

2015

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

ANZ Overview
CGI Glass Lewis Webinar

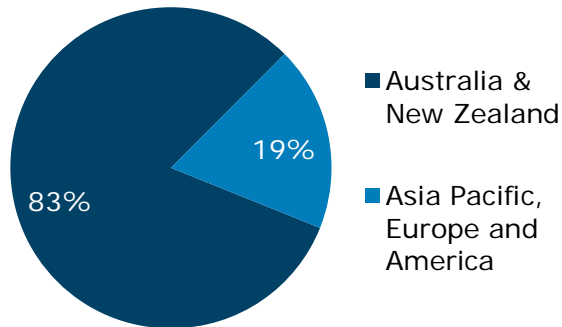
December 2015



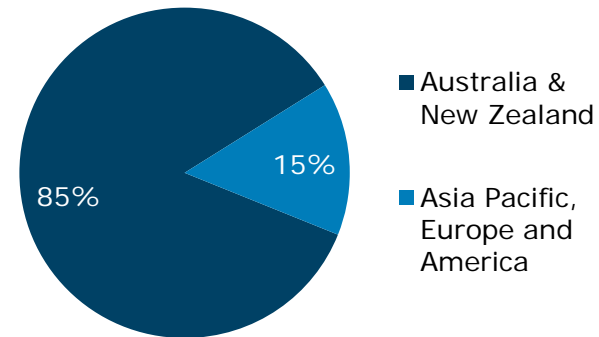
Business mix

Cash profit and lending by geography

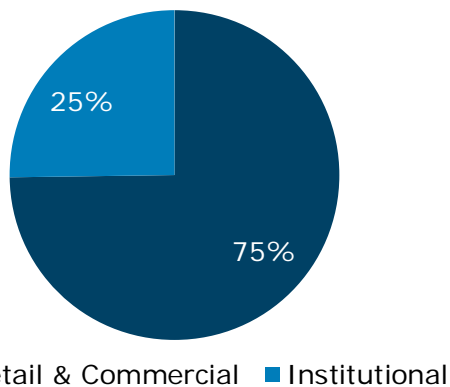
Cash profit



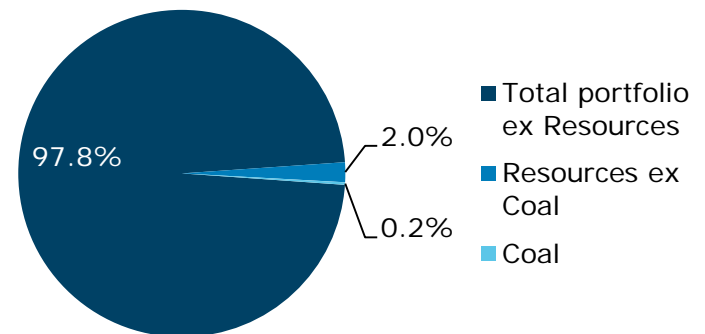
Lending (NLA)



Lending (NLA) by division

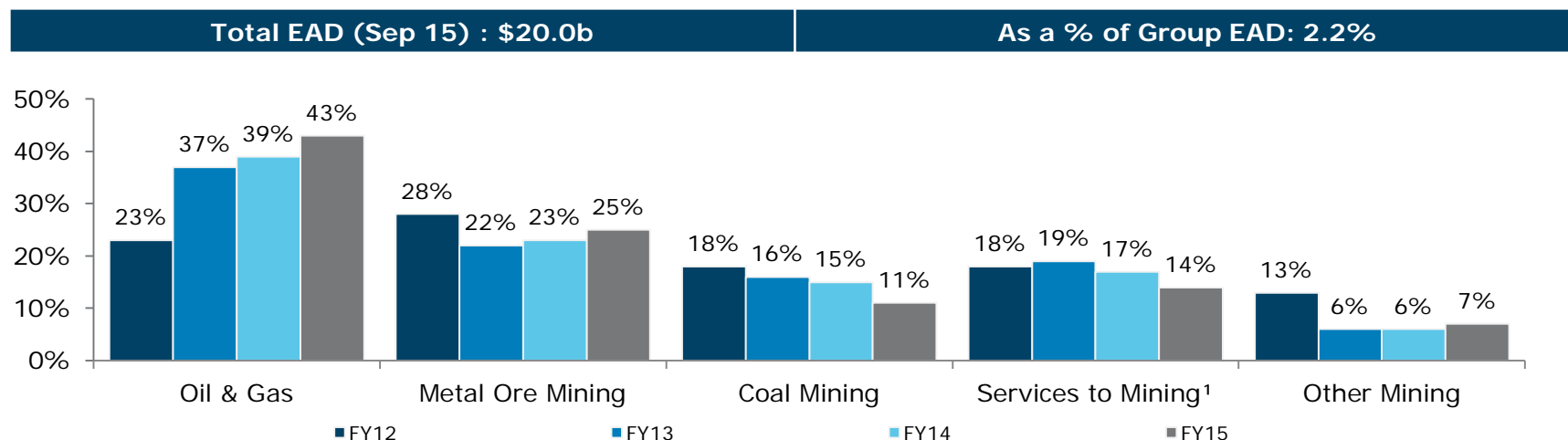


Total Exposure at Default

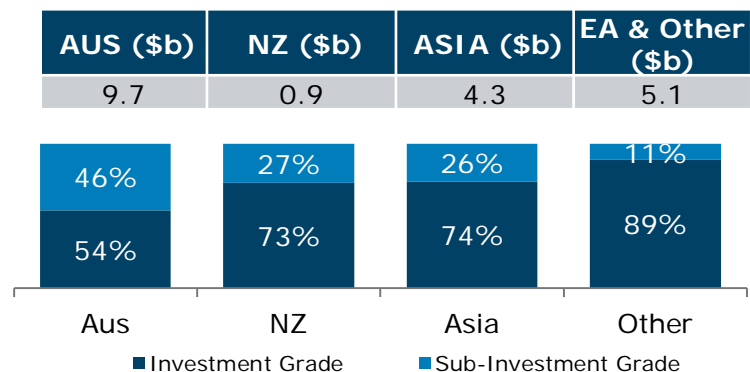


Resources Portfolio – as disclosed in FY15 results

Resources exposure by sector (% EAD)



Resources exposure credit quality (EAD)



Resources portfolio management

- Portfolio is skewed towards well capitalised and lower cost resource producers. Over a third of the book is less than one year duration.
- Investment grade exposures represent 68% of portfolio vs. 64% at FY14.
- **Trade business unit accounts for 19% of the Total Resources EAD.**
- Services to mining¹ customers are subject to heightened oversight given the cautious outlook for services sector.

1. Services to Mining includes businesses that perform a range of Mining support activities on a contract or fee basis such as petroleum and mineral exploration.

Regulation and engagement

Regulation

- The Australia banking sector is subject to significant regulatory oversight
- ANZ operates across 34 markets and actively engages with domestic and international regulators
- For FYE 30 September 2015, almost 50 reviews were conducted by 27 regulators across 25 countries

Stakeholder engagement

- ANZ undertakes a comprehensive engagement program with stakeholder groups from board level down
- In 2015, ANZ was rated a top 5 company for: (i) Overall Best IR by a Company in the ASX200; (ii) ASX Top 50 Best IR; (iii) Best Corporate Reporting; (iv) Best Investor Day; (v) Best use of technology¹
- In 2015, ANZ was again recognised as a leading bank globally on the Dow Jones Sustainability index, scoring 94/100, our highest score to date.
- ANZ received a disclosure score of 100 out of 100 from CDP in 2015, and an award for 'consistently high quality climate change disclosure 2006-2015' as one of only three Australian companies to be included on the CDP Climate Disclosure Leadership Index for 10 consecutive years.
- ANZ has been a constituent of the FTSE4Good Index since 2001
- ANZ has been assessed as one of the 100 Most Sustainable Corporations in the World in the 2015 Corporate Knight's Global 100 index based on performance in 12 sector specific sustainability metrics

¹ AIRA best practice investor relations awards results, November 2015 (Australasian Investor Relations Association)

'Bridging low carbon economy'

- ANZ recognises the 'bridging' required for the transition to a low carbon economy.
- We support pragmatic measures that can advance carbon reduction goals while ensuring economic growth.
- These measures include funding increased energy efficiency in industry, low emissions transport, green buildings, reforestation, renewable energy and battery storage, emerging technologies (such as carbon capture and storage) and climate change adaptation measures.
- The transition will involve a mix of energy fuel sources: renewables, gas and coal.
- We recognise the social and economic importance to many of the markets and communities in which we operate of existing energy resources.
- We are adopting a 'Bridging to a low carbon economy' framework that includes the following elements:
 - A statement on climate change and the role ANZ will play in supporting the transition to a low carbon economy.
 - A new public target to fund and facilitate \$10 billion by 2020 to support our customers to transition to a low carbon economy via the measures above. For example over the past year we have worked with a major retailer to pilot energy efficiency initiatives in LED lighting, refrigeration and air conditioning, and instituted a pilot program of solar sites across their network.
 - We will consider financing new coal fired power plants that use advanced technologies and higher quality coal¹ to significantly reduce emissions to at least 0.8 tCO₂/MWh. This means power generation at up to ~50% lower emissions than many power stations in use today. It also means we will not finance any new build of conventional² coal fired power plants.
 - New lending for coal mining, transportation and use of coal in electricity generation, will support customers meeting or demonstrating credible and time-bound commitment towards best practice, for example:
 - Reducing greenhouse gas emissions and improving energy efficiency
 - Commitment, capacity and proven track record to manage the social and environmental impacts of their operations (for example, effective dust management plans for the transportation of coal, and comprehensive community engagement plans for mining activities).

¹ Lower carbon emitting coal (generally higher calorific value and lower moisture levels).

² "Conventional" plants are those plants not utilising advanced, commercially proven technologies (such as supercritical or ultra-supercritical boilers, gasification or circulating fluidised boilers) to significantly reduce CO₂ emissions.

Sustainability

Managing social and environmental risks and opportunities

Approach



- ANZ's approach to sustainability supports achievement of our business strategy by guiding the way we make decisions and conduct business in all of the markets in which we operate. Our decision making processes take into account the social and environmental impacts of ANZ's operations and prioritise building trust and respect amongst our stakeholders.
- ANZ reports bi-annually on our sustainability performance.
- Our 2015 Corporate Sustainability Report will be released on 9 December and available on anz.com

Key highlights

\$74.8 million

in community investment¹

81.7%

proportion of low carbon energy generation in our project finance energy portfolio²

\$10 billion

commitment to support our customers to transition to a low carbon economy by 2020

87%

of employees have adopted flexible working practices

>360K

people reached through our financial education program MoneyMinded³

68%

reduction of Lost Time Injuries over the last ten years in Australia

>108K

hours volunteered by employees

40.4%

Women in management⁴

>146K

customers registered for goMoney™ in the Pacific since launch in 2013

1. Includes foregone revenue.
2. From a 2011 baseline of 59%.
3. Since 2003 (estimated number).
4. Based on employee headcount.

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