2019 HALF YEAR RESULTS

HALF YEAR ENDED 31 MARCH 2019

DEBT INVESTOR UPDATE

AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED

IMPORTANT INFORMATION & DISCLAIMER

Confidential background information
The material in this document is general background information about activities of the Australia and New Zealand Banking Group (the "Bank"). It is information given in summary form and does not purport to be complete. The information contained in this document is provided as at the date of this document and the Bank does not undertake to update this information. This document is highly confidential and being provided solely for your information and may not be shared, copied, reproduced or redistributed to any other person in any manner. You must promptly return the presentation (and not retain any copies) at the end of this discussion.

No reliance
The material in this document 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 professional advice when deciding if an investment is appropriate. This document does not constitute financial product advice. The Bank or any of its affiliates, advisors or representatives shall not have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with the document.

Professional investors only
The document is for distribution only to persons who are not a "retail client" within the meaning of section 761G of the Corporations Act 2001 of Australia and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or Part 7.9 of the Corporations Act 2001 of Australia and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction (including Australia) in which an investor may be located.
This document is only being distributed to and is only directed at:
(a) (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (iii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, (iv) in member states of the European Economic Area (each, a "relevant member state"), persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC, as amended, including Directive 2010/73/EU, to the extent implemented in the relevant member state) and any relevant implementing measure in the relevant member state or (v) other persons to whom it may lawfully be communicated in accordance with the order (all such persons together being referred to as "relevant persons"). Any investment activity to which this document may relate is only available to relevant persons and any invitation, offer or agreement to engage in such investment activity will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents; and
(b) investors who are either (x) outside the United States and are not U.S. Persons (as defined in Regulation S under the Securities Act of 1933 as amended (the "Securities Act")) in compliance with Regulation S; or (y) "qualified institutional buyers" (as defined in Rule 144A under the Securities Act).
The document is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

No offer of securities
This document does not constitute an invitation to subscribe for or buy any securities or an offer for subscription or purchase of any securities or a solicitation to engage in or refrain from engaging in any transaction. No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. Any securities referred to in this document have not been and will not be registered under the Securities Act and may not be offered or resold within the United States or to, or for the account or benefit of, U.S. Persons unless in accordance with an effective registration statement under the Securities Act or a private offering memorandum pursuant to an exemption from registration under the Securities Act and applicable U.S. state laws.

Forward looking statements
This document may contain forward-looking statements including statements regarding ANZ's 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 document, 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.

Limitation of liability
To the maximum extent permitted by law, ANZ, its related bodies corporate, directors, employees and agents do not accept any liability for any loss arising from the use of this document or its contents or otherwise arising in connection with it, including, without limitation, any liability arising from fault or negligence on the part of ANZ, its related bodies corporate, directors, employees or agents.
This document contains data sourced from and the views of independent third parties such as the Australian Prudential Regulation Authority, the Reserve Bank of Australia and the Reserve Bank of New Zealand. In replicating such data in this document, the Bank makes no representation, whether express or implied, as to the accuracy of such data. The replication of any views in this document should be not treated as an indication that the Bank agrees with or concurs with such views.

Non-GAAP measures
The Bank reports and describes in this document non-GAAP financial measures (as defined in SEC Regulation G) of the Bank, in particular, Cash Profit measures for certain periods. Non-GAAP financial measures are not calculated in accordance with IFRS. Non-GAAP financial measures should be considered in addition to, and not as substitutes for or superior to, financial measures of financial performance or financial position prepared in accordance with IFRS. See pages 74 – 77 of the ANZ First Half 2019 Results Announcement for a reconciliation of Cash Profit measures to Statutory Profit measures.

Your confirmations
By attending this meeting or accepting a copy of this document, you agree to be bound by the above limitations and conditions and, in particular, will be taken to have represented, warranted and undertaken that:
(i) you have read and agree to comply with the contents of this notice;
(ii) you agree to keep the contents of this document confidential;
(iii) you will not at any time have any discussion, correspondence or contact concerning the information in this document with any of the directors or employees of ANZ or its subsidiaries nor with any of their customers or suppliers, or any governmental or regulatory body without the prior written consent of ANZ;
(iv) you are a relevant person or eligible investor attending this meeting, as set out under "Professional investors only" above; and
(v) you understand that this document is not an invitation to subscribe for or buy any securities.

CONTENTS

2019 FIRST HALF DEBT INVESTOR UPDATE

CEO Results Presentation	**4**
Financial Performance	**9**
Treasury	**30**
Risk Management	**40**
Housing Portfolio	**55**
Corporate Overview and Sustainability	**70**
Economics	**82**

All figures within this investor discussion pack are presented on Cash Profit (Continuing operations) 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 73-77 of the 2019 First Half Consolidated Financial Report.

A SIMPLER, STRONGER, MORE PRODUCTIVE BANK

3 YEAR PROGRESS

- Absorbed inflation of ~$550m and reduced absolute costs by over $300m[1]
- Sold 23 businesses, reduced Institutional RWAs by $50b, freed up ~$12b of capital
- Cut number of products in Australia by 1/3
- Transferred 2 million customers to contemporary platforms
- Simplified processes, decommissioned systems, reduced branch footprint by >20%[2]
- Built a stronger, safer balance sheet
- Resourced a remediation team, well progressed on customer refunds
- Rebuilt senior leadership, changed the way we work

1. Cash Profit from continuing operations, excluding large / notable items
2. Australia & New Zealand

1H19 FINANCIAL PERFORMANCE

	1H19	Change (v 2H18)	Change (v 1H18)
Statutory Profit ($m)	**3,173**	**+3%**	**-5%**
Cash Profit (continuing operations) ($m)	**3,564**	**+19%**	**+2%**
Earnings Per Share (cents)	124.8	+20%	+5%
Return on Equity	12.0%	+193bps	+13bps
Dividend Per Share (cents)	80	Flat	Flat
CET1 Ratio (APRA)	11.5%	+5bps	+45bps
Net Tangible Assets Per Share ($)	18.94	+3%	+4%

BUSINESS PERFORMANCE

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

1H19 ($m)	Revenue	Expenses	Profit before provisions	NPAT	RORWA	RORWA 3 year change (1H19 v 1H16)
New Zealand Division (NZD)	**1,756**	**638**	**1,118**	**782**	**2.5%**	
1H19 v 1H18	1%	2%	1%	0%	-1bps	+28bps
Institutional	**2,705**	**1,313**	**1,392**	**1,017**	**1.2%**	
1H19 v 1H18	+8%	-4%	+22%	+33%	+27bps	+55bps
Australia Division	**4,769**	**1,787**	**2,982**	**1,809**	**2.3%**	
1H19 v 1H18	-6%	-2%	-8%	-12%	-27bps	-52bps

PRIORITIES

FIVE PRIORITIES

- Facing into mistakes of the past
- Continuing to simplify & strengthen the bank
- Step up in re-positioning & re-tooling the Australian business
- Further work on costs
- Transforming skills, capabilities & talent for the future

PURPOSE

AN INTEGRAL PART OF OUR STRATEGY

Helped guide our decision to provide relief to farmers impacted by natural disasters

Informed our approach to sustainable and affordable housing

- Affordable, secure & sustainable homes
- ‘Healthy Home’ Loan Package
- Environmentally sustainable solutions

Rebuilding trust

- Currently resolving issues with more than 2.6m customer accounts[1]
- $928m in remediation charges taken since 1H17, $698m on Balance Sheet (31 March 2019)

1. Retail & Commercial customer accounts

2019 HALF YEAR RESULTS

FINANCIAL PERFORMANCE

AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED

FINANCIAL PERFORMANCE

CONTINUING OPERATIONS

$m

	1H18	2H18	1H19	Change (v 2H18)	Change (v 1H18)
Income	**9,870**	**9,497**	**9,746**	**3%**	**-1%**
Net Interest Income	7,350	7,164	7,299	2%	-1%
Other Operating Income	2,520	2,333	2,447	5%	-3%
Expenses	**(4,473)**	**(4,928)**	**(4,365)**	**-11%**	**-2%**
Profit before Provisions	**5,397**	**4,569**	**5,381**	**18%**	**0%**
Provision	(408)	(280)	(393)	40%	-4%
Cash Profit Continuing	**3,493**	**2,994**	**3,564**	**19%**	**2%**

CONTINUING OPERATIONS EX. LARGE / NOTABLE ITEMS

$m

	1H18	2H18	1H19	Change (v 2H18)	Change (v 1H18)
Income	**9,510**	**9,561**	**9,553**	**0%**	**0%**
Net Interest Income	7,314	7,248	7,320	1%	0%
Other Operating Income	2,196	2,313	2,233	-3%	2%
Expenses	**(4,294)**	**(4,308)**	**(4,260)**	**-1%**	**-1%**
Profit before Provisions	**5,216**	**5,253**	**5,293**	**1%**	**1%**
Provision	(382)	(280)	(393)	40%	3%
Cash Profit Continuing (ex. large/notable Items)	**3,407**	**3,483**	**3,478**	**0%**	**2%**

FINANCIAL PERFORMANCE

CONTINUING OPERATIONS: IMPACT OF DIVESTMENTS & OTHER LARGE / NOTABLE ITEMS

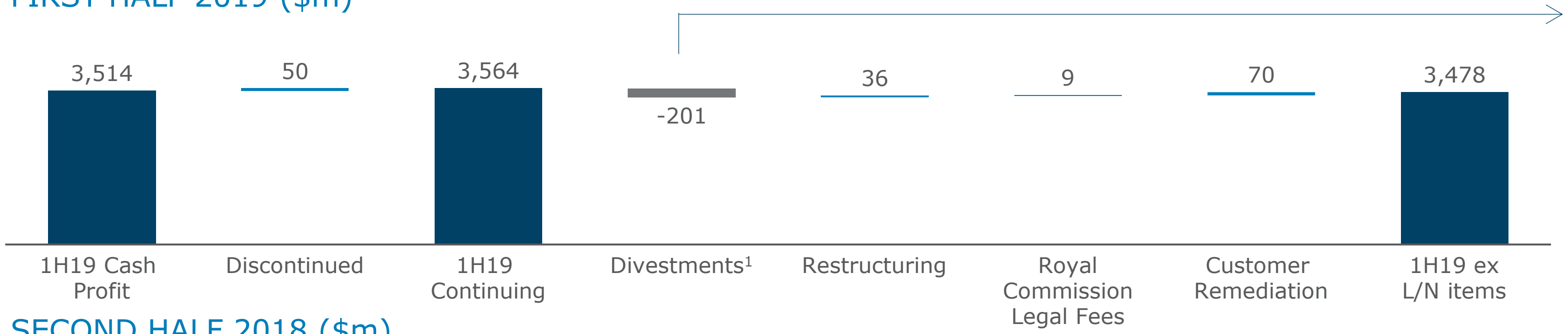
$m	Cash Profit Continuing	Large / Notable items within Cash Profit						Cash Profit ex large / notable items
		Divestments	Restructuring	Royal Commission legal fees	Customer Remediation	Accelerated Software Amortisation	Total large/ notable items	
1H19	**3,564**	201	-36	-9	-70	-	**86**	**3,478**
2H18	**2,994**	98	-104	-27	-250	-206	**-489**	**3,483**
1H18	**3,493**	197	-55	-11	-45	-	**86**	**3,407**
PCP[1]	**+2%**							**+2%**
HOH[1]	**+19%**							**0%**

1. PCP: 1H19 v 1H18; HOH: 1H19 v 2H18

FINANCIAL PERFORMANCE

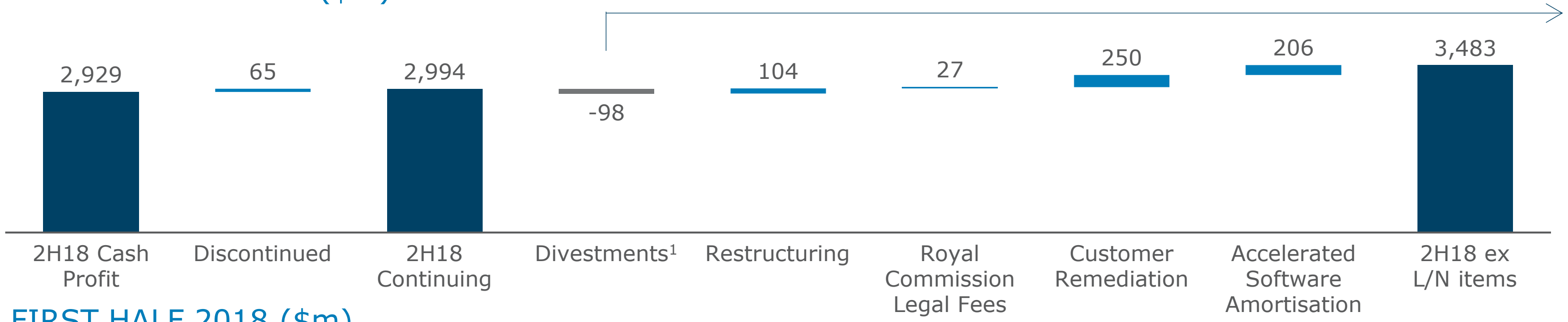
IMPACT OF DIVESTMENTS & OTHER LARGE / NOTABLE ITEMS

FIRST HALF 2019 ($m)



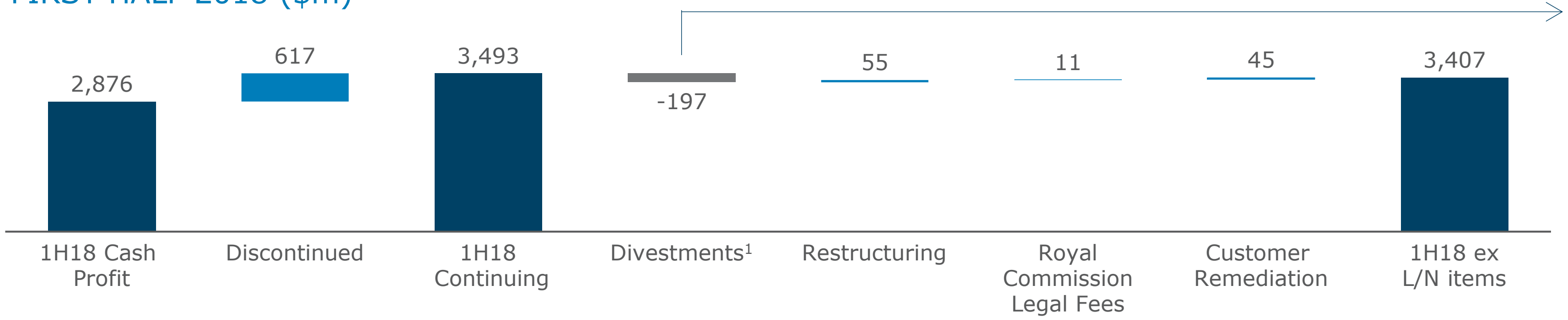
Pre-tax	Gain/(Loss) on Sale	Divested Bus. Results	Post-tax
OPL NZ	-197	-14	
Paymark	-37	-4	
TOTAL	-234	-18	**-201**

SECOND HALF 2018 ($m)



Pre-tax	Gain/(Loss) on Sale	Divested Bus. Results	Post-tax
MCC	-121	-10	
UDC	7	0	
Cambodia JV	42	0	
OPL NZ	3	-43	
PNG Retail, Com, SME	19	0	
Paymark	0	-4	
TOTAL	-50	-57	**-98**

FIRST HALF 2018 ($m)



Pre-tax	Gain/(Loss) on Sale	Divested Bus. Results	Post-tax
MCC	-119	0	
SRCB	-2	0	
Asia Retail	-99	-30	
UDC	-18	0	
OPL NZ	0	-47	
Paymark	0	-1	
TOTAL	-238	-78	**-197**

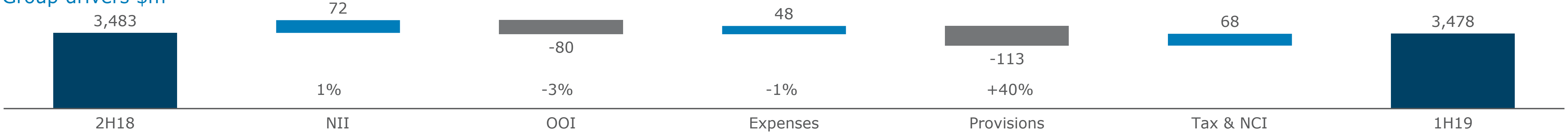
1. Divestments include Gain/(Loss) on sale and business results

FINANCIAL PERFORMANCE

CASH PROFIT CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

1H19 v 2H18

Group drivers $m

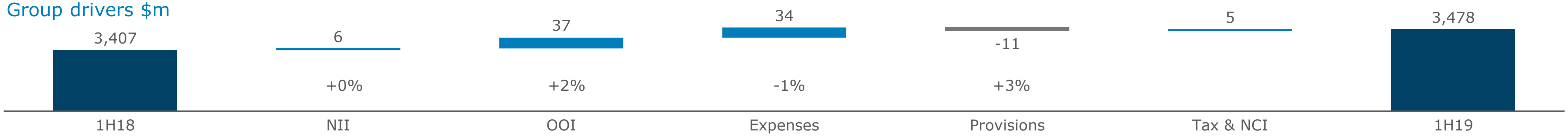


Divisional contribution to Cash Profit $m

2H18	Australia	Institutional ex Markets	Markets	NZ	Other[1]	1H19
3,483	-150	+63	+31	-12	+63	3,478
1H19 v 2H18	-8%	10%		-2%		0%

1H19 v 1H18

Group drivers $m



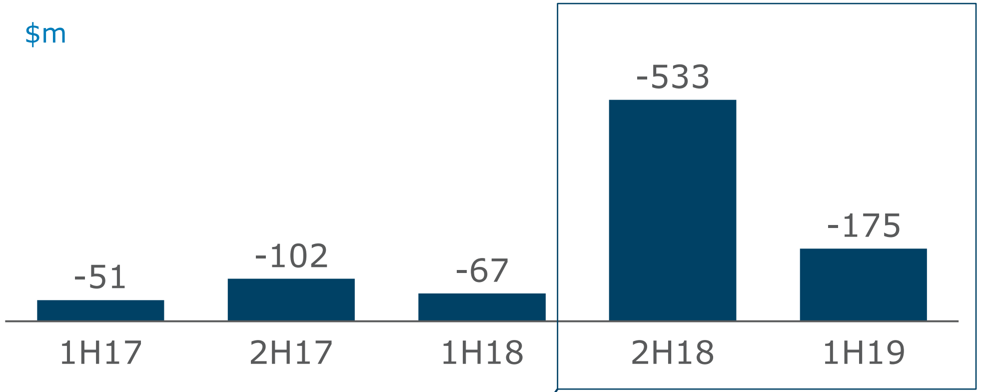
Divisional contribution to Cash Profit $m

1H18	Australia	Institutional ex Markets	Institutional Markets	NZ	Other[1]	1H19
3,407	-249	+174	+76	+24	+46	3,478
1H19 v 1H18	-12%	+33%		3%		2%

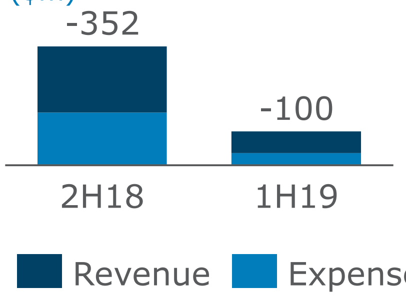
1. Other divisions include Pacific, Wealth Australia, TSO & Group Centre

CUSTOMER REMEDIATION

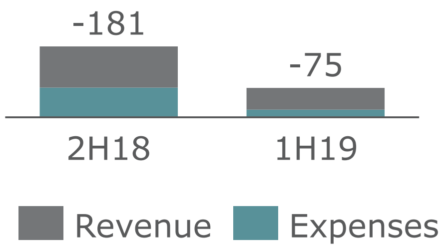
TOTAL PRE TAX IMPACT



CONTINUING OPERATIONS ($m)



DISCONTINUED OPERATIONS[1] ($m)



Financial impact

- $175m ($123m post tax) charge in 1H19
- $928m ($657m post tax) charges since 1H17
- $698m provisions on balance sheet at 31 March 2019

Progress to date

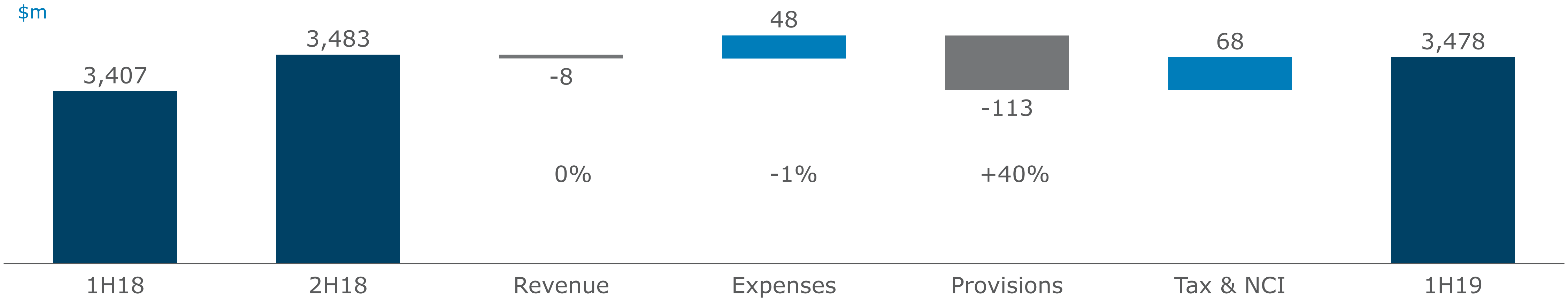
- Salaried Financial Planner[2] largely addressed in prior years
- Aligned Dealer Group remediation provided for in 2H18
- Retail Banking product & service review well progressed

1. Primarily compensation for customers receiving inappropriate advice or for services not provided including those relating to ANZ's former Aligned Dealer Groups (ADGs). ANZ completed the sale of its ADGs to IOOF on 1 October 2018.
2. Fee for no service

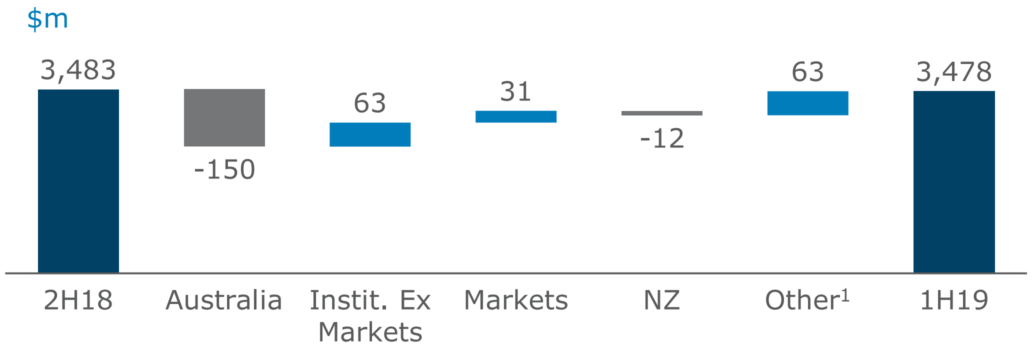
FINANCIAL PERFORMANCE

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

CASH PROFIT



CASH PROFIT DIVISIONAL PERFORMANCE



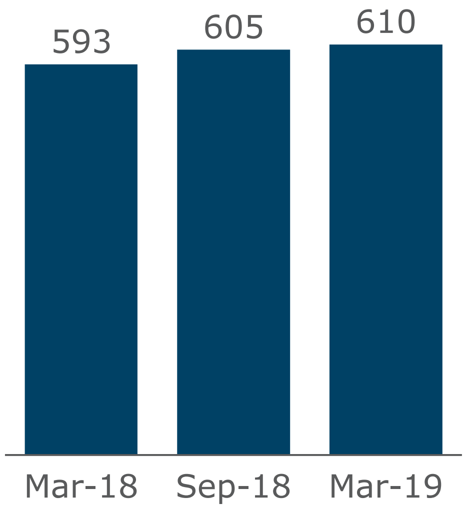
1H19 v 2H18	Australia	Institutional	NZ (NZD)
Revenue	-4%	+6%	0%
Expenses	0%	-2%	+1%
Cash Profit	-8%	+10%	-4%

1. Other divisions include Pacific, Wealth Australia, TSO & Group Centre (including Asia Partnerships)

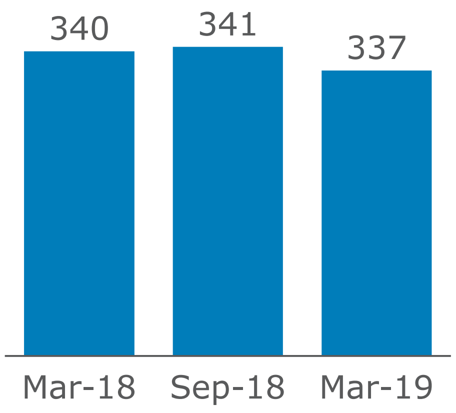
BALANCE SHEET COMPOSITION

NET LOANS & ADVANCES ($b)

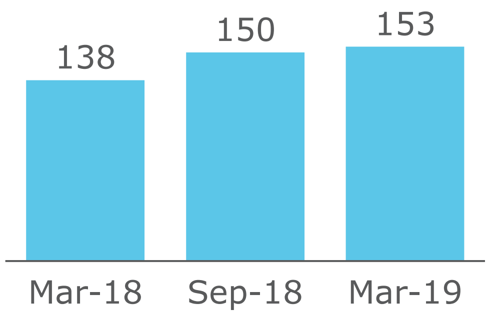
TOTAL GROUP



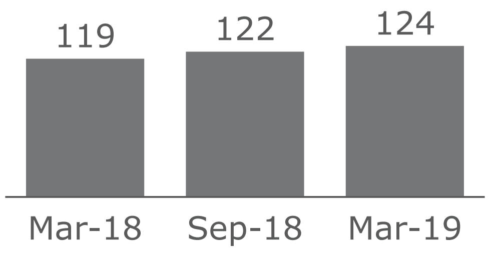
AUSTRALIA DIVISION



INSTITUTIONAL



NEW ZEALAND DIVISION (NZD)



GROWTH (1H19 v 2H18)

	NLA	Deposits[1]
Total	**+1%**	**+1%**

	NLA	Deposits[1]
Total	**-1%**	**0%**
Retail	-1%	-2%
Comm.	-2%	+4%

	NLA	Deposits[1]
Total	**+2%**	**0%**
TB[2]	+5%	0%
L&SF[3]	+7%	n/a
Markets	-17%	0%

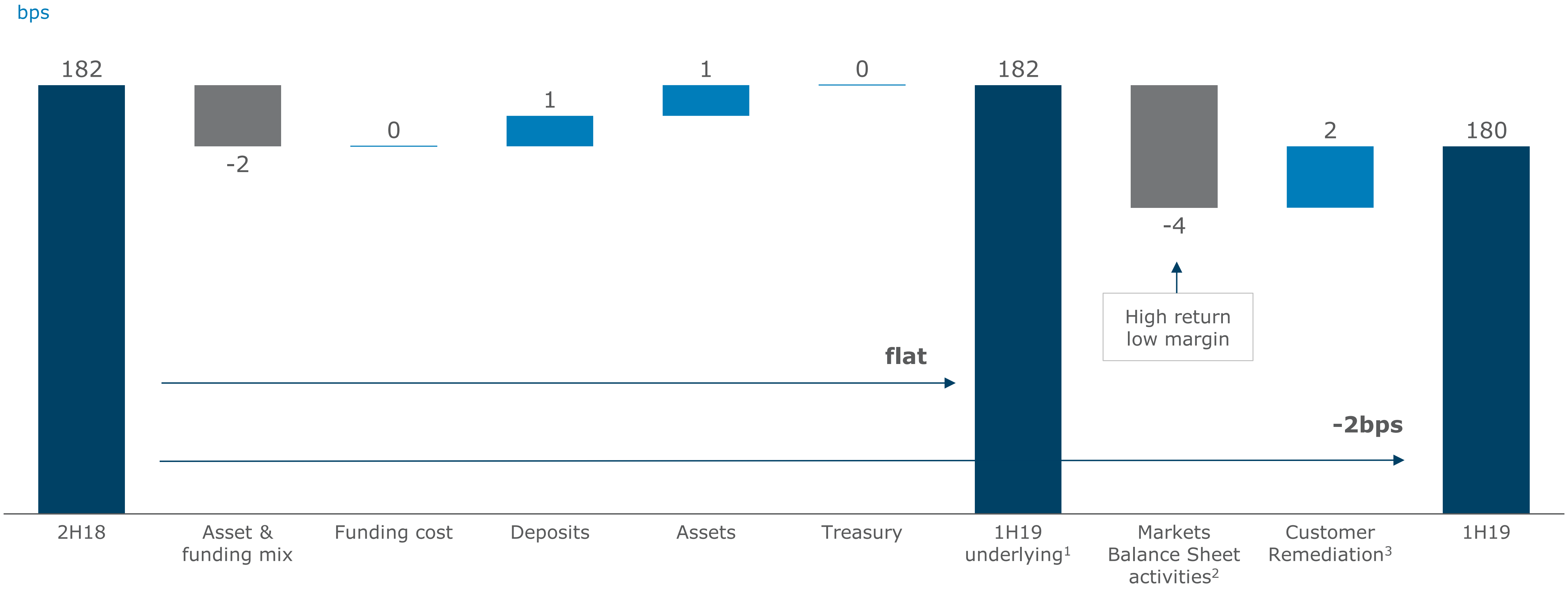
NZD	NLA	Deposits[1]
Total	**+2%**	**+2%**
Retail	+3%	+2%
Comm.	+1%	+2%

1. Customer Deposits 2. Transaction Banking (includes Payments and Cash Management, Trade and Supply Chain) 3. Loans & Specialised Finance

NET INTEREST MARGIN

CONTINUING OPERATIONS

GROUP NET INTEREST MARGIN (NIM)

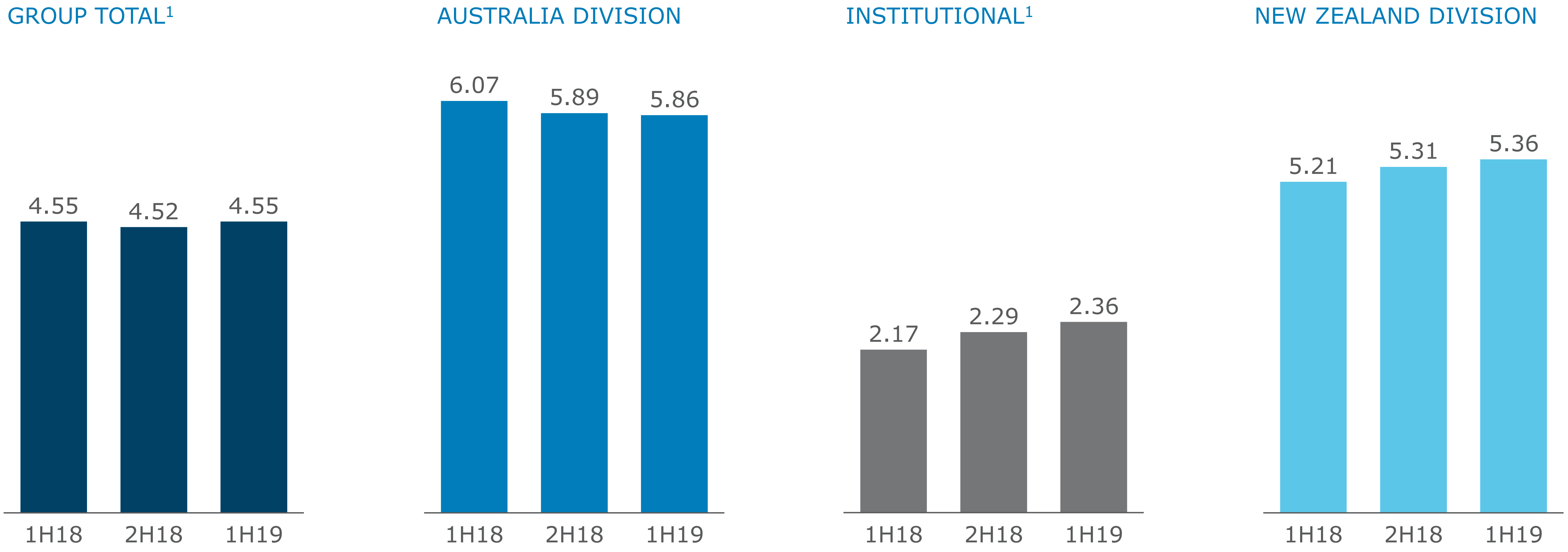


1. Excluding customer remediation and Markets Balance Sheet activities
2. Includes the impact of growth in discretionary liquid assets and other balance sheet activities
3. Included as a large / notable item

RISK ADJUSTED PERFORMANCE

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

NET INTEREST INCOME / AVERAGE CREDIT RISK WEIGHTED ASSETS (%)

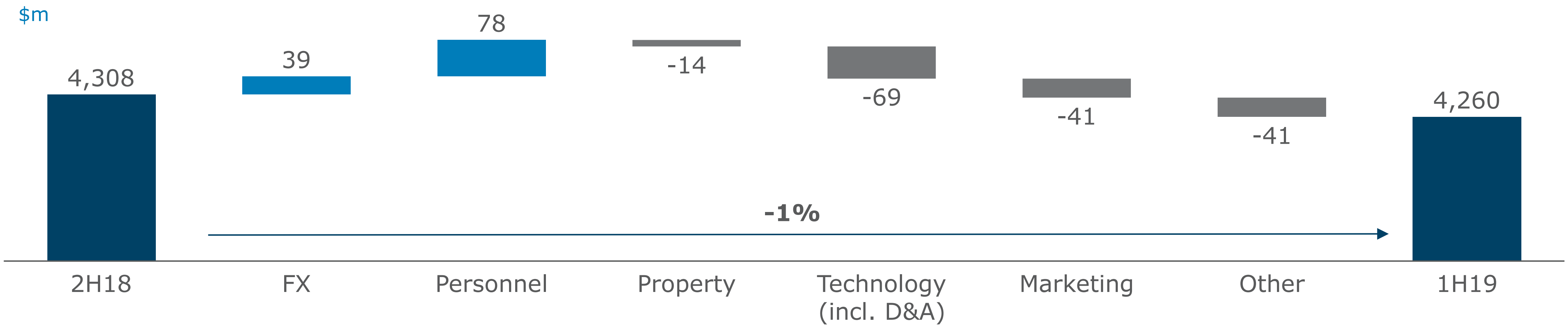


1. Excluding Markets business unit

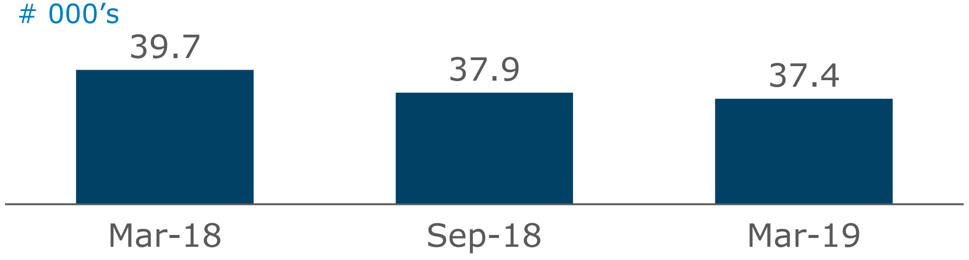
EXPENSES

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

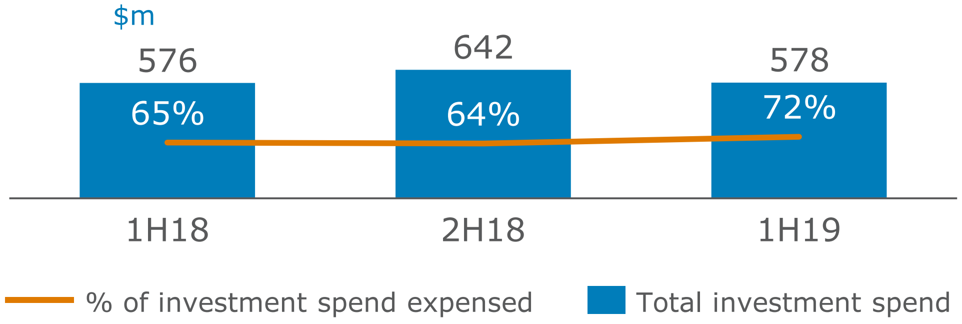
EXPENSE DRIVERS



FULL TIME EQUIVALENT STAFF (FTE)



INVESTMENT SPEND[1]

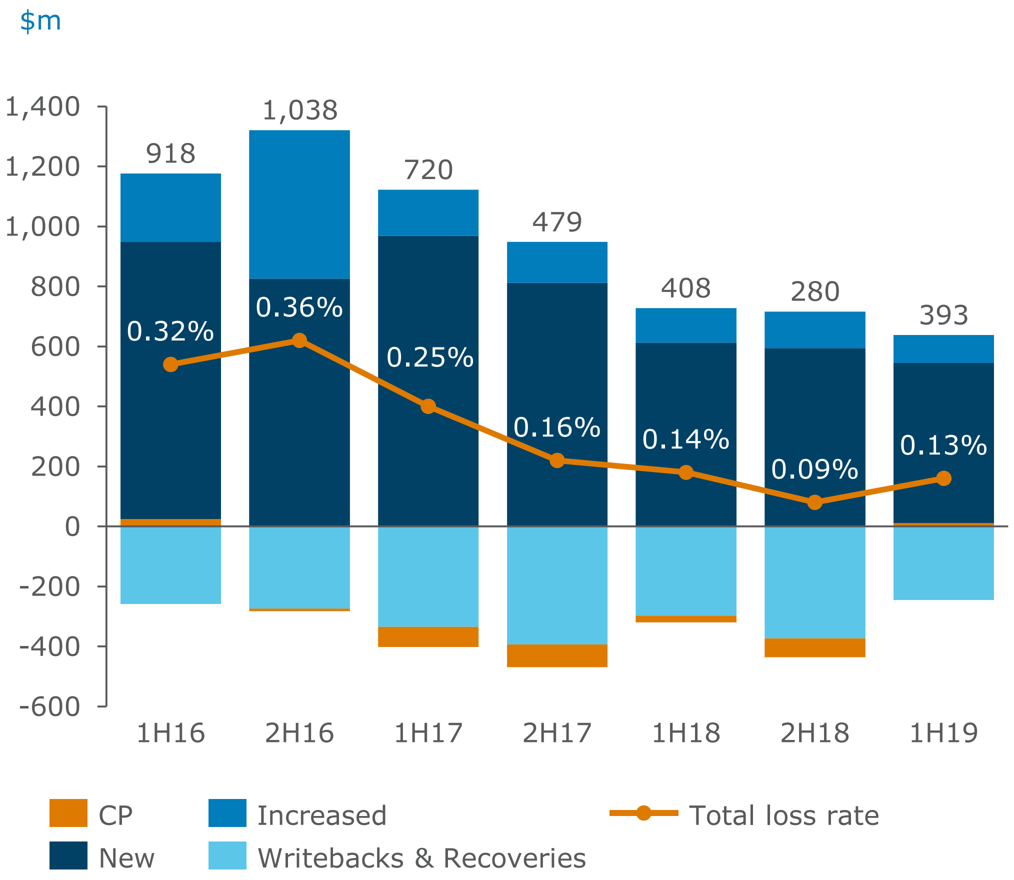


1. Inclusive of large / notable items (customer remediation). 1H18 restated from previously reported information to include technology infrastructure spend, property projects and scaled agile delivery methodology

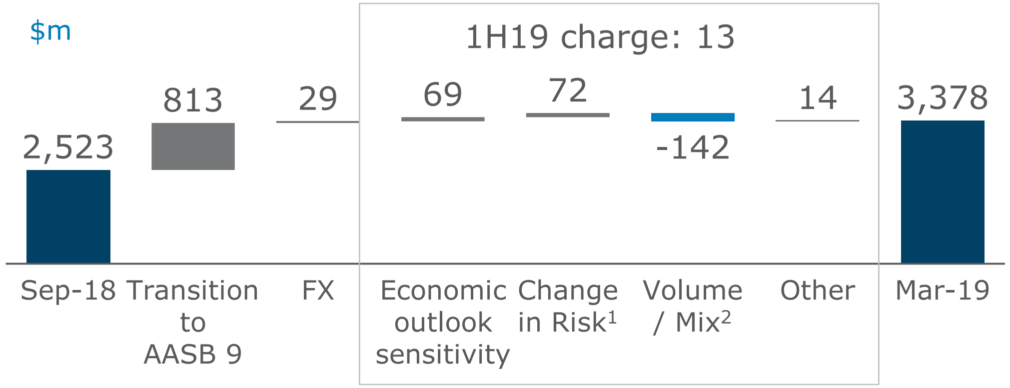
PROVISIONS

CONTINUING OPERATIONS

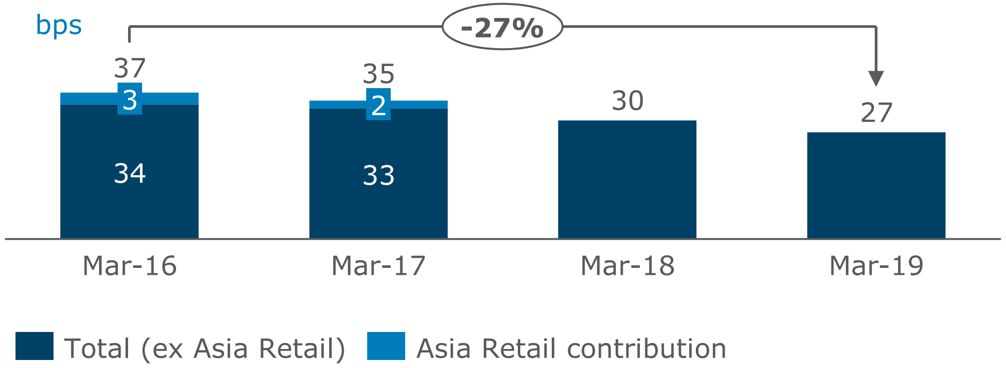
CREDIT IMPAIRMENT CHARGE COMPOSITION



COLLECTIVE PROVISION BALANCE & MOVEMENT



LONG RUN LOSS RATES[3]



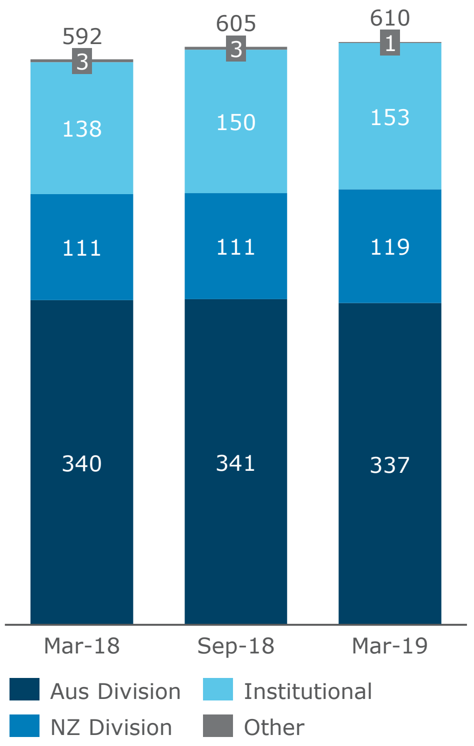
1. Measures the impact of PD or LGD migration of existing customers
2. Measures the impact of new and increased lending offset by maturing loans / exiting customers
3. Internal Expected Loss basis, not consistent with AASB 9 methodology

BALANCE SHEET COMPOSITION

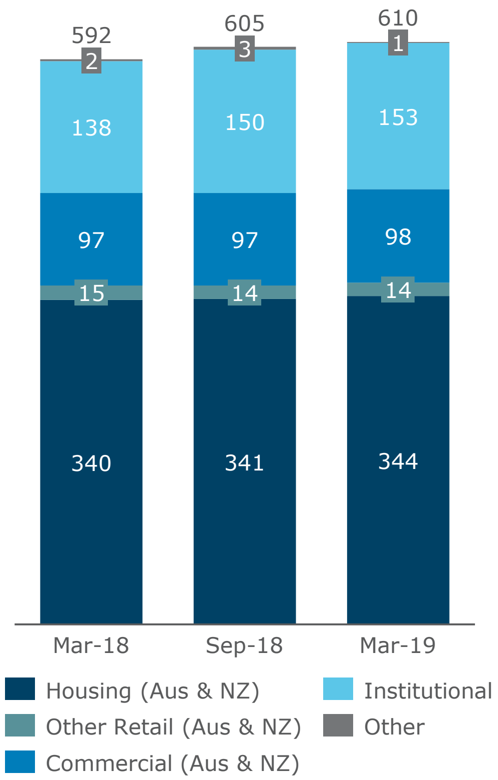
BY DIVISION

NLA ($b)

Divisional Contribution[1]

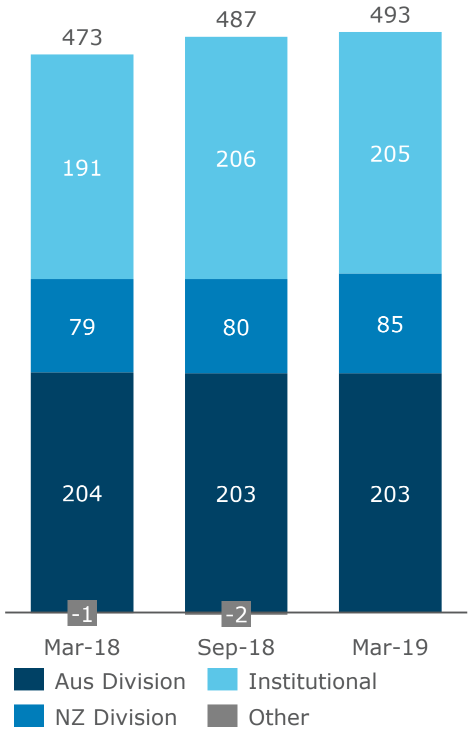


Segment Contribution

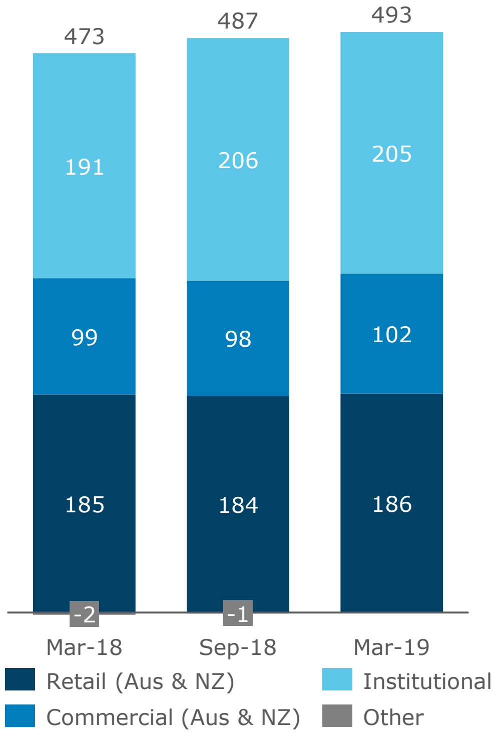


CUSTOMER DEPOSITS ($b)

Divisional Contribution[1]



Segment Contribution

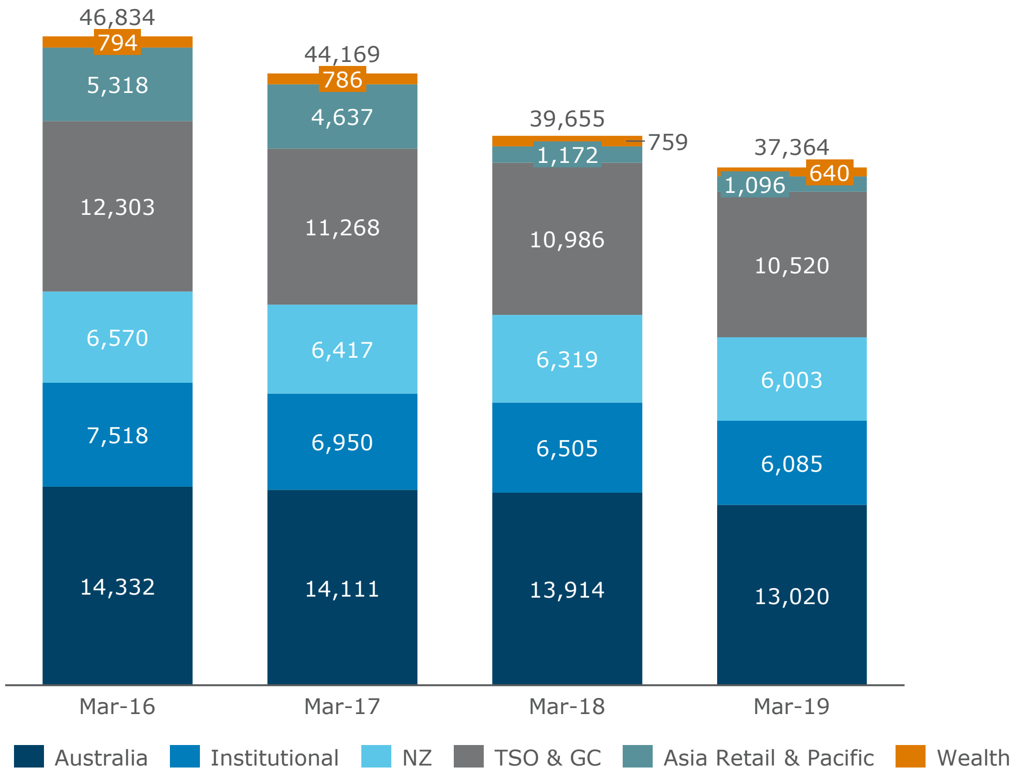


1. Other includes Wealth Australia, Pacific and TSO & Group Centre

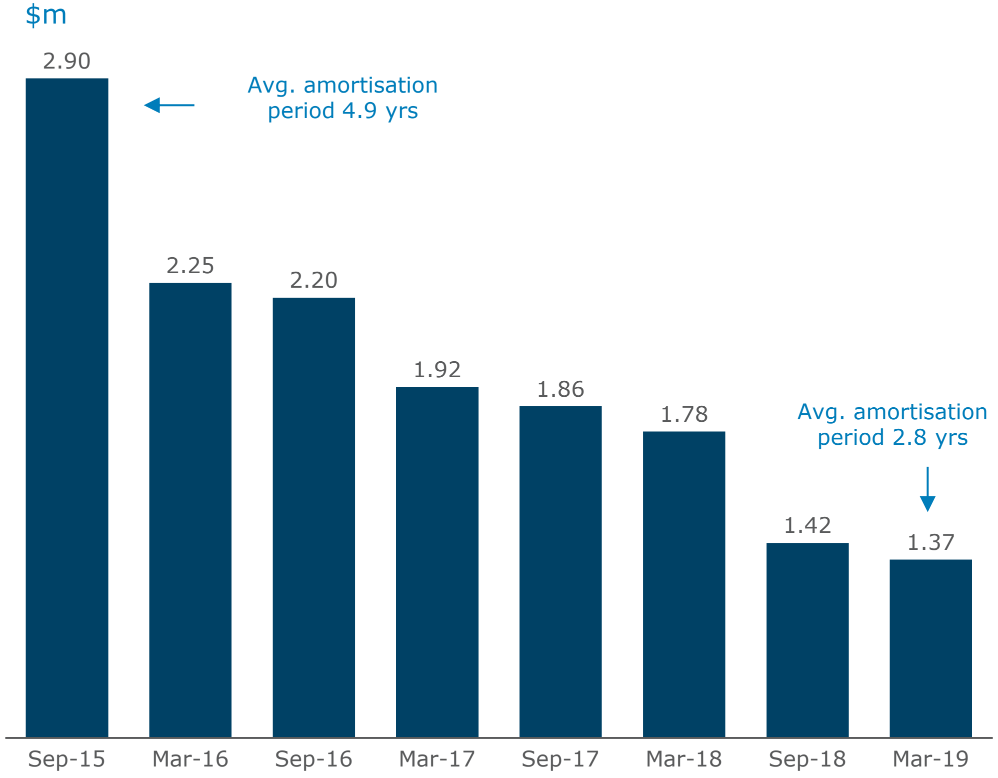
FTE COMPOSITION & CAPITALISED SOFTWARE

FTE MOVEMENT BY DIVISION[1]

FULL TIME EQUIVALENT STAFF



CAPITALISED SOFTWARE BALANCE



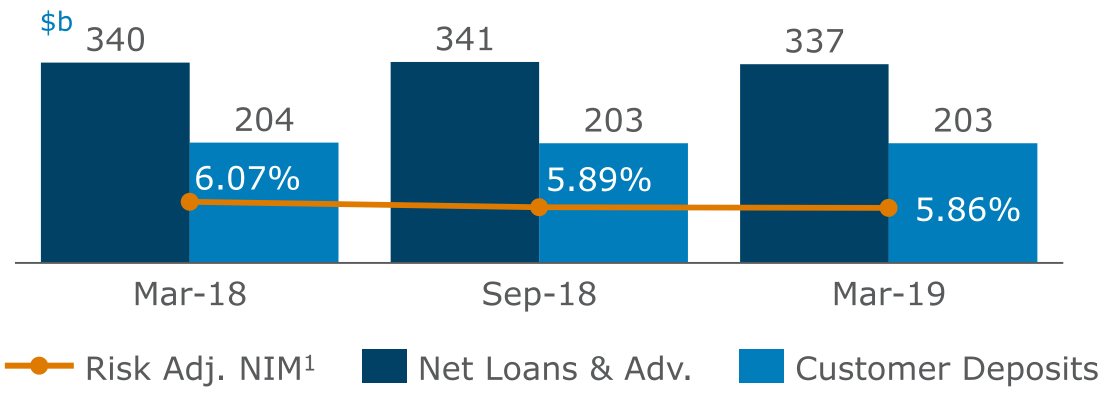
1. Continuing operations basis; End of Period

AUSTRALIA DIVISION

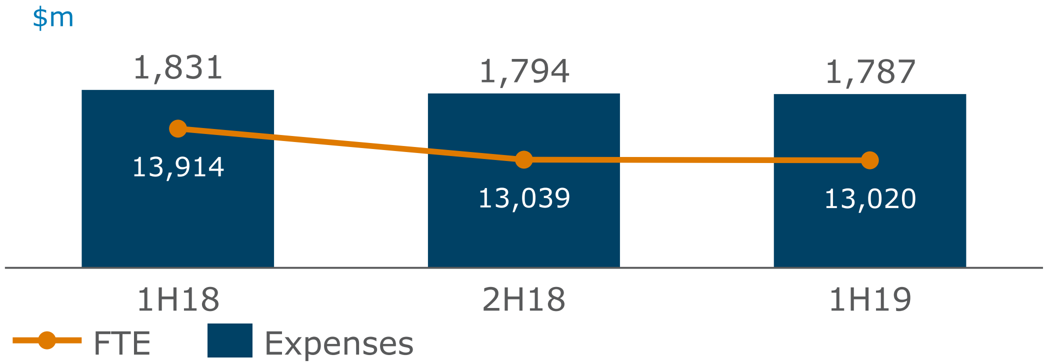
CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

	1H19 ($m)	1H19 v 2H18	1H19 v 1H18
Income	**4,769**	**-4%**	**-6%**
Net interest income	4,113	-2%	-5%
Other operating income	656	-17%	-12%
Expenses	**1,787**	**0%**	**-2%**
Profit before Provisions	**2,982**	**-6%**	**-8%**
Provisions	396	3%	27%
Cash Profit	**1,809**	**-8%**	**-12%**
Net Loans & Adv. ($b)	**337**	**-1%**	**-1%**
Customer Deposits ($b)	**203**	**0%**	**0%**

VOLUMES



EXPENSES



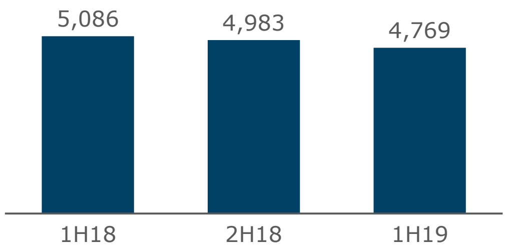
1. Net interest income divided by average credit risk weighted assets

AUSTRALIA DIVISION

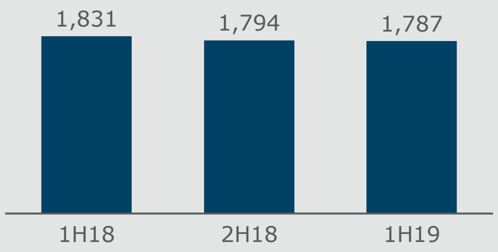
FINANCIAL PERFORMANCE: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

Slower credit demand Lower Volume growth Reduced fee income	Absolute costs down Productivity offsetting inflation Reduction in FTE	Provision charge remains low	Profit and returns

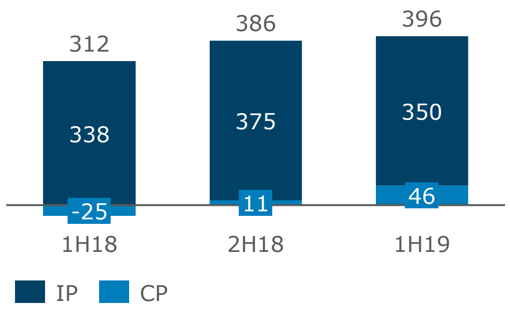
Income ($m)



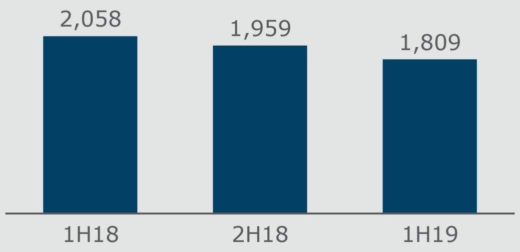
Expenses ($m)



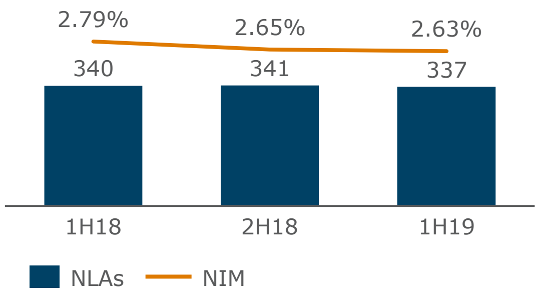
Total Provisions ($m)



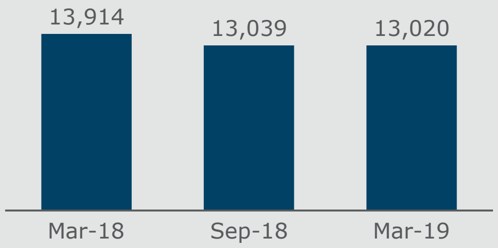
Cash Profit ($m)



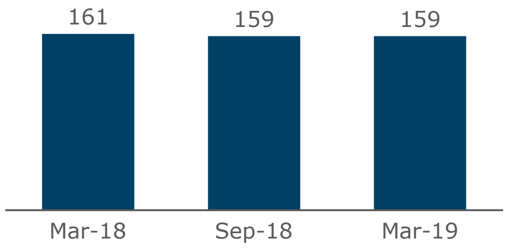
NLAs ($b) & NIM



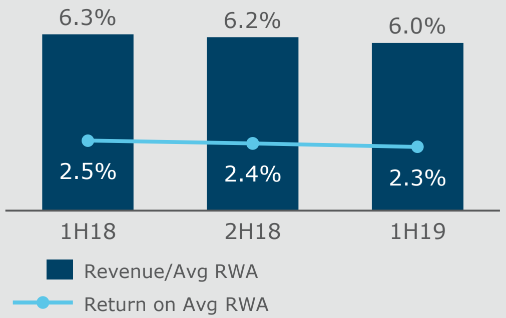
FTE



Risk Weighted Assets ($b)



Return

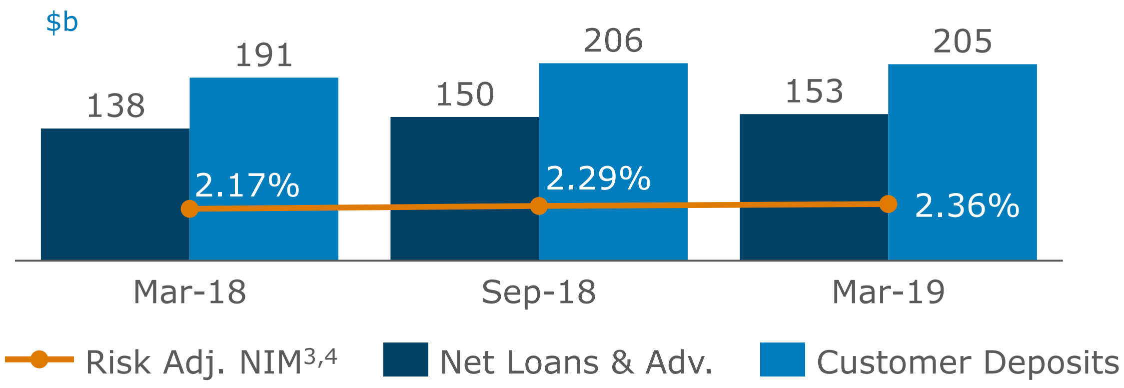


INSTITUTIONAL

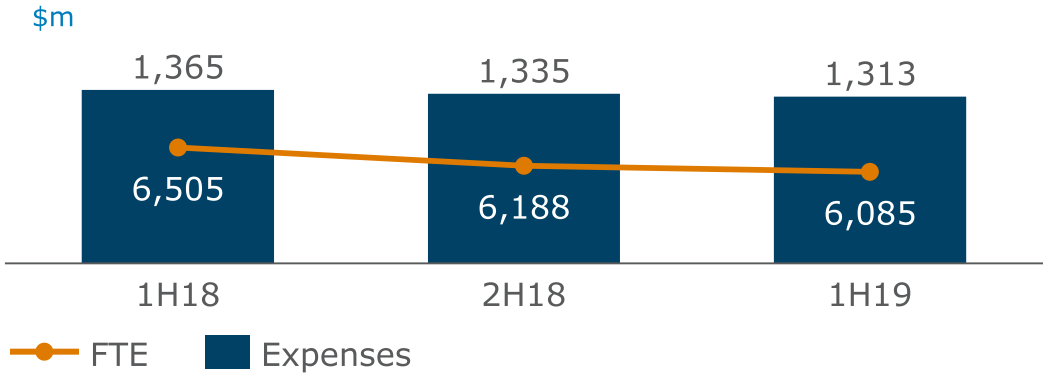
CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

	1H19 ($m)	1H19 v 2H18	1H19 v 1H18
Income	**2,705**	**6%**	**8%**
Net interest income	1,579	4%	7%
Other operating income	1,126	8%	10%
Expenses	**1,313**	**-2%**	**-4%**
Profit before Provisions	**1,392**	**14%**	**22%**
Provisions	-35	62%[1]	-171%[2]
Cash Profit	**1,017**	**10%**	**33%**
Net Loans & Adv. ($b)	**153**	**2%**	**10%**
Customer Deposits ($b)	**205**	**0%**	**8%**

VOLUMES



EXPENSES



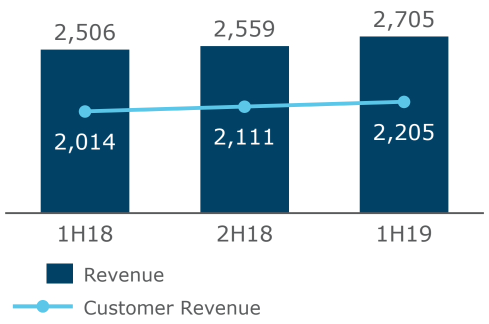
1. 1H19 release of $35m v 2H18 release of $93m
2. 1H19 release of $35m v 1H18 charge of $49m
3. Excluding Markets business unit
4. Net interest income divided by average credit risk weighted assets

INSTITUTIONAL

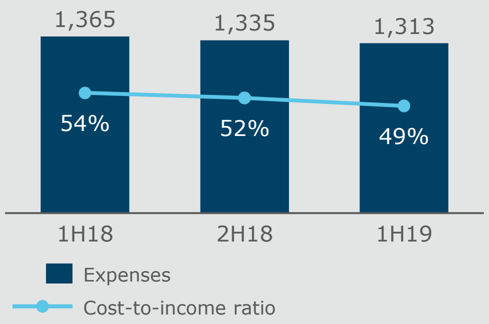
FINANCIAL PERFORMANCE: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

Continued momentum with growth in customer revenue	Sixth consecutive half of absolute cost reduction	Credit provisions remain low reflecting continued benign credit environment and improved risk profile	Returns continue to improve driven by focus on profitable growth

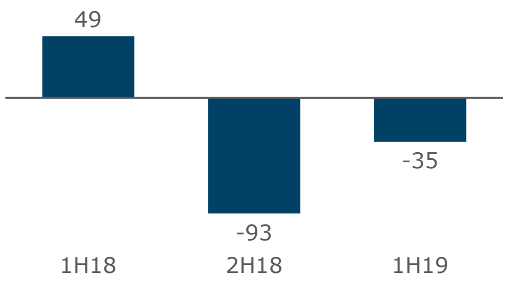
Income ($m)



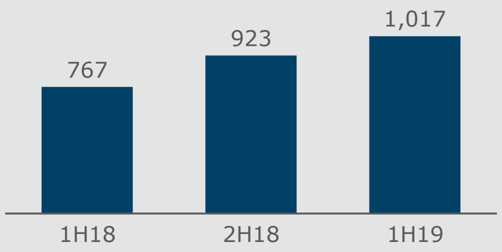
Expenses ($m)



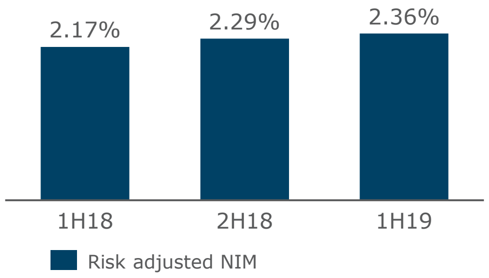
Total Provisions ($m)



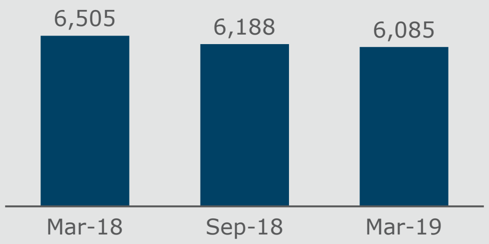
Cash Profit ($m)



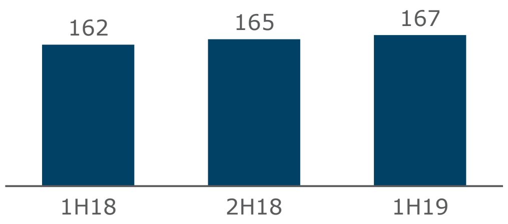
Risk Adjusted Margin[1]



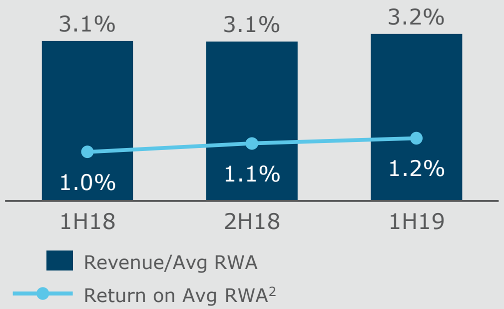
FTE



Avg. Risk Weighted Assets ($b)



Return[2]

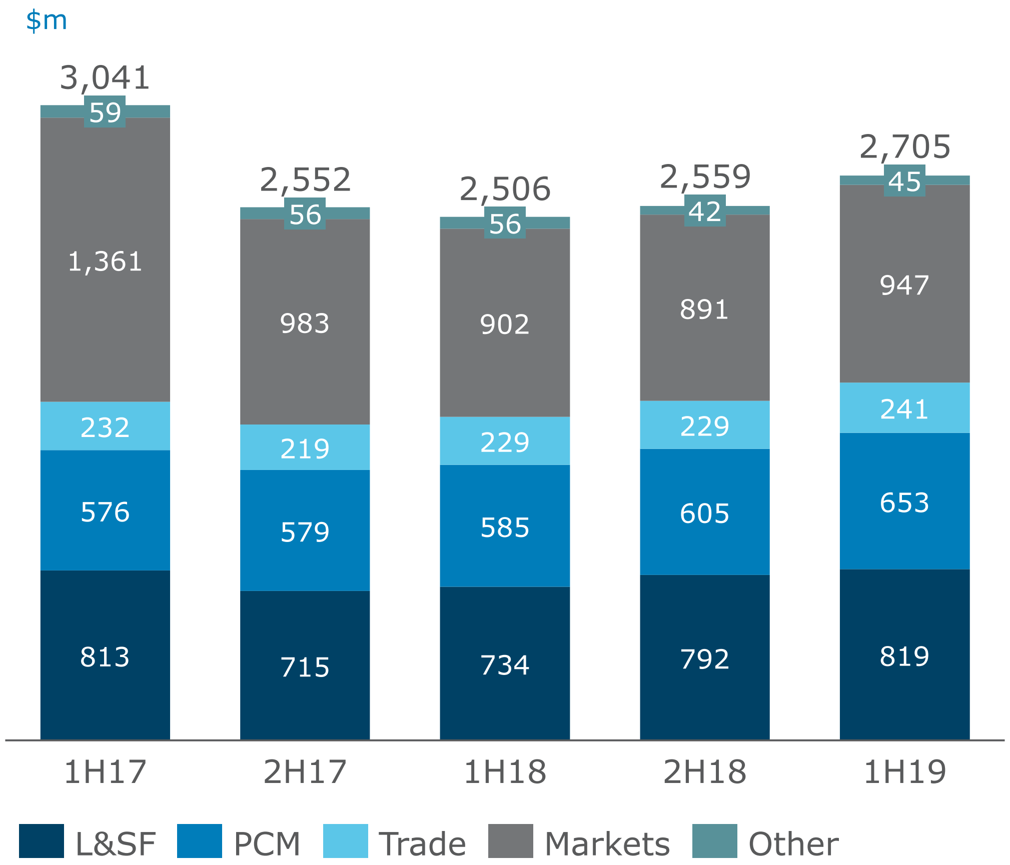


1. Institutional ex-Markets net interest income divided by average credit risk weighted assets
2. Cash profit divided by average risk weighted assets

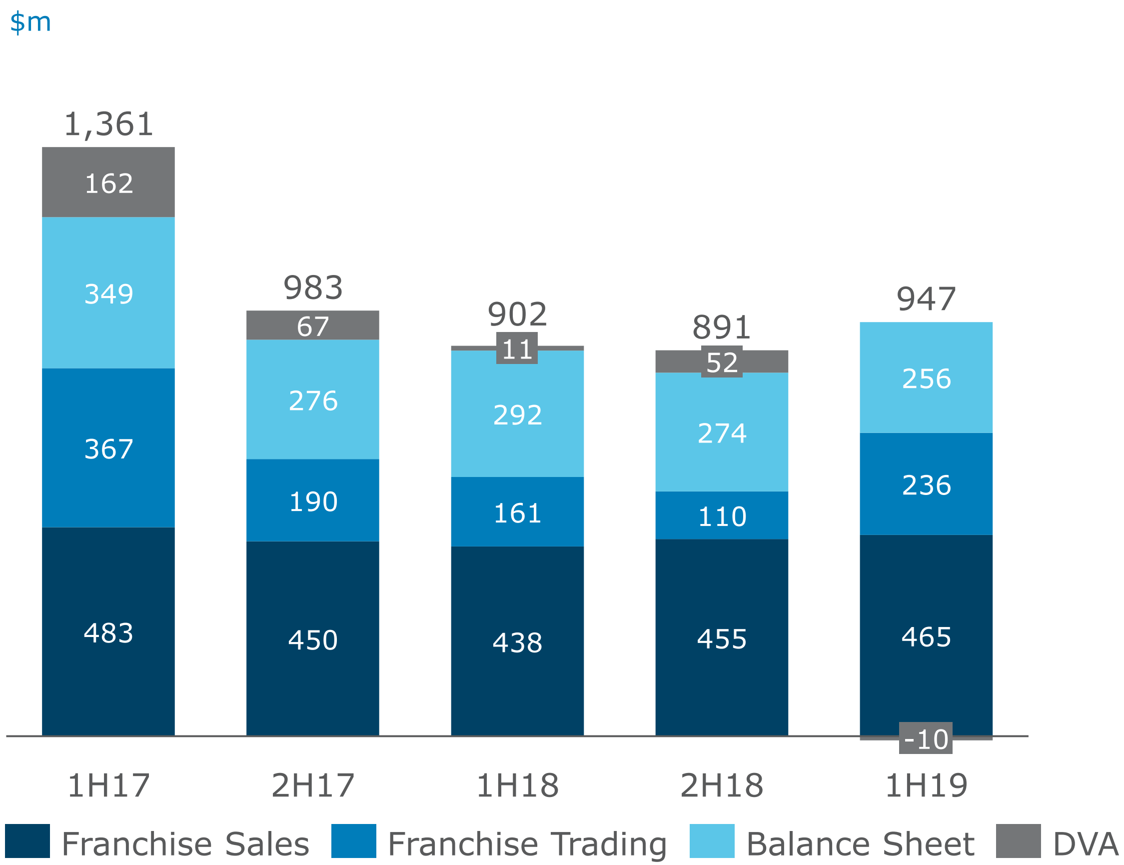
INSTITUTIONAL - INCOME PERFORMANCE

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

INSTITUTIONAL INCOME COMPOSITION[1]



MARKETS INCOME COMPOSITION[2]



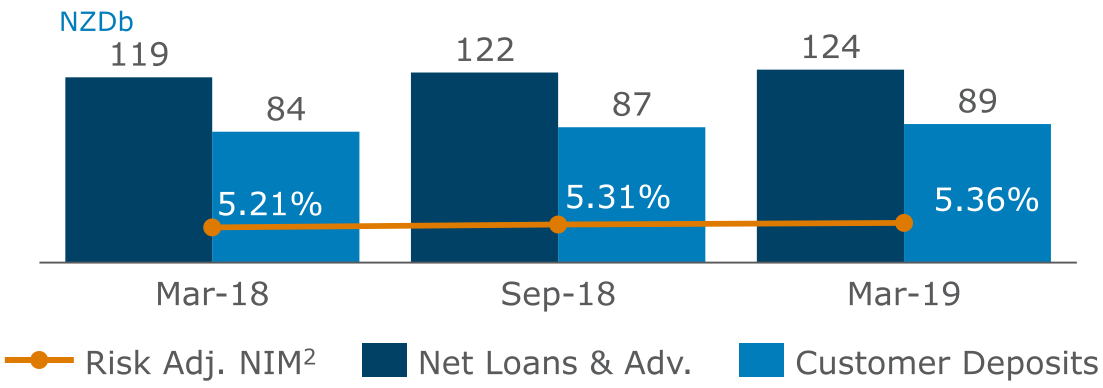
1. PCM: Payments & Cash Management; Trade: Trade & Supply Chain; L&SF: Loans & Specialised Finance
2. DVA: Derivative Valuation Adjustment

NEW ZEALAND DIVISION

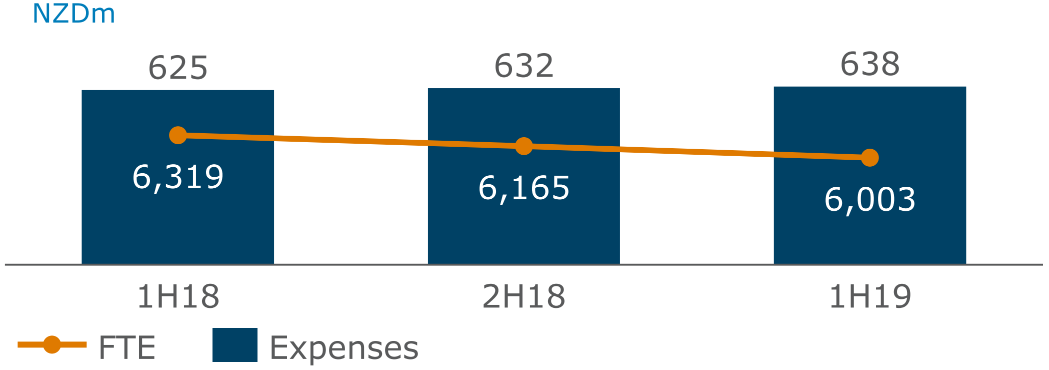
CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

	1H19 (NZDm)	1H19 v 2H18	1H19 v 1H18
Income	**1,756**	**0%**	**1%**
Net interest income	1,460	0%	3%
Other operating income	296	1%	-4%
Expenses	**638**	**1%**	**2%**
Profit before Provisions	**1,118**	**0%**	**1%**
Provisions	31	294%[1]	41%
Cash Profit	**782**	**-4%**	**0%**
Net Loans & Adv. (NZDb)	**124**	**2%**	**5%**
Customer Deposits (NZDb)	**89**	**2%**	**6%**

VOLUMES



EXPENSES



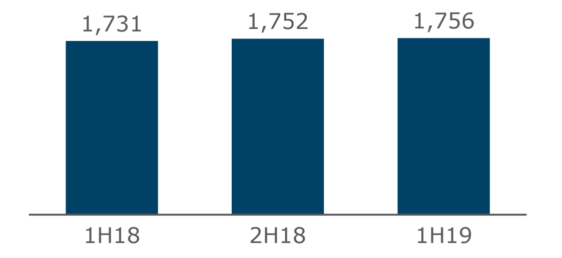
1. 1H19 charge of $31m v 2H18 release of $16m
2. Net interest income divided by average credit risk weighted assets

NEW ZEALAND DIVISION

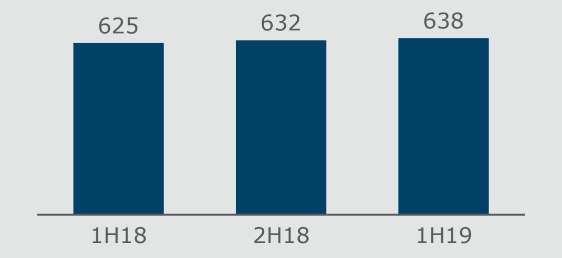
FINANCIAL PERFORMANCE: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

Solid home lending growth offset by customer preference for fixed rate products	Increased investment and inflation partially offset by productivity	Movement HOH reflects CP release in prior half Charge remains low	Consistent returns reflecting stable revenue and cost discipline

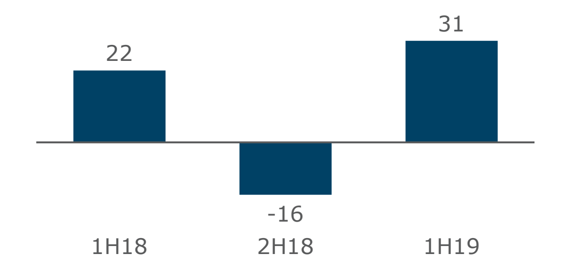
Income (NZDm)



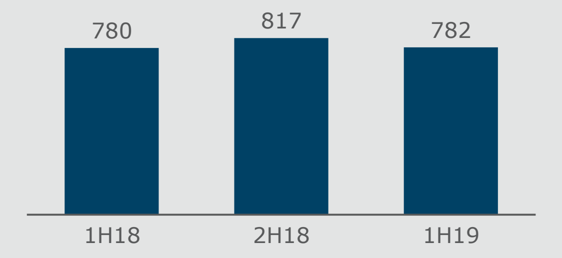
Expenses (NZDm)



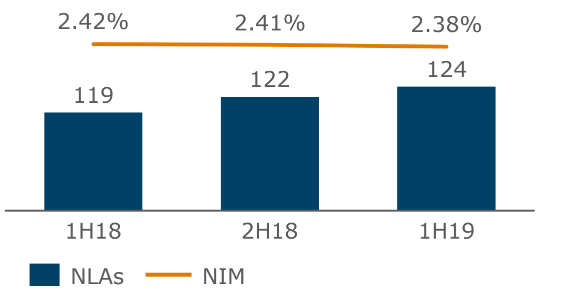
Total Provisions (NZDm)



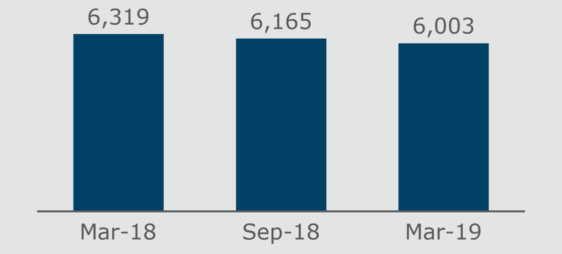
Cash Profit (NZDm)



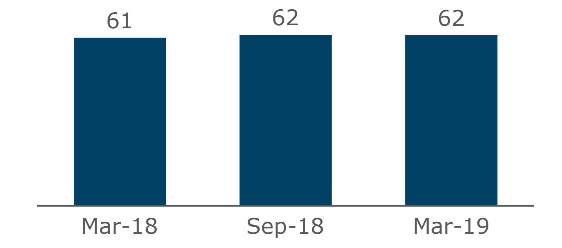
NLAs (NZDb) & NIM



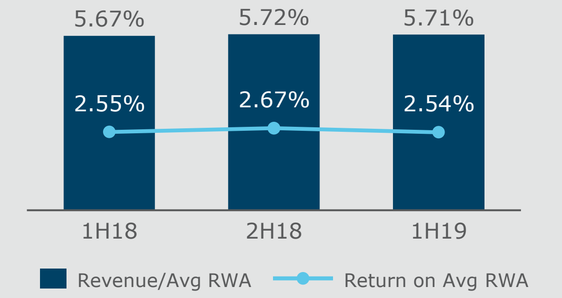
FTE



Risk Weighted Assets (NZDb)



Return



2019 HALF YEAR RESULTS

TREASURY

AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED

REGULATORY CAPITAL

CAPITAL UPDATE

Capital Position

- APRA Level 2 CET1 ratio of 11.5% (or 16.9% on an Internationally Comparable basis[1]), which is in excess of APRA's 'unquestionably strong' benchmark[2], well ahead of the 2020 implementation timeframe.
- APRA Level 1 CET1 ratio of 11.2%. Level 1 consolidation primarily comprises ANZ BGL (the Parent including offshore branches) but excludes offshore banking subsidiaries [3].
- APRA Leverage ratio of 5.4% (or 6.0% on an Internationally Comparable basis).
- Completed the $3bn on-market share buy-back.
- Level 2 capital benefits from divestments yet to settle: OPL (~40bp) and P&I (~20bp)

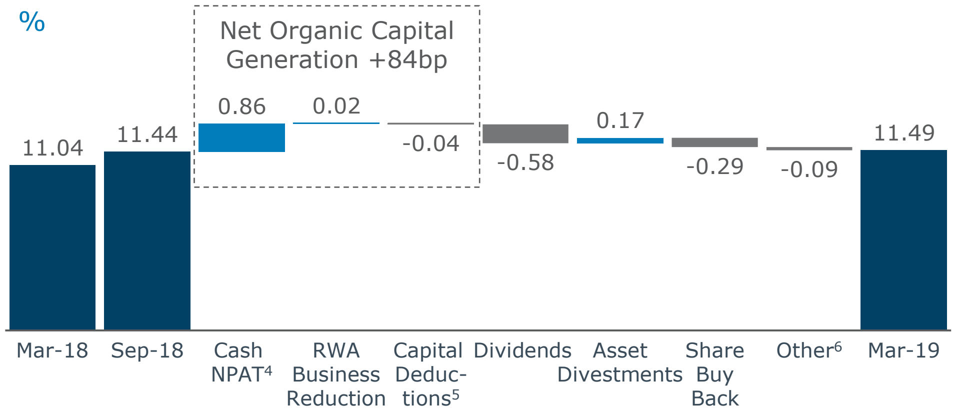
Organic Capital Generation & Dividend

- Final dividend of 80 cents per share fully franked.
- Net organic capital generation of 84bp for 1H19 compares favourably to historical averages (60bp ex Institutional rebalancing in FY16 and FY17).

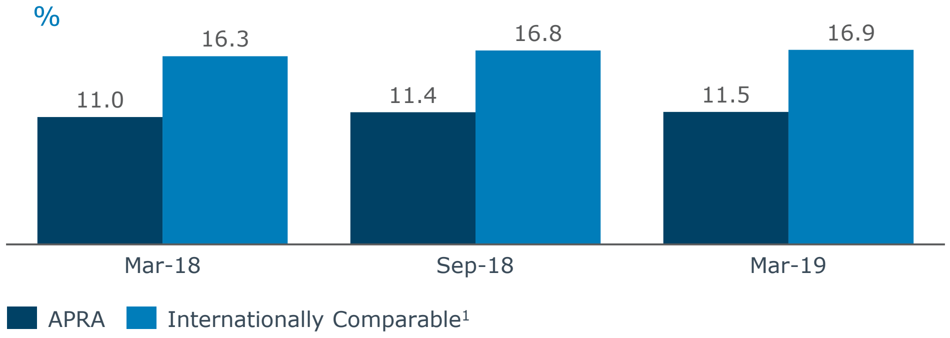
Capital Outlook – Regulatory Development

- RBNZ capital proposal – Potential capital increase in New Zealand of NZ$6bn to NZ$8bn (as per ASX announcement of 14 December) although the final impact on the Group depends on the outcome of the RBNZ consultation and other reviews currently underway by APRA.
- APRA loss absorbing capacity proposal – APRA is considering feedback from the industry. The proposal requires an increase in loss absorbing capacity of between 4% and 5% of RWA.
- Other ongoing APRA regulatory reviews potentially impacting the future capital position include: Revisions to capital framework (RWA), Unquestionably Strong capital calibration, Transparency, Comparability and Flexibility proposals and Related Party Exposures.

APRA LEVEL 2 COMMON EQUITY TIER 1 (CET1)



LEVEL 2 BASEL III CET1



1. Internationally Comparable methodology aligns with APRA's information paper entitled International Capital Comparison Study (13 July 2015). Basel III Internationally Comparable ratios do not include an estimate of the Basel I capital floor. 2. Based on APRA information paper "Strengthening banking system resilience – establishing unquestionably strong capital ratios" released in July 2017. 3. Refer to ANZ Basel III APS330 Pillar 3 disclosures. 4. Cash NPAT excludes 'Large/notable' items'. 5. Represents the movement in retained earnings in deconsolidated entities, capitalised software, expected losses in excess of eligible provisions shortfall and other intangibles. 6. Other impacts include large/notable items affecting the March 2019 cash earnings, movements in non-cash earnings, RWA modelling changes and net foreign currency translation.

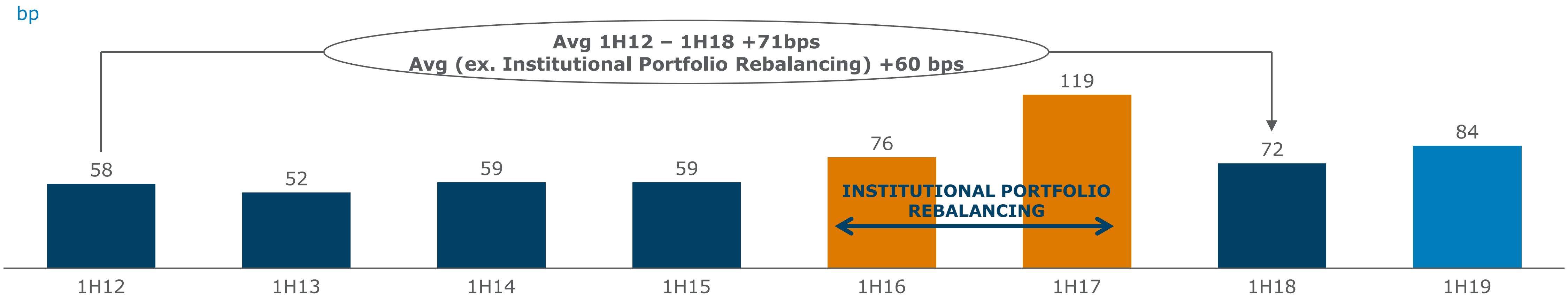
REGULATORY CAPITAL GENERATION

COMMON EQUITY TIER 1 GENERATION (bp)	First half average 1H12-1H18	1H19
Cash NPAT[1]	96	86
RWA movement	(12)	2
Capital Deductions[2]	(13)	(4)
Net capital generation	**71**	**84**
Gross dividend	(67)	(59)
Dividend Reinvestment Plan[3]	9	1
Core change in CET1 capital ratio	**13**	**26**
Other non-core and non-recurring items	8	(21)
Net change in CET1 capital ratio	**21**	**5**

Organic Capital Generation

- Net organic capital generation of +84bp for 1H19 is stronger than historical averages by +13bp.
- Excluding the halves with Institutional portfolio rebalancing, 1H19 net organic capital generation was +24bp stronger than prior period averages.

HISTORICAL NET ORGANIC CAPITAL GENERATION



1. Cash NPAT excludes ‘large/notable items’ (which are included as “other non-core and non-recurring items”).
2. Represents movement in retained earnings in deconsolidated entities, capitalised software, expected losses in excess of eligible provisions shortfall and other intangibles.
3. Includes Bonus Option Plan.

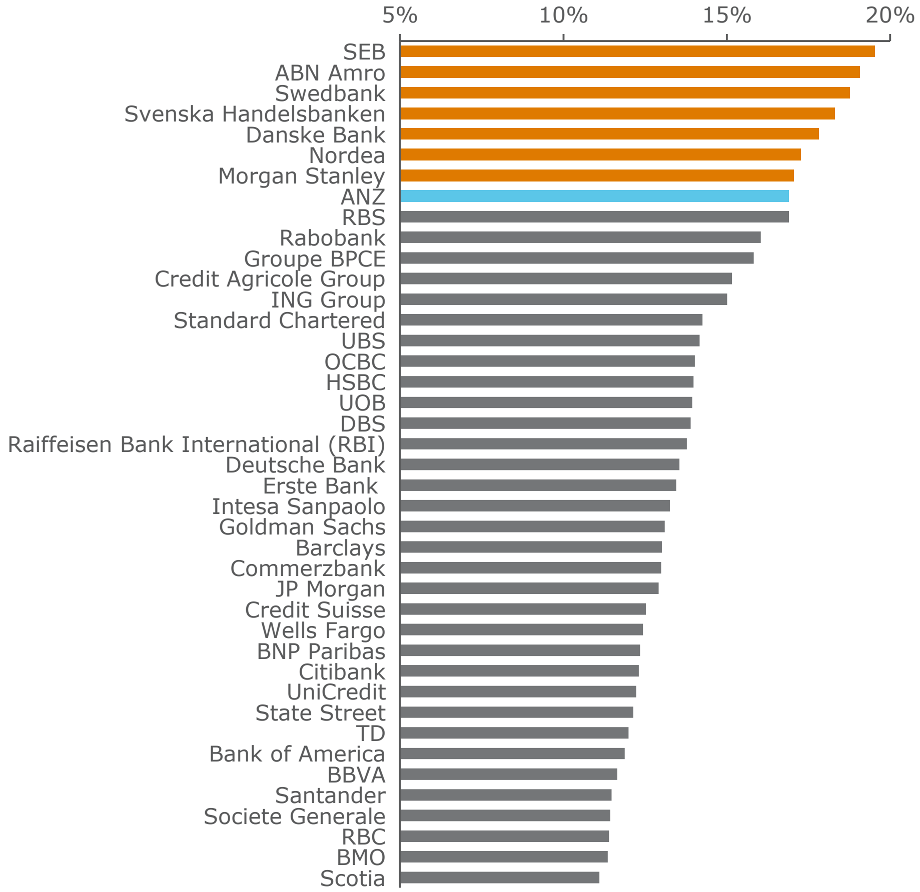
INTERNATIONALLY COMPARABLE[1] REGULATORY CAPITAL POSITION

APRA Level 2 CET1 – 31 March 2019		11.5%
Corporate undrawn EAD and unsecured LGD adjustments	Australian ADI unsecured corporate lending LGDs and undrawn CCFs exceed those applied in many jurisdictions	1.7%
Equity Investments & DTA	APRA requires 100% deduction from CET1 vs. Basel framework which allows concessional threshold prior to deduction	1.0%
Mortgages	APRA requires use of 20% mortgage LGD floor vs. 10% under Basel framework. Additionally, APRA also requires a higher correlation factor vs 15% under Basel framework.	1.3%
Specialised Lending	APRA requires supervisory slotting approach which results in more conservative risk weights than under Basel framework	0.8%
IRRBB RWA	APRA includes in Pillar 1 RWA. This is not required under the Basel framework	0.2%
Other	Includes impact of deductions from CET1 for capitalised expenses and deferred fee income required by APRA, currency conversion threshold and other retail standardised exposures	0.4%
Basel III Internationally Comparable CET1		**16.9%**
Basel III Internationally Comparable Tier 1 Ratio		**19.3%**
Basel III Internationally Comparable Total Capital Ratio		**21.7%**

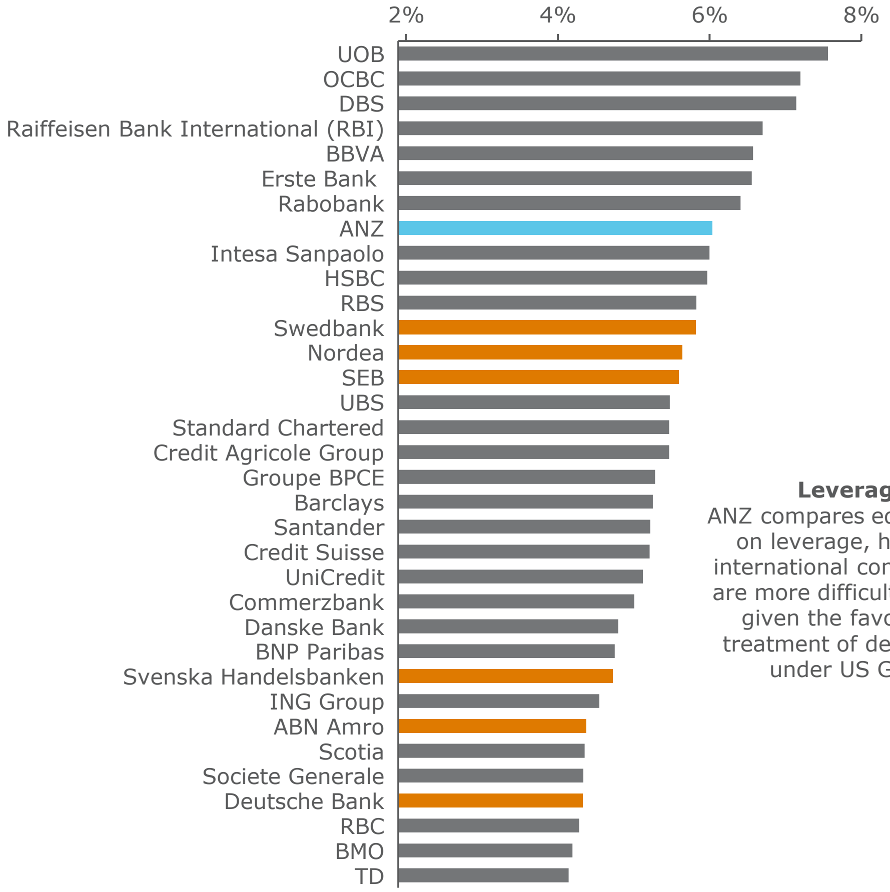
1. Internationally Comparable methodology aligns with APRA's information paper entitled International Capital Comparison Study (13 July 2015). Basel III Internationally Comparable ratios do not include an estimate of the Basel I capital floor.

CET1 AND LEVERAGE IN A GLOBAL CONTEXT

CET1 RATIOS[1]



LEVERAGE RATIOS[1,2]



Leverage

ANZ compares equally well on leverage, however international comparisons are more difficult to make given the favourable treatment of derivatives under US GAAP

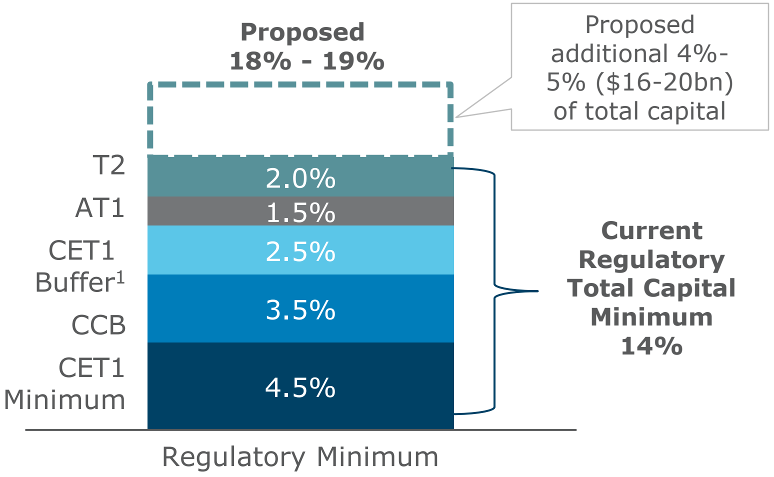
1. CET1 and leverage ratios are based on ANZ estimated adjustment for accrued expected future dividends where applicable. ANZ ratios are on an Internationally Comparable basis. All data sourced from company reports and ANZ estimates based on last reported half/full year results assuming Basel III capital reforms fully implemented. 2. Includes adjustments for transitional AT1 where applicable. Exclude US banks as leverage ratio exposures are based on US GAAP accounting and therefore incomparable with other jurisdictions which are based on IFRS.

TLAC

APRA PROPOSAL AND CONSULTATION: INCREASING LOSS ABSORBING CAPACITY OF ADIs

APRA PROPOSAL

- The key element of APRA's proposal for the 4 major banks is to **increase Total Capital requirements by 4-5%** of RWA
- APRA's original proposal anticipated the D-SIB's would satisfy this additional requirement predominantly with **Tier 2** capital.
- Based on ANZ's RWA of $391b as at 30 September 2018, this equates to an incremental increase of approximately **$16b to $20b** of Total Capital
- This would result in an estimated Total Capital ratio, on an internationally harmonised basis of 26-27%, well in excess of the FSB TLAC minimum of 21.5% (18% plus Capital Conservation Buffer (CCB) of 3.5%)
- D-SIBs to satisfy by 2023[2]



RECENT CONSULTATION

- Following the release of APRA's proposal in November 2018, APRA requested submissions and cost-benefit information via a consultation process. The submission process ran through to February 2019
- Consultation process has been very open with a wide variety of stakeholders engaged
- Recent APRA speeches have begun to acknowledge consultation feedback including appropriate form of instrument

Pat Brennan - March 2019:

- *"In the debate about what is the best form of LAC, many submissions concentrated on its form and understandably referred to the variety of international approaches that have emerged. Submissions offered informative perspectives on the relative merits of differing forms of LAC from a capacity and efficiency perspective."*
- *"We have been given clear feedback in a number of submissions that the quantum of Tier 2 targeted, particularly at the higher end of the calibration range consulted on, will test the likely bounds of investor capacity."*
- *"Some submissions also questioned whether there are lower cost options to achieve the same level of recapitalisation capacity."*

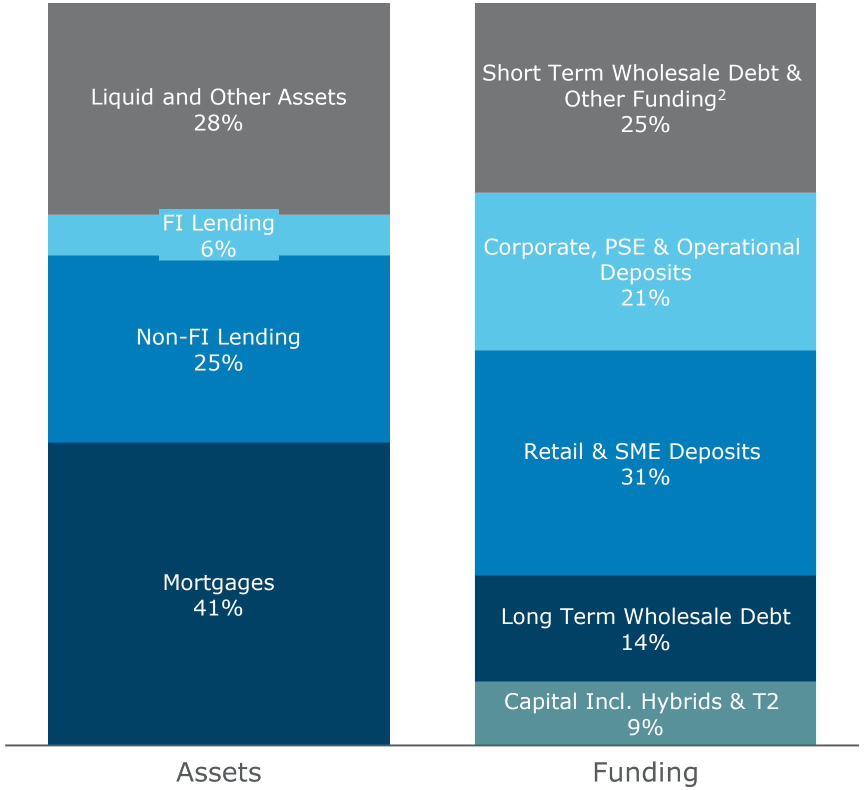
Wayne Byres - March 2019:

- *"We have been consulting on proposals to build greater loss absorbing capacity into bank liability structures. We've received feedback that our proposals need some revision. We will look at this carefully, but we do not wish to jeopardise two key objectives: developing a framework that is relatively simple to implement and understand, and that does not jeopardise the access to funding that high credit ratings provide. This will be an important area of work in the months ahead."*

1. Buffer may change as a result of increased RWA due to implementation of further Basel reforms. APRA intends for the absolute amount of additional loss absorbency to remain unchanged.
2. D-SIBs have an implementation period of four years from the release of the final Total Capital requirements (expected in 2019)

BALANCE SHEET STRUCTURE

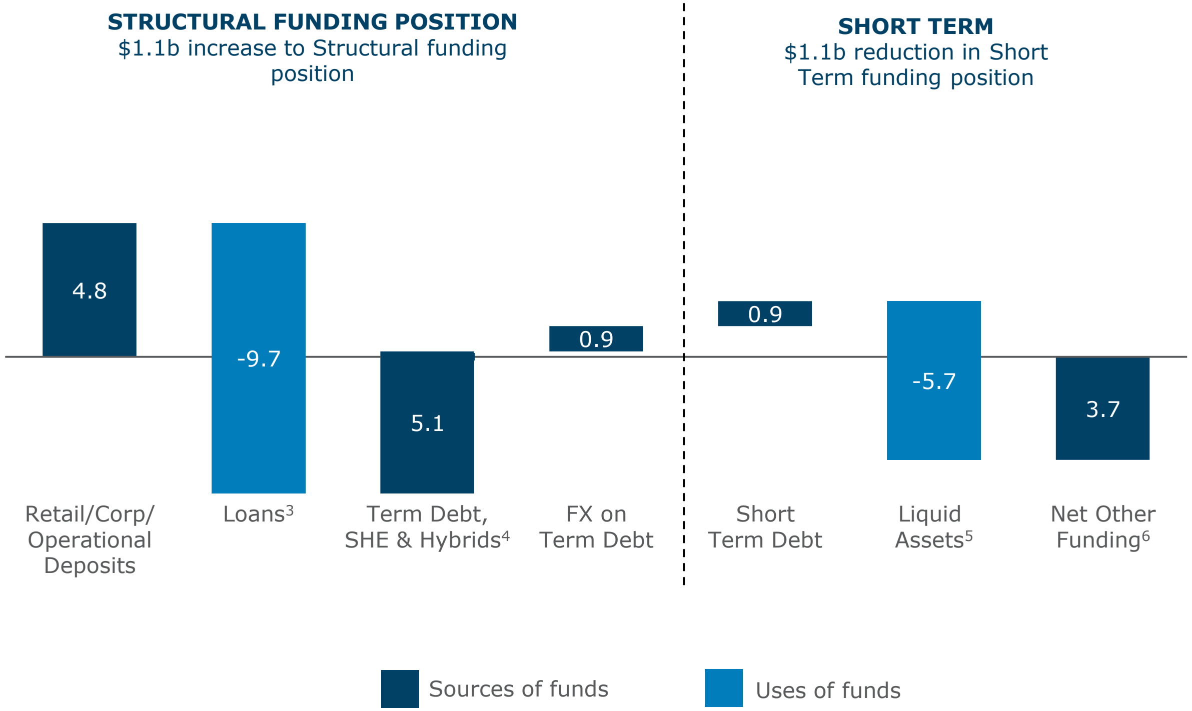
FUNDED BALANCE SHEET COMPOSITION[1]



SOURCES AND USES OF FUNDS

Sep 2018 to Mar 2019

$b (including FX impact)

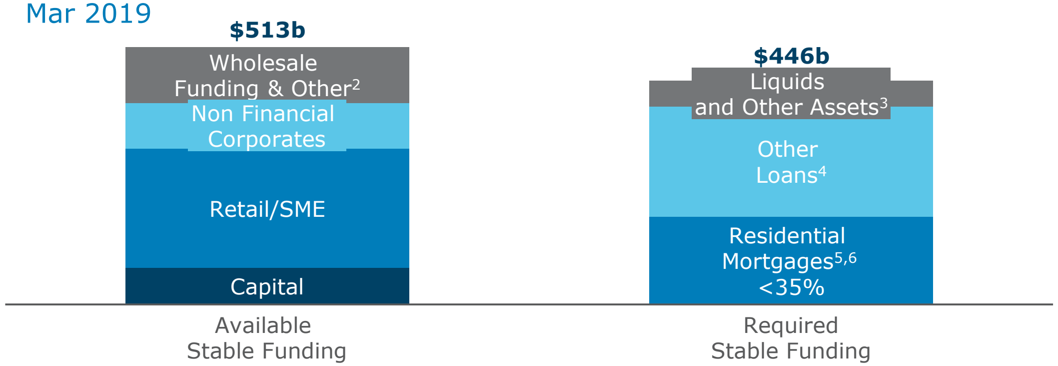


1. Based on NSFR Required Stable Funding (RSF) and Available Stable Funding (ASF) categories per APS 210. 2. Includes FI/Bank deposits, Repo funding, and other short dated liabilities. 3. Excludes interbank, repo loans and bills of acceptances. 4. Term Debt & Hybrid issuance, net of maturities. 5. Includes $1.6bn mandatory and $4bn discretionary liquids growth. 6. Includes bank deposits, repo funding, non-HQLA other assets, interest accruals, provisions, payables and net tax liabilities, payables and other liabilities.

FUNDING & LIQUIDITY METRICS[1]

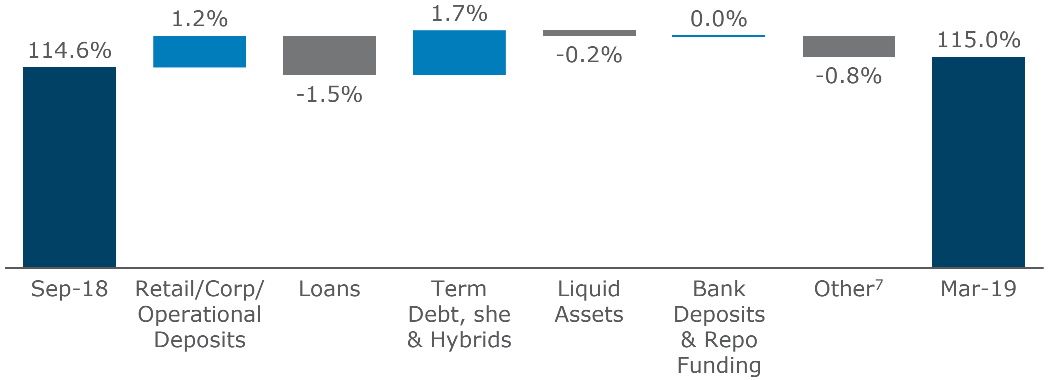
NSFR COMPOSITION

Mar 2019



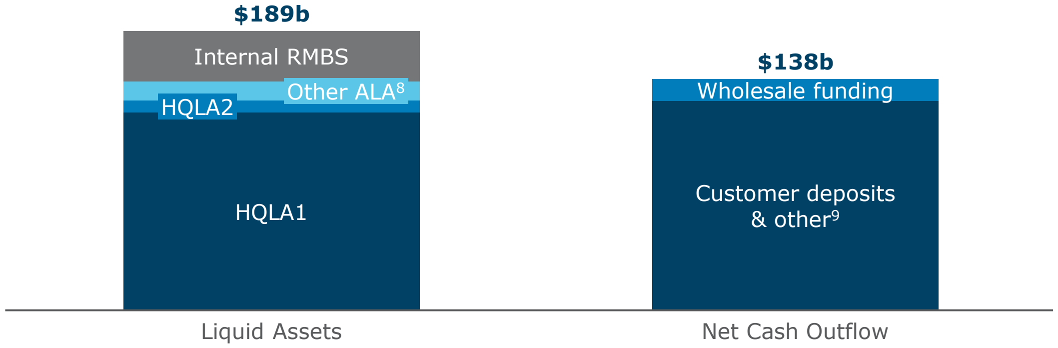
NSFR MOVEMENT

Sep 2018 v Mar 2019



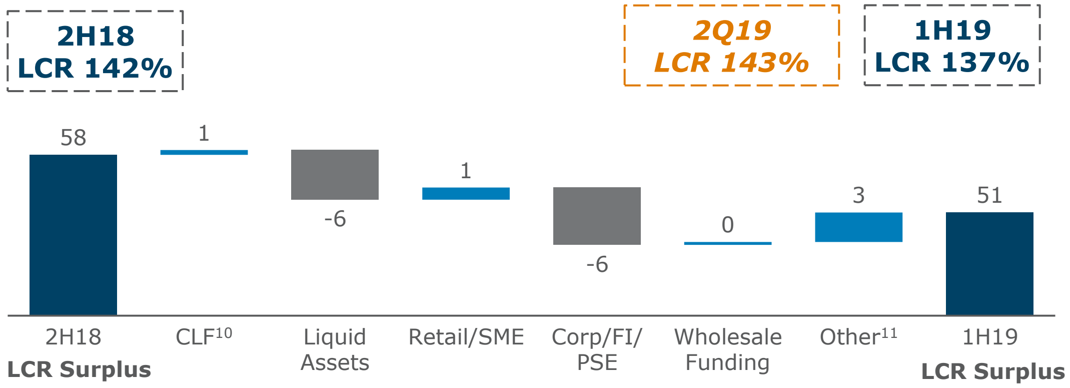
LCR COMPOSITION (AVERAGE)

1H19



MOVEMENT IN AVERAGE LCR SURPLUS (A$b)

2H18 v 1H19

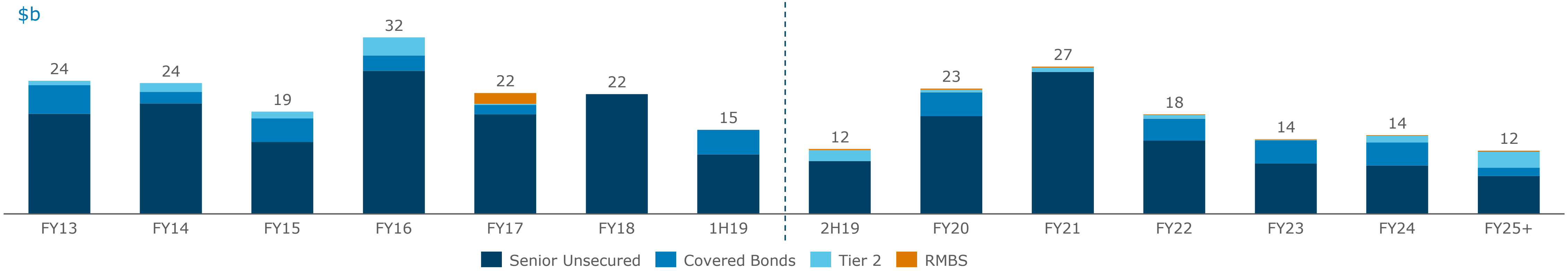


1. All figures shown on a Level 2 basis as per APRA Prudential Standard APS210. 2. 'Other' includes Sovereign, and non-operational FI Deposits. 3. 'Other Assets' include Off Balance Sheet, Derivatives, Fixed Assets and Other Assets. 4. All lending >35% Risk weight. 5. Includes NSFR impact of self-securitised assets backing the Committed Liquidity Facility (CLF). 6. <35% Risk weighting as per APS 112 Capital Adequacy: Standardised Approach to Credit Risk. 7. Net of other ASF and other RSF. 8. Comprised of assets qualifying as collateral for the Committed Liquidity Facility (CLF), excluding internal RMBS, up to approved facility limit; and any assets contained in the RBNZ's liquidity Policy – Annex: Liquidity Assets – Prudential Supervision Department Document BS13A . 9. 'Other' includes off-balance sheet and cash inflows. 10. RBA CLF increased by $1.1b from 1 January 2019 to $48.0bn (2018: $46.9bn, 2017: $43.8bn). 11. 'Other' includes off-balance sheet and cash inflows.

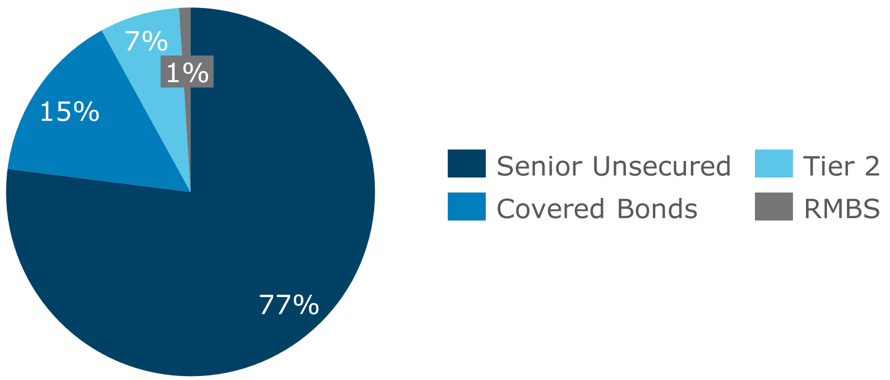
TERM WHOLESALE FUNDING PORTFOLIO[1]

ISSUANCE

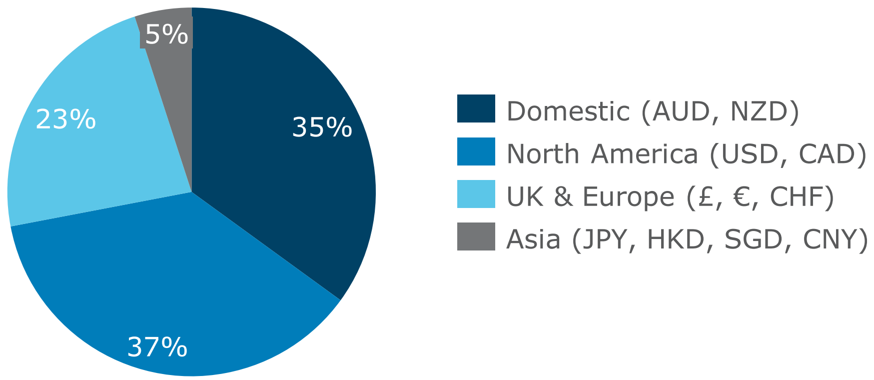
MATURITIES



PORTFOLIO



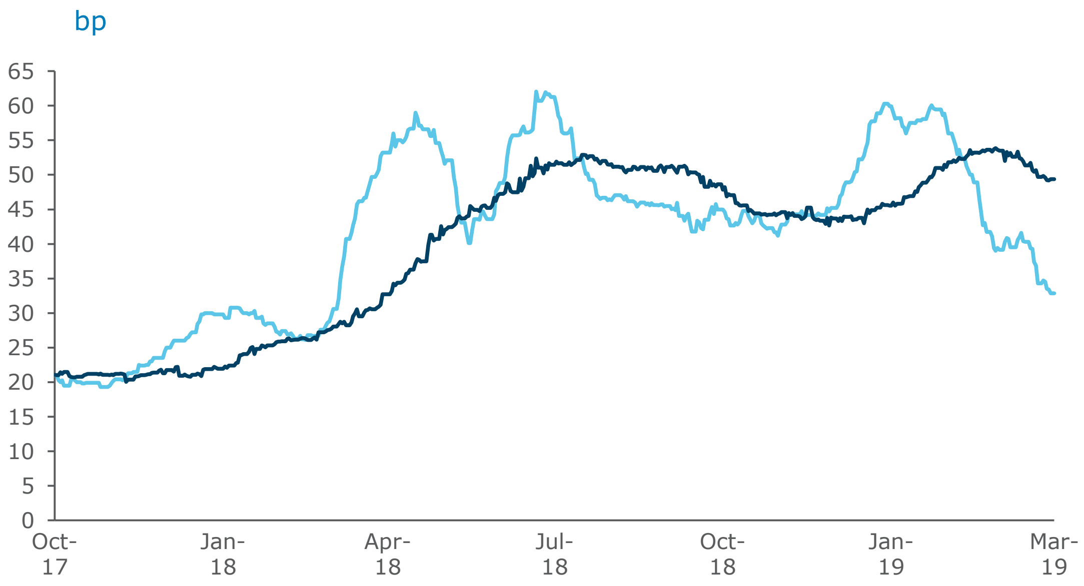
PORTFOLIO BY CURRENCY



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

IMPACTS OF RATE MOVEMENTS

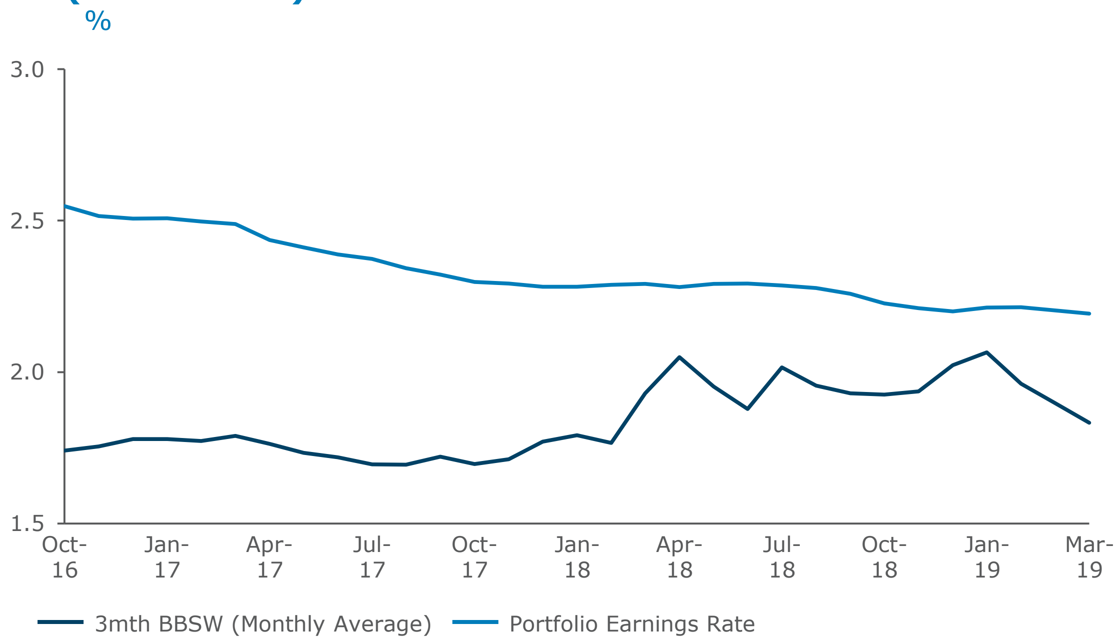
BILLS/OIS SPREAD



FY17 Ave[1]: 26.8bp	
1H17 Ave: 28.4bp	2H17 Ave: 25.2bp
FY18 Ave[1]: 36.3bp	
1H18 Ave: 24.4bp	2H18 Ave: 48.1bp
1H19 Ave[1]: 48.0bp	

1. 90 day rolling average of spot 3mth Bills/OIS spread

CAPITAL & REPLICATING DEPOSITS PORTFOLIO (AUSTRALIA)



FY17 Ave: 2.44%	
1H17 Ave: 2.51%	2H17 Ave: 2.38%
FY18 Ave: 2.29%	
1H18 Ave: 2.29%	2H18 Ave: 2.28%
1H19 Ave: 2.21%	

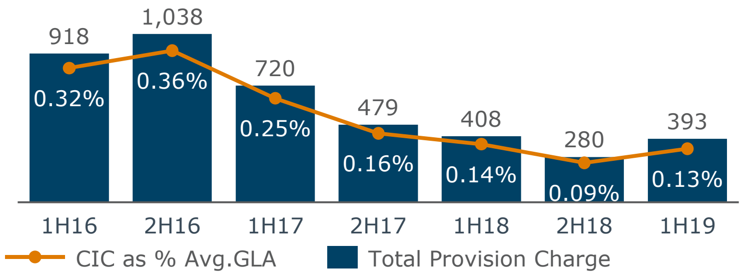
2019 HALF YEAR RESULTS

RISK MANAGEMENT

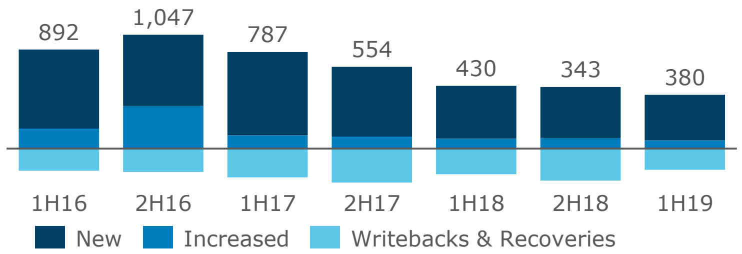
AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED

KEY RISK METRICS

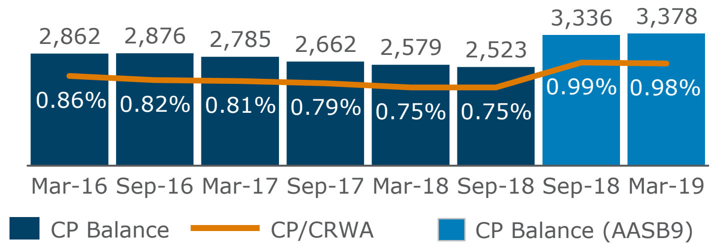
CREDIT IMPAIRMENT CHARGE ($m)



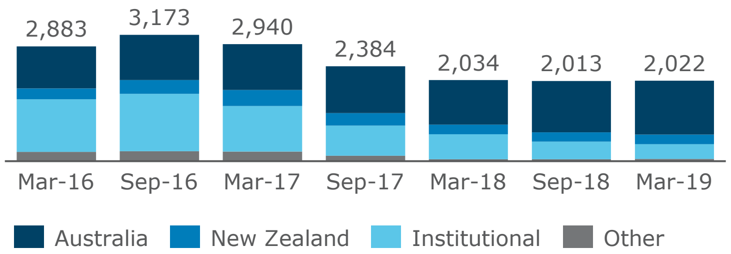
INDIVIDUAL PROVISION (IP) CHARGE ($m)



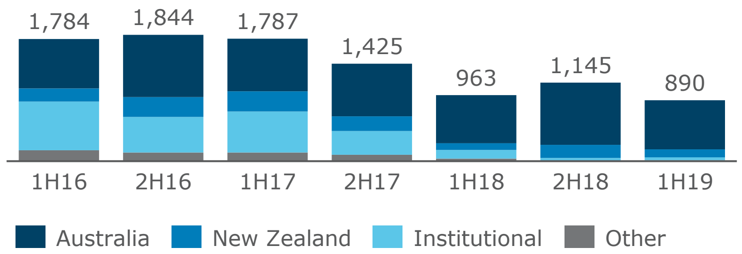
COLLECTIVE PROVISION (CP) BALANCE & COVERAGE ($m)



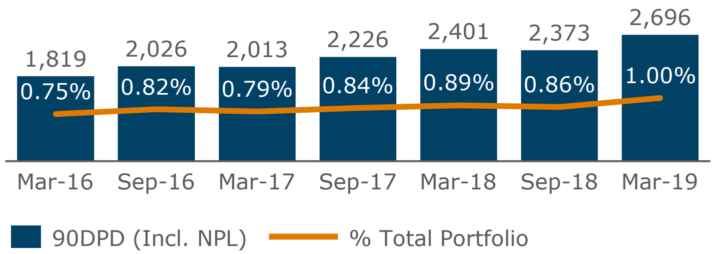
GROSS IMPAIRED ASSETS ($m)



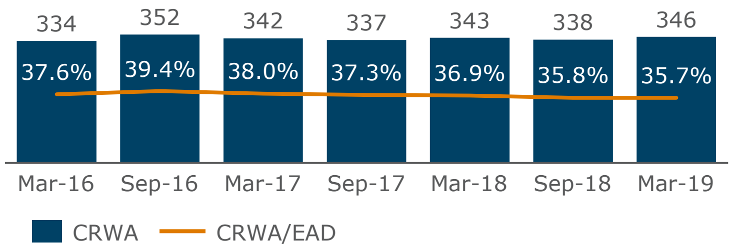
NEW IMPAIRED ASSETS ($m)



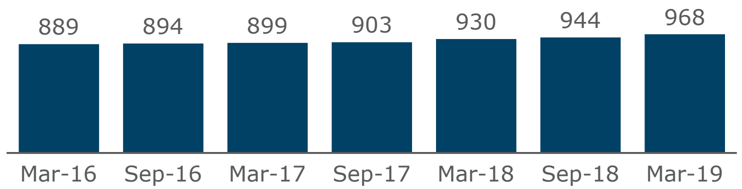
AUSTRALIA MORTGAGES 90DPD (INCL NPL) ($m)



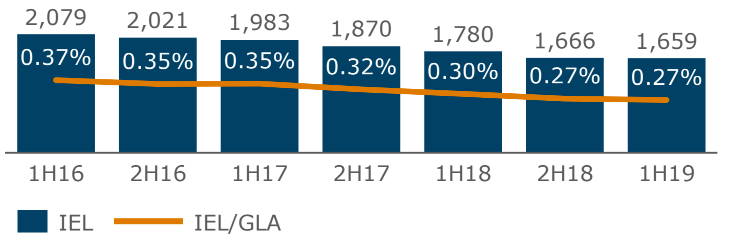
CREDIT RWA ($b)



EXPOSURE AT DEFAULT (EAD) ($b)



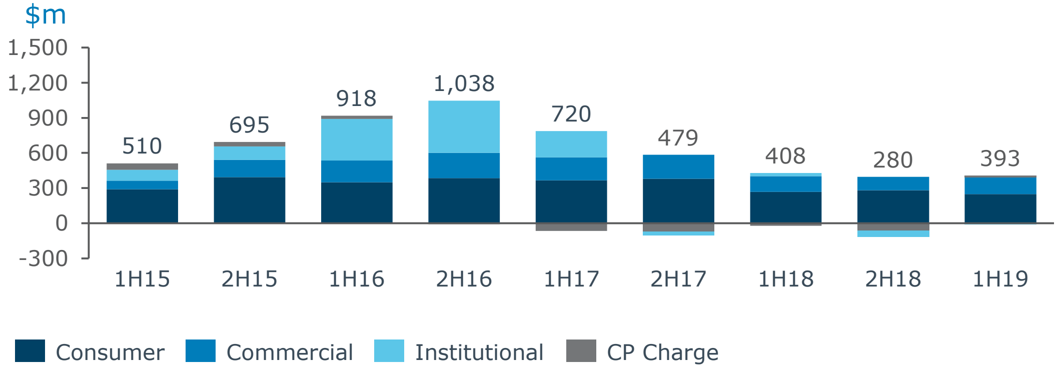
INTERNAL EXPECTED LOSS (IEL) ($m)



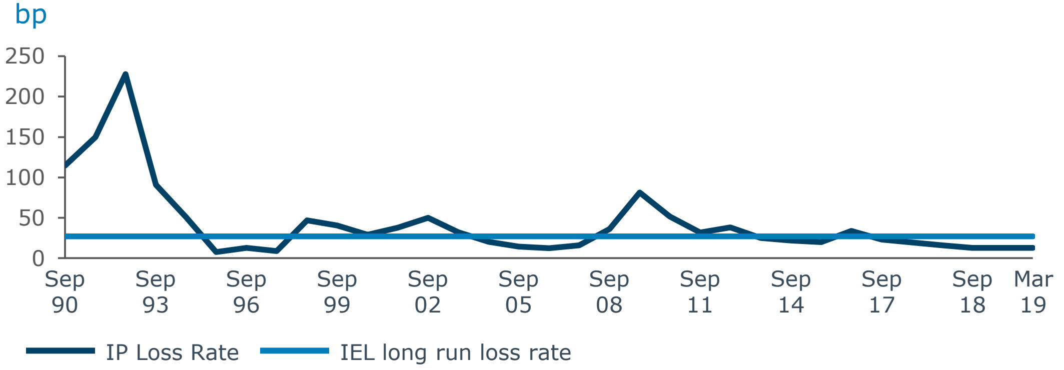
RISK MANAGEMENT

PROVISIONS

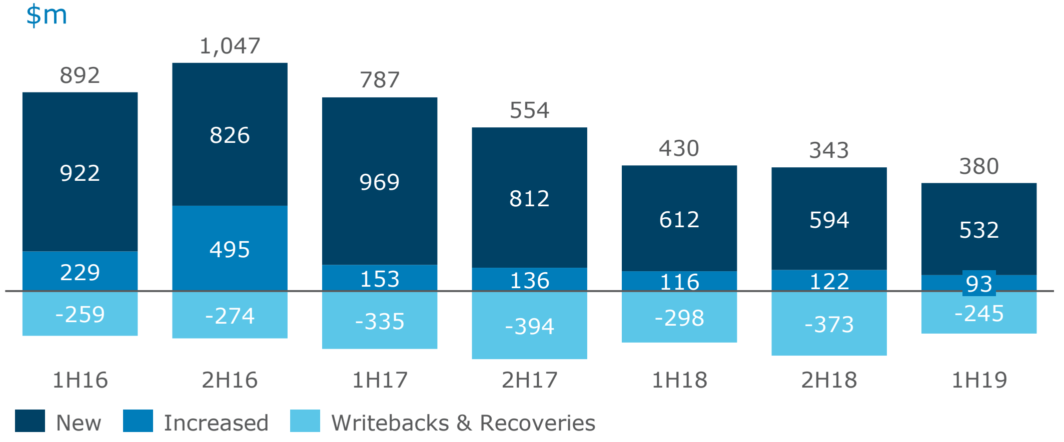
CREDIT IMPAIRMENT CHARGE



ANZ HISTORICAL LOSS RATES



INDIVIDUAL PROVISION CHARGE



LONG RUN LOSS RATE (INTERNAL EXPECTED LOSS)

%

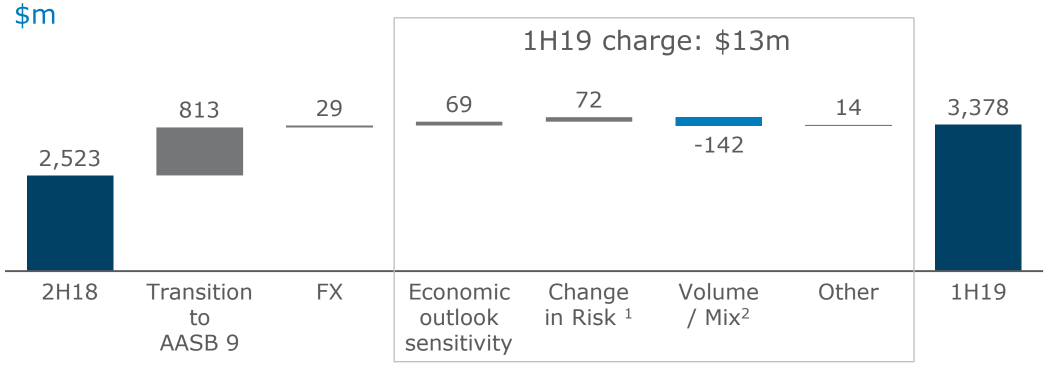
	Mar 16	Sep 16	Mar 17	Sep 17	Mar 18	Sep 18	Mar 19
Australia Div.	0.35	0.33	0.33	0.33	0.31	0.29	0.29
New Zealand Div.	0.25	0.26	0.26	0.22	0.21	0.19	0.19
Institutional Div.	0.37	0.36	0.35	0.30	0.32	0.27	0.27
Other	1.47	1.79	1.60	1.69	1.95	1.78	1.60
Subtotal	**0.34**	**0.33**	**0.33**	**0.30**	**0.30**	**0.27**	**0.27**
Asia Retail	1.50	1.51	1.51	2.75	0	0	0
Total	**0.37**	**0.35**	**0.35**	**0.32**	**0.30**	**0.27**	**0.27**

IP: Individual Provision charge; CP: Collective Provision charge; CIC: Total Credit Impairment charge

COLLECTIVE PROVISION

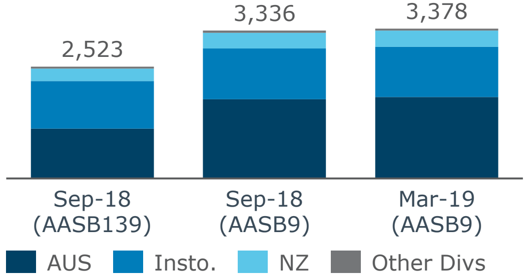
COLLECTIVE PROVISION (CP) BALANCE & MOVEMENT

$m



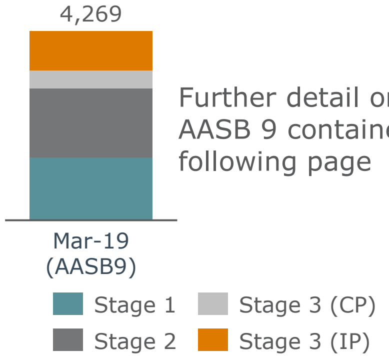
CP BALANCE

BY DIVISION ($m)



TOTAL PROVISION BALANCE

BY AASB 9 STAGES ($m)



Further detail on AASB 9 contained on following page

COLLECTIVE PROVISION CHARGE

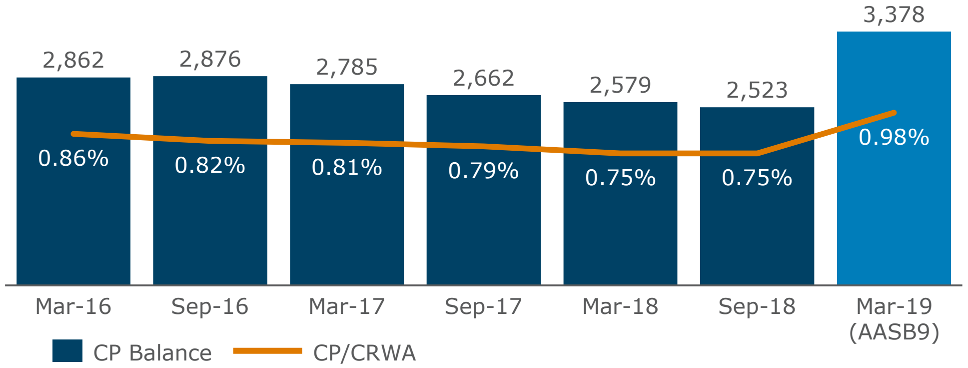
$m

AASB139						
	1H16	2H16	1H17	2H17	1H18	2H18
CP charge	**26**	**-9**	**-67**	**-75**	**-22**	**-63**
Lending Growth	56	-59	-30	-18	0	-4
Change in Risk/Portfolio Mix	-30	50	-78	-91	2	-108
Eco Cycle	0	0	41	34	-24	49

AASB9	
	1H19
CP charge	**13**
Volume/Mix[2]	-142
Change in Risk	72
Economic outlook sensitivity	69
Other	14

CP COVERAGE

$m

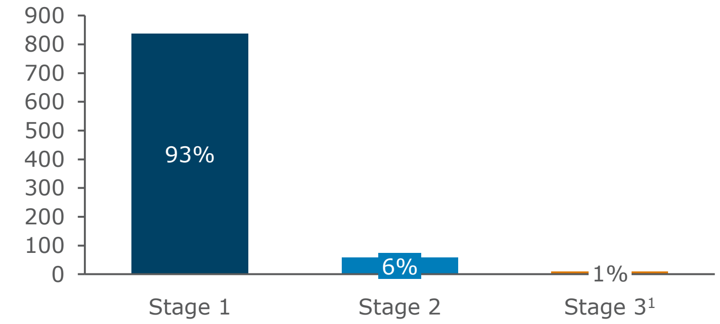


1. Measures the impact of PD or LGD migration of existing customers.
2. Measures the impact of new and increased lending offset by maturing loans / exiting customers

AASB 9 PROVISIONS

TRANSITIONED TO AASB9 ON 1 OCTOBER 2018

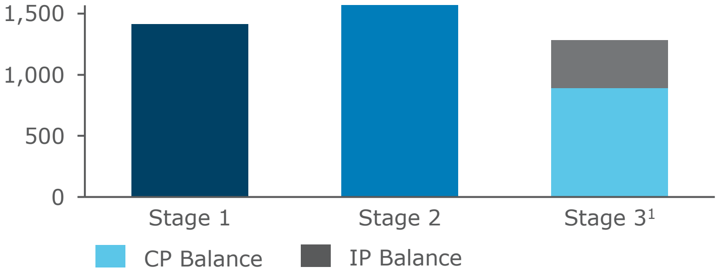
PORTFOLIO EXPOSURE BY STAGE



PROVISION BALANCE & COVERAGE RATIO

$m

	Stage 1	Stage 2	Stage 3
Coverage Ratio	0.19%	3.31%	20.76%



1. Includes portfolios in Stage 3 that are Collectively and Individually assessed

Stages

- Stage 1 - 12 months Expected Credit Loss (ECL)
    - On origination, Stage 1 for all facilities, remains unless significant increase in credit risk
- Stage 2 – Lifetime ECL
    - Significant increase in credit risk since origination
- Stage 3 – Non-performing: Lifetime ECL
    - Impairment provision of lifetime ECL is recognised. Includes both collectively and individually assessed provisions

Drivers between stages

- Retail: driven by Customer Behavioural Scores and delinquency
- Institutional & Commercial: Customer Credit Rating (CCR) migration

Total balance $4,269

- Stage 1: Weighted towards Institutional, largely Investment Grade
- Stage 2: Greater proportion of provisions are in Aus & NZ, allocated to Retail and Business Banking
- Stage 3: Comprises of $395m Collective Provisions and $891 Individual Provisions

Divers of ECL:

Main drivers:

- Economic outlook: A probability weighted ECL is determined by weighting the ECL outcome over 4 economic scenarios: Base Case (the Group’s current economic outlook), Downside, Upside, and Stress
- Stage categorisation: Customers who have experienced a significant increase in credit risk (SICR) are subject to lifetime ECL rather than 12 months

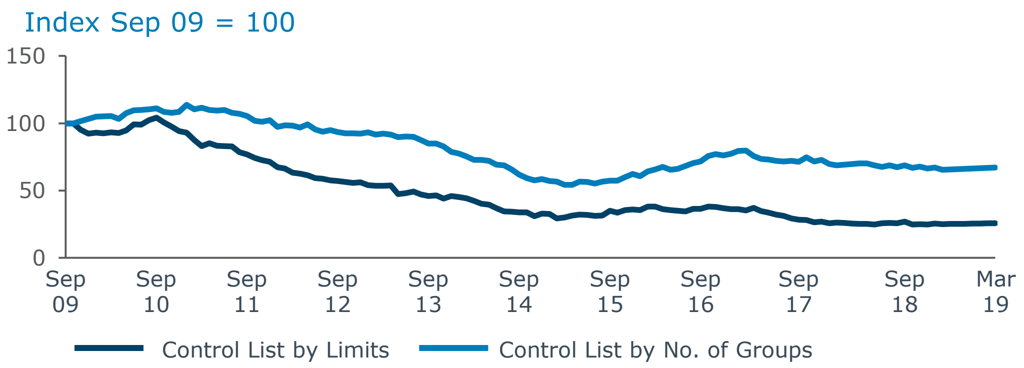
Other drivers:

- Temporary adjustments: relating to one-off events which may affect ECL but are not currently reflected in the modelled provision balance

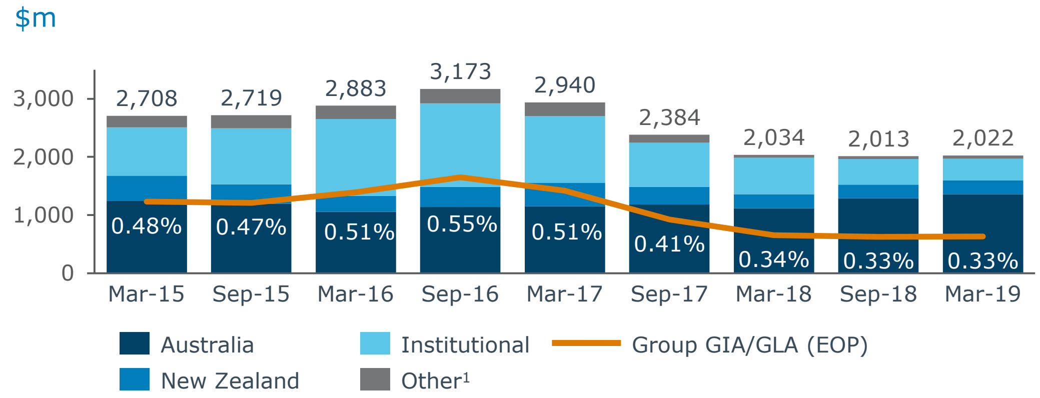
RISK MANAGEMENT

IMPAIRED ASSETS

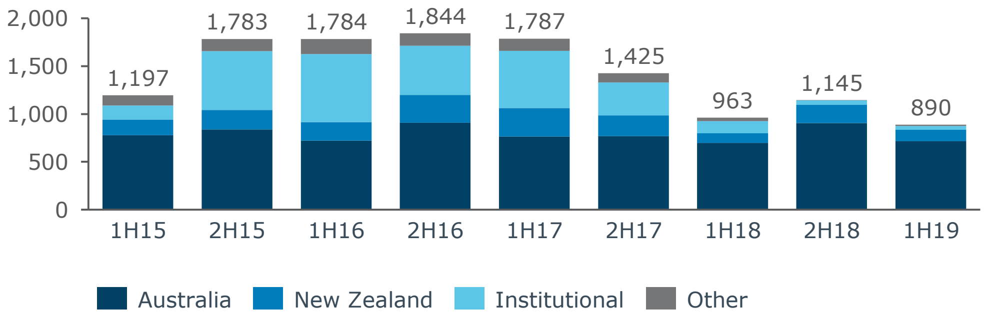
CONTROL LIST



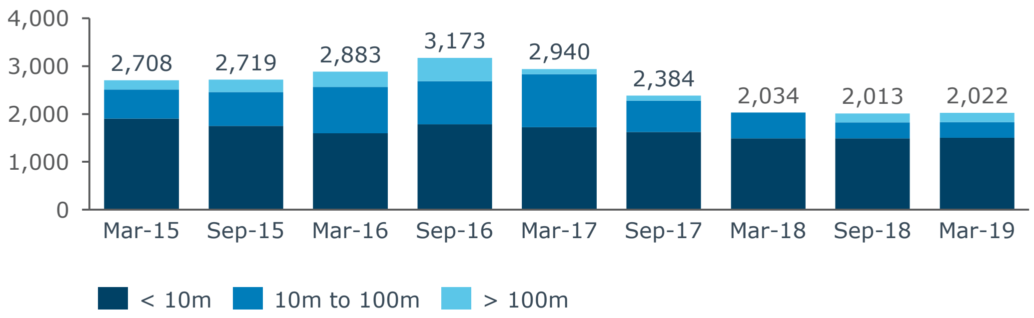
GROSS IMPAIRED ASSETS BY DIVISION



NEW IMPAIRED ASSETS BY DIVISION



GROSS IMPAIRED ASSETS BY EXPOSURE SIZE

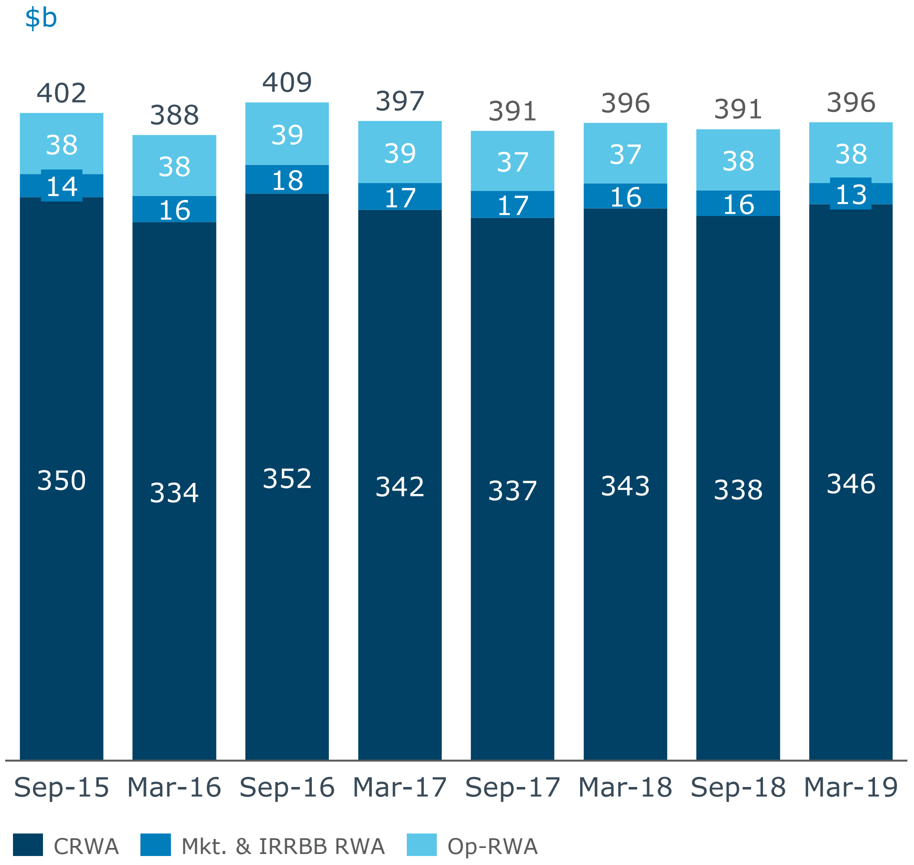


1. Other includes Retail Asia & Pacific and Australian Wealth.

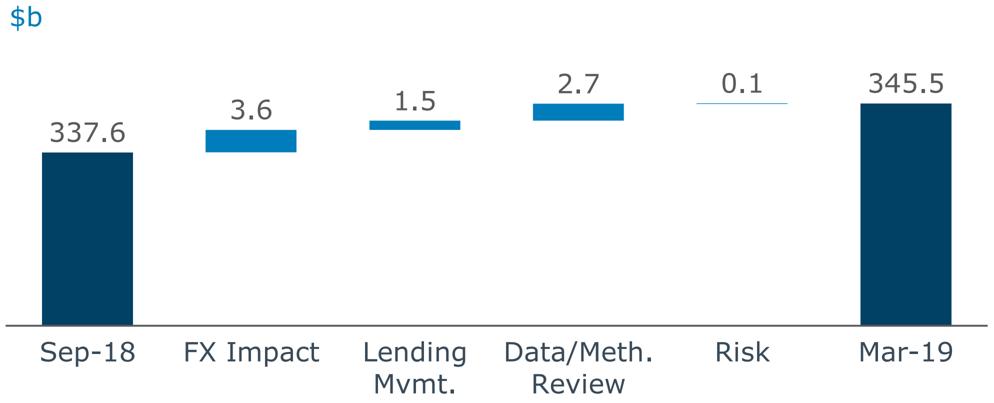
RISK MANAGEMENT

RISK WEIGHTED ASSETS

TOTAL RISK WEIGHTED ASSETS

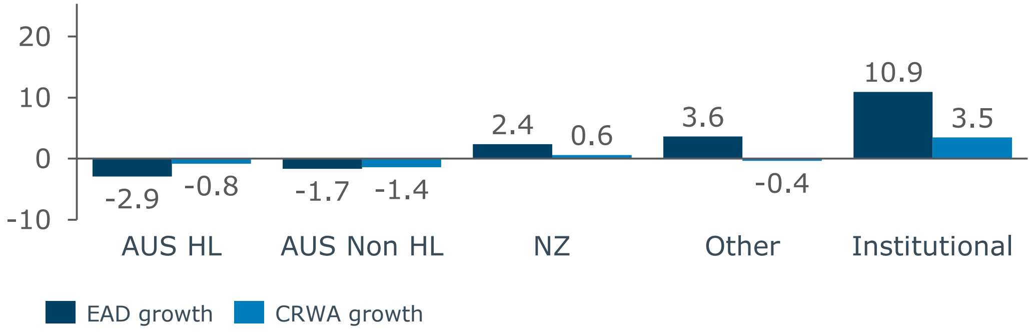


CRWA MOVEMENT



GROUP EAD & CRWA GROWTH MOVEMENT[1,2]

Mar-19 v Sep-18 ($b)

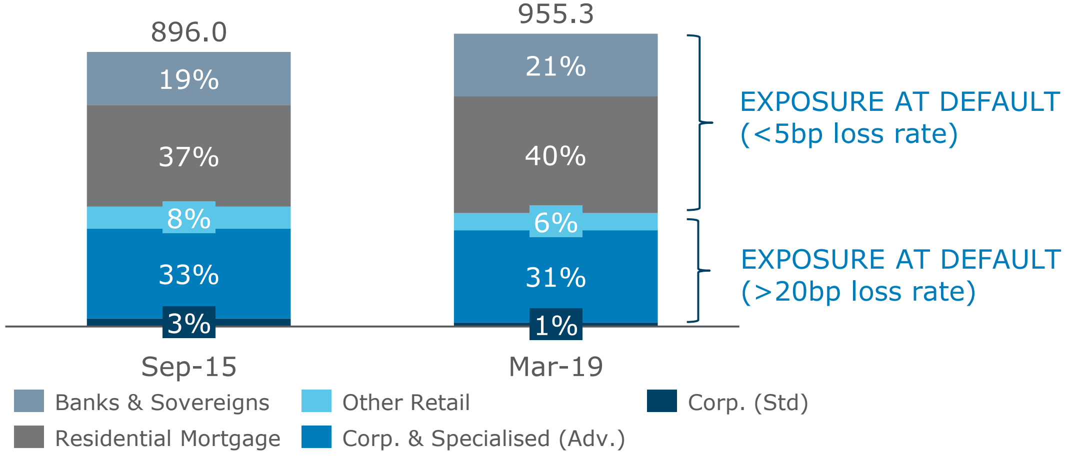


1. Post CRM EAD, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. Excludes amounts for 'Securitisation' and 'Other Assets' Basel asset classes.
2. Refers to FX adjusted lending movement, excluding Data/Meth Review and Risk.

IMPROVING PORTFOLIO RISK PROFILE

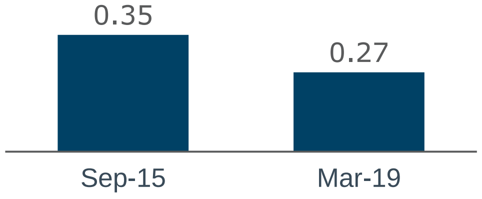
ACTIONS TAKEN TO IMPROVE RISK PROFILE	
Sold Asia Retail & Wealth businesses	(IEL 151bp)[1]
Sold Esanda Dealer Finance business	(IEL 100bp)[2]
Largely exited Emerging Corporate portfolio in Asia	(IEL 41bp)[1]
Restricted growth in Australia unsecured retail lending	
Increased Institutional investment grade exposures	86% (Mar 19) 81% (Sep 15)

EXPOSURE AT DEFAULT BY ASSET CLASSES[3]

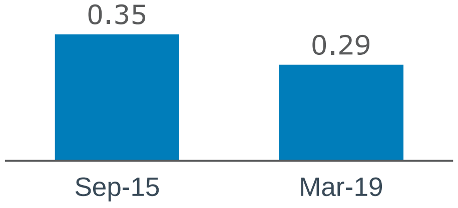


INTERNAL EXPECTED LOSS (IEL) (AS A % OF GROSS LENDING ASSETS)

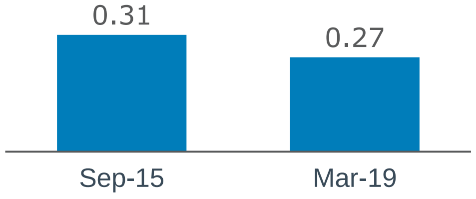
GROUP TOTAL (%)



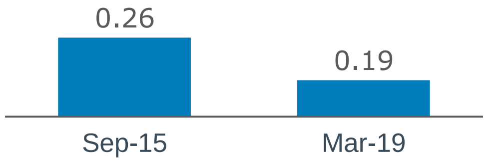
AUSTRALIA (%)



INSTITUTIONAL (%)



NEW ZEALAND (%)

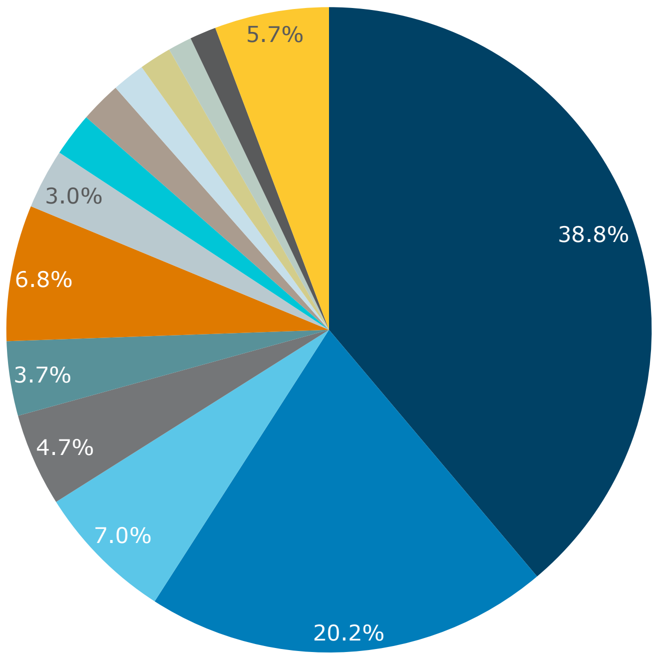


1. Internal expected loss as at September 2016
2. Internal expected loss as at September 2015
3. EAD excludes amounts for Securitisation, Other Assets, CVA and QCCP Basel classes

RISK MANAGEMENT

PORTFOLIO COMPOSITION

EXPOSURE AT DEFAULT (EAD) DISTRIBUTION



Category	% of Group EAD			% of Portfolio in Non Performing			Portfolio Balance in Non Performing
	Mar-18	Sep-18	Mar-19	Mar-18	Sep-18	Mar-19	Mar-19
Consumer Lending	40.5%	39.7%	38.8%	0.1%	0.1%	0.1%	$477
Finance, Investment & Insurance	18.5%	19.6%	20.2%	0.0%	0.0%	0.1%	$108
Property Services	6.6%	6.8%	7.0%	0.3%	0.3%	0.3%	$173
Manufacturing	4.5%	4.6%	4.7%	0.5%	0.4%	0.3%	$148
Agriculture, Forestry, Fishing	3.8%	3.7%	3.7%	1.1%	1.1%	1.1%	$387
Government & Official Institutions	7.1%	6.9%	6.8%	0.0%	0.0%	0.0%	$0
Wholesale trade	2.9%	3.0%	3.0%	0.4%	0.3%	0.3%	$79
Retail Trade	2.2%	2.2%	2.2%	0.9%	0.9%	0.7%	$154
Transport & Storage	2.1%	2.0%	2.1%	0.2%	0.2%	0.2%	$44
Business Services	1.7%	1.6%	1.6%	0.9%	0.9%	1.0%	$163
Resources (Mining)	1.6%	1.6%	1.6%	0.9%	0.3%	0.3%	$50
Electricity, Gas & Water Supply	1.3%	1.2%	1.2%	0.1%	0.1%	0.1%	$16
Construction	1.4%	1.4%	1.3%	1.8%	1.7%	1.8%	$233
Other	5.9%	5.7%	5.7%	0.4%	0.4%	0.4%	$217
Total	100%	100%	100%				$2,249m
Total Group EAD[1]	**$930b**	**$944b**	**$968b**				

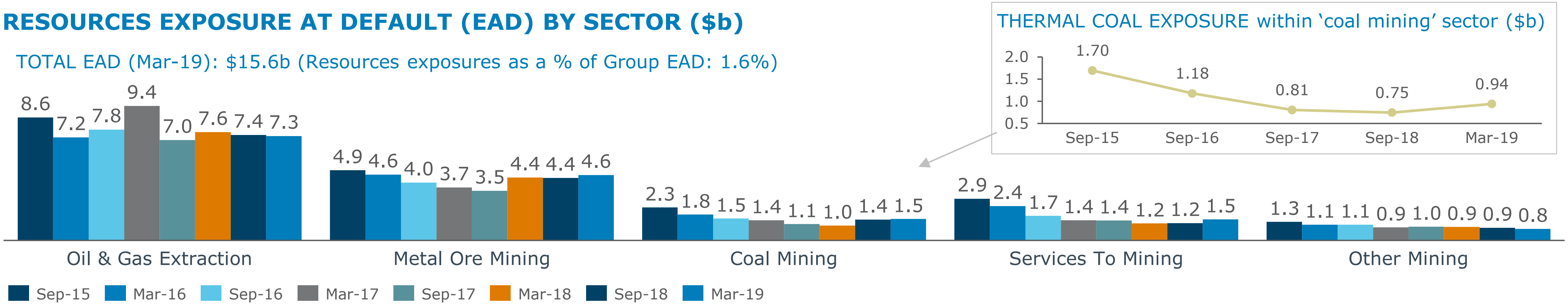
1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral.

RISK MANAGEMENT

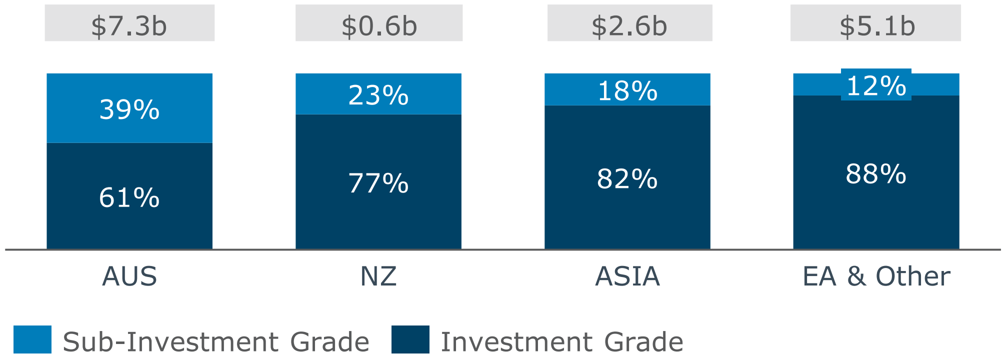
GROUP RESOURCES PORTFOLIO

RESOURCES EXPOSURE AT DEFAULT (EAD) BY SECTOR ($b)

TOTAL EAD (Mar-19): $15.6b (Resources exposures as a % of Group EAD: 1.6%)



EAD & CREDIT QUALITY (Mar-19)



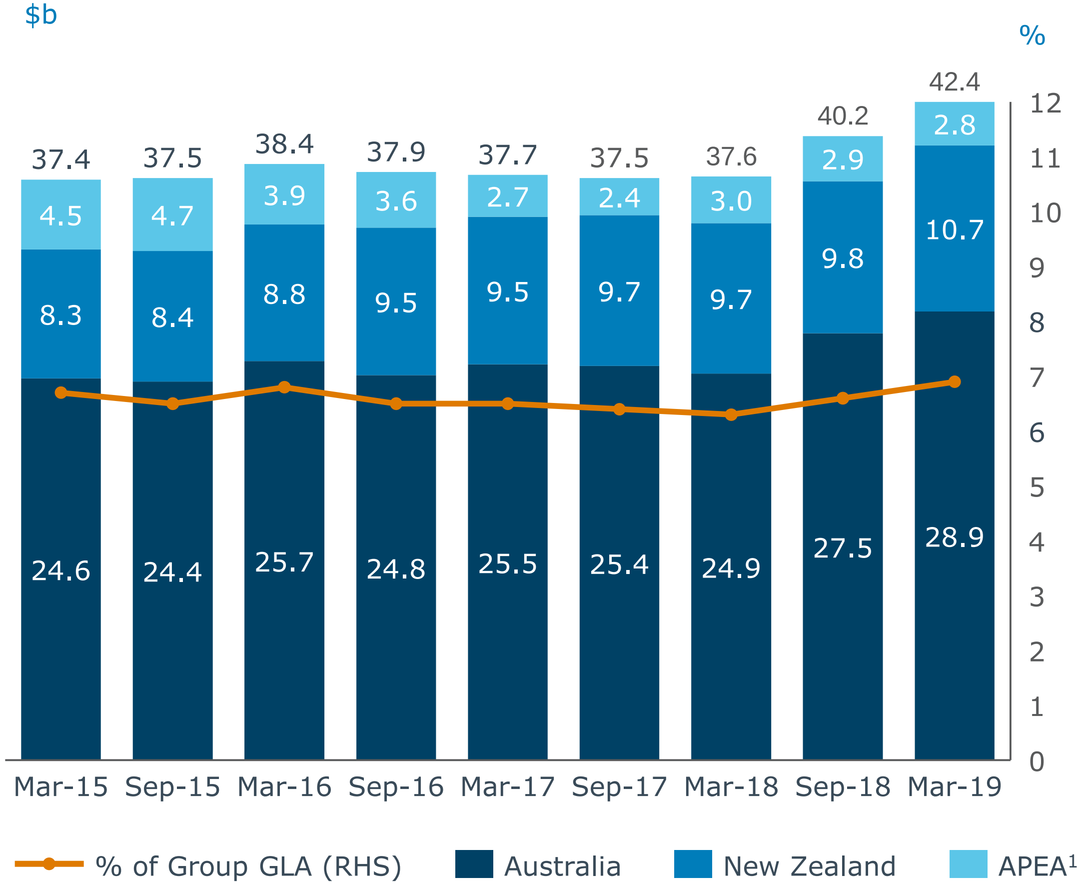
RESOURCES PORTFOLIO MANAGEMENT

- Portfolio is skewed towards well capitalised and lower cost resource producers.
- 27% of the book is less than one year duration.
- Investment grade exposures represent 74% of portfolio vs. 67% at Mar 18 and Trade business unit accounts for 19% of the total Resources EAD.
- Mining services customers are subject to heightened oversight given the cautious outlook for the services sector.
- Increased coal mining exposure in FY18 / 1H19 primarily reflects mergers and acquisitions activity related to existing mines, i.e. predominantly metallurgical coal assets sold by diversified miners to existing customers. Financing is mainly used to support continuing operations, and not mine expansions.
- Thermal coal exposure is currently $944m. We expect our thermal coal exposure to decline over time, as it has since 2015, though there was an increase in 1H19 due to one transaction for an existing customer and a reclassification of one exposure. Our exposures to thermal coal are primarily concentrated in a small number of Australian-based miners.

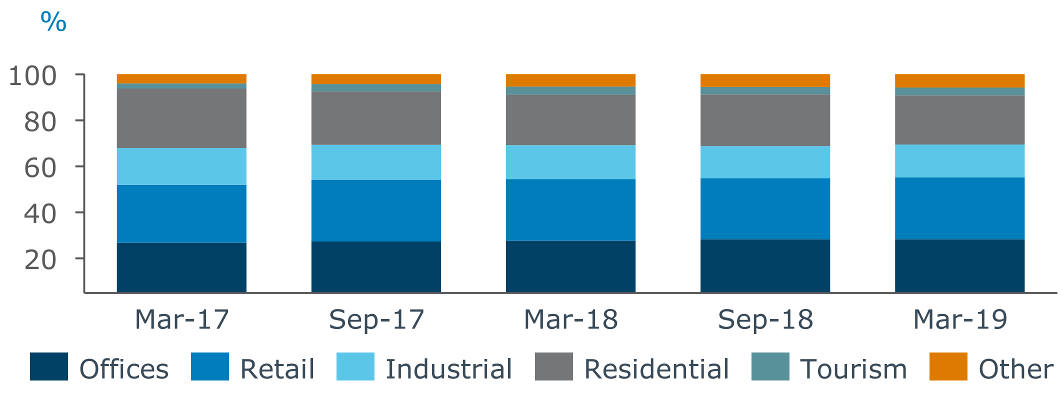
RISK MANAGEMENT

COMMERCIAL PROPERTY PORTFOLIO

COMMERCIAL PROPERTY OUTSTANDINGS BY REGION



COMMERCIAL PROPERTY OUSTANDINGS BY SECTOR



PROPERTY PORTFOLIO MANAGEMENT

- Australian volumes increased by 5% driven by higher lending to REITs and funds in both the Office and Retail sectors offset by a decline in Residential lending given the slowdown in the residential property market.
- Increase in New Zealand volumes was driven by exchange rate movements and investment lending growth in the Office sector.
- APEA volumes remained stable for 1H19 with the portfolio concentrated on large well rated names in Singapore and Hong Kong.

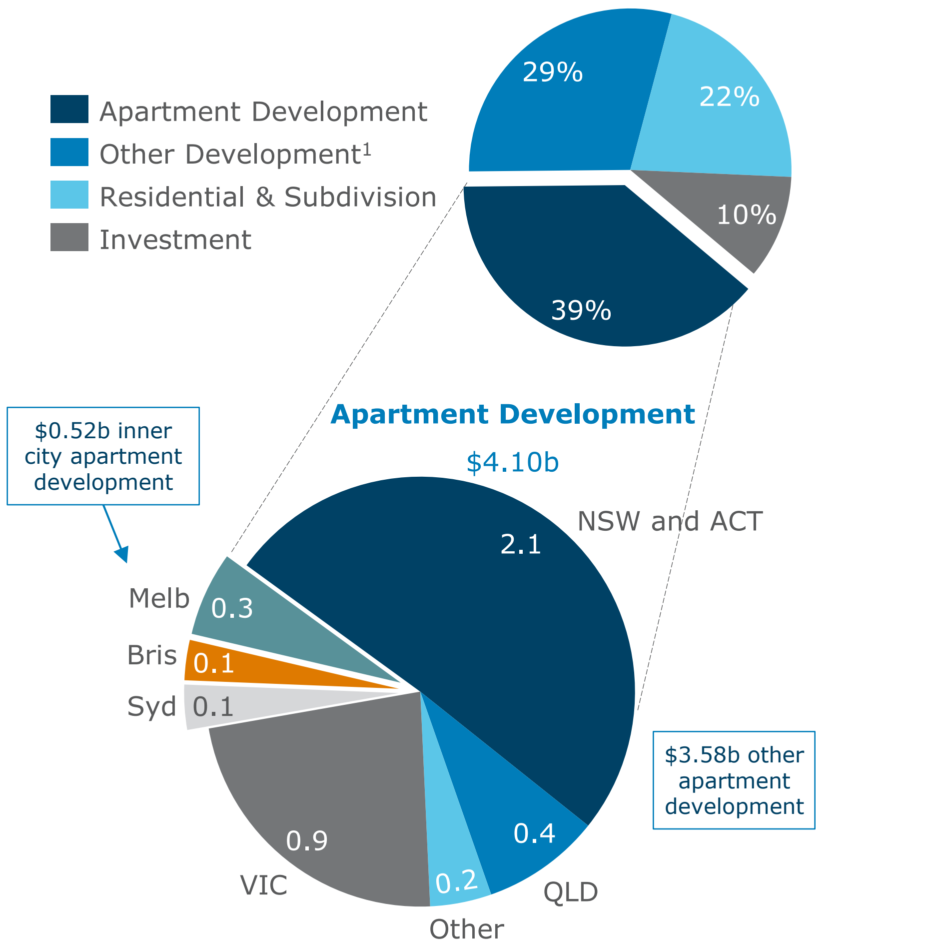
1. APEA = Asia Pacific, Europe & America.

RESIDENTIAL DEVELOPMENT

OVERVIEW

- Overall Apartment Development limits have increased by $0.2bn (4%) to $4.1bn as at 1H19 and account for 39% (prior half: 39%) of total Residential limits.
- Inner City Apartment limits totalled $0.5bn and accounted for 13% of total Apartment Development limits in 1H19 as compared to 14% in the prior half. This reduction was due to repayments from a couple of completed projects in Brisbane.
- Average qualifying pre-sales for Inner City Apartments Development loans and corresponding LVRs were 101%[2] and 49%, respectively as at Mar 19 (as compared to presales of 101% and LVR of 56% in Sep 18). These loans remain subject to tight parameters around LVR, presale debt cover and quantum of foreign purchaser presales.
- Outside of Inner City locations, Apartment Development limits were weighted towards the states of NSW and ACT (58%), VIC (26%) and QLD (10%) with minimal exposures in other states. These development exposures are predominantly in the suburbs of the capital cities of the above listed states.
- Residential Development projects continue to be closely monitored with level of oversight driven by progress of the project vs. plan, industry trends and emerging risks.

PROFILE (MAR 19)



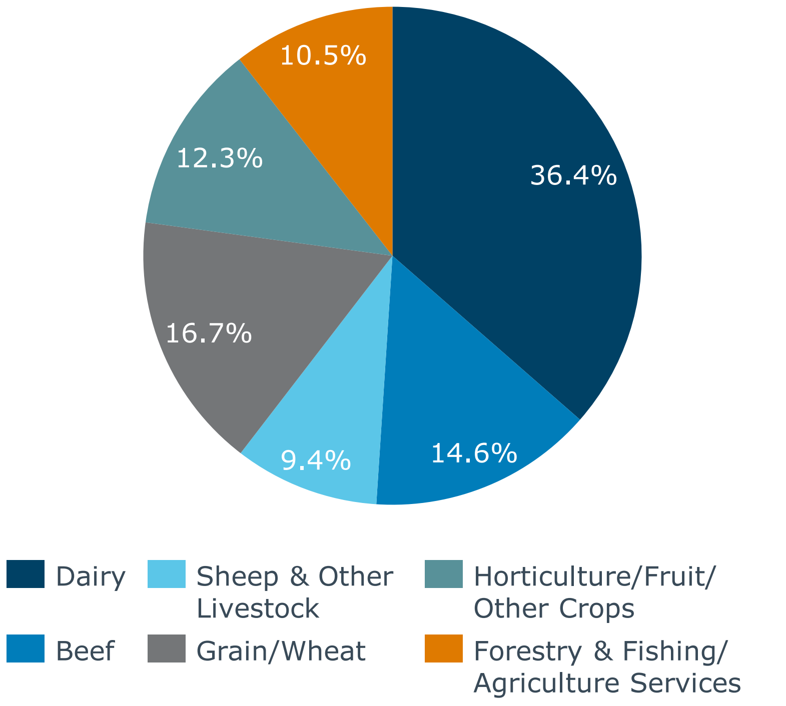
1. Other Development primarily comprises Low Rise & Prestige Residential and Multi Project Development
2. Percentage refers to debt coverage – dollar value of presales divided by total debt on the project

RISK MANAGEMENT

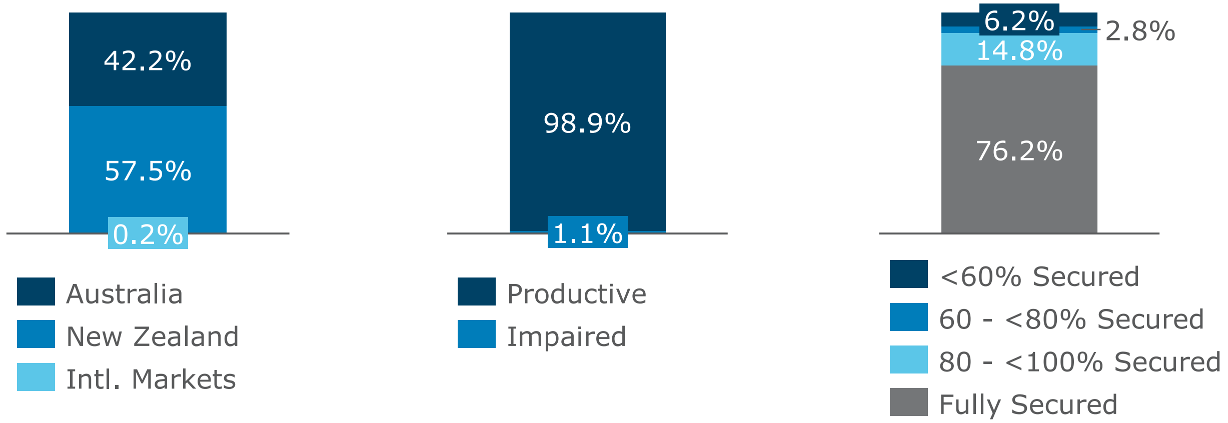
GROUP AGRICULTURE PORTFOLIO

AGRICULTURE EXPOSURE BY SECTOR (% EAD)

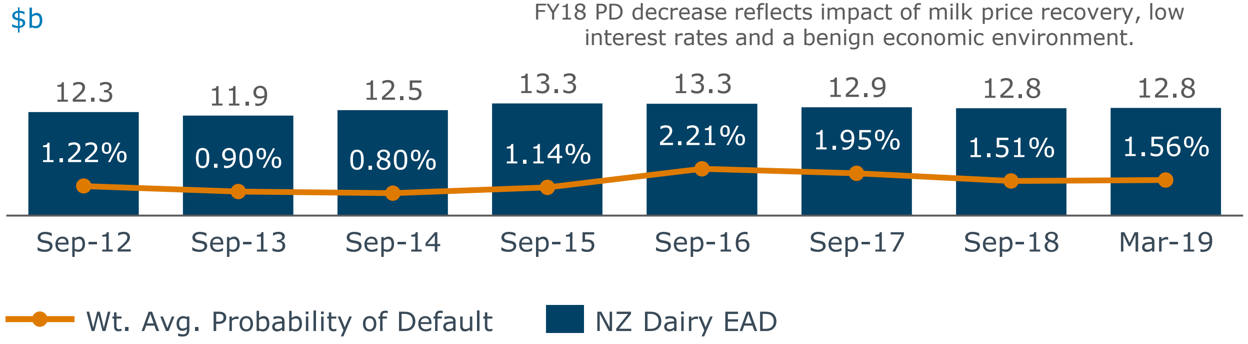
Total EAD (Mar-19)	As a % of Group EAD
A$36.1b	3.7%



GROUP AGRICULTURE EAD SPLITS[1]



NEW ZEALAND[2] DAIRY CREDIT QUALITY

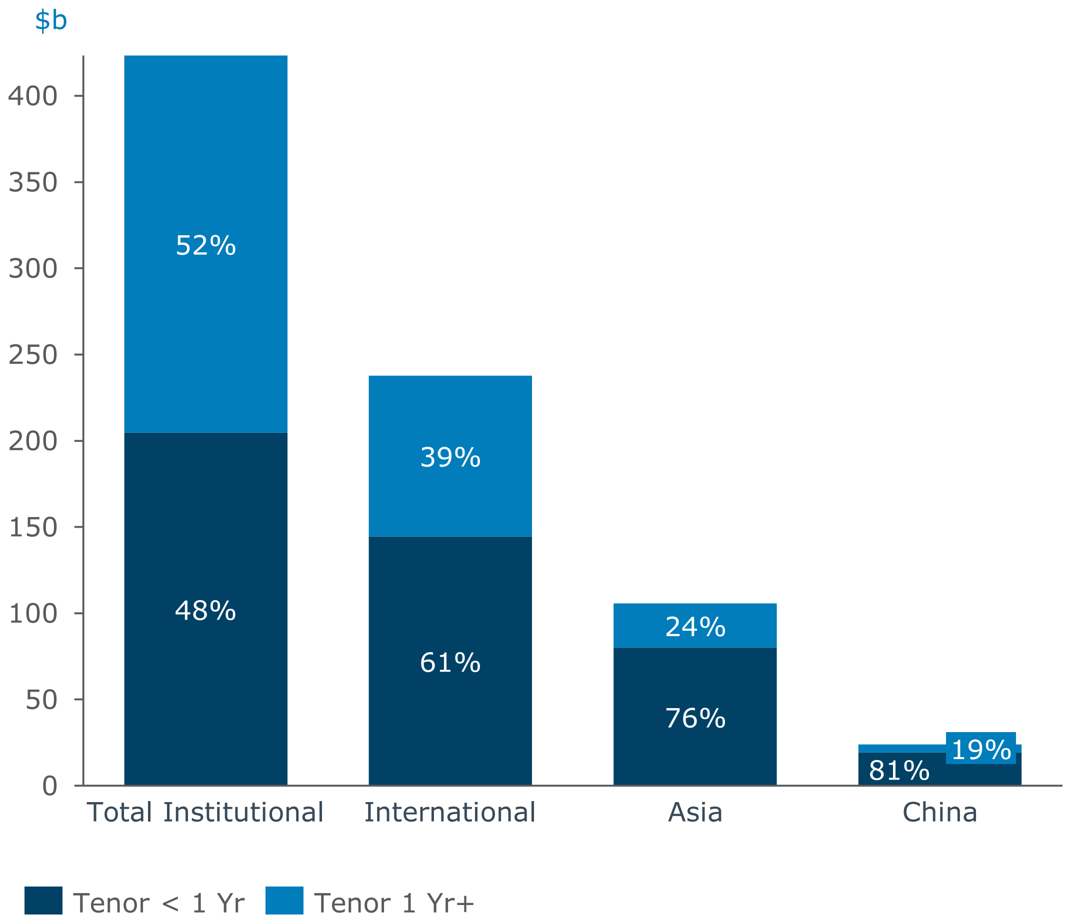


1. Security indicator is based on ANZ extended security valuations.
2. Dairy exposures for all of ANZ New Zealand (includes Commercial and Agriculture, Institutional and Business Banking portfolios).

RISK MANAGEMENT

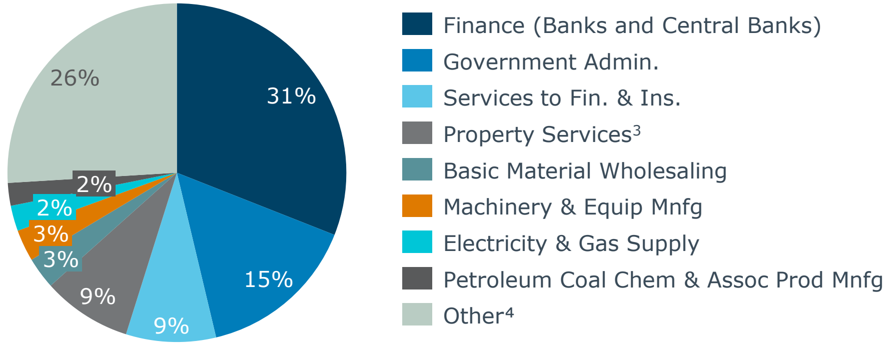
ANZ INSTITUTIONAL PORTFOLIO (COUNTRY OF INCORPORATION[1])

INSTITUTIONAL PORTFOLIO SIZE & TENOR (EAD[2])



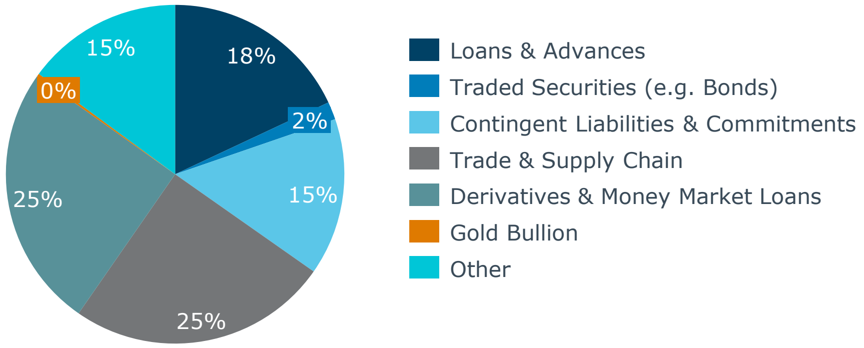
ANZ INSTITUTIONAL INDUSTRY COMPOSITION

EAD (Mar-19): A$423b[2]



ANZ INSTITUTIONAL PRODUCT COMPOSITION

EAD (Mar-19) A$423b[2]



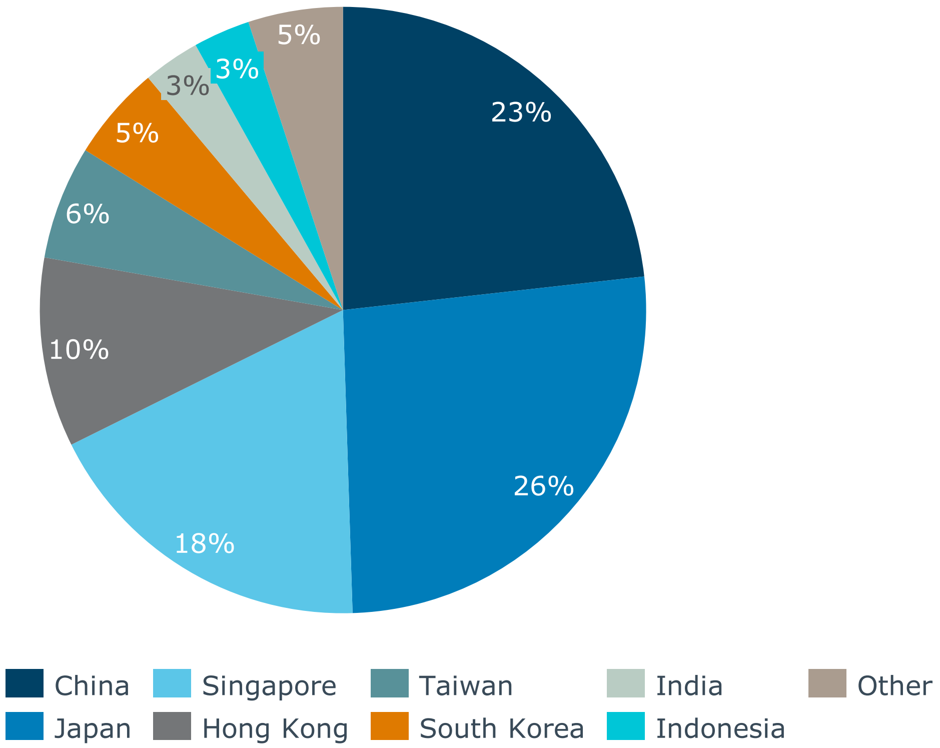
1. Country is defined by the counterparty's Country of Incorporation. 2. Data provided is as at Mar-19 on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. Position excludes Basel Asset Class 'Securitisation', 'Other Assets', 'Retail' and manual adjustments. 3. ~90% of the ANZ Institutional "Property Services" portfolio is to entities incorporated in either Australia or New Zealand. 4. Other is comprised of 47 different industries with none comprising more than 2.1% of the Institutional portfolio.

RISK MANAGEMENT

ANZ ASIAN INSTITUTIONAL PORTFOLIO (COUNTRY OF INCORPORATION[1])

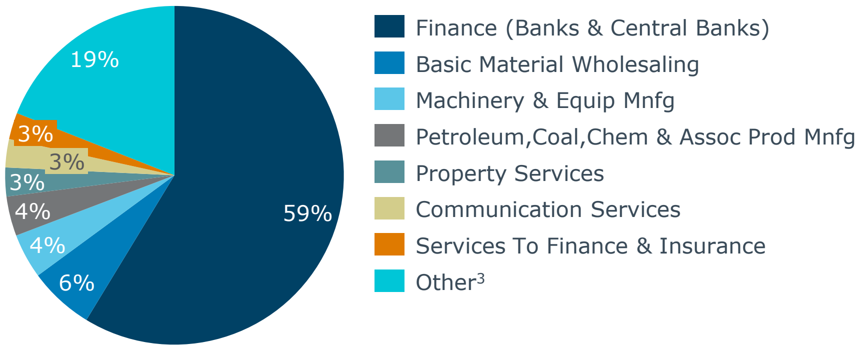
COUNTRY OF INCORPORATION[1]

EAD (Mar-19): A$106b[2]



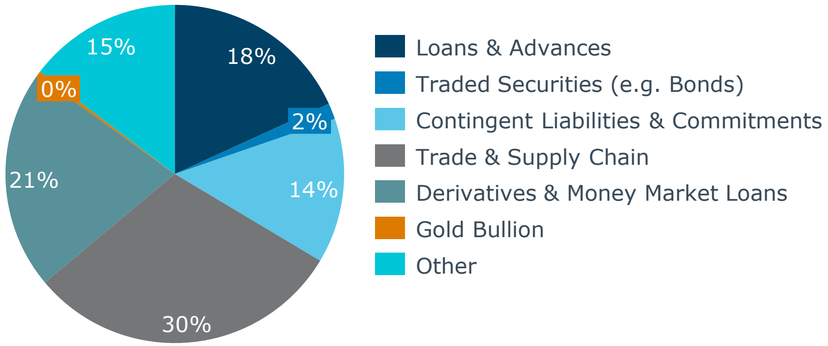
ANZ ASIA INDUSTRY COMPOSITION

EAD (Mar-19): A$106b[2]



ANZ ASIA PRODUCT COMPOSITION

EAD (Mar-19): A$106b[2]



1. Country is defined by the counterparty's Country of Incorporation. 2. Data provided is as at Mar 19 on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. Position excludes Basel Asset Class 'Securitisation', 'Other Assets', 'Retail' and manual adjustments. 3. "Other" within industry is comprised of 43 different industries with none comprising more than 2.2% of the Asian Institutional portfolio; Other product category is predominantly exposure due from other financial institutions.

2019 HALF YEAR RESULTS

HOUSING PORTFOLIO

AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED

AUSTRALIA HOME LOANS

PORTFOLIO OVERVIEW

	Portfolio[1]			Flow[2]	
	1H17	1H18	1H19	1H18	1H19
Number of Home Loan accounts[1]	992k	1,018k	1,000k	79k	64k[3]
Total FUM[1]	$256b	$271b	$269b	$31b	$21b
Average Loan Size[4]	$258k	$266k	$269k	$377k	$375k
% Owner Occupied[5]	62%	65%	66%	69%	73%
% Investor[5]	34%	32%	31%	29%	26%
% Equity Line of Credit	4%	3%	3%	2%	1%
% Paying Variable Rate Loan[6]	85%	83%	82%	82%	73%
% Paying Fixed Rate Loan[6]	15%	17%	18%	18%	27%
% Paying Interest Only[7]	36%	26%	18%	14%	12%[8]
% Broker originated	50%	51%	52%	56%	57%

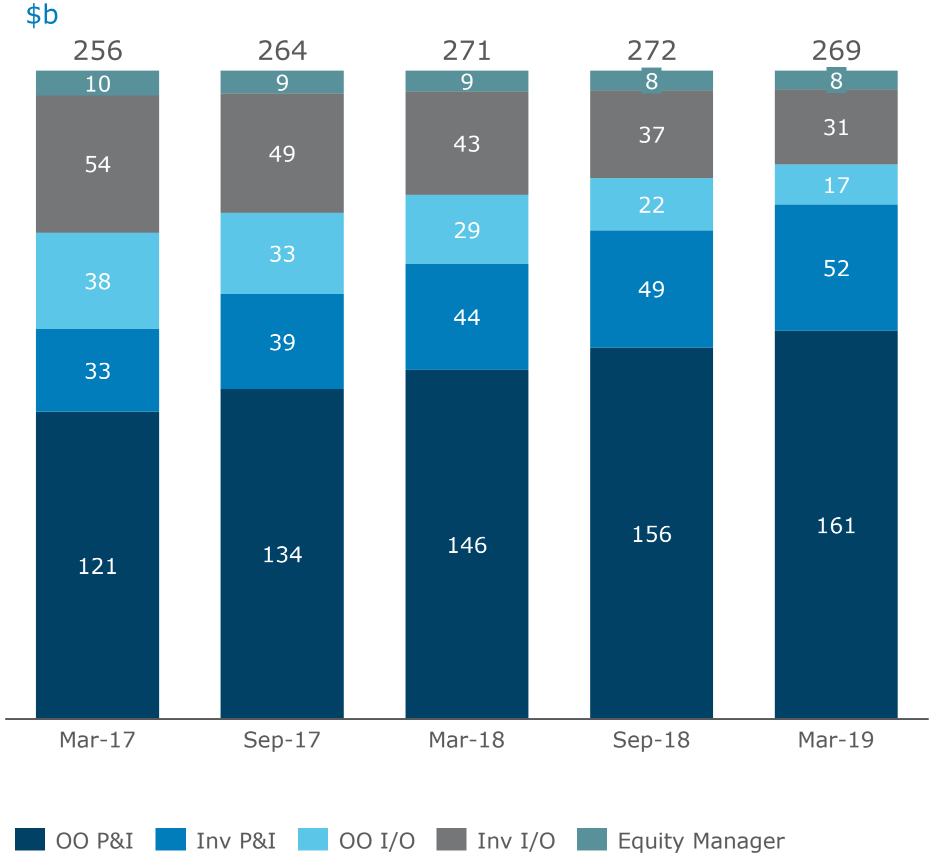
	Portfolio[1]		
	1H17	1H18	1H19
Average LVR at Origination[9,10,11]	70%	68%	67%
Average Dynamic LVR[10,11,12,13]	55%	54%	55%
Market Share[14]	15.6%	15.8%	15.1%
% Ahead of Repayments[15]	71%	71%	71%
Offset Balances[16]	$26b	$27b	$27b
% First Home Buyer	6%	7%	7%
% Low Doc[17]	5%	4%	4%
Loss Rate[18]	0.02%	0.02%	0.04%
% of Australia Geography Lending[19]	63%	64%	63%
% of Group Lending[19]	44%	46%	44%

1. Home Loans portfolio (includes Non Performing Loans, excludes offset balances) 2. YTD unless noted 3. New accounts includes increases to existing accounts and split loans (fixed and variable components of the same loan) 4. Average loan size for Flow excludes increases to existing accounts (note the average loan size previously reported in 1H18 and prior included increases to existing accounts) 5. The current classification of Investor vs Owner Occupier, as reported to regulators and the market, is based on the classification at origination (as advised by the customer) and the ongoing precision relies on the customers obligation to advise ANZ, and ANZ targeted activity to identify, any change in circumstances. 6. Excludes Equity Manager 7. Based on APRA definition i.e. includes Equity Manager and Construction Loans in the total composition 8. March Half to Date 9. Originated in the respective half 10. Unweighted 11. Includes capitalised premiums 12. Valuations updated to Feb'19 where available 13. Excludes Non Performing Loans 14. Source for Australia: APRA to Mar'19 15. % of Owner Occupied and Investment Loans that have any amount ahead of repayments. Includes Offset balances. Excludes Equity Manager. Includes Non Performing Loans 16. Balances of Offset accounts connected to existing Instalment Loans 17. Low Doc is comprised of less than or equal to 60% LVR mortgages primarily for self-employed without scheduled PAYG income. However, it also has ~0.1% of less than or equal to 80% LVR mortgages, primarily booked pre-2008 18. Annualised write-off net of recoveries 19. Based on Gross Loans and Advances

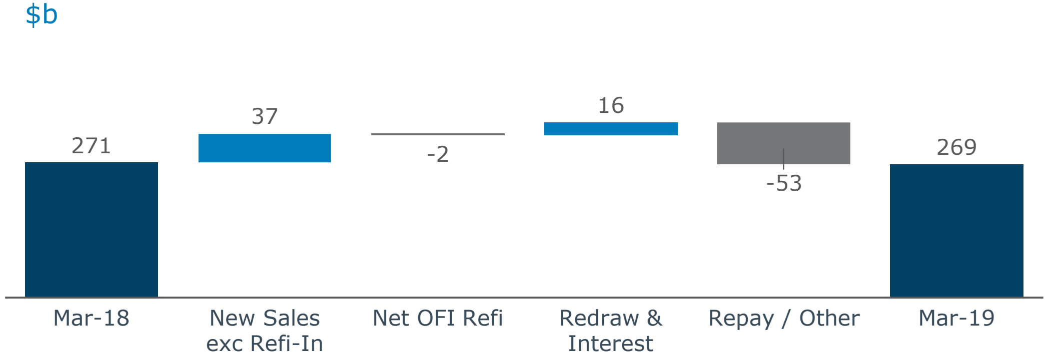
AUSTRALIA HOME LOANS

PORTFOLIO GROWTH

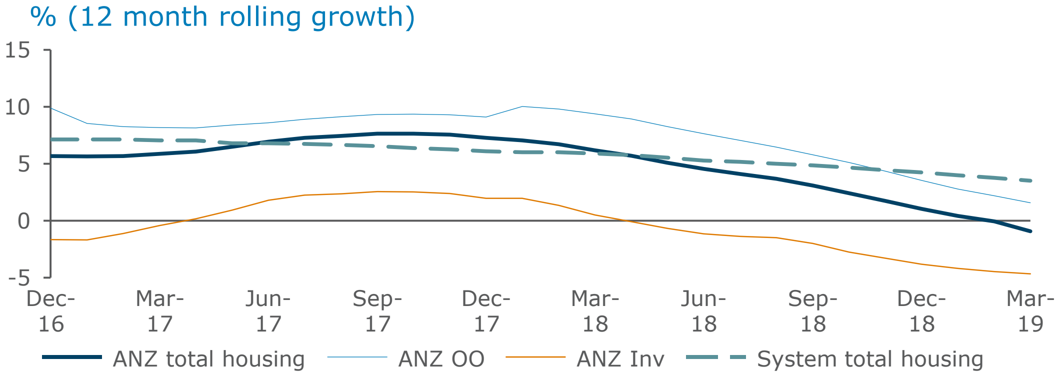
HOME LOAN COMPOSITION[1,2]



LOAN BALANCE & LENDING FLOWS[1]



ANZ MORTGAGE LENDING[3]

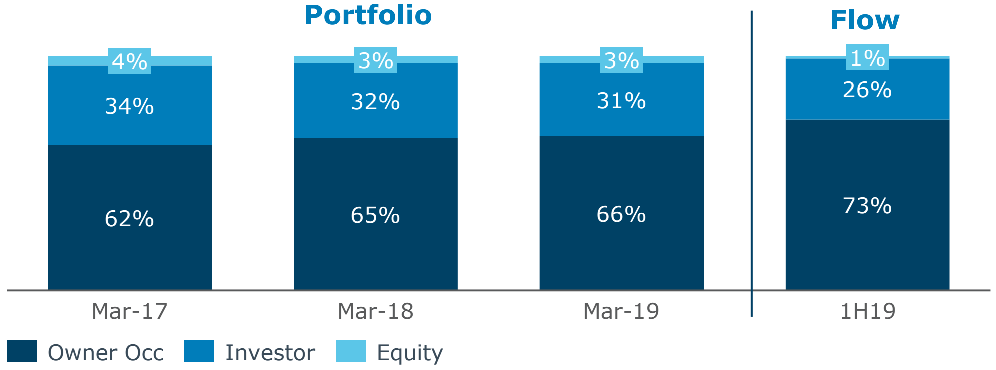


1. Includes Non Performing Loans. 2. The current classification of Investor v Owner Occupier, as reported to regulators and the market, is based on the classification at origination (as advised by the customer) and the ongoing precision relies on the customers obligation to advise ANZ, and ANZ targeted activity to identify, any change in circumstances. 3. ANZ analysis of APRA monthly banking statistics

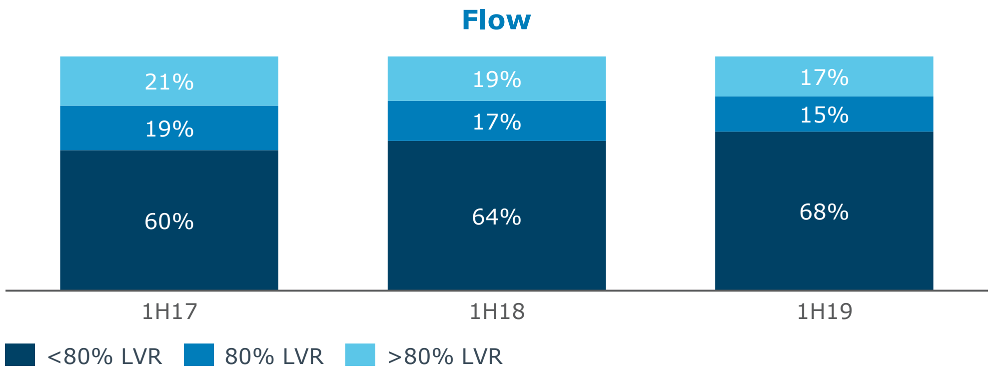
AUSTRALIA HOME LOANS

PORTFOLIO[1,2] & FLOW[3] COMPOSITION

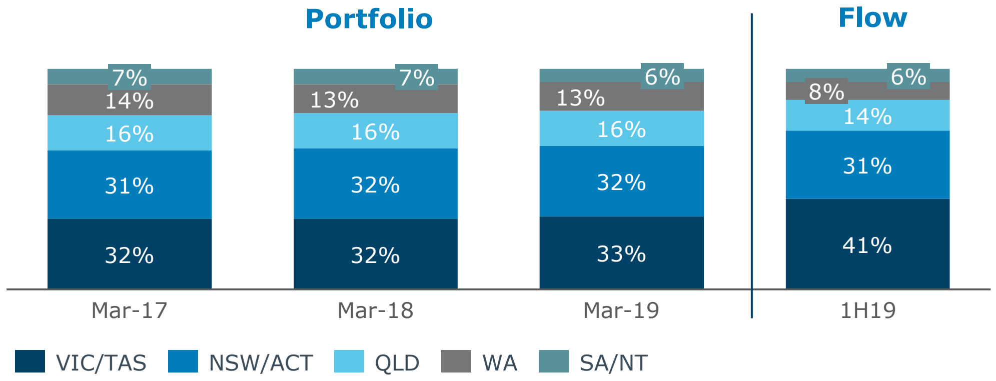
BY PURPOSE



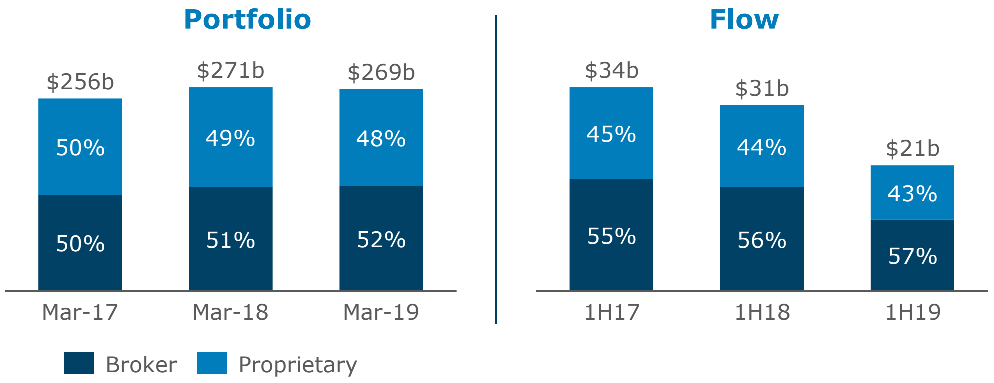
BY ORIGINATION LVR[4]



BY LOCATION



BY CHANNEL



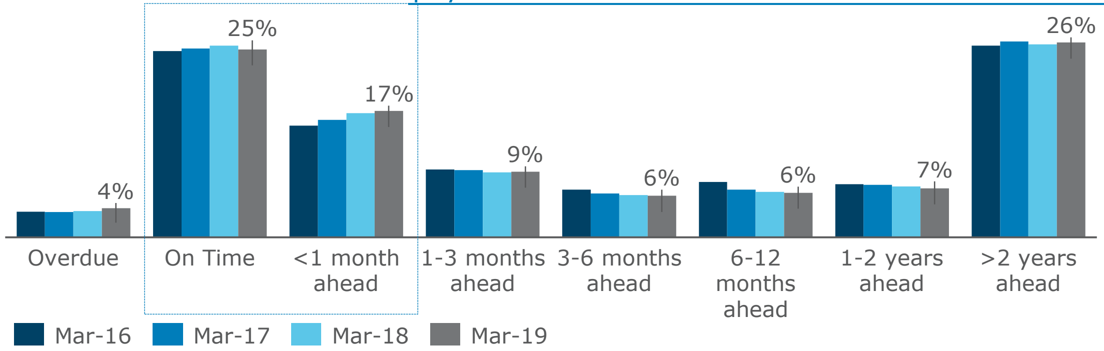
1. Includes Non Performing Loans. 2. The current classification of Investor vs Owner Occupier, as reported to regulators and the market, is based on the classification at origination (as advised by the customer) and the ongoing precision relies on the customers obligation to advise ANZ, and ANZ targeted activity to identify, any change in circumstances. 3. YTD unless noted 4. Includes capitalised premiums

AUSTRALIA DIVISION

PORTFOLIO DYNAMICS

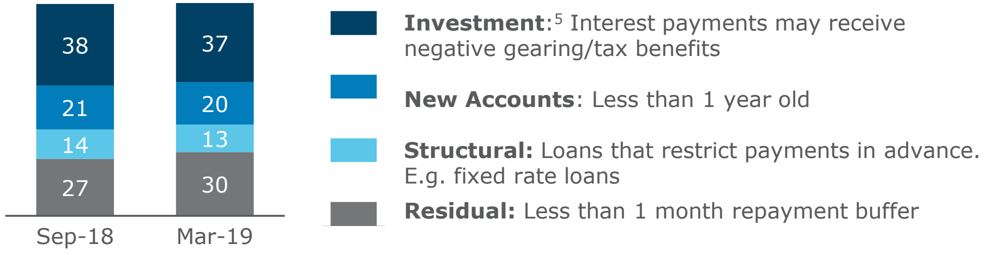
HOME LOANS REPAYMENT PROFILE[1,2]

71% of accounts ahead of repayments



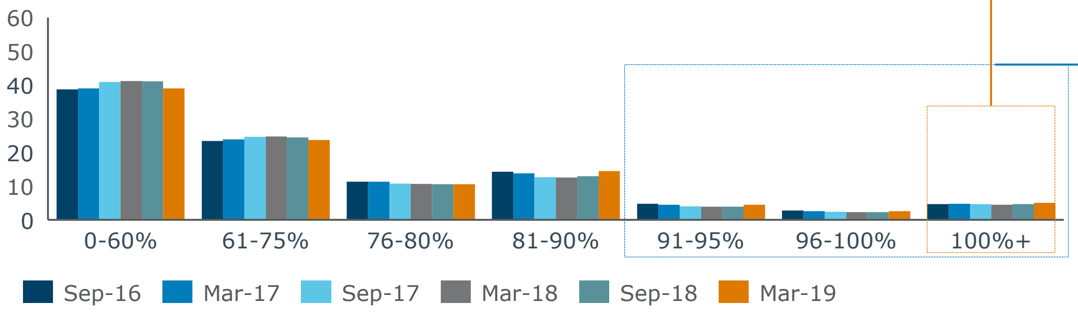
HOME LOANS ON TIME & <1 MONTH AHEAD PROFILE[1,2]

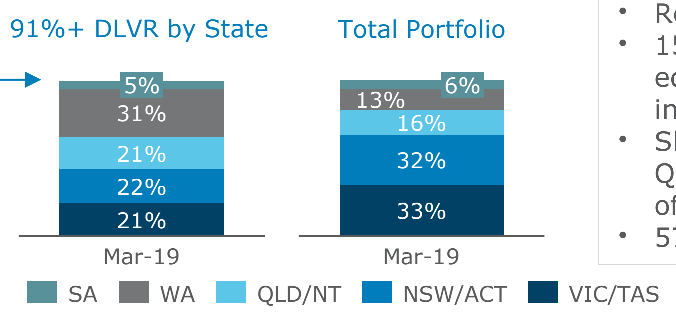
% composition of accounts (March 19)



DYNAMIC LOAN TO VALUE RATIO[3,4,6]

% of portfolio





Negative Equity Mar-19

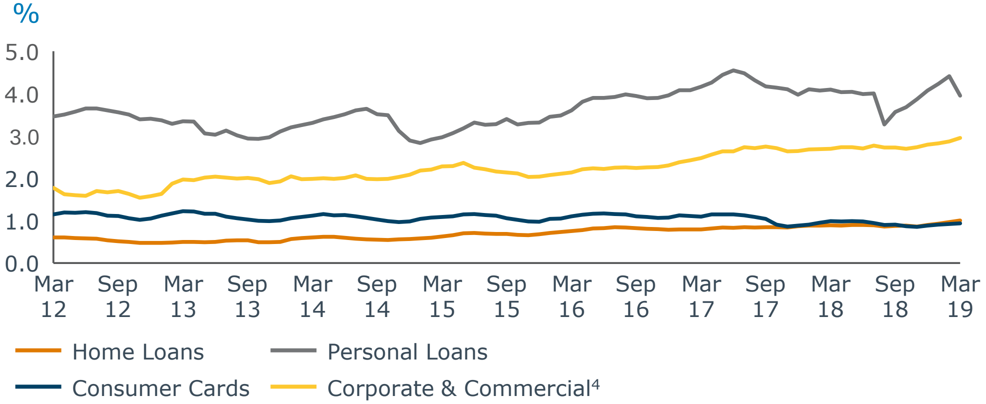
- Represents 5.0% of portfolio
- 15% of these balances have equity if offset balances are included
- Skew to mining states – WA, QLD, and NT represent 57% of negative equity mortgages
- 57% ahead of repayments

1. Includes Non Performing Loans 2. % of Owner Occupied and Investment Loans that have any amount ahead of repayments. Includes Offset balances. Excludes Equity Manager. Includes Non Performing Loans 3. Includes capitalised premiums 4. Valuations updated to Feb’19 where available 5. The current classification of Investor vs Owner Occupier, as reported to regulators and the market, is based on the classification at origination (as advised by the customer) and the ongoing precision relies on the customers obligation to advise ANZ, and ANZ targeted activity to identify, any change in circumstances 6. Excludes Non Performing Loans

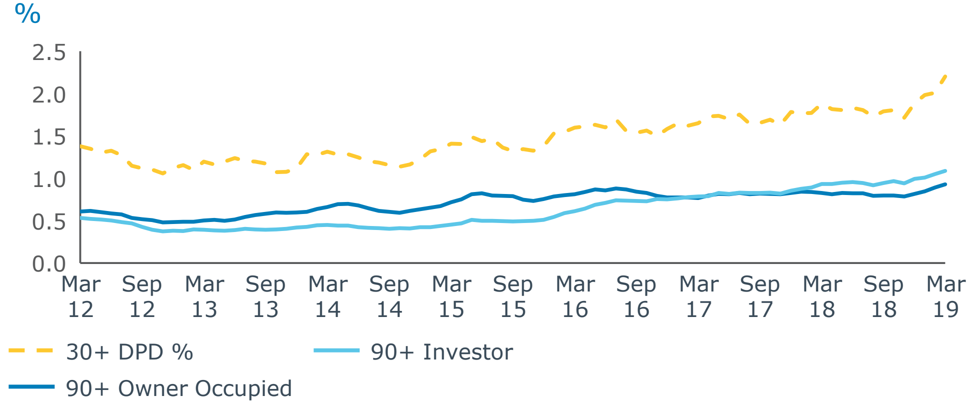
AUSTRALIA DIVISION

PORTFOLIO PERFORMANCE

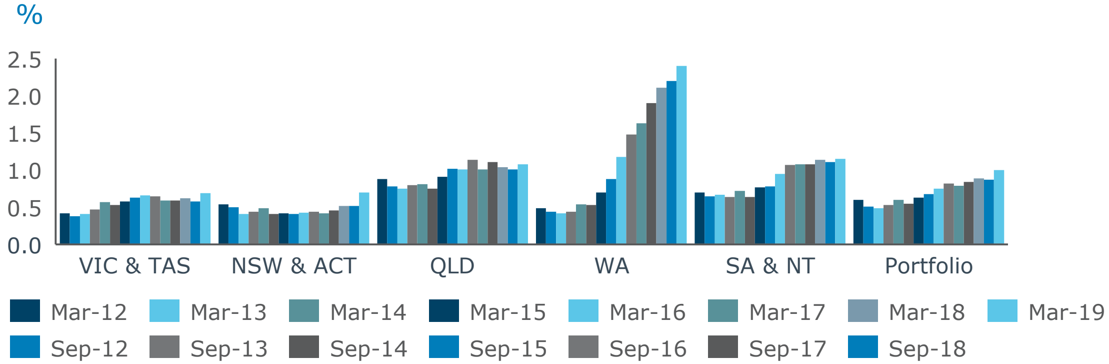
PRODUCT 90+ DAY DELINQUENCIES[1,2,3]



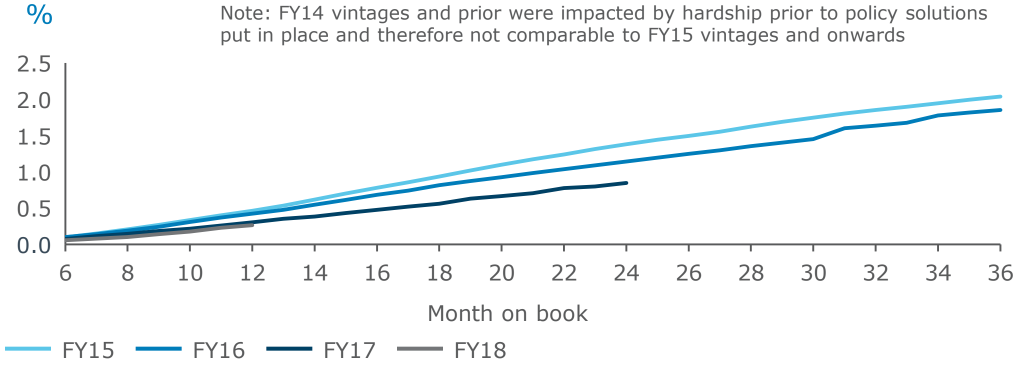
HOME LOAN DELINQUENCIES[1,2,5]



HOME LOANS 90+ DPD BY STATE[1,2]



HOME LOANS - 90+ DPD (BY VINTAGE)[6]



1. Includes Non Performing Loans 2. ANZ delinquencies calculated on a missed payment basis 3. For Personal Loans, a new collections platform was implemented in Aug'18 enabling automated charge-off of late stage accounts. This resulted in a step change to 90+ rates. A new recoveries platform was implemented at this time however compatibility issues between these two systems resulted in an accumulation of 90+ debt not being charged-off, causing the 90+ rate to increase. This issue is now being worked through and will see the 90+ rate normalise over coming months. 4. Comprises Small Business, Commercial Cards and Asset Finance 5. The current classification of Investor vs Owner Occupier, as reported to regulators and the market, is based on the classification at origination (as advised by the customer) and the ongoing precision relies on the customers obligation to advise ANZ, and ANZ targeted activity to identify, any change in circumstances 6. Home loans 90+ dpd vintages represent % ratio of ever delinquent (measured by # accounts), contains at least 6 application months of that fiscal year contributing to each data point

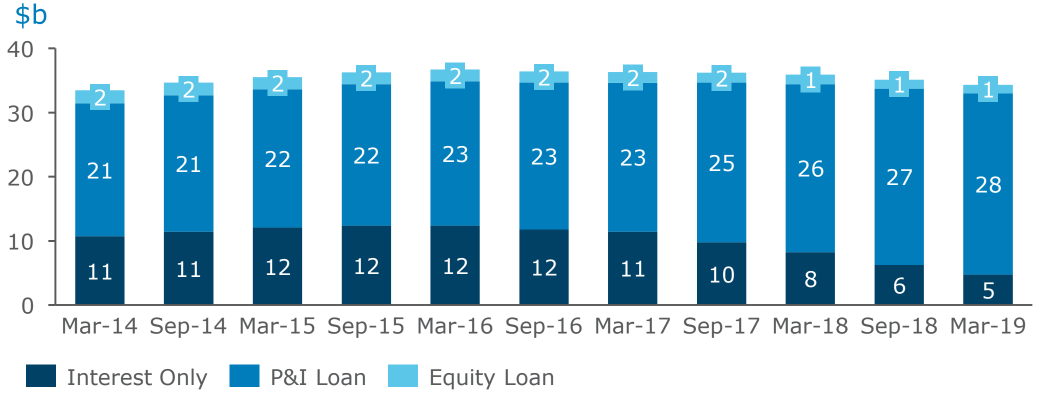
AUSTRALIA HOME LOANS

WESTERN AUSTRALIA

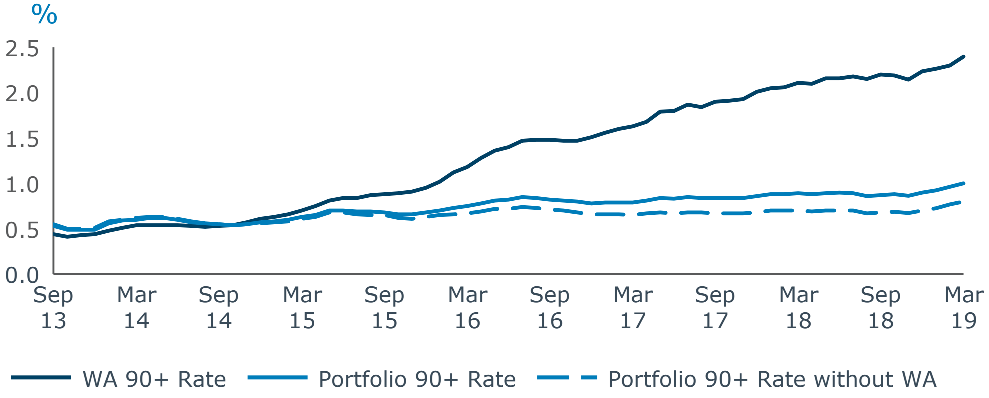
- Exposure to WA has decreased since Mar-16 driven by the economic environment and credit policy tightening (mining town lending, etc)
- Currently WA comprises 13% of portfolio FUM (and is decreasing), however it comprises 30% of 90+ delinquencies (and two thirds of portfolio losses[1])
- Tailored treatment of collection and account management strategies in place

Economic indicators[2]	2012	2013	2014	2015	2016	2017	2018
Unemployment rate	3.9%	4.7%	5.0%	6.1%	6.3%	5.6%	6.1%
SFD[3] growth	13.8%	1.5%	-1.8%	-1.3%	-7.3%	-3.9%	0.3%
Population Growth	3.1%	2.2%	1.1%	0.85%	0.63%	0.71%	0.88%

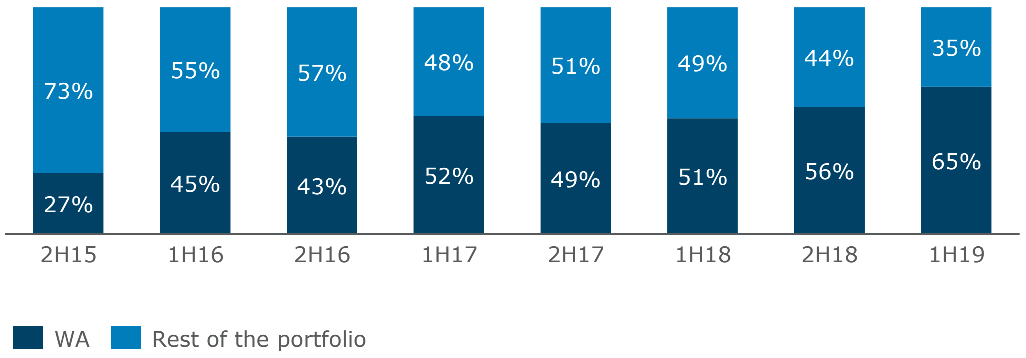
WA OUTSTANDING BALANCE



HOME LOANS AND WA 90+ DELINQUENCIES[4,5]



HOME LOANS COMPOSITION OF LOSSES[1]



1. Losses are based on New Individual Provision Charges 2. Unemployment Rate as at September 3. State Final Demand (year on year growth) 4. Includes Non Performing Loans
5. ANZ delinquencies calculated on a missed payment basis

AUSTRALIA HOME LOANS

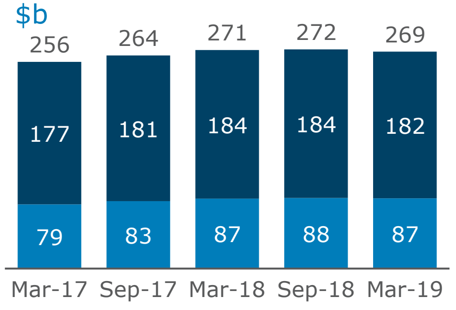
NEW SOUTH WALES/ACT

Portfolio[1]
- NSW/ACT makes up 32% of the portfolio FUM and 23% of 90+ days past due.
- 71% in advance of repayments which is the same as the total portfolio.
- 21% of the portfolio is Interest Only & reducing.

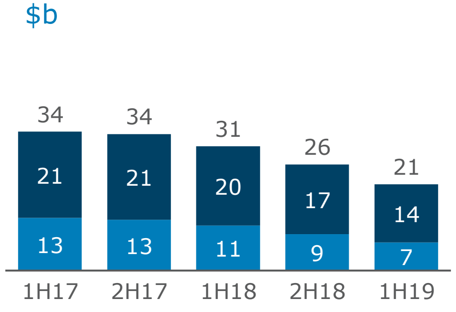
90+ days past due[1]
- NSW/ACT at 70bps is similar to VIC/TAS at 69bps & 30bps below country average.
- Increase in the past 6 months, primarily driven by older vintages
- Since FY15, credit quality has improved year-on-year, with FY17 & FY18 vintages performing better than FY15 & FY16 vintages.

Dynamic LVR[1]
- 8.2% of NSW/ACT portfolio >90% DLVR

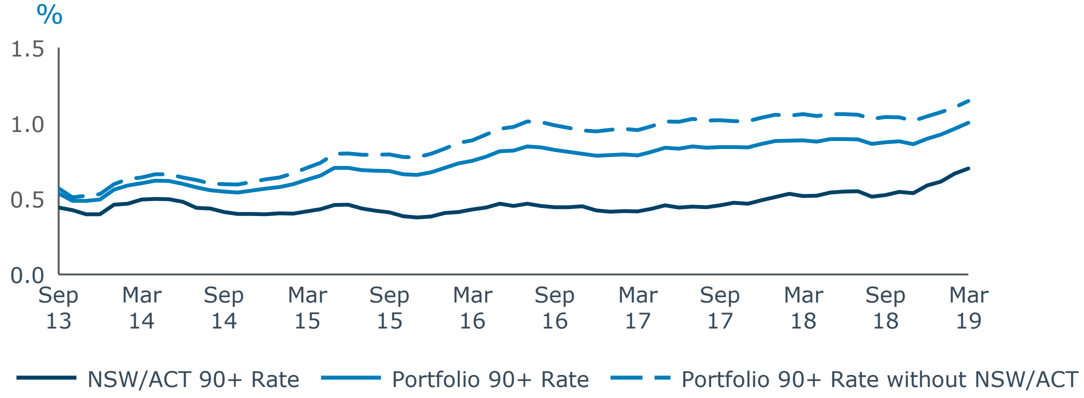
HOUSING PORTFOLIO[2]



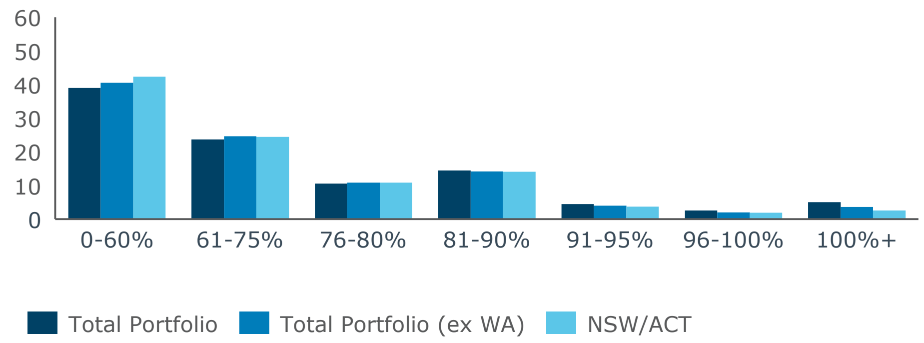
HOUSING FLOW



HOME LOANS AND NSW/ACT 90+ DELINQUENCIES[2,3]



NSW/ACT DYNAMIC LVR PROFILE – MARCH 2019[4,5]



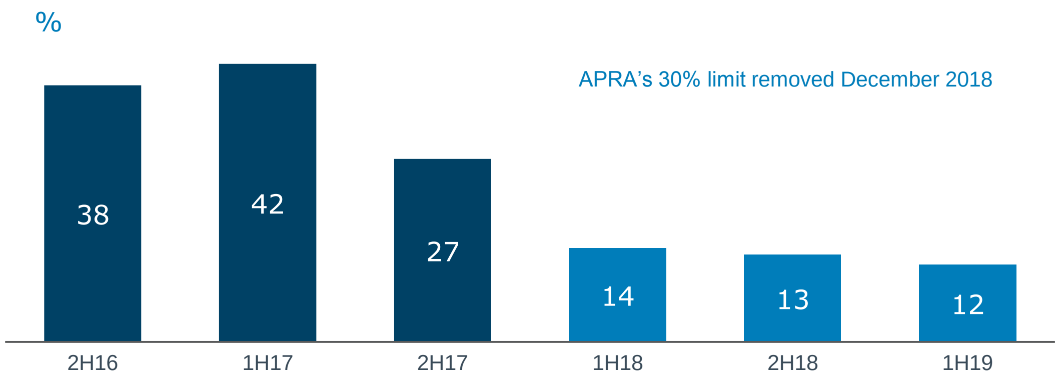
1. 31 March 2019 2. Includes Non Performing Loans 3. ANZ delinquencies calculated on a missed payment basis 4. Includes capitalised premiums 5. Valuations updated to Feb-19 where available

AUSTRALIA HOME LOANS

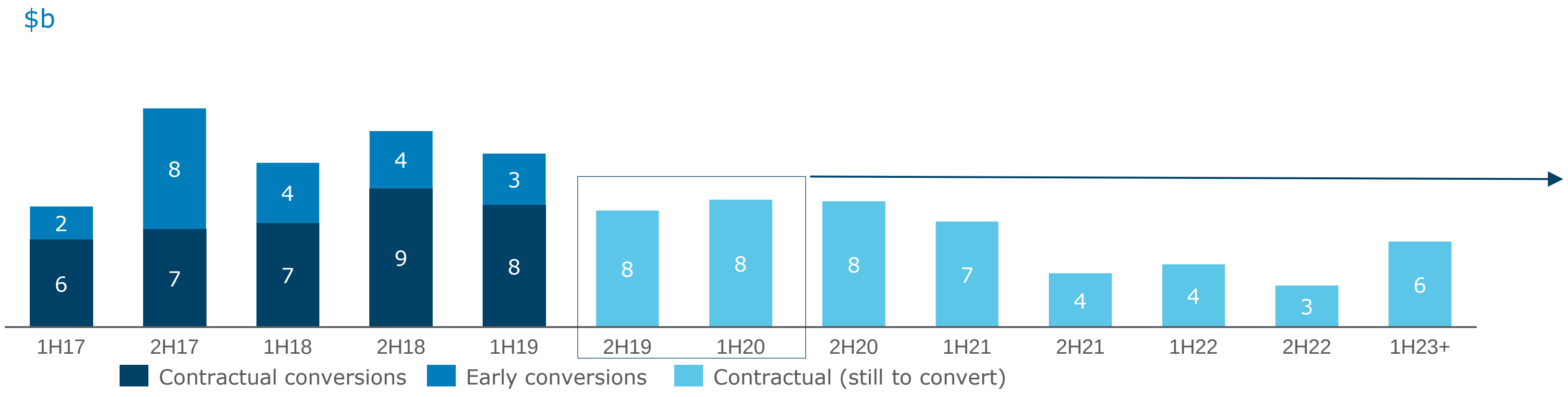
INTEREST ONLY

- Serviceability assessment is based on ability to repay principal & interest repayments calculated over the residual term of loan
- 84% of Interest Only customers have net income >$100k p.a. (portfolio 65%)
- Arrears levels are lower for Interest Only vs overall portfolio
- Recent policy & pricing changes have led to a reduction in Interest Only lending. ANZ's Interest Only flow composition is 12% for 1H19.
- Proactive contact strategies are in place to prepare customers for the change in their repayments ahead of Interest Only expiry

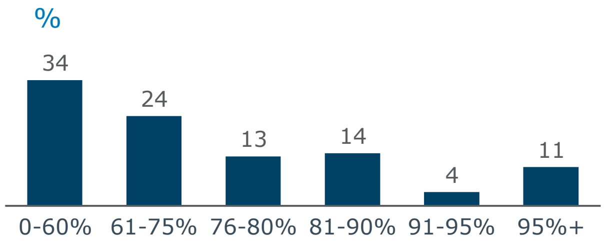
INTEREST ONLY FLOW COMPOSITION[1]



SWITCHING INTEREST ONLY TO P&I AND SCHEDULED INTEREST ONLY TERM EXPIRY[2,3]



DYNAMIC LVR PROFILE OF 12 MONTH FORWARD CONVERSIONS



1. Based on APRA definition (includes Equity Manager)
2. Total portfolio including new flows. Includes construction loans
3. As at Mar-19

AUSTRALIA HOME LOANS

UNDERWRITING PRACTICES AND POLICY CHANGES[1]

Multiple checks during origination process

Quality assurance, info verification & policy reviews

Pre – application[2]	**Income & Expenses**
Application	**Know Your Customer**
Serviceability	**Income Verification** **Income Shading** **Expense Models** **Interest Rate Buffer** **Repayment Sensitisation**
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
- Effective hardship & collections processes
- Full recourse lending
- ANZ assessment process across all channels

Serviceability	
Aug'15	Interest rate floor applied to new and existing mortgage lending introduced at 7.25%
Apr'16	Introduction of an income adjusted living expense floor (HEM*) Introduction of a 20% haircut for overtime and commission income Increased income discount factor for residential rental income from 20% to 25%
Nov'18	Enhanced Responsible Lending processes including additional enquiry and increase in minimum monthly credit card expense

*The HEM benchmark is developed by the Melbourne Institute of Applied Economic and Social Research ('the Melbourne Institute'), based on a survey of the spending habits of Australian families.

1. 2015 to 2019 material changes to lending standards and underwriting
2. Customers have the ability to assess their capacity to borrow on ANZ tools

AUSTRALIA HOME LOANS

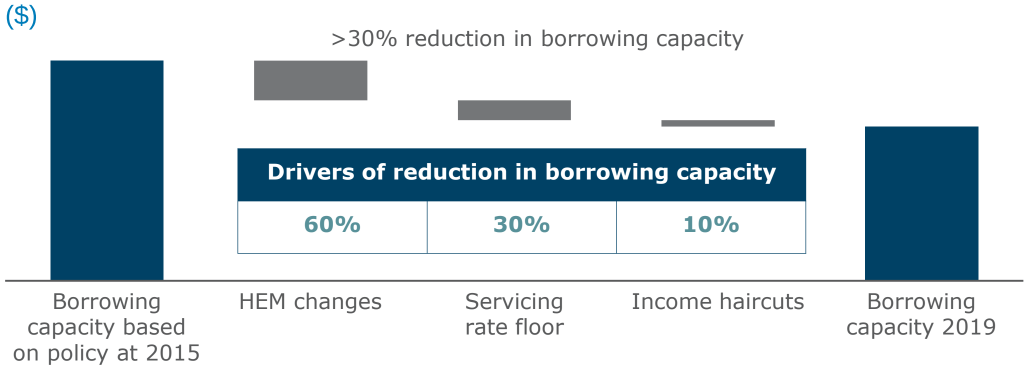
UNDERWRITING PRACTICES AND POLICY CHANGES[1] - JUNE 2015 TO MARCH 2019

ANZ LVR caps
- LVR cap reduced to 70% in high risk mining towns in June 2015; reduced to 90% for investment loans July 2015.
- Restricted new housing lending (new security to ANZ) to max. 80% LVR for all apartments within 7 inner city Brisbane postcodes October 2017
- Restricted investment lending (new security to ANZ) to max 80% LVR for all apartments within 4 inner city Perth postcodes October 2017

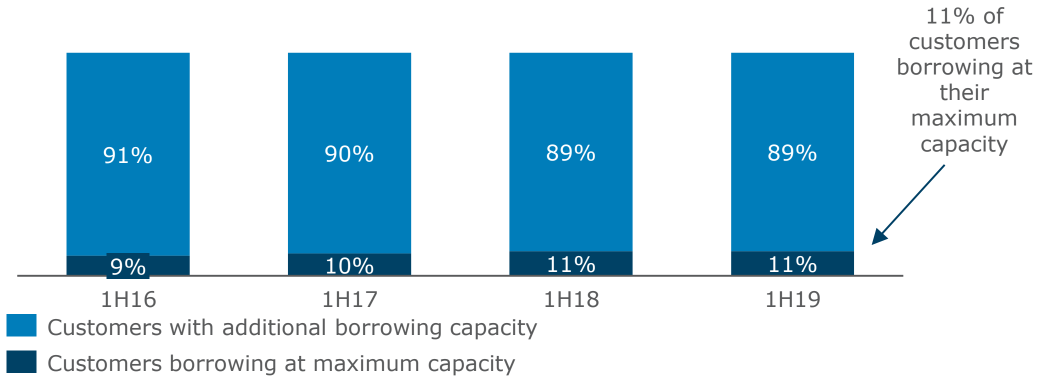
ANZ Assessment
- Interest rate floor (new & existing lending) at 7.25% (implemented August 2015);
- Income adjusted living expense floor (HEM); 20% haircut for overtime & commission; Increased income discount factor for residential rental income from 20% to 25% April 2016
- Limited acceptance of foreign income to demonstrate serviceability and tightened controls on verification.
- Minimum default housing expense (rent/board) applied to all borrowers not living in their own home & seeking RILs[2] or EMAs[3] July 2017
- IO renewals become Credit Critical events (full income verification & serviceability test) including P&I to IO & converting to or extending IO term
- Enhanced Responsible Lending Requirements including additional enquiry and increase in minimum monthly credit card expense.

ANZ Product and other limitations
- Decreased max. IO term of owner occupied loans to 5 years; IO lending no longer available on new Simplicity PLUS owner occupied loans
- Withdrew lending to non-residents; tightened acceptances for guarantees; clarified residential lending to trading companies is not acceptable

CUSTOMER BORROWING CAPACITY[4]



ANZ PORTFOLIO BORROWING CAPACITY SUMMARY[5]



1. 2015 to 2019 material changes to lending standards and underwriting 2. Residential Investment Loans 3. Equity Manager Accounts. 4. ANZ modelled outcome of 4 borrowing scenarios 2019 v 2015: i. Couple, no dependents, ii. Single, no dependents, iii. Couple 2 dependents, iv. Couple, no dependents, higher income earners, where application parameters such as income are held steady while policy components are adjusted based on 2015 and 2019 settings. 5. Based on 12 months to Mar'16, Mar'17, Mar'18 and Mar'19.

AUSTRALIA HOME LOANS

STRESS TESTING THE AUSTRALIAN MORTGAGE PORTFOLIO

- ANZ conducts regular stress tests of its loan portfolios to meet risk management objectives and satisfy regulatory requirements.
- Stress tests are highly assumption-driven; results will depend on economic assumptions, on modelling assumptions, and on assumptions about actions taken in response to the economic scenario.
- This illustrative recession scenario assumes significant reductions in consumer spending and business investment, which lead to eight consecutive quarters of negative GDP growth. This results in a significant increase in unemployment and material nationwide falls in property prices.
- Estimated portfolio losses under these stressed conditions are manageable and within the Group's capital base, with cumulative total losses at A$3.2b over three years (net of LMI recoveries).
- The results are not materially different from the stress test six months ago.

Assumptions	Base[1]	Year 1	Year 2	Year 3
Unemployment rate	5.2%	6.3%	10.1%	10.6%
Cash Rate	1.5%	0.25%	0.25%	0.25%
Real GDP year ended growth	2.8%	-1.7%	-4.0%	2.5%
Cumulative reduction in house prices	-	-25.3%	-38.8%	-37.0%
Portfolio size (AUDb)	300	299	291	282

Outcomes	Year 1	Year 2	Year 3
Net Losses (AUDm)	179	1,535	1,474
Net losses (bps)	6	53	52

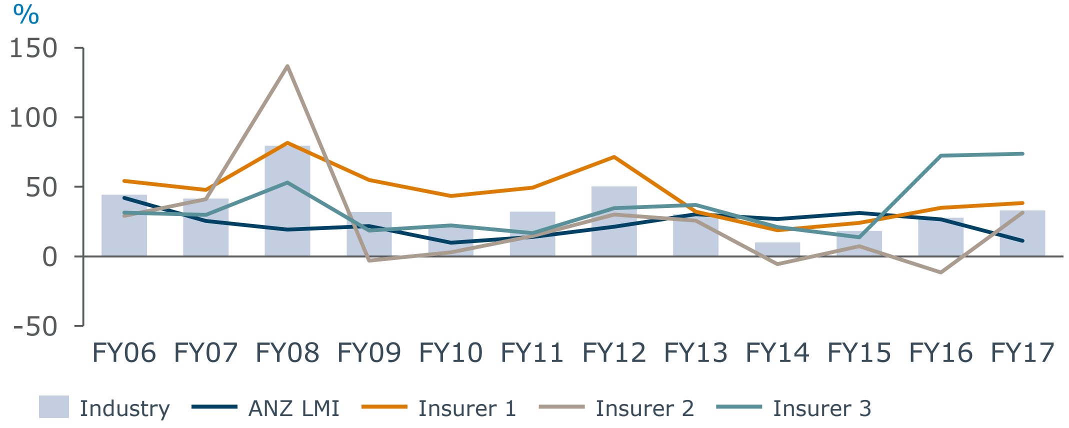
1. Based on mortgage exposure at default and conditions as at 30 September 2018

LENDERS MORTGAGE INSURANCE

MARCH HALF YEAR 2019 RESULTS

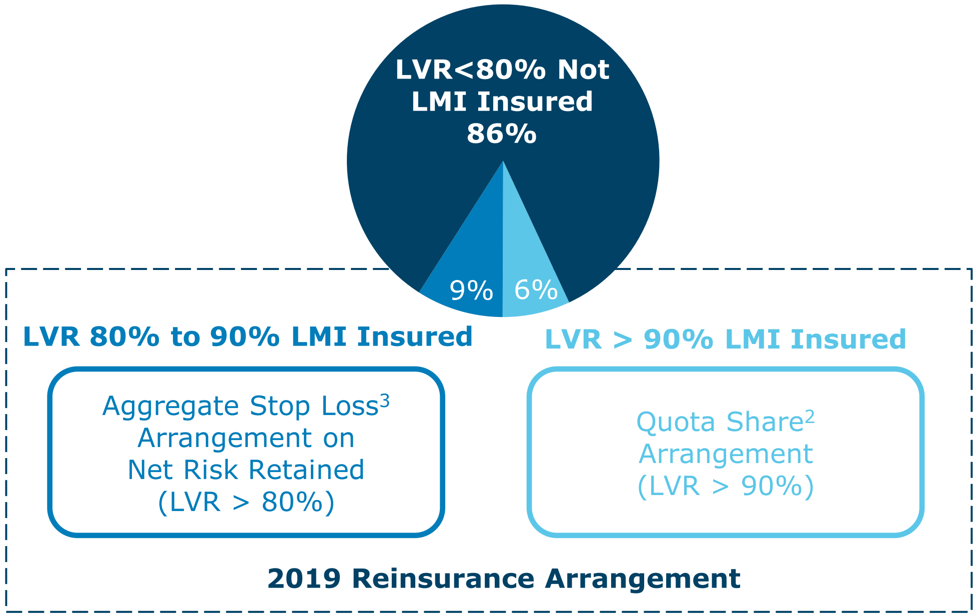
Gross Written Premium ($m)	$43.4m
Net Claims Paid ($m)	$17.6m
Loss Rate (of Exposure - annualised)	8.8bps

ANZLMI MAINTAINED STABLE LOSS RATIOS[1]



LMI & REINSURANCE STRUCTURE

Australian Home Loan portfolio LMI and Reinsurance Structure at 31 Mar 19 (% New Business FUM Oct-18 to Mar-19)



ANZLMI uses a **diversified panel of reinsurers** (10+) comprising a mix of APRA authorised reinsurers and reinsurers with highly rated security

Reinsurance is comprised of a **Quota Share arrangement[2]** with reinsurers for mortgages 90% LVR and above and in addition an **Aggregate Stop Loss arrangement[3]** for policies over 80% LVR

1. Negative Loss ratios are the result of reductions in outstanding claims provisions. Source: APRA general insurance statistics (loss ratio net of reinsurance). 2. Quota Share arrangement - reinsurer assumes an agreed reinsured % whereby reinsurer shares all premiums and losses accordingly with ANZLMI. 3. Aggregate Stop Loss arrangement –reinsurer indemnifies ANZLMI for an aggregate (or cumulative) amount of losses in excess of a specified aggregate amount. When the sum of the losses exceeds the pre-agreed amount, the reinsurer will be liable to pay the excess up to a pre-agreed upper limit.

NEW ZEALAND HOME LOANS

PORTFOLIO OVERVIEW[1]

	Portfolio			Flow	
	1H17	1H18	1H19	1H18	1H19
Number of Home Loan Accounts	515k	523k	527k	31k	37k
Total FUM	NZ$75b	NZ$79b	NZ$83b	NZ$8b	NZ$9b
Average Loan Size[2]	NZ$145k	NZ$150k	NZ$157k	NZ$274k	NZ$251k
% Owner Occupied	73%	74%	75%	78%	77%
% Investor	27%	26%	25%	22%	23%
% Paying Variable Rate Loan[3]	22%	20%	16%	18%	13%
% Paying Fixed Rate Loan[3]	78%	80%	84%	82%	87%
% Paying Interest Only[4]	23%	21%	20%	21%	19%
% Paying Principal & Interest	77%	79%	80%	79%	81%
% Broker Originated[5]	34%	35%	37%	38%	41%

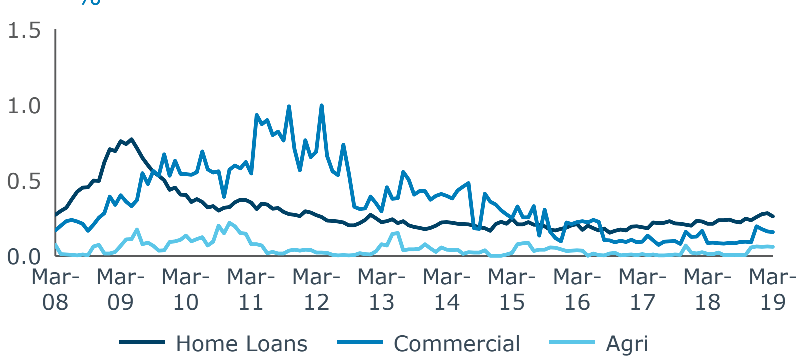
	Portfolio		
	1H17	1H18	1H19
Average LVR at Origination[2]	59%	58%	57%
Average Dynamic LVR[2]	42%	42%	42%
Market Share[6]	31.1%	31.0%	31.0%
% Low Doc[7]	0.48%	0.41%	0.35%
Home Loan Loss Rates	-0.01%	0.00%	0.00%
% of NZ Geography Lending	61%	62%	63%

1. New Zealand Geography
2. Average data as of March 2019
3. Flow excludes revolving credit facilities
4. Excludes revolving credit facilities
5. Flow 1H19 5 months to February 2019
6. Source: RBNZ, 1H19 share of all banks as of February 2019
7. Low documentation (low doc) lending allowed customers who met certain criteria to apply for a mortgage with reduced income confirmation requirements. New low doc lending ceased in 2007

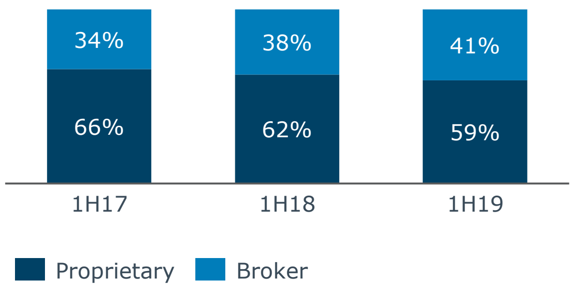
NEW ZEALAND DIVISION

HOME LENDING & ARREARS TRENDS[1]

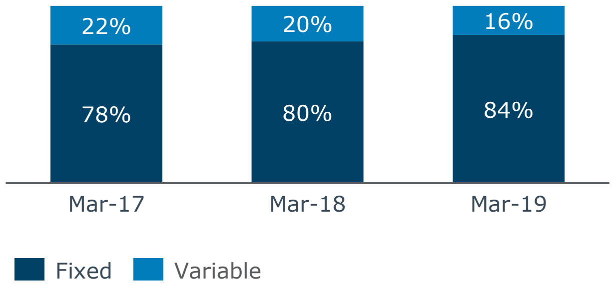
NZ DIVISION 90+DAYS DELINQUENCIES



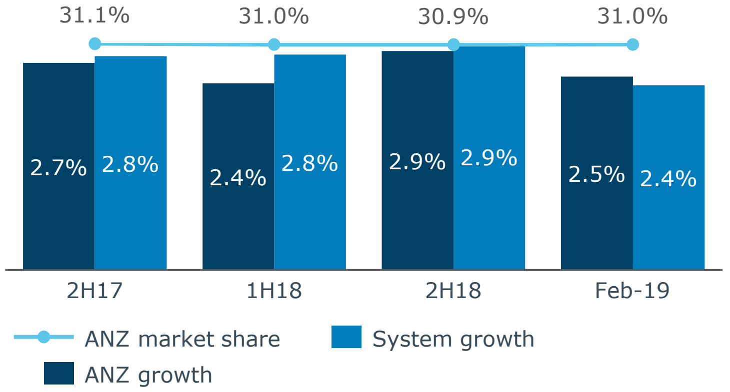
HOUSING FLOWS[2]



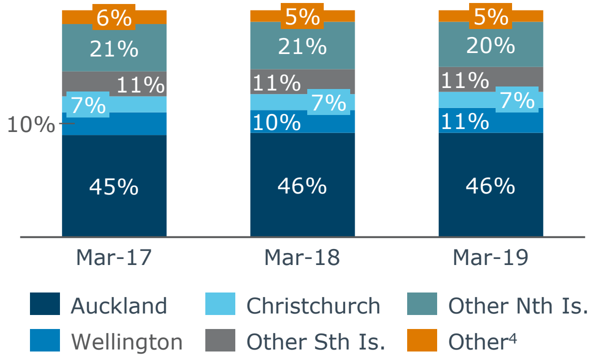
HOUSING PORTFOLIO



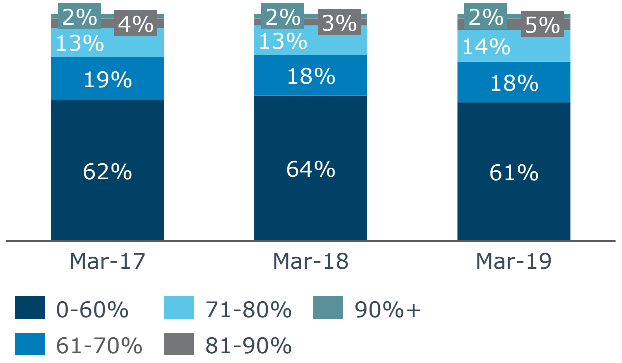
MARKET SHARE[3]



HOUSING PORTFOLIO BY REGION



ANZ HOME LOAN LVR PROFILE[5]



1. New Zealand Geography; 2. Flow 1H19 5 months to February 2019; 3. Source: RBNZ; 4. Other includes loans booked centrally (Business Direct, Contact Centre, Lending Services, Property Finance); 5. Dynamic basis

2019 HALF YEAR RESULTS

CORPORATE PROFILE & SUSTAINABILITY

AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED

ANZ CORPORATE PROFILE

CORPORATE PROFILE

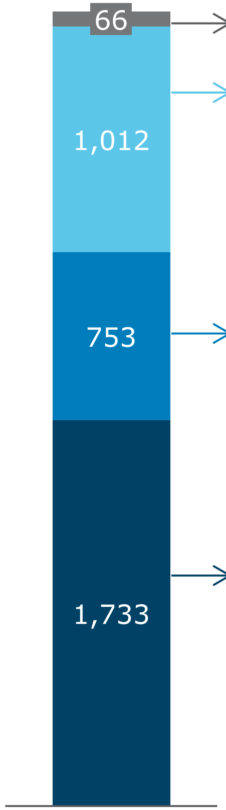
- Top 5 listed corporate in Australia and the largest bank in New Zealand by bank market share
- Market capitalisation of AU$74b[1]
- Total Assets of AU$980.2 billion[1]
- ~37,000[2] staff serve our retail, commercial and institutional customers
- Consumer and corporate offerings in our core markets, and regional trade and capital flows across the region
- Over 500,000 shareholders, over $2.2b in dividends announced for first half 2019 financial year
- 593 branches in Australia & 170 branches in New Zealand

CREDIT RATING

S&P	MOODY'S	FITCH
AA- Negative	Aa3 Stable	AA- Stable

OUR BUSINESSES

HALF YEAR 2019 CASH PROFIT ($m)[2]



OTHER
Includes Wealth Australia, Pacific, TSO and Group Centre

INSTITUTIONAL
Provides products, services and solutions to global Institutional and Corporate customers across geographies

Products: Payments & Cash Mgt, Loans & Specialised Fin., Trade, Markets

Geographies: In 34 markets across Australia, New Zealand, Asia, Europe, America, PNG and the Middle East

NEW ZEALAND DIVISION
Providing products, services and solutions to Retail and Commercial customers through our Retail and Commercial businesses

Retail: Consumer, wealth, private banking and small business customers

Commercial: Privately owned medium and large enterprises and agricultural business

AUSTRALIA DIVISION
Providing products, services and solutions to Retail and Commercial customers through our Retail and Business & Private Banking businesses

Retail: Consumer banking customers

Commercial: Privately owned small, medium enterprises and agricultural business, and private banking customers

1. As at 31 March 2019
2. On a Continuing Operations basis

CREATING VALUE FOR OUR STAKEHOLDERS

CUSTOMERS

8.7m total retail, commercial and Institutional customers

~150,000 net new customers over 12 months to March 2019

$289b in retail & commercial customer deposits in Australia and New Zealand

$344b in home lending in Australia and New Zealand

Full mobile wallet offering, including Apple Pay™, GooglePay™, Samsung Pay™, FitBit Pay™ and Garmin Pay™

#1 Lead bank for trade services[1]

EMPLOYEES

39,359 people employed (FTE)

608 people recruited from under-represented groups, including refugees, people with disability and Indigenous Australians since 2016

32.4% of women in leadership, increase from 27.9% in Sep 2014[2]

877k hours of training provided in FY18

COMMUNITY

$137m contributed in community investment in FY18[3]

Disaster relief packages for Qld floods; Vic and Tas bushfires; NT cyclones and NSW hailstorms

$1.5m in donations across FY18 and 1H19 for drought and flood relief

124,113 volunteering hours completed by employees in FY18

$1.5b in taxes incurred; money used by governments to provide public services and amenities

>889k people reached through target to help enable social and economic participation in FY18[4]

SHAREHOLDERS[5]

>500,000 Retail & Institutional shareholders

$3.6b cash profit reported

124.8 cents earnings per share

80 cents per share fully franked dividend announced for 1H19

12.0% return on average ordinary shareholders equity

All financial metrics are as at 31 March 2019 (P&L growth metrics for the half year ended 31 March 2019) unless otherwise stated

1. Peter Lee Associates Large Corporate and Institutional Transactional Banking surveys, Australia and New Zealand 2004-2018. 2. Measures representation at the Senior Manager, Executive and Senior Executive Levels. Includes all employees regardless of leave status but not contractors (which are included in FTE 3. Figure includes foregone revenue of $107 million. 4. Through our initiatives to support financial wellbeing including financial inclusion, employment and community programs, and targeted banking products and services for small businesses and retail customers. 5. On a cash profit continuing operations basis

SUSTAINABILITY

OUR APPROACH

Our Sustainability Framework supports our business strategy. We seek to shape a world where people and communities thrive through our focus on fair and responsible banking and our priority issues of environmental sustainability, housing and financial wellbeing.

Fair and responsible banking - keeping pace with the expectations of our customers, employees and the community, behaving fairly and responsibly and maintaining high standards of conduct.

Financial wellbeing - improving the financial wellbeing of our customers, employees and the community by helping them make the most of their money throughout their lives.

Environmental sustainability - supporting household, business and financial practices that improve environmental sustainability.

Housing – improving the availability of suitable and affordable housing options for all Australians and New Zealanders.

ANZ is committed to the United Nations' Sustainable Development Goals (SDGs) and our Framework, together with public targets that we set annually, supports the achievement of the SDGs. Our activities support 10 of the 17 SDGs:

Detailed sustainability performance information is contained in our 2018 Sustainability Review, available at anz.com/cs. Full year performance against FY19 targets will be available in November 2019.

SUSTAINABILITY

HALF YEAR PROGRESS SNAPSHOT

Sustainability target (half year progress snapshot)	Progress
FAIR AND RESPONSIBLE BANKING	
Continue to allocate dedicated resources to customer remediation to improve our processes (Australia Division)	• Reduced time to make customer remediation payments – in some cases by more than 50% • Remediation payments made to ~420,000 customer accounts • Increased specialist retail remediation team from 130 to 200 people
Implement new Dispute Resolution Principles in Australia	• New Dispute Resolution Principles, incorporating model litigant guidelines, released publicly in April
ENVIRONMENTAL SUSTAINABILITY	
Fund and facilitate at least $15 billion by 2020 towards environmentally sustainable solutions for our customers including initiatives that help lower carbon emissions, improve water stewardship and minimise waste[2]	• $14.6b
Reduce the direct impact of our business activities on the environment by reducing scope 1 & 2 emissions by 24% by 2025 and 35% by 2030 (against a 2015 baseline)	• -23%
FINANCIAL WELLBEING	
Help enable social and economic participation of 1 million people by 2020[3]	• >889k
Increasing women in leadership to 33.1% by 2019 (34.1% by 2020)[4]	• 32.4%
Recruiting >1,000 people from under-represented groups by 2020	• 608
HOUSING	
Fund and facilitate $1b of investment by 2023 to deliver ~3,200 more affordable, secure and sustainable homes to buy and rent (Australia)	• ANZ jointly led issue of $315m social bond for the National Housing Finance & Investment Corporation
Provide NZD100m of interest free loans to insulate homes for ANZ mortgage holders (NZ)	• 677 loans approved to value of NZD2.5m

An update on progress against all of ANZ's 2019 sustainability targets is available on anz.com/cs

Note: This information has not been independently assured. KPMG will provide assurance over ANZ's full year performance against targets in its annual sustainability reporting to be released in November 2019.

1. Australia Retail: Roy Morgan Research Single Source, Australian population aged 14+, Main Financial Institution, six month rolling average to Sep'18. Ranking based on the four major Australian banks. 2. Including renewable energy generation, green buildings and less emissions intensive manufacturing and transport 3. Through our initiatives to support financial wellbeing including financial inclusion, employment and community programs, and targeted banking products and services for small businesses and retail customers. Note that this is FY18 figure – full year results available November 2019. 4. FY18-FY20 target is now defined as Women in Leadership which measures representation at the Senior Manager, Executive and Senior Executive levels

SUSTAINABILITY

FAIR AND RESPONSIBLE BANKING

RESPONDING TO THE ROYAL COMMISSION

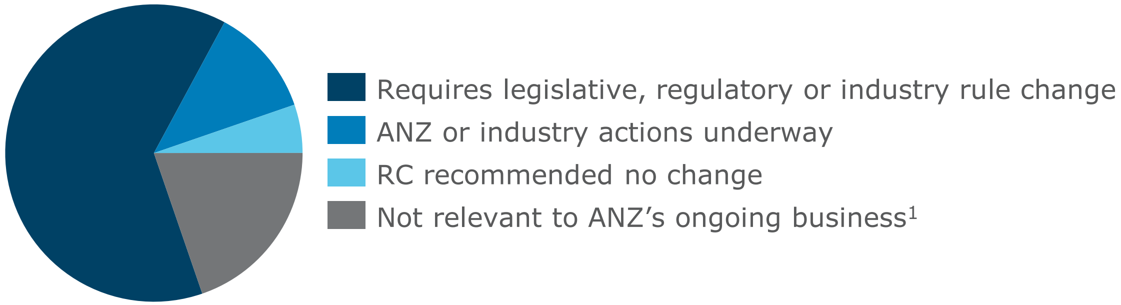
Central to our commitment to **Fair and responsible banking** is how we respond to the 'spirit and the letter' of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

Following the Commission's Final Report we have:

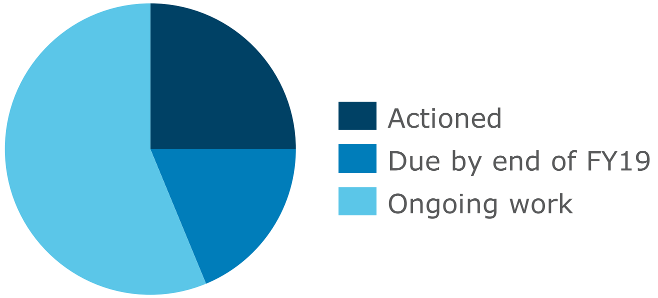
- Identified sixteen actions that we can take now (see pages 104 to 108 for actions and progress to date);
- Reviewed individual cases highlighted at the Commission and where appropriate taken action to resolve the matters;
- Developed and 'mapped' our broader response to the 'spirit' of the Commission, setting out what we have learnt and what we are doing in response (see pages 101 to 103). We are focused on:
    - **how we serve customers** – preventing harm through improving product governance and accountability and ensuring we are sensitive to customers with unique circumstances (for example, customers living in remote areas, including Indigenous customers);
    - **how we comply with the law** – identifying, reporting and fixing issues quickly; and
    - **how we run the bank** – reducing complexity and improving our governance, culture and remuneration systems to prevent failings and reduce the risk of misconduct.

ROYAL COMMISSION & ANZ ACTIONS

ANZ analysis of Royal Commission recommendations



Sixteen actions ANZ is taking now[2]



1. ANZ continuing operations
2. Progress as at 30 April 2019

RESPONDING TO THE ROYAL COMMISSION

‘IDENTIFIED SIXTEEN ACTIONS THAT WE CAN TAKE NOW’

COMMITMENT

On 20 February 2019, ANZ announced it would take immediate steps to implement the first phase of its response to the recommendations from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

ANZ is implementing 16 initiatives to improve the treatment of retail customers, small businesses and farmers in Australia as well as publicly reporting on the remediation of existing failures, including:

- Providing farmers with early access to farm debt mediation as well as favouring ‘work-outs’ over either enforcement or appointing external managers
- Not charging farmers default interest in areas hit by drought or other natural disasters
- Creating a dedicated phone service and easier account identification options for Indigenous customers
- Proactively contacting customers paying little off persistent credit card debt to encourage them to move to lower cost options
- Removing overdrawn and dishonour fees from our Pensioner Advantage accounts
- Engaging as a ‘model-litigant’ in situations where ANZ is involved in a court process with individual retail or small business customers; and
- Committing to the Australian Financial Complaints Authority’s “look back” under its new limits

Progress against the 16 commitments (within the below categories) is provided in the following slides

Retail customers	Farmers	Remuneration	Accountability, culture & governance	Remediation	Dispute resolution	Financial advice
Commitments 1 (1.1, 1.2) 2 (2.1, 2.2) 3 (3.1, 3.2)	Commitments 4 (4.1, 4.2, 4.3, 4.4)	Commitments 5, 6	Commitments 7, 8, 9, 10, 11	Commitments 12	Commitments 13, 14	Commitments 15, 16

RESPONDING TO THE ROYAL COMMISSION

SIXTEEN ACTIONS – TABLE OF COMMITMENTS & FY19 HALF YEAR UPDATE

Commitment	FY19 Half Year Update
Retail customers	
1. Make our products fairer and better matched to our customers by:	
1.1 Removing overdrawn and dishonour fees on our Pensioner Advantage account	• ANZ has removed the Overdrawn Fee and the Dishonour Fee on our ANZ Pensioner Advantage account.
1.2 Accelerating work on how we design and distribute products so that customers get products that meet their needs	• Our work continues to look at how we design and sell products and the use and value which customers get from our products. • Most recently, this includes the establishment of an ongoing process to contact credit card customers who are carrying persistent debt (as per commitment 3.1). • The design and distribution obligations in the Treasury Laws Amendment Bill 2018 have now been passed through Parliament. • An assessment is underway on the design and distribution obligations to help inform our work and commence addressing the obligations for when they become law.
2. Improve our service to Aboriginal and Torres Strait Islander (ATSI) customers in remote communities by:	
2.1 Setting up a dedicated phone service that will help ATSI customers manage their banking	• ANZ has established a dedicated ATSI telephone service that will be in operation from 1 May 2019. • The telephone service will be staffed by 20 Melbourne based bankers trained in indigenous cultural awareness and vulnerable customers training. • It will operate Monday to Friday 8am to 8pm AEST. All other hours, ATSI customers will be serviced by existing Customer Contact Centre bankers. • The telephone service will initially service existing ANZ customers with service enquiries and new deposit product fulfilment. Future development of the ATSI telephone service will build on learnings from the initial phase, and the scope will eventually be expanded to include on-boarding of new ANZ customers and services to inform and educate ATSI customers of value-add services within ANZ.
2.2 Giving ATSI customers easier options to prove their identity when opening and using a bank account	From 1 May 2019: • ANZ will introduce a new Referee Form, which will make it easier for indigenous customers to prove their identity. • The ATSI telephone service will use TextMe SMS message to provide identified ATSI customers with a dedicated telephone number. • Manual Security Questions have been revised to make them more relevant and easily understood by ATSI customers. In formulating questions, feedback was sought from ANZ's Indigenous Advisory Group.

RESPONDING TO THE ROYAL COMMISSION

SIXTEEN ACTIONS – TABLE OF COMMITMENTS & FY19 HALF YEAR UPDATE

Commitment	FY19 Half Year Update
Retail customers	
3. Help customers by:	
3.1 Contacting consumer credit card customers who are carrying persistent debt and paying little off to get them on to lower rate cards and assist them to pay their debt faster	• In March 2019 we established an ongoing process to contact credit card customers who are carrying persistent debt. We provide these customers financial education on how credit cards work and offer assistance plans to help them to pay their debt faster. • Our initial focus is on contacting customers with a low rate credit card product and providing them an option to transfer to an instalment plan at a reduced rate of 7.0% p.a. We will subsequently contact customers on high rate credit card products and provide them an option to transfer to a low rate card or instalment plan. • Our next steps include expanding the population of customers we can help beyond credit card only customers to customers with other ANZ products.
3.2 Contacting customers in receipt of eligible Centrelink or Veterans' Affairs benefits to help them move to low-cost basic bank accounts	• Work is underway to establish an ongoing process to contact customers in receipt of eligible Centrelink or Veterans' Affairs benefits to offer them a move to low-cost basic bank accounts. • The target commencement date is June 2019.
Farming customers	
4. Publish clear principles on how we help farmers including through:	• Principles outlining our assistance to famers will be published by September 2019. • Key inclusions are outlined below.
4.1 Not charging farmers default interest in areas declared to be affected by drought or other natural disasters	• By September 2019 ANZ will publish principles to make clear our commitment to not charge farmers default interest in areas declared to be affected by drought or other natural disasters.
4.2 Valuing farm land separately from the loan origination process	• From 29 March 2019, ANZ has withdrawn the authority of relationship managers to approve their own internal appraisals of farm land. All such appraisals are independently approved. This change ensures independence between the valuation process and the loan approval process.
4.3 Giving farmers early access to farm debt mediation if they get into difficulties and supporting a national scheme of farm debt mediation 4.4 Reinforcing our preference for working out difficulties over enforcing agricultural loans or appointing an external manager	• ANZ is continuing our work on implementing the commitments that we have publicly made to assist our farming customers experiencing financial difficulties. • By September 2019 ANZ will publish principles to make clear our commitment to early access to farm debt mediation, with the aim being to provide farmers with every opportunity to explore all work out options available. • Enforcement action is a measure of last resort only after all other options have been explored.

RESPONDING TO THE ROYAL COMMISSION

SIXTEEN ACTIONS – TABLE OF COMMITMENTS & FY19 HALF YEAR UPDATE

Commitment	FY19 Half Year Update
Remuneration	
5. Redesign how we manage and reward our people to better focus on the interests of our customers, the long-term health of the bank and team, rather than individual, outcomes	• ANZ is working to launch a new approach to reward, remuneration and performance management. This is scheduled to launch in the last quarter of 2019.
6. Continue to implement the recommendations of Mr Stephen Sedgwick, including by responding to any observations on how we can improve	• ANZ's delivery of Stephen Sedgwick's Retail Banking Remuneration Review recommendations is 75% complete. • With the exclusion of Broker remuneration which is being managed at the industry level we are on track to deliver all recommendations by the end of 2019, ahead of October 2020 deadline.
Accountability, culture and governance	

7. Strengthen our accountability and consequence framework so that when things go wrong, we fix them and consistently hold executives to account	• We are strengthening the principles and guidance that underpin our Accountability Framework. Developments underway include:
	  • Consequence Management Principles that guide a more consistent approach to consequence management across the bank, including impacts on remuneration.
	  • Accountability Principles that will define the various categories of accountability (e.g. direct, indirect, collective).
	  • Accountability Review Guidance to guide staff on when and how to undertake accountability reviews.
	• We are on track to implement by end 2019.

8. Supplement existing culture audits and ensure we act on identified problems	• Actions addressing problems identified in the cultural reviews by Internal Audit are formally documented and tracked to completion. • An Enterprise Culture Steering Group has been established, membership including the CEO, General Manager Talent & Culture and CRO. Meeting twice yearly each Executive Committee member is required to present the current cultural strengths and concerns of their business, as well as actions taken and planned which are aimed at shifting the culture towards ANZ's desired culture. • A new feedback tool has been launched, aimed at enabling greater self-awareness for leaders. The tool helps track outcomes of development and also provides an additional voice for our employees that can then be acted upon. • Our approach for measuring culture is currently under review to determine whether it is still fit for purpose and/or whether it should be supplemented to ensure we fully understand the degree to which we are moving towards our aspirational culture, the impact of actions we are taking, as well as being able to predict conduct issues.
9. Allocate specific responsibility to our BEAR[1] executive(s) for our products and complaints about them 10. Make our BEAR[1] executives explicitly responsible for preventing conduct that harms customers 11. Require our BEAR[1] executives to be open, constructive and cooperative with the Australian Securities and Investments Commission	• ANZ's BEAR[1] obligations have been documented and assigned to each relevant executive. • APRA is currently finalising its BEAR[1] product rules, expected by the end of 2019 calendar year. These rules will be utilised to finalise ANZ's product based requirements.

1. Banking Executive Accountability Regime

RESPONDING TO THE ROYAL COMMISSION

SIXTEEN ACTIONS – TABLE OF COMMITMENTS & FY19 HALF YEAR UPDATE

Commitment	FY19 Half Year Update
Remediation	
12. Publicly report on how we are fixing our significant failures, including the nature of the issues and our progress on paying customers back. This will include the remediations identified at the Royal Commission. This transparency will add to our commitment to fix failures fairly and quickly in our Remediation Principles[1]	• ANZ has reported half year progress against FY19 Fair and Responsible Banking sustainability targets in respect of remediations.
Dispute resolution	
13. Commit to public principles on managing complaints and disputes from retail and small business customers and acting as a model litigant if we end up in court with them individually	• New Dispute Resolution Principles, incorporating model litigant guidelines, were released publicly on 15 April 2019. • The principles apply to our people and our representatives (e.g. external law firms) when managing individual retail and small business customer complaints, disputes and litigation in Australia.
14. Commit to the Australian Financial Complaints Authority's 'look back' under its new limits, appoint our Customer Advocate to lead this work and fully cooperate with AFCA as it resolves disputes	• ANZ has appointed our Customer Advocate to lead this work and has written to AFCA confirming its consent to consider 'look back' disputes. • ANZ will continue to fully cooperate with AFCA as it resolves disputes and is currently scoping work and staffing requirements in preparation to commence resolving these disputes from 1 July 2019. • ANZ has also participated in industry consultation regarding the draft AFCA Rule changes and supplementary Operational Guidelines that set out how the program will operate.
Financial Advice	
15. Focus on how we provide ongoing financial advice to customers so they always get the service they pay for and value	• ANZ already allows customers to opt in annually to ongoing fee arrangements and is well placed to leverage existing processes and controls to implement these changes on a compulsory basis. • We are currently focussed on delivering a new model over the next 12 months where advice is delivered to existing customers and then fees are only charged after the delivery of the advice. In this model there will be no ongoing fee arrangements requiring annual review.
16. Tell our customers in writing of areas where our financial advisors may not be independent, impartial or unbiased	• ANZ will make amendments to our disclosure documents by July 2019.

1. ANZ's Remediation Principles are set out on page 9 of ANZ's 2018 Annual Review. The 2018 Annual Review is available at: https://shareholder.anz.com/sites/default/files/anz_2018_annual_review_final.pdf

WE MEASURE WHAT MATTERS

RECOGNITION

Highest ranked Australian bank on the Dow Jones Sustainability Index, scoring 83/100 in 2018

We achieved a CDP climate disclosure score of A- in 2018

Member of the FTSE4Good Index

2018-19 leader in workplace gender equality

Recognised as Australian Workplace Equality Index (LGBTI) Employer of Choice Gold Status (2018)

FRAMEWORKS

Our sustainability reporting is prepared in accordance with the Global Reporting Initiative Standards (Comprehensive level)

We have been a signatory to the United Nations Global Compact since 2010

We report in line with using the recommendations of the Financial Stability Board's (FSB) Task Force on Climate-Related Disclosures (TCFD)

As an Equator Principles Financial Institution signatory we report on our implementation of the Principles in our Sustainability Review

2019 HALF YEAR RESULTS

ECNOMICS

AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED

ECONOMICS

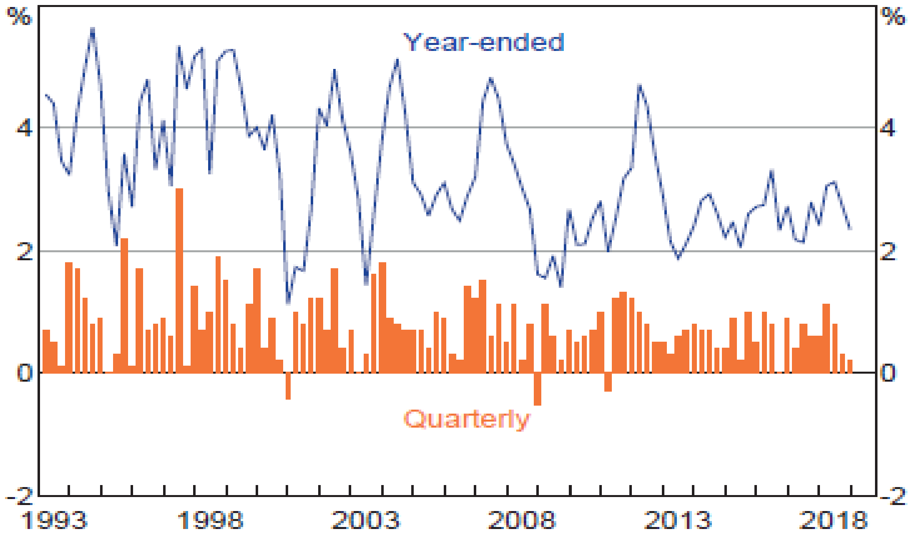
AUSTRALIA FORECAST TABLE[1]

	2015	2016	2017	2018	2019	2020F
Australia – annual % growth GDP	2.5	2.8	2.4	2.8	2.1	2.6
Domestic final demand	1.2	1.8	2.9	3.0	2.0	2.0
Headline CPI	1.5	1.3	1.9	1.9	1.8	2.4
Core CPI	2.2	1.5	1.9	1.8	1.9	2.2
Employment	2.0	1.8	2.2	2.3	1.7	1.7
Wages	2.2	2.0	2.0	2.2	2.3	2.4
Unemployment (ann. avg)	5.8	5.7	5.5	5.0	5.0	4.8
Current Account (% of GDP)	-4.5	-3.2	-2.6	-2.2	-0.7	-2.2
Terms of Trade	-11.5	0.0	11.5	1.8	4.0	-6.4
RBA cash rate (% year end)	2.00	1.50	1.50	1.50	1.00	1.00
3yr bond yield (% year end)	2.2	1.83	1.75	2.06	2.0	2.0
10 year bond yield (% year end)	2.67	2.31	2.64	2.64	2.29	2.50
AUD/USD (year-end value)	0.75	0.74	0.77	0.74	0.71	0.70

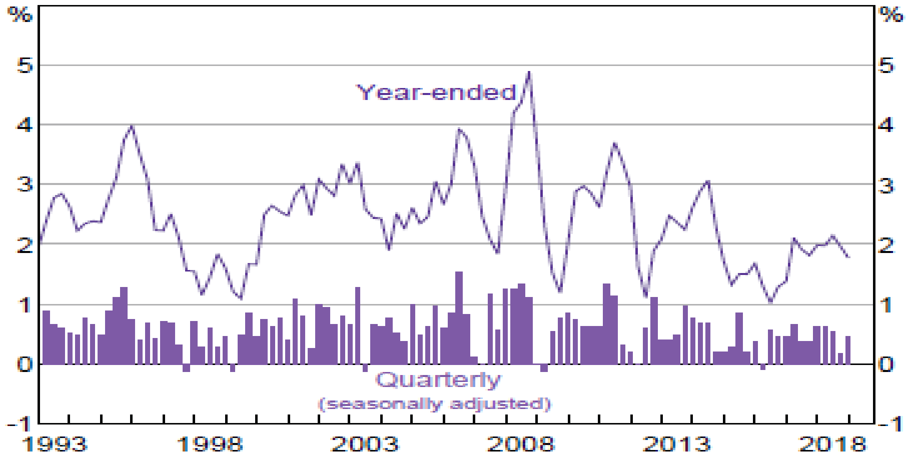
1. based on 26th March forecast

AUSTRALIAN ECONOMY

GDP GROWTH[1]



CONSUMER PRICE INFLATION[1]

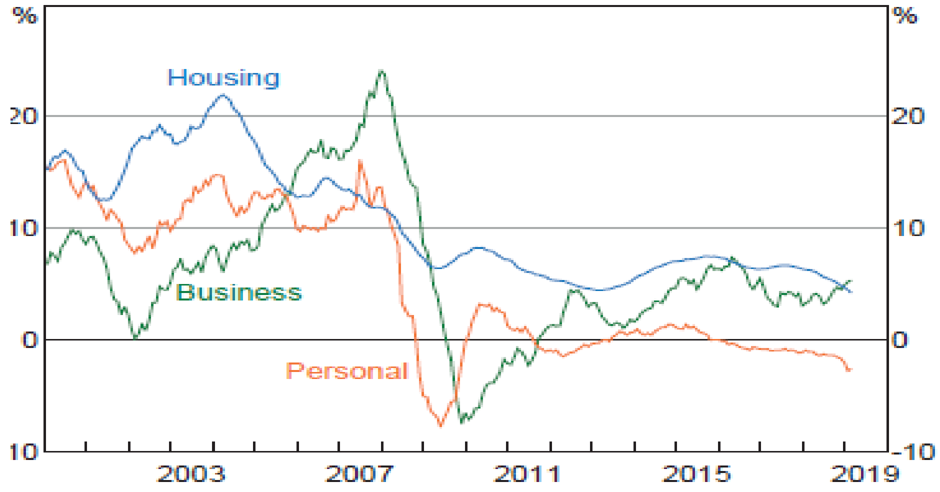


* Excluding interest charges prior to the September quarter 1998 and adjusted for the tax changes of 1999–2000

Sources: ABS; RBA

CREDIT GROWTH BY SECTOR[1]

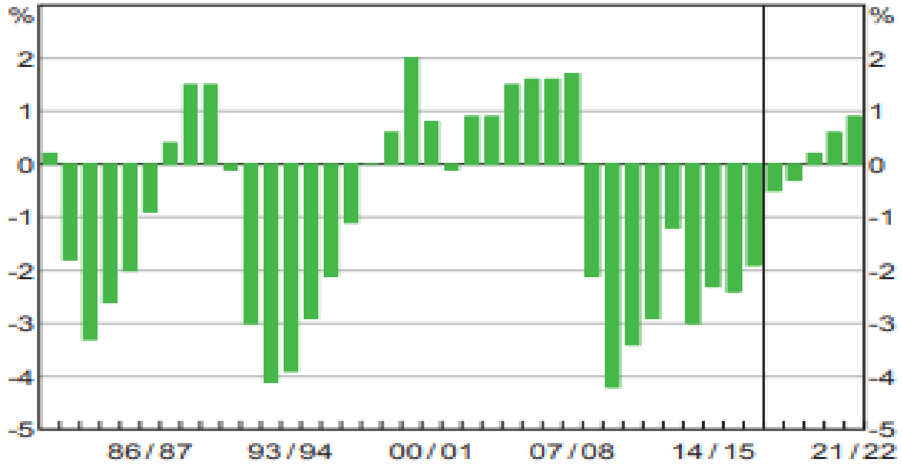
(year ended)



Sources: ABS; APRA; RBA

AUSTRALIAN GOVERNMENT BUDGET BALANCE[2]

Per cent of nominal GDP



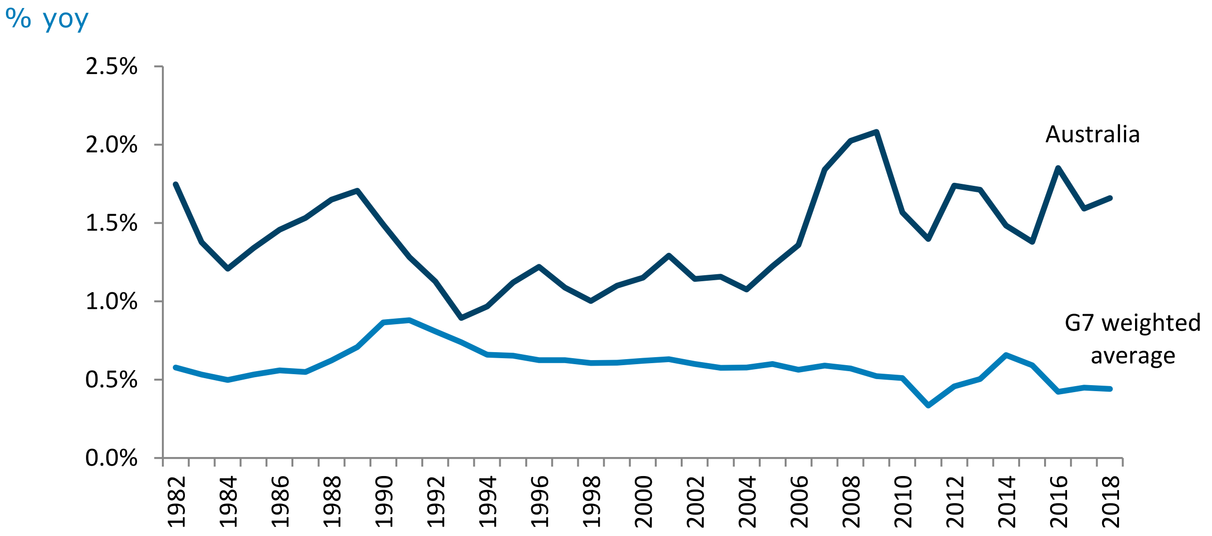
* Underlying cash balance; 2018/19 Mid-year economic and fiscal outlook

Source: Australian Treasury

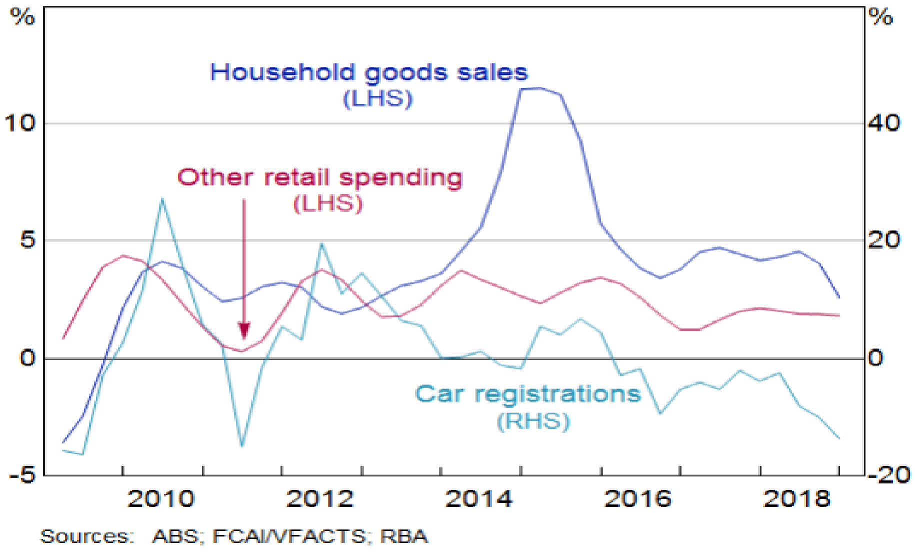
Sources: 1. RBA Chart Pack Apr 2019

AUSTRALIAN ECONOMY AND POPULATION

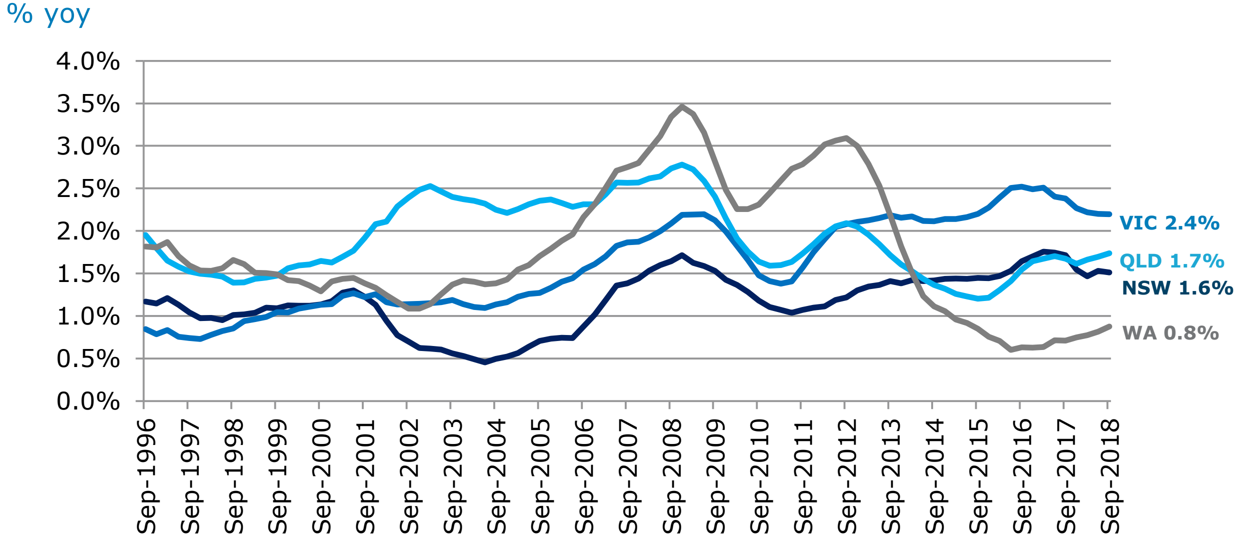
POPULATION GROWTH[1] – AUSTRALIA AND G7



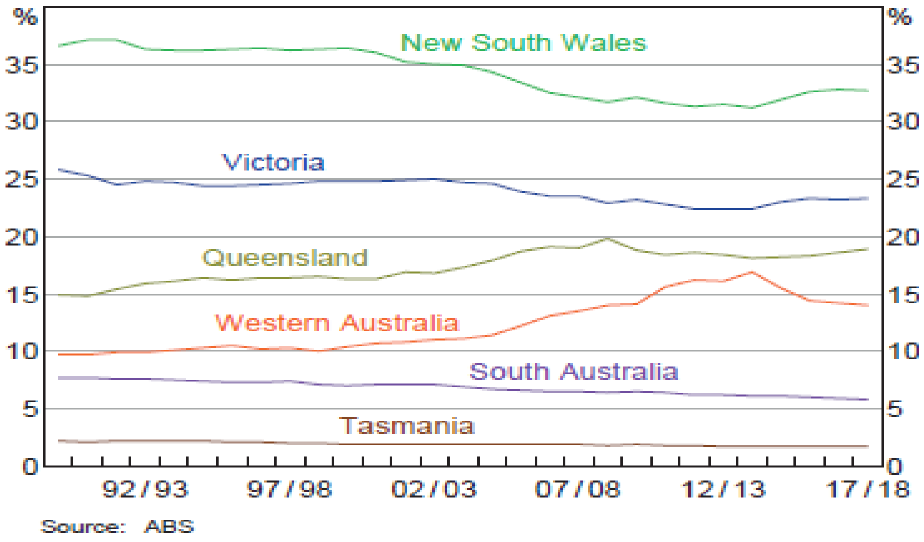
CONSUMER SPENDING GROWTH[4]



POPULATION GROWTH – MAJOR STATES[3]



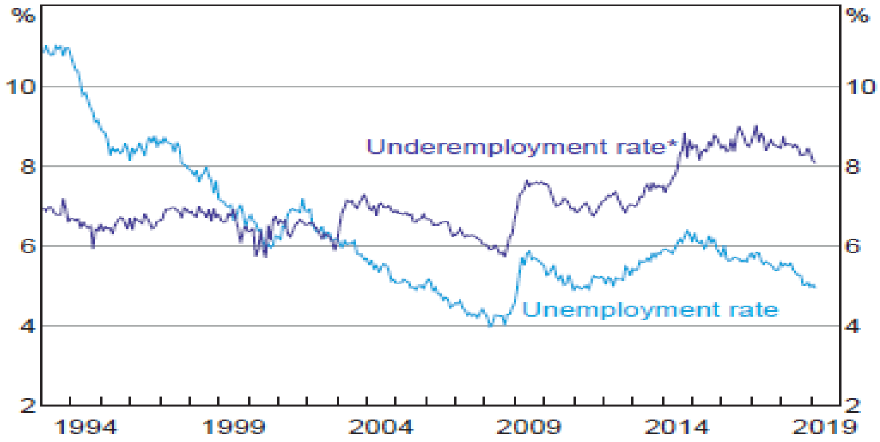
STATE SHARE OF OUTPUT[2]



Sources: 1. ABS, IMF. 2. Chart Pack Apr 2019, 3. ABS. 4 . RBA Speech: "What's up (and Down) With Households ", March 2019.

AUSTRALIAN LABOUR MARKET

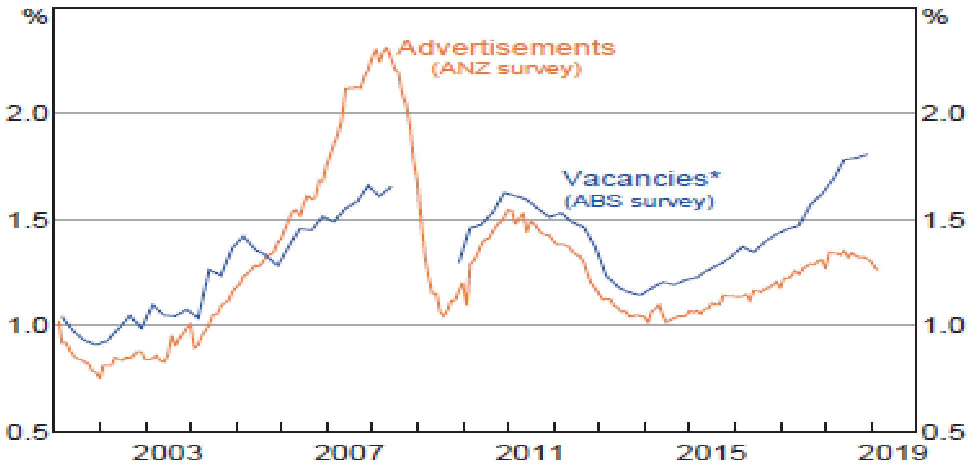
UNEMPLOYMENT AND UNDEREMPLOYMENT[1]



* Full-time workers on reduced hours for economic reasons and part-time workers who would like, and are available, to work more hours

Source: ABS

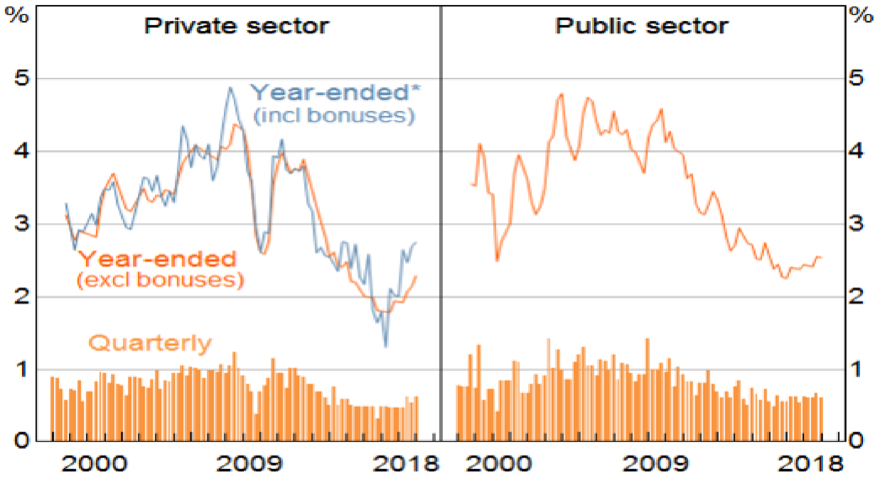
JOB VACANCIES AND ADVERTISEMENTS[1]



* This survey was suspended between May 2008 and November 2009

Sources: ABS; ANZ

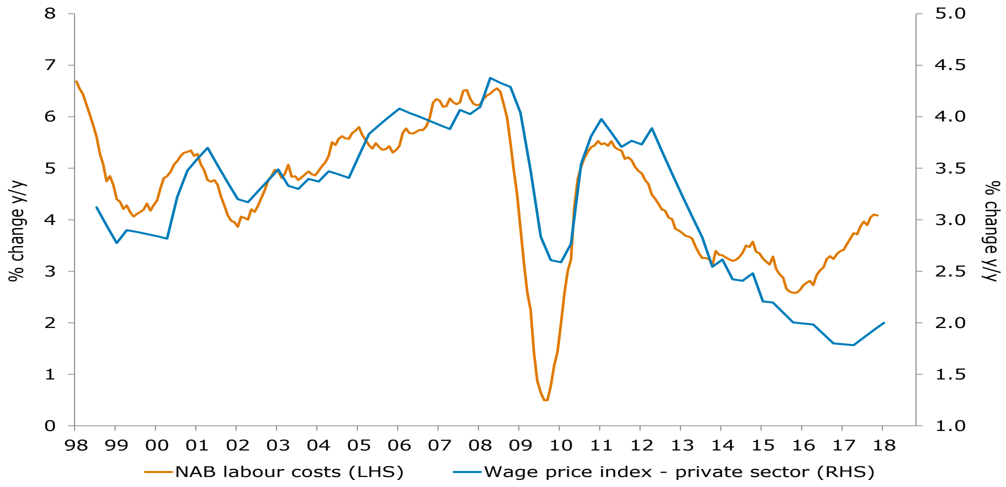
WAGE PRICE INDEX GROWTH[2]



* Not seasonally adjusted; bonuses include commissions

Source: ABS

LABOUR COSTS AND INFLATION[3]

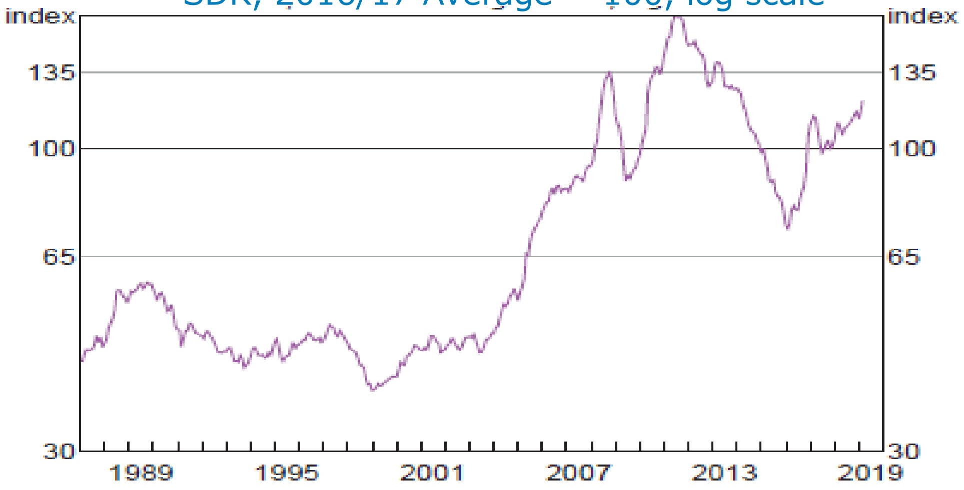


Sources: 1. RBA Chart Pack Apr 2019 2. RBA Speech: "What's up (and Down) With Households ", March 2019. 3. ABS, ANZ Research

COMMODITY PRICES[1]

RBA INDEX OF COMMODITY PRICES

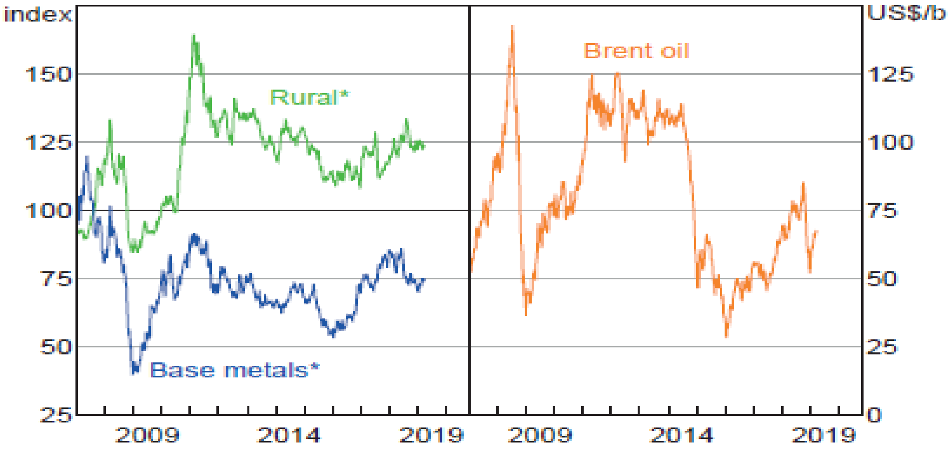
SDR, 2016/17 Average = 100, log scale



Source: RBA

BASE METALS, RURAL, AND OIL PRICES

Weekly

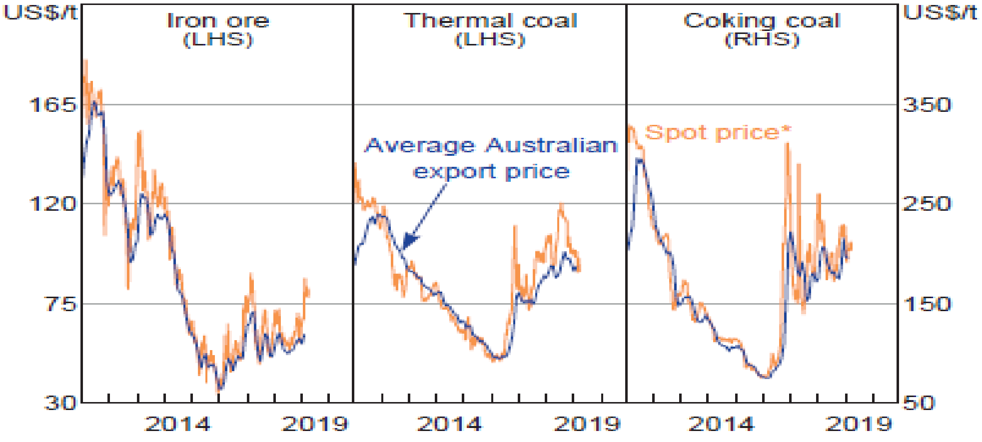


* RBA Index of Commodity Prices sub-indices; SDR terms; 2007 average = 100

Sources: Bloomberg; RBA

BULK COMMODITY PRICES

Free on board basis

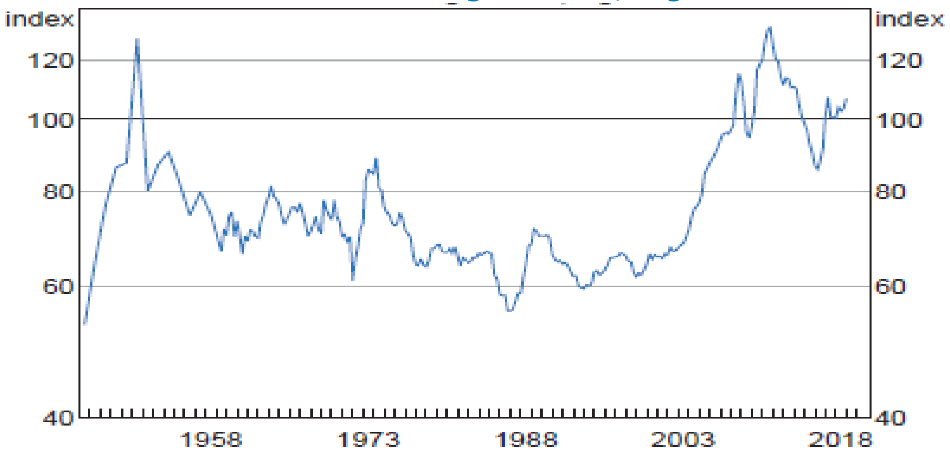


* Iron ore fines; Newcastle thermal coal and premium hard coking coal

Sources: ABS; Bloomberg; IHS; RBA

TERMS OF TRADE*

2016/17 average = 100, log scale



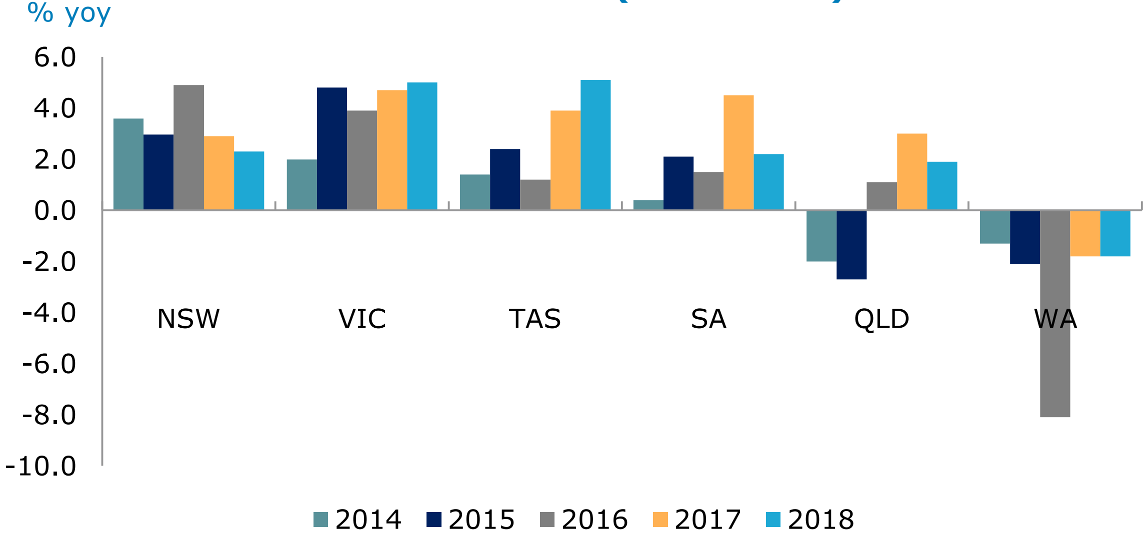
* Annual data are used prior to 1960

Sources: ABS; RBA

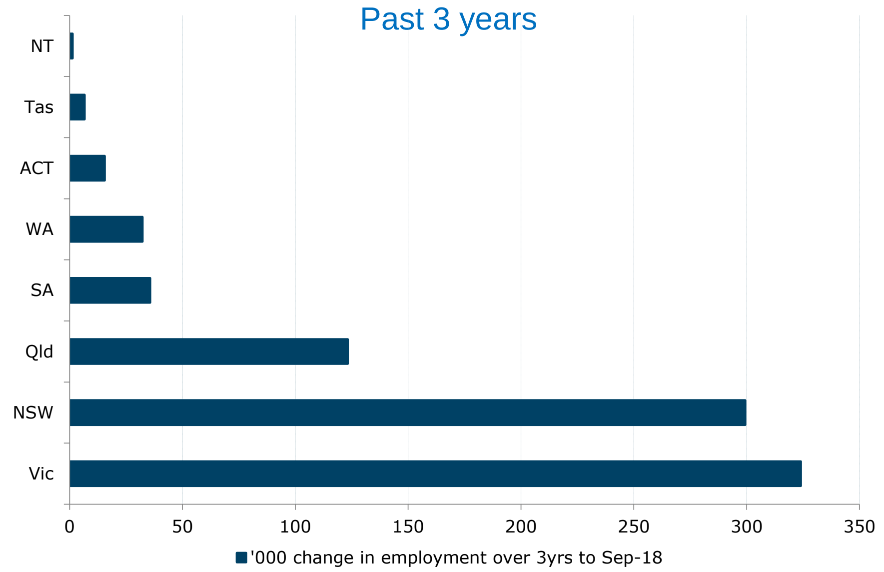
1. RBA Chart Pack Apr 2019

AUSTRALIAN ECONOMY – STATE BY STATE

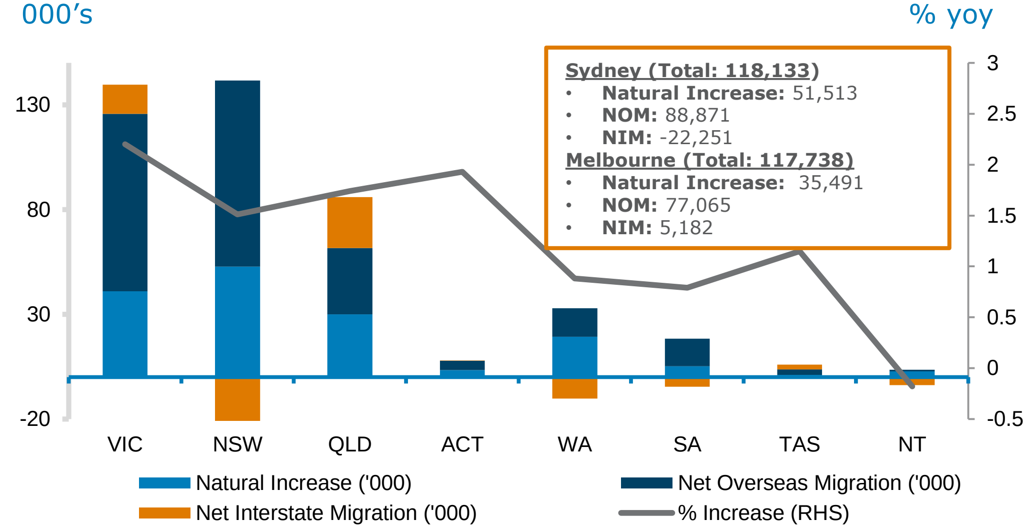
STATE FINAL DEMAND (STATE GDP)[1]



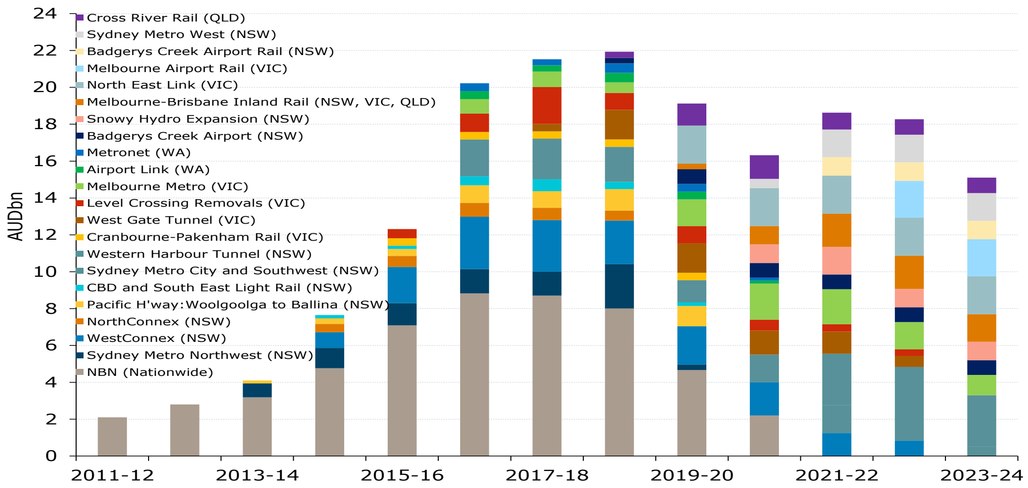
CHANGE IN EMPLOYMENT BY STATE[2]



POPULATION GROWTH[1]



MAJOR INFRASTRUCTURE PROJECTS[3]

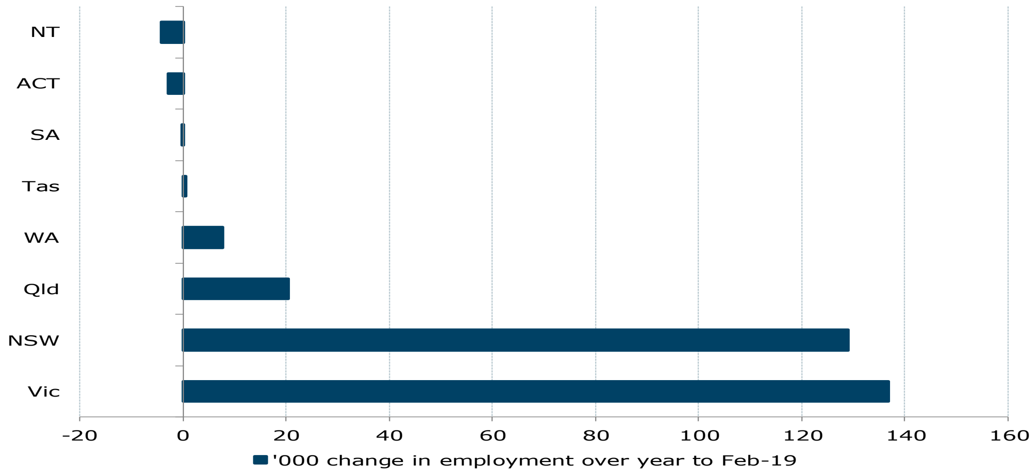


Sources: 1. ABS. 2. RBA Chart Pack Aug 2018. 3. ANZ Research

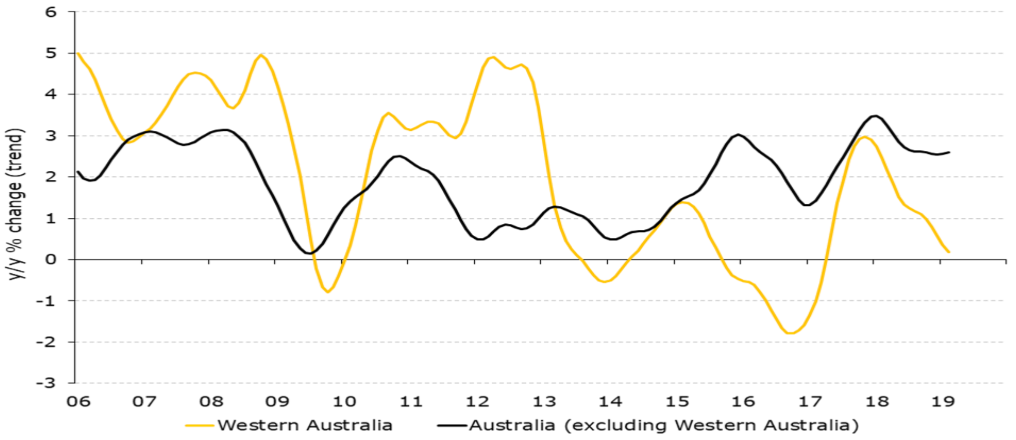
AUSTRALIAN ECONOMY – WA AND QLD[1]

WA GDP HAS IMPROVED

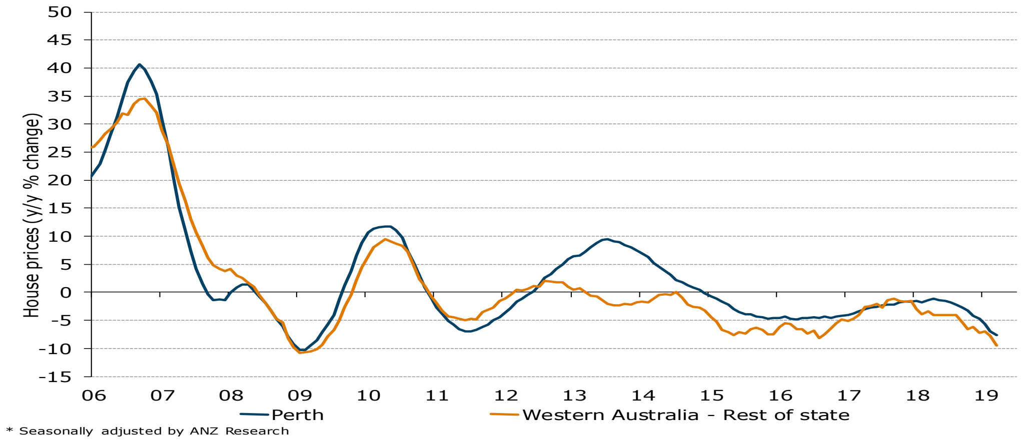
6 MONTHS OF JOB GROWTH IN WA AND QLD



WA EMPLOYMENT



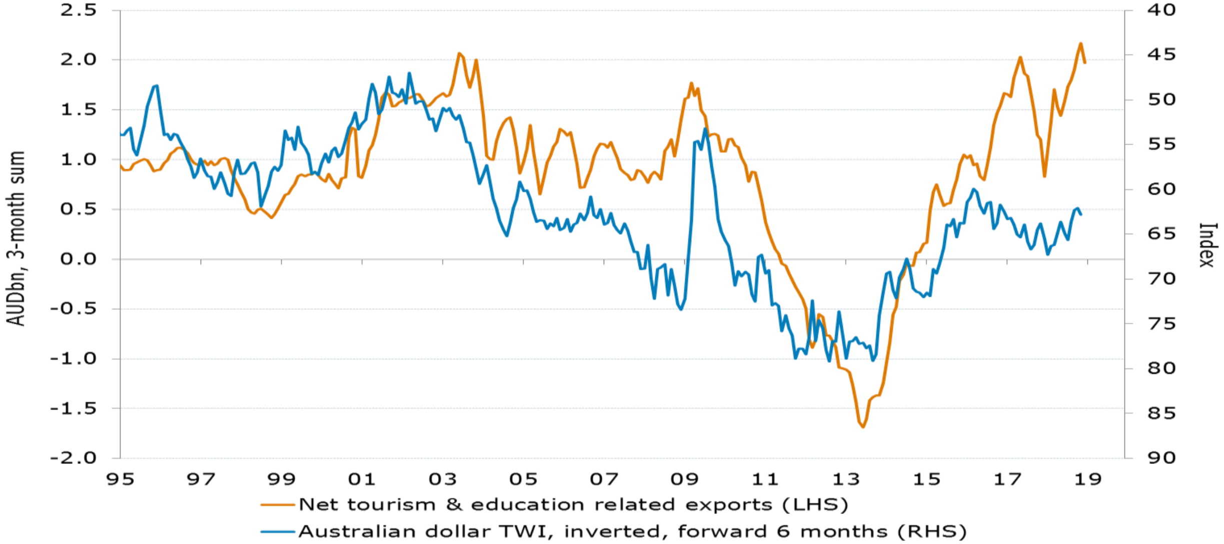
WA HOUSE PRICES



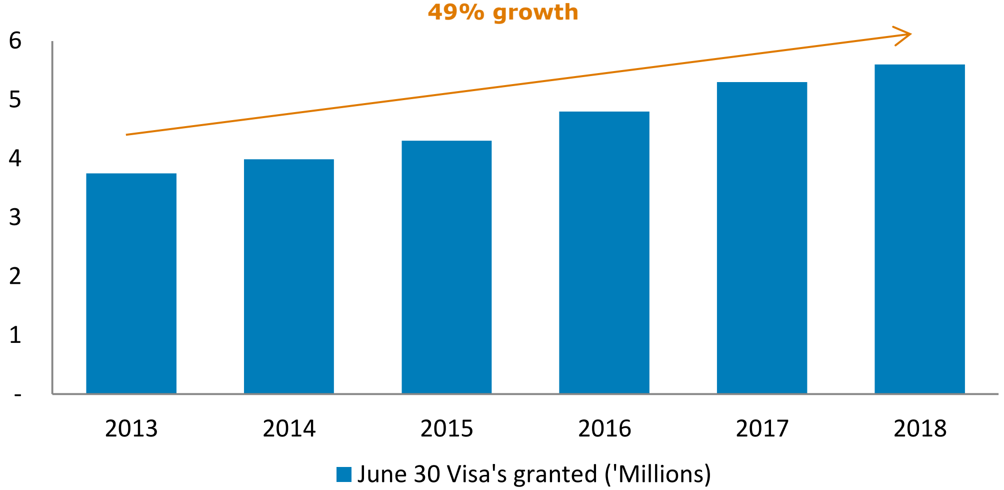
1. ANZ Research

AUSTRALIAN ECONOMY – SERVICE EXPORTS

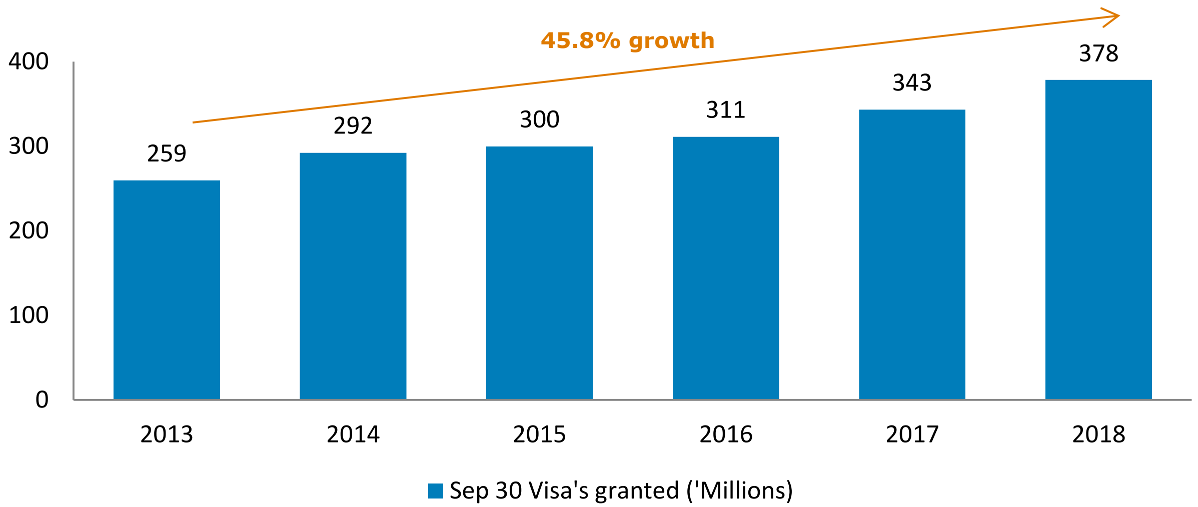
SERVICE EXPORTS AND AUD[1]



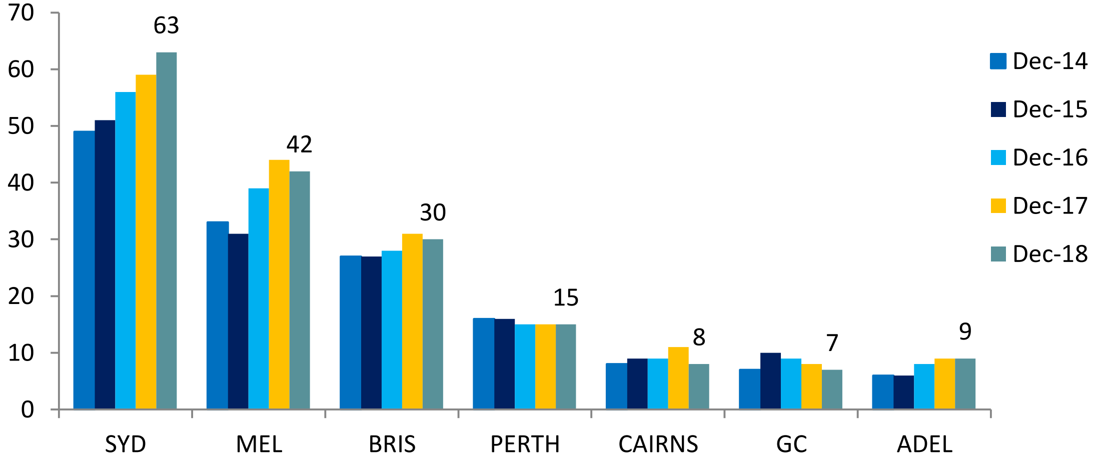
INTERNATIONAL TOURIST VISA'S GRANTED[2]



INTERNATIONAL STUDENT VISAS[2]



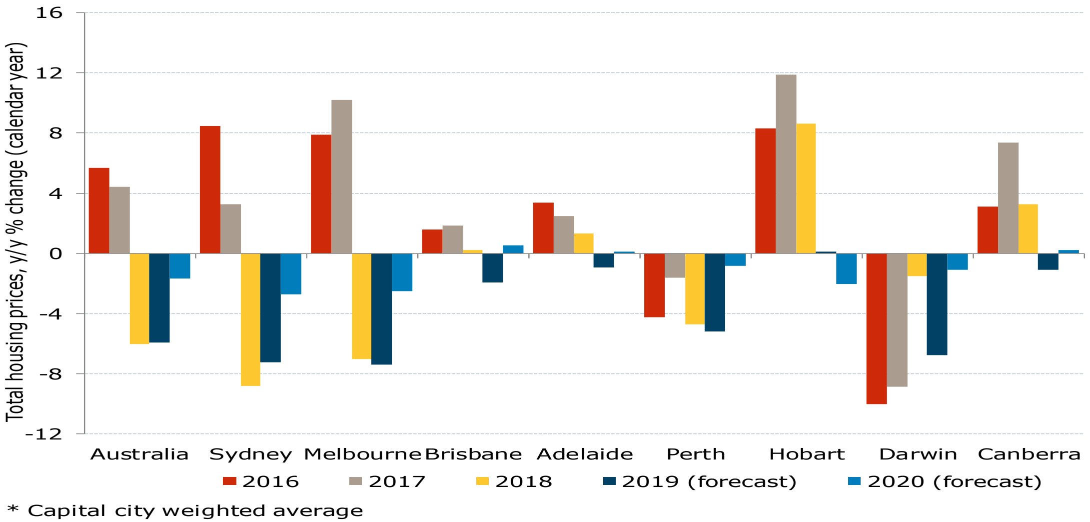
NUMBER OF INTERNATIONAL CITIES WITH CONNECTING FLIGHTS[3]



Sources: 1. ABS, ANZ Research. 2. Department of Immigration and Border Protection. 3. Department of Infrastructure and Development International Airline Activity Time Series

AUSTRALIAN HOUSING DYNAMICS: A COOLING MARKET

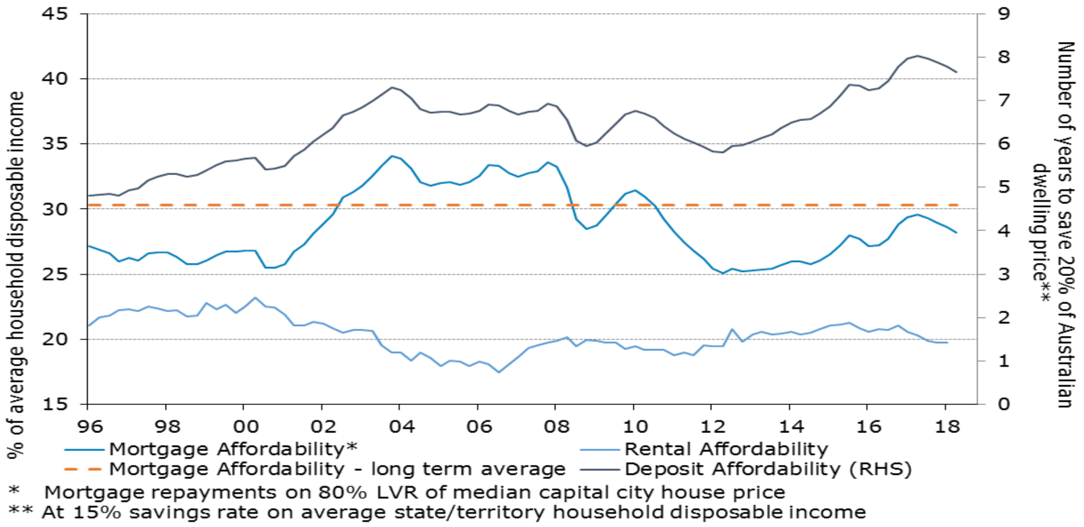
HOUSING PRICE FORECASTS BY STATE[3]



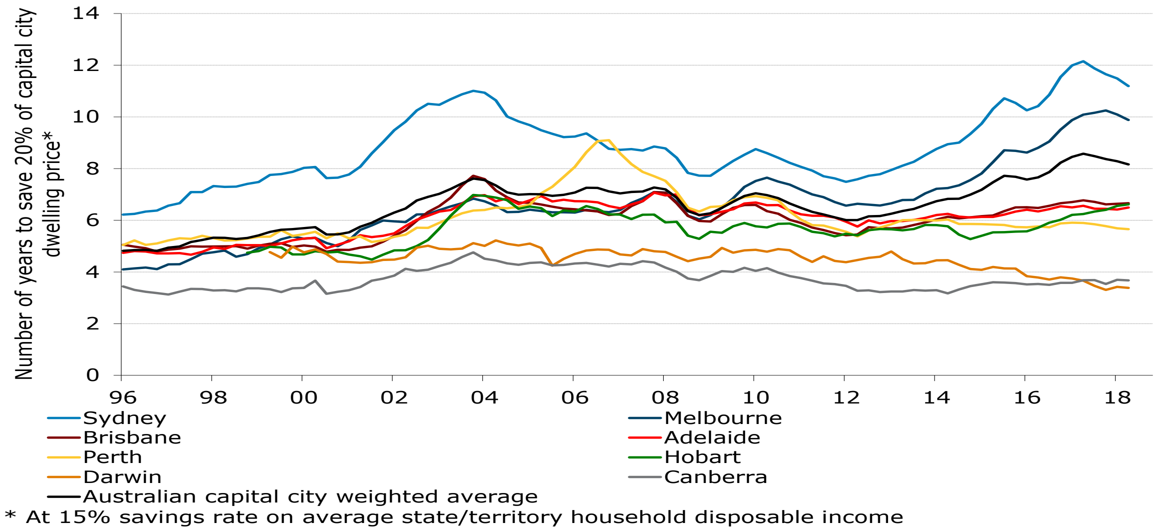
HOUSE PRICE GROWTH[1]

Mar 2019	yoy %			5 yr Cumulative 2013-2018			5 yr Cumulative Mar 14-Mar 19		
	All dwellings	Houses	Units	All dwellings	Houses	Units	All dwellings	Houses	Units
Sydney	**-11.0**	-11.8	-9.0	**43.4**	46.8	35.9	23.2	25.3	18.6
Melbourne	**-9.8**	-12.3	-3.9	**40.6**	50.9	21.5	25.5	31.4	14.4
Brisbane	**-1.3**	-1.3	-1.7	**15.4**	19.7	-1.4	9.9	13.6	-4.8
Adelaide	**0.9**	0.8	1.2	**16.8**	17.9	11.0	13.2	13.8	10.0
Perth	**-7.6**	-7.6	-8.0	**-11.7**	-9.7	-19.6	-17.5	-16.1	-23.4
Darwin	**-7.1**	-3.6	-13.6	**-22.3**	-14.1	-34.2	-27.2	-20.6	-37.1
Canberra	**3.2**	3.9	0.4	**21.8**	27.6	3.5	23.8	29.5	5.2
Hobart	**5.8**	5.5	6.8	**36.0**	35.9	37.0	35.9	35.8	36.2

OVERALL AFFORDABILITY[2,3]



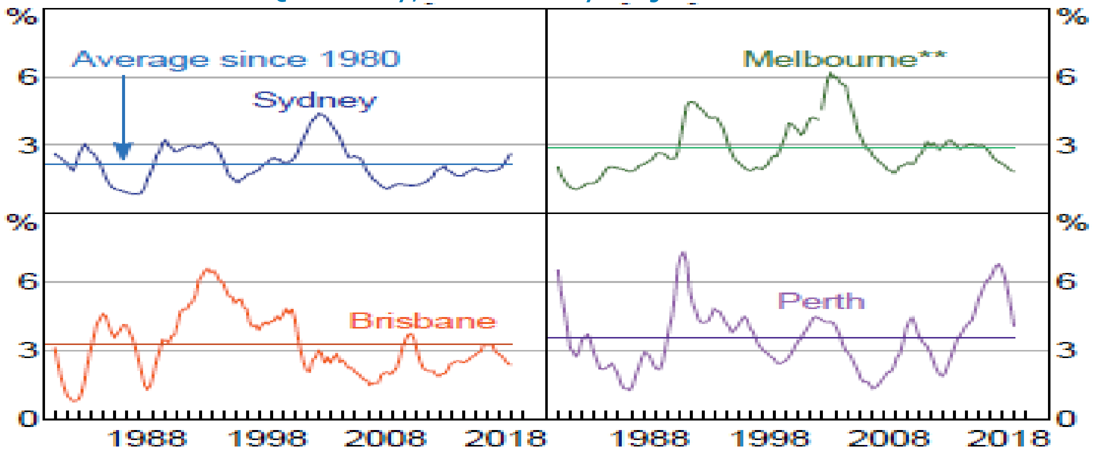
DEPOSIT AFFORDABILITY[2,3]



Sources: 1. CoreLogic RP Data values as at March 2019. 2. Residex,, RBA. 3. ANZ Research

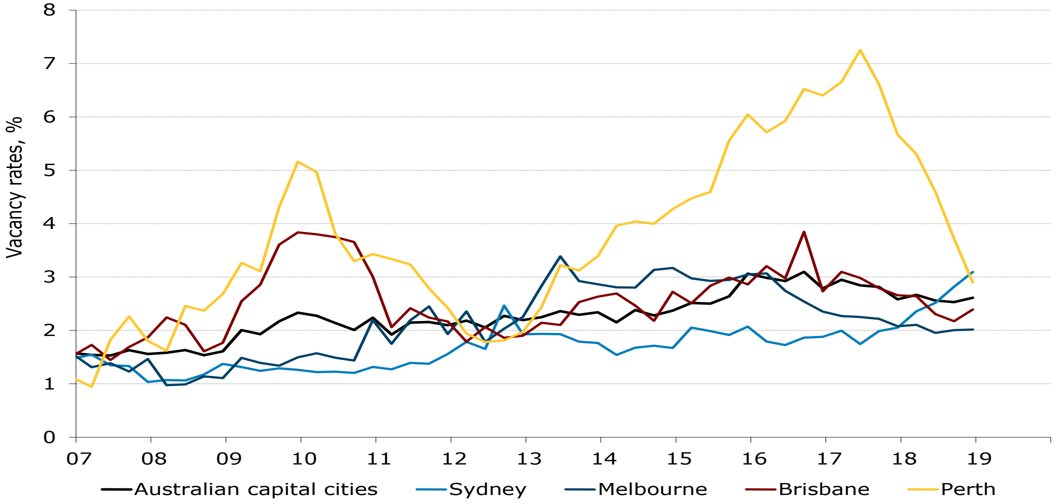
RENTAL VACANCY RATES REMAIN LOW

RENTAL VACANCY RATES[1]
Quarterly, seasonally adjusted*

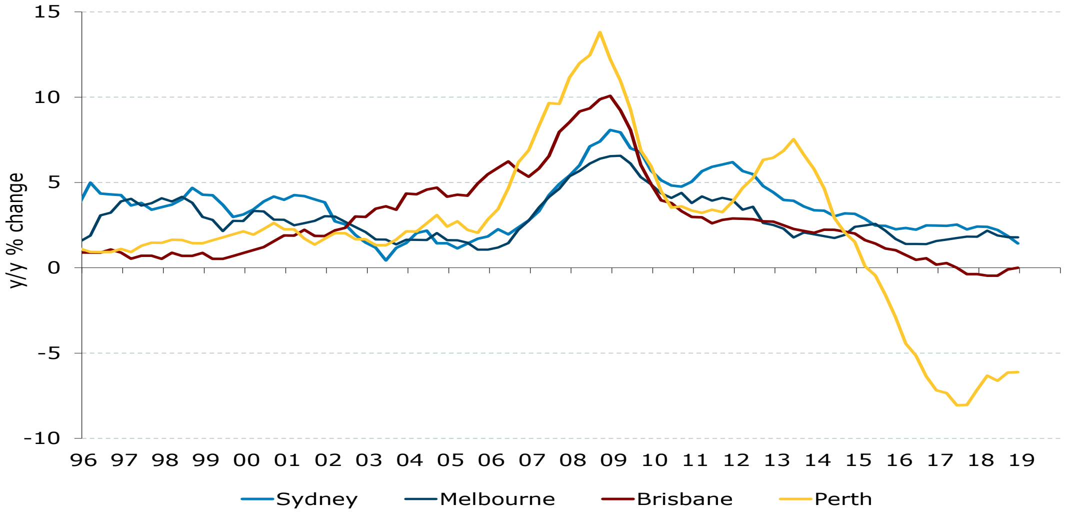


* 12-month moving average
** Series break December quarter 2002
Sources: RBA; REIA; REIVA

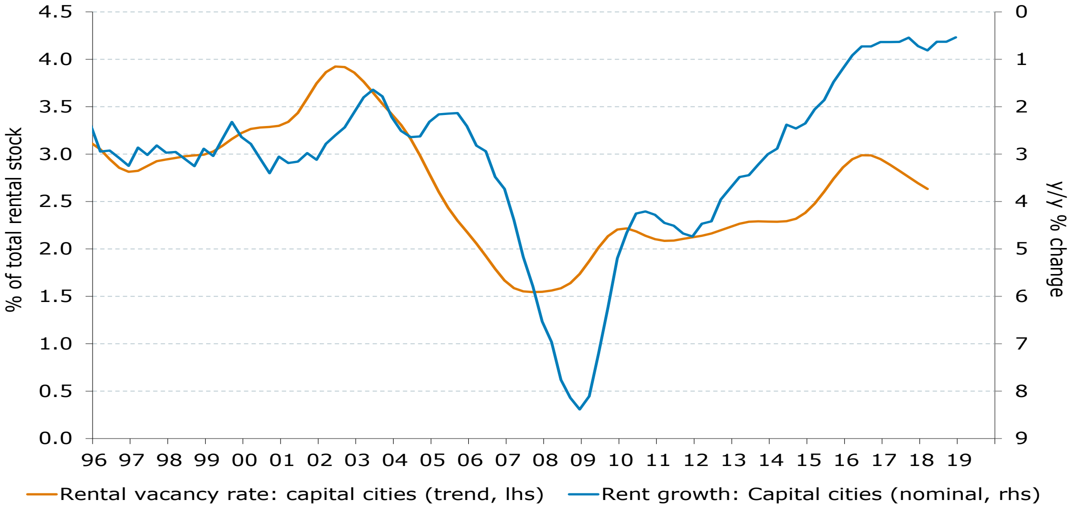
VACANCY RATES BY STATE[2,3]



RENTS[2,3]



RENTS & VACANCY RATES[2,3]

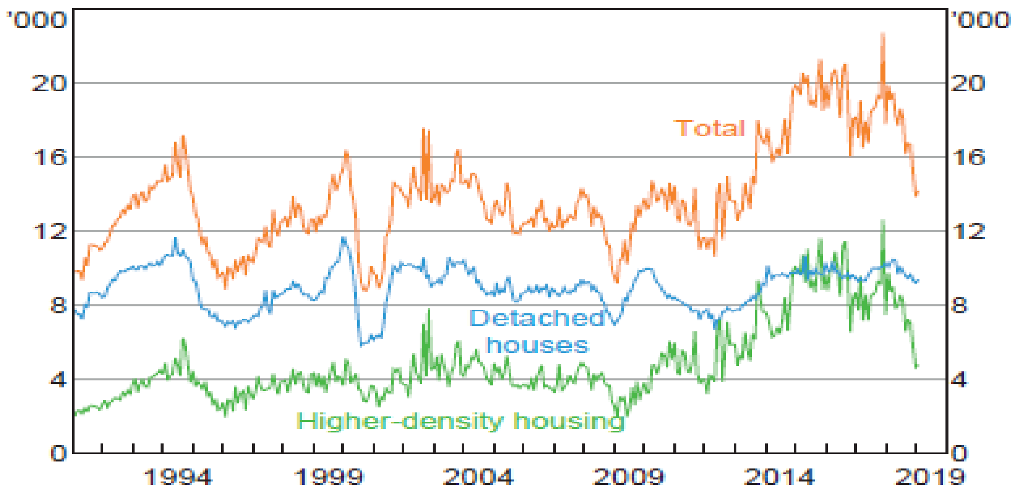


Sources: 1. RBA Financial Stability Review. April 2019. 2. CoreLogic RP Data values as at 30 July 2017. 3. Residex, RBA, ANZ Research

AUSTRALIAN HOUSING DYNAMICS

PRIVATE RESIDENTIAL BUILDING APPROVALS[1]

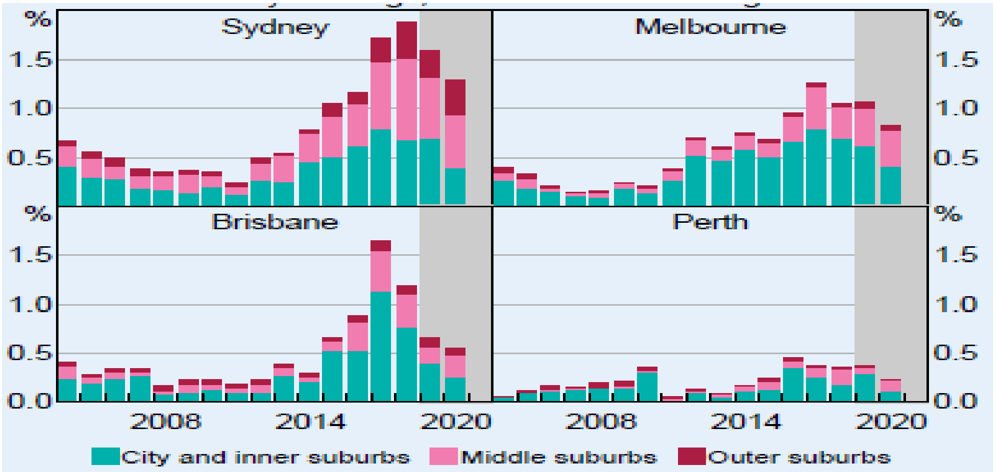
Monthly



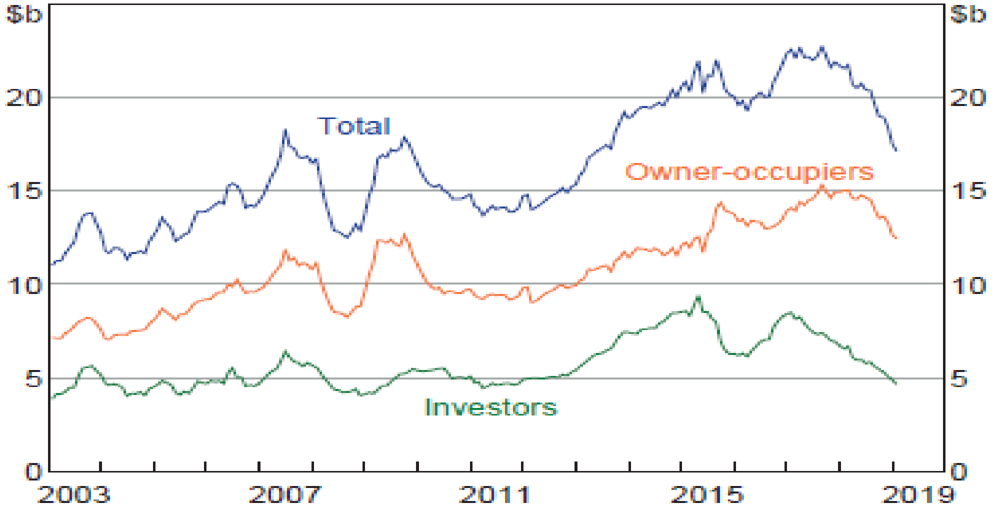
Source: ABS

HIGH DENSITY APARTMENT COMPLETIONS[2]

4+ Storey buildings, share of 2016 dwelling stock

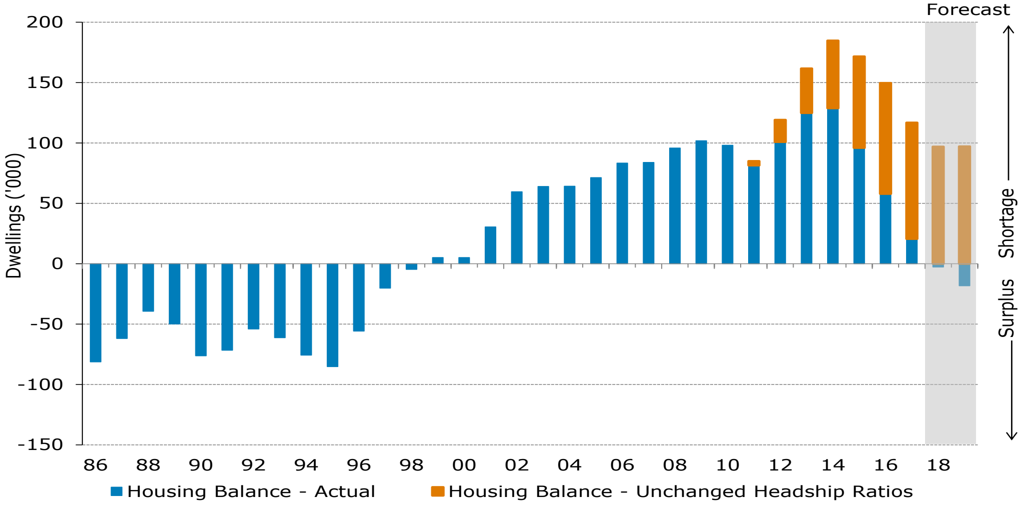


HOUSING LOAN APPROVALS[1]



Sources: ABS; RBA

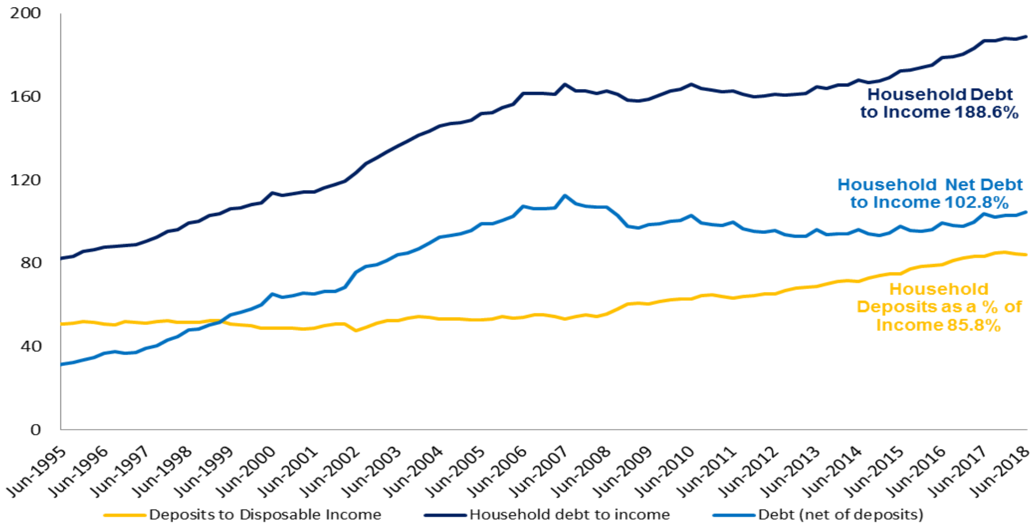
HOUSING BALANCE[3]



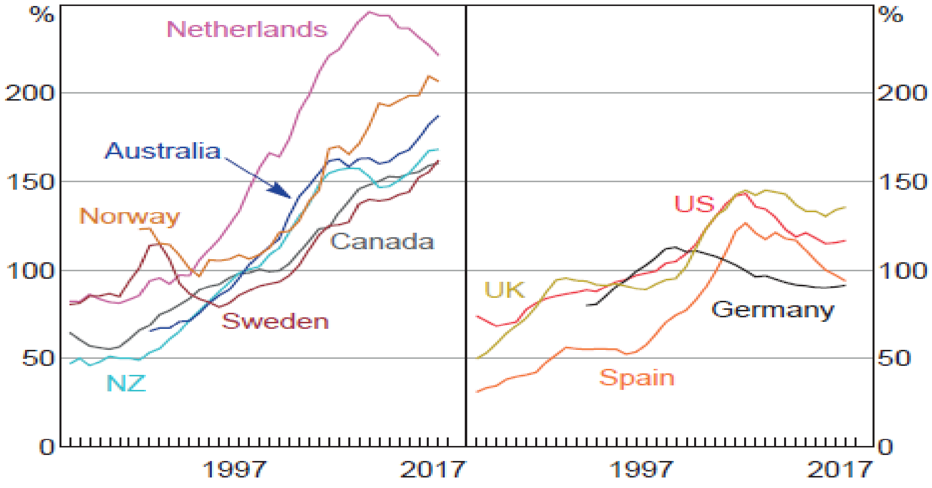
Sources: 1. RBA Chart Pack Apr 2019, ABS 2. RBA Financial Stability Review, April 2019. 3. ANZ Research

AUSTRALIAN HOUSING
HOUSEHOLD DEBT AND INCOME

HOUSEHOLD DEBT AND DEPOSITS[1]
% of annual household disposable income

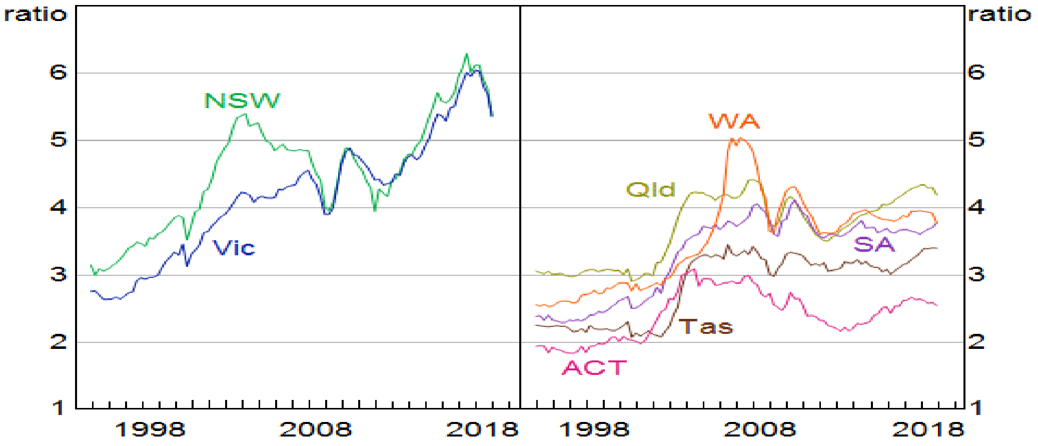


HOUSEHOLD DEBT-TO-INCOME RATIOS[2]



Sources: National sources; OECD; RBA; Thomson Reuters

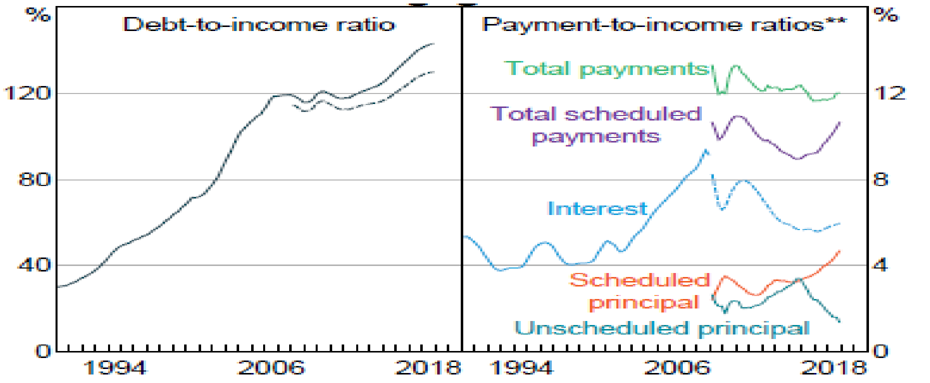
HOUSING PRICE-TO-INCOME RATIO[3]



* Average dwelling prices to average annual household disposable income

Sources: ABS; CoreLogic; RBA

HOUSEHOLD MORTGAGE DEBT INDICATORS[2]



* Excludes non-housing debt; debt-to-income line nets out amounts in redraw facilities; dotted lines are calculations based on debt balances which also exclude offset accounts; income is household disposable income before housing interest costs

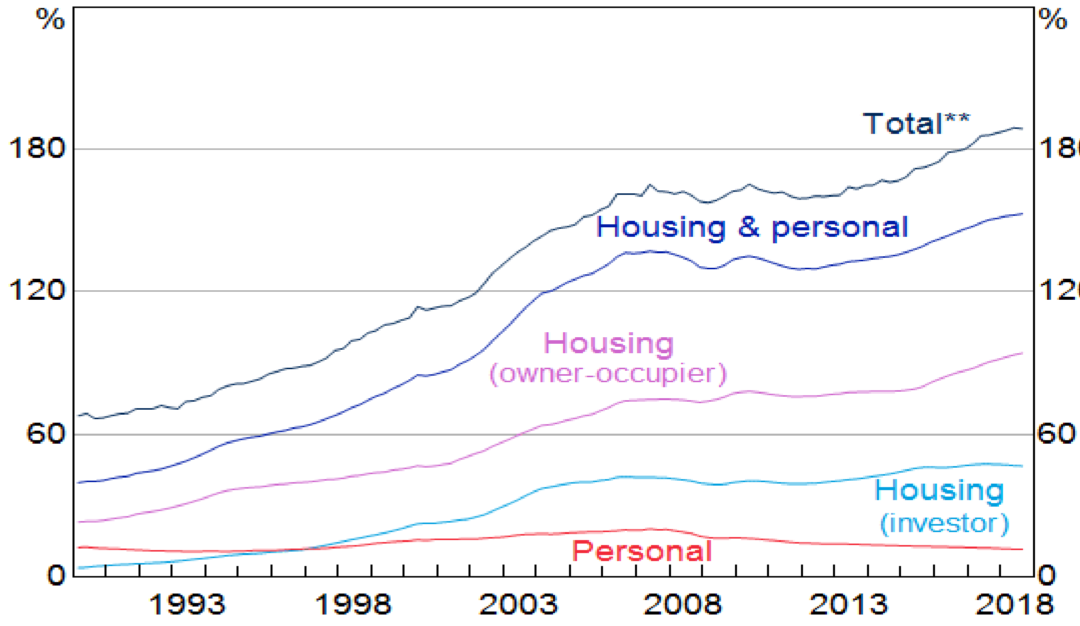
** Rolling four-quarter average; unscheduled principal is the change in aggregate mortgage prepayments

Sources: ABS; APRA; RBA

Sources: 1. ABS, RBA. Housing Debt refers to ratio of housing debt to annualised household disposable income. Deposits include transferrable and other deposits. 2. RBA Financial Stability Review, April 2019 3. RBA Speech: "The Housing Market and the Economy", March 2019..

AUSTRALIAN HOUSING
HOUSEHOLD DEBT

HOUSEHOLD DEBT[1]
Per cent of household disposable income

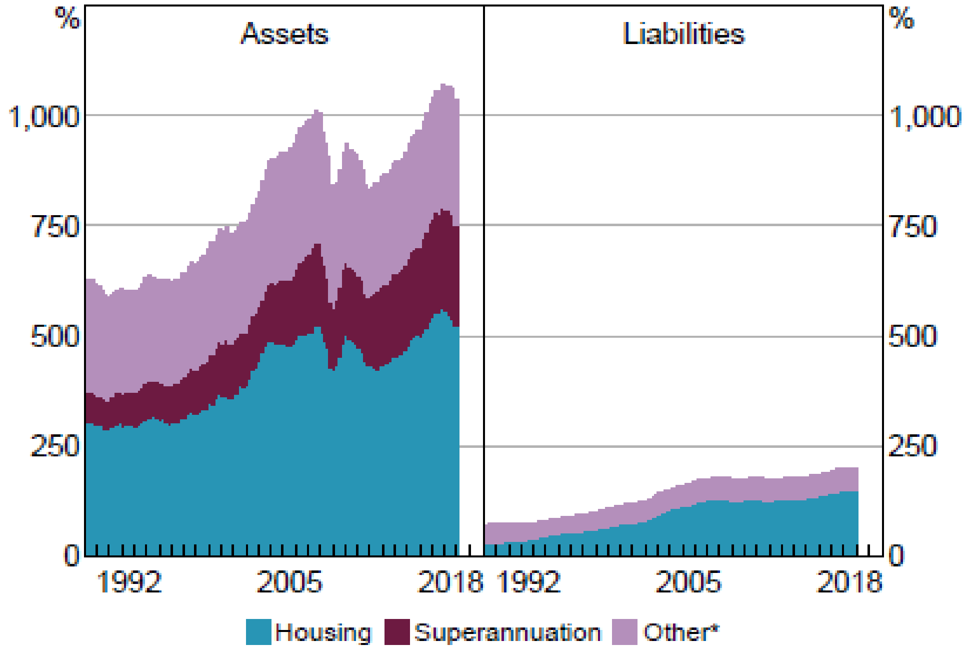


* Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises

** Includes debt of unincorporated enterprises and debt owed to non-financial organisations (e.g. HECS-HELP)

Sources: ABS; APRA; RBA

HOUSEHOLD BALANCE SHEET[2]
Relative to disposable income



* Other assets includes financial assets held outside of superannuation, consumer durables and all other non-housing non-financial assets; other liabilities includes personal credit, student loans and other household liabilities

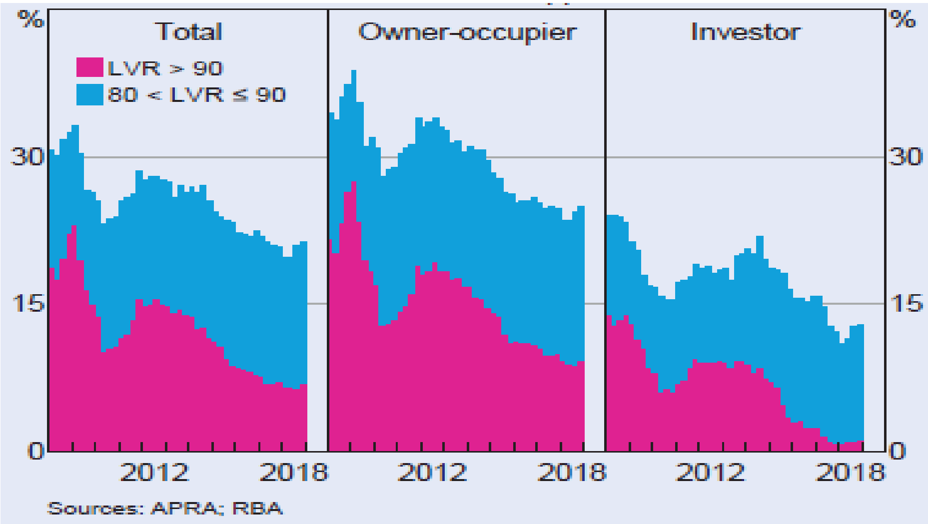
Sources: ABS; RBA

Sources: 1. RBA Speech: "Property, Debt and Financial Stability", March 2019. 2. RBA Financial Stability Review, April 2019

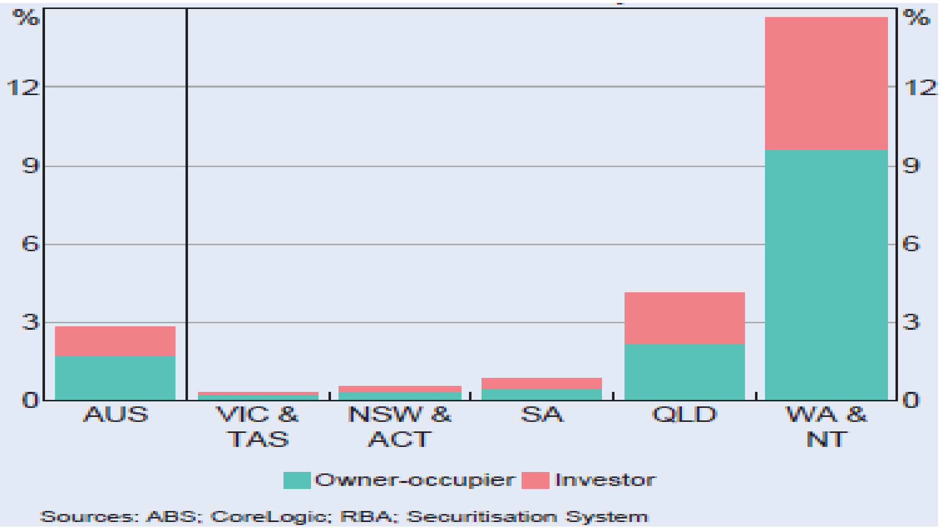
AUSTRALIAN HOUSING

LOW LEVELS OF HIGH LVR LENDING - ISOLATED NEGATIVE EQUITY[1]

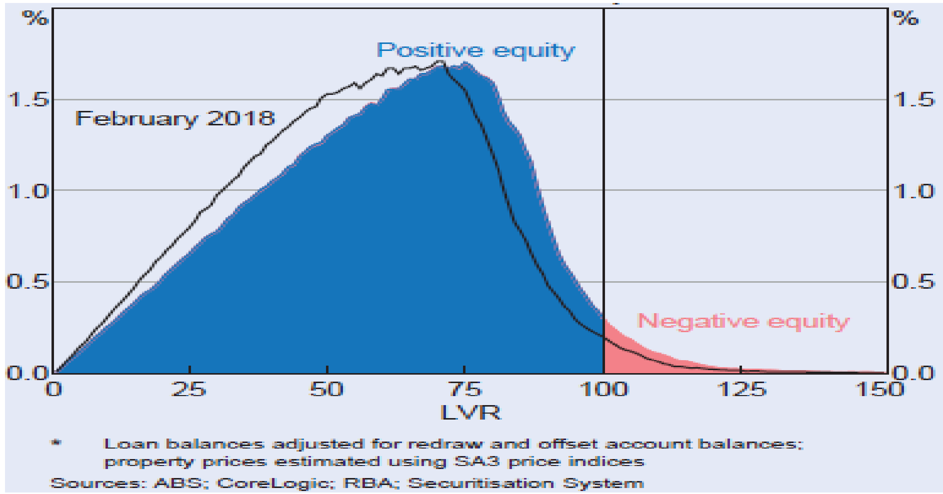
ADIs' HIGH LVR LOANS
Share of new loan approvals



LOANS IN NEGATIVE EQUITY
Share of balances, February 2019



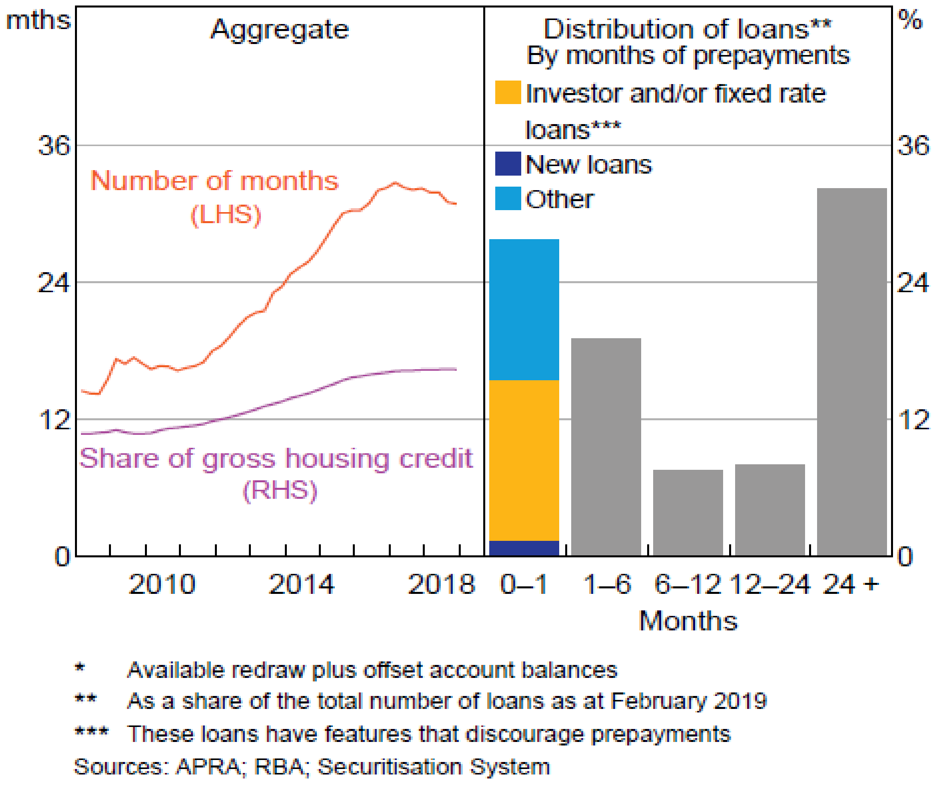
CURRENT DYNAMIC LVR DISTRIBUTION
Share of balances, February 2019



Sources: 1. RBA. Financial Stability Review, April 2019

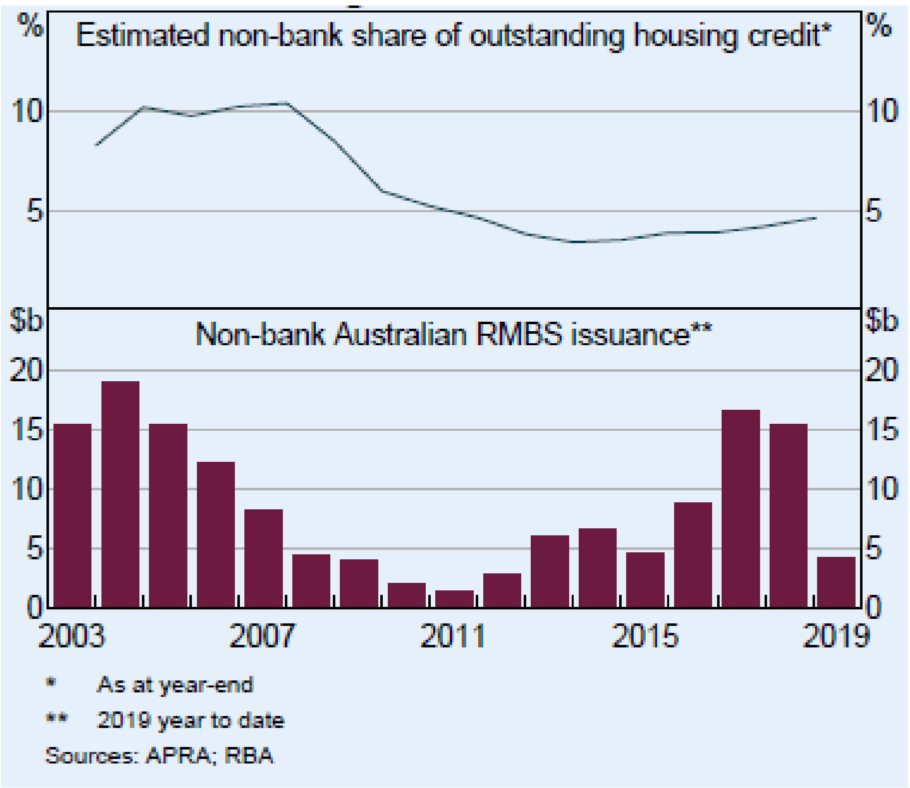
AUSTRALIAN MORTGAGE STABILITY
OFFSET BALANCES AND SMALL SHADOW BANKING SECTOR

HOUSEHOLD MORTAGE BUFFERS[1]



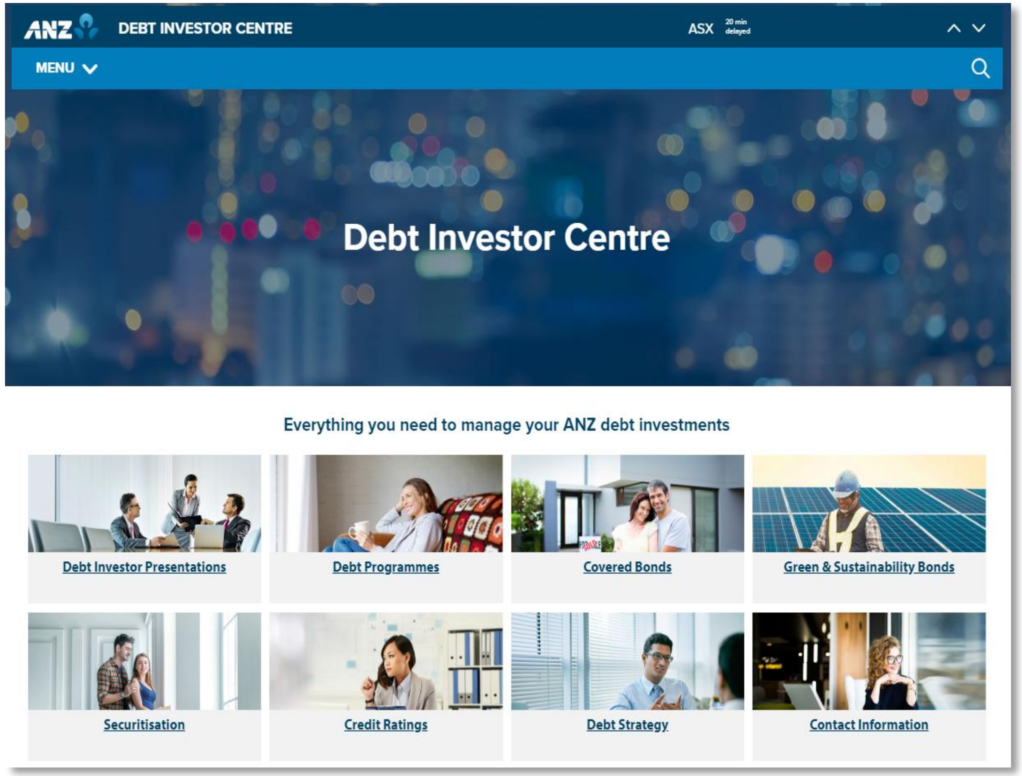
- Aggregate buffers of 16.5% of outstanding mortgage balance or 2.5 years scheduled payments (at current interest rates)
- Of those with <1 month buffer, this includes
    - Investor mortgages who have tax incentives not to repay tax deductible debt early
    - Fixed rate mortgages

NON-BANK HOUSING CREDIT AND RMBS ISSUANCE[1]



Sources: 1. RBA. Financial Stability Review, April 2019

FURTHER INFORMATION



Key contacts

Adrian Went
Group Treasurer
+61 3 8654 5532
+61 412 027 151
Adrian.went@anz.com

Scott Gifford
Head of Debt Investor Relations
+61 3 8655 5683
+61 434 076 876
scott.gifford@anz.com

John Needham
Head of Capital and Secured Funding
+61 2 8037 0670
+61 411 149 158
John.Needham@anz.com

Mostyn Kau
Head of Global Funding
+61 8655 3860
+61 478 406 607
Mostyn.kau@anz.com

Simon Reid
Director, Group Funding
+61 3 8655 0278
+61 481 013 637
Simon.reid@anz.com

Mary Karavias
Associate Director, Investor Relations
+61 3 8655 4318
+61 421 865 953
Maria.karavias@anz.com

General Mailbox

Debt Investor Relations
DebtIR@anz.com

For further information Visit

ANZ Debt Investor Centre
http://www.debtinvestors.anz.com/