

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

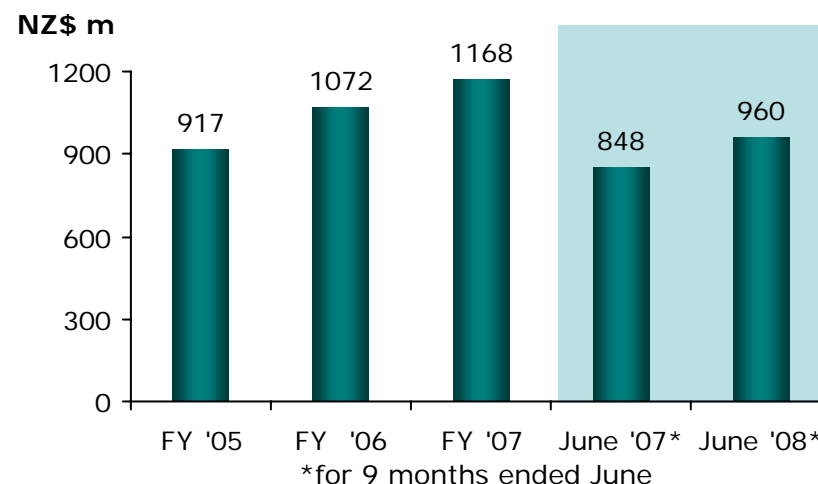
28 August 2008

ANZ NATIONAL 

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

Consistent strong profit (Profit after tax)



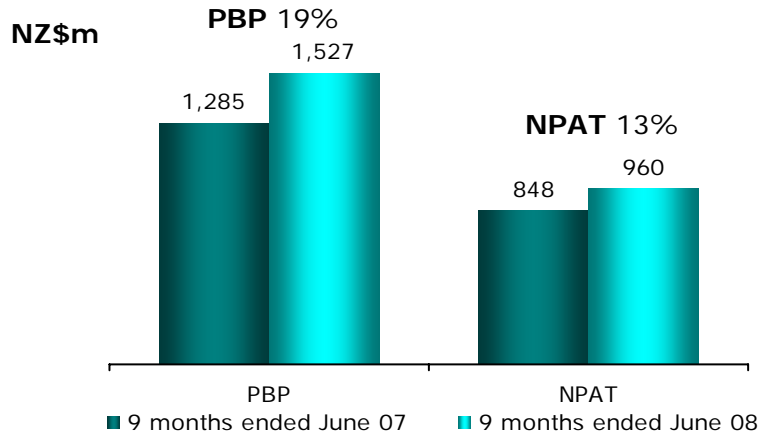
ANZ National Bank is well positioned

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



Underlying cash profit up 10% over same period last year

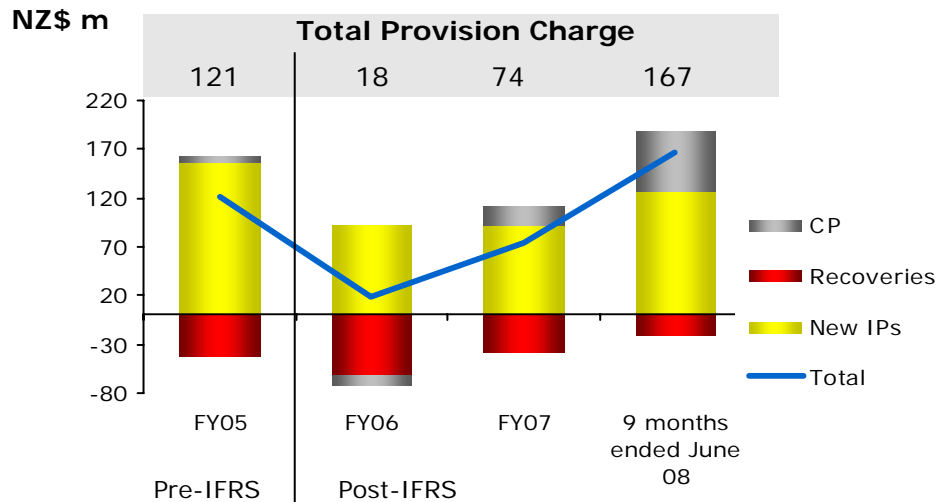
Strong headline profit growth ...



... and solid underlying cash profit.

9 months ended June (NZ\$m)	2007	2008	Growth (PCP)
Headline NPAT (per GDS)	848	960	13%
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	791	870	10%

Provisions rising from low levels in a challenging environment



Business Unit Performances:

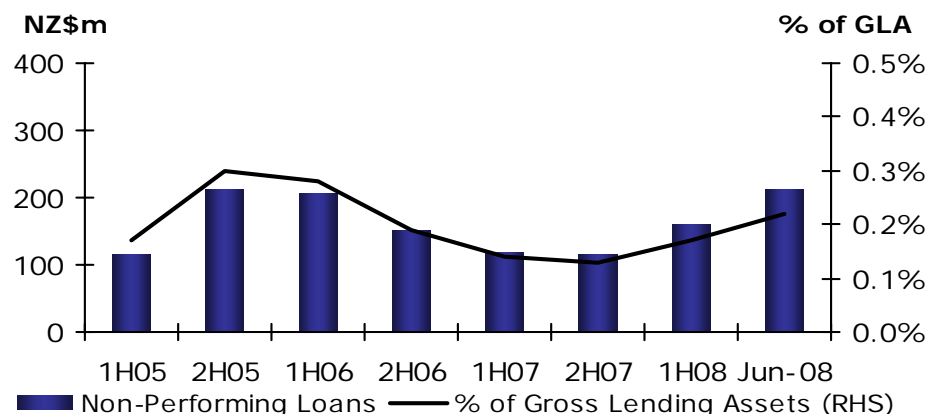
- **Institutional:** exceptionally strong performance
- **Relationship banking:** solid performance in rural and business sectors
- **Retail:** deposit margin squeeze and higher provisions impacting profit



⚡ 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



Arrears are up but loss rates are mitigated by security

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

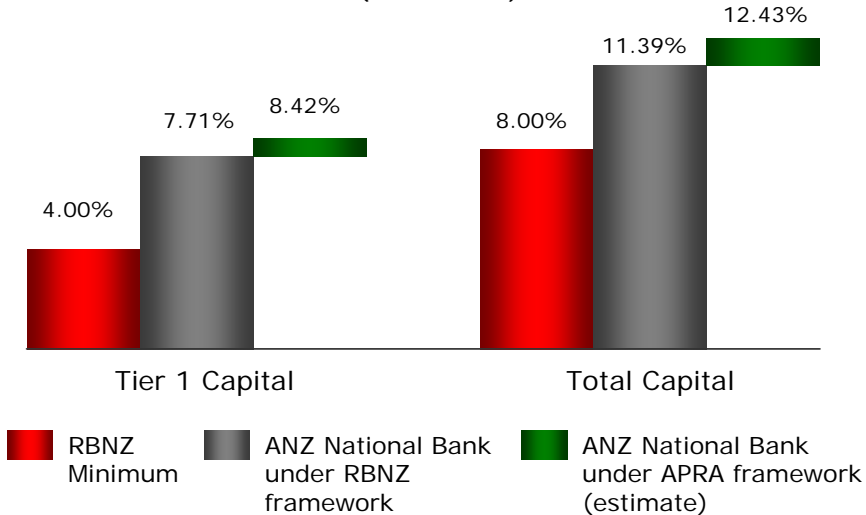
* for nine months ended June 2008



ANZ National Bank is strong, sound and well capitalised

Strong capital ratios

(June 2008)



- 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

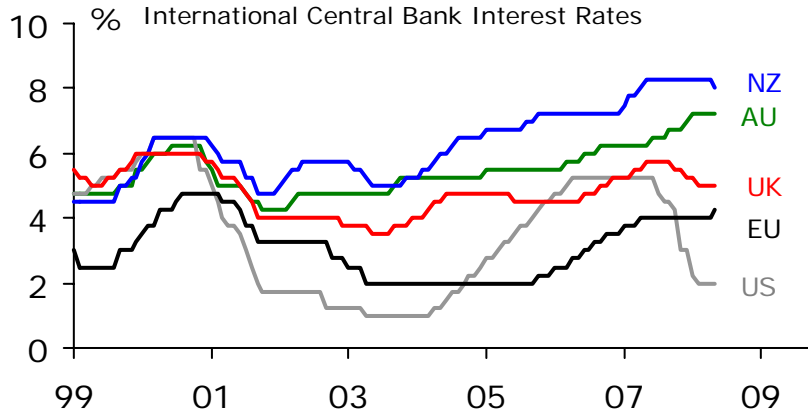
ANZ Banking Group (and ANZ National Bank) has a credit rating that puts it amongst the highest rated banks in the world*:

- 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

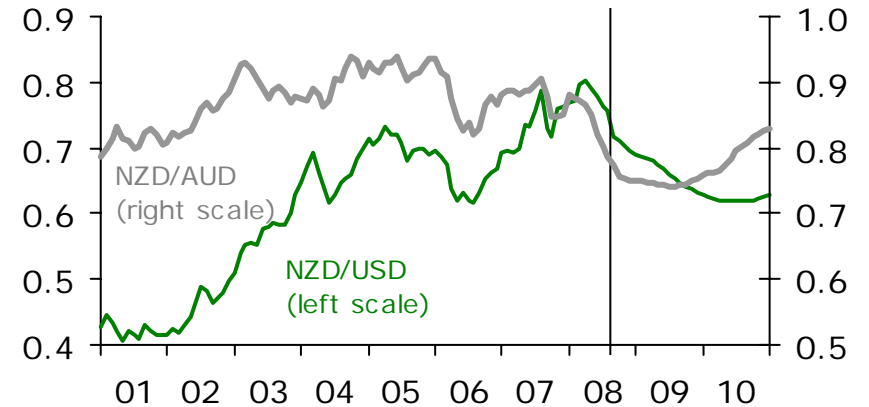


❖ The economic outlook is subdued, but there are areas of support

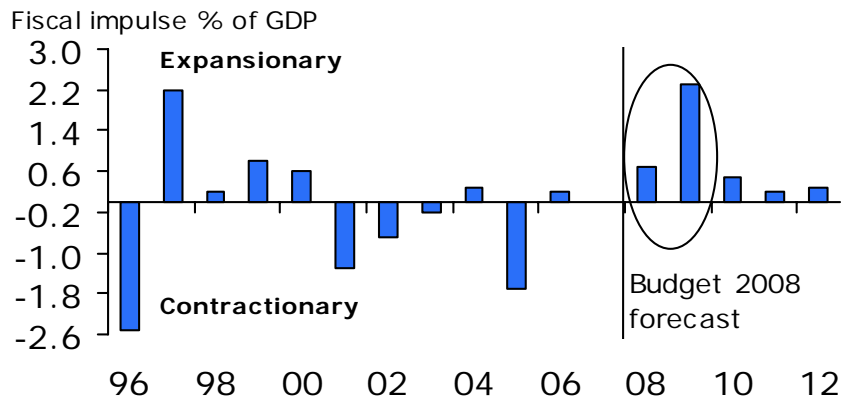
The RBNZ, having raised rates between 2003 and 2007, cut the OCR in July 2008



A weaker NZD will help exporters



Fiscal policy will lend support to the economy into 2009



- 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.

