



# 09 FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND  
BANKING GROUP LIMITED

29 OCTOBER 2009

RESULTS PRESENTATIONS  
& INVESTOR PACK





# 09 FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND  
BANKING GROUP LIMITED

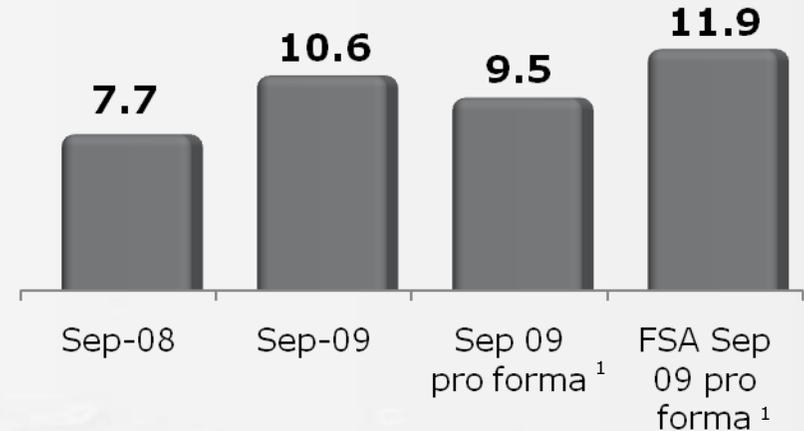
**MIKE SMITH**  
CHIEF EXECUTIVE OFFICER



# ANZ, well positioned and delivering on our strategic commitments

- Strong operating result despite Global Financial Crisis
- Business has reached a turning point
  - momentum maintained throughout remediation program
  - two strategic acquisitions - integration on track
- Highest retail customer satisfaction level of the major banks in Australia
- Capital position places us amongst strongest banks in the world

## Tier-1 Capital Position (%)



## Prime Liquidity Portfolio (\$bn)



1. Includes the RBS asset and ING Joint Venture acquisitions

## Overview of the 2009 result

	Full Year 2009 (\$m)	Growth 2009 vs 2008
<b>Underlying Profit<sup>1</sup></b>	<b>3,772</b>	<b>↑ 10%</b>
<b>Revenue<sup>1</sup></b>	<b>14,367</b>	<b>↑ 17%</b>
<b>Expenses<sup>1</sup></b>	<b>(6,068)</b>	<b>↑ 12%</b>
<b>Provisions<sup>1</sup></b>	<b>(3,056)</b>	<b>↑ 46%</b>
<b>Statutory Net Profit After Tax</b>	<b>2,943</b>	<b>↓ (11%)</b>
<b>EPS<sup>1</sup></b>	<b>168.3</b>	<b>↓ (4%)</b>
<b>Full Year Franked Dividend</b> (interim 46cps, final 56cps)	<b>102 cents</b>	<b>↓ (25%)</b>
<b>Customer Deposits</b>	<b>233,141</b>	<b>↑ 14%</b>
<b>Net Loans and Advances incl. Acceptances</b>	<b>345,769</b>	<b>↓ (1%)</b>

1. All figures other than NPAT and full year dividend are underlying.

# Geographic performance - Highlights

## Australia

- Strong contributions from both Retail and Institutional

## Asia Pacific, Europe & America

- Partnerships and the Institutional business the major contributors

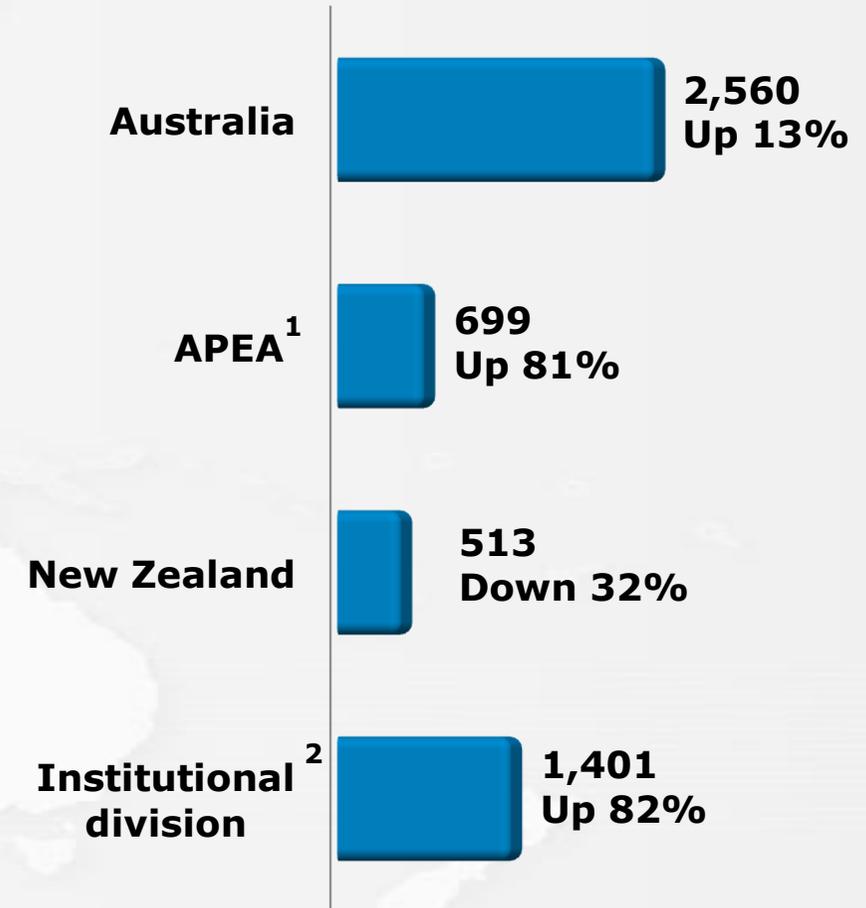
## New Zealand

- Challenging domestic economic conditions impacted results

## Institutional division

- Institutional revenue up 37% driven by both customer flows and trading revenue

## Underlying Profit by geography<sup>2</sup> (\$m)



1. Asia Pacific, Europe & America. 2. Institutional is a global line of business and is also included within Australia, New Zealand and APEA regions.

# Progress report on “Our journey to becoming a Super Regional bank”





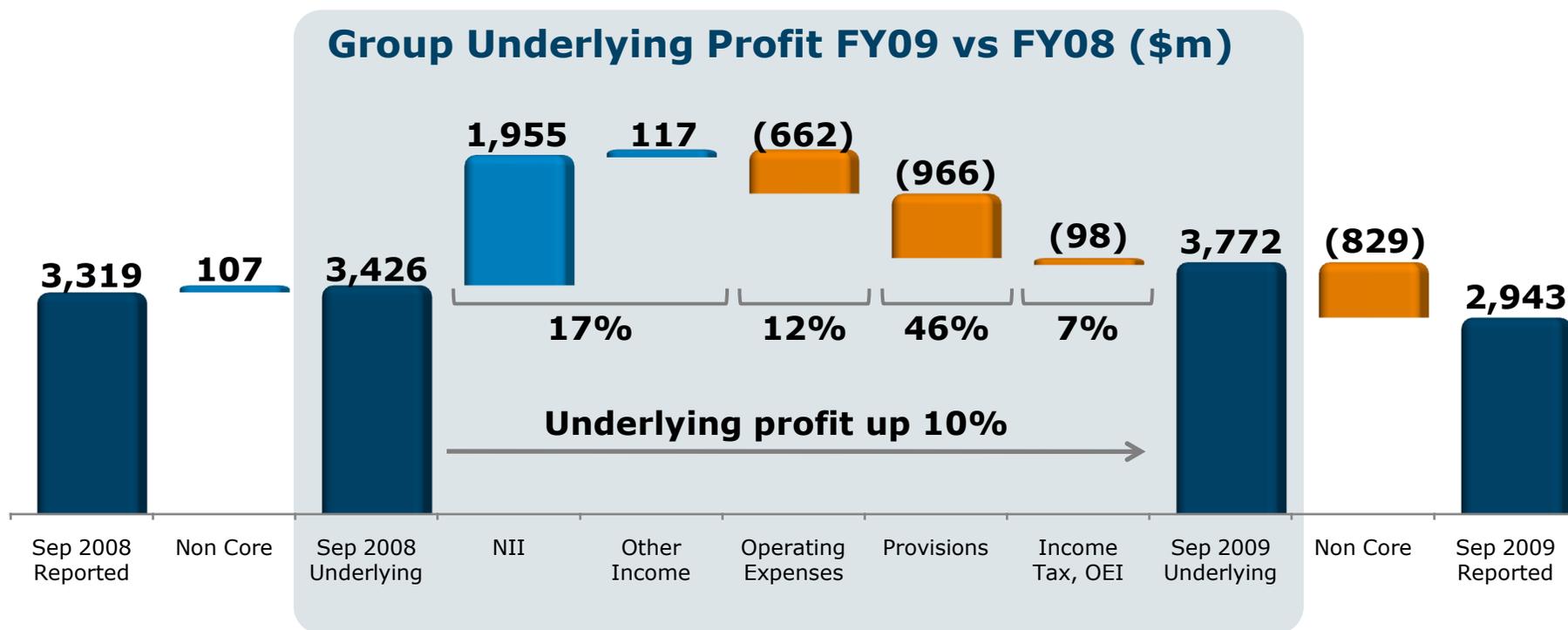
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BANKING GROUP LIMITED

PETER MARRIOTT  
CHIEF FINANCIAL OFFICER



# Solid underlying business performance, timing of costs and higher provisions impacting second half



## Group Underlying Profit 2H09 vs 1H09 (\$m)

Mar 09 reported	Non Core	Mar 09 underlying	NII	Other income	Operating expenses	Provisions	Income tax & minorities	Sep 09 underlying	Non core	Sep 09 reported
1,417	491	1,908	3%	5%	6%	13%	(5%)	1,864	(338)	1,526

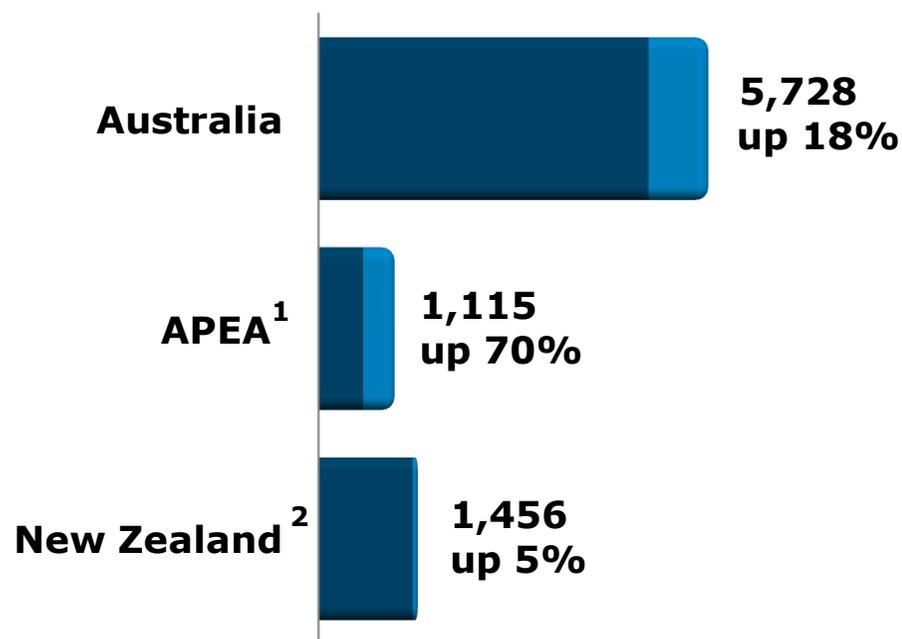
## Statutory profit reconciliation

	2H09	1H09	FY09	FY08	YOY Growth
<b>Profit (\$m)</b>	<b>1,526</b>	<b>1,417</b>	<b>2,943</b>	3,319	(11%)
<b>Adjustments to Statutory Profit</b>					
- Top up of NZ conduits tax provision	(196)	-	(196)	-	
- Economic Hedging – fair value gains/losses	(709)	461	(248)	243	
- Other	2	2	4	47	
<b>Cash Profit</b>	<b>2,429</b>	<b>954</b>	<b>3,383</b>	3,029	12%
<b>Other Non Core Items</b>					
- One ANZ restructure	(4)	(79)	(83)	-	
- ING New Zealand settlement	(24)	(97)	(121)	-	
- Credit Intermediation Trades	595	(664)	(69)	(371)	
- Non Continuing businesses / Other	(2)	(114)	(116)	(26)	
<b>Underlying Profit</b>	<b>1,864</b>	<b>1,908</b>	<b>3,772</b>	3,426	10%

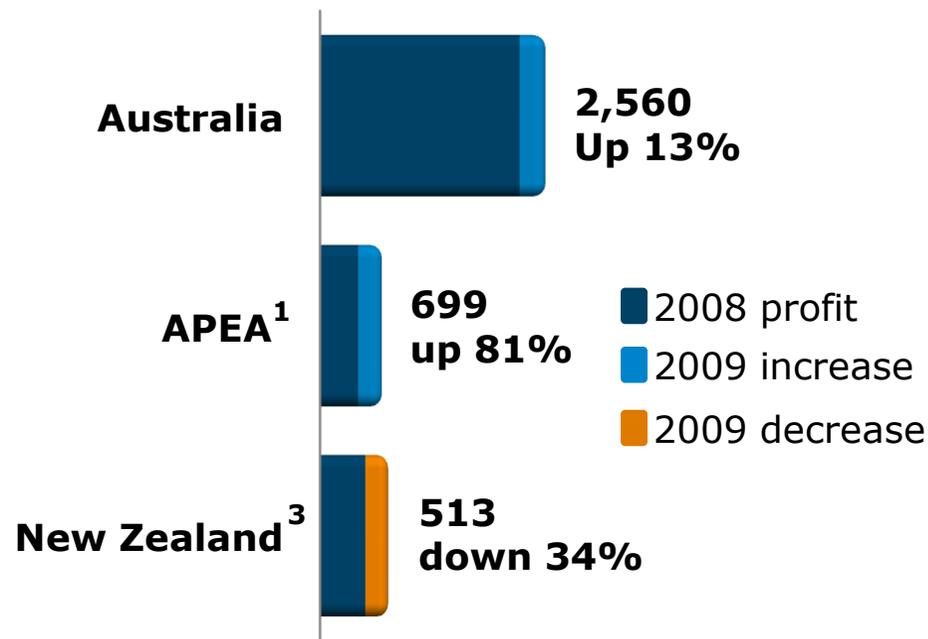
Both impacted by credit spreads

# Geographic businesses delivering solid performance in Australia and significant growth in Asia Pacific, NZ impacted by difficult conditions

## 2009 Pre Provisions Profit (\$m)



## 2009 Net Profit After Tax (\$m)



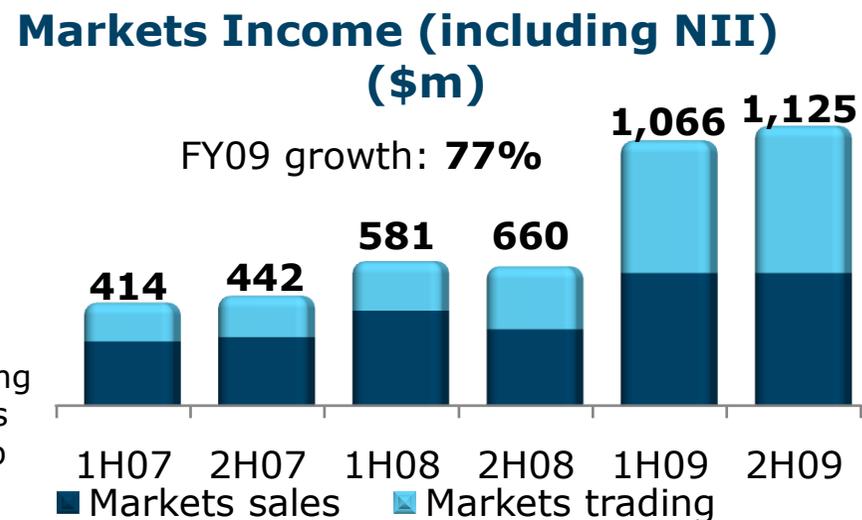
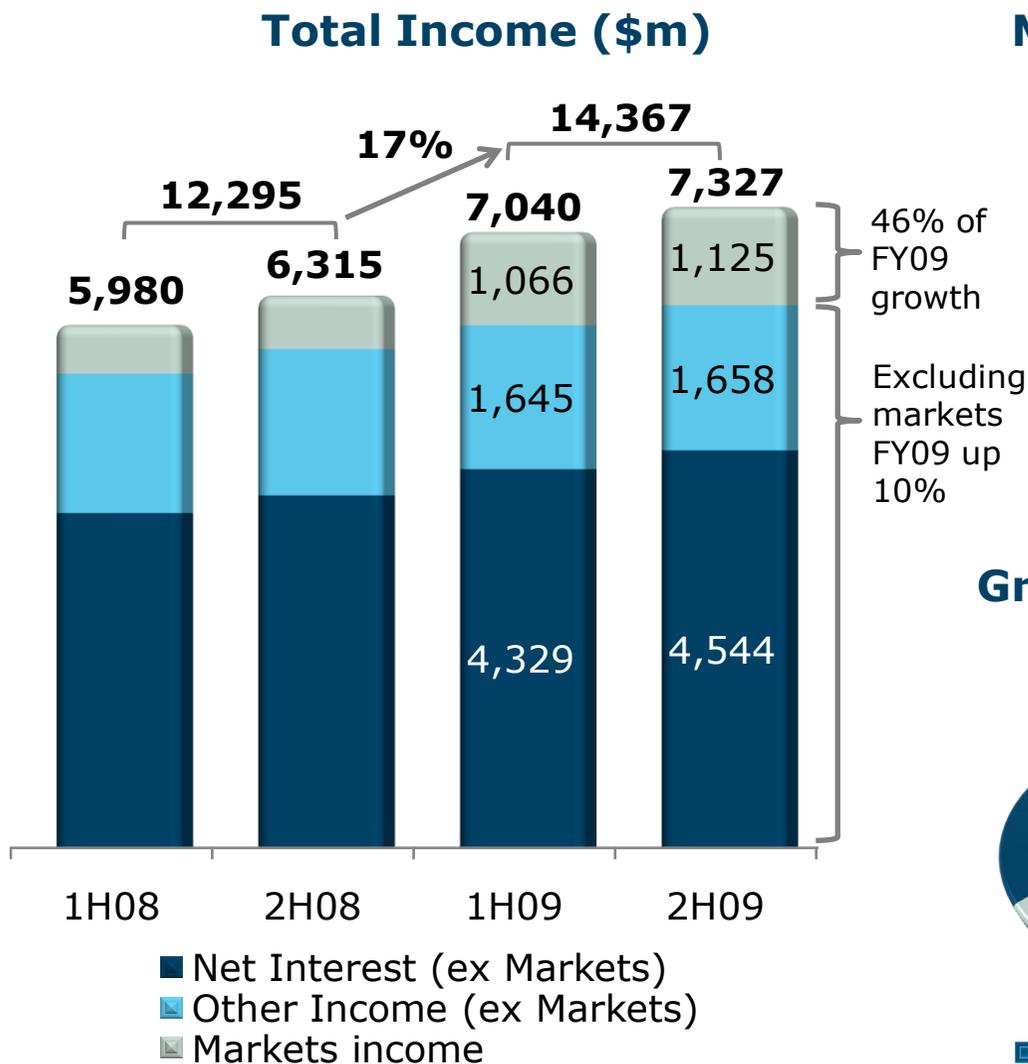
■ 2008 profit  
■ 2009 increase  
■ 2009 decrease

2H09 Performance (vs 1H09)	2H09 Pre Provision profit		2H09 NPAT	
Australia	↑	17%	↑	36%
APEA	↓	25%	↓	31%
New Zealand	↓	23%	↓	75%

1. Asia Pacific, Europe & America. 2. New Zealand 2009 PBP NZD 1,783m; 2H09 vs 1H09 PBP down 20%.

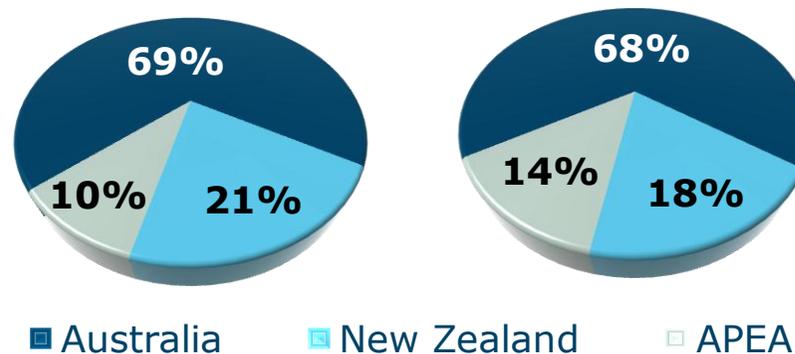
3. New Zealand 2009 NPAT NZD 628m; 2H09 vs 1H09 NPAT down 73%

# Global Markets and Asia Pacific key contributors to increase in total income



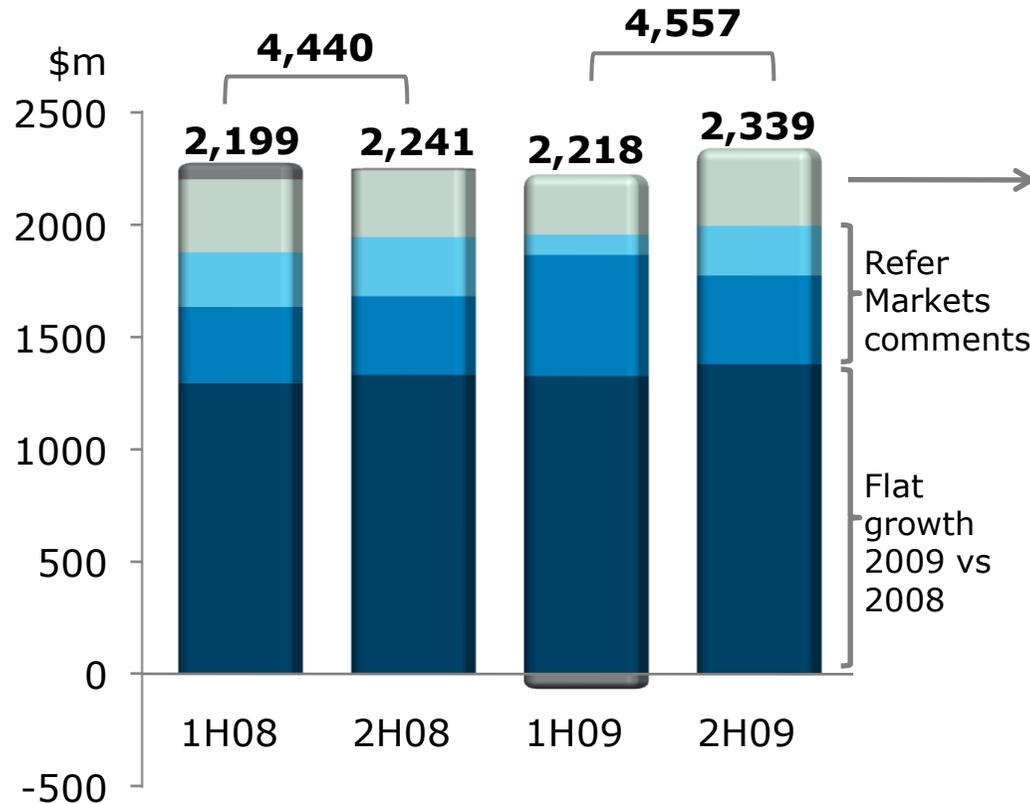
### Growth in Asia offsetting lower New Zealand income (Total income %)

2008 vs 2009



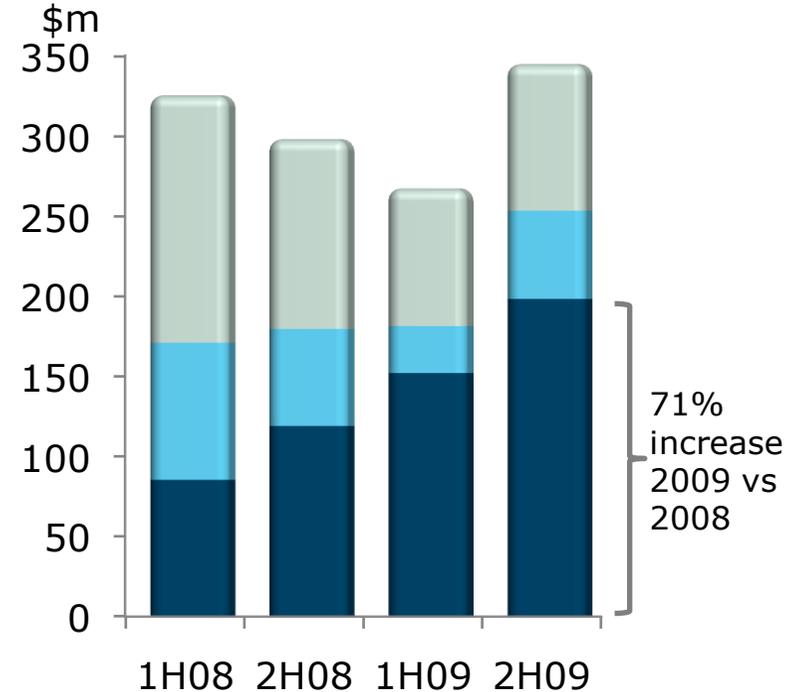
# Asia Partnerships a key contributor to growth in other income

## Underlying other income (\$m)



- Fee income
- FX earnings
- Trading securities
- Other
- FX Impact

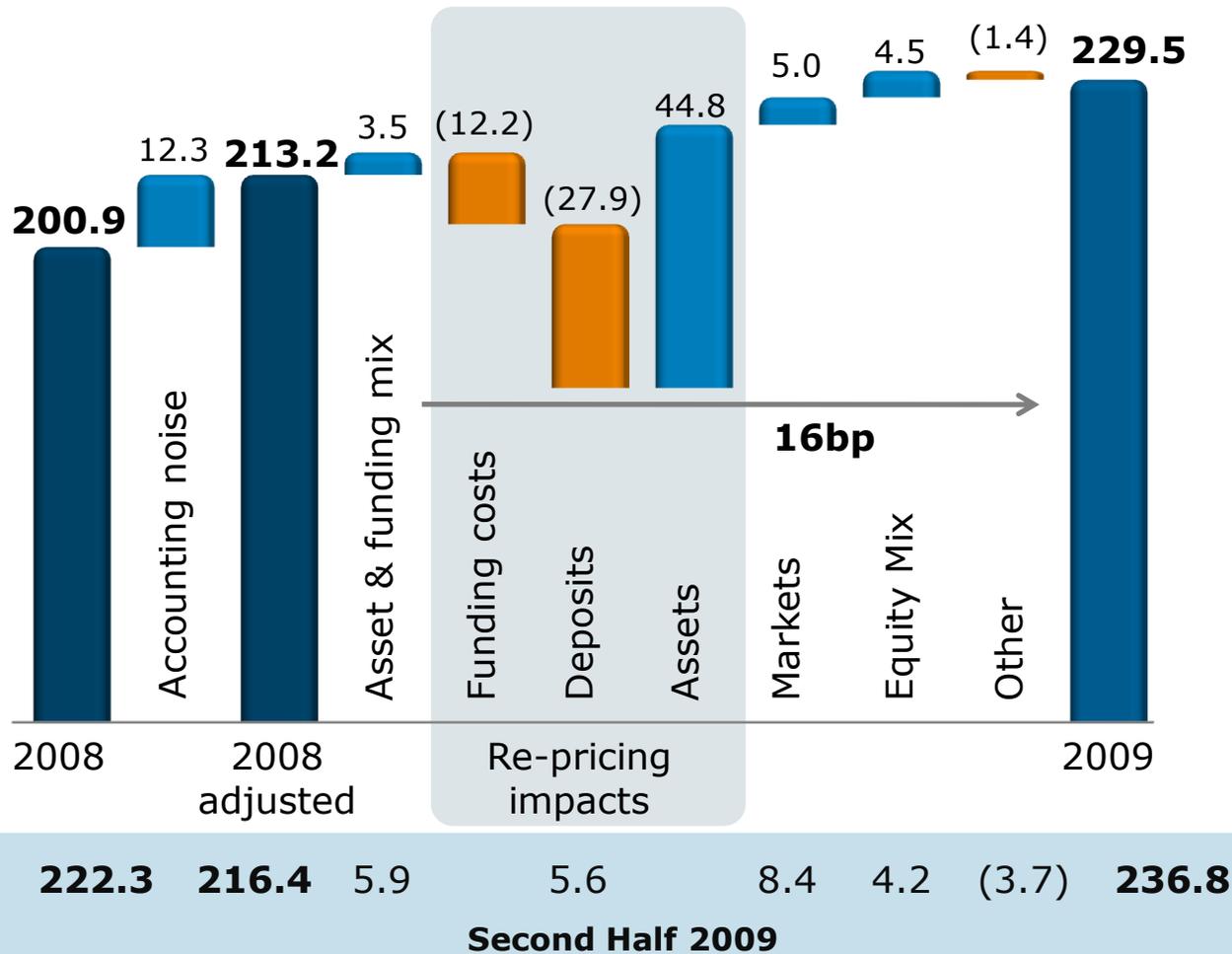
## Composition of "Other"



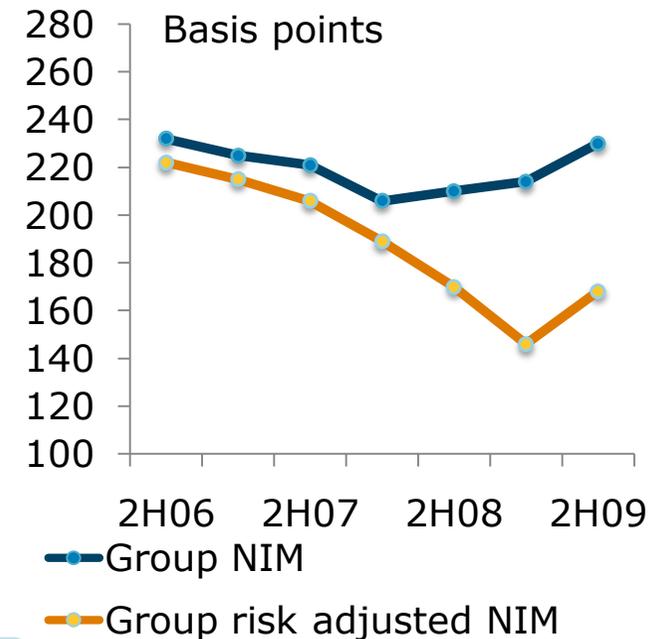
- Asia Partnerships
- INGA / NZ
- Other

# Margins moving back to pre crisis levels

## Net Interest Margin (NIM) Full Year 2009 (bp)

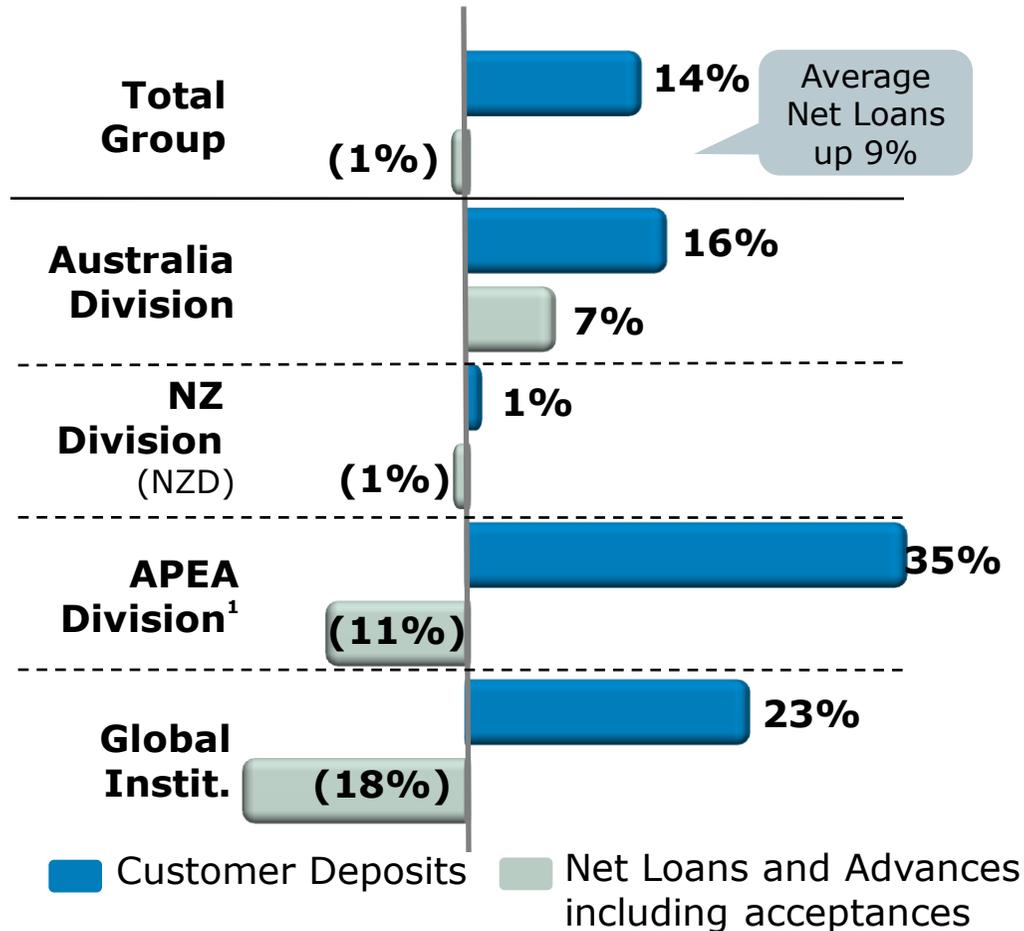


## NIM excluding "Accounting noise"



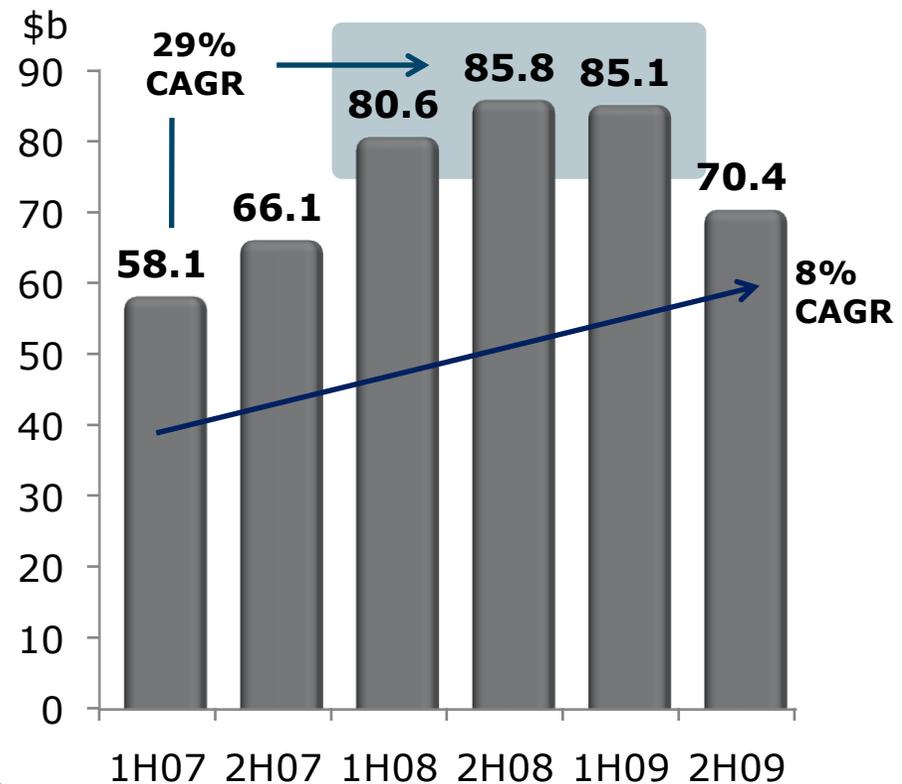
# Strong deposit growth and subdued lending position a result of environmental drivers, strategic and portfolio initiatives

## Customer deposit and lending growth (2009 vs 2008) (%)



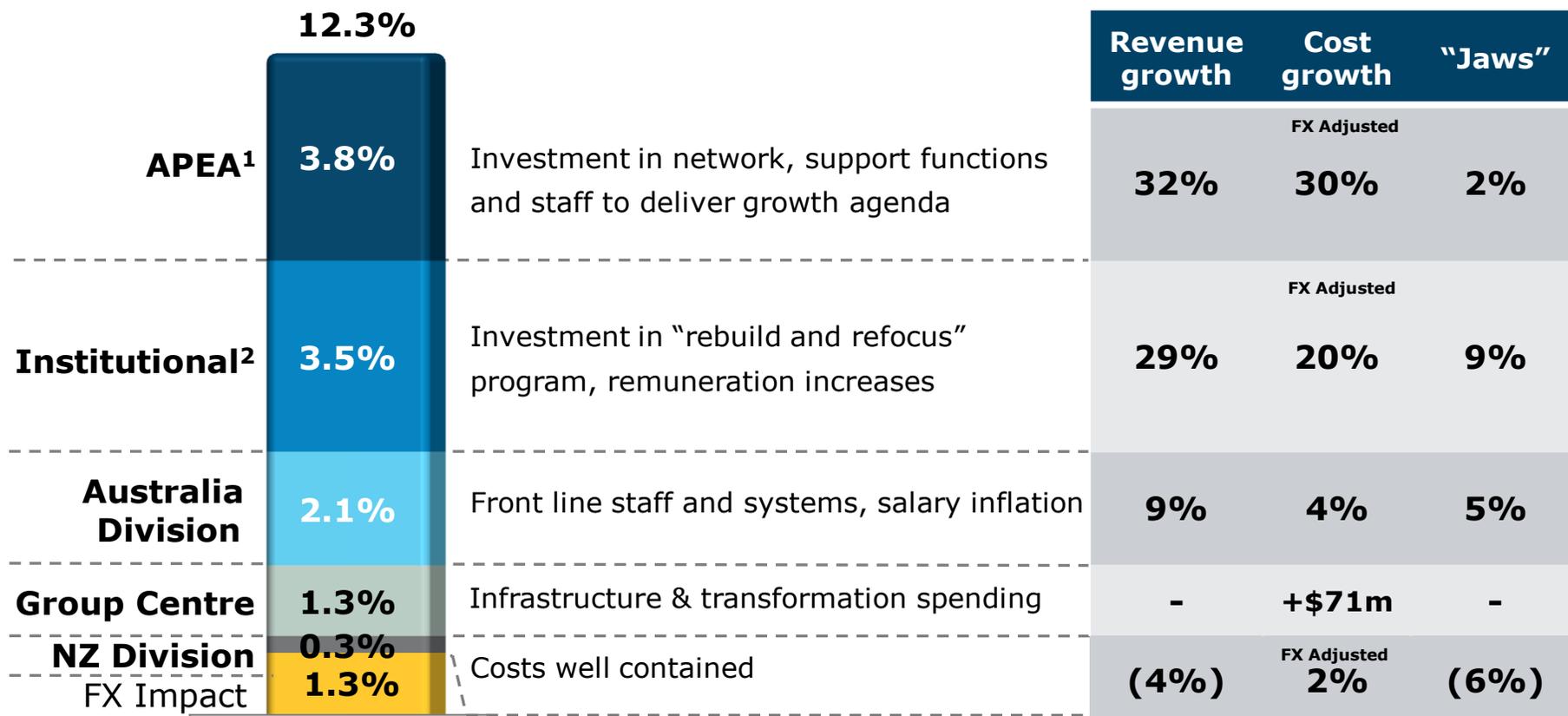
1. Includes Institutional APEA under Matrix reporting

## Institutional Lending growth returning to more normalised levels (NLA incl Acceptances \$b)



# Expense growth directed to growth markets and to drive superior returns, costs contained in New Zealand and Australia division

## Contribution to 2009 cost growth

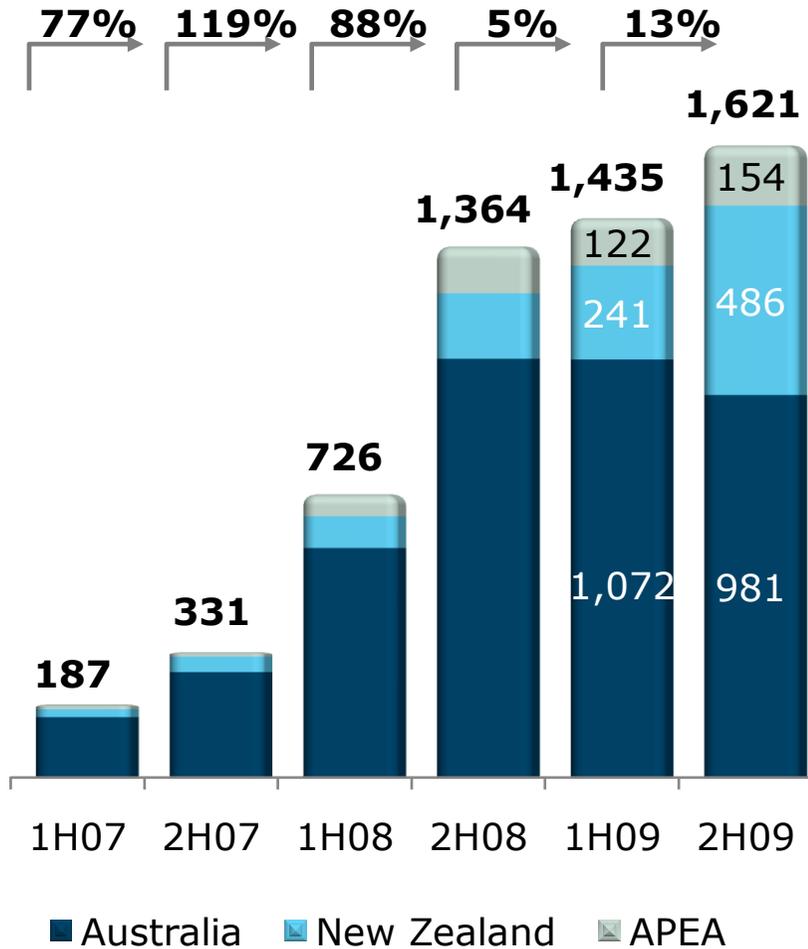


2H09 expense growth exceeded first half, impacted by timing of performance based payments

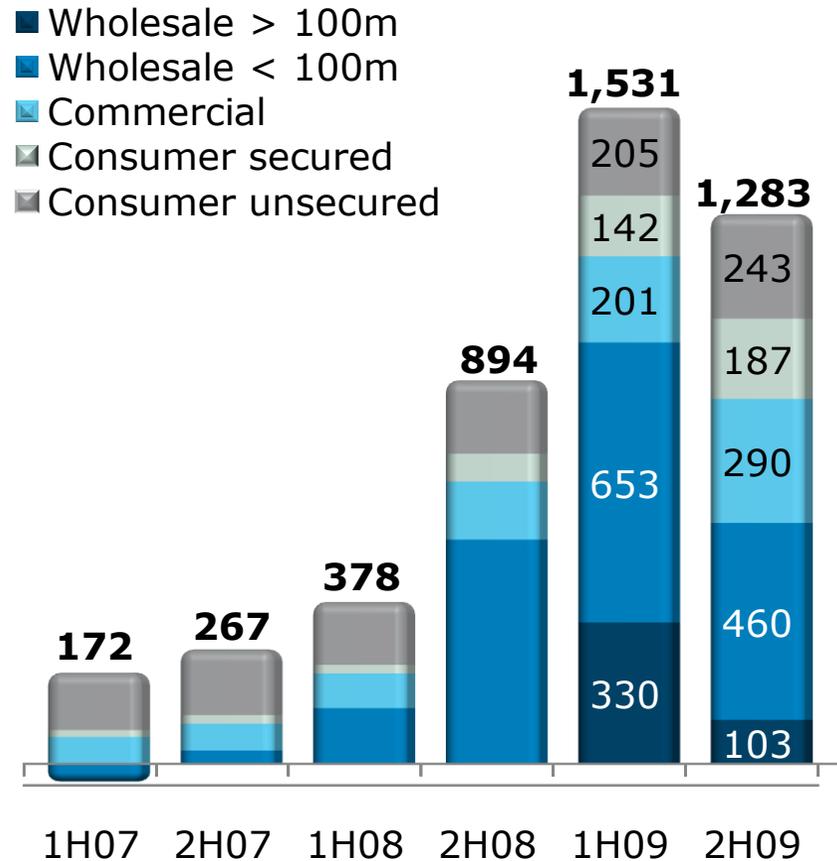
1. Asia Pacific, Europe & America, including Institutional. 2. Excluding Asia Pacific, Europe & America.

# Provision charge composition changing with the credit cycle - moved towards middle market, significant increase in New Zealand

## Total Provision Charge (\$m)

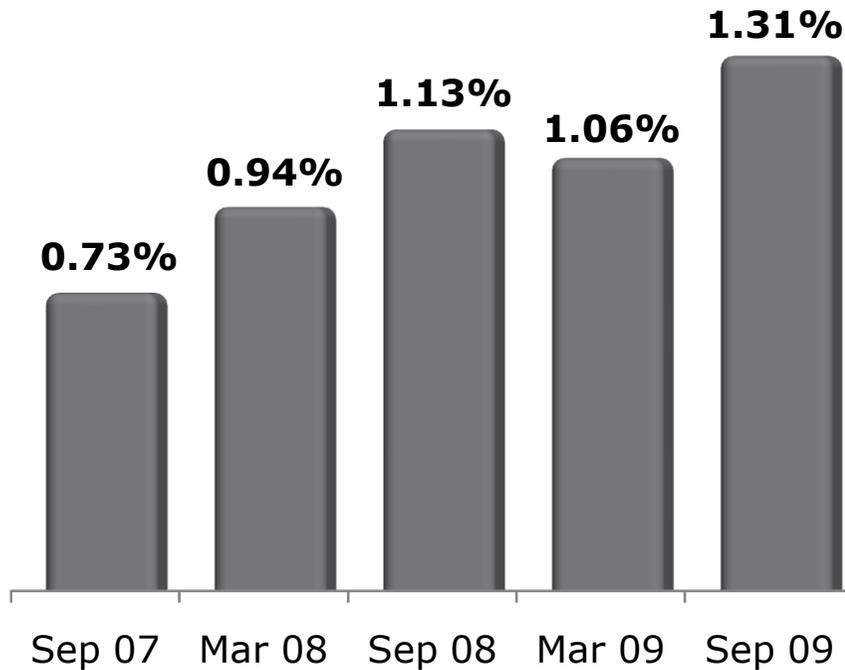


## Individual Provision Charge (\$m)



# Balance sheet well positioned for the current economic environment

## Collective Provision Balance / Credit RWAs (%)

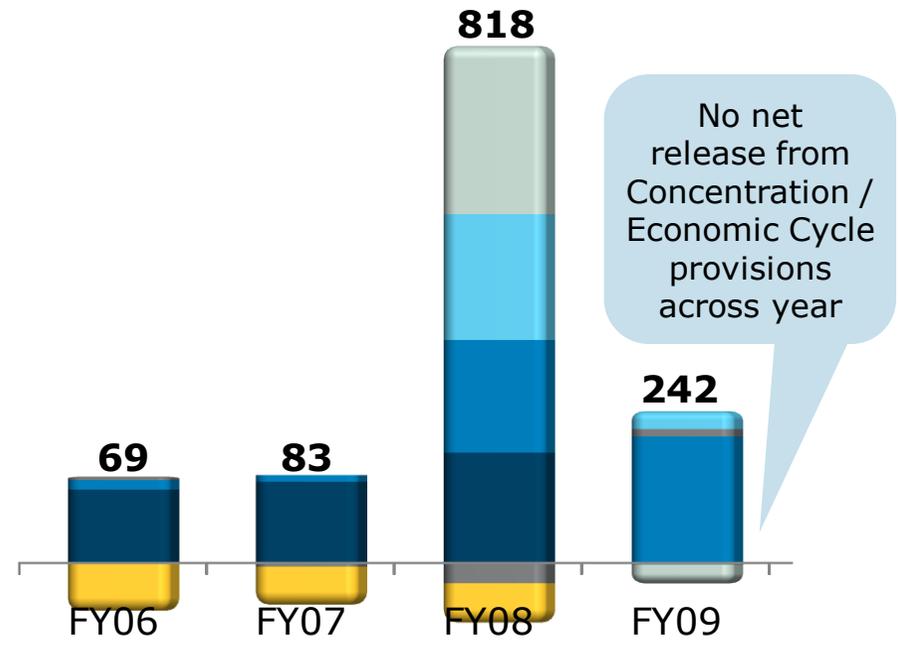


## Total Provision Coverage

### Total Provision Balance / Credit RWAs

Sep 07	Mar 08	Sep 08	Mar 09	Sep 09
0.83%	1.07%	1.39%	1.58%	1.97%

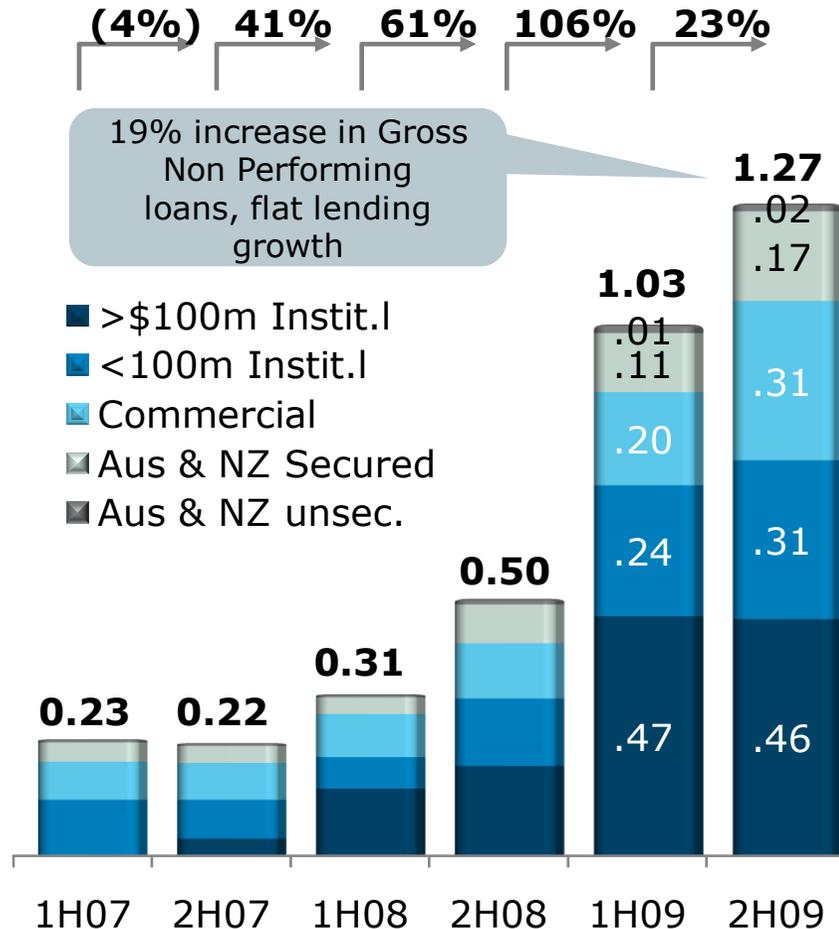
## Collective Provision Charge returning towards a more normalised level (\$m)



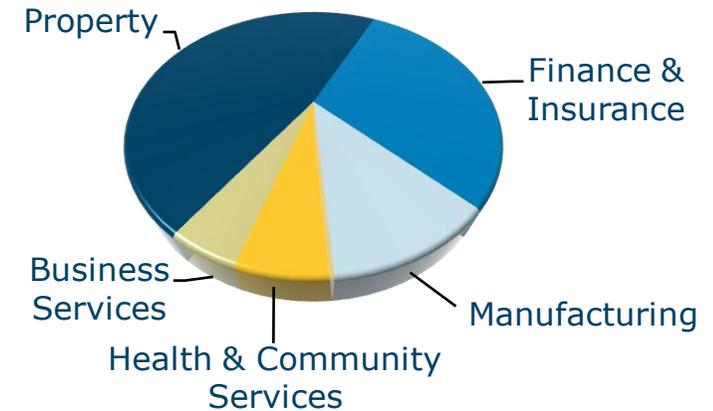
- Lending Growth
- Risk Profile
- Portfolio Mix
- Other
- Economic Cycle
- Concentration

# Rate of growth in impaired loans reducing, trending towards middle market portfolios. Consumer arrears stabilising

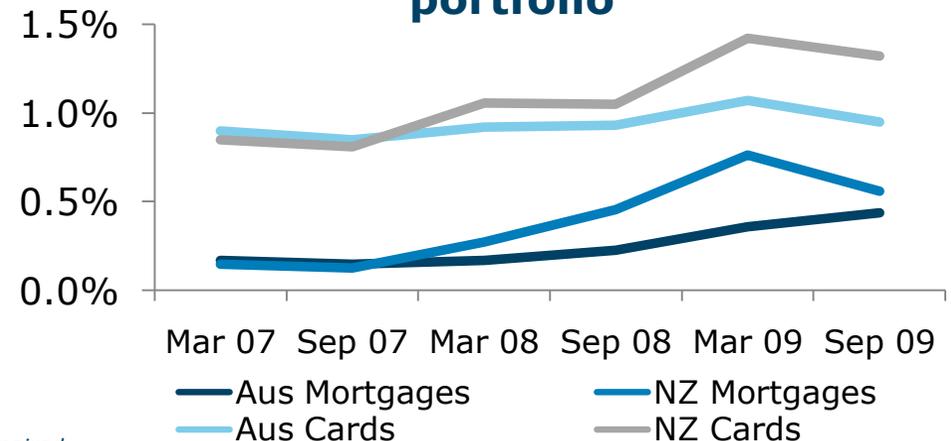
## Gross Non Performing Loans<sup>1</sup> to Net Lending Assets (%)



## Institutional Non Performing Loans concentration by top 5 industries



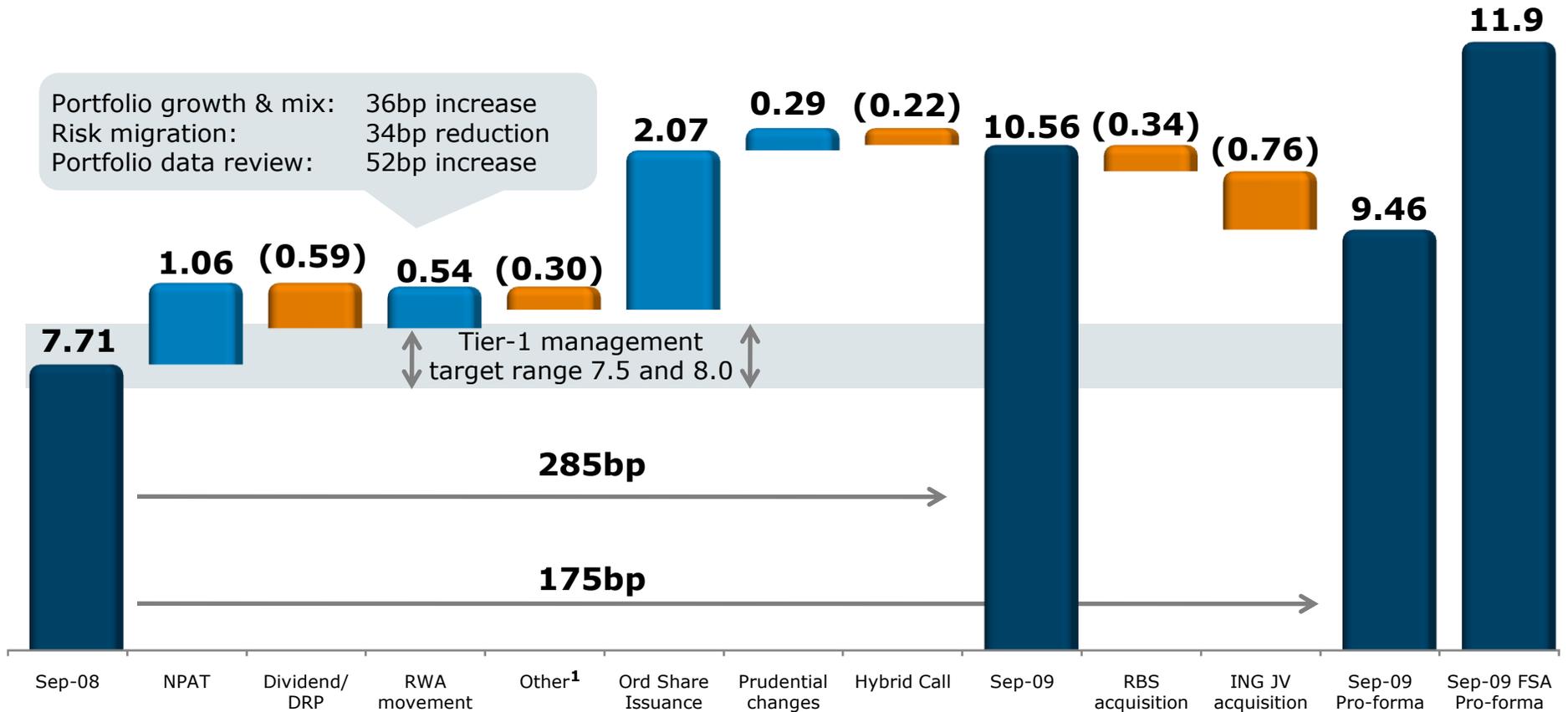
## Consumer 90+ day arrears as % portfolio



1. Excluding restructured facilities (\$846m 2H08, \$17m 1H09, \$673m 2H09) & Net impaired commitments and contingencies (2H08 \$48m, 1H09 \$441m, 2H09 \$516m)

# Strong Tier-1 position, ANZ well placed for growth opportunities

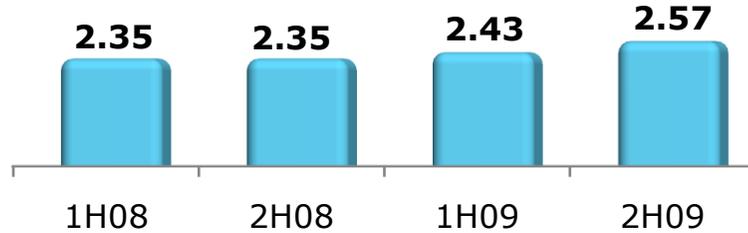
## Capital Position (Tier-1 Ratio)



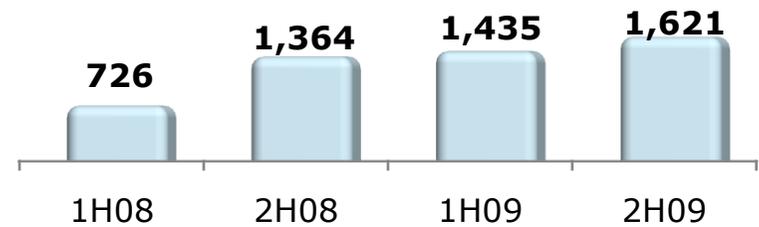
1. Includes Associates, Net Deferred Tax Assets, Pensions, Capitalised Costs, MTM gains on own name included in profit, FX, non-credit RWA growth

# Key factors for 2010

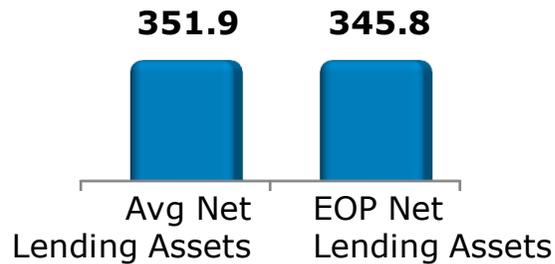
## Margin momentum, ex Markets (%)



## Credit provision charge stabilising (\$m)

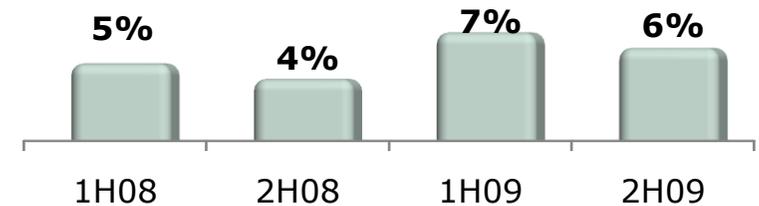


## Balance sheet momentum modest (\$b)

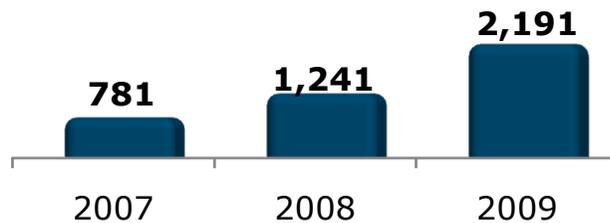


## Investment in franchise will continue

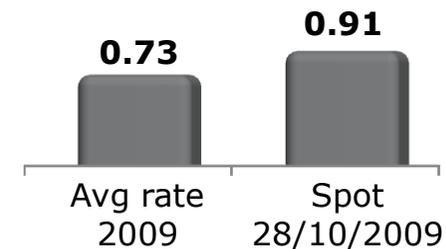
Cost growth (%)



## Exceptional 2009 for Markets (\$m)



## A\$ likely to be a drag (AUD/USD cents)





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**MIKE SMITH**  
CHIEF EXECUTIVE OFFICER



# SUMMARY

- Global economic environment to remain volatile
- Cycle continues to play out to expectations – credit stress has moved from big end of town to the middle market and higher risk personal
- Despite resilience in the Australian economy, prudent to remain cautious
- New Zealand seeing signs of stabilisation but a challenging year ahead
- ANZ remains bullish on the Asian region. Super regional plans put ANZ in a unique position on both sides of inter and intra regional trade and investment flows
- Headwinds for 2010 include increasing A\$, less favourable markets environment
- ANZ remains well positioned to continue to advance our strategy in 2010 and maintain momentum



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**CORPORATE RESPONSIBILITY**



# Continued global leadership in managing economic, social and environmental issues and opportunities

## Sustainability can outperform

**ANZ assessed as No.1 bank globally for corporate sustainability performance for the third year in a row**



- \$13.5m of Federal Government funding to help ANZ and community partners expand the successful Saver Plus matched savings program nationally
- New Group-wide Code of Conduct and Ethics training completed by 96% employees globally
- Dedicated “Customer Connect” team supports customers in financial difficulty by offering flexible repayment options
- A New Career Training Fund of up to \$10m and a Past Employee Care Fund to assist employees impacted by offshoring
- Sustainable Leadership Program completed by 70 senior Institutional executives
- New framework established to ensure CR investments support and strengthen business strategy, values and brand

Source: Alpha from Sustainability, SAM White Paper, 2009



# 09 FULL YEAR RESULTS

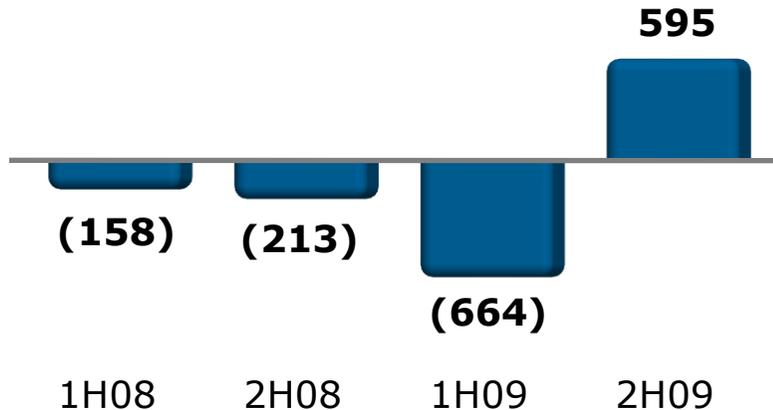
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CREDIT INTERMEDIATION  
TRADES

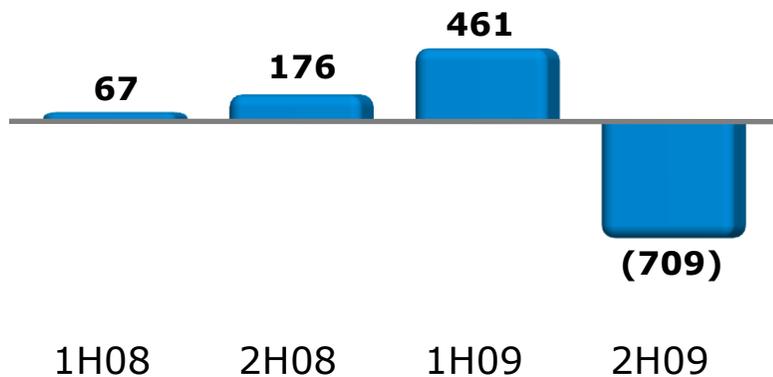


# Similar market dynamics impact both the mark to market on Credit Intermediation Trades and economic hedging

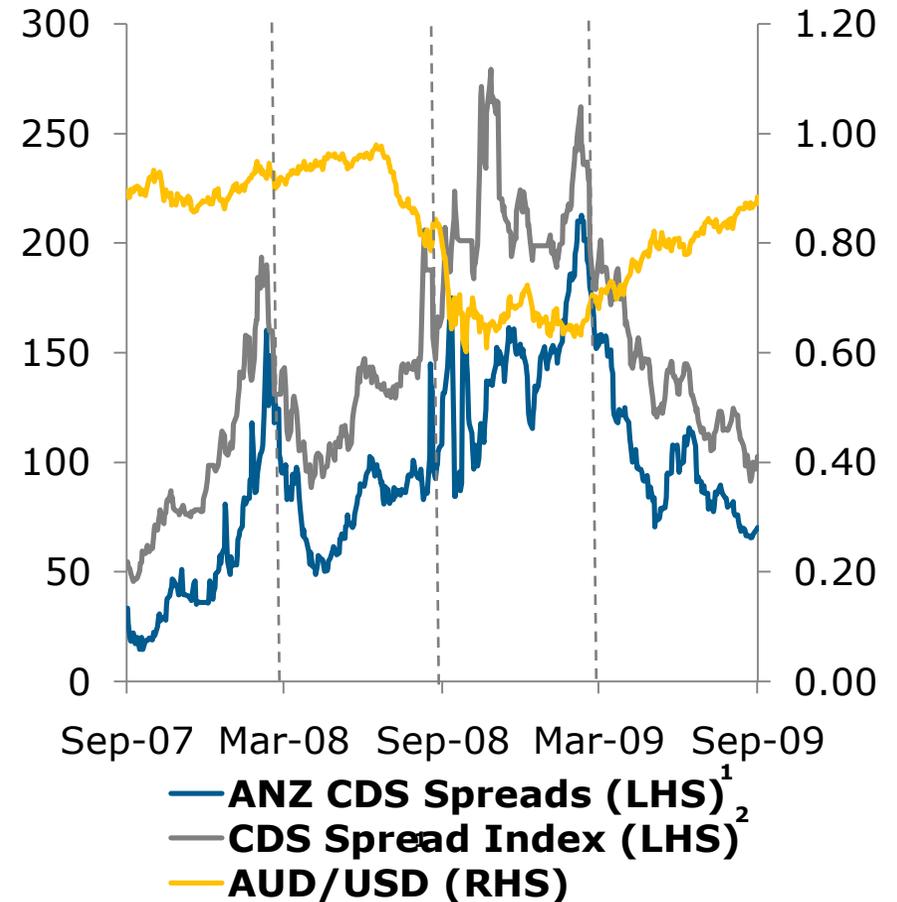
**Credit Intermediation Trades  
CVA P&L charges (A\$m)**



**Economic hedging P&L charge (A\$m)**



**Reduced CDS spreads and stronger AUD driving MTM reversal 2H09**



1. Source: Bloomberg – Senior ANZ5YUSAR=R

2. Source: Bloomberg – Senior 5 year US Investment Grade Index (CDXNAIG)

## Credit Intermediation Trades charge improved in the second half driven largely by improved credit spreads

Counterparty Rating	No.	Notional Principal Amount (US\$m)	Mark to Market (US\$m)	Credit Risk on Derivatives^ (US\$m)	Credit Risk on Derivatives^ (A\$m)
AAA/Aa2, Aa3	2	2,946	273	49	55
A /Baa1	1	3,100	302	96	109
BBB-/Ba1	1	86	2	0	0
CC/Caa2	1	439	44	19	21
D/Ca	1	367	72	36	41
Withdrawn Rating	1	3000	119	34	39
Defaulted Monoline	1	1,013	76	150	171
Other costs	-	-	-	130	148
<b>Position 30 Sep. 2009</b>	<b>8</b>	<b>10,950</b>	<b>888</b>	<b>514</b>	<b>584</b>
Position 31 March 2009	8	11,020	2,240	915	1,343



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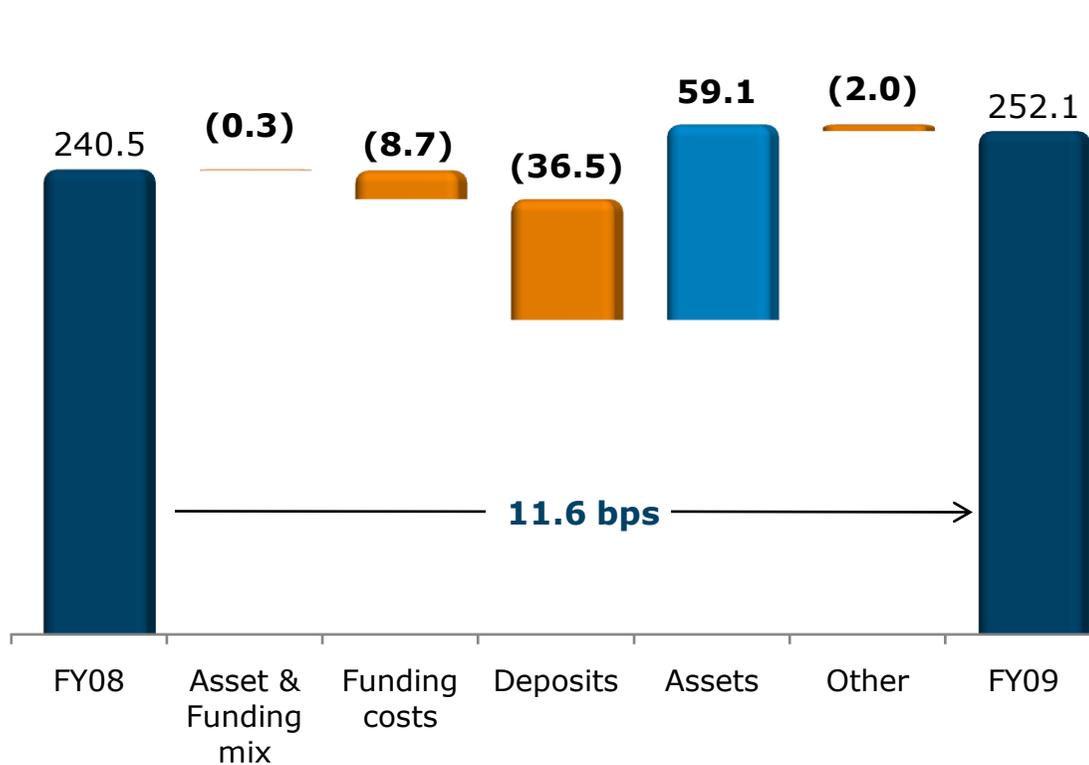
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**NET INTEREST MARGINS**  
(For Group NIM refer slide 12)



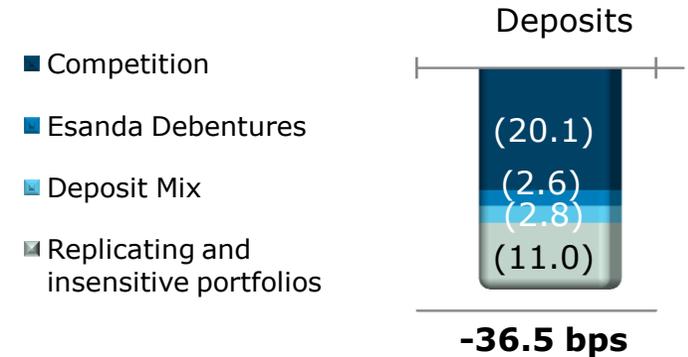
# NIM: Australia Division

Australia NIM movements FY09 v FY08



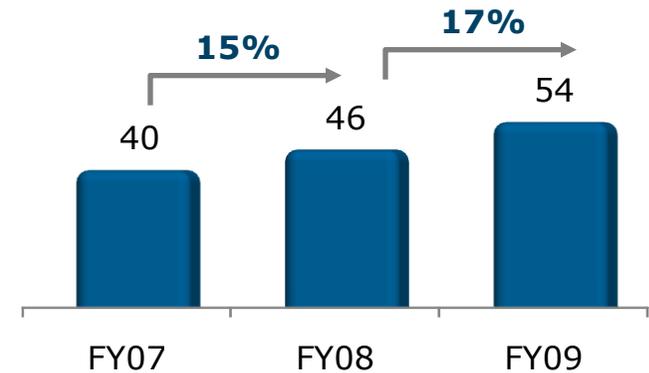
1. FY09 term deposit growth includes some inflows from maturing Esanda debentures

## Deposits NIM impacted by strong competition and demand shift towards low margin products



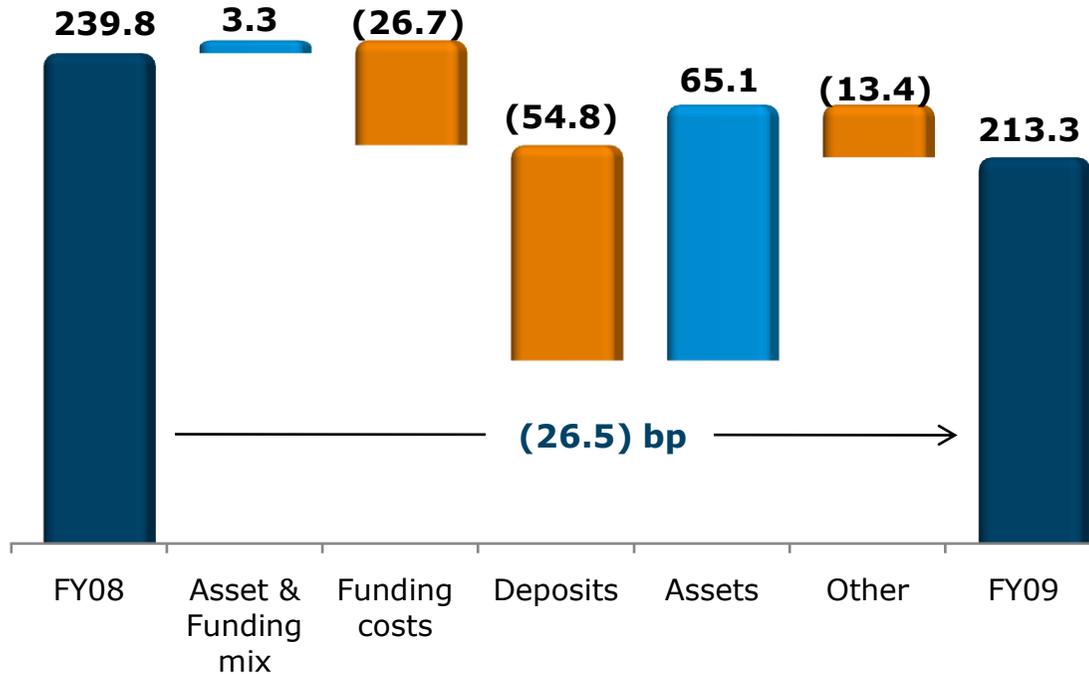
## Strong demand for term deposits and online saver accounts

Term funding and online saver accounts (\$b)

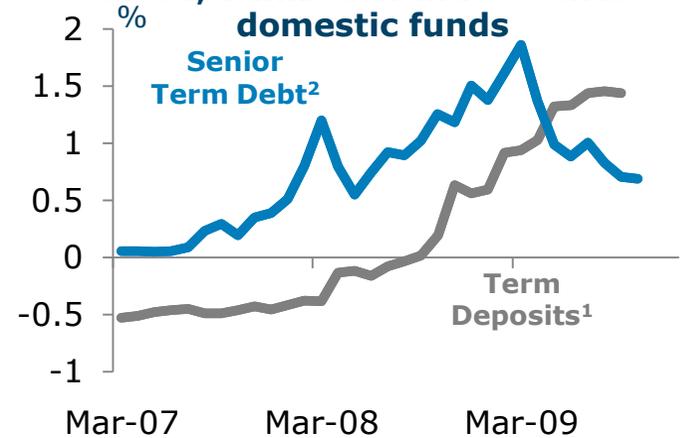


# NIM: New Zealand businesses

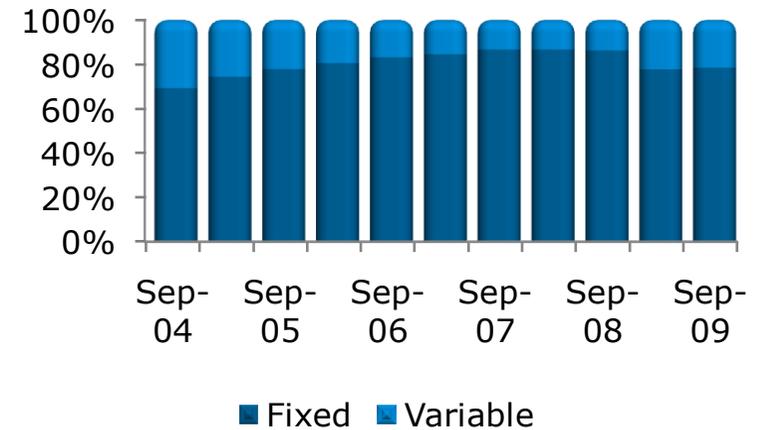
## New Zealand NIM movements FY09 v FY08



## Offshore funding pressures have eased, banks continue to chase domestic funds



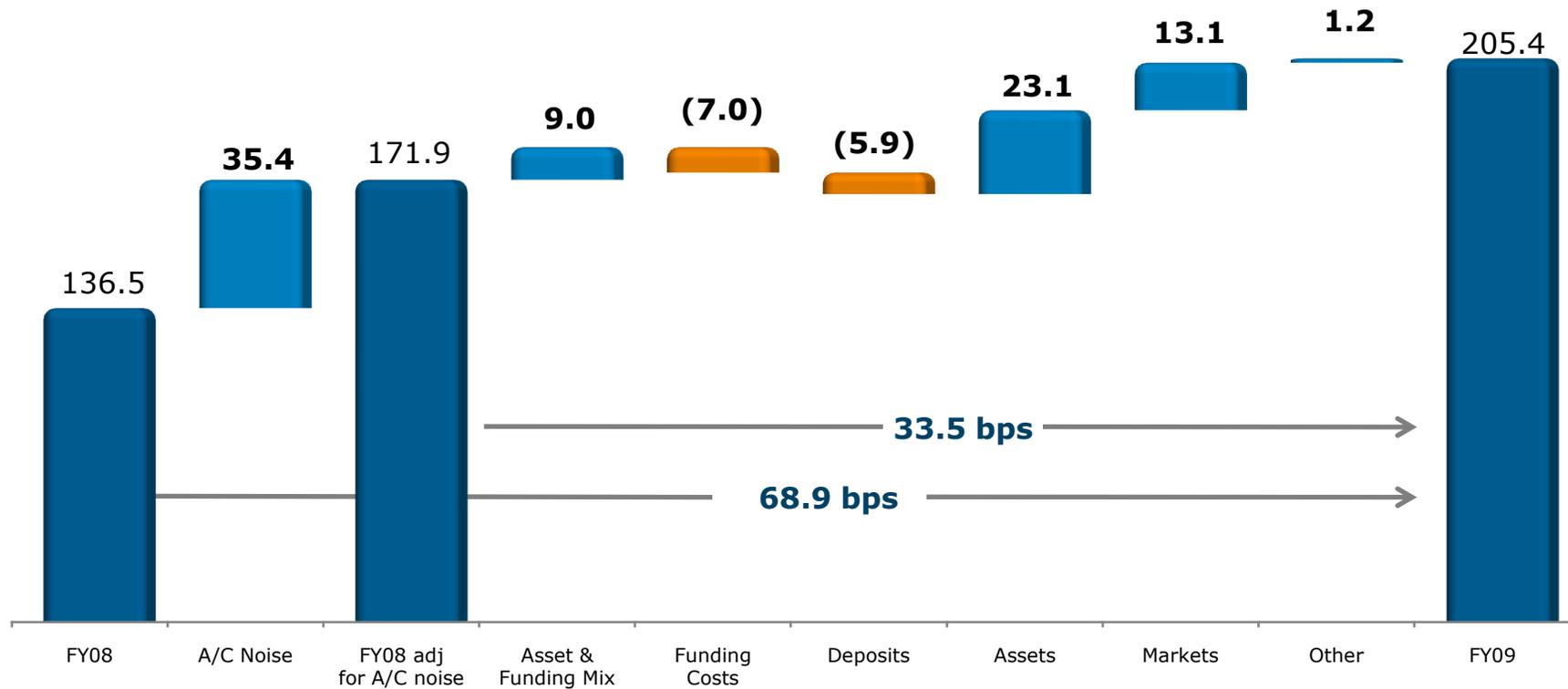
## Significant proportion of NZ loans are fixed



1. Average customer rate over average wholesale rates (source: ANZ National); 2. ANZ 5yr Senior and Subordinated Credit Default Swaps (source: Bloomberg)

# NIM: Institutional

## Institutional NIM movements FY09 v FY08





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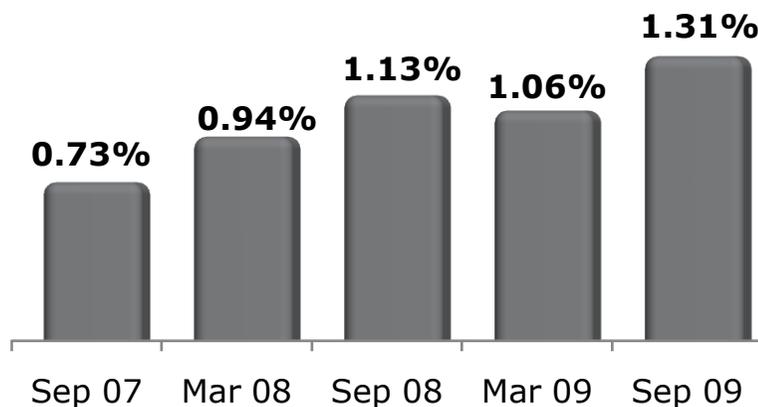
TREASURY



# Strong Balance Sheet

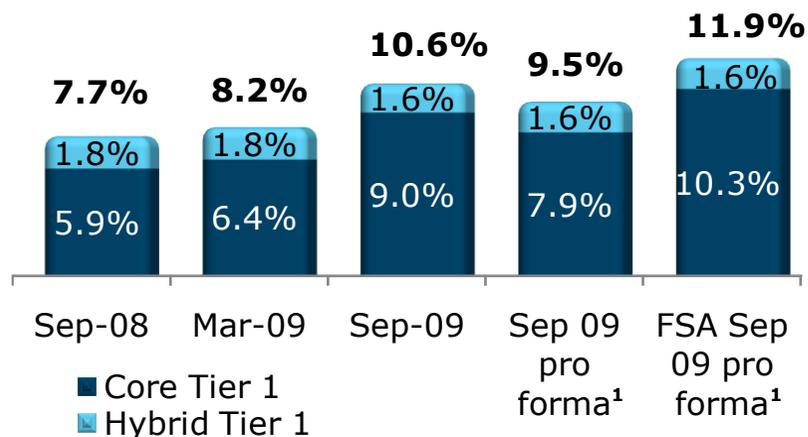
- Tier 1 Capital ratio increased to 10.6% (pro forma post RBS assets and ING is 9.5%)
- Pro forma Core Tier-1 capital ratio increased to 7.9% (10.3% FSA)
- Total Provision coverage of 1.97% of Credit RWAs
- Customer funding increased to 55%
- Short term wholesale funding further reduced to 17%
- Raised \$26bn of new wholesale term funding
- Prime Liquidity portfolio maintained >\$60bn, provides in excess of 12 months cover for offshore wholesale debt
- ANZ's strong credit ratings (AA, S&P/Aa1 Moody's) maintained throughout the GFC.

## Strong Collective Provision balance



1. Includes acquisition of RBS assets and INGA & ING (NZ) Joint venture

## Strong capital position



## Funding composition improved

Category	Funding composition		Volume change AUD bn
	Sep 08	Sep 09	
Customer	50%	55%	27
Term w'sale	21%	20%	(2)
Equity & hybrids	7%	8%	5
Short term w'sale	22%	17%	(20)

# Capital position has been significantly strengthened throughout the year notwithstanding recent M&A activities

	Target operating range	Sep-08	Mar-09	Sep-09	Sep-09 pro forma <sup>1</sup>	FSA Sep-09 pro forma <sup>1</sup>	OSFI Sep-09 pro forma <sup>1</sup>
Core Tier 1 <sup>2</sup>	6.0% - 6.5%	5.9%	6.4%	9.0%	7.9%	10.3%	10.1%
<b>Tier 1</b>	<b>7.5% - 8.0%</b>	<b>7.7%</b>	<b>8.2%</b>	<b>10.6%</b>	<b>9.5%</b>	<b>11.9%</b>	<b>11.8%</b>
Total Capital	10.5%+	11.1%	11.0%	13.7%	12.4%	14.6%	14.8%

## Strengthening capital position

Capital position has been strengthened via:

- 3 ordinary equity raisings totalling \$5.7bn:
  - Institutional Share Placement \$2.5bn
  - Share Purchase Plan \$2.2bn
  - Final 2008 DRP underwrite \$1.0bn
- Organic capital generation of \$1.3bn
- RWA reduction

Even after capital committed to the RBS assets and the INGJV, capital position remains strong

## Capital Management Agenda

Maintain strong capital profile and buffers:

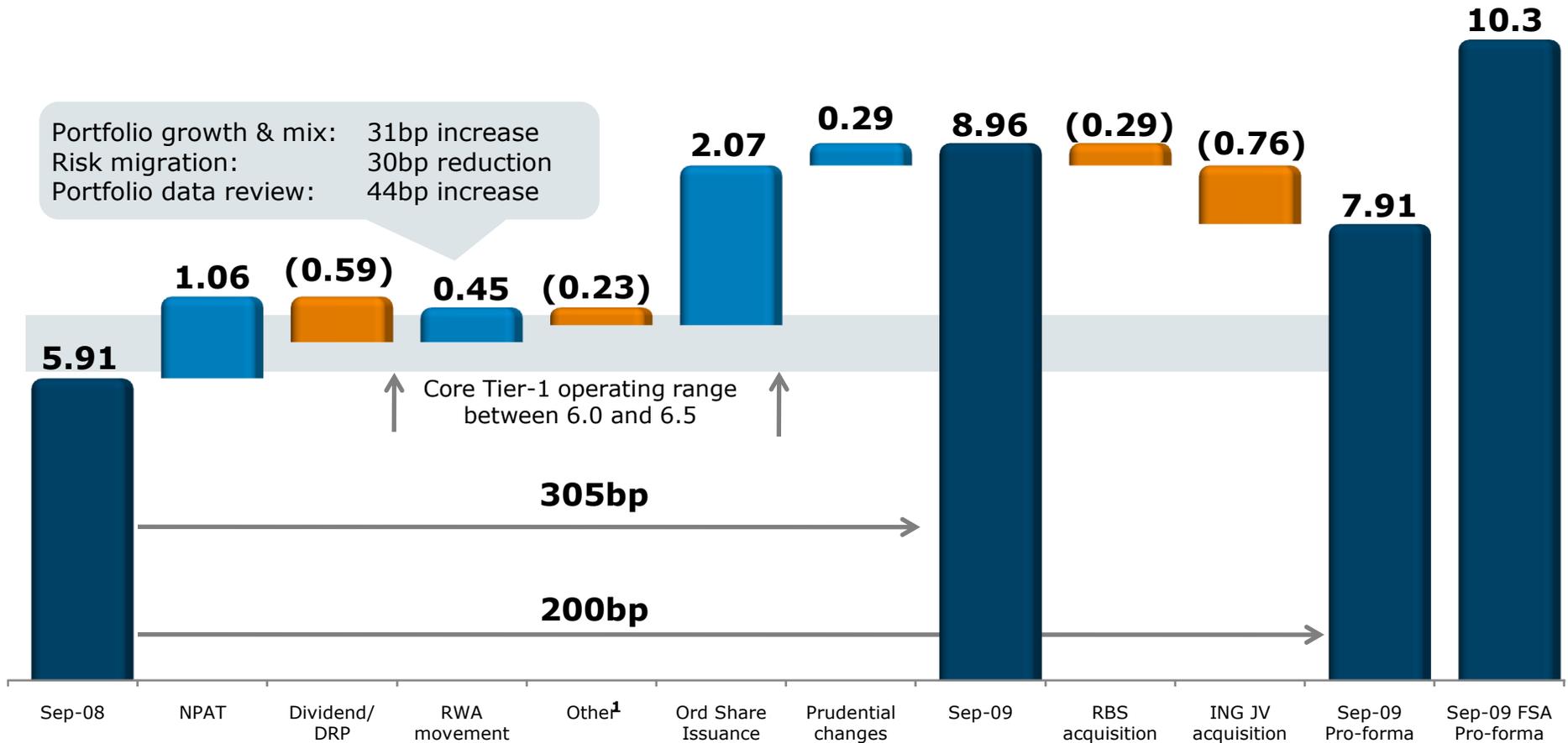
- Future business opportunities
- Risk of economic shocks despite improving global economic outlook
- Developing global regulatory environment requiring higher quantity and improved quality of capital

Modest reliance on hybrid capital (~15% Tier-1) provides scope to raise hybrid capital in a cost effective manner

1. Includes acquisition of RBS assets and INGA & ING (NZ) Joint venture. 2 'Core Tier 1' = Tier 1 excluding hybrid Tier 1 instruments

# Core Tier-1 position strong

## Capital Position (Core Tier-1 Ratio)



1. includes Associates, Net Deferred Tax Assets, Pensions, Capitalised Costs, MTM gains on own name included in profit, FX, non-credit RWA growth

# Reconciliation of ANZ's capital position to FSA Basel II guidelines (based upon INGJV as a subsidiary)

APRA regulations are more conservative than current FSA regulations, in that APRA requires:

- A 20% Loss Given Default floor for mortgages (FSA: 10% floor)
- Interest Rate Risk in the Banking Book (IRRBB) to be included in Pillar I risks (FSA: Pillar II)
- Capital deductions for investments in funds management subsidiaries (FSA: RWA assets)
- Insurance subsidiaries to be a mixture of Tier 1 and Tier 2 deductions (FSA: transitional regulations permit Total Capital deductions under certain circumstances)
- Expected dividend payments (net of dividend reinvestments) to be deducted from Tier-1 (FSA: no deduction)
- Collective Provision to be net of tax when calculating EL v CP deduction (FSA: tax effect difference between EL and CP on gross basis)
- Associates to be a mixture of Tier-1 and Tier-2 deduction (FSA: permits proportional consolidation under certain circumstances)

	Core Tier-1 (%)	Tier-1 (%)	Total Capital (%)
<b>Sep-09 pro forma<sup>2</sup> under APRA standards</b>	<b>7.9</b>	<b>9.5</b>	<b>12.4</b>
RWA (Mortgages, IRRBB)	0.8	1.0	1.2
ING Funds Management and Life Co businesses	0.4	0.4	0.1
Final dividend accrued net of DRP & BOP	0.4	0.4	0.4
Expected Losses v Collective Provision	0.2	0.2	0.2
Insurance subsidiaries	0.2	0.2	-
Investment in Associates	0.2	0.2	0.2
Other <sup>1</sup>	0.2	0.0	0.1
Total adjustments	2.4	2.4	2.2
<b>Sep-09 pro forma<sup>2</sup> FSA equivalent ratio</b>	<b>10.3</b>	<b>11.9</b>	<b>14.6</b>

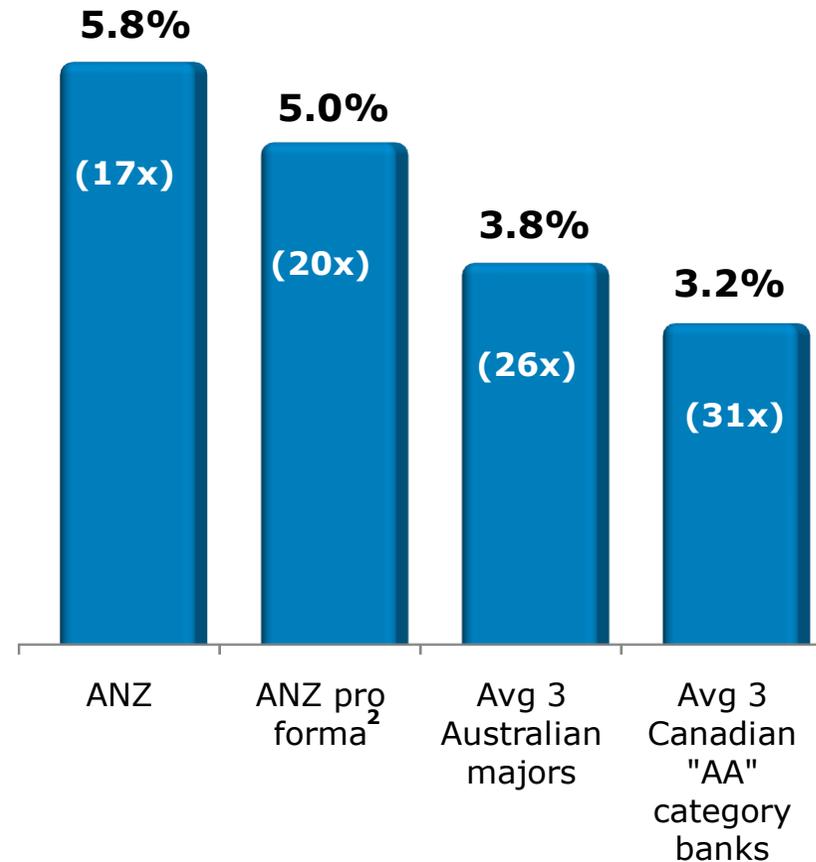
1. Other includes Net Deferred Tax Assets, Capitalised Expenses, Deferred Income and roundings 2. Includes acquisition of RBS assets and INGA & ING (NZ) Joint venture

# Leverage Ratio

- Some market commentary around possible introduction of a Leverage Ratio target
- No current common definition of Leverage Ratio, each definition has significant limitations (i.e. maintains regulatory inconsistencies, treatment of funds management and insurance businesses, derivative businesses)
- Conservative formula of a Leverage Ratio, providing comparison across Australian majors and international banks is:

$$\text{Leverage ratio} = \frac{\text{Shareholders Equity (excluding hybrid) less Intangible Assets}}{\text{Total Assets less Intangible Assets}}$$

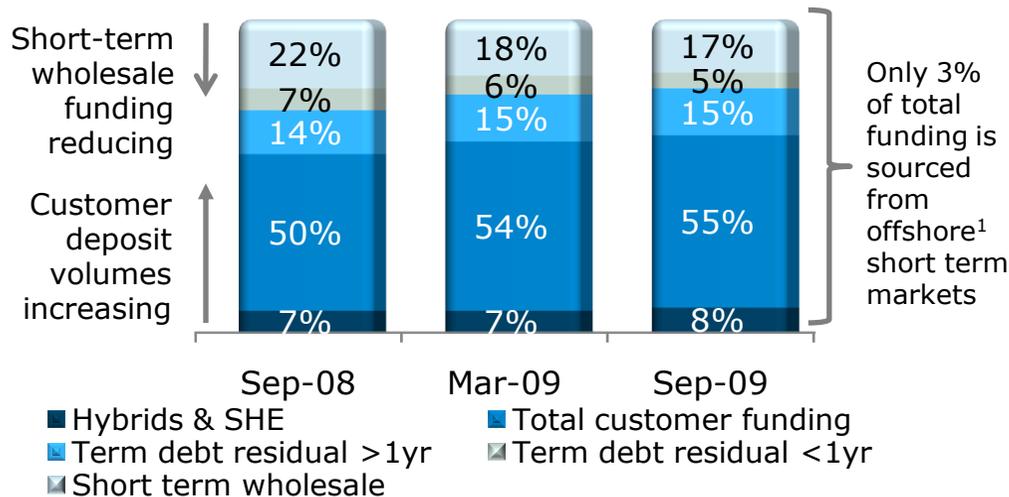
## Leverage Ratio<sup>1</sup>



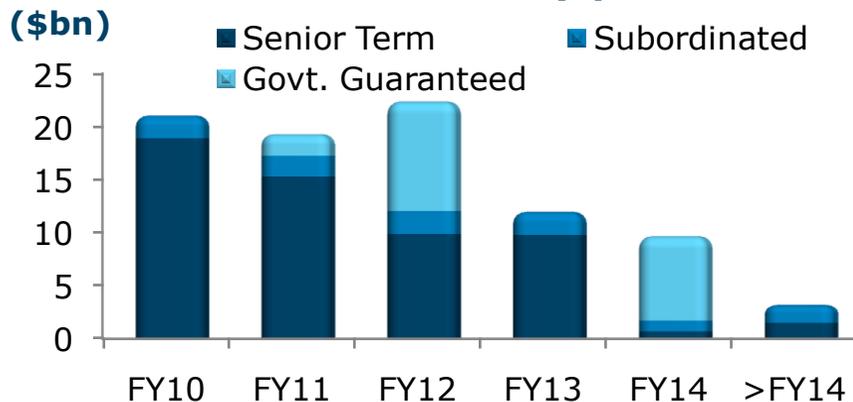
1. Canadian peer average as at 3Q09 balance date July-09, Australian peer average as at Mar-09, WBC; Jun-09, CBA; Sep-09, NAB 2. ANZ Pro forma Sep-09 is adjusted for RBS and INGJV assets

# Improved funding metrics although term funding costs remain elevated

## Funding composition improved



## Term debt maturity profile

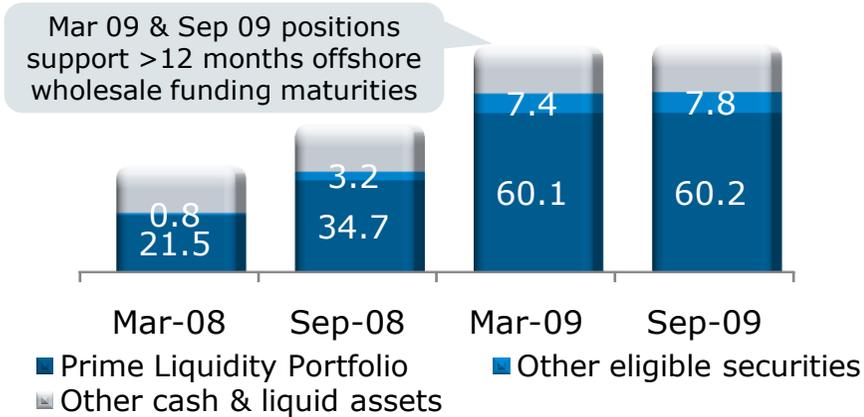


- Reliance on short term wholesale funding further reduced to 17%
- Funding from equity, customer and wholesale debt (with remaining maturity >1yr) increased to 78% of all funded assets
- ~\$26bn of wholesale term debt issued in FY09
- Maintained access to all major global funding markets
- Average tenor of new term issuance in FY09 was 3.9 years
- Funding costs remain elevated by historical standards
- Majority of FY09 issuance was in Government Guaranteed (GG) format. Going forward we expect most new issuance to be non-guaranteed
- Forward maturities and required issuance volumes consistent with 2009 and remain manageable
- ANZ continues to build and maintain strong, long-term relationships with global wholesale debt investors

1. Represents funding issued by Australia or New Zealand in offshore wholesale markets 2: including all liquid assets

# Liquidity position strengthened further

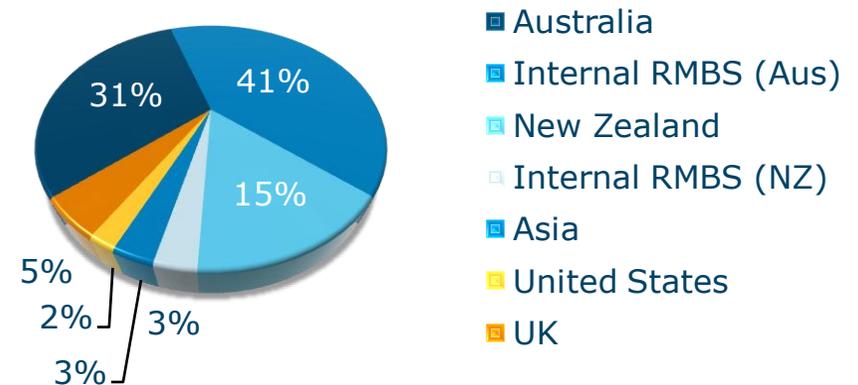
## Liquid asset position remains strong (\$bn)



## Strong liquidity portfolio credit quality (Sep-09)

Long Term Counterparty Credit Rating <sup>1</sup>	Market Value <sup>2</sup> AUD \$bn	Cumulative % of portfolio	No. of parties
AAA	43.8	73%	51
AA+	3	78%	4
AA	10.8	96%	11
AA-	1.9	99%	9
A+	0.3	99%	5
A	0.3	100%	4
Total	60.2		84

## Portfolio diversified by geography



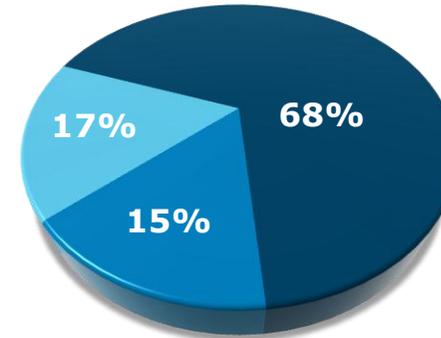
- Prime liquid asset portfolio maintained at \$60bn
- Covers >12mth offshore w'sale funding maturities
- Prime Liquidity Portfolio and 'other eligible securities' are cash deposits, and securities eligible for repo, with a major central bank
- Strong credit quality, 99% portfolio AA- or better
- Well diversified by geography & counterparty
- Additional liquid assets in the form of cash at banks, interbank lending & securities in trading and investment portfolios (not included in the prime liquidity portfolio)

1. Where available, based on Standard & Poor's long-term credit ratings 2. Market Value net of the repo discount (initial margin) applied by the relevant central bank

# Managing the Group's earnings denominated in non-AUD currencies

- NZD is currently the most significant single currency revenue exposure
- USD and Asian local currency revenues are increasing as a proportion of total group revenue
- FY09 revenues have been translated at an average AUD/USD rate of 0.73
- The majority of ANZ's non-NZD foreign currency revenue streams have a high correlation to AUD/USD
- A combination of macro and specific currency hedges against the risk of adverse currency movements may be considered appropriate, however aside from New Zealand no hedges are currently in place
- AUD strength against the USD presents a significant headwind for future earnings growth; potential FY10 negative EPS impact of 4-5% (based on current exchange rates)

## FY09 reported profit before tax by currency



■ AUD ■ NZD ■ USD & Others

## NZD currency hedging position

- FY09 NZD earnings were hedged at 1.19
- Future year hedges cover anticipated revenue streams.
- Partial hedges in place for FY10 & FY11 @ 1.19 to 1.20



# 09 FULL YEAR RESULTS

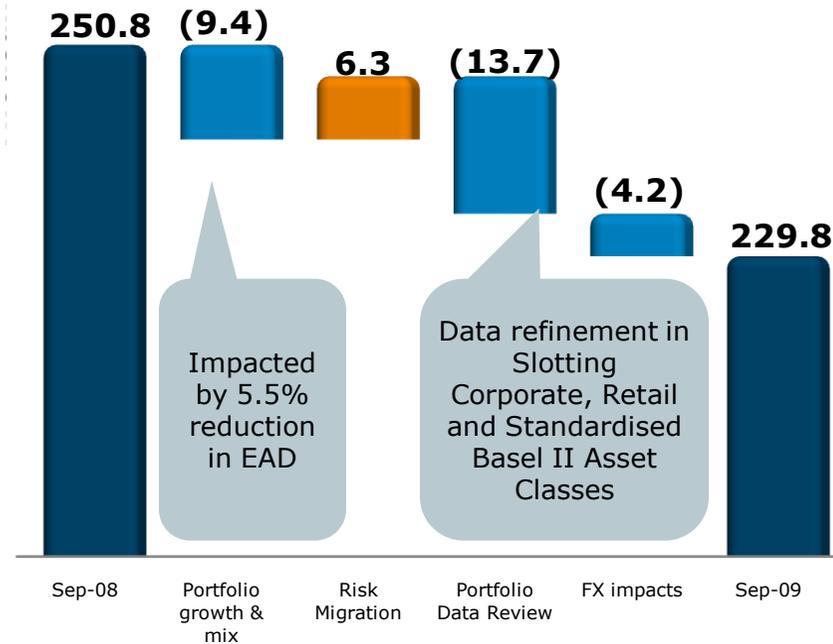
AUSTRALIA AND NEW ZEALAND  
BANKING GROUP LIMITED

CREDIT QUALITY



# RWA reduction from reducing EAD<sup>1</sup> and portfolio refinement, partly offset by portfolio deterioration, significantly impacting EL

## Movement in Credit Risk Weighted Assets (\$b)



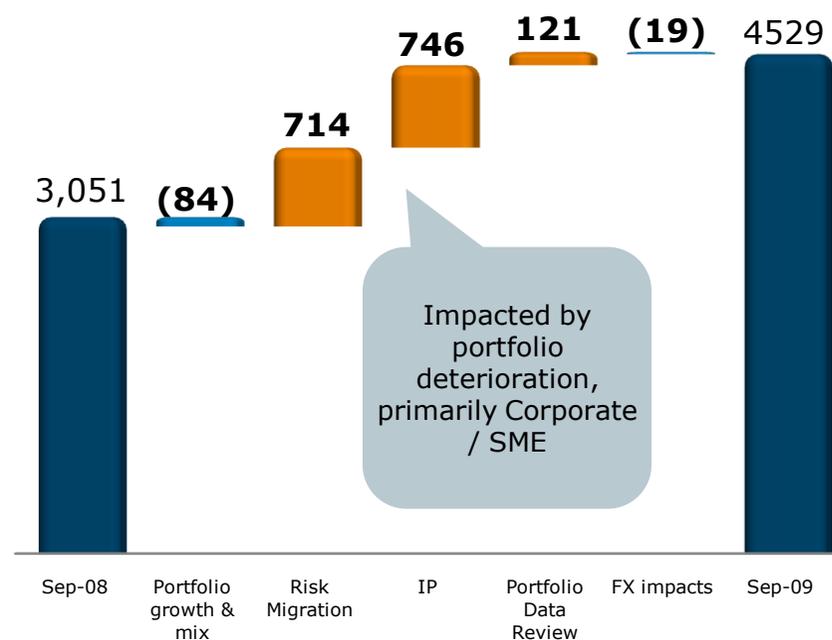
Sep 08					Mar 09
250.8	2.2	6.2	(5.7)	4.3	257.8

NB - HOH changes do not add to YOY due to changes in mix

Mar 09					Sep 09
257.8	(13.3)	1.0	(7.8)	(7.9)	229.8

1: Exposure at Default is also referred to as Regulatory Credit Exposure

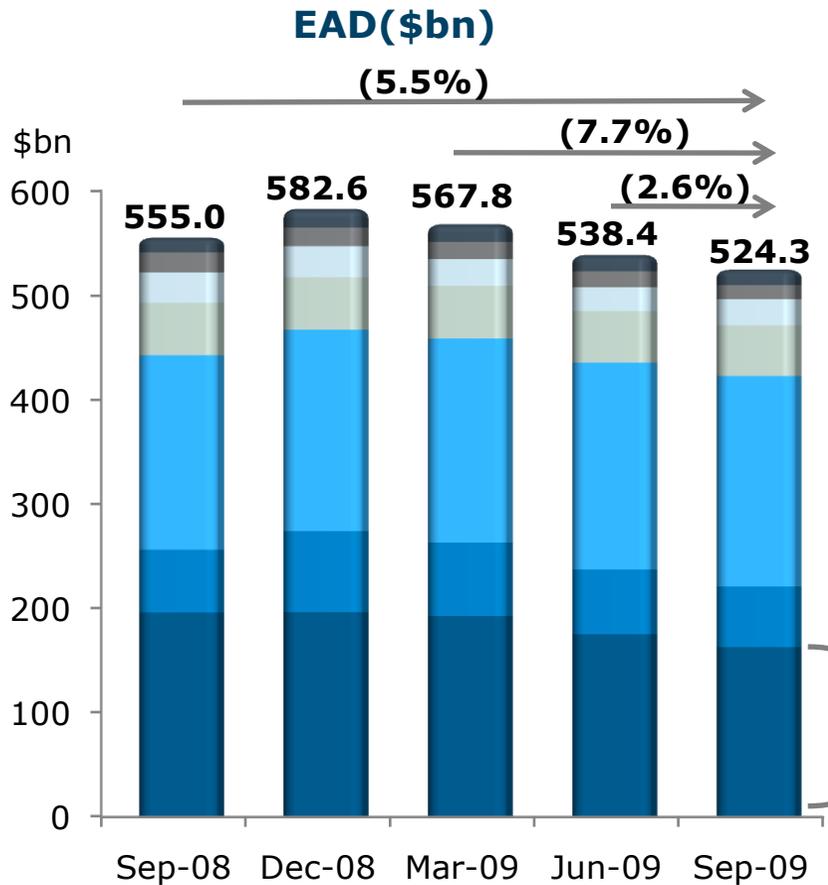
## Regulatory Expected Loss movements (\$m)



Sep 08						Mar 09
3,051	59	468	657	(65)	10	4,180

Mar 09						Sep 09
4,180	(230)	350	88	170	(29)	4,529

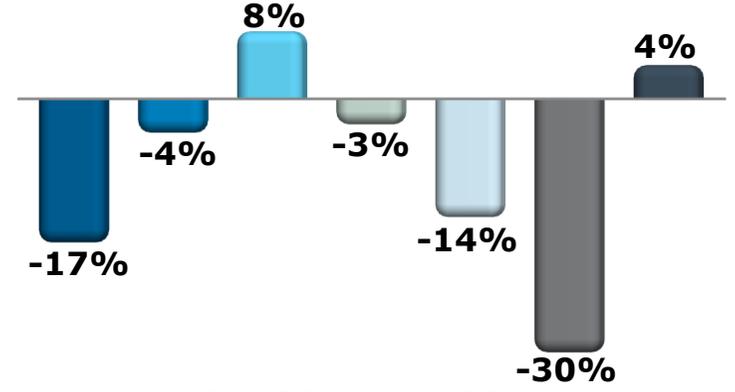
# EAD reduction impacted by derivatives, reduction in off balance sheet exposures, portfolio management, exchange rates and data refinement



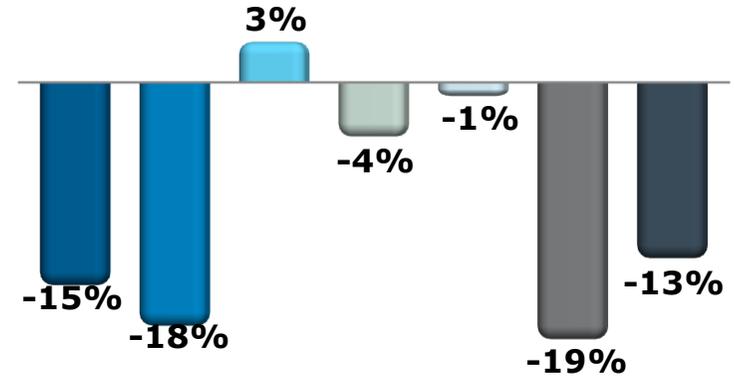
- Corp/Corp SME
- Bank & Sovereign
- Specialised Lending
- Other CRWAs

### EAD Basel II Asset class movements

Sep 09 vs Sep 08

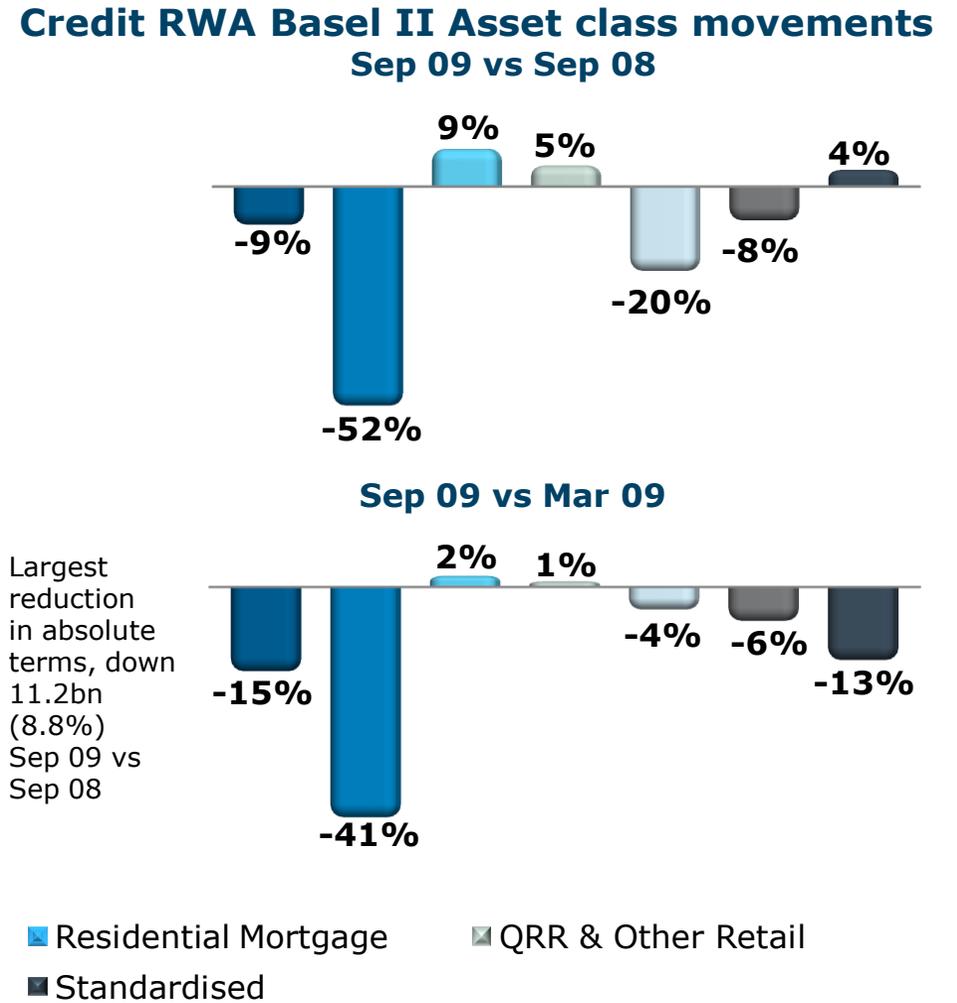
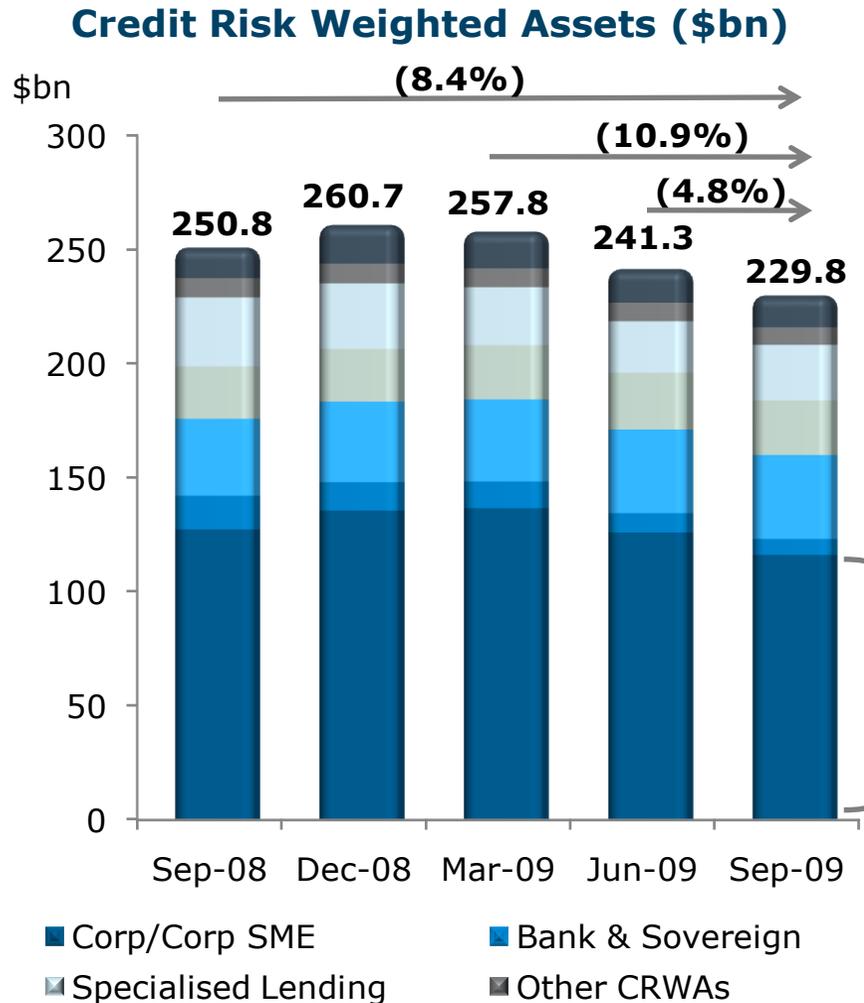


### Sep 09 vs Mar 09



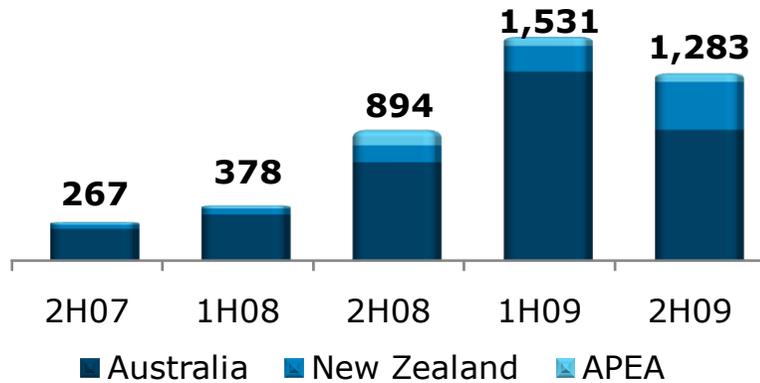
Largest reduction in absolute terms down \$33.1b (16.9%) Sep 09 vs Sep 08

# Credit Risk Weighted Asset reduction primarily from declining asset volumes, exchange rate movements and data refinement

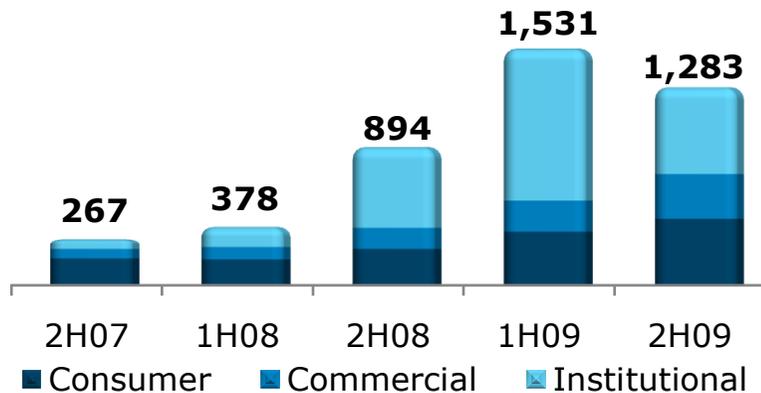


# IP charge by Region and Segment: Increased impact from New Zealand and Middle Market

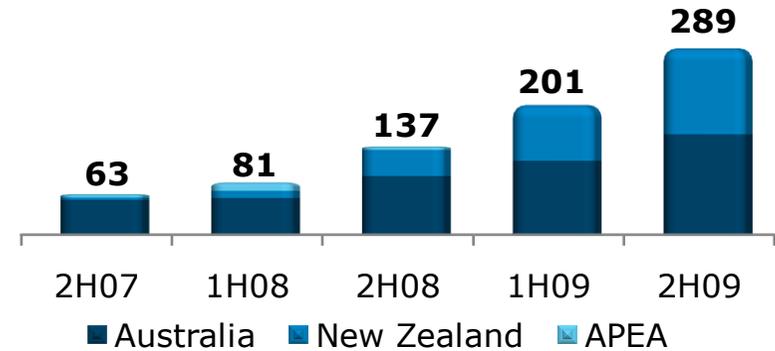
## Total IP Charge By Region



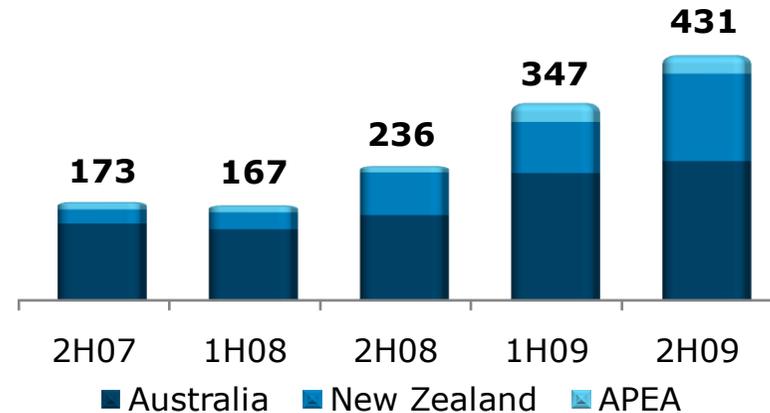
## By Segment



## Segment IP charge by region<sup>1</sup> Commercial IP by region

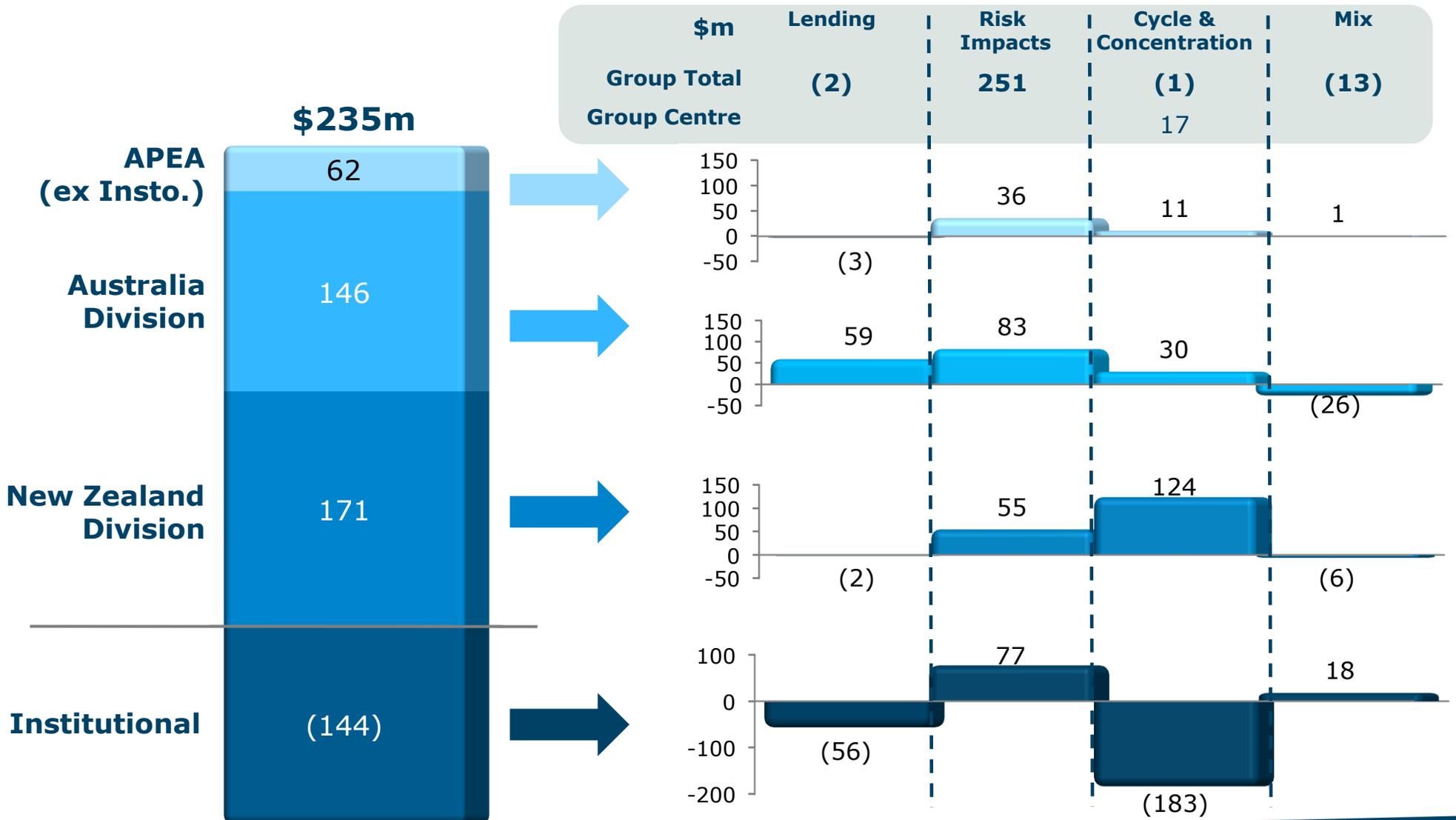


## Consumer IP by region



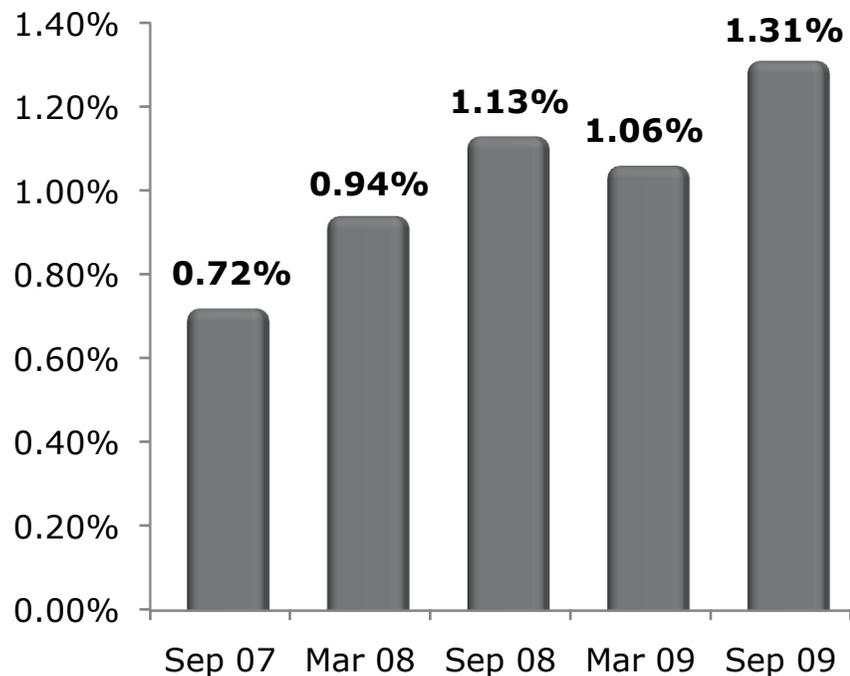
1: Note: Institutional IP not shown: 87% in Australia (FY08), 96% in Australia (FY09)

# Breakdown of FY09 collective provision charge



# Collective Provision: Group remains well provisioned

## Collective Provision balance / Credit RWA's (%)

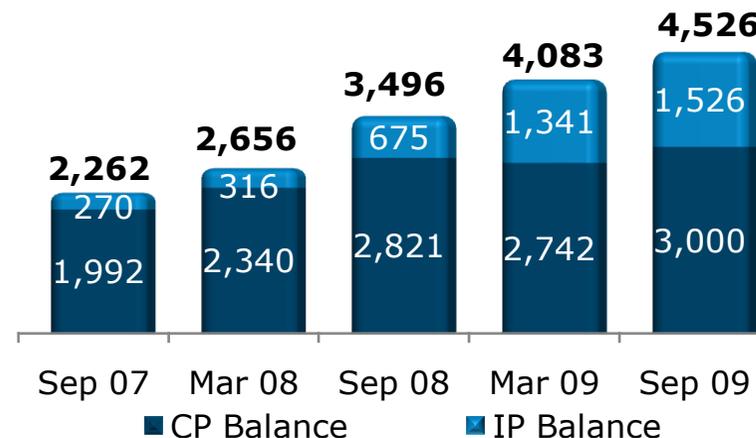


## Provision Coverage

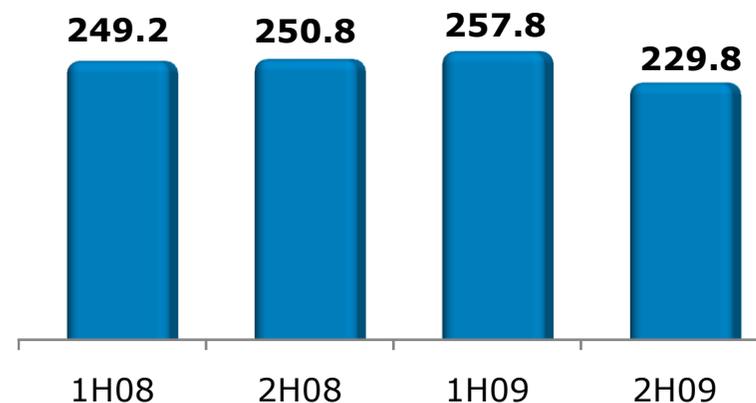
### Total provision balance / Credit RWAs

Sep 07	Mar 08	Sep 08	Mar 09	Sep 09
0.96%	1.36%	1.39%	1.58%	1.97%

## Total Provision balance (\$m)

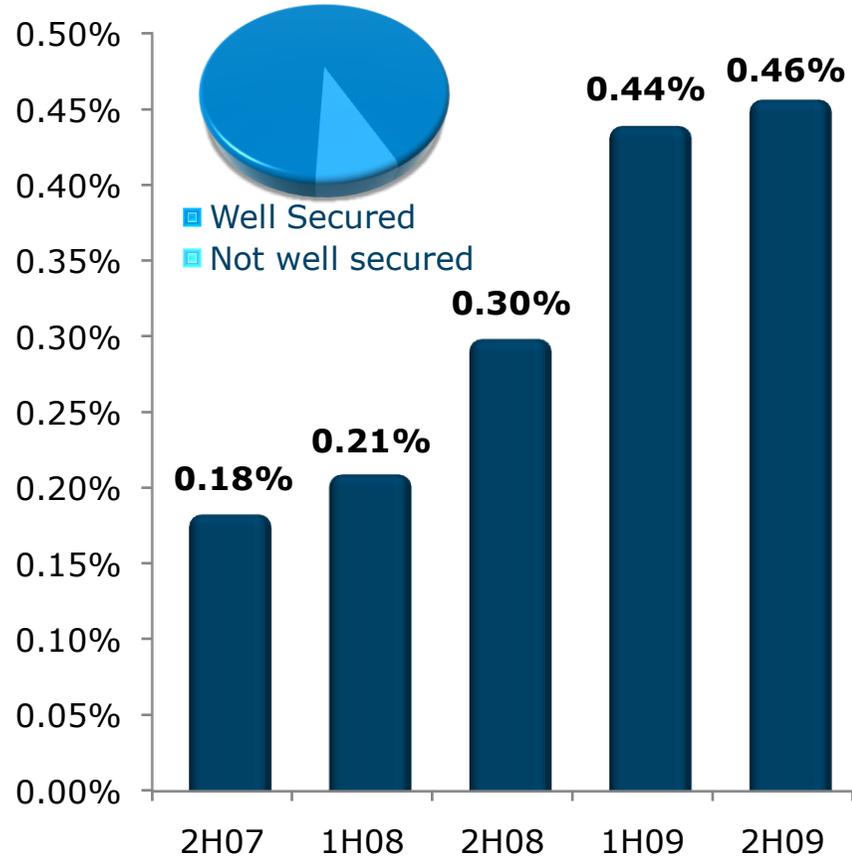


## Credit Risk Weighted Assets (\$b)

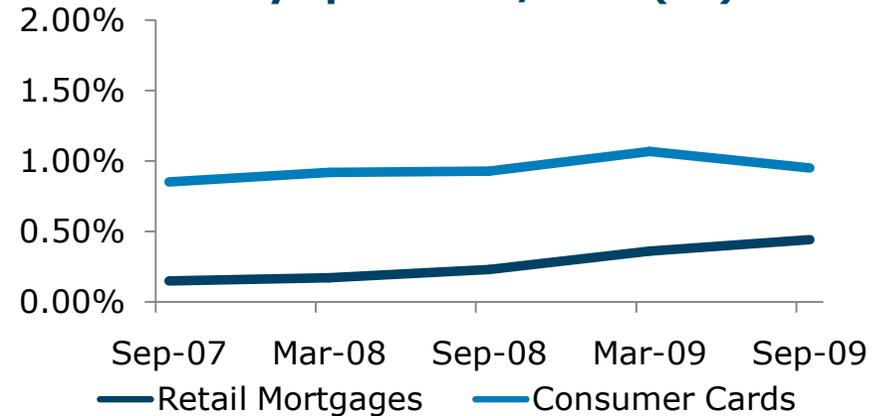


# 90 Days Past Due: Rate of growth has slowed

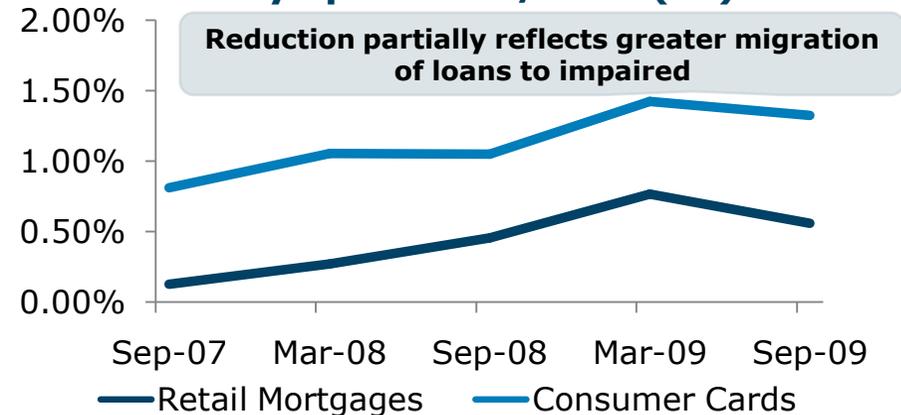
## 90 Days Past Due as a % of Gross Lending Assets less Non Performing Loans



## Australian Consumer Portfolio 90 days past due / GLA (%)

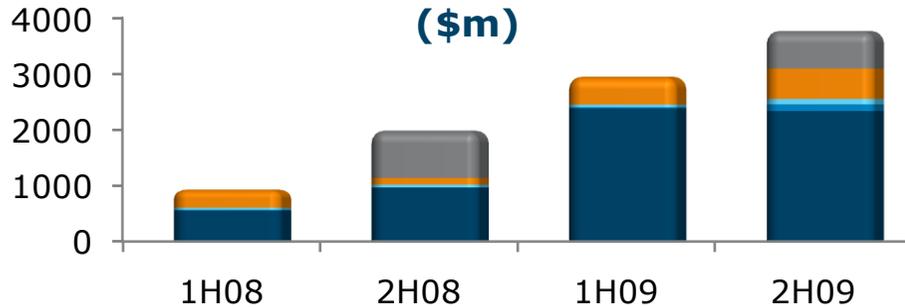


## New Zealand Consumer Portfolio 90 days past due / GLA (%)

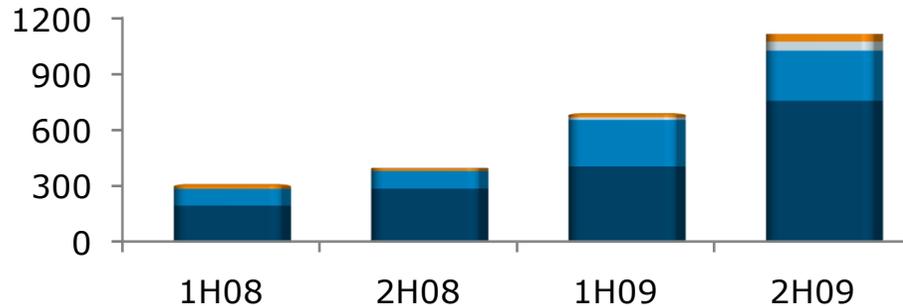


# Impaired facilities: moving through the cycle, Institutional slowing, greater impact in middle market and NZ consumer

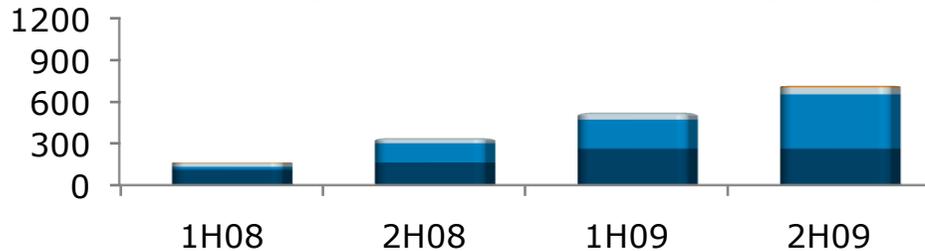
## Institutional impaired facilities by Region (\$m)



## Commercial impaired facilities by Region (\$m)



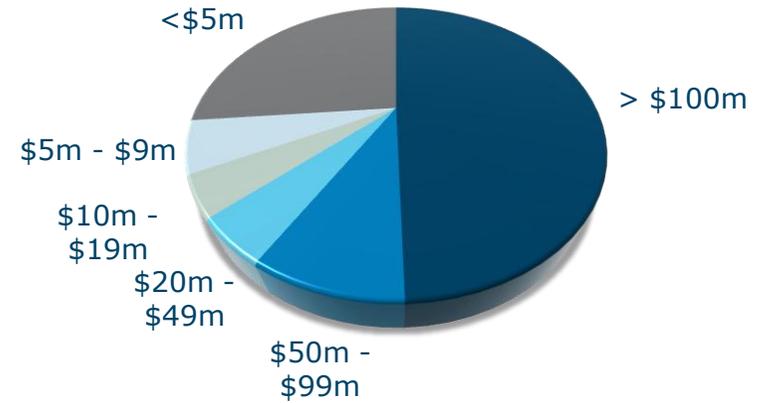
## Consumer impaired facilities by Region (\$m)



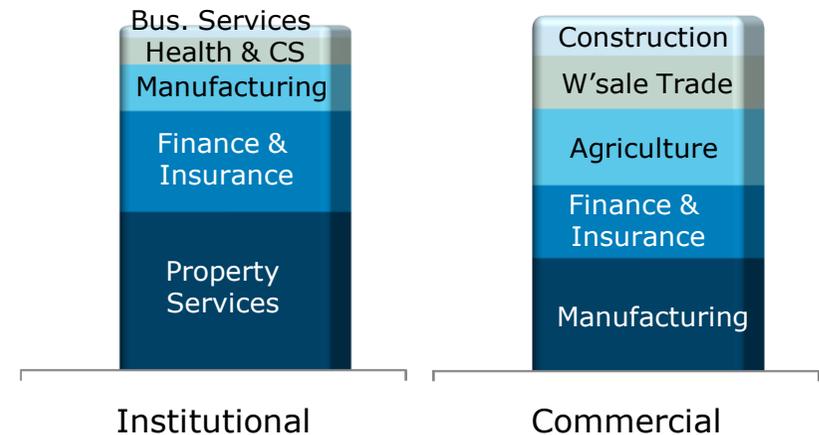
■ Australia ■ New Zealand ■ APEA ■ NPCCD ■ Restructured

NPCCD: Net Non Performing Commitments & Contingencies

## Non Performing Loans (by single names)

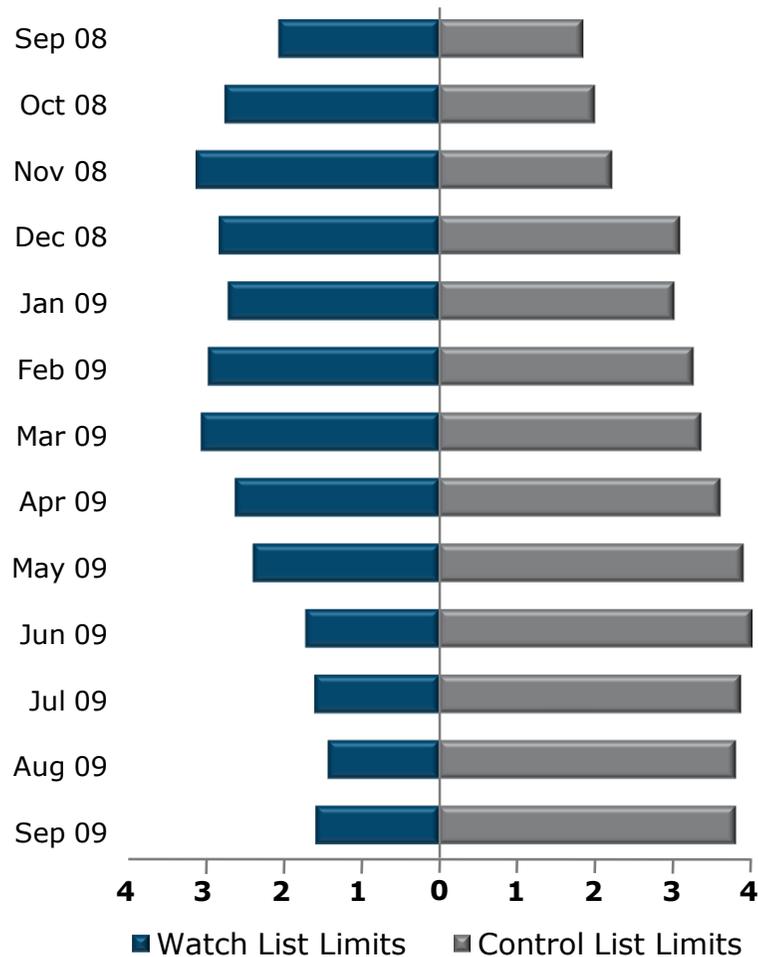


## Impaired Loans (Top 5 industries)

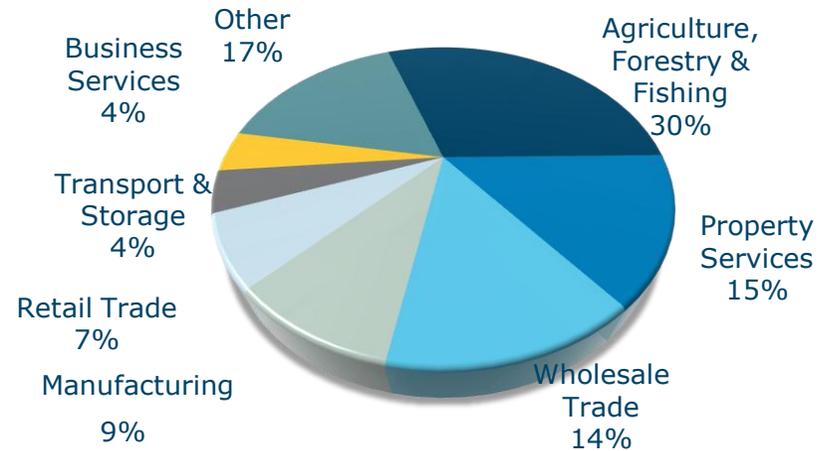


# Watch & Control lists: Control list stabilising, new names onto the watch list slowing in second half

## Watch<sup>1</sup> & Control List by limits (indexed)



## Watch list by industry Number of Groups (%)



### Watch list<sup>1</sup>

An alert report of customers with characteristics identified which could result in requirement for closer credit attention

Watch list reduced since March 2009 from easing risk concerns, debt reductions, equity raising and improved trading results

### Control List

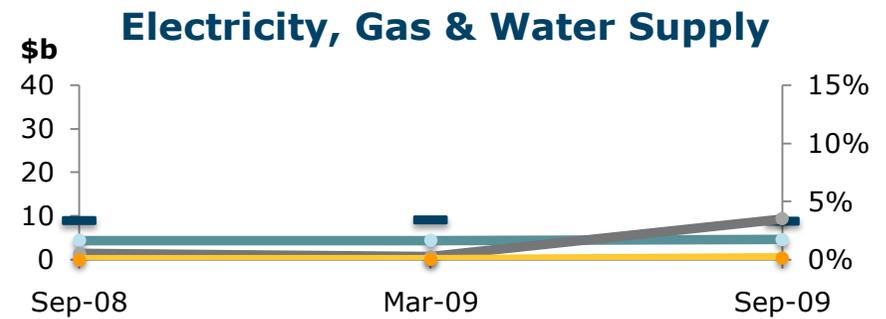
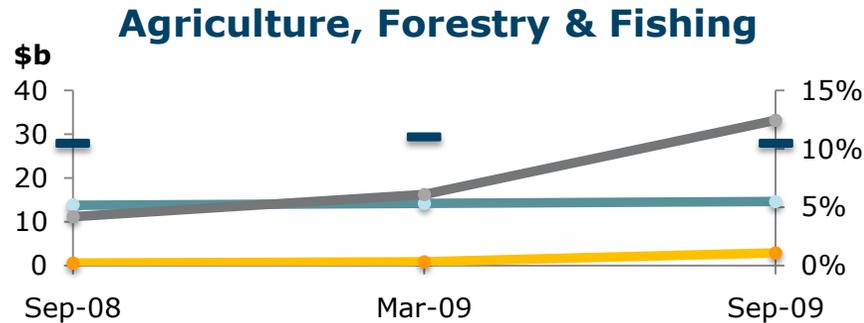
A report of high risk accounts which may or may not have defaulted

The number of new names on the control list has stabilised over the past 6 months

1. Watch list parameters have changed to watch lists disclosed in previous publications. Current watch list has been restated back to September 2008 for direct comparability purposes

# Commercial industry exposures

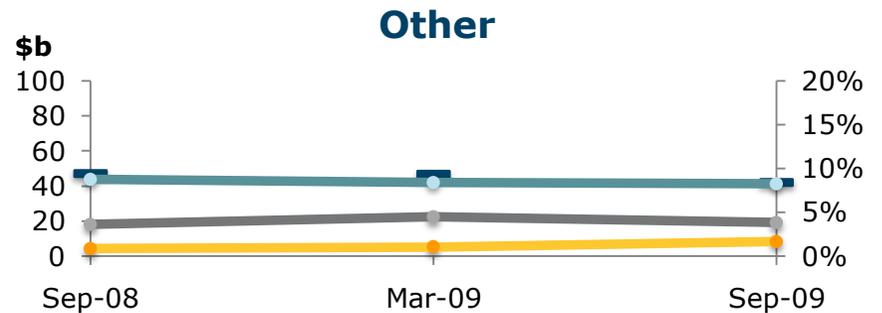
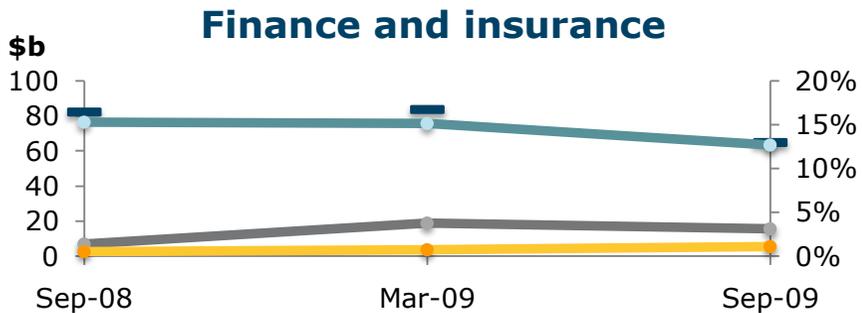
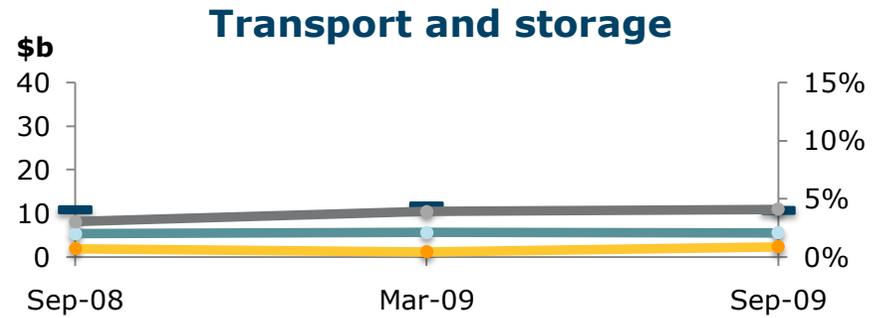
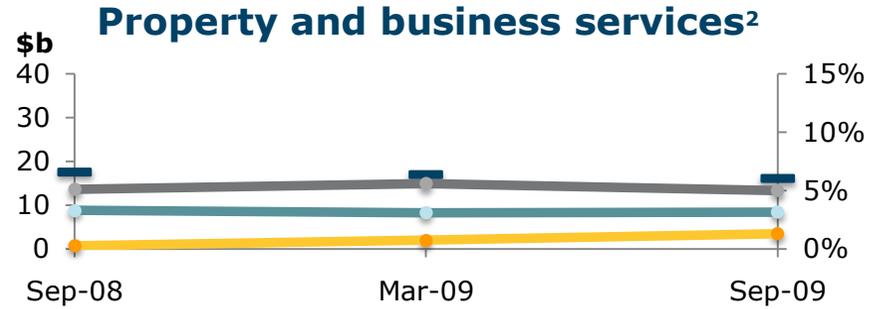
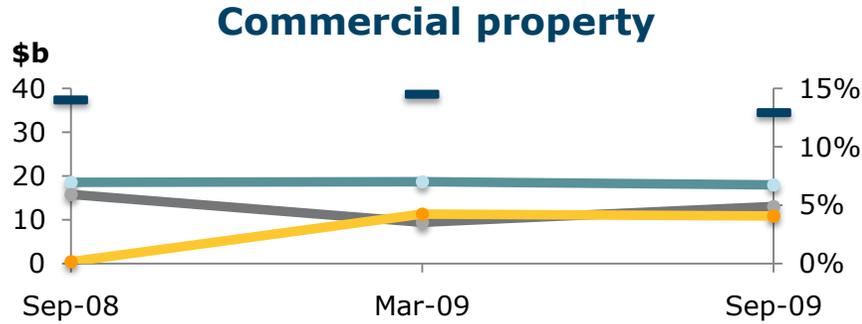
■ Exposure at default EAD (LHS)    — % of Group portfolio (RHS)    — % in non performing (RHS)<sup>1</sup>    — % in high risk (RHS)<sup>1</sup>



1. Percentage of the industry portfolio Exposure at Default

# Commercial industry exposures

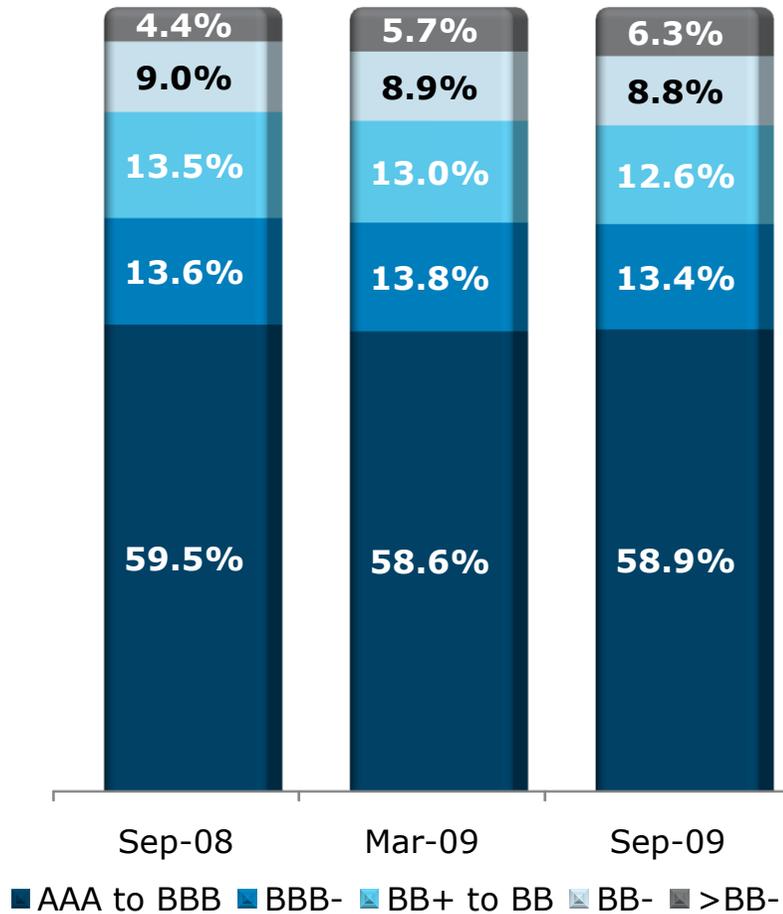
■ Exposure at default EAD (LHS) ■ % of Group portfolio (RHS) ■ % in non performing (RHS)<sup>1</sup> ■ % in high risk (RHS)<sup>1</sup>



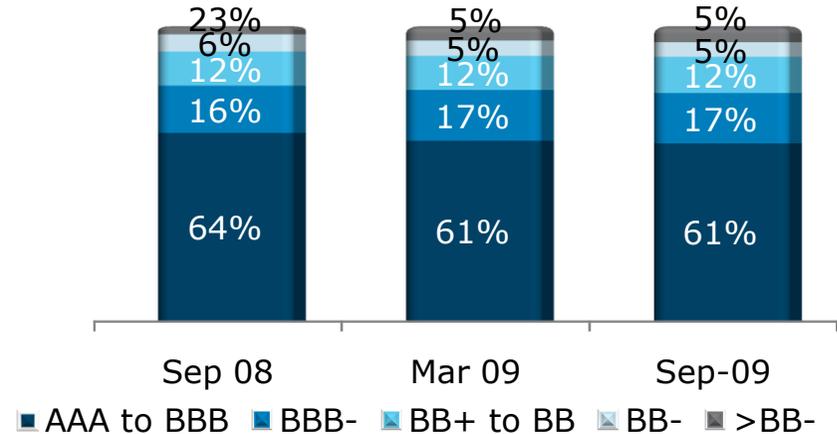
1. Percentage of the industry portfolio Exposure at Default, 2. excludes Commercial property – see separate category, 3. Includes Education, Accommodation, Cafes & Restaurants, Communication Services, Government Administration & Defence, Health & Community Services, Cultural & Recreational Services, Personal & Other services, Unknown and Non-classified

# Risk Grade Profiles and large industry exposures

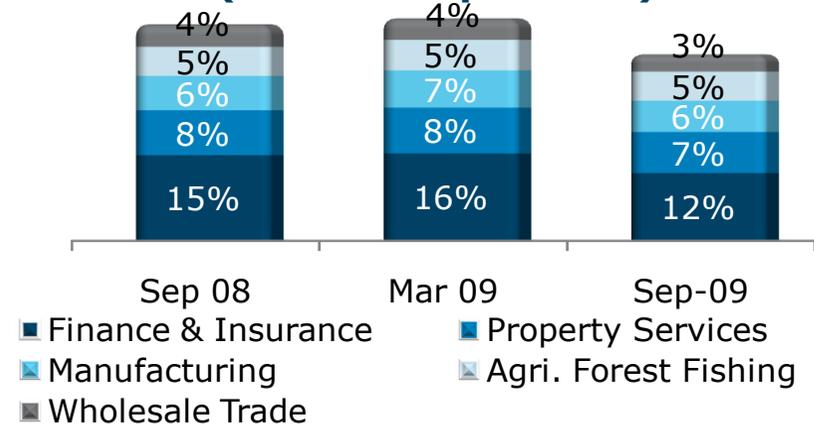
## Group risk grade profile by Exposure at Default



## Institutional risk grade profile by Exposure at Default

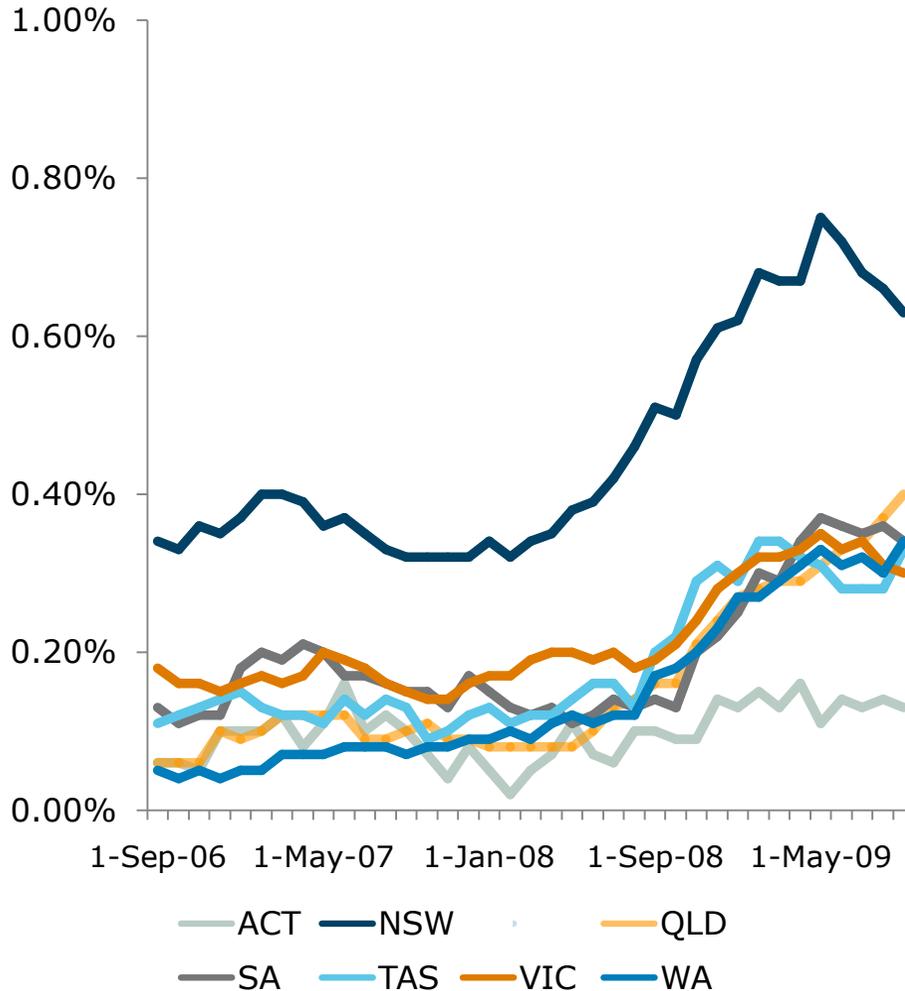


## Top 5 industries by EAD (% of total portfolio)

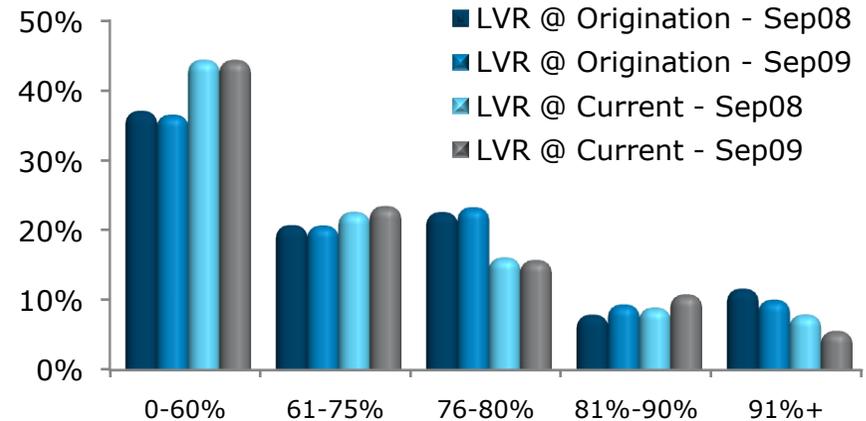


# Australia Retail – secured portfolio remains well positioned

## Australia Mortgages 90 day delinquencies by State (% of GLA)



## Mortgages Australia (Retail)

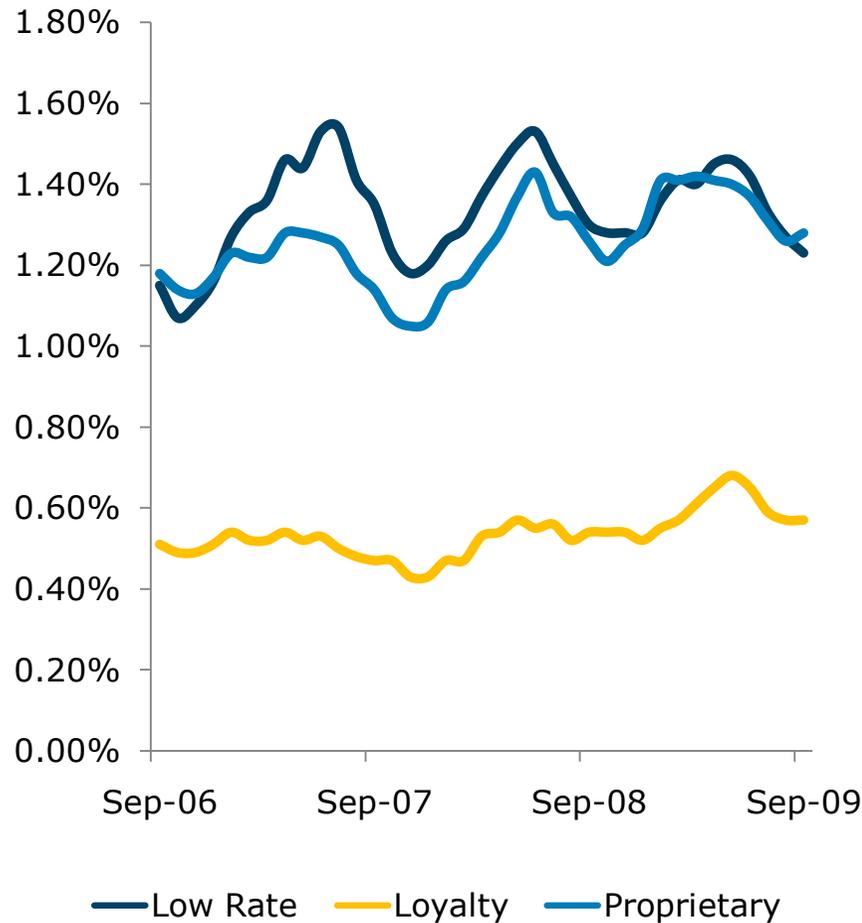


## Mortgage Loan Statistics

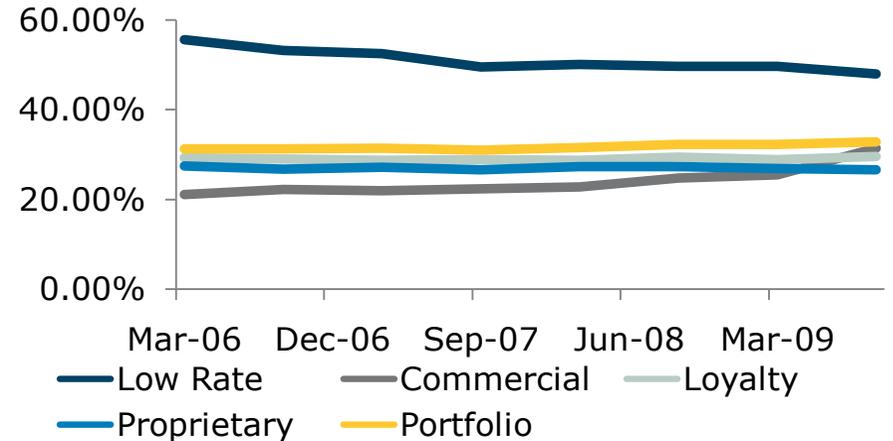
- Average new loan written between Mar-Jun 2009 was \$210k, compared to \$199k for comparable period in 2008
- Average LVR at origination 62.6%
- Average dynamic LVR 47.5%
- % of portfolio ahead on repayments 75%
- No subprime mortgages
- LoDoc 80 loans (80% LVR) make up less than circa 2% of the portfolio and are closed to new flows

# Australia Retail – unsecured portfolio tracking in line with prior year trends

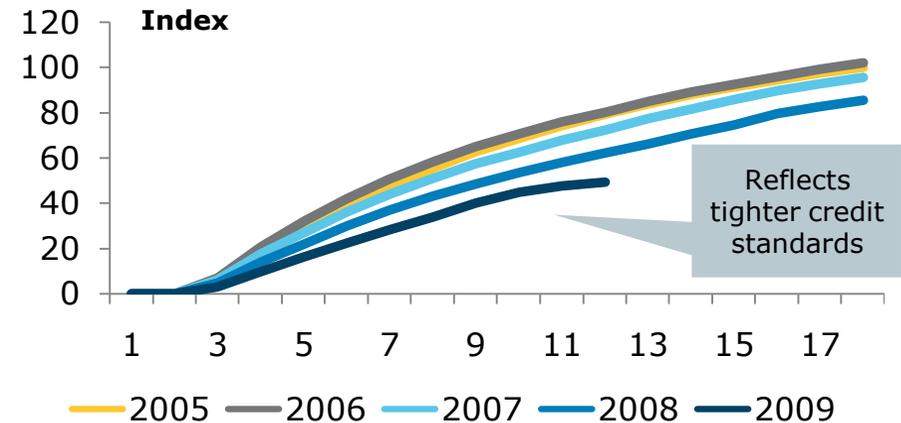
## Consumer Cards 90+ day arrears to outstandings



## Consumer Cards Utilisation (% of limit)



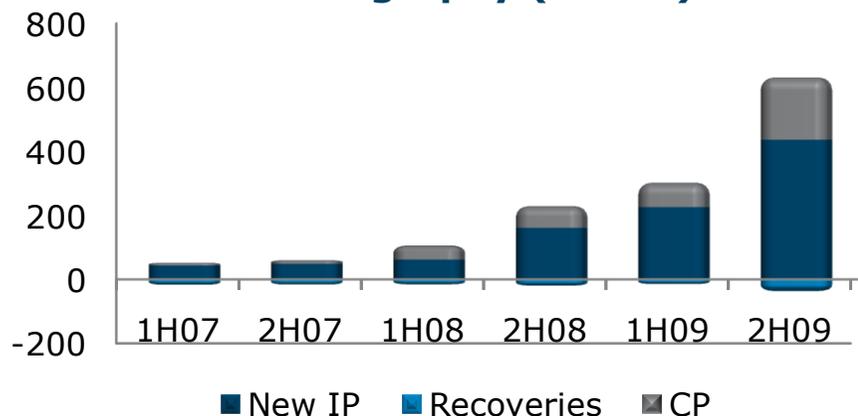
## Consumer Cards 30+ Arrears Month on books (Indexed as at FY05)<sup>1</sup>



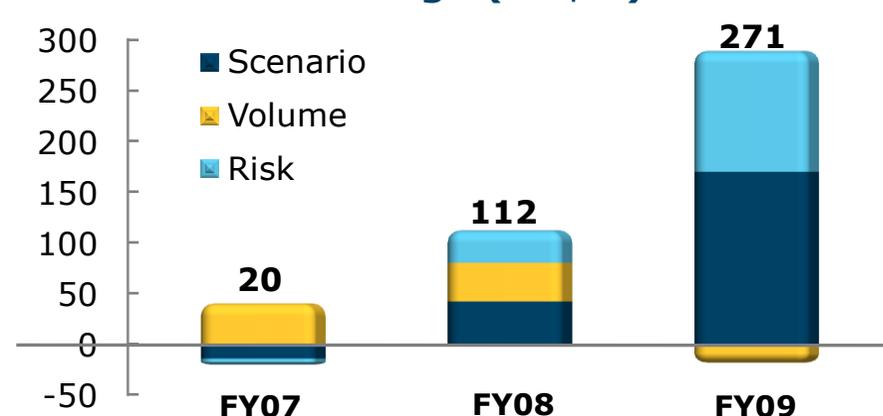
1. Excludes Aussie MasterCard MOB data. MOB based on ANZ Financial Year.

# New Zealand: Provisioning levels increasing as the impacts of recession percolate through the economy

## Provisions have grown from low levels NZ Geography (NZDm)



## Contribution to Collective Provision Charge (NZ\$m)



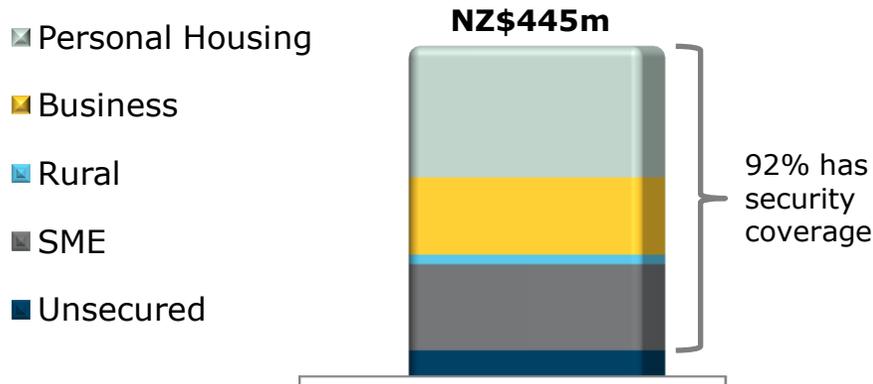
- The NZ economy experienced 5 quarters of recession before recording 0.1% economic growth in the June 2009 quarter.
- This recession has been the most severe NZ has seen since the mid 1970s.
- Provisioning has increased significantly as impacts of credit cycle move through the economy.
- While provisioning has risen, write-offs remain relatively low. Workouts are taking longer to finalise in the absence of refinancing options.
- Asset values (particularly housing) have stabilised.
- Collective provisions increased NZ\$159 to ensure appropriate coverage for potential losses across the portfolio.

## Individual Provision Charge Analysis

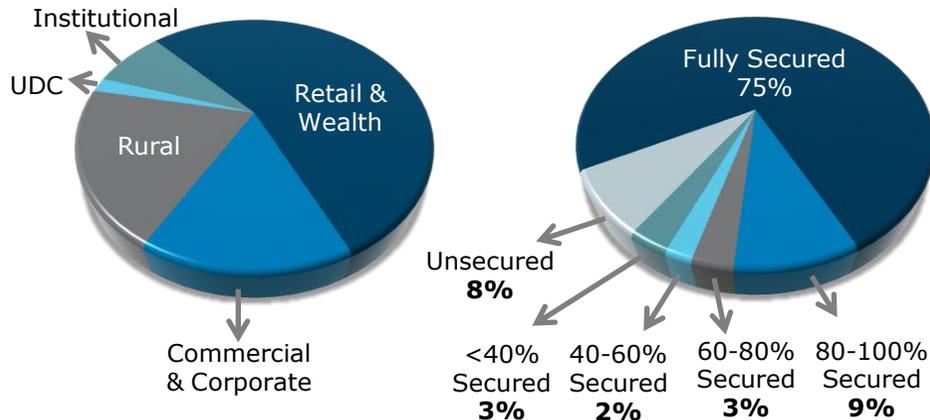
Category	IP Charge		Net Write-off	
	NZDm	bps	NZDm	Bps
Personal Housing	135	39	22	6
SME	68	44	28	18
Rural	52	28	19	10
Commercial/Insto.	273	103	101	39
Unsecured	90	386	88	383
<b>Total</b>	<b>618</b>	<b>63</b>	<b>258</b>	<b>26</b>

# New Zealand: Impaired Assets have increased however arrears have reduced

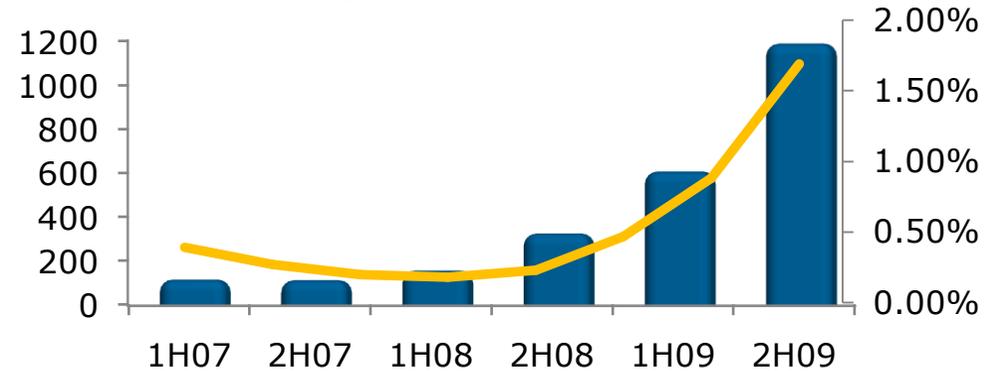
## 90 Days Past Due largely secured



## Well diversified and well secured book Gross Loans and Advances



## Non-performing loans



■ Non-Performing Loans (LHS) ■ % of GLA (RHS)

- Non-performing loans (NPL's) have increased across all portfolios.
- Rural segments, particularly dairy farmers, are now a more significant proportion of new NPL's.
- Given the high proportion of NPL's secured by property and the lack of refinancing options, recovery or rehabilitation involves a considerable work-out period.
- Arrears have reduced across most portfolios over the last quarter particularly in consumer and personal mortgages.
- Initiatives in customer credit education and early intervention strategies are having a beneficial impact on Retail arrears volumes and values.

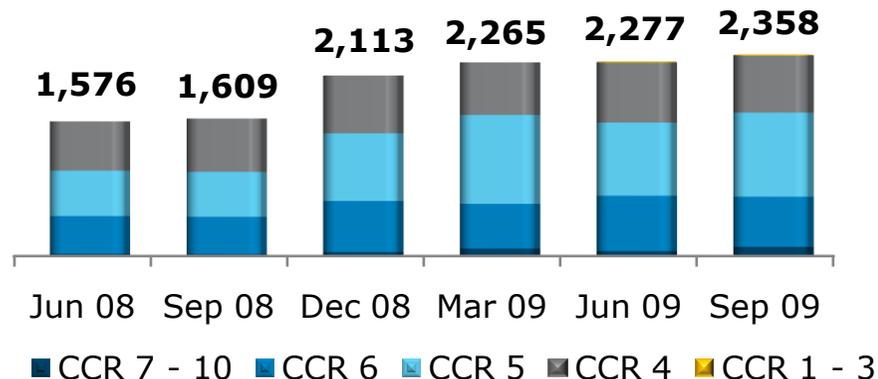
# New Zealand: Commercial credit quality holding up but Rural showing deterioration. Rural portfolio remains very well secured.

## Commercial credit quality maintained despite poor economic conditions

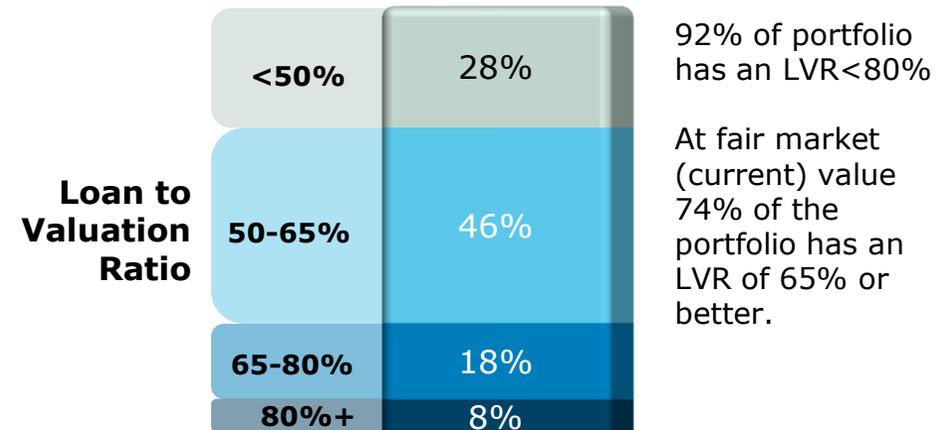
Average Commercial Customer Credit Rating							
	Mar 08	Jun 08	Sep 08	Dec 08	Mar 09	Jun 09	Sep 09
<b>Rural</b>	5.26	5.17	5.10	5.10	5.22	5.34	5.62
<b>C&amp;CB<sup>1</sup></b>	5.24	5.27	5.30	5.40	5.44	5.45	5.44
<b>UDC</b>	5.38	5.49	5.66	5.80	5.73	5.72	6.01

1. Commercial and Corporate Banking.

## Property Credit quality shows decline in CCR 1-4 with increase in CCR 7-10 (NZ\$b)



## Rural portfolio remains well secured



- Rural credit quality has reduced over the last year however a recent lift in dairy payouts is expected to provide some stability.
- Strength of the NZ dollar represents a continued headwind to the sector.
- Commercial segments also experiencing tough domestic conditions with single product and single market customers vulnerable to financial stress.
- Economic conditions are expected to remain difficult over the next year.
- Commercial property values are softening however tenancy levels remain relatively strong.



# 09 FULL YEAR RESULTS

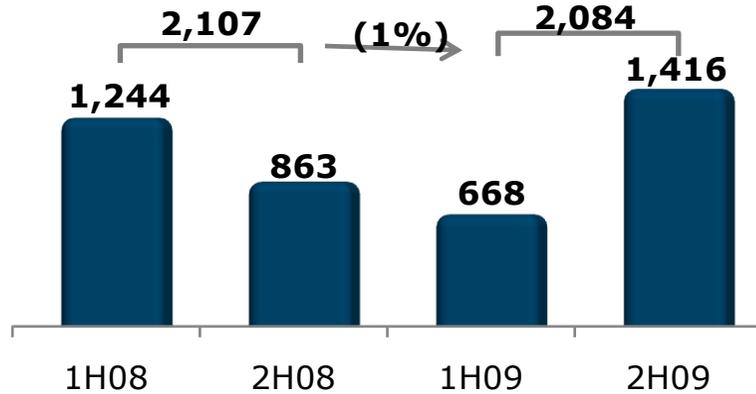
AUSTRALIA AND NEW ZEALAND  
BANKING GROUP LIMITED

REGIONAL PERFORMANCE

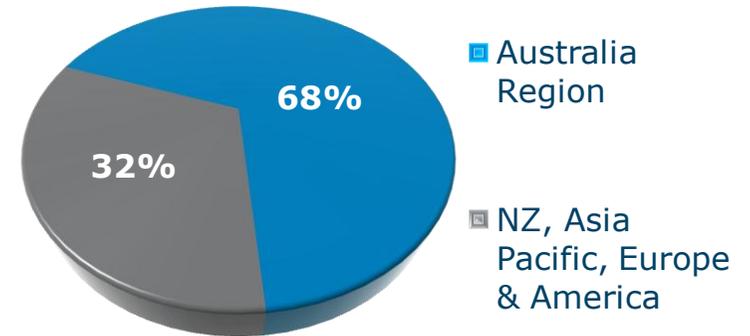


# Australia Region: Positive growth in the core Australian business

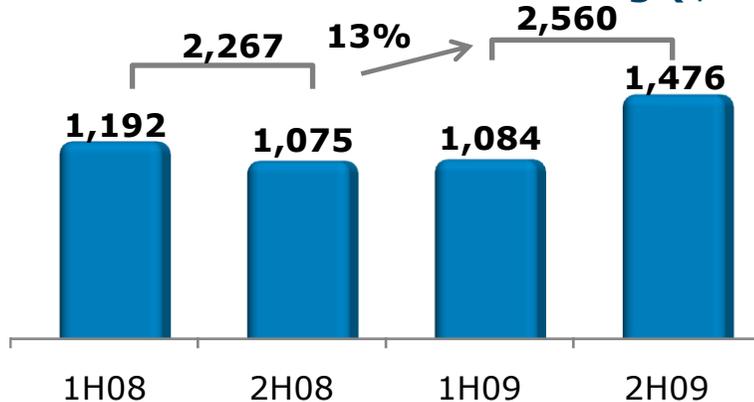
Reported NPAT impacted by statutory adjustments and higher provisions (\$m)



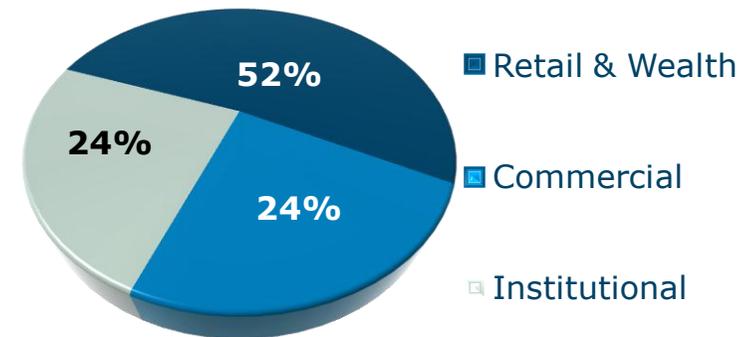
Significant contribution to Group earnings



Underlying NPAT reporting solid growth from core customer banking (\$m)

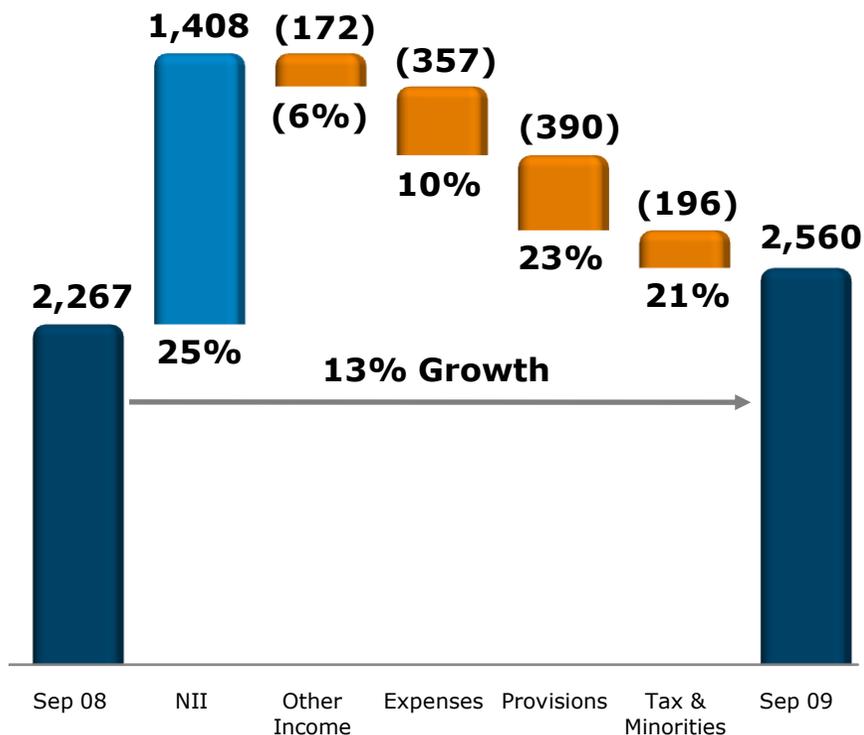


Diversified earnings across the segments



# Australia Region: Reported profit impacted by a number of non core items

## Australia Region – Underlying NPAT (\$m)

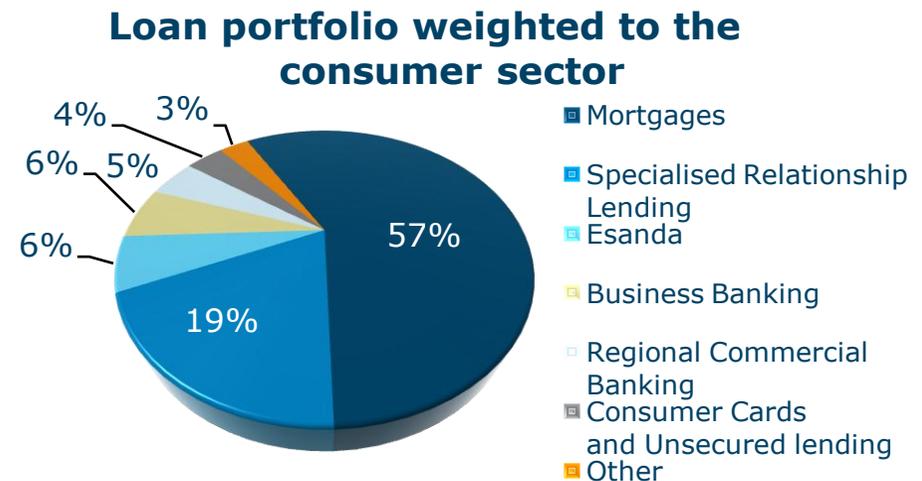
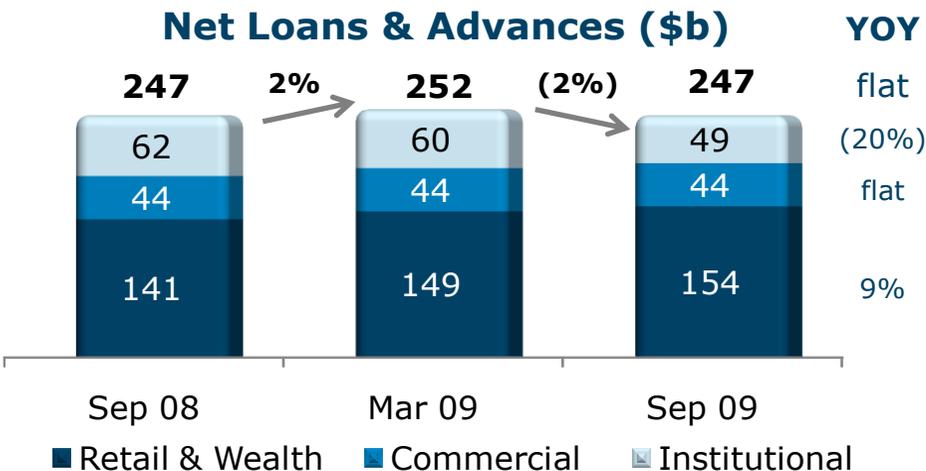
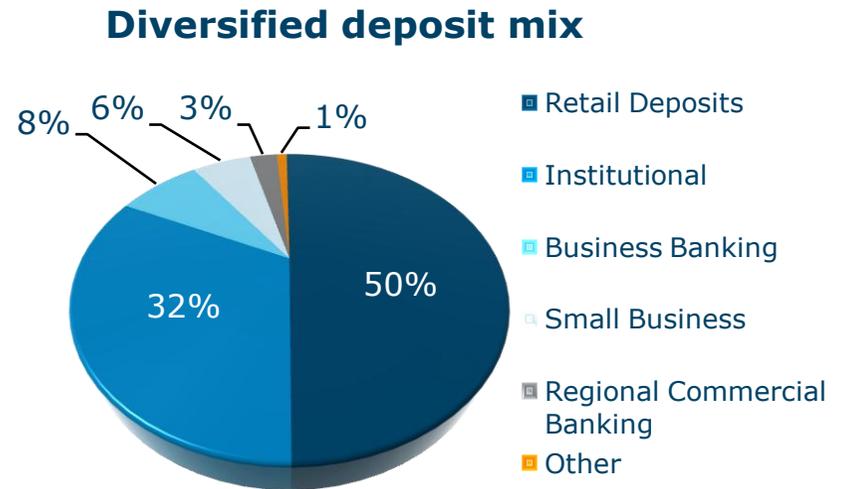
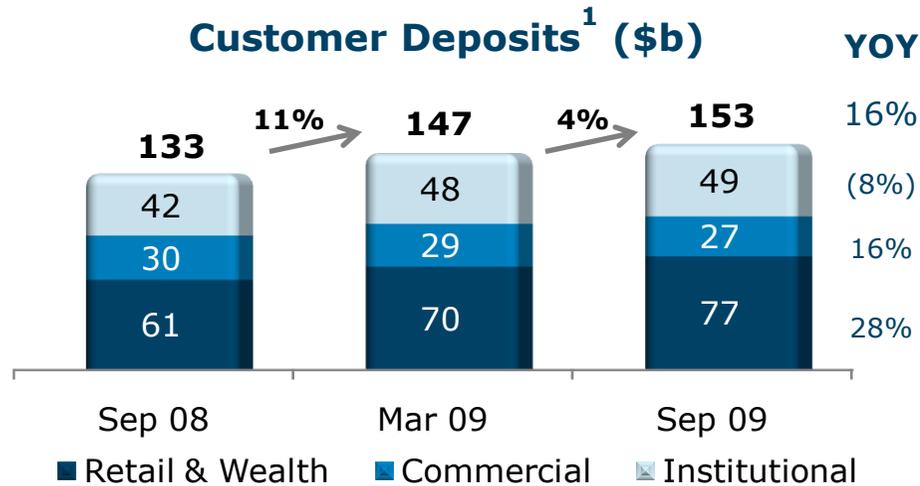


2009	\$m
<b>Reported NPAT</b>	<b>2,084</b>
Economic hedging	229
Other (Revenue hedges and organisational transformation)	(7)
<b>Cash profit</b>	<b>2,306</b>
Credit intermediation charges	69
One ANZ restructure	73
Non continuing businesses	112
<b>Underlying profit</b>	<b>2,560</b>

### Underlying performance

- Stronger **net interest income** from 7% increase in average net loans, 11% increase in average deposits and margin improvement
- **Other income** benefited from strong sales and trading income in markets, increase in deposit income, offset by markets derivative impacts, wealth investment and advisory income
- **Expense growth** driven by staff associated costs and systems
- Higher **provisions** from large single names and higher impairments across portfolios

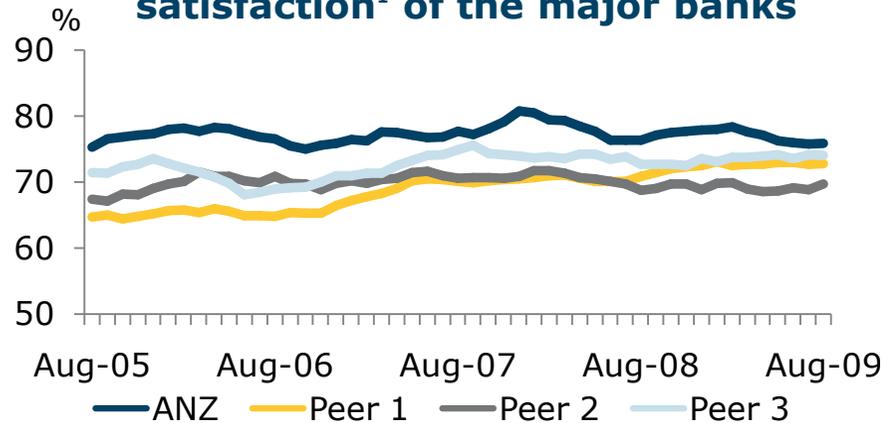
# Australia Region: Improved lending coverage through strong deposit growth, while managing diversified portfolios



<sup>1</sup>Change in Esanda legal ownership negatively impacted 2H09 Commercial segment growth with some benefits to Retail segment with the establishment of Esanda Term Deposits and some Esanda Debenture deposits to ANZ accounts

# Australia Division: Strong franchise, continuing to perform

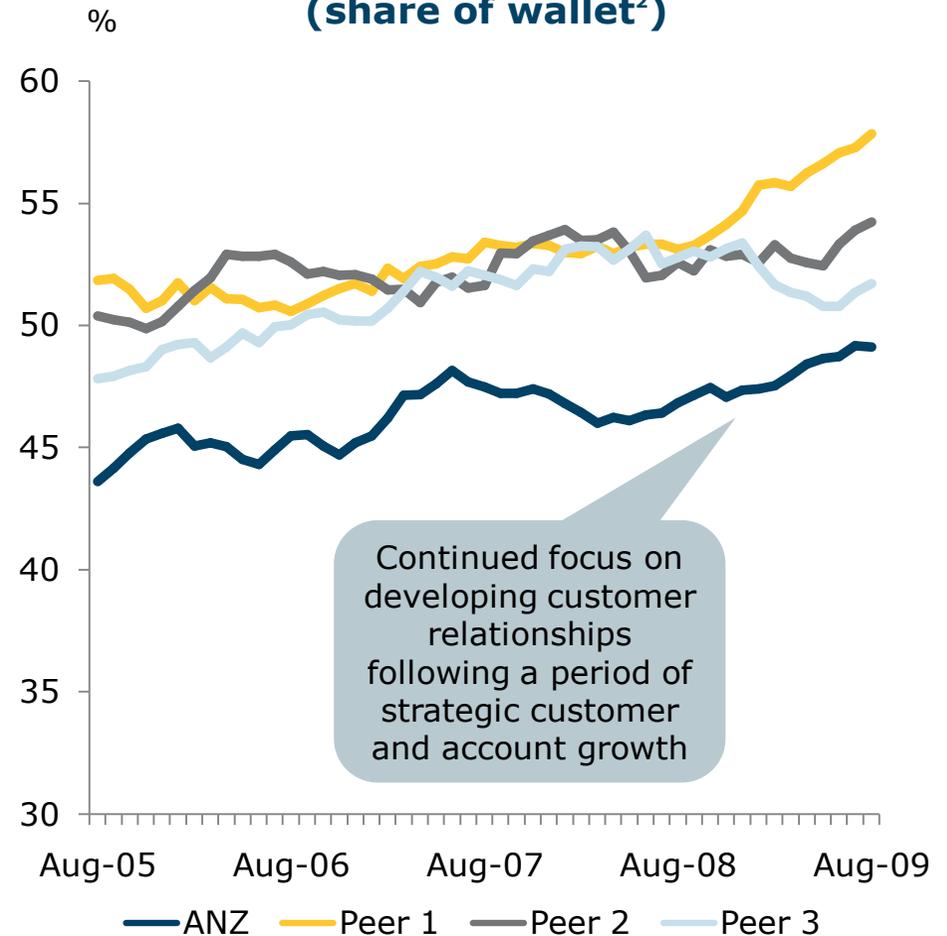
## Maintained strongest customer satisfaction<sup>1</sup> of the major banks



## Points of contact underpin solid customer growth

- Retail customer accounts up 11%
- Commercial customers ex Esanda up 6%
- ATMs up 4% to 2,606
- Maintained in excess of 800 branches

## Deepened customer relationships (share of wallet<sup>2</sup>)

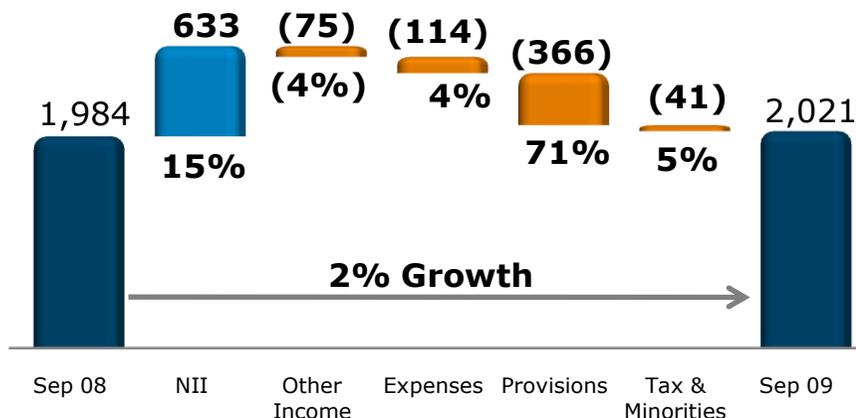


1. Source: Roy Morgan Research – Aust Main Financial Institution Pop'n aged 14+, % satisfied (very or fairly satisfied), rolling 6 months

2. Source: Roy Morgan Research – Aust +14 Traditional Banking. Share of an institution's customer's money captured by that institution, rolling 12 months

# Australia Division: Standout growth in Retail, Commercial performing in a difficult market, equity market impacting Wealth

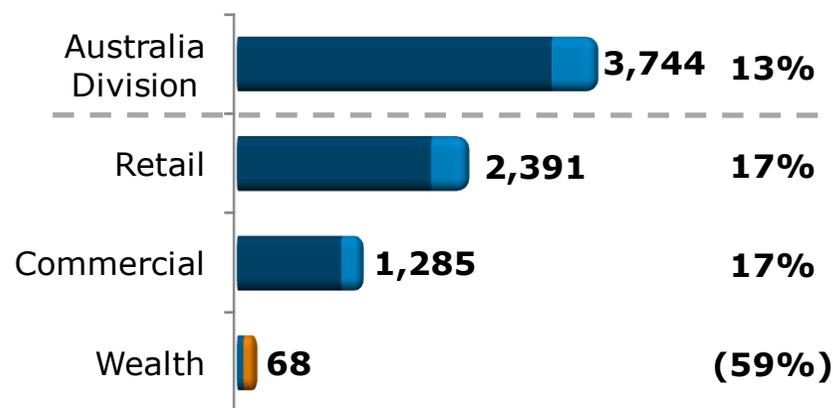
## Australia Division – NPAT (\$m)



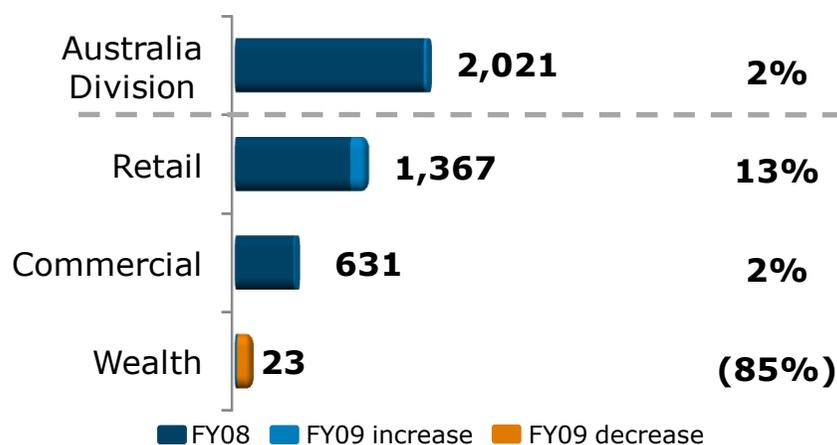
## 2H09 performance by segment

(2H09 vs 1H09)	Profit before Provisions growth	NPAT Growth
<b>Australia Division</b>	Up 11%	Up 15%
<b>Retail</b>	Up 14%	Up 20%
<b>Commercial</b>	Up 1%	Up 9%
<b>Wealth</b>	Up 96%	Down 56%

## 2009 full year performance by segment Profit Before Provisions (\$m)



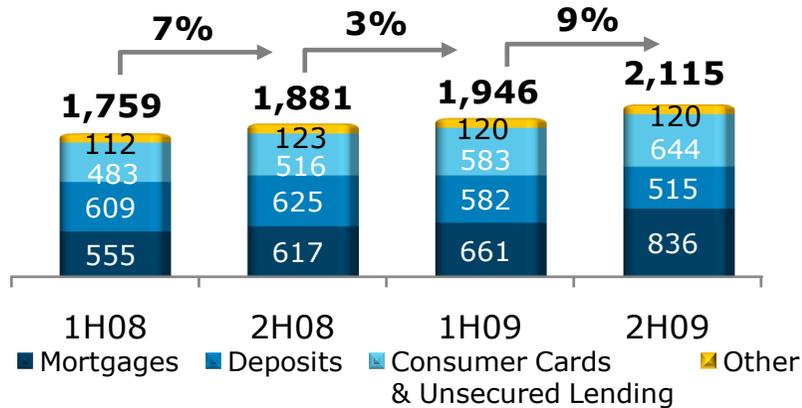
## NPAT (\$m)



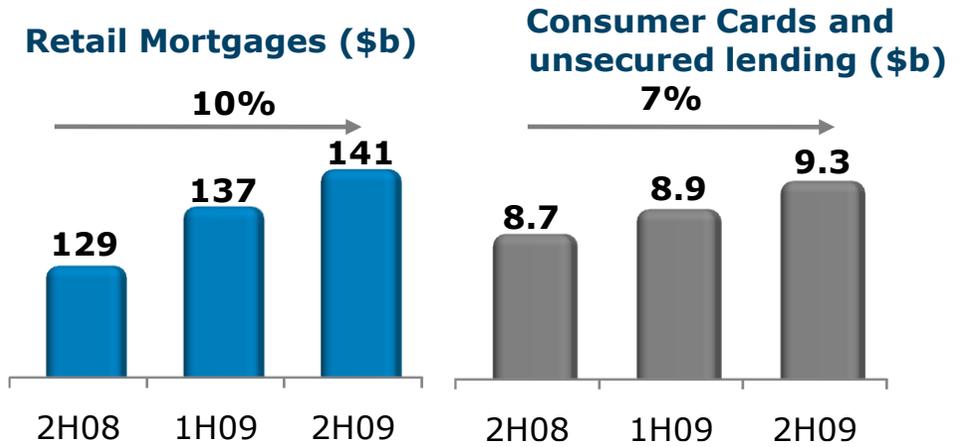
■ FY08 ■ FY09 increase ■ FY09 decrease

# Australia Retail: Delivering higher revenue growth and prudent management of balance sheet

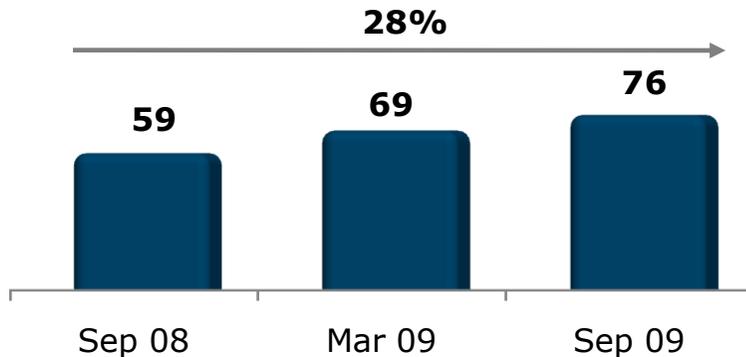
## Solid revenue growth with composition impacted by higher funding costs (\$m)



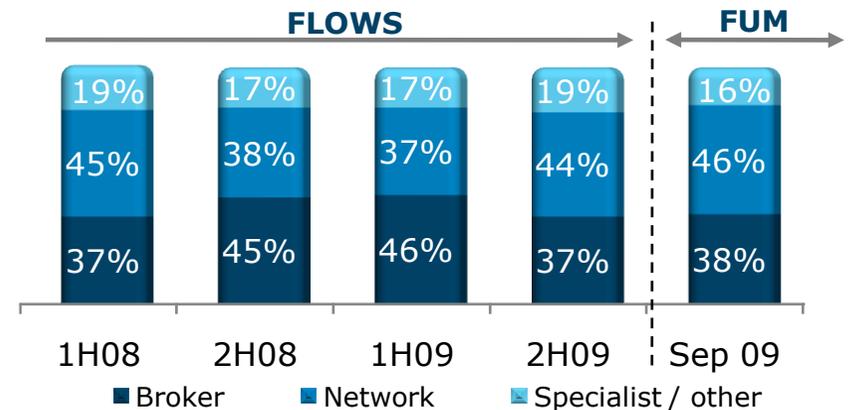
## Measured mortgages and cards growth



## Strong deposit growth has funded the increase in retail lending (\$b)

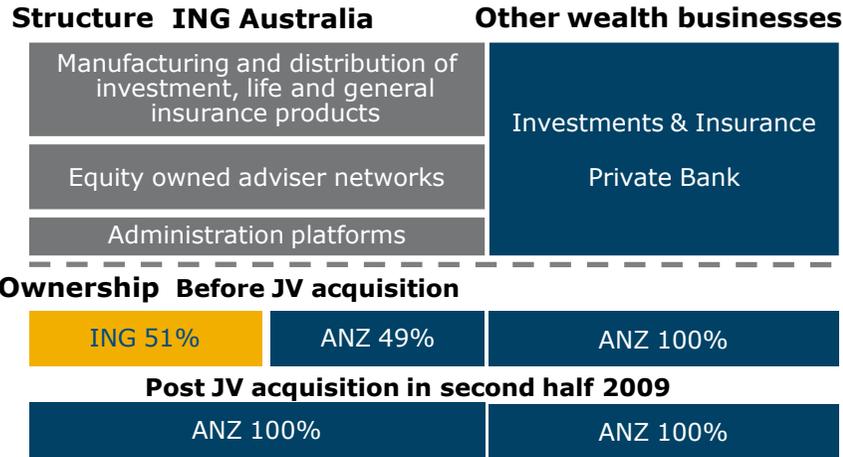


## Diversified mortgage flows across channels

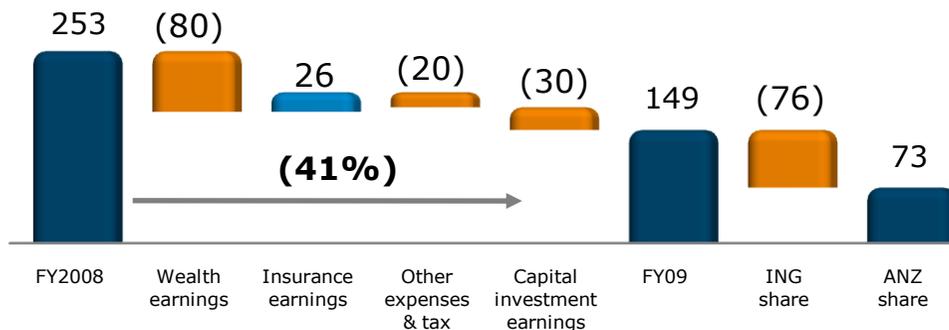


# Australia Wealth: Performance impacted by market conditions

## Increased scale in Wealth Management through the acquisition of ING JVs



## INGA: Growth in insurance business offset by lower wealth and capital investment earnings, impacted by market conditions (\$m)



## Investment and Insurance products

- Increase in E\*Trade volumes 4% Year on Year  
40% Half on Half
- Increase in average Investment Lending NIM up 109% year-on-year
- In excess of 20% uplift in life and general insurance sales
- Improved cross-sell and better product proposition

## Private Bank

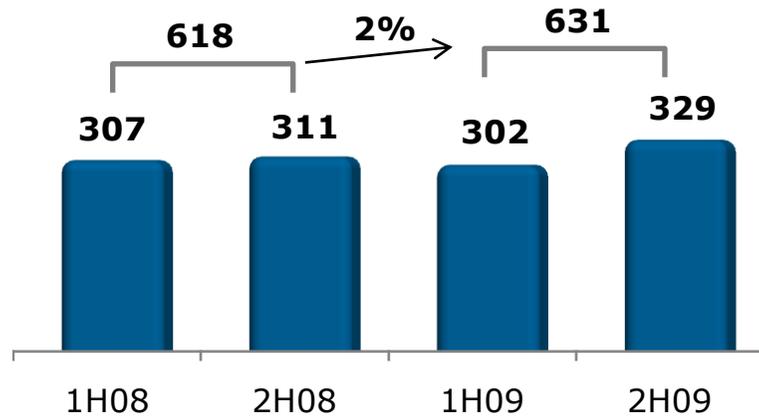
- Awarded Euromoney Magazine's Best Local Private Bank in Australia 2009

## Wealth impacted by:

- Lower investment sales and FUM in Financial Planning
- Investment losses in INGA following de-risking portfolio
- Impact of suboptimal portfolio construction in Private Bank
- Higher provisions related to Investment Lending legacy book

# Australia Commercial: Delivering 17% pre provision profit, NPAT impacted by difficult economic conditions for the middle market

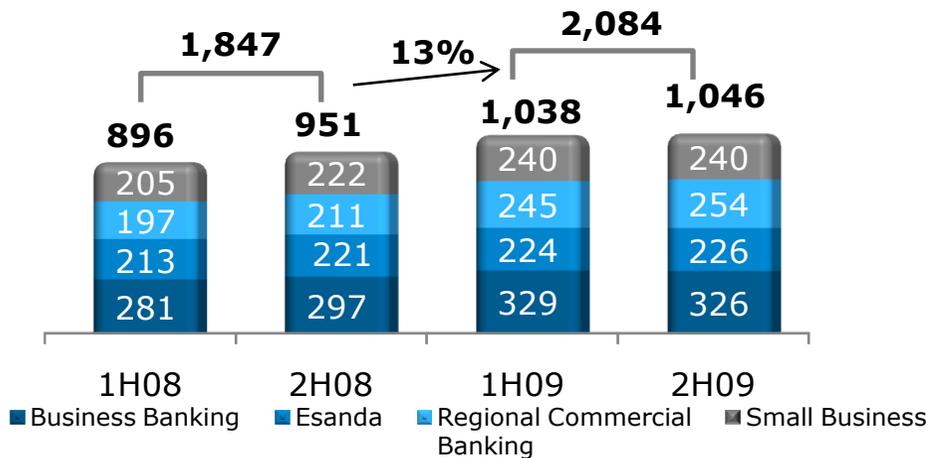
**NPAT (\$m)**



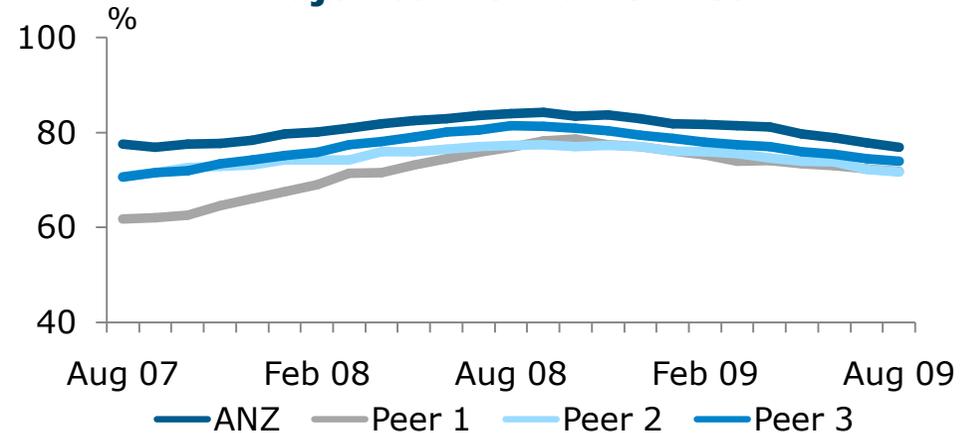
**Comments:**

- Increase in margins from re-pricing for higher funding costs and risk
- 7% Jaws in FY09 while continuing to invest in the business
- Provisions increased 83% to \$380m in FY09 reflecting a decline in market conditions
- Continued to work with customers throughout the economic downturn, maintaining number one customer satisfaction amongst the major Australian banks

**Revenue (\$m)**



**Highest customer satisfaction of the major banks maintained<sup>1</sup>**



<sup>1</sup> Source TNS business finance monitor. Businesses with turnover <\$40m.

# APEA<sup>1</sup>: Strategically building our presence in the region

## Europe & America

- Region focussed on the servicing of global investment grade customers with multi-product and multi-geographic banking needs in ANZ's super-regional footprint
- Local operations concentrating on delivery of Markets and Relationship Banking product
- Delivered significant revenue growth in 2009 by leveraging ANZ's strong name as a differentiation point

## Banking in Asia since 1969 Banking in the Pacific since 1880



## North East Asia

- Institutional and NEA hub established in Hong Kong, including new dealing desks for up to 65 traders
- Opened one new branch in China
- Strong contribution from Partnerships (SRCB and BoT)
- Built Wealth proposition in China and continued to broaden proposition in Hong Kong

## South & South East Asia

- 14 new branches/representative offices in 2009 (now 45) in key locations
- Local incorporation in Vietnam
- Continued to broaden Wealth propositions in Singapore Vietnam and Indonesia
- Increased ownership in Partnerships (Panin and AMMB)
- Significant growth in Singapore Institutional business

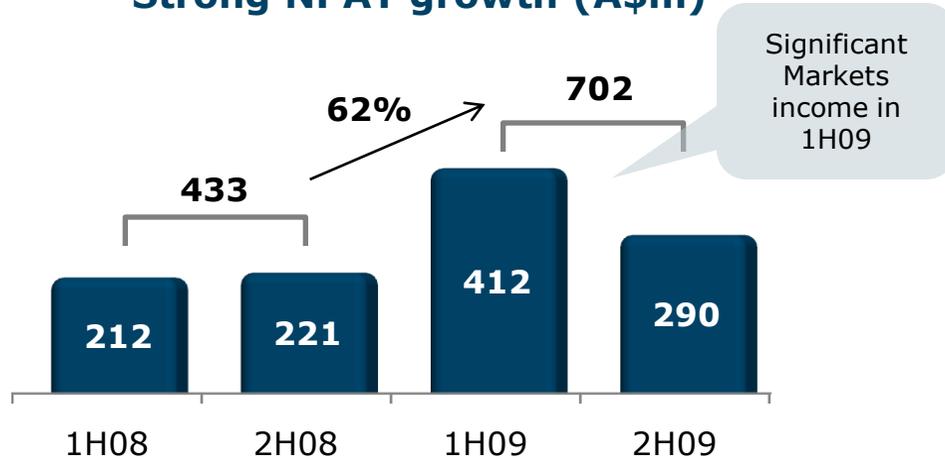
## Pacific

- Opened new Corporate HQ and Branch in PNG Harbor City
- Implemented a regional structure to harness opportunities of countries aligned by geography, economics and/or regulatory regimes
- Developed a Financial Institutions offering to capitalise on opportunities present in a number of Pacific countries

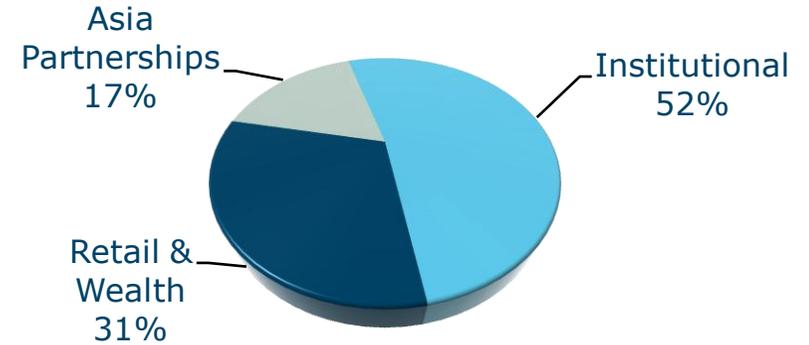
<sup>1</sup> Asia Pacific, Europe & America

# APEA: Increasing contribution to Group earnings from a diversified portfolio, while continuing to invest in the region

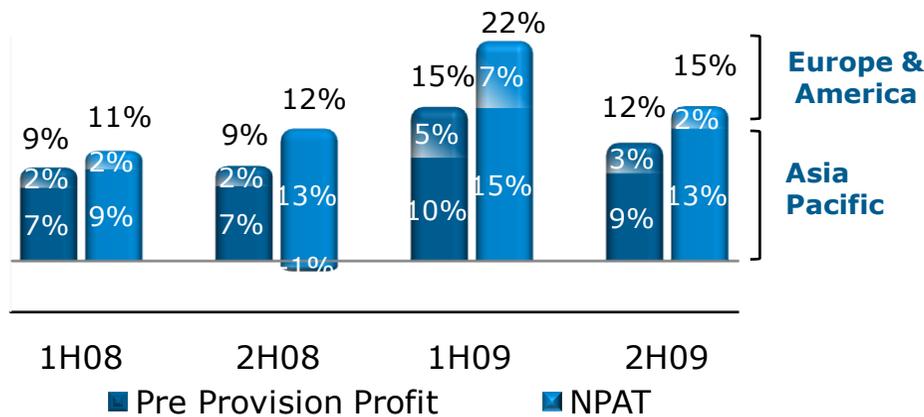
## Strong NPAT growth (A\$m)



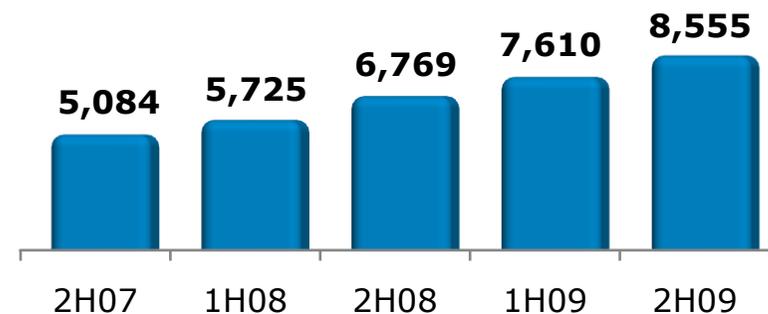
## Diversified source of income (Earnings by segments %)



## A meaningful contribution to Group earnings (% of Group)



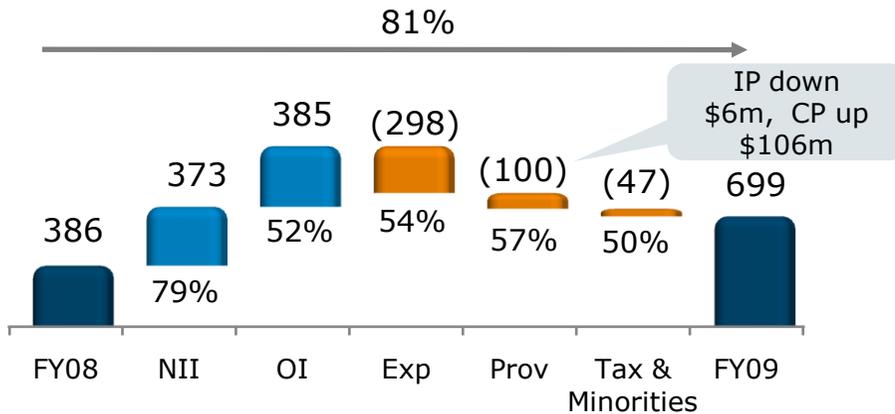
## Increase in staff reflects investment in strategic markets & regional support



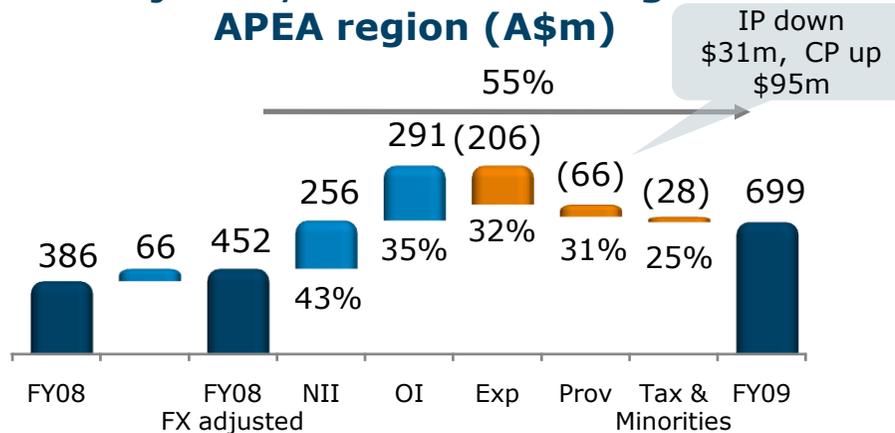
1. Includes staff in Bangalore

# APEA: Significant growth despite challenging economic conditions

## APEA region NPAT (A\$m)

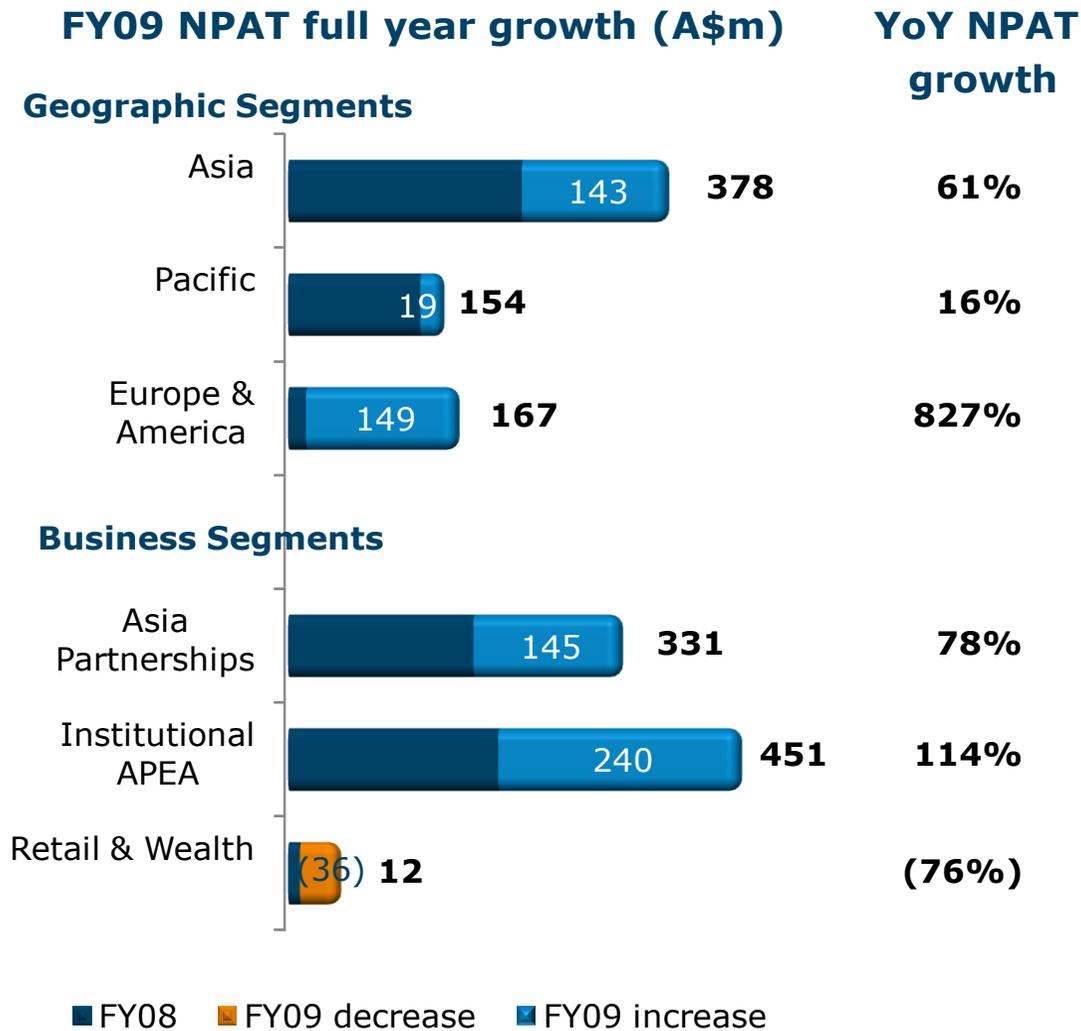


## FX adjusted, result still strong for APEA region (A\$m)



- NII growth underpinned by significant growth in our Markets business
- NIM increased from 1.23% to 1.70%
- Positive jaws of 9% year-on-year
- Significantly higher fee and other income driven by Markets businesses, leveraging market volatility, and Partnerships contribution
- \$100m provision increase year-on-year from portfolio re-rating, impacted by the GFC
- Depreciation of the AUD in 2009 versus 2008 provided a boost to FY09 earnings
- However, exchange rates have unfavourably impacted the September 2009 half with the appreciation of the AUD against other currencies since 31 March 2009

# APEA: Continued strategic investment in Retail and Wealth funded by strong Institutional and Partnerships performance



## Asia Partnerships

- Continued strong growth in contribution, particularly from AMMB, SRCB and BoT

## Institutional APEA

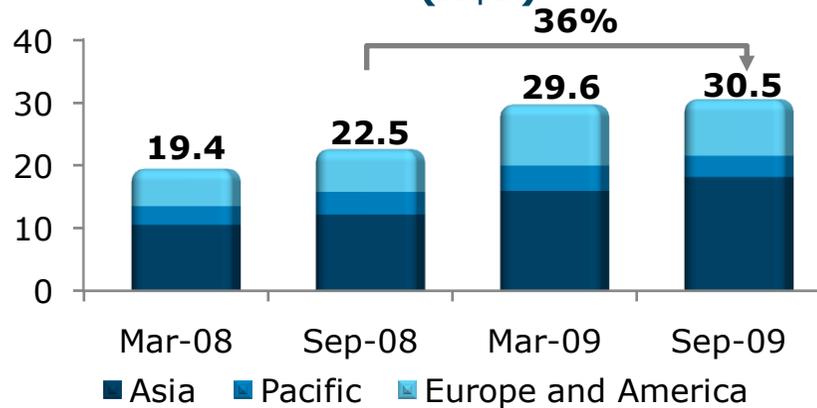
- Growth fuelled by higher Markets earnings in both sales and trading driven by currency volatility in the region particularly in 1H09
- Higher volumes and improved margins

## Retail & Wealth

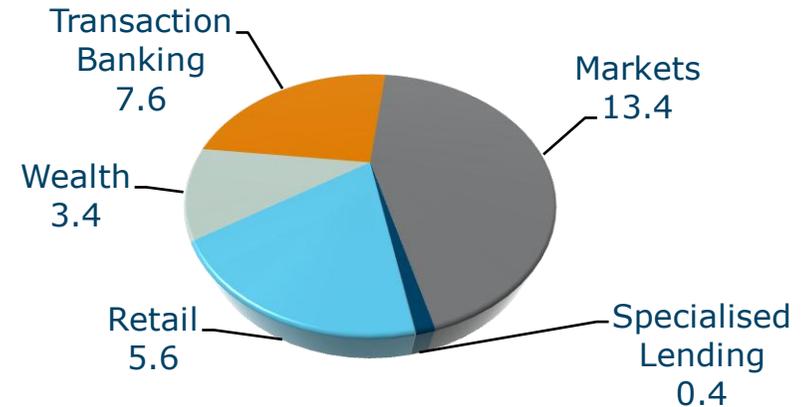
- Achieved 25% revenue growth whilst continuing to invest in key strategic markets including Vietnam & Indonesia
- Opened 16 new branches in the region

# APEA: Deposit led strategy delivering strong growth and funding the region's lending activities

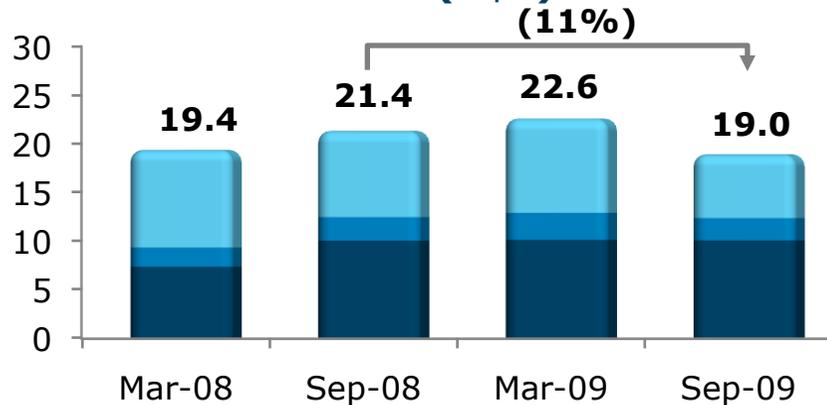
**APEA Customer Deposits by geography (A\$b)**



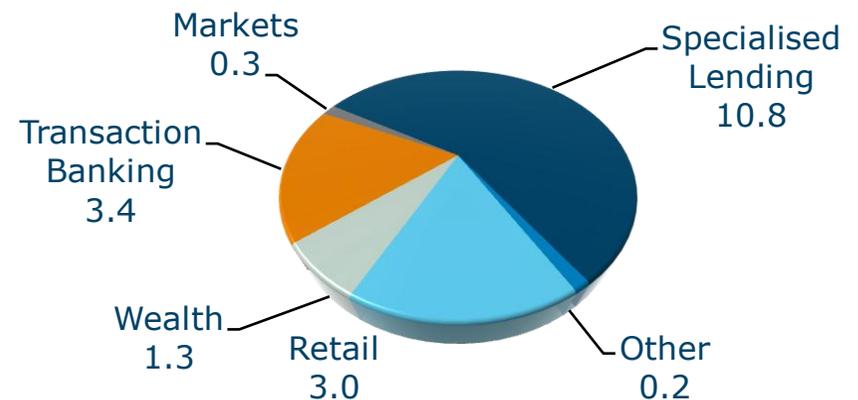
**Customer Deposits by business at Sep 09 (A\$b)**



**APEA NLAs incl. acceptances by geography (A\$b)**

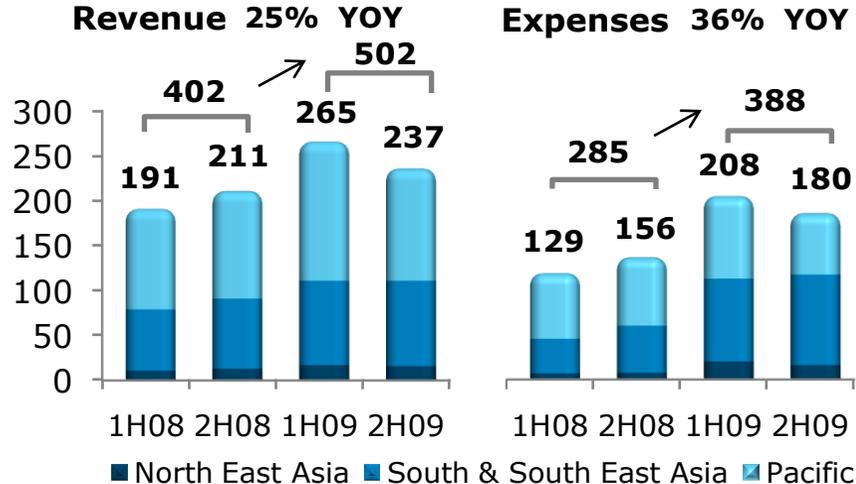


**NLAs incl. acceptances by business at Sep 09 (A\$b)**

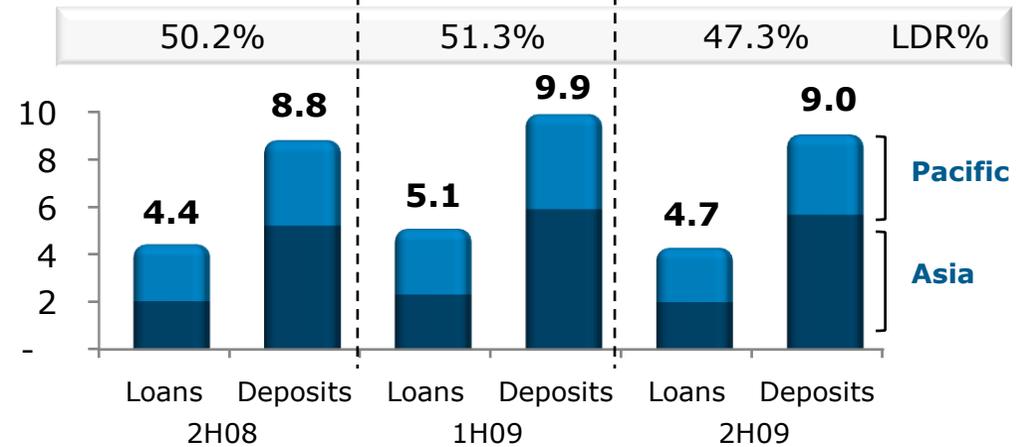


# APEA: Retail & Wealth businesses continue to invest in key strategic markets to position for longer-term growth

## Revenue and expenses by region (A\$m)

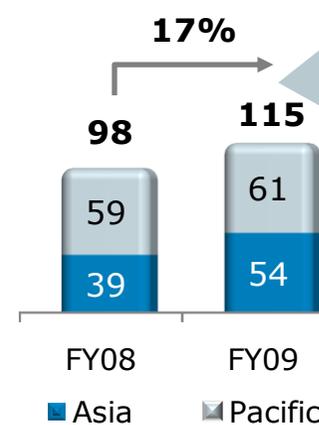


## Retail NAs and customer deposits (A\$b)

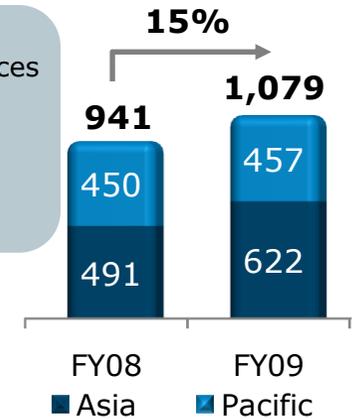


- Negative jaws reflects ongoing investment in Retail and Wealth platforms
- Strong year-on-year revenue growth of 25%
- Excluding the impact of FX, HOH revenue growth is +4% (Asia Retail +17%, Wealth +15%, Pacific -6%)
- Pacific 2H09 performance impacted by political and regulatory environment including devaluation of the Fijian dollar
- Significant investment in 2H09 including 8 new branches opened across the region and adding bench strength to the front line

## Branches<sup>1</sup>



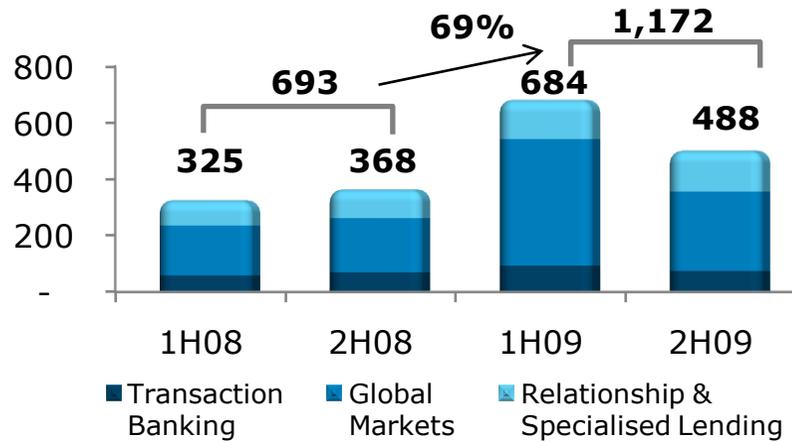
## Customer growth ('000s)



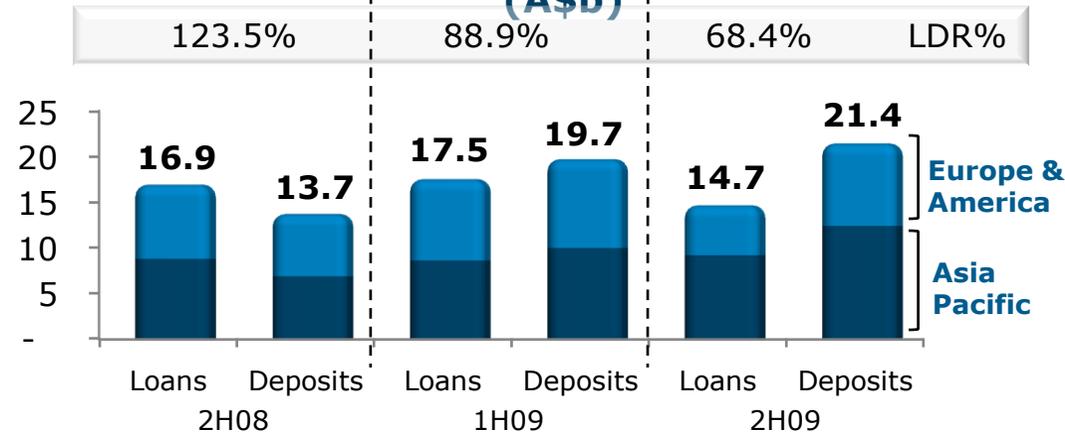
1. Branches also include Representative offices

# APEA: Institutional delivering significant earnings growth from core customer banking relationships

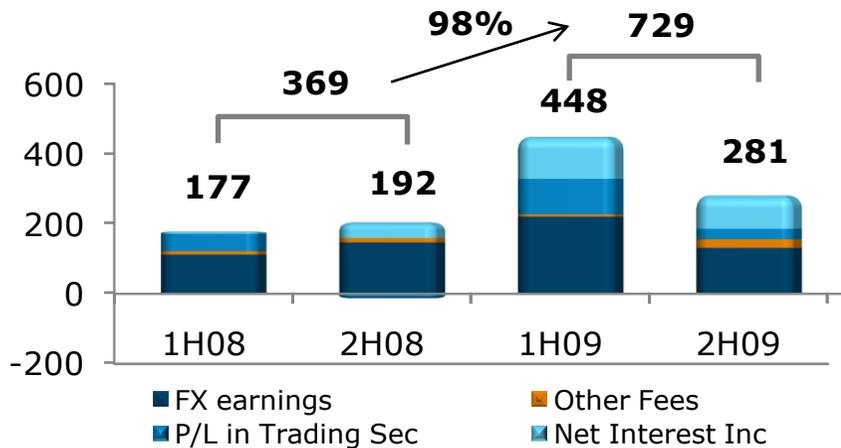
## Income by Institutional business (A\$m)



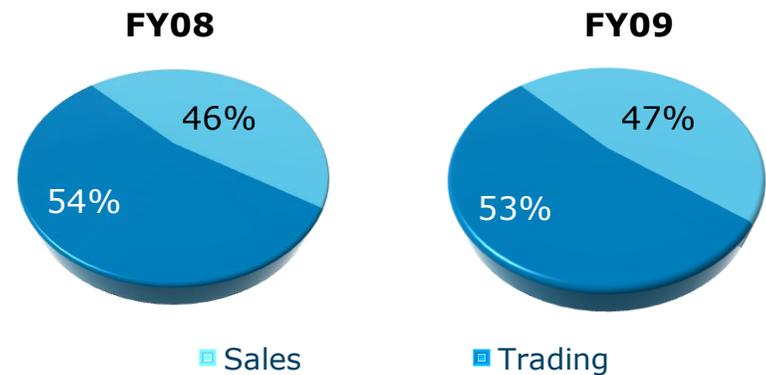
## Institutional NLAs and customer deposits (A\$b)



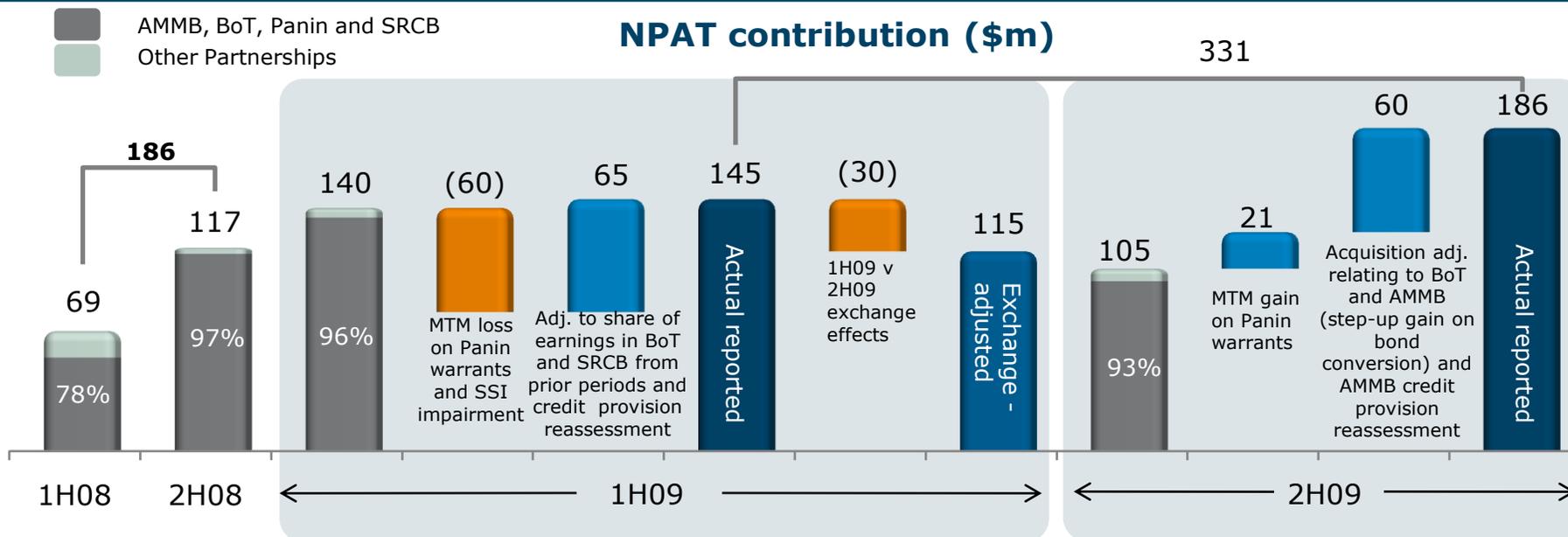
## Markets income by source (A\$m)



## Markets income – consistent Sales vs Trading mix



# APEA: Continued strong contribution from Asia Partnerships



## Strong profit contribution continued

## Fundamentals remain sound

- Continued strong growth in partnerships driven by higher contributions through equity accounted earnings (AMMB, SRCB and BoT in particular) including reassessment of credit provision requirements
- Mark-to-market loss on Panin warrants recognised in 1H09 but partly recovered during 2H09 when share price recovered
- SSI impairment charge taken in 1H09
- Solid fundamental value seen in strategic assets, share price performance staged a strong comeback since 1H09 as equity markets worldwide recovered
- Well-positioned to overcome headwinds from Global Financial Crisis and deliver on aspirations
- Continued commitment to Asia Partnerships – Panin ownership increased to 38.6% and AMMB to 23.8% in 2009

AMMB Holdings Berhad (AMMB) Shanghai Rural Commercial Bank (SRCB) Bank of Tianjin (BoT) Saigon Securities Incorporation (SSI)

# New Zealand Region: faces some short-term performance headwinds

## Strengths

### New Zealand longer term economic performance

GDP Growth	Australia	New Zealand
1998-2008	3.0%	2.8%
1998-2012 (f)	3.0%	2.7%

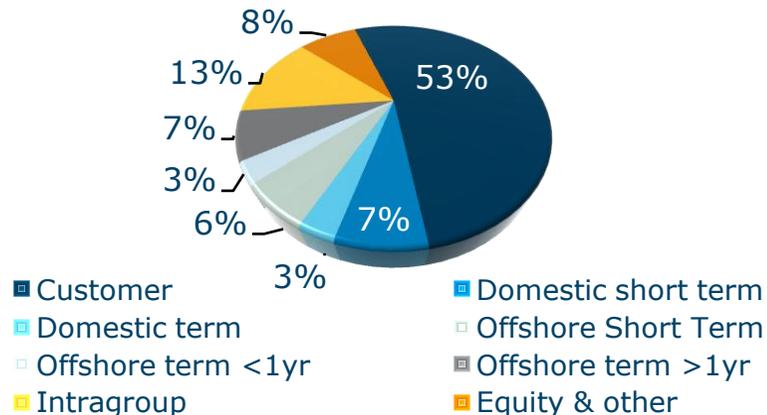
### Connectivity with Super Regional strategy.....

Australia is New Zealand's largest trade partner, and Asia is the fastest growing. Retail, Commercial and Institutional all have important Asia / Pacific links

### Leading Market share position

### Strong Balance Sheet and Liquidity positions

### Funding profile



## Short-term performance headwinds

### Economy fragile in the near term

- Recovering from five quarters of domestic recession
- Credit forecasts subdued, reflecting household de-leveraging, recovery needs to be export-led
- Strong NZ dollar has hampered export growth

### FY09 performance impacted by:

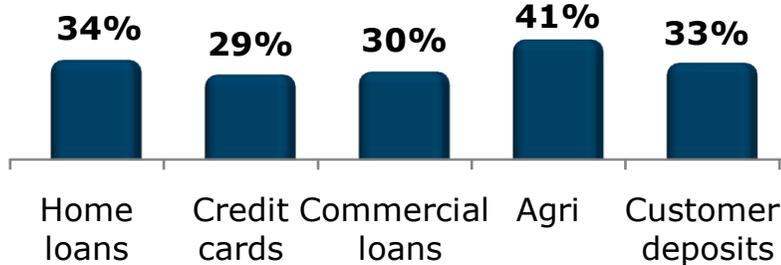
- Rising credit losses
- Increased funding costs and deposit competition
- Fixed rate lending portfolio re-prices more slowly than funding and deposit portfolios
- Slowing system growth
- Exceptional Institutional Markets profits from trading, sales and balance sheet positioning
- One-off costs of ING and Tax Conduit provisioning (both excluded from Underlying profit)

# New Zealand region: leveraging our market leadership

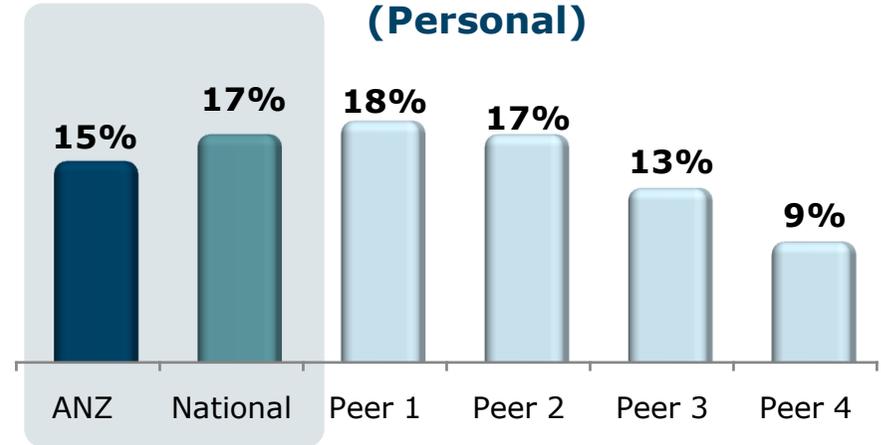
## ANZ National has dominant market share

- Leads all key customer segments
- Diversified business reflecting makeup of economy
- Strong franchise

### ANZ National market share position



## Leading main bank customer share (Personal)

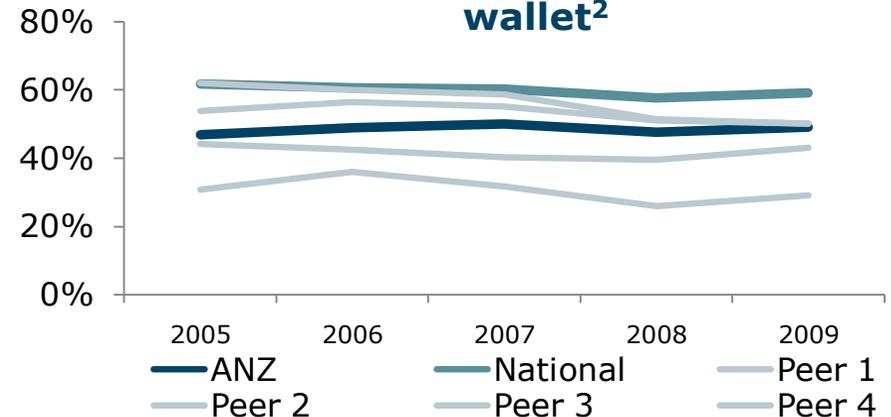


## No. 1 with Institutional relationships

### Large Corporate Institutional Relationships<sup>1</sup>

	2007	2008	2009
<b>Share of all relationships</b>	84%	88%	82%
<b>Ranking</b>	No. 1	No. 1	No. 1

## Two brands capturing greater share of wallet<sup>2</sup>

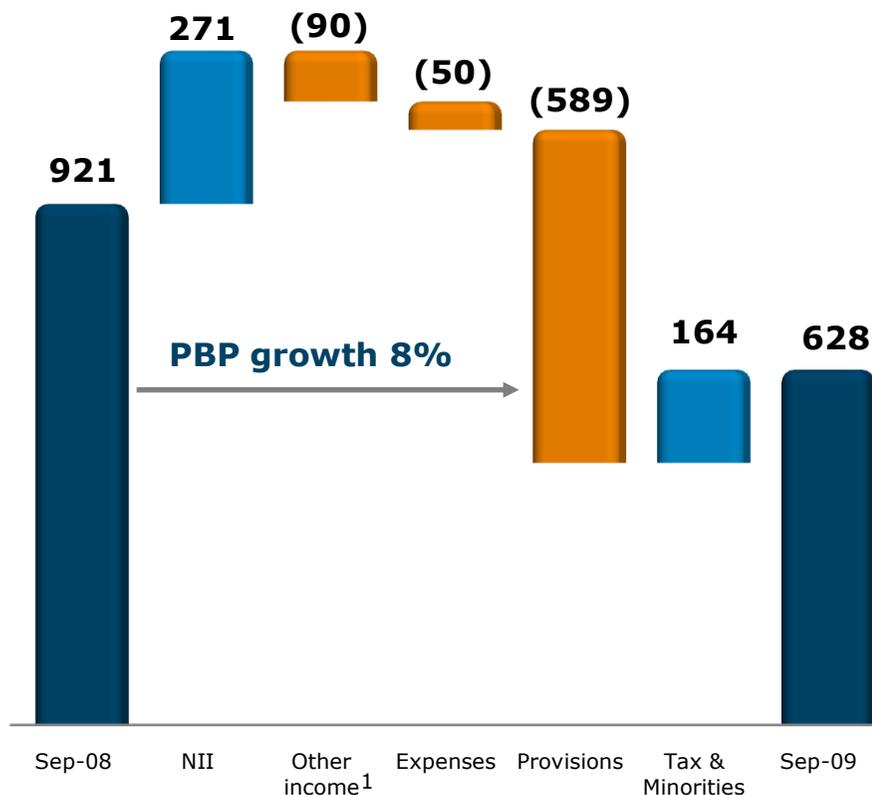


1. Peter Lee Associates, Large Corporate and Institutional Relationship Banking Survey, conducted March – April 2009.

2. Nielsen June 2009

# New Zealand Region: growth in underlying revenues offset by significant increase in provisions and large non-core items

## New Zealand – Underlying NPAT (NZ\$m)

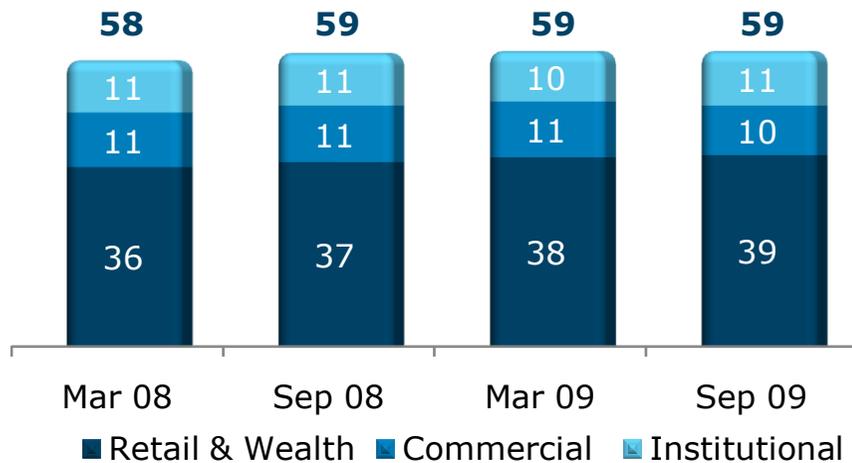


NPAT	2009	2008
Statutory Profit	194	990
Visa shares/tax conduit	(240)	86
MTM	(24)	13
ING NZ Settlement	(148)	-
Restructure costs	(16)	(25)
Non-continuing Business	(6)	(5)
Underlying Profit	628	921

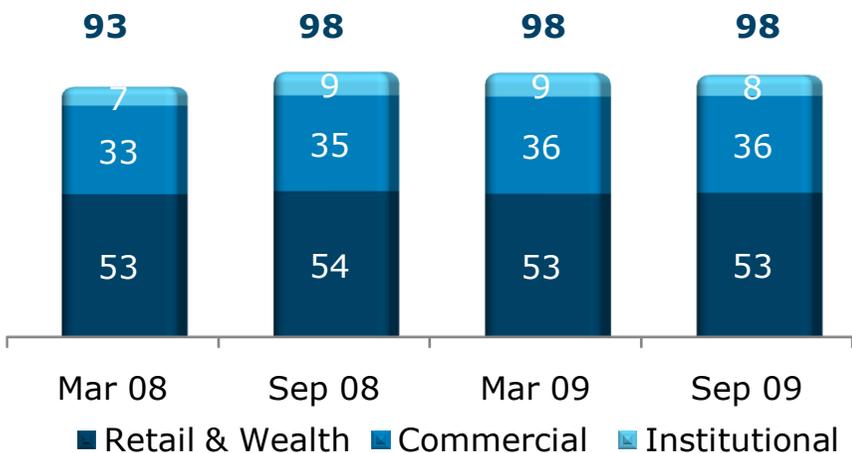
- Costs well managed with strong control of discretionary expenditure and business transformation benefits
- Solid growth in underlying profit before provisions with the global financial crisis providing both opportunity in Markets and the backdrop for margin compression in Retail, Commercial and Rural
- Credit provisions have increased as a result of deterioration in credit quality across all businesses in line with the New Zealand economy
- One-off impacts in 2009 through ING and tax provisioning on Conduits

# NZ region: lending and deposit growth reflect rebalancing of the New Zealand economy

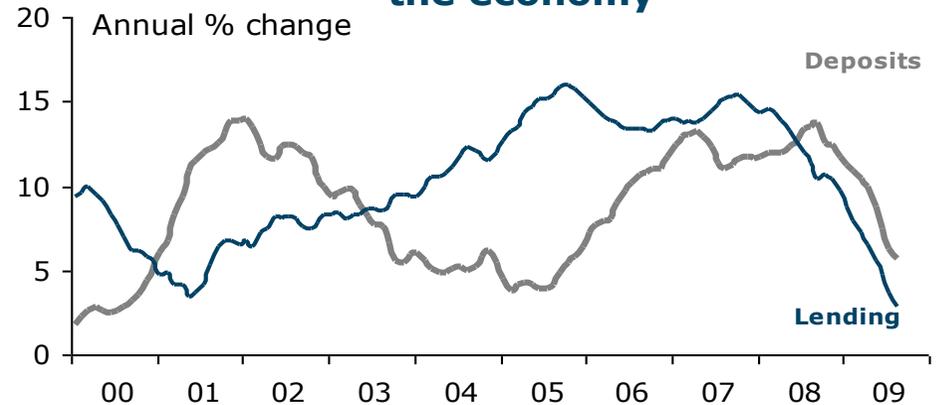
## Customer Deposits (NZ\$b)



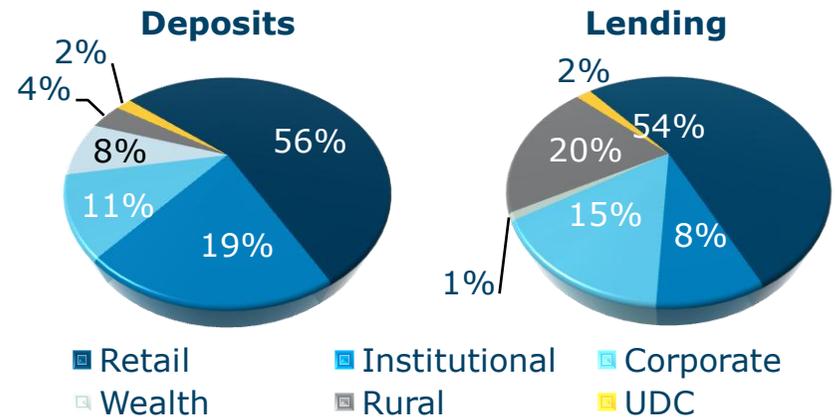
## Net Loans & Advances (NZ\$b)



## Market lending growth slowed in a move towards the required rebalancing in the economy

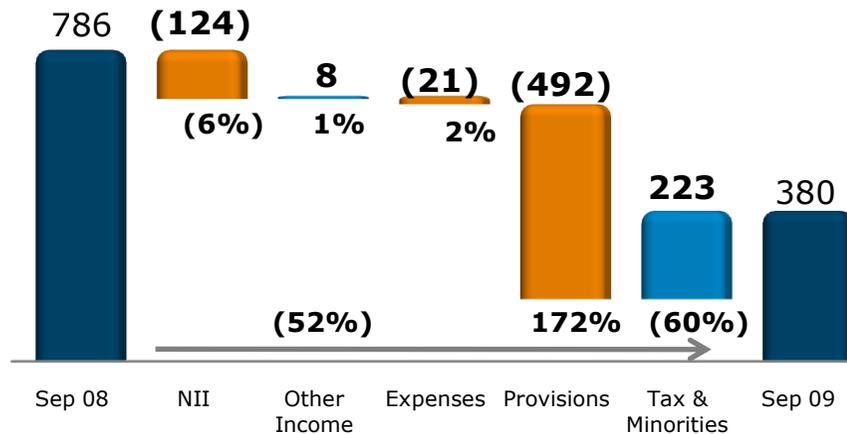


## Portfolios weighted to the consumer sector

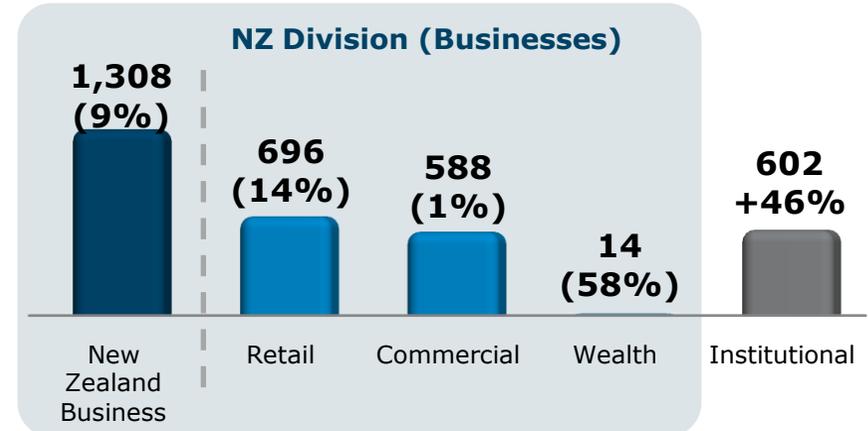


# New Zealand Division (ex Institutional): margin pressures and significantly higher provisions driving profit decline across segments

## Underlying NPAT (NZ\$m)



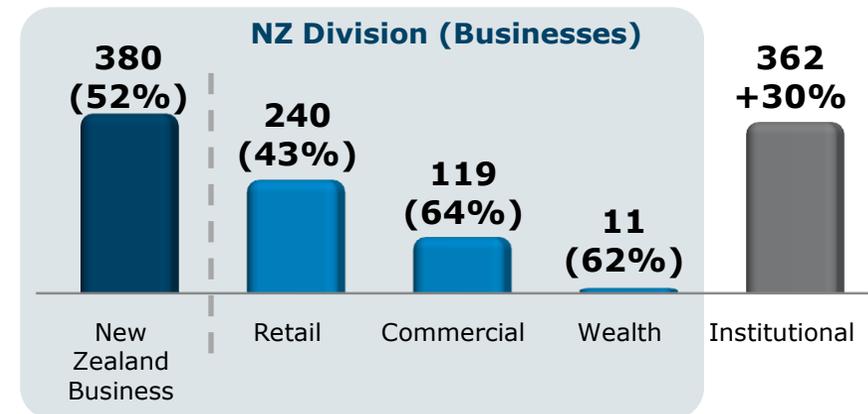
## Segment Profit Before Provisions FY09 vs FY08 (NZ\$m)



## 2H09 performance by segment

(2H09 vs 1H09)	Profit before Provisions growth	Net Profit Growth
<b>NZ Division</b>	down 11%	down 80%
<b>Retail</b>	down 9%	down 57%
<b>Commercial</b>	down 9%	down 111%
<b>Wealth</b>	down 44%	down 17%

## Segment Underlying NPAT FY09 vs FY08 (NZ\$m)



# New Zealand Retail & Wealth: dominant market share, with some short term headwinds

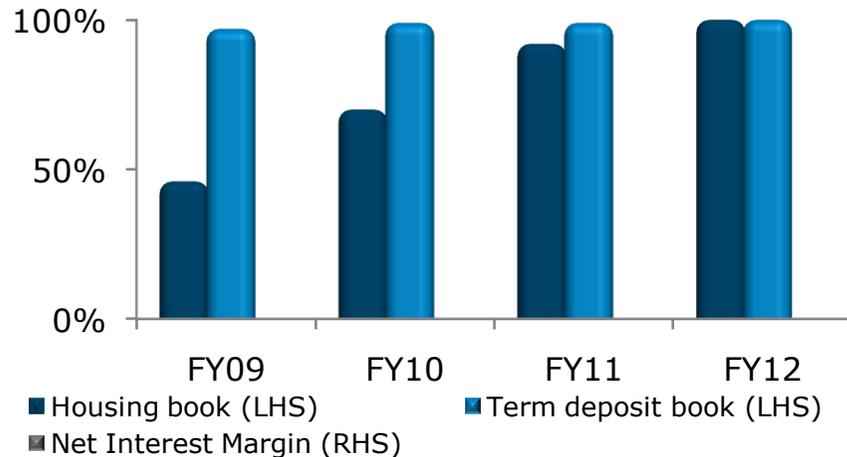
## A family of strong brands



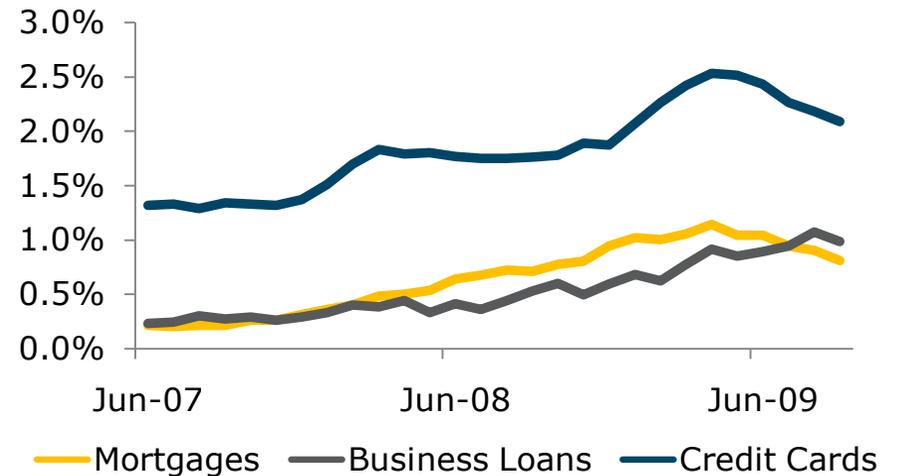
- Acquisition of ING(NZ) delivers momentum to Wealth strategy:
  - Largest Kiwisaver market share
  - Second fastest growing life insurer
- Customer service successes:
  - ANZ Business Banking #1 in customer satisfaction
  - Contact centre excellence award winner

## Percentage of portfolio Re-priced

Margins have compressed as liabilities repriced more quickly, will improve as asset book re-prices.

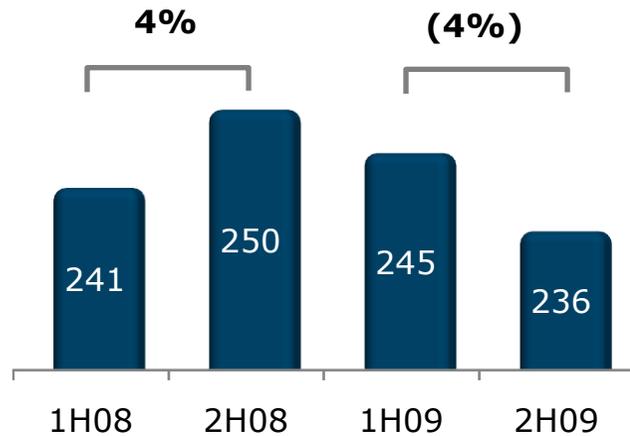


## 60 day arrears showing sign of stabilising



# New Zealand Corporate: Solid franchise that is well positioned for future growth

## Revenue growth (NZ\$m)



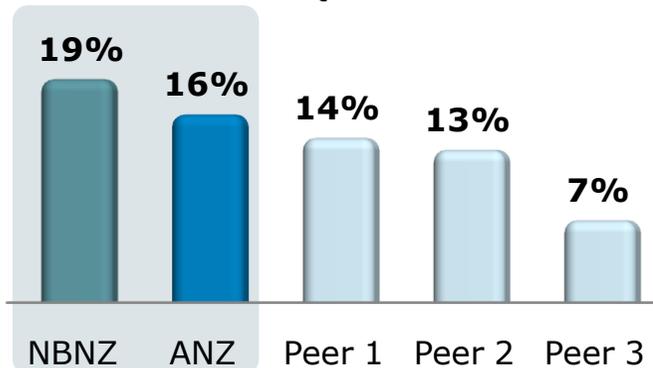
- Revenue impacted by margin pressure from deposit competition and funding costs coupled with slower re-pricing of the lending portfolio
- Cross-sell revenue from markets and trade products up 41%

## Disciplined focus on key strategic areas

- **Intensive risk management** through proactive, close, engagement with customers, and sectoral reviews
- **Focus on ROE**, capital utilisation and risk-based pricing
- **Cross-sell** contribution to total customer revenue up 3% to 16%

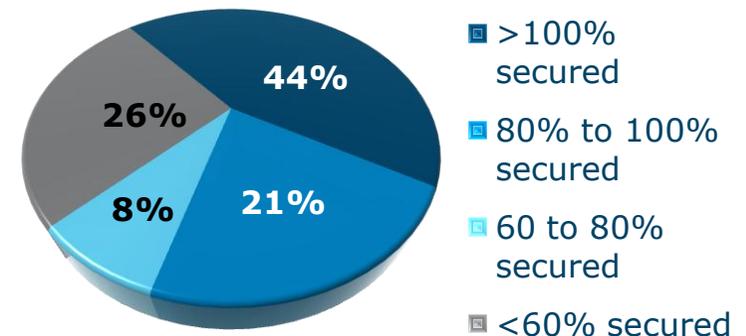
## Making customers feel valued

Making customers feel valued  
Q309 results



- ANZ and National Bank outperform competitors in making customers feel valued and looked after\*
- Proactively engaged customers through ANZ Privately Owned Business Barometer and National Bank 'Take a Day to Focus on the Future' conferences

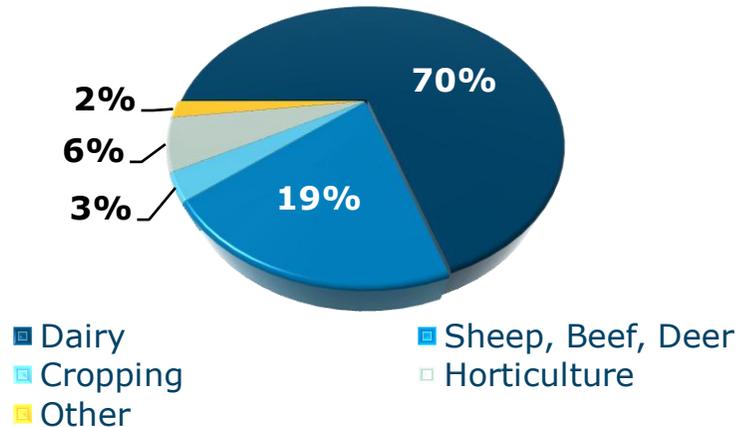
## Corporate lending well secured



\*TNS Survey Q309 results

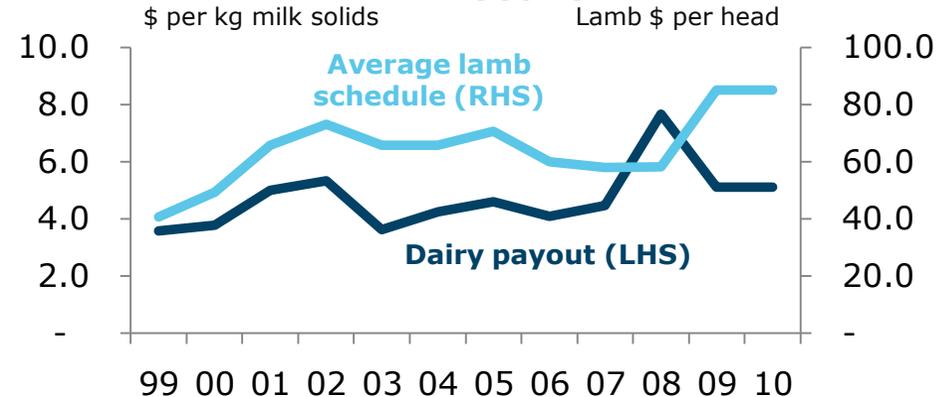
# New Zealand Rural: Medium term outlook for Rural sector remains steady

## Rural Industry exposure



- 5% growth in profit before provisions driven by strong balance sheet growth; offset by margin pressure from deposit competition and funding costs, coupled with slower repricing of the lending portfolio; growth in credit provisions in line with the credit cycle.
- New Zealand's initial recovery remains "subdued" with the high NZ\$ weighing on the export sector
- Firm or improving international prices for NZ agricultural and horticultural products means the medium term outlook remains positive for the sector

## Dairy and lamb prices have started to recover



- Lower commodity prices have led to a reduction in farm incomes
- Farm lending volumes continue to increase albeit at a much slower rate
- There has been a significant deterioration in credit quality, particularly dairy
- A modest improvement in dairy farm profitability is forecast for 2010 off the back of a recent dairy payout forecast increase from \$4.55 kgms to \$5.10 kgms

# New Zealand Institutional: strong market positioning supporting sound financial performance

## Strong revenue from core businesses supported by trading



## Leveraging strong market positioning

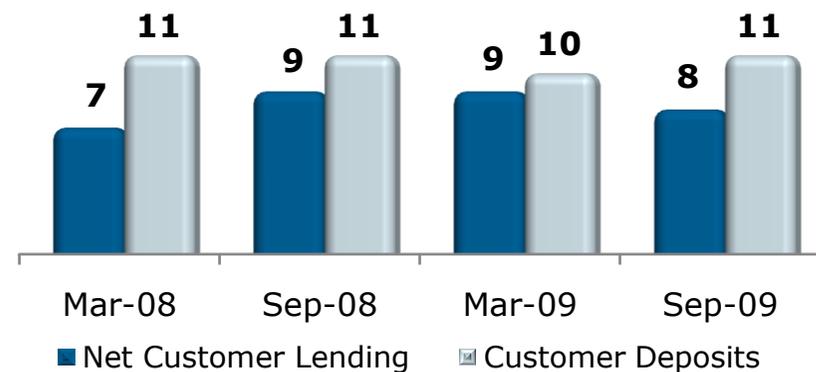
- Strong financial result as the business benefited from global market volatility and from a well positioned balance sheet (mismatch earnings)
- Maintained largest customer base and product leadership position (#1 product provider in 8 out of 11 categories<sup>1</sup>)
- Credibility with customers through consistent pricing
- Supported customer diversification in active debt capital markets (#1 YTD, Bloomberg, 27 of 34 NZ bond issues)
- Increased cross-sell penetration of ANZN franchise

## Diverse source of revenue

(2009 Revenue composition and growth from 2008)



## Strong customer funding contribution (NZ\$b)



1. Peter Lee Associates, Large Corporate and Institutional Relationship Banking survey, collected Mar-Apr 2009



# 09 FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND  
BANKING GROUP LIMITED

ECONOMIC FORECASTS



# Summary of forecasts: Australia and New Zealand

	Australia				New Zealand			
	2008	2009	2010	2011	2008	2009	2010	2011
GDP	3.2	0.6	2.6	3.1	1.5	-2.0	1.9	2.9
Inflation	4.2	2.1	2.21	2.32	5.1	1.7	2.1	3.1
Unemployment	4.2	5.8	6.6	5.4	4.3	6.3	7.0	6.7
Current A/C (% GDP)	-5.7	-3.4	-4.4	-4.4	-8.6	-4.2	-5.5	-5.4
Cash rate	7.00	3.00	4.00	4.75	7.50	2.50	3.00	5.50
10 year bonds	5.40	5.37	5.45	5.80	5.7	5.6	6.0	6.6
AUD/USD	0.79	0.88	0.92	0.81	N/A	N/A	N/A	N/A
AUD/NZD	1.18	1.22	1.296	1.246	N/A	N/A	N/A	N/A
Credit	10.3	2.0	4.2	5.3	10.9	3.6	2.9	5.3
- Housing	8.9	7.5	6.5	5.6	7.6	3.6	3.0	5.1
- Business	13.9	-3.6	0.6	4.9	16.5	4.0	2.8	5.9
- Other	2.0	-5.6	6.4	5.7	8.9	-1.5	2.0	5.1

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

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