ANZ

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

Investor Discussion Pack

March 2009

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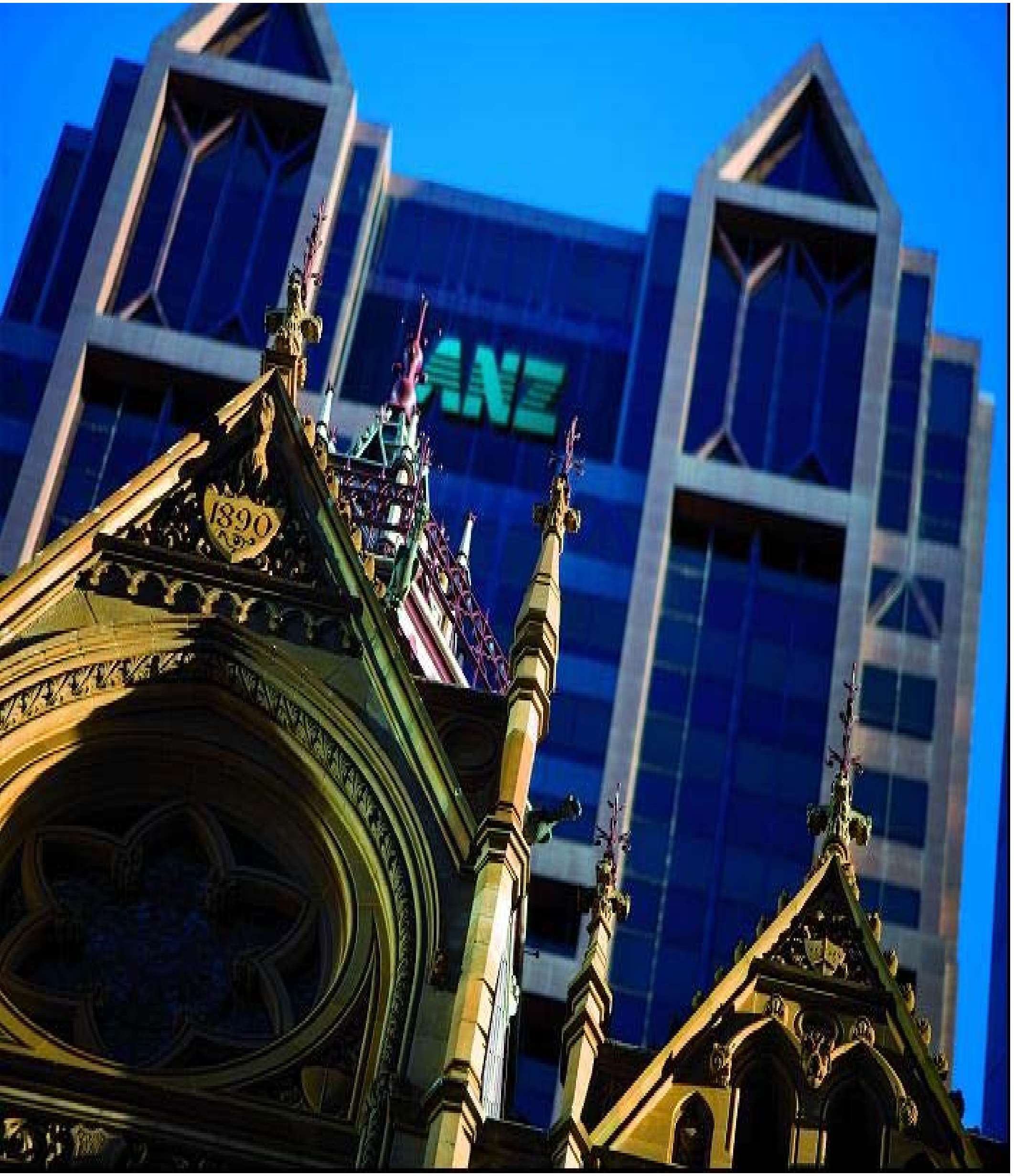


ANZ Key Facts

Snapshot

Proud banking heritage spanning 170 years

A top 10 listed company on the ASX (market cap ˜A$36b), with ˜390,000 shareholders

Largest listed company in NZ, largest Australian bank in Asia and a leading bank in the Pacific

One of only 11 AA rated banks in the world, recently listed as one of the "20 safest banks globally" by Global Finance Magazine, February 2009

Well capitalised with a strong liquidity position

Over 250 years of banking experience on our management board

~37,000 Full Time Equivalent employees (FTE)

Leveraging opportunities throughout the region

Our Base

- Strong domestic franchise and client base in Australia and NZ
- Presence in 26 key markets in the Asia Pacific region

Asia Pacific:

Institutional Client focus:

- Asian regional corporates, Banks and Investors
- Local corporates in Strategic and Franchise markets
- Australian and New Zealand corporates trading/investing in Asia
- Well-rated European and US corporates trading/investing in Asia

Retail Customer focus:

- Affluent (ANZ)
- Mass affluent (Partners)
- SMEs (ANZ and Partners)

ANZ - increasing earnings diversification

Where our profits will come from ...

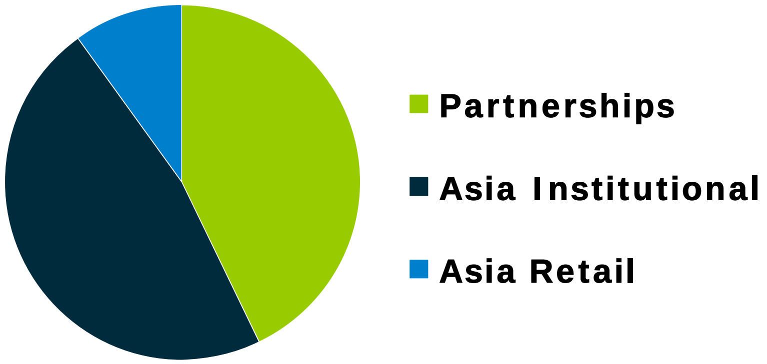
Stronger Asia-Pacific contribution will result in more balanced profit profile

What will drive domestic growth

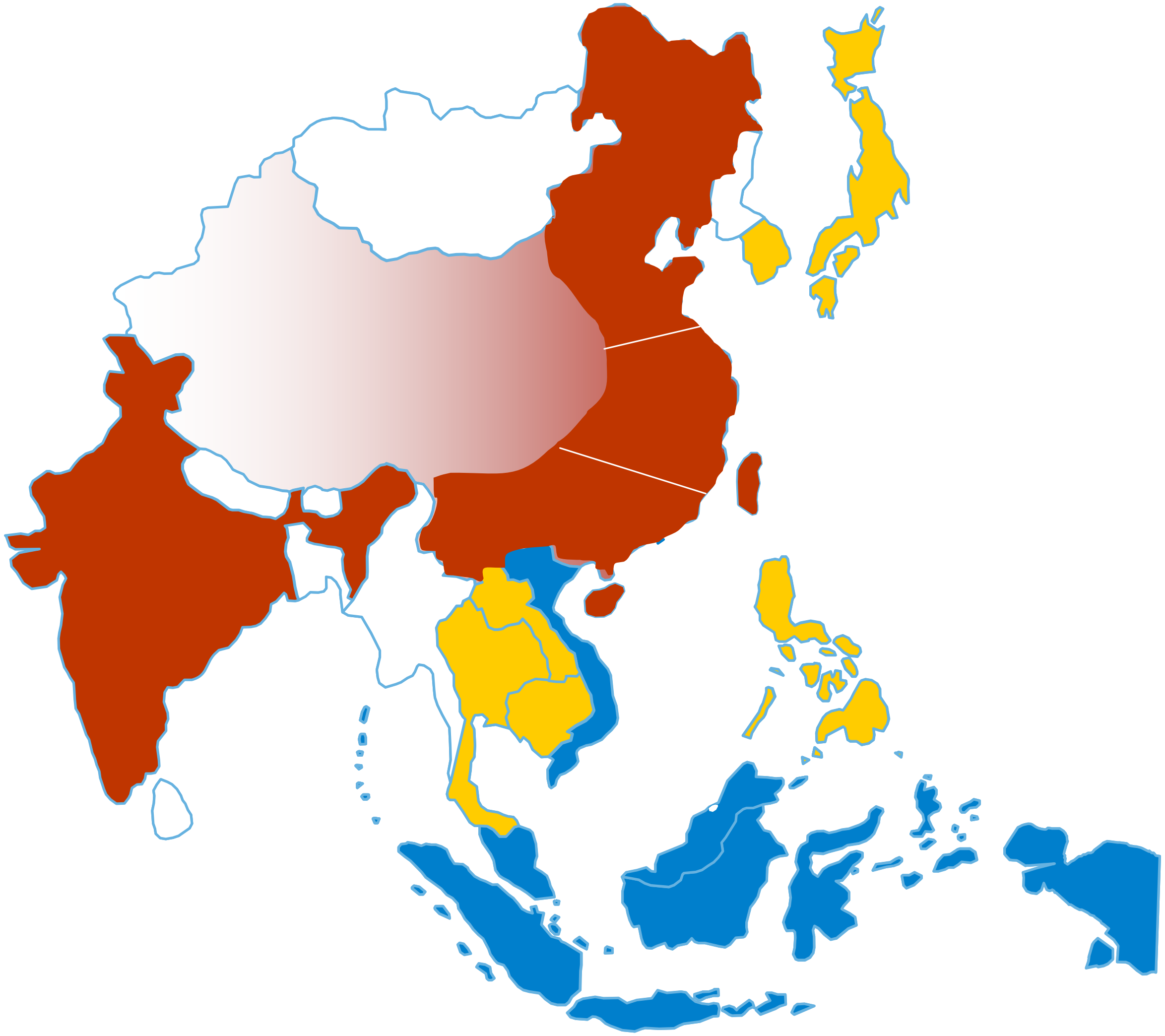
- **Personal** – great track record, opportunity to deepen customer relationships (improving cross sell).
- **Institutional** – restructure driving improved results
- **New Zealand** –strong position, but can strategically grow share and better harness cost synergies

What will drive Asian growth

- Main focus on **organic growth** supplemented with in-fill mergers and acquisitions



Focused approach to Super Regional Strategy



Strategic Imperative

Top 4 foreign bank
- Greater China
- India

Franchise Significant

Major bank (top 4)
- Vietnam, Malaysia, Indonesia

Network Enhancement

Network clients, product and liquidity hubs
- Singapore, Tokyo, Hong Kong

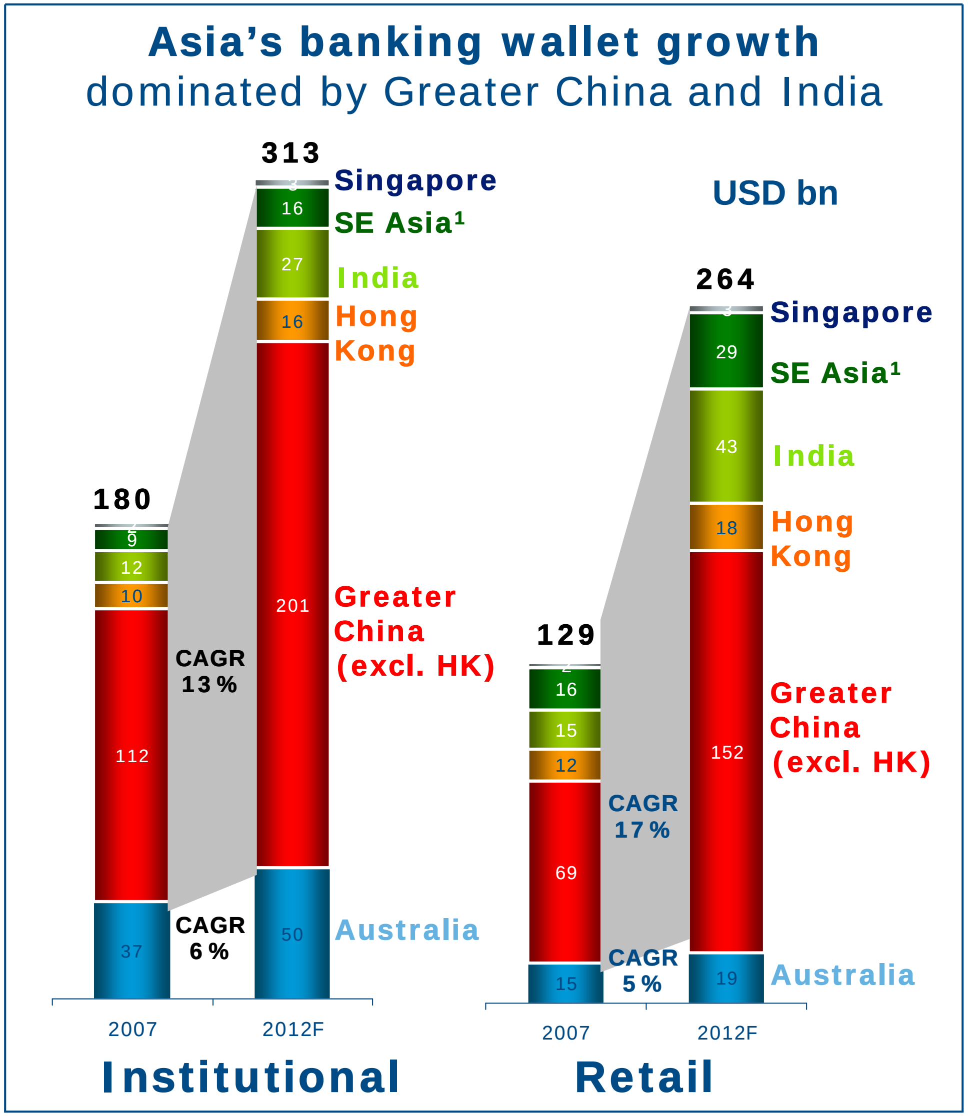
Next Wave

Hold position in short-term
- Indochina: Cambodia, Laos, Philippines, Korea, Thailand

The Double Benefit -GDP and banking wallet growth

The "Double Benefit":

- Asia projected GDP growth significantly higher than Australia / NZ
- Financial services wallet forecast to grow at 2.5 times GDP
- Targeting profitable revenue pools
- Significant deposit base (propensity to save)



Source: BCG, team analysis [1]Includes Indonesia, Vietnam, Malaysia, Thailand, Philippines

ANZ is actively managing for new reality: Strengthening the balance sheet, increasing capital and provisioning

Balance Sheet

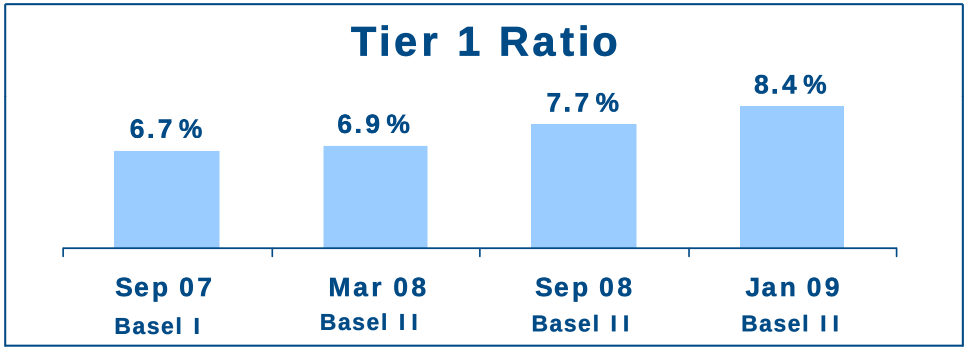
- Collective provisions set above 1% of credit RWA's

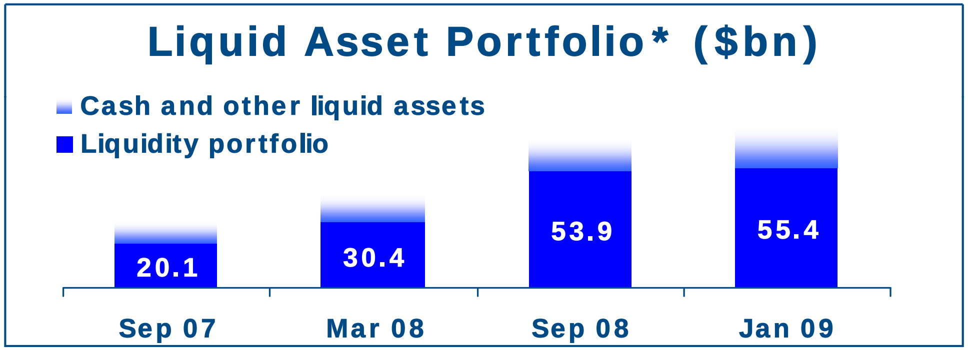
Capital – Tier One 8.4%*

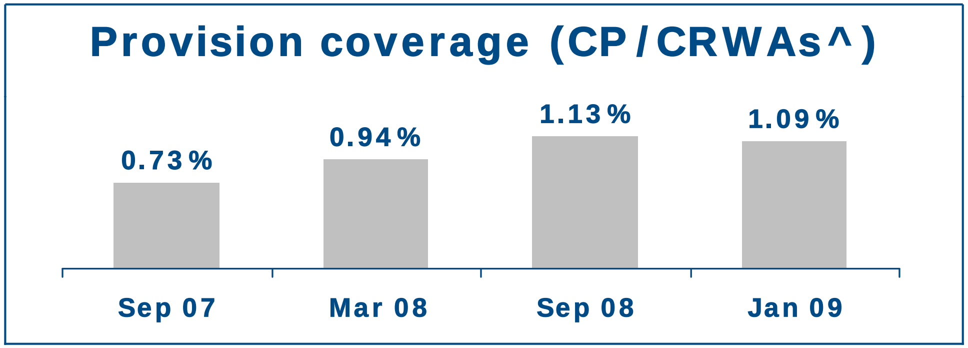
- Proactive in raising capital
- Increased liquidity

Company Structure – "One ANZ"

- Driving efficiency improvements
- Flatter more responsive structure
- Specific re-engineering of Institutional
- Led by highly experienced team

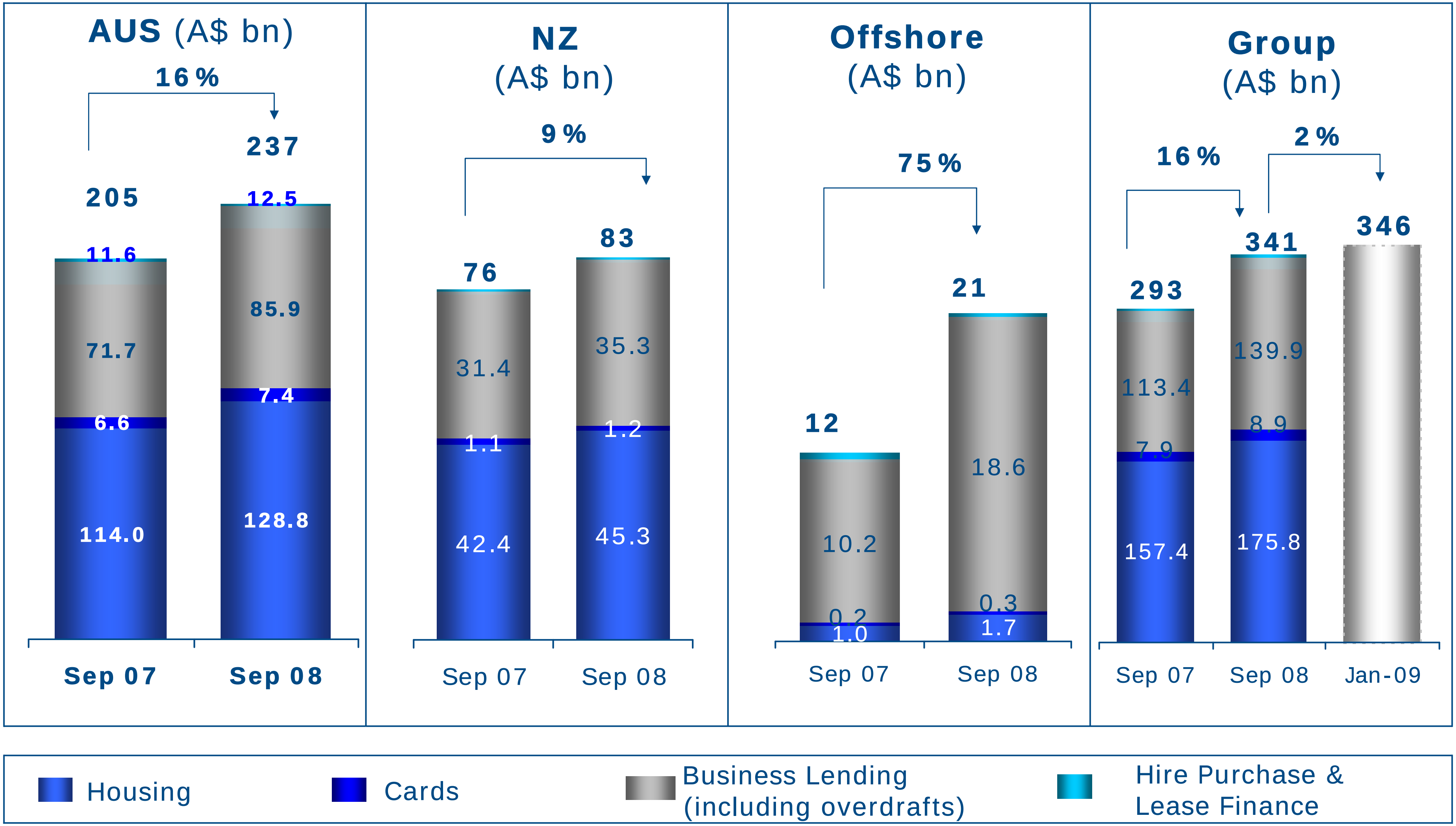




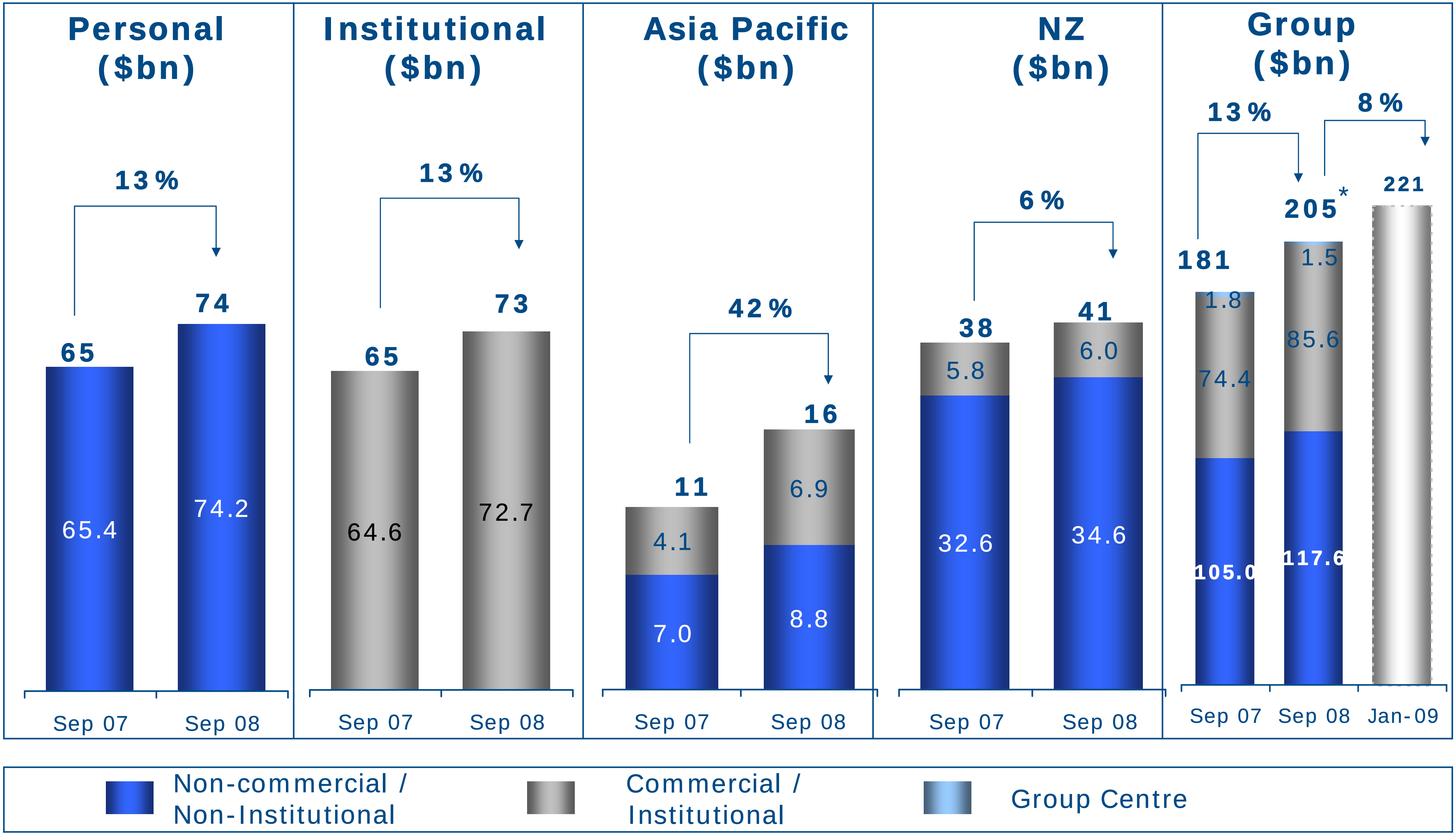


*Assets held for liquidity management purposes, including internal securitisation (March 08 and Sep 08 including post balance date, pre reporting date internal securitisation). The Group holds additional portfolios of liquid, trading and investment securities. ^ 2008 & 2009 RWAs calculated using Basel II methodology, prior period numbers reflect Basel I
#Adjusted for non-core items (i.e. significant items and non-core income arising from use of derivatives in economic hedges and fair value through profit and loss)

Composition of Gross Loans & Advances



Customer deposits by business line

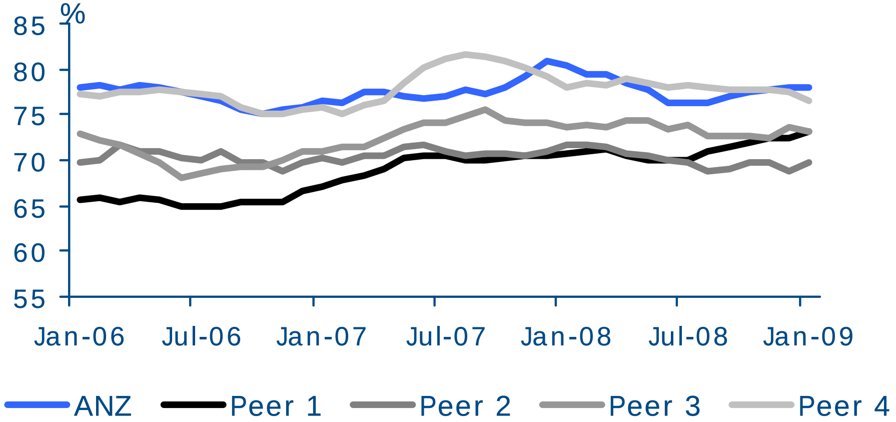


*Reconciling item between Group and sum of divisions is Group Centre *Institutional excludes Asia Pacific Institutional

Australian Personal business strong focus on customers

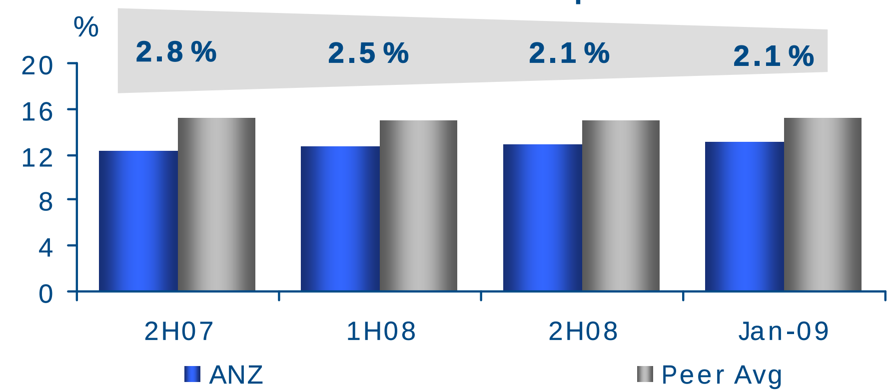
A leader in customer satisfaction

(Main Financial Institution 6 months rolling avg*)



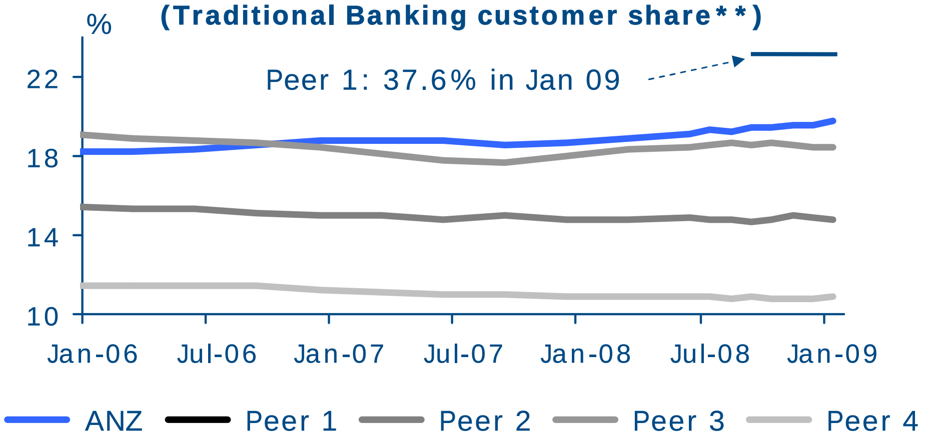
Continuing to grow main bank relationship share ***

Market Share Gap



Number 2 in customer numbers

(Traditional Banking customer share**)



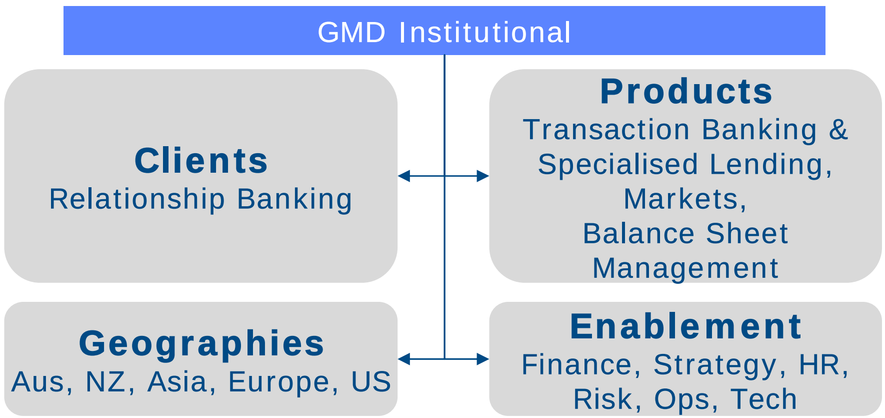
Continuing to grow footprint

	Sep 2006	Sep 2007	Sep 2008
Branches	785	820	821
ATMs	1,887	2,287	2,496
FTE	11,835	12,767	13,132

*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
***Source: Roy Morgan Research – Aust Pop'n aged 14+, All Financial Services customer and have a MFI, 12 mth moving average

Institutional - Business restructured around strong customer franchise

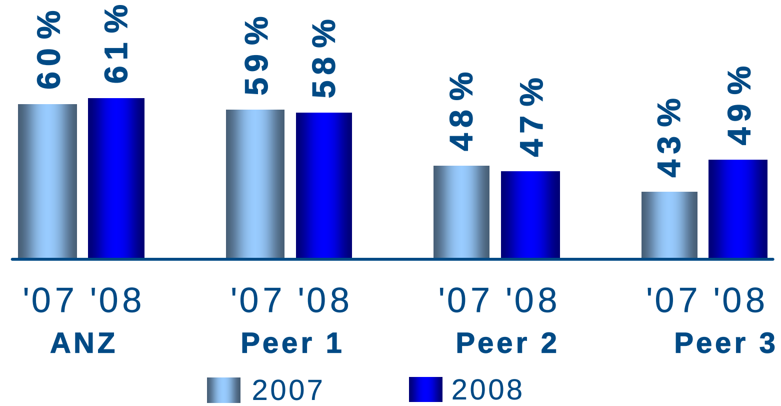
New Institutional organisational structure



Strong and improving cross sell...

No. 1 Cross Sell Bank status maintained

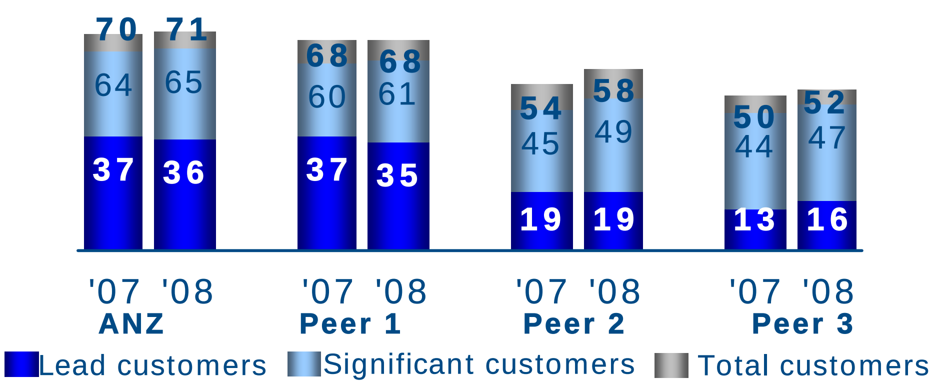
Cross Sell Effectiveness[1] (%)



Customer franchise remains strong

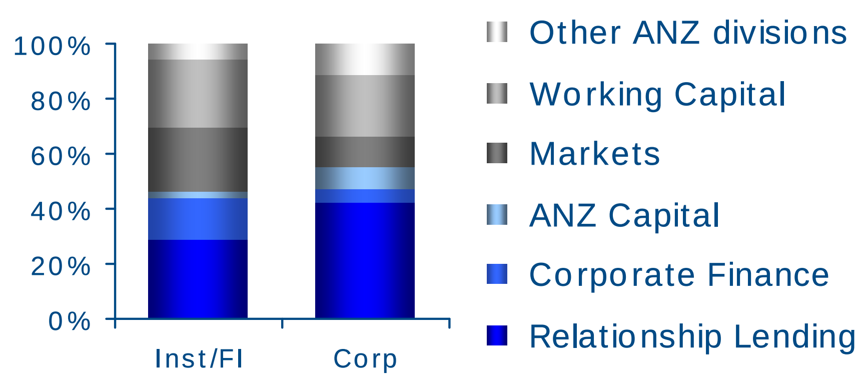
No. 1 Relationship Bank status maintained

Relationship Market Penetration[1] (%)



...and strong customer penetration across product lines

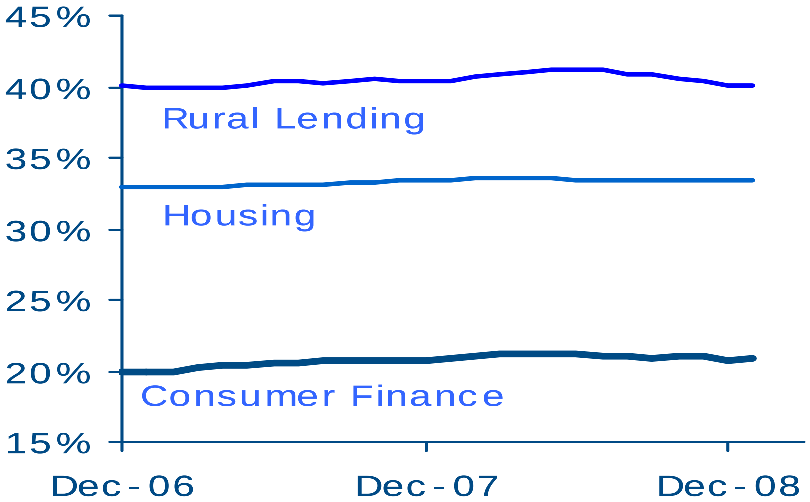
(FY08 customer revenue)



**Information sourced from Peter Lee Associates – 2008 Large Corporate and Institutional Relationship Banking Survey*

ANZNB has leading market positions

Retail & Rural Banking
Share of Lending[1]



Institutional

- #1 Lead Foreign Exchange Dealer[2]
- #1 Lead Interest Rate Derivatives Dealer[2]
- Lead Domestic Transactional Bank[2]
- #1 Provider of Trade Services[2]
- #1 Domestic Bond Issuance[3]
- INFINZ Bank of Year 2005, 2006, 2007

Retail Banking Market Share

- Maintained market share in mortgages lending during the 2008 financial year
- High customer satisfaction
- Leading market position in small business
- Increase in deposit growth remains a key focus

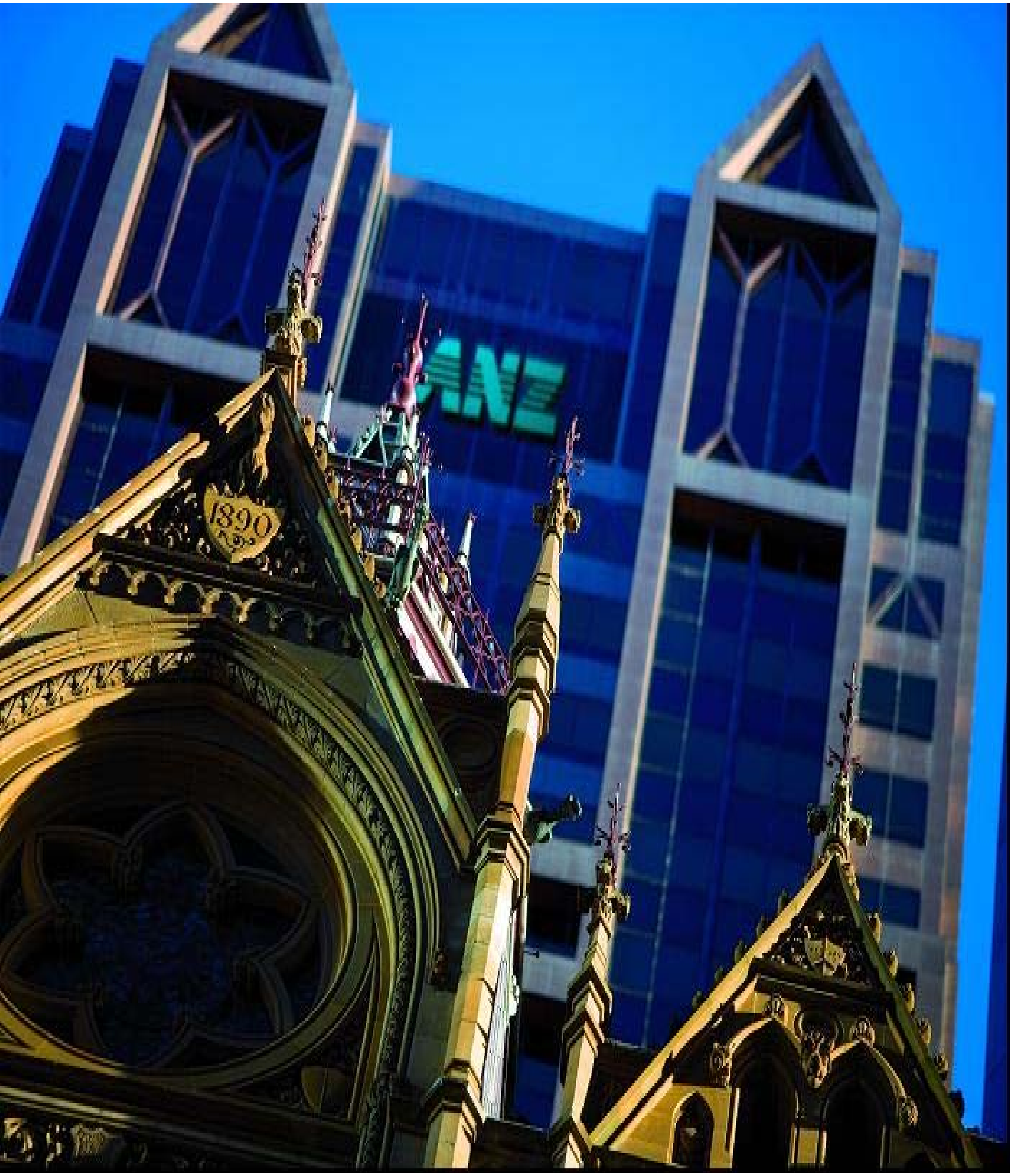
Rural - strong position

- Out performed the market in 2008
- Well positioned for growth in key rural segments
- Driven by exposure to growing dairy sector

Corporate and Commercial Banking

- Dominant market position (36% share)[4] with market leading product offering

***Source**:1. Share of system (banks and non-bank financial institutions) - RBNZ C5; 2.: Peter Lee Associates Large Corporate and Institutional New Zealand Surveys 2008; 3. insto League Tables 2008; 4. TNS Conversa Business Finance Monitor, $2m-$150m turnover businesses, December 2008*



Strengthening the Balance Sheet – Capital, Funding, Liquidity, Provisions

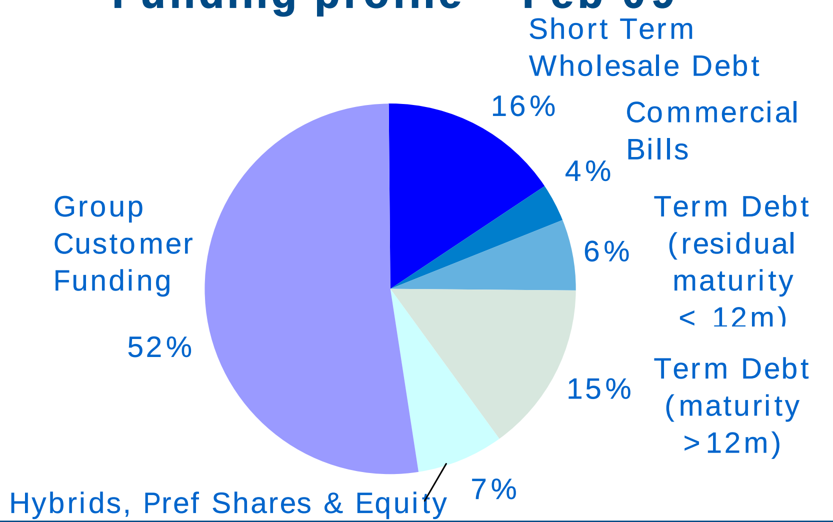
Funding profile

Over 70% of FY09 term funding completed in first 5 months of the year

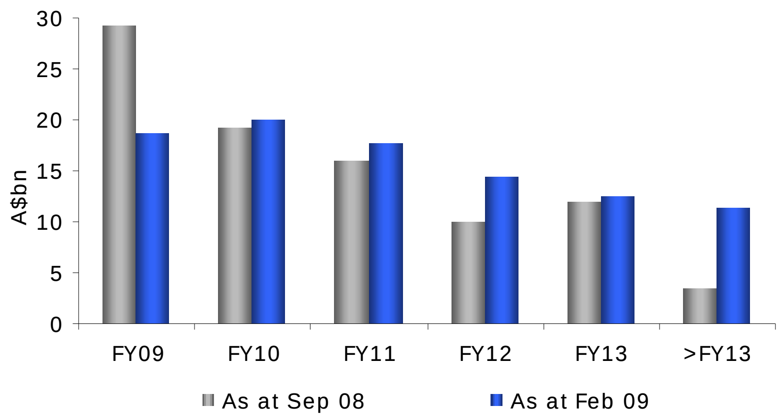
Year	Volume > 1year	Term (yrs)
2007	$19bn	3.2
2008	$24bn	2.9
2009 forecast	$21bn	n/a
2009 completed	$16bn	4.0

Forecast FY09 term funding cost 100bp higher than FY08

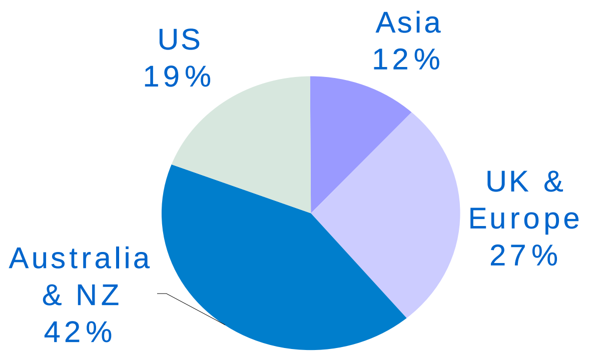
Funding profile – Feb 09



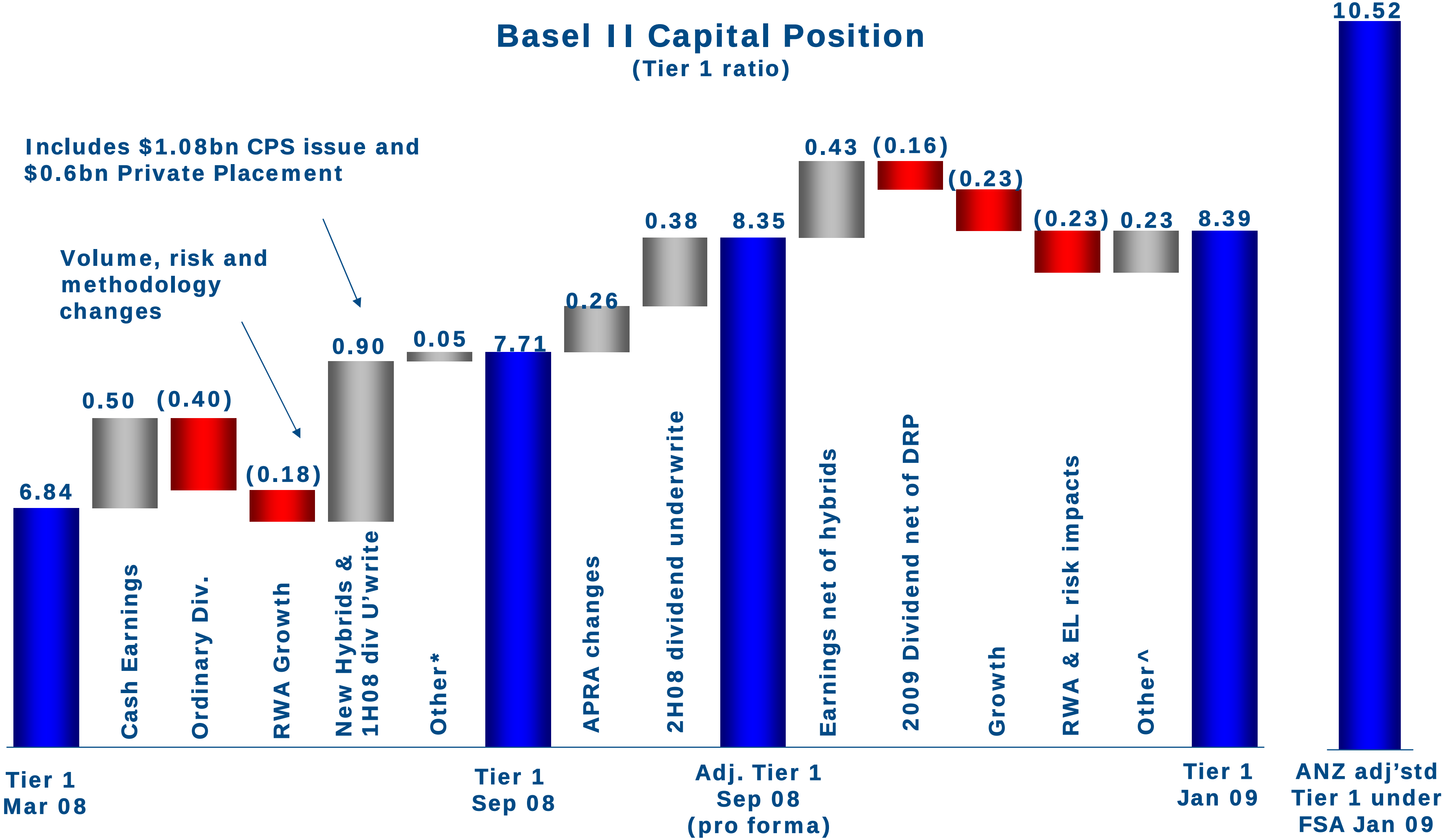
Term maturity profile lengthened



Wholesale funding by Geography – Feb 09



Strong capital position compares favourably with domestic and international peers



** 'Other' includes FX impacts, ING JV and associates, non-core profit, sundry share issuance, capitalised expenses and pensions.*
^other includes reclassification of RWAs within categories, IRRBB movements (12bp impact) and FX

ANZ capital position strengthened - compares favourably with local peers, UK FSA and Canadian OSFI regulation

	Sep 07 Basel II	Mar 08 Basel II	Sep 08 Basel II	Jan 09** pro forma	ANZ FSA Basel II	ANZ OSFI Basel II
Core Tier 1*	5.2%	5.3%	5.9%	6.5%	8.5%	9.2%
Tier 1	6.9%	6.8%	7.7%	8.4%	10.5%	11.2%
Total Capital	10.3%	10.1%	11.1%	11.3%	>14%	>14%

Well positioned to absorb losses

	Tier 1 proforma	Tier 1 +CP +IP#
ANZ	8.39%	9.57%
Domestic peers*	8.35%	9.22%
ANZ FSA	10.52%	12.03%

Capital Management Agenda:

- Tight management of capital profile
- Actions taken in 2008 included DRP underwrites, conversion of ANZ StEPS to ordinary equity, issuance of tier 1 hybrids. Proposed reduction of 2009 dividend by 25%
- Increased modelling of different economic scenarios on capital ratios
- Focus on risk/rewards within Basel II environment

** 'Core Tier 1' = Tier 1 excluding hybrid Tier 1 instruments*

*** Includes DRP underwriting*

Tier 1 and Core Tier 1 ratio's are higher under FSA regulation comparisons

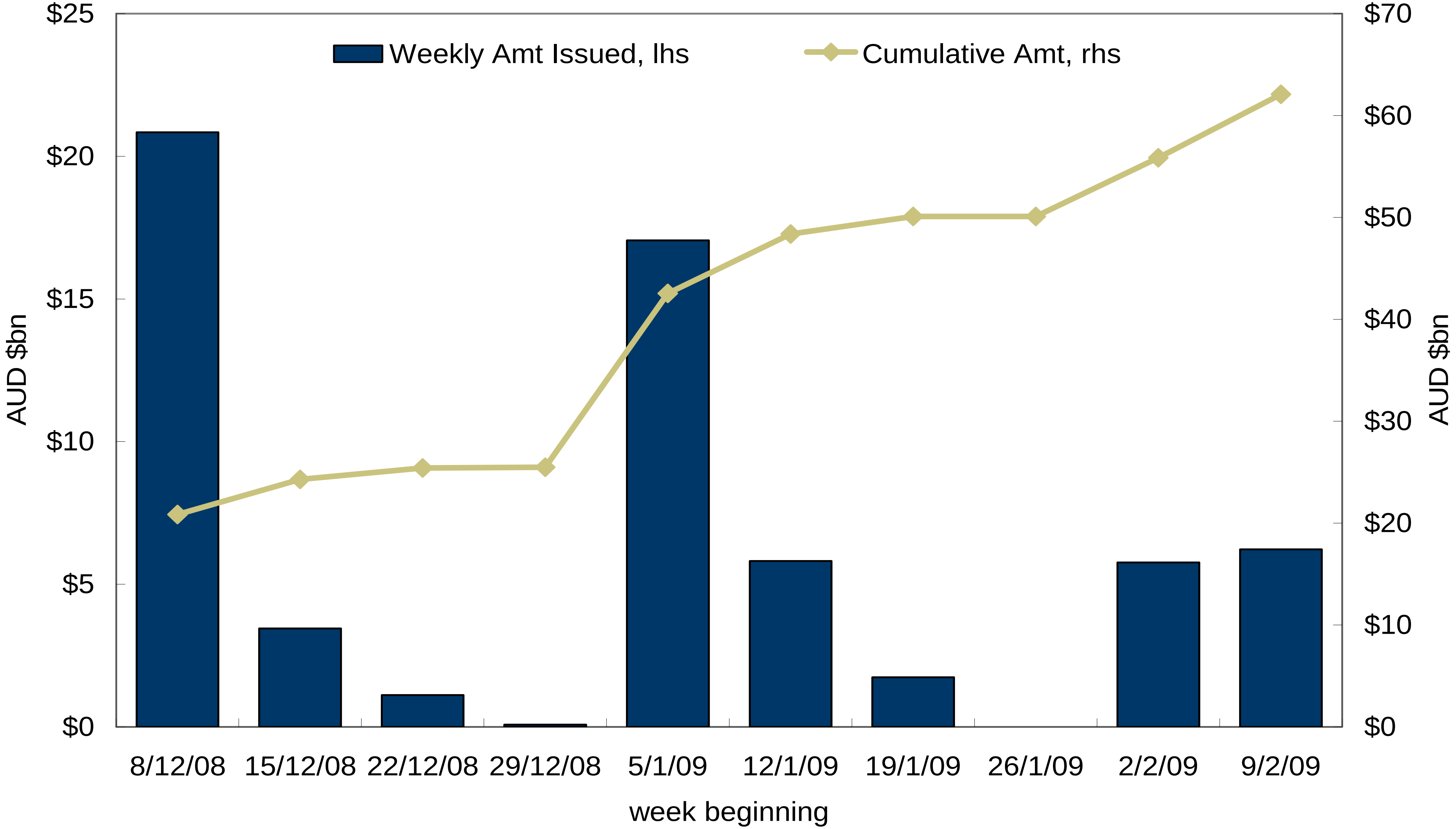
Capital differences arise principally due to FSA:

- Not requiring a deduction for accrued dividend and net of the associated DRP
- Not requiring a Tier-1 deduction for certain capitalised expenses and deferred tax assets
- Calculating expected loss vs provisions on a gross basis, before considering any tax effect whereas APRA require general reserves for credit losses (net of tax) to be compared with expected loss
- Having a more favourable treatment for Associate investments (including ING JV), and insurance and funds management subsidiaries

RWA differences arise principally due to:

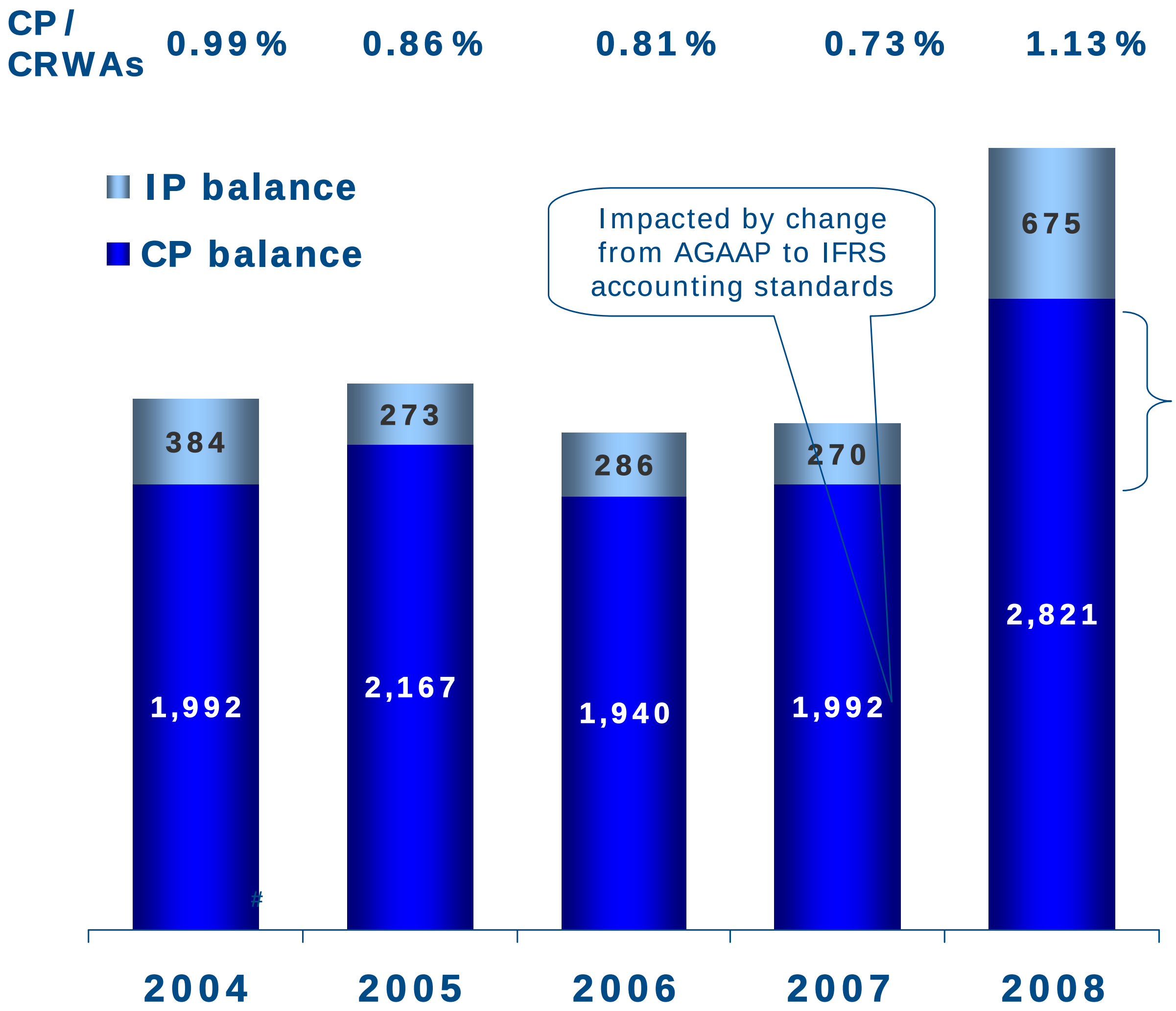
- APRA setting a 20% floor on the downturn LGD for mortgages (as compared with the 10% minimum set by the FSA)
- FSA not requiring Interest Rate Risk in the Banking Book to be a Pillar I requirement
- Differences in the treatment of specialised property lending; equity and margin lending products

Government guaranteed debt issuance by AUS banks

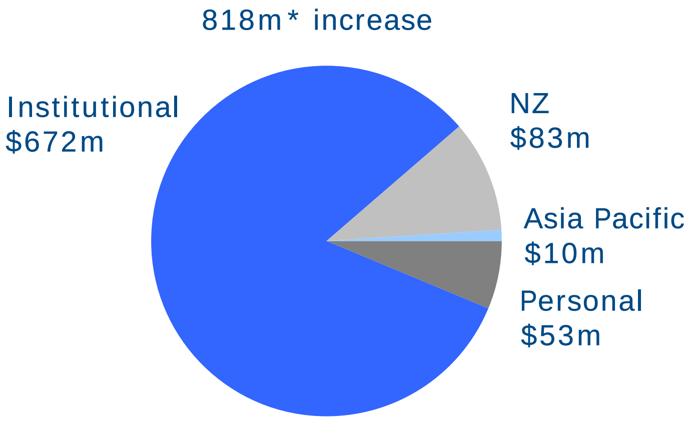


Source: ANZ and Bloomberg

Collective provision balance coverage above 1% of Credit RWAs

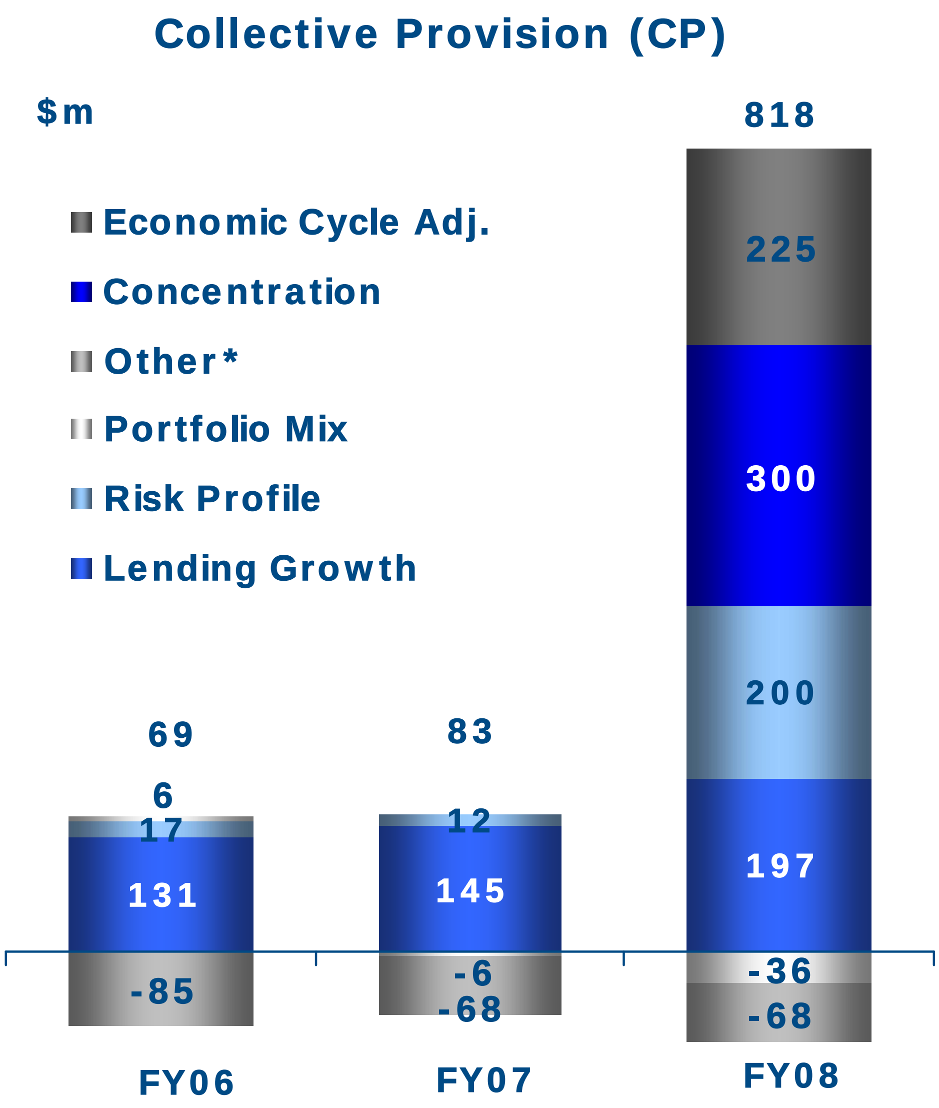


Increase in Collective provisioning primarily on the Institutional / commercial portfolio



*#2004 number are on AGAAP accounting standard basiis..*excludes adjustment for exchange rate fluctuations*

Increase in the CP in 2008 reflected changes in the credit environment with $525m for economic cycle & concentration risk



Economic cycle adjustment

- For deterioration in global credit markets and slowing NZ economy (includes Inst. $180m, NZ $36m)

Concentration risk

- Higher single name risk for Financial Institutions and property portfolios within Institutional

Risk Profile

- Downgrades in Institutional, portfolio movements New Zealand

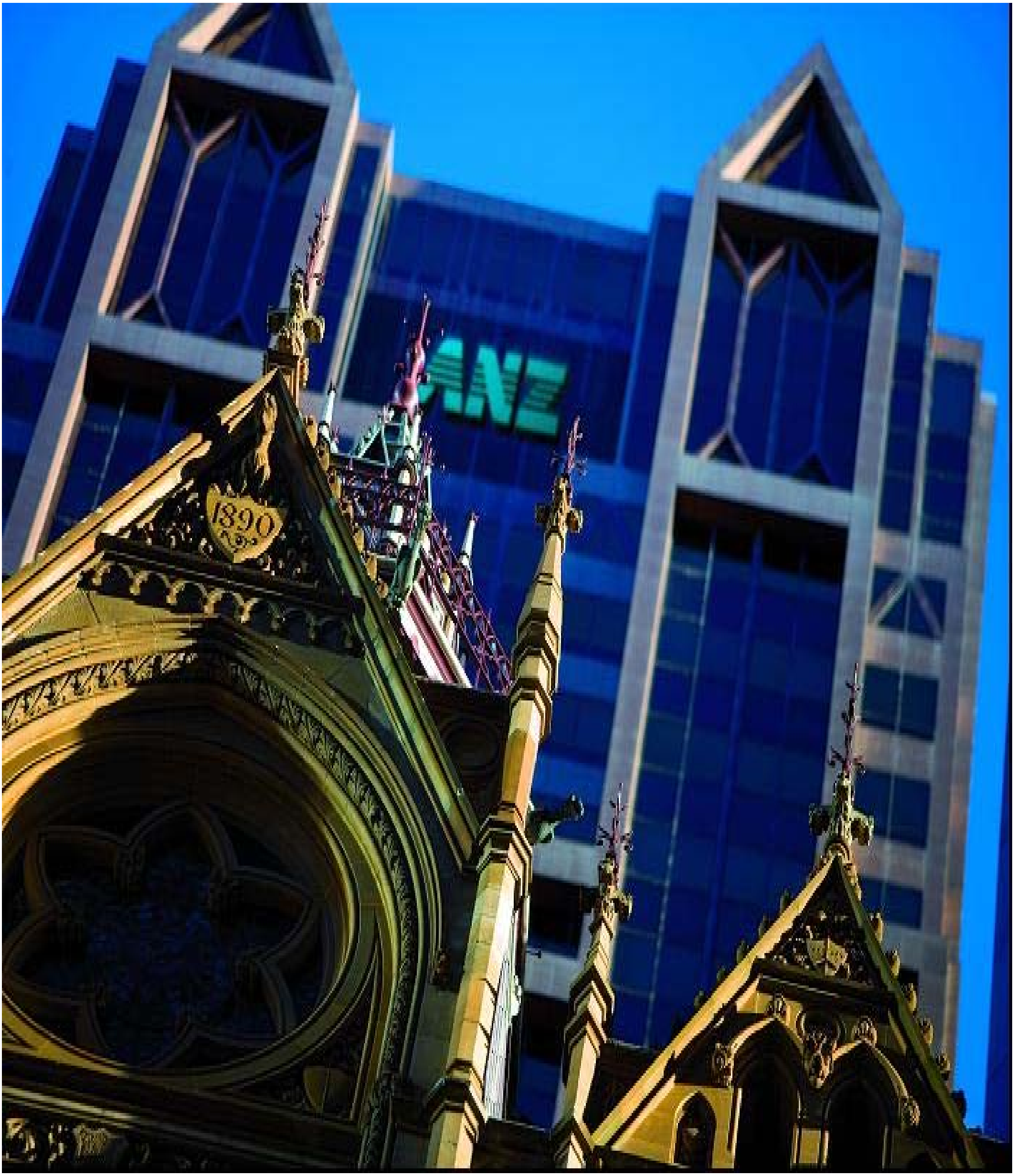
Volume Growth

- Increase across all divisions

Portfolio mix & Other

- Includes oil shock roll-off

** Other comprises Group Items, scenario impact including the modelled unwind of the oil price shock provision (raised in 2005) and non continuing businesses*



Australia & NZ – economic trends and government policy responses

Summary of forecasts: Australia and New Zealand

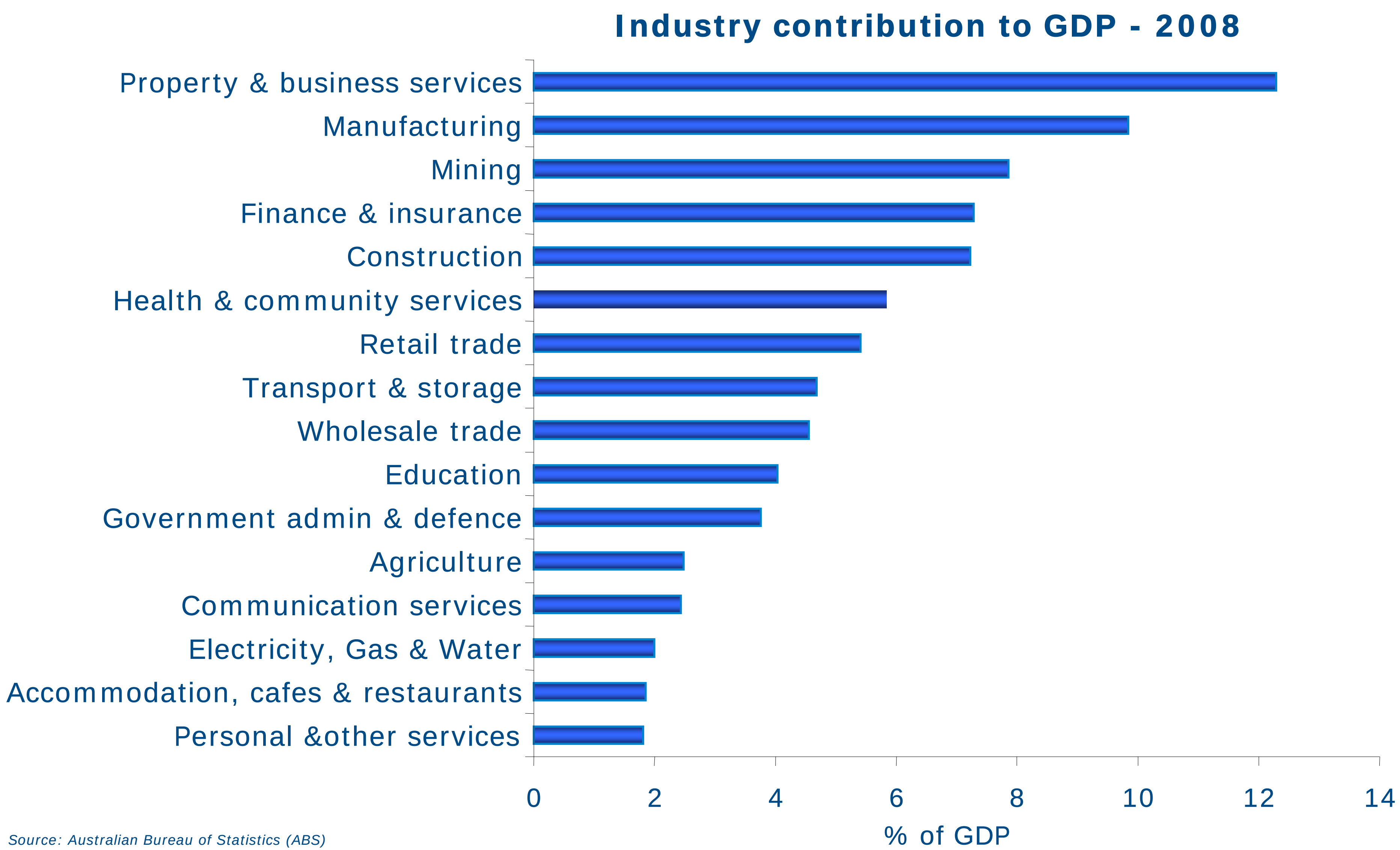
	Australia *			New Zealand *		
	2008	2009	2010	2008	2009	2010
GDP	3.0	-0.3	0.4	1.7	-2.9	1.1
Inflation	4.2	2.5	2.9	5.1	1.3	2.4
Unemployment	4.3	5.8	7.5	4.2	6.8	7.5
Current A/C (% GDP)	-5.4	-3.4	-6.5	-8.6	-6.7	-6.9
Cash rate	7.0	2.25	2.0	7.5	2.5	3.0
10 year bonds	4.3	3.7	4.7	5.8	4.3	5.5
AUD/USD	0.79	0.56	0.58			
AUD/NZD	1.18	1.30	1.32			
Credit (YOY % change)	10.0	3.4	4.5	9.6	1.6	2.7
- Housing	8.9	6.0	8.2	6.8	1.5	2.4
- Business	13.2	1.1	0.9	10.0	1.0	3.0
- Other	2.2	-2.7	2.0	4.0	0.6	2.6

** Based on 30 September bank year*

The structure of the Australian economy and banking system

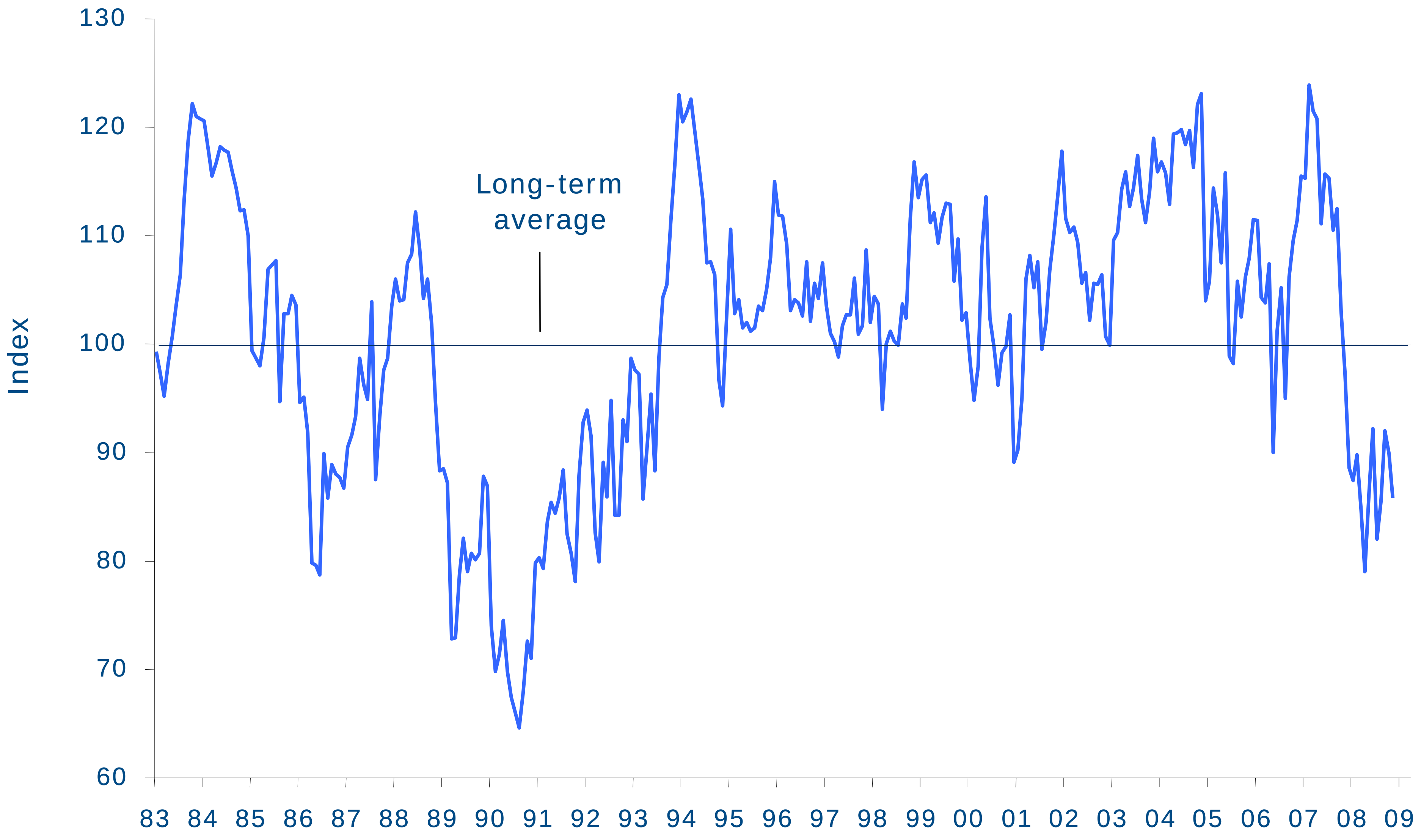
- Australia's real economic growth has averaged 3.3% since 1990 compared to 2.7% for the US
- Monetary policy aims to keep inflation within a 2% to 3% range on average over the course of the business cycle. The Government is committed to keeping the Budget in balance over the course of the economic cycle. Both these targets have been achieved over the past 10 years
- Well diversified economy with the 3 largest industries (property and business services; manufacturing and mining) accounting for 30% of output. The 10 largest industries account for 68% of output
- **Although mining dominates our exports, it only accounts for around 8% of GDP**
- Employment is more concentrated than output with the five largest industries accounting for around 55% of total employment
- Our export markets are diversified although Asia is the largest export destination. Exports account for approximately 23% of GDP
- Our banking system is dominated by the 4 large commercial banks. The asset exposure of the banking system is largely domestic corporations and households
- The main shift in the asset structure of the banking system has been the increased prominence of housing related assets, which now account for just under 50% of the banks loan assets

Australia's economy is well diversified



Source: Australian Bureau of Statistics (ABS)

Consumer confidence while lower has been holding up relatively well to date



Sources: WBC/MI and Datastream

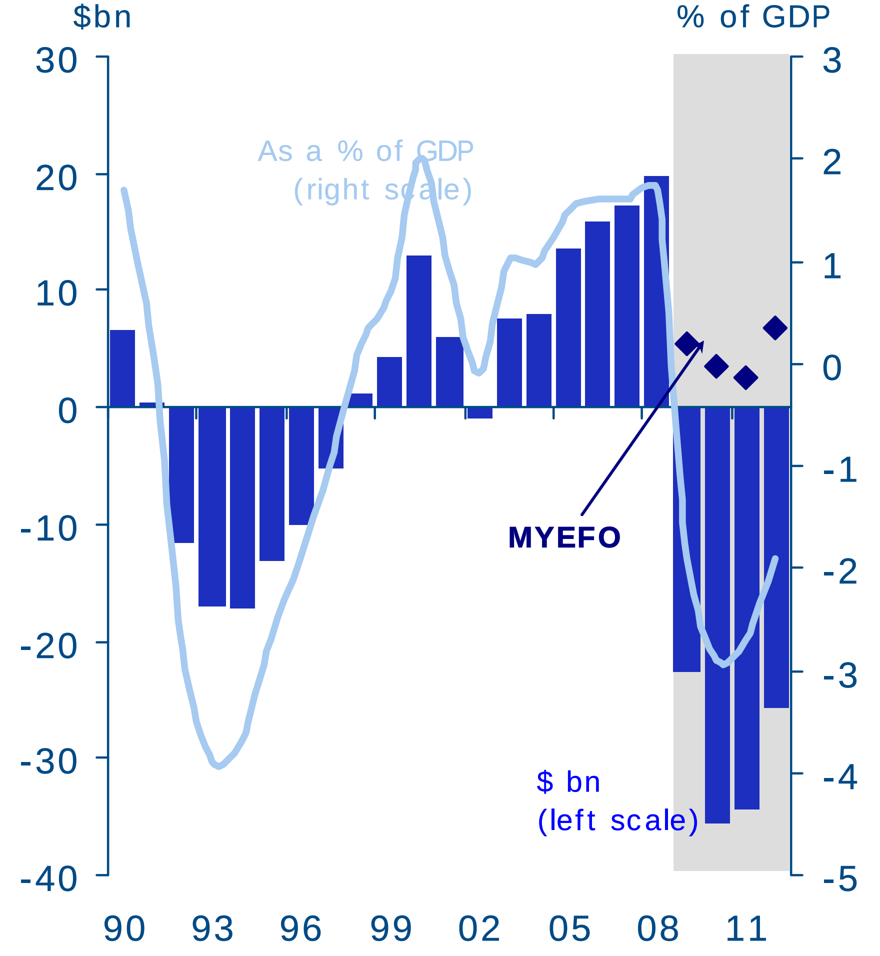
The Australian policy response has been both rapid and substantial...

- The government budgeted a surplus of close to $22bn in 2008/09 in May
- Two stimulus packages later they expect a *deficit* of $22bn
- Oct-14, $10.4bn stimulus package backed up with $42bn in Feb. to shore up domestic economic growth

Key spending in new package:

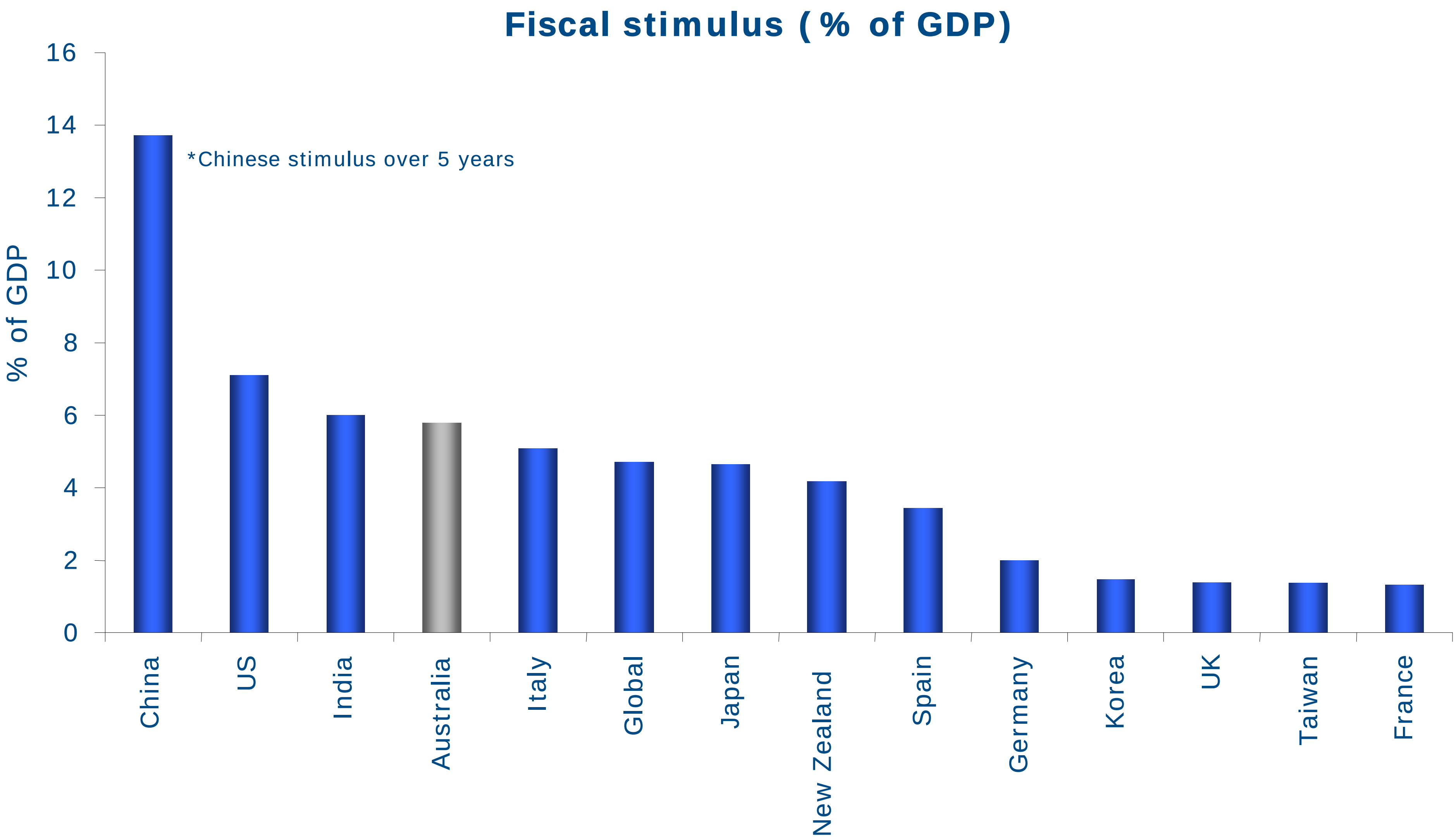
- $12.7bn one off payments for families/farmers
- $14.7bn for school building
- $6.6bn public housing
- $3.9bn home insulation
- $2.7bn business tax breaks

Commonwealth 'underlying' cash balance



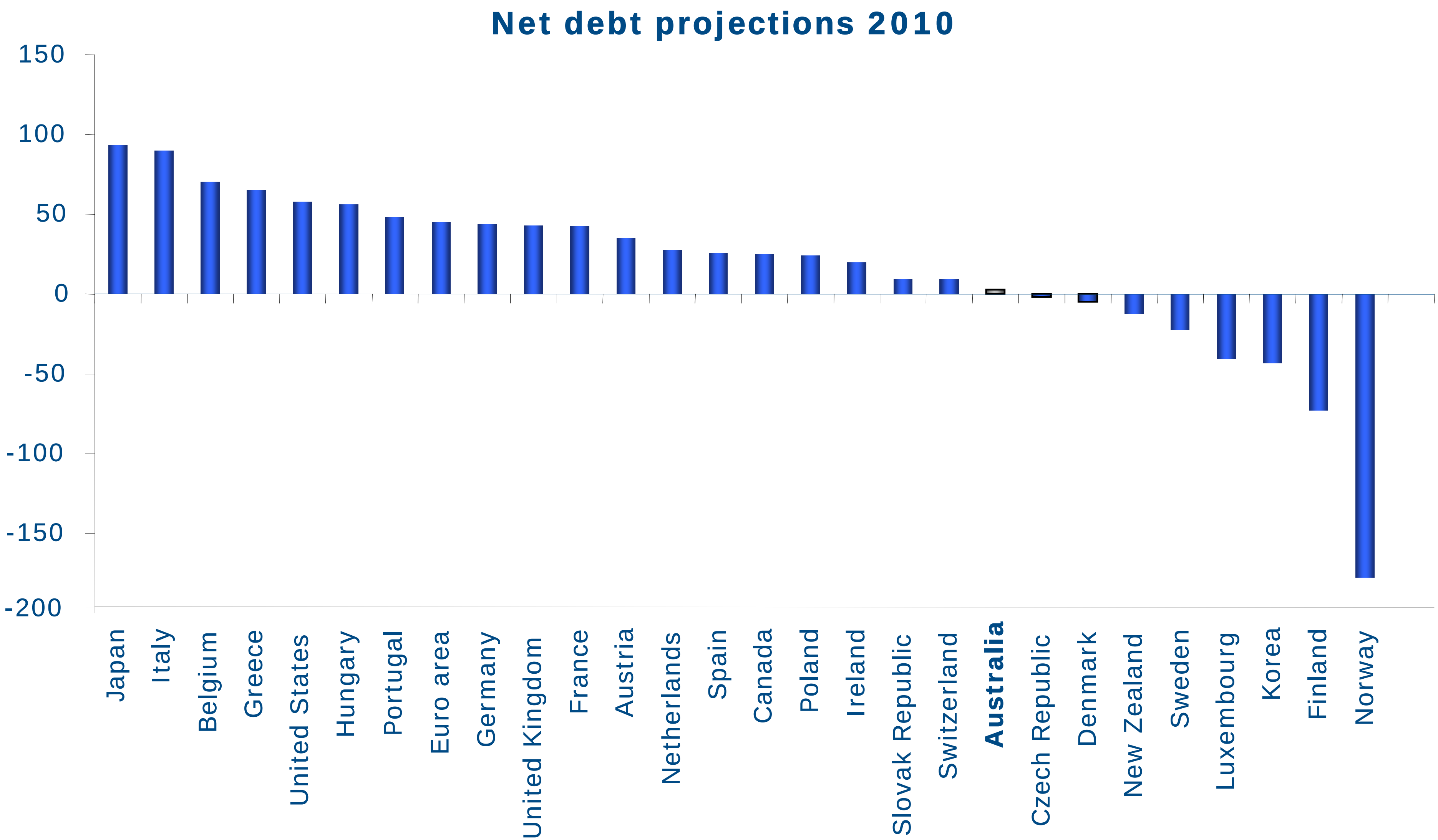
Sources: 2008-09 Budget Paper No. 1, Statement 13, Table 1 (and previous issues).

One of the largest stimulus packages in the world



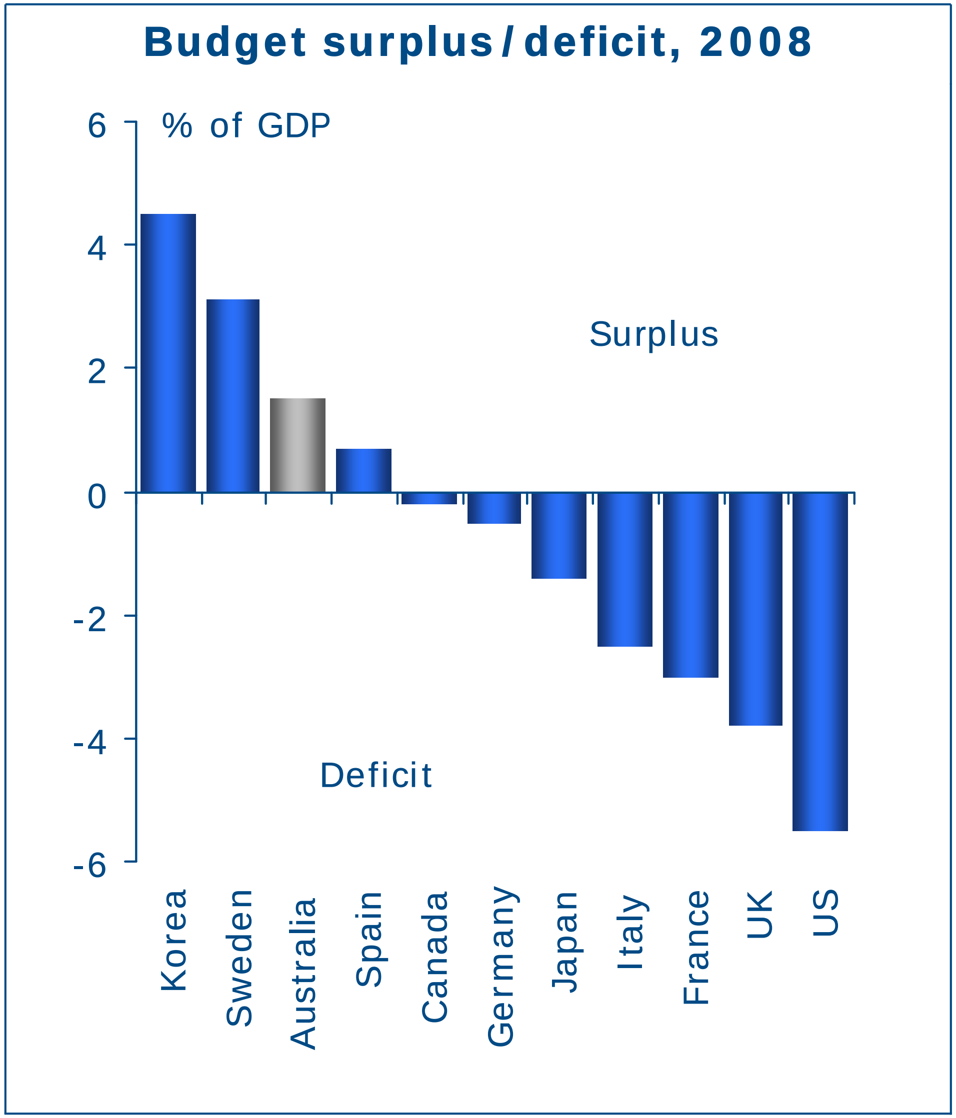
Source: ANZ estimates

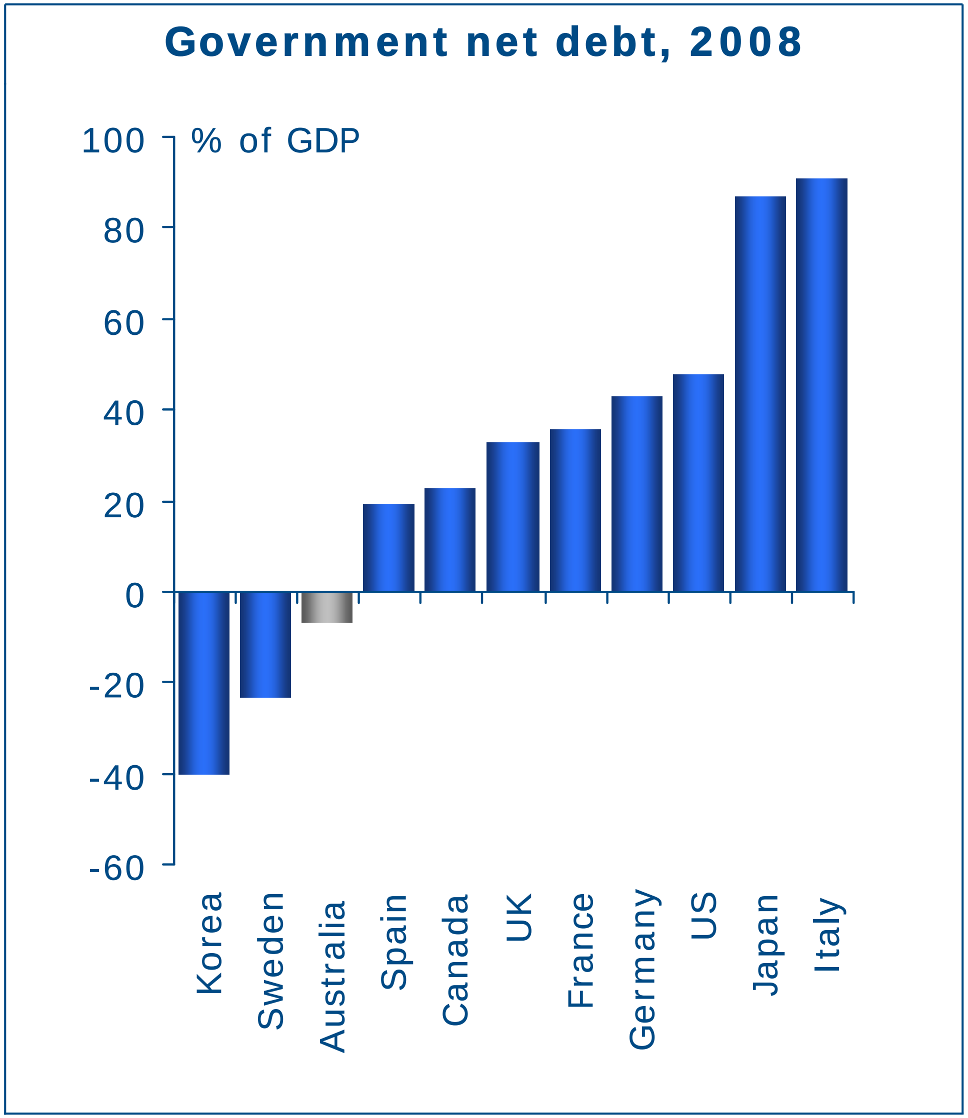
Australian general government net debt is expected to increase to 5.2% of GDP in 2011-12 – still low by international standards



Sources: OECD, Commonwealth Government, ANZ calculations

...leaving Australia well placed to continue to use fiscal policy to support economic activity



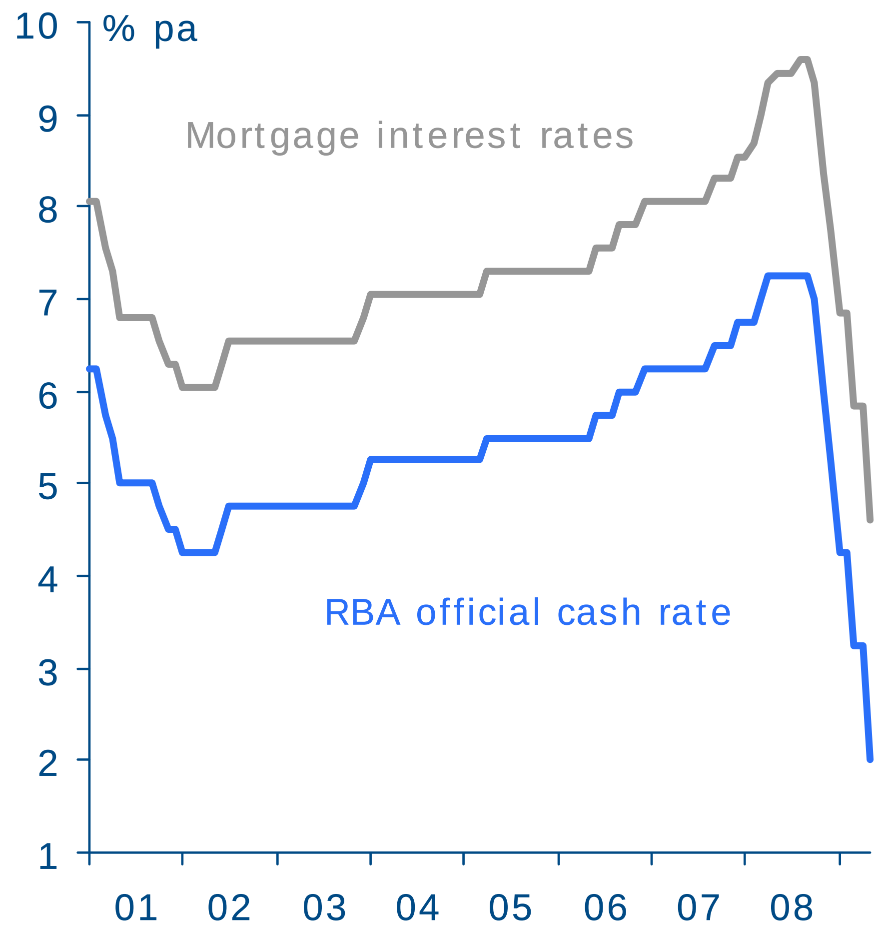


Note: data shown are for the 'general government' sector, ie including State and local governments but excluding government business enterprises. Source: OECD, Economic Outlook 83, June 2008,

Rapid, pre-emptive monetary policy easing has supported the economy

- The RBA has now cut its official cash rate by 4% in just six months (it took almost six years for them to raise it by as much)
- Larger-than-expected movements in October, November and February underscore the RBA's capacity to respond decisively to deteriorating economic conditions and its willingness to do so
- Although inflation remains well above the 2-3% target the RBA is explicitly judging that lower commodity prices and weaker economic activity will reduce the inflation risk
- Further cuts will take place in 2009 and it now looks likely that the cash rate will fall to a low of 2.0% by H2 2009

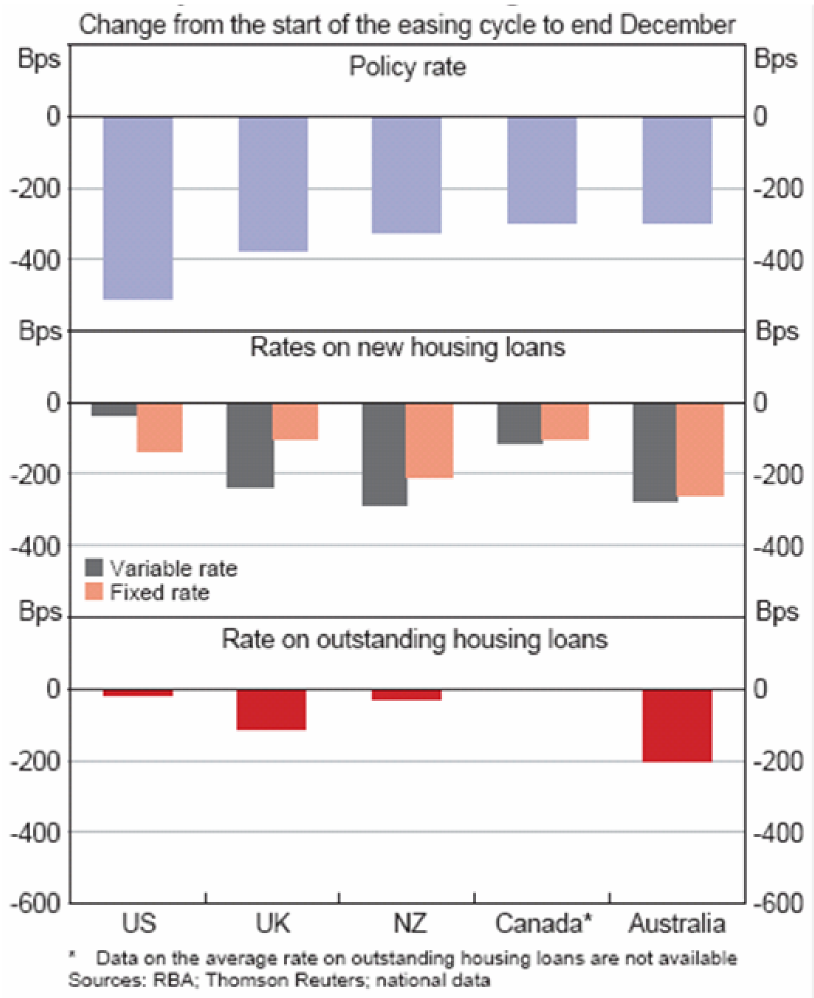
Interest Rates



Sources: Thomson Financial; ANZ.

Monetary policy having a greater impact in Australia than elsewhere – rate cuts are getting through to consumers

- Policy rates have been slashed across the globe
- But in many countries rate cuts are not ‘getting through’ to mortgage holders – particularly to existing mortgages
- Australia is the standout in terms of pass though due to:
  - High proportion of variable loans
  - Mortgage rate priced off 90 day bill rate (cf 30 year bond rate in US)
  - Financial sector far healthier hence can afford to ‘pass on’ official interest rate cuts



Sources: Thomson Financial; ANZ.

Summary: Very tough year ahead for global economy, Australia impacted but relatively well placed

Australia *relatively* well placed

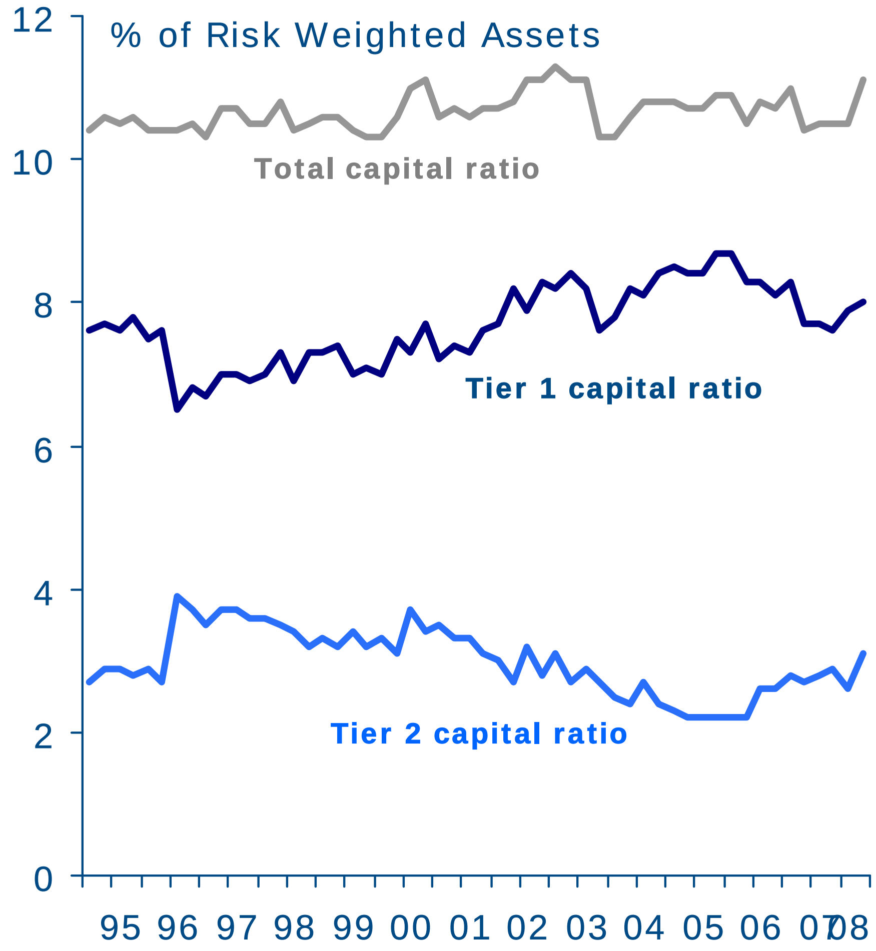
- Rapid & substantial policy response – capacity for more
- Starting point ‘fundamentals’ solid
- Strong finance sector

Housing supported by *intractable* supply shortage

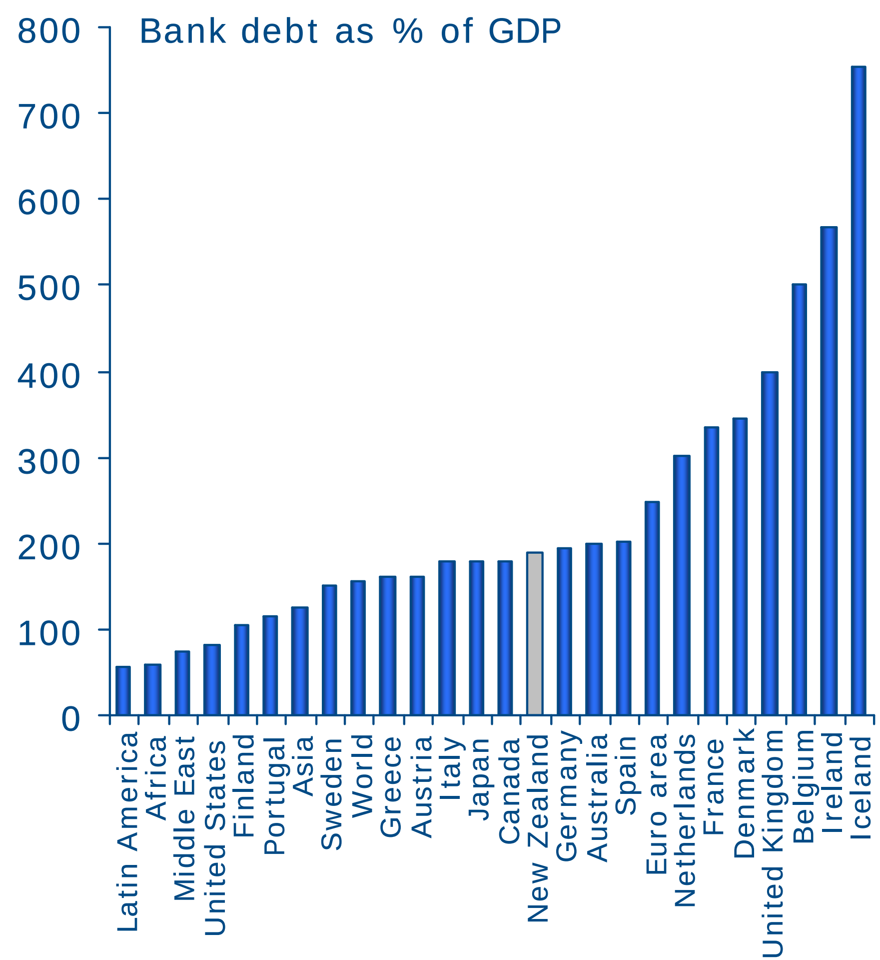
- Supply inadequate/pent up demand
- Limited ‘sub-prime’ fallout
- Full recourse lending
- Dramatic improvement in affordability (policy pass-through)

The New Zealand banking system is sound

New Zealand banks well capitalised

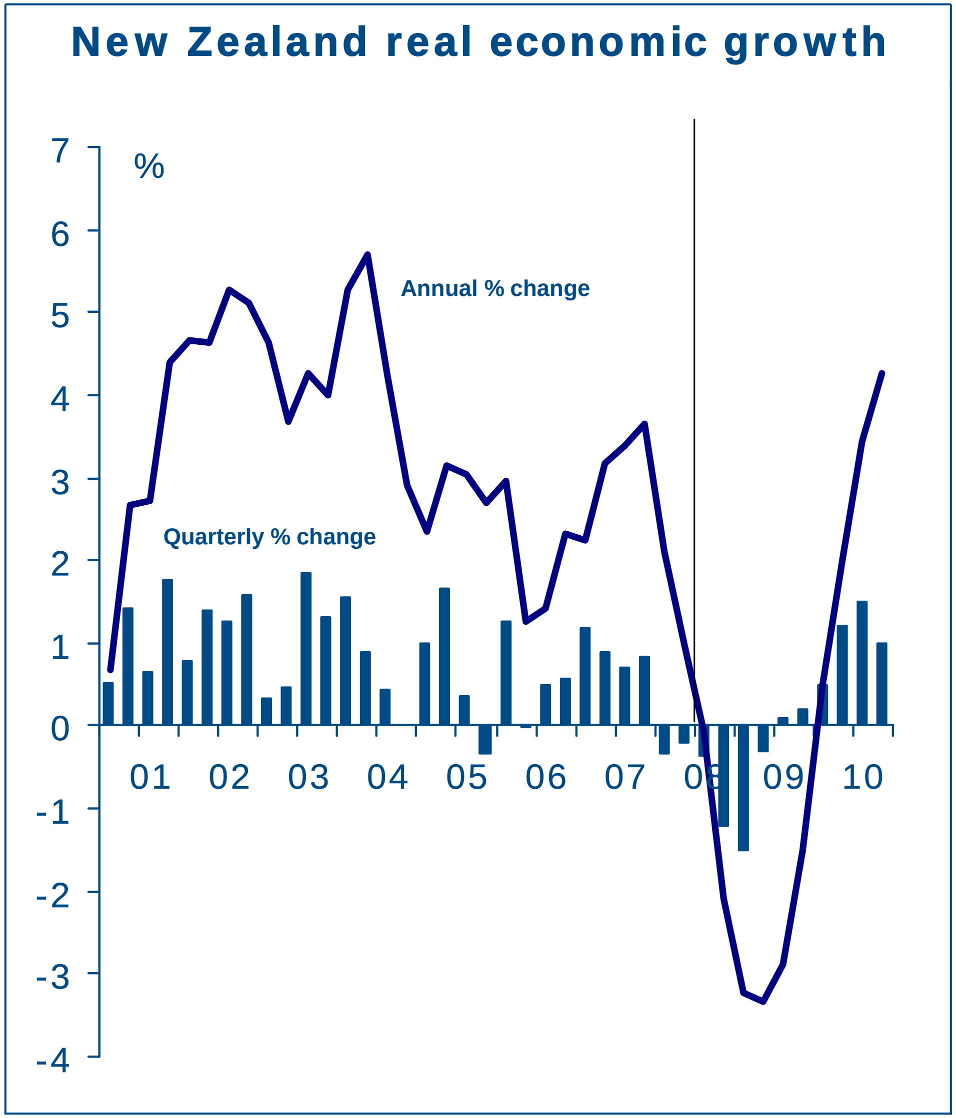


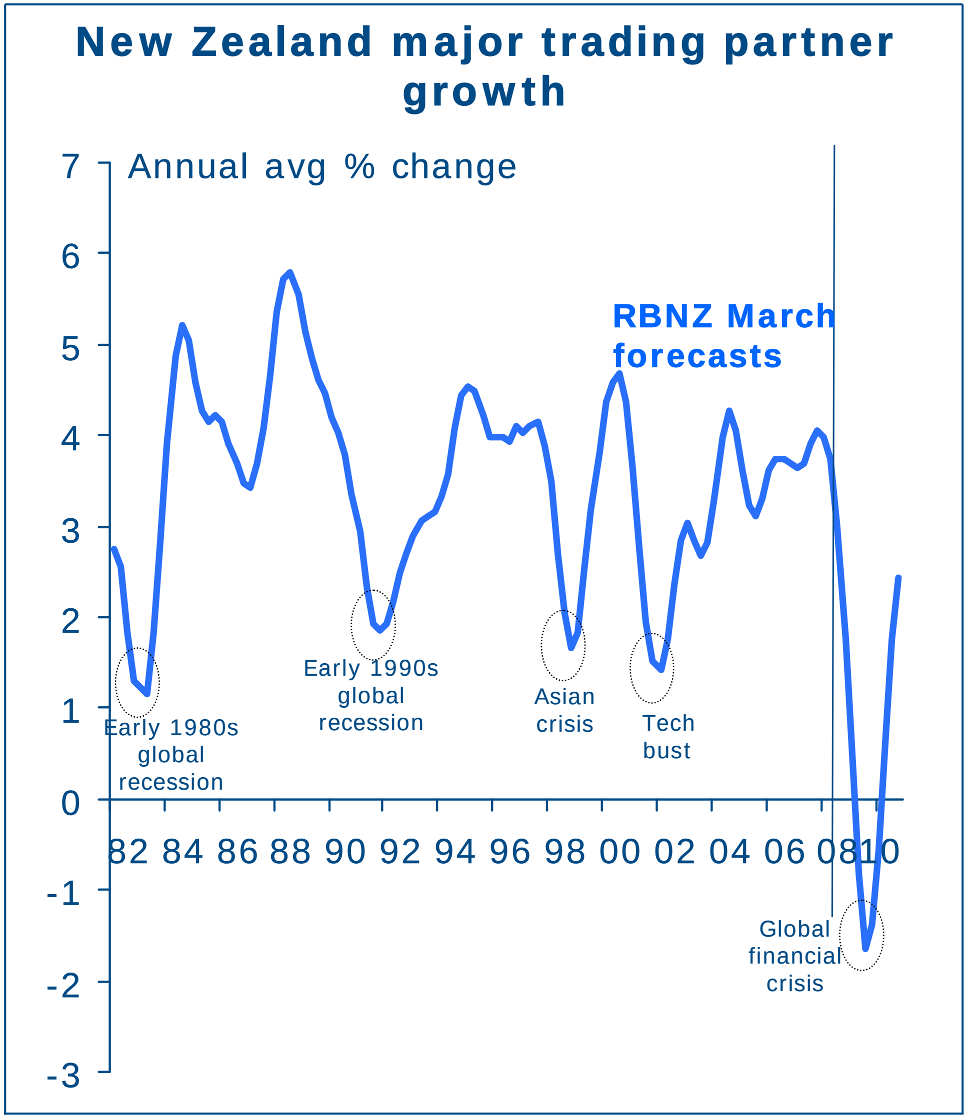
Banking sector not highly leveraged compared to other countries



Sources: RBNZ; IMF October 2008 Global Financial Stability Report; RBA; Central Bank of Iceland; ANZ.

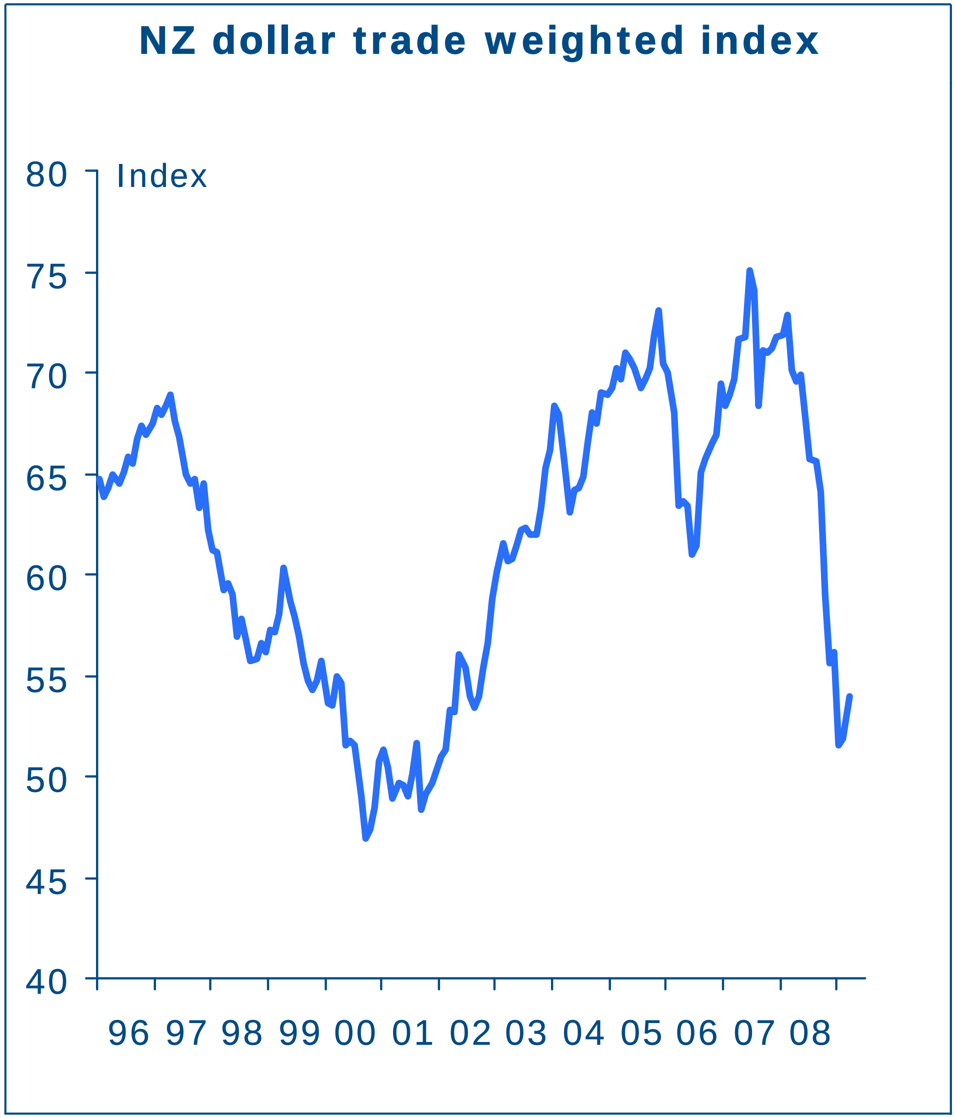
The recession in the New Zealand economy has extended into 2009 and conditions remain difficult

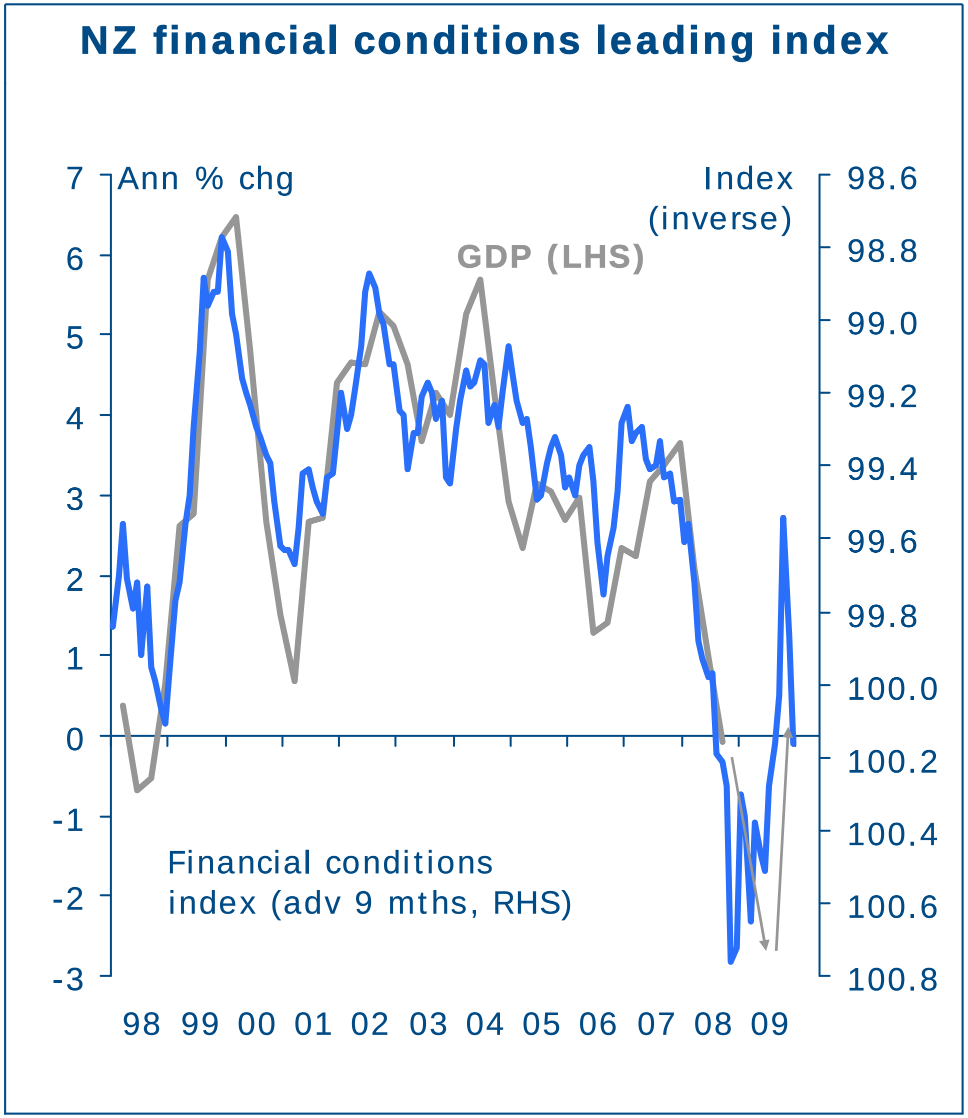




Sources: Statistics NZ; Bloomberg; ANZ.

The NZ dollar will play an important role in providing a buffer to the global downturn

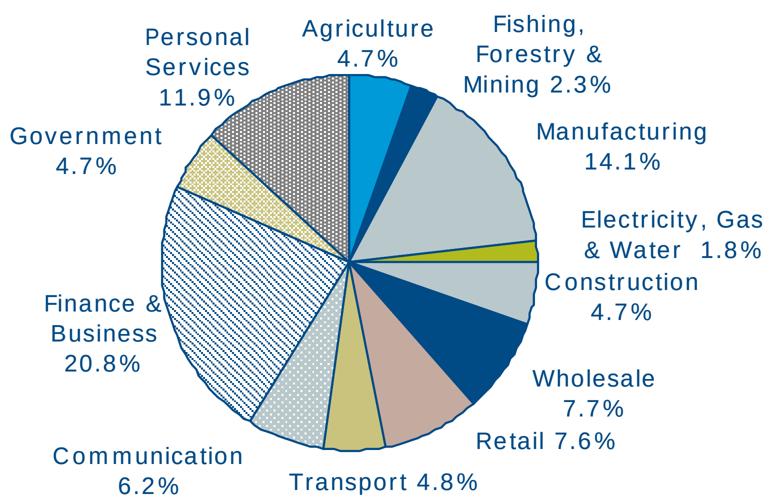




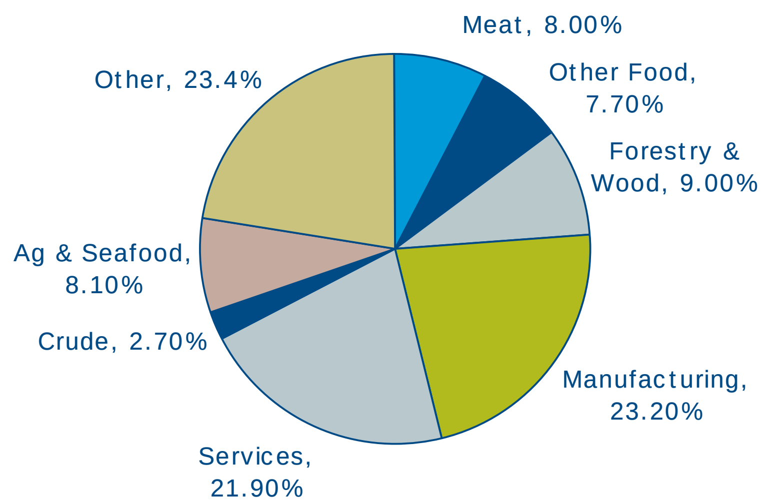
Sources: Statistics NZ; Bloomberg; ANZ.

Diversified export sector, weighted towards agriculture.

GDP composition

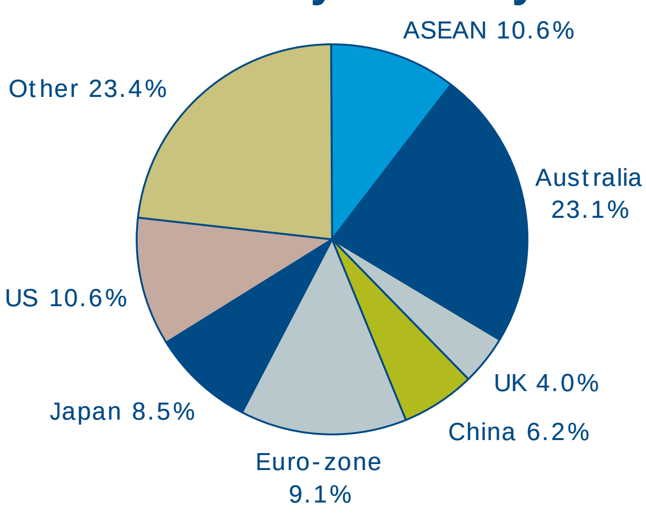


Exports are diversified by product…



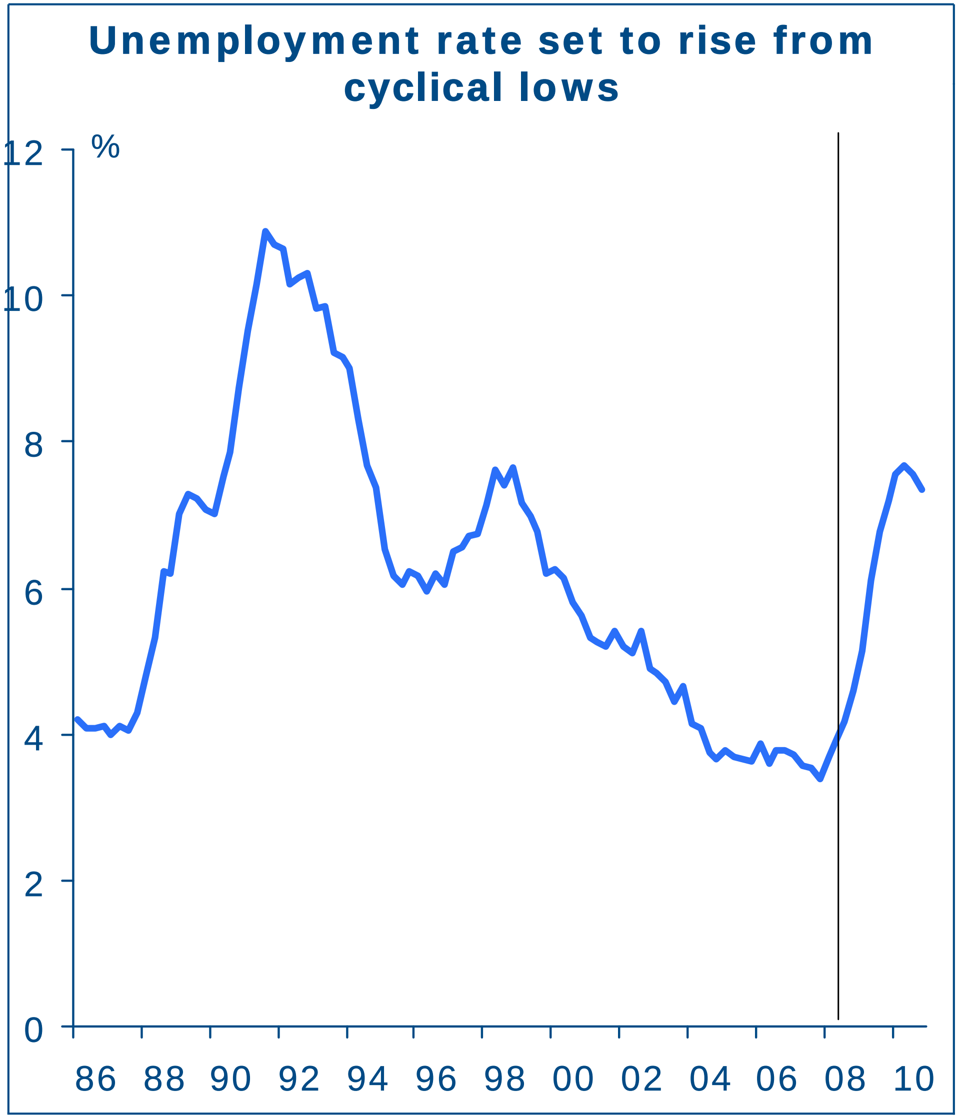
Exports 32% of GDP

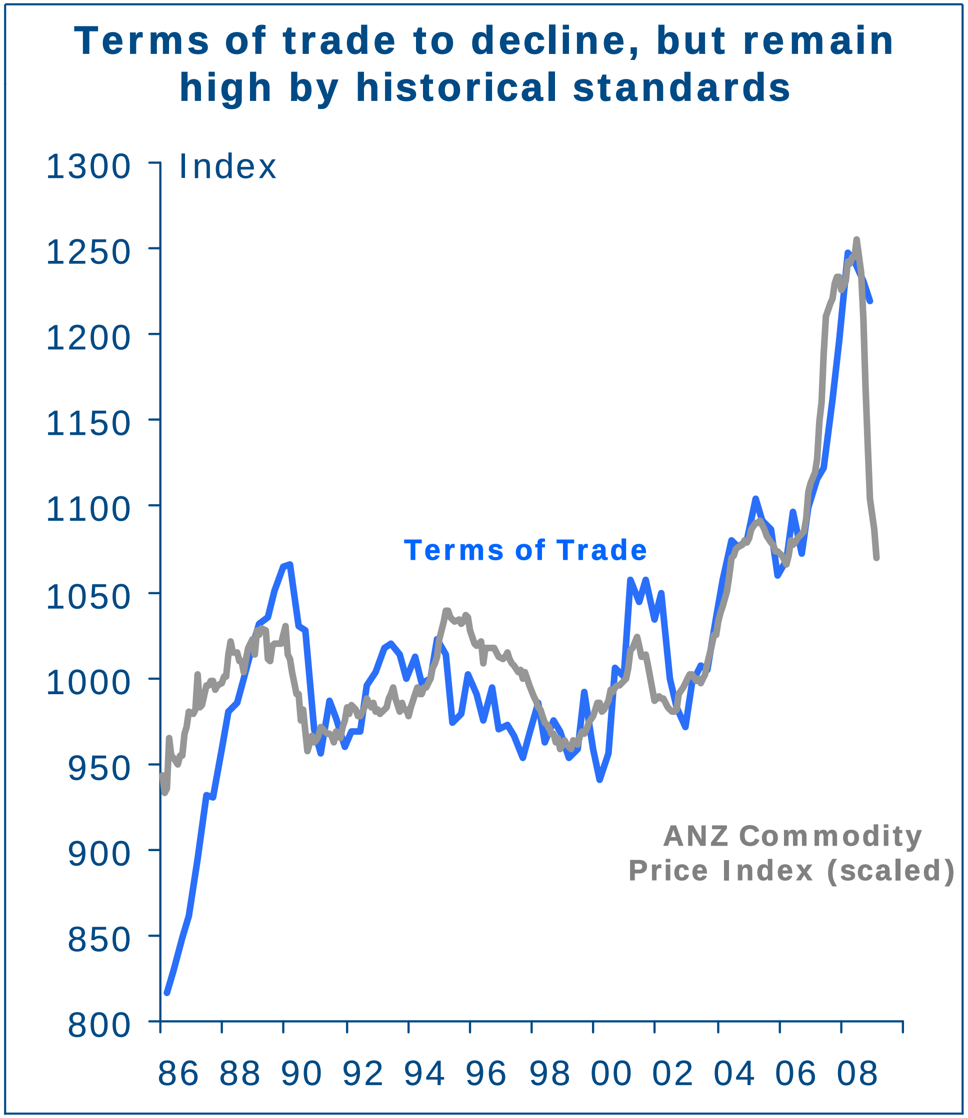
…and by country



Sources: Statistics NZ; ANZ.

A rising unemployment rate and falling rural incomes will weigh on the economic outlook this year

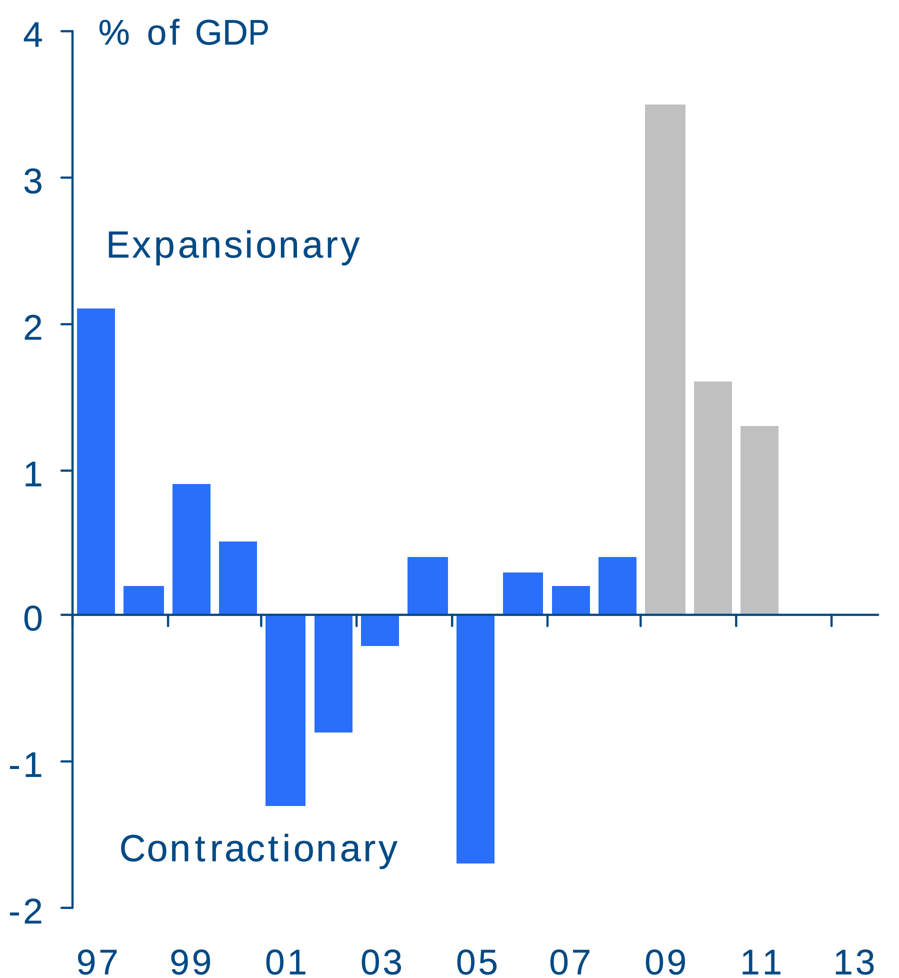




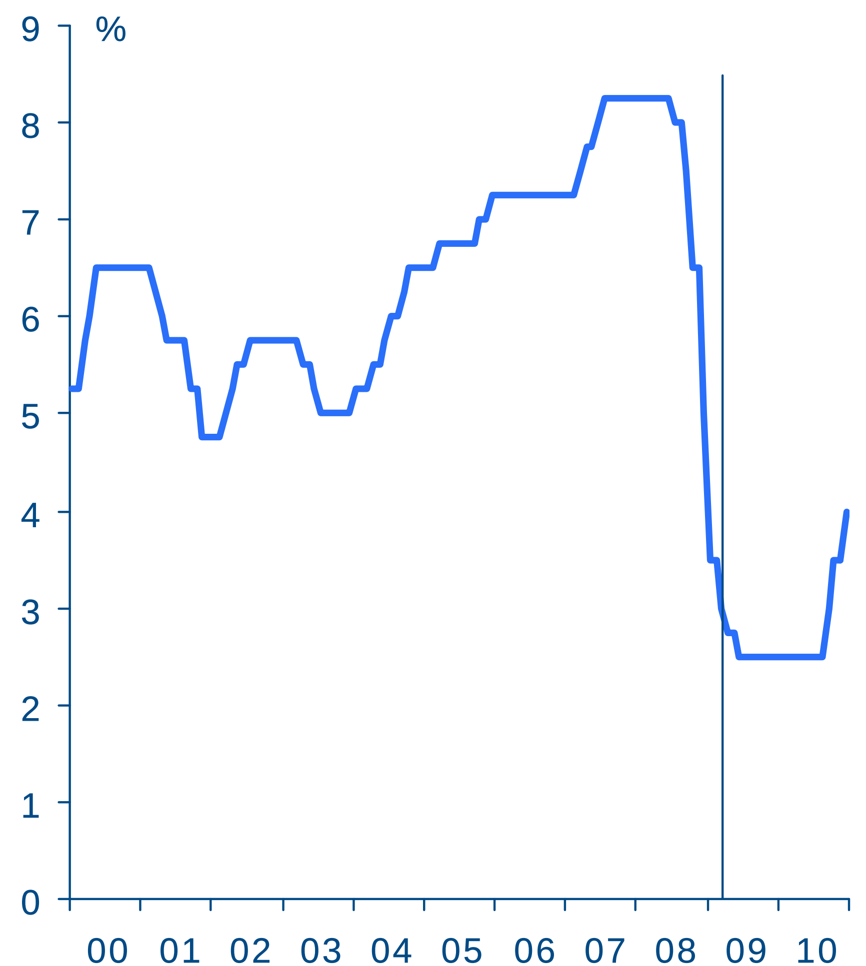
Sources: Statistics NZ; ANZ.

Significant fiscal and monetary stimulus already in the pipeline with more to come

Fiscal impulse



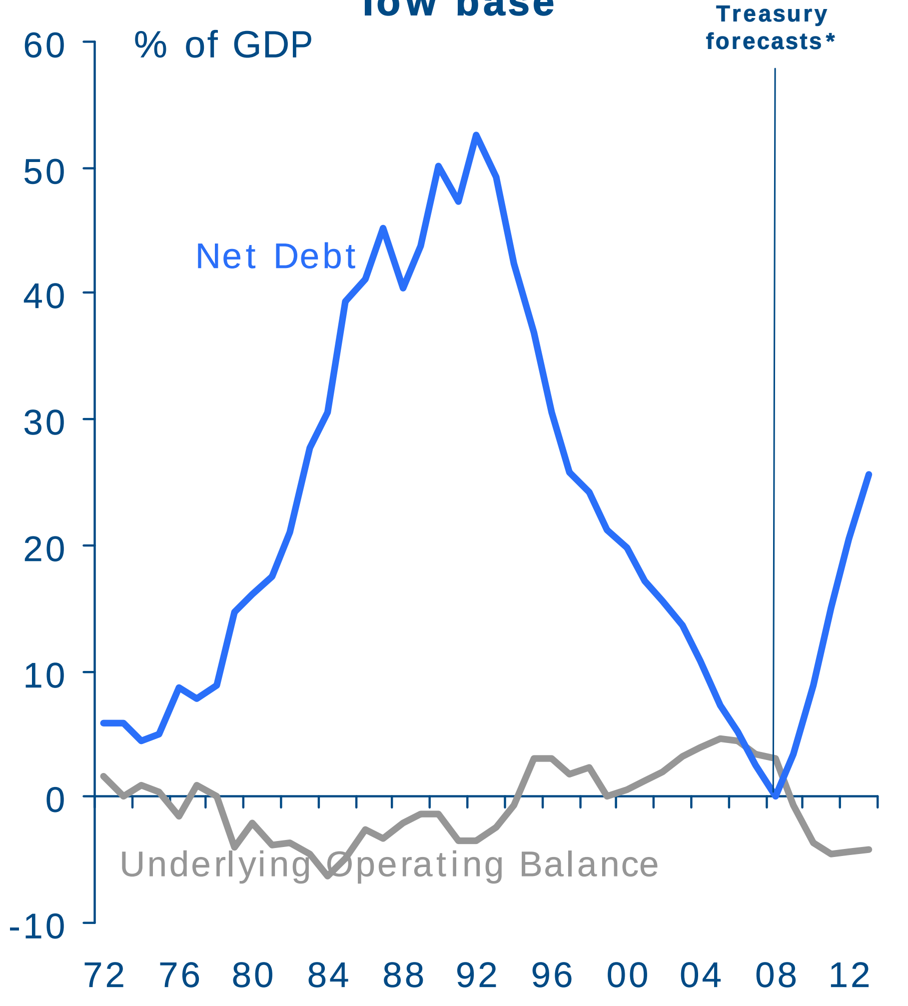
Official Cash Rate



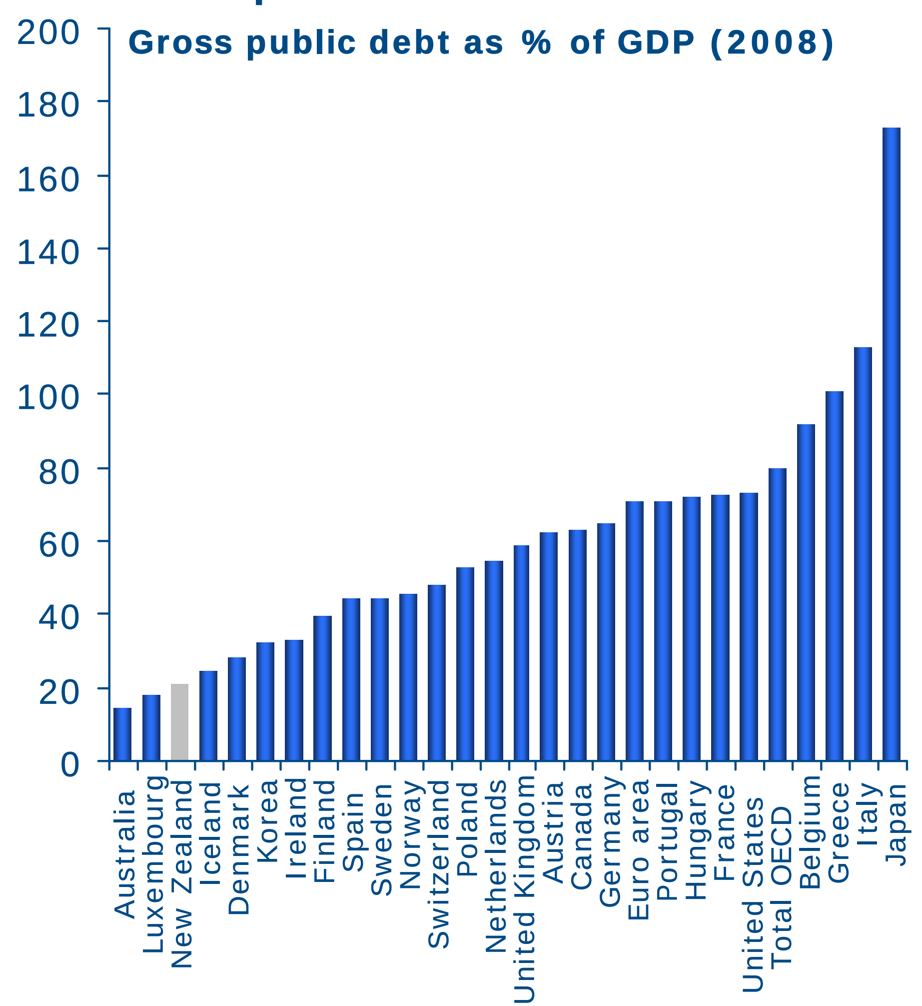
Sources: The Treasury; RBNZ; ANZ.

A better starting position – low net debt

Fiscal position to deteriorate but off a low base

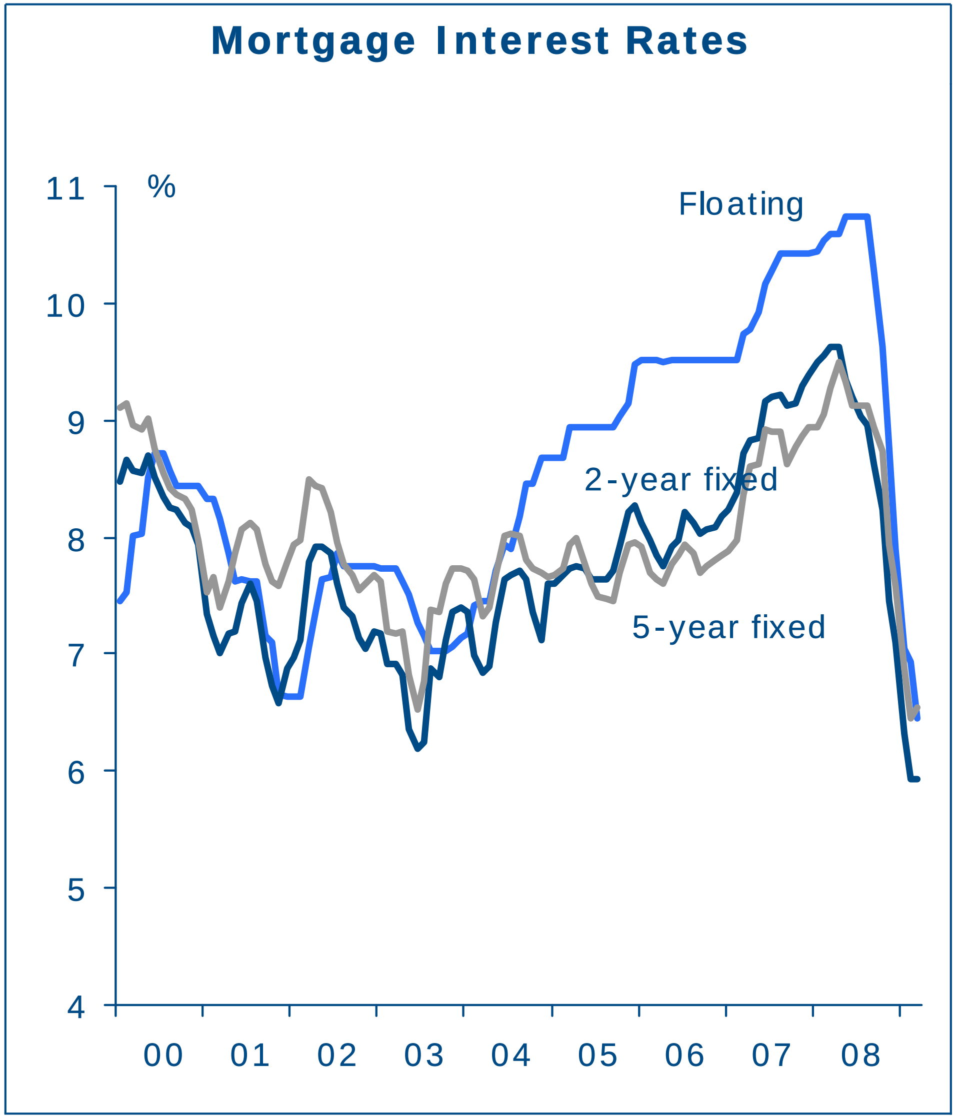


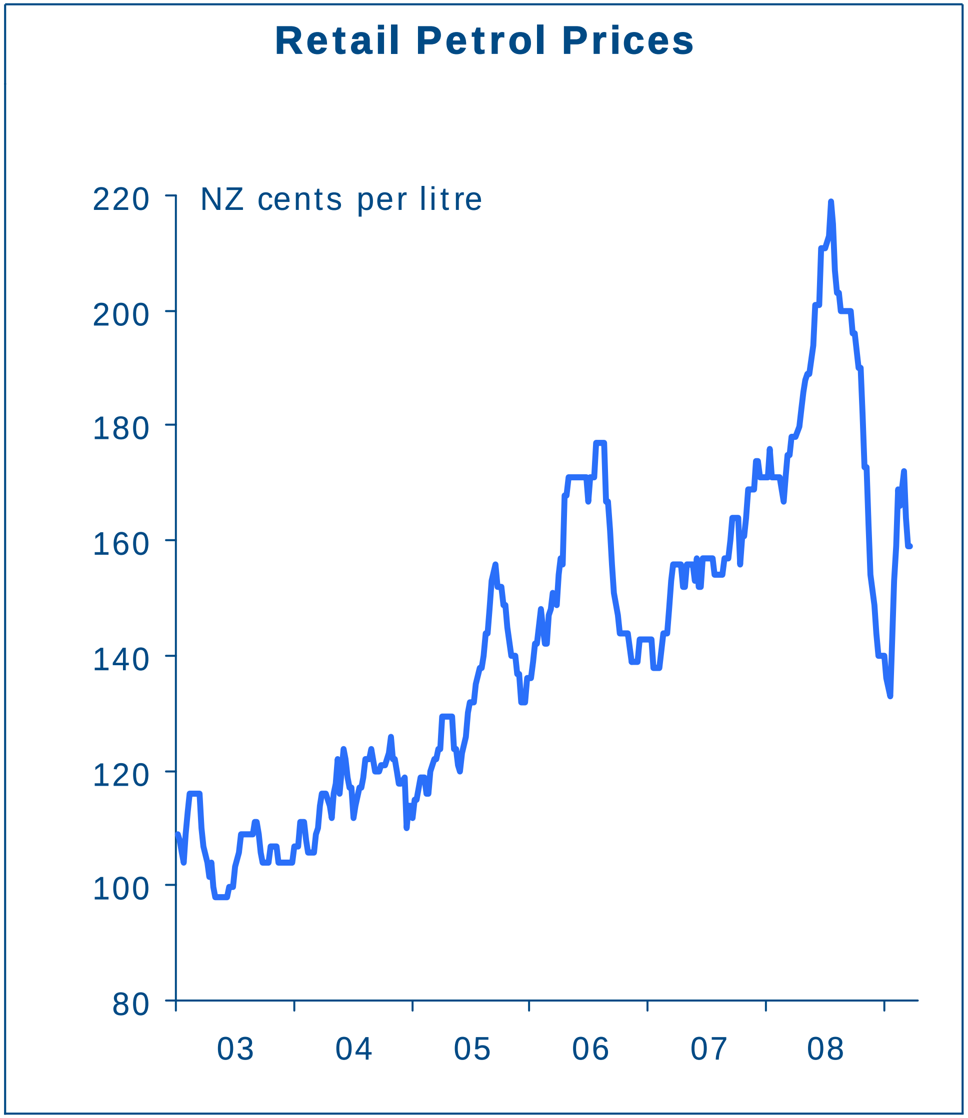
Gross public sector debt very low compared to other countries



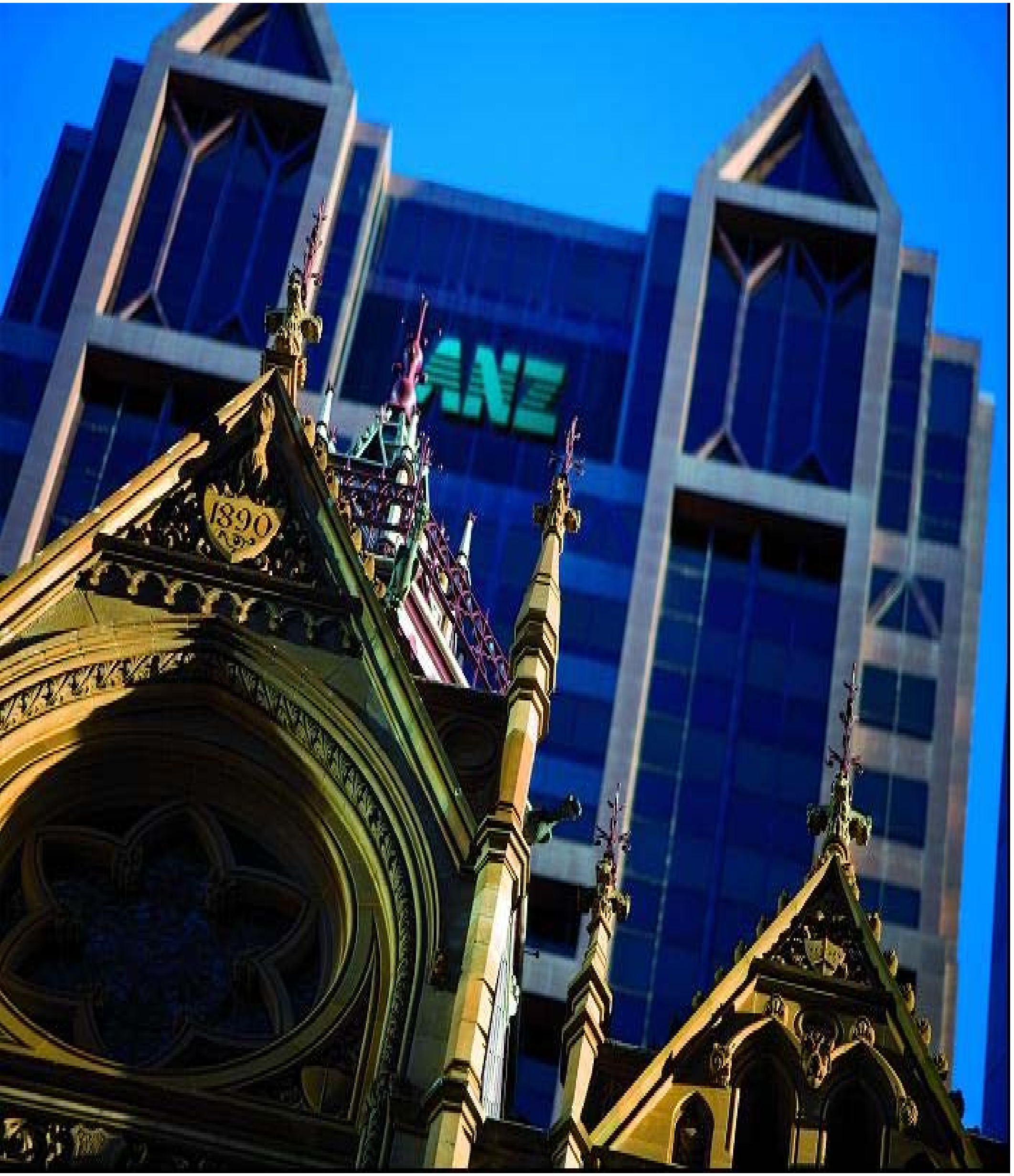
** Forecasts based on Treasury's December 2008 Update downside scenario*
Sources: The Treasury; OECD Economic Outlook December 2008; ANZ.

Tax cuts, lower mortgage rates and petrol prices are already providing a boost to household incomes





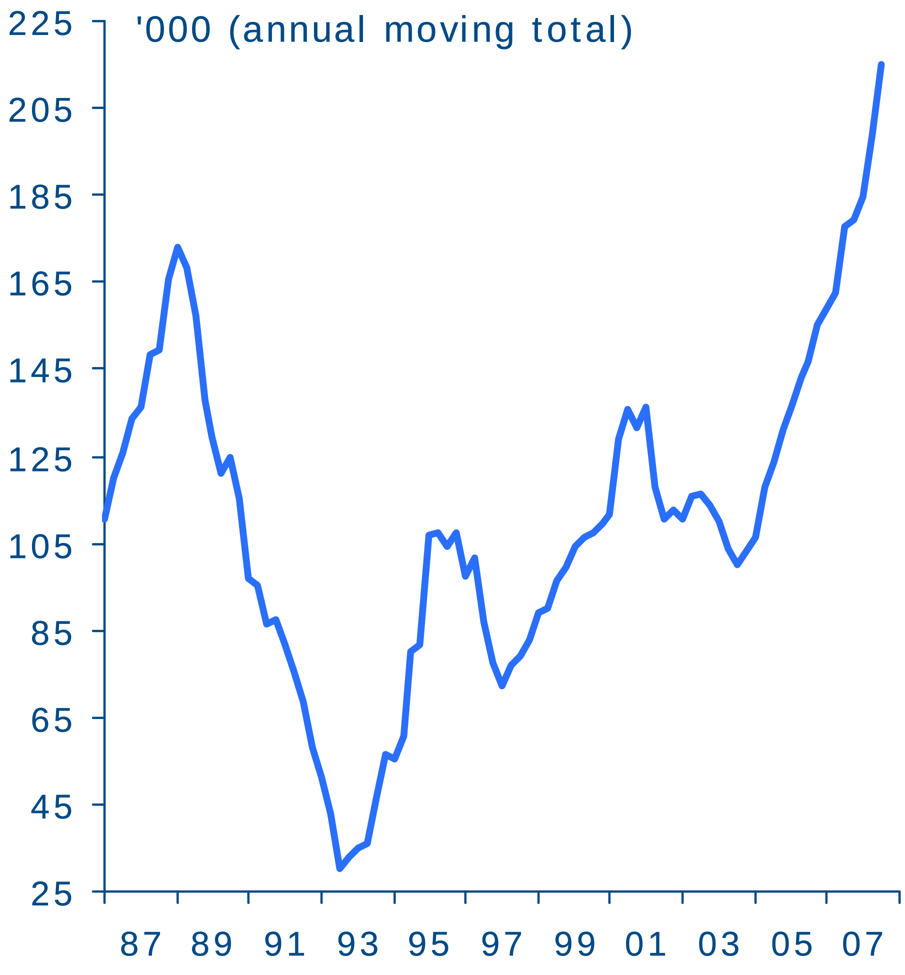
Sources: RBNZ; Ministry of Economic Development; ANZ.



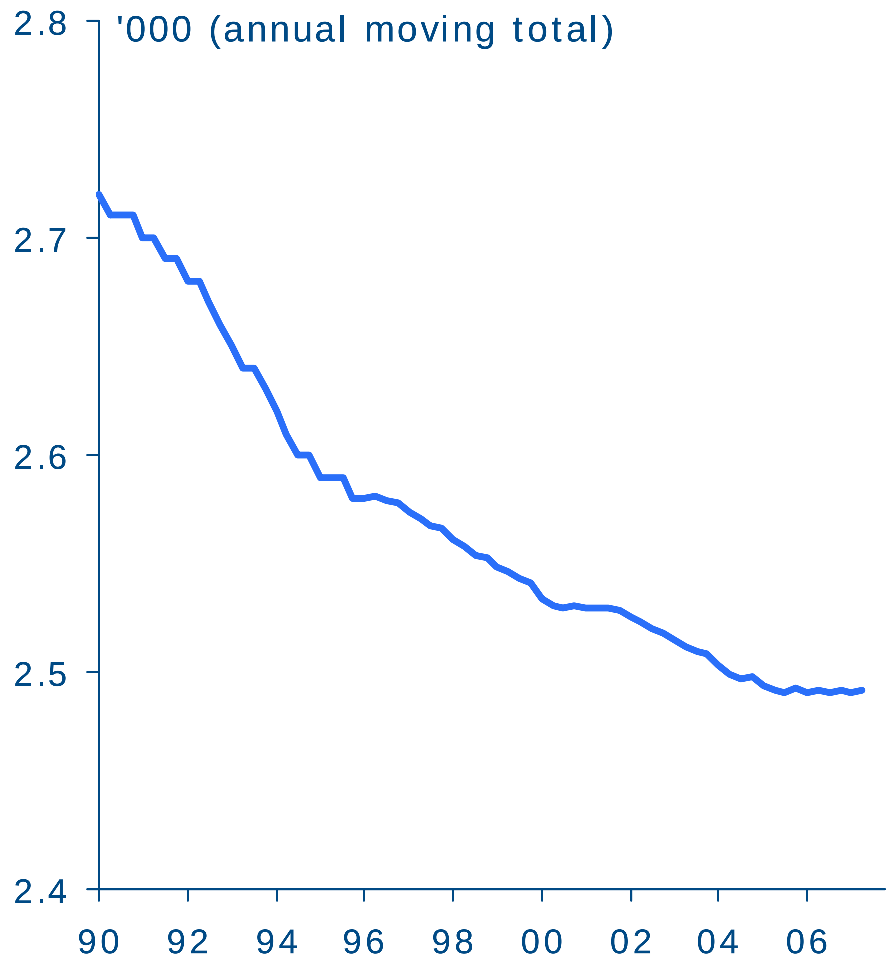
AUSTRALIA & NZ MORTGAGE DATA

Australian housing market fundamentals are solid, driven by very strong underlying demand

Net permanent & long-term settler arrivals



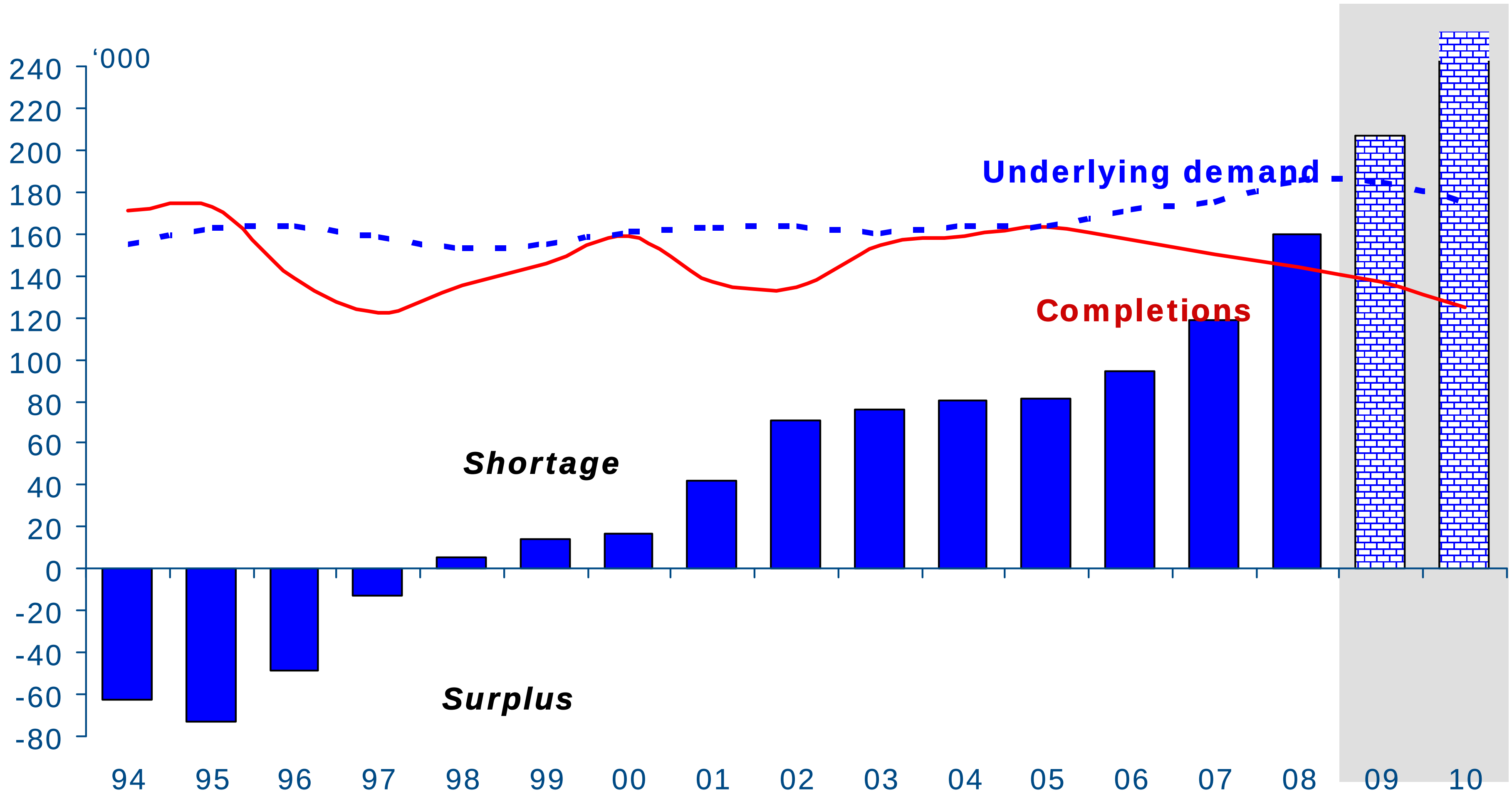
Persons per household



Sources: Australian Bureau of Statistics; Economics@ANZ.

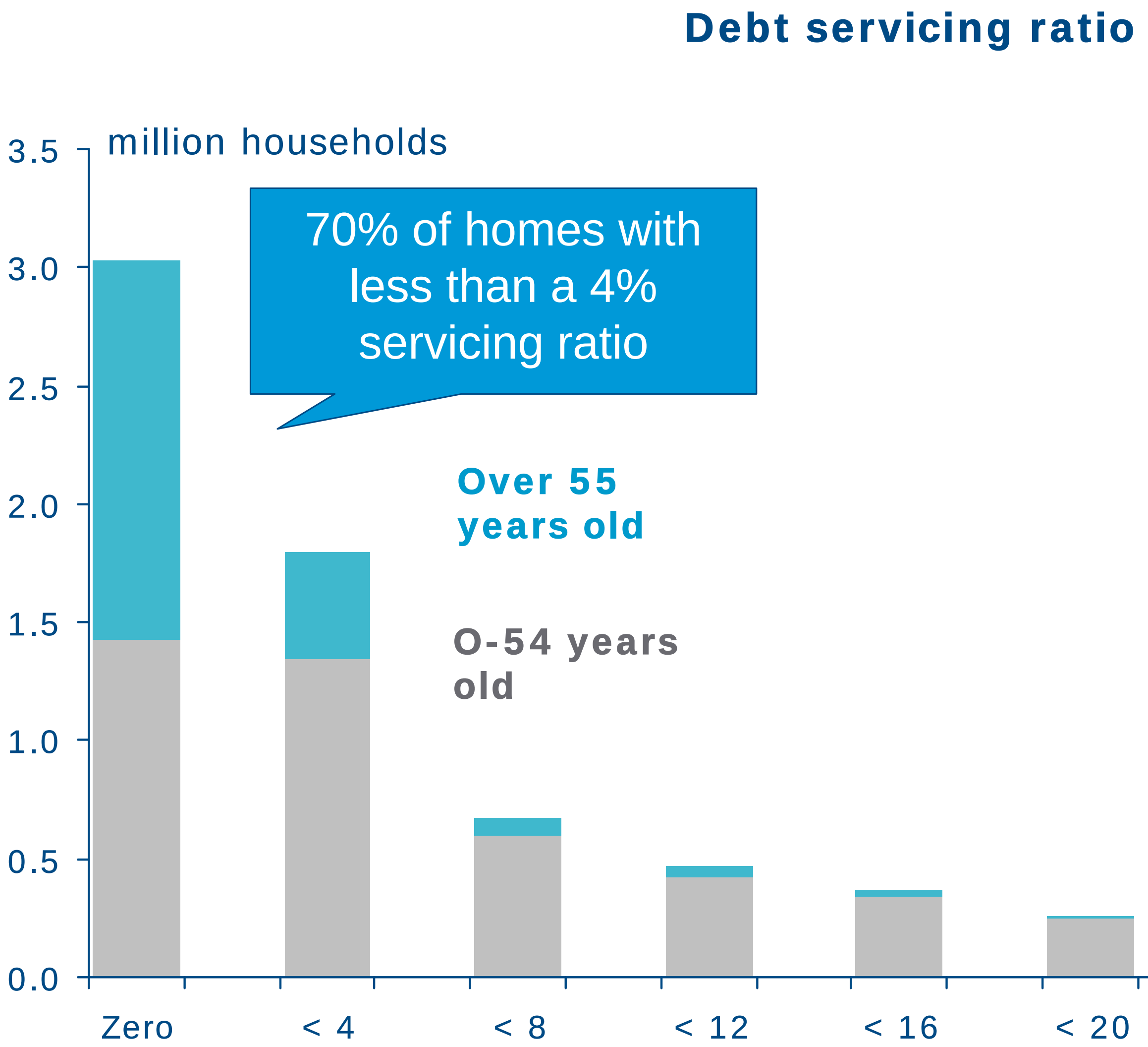
Solid demand / inadequate supply is driving pent-up housing demand to record (potentially intractable) levels

Housing market balance: Australia



Sources: Australian Bureau of Statistics; Economics@ANZ

The household sector was well placed to accumulate debt with two-thirds having little or no debt



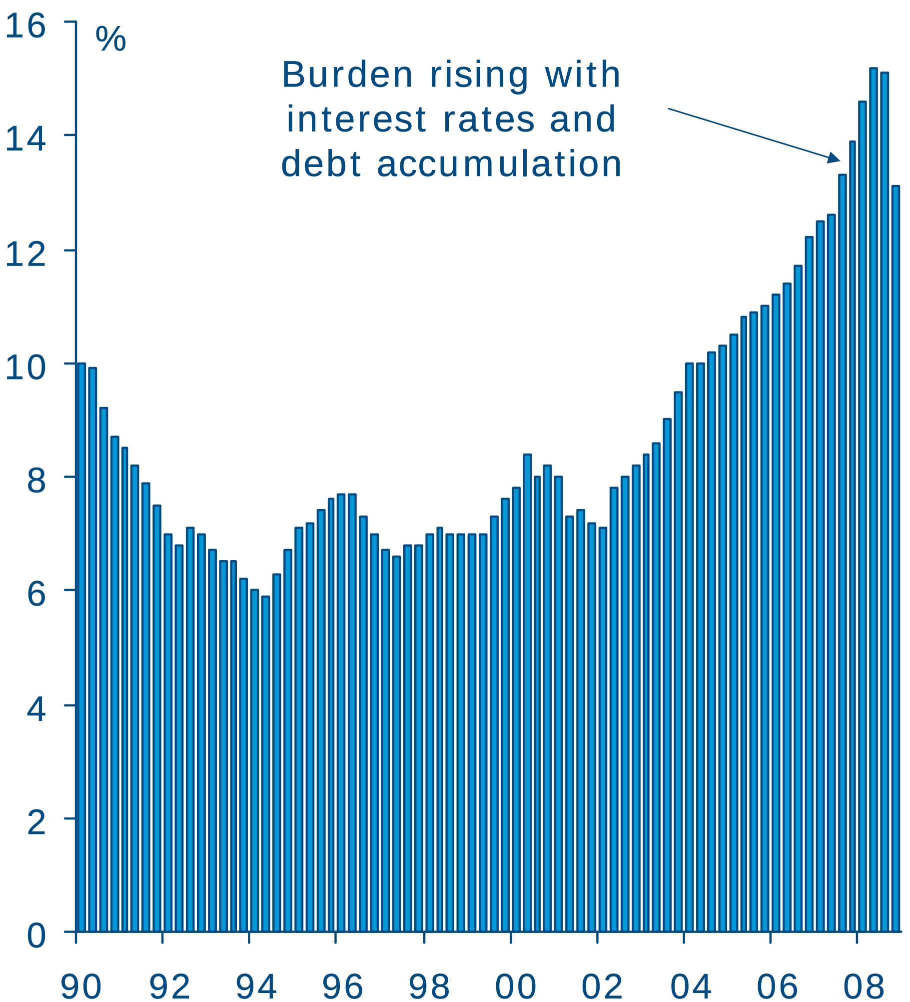
"the lending boom was concentrated on existing homeowners who traded up to bigger and better houses and bought investment properties. Many of these were people in the 40s and 50s who previously had low levels of debt."

Deputy Governor of Reserve Bank of Australia
Ric Battellino

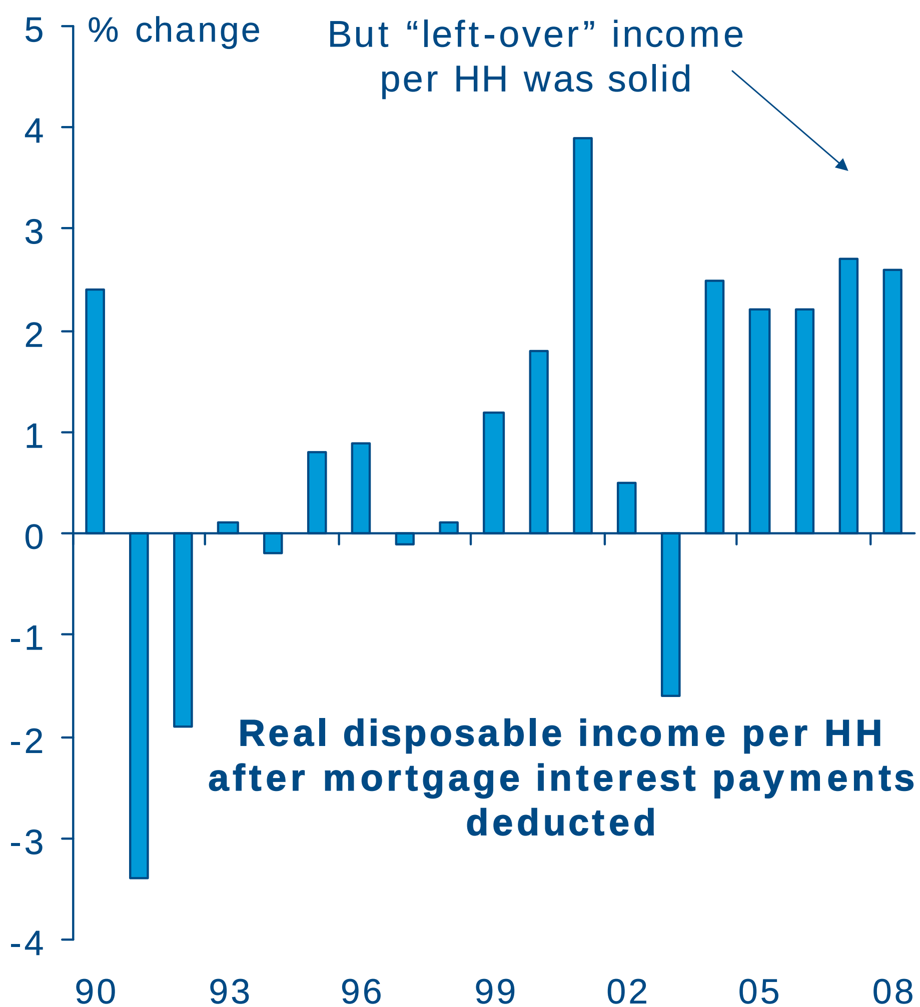
Source: Unpublished ABS HES data 03-04, Economics@ANZ

Interest burden has risen but 'income after interest paid' has also grown strongly in real terms

HH debt-servicing ratio

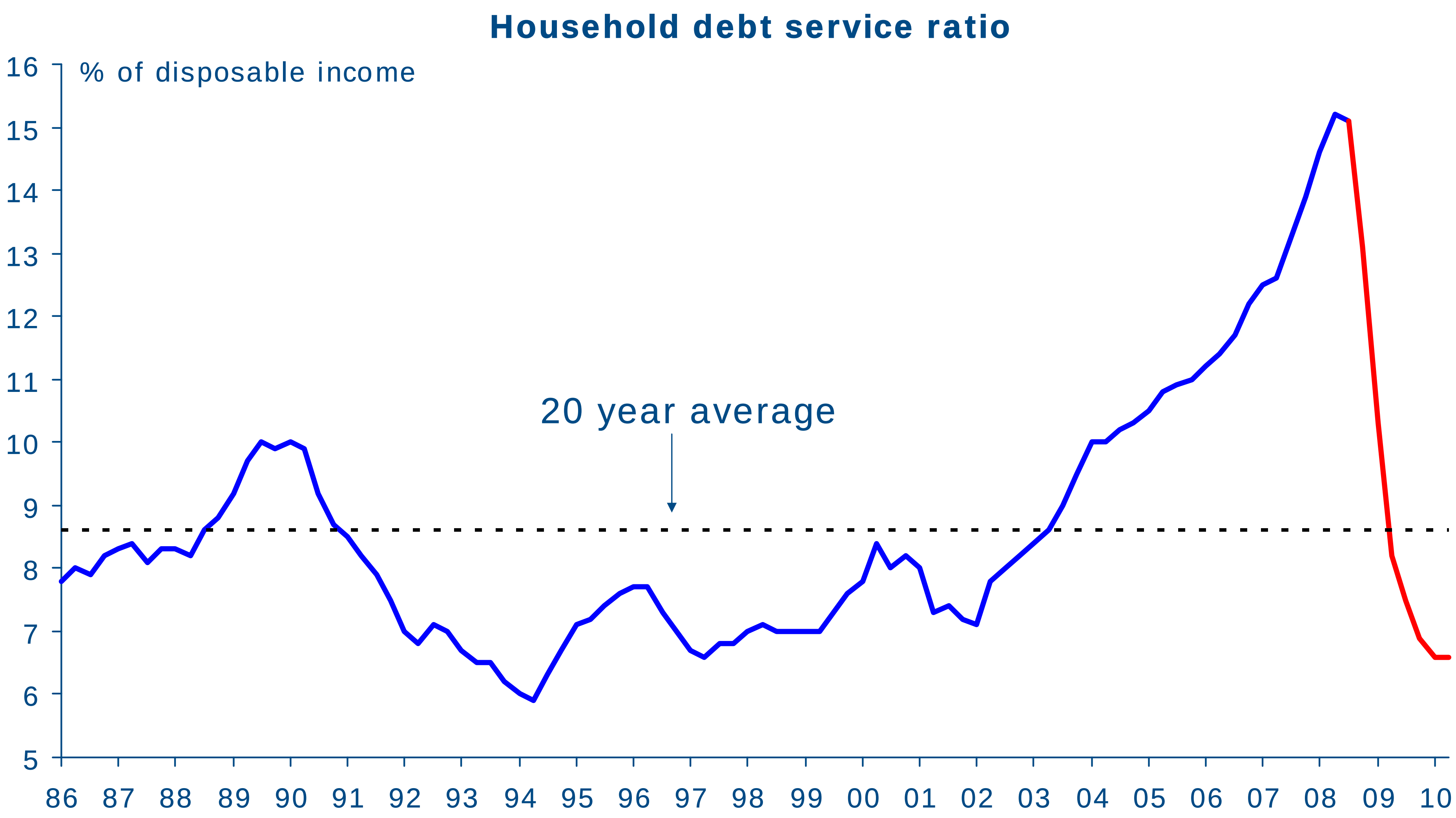


HH income after interest paid



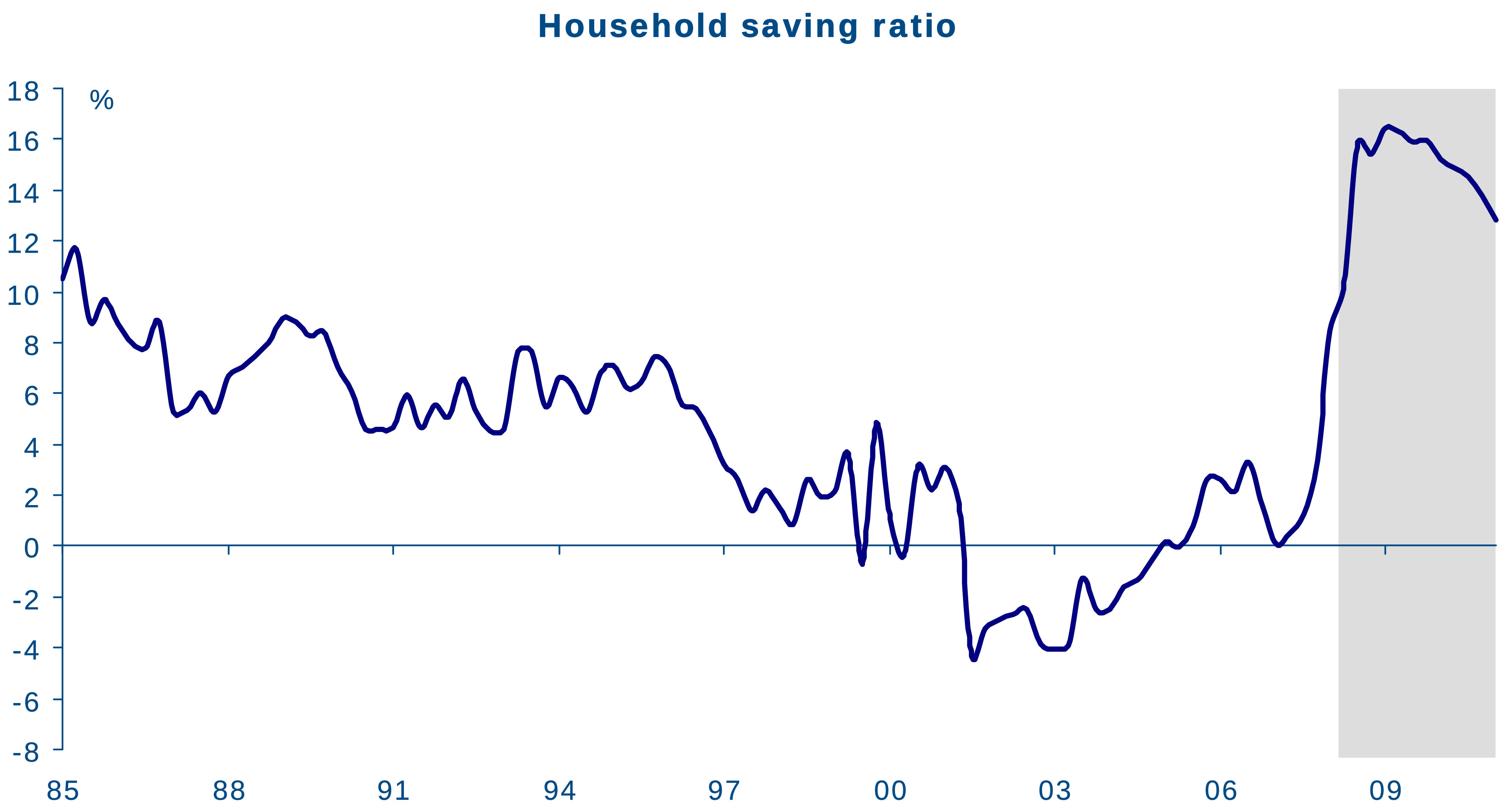
Source: RBA, ABS, ANZ

Dramatic interest rate cuts will see the household debt service ratio *halve* by mid-2009...



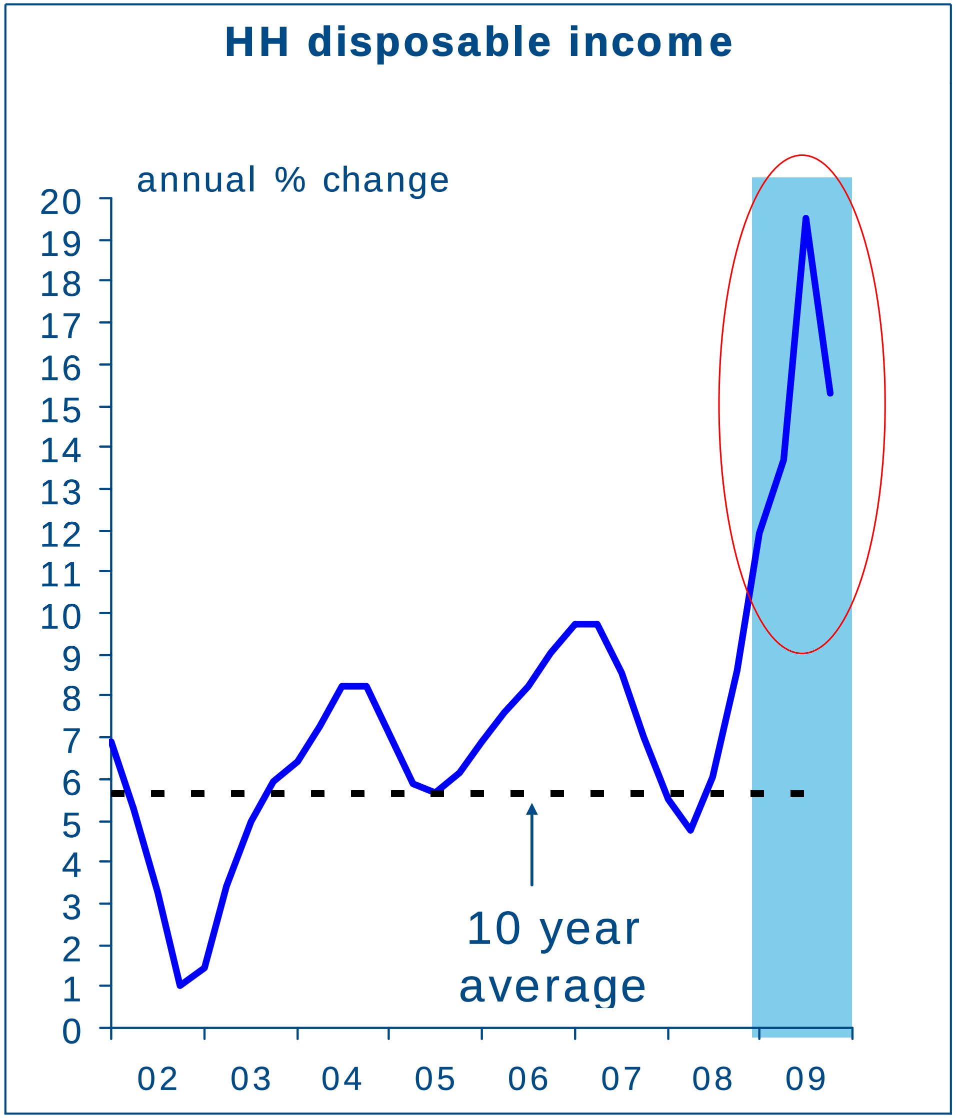
Source: RBA, ABS, ANZ

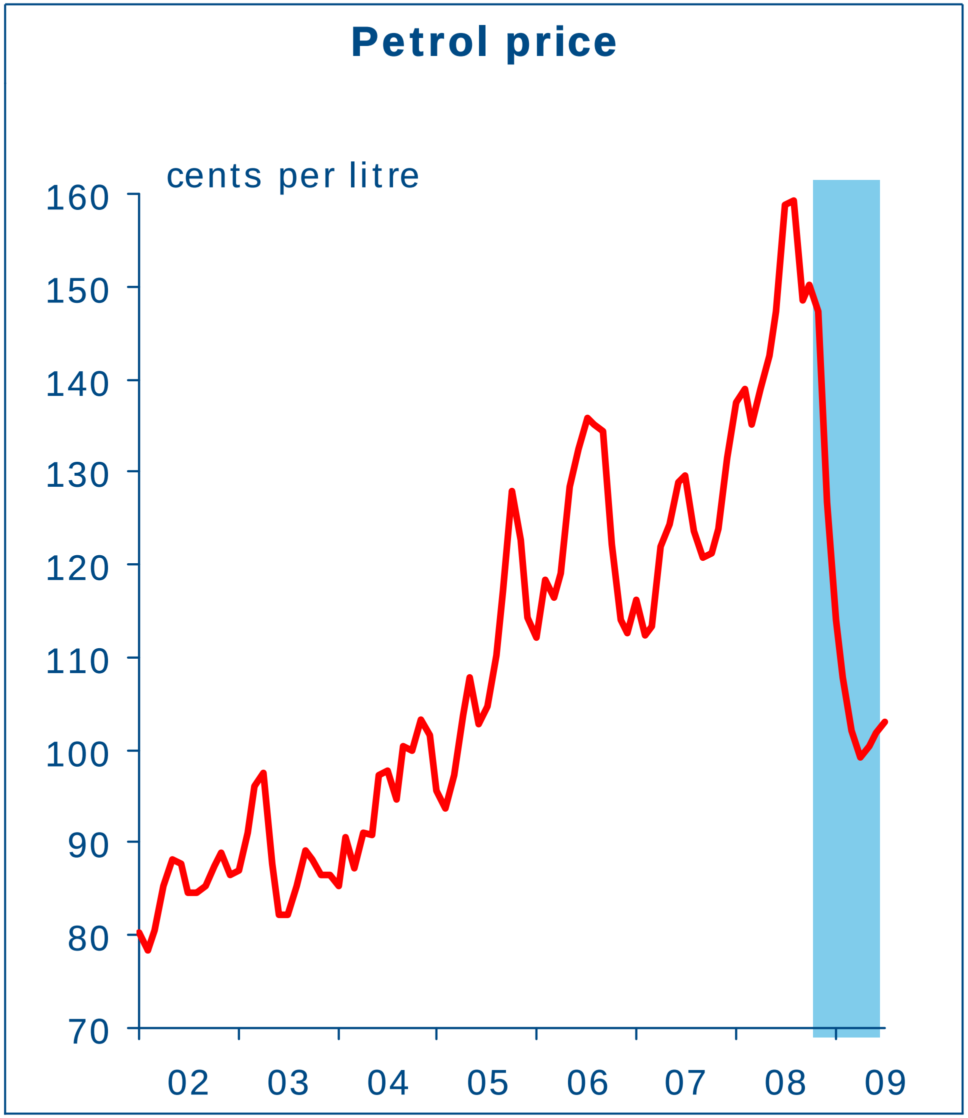
Household saving ratio set to recover dramatically in the years ahead



Sources: ABS, Economics@ANZ

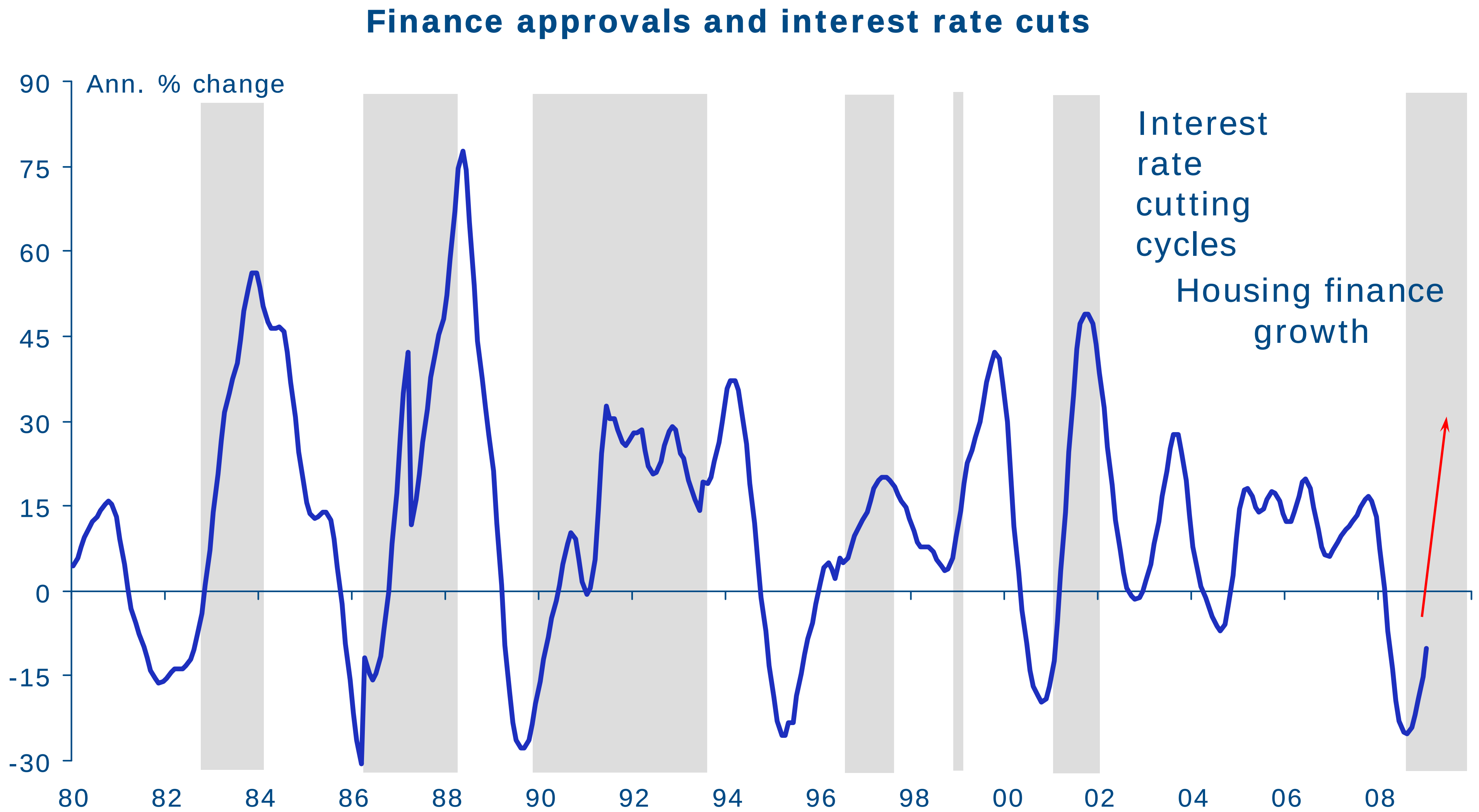
… household cash flow will also be buoyed by fiscal stimulus and falling petrol prices





Source: ABS, RBA

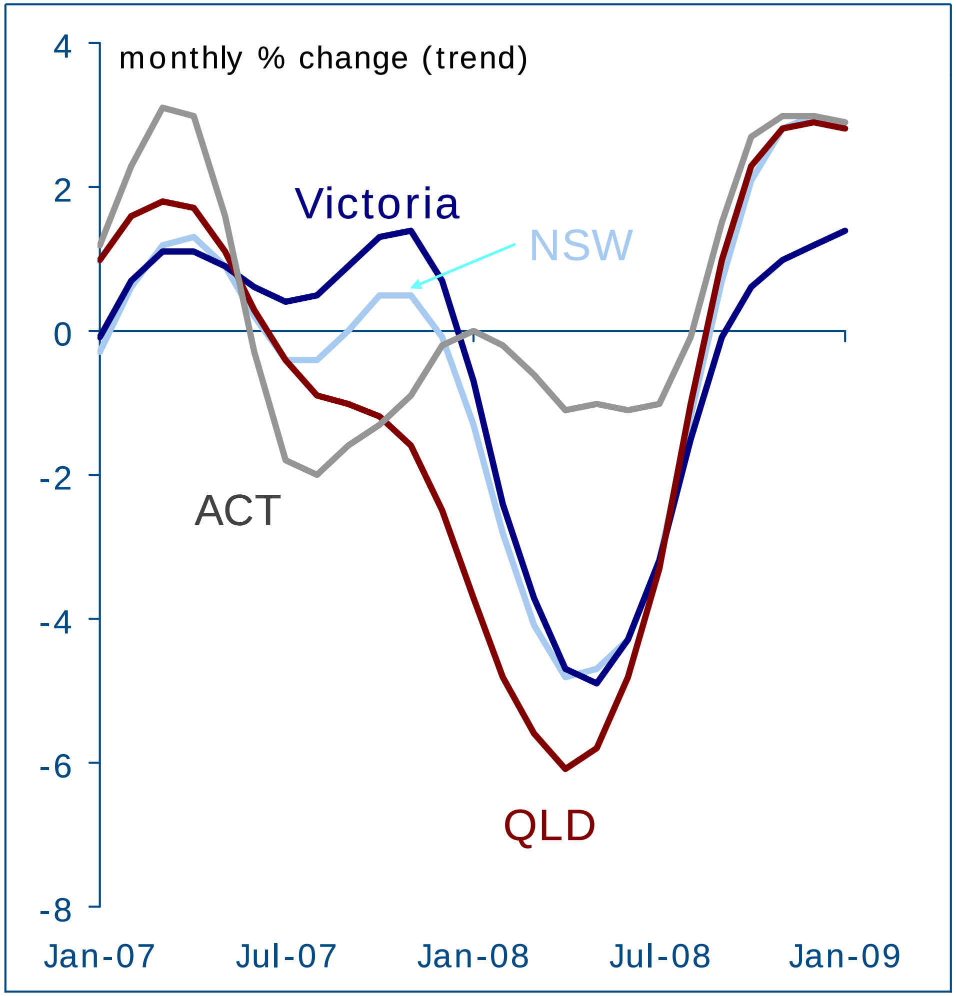
...there are early signs that the market is responding

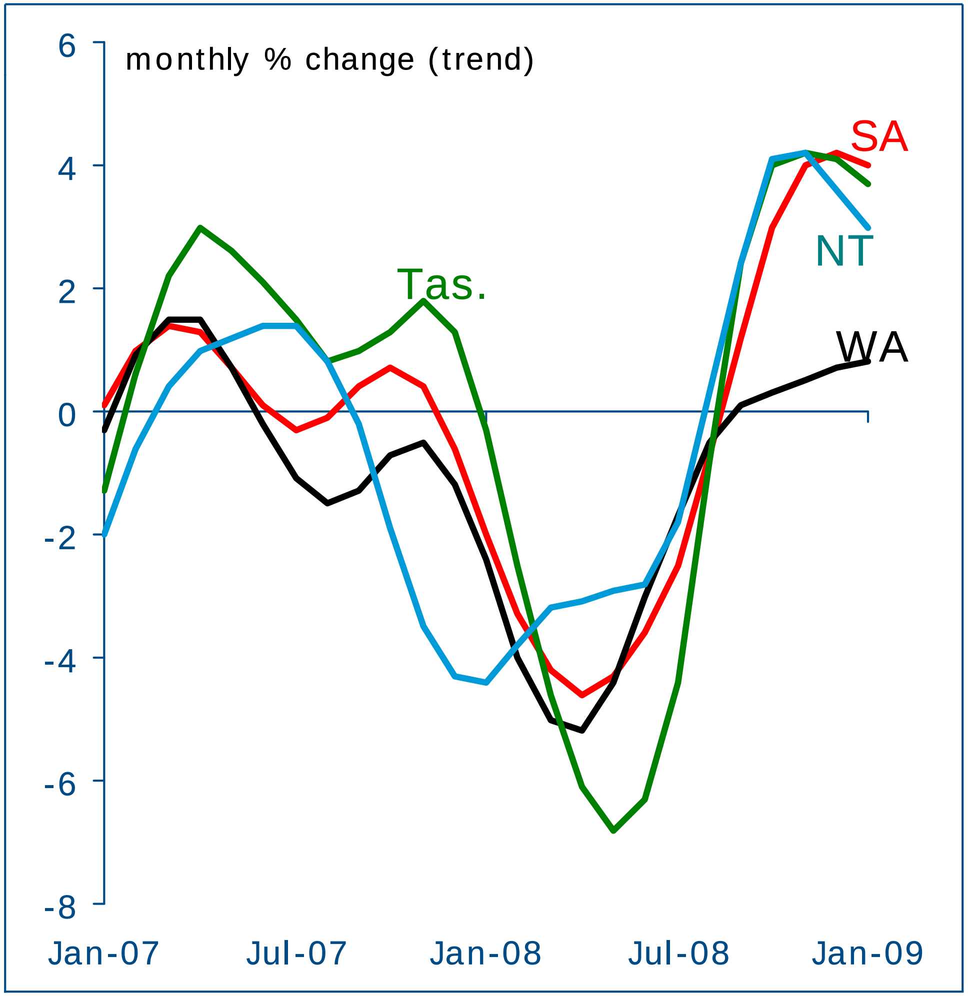


Sources: Australian Bureau of Statistics; Economics@ANZ

With all states except WA improving

Housing finance approvals

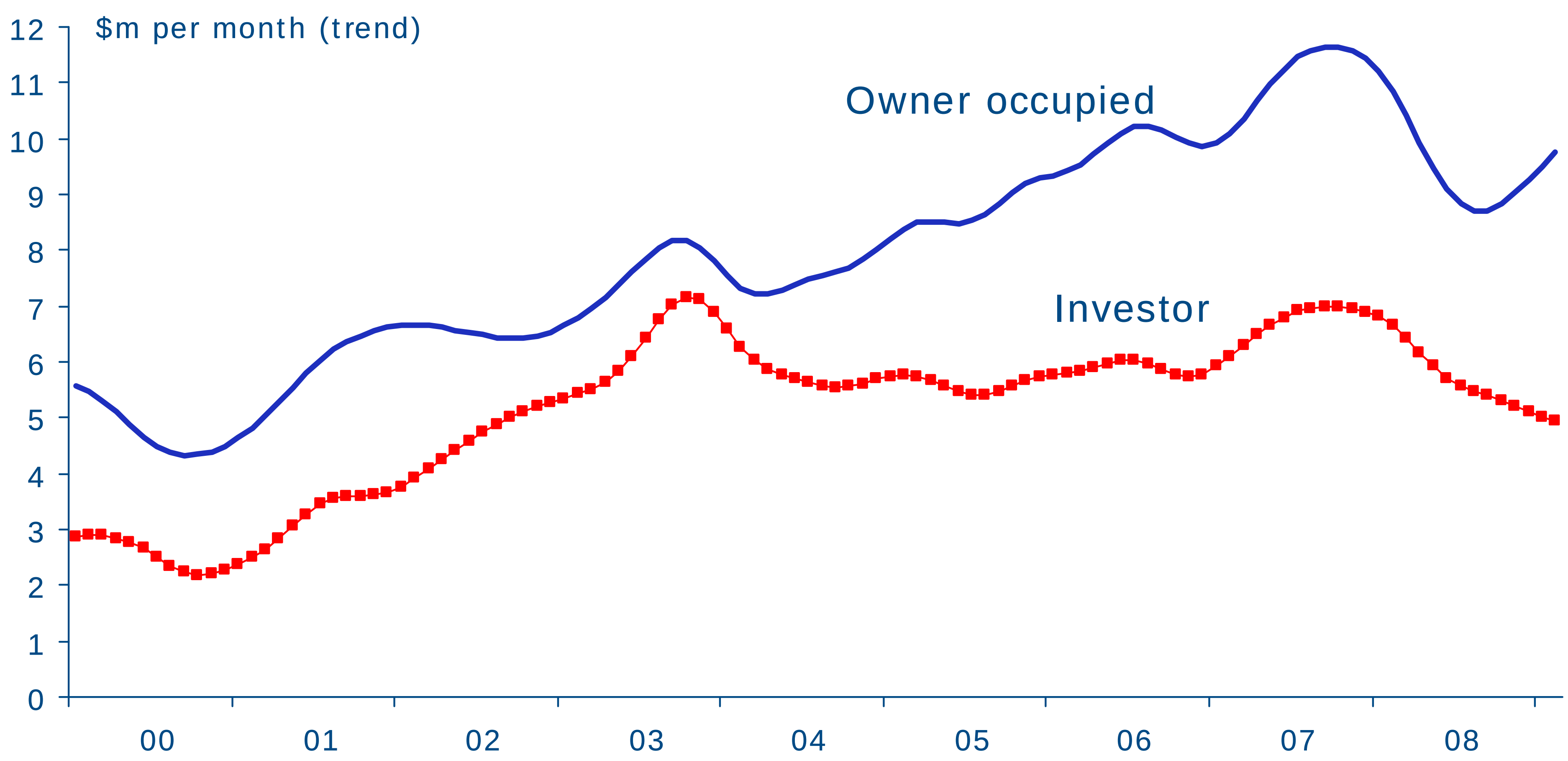




Sources: Australian Bureau of Statistics, ANZ

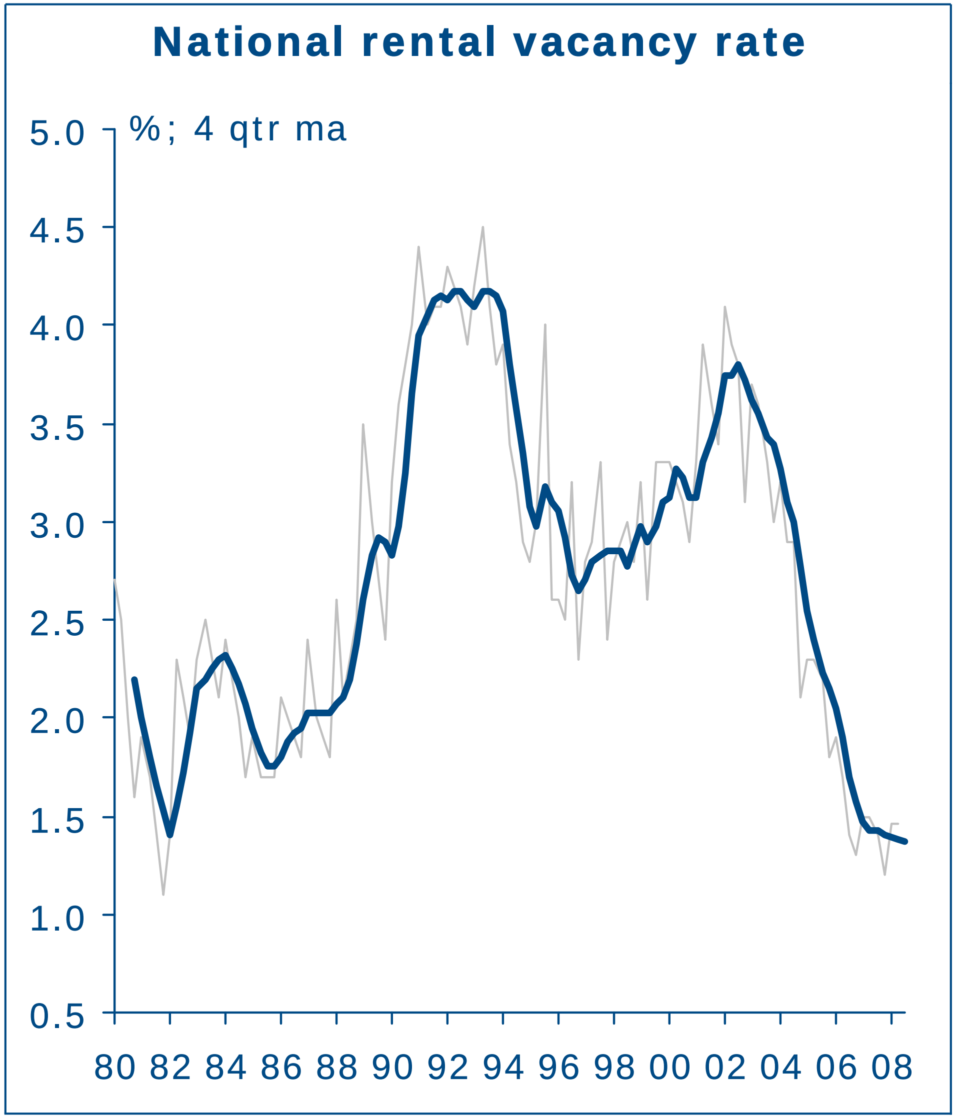
Recent gains driven by owner occupiers including first home buyers but boosted by first home owners scheme

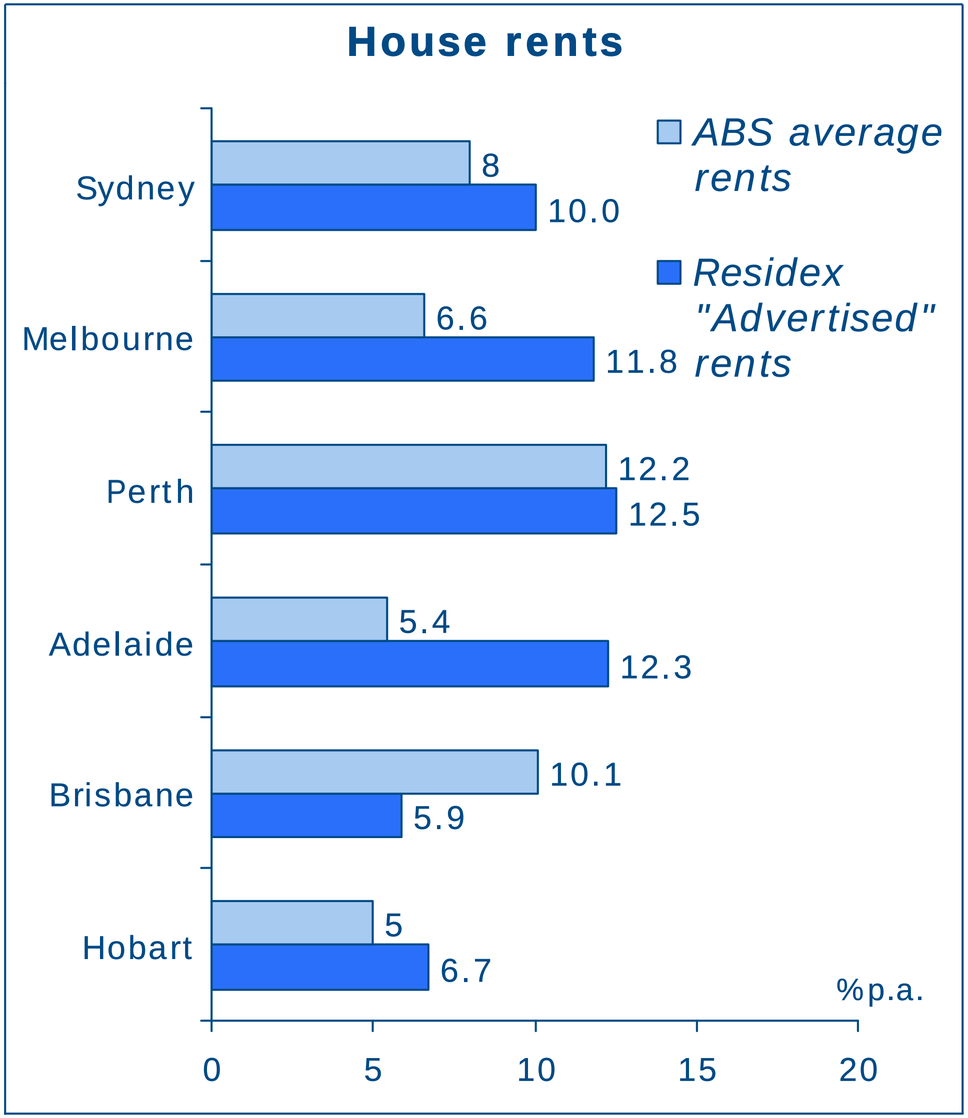
Housing finance commitments (excl. refin.)



Sources: Australian Bureau of Statistics; Economics@ANZ

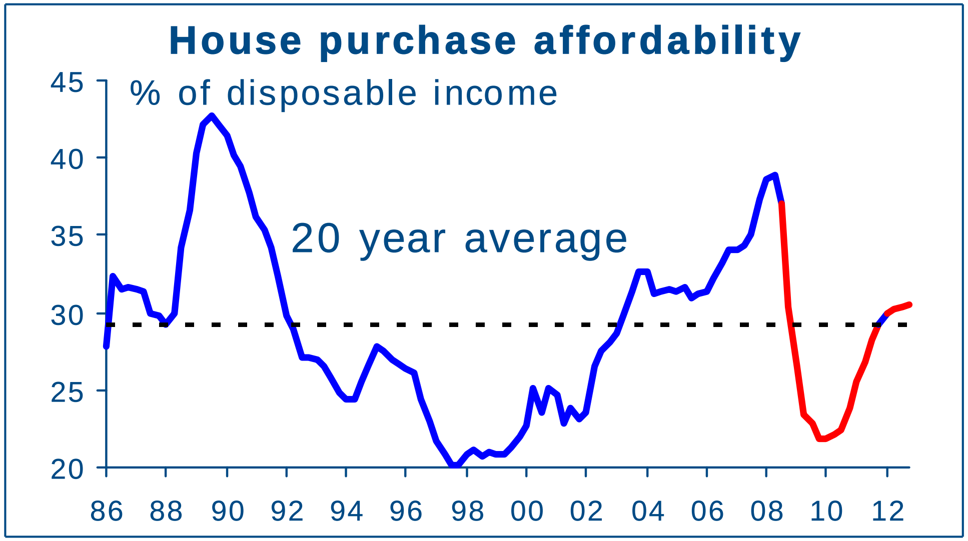
The supply imbalance has prompted the rental market to tighten and rents to rise sharply

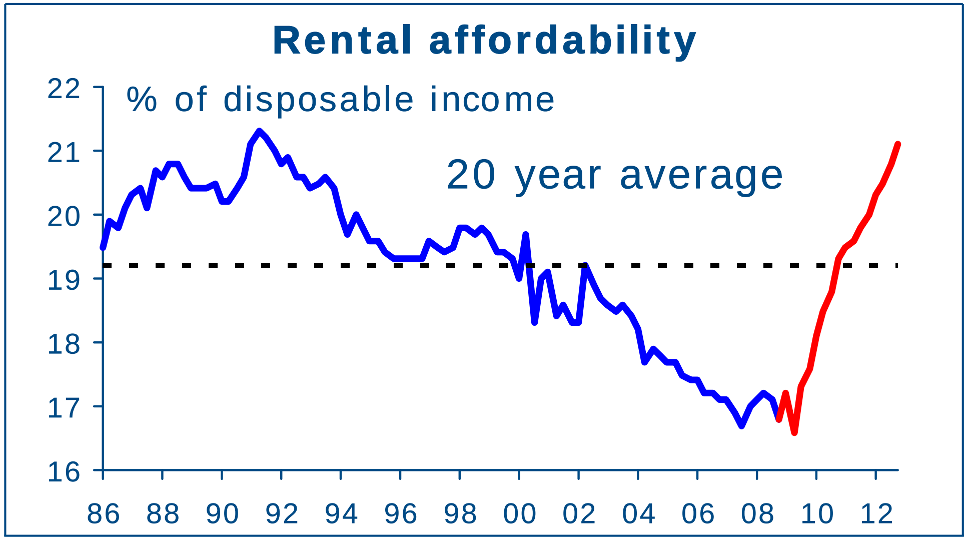


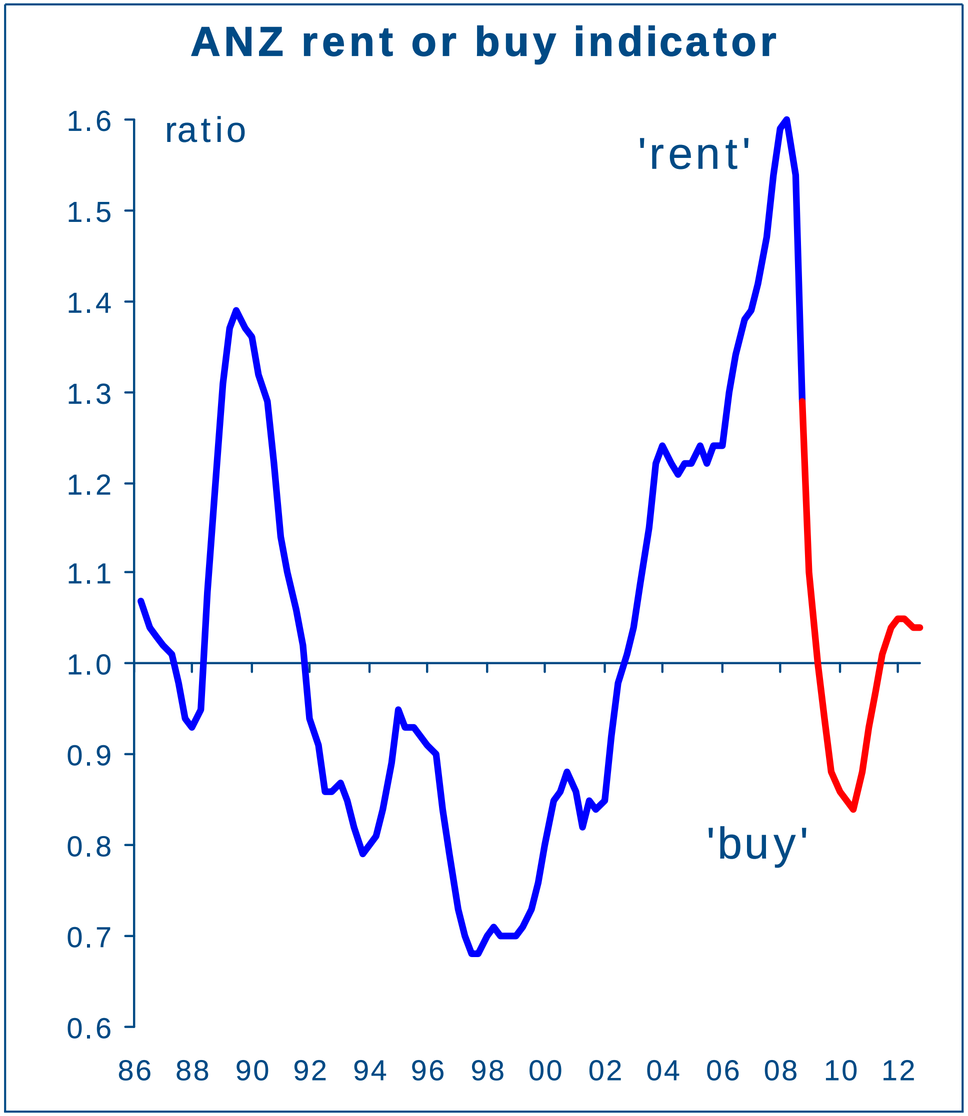


Sources: Economics@ANZ; REIA

With the moves in affordability favouring home purchase over rental

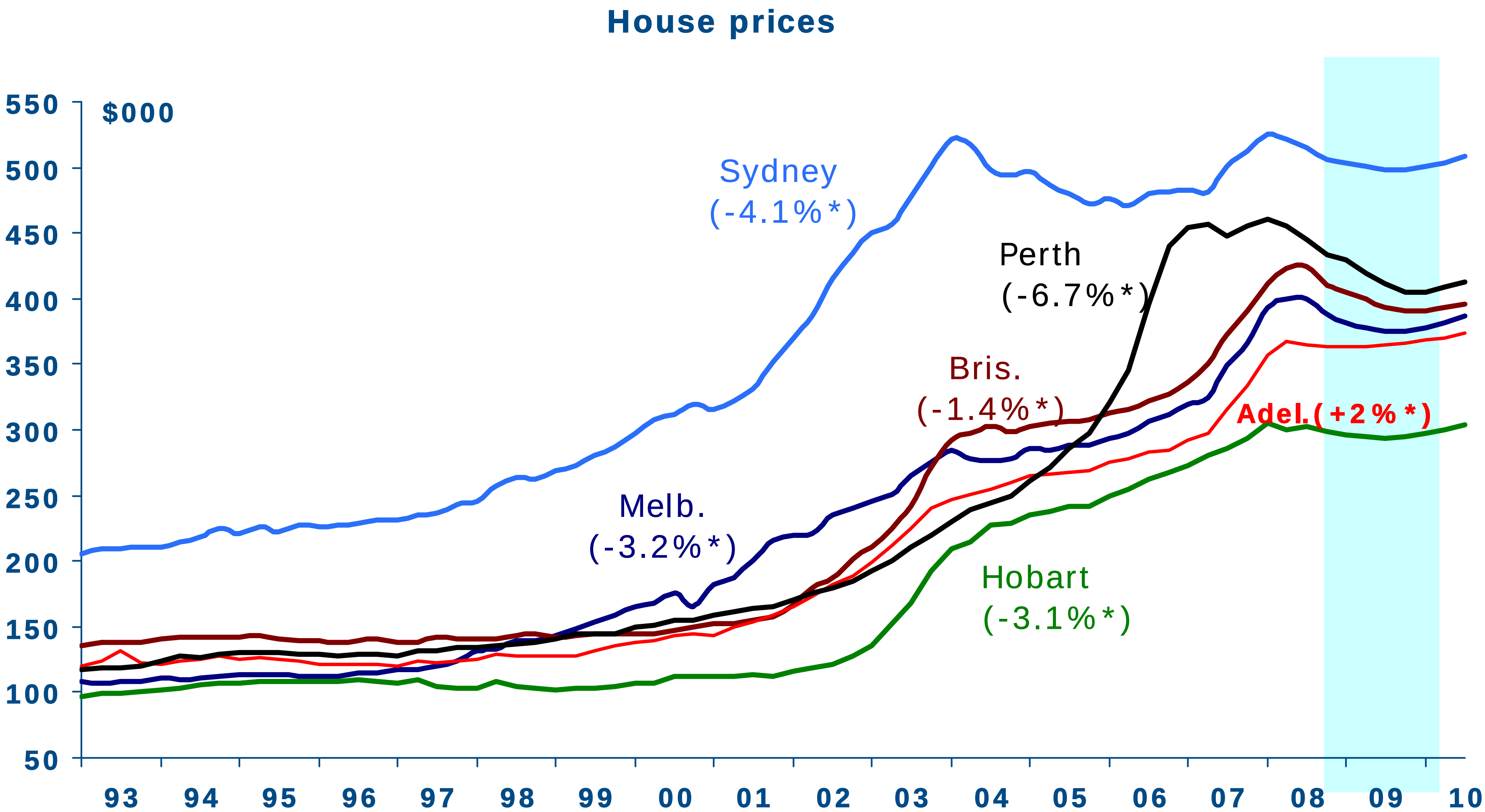






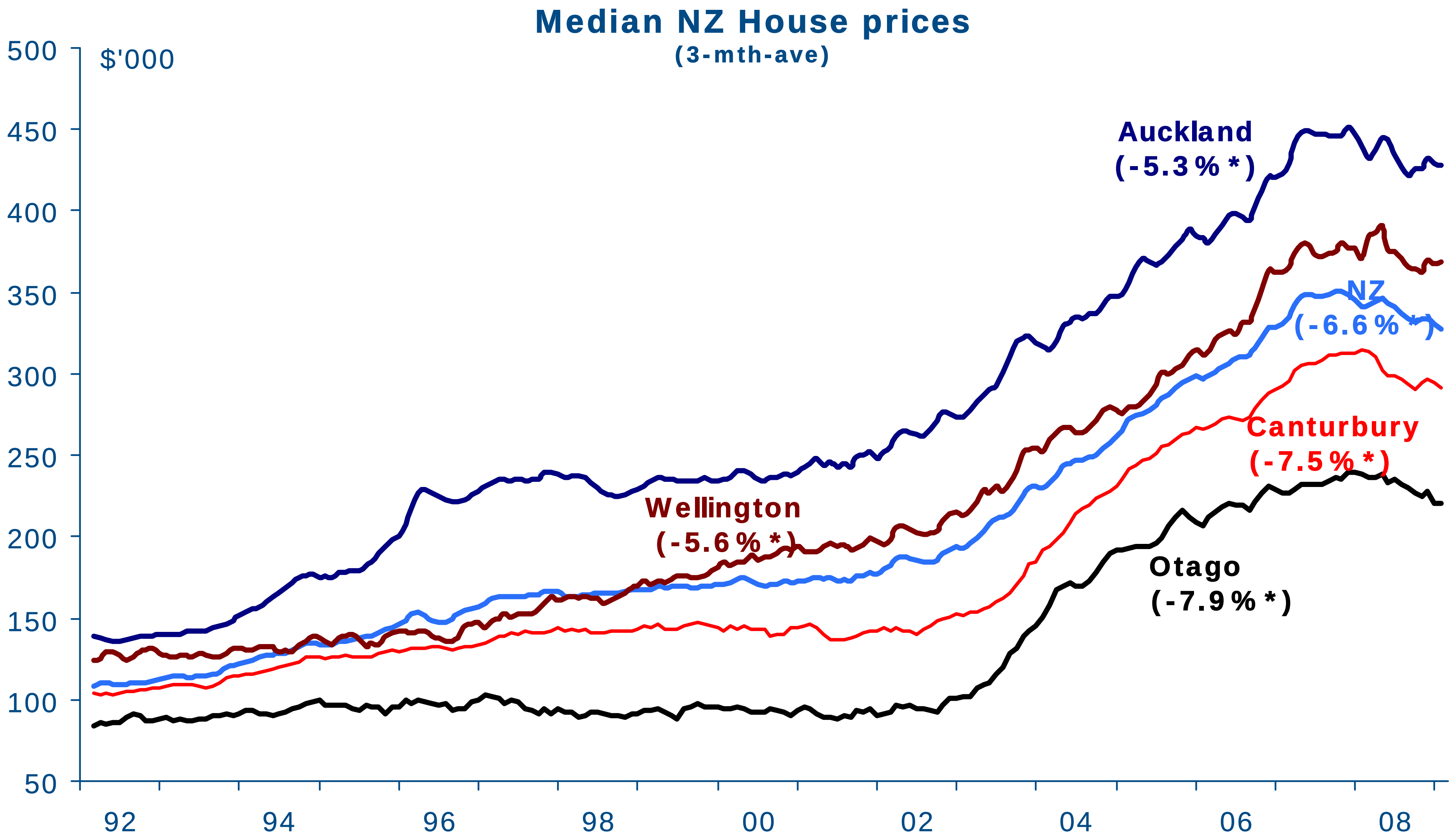
Source: ABS, REIA, ANZ

House prices have softened – but haven't fallen appreciably



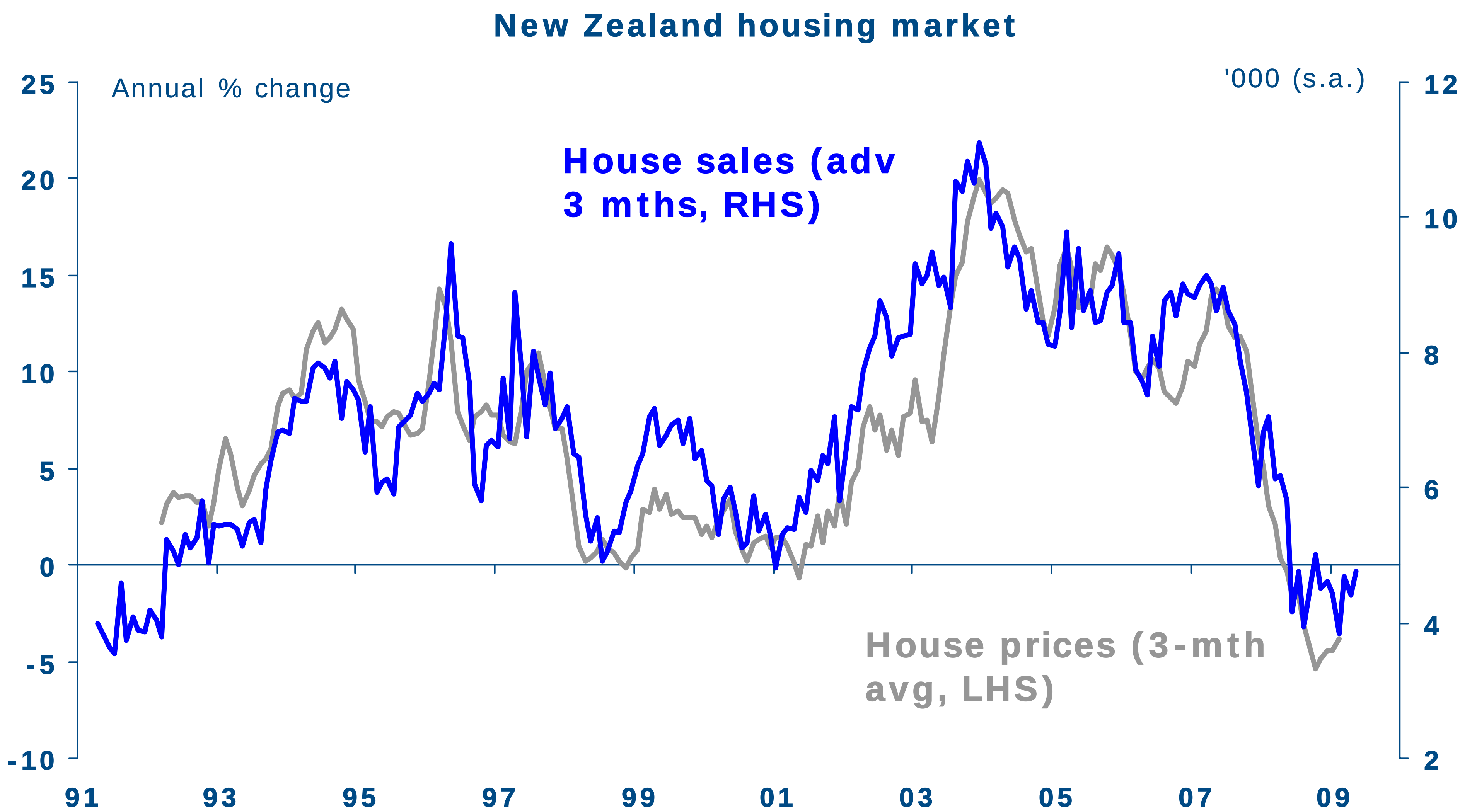
Sources: ABS, Economics@ANZ
** year to December 08*

In New Zealand property markets began to fall in 2007 and further declined in 2008



* Peak to February 2009 levels Sources: REINZ, Economics@ANZ

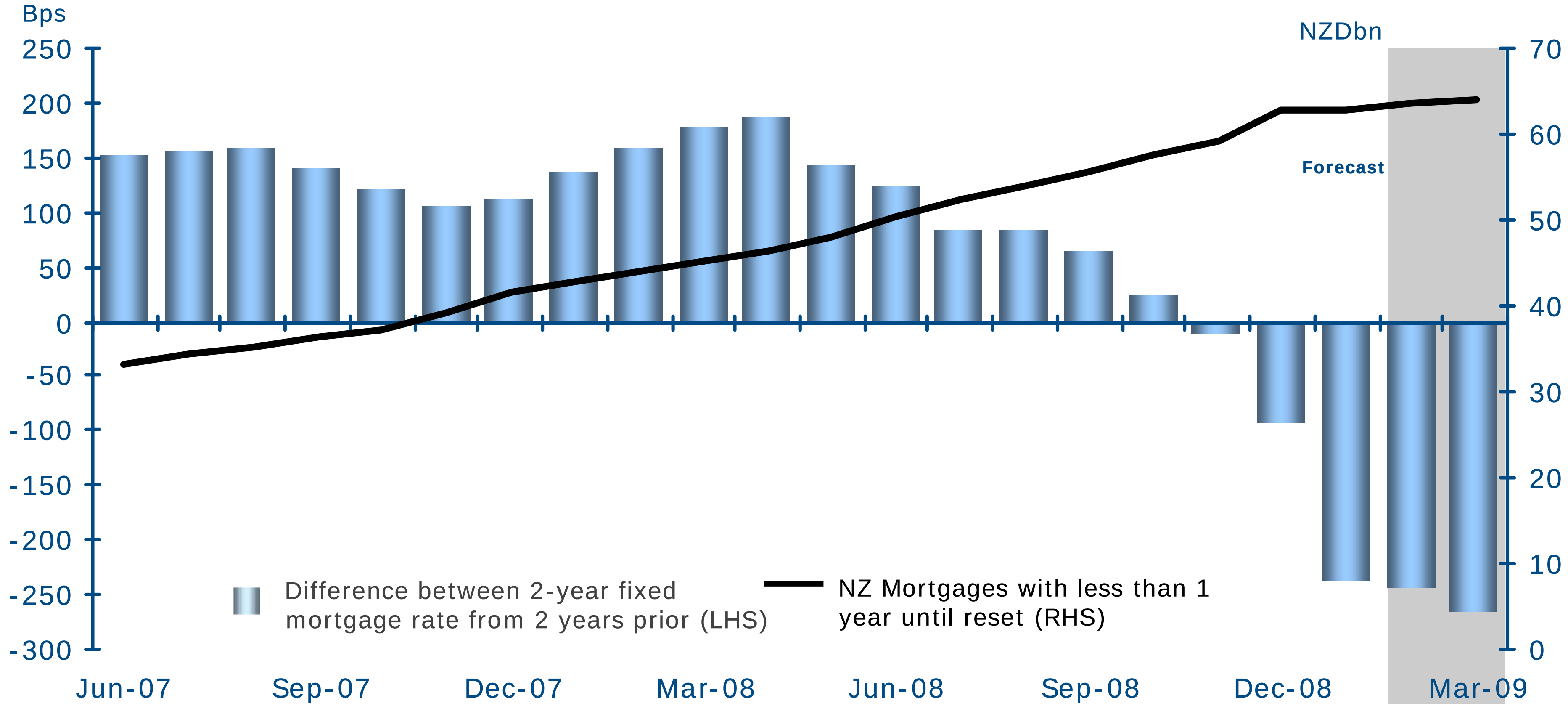
New Zealand property market trends



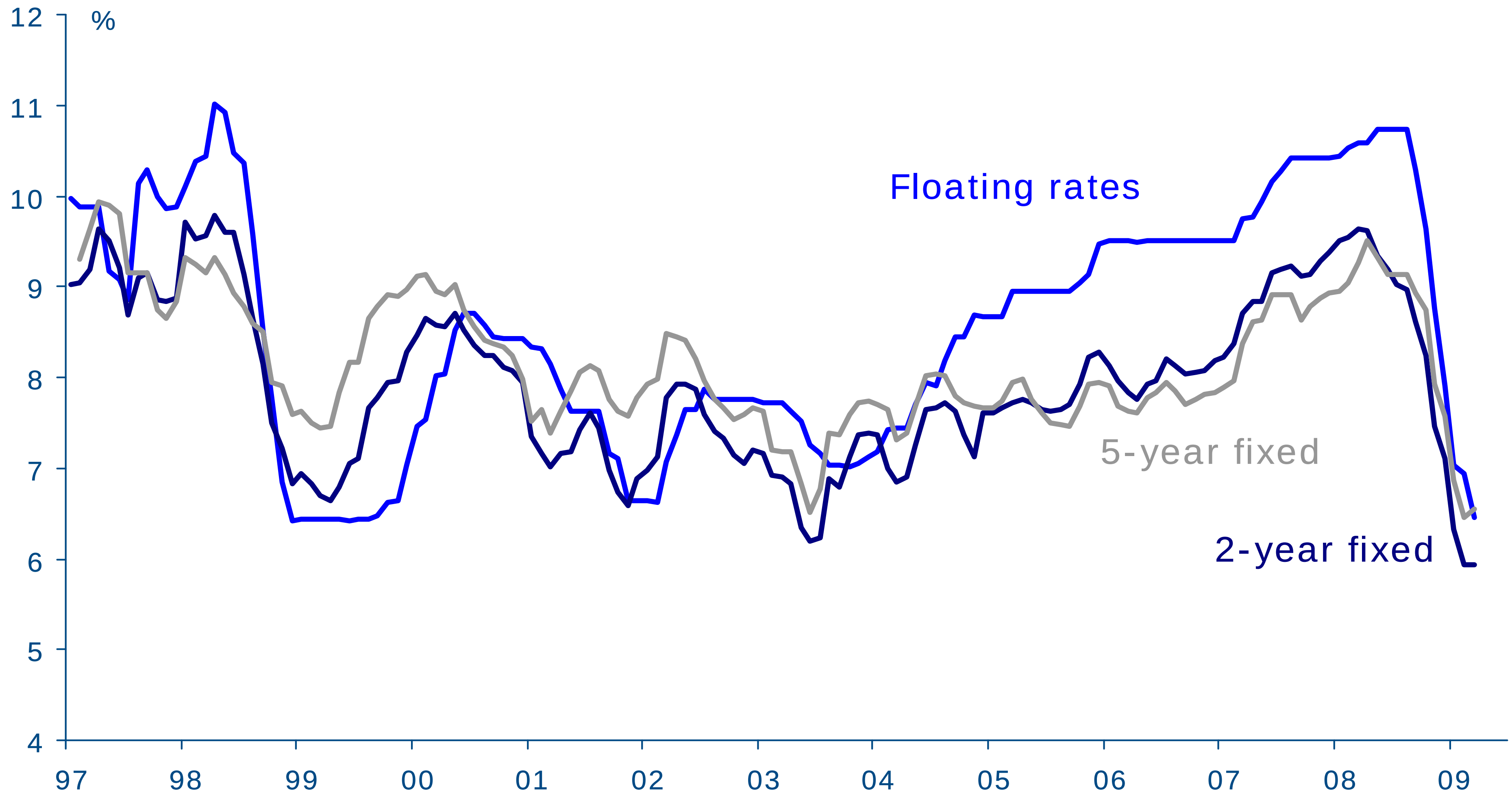
Source: ANZ, Real Estate Institute of NZ

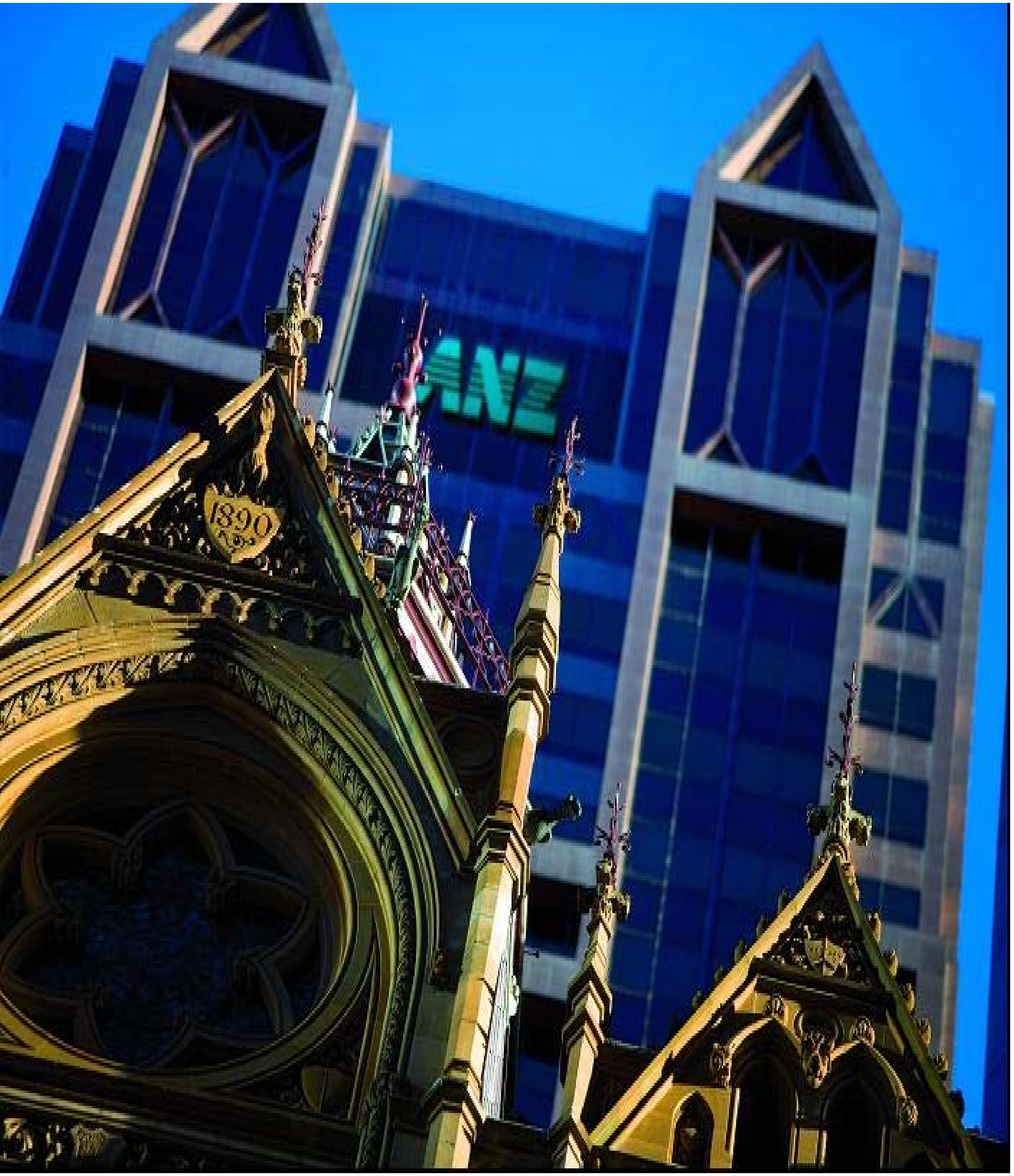
Interest rate reductions have started to benefit consumers in early 2009

48% of ANZ National's fixed rate book will reprice in next 12 months (80% of the book are on fixed rate mortgages)



Mortgage rates have reduced substantially, providing cashflow relief to households



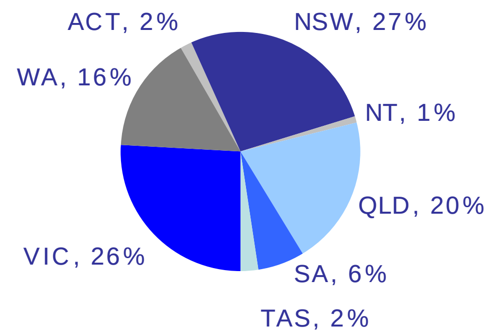


Credit Quality

Australian Mortgage portfolio remains well diversified with good underwriting standards

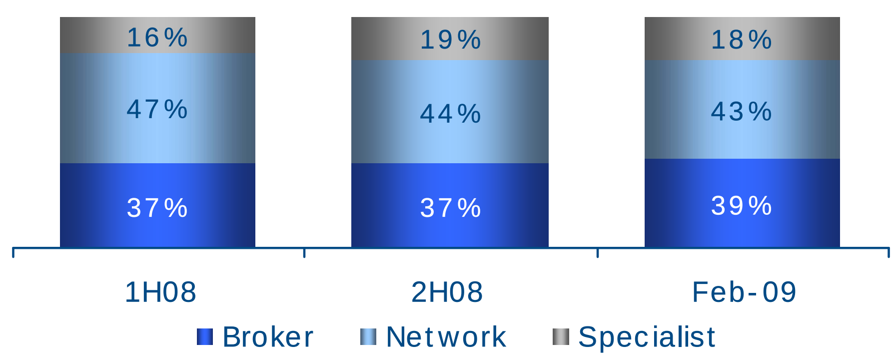
- Well diversified mortgage portfolio by state and distribution channel
- ~ 70% of portfolio is funding customer primary residences
- Average loan size is $205,000, average loan balance $173,000
- ~ 60% of the portfolio has 40% or greater equity in their property (i.e. LVR 60% or less)
- ~ 85% of owner occupied loans and ~ 90% of investment have a dynamic LVR ratio of 80% or less
- NO subprime mortgages.
- LoDoc 80% loans make up less than 2% of the portfolio and closed to new flows.

Aus. Mortgage profile by state & product

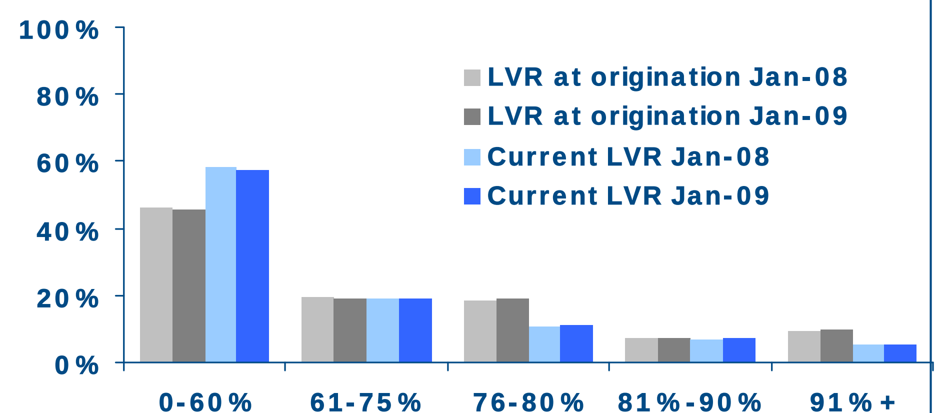


- 59% owner occupied
- 32% investment
- 9% lines of credit

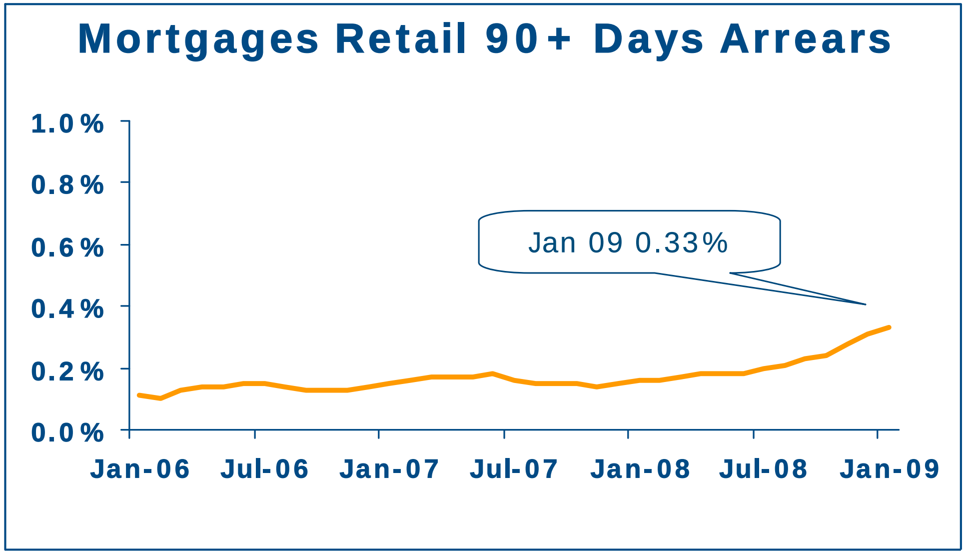
Aus. mortgage profile by channel (% of portfolio by distribution channel)

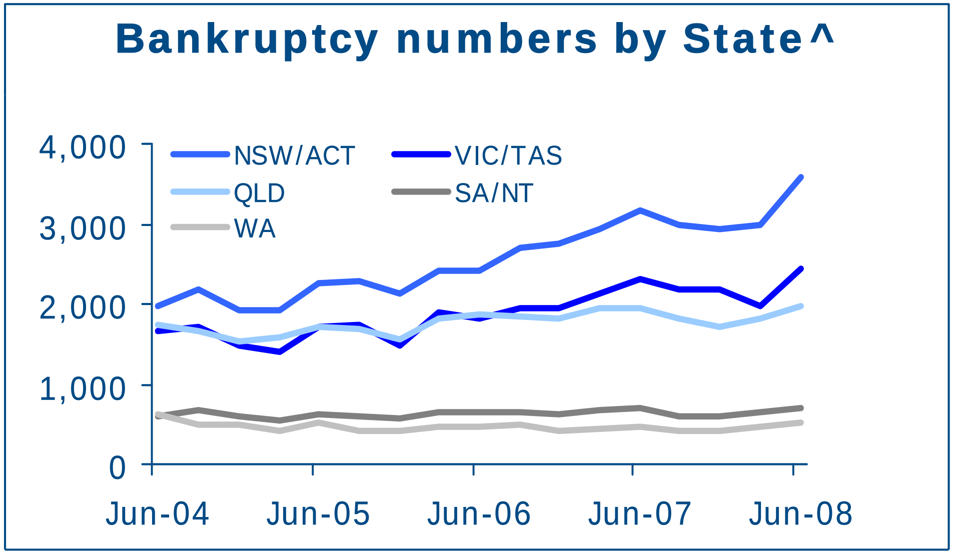


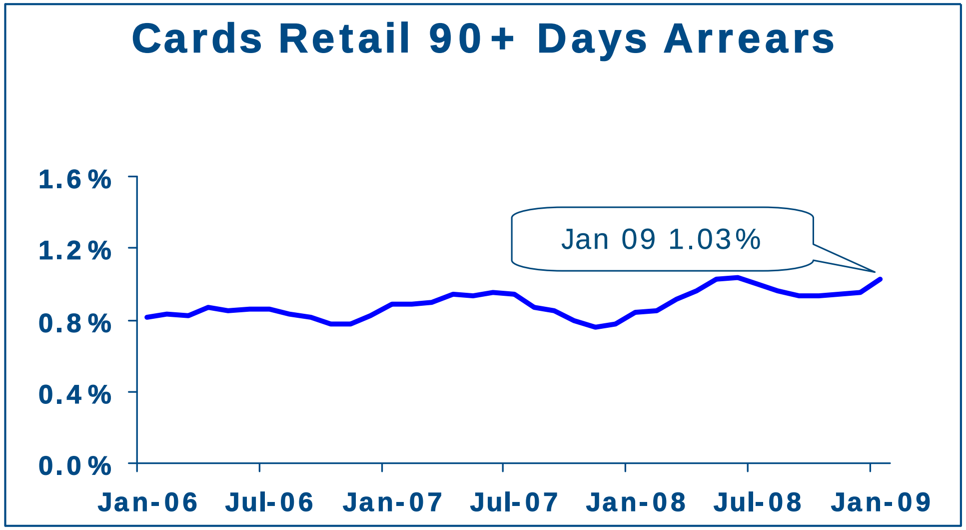
Aus. Mortgages LVR Profile (Retail)

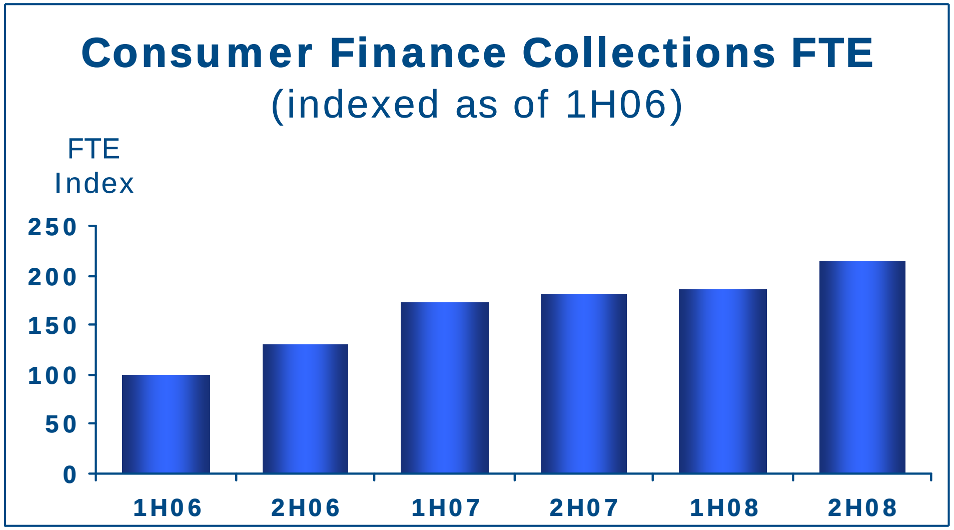


Collections teams increased and scorecards further tightened to manage arrears levels in the consumer space





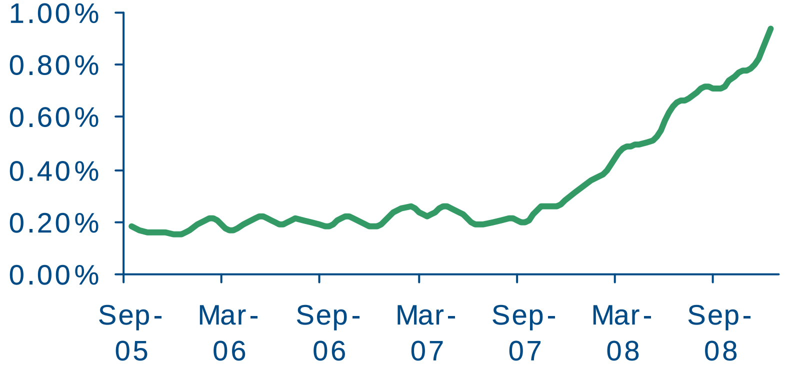




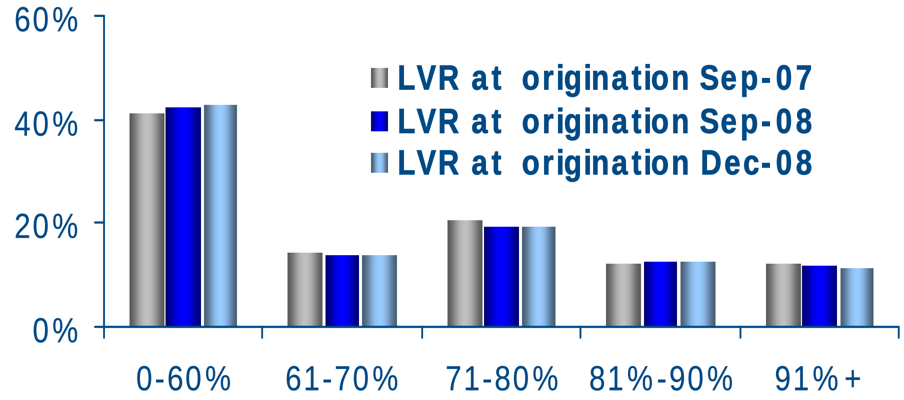
^ ITSA

New Zealand mortgage portfolio stress driven by the impact of fixed mortgage rates

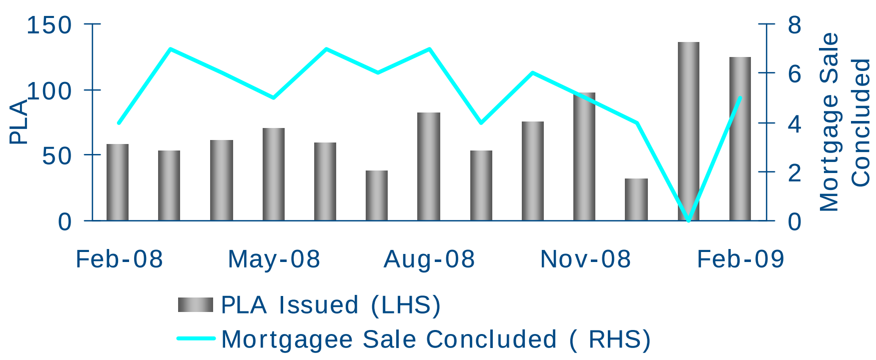
New Zealand Mortgages^ 60+ Day Delinquencies (% of GLA)



New Zealand Mortgages



Number of PLA Notices issued* and mortgagee sales concluded



Average LVR for New Zealand Mortgages based on Origination

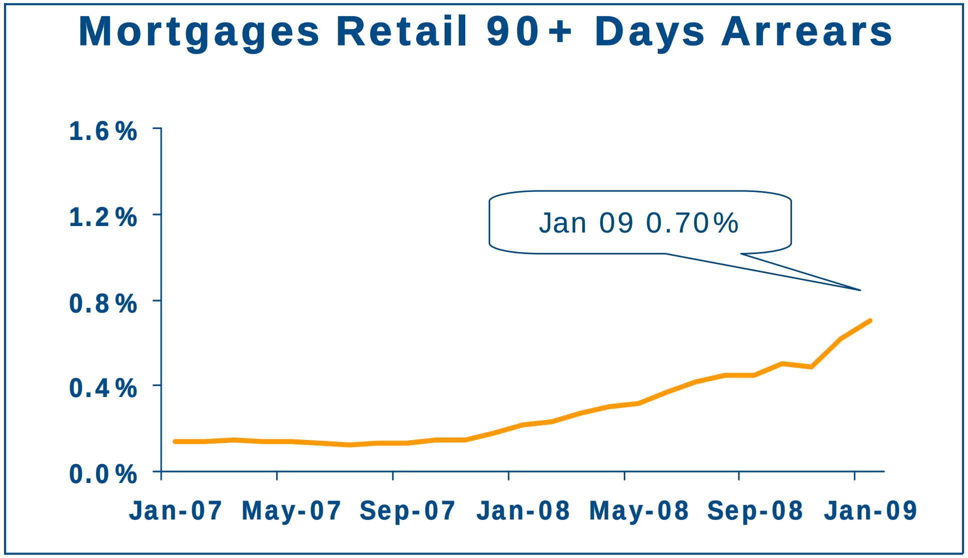
- Dec-08 By Outstanding Balance = 62.16%
- Sep-08 By Outstanding Balance = 62.49%
- Sep-07 By Outstanding Balance = 62.99%

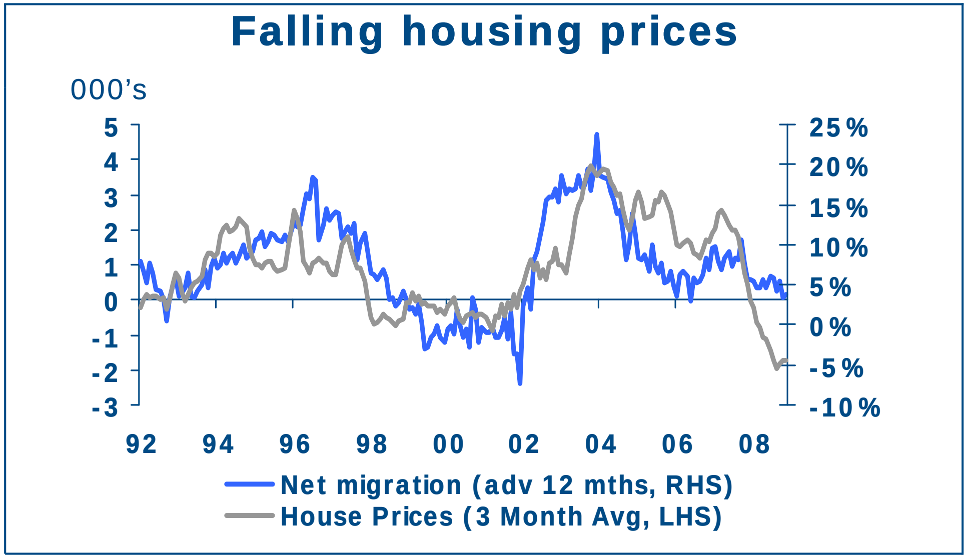
This chart shows the LVR profile of the whole Retail mortgage portfolio using current balance and property values at the time the lending was originated.

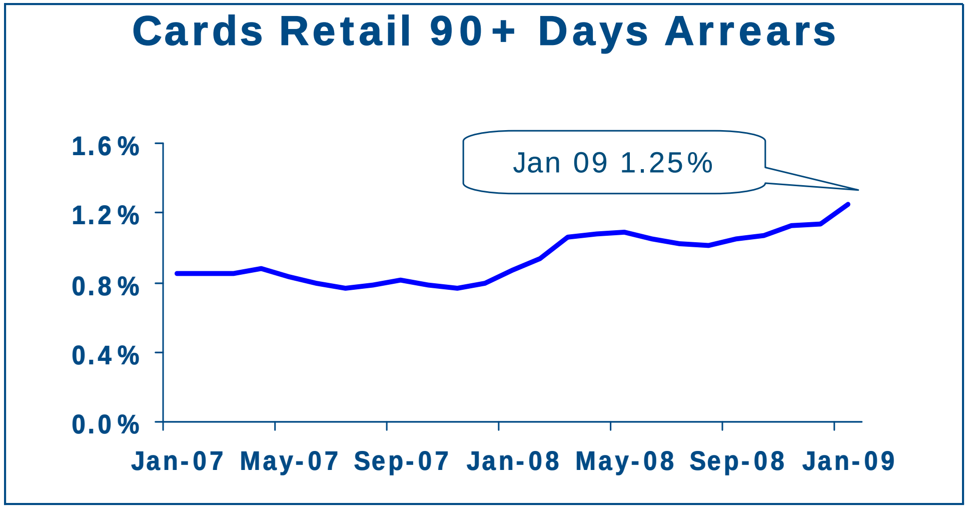
New lending approved >80% LVR now represent less than 5% of approvals

*^ANZ Retail excludes Wholesale * PLA notice = property law action notice. Customer has 45 days to repay arrears owing after which bank can proceed to mortgagee sale. NZ has no equivalent to the Australian mortgagee in possession process * Average LVR excludes mortgages for which an LVR cannot be calculated*

New Zealand - Consumer arrears trends are within expectation for this point in the cycle

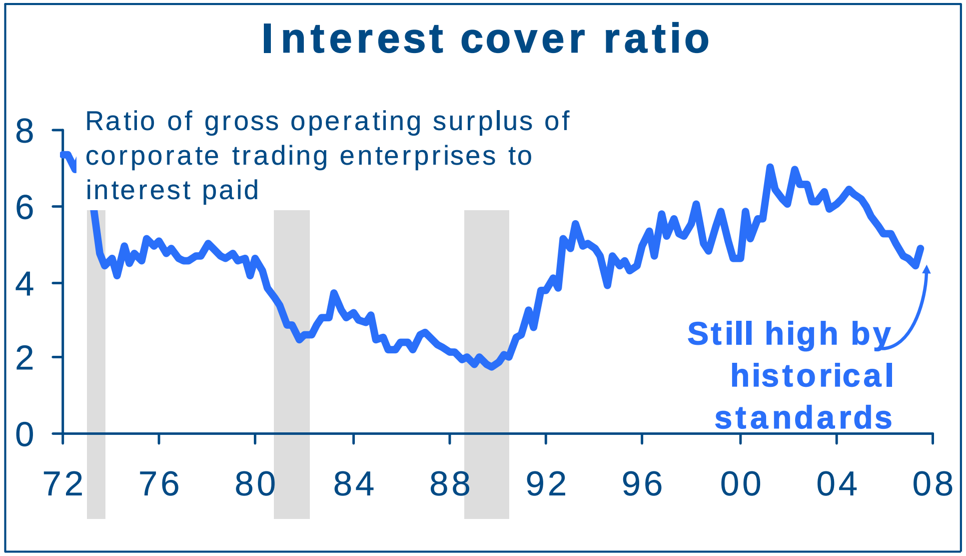


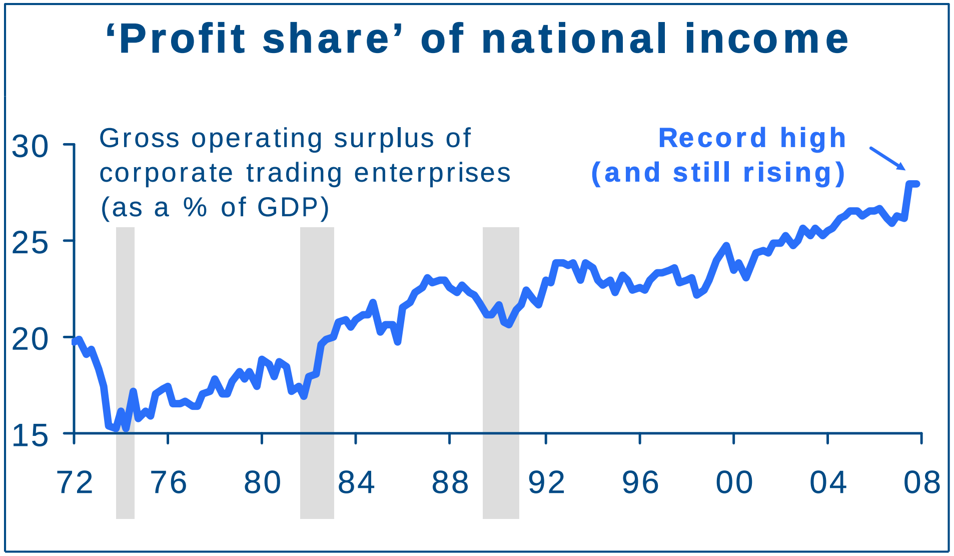


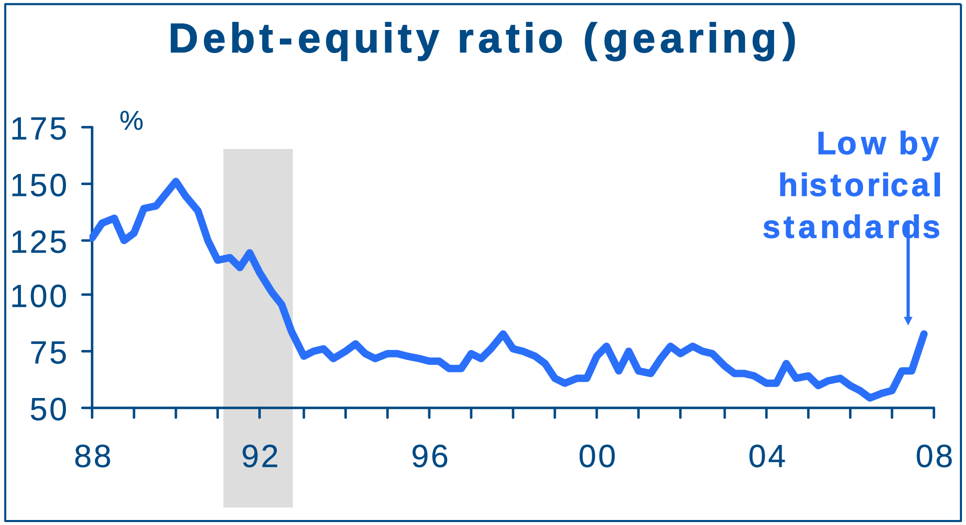


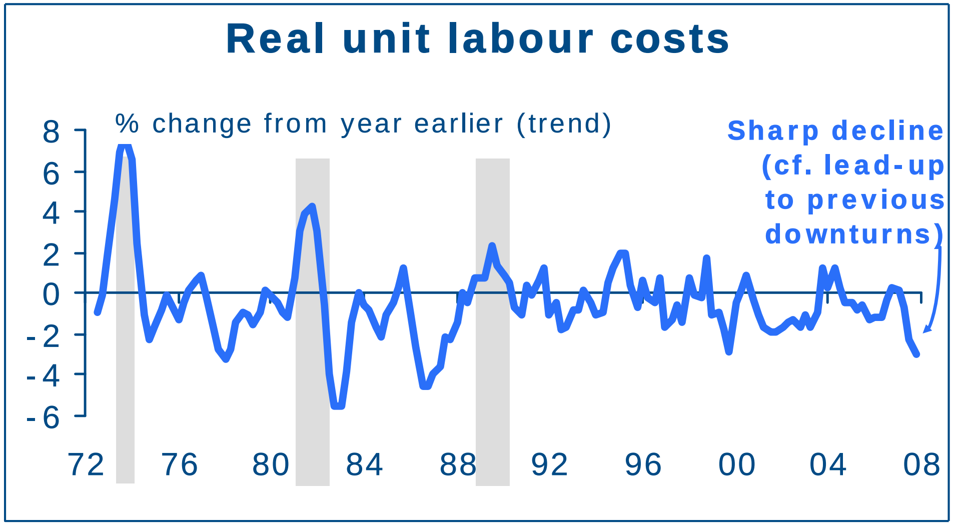
- Arrears continue to increase, more pronounced in the secured book
- Property values continue to track down; interest cuts and supply factors expected to be mitigants.
- Credit standards have been adjusted and arrears management resources increased to reflect the weakening economic environment.
- Proactive customer management program, includes specialist financial support and active calling for early identification of potential stress.

The Australian corporate sector entered this part of the cycle in a strong financial position





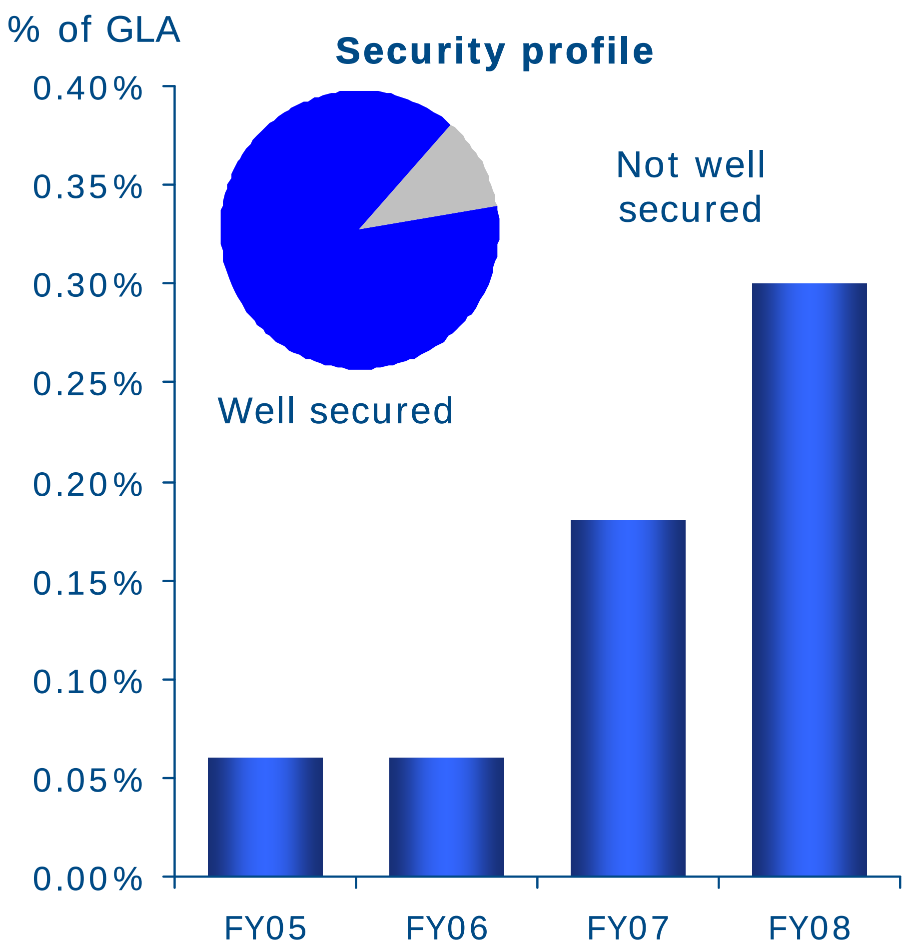




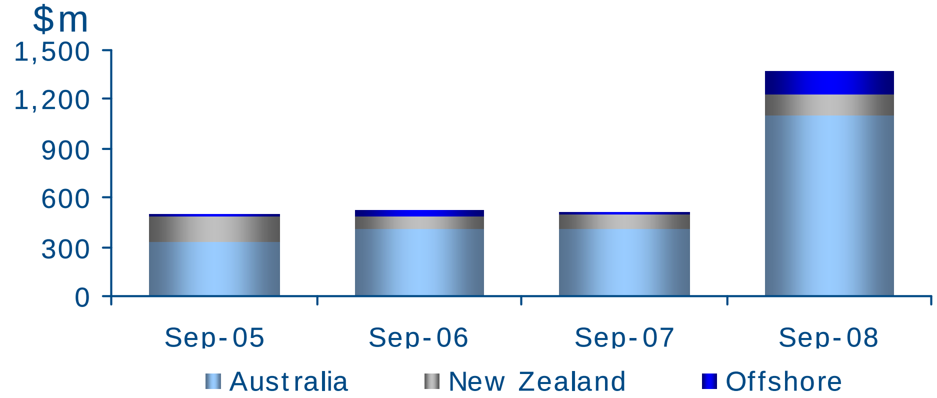
Note: Australian non-financial corporate sector finances.Shaded areas denoted recessions.Sources: Australian Bureau of Statistics; Reserve Bank of Australia; ANZ.

Increase in Non Performing Loans and 90 Days Past Due Loans weighted to secured portfolios

90 Days Past Due well up, majority on the secured book



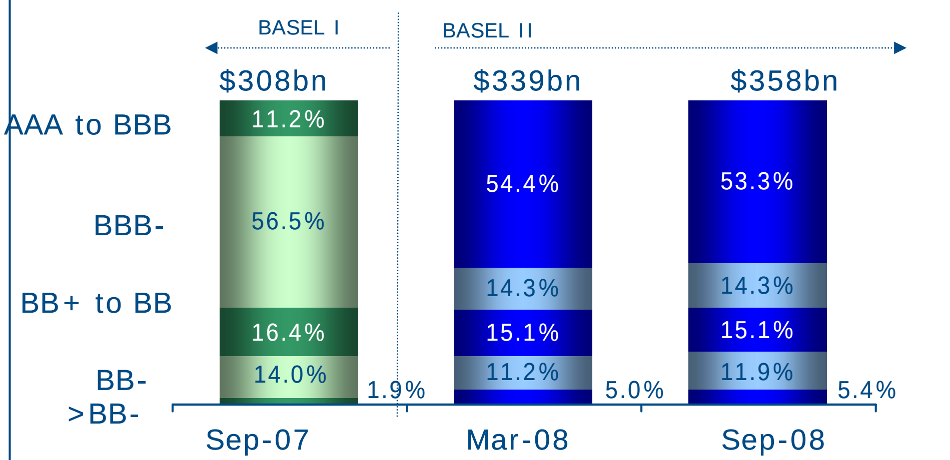
Commercial Non Performing Loans by Geography



Consumer Non Performing Loans by Geography

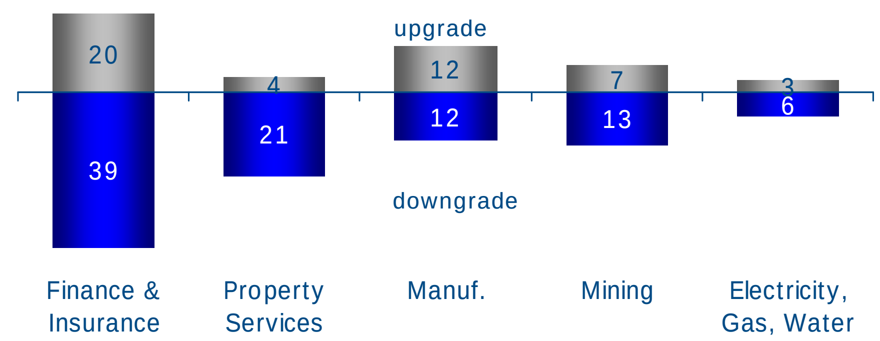
Collections teams increased and scorecards further tightened to manage arrears levels

Group - GLAs

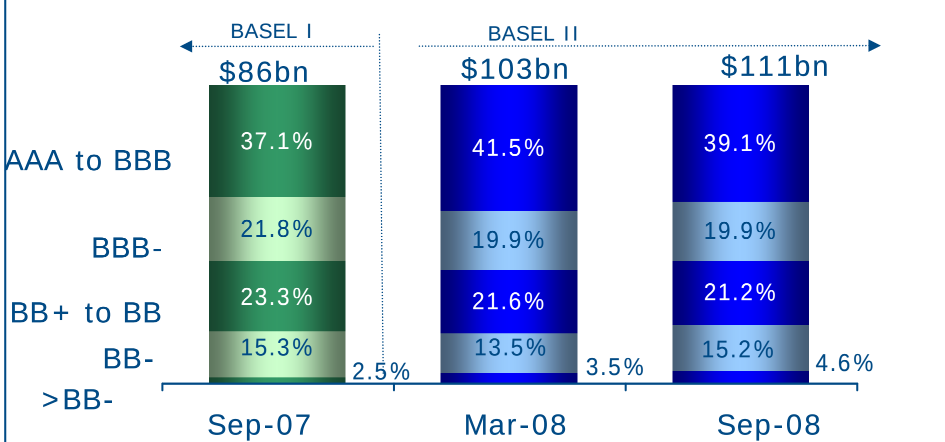


Institutional Banking & Financial Institutions

Risk Grade Migration Summary by Customer Groups (FY08)

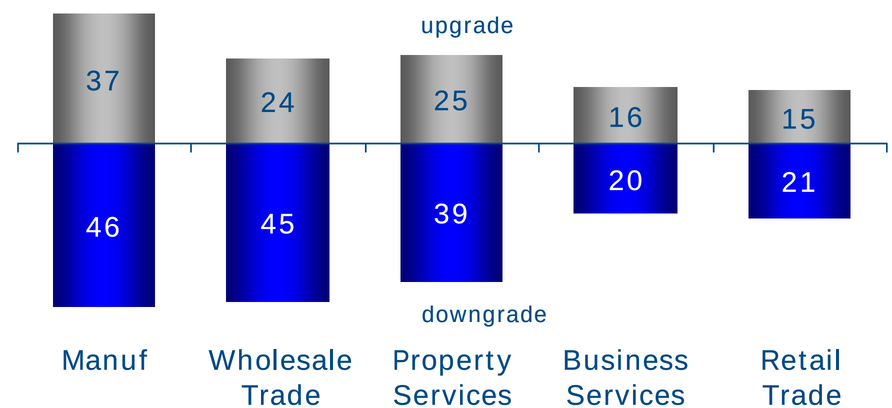


Institutional - GLAs



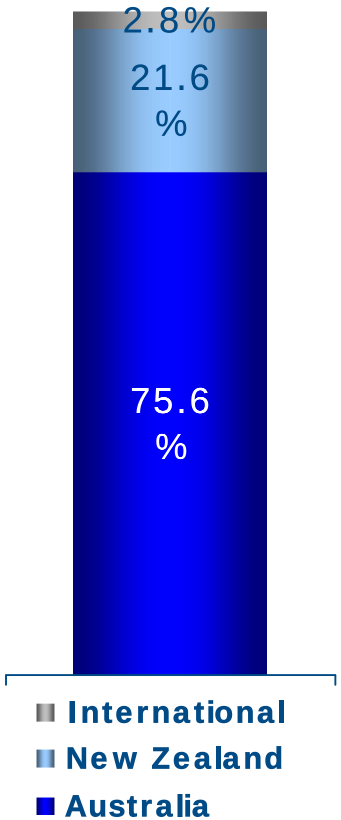
Corporate Risk Grade Migration

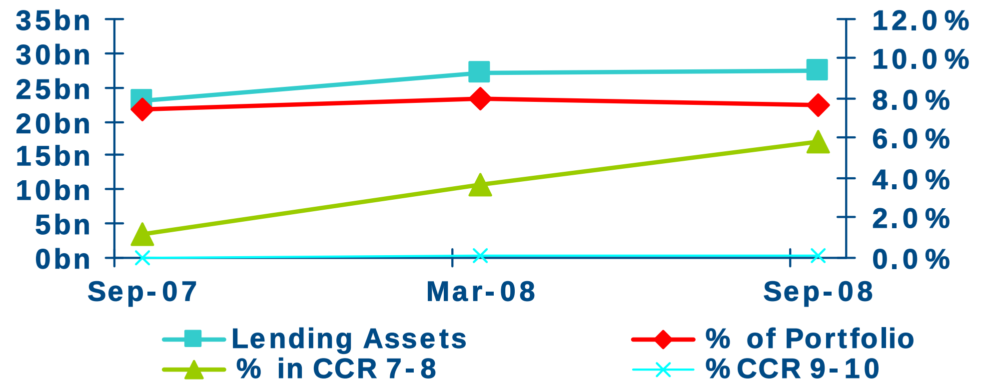
Summary by Customer Groups (FY08)



Commercial Property exposure less than 10% of total loan book

Geographic split of Commercial property portfolio

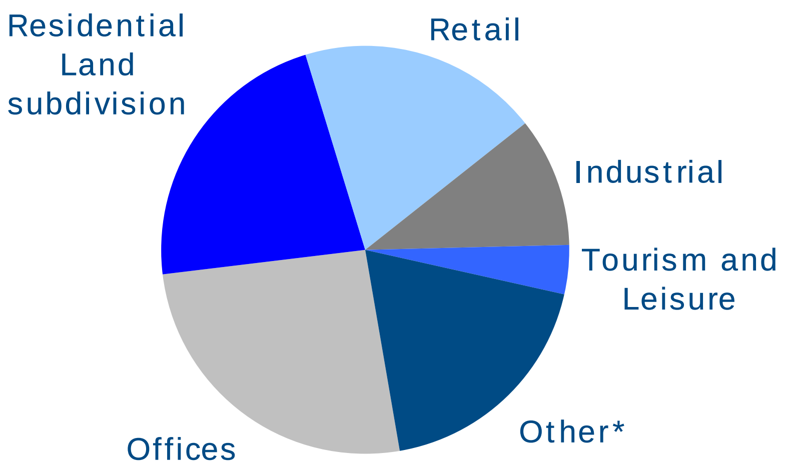




- Commercial property exposure is approximately $27bn or 8% of total lending book
- Commercial property lending cap of 10% of Gross Lending Assets is in place on Australian, New Zealand and combined books
- Australian LPTs make up less than 25% of Commercial property exposures
- Overall gearing to the LPT sector is typically sub 50%

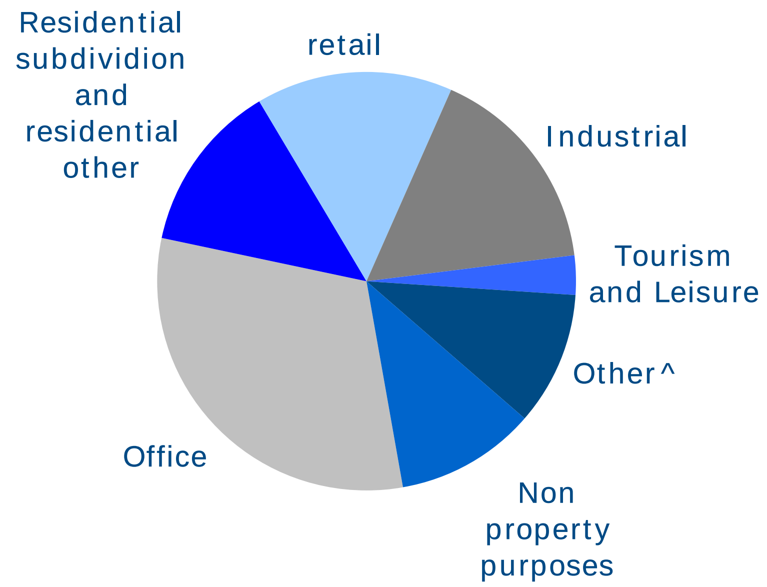
Commercial Property exposure by sector

Australian property portfolio by Sector - Aug 08



* Major categories of "other" includes high rise, retirement villages, vacant land, non property, other residential

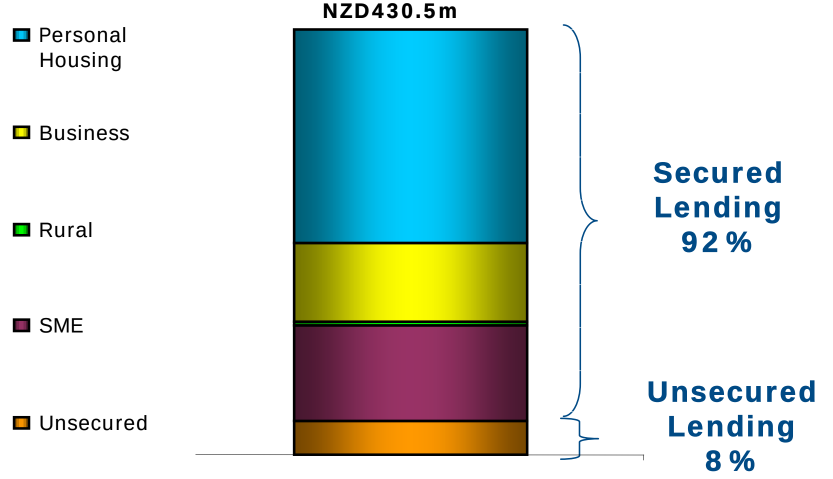
New Zealand property portfolio by Sector - Aug 08



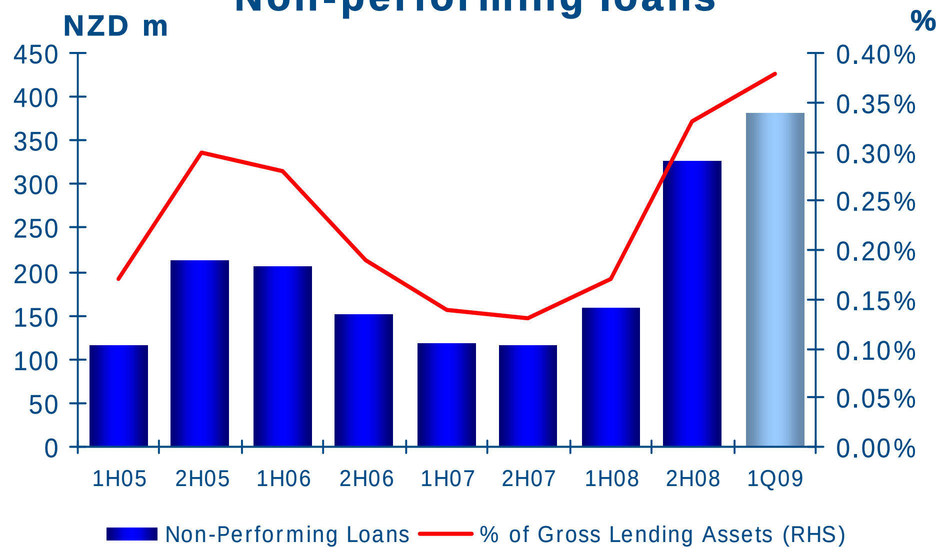
^ Major categories of "other" includes Land – Commercial, High Rise Residential and non classified

New Zealand - arrears and impaired assets have increased from historical lows

90 days past due largely secured (Sep 08)



Non-performing loans

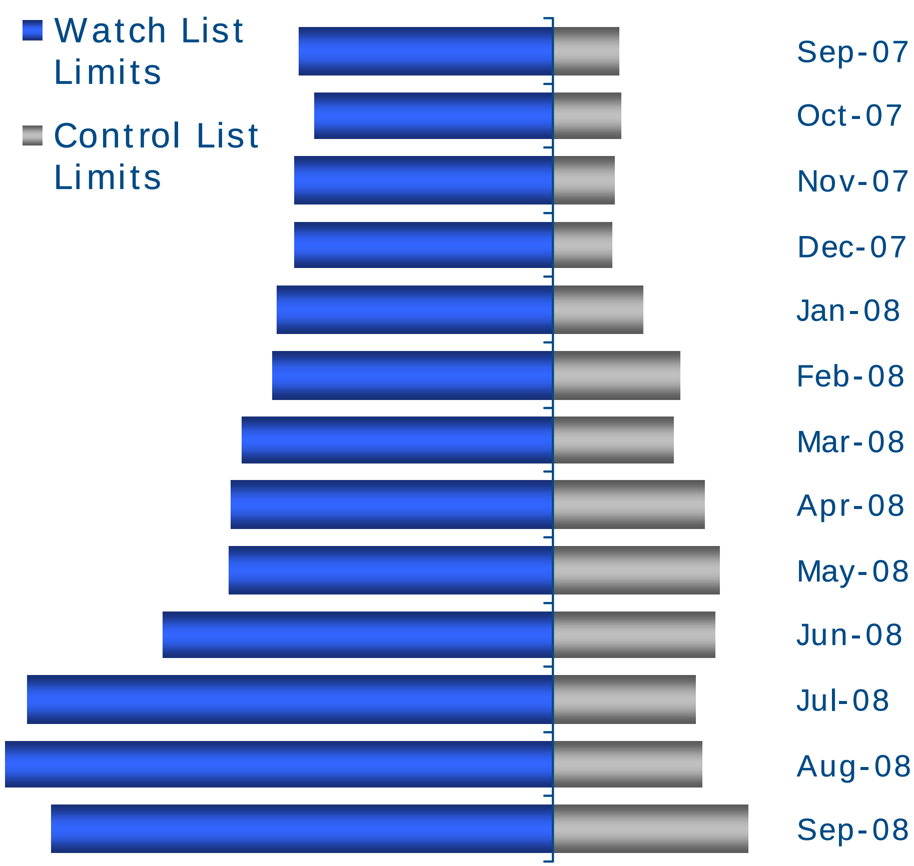


Interest rate reductions expected to benefit consumers in 2009

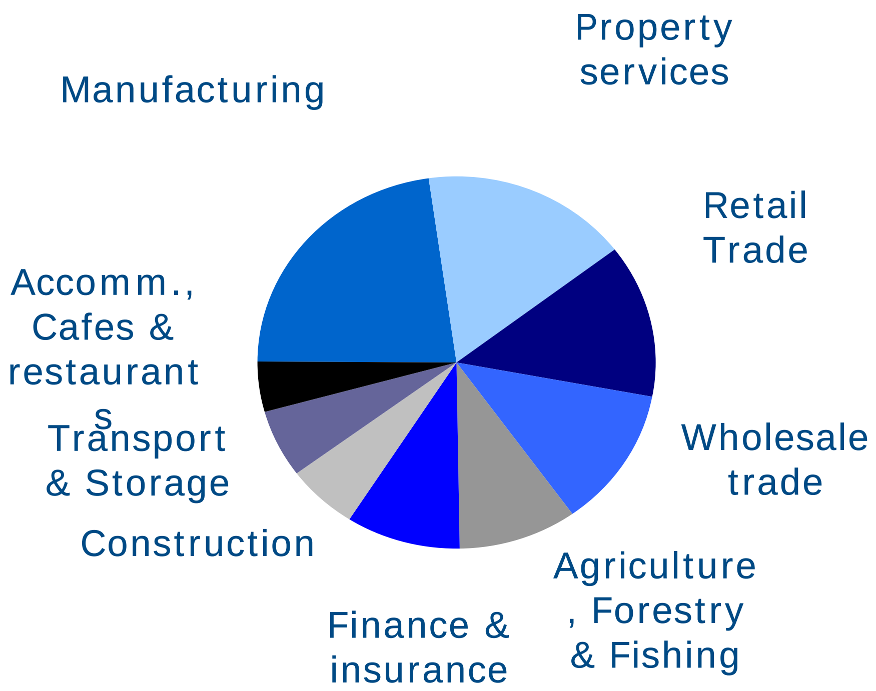
- Arrears and non-performing loans have increased primarily in the secured portfolios with consumer and small business arrears having experienced the largest lift
- This rise reflects financial stress in the household sector due to higher costs of living and reduced income levels – reduction in overtime, bonuses, working hours, redundancies
- Household cashflow pressures are expected to moderate with the steep reduction in official interest rates although rising unemployment over the next year will have an impact on credit quality

Increase in watch & control lists – reflects increased vigilance in a weakening environment

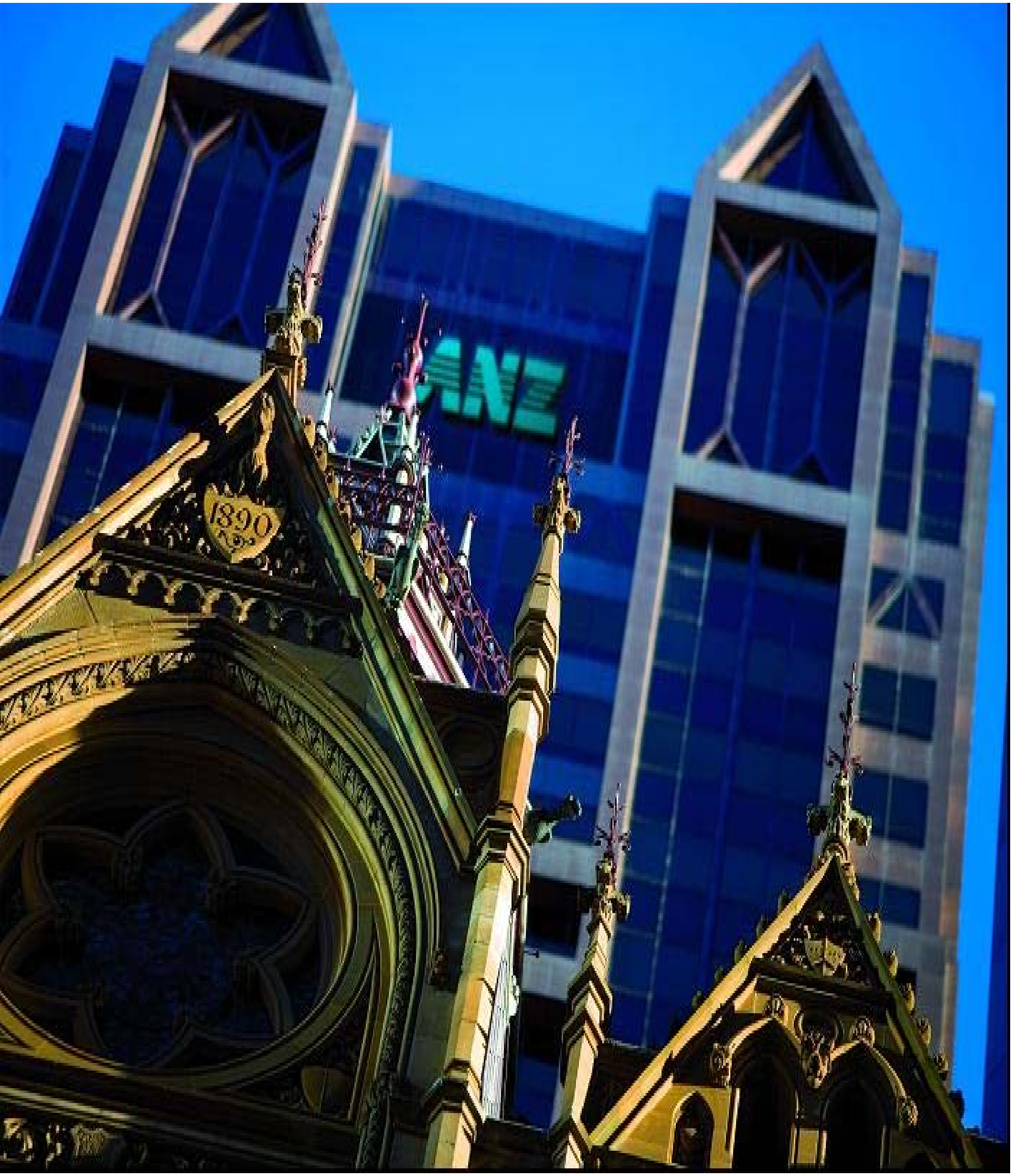
Watch and Control list*
(indexed data)



Diverse industry focus on watch list
(Watch list by industry - Number of groups %)



** Watch List: an alert report of customers with characteristics identified which could result in requirement for closer credit attention;*
Control list: a report of high risk accounts which have or may defaulted



Credit Intermediation Trades Overview

Credit Intermediation Trades - Background

Sold Protection	Bought Protection
• Credit intermediation trades entered into between 2004 & 2007 • No mortgages as reference assets • Significant subordination (first loss protection) • CDS protection was sold to bank counterparties • Reference Assets – 38 structures, mix of CDO, CLO and Bonds/ FRNs	• All CDO and CLO structures are highly subordinated, NO first loss to ANZ on any structure • CDS protection purchased over the same structures to mitigate risk • 8 counterparties (some of which are monolines) • One financial guarantor defaulted during FY 08. Credit spreads increased on the remaining guarantors reducing the market value of the protection

Net cover

Difference between market value of sold and bought protection is reflected as Credit Risk on Derivatives. At end this was US$425m.
This is expected to be substantially recovered over time

Credit Intermediation Trade Structures

Type of structure	Portion of Notional	Mark to Market	No. of structures	No of names	Average Remaining Life (Years)	Attach / Detach Average
Synthetic CDO	**$8.9bn**	**$1,105m**	**20**	**~ 650**	**6**	**Attach Avg 19%** **Detach Avg 43%**
CLO	**$1.3bn**	**$105m**	**10**	**~ 700**	**11**	**Attach Avg 29%** **Detach Avg 100% (Super Senior)**
Other (bonds)	**$1.0bn**	**$143m**	**8**	**4**	**-**	**-**
Total	$11.2bn	$1,353m	38	-	-	-

CDOs - 20 transactions that reference synthetic, all of which are rated investment grade . 75% of the underlying reference assets are investment grade corporates with concentrations (approximately 30% each) in consumer goods/services and financials, with the remainder diversified across 8 other industry sectors.

CLOs – 10 transactions that reference CLO trades, all structures are super-senior (i.e. detach at 100%). The underlying assets largely are largely senior-secured loans issued by corporates with high concentrations (approximately 25% each) in consumer goods/services and industrial sectors with the remainder diversified across 10 sectors.

Stress test on Credit Intermediation trades analysing likelihood of cash losses

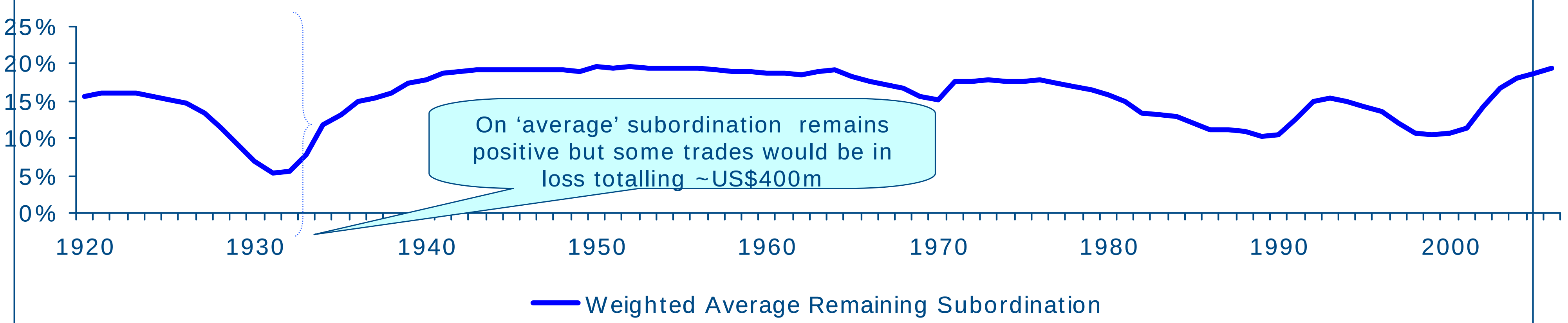
Data used in stress test

- Moody's historical corporate default rates going back to 1920*
- Analysed cumulative default rates and likelihood of breaching attachment point of each CDO & CLO

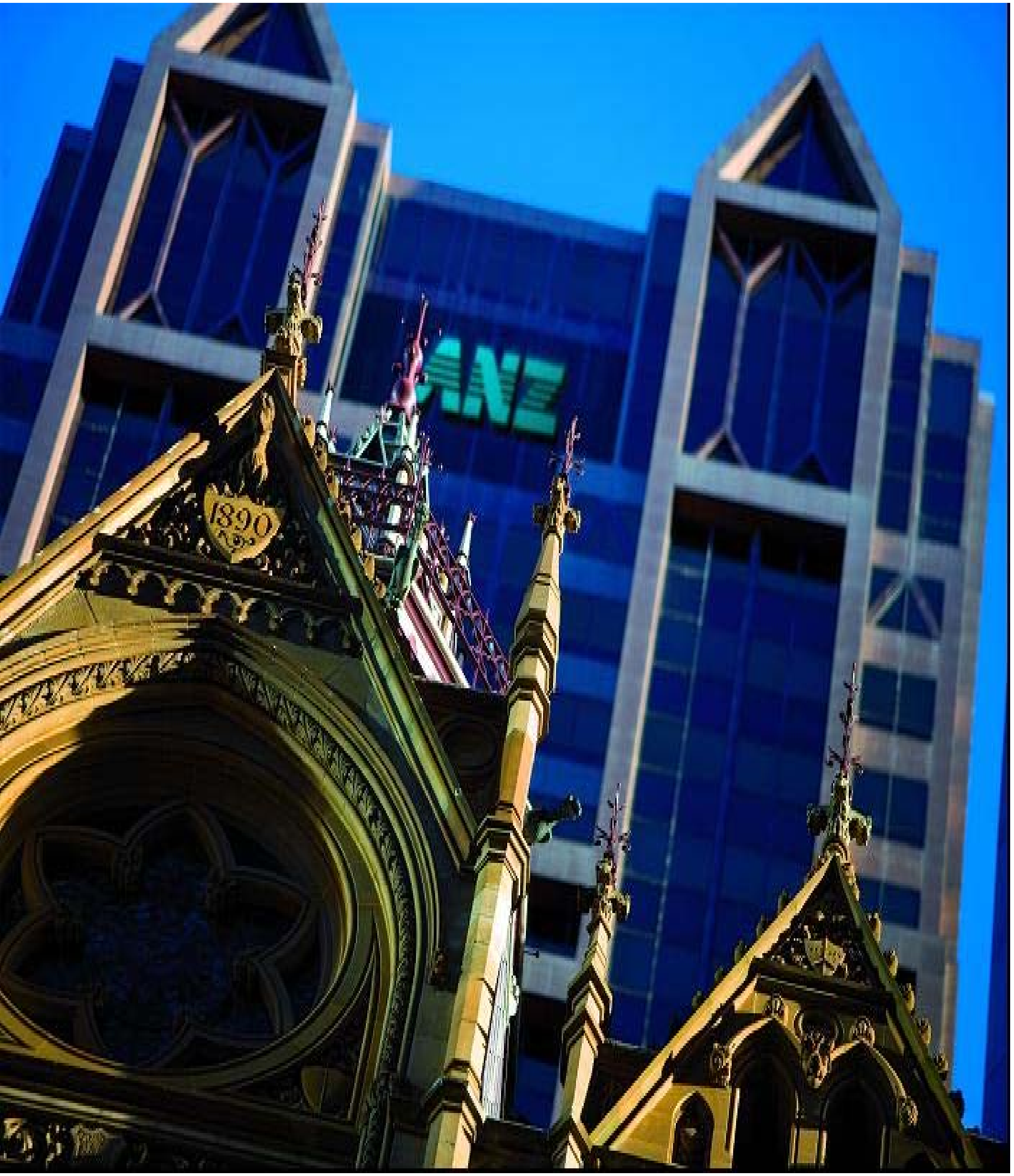
Conclusion

- Only in Great Depression scenario did any tranches breach attachment points
- Even using that scenario majority of trades still remaining safe
- Total realised cash losses approx ~US$400m under the stress scenario and only if financial guarantors default as well (i.e. double default event)

Weighted Average Remaining Subordination



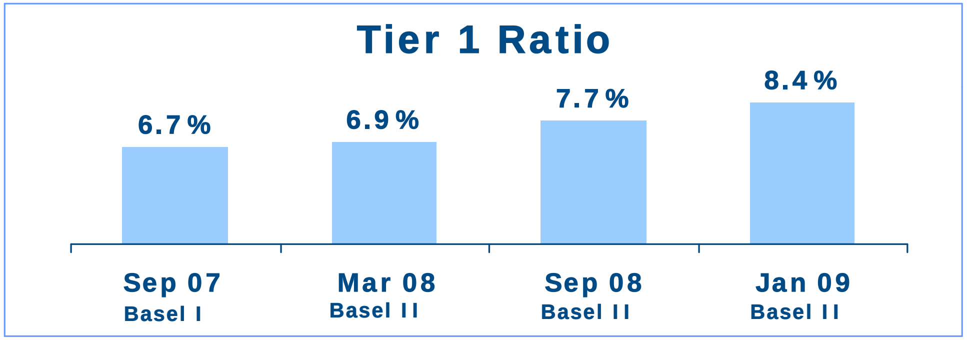
* Data set included all companies analysed/rated by Moody's

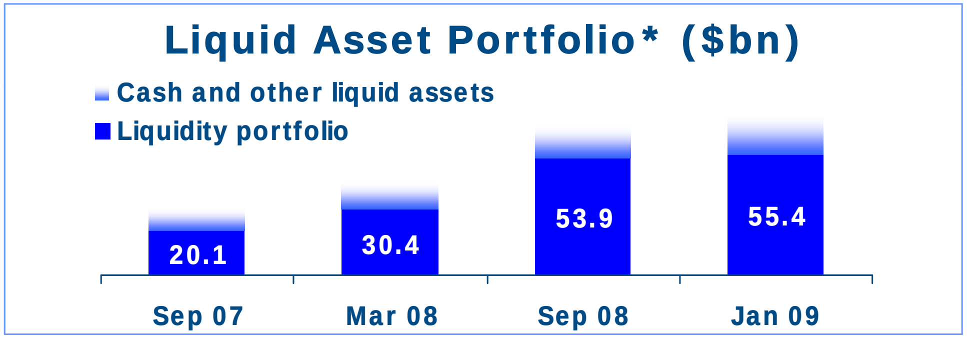


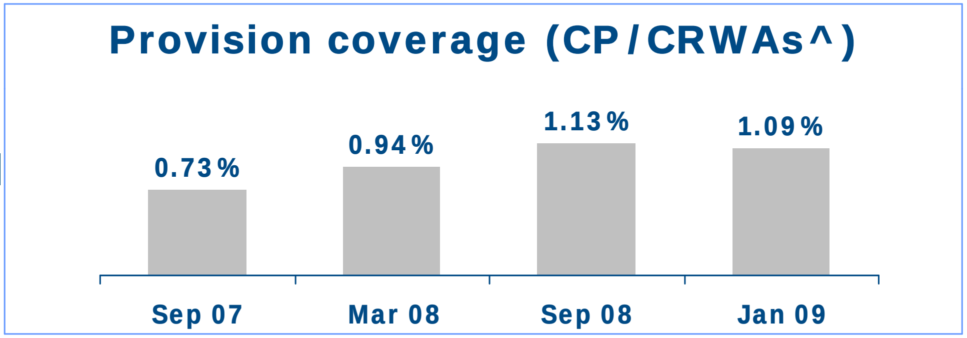
2009 Trading Update
(released 26/2/09)

Underlying business performing well

- Underlying business performing well – cash earnings# for FY09 expected to be around FY08 levels despite difficult environment
- Asia Pacific division up strongly, good revenue# trends in Institutional driven by markets business, Australian income and margin trends positive
- Income# growth up 16% on pcp (FX adjusted), increased Group Net Interest Margin, expense growth up 14% (FX adjusted) on pcp largely driven by one off costs (5%), growth in Asia Pacific (4%) and remediation work in Institutional
- Roadmap set in early 2008 to strengthen the balance sheet via increased tier one capital, significant liquidity and adequate provisioning has positioned ANZ well to deal with the new market reality







*Assets held for liquidity management purposes, including internal securitisation (March 08 and Sep 08 including post balance date, pre reporting date internal securitisation). The Group holds additional portfolios of liquid, trading and investment securities. ^ 2008 & 2009 RWAs calculated using Basel II methodology, prior period numbers reflect Basel I
#Adjusted for non-core items (i.e. significant items and non-core income arising from use of derivatives in economic hedges and fair value through profit and loss)

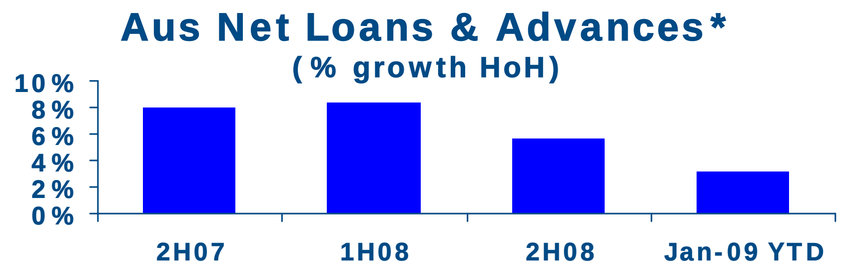
Australia and New Zealand volumes and margins

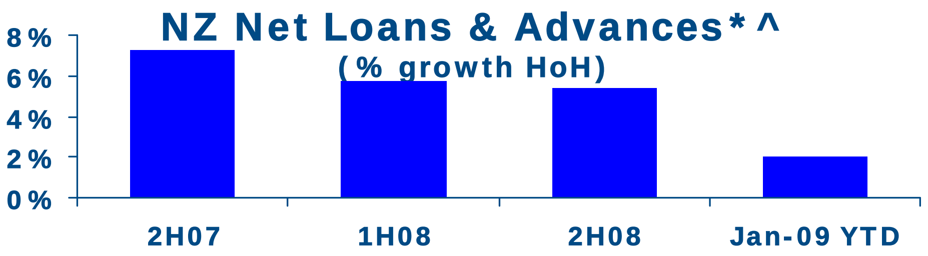
Australia* Overview

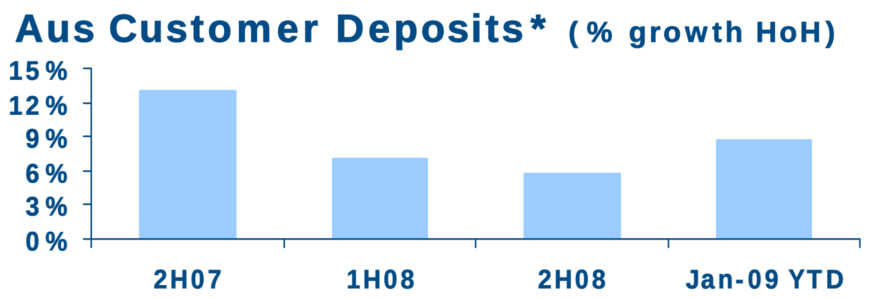
- Strong YTD customer deposit growth, with new customer deposits broadly in line with new lending
- Australia and Institutional divisions NIM benefiting from repricing, partially offset by increased deposit competition

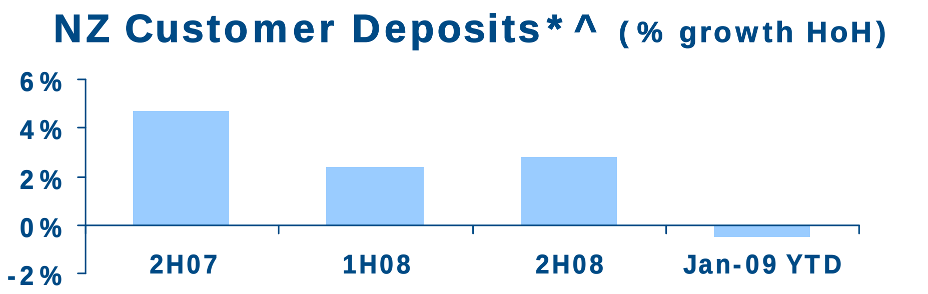
New Zealand* Overview

- Difficult conditions continue leading to a decline in growth in both lending and deposit volumes.
- Higher cost of funds, deposit competition and prepayments negatively impacting margins



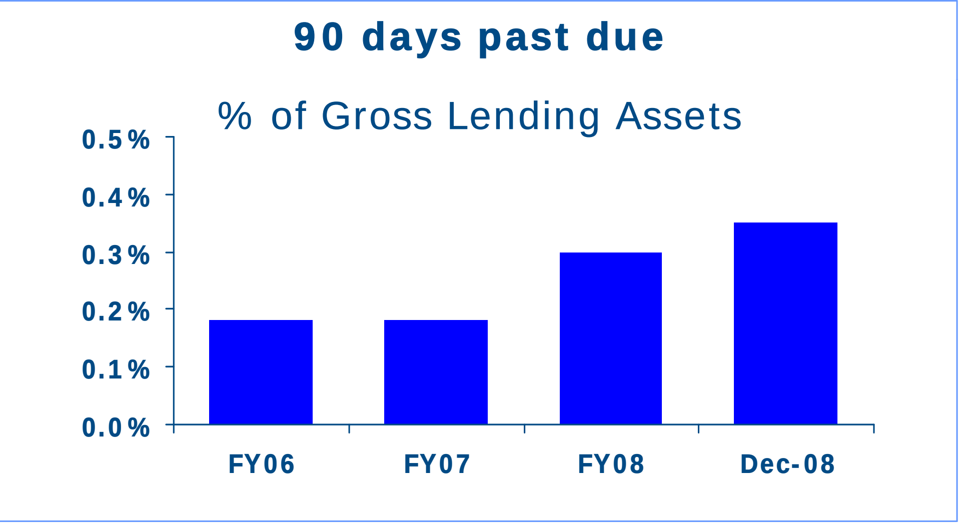


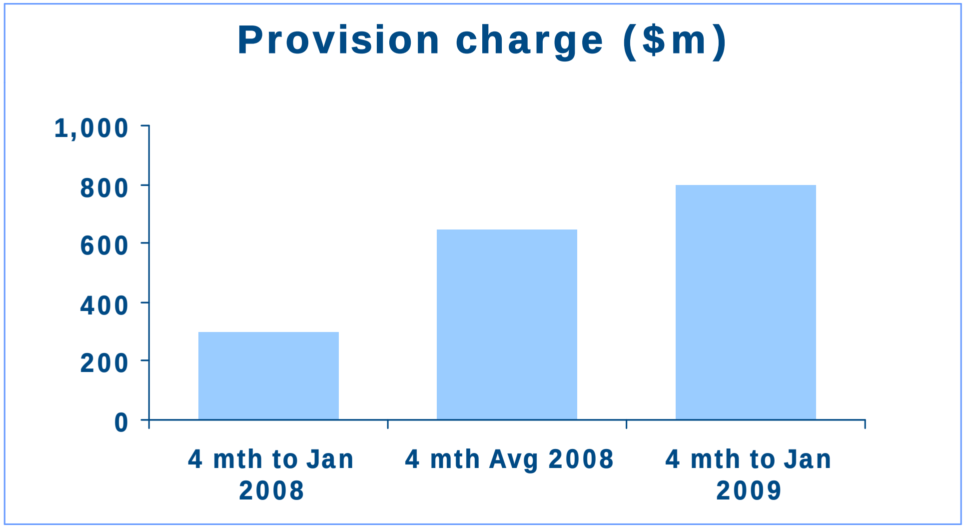


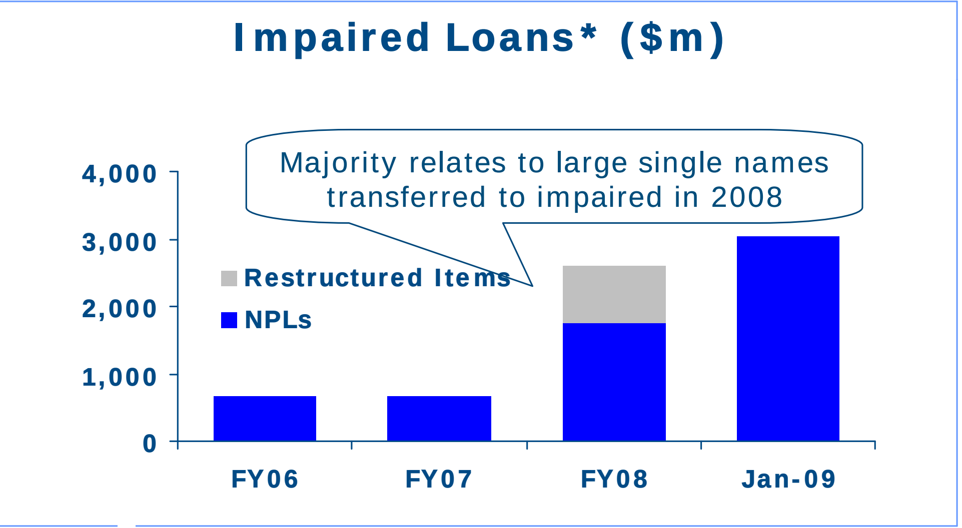


** Geographic basis, including Institutional, ^ FX adjusted*

Group portfolio





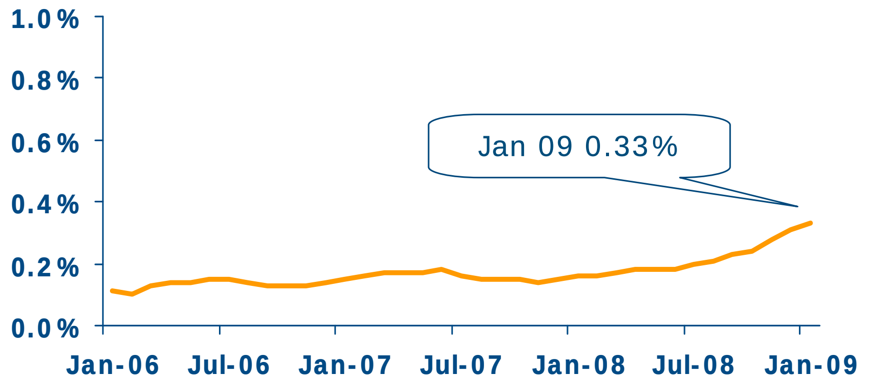


- Past due growth broadly spread, majority in the secured book
- Higher provision levels than 2008 but in line with market consensus of $2.4 to $2.5 billion
- Institutional credit losses tracking around 2008 levels with broader portfolio impacts as well as the impact from large single names
- Consumer provisions increasing principally in Consumer Finance and Esanda
- NZ provisions could approach double that of 2008 reflecting tougher economic conditions

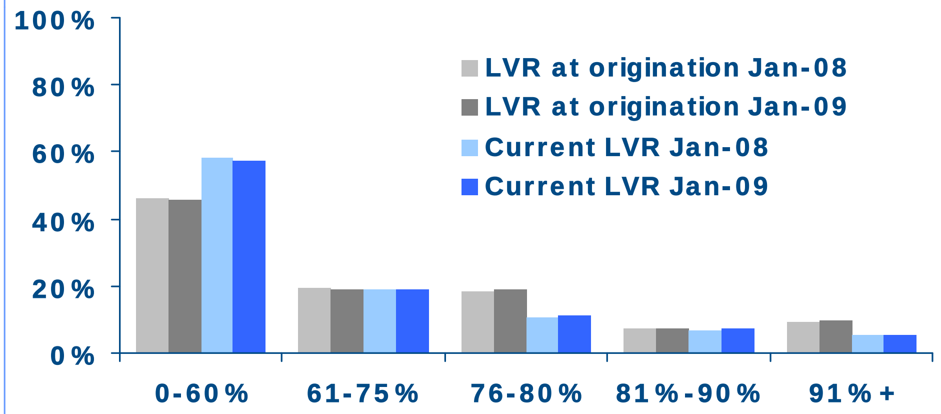
** Excludes unproductive facilities*

Australian - Consumer portfolio

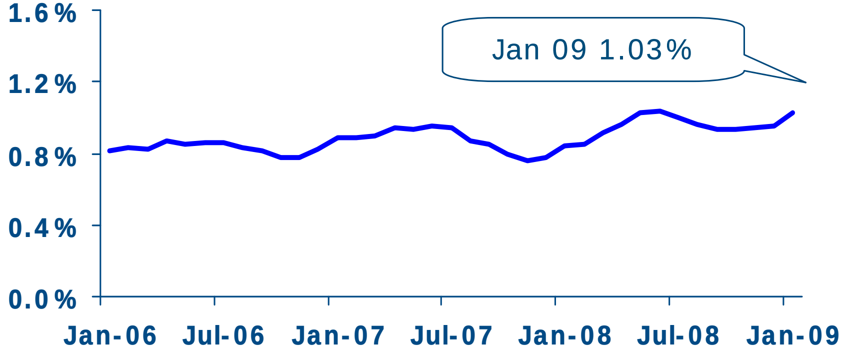
Mortgages Retail 90+ Days Arrears



Mortgages Aus. LVR Profile (Retail)



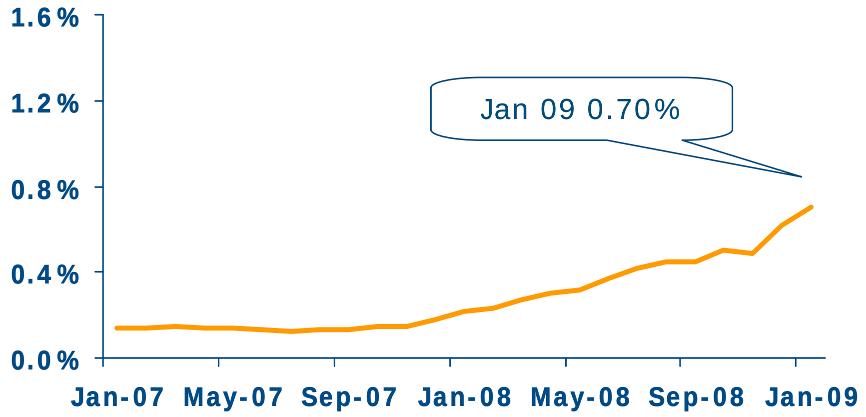
Cards Retail 90+ Days Arrears



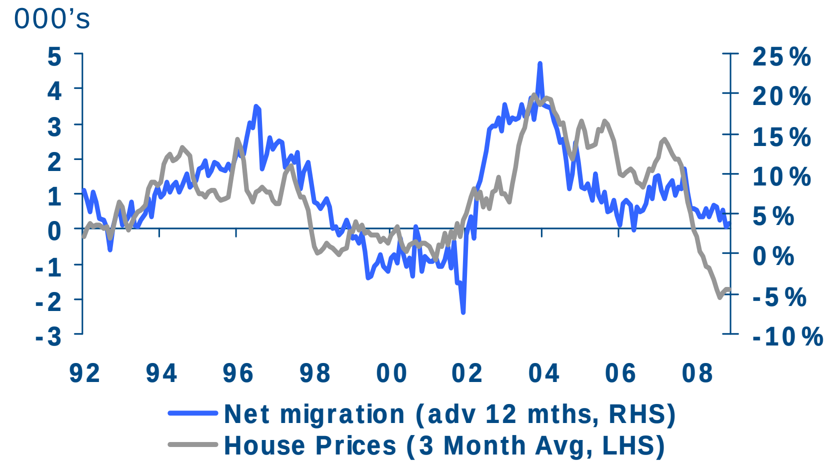
- Maximum Loan to valuation ratios for new applications reduced from 95% to 90% on the mortgage portfolio
- LoDoc80 product removed for new applications
- Both redraw and limit utilisations have continued to decrease over the past 4 months
- Since Sep 08 customers paying above minimum repayments have doubled to 74%
- Arrears levels continue to trend slightly upwards although remain below peer reported averages

New Zealand - Consumer portfolio

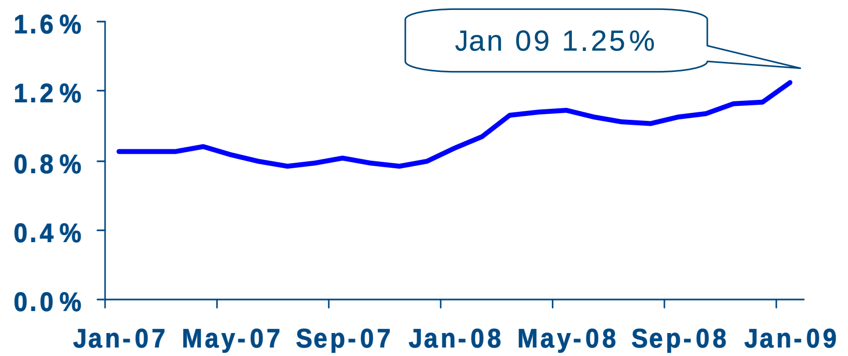
Mortgages Retail 90+ Days Arrears



Falling housing prices



Cards Retail 90+ Days Arrears



- Arrears continue to increase, more pronounced in the secured book
- Property values continue to track down; interest cuts and supply factors expected to be mitigants.
- Credit standards have been adjusted and arrears management resources increased to reflect the weakening economic environment.
- Proactive customer management program, includes specialist financial support and active calling for early identification of potential stress.

Structured Credit intermediation trades update

Collateralised issues / Credit protection intermediation activities

Counterparty rating	No.	Notional Principal Amount **(USD m)**	Mark to Market **(USD m)**	Credit Risk on Derivatives^ **(USD m)**
AAA / Aaa	4	8,871	1,396	724 (@ FY08 $425)
BB / B3	1	387	43	
BBB+ / A3	1	86	10	
CC / Caa1	1	286	42	
Defaulted Monoline	1	1,333	316	
Total Position to end January 09	8	10,963	1,806	724
			FY 2008 Credit Risk on Derivatives	USD 425m
			YTD (Jan 2009) Credit Risk on Derivatives	USD 299m

2009 YTD (Jan 2009) after tax charge # — **AUD 370 m after tax**

^ Credit Risk on derivatives is an adjustment to the MTM of derivatives, to reflect the credit rating of the counterparty, credit spreads and other factors.
 # includes movement in exchange rates net of hedging

Calculation of Credit Risk on Derivatives charge for Credit Intermediation trades

ANZ's credit intermediation trades involved back to back sold and purchased protection in the form of CDS.

For accounting purposes, the CDS are marked to market which involves adjusting the value of the purchased protection for the counterparty risk of the provider. This is reported in the P&L as "Credit Risk on Derivatives".

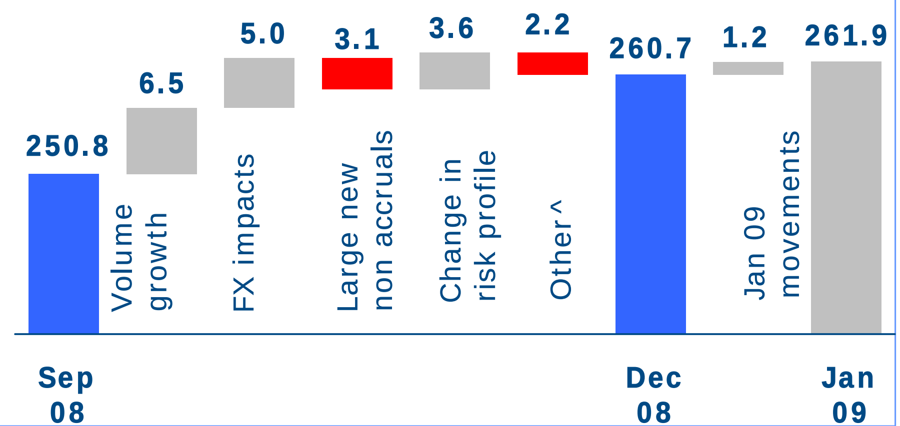
In many ways it is similar to a collective provision for non defaulted exposures, or the individual provision where the provider of the purchased protection has defaulted. The key differences being the degree of estimation of the exposure and the need to use current market inputs because derivatives are at fair value.

- There are 8 counterparties (including ACA) providing "bought protection" to ANZ in relation to the intermediation trades.
- Two of these are CDPCs ("Credit Derivative Product Companies") and the remainder are monolines of which one (ACA) has defaulted. The CDPCs are currently rated AAA by S&P.
- The starting point for the calculation of the amount exposed to credit risk is the Mark-to-Market ('MTM') for the underlying credit intermediation trades. The MTM calculation estimates the current market value of the purchased and sold protection at a particular date on the underlying trades. This effectively becomes the current value of the credit risk if there was no purchased protection. Unlike a loan this is not a static number.
- The next step is to apply a probability of default to the bought protection counterparties. This is based on the market price of credit for the counterparty credit rating. This amount is adjusted to reflect expected recovery amounts.
- For monolines there are observable credit spreads. For CDPCs ANZ must use an internal model as there are no observable credit spreads.

APS 330 Pillar 3 December quarterly disclosures

Credit RWAs $260,674m*	Increase of $9,924m (+3.9%) in Dec 08 qtr with 2.6% due to growth in portfolio, 2.0% for FX and 0.2% due to change in risk profile, with low growth as a result of transfer of large exposures to Eligible Provisions
Total RWAs $281,351m	Increased by $5,917m (+2.1%) largely from volume growth, FX and some deterioration in credit quality, notably in Corporate Asset Class (including several large corporate accounts), partly offset by reduction in IRRBB to zero#
Regulatory Credit exposures $566,124m	Total Credit Risk Exposure increased by $28,522m (+5.3%) largely due to derivative mark-to-market changes, FX and volume growth in mortgages
Impaired Loans / Facilities $3,267m	Impaired loans / facilities increased $594m largely from the Institutional Division, with an increase in the Australia Division mainly in Esanda
90+ days Past Due Loans $1,264m	90 Days past due increased by $204m, primarily from Australia Division's Mortgages portfolio with increased financial pressure and reduced exit options
Individual provision balance $901m	IP balance increased $226m, reflecting the deteriorating environment. Write-offs were mainly in Australia Consumer Finance, Esanda and Institutional

Credit RWA movements* ($bn)



Reg. Expected Loss & Eligible Provisions

	Sep-08	Dec-08	Jan-09
Basel EL Amount (incl IP)	3,052	4,181	4,325
Total Eligible Provisions			
GRCL (tax effected)	1,919	1,916	1,940
IP	799	879	948
Surplus/(Deficit) applies to Capital 50/50 Tier 1/ Tier 2	(334)	(1,386)	(1,437)
Movement in surplus / (Deficit)		315%	4%

** including securitisation, equity exposures and other assets, ^includes reclassifications of assets within categories # due to the increase in embedded gains on Investment Term of Capital providing an offset to repricing and yield curve risk as measured by VaR*

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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