

Investor Discussion Pack

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AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

May 2012



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Investor Discussion Pack

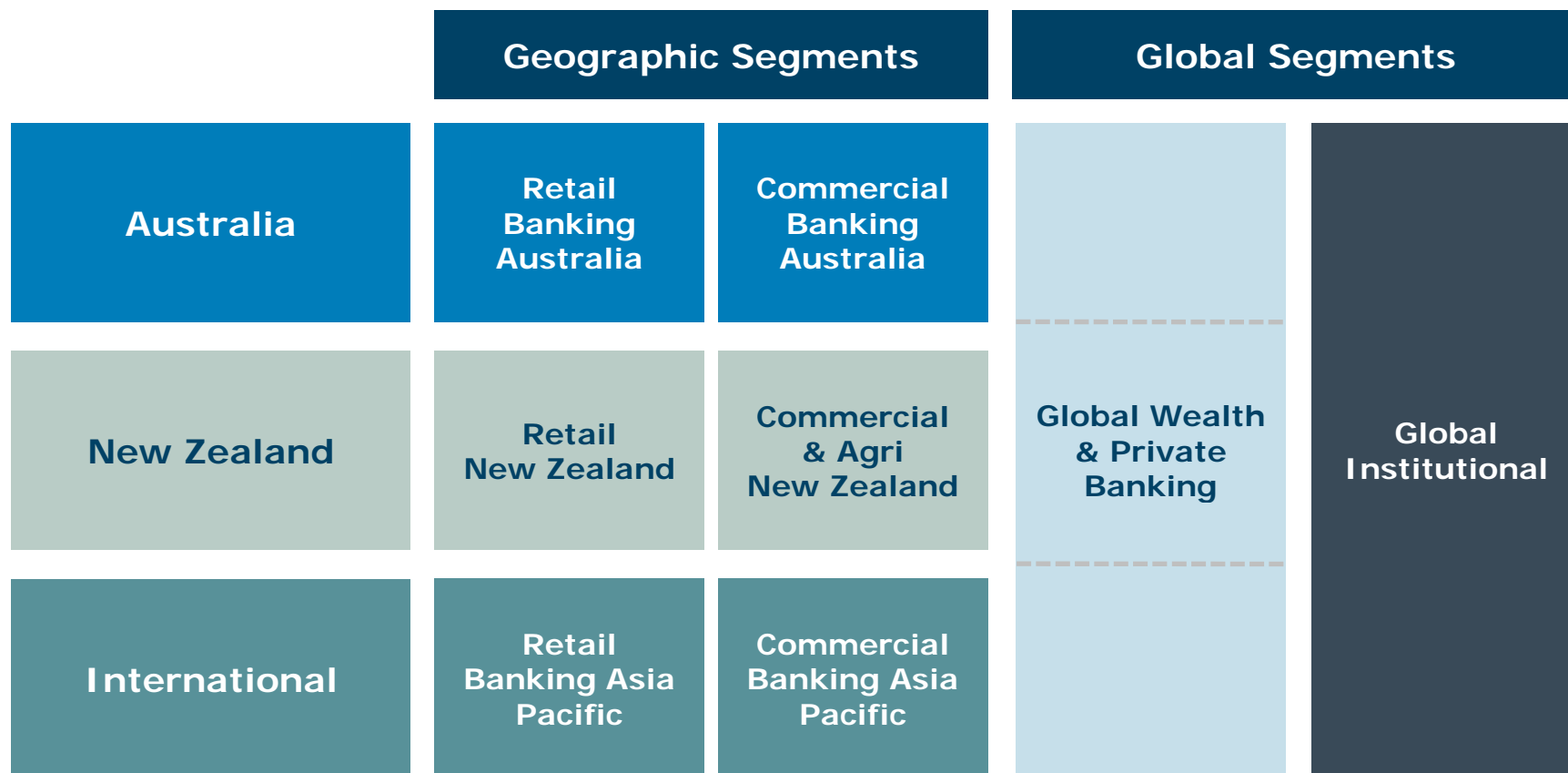
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

May 2012

Overview and strategy



ANZ is structured by Geography & Segment



ANZ continues to organically pursue our Super Regional Strategy

ANZ Footprint in Asia



Highly diversified geographical footprint across 16 Asian markets with 98 branches and 5 key Partnerships

Rationale behind the Super Regional Strategy

1. Strategy aligned to Asian growth
 - Strong domestic franchises and established market position
 - Focus of expansion in higher growth Asian markets
2. Leveraging regional trade and capital flows
 - Build customer connectivity
 - Aust/NZ flows to and from Asia – 8 of top 10 Australian export markets in Asia
 - Network presence facilitating growing intra-Asia customer trade flows
 - Differentiated growth opportunities in Aust / NZ
3. Strengthens balance sheet and earnings diversity
 - Diversity of Group funding
 - Self funded balance sheet in APEA
 - Strong capital and liquidity positions
 - Improves diversification of earnings by geography, client and product

Our Super-Regional Strategy is built on three pillars

Diversification		Connectivity	
1. Revenue <ul style="list-style-type: none"> a. Focus Markets <ul style="list-style-type: none"> • Indonesia +17% ✓ • Singapore +5% ✗ • India +71% ✓ • Greater China +24% ✓ • Greater Mekong +13% ✓ b. Focus Sectors <ul style="list-style-type: none"> • Natural Resources +31% ✓ • Agribusiness -3% ✗ • Infrastructure +14% ✓ • FIG +26% ✓ 		1. Trade & Capital Flows <ul style="list-style-type: none"> • Trade +25% ✓ • Cash Management +19% ✓ • FX +23% ✓ • Capital Markets +12% ✓ 	
2. Funding (Term Debt Outstanding) ✓ <ul style="list-style-type: none"> • Domestic 34% • Asia 14% • Europe & America 52% 		2. Cross Border (Catch & Throw) <ul style="list-style-type: none"> • % of Group Revenue 4% ✓ 	
		3. Migrant Banking ✓ <ul style="list-style-type: none"> • Added 28 International Banking Services branches in Australia • Added additional language specialists 	
Shared Core Infrastructure			
Product <ul style="list-style-type: none"> • Transactive • FX • Retail RMB • Go Money 	Operations <ul style="list-style-type: none"> • Hubs • Finnacle 	Risk <ul style="list-style-type: none"> • Markets and Credit Risk Engines 	People <ul style="list-style-type: none"> • Leadership development and training

All growth rates reflect 1H12 v 1H11

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First Half 2012 Results



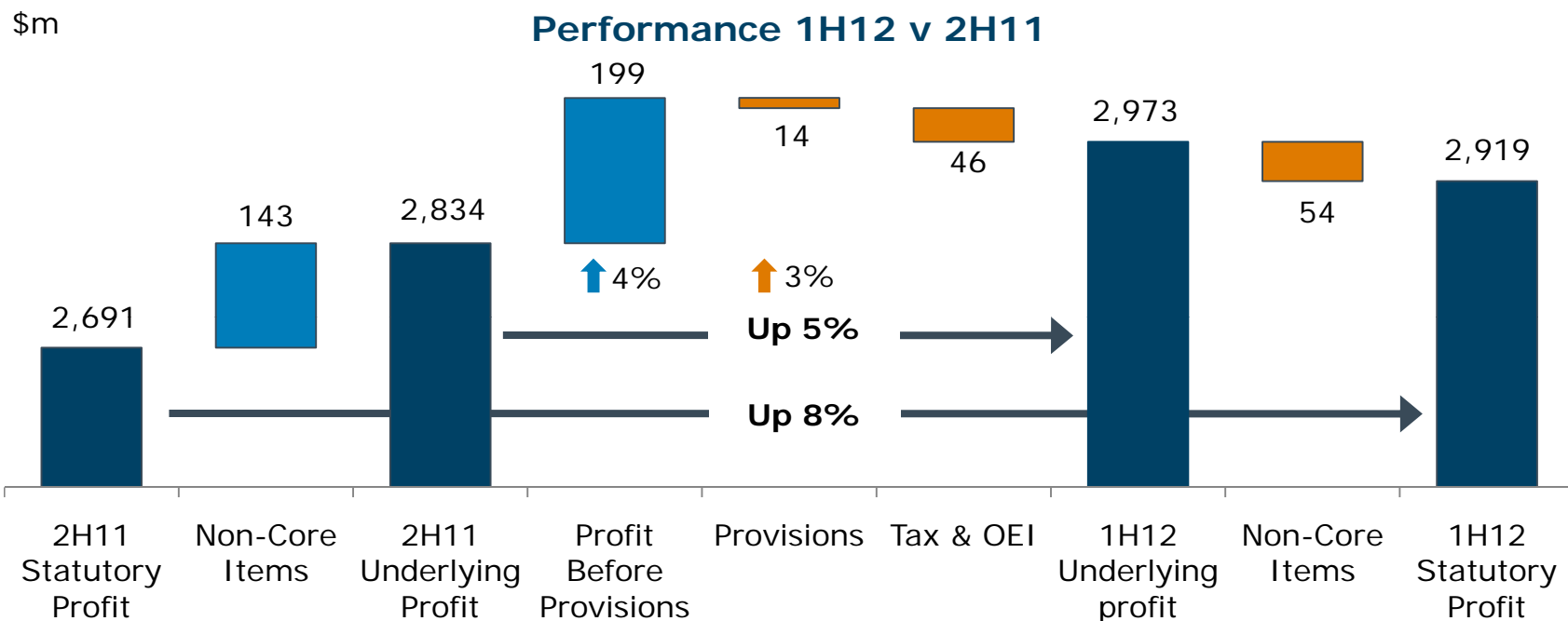
Overview of financial performance

	1H12 AUDm	Growth vs 2H11	Growth vs 1H11
Underlying Profit	2,973	5%	6%
Operating Income	8,704	4%	3%
Expenses	4,020	3%	5%
Provisions	565	3%	-14%
Statutory Net Profit After Tax	2,919	8%	10%
EPS (cents)	112.2	3%	2%
Dividend per Share (cents)	66	n/a	3%
Net Interest Margin	2.38%	-6bps	-9bps
Customer deposits (AUDb)	308.3	4%	15%
Net loans and advances¹ (AUDb)	412.6	4%	9%

All figures other than Statutory Net Profit after Tax and Dividend are presented on an underlying basis.

1. Including acceptances

First Half 2012

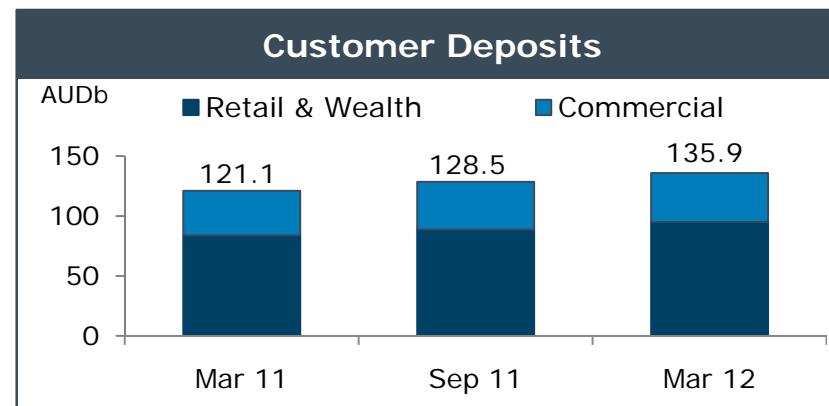
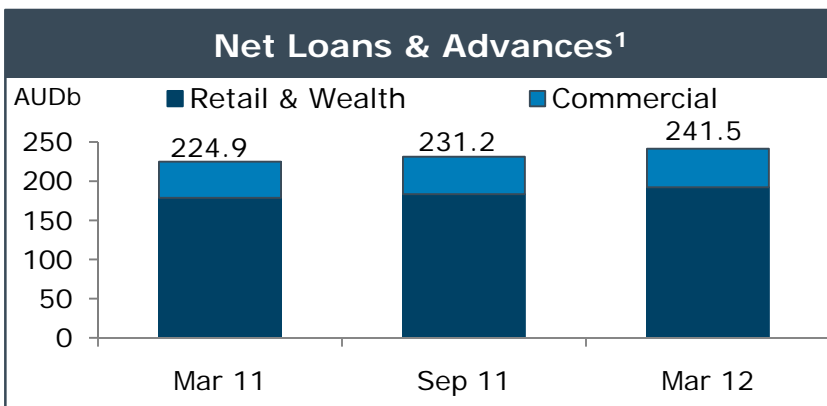
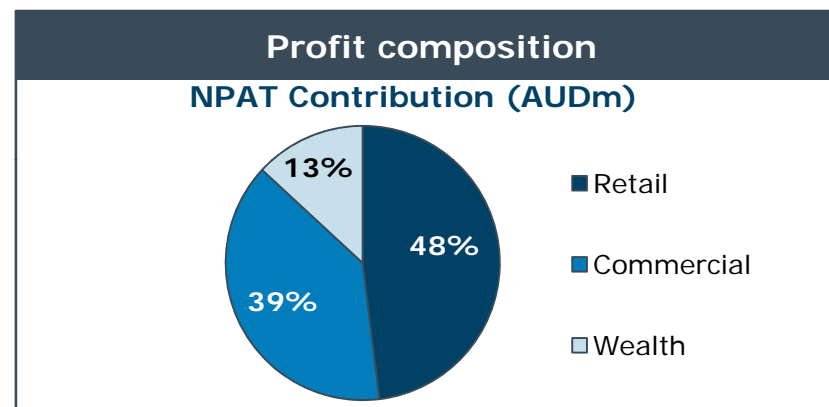
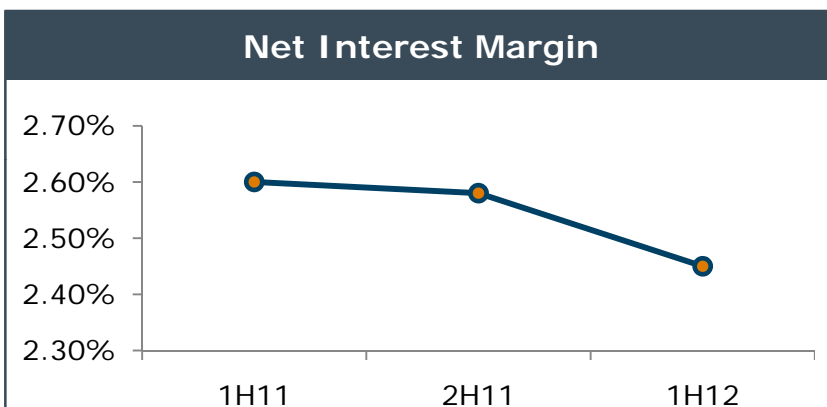


Performance 1H12 v 1H11

1H11 Statutory Profit	Non-Core Items	1H11 Underlying Profit	Profit Before Provisions	Provisions	Tax & OEI	1H12 Underlying Profit	Non-Core Items	1H12 Statutory Profit
2,664	154	2,818	75	95	(15)	2,973	54	2,919
			Up 2%	Down 14%		Up 6%		Up 10%

Australia Division

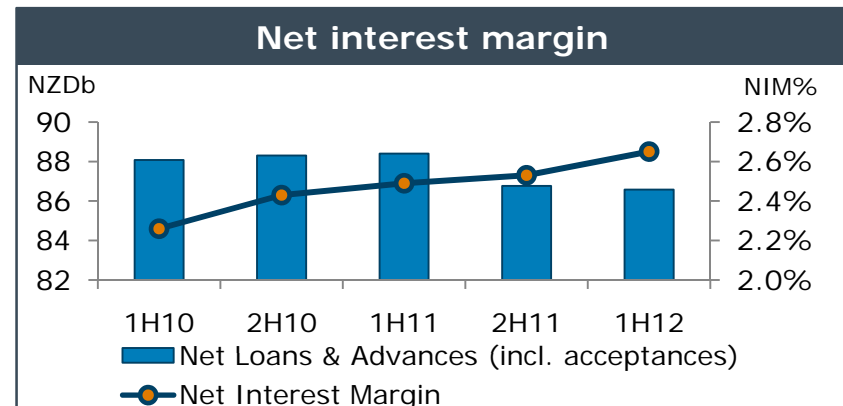
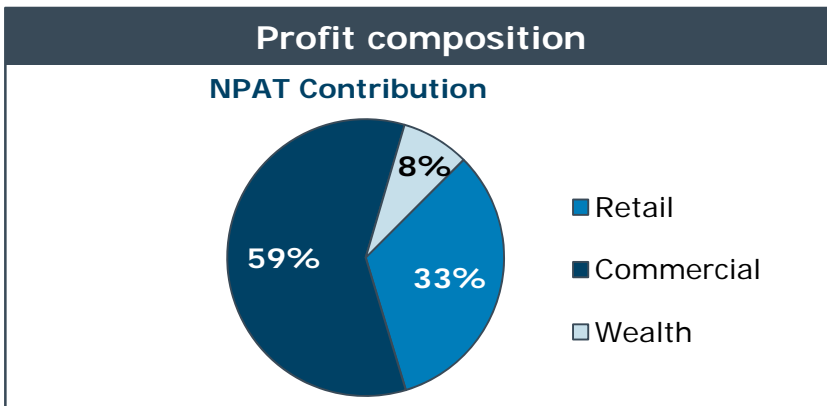
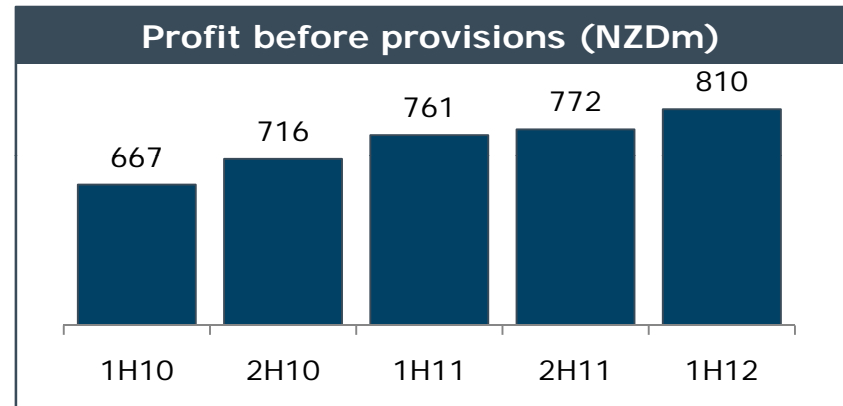
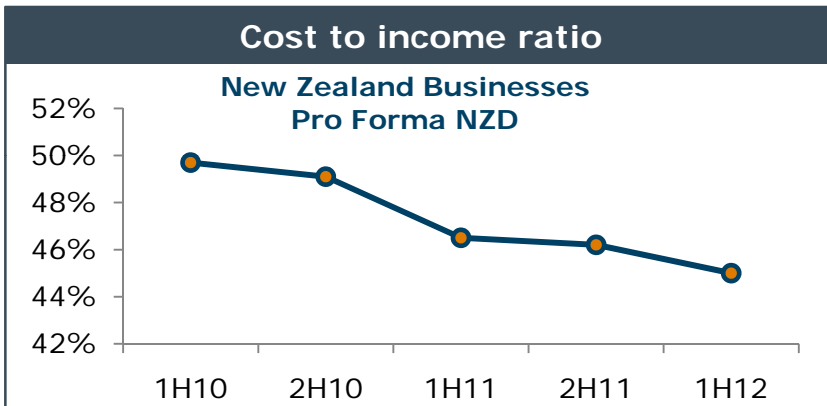
Underlying profit growth (AUDm)	1H12 v 2H11
Australia Division	-7%



1. Including acceptances.

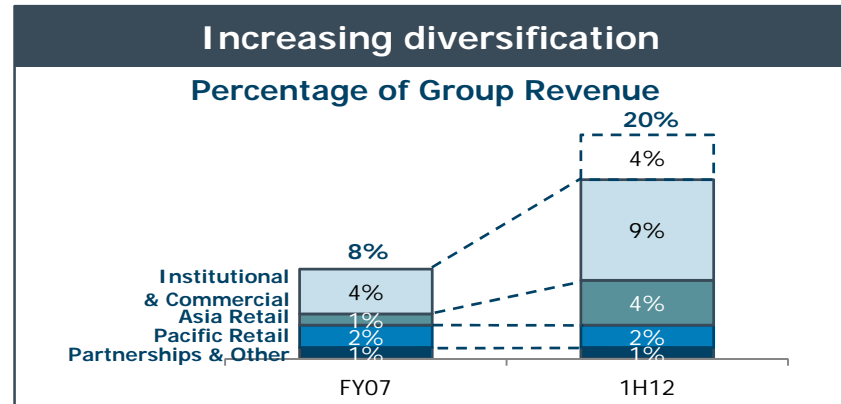
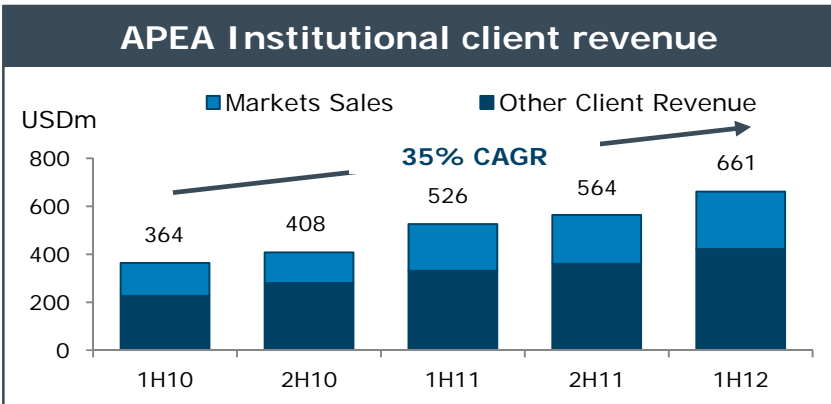
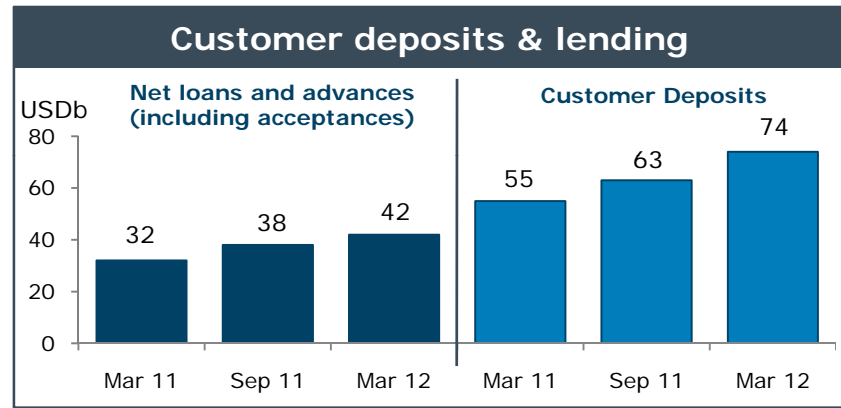
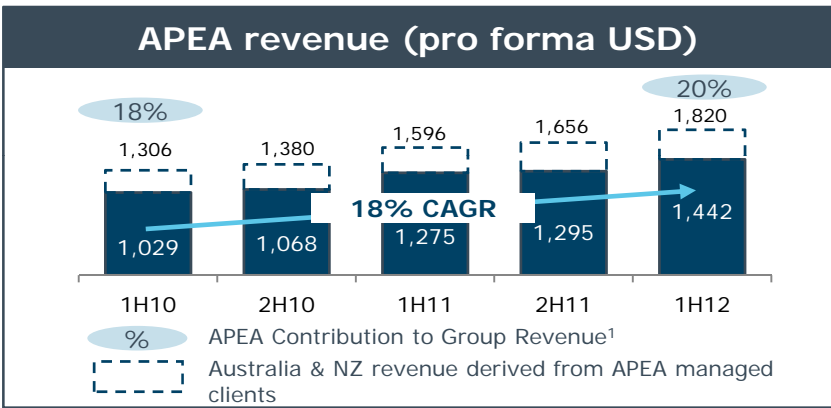
New Zealand Businesses

Underlying profit growth (NZDm)	1H12 v 2H11
New Zealand Businesses	11%



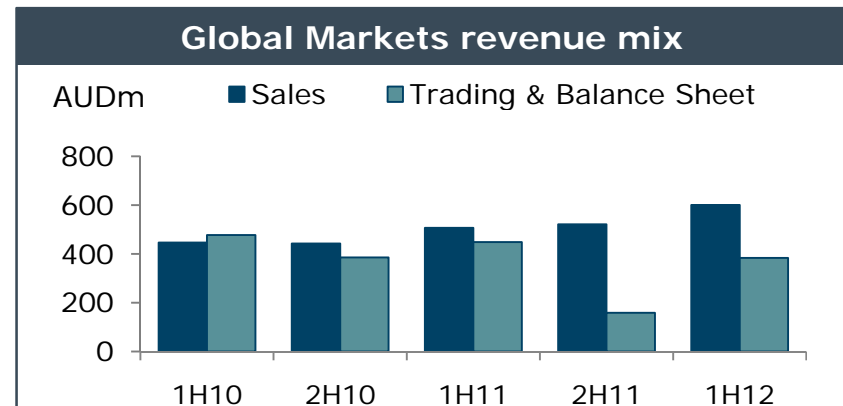
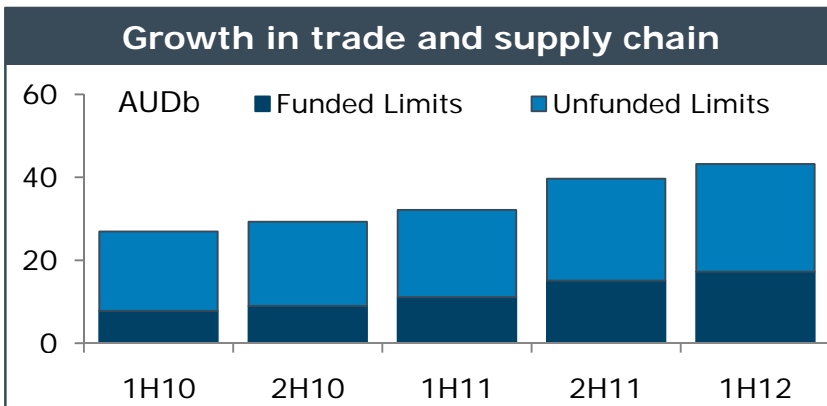
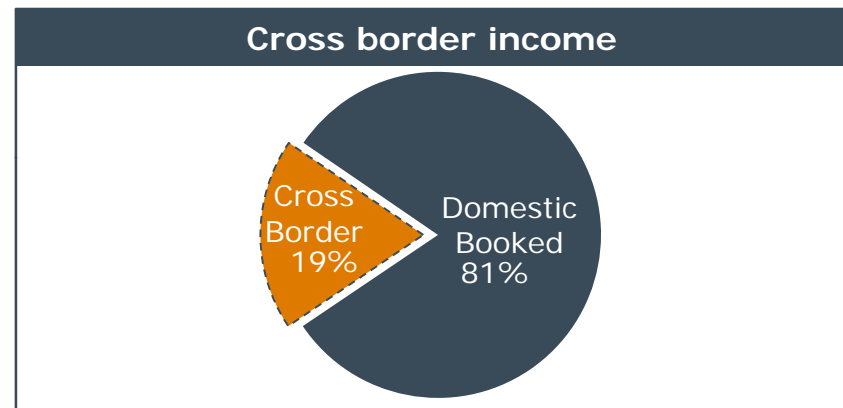
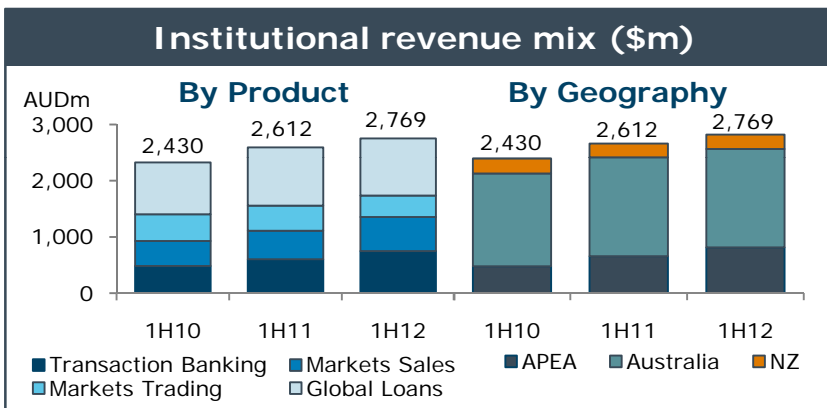
Asia Pacific, Europe & America (APEA) Division

Underlying profit growth (USDm)	1H12 v 2H11
APEA Division	21%

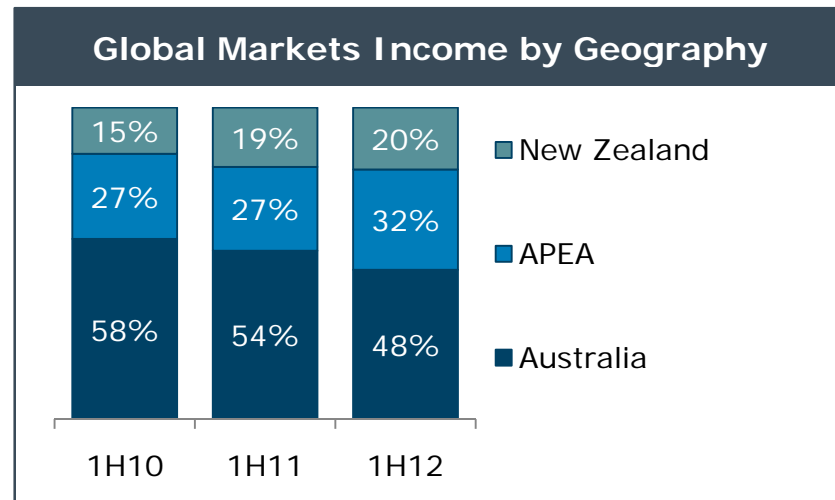
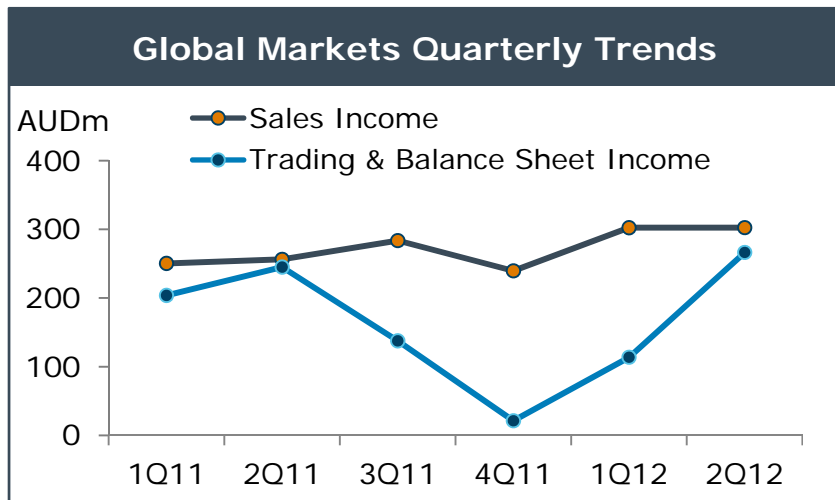
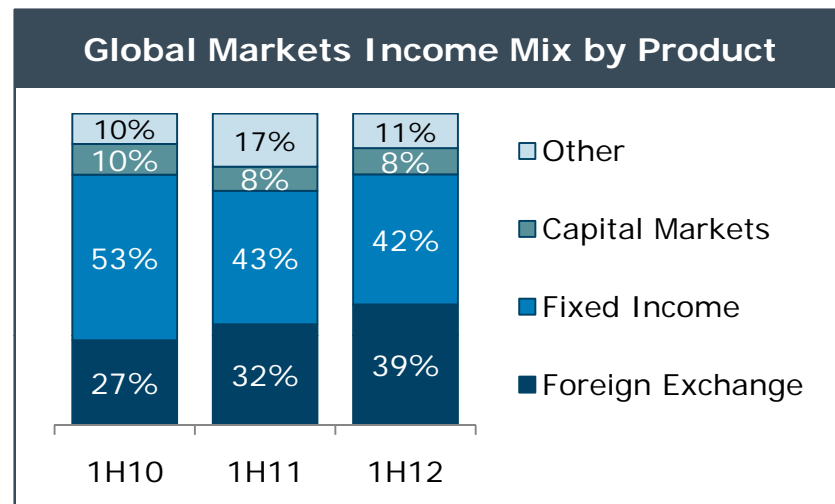
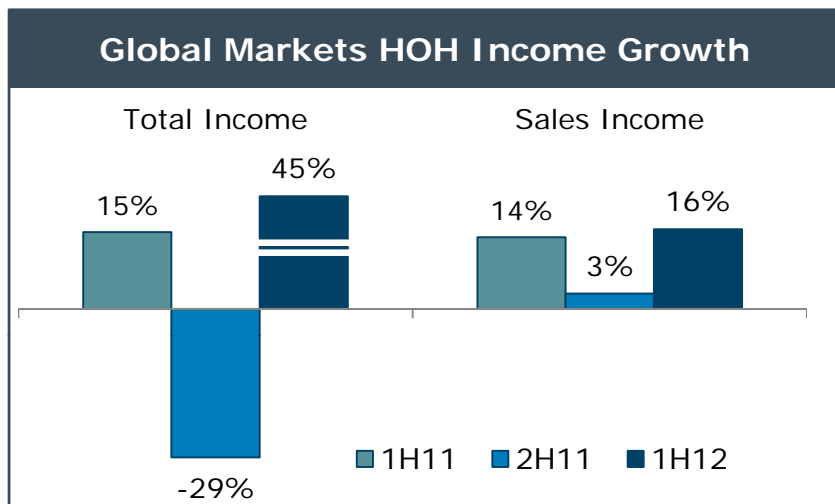


Institutional Division

Underlying profit growth (AUDm)	FY11 v FY10
Institutional Division	24%

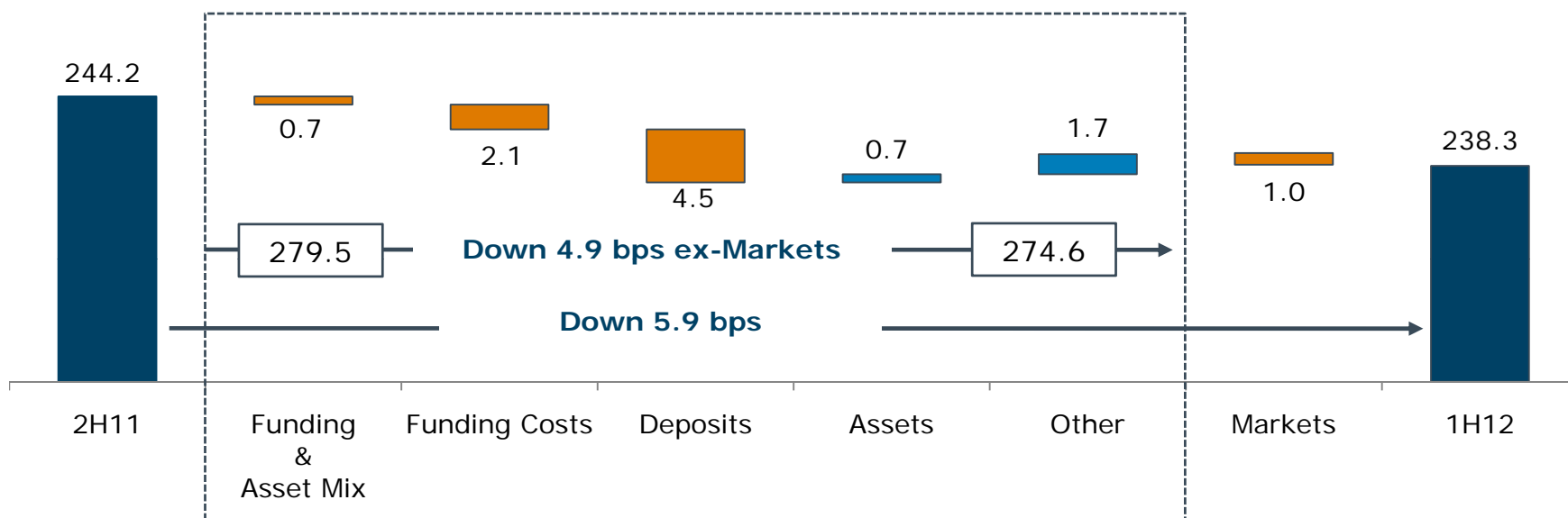


Global Markets income recovered with continued growth in sales and normalisation of trading income

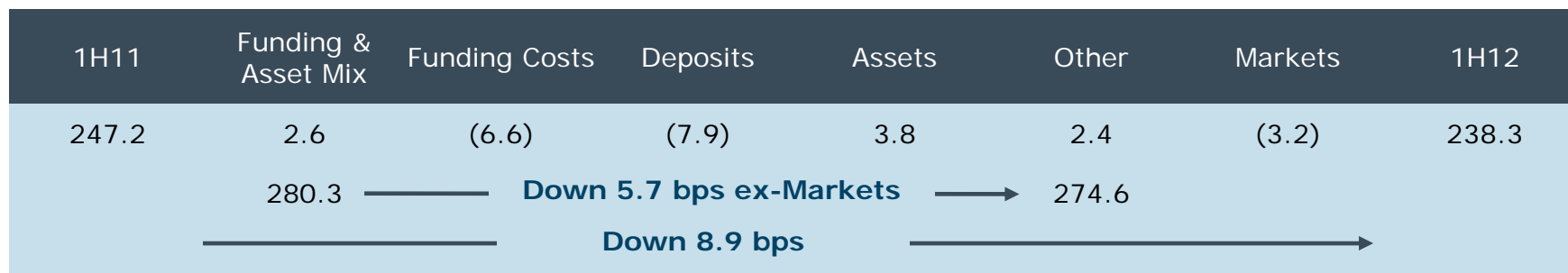


Net Interest Margin – First Half 2012

Movement 1H12 v 2H11 (bps)

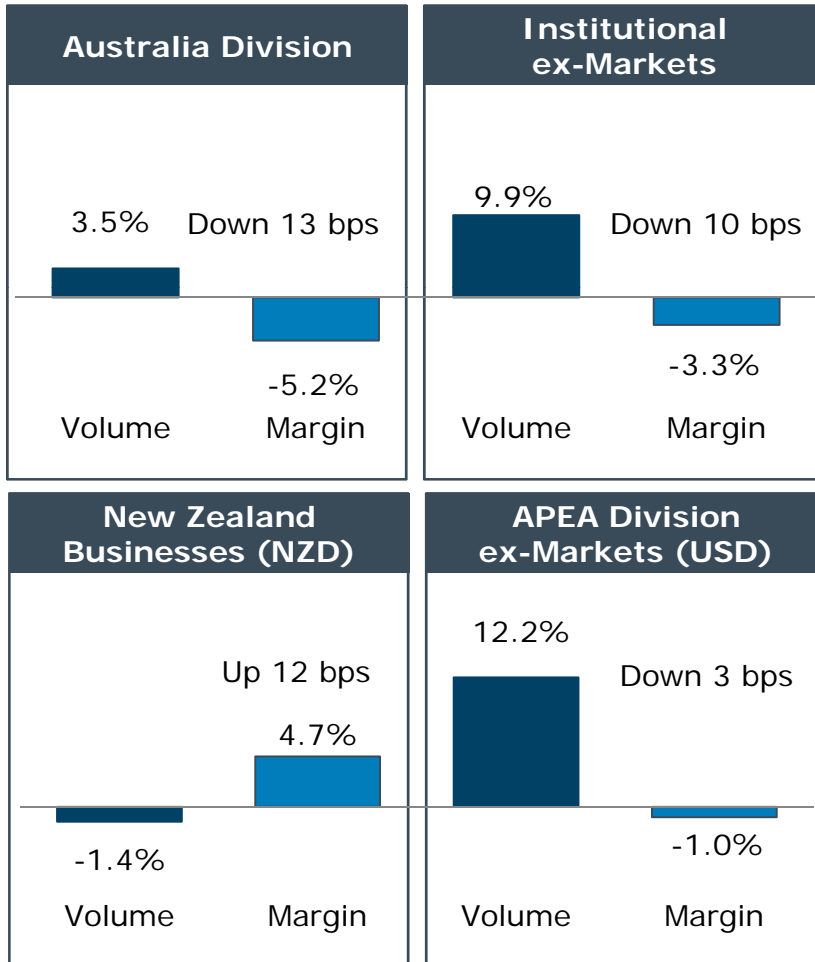


Movement 1H12 v 1H11 (bps)

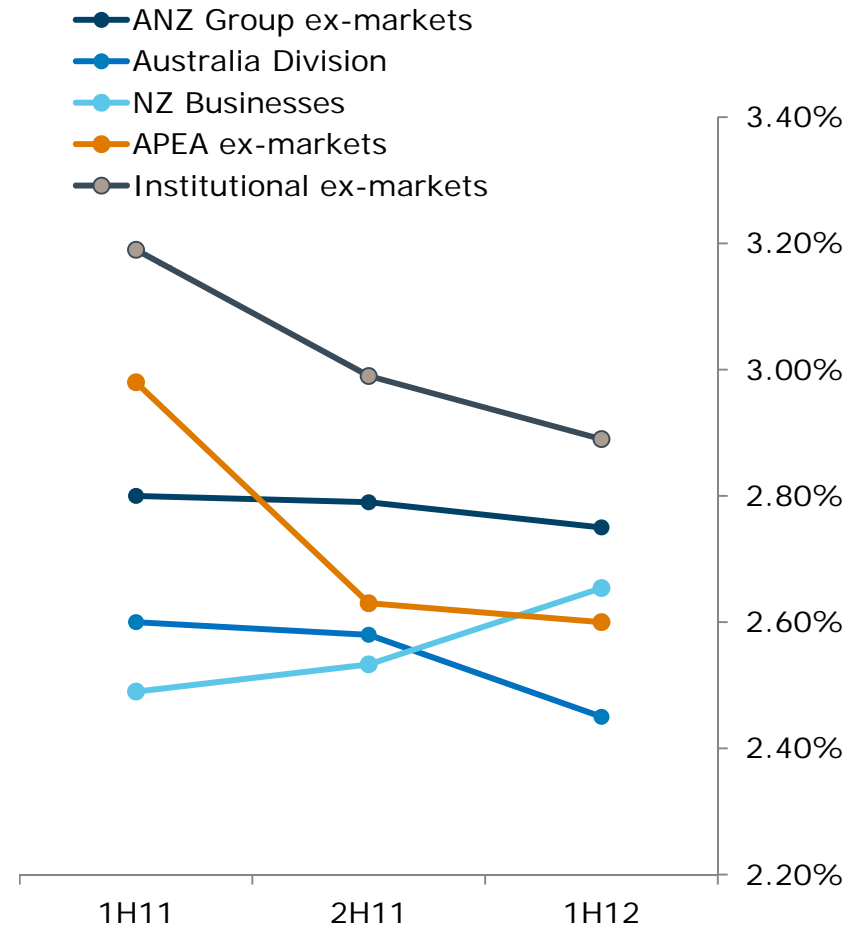


Net Interest Margin – Divisional Trends

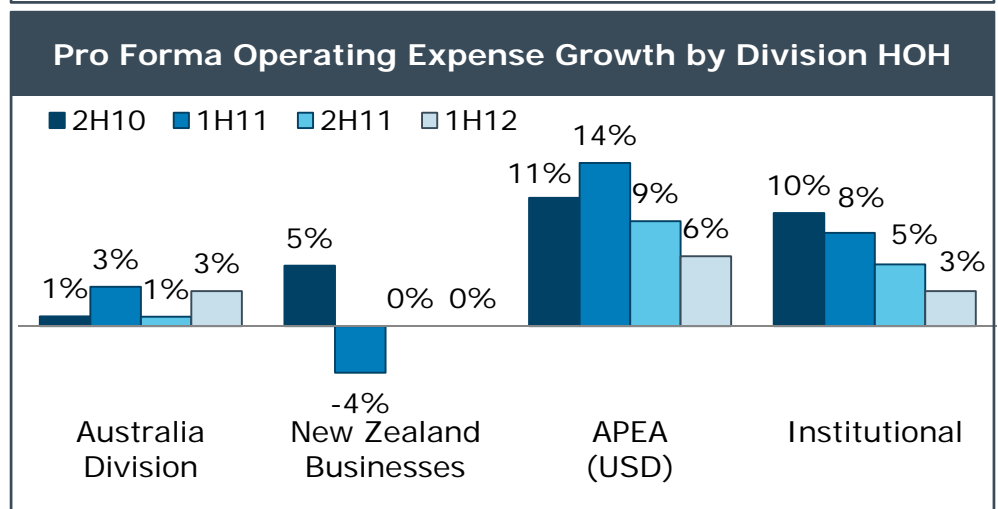
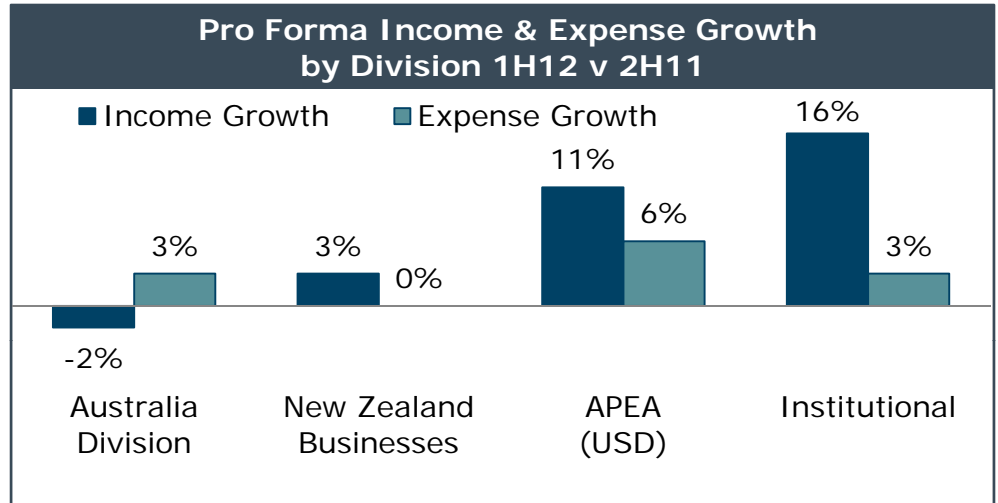
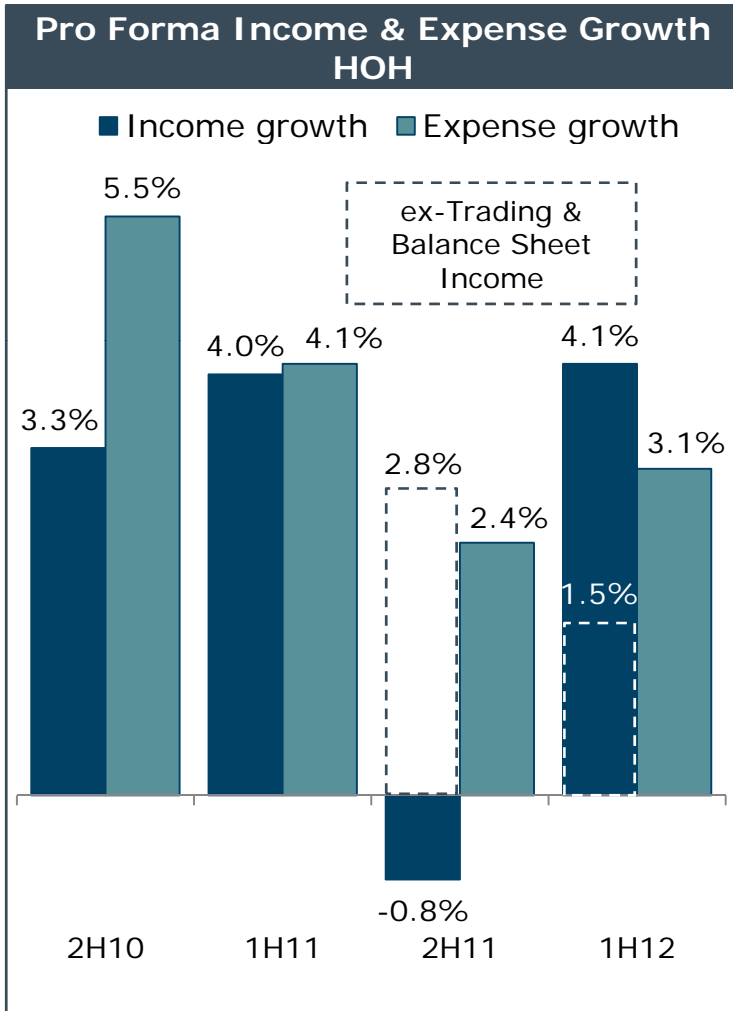
Net Interest Margin 1H12 v 2H11



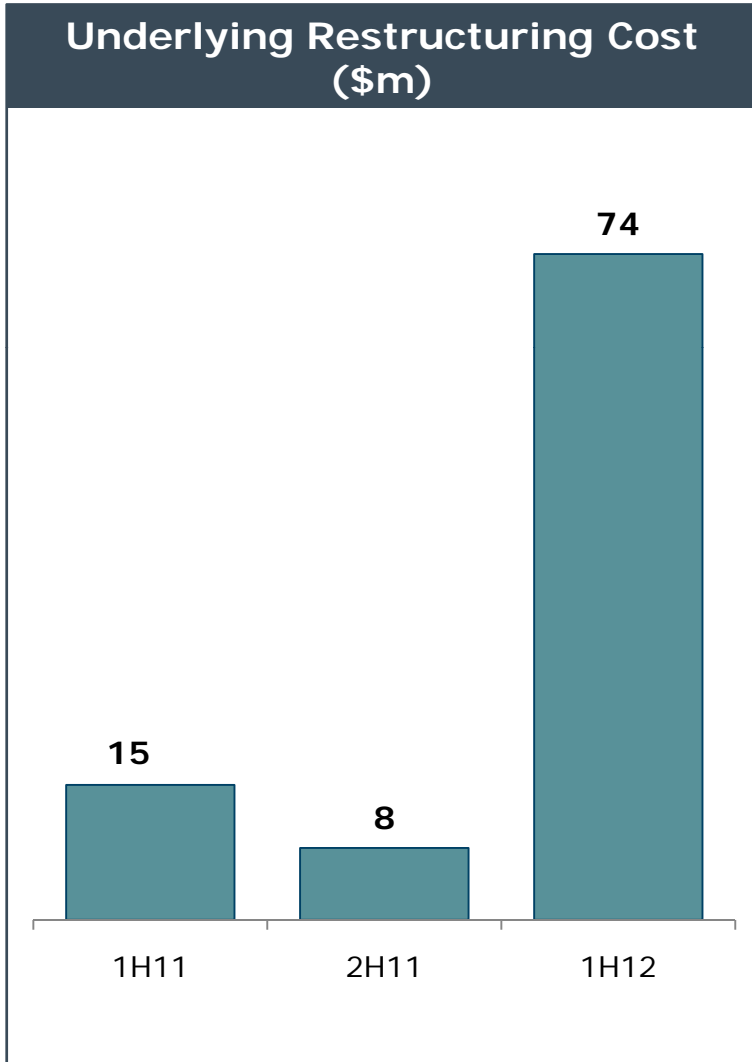
Net Interest Margin



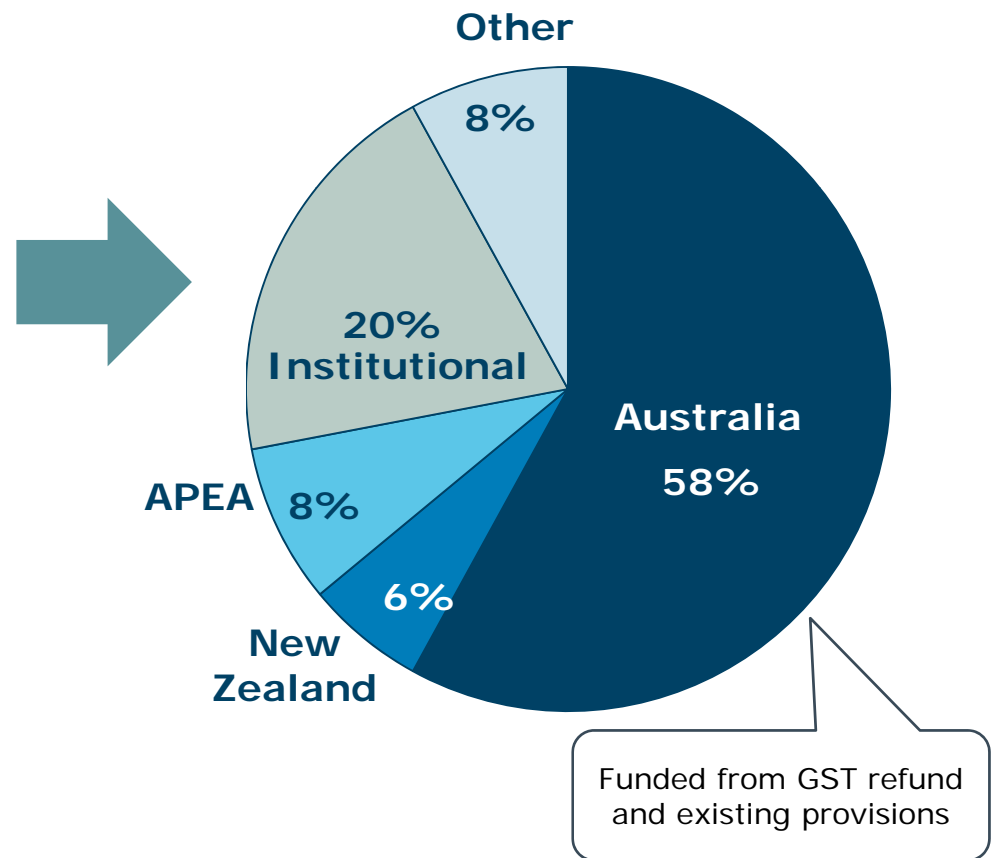
Positive 'JAWS' in most divisions; action underway on costs in Australia



There has been a ramp up in restructuring activity

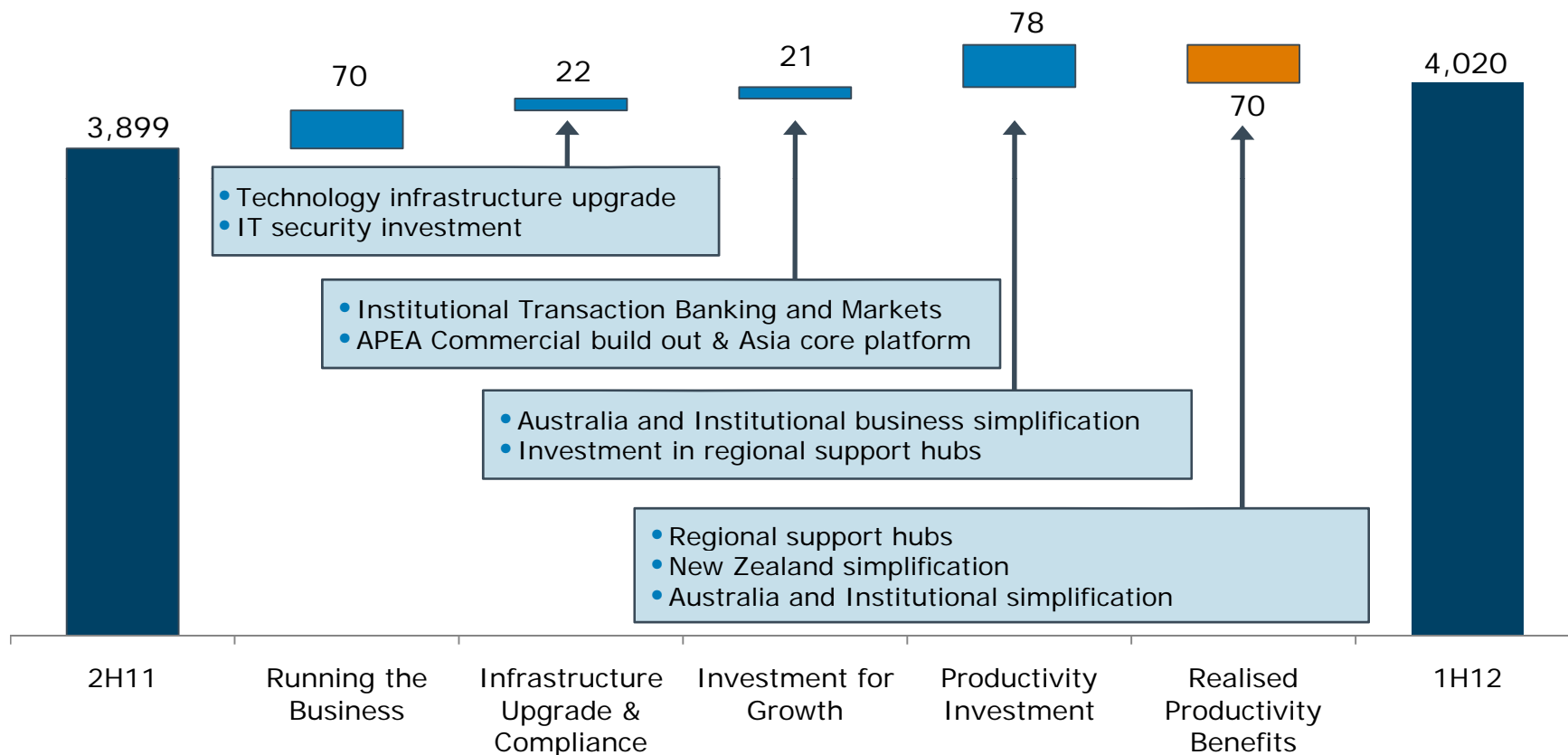


1H12 Underlying Restructuring Cost Breakdown



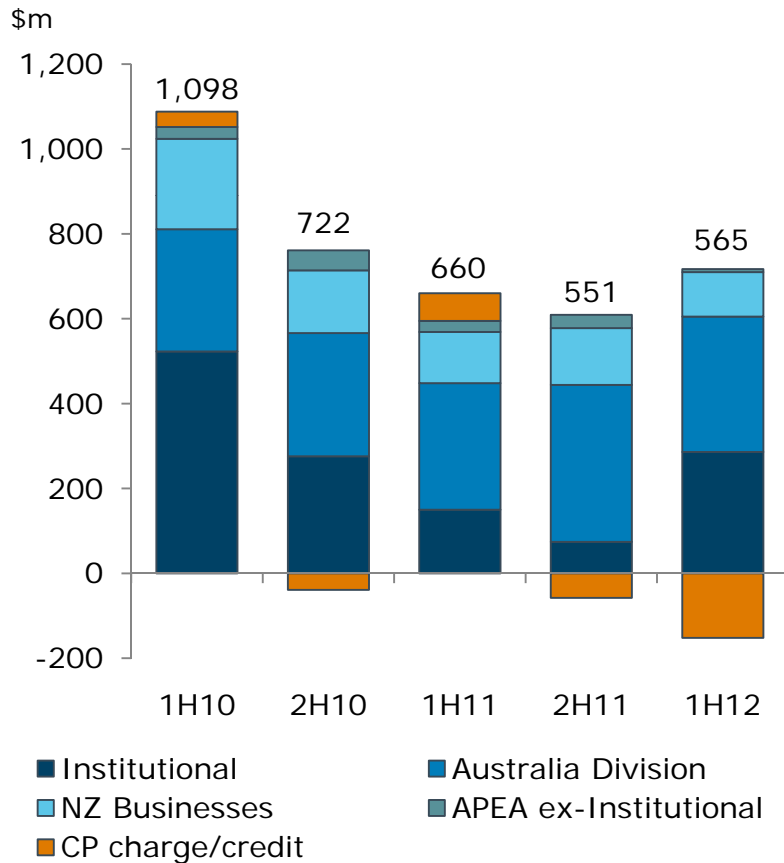
A greater focus on simplification and productivity whilst continuing to invest for growth

Operating Expense Growth Pro Forma 1H12 v 2H11



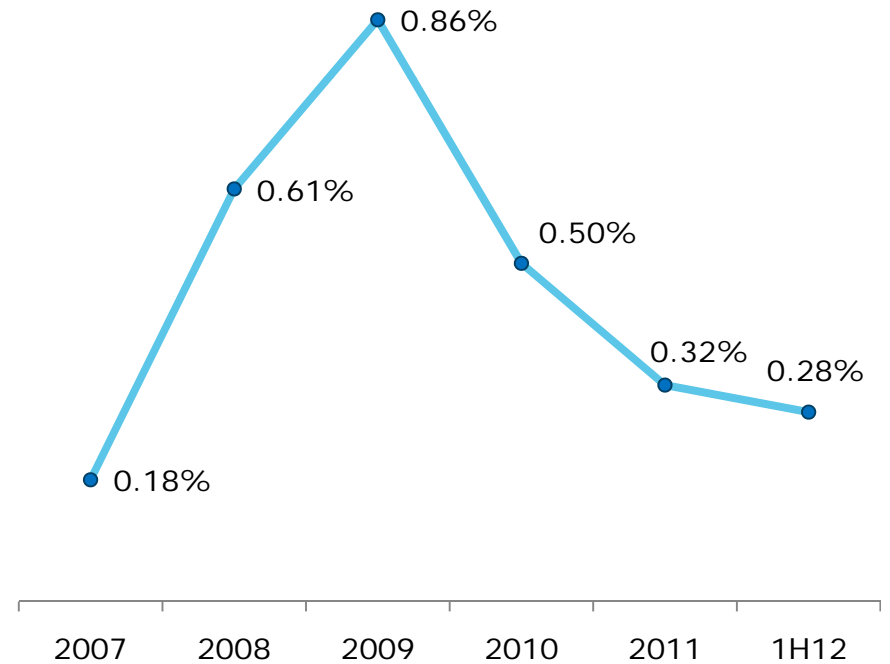
Provision Charge

**Total Provision Charge
(IP charge by Division, total CP charge)**



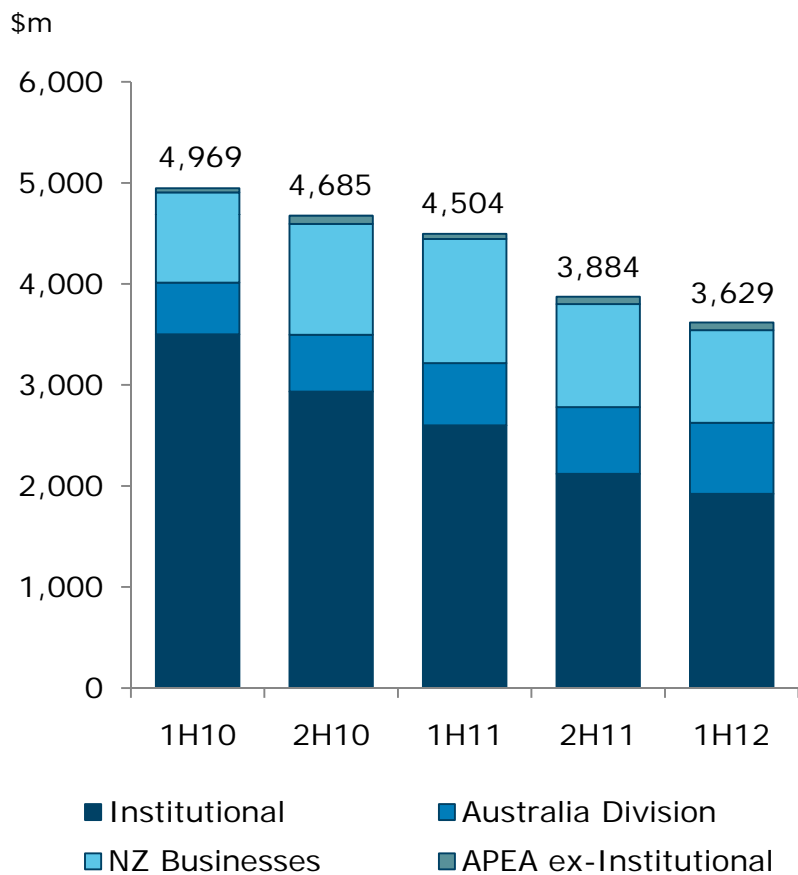
Provision charge remains at low levels

**Total Provision charge as % of
Average Net Advances**

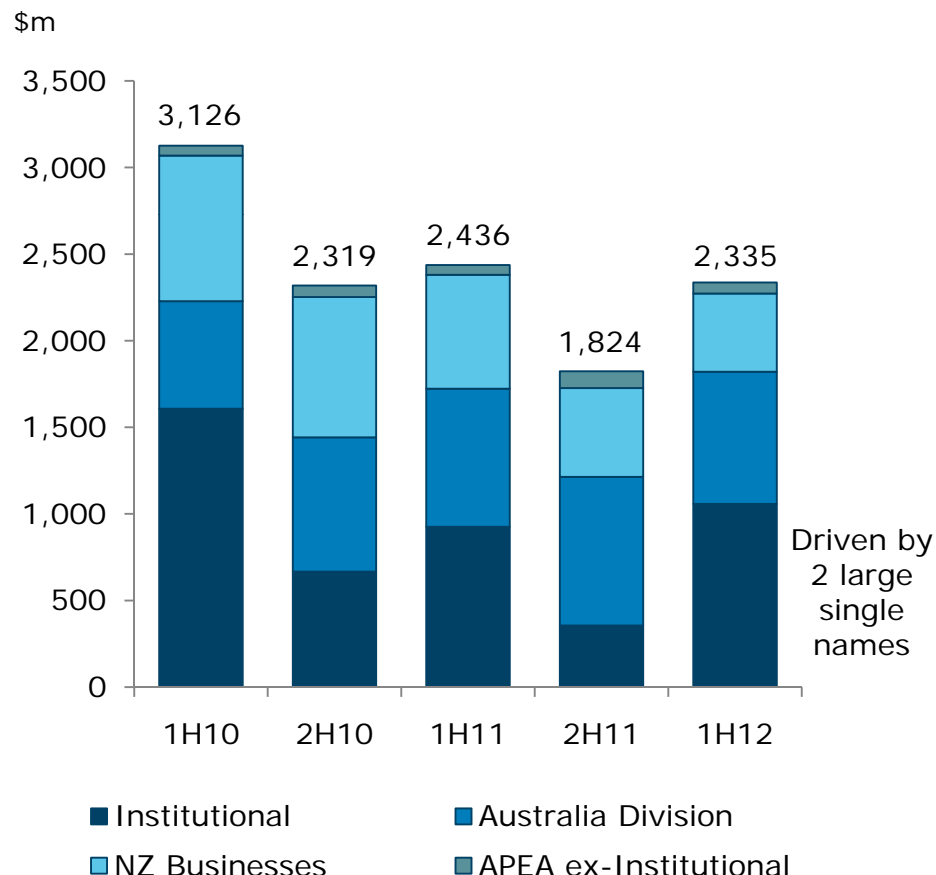


Net impaired assets continue to reduce, increase in new impaired driven by two single names in Institutional

Net Impaired Assets by Division



New Impaired Assets by Division



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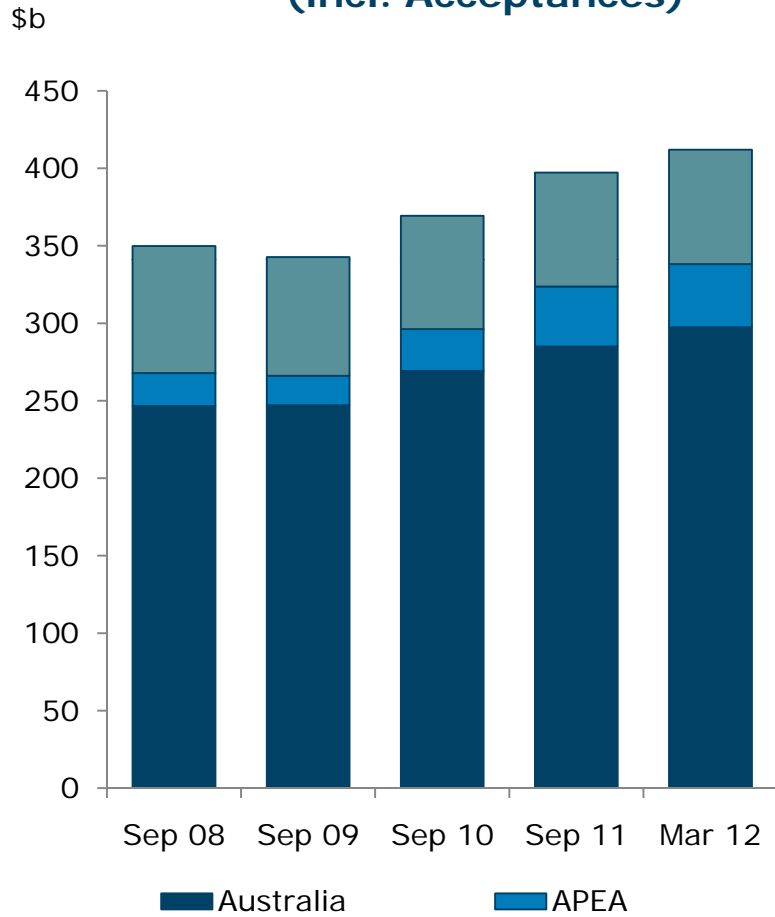
May 2012

Balance Sheet

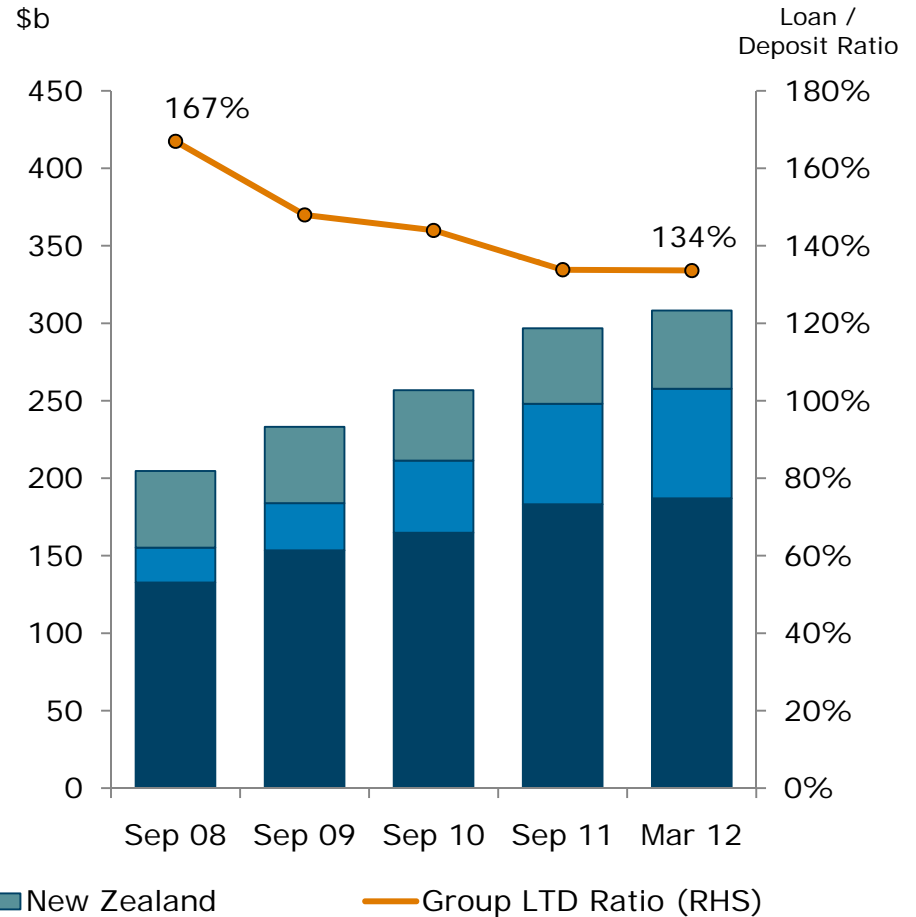


Balance Sheet – Customer Lending & Deposits

Net Loans & Advances (incl. Acceptances)

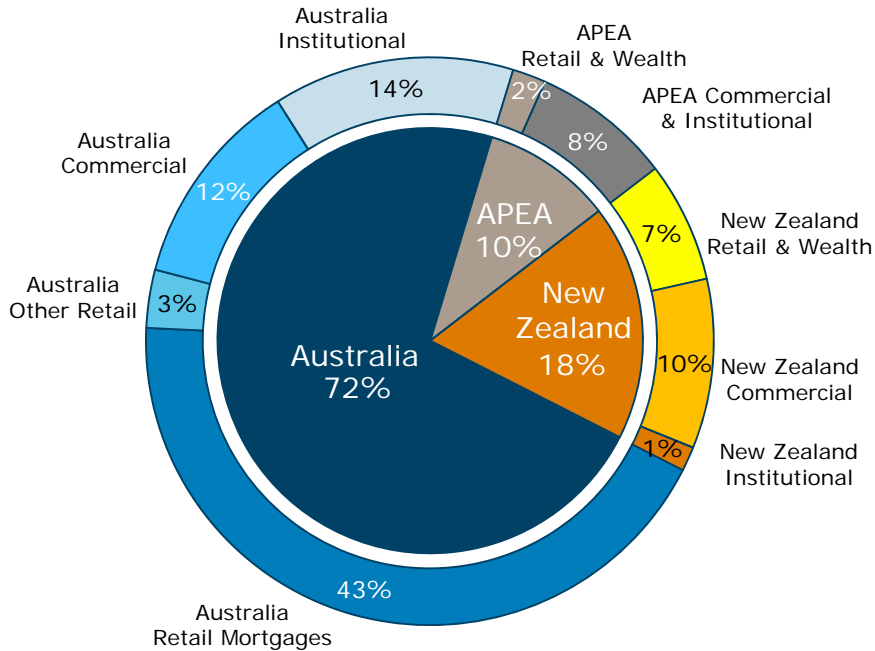


Customer Deposits

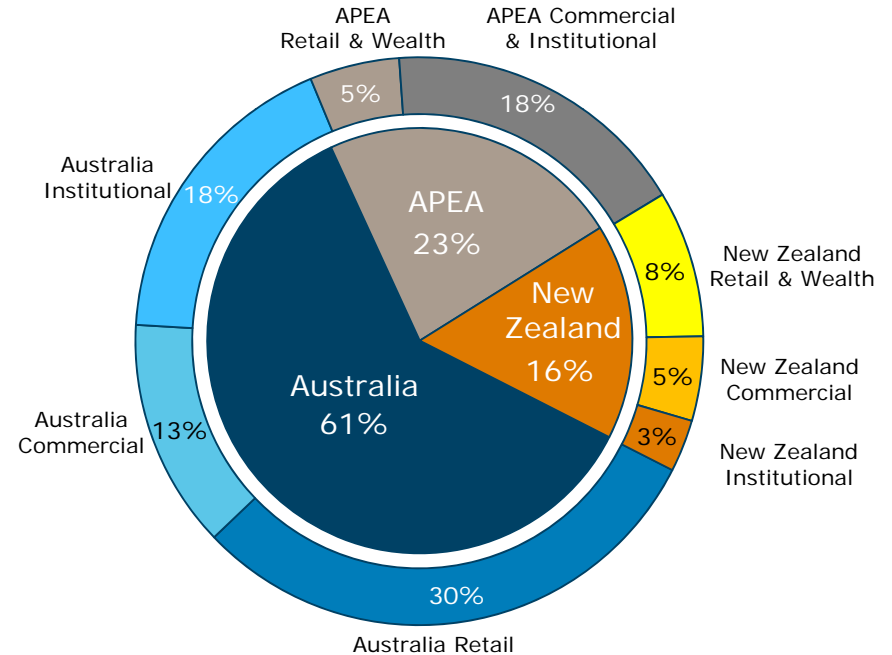


Balance Sheet - Composition by Geography

Net Loans & Advances (incl. Acceptances)

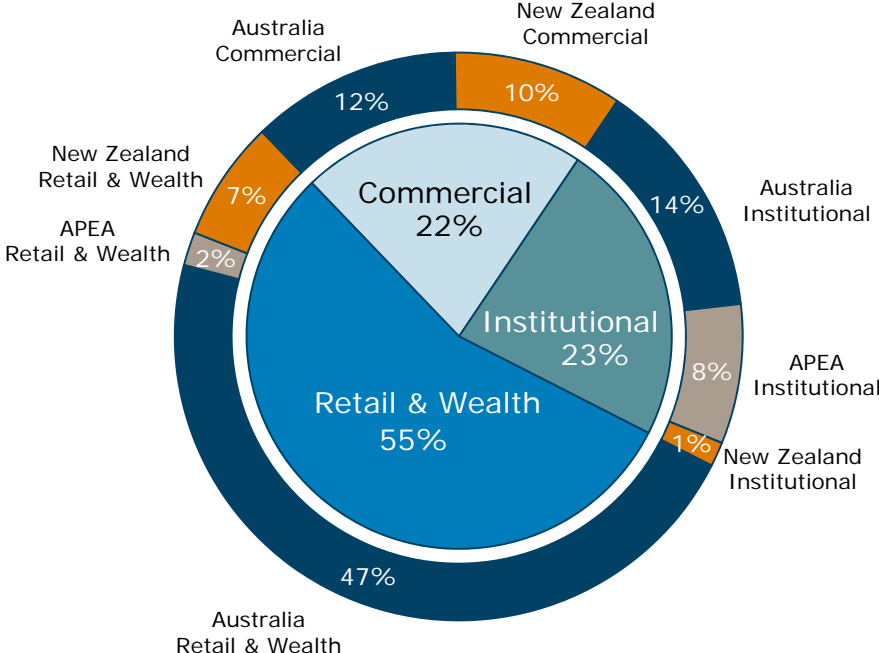


Customer Deposits

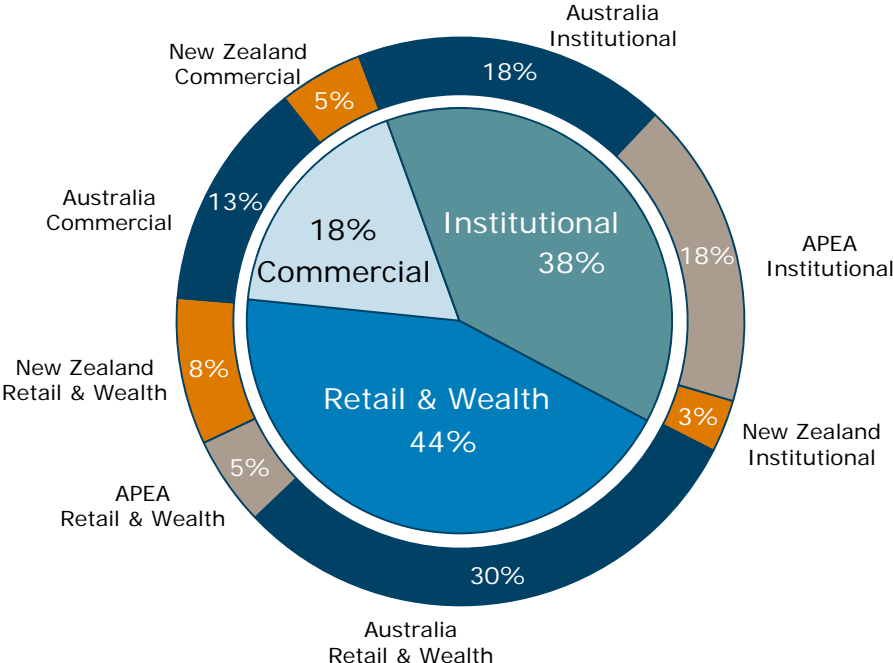


Balance Sheet - Composition by Segment

Net Loans & Advances (incl. Acceptances)



Customer Deposits



Investor Discussion Pack

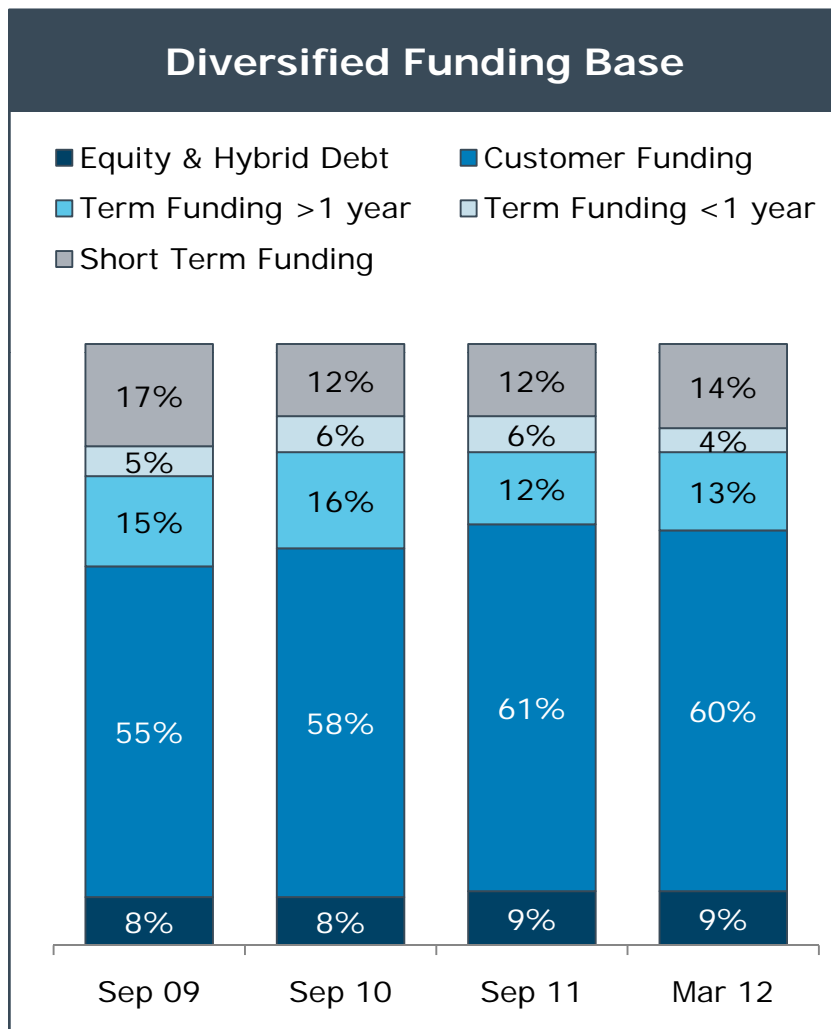
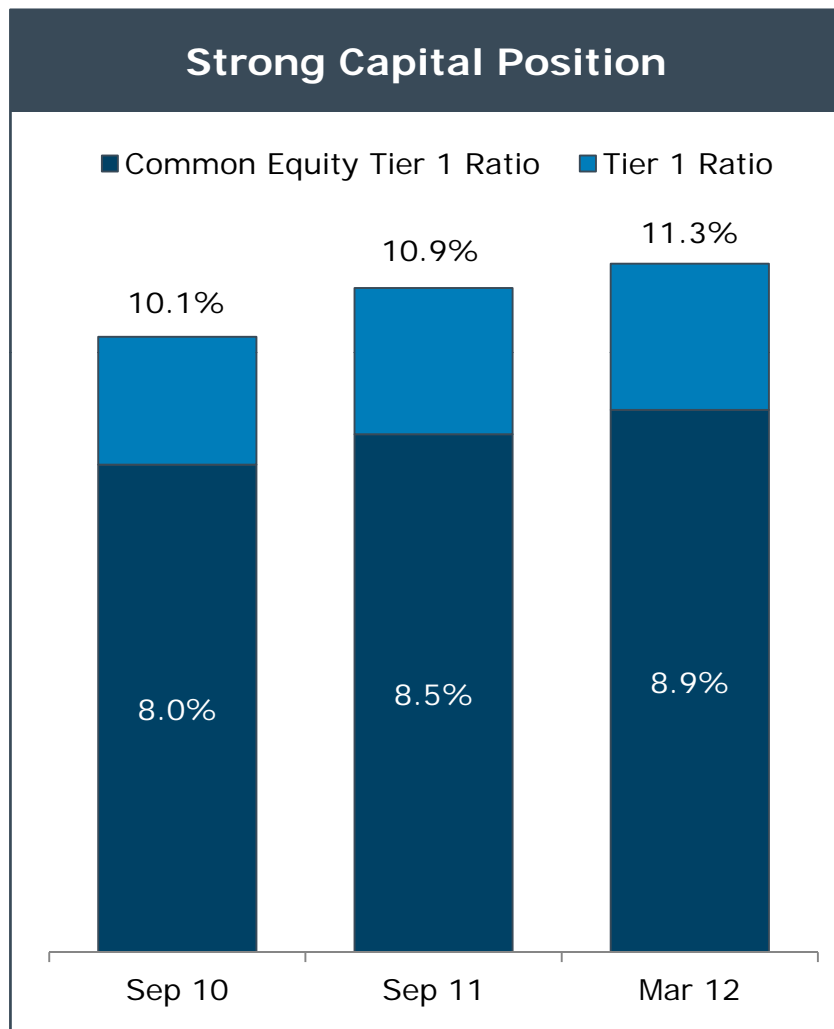
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Treasury

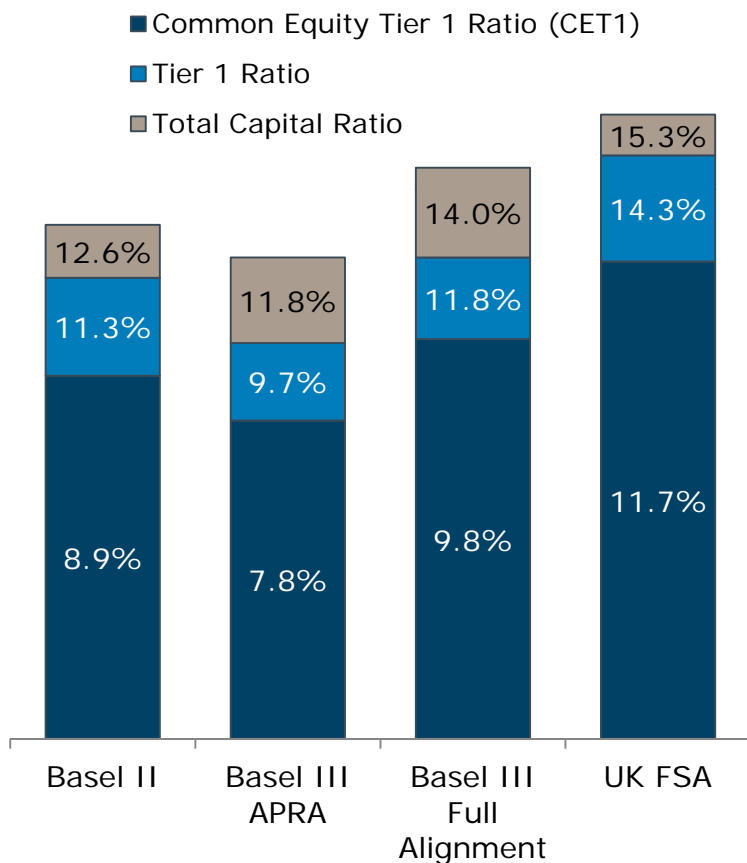


Strengthened capital position; well diversified funding base

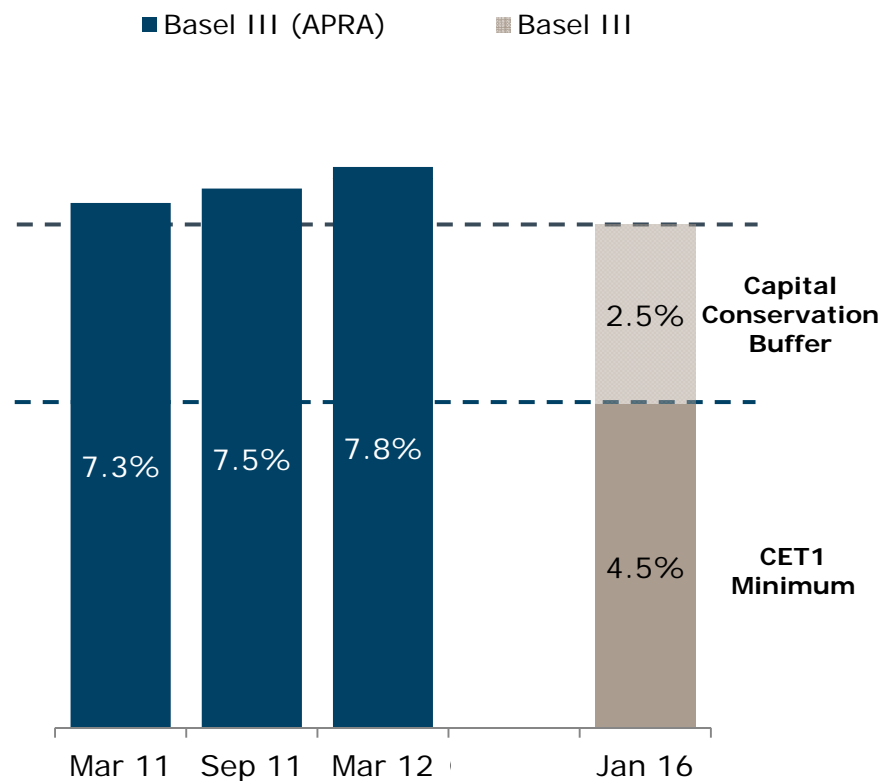


Continued strengthening of capital levels places ANZ in a strong position for upcoming Basel III implementation

Current capital levels are strong (Mar-12)

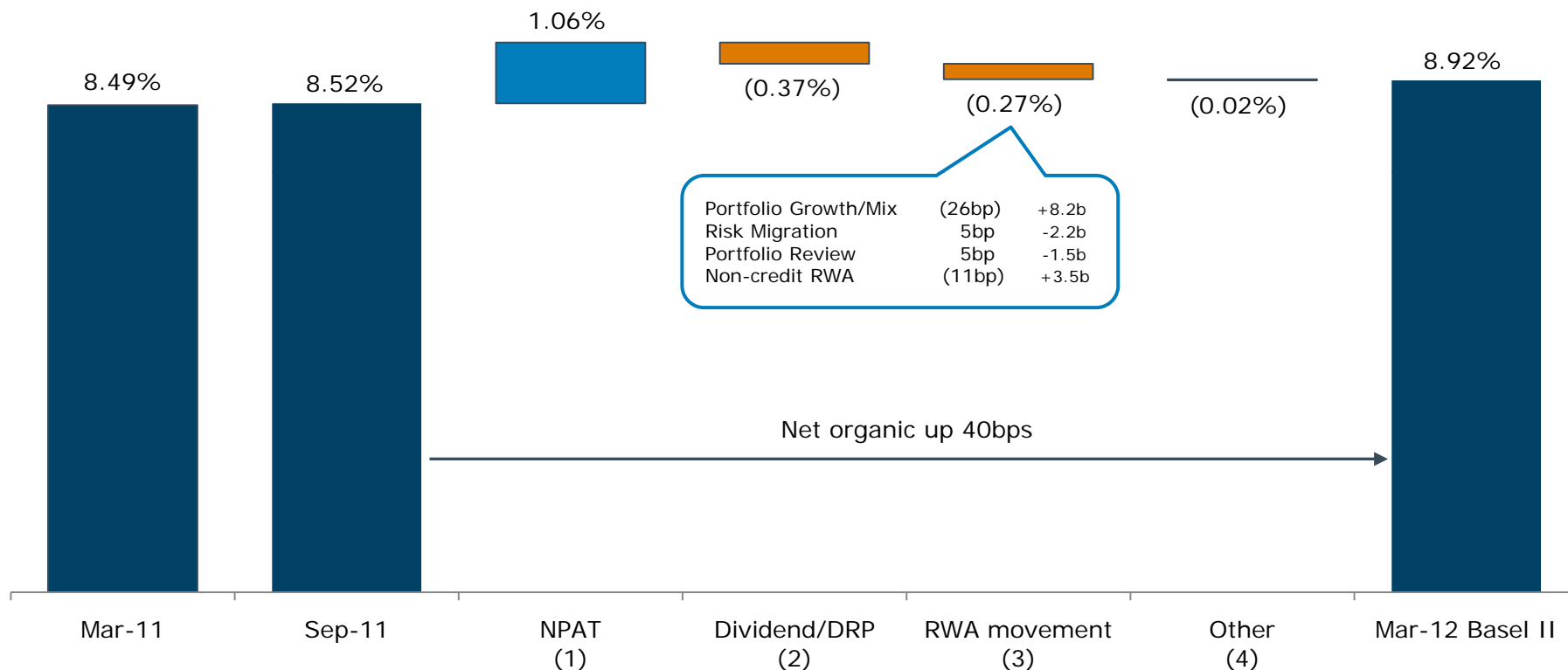


Well placed to meet Basel III CET1 target under APRA's draft capital standards



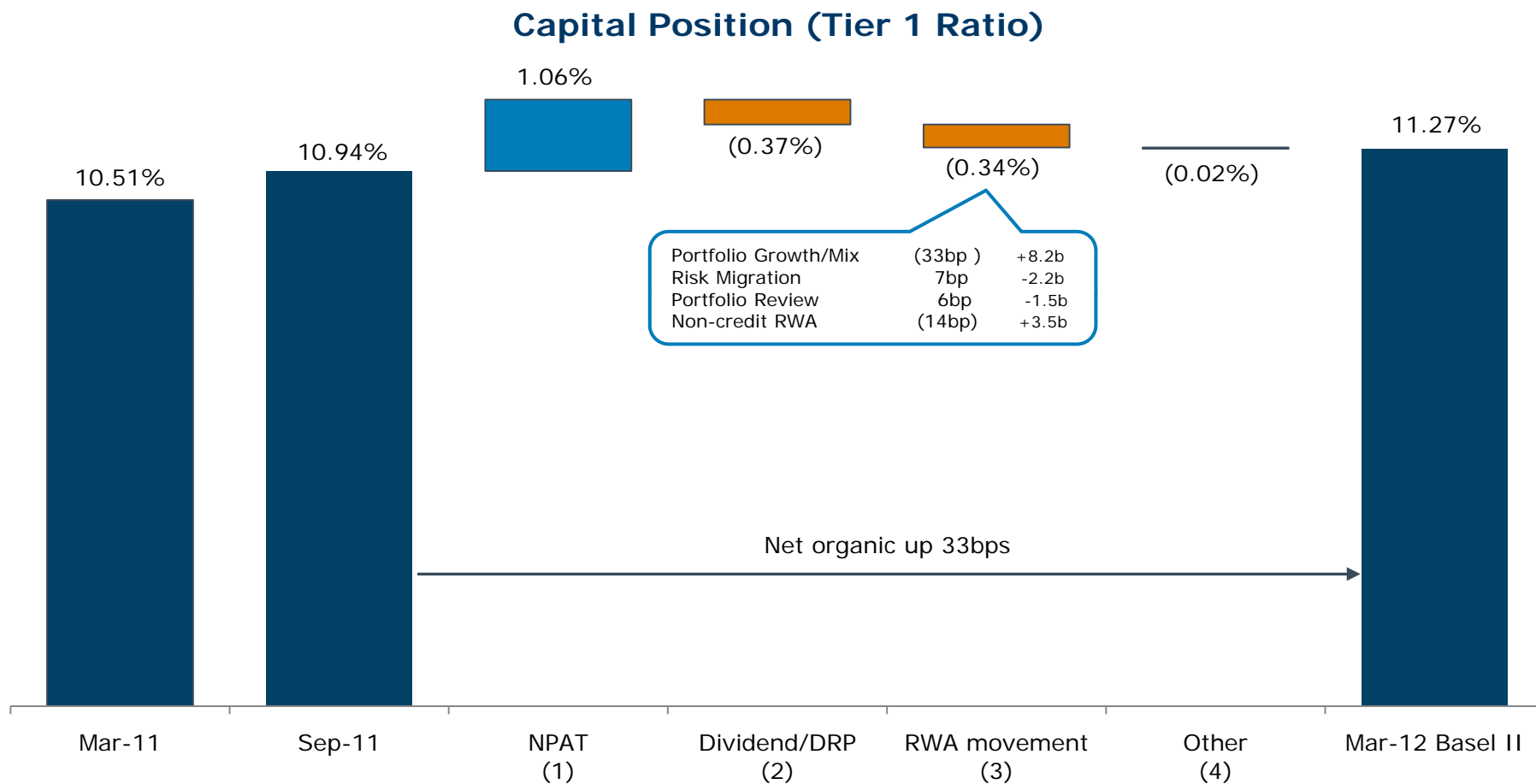
Solid organic capital generation underpins strong CET1 position

Capital Position (Common Equity Tier 1 Ratio)



1. Underlying NPAT. 2. Includes prior period under-accrual of DRP. 3. Includes impact of movement in Expected Loss versus Eligible Provision shortfall. 4. Includes OnePath Insurance Business' capital retention, Asian Banking Associates' retained earnings, Non-Core NPAT items, Capitalised Costs and Software, FX, Net Deferred Tax Assets, Pensions, MTM gains on own name included in profit

Tier 1 position strengthened through organic capital generation



1. Underlying NPAT. 2. Includes prior period under-accrual of DRP. 3. Includes impact of movement in Expected Loss versus Eligible Provision shortfall. 4. Includes OnePath Insurance Business' capital retention, Asian Banking Associates' retained earnings, Non-Core NPAT items, Capitalised Costs and Software, FX, Net Deferred Tax Assets, Pensions, MTM gains on own name included in profit

Reconciliation of ANZ's capital position under Basel III

ANZ capital ratios : Basel II to Basel III

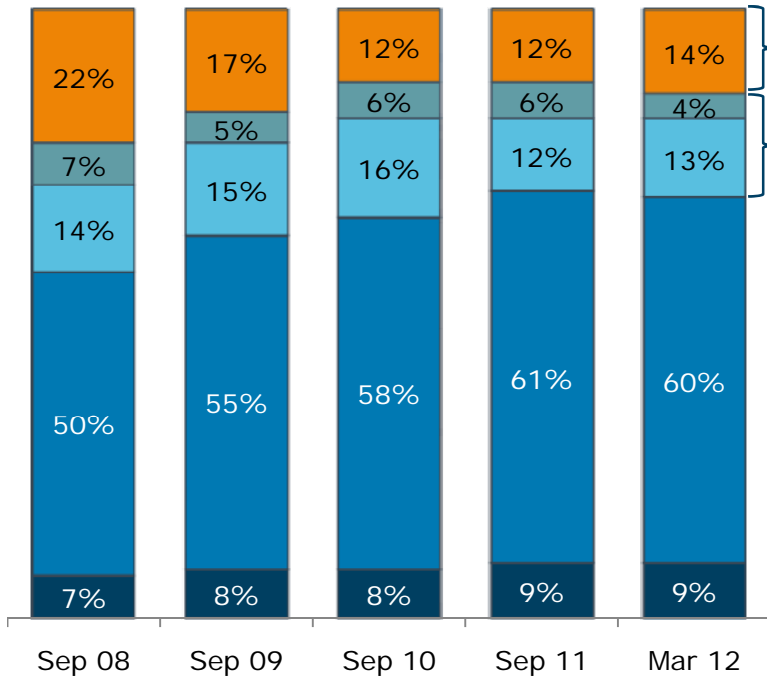
	CET1	Tier-1	Total Capital
APRA Mar-12 Basel II	8.9%	11.3%	12.6%
Dividend not provided for (net of DRP)	0.4%	0.4%	0.4%
Investments in ADI and overseas equivalents	-0.4%	-0.4%	0.0%
Investments in ANZ insurance subs including OnePath	-0.4%	-0.4%	0.0%
Expected losses in excess of eligible provisions	-0.1%	-0.1%	0.1%
Other	-0.1%	-0.3%	-0.2%
10% reduction of existing hybrids and sub debt securities	0.0%	-0.2%	-0.4%
Estimated increase in RWA ¹	-0.5%	-0.6%	-0.7%
APRA Mar-12 Basel III proposed	7.8%	9.7%	11.8%
10% allowance for investments in insurance subs and ADIs	0.8%	0.7%	0.7%
up to 5% allowance for deferred tax asset	0.2%	0.2%	0.2%
other capital items	0.2%	0.3%	0.2%
Mortgage 20% LGD floor and other measures	0.5%	0.6%	0.7%
IRRBB RWA (APRA Pillar 1 approach)	0.3%	0.3%	0.4%
Mar-12 Basel III fully aligned	9.8%	11.8%	14.0%

1. Includes credit counterparty but excludes any Basel III liquidity changes.

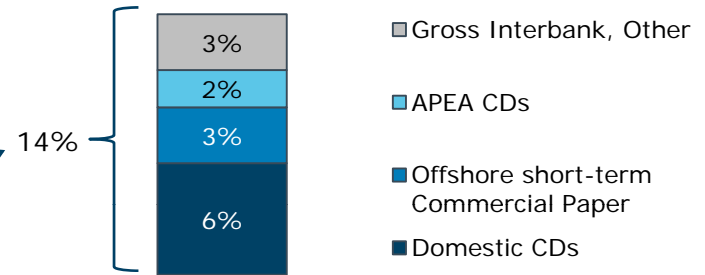
ANZ has a well diversified funding profile with an increasing weighting to customer funding

Strong Funding Composition

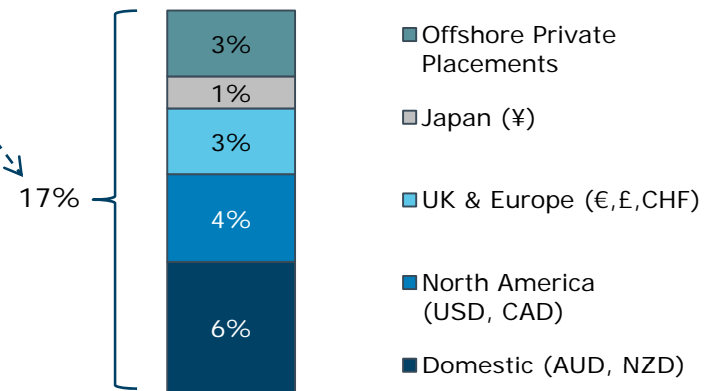
- Short Term Wholesale Funding
- Customer Funding
- Term Debt < 1 year Residual Maturity
- Shareholders equity & Hybrid debt
- Term Debt > 1 year Residual Maturity



Offshore short-term Commercial Paper makes up just 3% of total Group funding

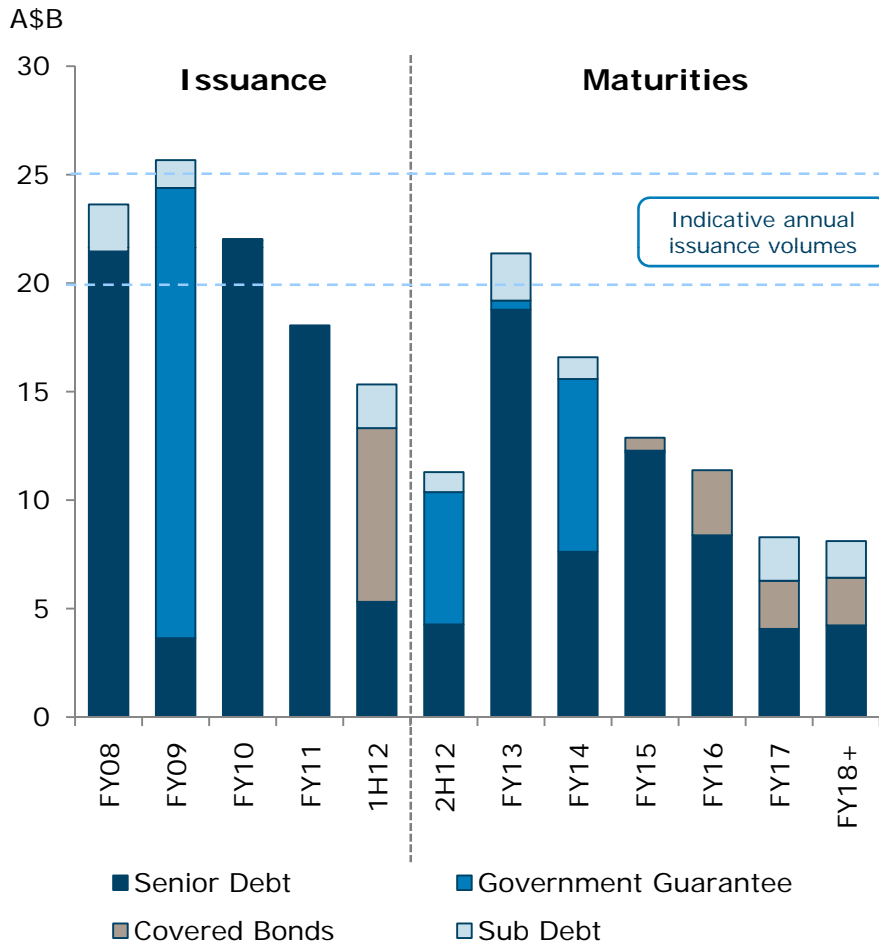


Well diversified term wholesale funding portfolio

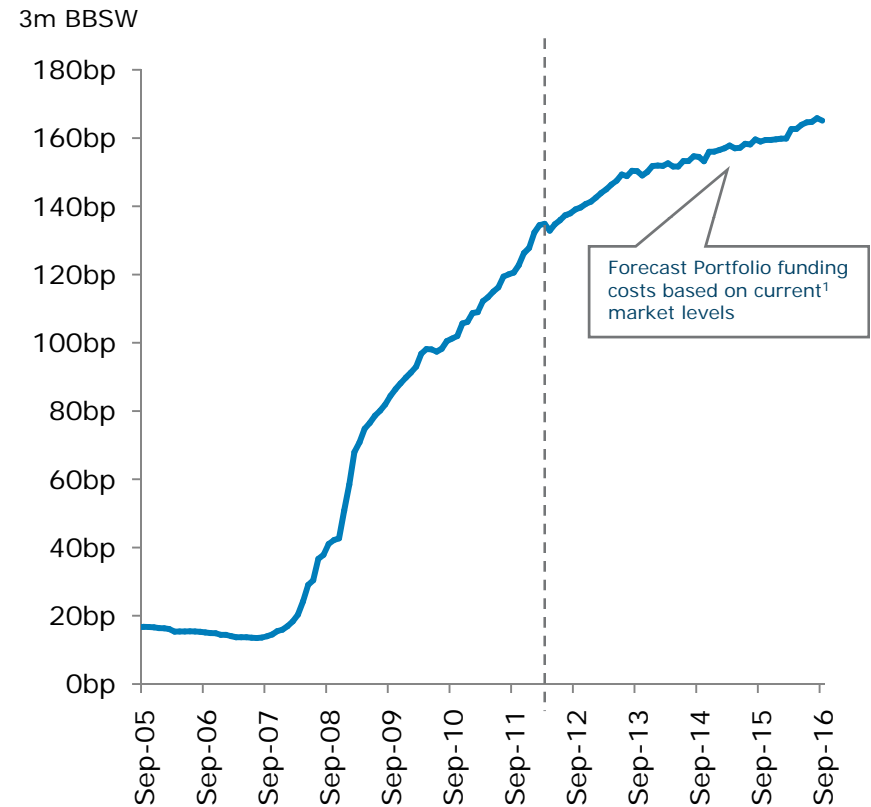


FY12 debt issuance is well ahead of plan; portfolio costs continue to increase

~80% FY12 term wholesale debt issuance completed



Portfolio term funding costs will continue to increase



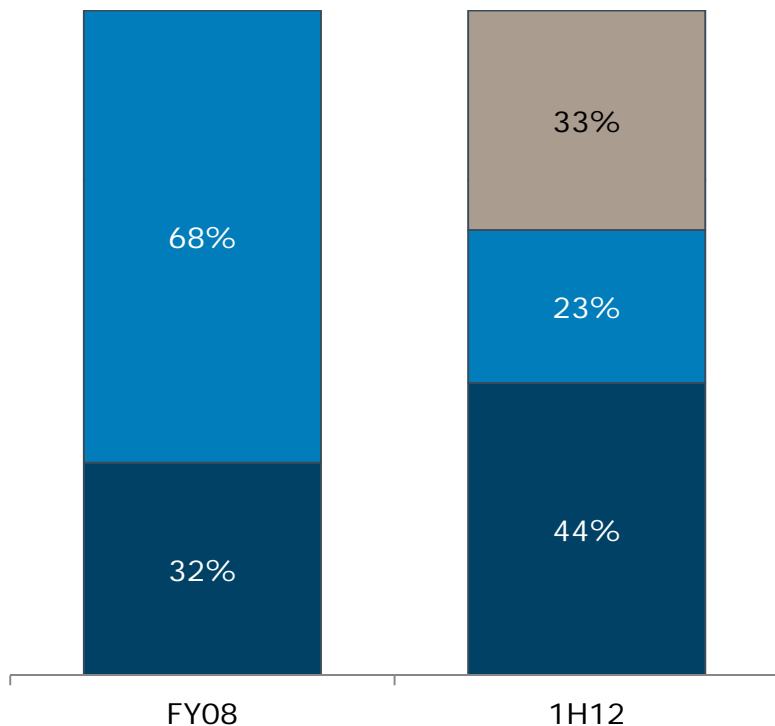
1. As at 31 March 2012

ANZ's term funding portfolio is increasingly diversified with a declining reliance on offshore funding

Term Debt Issuance

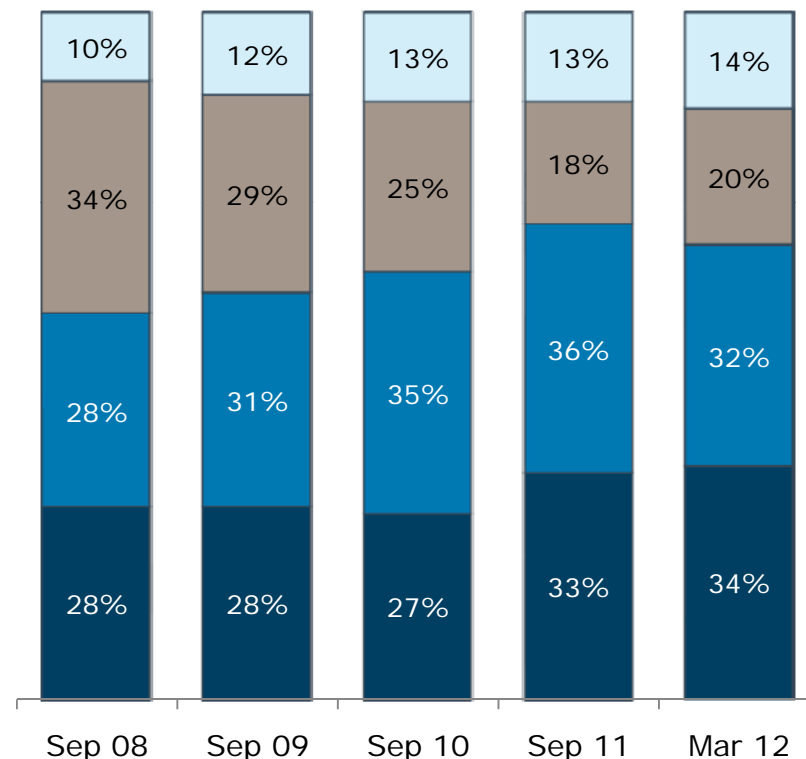
Weighted avg.
tenor : 4 yrs

Weighted avg.
tenor : 5 yrs



- AUD/NZD
- Foreign Currency - Senior Unsecured
- Foreign Currency - Covered Bonds

Term Debt Outstandings

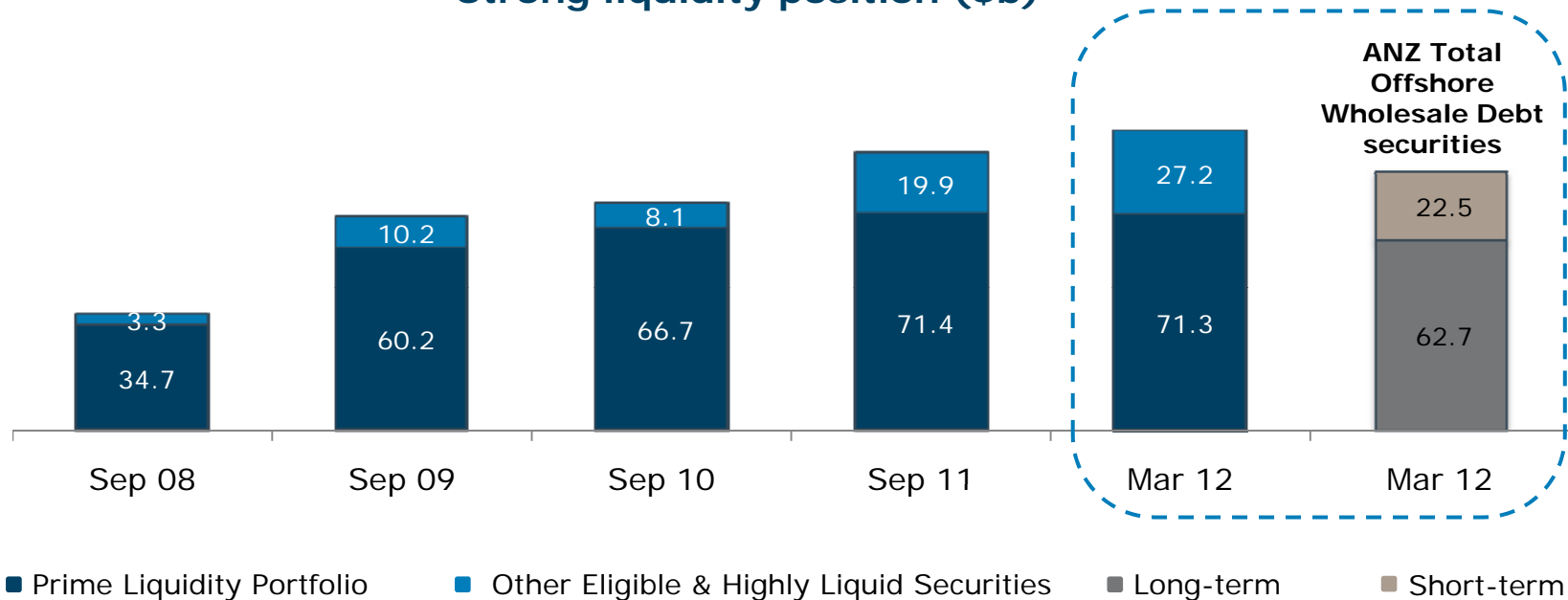


- Domestic
- North America
- Europe
- Asia

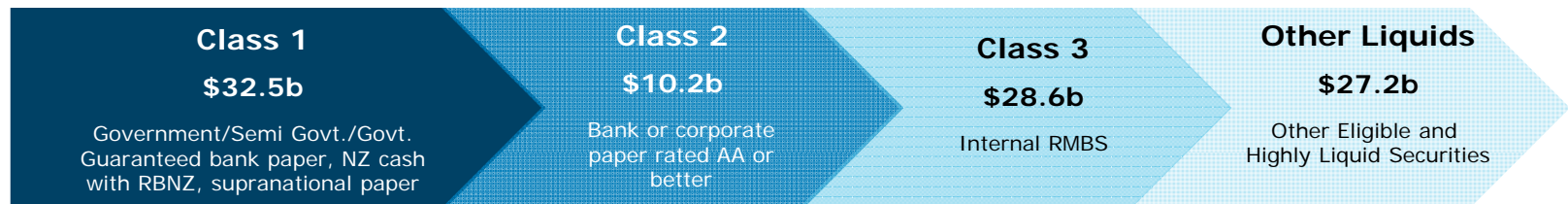


Liquid assets of \$99b exceed total offshore wholesale debt of \$85b

Strong liquidity position (\$b)



Composition of liquid assets (\$98.5b)



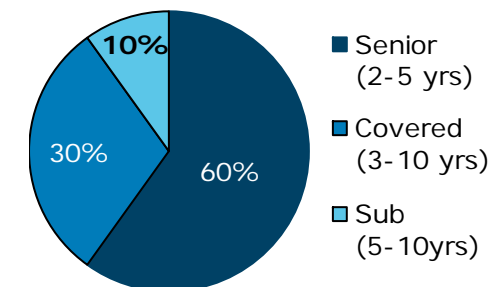
Strong domestic funding markets and the introduction of covered bonds significantly reduces ANZ's need to issue senior unsecured benchmarks in offshore markets

- ANZ's lower and more stable wholesale funding requirement relative to peers is a distinct advantage
- Domestic AUD/NZD funding markets will remain our largest source of wholesale funding
- Annual term funding task expected to remain broadly consistent in \$20-25 billion range - largely rolling existing maturities
- Additional flexibility provided via establishment of covered bonds program and US 3a2 program
- Expect to execute 1-2 benchmark transactions annually in each of our core foreign currencies (USD, EUR, JPY)

ANZ Term Debt Issuance for year to 31-Mar-12

	Jun	Sep	Dec	Mar	Senior	CB	Sub	Total
Domestic B'mrk	2.2	0	1.0	4.6	3.3	3.0	1.5	7.8
USD B'mrk	0	0	1.2	0.0	0	1.2	0	1.2
EUR B'mrk	0	0	0.7	1.6	0	2.2	0	2.2
JPY B'mrk	0	0	0	1.1	1.1	0	0	1.1
Other incl. private placements	0.7	1.1	1.5	3.7	4.9	1.5	0.5	6.9
Total	2.9	1.1	4.4	10.9	9.3	8.0	2.0	19.2

Indicative Profile



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AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

May 2012

Divisional Performance



Australia Division – Consistent customer focus and well-established market positioning

1. Driving customer growth and improving productivity and efficiency

- Delivering on the transformation agenda for the distribution network, reducing network costs and aligning capability and capacity with customer demand
- Delivered improved mortgages sales capabilities and simplified processes to drive proprietary growth
- Provided expanded ability for customers to address simple service requests online
- Introduced ANZ OneSwitch to on-board Commercial customers quickly and easily.

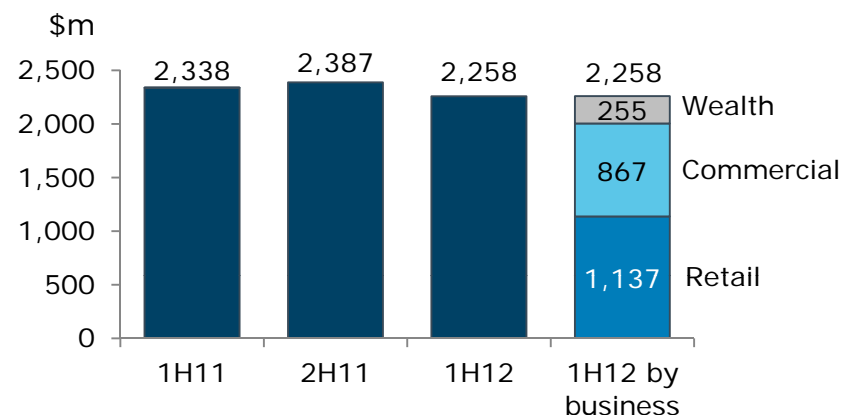
2. Delivered customer propositions targeted at key segments aligned to Super Regional Strategy

- Expanded multi-lingual capabilities across a range of products and services, including Wealth products
- Launched pre-arrival concierge service for customers migrating to Australia, onboarded ~1,500 customers since October 2011
- Mortgage products targeted to new residents as well as non-resident customers
- Acquired new-to-bank Commercial customers by accessing distribution networks of Retail, OnePath and Esanda and leveraging ANZ Super Regional capabilities.
- New retirement savings products for 50+ customers.

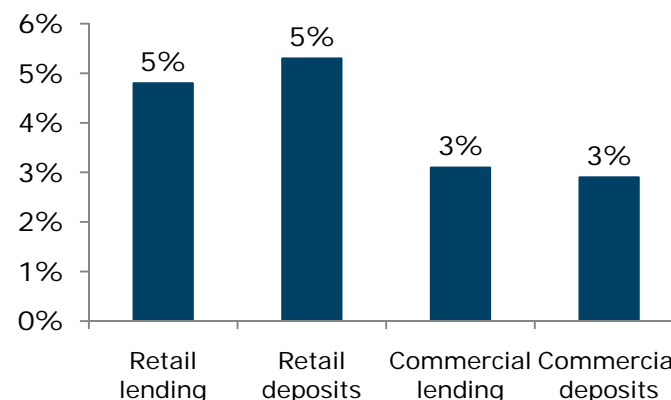
3. Successful implementation of technology and innovation initiatives

- Enhanced functionality of goMoney for iPhone and iPad (registered users to date surpassing 600k)
- Launch of Smart Choice Super online
- Improved user experience online, including enhanced security online statement access
- Expanded scope and functionality of integrated mortgage origination platform
- Pilot utilisation of iPads by frontline bankers, A-Z Review application.

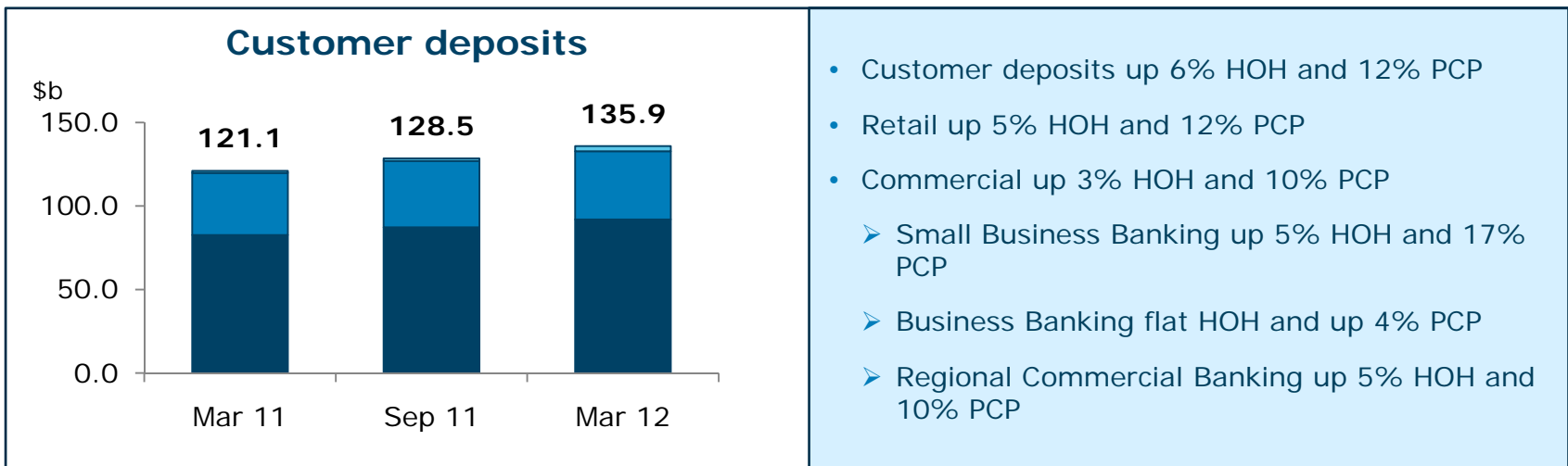
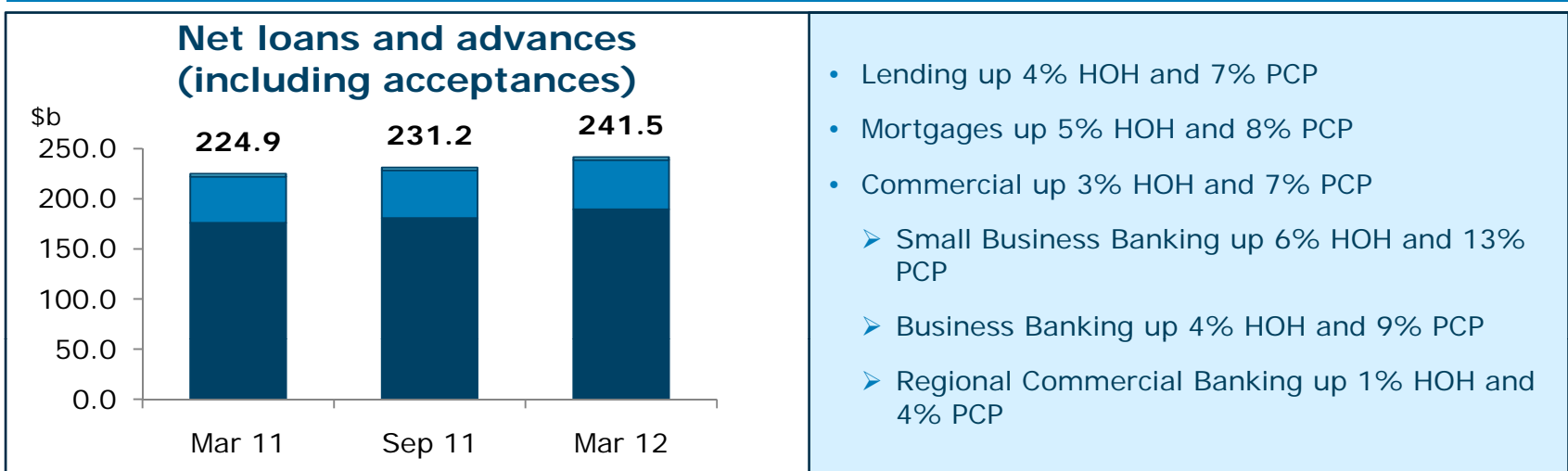
Underlying PBP



Lending & deposit growth (HOH)



Australia Division – loans and deposits

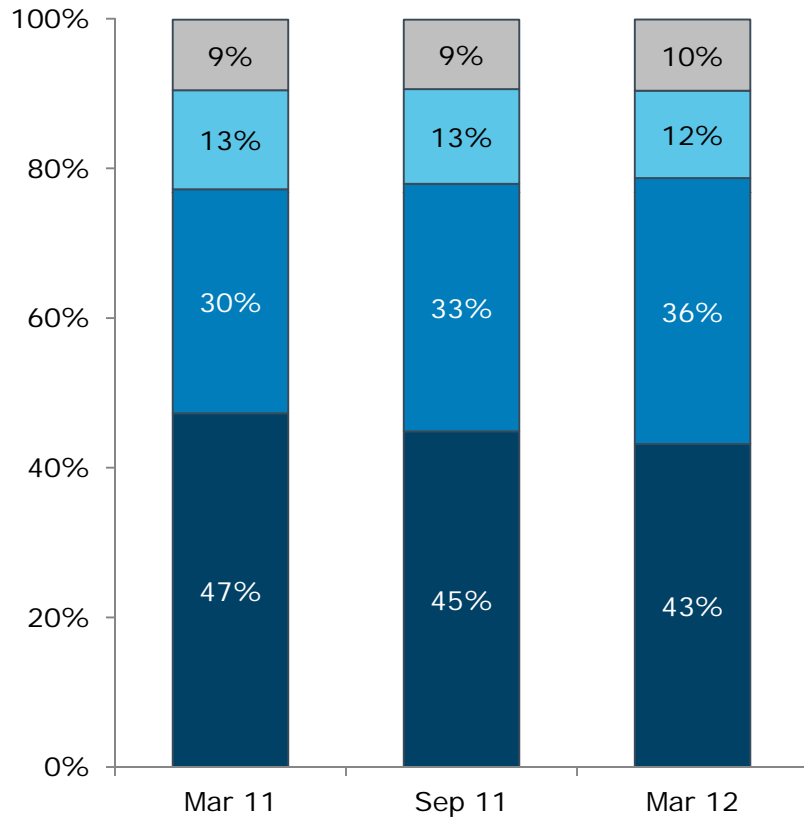


■ Retail ■ Commercial ■ Wealth

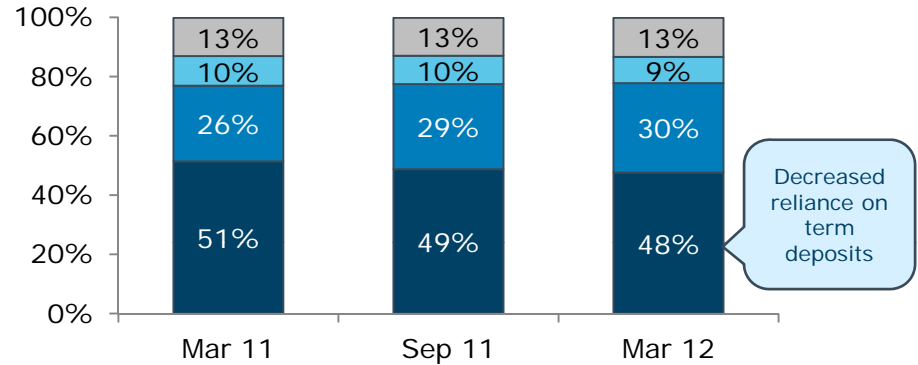


Australia Division – Deposits

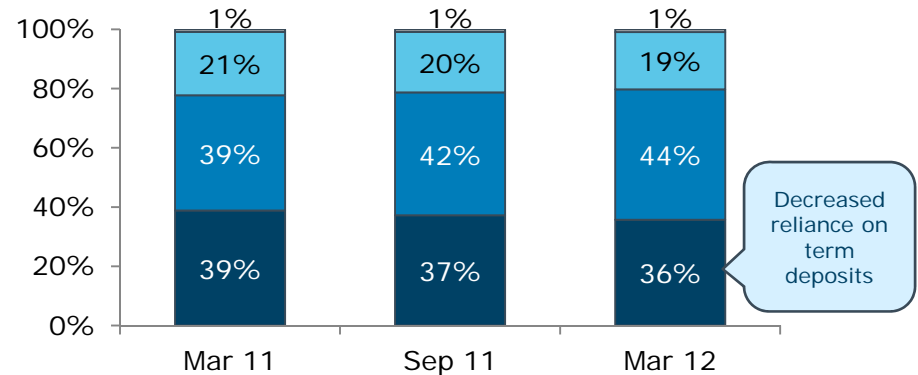
Customer deposit composition



Retail deposit composition



Commercial deposit composition



■ Term Deposits ■ Savings ■ Transaction ■ Offset Account



Retail – Strengthening the franchise

Movement	1H12 v 2H11	1H12 v 1H11
Income	-4%	-1%
Expenses	2%	4%
Profit Before Provisions	-8%	-6%
Net loans & advances incl. acceptances	5%	8%
Customer deposits	5%	11%

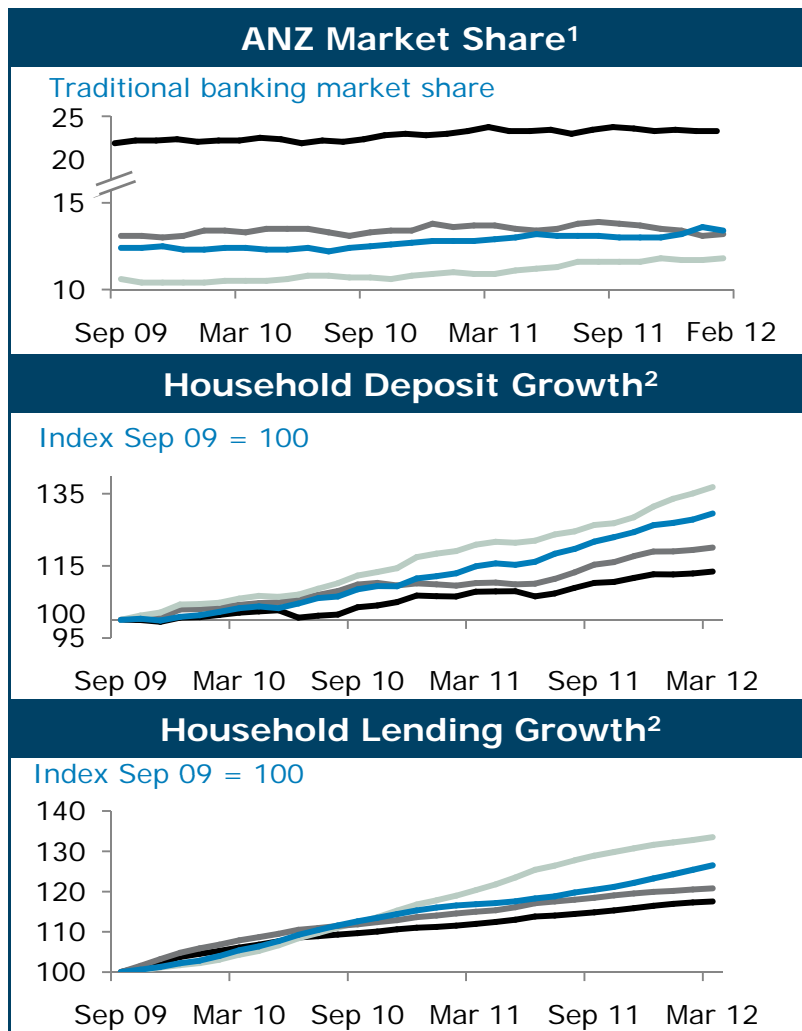
Clearly defined strategic priorities to drive growth

- Deepening customer relationships and growing share of wallet amongst high value customers
- Decreasing the cost of doing business
- Strong growth in mortgages and deposits
- Improving funding position through management of deposit mix and less reliance on term deposits
- Leveraging our super regional strength, locally

Outcome

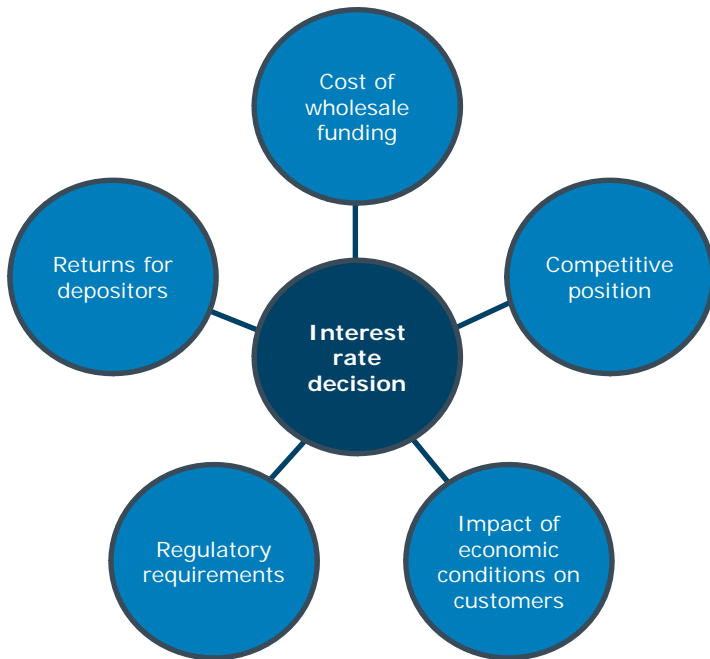
- Achieved #2 in market share by brand¹
- Strongest growth in customer share of wallet¹
- Peer leading MFI customer satisfaction
- Implemented productivity initiatives, including further automation, enhanced functionality of goMoney (over 600k users³) and expense reduction initiatives
- Strong deposit growth - up 5% HOH and 11% PCP
- Mortgages FUM up 5% HOH and 8% PCP.

1. Source: Roy Morgan Research
 2. Source: APRA Statistics
 3. As at April 2012



Retail - Mortgage pricing

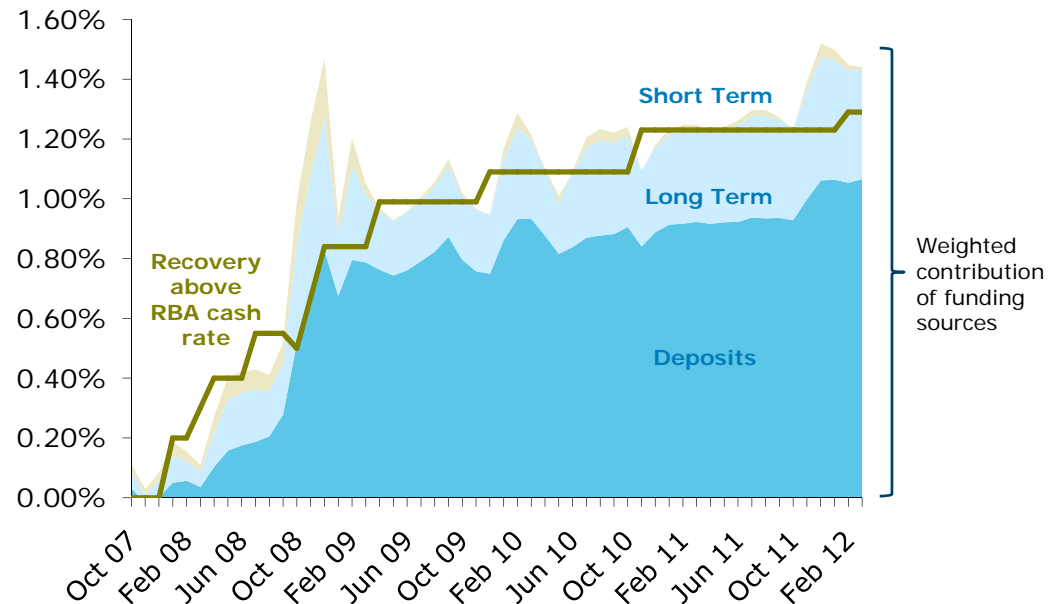
Criteria used to assess Interest Rates



Change in cost of funds over the RBA Cash Rate since the Global Financial Crisis

ANZ's average cost for term wholesale funding between 1 October 2011 to 31 March 2012 increased by 15 bps from 116 basis points above the three month bank bill swap rate to 131 bps¹

Mvmt in funding costs vs. Cash Rate relative to pre-crisis levels²



1. ANZ, 23 April 2012, 'Integrity and transparency on bank funding costs'. Represents Australian geography portfolio.

2. Pre-crisis levels represents the average change in cost of funding relative to the cash rate over the 12 month period ending September 2007

Commercial overview

Movement	1H12 v 2H11	1H12 v 1H11
Income	1%	4%
Expenses	4%	3%
Profit Before Provisions	-1%	5%
Net loans & advances incl. acceptances	3%	7%
Customer deposits	3%	10%

Strategic focus

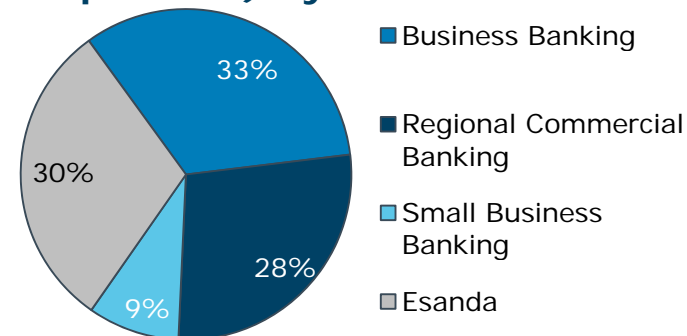
- Continued drive for customer growth through leveraging:
 - Super Regional capabilities and footprint
 - Strengths in Markets, Trade Finance and Cash Management and Agriculture, Natural Resources & Infrastructure sector expertise
 - Retail, OnePath and Esanda's distribution network
- Continued improvement in efficiency and productivity through centralising and standardising administration functions and enhanced use of offshore Centres of Excellence.

Outcome

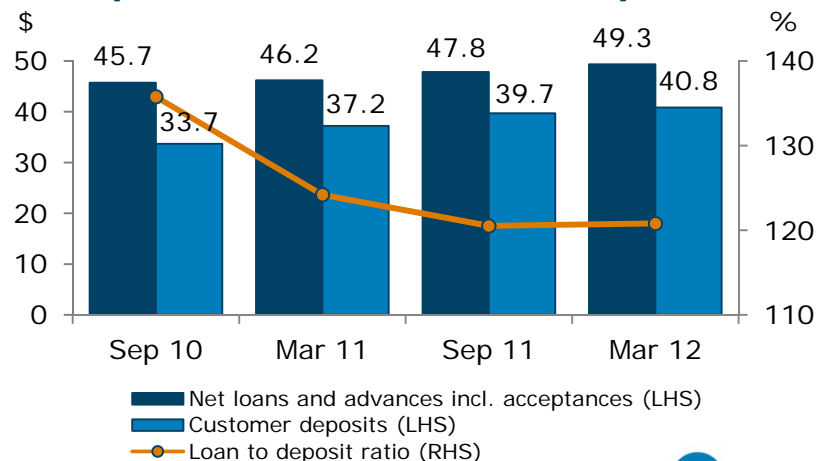
- Increased market share (up 110 bps since Jun 11, up 70 bps YTD Mar 12)¹ through growth in the share and size of customers and enhanced share of wallet
- Customer acquisition up 3% (Feb 12 YTD) across all segments – Small Business ('SME'), Regional Commercial and Business Banking
- Lending up 3% HOH reflecting investment in training and productivity initiatives
- Deposit growth of 3% HOH.

1. DBM Business Financial Services Monitor. 12-month rolling average Commercial includes most small and medium sized businesses
Base: Jun11 n=17,305; Sep11 n=17,296 and Mar12 n=17,128

Net loans & advances (incl. acceptances) by business



Net loans and advances (incl. acceptances) & Customer deposits



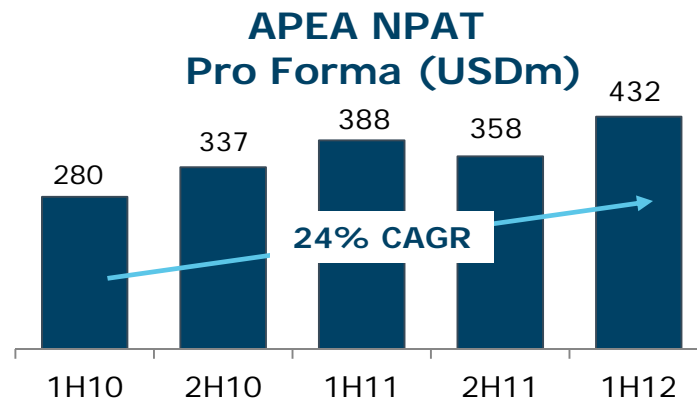
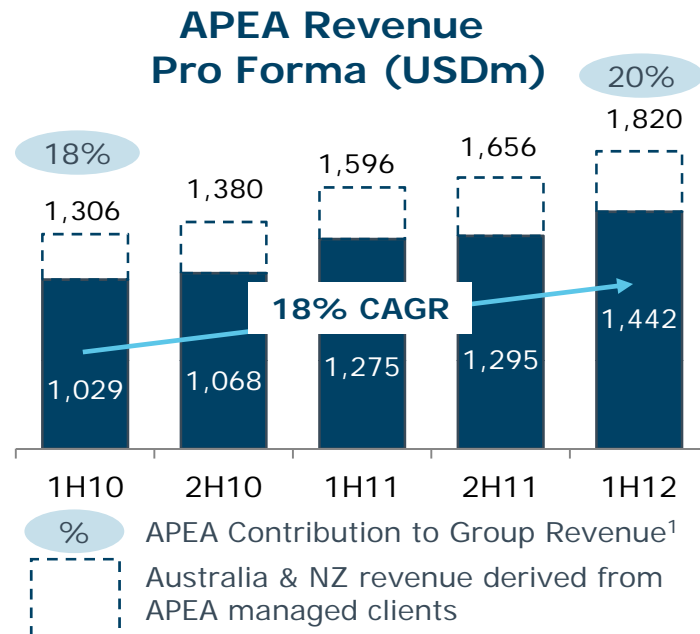
APEA an increasing contributor to group revenue through continued execution of Super Regional strategy

APEA contributed 20%¹ of Group revenue in 1H12...

- NPAT growth of 21% HoH (11% PCP)
- Jaws were +5% with income up 11% and expenses increasing 6%
- Customer deposits grew by 17% (USD11b) and lending increased by 12% (USD5b).

... as we continue to execute on our long term Super-regional strategy ...

- Connectivity is a key competitive differentiator for ANZ
 - 4% of Group revenue was booked in Australia and New Zealand but derived from APEA
 - 46% CAGR growth in Intra-APEA cross border income since 1H10
- Balance sheet strength – improving deposit base and credit quality
- Prioritised investment, with USD54 million increased spend largely focused on technology and infrastructure
- Growth and competitiveness in our target segments
 - Recognised as a Top 5 corporate bank in Asia by the Greenwich Large Corporate Banking Survey 2012
 - Active customers in Asia Institutional grew by 9% HOH
 - Awards for retail deposit offering in Indonesia² and Hong Kong³



1. Includes an additional proportion of Group revenue reported in Australia and New Zealand from APEA managed customers.

2. ANZ Super Savings Account won the "Service to Care Award 2012" 3. ANZ Hong Kong was named the Best Deposits Service Bank at the 12th 'Capital' Outstanding Enterprise Awards

Revenue growth is driven by focus on our priority geographies, customer segments and products

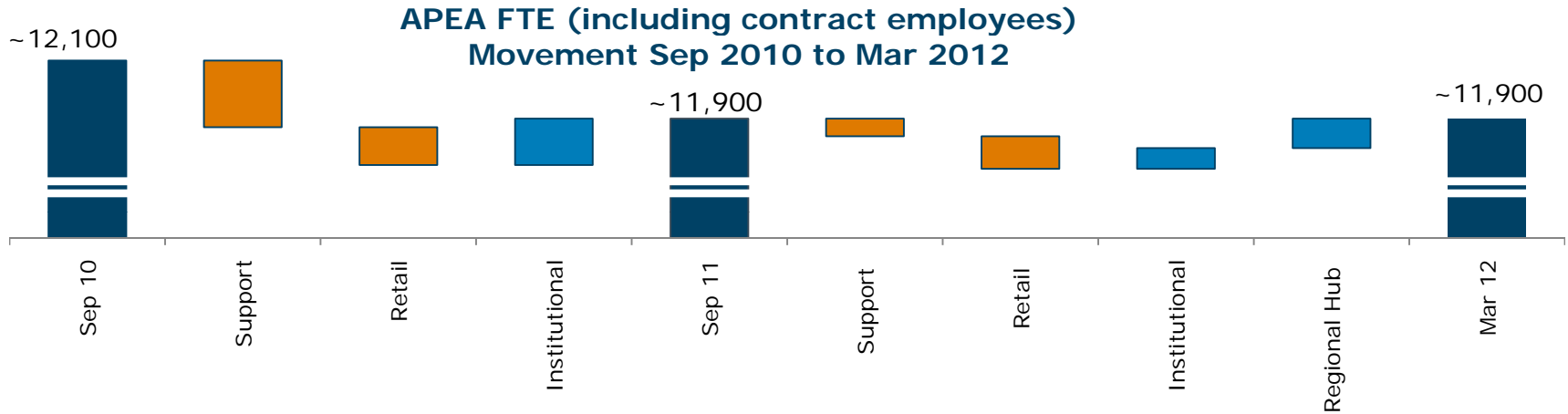
	Geographies	Customer Segments	Products																																																						
Strategic Priorities	Franchise Markets <ul style="list-style-type: none"> Greater China Singapore Greater Mekong Indonesia India The Pacific 	Institutional <ul style="list-style-type: none"> Natural Resources Agriculture Infrastructure Financial Institutions Multinationals 	Institutional & Commercial <ul style="list-style-type: none"> Cash Management Trade Foreign Exchange Global Capital Markets 																																																						
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Achievements	<ul style="list-style-type: none"> Singapore, Hong Kong, Indonesia, PNG and Europe and America all delivered >\$100 million total effort revenue¹ Continued strong performance in Greater Mekong 	<ul style="list-style-type: none"> Commercial growth focused on four priority countries Continued strong growth in priority Institutional segments based on deepening customer insights 	<ul style="list-style-type: none"> Continued strong growth in Trade Cash management platform launched in Singapore and Hong Kong and on track for further regional rollout Continued growth in retail deposit base 																																																						

1. Total effort revenue includes revenue 'thrown' into other geographies



We utilise strong expense discipline in order to fund deployment of revenue generating headcount

A focus on reducing back-office costs while continuing to invest in revenue-generating capabilities...

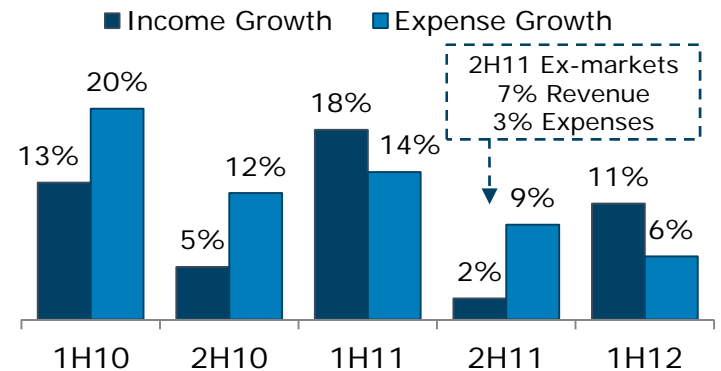


...driving real impact on the performance of business

- 1H12 Revenue / Expense jaws 5%
- Improving Cost to Income 59% 1H12 (62% 2H11)
- Strong HOH revenue growth in areas of investment;
 - Foreign Exchange sales Up 20%
 - Cash Management Up 14%
 - Trade Up 37%
 - Commercial segment Up 35%



Revenue & Expense Growth Pro Forma USD HOH



In addition, we are continuing to optimise our footprint in order to fund growth investments

Continuing to rationalise sub-scale businesses...

- Sold Wing, our Cambodia mobile payments platform, to focus on our ANZ Royal joint venture in the country
- Sold our stake in Vietnam's Sacombank, to focus on our own business in the country

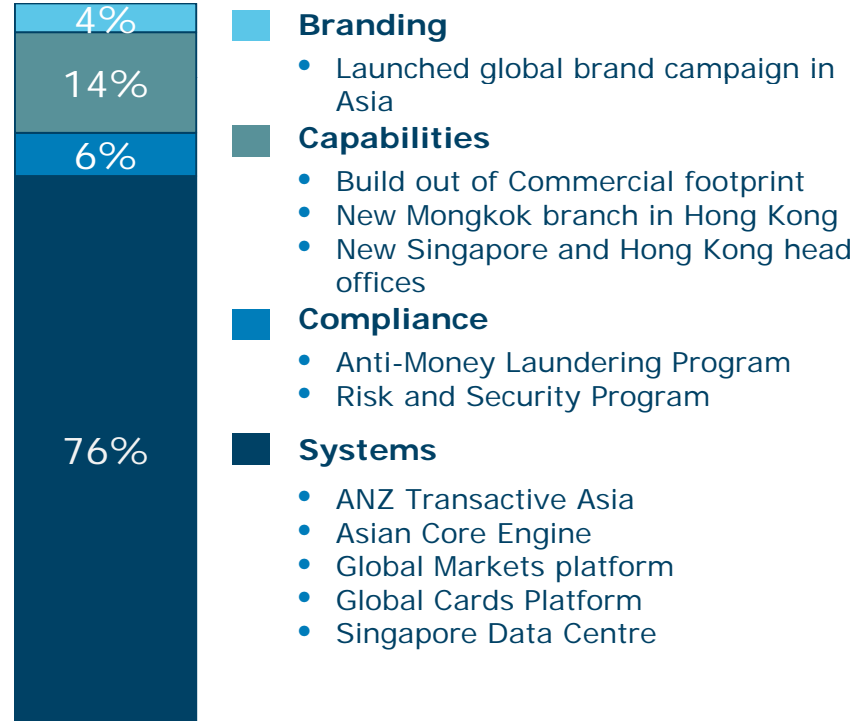
... and optimise footprint to serve customers most efficiently...

- Rationalising our branch network in Taiwan to best serve affluent and emerging affluent customers
- Rationalising our branch network in the Pacific (Solomon Islands, Samoa, Tonga & Vanuatu)
- Rationalised Regional offices in Hong Kong & Singapore and premises in Taiwan and Indonesia

...in order to fund additional growth investment

Additional investment 1H12¹

USD54m



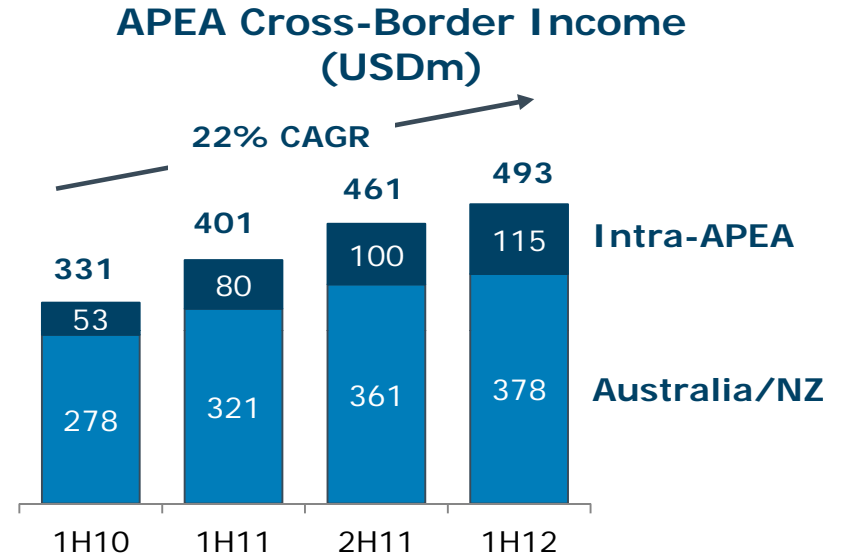
1H12

1. Incremental 1H12 v 2H11 investment spend, inclusive of capitalised project expenditure associated with ANZ Transactive Asia and Asian Core Engine

Connectivity is a key differentiator for ANZ, driving cross-border revenue growth across the network

Intra APEA connectivity becoming increasingly important

- ANZ's APEA business intra region cross-border revenues have achieved CAGR of 46% from 1H10 to 1H12 (Up 15% HOH / 43% PCP)
- Trade transaction volume increased 34% PCP
- Offshore customers represent 33% of our Retail Banking customer base in Singapore and Hong Kong
- 532 Asian Institutional clients have an active relationship with ANZ in 3 or more jurisdictions

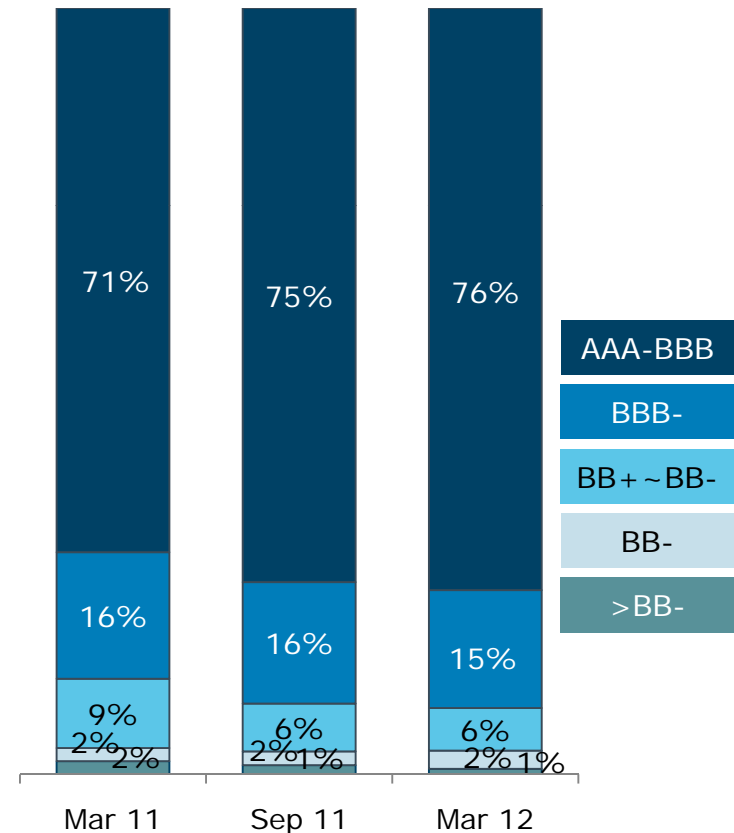
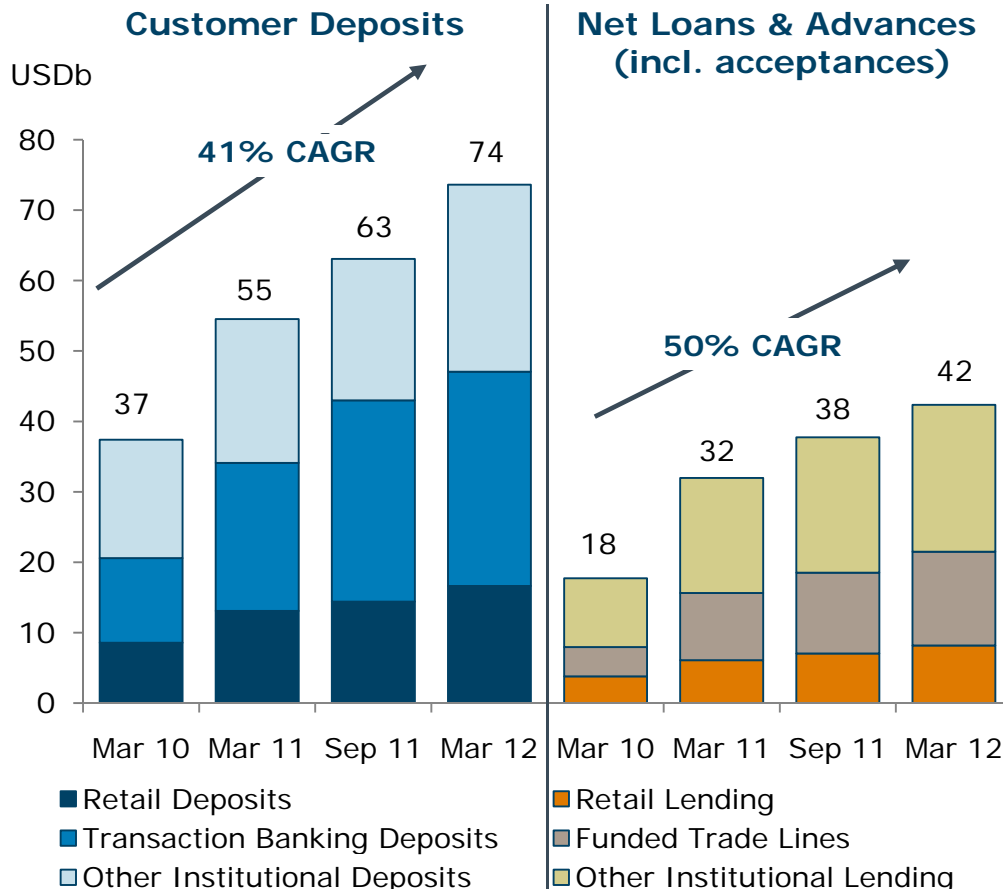


Institutional	<ul style="list-style-type: none"> • Continue to develop connectivity in key markets of Singapore, Hong Kong, India, China and Indonesia • Ramping up Europe & America 'throw' into Asian network off strong base of 'throw' into Australia and New Zealand • Focus on simplifying on-boarding processes across borders to ensure seamless customer interactions across the network
Retail & Wealth	<ul style="list-style-type: none"> • Initiatives implemented to capture Retail connectivity in the region have resulted in a 5 fold increase in cross-border referrals HoH
Partnerships	<ul style="list-style-type: none"> • Partners leverage ANZ's core capabilities in Australia and other markets for customer referrals and connectivity <ul style="list-style-type: none"> ➢ e.g. SRCB and AMMB customers moving to Australia can open ANZ Australia accounts prior to arriving in Australia

APEA continues to grow its deposit base, with strong credit quality in the loan book

- Significant volume growth
- Retail Asia deposits up 20% HOH
- 31% of APEA lending book represents funded trade lines. These have an average tenor of 3 months
- Self funding, Loan to Deposit ratio of 58%

APEA Institutional Risk Grade profile by Exposure at Default



APEA Institutional revenue up 26% on continued client acquisition and deepening wallet share

Revenue up 26% on prior comparative period

- Growth across all products and sectors, in particular Trade, Cash Management and Foreign Exchange

Continuing momentum on client acquisition

- ANZ recognised as a top 5 Corporate Bank in Asia. Five years ago, ANZ was outside the Top 20¹
- ANZ market penetration has grown to 28% in 2011¹
- 20% growth in client numbers on 1H11 – focus on multinationals, financial institutions and local corporates
- Deepening industry specialisation model to improve customer insight

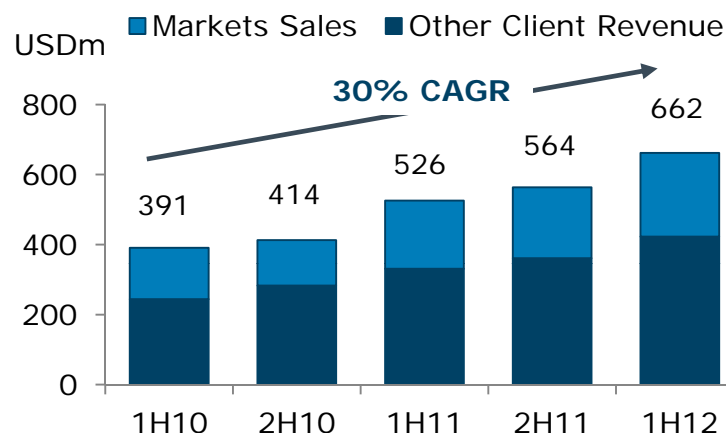
Deepening wallet share as product capability grows

- Increasing cross-sell across products and geographies to improve revenue quality and diversification. Top 50 client revenue has grown 15% pcp, whilst customer concentration reduced
- Delivery of regional transaction banking cash platform remains on track
- Global Markets product expansion and platform development
- Ongoing investment in priority products and markets

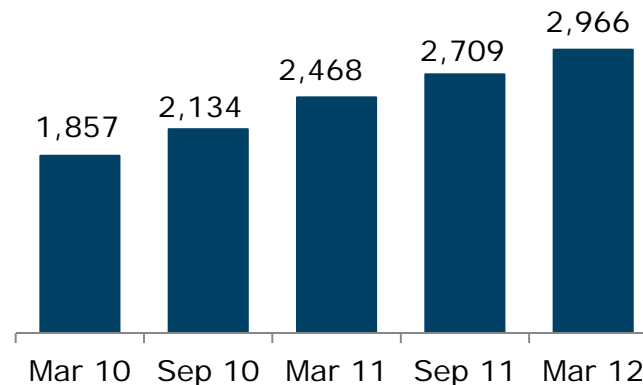
Improving efficiency and productivity

- CTI of 44% improved 1.0% on 1H11
- Improving customer onboarding processes
- Hubbing key processes an ongoing focus on efficiency in all parts of the business

APEA Institutional Client Revenue Pro Forma²



Asia Institutional Clients



1. Greenwich Large Corporate Banking Survey, 2012

2. Includes APEA Commercial revenue

APEA Retail – Continued focus on growing affluent and emerging affluent while repositioning the portfolio

Delivering growth amidst portfolio reshaping

- Revenue up 4% HoH
- Fee income represents 38% of total revenue
- Investment & Insurance focus delivered 24% of total revenue

Robust customer acquisition and cross sell activity

- Continued to grow Affluent banking customer base – acquisitions more than doubled compared to 1H11
- Product holdings per customer for affluent segment average 5.6

Portfolio repositioning

- De-risked credit card & unsecured loans in Taiwan, Indonesia and Hong Kong
- Out-segment portfolio balance declined by A\$100m over the last 18 months, resulting in improved credit quality

Strong Balance Sheet Growth contributing funds to the overall business

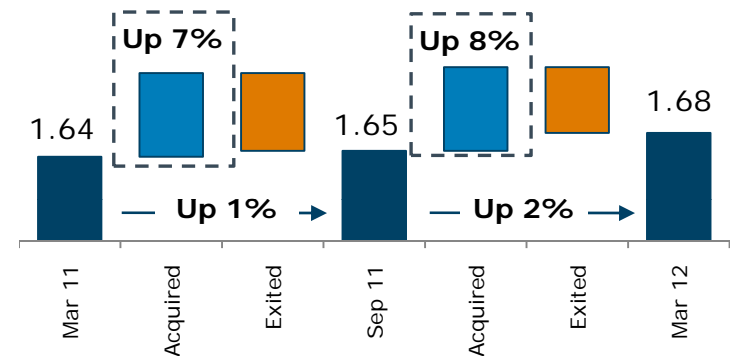
- Continue to grow our funding base with 16% deposit growth overall HoH (24% growth in Asia)

Investments continue to support further growth

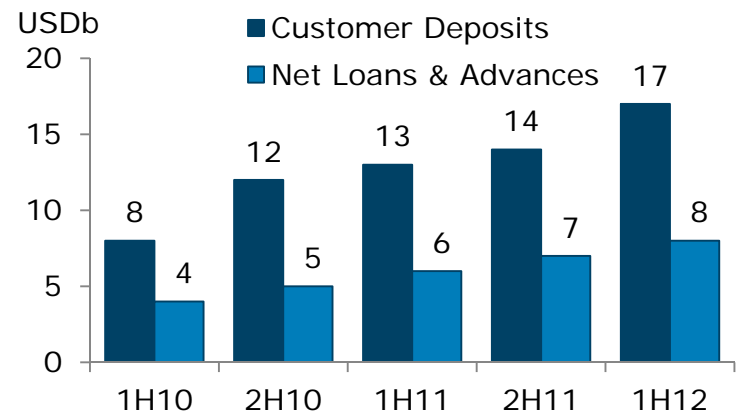
- Continued investment in people, product, brand and infrastructure
- Asia Retail CTI improved by 2% HOH

Underlying growth in core customers through period of portfolio repositioning

Asia Retail Customer Movement (millions)¹



A Growing Funding Base



1. Client movement across Deposits, Cards, Mortgages, Personal Loans and Investments & Insurance product categories.

Institutional is growing NPAT by diversifying into non-lending revenue streams

Diversifying revenue streams to reduce reliance on lending

- Trade & Supply Chain revenue up 22%¹ HOH
- Cash management revenue up 9%
- Markets sales revenue up 16% HOH
- Transaction banking represented 27% of Institutional revenue (23% 1H11)

Increasing geographic diversification

- APEA 29% of Institutional revenue 1H12 (20% FY10, 25% FY11)

Focus on sectors with existing strength and potential for ANZ to differentiate

- **Natural Resources**
Revenue up 20% HOH, up 31% PCP
- **Financial Institutions**
Revenue up 15% HOH, up 26% PCP
- **Infrastructure**
Revenue down 15% HOH, up 14% PCP
- **Agriculture**
Revenue down 2% HOH, down 3% PCP

Improving cost efficiency

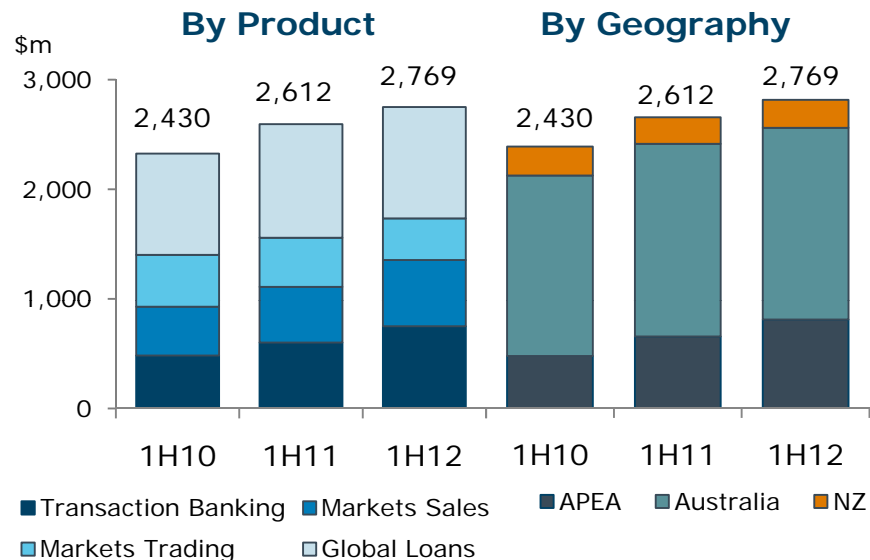
- Positive JAWS (Operating Income growth - Expense growth) +13% HOH

Improving risk profile of business

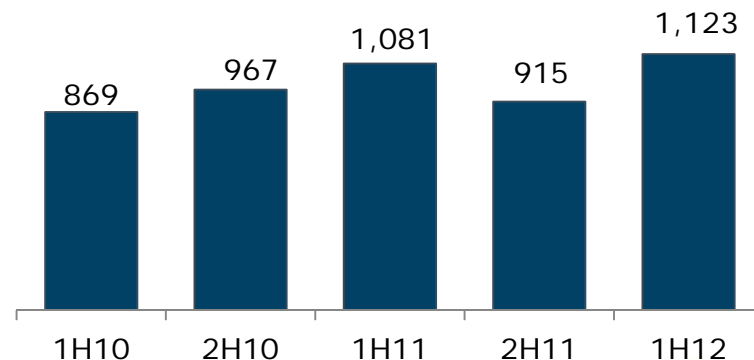
- Weighted average credit scores within the loan portfolio have continued to improve with 84% of the book now rated higher than BBB-
- Net impaired assets down 9%

1. Excludes non-trade related guarantees

Institutional Revenue Mix (\$m)



Institutional Division Pro Forma NPAT (\$m)



Institutional target customer segments and products that drive revenue growth

	Geographies	Customer Segments	Products																																													
Key Achievements	<p>APEA growth driving geographic diversification</p> <ul style="list-style-type: none"> APEA revenues grew 29% HOH and now represent 29% of Institutional revenue Australia revenue up 13% HOH recovering from a particularly challenging market conditions in the prior half New Zealand revenue up 1% HOH 	<p>Continued strong performance in Financial Institutions and Natural Resources. Agriculture impacted by portfolio repositioning and Infrastructure by revenue from larger deals booked 2H11</p> <ul style="list-style-type: none"> FIG Asia now accounts for 30% of our global FIG revenues, up from 25% in 1H10, driven mainly by a deepening of our franchise across the region Agriculture revenue growth of -2% HOH largely driven by repositioning of Agri portfolio Infrastructure revenue growth of -15% HOH the result of larger one-off deals in 2H11 	<p>Reducing reliance on balance sheet lending revenues and trading volatility</p> <ul style="list-style-type: none"> Markets sales up 16%, with FX sales revenues now representing 51% of total Global Markets revenue ANZ Transactive driving customer acquisition (up 5%) and improved cross-sell TSC sales capability strengthened across Asia with revenue up 45% and now representing 58% of TSC global revenue¹ 																																													
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Global Loans	-1%	-2%																																														

1. Excludes non-trade related guarantees



Priority Customer Segments – capture trade flows to/from Asia while maintaining domestic position

Natural Resources	Infrastructure	Agriculture																																																						
<ul style="list-style-type: none"> • Our focus is on capturing Australia/NZ - Asia/Pacific trade flows and remaining the lead bank to sector in Australia • Built an experienced regional leadership team • APEA booked revenue up 32% HOH and now represents 52% of global segment revenue 	<ul style="list-style-type: none"> • Dominant infrastructure specialist in Australia and New Zealand with focus on supporting customers in the Asia Pacific region • APEA booked revenue now represents 18% of global segment revenue 	<ul style="list-style-type: none"> • A primary focus on Agri customers linked into trade across the Asia Pacific region • An emphasis on providing markets, working capital and trade and supply chain solutions • A focus on positioning Australia / New Zealand franchise towards growing Asia Pacific trade linkages • A growing Asian franchise with APEA booked revenue up 24% HOH 																																																						
<p>Bar chart showing Revenue (LHS) in \$m and Clients (RHS) from 1H10 to 1H12. Revenue increases from ~190 to ~320 \$m. Clients increase from ~500 to ~700.</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Revenue (\$m)</th> <th>Clients</th> </tr> </thead> <tbody> <tr> <td>1H10</td> <td>190</td> <td>500</td> </tr> <tr> <td>2H10</td> <td>210</td> <td>550</td> </tr> <tr> <td>1H11</td> <td>240</td> <td>600</td> </tr> <tr> <td>2H11</td> <td>260</td> <td>650</td> </tr> <tr> <td>1H12</td> <td>320</td> <td>700</td> </tr> </tbody> </table>	Period	Revenue (\$m)	Clients	1H10	190	500	2H10	210	550	1H11	240	600	2H11	260	650	1H12	320	700	<p>Bar chart showing Revenue (LHS) in \$m and Clients (RHS) from 1H10 to 1H12. Revenue increases from ~150 to ~220 \$m. Clients increase from ~200 to ~300.</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Revenue (\$m)</th> <th>Clients</th> </tr> </thead> <tbody> <tr> <td>1H10</td> <td>150</td> <td>200</td> </tr> <tr> <td>2H10</td> <td>160</td> <td>250</td> </tr> <tr> <td>1H11</td> <td>190</td> <td>300</td> </tr> <tr> <td>2H11</td> <td>250</td> <td>350</td> </tr> <tr> <td>1H12</td> <td>220</td> <td>300</td> </tr> </tbody> </table>	Period	Revenue (\$m)	Clients	1H10	150	200	2H10	160	250	1H11	190	300	2H11	250	350	1H12	220	300	<p>Bar chart showing Revenue (LHS) in \$m and Clients (RHS) from 1H10 to 1H12. Revenue fluctuates between ~100 and ~140 \$m. Clients increase from ~300 to ~400.</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Revenue (\$m)</th> <th>Clients</th> </tr> </thead> <tbody> <tr> <td>1H10</td> <td>130</td> <td>300</td> </tr> <tr> <td>2H10</td> <td>110</td> <td>350</td> </tr> <tr> <td>1H11</td> <td>130</td> <td>350</td> </tr> <tr> <td>2H11</td> <td>130</td> <td>350</td> </tr> <tr> <td>1H12</td> <td>130</td> <td>400</td> </tr> </tbody> </table>	Period	Revenue (\$m)	Clients	1H10	130	300	2H10	110	350	1H11	130	350	2H11	130	350	1H12	130	400
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Transaction Banking – delivering superior client connectivity central to Super Regional strategy

Payments & Cash Management

Continuing to deliver enhanced connectivity to clients

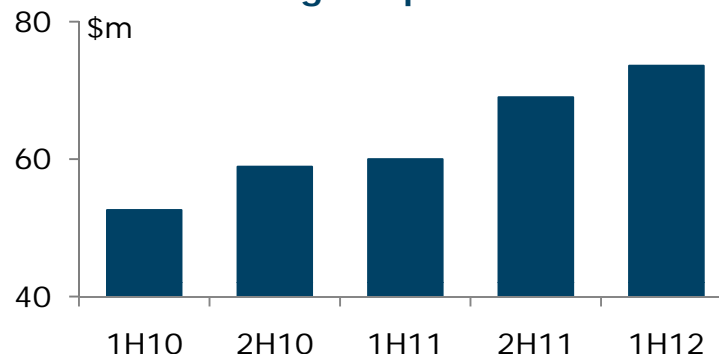
- Transactive full functionality now embedded in Australia, New Zealand, Singapore, Hong Kong & the Pacific with remaining Asian markets on line by the end of 2012
- Introducing onshore and offshore CNY payment and account capabilities enabling clients to transact in RMB
- CashActive now on-line delivering web based liquidity solutions

Trade & Supply Chain

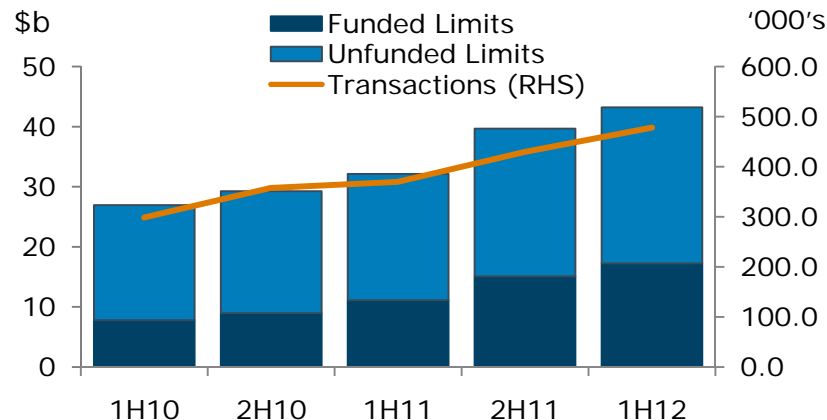
Capturing growing regional trade flows central to Super Regional strategy

- TSC delivered \$231m revenue¹, with 47% growth PCP and Asia growing at 69% PCP
- Targeted investment in Asia is delivering strong growth – APEA TSC¹ revenue growth 35% HOH
- ANZ built further on its already market leading positions in Australia and New Zealand – ANZ is now the lead trade bank for over 28% of 'Institutional' customers in Australia²
- A regional trade network of over 500 trade specialists, utilising a common platform and dedicated processing 'hubs'

Payments & Cash Management
Average Deposit Volumes



Trade & Supply Chain Total Limits and Monthly Transaction volumes



1. Excludes non-trade related guarantees. 2. 'East & Partners' Australian Trade Finance Markets report, 2012.

Global Markets - continued focus on diversification and growing client driven revenue

Since 2010, we have been executing on our strategy to diversify our business increasing our product offering and global footprint

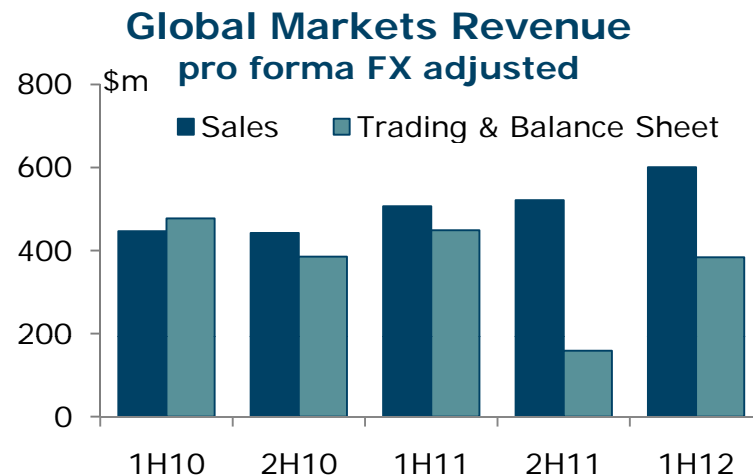
Our strategy has delivered revenue growth of 45% over 2H11 and 3% over 1H11

We have focused on growing non-trading revenue by differentiating our sources of revenue...

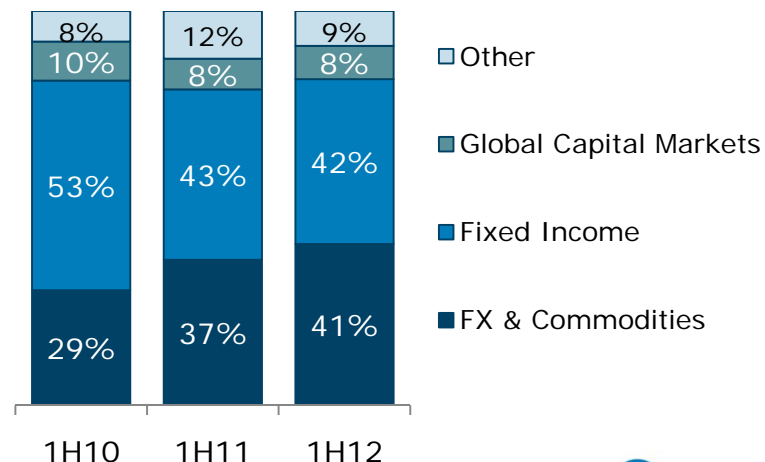
- Sales has performed strongly (up 16% from 2H11) across all geographies and products
- APEA region has grown by 42% over 2H11 reflecting the our investment in regional capabilities
- FX business benefited from its 2011 expansion with revenue up 14% from 2H11
- Fixed Income revenue grew by 91%, rebounding from the challenging trading conditions in 2H11

...and have remained resilient despite difficult market conditions

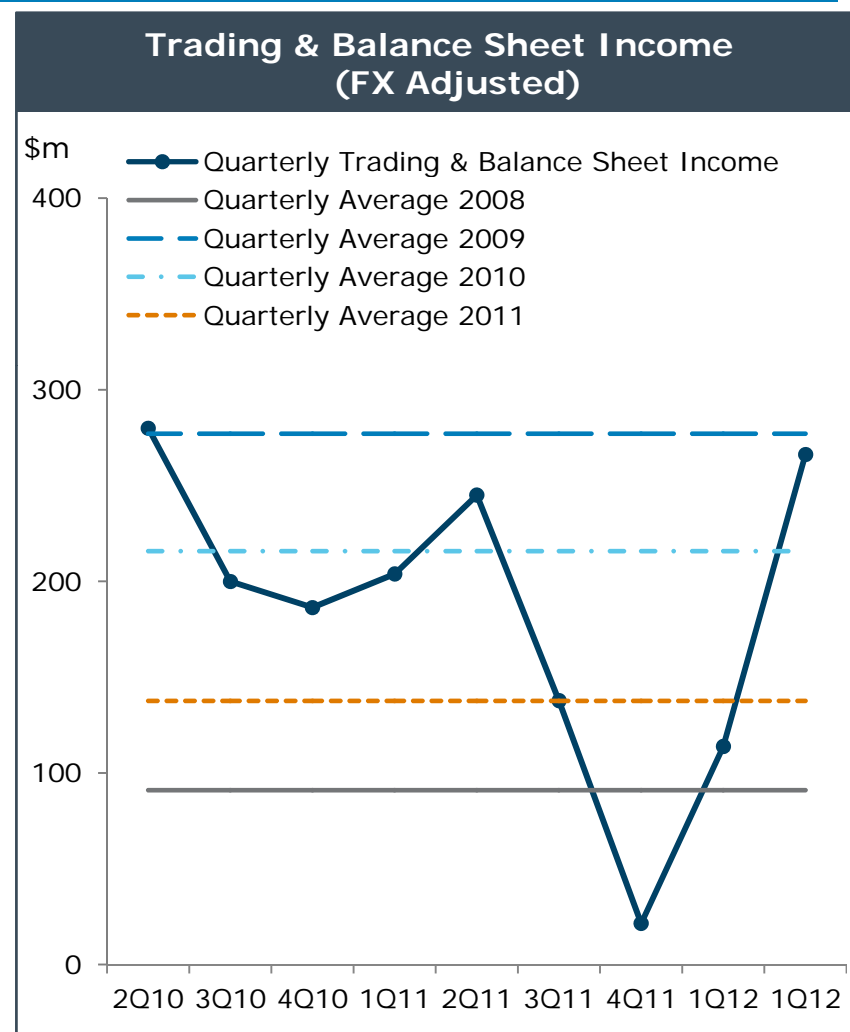
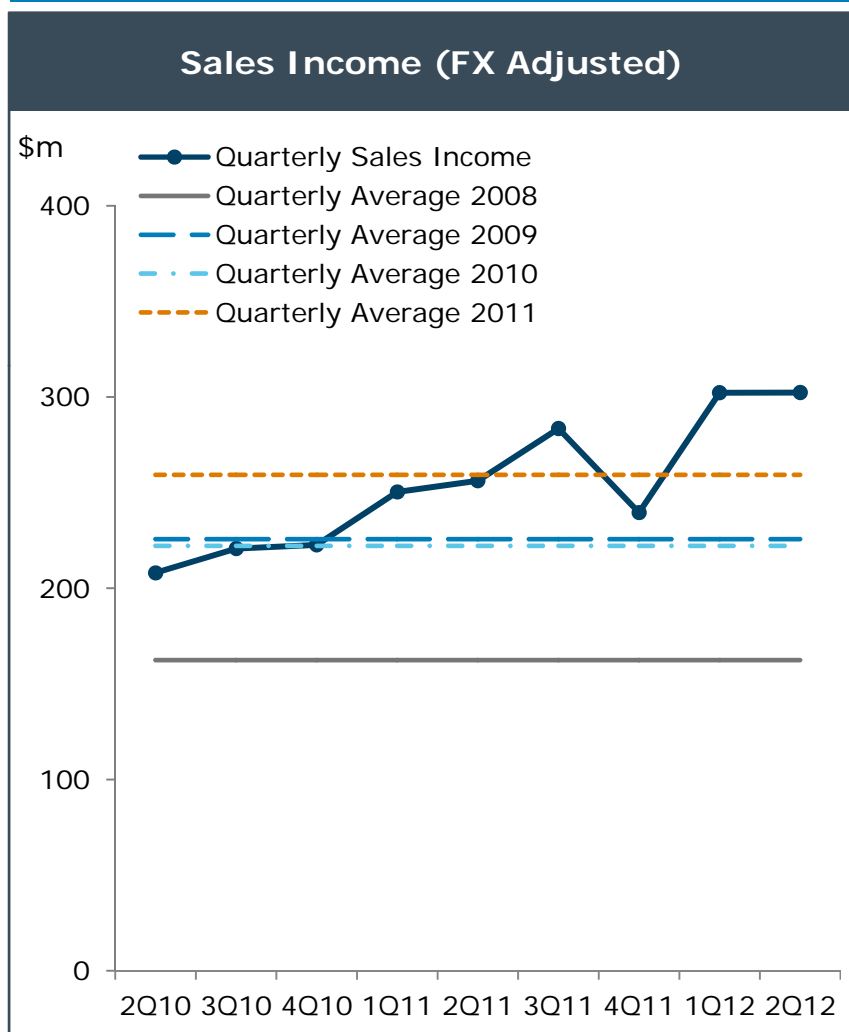
- Trading and Balance Sheet revenues have improved following the difficult macroeconomic conditions experienced in 2H11
- Australian revenues were up 67% from 2H11 benefiting from the rebound in the domestic Fixed Income business



Global Markets Revenue by Product



Global Markets customer sales income at record highs



Global Capital Markets – continue to build distribution capabilities and strengthen market position

Extended leading position in domestic bond markets

- No. 1 bond issuer in Australia with 21.7% market share and led on 41% of trades 1Q12
- No. 1 bond issuer in New Zealand with 48% market share and led 64% of trades 1Q12

Deepened our presence in Asia

- Improved our position in Asian Syndicated Loans from 10th in 2011 to 7th in 1Q12
- Significant increase in Dim Sum (China offshore) Bond league tables from 29th in 2011 to 8th in 1Q12, doubling full year volume

Asia-Pacific (ex-Japan) Markets

- Dramatic progress up the Asia-Pacific (ex-Japan) Bond league tables from 20th in 2009 to 4th in 1Q12
- No.1 Mandated Lead Arranger in Asia-Pacific (ex-Japan) Syndicated Loans
- Syndicated Loan market volumes increased by 27% to US\$342bn (largest ever volumes) in 2011. ANZ increased MLA market share to 8.7% from 6.0%
- Bond market volumes have significantly increased by 52% on an annualised basis in 1Q12. ANZ increased market share to 3.6% from 2.9%

Corporate and frequent issuer bonds league table rankings

Category	2011 Rank	Q1 2012		
		Rank	# Deals	Amount Arranged
Australia (ex-self led)	1	1	29	AUD5.5b
New Zealand (ex-self led)	1	1	7	NZD0.9b
China offshore (Dim Sum)	29	8	6	CNY2.1b
Asia Pacific ex-Japan	9	4	44	USD9.0b

Source – Bloomberg

Loan syndications mandated arranger league table rankings

Category	2011 Rank	Q1 2012		
		Rank	# Deals	Amount Arranged USD
Asia-Pac ex-Japan	1	1	28	\$3.0b
Australia	1	2	12	\$1.4b
Asia	10	7	9	\$1.0b

Source – Thomson Reuters LPC

Recognised as a leading Institutional bank in the Asia Pacific region

IFR ASIA AWARDS 2011

IFR ASIA AWARDS

LOAN HOUSE OF THE YEAR

2011

ASIAMONEY

FX POLL

BEST DOMESTIC PROVIDER OF FX SERVICES IN AUSTRALIA

2011

Voted by Corporates and Financial Institutions

PFI AWARDS 2011

PFI AWARDS

ASIA PACIFIC INFRASTRUCTURE DEAL OF THE YEAR

2011

Wiggins Island Coal Export Terminal

TRADE FINANCE

AWARDS FOR EXCELLENCE

BEST TRADE BANK IN AUSTRALIA, NEW ZEALAND AND VIETNAM

2011

THE Asset 財資

TRANSACTION BANKING AWARDS

BEST TRANSACTION BANK AUSTRALIA

2011

APLMA

APLMA SYNDICATED LOAN AWARDS

ASIA PACIFIC SYNDICATED LOAN HOUSE OF THE YEAR

2011

ASIAMONEY

BEST DEAL AND INVESTMENT BANK AWARDS - AUSTRALIA

BEST EQUITY LINKED OFFERING

2011

ANZ Convertible Preference Shares III

CFO FINANCIAL REVIEW

CFO AWARDS

CORPORATE FINANCE (DEBT) HOUSE OF THE YEAR

2011

PFI AWARDS 2011

PFI AWARDS

MIDDLE EAST OIL & GAS DEAL OF THE YEAR

2011

Barzan Gas Project

FinanceAsia

AUSTRALIA AND NEW ZEALAND ACHIEVEMENT AWARDS

BEST DEBT FINANCE HOUSE

2011

GREENWICH ASSOCIATES Share Leader

GREENWICH ASSOCIATES LARGE CORPORATE BANKING SURVEY

TOP 5 CORPORATE BANK IN ASIA

2012

KangaNews

KANGANEWS AWARDS

AUSTRALIAN DOMESTIC PRIMARY AND SECONDARY MARKET HOUSE OF THE YEAR

2011

New Zealand Businesses - Simplification & Efficiency

Simplifying the business

- Continuing to simplify the management structure
- Progressing with process and product simplification
- Moving to one IT system

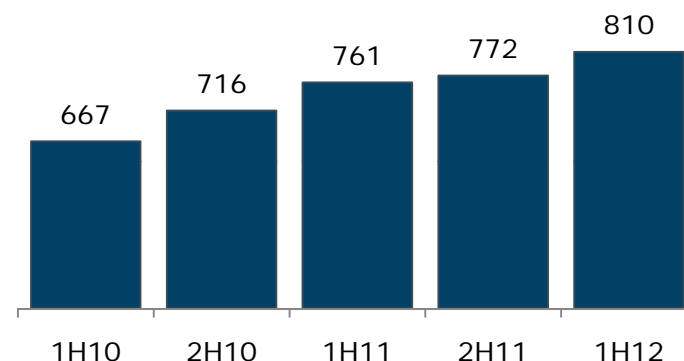
Improving customer and staff engagement – becoming the bank of choice of New Zealanders

- Simplifying our business processes
- CANSTAR Best Agribusiness Bank (April 2012) to complement Canstar Cannex Bank of the Year 2011
- Awarded the Morningstar Fund Manager of the Year and Morningstar KiwiSaver Manager of the Year

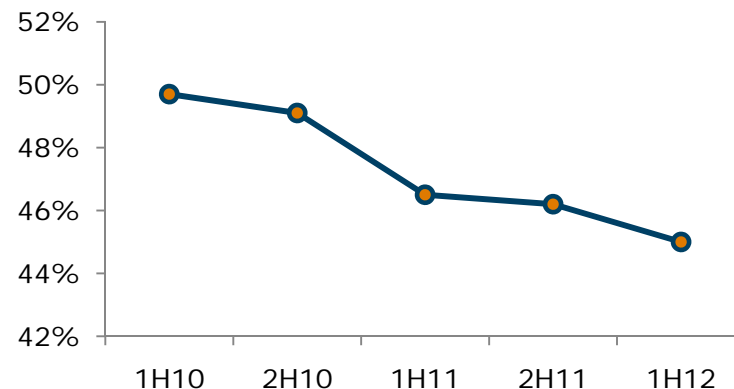
Managing for changed conditions

- Cost focus – aiming to be the most efficient bank in New Zealand with lowest CTI
- Return focus – profitable growth, improved ROE, margin management
- Risk focus – manage to the changed economic settings

Profit before Provisions NZDm



Cost to Income Ratio



New Zealand Businesses - Balance sheet management

Funding

- Funding gap has reduced by \$1.9b YTD, largely driven by an increase in customer deposits – at call and savings accounts up 14%

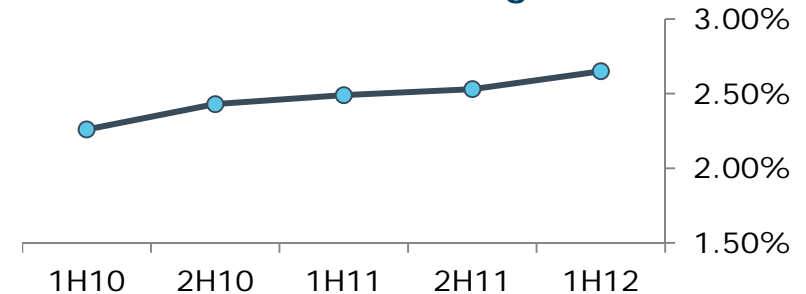
Retail

- Mortgages – market growth subdued at +0.9% YTD in part due to the drag created by Earthquake Commission payments
- Strong focus on mortgages has meant return to system growth
- Credit card balances grew at system
- Continued margin management from disciplined approach to deposits pricing and mix

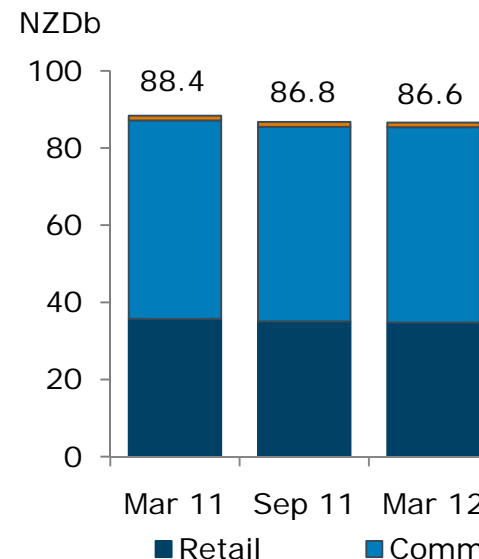
Commercial

- Ongoing higher Dairy sector pay-outs driving deleveraging in the Agri sector
- Lending volumes up driven by strong growth in Business Banking (5% HOH)
- A focus on credit quality has seen a reduction in Commercial and Agri impaired assets of ~4% YTD

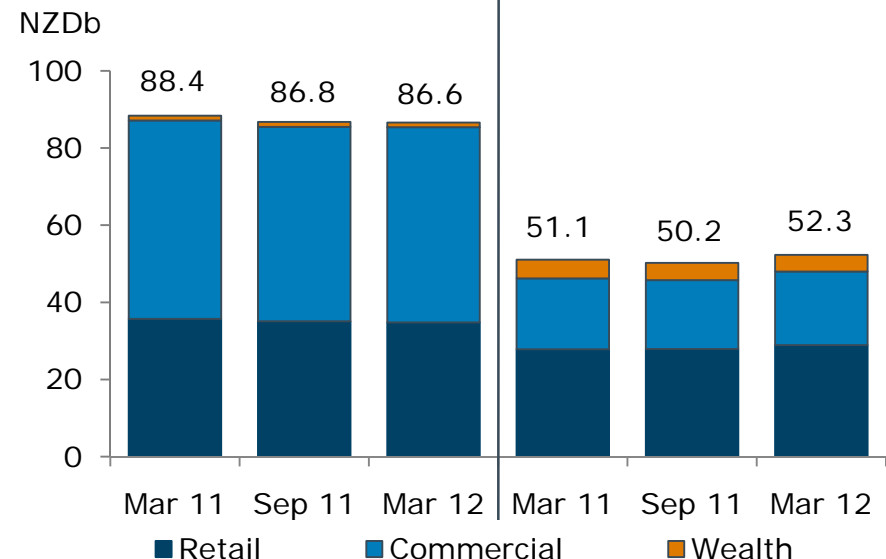
Net Interest Margin



Net Loans & Advances (incl. acceptances)



Customer Deposits



Investor Discussion Pack

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

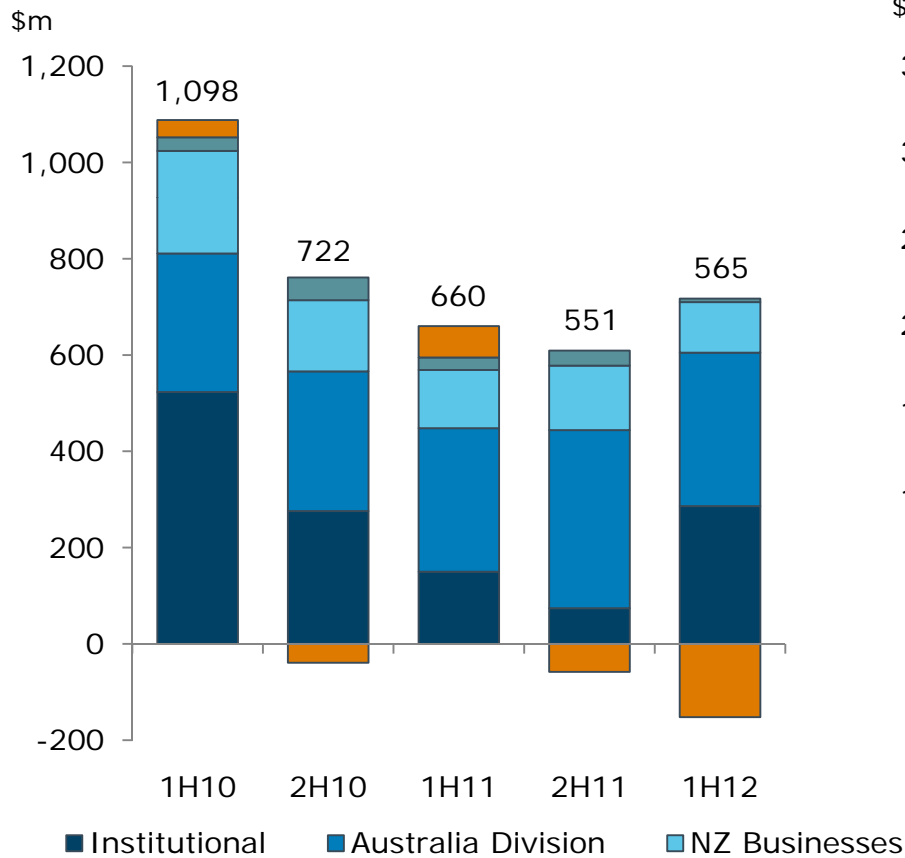
May 2012

Risk Management

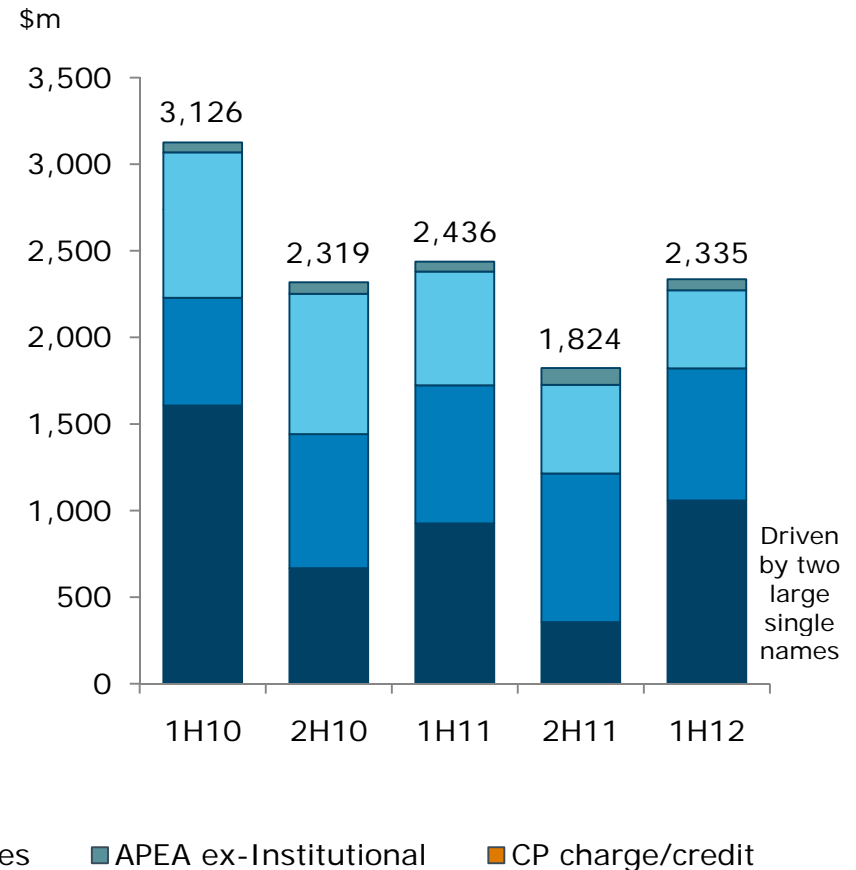


Provision Charge and Impaired Assets

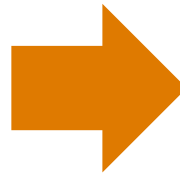
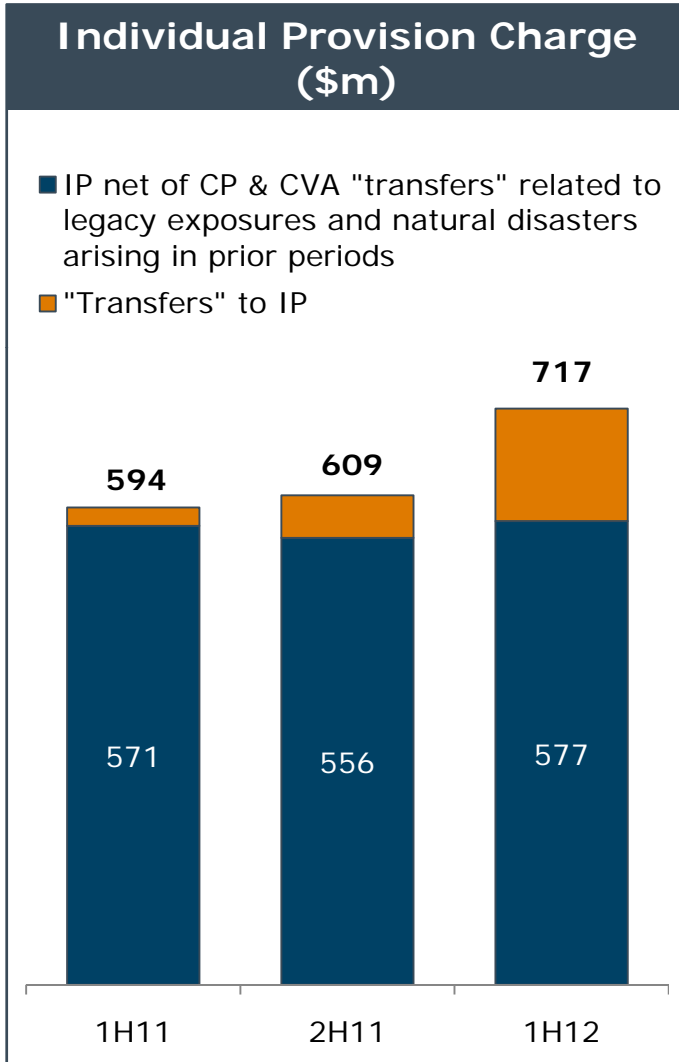
Total Provision Charge (IP charge by Division, total CP charge)



New Impaired Assets by Division



Individual Provision Charge lifted by "transfers"

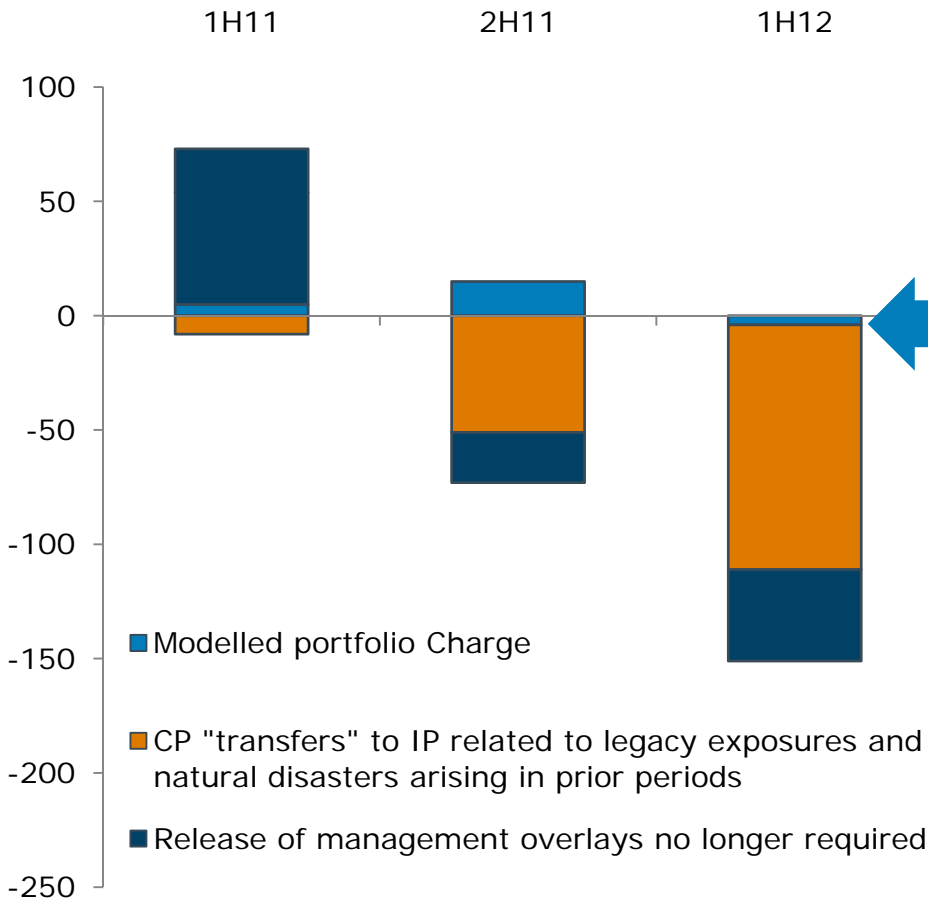


"Transfers" to Individual Provision (\$m)

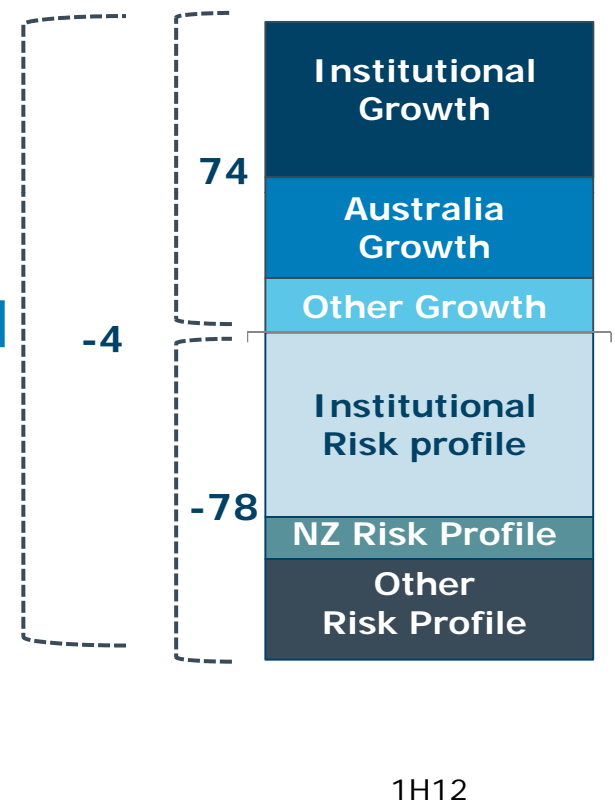
Institutional	121
Management overlay	53
Other Single name	35
Credit Valuation Adjustment on derivatives	33
New Zealand management overlay	14
Australia management overlay	5
Total	140

Collective Provision release principally due to exposures being crystallised

Collective Provision Charge Composition (\$m)

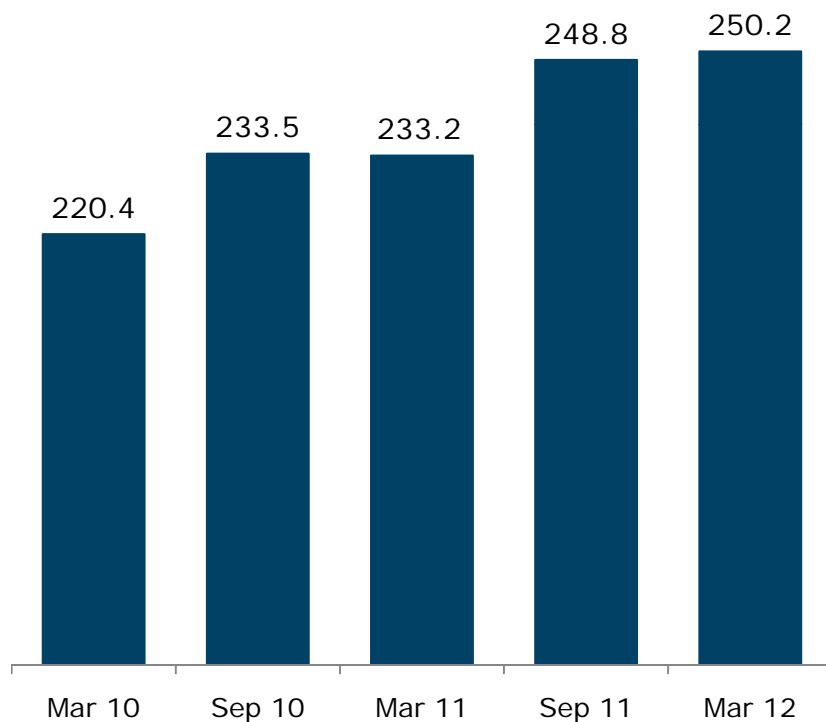


Modelled Collective Provision Charge Drivers 1H12 (\$m)

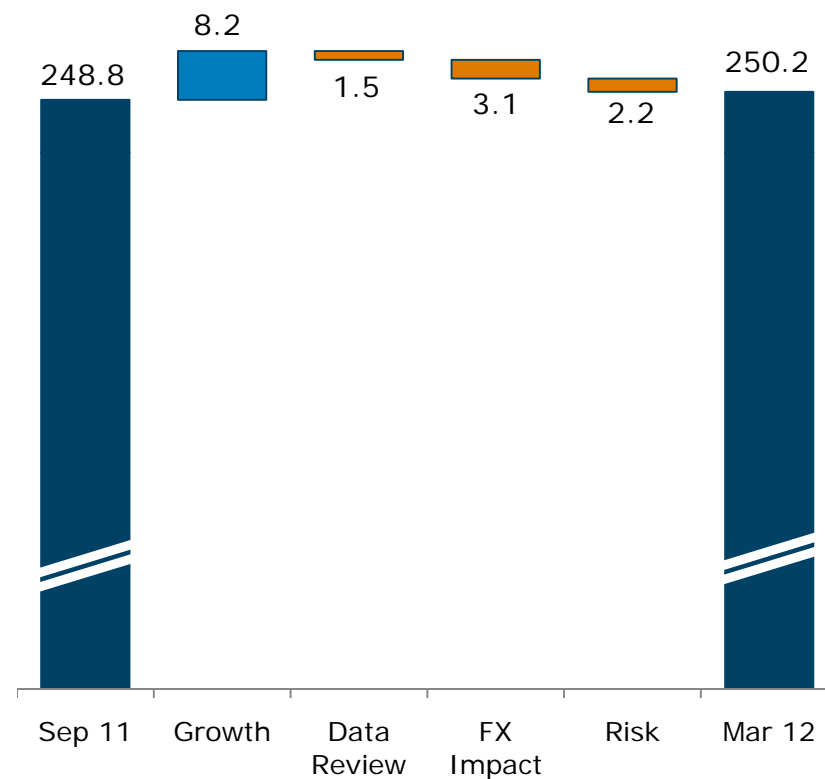


Credit Risk Weighted Assets

**Total Credit Risk Weighted Assets
(AUDb)**

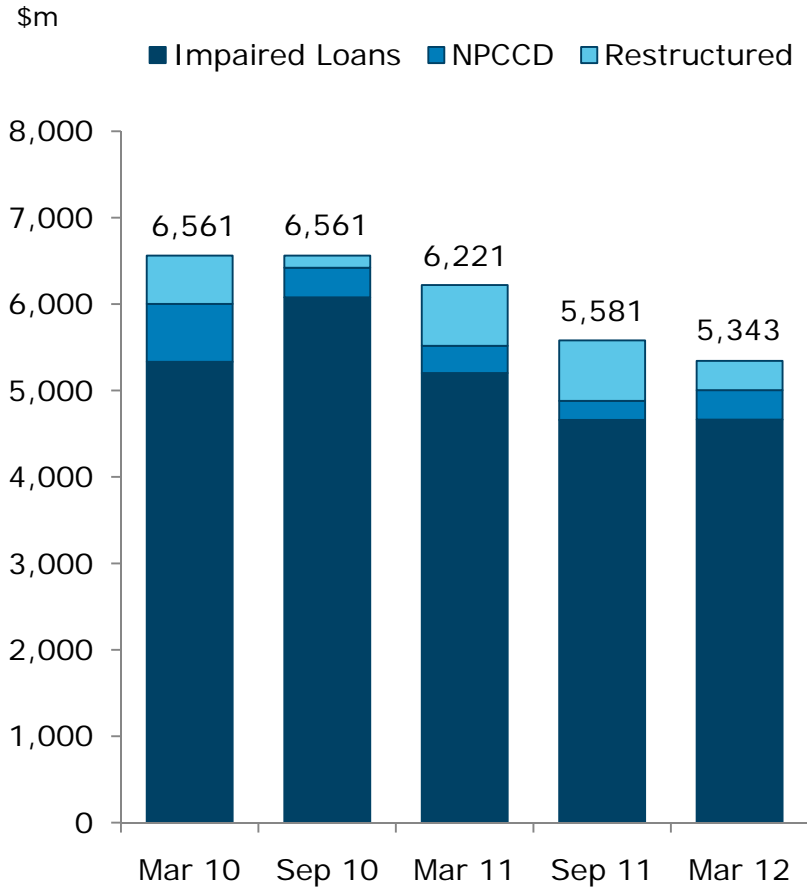


**Credit Risk Weighted Assets
Movement 1H12 v 2H11
(AUDb)**

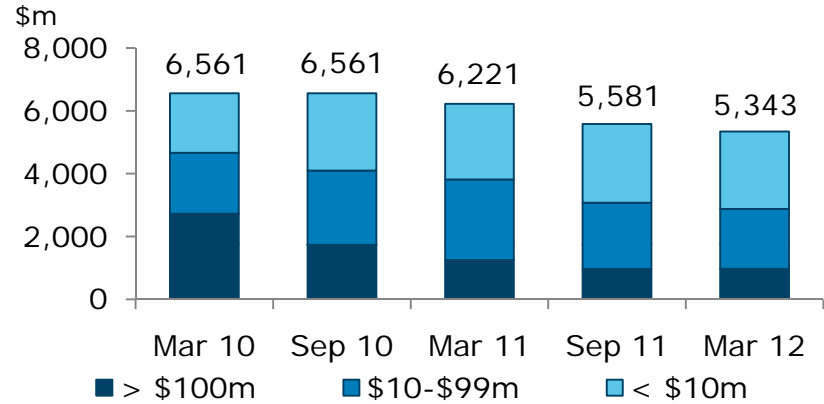


Impaired Assets

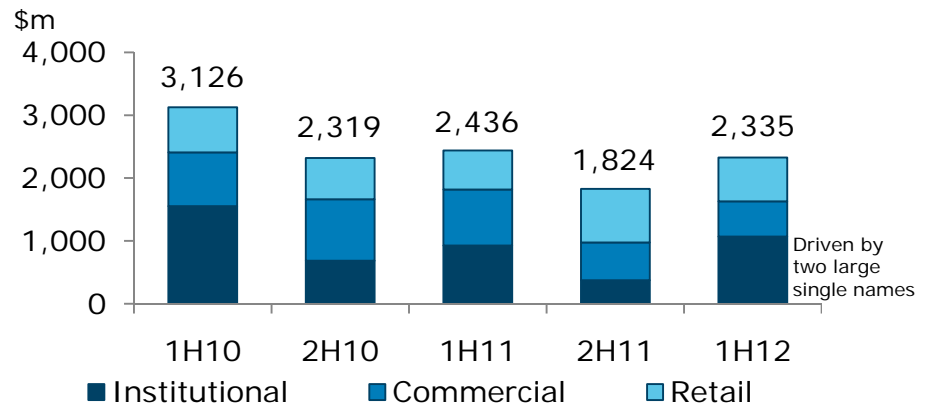
Gross Impaired Assets by Type



Gross Impaired Assets by Size of Exposure



New Impaired Assets by Segment

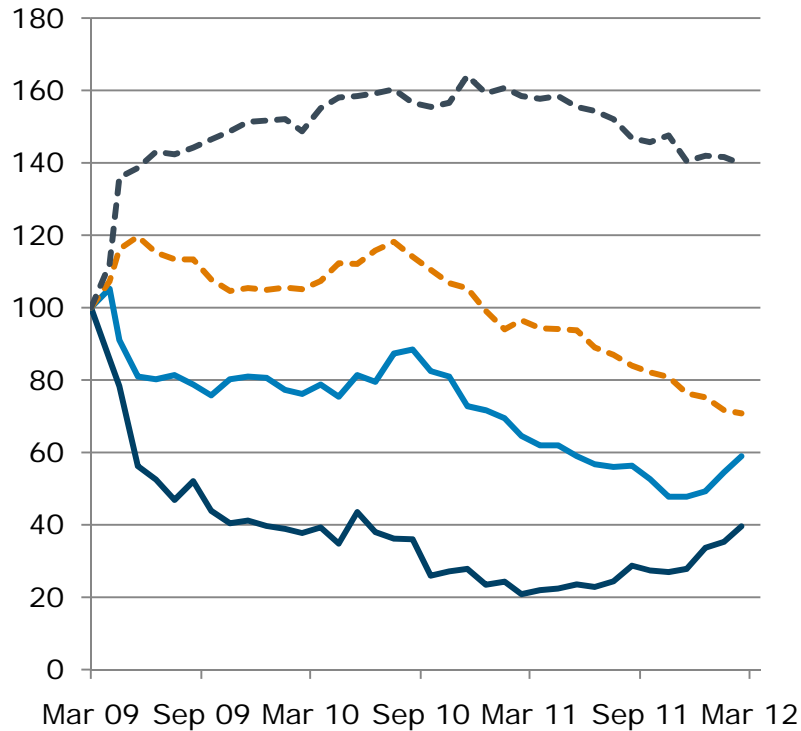


Watch & Control Lists and Risk Grade Profiles

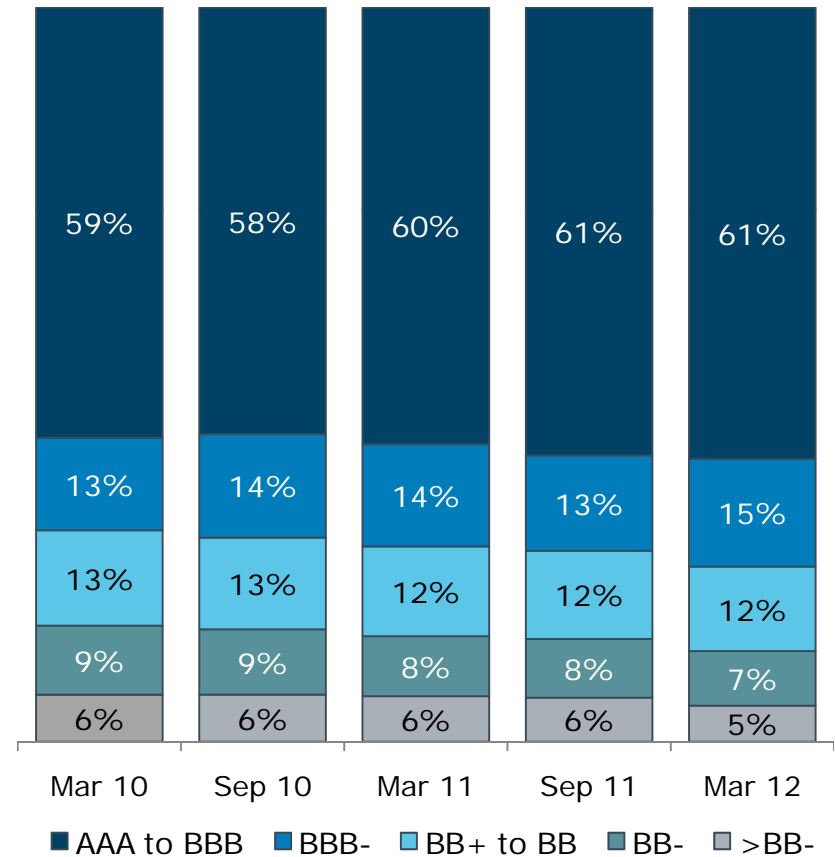
Watch & Control List

Index
Mar 2009
= 100

- Watch List by Limits
- Watch List by No. Groups
- - - Control List by Limits
- - - Control List by No. Groups

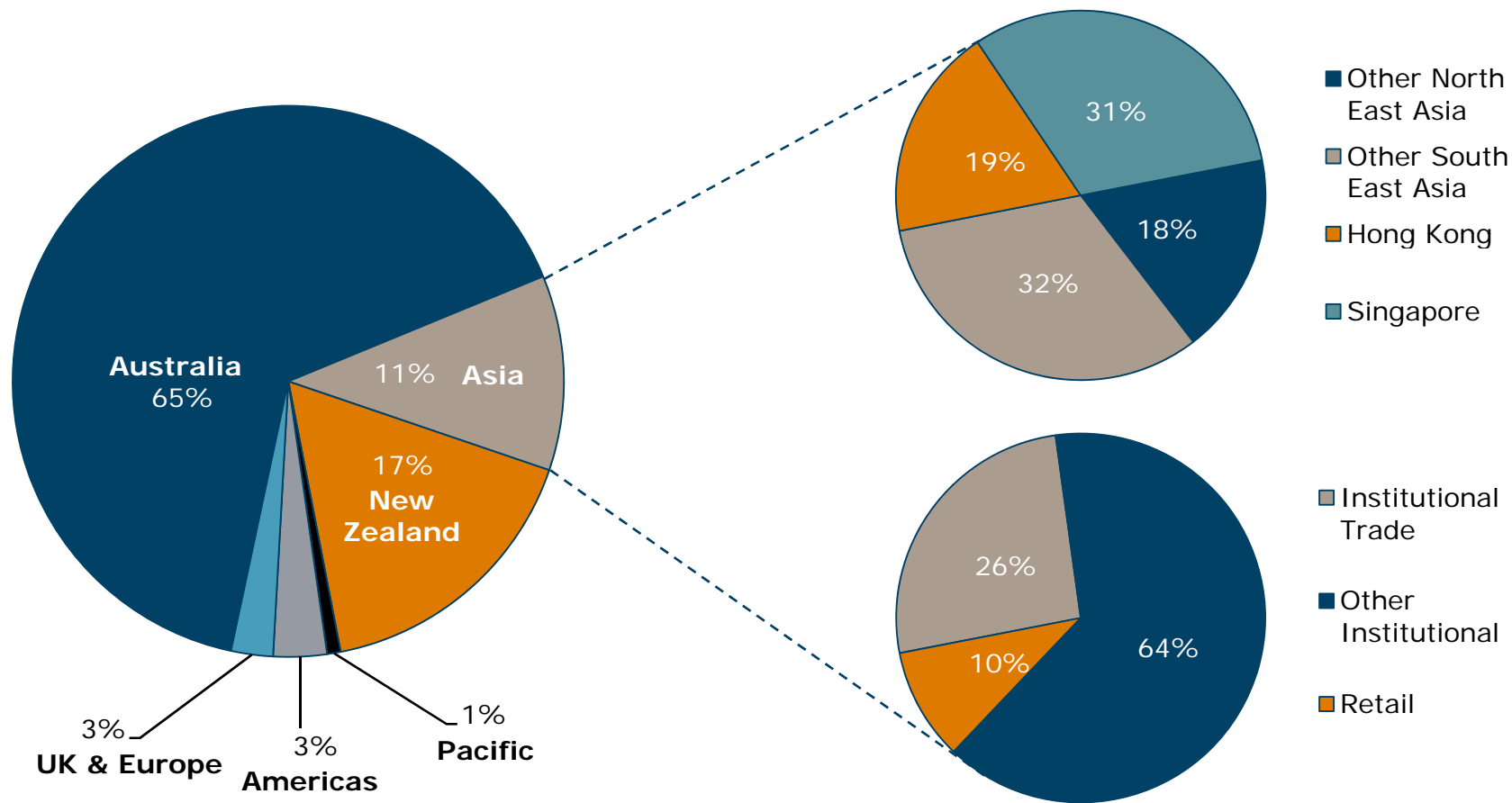


Group Risk Grade profile by Exposure at Default



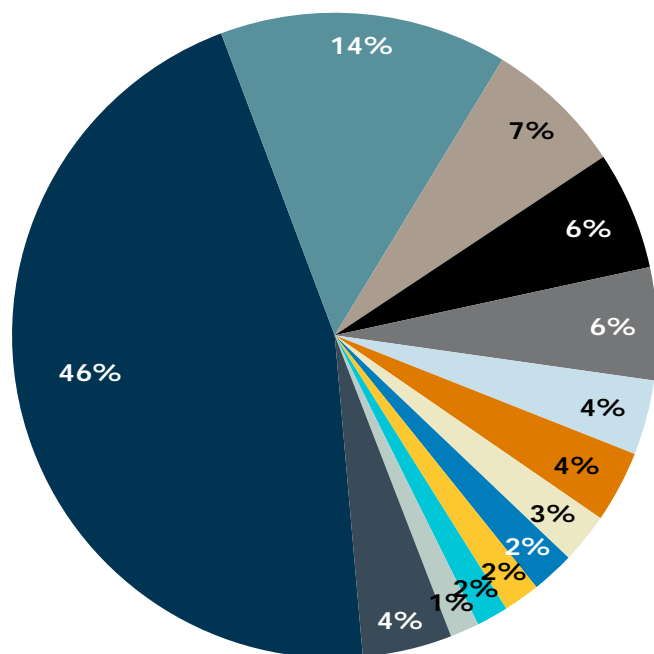
Total lending exposures – by Geography

Exposure at default (EAD)



Total lending exposures – by Sector

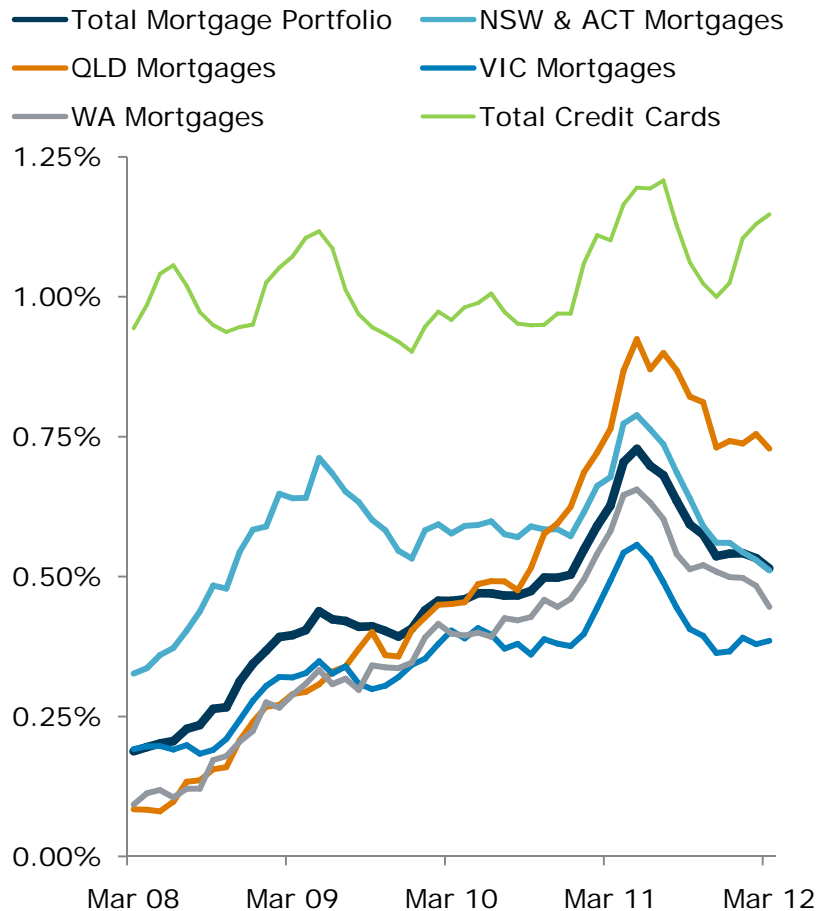
Exposure at default (EAD)
as a % of group total



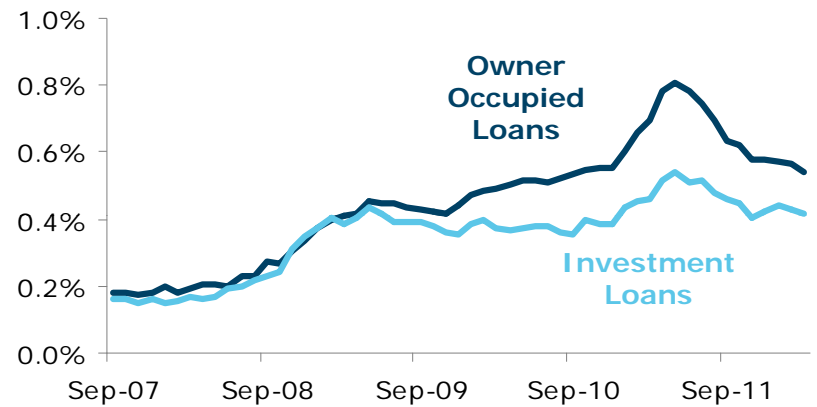
Category	EAD		% in Non Performing	
	Sep-11	Mar-12	Sep-11	Mar-12
Consumer Lending	45.2%	45.7%	0.4%	0.3%
Finance, Investment & Insurance	14.4%	14.4%	0.3%	0.2%
Property Services	6.9%	7.0%	2.5%	2.1%
Agriculture, Forestry, Fishing & Mining	6.0%	5.9%	3.1%	3.0%
Manufacturing	5.8%	5.6%	2.2%	0.9%
Wholesale Trade	3.2%	3.8%	1.5%	1.1%
Government & Official Institutions	4.4%	3.6%	0.0%	0.0%
Retail Trade	2.5%	2.5%	0.7%	0.5%
Transport & Storage	2.1%	2.1%	0.7%	0.6%
Entertainment, Leisure & Tourism	1.8%	1.8%	1.8%	2.1%
Business Services	1.6%	1.6%	3.1%	2.7%
Construction	1.5%	1.5%	1.1%	5.3%
Other	4.6%	4.5%	0.9%	1.4%

Australia 90+ Day Delinquencies

Australia Retail 90+ day delinquencies



Owner Occupied vs. Investment Loans 90+ DPD (%)



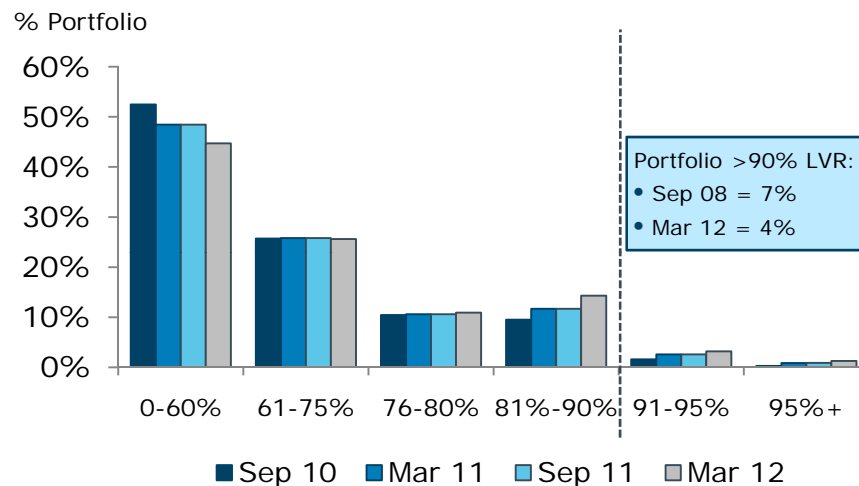
Mortgages have low loss rates

Individual Provision Loss Rates					
	1H10	2H10	1H11	2H11	1H12
Group	0.62%	0.42%	0.32%	0.31%	0.36%
Australia Mortgages	0.02%	0.01%	0.01%	0.03%	0.03%

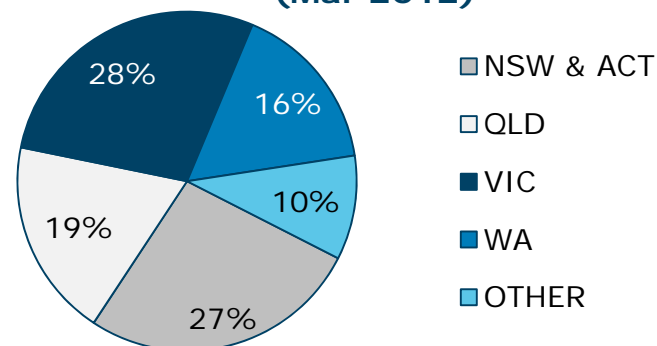
Australia – Mortgages

Portfolio Statistics	
Total Number of Mortgage Accounts	851k
Total Mortgage FUM	\$178b
% of Total Australia Region Lending	60%
% of Total Group Lending	43%
Owner Occupied Loans - % of Portfolio	63%
Average Loan Size at Origination	\$258k
Average LVR at Origination	64%
Average Dynamic LVR of Portfolio	50%
% of Portfolio Ahead on Repayments ¹	48%
First Home Owners - % of Portfolio	9%
First Home Owners - % of New Lending	7%

Dynamic Loan to Valuation Ratio



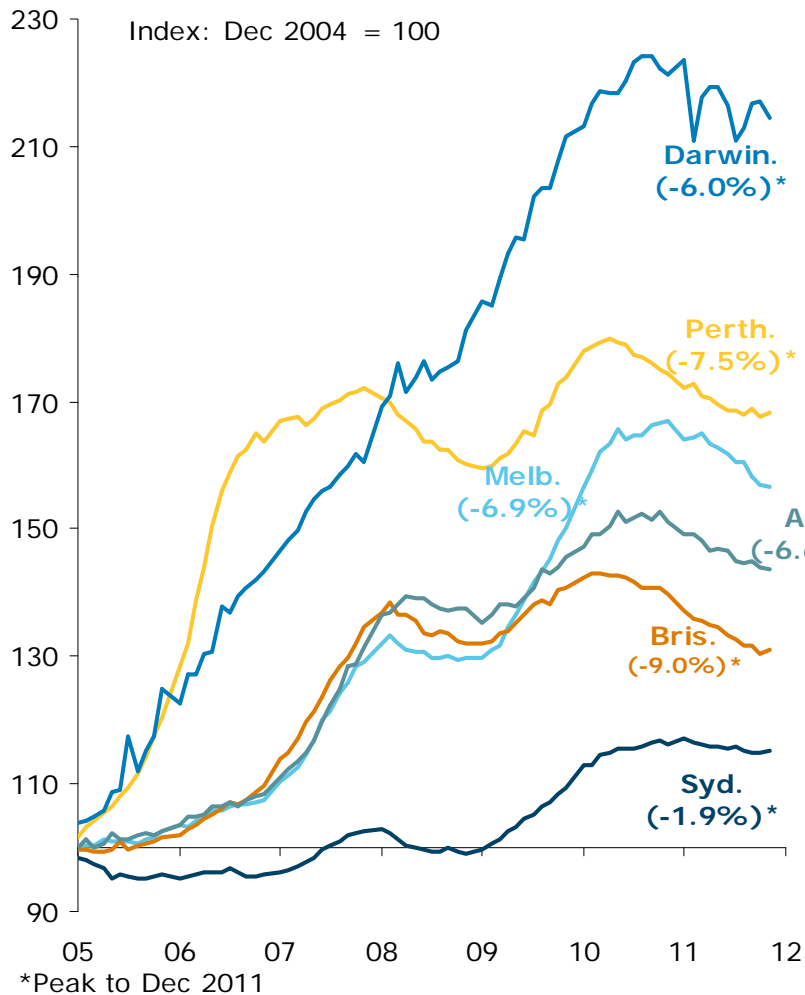
Mortgage Portfolio by State (Mar 2012)



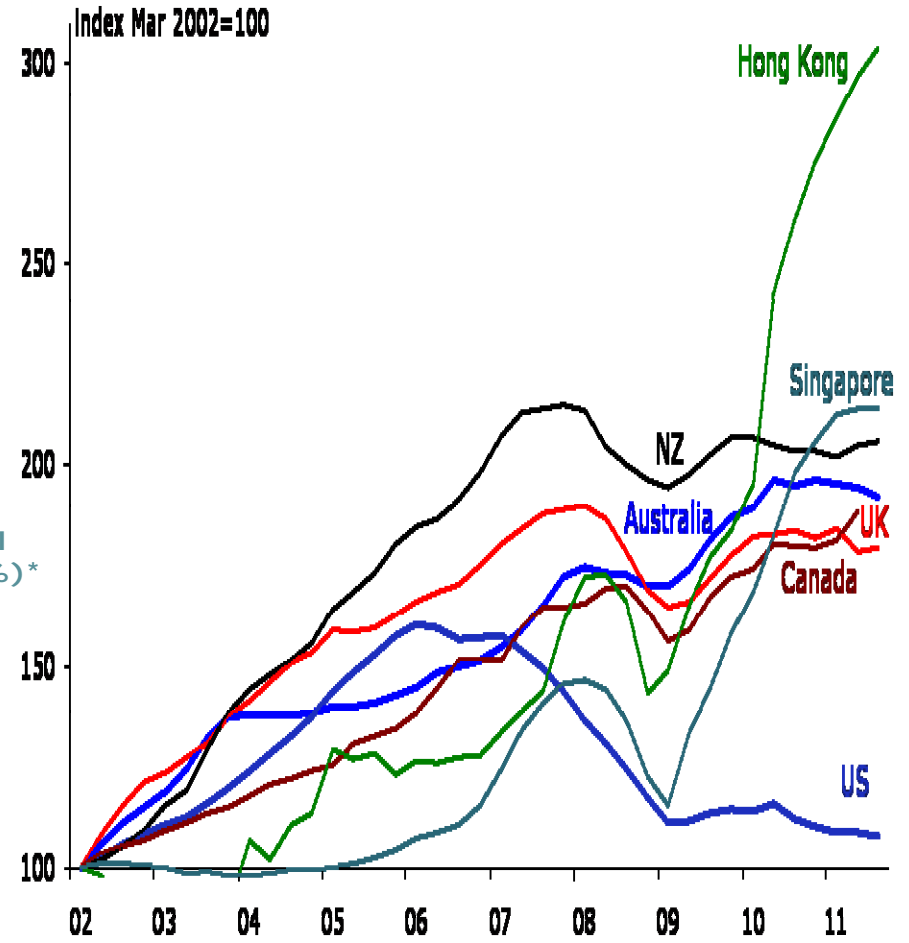
1. One month or more ahead of repayments. Excludes funds in offset accounts.

Although house prices have fallen in most capital cities, partially retracing earlier gains

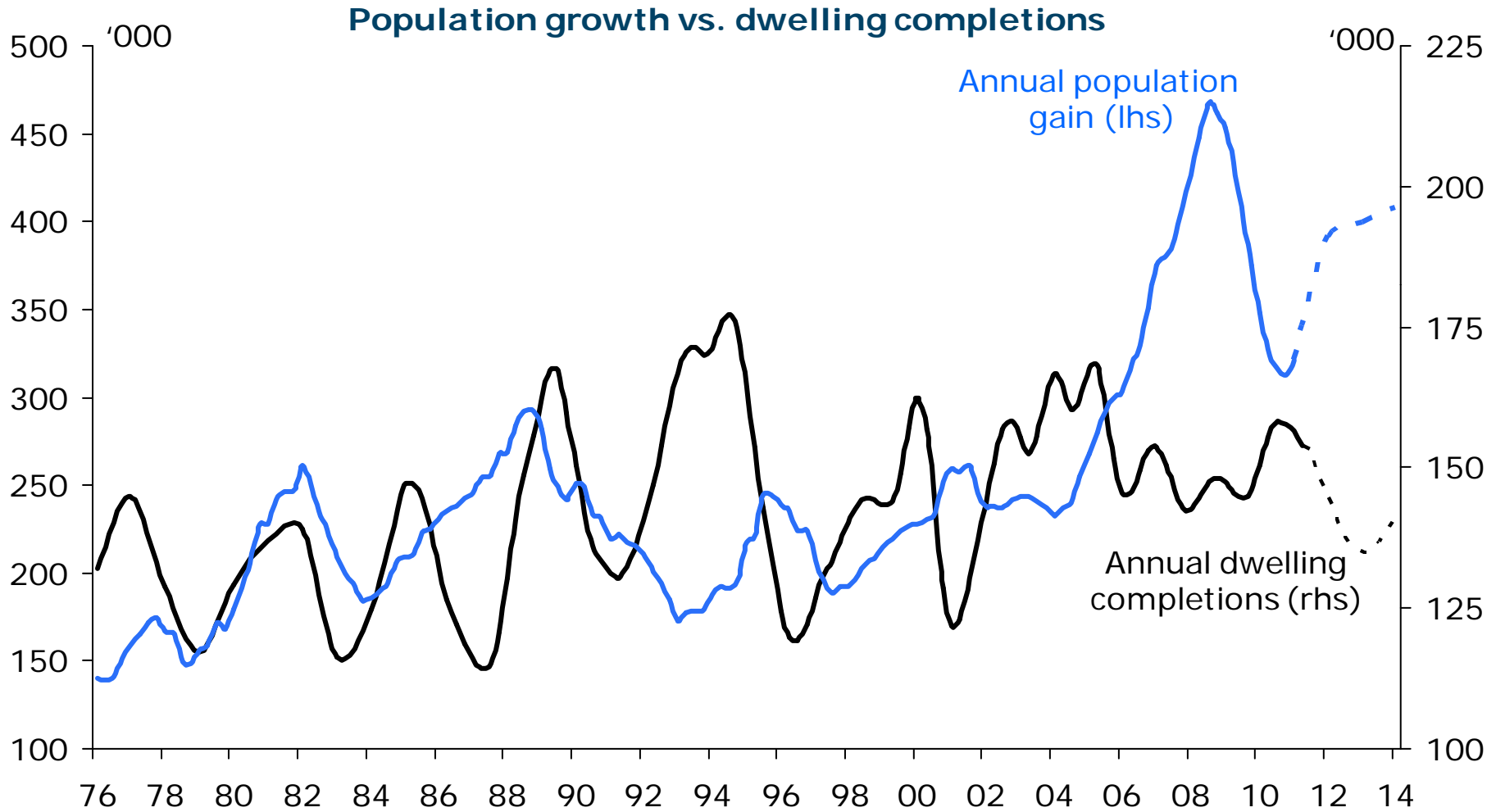
Median Australian house prices



International housing prices



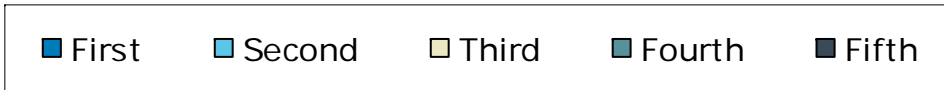
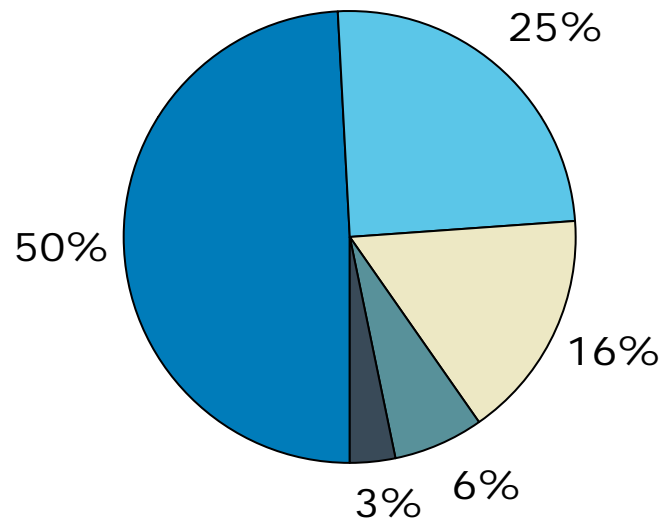
Market fundamentals remain sound with population growth set to pick up



Importantly, mortgage debt is concentrated in higher income households

Indebted Households

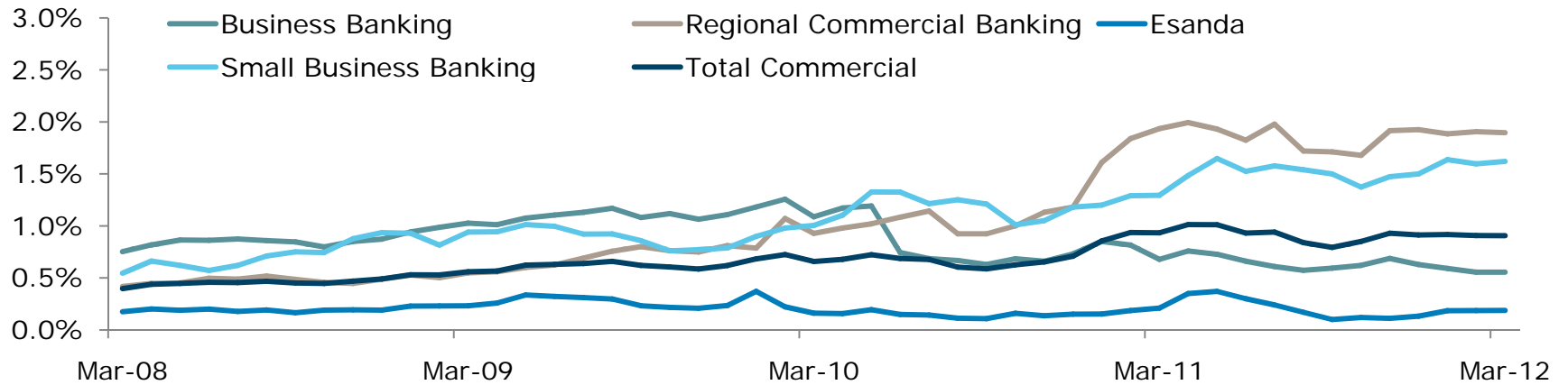
Share of household debt by income quintiles, 2006



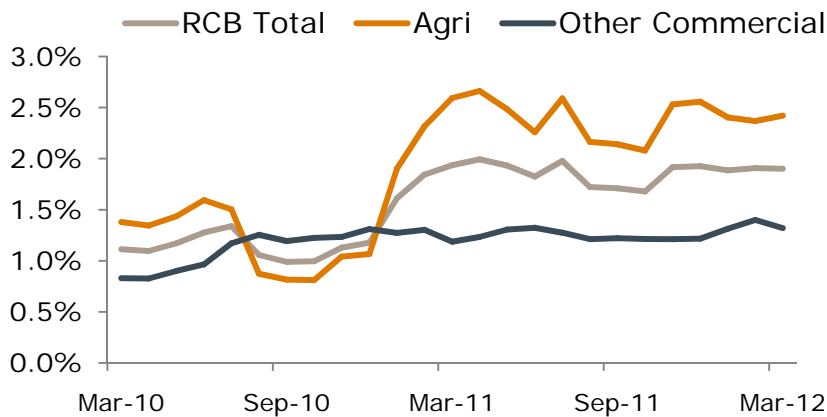
- Household debt up but also total assets held by households
- Debt largely used to acquire assets
- Financial assets (i.e. ex housing) now equivalent to 2.75 years of income up from 1.75 years of income in the early 1990's
- Increased debt mostly taken on by households in the strongest position to service it
- Households in the top two quintiles account for 75% of all outstanding debt
- Bottom two income quintiles account for 10% of household debt

Australia Commercial

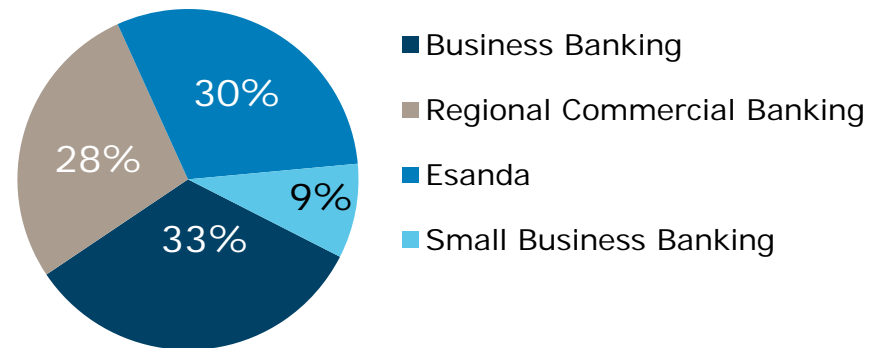
Australia Commercial 90+ day delinquencies



Regional Commercial Banking 90+ day delinquencies



Australia Commercial Lending Mix



Investor Discussion Pack

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

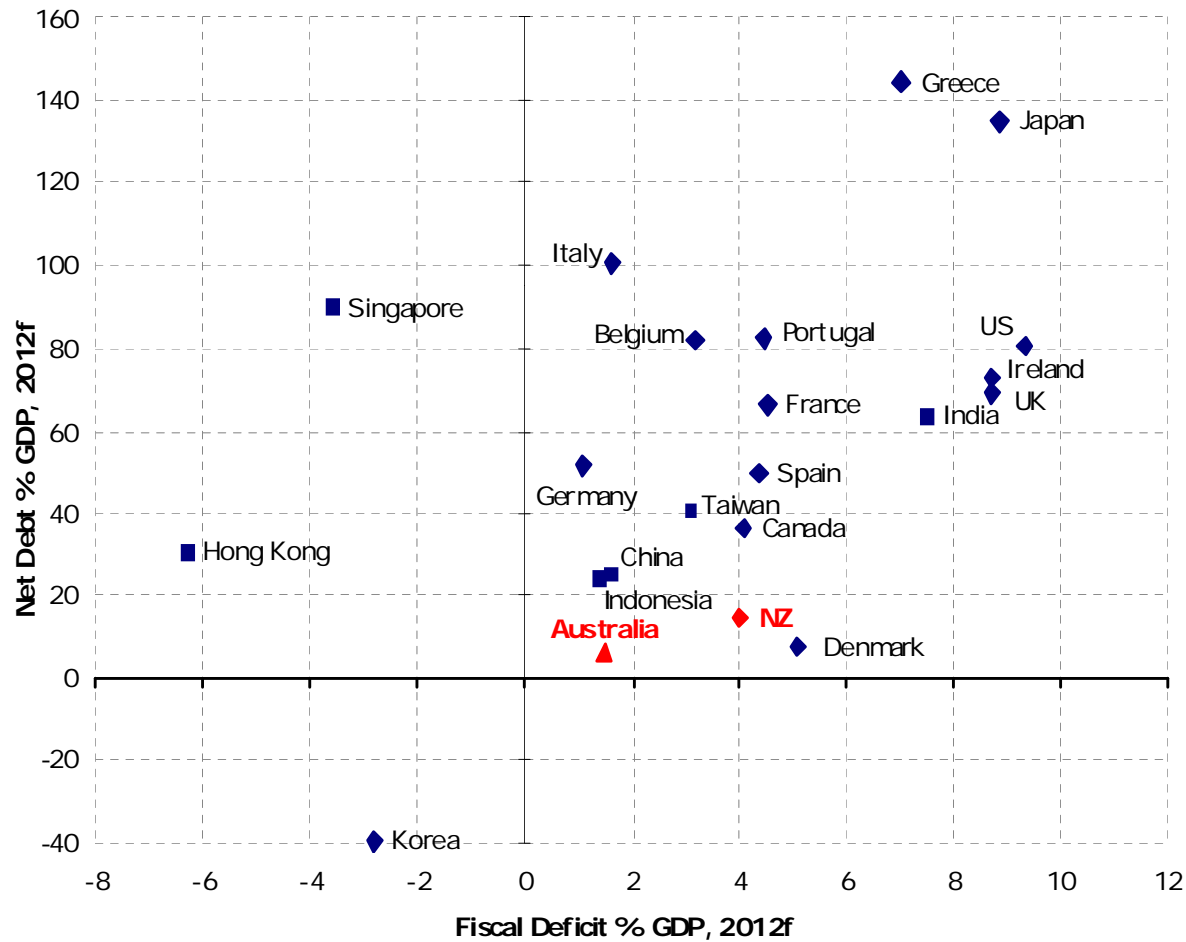
May 2012

Economics

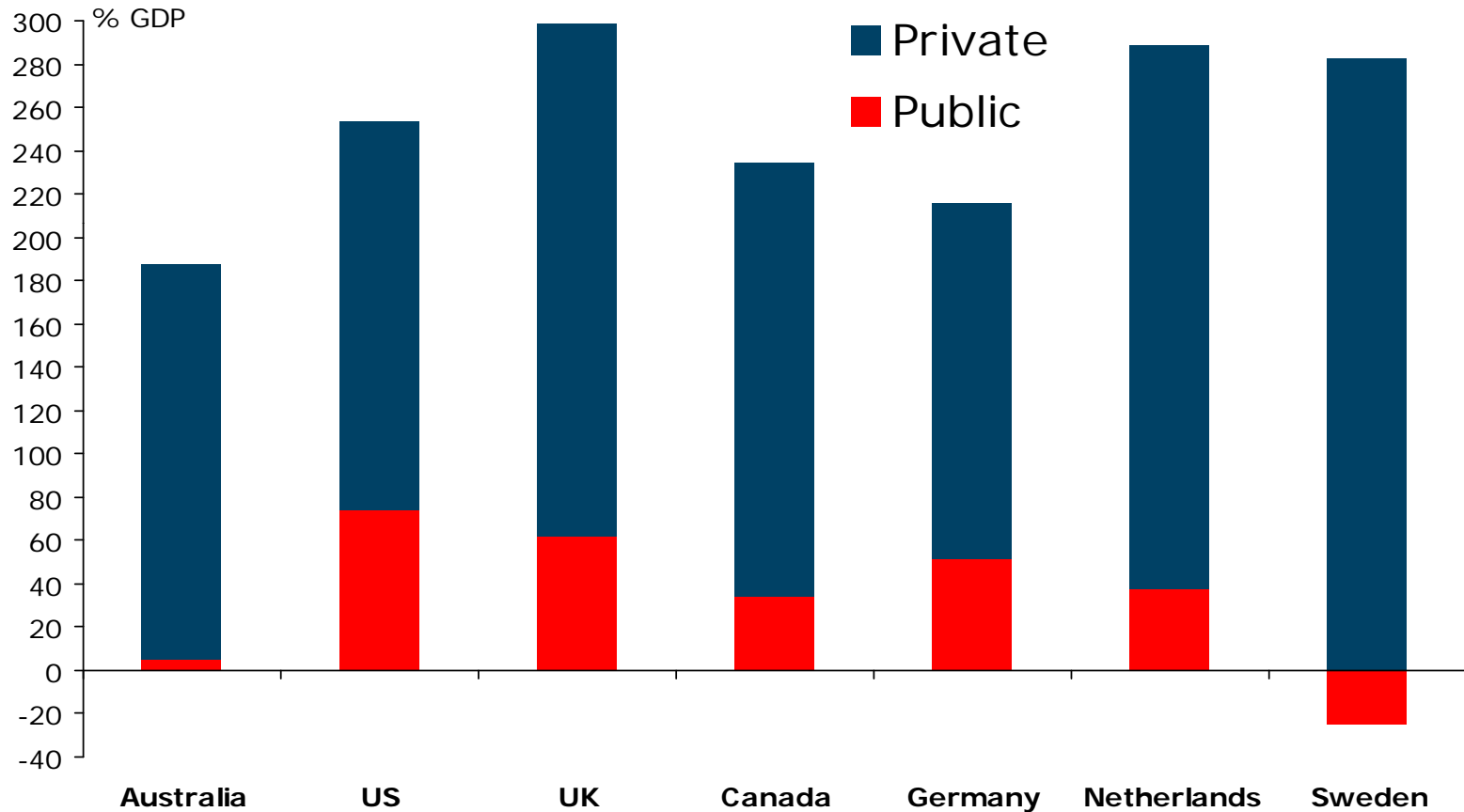


Australia remains in a very strong fiscal position

Fiscal & Debt position

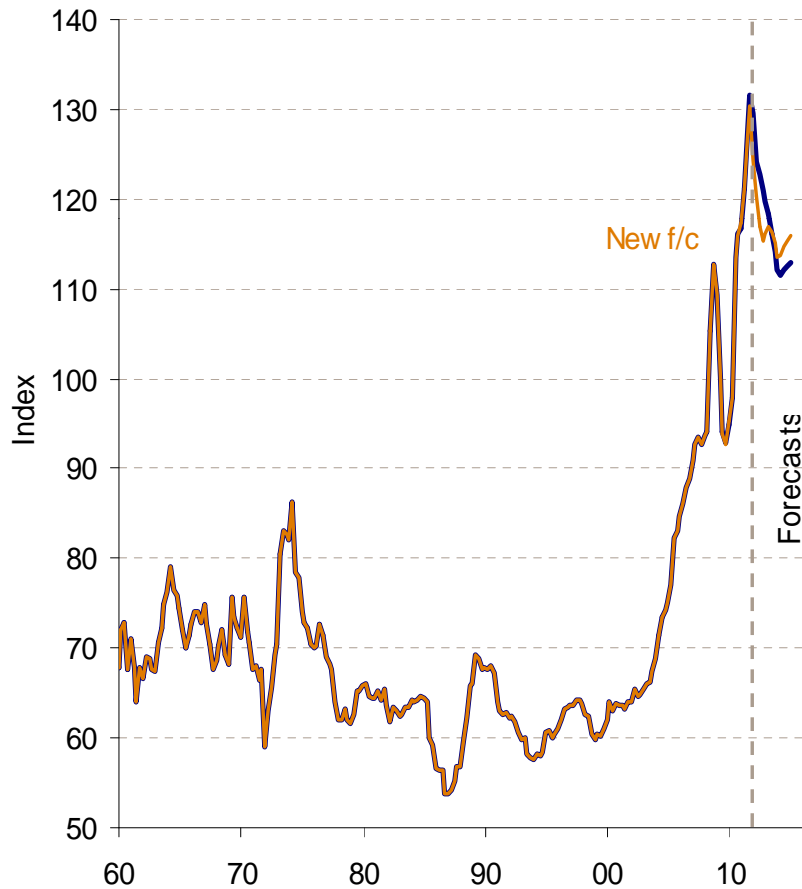


Most debt is in the private sector

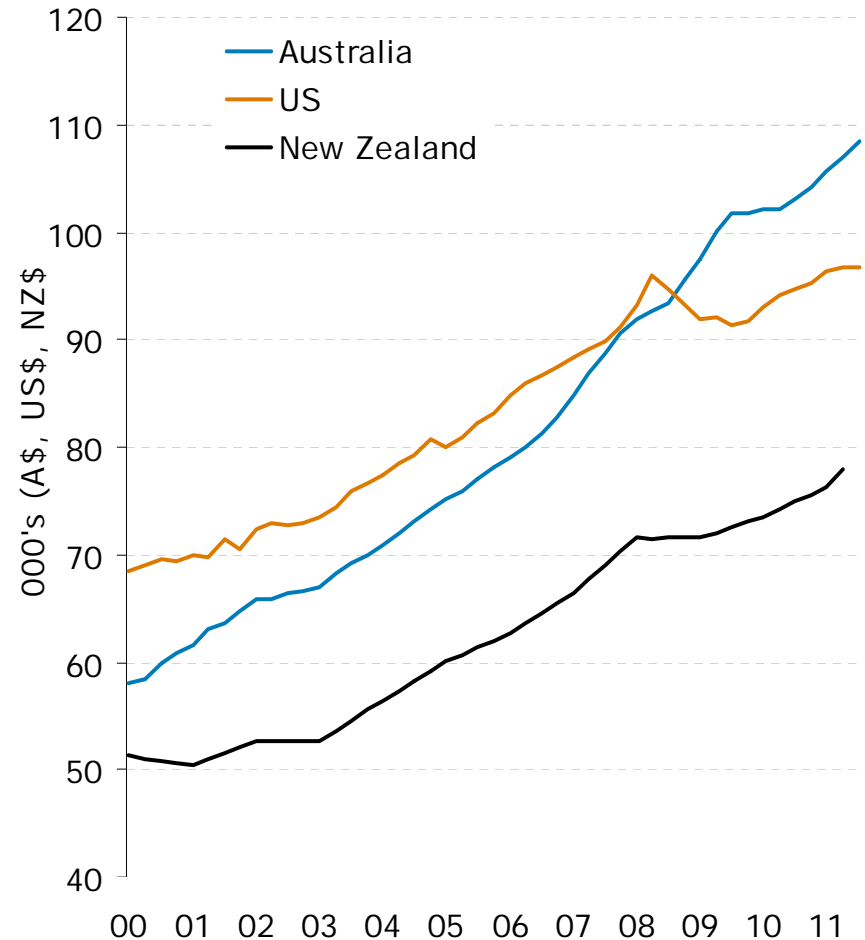


The Terms of Trade has driven the economy and resulted in strong income growth

Terms of trade since 1960



Income growth is continuing

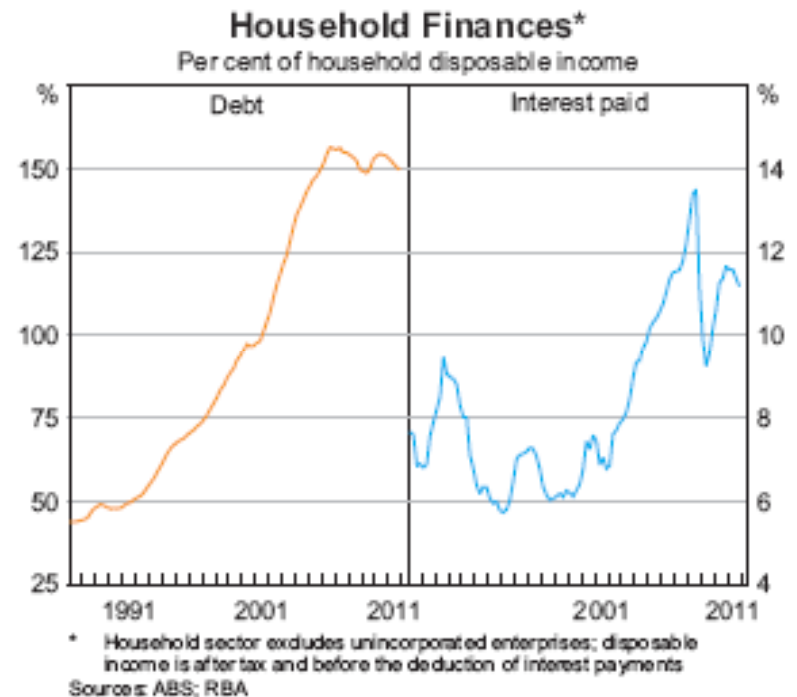


The household balance sheet is consolidating

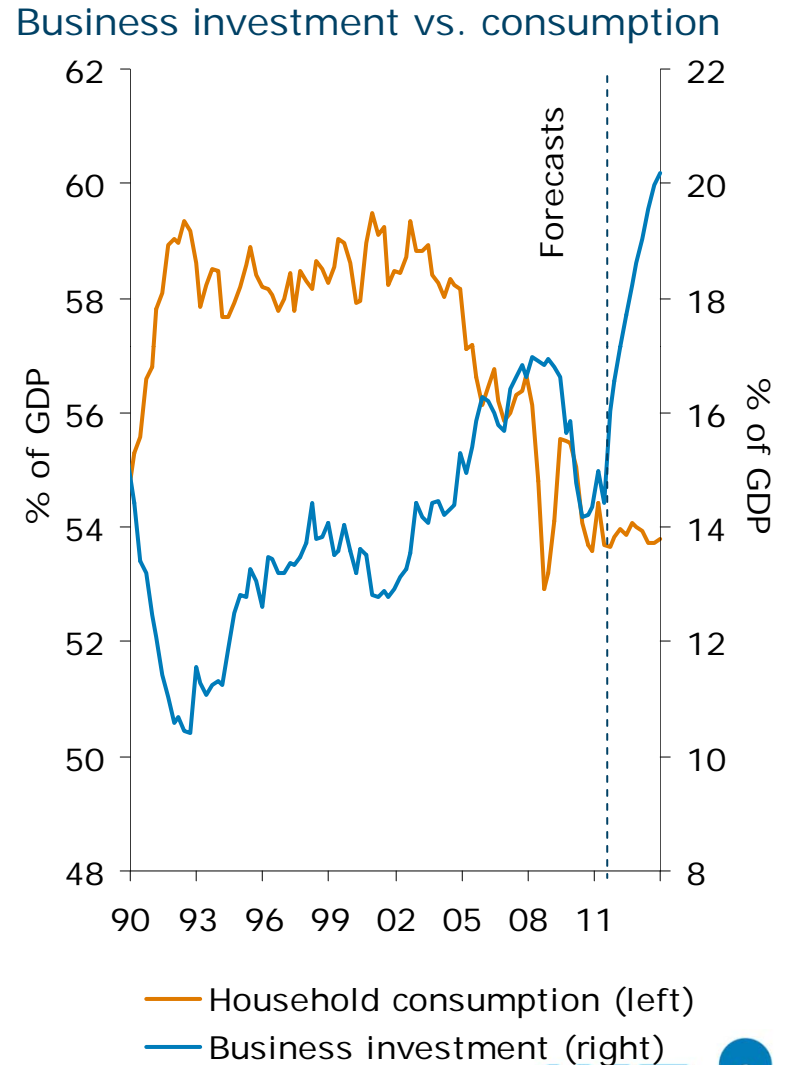
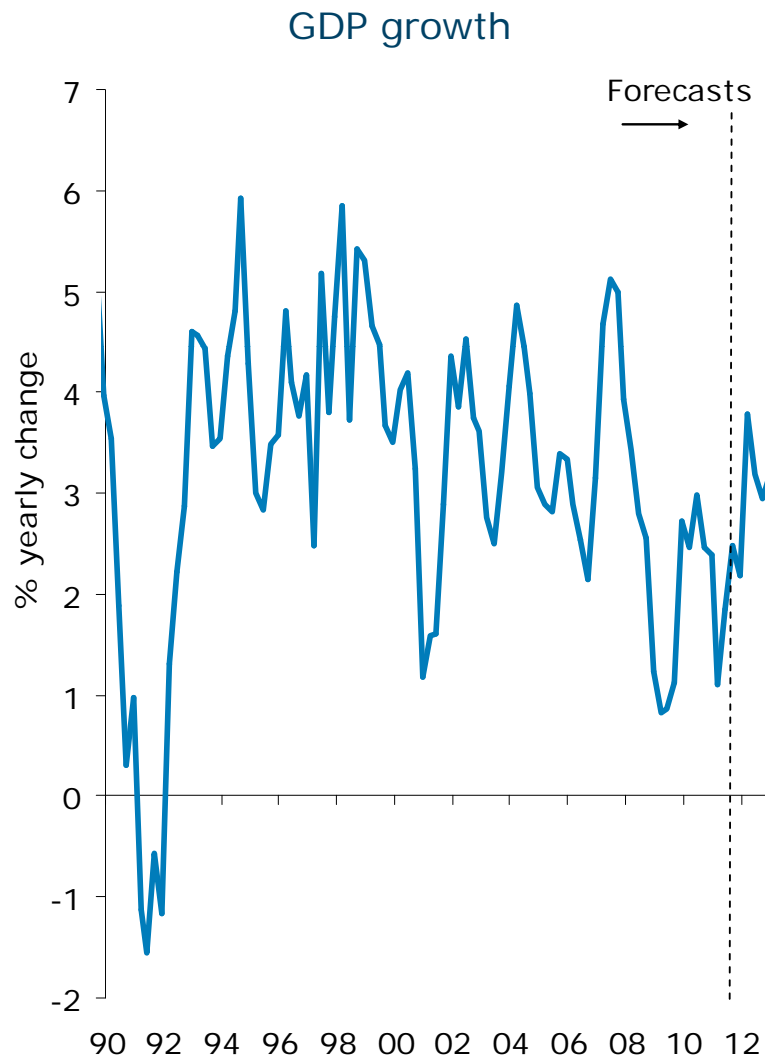
Household Savings rate back to more sustainable levels



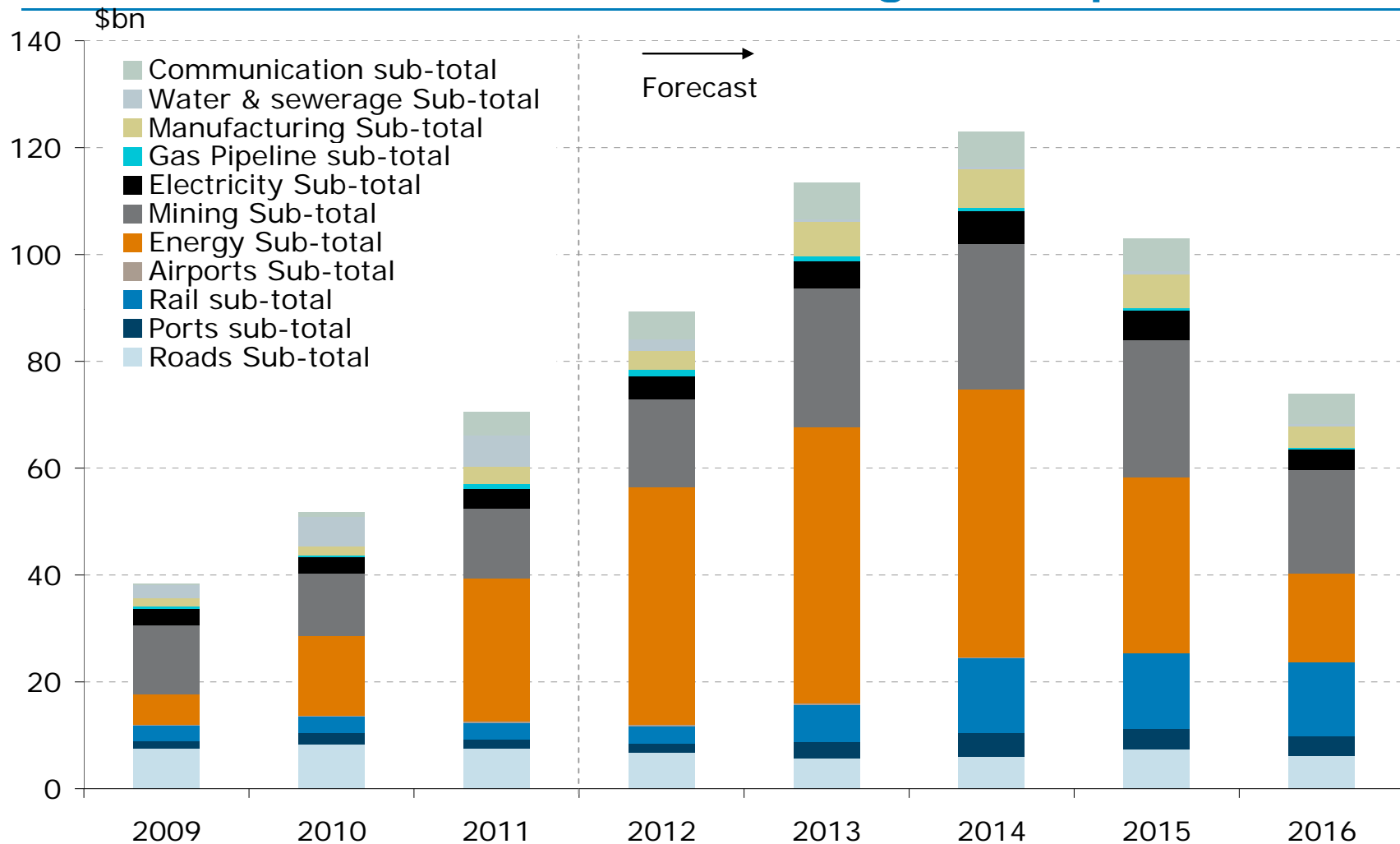
Debt levels remain elevated but servicing is expected to decline



GDP growth likely to move back to trend levels, driven largely by investment growth

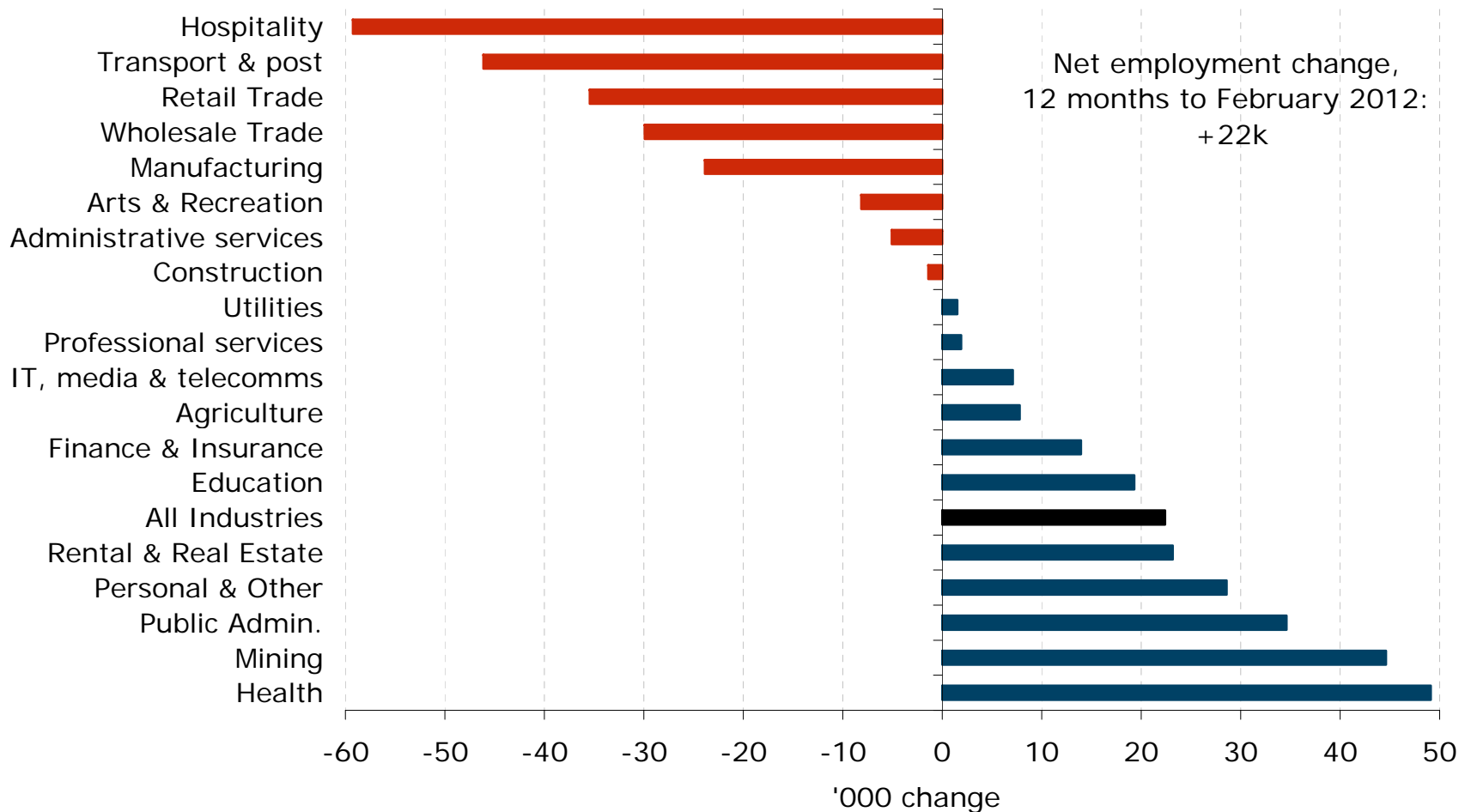


This investment spend is in the mining, energy and infrastructure sectors and is driving the 2 speed economy



The Australian economy is grappling with the structural change associated with this 2 speed economy

Employment growth by industry, 12 months to Feb 2012

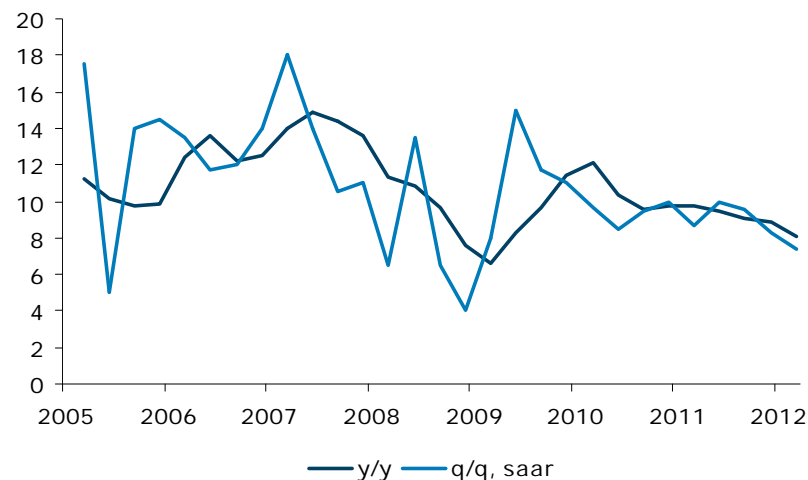


ANZ retains a positive outlook for China

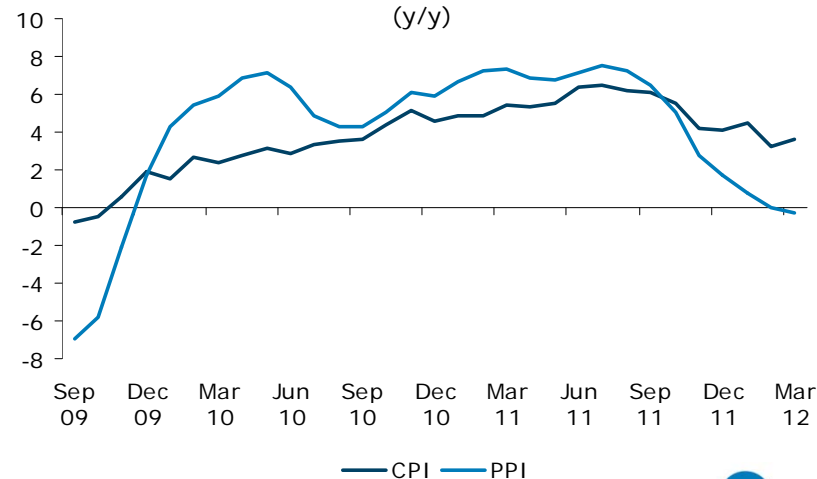
ANZ's view on China: Key themes

- Growth slowed in Q1 2012 due to weakness in the property market and global uncertainties
- However improved PMI data suggests growth momentum has picked up and we expect the economy to strengthen in upcoming quarters
- ANZ is expecting 8.6% annual growth for 2012
- Consumption is likely to outperform on rising wages and tax reforms
- Investment growth will moderate but remains supported by public housing investment
- Inflation is key – monetary policy is expected to remain loose as long as inflation remains manageable
- Liquidity conditions have improved after the first RRR cut in mid Feb. Another cut is likely in Q2
- House prices are expected to continue to weaken and remain the weakest link in the Chinese economy
- Importantly, China's growth sustainability hinges on continued reform : enhanced flexibility of the RMB exchange rate, interest rate liberalisation and an increased role for foreign and privately owned banks

China - GDP Growth



China - Inflation (y/y)



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