

ANZ ASIA INVESTOR TOUR 2014

AUSTRALIA AND
NEW ZEALAND
BANKING GROUP
LIMITED

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Operational Strategy

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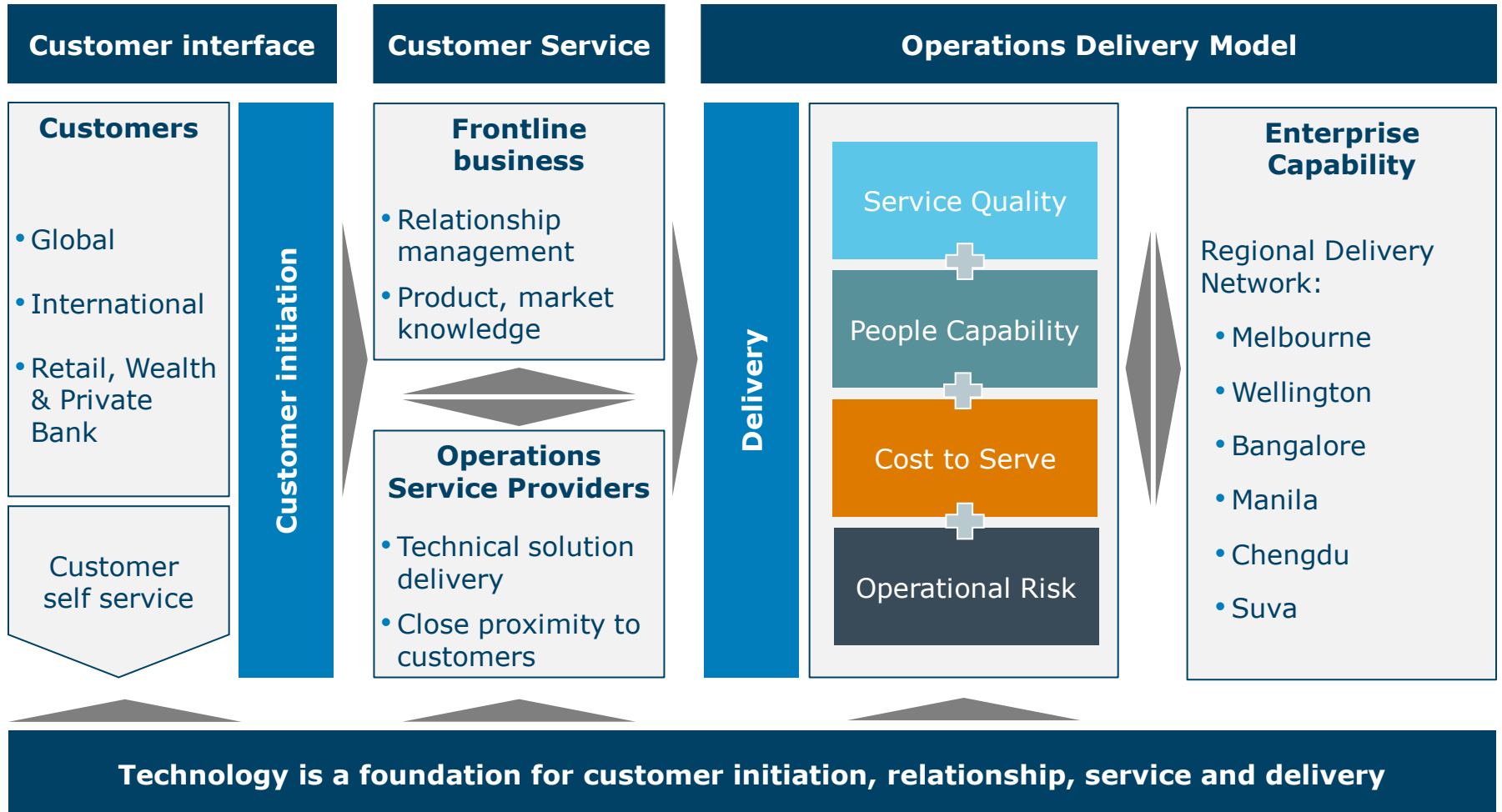


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International & Institutional Banking Structure



Our function supports the delivery of the IIB strategy



Our operations delivery model focuses on customer outcomes

Operations Delivery Model

Service Quality

- In addition to transactional processing responsibilities, we proactively provide **customer insights and analytics** to service our relationship teams and add value to our customers
- We have made ~3,000 client visits in the last 18 months to **deepen our understanding and customise our response**
- Through our Tiered Service model, we have an **integrated cross-product service proposition for customers**, including a single point of contact and query resolution to better match service capability and transaction delivery standards



People Capability

- Our enterprise wide operations and technology team has physical **presence in ~28 countries**.
- Our regional delivery networks now have **~10,000 employees** across Australia, New Zealand, India, Philippines, China and Fiji and are a **source of talent to support future growth**
- Our people capability includes **change and transformation expertise** across Markets, Digital, Payments and Lending

Our Regional Delivery Networks have created scale to support efficient business growth

Operations Delivery Model

Cost to Serve

- We optimise our **cost to serve** customers through productivity measures in-country and our regional delivery centres
- Our function **processed ~30 million transactions in 2013 with the capability to increase** for products across Payments, Trade, Retail, Markets and Wholesale Lending
- Appropriate investments in our technology infrastructure has enabled **standardisation, simplification and automation** in many areas
- We have an improved level of business knowledge and analytical skill-base which are utilised **to increase the sophistication of work done** in the delivery centers



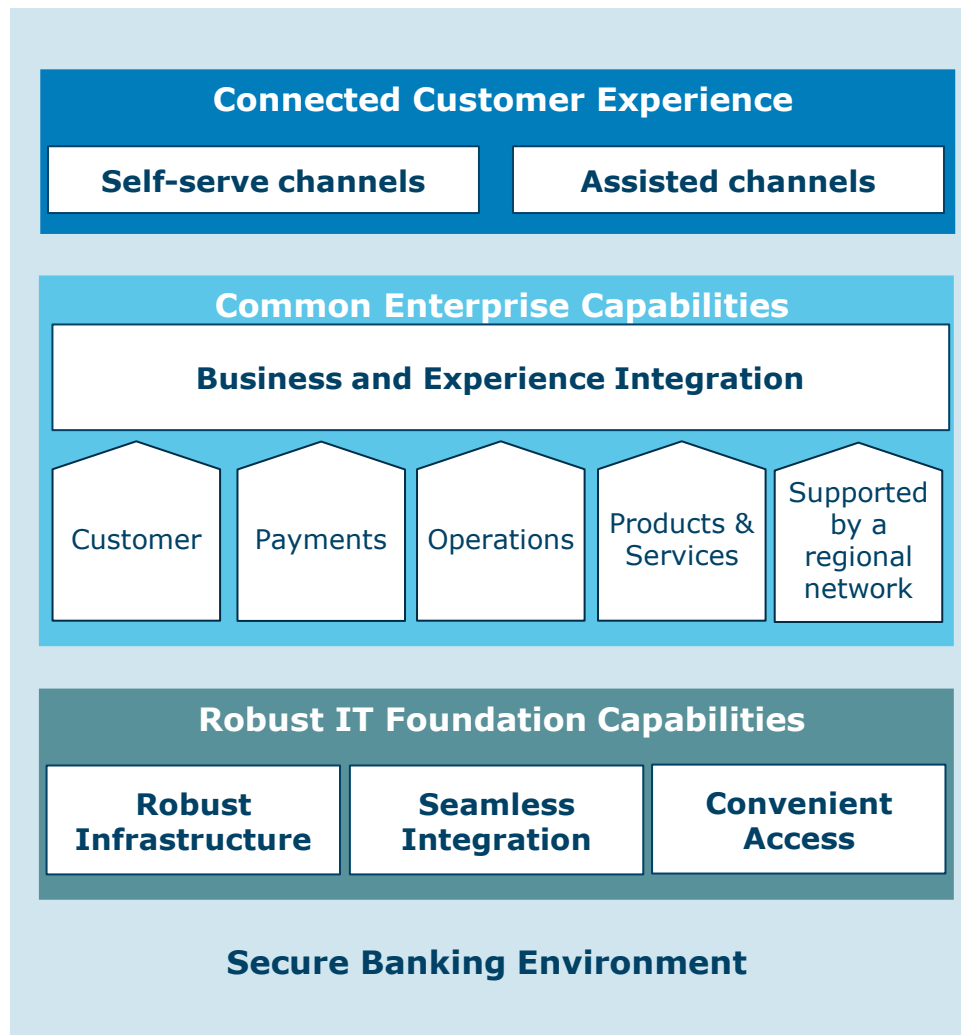
Operational Risk

- Robust governance framework and operational controls mandates are in place with **core processes carried out in multiple and best suited locations**
- Workflow tools enable **workforce management flexibility** and load management
- Disruptions due to business continuity risks are **well tested for hypothetical and real risks** without adverse customer impacts

Regional Delivery Centres are strategically aligned and integrated to the business

From	To	Operational advantages via the Regional Delivery Network
Individual hubs	Integrated Network	<p>Individual Hubs to an Integrated Network with Enterprise thinking</p> <ul style="list-style-type: none"> Built-in operational resilience with load balancing of critical processes to improve business continuity planning and execution Strong cross hub collaboration and resource sharing Maximise skills and scale in the right geographic location
Business Transitions	Operational Productivity	<p>Optimising capabilities to improve productivity</p> <ul style="list-style-type: none"> Process standardisation in key processes with investment in key technology infrastructure Continuous Process improvements through Quality initiatives
Business Process	Customer Solution	<p>From being part of a process to being an integral part of end-to-end process</p> <ul style="list-style-type: none"> Project SMEs in the hubs delivering award winning platforms in payments Domain expertise for complex transaction in Trade Guarantees and Markets
Hotel Manager	Service Owner	<p>Driving and owning service outcomes</p> <ul style="list-style-type: none"> Simplified customer engagement and escalation models Standard Service Catalogue Implement functional structures based on standard processes

Technology has a pivotal role in the transformation of all our core business domains



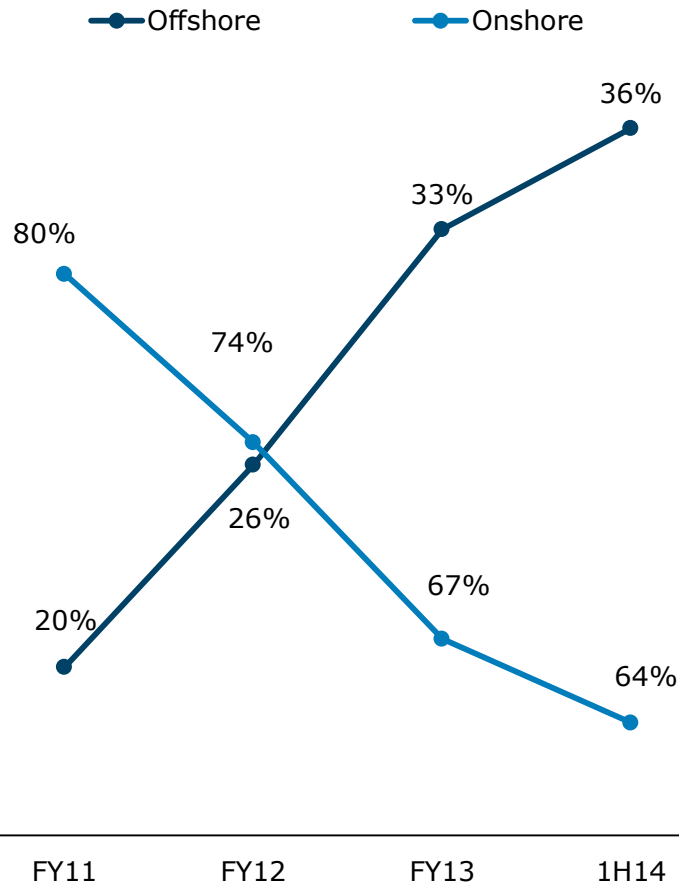
- ✓ A consistent customer experience via a multi-channel platform for our business
- ✓ A regional delivery network allowing standardised processes
- ✓ An integrated transaction banking portal for Institutional
- ✓ An improved payments network providing a seamless experience
- ✓ An upgraded infrastructure to enhance resilience and reduce operating risks
- ✓ Keep pace with evolving security environment to maintain customer and regulator confidence

IIB Operations have successfully increased productivity

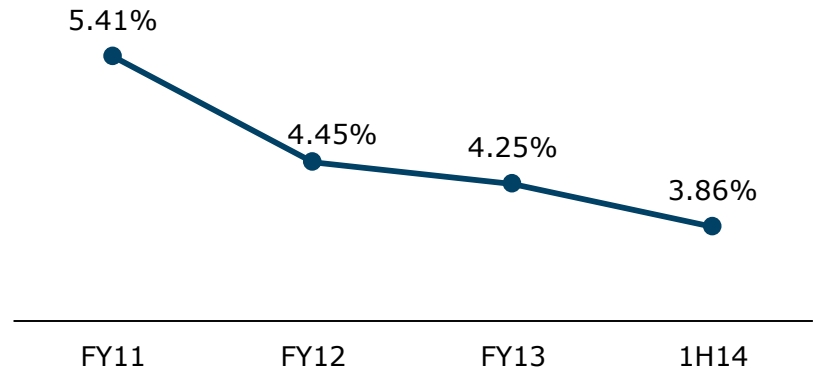
Improved capability and geographic dispersion of where our employees are based

Driving productivity

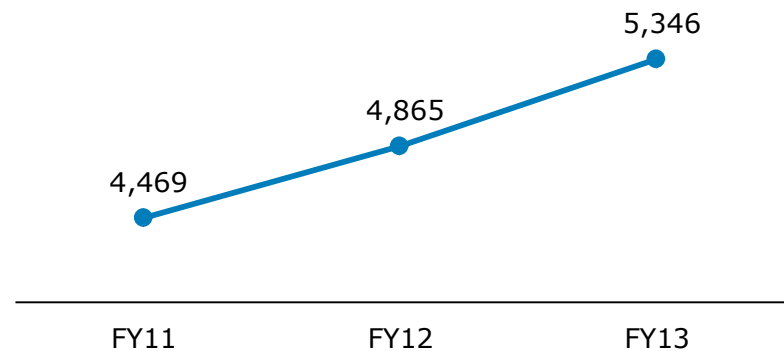
IIB Operations FTE profile¹



IIB Operations Cost to Revenue²



Transactions per FTE



1. Operations onshore and offshore profile; excludes countries with regulatory constraints to offshore

2. Cost growth has been calculated on constant FX & includes IIB Operations hub costs

Creating a continuous improvement culture to drive business performance

	Standardise	Enrich	Simplify
Actions	Re-engineering standard processes and creating more flexibility across the network	Maintaining a focus on consistent customer service experience while providing specialised support for our top clients	Driving simpler and streamlined processes with a focus on customer experience through end-to-end improvements
How	Using standardised technology solutions across our network to improve efficiency and productivity	Deepening our understanding of customer needs via continued customer visits and better leveraging Customer Insights	Focusing on quality delivery to drive improvement in accuracy and turn-around-times
Outcomes	<p>Won 11 awards from JP Morgan across the network following upgrades of payments infrastructure allowing for greater straight through processing</p> <p>Created consistency of Cross-Border Product Documentation tailored to Global Diversified Industrials</p>	<p>Enhanced servicing model deployed for 350 Australian customers to improve retention and cross sell</p> <p>Client servicing tool utilised to capture client insights in Payments & Cash, Trade and Markets Operations –10 countries</p>	<p>Digitisation (workflow and imaging) of manual payments processing in 12 countries creating capacity and productivity</p> <p>Transactive registration process in Australia & NZ reduced by up to 66% allowing faster take up by customers</p>

Our priorities are focused on supporting the next phase of IIB strategy

IIB STRATEGIC PRIORITIES	KEY AREAS OF FOCUS FOR OPERATIONS AND TECHNOLOGY
Connecting more Customers by Providing Seamless Value	<ul style="list-style-type: none">• Nimble cross-border delivery by making use of our natural time-zone advantage to shorten servicing and processing turnaround• Drive continuous improvement to simplify processes
Delivering Leading Products through Insights	<ul style="list-style-type: none">• Continue to utilise customer analytics and insights through our regional delivery network to connect with the business and contribute to revenue generation
Intensifying Balance Sheet Discipline	<ul style="list-style-type: none">• Connected and simplified client on-boarding experience leading to enhanced customer cross-sell, leads and retention• Proactively managing operating and regulatory risks on an end to end basis
Scaling & Optimising Infrastructure	<ul style="list-style-type: none">• Continue to improve and consolidate our systems across Payments, Markets, Core Banking, Wholesale Lending and Retail• Improve straight through process rates and sustain our productivity agenda

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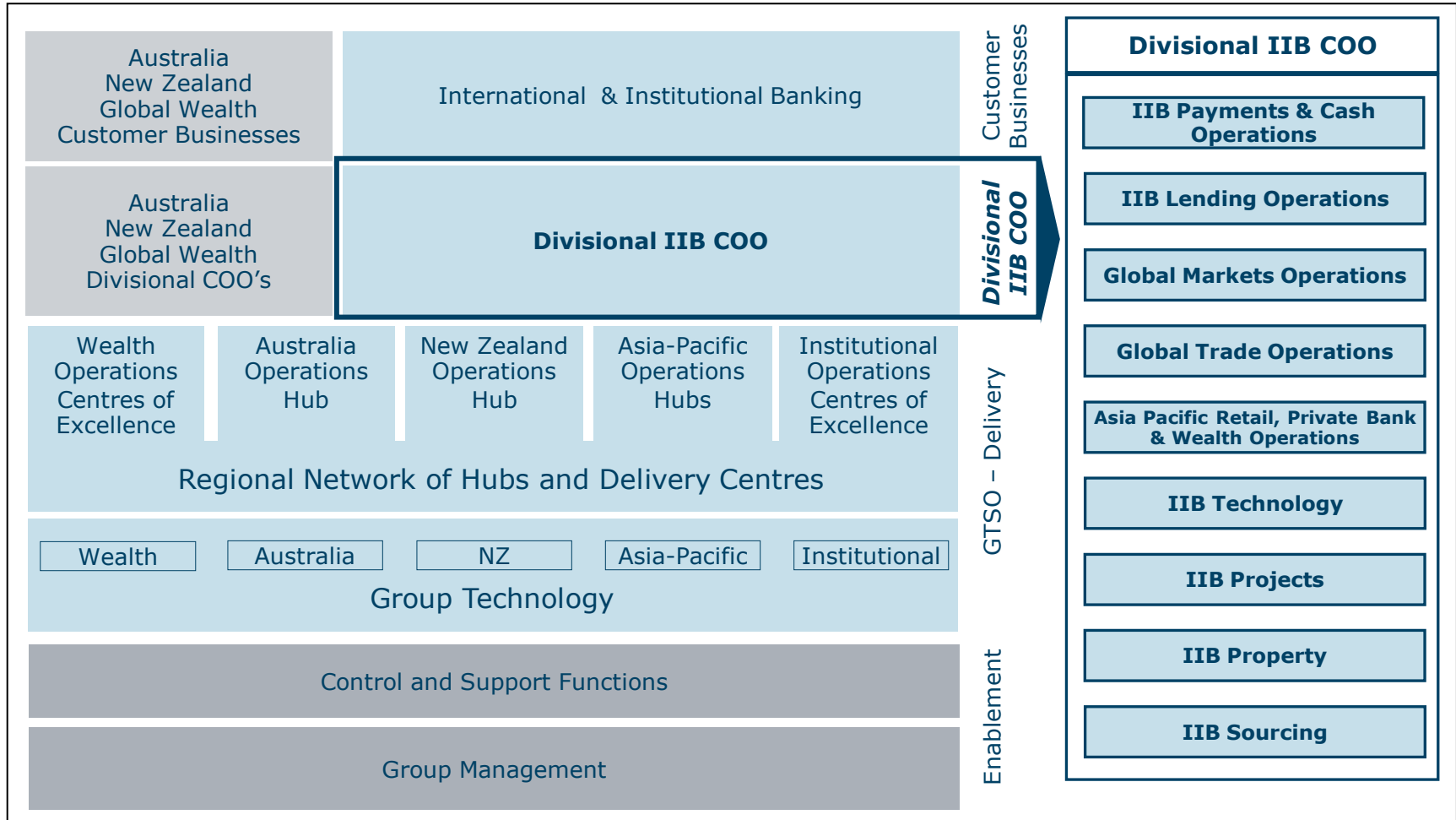
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Our function is well integrated into the IIB business and enterprise delivery division



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