

# 2021 FULL YEAR RESULTS

FULL YEAR ENDED 30 SEPTEMBER 2021  
**RESULTS PRESENTATION AND INVESTOR DISCUSSION PACK**

28 OCTOBER 2021

Approved for distribution by ANZ's Continuous Disclosure Committee

Australia and New Zealand Banking Group Limited 9/833 Collins Street Docklands Victoria 3008 Australia  
ABN 11 005 357 522



# DISCLAIMER & IMPORTANT NOTICE

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

*This presentation may contain forward-looking statements or opinions including statements regarding our intent, belief or current expectations with respect to ANZ's business operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices. When used in this presentation, the words 'forecast', 'estimate', 'project', 'intend', 'anticipate', 'believe', 'expect', 'may', 'probability', 'risk', 'will', 'seek', 'would', 'could', 'should' and similar expressions, as they relate to ANZ and its management, are intended to identify forward-looking statements or opinions. Those statements: are usually predictive in character; or may be affected by inaccurate assumptions or unknown risks and uncertainties; or may differ materially from results ultimately achieved. As such, these statements should not be relied upon when making investment decisions. These statements only speak as at the date of publication and no representation is made as to their correctness on or after this date. Forward-looking 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.*

# CONTENTS

## 2021 FULL YEAR RESULTS

<b>CEO and CFO Results Presentations</b>	<b>3</b>
CEO Presentation	3
CFO Presentation	17
<b>Corporate Overview and Environment, Social &amp; Governance (ESG)</b>	<b>35</b>
<b>Additional Information – Group Performance</b>	<b>48</b>
<b>Divisional Performance</b>	<b>58</b>
Australia Retail & Commercial	60
Institutional	67
New Zealand Division	72
<b>Treasury</b>	<b>77</b>
<b>Risk Management</b>	<b>88</b>
<b>Housing Portfolio</b>	<b>103</b>

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 in the 2021 Full Year Consolidated Financial Report

# 2021 FULL YEAR RESULTS

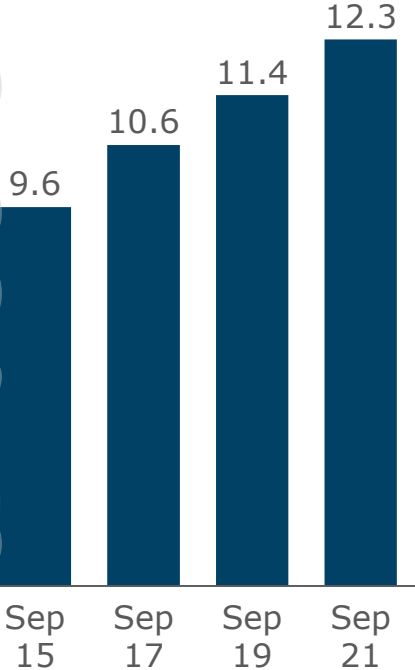
**SHAYNE ELLIOTT**  
CHIEF EXECUTIVE OFFICER



# Simpler, Better Balanced Foundation for Growth

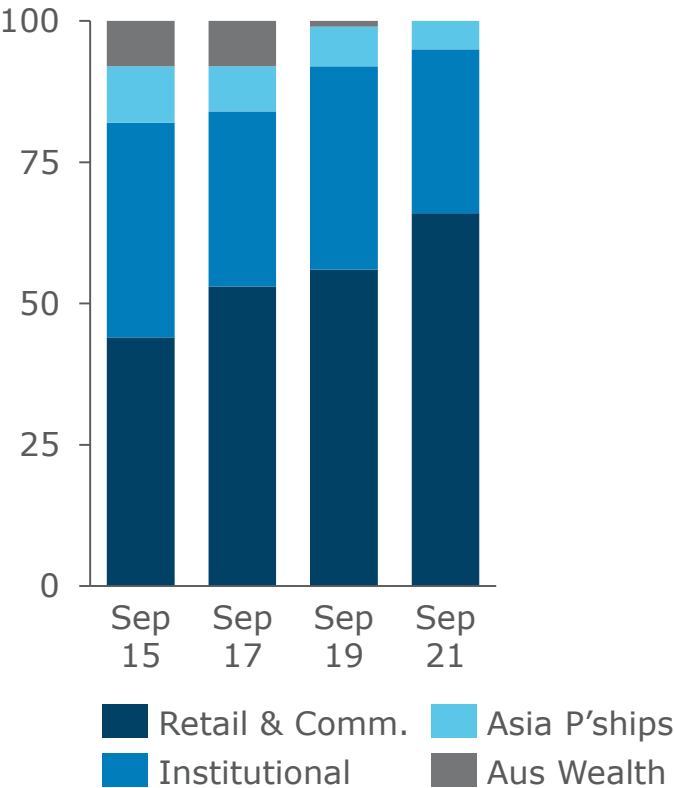
## Capital Strength

APRA Level 2 CET1 Ratio %



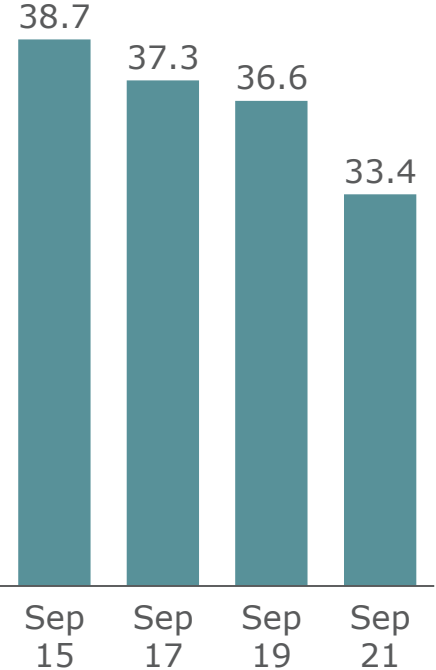
## Capital Allocation

% of total<sup>1</sup>



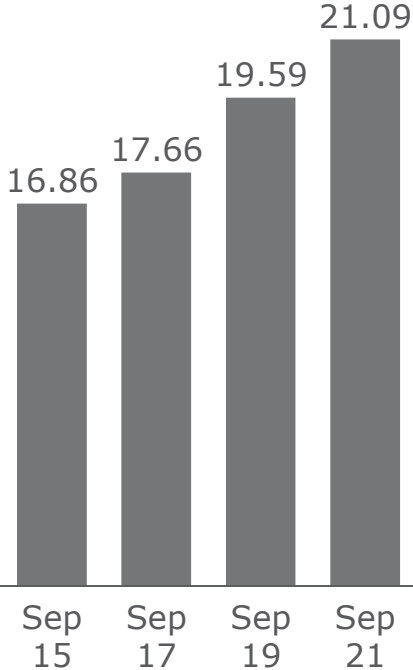
## Risk Intensity

CRWA/EAD<sup>2</sup> %



## Net Tangible Assets

NTA per share \$



1. Allocation based on Regulatory Capital. Institutional in Sep 15 includes Asia Retail & Pacific in line with 2015 Institutional and International Banking structure  
2. Credit Risk Weighted Assets (CRWA) as a % of Exposure at Default (EAD). Sep 21 excludes increased exposure to the RBA via higher exchange settlement account balances

# ENTERING 2022 FROM A POSITION OF STRENGTH

## STRONGER CULTURE

**81%**

INDUSTRY LEADING STAFF ENGAGEMENT  
(ENGAGEMENT SCORE JUL 21)

**35.3%**

REPRESENTATION OF WOMEN IN  
LEADERSHIP, UP FROM 33.4% IN SEP 20

**#1**

RANKING OVERALL AMONGST MAJOR  
DOMESTIC PEERS IN THE 2021 REPTRAK  
CORPORATE REPUTATION SURVEY

## STRONGER CUSTOMERS

**+\$25b**

NET INCREASE IN AUS & NZ RETAIL &  
COMMERCIAL DEPOSITS (SEP 21 VS SEP 20)

**>530k**

SAVINGS GOALS SET THROUGH THE ANZ APP  
(AUSTRALIA) SINCE LAUNCH IN OCT 19

**-20%**

REDUCTION IN GROUP 90+ DAYS PAST DUE  
(SEP 21 VS SEP 20)

## STRONGER BALANCE SHEET

**~\$6b**

CET1 CAPITAL ABOVE UNQUESTIONABLY  
STRONG

**~\$4b**

CREDIT RESERVES  
(COLLECTIVE PROVISION BALANCE)

**~40%**

IMPROVEMENT IN INTERNAL EXPECTED  
LOSS OVER THE PAST 5 YEARS

# FULL YEAR 2021 FINANCIAL SNAPSHOT

	FY21	FY21 change (FY21 vs FY20)	2 year change (FY21 vs FY19) <sup>3</sup>
<b>Statutory Profit (\$m)</b>	<b>6,162</b>	<b>+72%</b>	<b>+4%</b>
<b>Cash Profit (continuing operations)<sup>1</sup> (\$m)</b>	<b>6,198</b>	<b>+65%</b>	<b>-4%</b>
Return on Equity (%)	9.9	+376bps	-95bps
Earnings Per Share (cents)	218.3	+65%	-4%
<b>Cash Profit (continuing operations) ex Large / Notable items (\$m)</b>	<b>7,144</b>	<b>+36%</b>	<b>+7%</b>
Dividend Per Share (cents)	142	+82 cents	-18 cents
Franking (%)	100	0%	+15%
CET1 Ratio (APRA Level 2) (%)	12.3	+100bps	+98bps
Net Tangible Assets Per Share (\$)	21.09	+5%	+8%
Collective Provision Coverage Ratio <sup>2</sup> (%)	1.22	-17bps	+28bps

1. Includes the impact of Large / Notable items, excludes discontinued operations

2. Collectively assessed provisions as a % of Credit Risk Weighted Assets

3. Comparatives as reported in FY20 Results Announcement

# PORTFOLIO PERFORMANCE

## DRIVING BENEFITS FROM DIVERSIFICATION

FY21 v FY20 <sup>1</sup>	Australia R&C <sup>2</sup>	New Zealand (NZD)	Institutional	Institutional ex Markets
Risk Adjusted Margins	+13bps	+43bps	+18bps	+2bps
Profit Before Provisions	+2%	+12%	-23%	-3%
<b>Cash Profit after tax</b>	<b>+57%</b>	<b>+41%</b>	<b>Flat</b>	<b>+76%</b>
Risk Weighted Assets	-2%	+4%	-8%	-3%
<b>Return on Risk Weighted Assets<sup>3</sup></b>	<b>+91bps</b>	<b>+59bps</b>	<b>+10bps</b>	<b>+50bps</b>
Net Loans and Advances	+1%	+7%	Flat	+5%
Customer Deposits	+8%	+4%	+7%	+7%

1. Cash continuing ex Large / Notable items

2. Retail & Commercial

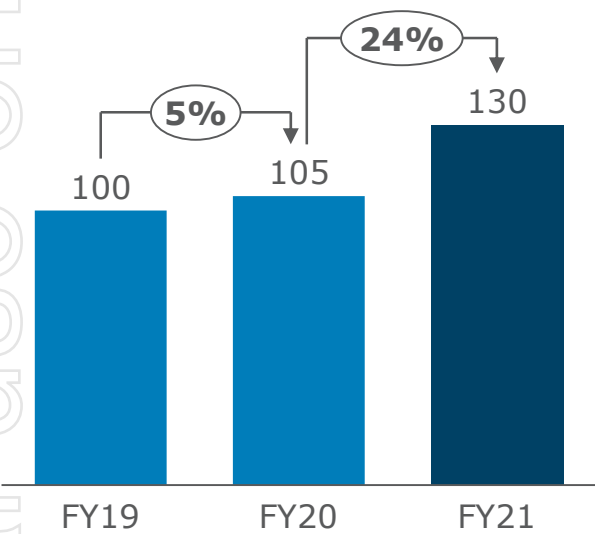
3. Cash Profit after tax as a % of avg Risk Weighted Assets

# GROWTH OPPORTUNITIES – INSTITUTIONAL PLATFORMS

SCALABLE, POSITIVE OPERATING LEVERAGE, CAPITAL LIGHT

## PAYMENTS

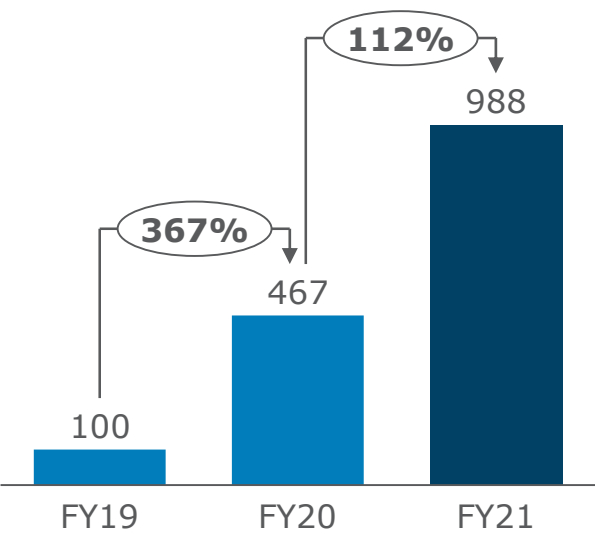
INDEXED DATA<sup>1</sup> FY19 = 100



PAYMENTS MADE BY INSTITUTIONAL CUSTOMERS GLOBALLY TO SUPPLIERS AND EMPLOYEES THROUGH OUR DIGITAL CHANNELS

## NPP AGENCY PAYMENTS<sup>2</sup>

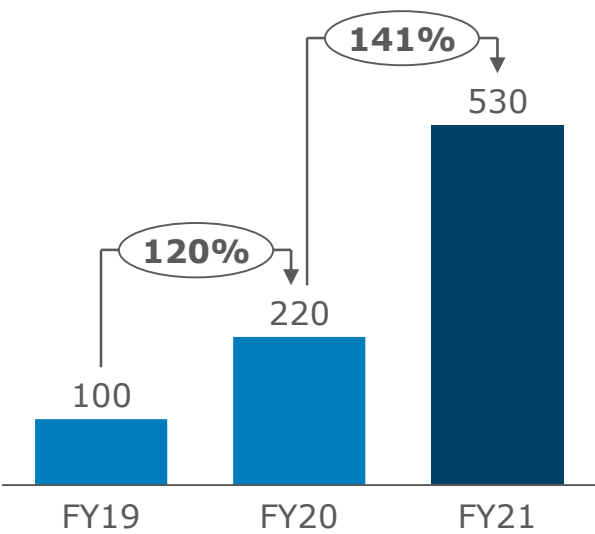
INDEXED DATA<sup>1</sup> FY19 = 100



CLEARING AND SETTLING REAL-TIME PAYMENTS FOR OTHER BANKS IN AUSTRALIA

## PLATFORM CASH MGMT ACCOUNTS

INDEXED DATA FY19 = 100



DEPOSIT MANAGEMENT FOR ENTITIES HOLDING FUNDS ON BEHALF OF THEIR CLIENTS

1. Based on number of payments  
2. New Payments Platform

# GROWTH OPPORTUNITIES - INSTITUTIONAL

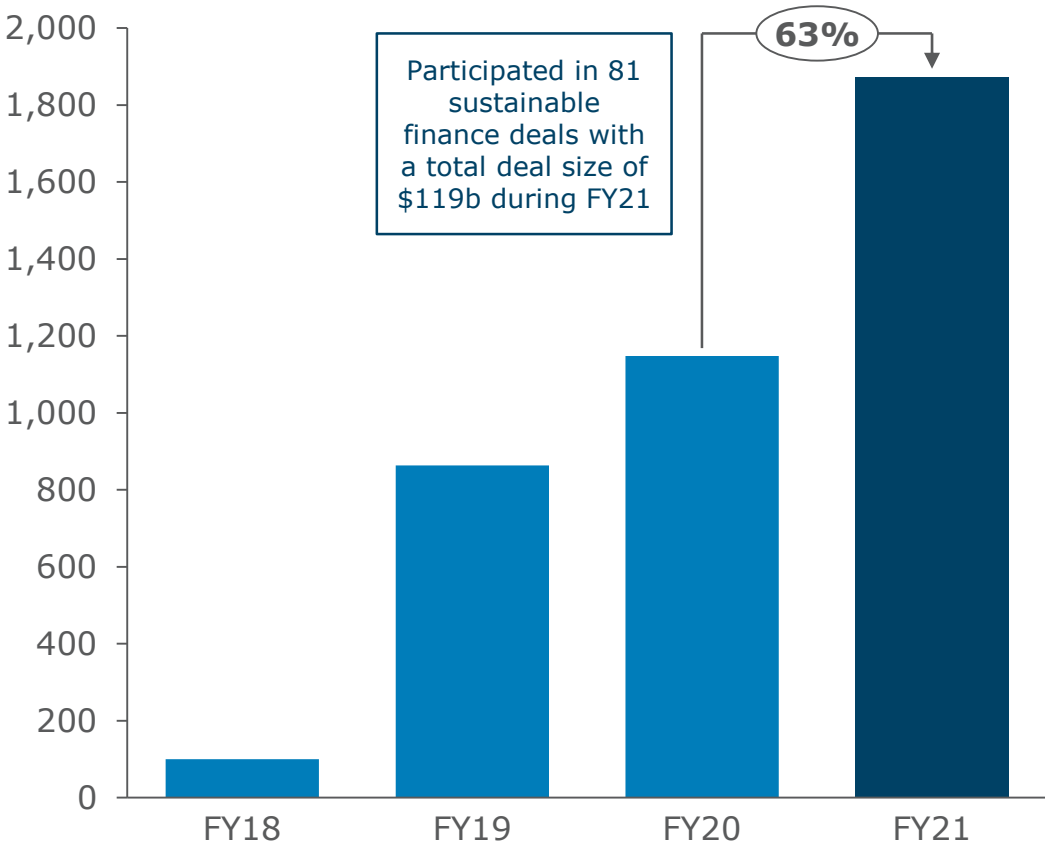
## SUSTAINABILITY

### WHERE WE SUPPORT OUR CUSTOMERS



### SUSTAINABLE FINANCE FEE INCOME (INDEXED DATA)

INDEX FY18 = 100



# SOURCE OF COMPETITIVE ADVANTAGE IS SHIFTING

THE WORLD IS CHANGING IN RETAIL & COMMERCIAL BANKING

1

OWNERSHIP OF PHYSICAL DISTRIBUTION IS NO LONGER A MATERIAL SOURCE OF ADVANTAGE

2

APPROPRIATE, INSIGHTFUL USE OF DATA WILL BECOME A SOURCE OF ADVANTAGE

3

COMPETITION WILL BECOME MORE INTENSE AND MORE DISRUPTIVE

4

CONSUMER LENDING IS BECOMING MORE CAPITAL INTENSIVE AND LESS PROFITABLE

5

THE PROVISION OF 'ADVICE' IS BECOMING MORE RISKY AND MORE COMPLEX

6

REGULATION AND PENALTIES INCREASING

7

KEY TALENT WILL BE HARDER TO COME BY AND RETAIN

# THE BANK WE'RE BUILDING

PURPOSE-LED TRANSFORMATION WILL DRIVE BETTER OUTCOMES FOR STAKEHOLDERS



# FINANCIAL WELLBEING PRINCIPLES

GUIDING THE WAY WE ARE TRANSFORMING THE BANK AND DEVELOPING SERVICES



**Spend less**  
than you earn



**Save regularly**  
towards your goals



**Borrow**  
within your means



**Build**  
towards your  
retirement



**Give**  
what you can

1

3

5

7

9

2

4

6

8



**Put money aside**  
for a rainy day



**Protect**  
what you can't  
afford to lose



**Pay**  
your most expensive  
debt first

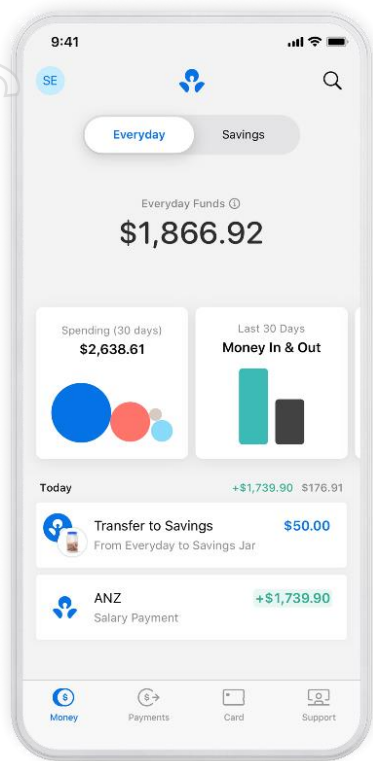


**Invest**  
in things that  
grow

# GROWTH OPPORTUNITIES – ANZ PLUS

WHAT OUR CUSTOMERS WILL SEE FIRST IN ANZ PLUS

Personal use only



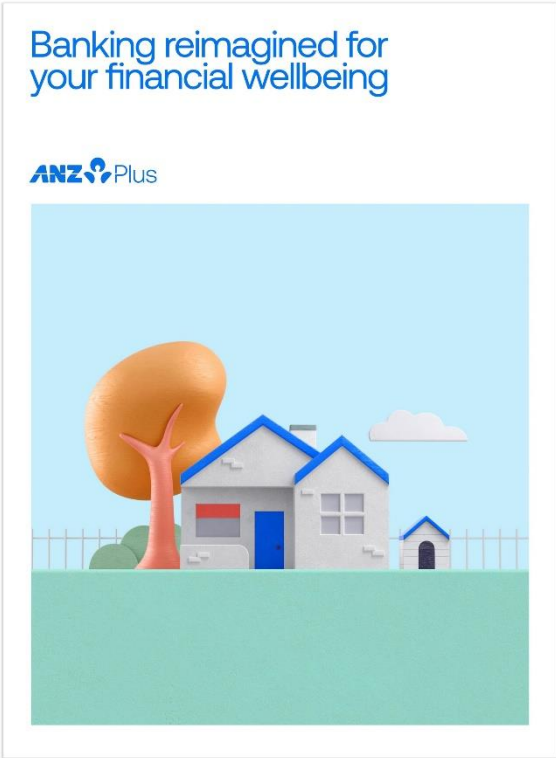
## New channel

To help you spend less, save more, create healthy money habits



## Coaches

Expert support and coaching, when you need it, improving your financial wellbeing



## Updated brand

Designed for a contemporary, digital-first world, we have a fresh new take on the ANZ brand identity

# GROWTH OPPORTUNITIES – STRATEGIC PARTNERS

1835i

## VENTURES

## CREATION LAB

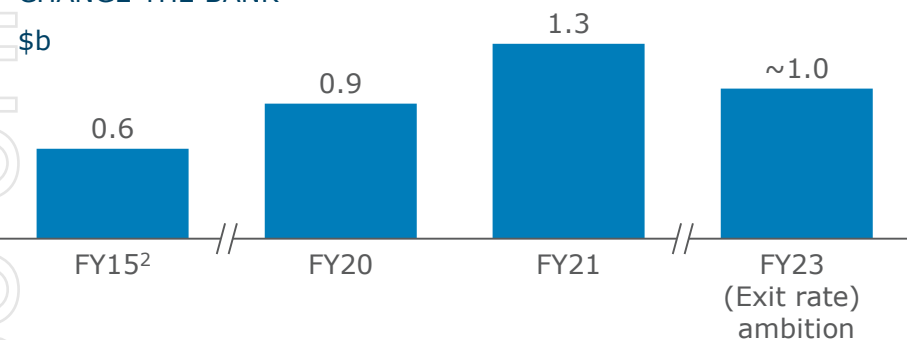
		
---	--	--

# PIVOTING INVESTMENT FOR GROWTH

## EXPENSES<sup>1</sup>

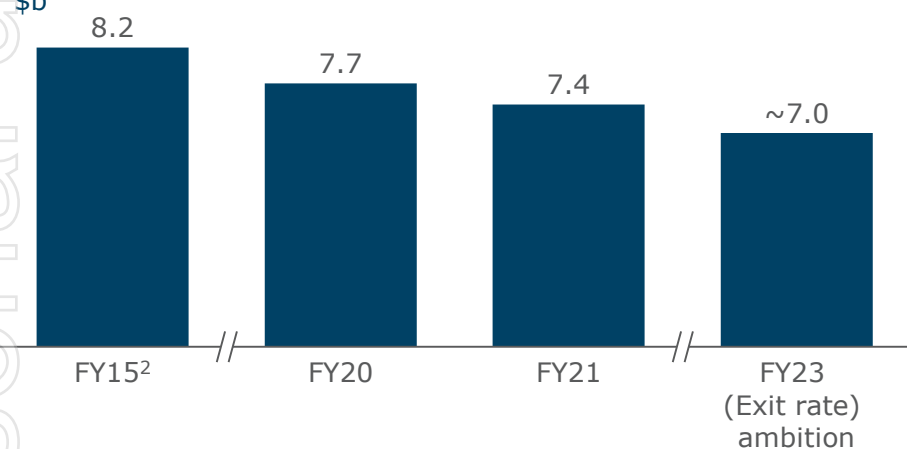
CHANGE THE BANK

\$b

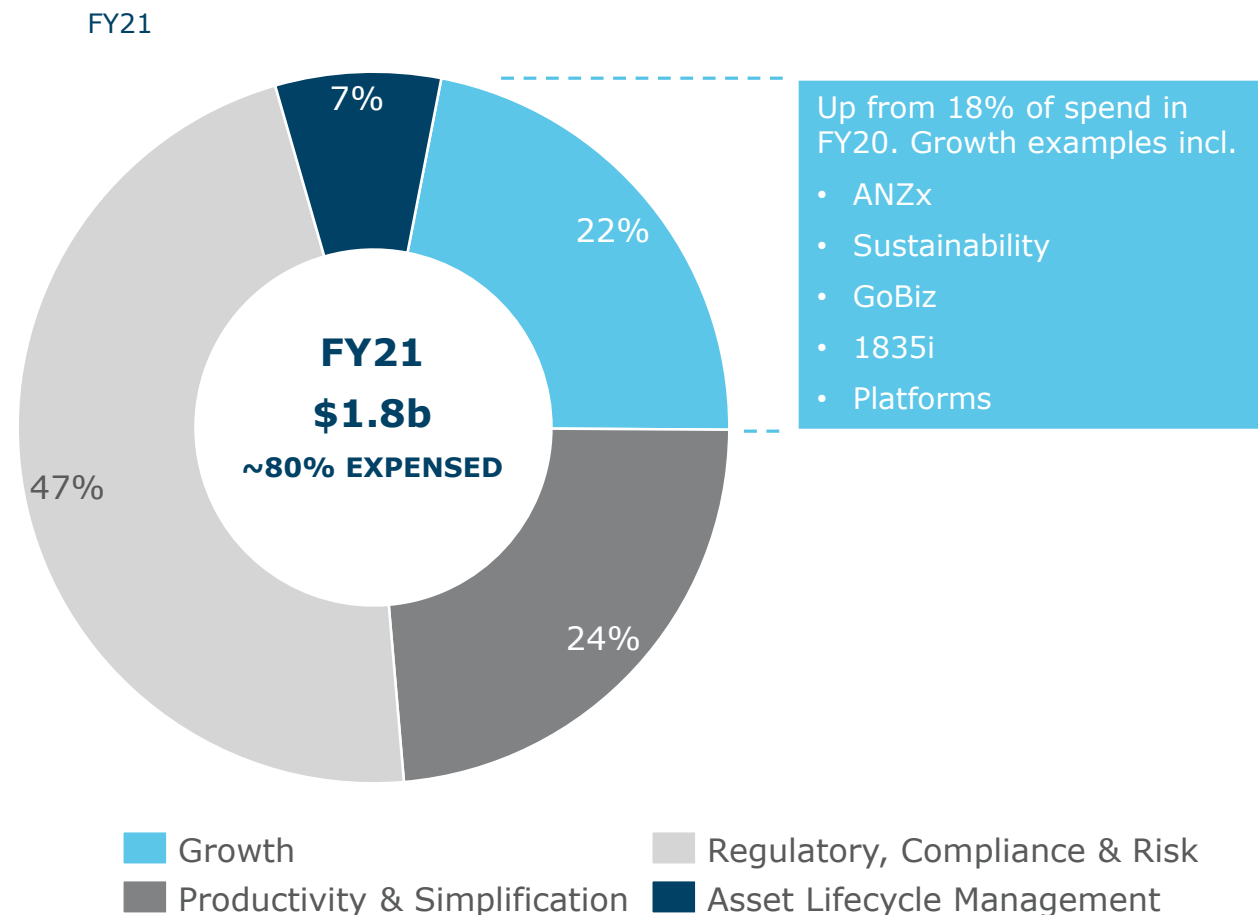


RUN THE BANK

\$b



## TOTAL INVESTMENT SPEND BY CATEGORY



1. Cash continuing excluding Large / Notable items. Prior periods restated to reflect current management classification between BAU and Investment Expensed  
2. Pro-Forma view adjusts the original metric reported in FY15 to reflect comparable accounting policies and continuing organisational structure as the FY21 results

\* This page may contain forward-looking statements or opinions. Please refer to ANZ's Disclaimer and Important Notice with respect to such statements on page 1

# PRIORITIES FOR 2022

## RESTORE

---

MOMENTUM IN  
AUSTRALIA HOME  
LOANS

## LAUNCH

---

ANZ PLUS; POSITION  
FOR A DIGITAL HOME  
LOAN PROPOSITION

## SEED

---

PROFITABLE, HIGH  
RETURN GROWTH IN  
INSTITUTIONAL

## COMPLETE

---

BS11, RECYCLE CAPITAL  
& IMPROVE RETURNS  
IN NZ

## CONTINUE

---

GROUP SIMPLIFICATION  
& PRODUCTIVITY

# 2021 FULL YEAR RESULTS

**FARHAN FARUQUI**  
CHIEF FINANCIAL OFFICER

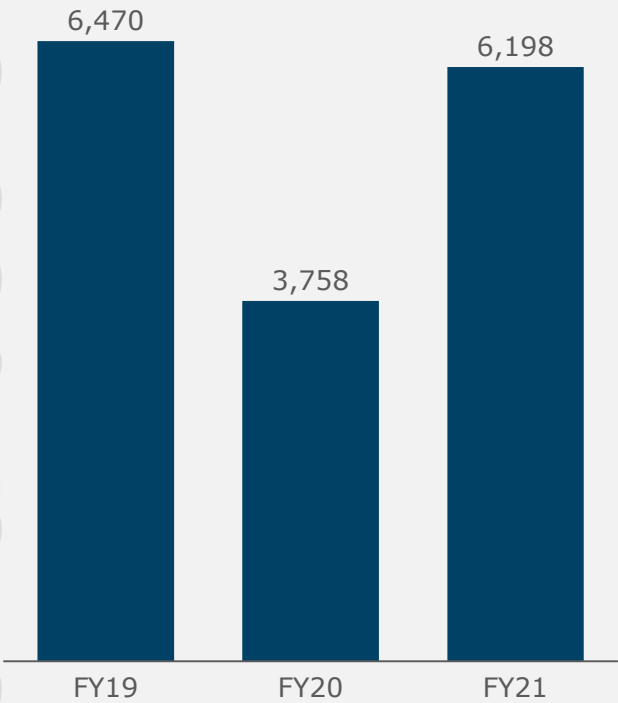


# OVERVIEW

## CONTINUING OPERATIONS

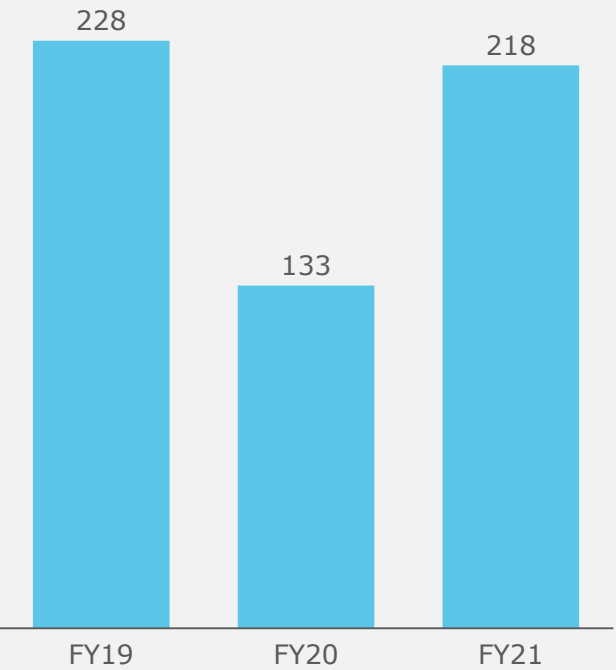
CASH PROFIT

\$m



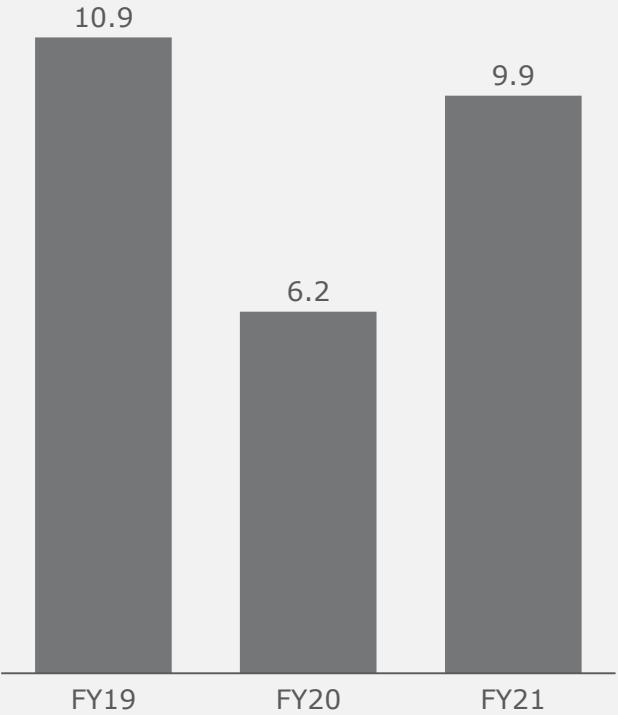
CASH EPS

cents



ROE

%



# AGENDA

**1**

**CORPORATE STRENGTH**

**2**

**FINANCIAL PERFORMANCE**

**3**

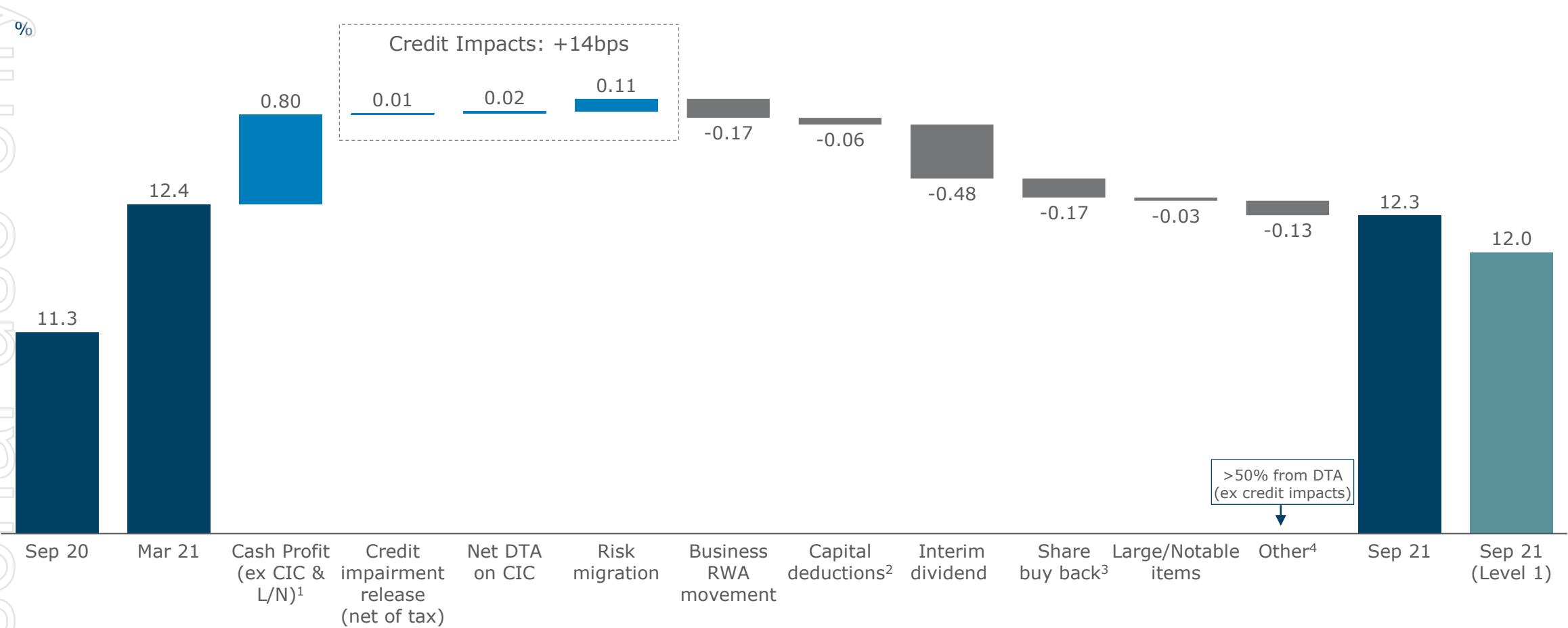
**INVESTING FOR THE FUTURE**

**4**

**FOCUS AREAS**

# CAPITAL

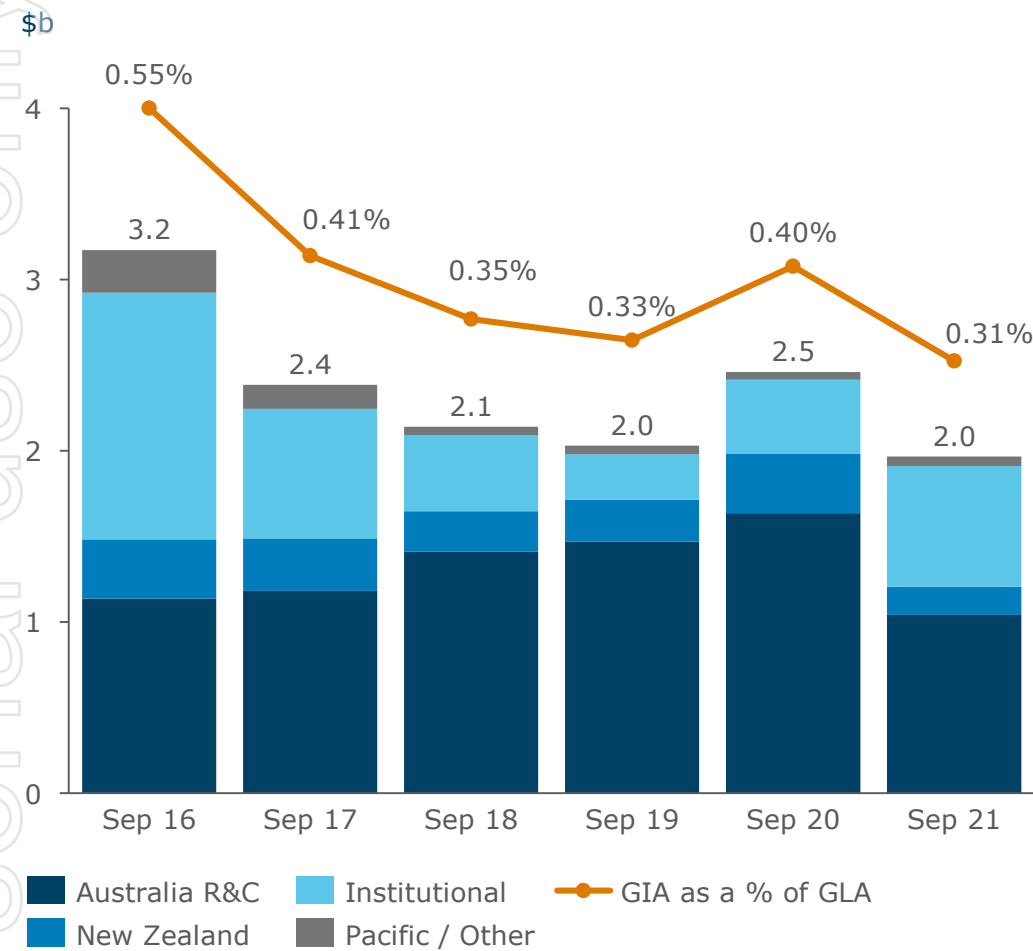
## APRA LEVEL 2 CET1 RATIO



1. Excludes Large / Notable items  
2. Mainly comprises the movement in retained earnings in deconsolidated entities, other equity investments and capitalised expenses  
3. A total of ~\$709m of the announced \$1.5b share buy back executed (of which \$55m settled after 30 September 2021)  
4. Other impacts include movements in non-cash earnings, net foreign currency translation, deferred tax asset deduction not related to CIC and movement in reserves

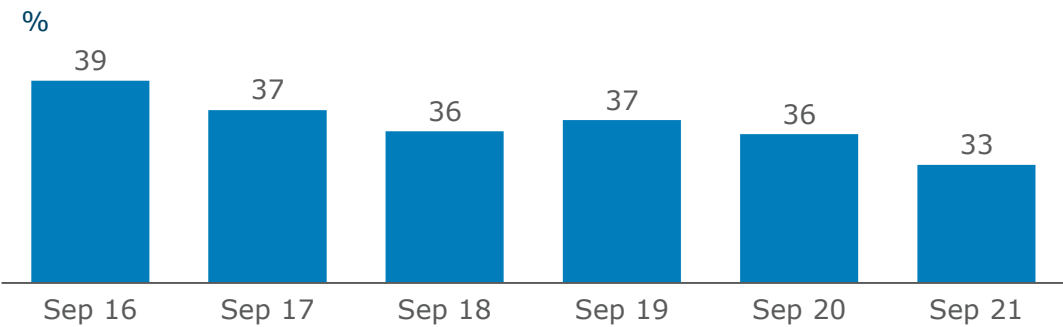
# CREDIT QUALITY

## GROSS IMPAIRED ASSETS (GIA)

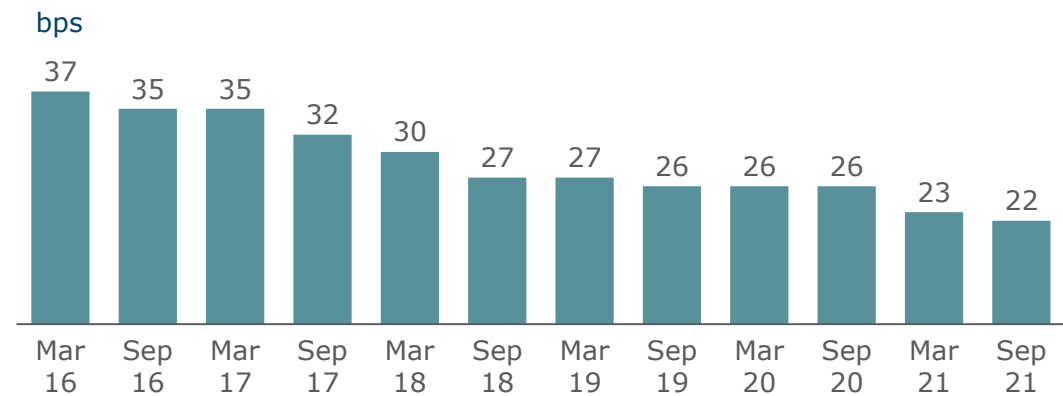


## RISK INTENSITY

Credit Risk Weighted Assets as a % of Exposure at Default<sup>1</sup>



## LONG RUN LOSS RATES (INTERNAL EXPECTED LOSS)<sup>2</sup>

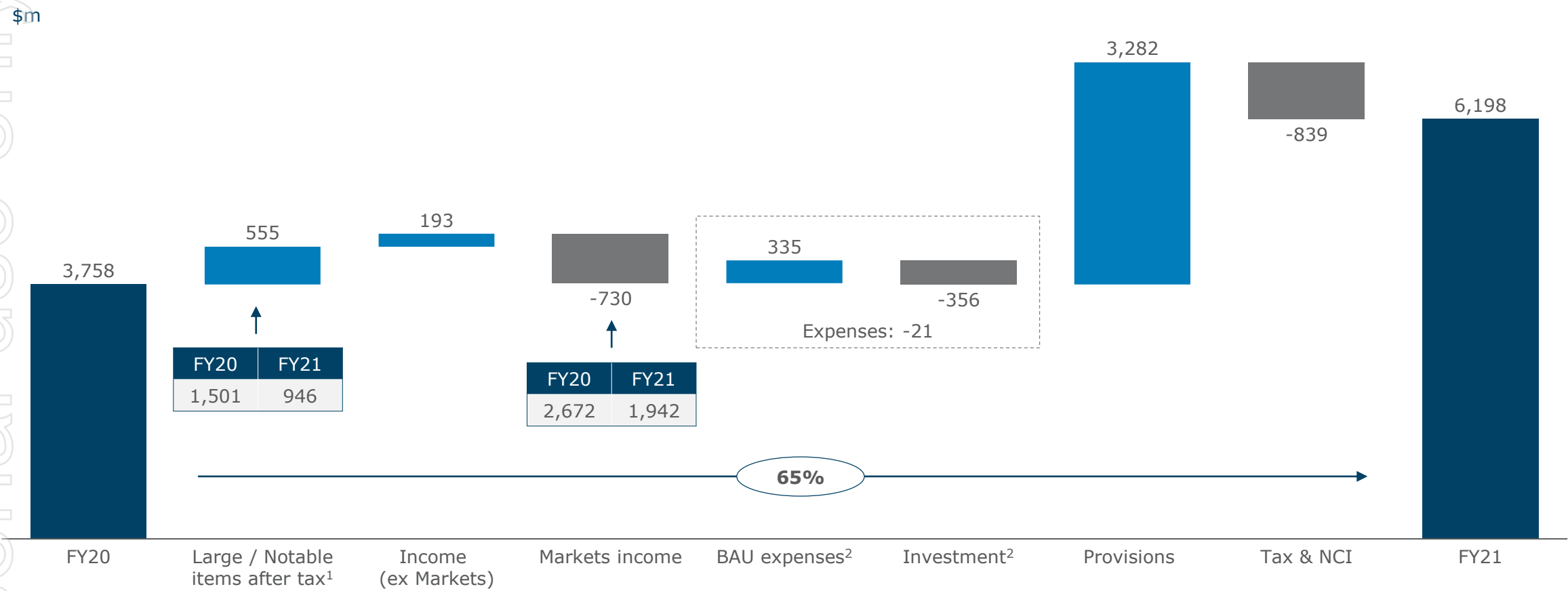


1. Sep 21 excludes increased exposure to the RBA via higher exchange settlement account balances  
2. IEL: Internal Expected Loss (IEL) is an internal estimate of the average annualised loss likely to be incurred through a credit cycle

# FINANCIAL PERFORMANCE

## CONTINUING OPERATIONS

### GROUP PROFIT DRIVERS



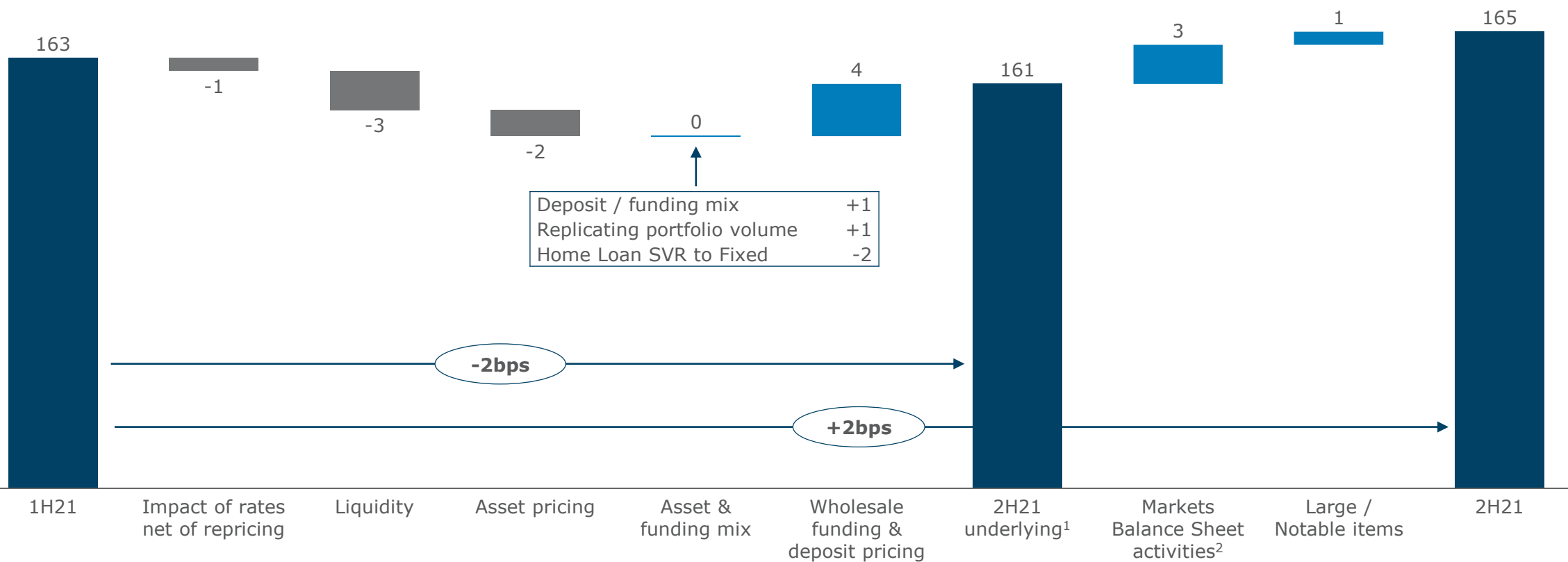
1. Further detail on Large / Notable items is included within the Investor Discussion Pack  
2. Prior periods restated to reflect current management classification between BAU and Investment Expensed

# NET INTEREST MARGIN

## CONTINUING OPERATIONS

### GROUP NET INTEREST MARGIN (NIM)

bps



1. Excluding Large / Notable items and Markets Balance Sheet activities
2. Includes the impact of discretionary liquid assets and other Balance Sheet activities

# NET INTEREST MARGIN DRIVERS

FINANCIAL PERFORMANCE

## VARIABLE RATE TO FIXED SHIFT

**\$38b**

AVERAGE CHANGE IN AUS & NZ HL MIX IN 2H21 (FIXED UP \$22b, SVR DOWN \$16b)

## INCREASED SYSTEM LIQUIDITY

**-4bps**

IMPACT TO GROUP NIM IN 2H21 FROM INCREASED DEPOSITS AND CLF REDUCTION

## COMPETITIVE PRICING

**~30%**

OF THE HOUSING PORTFOLIO HAD A PRICING EVENT IN 2H21

## CUSTOMER FUNDING MIX

**\$40b**

AVERAGE CHANGE IN TD VS AT-CALL MIX IN 2H21 (TD'S DOWN \$12b, AT-CALL UP \$28b)

## DEPOSIT RATE MANAGEMENT

**+3bps**

IN 2H21 FROM DEPOSIT RATE MANAGEMENT

## TERM WHOLESALE FUNDING

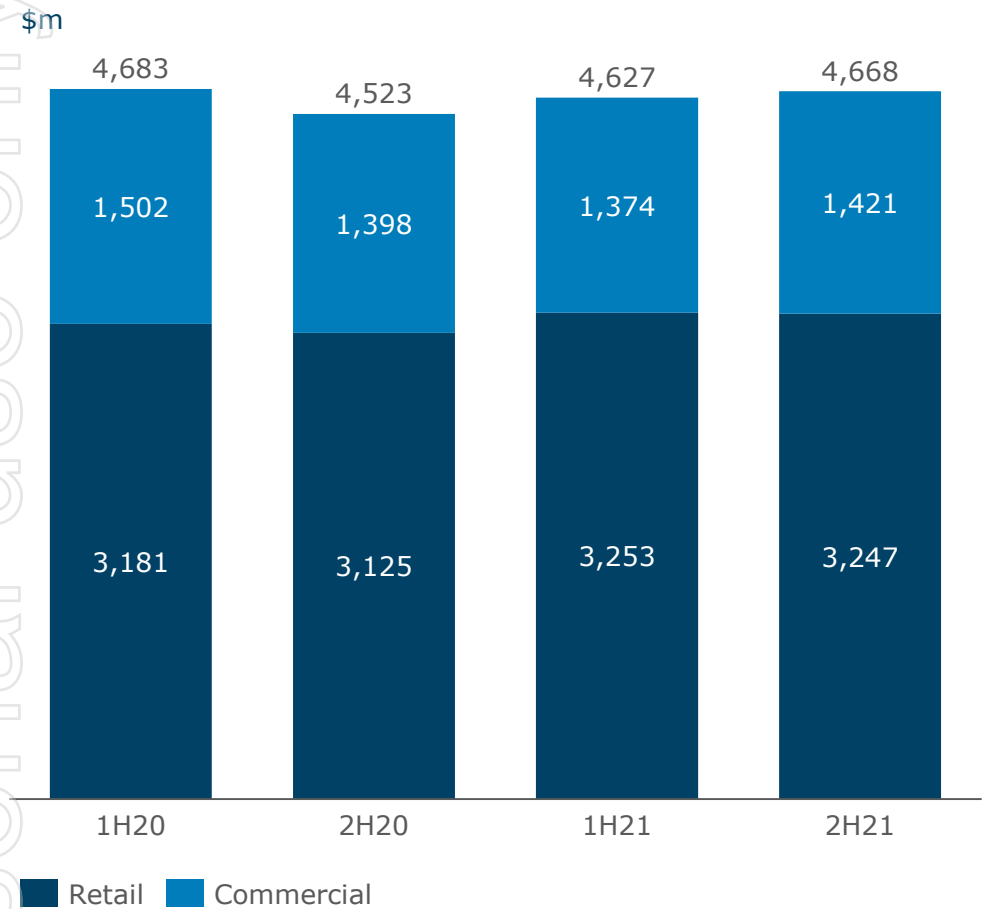
**~65%**

REDUCTION IN WHOLESALE ISSUANCE 2H21 (EX TFF) RELATIVE TO FY16-FY19 HY AVG

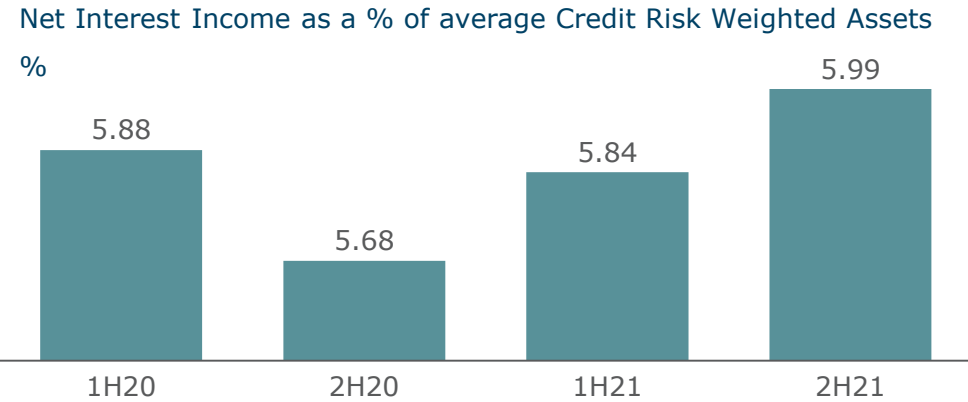
# AUSTRALIA RETAIL & COMMERCIAL

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

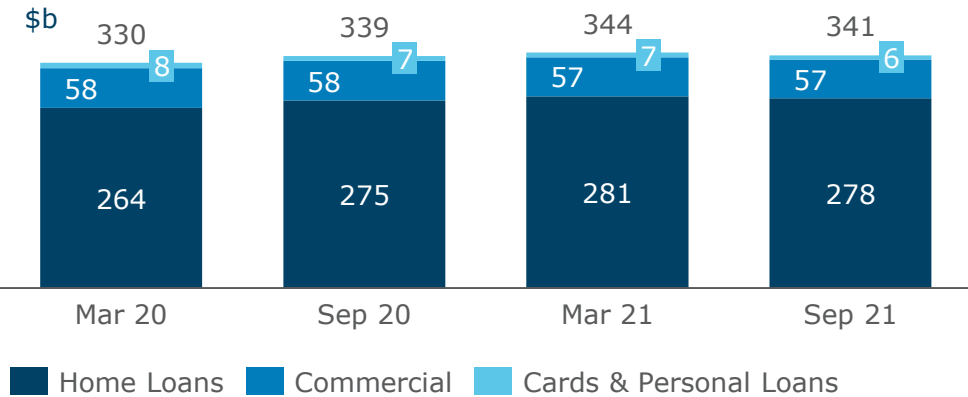
## INCOME



## RISK ADJUSTED MARGINS

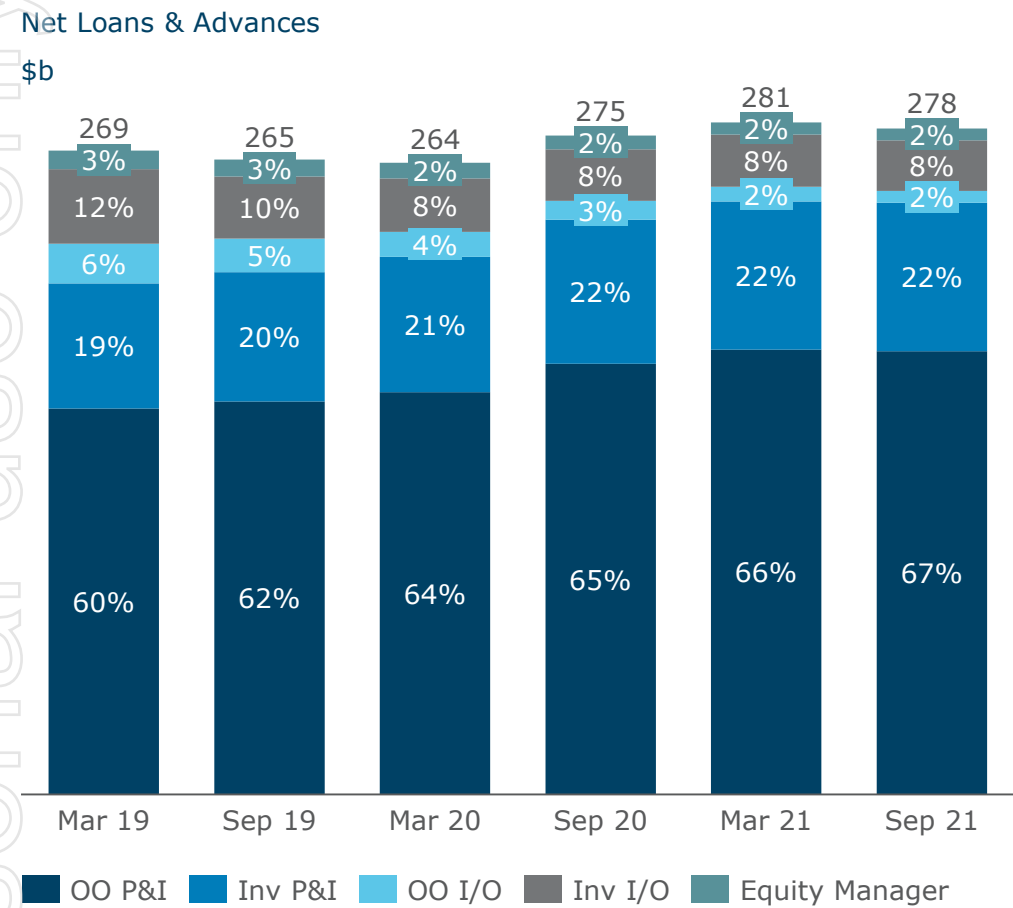


## NET LOANS & ADVANCES

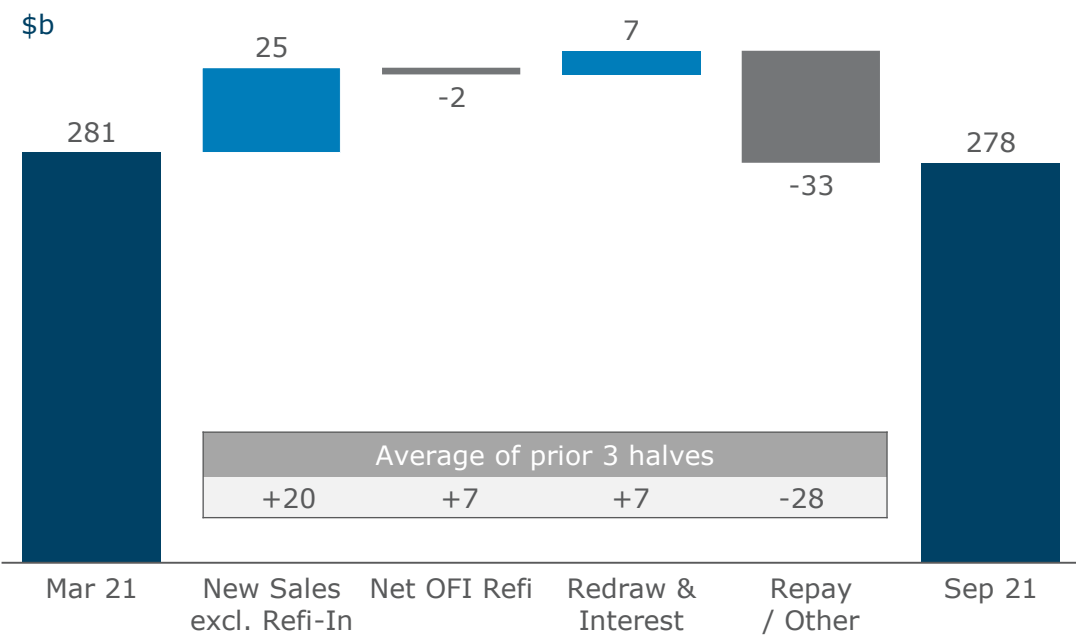


# AUSTRALIA HOUSING

## PORTFOLIO COMPOSITION



## HOME LOAN BALANCE & FLOWS



### HOME LOAN ACTIONS

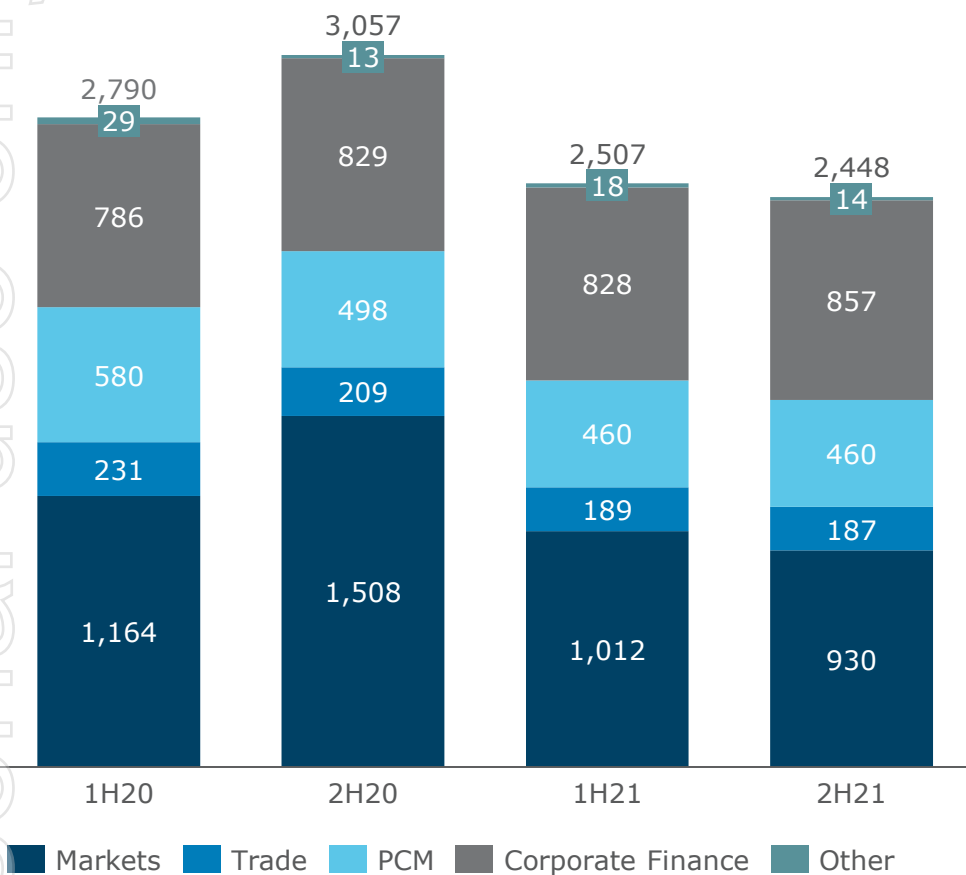
- Increased operations staff to support assessment
- Streamlining origination process to reduce handling time
- Progressing work on digitisation & automation

# INSTITUTIONAL

## CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

### INCOME<sup>1</sup>

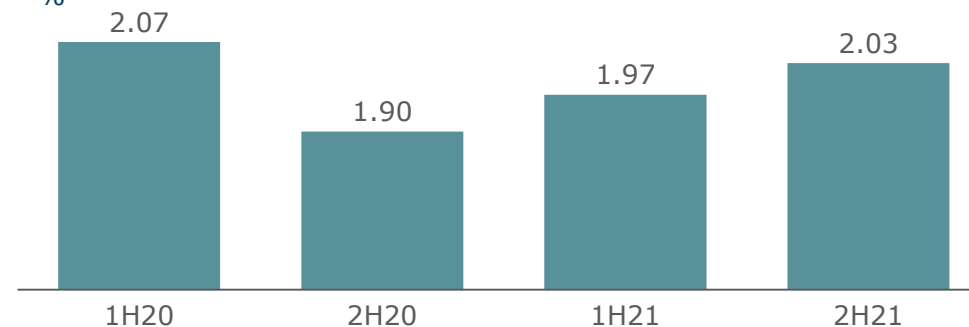
\$m



### RISK ADJUSTED MARGINS<sup>2</sup>

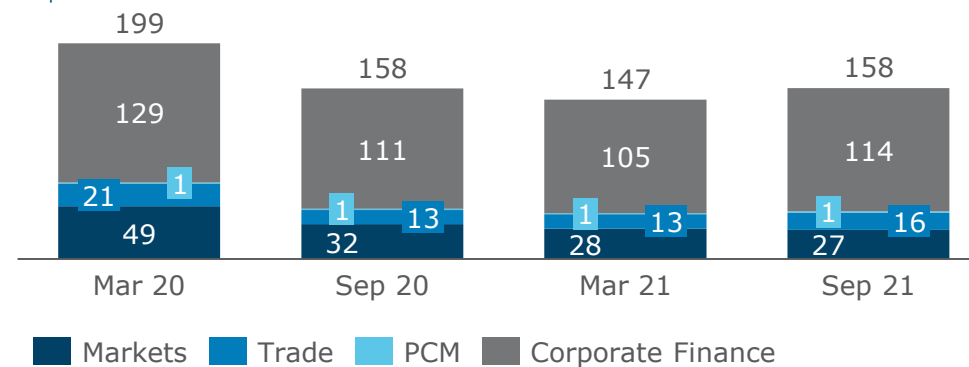
Net Interest Income as a % of average Credit Risk Weighted Assets

%



### NET LOANS & ADVANCES<sup>1</sup>

\$b



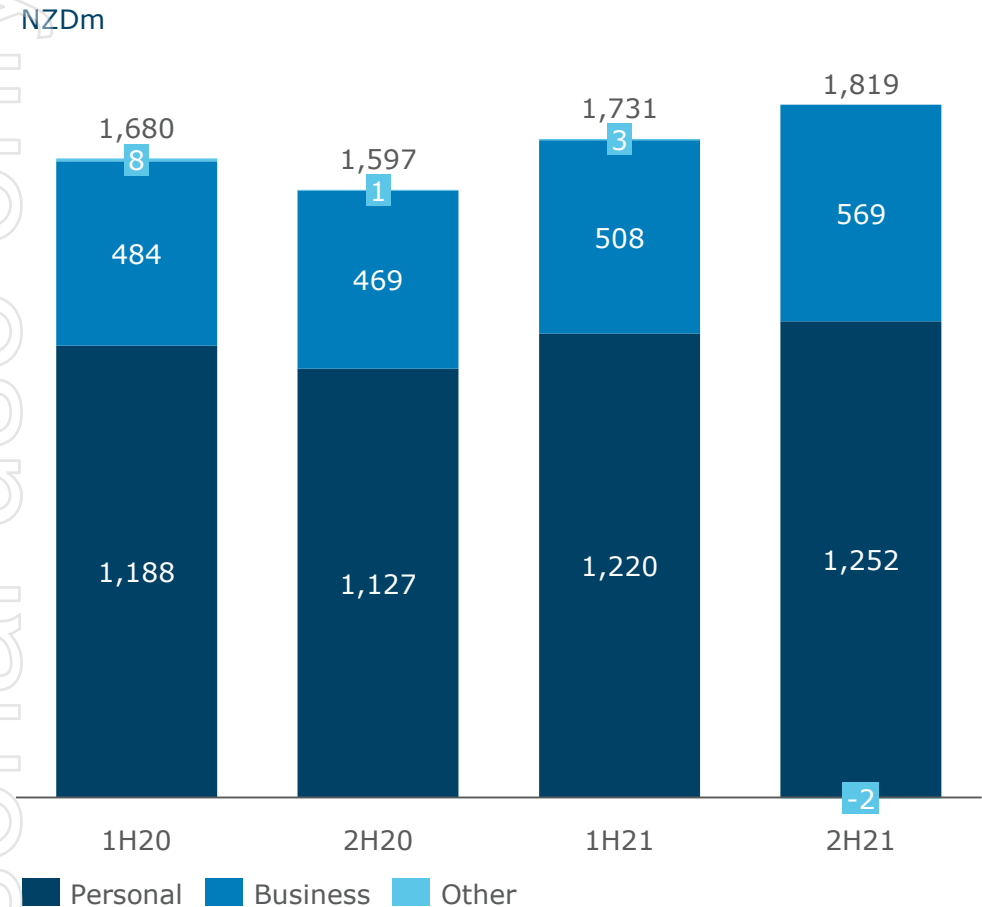
1. Trade: Trade & Supply Chain; PCM: Payments & Cash Management  
 2. Excluding Markets business unit

# NEW ZEALAND DIVISION

FINANCIAL PERFORMANCE

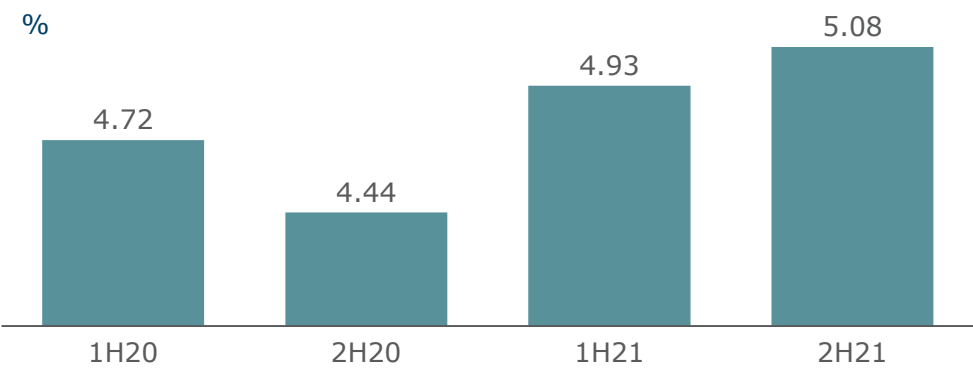
CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

## INCOME

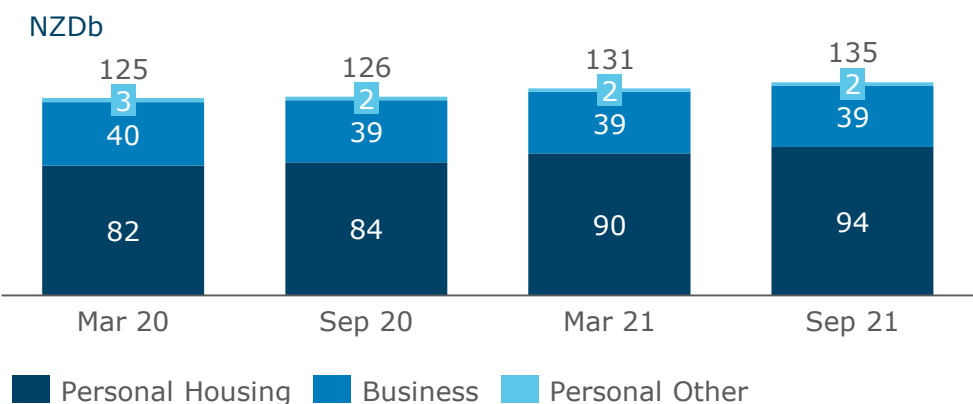


## RISK ADJUSTED MARGINS

Net Interest Income as a % of average Credit Risk Weighted Assets



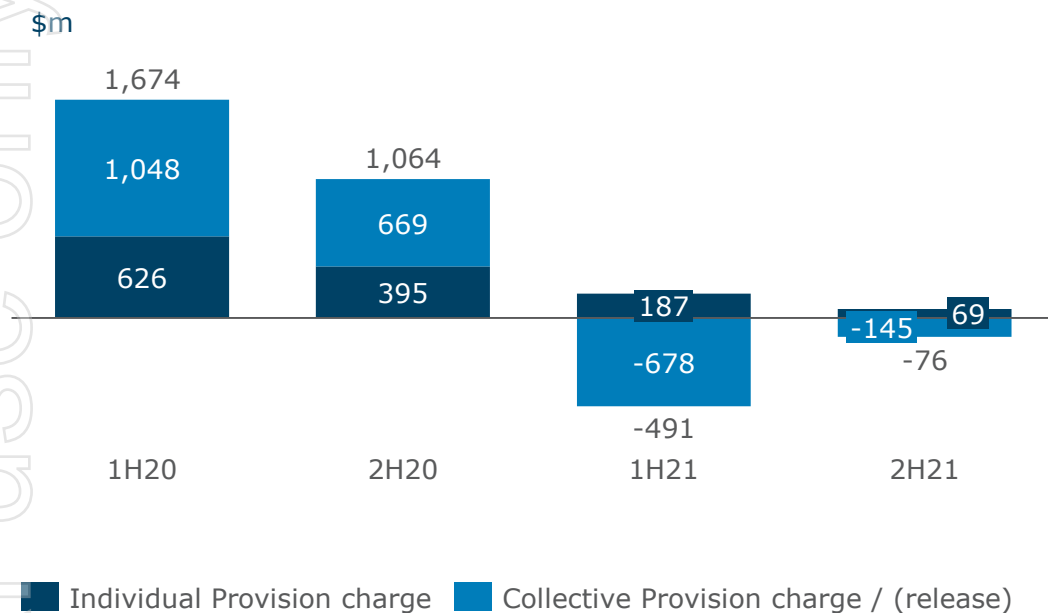
## NET LOANS & ADVANCES



# PROVISION CHARGE & BALANCE

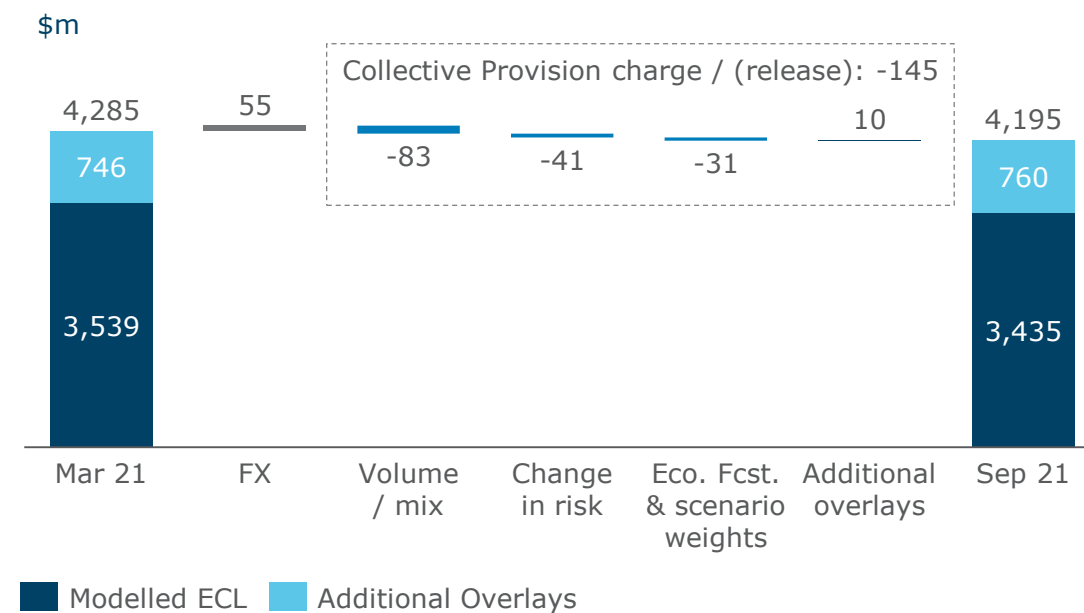
## CONTINUING OPERATIONS

### TOTAL PROVISION CHARGE & LOSS RATES



	1H20	2H20	1H21	2H21
IP loss rate <sup>1</sup> (%)	0.20	0.12	0.06	0.02
Total loss rate <sup>2</sup> (%)	0.53	0.33	-0.16	-0.02

### COLLECTIVE PROVISION BALANCE & COVERAGE



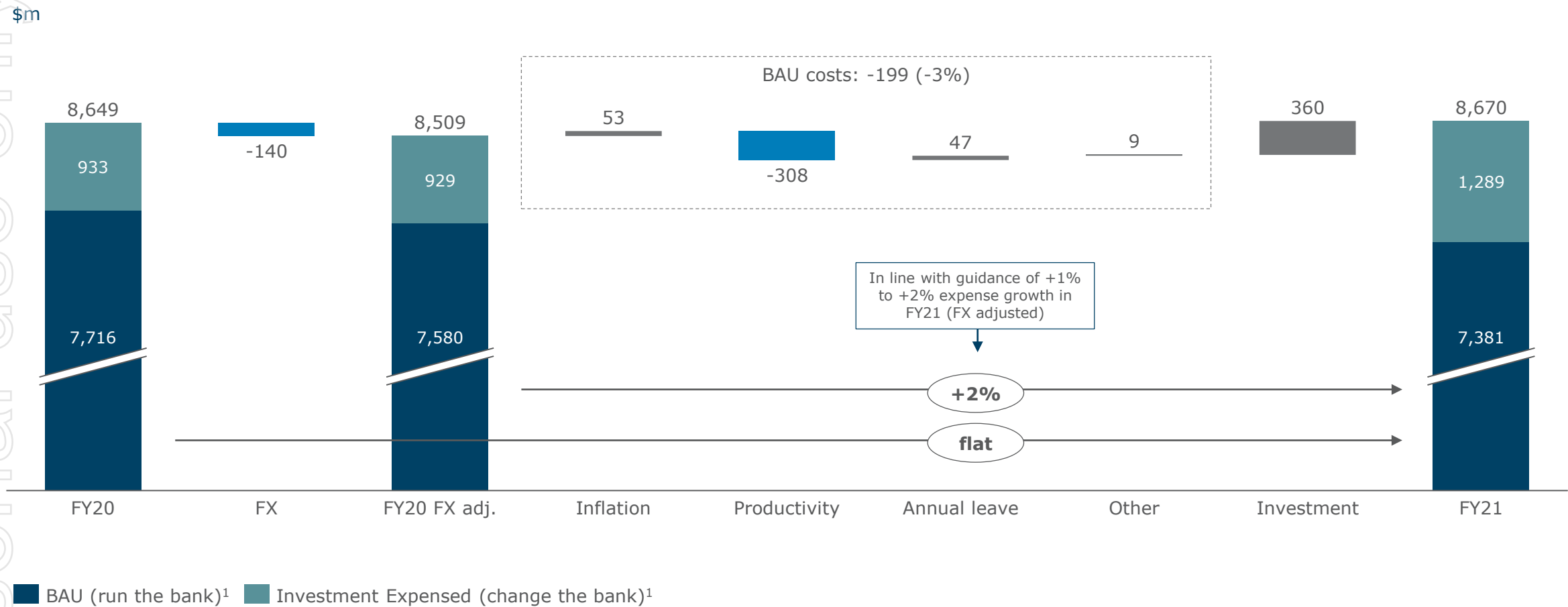
	Mar 20	Sep 20	Mar 21	Sep 21
Collective Provision balance (\$m)	4,501	5,008	4,285	4,195
Collective Provision coverage <sup>3</sup>	1.17%	1.39%	1.25%	1.22%

1. Individual Provision charge as a % of average Gross Loans & Advances
2. Total credit impairment charge / (release) as a % of average Gross Loans & Advances
3. Collective Provision balance as a % of Credit Risk Weighted Assets

# EXPENSES

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

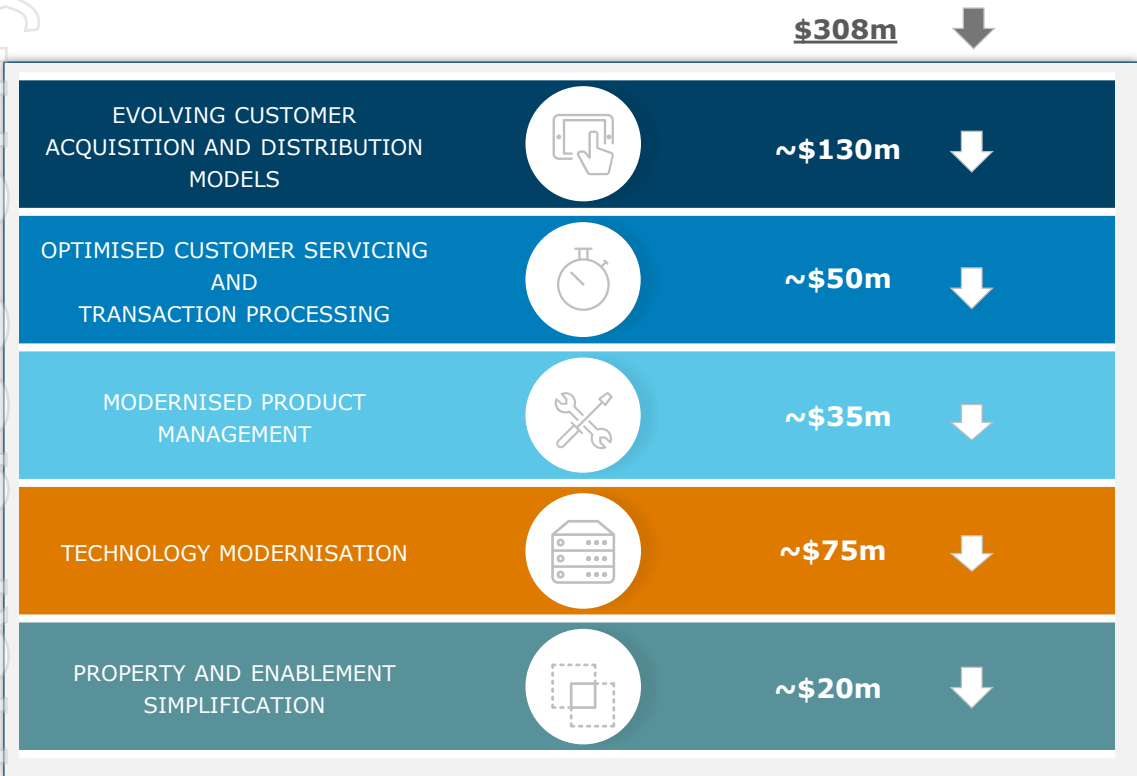
## EXPENSE DRIVERS



1. Prior periods restated to reflect current management classification between BAU and Investment Expensed

# PRODUCTIVITY

## FY21 RUN THE BANK PRODUCTIVITY



## FY21 INITIATIVES DELIVERED

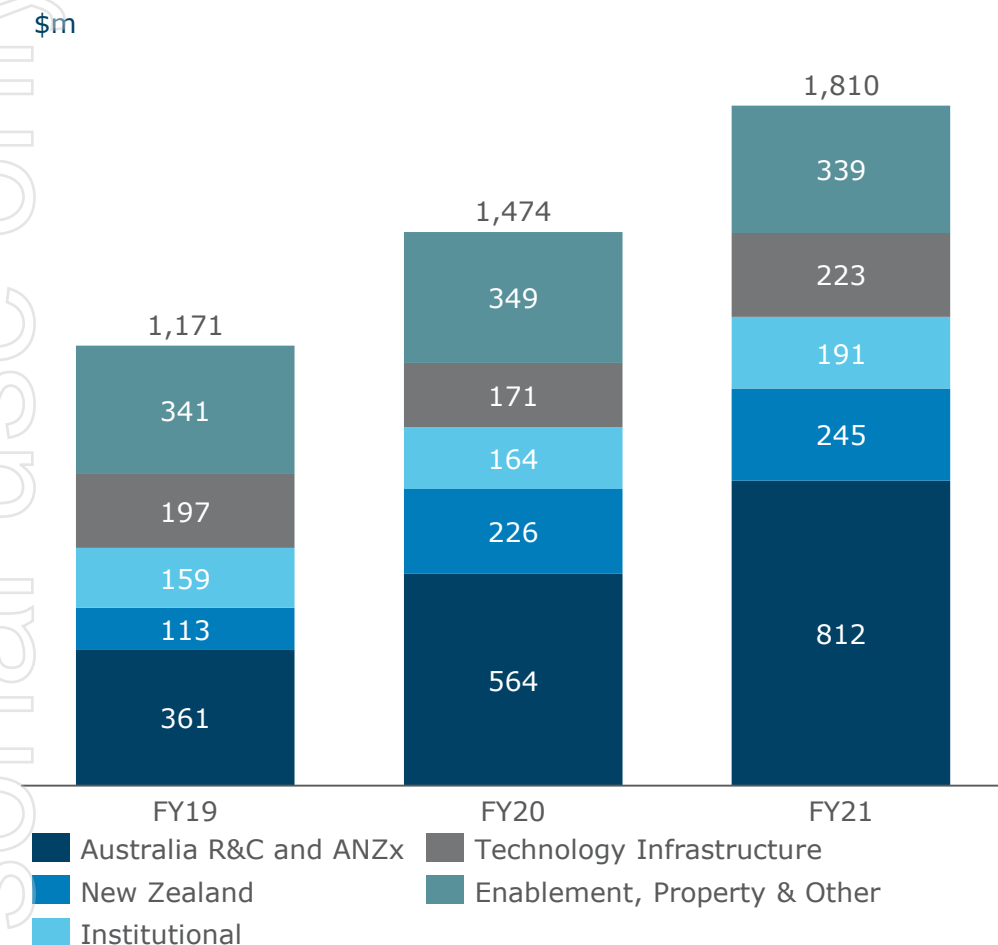
- Refinement of coverage models across all businesses
  - Investment in digital channels, reduced physical presence
- 
- Back-office process automation & simplification
  - Enabling digital transactions & customer self-service
- 
- Middle office consolidation
  - In-sourcing specialised activities
- 
- Network & software contract review & optimisation
  - Infrastructure simplification
- 
- Reduced commercial property footprint
  - Operating model enhancements
-

# INVESTMENT SPEND

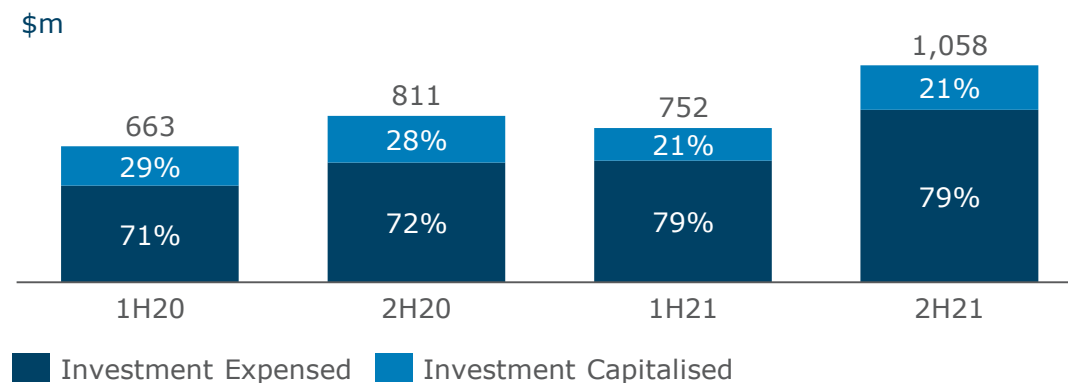
## CONTINUING OPERATIONS

INVESTING FOR  
THE FUTURE

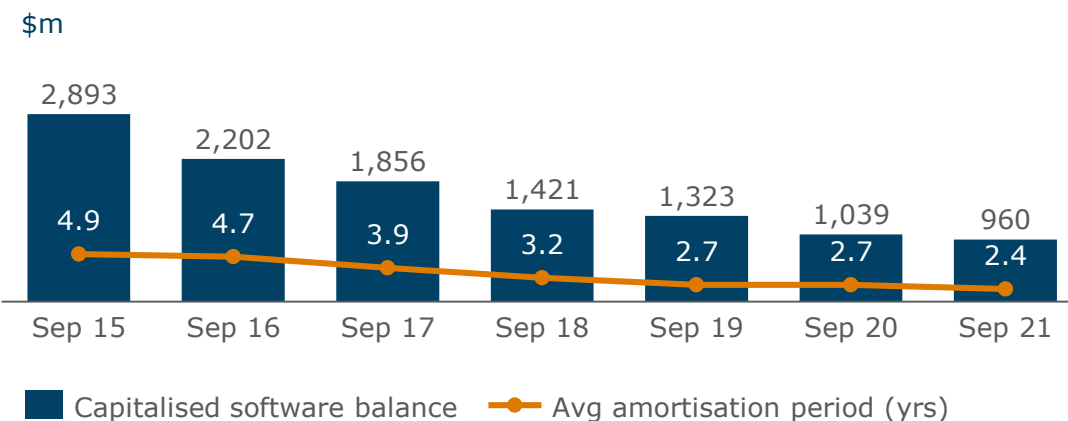
### INVESTMENT SPEND<sup>1</sup>



### EXPENSED & CAPITALISED<sup>1</sup>



### CAPITALISED SOFTWARE

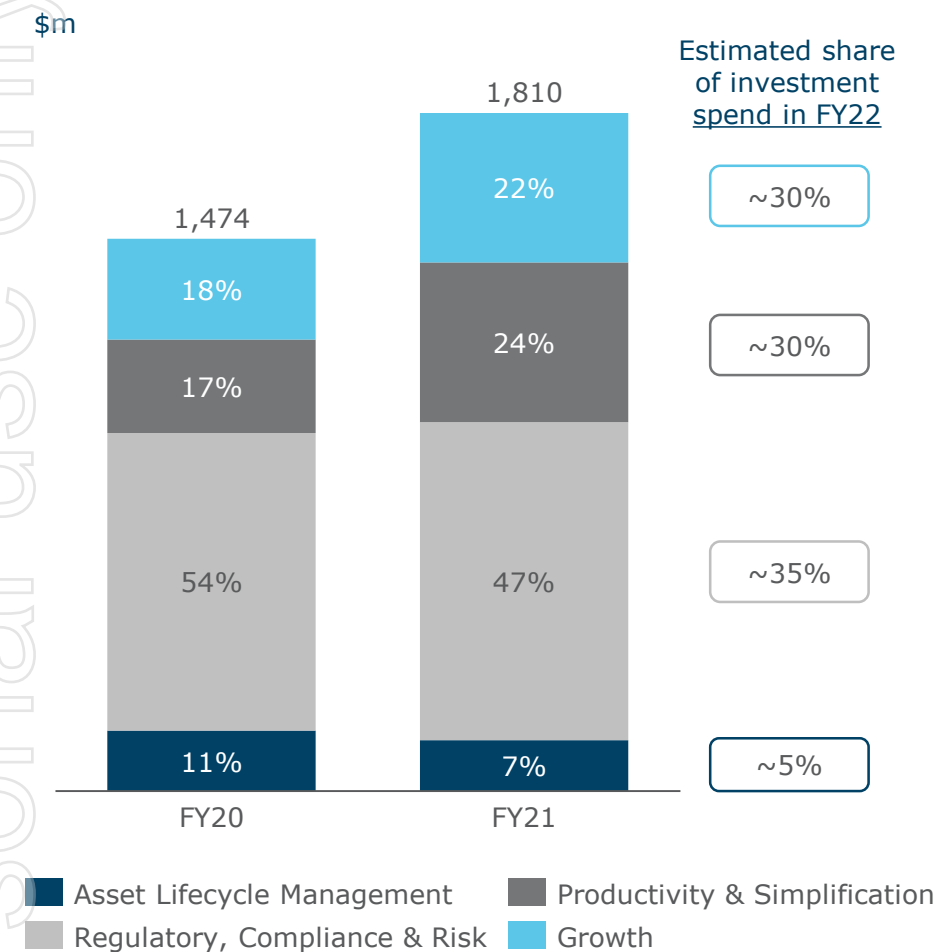


1. Prior periods restated to reflect current management classification between BAU and Investment Expensed

# INVESTMENT SPEND – ALIGNED TO STRATEGIC PRIORITIES

## CONTINUING OPERATIONS

### FY21 INVESTMENT SPEND<sup>1</sup>



### FY21 INVESTMENT SPEND BY CATEGORY (EXAMPLES)

#### Growth

- ANZx
- Sustainability
- GoBiz
- 1835i
- Platforms

#### Productivity & Simplification

- Migration to Cloud
- Digital customer experience
- Banker experience
- Customer authentication
- Property rationalisation
- Automation

#### Asset Lifecycle Management

- Application upgrades
- Capacity & storage
- Release management

#### Regulatory, Compliance & Risk

- BS11 (RBNZ Outsourcing)
- Benchmark Transition ('IBOR')
- Home & business lending processes
- Open Banking
- Cyber security

1. Prior periods restated to reflect current management classification between BAU and Investment Expensed

\* This page may contain forward-looking statements or opinions. Please refer to ANZ's Disclaimer and Important Notice with respect to such statements on page 1

# FOCUS AREAS

FOCUS AREAS

**Home loans**

**Simplification**

**Capital &  
investment allocation**

**Growth initiatives**

**Disciplined  
execution**

**Risk adjusted  
returns**

# 2021 FULL YEAR RESULTS

**INVESTOR DISCUSSION PACK**  
CORPORATE OVERVIEW AND  
ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)



# OUR PURPOSE AND STRATEGY

OUR ESG APPROACH SUPPORTS THE EXECUTION OF OUR STRATEGY



# THE BANK WE'RE BUILDING

PURPOSE-LED TRANSFORMATION WILL DRIVE BETTER OUTCOMES FOR STAKEHOLDERS



# THE BANK WE'RE BUILDING

GIVING CUSTOMERS ACCESS TO...



## Propositions

Easy to use services that improve the financial wellbeing and sustainability of customers

## Platforms

More agile and more resilient banking infrastructure platforms provided to ANZ and third parties

## Partnerships

Integrated, data-enabled, Home Owner and Business Owner ecosystems

## People

A diverse team, who listen, learn and adapt to deliver outcomes that address financial and sustainability challenges

...and delivering consistently strong shareholder returns

# THE BANK WE'RE BUILDING

DELIVERING IMPROVED LIFETIME VALUE

Largely completed  
Work in progress  
Yet to really start

## 'PURPOSE & VALUES DRIVEN'

- Build the team
- Establish Our Purpose
- Reinvigorate Our Values
- Create a more open, less hierarchical organisation
- Strengthen our delivery and performance culture

## 'SIMPLIFY AND STRENGTHEN'

- Sell non-core businesses
- Re-shape Institutional
- Strengthen balance sheet
- Re-balance the portfolio
- De-risk the business
- Drive productivity and capital efficiency
- Strengthen our control frameworks

## 'DIGITISE'

- Enhance data capabilities
- Build cloud capabilities
- Automate key processes
- Establish new platforms (BS11, ANZx)
- Establish GoBiz
- Reshape the workforce
- Establish Ways of Working
- Build service-based businesses

## 'PROFITABLY GROW'

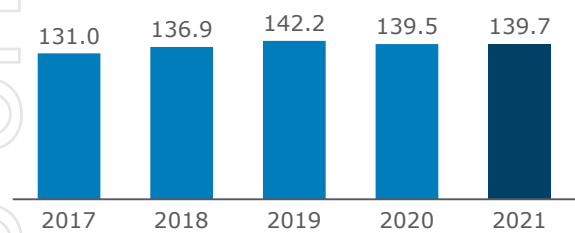
- Scale up priority segments
- Environmental Sustainability
- Grow Banking Platforms
- Establish partnerships to support target customers
- Build and scale new businesses adjacent to the core

# SUSTAINABILITY PERFORMANCE TRENDS

## FULL YEAR 2021 DISCLOSURE

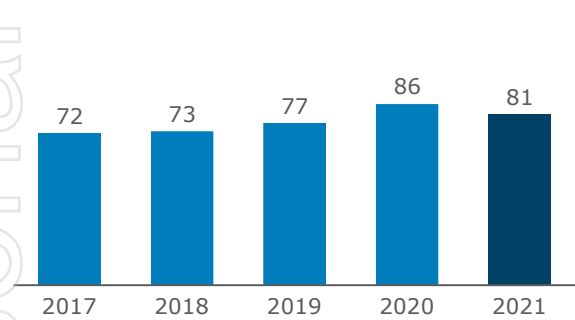
### COMMUNITY INVESTMENT<sup>1</sup>

Total community investment (\$m)



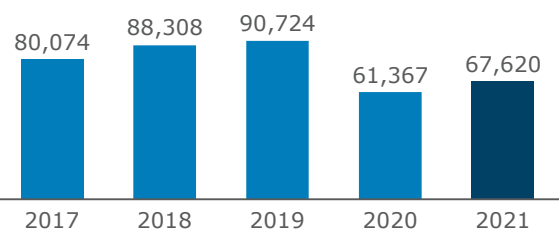
### EMPLOYEE ENGAGEMENT<sup>2</sup>

Employee engagement score (%)



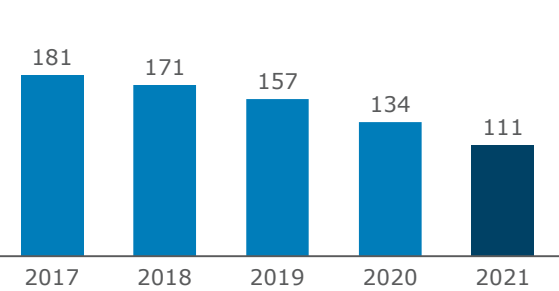
### MONEYMINDED & SAVER PLUS<sup>3</sup>

Estimated # of people reached



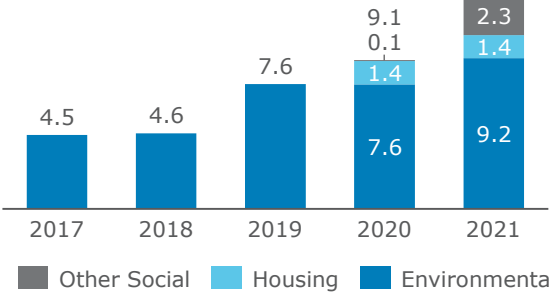
### ENVIRONMENTAL FOOTPRINT TARGET

Scope 1 & 2 greenhouse gas emissions (k tonnes CO<sub>2</sub>-e)



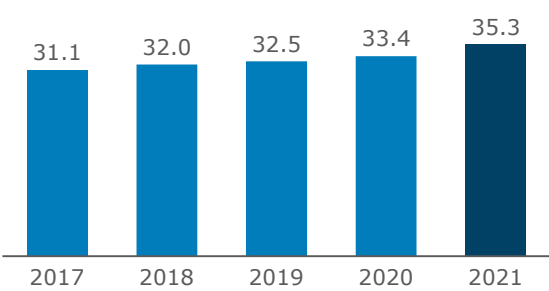
### SUSTAINABLE FINANCE \$50b TARGET<sup>4</sup>

Funded and facilitated (\$b)



### WOMEN IN LEADERSHIP<sup>5</sup>



Representation (%)



1. Figure includes forgone revenue (2021 = \$106m), being the cost of providing low or fee free accounts to a range of customers such as government benefit recipients, not-for-profit organisations, students and the elderly. International transfer fees were waived for funds sent from Australia and New Zealand to the Pacific to support communities impacted by COVID-19. 2. The 2017 engagement survey was run as a pulse survey sent to 10% of the bank's employees with a 57% response rate. For all other years the employee engagement survey was sent to all staff. 3. Includes individuals who have participated in more than one program (for example, people who have participated in MoneyMinded as part of Saver Plus are counted twice as they are included in both the MoneyMinded and Saver Plus totals). 4. 2016 - 2019 figures represent annual contributions towards ANZ's 2020 \$15b sustainable solutions target, which had an environmental focus. In FY20, ANZ set a new 2025 \$50b target with an expanded focus on environmental sustainability, housing and financial wellbeing. 5. 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).

# OUR FY21 ESG TARGETS

## FINANCIAL WELLBEING

TARGET	PERFORMANCE
Support 250,000 customers to build a savings habit, by end 2021 (Australia/New Zealand)	<ul style="list-style-type: none"><li>Since October 2020 we have supported around <b>151,600 customers</b> to build a savings habit. This includes:<ul style="list-style-type: none"><li>more than <b>3,000 Saver Plus</b> new participants actively saving using a Progress Saver account; and</li><li><b>148,567 customers</b> who have set savings goals using the 'set a savings goal' feature in the ANZ App</li></ul></li><li>Since the introduction of the 'set a savings goal' feature in October 2019, <b>319,081 customers have set a saving goal</b></li></ul> 
Publish Adult Financial Wellbeing Research to inform our product design and financial literacy program delivery, by end 2022	<ul style="list-style-type: none"><li>Analysis of survey data has been completed, with key insights focused on improving understanding of socio-economic and behavioural determinants of financial wellbeing in Australia and New Zealand</li><li>We are on track to launch the survey report by December 2021</li></ul> 



Our ESG targets support **11 of the 17** United Nations Sustainable Development Goals.

This year we have achieved or made good progress against 92% of our targets, and did not achieve 8%.

See our 2021 ESG Supplement for the complete suite of FY21 ESG targets and details on full year performance (when released).

# OUR FY21 ESG TARGETS

## ENVIRONMENTAL SUSTAINABILITY

TARGET	PERFORMANCE
Fund & facilitate at least \$50 billion by 2025 towards sustainable solutions for our customers	<ul style="list-style-type: none"><li>Since October 2019, we have funded and facilitated <b>AU\$21.95 billion</b> towards the target, of which <b>AU\$12.18 billion</b> is <b>funded</b> and <b>AU\$9.77 billion</b> is <b>facilitated</b></li><li>The majority of target transactions provide funding for sustainability-linked lending, renewable energy, green buildings and affordable housing, and facilitate ESG-format bond issuance</li></ul> 
Encourage & support 100 of our largest emitting business customers to establish, and where appropriate, strengthen existing low carbon transition plans, by end 2021	<ul style="list-style-type: none"><li>We have <b>engaged with 100 of our largest emitting business customers</b> to support them to establish, or strengthen, low carbon transition plans. We will continue our engagement with customers, seeking improvements to their plans and reviewing their biodiversity commitments, as part of our new FY22 ESG target</li></ul> 

# OUR FY21 ESG TARGETS



## HOUSING

TARGET	PERFORMANCE
<p>Fund &amp; facilitate AU\$10 billion of investment by 2030 to deliver more affordable, accessible and sustainable homes to buy and rent (Australia /New Zealand)</p>	<ul style="list-style-type: none"><li>Since October 2020, we have <b>funded and facilitated AU\$1.29 billion and NZ\$150 million</b> of investment to deliver more affordable, accessible and sustainable homes to buy and rent</li></ul> <div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>10 REDUCED INEQUALITIES</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div></div>
<p>Support more customers into healthier homes with our Healthy Home Loan Package and Interest-free Insulation Loans – through a 2%<sup>1</sup> increase of funds under management and a 4%<sup>1</sup> increase in customer numbers by 2025 (New Zealand)</p>	<ul style="list-style-type: none"><li>Since October 2020, we have <b>supported 1,065 households</b> into healthier homes through our Healthy Home Loan Package (36 households) and our Interest-free Insulation Loans (1,029 households)</li></ul> <div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div></div>

1. Off a FY21 baseline

# OUR FY21 ESG TARGETS

## FAIR AND RESPONSIBLE BANKING

TARGET	PERFORMANCE
Develop & commence implementation of a new Customer Vulnerability Framework to improve the support we provide to customers experiencing vulnerability, by end 2021 (Australia)	<ul style="list-style-type: none"><li>Implementation of our Customer Vulnerability Framework continues, including implementing inclusive design principles in our product management framework, ensuring our products are accessible, inclusive and do not cause harm; extending the pilot of our independent interpreter service to our Customer Protection team, improving our ability to assist customers from non-English speaking backgrounds; and increased proactive engagement with a range of community stakeholders to ensure our approach is well informed</li></ul> 
Design & commence implementation of a Human Rights Grievance Mechanism, using the UN Guiding Principles on Business and Human Rights, by end 2021	<ul style="list-style-type: none"><li>Final design framework for the Human Rights Grievance Mechanism (GM) has been approved by ERBC and Board EESG Committee. Implementation of the GM has commenced, including governance, embedding into policy and process, training, disclosures and communications</li><li>The GM will be made public in Q1 FY22 after a final external stakeholder information session. Public reporting will commence in mid to late FY22</li></ul> 

# OUR APPROACH TO CLIMATE CHANGE

COMMITTED TO PLAYING OUR PART & SUPPORTING OUR CUSTOMERS IN TRANSITION TO NET-ZERO EMISSIONS BY 2050

- The most important role we can play in enabling a transition to net-zero is to finance our customers' efforts to reduce emissions, while also helping them tap into the significant opportunities as a result of this transition
- In October, ANZ became the first Australian bank to join the **Net-Zero Banking Alliance** – reflecting our commitment to align our lending portfolios with the goal of achieving net-zero emissions by 2050
- Our updated **Climate Change Statement**, together with our 2021 Climate-related Financial Disclosures report, will be released prior to our Annual General Meeting (AGM)

## Help our customers & support transitioning industries

- Funding & facilitating at least \$50 billion by 2025 to help our customers improve environmental sustainability, increase access to affordable housing and promote financial wellbeing
- Working with & supporting our largest emitting customers to build climate change mitigation & adaptation risk into their strategies
- Identifying opportunities & financing our customers' transition activities via products such as 'Green' and Sustainability Linked Loans

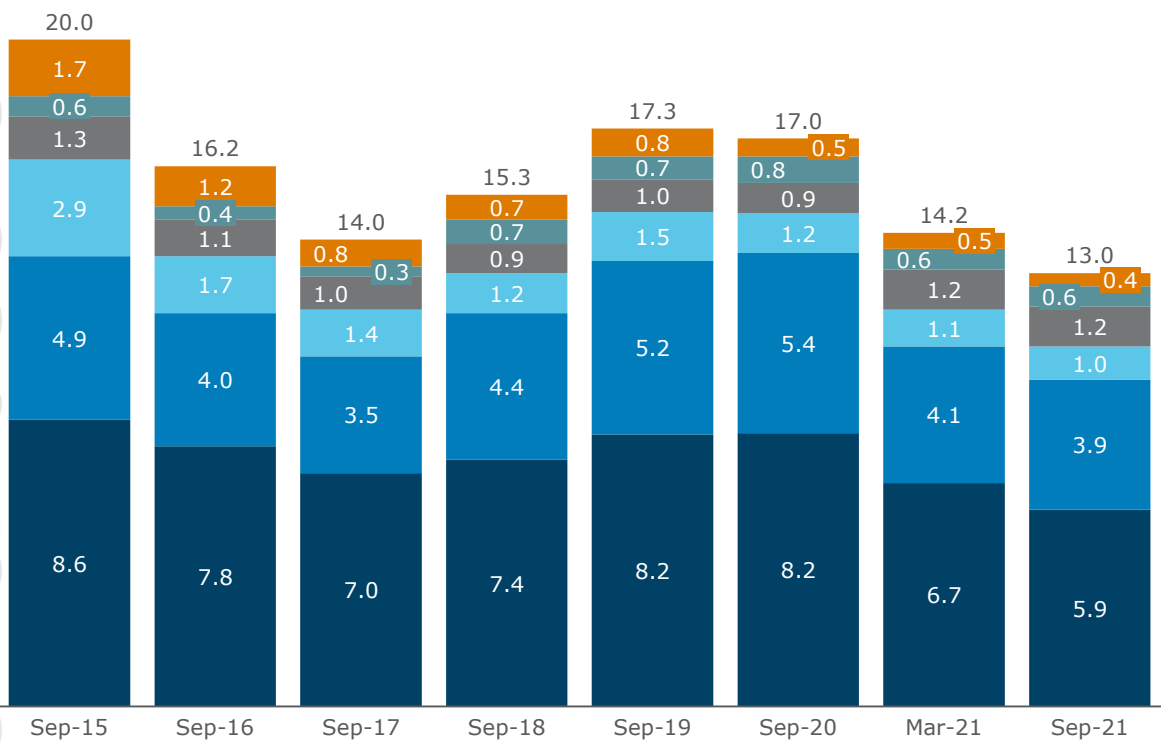
## Engage constructively & transparently with stakeholders

- Disclosing how we identify, assess and manage climate-related financial risks and opportunities using the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- Disclosing better metrics so the emissions impact of our financing can be tracked annually, starting with commercial property and power generation
- Engaging with stakeholders on climate change and increasing transparency on our approach

# OUR RESOURCES PORTFOLIO

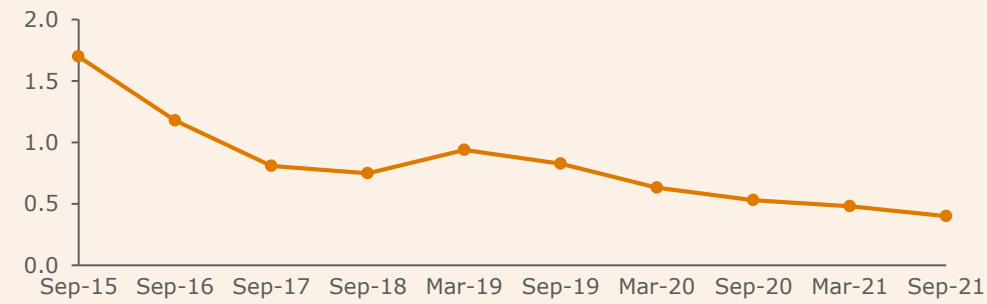
## RESOURCES PORTFOLIO

EXPOSURE AT DEFAULT (EAD) \$b



## THERMAL COAL MINING EXPOSURE

EXPOSURE AT DEFAULT (EAD) \$b

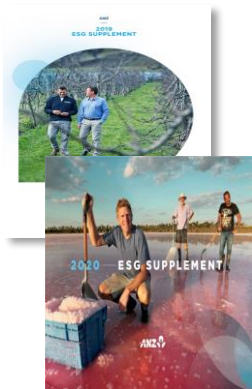


- Since 2015 our exposure to thermal coal mining has reduced by ~75%
- Several diversified mining customers have divested thermal coal interests in recent years, or signalled intention not to invest in expansionary capex
- ANZ's exposure to thermal coal mining is a small portion of our overall lending (now comprising <0.05% of our Group Exposure at Default)

Thermal Coal Mining    Metallurgical Coal Mining    Other Mining    Services to mining    Metal Ore Mining    Oil & Gas Extraction

# OUR ESG RELATED DISCLOSURES

## ESG Supplement



ESG information & progress against our ESG targets

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

## ESG Briefing



Annual event to brief investors on ESG matters

<https://www.anz.com/content/dam/anzcom/shareholder/ESG-Investor-presentation.pdf>

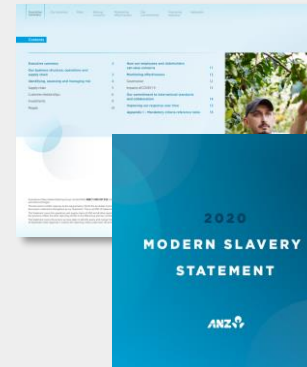
## Climate Change Investor Round Table



Investor update on Climate Change related disclosures

<https://www.anz.com.au/about-us/esg-priorities/environmental-sustainability/climate-change/>

## Human Rights



Our approach to human rights

<https://www.anz.com.au/about-us/esg-priorities/fair-responsible-banking/human-rights/>

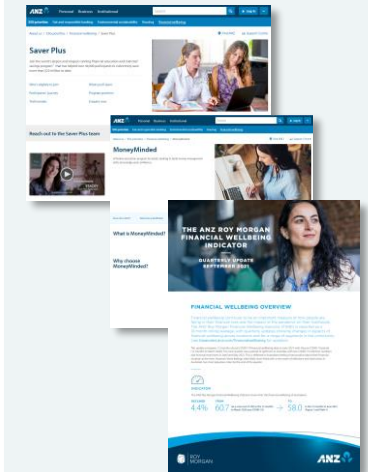
## Housing



ANZ-CoreLogic Housing Affordability Report, the pre-eminent guide to trends & drivers of housing affordability across Australia

<https://www.anz.com.au/about-us/esg-priorities/housing/>

## Financial Wellbeing



Our financial wellbeing programs, including ANZ Roy Morgan financial wellbeing indicator

<https://www.anz.com.au/about-us/esg-priorities/financial-wellbeing/>

# 2021 FULL YEAR RESULTS

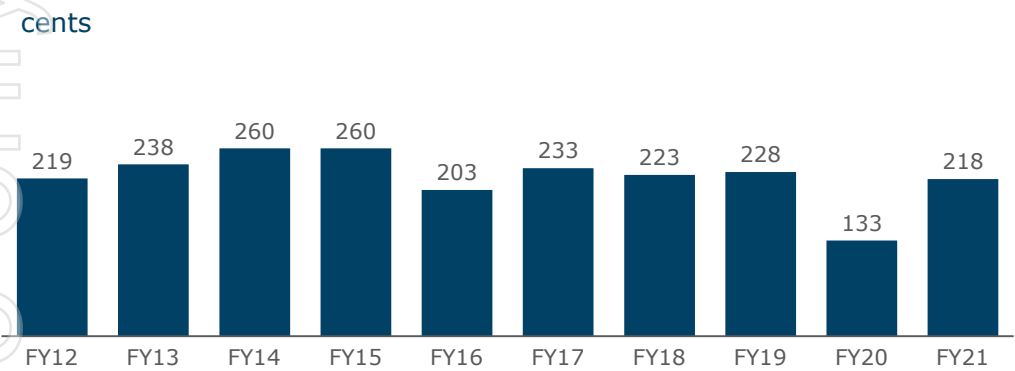
**INVESTOR DISCUSSION PACK**  
ADDITIONAL INFORMATION - GROUP PERFORMANCE



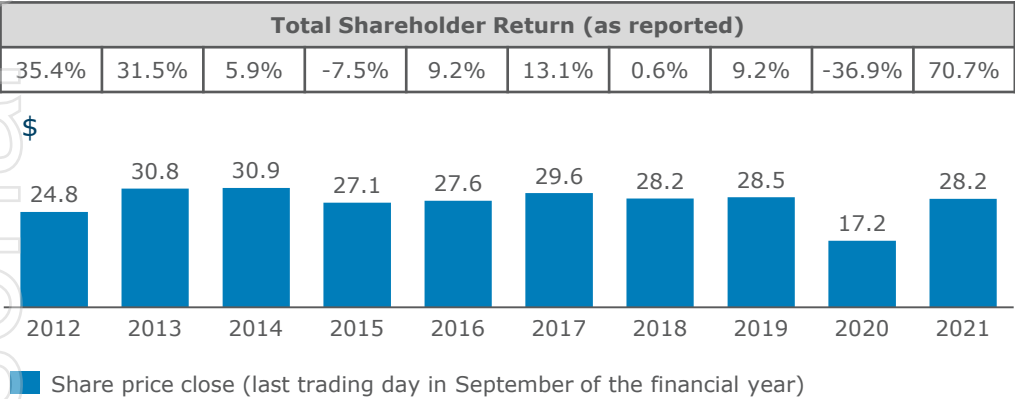
# SHAREHOLDER RETURNS

## 10 YEAR PERFORMANCE

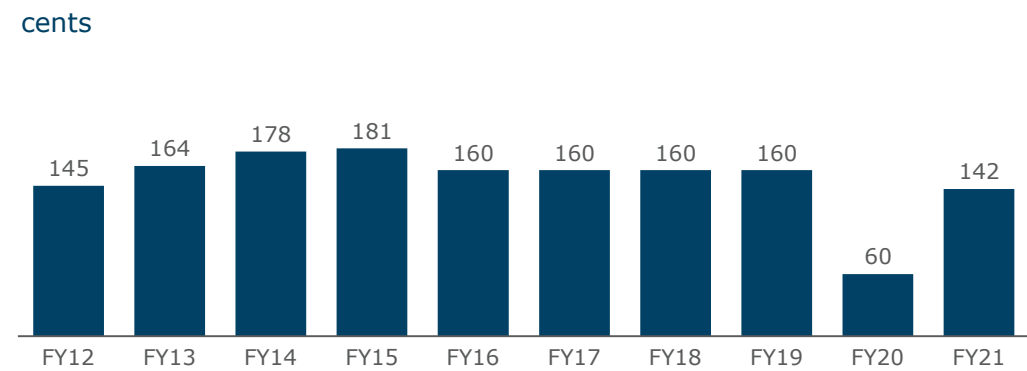
### EARNINGS PER SHARE<sup>1,2</sup>



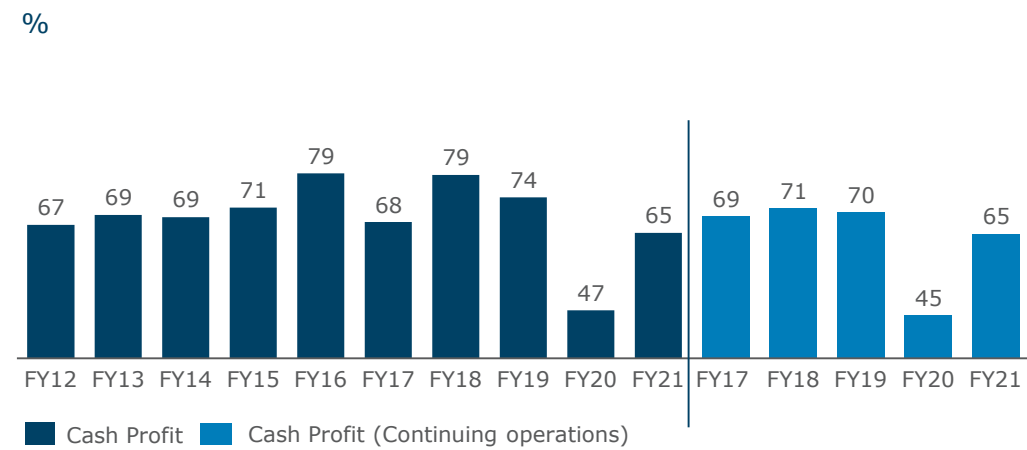
### SHARE PRICE



### DIVIDEND PER SHARE



### DIVIDEND PAYOUT RATIO

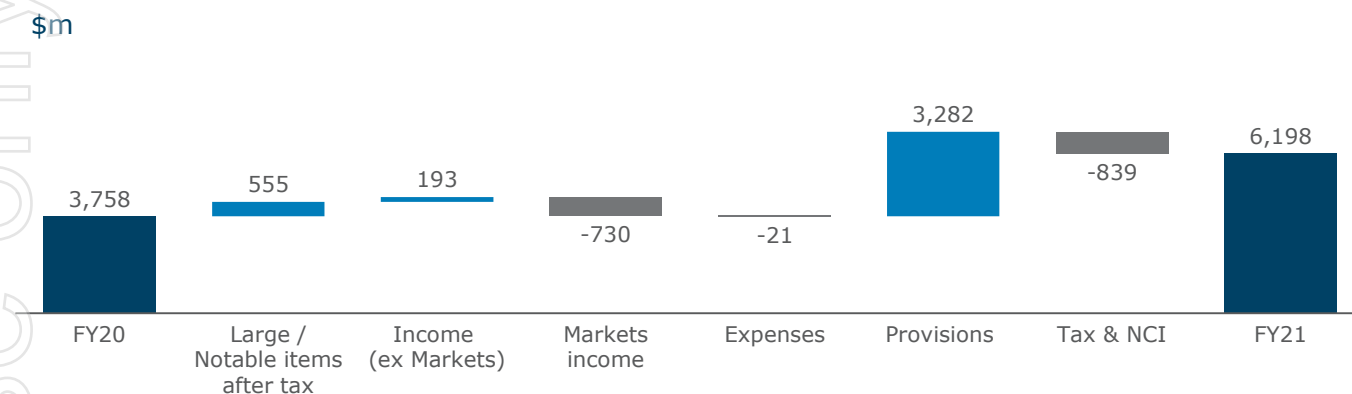


1. Cash Continuing basis  
2. As reported

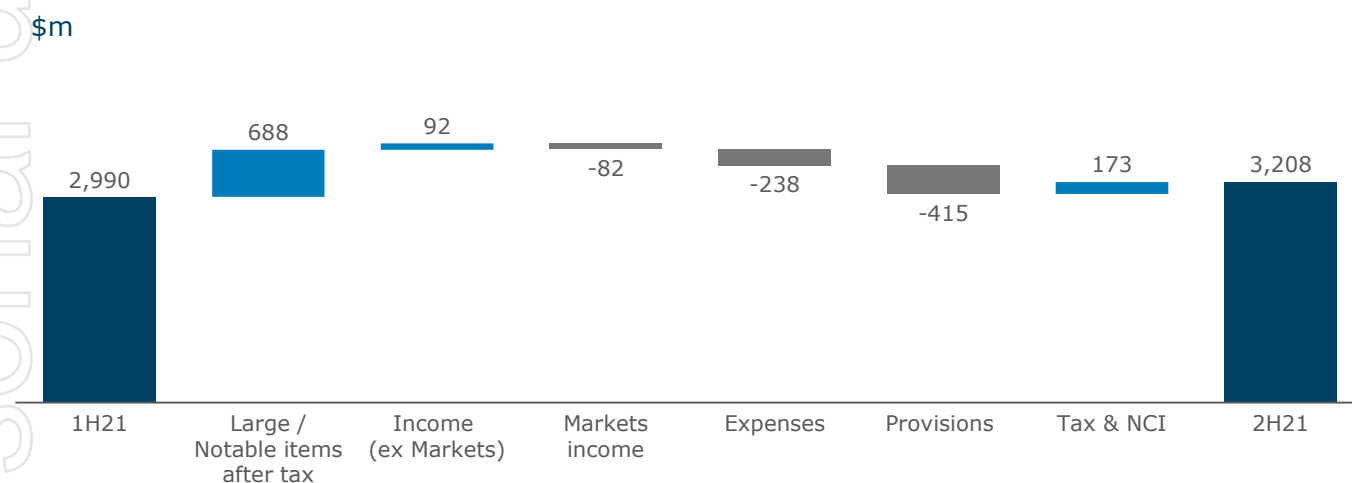
# FINANCIAL PERFORMANCE

## CONTINUING OPERATIONS

### FY21 CASH PROFIT DRIVERS



### 2H21 CASH PROFIT DRIVERS



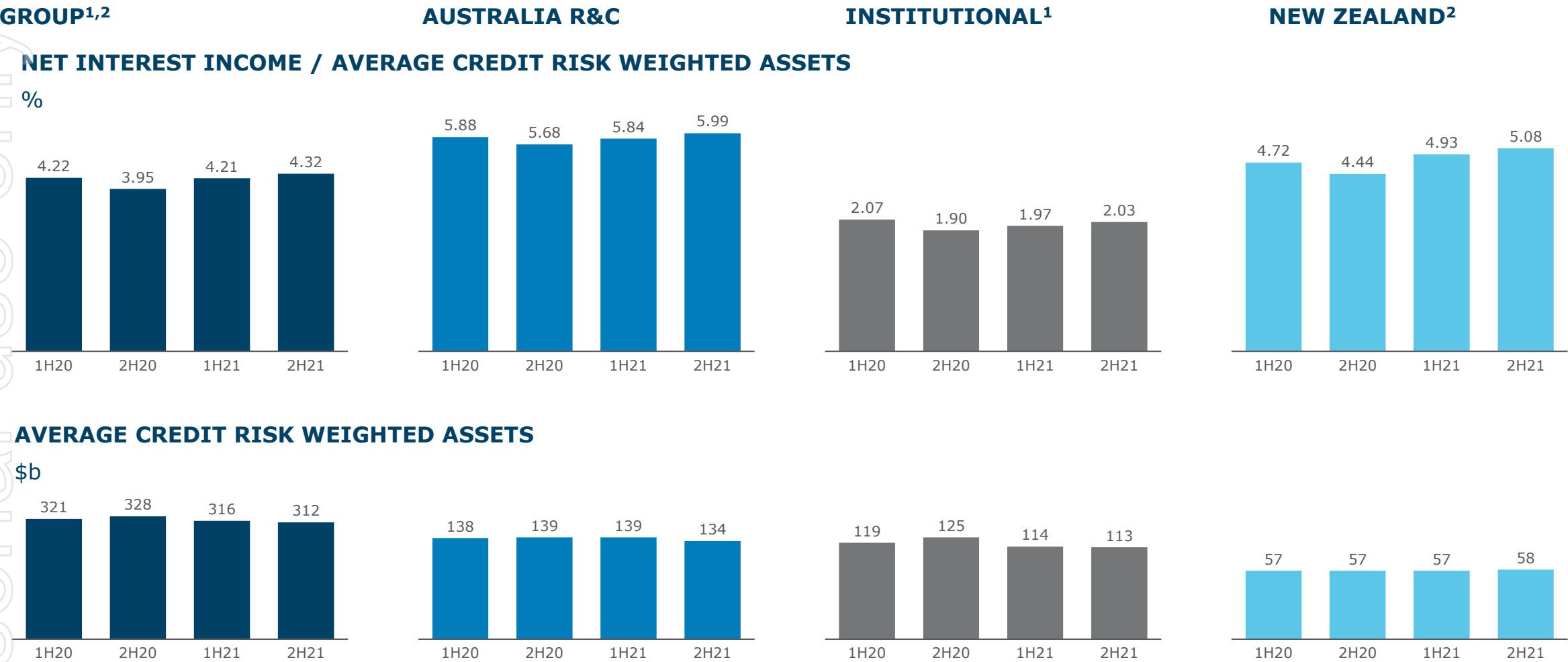
LARGE / NOTABLE ITEMS \$m	FY20 <sup>1</sup>	FY21
<b>Total (after tax)</b>	<b>-1,501</b>	<b>-946</b>
Divestments incl. Gain/(Loss) on sale	23	-238
Customer remediation	-279	-221
Litigation settlements	-	-48
Restructuring	-115	-92
Asian associate items	-66	-347
Asian associate impairments	-815	-
Accelerated software amortisation	-138	-
Other	-111	-

LARGE / NOTABLE ITEMS \$m	1H21	2H21
<b>Total (after tax)</b>	<b>-817</b>	<b>-129</b>
Divestments incl. Gain/(Loss) on sale	-238	-
Customer remediation	-108	-113
Litigation settlements	-48	-
Restructuring	-76	-16
Asian associate items	-347	-

1. Comparative numbers have been restated to remove the recurring impact of the new lease accounting standard (AASB 16) adopted on 1 October 2019 as the comparative periods are now presented on a consistent basis to the September 2021 full year

# RISK ADJUSTED PERFORMANCE

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS



1. Ex Markets business unit  
2. Adjusted for Balance Sheet impacts of divestments

# RISK ADJUSTED RETURN

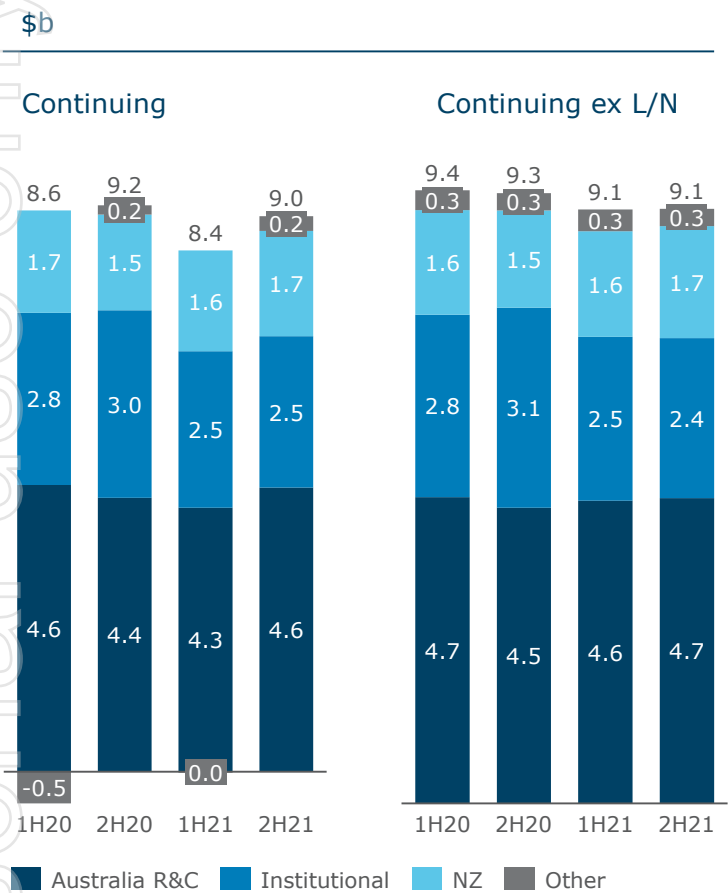
CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS



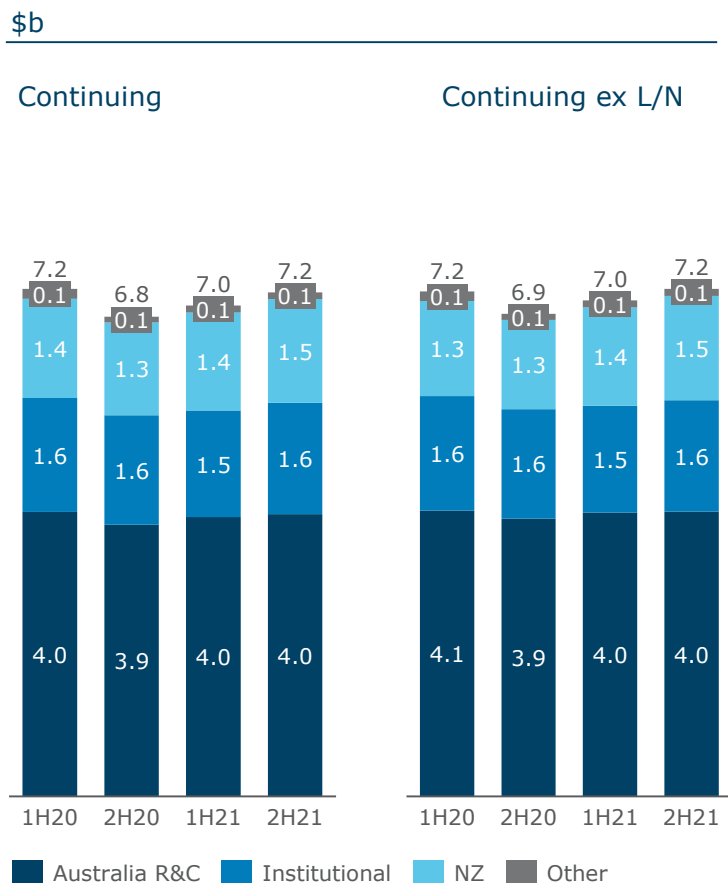
1. Adjusted for Balance Sheet impacts of divestments

# TOTAL OPERATING INCOME

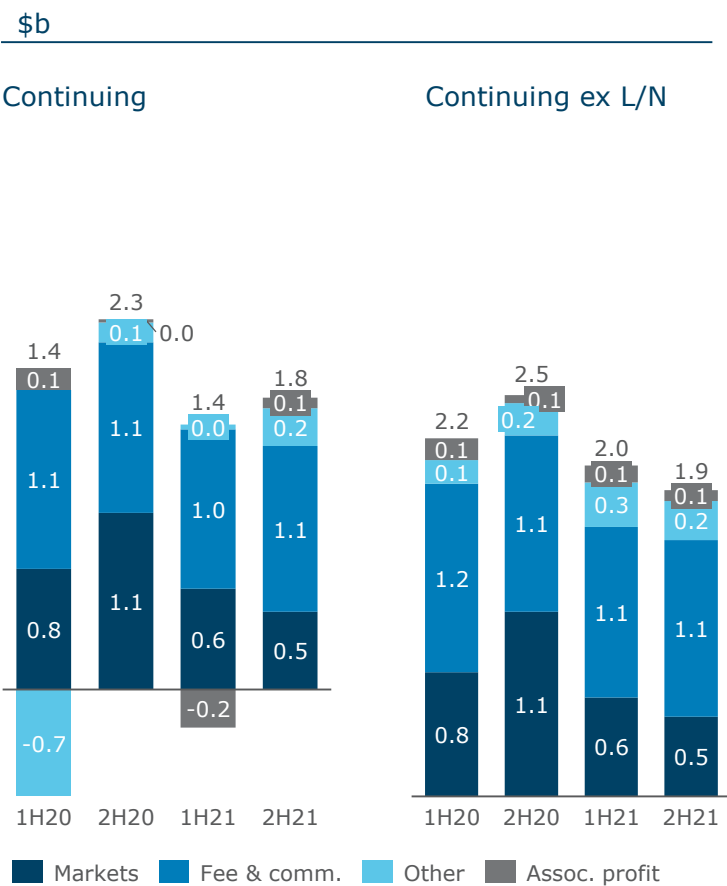
TOTAL INCOME BY DIVISION



NET INTEREST INCOME BY DIVISION



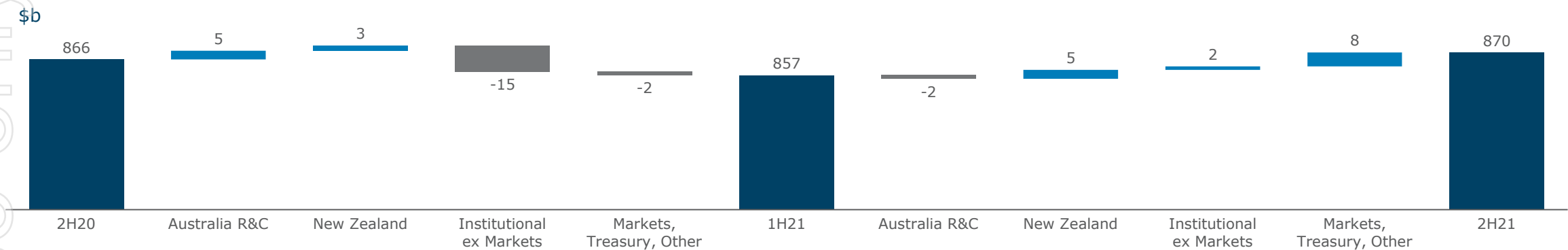
OTHER OPERATING INCOME



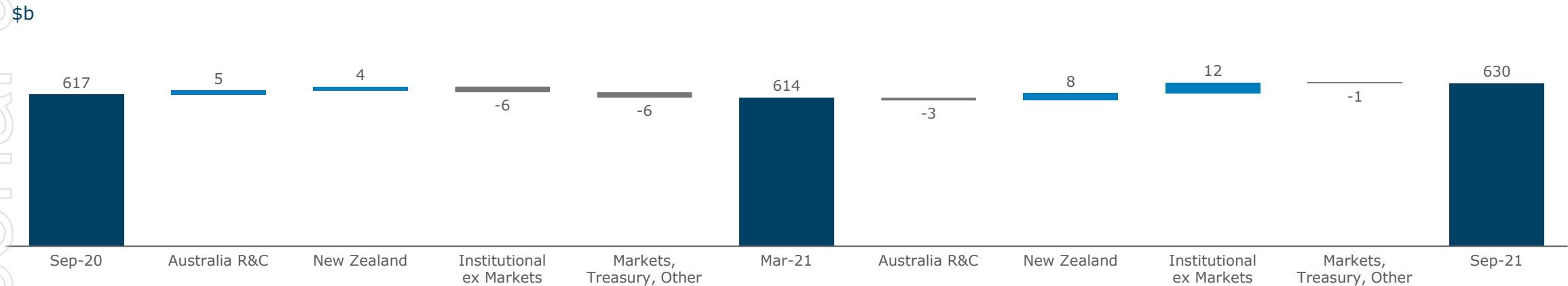
# LENDING ASSETS

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

## AVERAGE INTEREST EARNING ASSETS



## NET LOANS & ADVANCES (EOP)

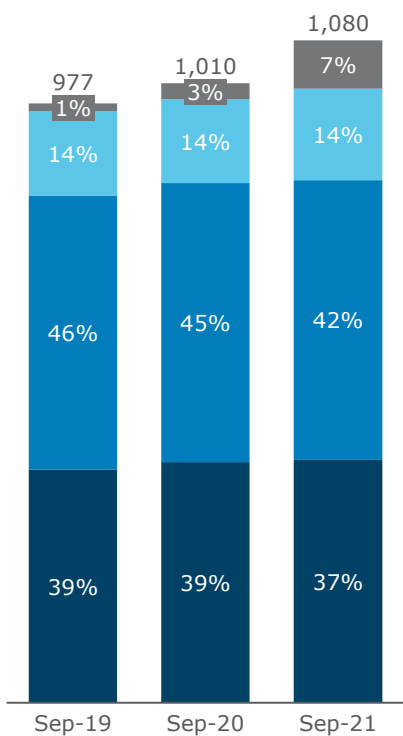


# BALANCE SHEET COMPOSITION

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

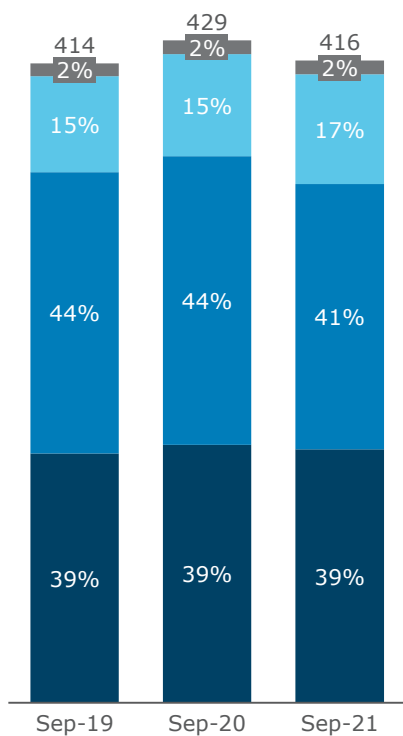
## EXPOSURE AT DEFAULT<sup>1</sup>

\$b (EOP)



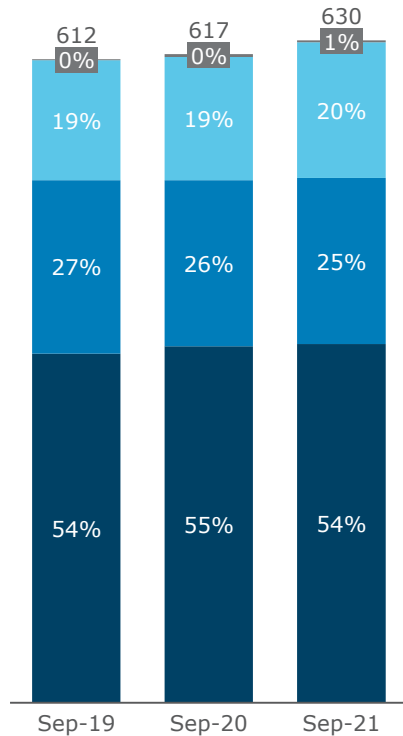
## RISK WEIGHTED ASSETS

\$b (EOP)



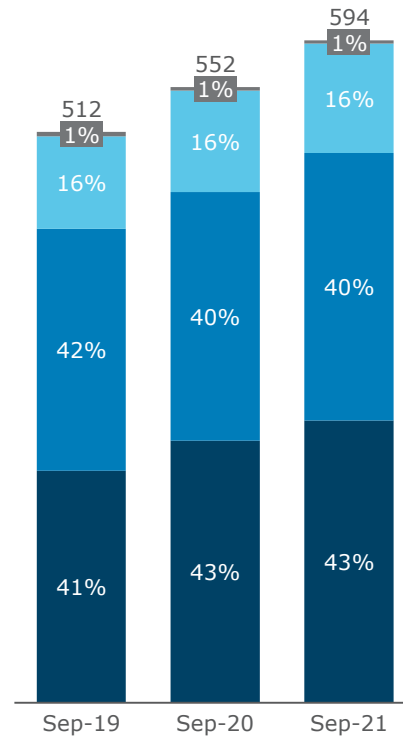
## NET LOANS & ADVANCES

\$b (EOP)



## CUSTOMER DEPOSITS

\$b (EOP)

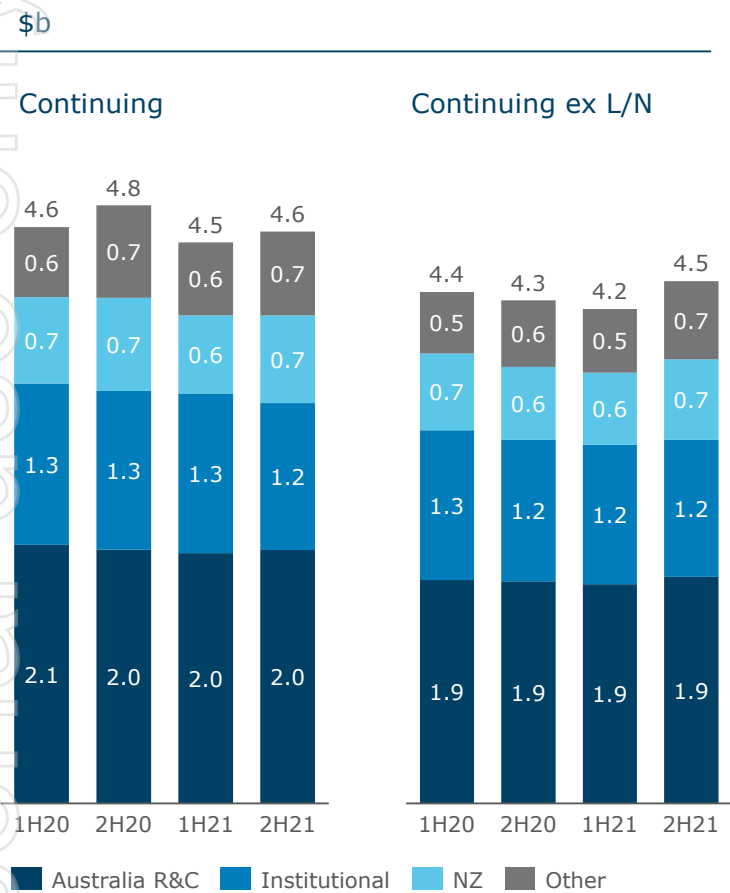


■ Australia R&C ■ Institutional ■ New Zealand ■ Other

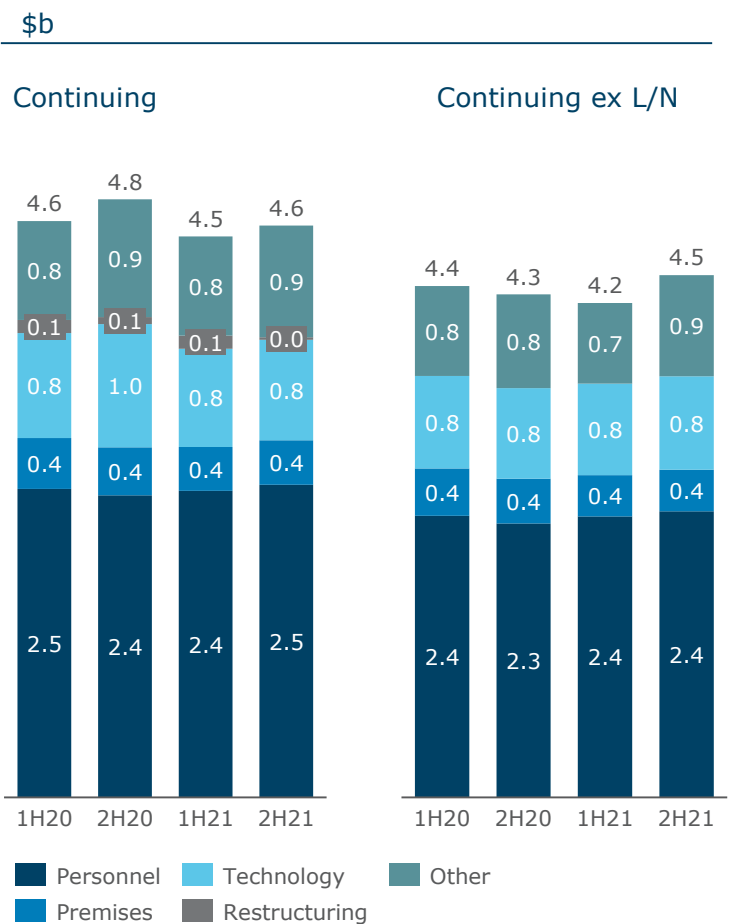
1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes, as per APS330. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral

# EXPENSE MANAGEMENT

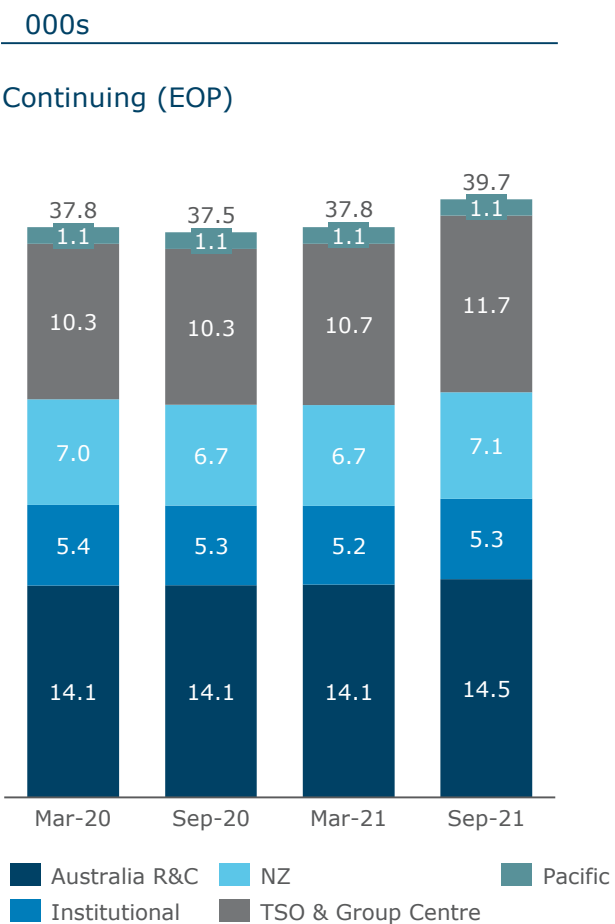
## TOTAL EXPENSES BY DIVISION



## TOTAL EXPENSES BY CATEGORY



## FULL TIME EQUIVALENT STAFF

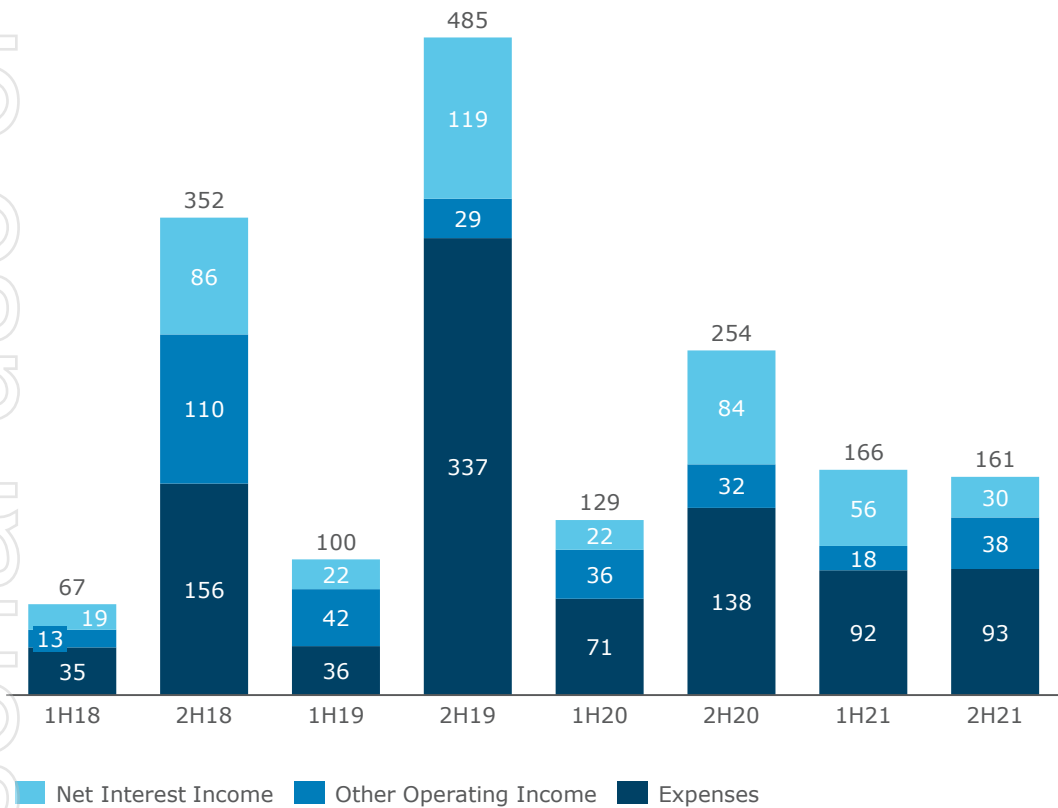


# CUSTOMER REMEDIATION

## CUSTOMER REMEDIATION

CONTINUING OPERATIONS

PRE TAX \$m



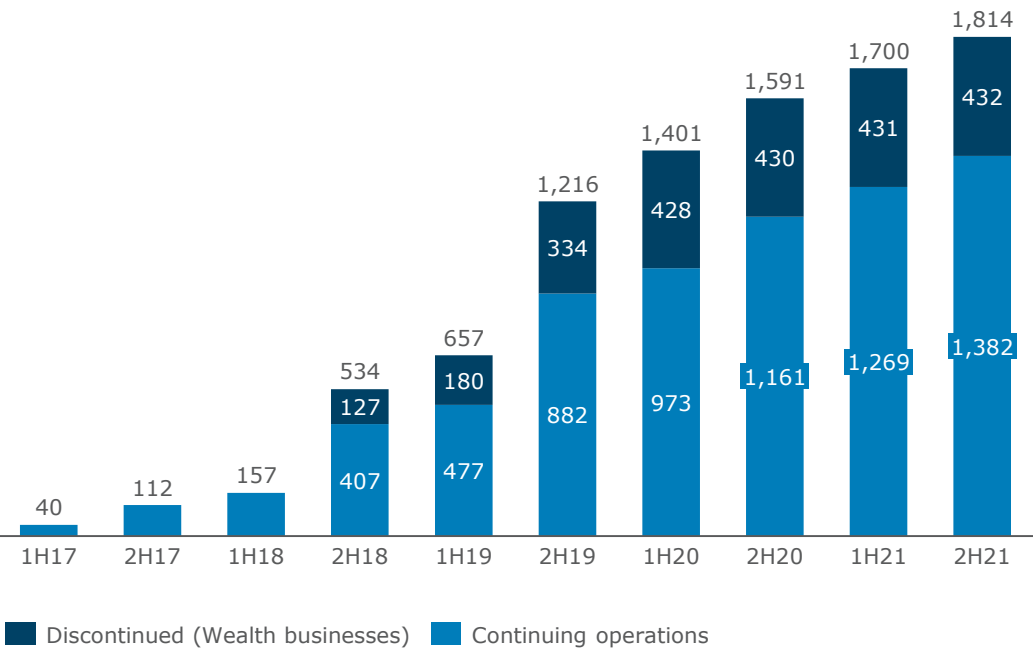
## CUMULATIVE CUSTOMER REMEDIATION

CONTINUING & DISCONTINUED OPERATIONS

POST TAX \$m

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

\$886m provisions on Balance Sheet at Sep-21 (\$1,003m at Mar-21)



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

# 2021 FULL YEAR RESULTS

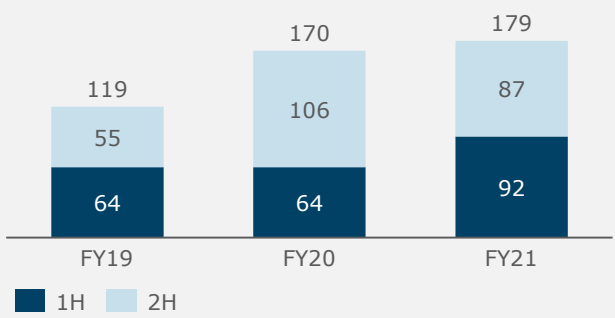
**INVESTOR DISCUSSION PACK**  
DIVISIONAL PERFORMANCE



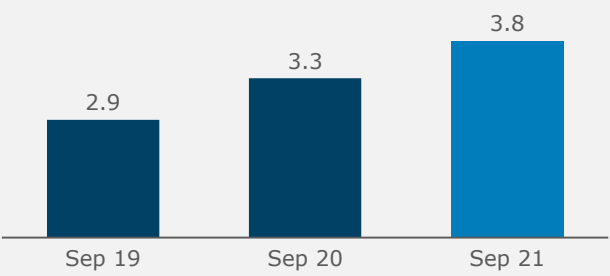
# AUSTRALIA & NEW ZEALAND

## AUSTRALIA

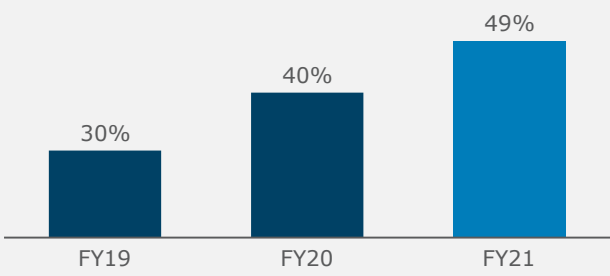
**GROSS NEW HOME LOAN ACCOUNTS - AUS<sup>1</sup>**  
#000



**REGISTERED ANZ APP CUSTOMERS**  
#m

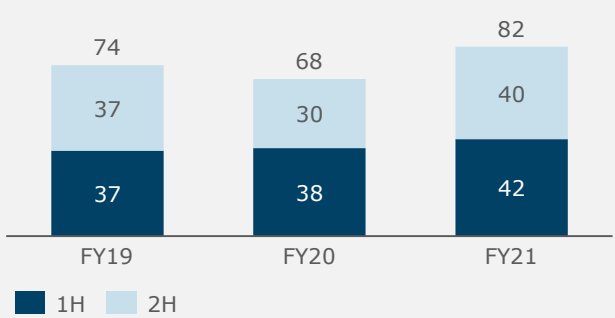


**DIGITAL SALES – AUS**  
% of total retail sales

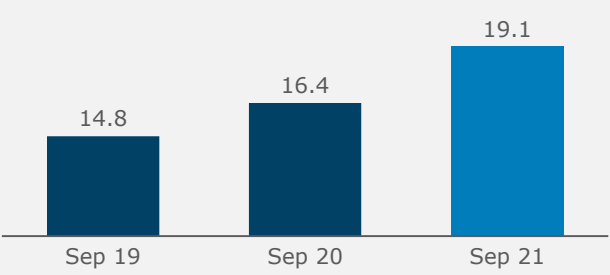


## NEW ZEALAND

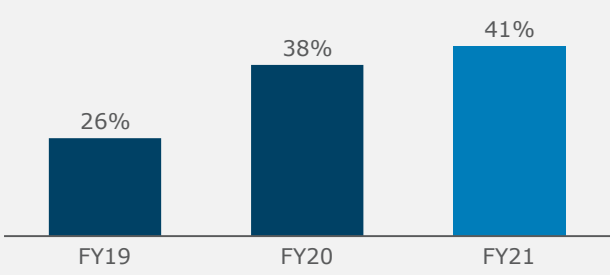
**GROSS NEW HOME LOAN ACCOUNTS - NZ<sup>1</sup>**  
#000



**KIWISAVER SUPERANNUATION**  
FUM NZDb



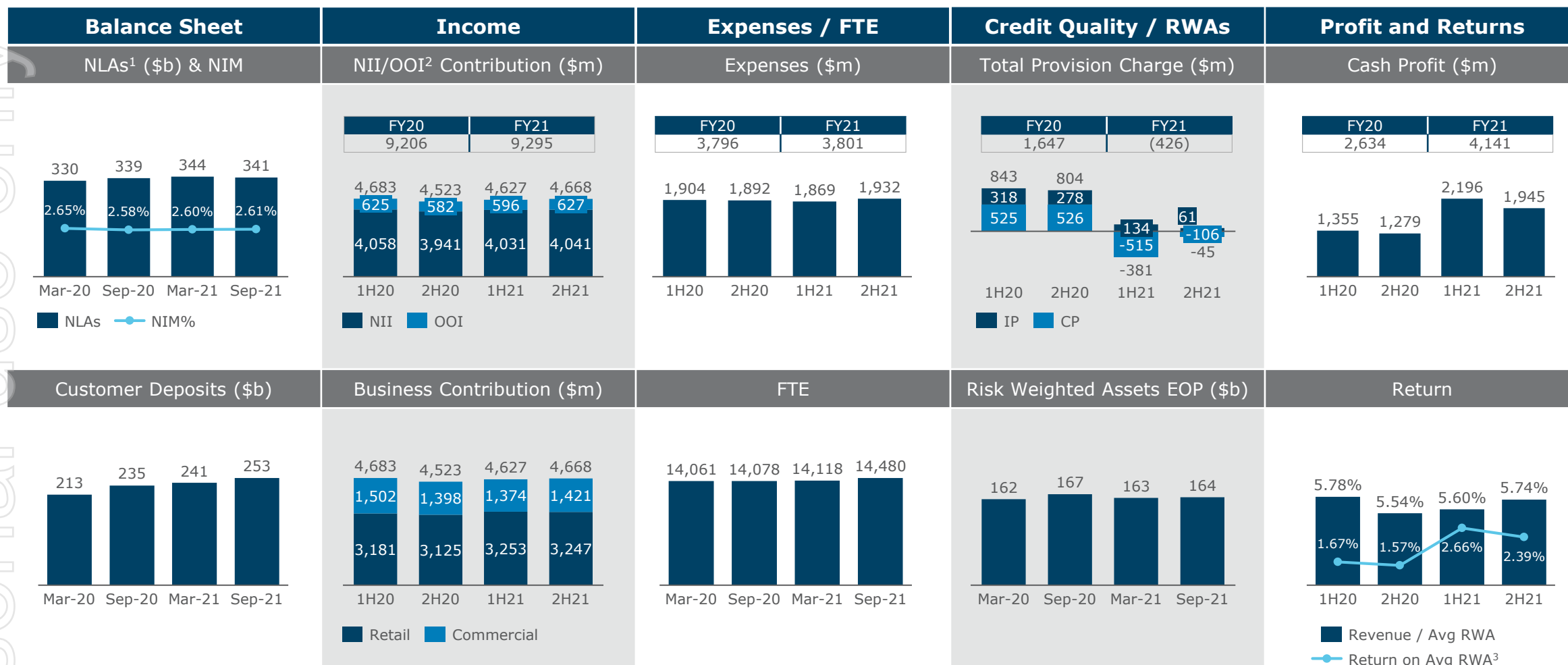
**DIGITAL SALES – NZ**  
% of total personal sales



1. Includes increases to existing accounts and split loans (fixed and variable components of the same loan)

# AUSTRALIA RETAIL & COMMERCIAL

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



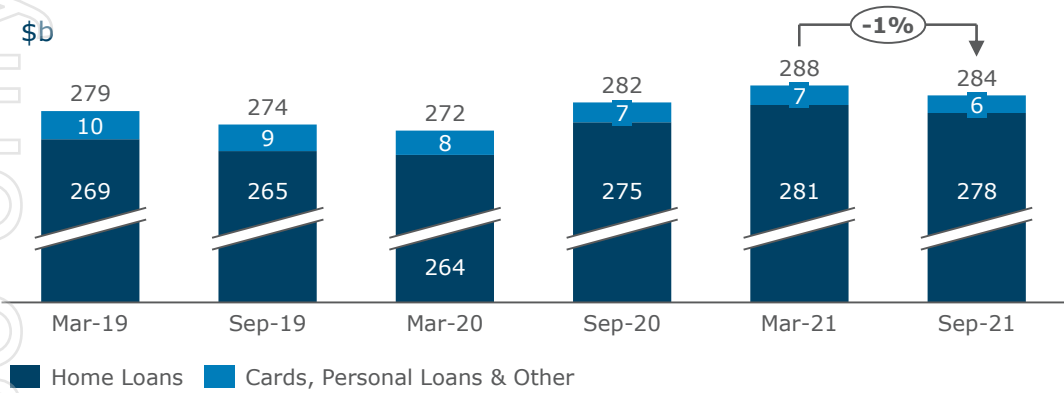
1. NLAs: Net Loans & Advances
2. NII: Net Interest Income; OOI: Other Operating Income
3. Cash profit divided by average Risk Weighted Assets



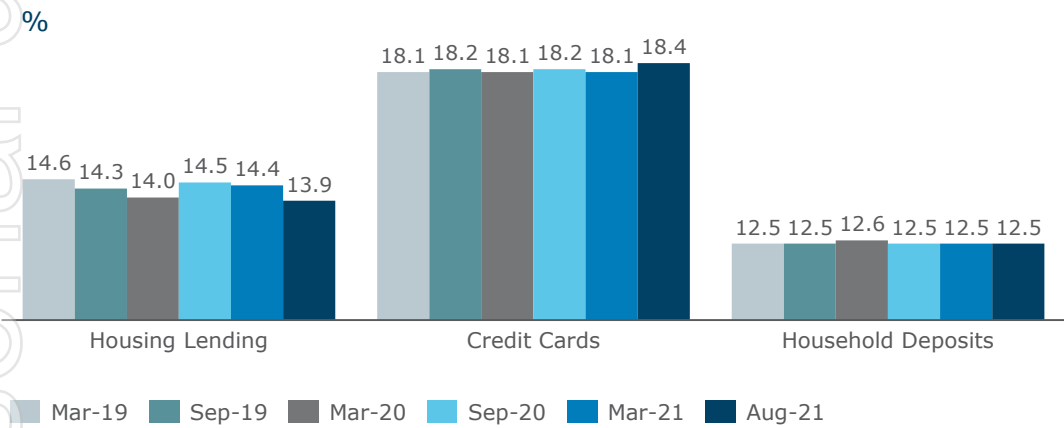
# AUSTRALIA RETAIL & COMMERCIAL - RETAIL

## LOANS & DEPOSITS

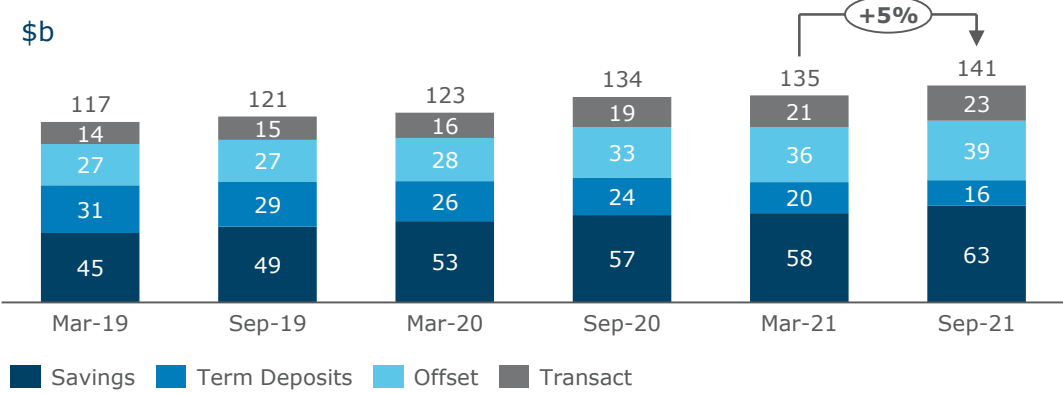
### LENDING COMPOSITION



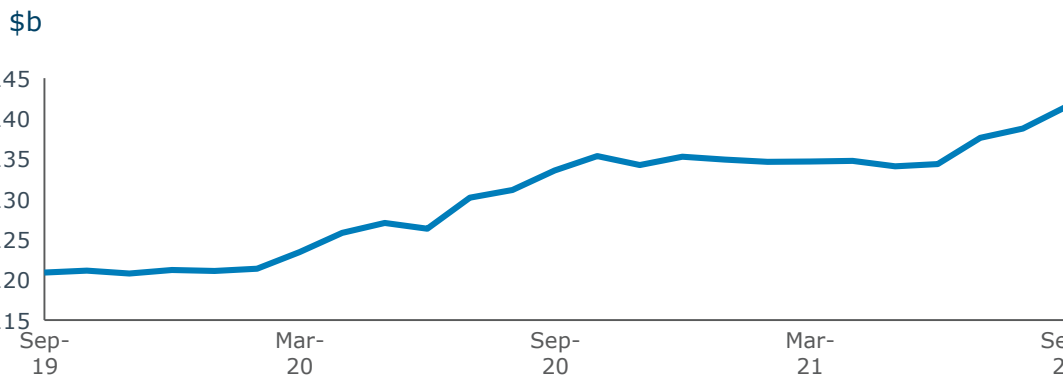
### MARKET SHARE<sup>1</sup>



### DEPOSIT COMPOSITION



### MONTHLY DEPOSIT TREND



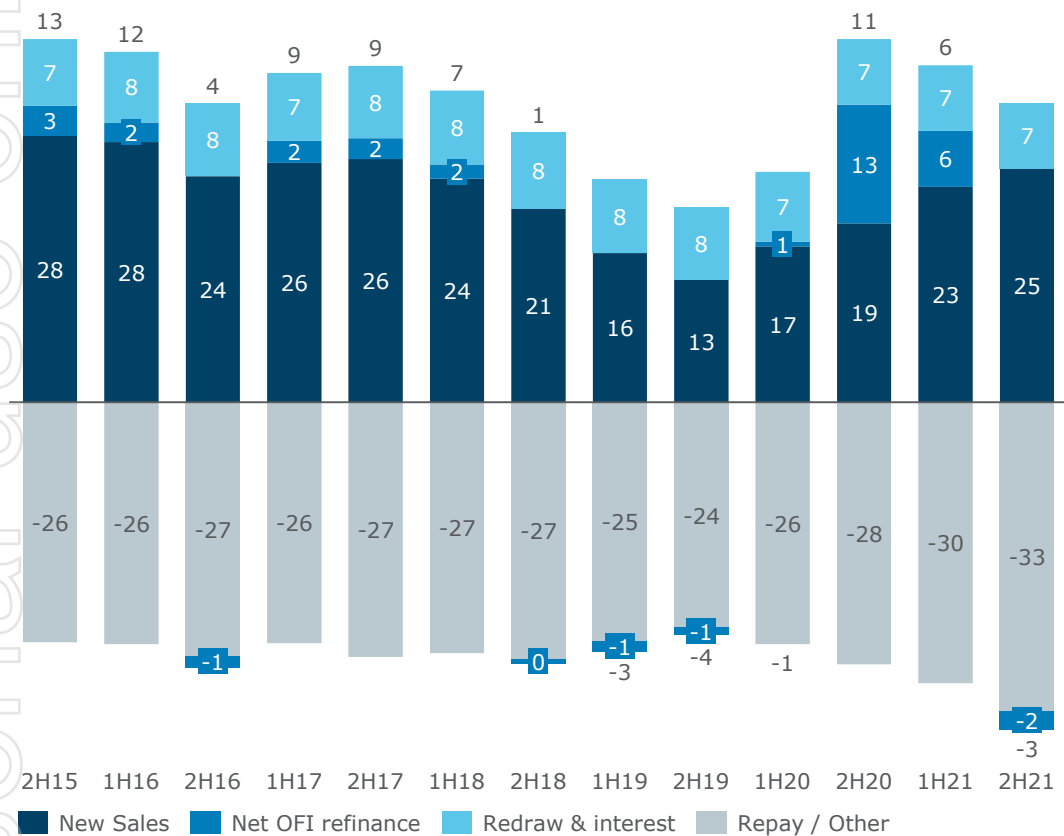
1. Source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS)

# AUSTRALIA RETAIL & COMMERCIAL - RETAIL

## HOME LOANS AND CREDIT CARDS TRENDS

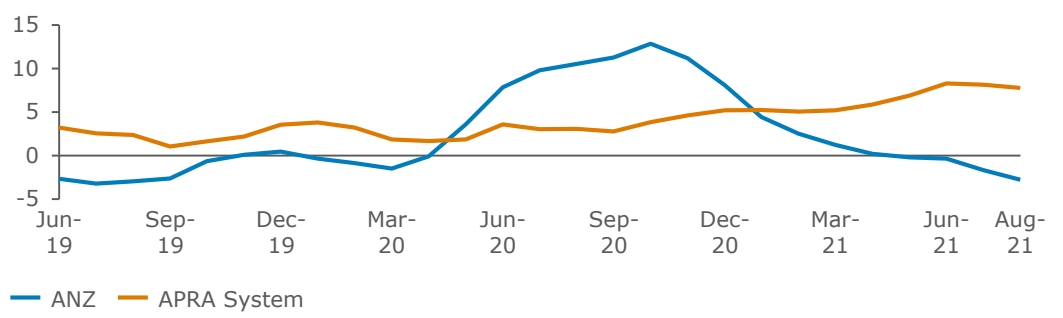
### HOME LOANS FLOWS

GROSS LOANS & ADVANCES<sup>1</sup> (\$b)



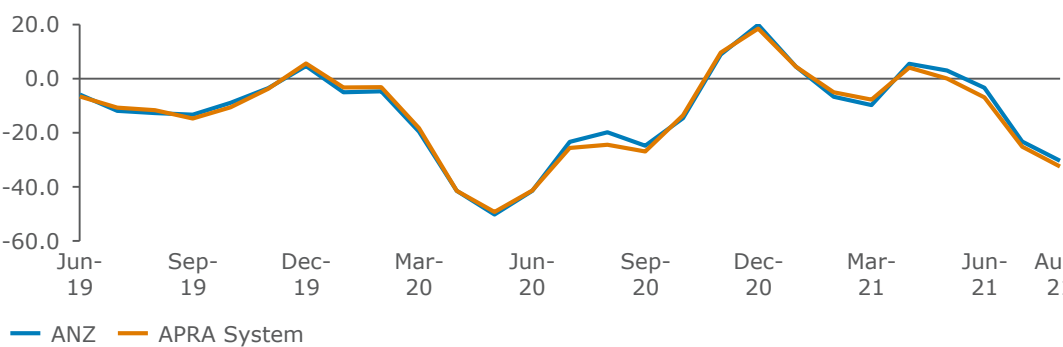
### HOME LOANS GROWTH<sup>2</sup>

% 3-MONTH ANNUALISED



### CREDIT CARDS GROWTH<sup>2</sup>

% 3-MONTH ANNUALISED



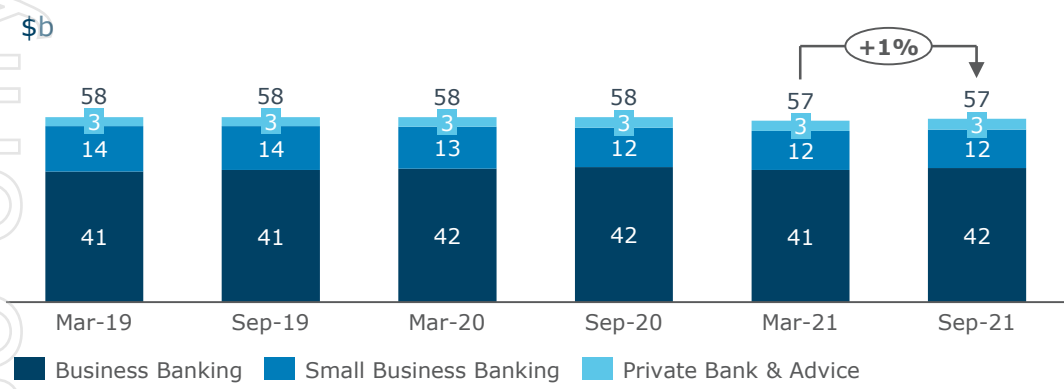
1. Including Non Performing Loans  
2. Source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS)



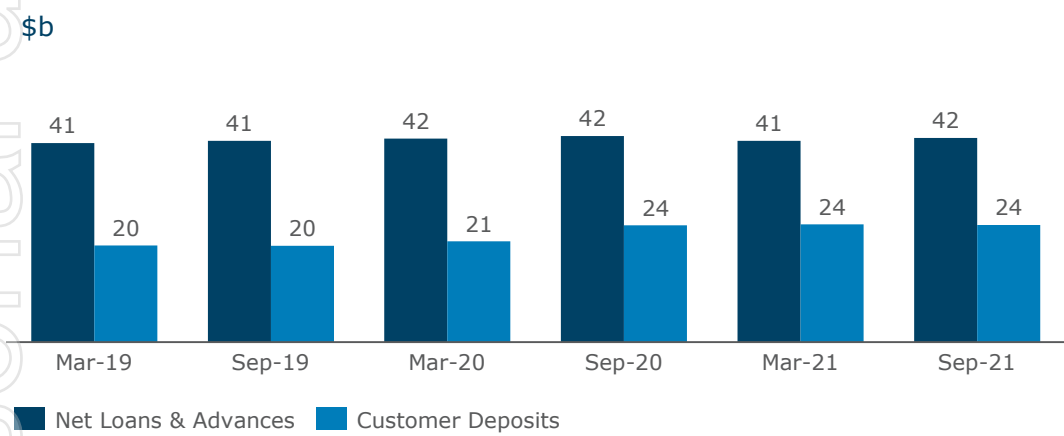
# AUSTRALIA RETAIL & COMMERCIAL – COMMERCIAL & PRIVATE BANK

## LOANS & DEPOSITS

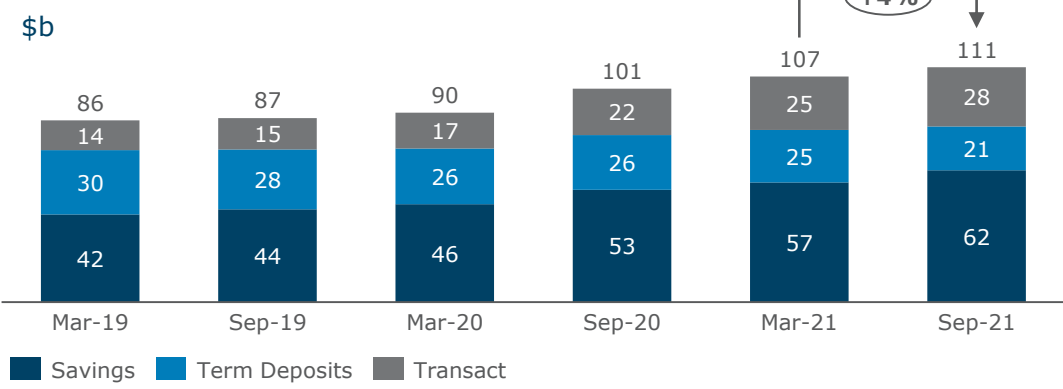
### LENDING COMPOSITION



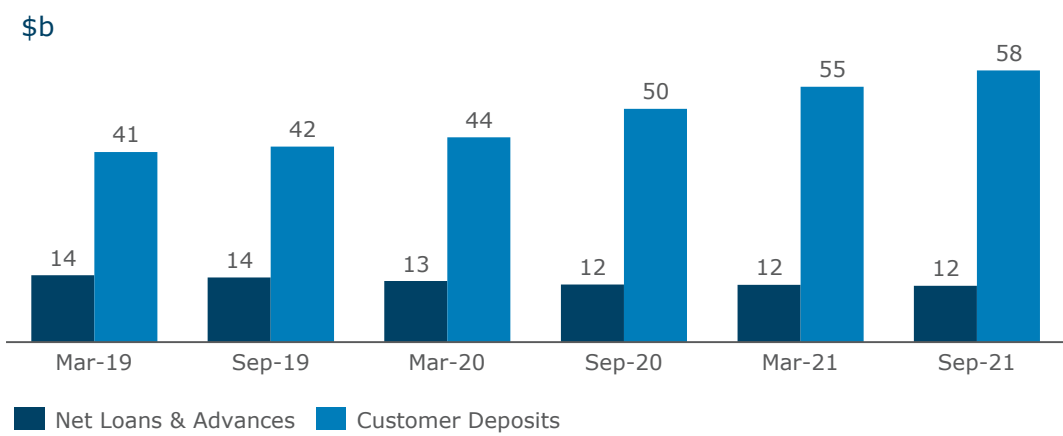
### BUSINESS BANKING



### DEPOSIT COMPOSITION



### SMALL BUSINESS BANKING

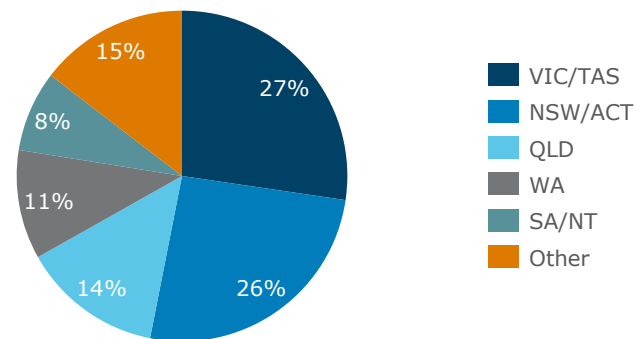


# AUSTRALIA COMMERCIAL & PRIVATE BANK

## BOOK COMPOSITION & RISK WEIGHT INTENSITY

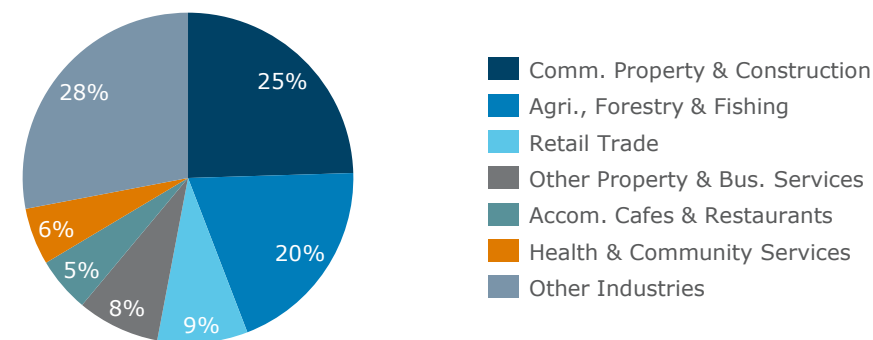
### DIVERSIFIED PORTFOLIO – GEOGRAPHICAL VIEW

SEP-21 % OF EXPOSURE AT DEFAULT (EAD)<sup>1</sup>



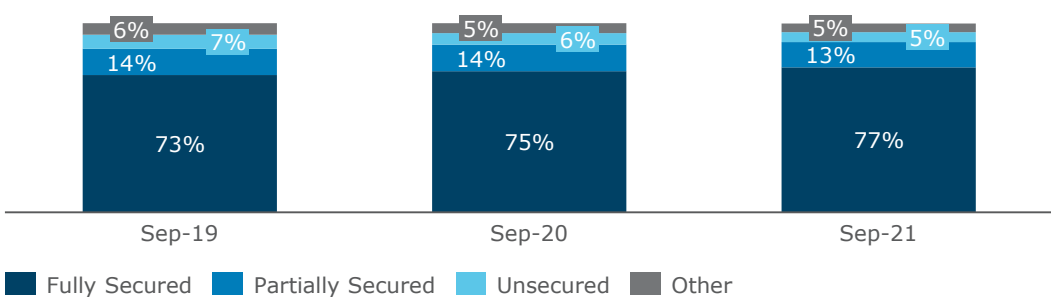
### DIVERSIFIED PORTFOLIO – INDUSTRY VIEW

SEP-21 % OF EXPOSURE AT DEFAULT (EAD)

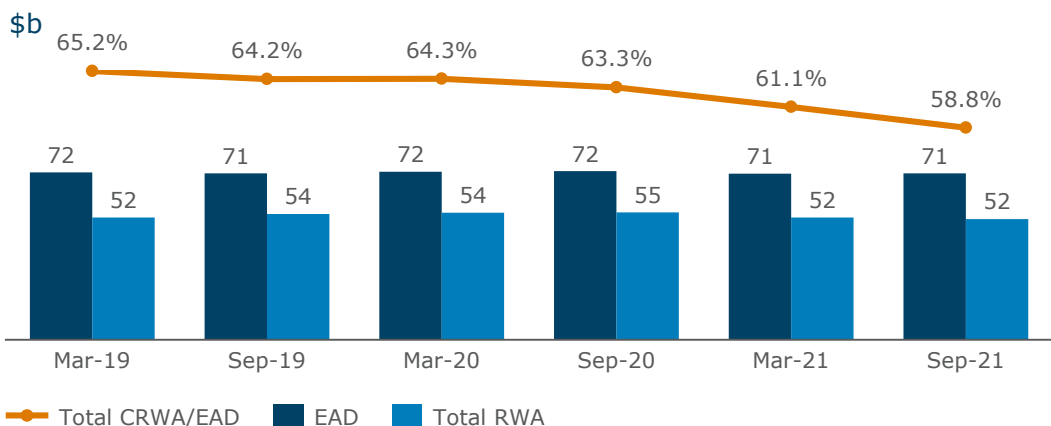


### SECURITY PROFILE

% OF EXPOSURE AT DEFAULT (EAD)<sup>2</sup>



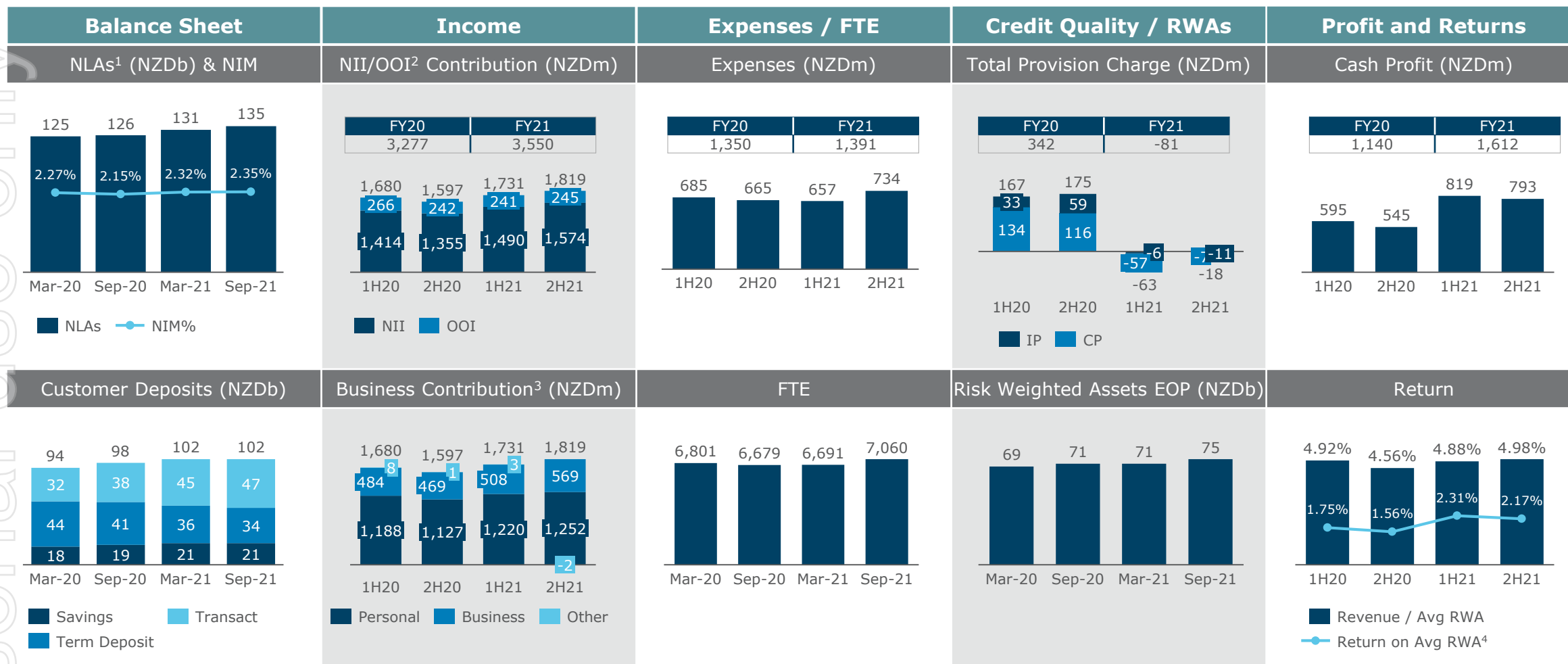
### RISK WEIGHT INTENSITY



1. States based on primary postcode. 'Other' refers to exposures not reported against a specific state. Some postcodes occur across two states  
2. Fully Secured on a market value basis. Other includes loans secured by cash or via sovereign backing

# NEW ZEALAND DIVISION

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



1. NLAs: Net Loans & Advances

2. NII: Net Interest Income; OOI: Other Operating Income

3. During the year ended 30 September 2021, the New Zealand Division was reorganised from Retail and Commercial to Personal and Business to better meet the needs of our customers. Comparative amounts have not been restated as the impact is not considered material

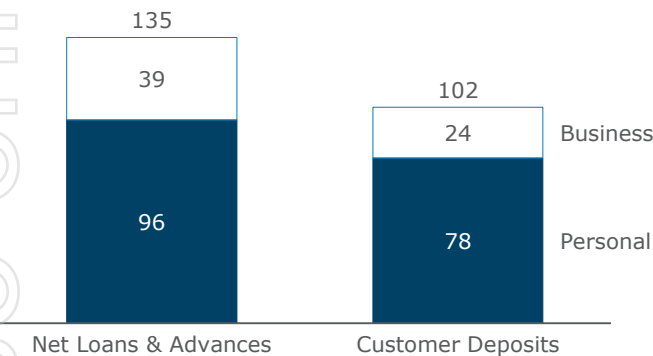
4. Cash profit divided by average Risk Weighted Assets

# NEW ZEALAND DIVISION

CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

## BALANCE SHEET CONTRIBUTION

Sep-21 NZDb



NZ DIVISION	FY21 v FY20	2H21 v 1H21
Income	+8%	+5%
Expenses	+3%	+12%
Profit before provisions	+12%	+1%
Cash Net Profit after tax	+41%	-3%
Net Loans & Advances	+7%	+3%
Customer Deposits	+4%	+1%

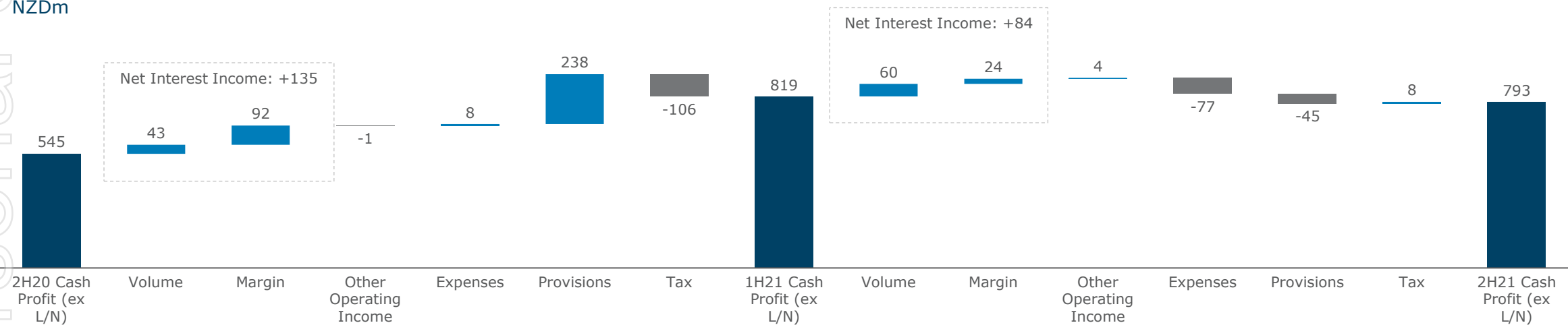
Income drivers	FY21 v FY20	2H21 v 1H21
Net Interest	+11%	+6%
Other Operating	-4%	+2%

NLA drivers	FY21 v FY20	2H21 v 1H21
Home loans	+10%	+4%
Business loans <sup>1</sup>	-2%	0%

Deposit drivers	FY21 v FY20	2H21 v 1H21
Term Deposits	-19%	-8%
Transact/Savings	+21%	+6%

## CASH PROFIT DRIVERS – NZ DIVISION

NZDm



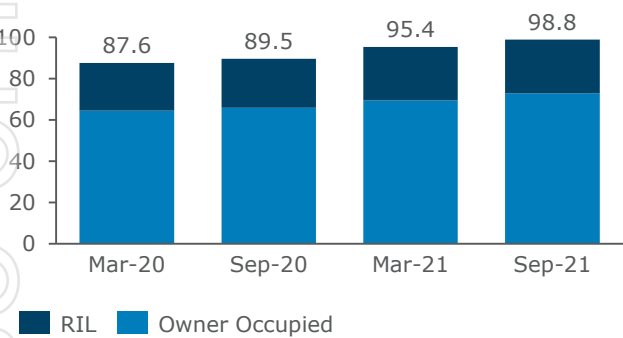
1. Business excludes business loans secured by residential properties

# NEW ZEALAND DIVISION

## BALANCE SHEET

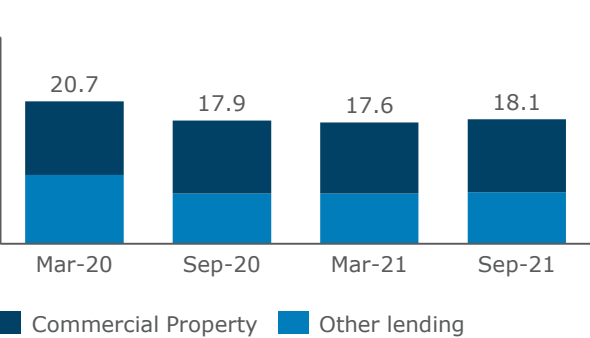
### HOUSING<sup>1</sup>

ANZ PERFORMANCE (NZDb)



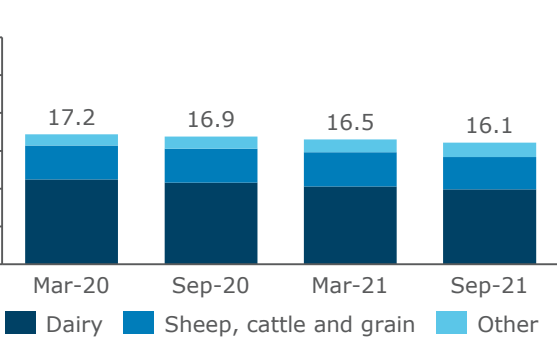
### BUSINESS<sup>2</sup>

ANZ PERFORMANCE (NZDb)

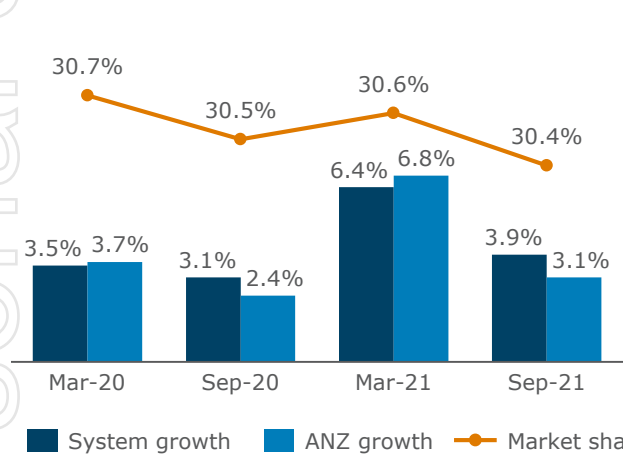


### AGRI

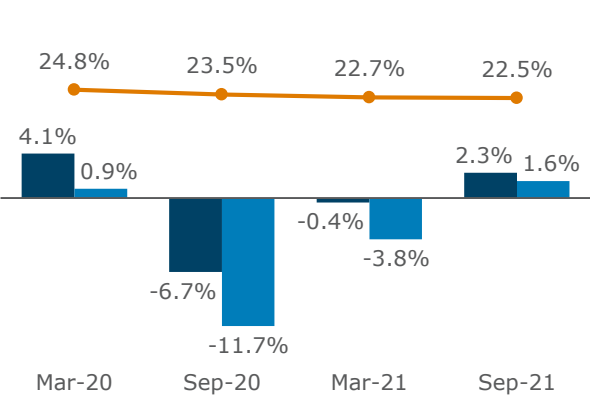
ANZ PERFORMANCE (NZDb)



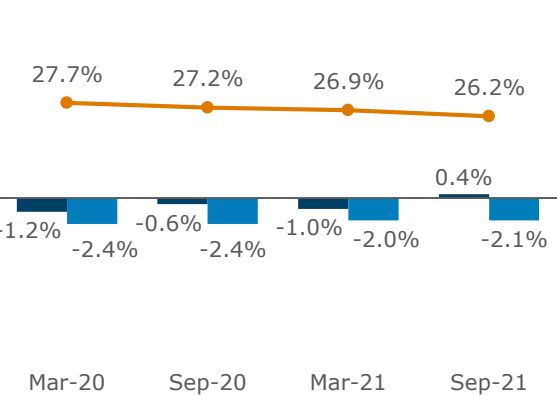
### RELATIVE TO SYSTEM GROWTH<sup>3</sup>



### RELATIVE TO SYSTEM GROWTH<sup>3</sup>



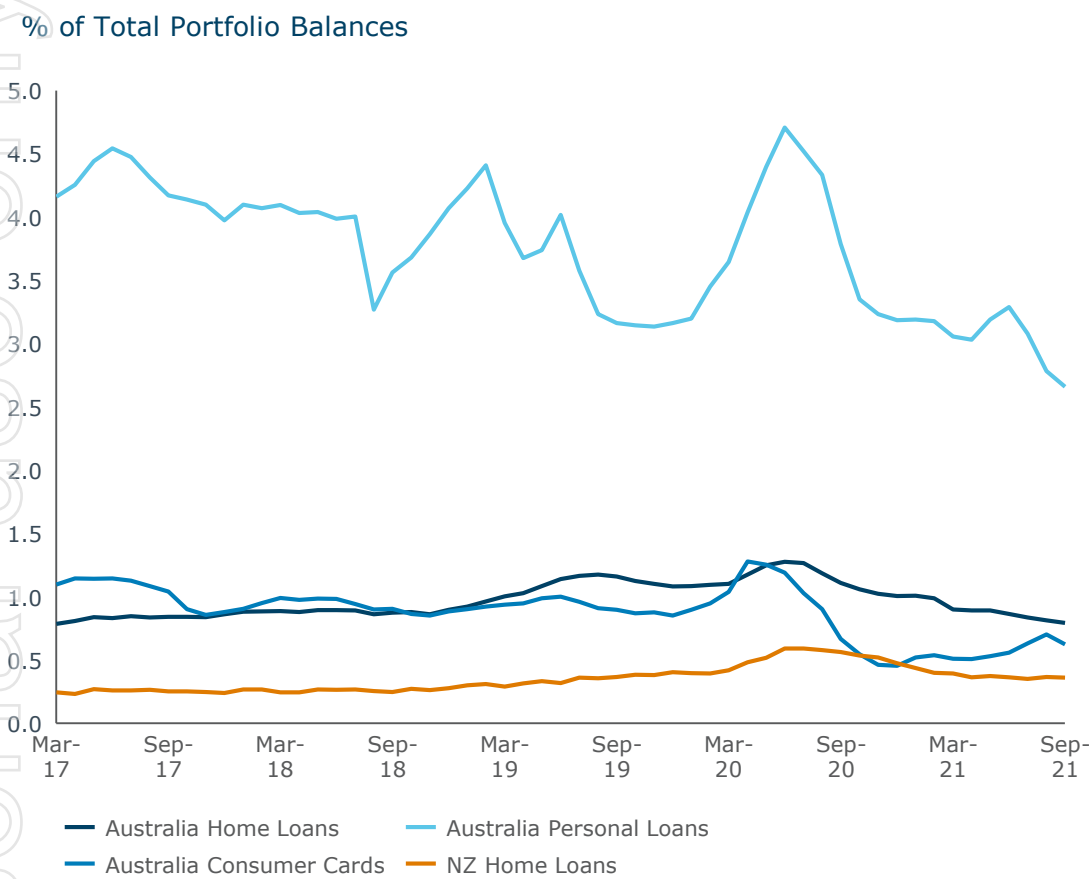
### RELATIVE TO SYSTEM GROWTH<sup>3</sup>



1. Housing includes business loans secured by residential properties  
2. Business excludes business loans secured by residential properties, 1H20 includes UDC  
3. Source: RBNZ, market share at NZ Geography level, 2H21 data as at August 2021

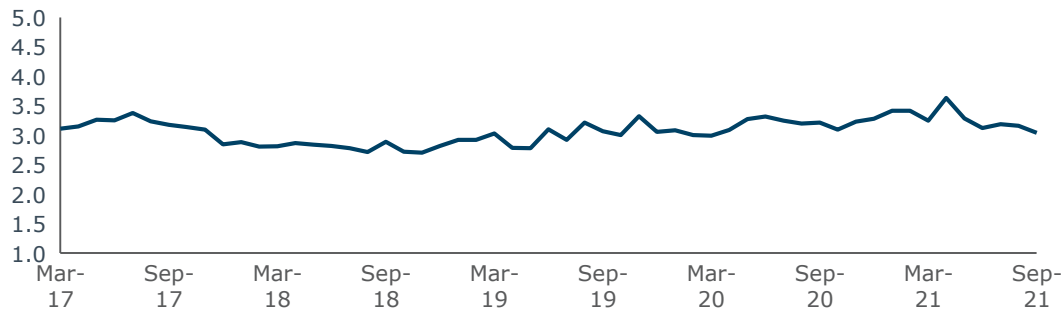
# AUSTRALIA & NEW ZEALAND 90+ DAYS PAST DUE (DPD)

## CONSUMER PORTFOLIO<sup>1,2,3</sup>

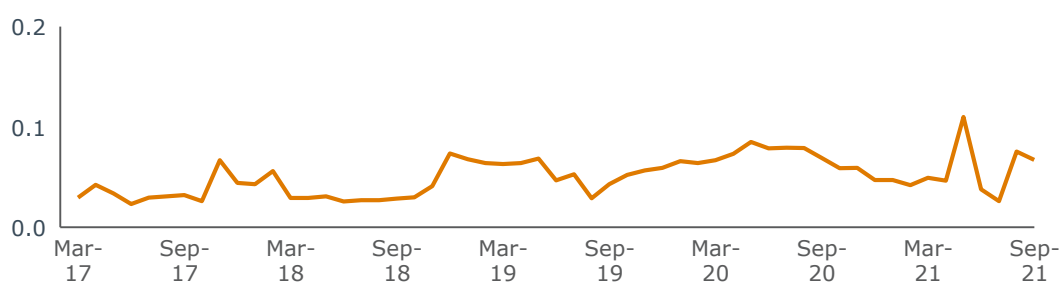


## COMMERCIAL PORTFOLIO<sup>4,5</sup>

### AUSTRALIA COMMERCIAL 90+ Days Past Due<sup>1</sup> as a % of Total Portfolio Balances



### NZ BUSINESS 90+ Days Past Due as a % of Total Portfolio Balances



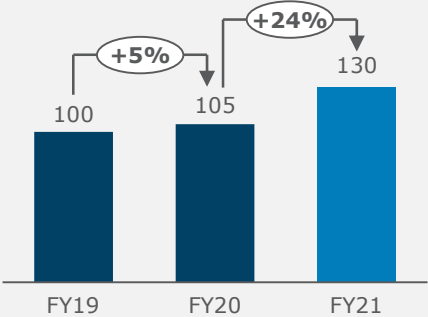
1. Includes Non Performing Loans  
2. ANZ delinquencies are calculated on a missed payment basis for amortising and Interest Only loans  
3. Australia Home Loans 90+ between Mar-20 and Jun-20 excludes eligible Home Loans accounts that had requested COVID-19 assistance but due to delays in processing had not had the loan repayment deferral applied to the account  
4. Australia Commercial includes Business Banking and Small Business Banking  
5. NZ Business is inclusive of Agri (previously shown as a separate series), and excludes UDC

# INSTITUTIONAL DIGITAL PLATFORMS

PROVIDES SCALABLE OPERATING LEVERAGE, CAPITAL LIGHT

## PAYMENTS<sup>1</sup>

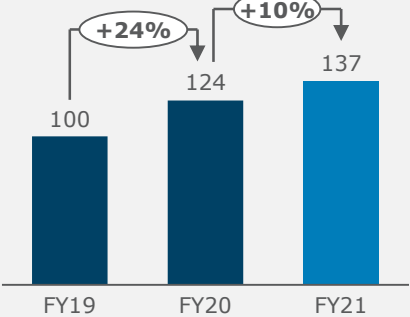
Indexed data<sup>2</sup>



- Payments made by customers to their suppliers and employees through our digital channels
- Covers payments initiated via Web & Mobile, direct integration with ANZ or via agency agreements whereby ANZ clears payments on behalf of other banks

## RECEIVABLES DATA<sup>1</sup>

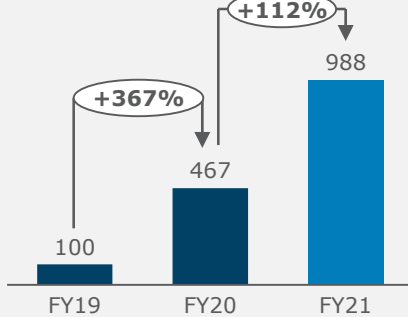
Indexed data



- Used by customers to automatically reconcile incoming payments, allowing them to receive funds and have them ready to use as quickly as possible
- Improves customer cash flow efficiency, Liquidity and Treasury management

## NPP AGENCY PAYMENTS<sup>1</sup>

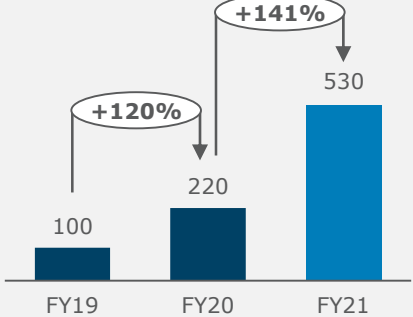
Indexed data<sup>2</sup>



- A service whereby ANZ clears and settles real-time payments for customers of Appointer banks on their behalf
- Powering other banks' customers with real-time payments

## PLATFORM CASH MGT ACCOUNTS<sup>1</sup>

Indexed data



- Deposit management for entities holding funds on behalf of their clients
- Supporting CX in provision of client money accounts to activate services/transactions

## DIGITAL SELF SERVICE

- In Q4, eStatement and International Payments Tracking capability saved customers 6.5k hours of time they would otherwise spend enquiring via email or phone. Also enabled online chat within channel and seamless authentication of online users when they needed to call us

## TRADE STP

- Over 99% of Trade payments processed without the need for human intervention

## API CALLS

- Modern integration, delivering real-time event-driven analytics for improved decision-making, and fast payments for improved cash flow efficiency

## INCIDENTS PER MILLION PAYMENTS

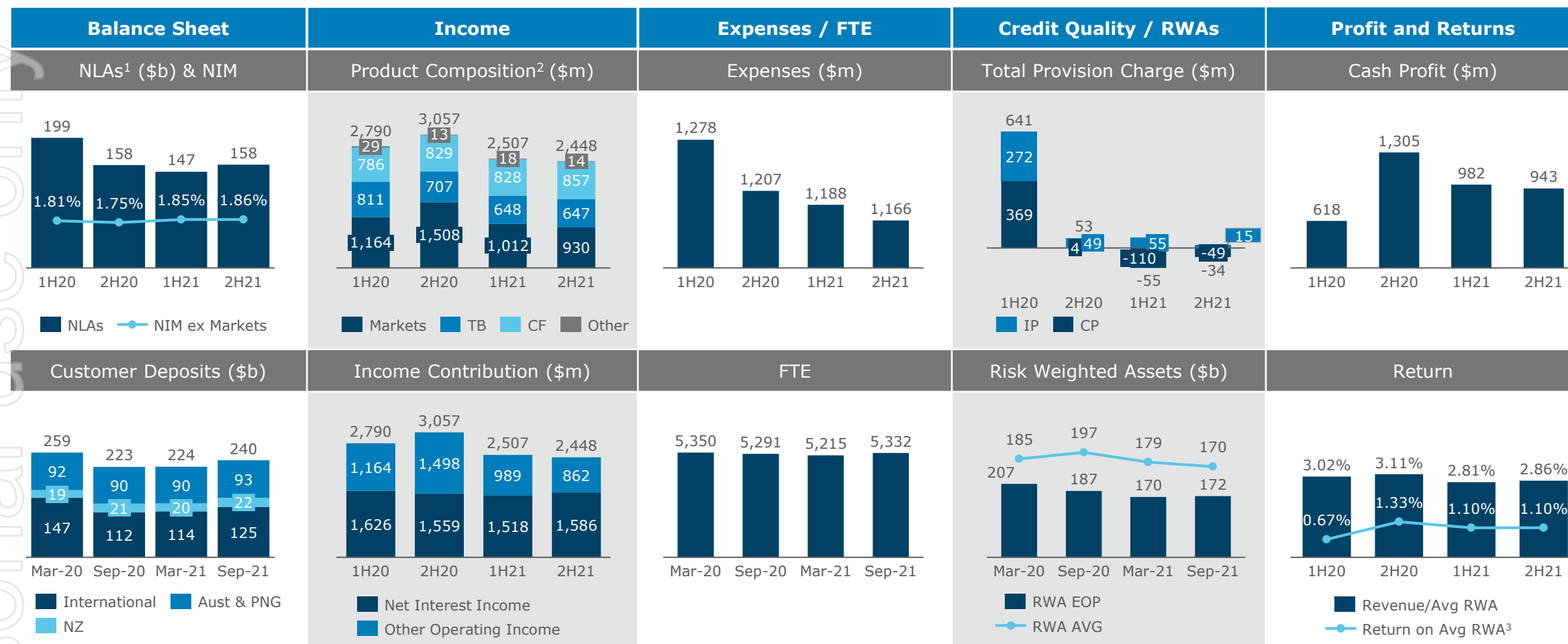
- 0.02 incidents per million payments for FY21 (down from 0.04 in FY20), continuing to deliver quality and resilient payment platforms for customers despite growing volumes

PLATFORM INITIATIVES ARE ENABLING ADDITIONAL REVENUE OPPORTUNITIES WITHIN ANZ PAYMENTS & CASH MANAGEMENT

1. Indexed to FY19 (at 100)  
2. Based on number of payments

# INSTITUTIONAL

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

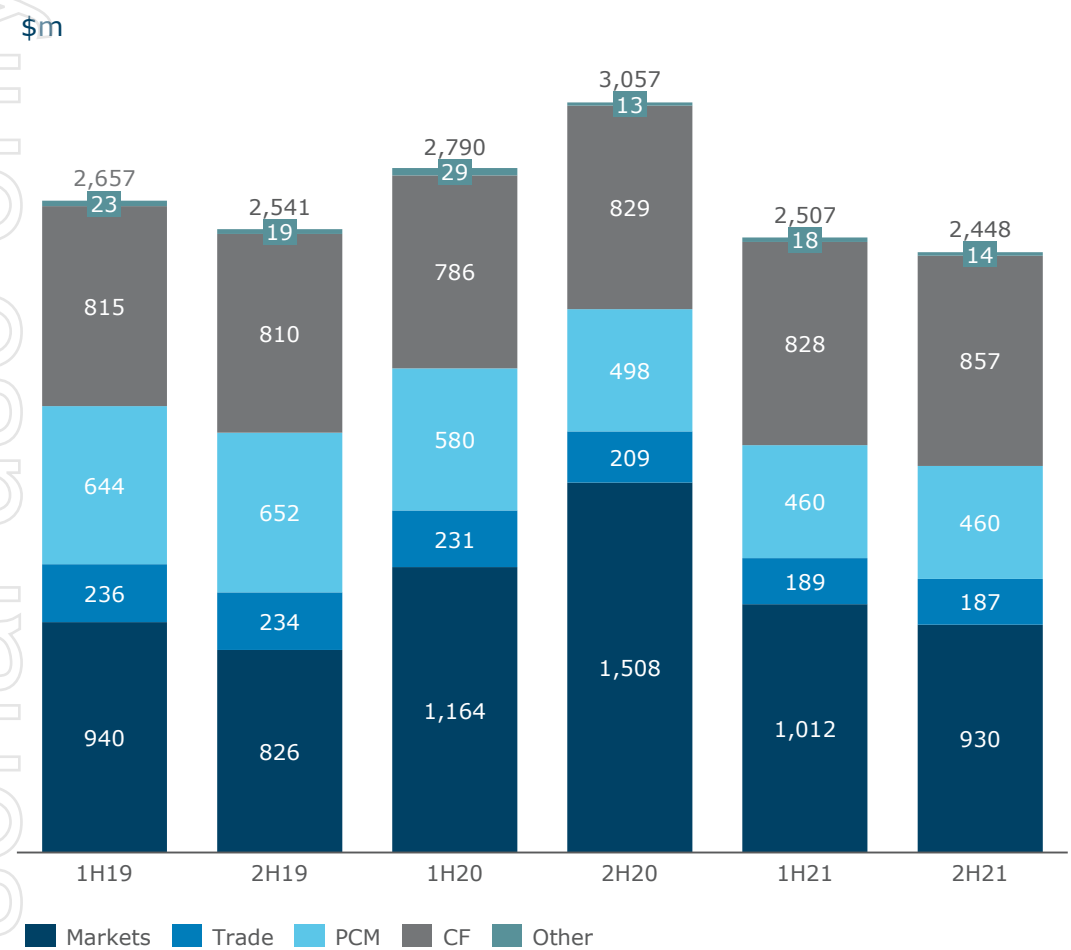


1. NLAs: Net Loans & Advances  
 2. TB: Transaction Banking; CF: Corporate Finance  
 3. Cash profit divided by average Risk Weighted Assets

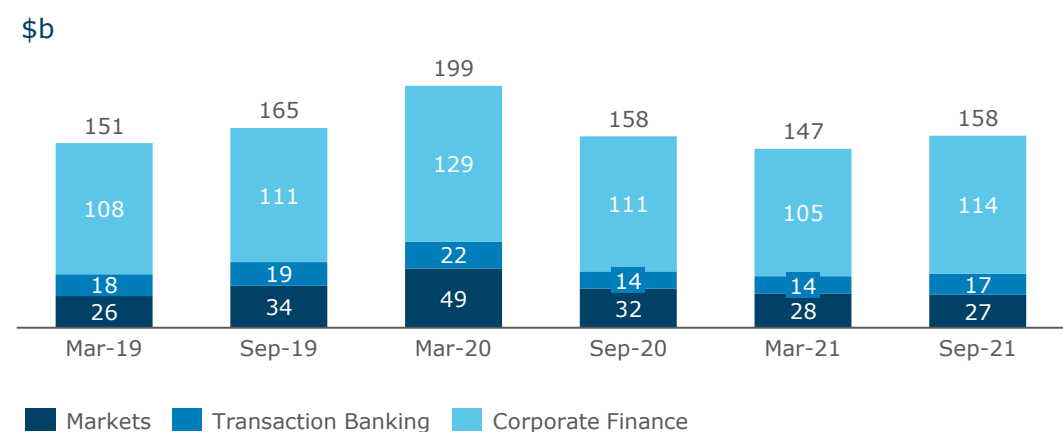
# INSTITUTIONAL

## INCOME & ASSET COMPOSITION: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

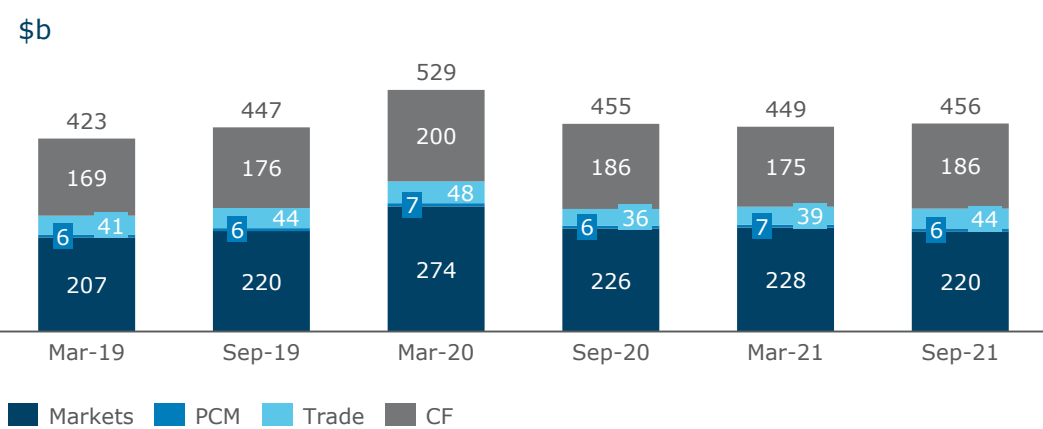
### INSTITUTIONAL INCOME COMPOSITION<sup>1</sup>



### NET LOANS & ADVANCES



### EXPOSURE AT DEFAULT<sup>1,2</sup>



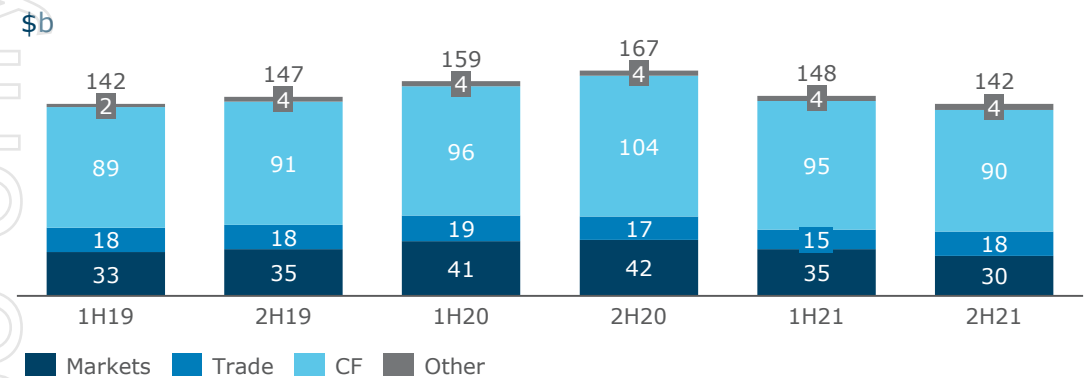
1. CF: Corporate Finance; Trade: Trade & Supply Chain; PCM: Payments & Cash Management  
 2. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes, as per APS330. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral



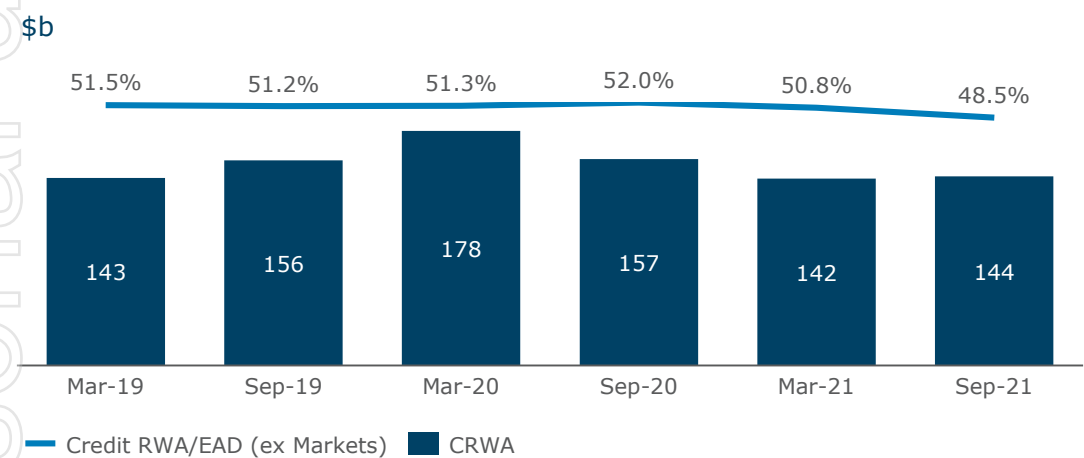
# INSTITUTIONAL

## CREDIT RWA: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

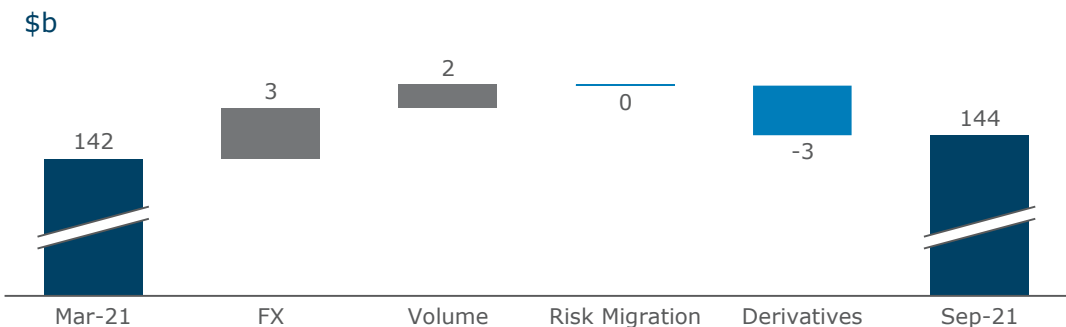
### CREDIT RWA (AVG)<sup>1</sup>



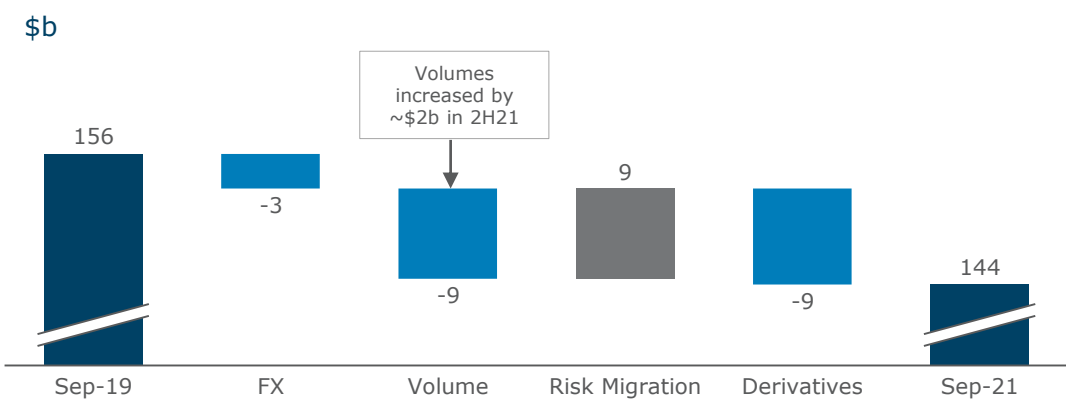
### CREDIT RWA INTENSITY (EOP)



### CREDIT RWA MOVEMENT – FROM MAR 21 (EOP)



### CREDIT RWA MOVEMENT - FROM SEP 19 (EOP)

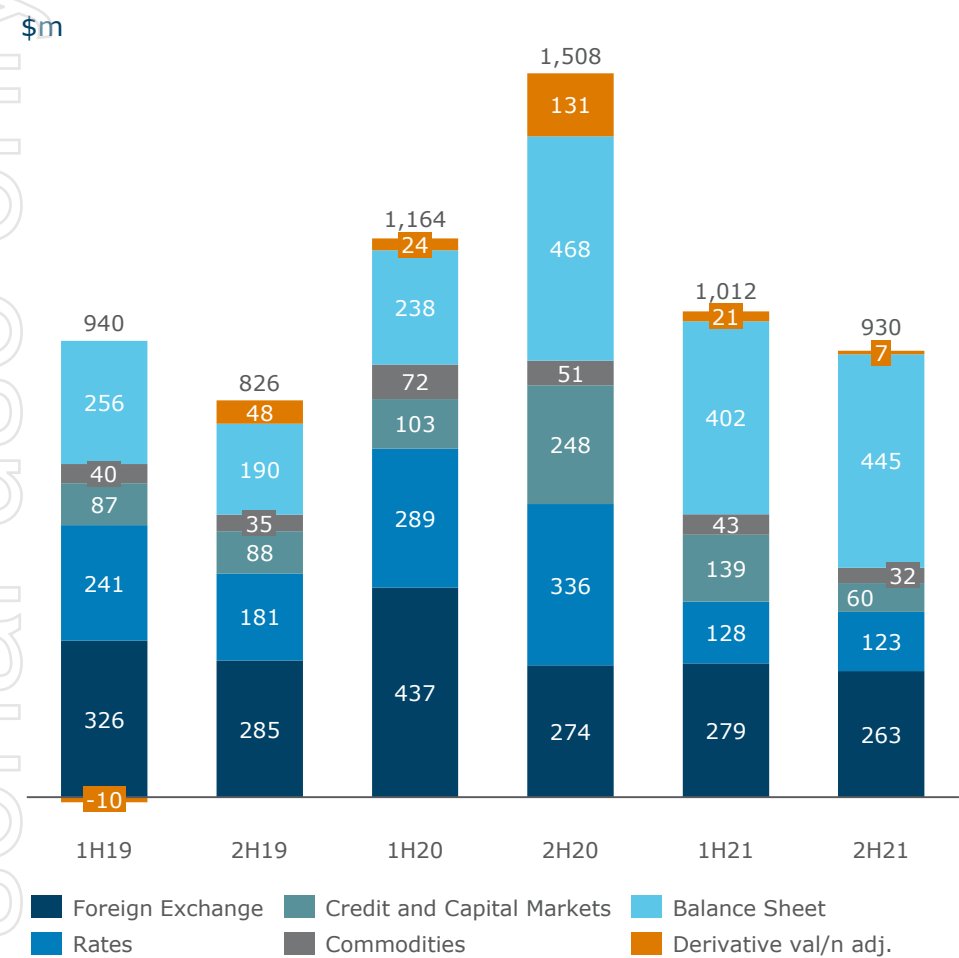


1. Trade: Trade & Supply Chain; CF: Corporate Finance

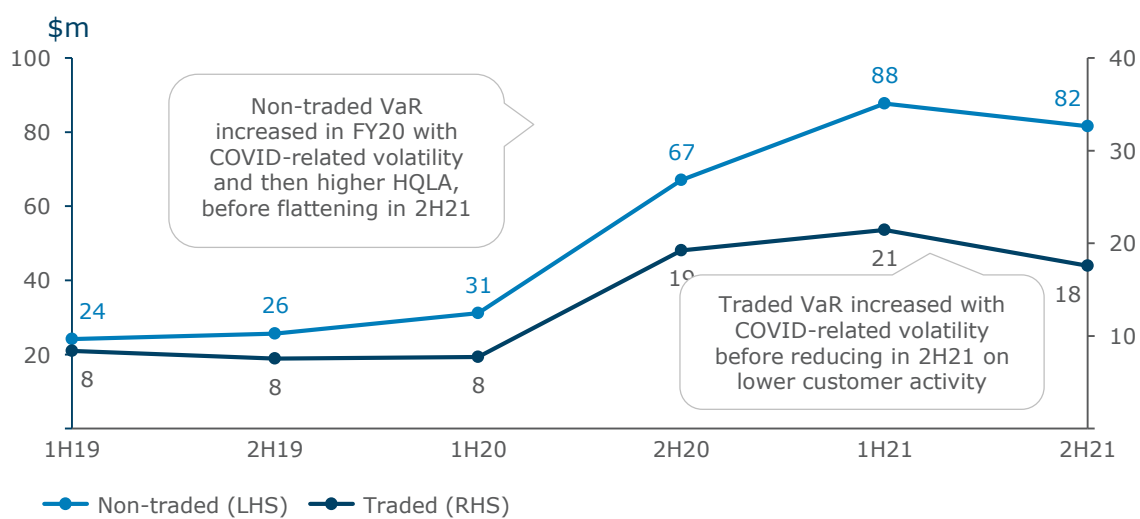
# INSTITUTIONAL

## MARKETS INCOME COMPOSITION: CONTINUING OPERATIONS EXCLUDING LARGE / NOTABLE ITEMS

### MARKETS INCOME COMPOSITION



### MARKETS AVG VALUE AT RISK (99% VaR)



Product	Drivers of Franchise Income
Foreign Exchange	Customer FX hedging demand, currency volatility, currency bid-offer spreads
Rates	Customer interest rate and cross-currency hedging demand, Repo demand and spreads, Government issuance volumes
Credit and Capital Markets	Credit: Bond turnover, bid-offer spreads, credit spreads Capital Markets: Customer bond issuance
Commodities	Customer hedging demand, commodity price spreads

# 2021 FULL YEAR RESULTS

INVESTOR DISCUSSION PACK  
TREASURY



# REGULATORY CAPITAL

## CAPITAL UPDATE

- Level 2 CET1 ratio of 12.3% and 18.3% on an Internationally Comparable basis<sup>1</sup>, which is well in excess of 'Unquestionably Strong' benchmark<sup>2</sup>
  - Total credit impacts of +14bps primarily from benefits of negative CRWA migration (reduction in RWA) in Australia Retail & Commercial and NZ Divisions
  - Higher business RWA movement in part driven by IRRBB. This reflects lower embedded gains from maturing capital & replicating portfolio investments and higher interest rates, as well as management actions such as the investment of replicating deposit growth
  - Completed ~\$0.7b of \$1.5b announced on-market share buy-back
- APRA Level 1 CET1 ratio of 12.0%. Level 1 primarily comprises ANZ BGL (the Parent including offshore branches) but excludes offshore banking subsidiaries<sup>3</sup>
- Leverage ratio of 5.5% (or 6.1% on an Internationally Comparable basis)

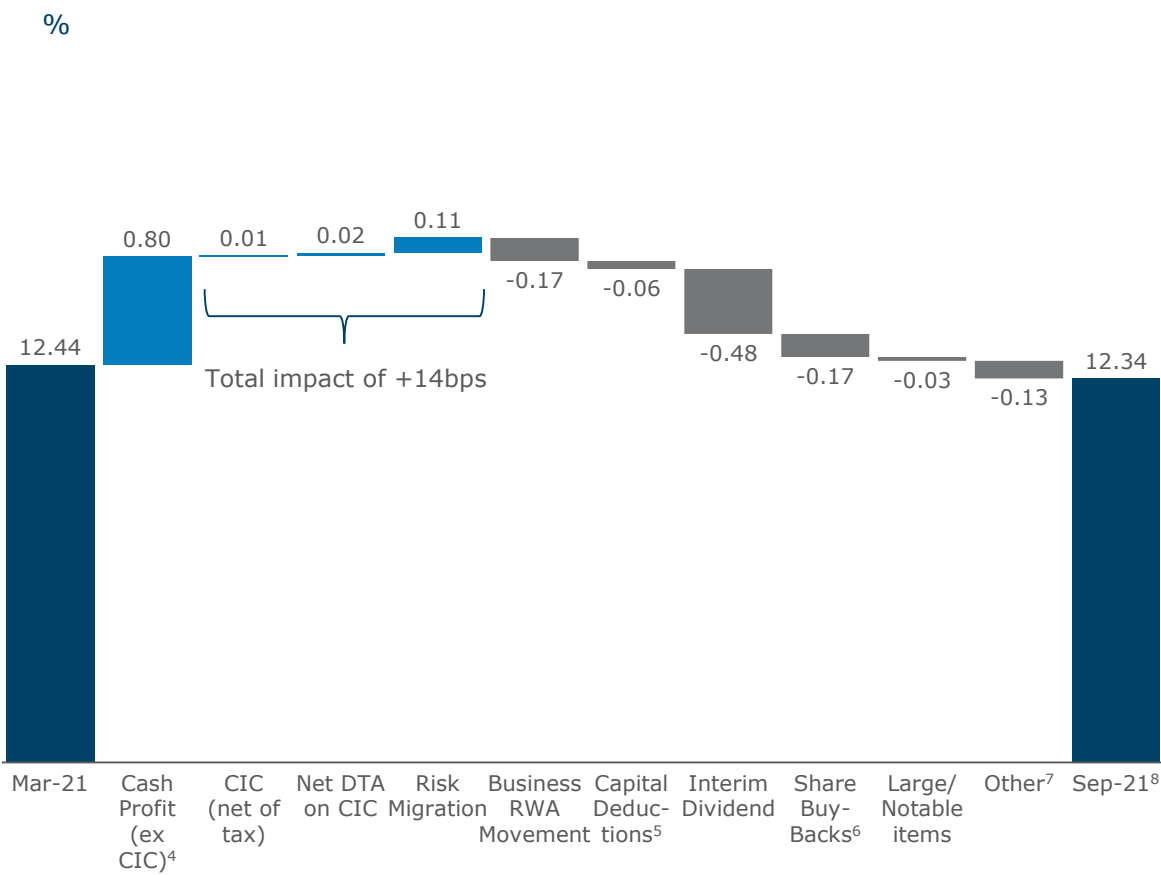
## Dividend

- Final Dividend of 72 cents fully franked, representing 61% DPOR on a 2H21 Cash continuing ex Large / Notable basis in line with ANZ long term sustainable DPOR
- The DRP to be neutralised by acquiring these shares on market

## Regulatory Update

- Industry (via ABA) feedback to APRA on their capital reform proposals provided. Final impacts to be determined. Further calibration of the proposals is expected

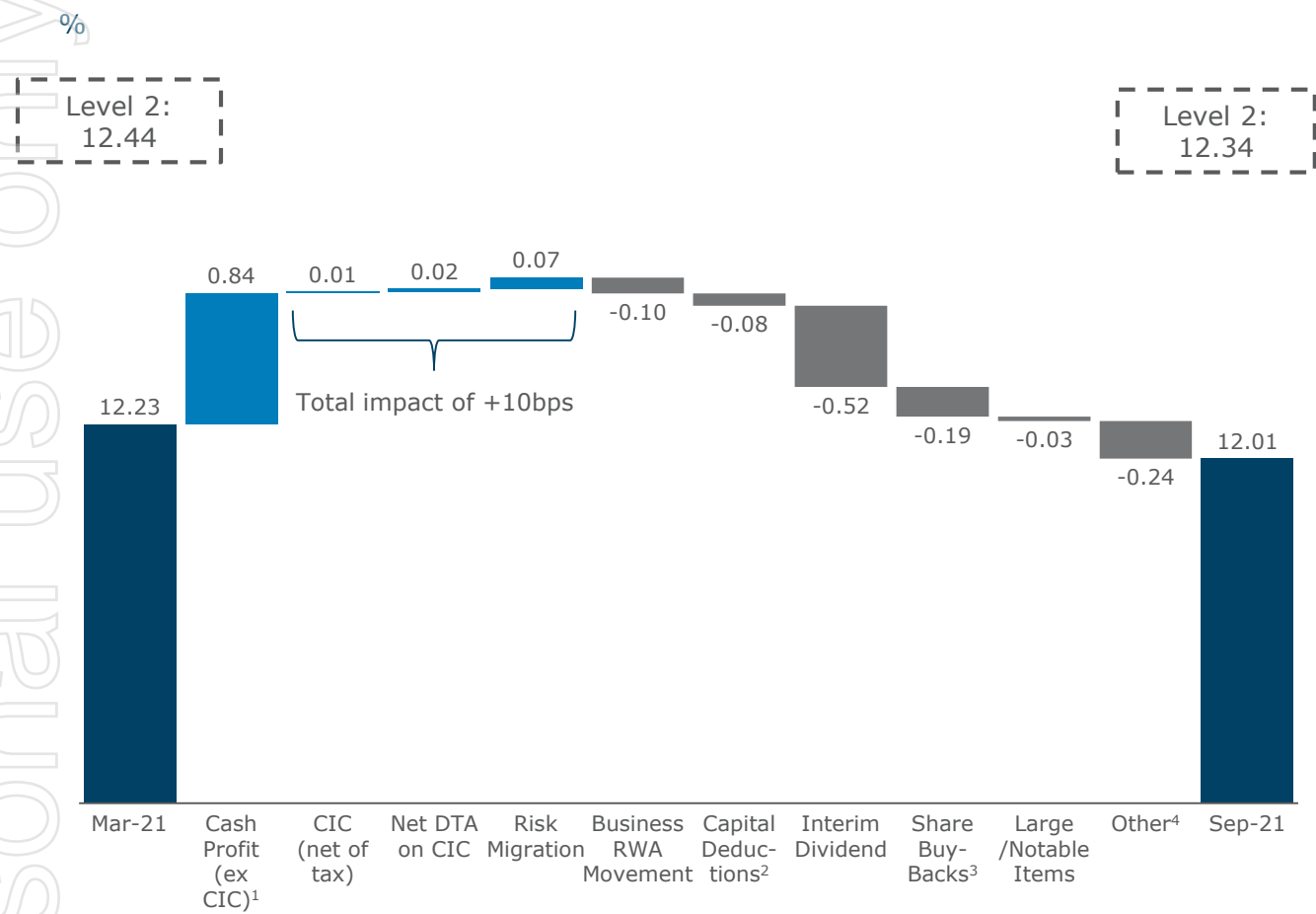
## APRA LEVEL 2 COMMON EQUITY TIER 1 RATIO (CET1)



1. Internationally Comparable methodology aligns with APRA's information paper entitled International Capital Comparison Study (13 July 2015). Basel III Internationally Comparable ratios do not include an estimate of the Basel I capital floor. 2. Based on APRA information paper "Strengthening banking system resilience – establishing unquestionably strong capital ratios" released in July 2017. 3. Refer to ANZ Basel III APS330 Pillar 3 disclosures. 4. Excludes Large / Notable items. 5. Mainly comprises the movement in retained earnings in deconsolidated entities, other equity investments and capitalised expenses. 6. A total of ~\$709m of the announced \$1.5b share buy-back executed (of which \$55m settled after 30 September 2021). 7. Other impacts include movements in non-cash earnings, net foreign currency translation, deferred tax asset deduction and movement in reserves. 8. On 17 June 2021 a regulatory event occurred on the NZD500m Capital Notes, and consequently can be redeemed subject to regulatory approvals. The impact has been removed from the pro forma CET1.

# REGULATORY CAPITAL

## APRA LEVEL 1 CET1 RATIO



APRA Level 2 vs Level 1 CET1 Ratios	bps
Level 2 HoH mvmt	(10)
Level 1 HoH mvmt	(22)
Level 2 vs Level 1 mvmt	12

- Level 1 CET1 ratio decline is larger relative to Level 2 – this was primarily driven by impacts from FX movements and other minor items.

Level 1 RWA	\$b
Mar-21	375
Sep-21	379

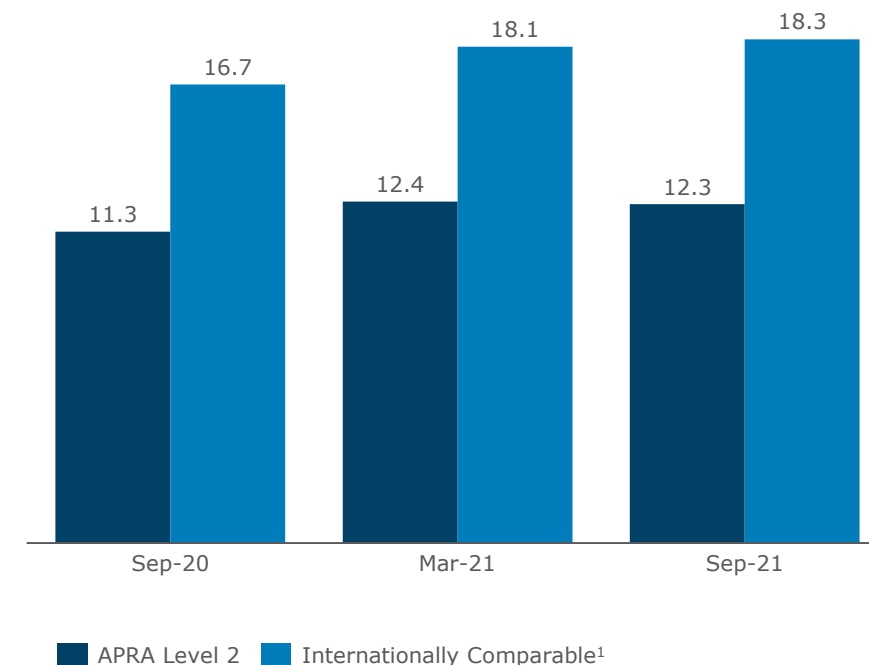
1. Excludes Large / Notable items 2. Mainly comprises the movement in retained earnings in deconsolidated entities and capitalised expenses 3. A total of ~\$709m of the announced \$1.5b share buy-back executed (of which \$55m settled after 30 September 2021) 4. Other impacts include movements in net imposts, non-cash earnings, net foreign currency translation, deferred tax asset deduction and movement in reserves

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

APRA Level 2 CET1 Ratio – 30 September 2021		12.3%
Corporate undrawn EAD and unsecured LGD adjustments	Australian ADI unsecured corporate lending LGDs and undrawn CCFs exceed those applied in many jurisdictions	1.8%
Equity Investments & DTA	APRA requires 100% deduction from CET1 vs. Basel framework which allows concessional threshold prior to deduction	0.9%
Mortgages	APRA requires use of 20% mortgage LGD floor vs. 10% under Basel framework. Additionally, APRA also requires a higher correlation factor vs 15% under Basel framework	1.5%
Specialised Lending	APRA requires supervisory slotting approach which results in more conservative risk weights than under Basel framework	0.9%
IRRBB RWA	APRA includes in Pillar 1 RWA. This is not required under the Basel framework	0.6%
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	0.3%
<b>Basel III Internationally Comparable CET1 Ratio</b>		<b>18.3%</b>
<b>Basel III Internationally Comparable Tier 1 Ratio</b>		<b>20.9%</b>
<b>Basel III Internationally Comparable Total Capital Ratio</b>		<b>26.3%</b>

## Level 2 CET1 Ratio

%



<sup>1</sup> 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

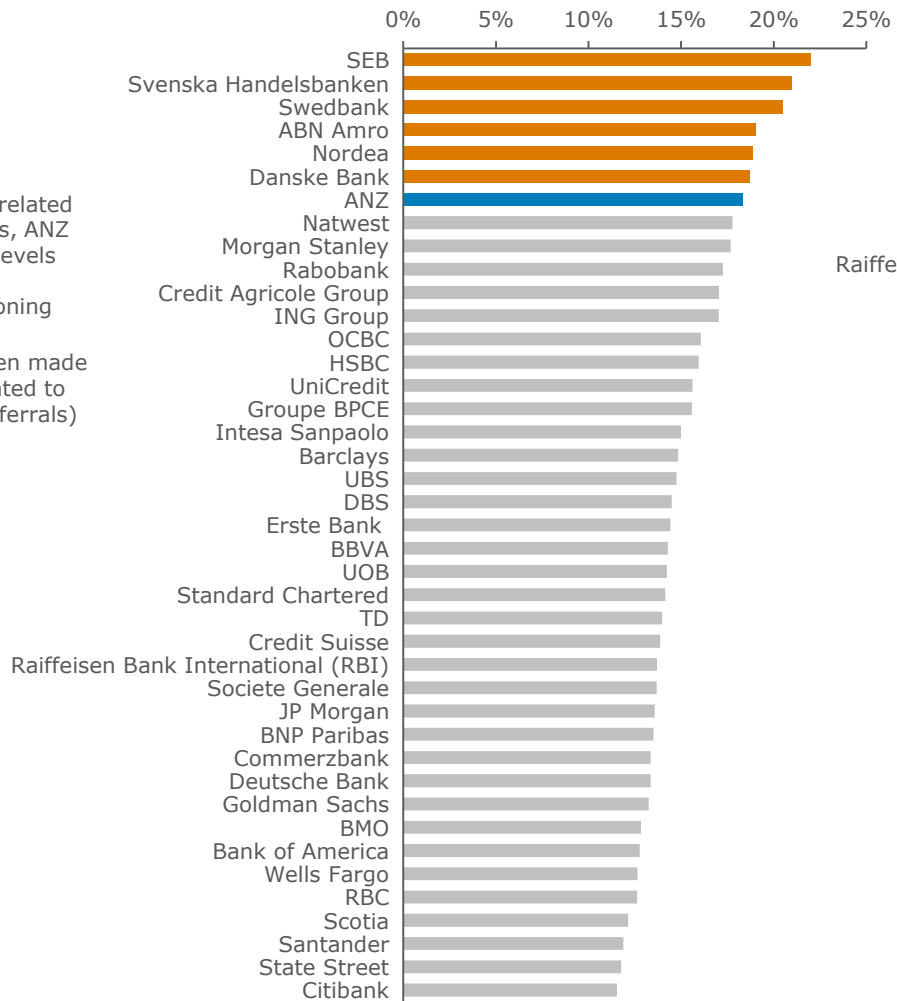
# CET1 AND LEVERAGE IN A GLOBAL CONTEXT

ersonal use only

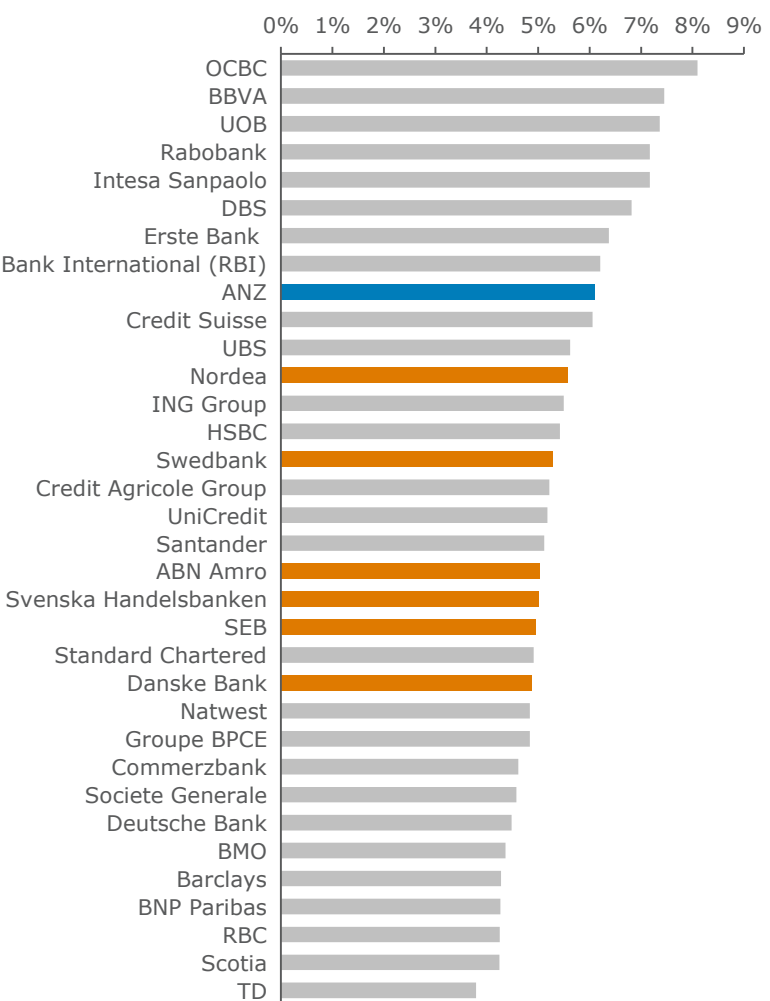
### CET1

- Regulators globally have provided specific COVID related transitional arrangements, ANZ has utilised public CET1 levels and adjusted for Capital treatment of ECL provisioning where available
- No adjustments have been made for RWA concessions related to COVID (i.e. mortgage deferrals)

CET1 RATIOS<sup>1,2</sup>



LEVERAGE RATIOS<sup>1,2,3</sup>



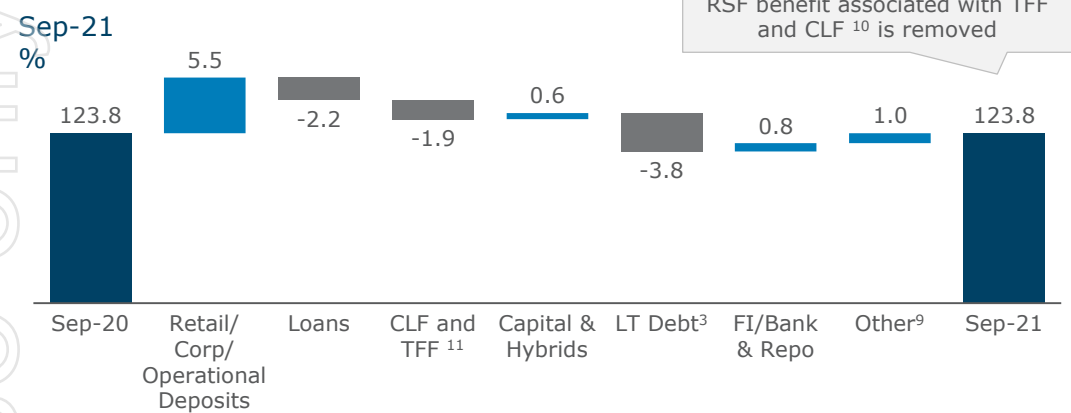
### Leverage

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

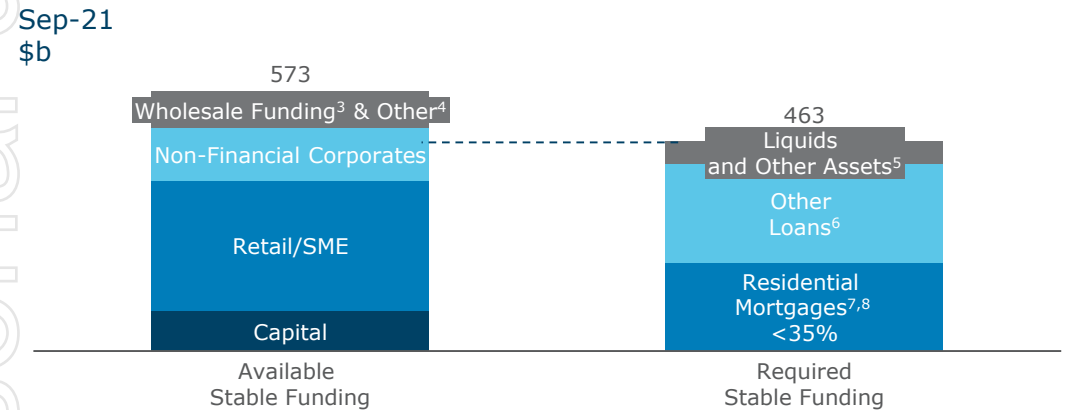
1. CET1 and leverage ratios are based on ANZ estimated adjustment for accrued expected future dividends, COVID transitional arrangements for expected credit loss and leverage exposure concessional adjustments where details have been externally disclosed. ANZ ratios are on an Internationally Comparable 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. Based on Group 1 banks as identified by the BIS (internationally active banks with Tier 1 capital of more than €3 billion) 3. 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

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

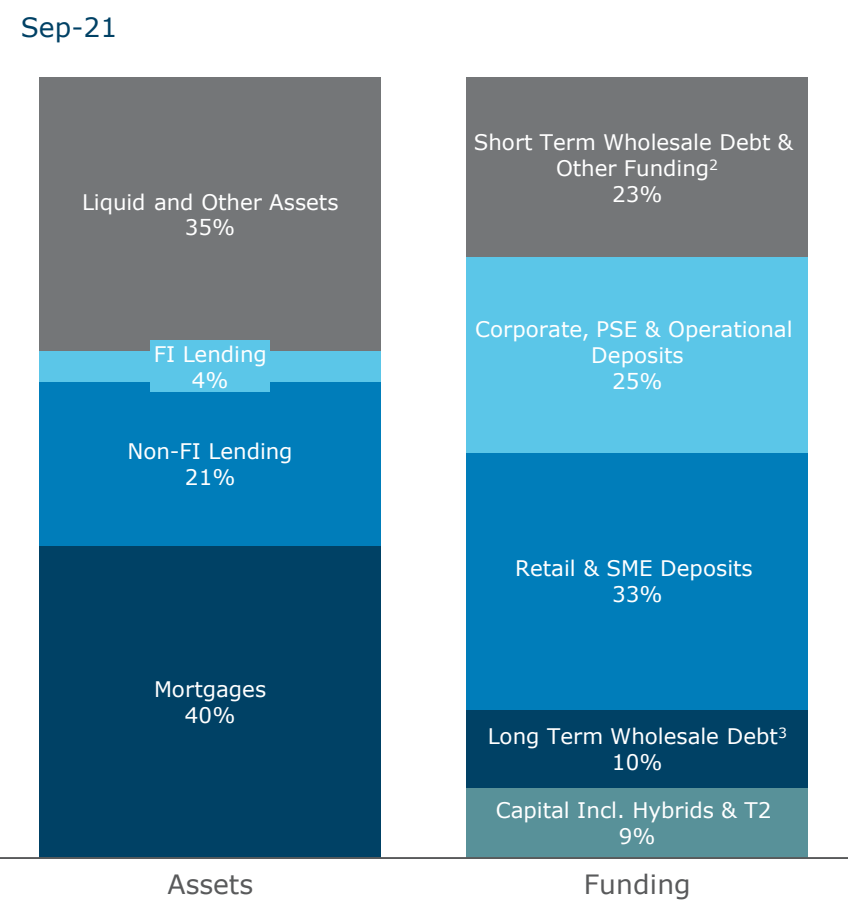
## NSFR MOVEMENT



## NSFR COMPOSITION



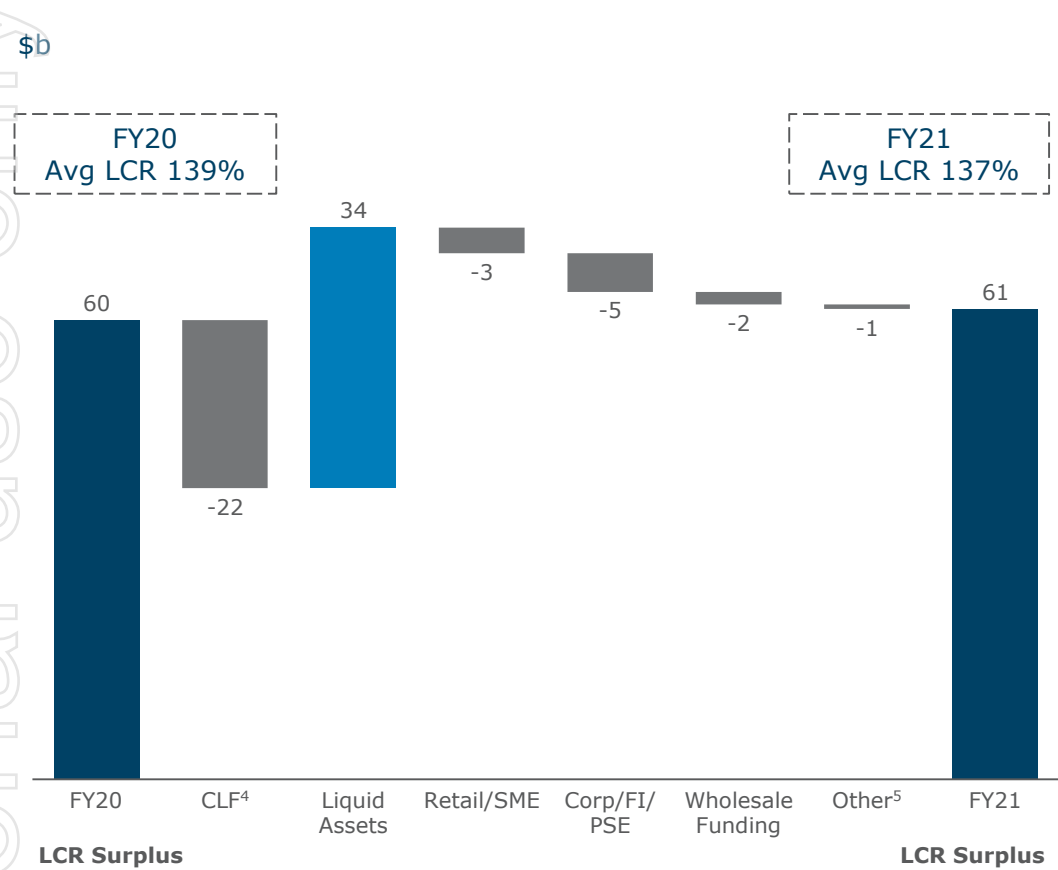
## BALANCE SHEET COMPOSITION



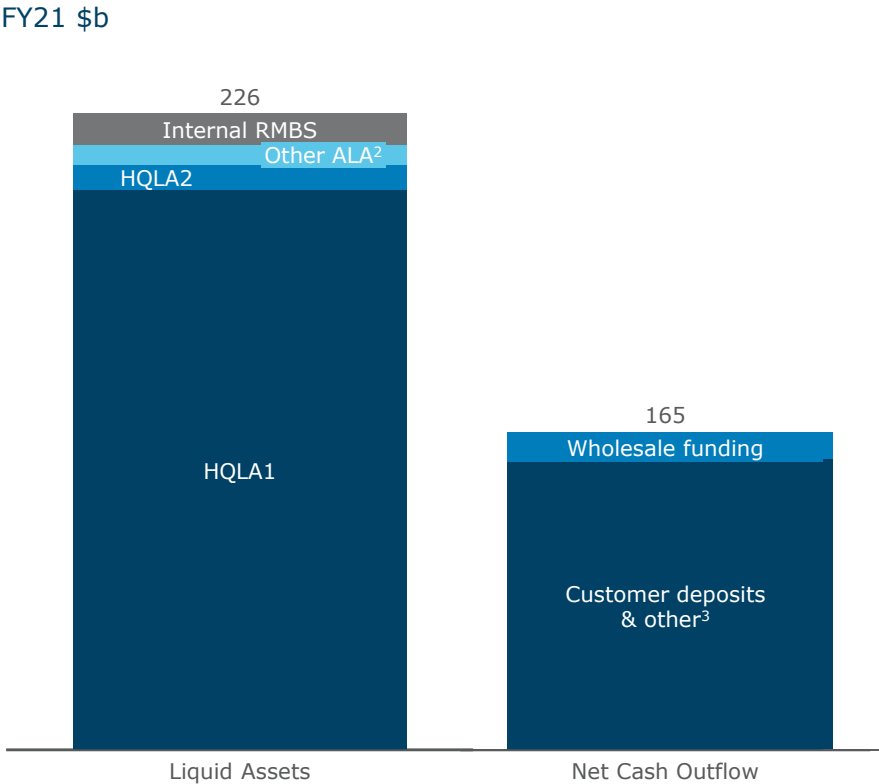
1. NSFR Required Stable Funding (RSF) and Available Stable Funding (ASF) categories and all figures shown are on a Level 2 basis per APRA prudential standard APS210 2. Includes FI/Bank deposits, Repo funding and other short dated liabilities 3. Excludes drawn TFF of \$8b for FY21 4. 'Other' includes Sovereign, and non-operational FI Deposits 5. 'Other Assets' include Off Balance Sheet, Derivatives, Fixed Assets and Other Assets 6. All lending >35% Risk weight 7. Includes NSFR impact of self-securitised assets backing the Committed Liquidity Facility (CLF) 8. <35% Risk weighting as per APRA Prudential Standard 112 Capital Adequacy: Standardised Approach to Credit Risk 9. Net of other ASF and other RSF, and Liquids 10. CLF is \$10.7b as at 30 September 2021. Consistent with APRA's requirement, ANZ's CLF will decrease to zero through equal reductions on 1 January, 30 April, 31 August and 31 December 2022 11. Reduction in assets (supporting the CLF and TFF) that receive concessional 10% RSF. Includes drawn TFF of \$8b for FY21

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

MOVEMENT IN AVERAGE LCR SURPLUS<sup>3</sup>



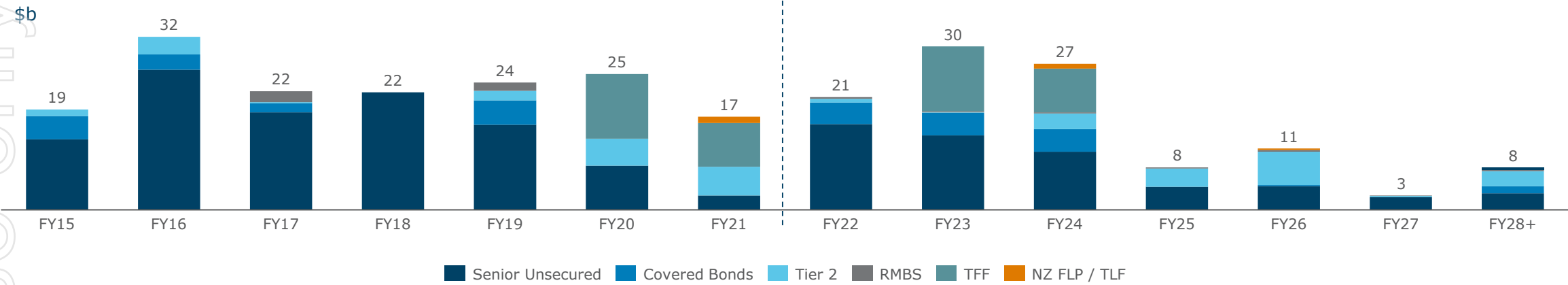
LCR COMPOSITION (AVERAGE)



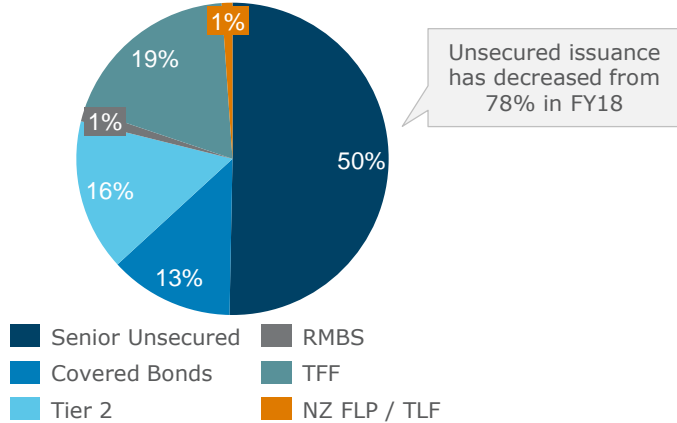
1. All figures shown on a Level 2 basis as per APRA Prudential Standard APS210 2. Comprised of assets qualifying as collateral for the Committed Liquidity Facility (CLF), excluding internal RMBS, up to approved facility limit; and any assets contained in the RBNZ’s liquidity policy – Annex: Liquidity Assets – Prudential Supervision Department Document BS13A 3. LCR surplus excludes surplus liquids considered non-transferrable across the Group. At 30 September 2021, this included \$14b of surplus liquids held in NZ. 4. RBA CLF decreased by \$25.0b from 1 January 2021 to \$10.7b. Consistent with APRA’s requirement, ANZ’s CLF will decrease to zero through equal reductions on 1 January, 30 April, 31 August and 31 December 2022. 5. ‘Other’ includes off-balance sheet and cash inflows

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

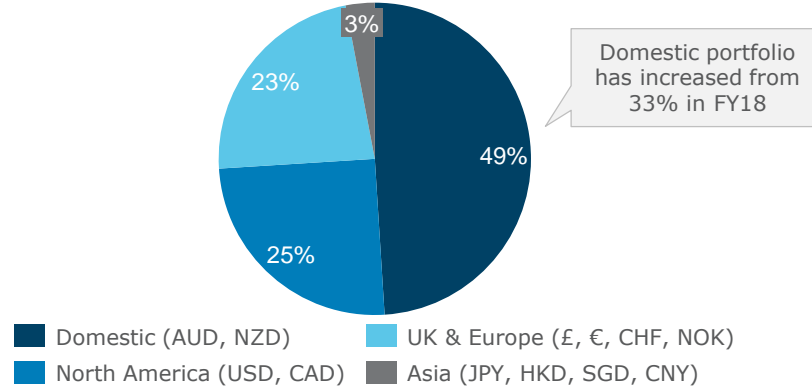
## ISSUANCE



## PORTFOLIO



## PORTFOLIO BY CURRENCY



- ANZ's term funding requirements depend on market conditions, balance sheet needs and exchange rates, amongst other factors
- ANZ deposit growth outpaced lending growth in FY21
- ANZ's cumulative CLF reduction (\$10.7b) and TFF maturities (\$20b) over next 3 years is very manageable
- Subject to customer balance sheet movement, ANZ may have modest senior debt term funding requirements in FY22

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

# ANZ'S TIER 2 CAPITAL PROFILE<sup>1</sup>

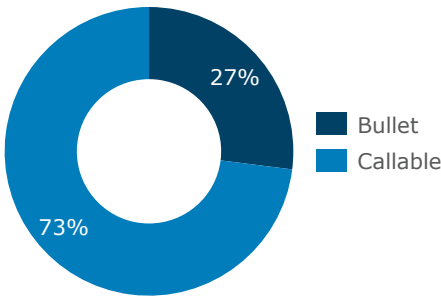
## ANZ'S TIER 2 CAPITAL REQUIREMENT TO PROGRESSIVELY INCREASE TO MEET TLAC REQUIREMENT

- ANZ BGL issued \$11.4b since July-2019 across AUD, EUR, GBP, and USD
- FY22 T2 issuance expected to be ~\$4b
- Remaining required Tier 2 capital net increase of ~\$4b to ~\$21b by January-2024 (Based on 5% of current RWAs<sup>2</sup>)
- Planned issuance in multiple currencies in both callable and bullet format
- Increased T2 issuance expected to be offset by reduction in other senior unsecured funding
- In addition to ANZ BGL T2 TLAC needs, ANZ NZ has modest T2 requirements of 2% of ANZ NZ RWA by 2028. ANZ NZ issued an inaugural NZD \$600m T2 under these rules in September-2021
- Well managed amortisation profile provides flexibility regarding issuance tenor

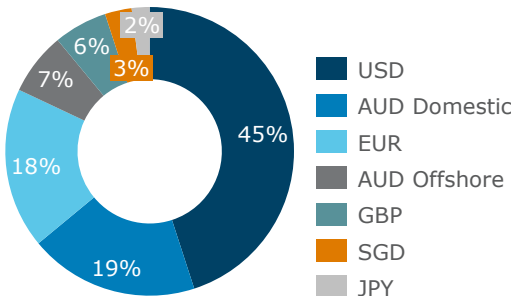
## TIER 2 CAPITAL

Notional amount

### By Format

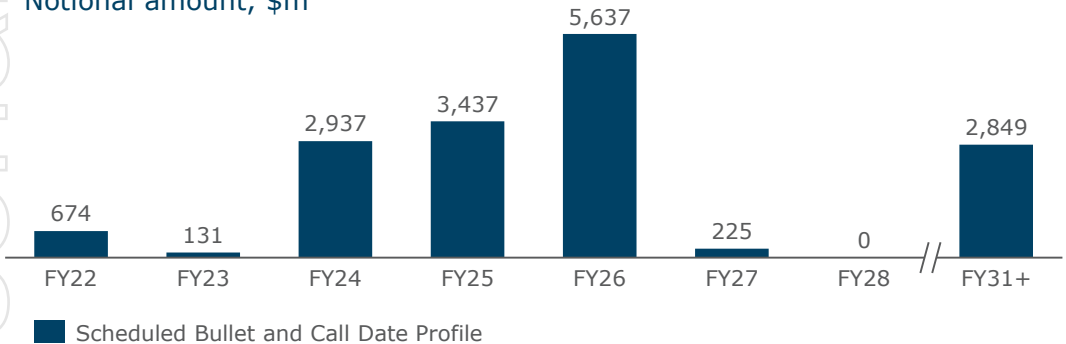


### By Currency



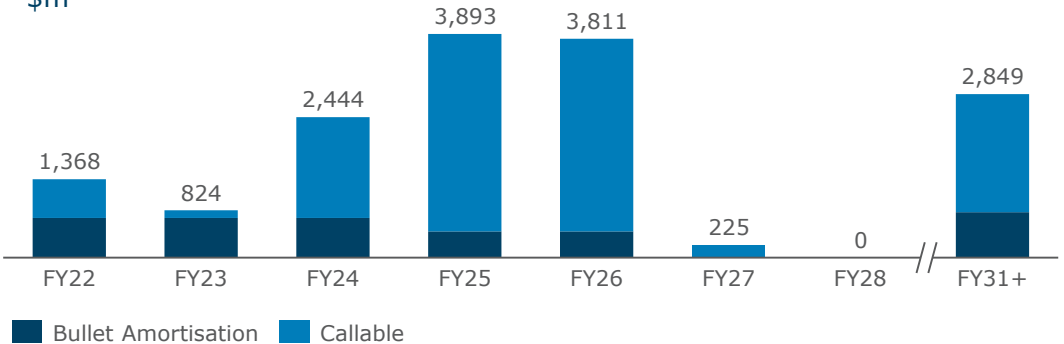
## FUNDING PROFILE

Notional amount, \$m



## CAPITAL AMORTISATION PROFILE<sup>3</sup>

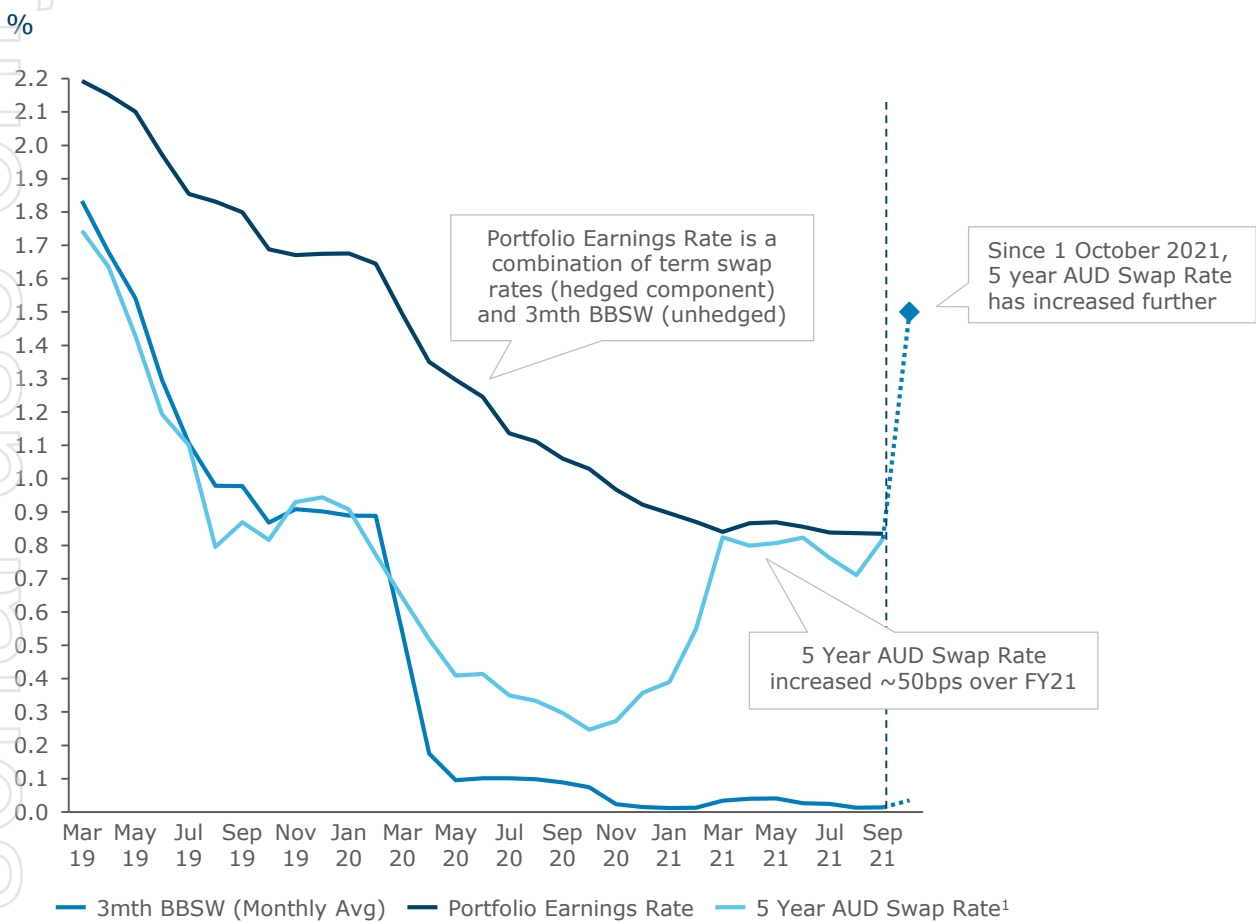
\$m



1. Profile is AUD equivalent based on historical FX, excluding Perpetual Floating rate notes issued 30 October 1986 (which loses Basel III transitional relief in 2021) and ANZ NZ \$600m floating rate notes issued September 2021  
Comprises Tier 2 capital in the form of Capital Securities only (i.e. does not include other Tier 2 capital such as eligible General reserve for impairment of financial assets)  
2. Current RWAs \$416b as at 30 September 2021  
3. Amortisation profile is modelled based on scheduled first call date for callable structures and in line with APRA's amortisation requirements for bullet structures

# IMPACTS OF RATE MOVEMENTS

## CAPITAL & REPLICATING DEPOSITS PORTFOLIO (AUSTRALIA)



## PORTFOLIO EARNINGS RATE (HISTORICAL)

FY19 Ave: 2.08%	
1H19 Ave: 2.21%	2H19 Ave: 1.95%
FY20 Ave: 1.40%	
1H20 Ave: 1.64%	2H20 Ave: 1.20%
FY21 Ave: 0.88%	
1H21 Ave: 0.92%	2H21 Ave: 0.85%

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

	AUST	NZ	APEA
Volume (\$A)	~94b	~35b	~9b
Volume Change (YoY)	~16b increase	~6b increase	~1b decrease
Target Duration	Rolling 3 to 5 years		Various
Proportion Hedged	~63%	~90%	Various

- The 5 Year AUD Swap Rate increased ~50bps over FY21, providing more attractive hedging (i.e. investment) opportunities
- Since 1 October 2021, 5 year spot AUD Swap Rate has increased further

1. Proxy for hedged investment rate  
2. Includes other Non-Interest Bearing Assets & Liabilities

# CAPITAL FRAMEWORK

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

	First half CY2021	Second half CY2021	CY2022	Implementation Date
<b>RBNZ Capital Framework</b>	Transition			2028
<b>Leverage Ratio</b>	Consultation	Finalise		2023
<b>Standardised Approach to Credit Risk</b>	Consultation	Finalise		2023
<b>Internal Ratings-based Approach to Credit Risk</b>	Consultation	Finalise		2023
<b>Operational Risk</b>	Finalise			2023
<b>Fundamental Review of the Trading Book (incl. Counterparty Credit Risk)</b>	Consultation			2025 (2023 Finalisation)
<b>Interest Rate Risk in the Banking Book</b>			Finalise	2024
<b>Loss Absorbing Capacity (LAC)<sup>2</sup></b>	Transition			2024
<b>Capital Treatment for Investments in Subsidiaries (Level 1)</b>	Finalise			2022
<b>Associations with Related Entities</b>				2022

1. Timeline is based on calendar year and is largely based on APRA's 2021 Policy Priorities: Interim Update (published September 2021)

2. Only in relation to the 3% of RWA increase in Total Capital requirements announced in July 2019

# 2021 FULL YEAR RESULTS

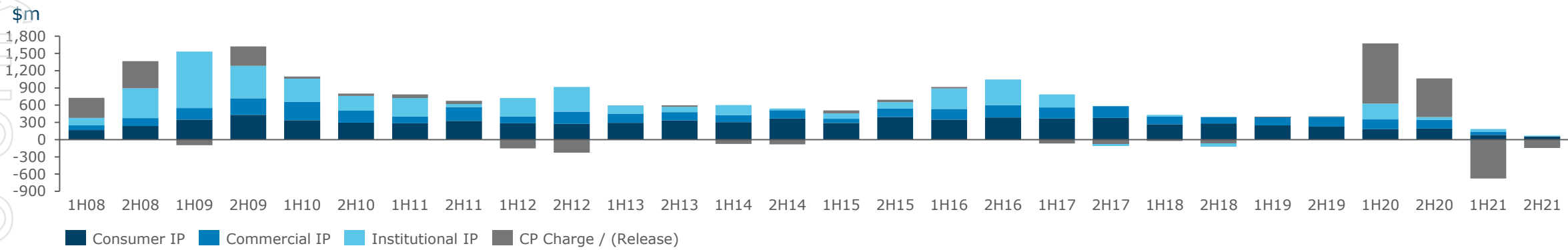
**INVESTOR DISCUSSION PACK**  
RISK MANAGEMENT



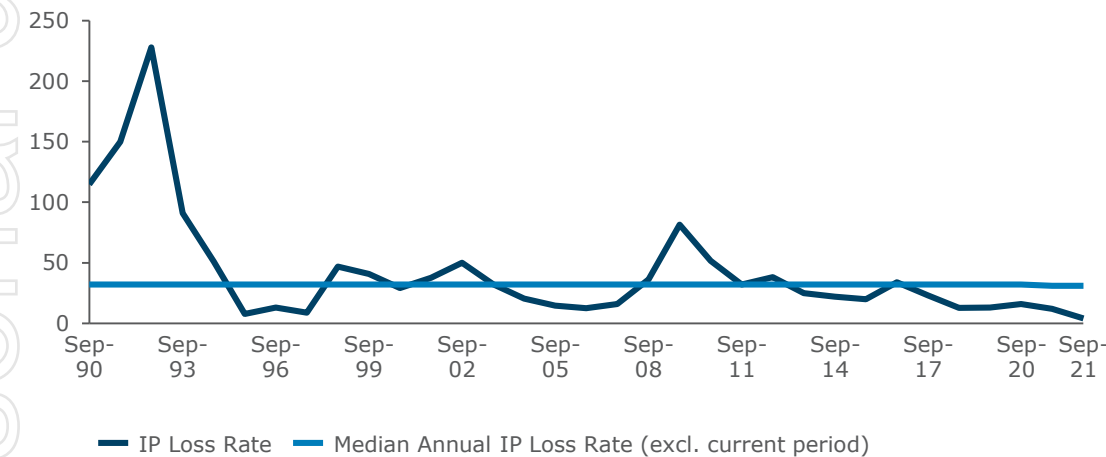
# RISK MANAGEMENT

## LONG RUN PROVISIONS & LOSS RATES

### TOTAL CREDIT IMPAIRMENT CHARGE



### ANZ HISTORICAL LOSS RATES<sup>1</sup> (basis points)



### LONG RUN LOSS RATE (INTERNAL EXPECTED LOSS<sup>2</sup>) (%)

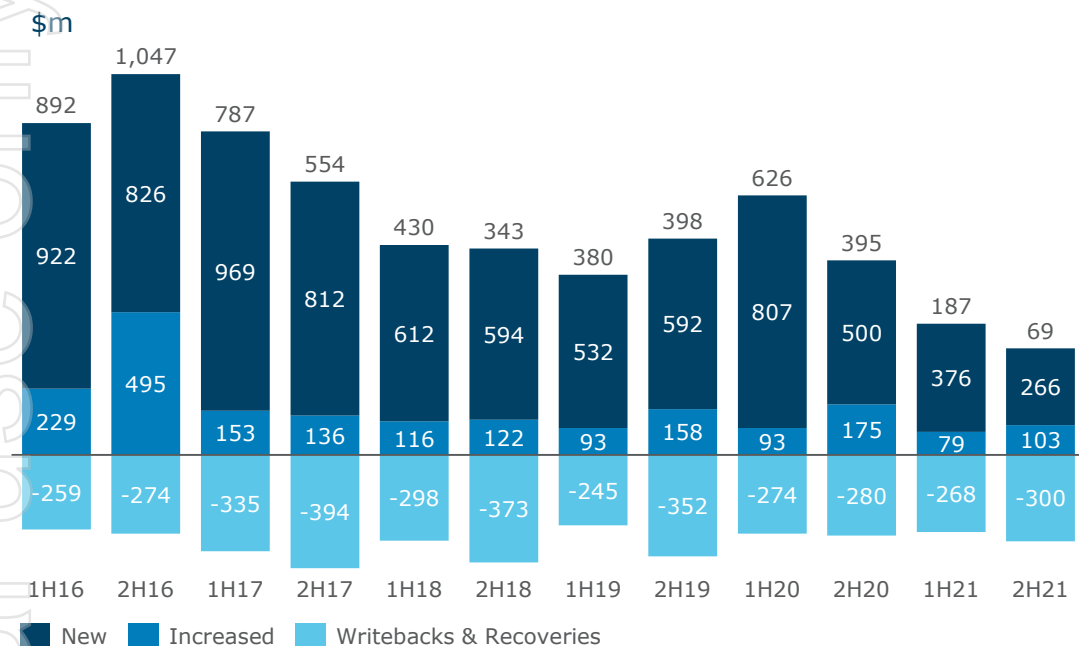
Division	Mar-16	Sep-16	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19	Sep-19	Mar-20	Sep-20	Mar-21	Sep-21
Aus. R&C	0.35	0.33	0.33	0.33	0.31	0.29	0.29	0.29	0.28	0.27	0.24	0.22
New Zealand	0.25	0.26	0.26	0.22	0.21	0.19	0.19	0.18	0.19	0.16	0.15	0.13
Institutional Pacific	0.37	0.36	0.35	0.30	0.32	0.27	0.27	0.25	0.25	0.30	0.25	0.25
Asia Retail	1.47	1.79	1.60	1.69	1.95	1.78	1.60	1.40	1.30	1.46	1.74	2.15
Subtotal	0.34	0.33	0.33	0.30	0.30	0.27	0.27	0.26	0.26	0.26	0.23	0.22
Asia Retail	1.50	1.51	1.51	2.75	0	0	0	0	0	0	0	0
Total	0.37	0.35	0.35	0.32	0.30	0.27	0.27	0.26	0.26	0.26	0.23	0.22

1. IP Charge as a % of average Gross Loans and Advances (GLA)  
2. IEL: Internal Expected Loss (IEL) is an internal estimate of the average annualised loss likely to be incurred through a credit cycle

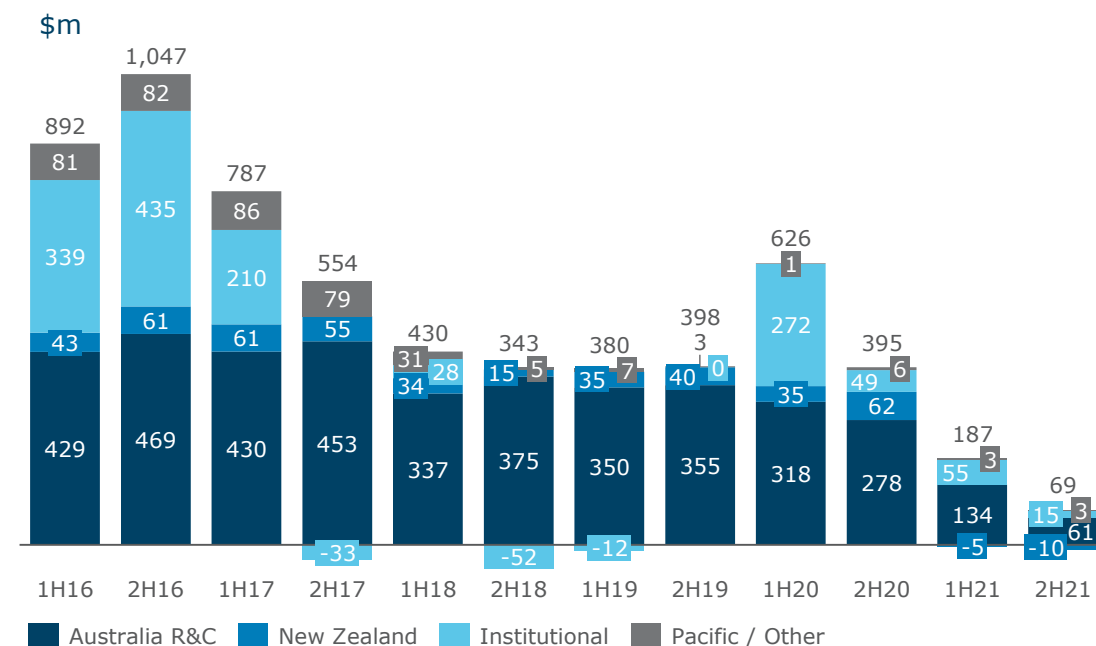
# RISK MANAGEMENT

## INDIVIDUAL PROVISION CHARGE

### INDIVIDUAL PROVISION CHARGE



### INDIVIDUAL PROVISION CHARGE BY DIVISION



Ratios	1H16	2H16	1H17	2H17	1H18	2H18	1H19	2H19	1H20	2H20	1H21	2H21
IP loss rate (bps) <sup>1</sup>	31	36	27	19	15	12	12	13	20	12	6	2
Total loss rate (bps) <sup>1</sup>	32	36	25	16	14	9	13	13	53	33	-16	-2
IP balance / Gross Impaired Assets	43%	41%	43%	48%	50%	43%	42%	40%	42%	36%	33%	35%

1. Annualised loss rate as a % of Gross Loans and Advances (GLA)

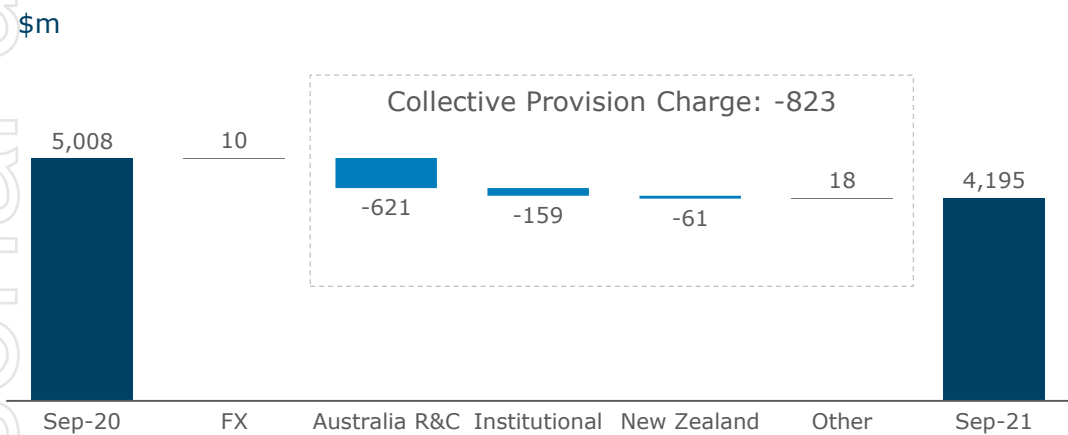
# RISK MANAGEMENT

## COLLECTIVE PROVISION (CP) BALANCE & CHARGE

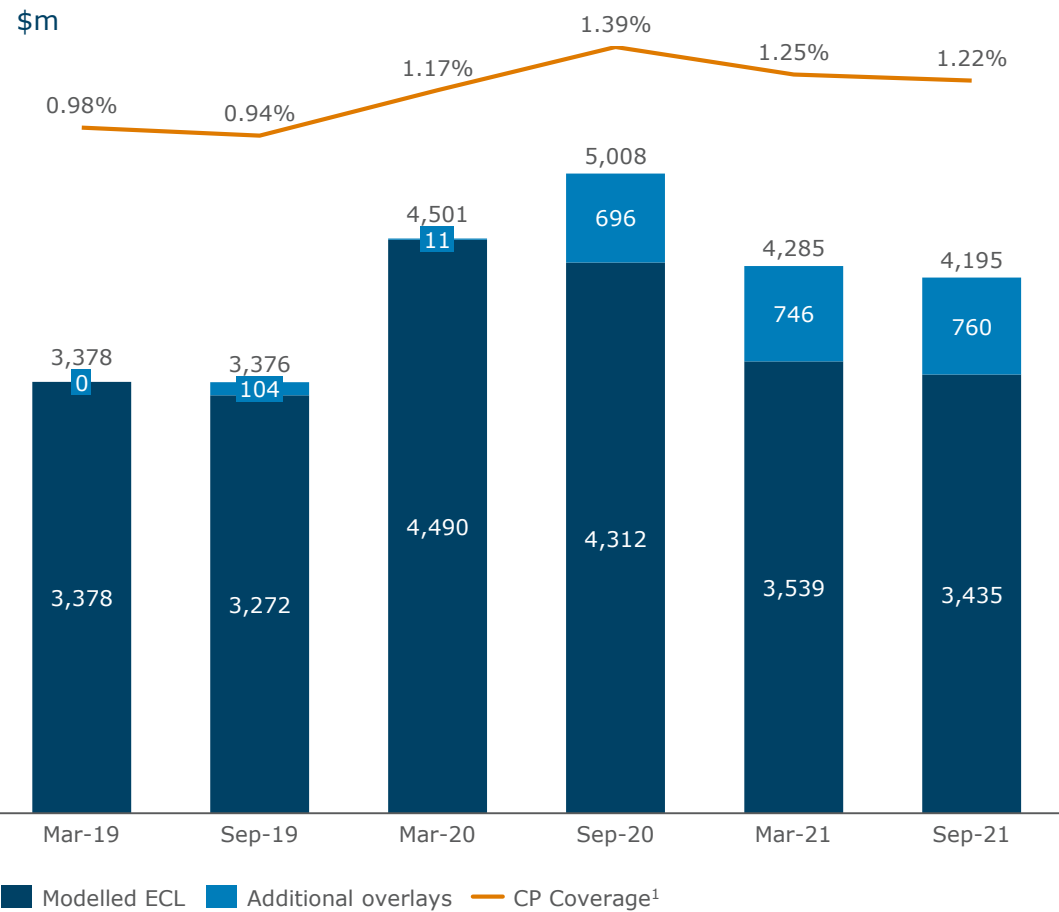
### CP CHARGE

\$m	1H19	2H19	1H20	2H20	1H21	2H21
<b>CP charge</b>	<b>13</b>	<b>4</b>	<b>1,048</b>	<b>669</b>	<b>-678</b>	<b>-145</b>
Volume/Mix	-28	-51	0	46	-199	-83
Change in Risk	-40	19	17	44	-112	-41
Economic forecast & scenario weights	99	31	1,124	-106	-417	-31
Additional overlays	-18	5	-93	685	50	10

### MOVEMENT IN CP BALANCE – BY DIVISION



### CP BALANCE BY CATEGORY



1. CP as a % of Credit Risk Weighted Assets (CRWA)

# RISK MANAGEMENT

## COLLECTIVE PROVISION (CP) BALANCE

### CP BALANCE BY DIVISION

\$b	Mar-19	Sep-19	Mar-20	Sep-20	Mar-21	Sep-21
Australia R&C	1.83	1.80	2.32	2.85	2.33	2.23
Institutional	1.13	1.17	1.59	1.51	1.36	1.35
New Zealand	0.37	0.37	0.54	0.57	0.51	0.53
Pacific	0.04	0.04	0.05	0.08	0.08	0.10

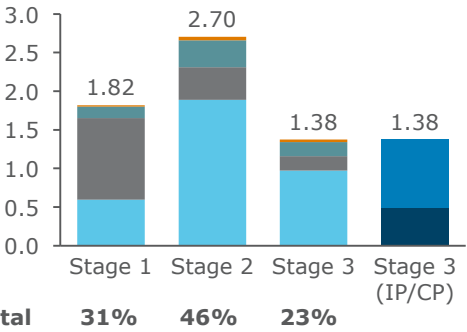
### CP BALANCE BY PORTFOLIO

\$b	Mar-19	Sep-19	Mar-20	Sep-20	Mar-21	Sep-21
Corporate	1.59	1.62	2.22	2.30	2.13	2.09
Specialised	0.18	0.19	0.29	0.32	0.28	0.27
Residential Mortgage	0.49	0.52	0.81	1.06	0.78	0.79
Retail (ex Mortgages)	1.05	0.97	1.10	1.25	1.04	0.96
Sovereign / Banks	0.07	0.08	0.08	0.08	0.06	0.09

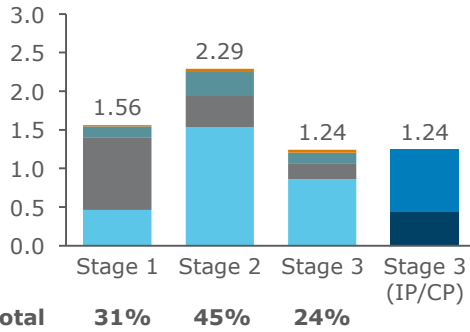
### PROVISION BALANCE BY STAGE

\$b

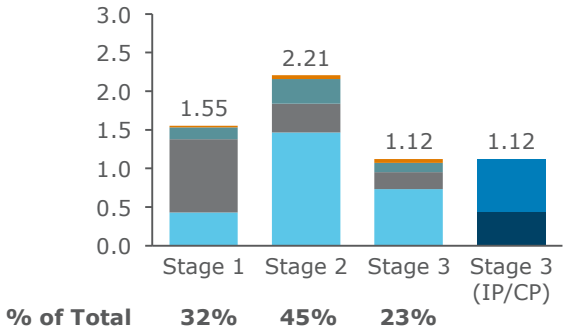
30 Sep 20



31 Mar 21



30 Sep 21



Pacific / Other New Zealand Institutional Australia R&C IP CP

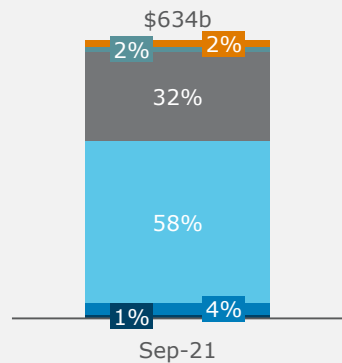
# RISK MANAGEMENT

## PORTFOLIO COMPOSITION AND COVERAGE RATIOS

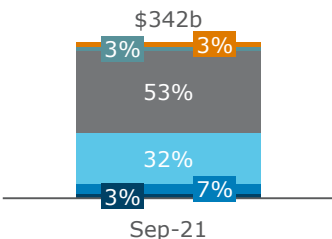
### PORTFOLIO COMPOSITION

Sovereign Bank Corporate Resi. Mortgage Retail (ex Mortgages) Other

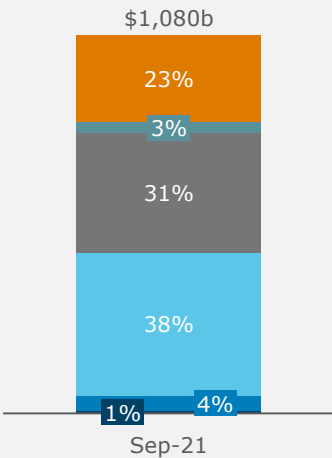
Gross loans and advances



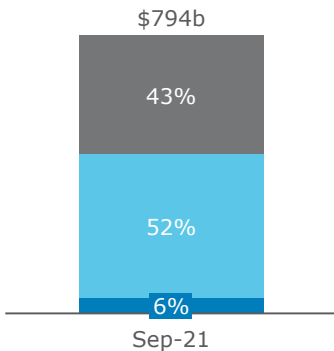
Credit RWA



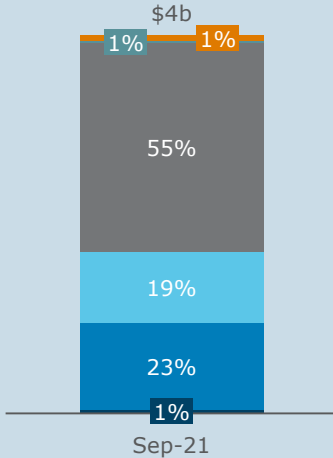
Exposure at Default<sup>1</sup>



Exposure at Default<sup>1</sup>  
(ex Sovereign & Bank)



Expected credit loss  
(Collective Provision balance)



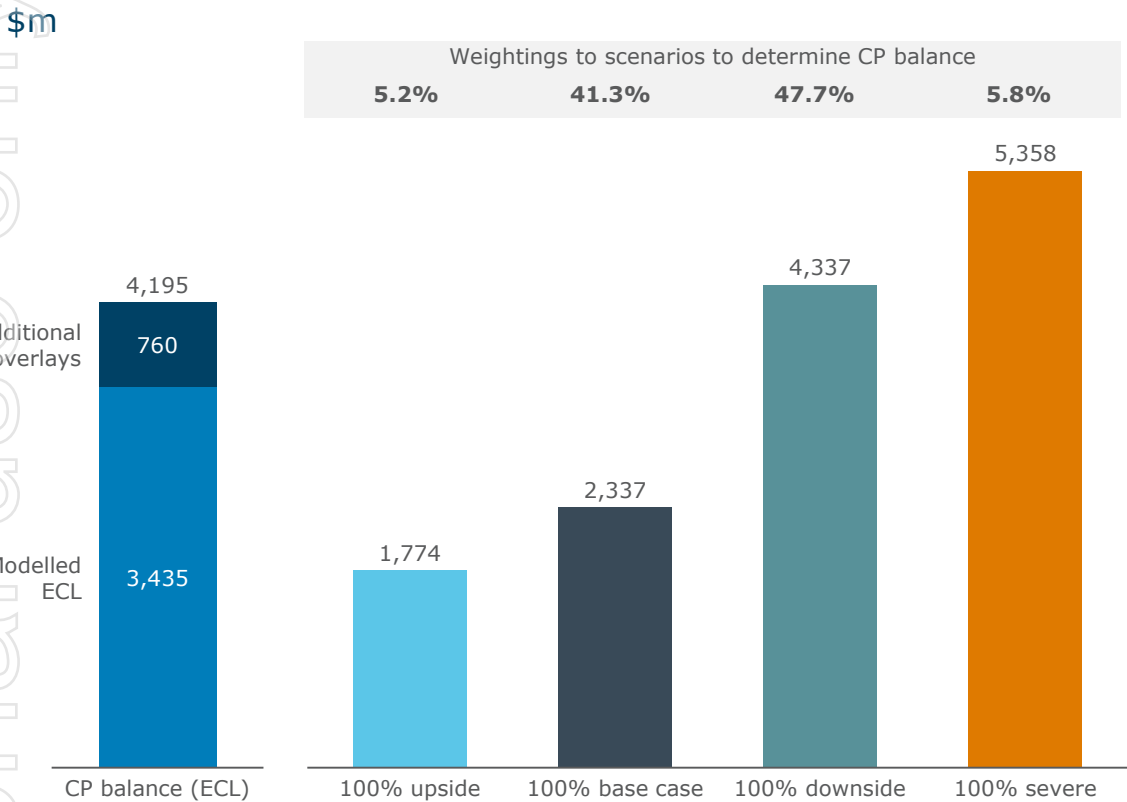
Coverage ratios	%	%	%	%
CP coverage	0.66	1.22	0.39	0.52
Total coverage <sup>2</sup>	0.77	1.43	0.45	0.61

1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes, as per APS330. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral  
2. Individual Provision balance and Collective Provision balance

# EXPECTED CREDIT LOSS

## ECONOMIC SCENARIOS – MODELLED OUTCOMES (COLLECTIVE PROVISION BALANCE SCENARIOS)<sup>1</sup>

SEPTEMBER 2021



ECONOMIC SCENARIOS	BASE CASE <sup>2</sup>		
30 September 2021	CY2020A	CY2021	CY2022
AUSTRALIA			
GDP change <sup>3</sup>	-2.4%	3.4%	3.8%
Unemployment rate <sup>4</sup>	6.5%	5.3%	4.3%
Resi. property price change <sup>3</sup>	1.9%	20.5%	6.7%
NEW ZEALAND			
GDP change <sup>3</sup>	-3.0%	4.3%	4.3%
Unemployment rate <sup>4</sup>	4.6%	4.1%	3.9%
Resi. property price change <sup>3</sup>	15.6%	22.4%	0.4%

1. Illustration of the impact on ANZ’s modelled ECL. The Upside, Downside and Severe Scenarios are fixed economic scenarios which do not move with changes to the Base Case forecast

2. Subset of a range of economic indicators shown. Economic forecasts also undertaken for international markets

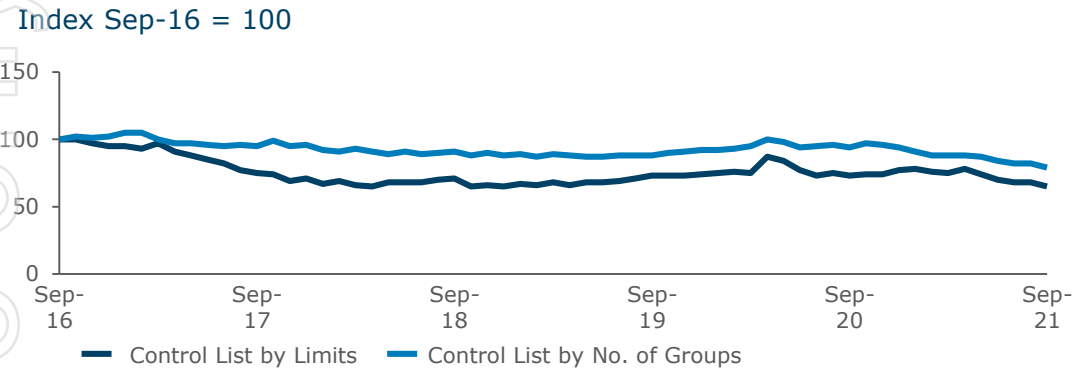
3. CY2020A, CY2021 & CY2022: 12 months to December Year on Year change

4. Annual average: 12 months to December

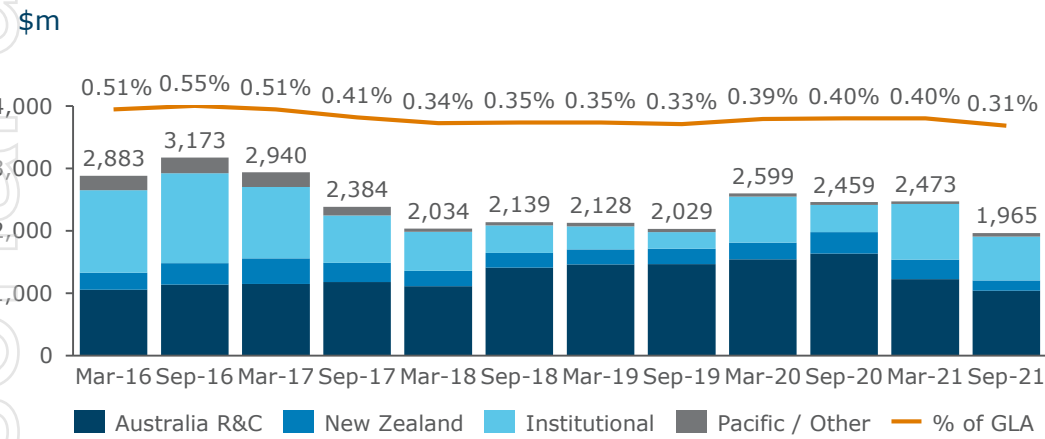
# RISK MANAGEMENT

## IMPAIRED ASSETS

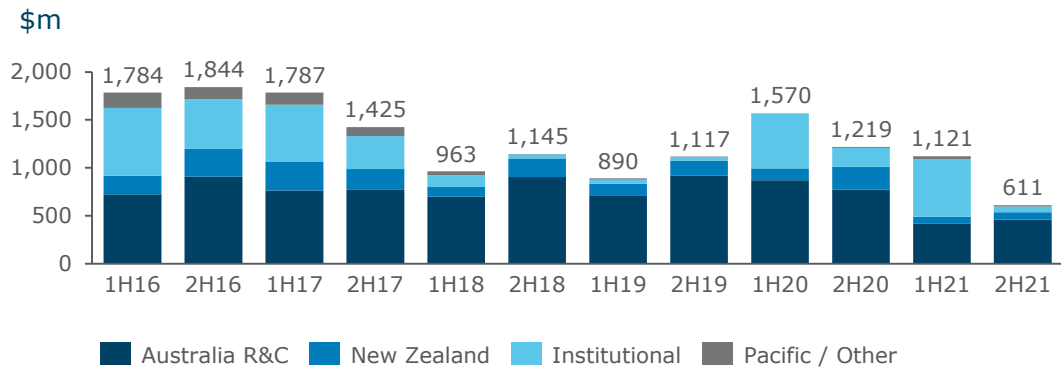
### CONTROL LIST



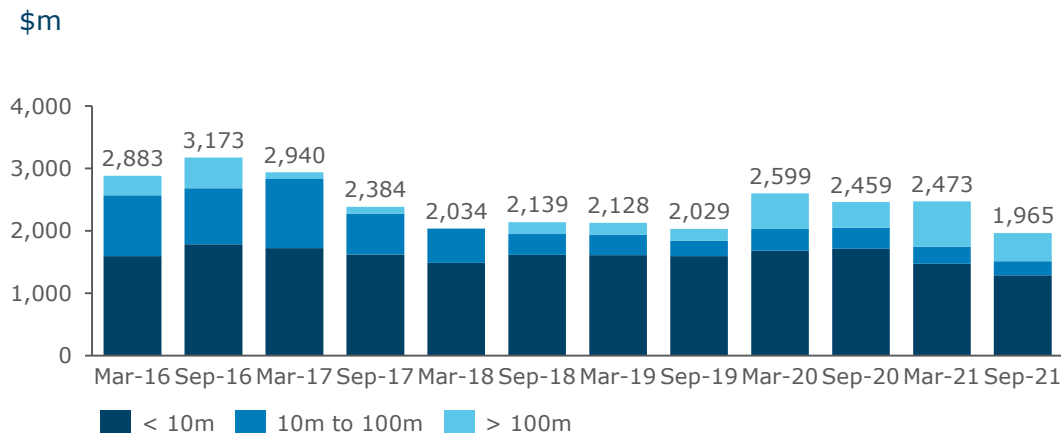
### GROSS IMPAIRED ASSETS BY DIVISION



### NEW IMPAIRED ASSETS BY DIVISION



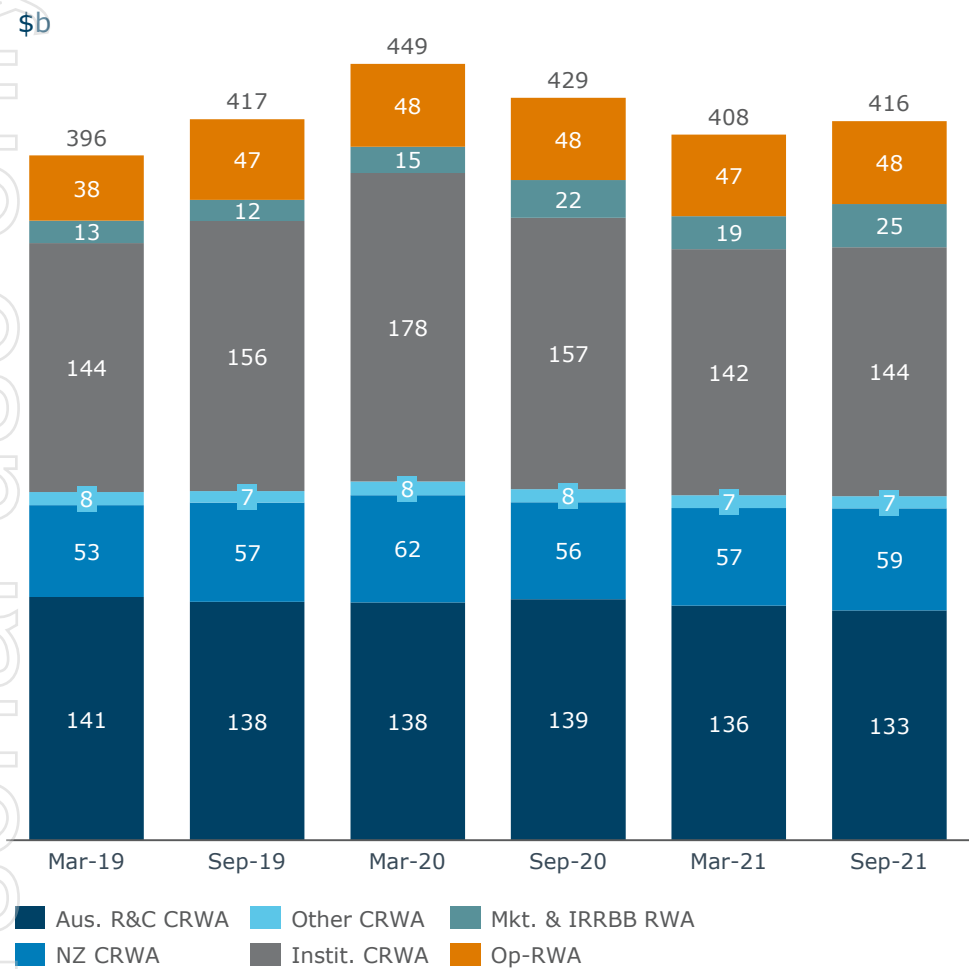
### GROSS IMPAIRED ASSETS BY EXPOSURE SIZE



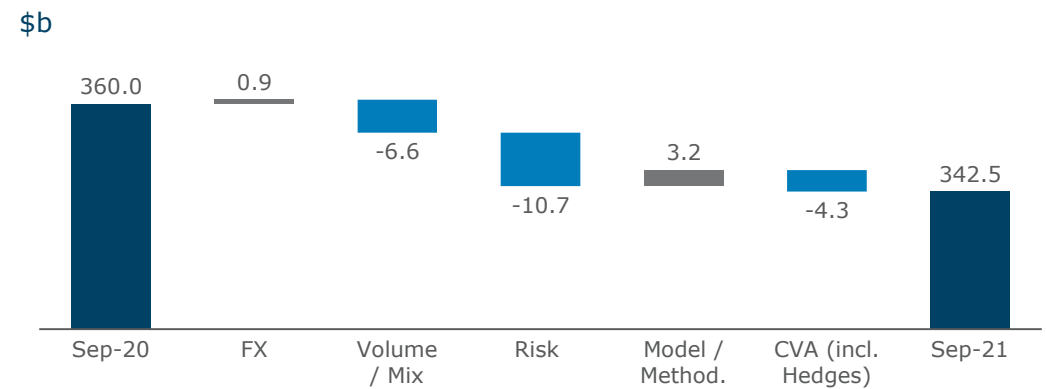
# RISK MANAGEMENT

## RISK WEIGHTED ASSET AND EXPOSURE AT DEFAULT – DIVISIONAL VIEW

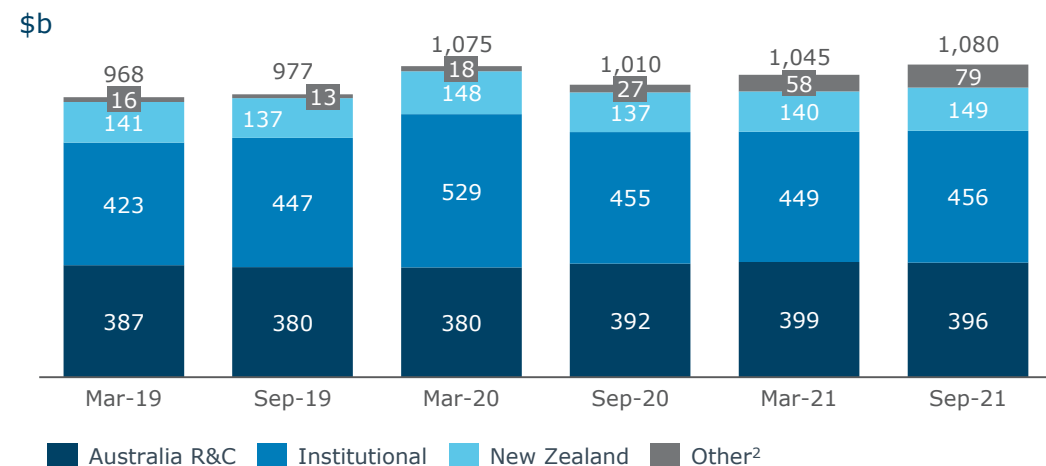
### TOTAL RISK WEIGHTED ASSETS



### CREDIT RWA DRIVERS



### EAD BY DIVISION<sup>1</sup>

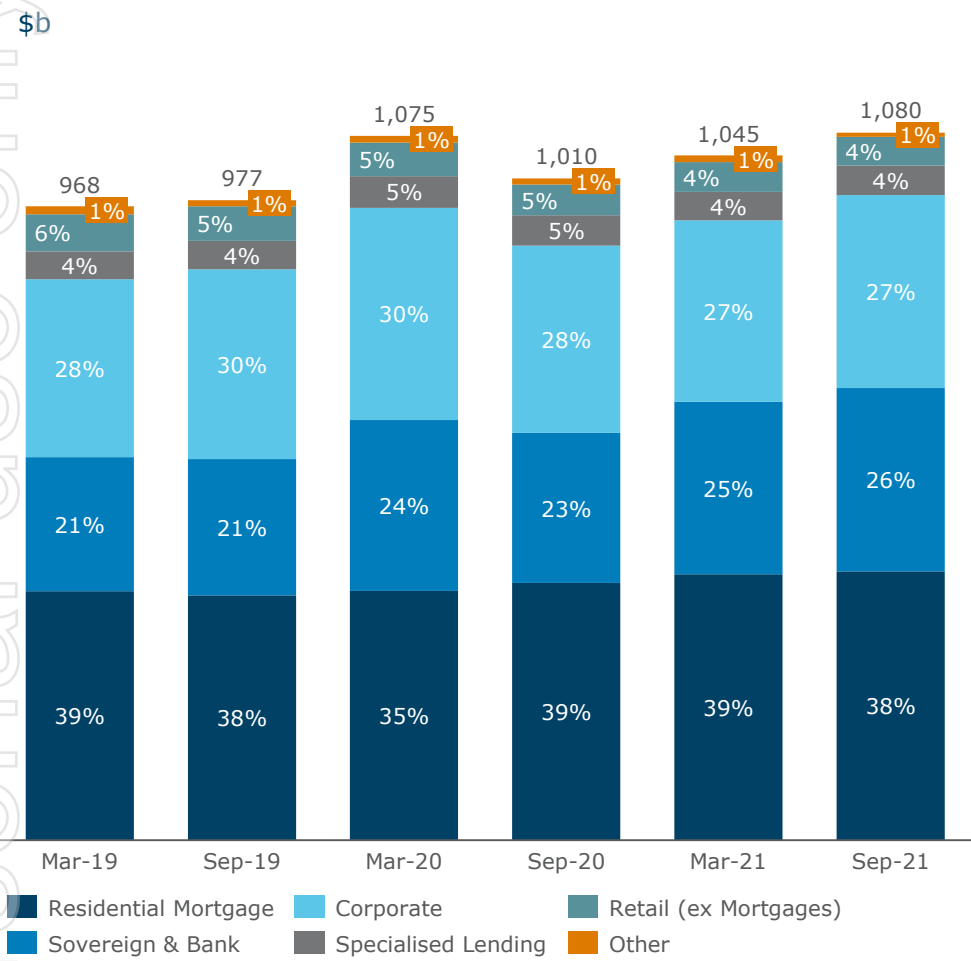


1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes, as per APS330. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral  
2. Driven by increased exposure to the RBA via higher ESA (exchange settlement account) balance

# RISK WEIGHTED ASSETS & EXPOSURE AT DEFAULT

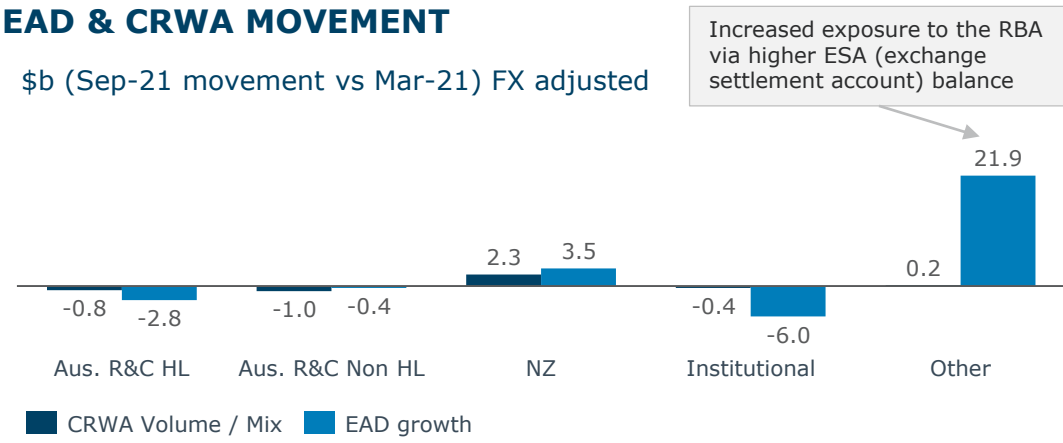
## EAD COMPOSITION<sup>1</sup>

### EAD COMPOSITION

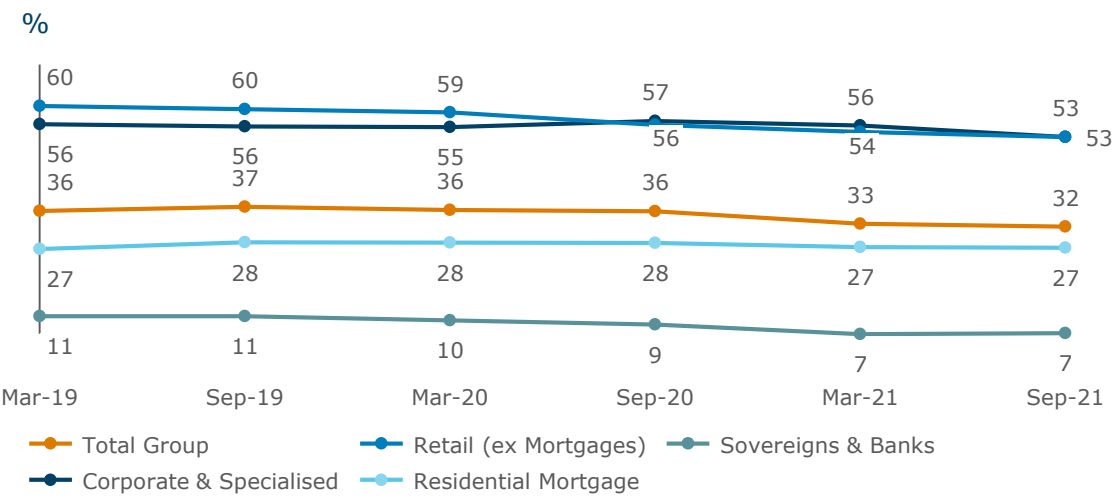


### EAD & CRWA MOVEMENT

\$b (Sep-21 movement vs Mar-21) FX adjusted



### CREDIT RWA / EAD BY PORTFOLIO<sup>2</sup>



1. EAD excludes Securitisation and Other assets, whereas CRWA is inclusive of these asset classes, as per APS 330. EAD data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral

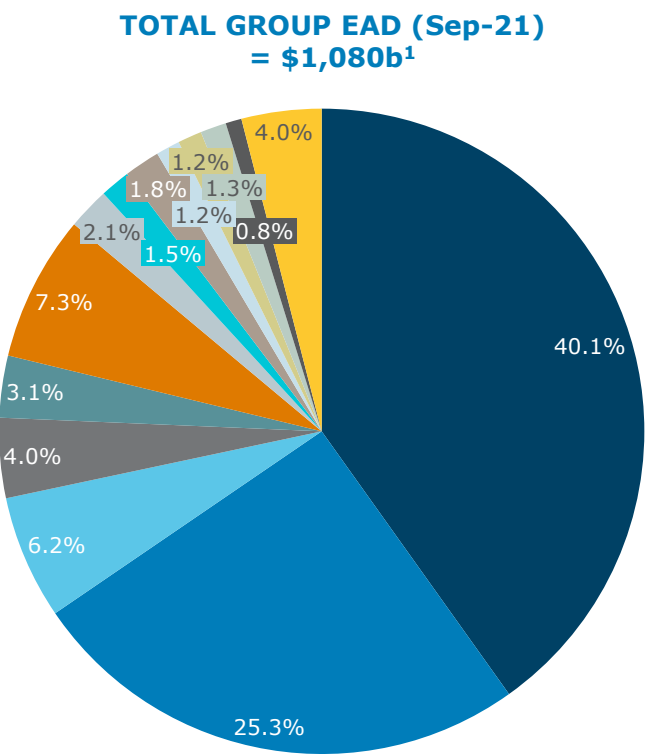
2. Total Group ratio for Sept 21 is inclusive of increased exposure to the RBA via higher exchange settlement account balances

ANZ 97

# RISK MANAGEMENT

## TOTAL PORTFOLIO COMPOSITION

### EXPOSURE AT DEFAULT (EAD) DISTRIBUTION



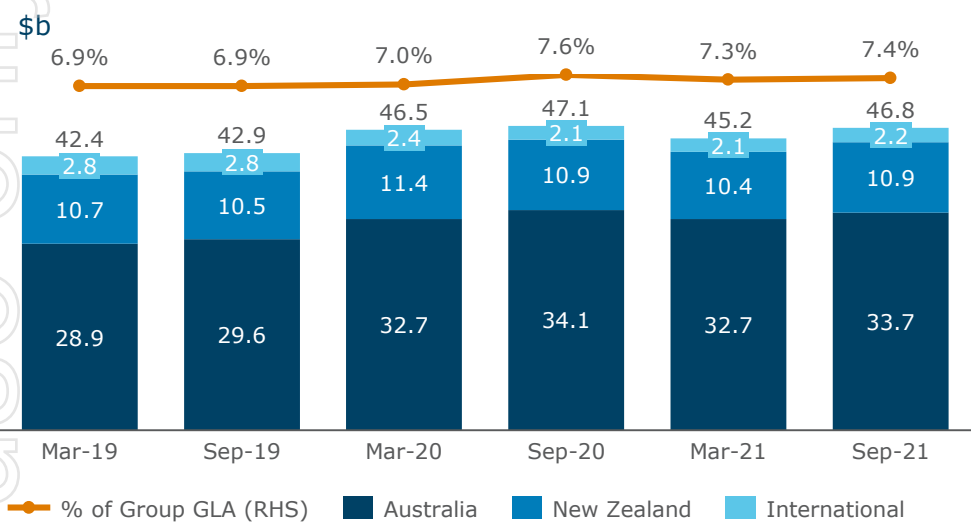
Category	% of Group EAD			% of Impaired Assets to EAD			Impaired Assets Balance <sup>3</sup>
	Sep-20 <sup>2</sup>	Mar-21	Sep-21	Sep-20 <sup>2</sup>	Mar-21	Sep-21	Sep-21
Consumer Lending	41.3%	41.1%	40.1%	0.2%	0.1%	0.1%	\$447m
Finance, Investment & Insurance	20.2%	23.1%	25.3%	0.0%	0.0%	0.0%	\$55m
Property Services	6.6%	6.2%	6.2%	0.2%	0.2%	0.1%	\$97m
Manufacturing	4.6%	3.9%	4.0%	0.2%	0.2%	0.1%	\$45m
Agriculture, Forestry, Fishing	3.3%	3.2%	3.1%	1.7%	1.0%	0.6%	\$198m
Government & Official Institutions	8.2%	8.2%	7.3%	0.0%	0.0%	0.0%	\$0m
Wholesale trade	2.3%	2.1%	2.1%	0.3%	1.5%	1.3%	\$293m
Retail Trade	1.7%	1.5%	1.5%	1.8%	1.7%	0.7%	\$109m
Transport & Storage	2.1%	1.9%	1.8%	0.5%	1.8%	1.9%	\$361m
Business Services	1.3%	1.2%	1.2%	0.8%	0.8%	0.4%	\$59m
Resources (Mining)	1.7%	1.3%	1.2%	0.1%	0.2%	0.1%	\$17m
Electricity, Gas & Water Supply	1.4%	1.4%	1.3%	0.1%	0.1%	0.1%	\$9m
Construction	0.9%	0.9%	0.8%	1.0%	0.9%	0.9%	\$77m
Other	4.4%	4.1%	4.0%	0.4%	0.4%	0.5%	\$198m
Total	100%	100%	100%				\$1,965m
Total Group EAD <sup>1</sup>		\$1,010b	\$1,045b	\$1,080b			

1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes, as per APS330. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral  
2. The industry split has been revised for September 2020 comparatives to align to APS330 Pillar 3 disclosure  
3. Excludes unsecured retail products which are 90+ days past due and treated as Impaired for APS330 reporting

# RISK MANAGEMENT

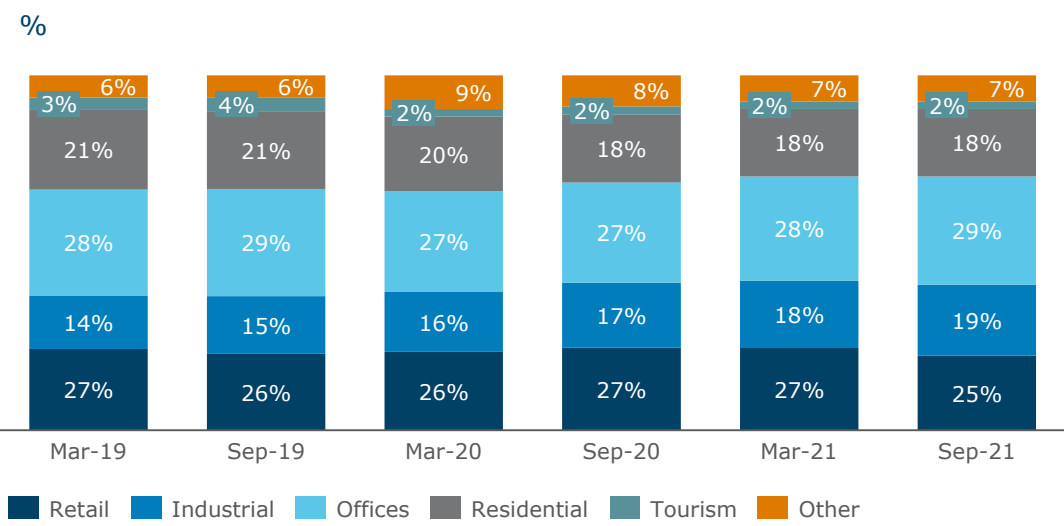
## SEGMENTS OF INTEREST

COMMERCIAL PROPERTY OUTSTANDINGS BY REGION



- Growth in commercial lending activity was in line with the overall ANZ book with Property continuing to account for 7.3% of the Group's GLA. The increase in Australian volumes was driven by higher lending to the Industrial (driven by strong M&A activity) and Office (Premium / A-grade assets with strong lease covenants) sectors
- Increase in NZ outstandings was a result of exchange rate movements
- The APEA portfolio continued to remain stable with exposure predominantly to large, well rated names in Singapore and HK

COMMERCIAL PROPERTY OUTSTANDINGS BY SECTOR



- Composition of the Commercial Property book remained relatively stable with an increase in Industrial and Office volumes offsetting a decline in the Retail sector which is still recovering from the effects of COVID-19

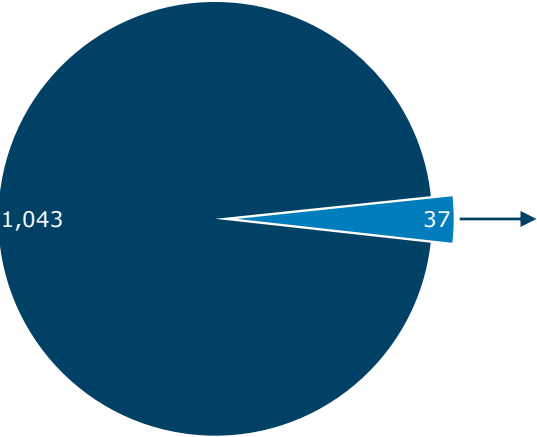
# RISK MANAGEMENT

EXPOSURE TO SOME INDUSTRIES MORE IMPACTED BY DOWNGRADES DURING THE COVID-19 PANDEMIC<sup>1,2</sup>

## TOTAL GROUP EAD

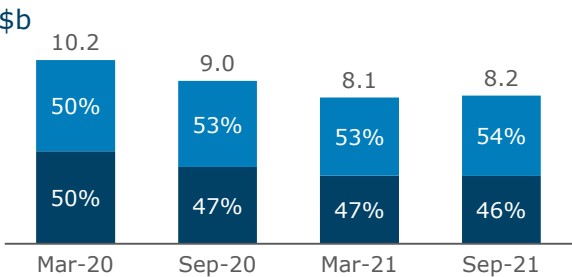
All exposures on an EAD basis in \$b

\$1,080b (Sep-21)



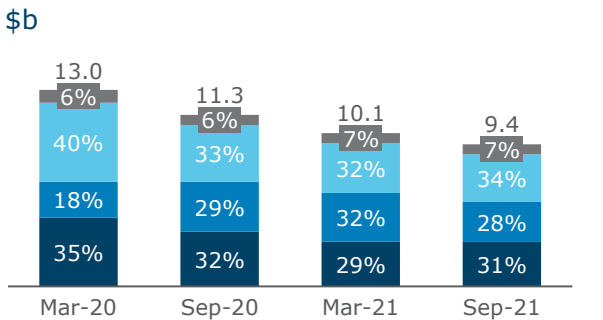
High risk industries  
Balance of total ANZ portfolio

## RETAIL TRADE



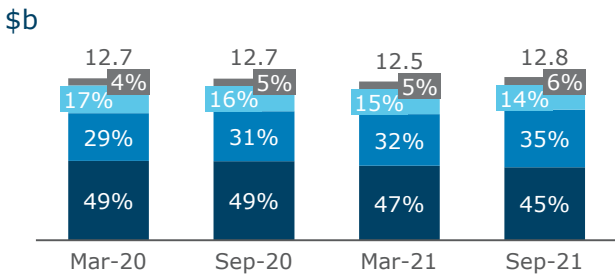
Personal & Household Goods Retailing  
Motor Vehicle Retailing & Services

## TRANSPORT & STORAGE



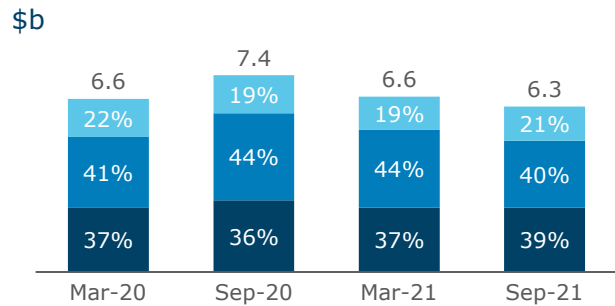
Other Services to Transport  
Water transport & Services  
Services to Air Transport  
Air and Space Transport

## ACCOMMODATION, CAFES & RESTAURANTS



Clubs (Hospitality)  
Cafes & Restaurants  
Pubs, Taverns & Bars  
Accommodation

## EDUCATION, CULTURAL & RECREATION



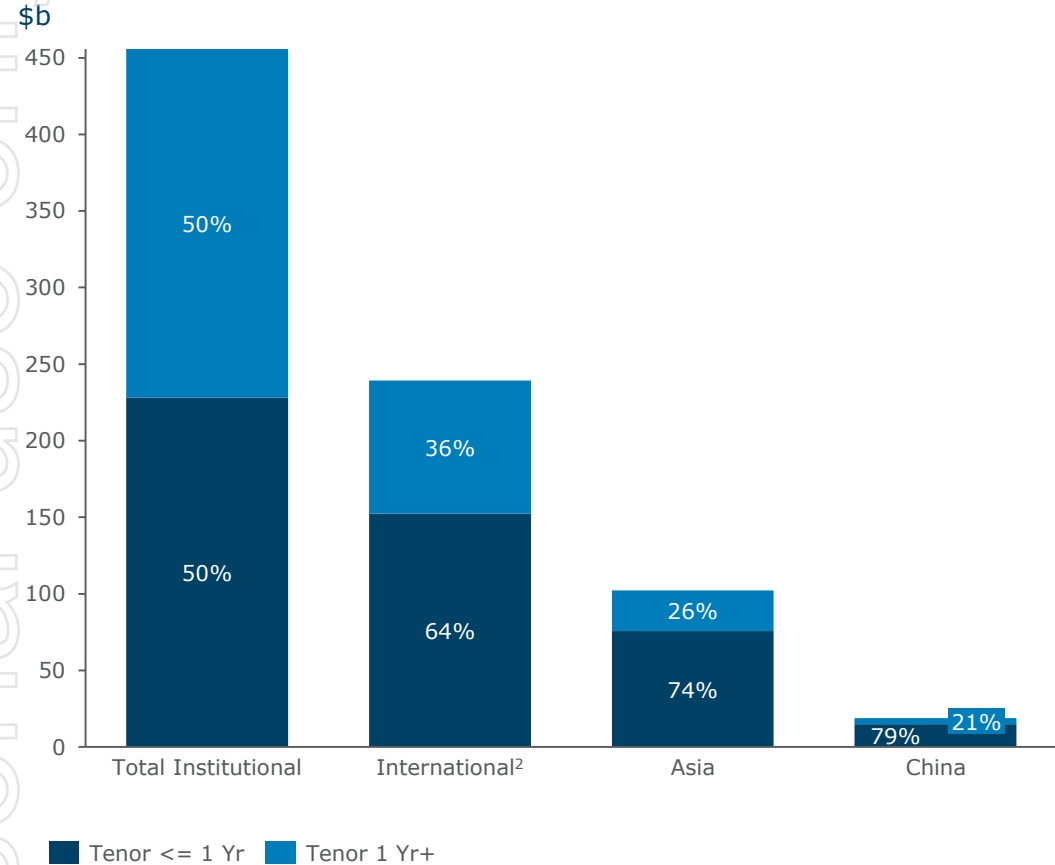
Other  
Sport & Recreation  
Education

1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes, as per APS330. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral  
2. Exposure represents a subset of sectors within the respective ANZSIC industry group

# RISK MANAGEMENT

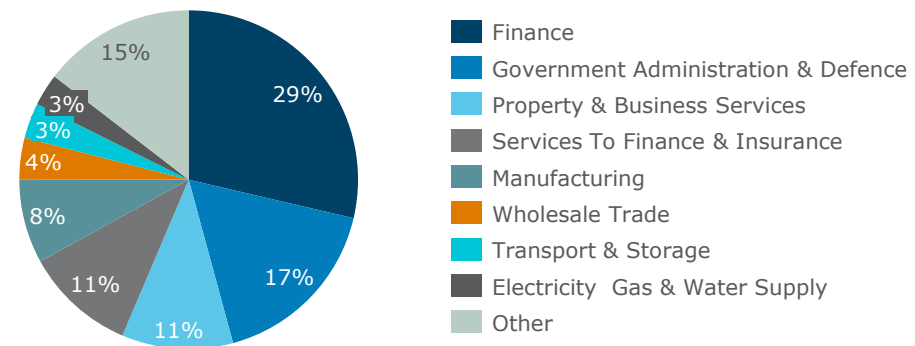
## ANZ INSTITUTIONAL PORTFOLIO

INSTITUTIONAL PORTFOLIO SIZE & TENOR BY MARKET OF INCORPORATION (EAD SEP-21<sup>1</sup>)



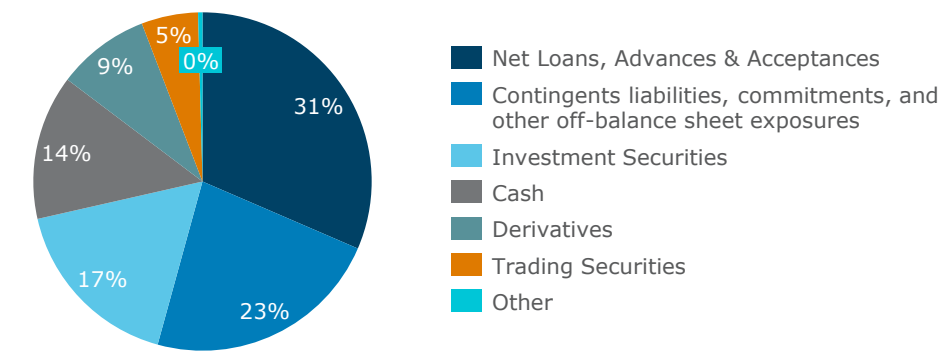
ANZ INSTITUTIONAL INDUSTRY COMPOSITION

EAD (Sep-21): A\$456b<sup>1</sup>



ANZ INSTITUTIONAL PRODUCT COMPOSITION

EAD (Sep-21): A\$456b<sup>1</sup>



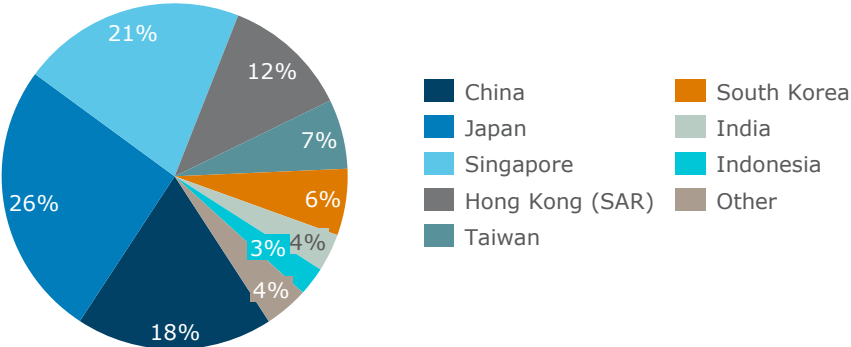
1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes, as per APS330. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral  
2. International includes Asia Pacific, Europe and America

# RISK MANAGEMENT

## ANZ ASIAN INSTITUTIONAL PORTFOLIO (MARKET OF INCORPORATION)

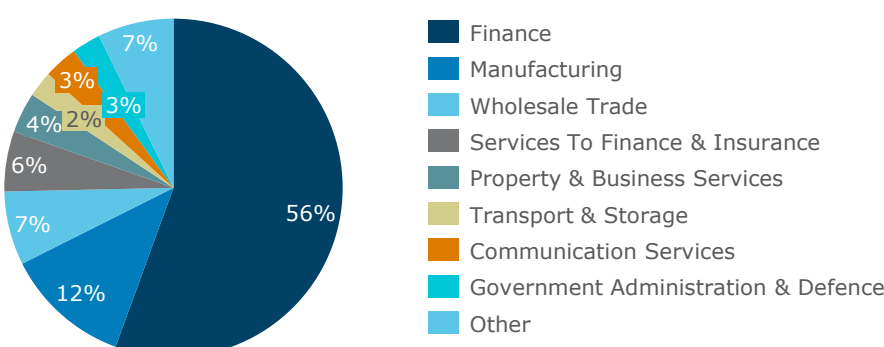
### MARKET OF INCORPORATION

EAD (Sep-21): A\$102b<sup>1</sup>



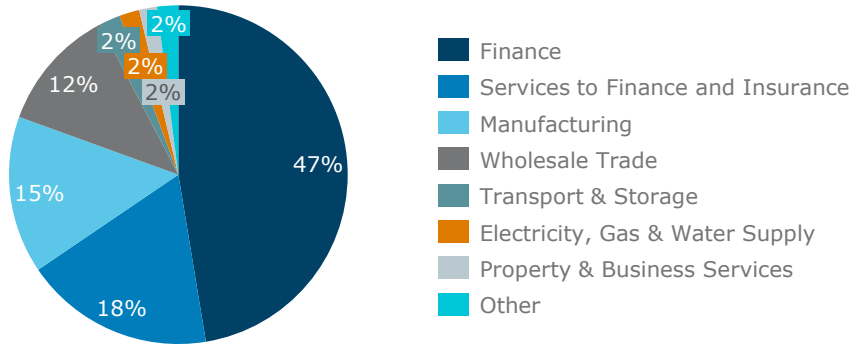
### ANZ ASIA INDUSTRY COMPOSITION

EAD (Sep-21): A\$102b<sup>1</sup>



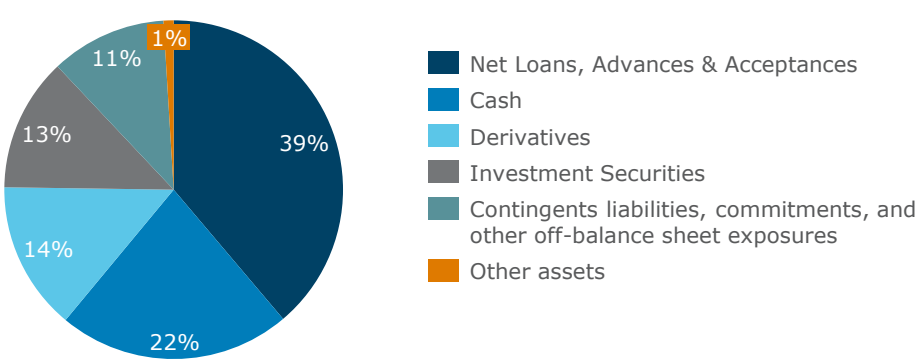
### ANZ CHINA COMPOSITION

EAD (Sep-21): A\$19b<sup>1</sup>



### ANZ ASIA PRODUCT COMPOSITION

EAD (Sep-21): A\$102b<sup>1</sup>



1. EAD excludes amounts for 'Securitisation' and 'Other Assets' Basel classes, as per APS330. Data provided is on a Post CRM basis, net of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral

# 2021 FULL YEAR RESULTS

**INVESTOR DISCUSSION PACK**  
HOUSING PORTFOLIO



# AUSTRALIA HOME LOANS

## PORTFOLIO OVERVIEW (UNLESS OTHERWISE STATED METRICS ARE BASED ON BALANCES)

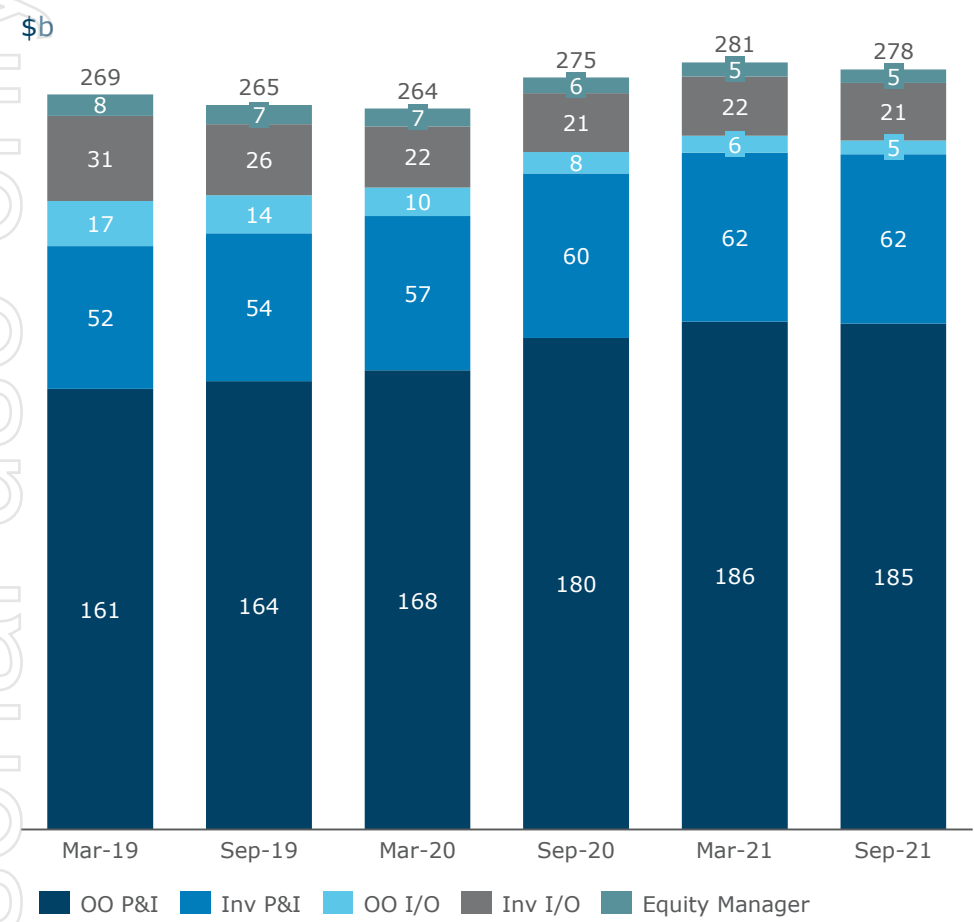
	Portfolio <sup>1</sup>			Flow <sup>2</sup>			Portfolio <sup>1</sup>		
	FY19	FY20	FY21	FY20	FY21		FY19	FY20	FY21
Number of Home Loan accounts	983k	1,008k	1,002k	170k <sup>3</sup>	179k <sup>3</sup>	Average LVR at Origination <sup>9,10,11</sup>	67%	69%	71%
Total FUM	\$265b	\$275b	\$278b	\$61b	\$68b	Average Dynamic LVR (excl. offset) <sup>10,11,12</sup>	57%	56%	51%
Average Loan Size <sup>4</sup>	\$270k	\$273k	\$277k	\$391k	\$412k	Average Dynamic LVR (incl. offset) <sup>10,11,12</sup>	52%	50%	45%
% Owner Occupied <sup>5</sup>	67%	68%	68%	70%	68%	Market share (MADIS publication) <sup>13</sup>	14.3%	14.5%	13.9%
% Investor <sup>5</sup>	30%	30%	30%	29%	31%	% Ahead of Repayments <sup>14</sup>	76%	72%	70%
% Equity Line of Credit <sup>6</sup>	3%	2%	2%	1%	1%	Offset Balances <sup>15</sup>	\$27b	\$33b	\$39b
% Paying Variable Rate Loan <sup>7</sup>	84%	78%	67%	70%	55%	% First Home Buyer	8%	8%	8%
% Paying Fixed Rate Loan <sup>7</sup>	16%	22%	33%	30%	45%	% Low Doc <sup>16</sup>	4%	3%	2%
% Paying Interest Only <sup>8</sup>	15%	11%	9%	14%	14%	Loss Rate <sup>17</sup>	0.04%	0.03%	0.03%
% Broker originated	52%	53%	53%	57%	56%	% of Australia Geography Lending <sup>18,19</sup>	61%	62%	64%
						% of Group Lending <sup>18</sup>	43%	44%	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 5. The current classification of Investor vs Owner Occupied is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances. 6. ANZ Equity Manager product no longer offered for sale as of 31 July 2021 7. Excludes Equity Manager Accounts 8. Based on customers that request a specific interest only period and does not include loans being progressively drawn e.g. construction 9. Originated in the respective year 10. Unweighted based on # accounts 11. Includes capitalised LMI premiums 12. Valuations updated to Aug 21 where available. Includes Non Performing Loans and excludes accounts with a security guarantee and unknown DLVR 13. Source: APRA Monthly Authorised Deposit-Taking Institutions Statistics (MADIS) to Aug 21 14. % of Owner Occupied and Investor Loans that have any amount ahead of repayments based on available Redraw and Offset 15. Balances of Offset accounts connected to existing Instalment Loans 16. 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 Note Low Doc lending at ANZ is no longer offered. 17. Annualised write-off net of recoveries 18. Based on Gross Loans & Advances 19. Australia Geography includes Australia R&C and Institutional Australia

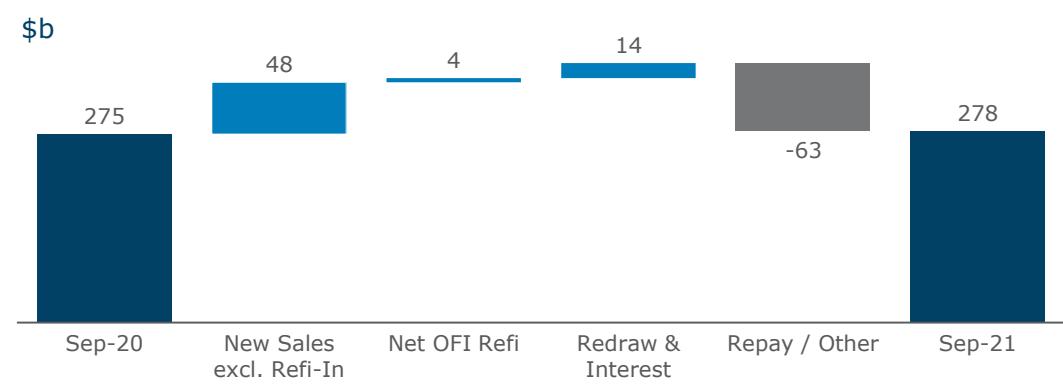
# AUSTRALIA HOME LOANS

## PORTFOLIO GROWTH

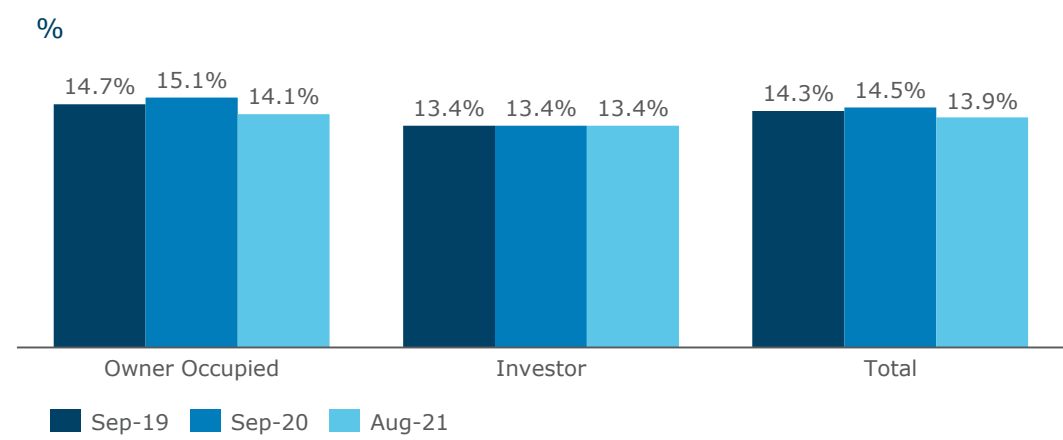
### HOME LOAN FUM COMPOSITION<sup>1,2,3,4</sup>



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



### MARKET SHARE<sup>5</sup>

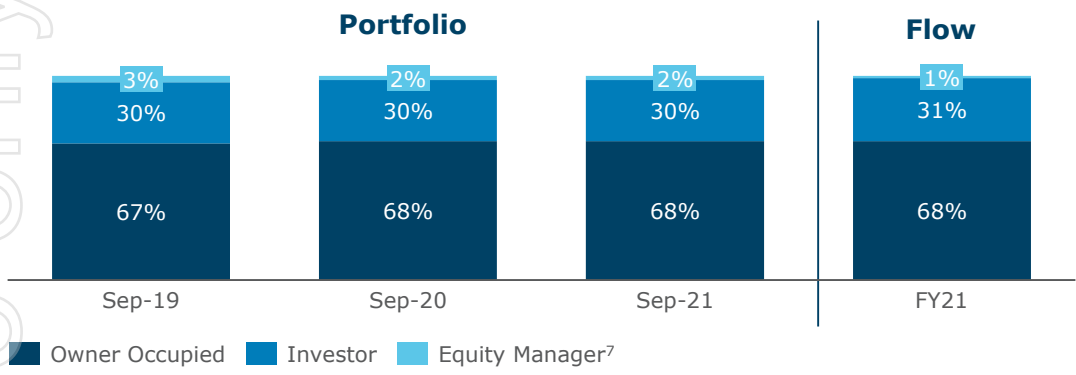


1. Based on Gross Loans and Advances. Includes Non Performing Loans  
2. The current classification of Investor vs Owner Occupied is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances  
3. Interest Only (I/O) is based on customers that request a specific interest only period and does not include loans being progressively drawn e.g. construction  
4. ANZ Equity Manager product no longer offered for sale as of 31 July 2021  
5. Source: APRA Monthly Authorised Deposit-Taking Institutions Statistics (MADIS) to Aug 21

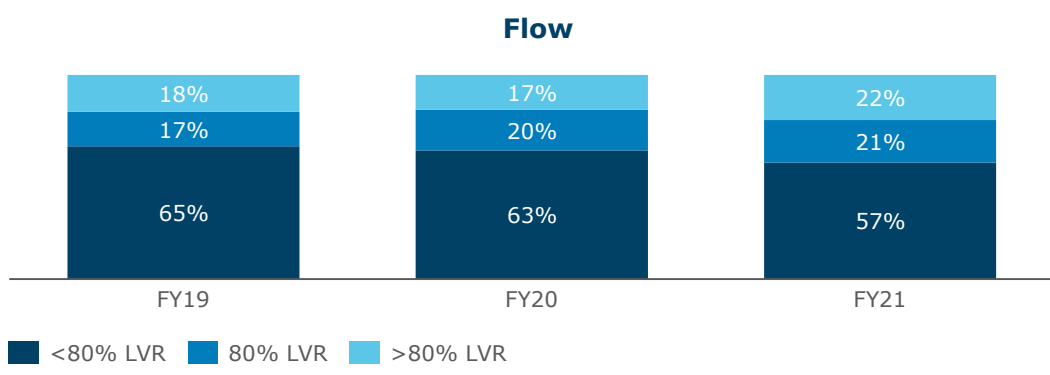
# AUSTRALIA HOME LOANS

PORTFOLIO<sup>1,2</sup> & FLOW<sup>3,4</sup> COMPOSITION (% of TOTAL BALANCES)

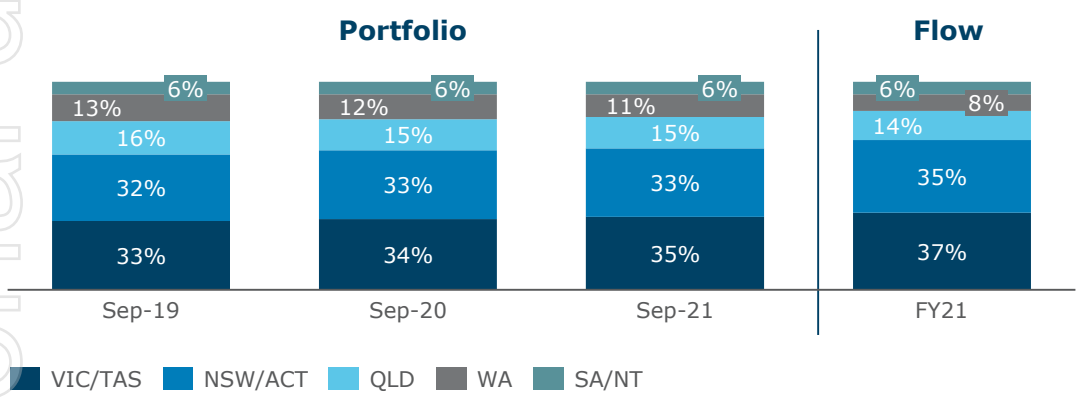
## BY PURPOSE



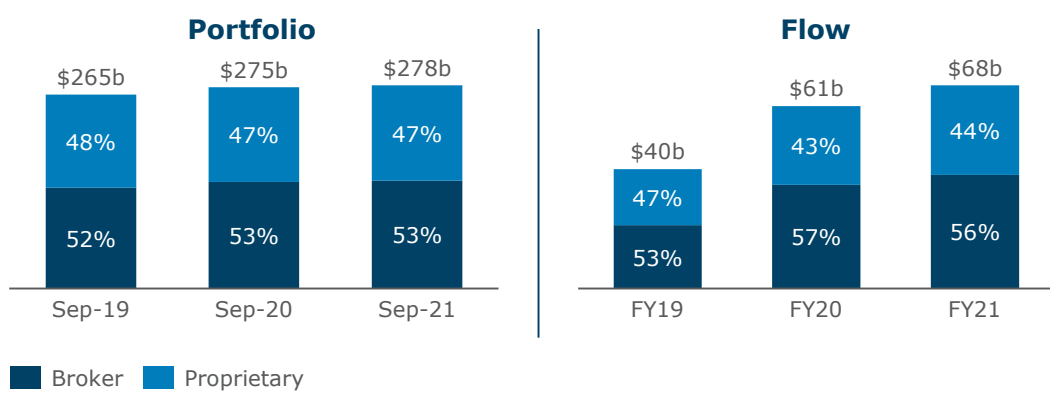
## BY ORIGINATION LVR<sup>4,5,6</sup>



## BY LOCATION



## BY CHANNEL



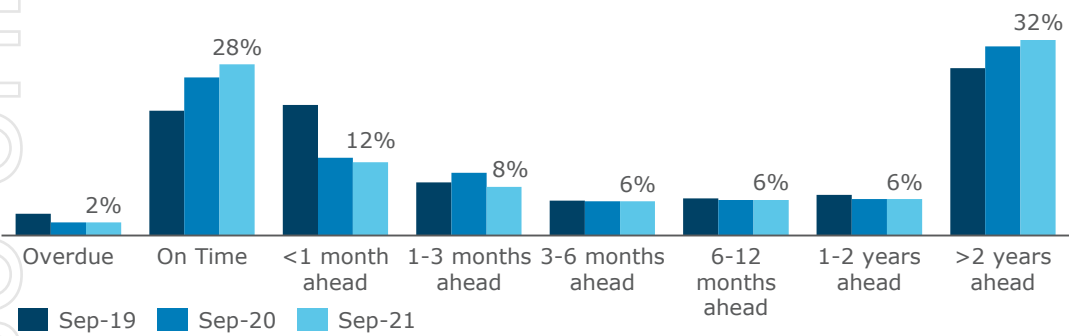
1. Includes Non Performing Loans  
2. The current classification of Investor vs Owner Occupied is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances  
3. YTD unless noted  
4. Based on drawn month  
5. Includes capitalised LMI premiums  
6. Historical FY19 and FY20 figures have been restated based on drawn month (previously reported based on application month)  
7. ANZ Equity Manager product no longer offered for sale as of 31 July 2021

# AUSTRALIA HOME LOANS

## PORTFOLIO DYNAMICS

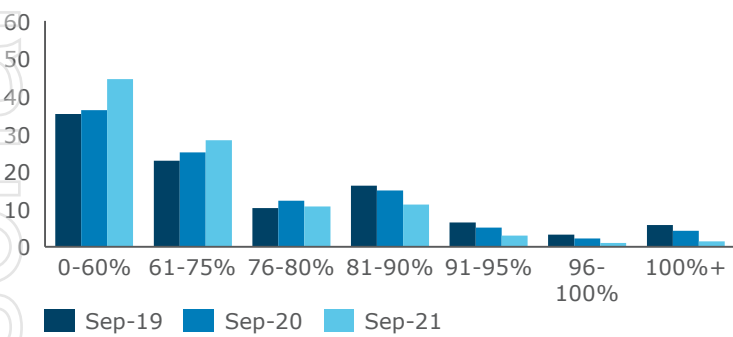
### HOME LOANS REPAYMENT PROFILE<sup>1,2</sup>

70% of accounts ahead of repayments



### DYNAMIC LOAN TO VALUE RATIO BASED ON PORTFOLIO BALANCES<sup>5,6,7,8</sup>

% of total Portfolio Balances



**>90%**

Net of offset balances

- 4.0% of portfolio
- 42% ahead of repayments<sup>2</sup>
- 44% with LMI

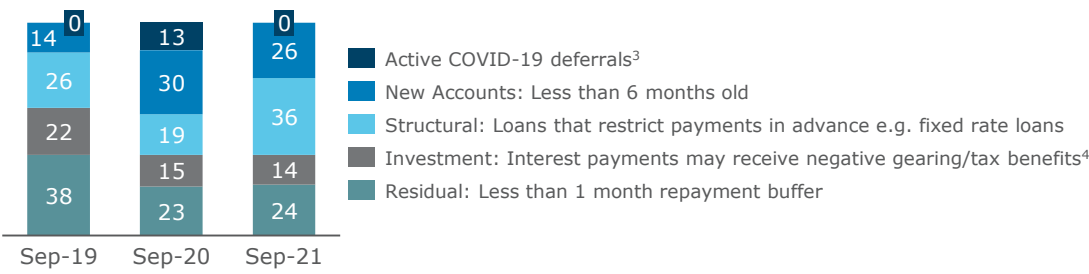
**NEGATIVE EQUITY**

Net of offset balances

- 1.2% of portfolio
- 46% ahead of repayments<sup>2</sup>
- 37% with LMI

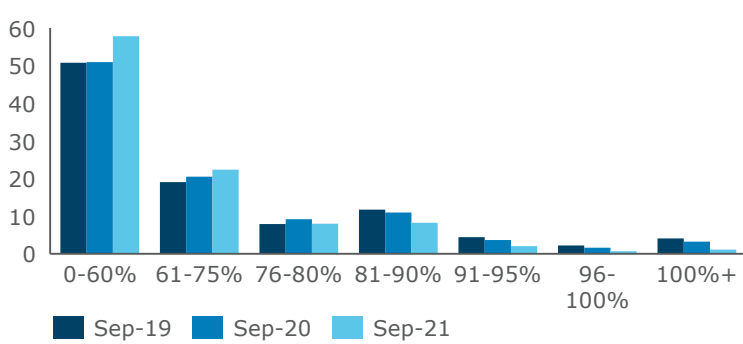
### HOME LOANS ON TIME & <1 MONTH AHEAD PROFILE<sup>2</sup>

% composition of accounts (Sep-21)



### DYNAMIC LOAN TO VALUE RATIO BASED ON TOTAL PORTFOLIO ACCOUNTS<sup>5,6,7,8,9</sup>

% of total Portfolio Accounts



**>90%**

Net of offset balances

- 2.9% of portfolio
- 48% ahead of repayments<sup>2</sup>
- 50% with LMI

**NEGATIVE EQUITY**

Net of offset balances

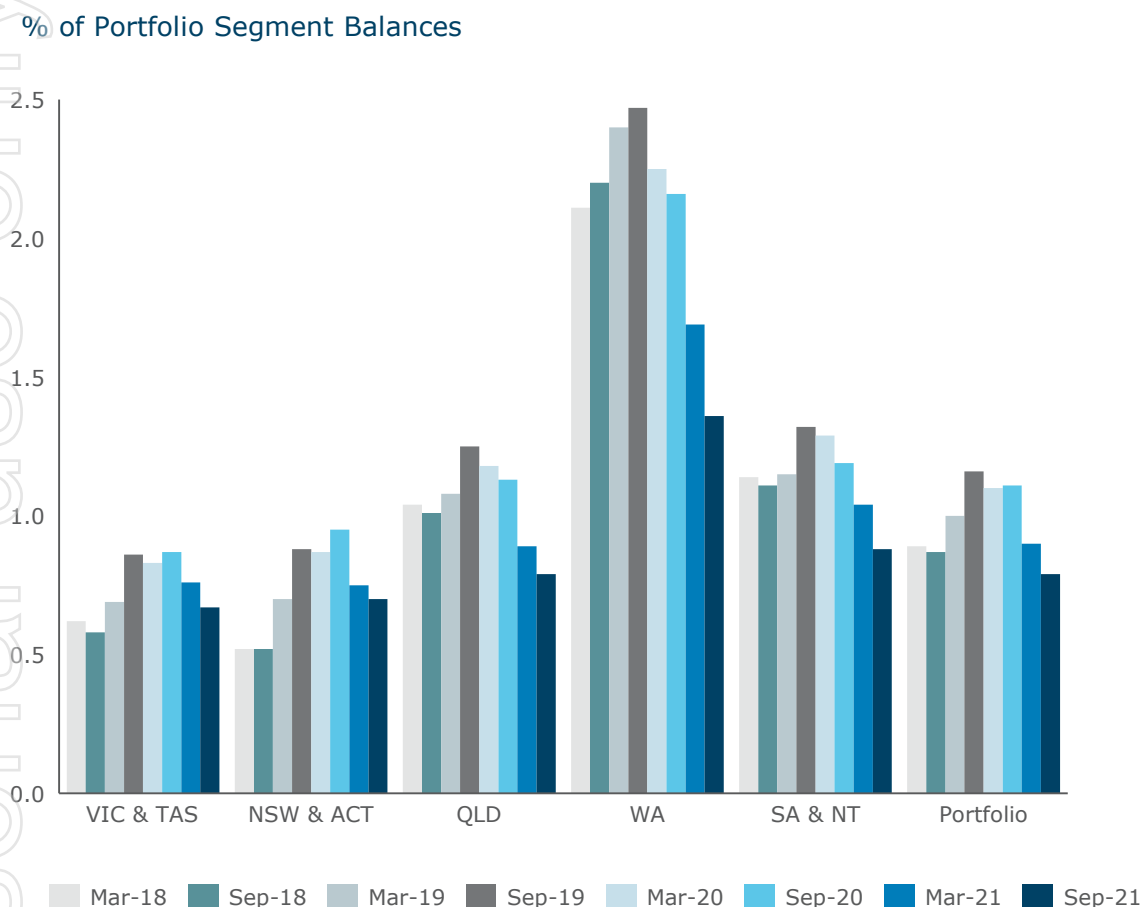
- 0.9% of portfolio
- 52% ahead of repayments<sup>2</sup>
- 42% with LMI

1. Includes Non Performing Loans 2. % of Owner Occupied and Investment Loans that have any amount ahead of repayments. Excess repayments based on available Redraw and Offset. Excludes Equity Manager Accounts 3. For Sep-21 column, this only captures 2021 COVID deferrals as at 10 Sep 2021 4. The current classification of Investor vs Owner Occupied, is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances 5. Includes capitalised LMI premiums 6. Valuations updated to Aug 21 where available 7. Includes Non Performing Loans and excludes accounts with a security guarantee and unknown DLVR 8. DLVR does not incorporate offset balances 9. Aligning with calculations that produce a portfolio average DLVR unweighted based on # accounts of 51%

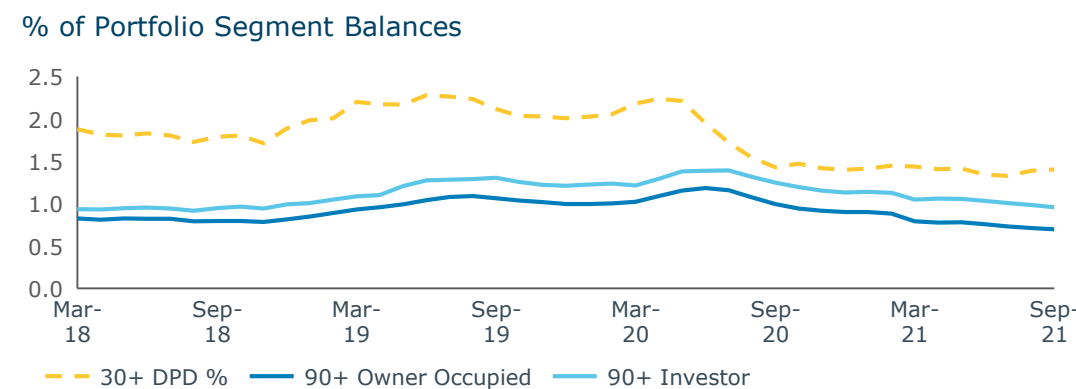
# AUSTRALIA HOME LOANS

## PORTFOLIO PERFORMANCE

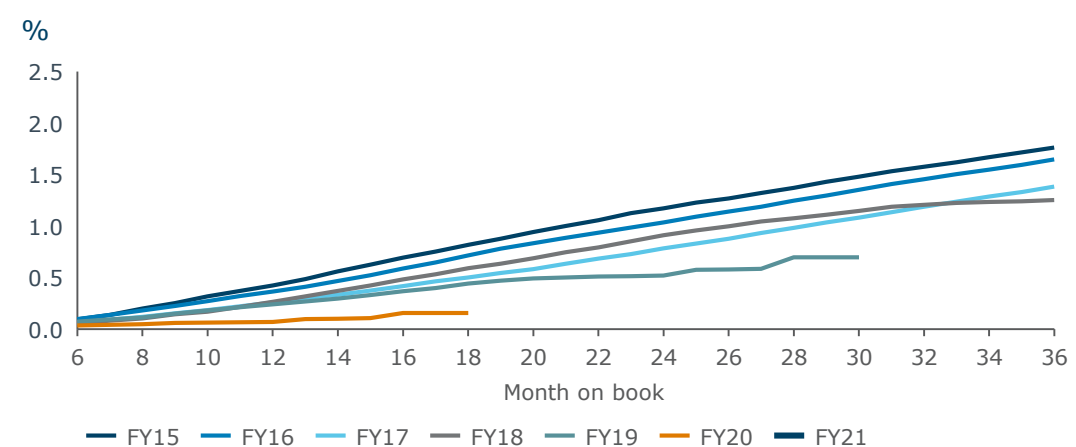
### HOME LOANS 90+ DPD BY STATE<sup>1,2</sup>



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



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



1. Includes Non Performing Loans 2. ANZ delinquencies are calculated on a missed payment basis for amortising and Interest Only loans 3. The current classification of Investor vs Owner Occupied, is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances 4. 30+ and 90+ between Mar 20 and Jun 20 excludes eligible Home Loans accounts that had requested COVID-19 assistance but due to delays in processing had not had the loan repayment deferral applied to the account 5. Home loans 90+ DPD vintages represent % ratio of over 90+ delinquent (measured by # accounts), contains at least 6 application months of that fiscal year contributing to each data point

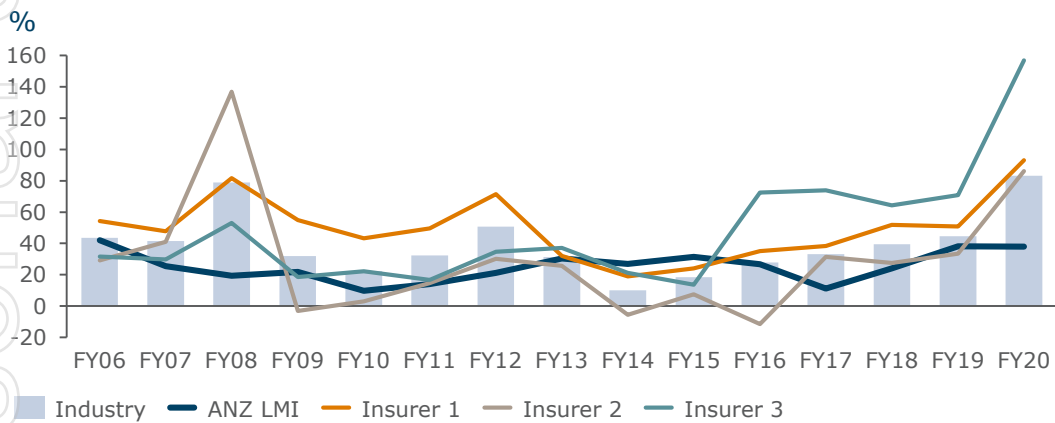
# LENDERS MORTGAGE INSURANCE

## SEPTEMBER FULL YEAR 2021 RESULTS

Gross Written Premium (\$m)	\$124.0m
Net Claims Paid (\$m)	\$19.0m
Loss Rate* (of Exposure - annualised)	-2.5bps

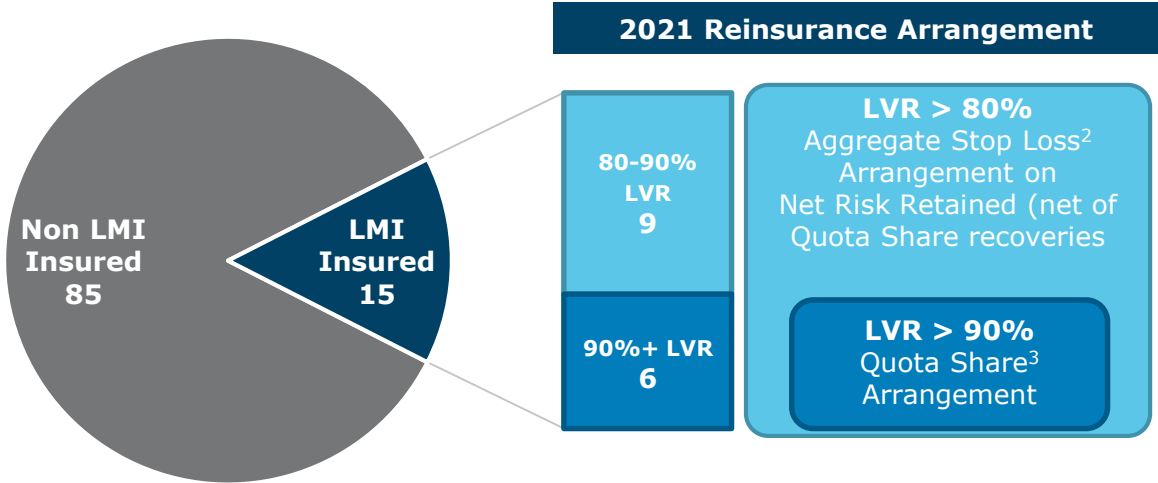
\* Negative Loss Rate driven by the release of provisions recorded in 2020 as coverage for anticipated future claims as a result of the COVID-19 situation

## ANZLMI LOSS RATIOS REMAINED COMPARABLE TO PEERS<sup>1</sup>



## LMI & REINSURANCE STRUCTURE

Australian Home Loan portfolio LMI and Reinsurance Structure at 30 Sep 21  
(% New Business FUM Oct 20 to Sep 21)



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<sup>3</sup>** with reinsurers for mortgages 90% LVR and above and in addition an **Aggregate Stop Loss arrangement<sup>2</sup>** 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. 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  
3. Quota Share arrangement - reinsurer assumes an agreed reinsured % whereby reinsurer shares all premiums and losses accordingly with ANZLMI

# NEW ZEALAND HOME LOANS

## PORTFOLIO OVERVIEW

	Portfolio			Flow	
	FY19	FY20	FY21	FY20	FY21
Number of Home Loan Accounts	527k	529k	535k	68k	82k
Total FUM	NZD85b	NZD90b	NZD99b	NZD20b	NZD29b
Average Loan Size	NZD161k	NZD169k	NZD185k	NZD287k	NZD352k
% Owner Occupied	75%	75%	75%	75%	74%
% Investor	25%	25%	25%	25%	26%
% Paying Variable Rate Loan	15%	13%	10%	14%	14%
% Paying Fixed Rate Loan	85%	87%	90%	86%	86%
% Paying Interest Only	19%	21%	15%	19%	18%
% Paying Principal & Interest	81%	79%	85%	81%	82%
% Broker Originated	38%	40%	43%	42%	46%

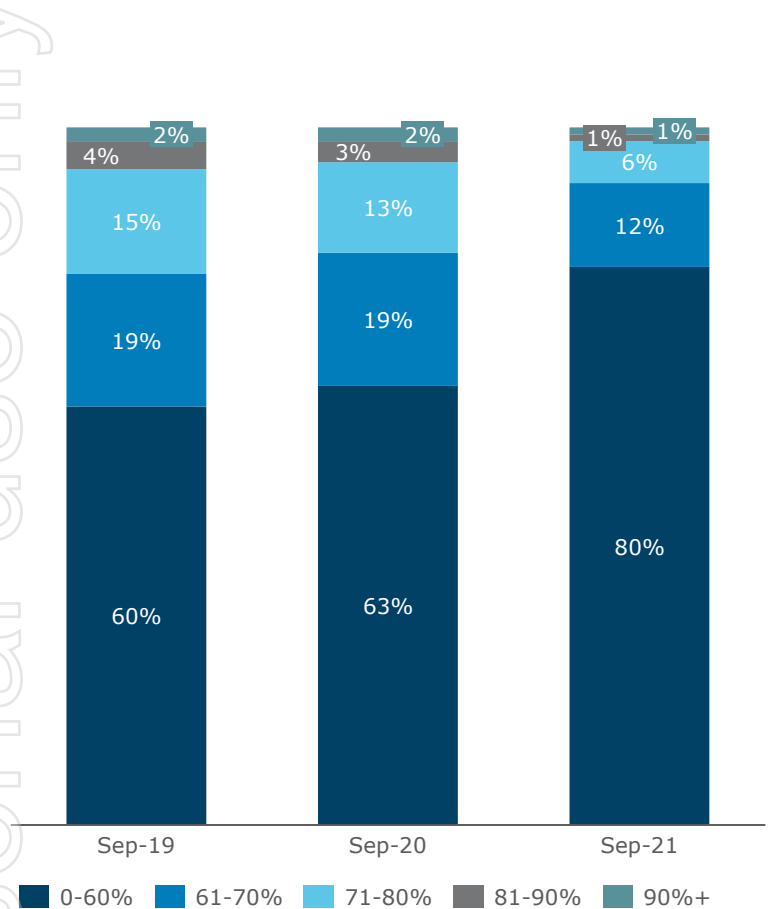
	Portfolio		
	FY19	FY20	FY21
Average LVR at Origination <sup>1</sup>	56%	58%	57%
Average Dynamic LVR <sup>1</sup>	42%	40%	35%
Market Share <sup>2</sup>	30.7%	30.6%	30.4%
% Low Doc <sup>3</sup>	0.34%	0.30%	0.26%
Home Loan Loss Rates	0.00%	0.00%	0.00%
% of NZ Geography Lending	63%	67%	70%

1. Average data as of August 2021  
2. Source: RBNZ, FY21 share of all banks as at August 2021  
3. Low documentation (Low Doc) lending allowed customers who met certain criteria to apply for a mortgage with reduced income confirmation requirements. New Low Doc lending ceased in 2007

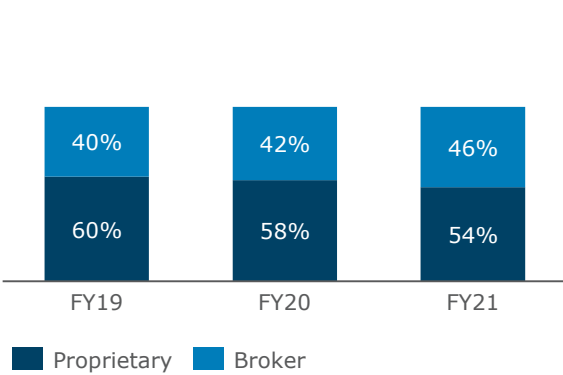
# NEW ZEALAND HOME LOANS

## HOME LENDING & ARREARS TRENDS

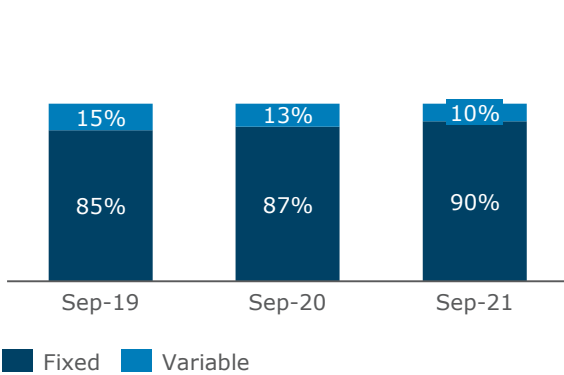
ANZ HOME LOAN LVR PROFILE<sup>1</sup>



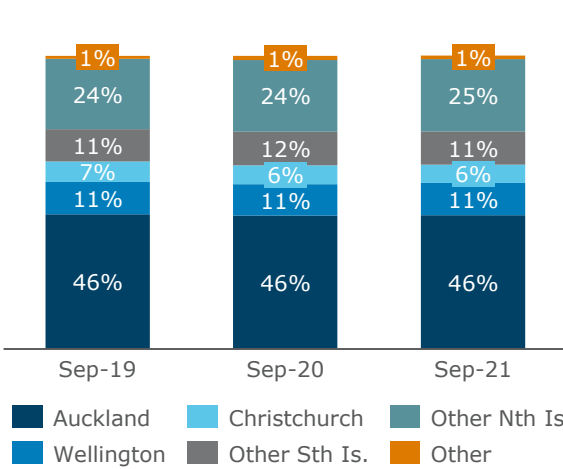
HOUSING FLOWS



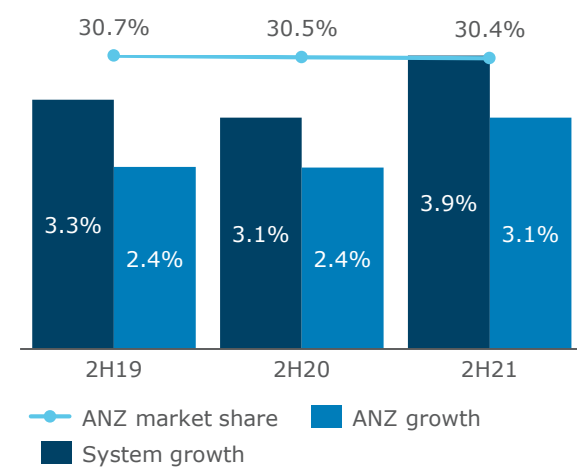
HOUSING PORTFOLIO



HOUSING PORTFOLIO BY REGION<sup>2</sup>



MARKET SHARE<sup>3</sup>



1. Dynamic basis  
2. Prior periods have been restated to reflect loans previously included in "Other" have now been allocated across regions  
3. Source: RBNZ, 2H21 as at August 2021

# NEW ZEALAND HOME LOANS

## SUMMARY OF MACRO PRUDENTIAL CHANGES<sup>1</sup>

Restrictions on loan-to-value ratios (LVRs) are limits on banks to reduce the amount of low deposit mortgage lending. Below are the changes to the LVR restrictions during the year, excludes exemptions for new builds, remediation, Kainga Ora, bridging loans and refinancing.

### 1. LVR restrictions

#### From 1 March 2021

- LVR restrictions for owner-occupiers reinstated to a maximum of 20% of new lending at LVRs above 80%
- LVR restrictions for investors reinstated to a maximum of 5% of new lending at LVRs above 70%

#### From 1 May 2021

- LVR restrictions for investors further raised to a maximum of 5% of new lending at LVRs above 60%

#### From 1 November 2021

- LVR restrictions for owner-occupiers revised to a maximum of 10% of new lending at LVRs above 80%

### 2. Regulators are also proposing further changes to home lending which may include introducing debt to income thresholds, or another serviceability tool.

## SUMMARY OF MACRO PRUDENTIAL CHANGES<sup>2</sup>

### Bright-line changes

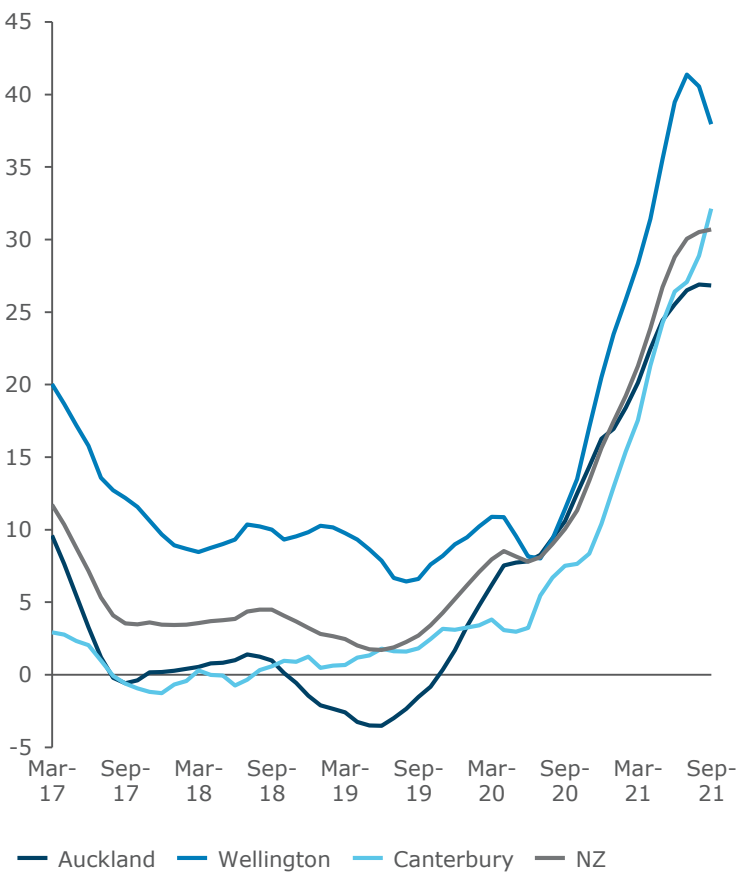
- The Government extended the bright-line property rule from 5 to 10 years for residential property acquired on or after 27 March 2021. This bright-line rule has gradually extended over time from initially 2 years from 1 October 2015, then 5 years from 29 March 2018 and now 10 years from 27 March 2021. Under the extended bright-line rule, if residential property is sold within 10 years of acquisition, income tax may be payable on any gain
- Exemptions from the 10 year bright-line test include new builds (albeit still subject to the previous 5 year bright-line test), inherited properties and the owner's main home

### Interest deductibility

- Interest deductibility for tax purposes on a mortgage on a residential investment property (acquired before 27 March 2021) will be gradually phased out between 1 October 2021 and 31 March 2025. For residential investment properties purchased after 27 March 2021, interest would immediately cease to be deductible from 1 October 2021
- Exemptions for property developers and for owners of new builds exist, allowing full deduction of interest

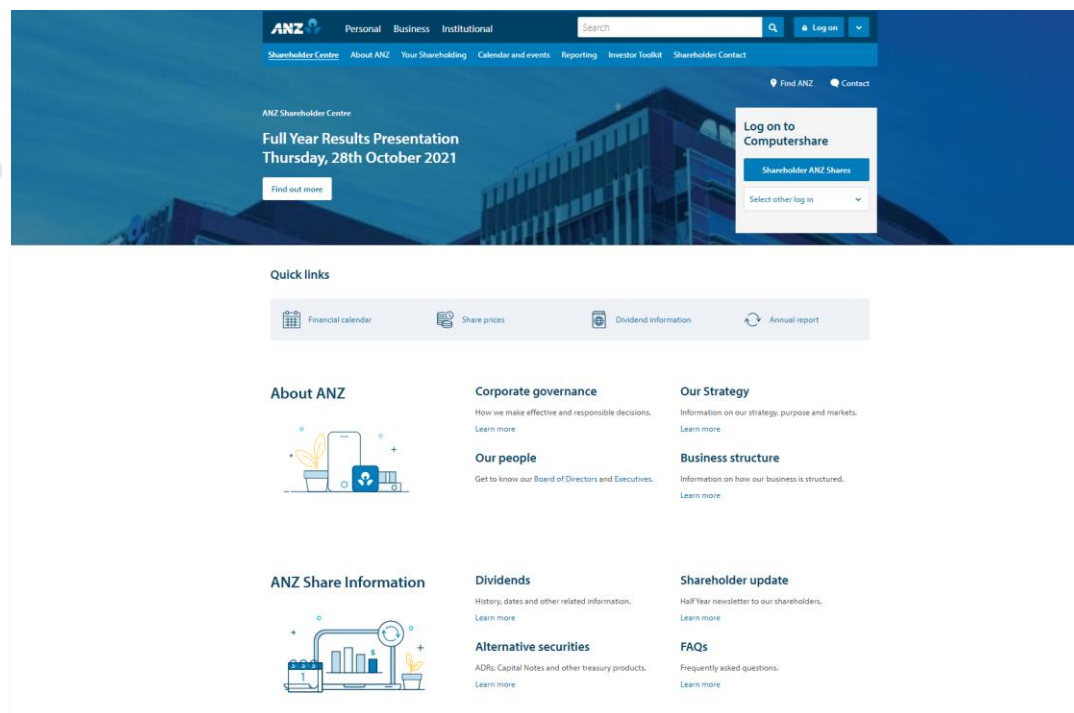
## HOUSE PRICE CHANGES BY LOCATION<sup>3</sup>

Annual % change (3-mth average)

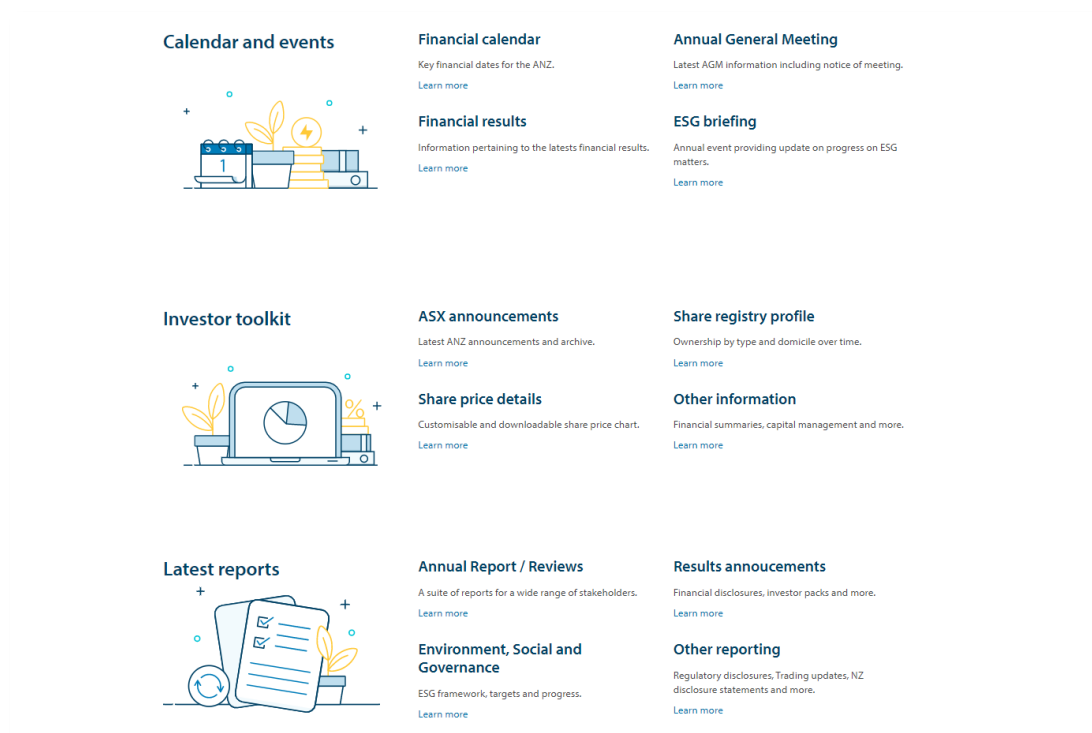


1. Source: RBNZ; 2. Source: IRD; 3. Source: ANZ, REINZ

# FURTHER INFORMATION



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



Equity Investors			Retail Investors	Debt Investors
<b>Jill Campbell</b> <b>Group General Manager</b> <b>Investor Relations</b> +61 3 8654 7749 +61 412 047 448 <a href="mailto:jill.campbell@anz.com">jill.campbell@anz.com</a>	<b>Cameron Davis</b> <b>Executive Manager</b> <b>Investor Relations</b> +61 3 8654 7716 +61 421 613 819 <a href="mailto:cameron.davis@anz.com">cameron.davis@anz.com</a>	<b>Harsh Vardhan</b> <b>Senior Manager</b> <b>Investor Relations</b> +61 3 8655 0878 +61 466 848 027 <a href="mailto:harsh.vardhan@anz.com">harsh.vardhan@anz.com</a>	<b>Michelle Weerakoon</b> <b>Manager</b> <b>Shareholder Services &amp; Events</b> +61 3 8654 7682 +61 411 143 090 <a href="mailto:michelle.weerakoon@anz.com">michelle.weerakoon@anz.com</a>	<b>Scott Gifford</b> <b>Head of Debt</b> <b>Investor Relations</b> +61 3 8655 5683 +61 434 076 876 <a href="mailto:scott.gifford@anz.com">scott.gifford@anz.com</a>