



Market update supporting slides

**4 months trading
October 2009 - January 2010**

26 February 2010

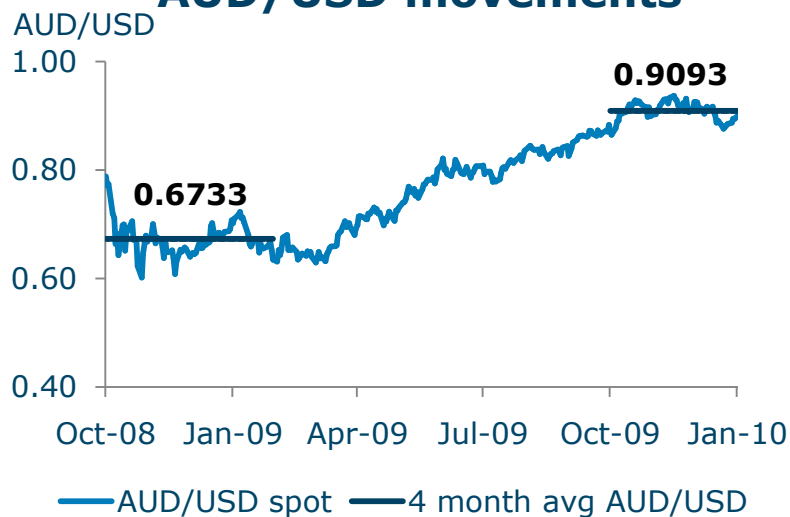


Income considerations

FX impacts

- 1H10 4 month (1 October 2009 to 31 January 2010) earnings impacted by AUD/USD FX drag compared with same period in 2009
- 19% of FY09 earnings derived from outside of Australia and New Zealand (New Zealand is primarily hedged)
- 7% impact on Group Underlying Profit YTD versus PCP

AUD/USD movements



1. 4 months from October 2009 to end January 2010

Global Markets Income

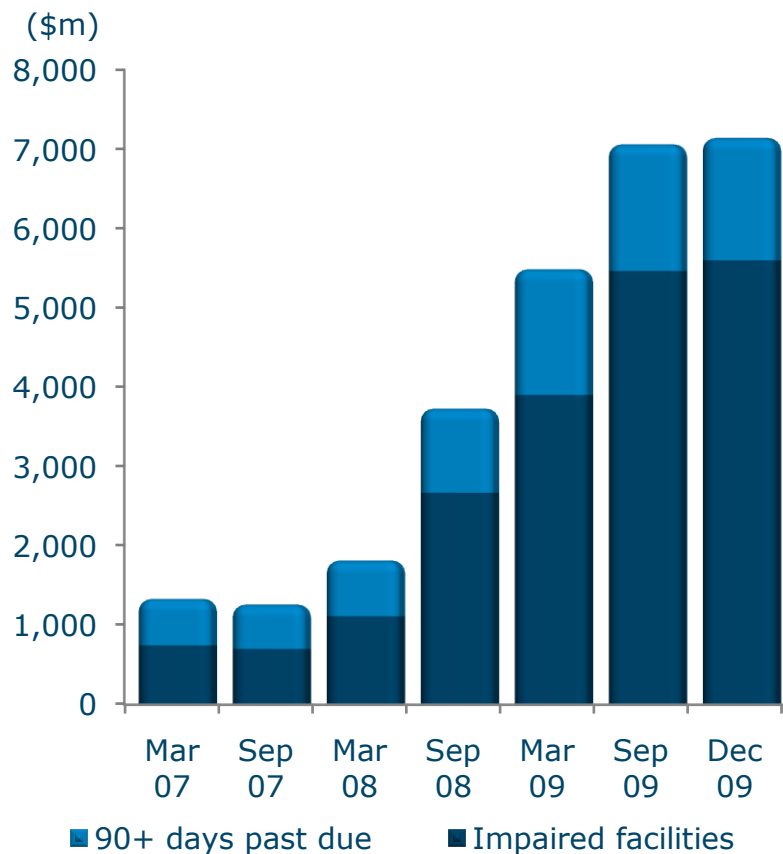
- 1H10 4 month (1 October 2009 to 31 January 2010) Markets income down 2% on 2009 PCP and down 19% on the average performance across 2009
- Sales contributed approximately 50% of 1H10 YTD income
- Exceptional 2009 full year income unlikely to be maintained in less volatile markets

Global Markets Income

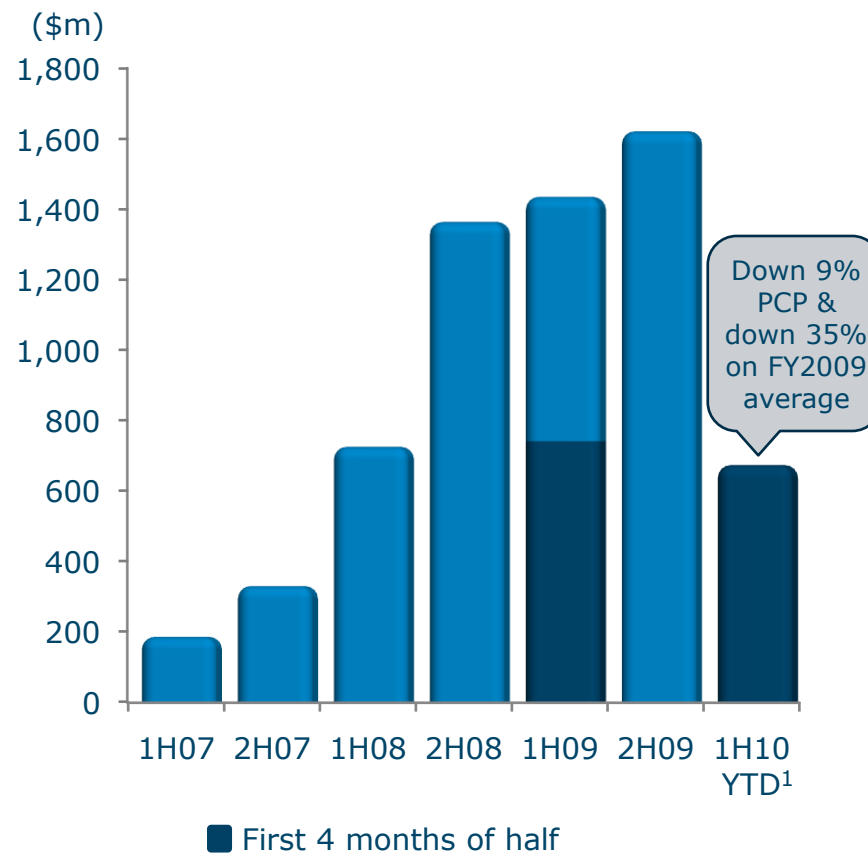


Trends in asset quality and provisions

Impaired loans / facilities & 90+ day past due loans



Credit Provision Charge

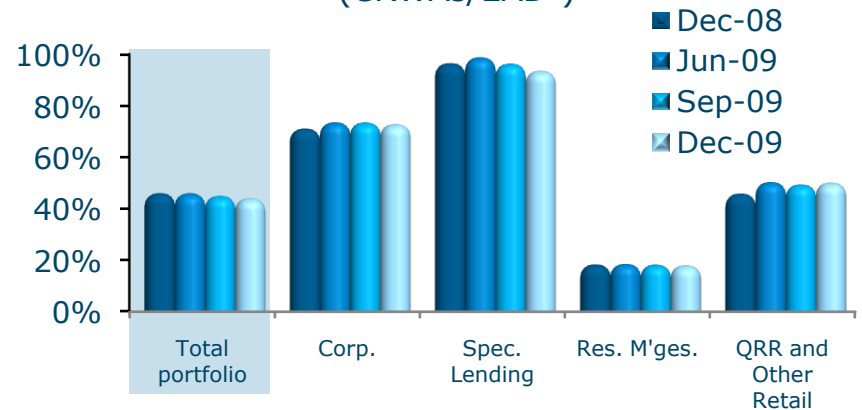


1. 4 months from 1 October 2009 to 31 January 2010

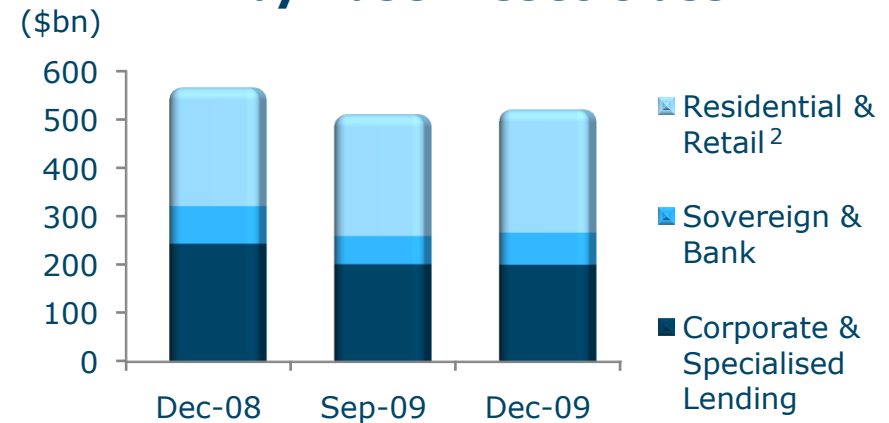
December 2009 Pillar 3 calendar year and December 2009 quarter trends

	Dec-08	Sep-09	Dec-09	Impact
Credit RWAs (\$bn)	261	230	230	YoY: Corporate down 26bn, Bank down 5bn; Other Retail up 3bn
Total RWAs (\$bn)	281	252	254	QoQ: Corporate down 3bn offset by IRRBB up 2bn, specialised lending & securitisation both up just under 1bn
EAD (\$bn)	566	511	521	YoY: Corporate down 41bn, Bank down 28bn, offset by Residential Mortgages and Sovereign up 27bn combined QoQ: Corporate decline slowing, down 3bn with mortgages up 3bn, Sovereign up 8bn

Portfolio RWA ratios stable (CRWAs/EAD¹)



EAD by Basel Asset Class¹



1. December 2008 and June 2009 numbers based on respective Basel II, Pillar III quarterly APS330 disclosures. September 09 and December 09 numbers based on December 2009 quarterly Basel II, Pillar 3 disclosure

2. Residential mortgages, Qualifying Revolving Retail and Other Retail

YOY: Dec 2009 quarter compared with December 2008 Quarter, QoQ: December 2009 quarter compared with Sep 2009 qtr

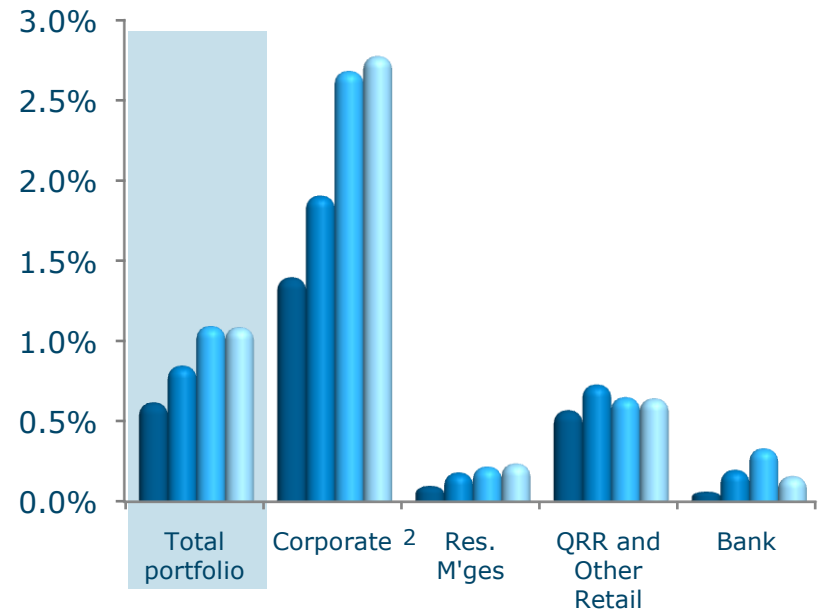


December 2009 Pillar 3 calendar year and December 2009 quarter trends

	Dec-08	Sep-09	Dec-09	Impact
Impaired loans / facilities (\$m)	3,267	5,468	5,602	YoY: Corporate up 1.8bn with the difference mainly from mortgages QoQ: 1% increase with corporate up \$83m, mortgages impaired growth half the previous quarter
Impaired derivatives (\$m)	243	127	69	
Past due loans >90d (\$m)	1,264	1,597	1,544	YoY: Up \$280m from corporate (\$225m) and mortgages (\$57m) QoQ: Down \$53m, both corporate and mortgages reduced

Impaired assets as a % of portfolio

Impaired assets / EAD¹



■ Dec-08 ■ Jun-09 ■ Sep-09 ■ Dec-09

1. December 2008 and June 2009 numbers based on respective Basel II, Pillar III quarterly APS330 disclosures. September 09 and December 09 numbers based on December 2009 quarterly Basel II, Pillar 3 disclosure

YOY: December 2009 quarter compared with December 2008 Quarter

QoQ: December 2009 quarter compared with Sep 2009 quarter

2. Includes Specialised Lending consistent with Basel II, Pillar III quarterly APS330 disclosure.

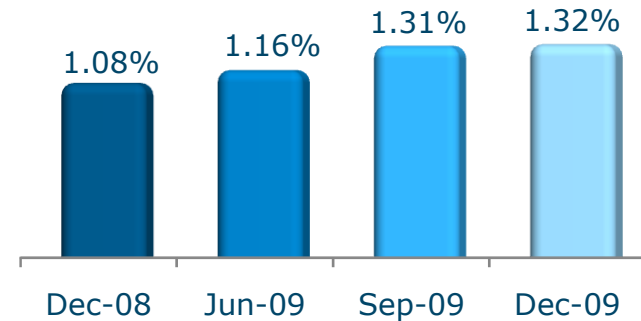


December 2009 Pillar 3 calendar year and December 2009 quarter trends

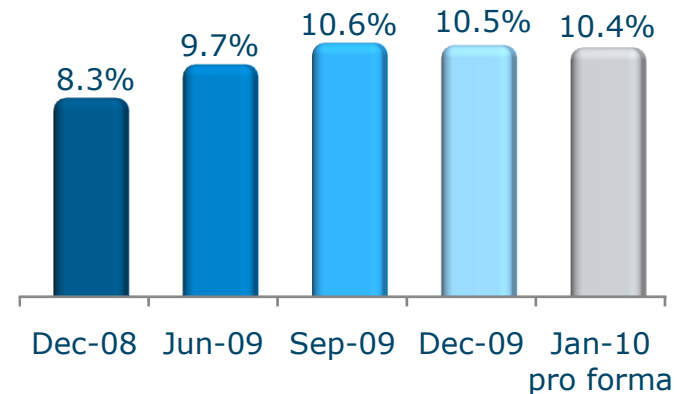
	Dec-08	Sep-09	Dec-09	Impact
IP charge 3 months (\$m)	543	656	513	YoY: Down 30m largely driven by reductions in corporate charges. QoQ: Down \$143m, also largely driven by corporate.
Provision balance (\$m)	3,727	4,526	4,535	
Tier 1	8.3%	10.6%	10.5%	Position strengthened with 2009 equity raisings, further benefiting from RWA reductions

Collective Provision coverage

Collective Provision balance / Credit RWAs¹



Tier 1 Capital



1. December 2008 and June 2009 numbers based on respective Basel II, Pillar III quarterly APS330 disclosures. September 09 and December 09 numbers based on December 2009 quarterly Basel II, Pillar 3 disclosure
 YOY: December 2009 quarter compared with December 2008 Quarter
 QoQ: December 2009 quarter compared with Sep 2009 quarter



Economic updates

	Australia				New Zealand			
	2009	2010	2011	2012	2009	2010	2011	2012
GDP	0.6	2.7	3.3	3.6	-2.2	1.8	2.8	2.6
Inflation	2.2	2.4	2.6	3.0	1.7	1.6	3.1	2.1
Unemployment	5.3	5.3	4.9	4.7	6.5	7.3	6.7	6.4
Current A/C (% GDP)	-3.4	-5.8	-5.3	-5.6	-3.1	-2.4	-2.9	-4.1
Cash rate	3.00	4.50	5.25	5.25	2.50	3.25	5.00	5.50
10 year bonds	5.36	5.45	5.80	6.00	5.6	5.6	6.5	6.5
AUD/USD	0.88	0.86	0.77	0.76	N/A	N/A	N/A	N/A
AUD/NZD	1.22	1.28	1.20	1.12	N/A	N/A	N/A	N/A
Credit	1.7	3.7	6.5	7.7	2.3	3.1	4.8	6.0
- Housing	7.7	8.1	8.2	8.4	3.8	3.5	4.7	5.4
- Business	-4.7	-3.2	3.4	7.2	0.6	2.7	4.9	6.7
- Other	-5.5	6.0	7.4	5.0	-2.3	0.4	4.1	4.8

Source - ANZ economics team estimates. Based on 30 September bank year.

Economic updates

Emerging Asia GDP Growth Forecasts

	2008	2009	2010	2011	2012
China	9.1	8.4	9.5	9.8	10.0
India	7.5	6.6	7.5	8.4	8.7

Newly Industrialised Economies (NIEs)

Hong Kong	2.6	-2.8	5.0	4.6	4.8
Korea	2.4	0.1	4.3	4.6	5.0
Singapore	1.2	-1.9	5.3	5.3	5.6
Taiwan	1.1	-2.6	4.5	4.7	5.0

Association of South East Asian Nations (ASEAN)

Indonesia	6.1	4.4	5.0	5.6	6.0
Malaysia	4.7	-2.2	4.5	4.6	6.5
Philippines	3.9	1.0	4.0	3.9	4.6
Thailand	2.6	-2.8	4.0	4.5	5.1
Vietnam	6.3	5.1	6.3	6.7	7.4
Total	7.1	5.6	7.7	8.1	8.4

Source - ANZ economics team estimates. Based on 30 September bank year.

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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