

UBS Financial Services Conference 2013

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AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

June 2013



Banking on Australia - transforming the business, positioning ANZ for growth in a changing environment

1. Digital First

Delivering leading Online and Mobile solutions that will define the way we operate across Retail and Commercial, while enhancing customer experience and loyalty and driving down cost

2. Deep customer insight

Investing in customer data management and analytics to support deeper customer understanding and deliver targeted offers

3. Optimised Channels

Transforming and rejuvenating our distribution channels in line with customer preferences to improve customer experience and lower the cost to serve

4. Highly skilled Bankers

Building the capability of our people to meet changing customer needs through better training, support, insights and customer analytics

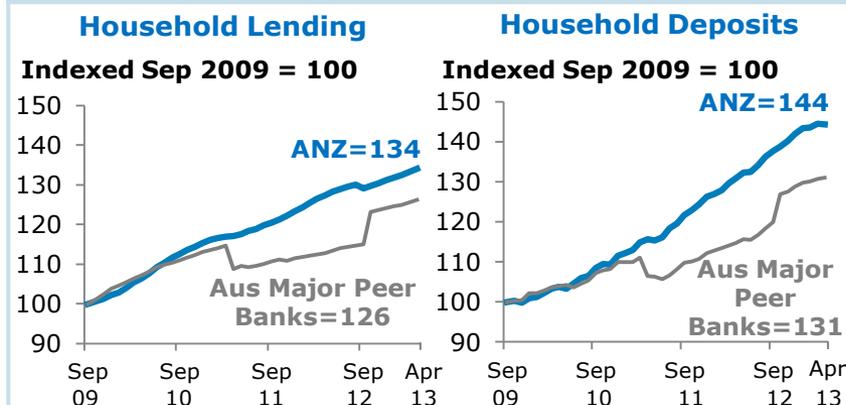
5. Simplification

Simplifying our products and processes to free up productive time and make banking easier for staff and customers

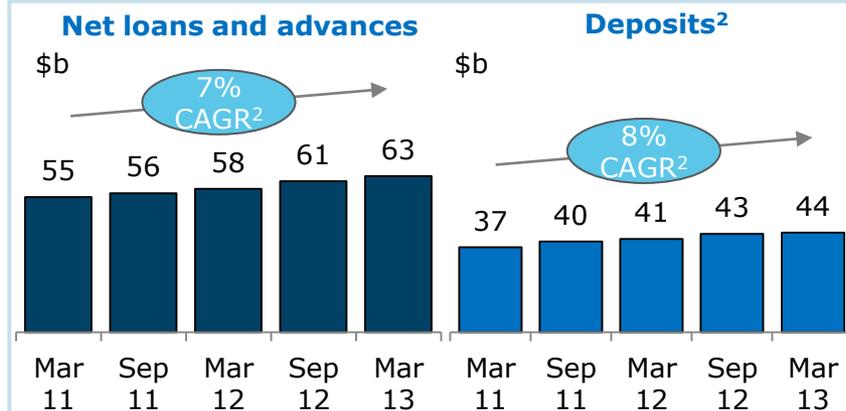
A clear path to reshaping our domestic banking business

- Group goal to build the best connected, most respected bank across the Asia Pacific region
- A strong domestic franchise is critical to the Group's success
- The Banking on Australia (BoA) program will transform and reshape our Australian business
- \$1.5 billion committed over the five years to 2017. Goals:
 - Acquire more quality customers than any other major domestic bank
 - Achieve highest customer satisfaction of the major banks
 - Be the #1 Corporate and Commercial Bank in Australia
 - Build our lead in digital and mobile banking
 - Continue to build a highly engaged workforce
- We are seeing early success - named #1 Business Bank³ and the most valuable banking brand in Australia⁴

Household lending & deposit growth¹



Corporate & Commercial Banking Net loans and advances & Deposits



1. Source: APRA Banking statistics

2. Excludes Corporate Banking deposits which are included in the IIB division deposits (Corporate Deposits as at Mar 13 half: \$5.8b Sep 12 half: \$6.2b; Mar 12 half: \$5.8b; Sep 11 half: \$6.3b; Mar 11 half: \$6.3b)

3. Money Magazine, 2013

4. Brand Finance, 2013

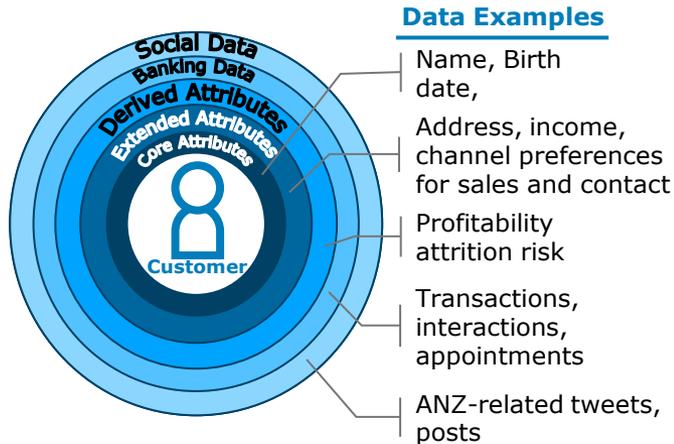
Digital - central to banking in the future; we are the market leader in mobile banking platforms

Building our online and digital banking capabilities

- Digital channels will define the way we operate
- Focusing on customer acquisition and servicing and deepening the customer relationship
- Recognised leader in mobile banking platforms
 - ANZ goMoney – over 1m users and 1m logons in a day
 - ANZ Fast Pay – winner 'Innovative in Mobile Payments award'¹ & Trailblazer Award for 'Channel Excellence in Mobile Payments'²
 - ANZ Transactive for mobile – 2,000 users processed \$9b in payments³



Developing deeper analytic capabilities; enhancing our understanding of customers and ability to tailor offerings



- Unified view of customers relationship with ANZ providing actionable customer insights
- Analytic capabilities enable tailored personalised offers across Retail and Commercial customers
- First phase of warehousing platforms already commissioned

1. Financial Insights Innovation Awards (FIIA) 2013
2. 2013 Banking & Payments Asia Trailblazer Awards
3. As at May 2013

Our distribution channels are being transformed and our people enabled to enhance the customer experience

Transforming and rejuvenating our distribution channels to deliver improved customer experience



- Improving channel capability - digital will deliver a seamless customer experience, supporting growth in high value segments
 - 11,000 ANZ Live Chat's completed generating 2,400 referrals²
- Branches becoming advice centres for complex customer needs. Everyday transactions move to self serve
 - 46 new look sales focused branches delivered
 - 43 video conferencing facilities deployed for specialist advice
 - 150 iATMs to be deployed by September 2013 (800 in total)
- 300 Commercial bankers have iPad-based tools - better mobility and customer experience (1,200 more Bankers to be enabled in 2013). Centralised customer support team increases frontline sales capacity

Building the capability of our people to meet the needs of customers

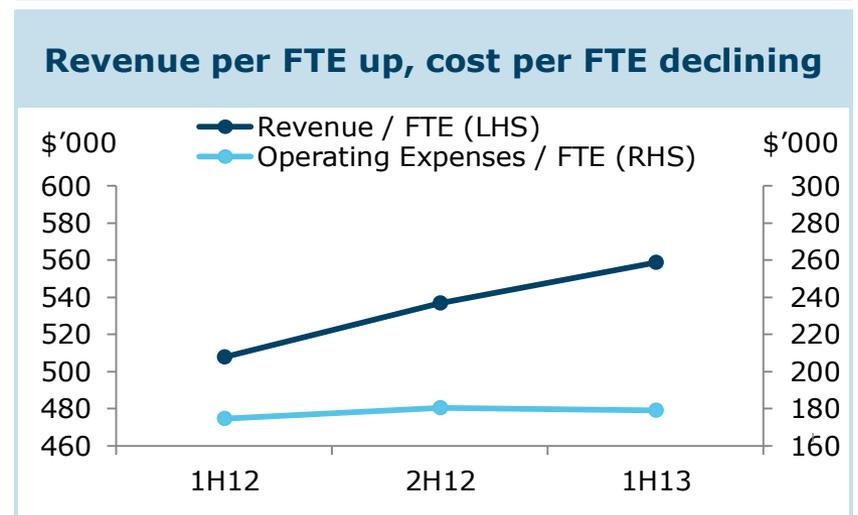
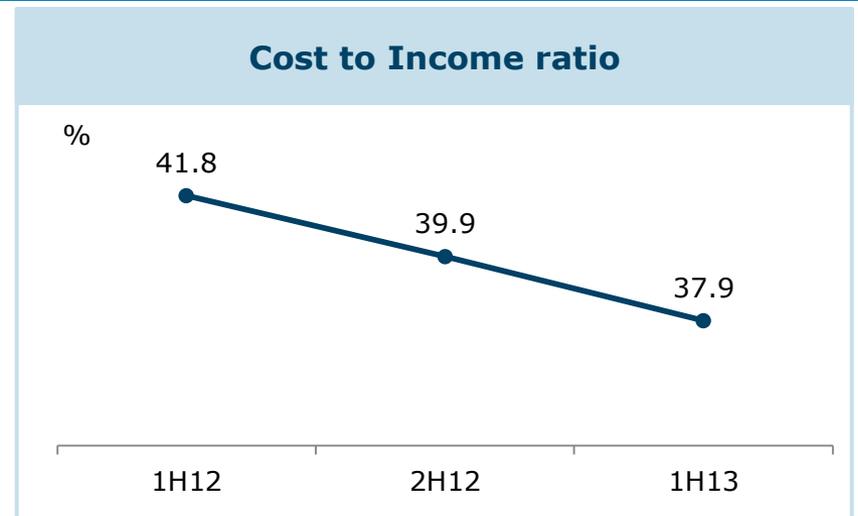
- Investing in staff training across the entire suite of solutions¹
 - 150,000 hours in sales training in the last 12 months
 - >3,000 staff trained and accredited to sell mortgages
 - 1,300 staff in 300 branches accredited to sell wealth products
 - 1,000 staff trained to sell SME products
 - 600 Commercial bankers completing Whole of Wallet sales training with 850 completing credit pathways training



1. All figures reported are as at March 2013 unless otherwise stated
2. As at May 2013

Simplifying products, processes and improving productivity

- Simplified product offering to better meet customer needs
 - 23 products decommissioned²
 - Deposit offering being simplified to 1 transaction and 3 savings products
 - Now 3 simple categories for credit card offering – low rate, low fee and rewards
- Simplified customer onboarding process with ANZ OneSwitch
 - 271 business customers have switched to ANZ in 1H13, taking total to over 1,000 since 2011
- Re-engineered mortgage fulfilment model
 - 40% improvement in time to letter of offer
- 9% reduction in customer complaints
- Expenses down 3% and CTI down 200 bps
- Australia Operations expenses down 13% in the 12 months to March 2013 while absorbing a 5% increase in volume and maintaining service levels



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 2. As at May 2013



Banking on Australia will create benefits for the customer

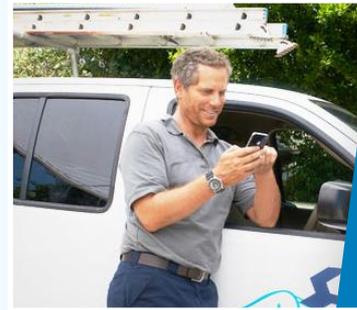


Retail Customer

"ANZ has made it easier for me to bank the way I want. I feel in control"

"I have...

- ... access to **all my financial information** in one place and with the help of ANZ's tools **I can manage my money myself** online or on my phone"
- ... the choice to **interact with ANZ when and where I want**, online, video, over the phone or in person"
- ... been asked about my preferences and needs so when I get an email from ANZ, **the information and recommendations are really useful and the products are really good"**
- ... been able to pick up the phone and the ANZ staff member who answered **already knew who I was and what products I had"**



Commercial Customer

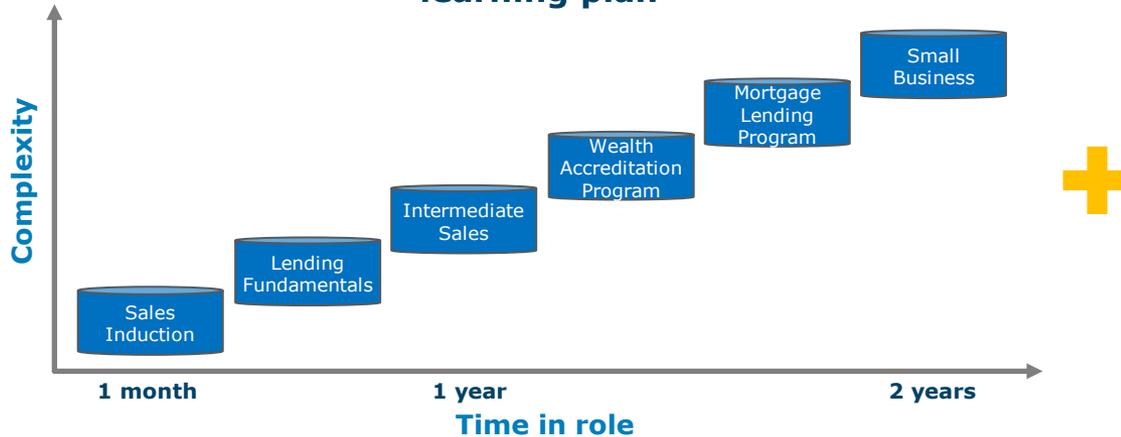
"ANZ has made it easier to do my banking and run my business"

"I have...

- ... the digital tools and apps to **see and manage my payments and cash flow in real time** which lets me spend more time doing business"
- ... been connected to the specialists and information I need across ANZ, including bankers based across Asia who provided me with banking solutions and general information which **helped me do business in Asia for the first time"**
- ... been contacted proactively by my banker because they knew how to help me manage my business and funds better, and **I didn't need to ask"**
- ... received a **tailored service from ANZ** because they understood the business I do with them and made me feel like a valued customer"

Case study – Building our highly skilled bankers

A strong sales curriculum with a cohesive set of programs to build sales capability & provide staff with a clear learning plan



Continuous coaching to embed key sales capability

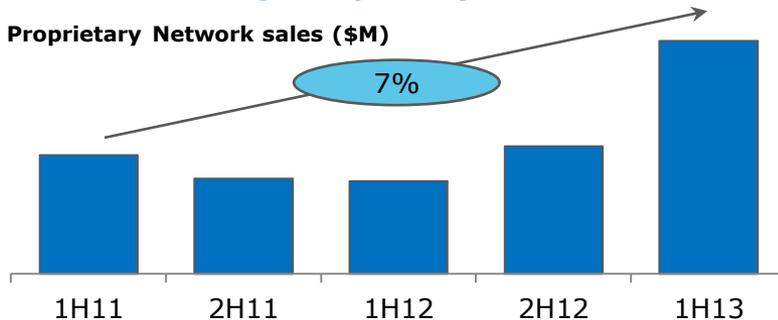


Driving results

Mortgages

Over 50% of Mortgage FUM growth now coming through Proprietary Channels

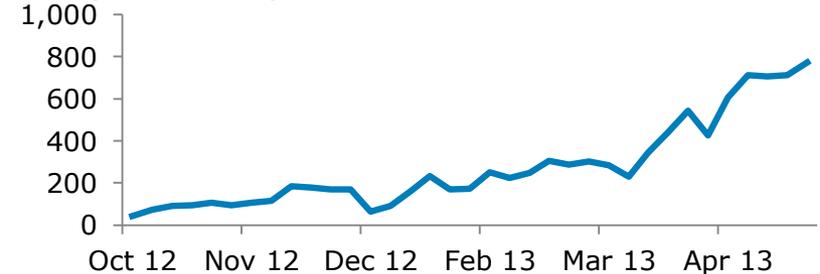
Proprietary Network sales (\$M)



Wealth

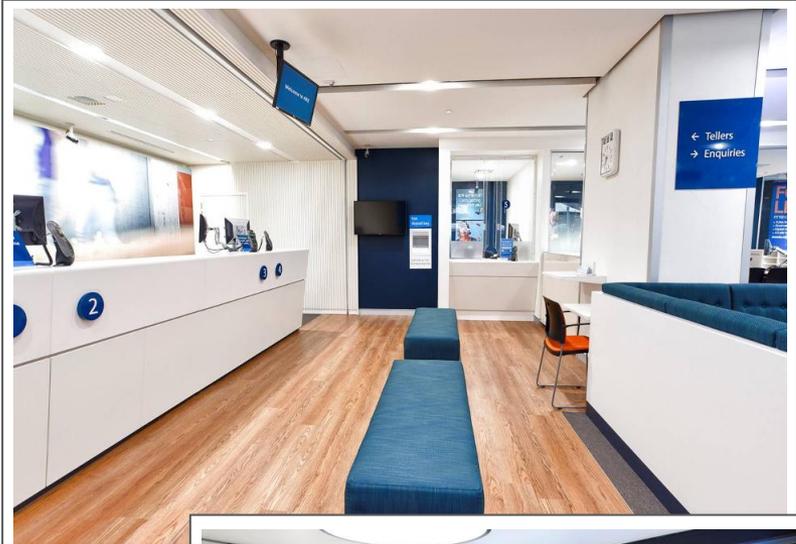
Branches delivering strong growth in Simple Superannuation sales

Weekly # accounts opened



Case study – Branch of the future

Branches are changing...



Intelligent Deposit ATMs



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