



AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

Investor Discussion Pack

May 2009

Mike Smith – Chief Executive Officer

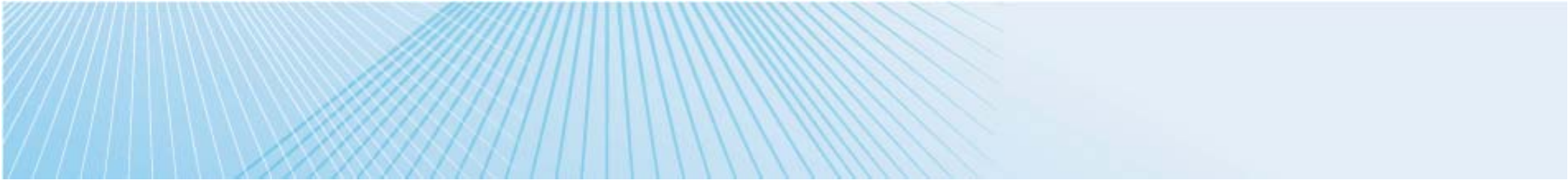
Jill Craig – GGM Investor Relations

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ANZ Overview

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 10 AA rated banks in the world based on S&P long term ratings and one of the “20 safest banks globally” by Global Finance Magazine, February 2009
- Well capitalised with a strong liquidity position
- Over 200 years of banking experience on our management board
- ~37,000 Full Time Equivalent employees (FTE)

Super Regional Strategy launched in November 2007 – progressing well against this scorecard



The strategy leverages opportunities throughout the region

Our Base

- Strong domestic franchise and client base in Australia and New Zealand
- 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

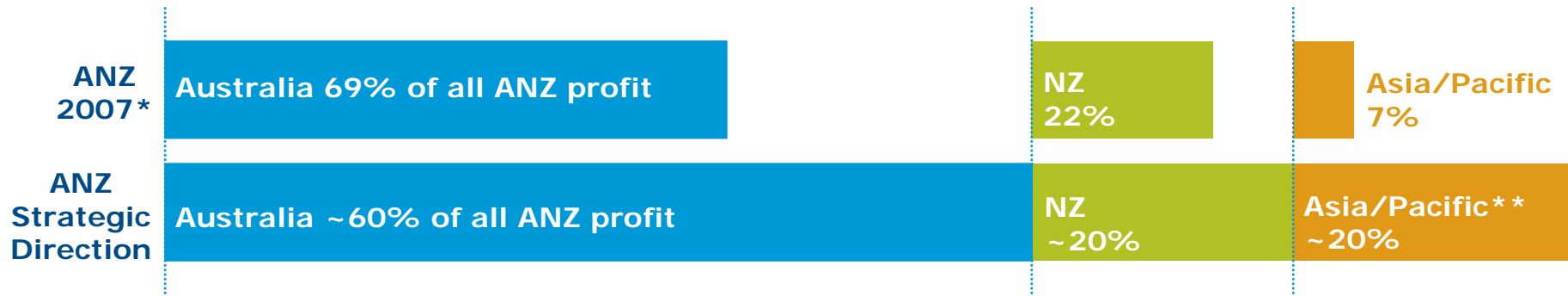
Retail Customer focus:

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

And will drive increased earnings diversification

Where our profits will come from ...

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

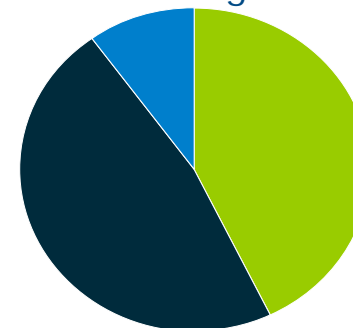


What will drive domestic growth

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

What will drive Asian growth

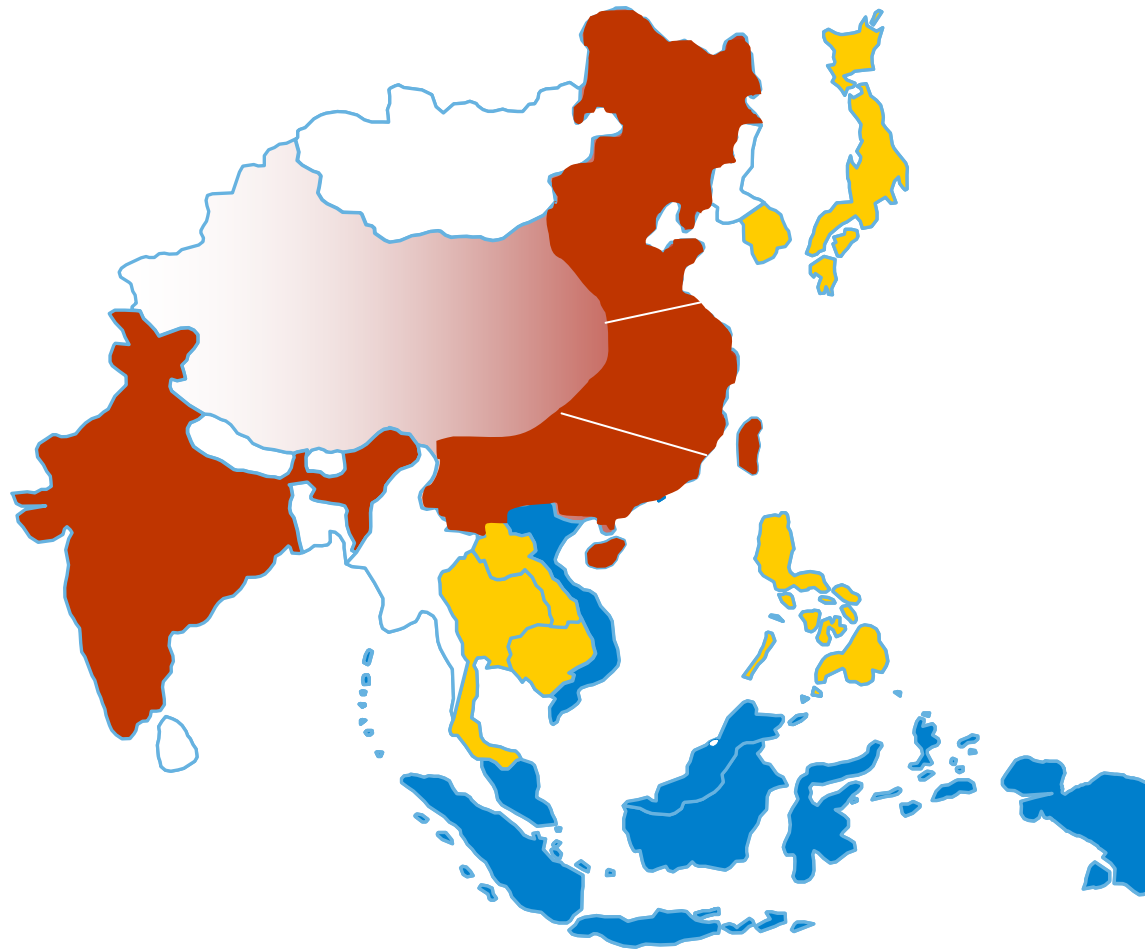
- Main focus on **organic growth** supplemented with in-fill mergers and acquisitions



- Partnerships
- Asia Institutional
- Asia Retail

*excludes group centre, 2% in 2007 ** Post restructure September 2009 Asia /Pacific also includes Europe & Americas

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

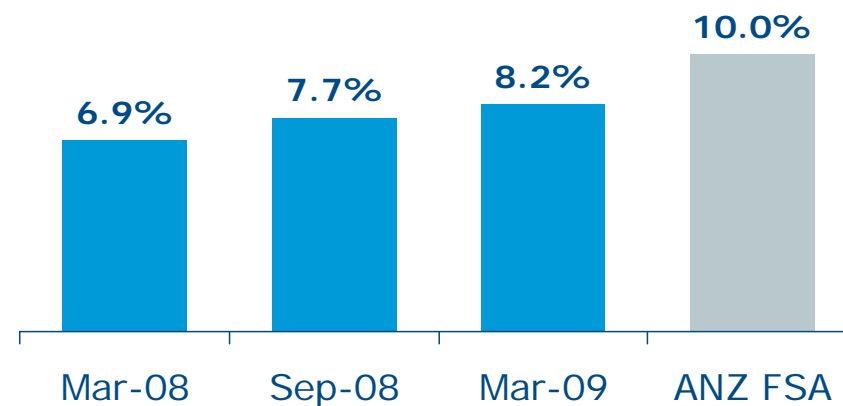
Balance Sheet Strength remains our priority

- Tier 1 Capital ratio increased to 8.2% (10.0% on an FSA basis)
- Tier 1 Capital internal target range 7.5% to 8%
- Collective Provision coverage over 1% of Credit RWAs
- Improved funding composition (increased deposit funding)
- Term funding program well advanced (2009 YTD 90% complete)
- Reduced reliance on short term funding
- Liquidity portfolio now \$60bn

Total provision coverage

Category	Tier 1 plus CP plus IP balance (Mar 09)
ANZ	9.3%
ANZ FSA	10.9%

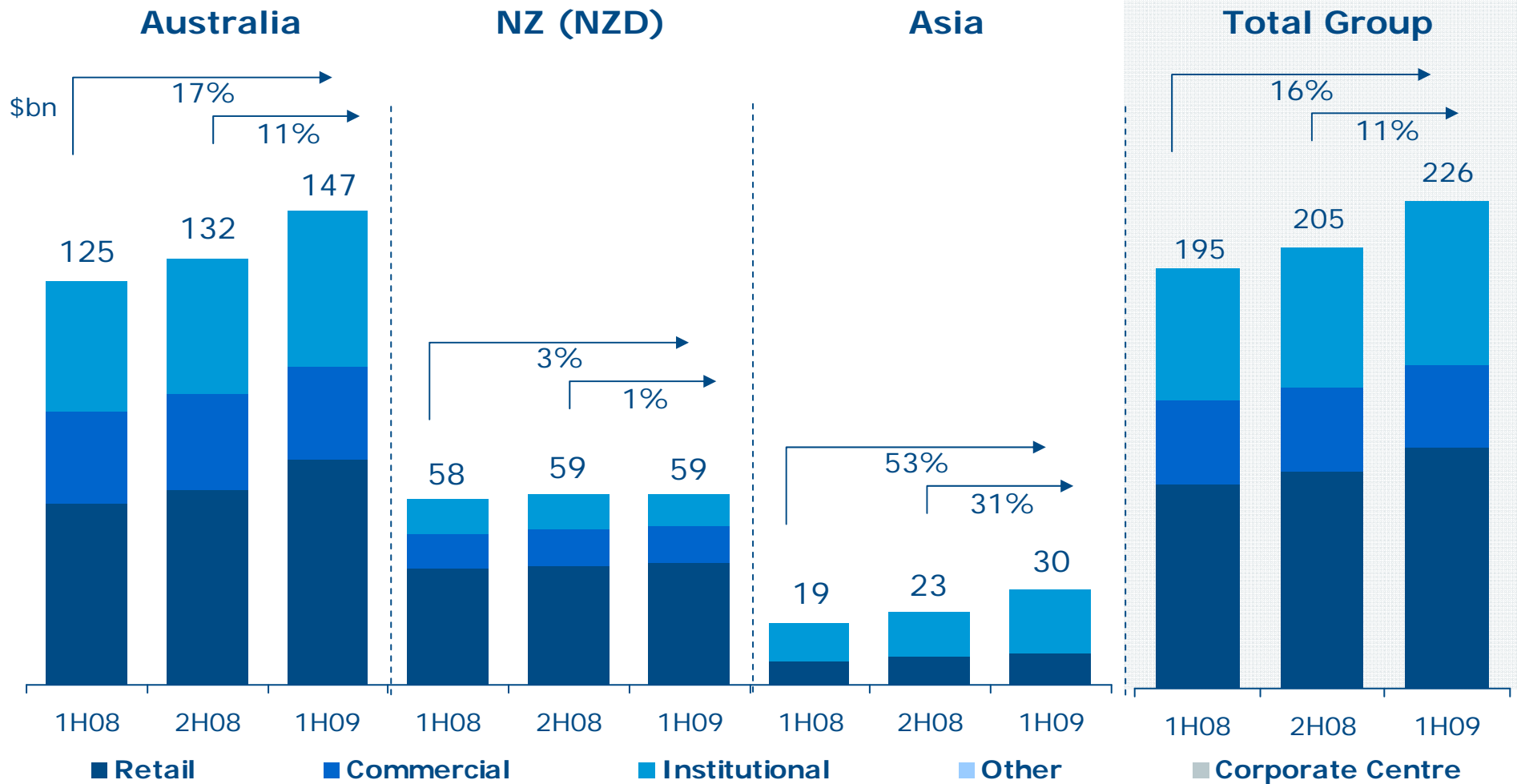
Tier 1 Capital ratio above target range



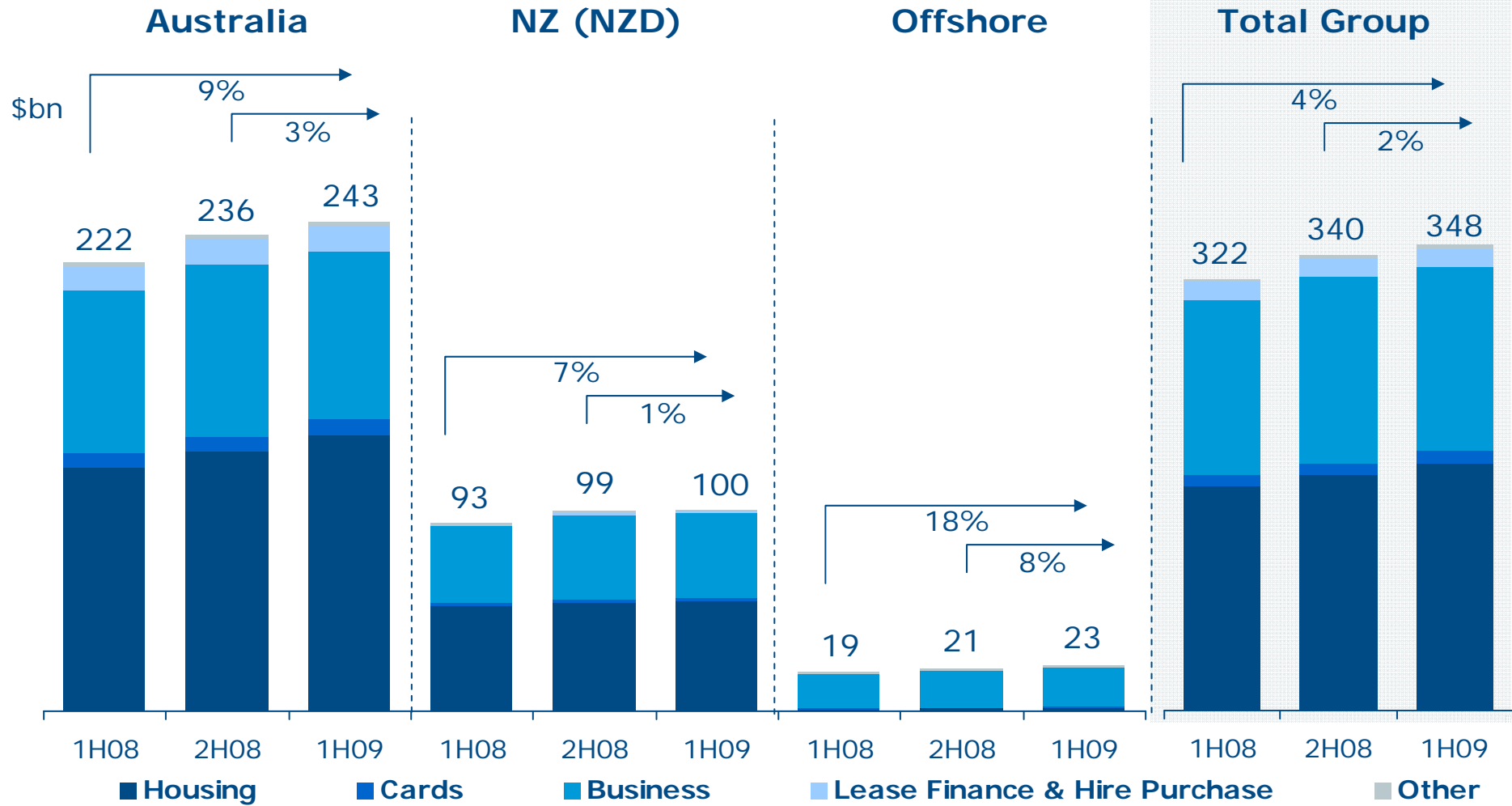
Funding composition improved

Category	Funding composition		Volume change AUD bn
	Sep 08	Mar 09	
Customer	50%	54%	21
Short term w'sale	22%	18%	(12)
Term w'sale	21%	21%	-
Equity & hybrids	7%	7%	2

Customer Deposits by Geography

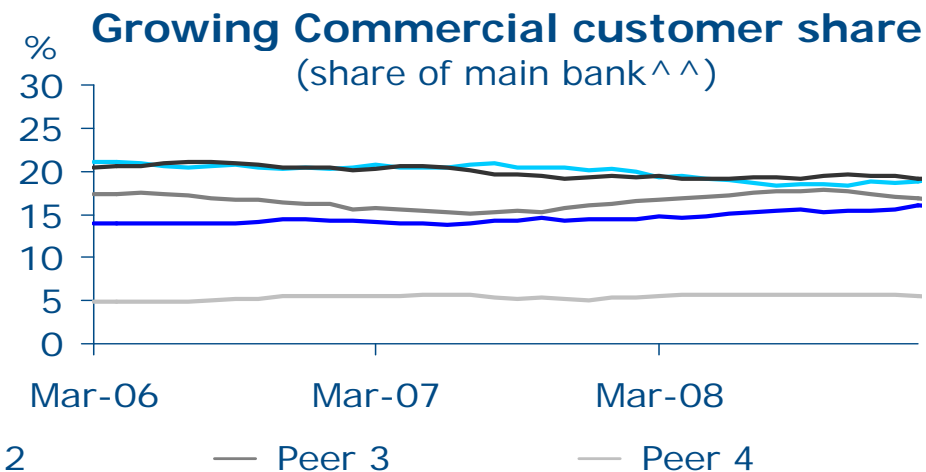
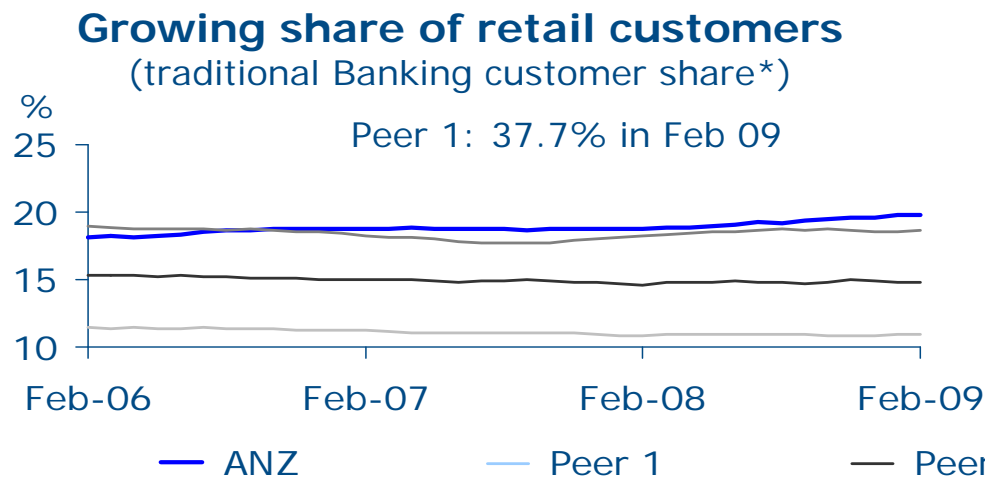
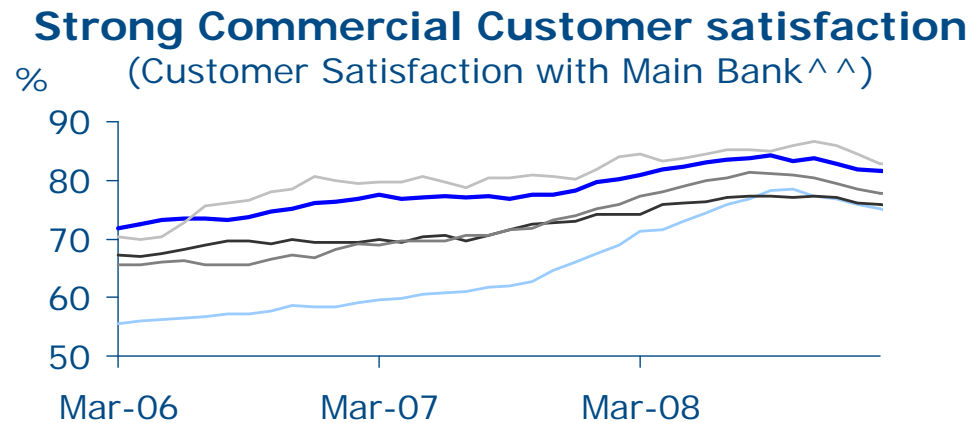
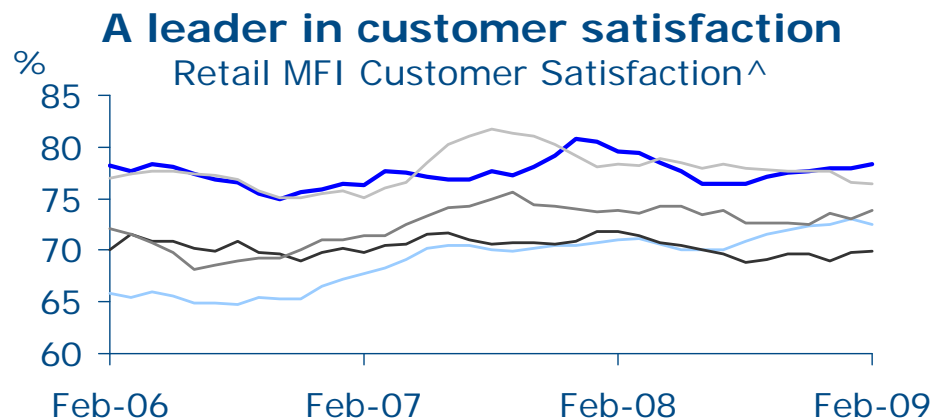


Gross Loans and Advances by geography



Australia division – customer focus is driving underlying momentum in both the retail and commercial businesses

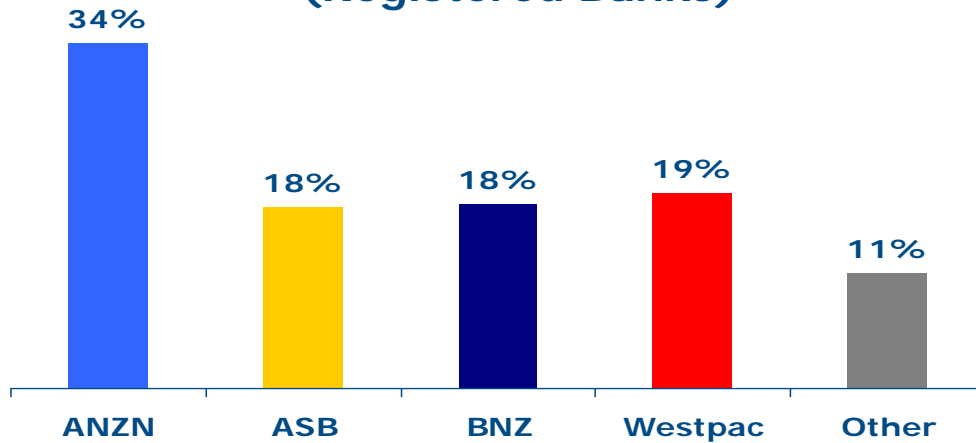
Australia Division footprint: 819 Branches; 2,545 ATMs; 14,408 FTE staff



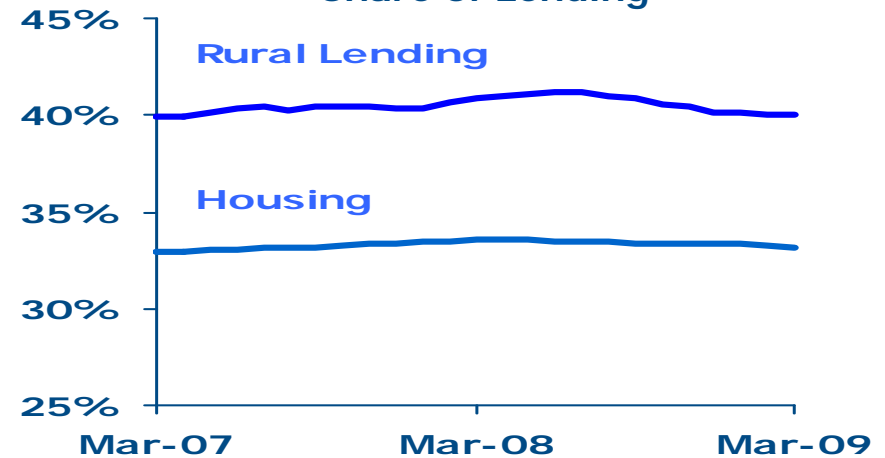
^ Roy Morgan Research – Aust Main Financial Institution Pop'n aged 14+, % Satisfied (Very or Fairly Satisfied), rolling 6 months *Roy Morgan Research – Aust Traditional Banking Pop'n aged 14+, rolling 12 months; ^^ TNS Business Finance Monitor. Base: All businesses with annual turnover under \$40mil (excluding agribusiness) rolling 12 months. Peers are all major Australian financial institutions.

ANZNB has leading market positions

Share of Lending
(Registered Banks) ¹



Retail & Rural Banking
Share of Lending¹



Institutional & Corporate

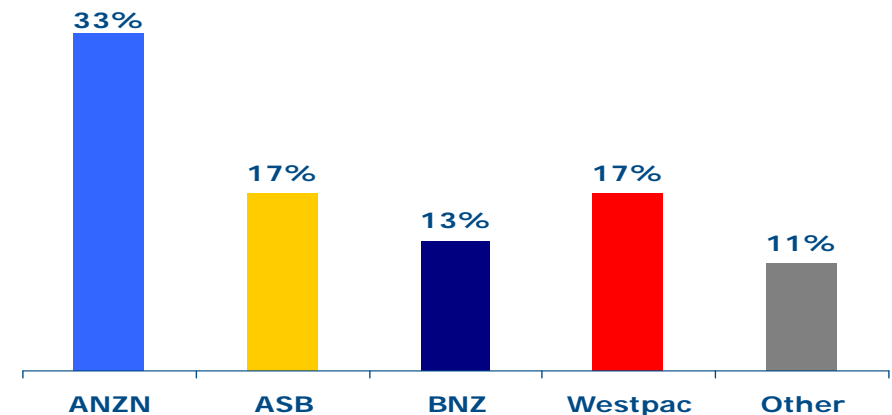
#1 Lead Foreign Exchange & Interest Rate Derivatives Dealer²

Lead Domestic Transactional Bank² & #1 Provider of Trade Services²

#1 Domestic Bond Issuance³

Dominant market position in Corporate & Commercial Banking (36% share)⁴

Share of personal customers⁵



Source: 1. RBNZ data and individual bank General disclosures as at Dec 2008; 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; 5. Nielsen Consumer Monitor: Rolling 4 qtrs to March 2009 - Customers nominating the bank as main provider

The Institutional business is repositioning itself as an integrated Trade, Cash and Financial Markets Flow business

Clients

Two major client segments:

- Regional and global companies (FI and corporate)
- Local "core" corporates
Building lead bank status, leveraging strong relationships

Geographic

- Asia a major growth engine
- Australia focus on share of wallet and capital efficiency
- NZ maintaining a dominant position

Product

- Particular focus on Trade, Cash and Financial Markets flow support by debt-capital markets
- Discontinuing 'strategic products' such as Private Equity and Alternative Assets
- Supported by a regional operating platform that is well-controlled, scalable and repeatable

People

- A results-driven, international work-force connected across the regions

Risk

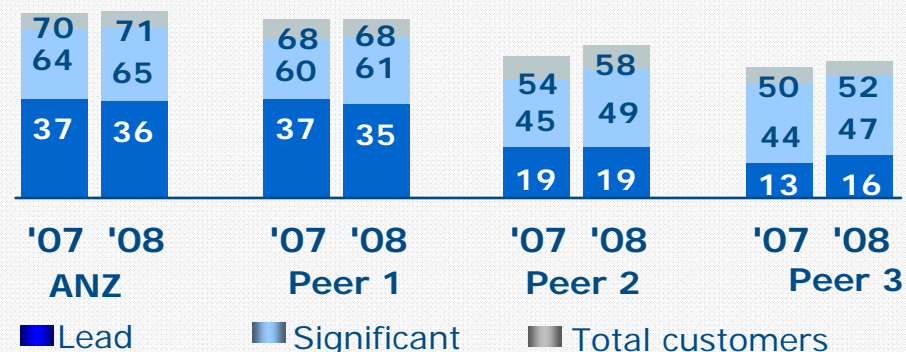
- A risk culture built around strategy and client, owned across the business

¹ Peter Lee & Associates 2008 Survey

Leveraging strong customer relationships

No. 1 Relationship Bank status

Relationship Market Penetration¹ (%)



Geography

Core
Australia, New Zealand,
Greater China, Vietnam,
Malaysia, Indonesia, India

Network/Hubs
Hong Kong, Taiwan,
Singapore, Philippines,
Japan

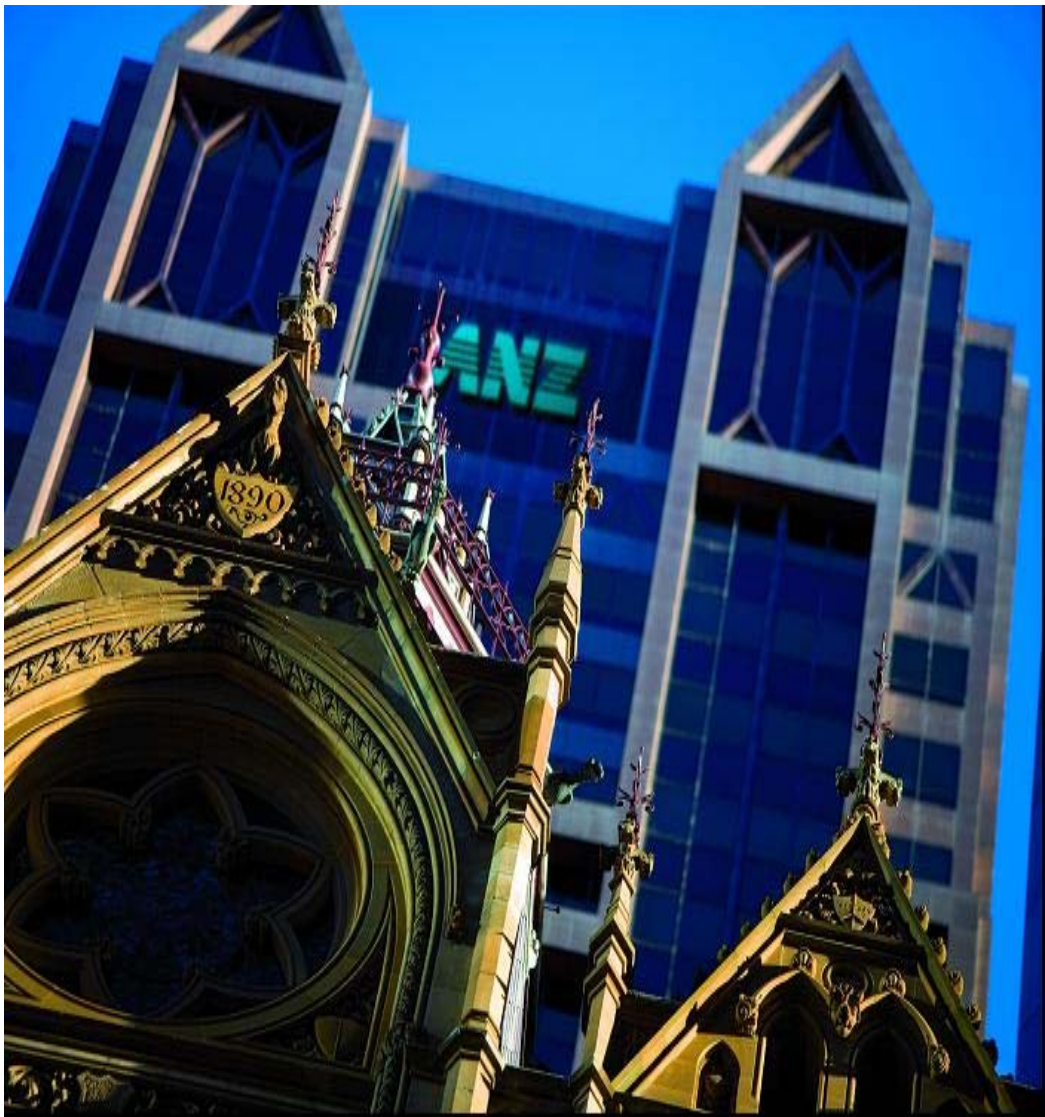
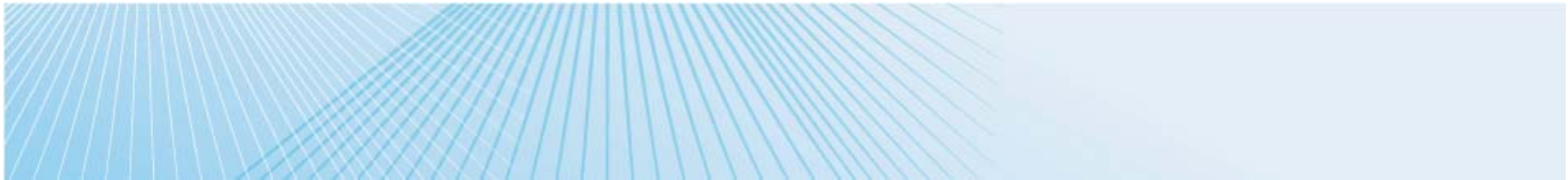
Feeders
Europe, US

Proposition

Full core banking services

Focus on markets, cash, trade, supply chain lending and distribution

Focus on markets, offshore cash, trade, supply chain lending and distribution



**Strengthening the
Balance Sheet –
Capital, Funding,
Liquidity, Provision
coverage**

ANZ has a strong capital position

	Mar 08	Sep 08	Mar 09	ANZ FSA Basel II	ANZ OSFI Basel II
Core Tier 1	5.3%	5.9%	6.4%	8.0%	8.8%
Tier 1	6.9%	7.7%	8.2%	10.0%	10.7%
Total Capital	10.1%	11.1%	11.0%	>13%	>13%

Capital position has been strengthened:

- Tier 1 ratios have increased by circa 130 bps since Mar-08, driven by:
 - Fundamental capital increase of \$3.8bn through \$2.8bn (99bps) of ordinary share raisings (2 DRP underwrites & StEPS conversion)
 - Hybrid capital increase of \$1.0bn (37bps)
- 1H09 dividend reduced 26%. If final div reduced by a similar % this would generate capital of around \$0.5b for the year
- Management Tier-1 target range of 7.5% to 8.0% which is well in excess of regulatory minimums
- Capital ratios stronger under FSA & OSFI

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

Total provision coverage

Category	Tier 1 plus CP plus IP balance (Mar 09)
ANZ	9.3%
ANZ FSA	10.9%

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

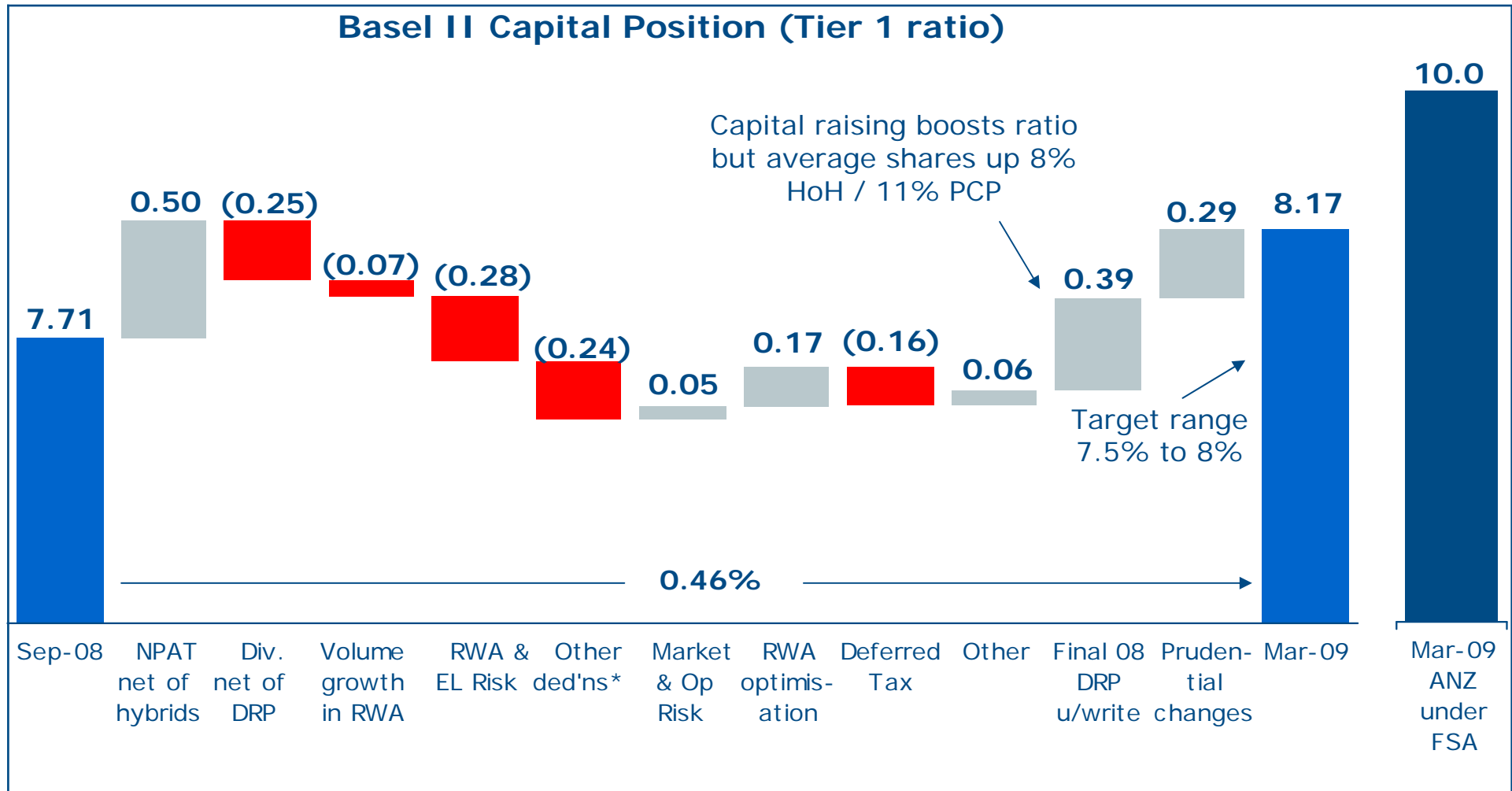
Capital differences arise principally due to FSA:

- 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:

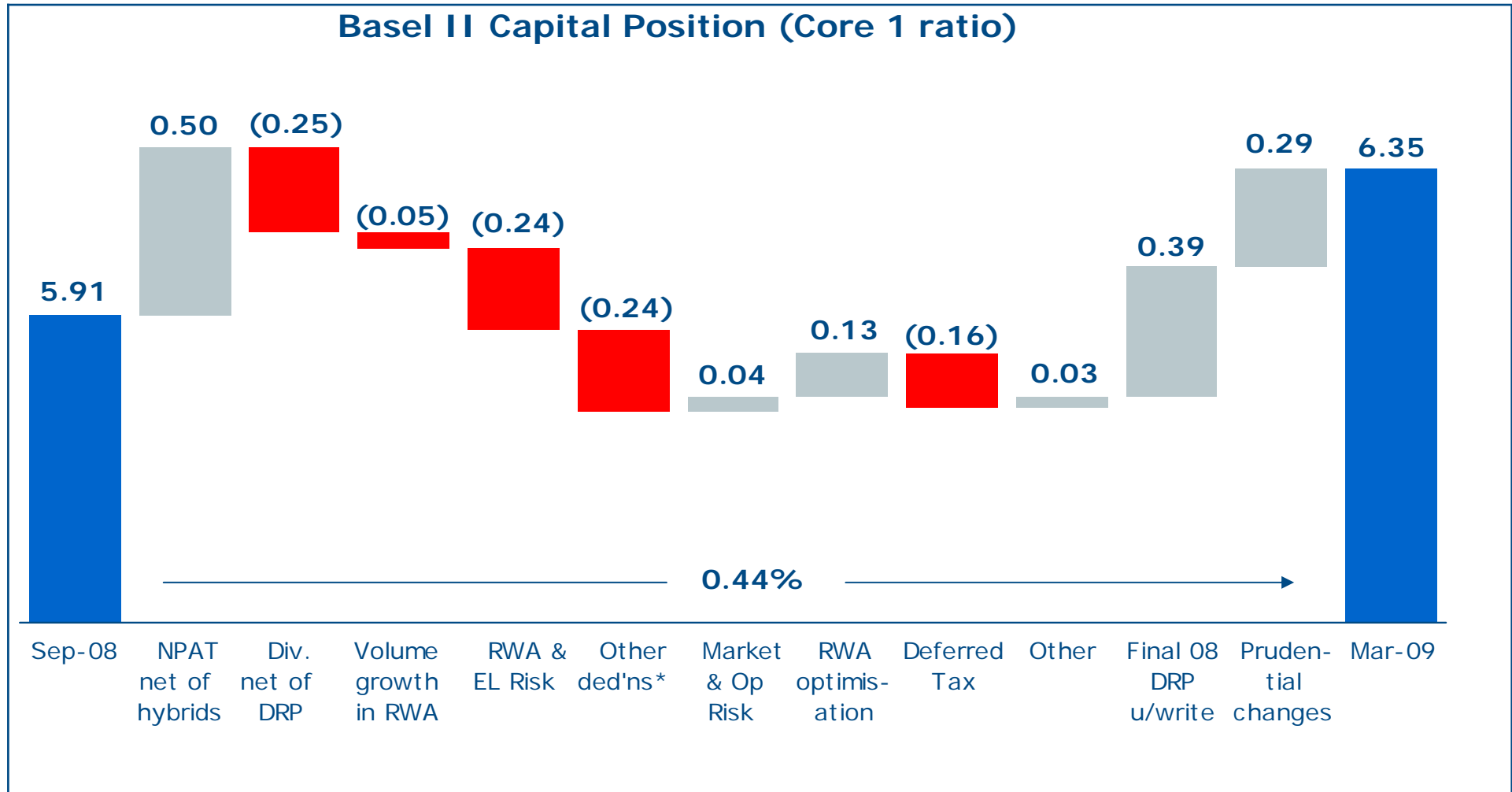
- APRA setting a 20% floor on the downturn LGD for mortgages (as compared with the 10% minimum set by the FSA)
- FSA not requiring Interest Rate Risk in the Banking Book to be a Pillar I requirement
- Differences in the treatment of specialised property lending; equity and margin lending products

Capital position strengthened during the first half 2009



* includes Associates, Pensions, Capitalised Costs, MTM gains on own name included in profit, AFS reserve

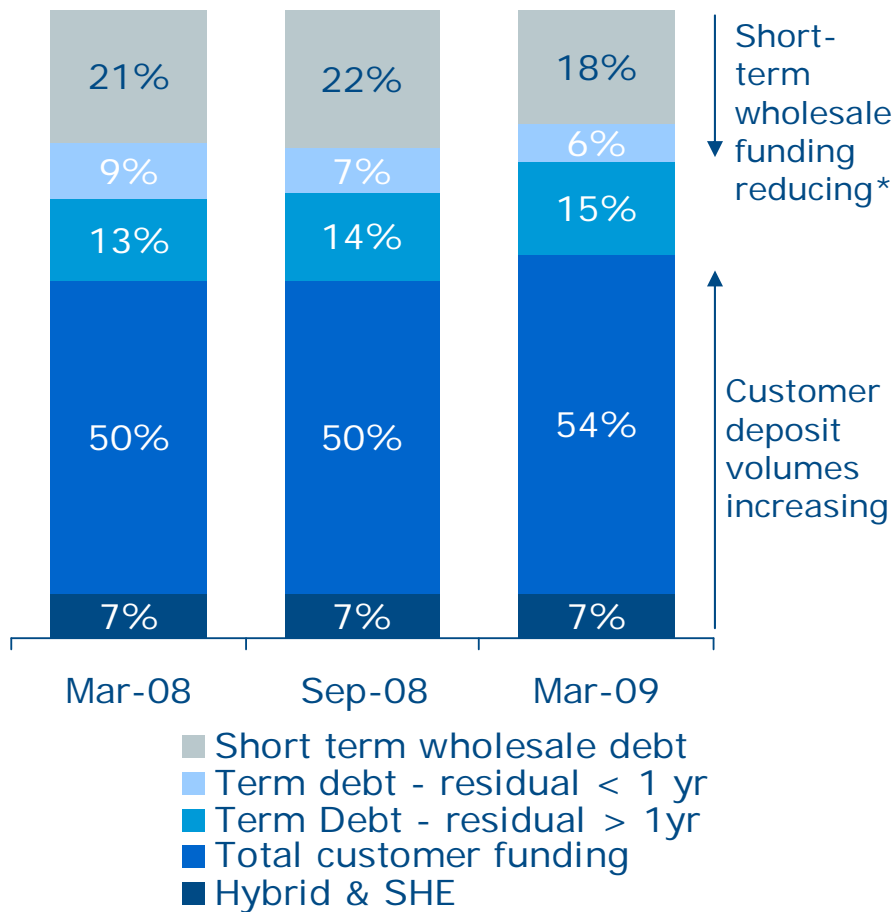
With the improvement in ANZ's capital position flowing through to the core Tier 1 position



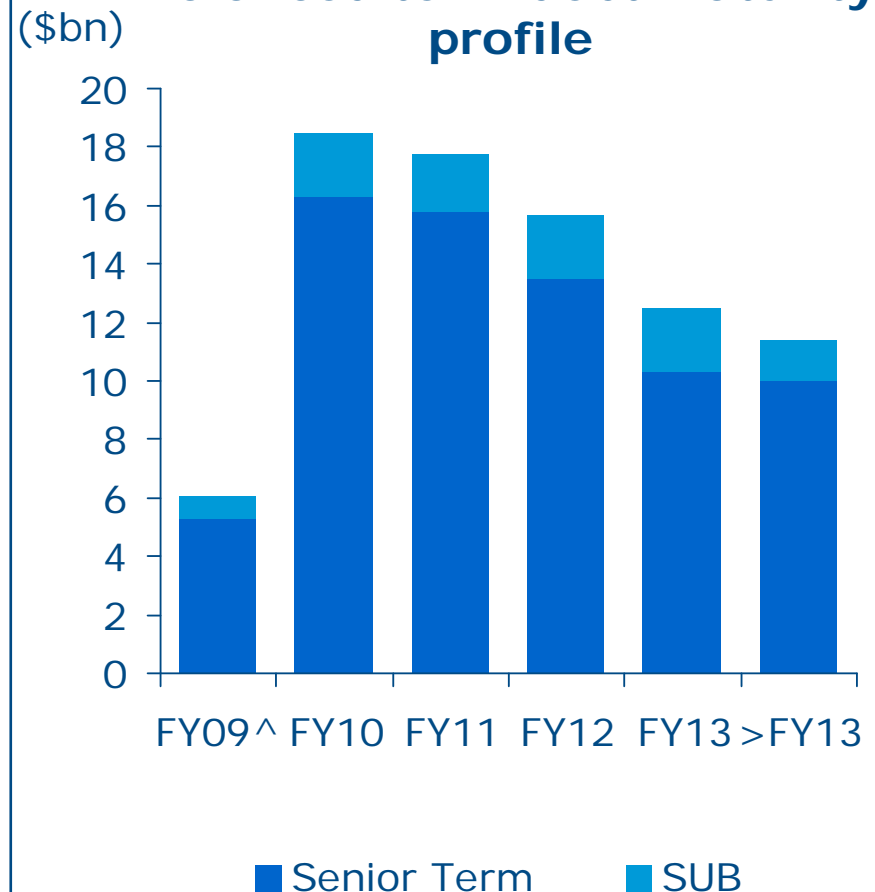
* includes Associates, Pensions, Capitalised Costs, MTM gains on own name included in profit, AFS reserve

ANZ well placed from a funding perspective

Funding composition strengthened



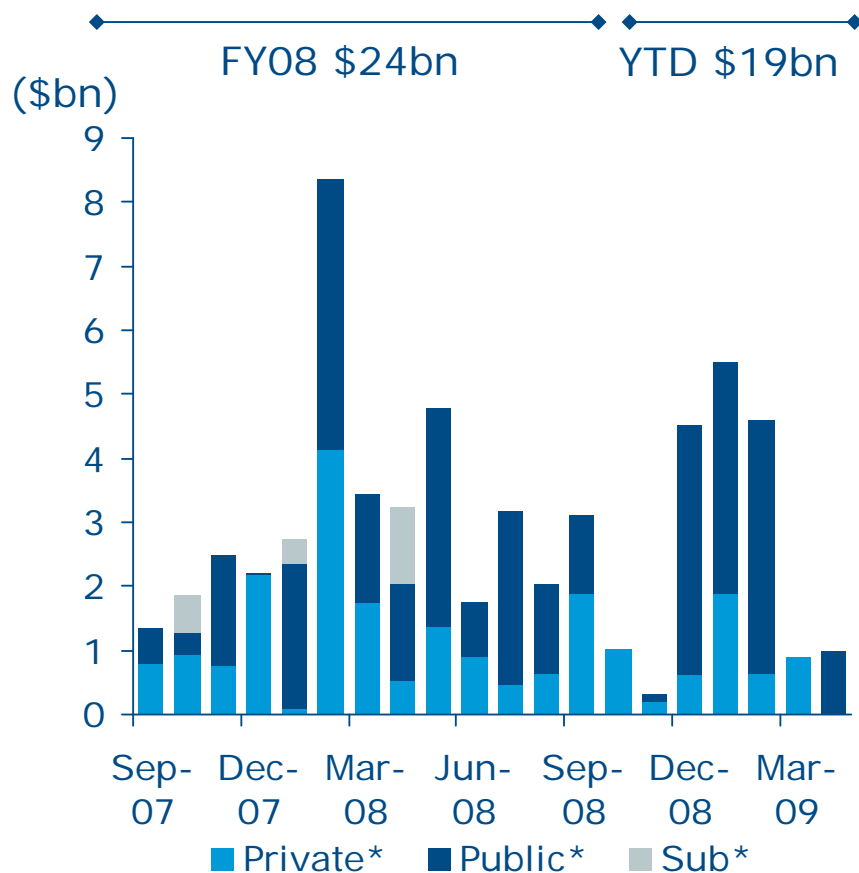
Balanced term debt maturity profile



* Short term wholesale funding includes commercial bills ^ remaining maturity in 2009 (May to Sep)

Strong term debt issuance 2009

Term debt issuance in 2009[^]



- Have completed \$19bn in wholesale term funding financial YTD (1 Oct 08 to 5 May 09) representing 90% of FY09 term funding target (Includes \$3bn issued post 31 Mar 09)
- Maintained access to all major global funding markets
- Lengthened average tenor of new term issuance to 4 yrs
- Funding costs however remain elevated
- Forward maturities remain very manageable

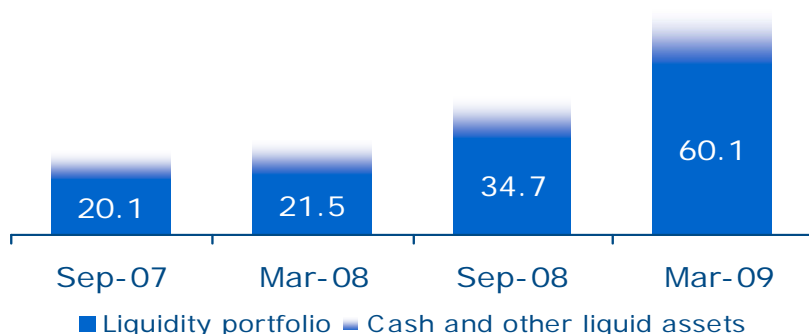
May 2009 ANZ issued its first non-Government guaranteed benchmark debt post the introduction of the Govt guarantee

- 3yr \$A1bn unguaranteed deal at 128bps over BBSW issued completed first week of May 2009
- Book reached \$A1.4bn comprising orders from 57 investors (12% in Asia)
- We see this as a positive sign for the Australian banking system

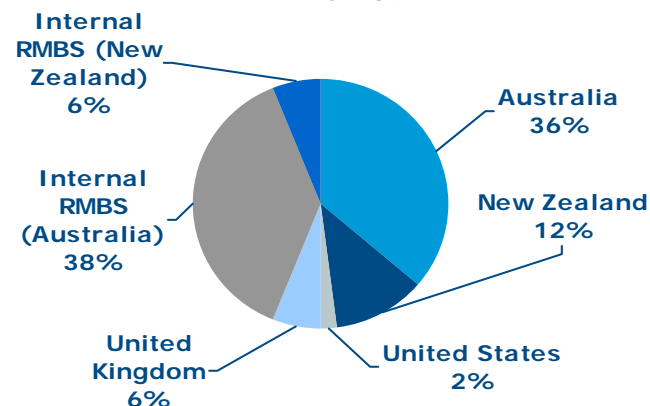
[^] \$16bn term debt issuance H109, \$2bn completed Apr-09, \$1bn completed first week of May 2009 *Public: public benchmark deals (deals are publicly offered and often with a large number of investors); Private: private placements are generally placed with a smaller number of investors; Sub: debt which is issued in a subordinated format (ie. it ranks below senior debt in terms of priority of claims on the assets of the bank).

Liquidity position strengthened further

Significant increase in liquid assets (\$bn) >12 months total offshore wholesale funding maturities



Portfolio diversified by geography Mar-09



Strong liquidity portfolio credit quality Mar-09

Long Term Counterparty Credit Rating ¹	Market Value [^] AUD \$bn	Cumulative % of portfolio	No. of parties
AAA	39.1	65%	35
AA+	5.0	73%	4
AA	12.2	94%	11
AA-	2.1	97%	10
A+	1.7	100%	9
A	0.1	100%	3
Total	60.1		72

- Prime liquid asset portfolio increased to \$60bn,
- Covers >12mth offshore w'sale funding maturities
- All liquid assets eligible for repo with a major central bank
- Strong credit quality: 97% of portfolio credit rated AA- or better
- Well diversified by geography & counterparty: >70 names in portfolio
- In addition to the prime portfolio, ANZ holds additional liquid assets in the form of cash at banks, interbank lending & securities in trading and investment portfolios

1. Where available, based on Standard & Poor's long-term credit ratings
[^] Market Value net of the repo discount (initial margin) applied by the relevant central bank

Hedging program Kiwi dollar earnings

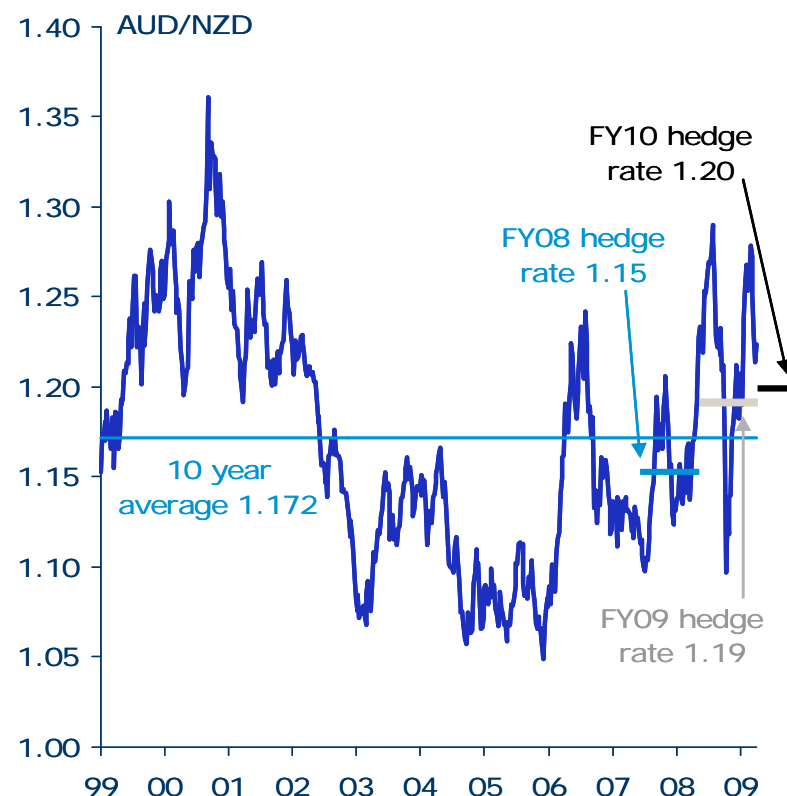
FY09 Hedges

- 100% of the estimated FY09 NZD earnings have been effectively hedged at an average rate of 1.19
- During the first half of 2009 financial year, NZD 0.7 billion of economic hedges matured and a realised gain of \$10 million (pre-tax) was booked to P&L
- However, the first half 2009 matured hedges have an EPS reduction of ~0.4 cents (compared to 2008 effective hedged FX rate)

FY10 Hedging Position

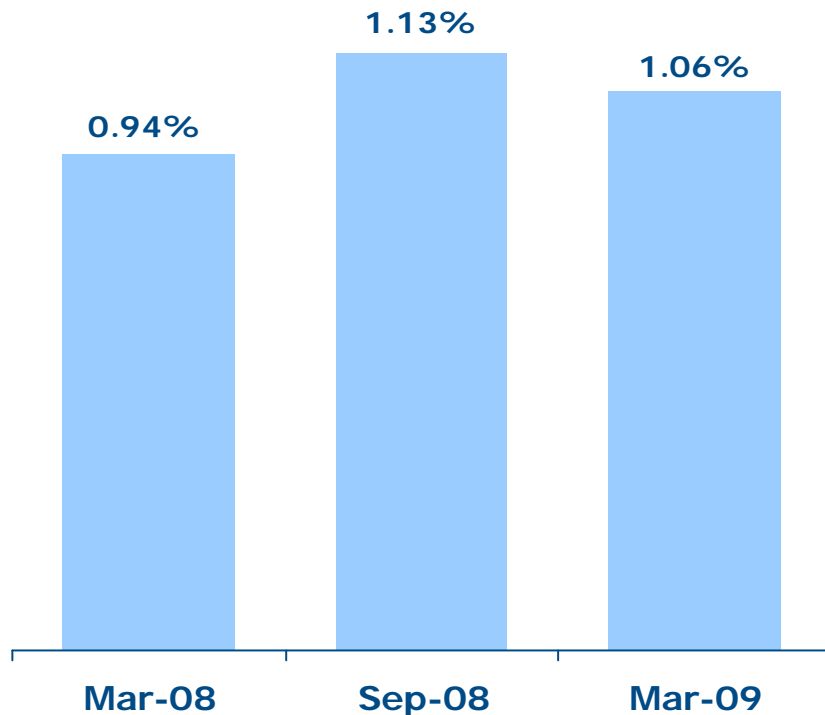
- Approximately 65% of the estimated FY10 and 30% of FY11 NZD earnings have been hedged at between 1.19 and 1.21

AUD/NZD hedges established where revenues are believed to be at adverse risk

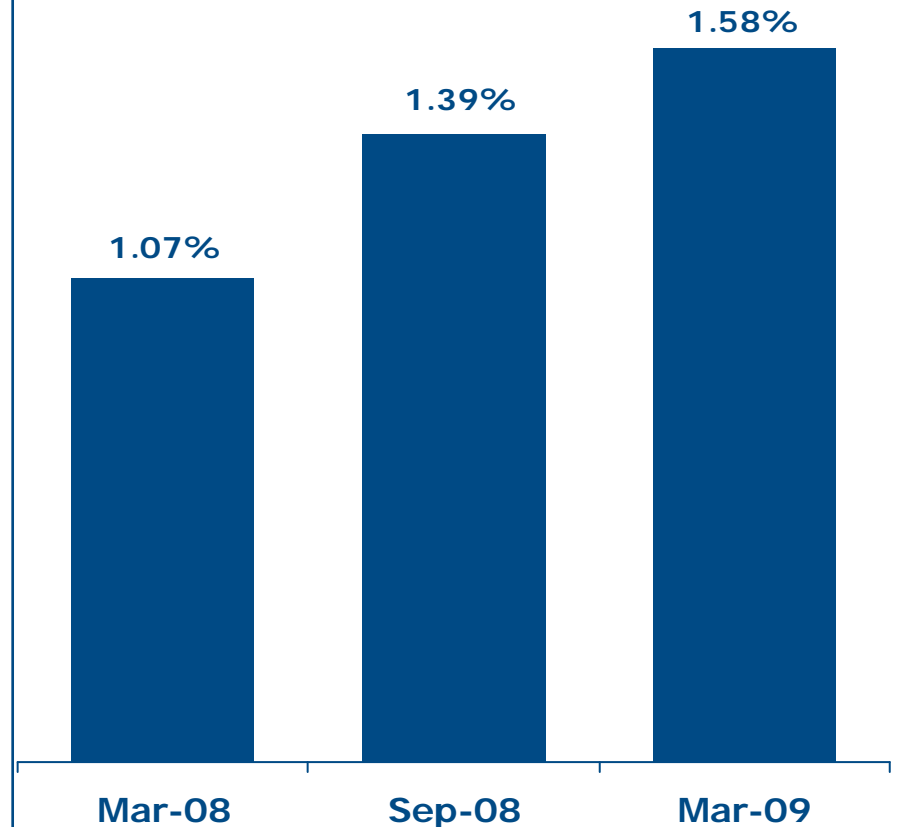


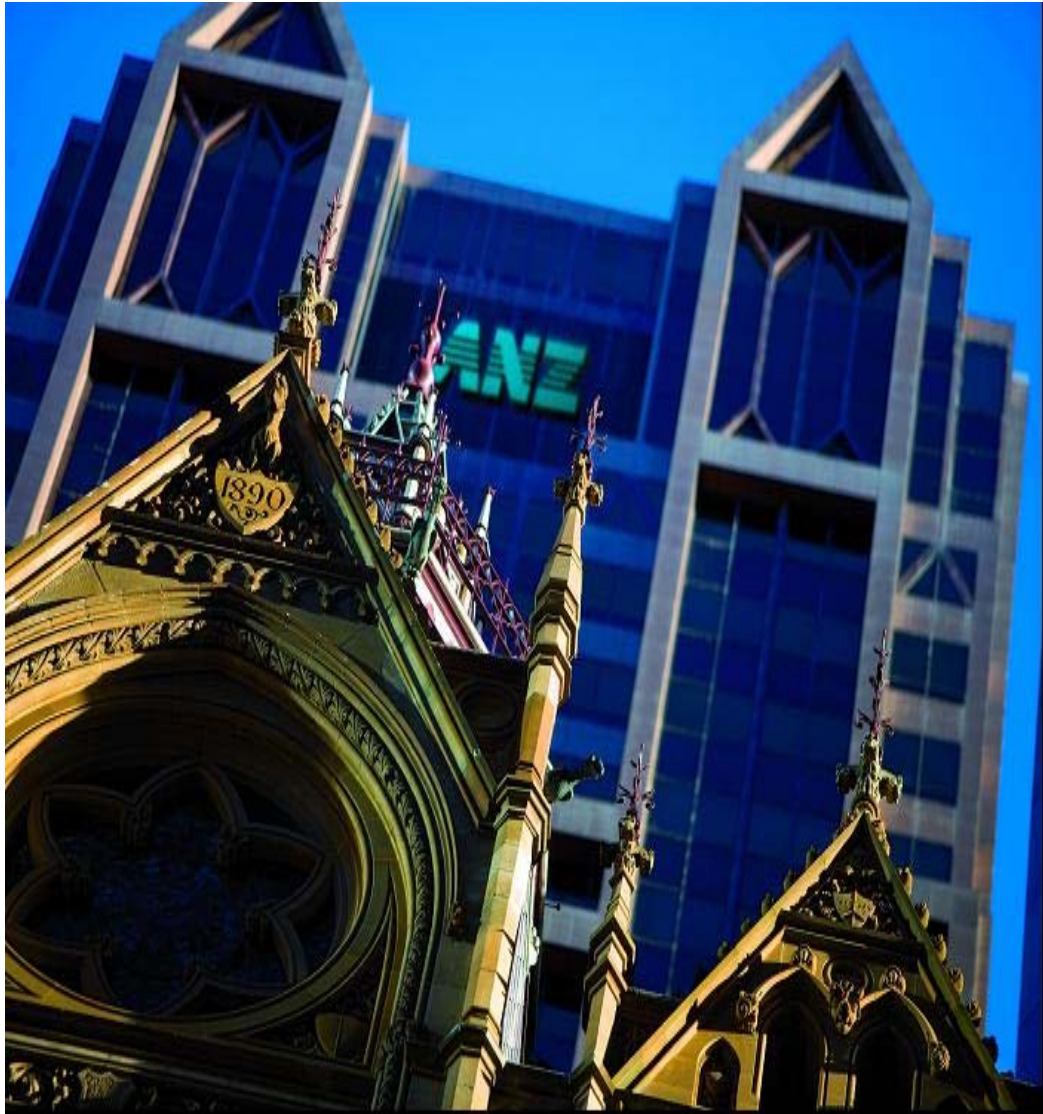
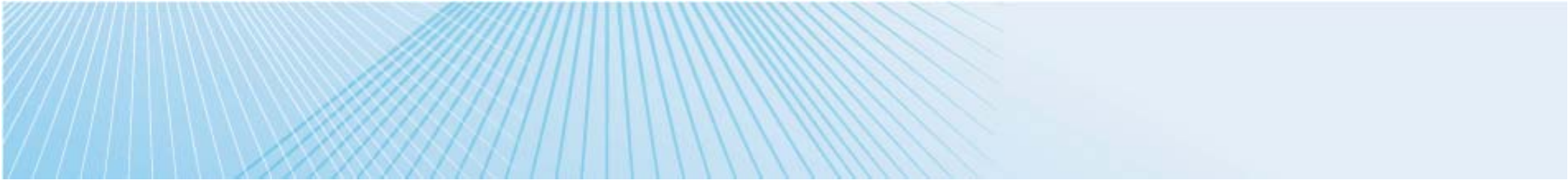
ANZ well provisioned with Collective Provision balance coverage 1.06% of CRWAs and CP + IP balance at 1.58% of CRWAs

Collective Provision balance /
Credit RWAs (%)



Individual Provision balance + Collective
Provision balance / Credit RWAs (%)





Australia, NZ & Asia— economic trends

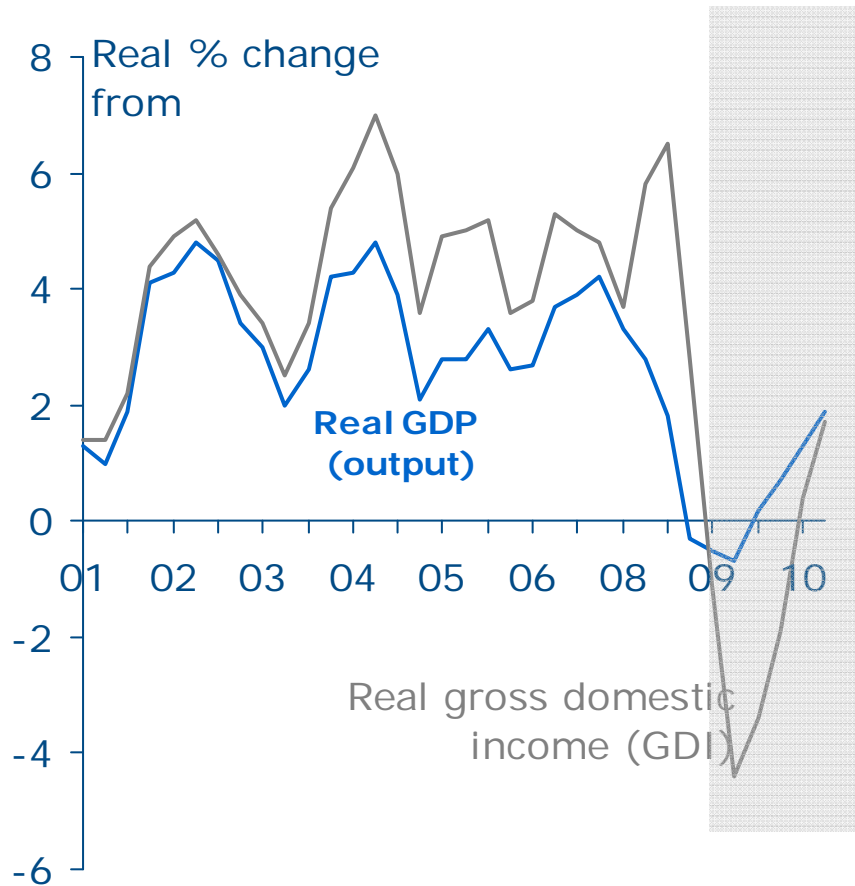
Summary of forecasts: Australia and New Zealand

	Australia				New Zealand			
	2008	2009	2010	2011	2008	2009	2010	2011
GDP	3.0	-0.7	0.3	2.4	1.7	-2.8	0.8	4.8
Inflation	4.2	2.0	2.5	2.6	5.1	1.1	2.3	2.5
Unemployment	4.2	6.3	8.2	8.3	4.3	7.0	7.9	7.2
Current A/C (% GDP)	-5.4	-2.7	-3.5	-4.0	-8.7	-6.5	-5.4	-4.8
Cash rate	7.00	2.50	2.00	4.00	7.50	2.25	2.75	5.75
10 year bonds	4.3	3.6	4.7	5.8	5.7	4.0	5.5	6.5
AUD/USD	0.79	0.63	0.58	0.65	N/A	N/A	N/A	N/A
AUD/NZD	1.18	1.24	1.22	1.25	1.18	1.24	1.22	1.25
Credit	10.0	3.2	3.3	4.5	9.6	3.2	2.5	5.5
- Housing	8.9	6.6	6.8	7.5	6.8	1.5	2.3	5.3
- Business	2.2	-4.0	4.1	5.4	14.1	5.7	2.7	5.8
- Other	13.2	0.3	-1.7	-0.1	4.1	0.6	2.6	4.8

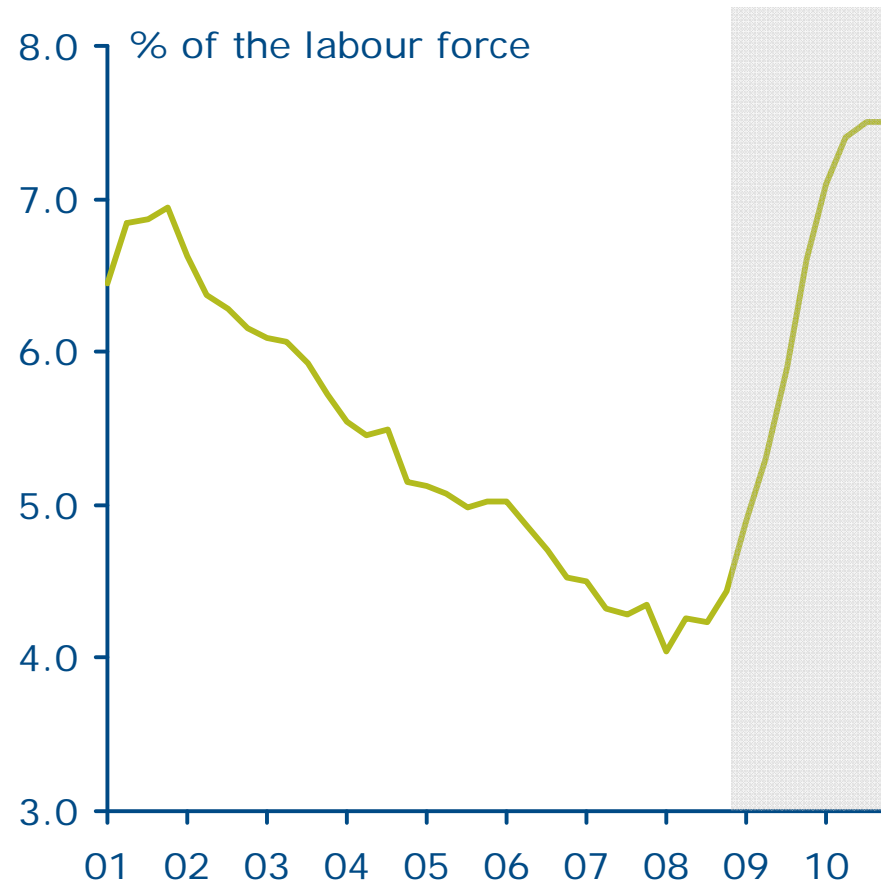
Source – ANZ economics team estimates. Based on 30 September bank year

Australia is experiencing a recession

Gross domestic product and income



Unemployment

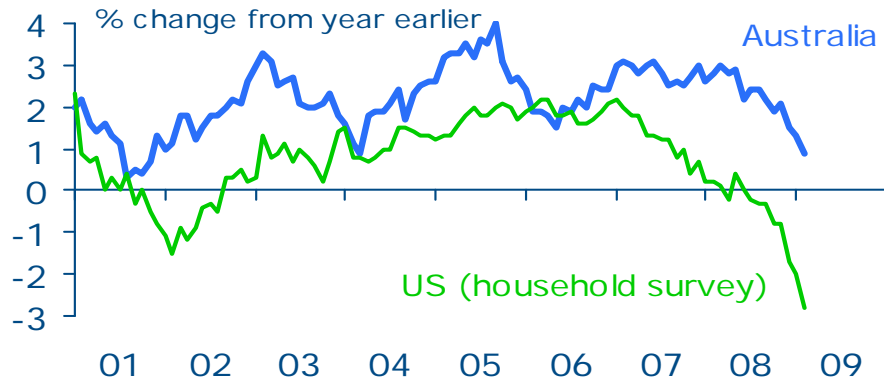


Note: real gross domestic income (GDI) is real GDP adjusted for changes in the terms of trade; it measures the 'purchasing power' of the income associated with producing the GDP. Sources: ABS; ANZ.

However there is no reason to believe that Australia's recession will be as severe as that now under way in the United States

Australian and US labour market and household spending

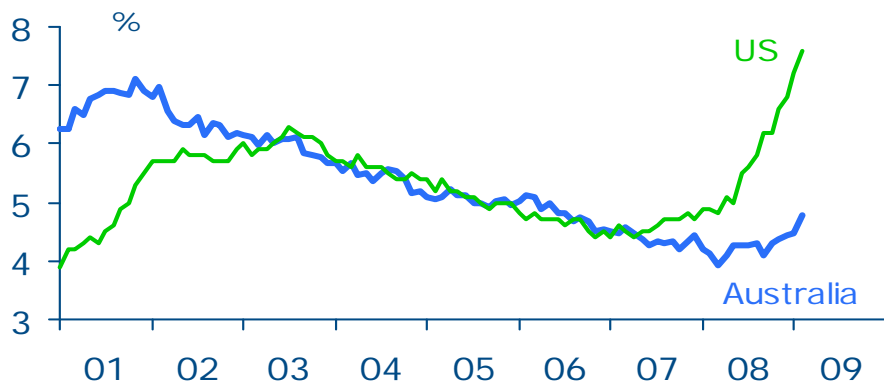
Employment



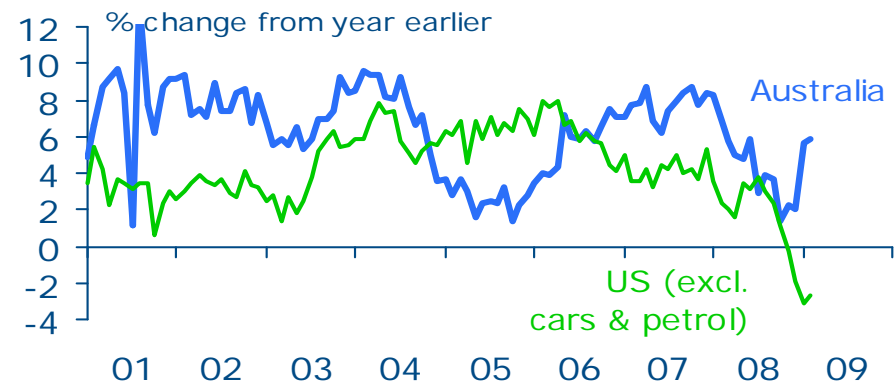
Consumer confidence



Unemployment rate



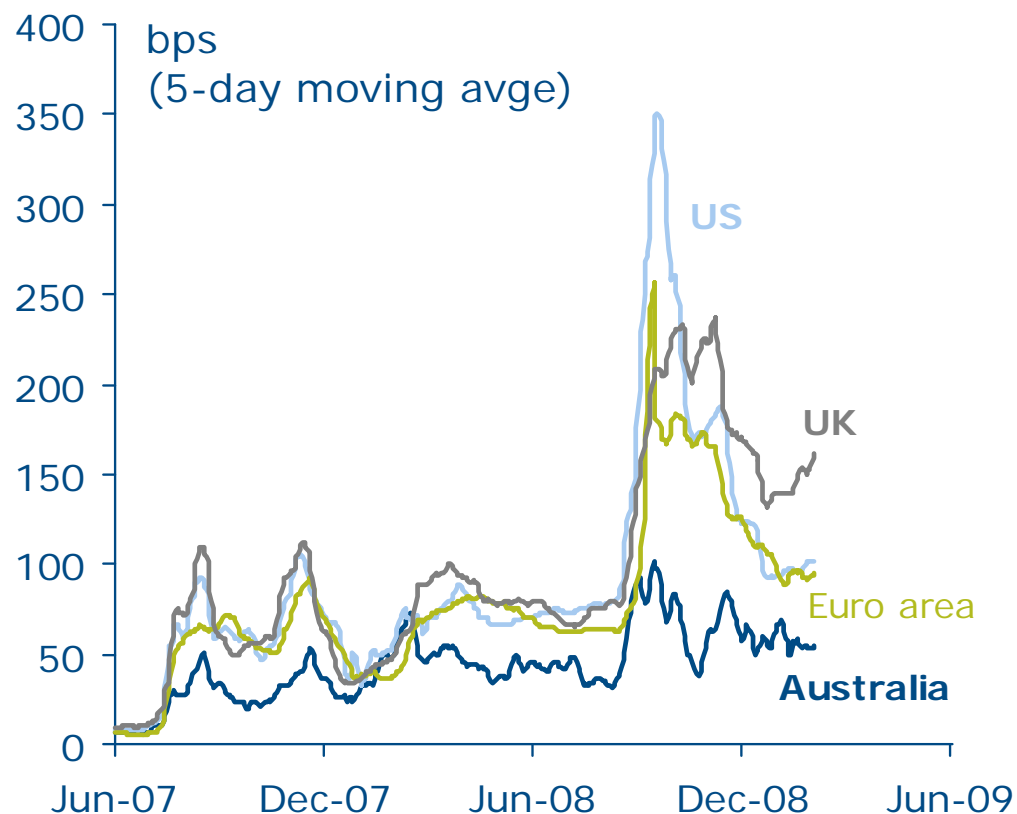
Retail sales



Sources: ABS; US Bureau of Labor Statistics; The Conference Board; Roy Morgan Research; US Commerce Department; ANZ.

Australian banks have been affected by the global financial crisis, but much less than their US or European peers

Spreads between 3-month bank wholesale funding cost and official cash rates*



- Strength of the Australian banking system versus much of the world evident in the past 12 months.
- NO Australian bank has required capital injection from the government
- Each of the major Australian banks were listed in the recent Global Finance "20 Safest Banks" study

* The spread between the 3-month Libor (or in Australia bank bill swap rate) and the 3-month overnight index swap (OIS) rate which measures market expectations of future changes in the official cash rate.
Sources: Bloomberg; Thomson Financial Datastream.

*Source: *Global Finance* (25 February 2009). List based on "a comparison of the long-term credit ratings and total assets of the 500 largest banks around the world. Ratings from Moody's, Standard & Poor's and Fitch".

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

Stimulus Packages to date

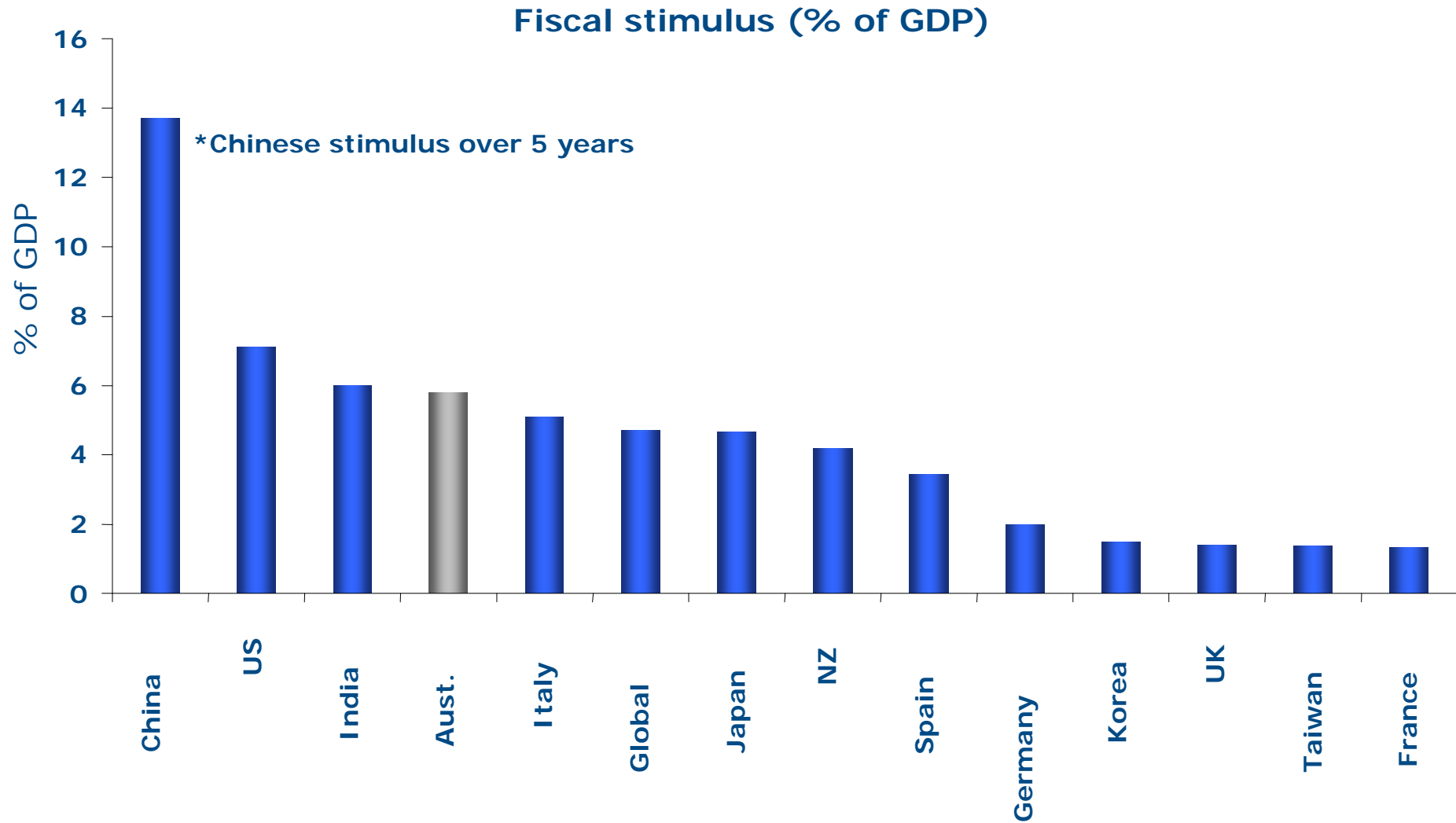
- Oct 2008 - \$10.4bn
- Feb 2009 - \$42bn

February 2009 package included:

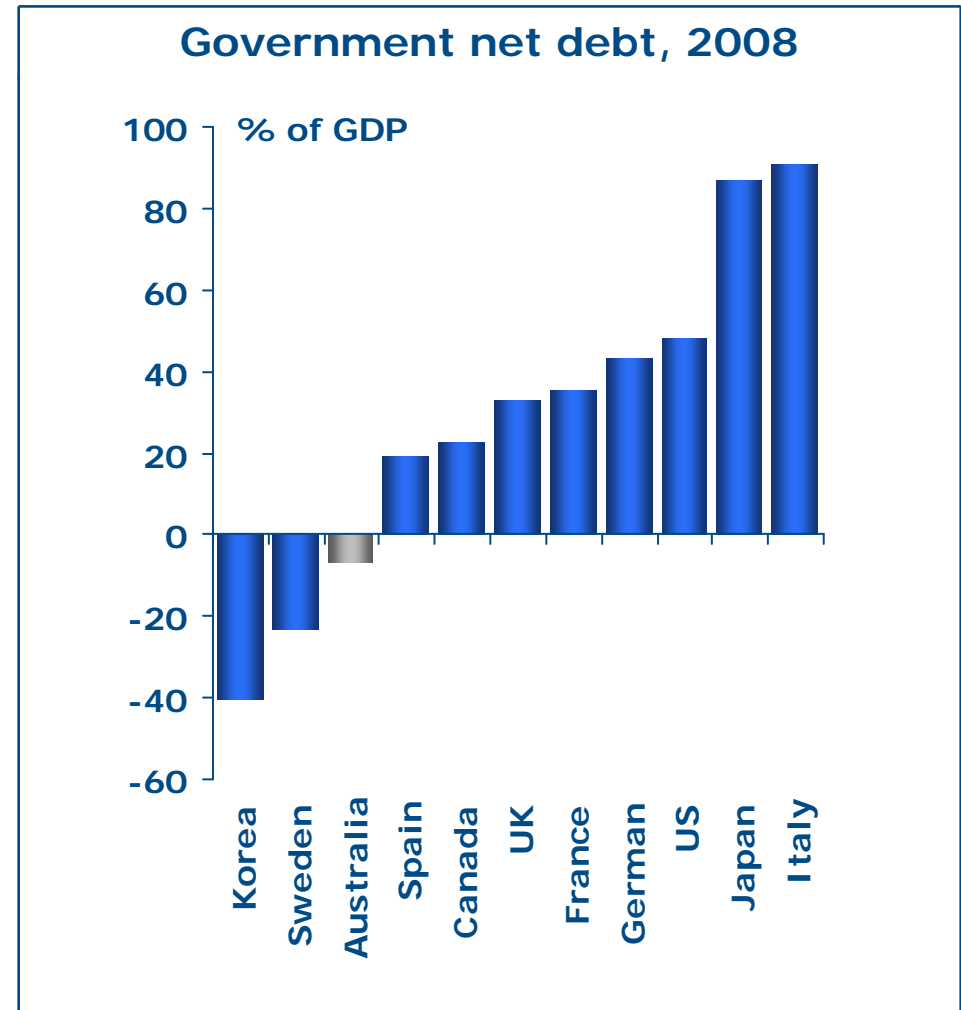
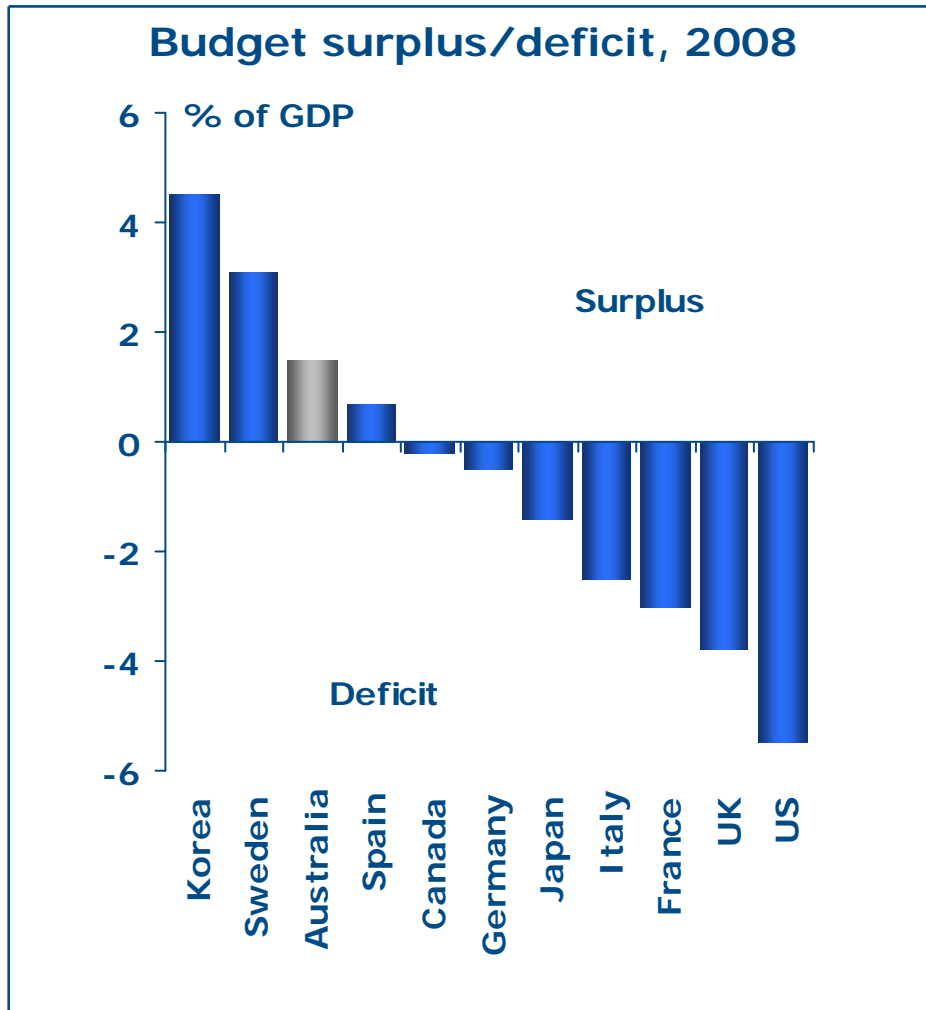
- \$12.7bn one off payments for families/farmers
- \$14.7bn for school building
- \$6.6bn public housing
- \$3.9bn home insulation
- \$2.7bn business tax breaks

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

One of the largest stimulus packages in the world



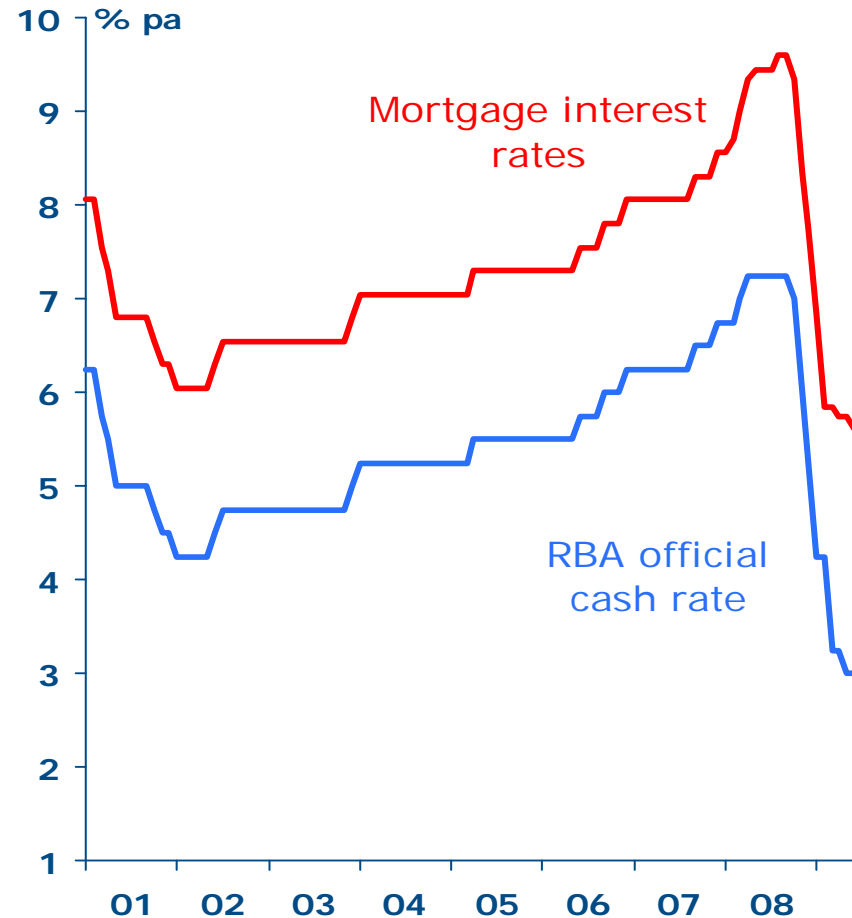
Australia well placed to continue to use fiscal policy to support economic activity



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 cut the official cash rate by 4.25% in just 8 months** (having taken almost six years 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 above the 2-3% target the RBA is explicitly judging that lower commodity prices and weaker economic activity will reduce the inflation risk

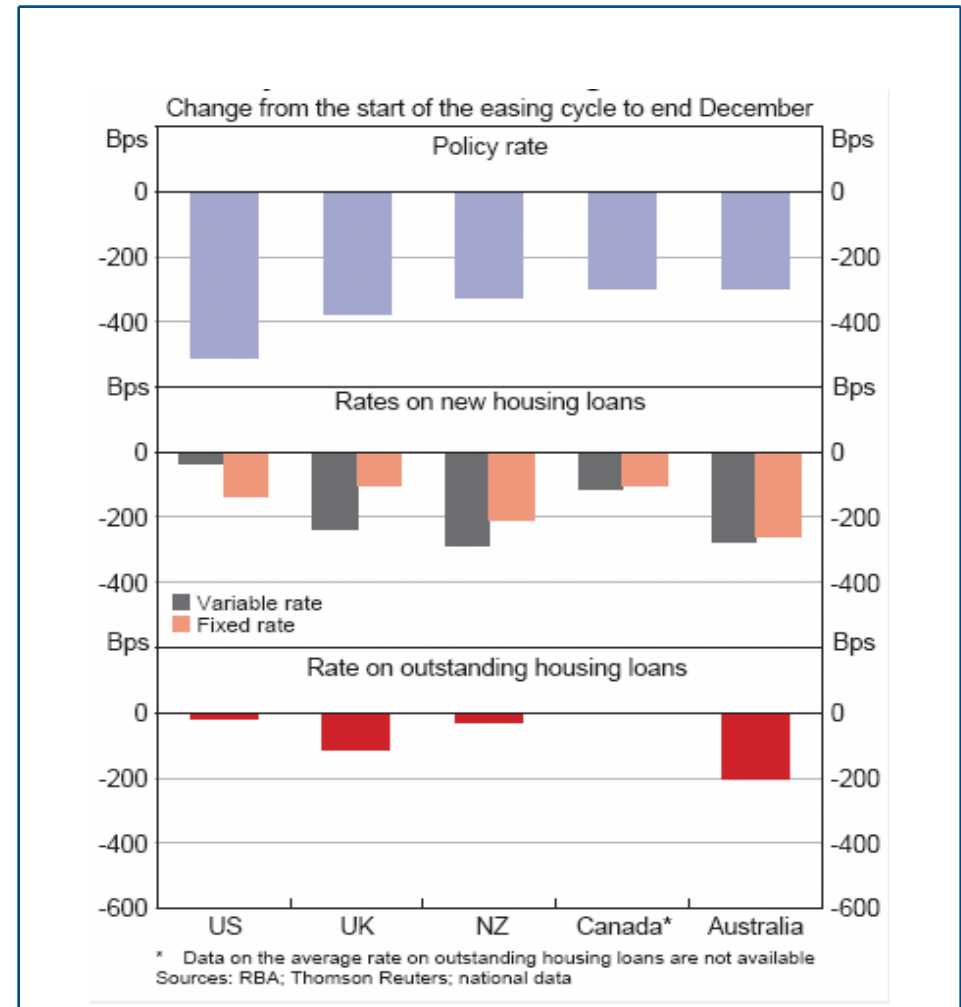


Sources: Thomson Financial; ANZ.

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
- However in many countries rate cuts are not 'getting through' to mortgage holders – particularly to existing mortgages
- Australia stands apart in terms of pass through due to:
 - High proportion of variable loans
 - Mortgage rate priced off 90 day bill rate (cf 30 year bond rate in US)
 - Financial sector healthier hence has the ability to 'pass on' significant proportion of the official interest rate cuts

Sources: Thomson Financial; ANZ.



Current to March 2009. Note RBA has lowered the cash rate by an additional 25 bps since that time. Australian major banks passed on between 0bps and 15 bps of the most recent cut.

Summary: Very tough 2009 for global economy, Australia impacted but relatively well placed

Australia relatively well placed

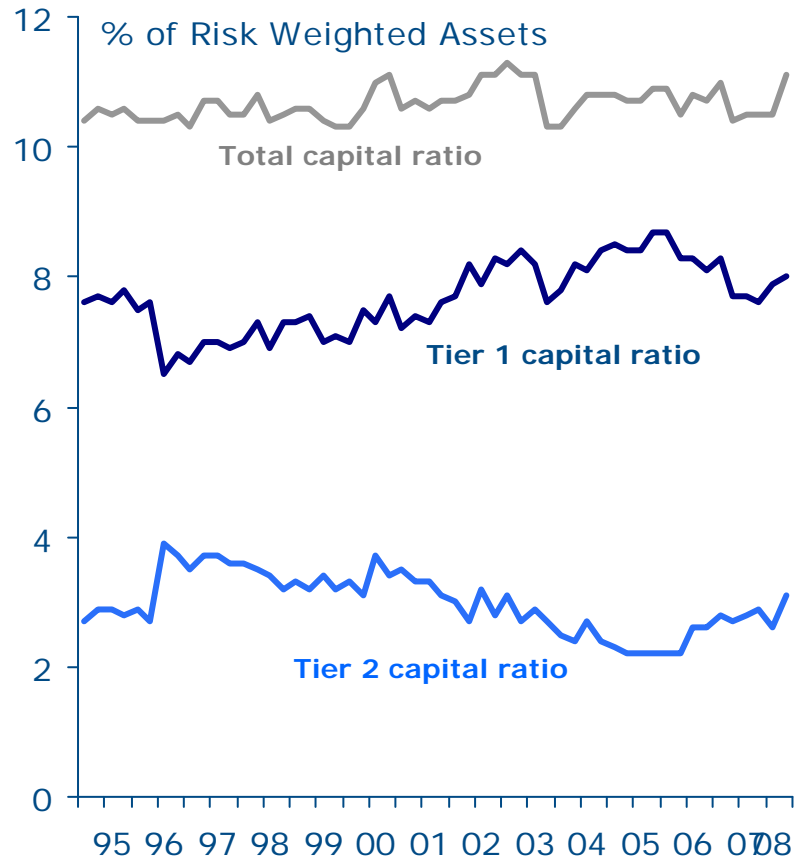
- Rapid & substantial policy response – capacity for more
- Starting point 'fundamentals' solid
- Strong finance sector

Housing supported by a supply shortage

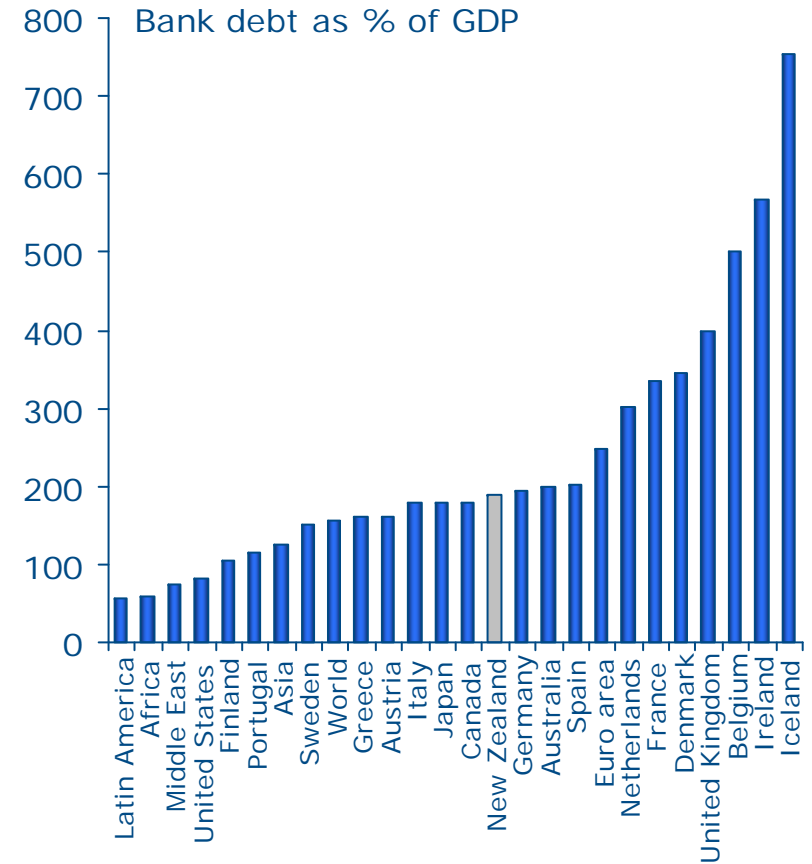
- Supply inadequate/pent up demand
- Limited 'sub-prime' fallout
- Full recourse lending
- Dramatic improvement in affordability (policy pass-through)

The New Zealand banking system is sound

New Zealand banks well capitalised

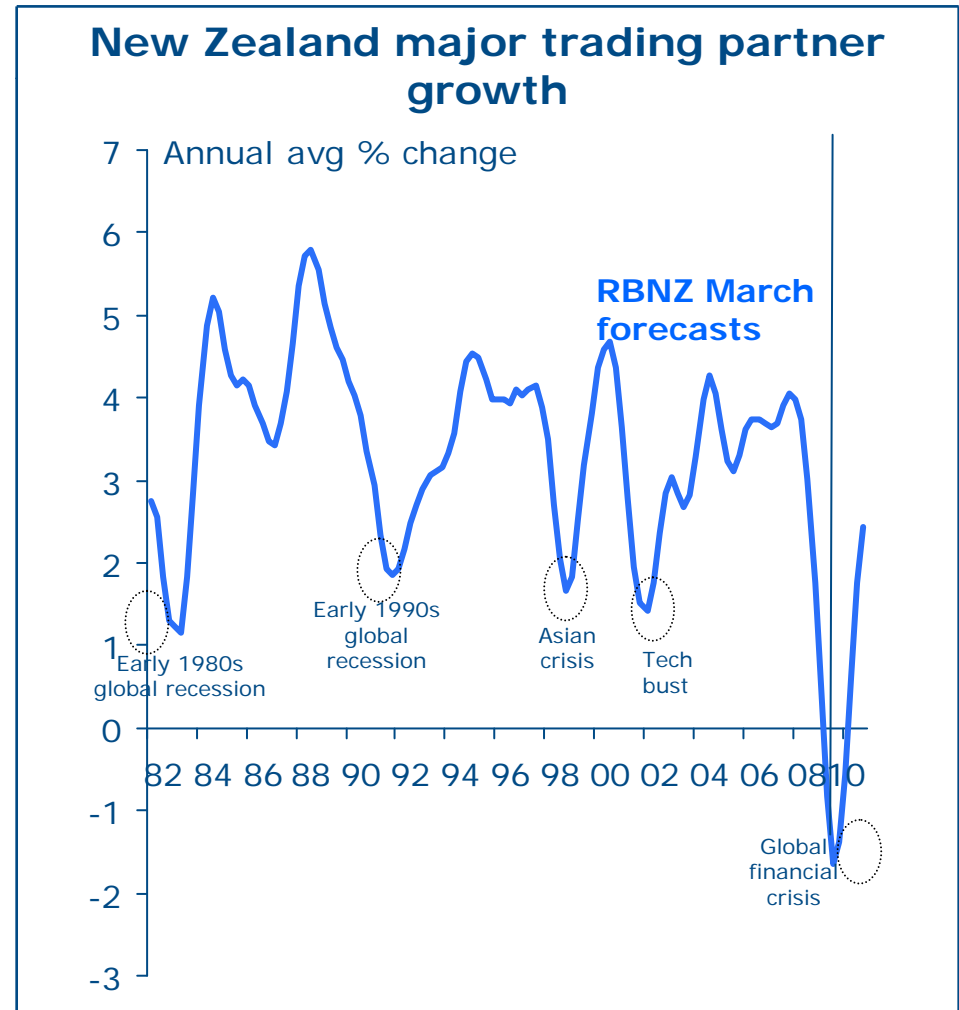
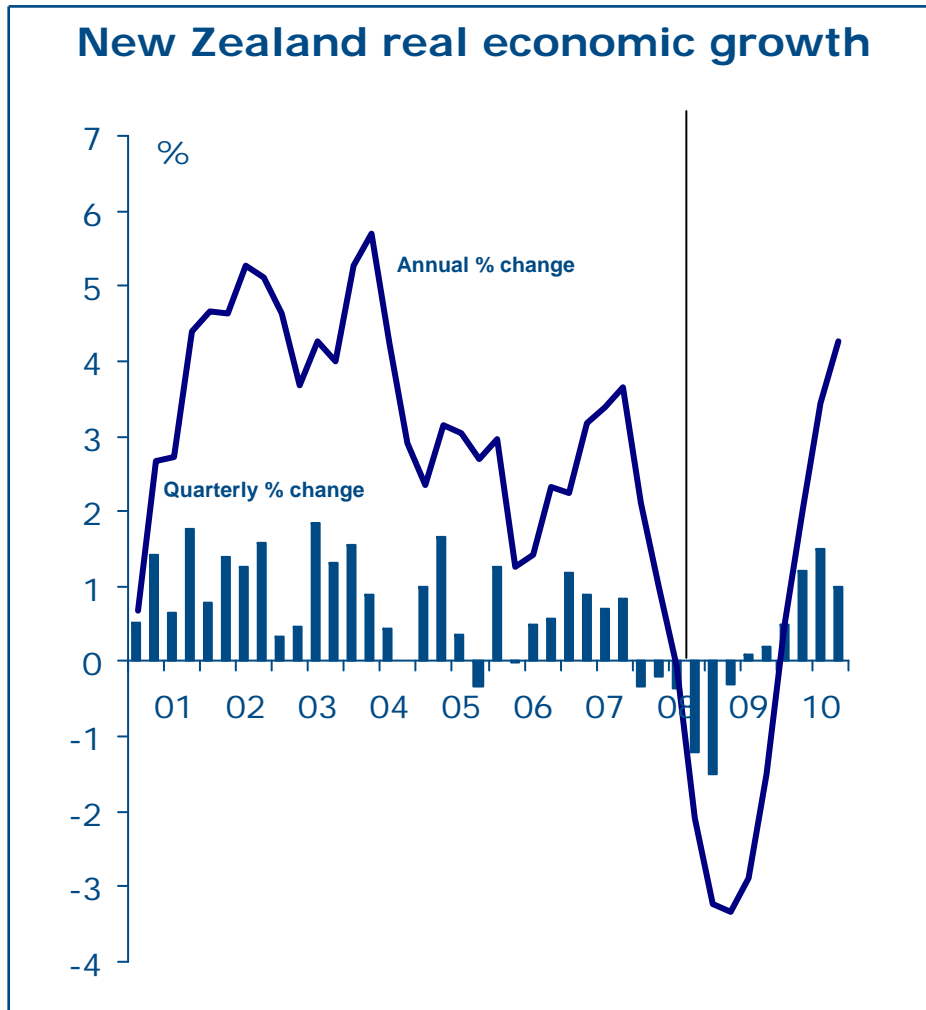


Banking sector not highly leveraged compared to other countries



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

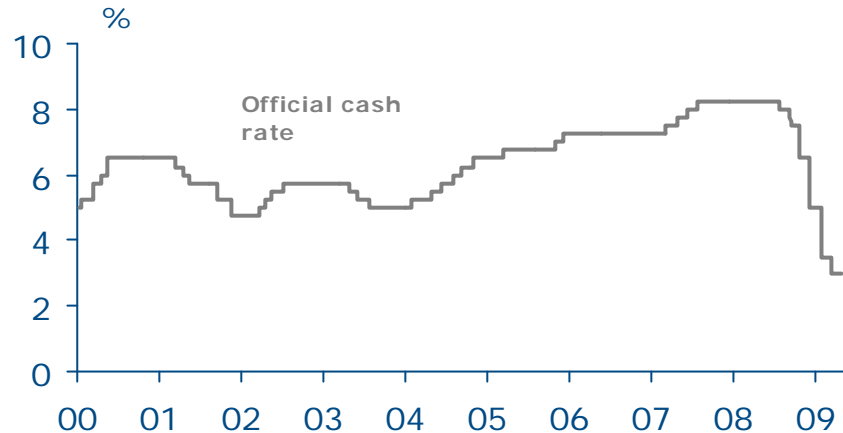
The recession in the New Zealand economy has extended into 2009 and conditions remain difficult



Sources: Statistics NZ; Bloomberg; ANZ.

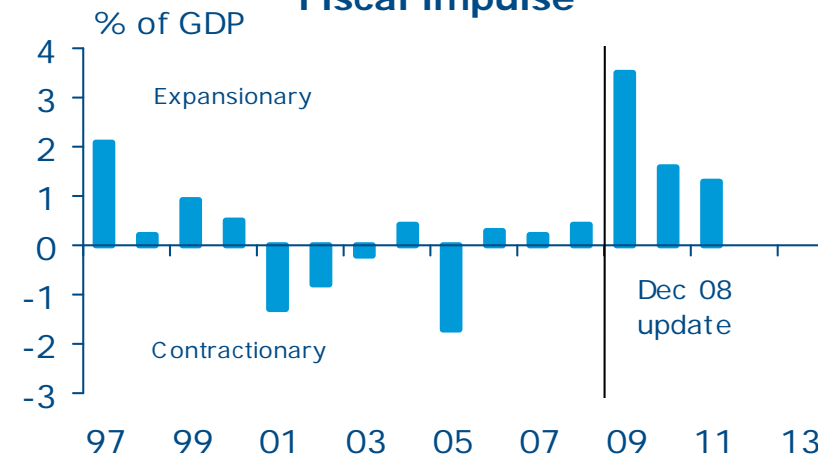
Five quarters into the domestic recession automatic stabilisers are kicking in

Further interest rate cuts expected



Source: RBNZ and ANZ National Forecasts

Fiscal impulse



Source: NZ Treasury December 2008 Economic and Fiscal Update

Benefits of lower NZD will help adjustment

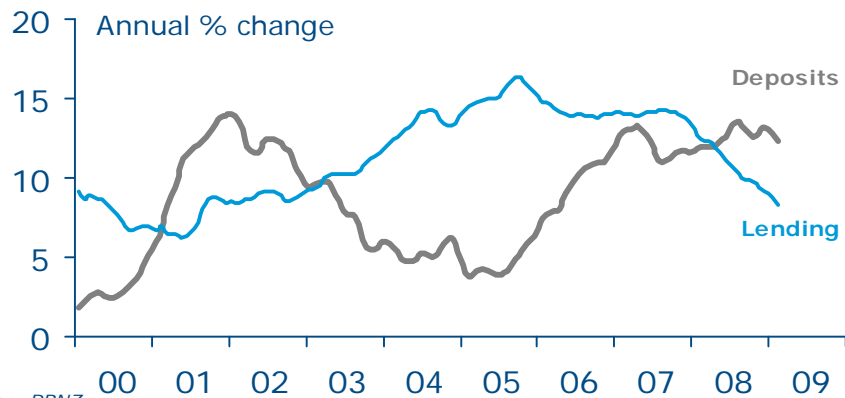


Source: Reuters and ANZ National

- Significant interest rate reductions with delayed impact (fixed rate mortgages) and further cuts to come
- Fiscal policy has become more expansionary; further expansion will be limited by need to maintain sovereign rating
- A fall in the New Zealand dollar is an important part of re-orientating the economy towards export lead growth

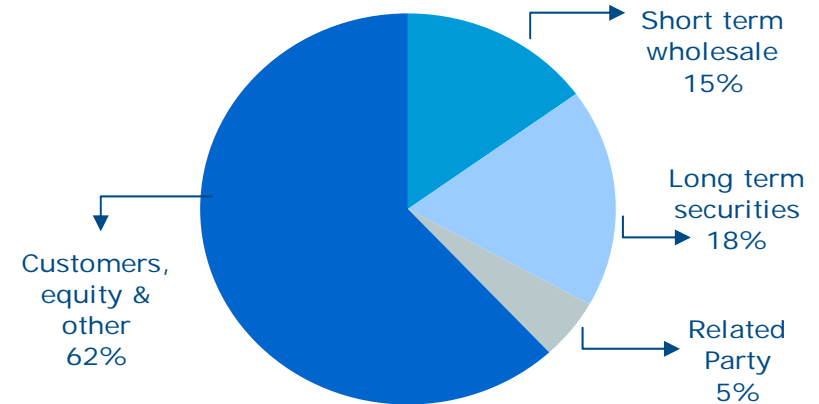
Consumer led rebalancing / ANZ National: well funded with diversified mix

Slowdown has led to rebalancing of system growth in deposits and lending

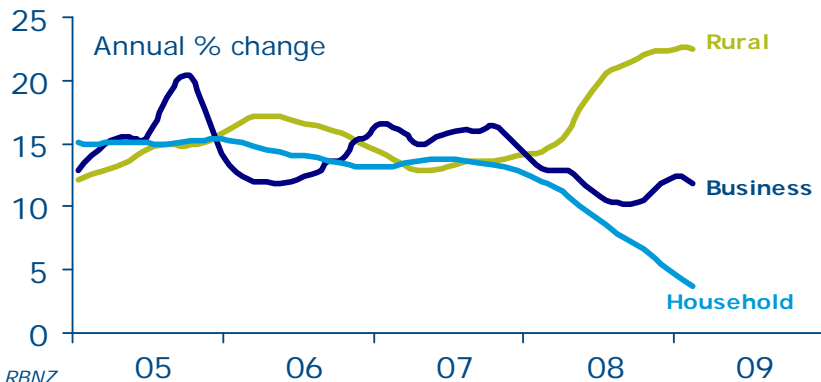


Source: RBNZ

Strong liquidity and well funded



Slowdown in system lending growth led by household sector: business and rural growth moderating

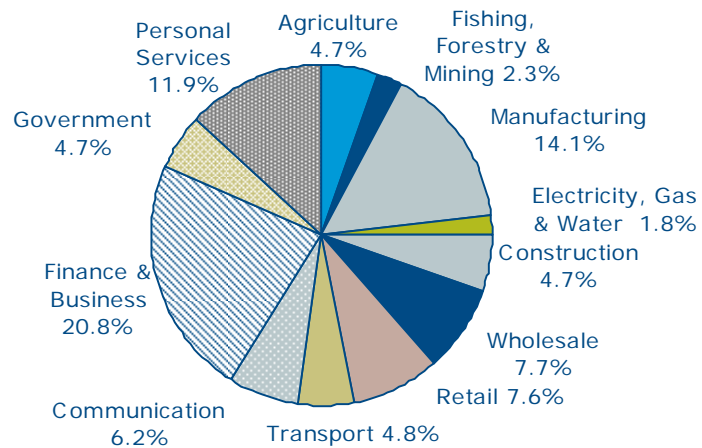


Source: RBNZ

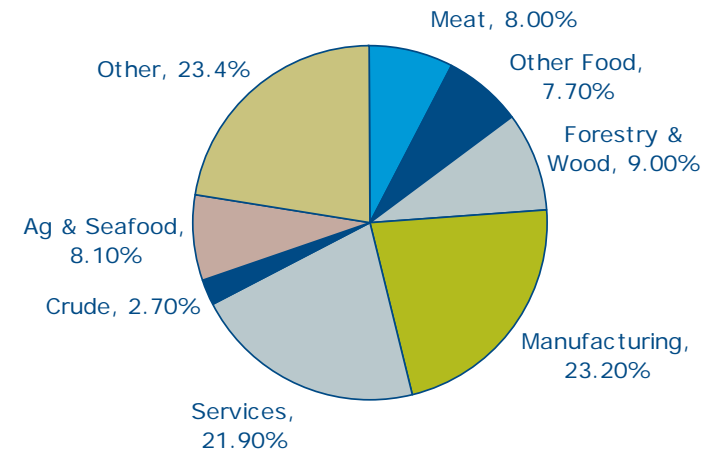
- First NZ government guaranteed bond issue completed successfully in March (US\$1bn 3yr)
- NZ\$5bn of funding provided by transfer of mortgages to ANZ NZ Branch, with potential for more
- Strong liquidity: liquid assets and repo eligible RMBS capacity net NZ\$12.5bn at 31 March 2009
- Now focused on 2010 funding needs

New Zealand has a diversified export sector, weighted towards agriculture.

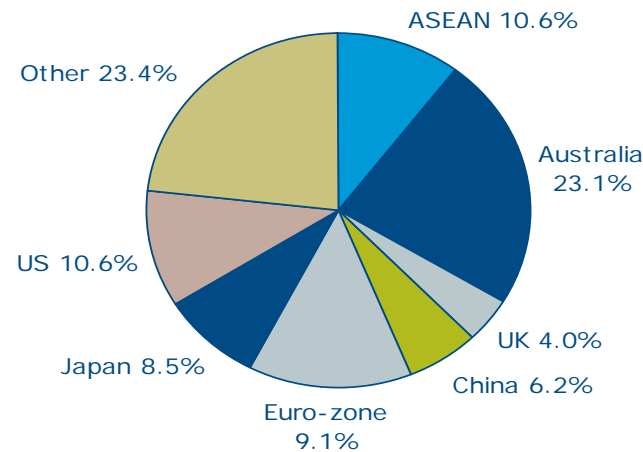
GDP composition



Exports are diversified by product...



...and by country

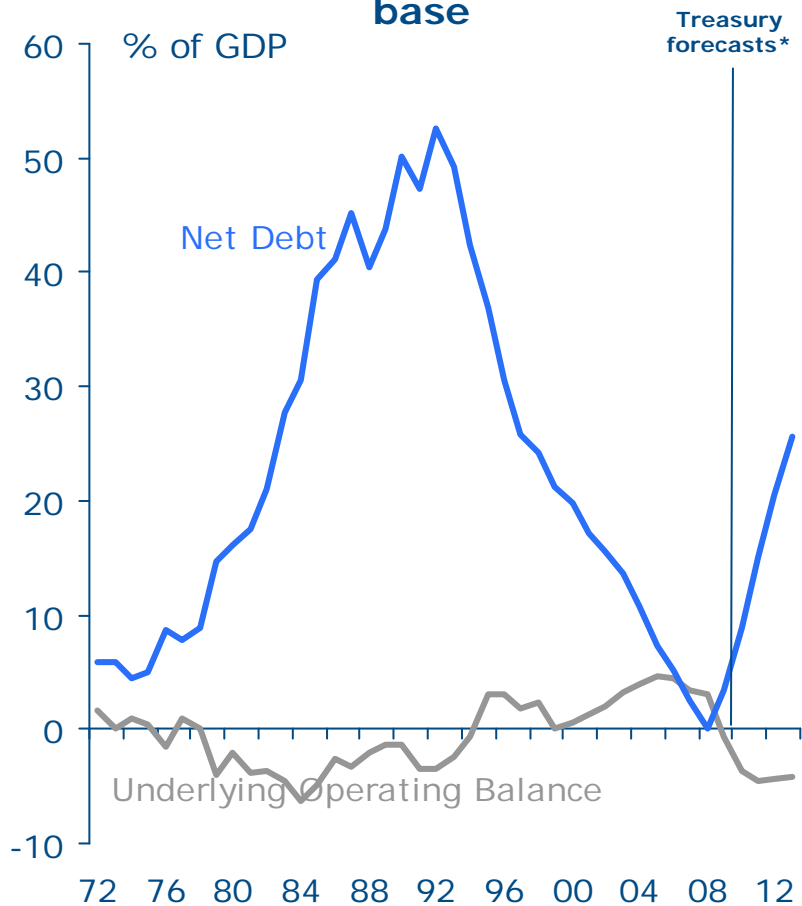


Exports 32% of GDP

Sources: Statistics NZ; ANZ.

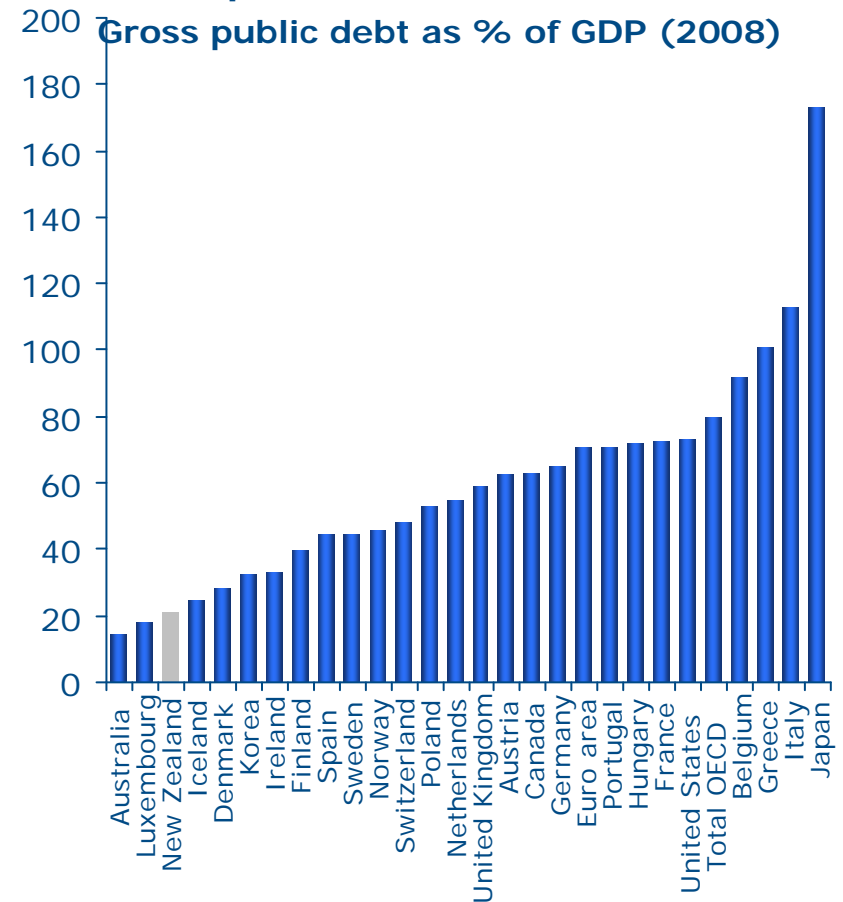
A better starting position – low net debt

Fiscal position to deteriorate but off a low base



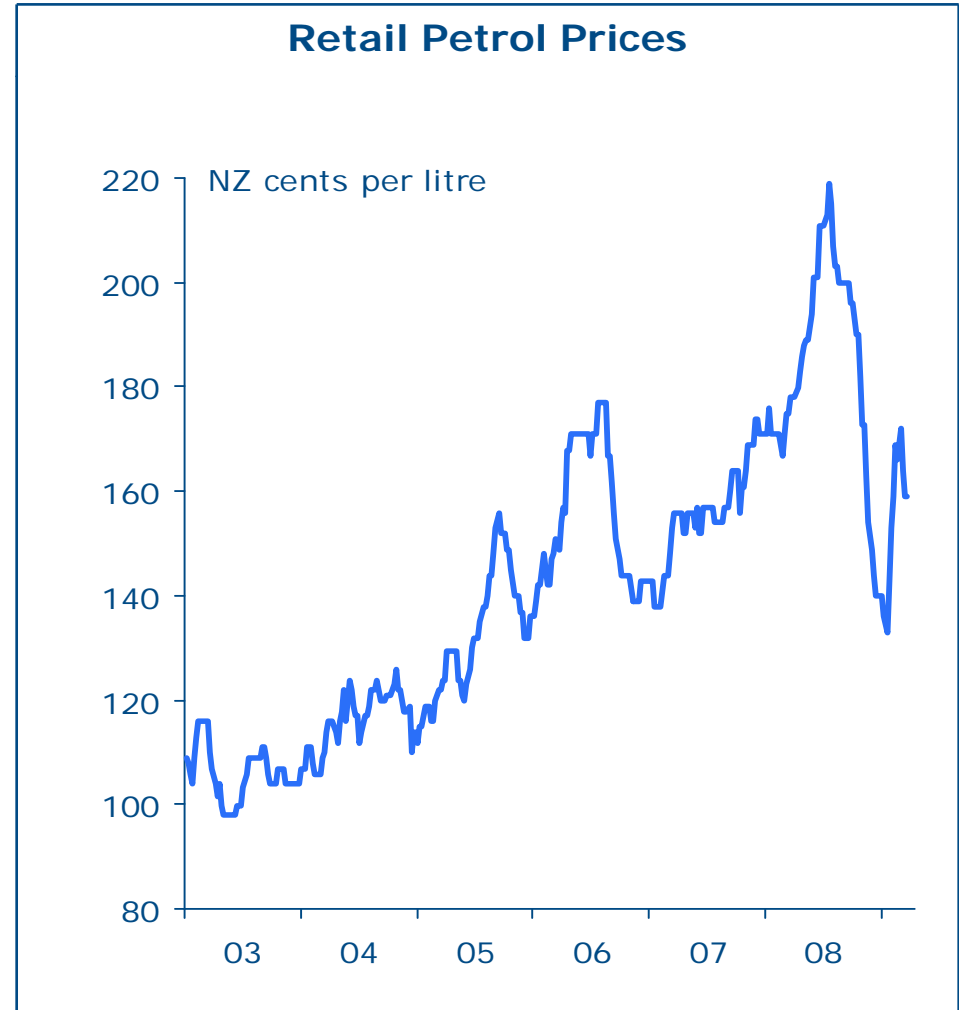
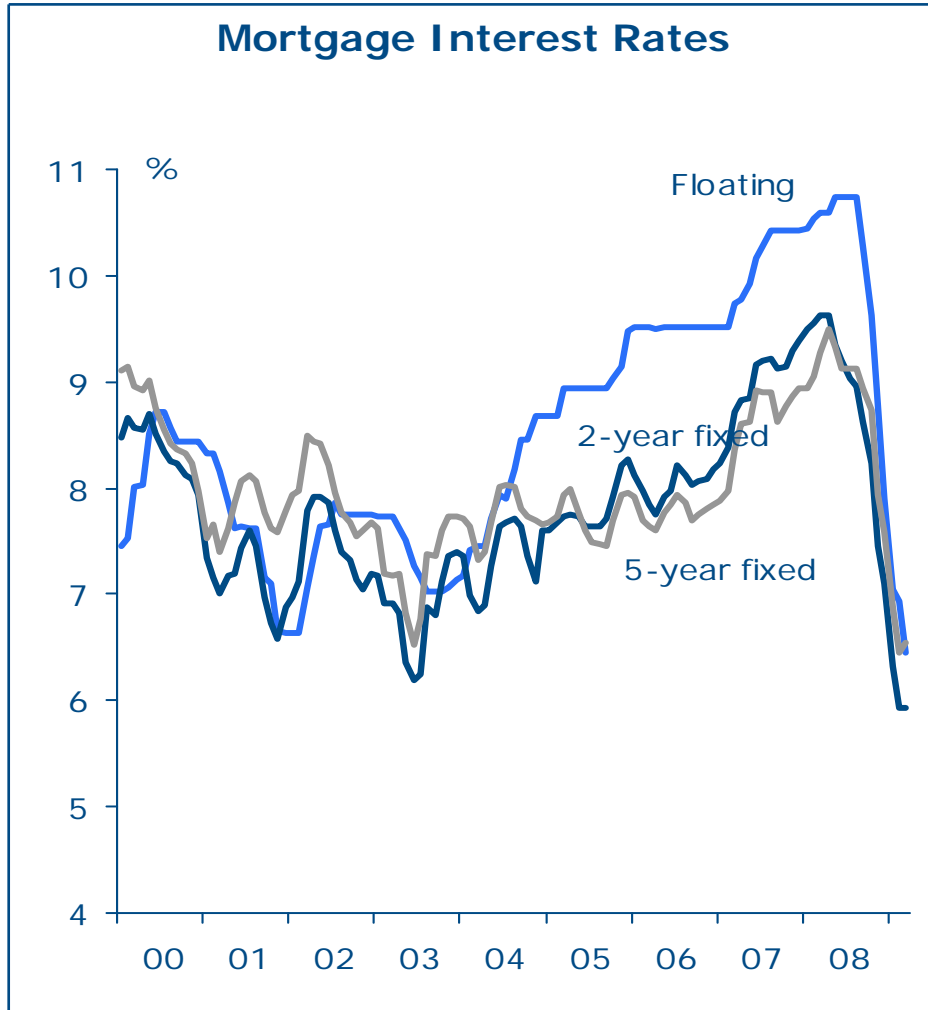
Gross public sector debt very low compared to other countries

Gross public debt as % of GDP (2008)



* 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 providing a boost to household incomes



Sources: RBNZ; Ministry of Economic Development; ANZ.

Asian region expected to perform better than much of the developed world

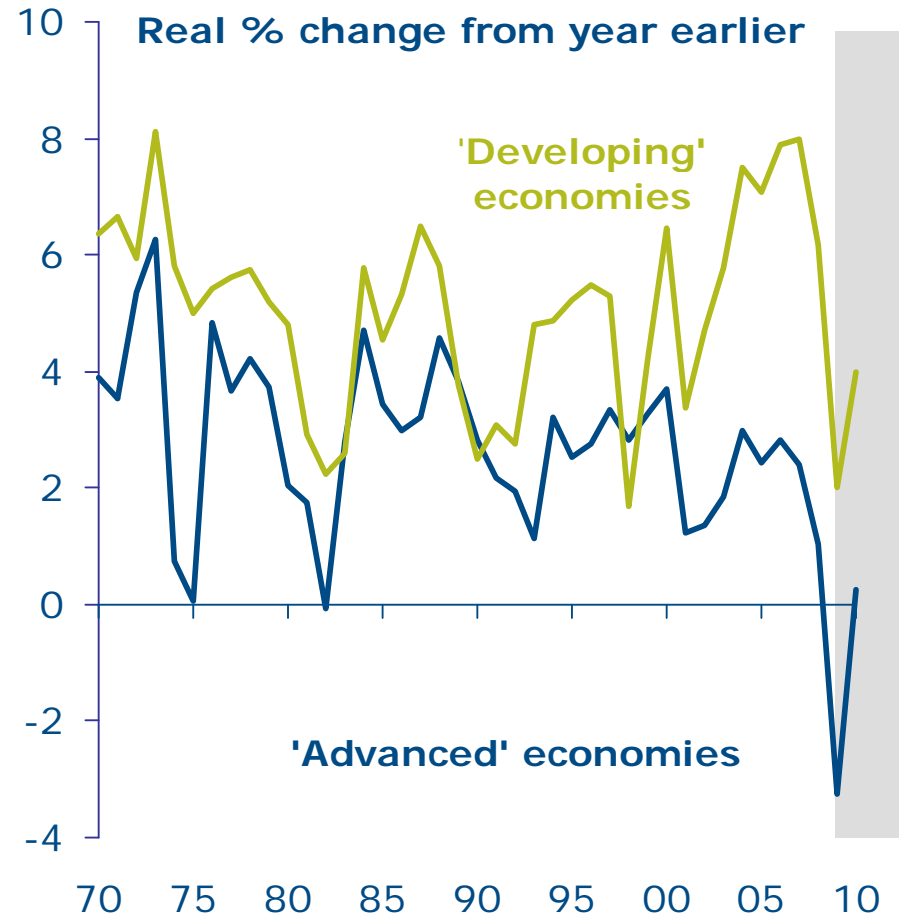
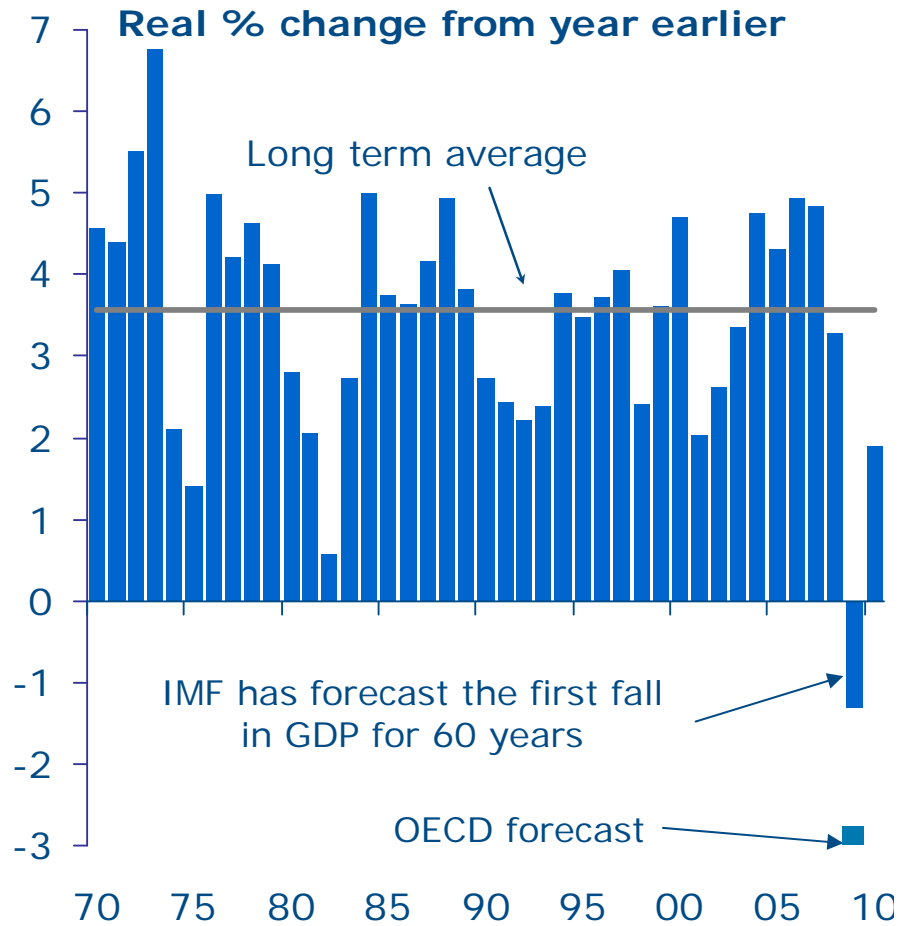
Emerging Asia - Baseline Medium-term Growth Scenario

	2007	2008	2009	2010	2011
China	13.0	9.1	6.9	8.5	10.0
India	9.3	7.2	5.3	6.9	8.0
NIEs					
Hong Kong	6.4	2.0	-1.8	4.2	4.7
Korea	5.0	2.7	-2.9	4.0	5.0
Singapore	7.8	1.2	-3.0	3.4	5.6
Taiwan	5.7	1.3	-1.8	3.9	4.6
ASEAN					
Indonesia	6.3	6.0	4.5	5.1	6.4
Malaysia	6.3	5.2	2.1	4.2	6.0
Philippines	7.1	4.6	1.4	3.9	5.1
Thailand	5.0	3.1	1.9	3.9	5.6
Vietnam	8.5	6.4	6.6	7.5	7.0
Total	10.2	7.0	4.6	6.9	8.3
Total ex-CHN and IND	6.0	3.5	0.3	4.4	5.5

Sources: Bloomberg, ANZ Economics

Global growth downturn has been led by the developed economies

GDP growth

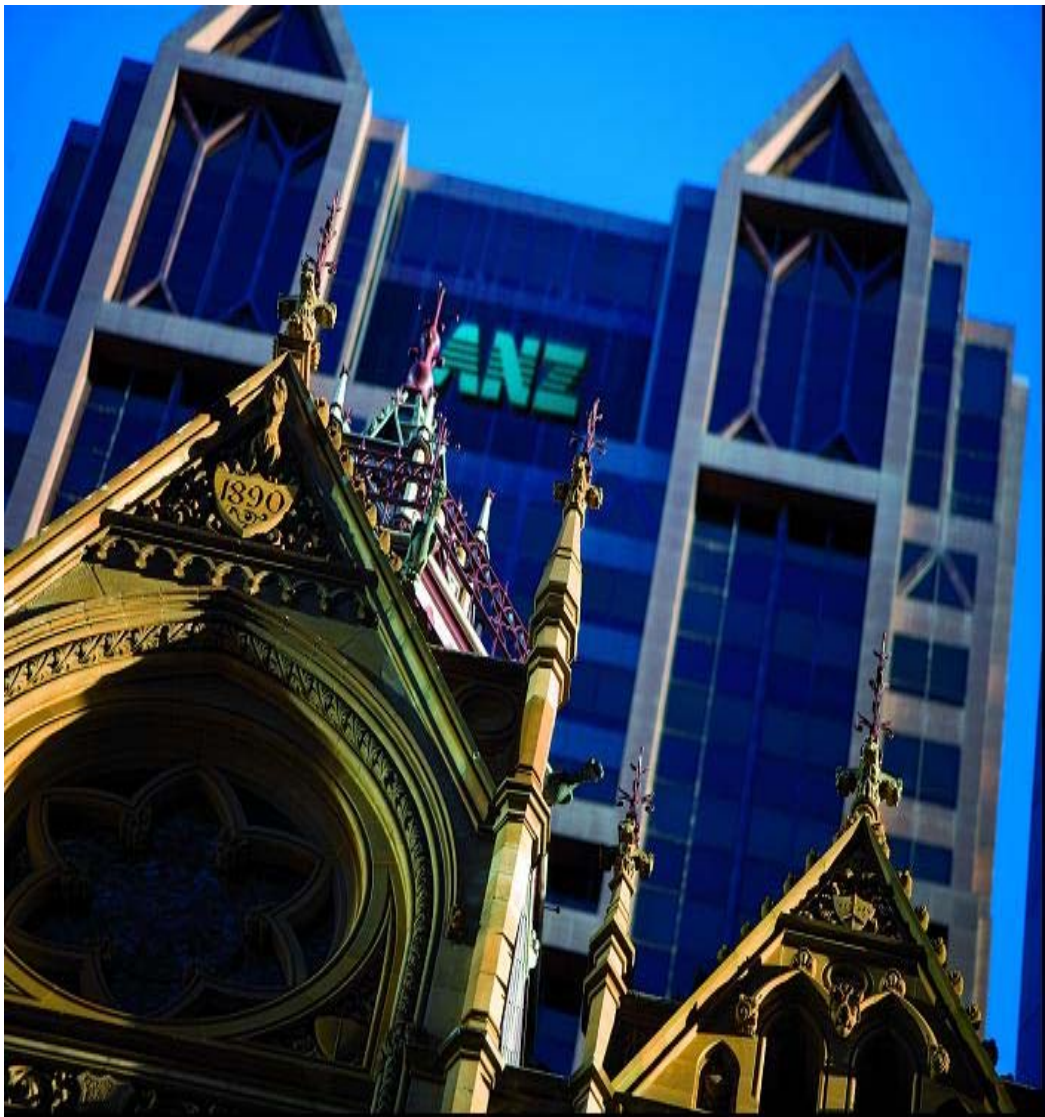
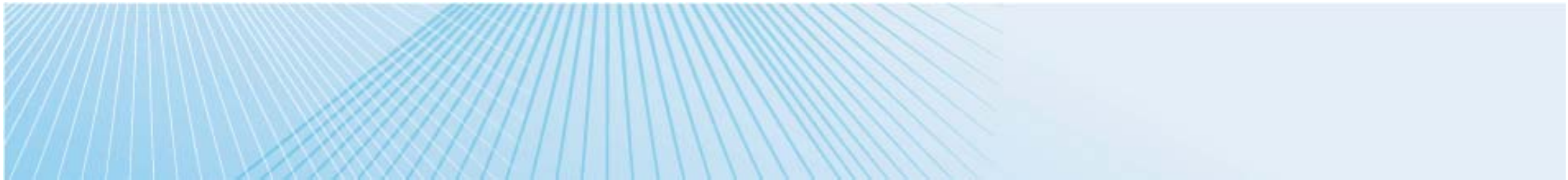


Note: GDP is measured in US\$ at purchasing power parities.

Source: IMF World Economic Outlook October 2008; ANZ Economics & Markets Research.

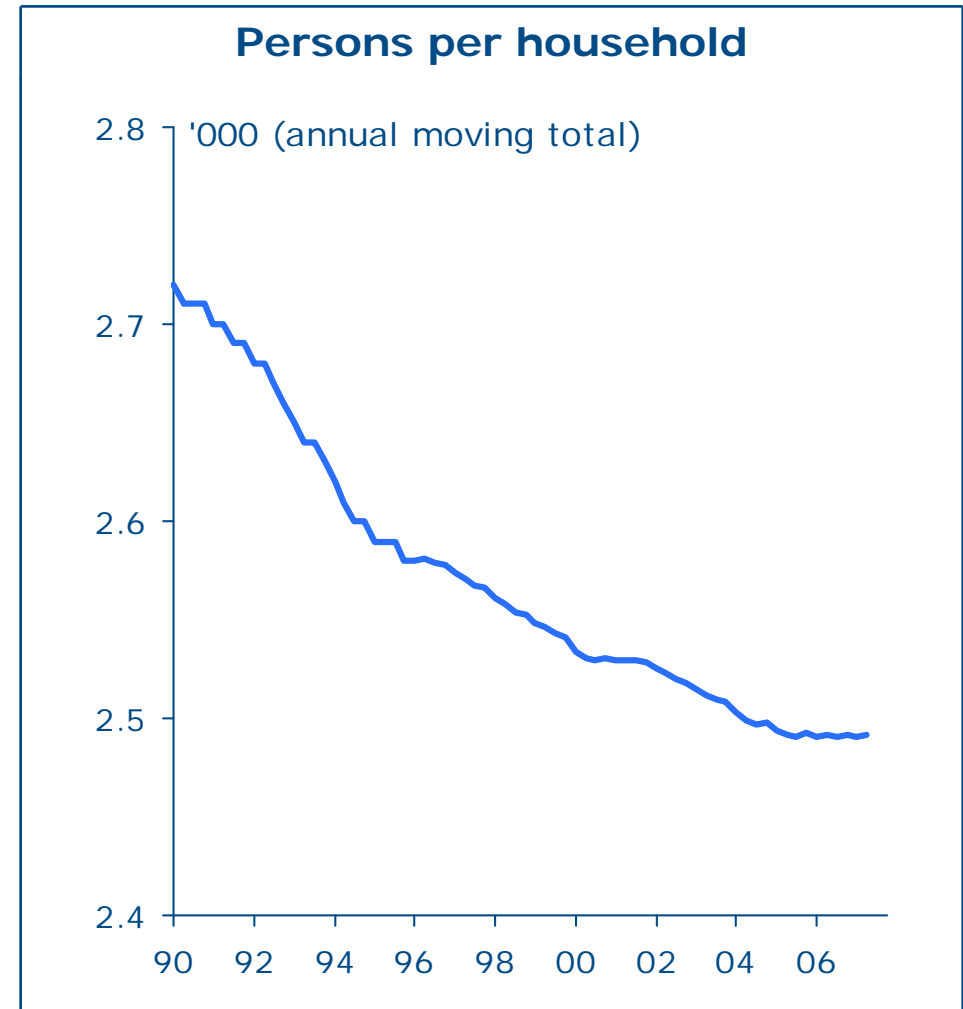
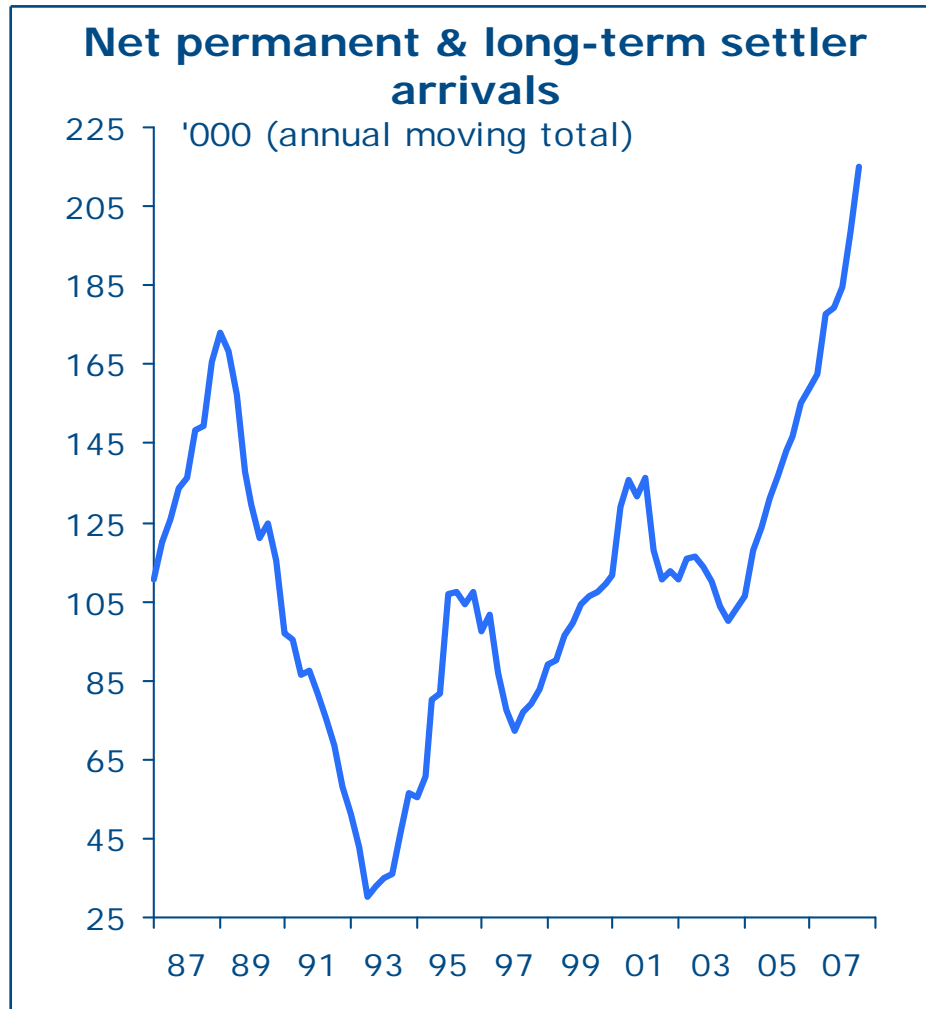
Asia Region impact of the Financial Crisis overview

- The impact on the region of the credit crisis and advanced economy recession has not been uniform.
- Policymakers in Asia have been and are likely to continue to be aggressive. Interest rates have been cut sharply in many economies and fiscal policy will play an increasingly important role. Most Asian economies have “fiscal space.”
- China’s stimulus plan is likely to succeed. However its impact on the rest of the region will be limited.
- Emerging Asian banks largely avoided toxic debt. Balance sheets are healthy in general and there is a capacity to lend as demand picks up.
- Some recent good news however this does not imply a recovery at this stage



AUSTRALIA & NZ MORTGAGE MARKET DATA

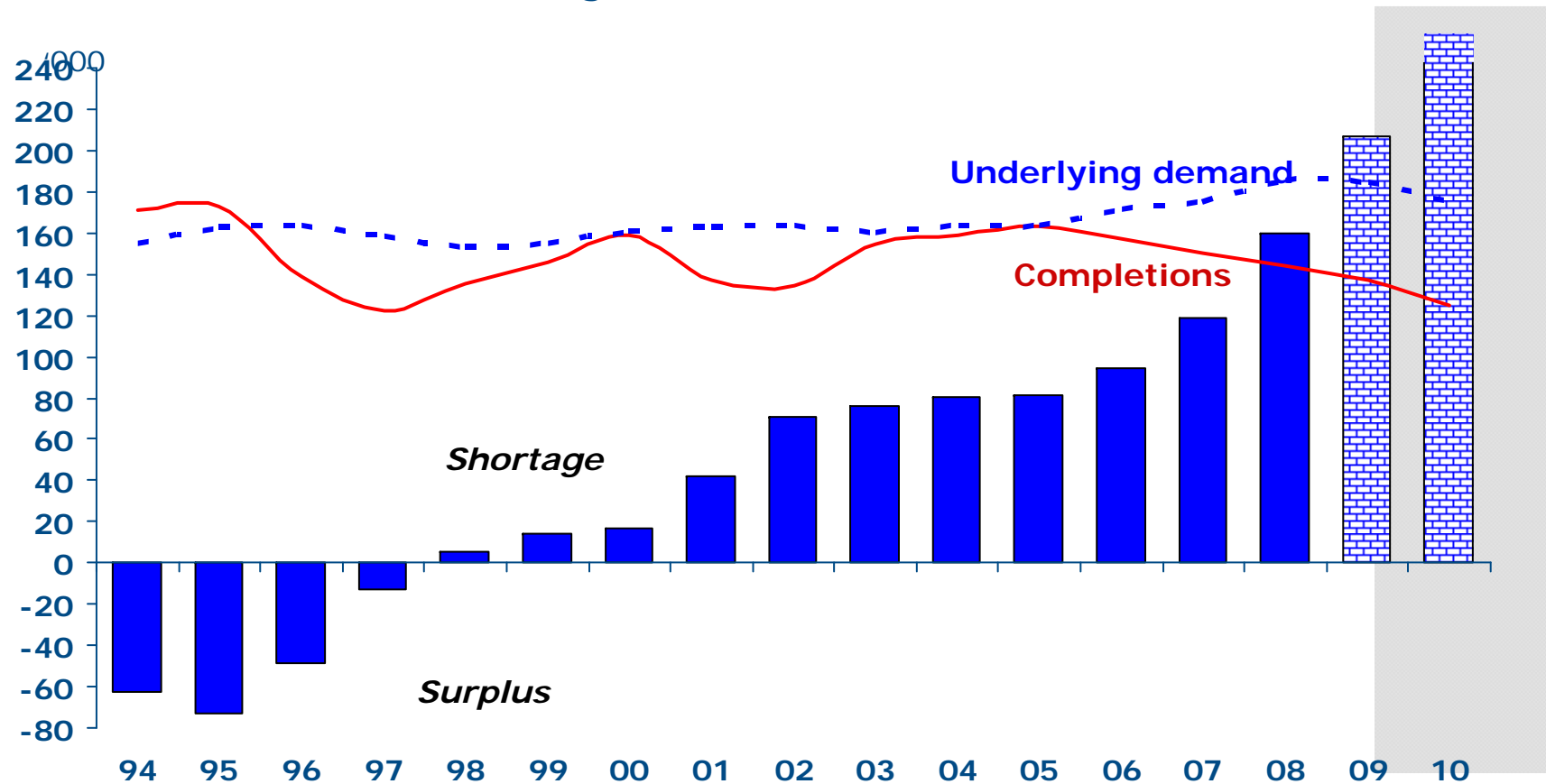
Australian housing market fundamentals are solid, driven by strong underlying demand



Sources: Australian Bureau of Statistics; Economics@ANZ.

Solid demand coupled with inadequate supply is driving pent-up housing demand to record levels

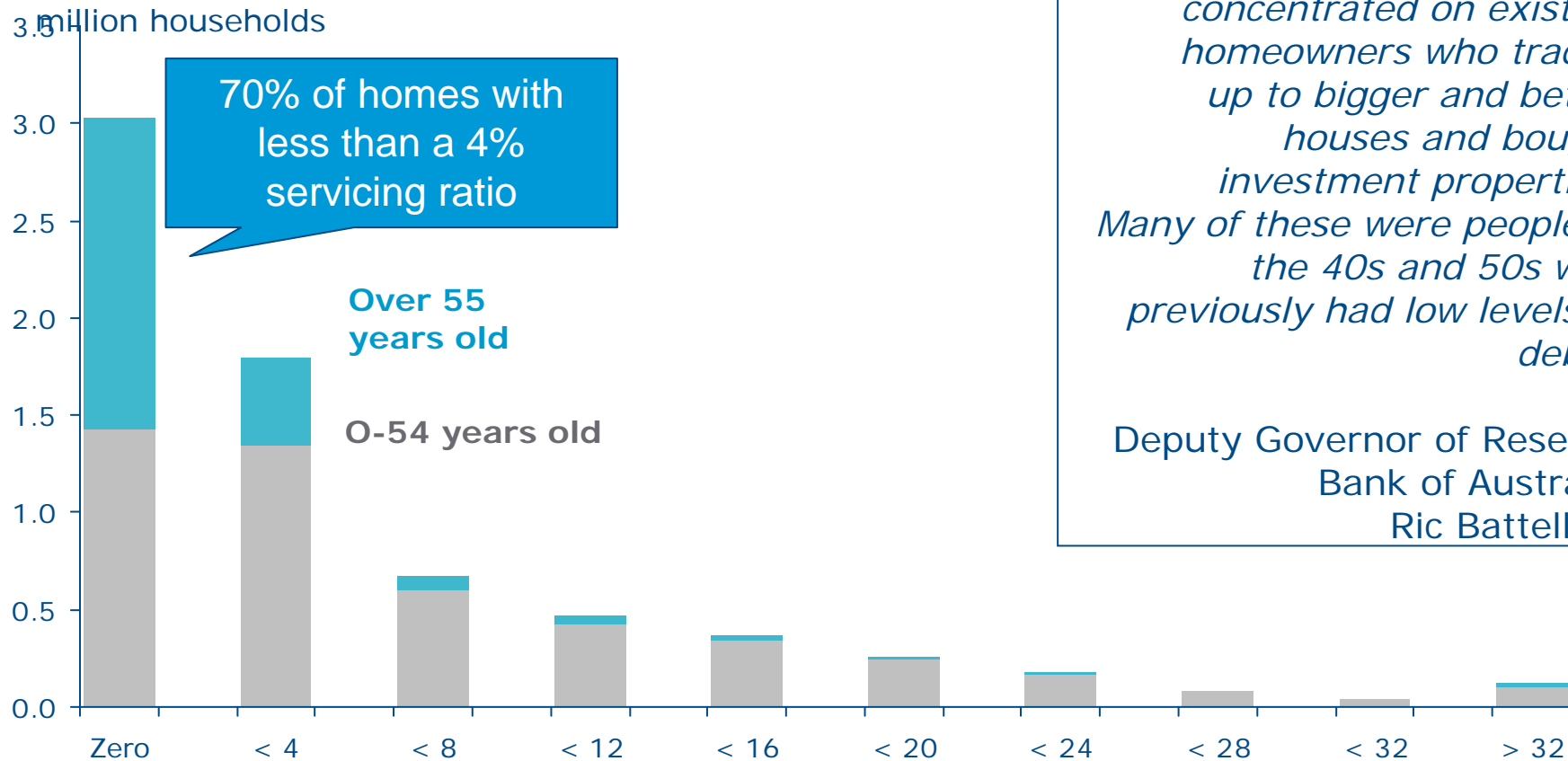
Housing market balance: Australia



Sources: Australian Bureau of Statistics; Economics@ANZ

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

Debt servicing ratio

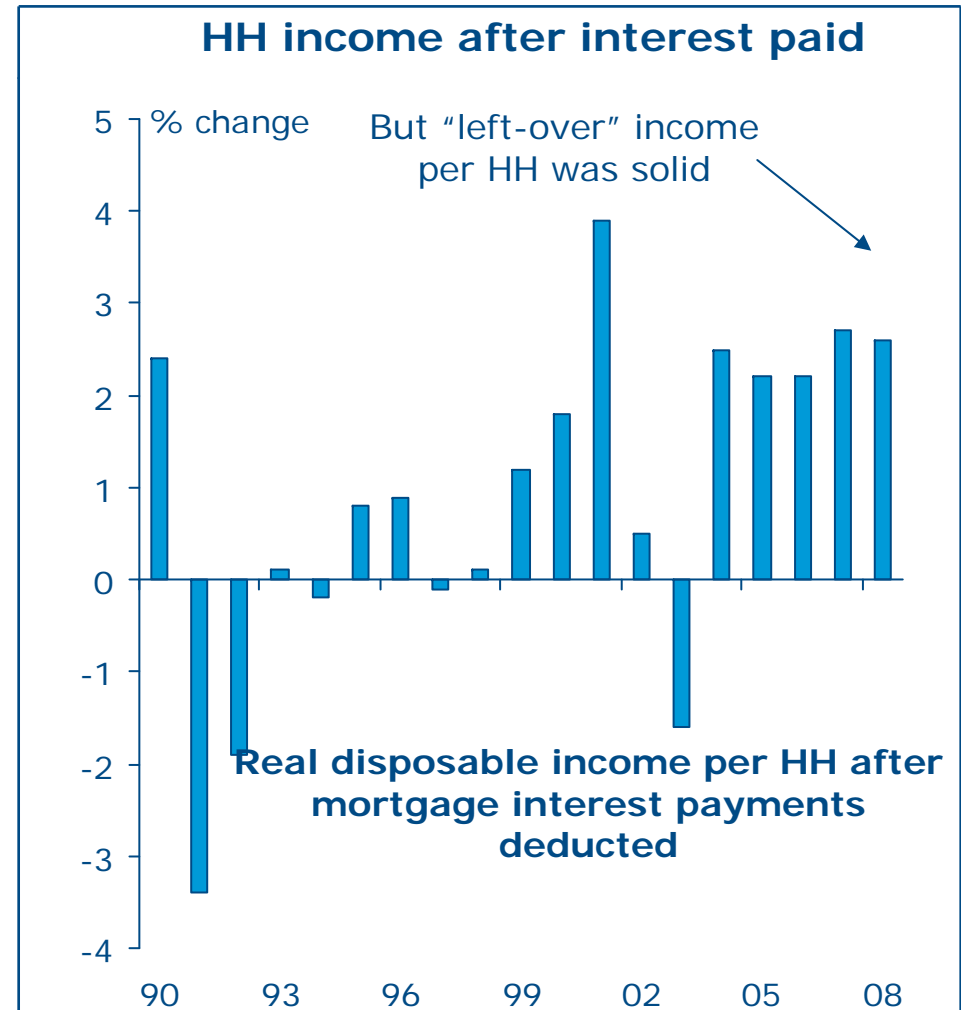
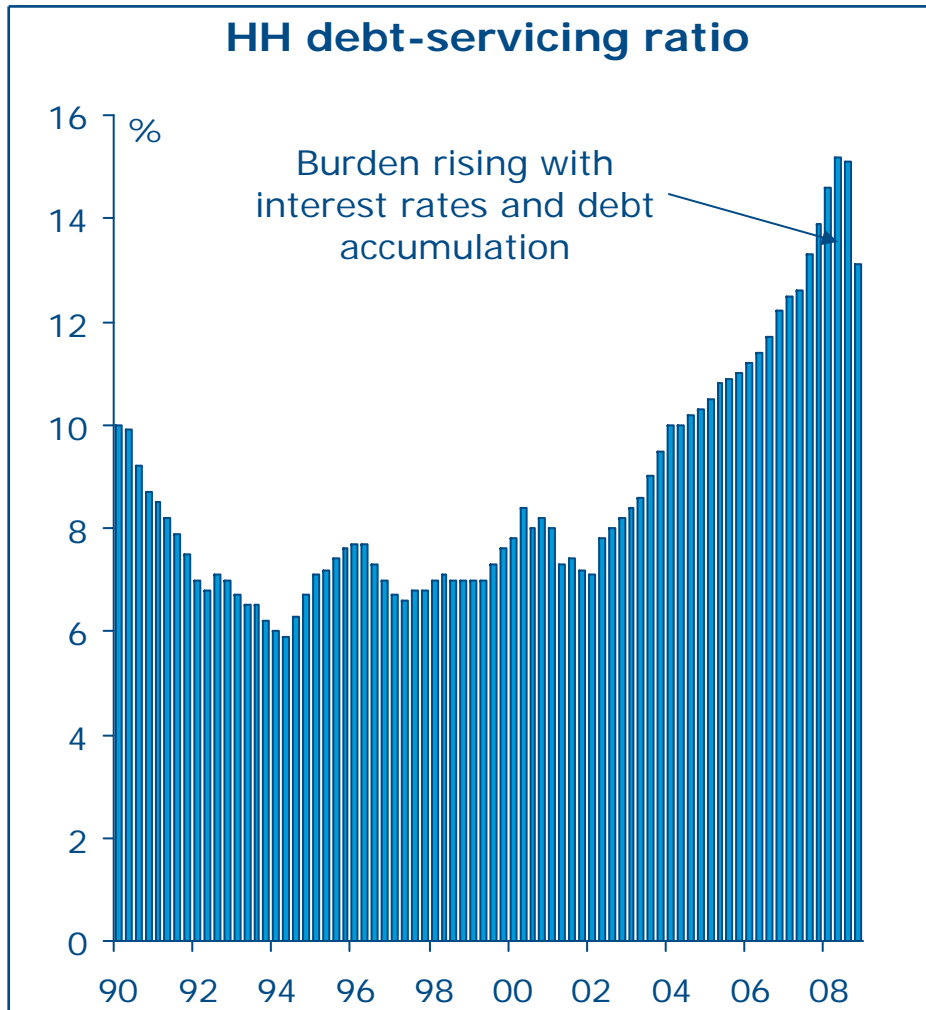


"the lending boom was concentrated on existing homeowners who traded up to bigger and better houses and bought investment properties. Many of these were people in the 40s and 50s who previously had low levels of debt."

Deputy Governor of Reserve Bank of Australia
Ric Battellino

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

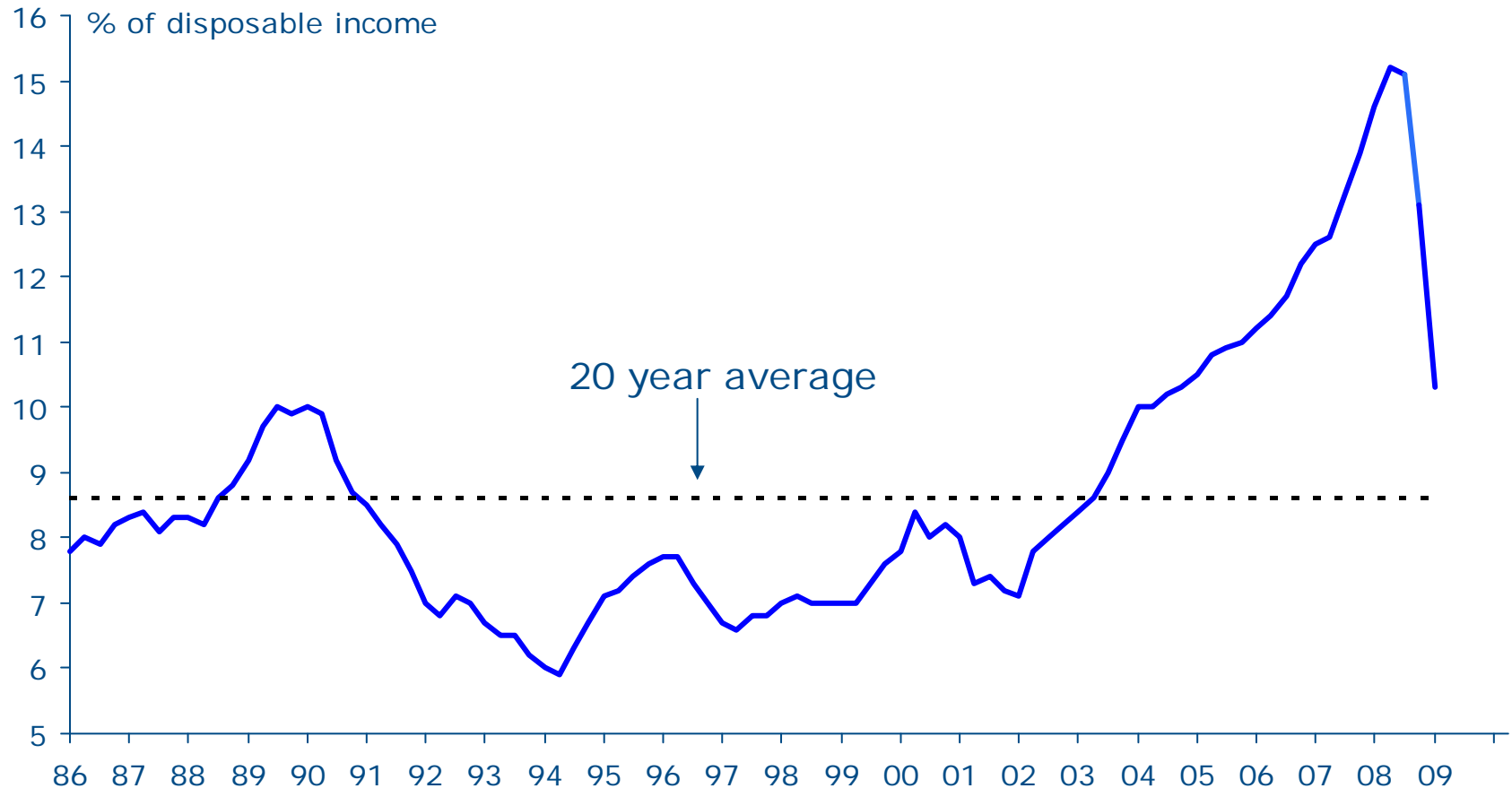
Interest burden increased but 'income after interest paid' also increased in real terms



Source: RBA, ABS, ANZ

Dramatic interest rate cuts has seen the household debt service ratio reduce...

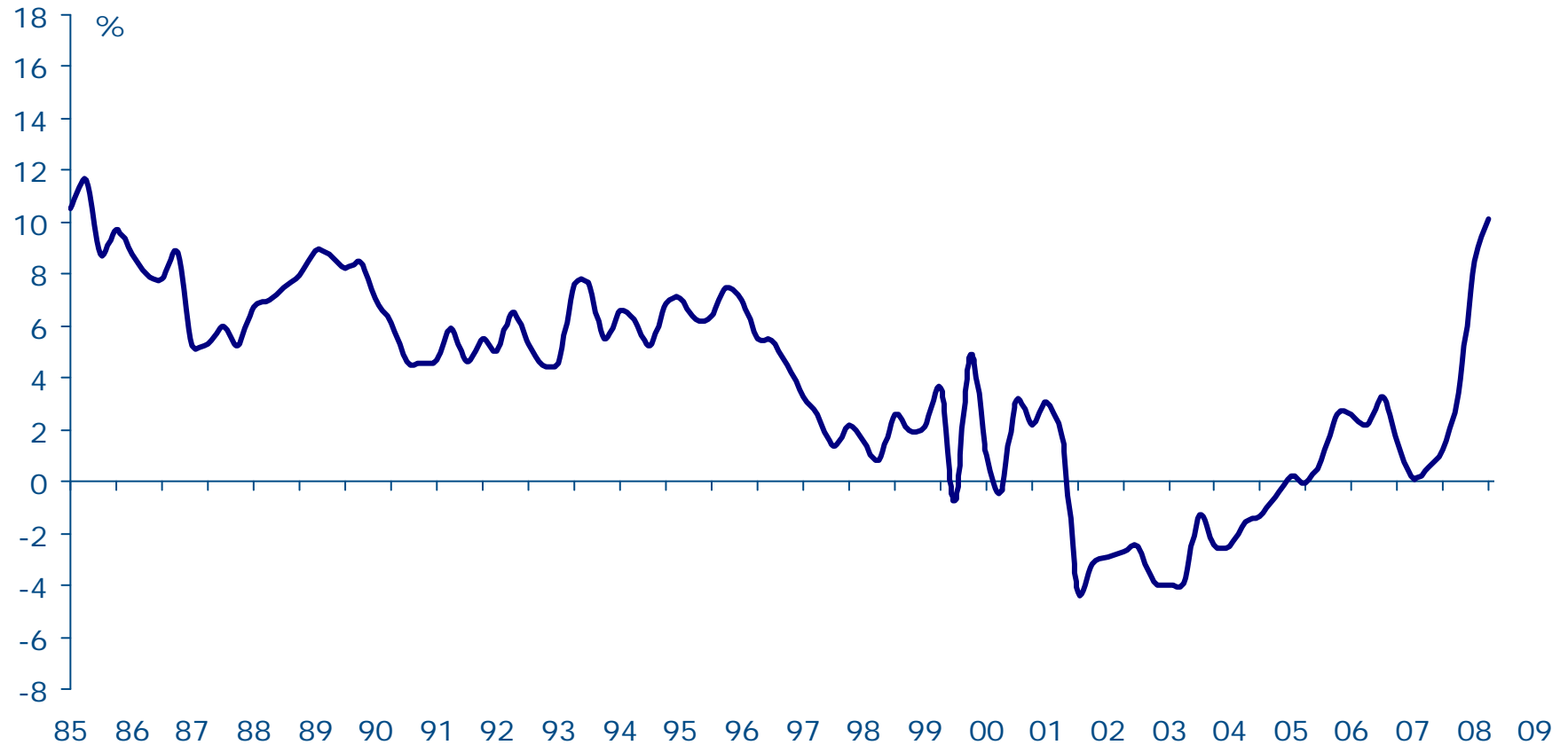
Household debt service ratio



Source: RBA, ABS, ANZ

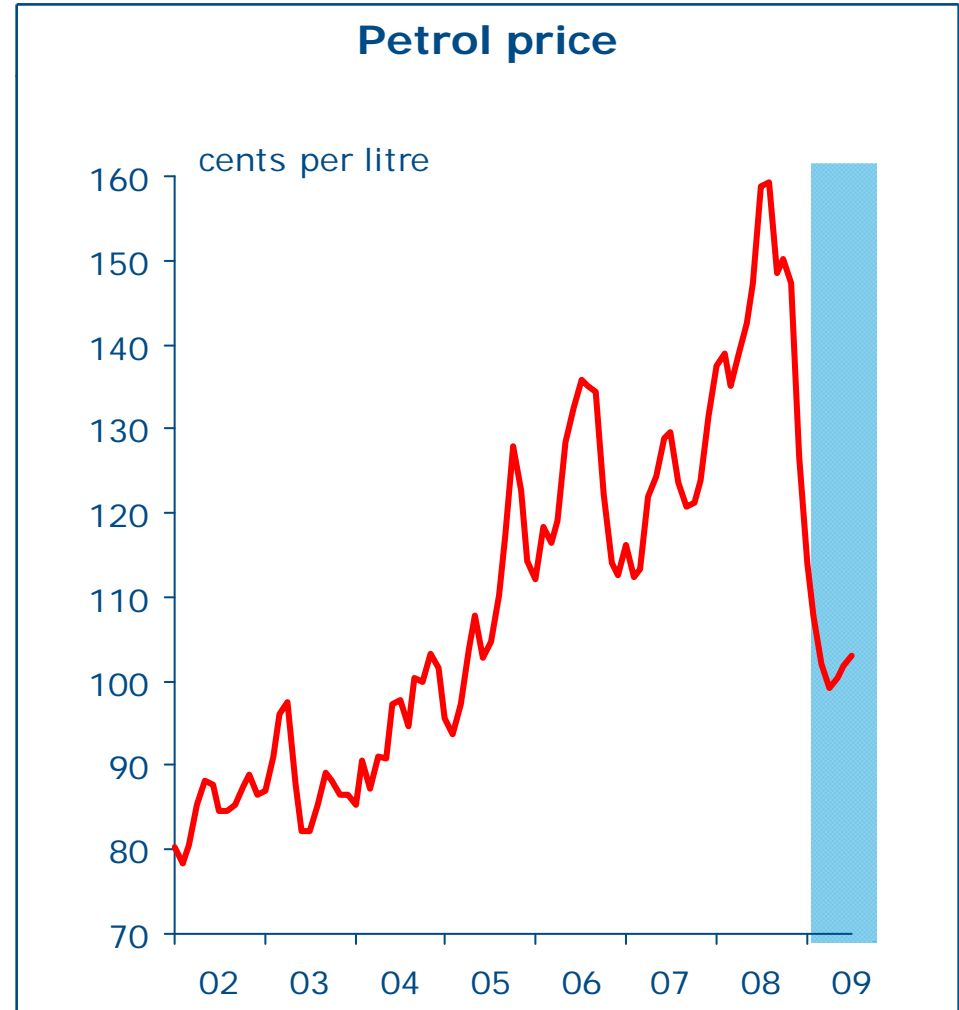
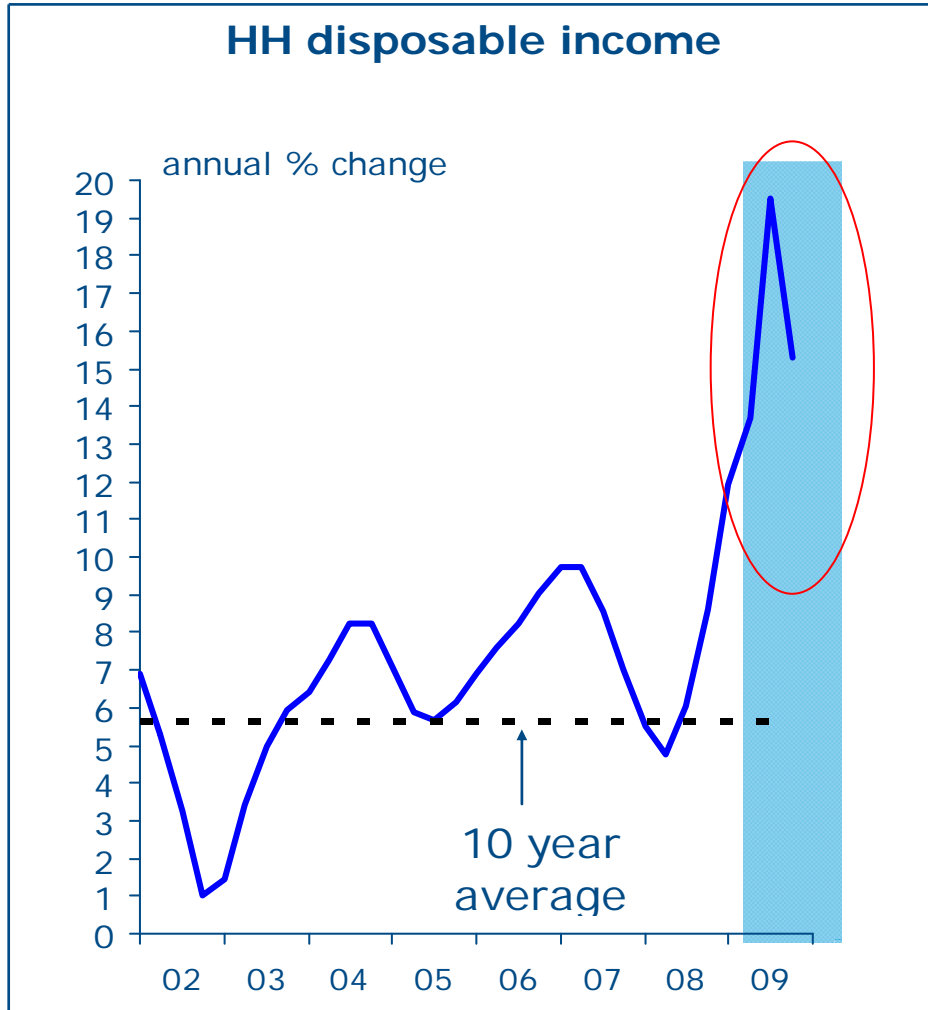
Household saving ratio looks set to recover dramatically in 2009

Household saving ratio



Sources: ABS, Economics@ANZ

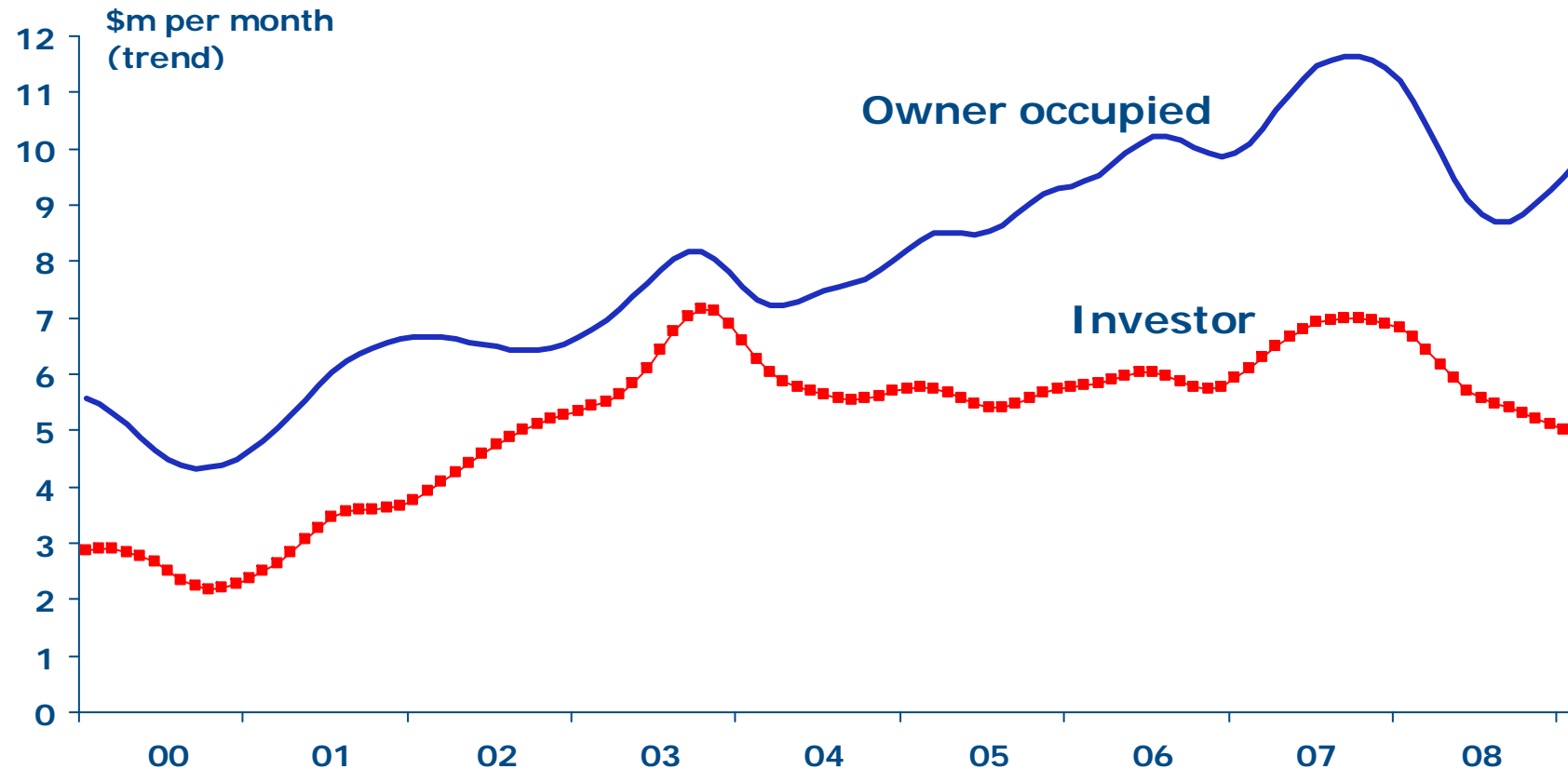
... household cash flow buoyed by fiscal stimulus and falling petrol prices



Source: ABS, RBA

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

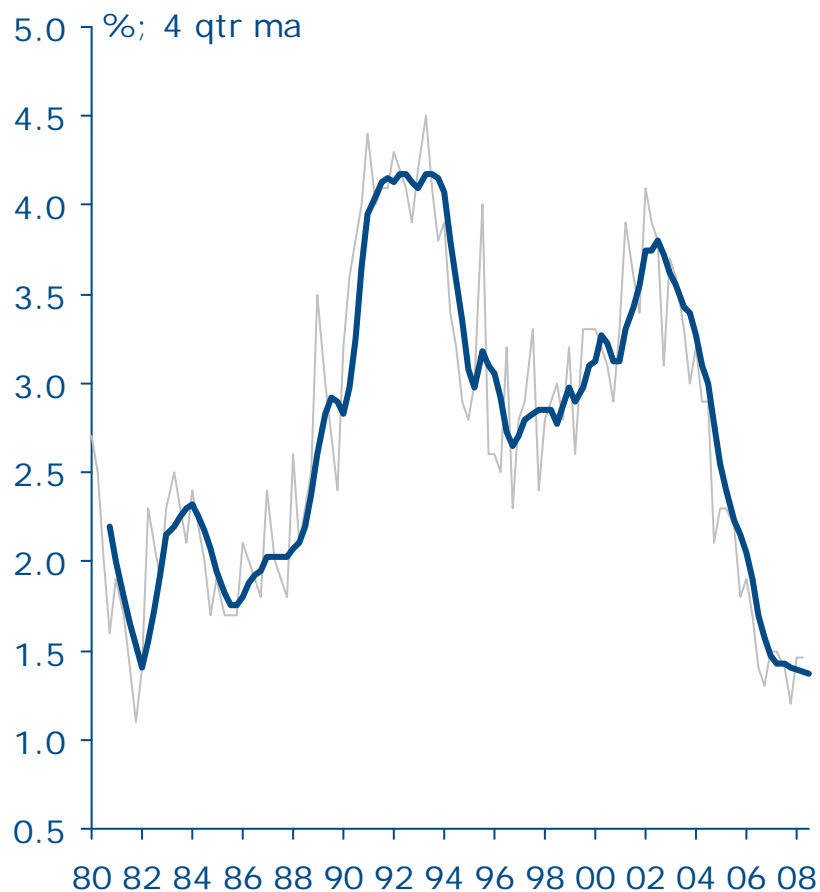
Housing finance commitments (excl. refin.)



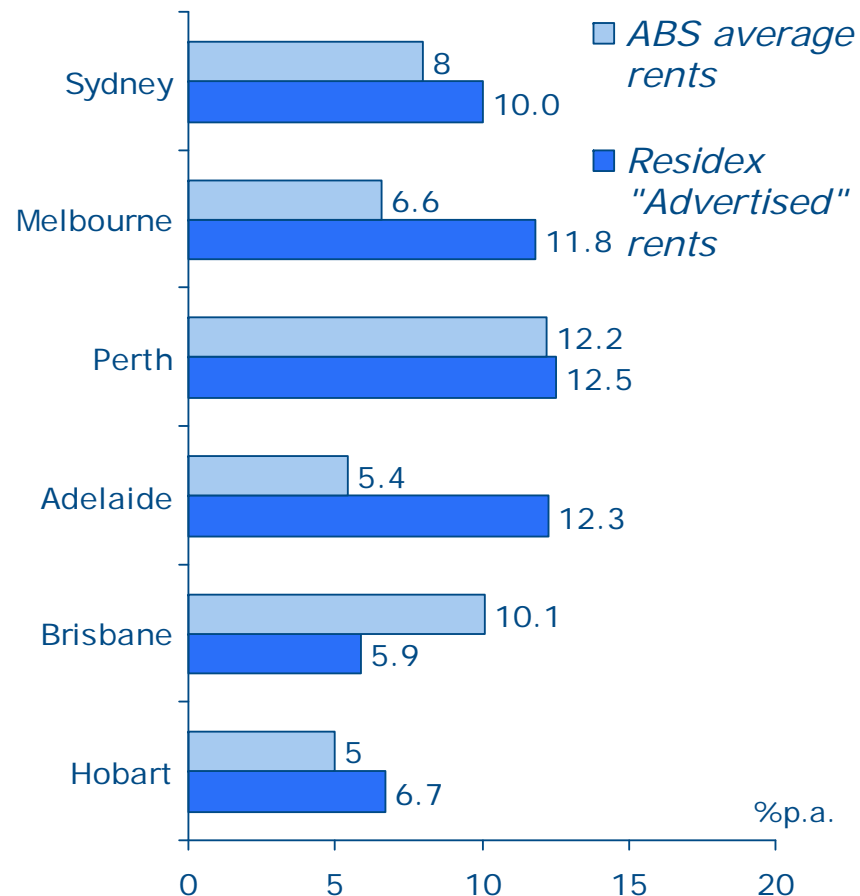
Sources: Australian Bureau of Statistics; Economics@ANZ

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

National rental vacancy rate

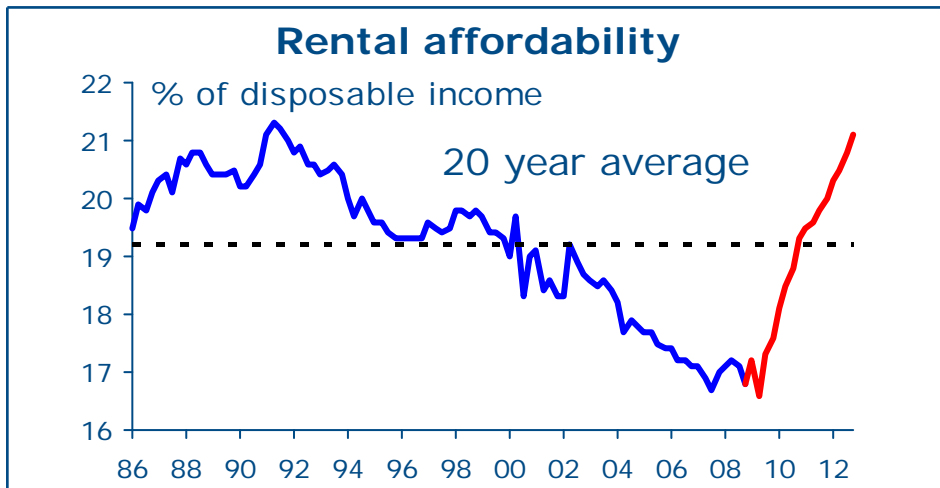
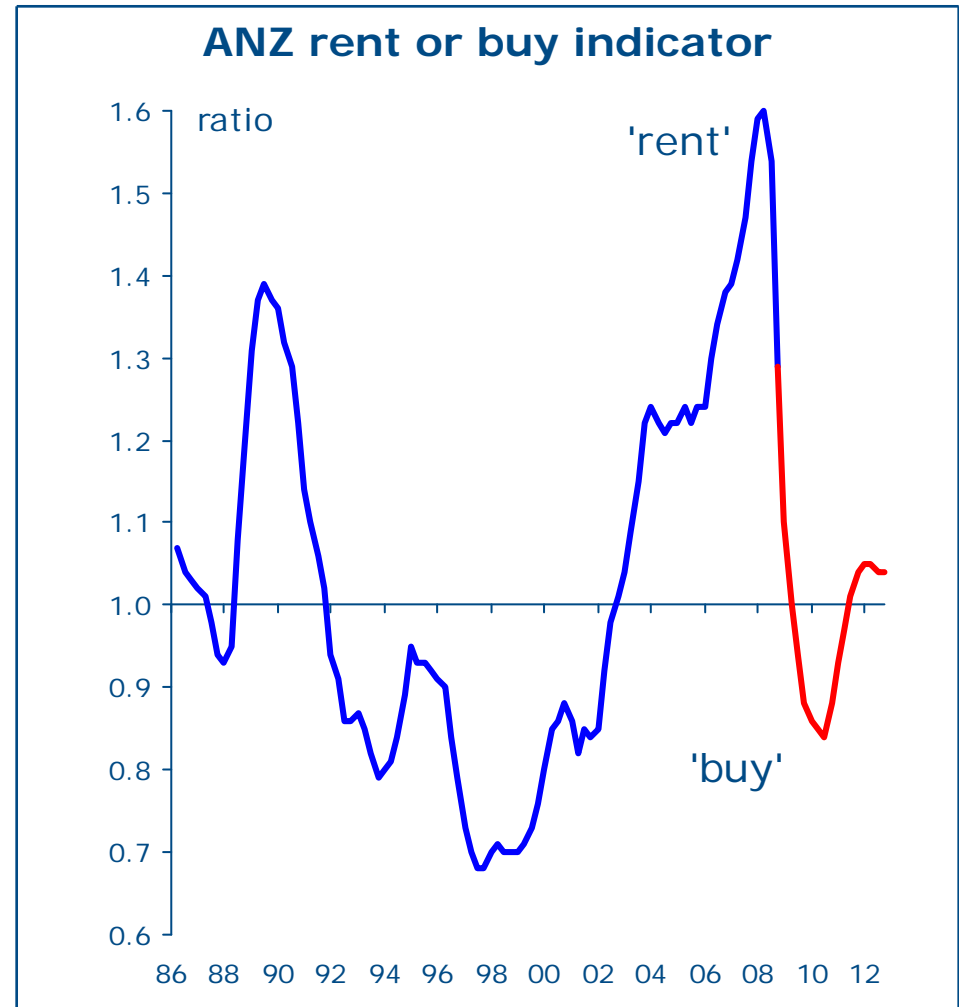


House rents



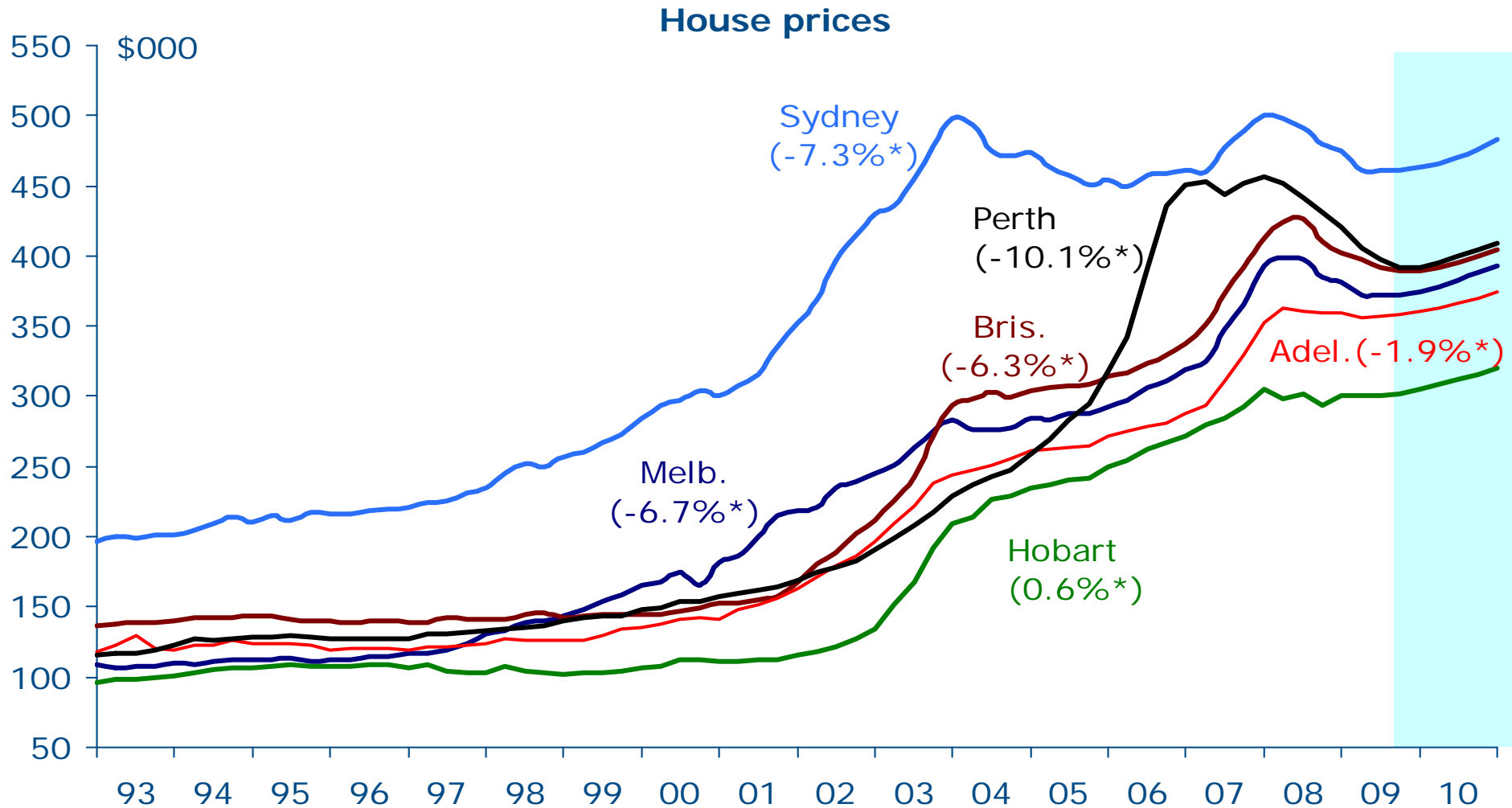
Sources: Economics@ANZ; REIA

With the moves in affordability favouring home purchase over rental



Source: ABS, REIA, ANZ

House prices have softened but are not expected to fall appreciably

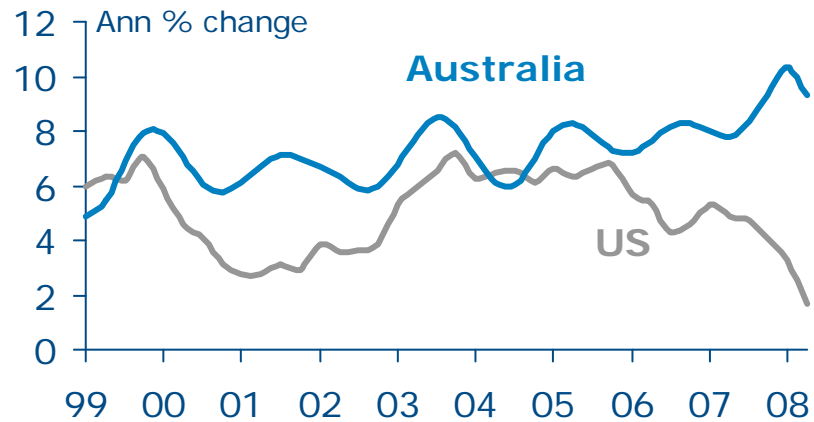


Sources: ABS, Economics@ANZ

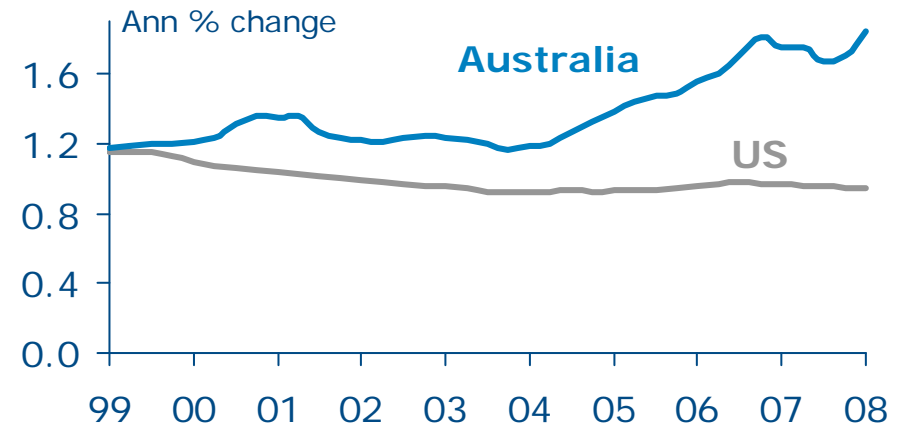
* year to March 2009

Australia and US residential property market fundamentals have very little in common

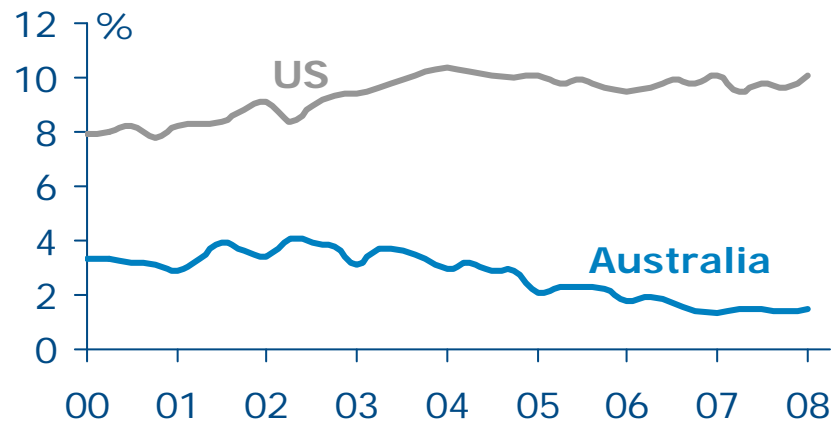
Nominal GDP growth



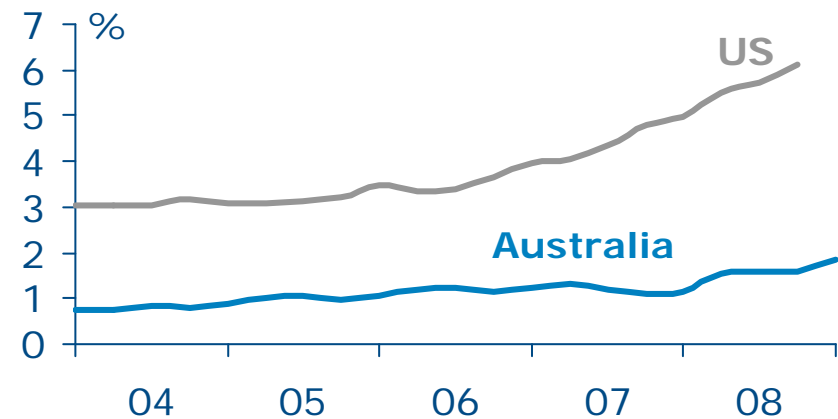
Population growth



Rental vacancy rates

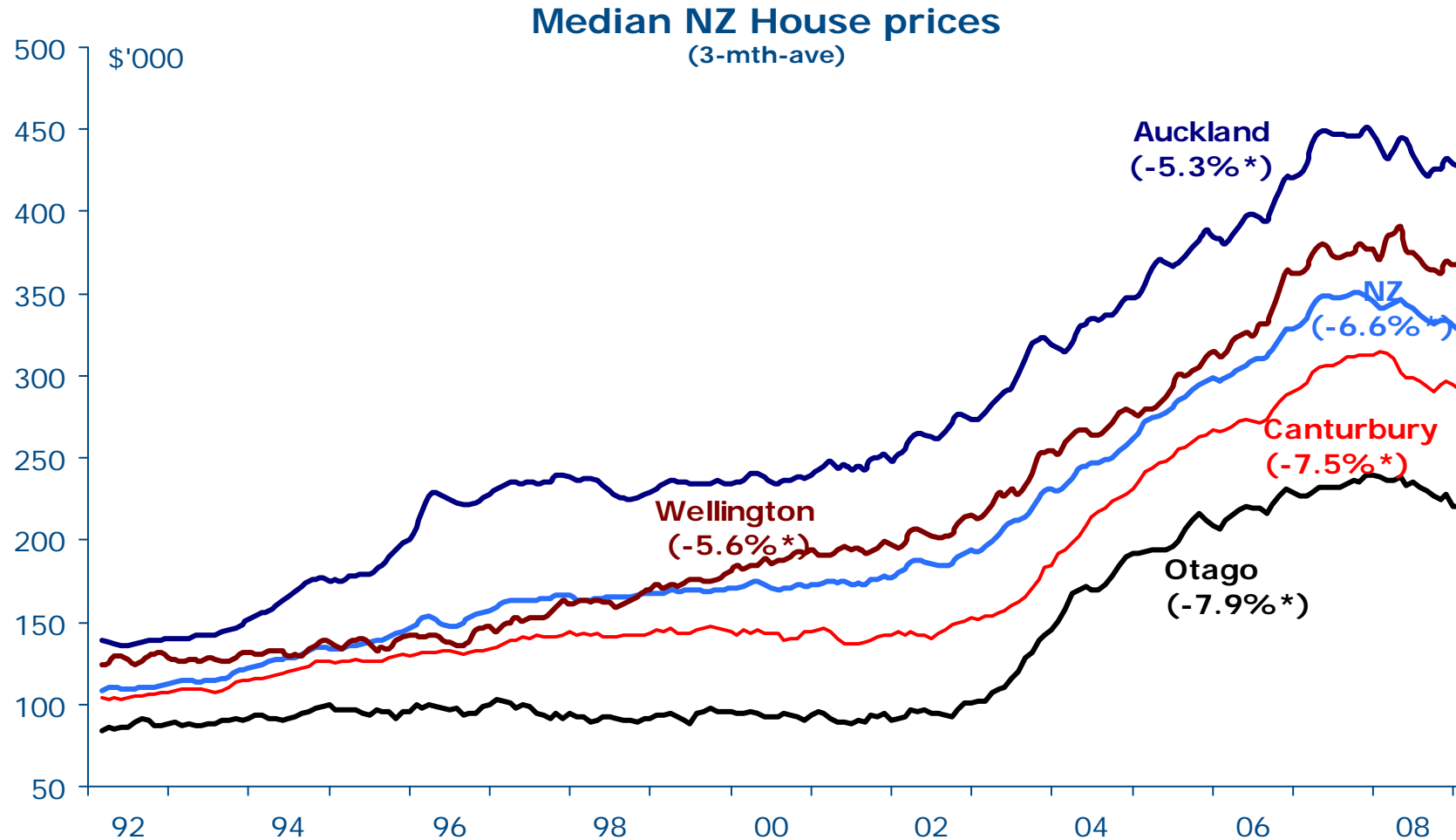


Mortgage delinquencies (+30 days)



Sources: S&P, MBA, Datastream, ANZ

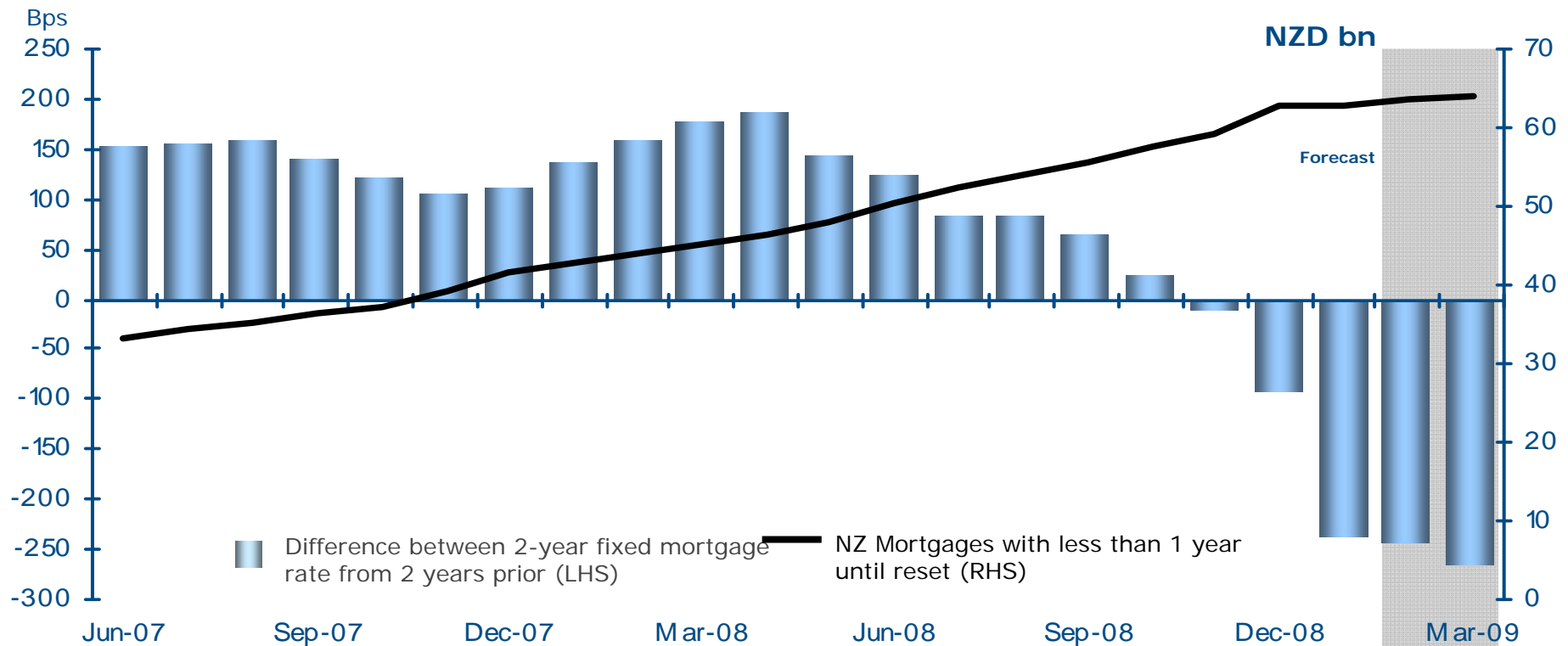
In New Zealand property markets further declined through 2008 and into early 2009



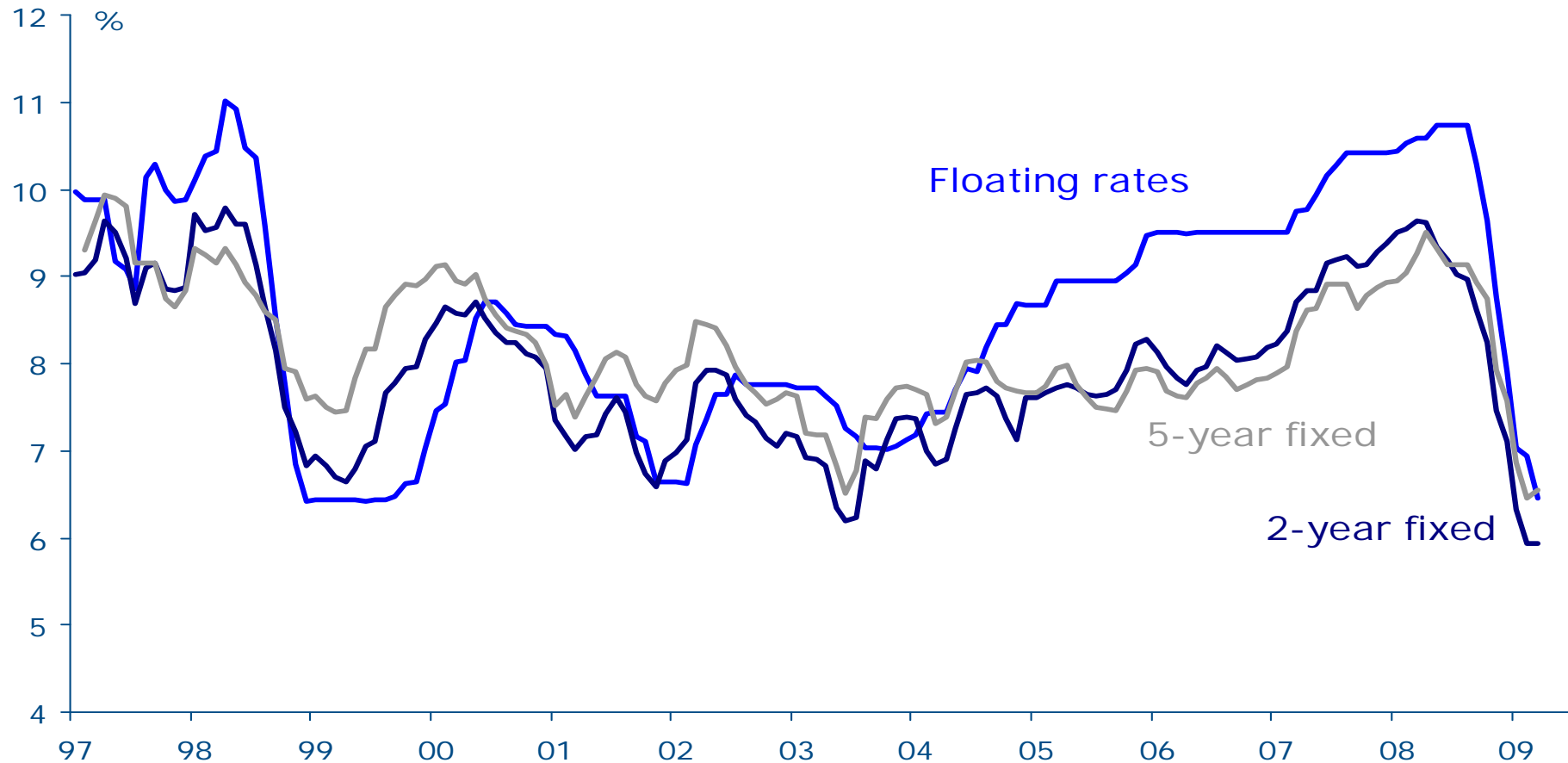
* Peak to February 2009 levels Sources: REINZ, Economics@ANZ

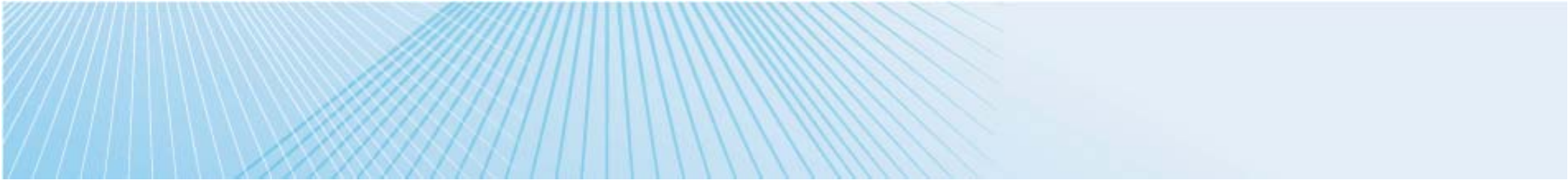
Home loan market in NZ is dominated by fixed rate mortgages. Interest rate reductions have started to benefit consumers.

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



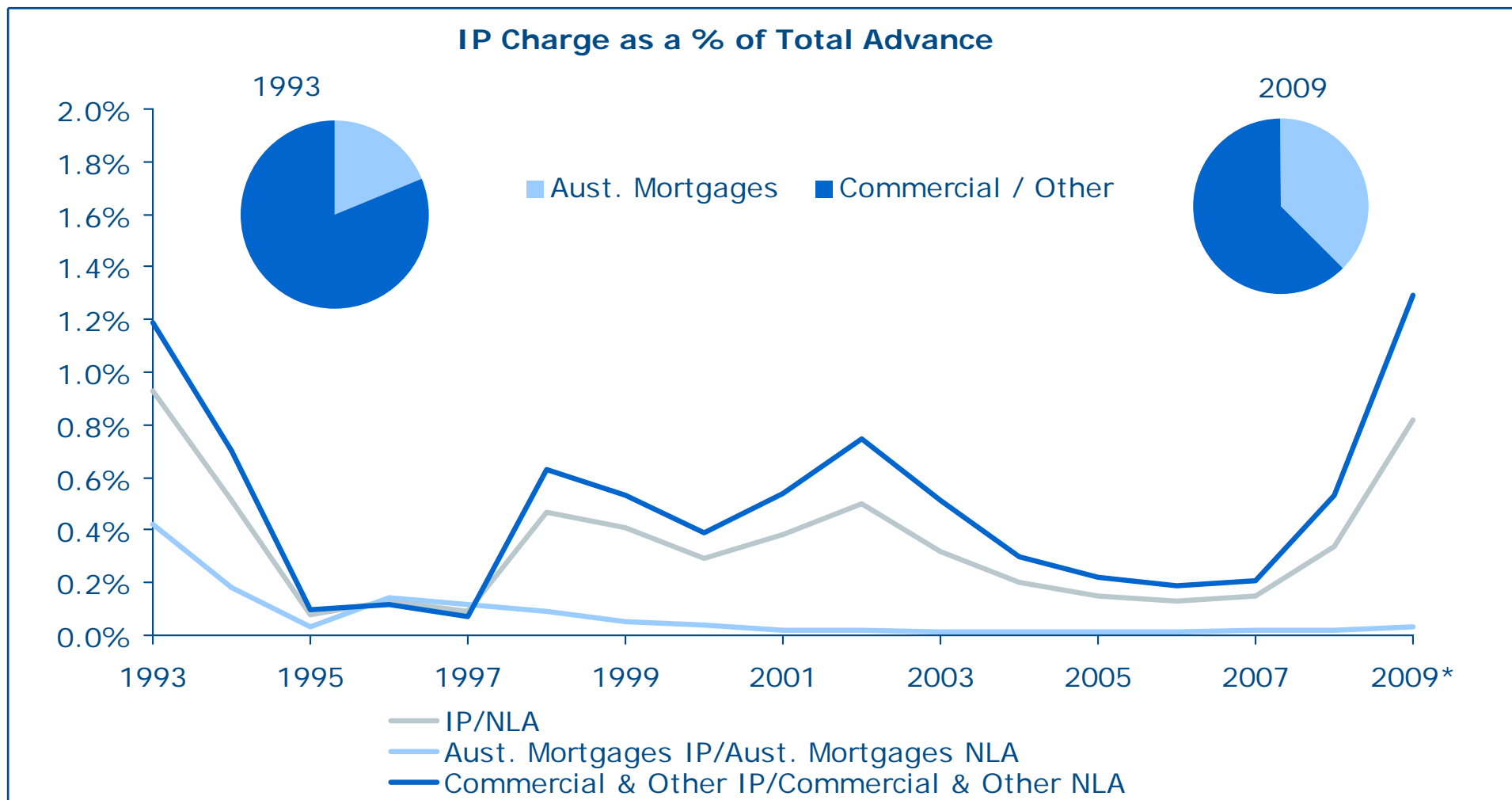
Mortgage rates have reduced substantially, providing cashflow relief to households





Credit Quality

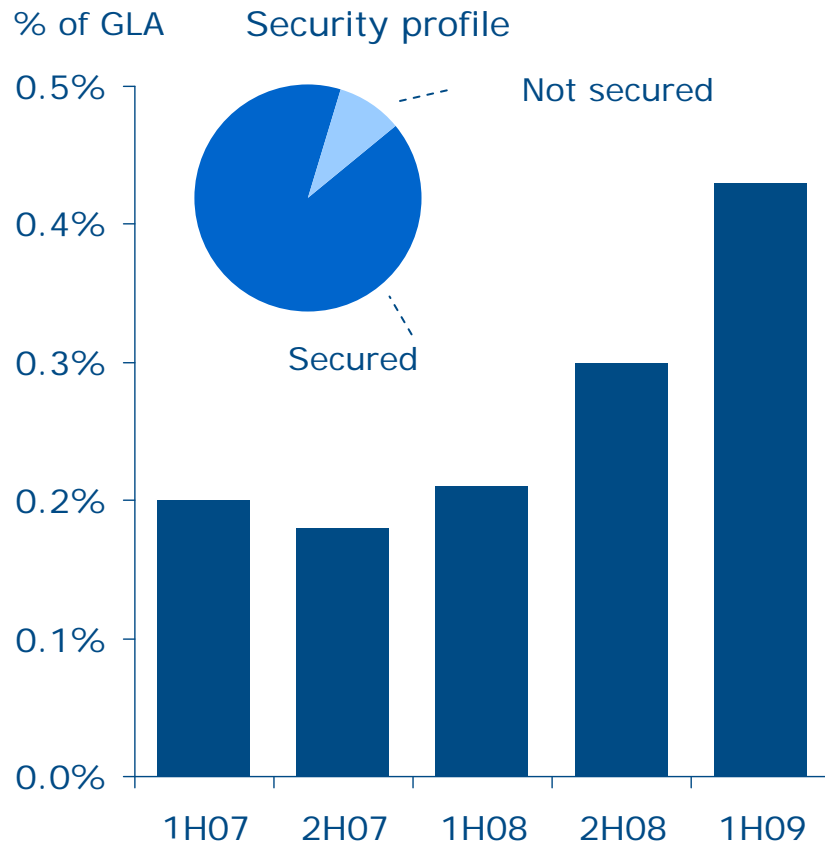
ANZ portfolio has rebalanced towards the consumer segment over time, this segment has had consistently lower loss rates.



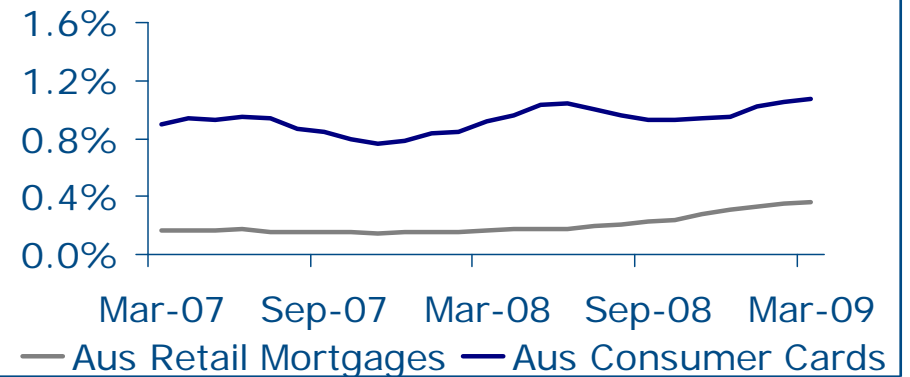
Note: 2009 figures are based on the annualised Mar-09 data

90 Day Past due: increased stress on the Australian Corporate and NZ Consumer Portfolios

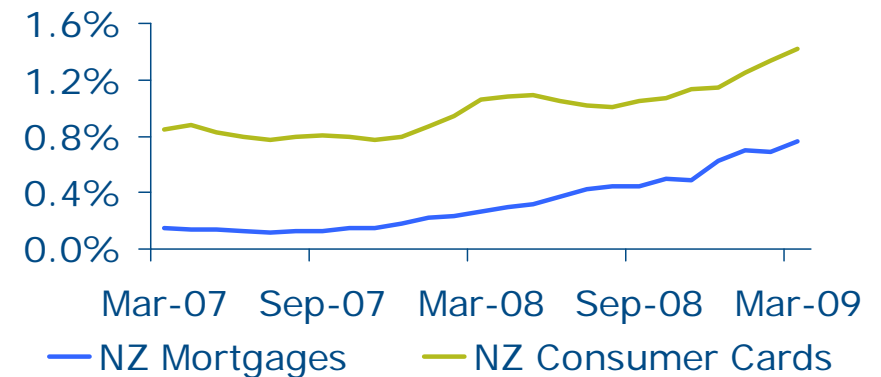
90 Days Past Due well up, majority on the secured book



Australian Consumer Portfolio (90+ day arrears as % of portfolio)



New Zealand Consumer Portfolio (90+ day arrears as % of portfolio)

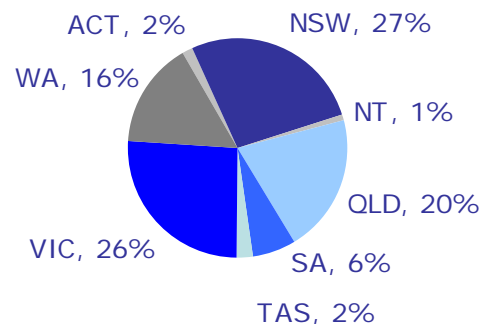


Australian Mortgage portfolio well diversified with good underwriting standards

KEY FACTS

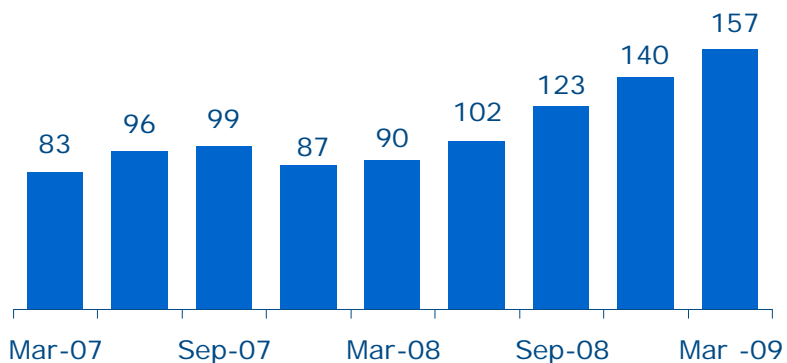
- Well diversified mortgage portfolio by state and distribution channel
- ~ 65% of mortgage accounts are for primary residences
- Average loan size ~ \$210k average loan balance ~ \$175,000
- Average LVR at origination 62.6%, average dynamic LVR 44.9%
- ~ 84% of owner occupied loans and ~ 86% of investment have a dynamic LVR ratio of 80% or less
- NO subprime mortgages.
- LoDoc 80 loans (80% LVR) make up less than circa 2% of the portfolio and are closed to new flows.

Aus. Mortgage profile by state & product



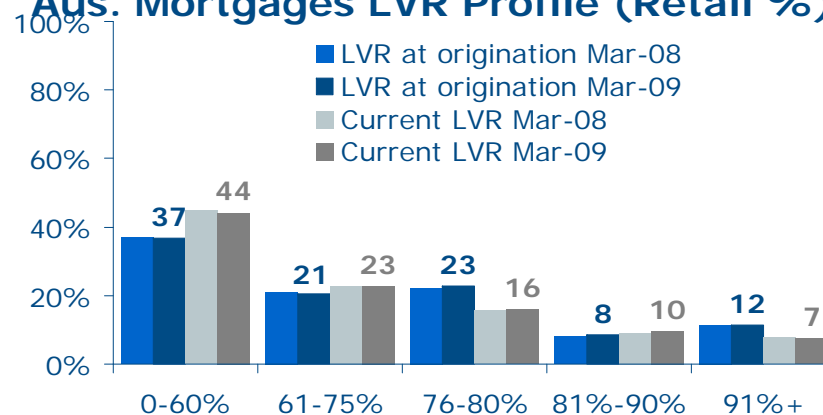
- 59% owner occupied
- 32% investment
- 9% lines of credit

Number of mortgagee in possession properties*



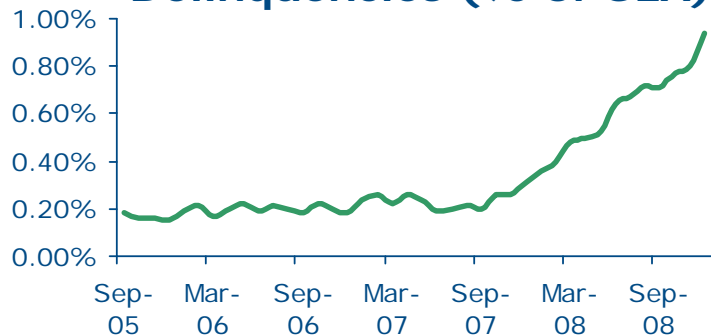
*includes wholesale

Aus. Mortgages LVR Profile (Retail %)

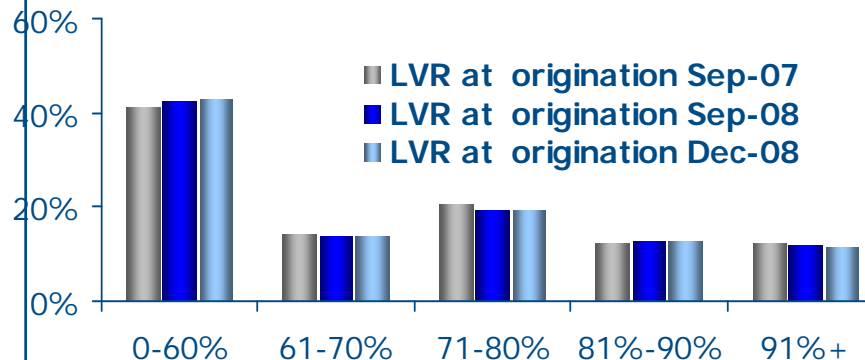


New Zealand mortgage portfolio stress driven by the impact of fixed mortgage rates

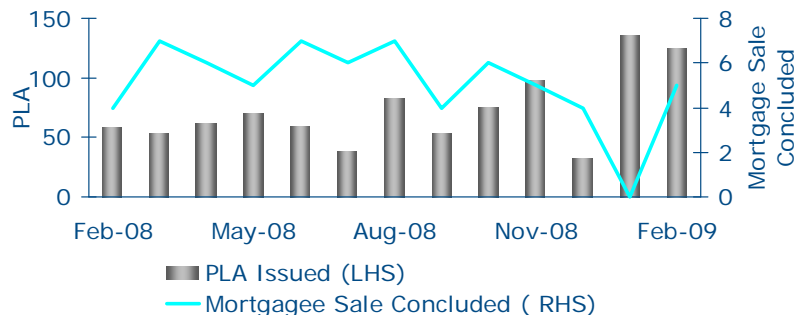
New Zealand Mortgages ^ 60+ Day Delinquencies (% of GLA)



New Zealand Mortgages



Number of PLA Notices issued* and mortgage sales concluded



Average LVR for New Zealand Mortgages based on Origination

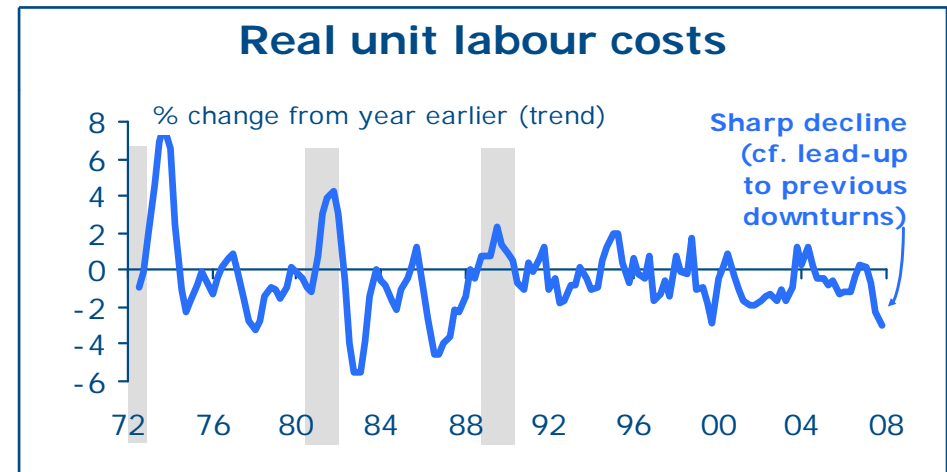
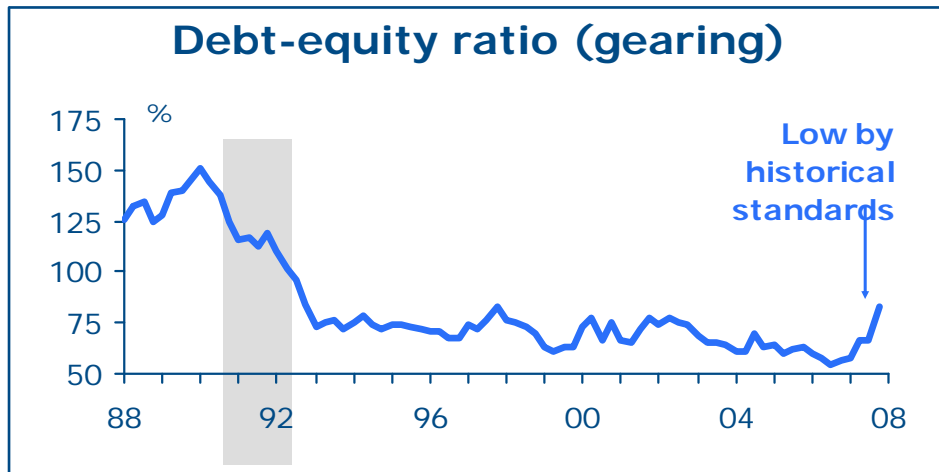
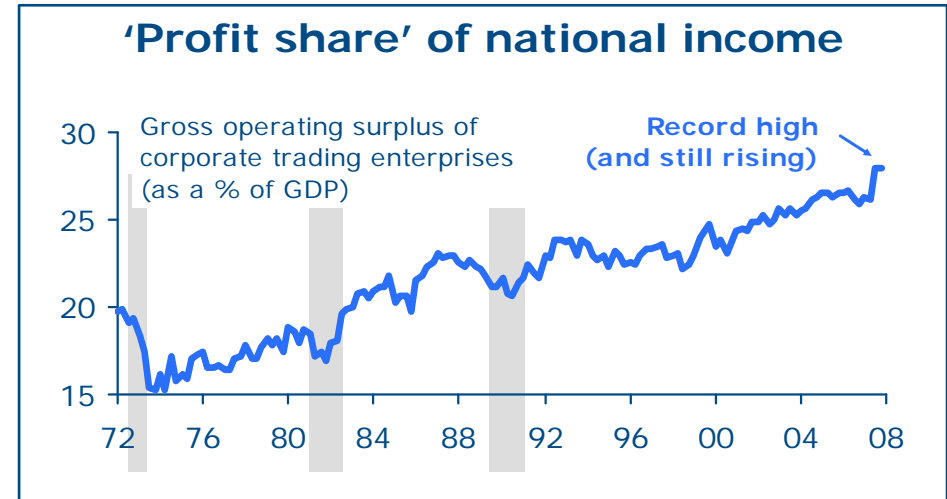
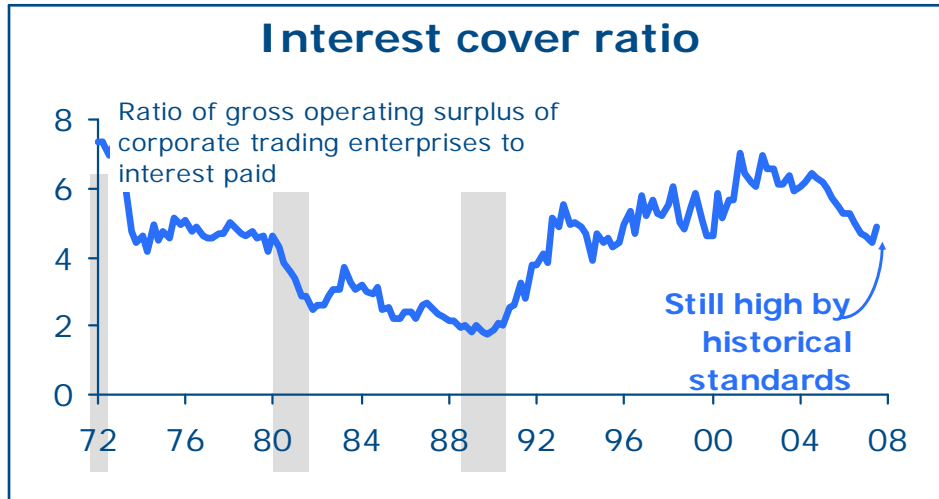
- Dec-08 By Outstanding Balance = 62.16%
- Sep-08 By Outstanding Balance = 62.49%
- Sep-07 By Outstanding Balance = 62.99%

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 mortgage sale. NZ has no equivalent to the Australian mortgagee in possession process * Average LVR excludes mortgages for which an LVR cannot be calculated

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

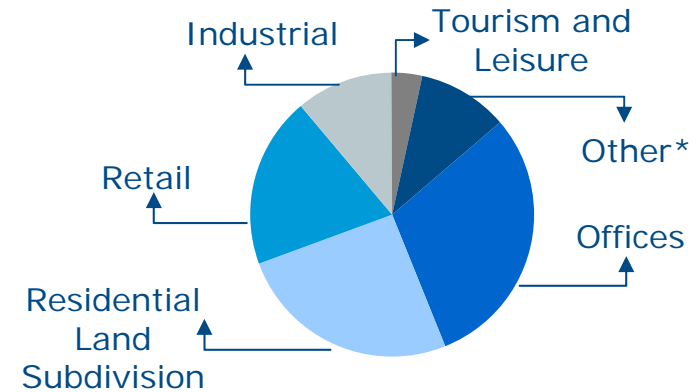


Note: Australian non-financial corporate sector finances. Shaded areas denoted recessions. Sources: Australian Bureau of Statistics; Reserve Bank of Australia; ANZ.

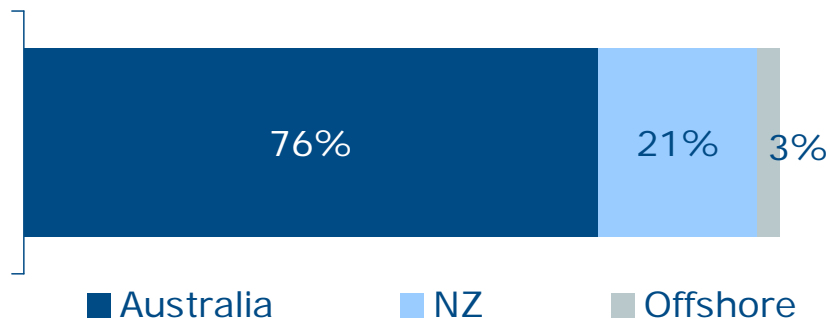
Commercial Property portfolio

- Commercial property exposure of \$29bn, an increase of 3% from Sep 08 almost entirely from existing facility draw-downs
- Portfolio remains at 8% of total Gross Lending Assets
- 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 LPT sector is typically sub 50%

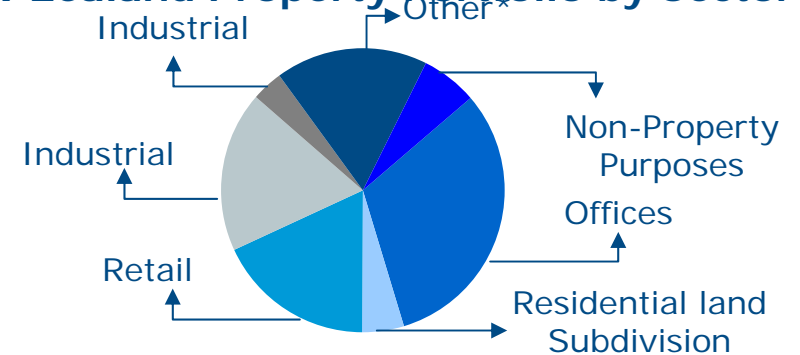
Australian Property Portfolio by Sector



Geography Split of Commercial Portfolio

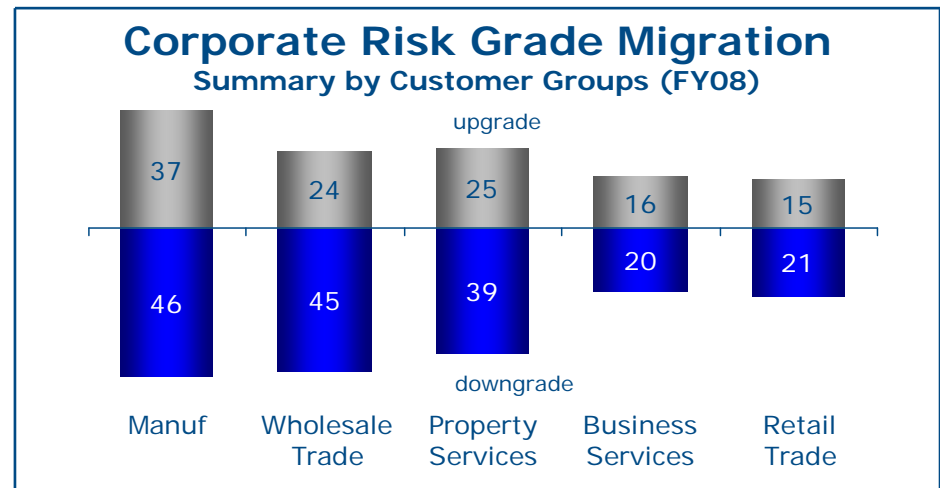
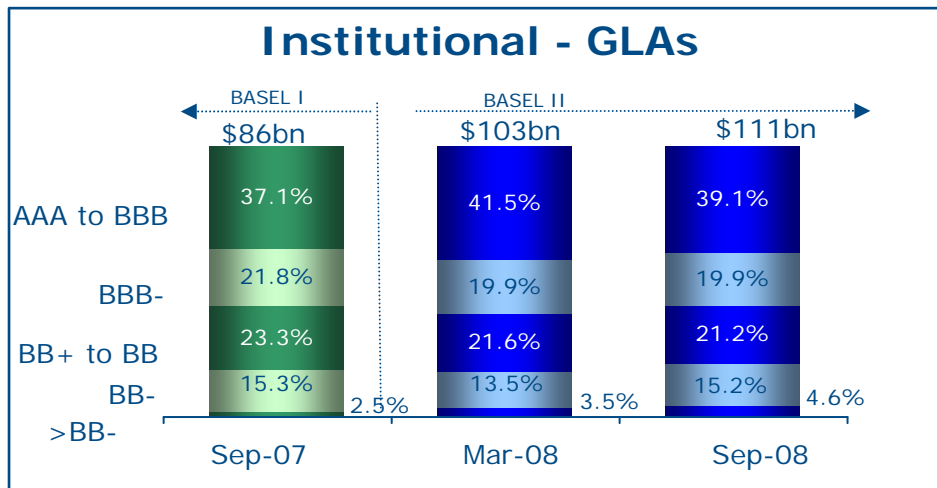
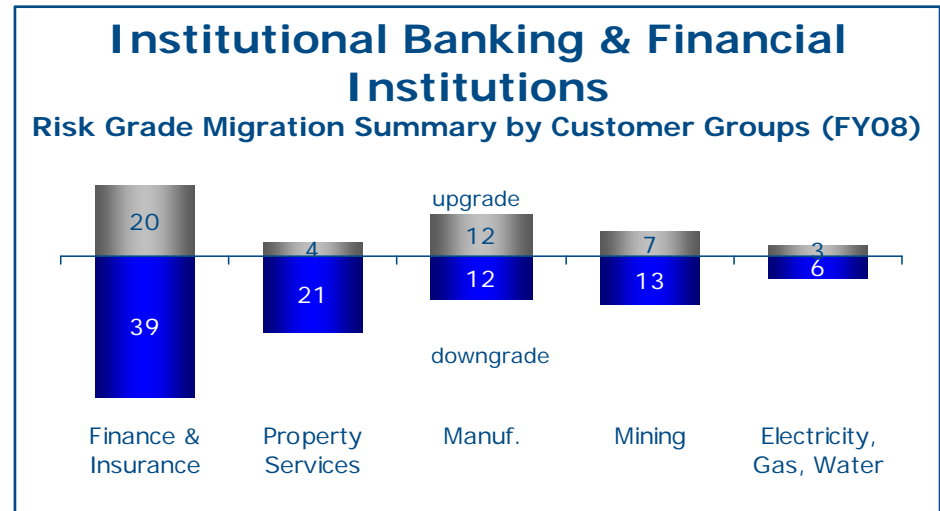
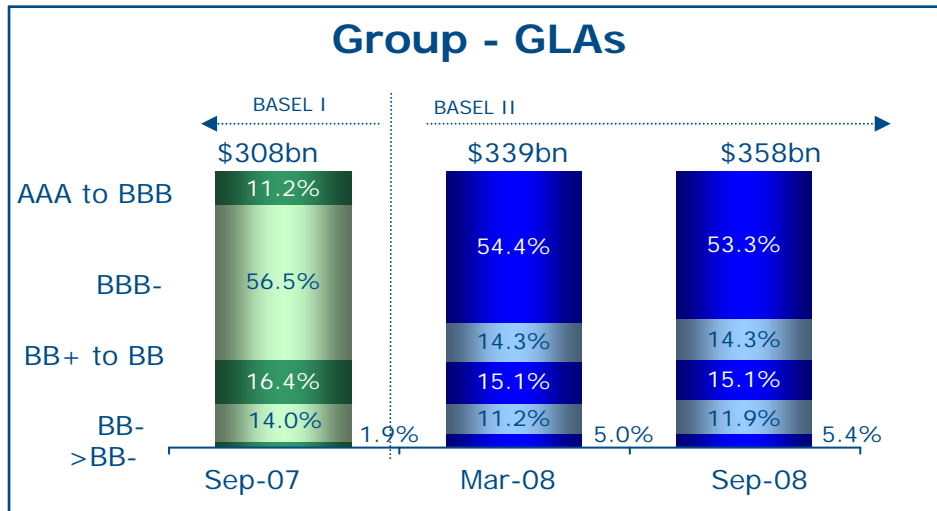


New Zealand Property Portfolio by Sector



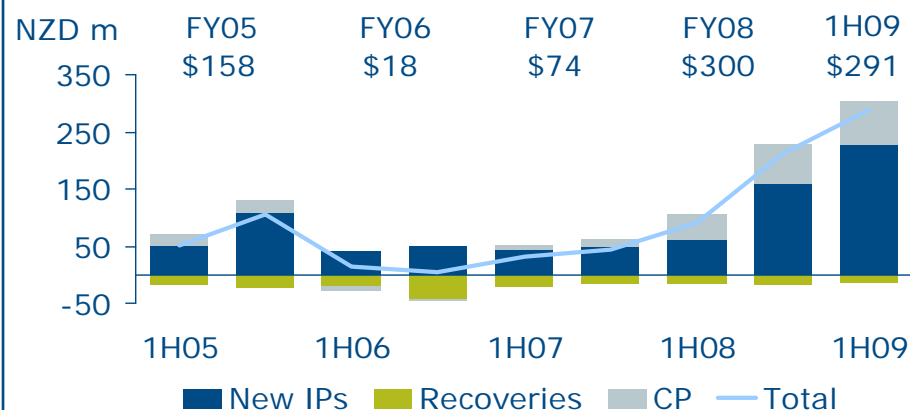
* Major categories of "other" includes high rise, retirement villages, vacant land, other residential.

Collections teams increased and scorecards further tightened to manage through current cycle

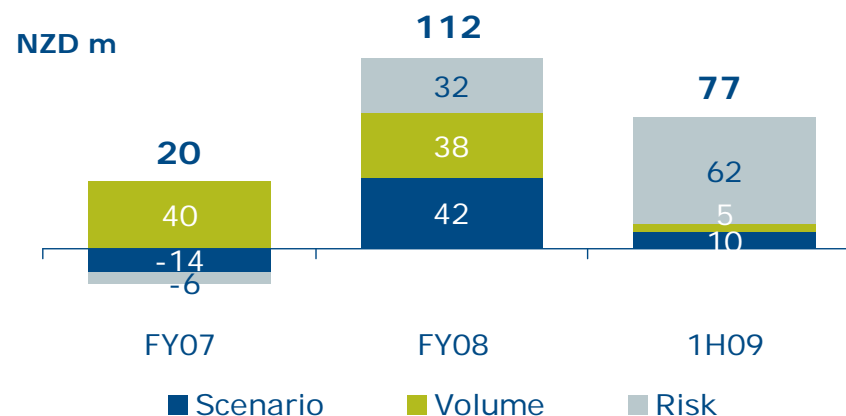


New Zealand: Provisioning levels have increased, particularly in the Commercial businesses

Provisions have risen from historic low levels (New Zealand Geography)



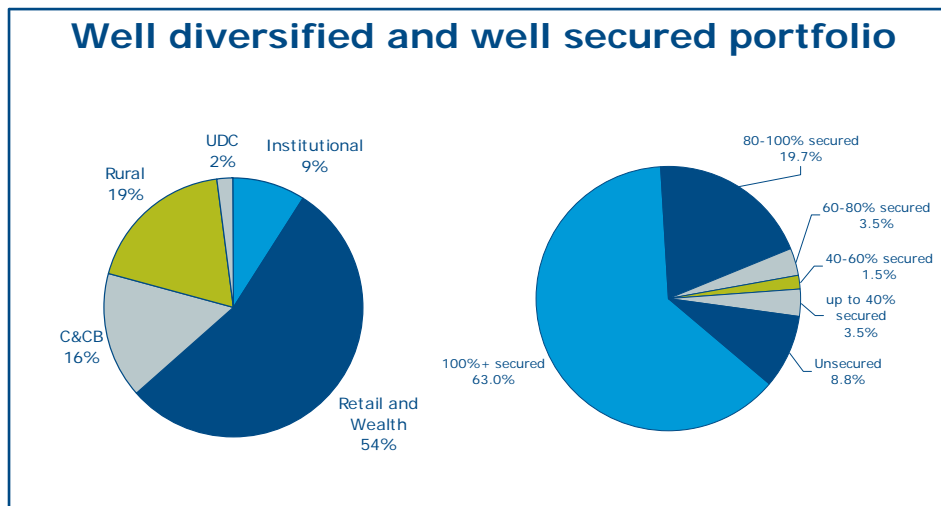
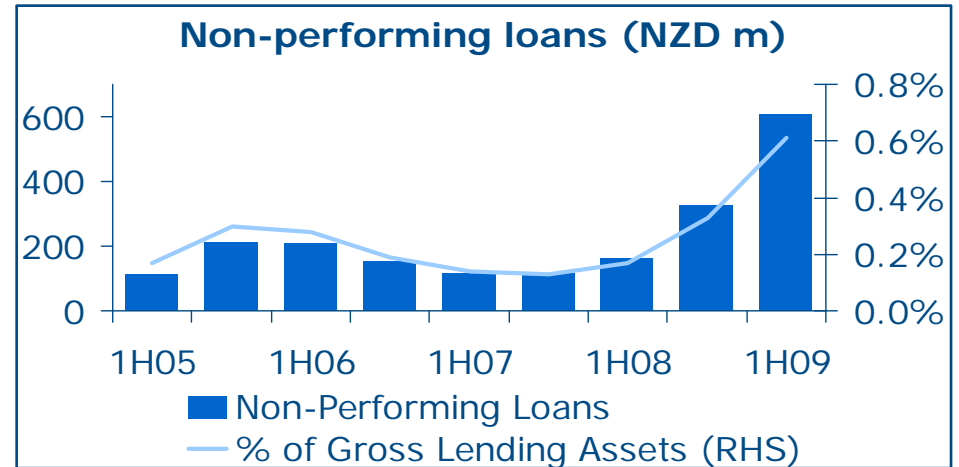
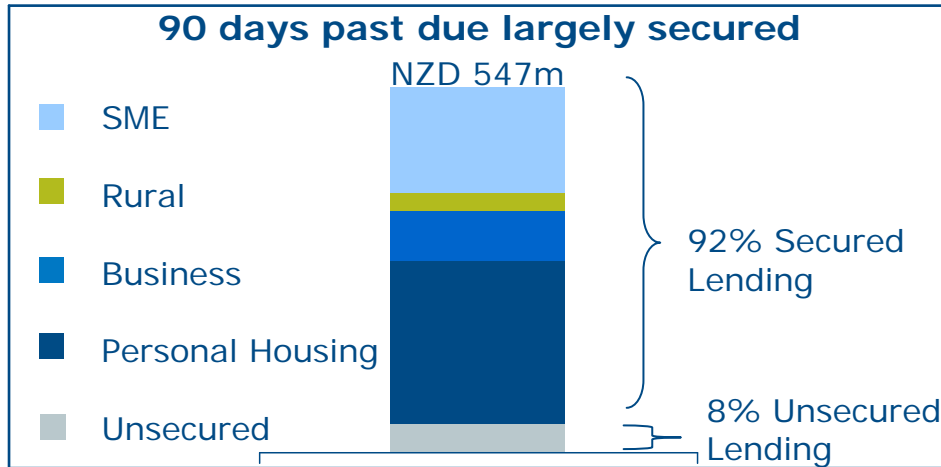
Contribution to Collective Provision Charge



- Domestic recession has continued through 1H09; signs of stress are now evident across all segments of the economy
- IP charge increase of NZD73m (by 13bp to 43bp) reflects impact of reduced consumer activity on business market
- While provisioning has risen, write-offs remain relatively low to date
- CP charge increase of NZD11m from 2H08 largely from introduction of new Basel II models across the portfolios, with economic cycle adjustment in 2H08

Category	IP Charge		Net Write-Off	
	NZDm	bps	NZDm	bps
Personal Housing	37	21	5	3
SME	28	35	12	15
Rural	13	14	0	0
Business	95	70	12	9
Unsecured	41	353	39	340
Total	214	43	68	14

Increased arrears and impaired assets is spread across all segments



- Arrears and non-performing loans increased across all portfolios; personal mortgage and business loan arrears have shown the biggest rise.
- Higher cost of living and increased interest repayments drove much of the lift in 2H08; the latest rise in Retail is mostly due to reduced incomes. The slowing economy and lower commodity prices are impacting non-retail customers.
- Rising unemployment and a tougher global economic environment will continue to affect credit quality over the coming half.

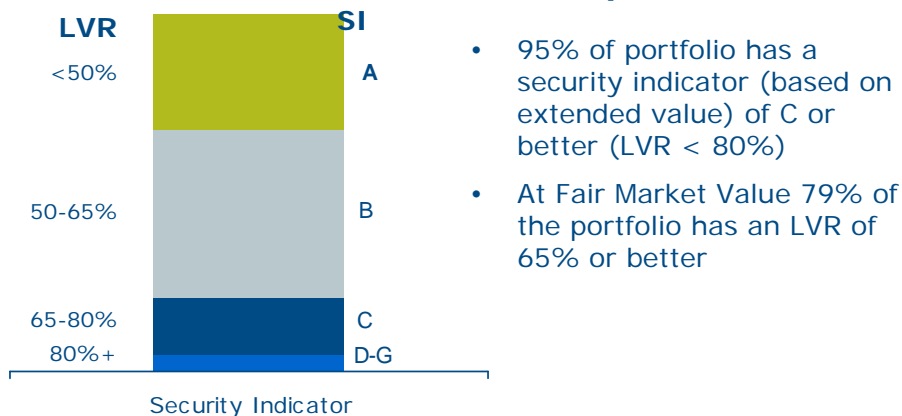
New Zealand commercial credit quality holding up well; Rural well secured

Overall Commercial credit quality holding up in a difficult environment

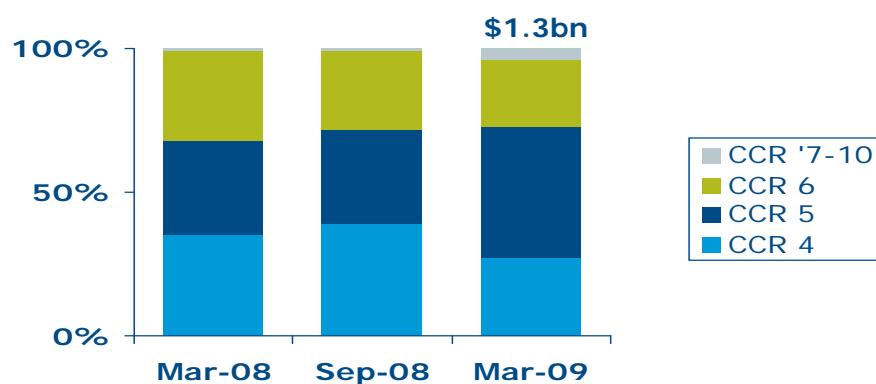
Average Customer CCR

	Sep-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09
Rural	5.17	5.26	5.17	5.10	5.11	5.22
C&CB	5.19	5.24	5.27	5.30	5.30	5.44
UDC	5.79	5.38	5.49	5.66	5.66	5.73

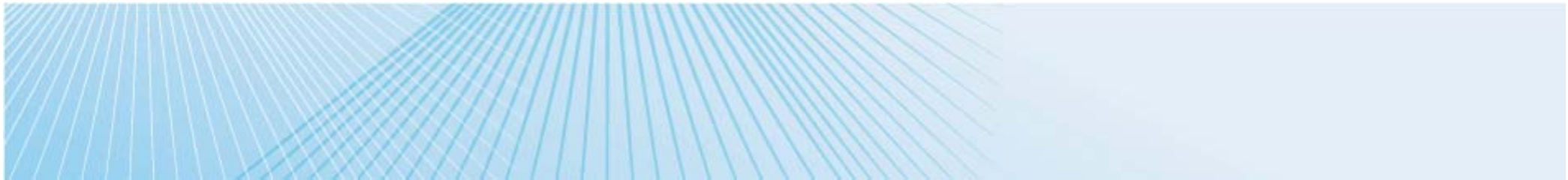
Rural has a well secured portfolio



Property credit quality sound (Property Construction Finance)



- Exposure to finance and property development sectors scaled back between 2006 and 2008
- Whilst Rural credit quality has weakened in line with commodity prices it has a degree of resilience to economic shocks
 - Exchange rate acts as natural hedge to commodity prices
 - Economics of agricultural sector and ability to service debt is maintained through productivity gains on farm



2009 Interim Results Summary

(released 29 February 2009)

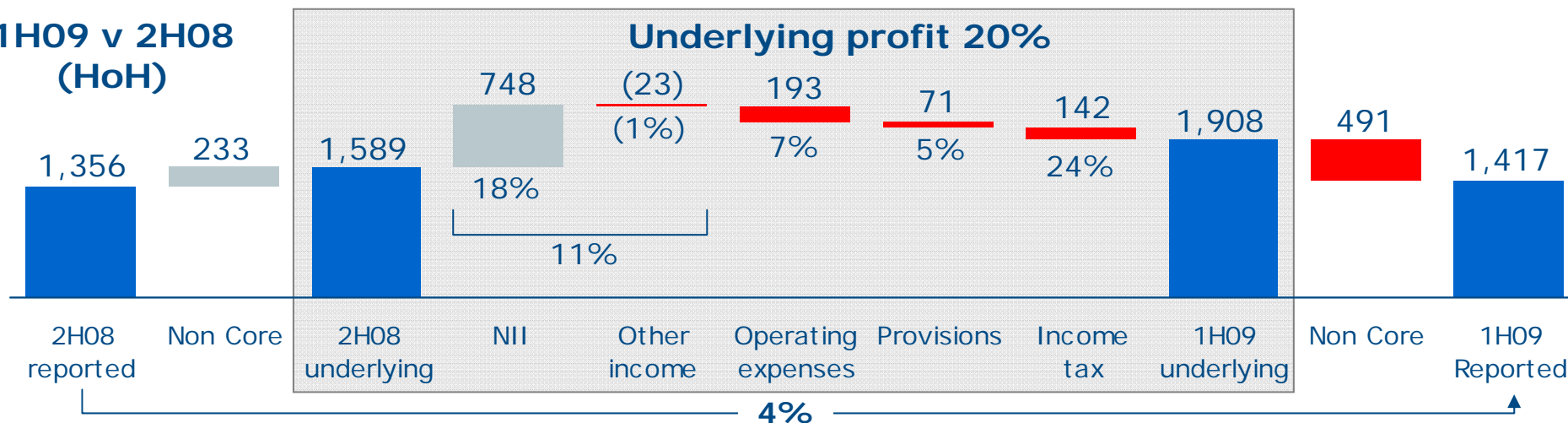
Strong underlying result delivered in challenging conditions

		1H09 v. 2H08 (HoH)		1H09 v. 1H08 (PCP)	
Net Profit after Tax	\$1,417m	up	4%	down	28%
Underlying Profit[^]	\$1,908m	up	20%	up	4%
Revenue[^]	\$7,040m	up	11%	up	18%
Expenses[^]	\$2,944m	up	7%	up	11%
Provisions[^]	\$1,435m	up	5%	up	98%
EPS[^]	89.7 cents	up	12%	down	6%
Interim dividend	46 cents			down	26%

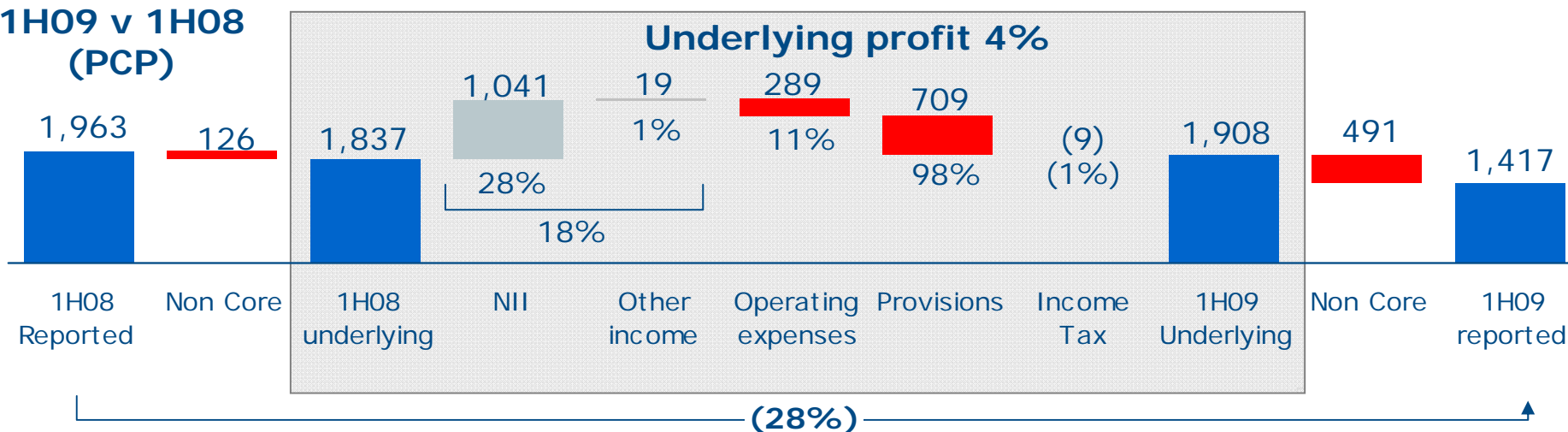
[^] All figures other than NPAT, provisions and dividend are underlying

Solid underlying performance offset by non continuing business impacts

1H09 v 2H08 (HoH)



1H09 v 1H08 (PCP)



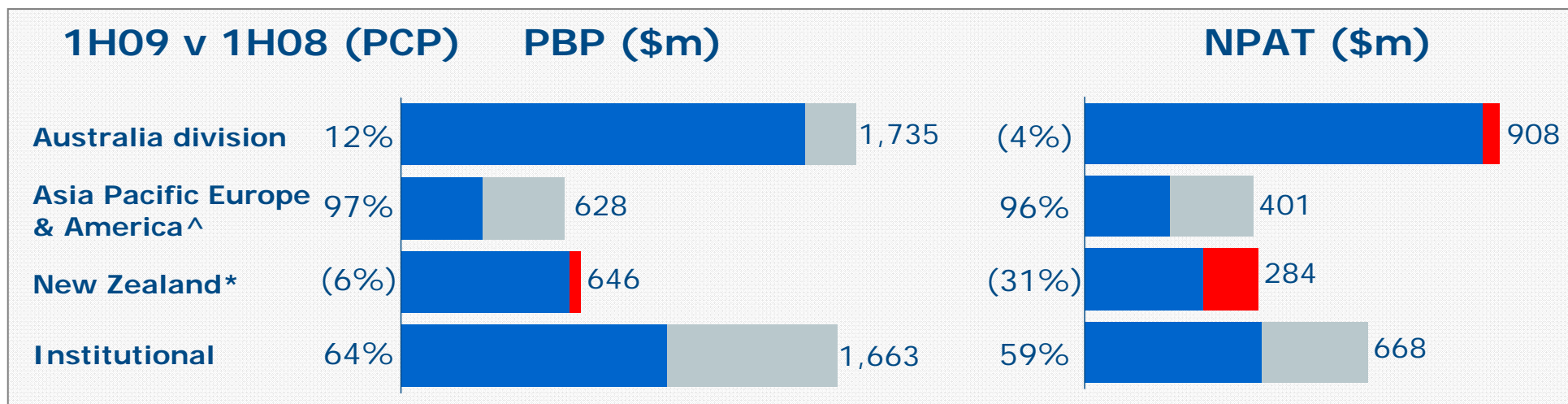
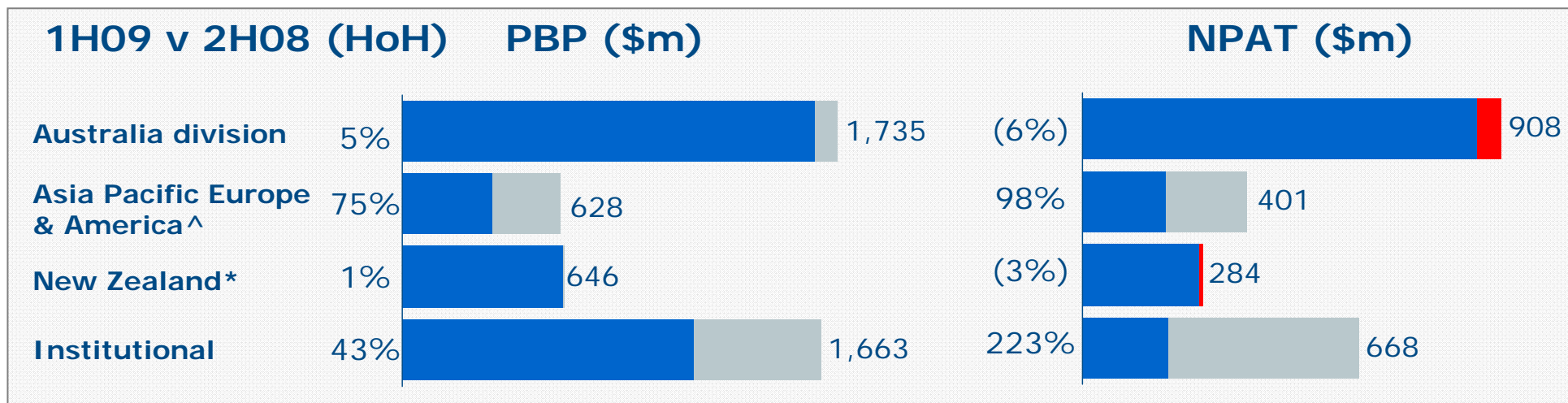
Reconciling underlying profit with statutory profit

Profit	\$m	1H09
		1,417
Adjustments to Statutory Profit		
- Organisational transformation costs		(17)
- Economic hedging – fair value gains/losses		461
- NZD and USD revenue hedge – mark-to-market		19
Cash Profit		954
Other Non Core Items		
- One ANZ restructuring costs		(79)
- ANZ share of INGNZ investor settlement		(97)
- Non continuing businesses Credit Intermediation Trades		(664)
- Non continuing businesses Private Equity/Alternative Assets		(114)
Underlying Profit		1,908

Adjustments

Both driven by spreads

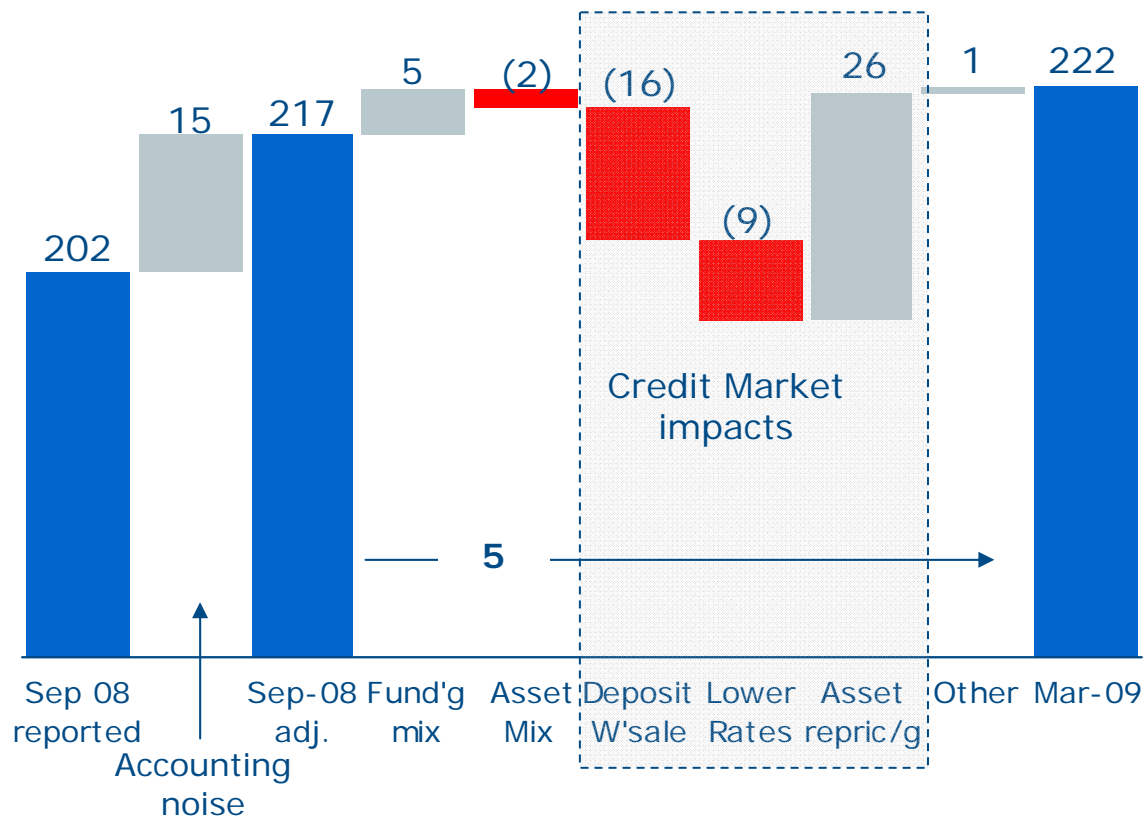
Pre-provision profit growth across businesses



Note: all figures shown are on underlying profit basis; [^] Asia Pacific, Europe and America includes Institutional; * New Zealand businesses in NZD

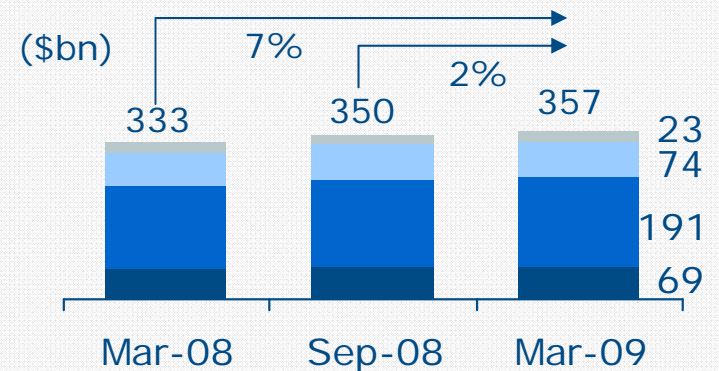
Strong growth in Net Interest income from improvement in NIM and balance sheet growth

NIM improvement from mix shift and re-pricing Net Interest Margin (bp)

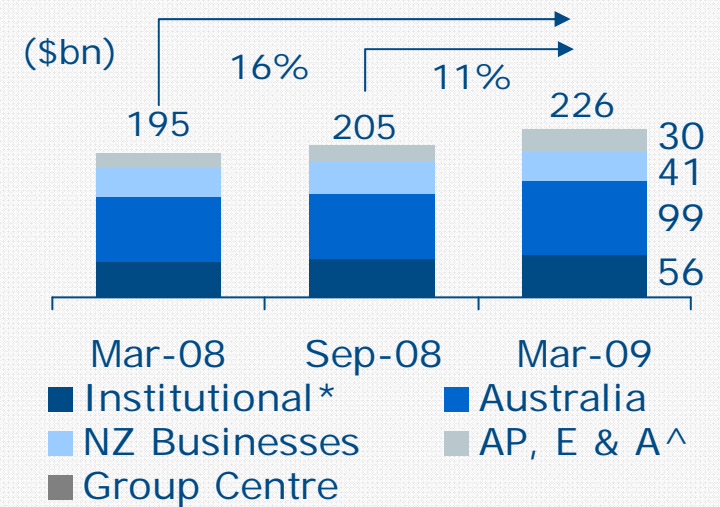


Note: all figures shown are on underlying profit basis. Average Interest earning assets up 8%
*excluding Institutional Asia Pacific Europe & America, included in Asia Pacific Europe & America (AP E&A)

Self funding lending growth... (Net Loans and Advances)

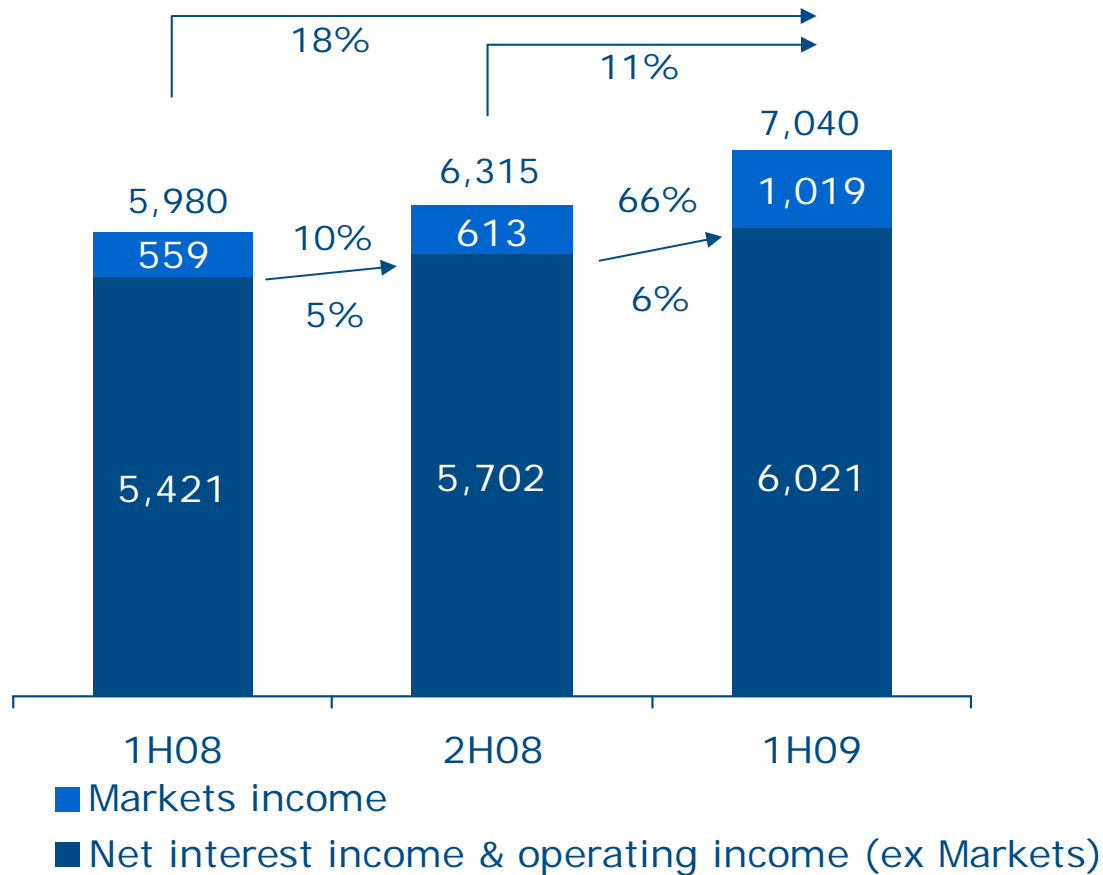


...from strong deposit growth (Customer Deposits)



Total income benefiting from very strong Global Markets performance

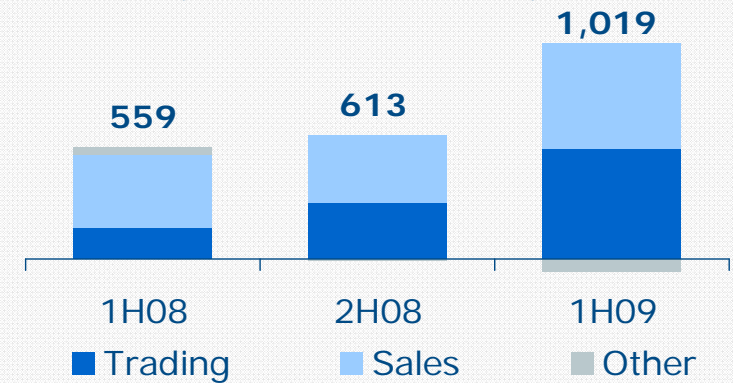
Markets drove 56% of total income growth (\$m)



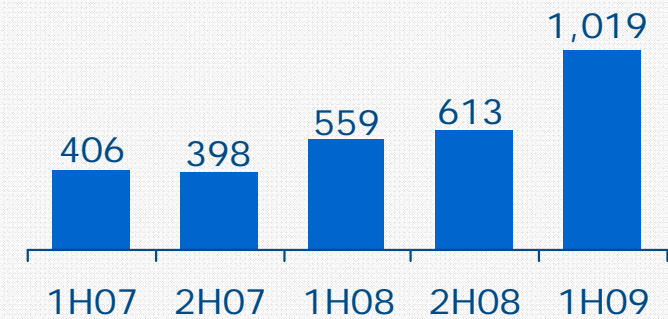
Note: all figures shown are on underlying profit basis
 *Other includes IFRS accounting adjustments and Mark to Market op options

Sales and trading income growth both strong*

(Markets income \$m)

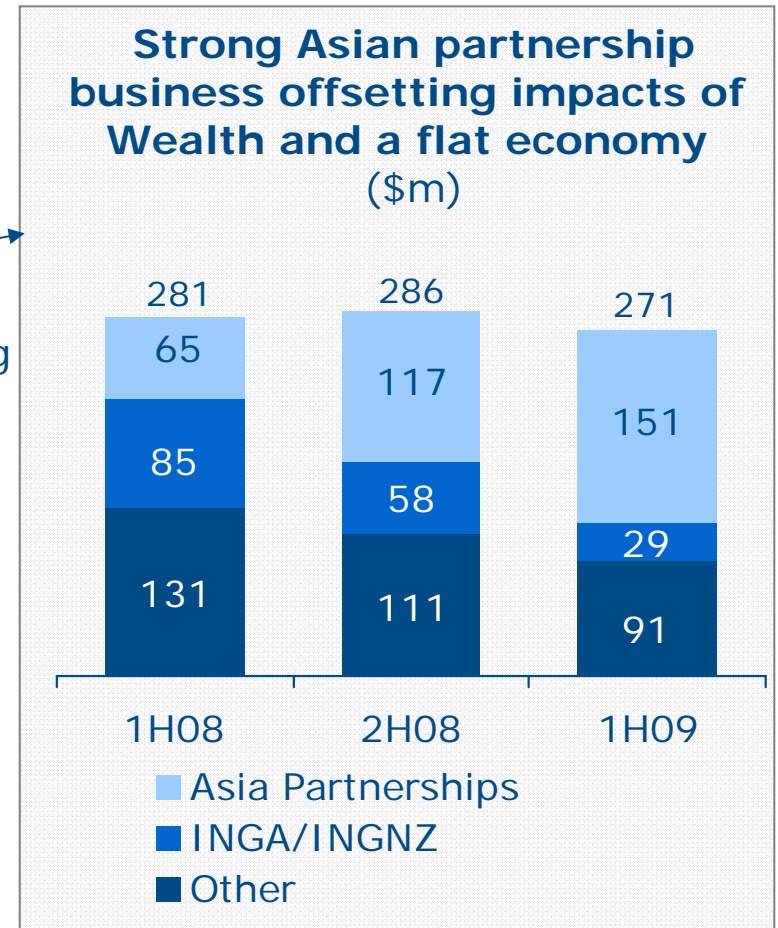
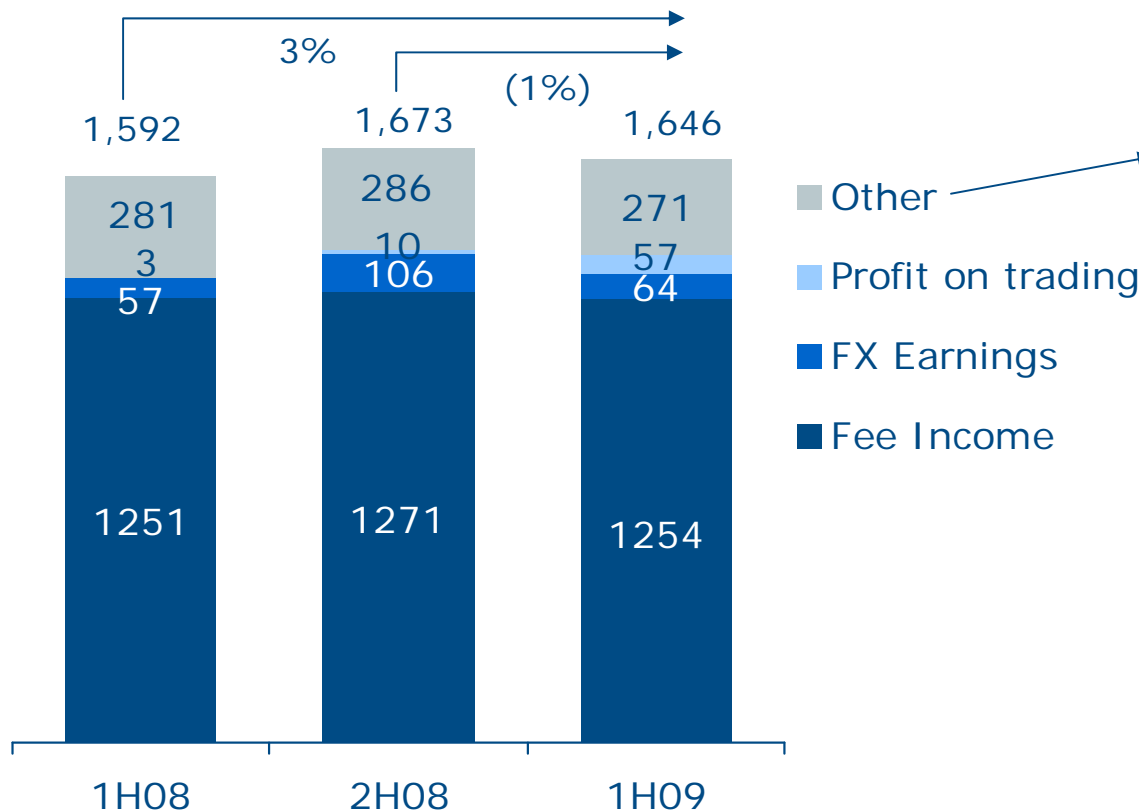


Volatility driving well above average markets income (Markets income \$m)



Excluding Markets, Other Income boosted by Asian Partnerships but offset by wealth and a flat economy

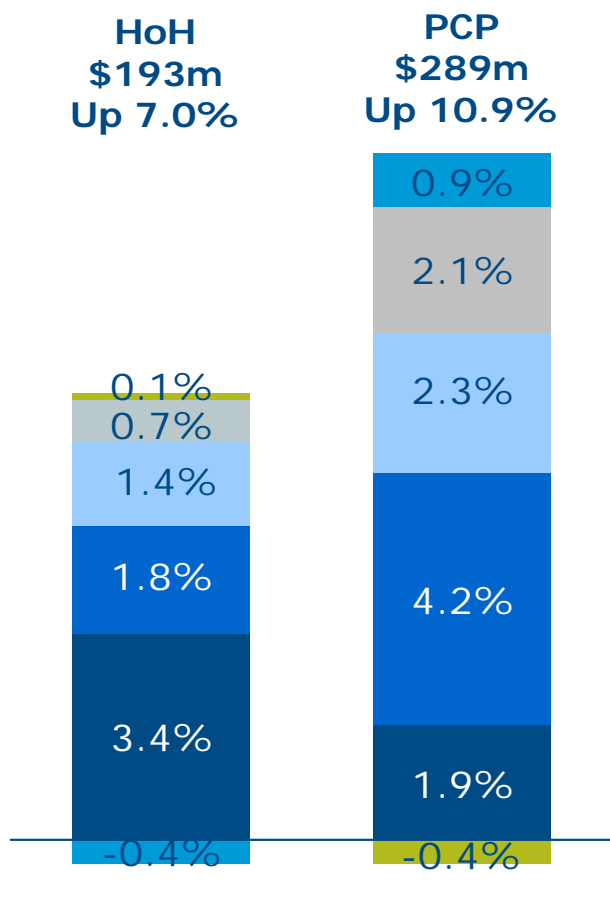
Other income excluding markets (\$m)



Note: all figures shown are on underlying profit basis

Core expense growth well contained, investment directed towards growth markets

Expense growth



Underlying cost growth well contained, investing in Super Regional strategy across Asia

Australia and New Zealand costs well contained

Institutional (ex Asia Pacific): Growth largely FTE, remediation costs and technology investment

Asia Pacific, Europe and America: Investing for growth including;

- physical locations
- platforms
- FTE (frontline and leadership)

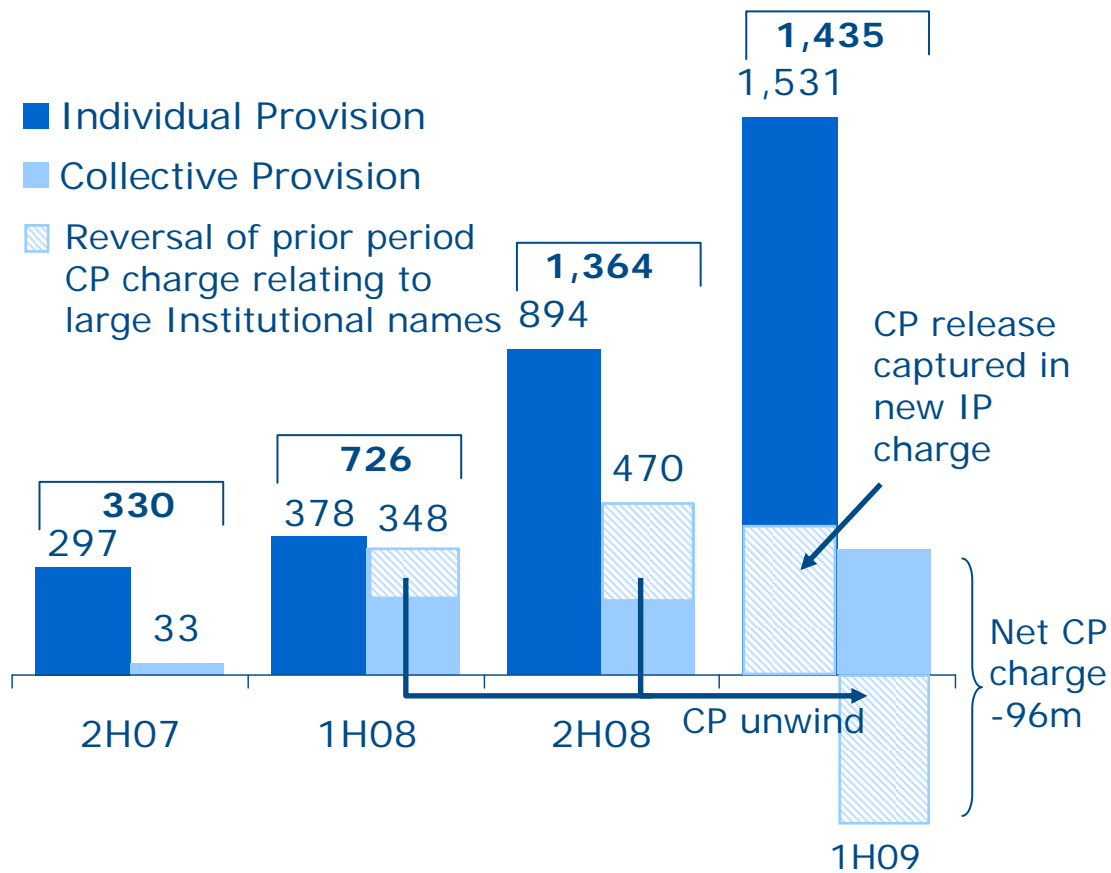
While maintaining positive "Revenue / Expense" "Jaws"



Note: all figures shown are on underlying profit basis. ^Excluding Asia Pacific, included in Asia Pacific division

Higher provision charge impacted by large single names and further Corporate stresses

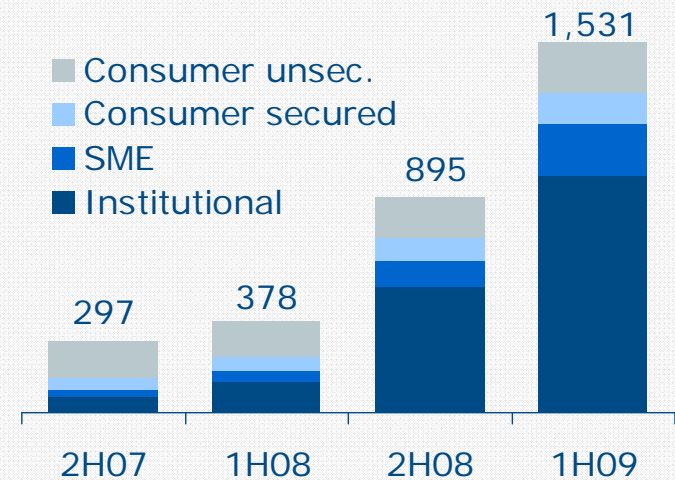
Provision charge up on prior half with migration from Collective Provision



Note: all figures shown are on underlying profit basis.

IP charge largely from Institutional and middle market stresses

IP charge by type (\$m)

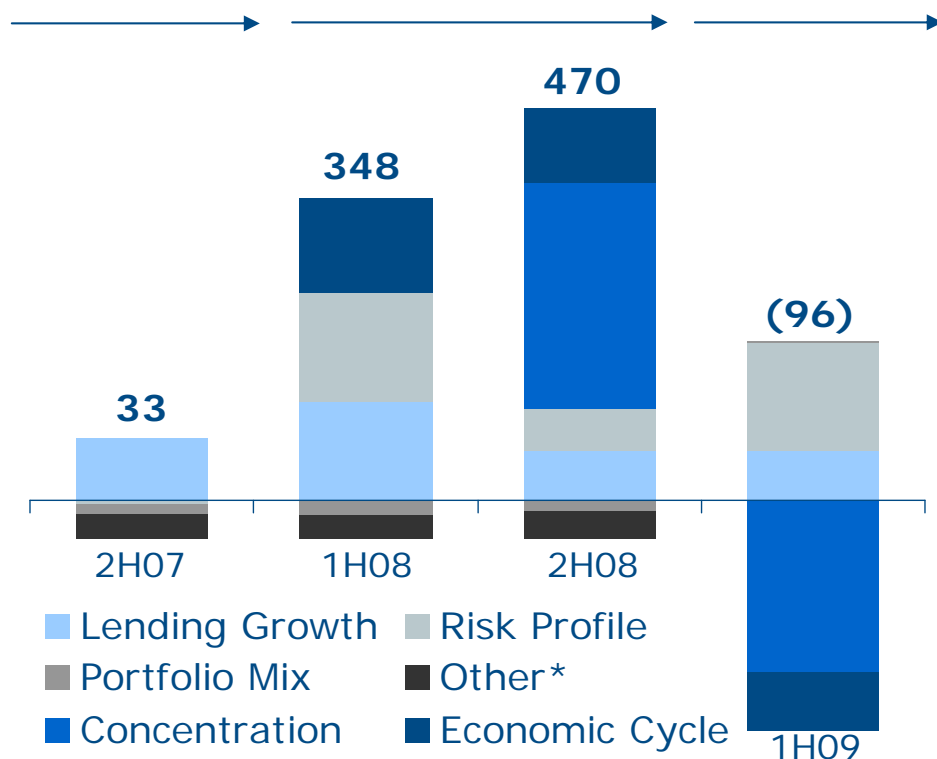


IP charge by size (\$m)



Collective Provision charge moving through the cycle

Collective provision charge reflects progression of the economic downturn (\$m)



Risk Profile

- Primarily in Institutional and New Zealand. Net of downgrades

Volume Growth

- Growth in Australia and Asia Pacific

Concentration risk

- \$228m of \$300m raised in 2H08 released with migration to Non Performing / IP

Economic cycle adjustment

- \$78m released with migration to non performing, impacted by economic conditions

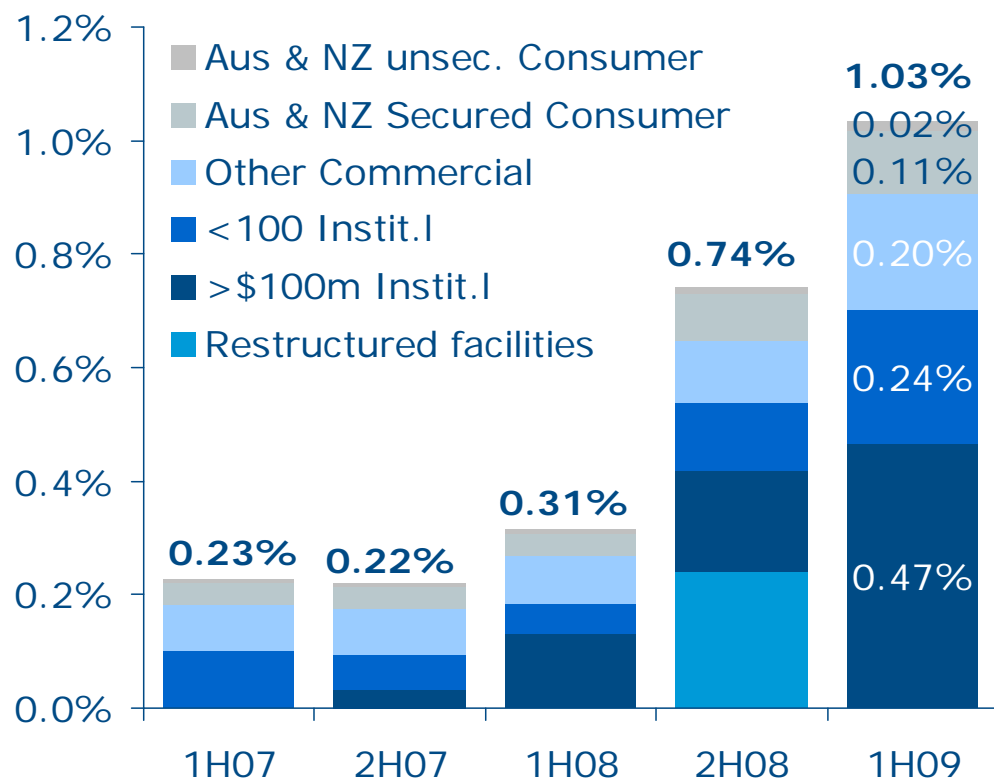
Cover 1.06% of Credit RWA

Note: all figures shown are on underlying profit basis ; * Other comprises Group Items, scenario impact including the modelled unwind of the oil price shock provision (raised in 2005) and non continuing businesses;

Higher Impaired Loans represent current market pressures and actively working with customers in difficulty

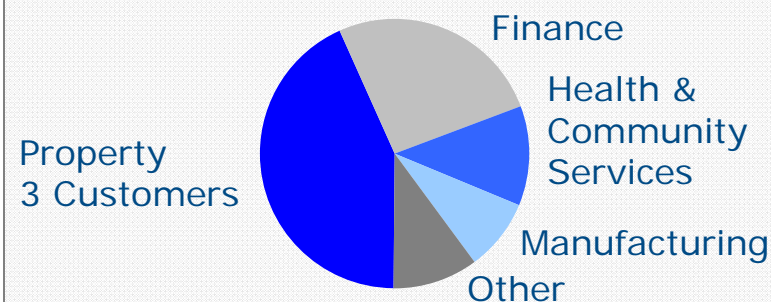
Increase in impaired loans predominantly from Institutional / Middle market portfolios

(Gross Impaired Loans* / Net Lending Assets)

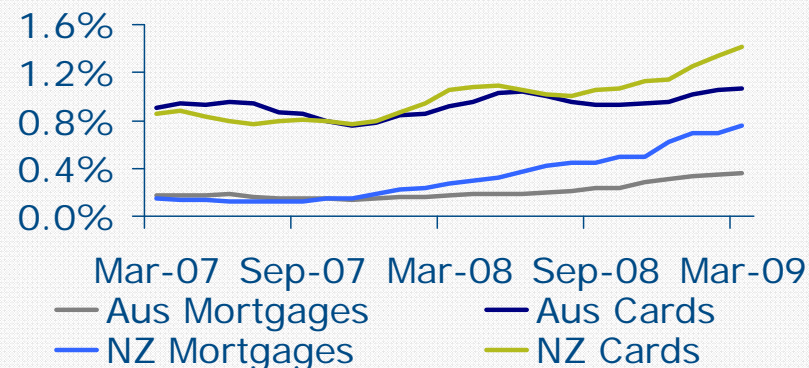


* Including restructured facilities ^Retail portfolio

Institutional Non Performing loans concentrated by industry (\$m)

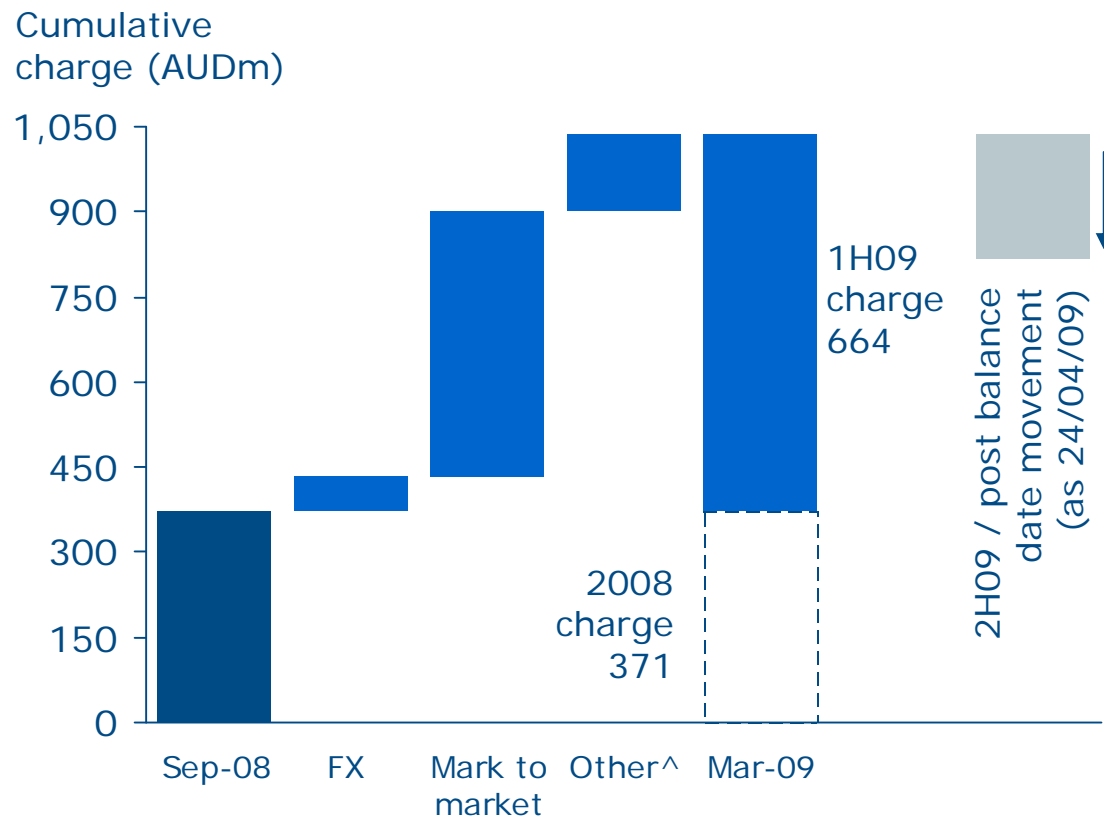


Consumer portfolio trending in line with expectations (90+ day arrears as % of portfolio)



Credit Intermediation Trades charge remains volatile

Credit charge on Credit Intermediation Trades (Post tax charge)



^including change in credit rating of the counterparty and other factors *CDX.NA.IG.S9.5Y for illustrative purposes only. Credit Intermediation Trades impacted by individual CDS spreads of underlying reference entities)

Majority of FX impacts from AUD/USD movements



Pronounced CDS spread volatility (US 5 yr investment grade CDS index*)



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