

ANZ Institutional Division

Institutional Briefing Pack

May 2010

This pack contains updated data & supersedes pack issued 18 March 2010



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 - Institutional Leadership Team
 - Core customers and geographies
 - Well positioned
 - Financial position
- The direction of our business
 - Focus redefined
 - Super Regional connectivity
 - Regional networks, insights & service
 - Execution
 - Priority segments
 - Priority products

ANZ Institutional

Our Business Today



Institutional Leadership Team and Product Focus strengthened

ANZ Institutional Division

Shayne Elliott
CEO Institutional

- New Institutional Leadership team steering the strategy, building operational platforms, processes and culture

Customer Relationships

Relationship Banking

Gary Newman

- Building on a history of long term customer relationships, setting clear service expectations and customer insights, focusing investment in priority segments

Specialist Businesses

Transaction Banking

Alistair Currie

Global Markets

Steve Bellotti

Specialised Lending

Christina Tonkin

- Primary focus on core competency products including Cash Management and Trade, Regional Rates and FX, Commodities and Debt Capital Markets

Geographies

Australia

Nigel Williams

New Zealand

David Green

APEA

Mark Whelan

- Global business with disciplined focus on our core Regional markets, linked through flows of trade, capital and population

Increased focus on core customers and geographies

Over 3,500 active Institutional and Corporate customers supported by over 5,000 staff

- Corporate banking customers: t/over \$40-400m
- Institutional customers: t/over >\$400m

Customer relationship sectors

- Banking a full range of customers
- Building dominance in a limited number of segments

Global lines

- Natural resources
 - Infrastructure
 - Agribusiness
- Priority segments
- Financial institutions & public sector

Other lines

- Property
- Diversified industrials
- Consumer and services
- Telco's, media, entertainment and technology
- Corporate Banking

A single global team services customer needs across the network

- Global representation supports customers based in Australia, New Zealand, Asia Pacific, Europe and America geographies
- Domestic presence in Australia and New Zealand for over 170 years
- Asian representation commenced over 40 years ago and we now have a presence in 15 Asian markets
- Institutional regional hub established in Hong Kong (centralised support functions for APEA institutional business)
- Branches in Europe and North America ensure global network coverage

Well positioned - distinguishing through customer service & product offerings

Well positioned business

- ANZ origins are in commercial banking
- Well established customer relationships
- Cost To Income compares favourably to other major Australian banks
- Institutional strategy aligned to the ANZ Super Regional strategy

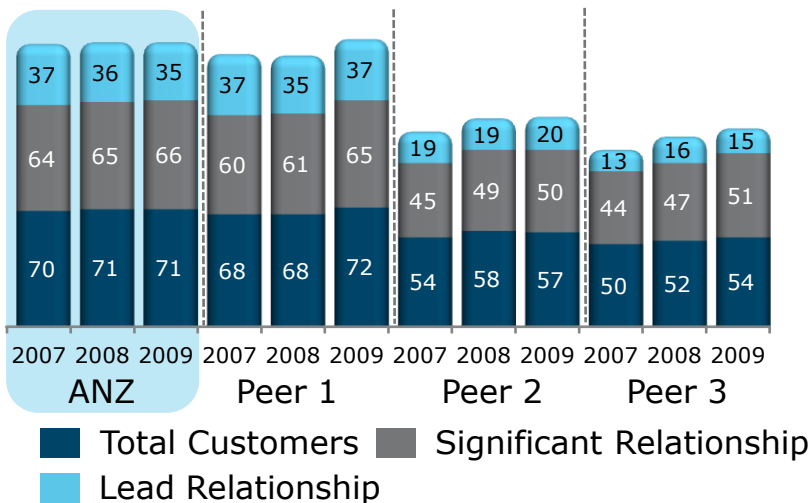
Strong ANZ product penetration

- Customers have 5.7 products on average
- Achieves the highest overall cross-sell effectiveness (on average 61% of ANZ clients' products are ANZ products)
- Ranked as No. 1 overall provider in 6 out of 11 product categories

Strong customer relationships

Relationship Bank status

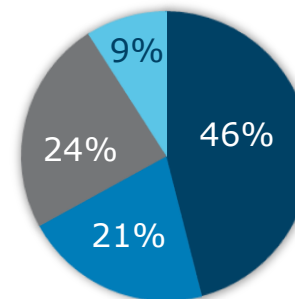
Relationship Market Penetration¹ (%)



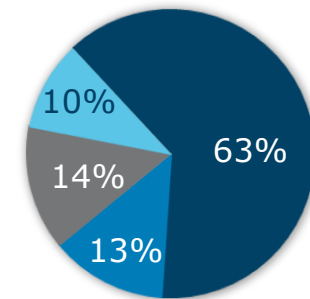
1. Peter Lee & Associates survey, Australia, 2009

Portfolio diversification (2009 full year position)

Profit



Assets



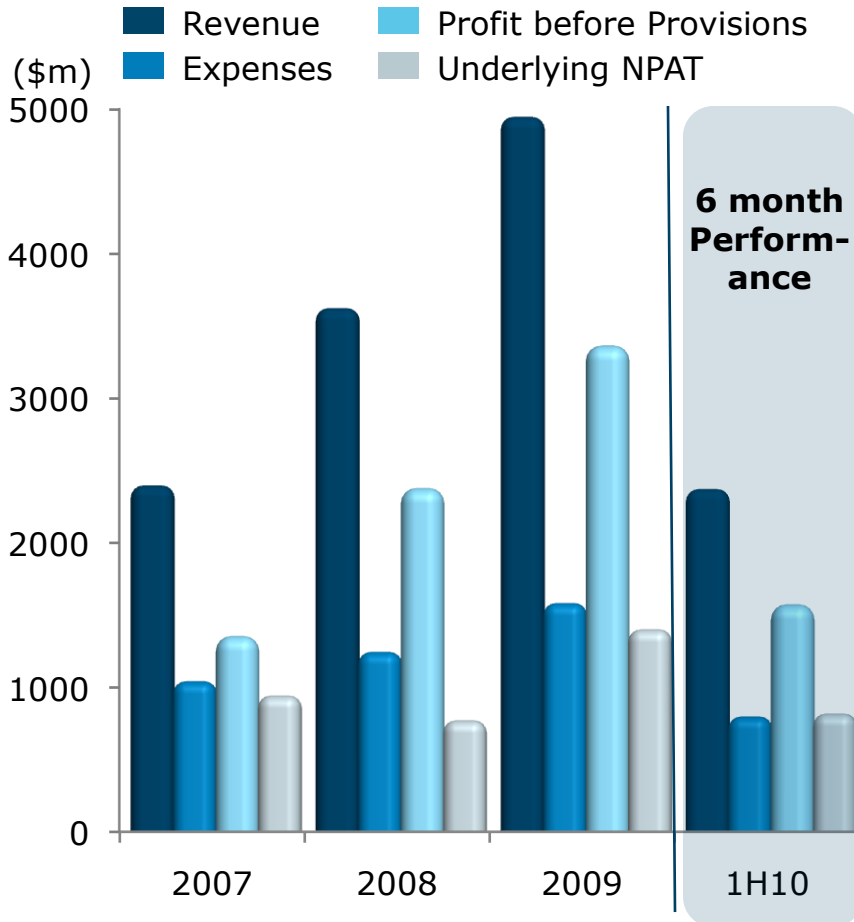
Legend: Australia (dark blue), New Zealand (medium blue)

Legend: Asia Pacific (grey), Europe & US (light blue)



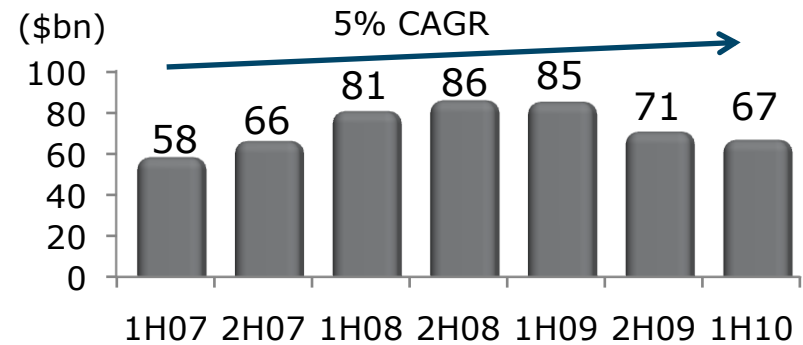
Financial position

Underlying Profit and Loss

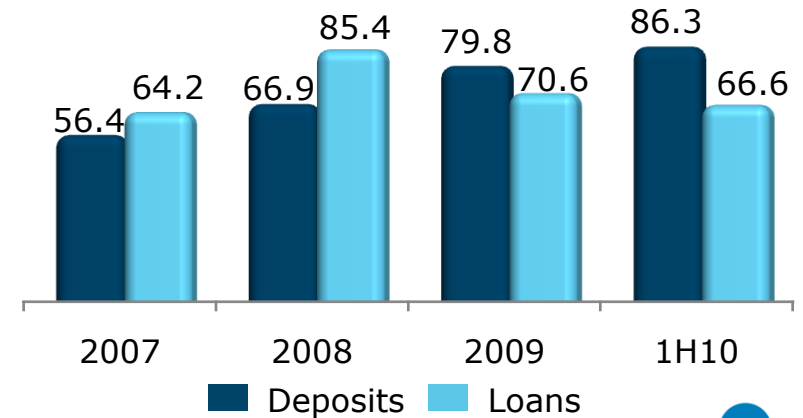


Lending growth returned to more normalised levels in 2009

(Institutional NLA including Acceptances)



Balance sheet mix (\$bn)



ANZ Institutional

The direction of our business



Focus redefined

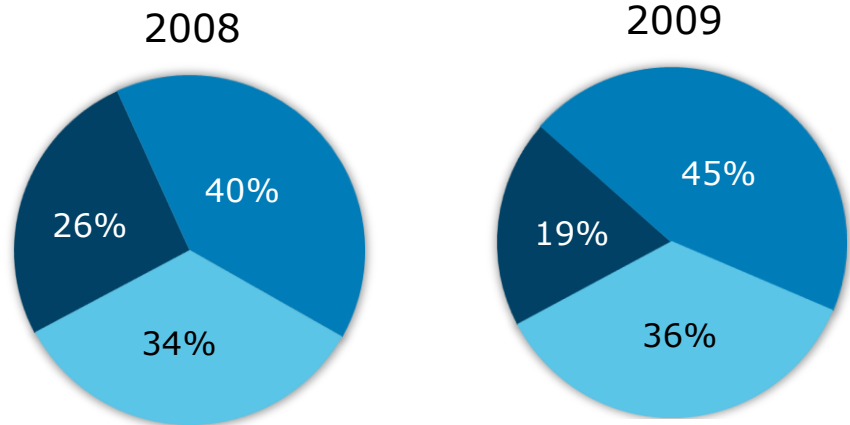
Foundations laid in 2009

- 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

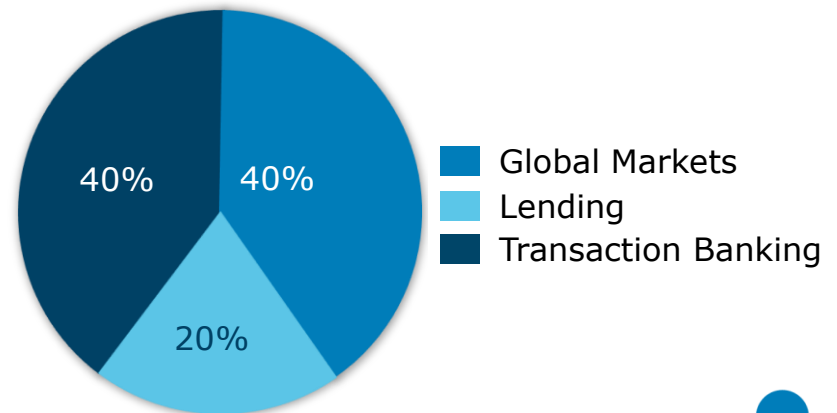
Clear goals set

- To become the bank of choice for Resources and Infrastructure in the region
- Building leading cash, trade and markets platforms with capabilities across Australia, NZ and Asia
- Targeting significant growth in customer relationships
- Generating well balanced and sustainable earnings across geographies and segments

Revenue Contribution by Product

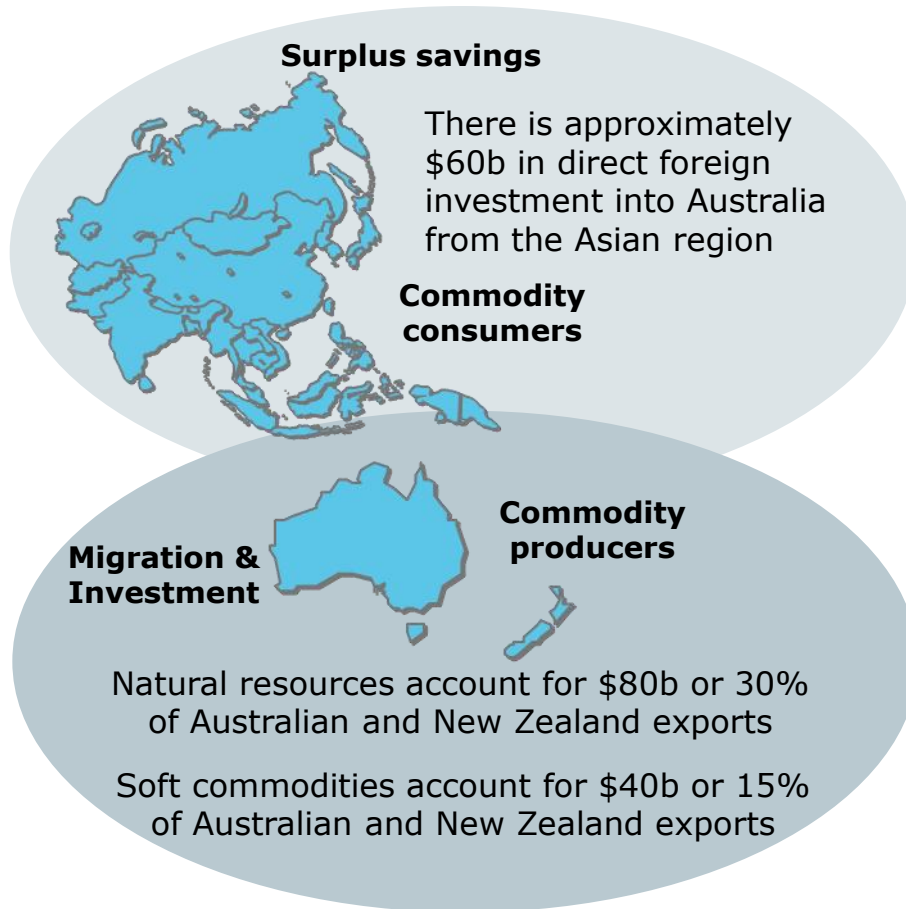


Target Mix



Super Regional connectivity provides a competitive advantage

Growth in trade and capital flows between Asia and Australia are tracking 17% to 25% pa



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

Regional networks, superior insights & service underpin the competitive advantage

Regionally Networked Model

Offering

- A lead regional bank servicing clients with pan regional needs
- A strong regional branch footprint
- Single platforms for Cash, Trade and Markets offering fully networked seamless platforms across the region
- Deliver insight through industry sector and regional specialisation

Why?

- Have a sound network through Asia Pacific to build upon
- Uniquely placed to offer better insight to region

How?

- Invest in technology and product development
- Grow relationship teams in key geographies
- Focus on lead sectors and products

Competing globally requires superior insights and service

- Building platforms offers viable alternatives

- Offering a global service proposition and setting clear service expectations

- Research and innovation at the core provides a competitive advantage over scaled and standardised models

- Drawing on insights into customer industries, the region and the financial markets adds significant value

Predicated on disciplined execution

Implementation priorities

Sustained customer growth

- Deepening relationships with existing 3500 active clients
- Targeting a significant number of new customer relationships already identified:
 - Over 50% of customer growth expected from APEA, 25% from Corporate

Process redesign

- Simplifying operating platforms and standardising procedures

Risk management

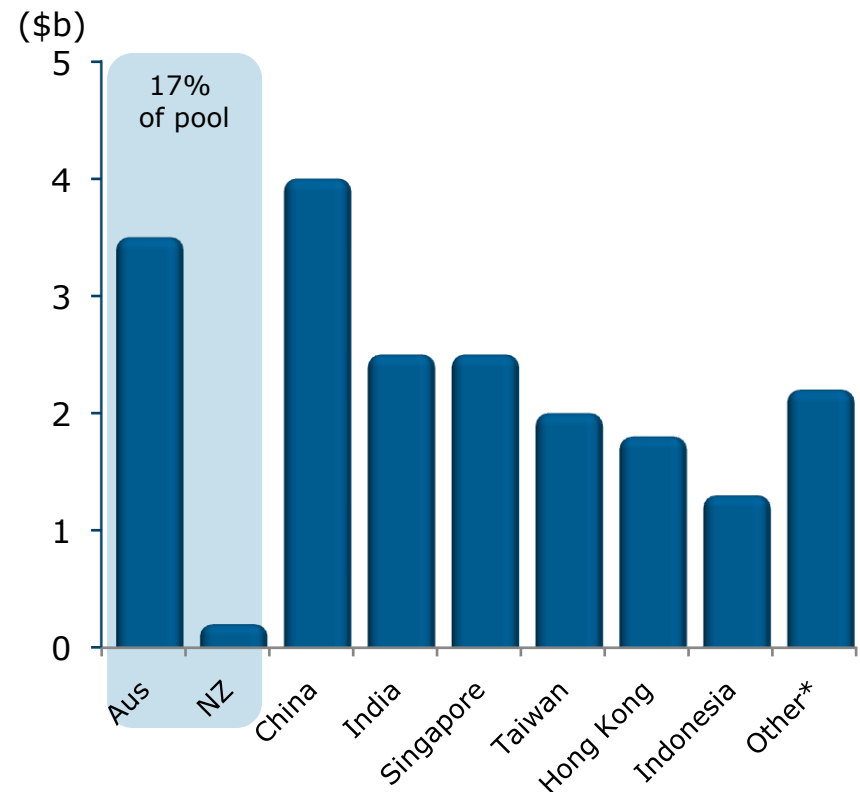
- Effectively partnering with risk and introducing industry specialists in priority markets

Equipping the team

- Building a high performance culture
- Recruiting and training across Asia, Operations, Relationships, Cash, Markets and Trade,
- Investing heavily in institutional banking executive leadership and product expertise
- Significantly expanding research capabilities within priority segments

* Korea, Thailand, Vietnam

Significant growth opportunities Estimated addressable Cash Management Revenue pools



Priority segments – Natural resources & Agriculture

Natural resources

- Well positioned to develop a super regional natural resources business linking Australian producers with Asian processors and consumers
 - > Clients and representation in all major domestic cities, major financial centres globally and 15 Asian markets
- Strong Australian natural resources client base and an established and growing network in Asia
- Revenues exceed that of the other 3 major domestic banks combined
- Specialists mineral mining, oil & gas, mineral and oil and gas processing, commodity trading, primary services segments

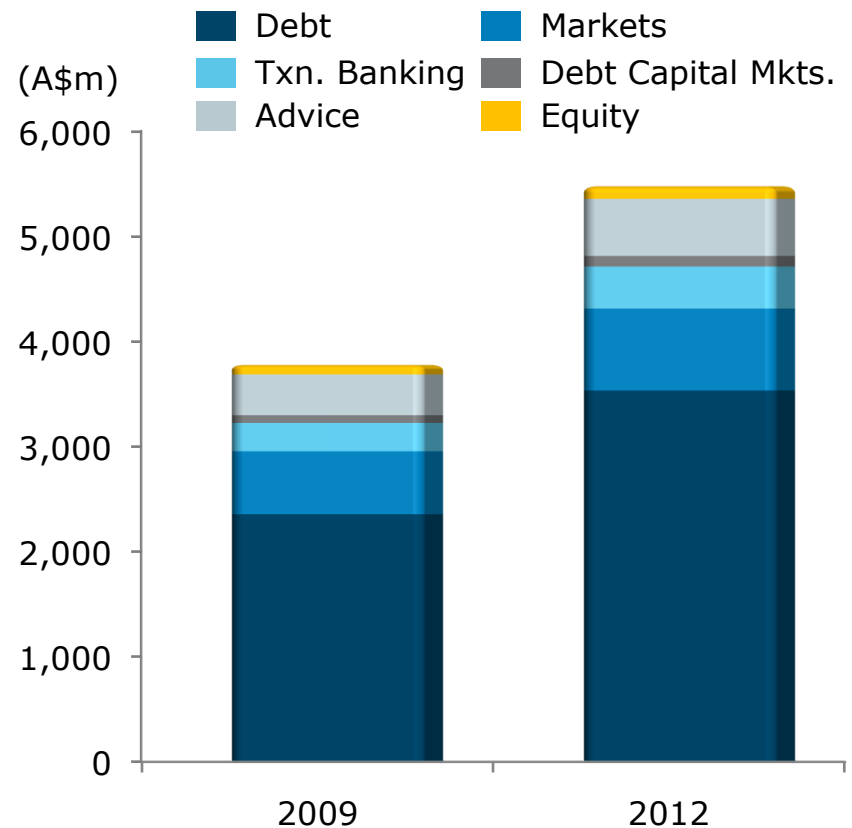
Agriculture

- Growing soft commodity demand from Asia
- Well positioned for Australian and NZ Corporate and Institutional agriculture clients
- Primary emphasis on providing Markets, Working Capital and supply-chain solutions to clients
- Revenue streams centred on trade and FX which are already core competencies
- An organic growth strategy with increasing wallet penetration of existing clients as well as capturing identified targets.
- Markets include cereals & sugar, protein cotton, Dairy and Oil Seeds

Priority segments – Infrastructure

- Goal to become a leading commercial Infrastructure Bank in the Asia Pacific Region
- 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
- ROE enhancing by reduced requirement of balance sheet
- Segments include Power & Utilities, Economic Infrastructure (roads, airports etc) and Availability Infrastructure
- The New Zealand Government has announced a significant National Infrastructure Plan and we are uniquely positioned to assist

Addressable revenue in APAC Infrastructure market set to grow to \$5.5bn



Priority products – Cash Management & Trade

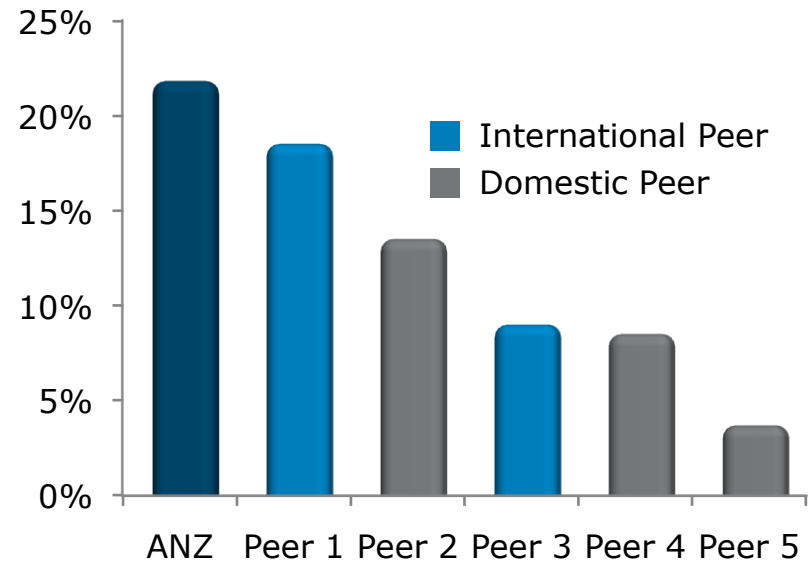
Cash Management

- Vision to be a lead provider of pan-regional cash management solutions via a single transactional interface
- Estimate the Asia Pacific wallet for cash management services at \$20b
- A significant driver of cross-sell revenue
- Investment agenda centred around people and technology and designed to accommodate substantial growth in customer numbers and transaction volume
- Rolling out ANZ Transactive, a web-based cash management platform purpose-built for institutional, corporate and large business clients

Trade

- Support trade flows between our core operating geographies
- Build on strong market position in Australia and established presence and reputation as a trade bank in Asia

Estimated market share of Australian Institutional Trade Business



Priority products – Regional Rates and FX; Commodities and Debt Capital Markets

Commodities

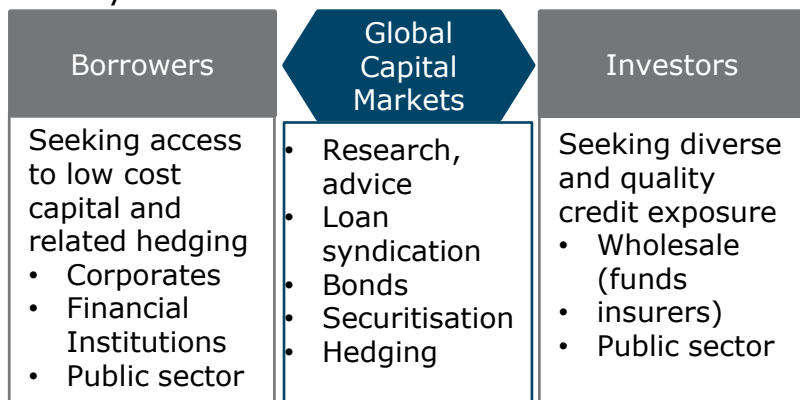
- Commodity revenue split:
 - Hedging exposures of commodity producers and consumers ~ 60% of revenue
 - Trading for customers ~ 40%
- Growth opportunities include capturing hedging opportunities in domestic agri/ middle market and commodity consumers in Asia

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

Regional Rates and FX

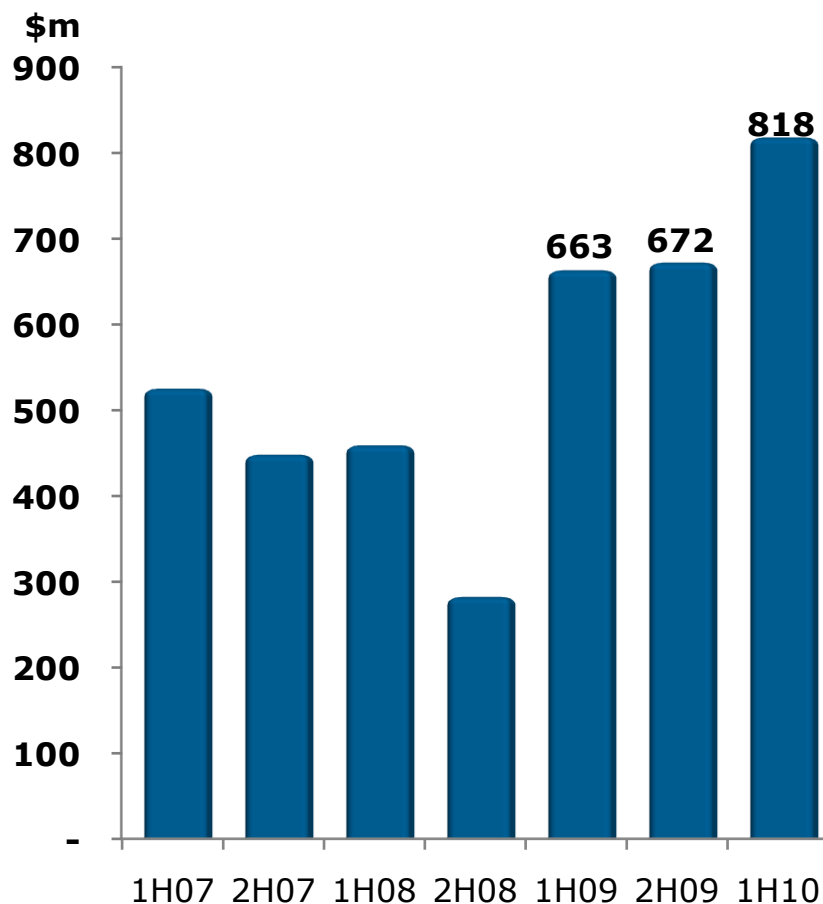
- Largest domestic markets business
- FX revenues growing at 40% pa since 2007,
- Aus/NZ/Pacific Niche, opportunity to expand into Asian currencies & clients (to become Asian USD specialist)
- Rates revenues growing at 75% pa since 2006
- 5 key rates components, natural growth opportunity as Institutional expands:
 - Hedging client interest rates
 - Hedging client currency futures and swaps (as driven by rate differentials)
 - Selling investors Gvt. and Semi Gvt. bonds
 - Rates and credit trading
 - Managing ANZ's balance sheet



APPENDICES

1H10 results: Global Institutional: Record profit in first half 2010

Net Profit after tax (FX adjusted)

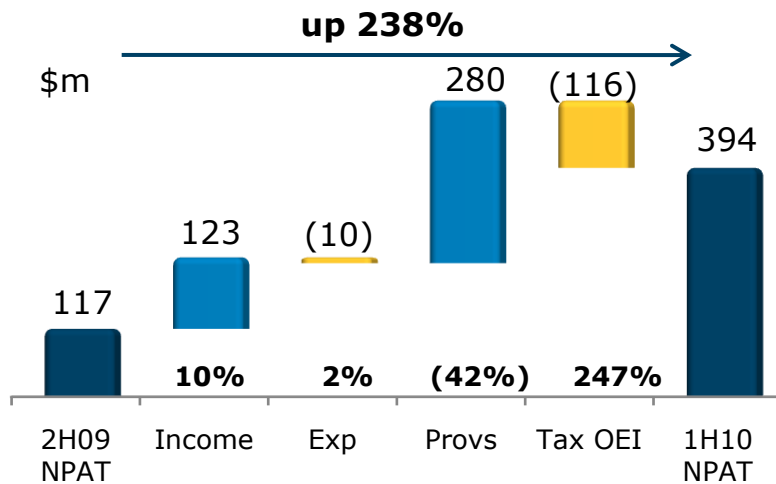


Institutional Leadership Team and Product Focus strengthened

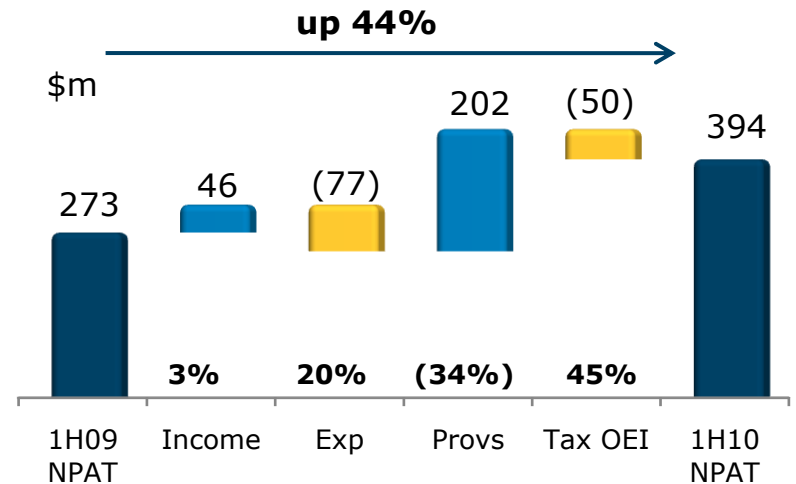
- New Institutional Leadership team steering the strategy, building operational platforms, processes and culture
- Building on a history of long term customer relationships, setting clear service expectations and customer insights, focusing investment in priority segments
- Primary focus on core competency products including Cash Management and Trade, Regional Rates and FX, Commodities and Debt Capital Markets
- Global business with disciplined focus on our core Regional markets, linked through flows of trade, capital and population

1H10 results: Institutional ex markets: Transaction Banking, Lending & improved provisions

Underlying performance Half on Half (FX adjusted)



Underlying performance Prior Comparative Period (FX adjusted)



Underlying performance in AUD:

Half on Half (AUD)

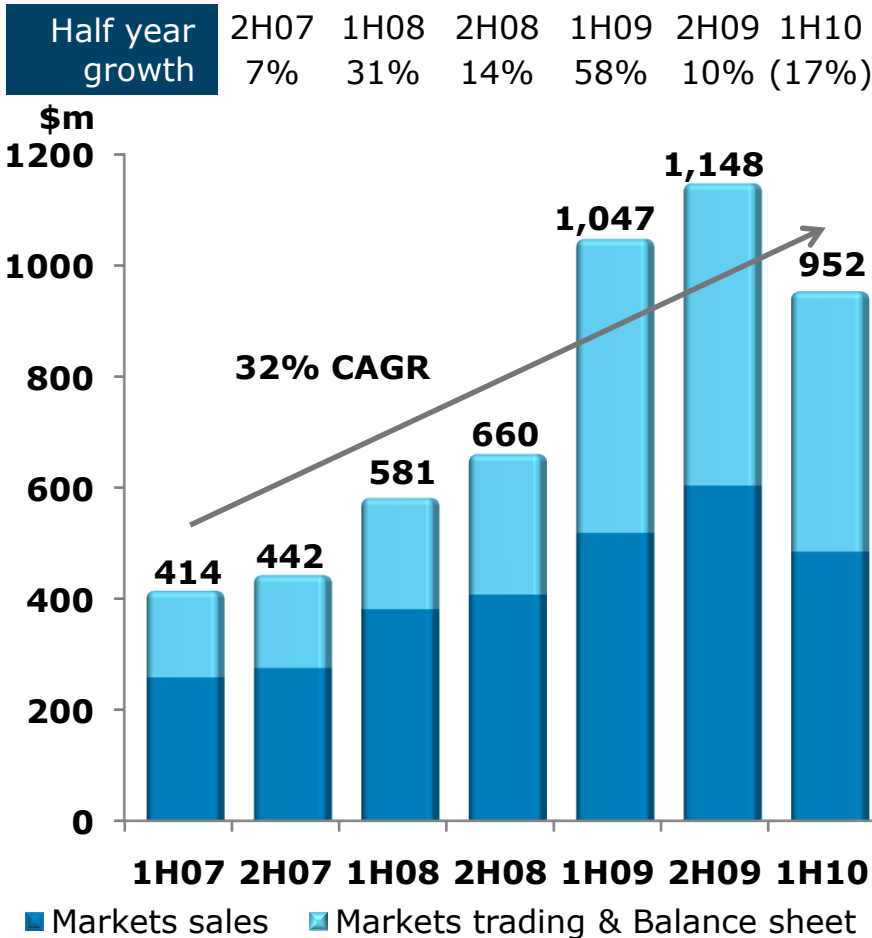
	Income	Exp	Prov	Tax/OEI	1H10 NPAT
Movement from 2H09	8%	(1%)	(42%)	233%	235%

Prior Comparative Period (AUD)

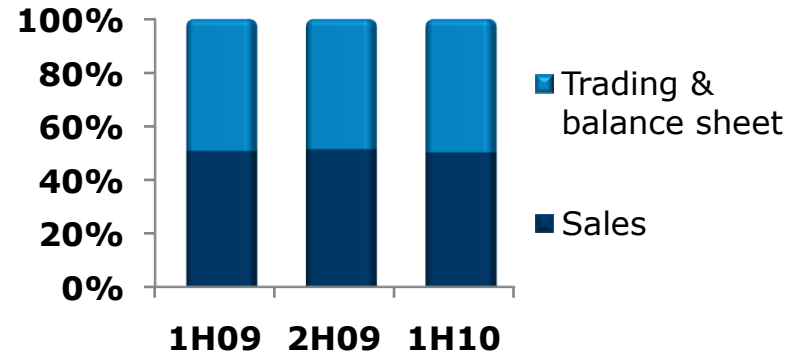
	Income	Exp	Prov	Tax/OEI	1H10 NPAT
Movement from 1H09	(1%)	10%	(36%)	41%	38%

1H10 results: Markets income is delivering long run growth across the region

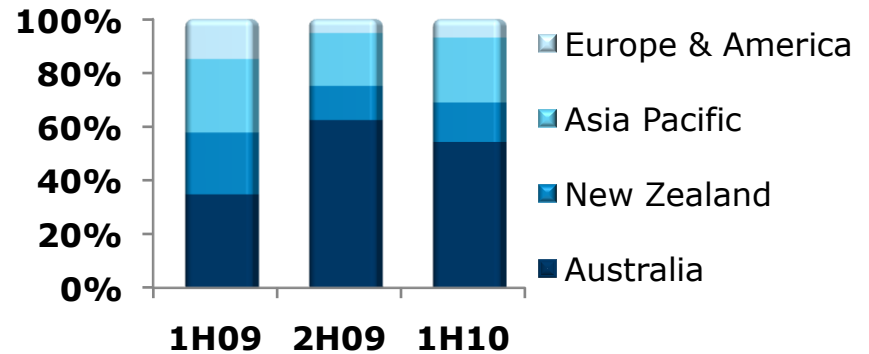
Markets income



Markets income by source (1H10)



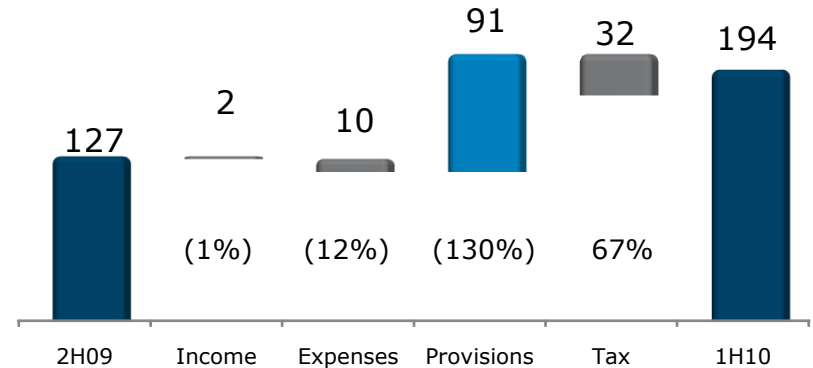
Markets income by geography (1H10)



1H10 results: NZ Institutional well positioned

- Maintained product leadership across the largest Institutional customer base in New Zealand
- Continued to help customers strengthen balance sheets and diversify funding
- Leveraged regional capabilities to enable customers to achieve growth
- Increased focus on sectors that will drive future growth of NZ economy

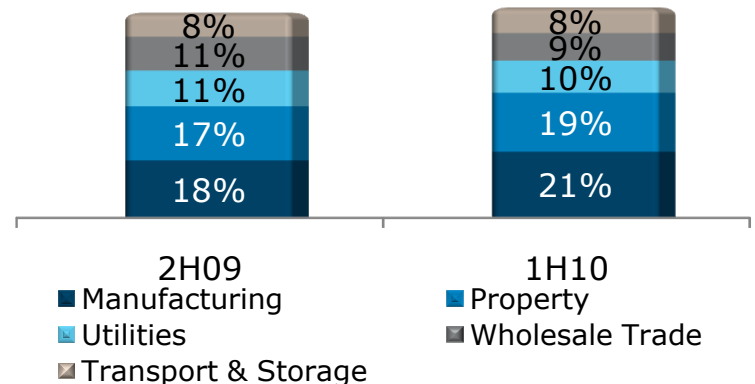
Underlying Performance NZDm Half Year movement (1H10 vs 2H09)



Lead NZ Debt Capital Markets¹

	Market Share	Deals	NZDm
ANZ	47.8	24	1,607
Bank1	15.4	7	517
Bank2	11.7	4	392
Bank3	8.2	3	275
Bank4	4.8	4	162
Total		49	3,360

Top 5 Industry sector exposures



1. Source: Bloomberg (excludes self led deals)

ANZ #1 Syndicated Loan House In Asia-Pacific¹

- **Nearly one in every five syndicated loan transactions in Asia-Pacific in 2009 was led by ANZ**
- **#1 Mandated Lead Arranger in Asia-Pacific (ex Japan)** for 2009 in terms of number of transactions
- **#1 Mandated Lead Arranger in Asia-Pacific (ex Japan)** over the last 5 years²
- **Robust growth in Asia**
 - Increasing presence in the Asian Syndicated Loan market over the last few years - our # of deals have nearly quadrupled since 2006

Asia Pacific ex Japan Mandated Lead Arranger 2009

Rank	Mandated Arranger	Amount (USD M)	Issues	Market Share
1	Bank of China	15,231.0	61	8.9%
2	ICBC	12,765.2	35	7.5%
3	ANZ	11,924.2	126	7.0%
4	Westpac Banking Corp	8,393.1	82	4.9%
5	CBA	8,028.9	79	4.7%
6	NAB	7,928.7	77	4.6%
7	DBS Bank	5,390.5	93	3.2%
8	Bank of Tokyo-Mitsubishi UFJ	4,745.4	72	2.8%
9	Standard Chartered Bank	4,338.4	79	2.5%
10	Calyon	4,187.3	72	2.4%
Total Market		170,921.5	655	

Asia Pacific ex Japan Mandated Lead Arranger (2005-2009)

Rank	Mandated Arranger	Amount (USD M)	Issues	Market Share
1	ANZ	67,532.2	497	6.2%
2	Westpac Banking Corp	55,614.1	365	5.1%
3	NAB	47,465.8	308	4.4%
4	CBA	46,898.9	327	4.3%
5	Bank of China	43,966.3	288	4.1%
6	RBS	33,741.9	354	3.1%
7	HSBC Banking Group	32,421.5	467	3.0%
8	SCB	32,158.5	529	3.0%
9	Citi	31,299.3	321	2.9%
10	State Bank of India	30,539.2	107	2.8%
Total Market		1,084,295	4,102	

Source: Reuters Loan Pricing Corporation

1. Source - Basis Point, December 31, 2009. 2. In terms of total loan volume



Woodside Petroleum Limited Transaction Summary



ASIAMONEY
insto

SYNDICATED LOAN OF THE YEAR 2009

Highlights

- Heavily oversubscribed;
- New Money, New Investors; vast majority of investors were new investor relationships for the client.
- Strong reception in Asian markets; Over 40 investors participated in road shows in Singapore, Hong Kong, Taiwan, generating strong momentum and support.
- Large ticket sizes; Average commitment of US\$40m per bank, with a number of banks each committing US\$50m or more.

Features

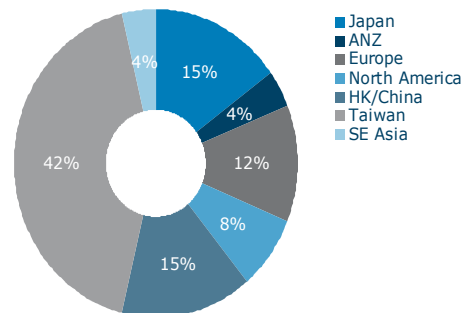
- A-/Baa1 rating.
- US\$300m launch size.
- Three-year tenor.
- Multi-currency – USD/JPY tranche flexibility to maximise liquidity

Investor Insights

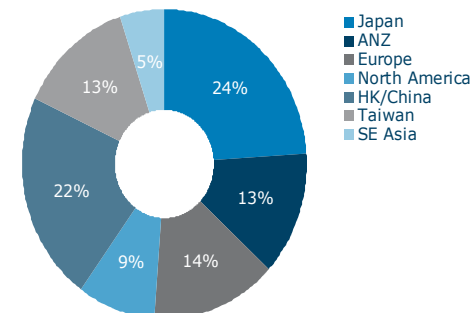
- Investor demand driven by strong Asian business linkages, major off-takers based across Asia.
- Ownership and trading linkages with Industry leaders (based in Europe) provided comfort to investors.
- Investment grade credit coupled with vanilla structure and market pricing attractive to Asian investors.
- Strong support from Greater China investors 35% by volume; of which 22% is derived from Chinese/HK banks.
- Healthy Japanese investor support with 24% volume including regional Japanese banks also evident.
- Oil & Gas still well supported sector despite volatile industry concerns.

Distribution

NUMBER OF COMMITMENTS



VOLUME OF ALLOCATIONS



Leighton Holdings Limited Transaction Summary

Highlights

- Transaction closed 1.5x oversubscribed
- First Syndicated Performance Bond facility for an Australian Borrower and one of the first across Asia-Pacific.
- Rich offering – Multicurrency, multi-geography, multi-borrower and revolving facility to allow re-use of the Facility as bonds are returned.
- Innovative syndicated fronting structure unlocking bonding capacity.
- Setting a precedent - facility structure presented a long-term solution for Leighton and will be the platform from which they will issue performance bonds in the future. Other issuers set to follow in the market.

Features

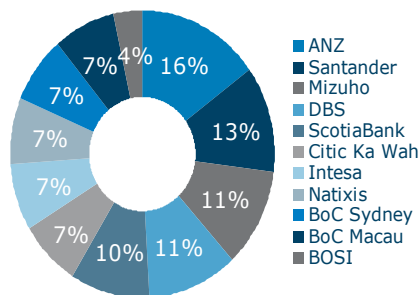
- BBB/ Baa1 rating
- Upsized post launch.
- Three-year tenor.
- Multi-currency – AUD/ USD/ HKD.

Investor Insights

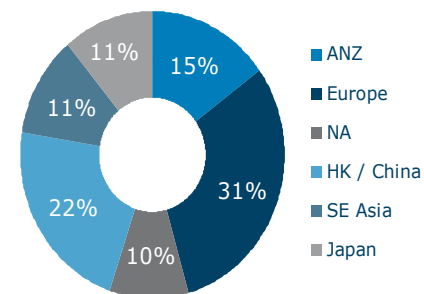
- Helped Leighton establish numerous new banking relationships with large active Asian and European banks.
- In terms of volumes, new relationships contributed ~60% of the facility.
- Widened banking relationships against the backdrop of banks looking to focus more on relationship lending.
- Eight banks joined the transaction apart from ANZ and Mizuho.

Distribution

BANK GROUP



VOLUME OF ALLOCATIONS



Vietnam Electricity Transaction Summary



VND Bond House of the Year

VND3.5 trillion 5 year Floating Rate Notes “Re-opening the VDN Bond market through a landmark deal”

Deal Details	
Issuer:	Vietnam Electricity
Issue:	Senior Unsecured Floating Rate Bonds
Format	Issued under private placement guidelines as governed under Decree 52
Issue size	VND3.5 trillion
Tenor	5 years
Maturity	2014
Benchmark	12 month savings deposit rate of the Big 4 Vietnam State banks
Coupon	10.40% for 1st year. Following years applicable coupon will be average 12 month savings deposit rate of the Big 4 Vietnam State banks ¹ plus a spread of 2.75% per annum
Listing	Not listed
Governing law	Vietnamese
Mode of Distribution	Best efforts and fully bookbuild
Joint Lead Manager and Joint Bookrunner	ANZ & EVNFC
Co-Manager	An Binh Securities

EVN
Vietnam Electricity
VND 3,500,000,000,000
Senior, Unsecured Floating Rate
Notes matures 2014
*Joint Lead Manager & Joint
Bookrunner*
April 2009
ANZ

1. Bank for Investment and Development of Vietnam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Bank for Industry and Trade, Vietnam Bank for Agriculture and Rural Development

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