ANZ National Bank Limited

MEDIA BACKGROUND PACK

To accompany the General Disclosure Statement for nine months ended 30 June 2008

Graham Hodges, Chief Executive Officer
28 August 2008
ANZ National Bank Limited – New Zealand’s largest bank

- Assets of NZ$114.9 billion as at 30 June 2008 and NPAT of NZ$960m for 9 months ended 30 June 2008
- 33% of total New Zealand registered bank assets, ~38% share of revenue
- Employs ~9,500 people (FTE)
- Serves ~1.9 million customers
- 316 branches and 746 ATMs
- Credit rating: AA (Standard & Poor’s), Aa2 (Moody’s) & AA- (Fitch)
- Earnings well-balanced across a spread of businesses*:  
  - 39% Retail Banking
  - 24% Relationship Banking
  - 21% Institutional
  - 16% Other

ANZ National Bank is well positioned

- Leading share in all customer segments
- Solid profit result
- High quality asset book
- Diversified funding sources
- Strong capital ratios and liquidity

*General Disclosure Statement basis, June 2008
Underlying cash profit up 10% over same period last year

Strong headline profit growth ...

... and solid underlying cash profit.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>Growth (PCP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headline NPAT (per GDS)</td>
<td>848</td>
<td>960</td>
<td>13%</td>
</tr>
</tbody>
</table>

Adjusting for non-core items:

- Visa IPO
  - 0
  - (85)
- Sale of Esanda Fleetpartners
  - (76)
  - 0
- Net Hedge ineffectiveness
  - (8)
  - 4
- Deferred Taxation Movements
  - 27
  - (9)

Underlying Cash Profit

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
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<tbody>
<tr>
<td></td>
<td>791</td>
<td>870</td>
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</table>

10%

Business Unit Performances:

- **Institutional**: exceptionally strong performance
- **Relationship banking**: solid performance in rural and business sectors
- **Retail**: deposit margin squeeze and higher provisions impacting profit
Non-performing loans and arrears up, but portfolio well secured

- Non-performing loans are increasing, reflecting the more difficult economic environment
- Rise in arrears is largely in the secured portfolio which historically has lower loss rates
- Collective provisioning of NZ$486m (0.5% of Gross Loans) provides good loss coverage on diversified business mix

### Non-Performing Loan balances

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Performing Loans</th>
<th>% of GLA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H05</td>
<td>100</td>
<td>0.0%</td>
</tr>
<tr>
<td>2H05</td>
<td>200</td>
<td>0.1%</td>
</tr>
<tr>
<td>1H06</td>
<td>300</td>
<td>0.2%</td>
</tr>
<tr>
<td>2H06</td>
<td>400</td>
<td>0.3%</td>
</tr>
<tr>
<td>1H07</td>
<td>200</td>
<td>0.2%</td>
</tr>
<tr>
<td>2H07</td>
<td>100</td>
<td>0.1%</td>
</tr>
<tr>
<td>1H08</td>
<td>100</td>
<td>0.1%</td>
</tr>
<tr>
<td>Jun-08</td>
<td>100</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

### Arrears are up but loss rates are mitigated by security

<table>
<thead>
<tr>
<th>Basel II Asset Class</th>
<th>Gross Loans and Advances</th>
<th>90 days past due</th>
<th>Individual Provision Charge*</th>
<th>Annualised Loss Rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NZ$m</td>
<td>NZ$m % of GLA</td>
<td>NZ$m % of GLA</td>
<td></td>
</tr>
<tr>
<td>Retail Mortgages</td>
<td>49,574</td>
<td>169 0.34%</td>
<td>12 0.03%</td>
<td></td>
</tr>
<tr>
<td>Other Retail (Personal &amp; Small Business)</td>
<td>5,395</td>
<td>46 0.85%</td>
<td>76 1.88%</td>
<td></td>
</tr>
<tr>
<td>Corporate Exposures</td>
<td>41,234</td>
<td>39 0.10%</td>
<td>18 0.06%</td>
<td></td>
</tr>
<tr>
<td>Total ANZ National</td>
<td>96,203</td>
<td>254 0.26%</td>
<td>106 0.15%</td>
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</tr>
</tbody>
</table>

* for nine months ended June 2008
ANZ National Bank is strong, sound and well capitalised

- Solid profit result
- Very strong capital position
- Over NZ$6 billion of available liquidity
- Diverse funding base with ongoing access to global funding sources
- Strong support for deposits and bond issues from the local market

ANZ Banking Group (and ANZ National Bank) has a credit rating that puts it amongst the highest rated banks in the world*:

- ANZ Banking Group is one of only 28 banking groups globally rated AA or better by Standard & Poor’s
- Standard & Poor’s rate over 2,000 banks internationally
- The four major New Zealand banks share the same AA rating as their Australian parent bank

*ANZ National analysis
The economic outlook is subdued, but there are areas of support

The RBNZ, having raised rates between 2003 and 2007, cut the OCR in July 2008

Fiscal policy will lend support to the economy into 2009

A weaker NZD will help exporters

- Prospects for growth remain subdued but financial stabilisers have begun to work.
- Improved economic momentum expected in 2009, as cyclical stabilisation measures, increased infrastructure spending, the recovering export sector, and tax cuts for the household sector provide support to the economy.
- The global economic environment, while uncertain, is likely to remain supportive.

Sources: Statistics NZ; Reuters; NZ Treasury; ANZ National Bank