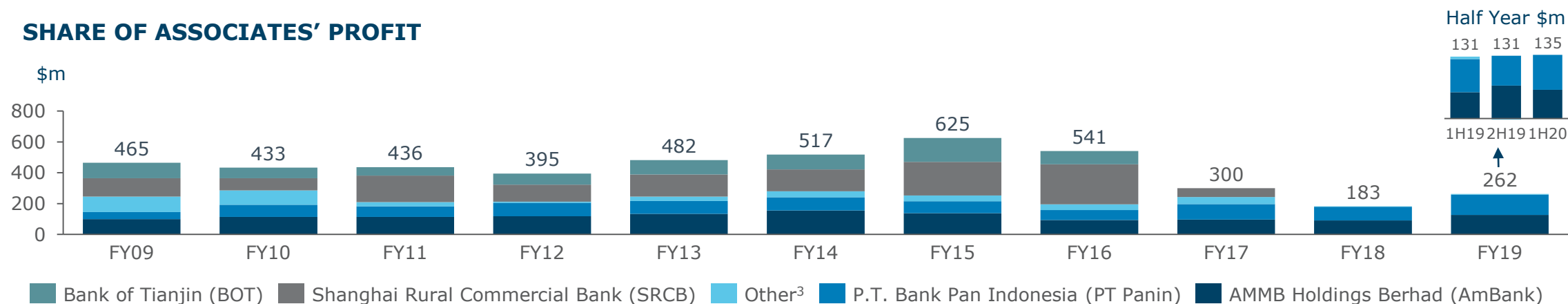
### Balance Sheet<sup>1</sup>

\$1,094m provisions on Balance Sheet at Mar-20 (\$1,139m at Sep-19)

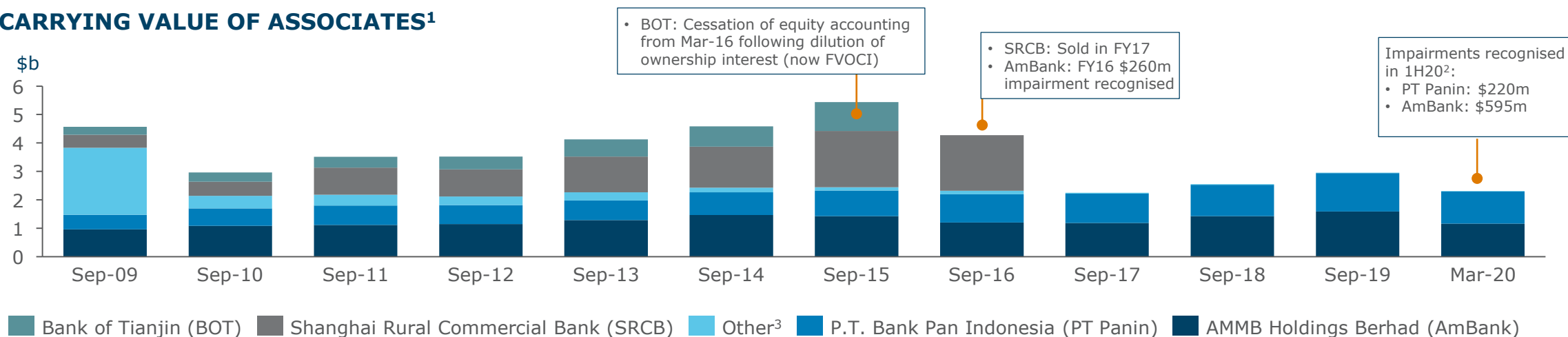
1. Includes provisions for expected refunds to customers, remediation project costs and related customer and regulatory claims, penalties and litigation outcomes

# INVESTMENTS IN ASSOCIATES

## SHARE OF ASSOCIATES' PROFIT



## CARRYING VALUE OF ASSOCIATES<sup>1</sup>



1. Investment in banking associates and minority interests are treated as a deduction from Common Equity Tier 1 Capital as noted in Table 2 of ANZ's capital management disclosures (refer ANZ First Half 2020 Consolidated Financial Report and Dividend Announcement and Appendix 4E – Supplementary information)

2. Information on the impairment of AMMB and PT Panin is contained within ANZ First Half 2020 Consolidated Financial Report and Dividend Announcement and Appendix 4E – Note 1

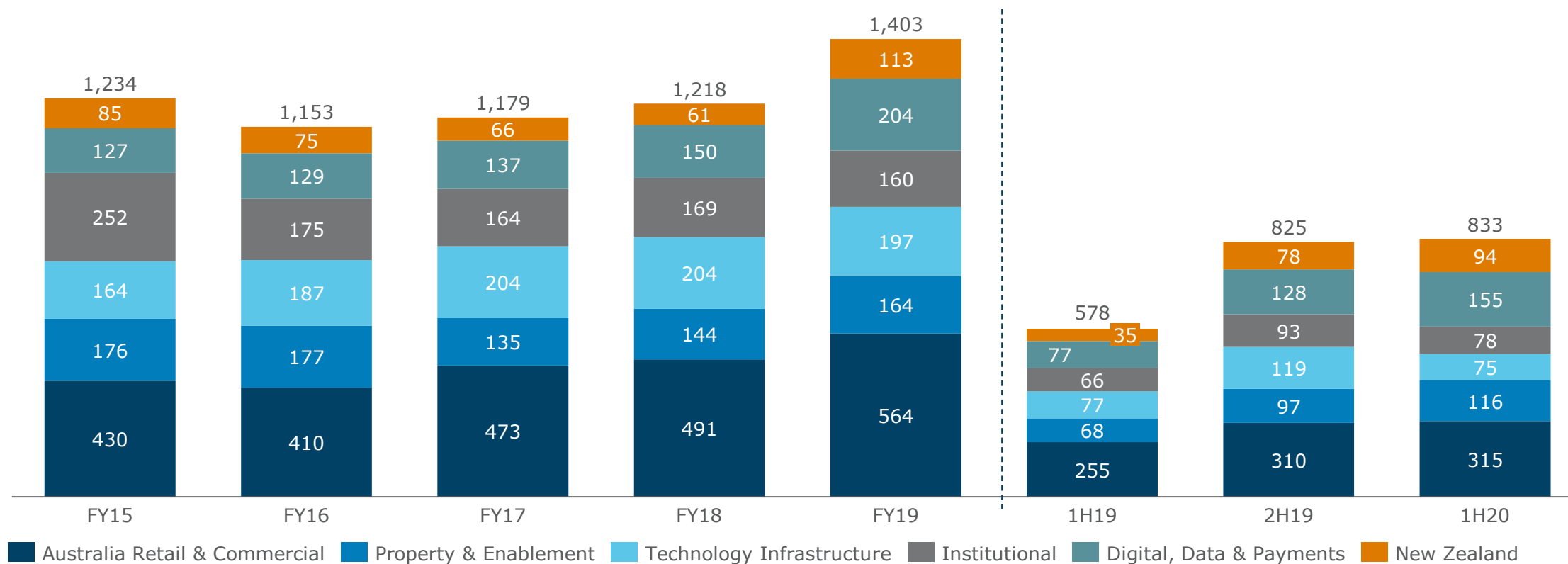
3. Other includes joint venture with ING (up to Nov-09)

# INVESTMENT SPEND

## CONTINUING OPERATIONS

### TOTAL INVESTMENT SPEND BY DIVISION<sup>1</sup>

Capex and Opex \$m



1. Prior periods restated from previously reported information to include technology infrastructure spend, property projects and scaled agile delivery

# RISK ADJUSTED PERFORMANCE

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS<sup>1</sup>

## GROUP<sup>2,3</sup>

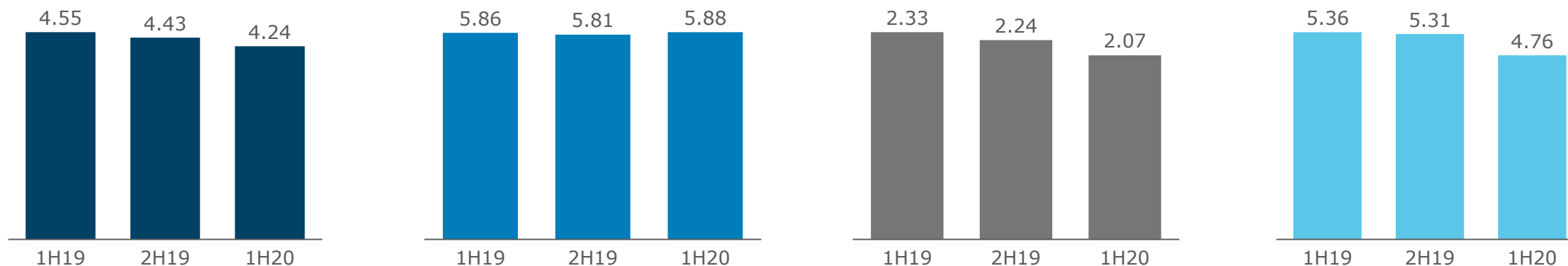
## AUS. RETAIL & COMMERCIAL

## INSTITUTIONAL<sup>2,3</sup>

## NEW ZEALAND

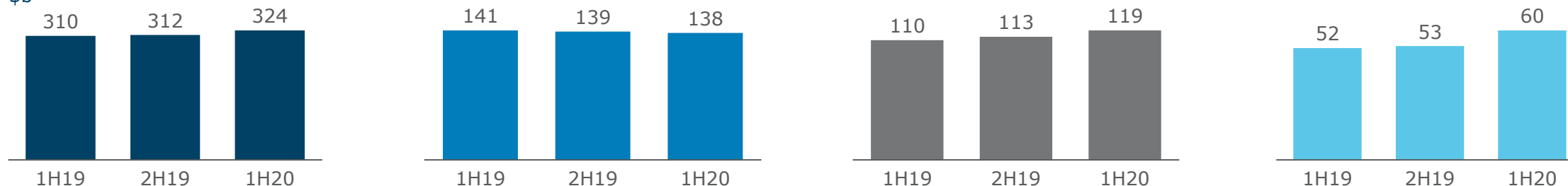
NET INTEREST INCOME / AVERAGE CREDIT RISK WEIGHTED ASSETS

%



AVERAGE CREDIT RISK WEIGHTED ASSETS

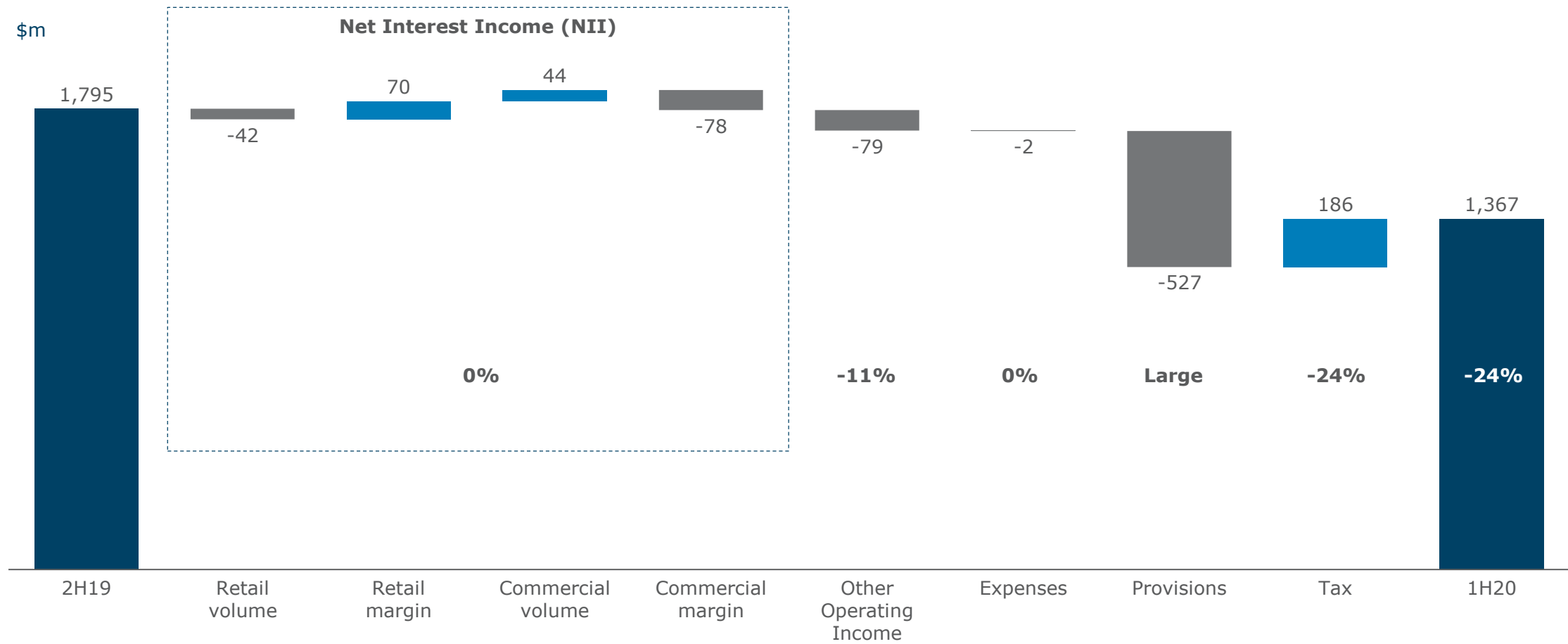
\$b



1. In AUD
2. Excluding Markets business unit
3. Adjusted for Balance Sheet impacts of divestments

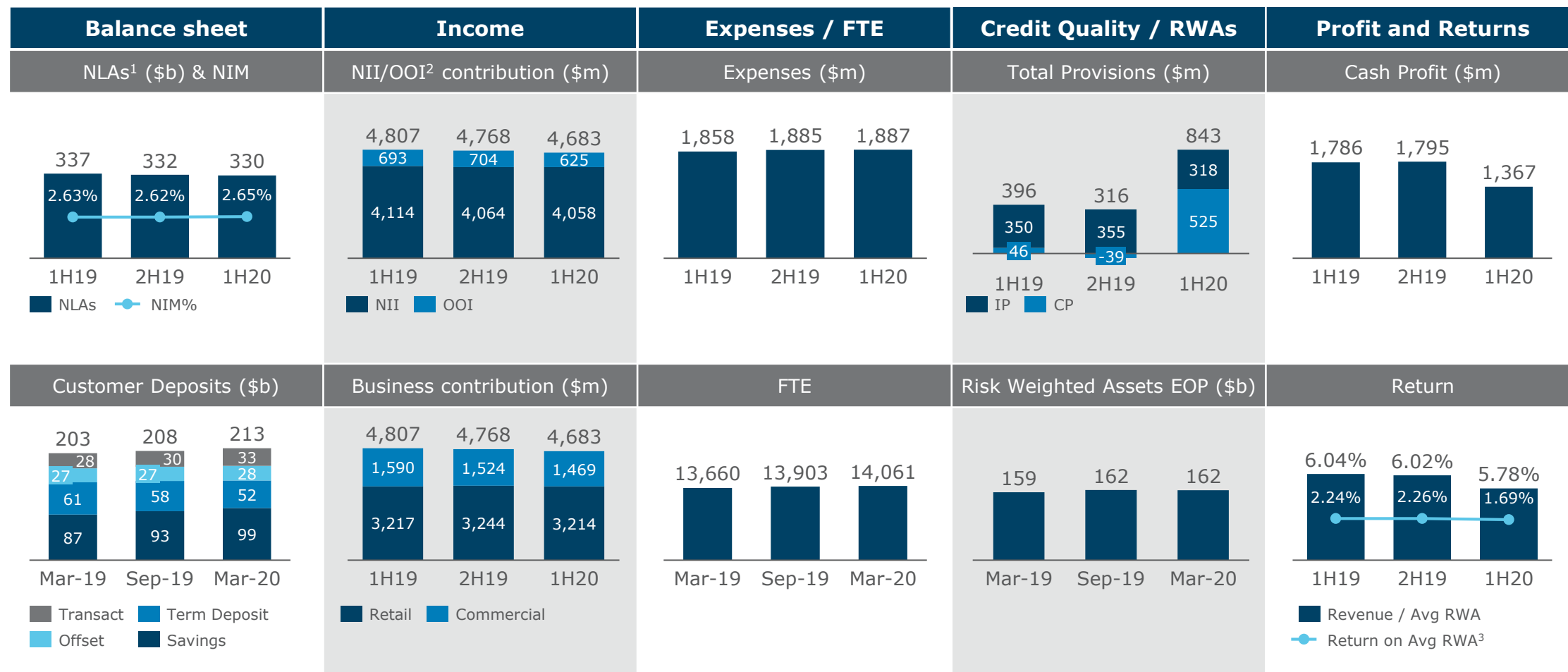
# AUSTRALIA RETAIL & COMMERCIAL

CASH PROFIT DRIVERS: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS



# AUSTRALIA RETAIL & COMMERCIAL

## FINANCIAL PERFORMANCE: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

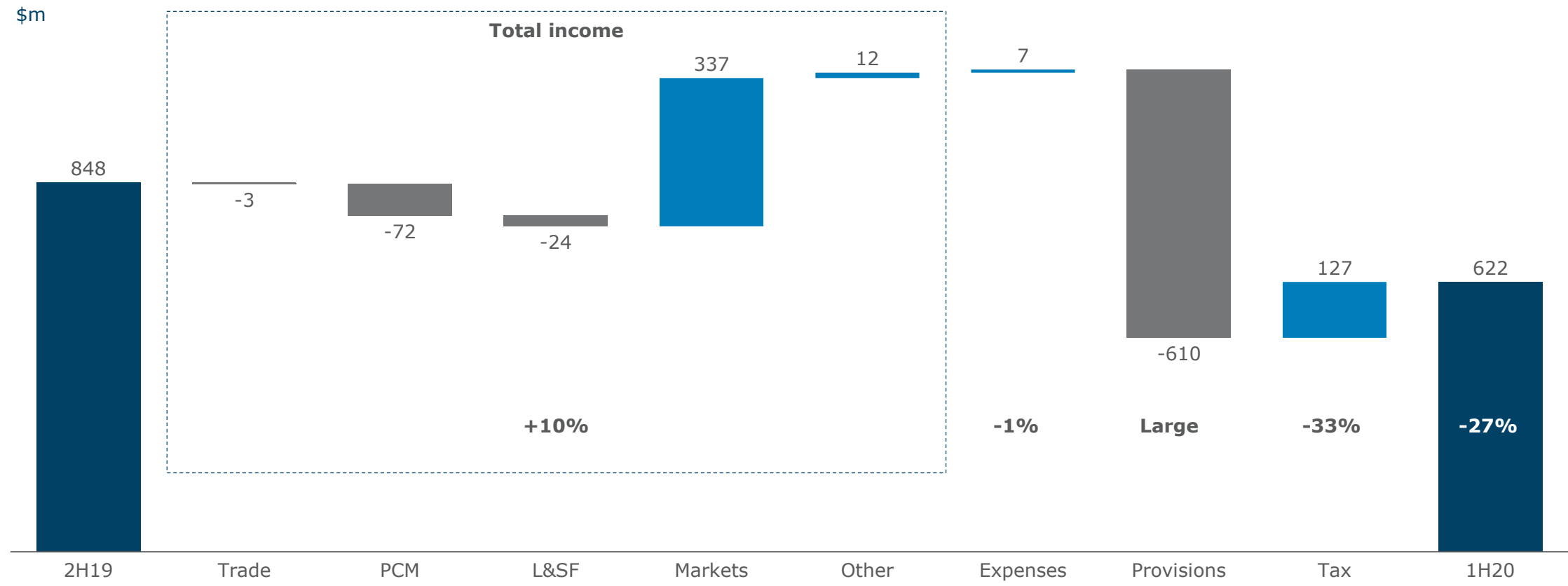


1. NLAs: Net Loans & Advances
2. NII: Net Interest Income; OOI: Other Operating Income
3. Cash profit divided by average risk weighted assets



# INSTITUTIONAL

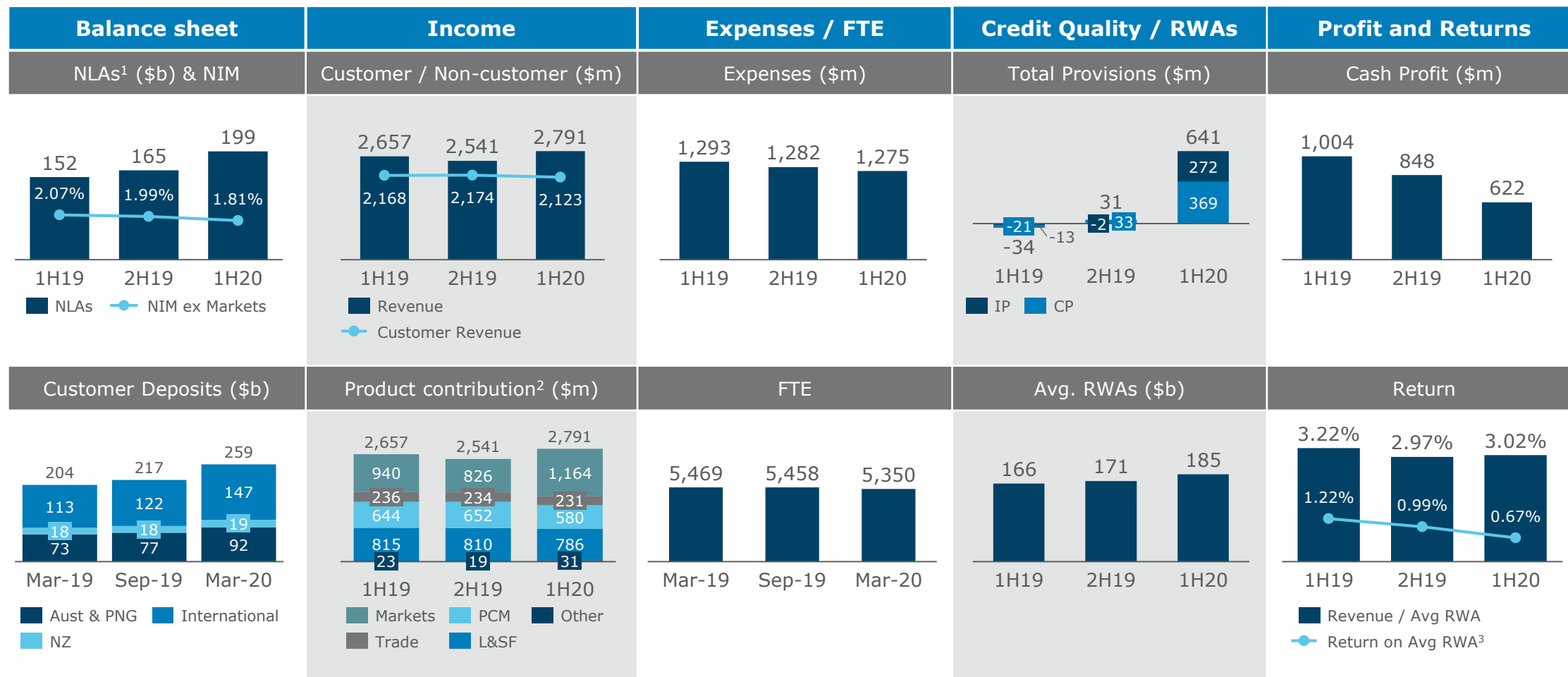
## CASH PROFIT DRIVERS: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS



1. Trade: Trade & Supply Chain; PCM: Payments & Cash Management; L&SF: Loans & Specialised Finance

# INSTITUTIONAL

## FINANCIAL PERFORMANCE: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

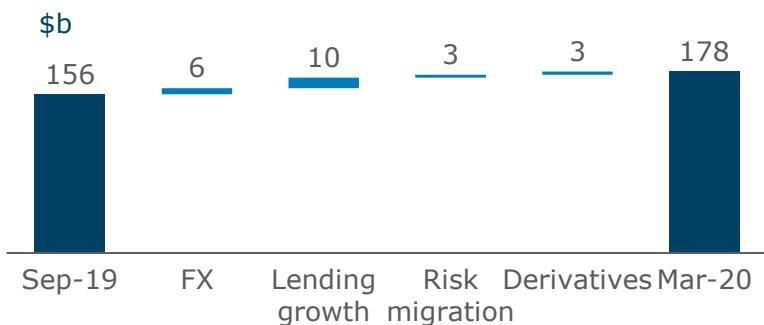


1. NLAs: Net Loans & Advances
2. Trade: Trade & Supply Chain; PCM: Payments & Cash Management; L&SF: Loans & Specialised Finance
3. Cash profit divided by average risk weighted assets

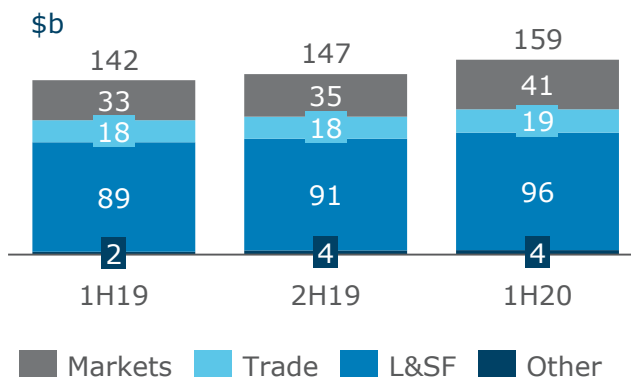
# INSTITUTIONAL

## RISK WEIGHTED ASSETS & RISK ADJUSTED RETURNS: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

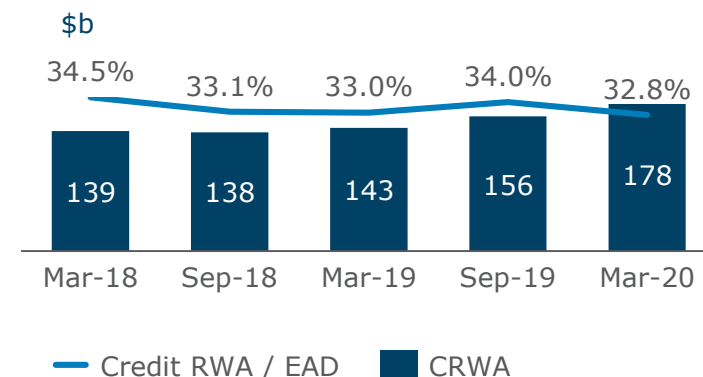
### CREDIT RWA (EOP)



### CREDIT RWA (AVG)<sup>1</sup>

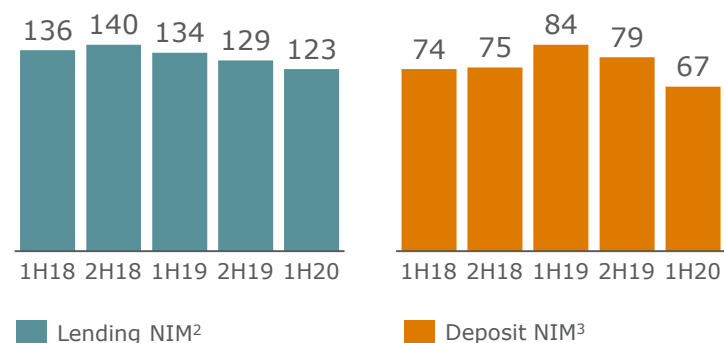


### CREDIT RWA INTENSITY (EOP)



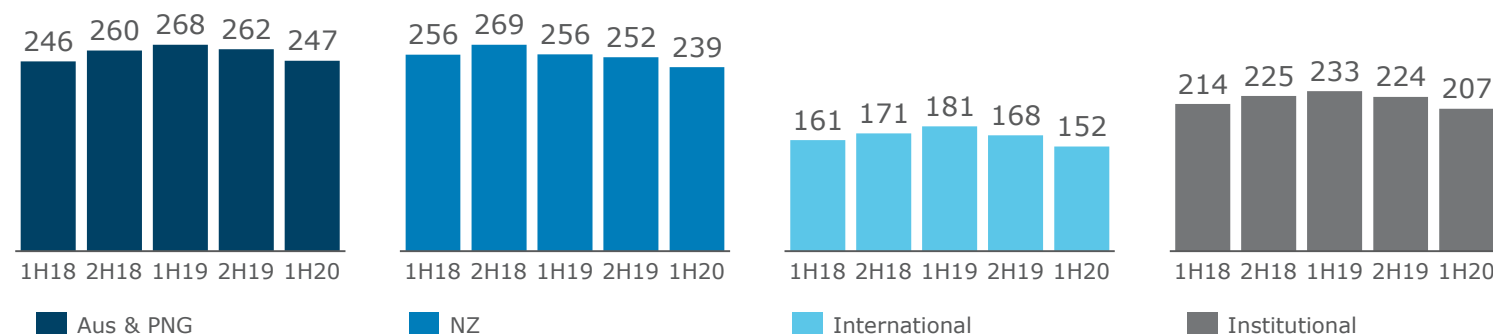
### NIM

bps



### RISK ADJUSTED NIM<sup>4</sup>

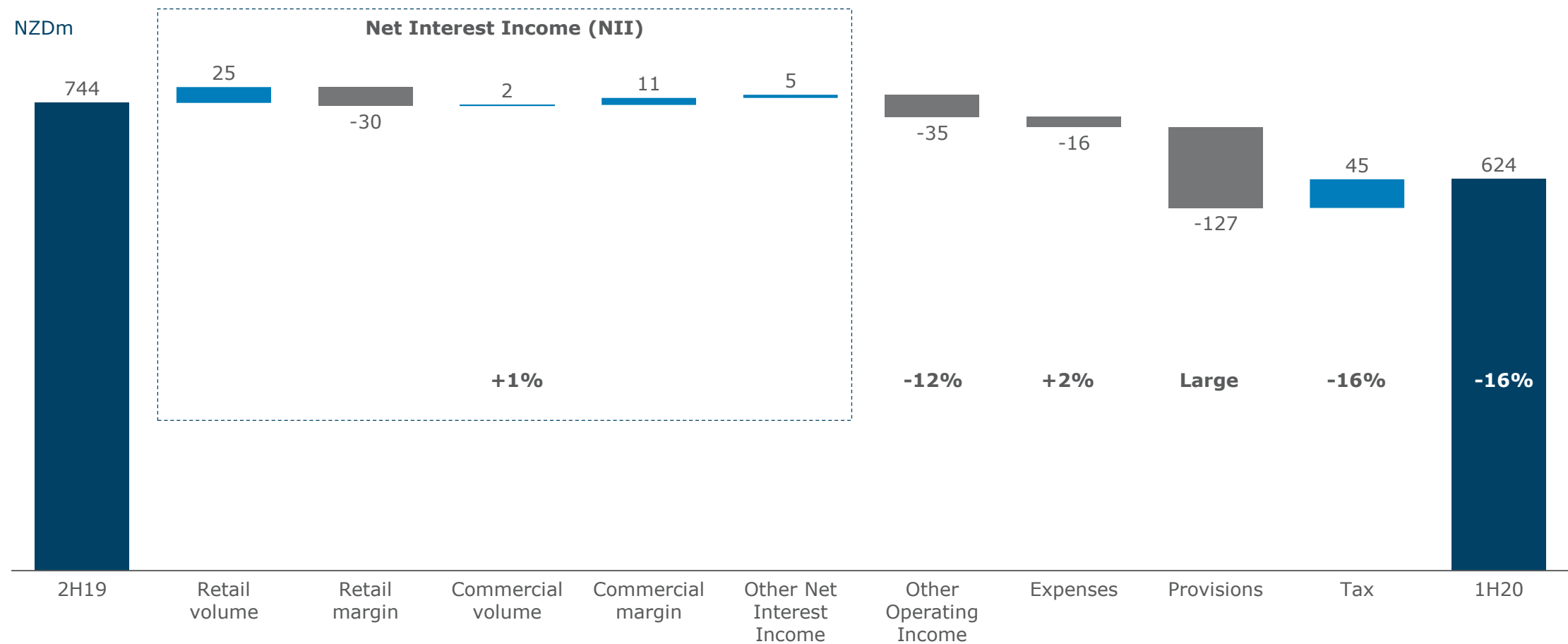
bps



1. Trade: Trade and Supply Chain; L&SF: Loans and Specialised Finance
2. Lending NIM represents L&SF and Trade
3. Deposit NIM represents Payments & Cash Management (PCM)
4. Institutional ex-Markets net interest income divided by average credit risk weighted assets

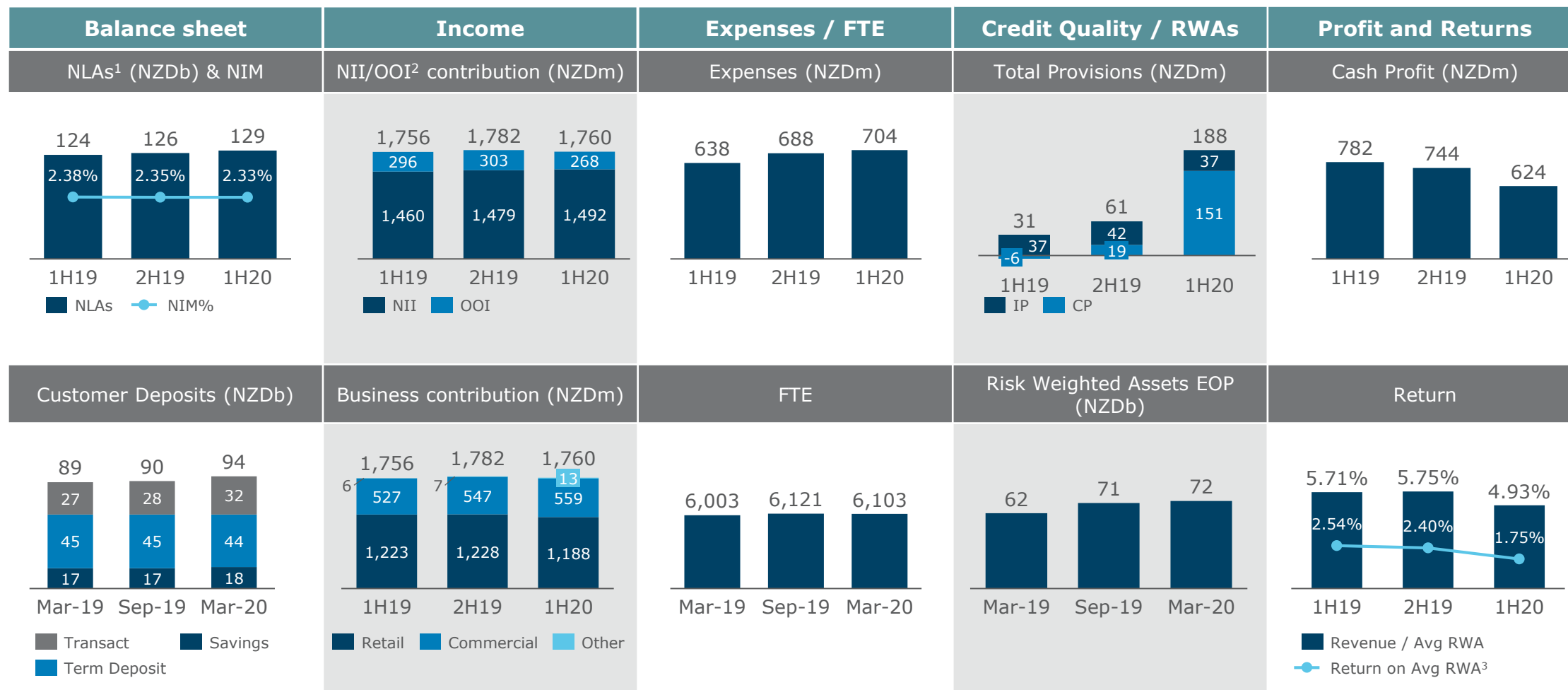
# NEW ZEALAND DIVISION

CASH PROFIT DRIVERS: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS



# NEW ZEALAND DIVISION

## FINANCIAL PERFORMANCE: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS



1. NLAs: Net Loans & Advances
2. NII: Net Interest Income; OOI: Other Operating Income
3. Cash profit divided by average risk weighted assets

# 2020 HALF YEAR RESULTS

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INVESTOR DISCUSSION PACK  
TREASURY



# REGULATORY CAPITAL

## CAPITAL UPDATE

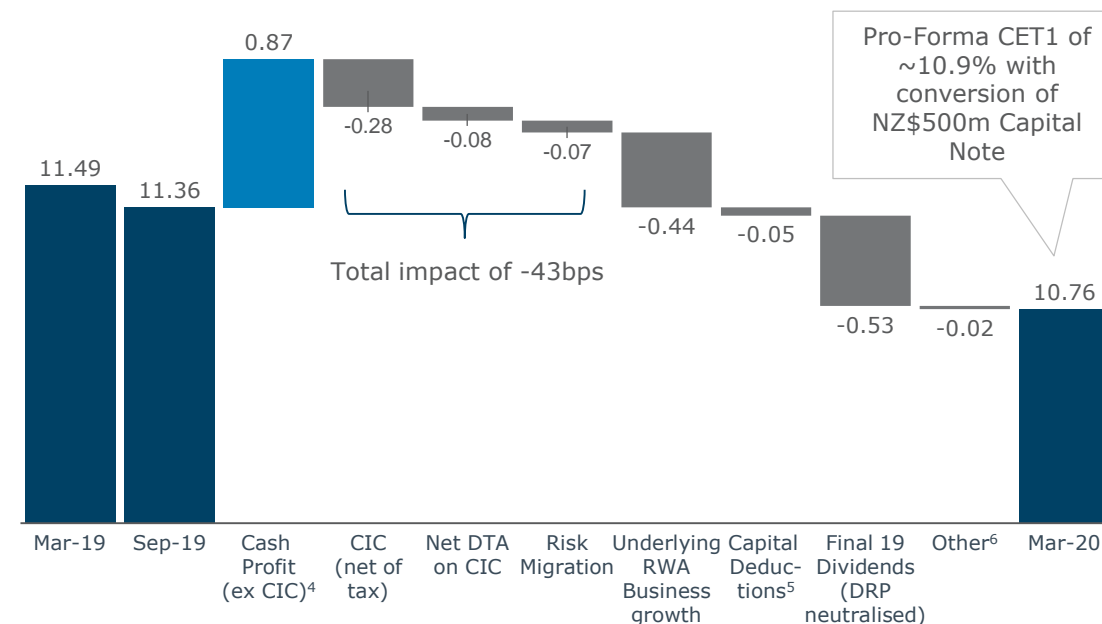
- APRA Level 2 CET1 ratio of 10.8% (15.5% on an Internationally Comparable basis<sup>1</sup>), which is in excess of APRA's 'Unquestionably Strong' benchmark<sup>2</sup>
- APRA Level 1 CET1 ratio of 10.6%. Level 1 consolidation primarily comprises ANZ BGL (the Parent including offshore branches) but excludes offshore banking subsidiaries<sup>3</sup>
- APRA Leverage ratio of 5.0% (or 5.6% on an Internationally Comparable basis)

## REGULATORS RESPONSES ON COVID-19 DISRUPTION

- APRA
  - Advised ADIs of the ability to use existing capital buffers (i.e. below the Unquestionably Strong CET1 benchmark of 10.5%)
  - Deferral of implementation of capital framework reforms by one year
  - Exemption from having to treat affected customers who have taken up the option of repayment deferral or repayment holidays as arrears or restructured
- RBNZ
  - Delay the start date of increased NZ capital requirements by 12 months to July 2021 and consultation on other regulatory initiatives by 6 months
  - Extension to revised outsourcing policy (BS11) by 12 months to Oct 2023
  - Agreement with NZ banks on suspension of ordinary share dividend payments and capital security redemptions. AT1 coupon payments can still be made

## APRA LEVEL 2 COMMON EQUITY TIER 1 RATIO (CET1)

%

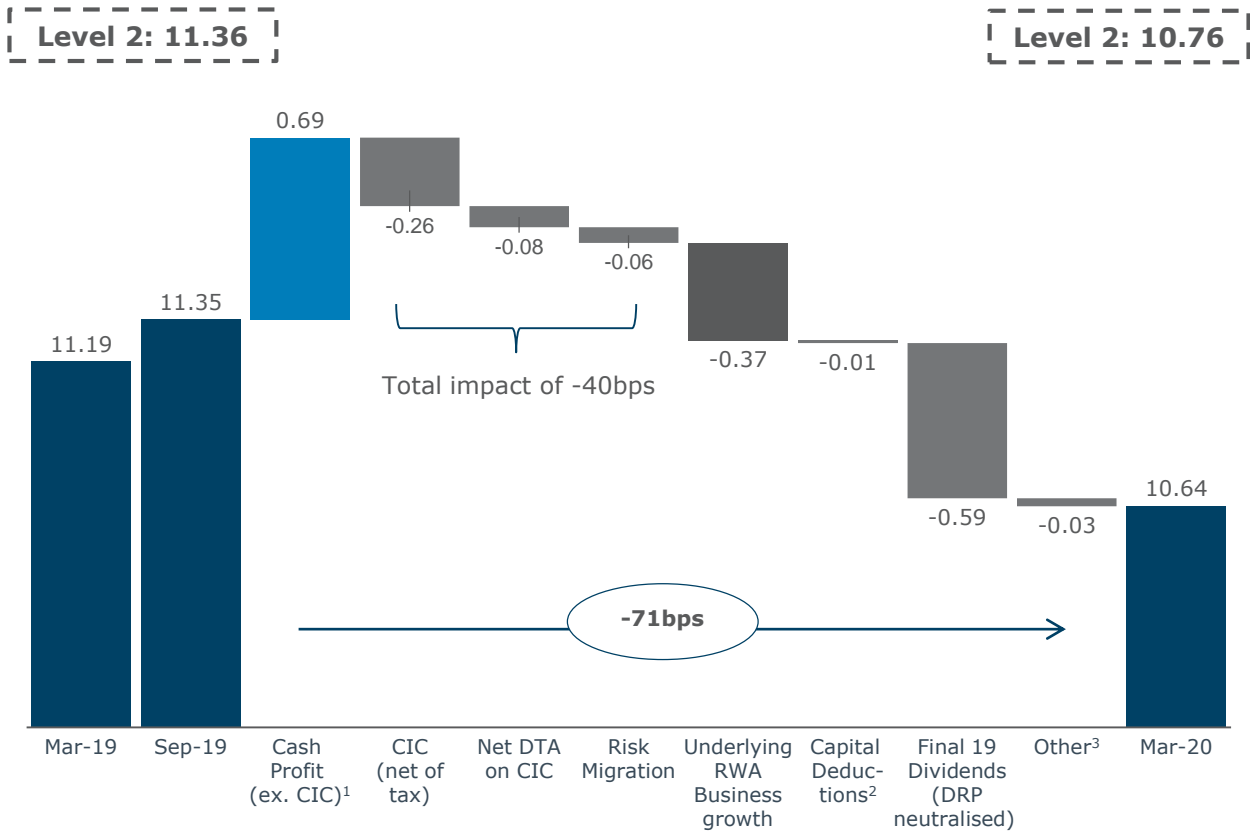


1. Internationally Comparable methodology aligns with APRA's information paper entitled International Capital Comparison Study (13 July 2015). Basel III Internationally Comparable ratios do not include an estimate of the Basel I capital floor. 2. Based on APRA information paper "Strengthening banking system resilience – establishing unquestionably strong capital ratios" released in July 2017. 3. Refer to ANZ Basel III APS330 Pillar 3 disclosures. 4. Excludes large / notable items & one-off items. 5. Mainly comprises the movement in retained earnings in deconsolidated entities and capitalised software. 6. Other impacts include divestment benefits from Pensions and Investments business, net imposts (incl. AASB16 impacts), movements in non-cash earnings, net foreign currency translation and other

# REGULATORY CAPITAL

## APRA LEVEL 1 CET1 RATIO

%



APRA LEVEL 2 VS LEVEL 1 CET1 RATIOS	bps
Level 2 HoH mvmt	-60
Level 1 HoH mvmt	-71
Level 2 vs Level 1 Mvmt	11
<i>Explained by</i>	
Cash Profit <sup>1</sup>	16
RWA movement	-8
Other	3

- Level 2 includes Cash earnings and RWA movement from ANZ subsidiaries (e.g. ANZ Bank New Zealand) that are outside of Level 1.
- Level 2 CET1 decline is ~11bps lower than Level 1 mainly due to earnings from ANZ Bank NZ (not remitted as dividends into the Level 1 entity), partially offset by RWA growth in the NZ banking subsidiary.

1. Excludes large/notable items & one-off items. 2. Mainly comprises the movement in retained earnings in deconsolidated entities and capitalised software. 3. Other impacts include divestment benefits from Pensions and Investments business, net imposts (incl. AASB16 impacts), movements in non-cash earnings, net foreign currency translation and other.



# INTERNATIONALLY COMPARABLE<sup>1</sup> REGULATORY CAPITAL POSITION

APRA Level 2 CET1 Ratio– 31 March 2020		10.8%
Corporate undrawn EAD and unsecured LGD adjustments	Australian ADI unsecured corporate lending LGDs and undrawn CCFs exceed those applied in many jurisdictions	1.6%
Equity Investments & DTA	APRA requires 100% deduction from CET1 vs. Basel framework which allows concessional threshold prior to deduction	0.9%
Mortgages	APRA requires use of 20% mortgage LGD floor vs. 10% under Basel framework. Additionally, APRA also requires a higher correlation factor vs 15% under Basel framework	1.1%
Specialised Lending	APRA requires supervisory slotting approach which results in more conservative risk weights than under Basel framework	0.7%
IRRBB RWA	APRA includes in Pillar 1 RWA. This is not required under the Basel framework	0.2%
Other	Includes impact of deductions from CET1 for capitalised expenses and deferred fee income required by APRA, currency conversion threshold and other retail standardised exposures	0.2%
Basel III Internationally Comparable CET1 Ratio		15.5%
Basel III Internationally Comparable Tier 1 Ratio		17.8%
Basel III Internationally Comparable Total Capital Ratio		21.5%

## Level 2 CET1 Ratio



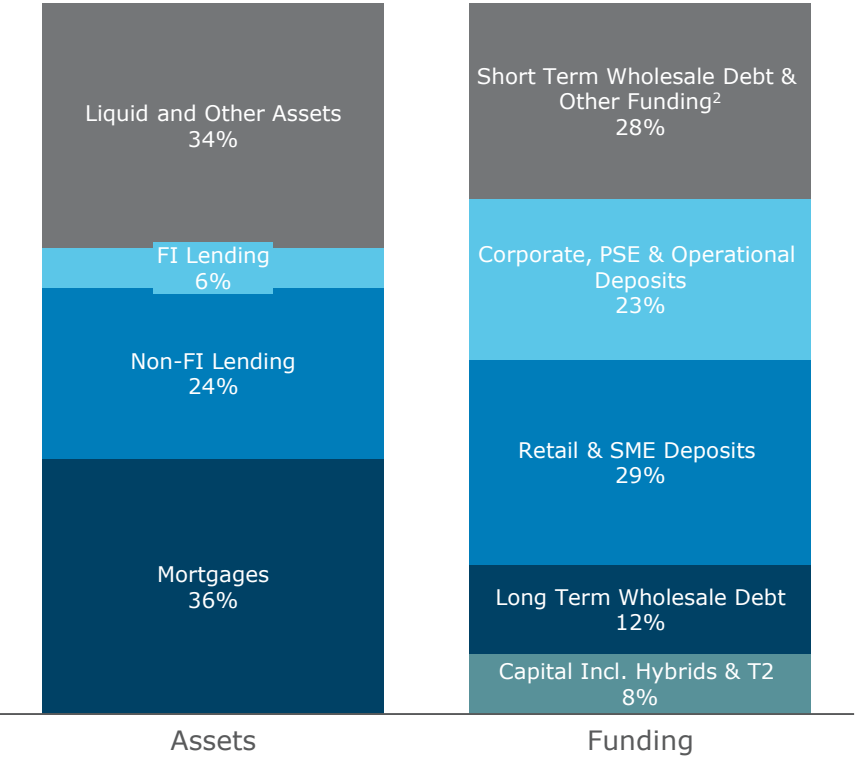
1. Internationally Comparable methodology aligns with APRA's information paper entitled International Capital Comparison Study (13 July 2015). Basel III Internationally Comparable ratios do not include an estimate of the Basel I capital floor

# BALANCE SHEET STRUCTURE<sup>1</sup>

- Assuming no term wholesale debt issuance (domestic or offshore) for the next 18 months ANZ’s Net Stable Funding Ratio is projected to remain well above regulatory minimums at greater than 110%

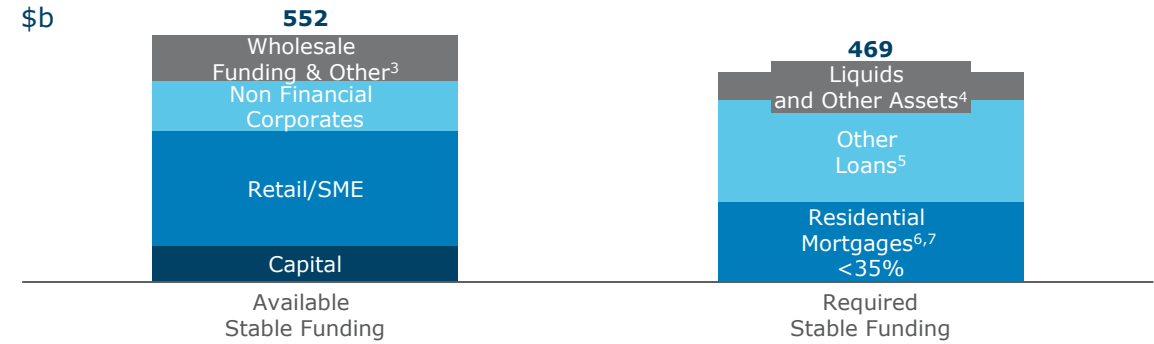
## BALANCE SHEET COMPOSITION

Mar-20

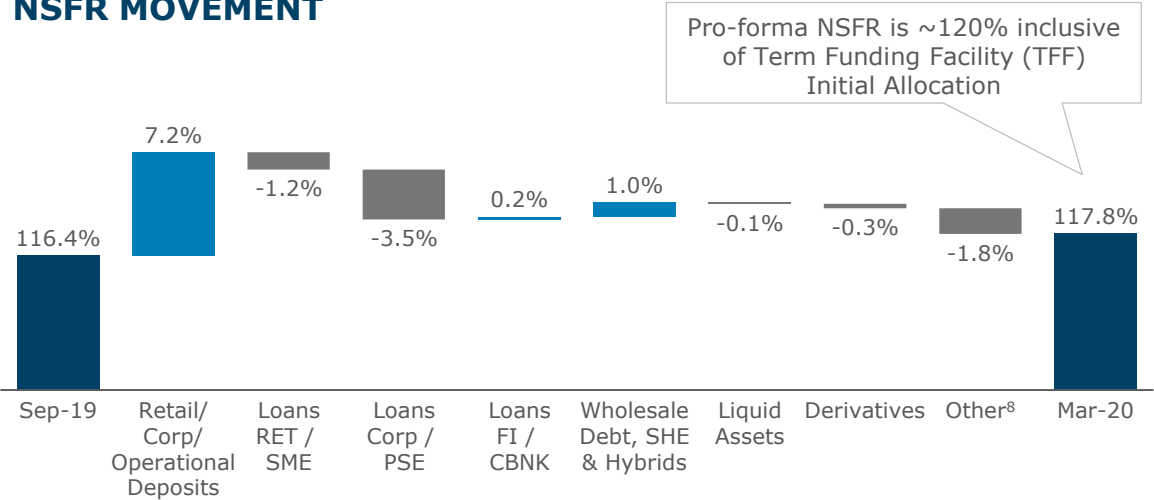


## NSFR COMPOSITION

Mar-20



## NSFR MOVEMENT



1. NSFR Required Stable Funding (RSF) and Available Stable Funding (ASF) categories and all figures shown are on a Level 2 basis per APRA prudential standard APS210. 2. Includes FI/Bank deposits, Repo funding and other short dated liabilities. 3. 'Other' includes Sovereign, and non-operational FI Deposits. 4. 'Other Assets' include Off Balance Sheet, Derivatives, Fixed Assets and Other Assets. 5. All lending >35% Risk weight. 6. Includes NSFR impact of self-securitised assets backing the Committed Liquidity Facility (CLF). 7. <35% Risk weighting as per APRA Prudential Standard 112 Capital Adequacy: Standardised Approach to Credit Risk. 8. Net of other ASF and other RSF.

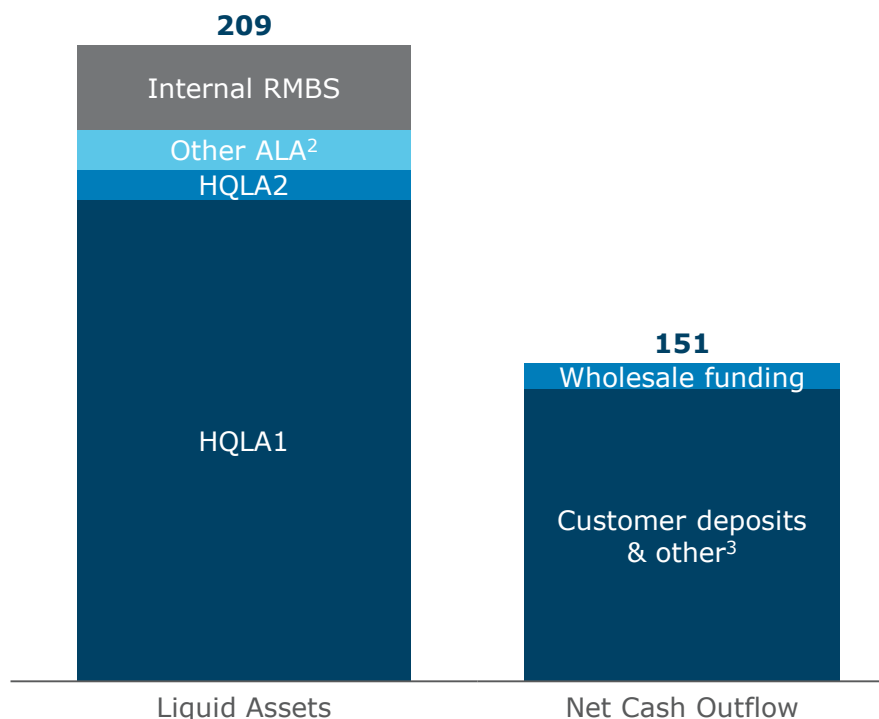
# LIQUIDITY COVERAGE RATIO (LCR) SUMMARY<sup>1</sup>

- ANZ's USCP outstanding's as at 31 March 2020 was USD13.5b
- Assuming all USCP is not replaced, LCR would remain at ~130%

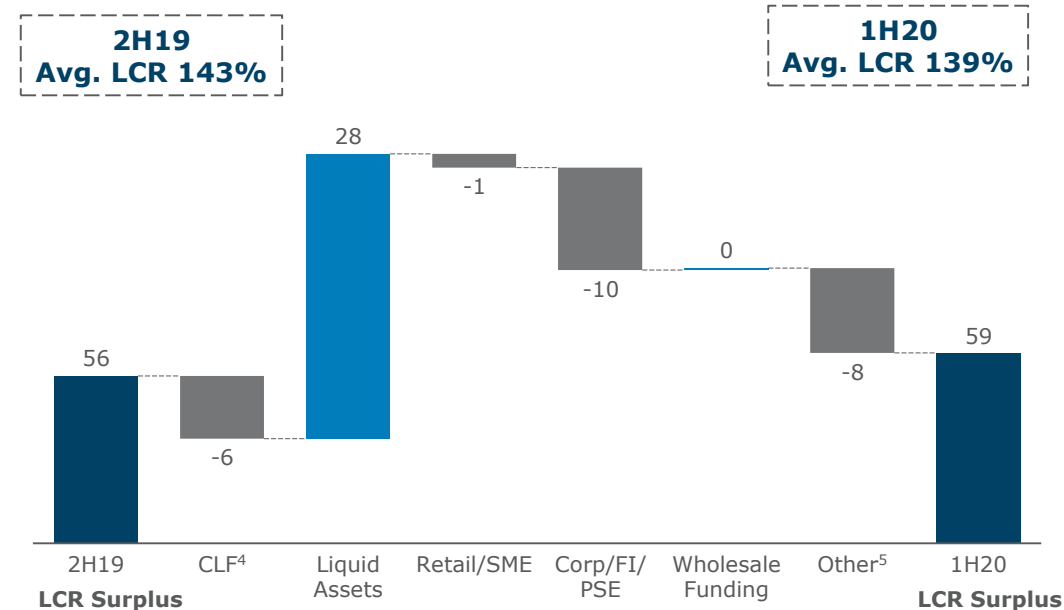
## LCR COMPOSITION (AVERAGE)

1H20

\$b



## MOVEMENT IN AVERAGE LCR SURPLUS (\$b)

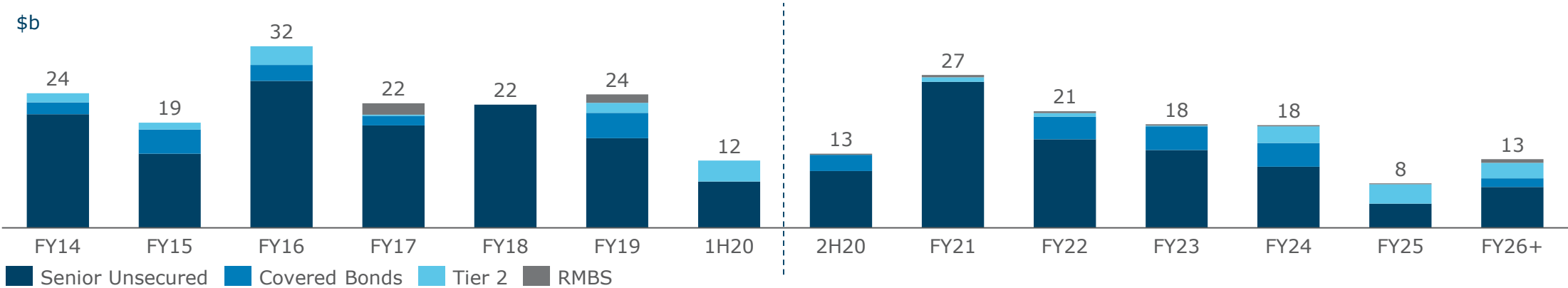


1. All figures shown on a Level 2 basis as per APRA Prudential Standard APS210. 2. Comprised of assets qualifying as collateral for the Committed Liquidity Facility (CLF), excluding internal RMBS, up to approved facility limit; and any assets contained in the RBNZ's liquidity Policy – Annex: Liquidity Assets – Prudential Supervision Department Document BS13A. 3. 'Other' includes off-balance sheet and cash inflows. 4. RBA CLF decreased by \$12.3b from 1 January 2020 to \$35.7b (2019: \$48.0b). 5. 'Other' includes off-balance sheet and cash inflows.

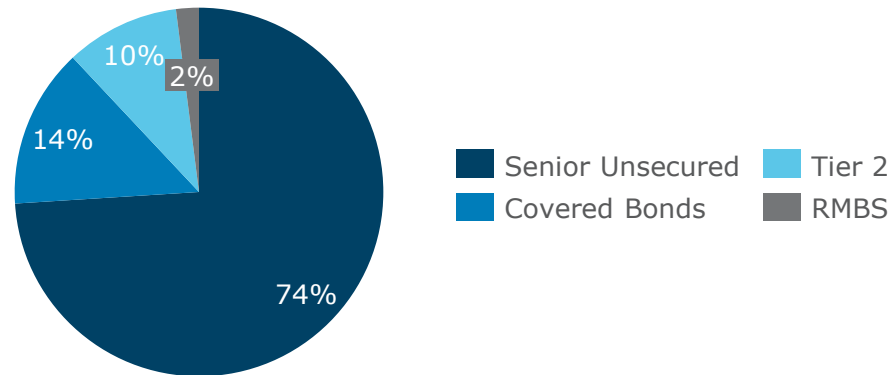
# TERM WHOLESALE FUNDING PORTFOLIO<sup>1</sup>

- ANZ’s term funding requirements depend on market conditions, balance sheet needs and exchange rates, amongst other factors
- RBA Term Funding Facility (TFF) Initial Allocation of ~\$12b
- ANZ estimates minimal senior debt term funding requirement for 2H20

## ISSUANCE

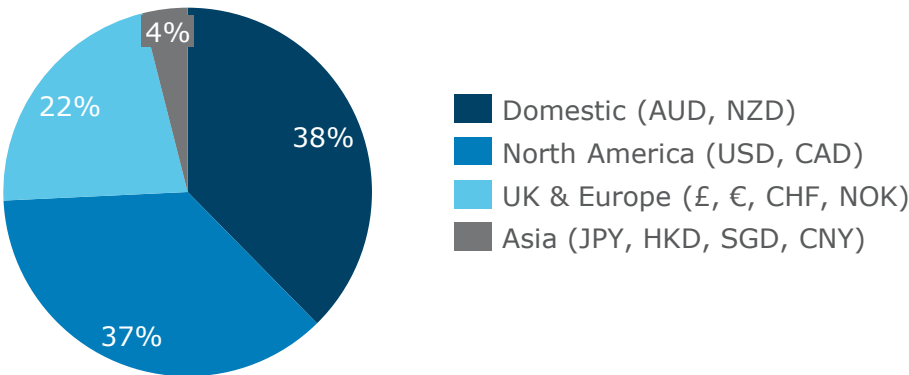


## PORTFOLIO



## MATURITIES

## PORTFOLIO BY CURRENCY



1. All figures based on historical FX and exclude AT1. Includes transactions with an original call or maturity date greater than 12 months as at the respective reporting date. Tier 2 maturity profile is based on the next callable date.

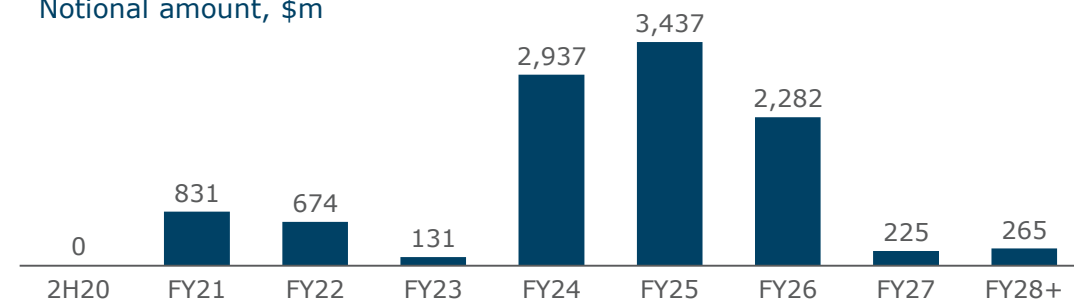
# ANZ'S TIER 2 FY20 REQUIREMENT IS COMPLETE<sup>1</sup>

## ANZ'S TIER 2 CAPITAL REQUIREMENT TO PROGRESSIVELY INCREASE TO MEET TLAC REQUIREMENT

- Issued AUD \$5.7b since July 2019 across AUD, EUR, and USD
- Current portfolio includes 29% in AUD (23% domestic AUD) – strong capacity remaining in AUD
- Annual total T2 issuance expected to be \$4-5b
- Issued AUD \$3.6b in 1H20 completing FY20 issuance requirements
- Required portfolio increase from \$10.8b to ~\$22b by January 2024 (based on current RWAs)
- Planned issuance in multiple currencies in both callable and bullet format
- Increased T2 issuance expected to be offset by reduction in other senior unsecured funding
- Well managed amortisation profile provides flexibility regarding issuance tenor

## FUNDING PROFILE

Notional amount, \$m

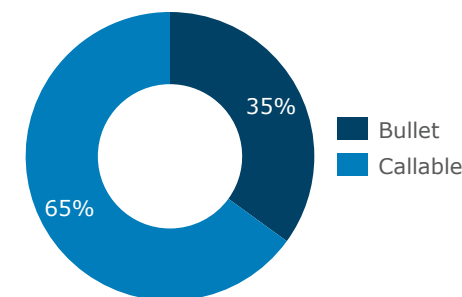


■ Scheduled Bullet and Call Date Profile

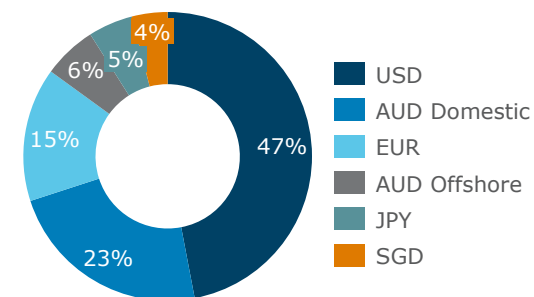
## TIER 2 CAPITAL

Notional amount

### By Format

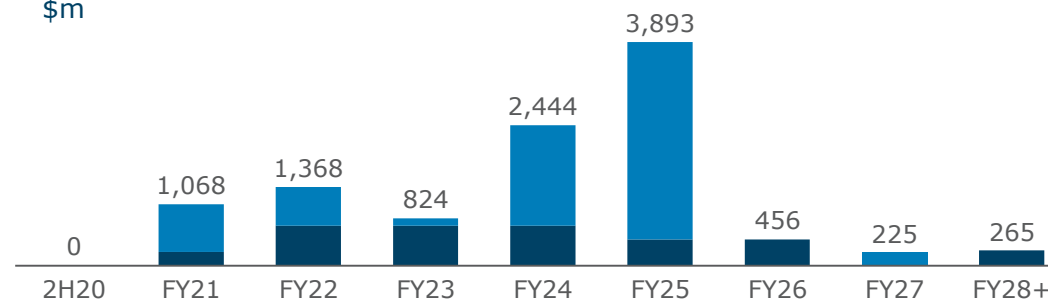


### By Currency



## CAPITAL AMORTISATION PROFILE<sup>2</sup>

\$m

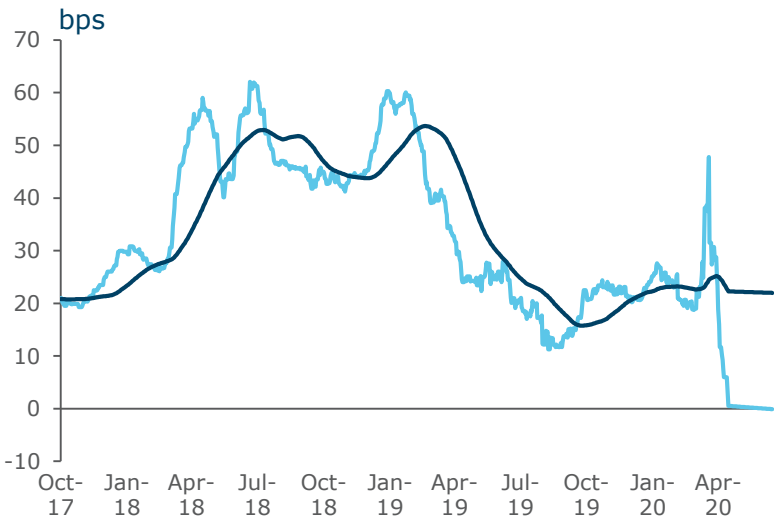


■ Bullet Amortisation ■ Callable

1. Profile is AUD equivalent based on historical FX, excluding Perpetual Floating rate notes issued 30 October 1986 (which loses Basel III transitional relief in 2021). Any call is subject to APRA's prior written approval and note holders should not expect approval to be given.
2. Amortisation profile is modelled based on scheduled first call date for callable structures and in line with APRA's amortisation requirements for bullet structures.

# IMPACTS OF RATE MOVEMENTS

## BILLS/OIS SPREAD

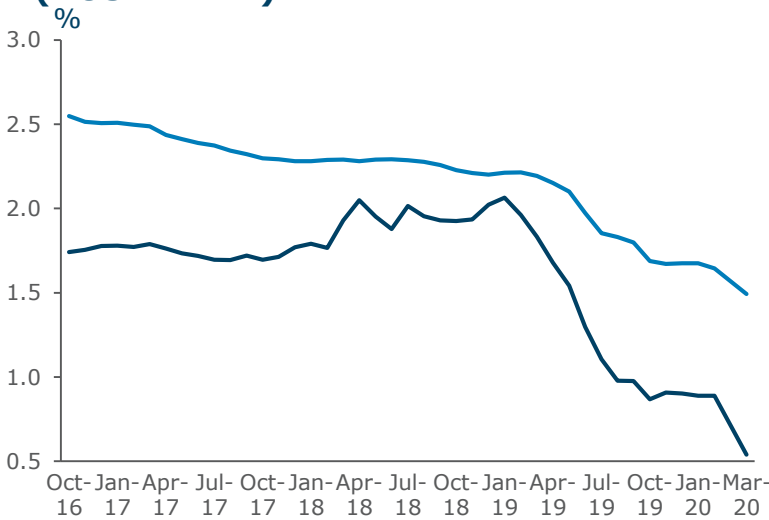


— Spot 3mth Bills/OIS Spread — Rolling 90 days

<b>FY17 Ave<sup>1</sup>: 26.0bps</b>	
1H17 Ave: 28.4bps	2H17 Ave: 25.2bps
<b>FY18 Ave<sup>1</sup>: 39.2bps</b>	
1H18 Ave: 24.4bps	2H18 Ave: 48.1bps
<b>FY19 Ave<sup>1</sup>: 33.9bps</b>	
1H19 Ave: 48.0bps	2H19 Ave: 27.0bps
<b>FY20 YTD Ave<sup>1</sup>: 23.7bps</b>	
1H20 Ave: 21.1bps	2H20 Ave: N/A

1. 90 day rolling average of spot 3mth Bills/OIS spread
2. Includes other Non-Interest Bearing Assets & Liabilities
3. Average for Mar-20

## CAPITAL & REPLICATING DEPOSITS PORTFOLIO (AUSTRALIA)



— 3mth BBSW (Monthly Average) — Portfolio Earnings Rate


<b>FY17 Ave: 2.44%</b>	
1H17 Ave: 2.51%	2H17 Ave: 2.38%
<b>FY18 Ave: 2.29%</b>	
1H18 Ave: 2.29%	2H18 Ave: 2.28%
<b>FY19 Ave: 2.08%</b>	
1H19 Ave: 2.21%	2H19 Ave: 1.95%
<b>FY20 YTD Ave: 1.64%</b>	
1H20 Ave: 1.64%	2H20 Ave: N/A

## CAPITAL<sup>2</sup> & REPLICATING DEPOSITS PORTFOLIO

	AUST	NZ	APEA
Volume (\$A) <sup>3</sup>	~67b	~27b	~11b
Target Duration	Rolling 3 to 5 years		Various
Proportion Hedged <sup>3</sup>	~65%	~80%	Various

# CAPITAL FRAMEWORK

## CURRENT REGULATORY PROPOSALS AND RECENT REVISED IMPLEMENTATION DATES<sup>1</sup>

	2019	1H20	2H20	Original Implementation Date	Revised Implementation Date
<b>RBNZ capital framework</b>	Finalise			2027	2028 <sup>2</sup>
<b>Leverage ratio</b>		Finalise		2022	2023
<b>Standardised approach to credit risk</b>	Consultation		Finalise	2022	2023
<b>Internal Ratings-based Approach to Credit Risk</b>		Consultation	Finalise	2022	2023
<b>Operational risk</b>		Finalise		2021	2023
<b>Fundamental Review of the Trading Book</b>		Consultation		2023	2024
<b>Interest rate risk in the banking book</b>	Consultation		Finalise	2022	2023
<b>Loss absorbing capacity (LAC)<sup>3</sup></b>	Transition 			2024	-
<b>Capital Treatment for Investments in Subsidiaries (Level 1)</b>		Consultation	Finalise	2022	-
<b>Associations with Related Entities</b>	Finalise			2021	2022

1. Timeline is based on APRA's 2020 Policy and Supervision Priorities (published January 2020) and revised following APRA's deferral of capital reform implementation in response to COVID-19 circumstances.

2. 7 year transition period from 1 July 2021. 3. Only in relation to the 3% of RWA increase in Total Capital requirements announced in July 2019.



# 2020 HALF YEAR RESULTS

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INVESTOR DISCUSSION PACK  
RISK MANAGEMENT

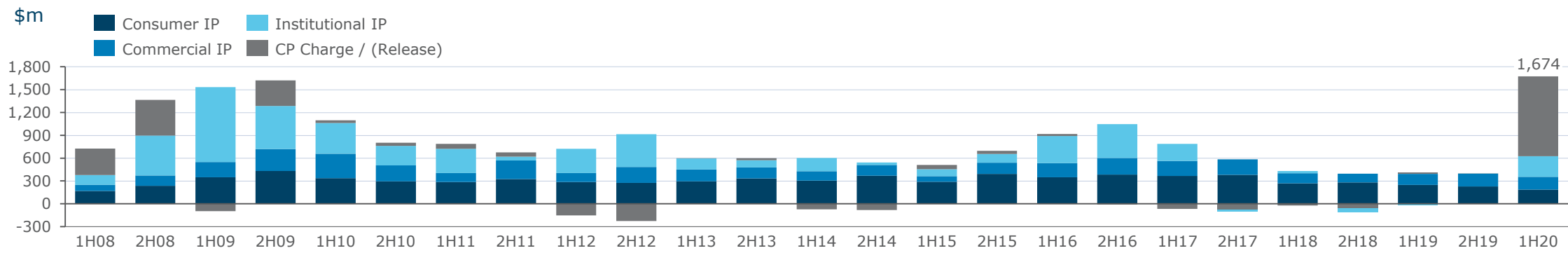




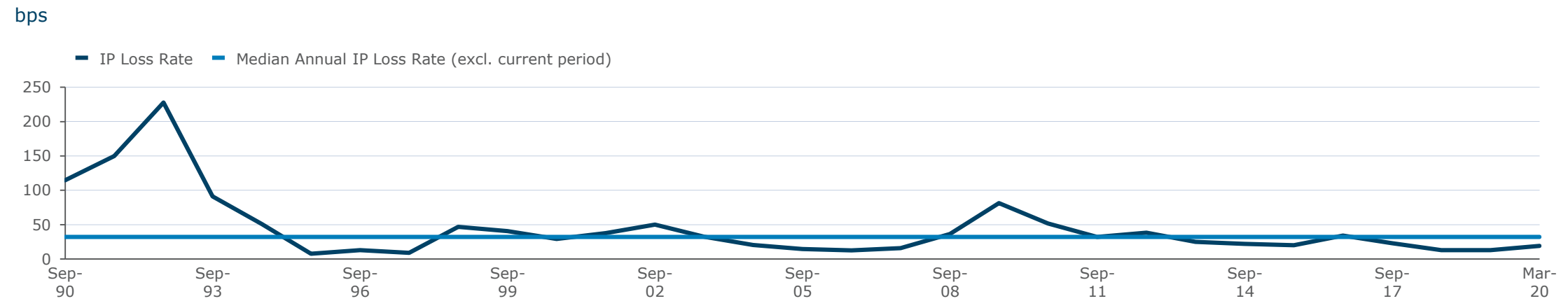
# RISK MANAGEMENT

## LONG RUN PROVISIONS & LOSS RATES

### TOTAL CREDIT IMPAIRMENT CHARGE



### ANZ HISTORICAL LOSS RATES<sup>1</sup>

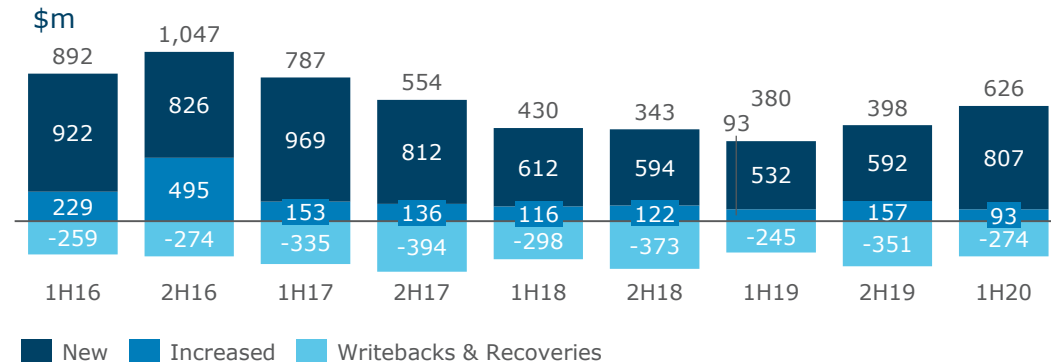


1. IP as a % of average GLA

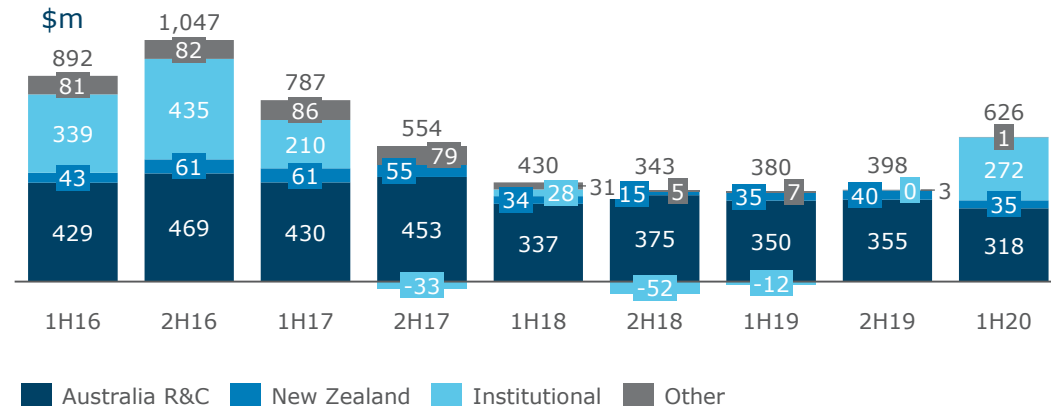
# RISK MANAGEMENT

## INDIVIDUAL PROVISIONS & LOSS RATES

### INDIVIDUAL PROVISION CHARGE



### INDIVIDUAL PROVISION CHARGE BY DIVISION



### LONG RUN LOSS RATE (INTERNAL EXPECTED LOSS)

%

Division	Mar-16	Sep-16	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19	Sep-19	Mar-20
Australia	0.35	0.33	0.33	0.33	0.31	0.29	0.29	0.29	0.28
New Zealand	0.25	0.26	0.26	0.22	0.21	0.19	0.19	0.18	0.19
Institutional	0.37	0.36	0.35	0.30	0.32	0.27	0.27	0.25	0.25
Other	1.47	1.79	1.60	1.69	1.95	1.78	1.60	1.40	1.30
<b>Subtotal</b>	<b>0.34</b>	<b>0.33</b>	<b>0.33</b>	<b>0.30</b>	<b>0.30</b>	<b>0.27</b>	<b>0.27</b>	<b>0.26</b>	<b>0.26</b>
Asia Retail	1.50	1.51	1.51	2.75	0	0	0	0	0
<b>Total</b>	<b>0.37</b>	<b>0.35</b>	<b>0.35</b>	<b>0.32</b>	<b>0.30</b>	<b>0.27</b>	<b>0.27</b>	<b>0.26</b>	<b>0.26</b>

# RISK MANAGEMENT

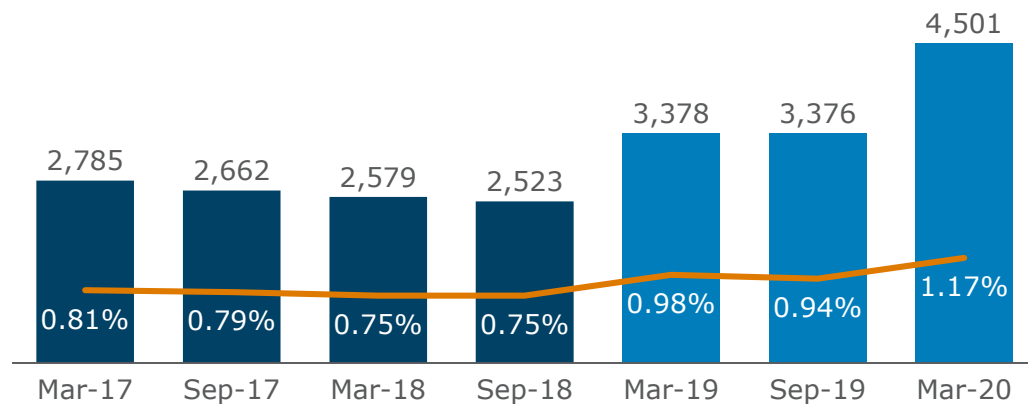
## COLLECTIVE PROVISION

### COLLECTIVE PROVISION CHARGE

AASB9			
\$m	1H19	2H19	1H20
<b>CP charge</b>	<b>13</b>	<b>4</b>	<b>1,048</b>
Volume/Mix	-28	-51	0
Change in Risk	-40	19	17
Economic outlook sensitivity	73	17	1,031
Other	8	19	0

### COLLECTIVE PROVISION BALANCE

CP balance & coverage (\$m)



■ CP Balance — CP/CRWA ■ CP Balance (AASB9)

1. Coverage ratio calculated as Provision Balance to Gross Loans & Advances for on-balance sheet exposures

### PROVISION BALANCE/COVERAGE RATIO

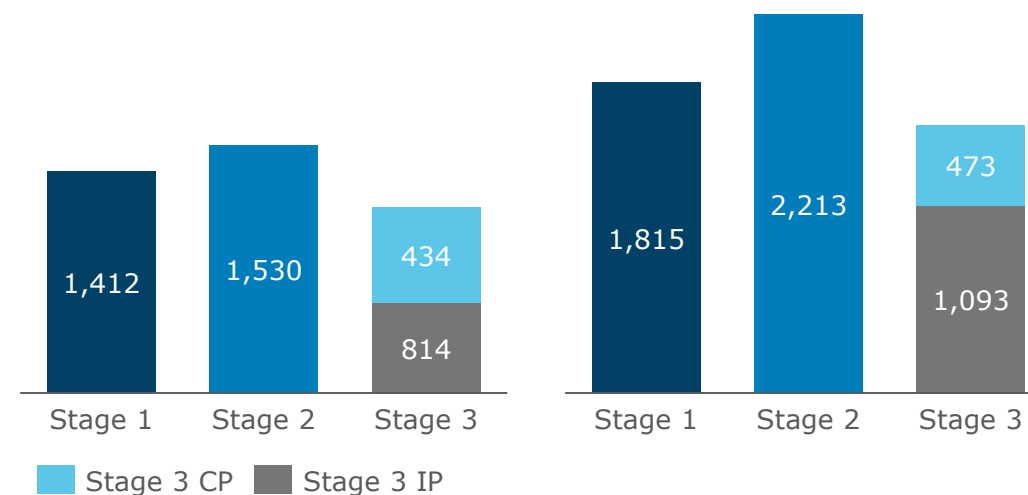
BY STAGES (\$m) AASB9

30 Sep-19

Coverage ratio by stage <sup>1</sup>		
1	2	3
0.17%	2.40%	18.03%

31 Mar-20

Coverage ratio by stage <sup>1</sup>		
1	2	3
0.20%	3.04%	20.77%

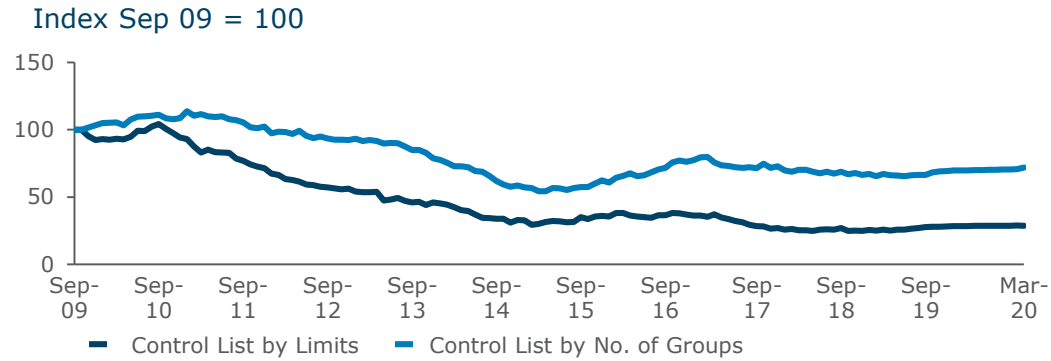


■ Stage 3 CP ■ Stage 3 IP

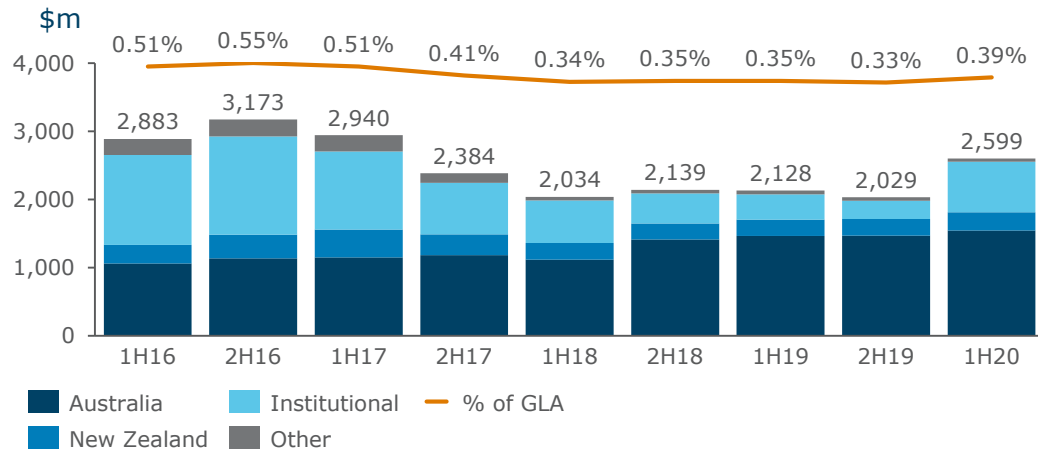
# RISK MANAGEMENT

## IMPAIRED ASSETS

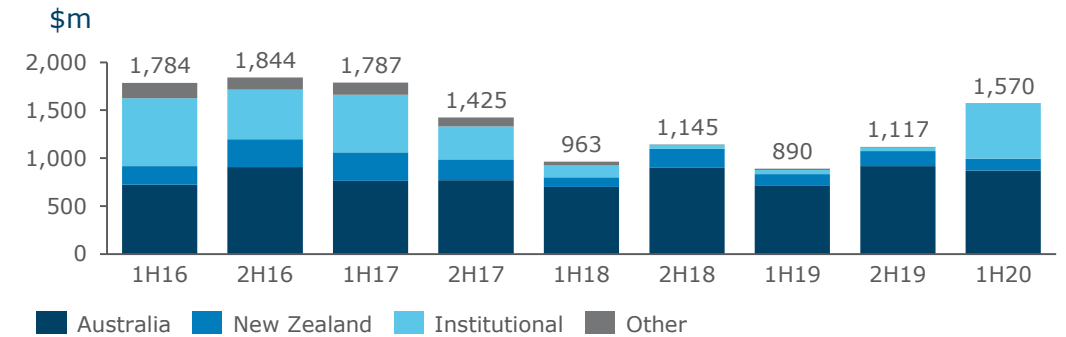
### CONTROL LIST



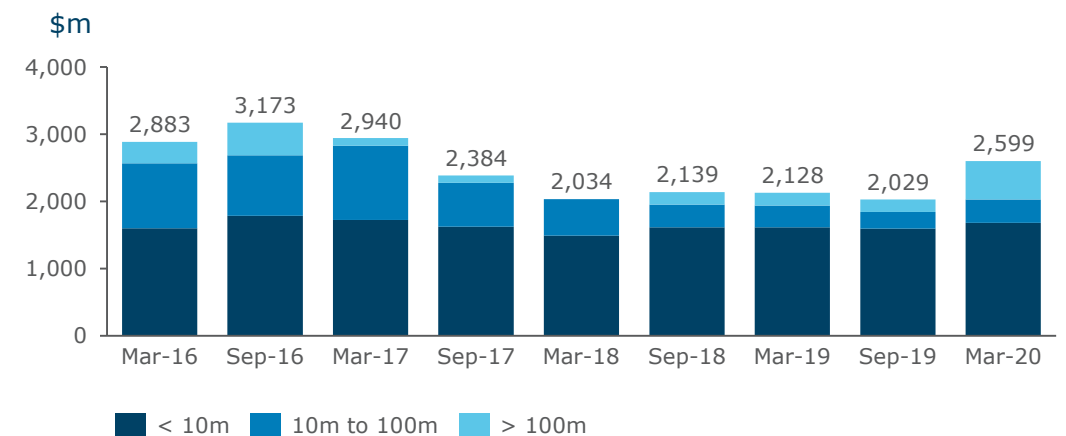
### GROSS IMPAIRED ASSETS BY DIVISION



### NEW IMPAIRED ASSETS BY DIVISION



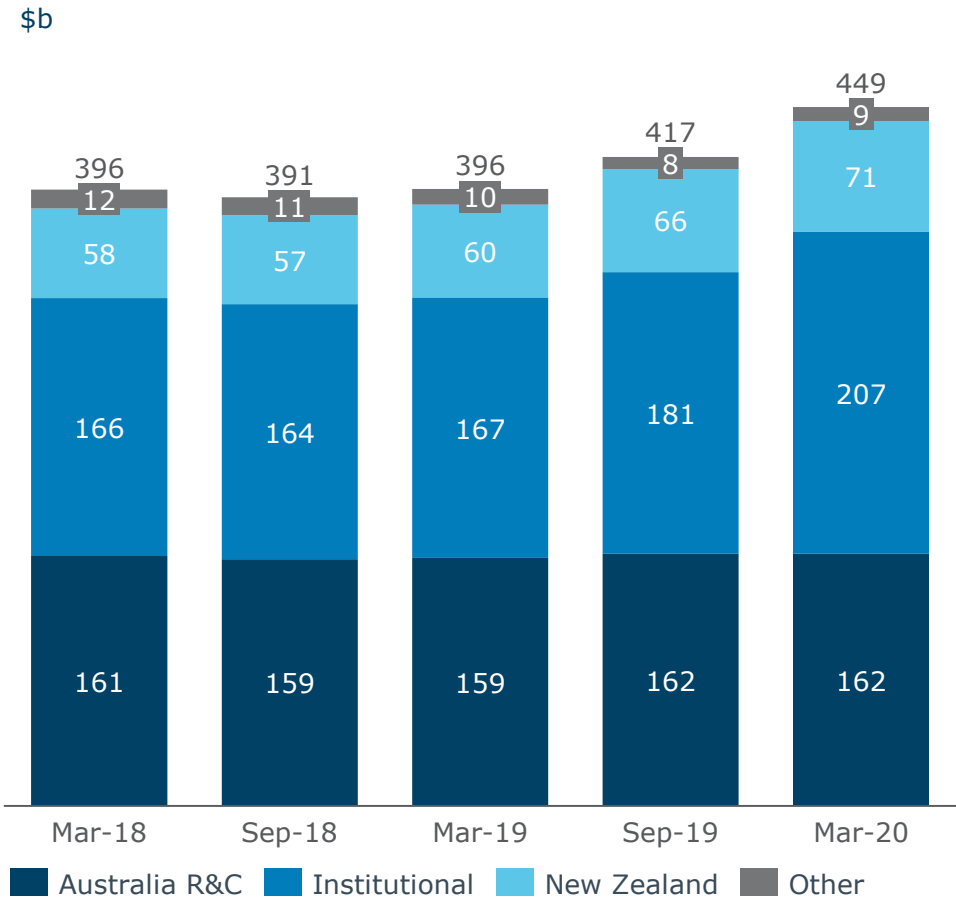
### GROSS IMPAIRED ASSETS BY EXPOSURE SIZE



# RISK MANAGEMENT

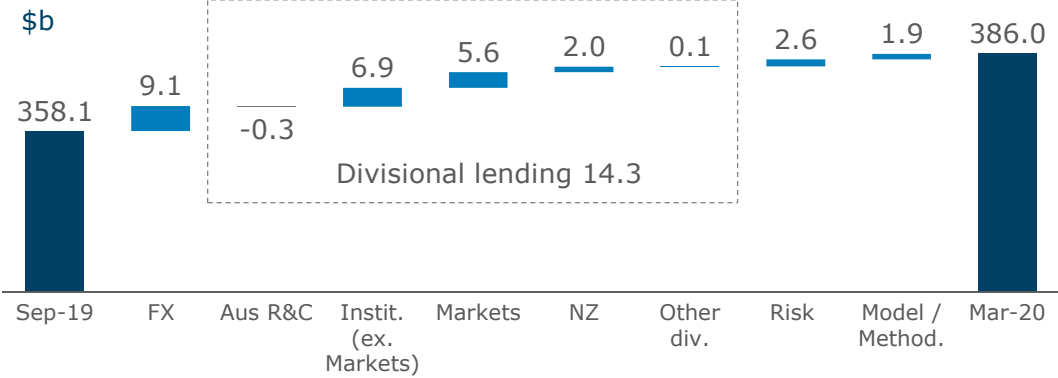
## RISK WEIGHTED ASSET MOVEMENT

### TOTAL RISK WEIGHTED ASSETS

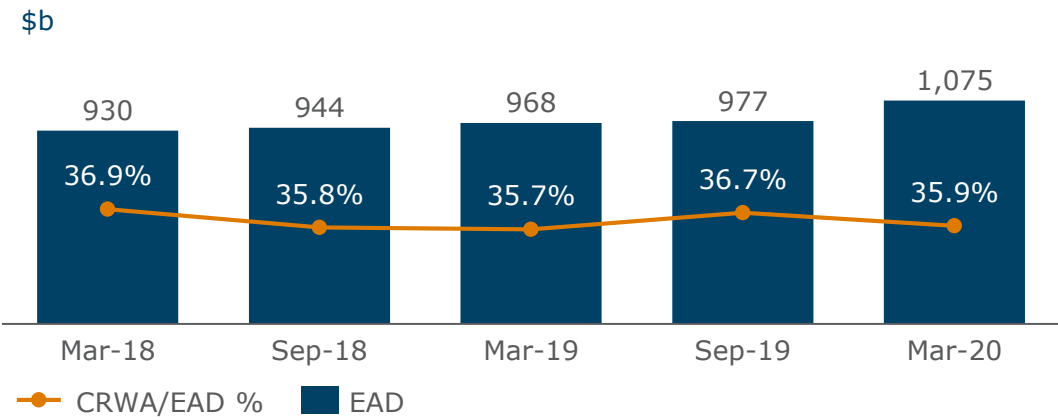


1. EAD excludes Securitisation and Other assets whereas CRWA is inclusive as per APS 330

### CREDIT RWA DRIVERS



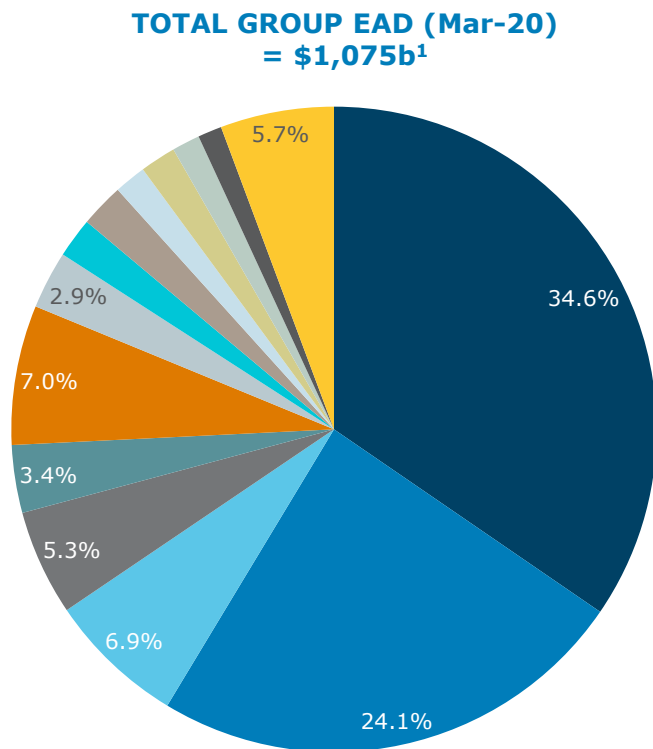
### CREDIT RWA INTENSITY<sup>1</sup>



# RISK MANAGEMENT

## TOTAL PORTFOLIO COMPOSITION

### EXPOSURE AT DEFAULT (EAD) DISTRIBUTION



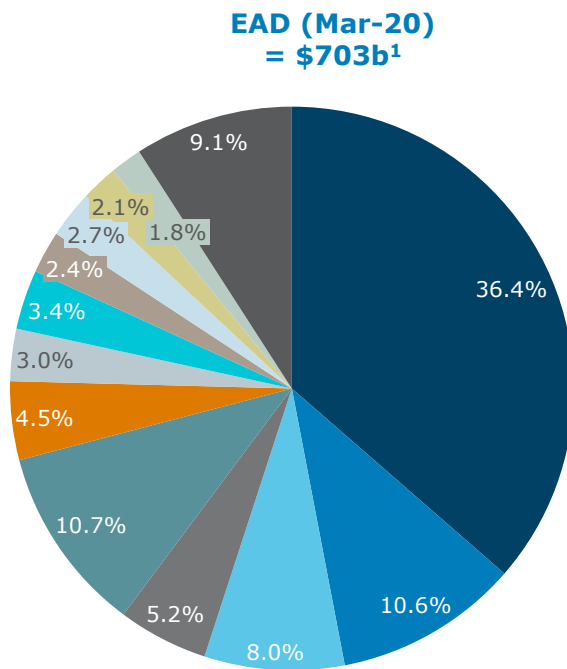
Category	% of Group EAD			% of Portfolio in Non Performing			Portfolio Balance in Non Performing
	Mar-19	Sep-19	Mar-20	Mar-19	Sep-19	Mar-20	Mar-20
Consumer Lending	38.8%	37.6%	34.6%	0.2%	0.1%	0.2%	\$603m
Finance, Investment & Insurance	20.2%	20.3%	24.1%	0.1%	0.0%	0.0%	\$78m
Property Services	7.0%	7.0%	6.9%	0.3%	0.2%	0.3%	\$208m
Manufacturing	4.7%	5.1%	5.3%	0.3%	0.3%	0.2%	\$137m
Agriculture, Forestry, Fishing	3.7%	3.6%	3.4%	1.1%	1.1%	1.1%	\$397m
Government & Official Institutions	6.8%	7.3%	7.0%	0.0%	0.0%	0.0%	\$0m
Wholesale trade	3.0%	3.0%	2.9%	0.3%	0.3%	1.2%	\$380m
Retail Trade	2.2%	2.2%	2.0%	0.7%	0.7%	0.9%	\$191m
Transport & Storage	2.1%	2.2%	2.2%	0.2%	0.3%	0.5%	\$129m
Business Services	1.6%	1.6%	1.6%	1.0%	1.0%	1.0%	\$169m
Resources (Mining)	1.6%	1.8%	1.8%	0.3%	0.2%	0.2%	\$40m
Electricity, Gas & Water Supply	1.2%	1.3%	1.4%	0.1%	0.1%	0.1%	\$16m
Construction	1.3%	1.3%	1.2%	1.8%	1.7%	1.3%	\$168m
Other	5.7%	5.8%	5.7%	0.4%	0.4%	0.4%	\$229m
Total	100%	100%	100%				\$2,745m
<b>Total Group EAD<sup>1</sup></b>	<b>\$968b</b>	<b>\$977b</b>	<b>\$1,075b</b>				

1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral

# RISK MANAGEMENT

## INSTITUTIONAL & COMMERCIAL PORTFOLIO

### EXPOSURE AT DEFAULT (EAD) DISTRIBUTION



Category	GLA	Credit Related Commitments and Contingencies
	(\$b)	(\$b)
Finance, Investment & Insurance	73	48
Property Services	12	7
Manufacturing	31	46
Agriculture, Forestry, Fishing	31	4
Gvt & Official Institutions	4	3
Wholesale trade	19	22
Retail Trade	15	8
Transport & Storage	16	9
Business Services	53	20
Resources (Mining)	9	14
Electricity, Gas & Water Supply	7	8
Construction	9	7
Other	50	20
<b>TOTAL</b>	<b>329</b>	<b>216</b>

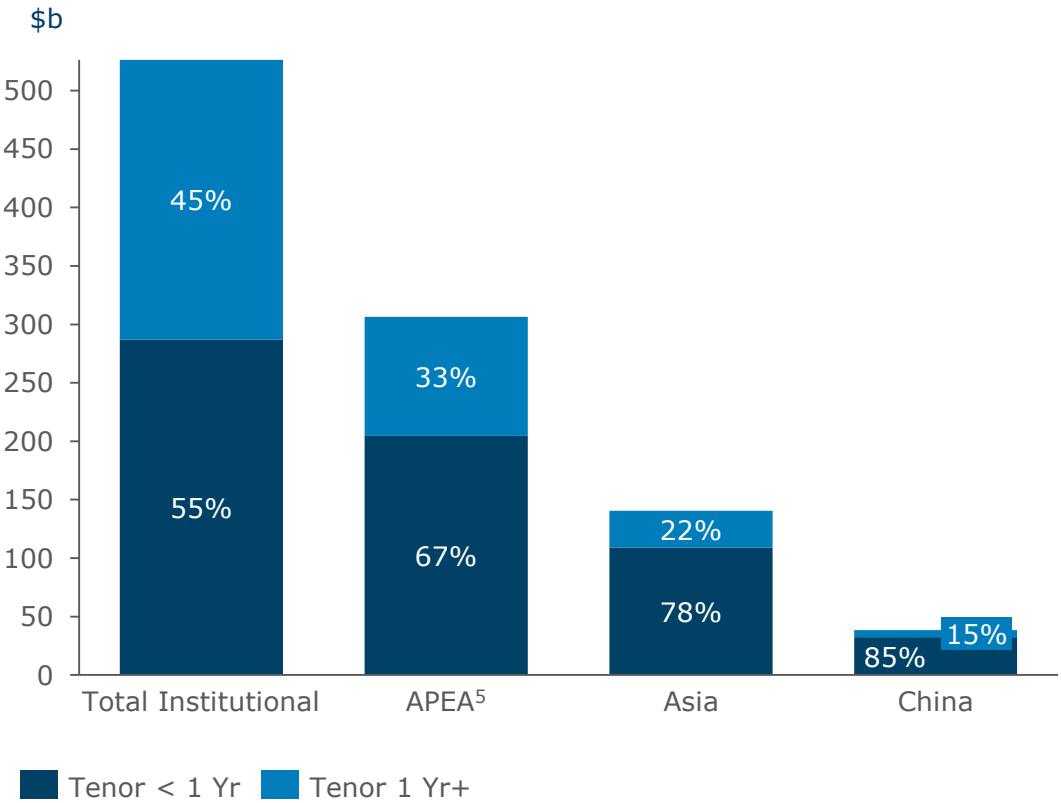
	Sep-16	Sep-17	Sep-18	Sep-19	Mar-20
Investment grade % of EAD	65%	66%	69%	71%	74%
CRWA / EAD	46%	42%	40%	41%	39%
IEL as a % of GLA	0.45%	0.40%	0.37%	0.35%	0.34%

1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral

# RISK MANAGEMENT

## ANZ INSTITUTIONAL PORTFOLIO

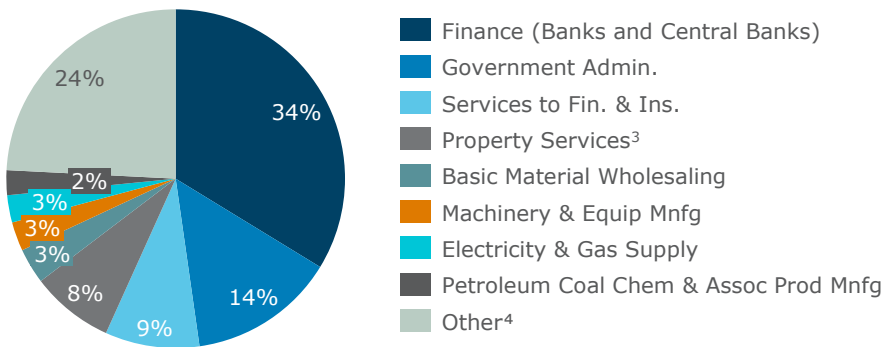
### INSTITUTIONAL PORTFOLIO SIZE & TENOR BY COUNTRY OF INCORPORATION<sup>1</sup> (EAD<sup>2</sup>)



1. Country is defined by the counterparty's Country of Incorporation  
2. EAD excludes amounts for 'Securitisation' & 'Other Assets' Basel classes. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting & financial collateral  
3. ~90% of the ANZ Institutional "Property Services" portfolio is to entities incorporated in either Australia or New Zealand  
4. Other is comprised of 47 different industries with none comprising more than 2.1% of the Institutional portfolio  
5. APEA: Asia, Pacific, Europe & America

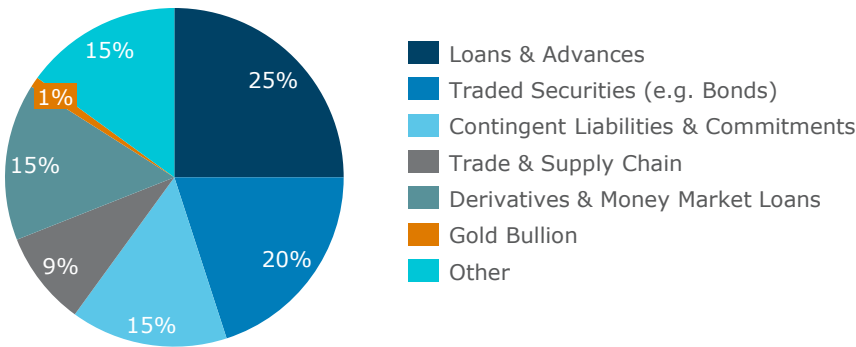
### ANZ INSTITUTIONAL INDUSTRY COMPOSITION

EAD (Mar-20): A\$529b<sup>2</sup>



### ANZ INSTITUTIONAL PRODUCT COMPOSITION

EAD (Mar-20): A\$529b<sup>2</sup>



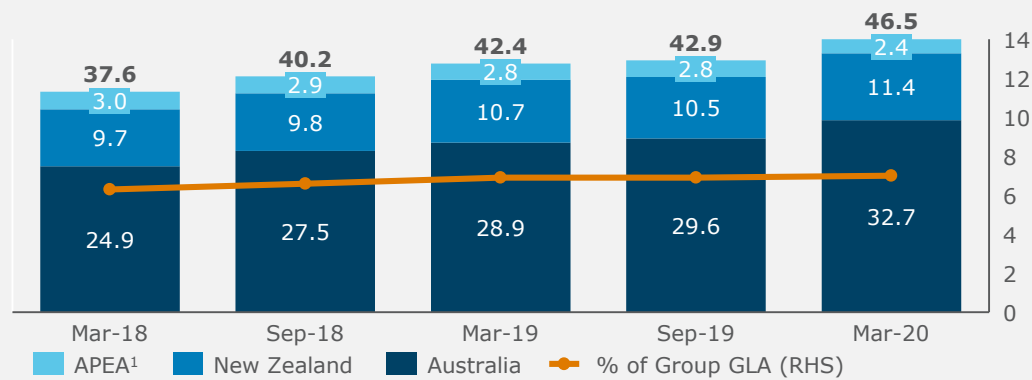


# RISK MANAGEMENT

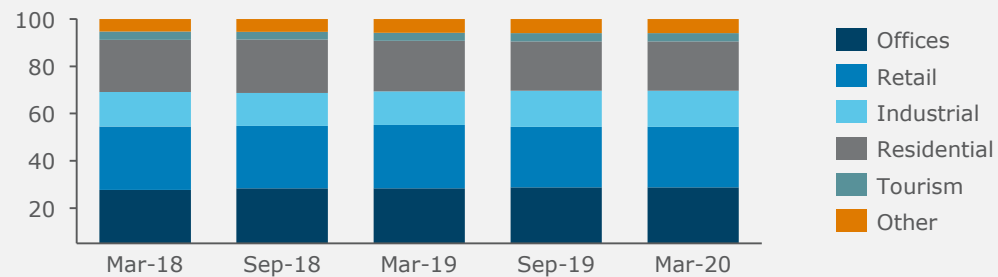
## SEGMENTS OF INTEREST

### Commercial Property

#### GLAs by Region (\$b)



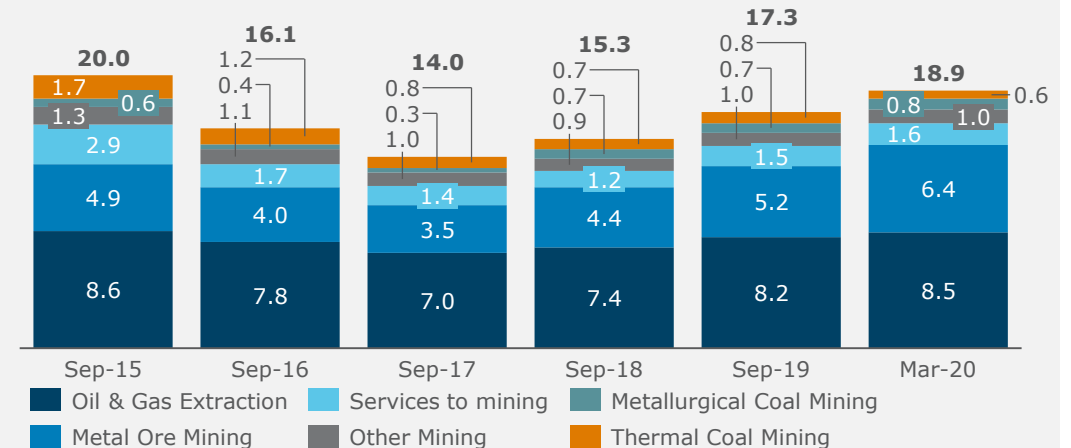
#### GLAs by Sector (%)



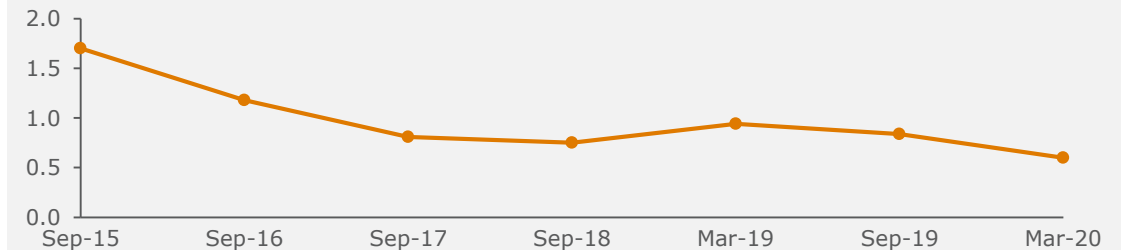
1. APEA: Asia, Pacific, Europe & America

### Resources

#### Exposure at Default (EAD) (\$b)



#### Thermal Coal Exposure EAD (\$b)



# 2020 HALF YEAR RESULTS

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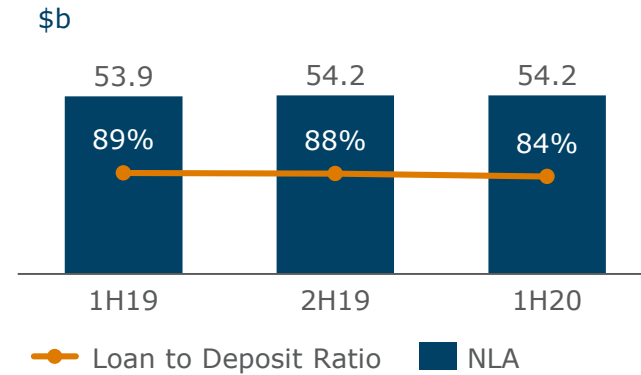
**INVESTOR DISCUSSION PACK**  
AUSTRALIA COMMERCIAL PORTFOLIO,  
AUSTRALIA & NZ HOUSING PORTFOLIO  
(INCLUDING RELIEF & ASSISTANCE MEASURES)



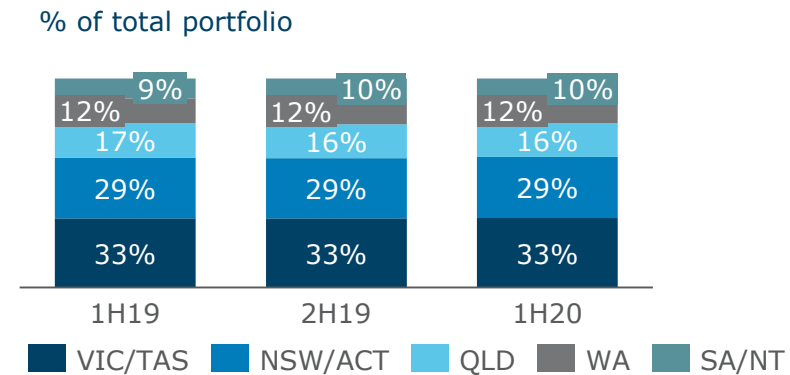
# AUSTRALIA COMMERCIAL BANKING<sup>1</sup>

## PORTFOLIO OVERVIEW

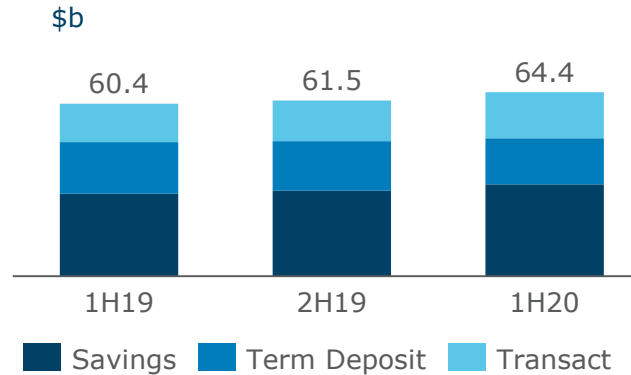
### NET LOANS & ADVANCES



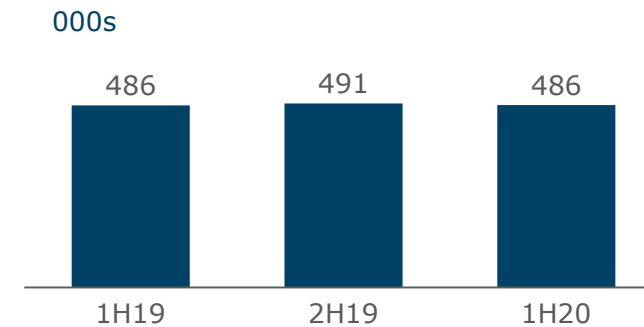
### NET LOANS & ADVANCES BY STATE



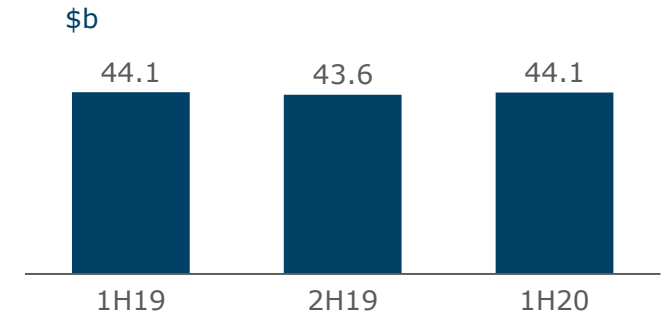
### CUSTOMER DEPOSITS



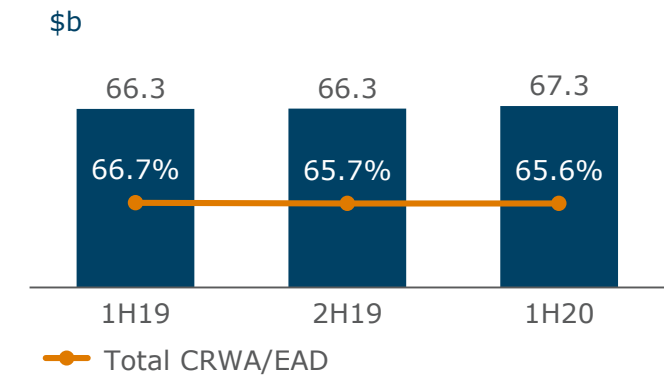
### TOTAL CUSTOMERS<sup>2</sup>



### CREDIT RWA



### EAD & RWA INTENSITY



1. Commercial is made up of three segments: Small Business Banking (SBB), Business Banking (BB) and Specialist Distribution (SD). Figures exclude Consumer Asset Finance which has ceased being offered since 30 April 2018

2. Includes lending and deposit customers groups

# AUSTRALIA COMMERCIAL BANKING<sup>1</sup>

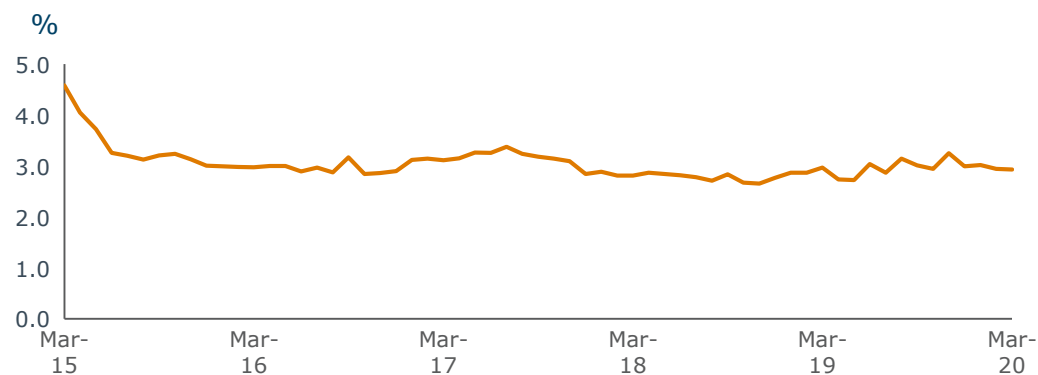
## PORTFOLIO DYNAMICS

Customer Turnover <\$150m

Total lending<sup>2</sup> <\$40m

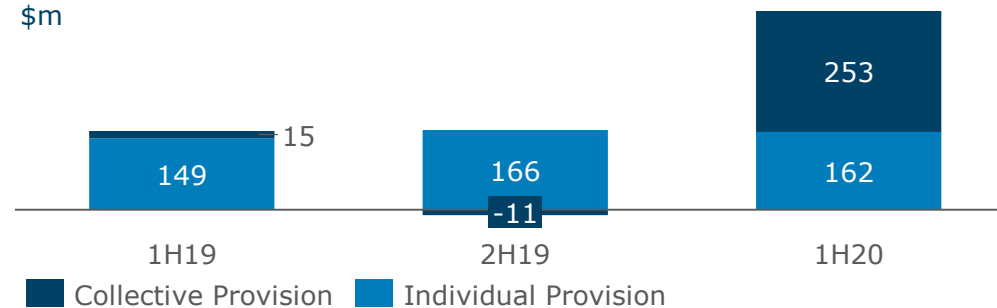
Diversified businesses, Corporate Agribusiness, Premium Health, Specialist Property and Emerging Corporate (larger diversified businesses)

### 90+ DAY DELINQUENCIES<sup>3,4</sup>



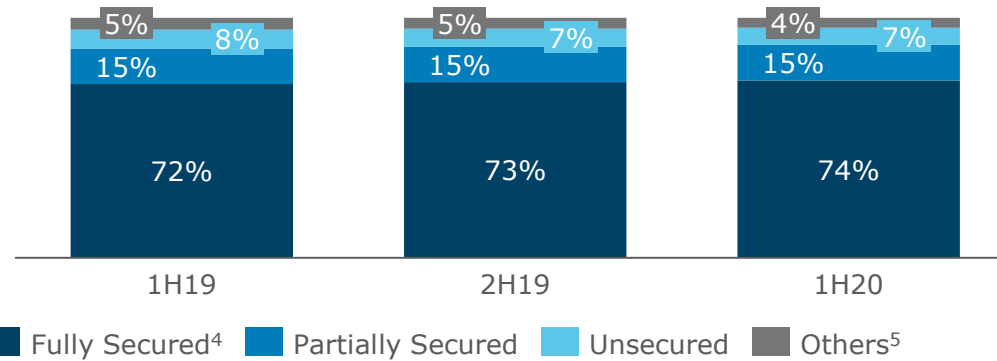
### PROVISION CHARGE

\$m



### SECURITY PROFILE

%



- Commercial is made up of three segments: Small Business Banking (SBB), Business Banking (BB) and Specialist Distribution (SD). Figures exclude Consumer Asset Finance which has ceased being offered since 30 April 2018
- Total lending thresholds vary for specialist industries
- Delinquencies includes Non Performing Loans and are calculated on a missed payment basis for amortising and Interest Only loans
- Commercial 90+ rate calculated on the Business Banking, Small Business Banking and Special Distribution portfolios
- Fully Secured on a market value basis. Other includes loans secured by cash or via sovereign backing

# AUSTRALIA COMMERCIAL BANKING<sup>1</sup>

## COVID-19 RELIEF AND ASSISTANCE

### DETAILS OF RELIEF MEASURES

- Initial relief and support offering available to ANZ's Commercial Banking customers are:
  - 6 month payment deferral on loan repayments for term loans, with interest capitalised; and
  - Temporary increases in overdraft facilities for 12 months
- Additional support is available to eligible customers for Asset Finance, Commercial Cards, Trade and Merchants products

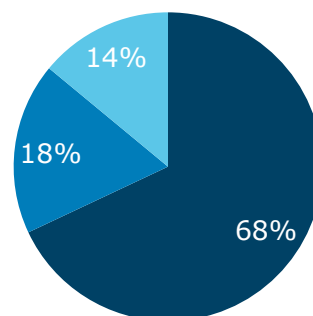
### ADDITIONAL FUNDING AVAILABLE

- A funding initiative to support businesses accessing the Federal Government's Job Keeper stimulus package has been launched
- ANZ is also offering new lending up to \$250,000 for 3 years supported by the 50% backed Government Guarantee Scheme

### CUSTOMER RELIEF PROVIDED

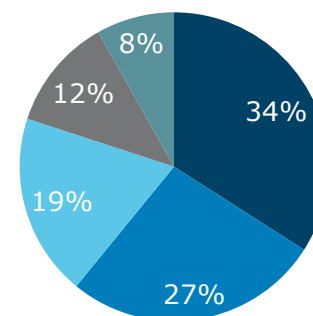
- ~42,000 total requests for assistance (based on product numbers)
- ~15% of Commercial lending customers have been provided assistance via the relief offering<sup>2</sup>
- As part of our initial COVID-19 relief, payment deferrals have been provided on \$7.5bn of lending and temporary overdraft increases have been provided on over ~5,500 accounts
- All assistance and relief has been made available on an opt-in basis

**RELIEF PROVIDED BY TYPE**  
% OF CUSTOMERS



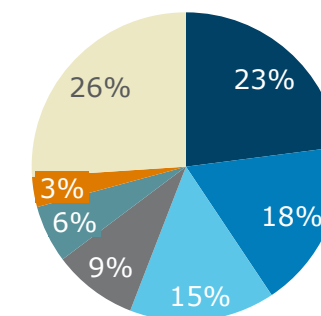
■ Payment Deferral  
■ Overdraft Increase  
■ Both

**RELIEF PROVIDED BY STATE**  
% OF CUSTOMERS



■ VIC/TAS  
■ NSW/ACT  
■ QLD  
■ WA  
■ SA/NT

**RELIEF PROVIDED BY INDUSTRY**  
% OF LENDING EXPOSURE



■ Property & Business Services  
■ Accommodation, Cafes & Restaurants  
■ Retail Trade  
■ Health & Community Services  
■ Manufacturing  
■ Agriculture, Forestry & Fishing  
■ Other Industries

1. Commercial is made up of three segments: Small Business Banking (SBB), Business Banking (BB) and Specialist Distribution (SD). Figures exclude Consumer Asset Finance which has ceased being offered since 30 April 2018

2. As at 20<sup>th</sup> April 2020. COVID assistance has also been provided through Customer Hardship channels

# AUSTRALIA HOME LOANS

## RECENT INTEREST RATE CHANGES; COVID-19 RELIEF AND ASSISTANCE

### INTEREST RATE CHANGES

#### Variable interest rates

- Decreased Standard Variable Interest rates in Australia by 0.40% p.a. in March 2020

#### Fixed Interest rates

- New lower fixed rate home loans for Owner Occupied and Investor
- Introduced a two-year fixed rate of 2.19% for owner occupied paying principal & interest<sup>3</sup>

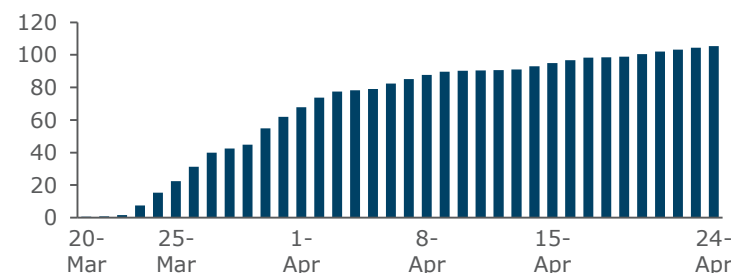
### DETAILS OF RELIEF MEASURES

#### Loan Repayment deferrals<sup>1</sup>

- Deferral of home loan repayments for up to six-months, with a review at three-months, with interest capitalised
- For customers seeking assistance where the account is less than 30 days past due, the repayments are deferred and the account delinquency status does not age<sup>2</sup>. For accounts at 30 days past due or greater a repayment moratorium is applied, and the account delinquency status will continue to age

### CUSTOMER RELIEF PROVIDED<sup>4</sup>

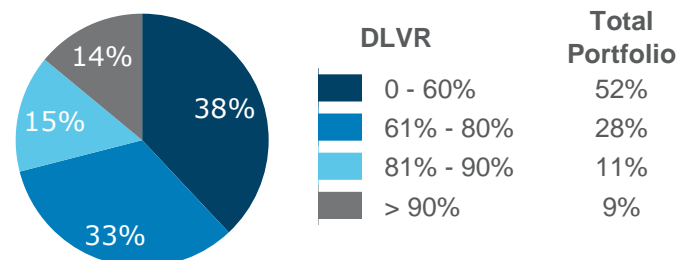
# Accounts (000s)



- Customers have requested assistance on ~105,000 home loan accounts
- ~\$36.1b in lending of assistance requests
- ~66%<sup>5,6</sup> average DLVR of assistance requests
- ~\$343k avg. loan account size of assistance requests

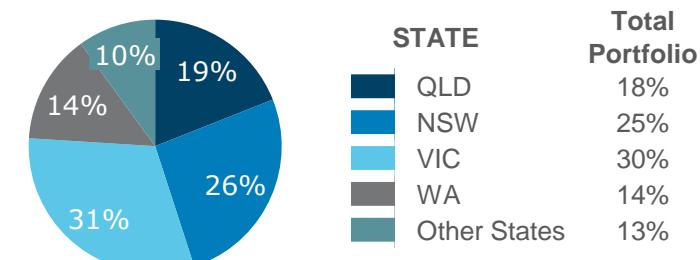
#### REQUESTS BY DYNAMIC LOAN TO VALUE RATIO<sup>6,7</sup>

% of Accounts



#### REQUESTS BY STATE

% of Accounts



1. Excluding Equity Manager Accounts 2. If the home loan is at least 1 day or more past due, arrears will be capitalised 3. Under the ANZ Breakfree package 4. As at 24 April 2020 5. Unweighted based on # accounts 6. Includes capitalised LMI premiums, valuations for DLVR updated to Feb-20 where available, includes Non Performing Loans, excludes accounts with a security guarantee, and unknown DLVR. 7. DLVR does not incorporate offset balances, aligning with calculations that produce a portfolio average DLVR of 56%



# AUSTRALIA HOME LOANS

## PORTFOLIO OVERVIEW

	Portfolio <sup>1</sup>			Flow <sup>2</sup>			Portfolio <sup>1</sup>		
	1H18	1H19	1H20	1H19	1H20		1H18	1H19	1H20
Number of Home Loan accounts <sup>1</sup>	1,018k	1,000k	971k	64k <sup>3</sup>	64k <sup>3</sup>	Average LVR at Origination <sup>7,8,9</sup>	68%	67%	68%
Total FUM <sup>1</sup>	\$271b	\$269b	\$264b	\$21b	\$23b	Average Dynamic LVR (excl. offset) <sup>8,9,10</sup>	55%	56%	56%
Average Loan Size <sup>4</sup>	\$266k	\$269k	\$272k	\$375k	\$382k	Average Dynamic LVR (incl. offset) <sup>8,9,10</sup>	50%	51%	51%
% Owner Occupied <sup>5</sup>	65%	66%	68%	73%	69%	Market Share (MBS publication) <sup>11</sup>	15.8%	15.1%	n/a
% Investor <sup>5</sup>	32%	31%	30%	26%	30%	Market share (MADIS publication)	n/a	n/a	14.1%
% Equity Line of Credit	3%	3%	2%	1%	1%	% Ahead of Repayments <sup>12</sup>	71%	71%	76%
% Paying Variable Rate Loan <sup>6</sup>	83%	82%	85%	73%	87%	Offset Balances <sup>13</sup>	\$27b	\$27b	\$28b
% Paying Fixed Rate Loan <sup>6</sup>	17%	18%	15%	27%	13%	% First Home Buyer	7%	7%	8%
% Paying Interest Only	26%	18%	12%	12%	13%	% Low Doc <sup>14</sup>	4%	4%	3%
% Broker originated	51%	52%	52%	57%	49%	Loss Rate <sup>15</sup>	0.02%	0.04%	0.03%
						% of Australia Geography Lending <sup>16,17</sup>	64%	63%	59%
						% of Group Lending <sup>16</sup>	46%	44%	40%

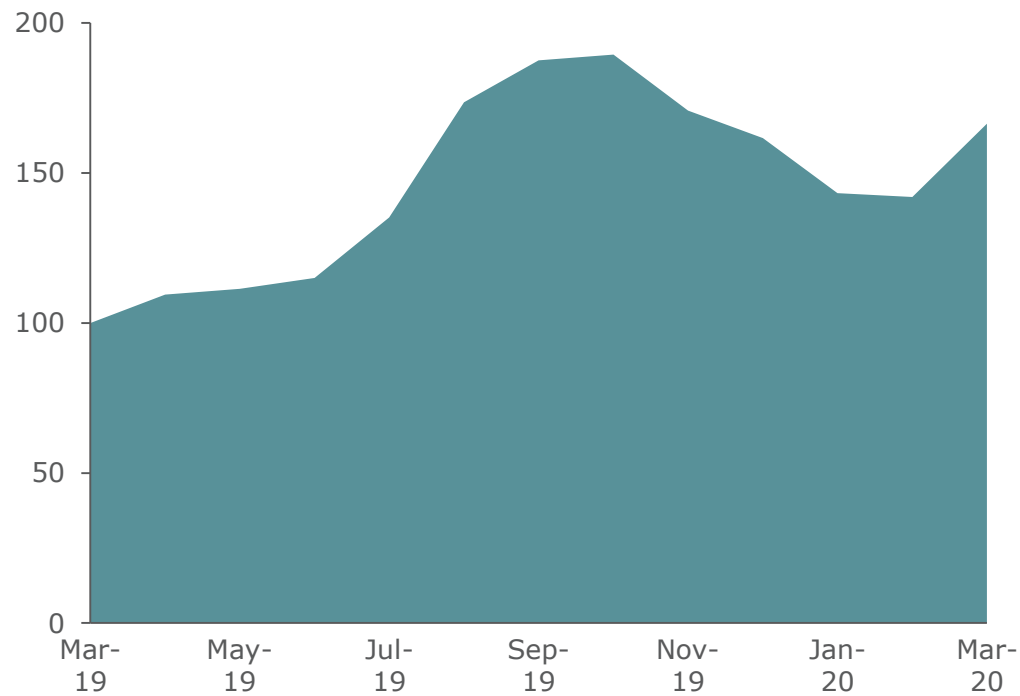
1. Home Loans portfolio (includes Non Performing Loans, excludes Offset balances) 2. YTD unless noted 3. New accounts includes increases to existing accounts and split loans (fixed and variable components of the same loan) 4. Average loan size for Flow excludes increases to existing accounts (note the average loan size previously reported in 1H18 and prior included increases to existing accounts) 5. The current classification of Investor vs Owner Occupier is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances. 6. Excludes Equity Manager Accounts 7. Originated in the respective year 8. Unweighted based on # accounts 9. Includes capitalised LMI premiums 10. Valuations updated to Feb-20 where available. Includes Non Performing Loans and excludes accounts with a security guarantee and unknown DLVR 11. APRA Monthly ADI Statistics to Feb-20 – Note APRA changed the underlying market share definition in Jul-19 and historical periods (1H18 & 1H19) are not comparable to 1H20 12. % of Owner Occupied and Investment Loans that have any amount ahead of repayments. Based on excess repayments based on available Redraw and Offset. Excludes Equity Manager Accounts. Includes Non Performing Loans 13. Balances of Offset accounts connected to existing Instalment Loans 14. Low Doc is comprised of less than or equal to 60% LVR mortgages primarily for self-employed without scheduled PAYG income. However, it also has ~0.1% of less than or equal to 80% LVR mortgages, primarily booked pre-2008 15. Annualised write-off net of recoveries 16. Based on Gross Loans and Advances 17. Australia Geography includes Australia Division, Wealth Australia and Institutional Australia

# AUSTRALIA HOME LOANS

## APPLICATION TRENDS & MORTGAGE ENQUIRIES – EQUIFAX COMPREHENSIVE SCORE<sup>1</sup>

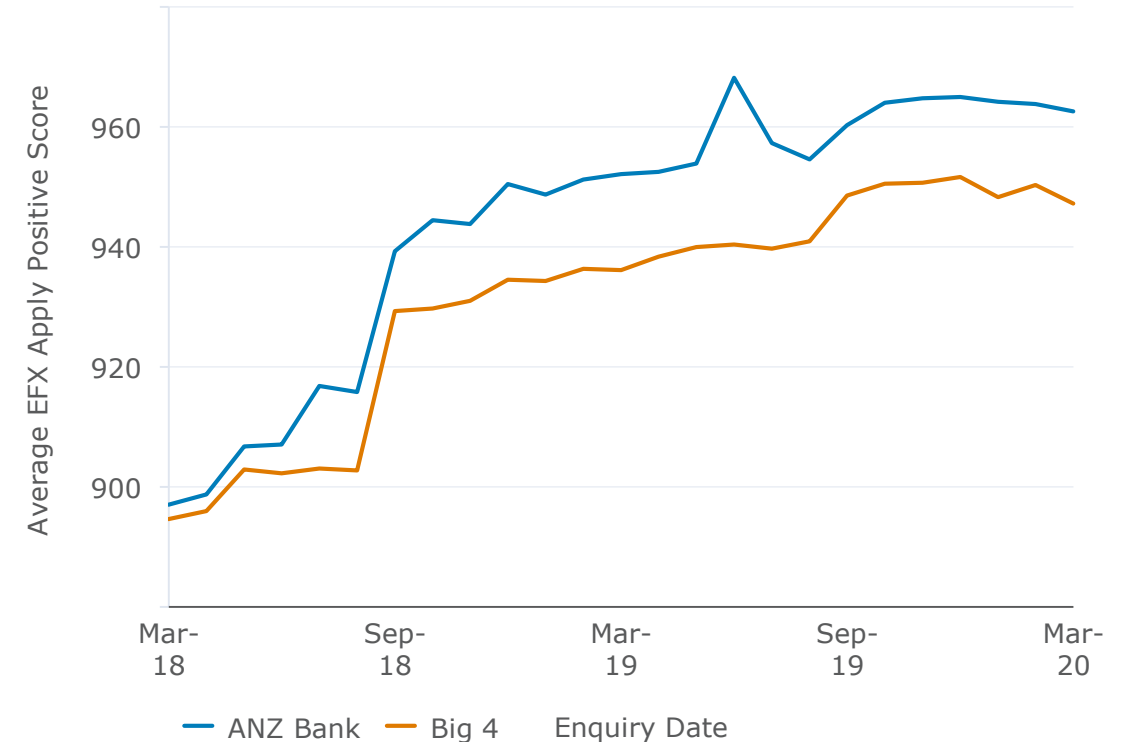
### HOME LOAN APPLICATION<sup>2</sup> TREND

3 month rolling average (Index Mar-19 = 100)



### MORTGAGE ENQUIRIES – EQUIFAX COMPREHENSIVE SCORE<sup>1,3</sup>

Average score (Mar-18 to Mar-20)



1. Source: Equifax. An Equifax credit score (also known as an Equifax Score) is between 0-1200. It is derived from the information on an individual's credit file as held by Equifax when the score is requested. Generally a higher score is considered better as it indicates a lower risk

2. Applications based on \$

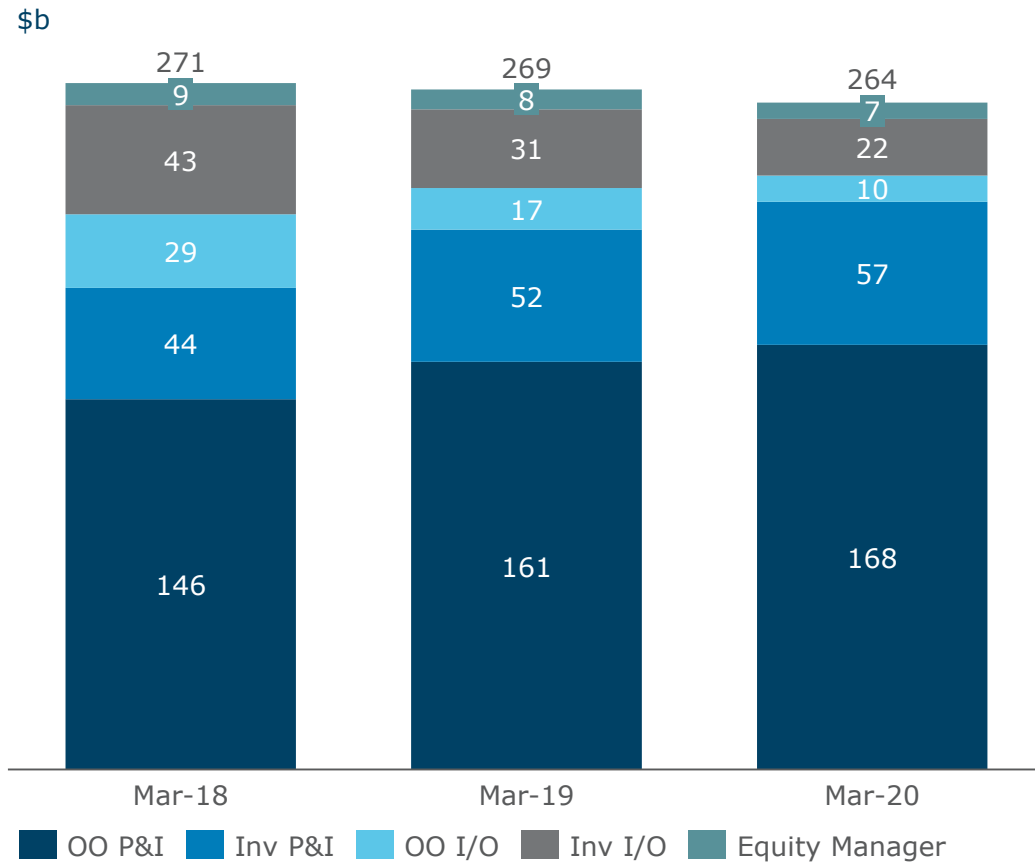
3. Banks required to start providing data for Comprehensive Credit Reporting from Sep-18



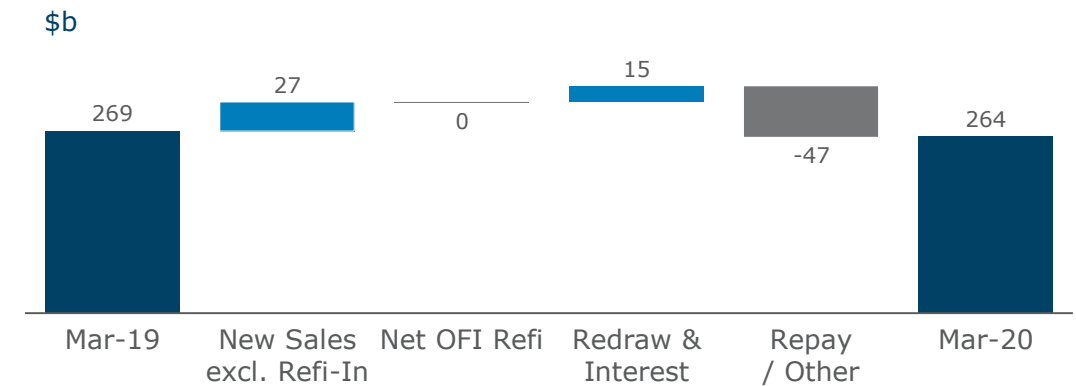
# AUSTRALIA HOME LOANS

## PORTFOLIO GROWTH

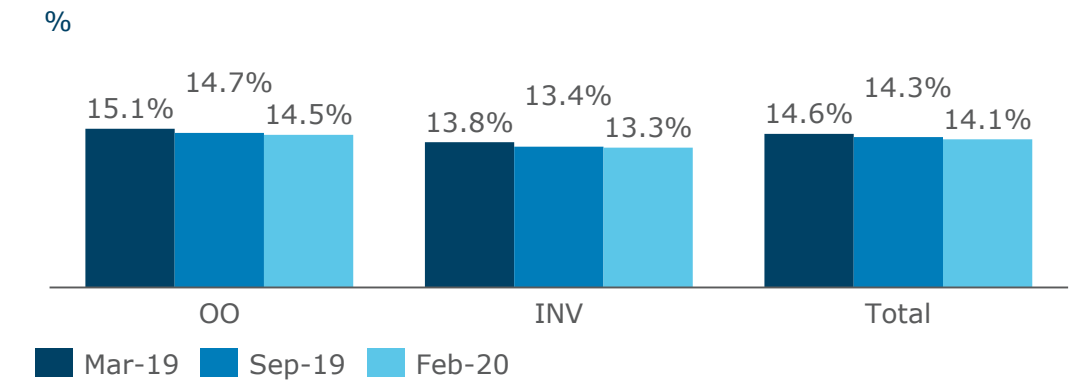
### HOME LOAN FUM COMPOSITION<sup>1,2</sup>



### LOAN BALANCE & LENDING FLOWS<sup>1</sup>



### MARKET SHARE<sup>3</sup>

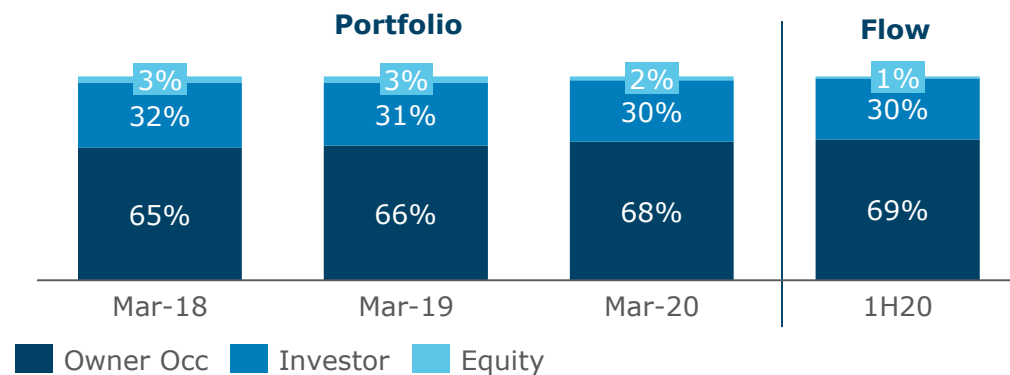


1. Based on Gross Loans and Advances. Includes Non Performing Loans
2. The current classification of Investor vs Owner Occupied is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances
3. Source: APRA Monthly Authorised Deposit-Taking Institutions Statistics (MADIS) to Feb-20

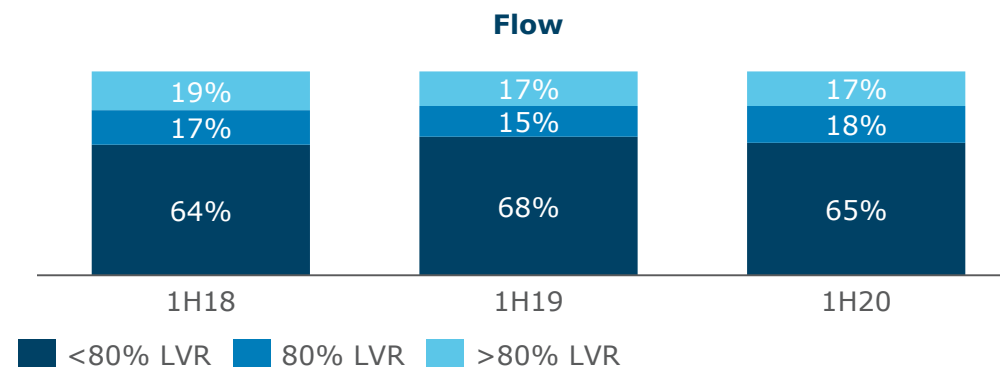
# AUSTRALIA HOME LOANS

## PORTFOLIO<sup>1,2</sup> & FLOW<sup>3</sup> COMPOSITION

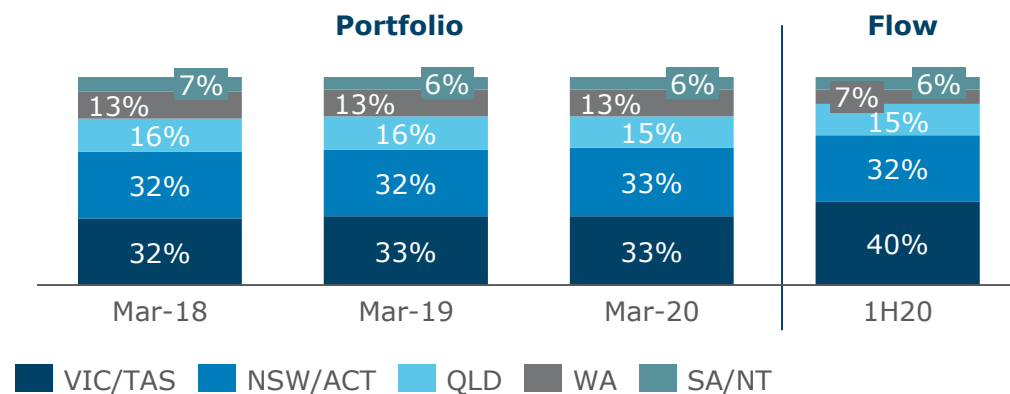
### BY PURPOSE



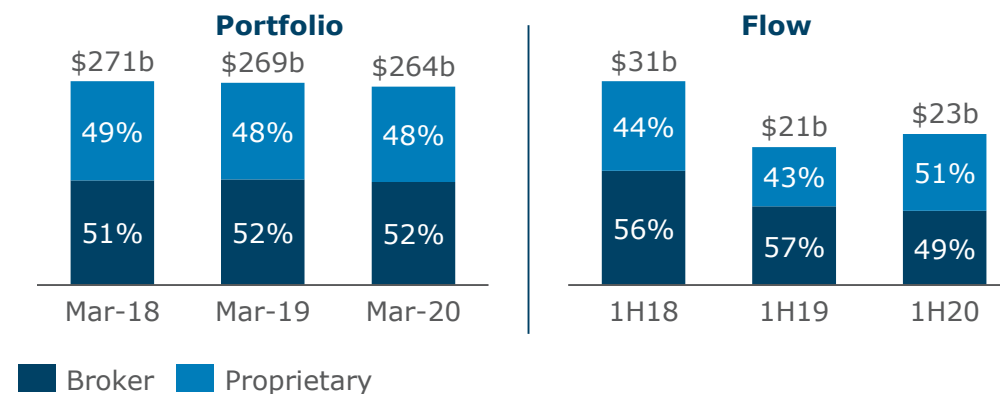
### BY ORIGINATION LVR<sup>4</sup>



### BY LOCATION



### BY CHANNEL



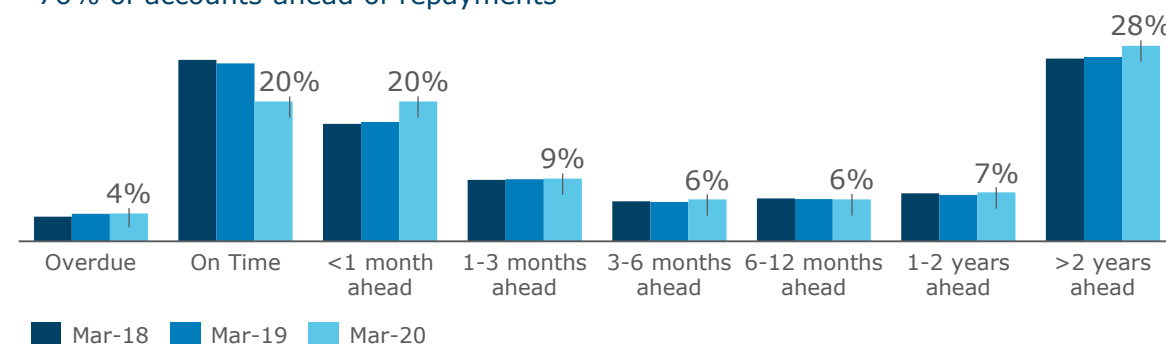
1. Includes Non Performing Loans. 2. The current classification of Investor vs Owner Occupied is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances 3. YTD unless noted 4. Includes capitalised LMI premiums

# AUSTRALIA HOME LOANS

## PORTFOLIO DYNAMICS

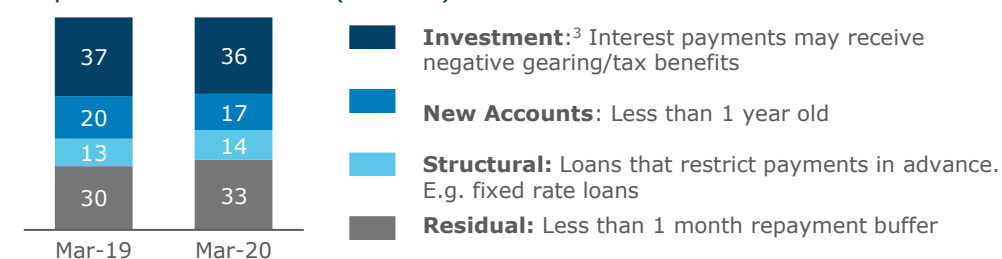
### HOME LOANS REPAYMENT PROFILE<sup>1,2</sup>

76% of accounts ahead of repayments



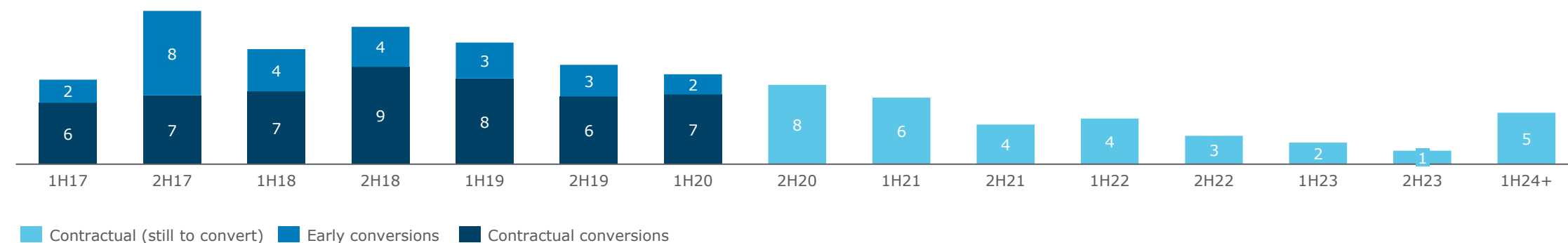
### HOME LOANS ON TIME & <1 MONTH AHEAD PROFILE<sup>1,2</sup>

% composition of accounts (Mar-20)



### SWITCHING INTEREST ONLY TO P&I AND SCHEDULED INTEREST ONLY TERM EXPIRY<sup>4,5</sup>

\$b

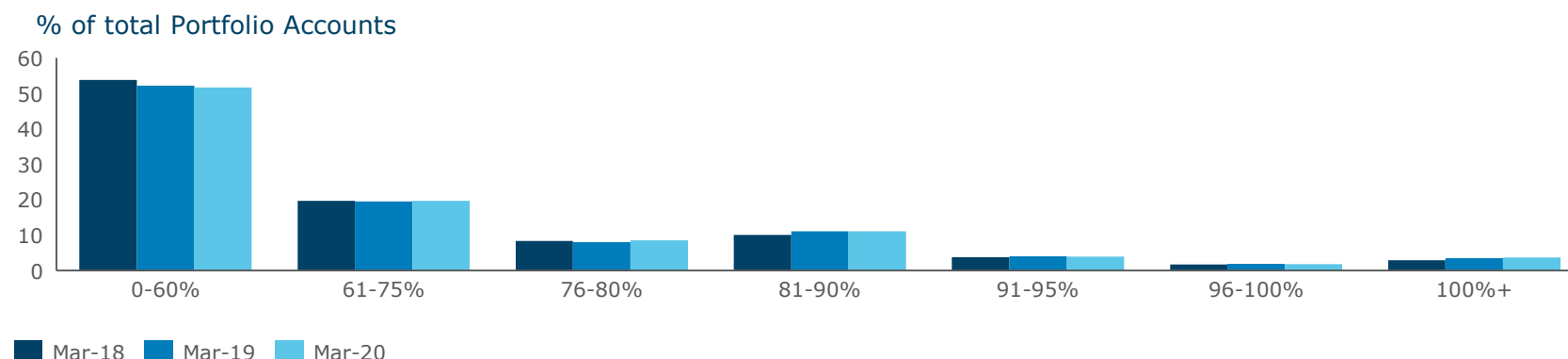


1. Includes Non Performing Loans 2. % of Owner Occupied and Investment Loans that have any amount ahead of repayments. Excess repayments based on available Redraw and Offset. Excludes Equity Manager Accounts. Includes Non Performing Loans 3. The current classification of Investor vs Owner Occupier, is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances 4. Total portfolio including new flows 5. As at Mar-20

# AUSTRALIA HOME LOANS

## PORTFOLIO DYNAMICS

### DYNAMIC LOAN TO VALUE RATIO BASED ON TOTAL PORTFOLIO ACCOUNTS <sup>1,2,3,4</sup>



#### >90%

Net of offset balances

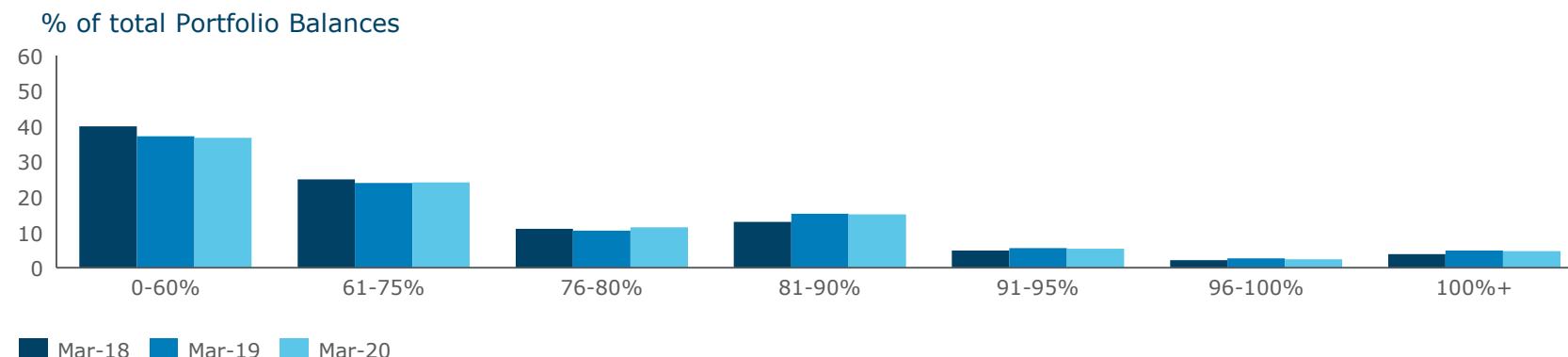
- 8.0% of portfolio
- 61% ahead of repayments
- 52% with LMI

#### NEGATIVE EQUITY

Net of offset balances

- 3.2% of portfolio
- 61% ahead of repayments
- 52% with LMI

### DYNAMIC LOAN TO VALUE RATIO BASED ON PORTFOLIO BALANCES <sup>1,2,3,4</sup>



#### >90%

Net of offset balances

- 10.5% of portfolio
- 59% ahead of repayments
- 48% with LMI

#### NEGATIVE EQUITY

Net of offset balances

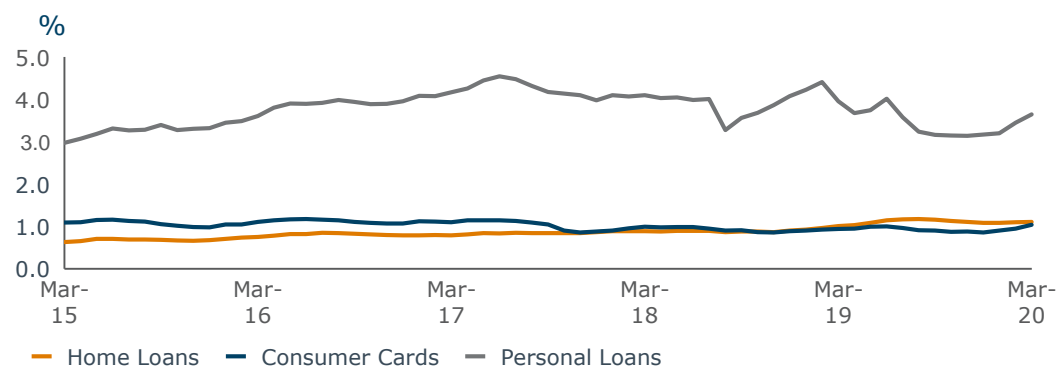
- 4.1% of portfolio
- 58% ahead of repayments
- 49% with LMI

1. Includes capitalised LMI premiums 2. Valuations updated to Feb-20 where available 3. Includes Non Performing Loans and excludes accounts with a security guarantee and unknown DLVR  
4. DLVR does not incorporate offset balances, aligning with calculations that produce a portfolio average DLVR of 56%

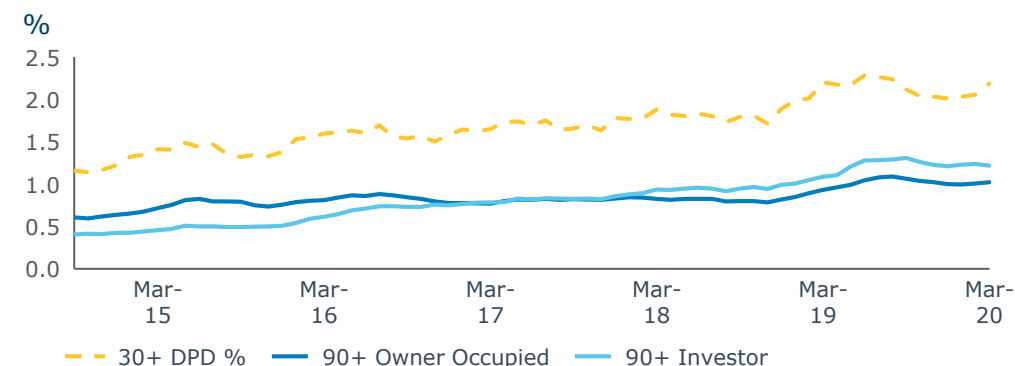
# AUSTRALIA CONSUMER PORTFOLIO

## PORTFOLIO PERFORMANCE

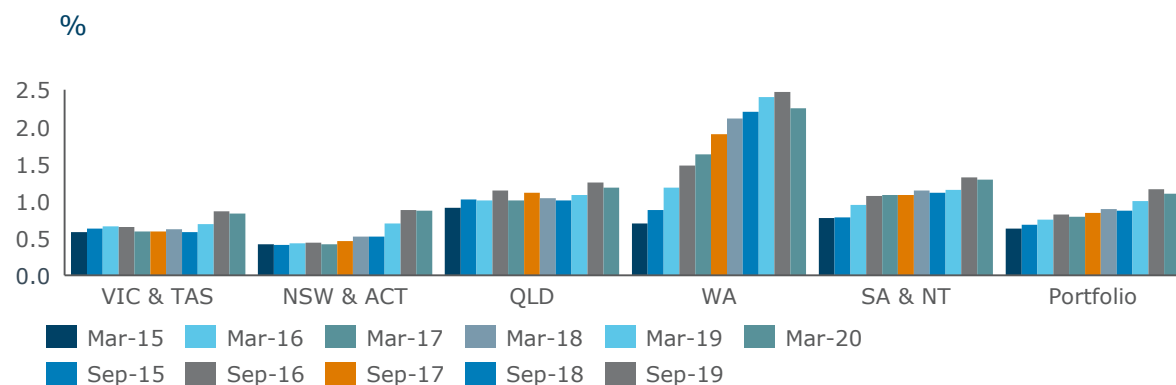
### PRODUCT 90+ DAY DELINQUENCIES<sup>1,2</sup>



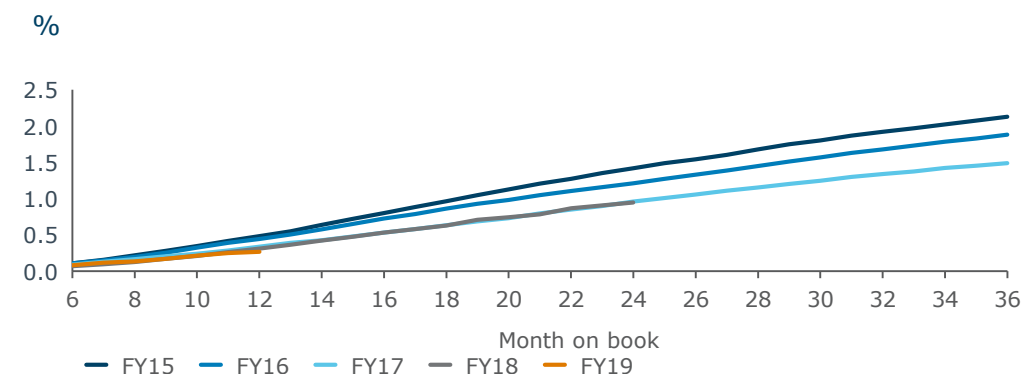
### HOME LOAN DELINQUENCIES<sup>1,2,3,4</sup>



### HOME LOANS 90+ DPD BY STATE<sup>1,2</sup>



### HOME LOANS - 90+ DPD (BY VINTAGE)<sup>5</sup>



1. Includes Non Performing Loans 2. ANZ delinquencies are calculated on a missed payment basis for amortising and Interest Only loans 3. The current classification of Investor vs Owner Occupier, is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances 4. 30+ excludes eligible Home Loans accounts that had requested COVID-19 assistance at 31 March 2020 but due to delays in processing had not had the loan repayment deferral applied to the account 5. Home loans 90+ DPD vintages represent % ratio of over 90+ delinquent (measured by # accounts), contains at least 6 application months of that fiscal year contributing to each data point

# NEW ZEALAND HOME LOANS

## PORTFOLIO OVERVIEW<sup>1</sup>

	Portfolio			Flow	
	1H18	1H19	1H20	1H19	1H20
Number of Home Loan Accounts	523k	527k	531k	37k	38k
Total FUM	NZD79b	NZD83b	NZD88b	NZD9b	NZD10b
Average Loan Size <sup>2</sup>	NZD150k	NZD157k	NZD165k	NZD251k	NZD271k
% Owner Occupied	74%	75%	75%	77%	75%
% Investor	26%	25%	25%	23%	25%
% Paying Variable Rate Loan <sup>3</sup>	20%	16%	14%	13%	13%
% Paying Fixed Rate Loan <sup>3</sup>	80%	84%	86%	87%	87%
% Paying Interest Only	21%	20%	19%	19%	19%
% Paying Principal & Interest	79%	80%	81%	81%	81%
% Broker Originated	35%	37%	39%	41%	43%

	Portfolio		
	1H18	1H19	1H20
Average LVR at Origination <sup>2</sup>	58%	57%	57%
Average Dynamic LVR <sup>2</sup>	42%	42%	40%
Market Share <sup>4</sup>	31.0%	30.9%	30.7%
% Low Doc <sup>5</sup>	0.41%	0.35%	0.32%
Home Loan Loss Rates	0.00%	0.00%	0.01%
% of NZ Geography Lending	62%	63%	64%

1. New Zealand Geography

2. Average data as of February 2020

3. Flow excludes revolving credit facilities

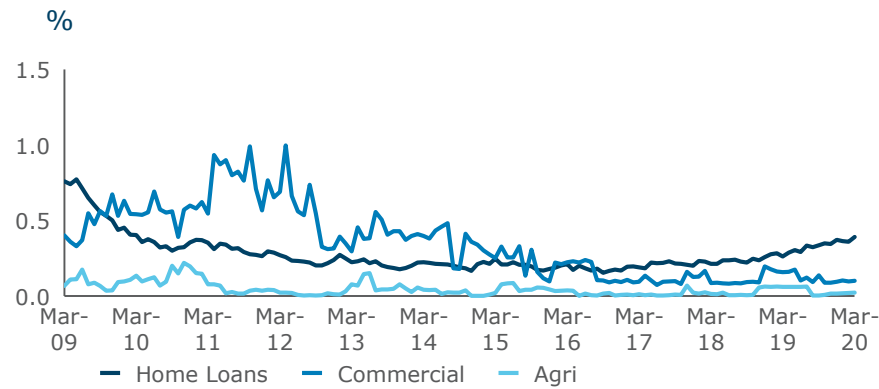
4. Source: RBNZ, 1H20 share of all banks as at February 2020

5. Low documentation (low doc) lending allowed customers who met certain criteria to apply for a mortgage with reduced income confirmation requirements. New low doc lending ceased in 2007

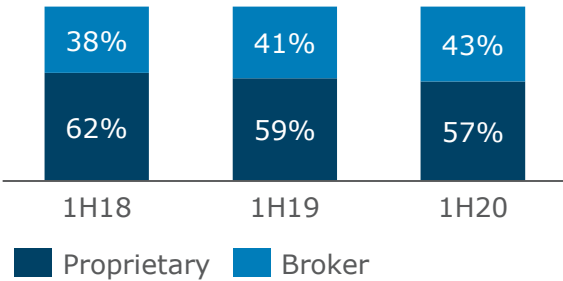
# NEW ZEALAND HOME LOANS

## HOME LENDING & ARREARS TRENDS<sup>1</sup>

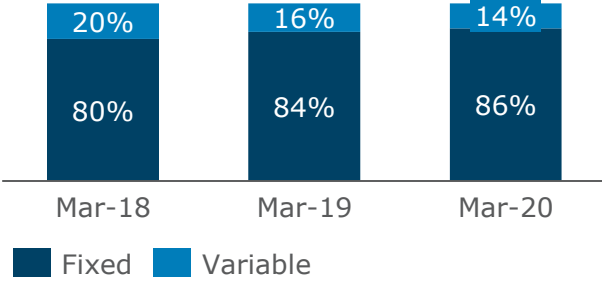
### NZ DIVISION 90+DAYS DELINQUENCIES



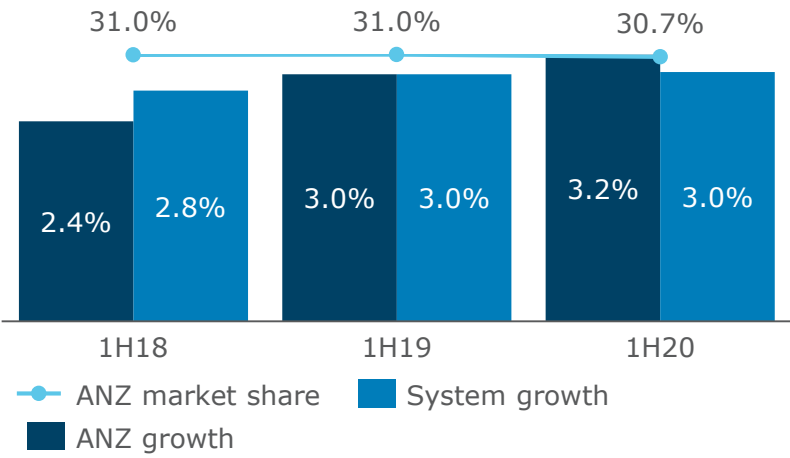
### HOUSING FLOWS



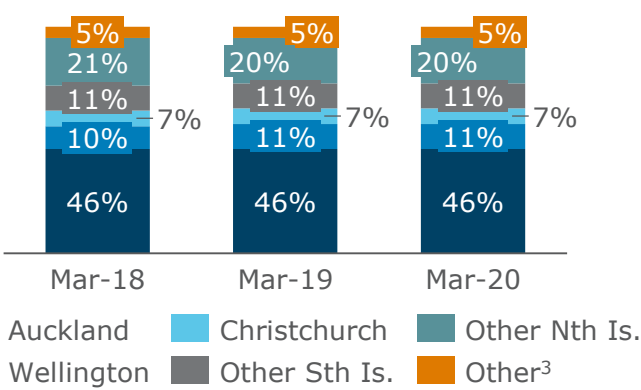
### HOUSING PORTFOLIO



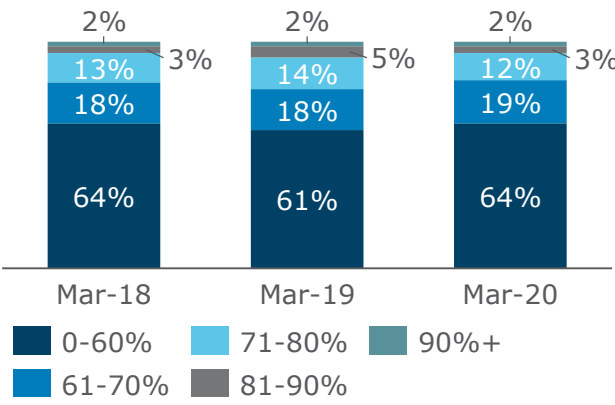
### MARKET SHARE<sup>2</sup>



### HOUSING PORTFOLIO BY REGION



### ANZ HOME LOAN LVR PROFILE<sup>4</sup>

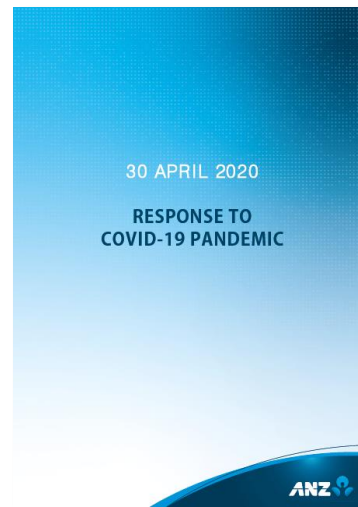


1. New Zealand Geography 2. Source: RBNZ, 1H20 market share as at February 2020 3. Other includes loans booked centrally (Business Direct, Contact Centre, Lending Services, Property Finance) 4. Dynamic basis

## ADDITIONAL INFORMATION

ANZ SHAREHOLDER WEBSITE: <https://www.anz.com/shareholder/centre/>

### Royal Commission & COVID-19 update



Update on implementation of Hayne recommendations and response to COVID-19 pandemic

<https://www.anz.com/shareholder/centre/investor-toolkit/>

### Corporate Overview & Sustainability



Progress against our Environment, Social & Governance (ESG) targets

<https://www.anz.com/shareholder/centre/reporting/sustainability/>

### AASB9

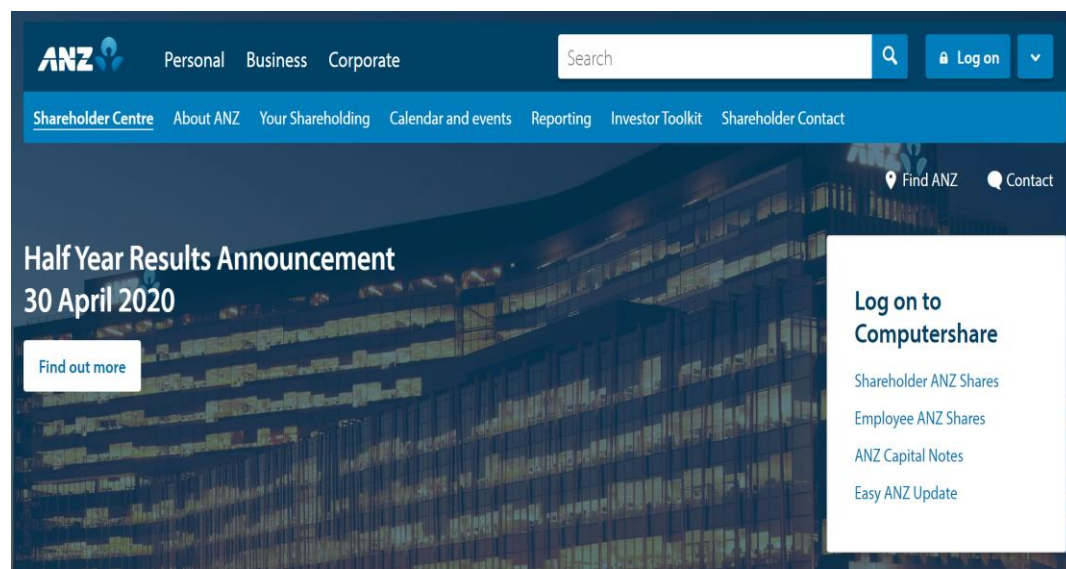


AASB9 overview and stages

<https://www.anz.com/shareholder/centre/investor-toolkit/>



# FURTHER INFORMATION



[ASX Announcements](#)

[Financial calendar](#)

[ASX Share Prices](#)

## Our Shareholder information

[anz.com/shareholder/centre/](https://anz.com/shareholder/centre/)

### Equity Investors

**Jill Campbell**  
Group General Manager  
Investor Relations  
+61 3 8654 7749  
+61 412 047 448  
[jill.campbell@anz.com](mailto:jill.campbell@anz.com)

**Cameron Davis**  
Executive Manager  
Investor Relations  
+61 3 8654 7716  
+61 421 613 819  
[cameron.davis@anz.com](mailto:cameron.davis@anz.com)

**Harsh Vardhan**  
Manager  
Investor Relations  
+61 3 8655 0878  
+61 466 848 027  
[harsh.vardhan@anz.com](mailto:harsh.vardhan@anz.com)

### Retail Investors

**Michelle Weerakoon**  
Manager Shareholder  
Services & Events  
+61 3 8654 7682  
+61 411 143 090  
[michelle.weerakoon@anz.com](mailto:michelle.weerakoon@anz.com)

### Debt Investors

**Scott Gifford**  
Head of Debt Investor  
Relations  
+61 3 8655 5683  
+61 434 076 876  
[scott.gifford@anz.com](mailto:scott.gifford@anz.com)

**Mary Makridis**  
Associate Director  
Debt Investor Relations  
+61 3 8655 4318  
[mary.makridis@anz.com](mailto:mary.makridis@anz.com)

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