

Investor Discussion Pack

Mike Smith
Chief Executive Officer

**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**

June 2011



Investor Discussion Pack

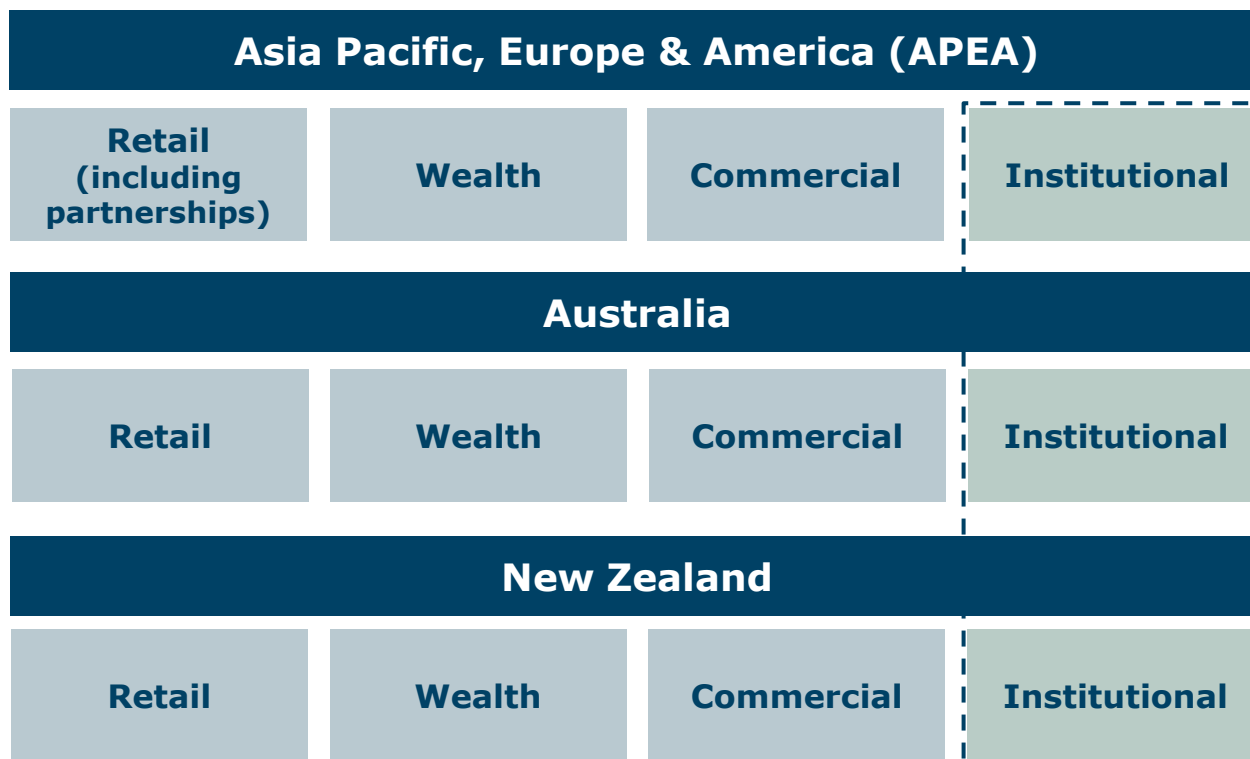
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED


June 2011

Overview and strategy



ANZ is structured by Geography & Segment



 Institutional is a global business

Coherent strategy – driving competitive advantage

Geographic opportunity

- Footprint - exposure to Asia's more rapid growth
- Growing financial services requirements
- Regional connectivity
- Strong domestic markets and businesses



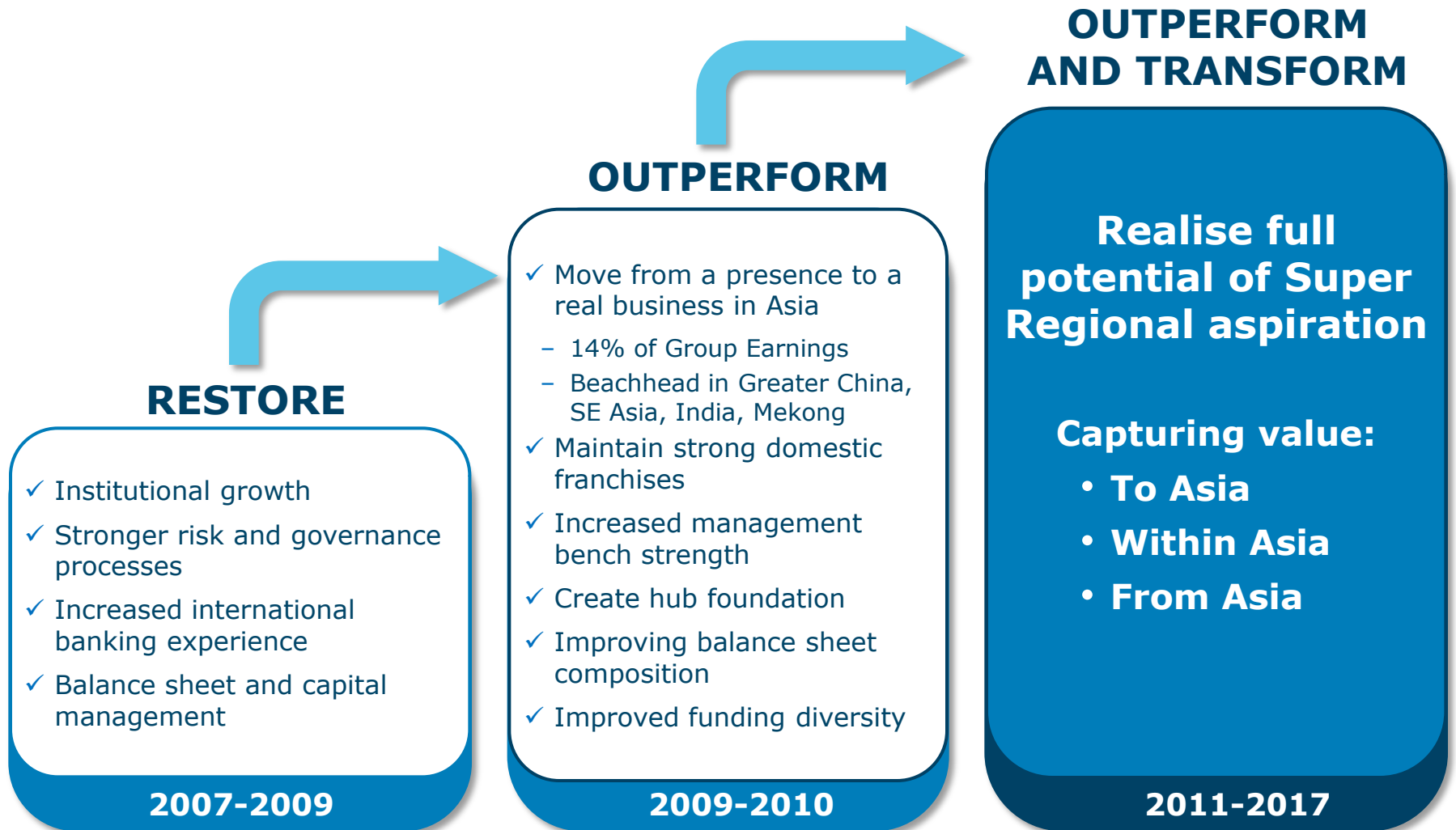
Cross-border customer focus

- Regional customer insights
- Resources, agribusiness, infrastructure
- Trade and investment flows
- Migration/people flows, education

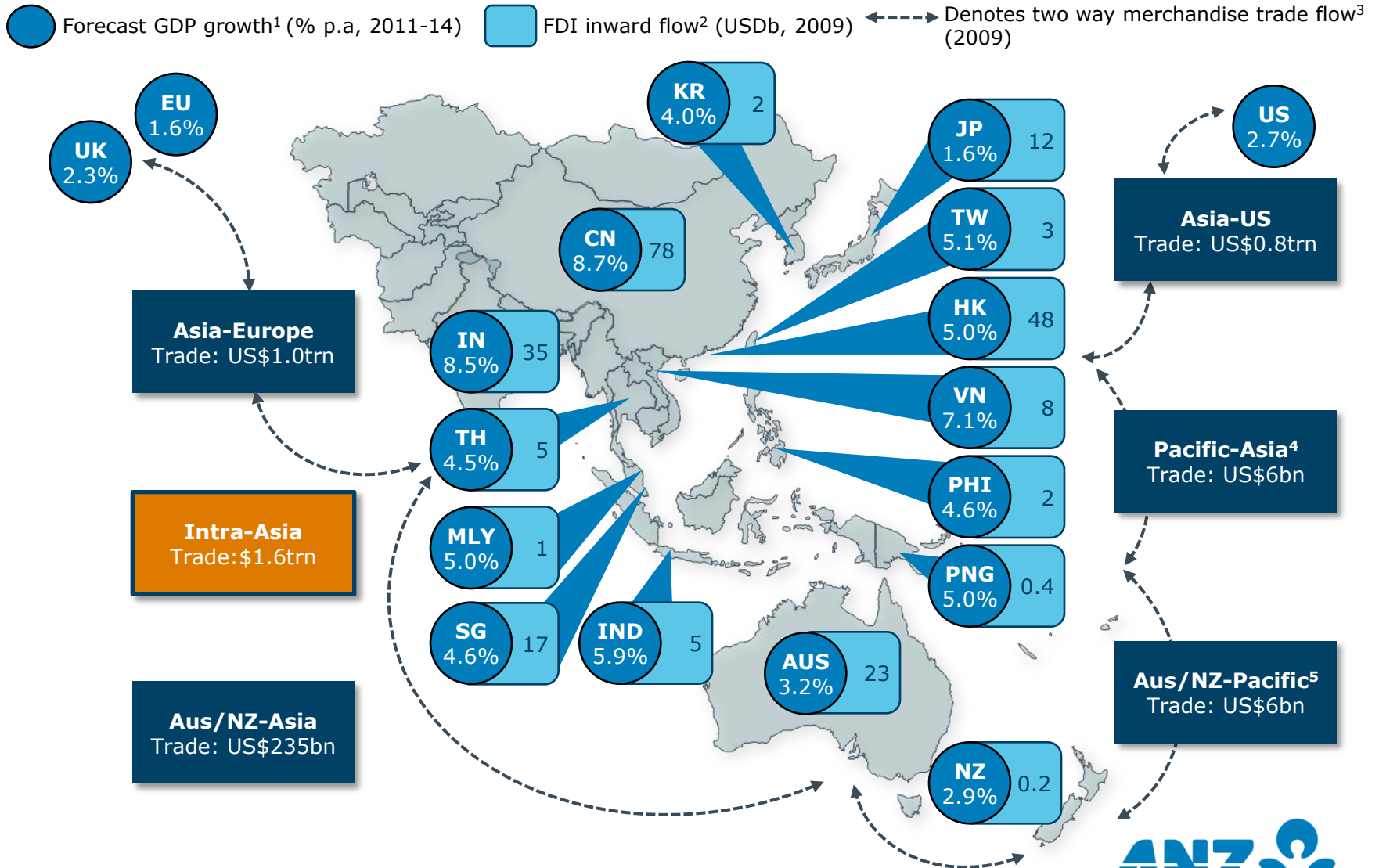
Building Super Regional capabilities

- Bench strength/international talent
- Innovative product capability
- 'Throw and catch' capability and culture
- Enabling technology and operations hubs
- Global core brand, regional reach
- Governance and risk management

Delivering Super Regional performance momentum

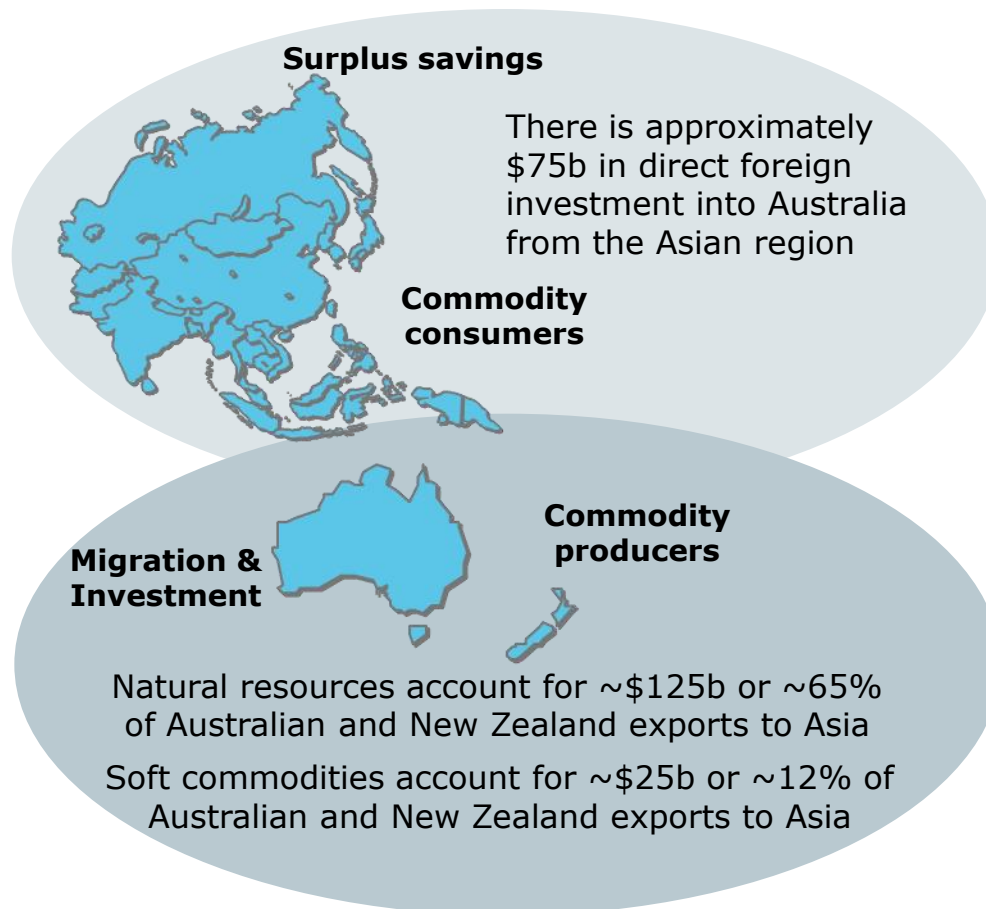


Super Regional - driving long term growth and differentiated returns



Super Regional connectivity provides a competitive advantage

Growth in trade flows and direct investment between Asia and Australia is tracking at 11% and 26% pa respectively



Linked through flows of trade, capital and population

Key focus is to bridge gaps across the region: Asia generates surplus liquidity, Australia and NZ generate hard and soft commodities

42% of our Corporate* clients depend on Asia for more than 25% of their business

* Represents ANZ's Australian based clients with annual turnover of \$40-400m
Sources: Australian Bureau of Statistics (international direct investment positions, 2006-09), Trade Map (exports and imports, 2007-2010)

Realising the full potential of Super Regional

**2017
Aspiration**

**APEA sourced revenue to drive
25% - 30% of Group profit**

**Expanded view of
opportunity in
APEA**

- The more mature our business, the greater our opportunities
- Increasing our footprint, customers and access to trade, liquidity and investment flows

**Domestic
outperformance**

- Regional connectivity will deliver additional revenue into Australia, New Zealand, Asia and the Pacific

**Centres of
Excellence**

- Hubs provide a lower and more flexible cost base – access deeper pools of talent, provide better service with lower risk

**Focussed
technology
investments**

- Technology roadmap focused on customer facing (e.g. internet banking, goMoney) and cross-border systems (e.g. FX, Cash Management)

Realising the full potential of Super Regional

**2017
Aspiration**

**APEA sourced revenue to drive
25% - 30% of Group profit**

People

- Continue to build depth in international management and banking experience
- Well defined succession planning
- Remuneration and incentives aligned to delivery of strategy and management of risk

Risk Management

- Risk management as a core competency
 - Increased expertise across the risk function
 - Comprehensive set of asset writing strategies
 - Product and segment expertise – focus on sectors we know
- Customer driven rather than product focused
- Lower balance sheet intensity

Financial Management

- Greater balance sheet diversity
- Reduced reliance on interest income
- Funding flexibility

Growth levers - organic, partnerships and M&A

Continued Focus on Organic Growth

Leveraging Super Regional connectivity
Increasing productivity
Focus on core customers



Managing the value of ANZ's Partnerships

- Delivering access to attractive markets/ segments
- Linking partnership customers to ANZ's international network
- Actively managing the portfolio to optimise strategic positioning

Selective M&A opportunities

- Dislocation in global markets continuing to create opportunities
- Consistent M&A disciplines – on strategy, delivers value, executable

Emerging differentiation

- Super Regional strategy giving us greater exposure to Asia's growth
- Building blocks in place via both acquisition and investment in capability
- Developing stronger customer propositions
- Driving productivity gains from our hubs
- Integrating the Super Regional strategy into all our businesses

Investor Discussion Pack

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

June 2011

2011 Interim Results



Overview of financial performance

	1H11 AUDm	Growth vs 2H10	Growth vs 1H10
Underlying Profit	2,818	3%	23%
Revenue	8,430	3%	11%
Expenses	3,821	3%	18%
Provisions	660	(9%)	(40%)
EPS (cents)	109.6	2%	20%
Customer deposits	268,705	4%	13%
Net loans and advances including acceptances	375,833	2%	7%

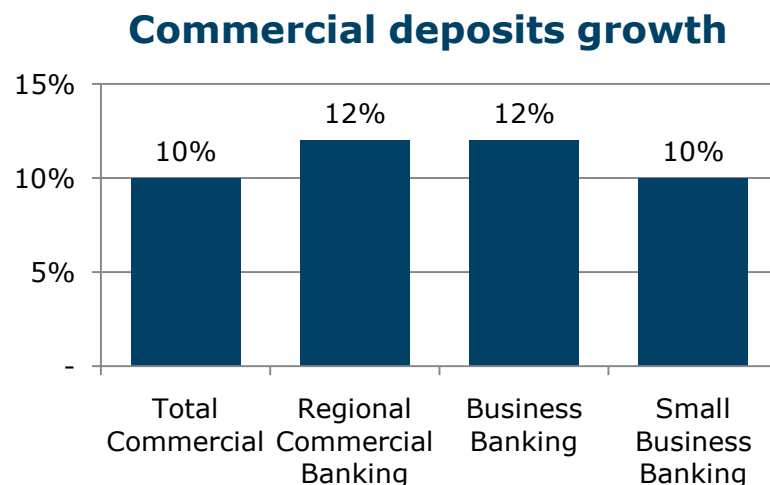
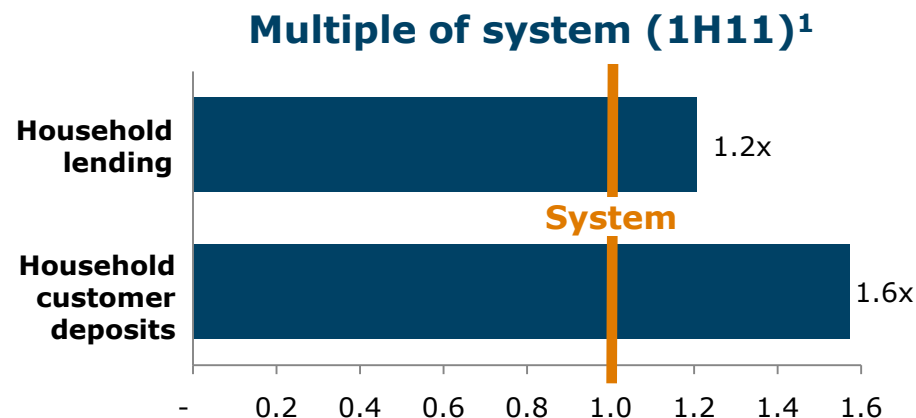
Performance by Division

Underlying Profit	1H11 \$m	Growth vs 2H10	Growth vs 1H10
Australia Division (AUD)	1,962	2%	15%
Asia Pacific, Europe & America Division (USD)	396	11%	44%
New Zealand Businesses (NZD)	605	19%	63%
Institutional Division (AUD)	1,028	10%	24%

Australia Division – Business update & strategy

ANZ Australia delivered a solid outcome

- Mortgages growth 1.2x system and customer deposit growth 1.6x system for the half
- Increased commercial customers - ANZ Commercial Banking customers² rose by 6.4% or 25.1k customers for the half
- Well advanced in Wealth business integration, launch of OnePath brand, increased management bench strength
- Targeting Asian migrant and student flows with pan-regional migrants making up ~20% of all new-to-market customers
- Leveraging links to Asia Pacific region with 169 referrals received from Asia Pacific Commercial customers in 1Q11
- Investing in customer facing technologies (e.g. internet & mobile platforms and multi-lingual ATMs) and group wide systems to deliver the business agenda.

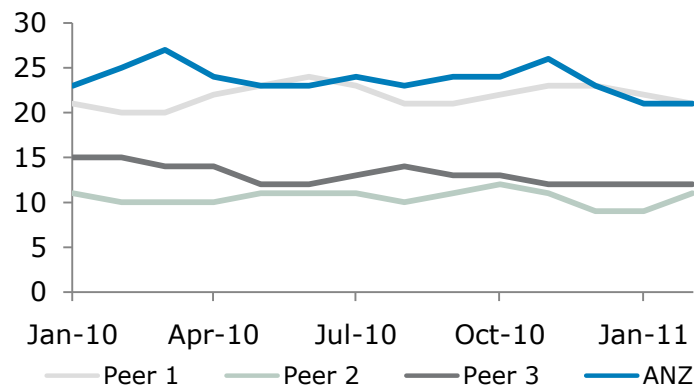


1. Source: APRA Statistics; 2. Excluding Esanda

Australia Division – Retail

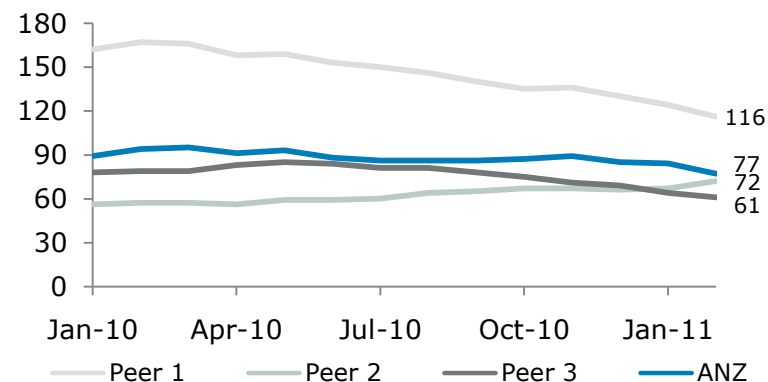
Trial intention

(%) transactional account trial intention¹



... leading to customer gains

(^000s; MFI Relationship)²

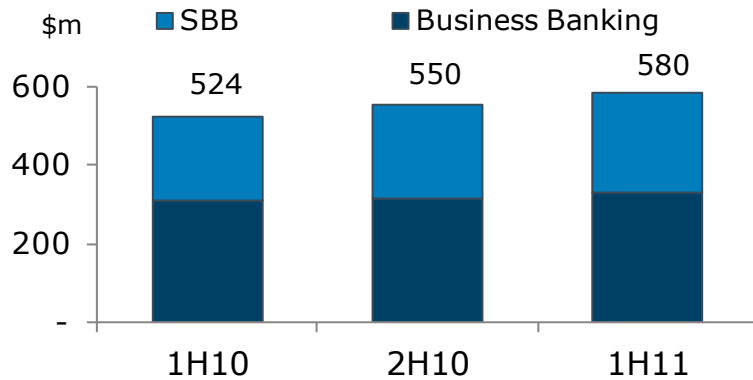


- PBP up 7%
- Strong trial intention and customer acquisition
- Retail deposit FUM increased 7% HOH, particularly in term deposits and savings products such as Progress Saver
- Retail deposits market share increased to 12.5% over the five months to February
- Mortgages FUM up 4% HOH while NIM increased 4 bps
- NPAT growth was adversely impacted by flood provisions over the half

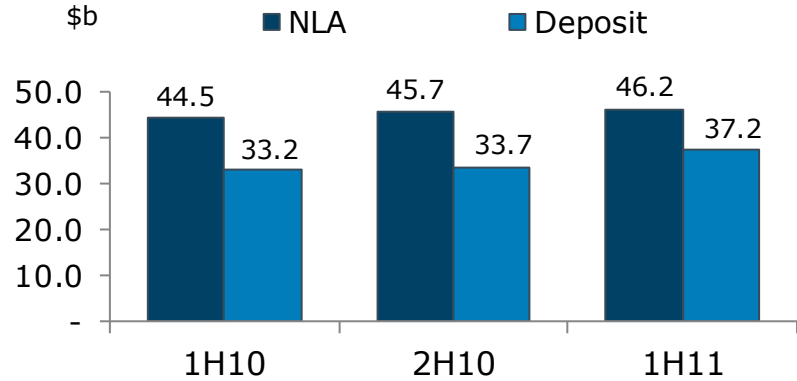
1. Source: Australian Retail Brand Monitor; 2. Source: Roy Morgan 12 month moving average

Good outcomes for Business Bank & Small Business, tougher conditions in Regional Commercial

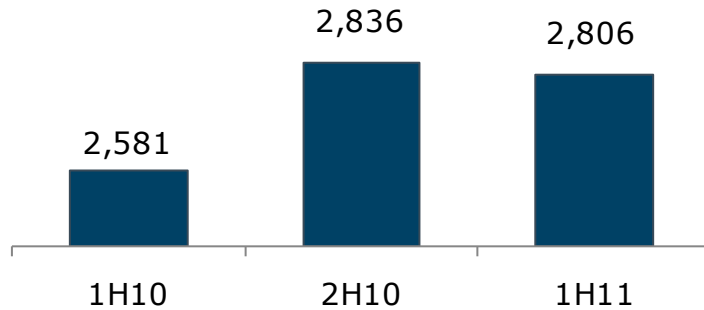
Net interest income SBB & BB



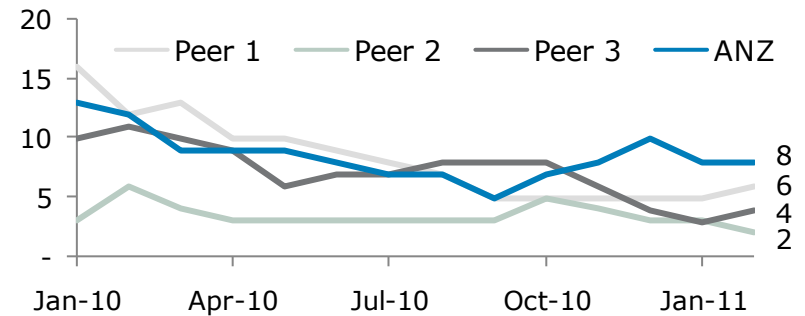
Net loans and advances incl. acceptances & customer deposits



Investment in frontline FTE staff in 2H10



Customer growth (^000s; Main Bank Relationship)^{2,3,4}



1. Small Business Banking (SBB), Business Banking (BB), Regional Commercial Banking (RCB); 2. Source: DBM Business Financial Services Monitor; 3. Based on rolling 12 months average and includes businesses that have changed MFI during the last 12 months; 4. Includes customers who did not have a MFI 12 months ago (start up businesses)

Australia Division – Regional Commercial Banking

Credit Quality

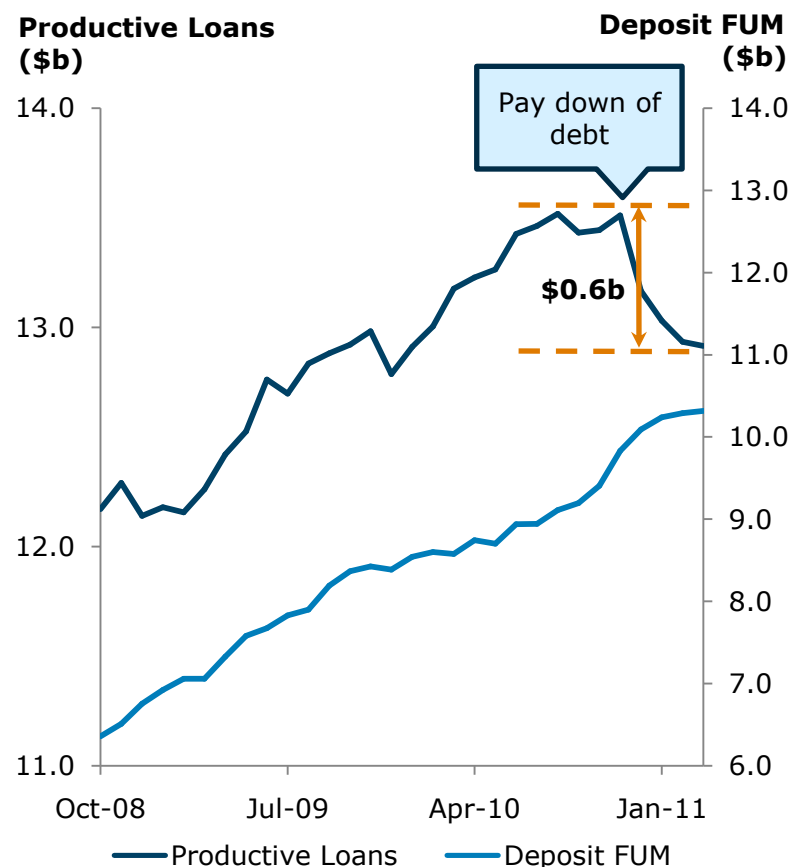
- Higher provisions partly due to long-term stress in the sector and also specifically for extreme weather events such as the Queensland floods. Delinquency trends higher in Western Australia (prolonged drought) while full effect of Queensland (Cyclone Yasi and flooding) is yet to emerge
- Majority of collective provision overlay for Commercial is related to RCB

Business Performance

- Significant increase in deposits (up 12% HOH, 20% PCP)
- Lending down 3% HOH, flat PCP
- Revenue down 1% HOH following reduced loan growth while expenses for the half were flat.

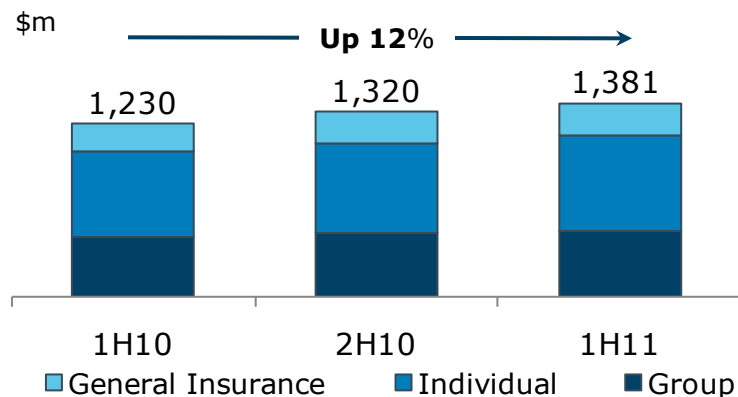
Significant pay down of debt occurring after high agri cash inflows

Productive Loans v. Deposit FUM

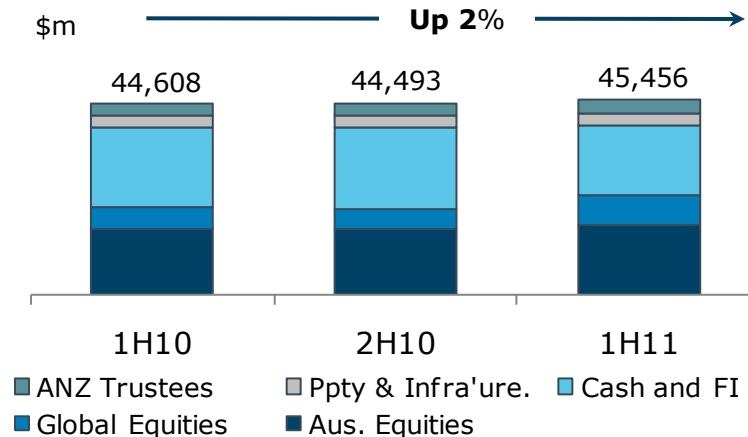


Australia Division – Wealth

Insurance in-force premiums



Funds Under Management



- Integration of former INGA business on track including OnePath new brand launch
- New ANZ Wealth business created (including OnePath, Private Bank and Investment and Insurance) and management bench-strength improved
- Wealth NPAT down \$41m primarily due to reduced net interest income (repayment of loans)
- Other operating income higher due to insurance book growth and favourable claims experience offsetting higher funding costs and brokerage margin tightening
- Operating expenses flat HOH
- Strong growth across the insurance segments particularly in individual life
- Funds management growth subdued in difficult market conditions coupled with business transformation
- \$11m gross impact in General Insurance due to natural disasters (includes ex-gratia payments to policy holders).

Australia Division - Super Regional capabilities providing differentiated sources of growth

Retail Banking across Asia Pacific:

- From Asia Pacific:
 - 20% of new-to-bank customers
 - Biggest Australian bank in Asia Pacific
 - 1,000 customer referrals per month
 - Offshore account openings
- To Australia:
 - Specialist migrant branches
 - Language capabilities
 - Multi-lingual ATMS
 - Multi-lingual marketing

Commercial Banking across Asia Pacific:

- More than \$200b in trade flows between Aust/NZ and Asia
- Experts in cash-flow
- Specialist industry expertise
- Enhanced online payments
- Expertise in Renminbi markets
- Stakeholder relationships across the region

Case study: Leveraging regional retail connectivity through ANZ Migrant Banking channel

By 2015 15% of the Australian population will be of Asian origin and represent over 22% of the acquirable pool of new to bank customers

- Significant acquisition opportunities exist in pre-arrival and new-arrival migrant segments
- ANZ's pan-regional network ensures we are well placed to identify and assist clients ahead of their planned migration
- A specialist Migrant Banking channel developed to ensure and seamless referral process across regions
- Offering supported by a new 'Moving to Australia' online portal and account opening tool
- Currently have 18 specialist migrant branches and an additional 340 branches with targeted language capabilities, initiatives underway to increase the number of specialist branches during 2011.

Example



ANZ 澳新银行
Shanghai

- ANZ Relationship Manager identifies referral opportunity for a client relocating to Australia for work.



ANZ Migrant Banking

Referral provided to the ANZ migrant banking team.

ANZ Migrant Banking specialist:

- Determines specific language and financial needs of client
- Commences account opening and other necessary processes
- Identifies appropriate branch to be primary relationship point for client.



ANZ
Chinatown branch
Haymarket, Sydney

- Asian banking manager is introduced to client pre - departure.
- Meeting is arranged to occur upon arrival to finalise banking arrangements and address any other needs.



Case study: Building regional connectivity

ANZ's regional capability connects customers and creates revenue opportunities. The following is one example out of the 169 referrals made in the first quarter:

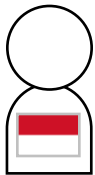
An Indonesian customer contacts their ANZ Indonesia Commercial Relationship Manager to talk about additional banking requirements they have in Australia.

ANZ Indonesia refers connects client with a Relationship Manager in ANZ Business Banking Australia.

A suite of banking facilities including \$1.2m in term debt are established.

Business Banking Relationship Manager also identifies trade requirements and connects client with a Trade Finance Specialist who arranges a further \$5.5m in facilities.

Customer



Indonesia RM



Australia RM



Trade Finance Specialist



ANZ Commercial Asia Presence

ANZ Commercial presence in 14 Asian markets with access to 281 Commercial frontline staff

- China
- Hong Kong
- South Korea
- Japan
- Singapore
- Indonesia
- Malaysia
- Thailand
- India
- Cambodia
- Vietnam
- Taiwan
- Philippines
- Laos

ANZ Commercial Australia

Access to 1.5k frontline staff across:

- 814 branches
- 202 business centres

Specialists in:

- Agribusiness
- Property
- Asset Finance

ANZ Institutional Expertise

Leverage ANZ Institutional's Asian Trade Finance and Markets expertise



Trade Finance House of the Year ('08, '09, '10)



Best Trade Bank in Australia & the Pacific (2009)

APEA - Business update and strategy

The APEA business continues to grow via organic build of customer relationships and core capabilities, and inter-connectivity across the network, together with Partnerships

Performance Highlights

- APEA derived revenue delivers an additional 3% of Group revenues over revenues earned in the APEA geography
- 6th in Asia-Pacific ex-Japan DCM market
- Five-fold increase in Wealth AUM PCP

Focused investment and increased cost efficiency drives continued revenue and profit growth

- Positive jaws despite high revenue growth and continued investment, including local incorporation in China, India branch build, further investment in Partnerships, and rollout of platforms such as Transactive Asia

Institutional business continuing to grow...

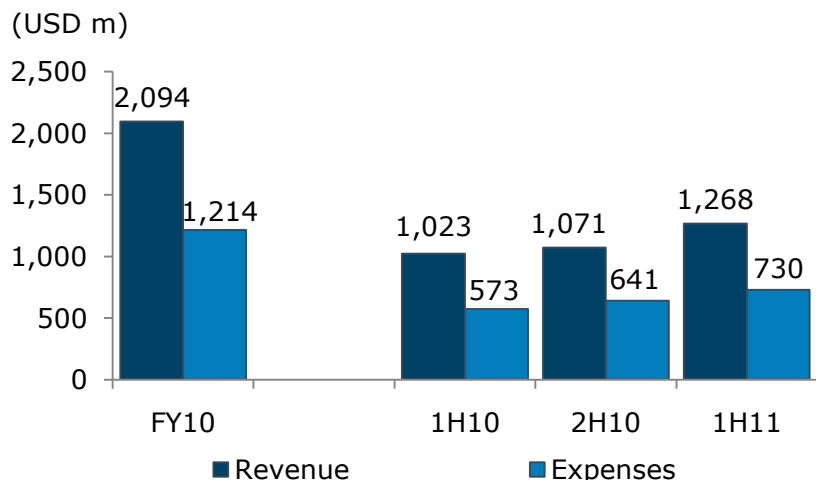
- Continuing to grow customer base and client penetration through increasing industry focus, build out of regional product suite and improved of relationship management
- Accelerating 'catch' and 'throw' model to capitalise on multi-national companies increasing business to/from Asia

...while Retail & Wealth, Private Bank and Commercial businesses growing in target segments

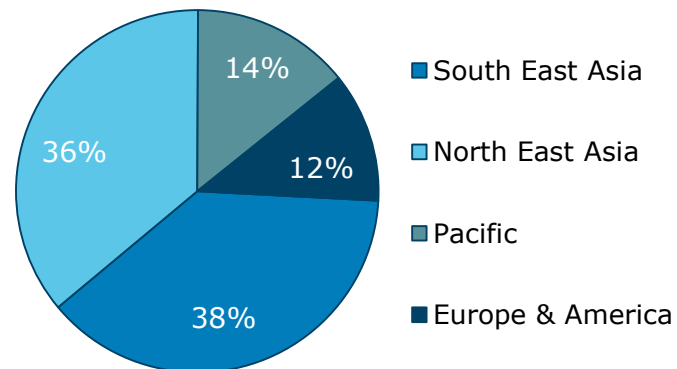
- RBS integration nearing completion - over 2.4m customers in Asia
- Launched Signature Priority Banking proposition in 8 countries
- Commercial build out focusing on customer acquisition and increasing management bench strength
- Growth in deposits a priority

APEA Division overview

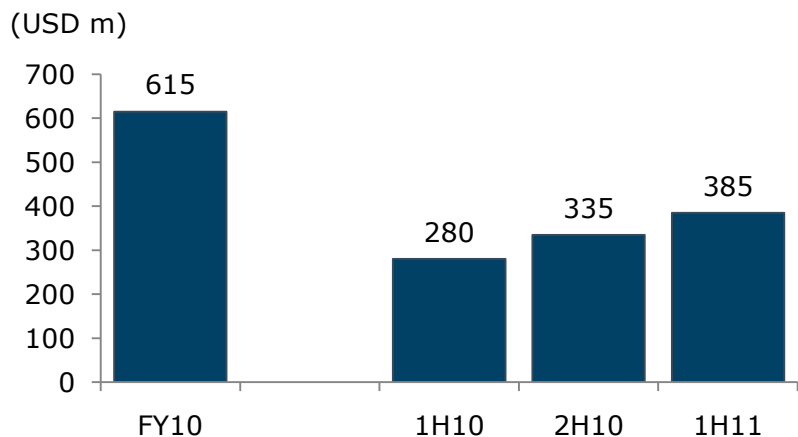
Pro forma revenue & expenses



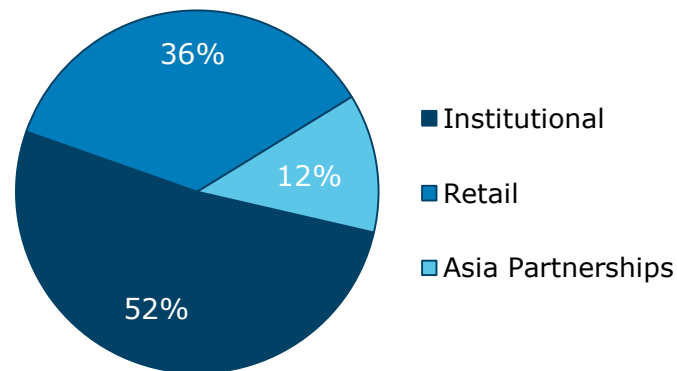
1H11 revenue by geography



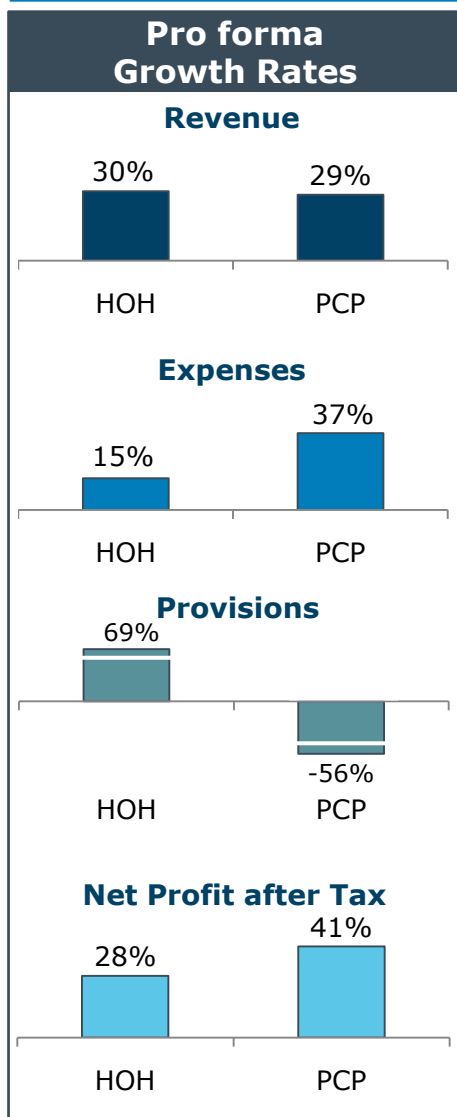
Pro forma NPAT



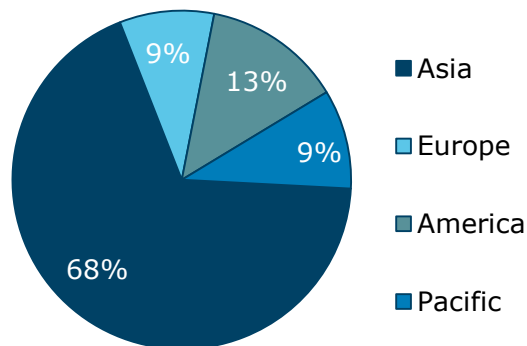
1H11 revenue by business



APEA Institutional

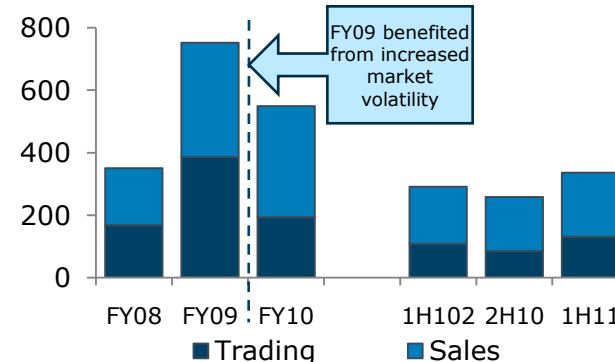


APEA Institutional revenue driven by Asia



Strong contribution by Global Markets

Underlying revenue (USD '000)



Continue momentum across the region

- ~600 new clients over last 12 months¹
- 23% lending growth and 28% deposit growth in 1H11
- Revenue contribution to Global Institutional increased to 26%

Ongoing investment in capability

- Global Markets platform and footprint
- ANZ Transactive cash management platform launched, with Singapore and Hong Kong on-line later this year
- Core banking platform development
- ~50 new products deployed into region

Increasing footprint, building connectivity

- Continue to invest in front line staff
- Expanding footprint in China, India, London and New York
- Continue to develop key markets of Indonesia, Singapore, Hong Kong and Japan

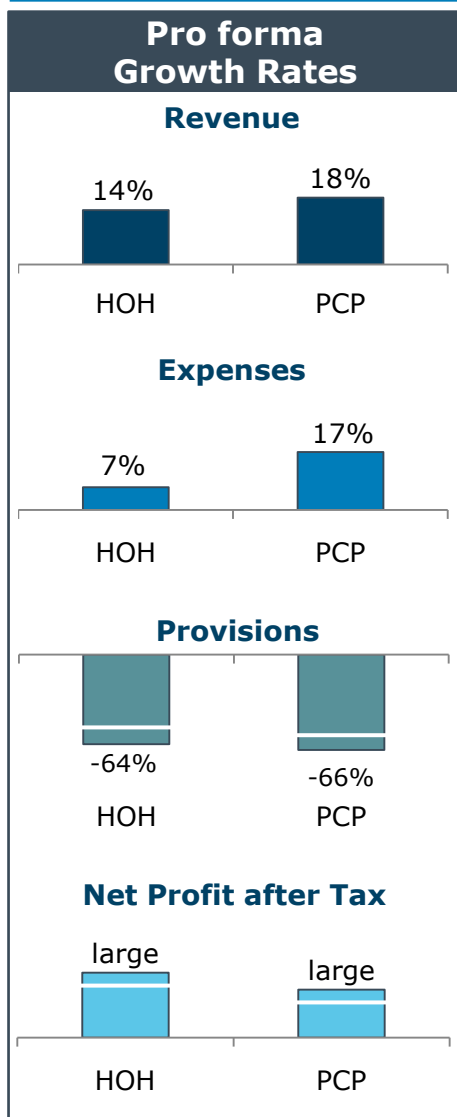
Ongoing sales momentum

- Industry specialisation
- Focus on product cross-sell and capturing intra Asia flows
- Diversifying business mix

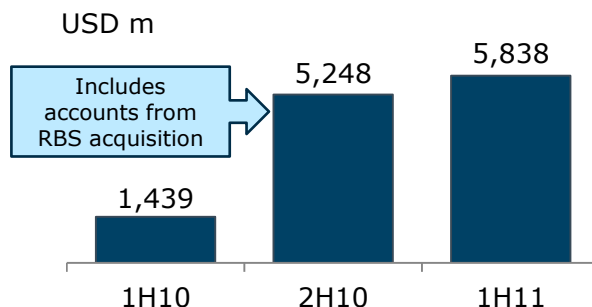
1. APEA includes Commercial Bank



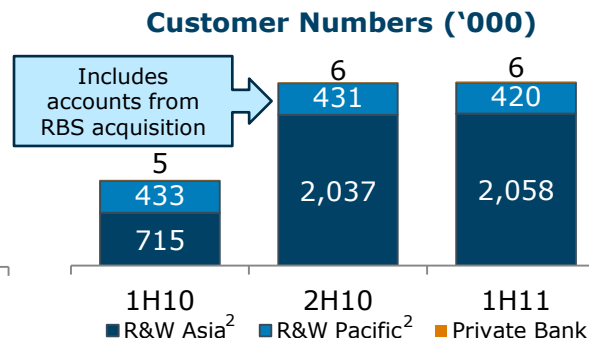
APEA Retail & Wealth



Growth momentum in Asian Wealth AUM¹



Significant customer build-out



Strong revenue growth in chosen customer segments

- 14% revenue increase HOH; positive JAWS
- Wealth AUM increased 11% HOH
- Focused acquisition on target segments; closed 82,500 accounts HOH

Customer Centricity

- Launched Signature Priority Banking in 6 Asian and 2 Pacific Countries
- Revamped sales incentive scheme - focus on customer satisfaction
- Expanded wealth management products (added 700+ products HOH)
- Launched mortgages in Singapore, Taiwan & Indonesia

Connectivity

- Focus on deposits / cross-sell of wealth management products
- Leveraging of strategic partnerships, e.g. Singapore Airlines

Channels

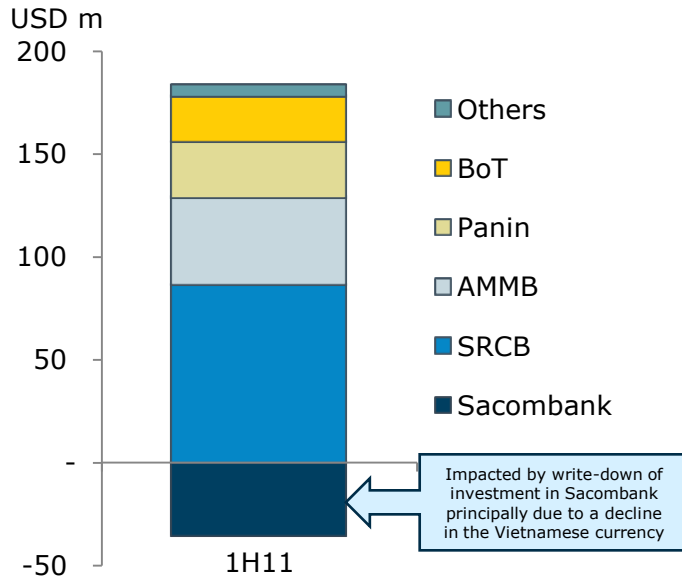
- Updated website look-and-feel
- Established standardised service levels for call centres
- Launched mobile banking application on iPhone in Taiwan

1. Assets Under Management (AUM); 2. Retail & Wealth (R&W);



Asia Partnerships' contribution continues to be significant

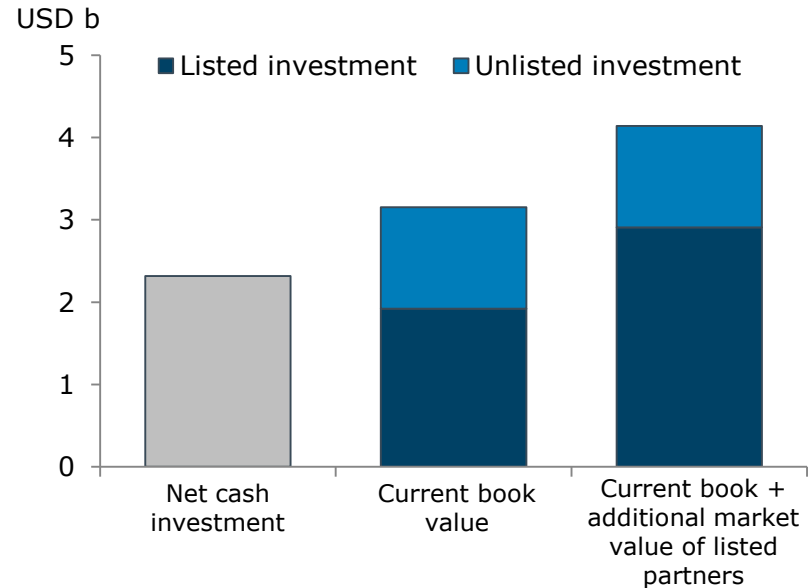
Partnership contribution to APEA NPAT



Profit contribution remained significant

- Sacombank impairment charge taken in 1H11 with weak Vietnamese Dong and share price
- Key Partnerships delivering majority of profit

Growth in value in Partnerships ANZ share as at (31 March 2011)



Driving outperformance

- Continue to add value to Partnerships through infusion of ANZ talent and skills to "outperform"
- Invest in expansion opportunities at appropriate times and as price, policy and regulations allow

Note: AMMB Holdings Berhad (AMMB), Shanghai Rural Commercial Bank (SRCB), P.T. Bank Pan Indonesia (Panin), Bank of Tianjin (BoT) and Saigon Thung Tin Commercial Joint-Stock Bank (Sacombank)

New Zealand – simplifying structure, systems and processes

Simplifying our structure to be more customer focused

- **Management structure change will deliver greater external focus and faster decision making while reducing costs**
 - Moved from six national management structures to three across Retail, Business Banking and Commercial & Agri
 - Business Banking now a standalone specialist business
 - Commercial and Rural Businesses merged to form Commercial & Agri, broadens service provided to agricultural sector
- **Four distinct regions created & aligned across segments to bring decision making closer to customer**

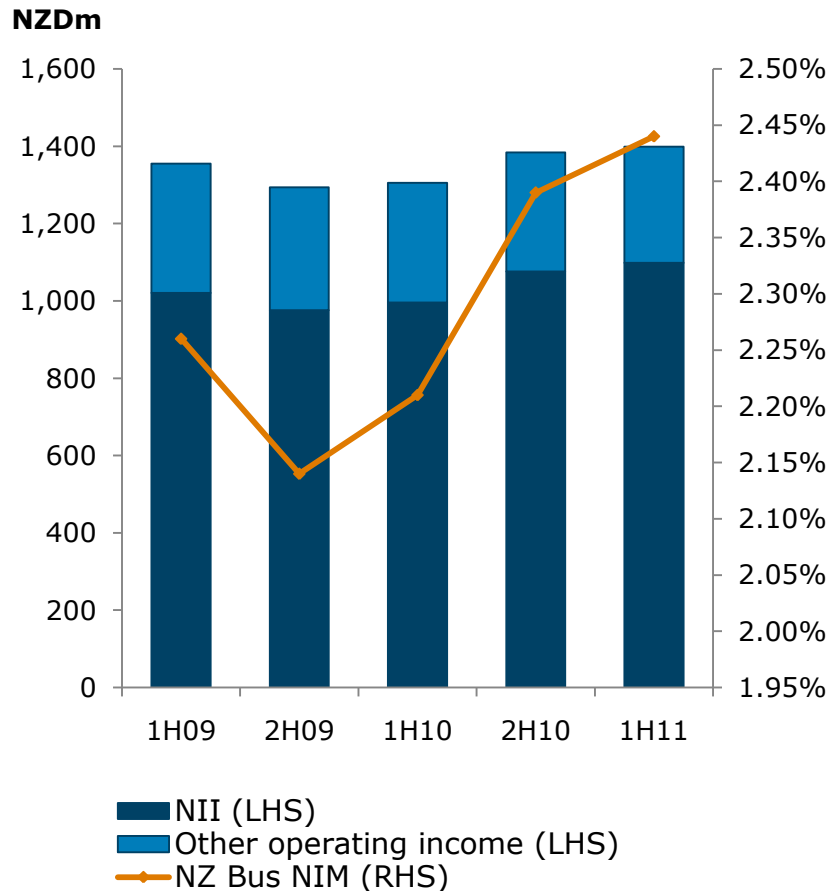
Simplifying systems, products and processes

- **Moving to a single technology platform will drive efficiencies and improve customer experience**
- **A NZD98 million post tax significant item charge related to this project is reflected in the half year accounts**
- **Single refreshed core banking platform & single set of channel platforms**
- **Removing product duplication to provide a simplified, market competitive product suite**

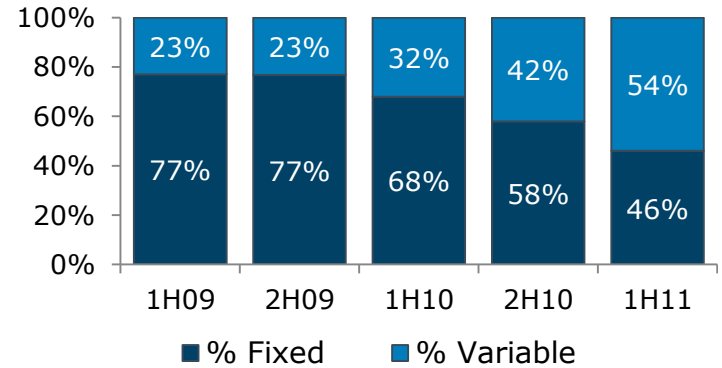


New Zealand Businesses – Revenue composition

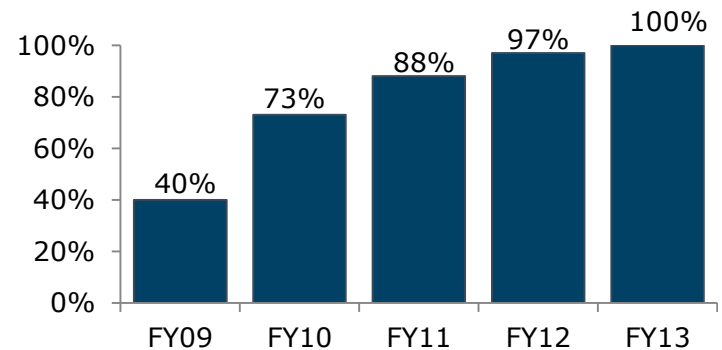
NZ Businesses Pro forma Revenue Composition (NZDm)



Mortgage portfolio composition



Mortgage portfolio repricing profile % of portfolio repriced

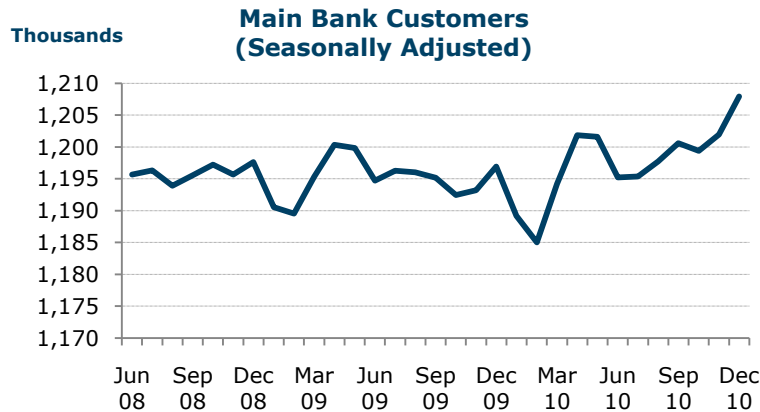


New Zealand – Retail & Wealth

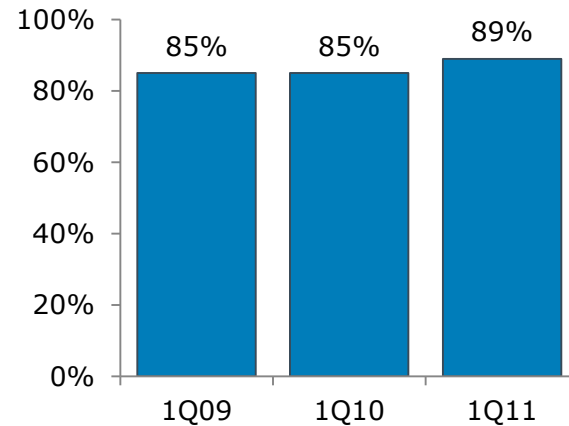
Well managed business in a subdued economy

- Strong NPAT growth driven by significant decline in provisions both HoH and PCP
- Revenue has absorbed ~1% PCP impact of exception fee reductions effective 1st December 2009
- Expenses well managed down 4% HoH
- Share of new mortgage business increasing in <80% LVR market
- The ongoing repricing of the Fixed Mortgage book estimated 73% complete at FY10 with a further 15% to reprice during FY11
- Integration of OnePath into Wealth business progressing well - 20% share of new life risk business for the March quarter, market-leading KiwiSaver provided with \$1.95b FUM and 24% market share

Changes to fees and launching market leading products has restored customer growth



ANZ brand customer satisfaction at historic highs¹



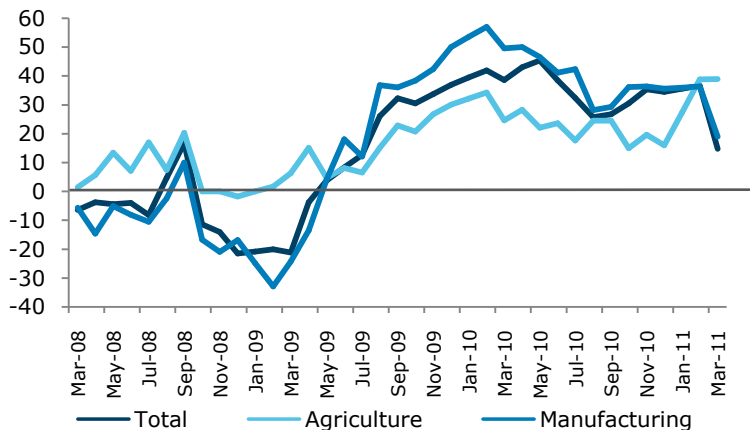
1. Nielsen CFM survey

New Zealand – Commercial & Agri

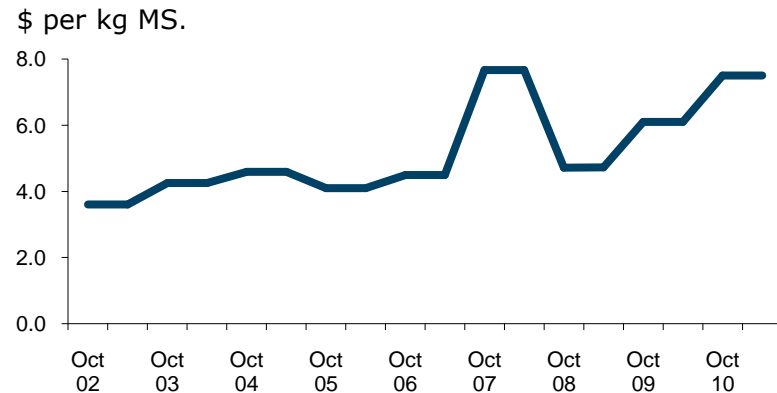
Successful consolidation of the Agri division into Commercial division now better placed to support customers growth

- New Zealand Commercial business now comprises of Commercial division, Agri division and Business Banking
- Guiding customers through the current challenging economic cycle via customer learning forums
- Super Regional strategy continues to support New Zealand business' regional growth aspirations, e.g. Transactive platform enables seamless Trans-Tasman banking; first Australasian bank to complete Chinese RMB deal
- Reduction in lending due to increased Fonterra payouts, and continued debt reduction in market
- Maintaining good cost management disciplines

Activity Outlook Index¹



Dairy Milk Payout/Price²



² National Bank Business Outlook March 2011

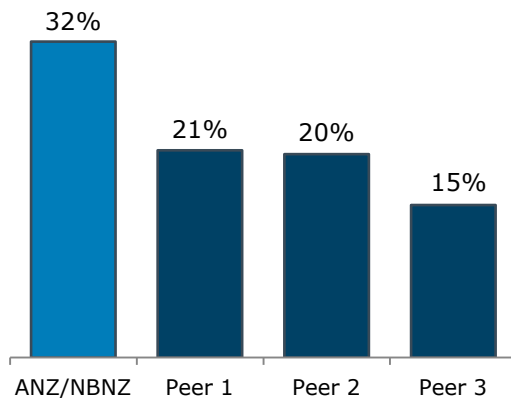
³. ANZ National Bank

New Zealand – Business Banking

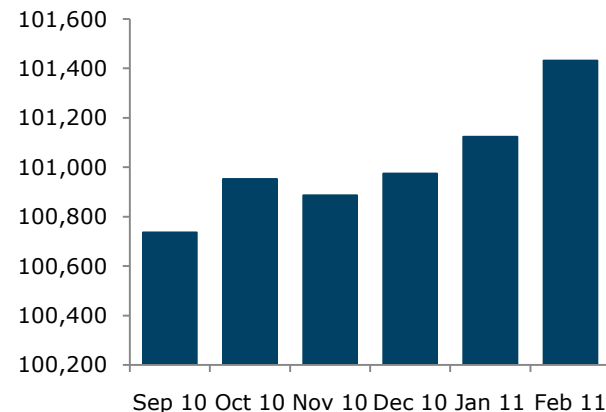
Establishment of a standalone specialist business bringing a new level of focus to managing small business customers

- FUM and revenue growth solid in a subdued market
- Strong NPAT growth and a significant decline in provisions evident in the HoH and PCP outcomes
- Investment in frontline roles to grow the business has been managed through other cost savings, leaving expenses largely flat
- Customer Satisfaction has improved across both Brands in the last 6 months¹

One third of the SME market in NZ has a banking relationship with ANZ¹



Business Banking has seen steady growth in customer numbers over the half year



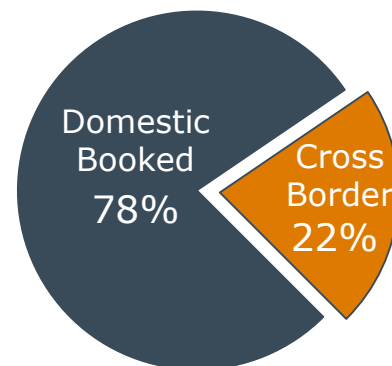
1. Source: TNS Conversa

Institutional Division

Making Clear Progress on our Strategy

- **Growing our client base and diversifying our geographic mix:**
 - Brought on 676 new Institutional, Corporate and Financial Institutions clients in the past half, a 10% increase HOH
 - ANZ recognised as “One of the Fastest-growing corporate banks in Asia” in the Greenwich Associates’ 2011 Large Corporate Banking Survey
 - 28% of total lending now in APEA, up from 21% in 2009
- **Investing in support infrastructure:**
 - ANZ Transactive Trans-Tasman cash management platform launched, with Singapore and Hong Kong on-line later this year – 3,241 client sites activated for ANZ Transactive in Australia and New Zealand
 - New capabilities have been introduced including new FX liquidity and rates platforms
 - Core Market Risk and Credit Risk capabilities are in the process of being enhanced
- **Strengthening our relationships:**
 - Further strengthened our position in Australia and New Zealand relationships as measured by Peter Lee Associates¹
- **Making progress in our priority sectors of resources, agriculture and infrastructure:**
 - Lead Arranger and book-runner for Woodside’s \$1bn Syndicated Term Loan Facility
 - Sole arranger of AUD475m Emerald grain repurchase syndication

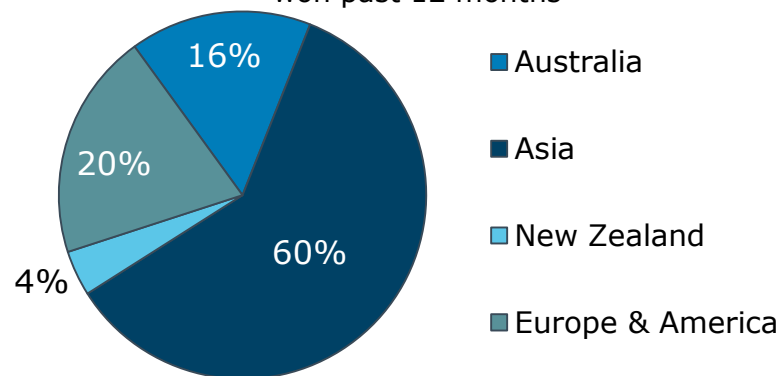
Growing connectivity driven revenue



Cross border revenues up 10% PCP

Growing and diversifying regional client base

Geographic Mix of new clients won past 12 months



1. Based on ANZ’s Relationship Strength Index scores in the Peter Lee Associates Large Corporate and Institutional Relationship Banking Survey – Australia and New Zealand 2009 and 2010.

Institutional - laying foundations for the future

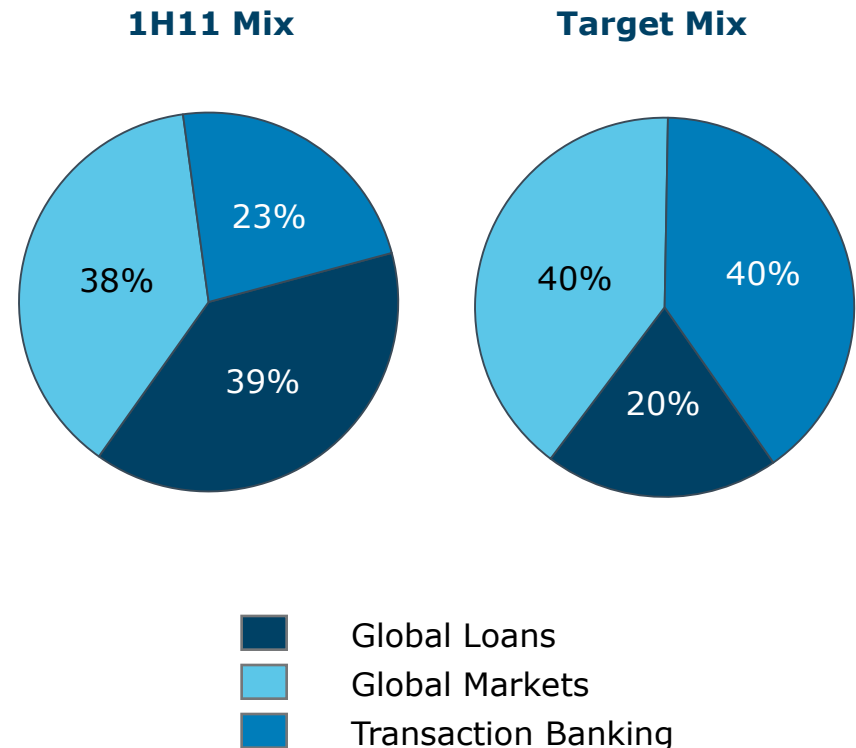
Foundations Laid

- Strengthened the Institutional Leadership Team, additional team members with international experience
- Starting to execute the technology and operations roadmap
- Improving capital discipline
- Exiting non-core businesses
- Delivering record pre provision profits
- Substantive progress in remediation completion

Clear Goals Set

- To become the bank of choice for Resources, Agribusiness and Infrastructure in the region
- Building leading cash, trade and markets platforms with capabilities across Australia, New Zealand and Asia
- Building out new (material) revenue streams in transaction banking, trade, FX, DCM and commodities, relative to our historic reliance on rates, balance sheet trading and lending
- Targeting significant growth in customer relationships
- Generating well balanced and sustainable earnings across geographies and segments

Revenue Contribution by Product



Priority segments

Natural Resources

- Well positioned to develop a super regional natural resources business linking Australian producers with Asian processors and consumers
- Strong Australian natural resources client base and an established and growing network in Australia
- Clients of our natural resources group account for 4% of our Risk Weighted Assets
- The weighted average client credit rating (CCR) of our natural resources client base is 4.3

Agriculture

- Growing demand from Asia for soft commodities
- Primary emphasis on providing Markets, Working Capital and supply chain solutions
- Focus on capturing an increased share of clients' wallet as well as banking selected new names

Infrastructure

- Maintain dominant position in Australia and NZ and invest selectively in Asia
- Infrastructure specialists, by adding Advisory, Equity placement, underwriting and DCM to lending and markets capabilities
- Focus on power and utilities corresponding with Asia demand in this category
- Segments include Power & Utilities, Economic Infrastructure (roads, airports etc) and Availability Infrastructure

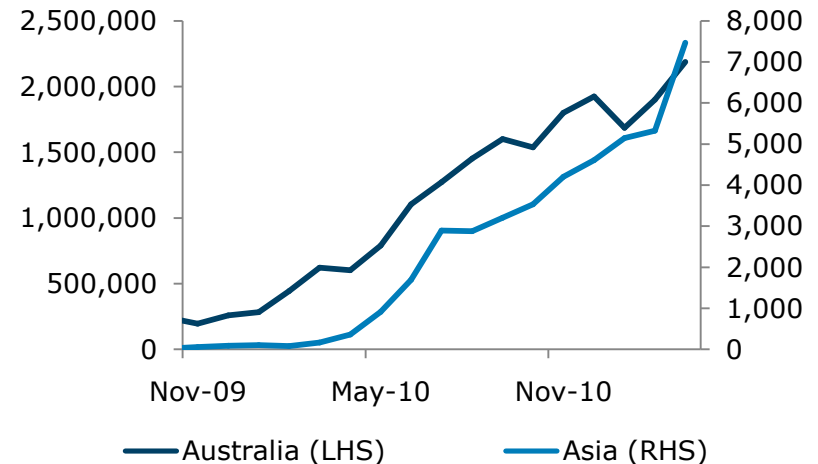
Financial Institutions & Public Sector

Priority products – Cash management & Trade

Payments & Cash Management

- Vision to be a lead provider of pan-regional cash management solutions via a single transactional interface
- Launched ANZ Transactive across Australia in January 2009 and Trans-Tasman platform February 2011
- ANZ Transactive Asia also launched into eight Asian countries during 1H11, and currently has ~3,500 registered clients
- ANZ Transactive monthly transaction volumes up 27% in the first half of 2011

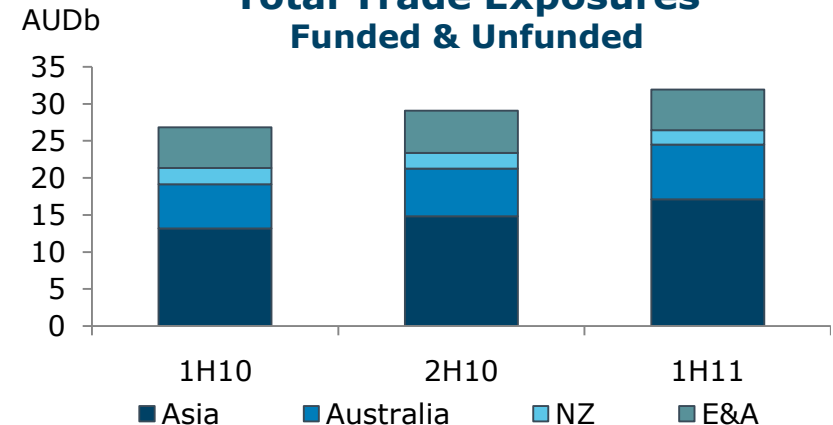
ANZ Transactive Monthly Transaction Volumes



Trade & Supply Chain

- Support trade flows in core operating geographies by building on strong market position in Australia and establish presence as a trade bank in Asia
 - Awarded best trade bank in Australia by Global Finance, Insto and Global Trade Review magazines
 - One of the Top 5 trade banks in the Asia Pacific region
- Completed AUD475M Syndicated Warehouse Finance Repurchase Facility - the first ever in the global market place

Total Trade Exposures Funded & Unfunded



Priority products – Global Markets

Borrowers

Seeking access to low cost capital and related hedging

- Corporates
- Financial Institutions
- Public sector

Global Markets

- Research and advice
- Loan syndication
- Bonds
- Securitisation
- Hedging

Investors

Seeking diverse and quality credit exposure

- Wholesale (funds
- insurers)
- Public sector

Regional Rates and FX

- Largest domestic markets business
- Aus/NZ/Pacific Niche, opportunity to expand into Asian currencies & clients (to become Asian USD specialist)
- FX revenues growing at 40% p.a since 2007
- Rates revenues growing at 75% p.a since 2006
- 5 key rates components & natural growth opportunities: hedging client interest rates, hedging client currency futures and swaps, selling investors Gvt. and Semi Gvt. Bonds, rates and credit trading, and managing ANZ's balance sheet

Debt Capital Markets

- Uniquely positioned with Super Regional strategy, with significant Asian Capital Market revenue pools
- Borrower / investor multiplier effect
- We raise more debt capital in Asia for Australian and New Zealand borrowers than anyone else

Commodities

- Commodity revenue split:
 - Hedging exposures of commodity producers and consumers ~60% of revenue
 - Trading customer flows ~40%
- Growth opportunities include capturing hedging opportunities in domestic agri/middle market and commodity consumers in Asia

Institutional - Our future focus

The best bank in the world for clients with trade and capital flows across the region, particularly for those in the Natural Resources, Agriculture and Infrastructure sectors

- Supported by an expanded FI business, with more income from Funds, and with less reliance on the Property sector

A more balanced and more annuity-like portfolio in terms of products and geographic coverage

- A top 4 regional Trade bank
- A regionally connected online cash platform across 15 markets
- A top 3 provider of AUD, NZD FX and Rates and a top 10 provider of local Asian FX and Rates for regional Corporate clients
- A top 3 debt issuer in Australia, Hong Kong and Singapore with US PP capability
- Strong commodities and equities businesses, generating ~\$300m in revenues between them
- A lower reliance on Lending and Trading

3-5 markets beyond Australia and NZ with more than 5% market share and a broader footprint beyond Asia to serve our priority clients

- Retain our leadership position in Australia and NZ
- Focus on 8 priority markets in Asia (Greater China, India, Singapore, Indonesia, Korea, Malaysia – targeting more than \$100m in NPAT)
- Rep offices in ~3 new markets
- 40%+ of 'total effort revenues' from cross-border



Investor Discussion Pack

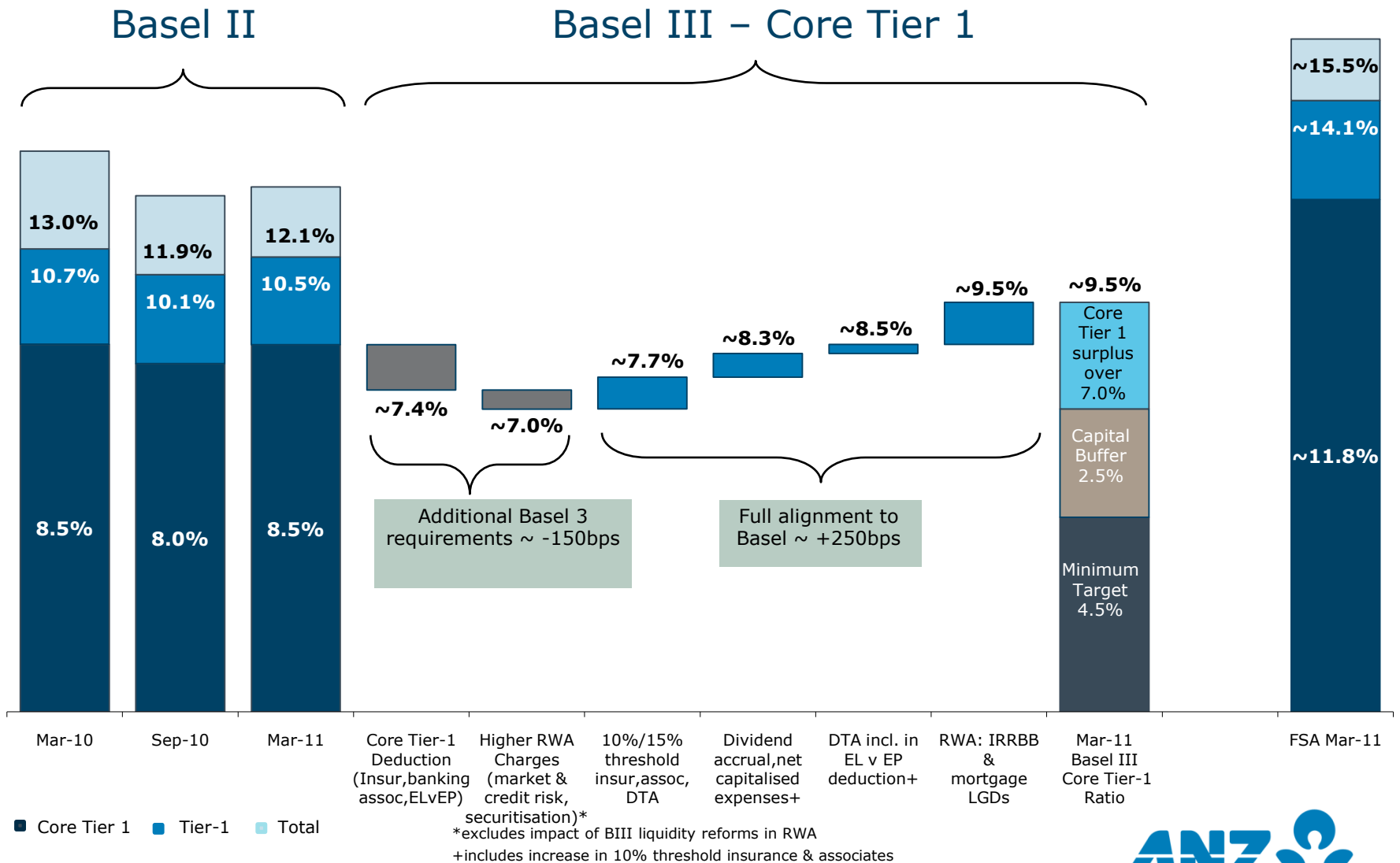
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

June 2011

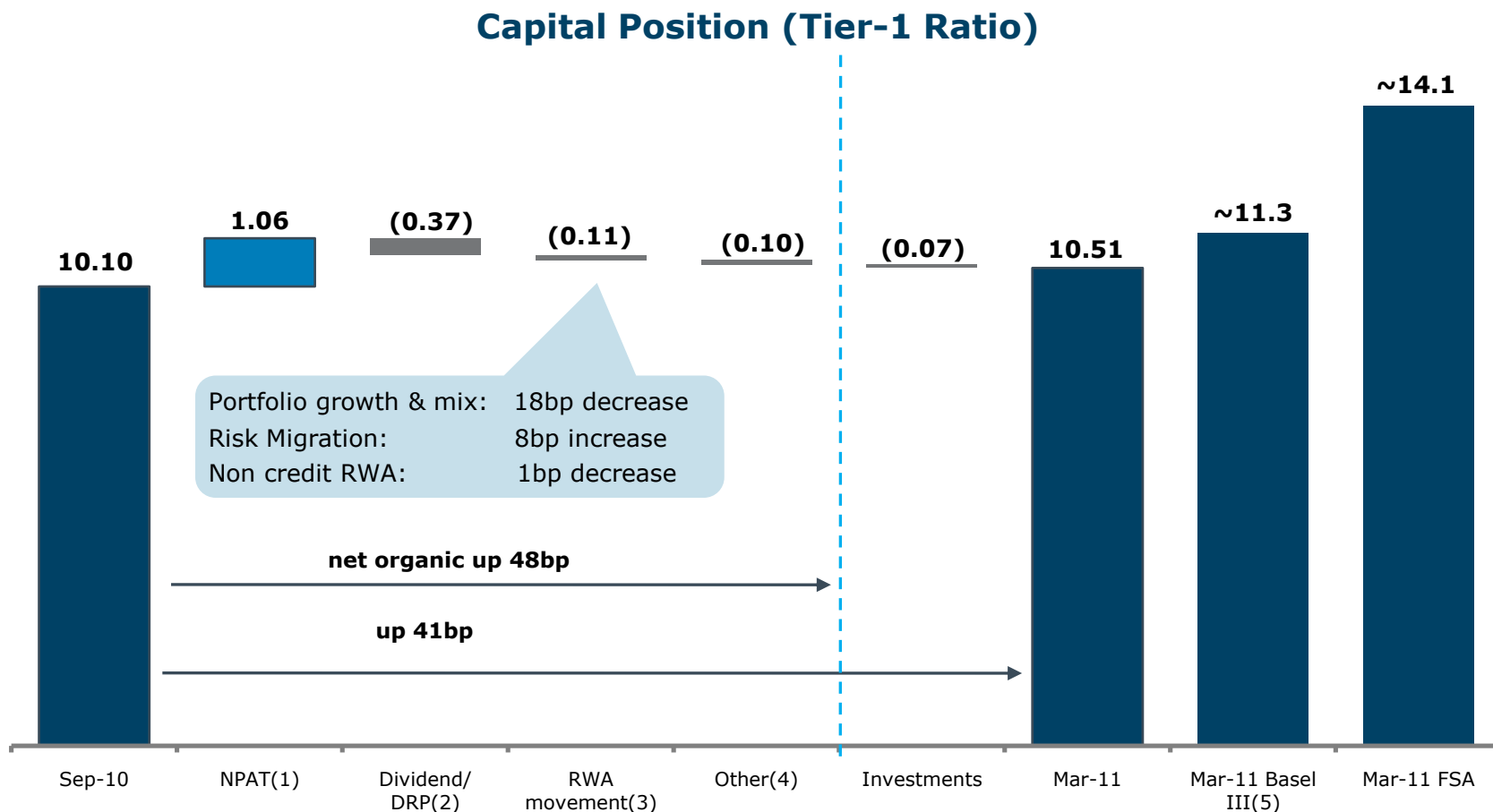
Treasury



ANZ well capitalised and positioned to manage transition to Basel III



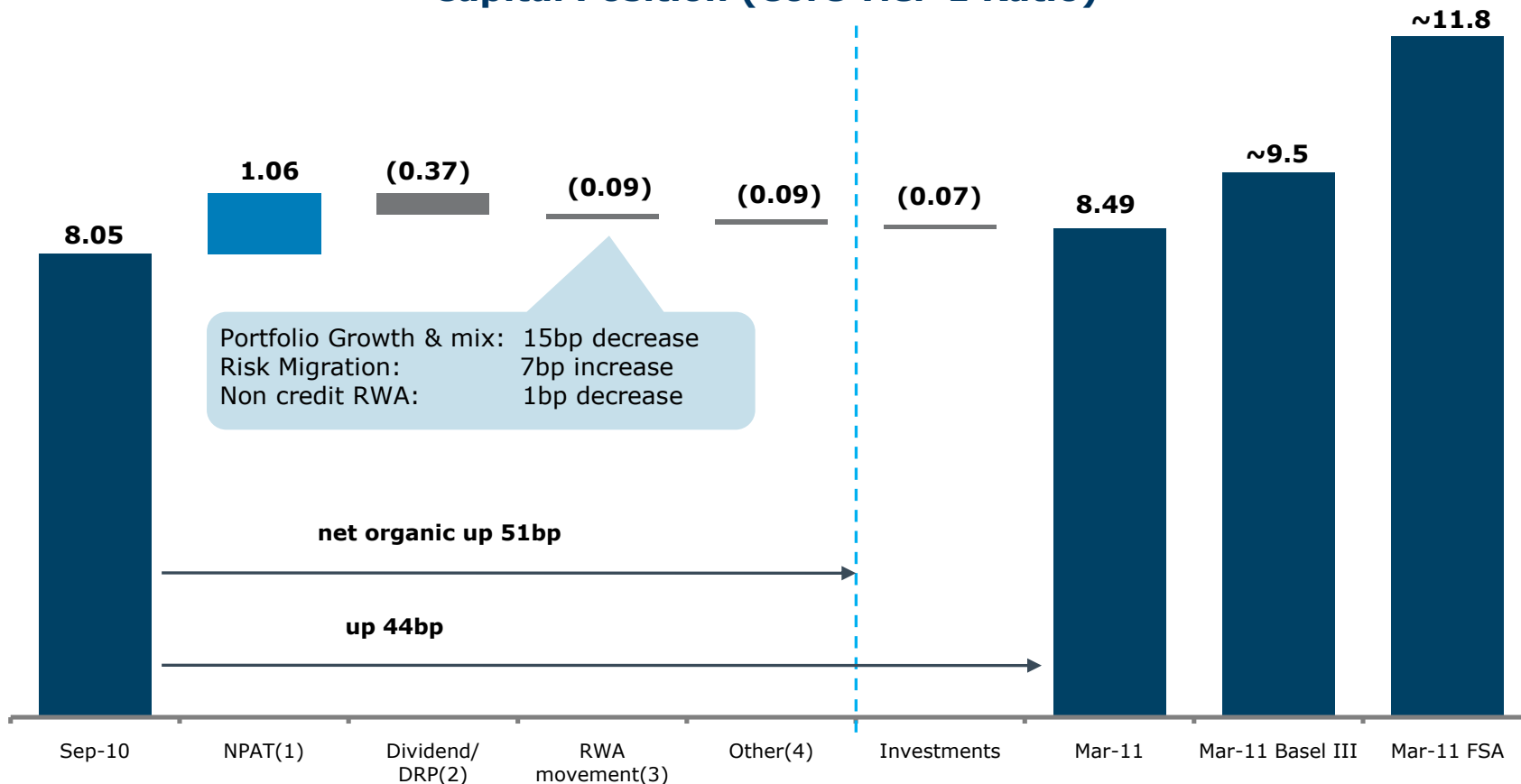
Tier-1 position continues to strengthen with solid organic capital generation



1. Underlying NPAT. 2. Includes prior period under-accrual of DRP . 3.Includes impact of movement in Expected Loss versus Eligible Provision excess. 4. Includes OnePath Insurance Business, Asian Banking Associates, Non-Core NPAT items, Capitalised Costs and Software, FX, Net Deferred Tax Assets, Pensions, MTM gains on own name included in profit. 5. Includes 10% reduction in hybrid Tier-1 volumes.

Solid organic capital generation underpins strong Core Tier-1 position

Capital Position (Core Tier-1 Ratio)



1. Underlying NPAT. 2. Includes prior period under-accrual of DRP . 3.Includes impact of movement in Expected Loss versus Eligible Provision excess. 4. Includes OnePath Insurance Business, Asian Banking Associates, Non-Core NPAT items, Capitalised Costs and Software, FX, Net Deferred Tax Assets, Pensions, MTM gains on own name included in profit

Reconciliation of ANZ's capital position to FSA Basel 2 guidelines

APRA regulations are more conservative than current FSA regulations, in that APRA requires:

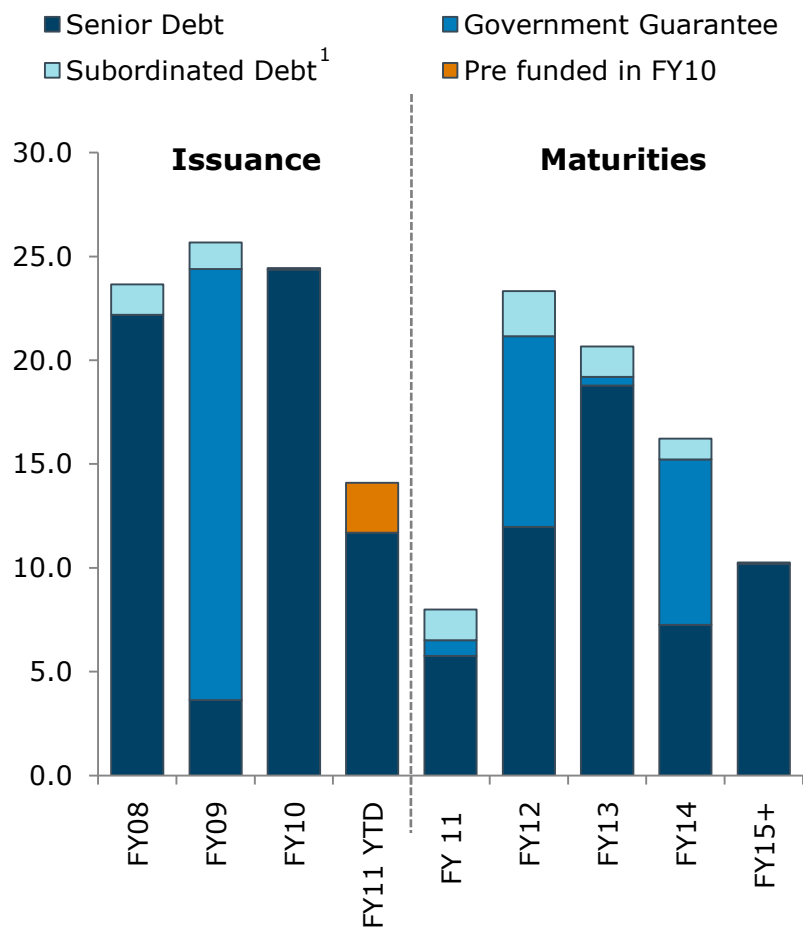
- A 20% Loss Given Default floor for mortgages (FSA: 10% floor)
- Interest Rate Risk in the Banking Book (IRRBB) included in Pillar I risks (FSA: Pillar II)
- Capital deductions for investments in funds management subsidiaries (FSA: RWA assets)
- Insurance subsidiaries to be a mixture of Tier 1 and Tier 2 deductions (FSA: transitional regulations permit Total Capital deductions under certain circumstances)
- Expected dividend payments (net of dividend reinvestments) to be deducted from Tier-1 (FSA: no deduction)
- Collective Provision to be net of tax when calculating EL v EP deduction (FSA: tax effect difference between EL and EP on gross basis)
- Associates to be a mixture of Tier-1 and Tier-2 deductions (FSA: permits proportional consolidation under certain circumstances)

	Core Tier-1	Tier 1	Total Capital
Mar-11 under APRA standards	8.5%	10.5%	12.1%
RWA (Mortgages, IRRBB)	1.4%	1.6%	1.8%
OnePath Funds Management and Life Co. businesses	0.9%	0.9%	0.3%
Interim dividend accrued net of DRP & BOP	0.4%	0.4%	0.4%
Expected Losses v Eligible Provision	0.2%	0.2%	0.3%
Insurance subsidiaries (excluding OnePath businesses)	0.2%	0.2%	0.0%
Investment in associates	0.2%	0.2%	0.4%
Other ¹	0.0%	0.1%	0.2%
Total adjustments	3.3%	3.6%	3.4%
Mar-11 FSA equivalent ratio	11.8%	14.1%	15.5%

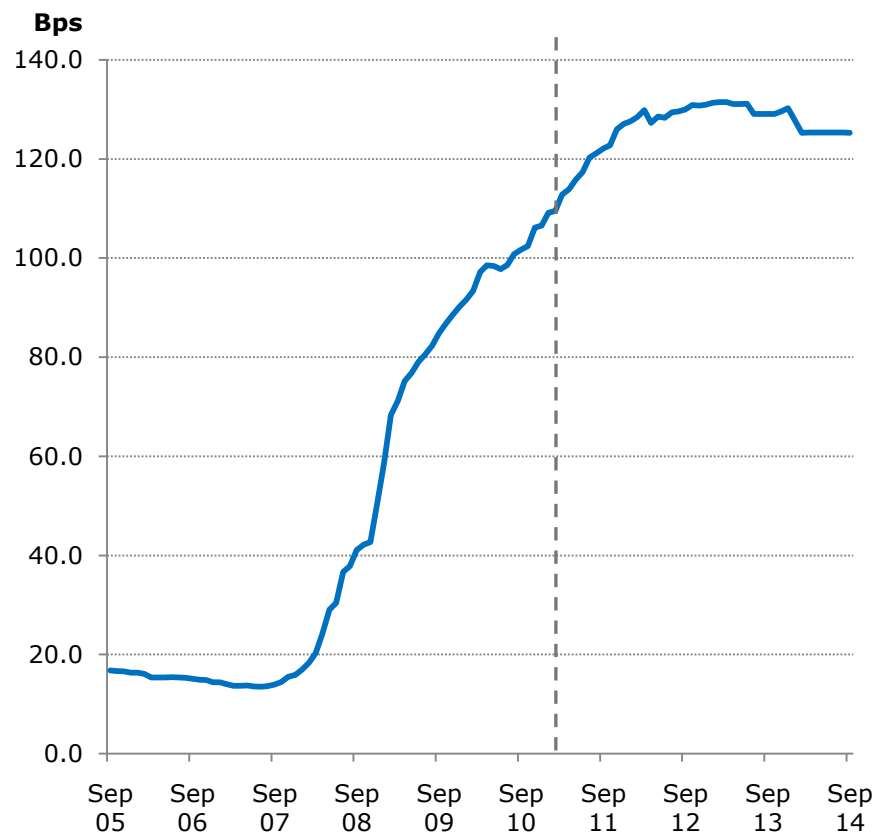
1. Other includes Net Deferred Tax Assets, Capitalised Expenses, Deferred Income and roundings.

Stable term debt issuance, portfolio costs continue to increase

Stable term funding profile



Portfolio term funding costs continue to increase as pre 2008 debt reprices



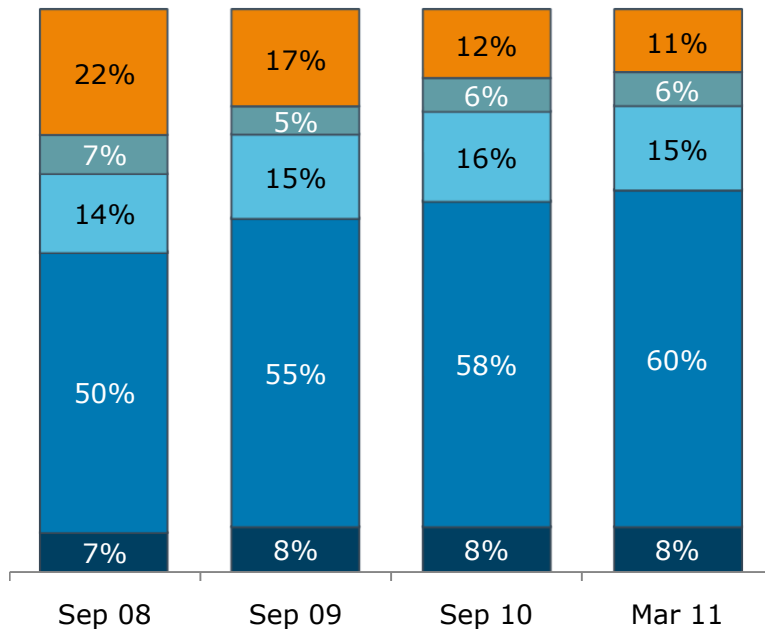
¹ Excludes perpetual debt

ANZ's has a well diversified and improved funding profile

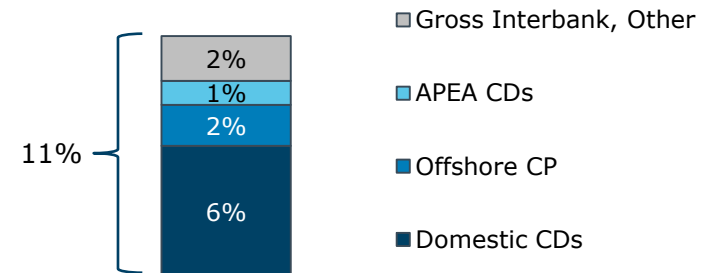
85% of FY11 term funding task complete as at May 2011

Strong Funding Composition

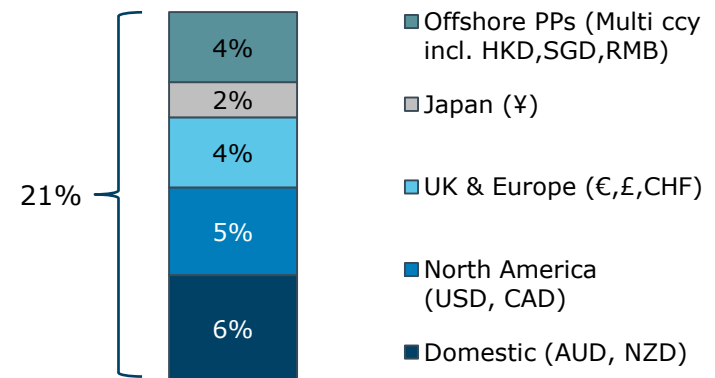
- Short Term Wholesale Funding
- Term Debt < 1 year Residual Maturity
- Term Debt > 1 year Residual Maturity
- Customer Funding
- Shareholders equity & Hybrid debt



Minimal offshore short-term wholesale funding; Offshore CP accounts for <2% (~\$8.6b)

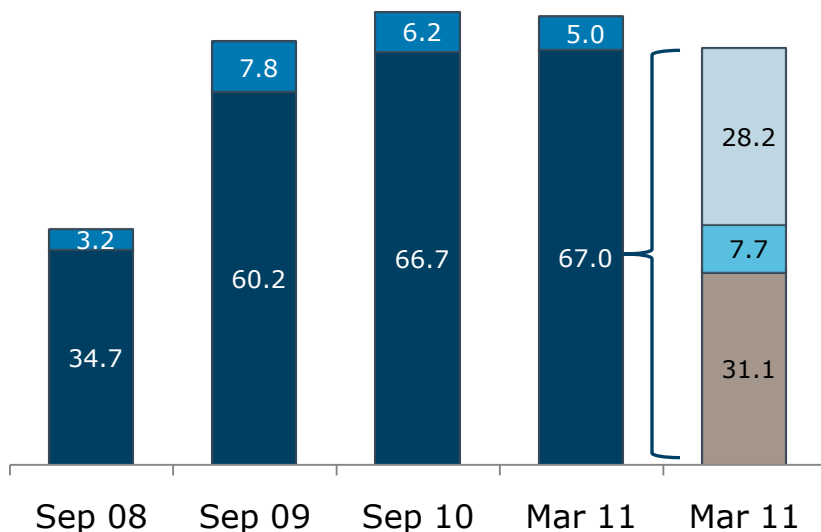


Well diversified term wholesale funding portfolio



Solid Liquidity position however B3 liquidity requirements remain uncertain

Strong liquidity position (\$b)



■ Prime Liquidity Portfolio

■ Other Eligible Securities

■ Class 1 - AAA & Cash

■ Class 2 - AA or better

■ Class 3 - Internal RMBS

Recent Basel III Developments

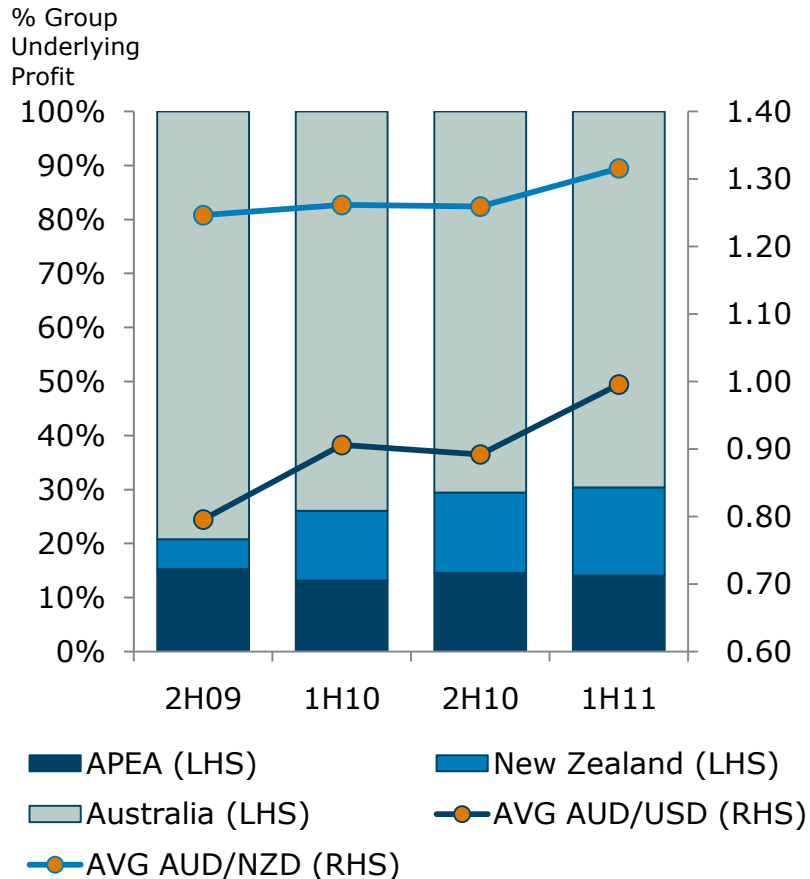
- The implementation of the new B3 liquidity requirements remains subject to consultation and clarification
- Key Definitions including Financial Institutions and Operational Deposits remain outstanding and are likely to be clarified by APRA later in 2011
- Given the lack of eligible liquid assets in Australia, APRA will allow banks to meet their LCR requirements through a committed liquidity facility at the RBA backed by repo eligible stock
- The banks will pay a fee for this facility in line with cost of holding B3 eligible liquid assets

Timing / Next steps

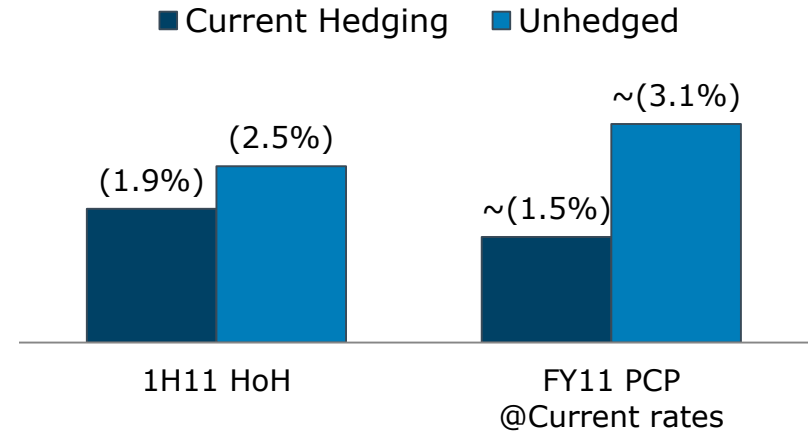
- Extended transition period with implementation of the LCR expected in 2015
- Final quantum of the LCR shortfall will depend on exact definitions adopted and product innovation and development during the transition period
- Expected NSFR implementation in 2018

Foreign Exchange impacts

Earnings Composition by Region & Average Translation Rates



EPS Impact



- Hedge profits partially mitigated the impact of AUD strength on 1H11 earnings
- For 2H11, hedges are in place to cover ~60% of NZD, USD and other significant currencies - each 5% appreciation of the AUD negatively impacts FY11 EPS by ~0.3%
- FY12 FX headwind estimated to be ~1%, with ~60% of USD and other significant currency exposures hedged at an equivalent AUD/USD rate of 0.97, however only modest NZD hedges in place

Investor Discussion Pack

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

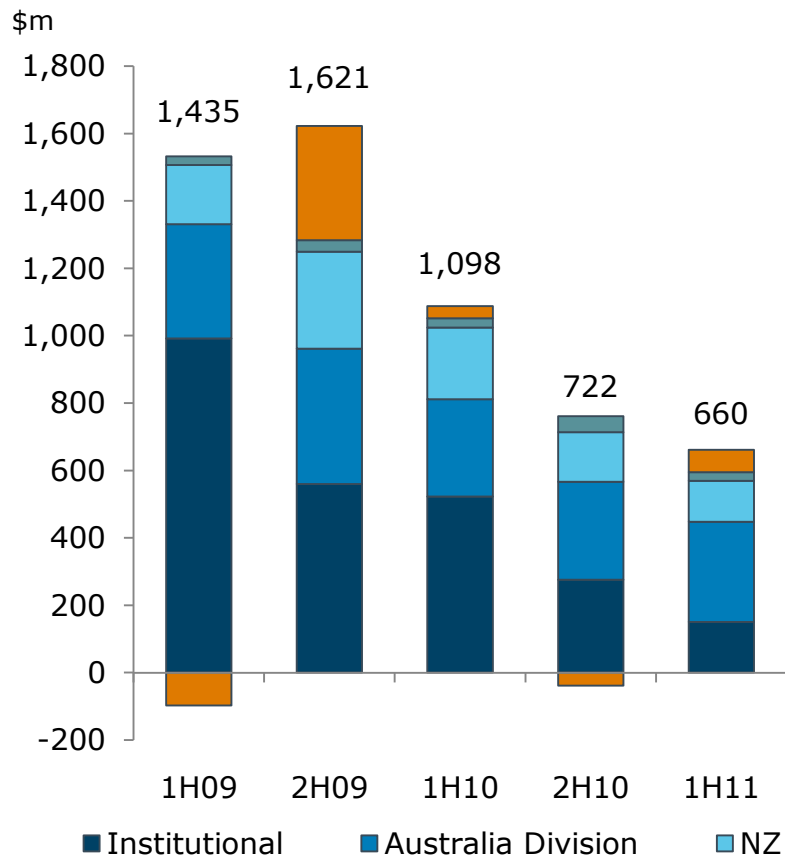
June 2011

Risk Management

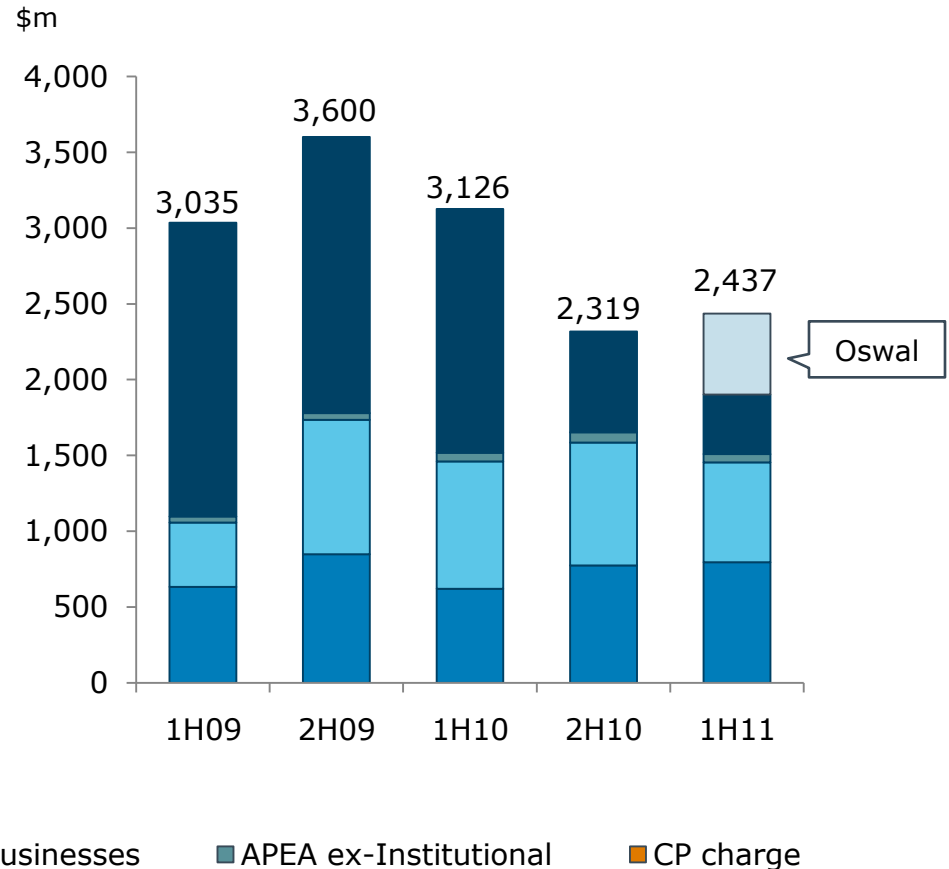


Provision Charge and Impaired Assets

**Total Provision Charge
(IP charge by Division, total CP charge)**

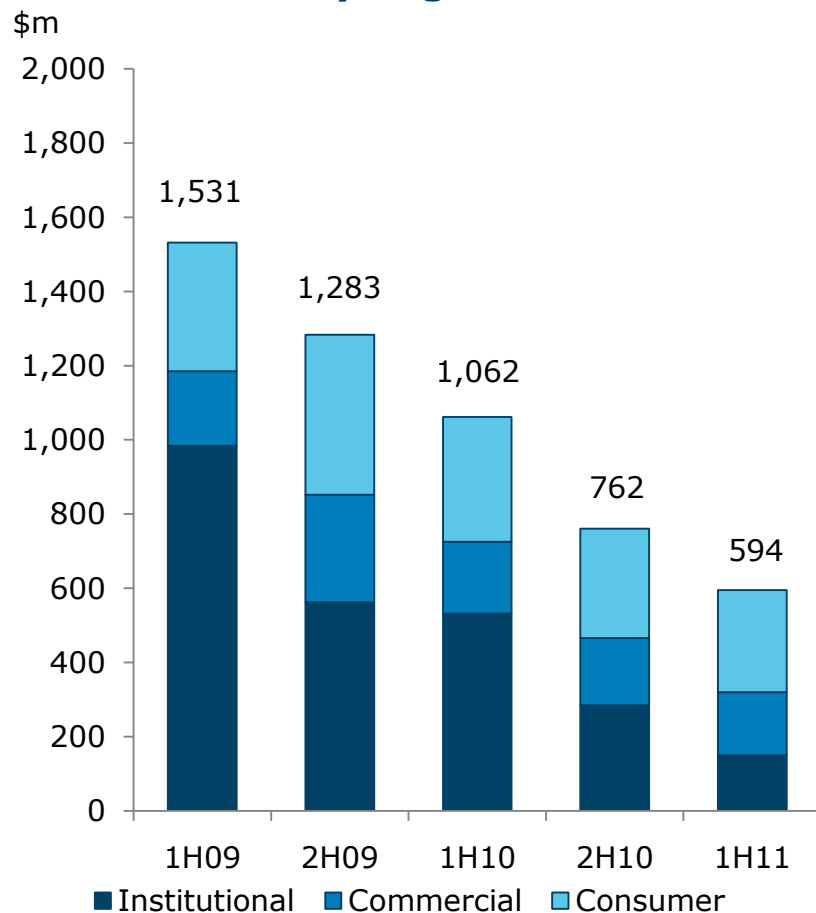


**New Impaired Assets
by Division**

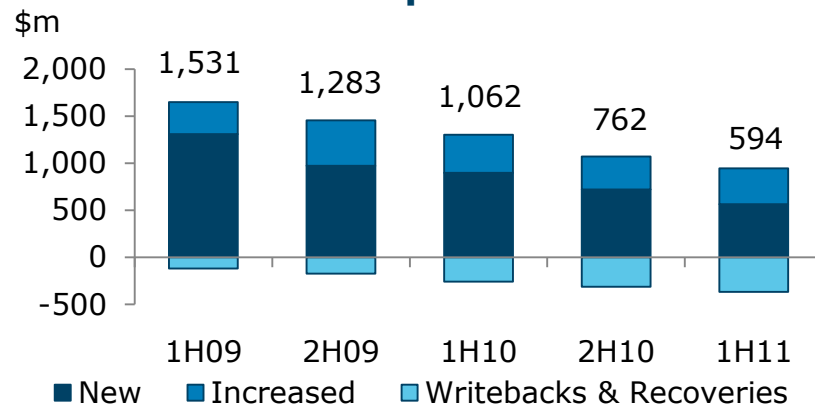


Individual Provision Charge

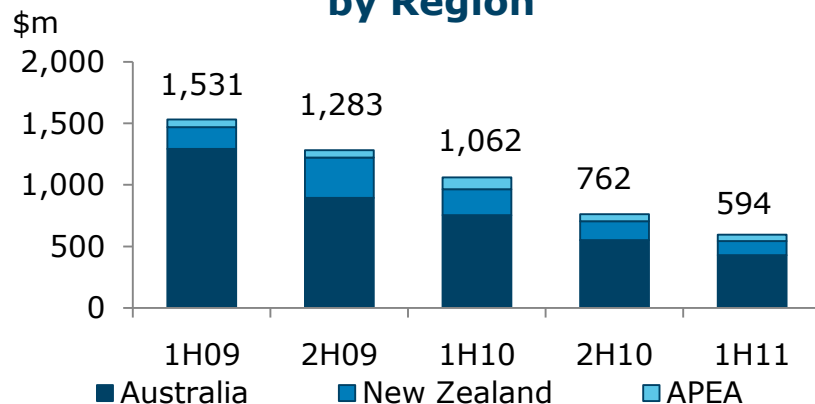
Individual Provision Charge by Segment



Individual Provision Charge composition

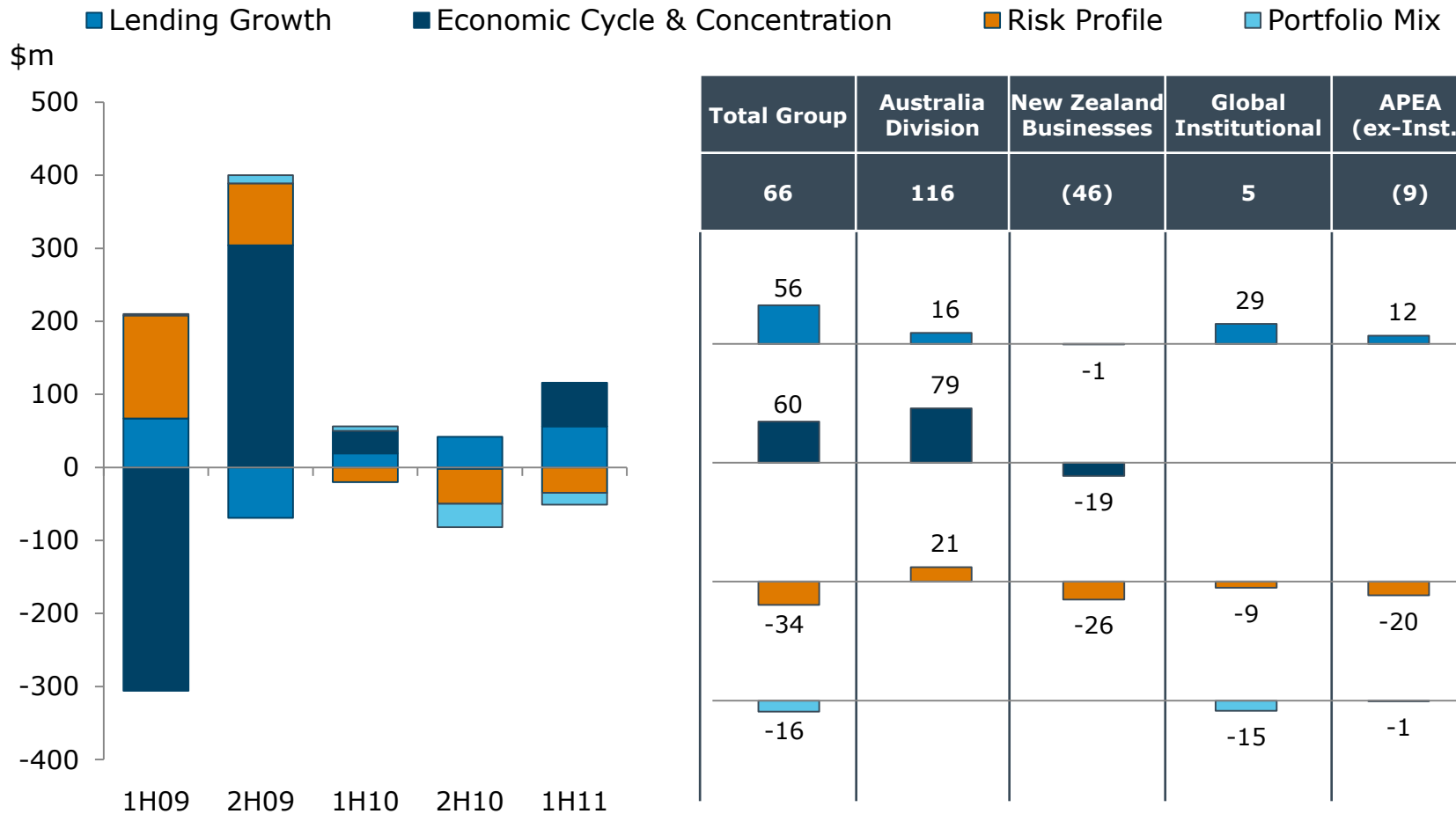


Individual Provision Charge by Region



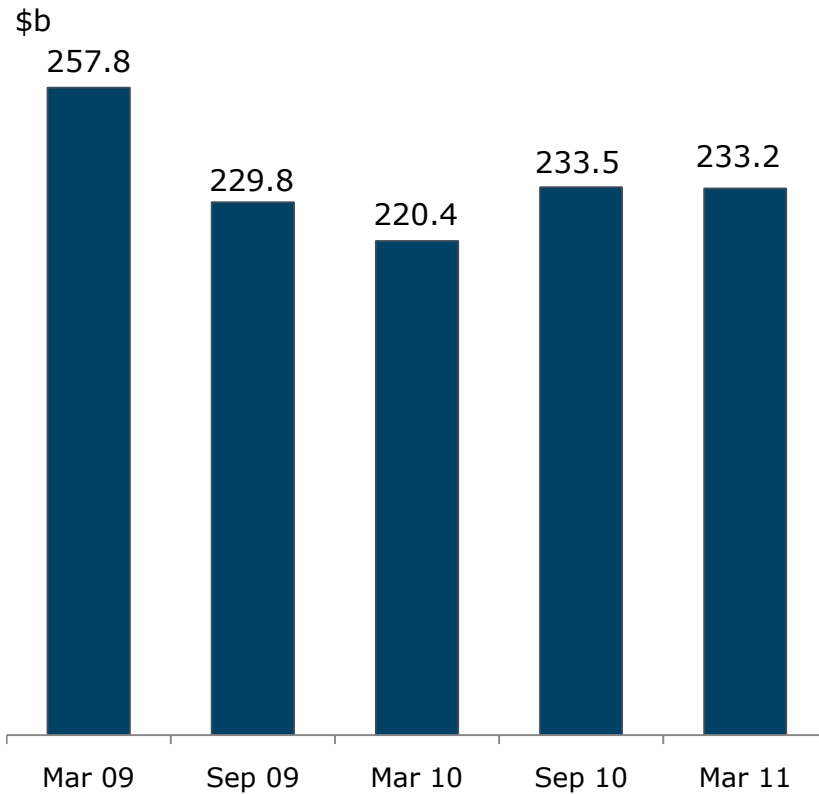
Collective Provision Charge

Collective Provision Charge by Source

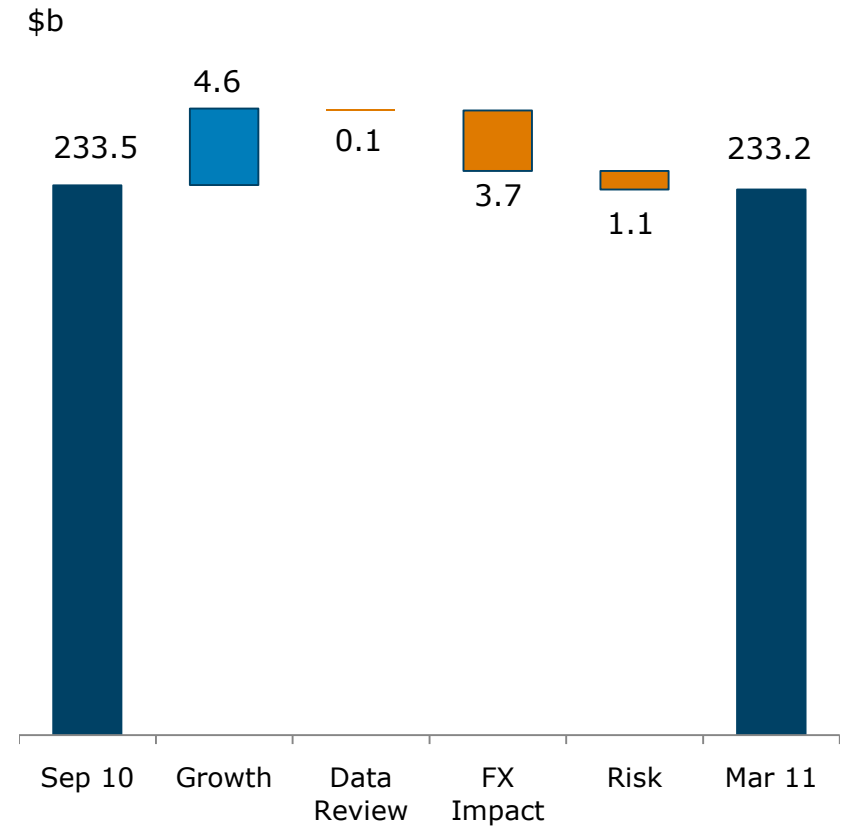


Credit Risk Weighted Assets

Total Credit Risk Weighted Assets

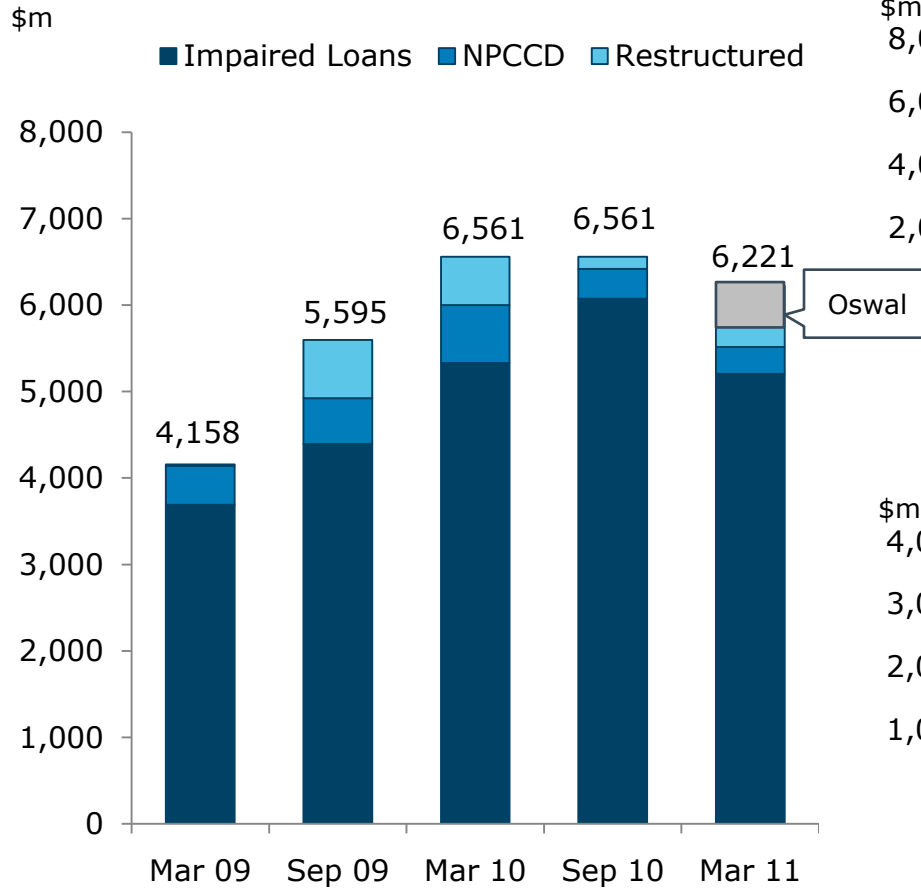


Credit RWA movement 1H11

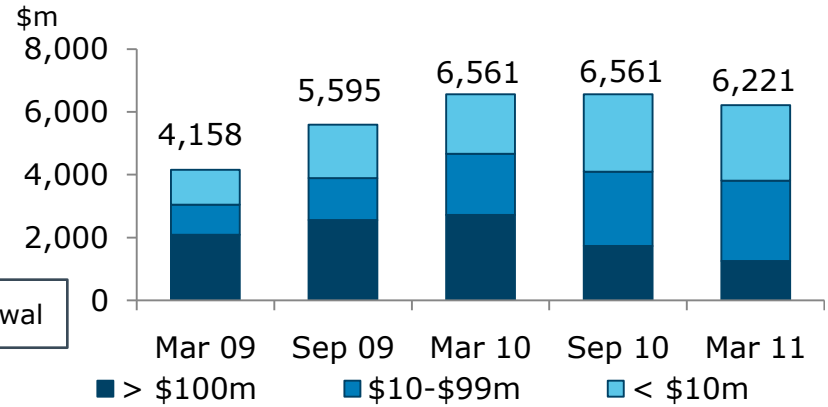


Impaired Assets

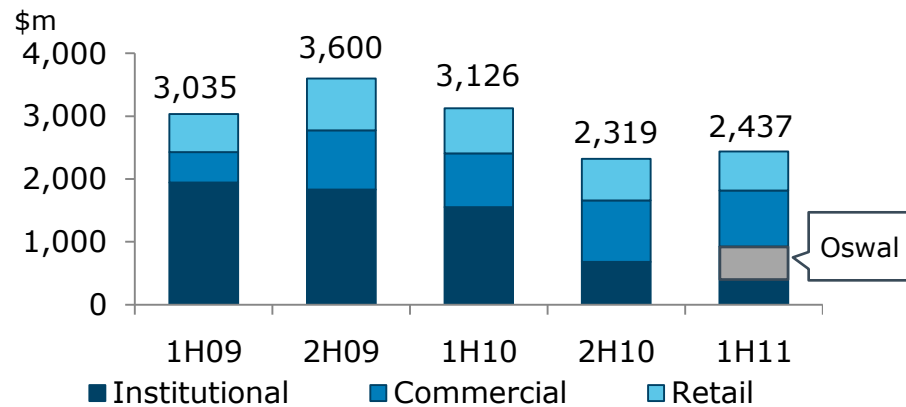
Gross Impaired Assets by Type



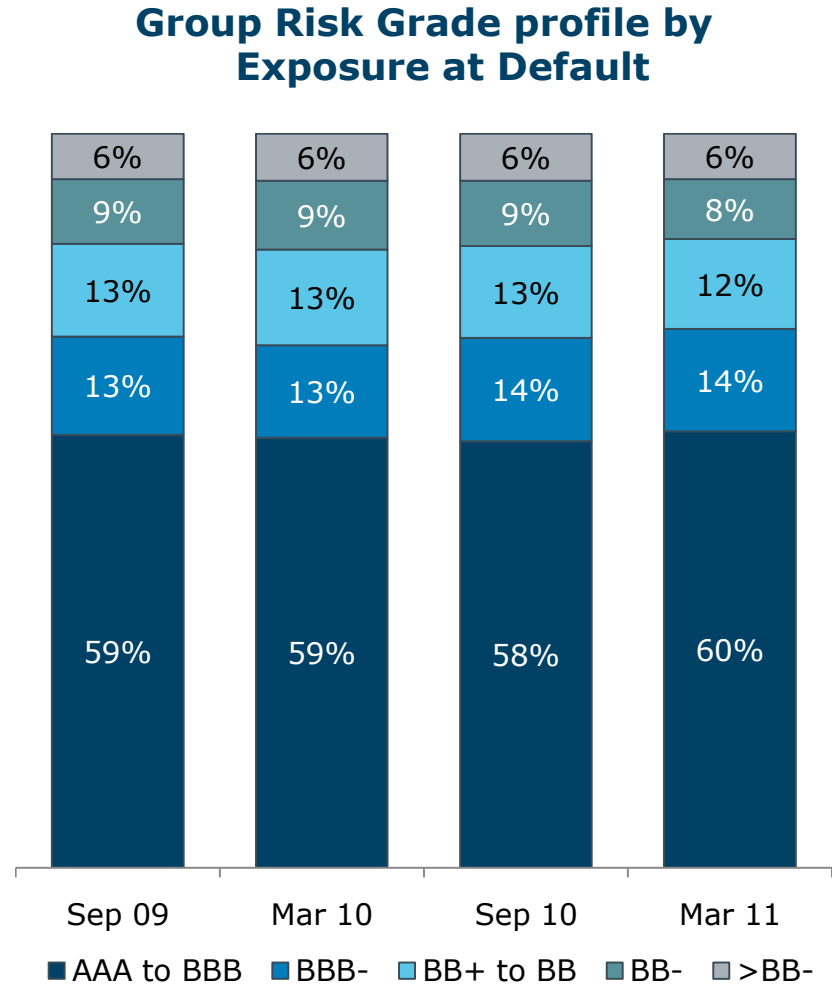
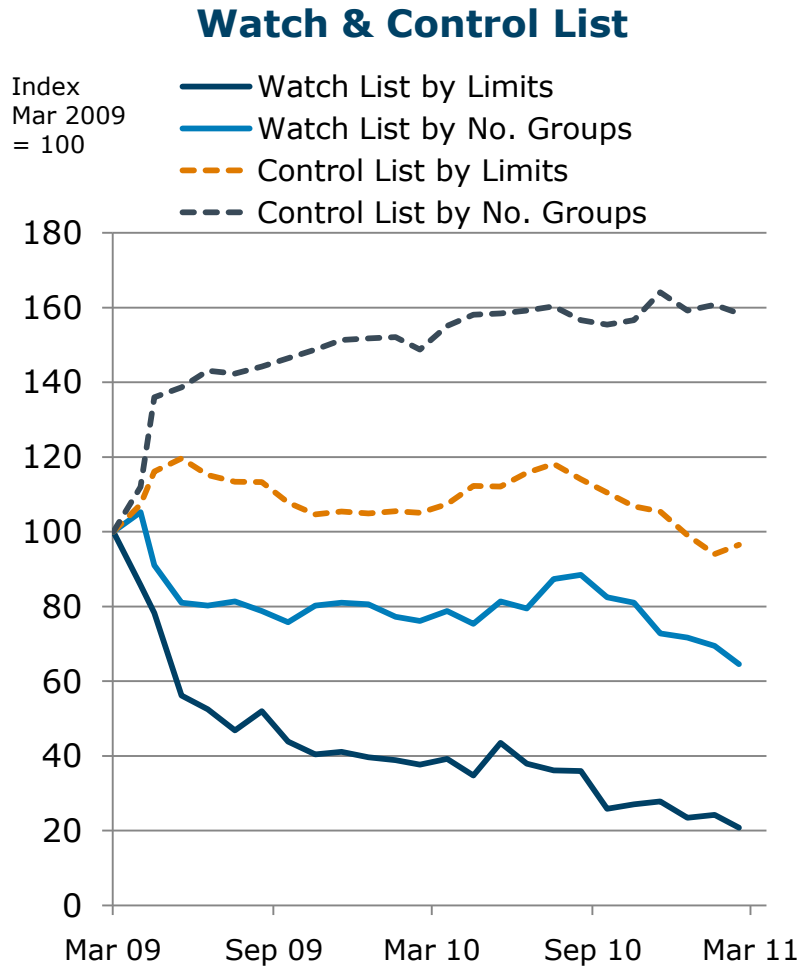
Gross Impaired Assets by Size of Exposure



New Impaired Assets by Segment

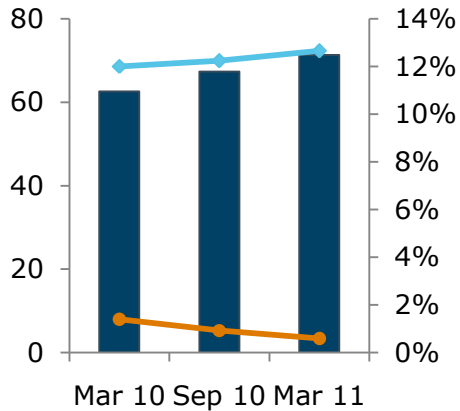


Watch & Control Lists and Risk Grade Profiles

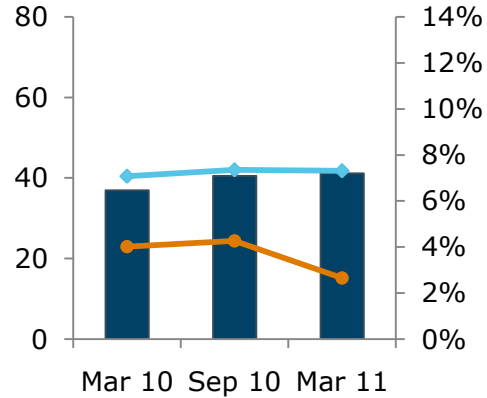


Commercial Industry Exposures

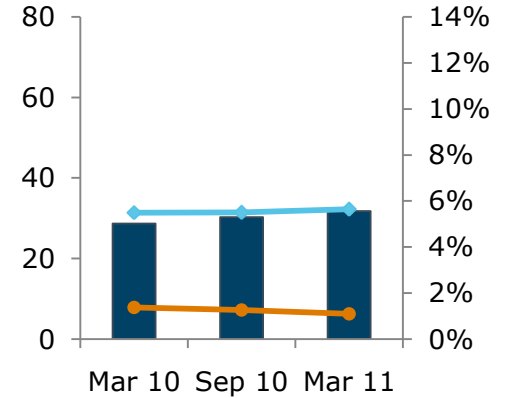
Finance & Insurance



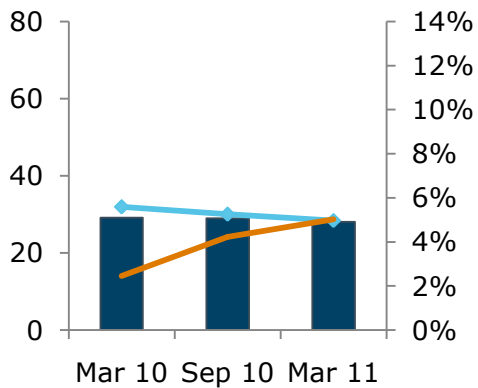
Property Services



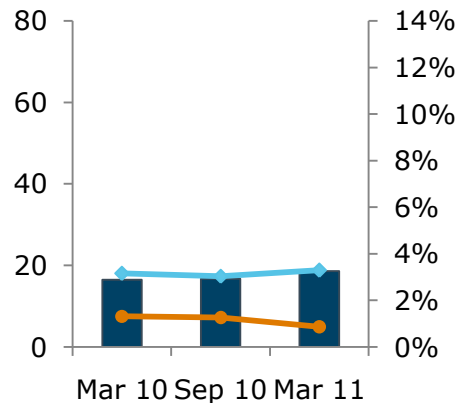
Manufacturing



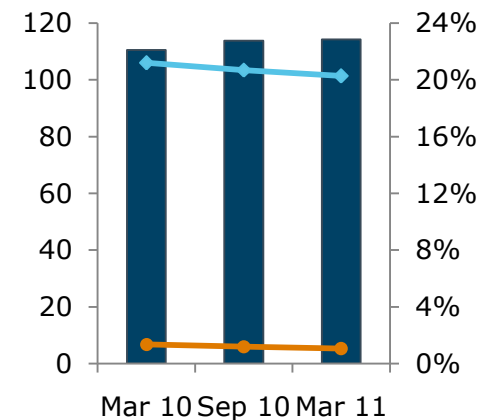
Agri, Forestry & Fishing



Wholesale Trade



Other Commercial Exposures

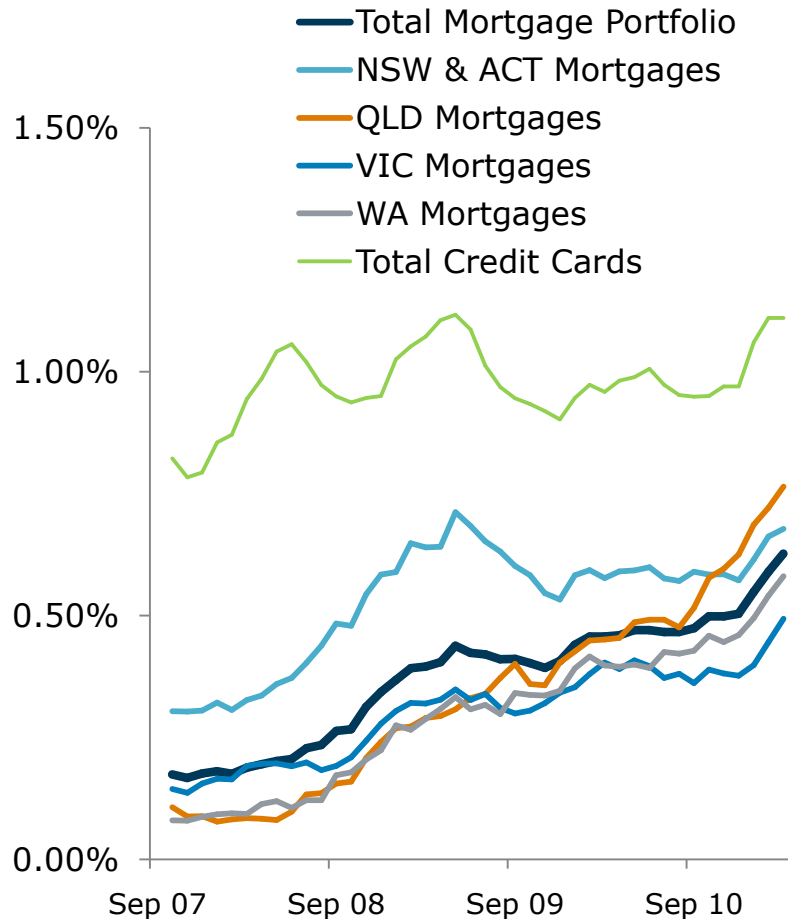


■ Exposure at Default (\$b) (LHS)
 — % in Non-Performing (RHS)

— % of Group Portfolio (RHS)

Australia 90+ Day Delinquencies

Australia Retail 90+ day delinquencies



Mortgage Delinquencies

- South East Queensland – higher than national average unemployment, impacted by stronger AUD (tourism), natural disasters
- 2008 vintage greater propensity for stress
- Credit underwriting tightened considerably at the end of 2008 and ANZ took a more cautious approach to volume in 2009

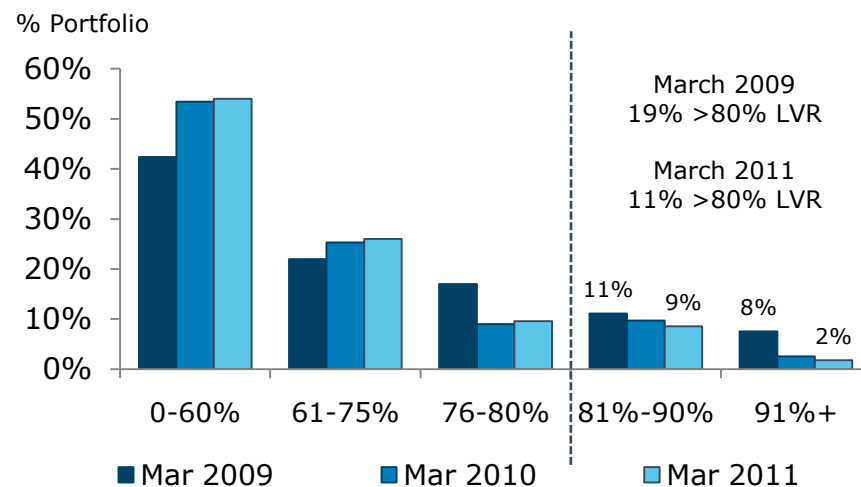
Mortgage loss rates

Individual Provision Loss Rates					
	1H09	2H09	1H10	2H10	1H11
Group	0.85%	0.74%	0.61%	0.42%	0.31%
Australia Region	1.03%	0.72%	0.59%	0.42%	0.31%
Australia Mortgages	0.03%	0.02%	0.02%	0.01%	0.01%

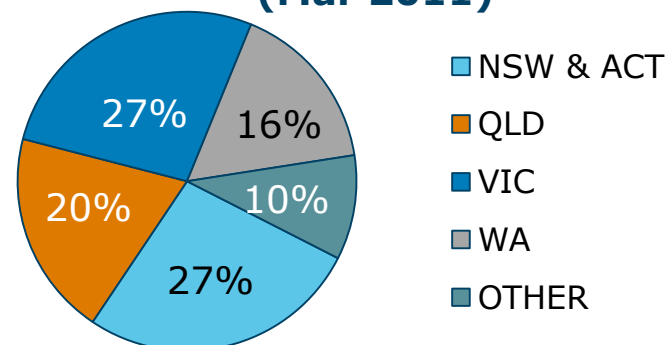
Australia Mortgages

Portfolio Statistics	
Total Number of Mortgage Accounts	831k
Total Mortgage FUM	\$165b
% of Total Australian Lending	59%
% of Total Group Lending	44%
Owner occupied loans - % of portfolio	64%
Average Loan Size at Origination	\$227k
Average LVR at Origination	63%
Average Dynamic LVR of Portfolio	47%
% of Portfolio Ahead on Repayments	38%
First Home Owners - % of Portfolio	11%
First Home Owners - % of New lending 1H11	7%

Dynamic Loan to Valuation Ratio

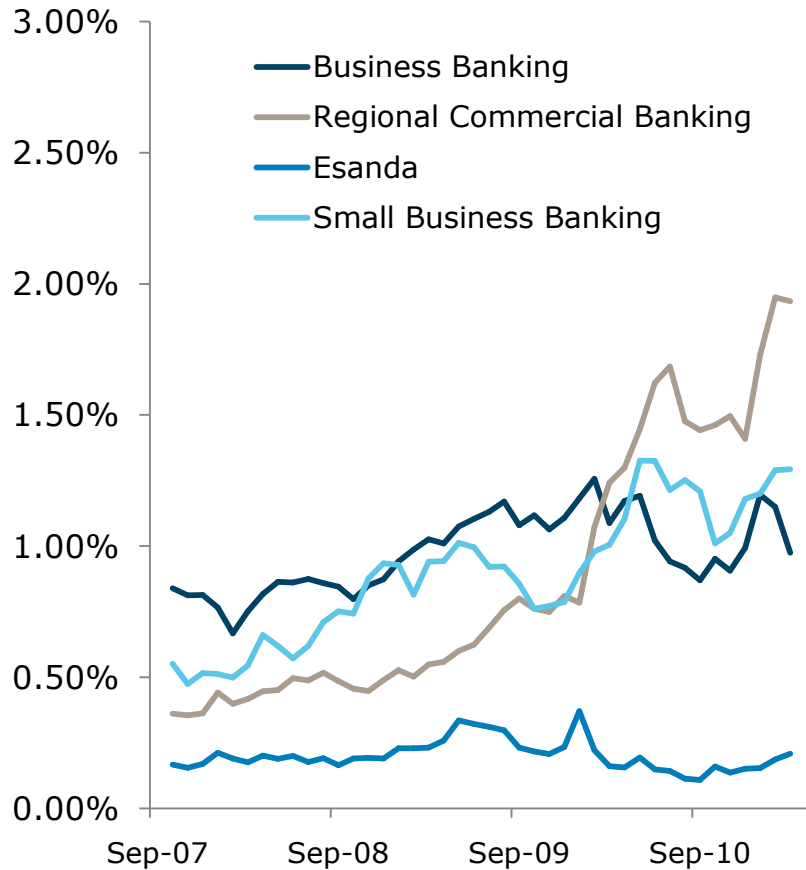


Mortgage Portfolio by State (Mar 2011)

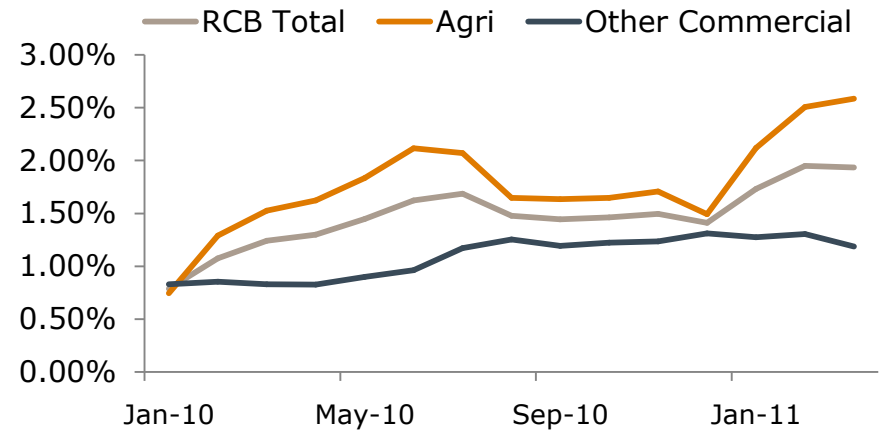


Australia Commercial

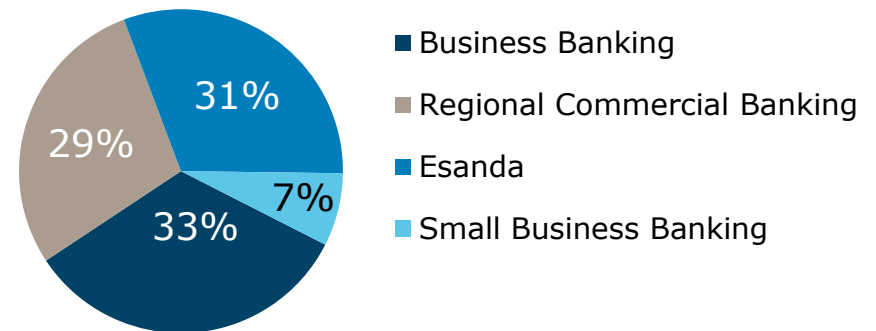
Australia Commercial 90+ day delinquencies



Regional Commercial Banking 90+ day delinquencies

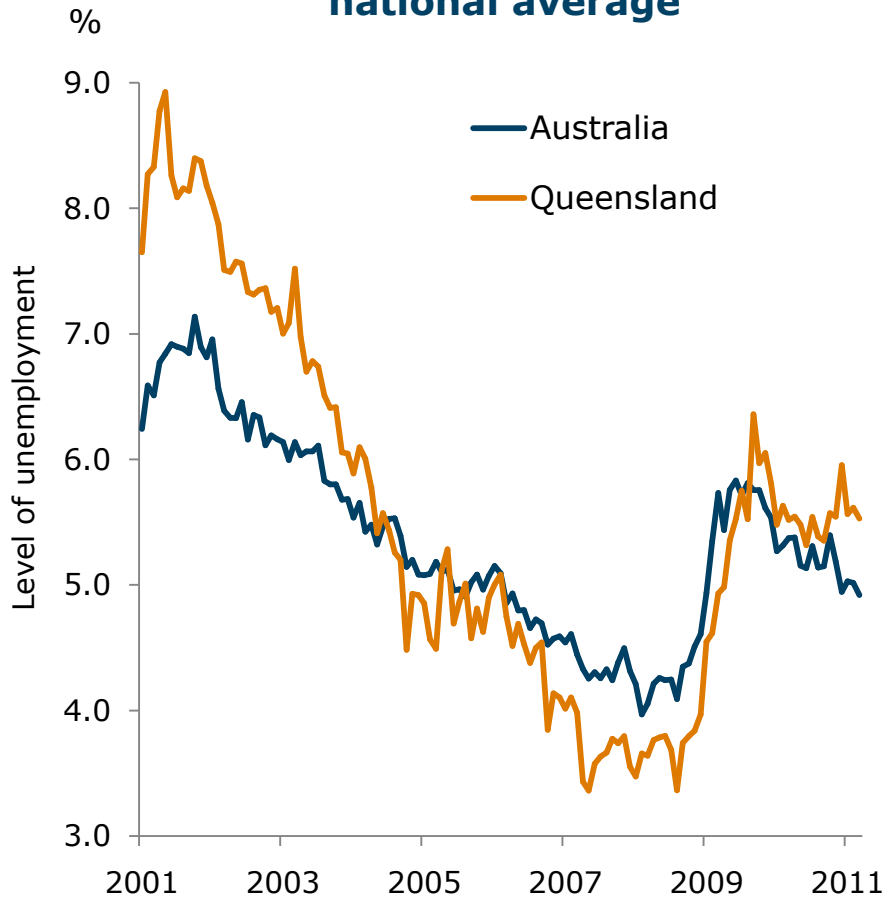


Australia Commercial Lending Mix

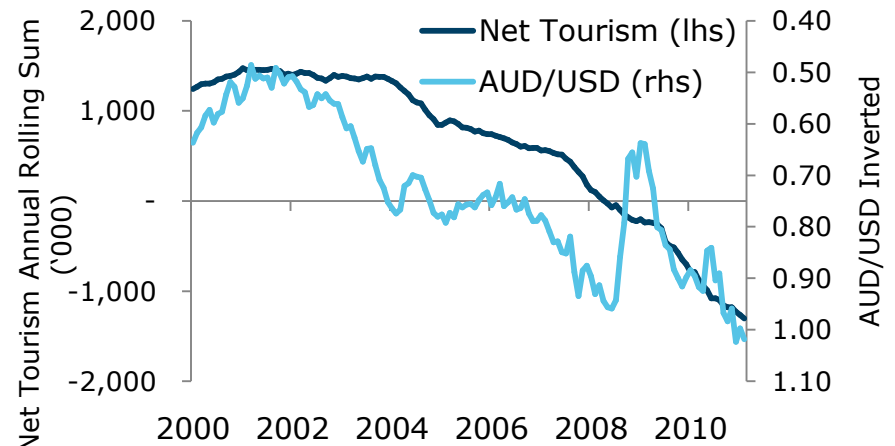


The Queensland economy faced challenges before the onset of natural disasters

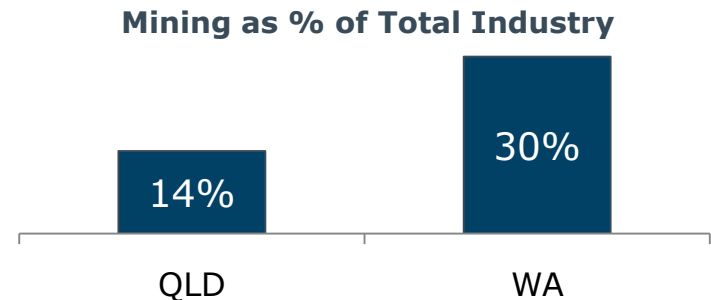
Unemployment did not experience the level of decline experienced in the national average



Tourism flows have been declining impacted by a strong AUD

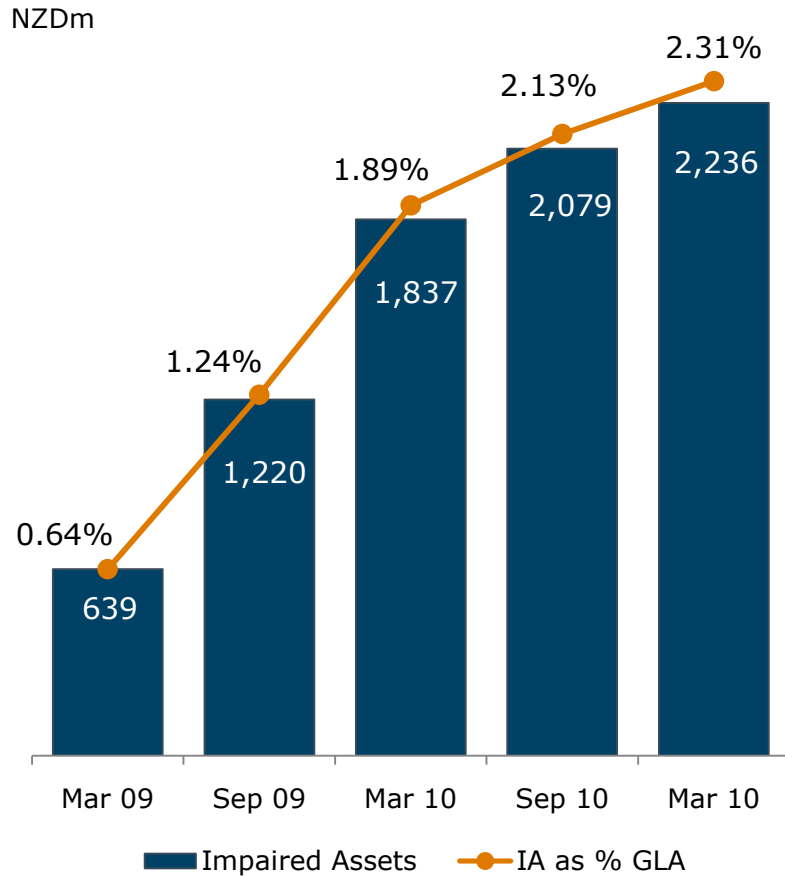


Mining is a key driver of economy but less significant than in WA

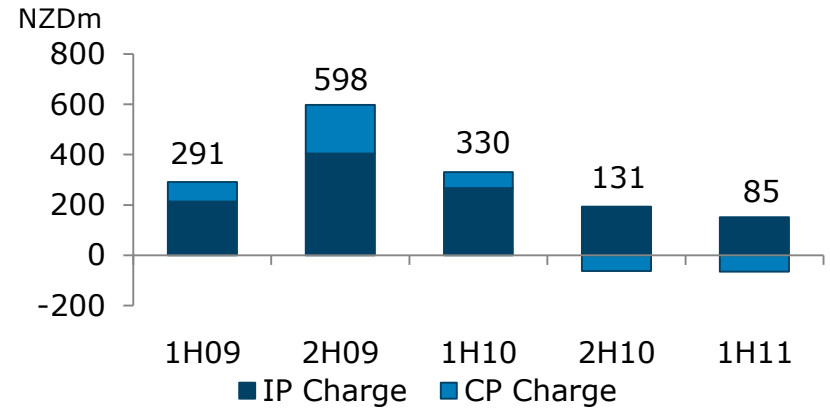


New Zealand

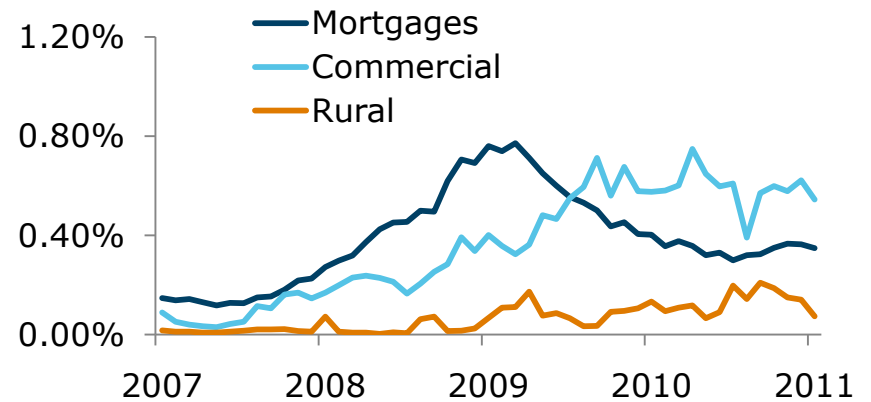
Total Impaired Assets



Total Provision Charge



90+ Days Arrears



Investor Discussion Pack

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

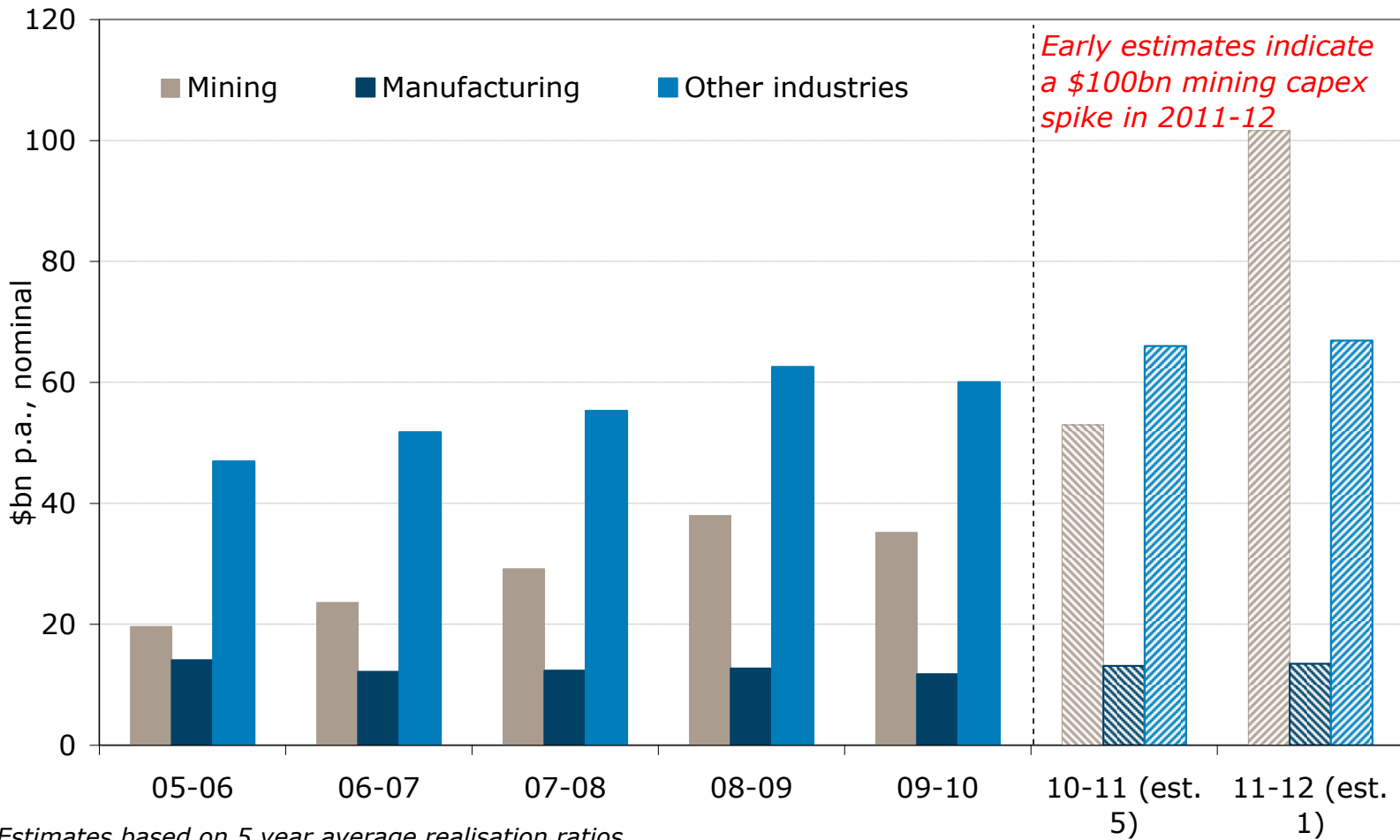
June 2011

Economic Update



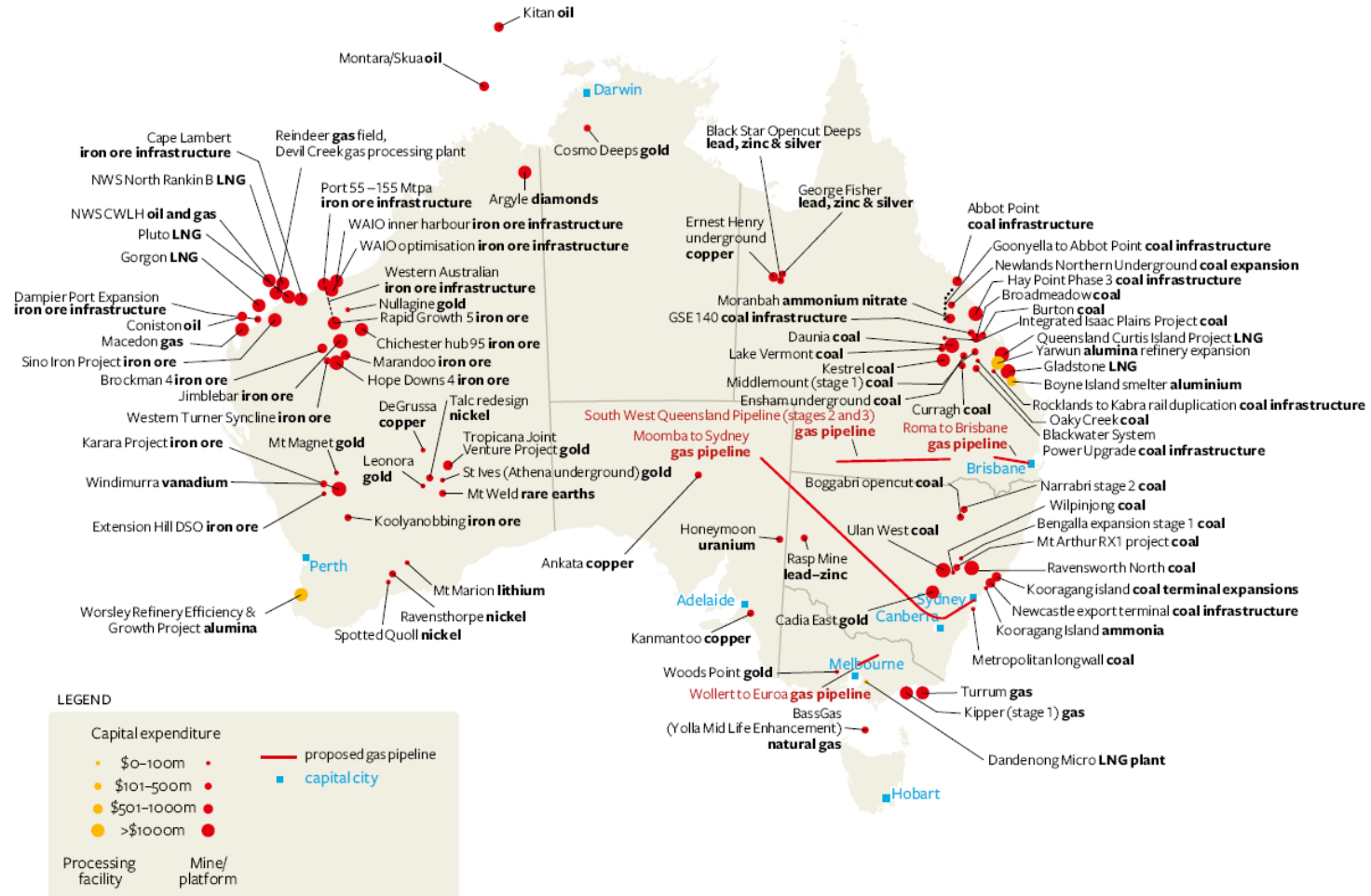
Record terms of trade will drive investment and economic growth

Annual private business capital expenditure (capex), actual and expected



A strong outlook for natural resources investment

Advanced minerals and energy projects, April 2011



Source - Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES)

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

This presentation may contain forward-looking statements including statements regarding our intent, belief or current expectations with respect to ANZ's business and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices.

When used in this presentation, the words

"estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to ANZ and its management, are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Such statements constitute "forward-looking statements" for the purposes of the United States Private Securities Litigation Reform Act of 1995. ANZ does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

For further information visit

www.anz.com

or contact

Jill Craig

Group General Manager Investor Relations

ph: (613) 8654 7749 fax: (613) 8654 9977 e-mail: jill.craig@anz.com

