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2007 Interim Results

Australia and New Zealand Banking Group Limited

26 April 2007

John McFarlane

Chief Executive Officer

www.anz.com

ANZ

A good half, with strong revenue momentum

Mar 07 v Mar 06

Profit after tax	↑	16.1%	
Cash* profit after tax	↑	11.8%	
Revenue Growth	↑	9.1%	(10.4%#)
Cash* profit before provisions	↑	12.1%	
Cash* EPS	↑	10.9%	
Dividend	↑	10.7%	

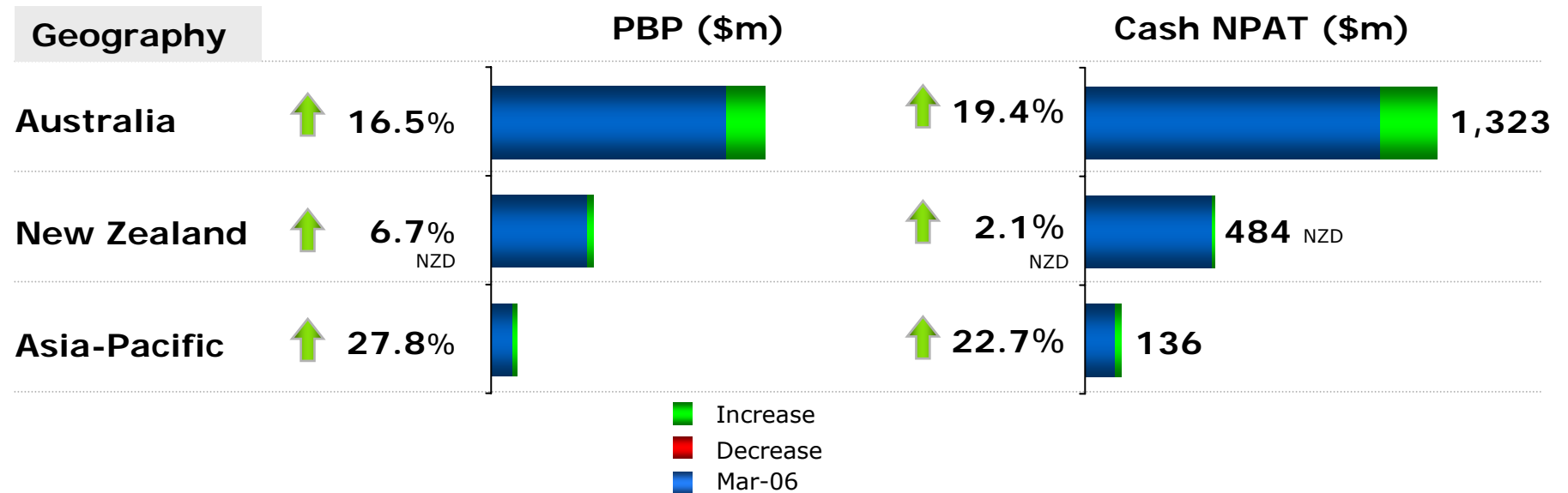
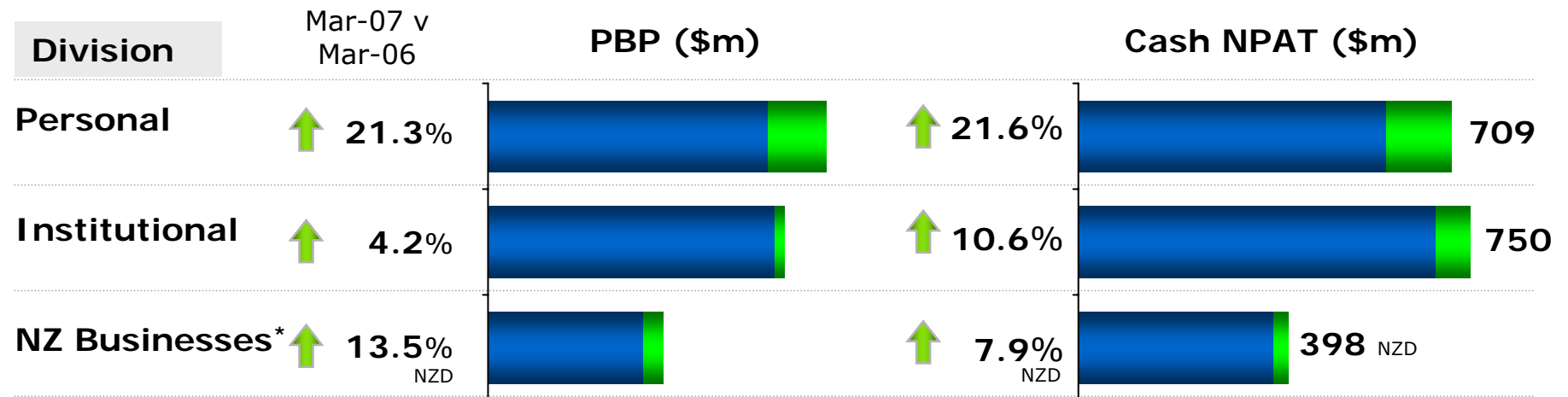
Cost-income ratio improved 1.5%

Provisions rising to more normal levels, offset by large recovery

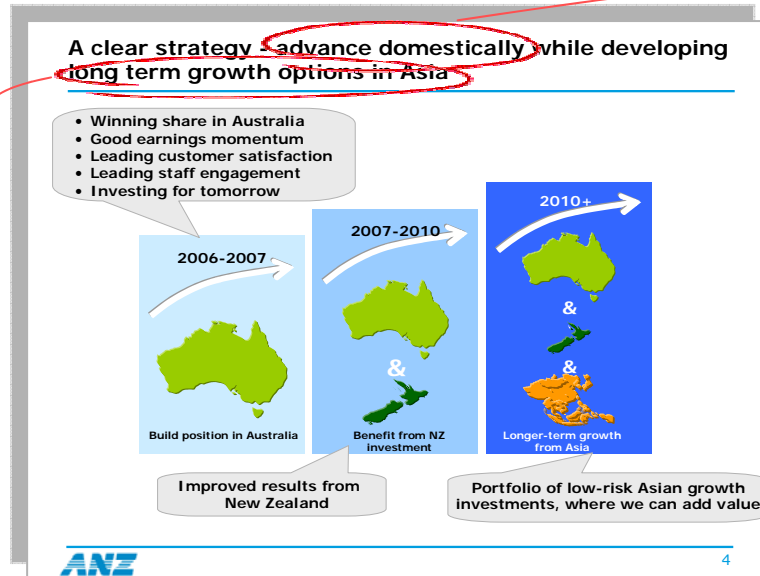


**adjusts headline numbers significant items & inc integration costs & fair value hedge gains/losses
FX adjusted*

Divisional and Geographic Performance



Good progress in executing strategy



Domestic advancement

Personal

- ANZ now best-regarded major retail bank
- Opening 40 branches in 2007
- “More convenient banking” positioning
- Strong record of execution

Institutional

- Continued to reposition
 - De-emphasising non-core tax structured business
 - Diversifying from reliance on asset income
- Regained #1 lead bank position
- Substantial growth in Asia

New Zealand

- Dual-brand strategy working effectively
- Good outcome on customer retention
- Increased focus on efficiency gains
- Now seeing improved financial results

Wealth

- Improved performance from INGA
- Current bid for E*Trade
- Seeking opportunities, timing difficult

Asian expansion

Partnerships

- China/Malaysia/Indonesia/Vietnam/Philippines
- Seeking selective expansion opportunities
- Focus on delivering value from investments

Institutional network

- Leading Australian bank franchise
- Present in all major markets in region

Four key priorities

Superior revenue growth

Target 7-10% over the medium term
Position in growth segments
Superior service execution

Strategic expansion

Expand footprint in Australia
Consolidate leading position in NZ
Make Asia substantive and diversified

World-class productivity

Target CTI below 40%
Annual positive revenue-expense jaws
Group-wide productivity initiative

Stakeholders and capabilities

Leading position with all stakeholders
Build leadership and execution capability
Global banking cultural leadership

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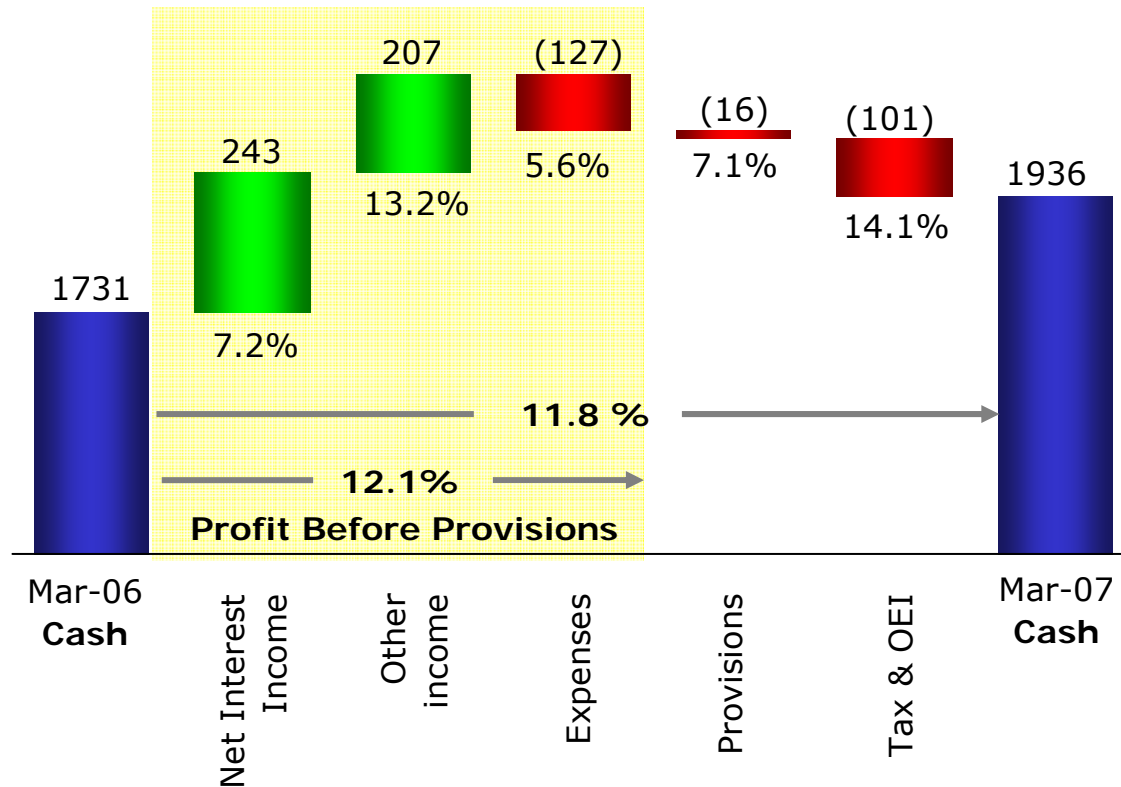
26 April 2007

Peter Marriott
Chief Financial Officer

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A good interim result, driven by strong revenue growth



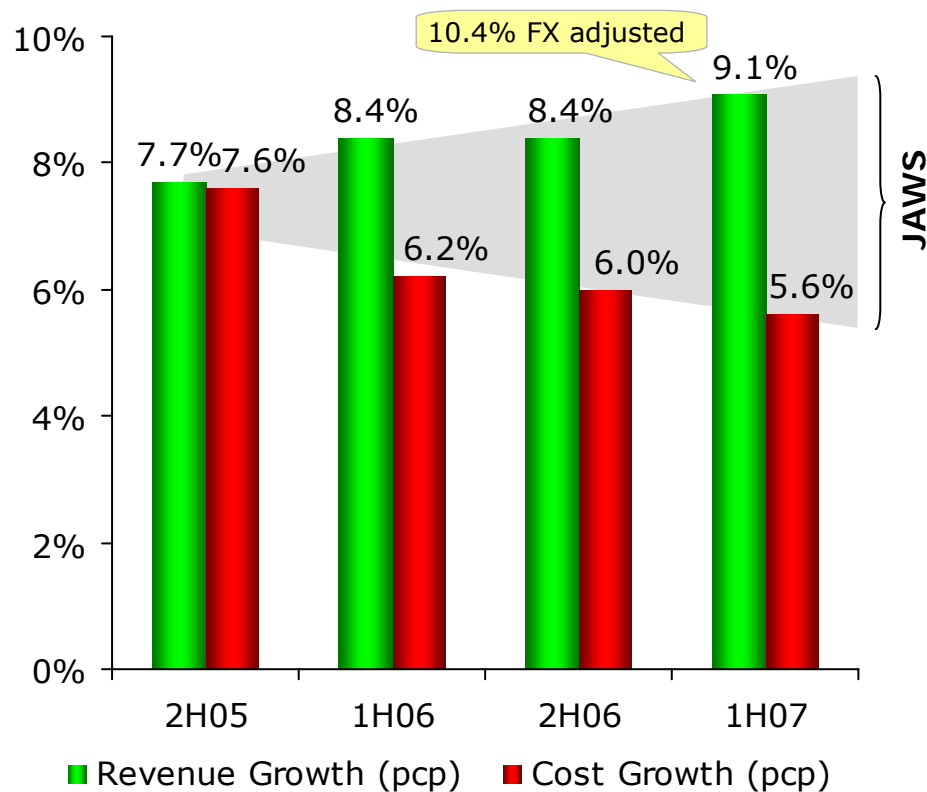
Scorecard	1H07
Volume Growth	X
Interest Margin	
Non Int. Income	
Expenses	
Provisions	
Tax	
Cash EPS	

HoH growth	1.0%	11.8%	1.7%	31.1%	6.0%	4.3%
Profit Before Provisions	6.5%					

Favourable to expectations
 In line with expectations
 X Unfavourable to expectations

Strong revenue growth towards top of 7-10% range

Maintaining Revenue/Cost 'Jaws'



Revenue Growth v Cost Growth (PCP)			
2H05	1H06	2H06	1H07
0.1%	2.2%	2.4%	3.5%

Personal driving strong revenue growth

(1H07 ANZ League Table -Top 10 Performers)

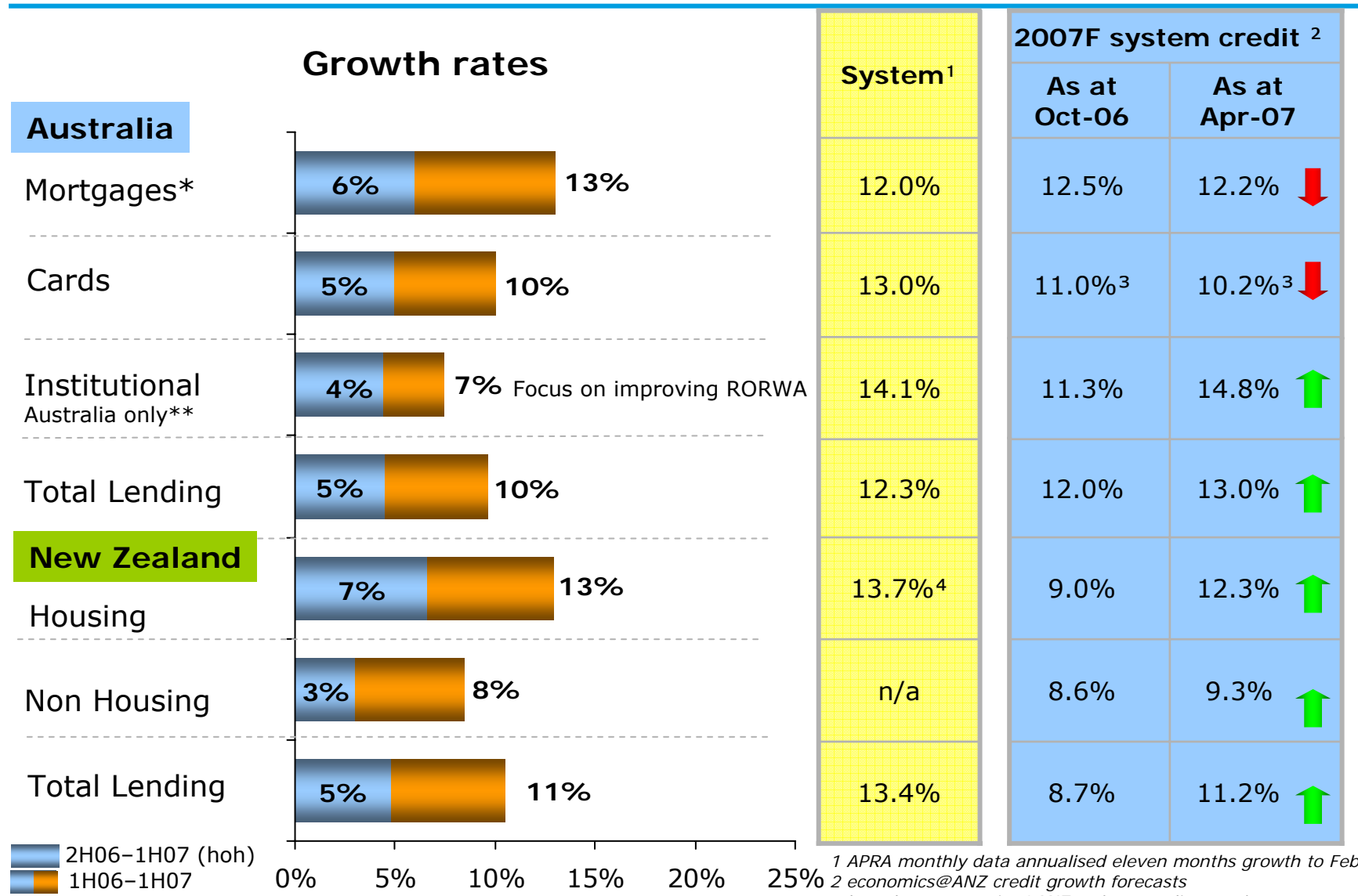
Business Unit	Revenue Growth (PCP)
International Partnerships ¹	62%
Investment & Insurance Products	23%
Small Business Banking	20%
Consumer Finance Australia	19%
Banking Products	17%
Pacific Businesses	15%
INGA ²	15%
CSF Continuing Business	13%
Total Markets	13%
Corporate & Commercial NZ-NZD	12%

- Personal
- Institutional
- New Zealand
- Partnerships & Private Bank



1. Assisted by acquisitions
 2. Refers to revenue for INGA entity, excludes capital investment earnings

Volume growth – a mixed story



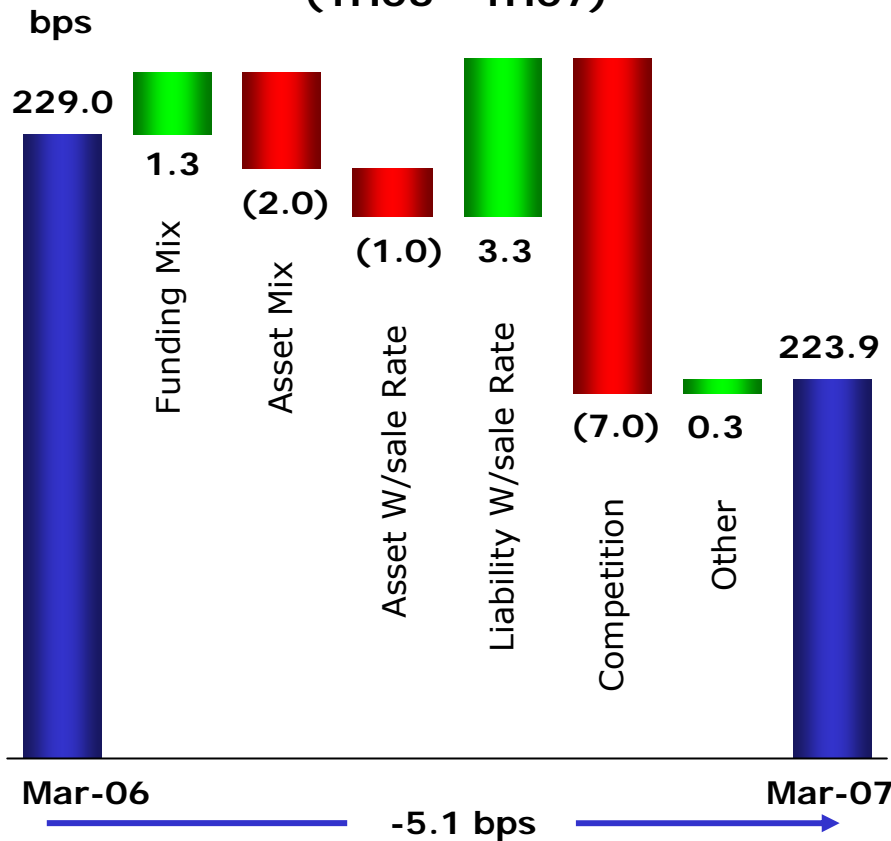
1 APRA monthly data annualised eleven months growth to February
 2 economics@ANZ credit growth forecasts
 3 based on economics@ANZ "other" credit growth
 4 based on NZ GDS reporting.



* ANZ retail mortgages, excludes wholesale (Origin). Total retail & wholesale mortgage growth 4.9% hoh, 10.5%pcp
 ** Includes Business Bank growth 6% hoh, 16% pcp based on "old" structure.

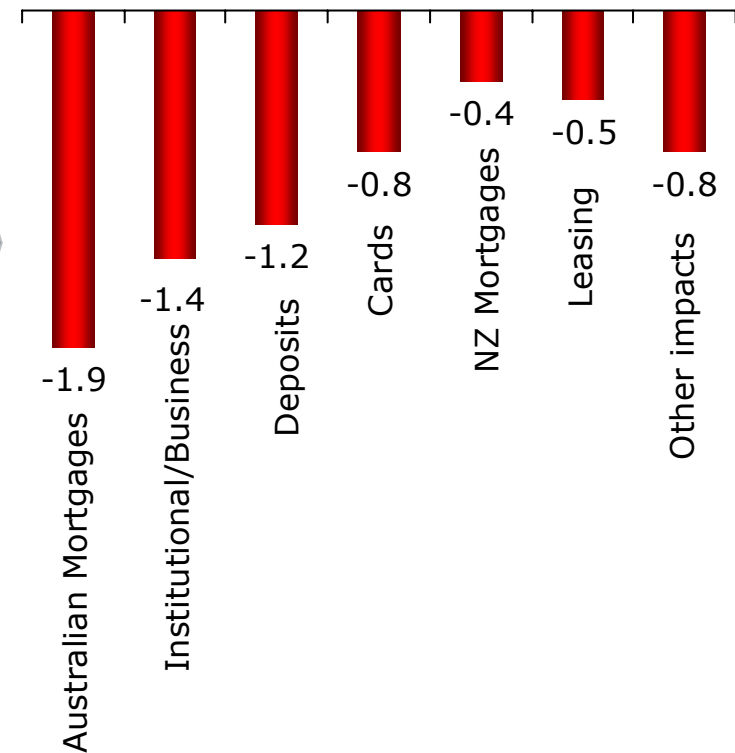
Margin decline less than expected

Competition biggest driver of margin decline (1H06 - 1H07)



Competition in Australia the key driver

(competition impact on Group Margin)



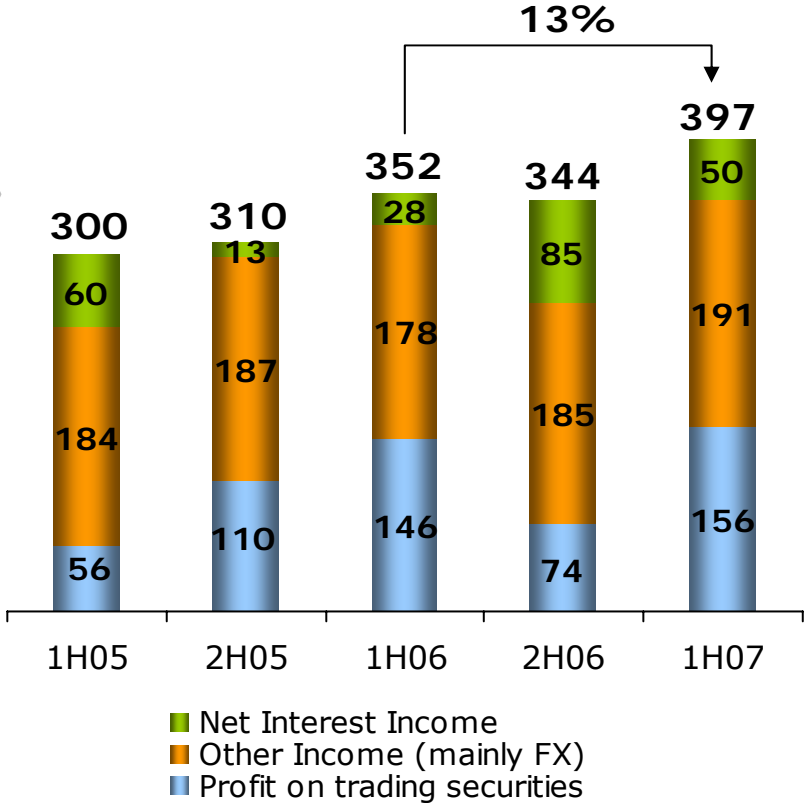
Half on Half ↓ **9.2 bps[^]**
 (-3.9 bps excluding 'accounting' noise)

Strong growth in Other Operating Income

Operating income	\$m	PCP Growth	HoH Growth
Fee income	1,143	↑ 11%	↑ 2%
FX earnings	237	↑ 4%	↑ 8%
Profit on trading instruments	173	↑ 20%	↑ 166%
Other	217	↑ 33%	↑ 19%
Total	1,770	↑ 13%	↑ 12%

A reminder – don't look at Trading Income in isolation

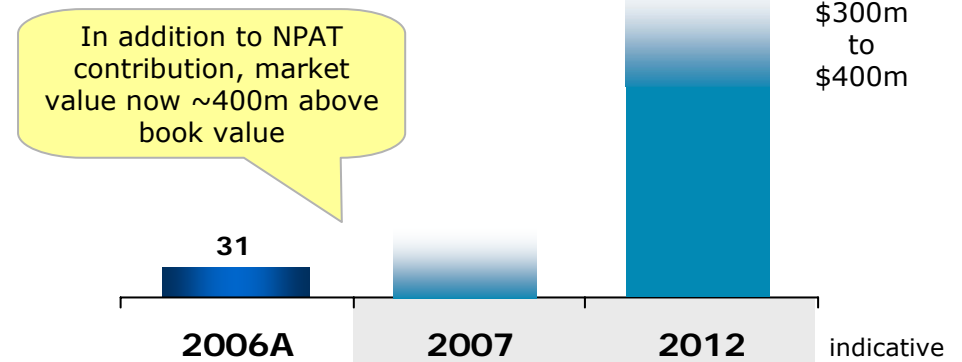
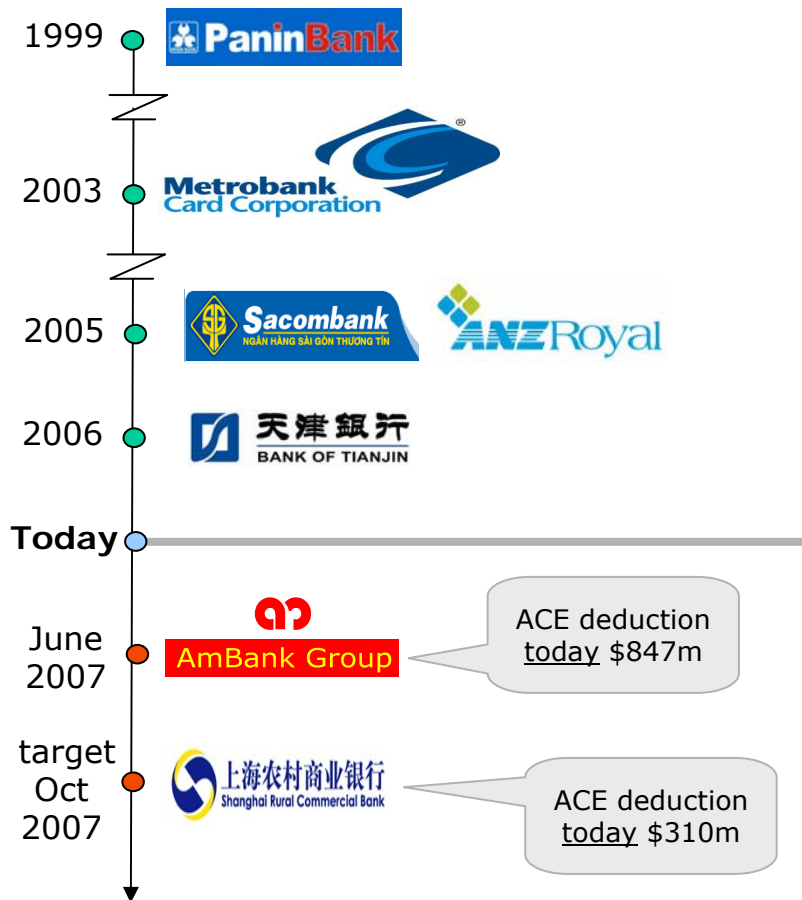
Total Markets Income (\$m)



Asia Partnerships – significant impact on capital in the half, but earnings becoming more meaningful

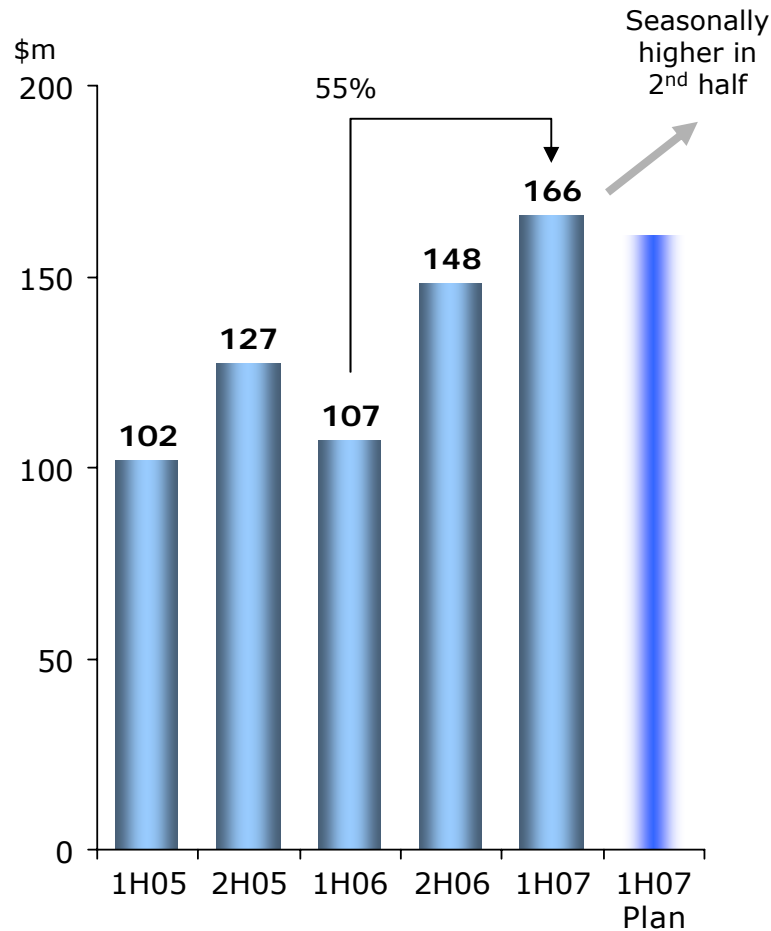
Still early days in Partnership strategy, bigger transactions yet to settle

Base case# earnings potential from Partnerships

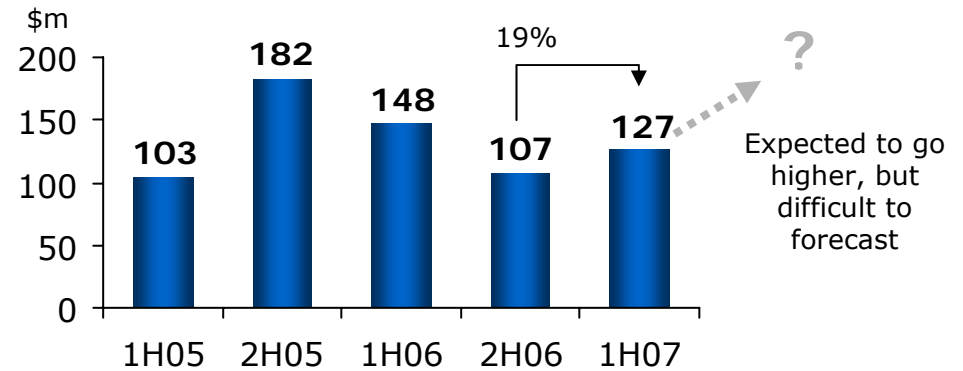


Individual Provisions – a few moving parts

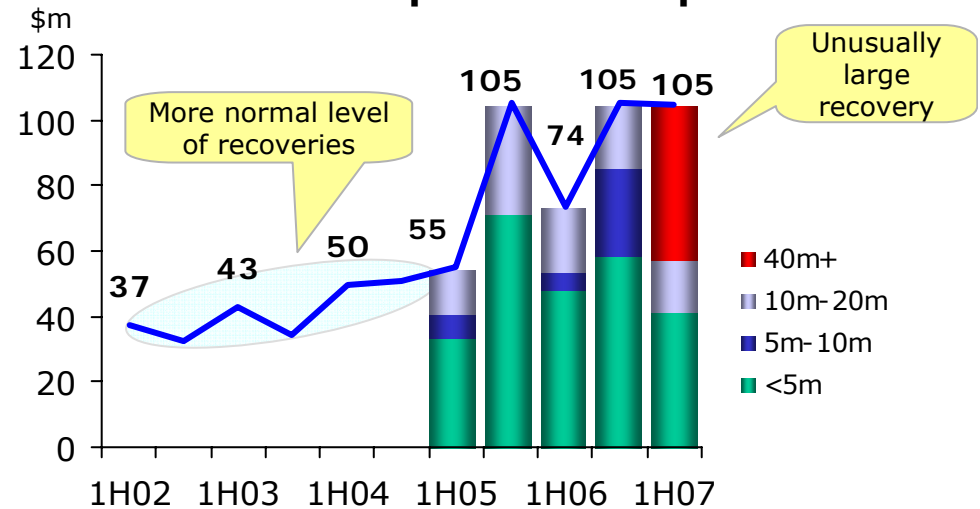
Consumer IPs well up, but in line with expectations



New & increased **commercial** IPs higher as expected....

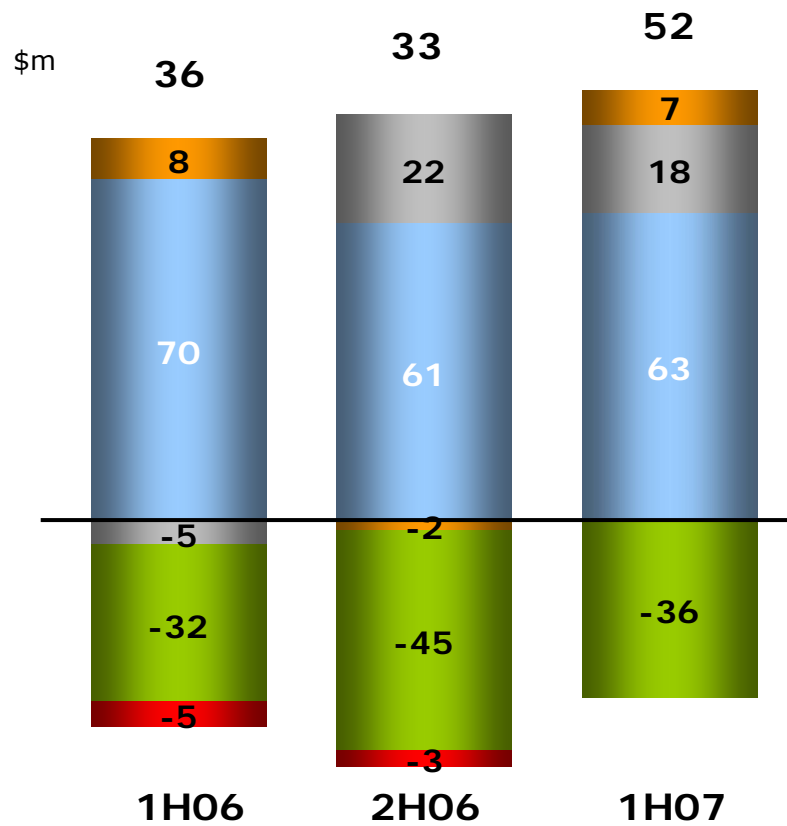


...but **commercial** writebacks and recoveries surprised on upside



Consumer lending growth driving Collective Provision

Lending growth driving the Collective Provision (CP) charge



- Growth
- Portfolio Mix
- Non Continuing Bus.
- Risk Change
- Scenario Impact

Risk profile

Modest deterioration in Personal

Unlikely to see further risk improvement from Institutional

Lending growth

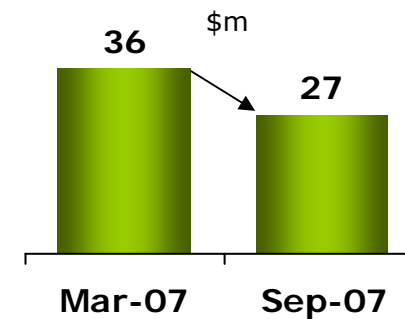
Mar 07 v Sep 06

Personal	5%
Institutional	3%
New Zealand	6%

Outlook 2H07



Lower oil shock run-off



Basel II – likely to be some benefit, but rating agencies haven't been ignoring the low risk nature of Aussie banks

There will be a benefit

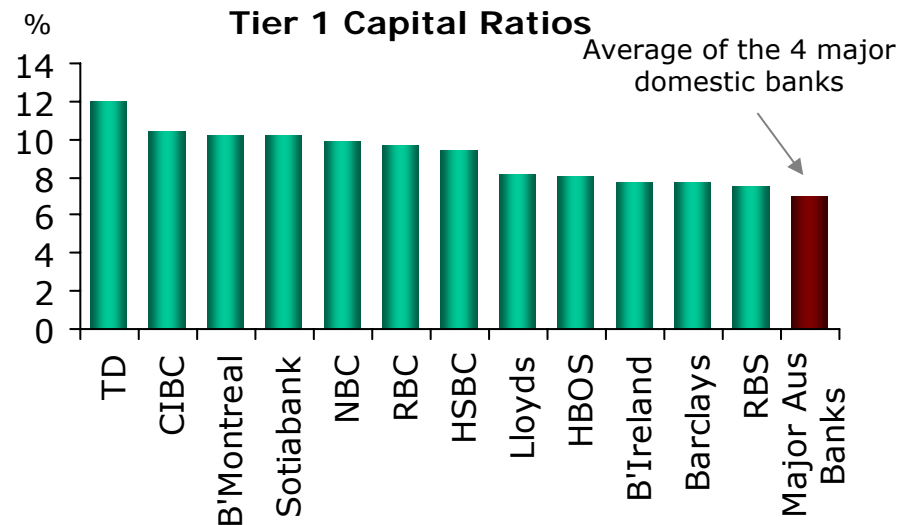
- Convergence between economic capital, rating agency views on capital, and regulatory capital
- QIS 5 results suggest substantial benefits will flow to Aussie banks



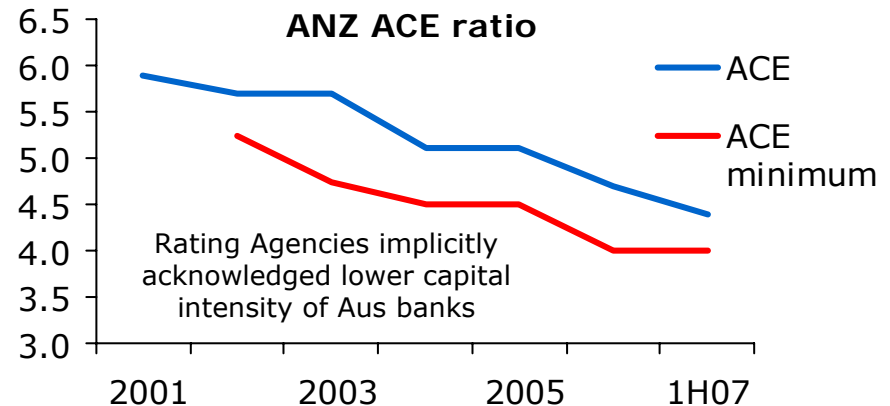
however

- Maximum reduction of 10% in 1st year, but APRA & rating agencies yet to provide definitive guidance
- Several issues still to be resolved, for example, use of 'stressed' LGDs*
- Likely to be some "jurisdictional inequality"
- Extent of Pillar 2 "buffer" uncertain

And remember, Australian banks already have low Tier 1 ratios on a global basis...



...and Rating Agencies have consistently lowered ACE limits for Australian banks



Other key financial issues

• Capital

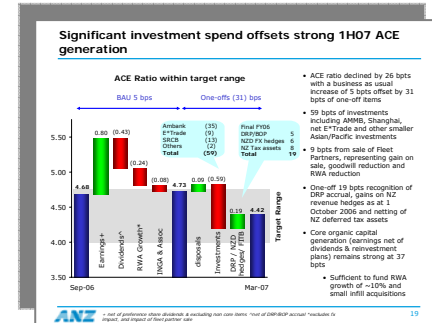
- Still seeing good organic capital generation
- \$1.4b (~59bpts) of new capital deductions relating to acquisitions sees us tracking towards lower end of our target range, with ACE ratio of 4.4%
- DRP changes have enhanced capital flexibility

• Dividends

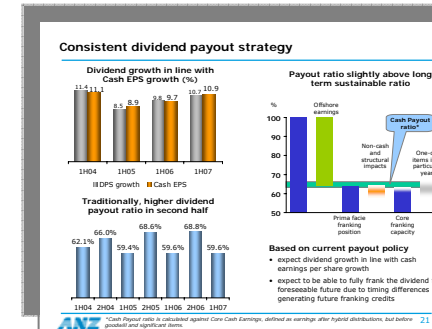
- Policy unchanged – grow in line with growth in underlying earnings, payout ratio traditionally lower in 1st half
- DRP changes allow greater flexibility – uncapped the DRP and introduced ability to purchase DRP shares on market to limit dilution
- At mid-60's payout ratio, can fully frank for foreseeable future

• Kiwi Dollar

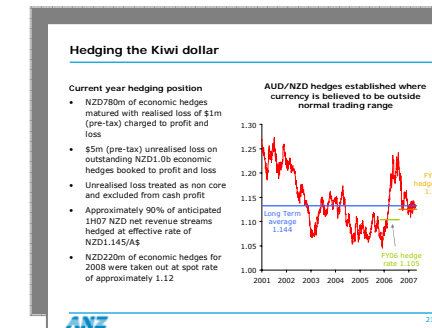
- Have managed exposure well so far, substantial value created
- ~90% of FY07 hedged @~1.14 (including forward points)
- NZD220m of economic hedges for 2008 were taken out at spot rate of approximately 1.12



See page 18

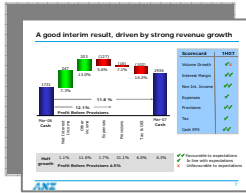


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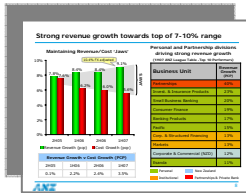


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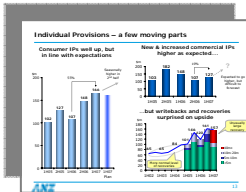
Key takeaways from today



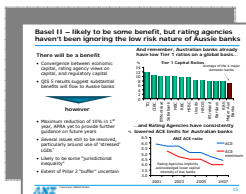
A pleasing result, driven by revenue growth



Volumes mixed, margins good, jaws opening wider



Provisions lower than expected, significant increase expected in second half



Basel II – too early to say much



No change to guidance, on track for full year

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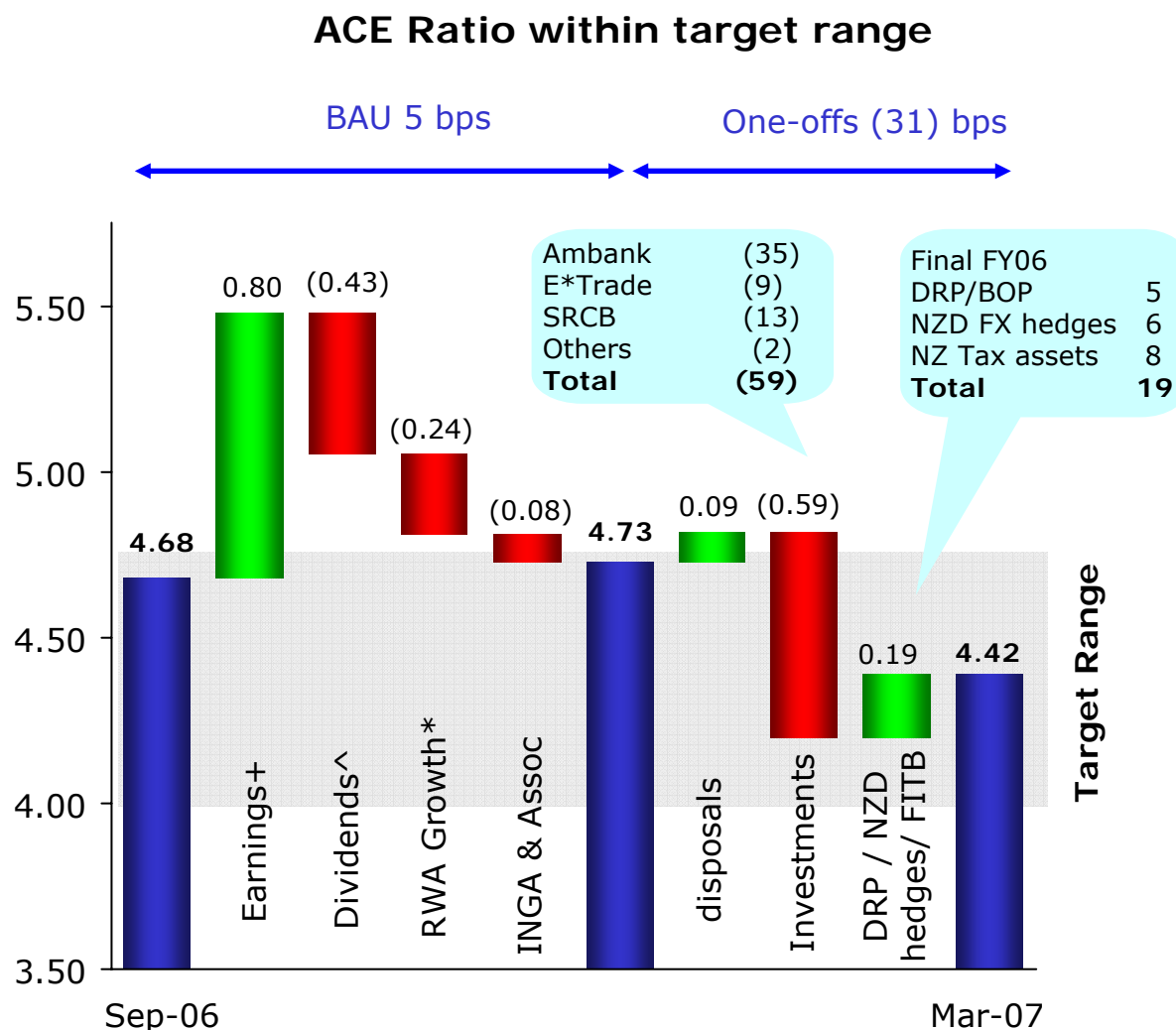
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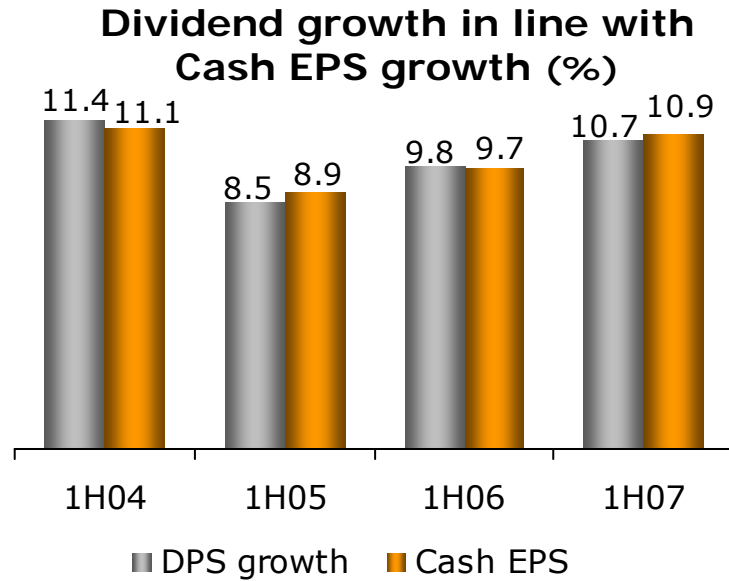
Significant investment spend offsets strong 1H07 ACE generation



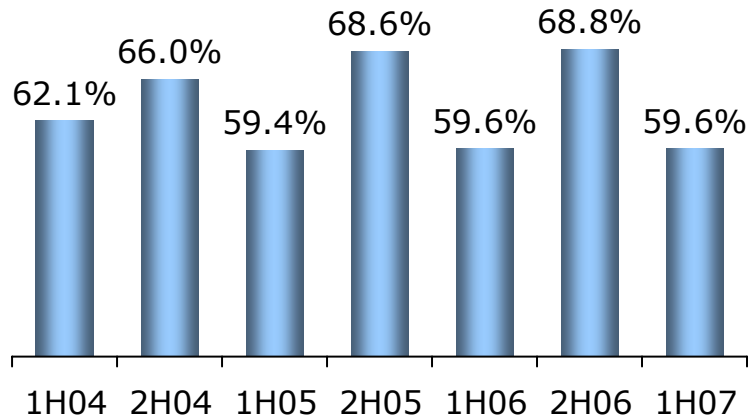
- ACE ratio declined by 26 bpts with a business as usual increase of 5 bpts offset by 31 bpts of one-off items
- 59 bpts of investments including AMMB, Shanghai, net E*Trade and other smaller Asian/Pacific investments
- 9 bpts from sale of Fleet Partners, representing gain on sale, goodwill reduction and RWA reduction
- One-off 19 bpts recognition of DRP accrual, gains on NZ revenue hedges as at 1 October 2006 and netting of NZ deferred tax assets
- Core organic capital generation (earnings net of dividends & reinvestment plans) remains strong at 37 bpts
 - Sufficient to fund RWA growth of ~10% and small infill acquisitions



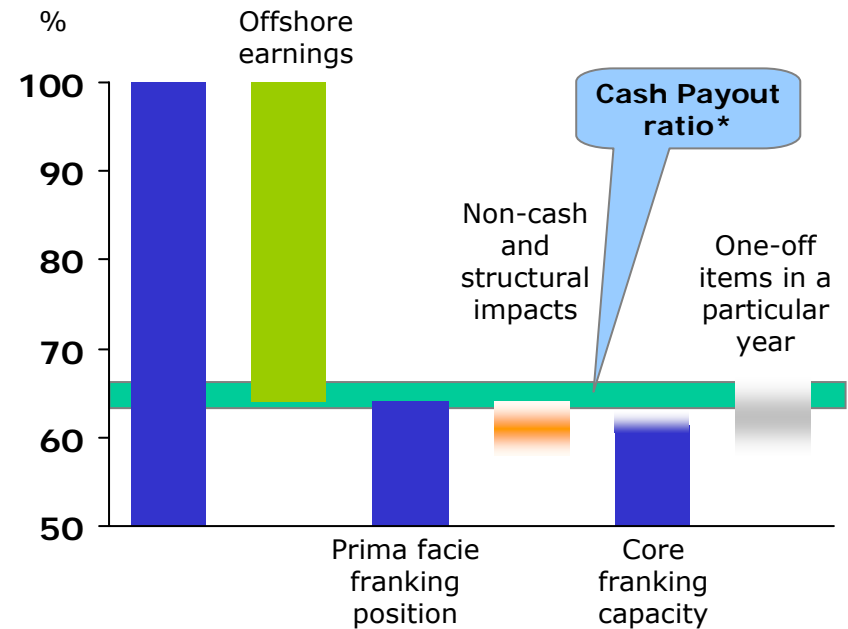
Consistent dividend payout strategy



Traditionally, higher dividend payout ratio in second half



Payout ratio slightly above long term sustainable ratio



Based on current payout policy

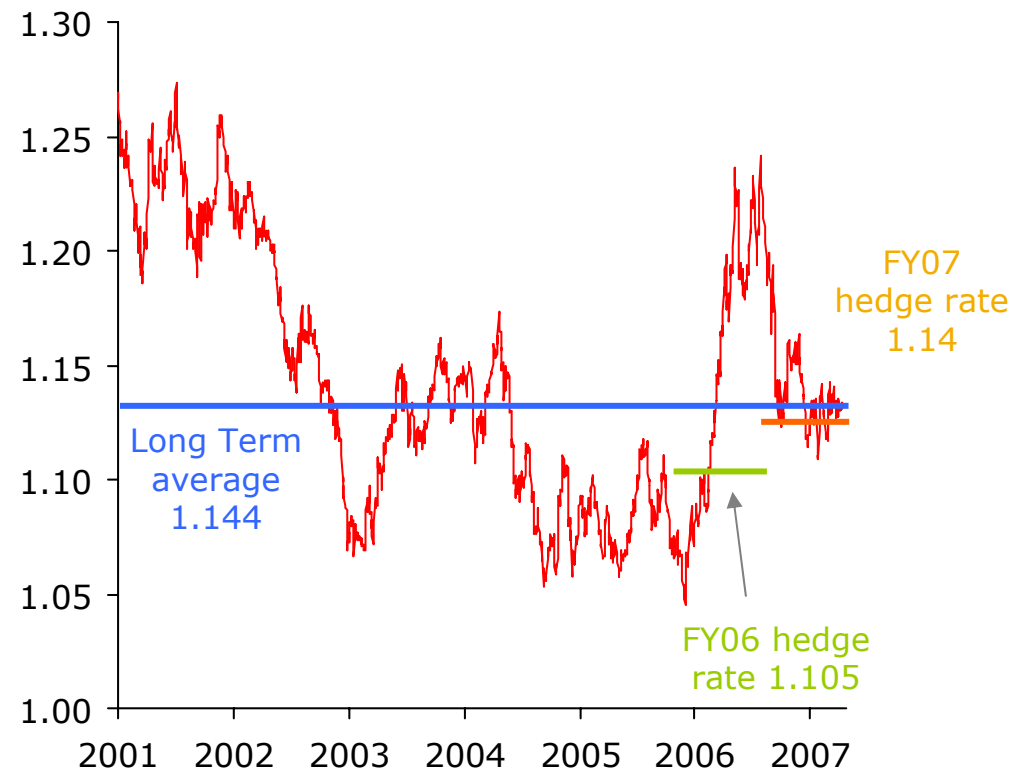
- Expect dividend growth in line with cash earnings per share growth
- Expect to be able to fully frank the dividend for foreseeable future due to timing differences generating future franking credits

Hedging the Kiwi dollar

Current year hedging position

- NZD780m of economic hedges matured with realised loss of \$1m (pre-tax) charged to profit and loss
- \$5m (pre-tax) unrealised loss on outstanding NZD1.0b economic hedges booked to profit and loss
- Unrealised loss treated as non core and excluded from cash profit
- Approximately 90% of anticipated 1H07 NZD net revenue streams hedged at effective rate of NZD1.145/A\$
- NZD220m of economic hedges for 2008 were taken out at spot rate of approximately 1.12

AUD/NZD hedges established where currency is believed to be outside normal trading range



Making life easier for you – ready reckoner

ILLUSTRATIVE

Revenue Growth

Profit before provisions

2H		-3.1%	-1.2%	0.7%	2.5%	4.4%	6.3%	8.2%
FY		5%	6%	7%	8%	9%	10%	11%
8.4%	8%	-12%	-9%	-6%	-2%	1%	5%	8%
		2%	4%	6%	8%	10%	12%	14%
6.5%	7%	-11%	-7%	-4%	-1%	3%	6%	9%
		3%	5%	7%	9%	11%	13%	14%
4.6%	6%	-9%	-6%	-2%	1%	4%	8%	11%
		4%	6%	8%	10%	12%	13%	15%
2.7%	5%	-8%	-4%	-1%	2%	6%	9%	13%
		5%	7%	9%	11%	12%	14%	16%
0.7%	4%	-6%	-3%	1%	4%	7%	11%	14%
		6%	8%	10%	11%	13%	15%	17%
-1.2%	3%	-5%	-1%	2%	6%	9%	12%	16%
		7%	9%	10%	12%	14%	16%	18%
-3.1%	2%	-3%	0%	4%	7%	10%	14%	17%
		8%	9%	11%	13%	15%	17%	19%

Expense growth

PBP Growth

Cash Profit

2H		-2.2%	-0.3%	1.5%	3.3%	5.1%	7.0%	8.8%
FY		8%	9%	10%	11%	12%	13%	14%
\$411	71%	-8%	-6%	-4%	-2%	0%	2%	4%
\$651	60%	3%	5%	6%	7%	8%	9%	10%
\$371	54%	-7%	-5%	-3%	-1%	1%	3%	5%
\$611	50%	4%	5%	6%	7%	9%	10%	11%
\$330	37%	-5%	-3%	-1%	1%	3%	5%	7%
\$570	40%	5%	6%	7%	8%	9%	10%	12%
\$289	20%	-4%	-2%	0%	2%	4%	6%	8%
\$529	30%	6%	7%	8%	9%	10%	11%	12%
\$248	3%	-2%	0%	2%	4%	6%	8%	10%
\$488	20%	7%	8%	9%	10%	11%	12%	13%
\$208	-13%	-1%	1%	3%	5%	7%	9%	11%
\$448	10%	7%	9%	10%	11%	12%	13%	14%
\$167	-30%	1%	3%	5%	7%	9%	11%	13%
\$407	0%	8%	9%	10%	11%	13%	14%	15%

Provisioning

Cash EPS Growth

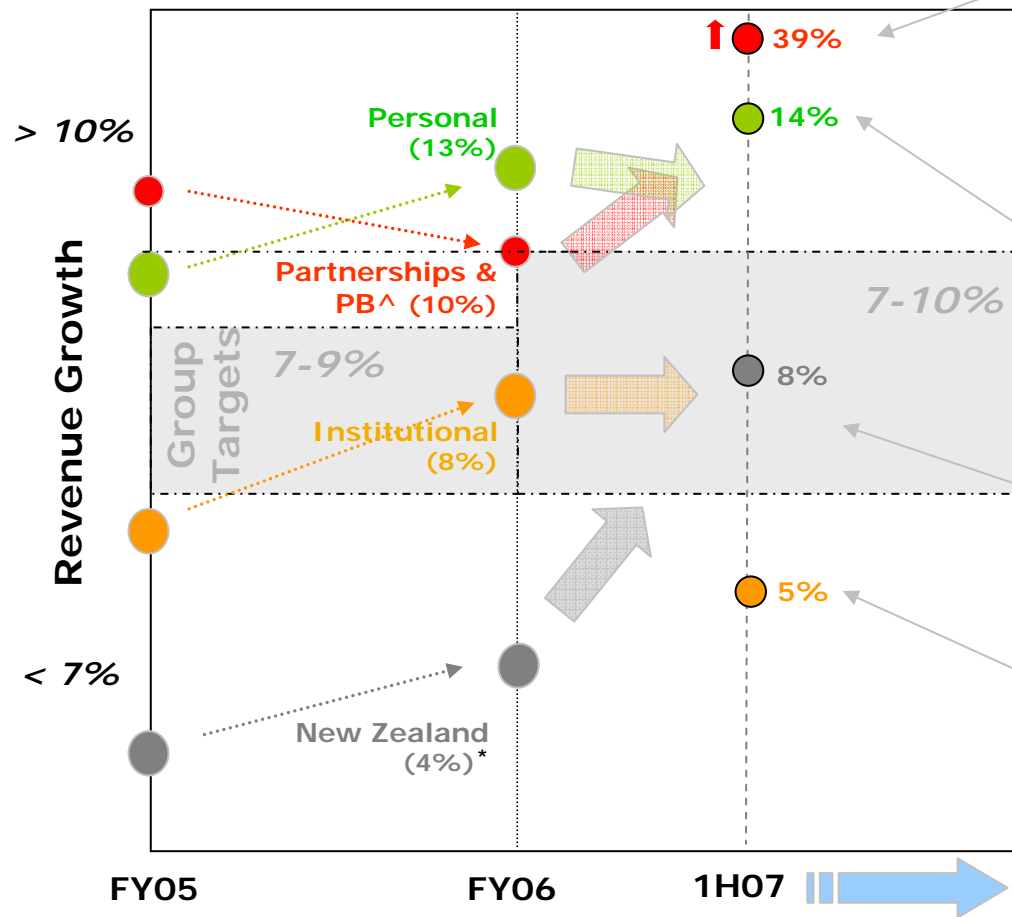
2nd half growth full year growth

-1%	6.6%
0%	7.1%
1%	7.7%
2%	8.2%
3%	8.8%
4%	9.3%
5%	9.8%
6%	10.4%
7%	10.9%
8%	11.4%

Divisional performance

Revenue momentum to be maintained

Group tracking to 7-10% revenue target



1H07 scorecard (PCP)

- **Partnerships & Private Banking** strong revenue performance from INGA, Asian partnerships and Private Bank contributing to highest revenue growth across divisions. Good momentum as investments begin to generate returns
- **Personal** remains above Group average, with strong revenue growth. First half margins stable. Continue to expect solid FUM growth and relatively stable margins
- **New Zealand** solid revenue growth from good lending growth across businesses. Double digit revenue growth in three businesses.
- **Institutional** Growth in Markets and Corporate & Structured Finance supporting revenue growth, offset by weak lending business. Improvement expected in 2nd half

➡ Direction of full year expected growth rate

ANZ League tables – PBP growth

Rank (PBP)	Business*	Revenue Growth	Expense Growth	PBP Growth	% Group PBP
1	International Partnerships	62%	29%	90%	1.3%
2	Investment & Insurance Products	23%	20%	32%	1.0%
3	Consumer Finance Australia	19%	5%	30%	11.3%
4	Pacific Businesses	15%	7%	27%	1.7%
5	Banking Products	17%	10%	25%	8.9%
6	Small Business Banking	20%	19%	21%	1.6%
7	The National Bank Retail (NZD)	8%	2%	16%	6.3%
8	Corporate & Commercial Banking NZ (NZD)	12%	7%	15%	4.0%
9	Esanda Group	11%	6%	15%	4.1%
10	Rural Banking (NZD)	10%	3%	14%	2.1%
11	Total Markets	13%	12%	13%	8.0%
12	ANZ Retail Banking (NZD)	7%	3%	13%	4.5%
13	CSF Continuing Business	13%	15%	12%	4.9%
14	UDC (NZD)	0%	-11%	11%	0.6%
15	Regional and Rural Banking	10%	11%	8%	2.6%
16	Mortgages	9%	8%	10%	9.5%
17	Business Banking Australia	6%	6%	6%	6.7%
18	Trade and Transaction Services	0%	2%	-2%	6.7%
19	Debt Product Group (inc. CAPM)	-1%	67%	-3%	12.3%
20	NZ Institutional Continuing Business (NZD)	-12%	5%	-18%	4.4%

Personal

New Zealand

Institutional

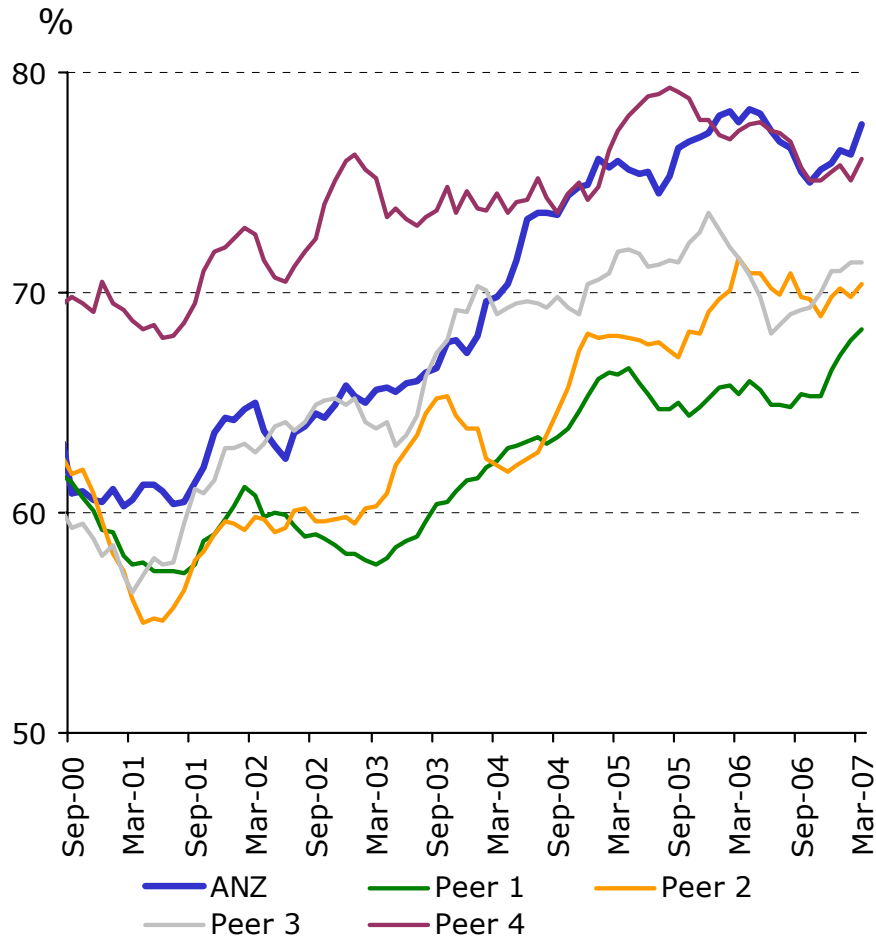
Partnerships & Private Bank



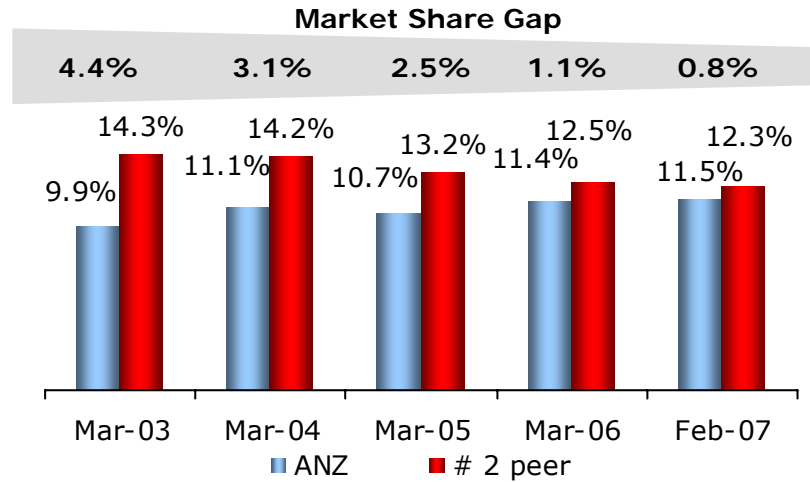
* Excludes INGA - PBP not a relevant measure for INGA

Personal: a compelling customer proposition

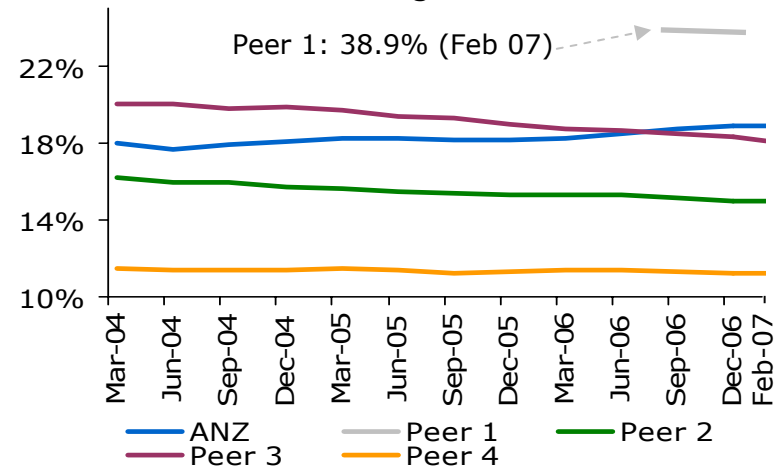
Highest Customer Satisfaction of the majors incl. St George
(Main Financial Institution*)



Continue to close on #2 market position
(share of Traditional Banking products**)



Number 2 in customer numbers
(Traditional Banking customer share**)

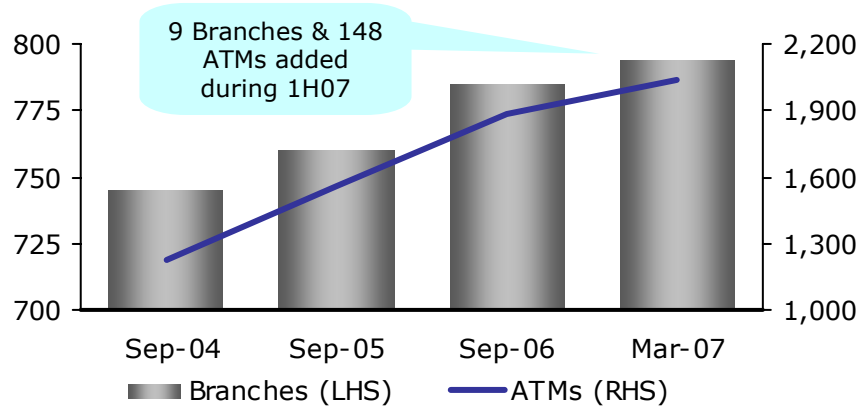


*Source: Roy Morgan Research – Aust MFI Pop'n aged 14+, % Satisfied (Very or Fairly Satisfied), 6 mth moving average

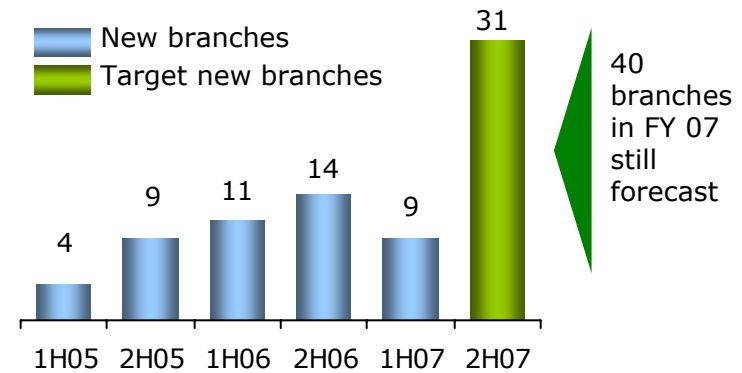
**Source: Roy Morgan Research – Traditional Banking includes customers aged 14+ with accounts, loans or cards. 12 mth moving average

Personal: Investing to deliver "More Convenient Banking"

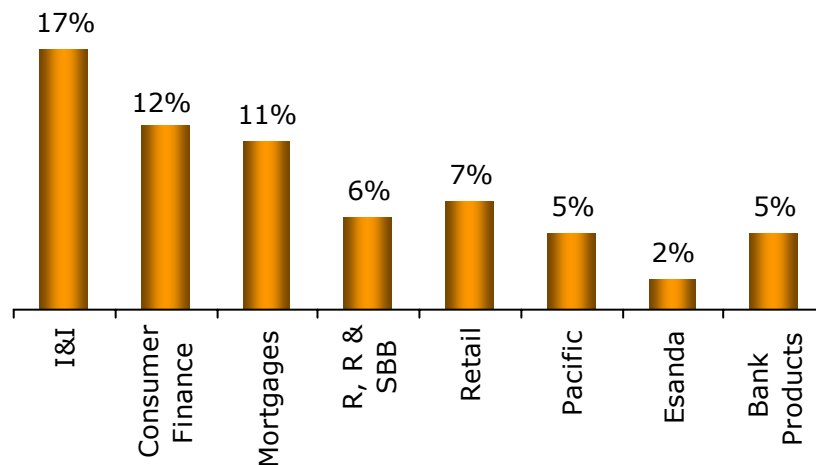
Continuing to invest in distribution...
(# branches and ATMs)



1H07 new branches impacted by timing of leases and building availability

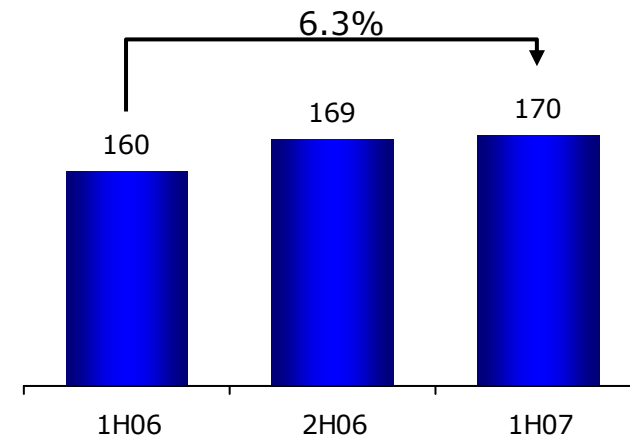


Continuing to invest in FTE to deliver superior revenue growth...
(growth 1H07 v 1H06)



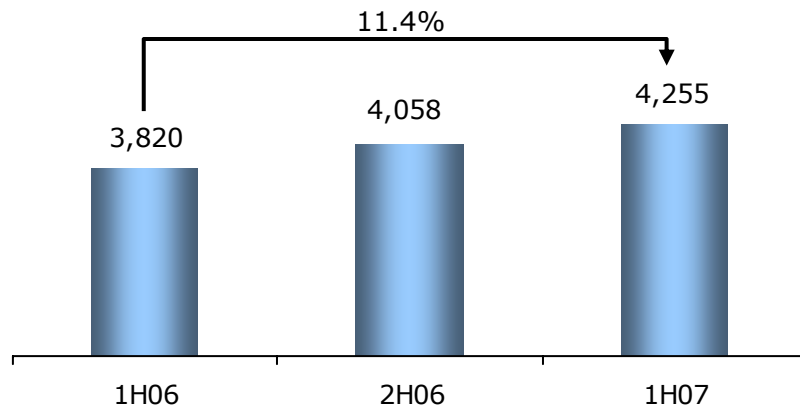
...with further improvement in staff productivity a key driver

(revenue per FTE \$000)

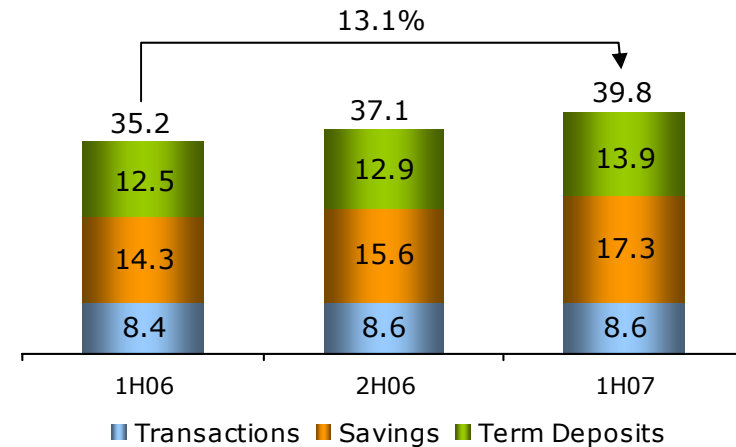


Banking Products: good account and FUM growth

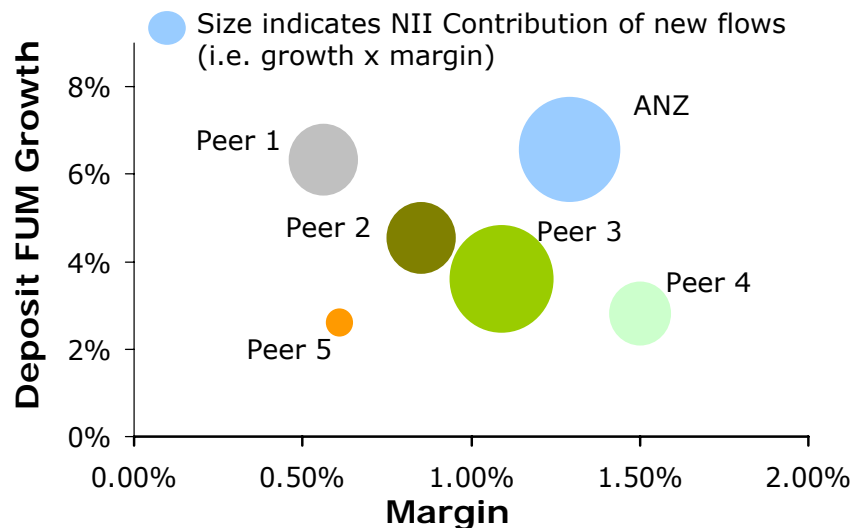
Solid growth in net account numbers...



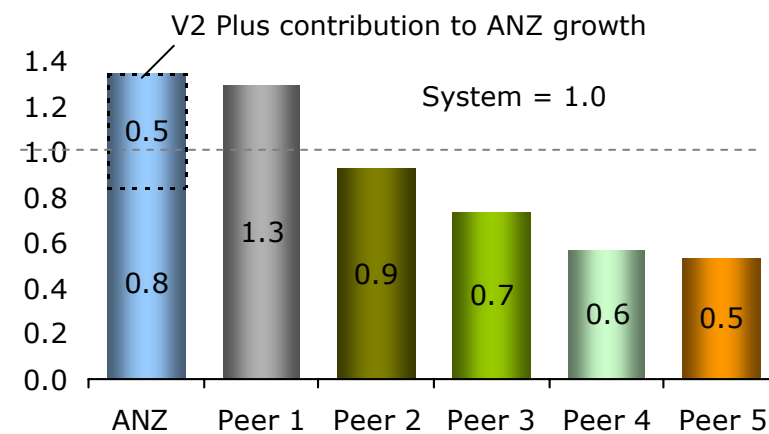
..with FUM growth delivered across all products (A\$b)



Strong growth and strong margin

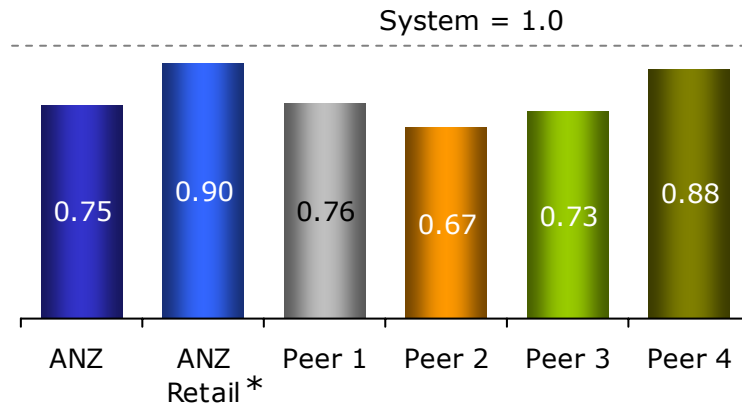


Share of FUM growth above system[^]
(Household Deposits adjusted for V2 Plus)

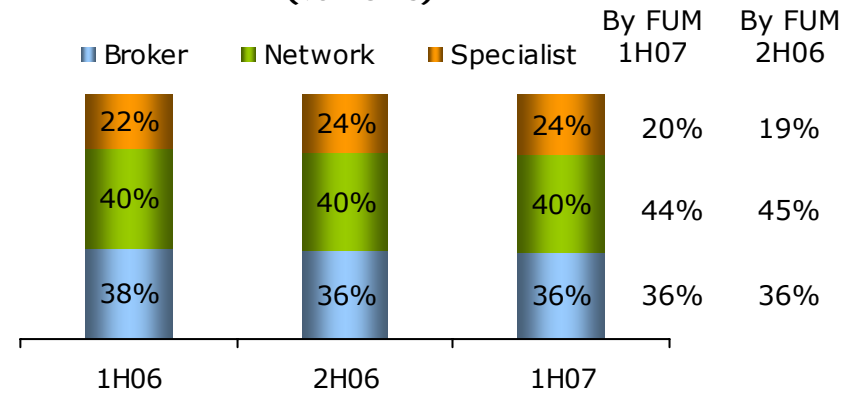


Mortgages: underlying market share and FUM growth consistent with market

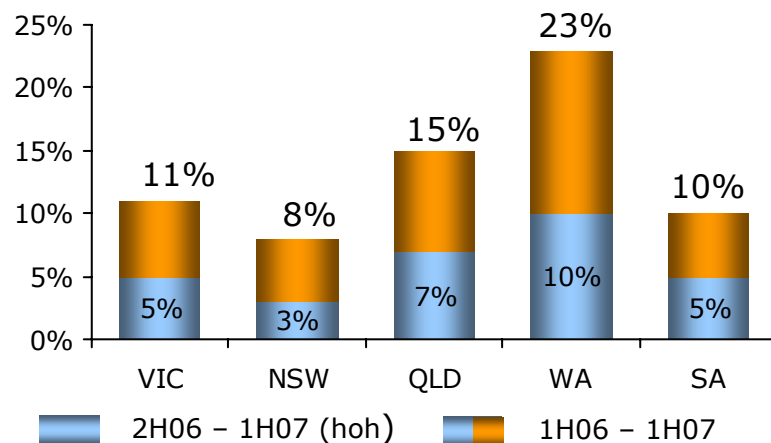
ANZ Retail* growing ahead of peers (volume growth relative to system) (Feb 06 – Feb 07*)



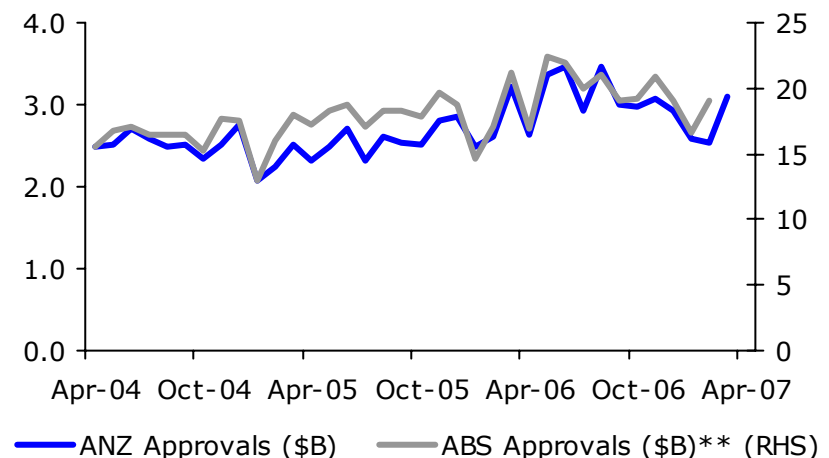
Little change in mix of distribution channels (% flows)



Mortgage Retail FUM growing across all states, but NSW growth slower

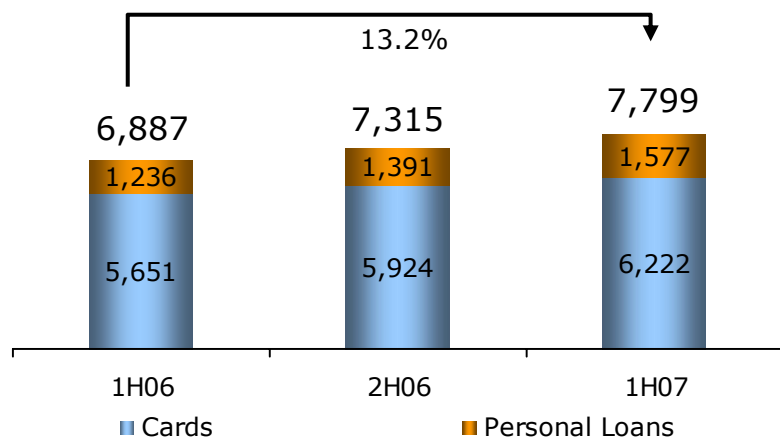


In line with market, approval volumes fell early 1H07, have since recovered

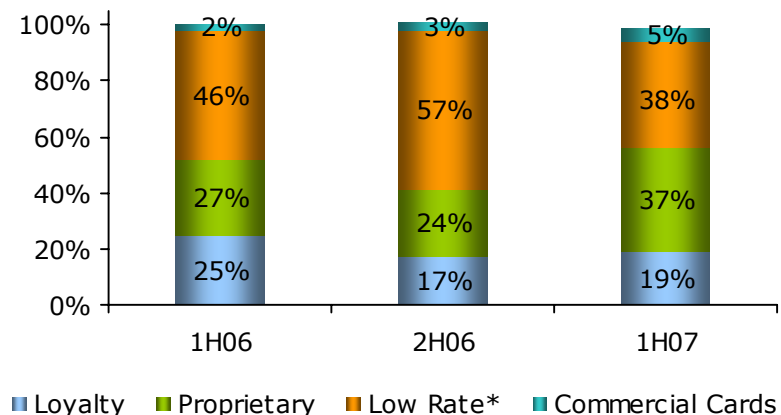


Consumer Finance: Solid FUM growth, losses in line with long term expectations

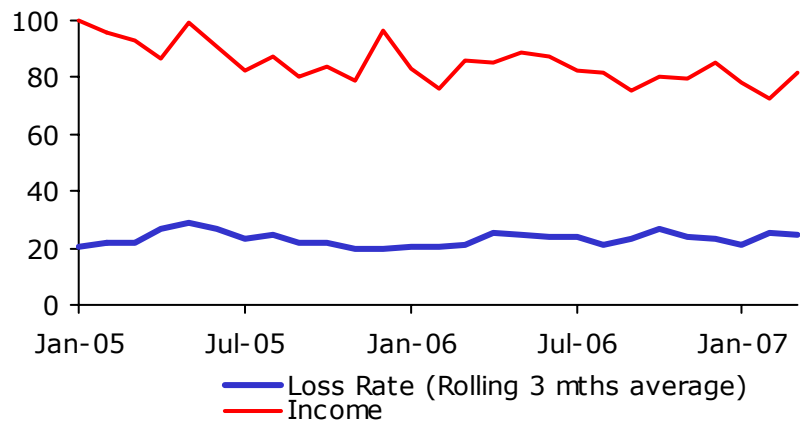
Solid FUM growth for cards and personal loans



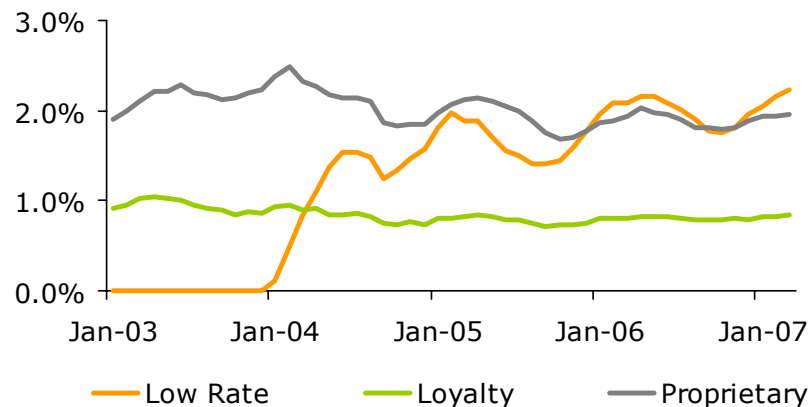
Greater acquisition of proprietary cards
% Acquisition growth by cards product



Proprietary (including Low Rate) income margin and loss rates stable**
(index Mar-05 Income = 100)



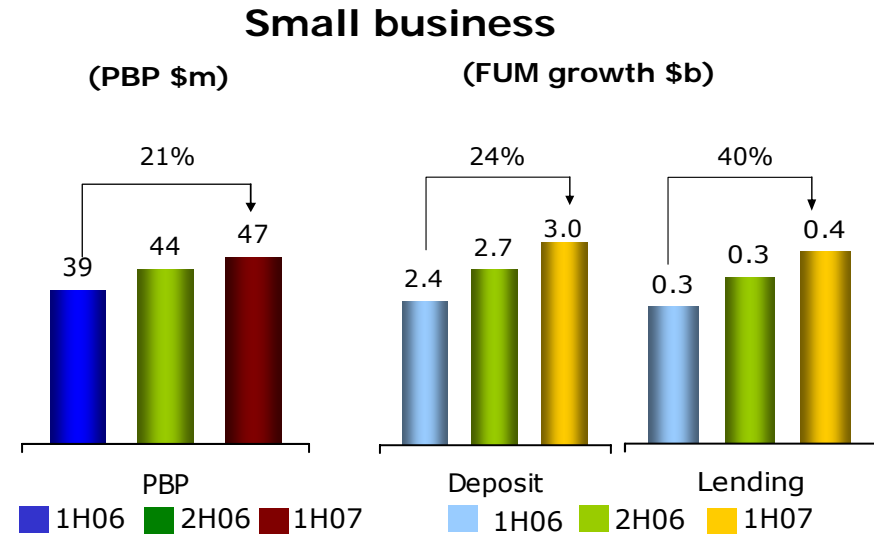
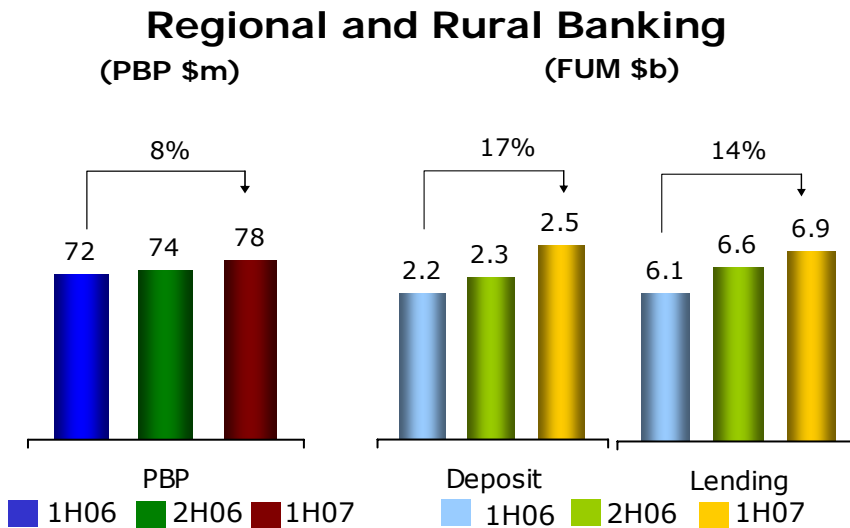
No material adverse trends in underlying arrears rates
(>60 day arrears to outstandings)



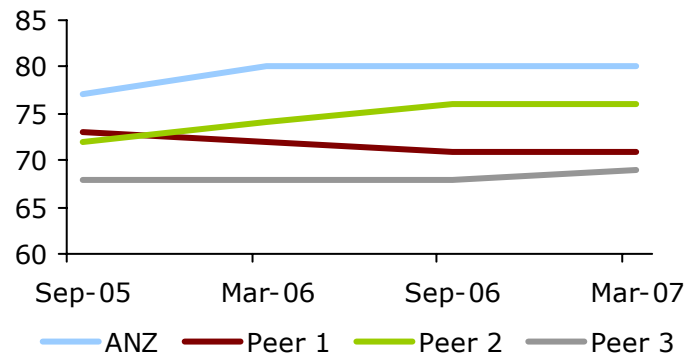
* Low Rate includes White Label
**includes Annual Fees

*** Revenue adjusted in 2H06 by -\$9m & \$17.9m in 1H07 for sale of MasterCard shares

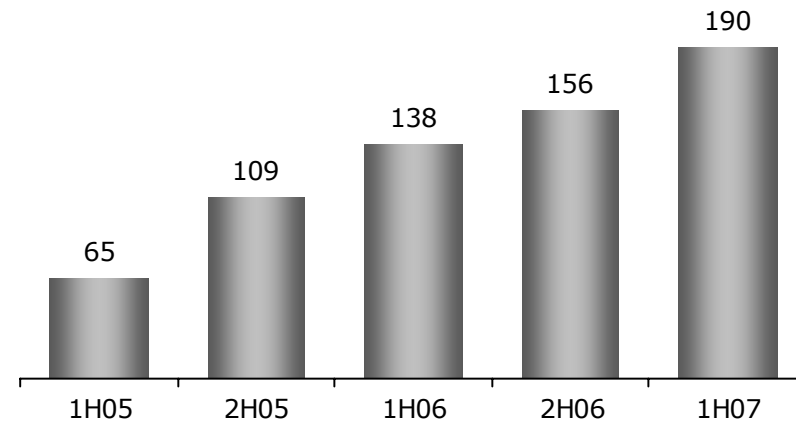
Regional, Rural and Small Business Banking: delivering a solid performance



Maintaining strong customer satisfaction* while supporting the rural community



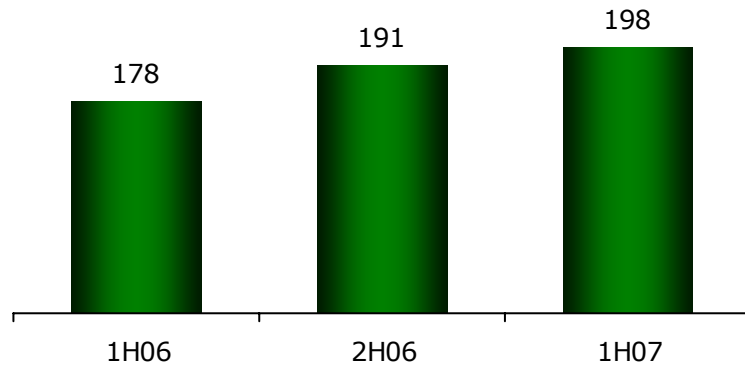
Continuing to invest in front line FTE



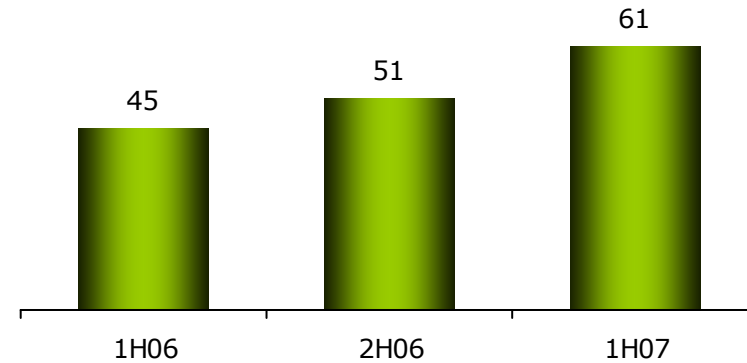
*Source: Roy Morgan Research – Aust Rural MFI Pop'n aged 14+, % Satisfied (Very or Fairly Satisfied), 12 mth moving average

Esanda: focus and investment in core business leading to improved performance

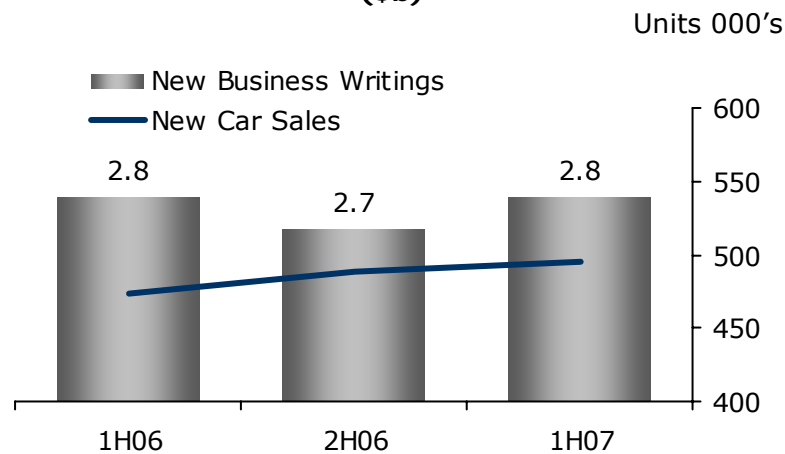
Product changes assisting revenue growth
(Revenue \$m)



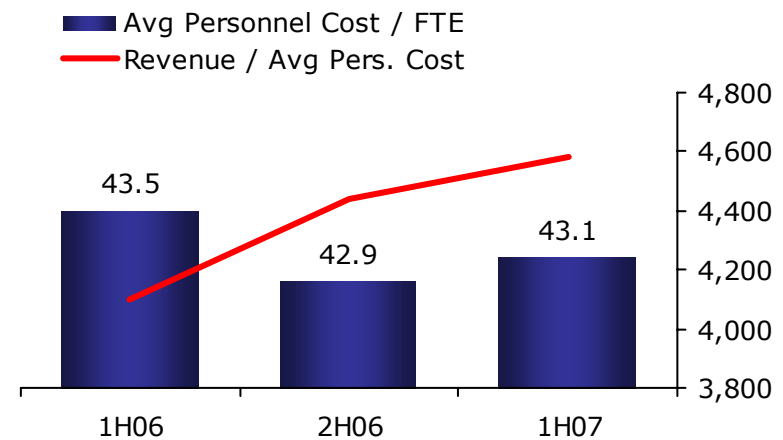
Solid profit growth
(NPAT \$m)



Recovery in New Vehicle Sales* are up – new business writings have recovered
(\$b)



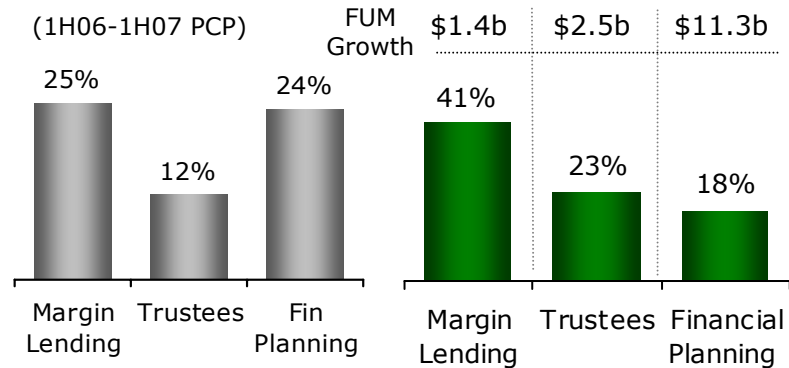
Efficiency gains through support functions restructure



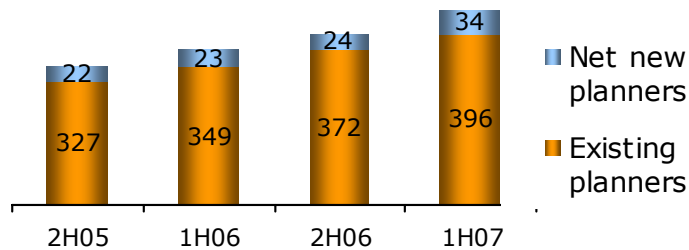
Investment & Insurance and Pacific performing well

Investment & Insurance Products

Strong revenue growth Solid FUM growth



Continuing to grow our planner network... (New planner numbers)

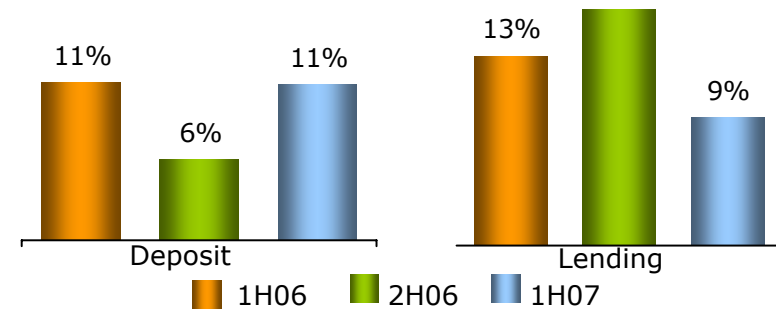


... and developing new products

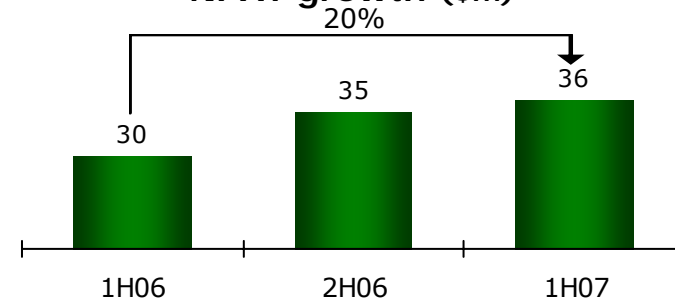
Product	Details
Fee for Advice	<ul style="list-style-type: none"> Over 5,000 customers Revenue up over 100% on 1H06
Diversified Margin Loan	<ul style="list-style-type: none"> Lend to over 1000 shares; Higher LVR's Over \$300m FUM
One Care Express	<ul style="list-style-type: none"> Successful launch in March 2007 20 minute application process

Pacific

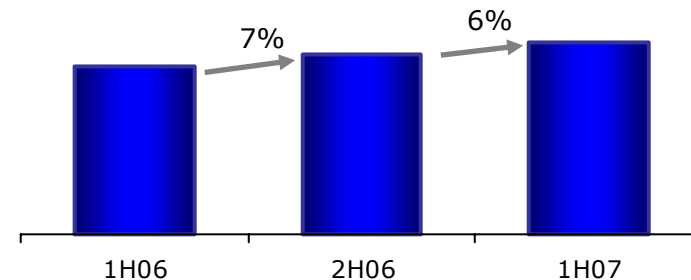
Strong deposit and loan growth (average period growth %)



NPAT growth (\$m)



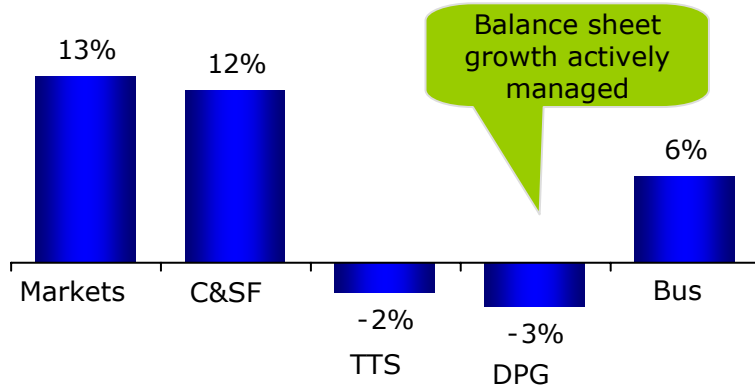
Continued momentum in customer acquisition



Institutional*: good performance in specialist businesses

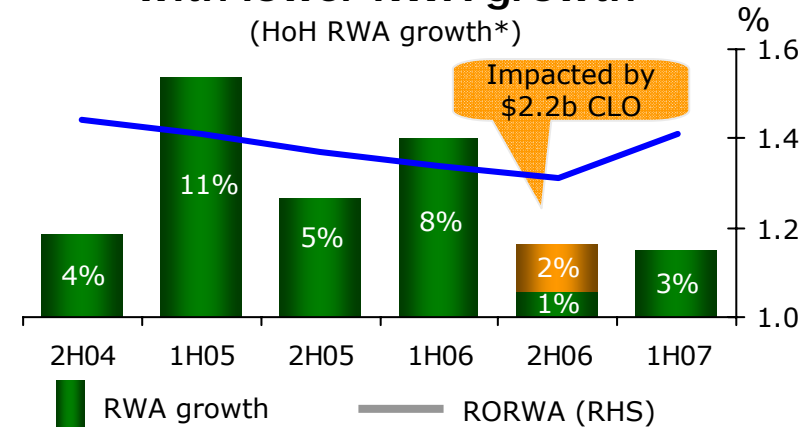
Specialist product businesses driving performance

(PBP growth 1H06 v 1H07)



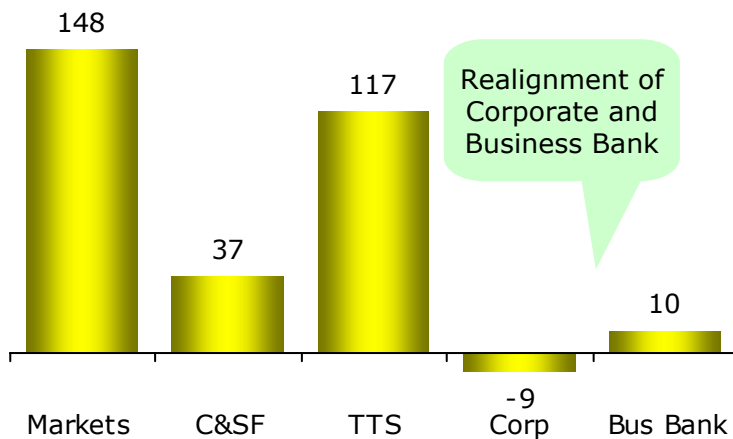
Balance sheet more actively managed with lower RWA growth

(HoH RWA growth*)



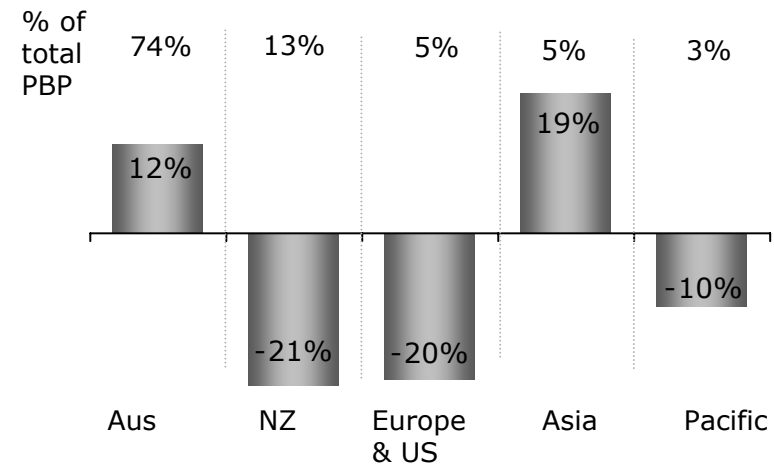
Continuing to invest in our specialist businesses

(FTE growth 1H06 v 1H07)

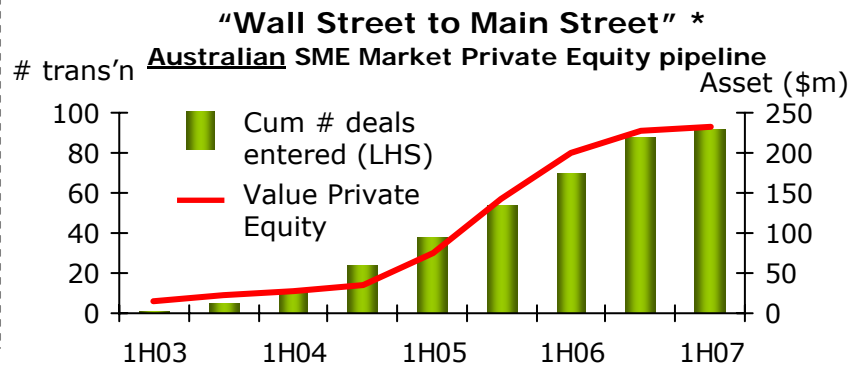
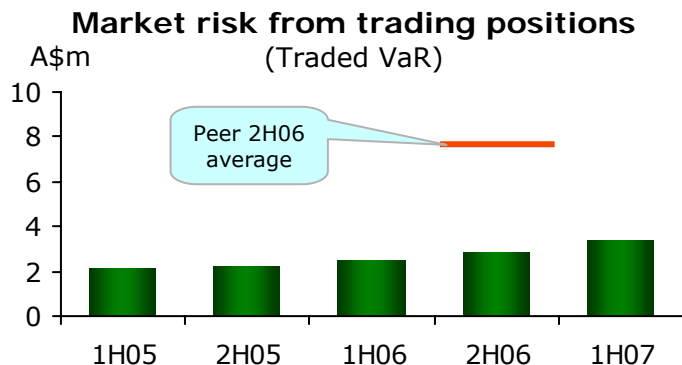
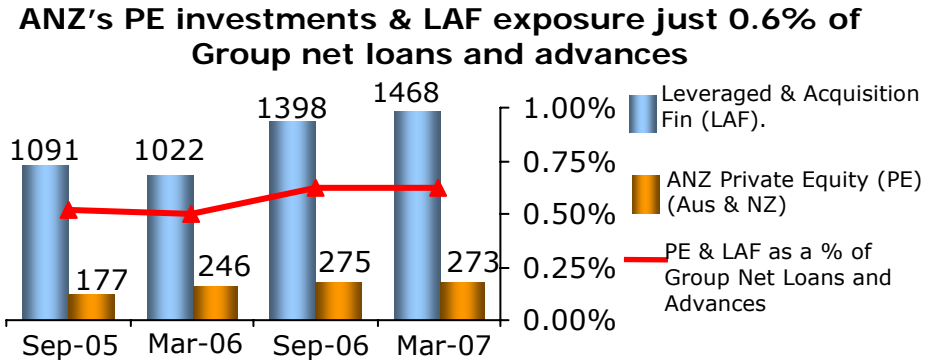
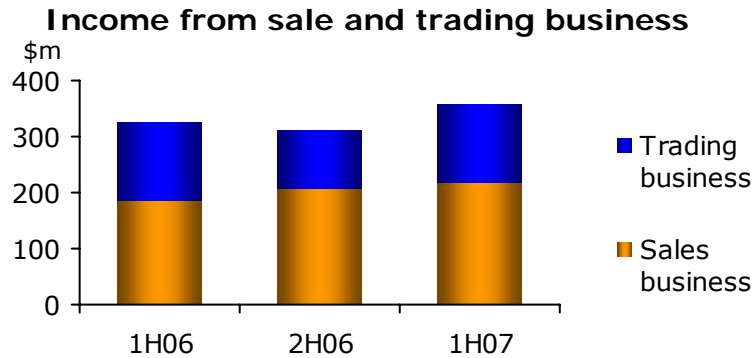
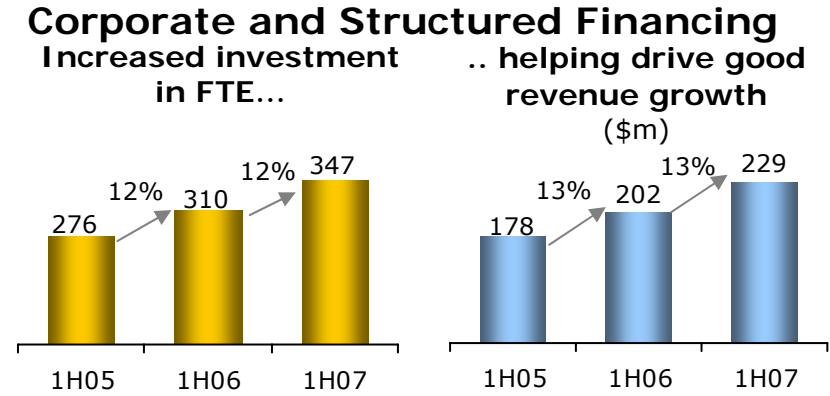
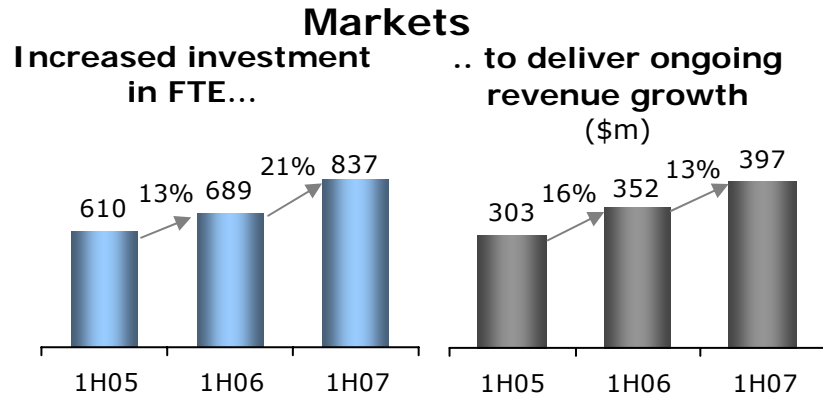


Strong performances by Australia and Asian businesses

(1H06 v 1H07 PBP growth*)



Good performance from specialist businesses

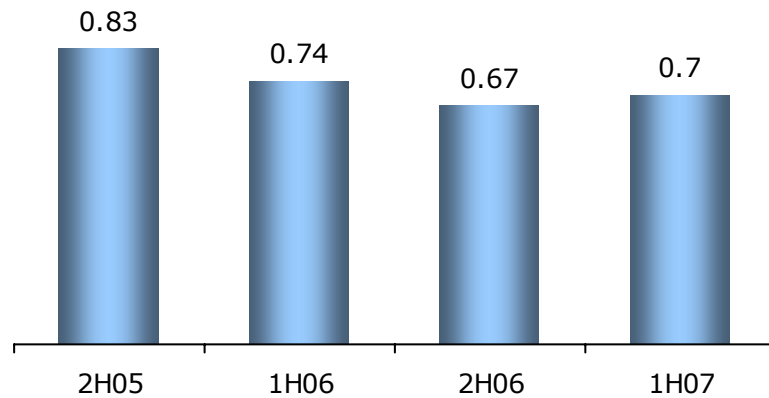


* stabilisation of new PE investments 1H07 impacted by the co-investment of new PE deals with the Business Equity Fund, launched October 2006

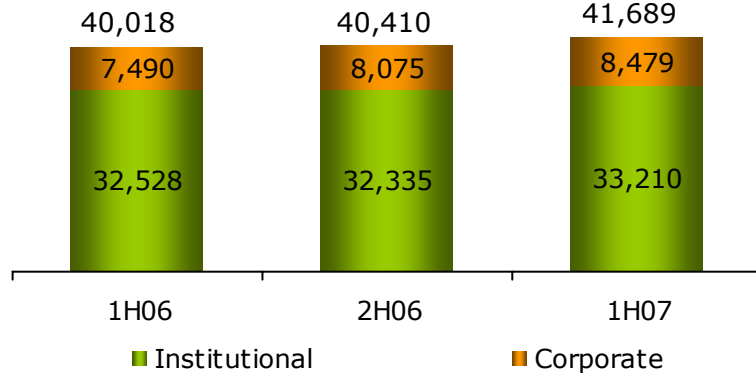
Working Capital – a focus on improving returns, despite headwinds

Debt Product Group

Stopping the decline in Return of Risk Weighted Assets on ELP basis (%)



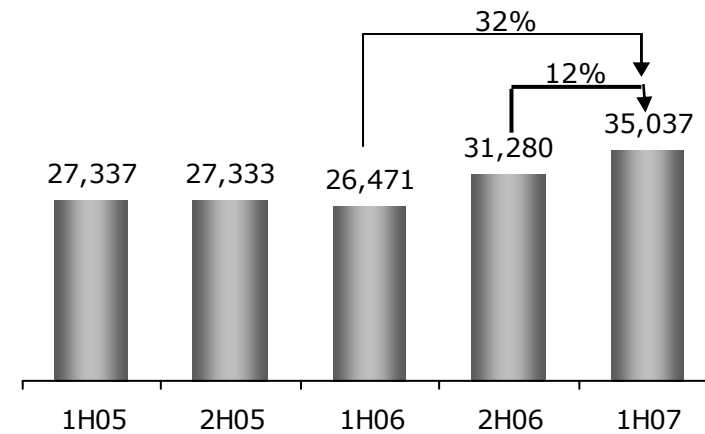
Focus on higher ROA & RORWA business impacting lending growth in Institutional and Corporate portfolio's (\$m)



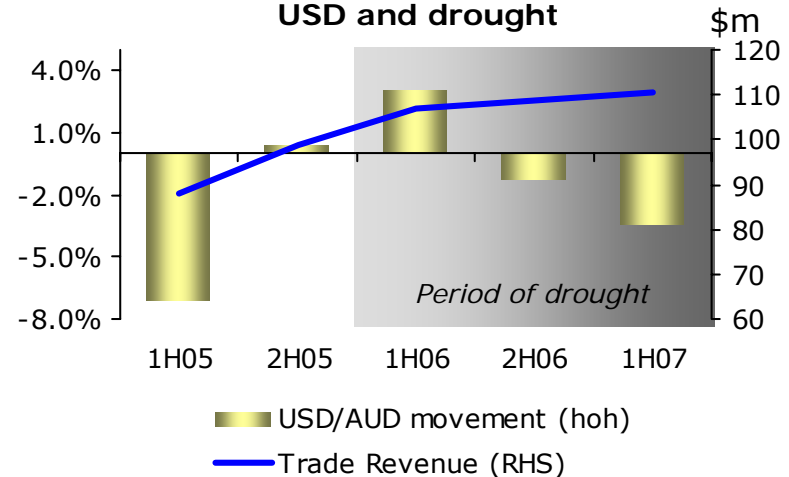
Trade and Transaction Services

- Very strong deposit growth, primarily in Cash Management and Transaction Services

• (\$m)

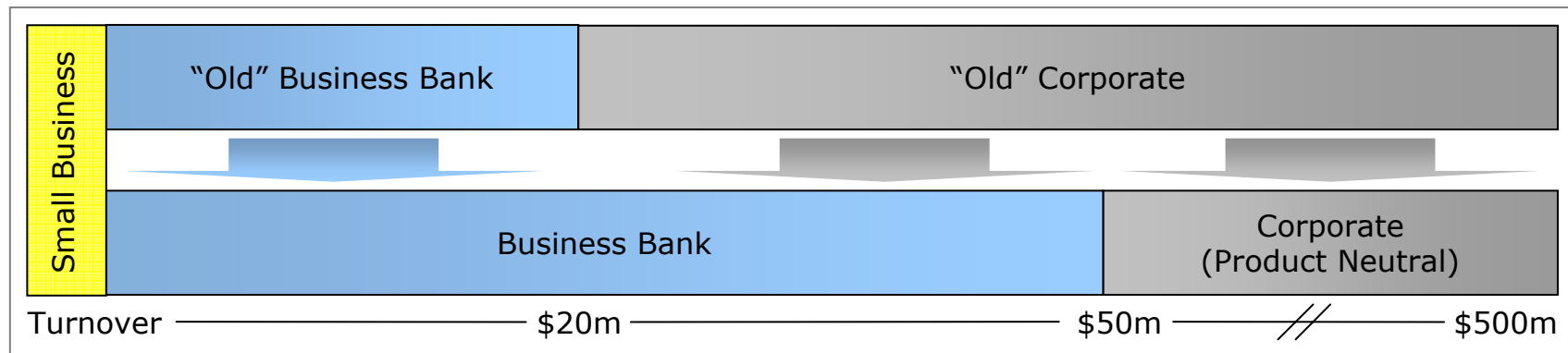


Trade performance impacted by weakening of USD and drought

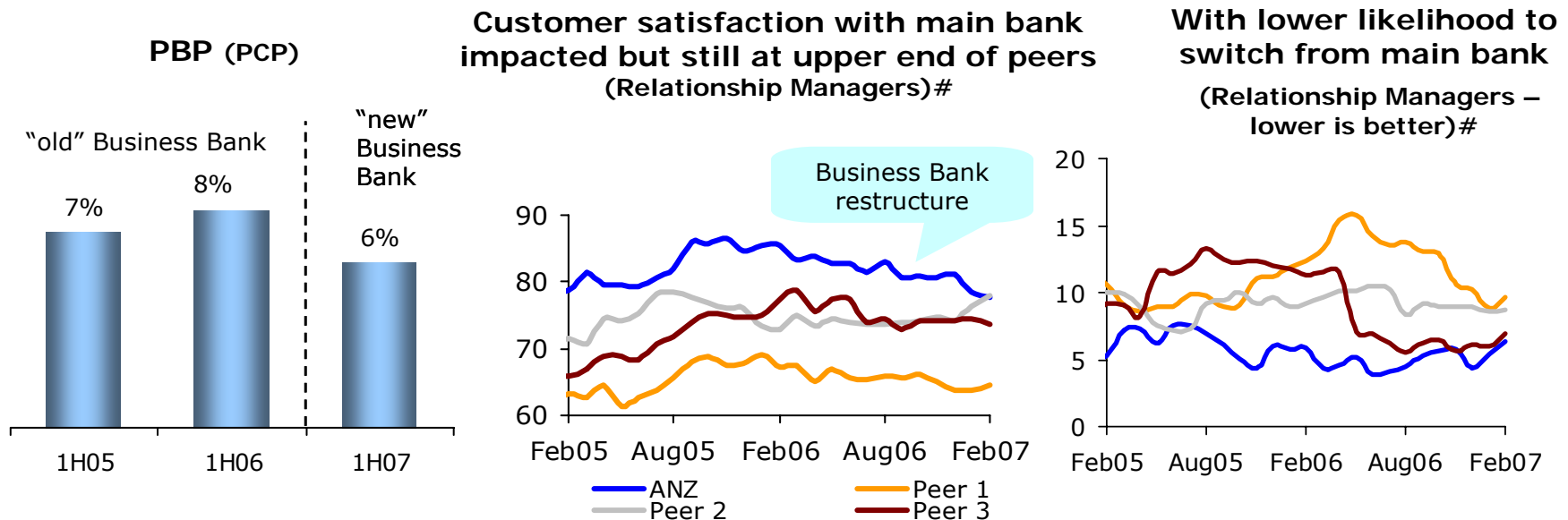


Institutional: Business Banking and Corporate restructuring to drive superior long term profit growth

Business Bank segment realigned to drive growth from expanded geographical area and channels to market

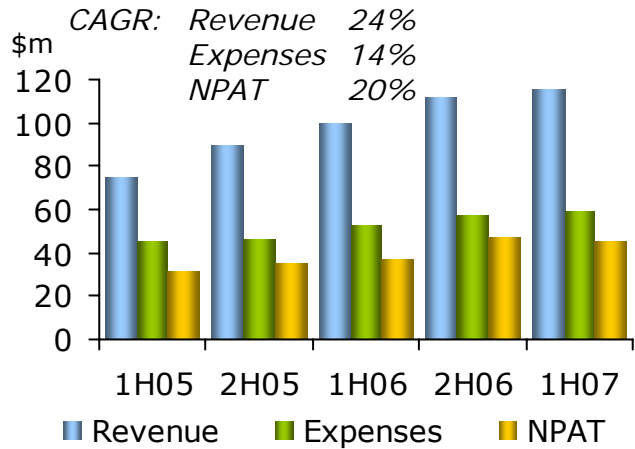


Restructure complete with franchise in good shape to focus on expanding offerings

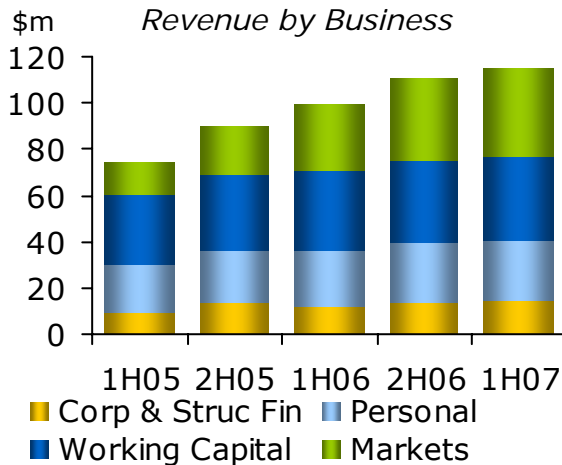


Institutional Asia: continued strong growth

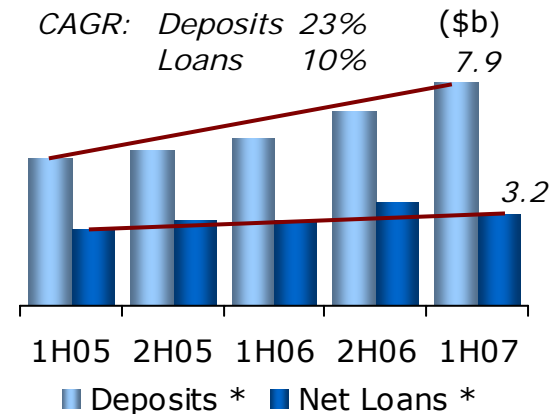
Revenue growth continues to outpace expense growth...



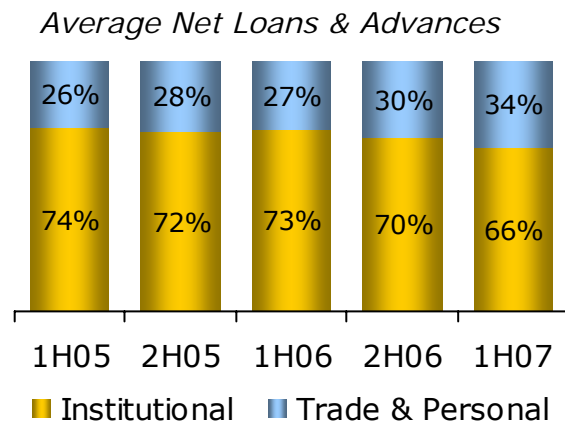
... with strong uplift in high value-add business lines...



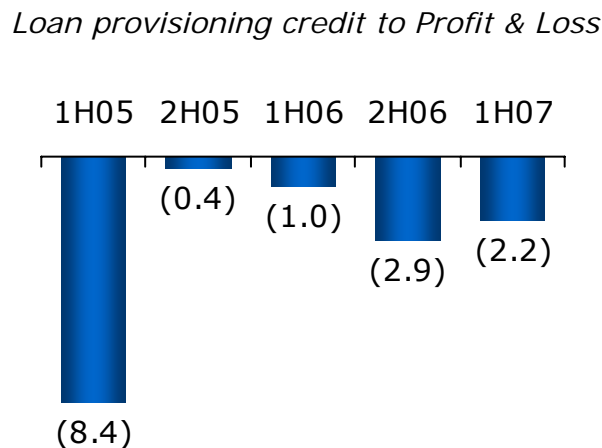
...and a de-emphasis of balance sheet exposures



The lending portfolio has been moving towards lower-risk businesses...



...while recoveries have resulted in net credit in provisioning

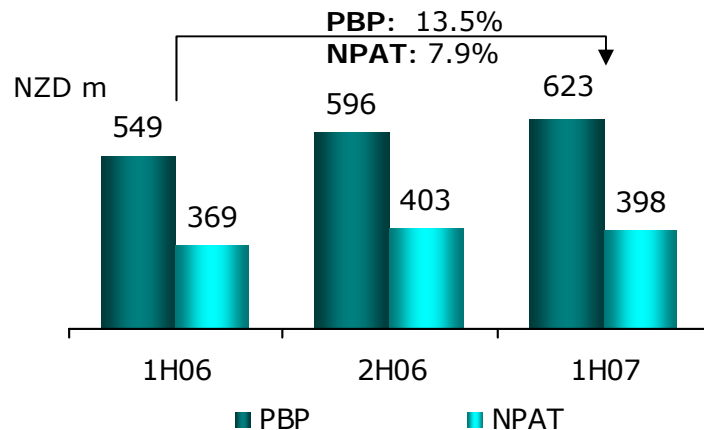


Initiatives across the region will continue to underpin strong growth:

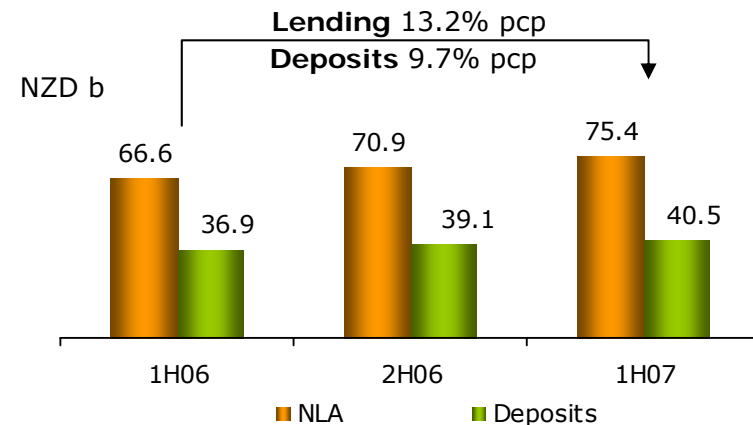
- Branch expansions in Indonesia and Vietnam;
- Building scope & depth in leasing, project and export finance & financial markets
- Continued focus and acceleration of expatriate, student & migrant and personal & private banking agenda;
- Greater depth and reach in debt market distribution, underwriting and balance sheet velocity.

New Zealand Businesses: Strong underlying result, NPAT impacted by more normalised provisioning levels

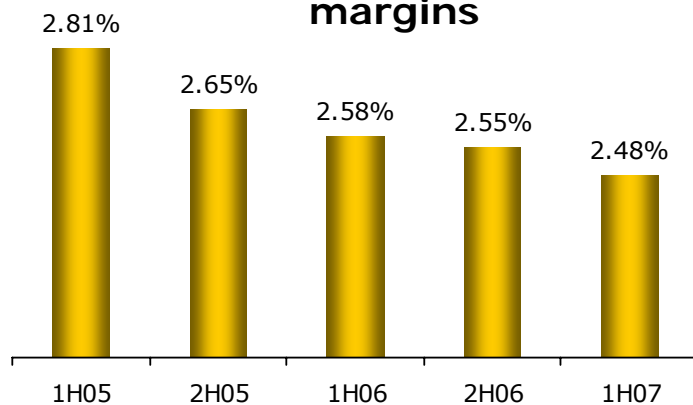
Profit before provisions well up but NPAT impacted by higher credit costs



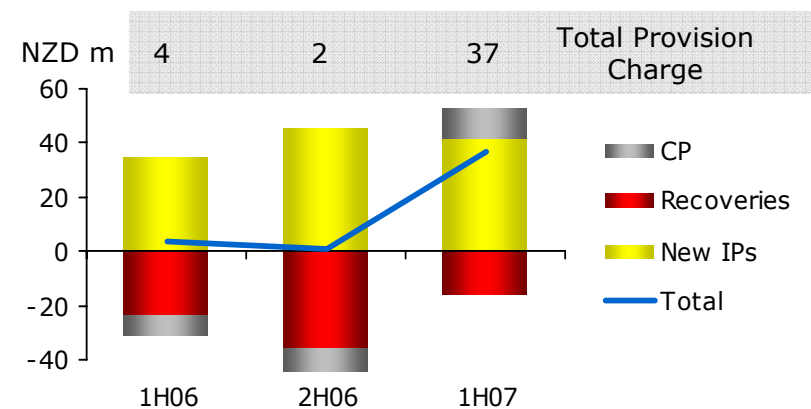
Profit driven by strong balance sheet growth...



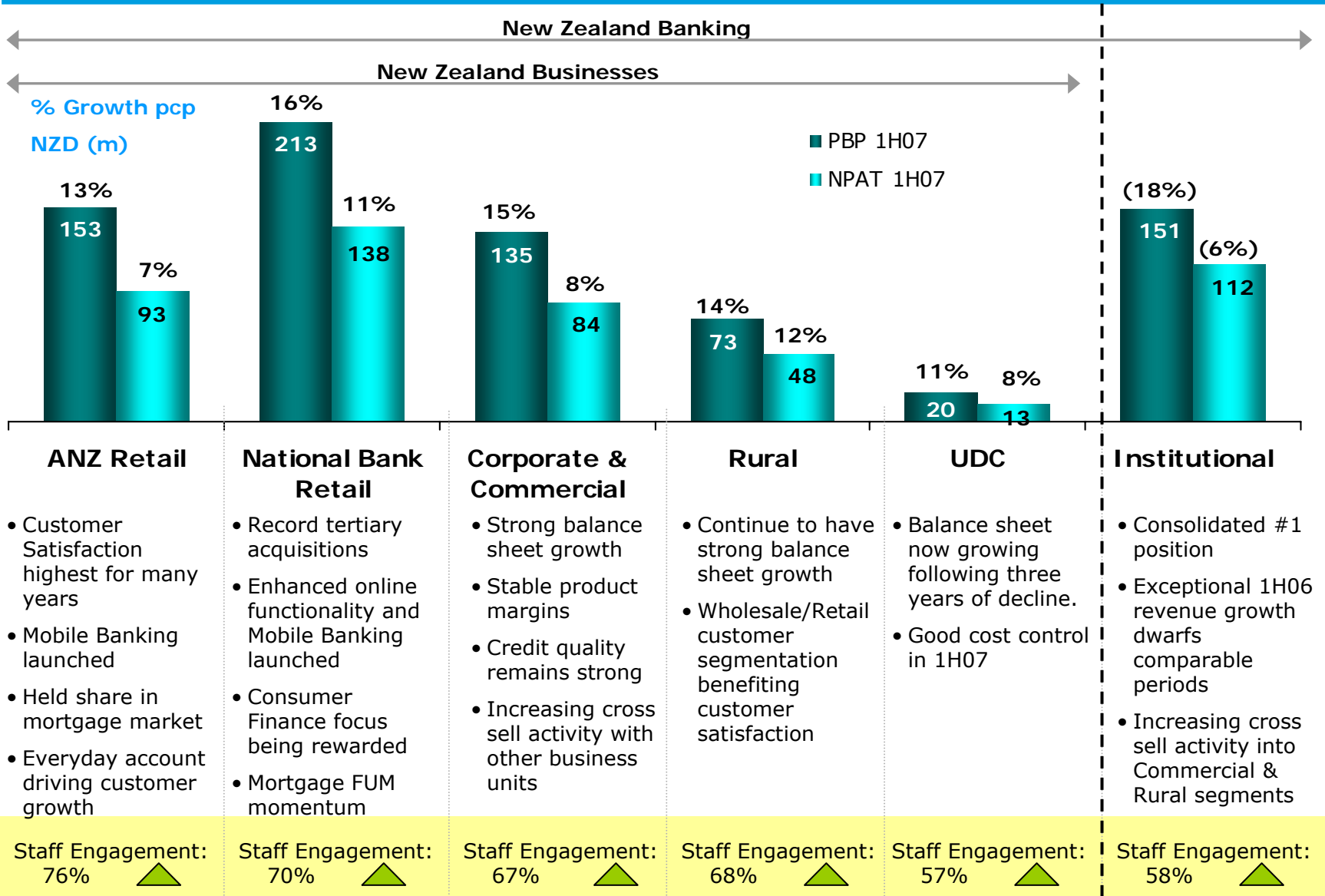
..compensating for decline in margins



Increase in Credit Impairment Charge reflects a return to more normal loss levels

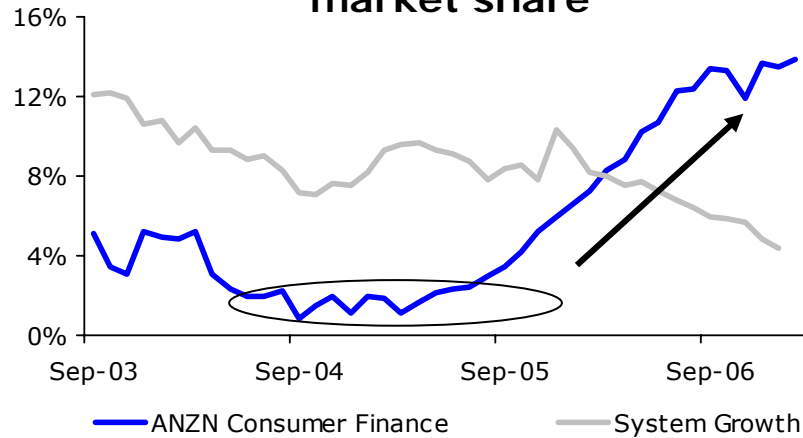


New Zealand: Good performance from all businesses

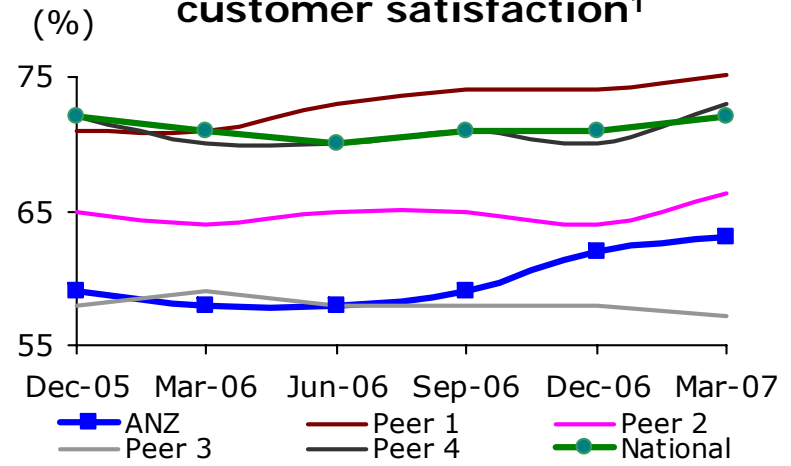


New Zealand Retail: Solid growth in FUM & customer metrics

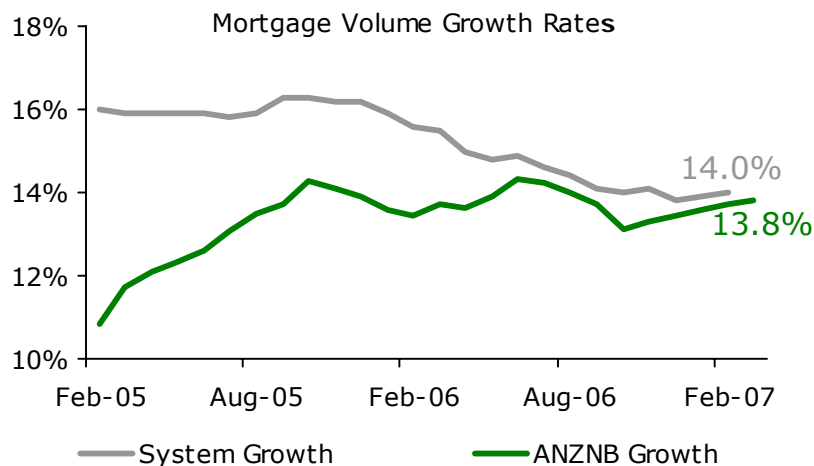
Consumer Finance refocused on growth post integration - moving back to natural market share



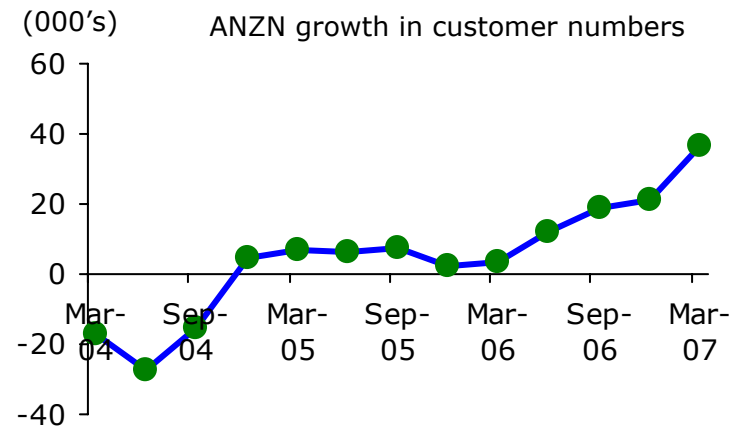
Continued improvement in ANZ customer satisfaction¹



ANZN mortgage growth now in line with system²

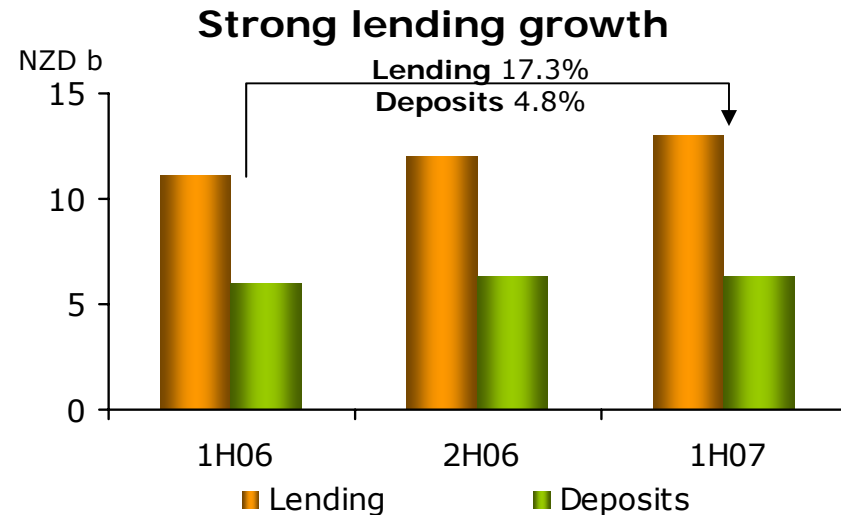


Success in the tertiary market and strong customer satisfaction has driven growth in customer numbers³



1. ACNielsen Consumer Finance Monitor, customer service rating rolling 4 quarter averages.
 2. RBNZ C5 Table & ANZN 50% RWA
 3. Rolling 4 quarter growth

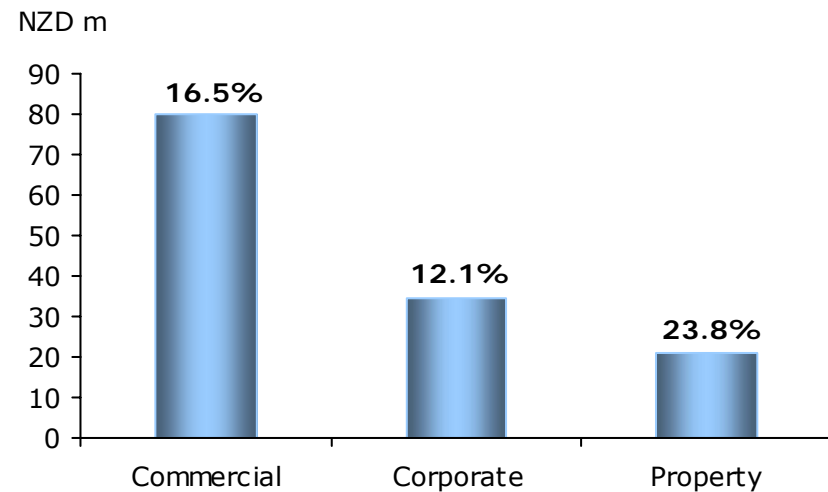
Corporate and Commercial NZ: Strong profit growth from solid balance sheet growth



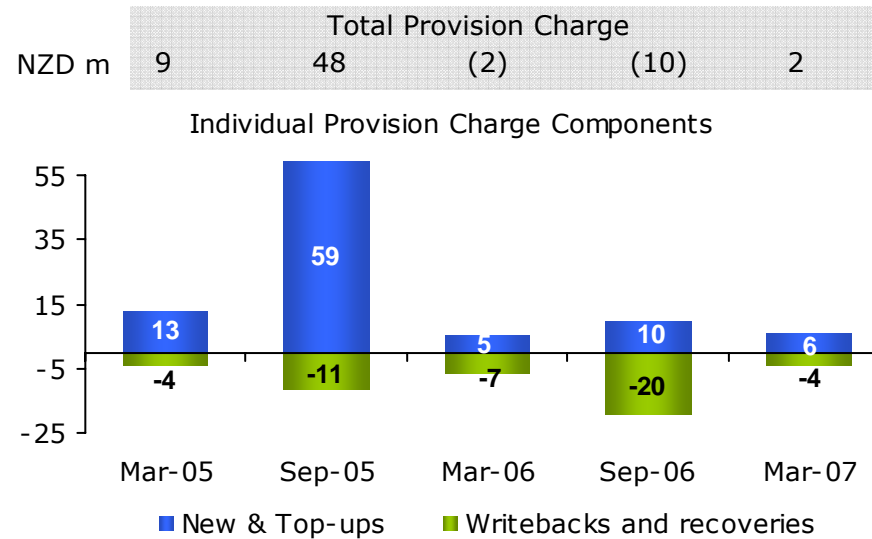
1H07 Performance

- 15% PBP growth (pcp)
- Strong asset growth
- Increasing cross sell activity with other business units (14% pcp)
- Stable product margins
- Low, stable cost to income ratio, 32.3%
- Credit quality has remained strong

Driving strong profit across businesses (pbp growth pcp)



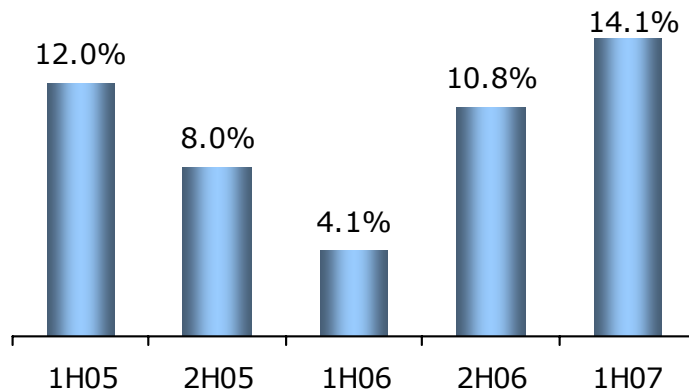
Credit quality remains strong



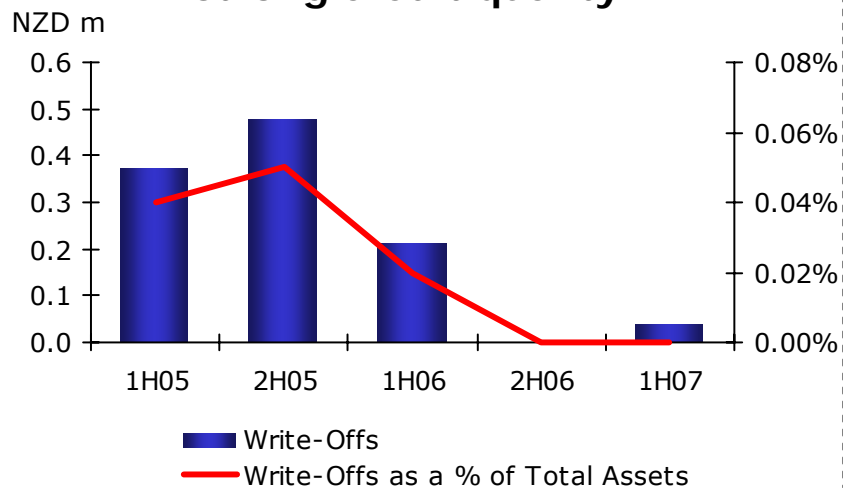
Continued momentum in New Zealand Rural, UDC turnaround now underway

Rural

Good momentum regained from 1H06
(Profit Before Provisions pcp growth)

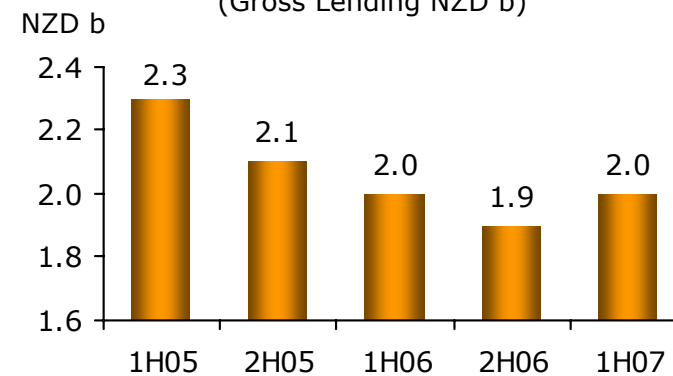


While maintaining remarkably strong credit quality

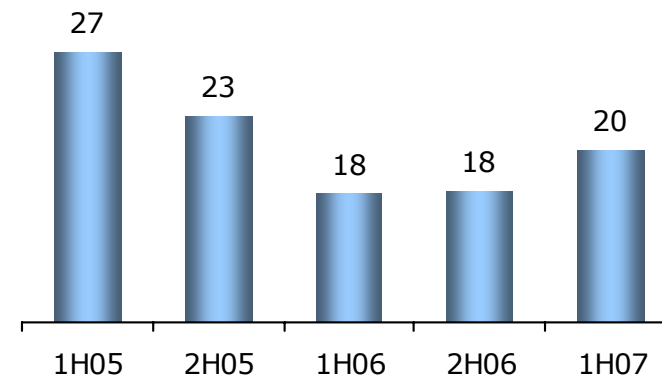


UDC

Balance sheet growth in 1H07 following three years of decline..
(Gross Lending NZD b)

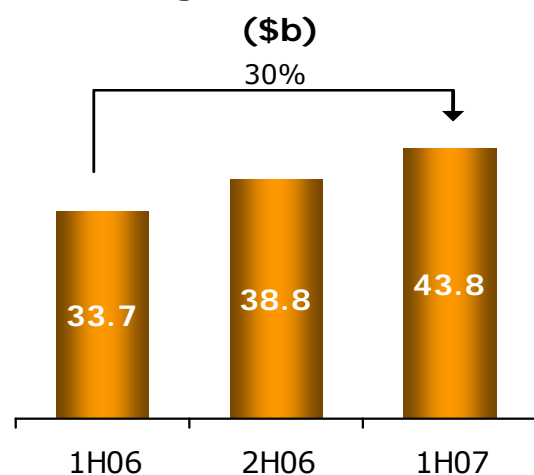


...supporting uplift in profit
(Profit Before Provisions NZD m)

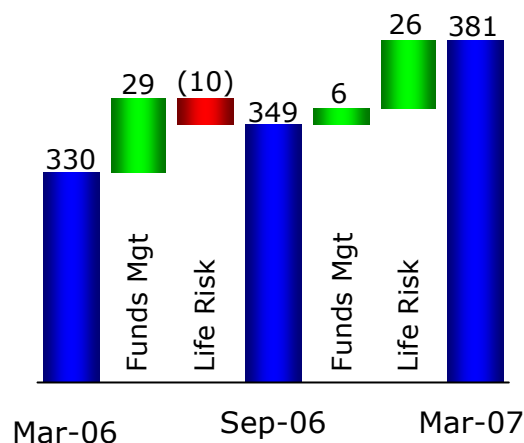


INGA: strong performance in funds management and risk businesses

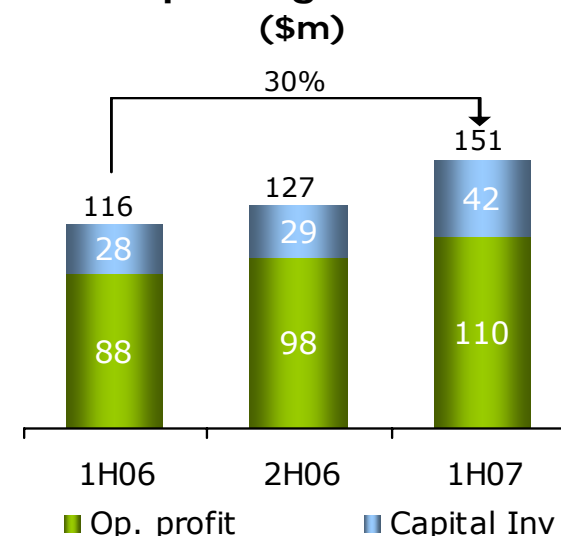
Continued strong FUM growth... *



... and Revenue growth (\$m)



...Contributing to Strong profit growth (\$m)



Core Funds Management

- Funds management market share for INGA grew from 7.5% at Dec 2005 to 8.2% at Dec 2006
- ING Corporate Super product currently ranked #1 amongst employer super providers by Heron Partnership
- INGA aligned advisers grew to 1,182 by March 2007, year-on-year increase of 69 planners, of which 29 were ANZ financial planners
- INGA ranks 4th in the industry for adviser no's.

Life Risk sales

- Strong Life Risk sales reflected the ongoing success of 'OneCare',
- 'OneCare' the market leading individual risk product for retail new business
- Increased market share in individual life risk new annual premiums, up from 8.8% at Dec 2005 to 14.9% at Dec 2006
- INGA recorded highest growth in new annual premium among the major institutions, ranked #3 for total in-force premiums

International Partnerships is accelerating strategic initiatives with Panin. AMMB and SRCB are finalising



Indonesia

- 247 branches, 278 ATMs, 6,840 staff
- Partnership commenced 1999, currently 30.2%
- Cumulative investment (book value) A\$234m, market value A\$453m as at 31 March 2007
- 2006 NPAT growth 29%, TSR 52%
- One ANZ board member
- ANZ has assisted with the creation of a retail/SME franchise over 7 years
- International Partnerships now ramping up strategic initiatives. 3-4 new senior ANZ staff secondments
- Projects include a white labelled credit card from Indonesia Cards, SME origination channels/sales tools, Private Banking (leveraging ANZ Singapore) and centralisation/process improvement in retail back-office
- Potential to leverage AMMB's capability in Islamic finance



AmBank Group

Partnership not yet finalised

Malaysia

- 174 branches, 248 ATMs, 9,280 FTE
- Malaysia's 5th largest banking group
- Stake up to 24.9%
- ANZ to have 3 board seats and a number of executive positions, including Deputy Group Managing Director and Chief Financial Officer
- A strategy has been agreed to capture growth opportunities and leverage ANZ's capabilities, including retail banking, revenue growth and risk management
- AMMB's share price has appreciated 31% since deal announced²



Shanghai, China

Partnership not yet finalised

- 330 branches, 380 ATMs
- China's largest rural commercial bank, 17th largest bank
- Stake up to 19.9%
- ANZ to have 2 board seats and appoint a number of Executives in permanent and project-based roles
- Finalisation is pending regulatory approvals from authorities in China, including the China Banking Regulatory Commission (CBRC) at local and national level



1. as at March 2007, including A\$648m ordinary shares and A\$181m converting preference shares

2. Based on market price of RMB3.92 per share as at 20 April 2007, compared to price on date of announcement, 21 November 2006

3. Based on constant exchange rate 7,124 IDR/AUD

Other partnerships have successfully leveraged ANZ's capabilities during 2006 and achieved good results



Cambodia

- 55% equity since 2004
- 10 branches, 51 ATMs
- 3rd largest bank within 2 years
- Awarded 2006 "Bank of the Year"¹
- 2007 Financial Innovator award²
- 1st dual currency ATM in 3 languages
- POS launched



China

- 20% equity since 2006
- 2006 NPAT A\$73.5m
- 4th largest city commercial bank
- New regional license and new Bank of Tianjin brand
- 8 ANZ staff
- 10 ANZ training projects completed, including retail sales and service quality
- New projects include SME risk models and retail products



Vietnam

- 10% equity since 2005
- 148 branches, 96 ATMs
- 4 ANZ staff, ANZ managing Credit Cards Division and Treasury/Markets divisions
- 2006 NPAT A\$37m, up 97%, loans growth 71%, deposits growth 75%
- Mortgage products launched Nov'06, leveraging ANZ



The Philippines

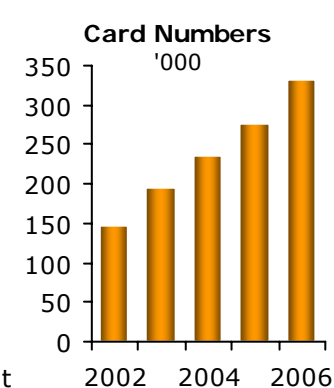
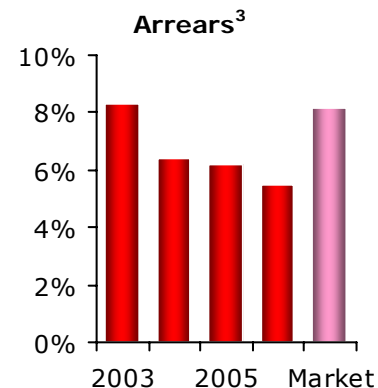
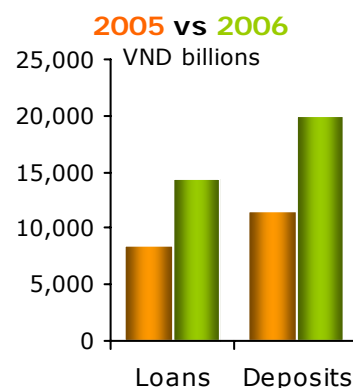
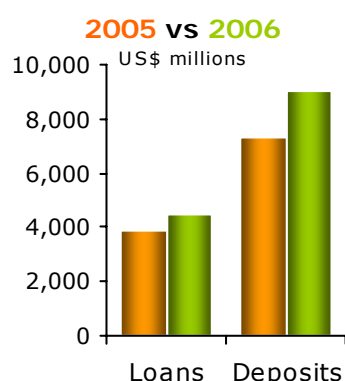
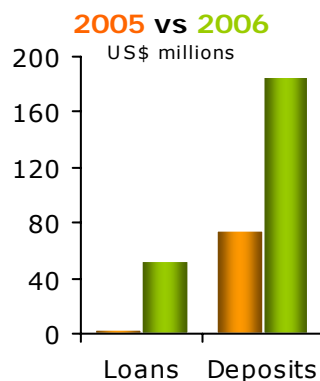
- 40% equity since 2003
- MCC since 2003:
 - Issued 1 in every 3 new credit cards in the market
 - Moved to 4th from 9th in market share
 - Cards in force up 51%pa, billings up 33%pa
 - Revenue up 42%pa
 - 280bp reduction in 30-180 days past due



Indonesia Cards

Indonesia

- Operates within 85% owned ANZ Panin Bank since 1999
- 65% share of Platinum MasterCard market
- Since 2002:
 - Increased card numbers by CAGR 22%
 - IDR NPAT CAGR 37%
 - IDR receivables CAGR 35%
 - Built strong brand-recognition



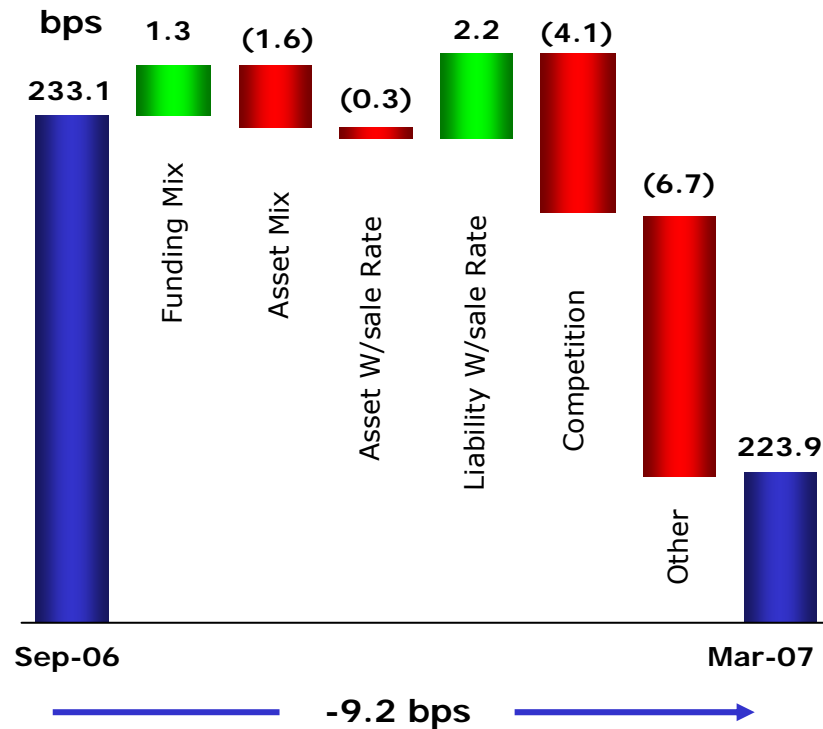
1. Awarded by the Banker magazine
2. Awarded by Financial Insights for electronic banking innovation

3. Value between 30-180 days past due
4. Average for Philippines market Dec 2006

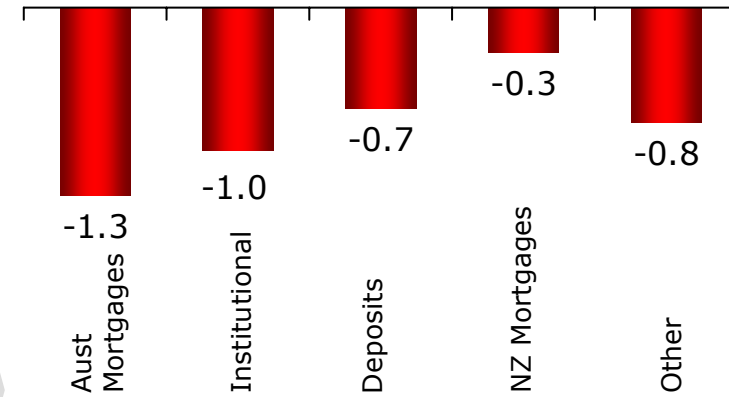
Margin Analysis

Group half on half margin down 9.2 bps on headline basis, 3.9 bps on an underlying basis

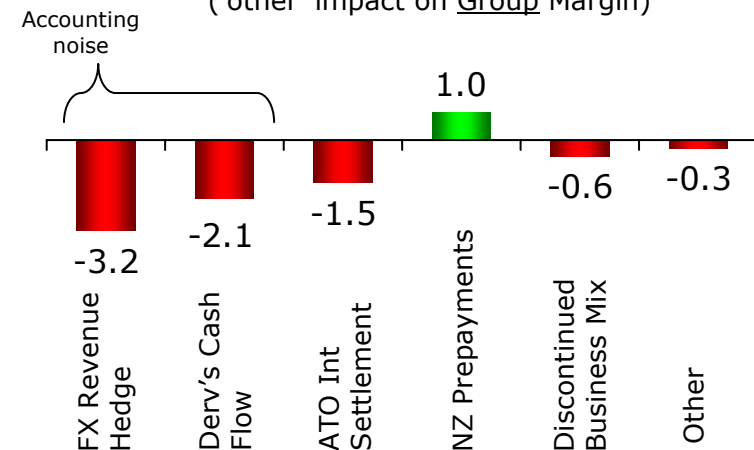
Reported margin down 9.2bps
(2H06-1H07)



Product Migration key driver of competition impact on NIM
(competition impact on Group Margin)

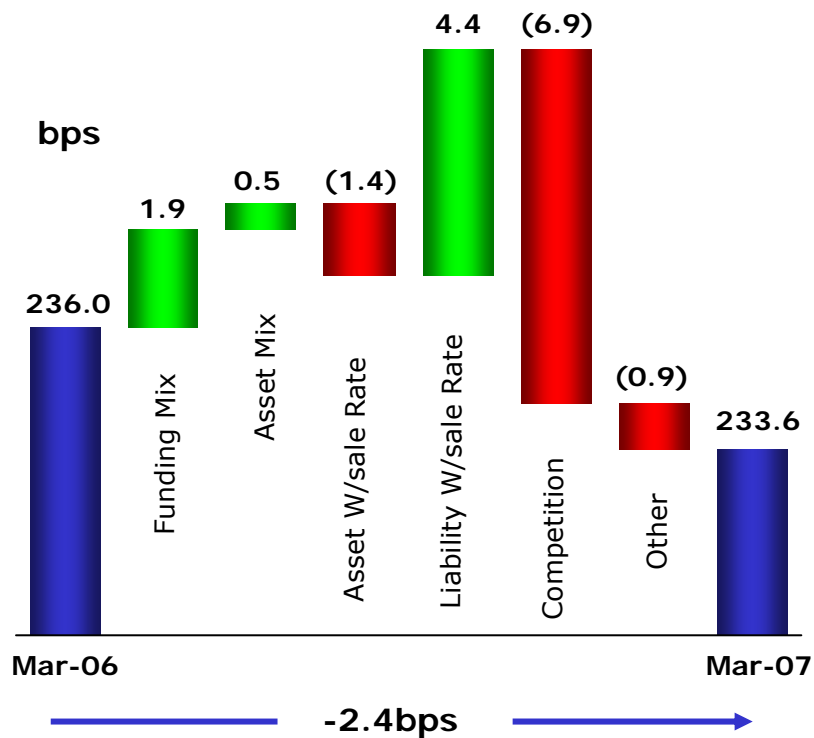


'Other' composition
('other' impact on Group Margin)

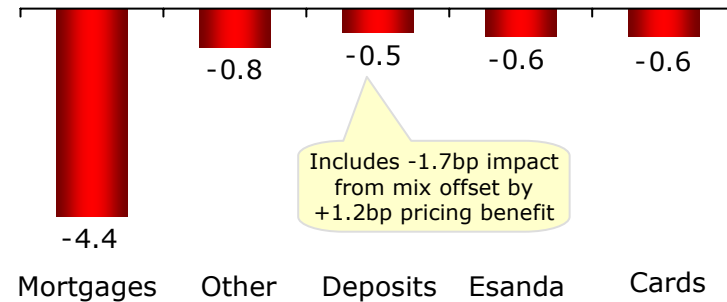


Personal: margins impact by mortgage competition

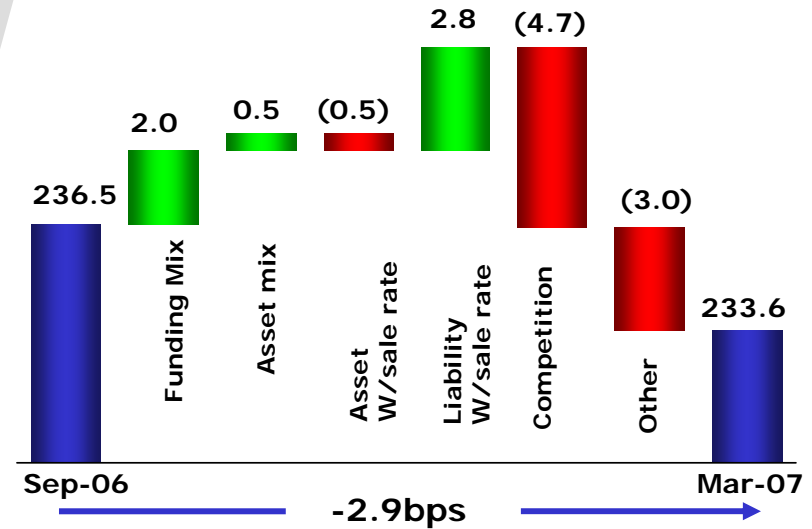
Mix impacts & Funding Wholesale Rate benefits offset by increased Competition (1H06-1H07)



Mortgages key driver of competition (competition impact on Personal Division Margin 1H06-1H07 bps)

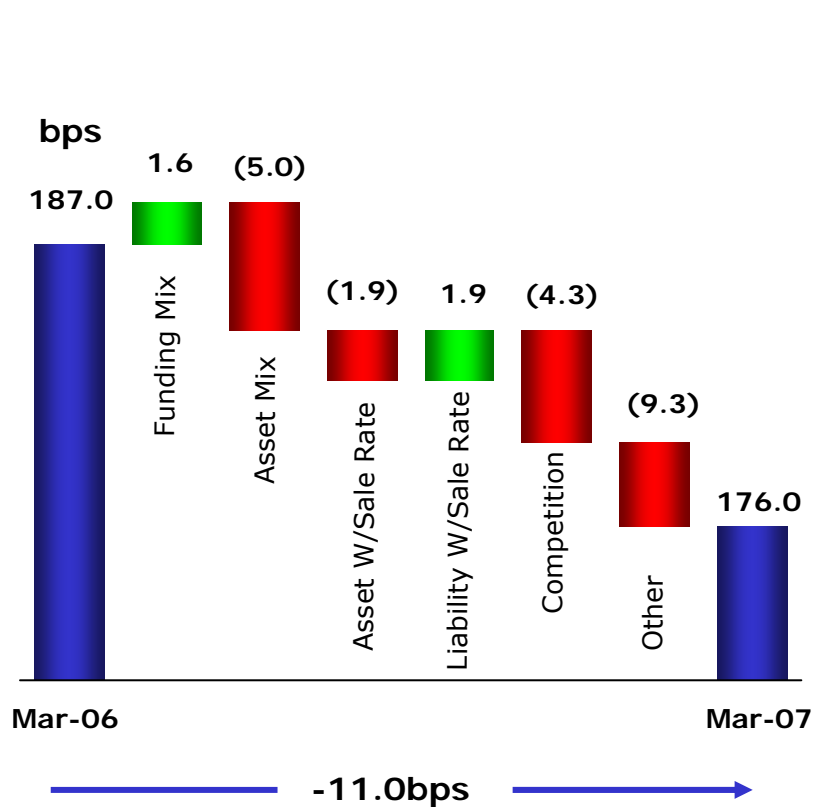


1H07 margin down 2.9bps (Personal Margin 2H06-1H07 bps)

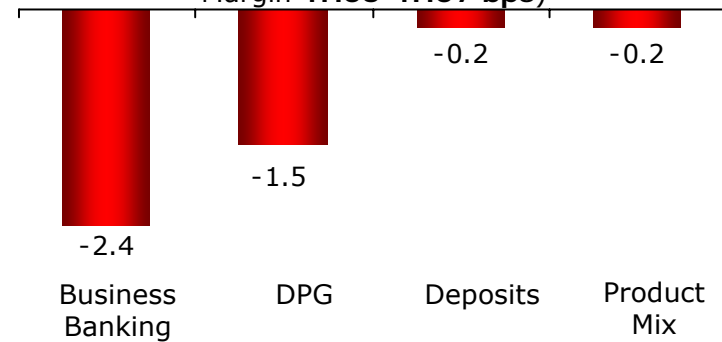


Institutional: significant impact from Markets and accounting 'noise'

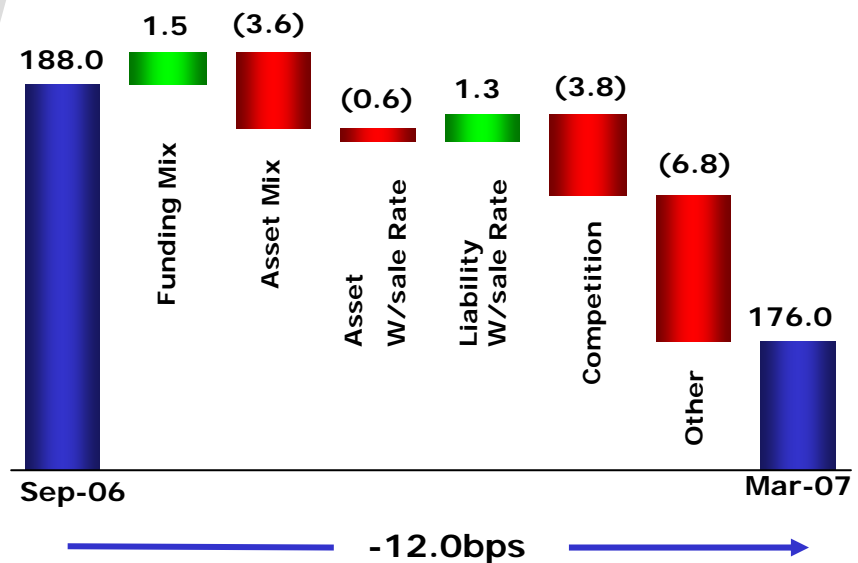
Reported NIM decline adversely impacted by accounting 'noise'
(1H06-1H07)



Competition impact mainly in Business Banking
(competition impact on Institutional Division Margin 1H06-1H07 bps)

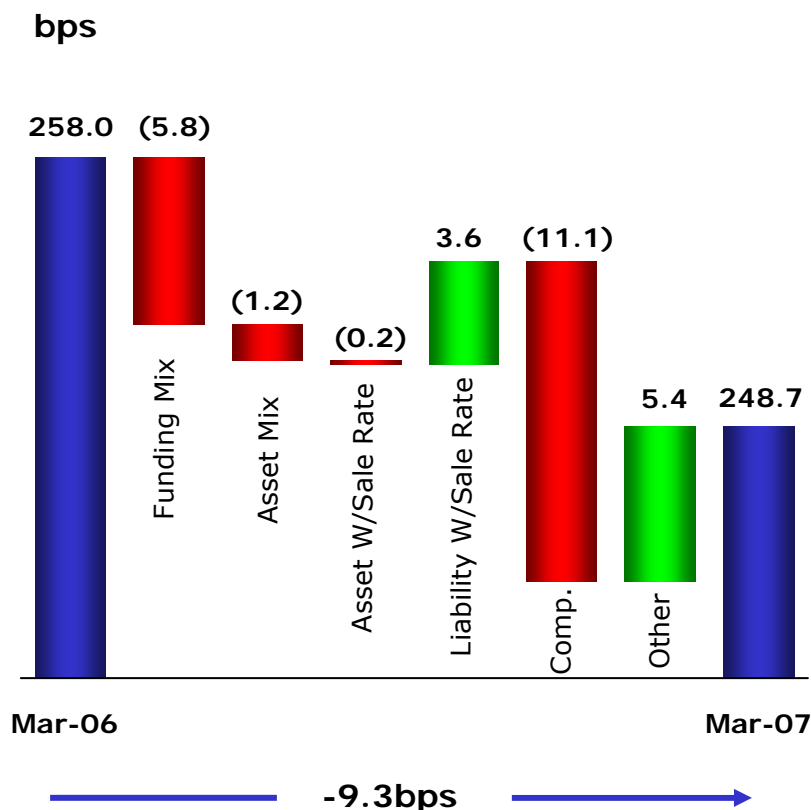


1H07 margin down 12.0bps
(Institutional Margin 2H06-1H07 bps)

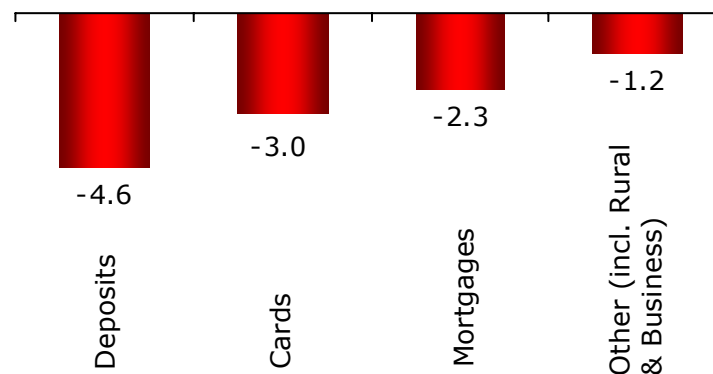


New Zealand Businesses: Competition, particularly product mix, driving margin decline

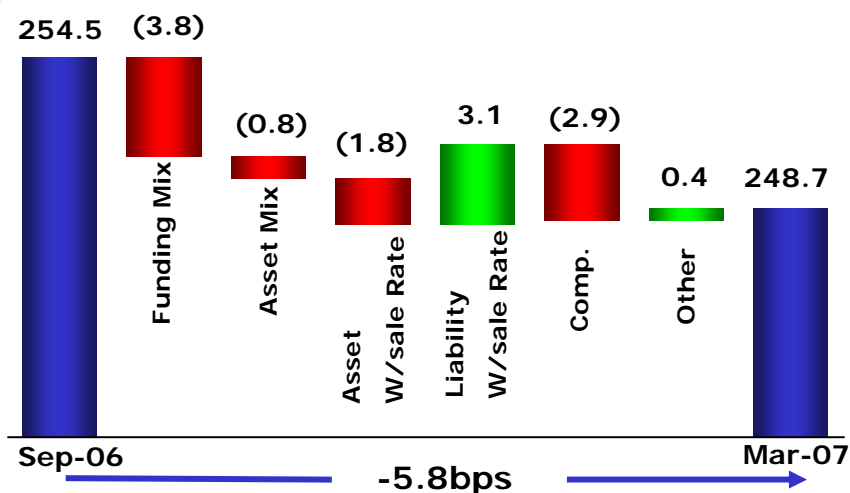
Competition driving margin decline (1H06-1H07)



Deposits key driver of competition impact
(competition impact on New Zealand Businesses Margin 1H06-1H07 bps)



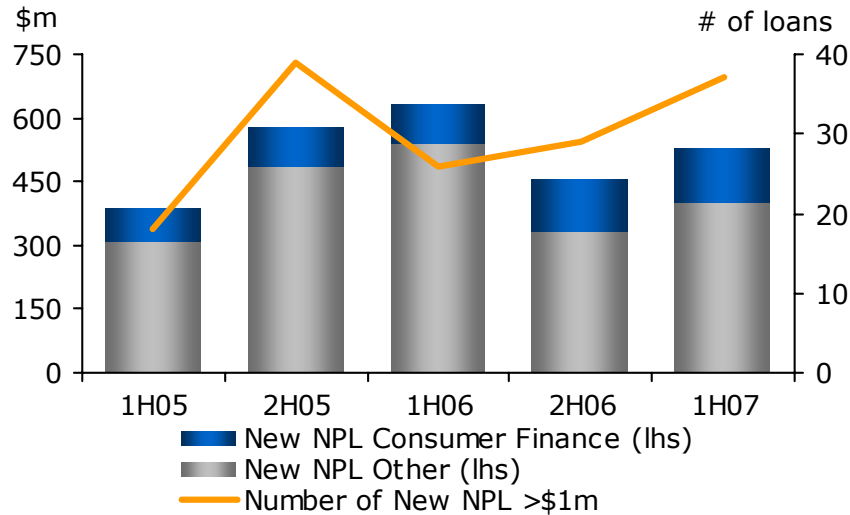
1H07 margin down 5.8bps
(New Zealand Businesses Margin 2H06-1H06 bps)



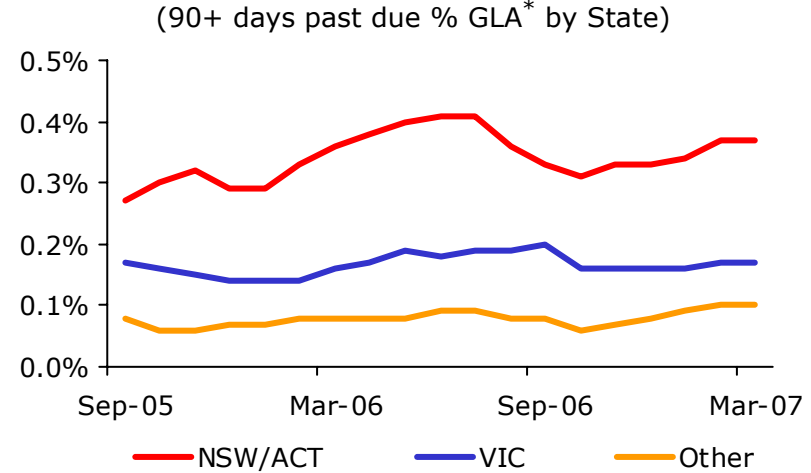
Credit Quality

Benign credit environment overall, but modest deterioration in certain areas

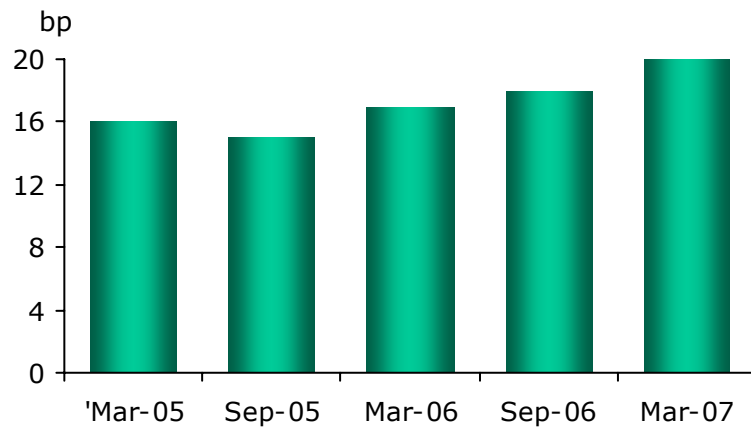
New Non Performing Loans up slightly



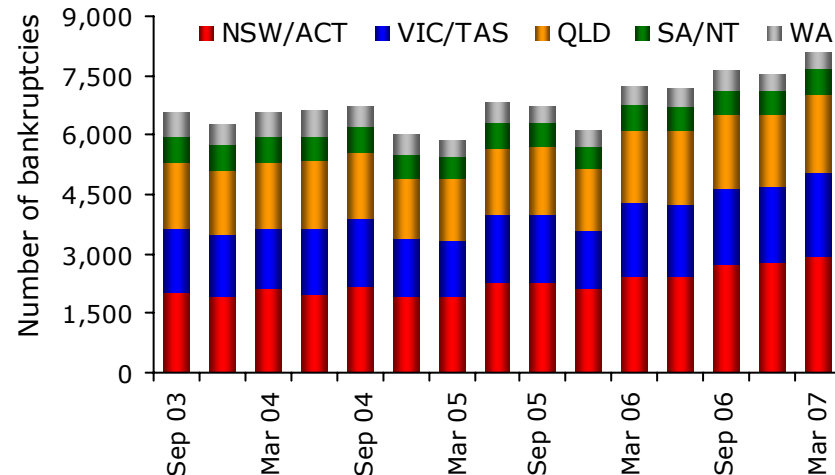
NSW mortgage arrears continue to track above other states



90 Days Past Due trending upwards
(Group - % of Gross Lending Assets)



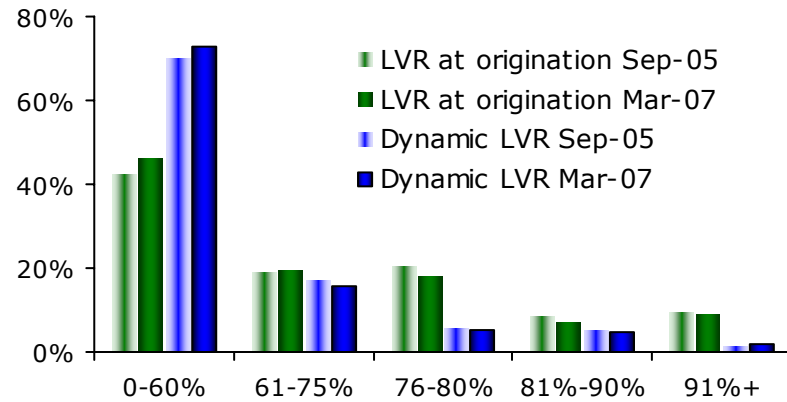
Total Bankruptcies trending upwards with over 40% increase in NSW since September 03



Mortgages and Cards: Credit quality remains sound

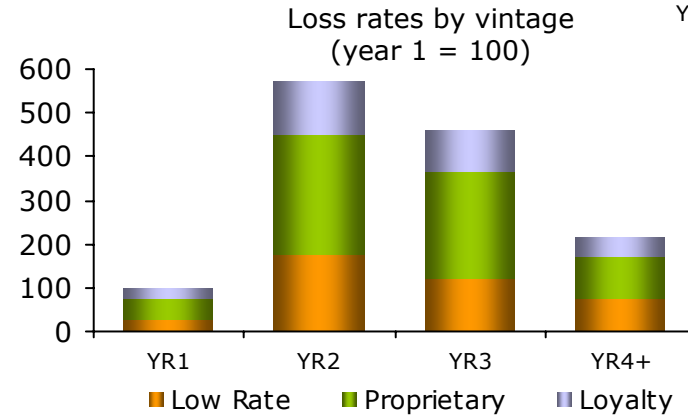
Mortgages

Strong LVR profile

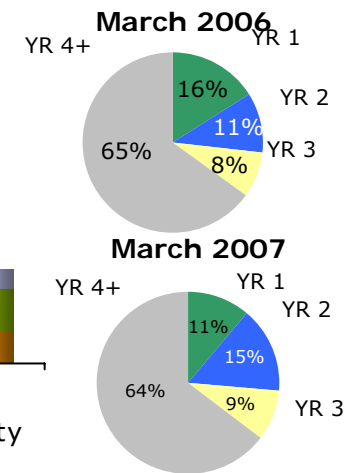


Consumer Finance

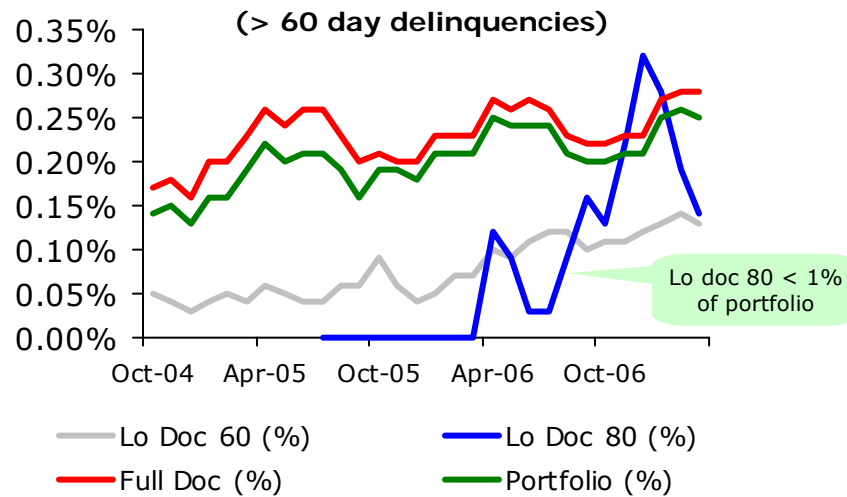
Credit card loss rates increase as low rate balances 'season'...



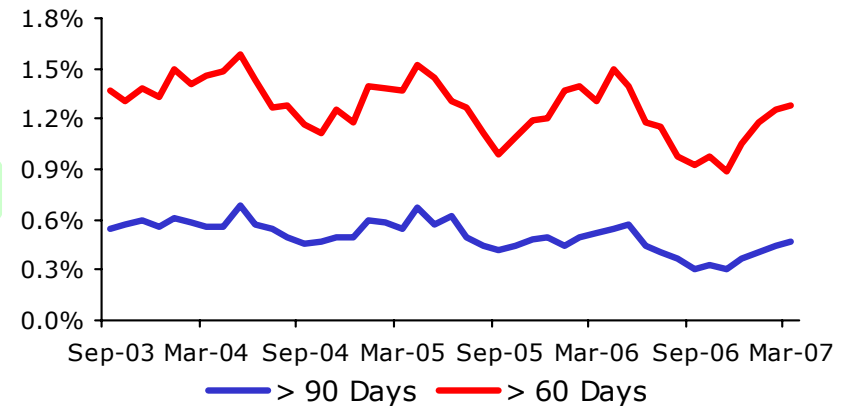
Portfolio by Vintage



Arrears still in good shape including lo doc



Personal Loans Australia arrears still in good shape



Breakdown of collective provision charge

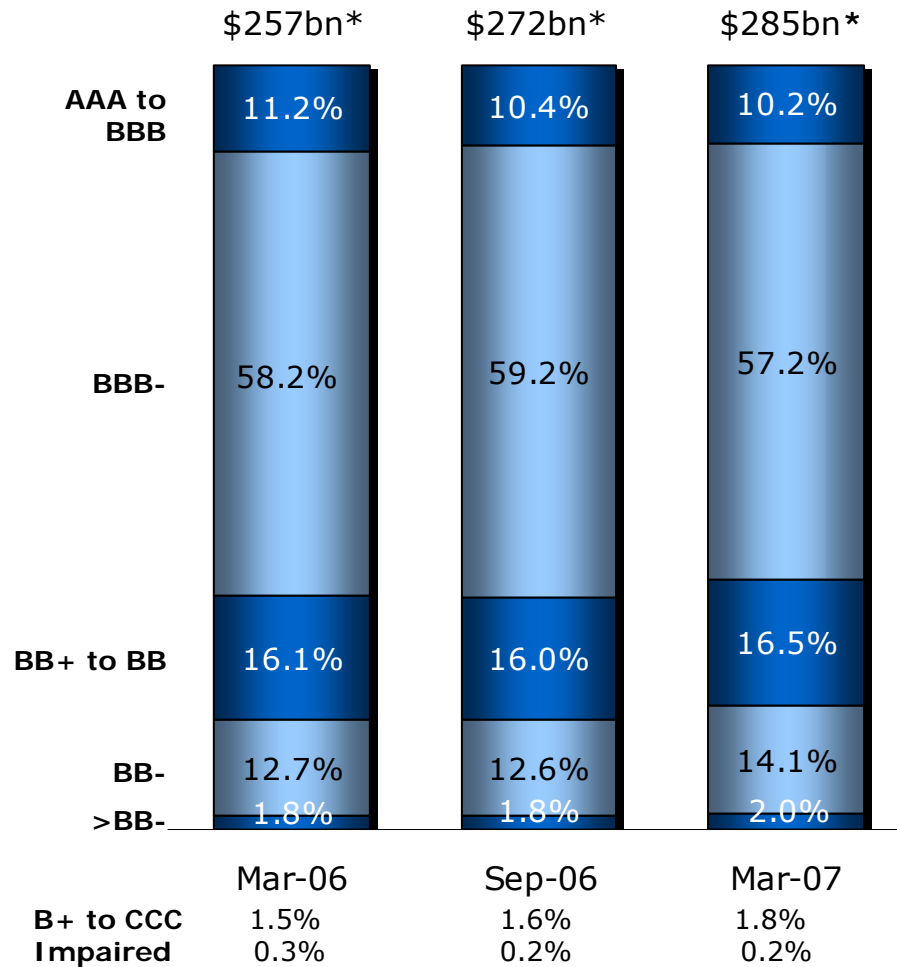
1H07 Collective Provision charge

Business Unit (A\$m)	Asset Growth impact	Risk / Mix impact	Oil Scenario impact	Total
Group	63	25	(36)	52
Institutional (excl. BB)	10	(2)*	(17)	(9)
Business Banking	3	11	(3)	11
Personal (excl Consumer Finance & Esanda)	5	1*	(3)	3
Consumer Finance	17	14	(4)	27
Esanda	4	2	(3)	3
New Zealand Businesses	16	(1)	(5)	10
Partnerships & Private Bank	9	(3)	(1)	5
Other^	(1)	3	-	2

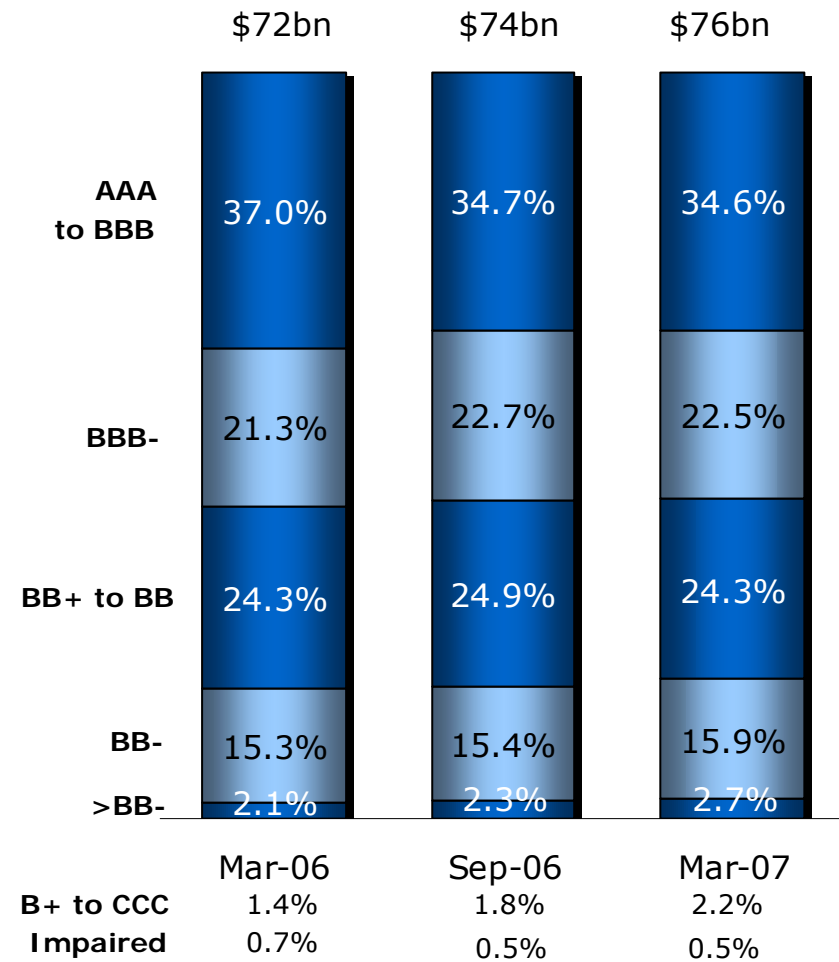
- Consumer Finance driven by strong growth and seasonal increases.
- Business Banking impacted by rising interest rates and changes in consumer spending, driving higher 'probability of default' levels.
- New Zealand largely driven by strong Retail and Corporate & Commercial Banking growth.
- Business lending balance determined as follows:
 - CP balance is largely driven by asset growth and movement in risk profile;
 - Individual customers assigned independent risk grades and security coverage indicators; and
 - CP methodology based on tenor, risk profile, emergence period and exposure size.

Risk grade profiles

Group – Gross Lending Assets



Institutional – Gross Lending Assets



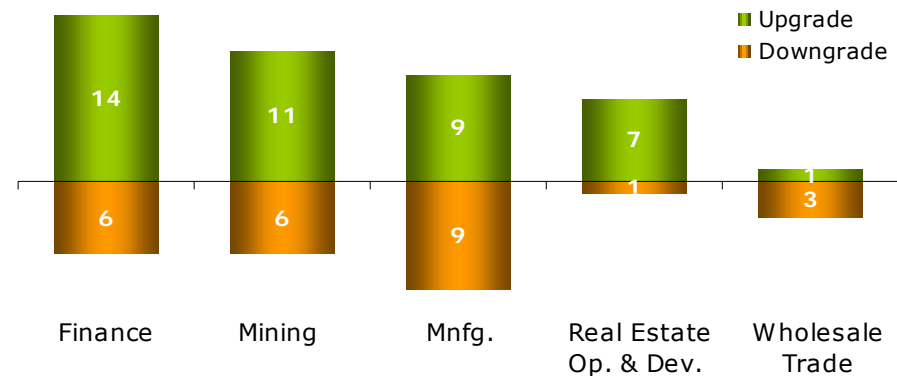
Risk grade migrations[#]

DPG Institutional

(Net Lending Assets \$18.6b*)

- Upgrades led downgrades 6.8% to 4.7%, with 81.4% of the total portfolio unchanged.
- Positive re-ratings occurred within the portfolio, particularly the Finance and Mining sectors, following strong credit growth and buoyant resource commodity prices.

DPG Institutional Risk Grade Migration Summary by Customer Group (1H07)

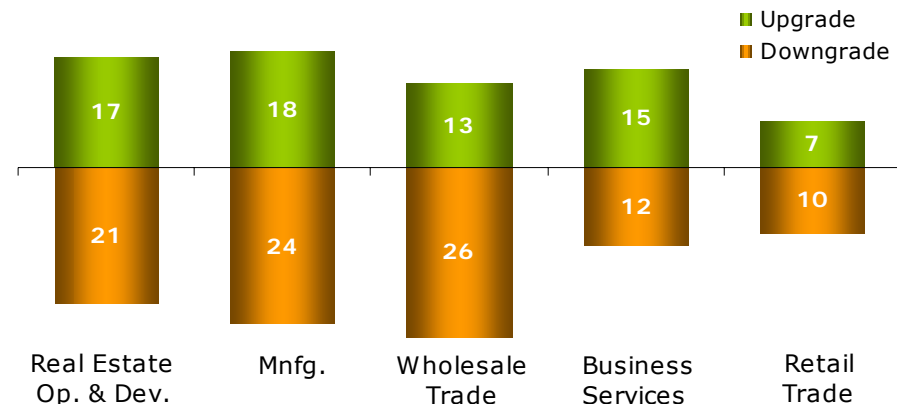


DPG Corporate

(Net Lending Assets \$14.4b*)

- Downgrades led upgrades 9.2% to 7.4%, with 77.8% of the total portfolio unchanged.
- Re-rating within the portfolio, particularly within the Wholesale Trade, Manufacturing and Retail sectors, occurred due in part to the effects of slowing economic conditions associated with rising interest rates, higher raw material prices and changing consumer spending patterns.

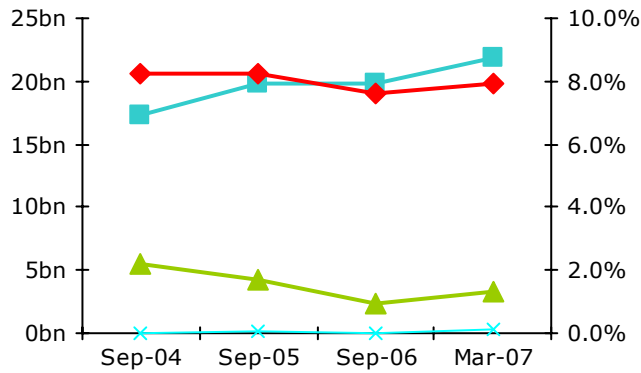
DPG Corporate Risk Grade Migration Summary by Customer Group (1H07)



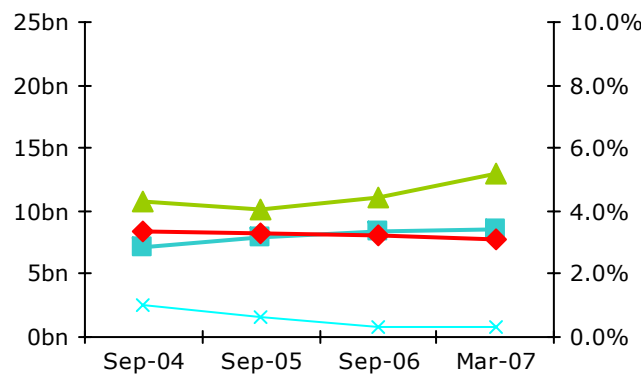
Industry exposures – Australia & New Zealand

- Lending Assets (AUD)
- ◆ % of Portfolio (RHS scale)
- ▲ % in High Risk (RHS scale)
- × % in Non Performing (RHS scale)

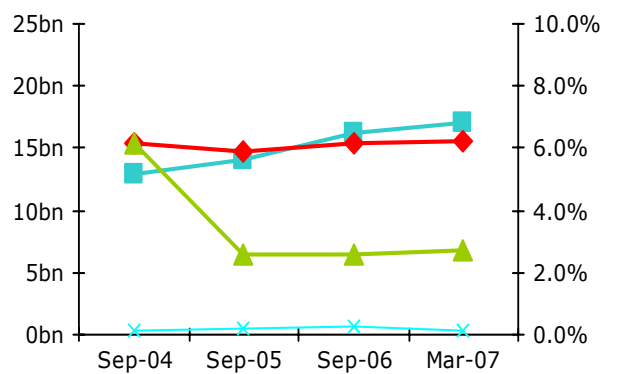
Real Estate Operators & Dev.



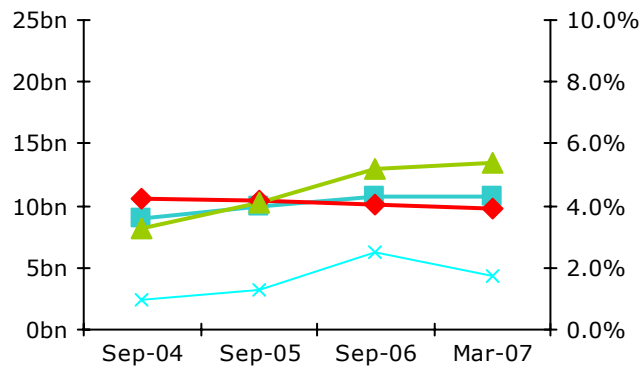
Retail Trade



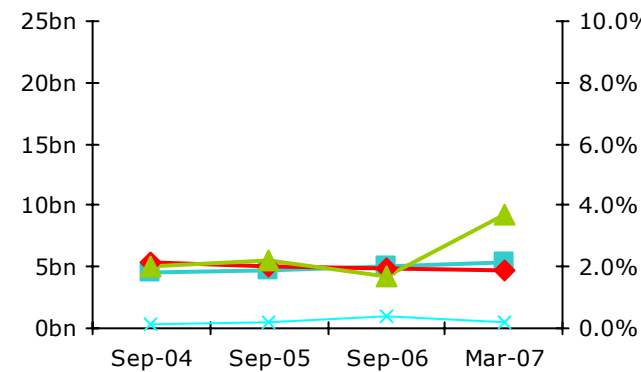
Agriculture



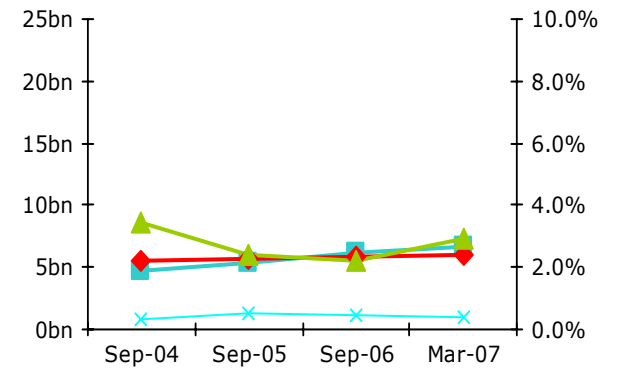
Manufacturing



Wholesale Trade



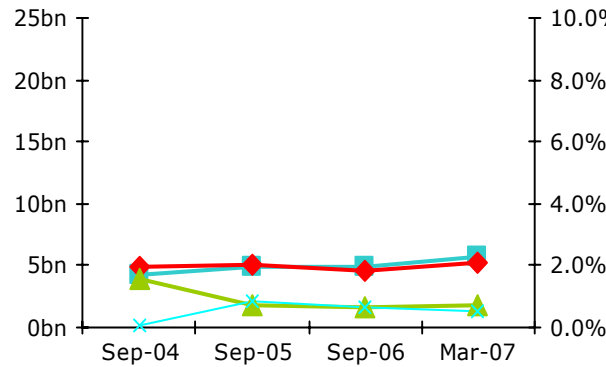
Business Services



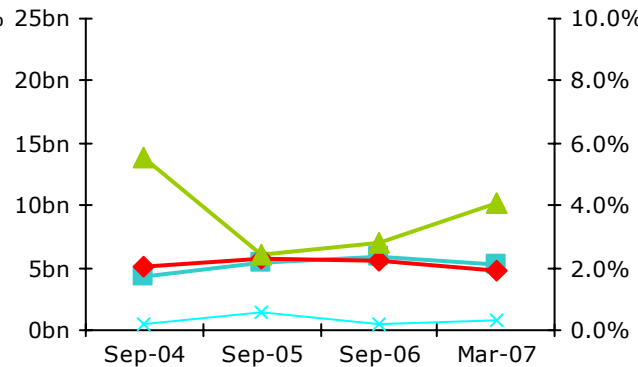
Industry exposures – Australia & New Zealand

- Lending Assets (AUD)
- ◆ % of Portfolio (RHS scale)
- ▲ % in High Risk (RHS scale)
- × % in Non Performing (RHS scale)

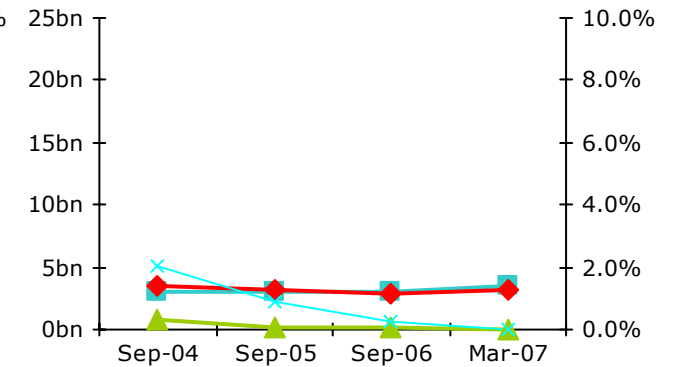
Finance - Other



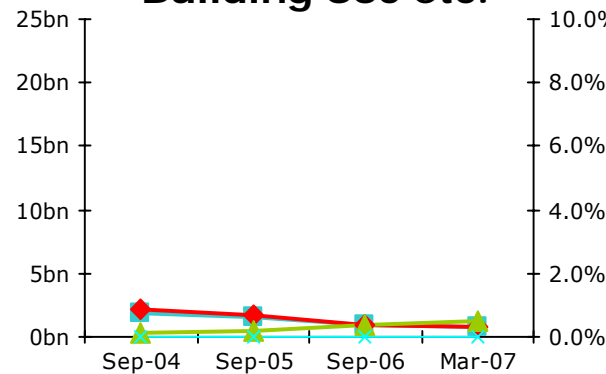
Transport & Storage



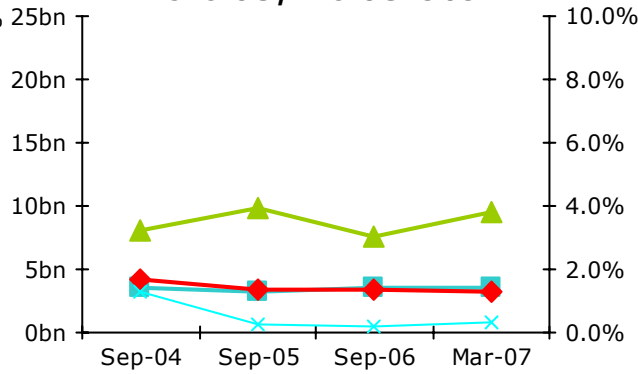
Utilities



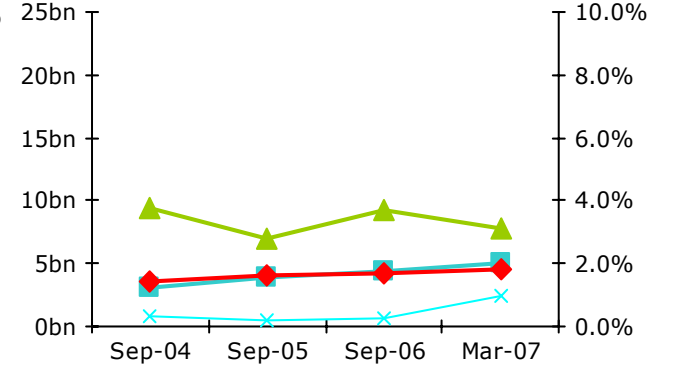
Finance – Banks, Building Soc etc.



Accommodation, Clubs, Pubs etc.



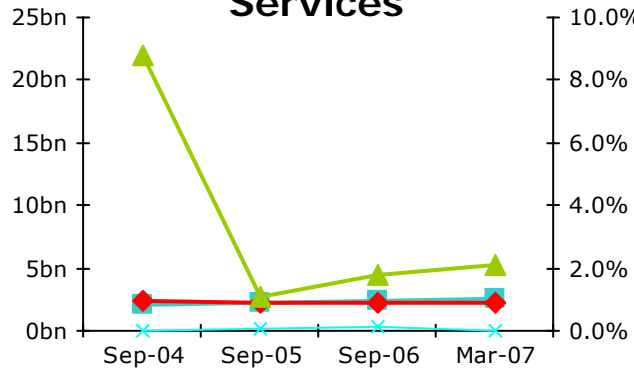
Construction



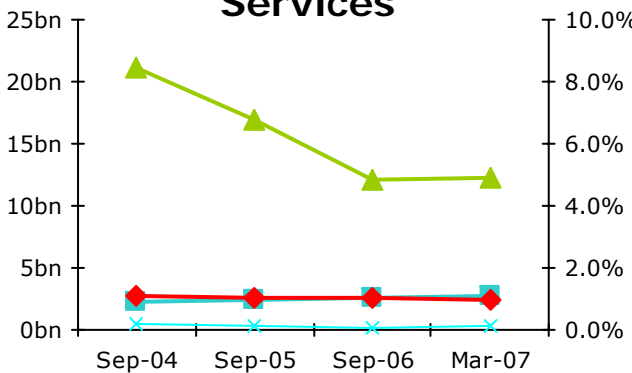
Industry exposures – Australia & New Zealand

- Lending Assets (AUD)
- ◆ % of Portfolio (RHS scale)
- ▲ % in High Risk (RHS scale)
- × % in Non Performing (RHS scale)

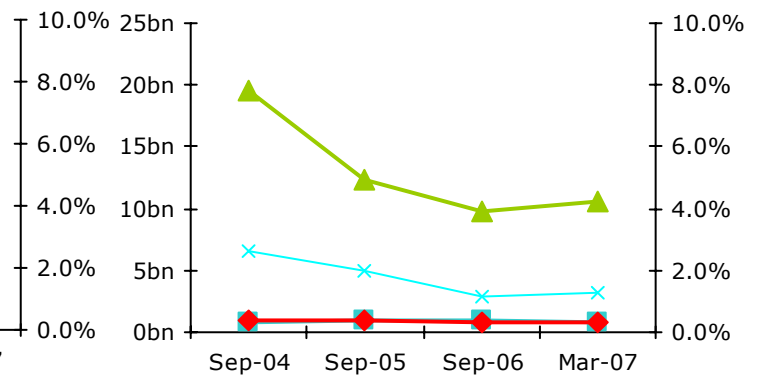
Health & Community Services



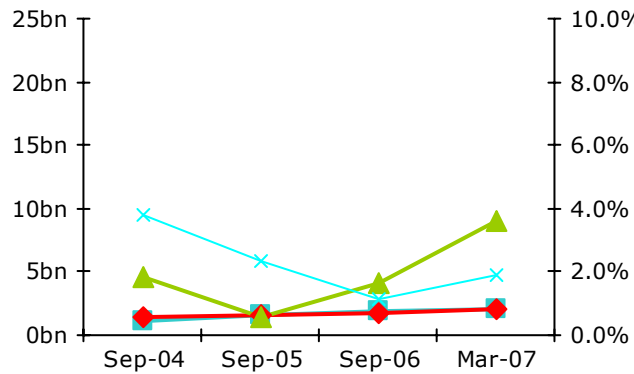
Cultural & Recreational Services



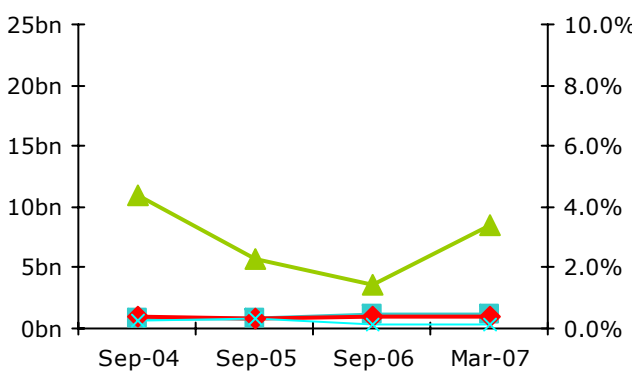
Forestry & Fishing



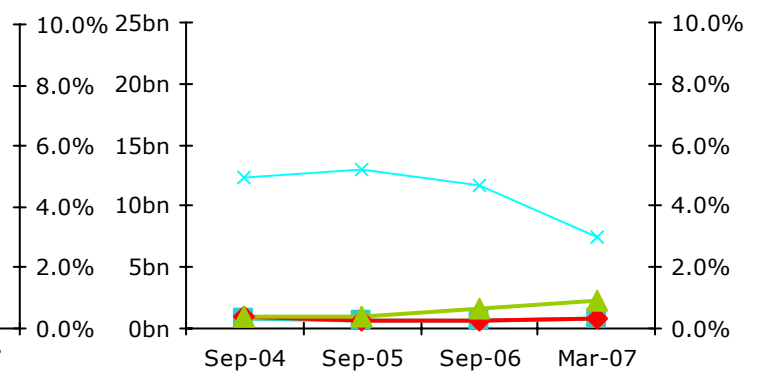
Mining



Personal & Other Services



Communication Services



Corporate Responsibility

A leader in corporate responsibility - Highlights

Customers

- Leading customer satisfaction of the four major banks at 76.5% (Roy Morgan Finance Monitor)
- Recognised industry leader in responsible consumer lending practices



People

- Employee engagement at 64% up from 60% (Hewitt Associates)
- EOWA Employer of Choice for Women for fifth consecutive year



Community

- First major Australian company to release a Reconciliation Action Plan
- Independent research shows our Saver Plus program is achieving its objectives with 75% of participants still saving the same amount or more 1-2 years after completing the pilot program



Environment

- Integrating Equator Principles across Institutional business and developing Forests Policy following stakeholder consultation
- Targeting 6-star energy efficiency rating for flagship building at Docklands



Community investment strategy is leading practice and delivering results for our stakeholders

MoneyMinded

- Comprehensive adult financial education program, delivered by community partners and financial counsellors Australia-wide
- More than 7,814 people participated this year, over 386 facilitators trained
- RMIT University research shows MoneyMinded helps participants increase their confidence in dealing with financial issues, creditors and banks
- Online courses for ANZ staff and the public were completed by 590 people

Saver Plus

- Assisting low-income individuals and families to develop a long-term savings habit, improve their financial knowledge and save for their own or their child's education
- ANZ matches the savings of participants dollar-for-dollar up to \$1,000 per person
- RMIT University research shows 75% of all participants in the pilot program are saving the same amount or more 1-2 years after completing Saver Plus

MoneyBusiness

- Delivered in partnership with the Australian Government, MoneyBusiness aims to build the money skills and confidence of Indigenous Australians
- MoneyBusiness is being piloted in 6 remote sites in NT and WA
- Local Indigenous workers are providing Indigenous individuals and families with coaching in financial literacy, budgeting, bill paying, and savings
- Financial Literacy education materials developed
- Saver Plus will be trialed in 3 locations, commencing April 2007

Progress Loans

- Small loans program developed in partnership with the Brotherhood of St Laurence
- Progress Loans are small, affordable loans of between \$500 and \$3,000 for essential household items
- 85 loans totalling \$133,276 had been approved by the end of March 2007 with a 74% approval rate. No loans were in arrears.
- Program is being expanded in Victoria (April 2007) and other states and community partners by end of 2007

Employee Community Engagement

- Our workplace giving program supports more than 18 community organisations selected to reflect the causes that are important to our staff
 - 12% of Australian staff are currently participating in this program
 - Their contributions matched dollar-for-dollar by ANZ, total \$395,000 so far this year.
- Eight hours paid volunteer leave for staff, including increasing opportunities for skilled volunteering and secondments
 - In 2007, 9% of Australian staff contributed 20,000 volunteer hours, valued at more than \$1 million, to community organisations. Target for the year is 50,000 hours

Reconciliation Action Plan

- In July 2006 ANZ committed to develop a plan outlining objectives, actions and performance measures to assist the social and financial inclusion of Indigenous Australians.
- The Reconciliation Action Plan was developed, with guidance from Reconciliation Australia, ANZ's primary Indigenous partner organisation and after consultation with ANZ businesses.
- The Action Plan was launched on 18 April and aims to assist Indigenous inclusion through employment, financial literacy, cultural recognition and awareness, and capacity building.

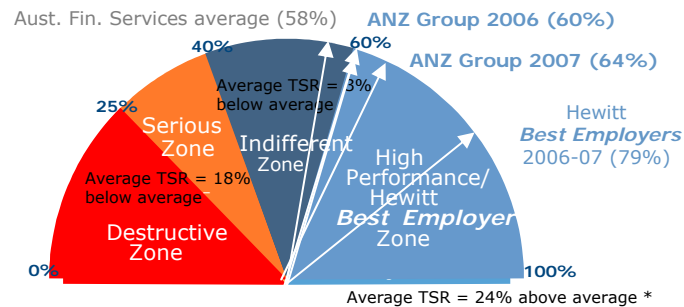
Integrating environmental and social considerations into our business practices

Institutional & Corporate Sustainability	Operational Environmental Footprint	New Products and Services										
<ul style="list-style-type: none"> • ANZ adopted the Equator Principles in December 2006, to be fully implemented by September 2007. Staff training on the Equator Principles has commenced. • We developed our draft Forests Policy involving consultation with some 85 stakeholder groups including clients, government, industry and environmental NGOs. The final policy will be released in June 2007 • ANZ's partnership with WWF delivered an 'eco-efficiency' program providing ANZ staff with comprehensive information and resources on environmental issues and opportunities • We worked with our clients and stakeholders to address concerns about the potential social and environmental impacts of some of our lending decisions. A new page on anz.com provides information about how ANZ is some specific issues raised by our stakeholders. 	<ul style="list-style-type: none"> • We are continuing to implement initiatives to help us achieve our two year goal of reducing ANZ's environmental footprint by a minimum of 5% per FTE. <div data-bbox="884 694 1355 1141" style="border: 1px solid black; border-radius: 15px; padding: 10px; text-align: center;"> <p>Progress in 1H07 toward our two year goals</p> <table border="0"> <tr> <td>Electricity/FTE</td> <td>●</td> </tr> <tr> <td>Paper/FTE</td> <td>●</td> </tr> <tr> <td>Water/FTE</td> <td>●</td> </tr> <tr> <td>Waste recycled/FTE</td> <td>●</td> </tr> <tr> <td>Total GHG/FTE</td> <td>●</td> </tr> </table> </div> <ul style="list-style-type: none"> • In the past 12 months 142 suppliers have committed to developing and implementing strategies designed to meet ANZ's sustainable procurement requirements. Over 90% of ANZ tenders in the past year have included our sustainability criteria. 	Electricity/FTE	●	Paper/FTE	●	Water/FTE	●	Waste recycled/FTE	●	Total GHG/FTE	●	<ul style="list-style-type: none"> • ANZ established dedicated resources to develop energy and water efficiency opportunities for clients. Piloting an energy efficiency product with clients, to be released to market by mid 2007 • Developing climate change risk products including hedging for renewable carbon abatement projects • ANZ launched the second ANZ Sustainable Protected Responsible Investment over Term (ASPRIT 2). ASPRIT 2 provides an opportunity for wholesale investors to benefit from the performance of companies that lead in sustainable business practices, reflecting the emerging belief that socially responsible companies will provide greater shareholder returns over the long term.
Electricity/FTE	●											
Paper/FTE	●											
Water/FTE	●											
Waste recycled/FTE	●											
Total GHG/FTE	●											

People strategy sees ANZ employee engagement solidly above the Australian financial services benchmark

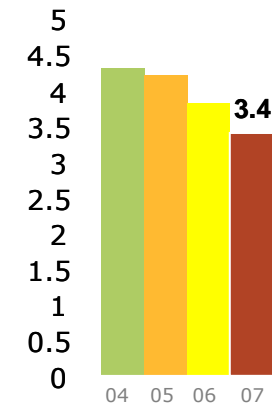
Cultural Transformation

- ANZ's six-year focus on cultural transformation and values-based decision making
- Employee Engagement has risen from 60% to 64%
- Culture survey results show strong focus on customers, community and shareholders and limiting aspects of our culture have diminished even further again this year
- Breakout Festival and Breakout Live big events (1000+ people) launched



Employee Wellbeing

- ANZ's Australia's Lost Time Injury Frequency Rate (LTIFR) was 3.4 at the end of March 2007, down from 3.8 at September 2006. ANZ is on track to achieve an overall reduction of 20% by the end of September 2006
- In New Zealand, LTIFR was at 0.98 at the end of March 2007. This is down from 1.4 at the end of September 2006, representing a 30% reduction



Flexibility for a Diverse Workforce

- The percentage of females in executive positions has increased from 20% in September 2006 to 22% at the end of March 2007
- ANZ recognised as an EOWA Employer of Choice for Women for the fifth consecutive year
- We have strengthened our parental leave transition policies and practices to maximise retention rates and deliver on our brand promise
- Expansion of childcare facilities and services in progress with a new facility planned at ANZ Headquarters at Docklands
- "My Flexibility" strategy developed to deliver a more inclusive work environment that becomes the standard way of working at ANZ

Attracting and Nurturing Talent

- ANZ has the most successful and innovative strategies to attract and retain the best talent in response to changing demographics and values:
 - 12 weeks paid parental leave
 - Guaranteed part-time work for over 55's
 - Free Health Checks
 - Employee Share Save Scheme
 - Childcare
- ANZ announced details of new learning and innovation facility "The Breakout Centre"

Shifts in perception of ANZ's current culture

	2000	2002	2004/5	2006	2007
1	cost reduction	cost reduction	customer focus	profit	customer satisfaction
2	profit	customer focus	community involvement	customer focus	customer focus
3	shareholder value	shareholder value	cost reduction	community involvement	profit
4	accountability	accountability	accountability	accountability	community involvement
5	continuous improvement	continuous improvement	results orientation	organisational growth	results orientation
6	customer focus	profit	brand image	achievement	brand image
7	bureaucracy (L)	results orientation	achievement	brand image	shareholder value
8	achievement	achievement	profit	results orientation	accountability
9	goals orientation	community involvement	bureaucracy (L)	shareholder value	organisational growth
10	hierarchical (L)	customer satisfaction	customer satisfaction	cost reduction	teamwork
11	short term focus (L)	teamwork	continuous improvement	customer satisfaction	achievement
12	long hours (L)	being the best	shareholder value	being the best	cost reduction
13	commitment	organisational growth	teamwork	teamwork	being the best
14	risk-averse (L)	bureaucracy ((L)	being the best	perform	staff engagement
15		balance (home/work)	balance (home/work)	balance (home/work)	risk conscious
16		long hours (L)	perform	continuous improvement	balance (home/work)
17		productivity	best practice	best practice	values driven
18		brand image	long hours (L)	professionalism	diversity
19		hierarchical (L)	organisational growth	productivity	continuous improvement
20		can do approach	hierarchical (L)	risk-averse (L)	social responsibility
21					making a difference

Summary of forecasts – Australia (bank year)

	2006	2007	2008	2009
GDP	2.8	2.8	3.5	3.7
Inflation	3.4	2.7	2.9	2.9
Unemployment	4.8	4.7	4.5	4.4
Cash rate	6.00	6.50	6.75	7.00
10 year bonds	5.5	6.3	6.7	6.9
A\$/US\$	0.75	0.78	0.72	0.68
Credit	14.8	13.0	11.0	10.6
- Housing	14.7	12.2	11.1	10.9
- Business	15.9	14.8	11.2	10.8
- Other	11.0	10.2	9.2	8.4

Summary of forecasts – New Zealand (bank year)

	2006	2007	2008	2009
GDP	1.4	2.2	1.8	3.3
Inflation	3.5	1.5	2.7	2.6
Unemployment (Sept qtr, s.a.)	3.8	3.9	4.3	4.5
Cash Rate	7.25	7.50	7.50	5.75
10 year bond rate	5.8	6.5	6.0	6.2
NZD/USD	0.65	0.66	0.58	0.55
AUD/NZD	1.16	1.18	1.24	1.24
Credit Growth	13.2	11.2	8.8	9.1
- Housing	14.1	12.3	9.0	9.2
- Business	14.7	9.3	8.9	9.2
- Personal	4.2	5.5	5.5	7.4

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

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