2015 | HALF YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
5 MAY 2015

RESULTS PRESENTATION & INVESTOR DISCUSSION PACK

Index

All figures within this investor discussion pack are presented on Cash basis in Australian Dollars unless otherwise noted. In arriving at Cash Profit, Statutory Profit has been adjusted to exclude non-core items, further information is set out on page 86 of the 2015 Half Year Consolidated Financial Report. Common growth rate abbreviations used in this presentation include PCP: Prior comparable period growth rate (for instance 1H15 vs 1H14, 2H14 vs 2H13); HoH: Half on Half growth rate (for instance 1H15 vs 2H14, 2H14 vs 1H14)

2015 | HALF YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
5 MAY 2015

Mike Smith
Chief Executive Officer

Financial performance

		1H15 ($m)	Growth (1H15-1H14)
Statutory Profit ($m)		**3,506**	**3%**
Cash Profit ($m)		**3,676**	**5%**
Cash Earnings per Share (cents)		**133.6**	**4%**
ROE (%)		**14.7**	**(80)bps**
CET1 (%)	**Internationally harmonised**	**12.4**	**-**
	APRA basis	**8.7**	**40bps**

- Good, well balanced result in the context of a constrained macro environment
- Our result highlights our strategy is continuing to deliver
- Strong business performances; some challenges

Highlights of the result

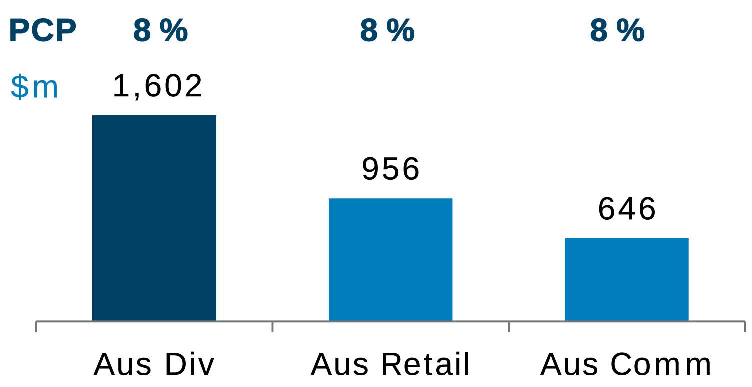
Highlights

- **Australia Retail & Commercial strong, consistent growth**

Drivers & outcomes

- Maintained margins in a competitive environment
- Invested in frontline, digital & NSW
- Small business lending up 15%
- 5 yrs above system mortgage growth
- Best in class productivity

Cash Profit & growth



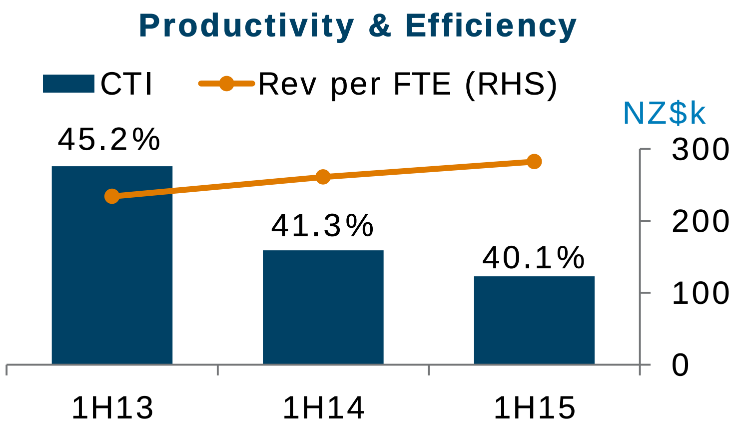
Highlights of the result

Highlights

- Australia Retail & Commercial strong, consistent growth
- **New Zealand performance to the next level**

Drivers & outcomes

- PBP up 6% in Retail & up 9% in Commercial
- Winning customers: #1 Mkt position & growing mortgage & cards share
- Invested in Auckland, Christchurch & small business
- Continuing strong credit quality



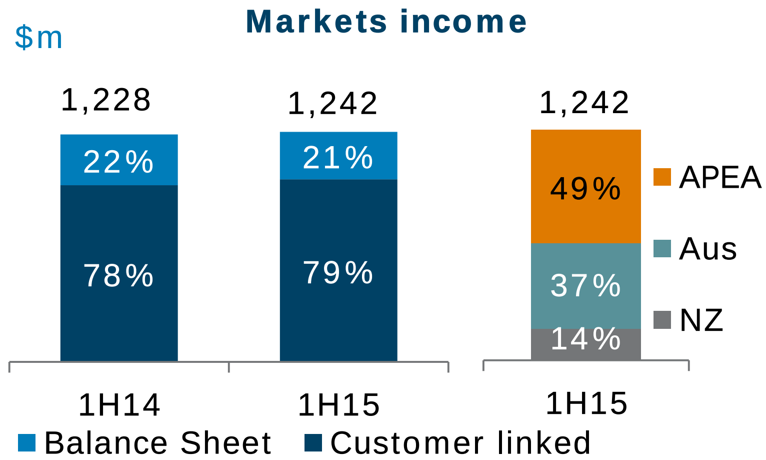
Highlights of the result

Highlights

- Australia Retail & Commercial strong, consistent growth
- New Zealand performance to the next level
- **Markets customer income at record levels led by Asia growth**

Drivers & outcomes

- Past Markets investments delivering diversified regional & product growth
- 49% of markets income from APEA; driving IIB Asia growth of ~15%
- 79% markets income customer linked
- #4 Corporate Bank in Asia[1]



1. Greenwich Associates 2014 Asian Large Corporate Banking Study.

Highlights of the result

Highlights

- Australia Retail & Commercial strong, consistent growth
- New Zealand performance to the next level
- Markets customer income at record levels led by Asia growth
- **Investing in digital & other innovation, strengthening NSW**

Drivers & outcomes

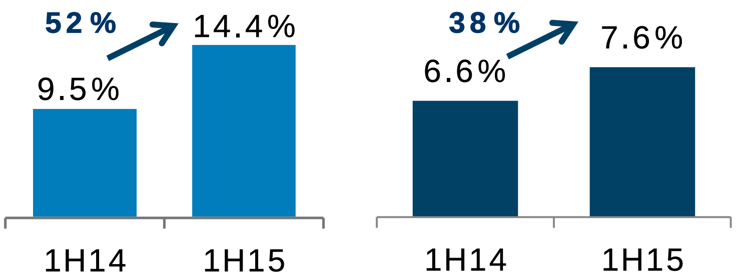
- Transaction numbers via Digital:
  - 74% in Aus, 65% in NZ
- Award winning apps “GoMoney” & “Grow by ANZ”
- NSW expansion; opening Myanmar & Thailand
- “Transactive” in 17 countries

Australia

Sales numbers via Digital[1] (%)

New Zealand

Sales revenue via Digital[2] (%)



1. Sales includes the number of sales events through the Retail distribution network, including all Retail, Commercial and Wealth products.
2. Revenue from sales completed through Digital channels.

Highlights of the result

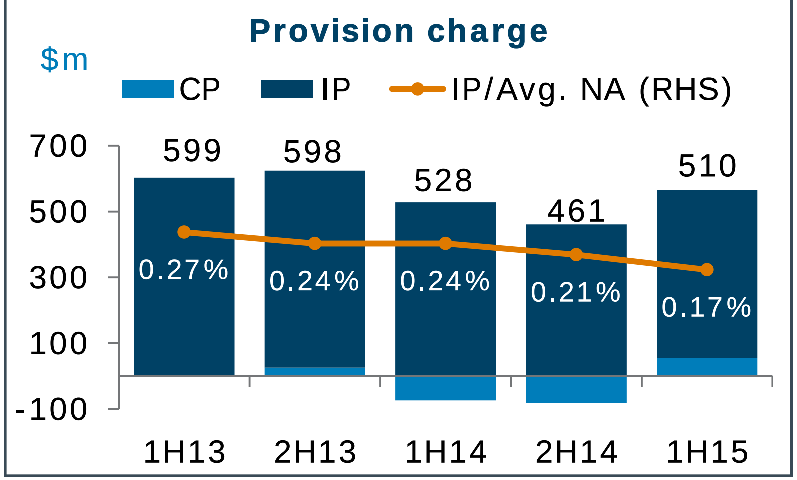
Highlights

- Australia Retail & Commercial strong, consistent growth
- New Zealand performance to the next level
- Markets customer income at record levels led by Asia growth
- Investing in digital & other innovation, strengthening NSW
- **Strong risk management**

Drivers & outcomes

- Strong capital, liquidity & funding positions
- No material change to CP overlays
- Strong credit quality:

  maintaining risk disciplines in competitive markets



Highlights of the result

Highlights

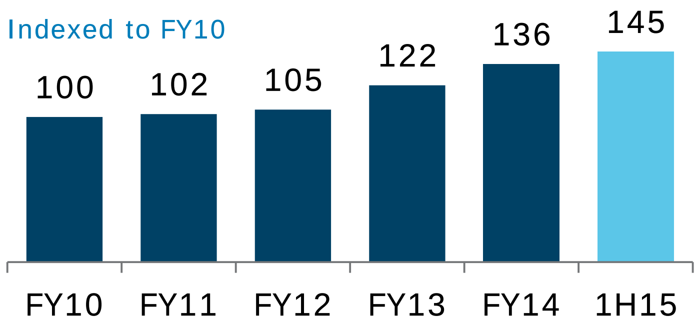
- Australia Retail & Commercial strong, consistent growth
- New Zealand performance to the next level
- Markets customer income at record levels led by Asia growth
- Investing in digital & other innovation, strengthening NSW
- Strong risk management
- **Enterprise approach**

Drivers & outcomes

- Integrated Regional Delivery Network
- Supporting a consistent, higher quality customer experience
- Improving efficiency - operations costs down 3%, operational volume up 7%

Operations efficiency[1]

~50% improvement over 4 ½ years



1. Operations efficiency measured by operations productivity improvement, which is the difference in operations costs and volume growth. 50% productivity improvement over 4 ½ years.

Challenges and areas to improve

Challenges/Areas to improve	Drivers & outcomes
• **Expenses**	• +4% (ex FX) front running investment • Targeting ~3% FY15
• **Global liquidity squeezing loan margins, deferring benefit of Institutional cash build out**	• Building deposits faster • Lifting cross-sell & key 'corridors' growth • Managing returns, more balanced bank
• **Trade pressured by commodity prices and lower hedge revenue**	• Strong core business experiencing cyclical pressure • Returns up despite tough conditions
• **Progress on structural realignment of the business**	• Esanda Dealer Finance sale • RWA growth 7%, ~50% FX driven • Disciplined capital management

SUPER REGIONAL STRATEGY

STRONG CORE MARKETS

PROFITABLE ASIAN GROWTH

ENTERPRISE APPROACH

STRONG LIQUIDITY AND CAPITAL MANAGEMENT

DISCIPLINED AND EXPERIENCED MANAGEMENT

CEO PRIORITIES FY14-16

Improving customer experience

Diversifying revenue

Improving productivity

Improving returns

Summary

- Good, well balanced result
- Very positive about Australia despite challenging global environment
- Investing in Australia's future: helping customers, creating jobs, supporting small business
- Strategy has delivered good progress to date for shareholders – confident we can balance short and long term growth, investments and return
- We will deliver our CTI commitment
- We remain committed to ROE discipline

2015 | HALF YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
5 MAY 2015

Shayne Elliott
Chief Financial Officer

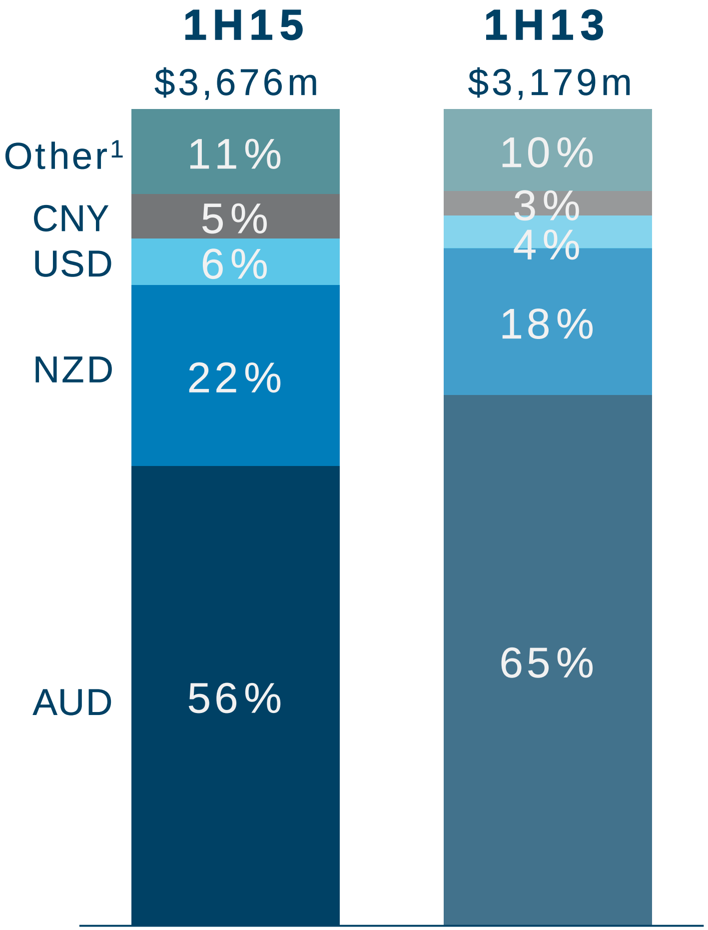
Summary of results

	1H15 – 1H14	
	$m	change
Revenue	10,185	5.3%
Expenses	(4,593)	7.2%
PBP	**5,592**	**3.9%**
Provisions	(510)	(3.4%)
Cash Profit	**3,676**	**4.6%**
Stat. adjustments	*(170)*	
Statutory Profit	*3,506*	*3.4%*
Cash EPS (cents)	133.6	3.8%
DPS (cents)	86	3.6%
ROE	14.7%	(80)bp

Impact of FX translation

	1H15 Growth	FX impact	FX Adj Growth
Revenue	5.3%	2.1%	3.2%
Expenses	7.2%	2.8%	4.4%
PBP	**3.9%**	**1.7%**	**2.2%**
Provisions	(3.4)%	1.6%	(5.0)%
NPAT	**4.6%**	**1.8%**	**2.8%**
ROE	**(80)bp**	**(30)bp**	**(50)bp**

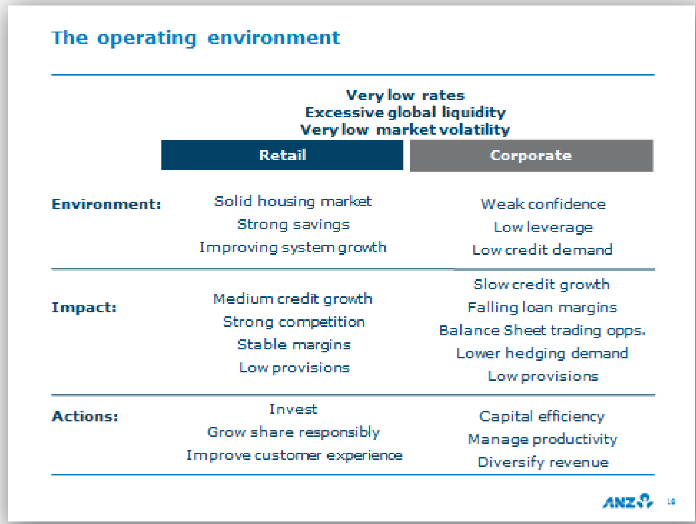
1H15 Earnings Composition (by currency)



1. major currencies in "other" category includes TWD, MYR, PGK and IND – no one currency greater than 2%

Operating environment and key actions

What we said at FY14



The operating environment

Very low rates
Excessive global liquidity
Very low market volatility

	Retail	Corporate
Environment:	Solid housing market Strong savings Improving system growth	Weak confidence Low leverage Low credit demand
Impact:	Medium credit growth Strong competition Stable margins Low provisions	Slow credit growth Falling loan margins Balance Sheet trading opps. Lower hedging demand Low provisions
Actions:	Invest Grow share responsibly Improve customer experience	Capital efficiency Manage productivity Diversify revenue

Actions – 1H15

Expanded coverage

- Additional Aus. Division front office staff: ~600
- NSW expansion

Improved Customer Experience

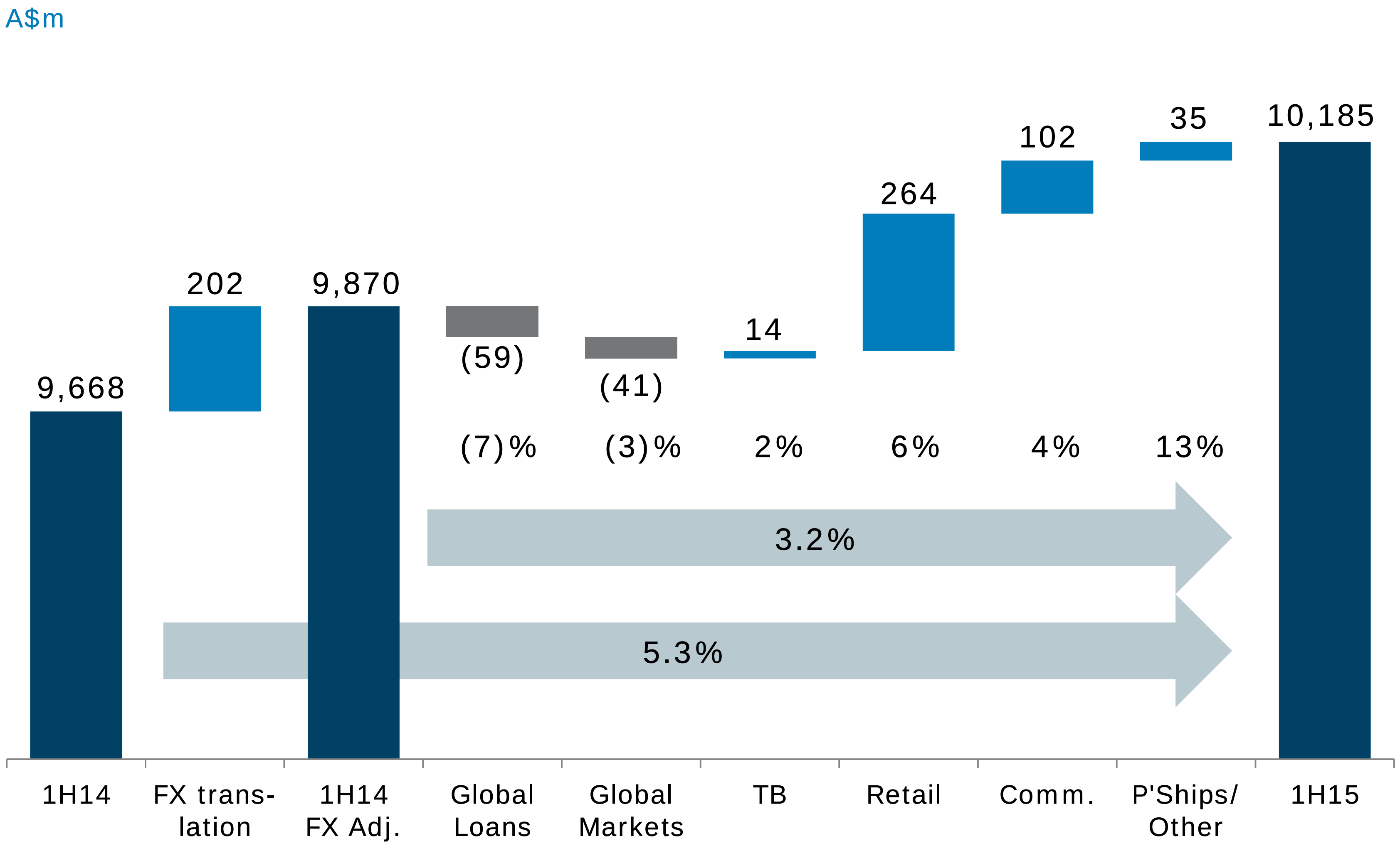
- Digital capacity & capability
- “GoMoney”, “Grow”, “Smart Choice” & “Transactive” enhancements
- “Tap and Pin” ATM: world first
- Rolled out “Transactive” China and Philippines
- Single digital access to Cash, Trade and Markets in 4 Asian markets

Enhanced Productivity & Capital Efficiency

- Hubs & Ops unit costs down ~10% average
- Esanda Dealer Finance sale

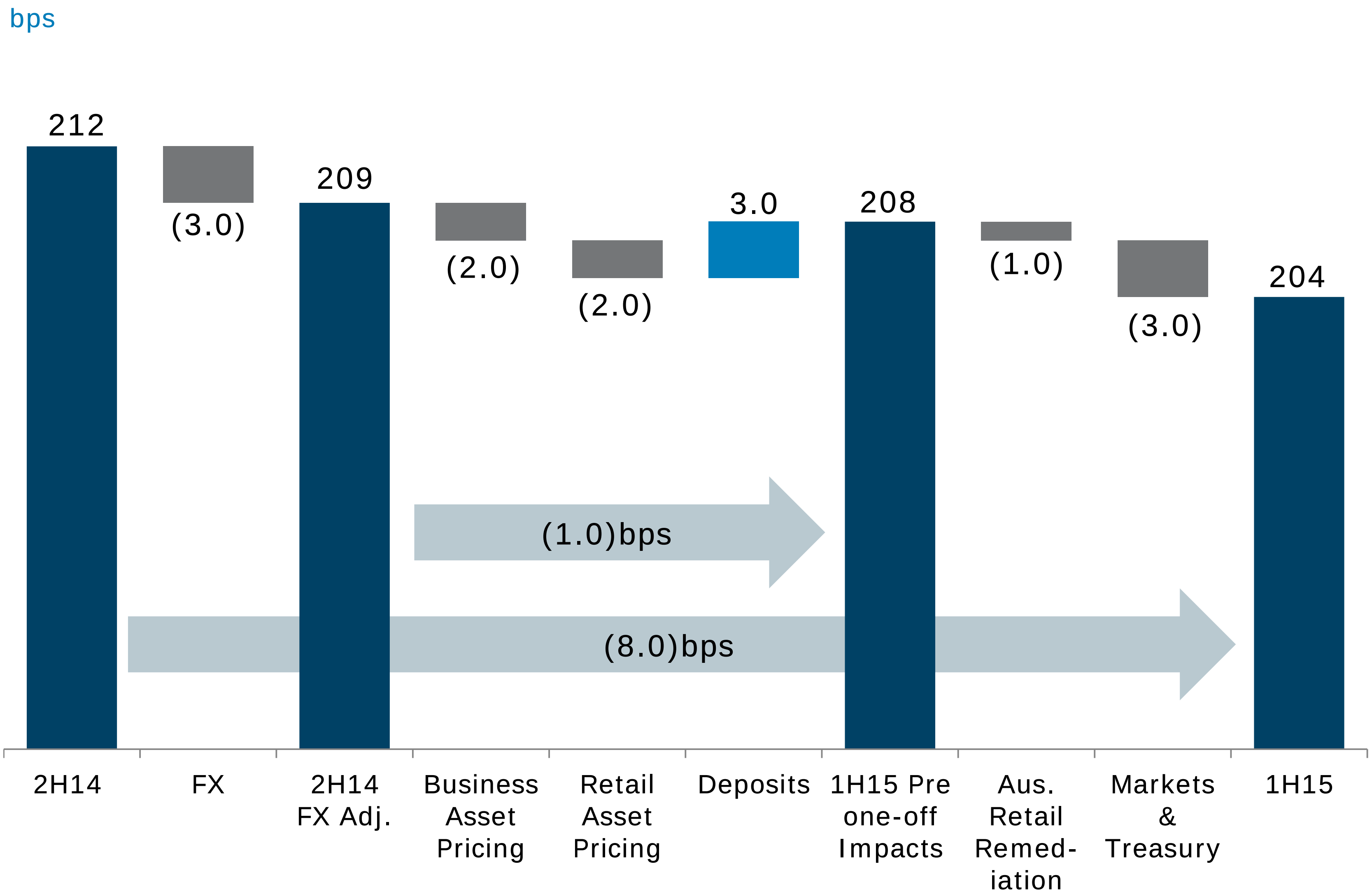
DRIVERS OF GROUP EARNINGS

Revenue drivers

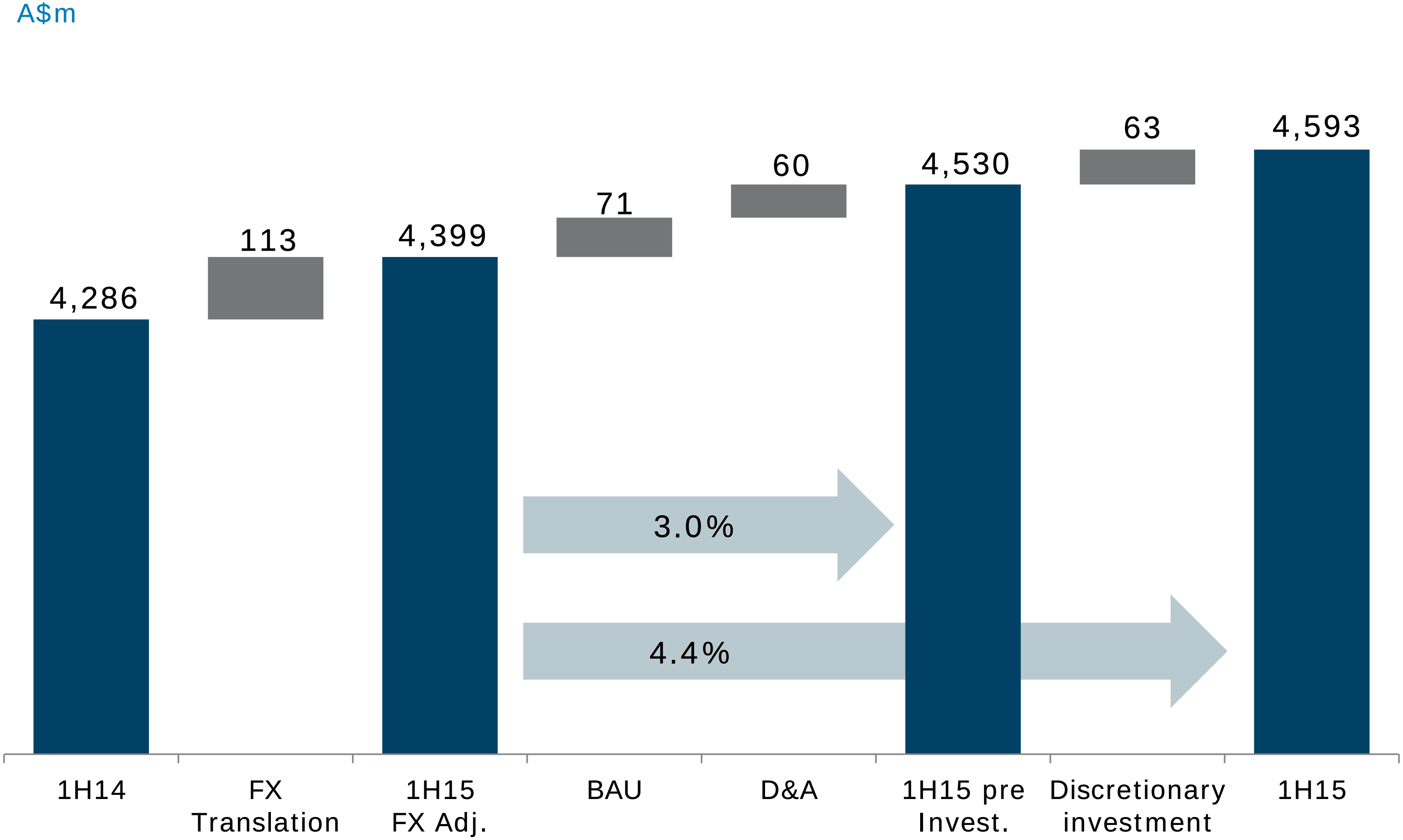


Notes. TB: Transaction Banking, Retail: Retail Australia, Retail New Zealand, Retail Asia Pacific and Global Wealth, Comm: Corporate & commercial Banking Australia and Commercial NZ

NIM drivers

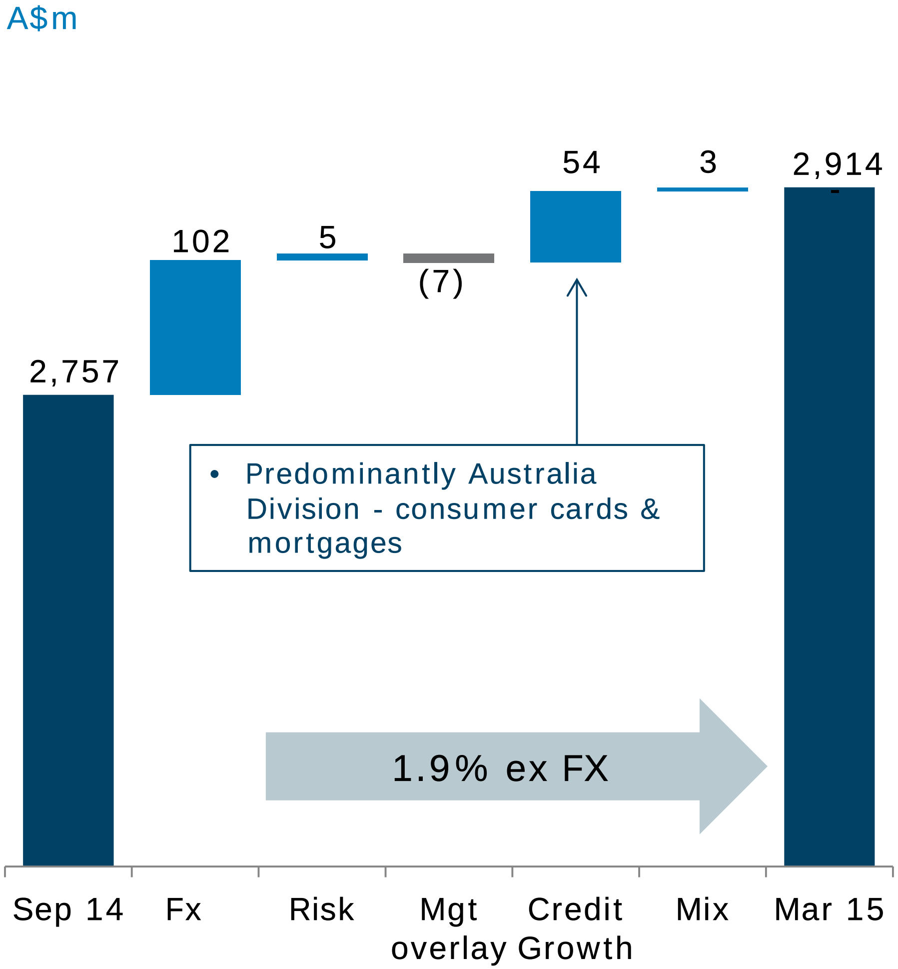

bps
212
(3.0)
209
(2.0)
(2.0)
3.0
208
(1.0)
(3.0)
204
(1.0)bps
(8.0)bps
2H14
FX
2H14 FX Adj.
Business Asset Pricing
Retail Asset Pricing
Deposits
1H15 Pre one-off Impacts
Aus. Retail Remed-iation
Markets & Treasury
1H15

Expense drivers

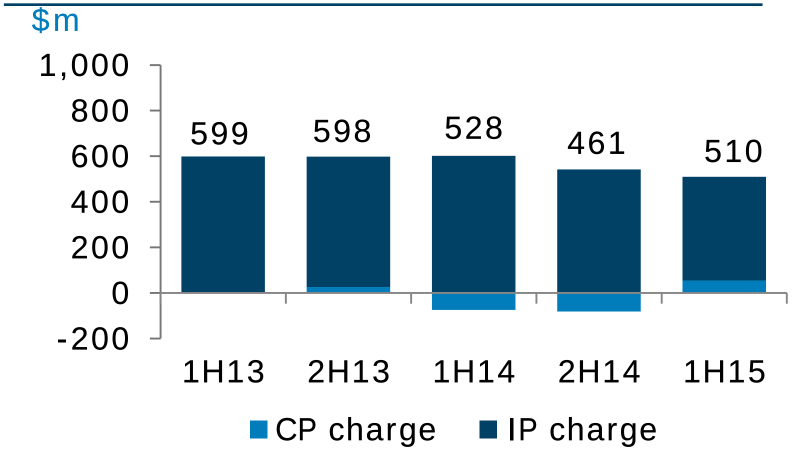


Portfolio credit quality remains sound

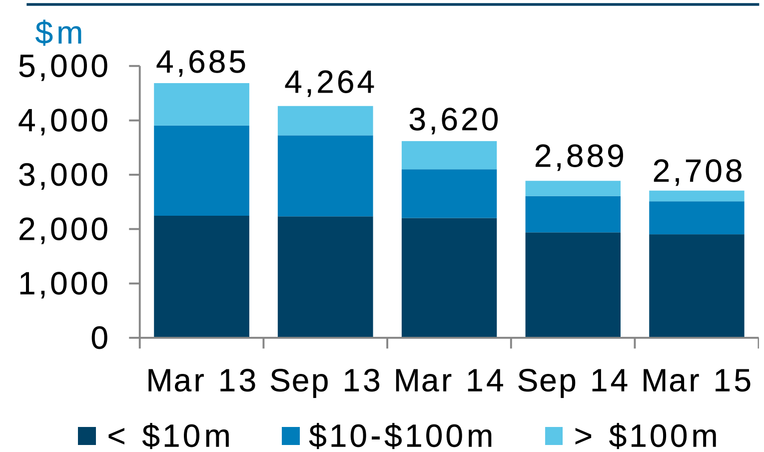
Collective provision balance by source



Total Provision Charge

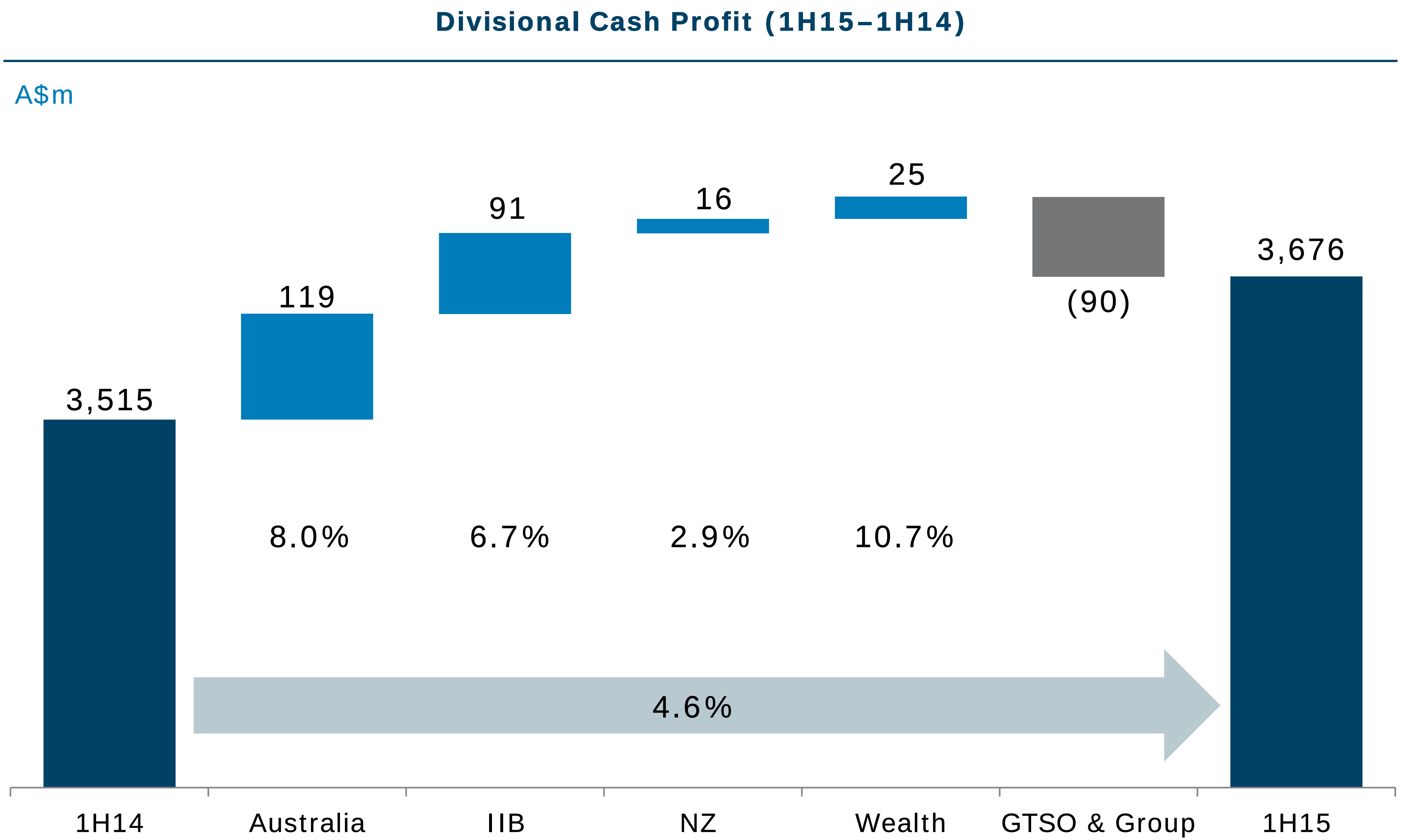


Gross Impaired Assets



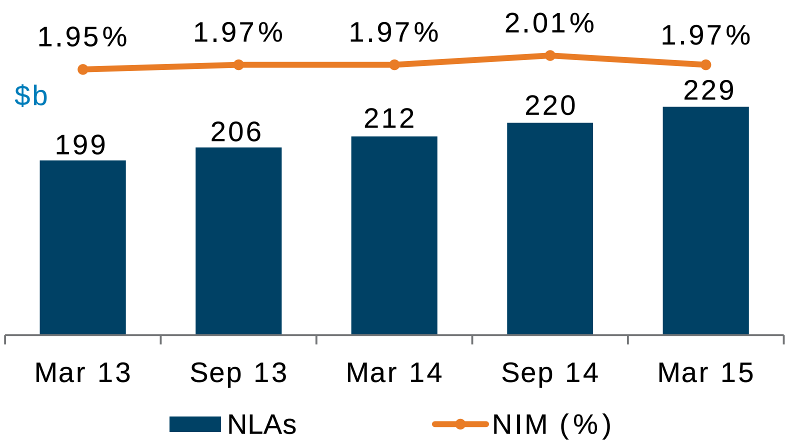
DIVISIONAL PERFORMANCE

Divisional contribution to profit growth

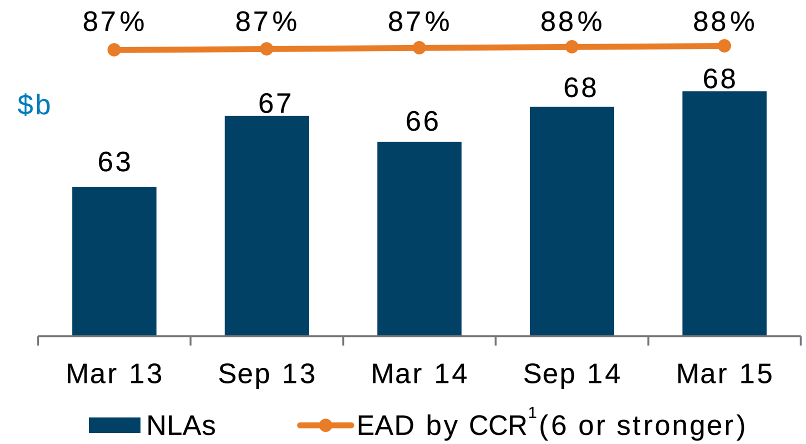


Australia – consistent growth & return, plus accelerated investment

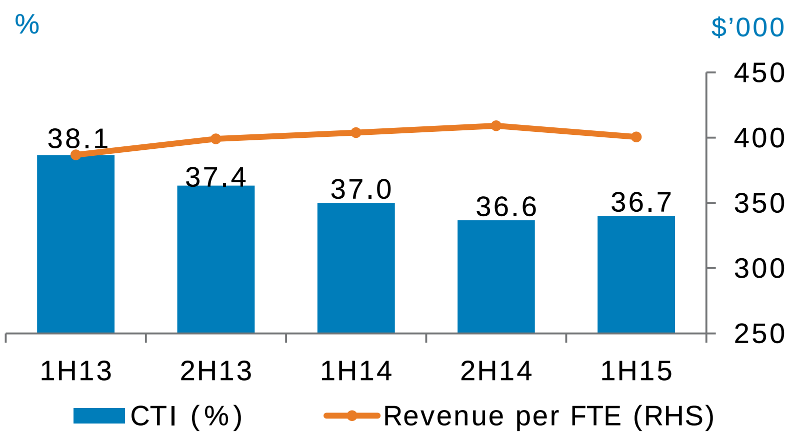
Retail lending growth



Commercial lending growth

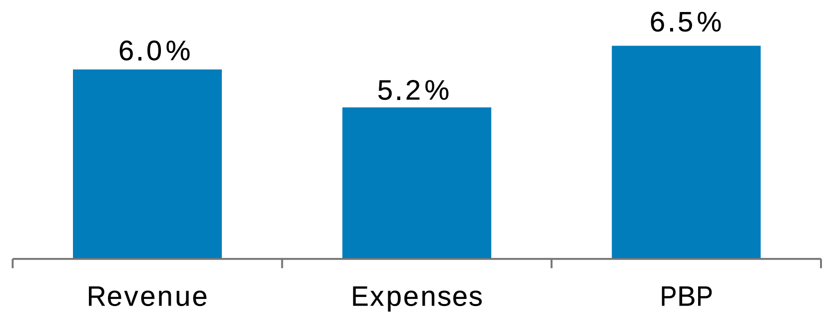


Improving productivity



Strong operating performance

1H15 profit growth (PCP)

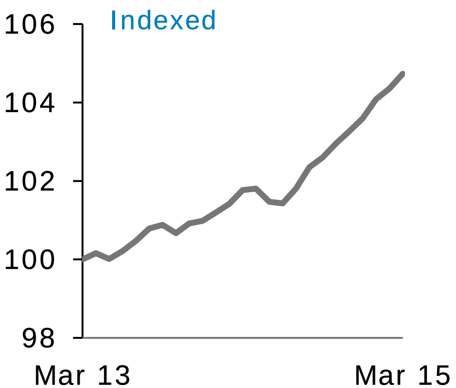


1. CCR = Customer Credit Rating

Australia - Retail a highlight

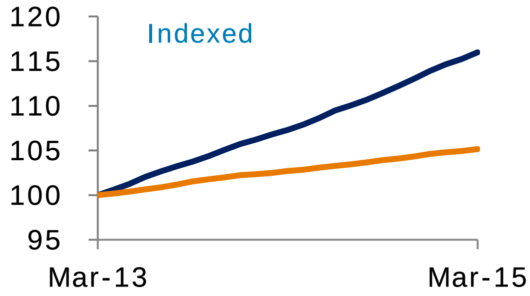
Customers

Total Retail customer numbers

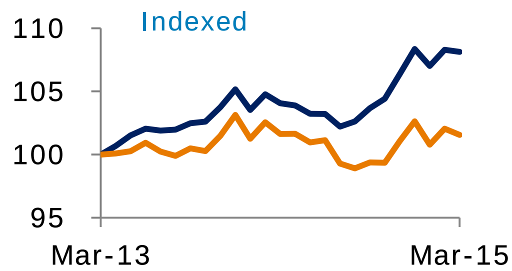


FUM

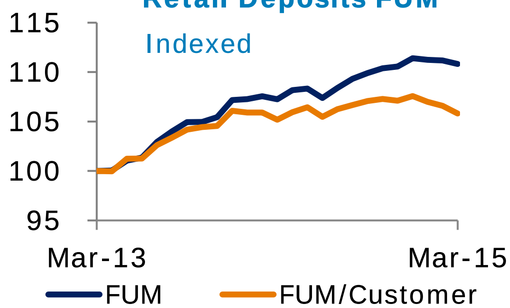
Home Loans FUM



Cards and Payments FUM



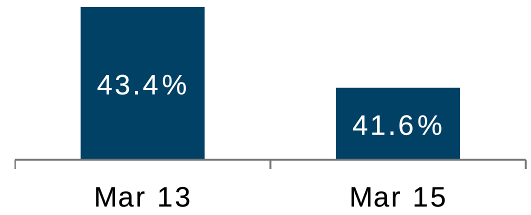
Retail Deposits FUM



Retail products per customer

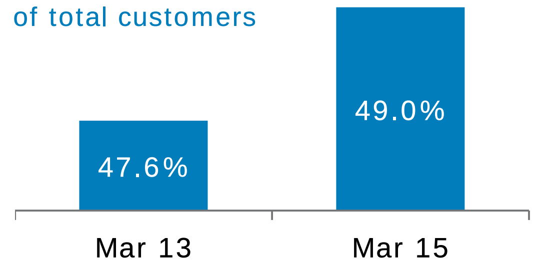
1 retail product

% of total customers



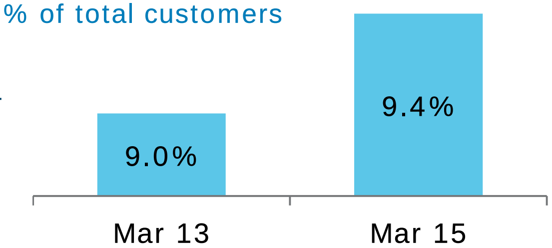
2-3 retail products

% of total customers



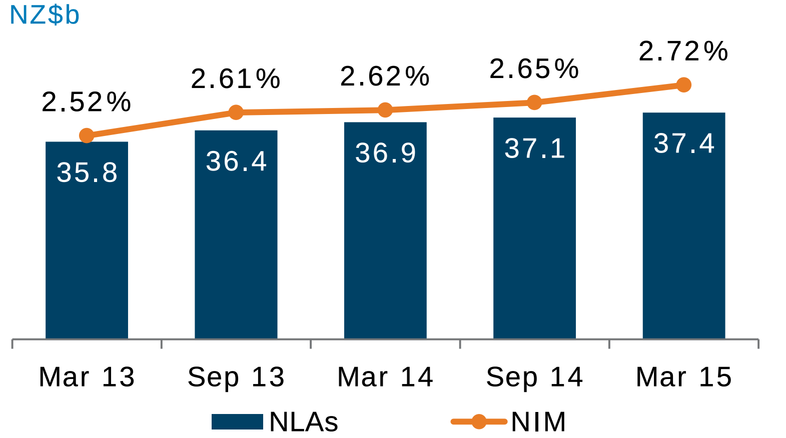
4+ retail products

% of total customers

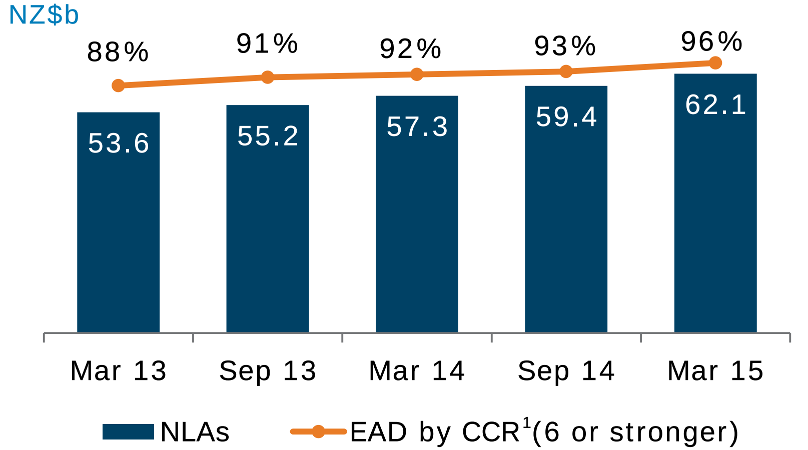


New Zealand Division – scale benefit driving growth

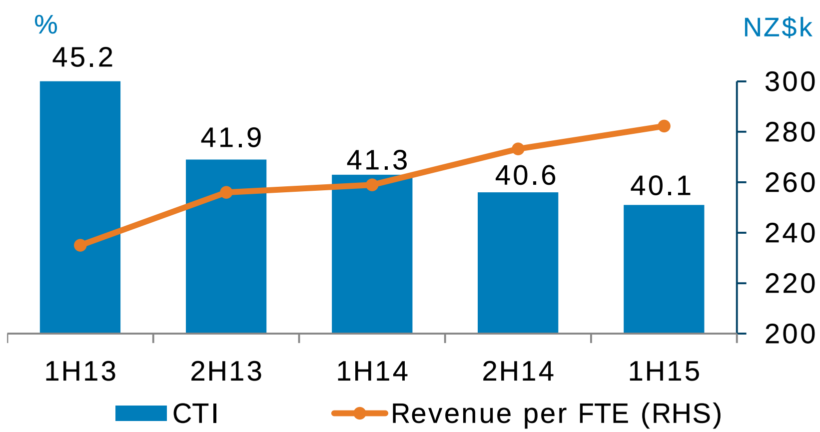
Retail lending growth



Commercial lending growth

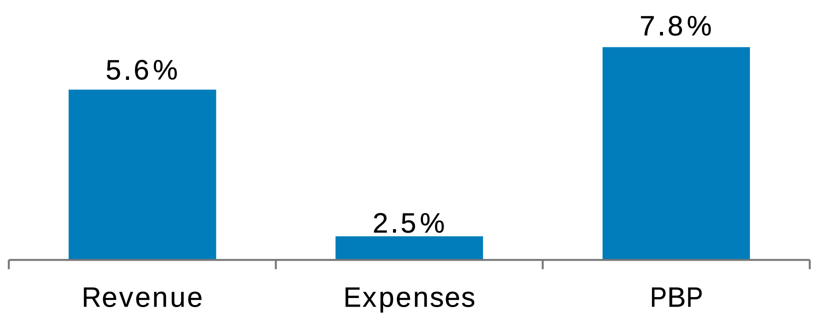


Improved productivity



Operating performance

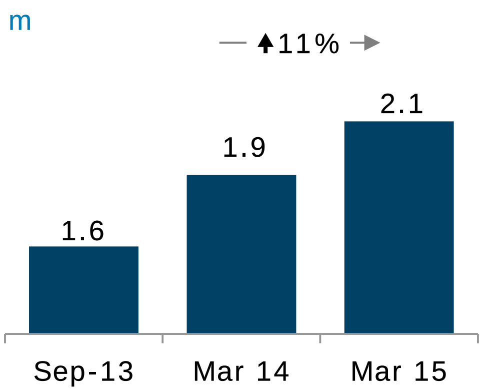
1H15 PCP growth (NZ$)



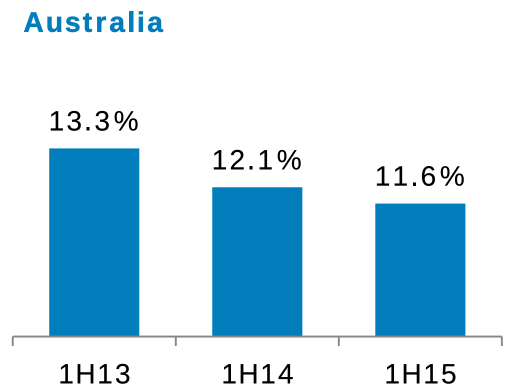
1. CCR = Customer Credit Rating

Global Wealth – focused on quality & growth

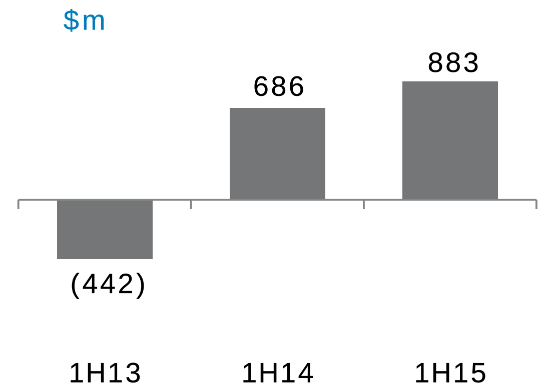
Wealth customers[1]



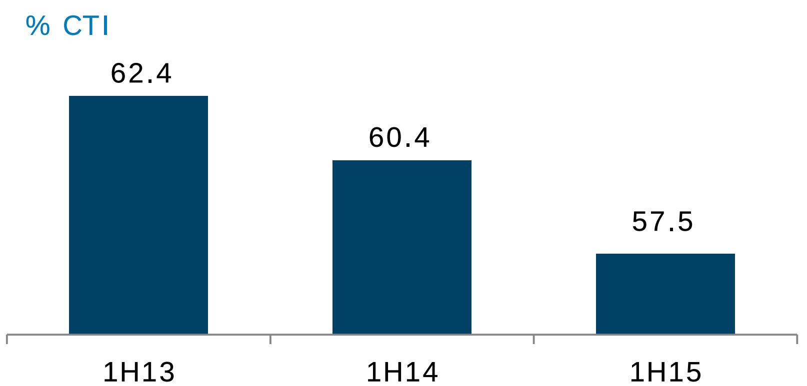
Retail Life lapse rates



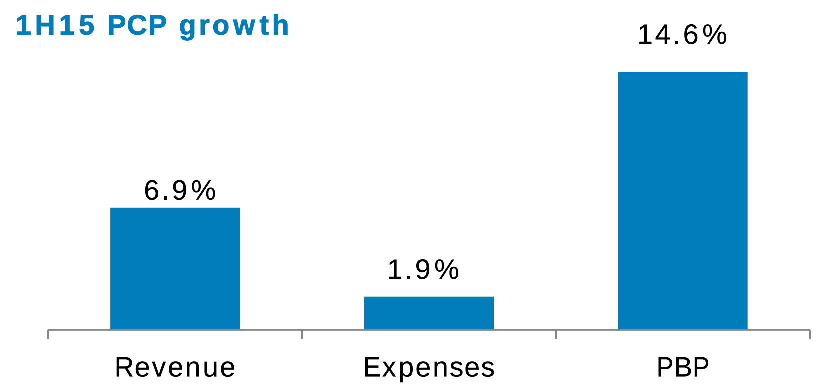
FUM net flows[2]



Improved productivity[3]



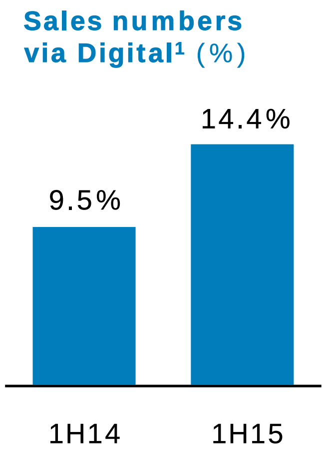
Operating performance[3]

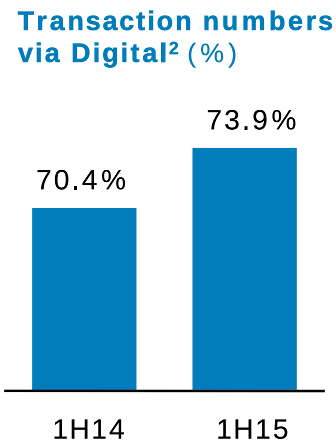


1. ANZ Wealth customers directed through ANZ channels
2. Global Private Wealth and Funds Management netflows
3. Excluding the impact of the Trustees sale

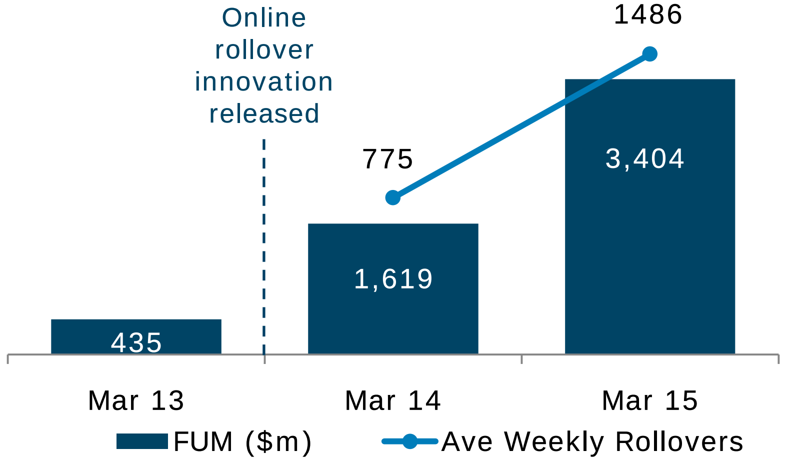
Digital investment – delivering results

Australia

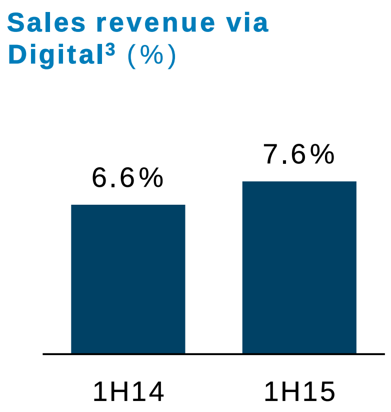


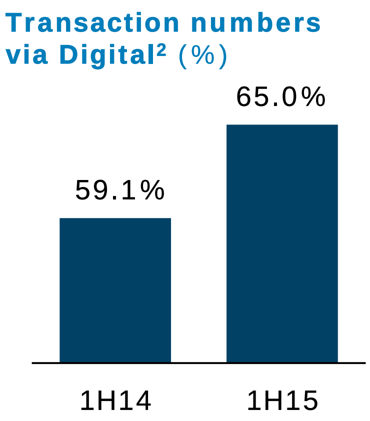


ANZ Smart Choice

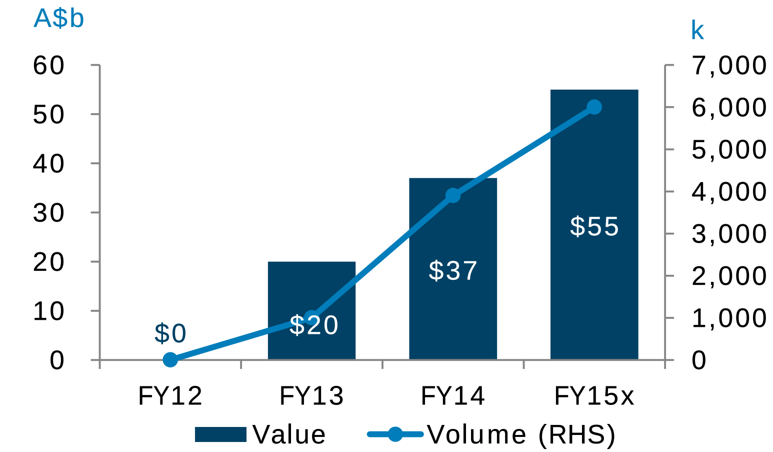


New Zealand



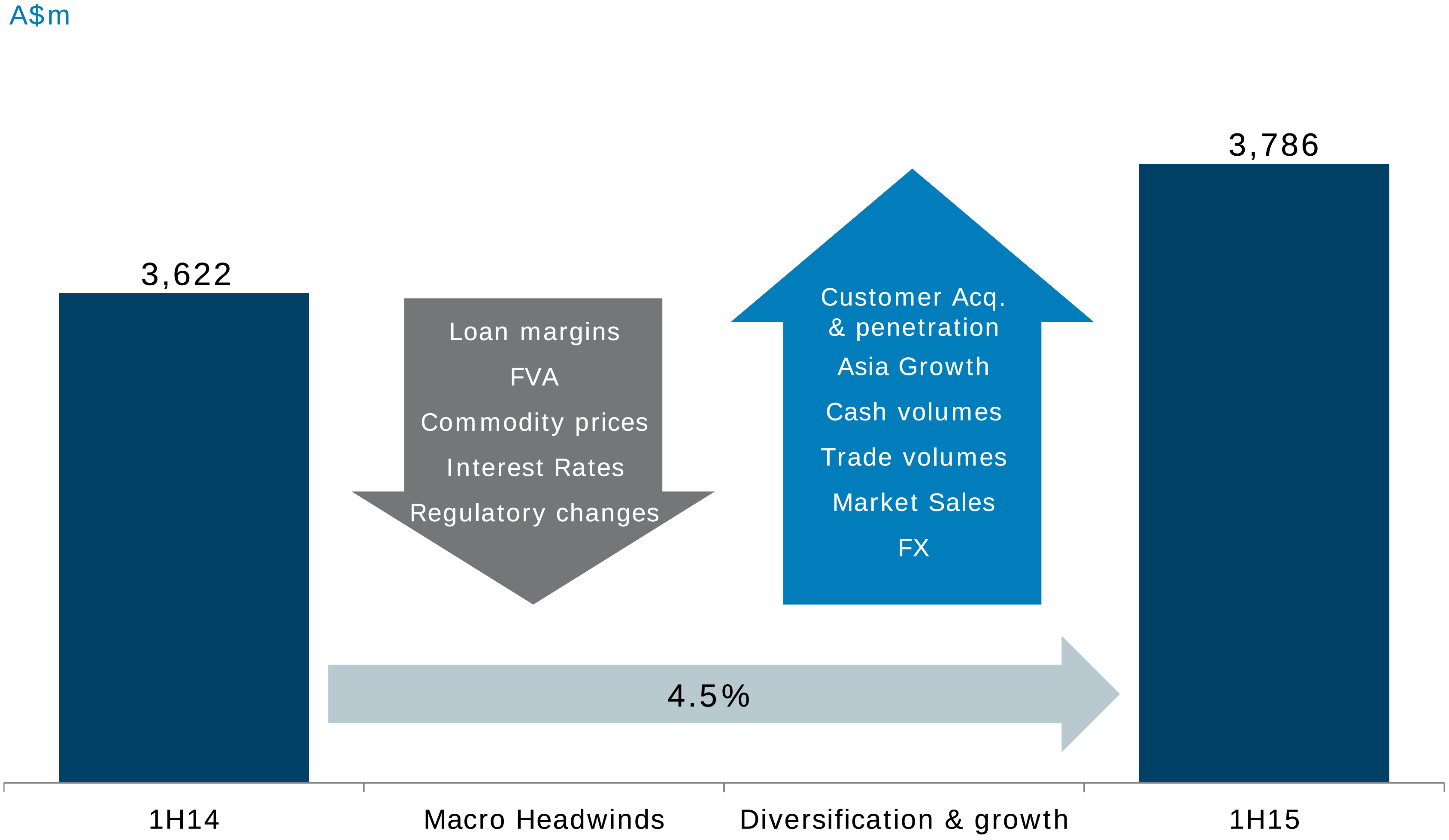


Transactive Mobile



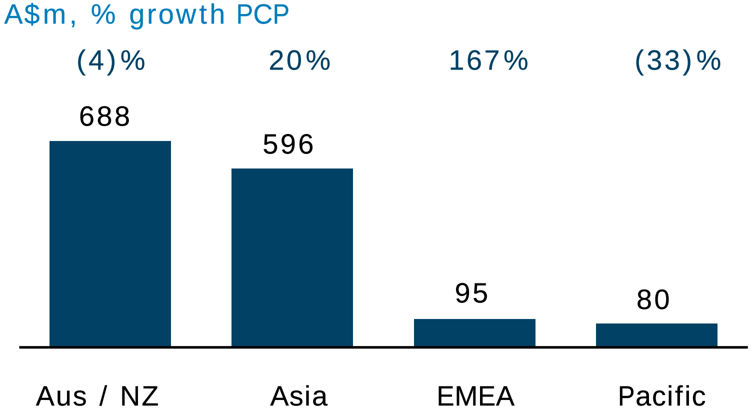
1. Sales includes the number of sales events through the Retail distribution network, including all Retail, Commercial and Wealth products.
2. Transactions refers to the number of value transactions through all channels including internet, mobile, teller and ATM.
3. Revenue from sales completed through Digital channels.

IIB revenue – re-balancing

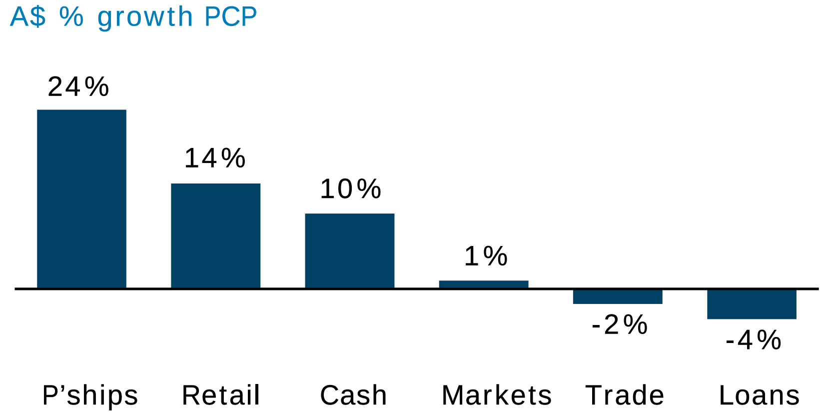


IIB – improving the mix

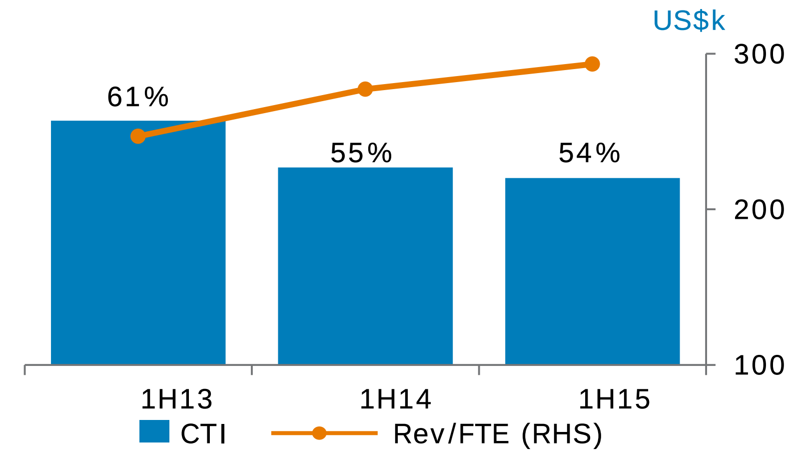
IIB 1H15 profit by region



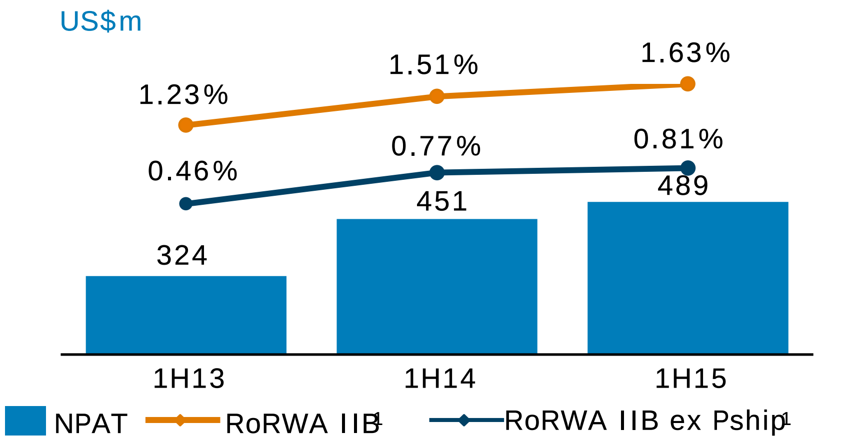
IIB 1H15 Revenue Growth



IIB Asia Productivity



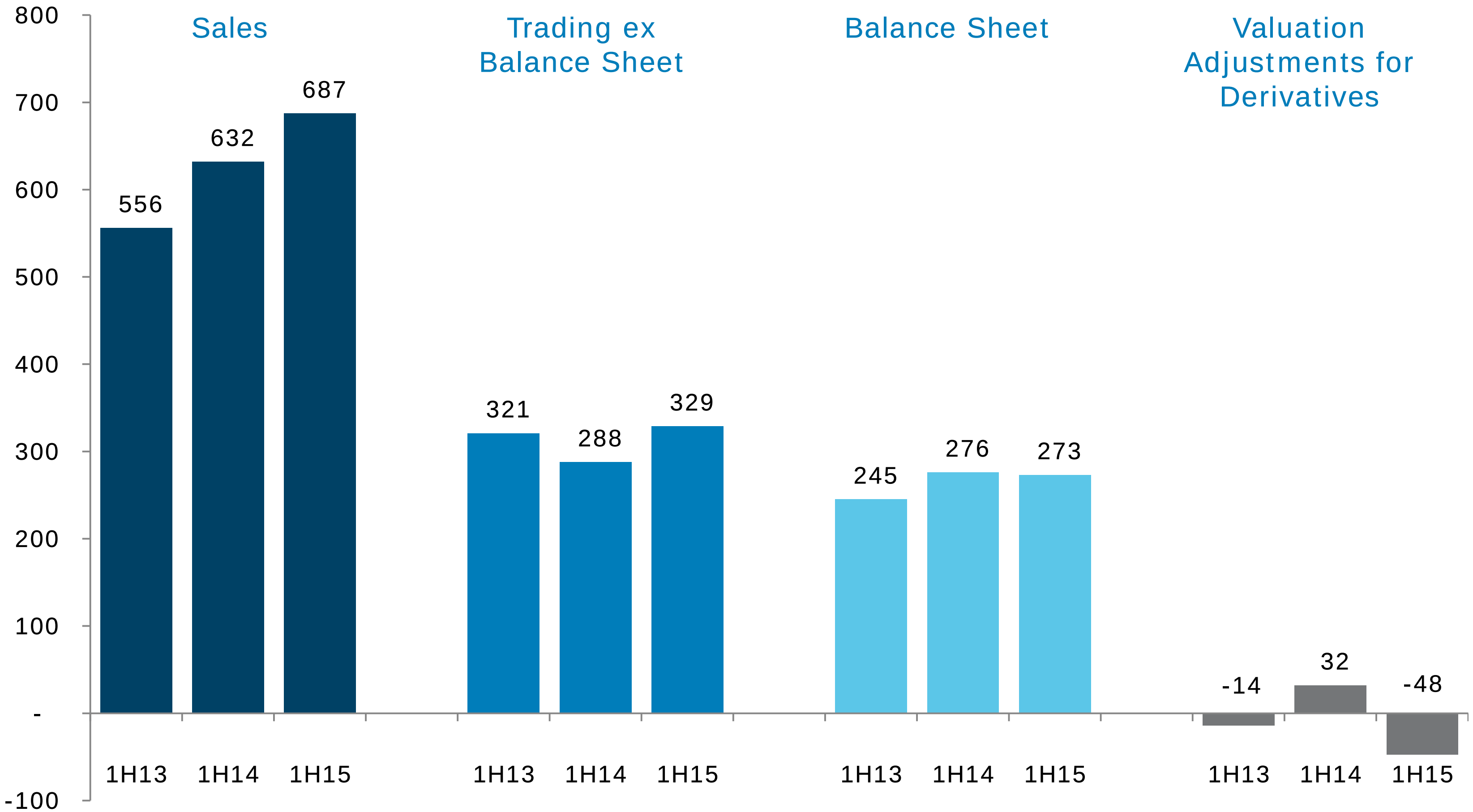
IIB Asia Profitable growth



1. RoRWA' equals Net Profit After Tax divided by average Basel III risk weighted assets.

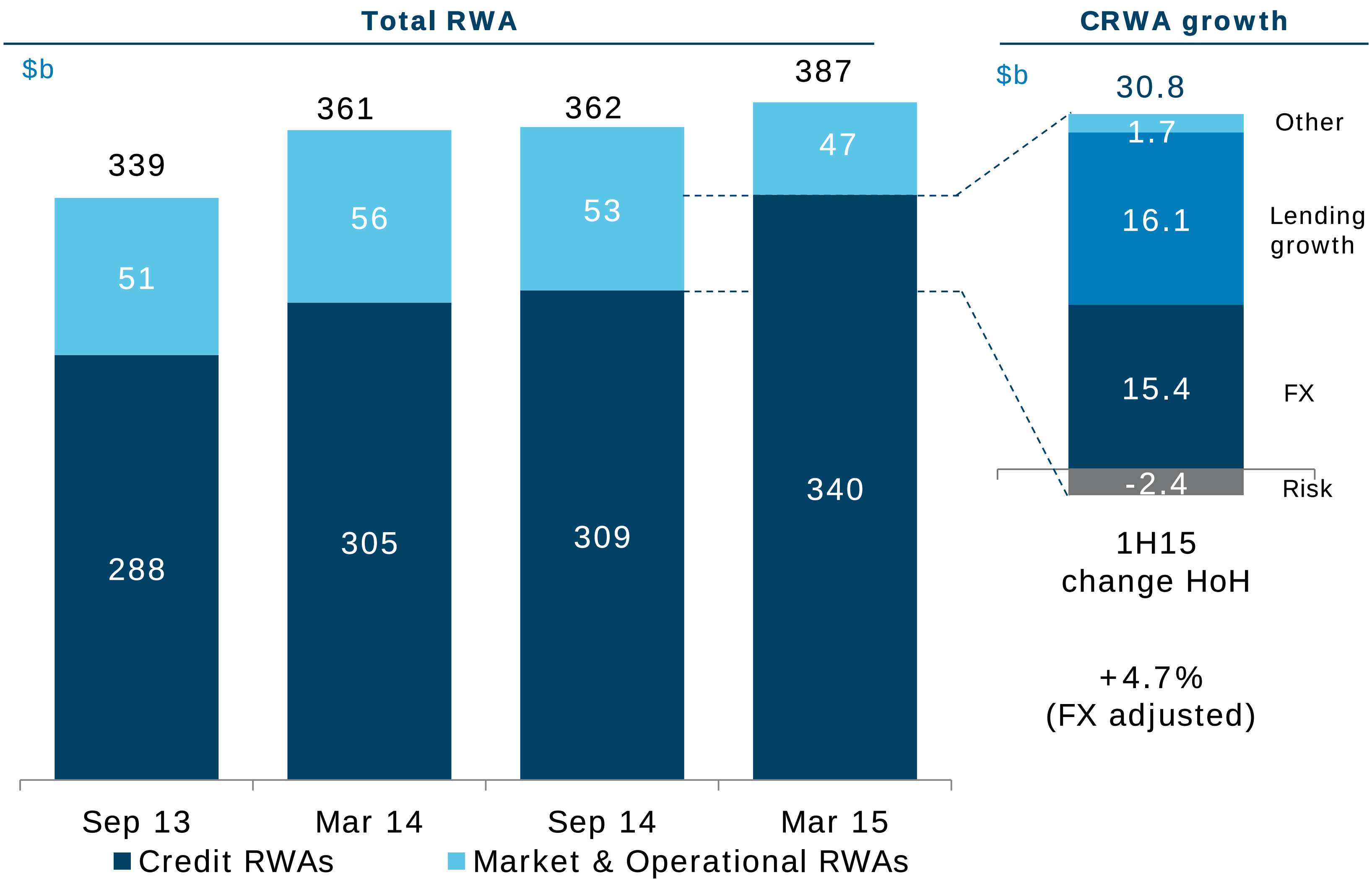
Markets income by type

A$m



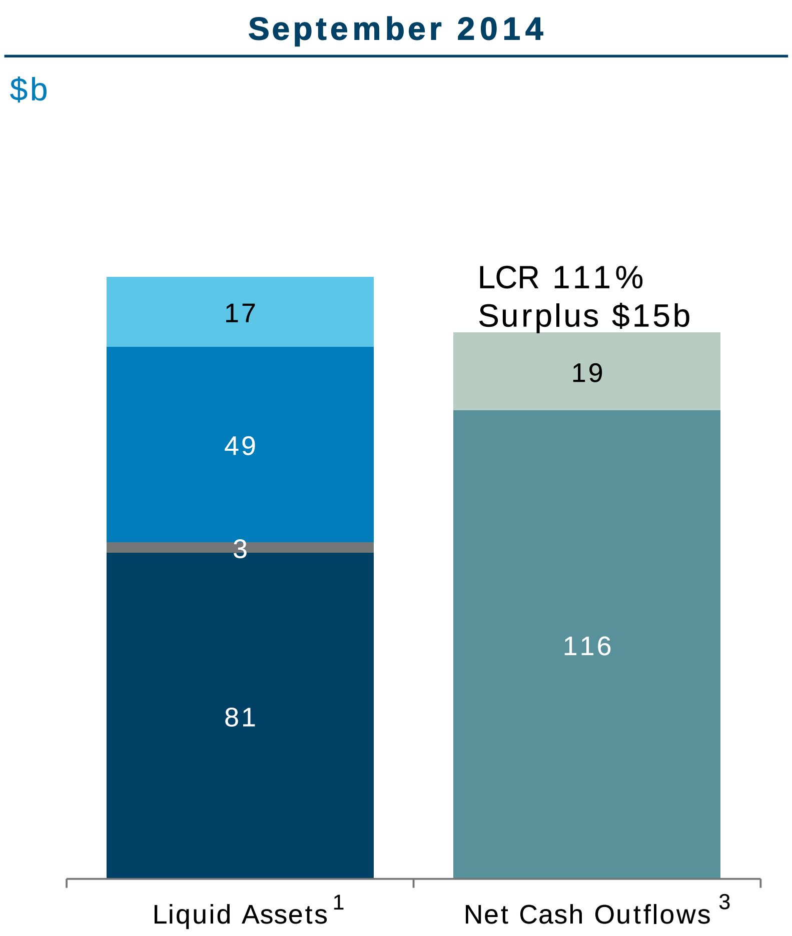
BALANCE SHEET STRENGTH

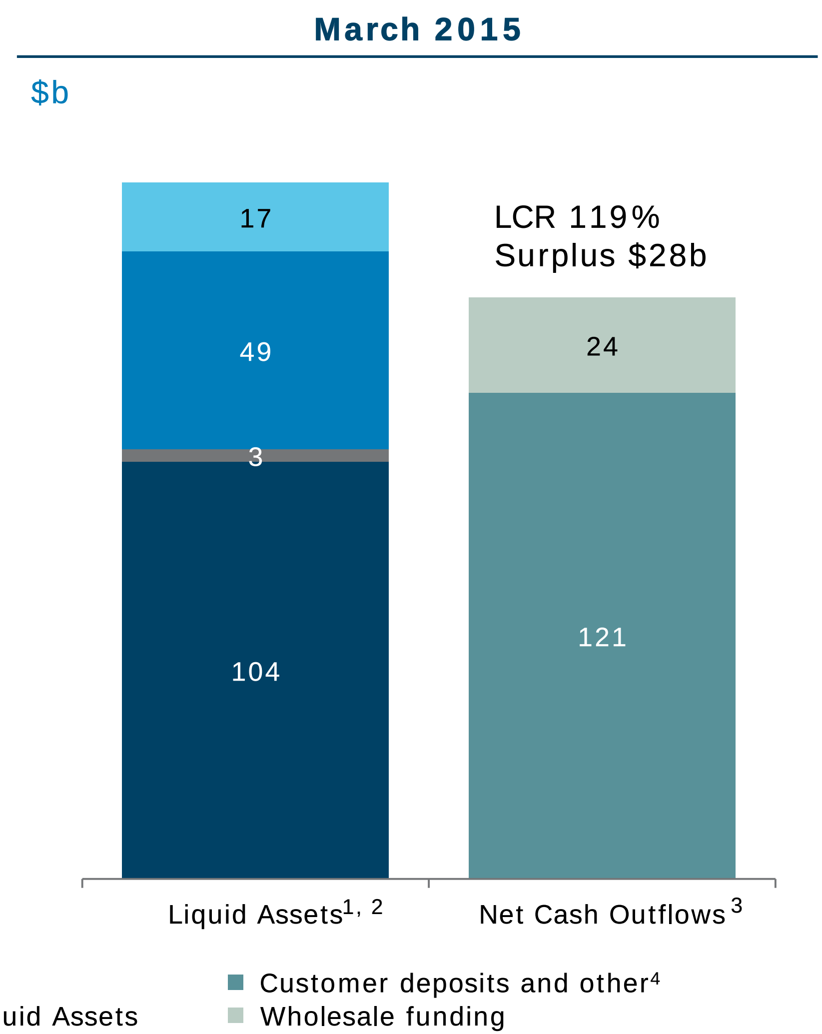
Risk Weighted Assets



1.Credit Risk Growth = EAD growth, includes portfolio mix and risk improvement
2.Credit Risk Other = Initiatives, Model changes, Regulator changes, FX

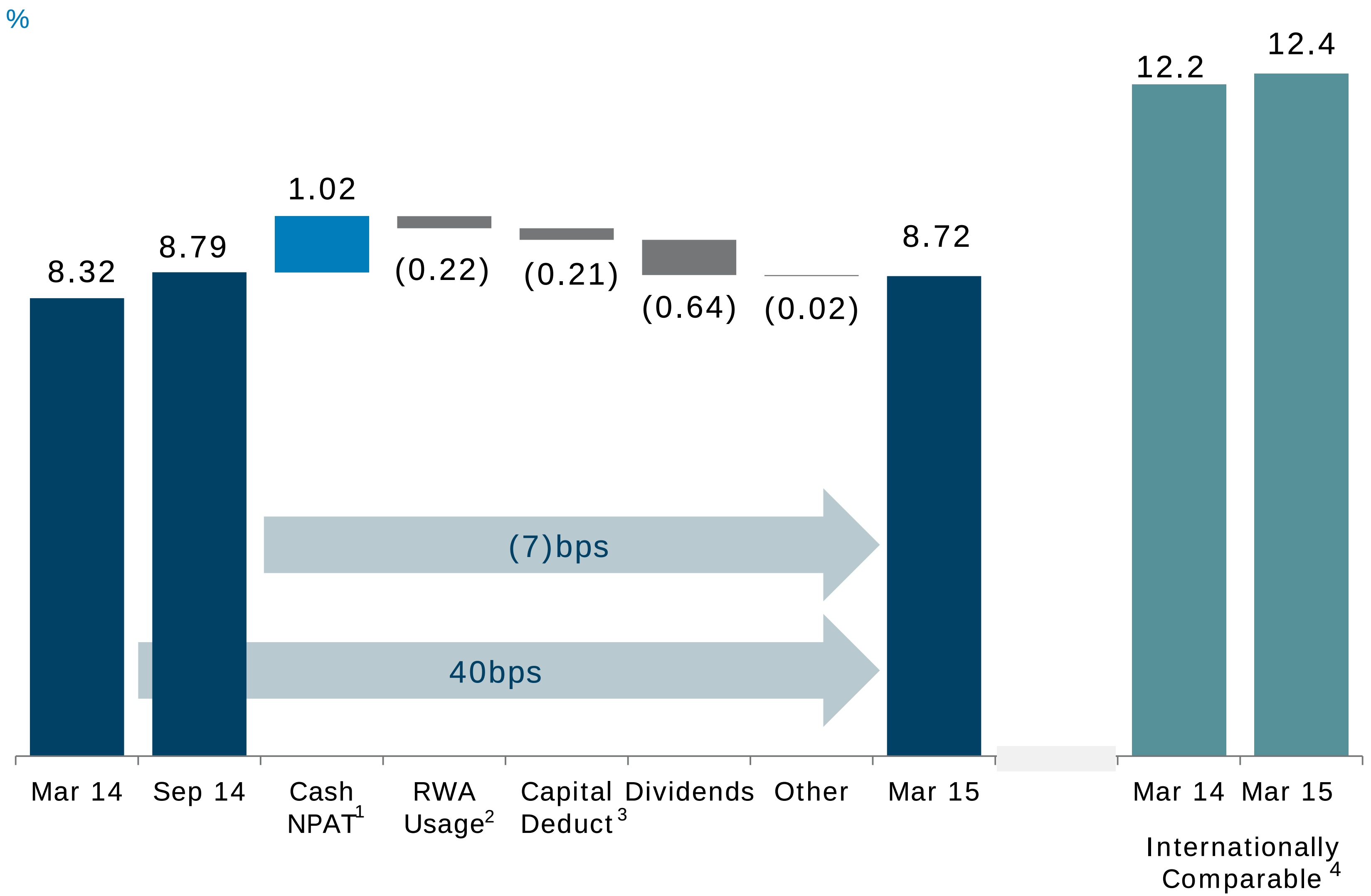
Liquidity successfully transitioned to LCR





1. Post haircut market value as defined in APS210.
2. 1H15 includes $54bn Committed Liquidity Facility.
3. Basel III LCR 30 day stress scenario cash outflows.
4. Other include off-balance sheet and cash inflows.

Strong capital levels domestically and internationally



1. Cash profit net of preference share dividends.
2. Includes EL vs. EP shortfall.
3. Represents the movement in retained earnings in deconsolidated entities, capitalised software and other intangibles.
4. Methodology per *Australian Bankers' Association: International comparability of capital ratios of Australia's major banks* (August 2014)

Outlook and focus

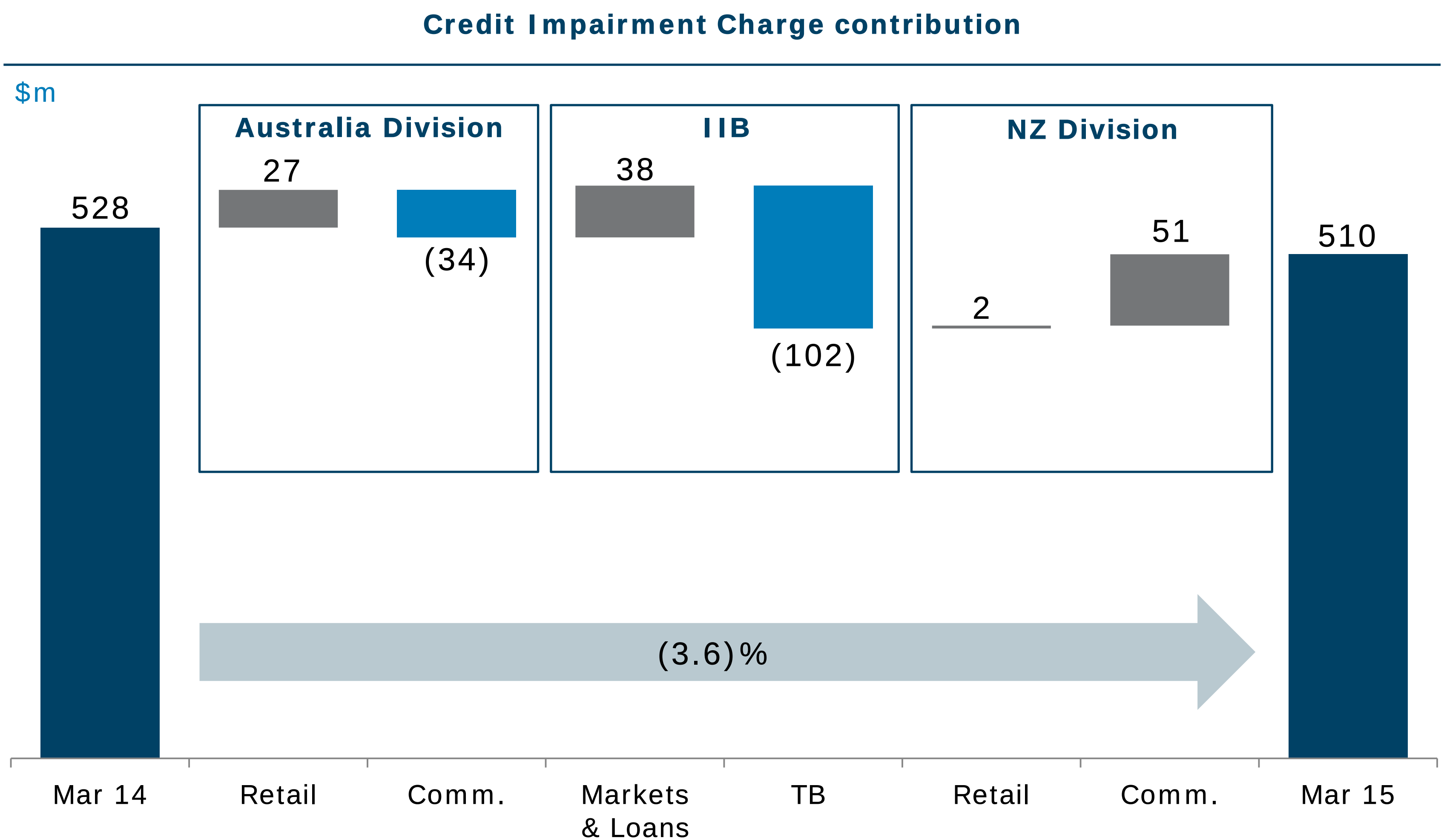
- Responsible investment in Australia Retail & Commercial
- Quality expansion in Asia based around Trade & Capital corridors
- Group wide productivity
- Further steps on portfolio rebalancing & Capital Efficiency

2015 | HALF YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
5 MAY 2015

CFO Appendix

Provision charge drivers



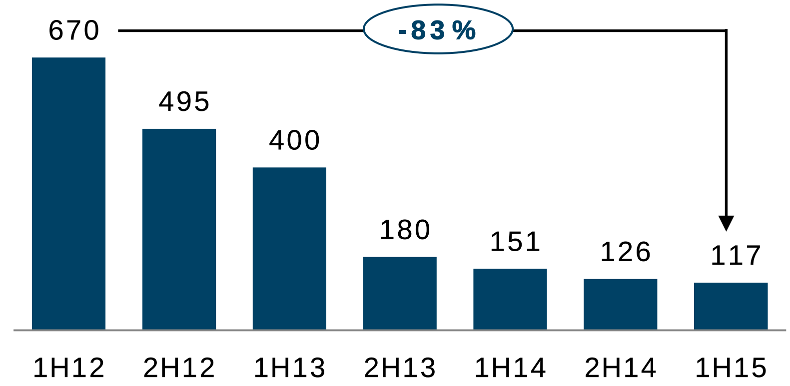
TB: Transaction Banking

Enterprise approach – continuing momentum

Operations volume growth 1H15-1H14

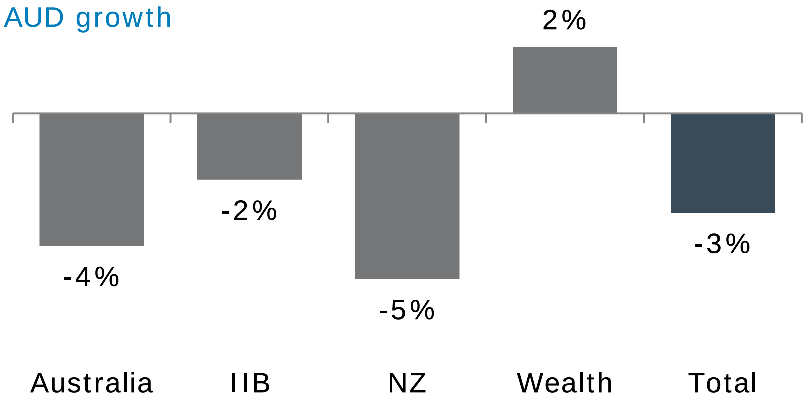
Continued improvement in quality

Manual Payments: Defects Per Million



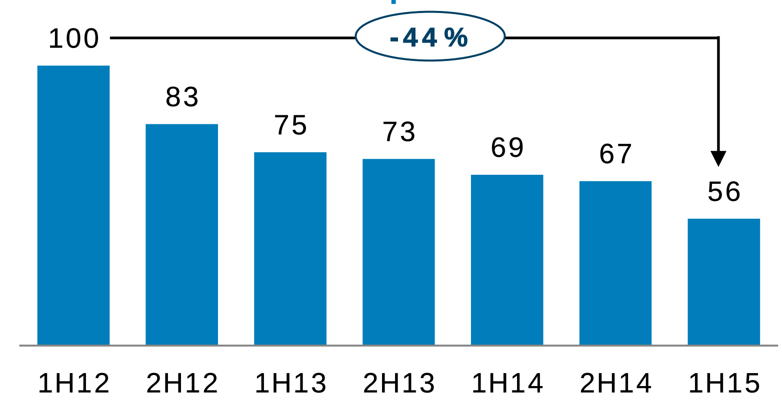
Operations costs growth 1H15-1H14

AUD growth



Better customer experience

Australian customer complaints. 1H12 index = 100



New Zealand highlights

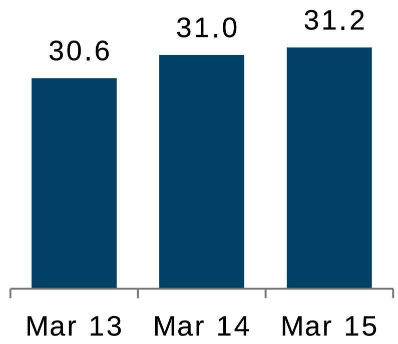
Key drivers

- Increasing sales capacity
- Simplifying products and processes
- Delivering leading digital solutions
- Expanding customer awareness

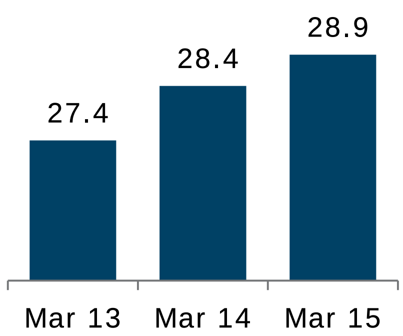
Strengthening market leadership

%

Home Loans[1]

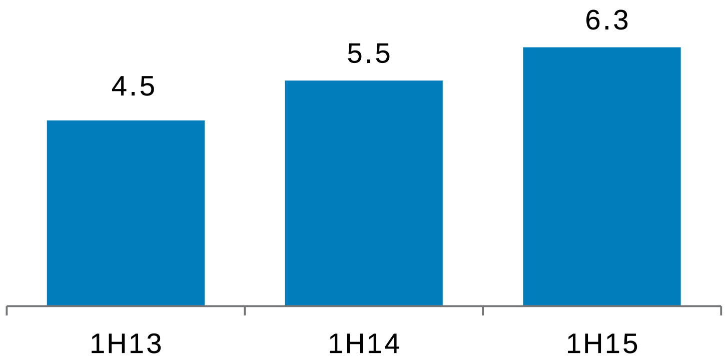


Credit Cards[1]



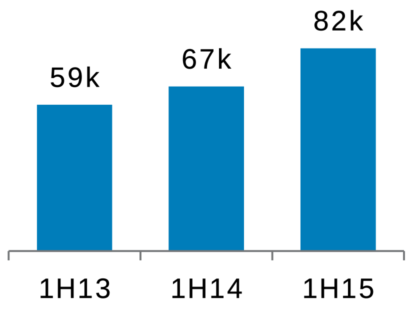
Improving revenue per branch[2]

NZ$m

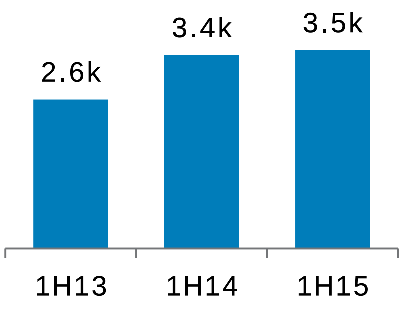


Growing customer numbers

Gross Retail customer acquisition



Gross Small Business Banking customer acquisition[2]



All values in New Zealand Dollars.

1. Source: RBNZ - Mar 2015, relates to NZ Geography.
2. based on NZ Division.

2015 | HALF YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
5 MAY 2015

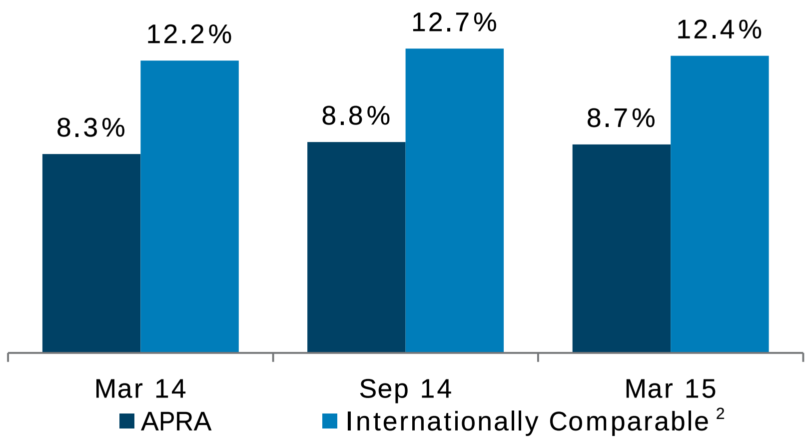
Treasury

Regulatory capital

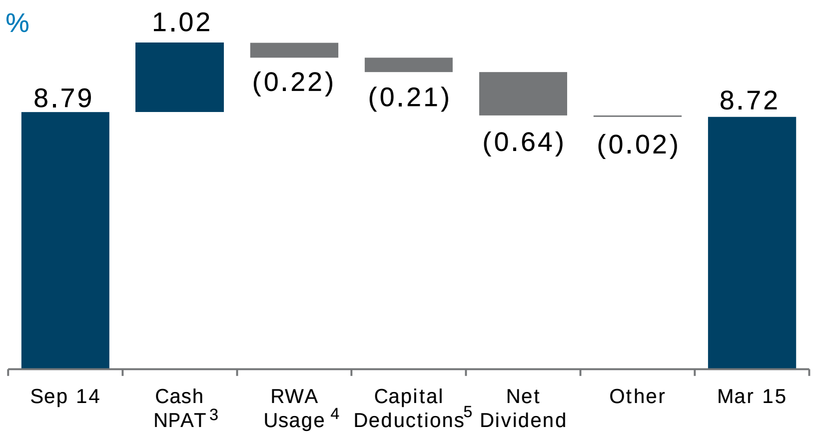
Capital Update

- 1H15 organic capital generation[1] of 59 bps modestly above recent first half performance. APRA Common Equity Tier 1 ratio 8.7%. Target range for CET1 ratio remains around 9% on an APRA basis.
- Internationally Comparable[2] CET1 ratio is ~3.7% higher than under APRA basis. Reflects variances between Basel III under APRA and Basel standards.
- 1.5% discount for 1H15 Dividend Reinvestment Plan aims to achieve ~20% participation on a full 12 month basis. This level of participation is consistent with average observed since 2012 and capital planning.

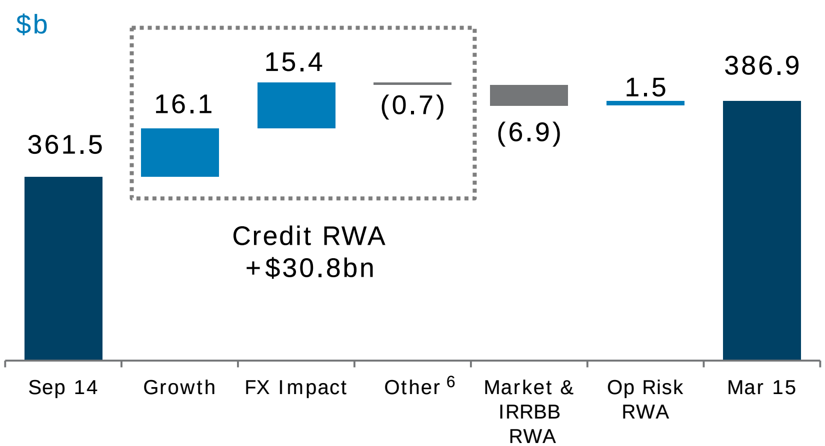
Basel 3 Common Equity Tier 1 (CET1)



APRA CET1 movement - Mar 15 v Sep 14



Total RWA movement - Mar 15 v Sep 14



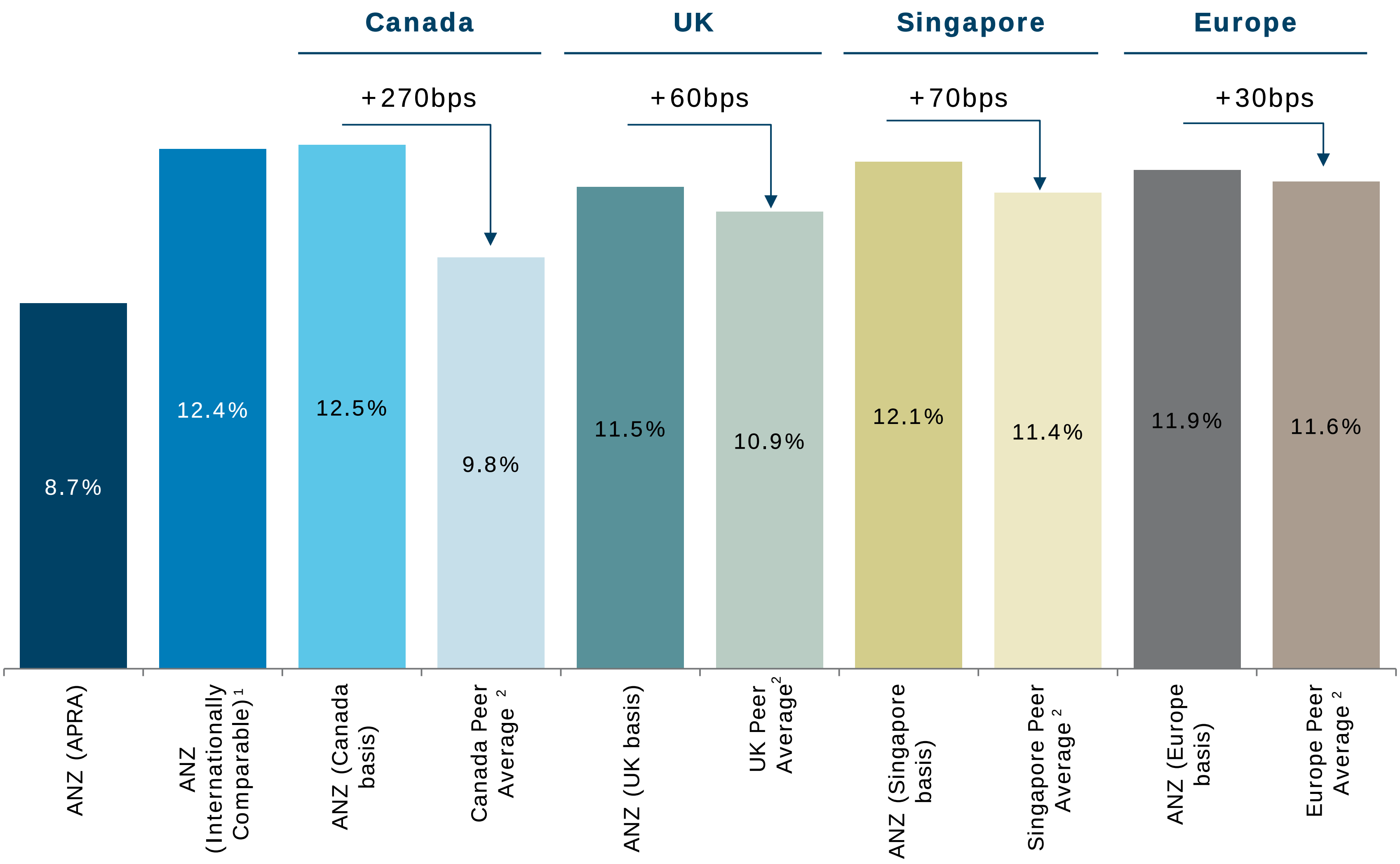
1. Organic capital generation = cash profit - RWA growth - capital deductions. 2. Methodology per *Australian Bankers' Association: International comparability of capital ratios of Australia's major banks* (August 2014). March 2014 comparatives has been restated based on current methodology. 3. Cash profit net of preference share dividends. 4. Includes EL vs. EP shortfall. 5. Represents the movement in retained earnings in deconsolidated entities, capitalised software and other intangibles. 6. Other includes risk and portfolio data review impact.

Internationally Comparable regulatory capital position

		CET1	Tier 1	Total Capital
APRA		**8.7%**	**10.6%**	**12.6%**
10% / 15% allowance for equity investments and DTA	APRA requires 100% deduction from CET1 vs. Basel framework which allows concessional threshold prior to deduction	0.9%	0.9%	0.8%
Mortgage 20% LGD floor	APRA requires use of 20% mortgage LGD floor vs. 10% under Basel framework	0.4%	0.4%	0.5%
IRRBB RWA (APRA Pillar 1 approach)	APRA includes in Pillar 1 RWA. This is not required under the Basel framework	0.2%	0.2%	0.3%
Specialised Lending (Advanced treatment)	APRA requires supervisory slotting approach which results in more conservative risk weights than under Basel framework	0.4%	0.4%	0.5%
Corporate undrawn EAD and unsecured LGD adjustments	Australian ADI unsecured corporate lending LGDs and undrawn CCFs exceed those applied in many jurisdictions	1.5%	1.8%	2.0%
Other	Includes impact of deductions from CET1 for capitalised expenses and deferred fee income required by APRA	0.3%	0.4%	0.4%
Internationally Comparable[1]		**12.4%**	**14.7%**	**17.1%**

1. Internationally Comparable methodology per *Australian Bankers' Association: International comparability of capital ratios of Australia's major banks* (August 2014).

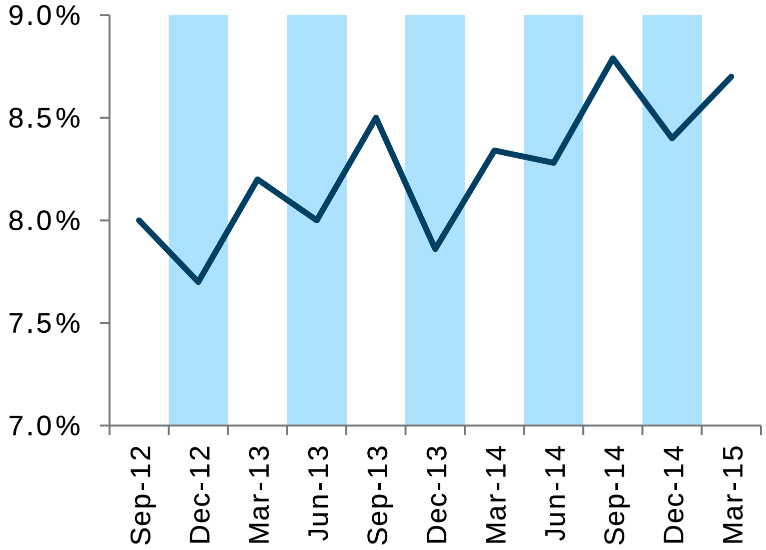
ANZ's CET1 ratio compares favourably to global peers adjusting for regional methodology differences



1. Methodology per *Australian Bankers' Association: International comparability of capital ratios of Australia's major banks* (August 2014).
2. Peer estimates are based on RWA weighted average of G-SIB/D-SIBs (ex Singapore which is based on DBS and OCBC) fully loaded Basel III capital ratios per most recent disclosures.

Common Equity Tier 1 ratio, dividend timing and regulatory capital generation

APRA Basel III CET1 Ratio



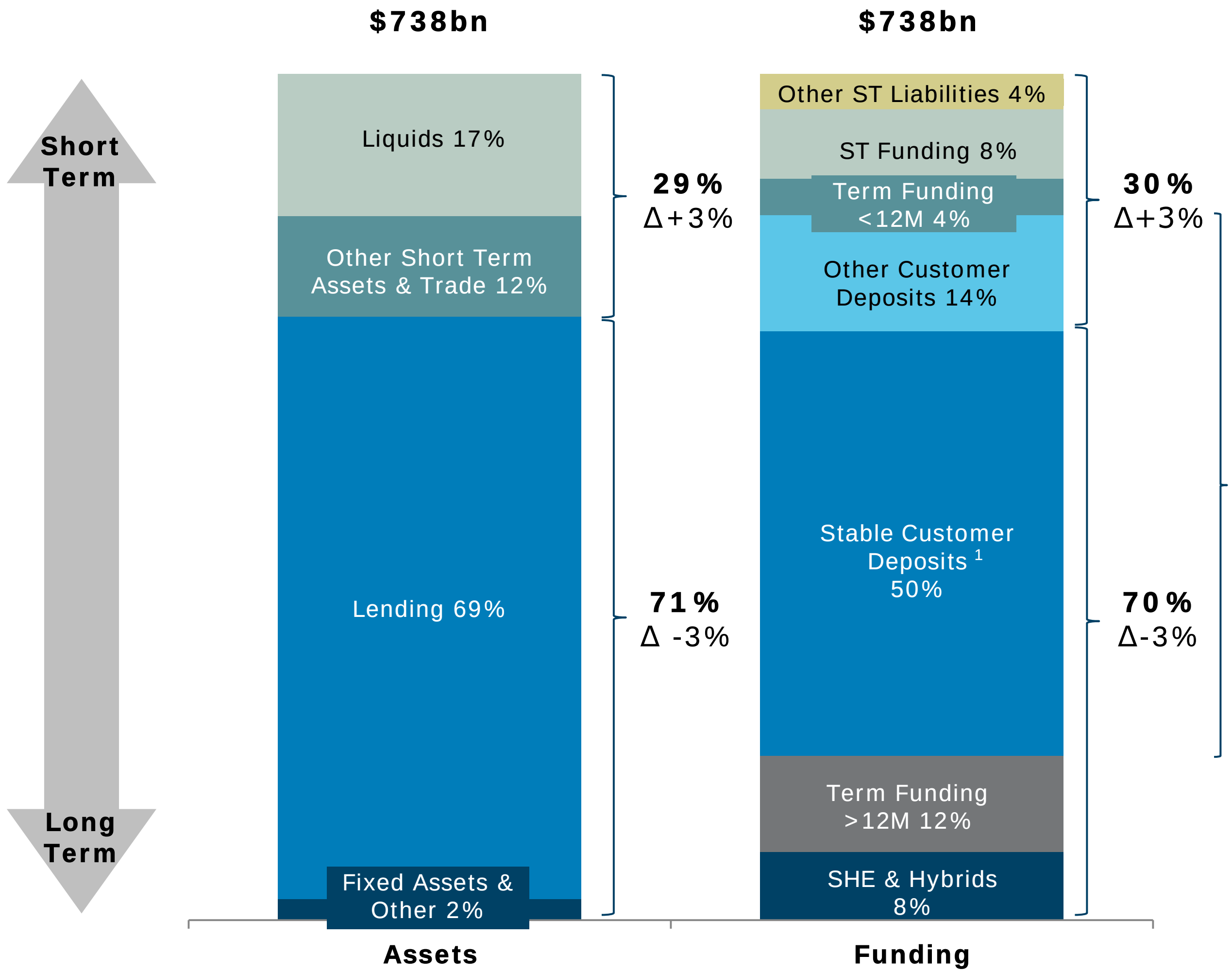
Note: shaded quarters represent declaration of dividends. Basel III basis.

- Under Basel III, dividends are only deducted from regulatory capital in the quarter in which they are declared. This results in volatility in quarterly reported capital ratios.
- To assess the underlying regulatory capital position, dividend payments should be adjusted to accrue evenly over the year, aligned with profit generation.

Common Equity Tier 1 generation (bps)

	First half average 1H12 – 1H14	1H15
Cash profit	102	102
RWA growth	(29)	(22)
Capital deductions	(18)	(21)
Net capital generation	**55**	**59**
Gross dividend	(70)	(72)
Dividend Reinvestment Plan	14	8
Core change in CET1 capital ratio	**(1)**	**(5)**
Other non-core and non-recurring items	11	(2)
Net change in CET1 capital ratio	**10**	**(7)**

Stable balance sheet composition – March 2015



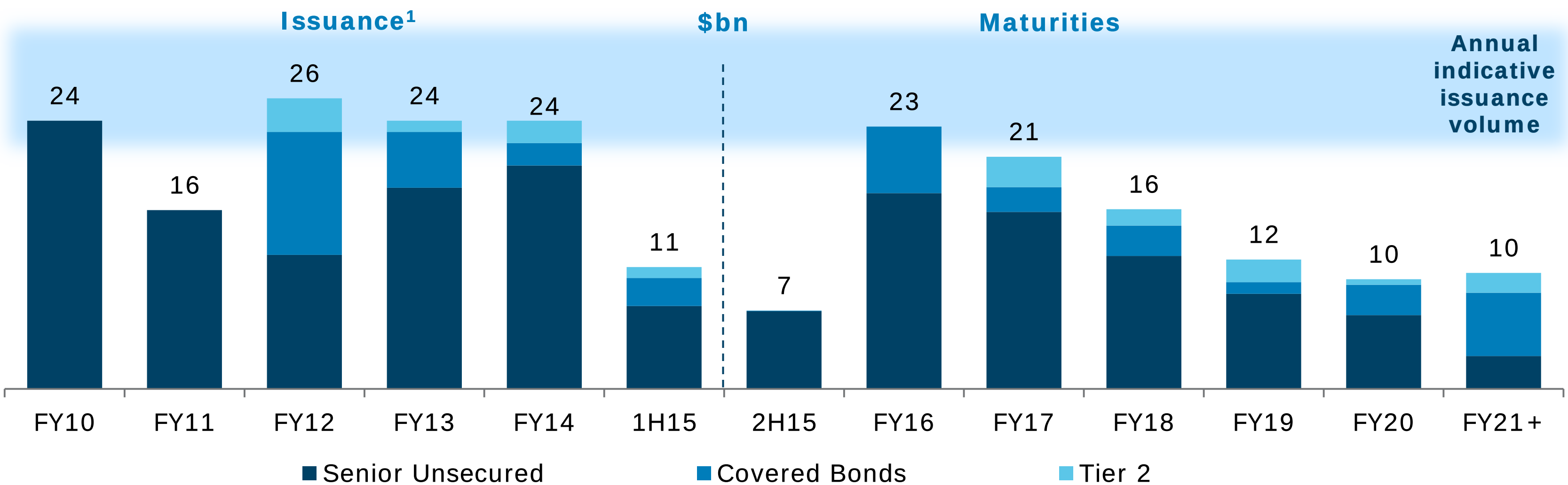
Structural funding position has remained stable with growth in short-term funding invested in liquids and other short-term assets

Customer Deposits +$34bn or +8% vs. Sep 14

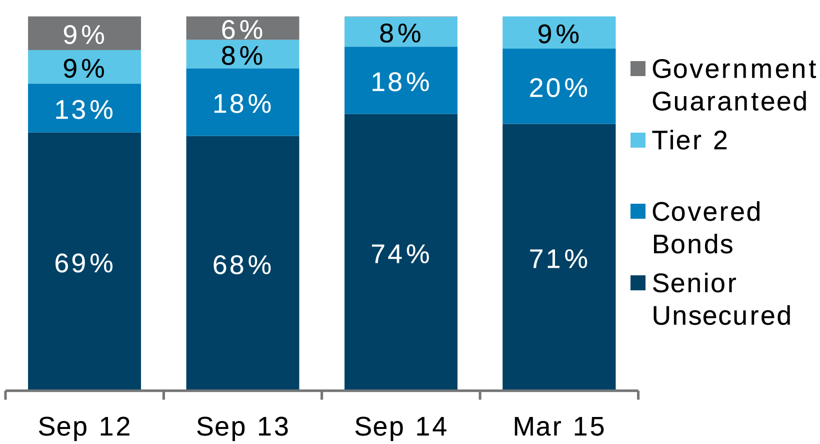
Note: Δ represents the change in % of funded balance sheet from 30 September 2014 to 31 March 2015.
1. Stable customer deposits represent operational type deposits or those sources from retail / business / corporate customers and the stable component of Other funding liabilities.

Term wholesale funding portfolio

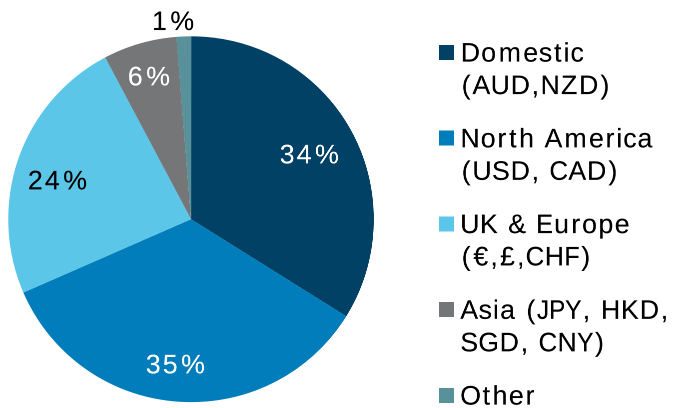
Term Funding Profile



Portfolio by Type



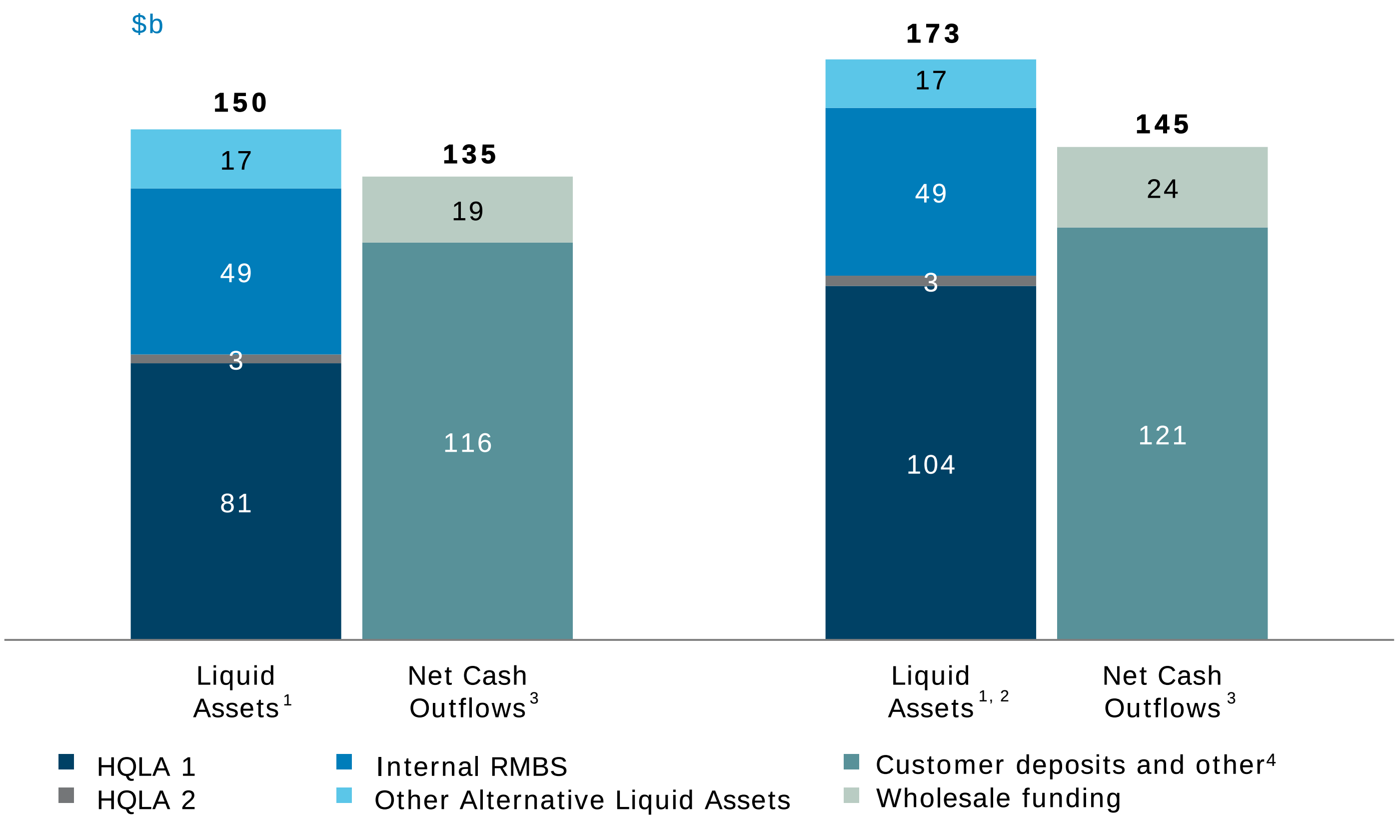
Portfolio by Currency



All figures based on historical FX and excludes hybrids.
1. Includes transactions with a call or maturity date greater than 12 months as at 30 September in the respective year of issuance.

Liquidity management successfully transitioned to LCR

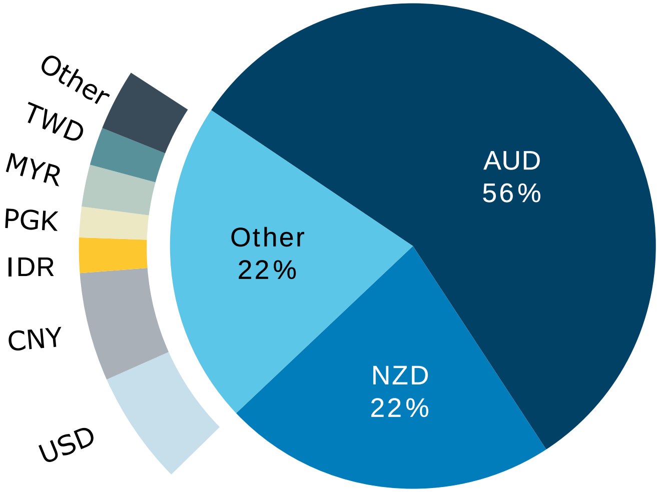
Date	Sep 14	Mar 15
LCR	111%	119%
LCR Surplus	$15bn	$28bn



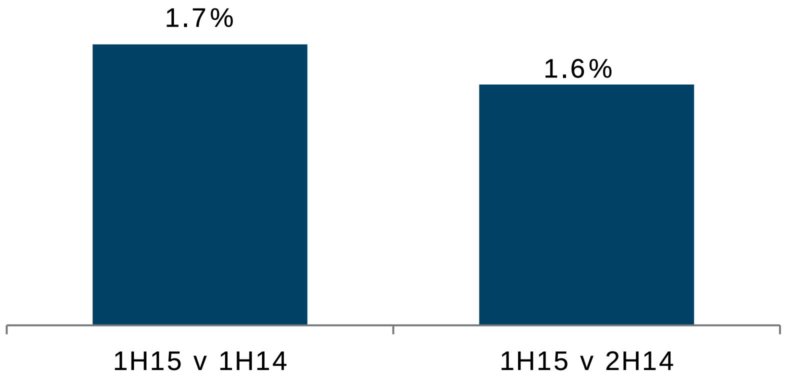
1. Post haircut market value as defined in APS210.
2. 1H15 includes $54bn Committed Liquidity Facility.
3. Basel III LCR 30 day stress scenario cash outflows.
4. Other include off-balance sheet and cash inflows.

Foreign currency hedging

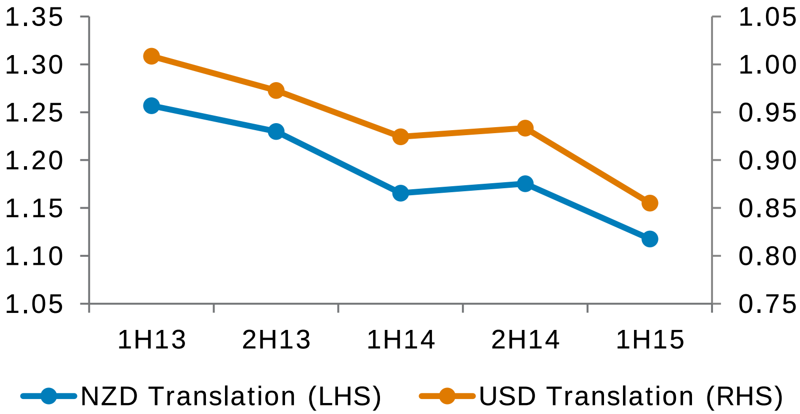
1H15 Earnings Composition (by currency)



Net FX Impact (EPS)



Translation Rates (inclusive of hedges)



- The key objective of hedging is to manage short term EPS volatility arising from foreign currency earnings
- Hedges currently in place:
  - FY15: ~80% of remaining earnings.
  - FY16: ~70% of NZD and ~ 25% of USD (inc. currencies that are highly correlated to AUD/USD) earnings.
- Hedging has reduced the impact of a 5% movement of the AUD on FY15 EPS to less than 1%.

FX sensitivity (excluding the impact of revenue hedges)

Metric	Approx. annualised impact of 5% fall in AUD[1]	Comments
Income statement		
Revenue	2%	Impact of translation of non-AUD revenue
Operating expenses	2%	Impact of translation of non-AUD expenses
Cash profit	2%	Net result of revenue and expense FX effects, excluding the impact of foreign currency hedges.
Net interest margin	(1 bp)	Mix impact due to a higher relative contribution from lower risk and lower margin APEA assets
Cost to income ratio	+2 bps	FX effect on revenue and expenses largely offset each other, however average cost to income ratios in non-AUD denominated businesses are marginally higher
Balance sheet		
Collective provision coverage	(0.5 bp)	• CP overlays booked in AUD vs. a proportion of CRWA denominated in foreign currencies • Further impact from higher CRWA on FX derivatives with no corresponding CP as derivatives are marked-to-market and attract CVA
Funding	+$4 bn	Collateral flows under cross currency swaps used to hedge existing offshore funding liabilities
Return on equity	+3 bps	• Driven by positive FX effect on cash profit (see above) partially offset by increase in FCTR • Minimal impact on CET1 ratio

1. Impact from a lower AUD relative to foreign currencies. Analysis based on 1H15 results (excluding the impact of foreign currency revenue hedges).

Regulatory landscape

		Status	ANZ's position
Capital	Leverage ratio	• APRA draft standard Sep 2014 • No minimum currently specified, BCBS 3%	Leverage ratio 4.5-5.5% at 1H15 depending on final calibration
	Level 3 capital adequacy "Conglomerates"	• APRA draft Level 3 standards Aug 2014 • Finalisation and implementation deferred until Financial System Inquiry recommendations considered by government/APRA	No material impact expected based on current draft standards
	Basel Standardised and floors	• BCBS consultation papers released Dec 2014 propose changes to Standardised risk weights, introduction of Advanced approach capital floors	ANZ has participated in BCBS QIS. Impact of any changes subject to final BCBS calibration and APRA implementation.
	Total Loss Absorbing Capacity (TLAC)	• Financial Stability Board proposal released Nov 2014 details minimum TLAC requirements for G-SIBs	Proposal currently does not apply to D-SIBs. If applied to ANZ, wide range of outcomes depending on calibration including basis for measuring capital base, D-SIB minimum etc
Funding	Liquidity Coverage Ratio	• Full implementation from Jan 2015 • Disclosure timetable to be determined by APRA	Full compliance at 1H15 (LCR 119%)
	Net Stable Funding Ratio	• BCBS standard Jan 2014 • APRA standard yet to be finalised, expected implementation 2018	Do not expect NSFR to require any material change to balance sheet composition

Other	Financial System Inquiry	• Key recommendations to government:
		  • Set standards such that Australian ADI capital ratios are unquestionably strong
		  • Raise Advanced IRB mortgage risk weights to narrow difference with Standardised approach
		  • Implement loss absorption and recapitalisation framework in-line with international practice
		  • Introduce Basel framework leverage ratio
		• Final round consultation closed 31 March 2015
			Refer to ANZ's submission on the Final Report of the Financial System Inquiry published 1 April 2015

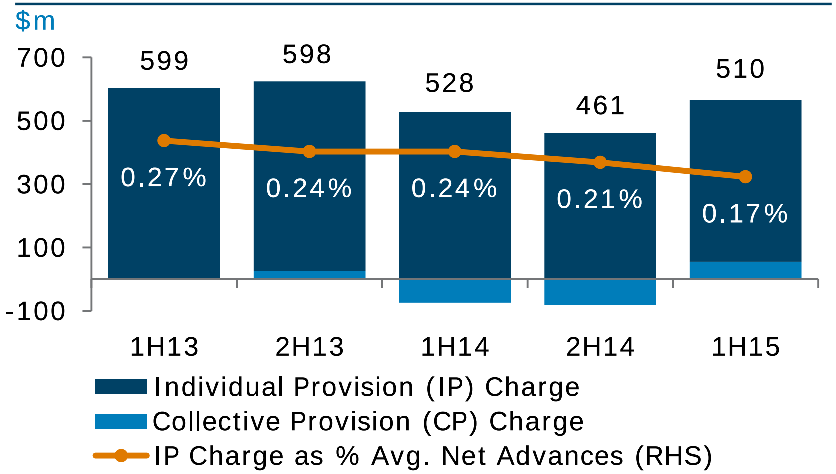
2015 | HALF YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
5 MAY 2015

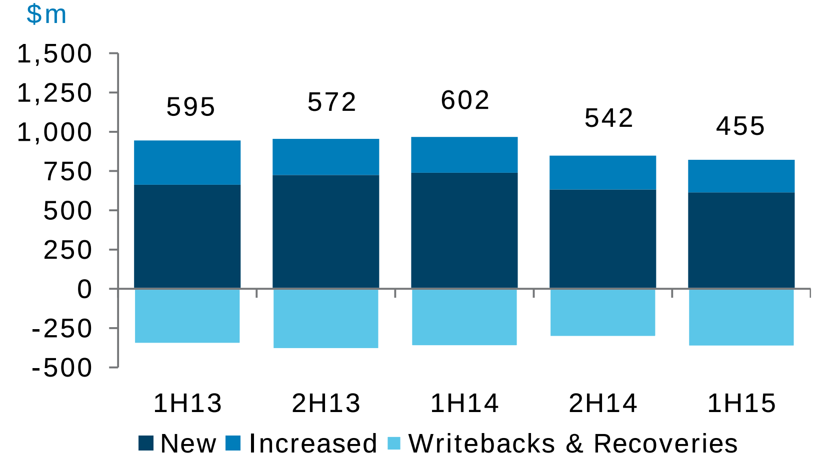
Risk Management

Provision Charge

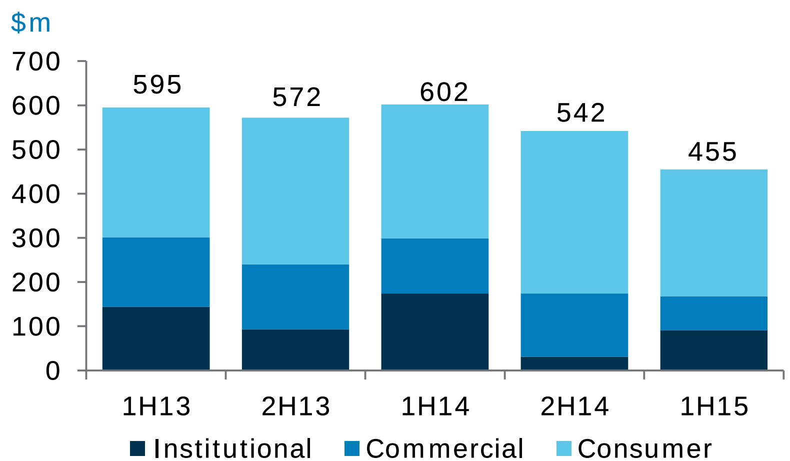
Provision charge



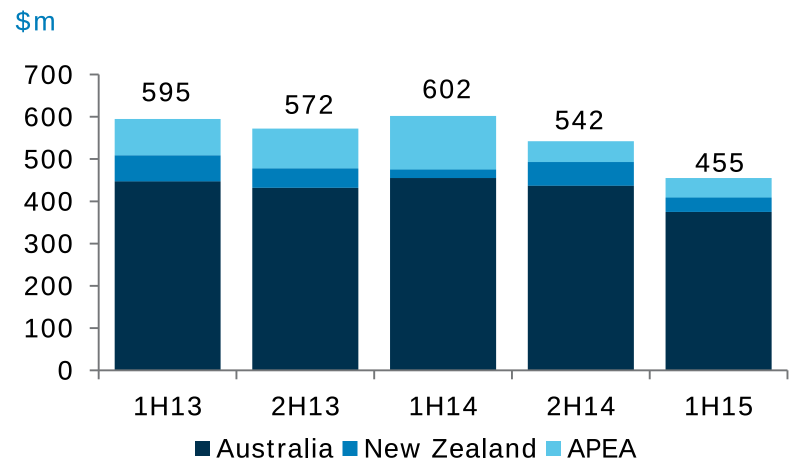
Individual provision charge composition



Individual provision charge by segment

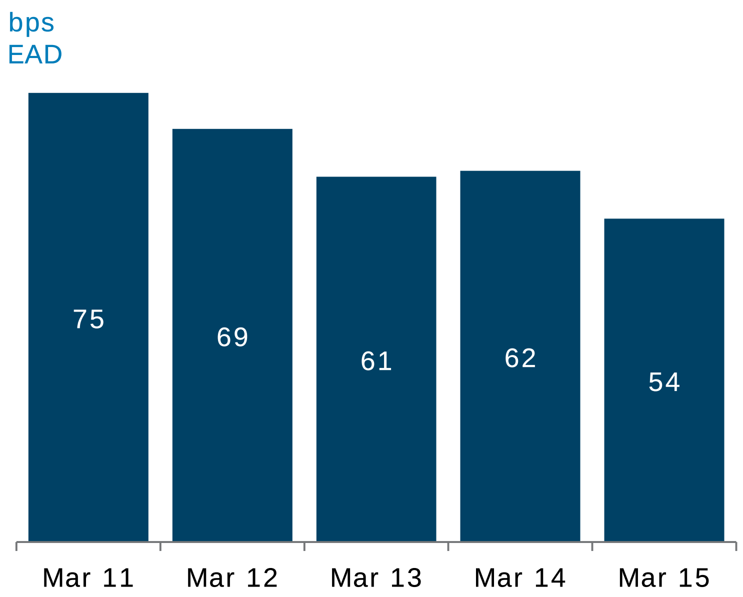


Individual provision charge by region

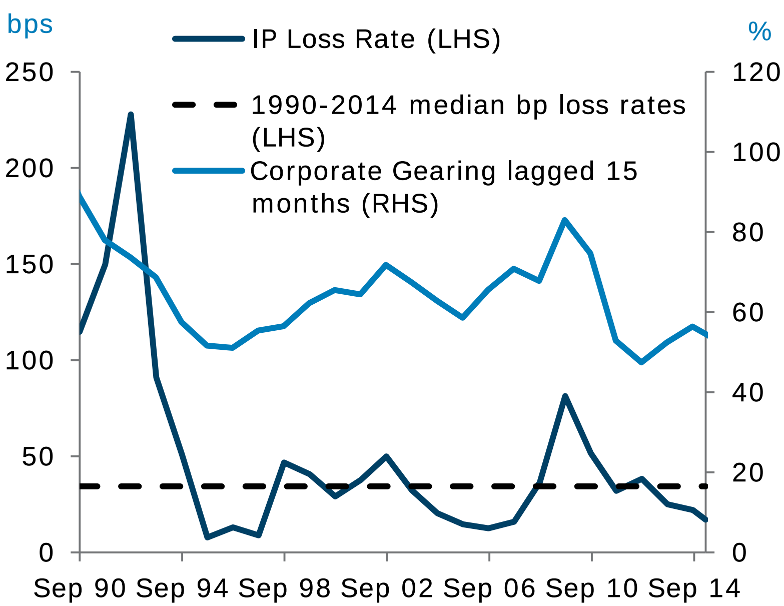


Historical Loss

Group regulatory expected loss



Historical observed loss rates



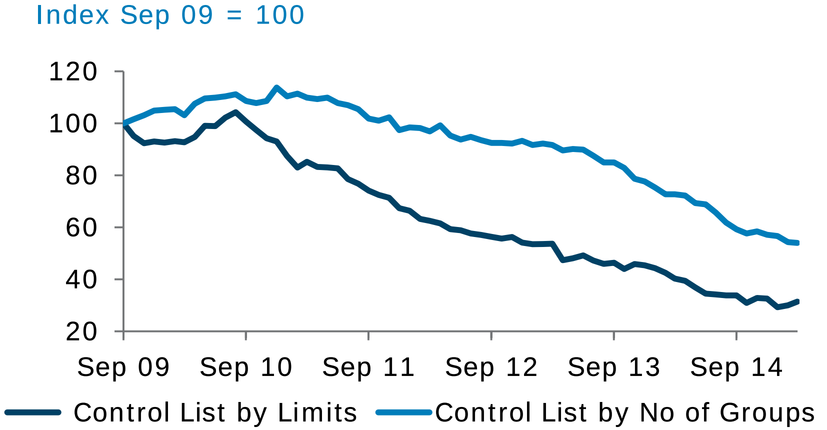
Corporate gearing remains low

- Corporate gearing ratios[1] were compared with the Group IP loss rates from 1990. Lagging corporate gearing 15 months provides a reasonably strong relationship, with corporate gearing a leading indicator of loss
- Current IP loss rate (annualised) as at Mar'15 was 17bps which is similar to that observed between 2005 and 2007
- The annualised 1H15 IP loss rate (17 bps) is the 6th lowest rate over the time period analysed since 1990

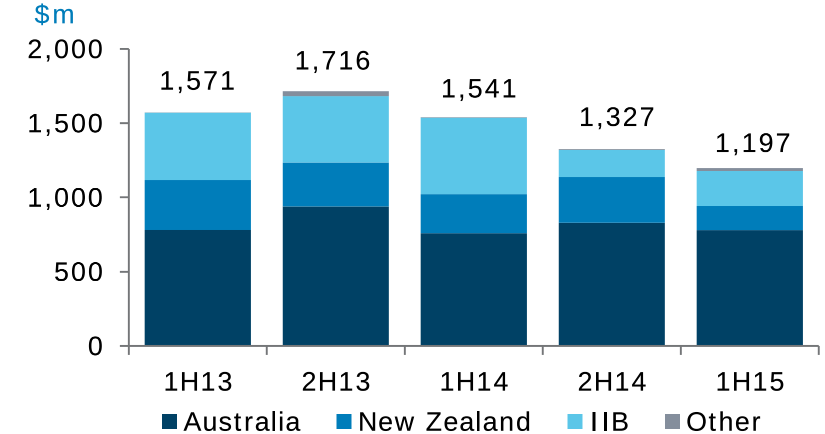
1. Debt to equity ratios for listed Australian Corporations sourced from the RBA.

Impaired Assets

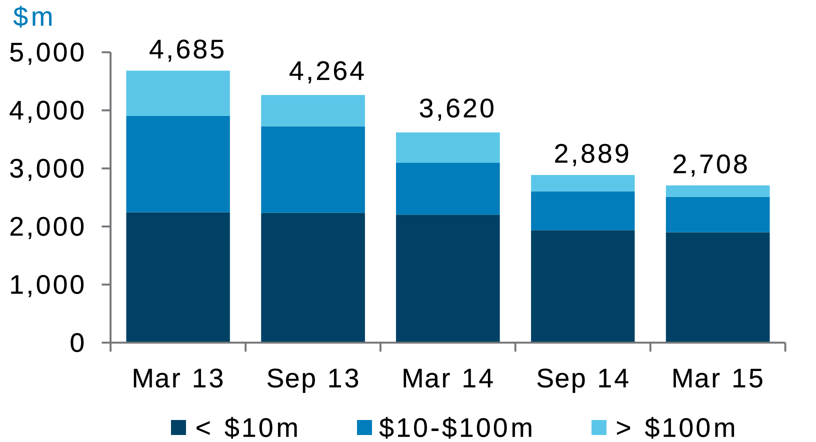
Control list



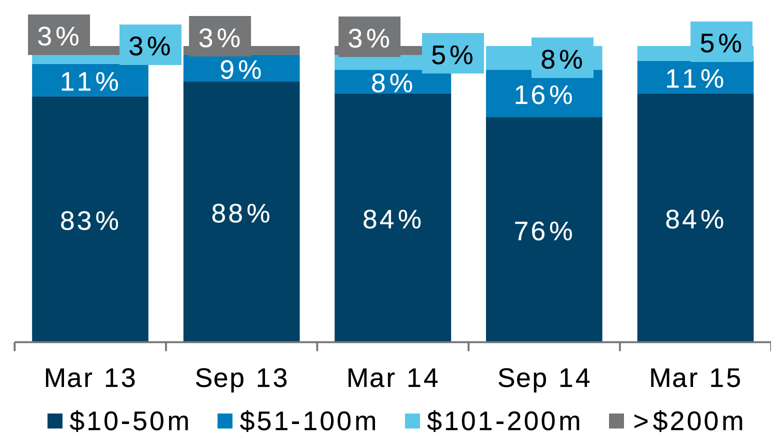
New impaired assets by division



Gross impaired assets by size of exposure



Impaired assets concentration by number of customers[1]



1. Only >$10m customers.

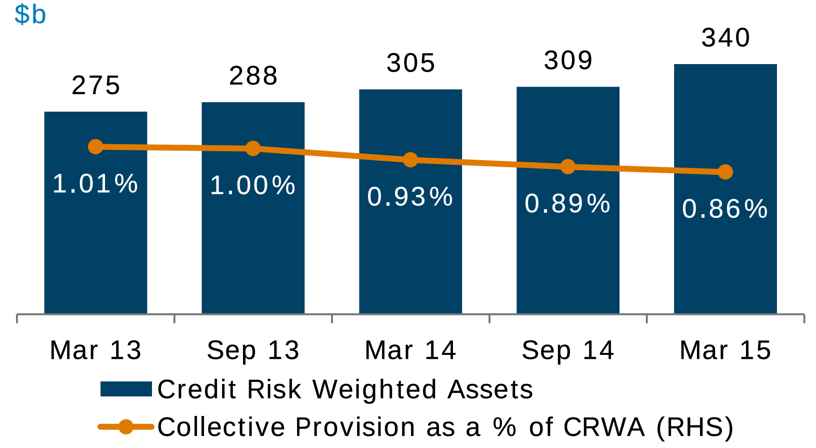
Collective Provision

CP Balance Growth

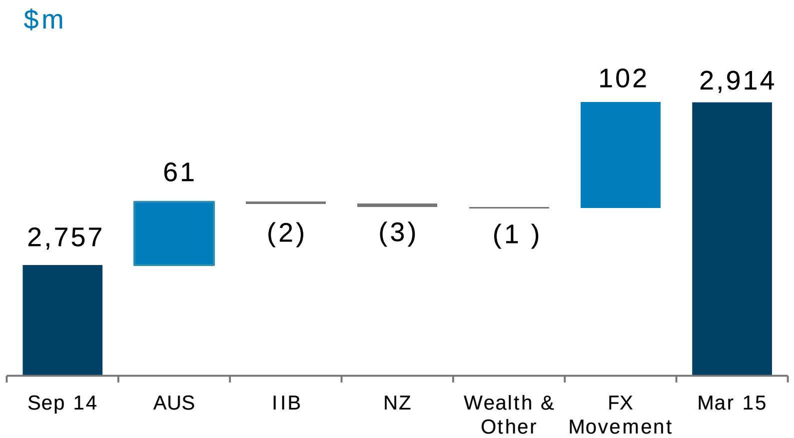
The collective provision balance increased by $157m in the first half of FY15, to $2,914m, predominantly driven by:

- Foreign exchange, particularly the depreciation of the AUD against the USD and against the NZD, which accounted for $102m, or 65%, of this increase
- Portfolio growth of $54m, specifically the Australia Division (67%), driven by the retail portfolios

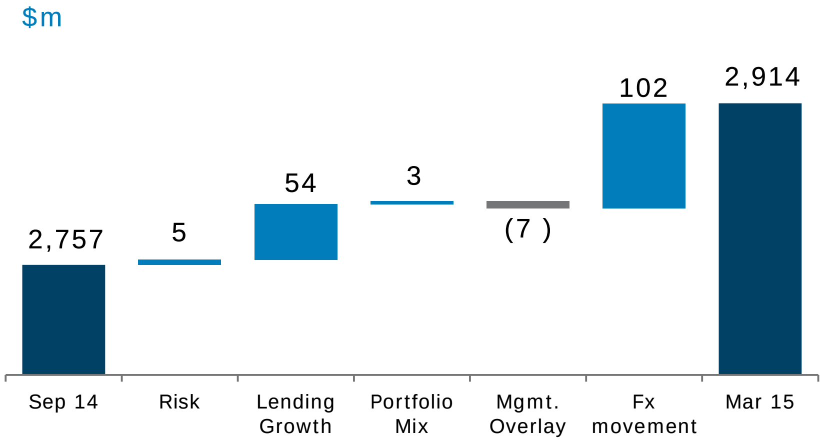
CP coverage



Collective provision by division

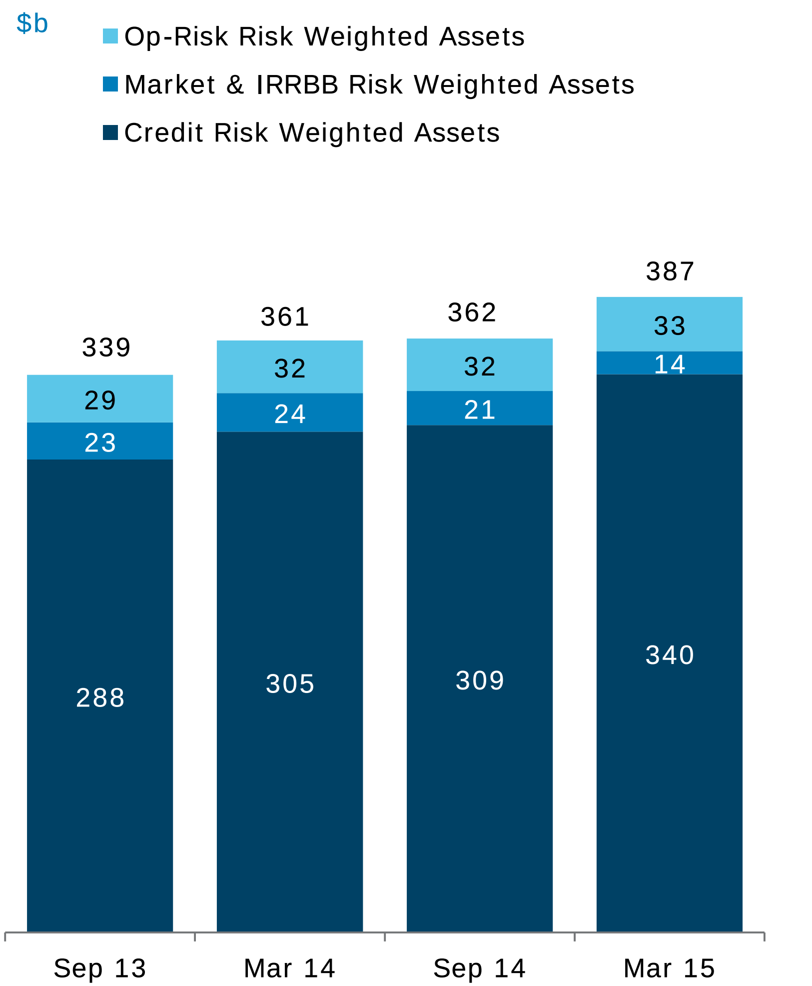


Collective provision by source

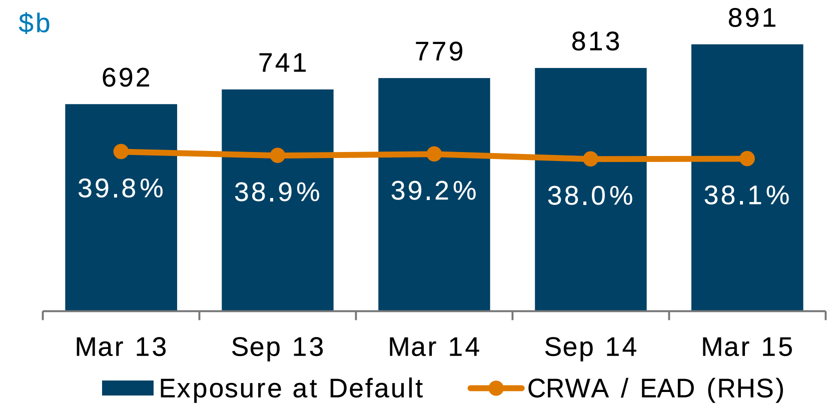


Risk Weighted Assets

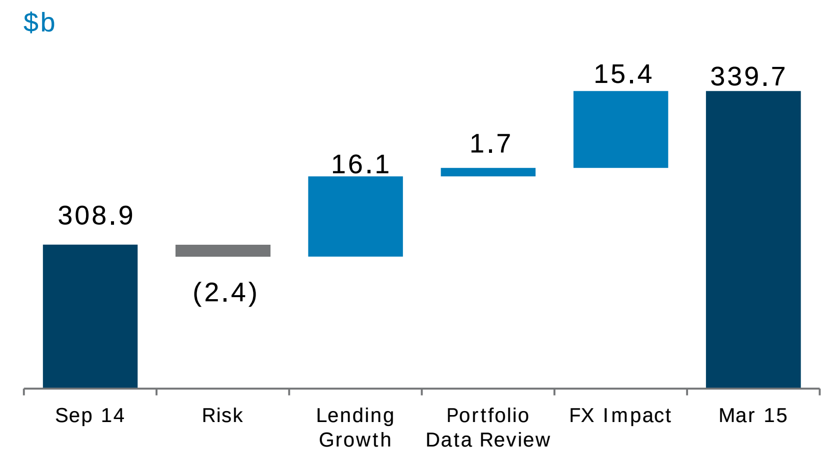
Total risk weighted assets



Group EAD & CRWAs



CRWA movement - Mar 15 v Sep 14

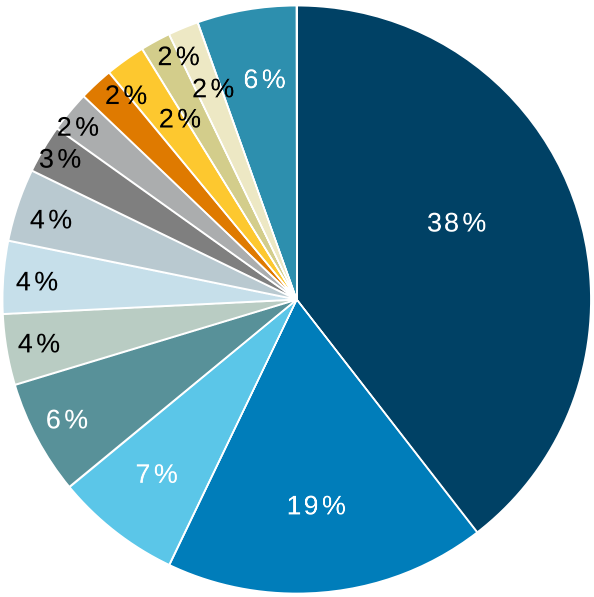


Portfolio composition

Exposure at default (EAD) as a % of Group total

ANZ Group

Total Group EAD (Mar 15)
$869b[1]



Category	% of Group EAD		% of Portfolio in Non Performing		Portfolio Balance in Non Performing
	Mar 14	Mar 15	Mar 14	Mar 15	Mar 15
Consumer Lending	40.3%	38.2%	0.2%	0.2%	$608m
Finance, Investment & Insurance	16.4%	18.7%	0.1%	0.1%	$93m
Property Services	7.0%	6.8%	1.7%	1.3%	$757m
Manufacturing	6.1%	6.5%	0.6%	0.5%	$297m
Agriculture, Forestry, Fishing	4.2%	3.9%	3.5%	2.1%	$728m
Government & Official Institutions	3.8%	4.4%	0.0%	0.0%	$0m
Wholesale trade	3.9%	4.0%	0.6%	0.4%	$154m
Retail Trade	2.7%	2.6%	0.6%	0.4%	$101m
Transport & Storage	2.4%	2.2%	3.0%	1.3%	$257m
Business Services	1.9%	1.8%	1.3%	0.9%	$151m
Resources (Mining)	2.3%	2.2%	0.7%	0.5%	$97m
Electricity, Gas & Water Supply	1.7%	1.6%	0.1%	0.1%	$10m
Construction	1.6%	1.6%	1.9%	1.7%	$240m
Other	5.7%	5.5%	0.6%	0.5%	$220m

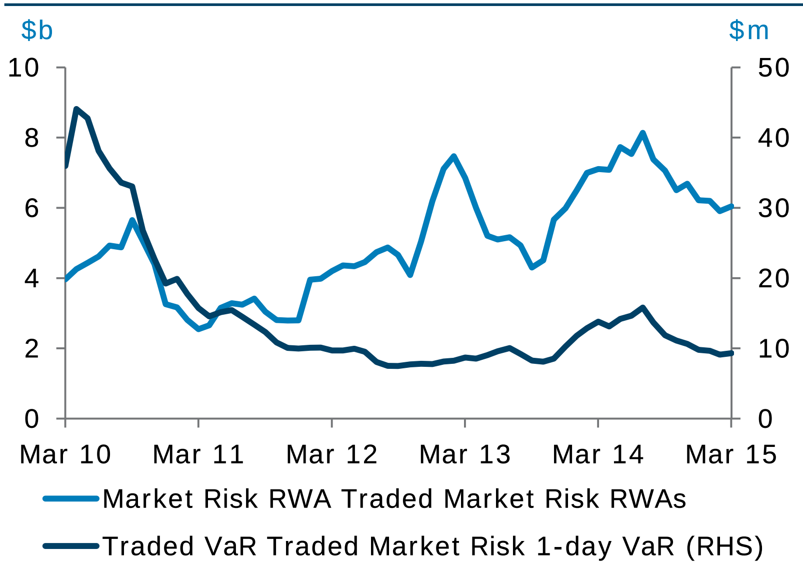
1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel asset classes.

Risk Weighted Assets and Value at Risk

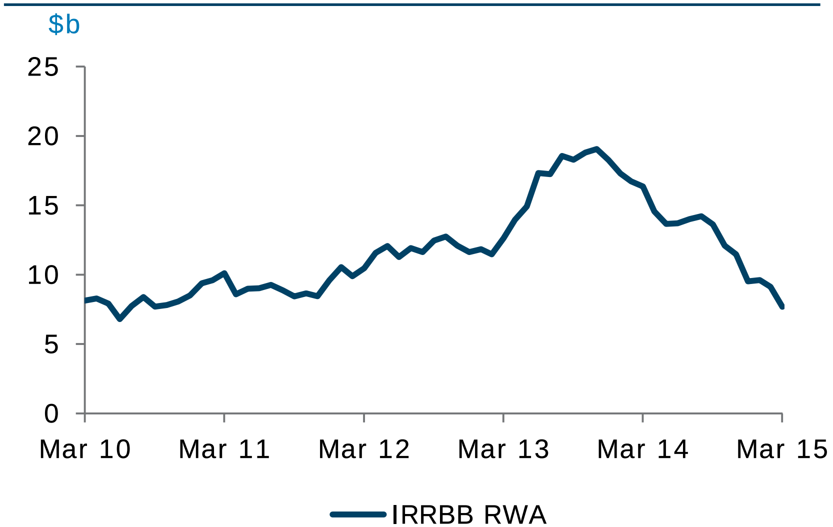
Risk weighted asset and VaR outcomes

- Traded Market Risk VaR usage remained moderate to low
- Traded Market Risk 1-day 99% VaR and RWA declined YoY through disciplined approach to managing our exposures to market disruption and stress
- RWA for Interest Rate Risk in Banking Book (IRRBB) declined YoY primarily due to higher embedded market value, reduced credit spread volatility and shortening the duration of the Investment Term of Capital

Traded market risk weighted asset trends



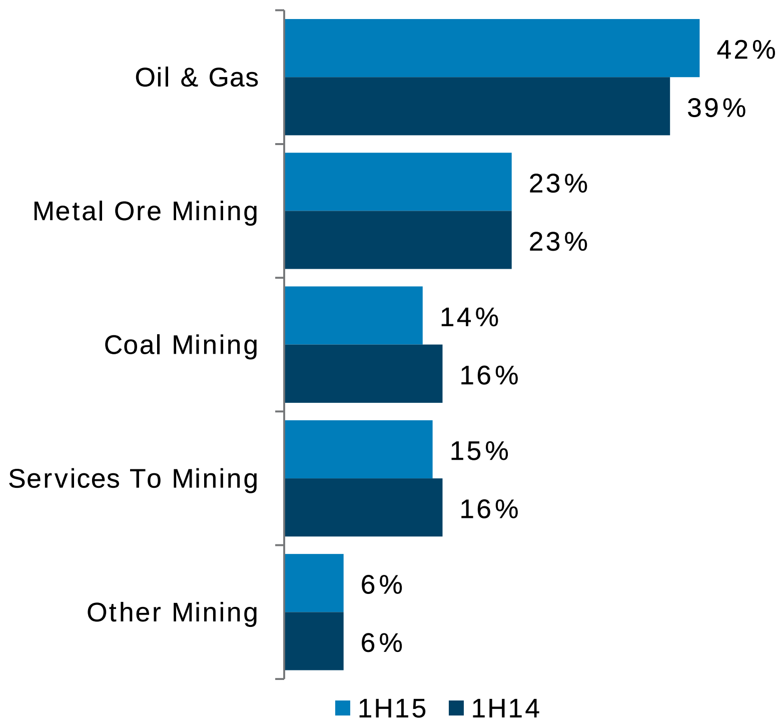
IRRBB risk weighted asset trends



Resources Portfolio

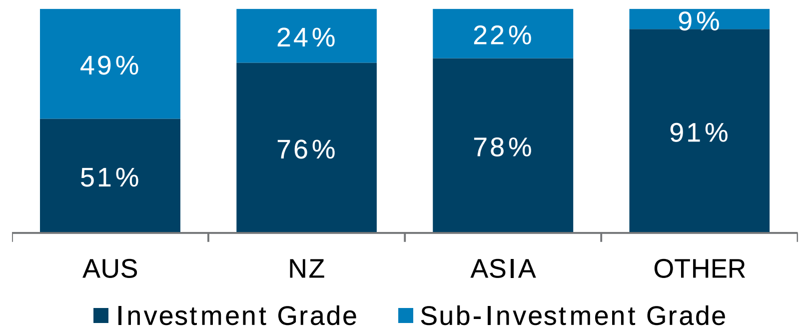
Resources exposure by sector (% EAD)

Total EAD (Mar 15)	As a % of Group EAD
$19.5b	2.2%



Resources exposure credit quality by geography (EAD)

AUS ($b)	NZ ($b)	ASIA ($b)	EA & Other ($b)
9.8	0.9	4.3	4.5



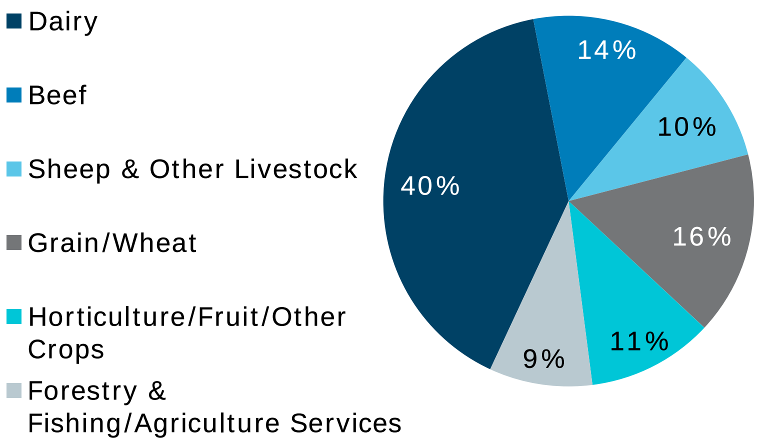
Resources portfolio management

- 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 67% of portfolio. Mix of investment grade exposures in portfolio has increased across all geographies in 1H15.
- Trade accounts for 21% of the Total Resources EAD.
- Mining services customers are subject to heightened oversight given the cautious outlook for services sector.

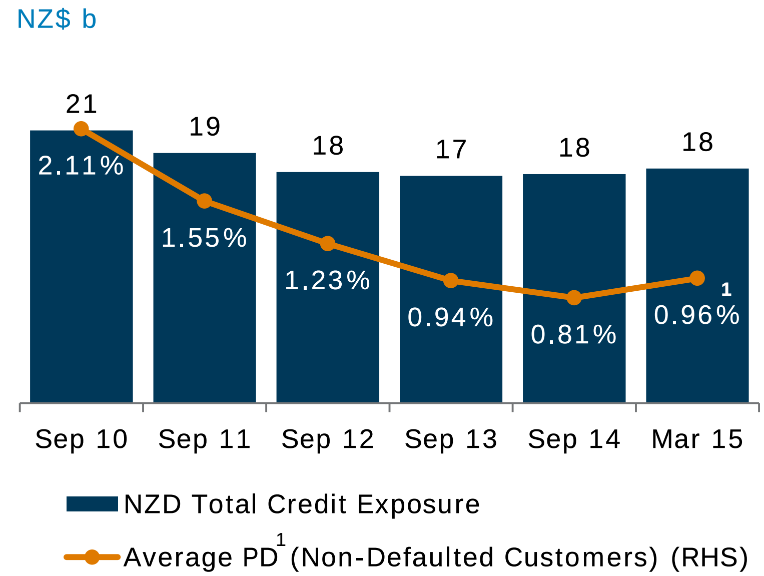
Agri portfolio

Agriculture exposure by sector (% EAD)

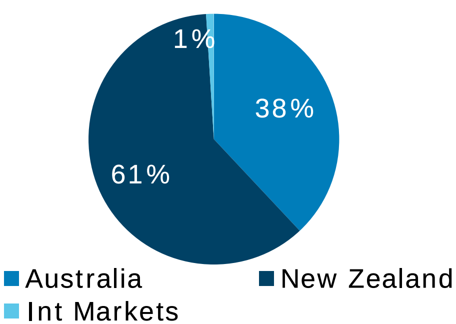
Total EAD (Mar 15)	As a % of Group EAD
$34.0b	3.9%

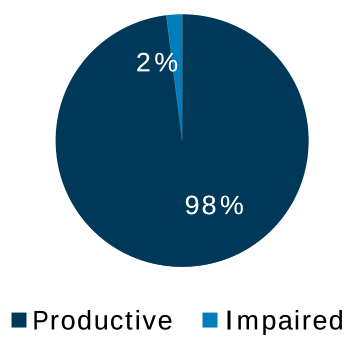


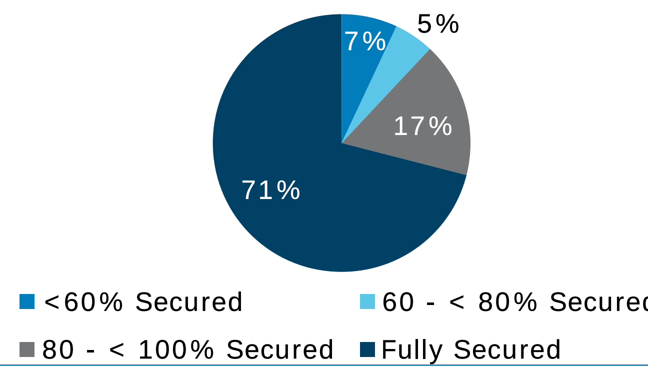
New Zealand Agri credit quality



Group Agriculture EAD splits



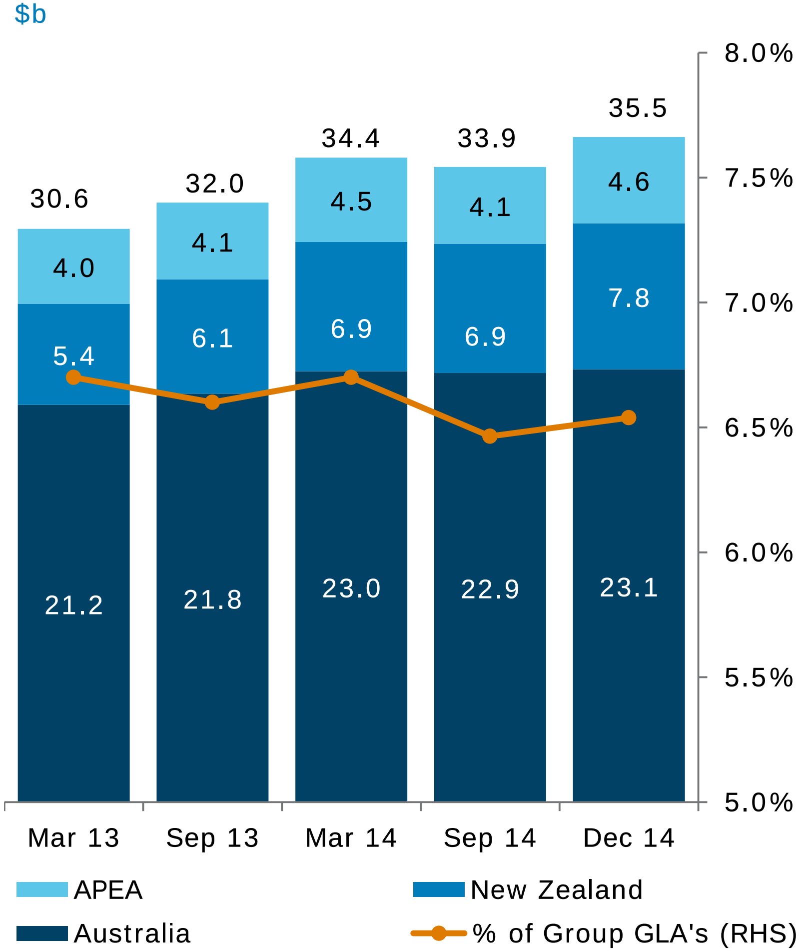




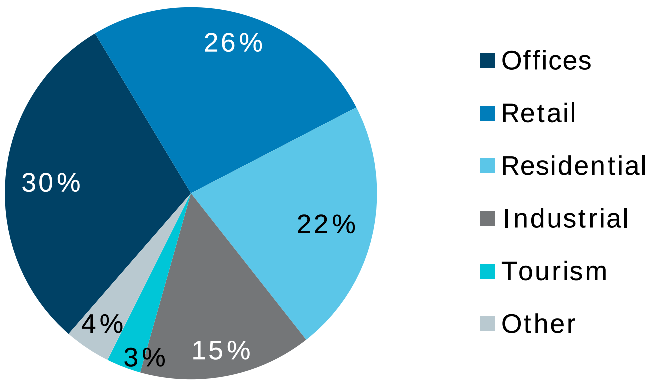
1. PD model changes account for 11bps increase in 1H15.

Commercial property portfolio

Commercial Property outstandings by region[1]



Commercial Property outstandings by sector[1]



Property peer comparison[2]

$m	ANZ	Peer 1	Peer 2	Peer 3
Property Portfolio EAD	51,039	68,739	72,935	57,994
Property EAD Growth Rates	7.9%	(1.6%)	13.9%	7.0%
Property EAD/Total EAD	5.73%	7.57%	8.50%	6.42%
Impaired Assets	424	1,497	726	318
Property Impaired Assets/Property EAD	0.83%	2.18%	1.00%	0.55%

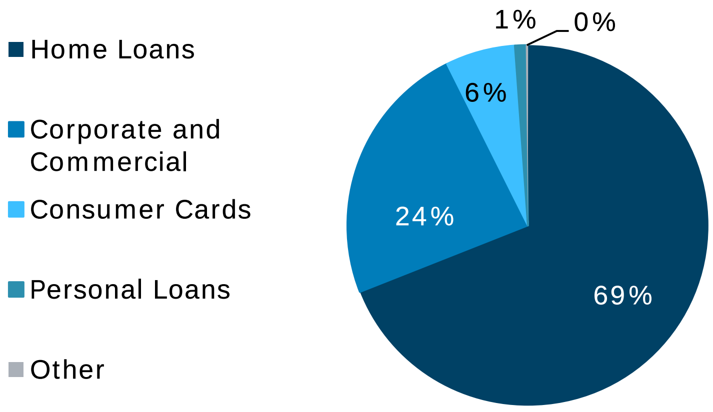
1. As per ARF230 disclosure.
2. As per APS330 disclosure. ANZ includes property services, not consistent across peers.

Industry Themes and Guidelines for Quality

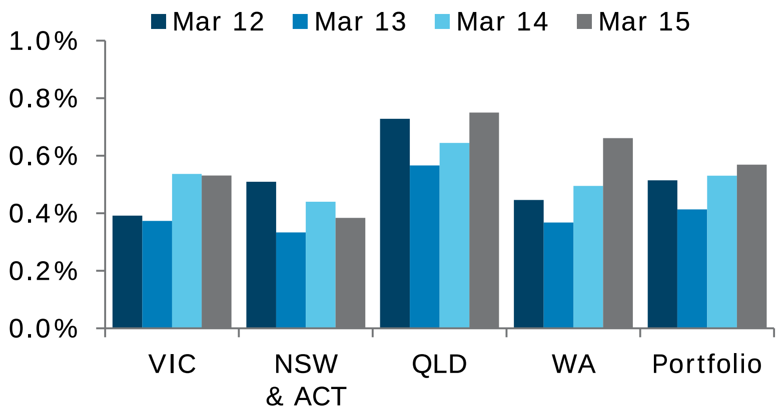
Areas on Watch	ANZ Lending Principles Examples
1. Commercial Property Land and buildings primarily leased to third parties or new buildings constructed to be leased or sold to third parties.	1.1 Focus on key markets in Australia, New Zealand, Singapore and Hong Kong 1.2 No appetite for speculative development 1.3 Limited appetite to lend against third party leased specialised buildings
2. Residential Property Residential Land and/or buildings • Variable or fixed rate • Owner occupied, investor, equity loan • Interest only or Principal & Interest	2.1 Triggers and controls guide growth in investment, interest only and high LVR-band lending 2.2 Very limited appetite for Self Managed Super Fund lending 2.3 No appetite for reverse home loans or sub-prime loans
3. Resources Sector Industry sectors include: • Metal Ore (Including Iron Ore) • Mining and Mining Services • Mining infrastructure • Oil and Gas • Coal	3.1 Relationships focused on low cost producers 3.2 We are focused on intermediating trade and FX flows 3.3 Mining infrastructure cost sustainability monitored 3.4 Preference for equipment leasing over unsecured lending

Australia Division

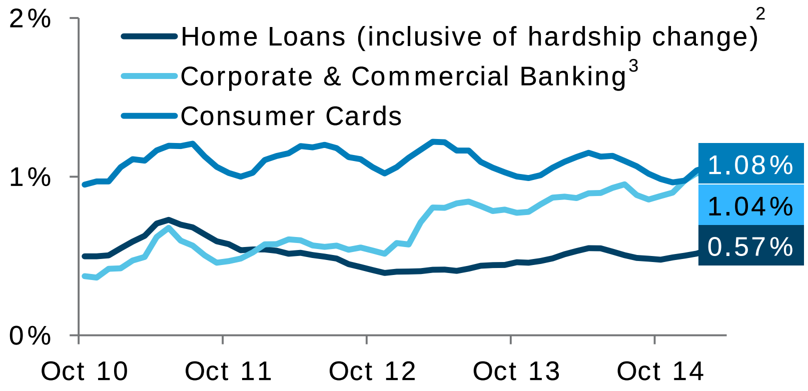
Australia Division credit exposure (EAD)



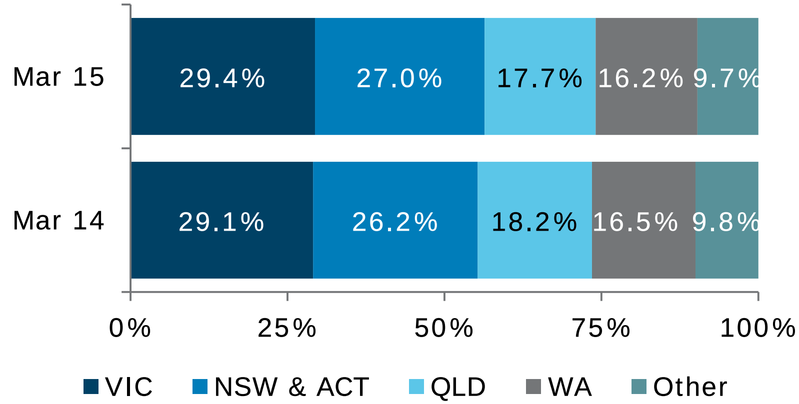
Australia Home Loans 90+ day delinquencies by state[1]



Australia Division 90+ day delinquencies[1]



Australia Home Loans portfolio by state[1]



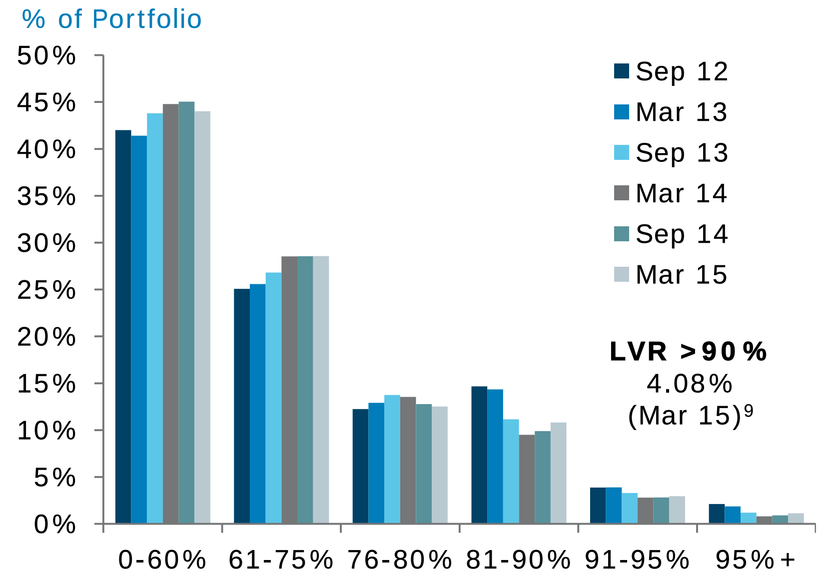
1. Exclusive of Non Performing Loans.
2. Hardship changes implemented Apr 2013. For comparison: 90+ excluding hardship changes as at Mar 2015 is 0.46%.
3. Includes Small Business, Commercial Cards and Esanda Retail.

Australia Home Loans portfolio

1H15 portfolio statistics[1]

Total Number of Home Loan Accounts	934k
Total Home Loans FUM	$218b
% of Total Australia Geography Lending	60%
% of Total Group Lending	39%
Owner Occupied Loans - % of Portfolio[2]	60%
Average Loan Size at Origination (1H15 average)[3,4]	$376k
Average LVR at Origination (1H15)[3,4,5]	71%
Average Dynamic LVR of Portfolio[4,5,6]	51%
% of Portfolio Ahead on Repayments[7,8]	43%
% of Portfolio Paying Interest Only[8]	35%

Dynamic loan to value ratio[5]



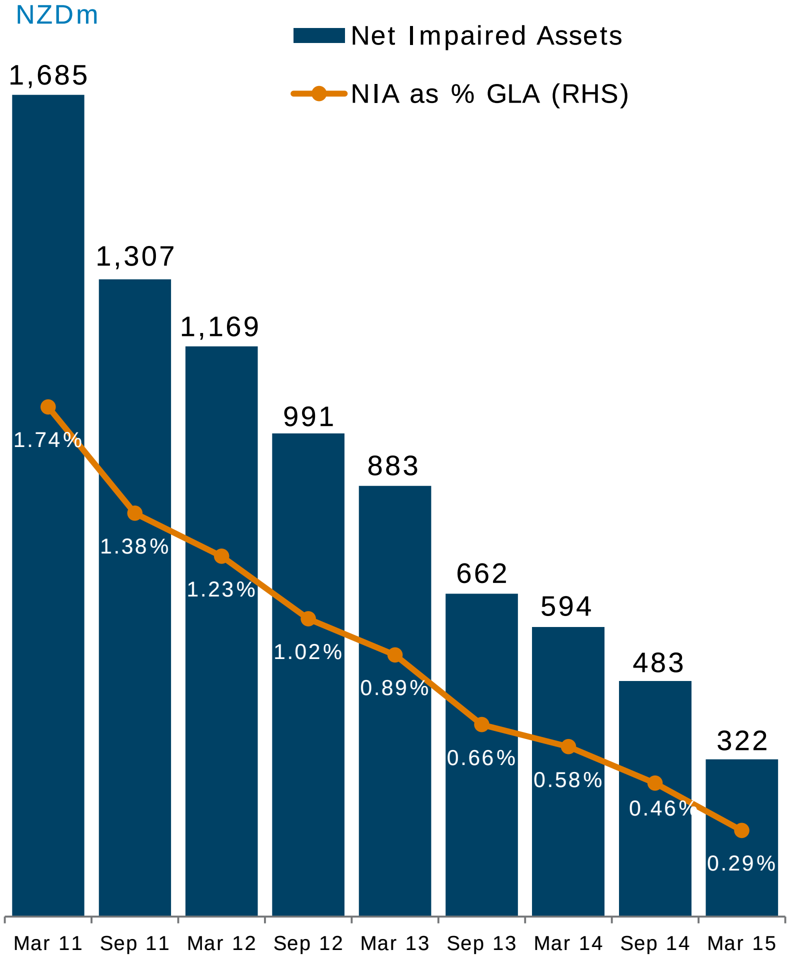
Individual provision as % of average NLA

	FY12	FY13	FY14	1H15
Group	0.38%	0.25%	0.22%	0.17%
Australia Home Loans	0.02%	0.02%	0.01%	0.01%

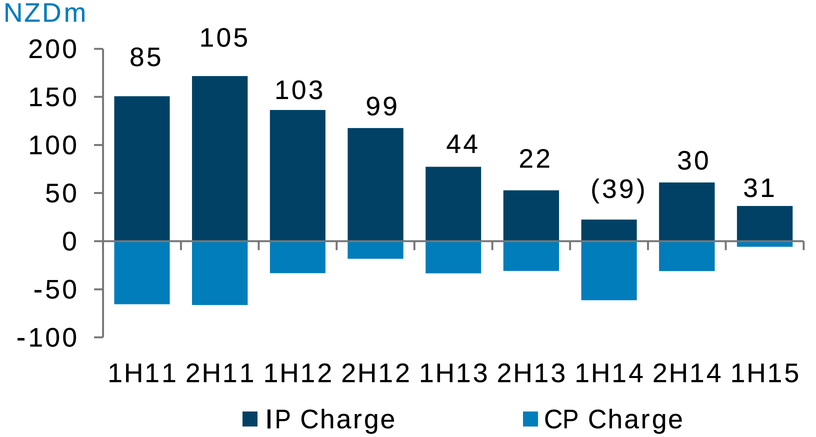
1. Home Loans (inclusive of NPLs, exclusive of offset balances). 2. Excludes Equity Manager. 3. Originated 1H15. 4. Unweighted.
5. Including capitalised premiums. 6. Valuations updated Mar 2015 where available. 7. % of customers >30 days ahead of repayments.
8. Excludes revolving credit. 9. Excluding capitalised premiums, the % of portfolio with LVR >90% as at Sep 2014 is 2.35% (Mar 2015 was 2.6%)

New Zealand

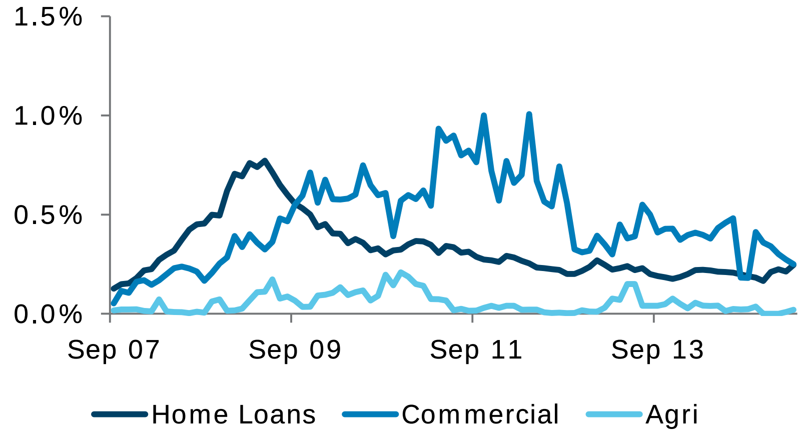
NZ Geography net impaired assets



NZ Geography total provision charge



NZ Division 90+ days delinquencies



New Zealand mortgages portfolio

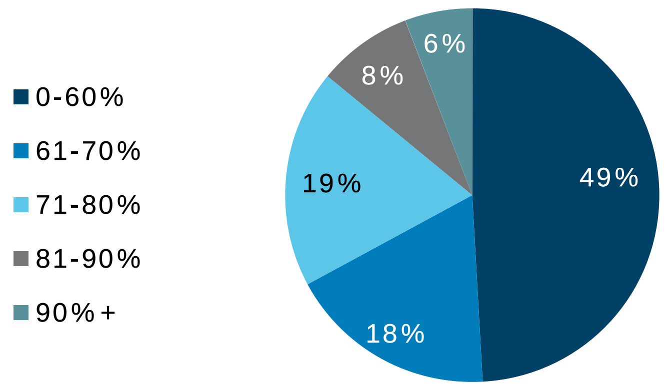
1H15 portfolio statistics

Total Number of Mortgage Accounts	494k
Total Mortgage FUM (NZD)	$64b
% of Total New Zealand Lending	59%
% of Total Group Lending[1]	11%
Owner Occupied Loans - % of Portfolio	75%
Average Loan Size at Origination (NZD)	$289k
Average LVR at Origination[2]	64%
Average Dynamic LVR of Portfolio[3]	49%
% of Portfolio Paying Interest Only[4]	22%

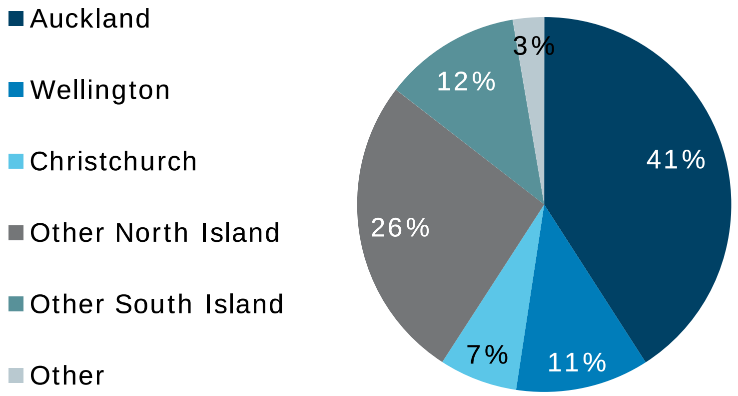
Individual provision as % of average NLA

	FY12	FY13	FY14	1H15
Group[1]	0.38%	0.25%	0.22%	0.17%
New Zealand Mortgages[5]	0.07%	0.04%	0.06%	0.01%

Dynamic loan to valuation ratio



Mortgage portfolio by region



1. As % of group average NLA. 2. Average LVR at Origination (not weighted by balance). 3. Average dynamic LVR as at (not weighted by balance) – Dynamic LVR graph as at Feb 2015. 4. Excludes revolving credit facilities. 5. Individual Provision as % average NLA.

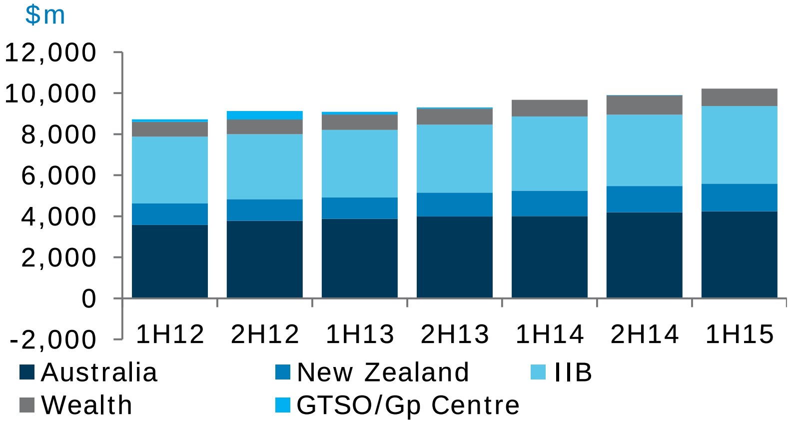
2015 | HALF YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
5 MAY 2015

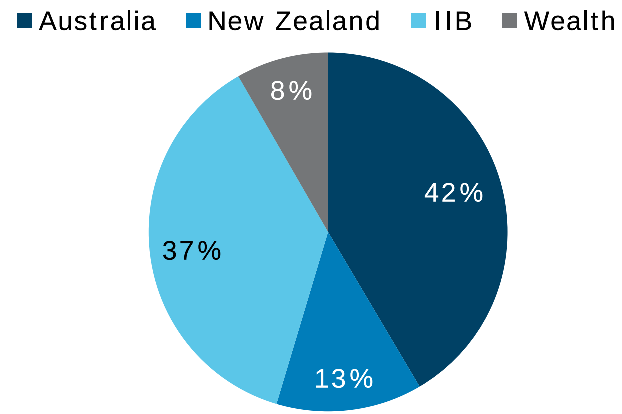
Group Overview

Profit & Loss contribution by division

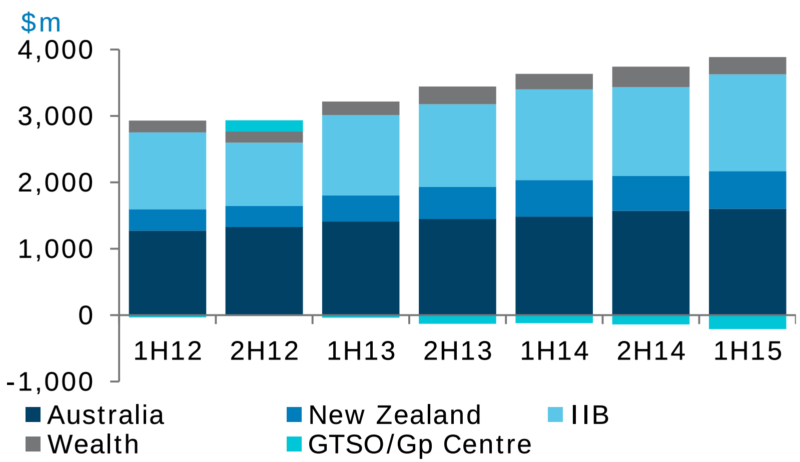
Operating Income by Division



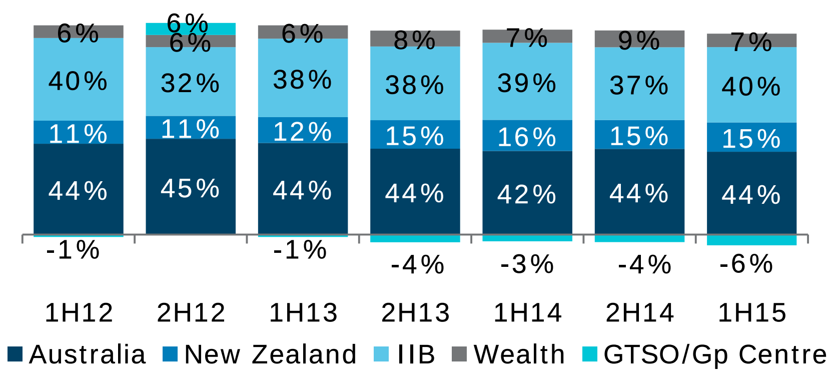
Operating Income by Division 1H15



Net Profit after Tax by Division

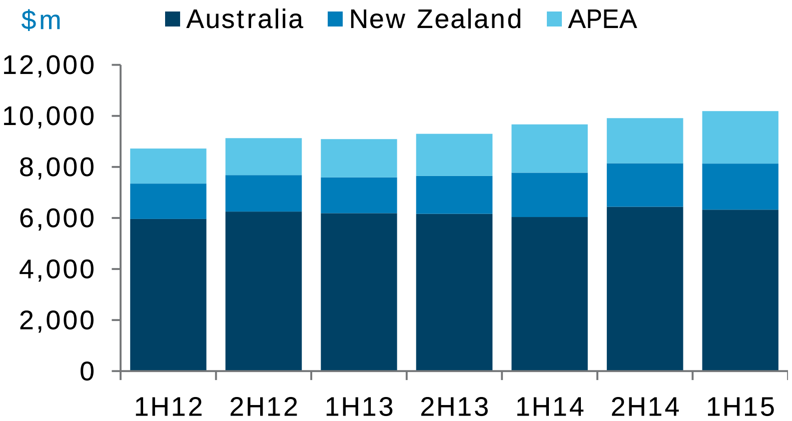


Net Profit after Tax by Division

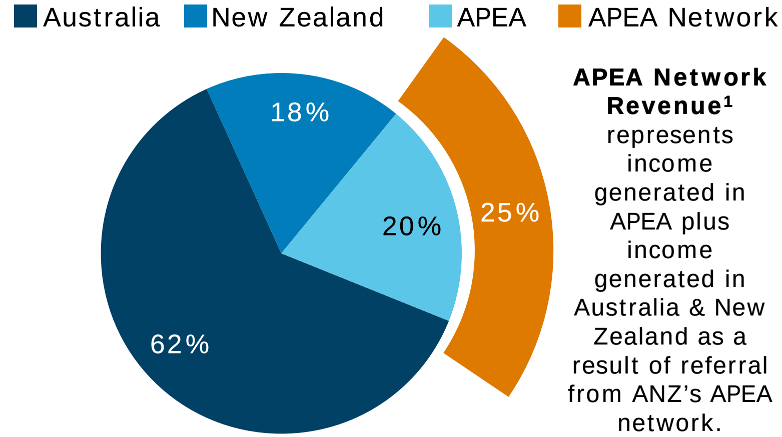


Profit & Loss contribution by geography

Operating Income by Geography

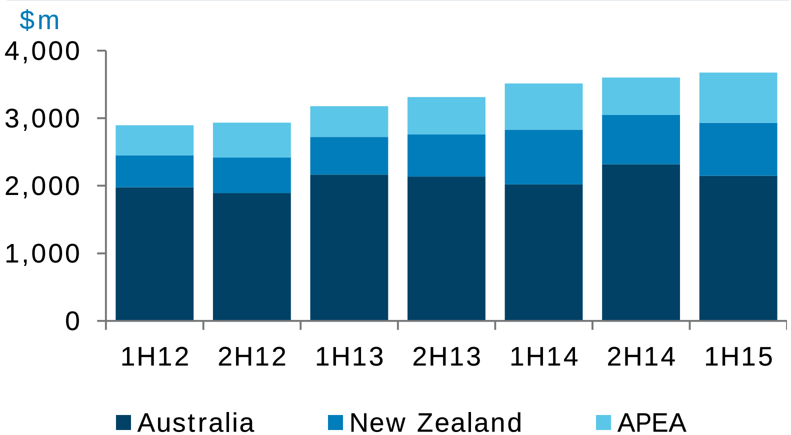


Operating Income by Geography 1H15

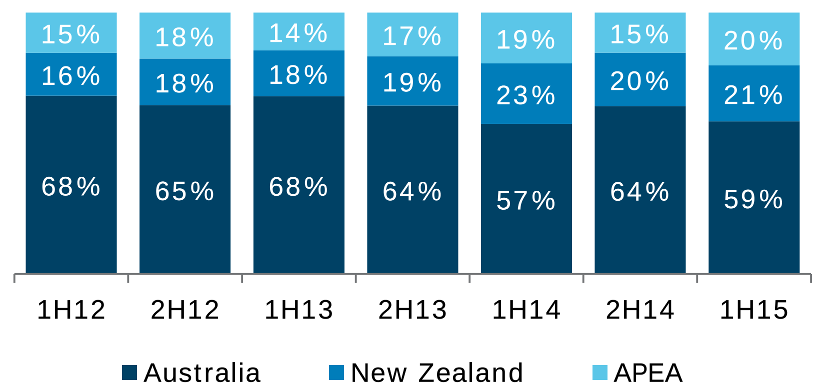


APEA Network Revenue[1] represents income generated in APEA plus income generated in Australia & New Zealand as a result of referral from ANZ's APEA network.

Net Profit after Tax by Geography



Net Profit after Tax by Geography



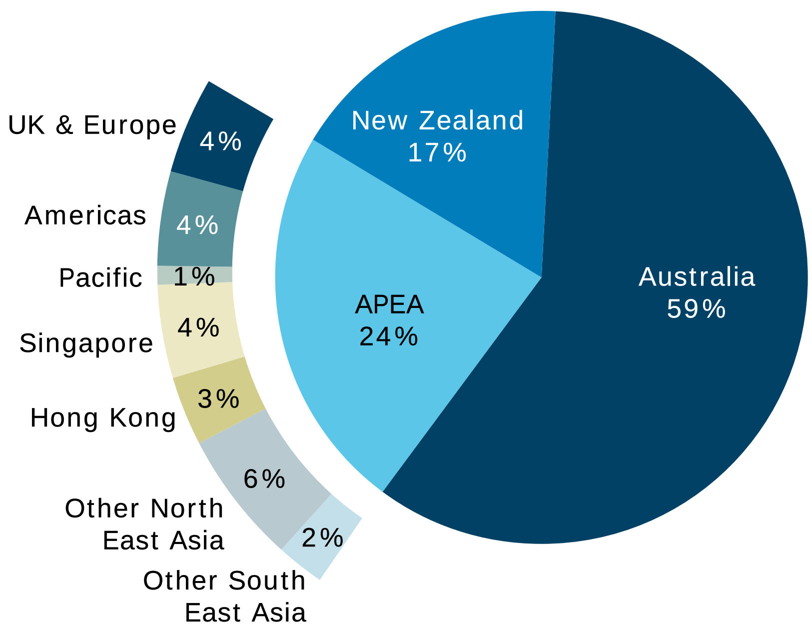
1. APEA Network Revenue represents income generated in Australia & New Zealand as a result of referral from ANZ's APEA network.

Total Credit Exposure (EAD) by Geography

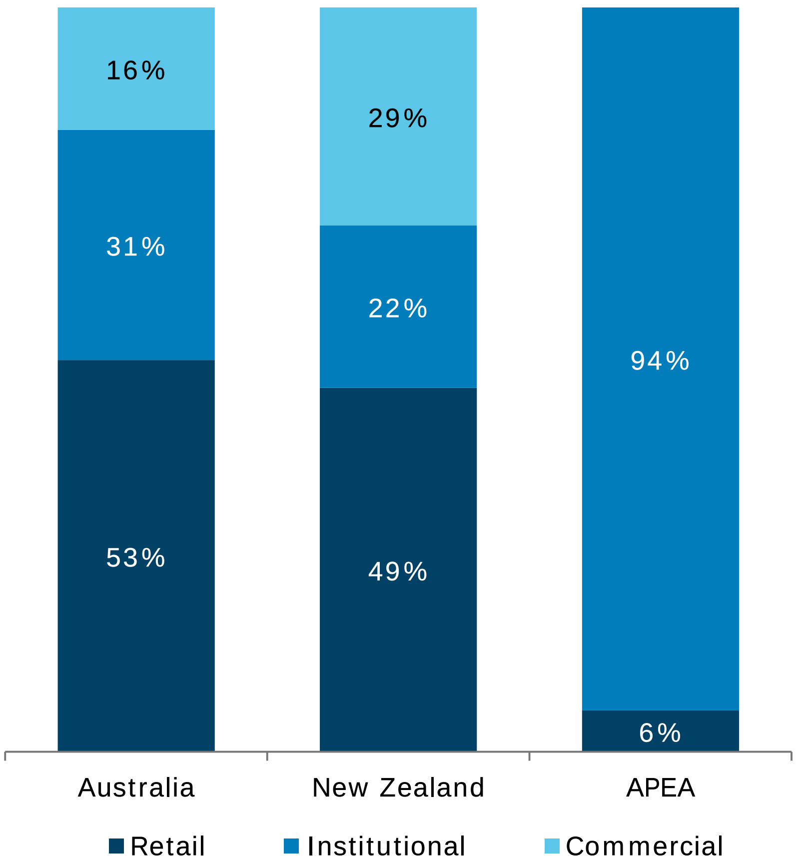
Exposure at Default[1] by Geography

Total Exposure at Default (Mar 15) - $869b[1]

Australia	New Zealand	APEA
$515.8b	$149.5b	$204.1b



Exposure at Default by Line of Business[2]



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

Regional delivery network and common platforms

Regional delivery network

- Providing full service regional coverage across our operating time zones
- Developing centres of excellence across the network around key business domains:
  - Payments
  - Markets
  - Trade
  - Secured Lending
  - Unsecured Lending
  - Wholesale Lending
  - Voice
  - FIO, AML and Sanctions
  - Wealth Operations
  - Technology

Common platforms				
	Global Wholesale Digital (Transactive)	**17** countries	**Global Payments** (Global PayPlus)	**10** countries
	Global Retail Digital (goMoney, Grow)	**7** countries	**Global FX** (Wallstreet)	**13** countries
	Global Process Management (PEGA, FileNet)	**15** countries	**Global Customer Registry** (IBM MDM)	**25** countries

Enterprise approach delivering a consistent, higher quality experience for our customers

Delivering productivity initiatives

- More effective resourcing
- Improved project delivery
- Processes reengineered

Improving customer experience

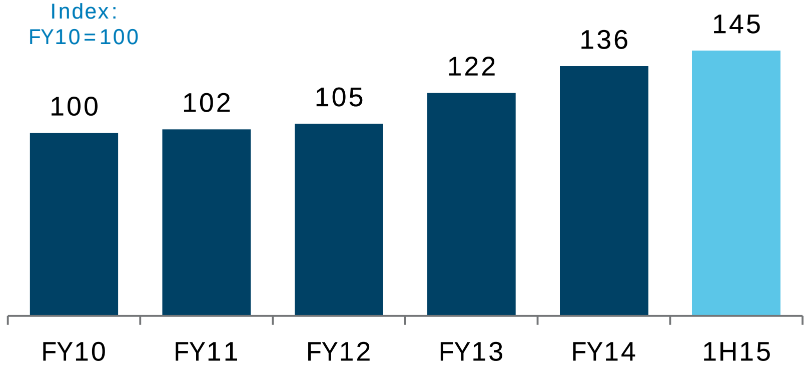
- Easier on-boarding
- Faster approvals
- Consistency across channels

Reducing operational risk

- Consistent standard processes
- Upgraded infrastructure and systems

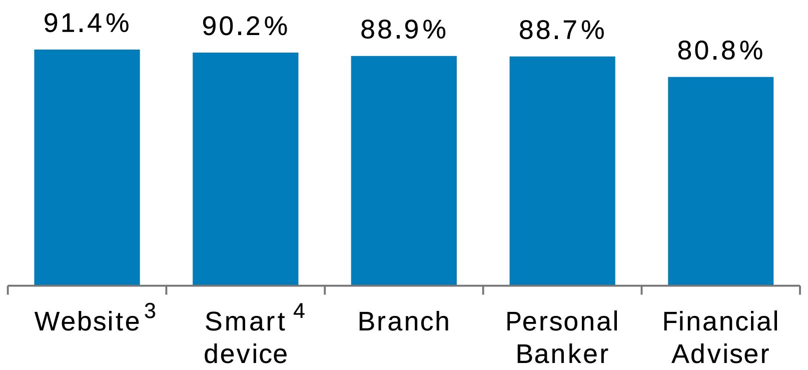
Operations efficiency

Operations productivity improvement[1]



Quality and service

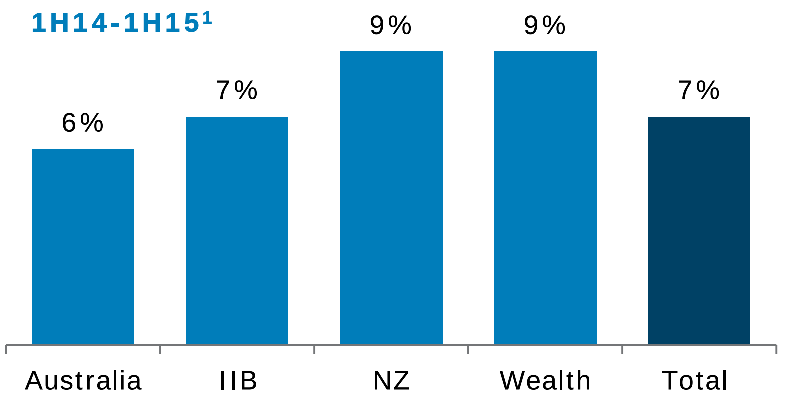
Customer satisfaction by channel[2]



1. Operations efficiency measured by operations productivity improvement, which is the difference in operations costs and volume growth. 45% productivity improvement over 4 ½ years. 2. Roy Morgan Research. Satisfaction with channel, experience amongst MFI customers who have used service in the last 4 weeks. Base: ANZ Main Financial Institution (MFI) Customers, age 14+, rolling 12 months to March 2015. 3. Internet Banking using institution's website. 4. Internet Banking using an app on mobile phone or tablet.

Enterprise approach – higher volumes at lower cost through regional network & common platforms

Operations volume growth



Operations costs growth

Record volumes on platforms

- New "single-day" retail activity records (Dec 14):
  - 1,746 loan settlements& releases
  - 1.6m goMoney logons
  - 10m merchant payment transactions
  - 723,000 ATM transactions
- "Transactive" volumes in FY15 >5x 2013 levels (on track for $280b in FY15)
- Supported by 1H15 simplification initiatives:
  - Retired over 5,000 business applications
  - Wholesale loans from >100 to 10 core products

1. Volume growth represents YTD Mar 2015 vs YTD Mar 2014.

Adopting common platforms, utilising regional delivery network to improve customer experience & productivity

An enterprise approach to **operations** and **technology**

Delivers a stronger and more efficient bank

Benefiting our **customers, employees** and **shareholders**

Building Common Technology Platforms

across all main business lines to drive standardisation, simplification and automation.

Utilising our Regional Delivery Network

to improve customer experience and drive down cost to serve.

Improving customer experience:
- Easier on-boarding and faster approvals
- Quality service
- Consistency across channels

⇩**40bps** Operations cost to income

Driving operational productivity:
- Absorb significant volume growth
- Sustainable cost reduction
- Simplified processes

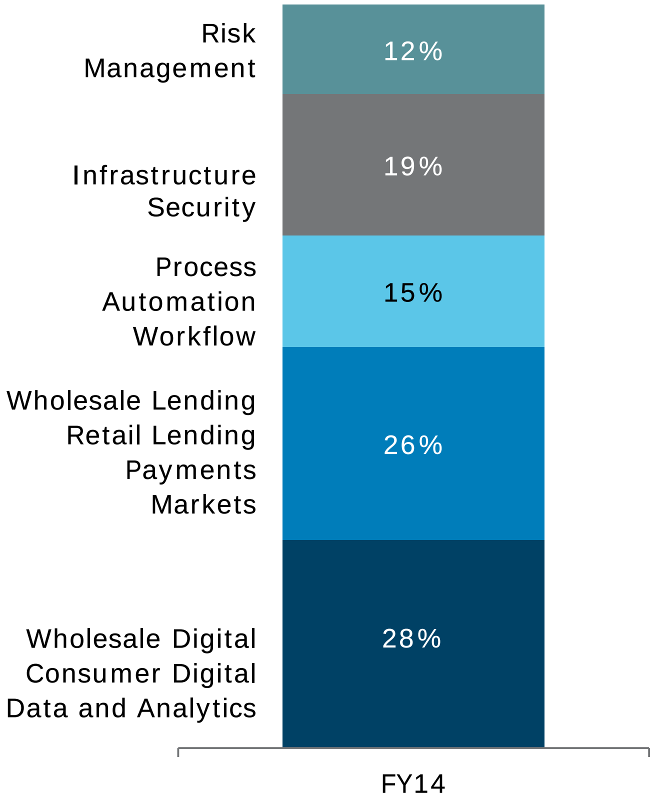
⇧**10%** Operations productivity

Reducing operating risk:
- Consistent, standard processes
- Reduced error rates
- Upgraded infrastructure and security systems

⇩**28%** Customer complaints (Australian Ops)

Annual investment program delivering broad-based enterprise capabilities supporting super regional growth

Annual investment spend



ANZ invests approximately AUD1,200m[1] per year on technology-based capabilities. Disciplined management is allowing us to fund an increasing proportion of this annual investment from the productivity gains in our wider delivery cost base.

Capability	Benefits
Risk	• Minimised operating risks • Maintain the confidence of our customers and regulators
Stability	• Upgraded infrastructure • Enhanced resilience • Reduced cost-to-serve
Productivity	• Simplify and integrate end-to-end workflow • Increase systems and process standardisation • Re-engineer and automate high-priority enterprise domains
Product Lines	• Coordinated approach to end-to-end wholesale lending • Global capabilities for consumer lending • Modern, resilient payments network • Supporting markets growth with scalable platforms
Digitisation	• Consistent customer experience across channels • Supporting our segment-based businesses • Enterprise-wide data management

1. Excludes technology run costs.

Sustainability – managing our business to account for social, environmental, economic risks and opportunities

ANZ's Corporate Sustainability Framework distinguishes between three key priority areas of the sustainability agenda that are distinctive to ANZ, and five 'Licence to Operate' areas we consider essential to a large company operating in a sustainable, responsible and ethical way.

We report bi-annually on our sustainability performance. Our 2014 Corporate Sustainability Report is available on anz.com.

Priority Areas	Progress

Sustainable Development	• Increased lower-carbon power generation lending in Project Finance by 16% since 2011[1]
	• Portfolio summary: Coal fired 25.0%, gas fired 25.5%, renewables 49.5%
	• In 2014, ANZ financed projects with lower than average emissions intensity:
	  • Australia: 0.69 tCO_2/MWh[2] (20% lower than average Australian intensity)
	  • Offshore: 0.24 tCO_2/MWh[2] (17% lower than average intensity in relevant countries)

Diversity and Inclusion	• All roles in Australia and NZ are now flexible, to support a diverse and inclusive workplace • Focus on gender balanced leadership through structural, behavioural and programmatic interventions • FY14 employee engagement score: 73%, with a target of 75% in FY15
Financial Inclusion and Capability	• MoneyMinded financial education program: >294,000 participants in 20 countries • Go Money: >125,000 customers registered in the Pacific, with ~71,000 new to bank

1. As a proportion of our total project and structured finance power generation portfolio. Our target is to increase the proportion by 15-20% by 2020.
2. Represents average emissions intensity of electricity generation from projects financed by ANZ. tCO_2/MWh represents tonnes of CO_2 per megawatt hour of electricity generated.

2015 | HALF YEAR RESULTS

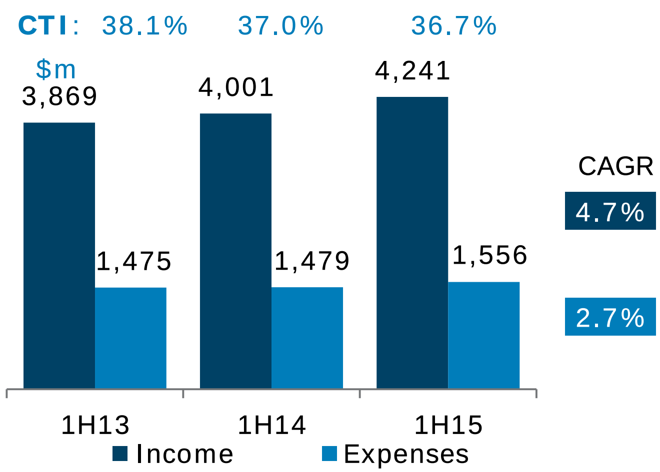
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
5 MAY 2015

Divisional Performance

Aus. Division Profit and Loss – delivering growth with continued investment, improved productivity & efficiency

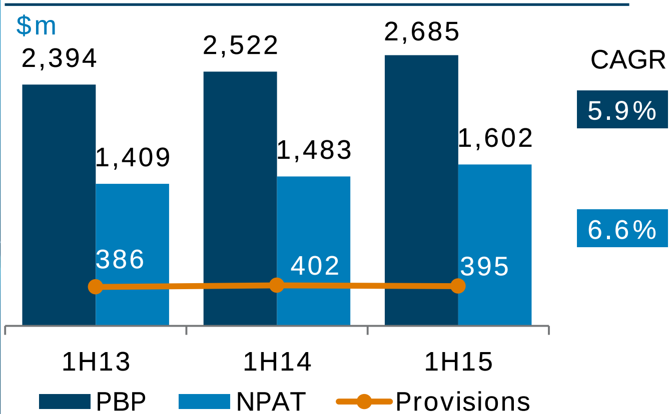
Australia Division

Revenue and Expenses

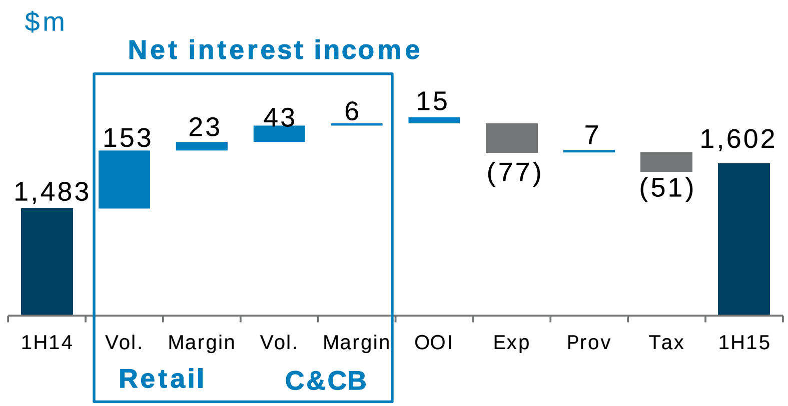


	$m	Growth %
	1H15	PCP
Income	4,241	6.0%
Expenses	1,556	5.2%
PBP	2,685	6.5%
Provisions	395	(1.7%)
NPAT	1,602	8.0%
Retail		
Income	2,576	7.8%
Expenses	1,015	6.3%
PBP	1,561	8.9%
C&CB		
Income	1,665	3.3%
Expenses	541	3.2%
PBP	1,124	3.3%

PBP, Provisions, NPAT

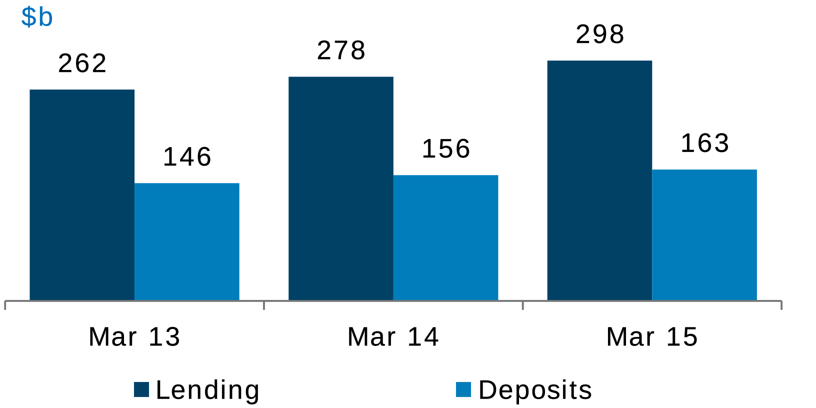


1H profit driven by volume growth

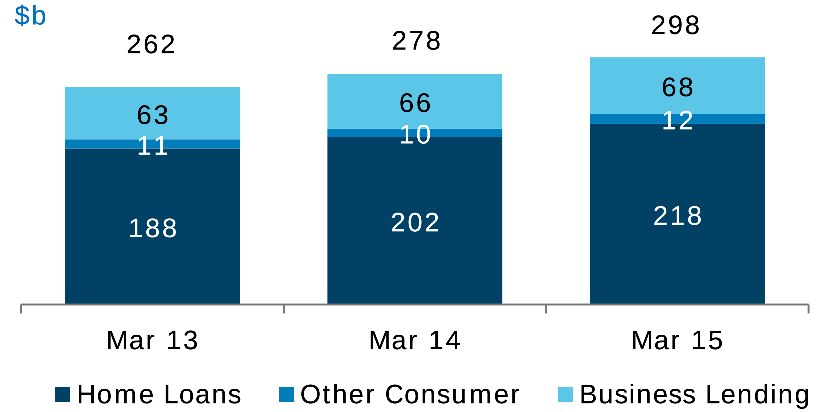


Aus. Division Balance sheet – growing FUM and improving mix

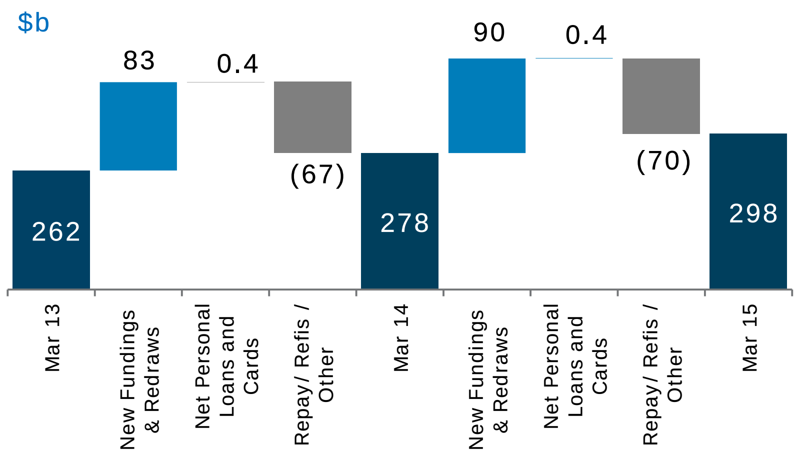
Loans & Deposits



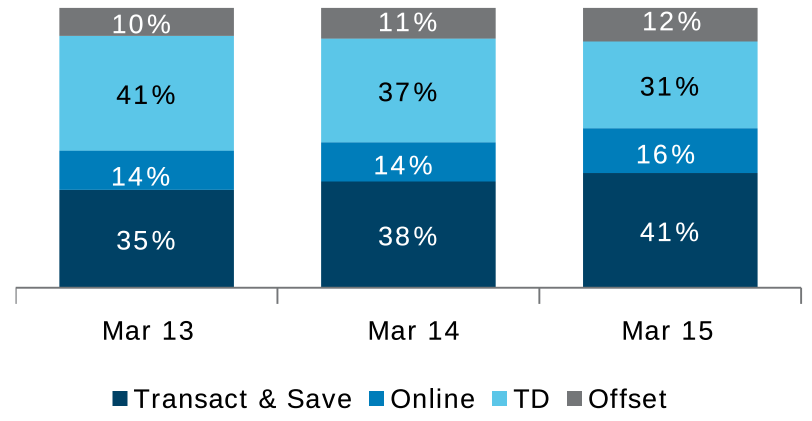
Lending composition



Lending flows

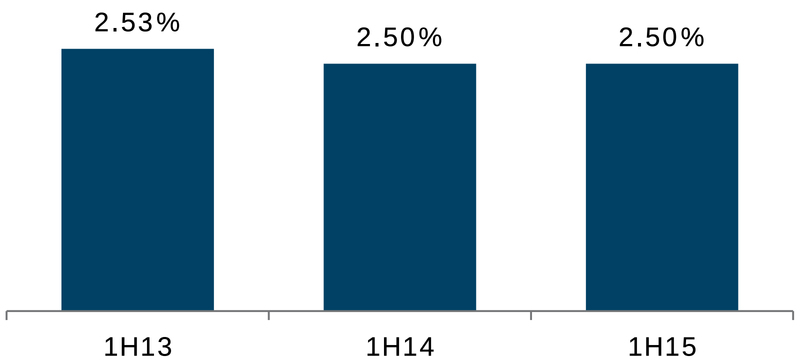


Deposit mix improving



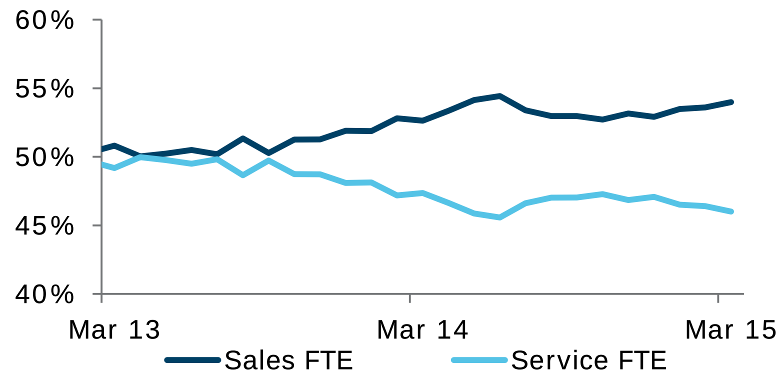
Delivering to strategy, managing margins & costs while maintaining credit standards

Balanced margin management[1]



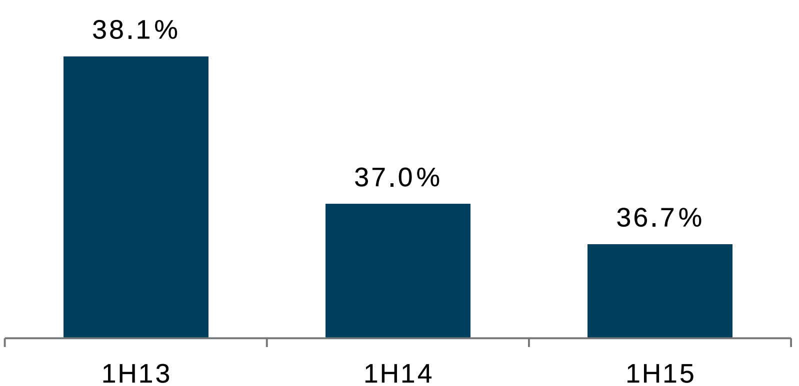
Investing for growth

Percent mix of Retail Sales and Service FTE



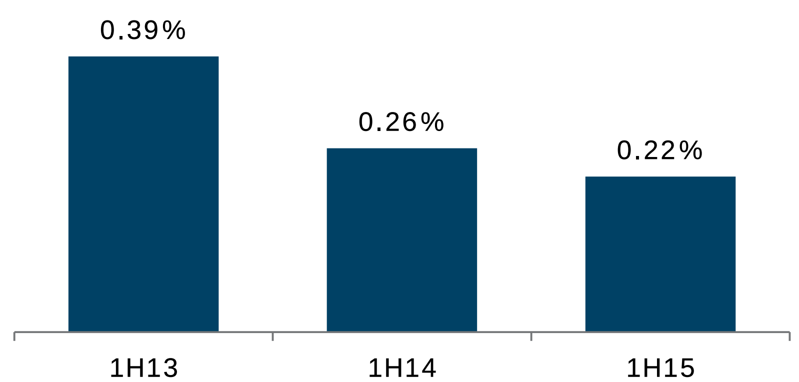
Improving Cost to Income

Cost to Income



Credit quality

Net Impaired Assets / Net Loans & Advances



1. NIM %: Half year period average.

Delivering innovative solutions that are aligned to changing customer needs

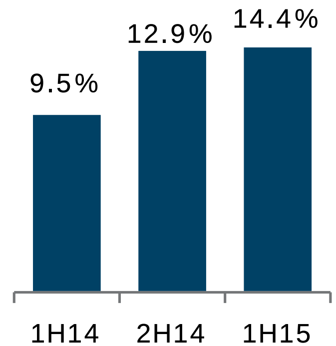
Delivering innovative solutions

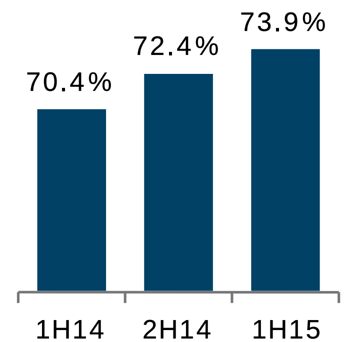
- World first to roll out 'Tap and Pin' contactless ATMs
- 813 Smart ATMs deployed
- Rolled out WiFi into branches, enabling goMoney app activation at account opening

- Market leading multi-factor authentication
- Innovative home loan solution for mobile lenders (Your Home Loan 360)
- Digital tools and calculators

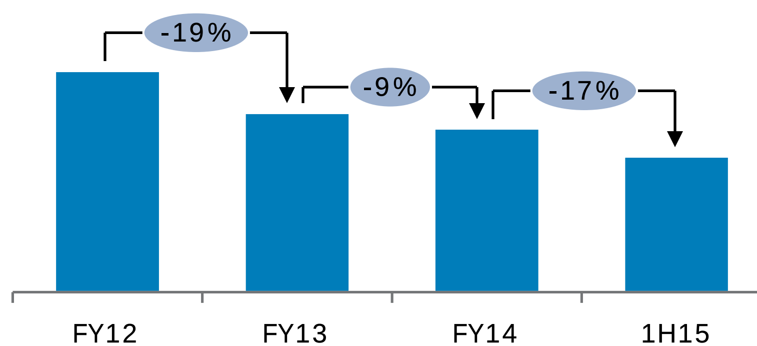
- Interactive Insights for frontline bankers in Corporate Banking
- Digital A-Z reviews across Retail and C&CB

… leading to increasing digital usage





… while reducing customer complaints



1. Sales includes the number of sales events through the Retail distribution network, including all Retail, Commercial and Wealth products.
2. Transactions refers to the number of value transactions through all channels including internet, mobile, teller and ATM.

Growth is being delivered sustainably

Building our sales reach

600	Additional sales FTE from 1H14
✓	Investing in priority segments – Small Business, Emerging Corporate, Health
63%	Growth in Digital sales from 1H14[1]

Increasing sales capability

40k	Hours of training for C&CB staff in 1H15
670	Additional Retail staff trained in sales of Home Loans, Wealth, and Small Business products
17%	Increase in Home Loan sales across all channels

Enhancing the customer experience

74%	Transactions[2] via digital channels, up from 70% in 1H14
✓	Deployed a global asset finance platform providing faster and easier applications and fulfilment
17%	Drop in average monthly complaints from FY14

Expanding customer awareness

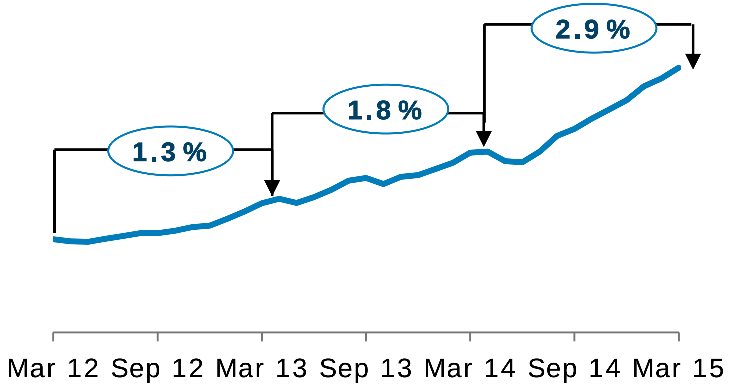
✓	#51 most valuable brand globally and ranked #2 of the 4 major Australian banks[3]
✓	2015 Australian Lending Awards – Best customer experience, Best Investor Lender, Mortgage Lender of the year
#2	Purchase intention for Australian banks[4]

1. Sales include Retail, Wealth, and Commercial sales and referrals through Retail digital channels.
2. Transactions refers to value transactions through internet, mobile, teller, and ATM.
3. 2014 BrandZ Top 100 most valuable global brands by Millward Brown.
4. Ipsos, Mar 2015.

Retail

Growing customer acquisition

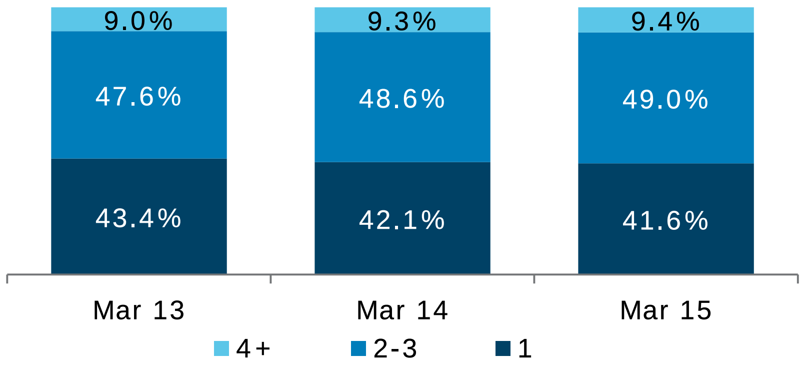
Customer numbers



Deeper customer relationships

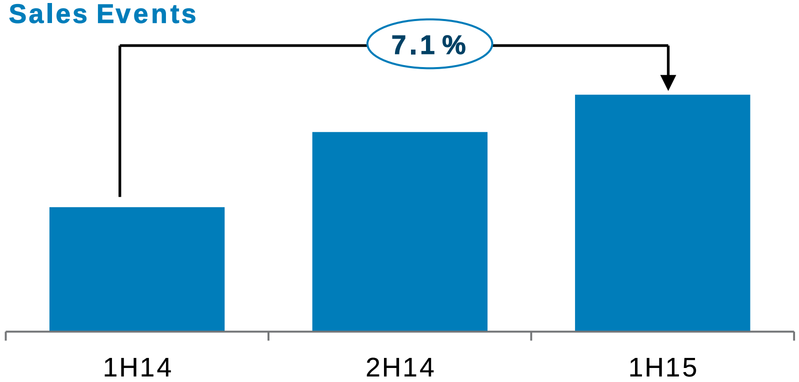
Retail Products per customer

% of total customers



Increasing Sales

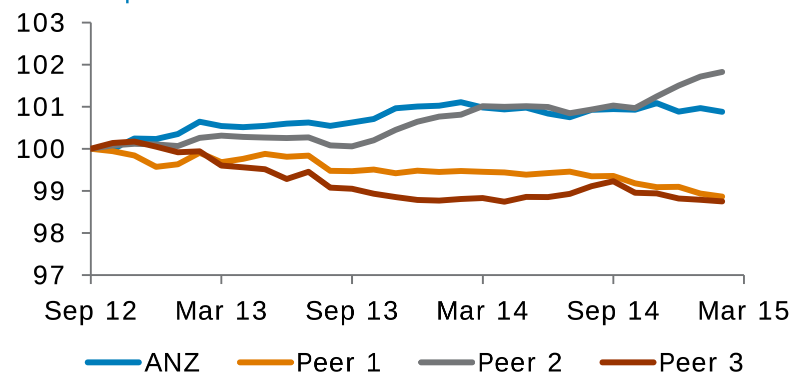
Sales Events



Growing market share

APRA Traditional Banking Market Share[1]

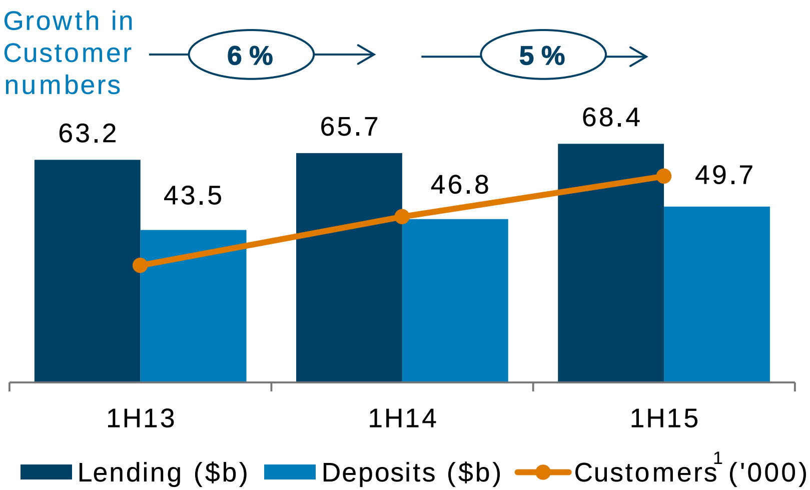
Index Sep 12 = 100



1. Inclusive of Deposits, Home Loans and Cards, Source: APRA.

Corporate & Commercial Banking

Continuing to grow the business

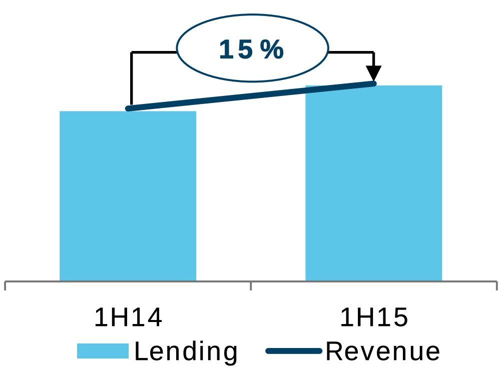


Targeting key growth segments & leveraging super regional connectivity

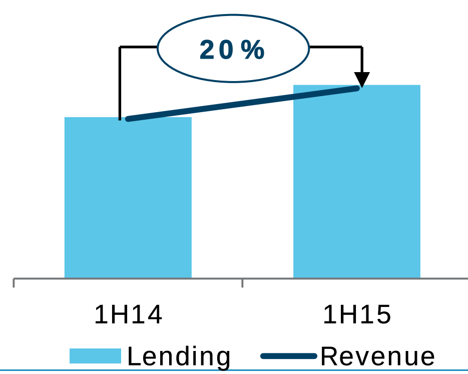
- Prioritising higher growth opportunities to drive outperformance
- Investments to enhance Small Business and Emerging Corporate propositions contributing to performance
- Supporting customers across the region with dedicated specialists, cross-border processes, research and insights
- Increasing banker capability and connectivity through super regional experience, training and specialist tools

.. With strong growth in our priority segments

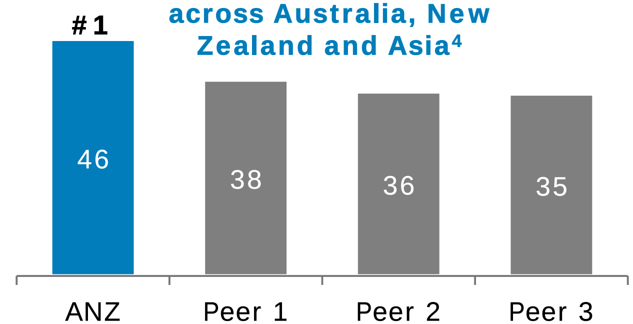
Small Business Banking[2]



Emerging Corporate[2,3]



Can service my business needs across Australia, New Zealand and Asia[4]



1. Customers exclude Esanda contracts. 2. Percentages represent lending growth. 3. A subset of Business ank, lending greater than 10m and turnover greater than 40m. 4. Proportion of Commercial customers ($1m to <$40m turnover) associating institution with the statement 'can service my business needs across Australia, New Zealand and Asia', rolling 3 month average, DBM Business Financial Services Monitor, Mar 2015.

Australia Division - strengthening ANZ's position in core markets by delivering a leading customer experience

ANZ Group Strategy

Strengthen our position in our core markets of Australia & New Zealand	STRONG CORE MARKETS
Connecting customers to faster growing regional capital, trade & wealth flows	PROFITABLE ASIAN GROWTH
Built on common infra-structure & enterprise focus for greater responsiveness, efficiency and control	ENTERPRISE APPROACH

Australia Division’s contribution

- Deliver customers an easy, connected and insightful experience that puts the customer in control
- Achieve consistent above system growth focused in priority segments
- Maintain strong margins, cost discipline and risk profile
- Leverage our Super Regional advantage to bring the whole of ANZ to customers
- Take an enterprise wide approach and leverage global assets

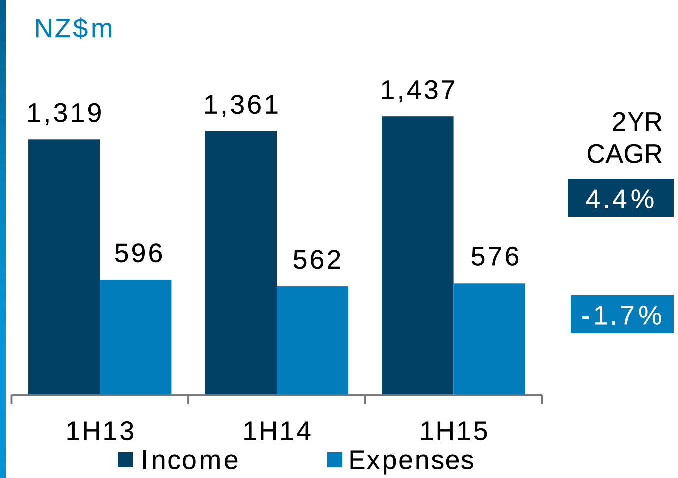
Banking on Australia is transforming our Retail and Corporate & Commercial businesses based on a deep understanding of customer needs

Customer Needs	Customer Value Proposition	Transformation	Financial Outcomes
Developing a deep understanding of customer needs in our target segments	Building a compelling customer value proposition that is aligned to their needs	Investing through our Banking on Australia program to meet changing customer needs	Growing market share, managing margins and costs and maintaining asset quality

NZ Division Profit and Loss

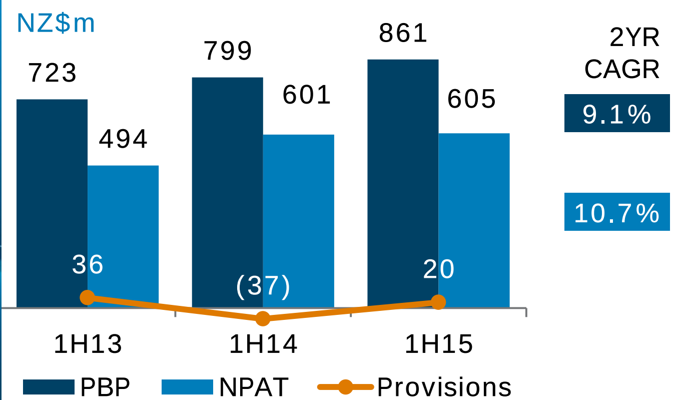
New Zealand Division

Revenue and Expenses

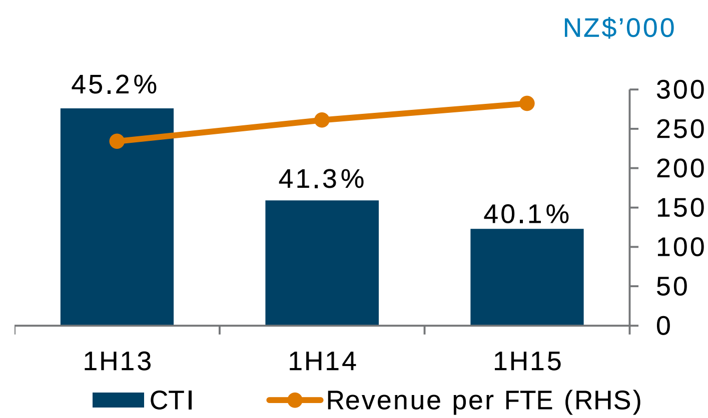


	NZ$m	Growth %
	1H15	PCP
Income	1,437	5.6%
Expenses	576	2.5%
PBP	861	7.8%
Provisions	20	large
NPAT	605	0.7%
Retail & SBB		
Income	968	3.9%
Expenses	440	1.4%
PBP	528	6.0%
CommAgri		
Income	460	7.2%
Expenses	126	1.6%
PBP	334	9.9%

PBP, Provisions, NPAT



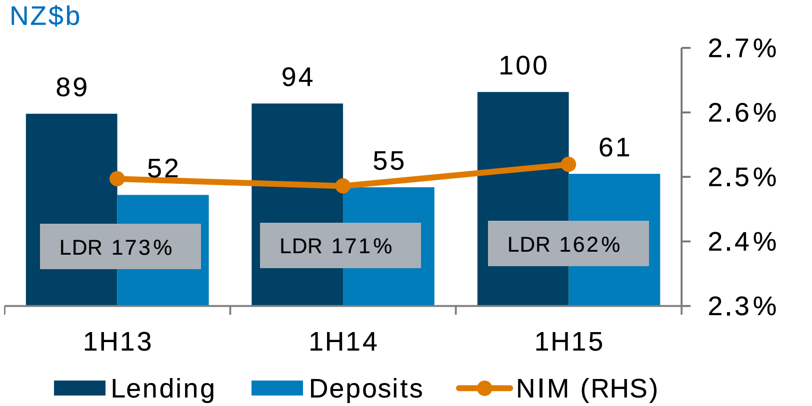
Productivity & Efficiency



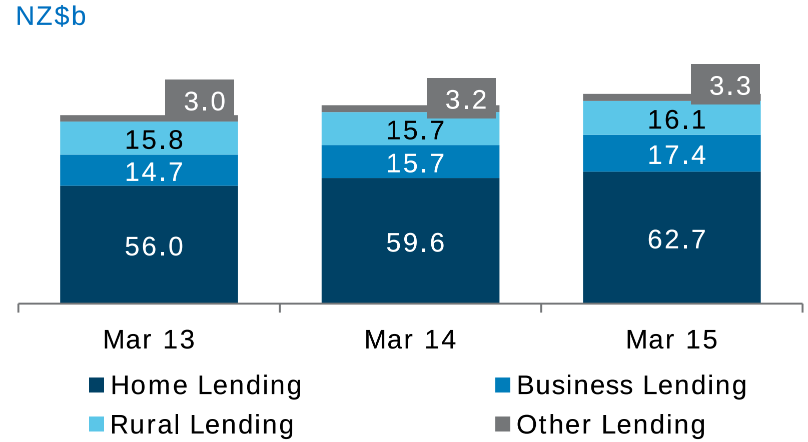
All values in New Zealand Dollars. All data relates to New Zealand Division, which comprises Retail and Commercial business units.

NZ Division Balance Sheet

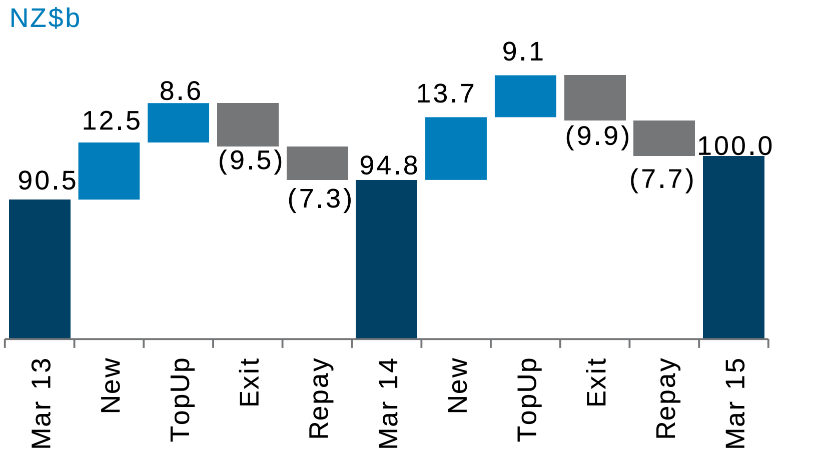
Net loans, Deposits and NIM



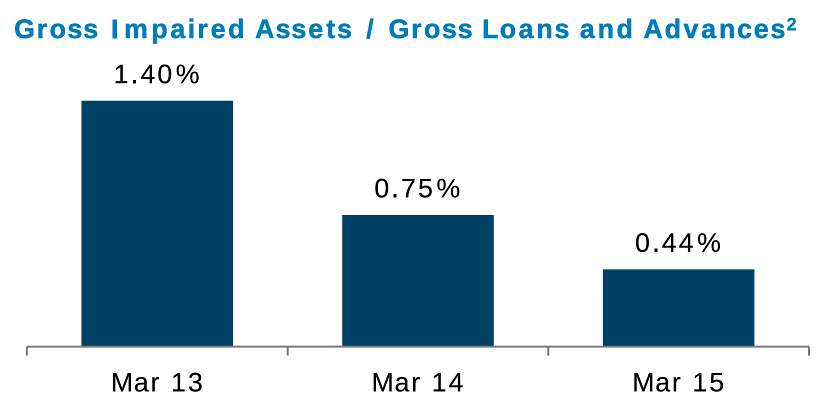
Lending composition



Customer lending flows[1]



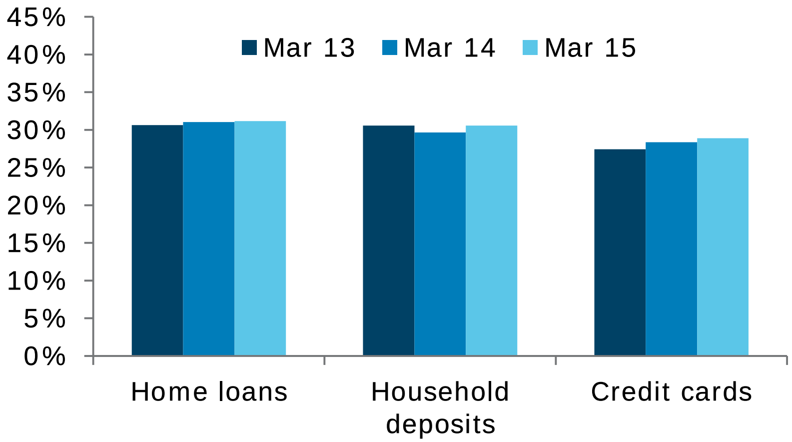
Credit Quality



All values in New Zealand Dollars. All data relates to New Zealand Division, which comprises Retail and Commercial business units.
1. Gross Loans and Advances excluding capitalised brokerage/mortgage origination fees, unearned income and customer liabilities for acceptances.
2. Includes capitalised brokerage/mortgage origination fees, unearned income, and customer liabilities for acceptances.

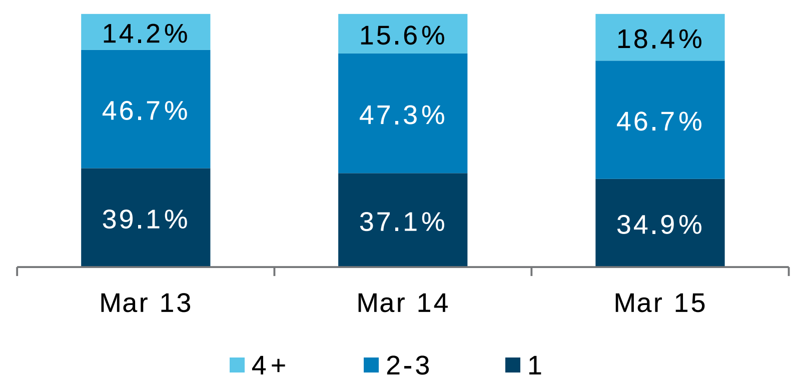
NZ Retail and Small Business Banking

Market share[1]



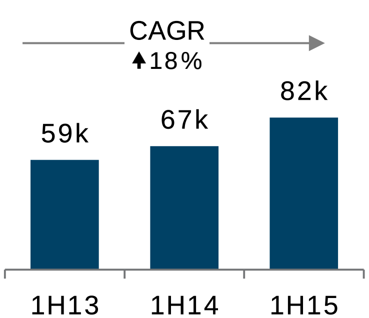
Products per customer

% of Retail customers

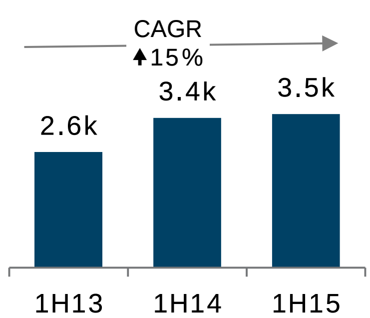


Customer numbers

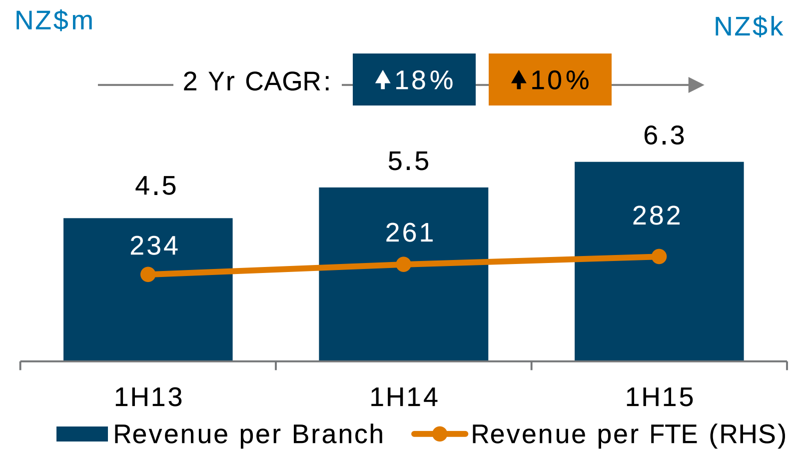
Gross Retail customer acquisition



Gross Small Business Banking customer acquisition[2]



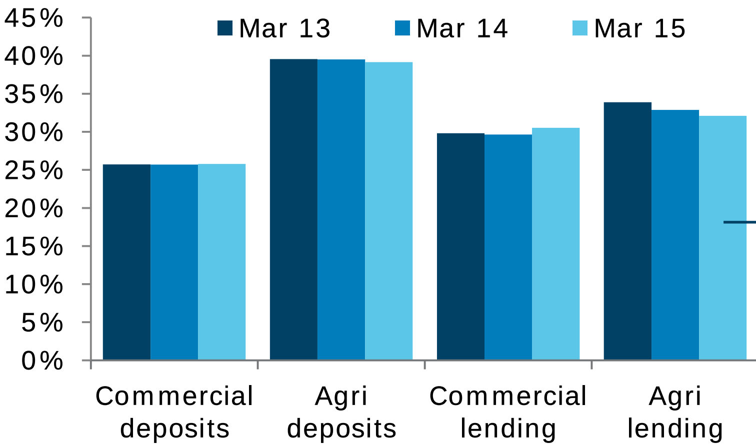
Revenue per Branch and FTE[3]



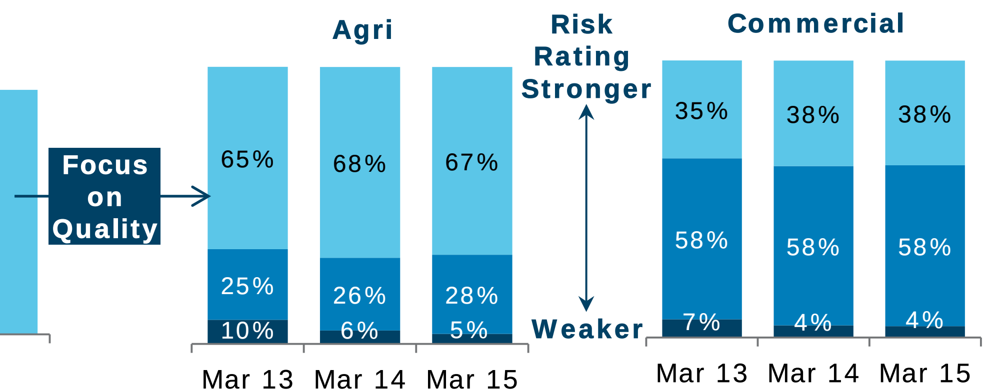
All values in New Zealand Dollars.
1. Source: RBNZ - Mar 2015, relates to NZ Geography.
2. Customer groups acquired.
3. Revenue and FTE based on NZ Division.

Commercial & Agri

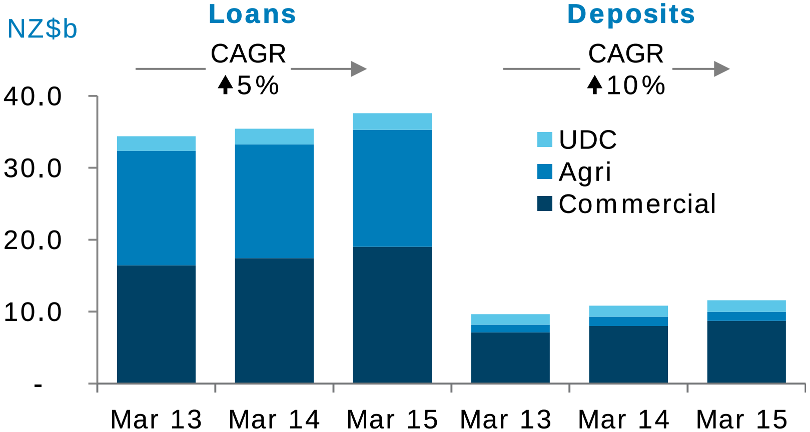
Market share[1]



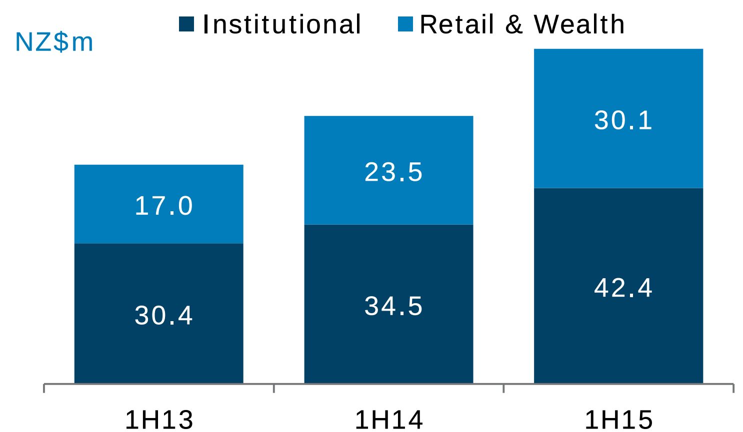
Credit quality



Loans and deposits



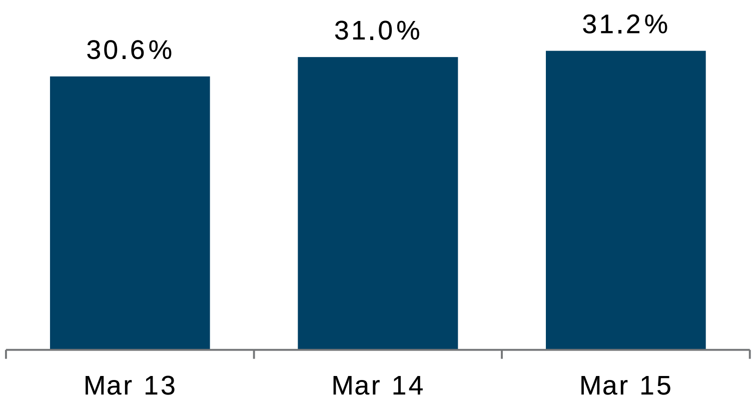
Commercial cross-sell recognised in other segments[2]



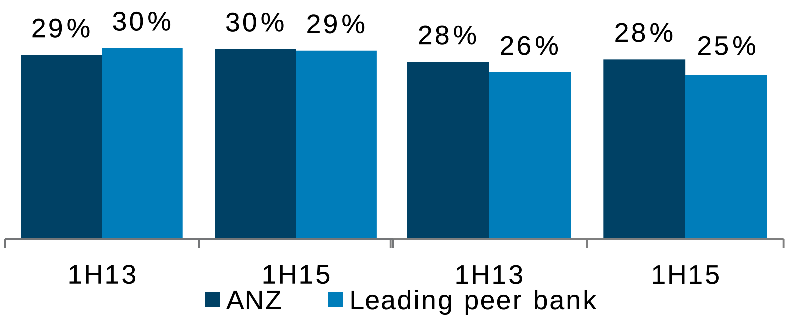
All values in New Zealand Dollars.
1. Source: RBNZ - Mar 2015, relates to NZ Geography.
2. Retail includes Small Business Banking.

Home loans

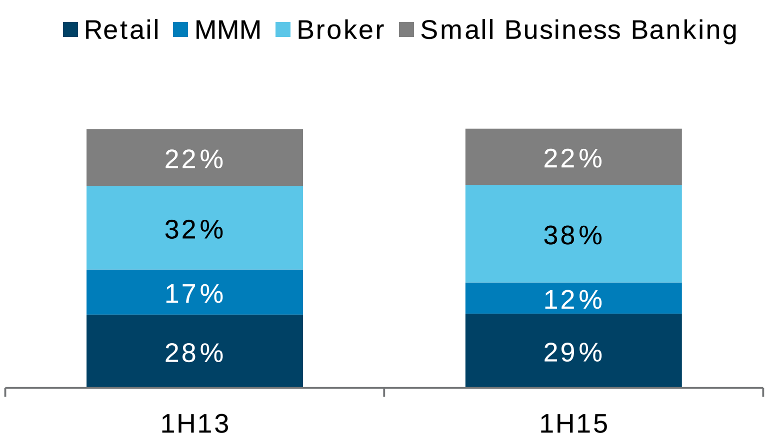
Home Loan Market Share[1]



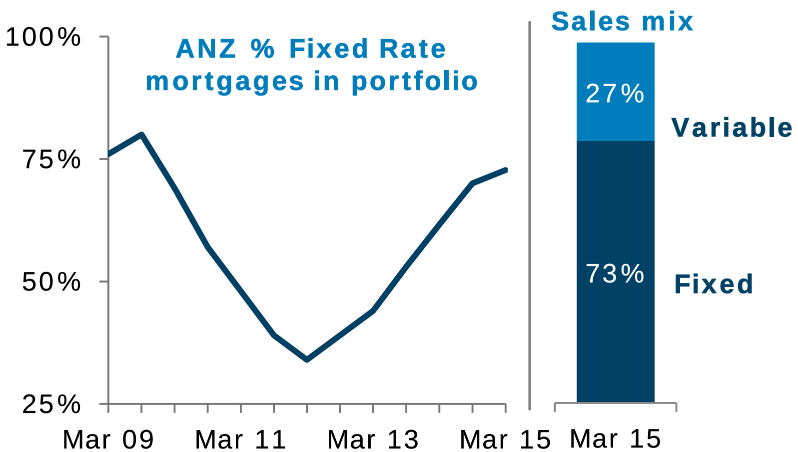
#1 in Auckland and Christchurch[2]



Home Loan sales by Channel[3]



Home Loan book composition



All values in New Zealand Dollars.
1. Source: RBNZ - Mar 2015, relates to NZ Geography.
2. Source: Core Logic. Leading peer bank Auckland – ASB, Christchurch – Westpac.
3. Retail – Branch and Contact Centre, MMM - Mobile Mortgage Manager.

Growth is being delivered sustainably

Building our sales reach

62%	Of frontline are now made up of Sales Staff, compared to 59% in 1H14
✓	Investing in priority segments – Auckland, Christchurch, Migrants, Small Businesses and Corporate Agri
38%	Increase in sales revenue from Digital sales, compared to 1H14

Increasing sales capability

30k	More hours created for Sales and Service staff through process improvements
✓	Increased staff training hours and credit writing capabilities
100%	Mobile Sales force with iPad capability to enable better customer interactions on the go

Enhancing the customer experience

200k	Card PINs set digitally in 7 months, since the introduction of the capability
✓	New systems providing staff the ability to better manage and action customer feedback
20%	Drop in the average number of problems reported by customers from FY14

Expanding customer awareness

44%	Continuing to have the best customer consideration[1] score amongst the top 4 banks
65%	Transactions via digital channels, up from 59% in 1H14
10%	Increase in Commercial & Agri customers belief that ANZ provides insights that deliver value to their business

1. Source: McCulley Research Limited (first choice or seriously considered) – Mar 2015.

Creating New Zealand's best bank

ANZ Group Strategy

Strengthen our position in our core markets of Australia & New Zealand

STRONG CORE MARKETS

Connecting customers to faster growing regional capital, trade & wealth flows

PROFITABLE ASIAN GROWTH

Built on common infra-structure & enterprise focus for greater responsiveness, efficiency and control

ENTERPRISE APPROACH

ANZ New Zealand's Strategy

- Attract, develop and retain world class service and sales teams
- Develop our digital and payments capability
- Improve the use of bank wide data for better customer interactions
- Improve the way our channels work together so it's easier for customers
- Continue to simplify our products and processes

Create Scale

How?

- ✓ One team
- ✓ One set of systems
- ✓ One product set
- ✓ One brand
- ✓ One branch network

2010-2013

Leverage Scale

How?

- ✓ Global hubs
- ✓ Branch optimisation
- ✓ Improve brand recognition
- World class sales and service teams
- Upgrade core systems
- Digital and Payments infrastructure

2013-2016

NZ's Best Bank

How?

- Best service recognition
- Best brand consideration
- Integrated channels
- Leveraging Group capabilities
- Data driven customer insights
- Automation of work flow
- Optimised channel investment

2017+

NZ's Best Bank

Our Vision:

'Helping Kiwis achieve more'

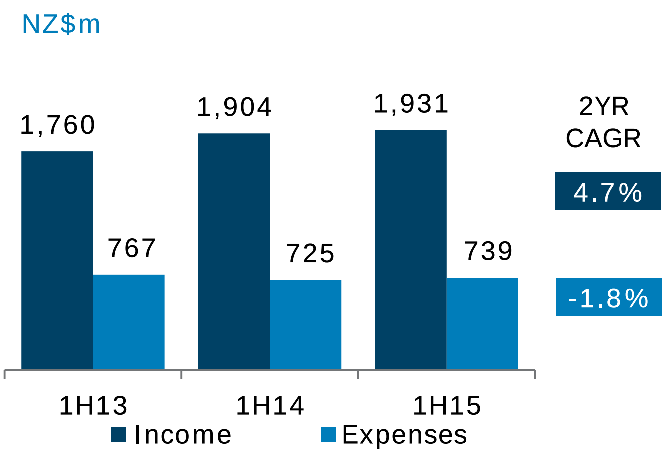
Our Goal:

- #1 Service
- #1 Market Share
- Growing
- Visible in the community

NZ Geography Profit and Loss

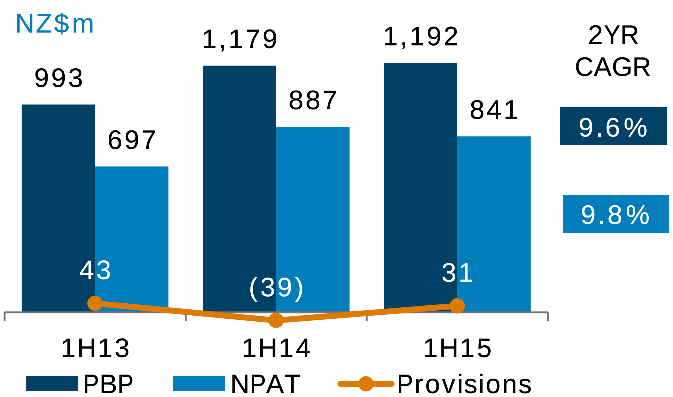
New Zealand Geography

Revenue and Expenses

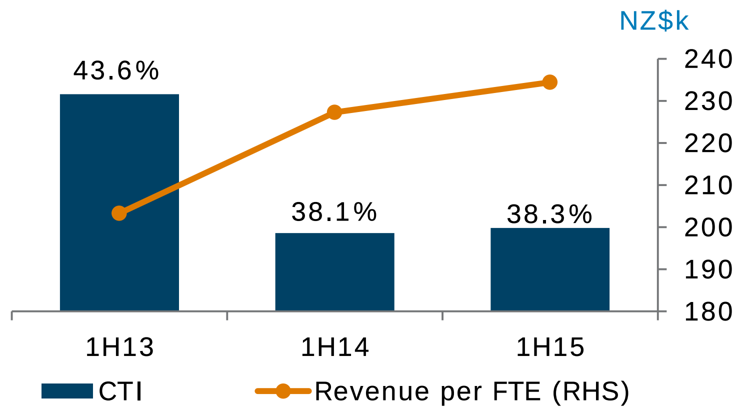


	NZ$m	Growth %
	1H15	PCP[1]
Income	1,931	1.4%
Expenses	739	1.9%
PBP	1,192	1.1%
Provisions	31	large
NPAT	841	(5.2%)
NZ Division		
Income	1,437	5.6%
Expenses	576	2.5%
Institutional		
Income	335	5.0%
Expenses	93	1.1%
Wealth		
Income	156	(31.6%)
Expenses	70	4.5%

PBP, Provisions, NPAT



Productivity & Efficiency



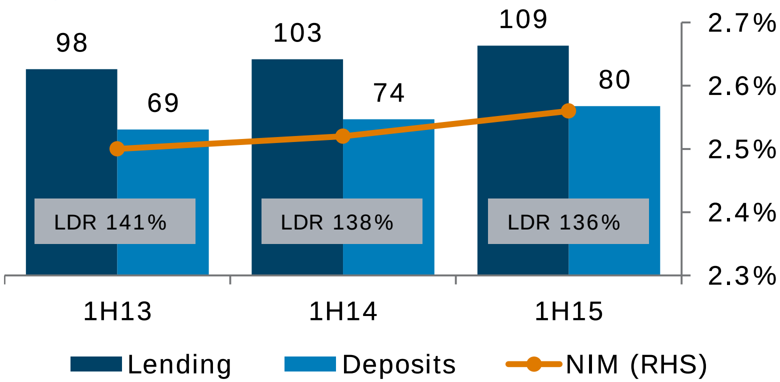
All values in New Zealand Dollars. All data relates to New Zealand Geography, which comprises the New Zealand components of New Zealand Division, IIB, Global Wealth, GTSO and Group Centre divisions.

1. Excluding one off insurance recovery related to the ING frozen funds PCP growth rates: Income 6.5%, PBP 9.6%, NPAT 2.3%, Wealth Income 13.0%.

NZ Geography Balance Sheet

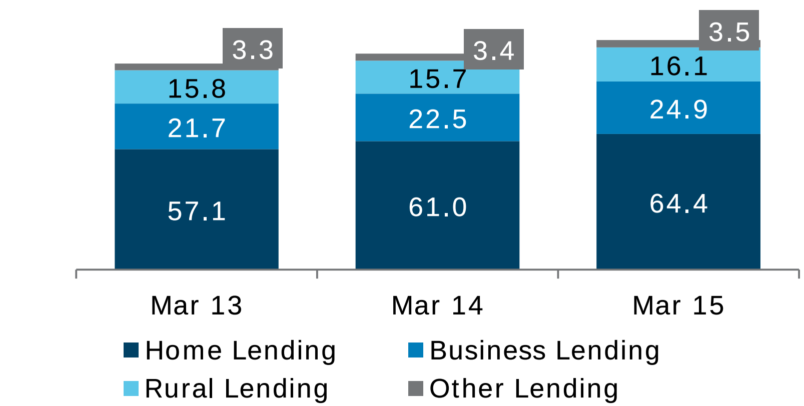
Net loans, Deposits and NIM[1]

NZ$b



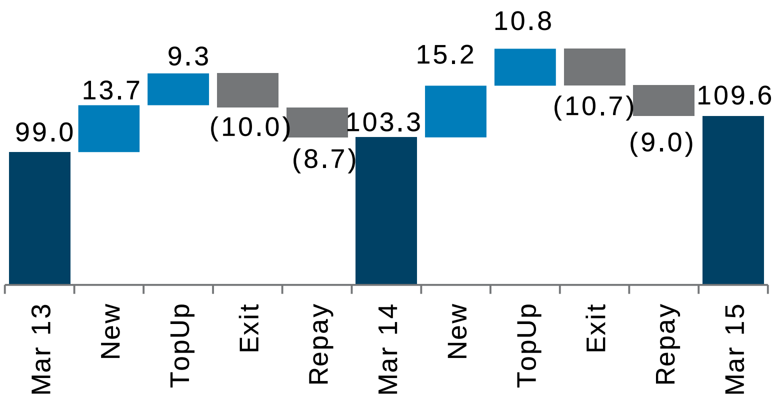
Lending composition

NZ$b



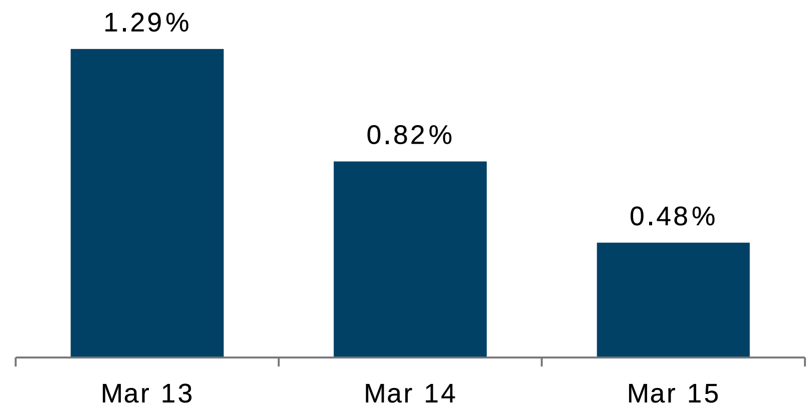
Customer lending flows[2]

NZ$b



Credit Quality

Gross Impaired Assets / Gross Loans and Advances[3]

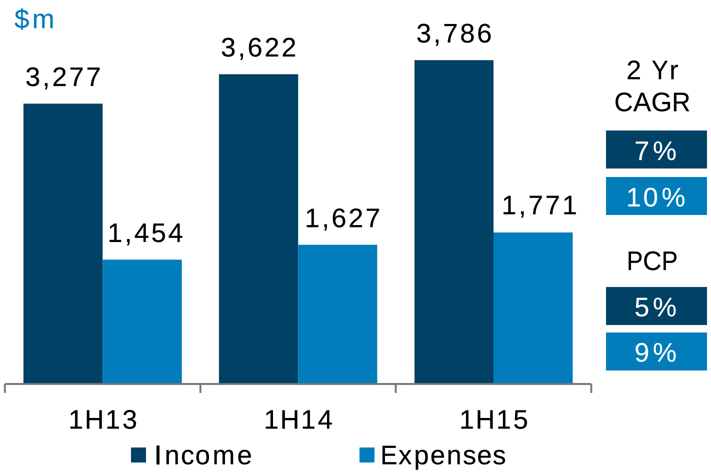


All values in New Zealand Dollars. All data relates to New Zealand Geography, which comprises the New Zealand components of New Zealand Division, IIB, Global Wealth, GTSO and Group Centre divisions. 1. New Zealand Geography NIM excludes Markets. 2. Gross Loans and Advances excluding capitalised brokerage/mortgage origination fees, unearned income and customer liabilities for acceptances. 3. Includes capitalised brokerage/mortgage origination fees, unearned income, and customer liabilities for acceptances.

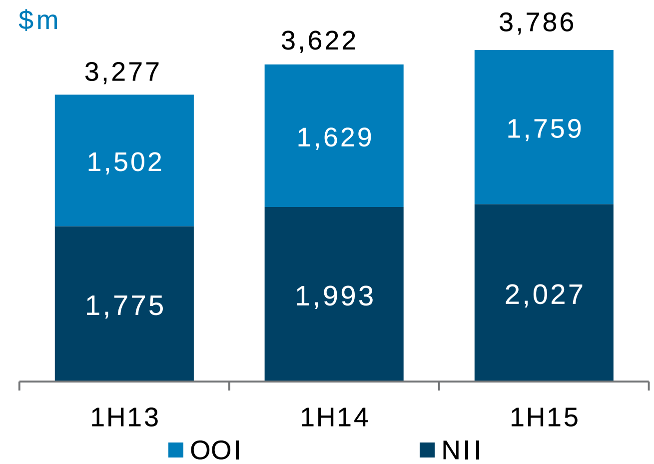
IIB has grown revenue and profit

IIB

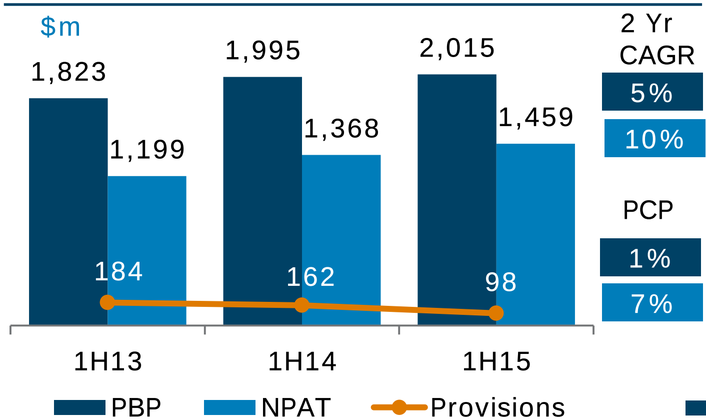
Revenue has grown 5%



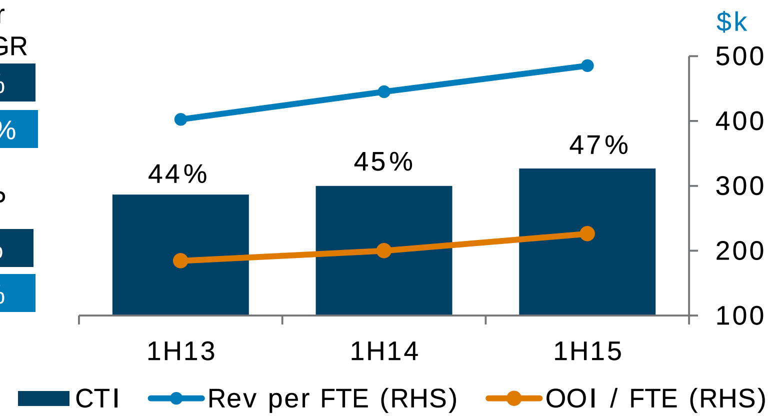
Increasing OOI



Delivering 7% NPAT growth



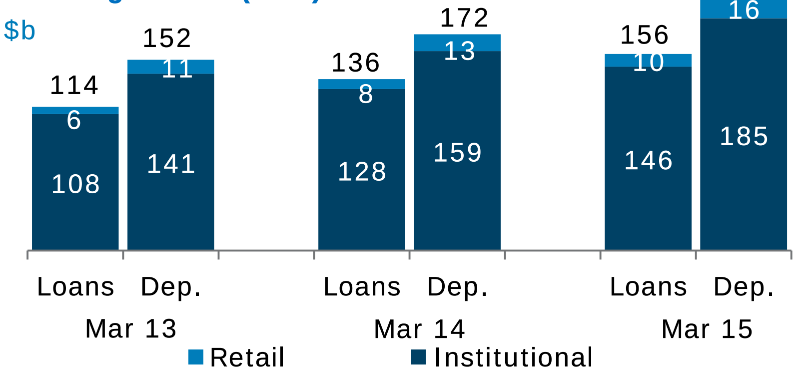
Improving revenue per FTE



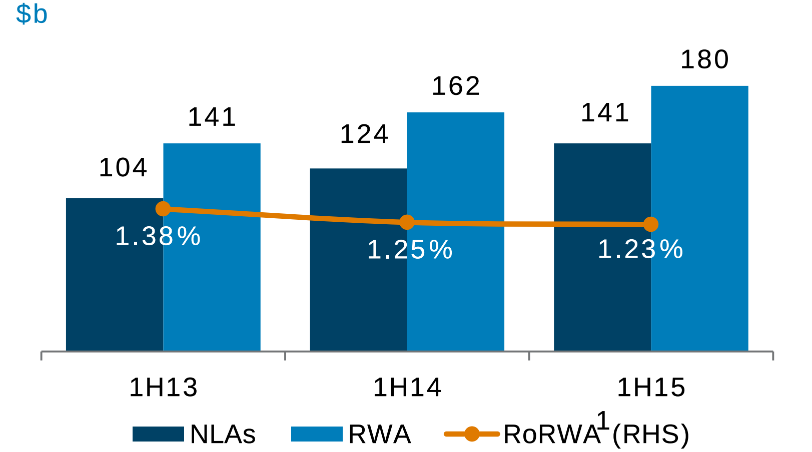
Our Balance Sheet is growing prudently

IIB Balance Sheet

A benefit of ANZ's Super Regional Strategy: surplus deposits contribute strongly to the Group's Liquidity Coverage Ratio (LCR)

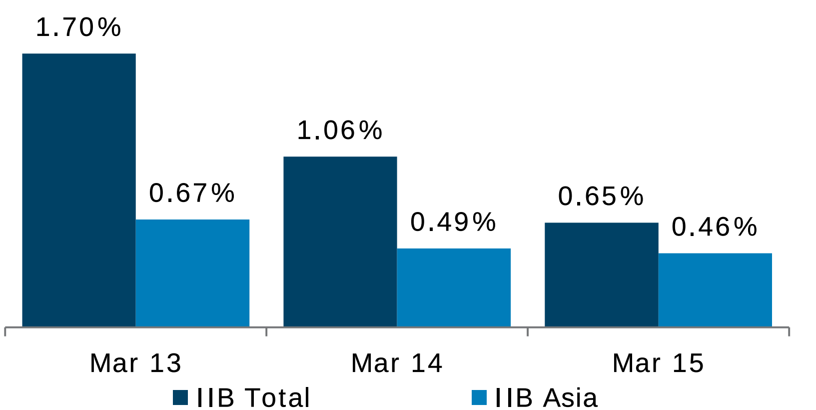


Institutional client franchise assets

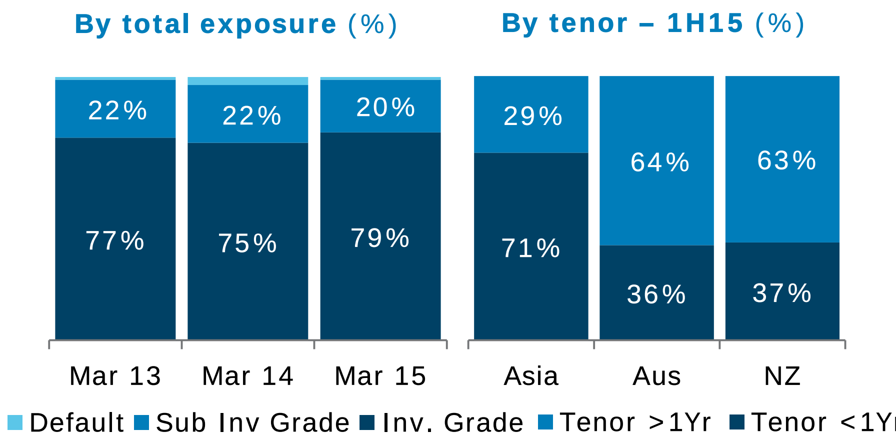


IIB credit quality remains high

Gross impaired assets as a % of GLAs



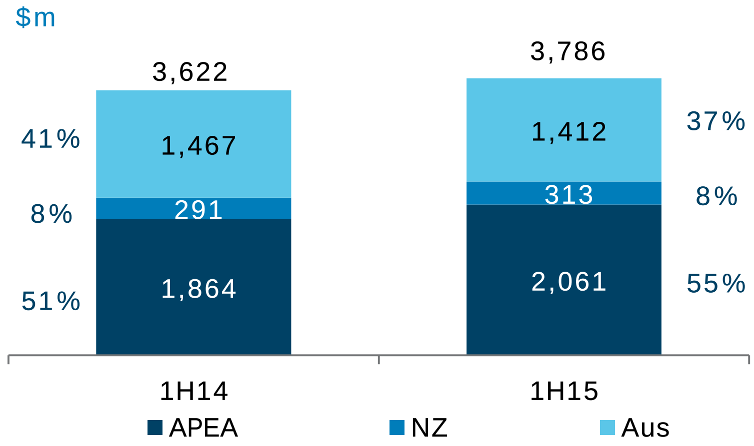
Strong risk grade profile[2]



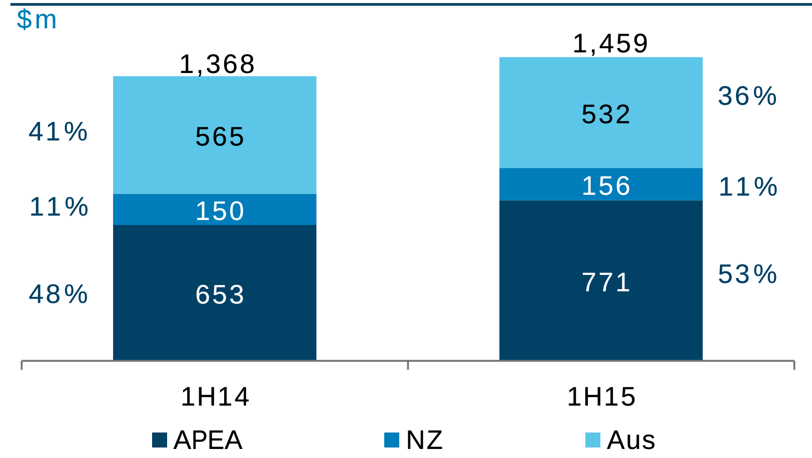
1. RoRWA equals Net Profit After Tax divided by average Basel III risk weighted assets. Insto customer includes Global Loans, Global Transaction Banking, Global Markets Sales, and Global Markets Trading ex Balance Sheet.
2. Institutional exposures only.

Revenue and profit composition

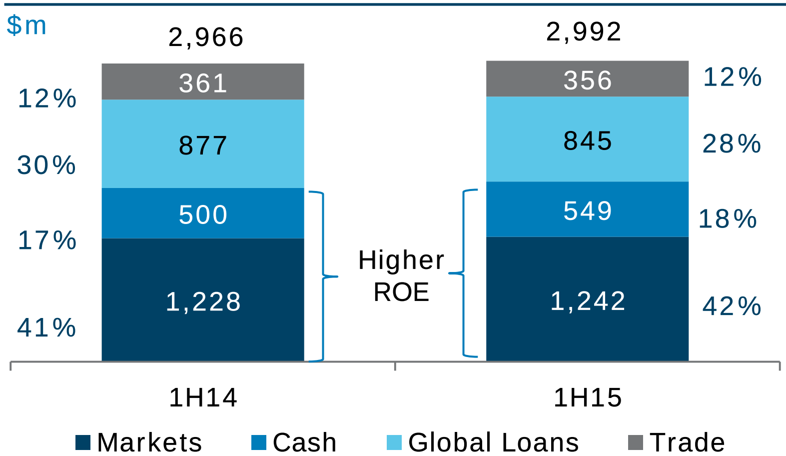
Revenue is geographically diverse



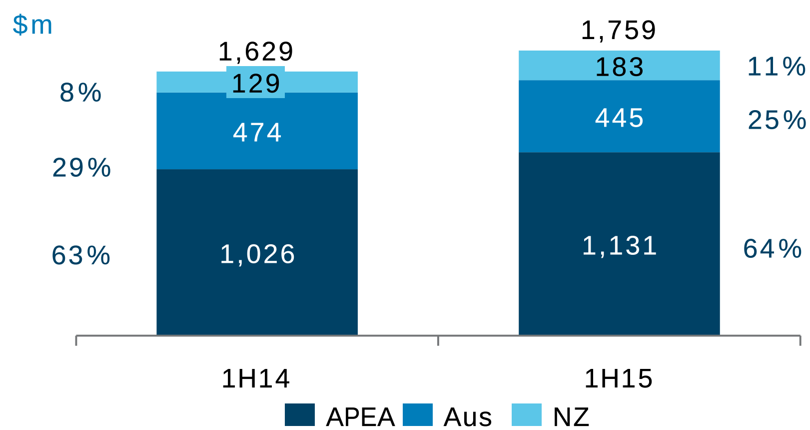
APEA now represents over half of the division's NPAT



Growing higher ROE businesses[1]



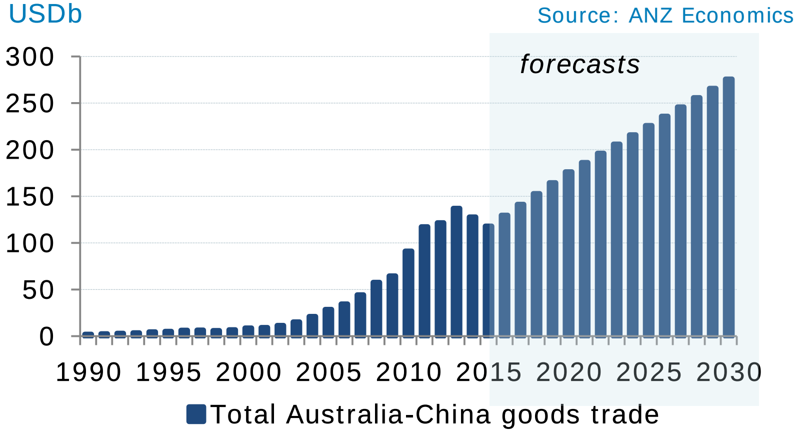
APEA OOI growth is strong



1. Excludes Retail and partnerships.

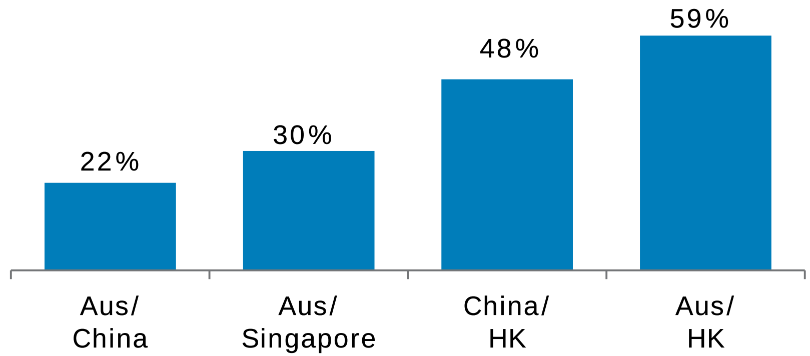
The corridor strategy is gaining momentum

Major trade corridors are forecast to grow significantly



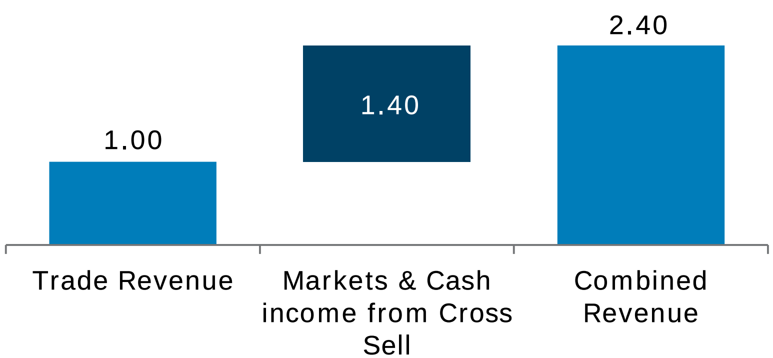
Corridor strategy is delivering strong growth

Revenue Growth (1H15 PCP)



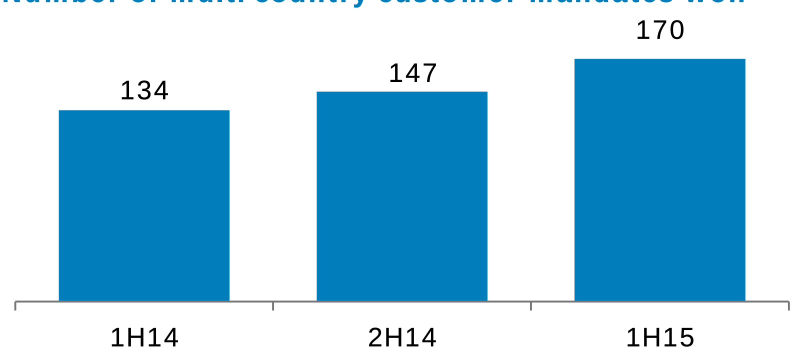
Trade revenue has a multiplier effect

1H15: $1 of Trade income = $1.40 of Cross-Sell[1]



Increasingly winning multi country mandates[2]

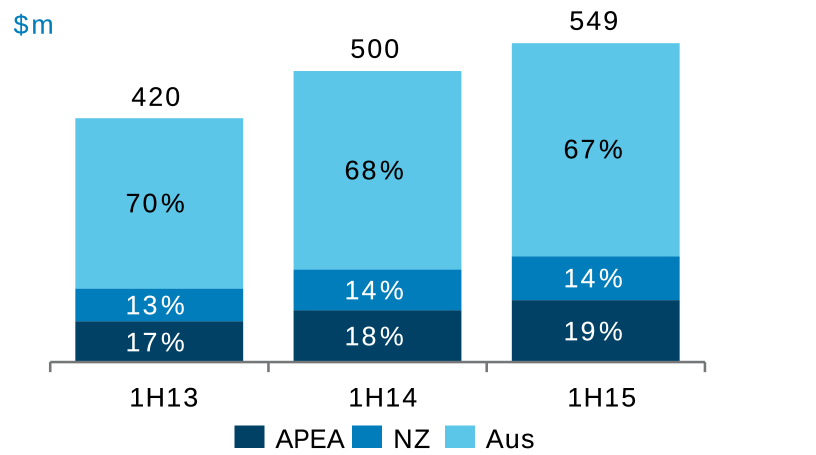
Number of multi country customer mandates won



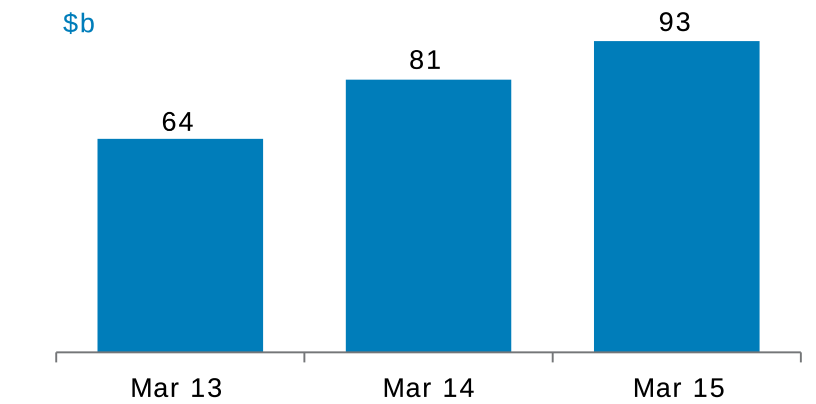
1. Cross-sell multiple based on a pool of customers that have a minimum of Trade, Markets and Cash Management with ANZ.
2. Payments and Cash Management mandates, based on Transactive Asia Strategic transactions for client with 2 or more countries.

Trade and Cash Management are delivering in tougher conditions

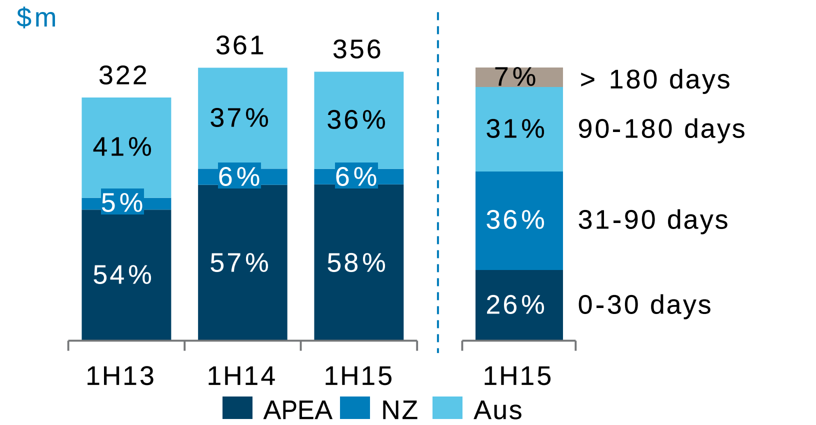
PCM Revenue is at record levels



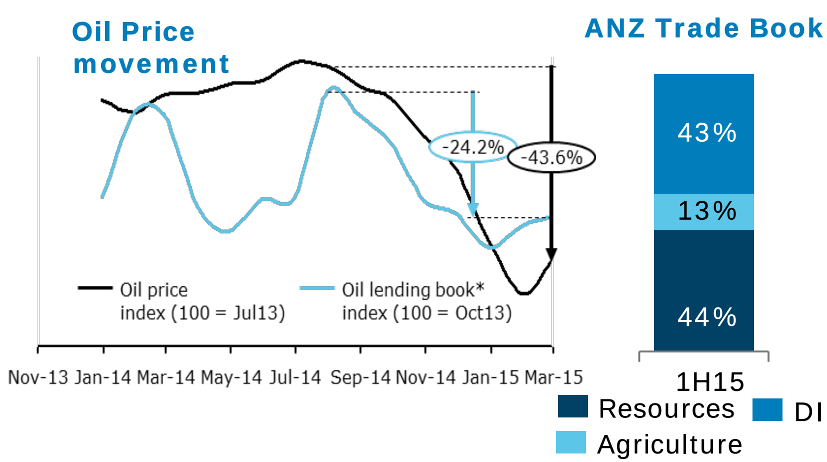
Deposit growth is strong



Trade revenues have remained broadly flat

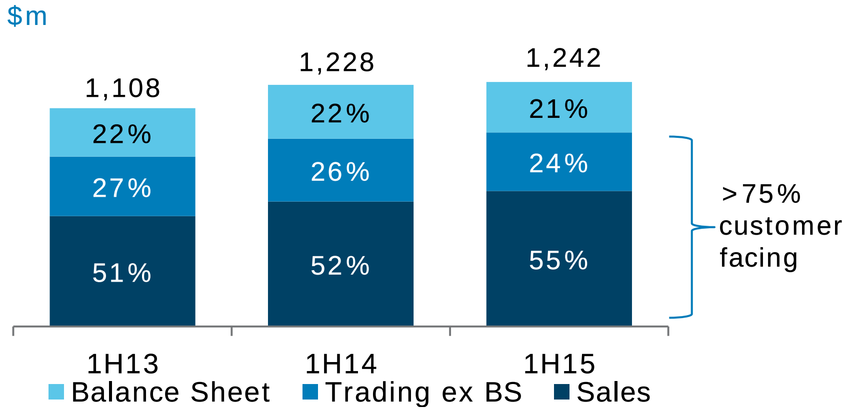


Trade revenues broadly flat despite a significant decline in commodity prices

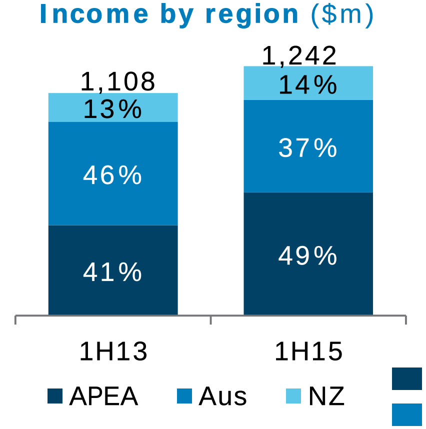


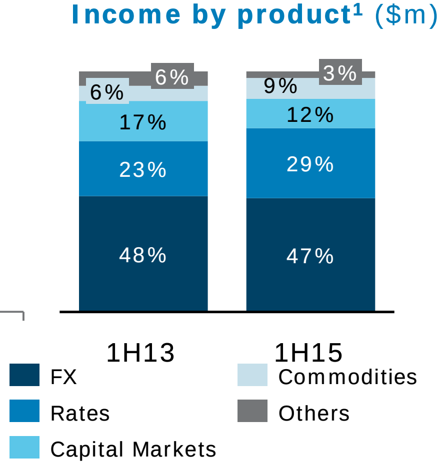
Global Markets delivered record income

Customer facing Global Markets revenue is growing

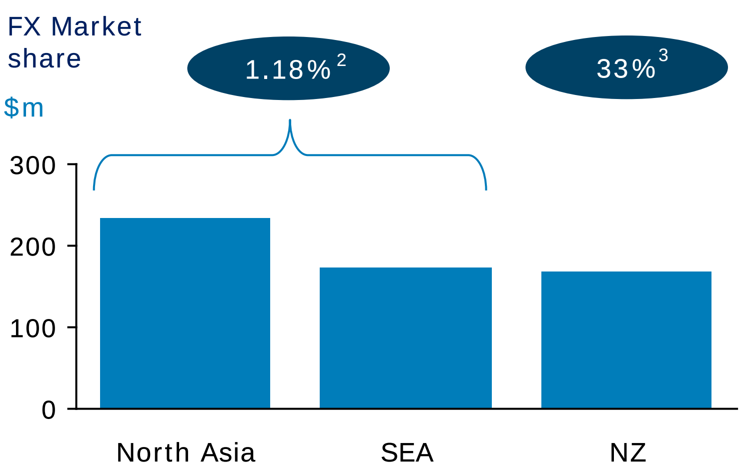


Delivering growth across a diverse product range

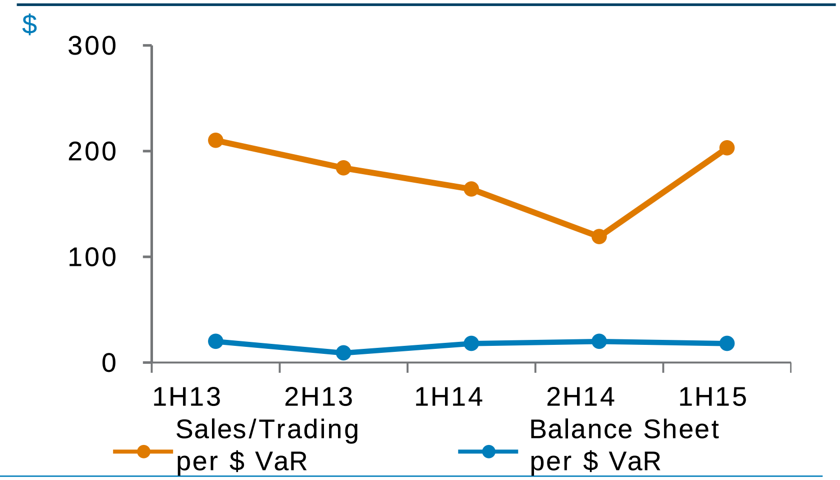




Asia Global Markets revenues have significant growth potential, given low market share



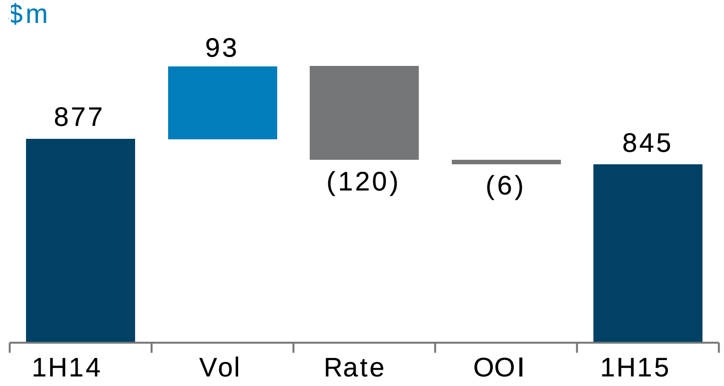
Risk position remains conservative



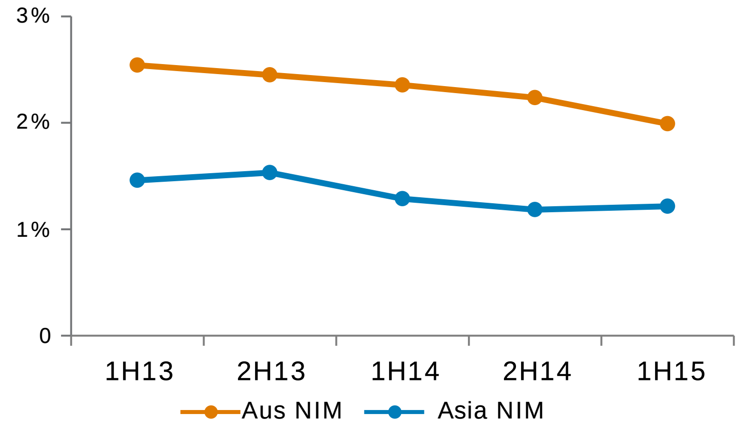
1. Excludes Balance Sheet.
2. Euromoney, 2014.
3. Peter Lee Associates 2014 Foreign Exchange survey, New Zealand.

Balance Sheet usage is increasingly targeted

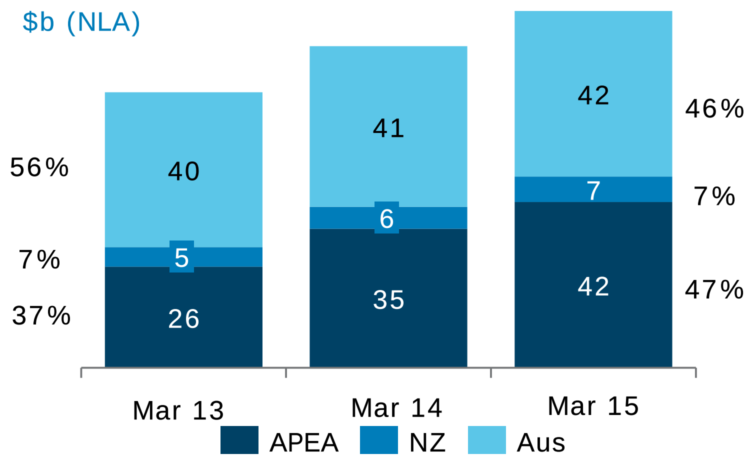
Global Loans margin compression was partially offset by volume growth



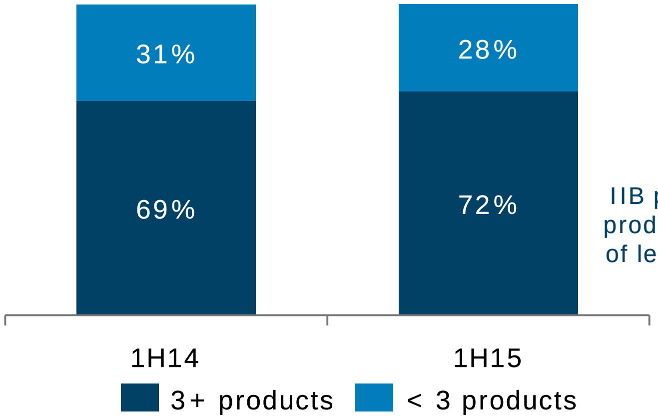
NIM impacts most severe in Australia



Continuing to diversify the Global Loans balance sheet



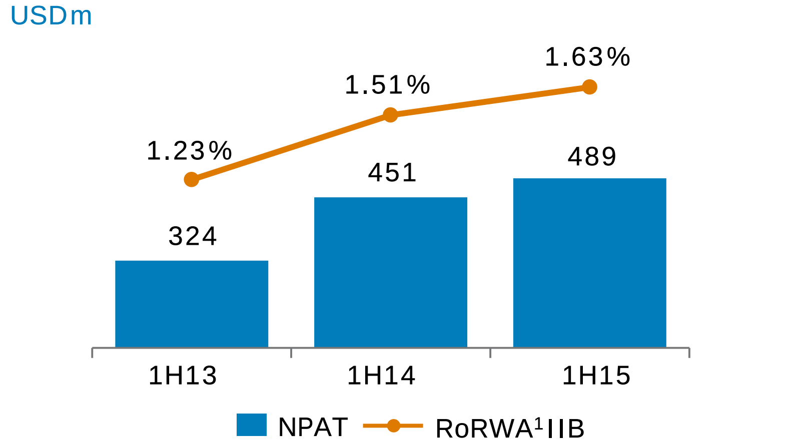
Clear focus on generating cross-sell



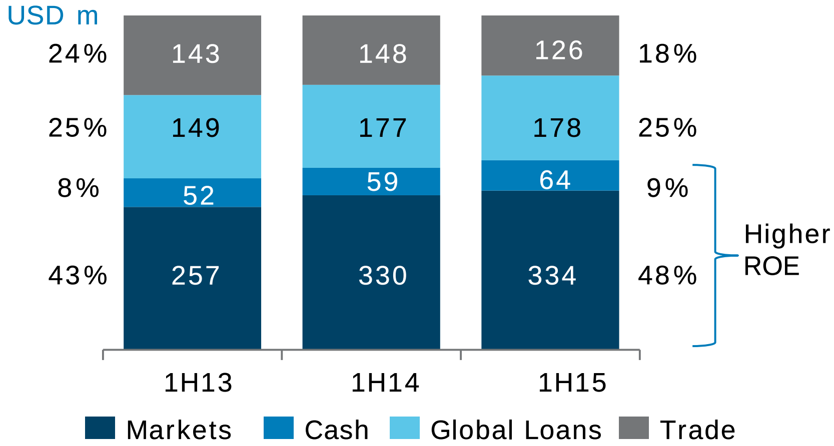
IIB provides 3+ products to 72% of lending clients

IIB Asia is growing profitably

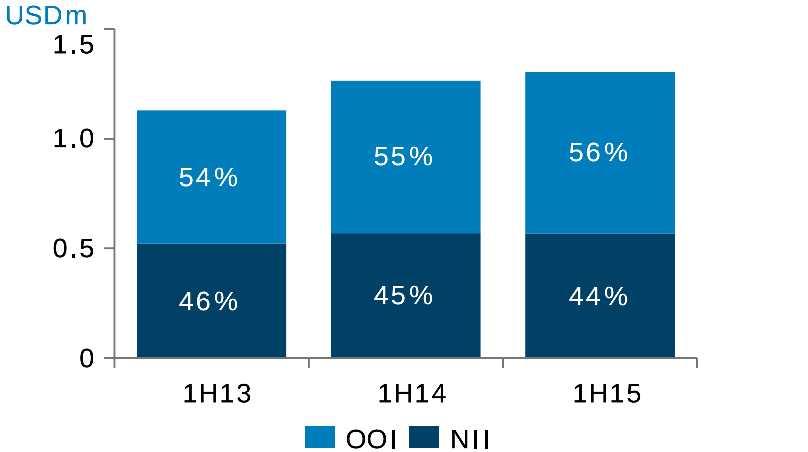
IIB Asia NPAT has grown 8% PCP…



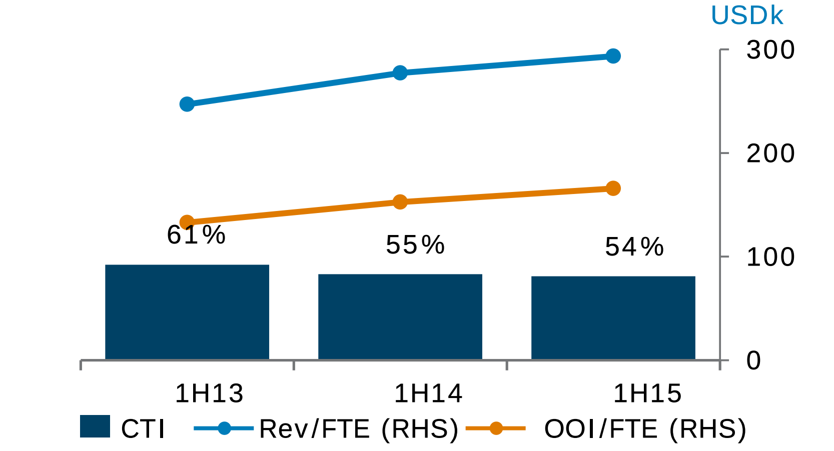
… with revenue growth in higher ROE businesses[2] …



… and increasingly from OOI …



… with improving productivity



1. 'RoRWA' equals Net Profit After Tax divided by average Basel III risk weighted assets.
2. Excludes Retail and Partnerships.

Making progress on our strategic priorities

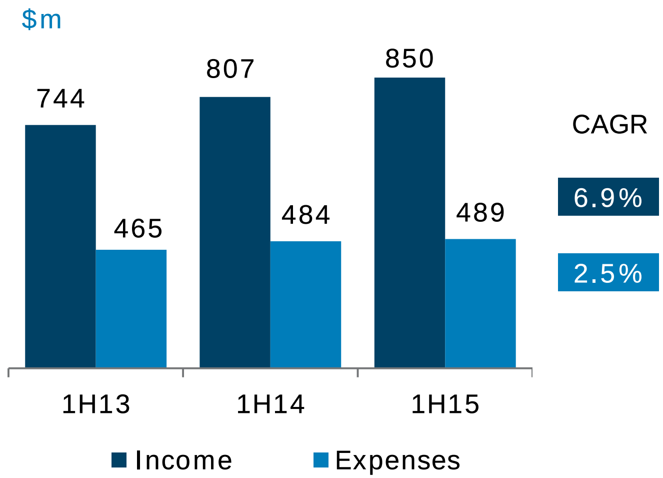
IIB PRIORITIES	Outcomes for the business
Connecting More Customers by Providing Seamless Value	• Corridor Management strategy gaining traction, with revenues up ~30% pcp along the 3 main Australia-Asia trade corridors - China, Hong Kong and Singapore • # 1 for overall and lead bank penetration in Australia[1] • # 1 for overall and lead bank penetration in New Zealand and widened the gap with # 2[2] • # 4 corporate bank in Asia and narrowed the gap to # 3[3]
Delivering Leading Products through Insights	• # 1 in AU & NZ Bonds[4] & # 1 in AU & NZ Syndicated Loans[5] • Best Trade Finance Bank – AU & NZ[5] & Best Bank for Cash Mgt Asia Pacific[6] • Best Foreign Exchange Provider, Asia Pacific [7] • Precious Metals House of the Year, Asia[8]
Intensifying Balance Sheet Discipline	• Several initiatives were completed resulting in >$1bn RWA reduction • Progress on transitioning of non-core customers
Scaling & Optimising Infrastructure	• Electronic channel utilisation for payments increased from 39% to 45% • Enterprise approach delivering a 2% cost reduction PCP despite a 7% increase in IIB Operations volumes • Personnel expenses are well controlled – Flat PCP (excluding FX impact)

1. Peter Lee Associates: 2014 Large Corporate and Institutional Relationship Banking survey, Australia. 2. Peter Lee Associates: 2015 Large Corporate and Institutional Relationship Banking survey, New Zealand (widening based on lead bank relationships). 3. Greenwich Associates 2014 Asian Large Corporate Banking Study. 4. Dealogic by lead bank apportioned deal value, Jan 2015. 5. Thomson Reuters, Global Syndicated Loans Review FY 2014. 6. Trade & Supply Chain Finance Awards, Global Finance, 2015. 7. Best Foreign Exchange Provider Awards, Global Finance, 2015. 8. Energy Risk, Asia, 2014.

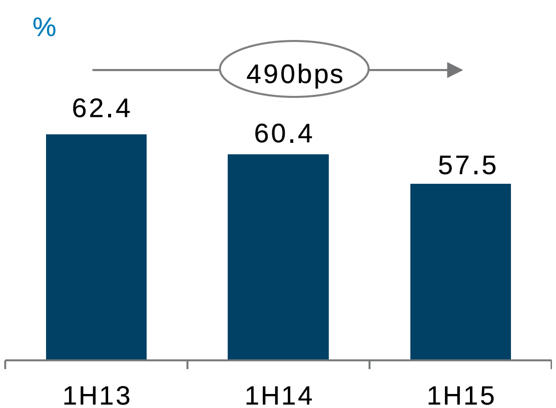
Global Wealth performance continues to strengthen

Global Wealth

Revenue & Expenses



Improved productivity (CTI)[1,2]

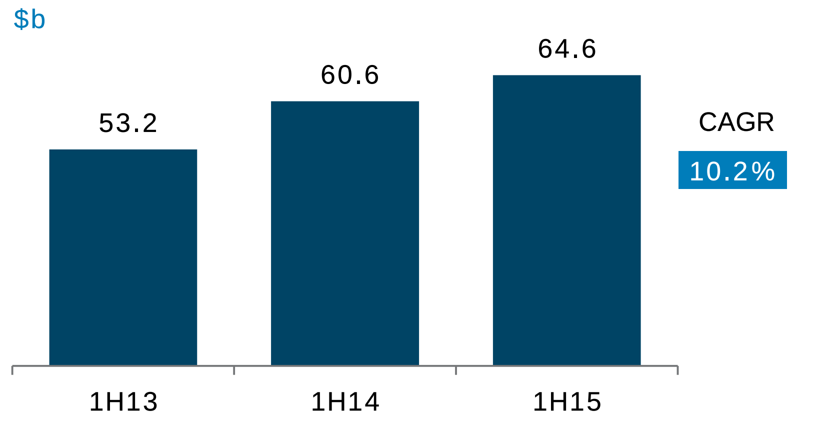


	$m 1H15	Growth % PCP	Growth (ex Trustees)[1,2] PCP
Income	**850**	**5.3%**	**6.9%**
Net Interest	88	10.0%	10.0%
Other Operating	97	(19.2%)	(10.2%)
FM & Insurance	665	9.6%	9.6%
Expenses	**489**	**1.0%**	**1.9%**
PBP	**361**	**11.8%**	**14.6%**
NPAT	**259**	**10.7%**	**13.6%**
NPAT contribution:			
Business			
Funds Mgt	78	20.0%	20.0%
Insurance	143	45.9%	45.9%
Private Wealth	43	(2.3%)	13.2%
Geography			
Australia	199	23.6%	28.4%
New Zealand	62	(12.7%)	(12.7%)
APEA	(2)	Large	Large

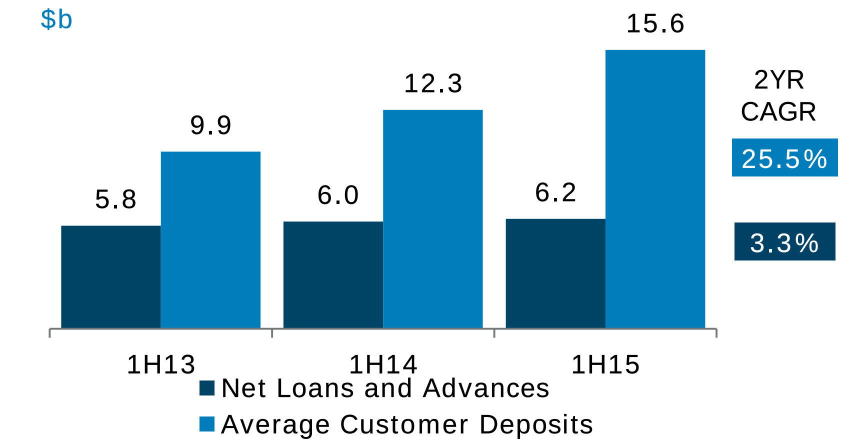
1. 1H14 revenue normalised for Trustees related income of (-$12m) and Trustees related expenses of ($4m).
2. 1H13 revenue normalised for Trustees related income of (-$10m) and Trustees related expenses of ($7m).

Positive volume growth in Private Wealth and Funds Management

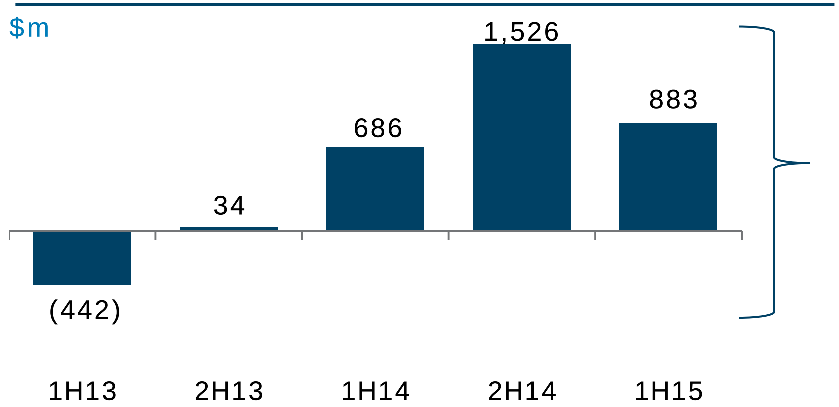
Funds Management Average FUM[1]



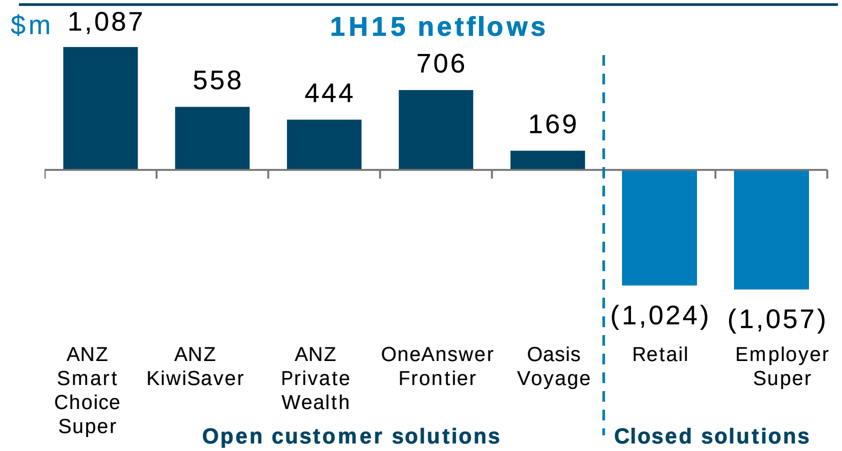
Private Wealth[2]



Funds Management netflows[1]



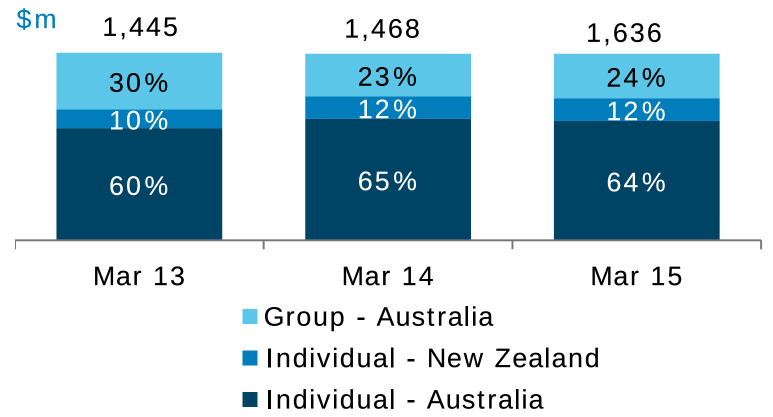
Reshaping our funds business to customer centric digital solutions



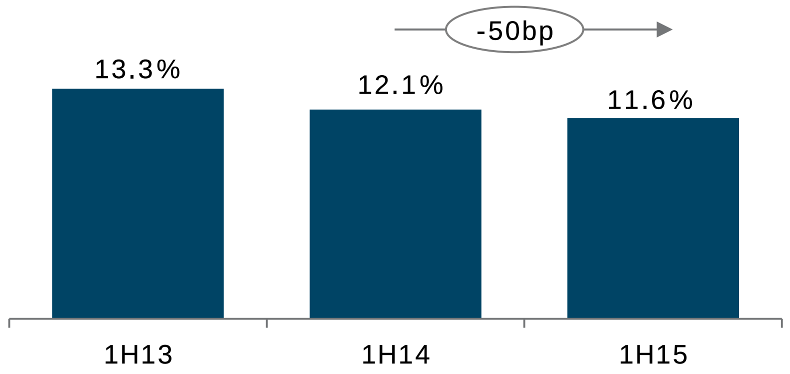
1. Average FUM and netflows includes Private Wealth Investment FUM and netflows.
2. Net loans & advances excludes Corporate banking deposits and includes E*TRADE investment lending.

Focus on profitable Insurance business lines is delivering strong growth in Embedded Value

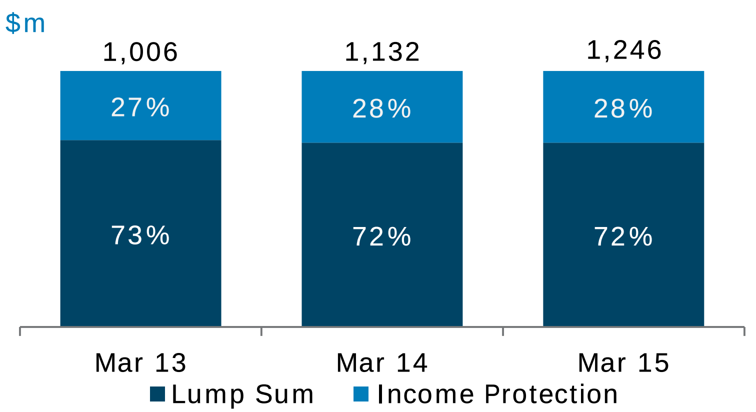
Stable mix of Life Insurance In-force



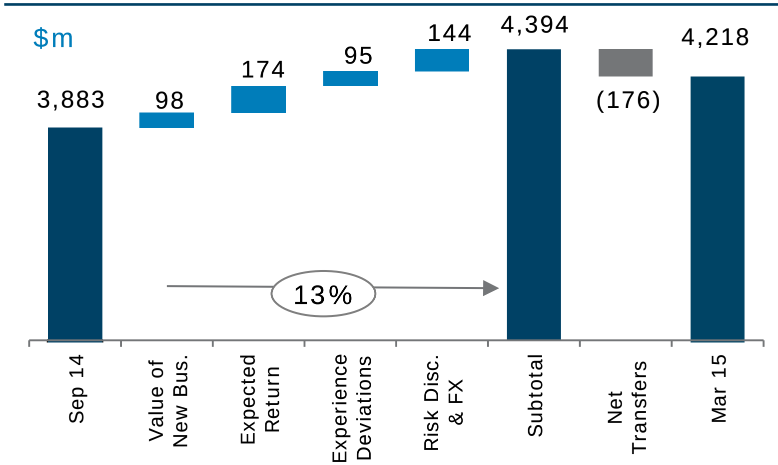
Continued improvement in Australian Retail Life Insurance Lapse Rates



Consistent product mix in Individual Life Insurance



Significant contribution to Embedded Value growth over 1H15

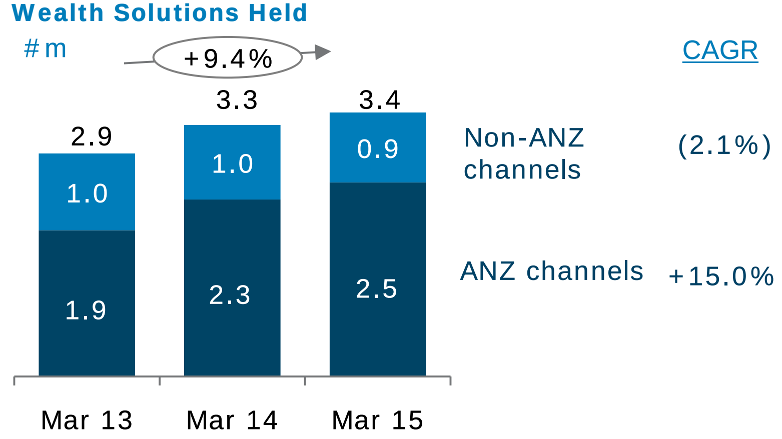


Delivering on our strategy

Global Wealth strategic objectives

1	Deepen relationships with existing ANZ customers
2	Simplify the business with self-directed solutions
3	Drive value from existing businesses

Growing solutions through ANZ channels

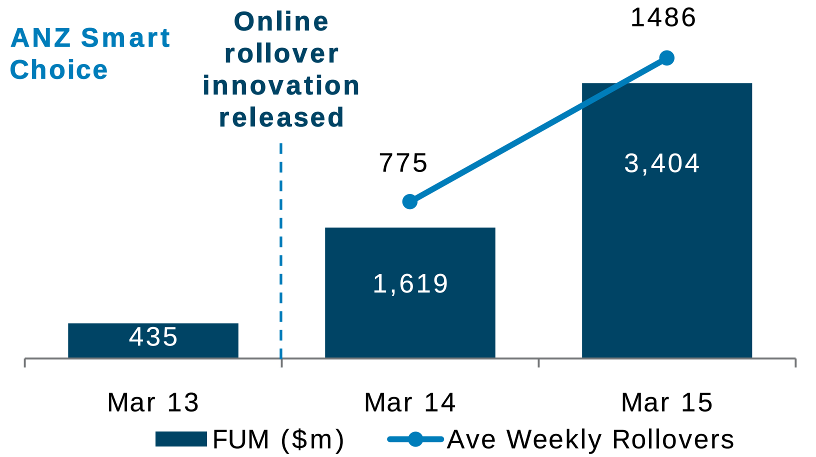


Simplifying with self-directed solutions

ANZ Smart Choice Super

- Exceeding $3 billion in FUM
- Received 5 stars by CANSTAR in every superannuation category
- Over a 300% increase in customer rollovers since the introduction of the paperless rollover service (70% self directed)
- Over 150,000 downloads with an activation rate of 66%
- Deepening relationship with the Bank

Digital delivering growth



2015 | HALF YEAR RESULTS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
5 MAY 2015

Home Loan case study

Long term growth through leading proposition, investing in capability to make it easy for customers

Building our sales reach

▲43%	12mth increase in Mobile Lending loan writers with NSW up 50%
$30b ▲17%	1H15 Home Loan Sales across all channels vs. PcP
$8.6b	1H15 Home Loan FUM growth of $8.6b, up from $6.7b 1H14
5 years	Sustained above System growth[1]

Enhancing the customer experience

6 days Same day	Assessment available 6-days a week delivering same day assessment for over 90% of applications
1,000 hours per month	Process improvements freeing up front line capacity to serve more customers per month
↓53%	Complaint reduction over 3 years through end-to-end process re-engineering & reliable settlements
300k	Number of hits per month on ANZ.com tools and calculators

Expanding customer awareness

Consistently award winning

2015 Australian Lending Awards;

- Best Customer Experience
- Best Investor Lender
- Mortgage Lender of the year

We help our customers be informed

ANZ Buy Ready™

Over 180,000 ANZ property profile reports distributed over the last 12 months

Providing super-regional capability

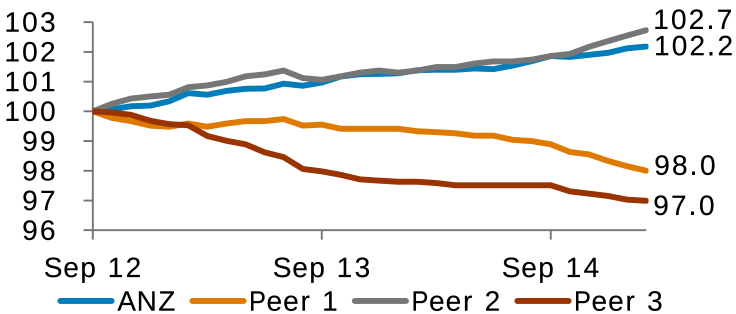
Expanded our Non Resident proposition to residents of 14 countries

1. 5 years above APRA System quarter on quarter growth to Dec 2014.

Consistent above system growth, balanced across the portfolio

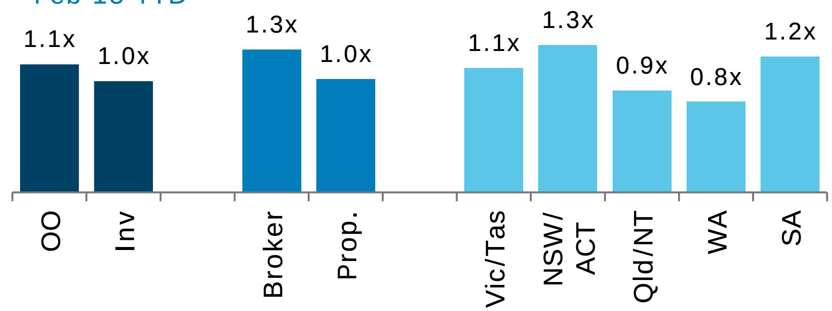
Delivering 5 years of consistent above system market share growth

Household Lending Market Share Growth (%)
Index Sep 12 = 100



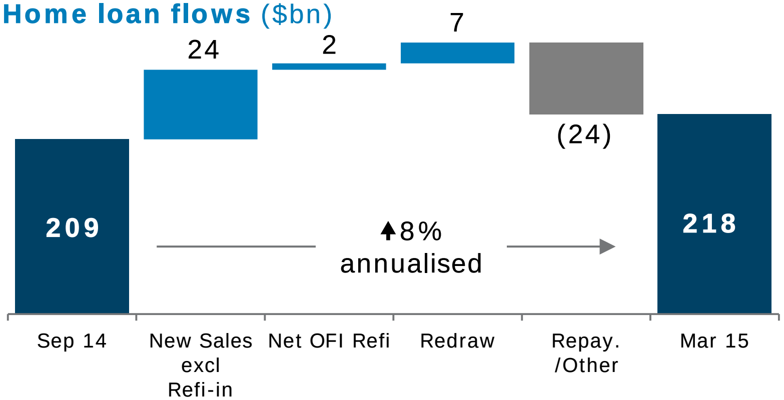
Balanced growth across segments particularly in NSW

ANZ Growth vs system by segment[1]
Feb 15 YTD



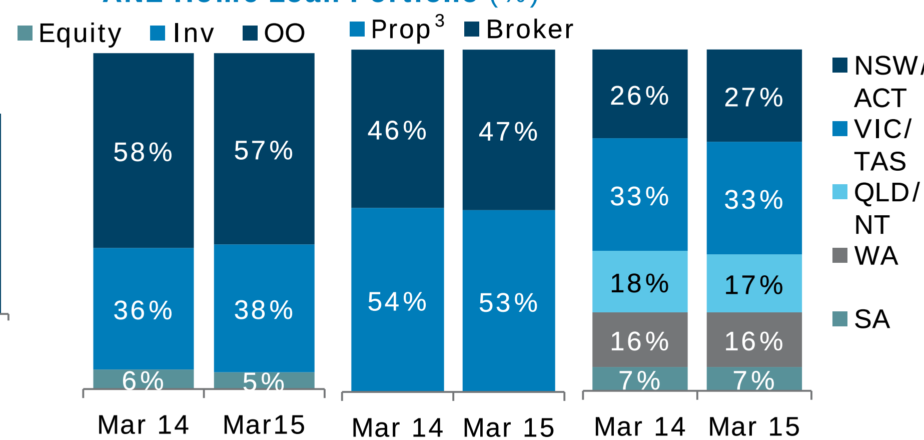
Strong sales volumes offset by industry high levels of repayments

Home loan flows ($bn)



Increased portfolio share in NSW / ACT

ANZ Home Loan Portfolio (%)



1. Customer Segments (Owner Occupier and Investor) defined by APRA. Channel performance relative to overall market growth. Geography sourced from Cannex.
2. Source: Comparator quarterly benchmarking.
3. Proprietary, comprising Branch, Mobile and Other.

Actively assessing and managing our home lending risk across the end-to-end value chain

Multiple checks during origination process

Quality assurance, info verification & policy reviews

Pre-application	Income & Expenses
Application	Know Your Customer
Serviceability	Income Verification Income Models Expense Models Interest Rate Buffer
Collateral / Valuations	LVR Policy LMI policy Valuations Policy
Credit Assessment	Credit History Bureau Checks
Fulfilment	Documentation Security

End-to-end home lending responsibility managed within ANZ

- Pre-sales (digital & marketing)
- Proprietary sales and/or verification of 3rd parties[1]
- In-house loan origination, assessment, fulfilment
- Balance sheet ownership
- Collections activity

Originate to hold philosophy

- Currently all lending is on balance sheet

Effective hardship & collections processes

- Dedicated hardship team
- Early warning based on system triggers

Full recourse lending

- Multiple actions to manage potential losses

ANZ assessment process across all channels

- ANZ network
- Broker
- Digital
- Mobile

1. 3rd party sales channels (e.g. Broker) require ANZ accreditation and are subject to ongoing compliance monitoring to distribute ANZ home lending products.

Australian Market attributes

Strong sustained population growth

- Main markets of Sydney, Melbourne, Brisbane & Perth all growing
- Australian population growth currently 1.8% vs US 0.7% & UK 0.6%[1]

Culture of repayment

- Interest is non tax deductible on primary residence
- Full recourse lending
- Accelerating repayments (~16% loan 'buffer' based on latest RBA report[2])

Strong underwriting standards

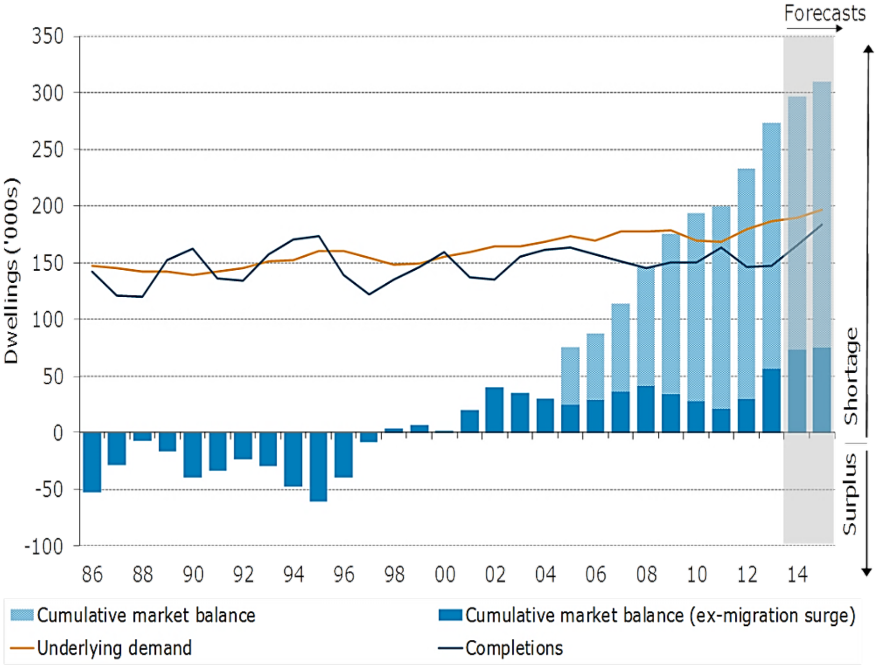
- Extremely limited subprime / low doc lending since 2008
- Low levels of 100% LVR lending

Banks 'own' their credit risks

- Lenders perform income verification
- Very low level of securitisation (2% of total housing finance and declining[3]) aligns origination and underwriting

Housing supply

Continues to trail population growth (with the exception of certain historical 'hot spots' e.g. Gold Coast 2007-2009)



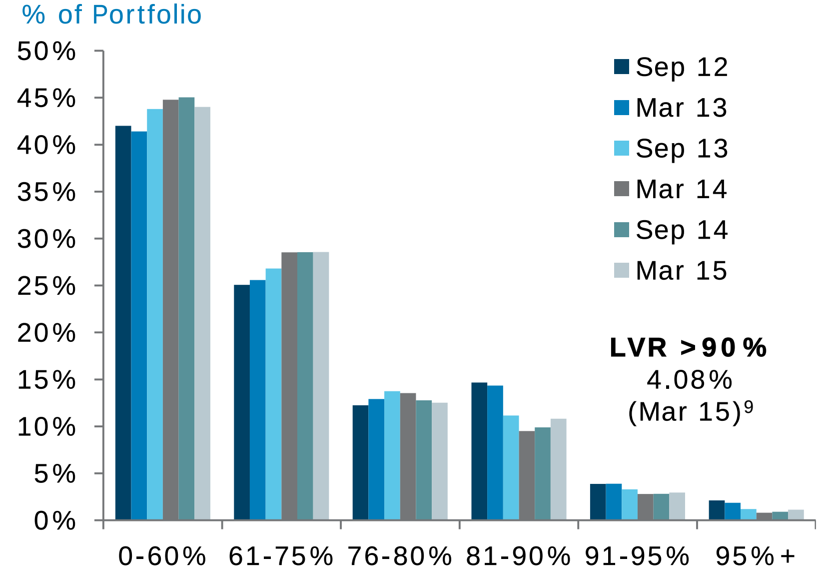
1. Source: WorldBank 2013.
2. Source: RBA Financial Stability Review Mar 2015.
3. Source: APRA banking statistics.

Australia Home Loans portfolio

1H15 portfolio statistics[1]

Total Number of Home Loan Accounts	934k
Total Home Loans FUM	$218b
% of Total Australia Geography Lending	60%
% of Total Group Lending	39%
Owner Occupied Loans - % of Portfolio[2]	60%
Average Loan Size at Origination (1H15 average)[3,4]	$376k
Average LVR at Origination (1H15)[3,4,5]	71%
Average Dynamic LVR of Portfolio[4,5,6]	51%
% of Portfolio Ahead on Repayments[7,8]	43%
% of Portfolio Paying Interest Only[8]	35%

Dynamic loan to value ratio[5]



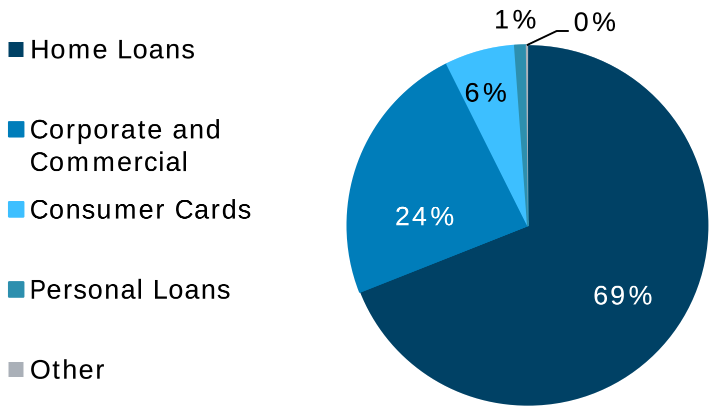
Individual provision as % of average NLA

	FY12	FY13	FY14	1H15
Group	0.38%	0.25%	0.22%	0.17%
Australia Home Loans	0.02%	0.02%	0.01%	0.01%

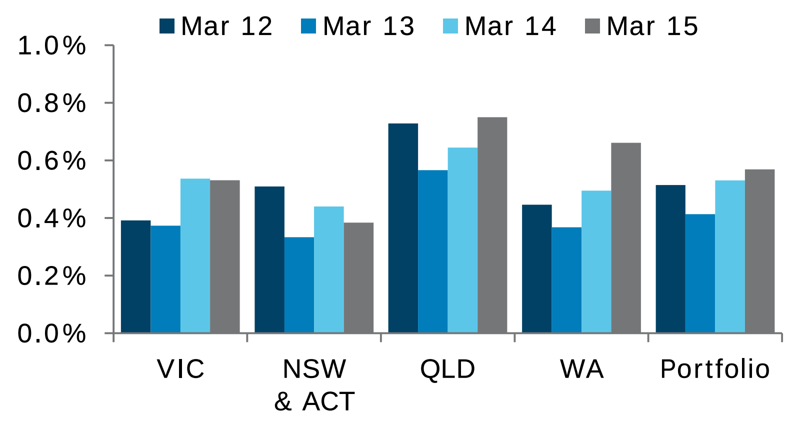
1. Home Loans (inclusive of NPLs, exclusive of offset balances). 2. Excludes Equity Manager. 3. Originated 1H15. 4. Unweighted.
5. Including capitalised premiums. 6. Valuations updated Mar 2015 where available. 7. % of customers >30 days ahead of repayments.
8. Excludes revolving credit. 9. Excluding capitalised premiums, the % of portfolio with LVR >90% as at Sep 2014 is 2.35% (Mar 2015 was 2.6%)

Australia Division

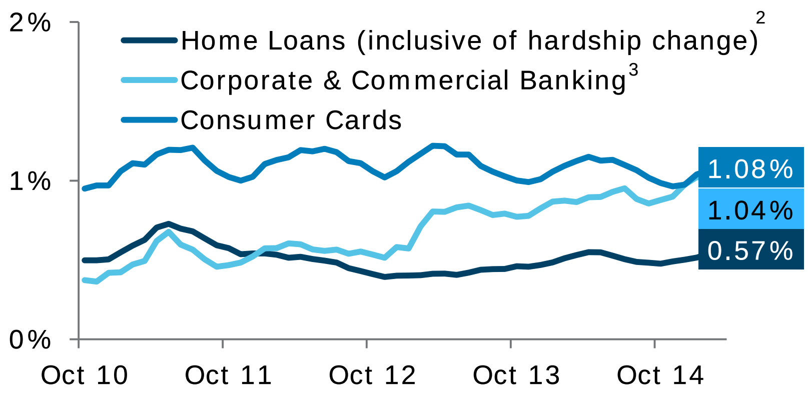
Australia Division credit exposure (EAD)



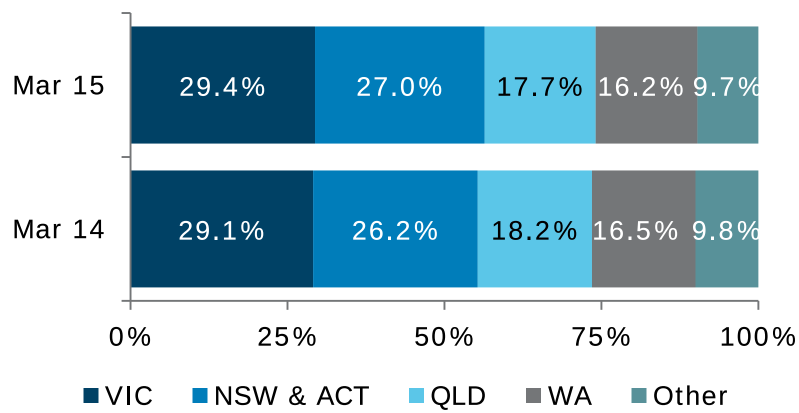
Australia Home Loans 90+ day delinquencies by state[1]



Australia Division 90+ day delinquencies[1]



Australia Home Loans portfolio by state[1]



1. Exclusive of Non Performing Loans.
2. Hardship changes implemented Apr 2013. For comparison: 90+ excluding hardship changes as at Mar 2015 is 0.46%.
3. Includes Small Business, Commercial Cards and Esanda Retail.

The material in this presentation is general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate

This presentation may contain forward-looking statements including statements regarding our intent, belief or current expectations with respect to ANZ's business and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices. When used in this presentation, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to ANZ and its management, are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Such statements constitute "forward-looking statements" for the purposes of the United States Private Securities Litigation Reform Act of 1995. ANZ does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

For further information visit

www.anz.com

or contact

Jill Craig
Group General Manager Investor Relations

ph: (613) 8654 7749 fax: (613) 8654 9977 e-mail: jill.craig@anz.com