

10

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

28 October 2010

**Results Presentation &
Investor Discussion Pack**



10

FULL YEAR RESULTS

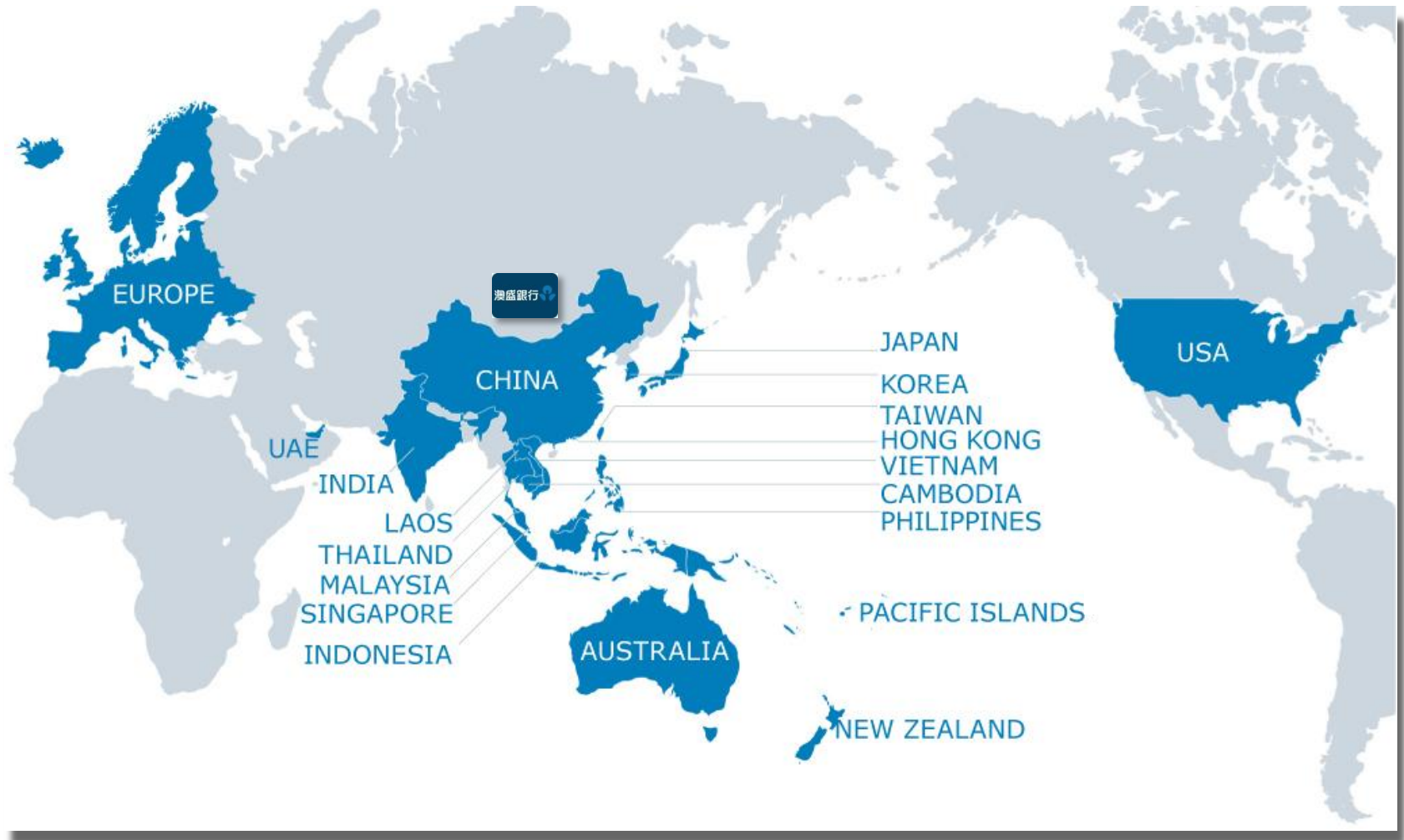
AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

28 October 2010

Mike Smith
Chief Executive Officer



The only Australian bank to give shareholders a material exposure to Asian growth



Overview of financial performance

Consolidated Group performance	2010		2H10
	A\$m	Growth	Growth
Underlying performance			
Revenue	15,782	+10%	+ 9%
Expense	6,971	+15%	+15%
Profit before provisions	8,811	+6%	+4%
Provisions	1,820	-40%	-34%
Net Profit After Tax	5,025	+33%	+19%
Underlying EPS (cents)	198.7	+18%	+18%
Statutory Profit	4,501	+53%	+34%
Dividend per share (cents)	126	+24%	
Loans and Deposits			
Customer Deposits	257,962	+11%	+8%
Net Loans and Advances ¹	360,816	+4%	+4%

1. Including acceptances

Overview of regional performance - Australia

2010 Underlying Profit growth

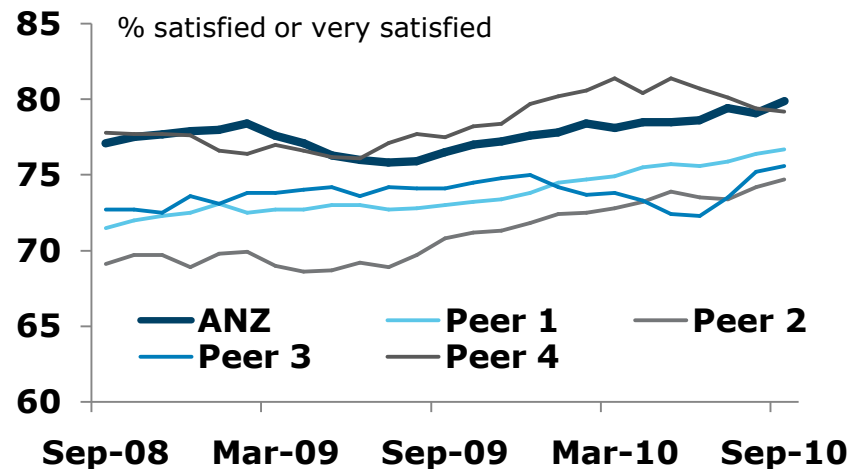
	FY10	2H10
	growth	growth
Australia Region	42%	15%
APEA Region ¹ (USD)	21%	22%
New Zealand Region (NZD)	40%	37%
Institutional Division ²	23%	14%

Underlying earnings as a % of Group

AUSTRALIA 72%



Leader in customer satisfaction amongst the major Aus. banks³



1. APEA: Asia Pacific, Europe & America
2. Global Institutional also included in Australia, APEA and New Zealand Regions
3. Roy Morgan Research ; Aust Main Financial Institution Pop'n aged 14+, % satisfied (very or fairly satisfied), rolling 6 months

Overview of regional performance – Asia Pacific, Europe & America

2010 Underlying Profit growth

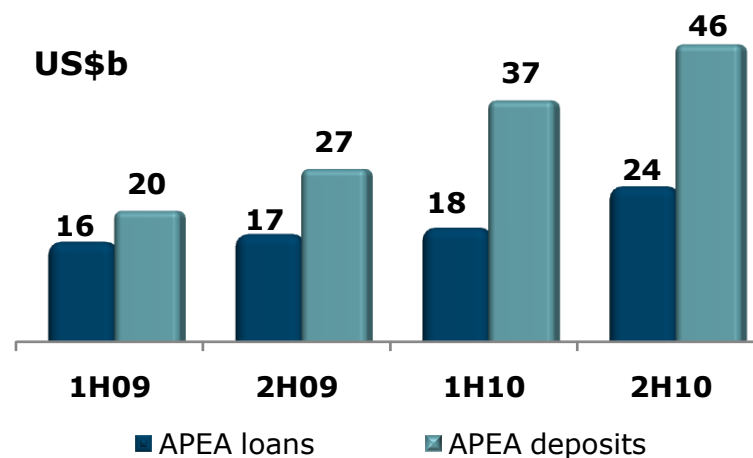
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APEA Region ¹ (USD)	21%	22%
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Institutional Division ²	23%	14%

Underlying earnings as a % of Group

APEA 14%



Strong loan deposit growth from organic business and RBS acquisition



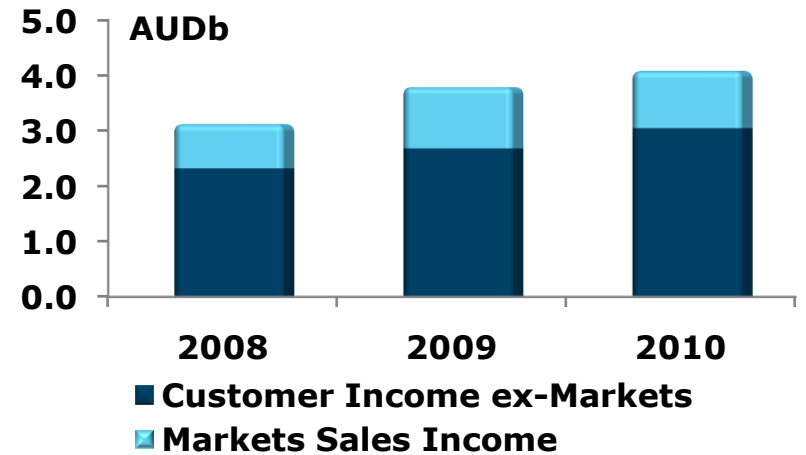
1. APEA: Asia Pacific, Europe & America
2. Global Institutional also included in Australia, APEA and New Zealand Regions

Overview of Institutional performance

2010 Underlying Profit growth

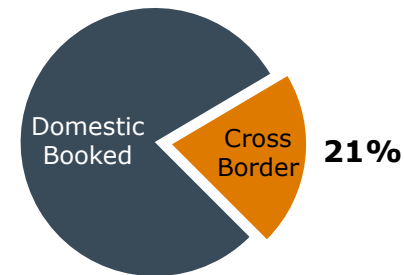
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APEA Region ¹ (USD)	21%	22%
New Zealand Region (NZD)	40%	37%
Institutional Division ²	23%	14%

Institutional Customer income³



Cross Border Income

Customer Income



Super Regional strategy capturing cross border revenue flows

1. APEA: Asia Pacific, Europe & America
2. Global Institutional also included in Australia, APEA and New Zealand Regions
3. Total income adjusted for Global Markets trading income

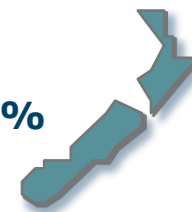
Overview of regional performance – New Zealand

2010 Underlying Profit growth

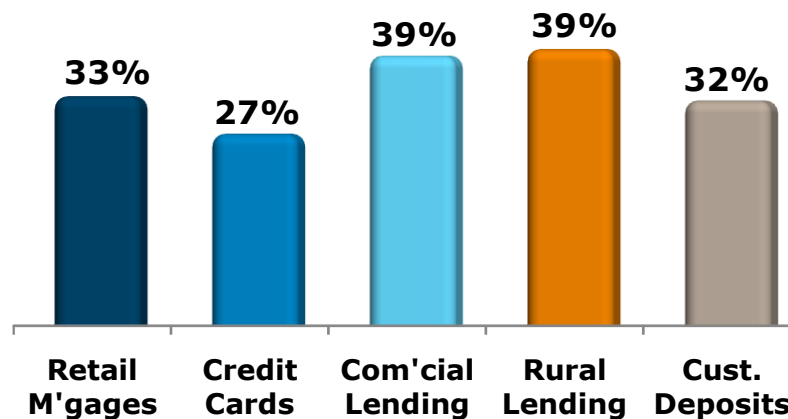
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Australia Region	42%	15%
APEA Region ¹ (USD)	21%	22%
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Institutional Division ²	23%	14%

Underlying earnings as a % of Group

NEW ZEALAND 14%



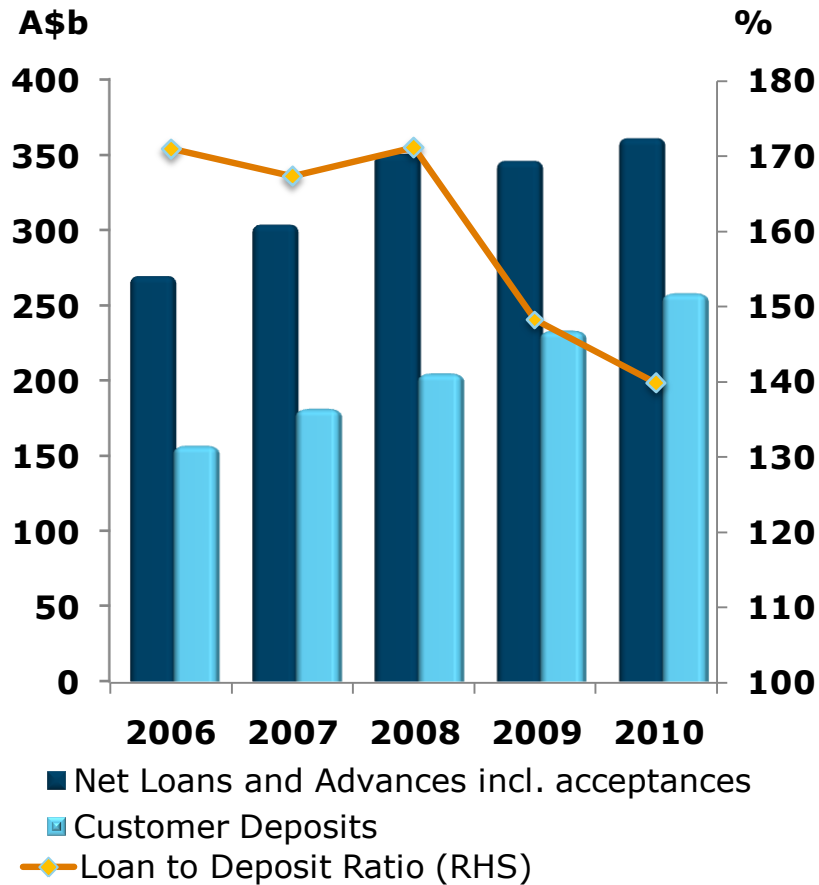
Number 1 market share position (% of market share)³



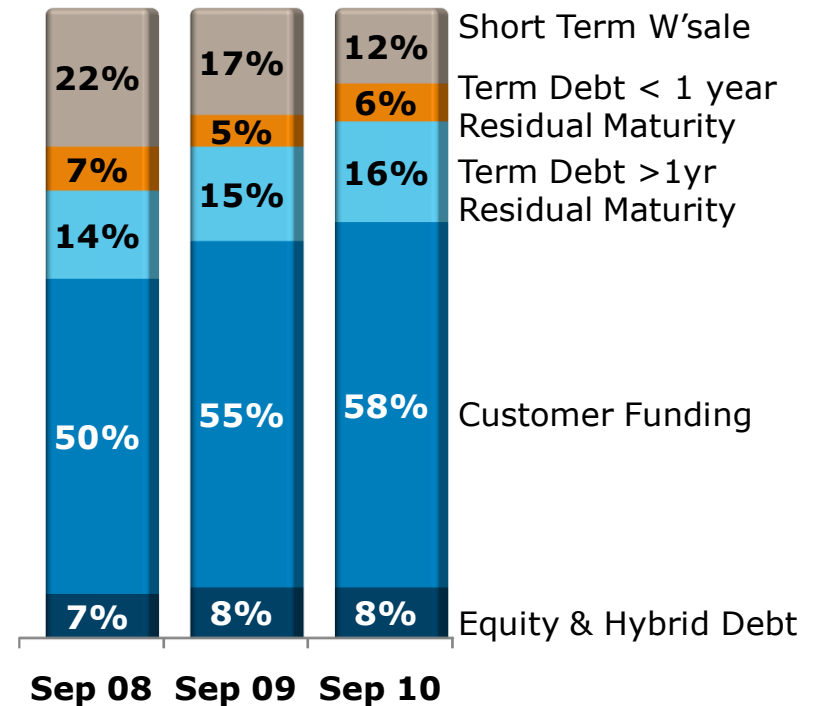
1. APEA: Asia Pacific, Europe & America
2. Global Institutional also included in Australia, APEA and New Zealand Regions
3. RBNZ and TNS New Zealand Ltd Business Finance Monitor

Improving balance sheet mix and funding position

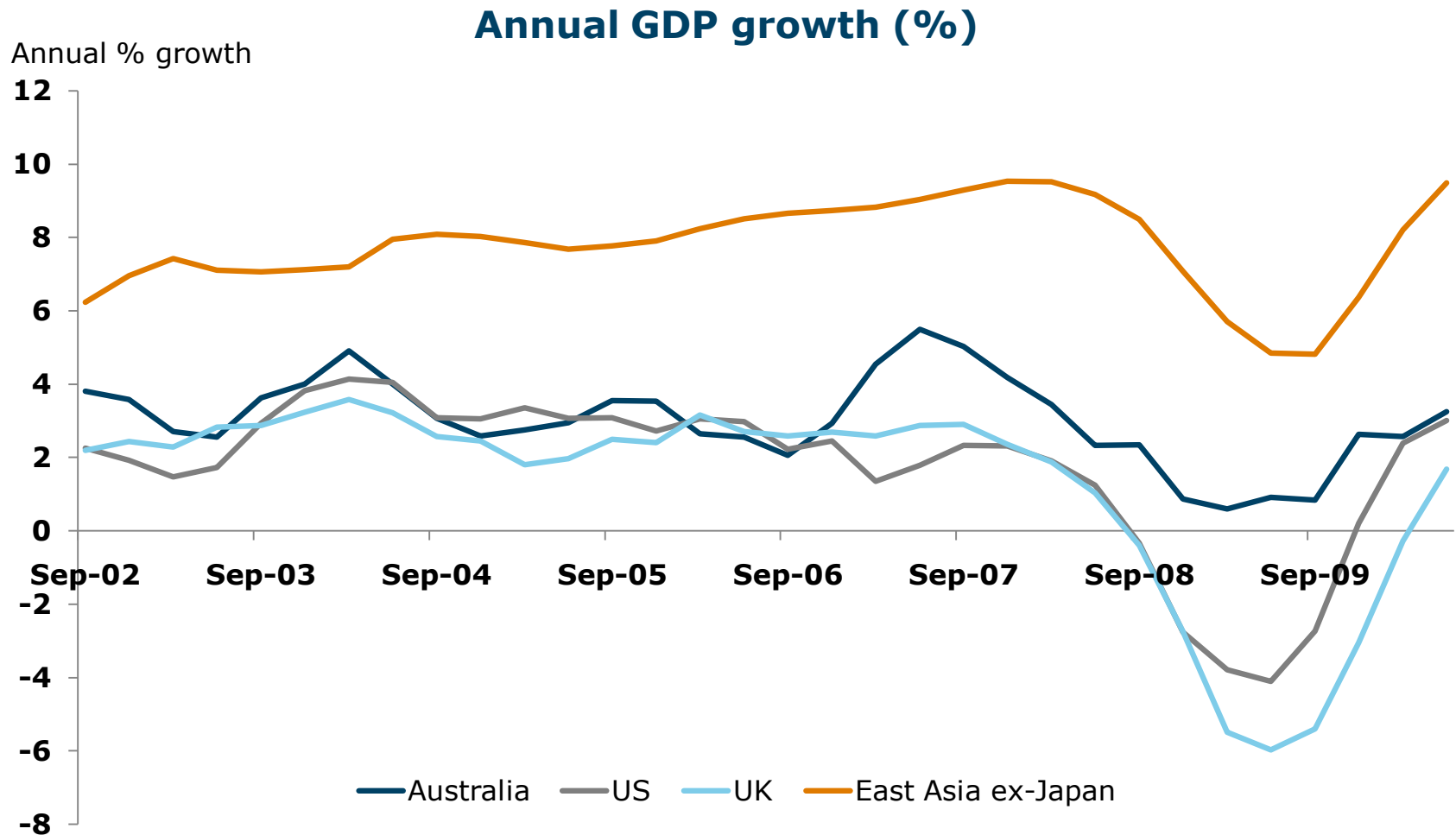
Deposit growth exceeding loan growth



Funding profile



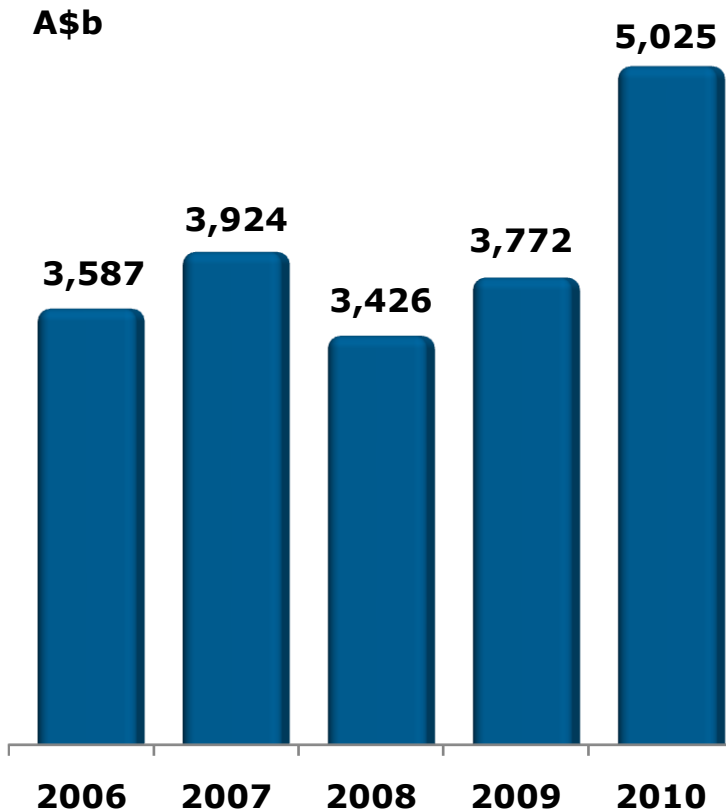
Australia remains strong, some challenges ahead



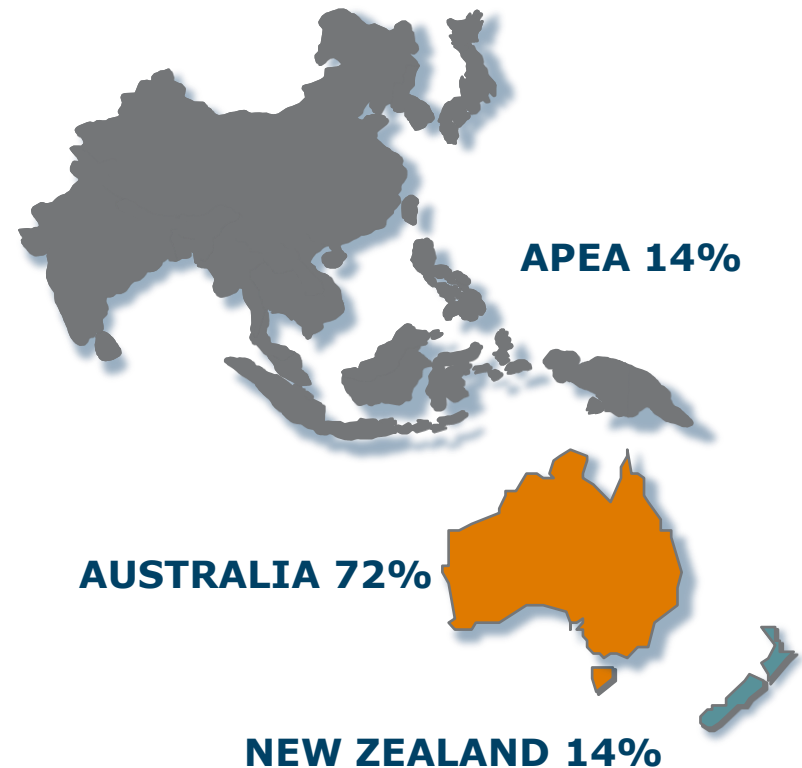
Source: ANZ Economics

2010 results - putting the runs on the board

Underlying profit¹



Underlying earnings as a % of Group



1. For 2008 to 2010, Underlying profit measure. For 2006 and 2007 Cash profit measure, superseded by Underlying Profit from 2007

10

FULL YEAR RESULTS

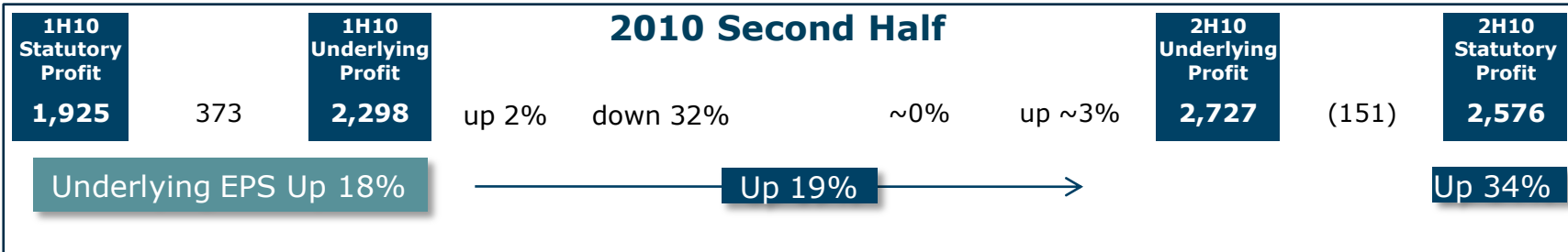
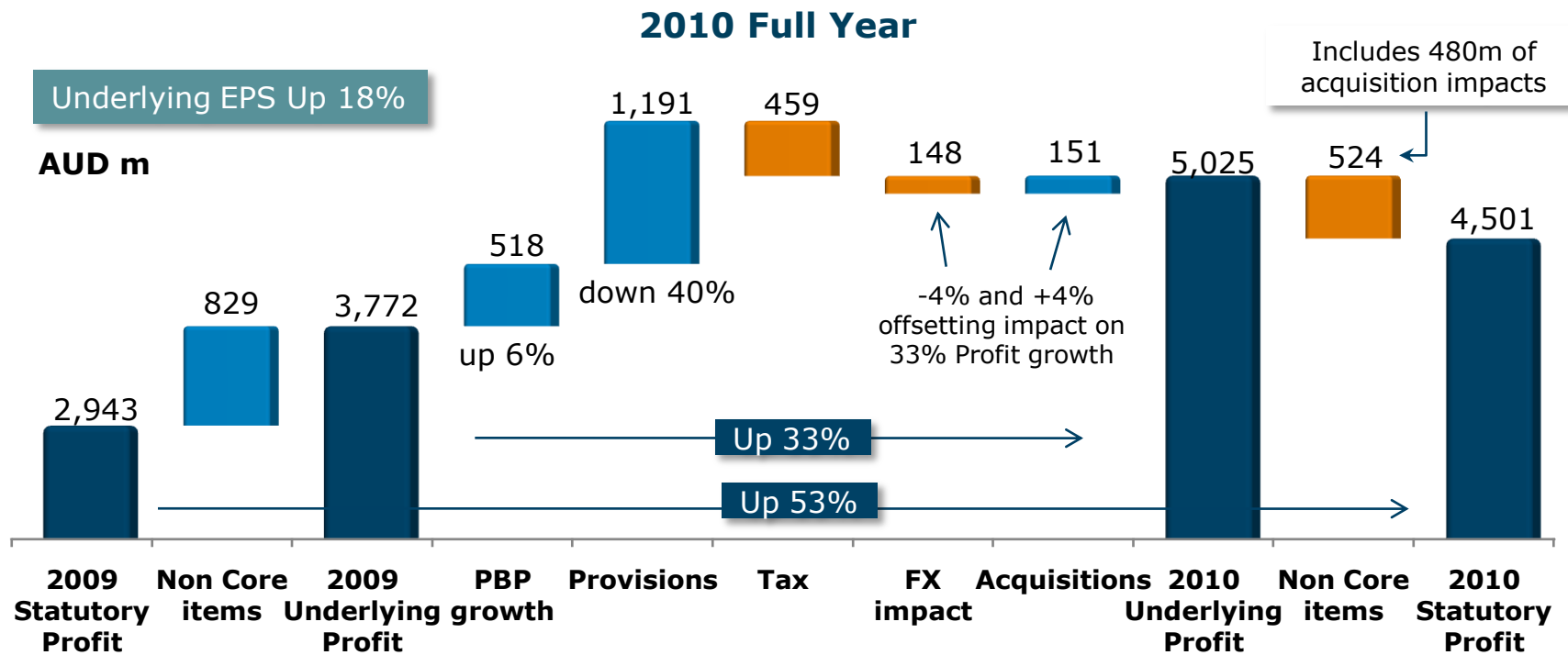
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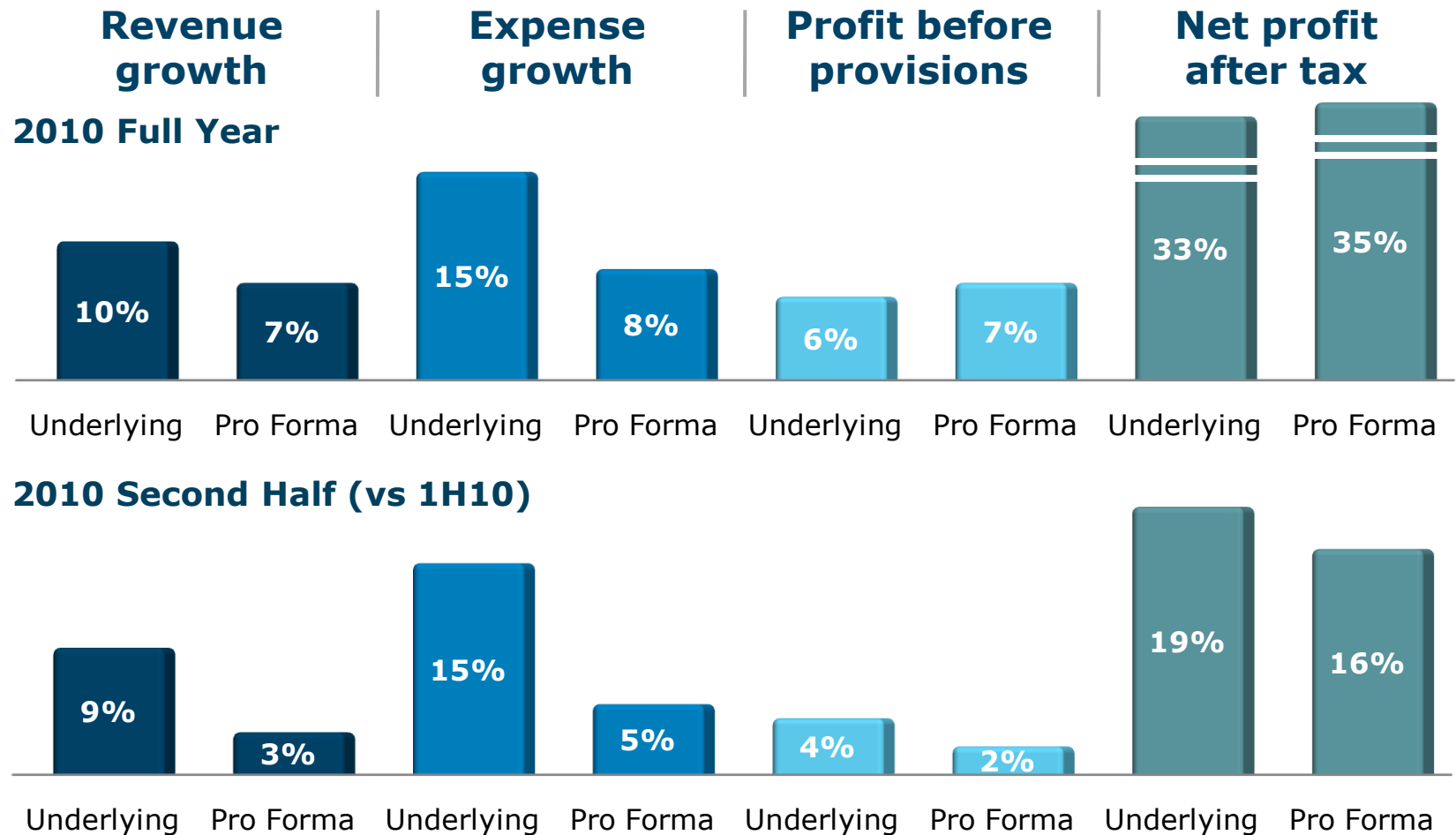
Peter Marriott
Chief Financial Officer



Solid pre provision earnings, lower provisions and acquisition benefits delivering 33% NPAT growth



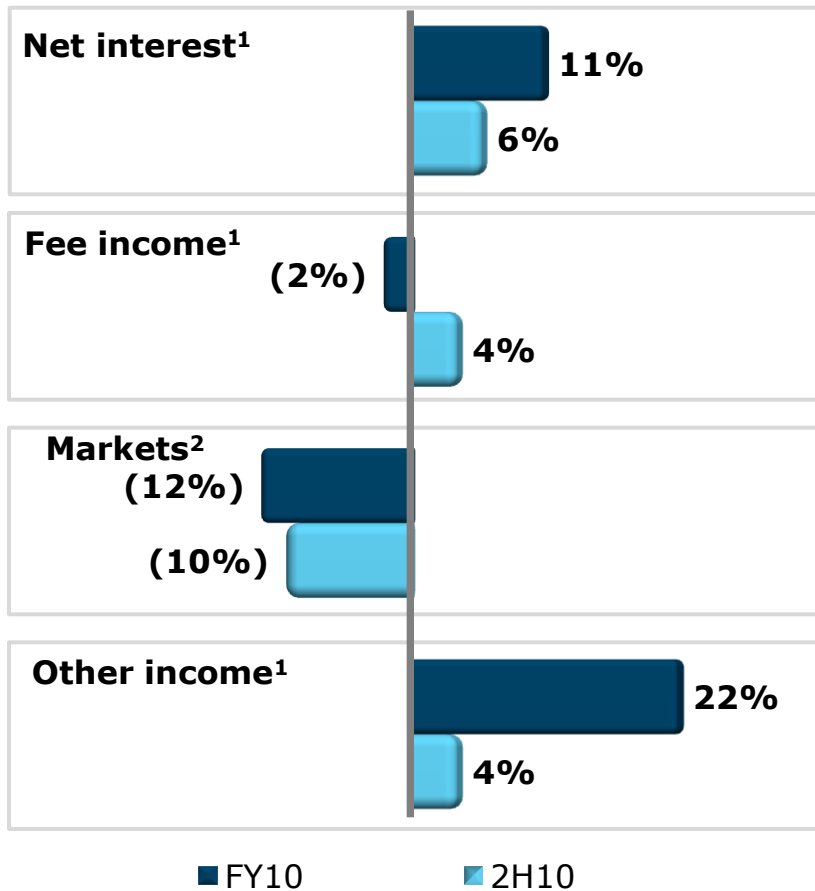
Pro Forma data adjusts for acquisitions and FX, showing good revenue growth and continuing momentum



For explanation of Pro Forma refer slide 23 (Pro Forma profit introduced to normalise for the impact of acquisitions)

Growth largely in Net Interest, Partnerships & Wealth income partly offset by lower markets income and fees

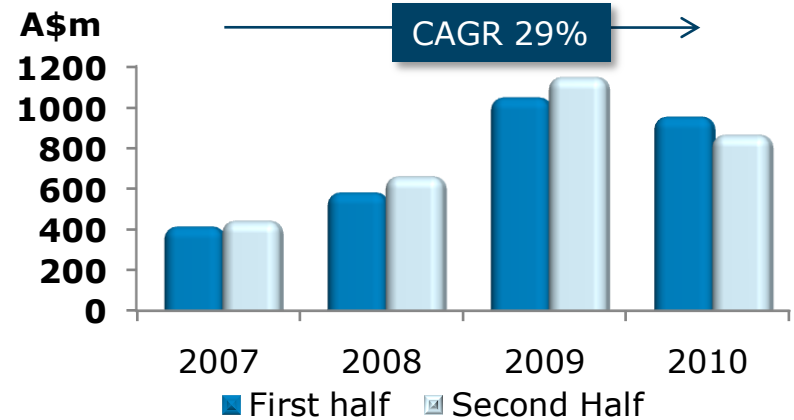
Pro Forma revenue growth



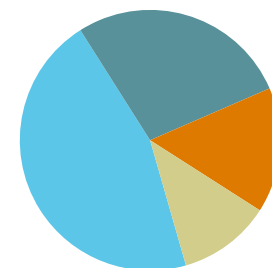
1. Excluding markets
2. FX adjusted

Markets income

Lower relative to exceptional 2009, positive longer term trend

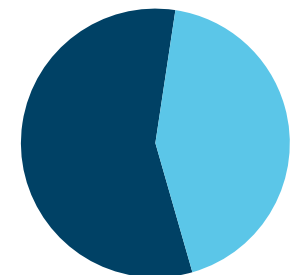


Product split



■ Fixed income ■ FX
■ Capital Mkts ■ Other

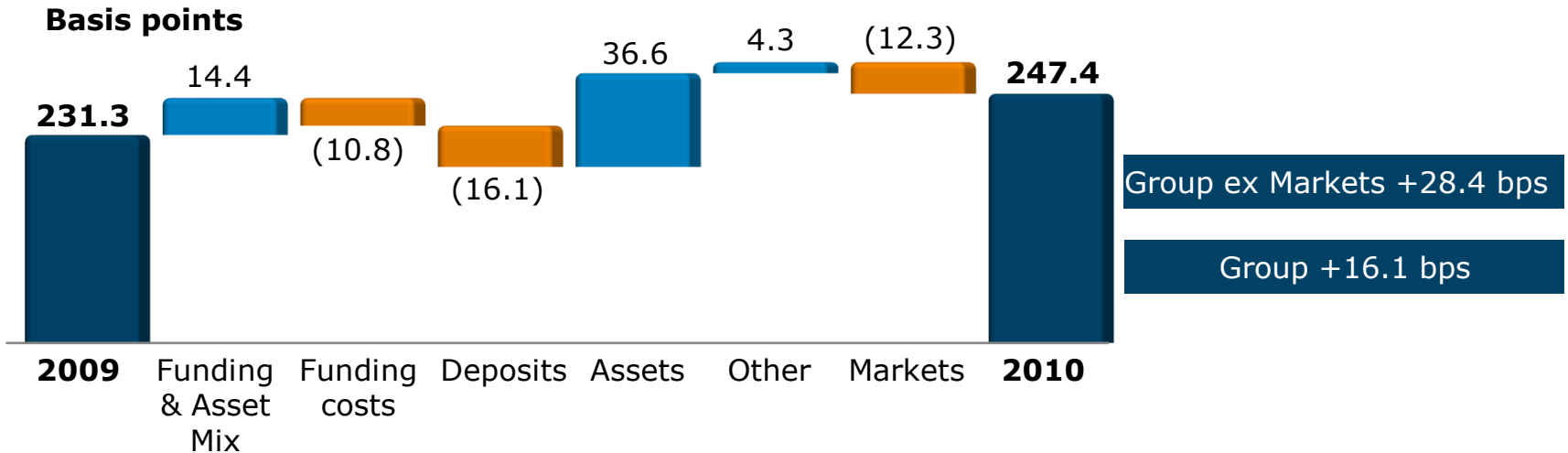
Sales/Trading split



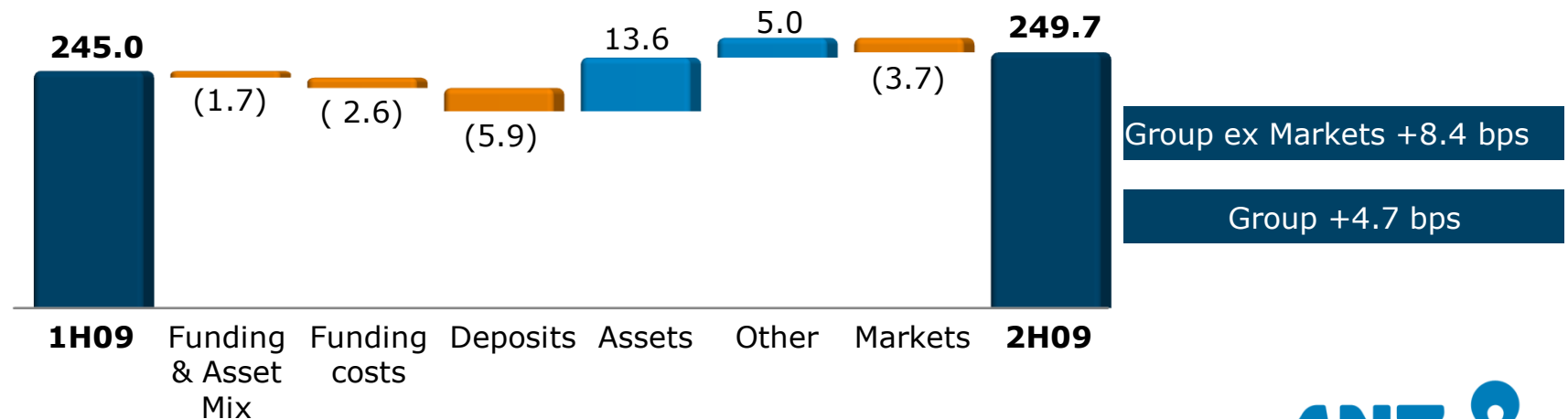
■ Sales
■ Trading

NIM improved year on year with repricing for business risk, slowing in 2H10 and continued funding pressure

2010 Full Year NIM

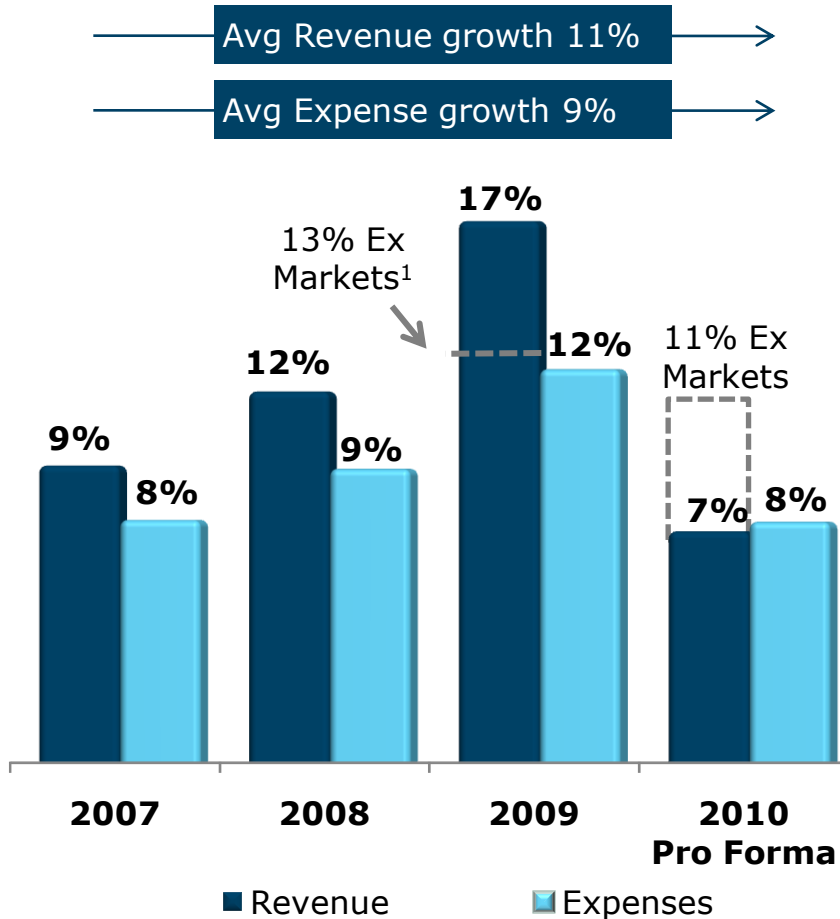


2010 Second Half NIM

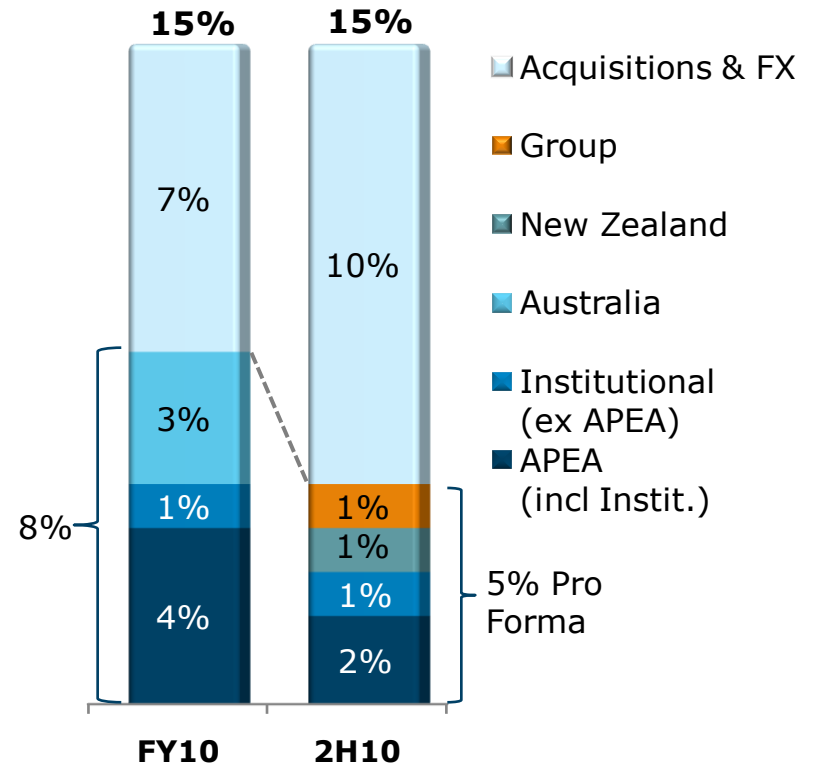


Expense trend reflective of substantial investment and a focus on delivering sustainable revenue outcomes

Revenue / Expense "Jaws"



Expense growth

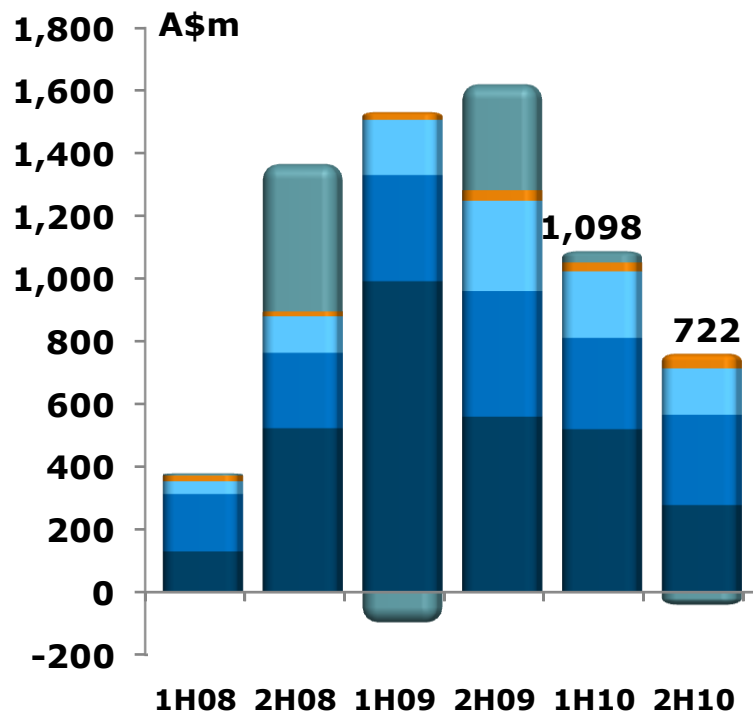


¹ FX adjusted for comparability with 2010 ex Global Markets growth

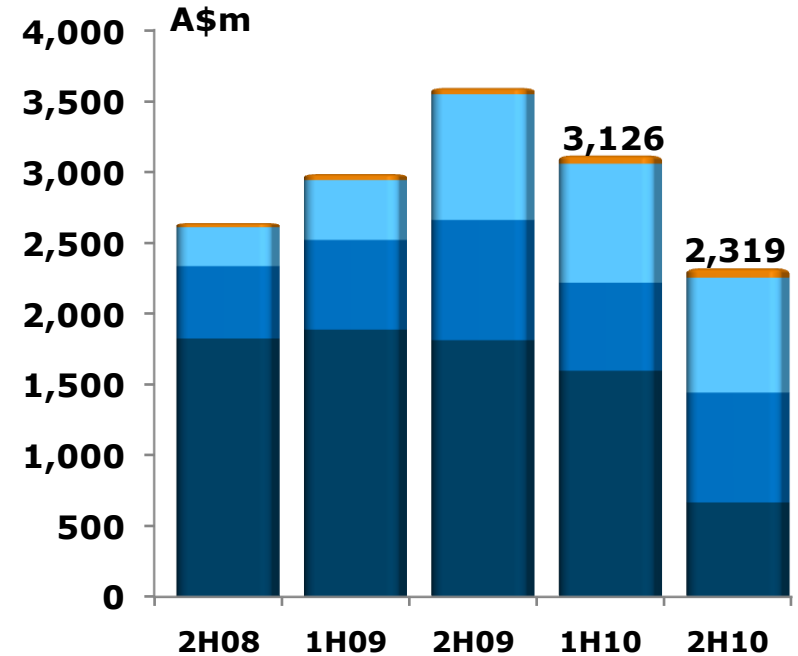
Improved provision & new impaired asset trends predominantly in the Institutional business

Total Provision Charge

(IP charge by Division and total CP charge)



New & Increased Impaired Assets by Division

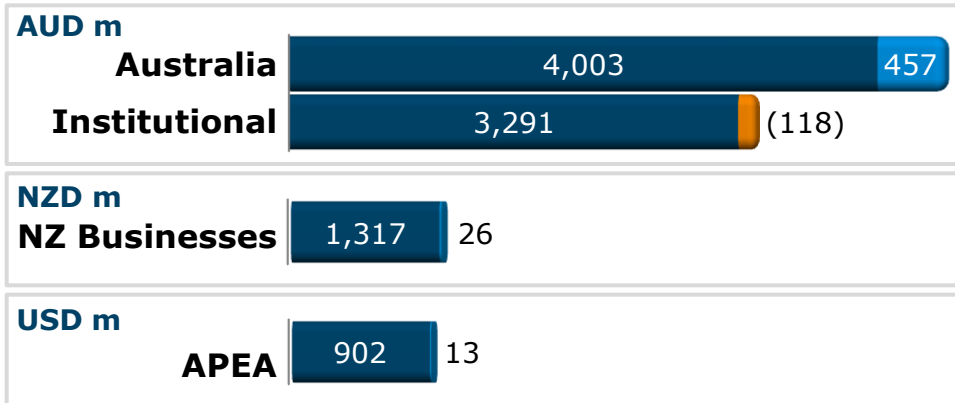


■ Institutional
 ■ Australia Division
 ■ NZ Businesses
 ■ APEA ex-Institutional
 ■ CP charge



Divisional performance

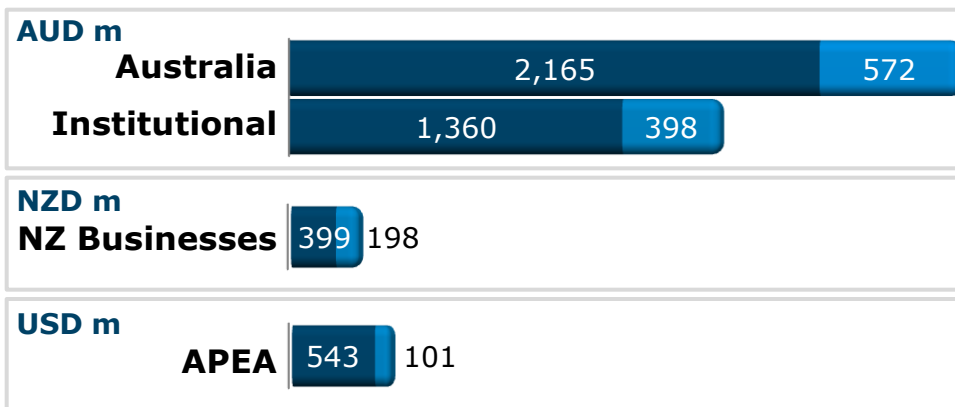
2010 Divisional Profit Before Provisions (Pro Forma basis)



2010	
4,460	11%
3,173	(4%) ¹
1,343	2%
915	1%

2H10 growth
2%
(1%)
8%
(3%)

2010 Divisional Net Profit After Tax (Pro Forma basis)



2010	
2,737	26%
1,758	29%
597	50%
644	19%

2H10 growth
9%
13%
74%
21%

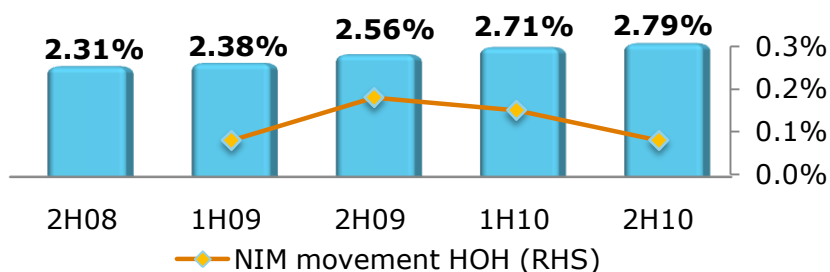
■ 2009
 ■ 2010 growth
 ■ 2010 reduction

1. Growth of 12% ex Markets fx adjusted

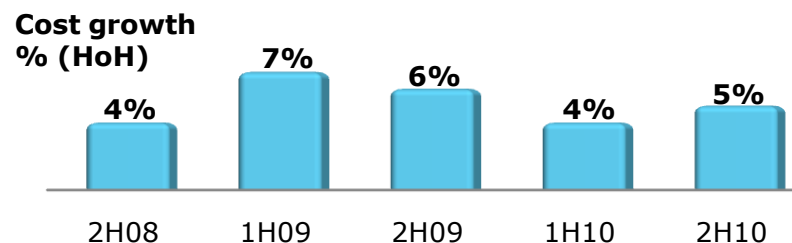


Summary

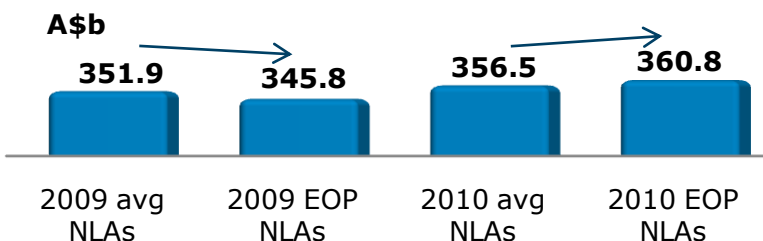
Group margin ex Markets¹



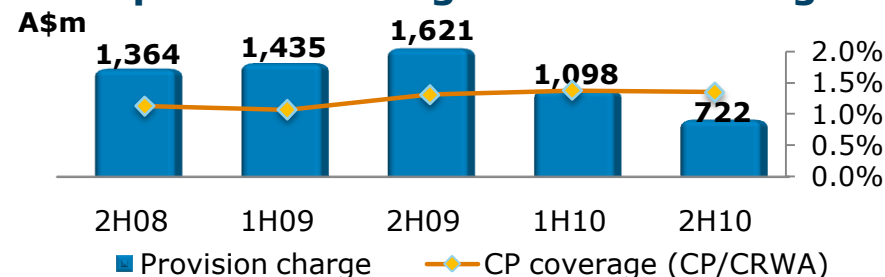
Investing in the franchise



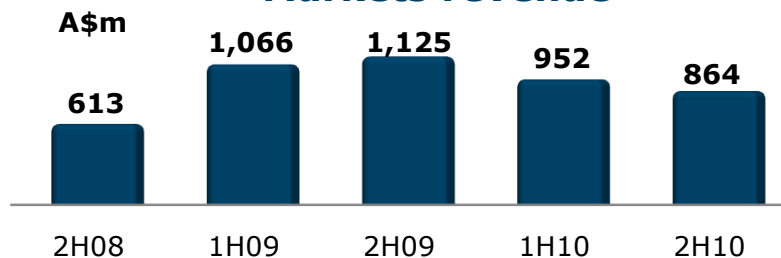
Net Loans and Advances² growth



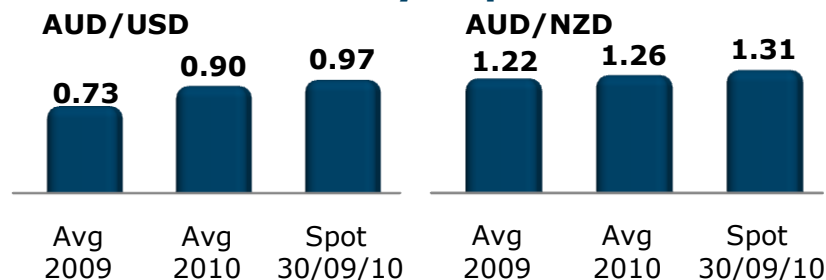
Total provision charge and CP coverage



Markets revenue



Currency impacts



1. Prior periods restated to includes the impact of NZ line fees reclassified from Other Operating income to Net Interest income for comparability to current period NIM

2. Including acceptances

10 FULL YEAR RESULTS

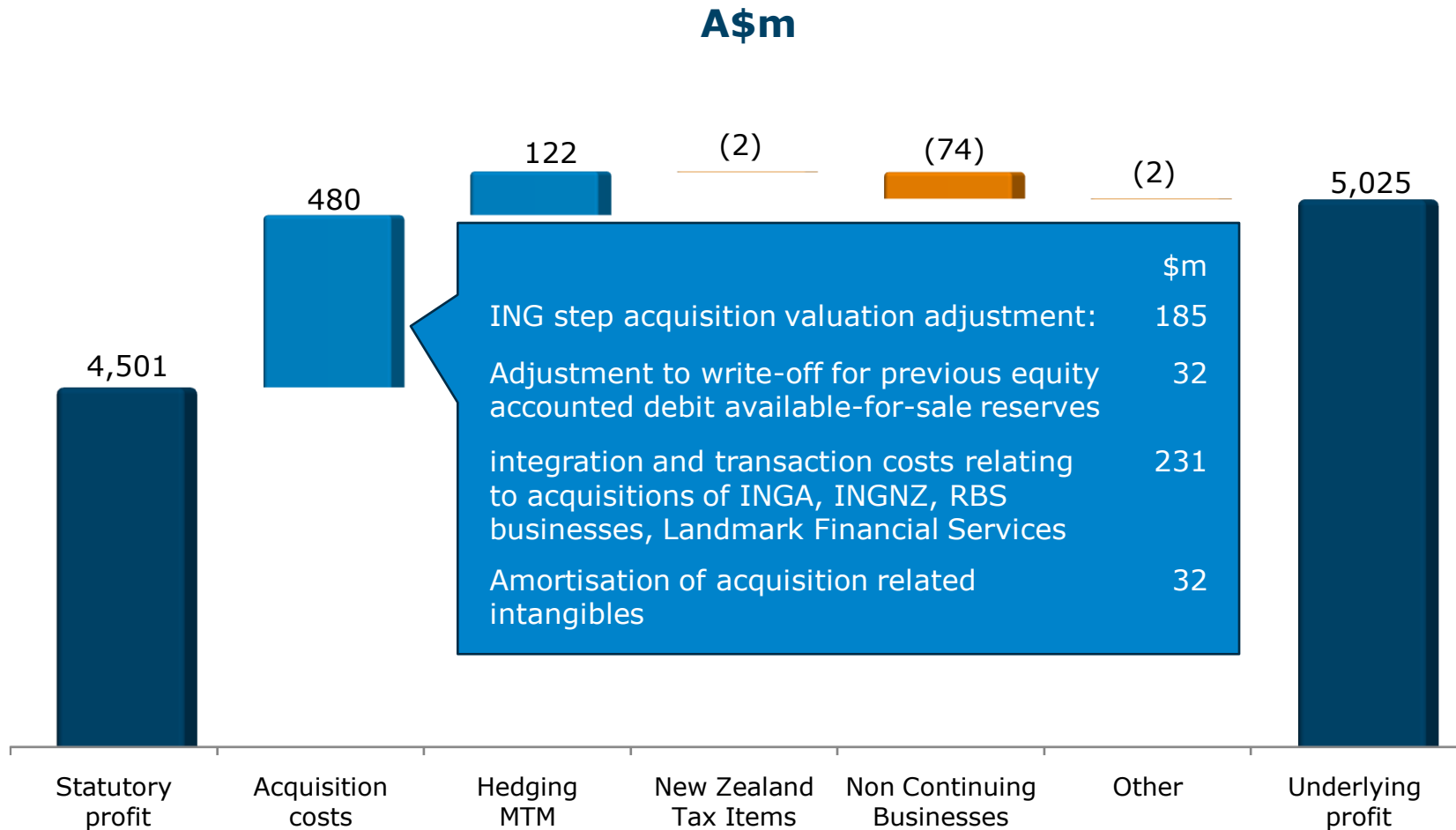
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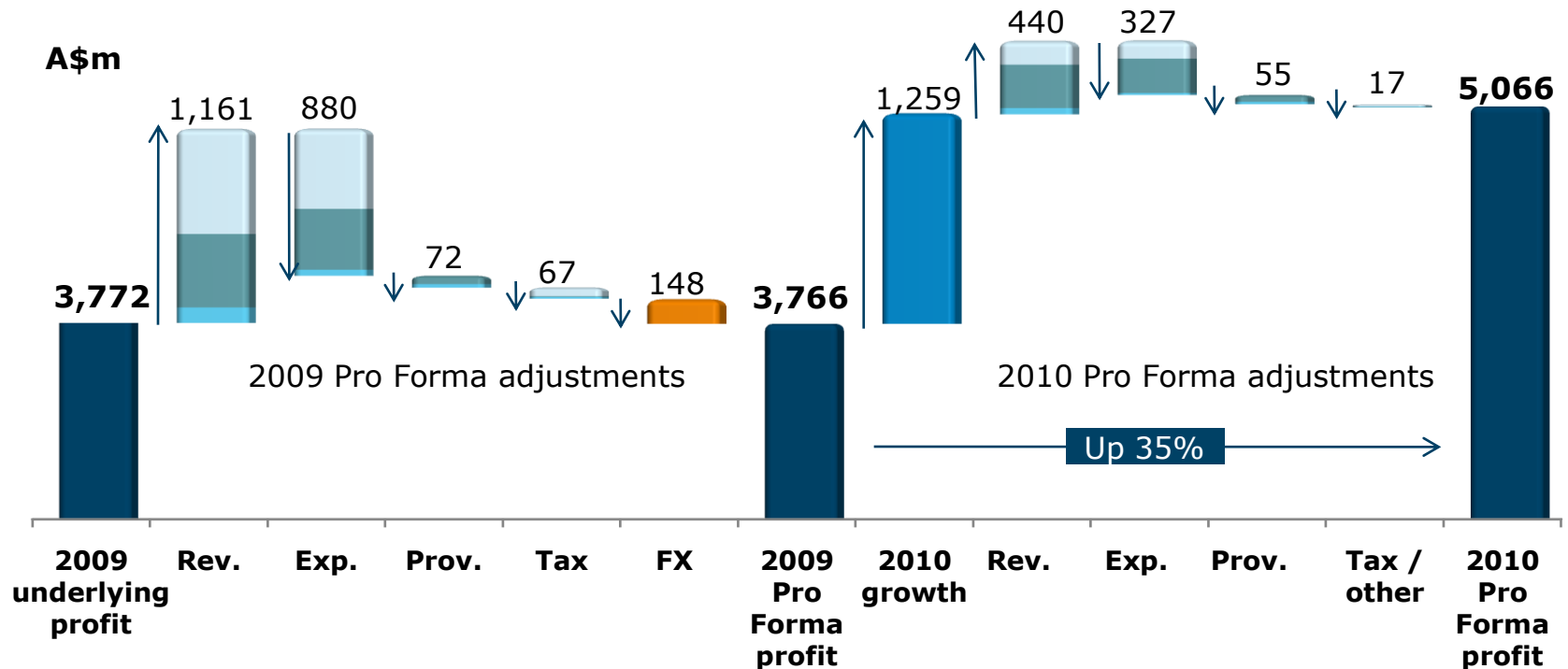
**Investor Discussion pack
Additional Financial Information**







Statutory profit to underlying profit reconciliation



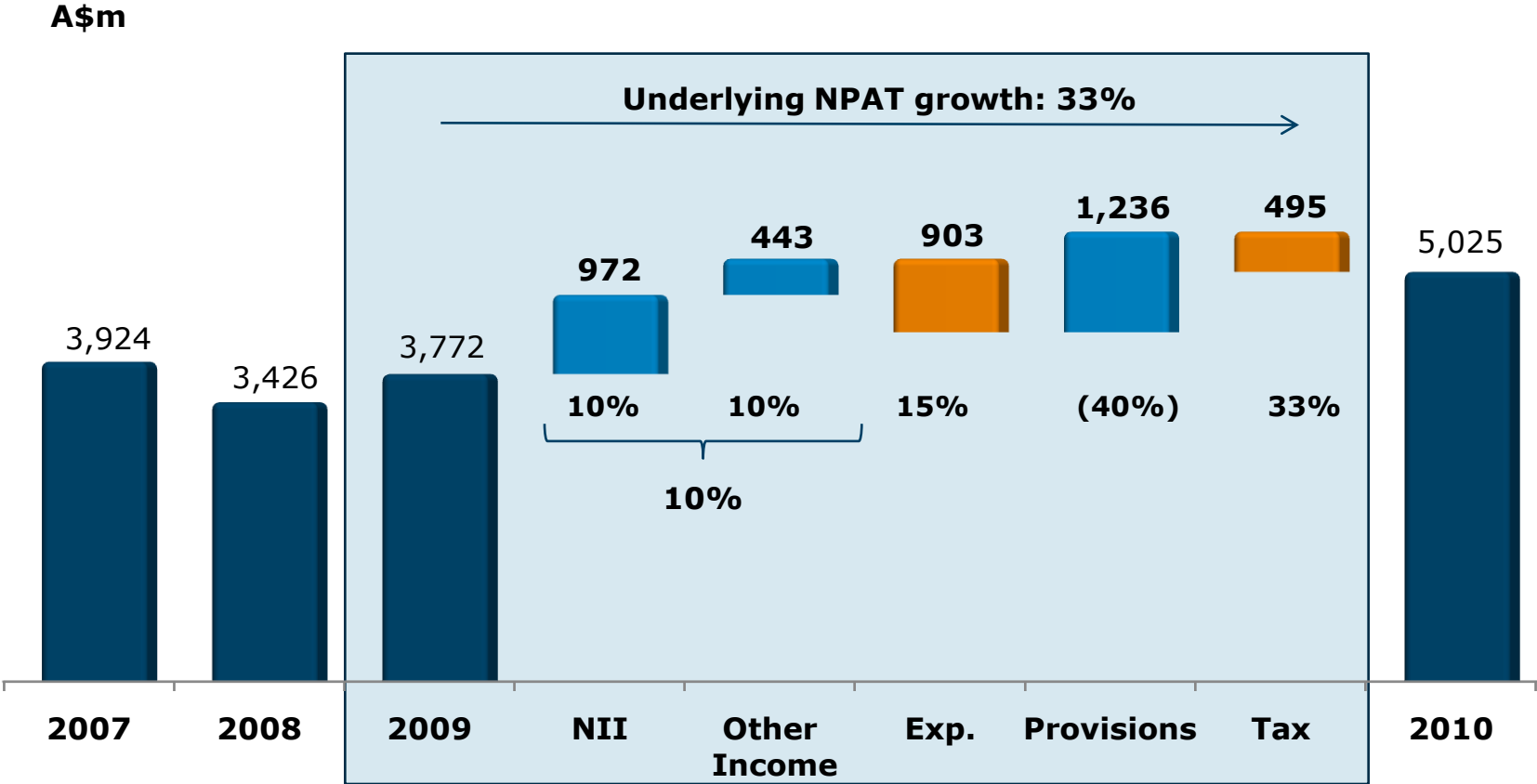
Pro Forma profit introduced to normalise for the impact of acquisitions and FX



	Landmark acquisition	Assumes acquisition took effect 1 October 2008
	RBS acquisitions	Assumes acquisition took effect 1 October 2008
	ING Australia & ING New Zealand	Assumes increase in ownership from 49% to 100% took effect 1 October 2008, removes equity accounting and is net and other adjustments (including interest earned on \$1.8b capital raised prior to ING acquisitions)
	FX	Adjusts for exchange rate movements

↓ ↑ Impact on Pro Forma profit

Underlying profit performance



10

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Additional Financial Information

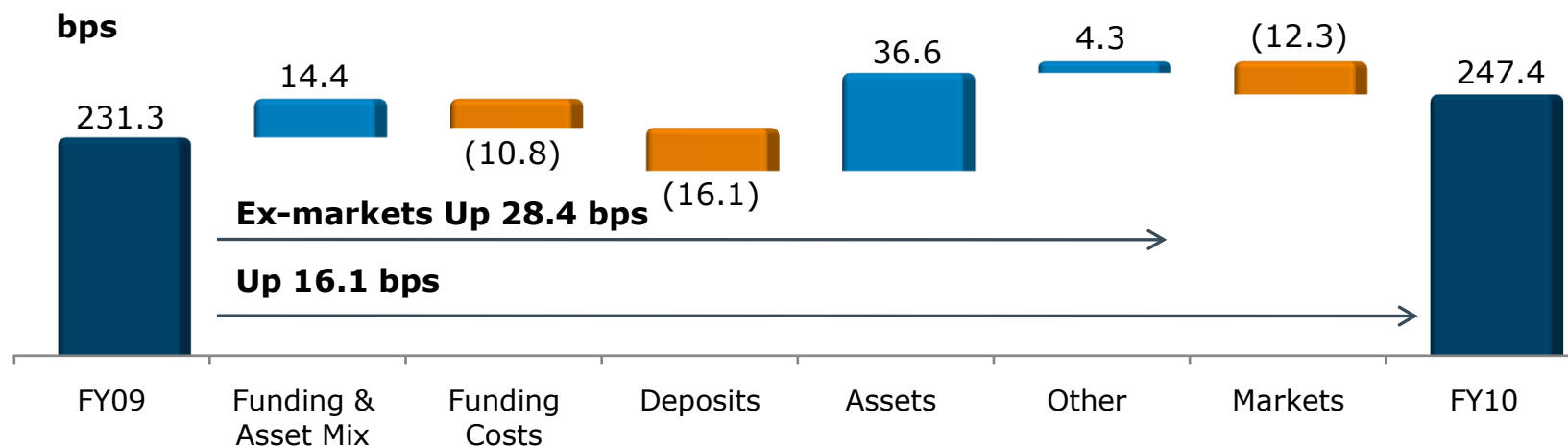


NIM Movement Summary

Basis points (bps)	Group		Geographies				Divisions					
			Australia		NZ		Australia Division		New Zealand Businesses		Global Institutional	
	YOY	HOH	YOY	HOH	YOY	HOH	YOY	HOH	YOY	HOH	YOY	HOH
Starting NIM	231	245	238	260	218	220	253	264	220	221	209	211
Funding & Asset Mix	14	(2)	17	(2)	5	1	(2)	(4)	4	1	18	(4)
Funding Costs	(11)	(3)	(5)	(2)	(24)	(3)	0	(5)	(22)	(3)	(20)	4
Deposits	(16)	(6)	(11)	(3)	(28)	(11)	(14)	(5)	(32)	(12)	(8)	(5)
Assets	37	14	28	9	58	26	21	7	63	28	56	13
Other	4	5	1	0	7	8	2	(2)	(3)	4	10	11
Movement ex-markets	28	8	30	2	18	21	7	(9)	10	18	56	19
Markets	(12)	(3)	(7)	1	(9)	(7)	0	0	0	0	(53)	(16)
Total Movement	16	5	23	3	9	14	7	(9)	10	18	3	3
Ending NIM	247	250	261	263	227	234	260	255	230	239	212	214

Some small variances to the detailed NIM pages exist as a result of rounding

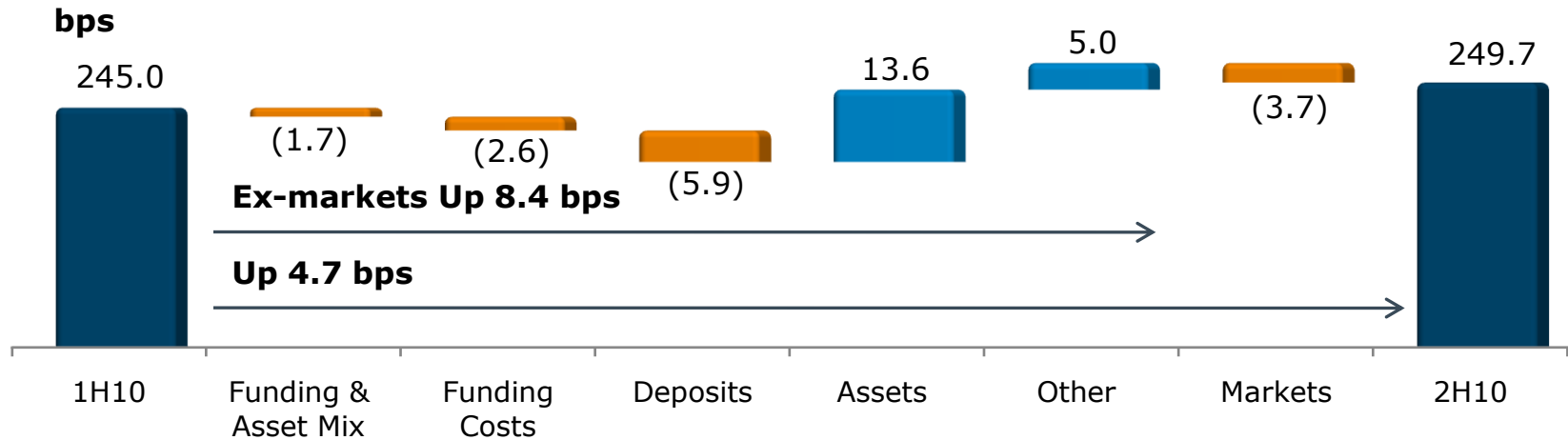
NIM movement – FY10 vs FY09



Key Drivers of Movement

Funding & Asset Mix	14.4	Funding mix benefit from higher capital and reduced reliance on wholesale funding. Asset mix improvement from a reduction in lower margin global institutional lending
Funding Costs	(10.8)	Impact of higher average cost of wholesale funding
Deposits	(16.1)	Largely driven by deposit competition in Australia and New Zealand. Some additional mix impact in Australia from a shift to lower margin deposit products
Assets	36.6	Improved asset margins in global institutional and New Zealand businesses. Some mix benefit in continued migration of fixed rate mortgages to variable rates in New Zealand

NIM movement – 2H10 vs 1H10

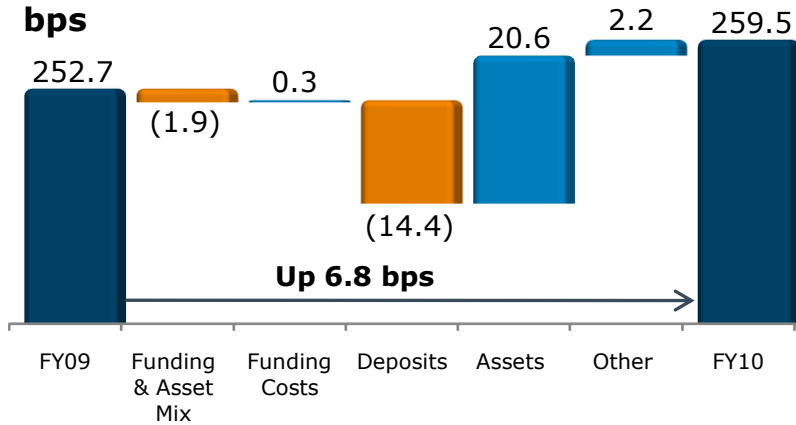


Key Drivers of Movement

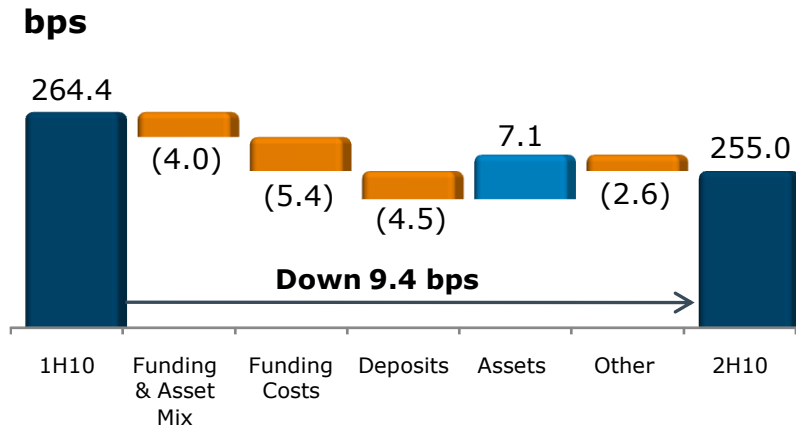
Funding & Asset Mix	(1.7)	Reduced free fund benefit from non interest bearing deposits. Lower proportion of higher margin lending business
Funding Costs	(2.6)	Impact of higher average cost of wholesale funding
Deposits	(5.9)	Largely driven by mix impacts in Australia and New Zealand from switch to lower margin deposit products and deposit competition
Assets	13.6	Improved asset margins in Global Institutional and New Zealand businesses. Some mix benefit in continued maturity of fixed rate mortgages to variable rates in New Zealand

Australia Division

NIM Movement FY10 vs FY09



NIM Movement 2H10 vs 1H10



Key Drivers

FY10 vs FY09

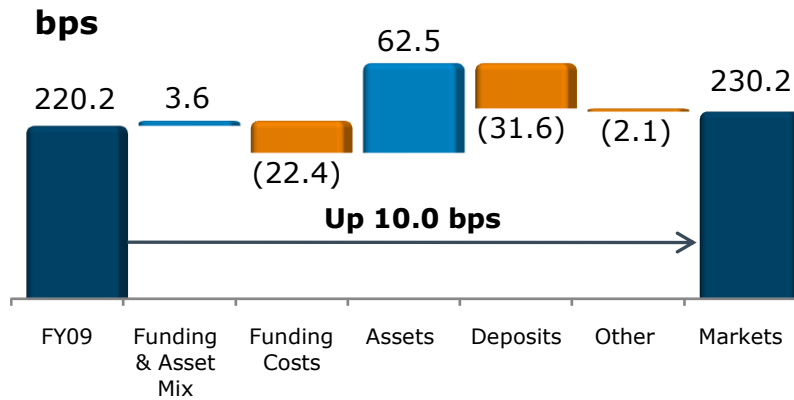
- Flow on impact of prior period asset repricing measures undertaken.
- Largely offset by a higher cost of deposit funding through:
 - More intense competition
 - A greater proportion of deposits in lower margin deposit products

2H10 vs 1H10

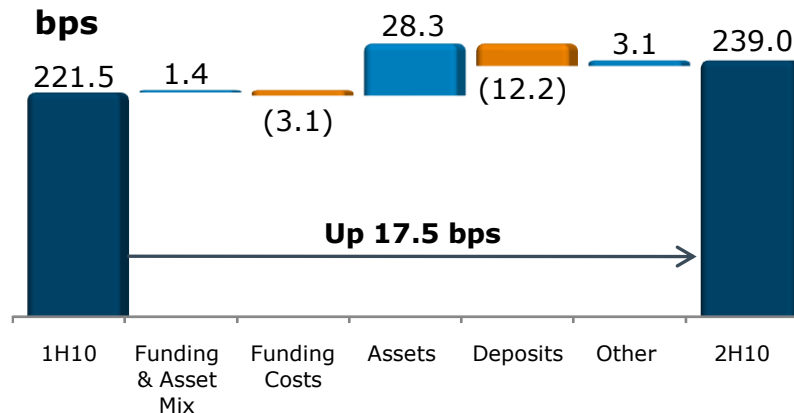
- Increased costs in both deposit and wholesale funding
- A greater reliance on wholesale funding relative to deposits
- Partial off set in flow on impacts of prior period repricing

New Zealand Businesses

NIM Movement FY10 vs FY09



NIM Movement 2H10 vs 1H10



Key Drivers

FY10 vs FY09

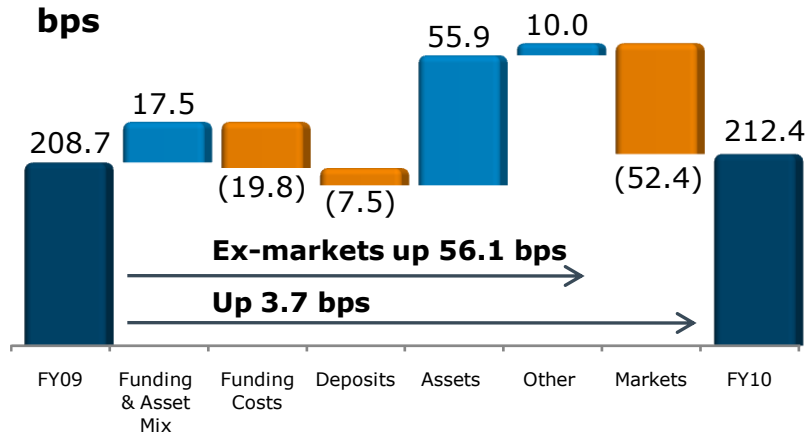
- Increase driven by impact of asset repricing across all businesses and continued reduction in proportion of fixed rate mortgages
- Increase largely off set by higher costs of wholesale and deposit funding
- Deposit competition intensified throughout FY10

2H10 vs 1H10

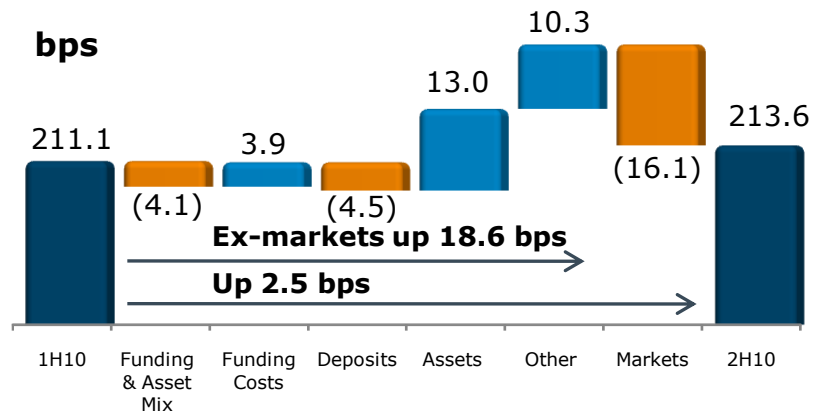
- Similar drivers 2H10 as experienced across FY10
- Repricing gains across business partially offset by higher funding costs, driven by ongoing financial volatility and significant deposit competition

Global Institutional

NIM Movement FY10 vs FY09



NIM Movement 2H10 vs 1H10



Key Drivers

FY10 vs FY09

- Increase ex-markets largely driven by flow on impact of repricing measures undertaken since late 2009
- Positive funding mix largely the result of a reduced reliance on wholesale funding
- Gains were partially offset by higher wholesale funding costs and some impact from deposit pricing

2H10 vs 1H10

- Similar albeit more modest gain from repricing in 2H10
- Wholesale funding impacts eased during half but were offset by increased deposit costs as a consequence of competition and a greater mix of lower margin products

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Treasury



ANZ's strong capital ratios are fully reflected when measured consistently across various jurisdictions

	Sep 09	Mar 10	Sep 10	FSA Sep 10
Core Tier 1 ⁽¹⁾	9.0%	8.5%	8.0%	11.3%
Tier 1	10.6%	10.7%	10.1%	13.5%
Total Capital	13.7%	13.0%	11.9%	15.2%

Capital Update:

- ANZ's capital strength reflects ongoing economic and regulatory uncertainty and the Group's aim to maintain flexibility
- Net organic Tier-1 generation +22bps:
 - Underlying earnings net of dividends +119bps;
 - RWA growth -48bps (principally non traded market risk);
 - Profit retention in Insurance and banking associates (-23bps) and software (-11bps)
- Impact of acquisitions reduced Tier-1 by 131bps, partly offset by net Tier-1 hybrid issuances (+63bps)
- 74 cent Final Dividend up 32% PCP (FY10 \$1.26 up 24% PCP)
- 1.5% DRP discount retained to provide capital flexibility and continuity for shareholders

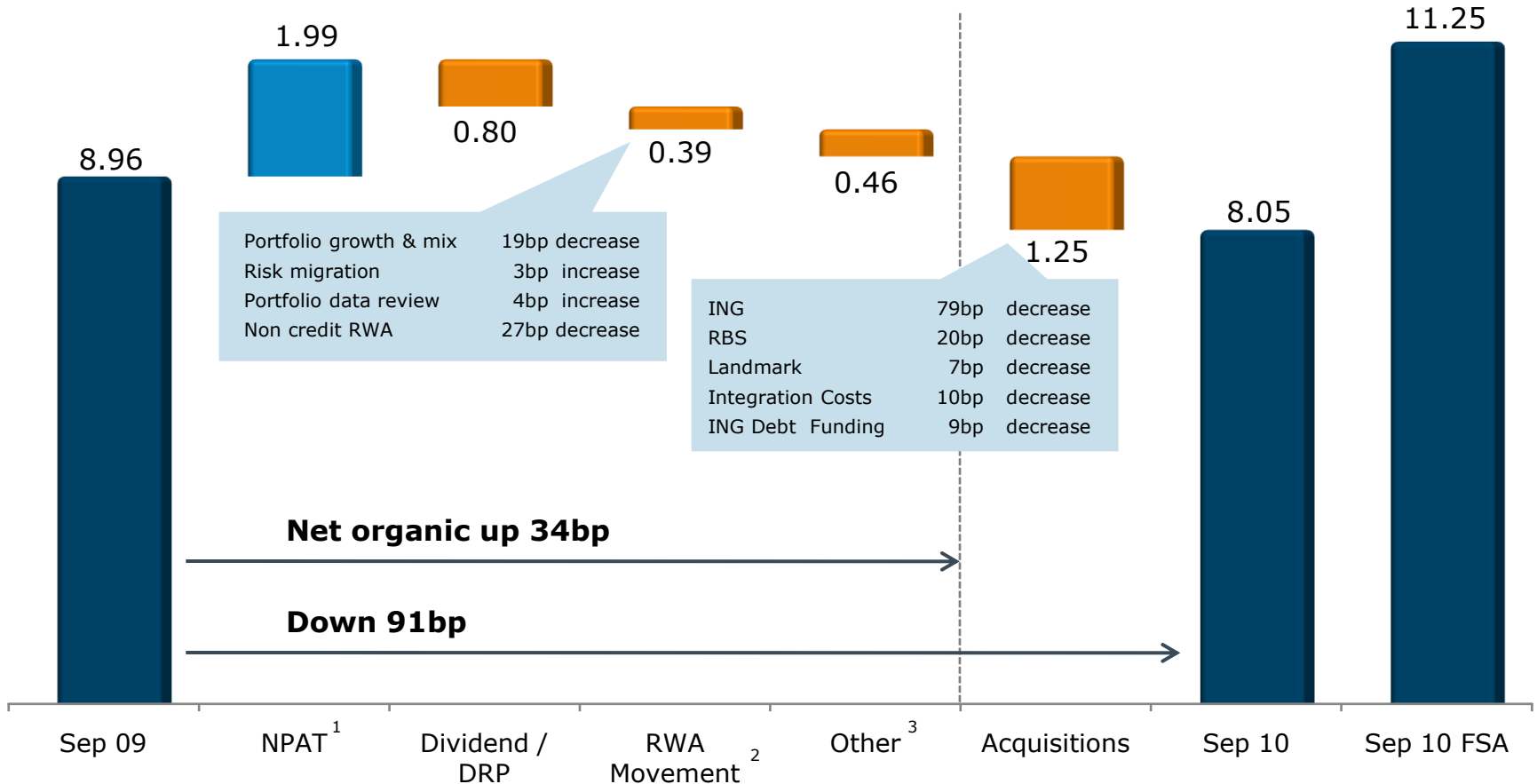
Capital Agenda:

- Continue to be well capitalised and consistent with "AA" long term credit rating category
- Manage Basel 3 implementation:
 - Final Basel 3 regulations on capital deductions, minimums and buffers, and Tier-1 and Tier-2 regulations expected Dec-10
 - Engage APRA throughout FY11 on interpretation and implementation of these changes
 - Full alignment to proposed Basel 3 guidelines would result in an increase in Core Tier-1 ratio from current levels
 - However, APRA have indicated the Basel 3 rules are likely to be viewed as a minimum standard

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

Core Tier-1 level remains strong and well positioned

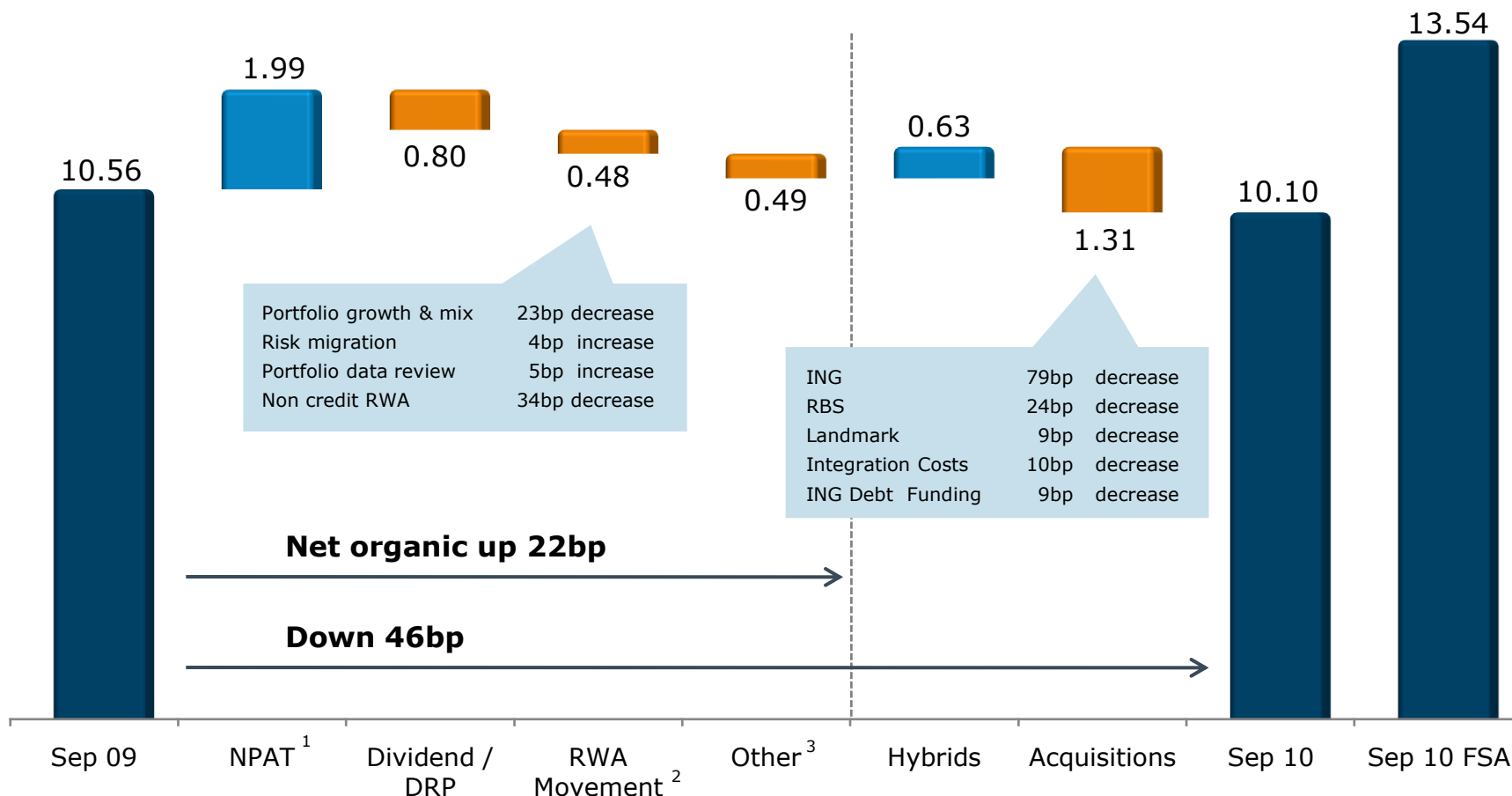
Capital Position (Core Tier-1 Ratio)



1. Underlying NPAT. 2. Includes impact of movement in Expected Loss versus Collective Provision shortfall, 3. Includes ING Insurance Business, Asian Banking Associates, Capitalised Costs and Software, FX, Net Deferred Tax Assets, Pensions, MTM gains on own name included in profit

Tier-1 position reduced during FY10 due to recent acquisitions partially offset by Hybrid issuance

Capital Position (Tier-1 Ratio)



1. Underlying NPAT. 2. Includes impact of movement in Expected Loss versus Collective Provision shortfall. 3. Includes ING Insurance Business, Asian Banking Associates, Capitalised Costs and Software, FX, Net Deferred Tax Assets, Pensions, MTM gains on own name included in profit

Reconciliation of ANZ's capital position to FSA Basel 2 guidelines

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) 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 deductions (FSA: permits proportional consolidation under certain circumstances)

	Core Tier-1	Tier 1	Total Capital
Sep-10 under APRA standards	8.0%	10.1%	11.9%
RWA (Mortgages, IRRBB)	1.2%	1.4%	1.6%
ING Funds Management and Life Co. businesses	0.8%	0.8%	0.3%
Final dividend accrued net of DRP & BOP	0.5%	0.5%	0.5%
Expected Losses v Collective Provision	0.2%	0.2%	0.3%
Insurance subsidiaries (excluding ING businesses)	0.2%	0.2%	0.0%
Investment in associates	0.2%	0.2%	0.4%
Other ¹	0.2%	0.1%	0.2%
Total adjustments	3.3%	3.4%	3.3%
Sep-10 FSA equivalent ratio	11.3%	13.5%	15.2%

1. Other includes Net Deferred Tax Assets, Capitalised Expenses, Deferred Income and roundings.

Basel 3 & APRA Regulatory reform - Capital

Basel Committee Announcements

To date, the Basel Committee has announced:

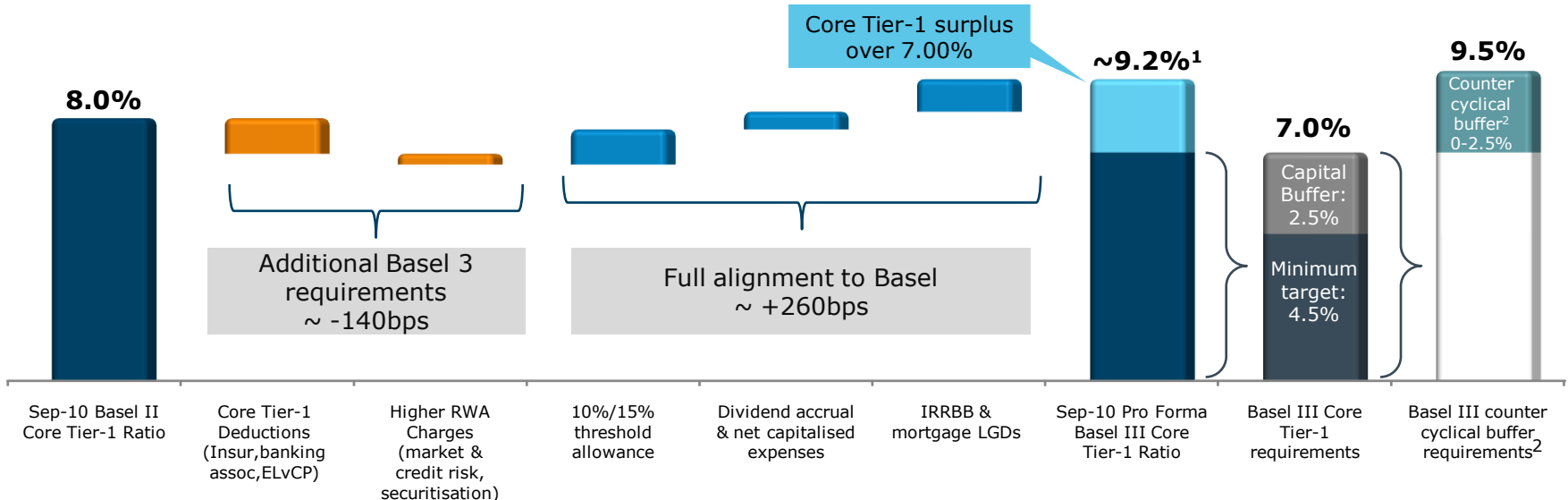
- New capital targets and buffers
- Timetable and transition rules for implementation of Basel 3 from 2013 – 2019
- Higher Core Tier-1 capital deductions: insurance businesses, banking associates, and shortfall of EL v CP, partly offset by 10/15% threshold allowance for insurance/banking associates and deferred tax assets
- Higher RWA charges for market & credit risks and securitisation assets
- Leverage ratio based on Tier-1 capital

What remains outstanding under B3 ?

- Methodology for determining countercyclical buffer
- Final requirements for Tier-1 & 2 instruments
- Contingent and 'bail-in' capital requirements
- Capital overlays for systematically important banks

ANZ position under B3 rules :

- ANZ's estimated Core Tier-1 position under full B3 rules is above the proposed 7.0% min.
- Position will remain uncertain until APRA finalises domestic rules and re-calibration. Recent indications are that local rules will at least meet the proposed new global standards
- Leverage ratio unlikely to be a binding constraint

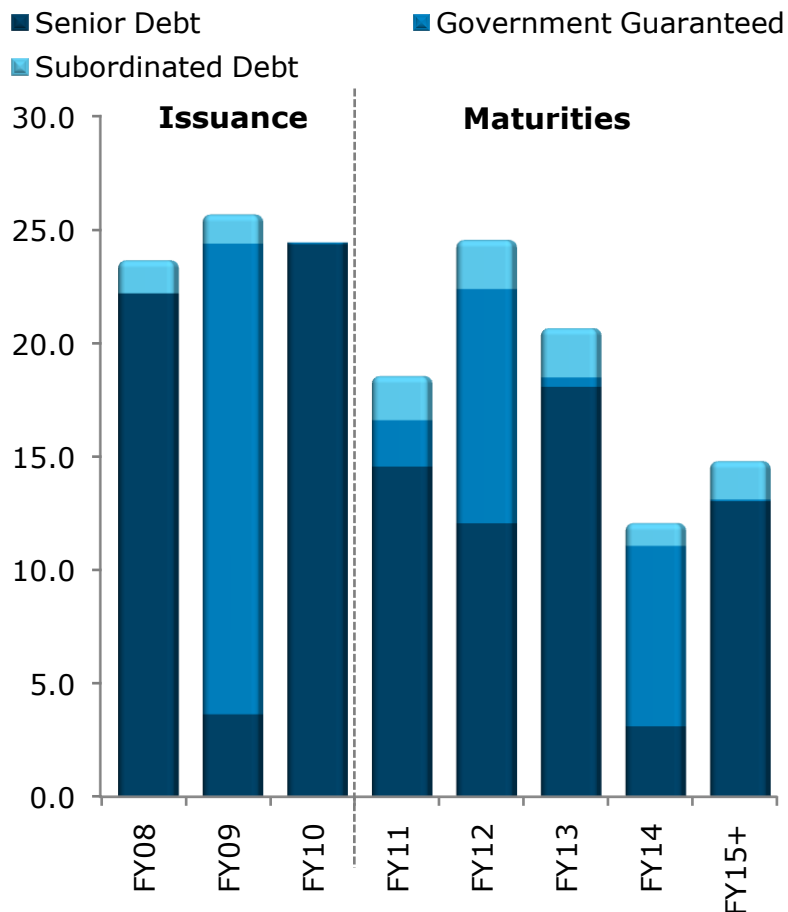


1. Subject to change pending final form of regulations

2. Counter-cyclical buffer expected to be comprised of Core Tier-1, Tier-1 Hybrids and contingent capital.

Improved funding profile achieved, stable term debt issuance

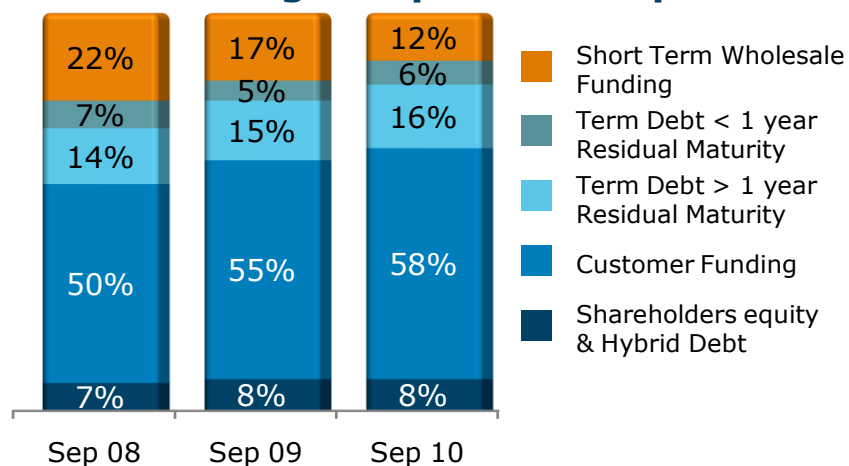
Stable term funding profile



Key Funding Metrics

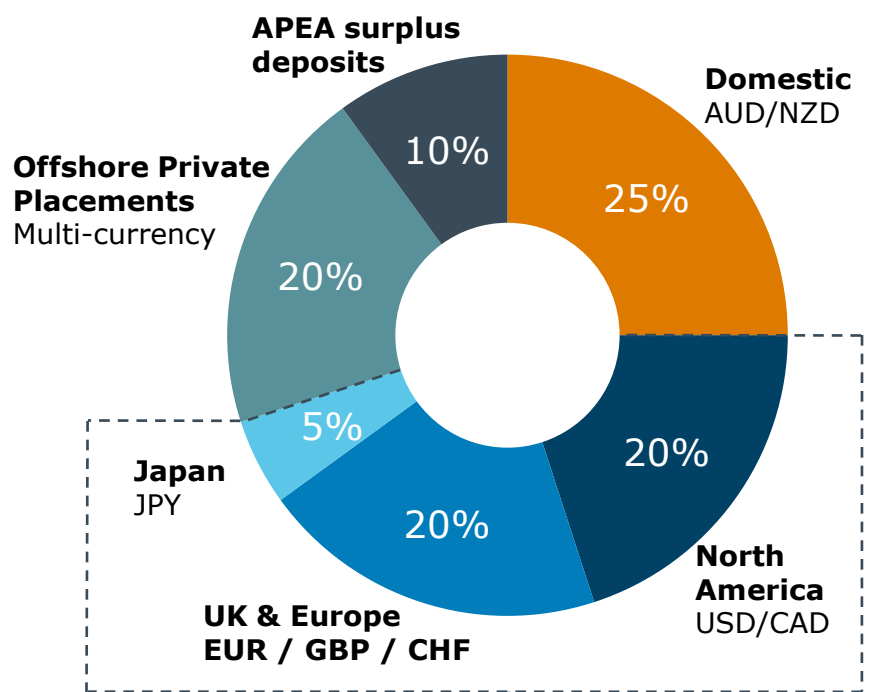
- 82% of all funded assets financed by equity, deposits & LT debt (was 78% as at Sep '09 & 71% Sep '08)
- \$26.4b of term funding (including \$2.4b of pre funding and \$2b CPS2 hybrid) issued in 2010
- Weighted average term of new issuance was 4.7yrs
- Similar term funding task for FY11 of ~\$25bn; 10% of which has been pre funded
- \$13.5b of surplus APEA funding provided to Aus/NZ
- Offshore short-term wholesale debt makes up 2% of total funding for the Australian & NZ geographies

Funding Composition Improved



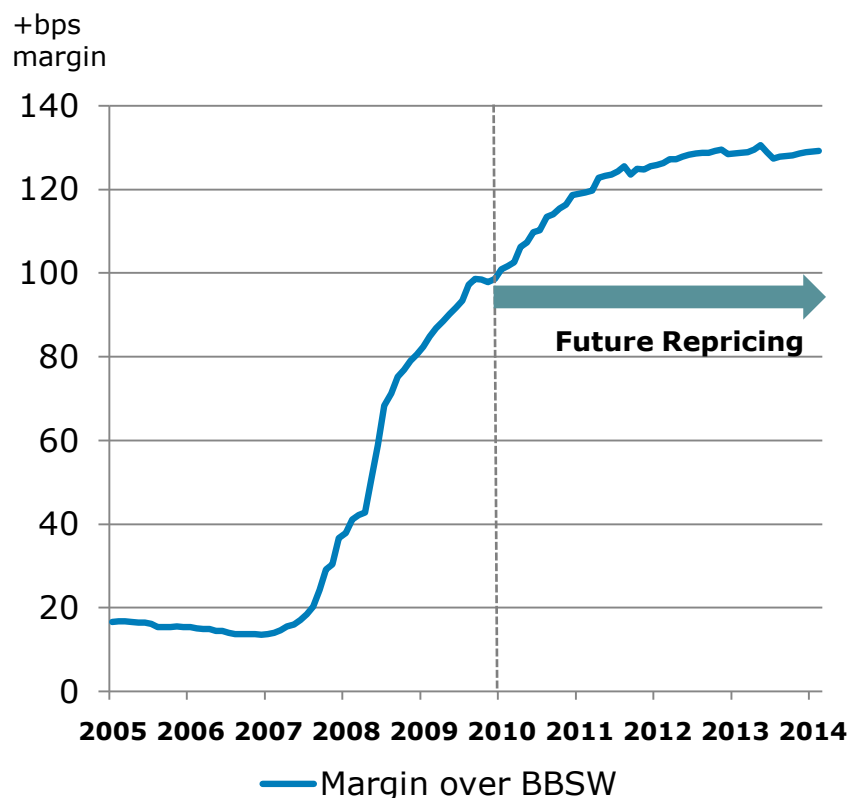
ANZ's term debt issuance consistent and well diversified

APEA funding benefit reduces term debt issuance by ~10%



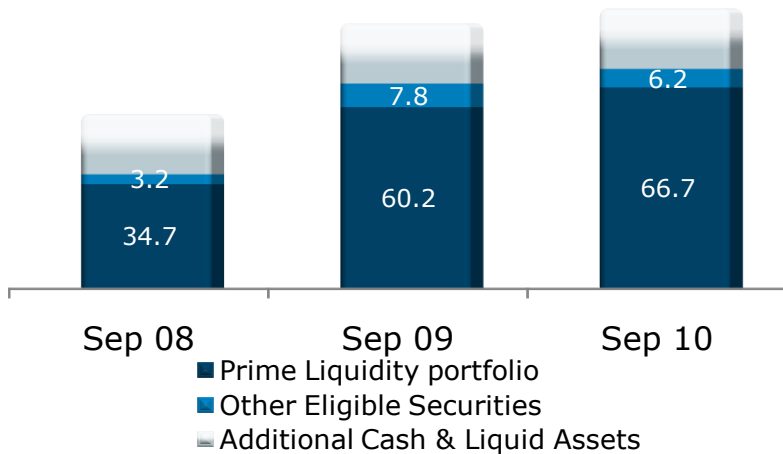
Offshore public benchmarks account for less than half of ANZ's annual term debt issuance

Marginal term funding costs have stabilised but average costs continue to increase as portfolio reprices

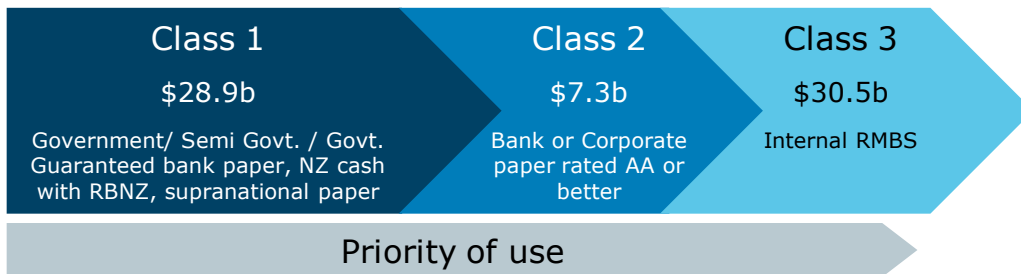


Strong Liquidity Position leading into proposed B3 changes

Maintaining post GFC liquidity position (\$b)



Composition of liquid asset portfolio (\$66.7b)



Basel III Liquidity Developments

- Reduction in required core funding of mortgages from 100% to 65%
- Improved treatment of 'Retail' and 'SME' deposits
- Allowance for 'operational' deposits from Financial Institutions
- Allowance for high grade corporate and covered bonds as liquid assets
- Extended transition period

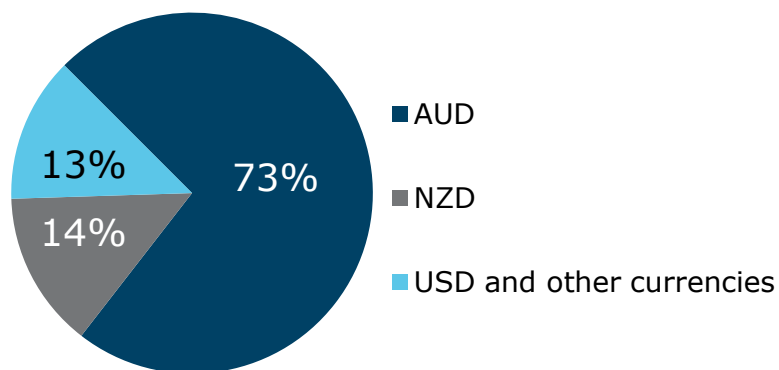
Impacts

- Liquidity Coverage Ratio will require additional liquid assets to be held resulting in higher core funding requirements
- This is primarily driven by non-operational deposits from Corporates and Financial Institutions, and short term wholesale debt
- Australian bank's no longer discouraged from holding mortgages on-balance sheet
- Widening of liquid asset criteria has limited impact given low supply of AUD high grade corporate and covered bonds
- An industry solution to the lack of eligible liquid assets still needs to be identified
- Net Stable Funding Ratio is unlikely to be the binding constraint

AUD strength presents a headwind for future earnings

- ~1.25% negative impact, including current hedging positions, on FY11 EPS growth expected if the AUD maintains current levels
- NZD remains the most significant single currency revenue exposure
- USD and Asian local currency earnings expected to grow as a proportion of total Group revenue as Super Regional Strategy gains momentum
- Hedging approach remains to put in place macro and specific currency hedges only when the \$A is perceived to be significantly below fair value

FY10 profit before tax by currency



	NZD earnings	USD & Asian currency earnings
FY10 earnings: effective average translation rate	1.221	0.899
FY10 EPS impact	(0.3%)	(2.7%)
Hedging in place for FY11	~30% @ 1.19	~10% @ 0.81
EPS sensitivity to 5c move inc hedging	~0.15%	~0.5%

- In addition there is typically A\$500m–750m of secondary FX risk due to non AUD & NZD revenues generated primarily by Markets business in Australia and New Zealand.

10 FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

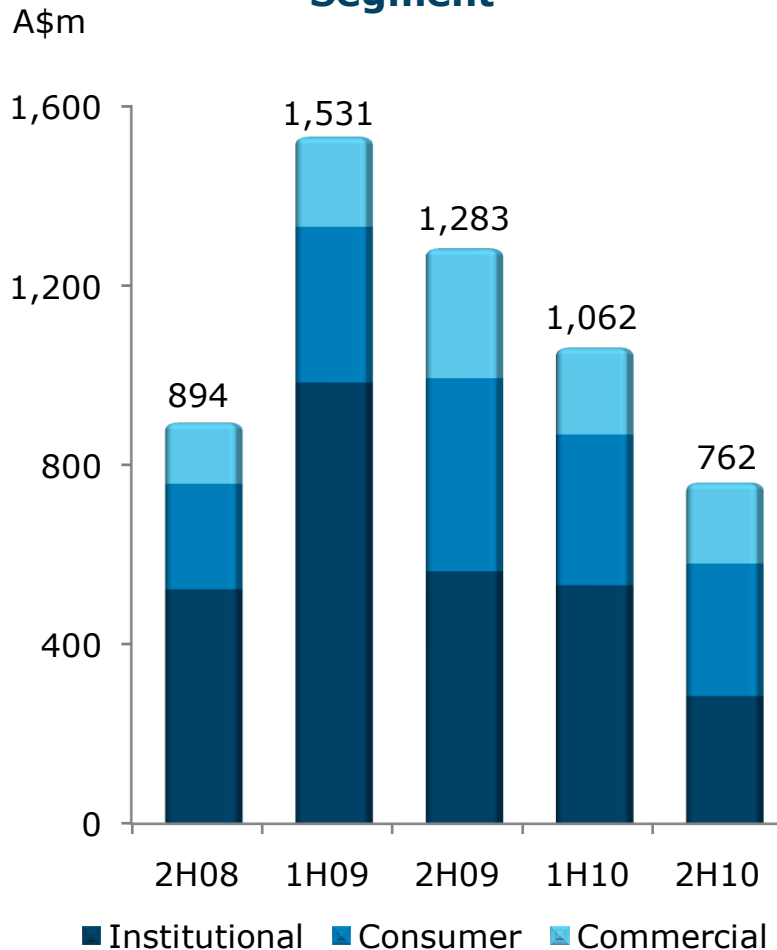
28 October 2010

Investor Discussion Pack
Risk

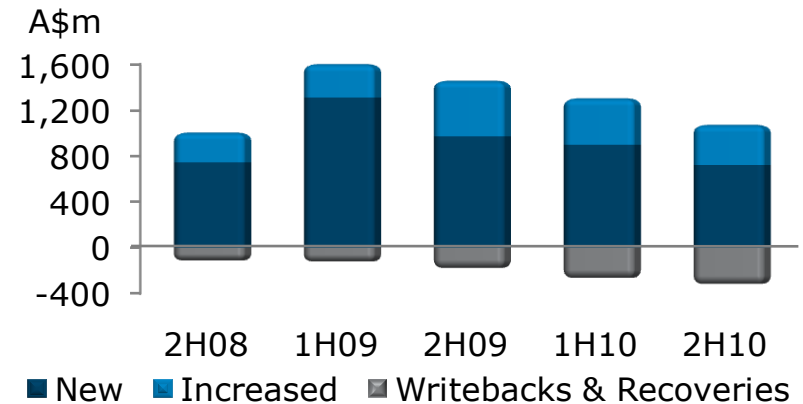


Individual Provision Charge

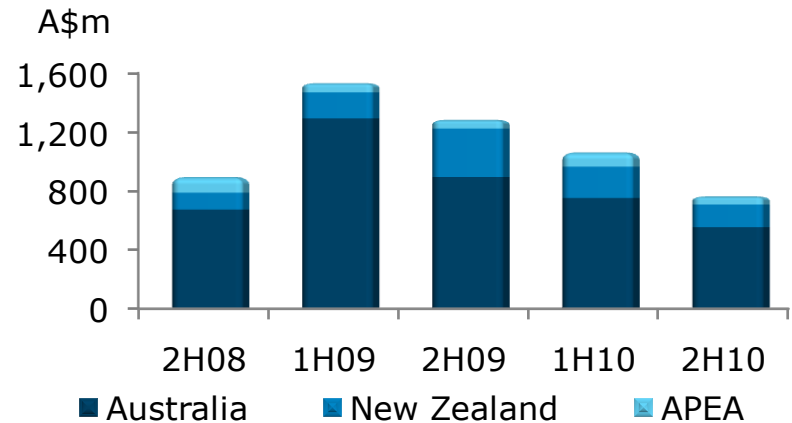
Individual Provision (IP) Charge by Segment



IP Charge Movement Composition



IP Charge by Region



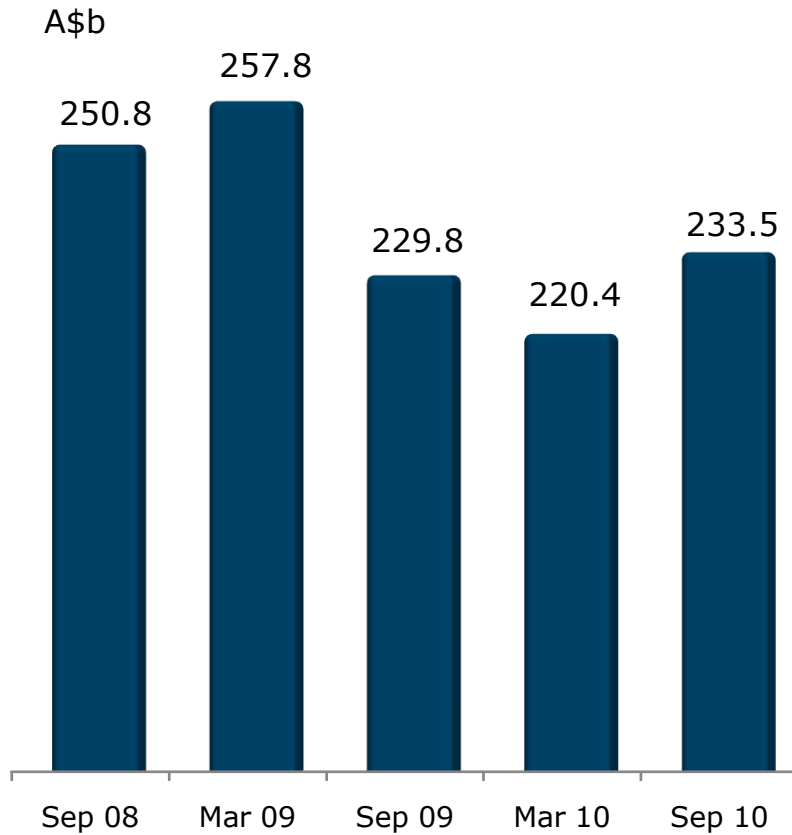
Collective Provision Charge

Collective Provision Charge by Division FY10

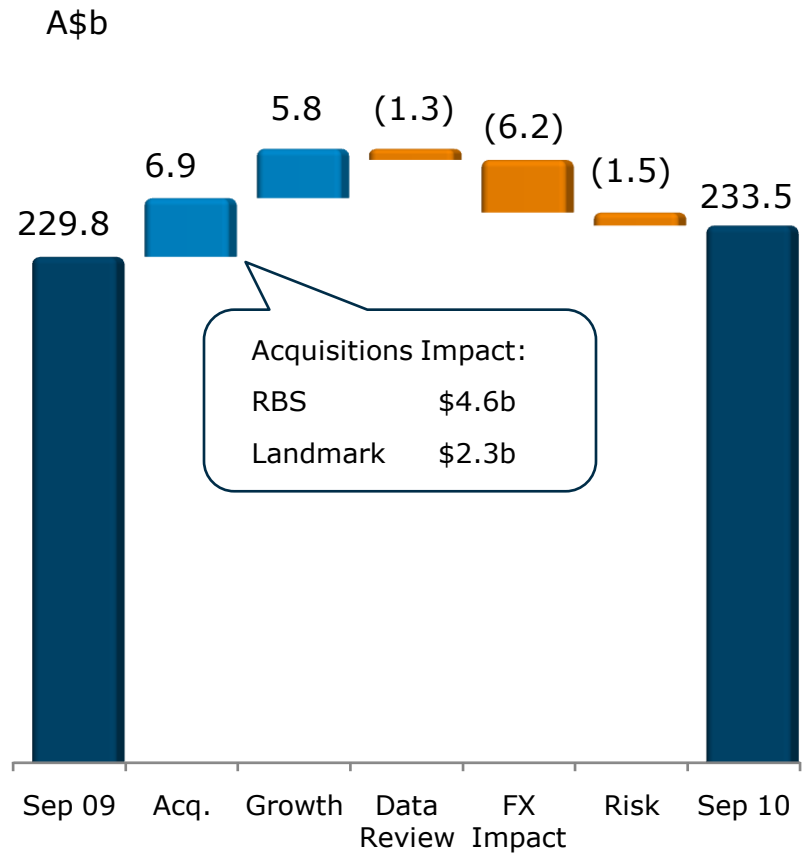
(A\$m)	Total Charge	Lending	Risk Impacts & migration	Cycle & Concentration	Mix
Group Total	(4)	62	(68)	29	(26)
Australia Division	10	58	(11)	12	(49)
New Zealand Businesses	48	(24)	11	60	1
Institutional	(64)	29	(72)	(37)	16
APEA (ex-Institutional) & Other	2	(1)	4	(7)	6

Credit Risk Weighted Assets

Total Credit Risk Weighted Assets

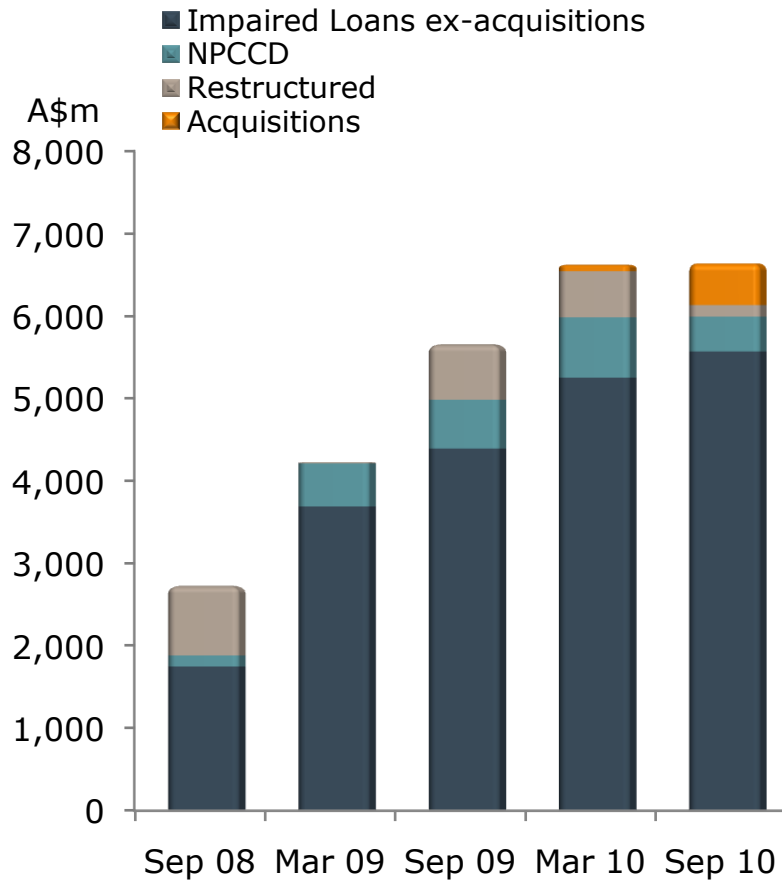


Credit RWA Movement FY10 vs FY09

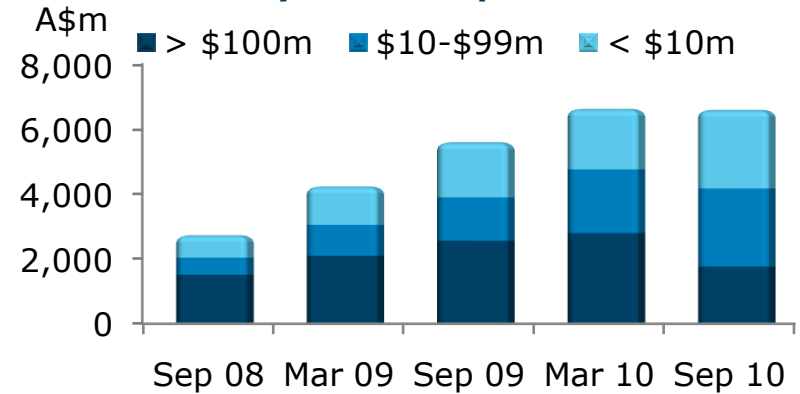


Impaired Asset balance has reduced ex-acquisitions

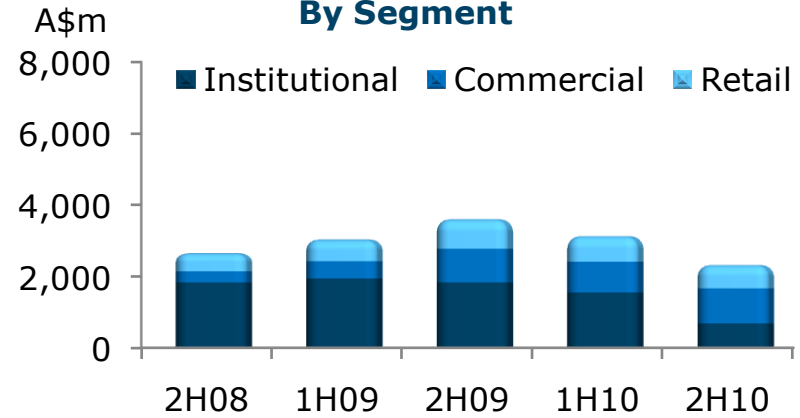
Gross Impaired Assets By type



Gross Impaired Assets By size of exposure



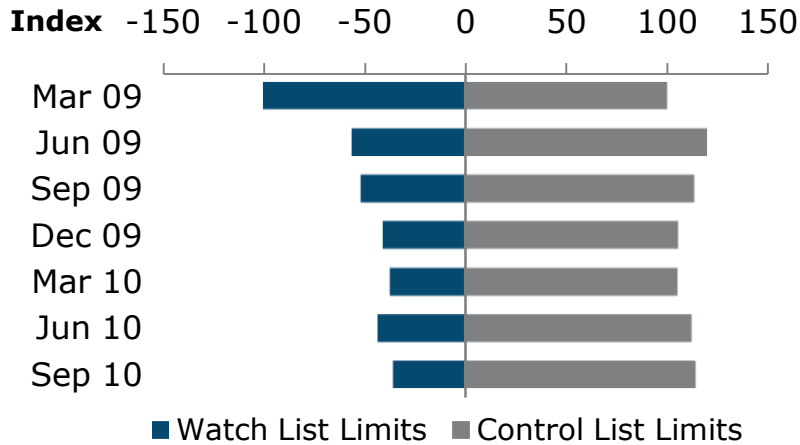
New Impaired Assets By Segment



NPCCD – Non Performing Credit Commitments and Contingencies

Watch & Control Lists and Risk Grade Profiles

Watch & Control List by limits (Mar 2009 Watch List index =100)



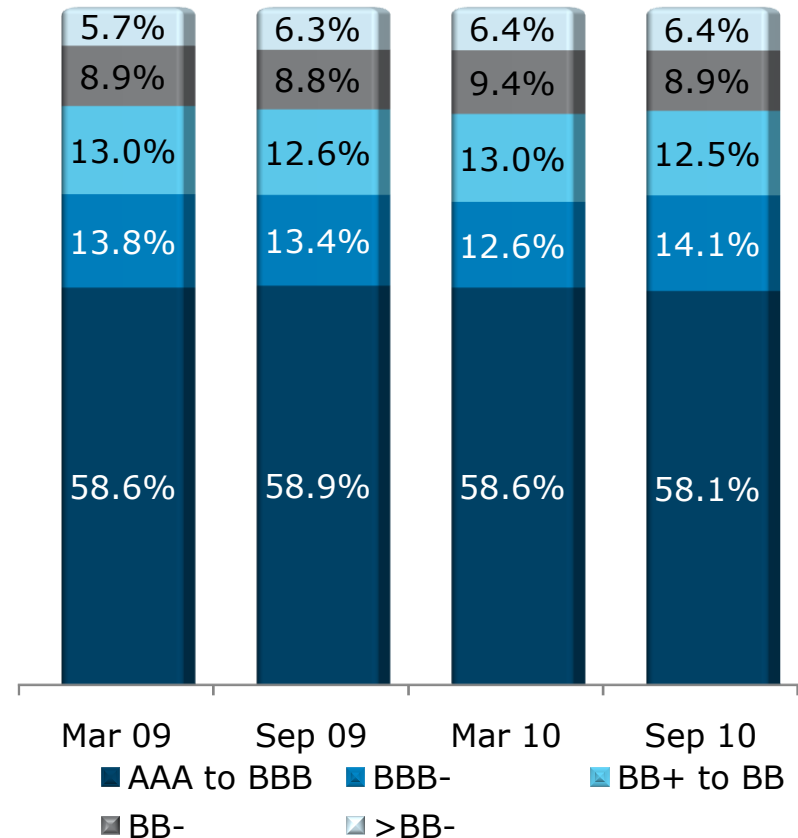
Top 5 Watch List Industries

By Exposure	By No. Groups
Agriculture, Forestry & Fishing	Agriculture, Forestry & Fishing
Mining	Property Services
Finance & Insurance	Manufacturing
Property Services	Wholesale Trade
Manufacturing	Construction

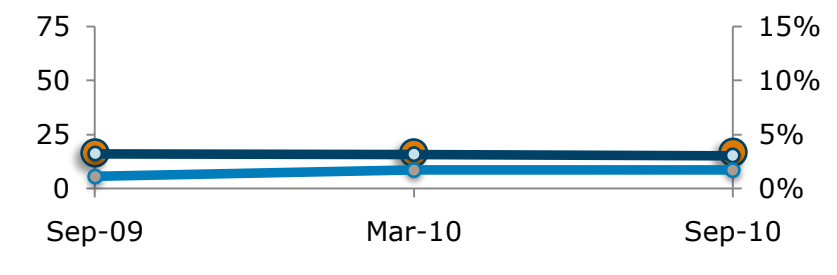
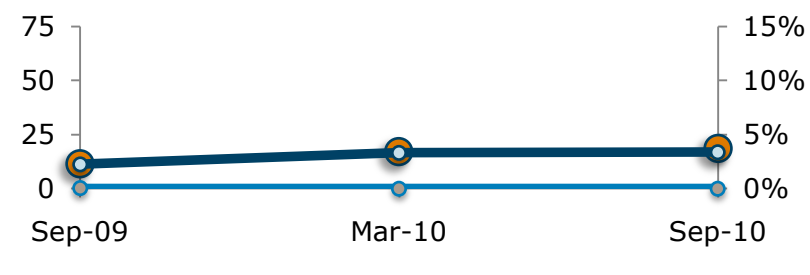
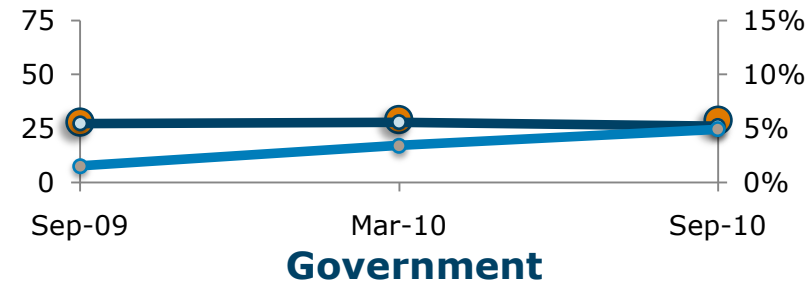
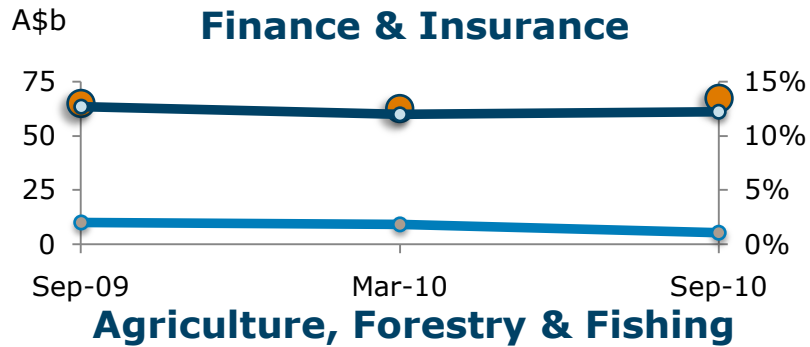
Watch List - An alert report of customers with characteristics identified which could result in requirement for closer credit attention

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

Group Risk Grade profile by Exposure at Default



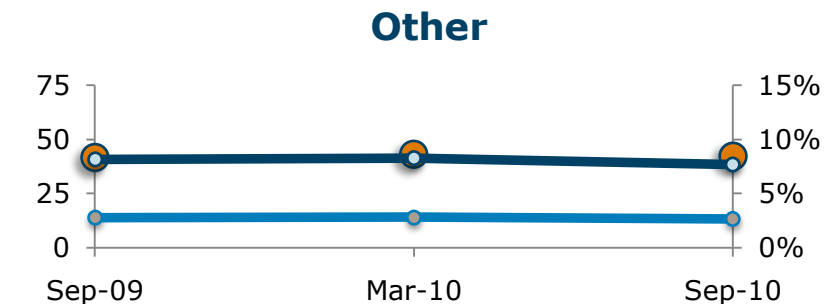
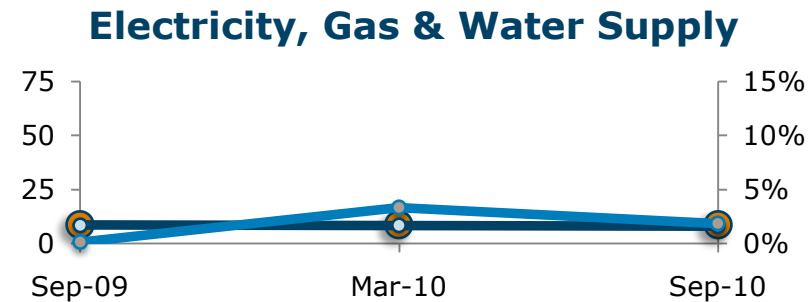
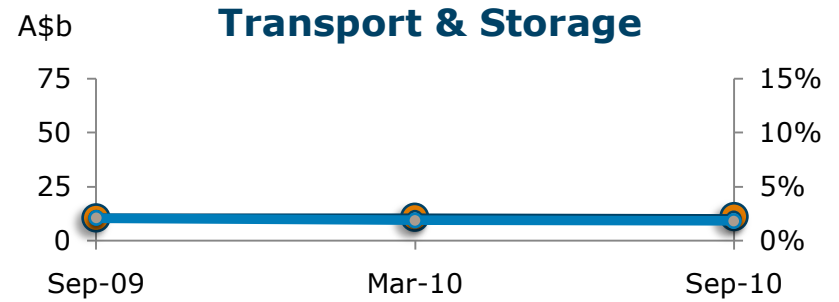
Commercial Industry Exposures



● Exposure at Default (\$b) (LHS) — % in Non-Performing (RHS)
— % of Group portfolio (RHS)

1. Property Services includes Commercial Property Operators, Residential Property Operators, Retirement Village Operators/Developers, Real Estate Agents, Non-financial asset investors and Machinery and Equipment Hiring and leasing.

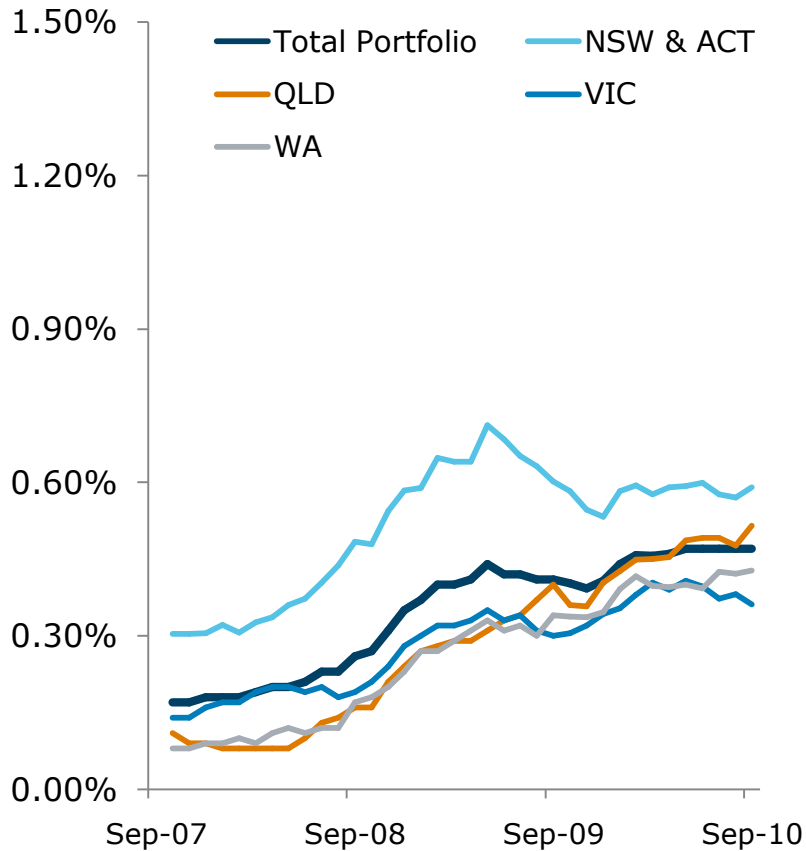
Commercial Industry Exposures



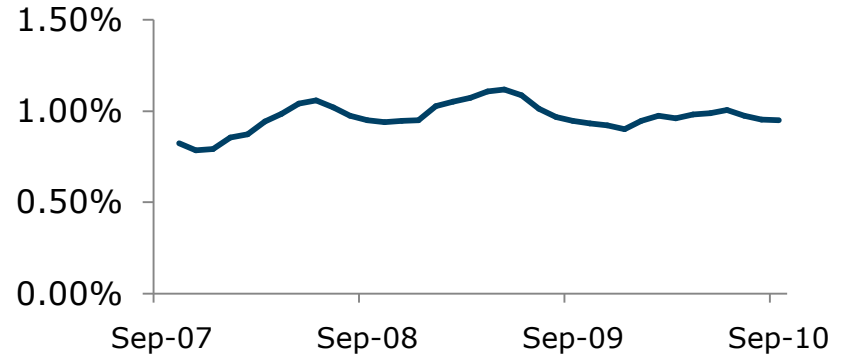
● Exposure at Default (\$b) (LHS) — % in Non-Performing (RHS)
— % of Group portfolio (RHS)

90+ days past due Australia

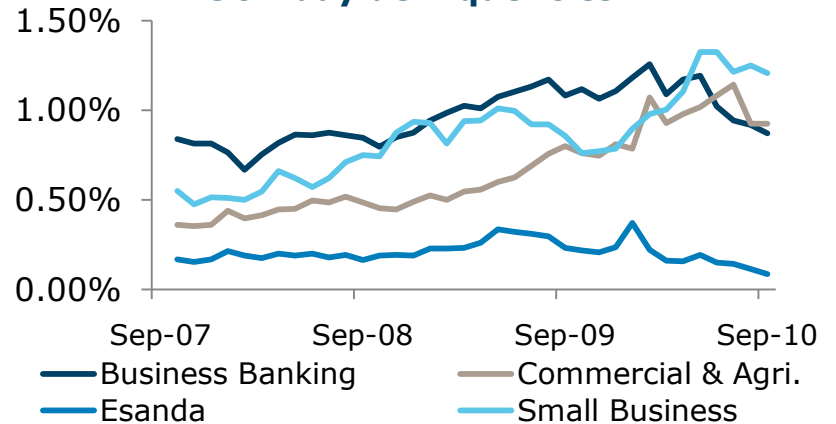
Australia Mortgages 90+ day delinquencies



Australia Cards 90+ day delinquencies



Australia Commercial 90+ day delinquencies

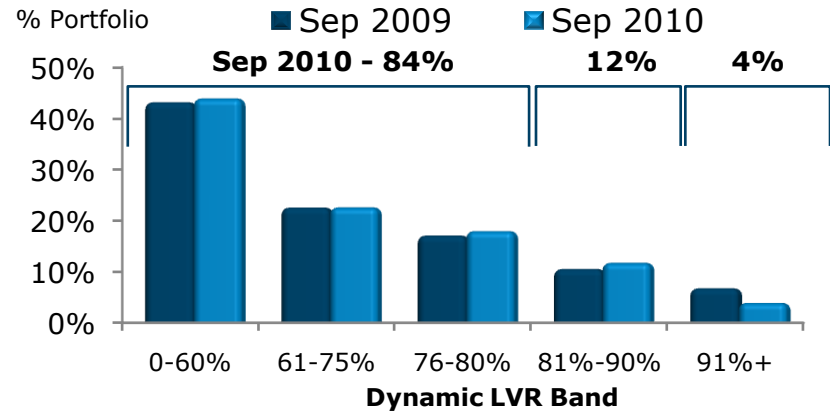


Australia Mortgages

Portfolio Statistics

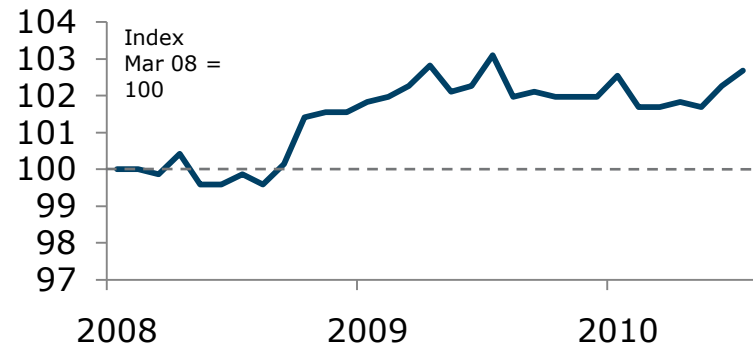
- All lending is on a full recourse basis
- Approvals require demonstrated serviceability
- ~830,000 loans on book
- 65% of portfolio owner occupied lending
- Average loan size at origination ~\$226k
- Average LVR at origination - 63%
- Average dynamic LVR – 46%
- No subprime mortgages
- LoDoc 80 loans (80% LVR) make up less than circa 1.3% of portfolio and closed to new flows

Dynamic Loan to Valuation Ratio



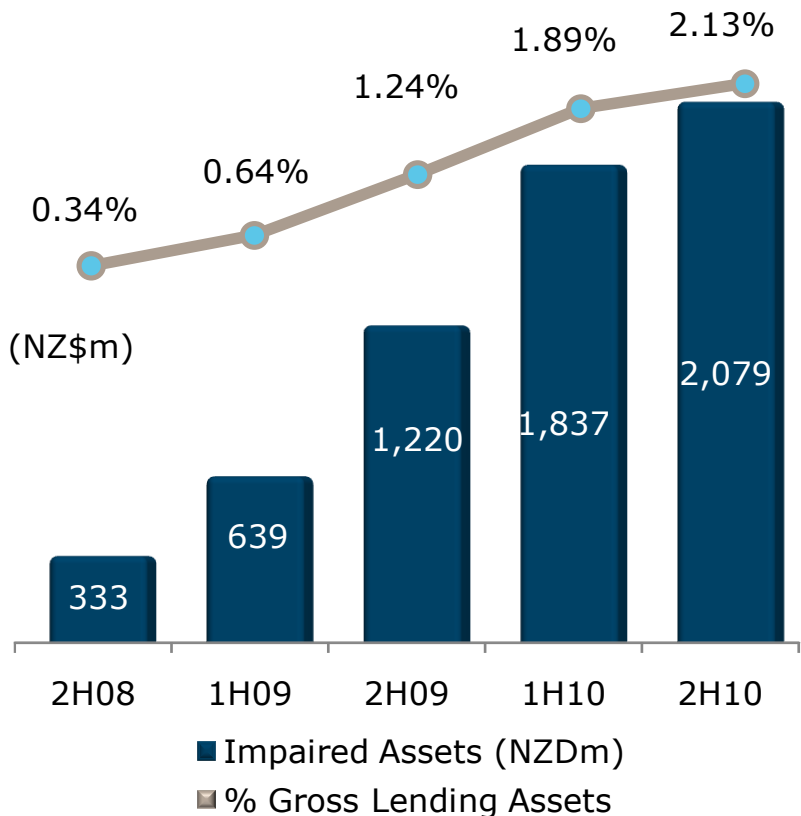
Application Quality

Average Score New Applications

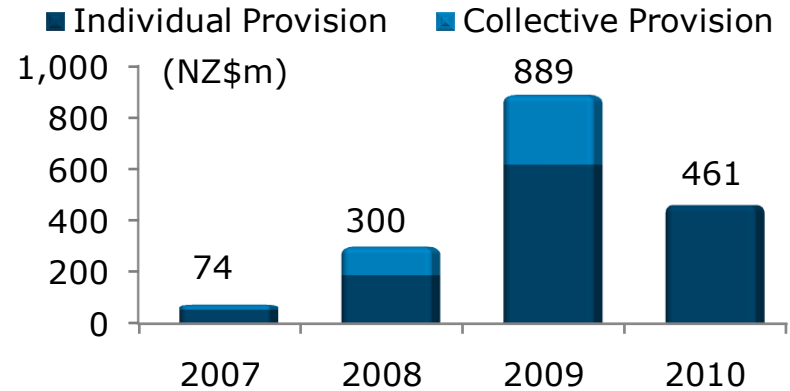


New Zealand

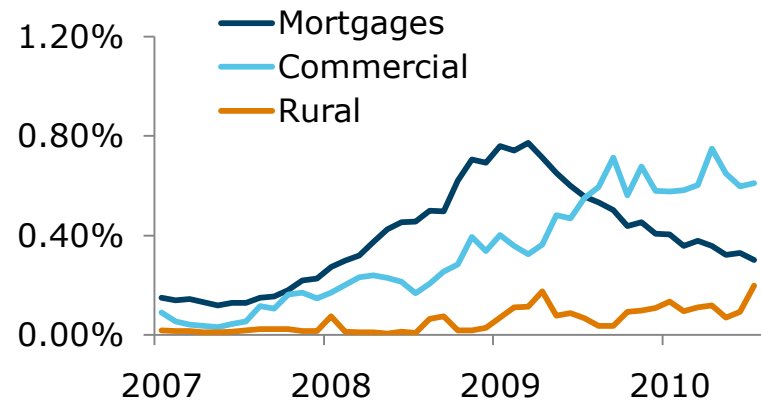
Total Impaired Assets and as % Gross Lending Assets



Total Provision Charge



90+ Days Arrears



Credit Intermediation Trades

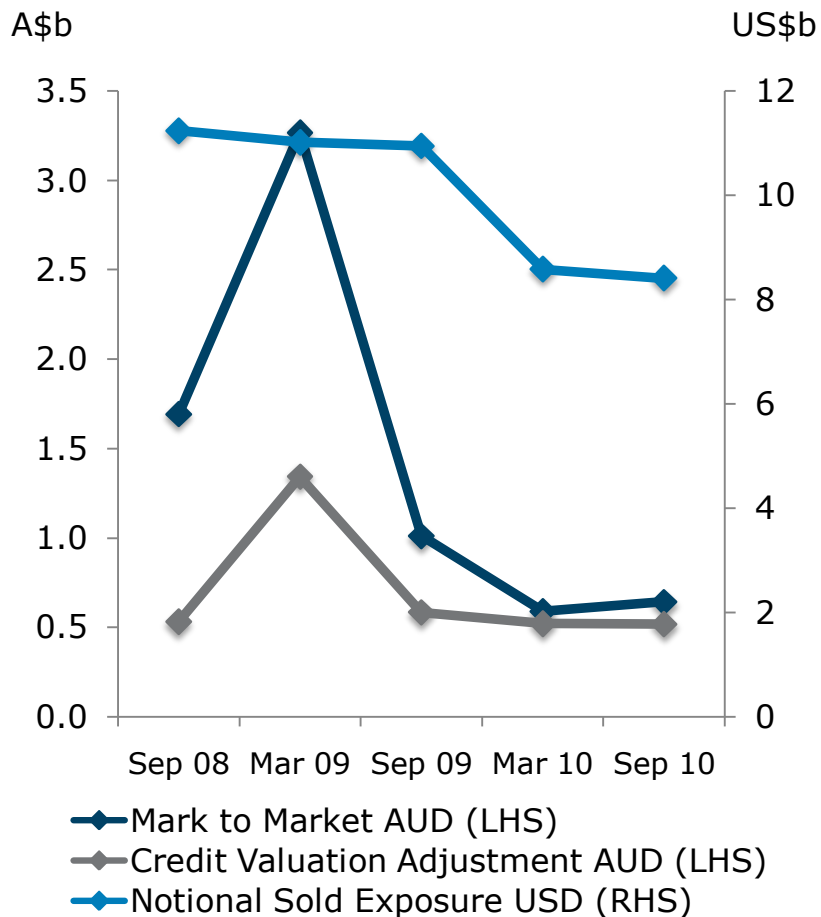
Position as at 30 Sep 2010	No.	Notional purchased protection principal amount (US\$m)	Mark to Market (US\$m)	Life to Date		Notional Principal Amount on corresponding Sold Protection (US\$m)
				Credit Risk on Derivatives (US\$m)	Credit Risk on Derivatives (A\$m)	
Counterparty Rating						
AAA/Aa3	2	3,020	216	53	55	1,554
BB-/Ba1	1	3,100	188	67	69	3,100
Withdrawn Rating / No rating	3	3,759	216	69	72	3,759
Defaulted Monoline ¹	-	-	-	-	-	-
Other costs ²	-	-	-	298	319	
Position 30 September 2010	6	9,879	620	488	515	8,414
Position 31 March 2010	7	10,053	538	483	521	8,587

1. The last bought protection trade from the defaulted monoline matured in September 2010.

2. Other costs are cumulative life to date costs which include realised losses relating to restructuring trades to reduce risks which were unhedged due to default by the purchased protection counterparty and realised losses on termination of sold protection trades. It also includes foreign exchange hedging losses.

Credit Intermediation Trade Portfolio

Credit Intermediation Trades



- Cumulative Credit Risk on Derivative expense for the Credit Intermediation Trade portfolio as at 30/9/2010 was \$515m (down \$5m from 31/3/2010)
- The relative stability in credit markets and the reduced level of credit exposure outstanding has resulted in lower volatility in both MTM and CVA over the past 6 months
- MtM and CVA remain subject to volatility in both credit spreads and exchange rates
- During FY10, ANZ exited a number of sold protection exposures reducing the total notional value of the sold protection outstanding to USD 8,414m (30/9/09 USD 10,950m)
- ANZ will look for opportunities which may arise to reduce our remaining sold protection exposure
- ANZ has strong levels of protection under the sold protection trades with an average attachment point of
 - ~ 15.0% for the 12 CDO's
 - ~ 33.2% for the 6 CLO's
- ANZ has USD 9,879m in bought protection outstanding including USD 1.5bn of bought protection for which ANZ has no remaining underlying sold protection exposure
- The last bought protection trade with the defaulted monoline insurer matured in September 2010 leaving 6 counterparties with which ANZ has bought protection positions in place

10

FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

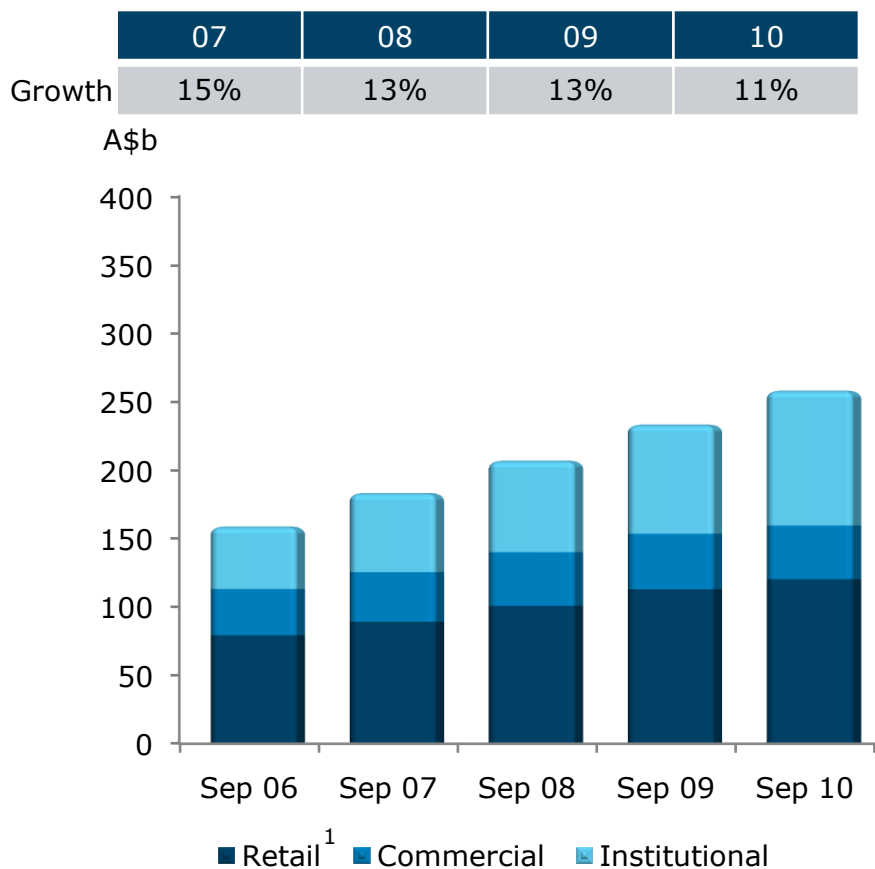
28 October 2010

Investor Discussion Pack
Regional performance
(Geographies & Divisions)

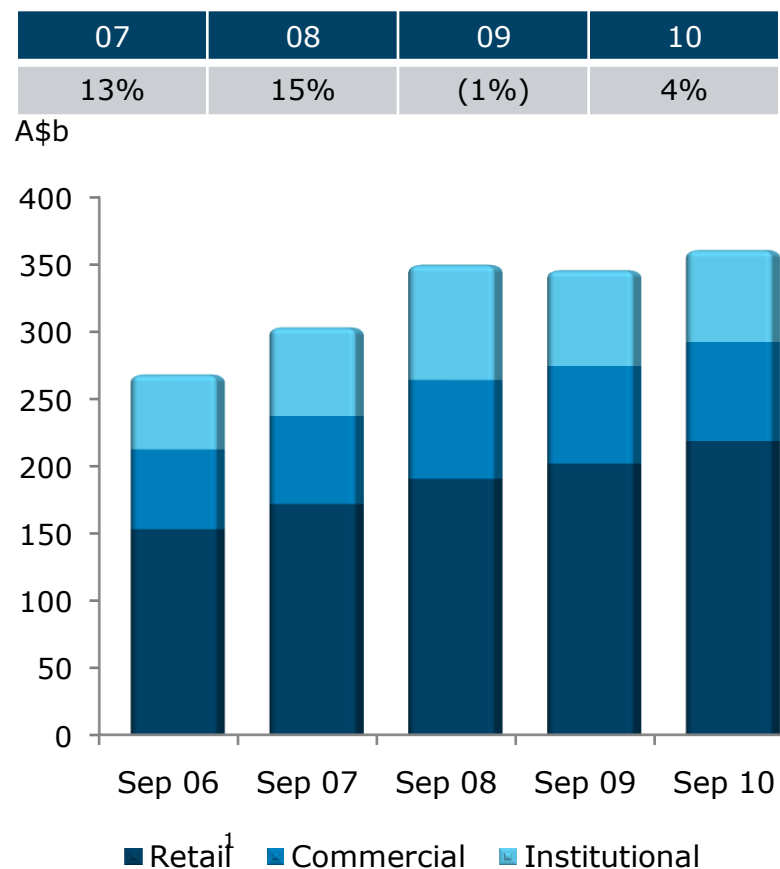


Group loans and deposits

Group Customer Deposits



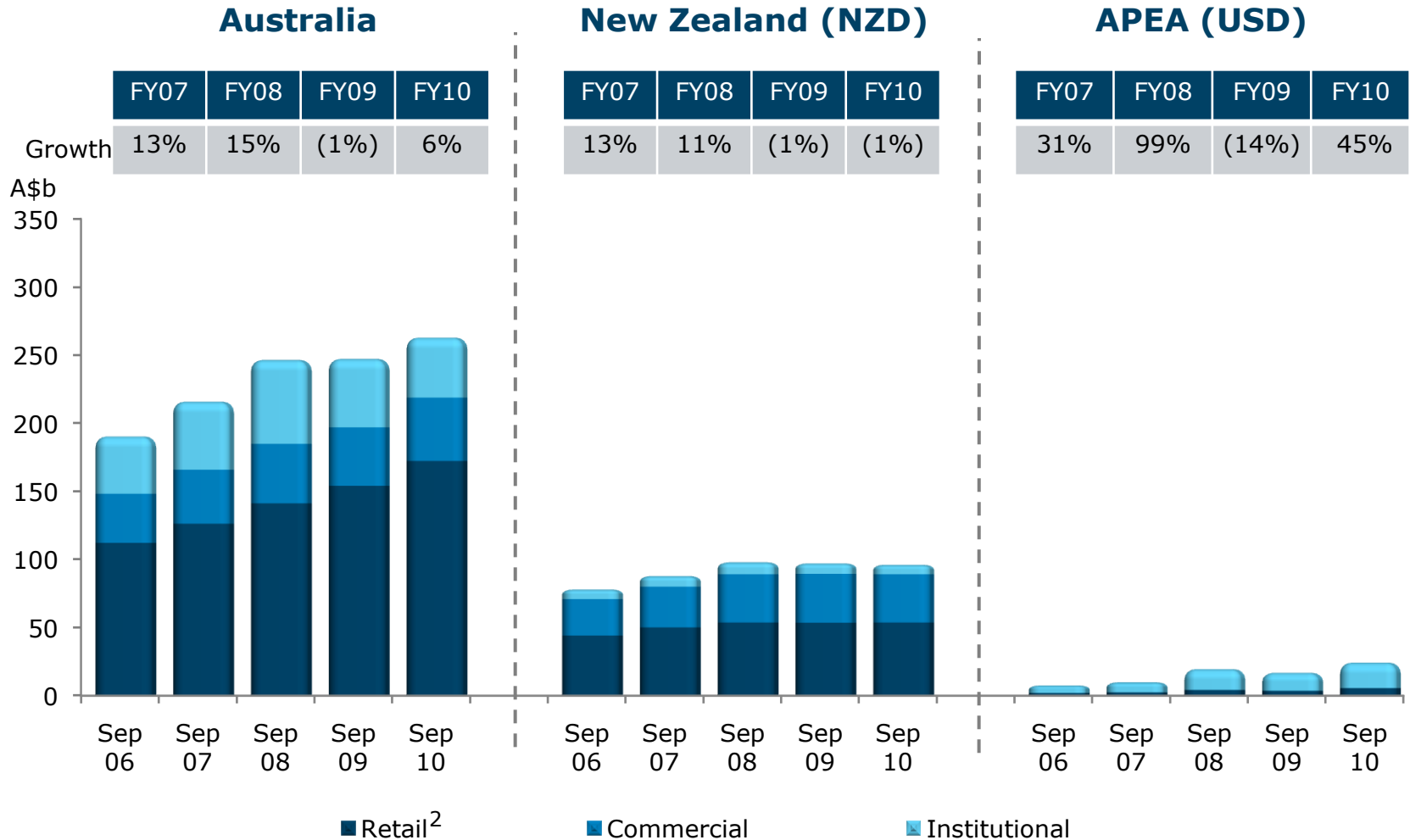
Group Net Loans and Advances (including acceptances)



1. Includes Wealth and Other

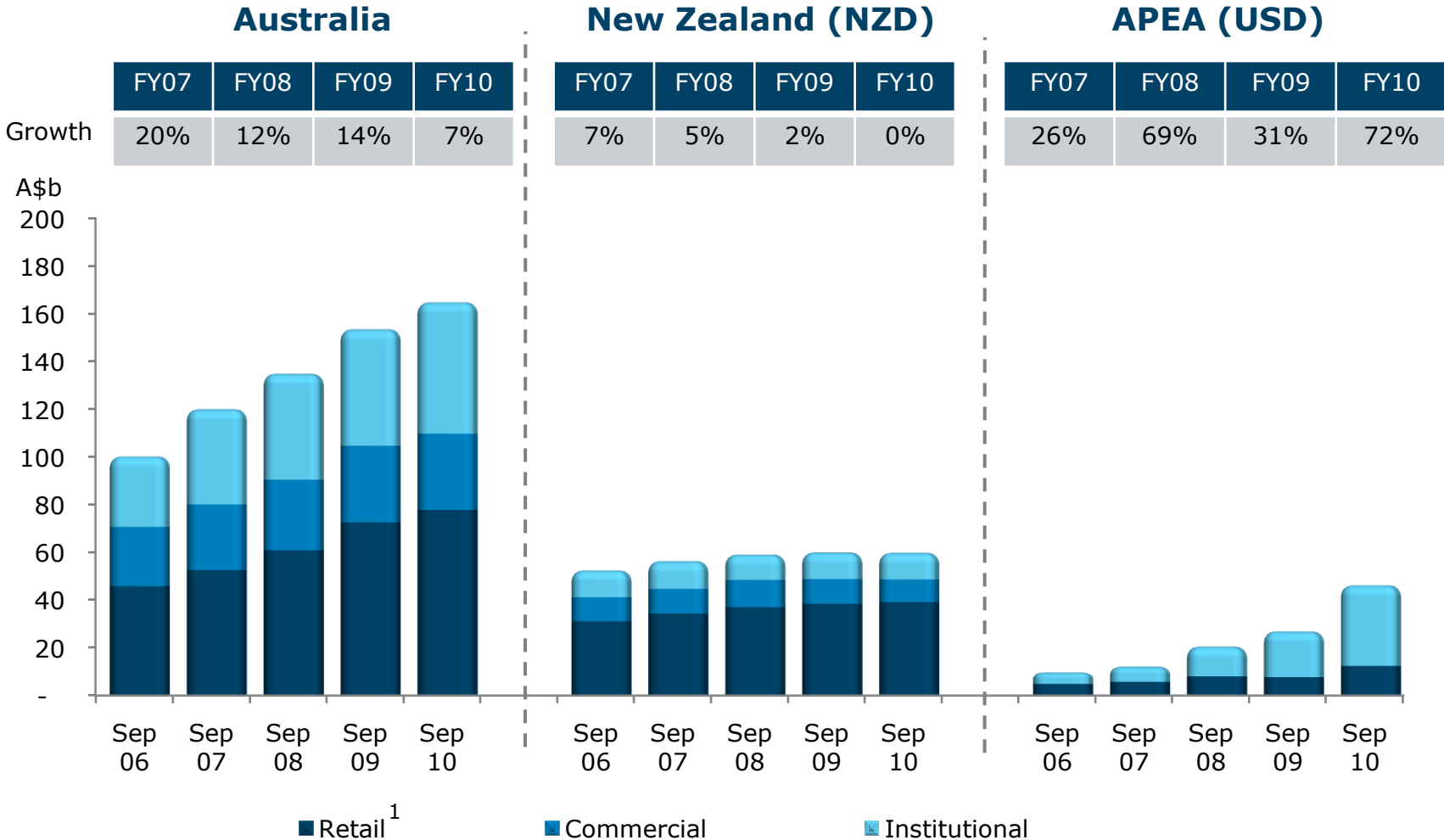


Net loans and advances¹ by geography



1. NLA's include acceptances 2. Retail includes Wealth and Group Centre

Customer deposits by geography

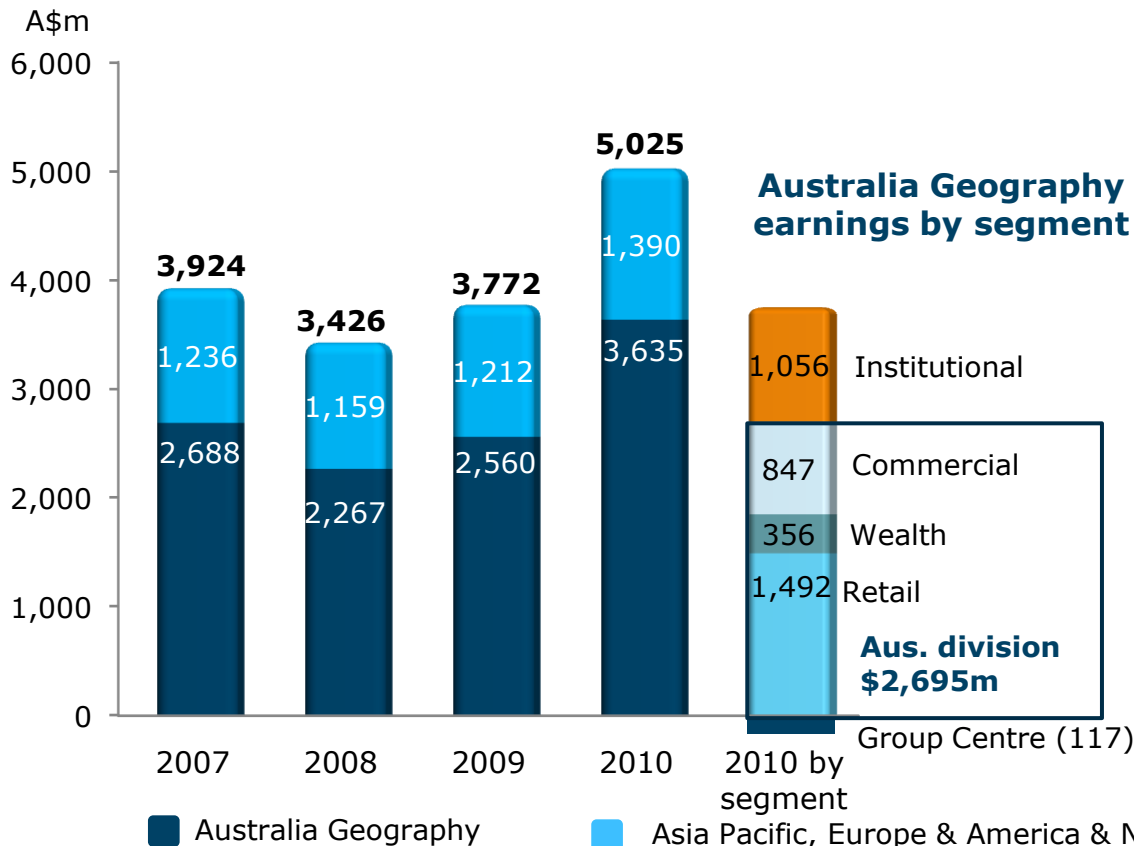


1. Retail includes Wealth and Other

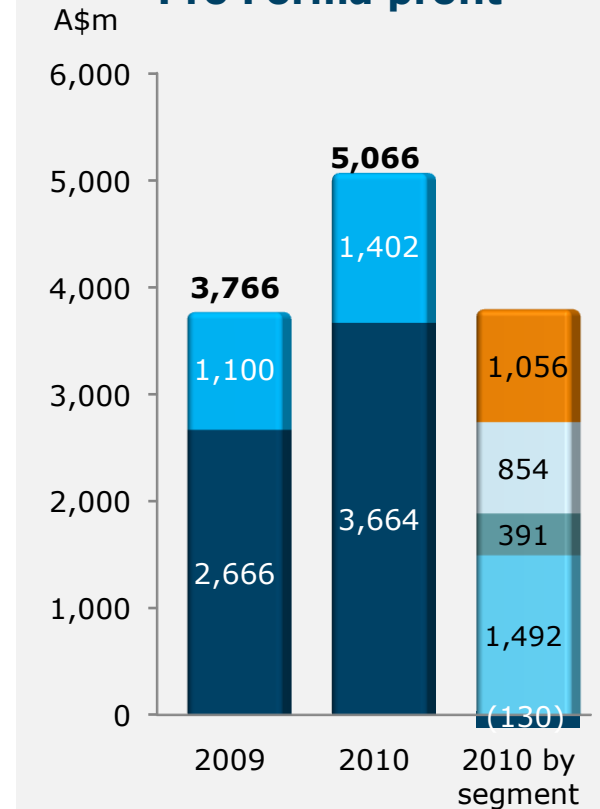


Australia region contributed 72% of ANZ's net profit

Underlying Net Profit After Tax



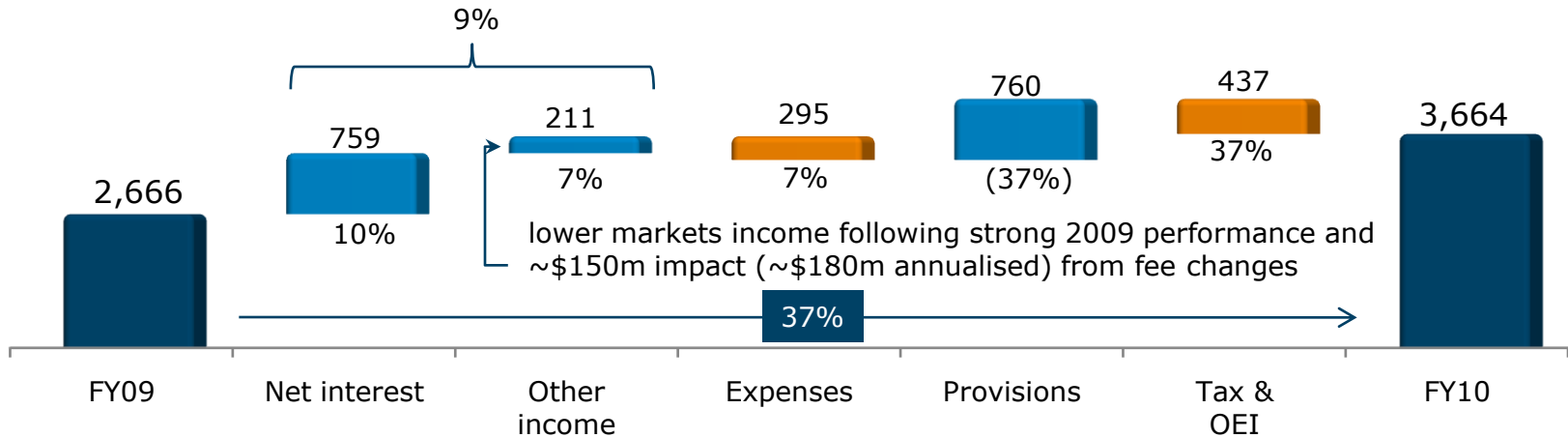
Pro Forma profit¹



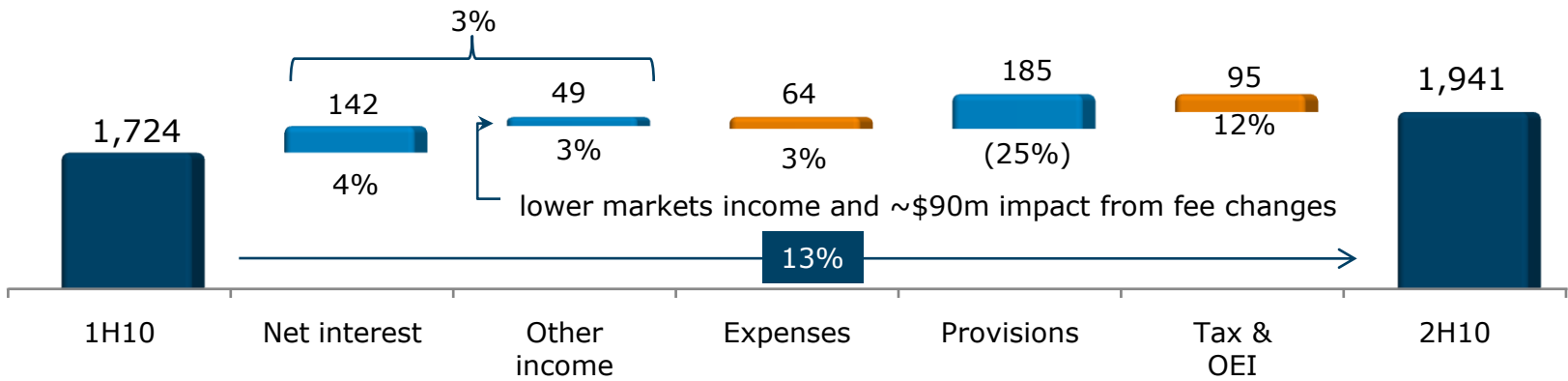
1. Pro Forma adjustments include: **ING Australia and ING New Zealand** - Assumes increase in ownership from 49% to 100% took effect 1 October 2008 and removes equity accounting; **Landmark and RBS acquisitions** - Assumes acquisition took effect 1 October 2008; **Funding and other adjustments** - Reverses interest earned on \$1.8b capital raised prior to ING acquisitions and other intercompany elimination adjustments; **FX impacts** - Adjusts for exchange rate movements

Australia region

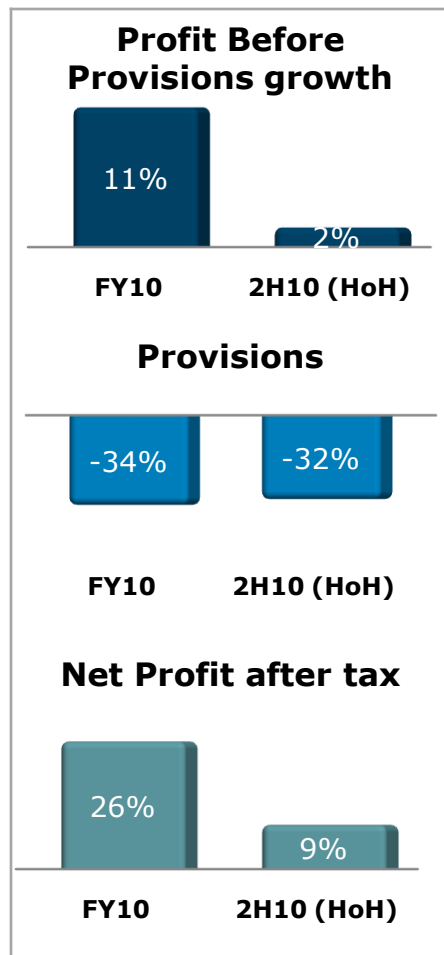
Pro Forma Movement (FY10 vs FY09) AUDm



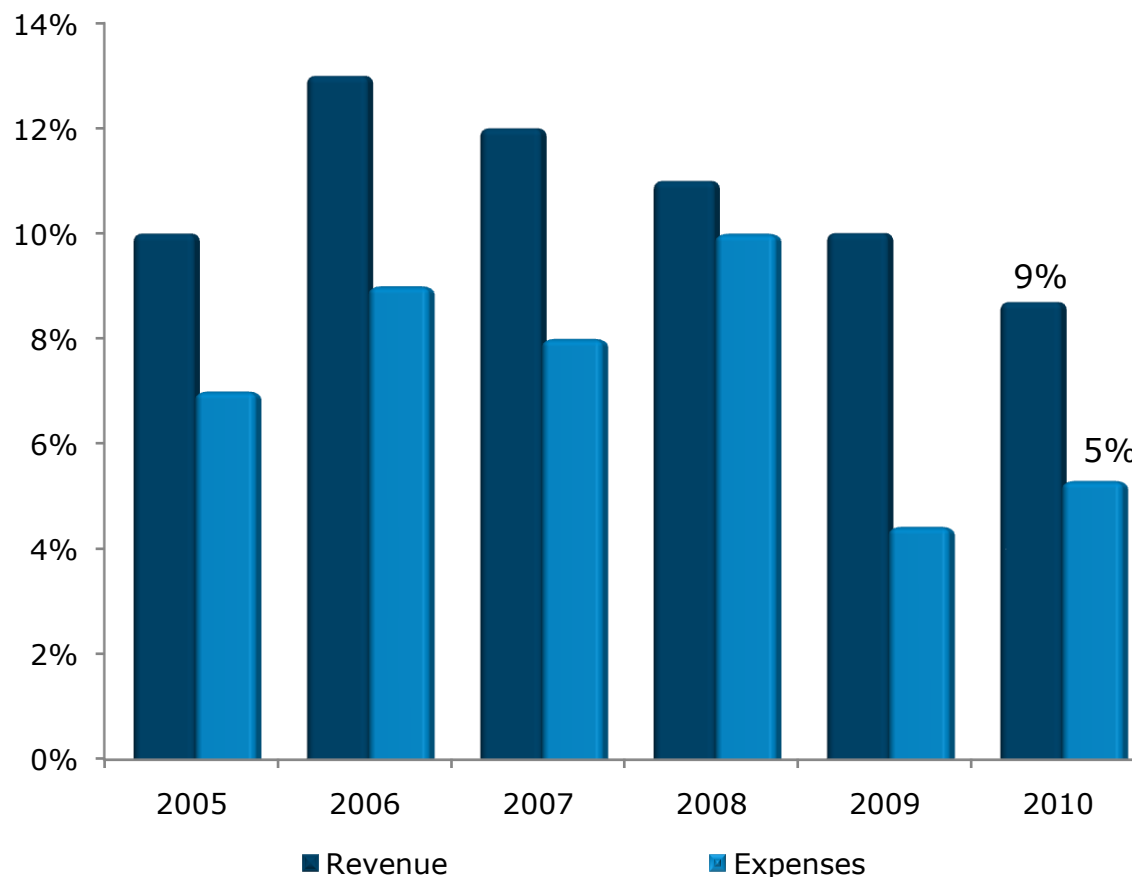
Pro Forma Movement (2H10 vs 1H10) AUDm



Australia Division



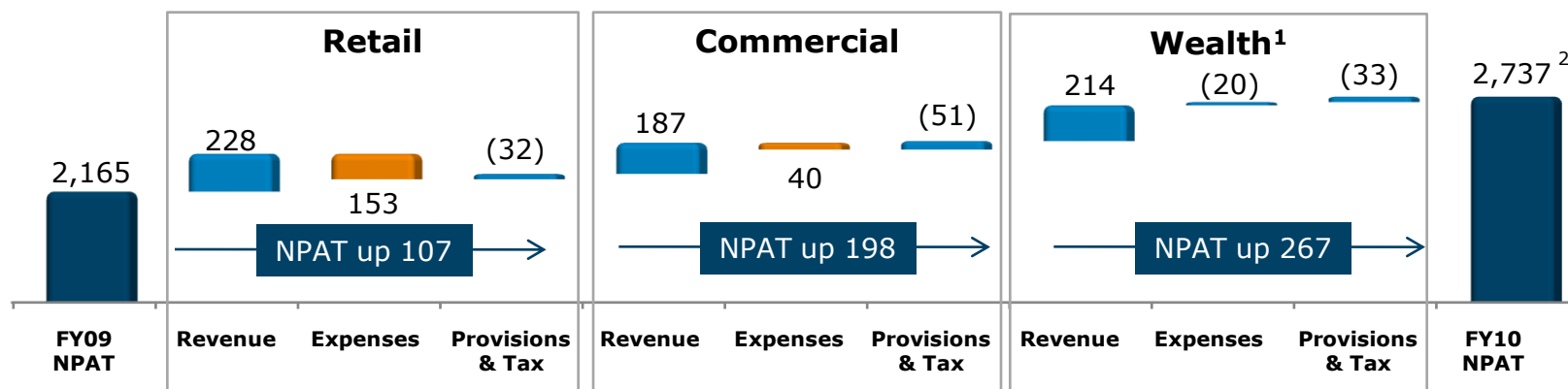
Australia Division Revenue & Expense growth¹



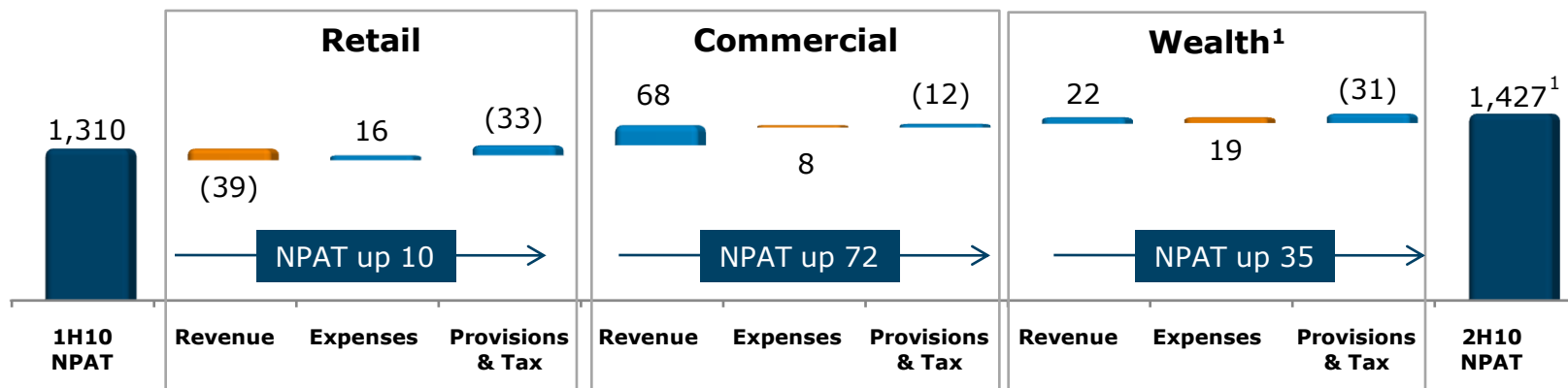
1. 2005 to 2008 based on "Personal Division" structure, 2009 and 2010 based on "Australia Division" structure, 2010 on Pro Forma basis to adjust for INGA and Landmark acquisitions

Australia Division – contribution by business

Pro Forma Movement (FY10 vs FY09) AUDm



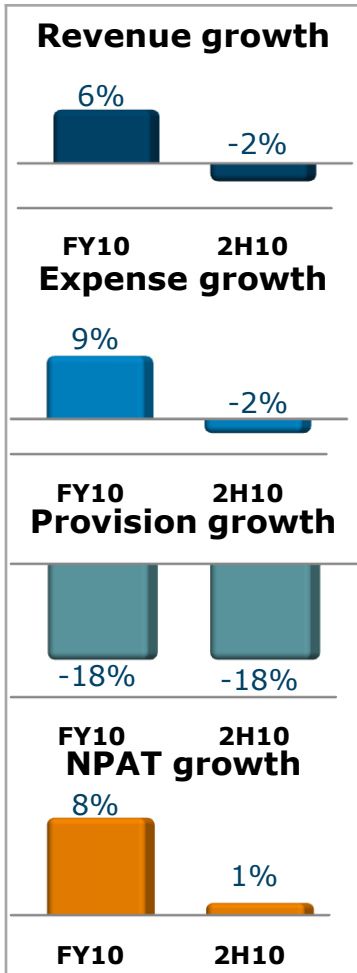
Pro Forma Movement (2H10 vs 1H10) AUDm



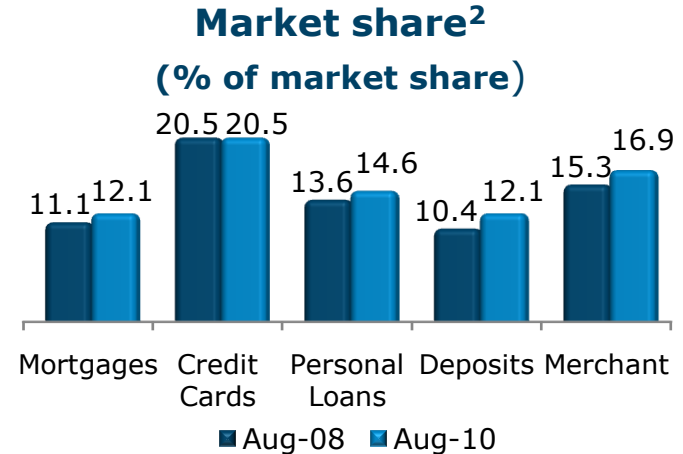
Refer following slides for growth rates

1. Includes Wealth Management and Insurance (formerly INGA), Private Bank and Investment and Insurance (Investment Lending and E*Trade) 2. Including the impact of other costs

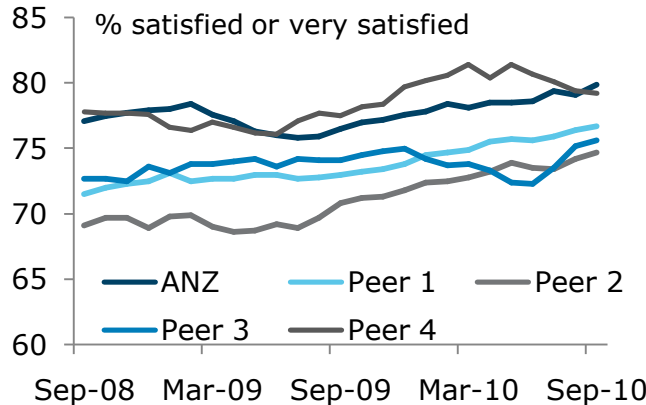
Retail building on a strong customer franchise, revenues impacted by fee changes and higher cost of funds



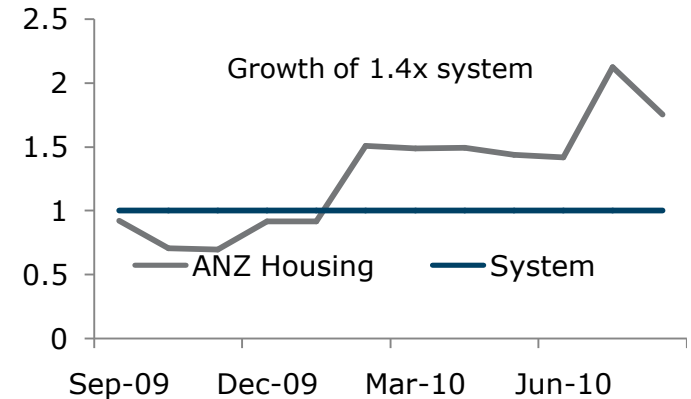
- iKnow platform providing frontline staff with improved customer insights and support
- Renewed focus on customer service and execution in Mortgages. More in-branch and Mobile Managers and increased investment in back office support
- Deposit growth delivered through disciplined strategy
- New products and packages including Merchant EPOS, GoMoney iPhone app, ANZ Extras package and prepaid cards



Leader in customer satisfaction amongst the major Australian banks¹



2010 mortgage growth (Multiple of system)³

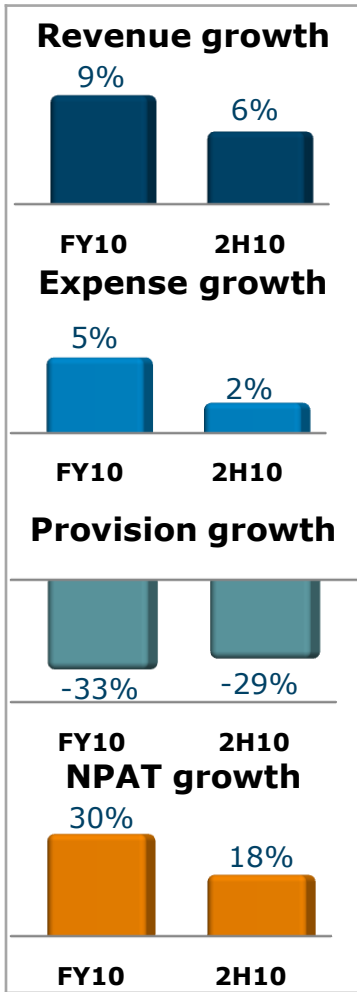


NOTE: Profit and Loss growth rates on a Pro Forma basis. 2H10 growth rates refer to 2H10 vs 1H10 (Half on Half)

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

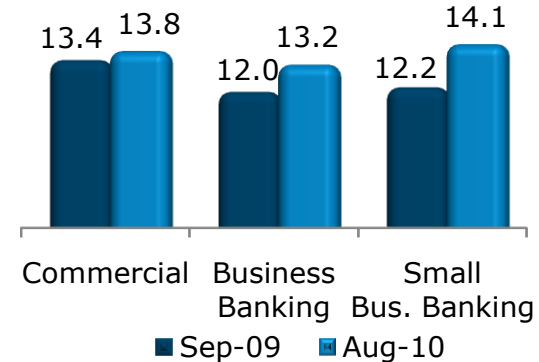
2. APRA / RBA statistics, Cannex. 3. APRA statistics

Australia: Commercial



- Acquired Landmark Financial Services (\$2.2bn lending, \$400m deposits)
- Invested in more small business specialists.
- Esanda transitioned to a purely auto financier with business equipment asset finance now in ANZ Commercial channels
- Commercial Banking lending growth of 10% (5% ex. Landmark)
- Deposits relatively flat, impacted by debenture run-off in Esanda (\$1.5bn from FY09)

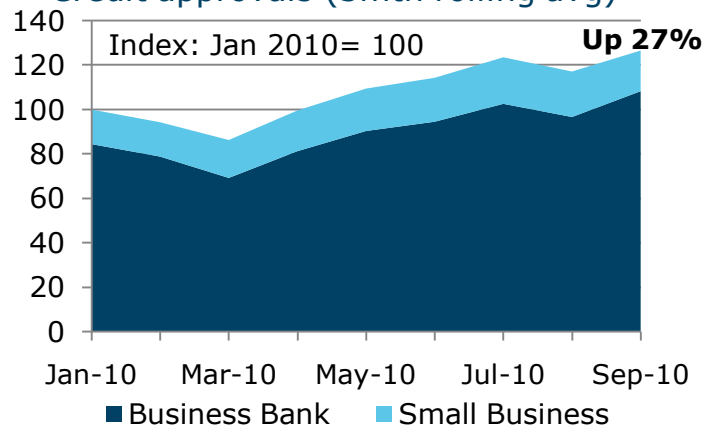
Growing market share¹ (% of market share)



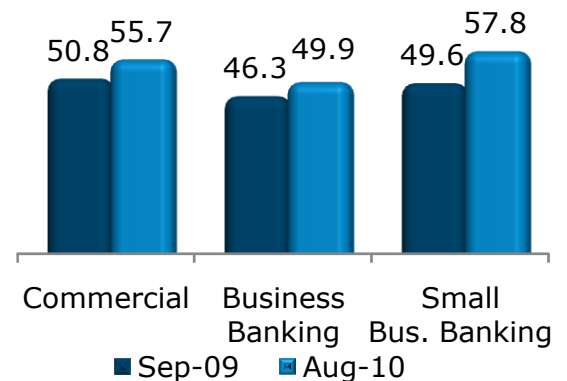
Esanda
Market share of retail car loans through the Dealer channel is 27%²
Estimated to be up from 19% prior to the GFC

Credit approvals increasing

Credit approvals (3mth rolling avg)³

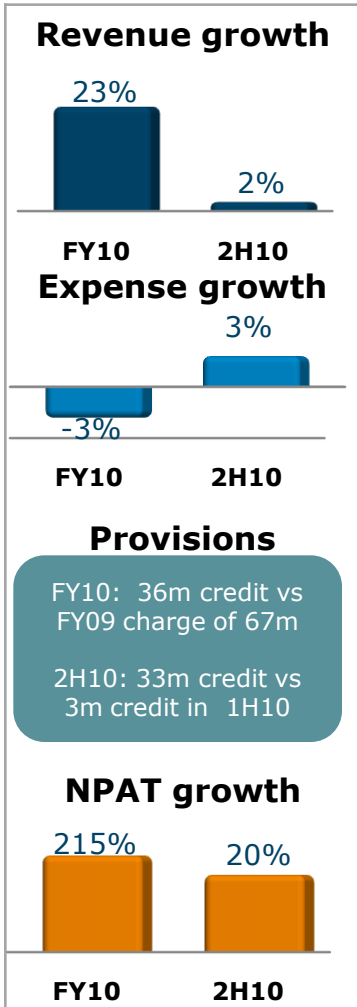


Growing share of wallet²



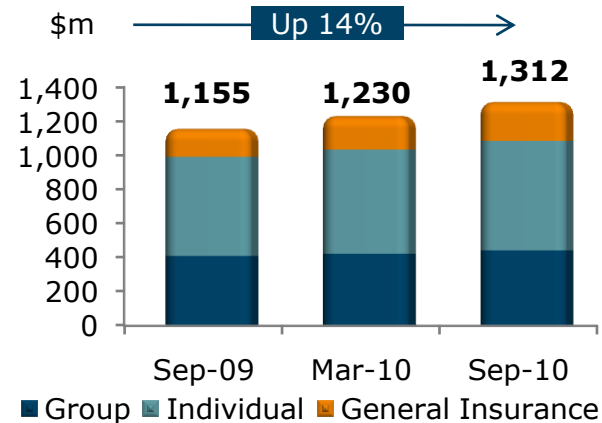
NOTE: Profit and Loss growth rates on a Pro Forma basis. 1. DBM Business Financial Services Monitor, overall lending and deposit FUM, 2. Finance industry statistics, 3. Business Bank and Small Business Banking

Australia: Wealth

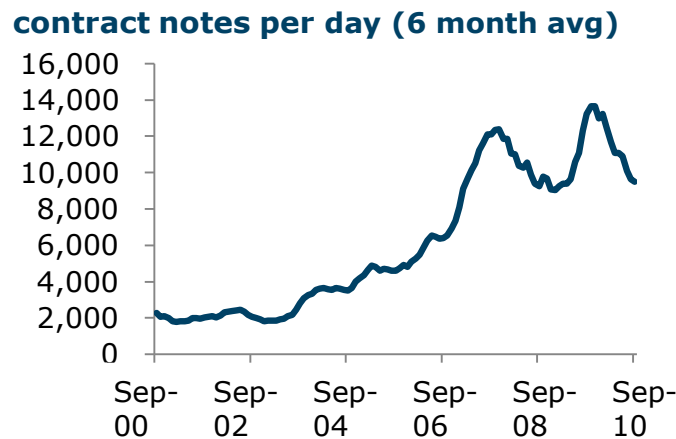


- ANZ assumed full ownership of ING's superannuation, investment and insurance businesses
- Combined with ANZ Private and Investment & Insurance businesses to form a single Wealth unit
- Strengthened customer proposition, offering manufacturing and distribution of investment and insurance products and advice, private banking, trustees, investment lending and E*TRADE broking.

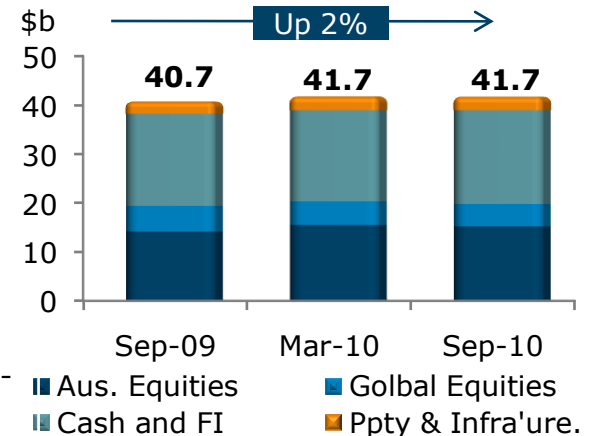
Insurance in-force premiums



E*Trade volumes



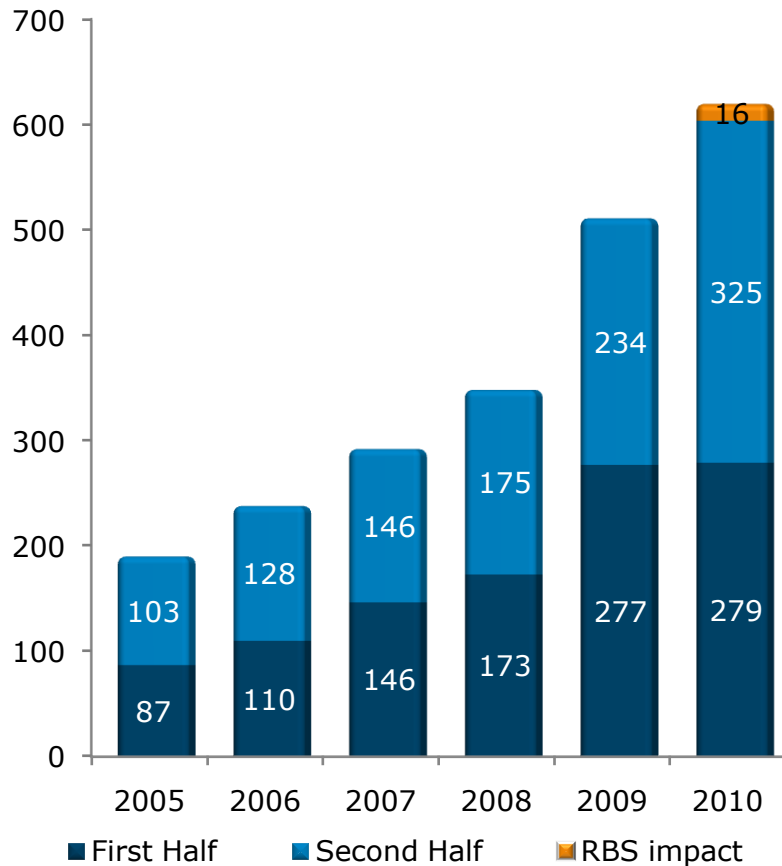
Funds under Management



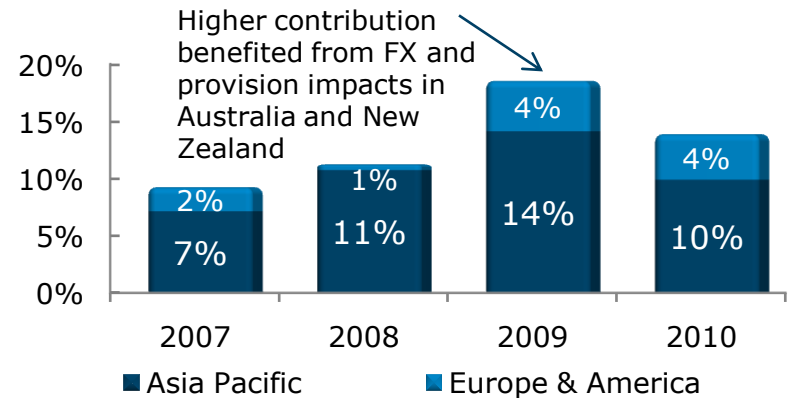
NOTE: Profit and Loss growth rates on a Pro Forma basis.

APEA: Net Profit

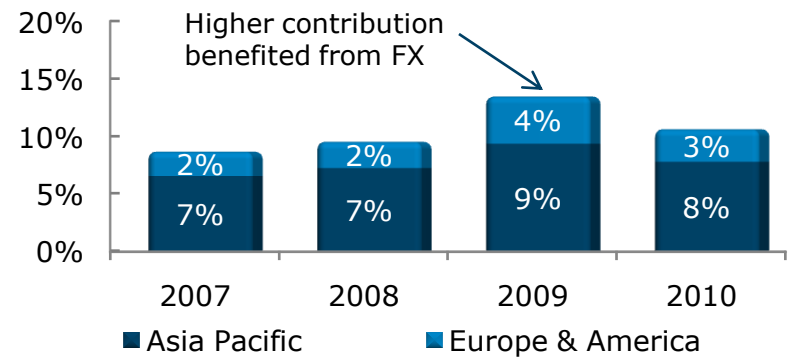
APEA Underlying NPAT (USDm)



APEA Contribution to Group % Group Net Profit After Tax¹



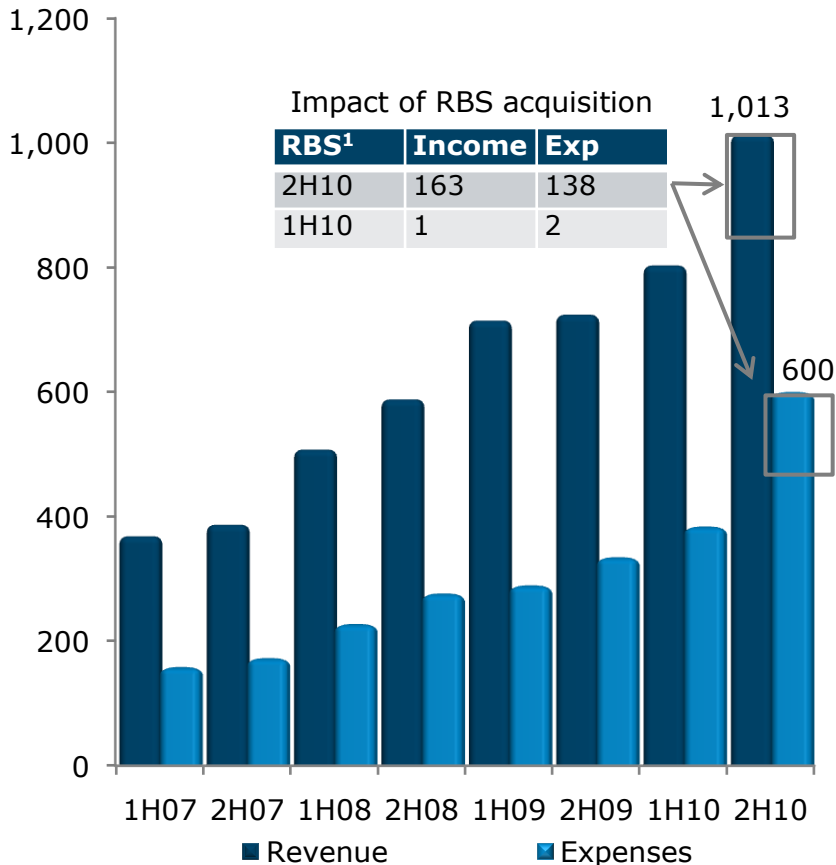
% Group Profit before provisions & tax¹



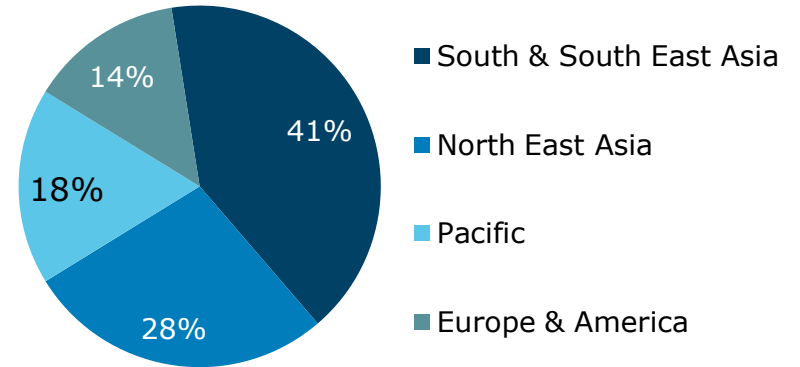
1. Calculated on AUD underlying

Revenue and Expense

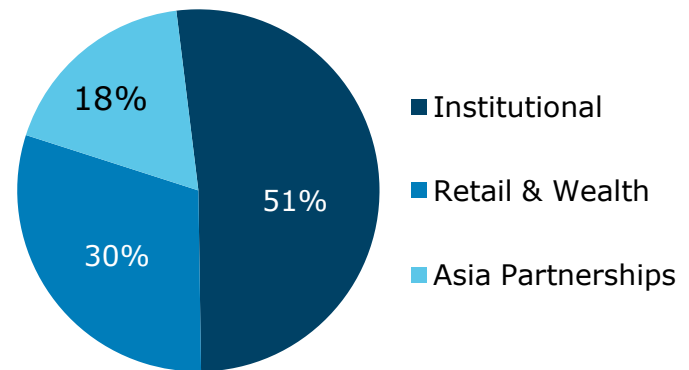
Underlying Revenue & Expenses (USDm)



FY10 Revenue by Geography



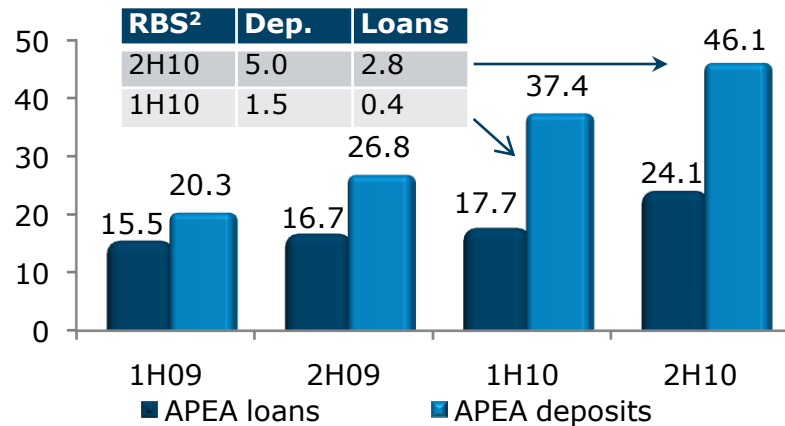
FY10 Revenue by Business²



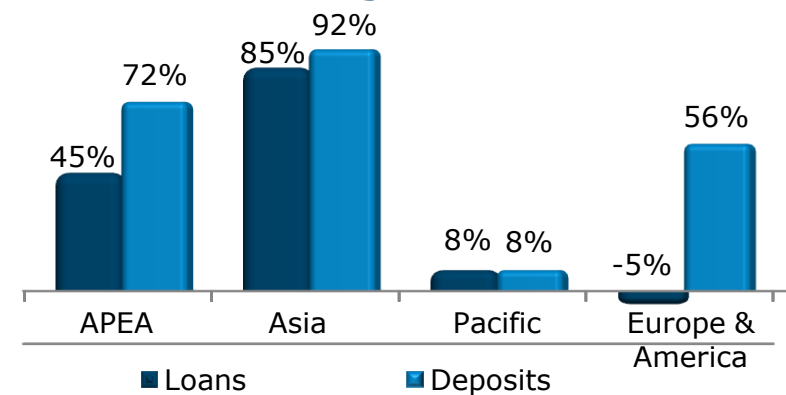
1. Income and Expense contribution (in USDm) from the RBS acquisition, includes Hong Kong in 1H10; Hong Kong, Taiwan, Singapore & Indonesia in 2H10. 2. Excludes Other

APEA: Balance sheet momentum¹

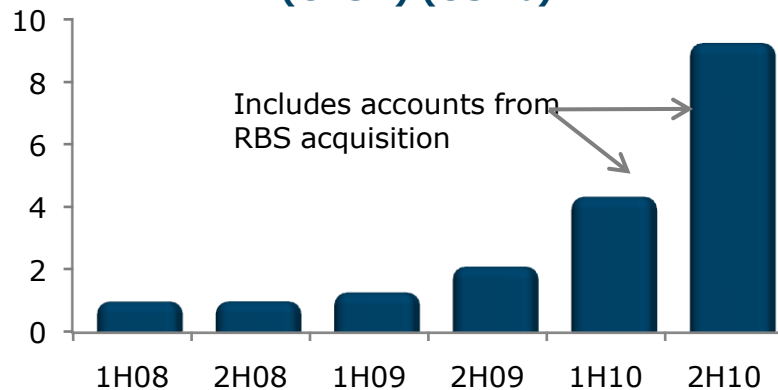
APEA loans & deposits (USD**b**)



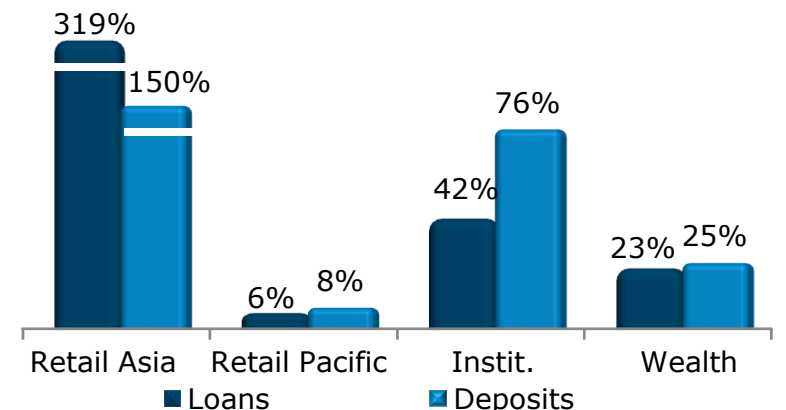
2010 loan and deposit growth by region



APEA Current & Saving accounts (CASA) (USD**b**)



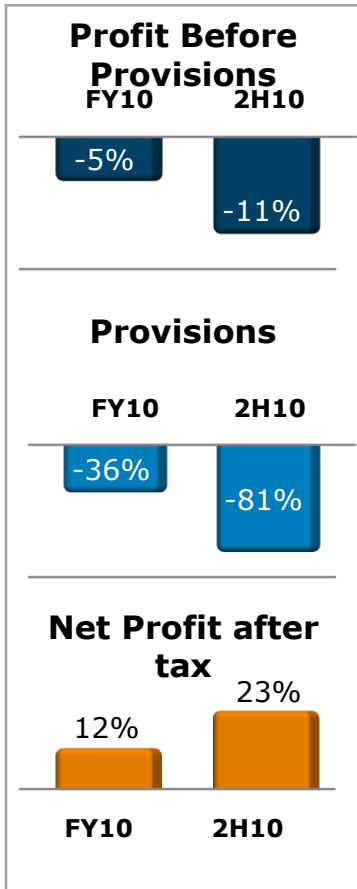
2010 loan & deposit growth by segment



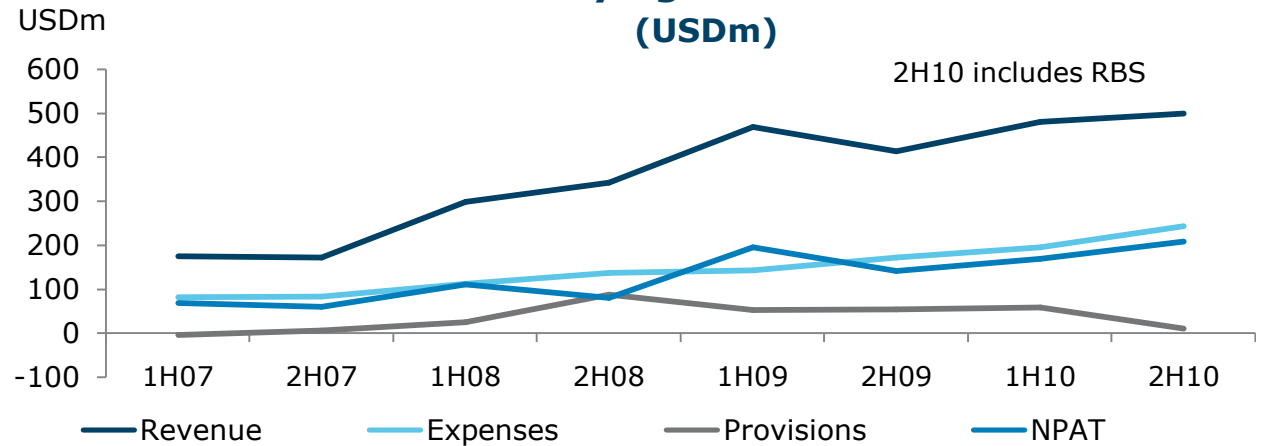
1. All figures based on USD financial information. 2. loans and deposits (in USD**b**) for the RBS acquisition, includes Vietnam, Philippines & Hong Kong in 1H10, Taiwan, Singapore & Indonesia in 2H10

APEA: Institutional

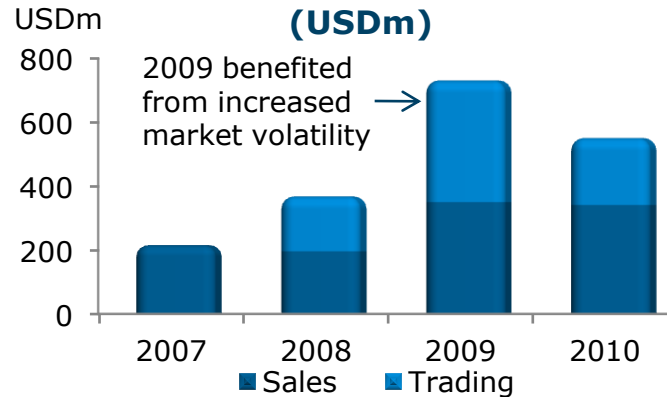
Growth rates (USD basis)



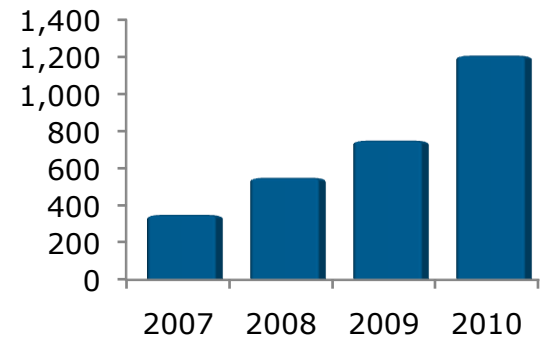
Underlying Profit & Loss (USDm)



Markets income (USDm)



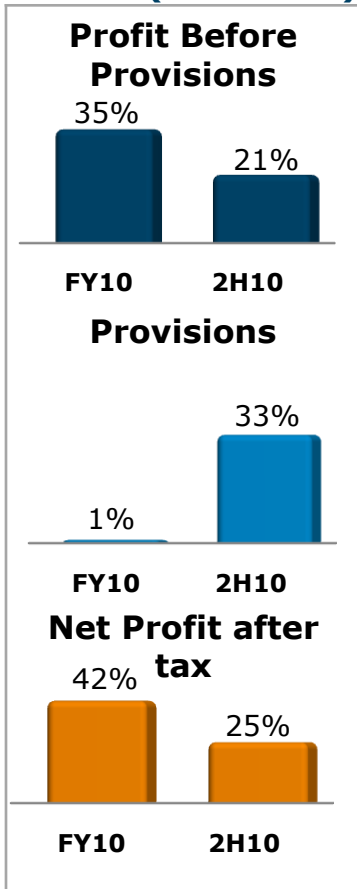
Institutional Customers¹



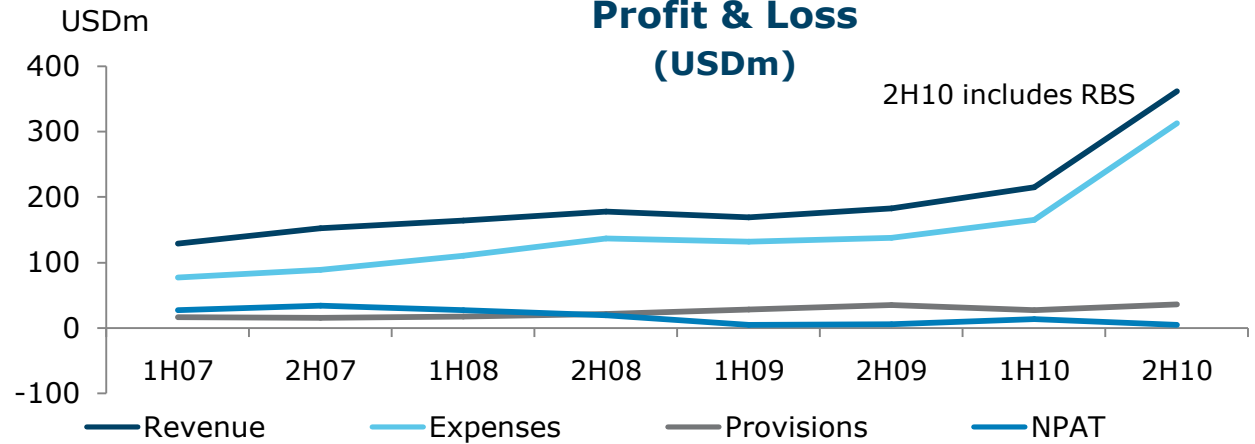
1. Asia only, excludes Commercial

Retail, Wealth & Partnerships

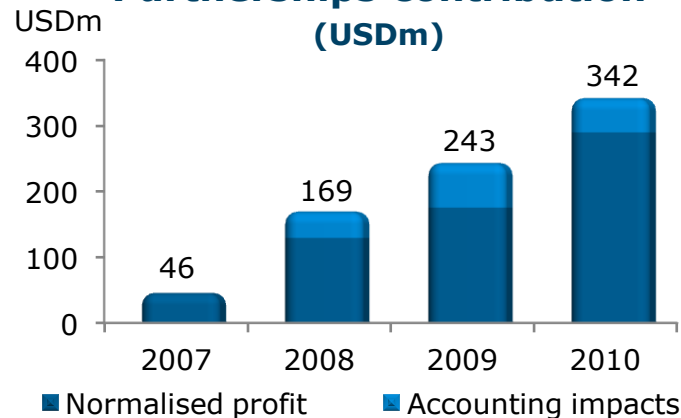
Retail, Wealth & Partnerships growth rates (USD basis)



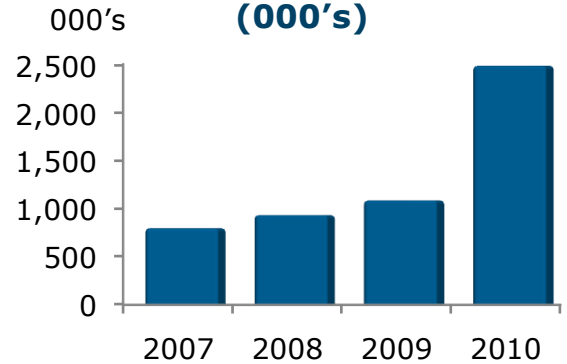
Underlying Retail & Wealth Profit & Loss (USDm)



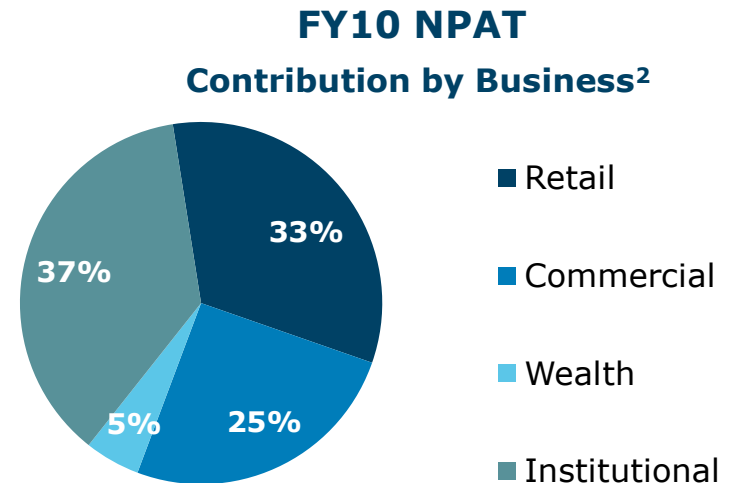
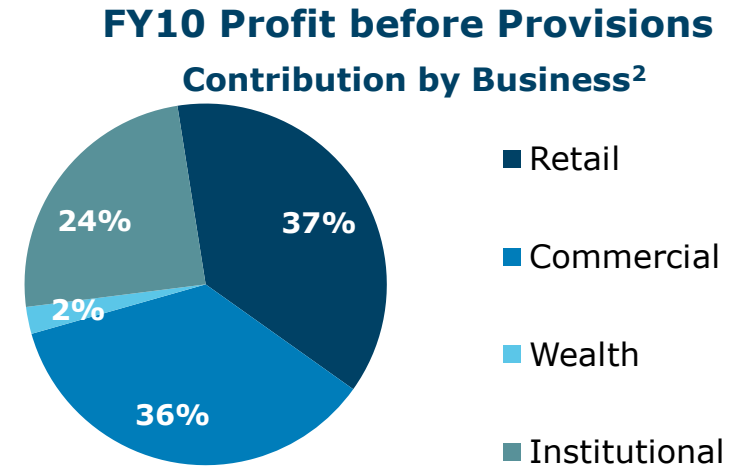
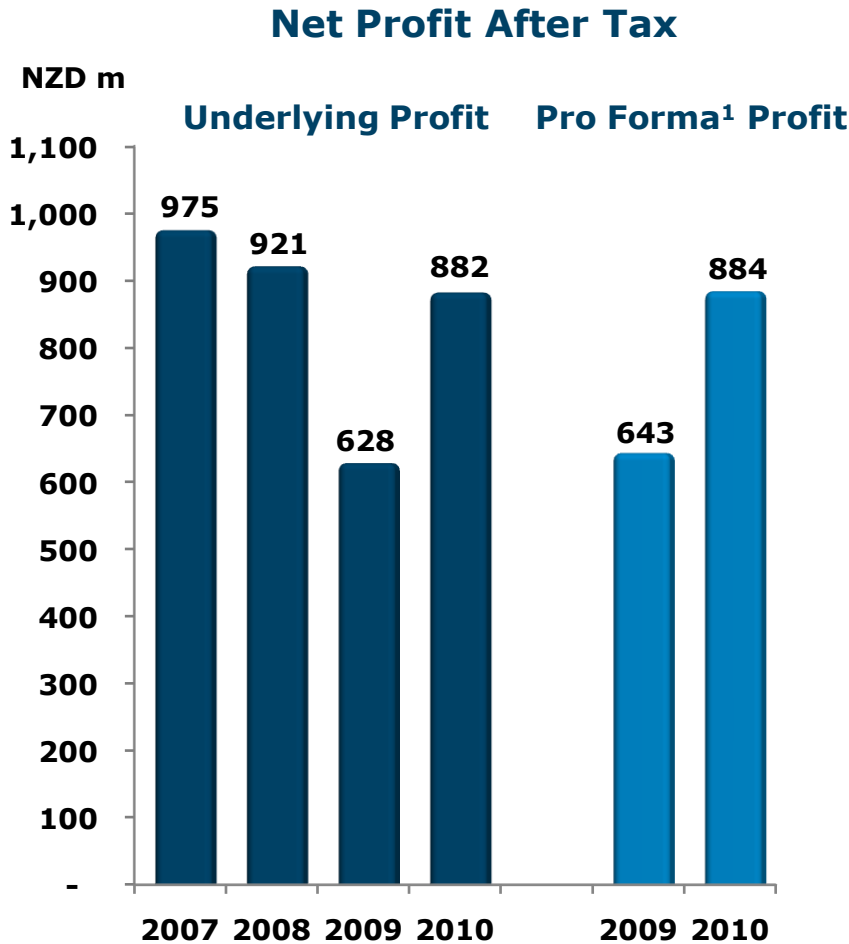
Partnerships contribution (USDm)



Retail & Wealth Customers (000's)



New Zealand region – improving financial performance

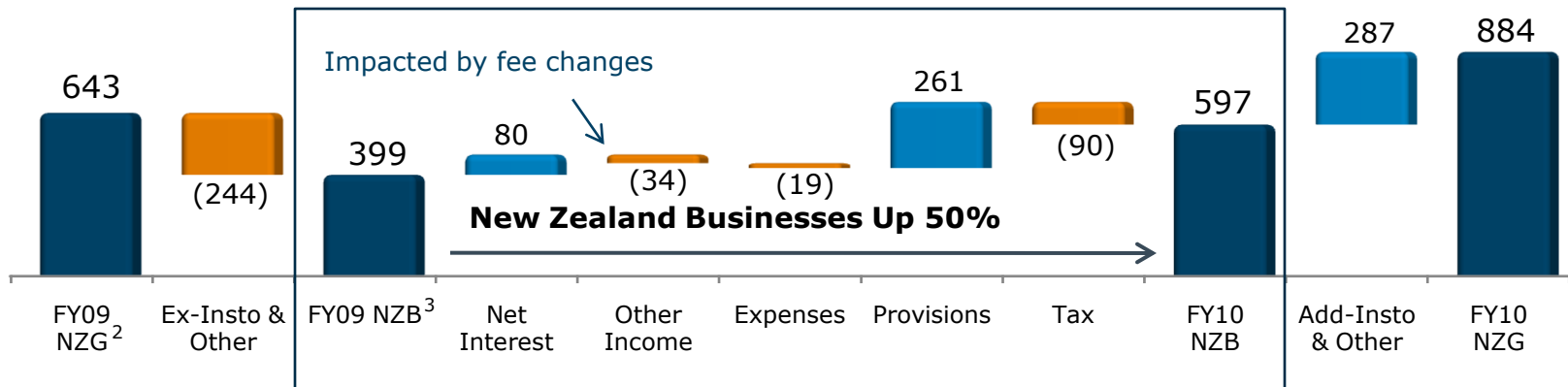


1. Pro Forma adjustments include: **ING New Zealand** - Assumes increase in ownership from 49% to 100% took effect 1 October 2008

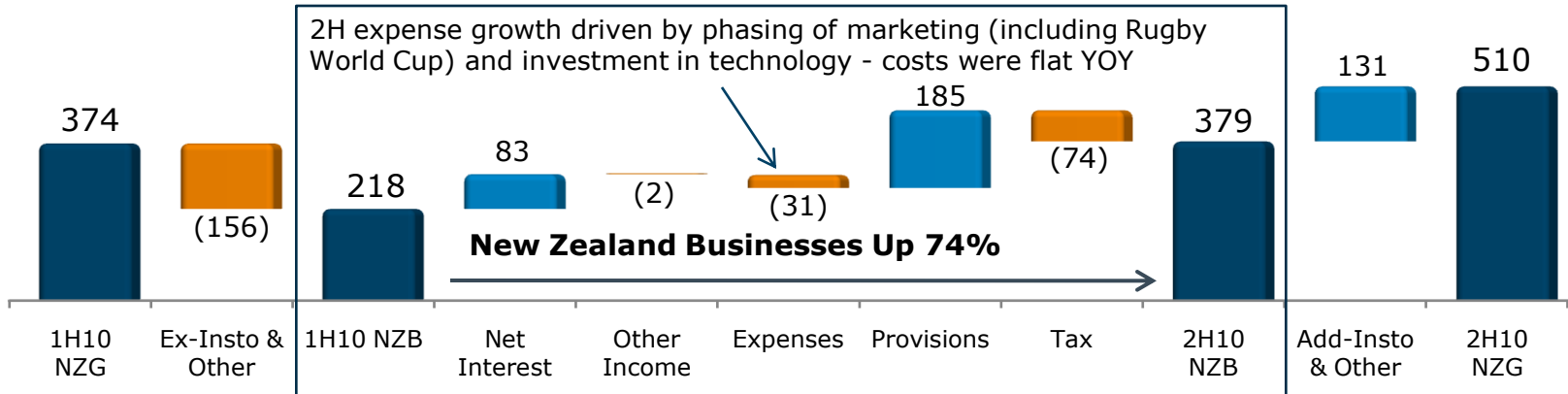
2. Excludes contribution from Shareholder's Functions, Operations and Support

New Zealand performance

Pro Forma¹ Performance NZD m YOY Movement (FY10 vs FY09)



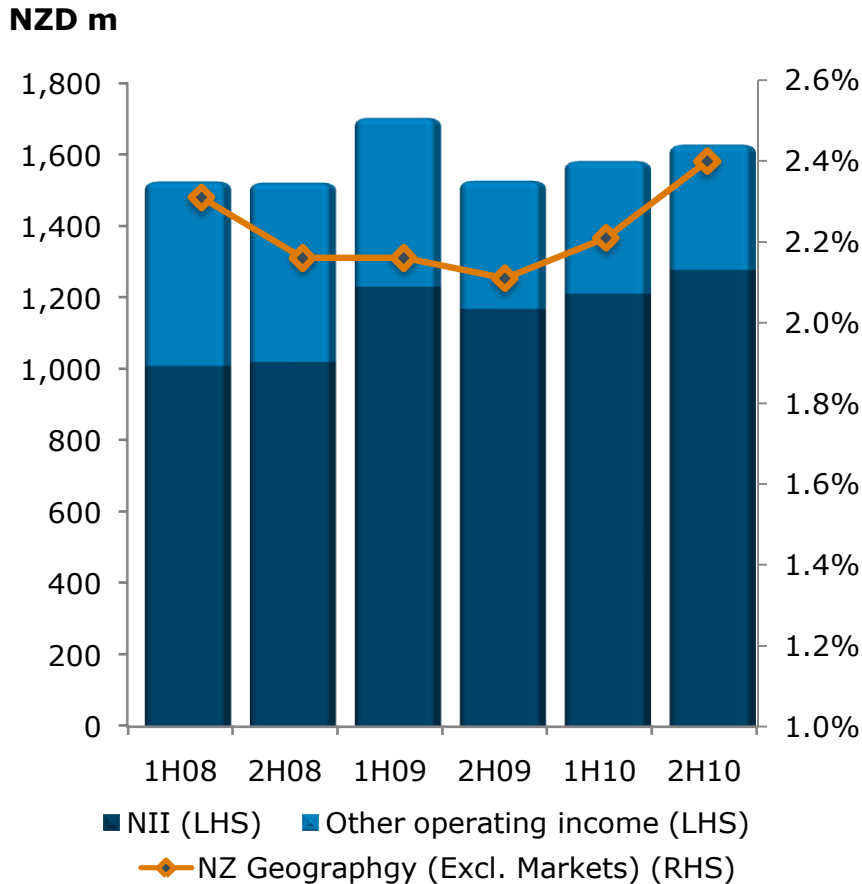
Pro Forma¹ Performance NZD m HOH Movement (2H10 vs 1H10)



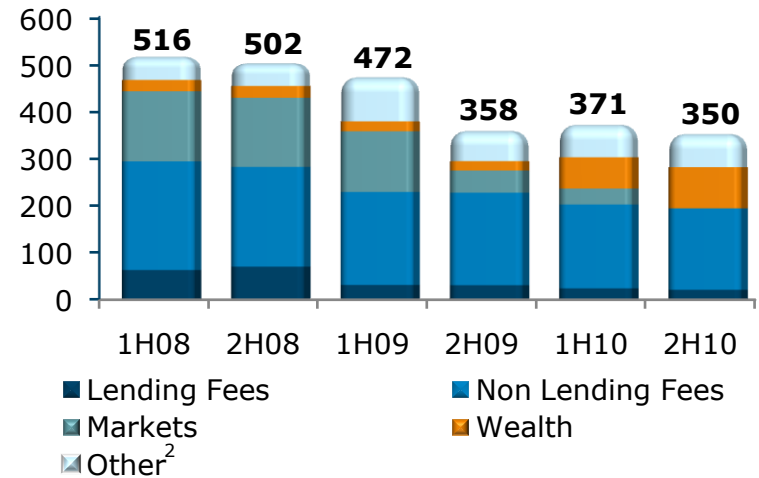
1. Pro Forma adjustments include ING New Zealand - Assumes increase in ownership from 49% to 100% took effect 1 October 2008
2. "NZG" refers to the New Zealand Geography consisting of the Retail, Commercial, Wealth and Institutional business segments
3. "NZB" refers to the New Zealand Businesses, which is the NZG excluding the Institutional business segment and Shareholder's Function

New Zealand revenue composition¹

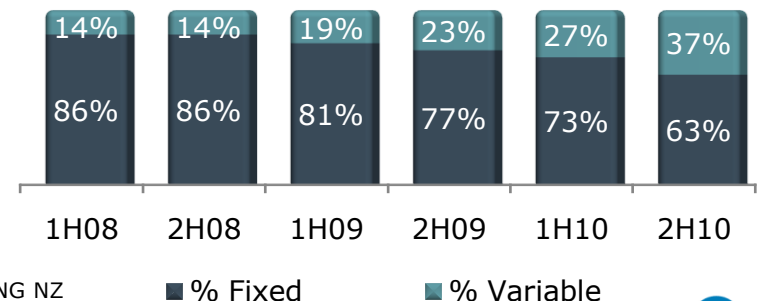
NZ Geography underlying revenue composition (NZD m)^{1,3}



Composition of Other operating income (NZD m)



NZ Mortgage portfolio interest rate composition



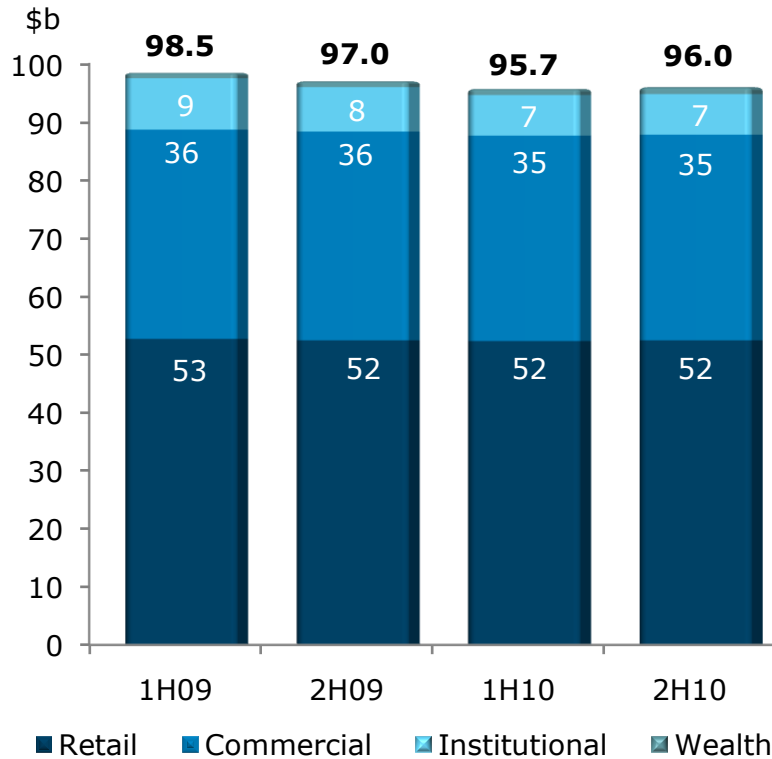
1. Represents underlying revenue which is unadjusted for full year ownership of ING NZ

2. Represents other operating income

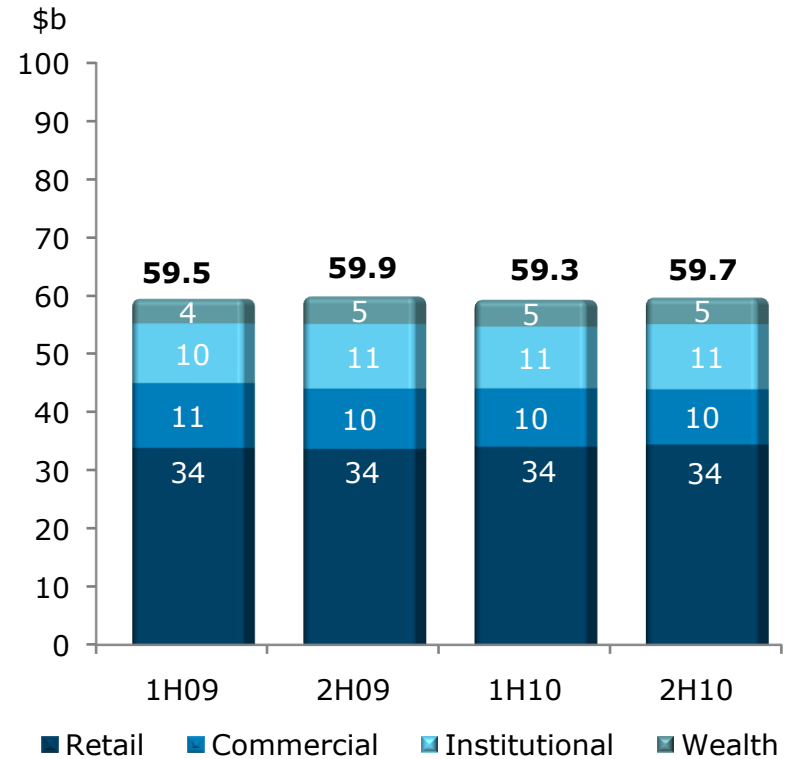
3. Line fees are included in NII in 2009 and 2010 but included in OOI in 2008

New Zealand Balance Sheet

Net Loans & Advances (incl. Acceptances) (NZDb)

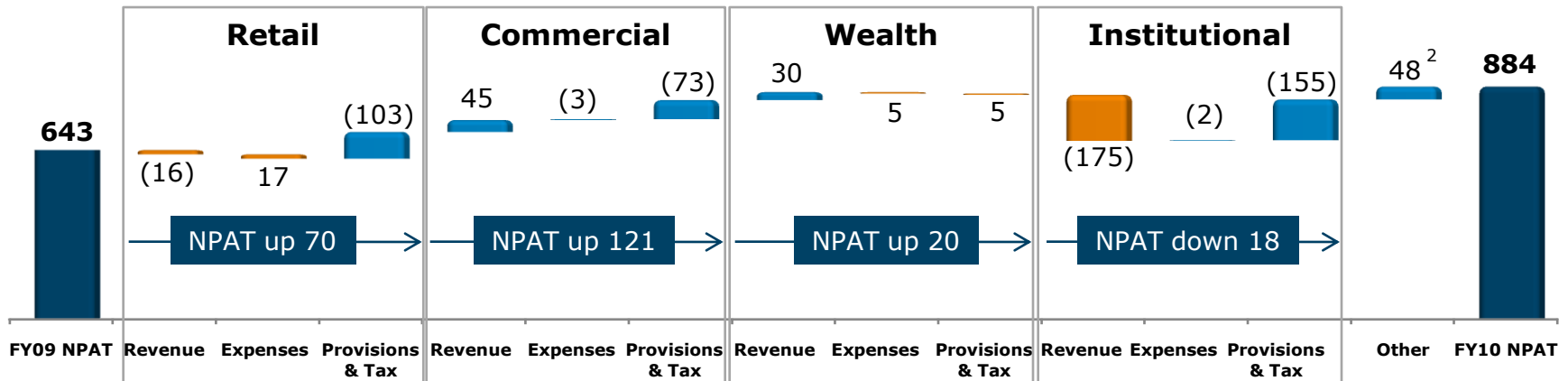


Customer Deposits (NZDb)

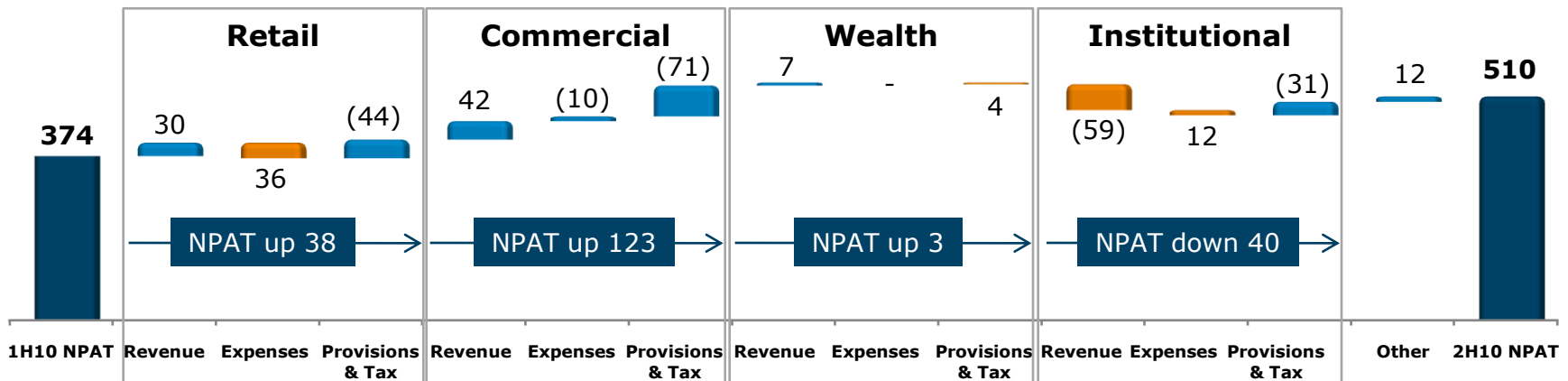


New Zealand Region – contribution by businesses

Pro Forma¹ Movement (FY10 vs FY09) NZD m



Pro Forma¹ Movement (2H10 vs 1H10) NZD m

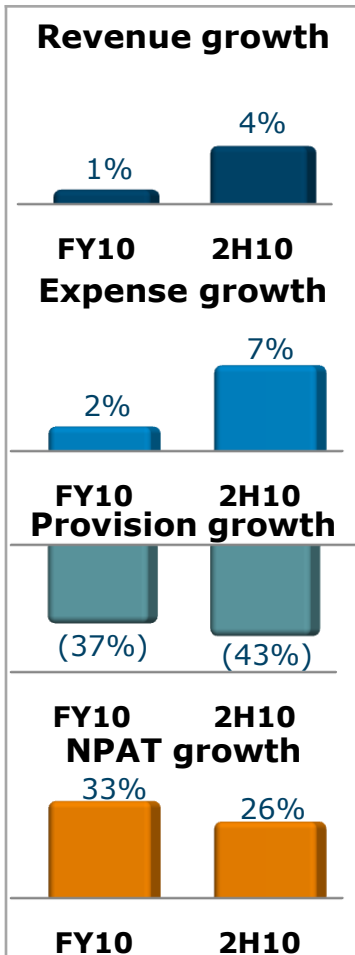


1. Pro Forma adjustments include ING New Zealand - Assumes increase in ownership from 49% to 100% took effect 1 October 2008

2. Includes the impact of Shareholder functions and costs associated with operations and support

New Zealand - Retail & Wealth

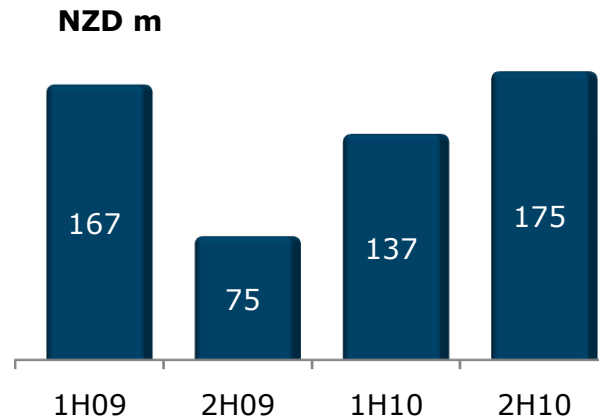
Retail & Wealth growth rates



Retail

- Asset growth flat, system growth rates subdued
- Income impacted by removal of exception fees, margins improving, costs impacted by marketing phasing
- Share of new mortgage business increasing in the <80% LVR market and overall mortgage growth in the later part of 2010

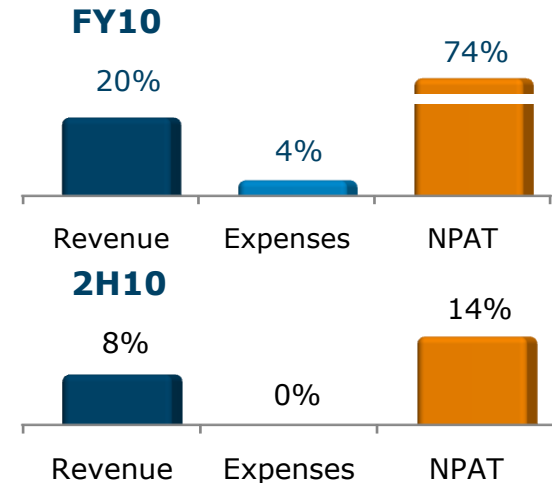
Retail Net Profit after Tax



Wealth

- Wealth profitability favourably impacted by ING NZ full ownership
- \$1.5 billion KiwiSaver FUM with over 360,000 customers, #1 with growing market share (24.1%)
- 19.4% growth in ING Life Businesses InForce book
- ANZ Private Bank named Best Private Bank in New Zealand¹

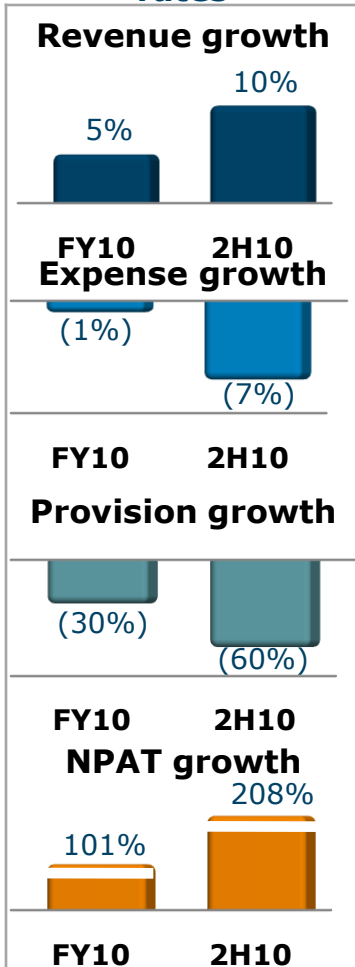
Wealth growth rates



All numbers and growth rates on a Pro Forma basis. 2H10 Growth rates compared to 1H10
 1. 2010 Euromoney Private Banking Survey

New Zealand - Commercial

Commercial growth rates



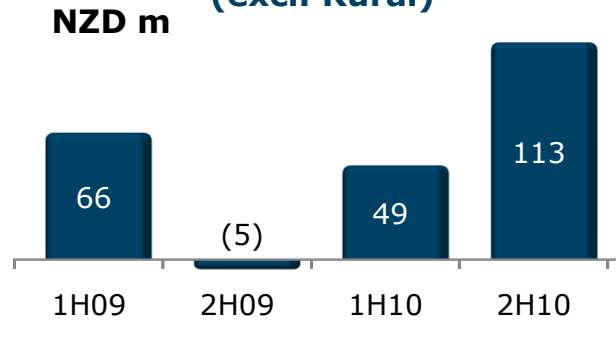
Commercial

- Leveraged Shanghai Expo as an opportunity to connect customers to Asia and demonstrate regional capabilities
- Privately Owned Business Barometer consolidates thought leadership and customer connections as market leader
- Strong UDC performance taking advantage of relative strength in finance company sector
- Clear improvements in customer satisfaction, with ANZ score increasing from 58% to 69%

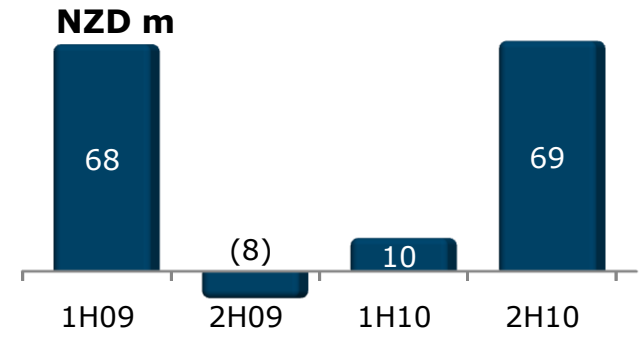
Rural

- Higher Rural incomes with Fonterra forecasting the third highest dairy payout on record
- ANZ continues to support customers through this period of increased volatility in product prices
- Greater focus by borrowers on cash returns and liquidity with many using increased incomes to reduce debt
- Provisions are expected to improve as farmers de-leverage
- Seminars conducted across the industry covering topics such as governance, large business management and financial understanding for young farmers

Commercial NPAT (excl. Rural)

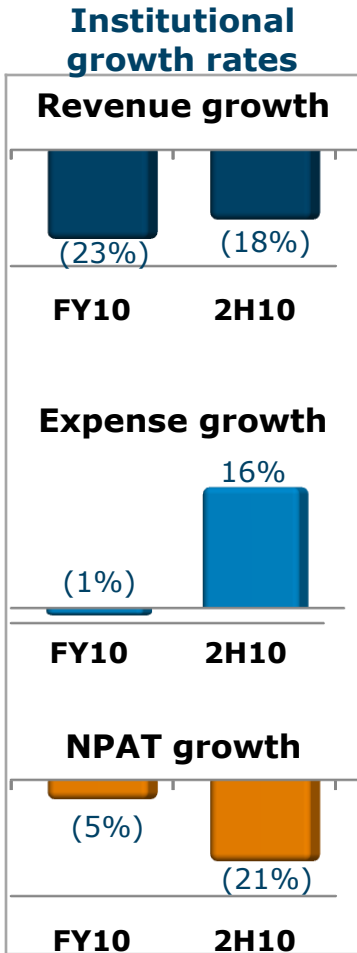


Rural NPAT



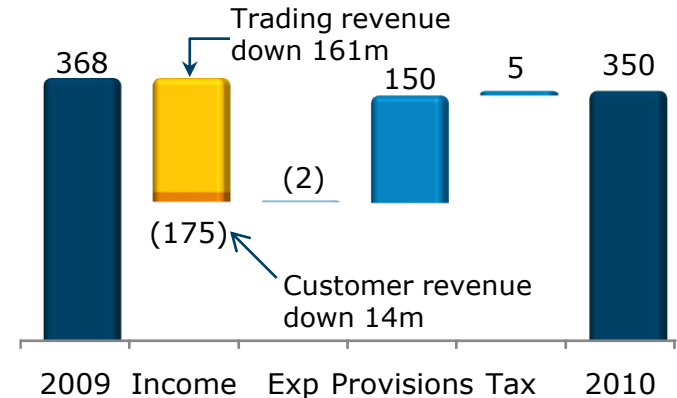
All numbers and growth rates on a Pro Forma basis. 2H10 Growth rates compared to 1H10

New Zealand - Institutional



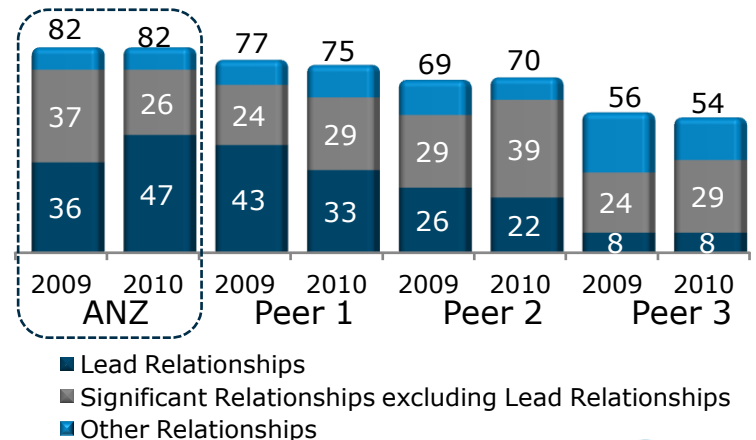
- ANZ continues to dominate the NZ institutional segment
- Second half expense growth driven by investment in payments systems
- Connecting customers to Asia and demonstrating ANZ regional capability with Shanghai World Expo and Kiwi Day roadshows in Asia
- Awarded INFINZ bank of the year for focus on customers and developing growth opportunities for NZ
- Extending its position as clear market leader with customers (outstanding results across 5 Peter Lee Associate surveys)
- Leadership of Debt Capital Markets and Syndication loan league tables
- Market leading innovative client solutions, e.g. 1st HKD bond issue, ECA financing

Institutional NZ 2010 Financial Performance



Strong Customer Relationships

New Zealand Relationship Market Penetration¹ (%)



All numbers and growth rates on a Pro Forma basis. 2H10 Growth rates compared to 1H10

1. Source: Peter Lee Associates Relationship Banking survey, New Zealand, 2010. Sample size 2009 N=132, 2010 N=135

New Zealand economic and business update

Economic Update

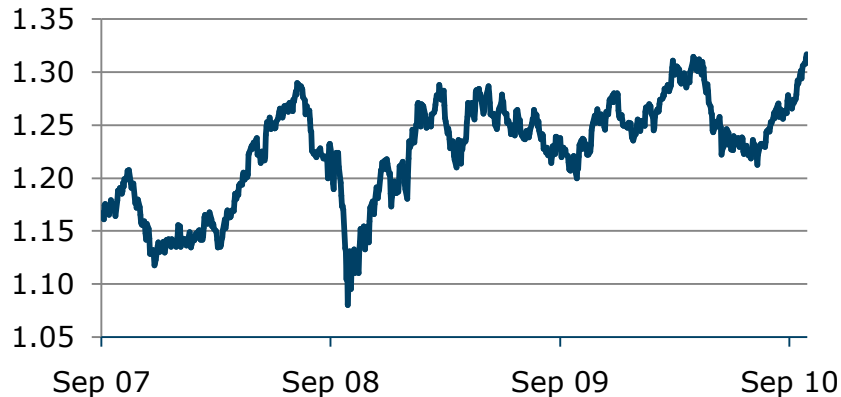
- New Zealand's economy is in transition, with volatile performance of economic indicators.
- Consumer and business deleveraging have led to subdued lending growth
- Benefit from repricing the fixed lending book has driven net interest margin growth
- Removed or reduced 29 fees across our two retail banks, saving customers \$45m since December 2009
- Credit quality showing signs of improvement

ANZ in New Zealand

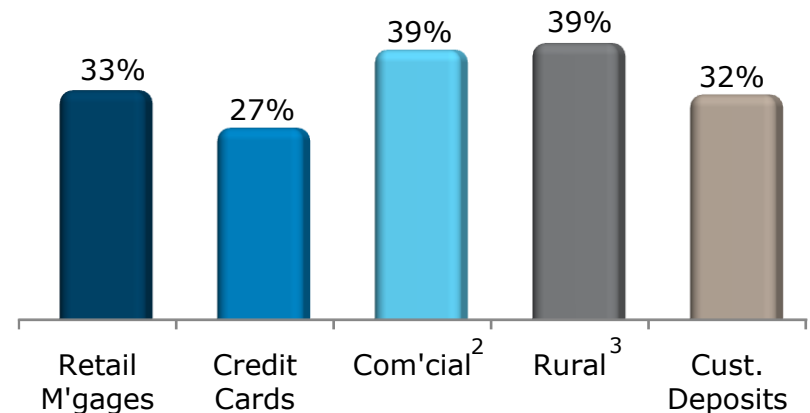
- Announced as major sponsor of the 2011 Rugby World Cup
- Comprehensive support of customers during Christchurch earthquake through free loans, loan repayment holidays, short-term funding in addition to the initial \$1m Bank donation
- Institutional awarded INFINZ bank of the year for focus on customers and developing growth opportunities for NZ

AUD/NZD FX rate

AUD/NZD



Maintain a leading market share¹

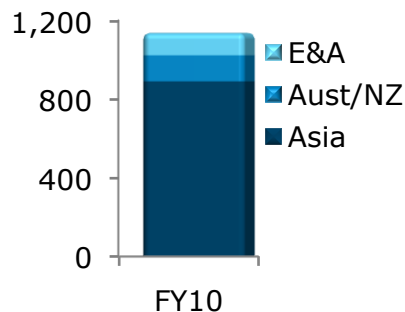


1. RBNZ and TNS New Zealand Ltd Business Finance Monitor; 2. Mainbank Customers; 3. Lending FUM

Global Institutional – a focus on growing core customer relationships supporting income performance

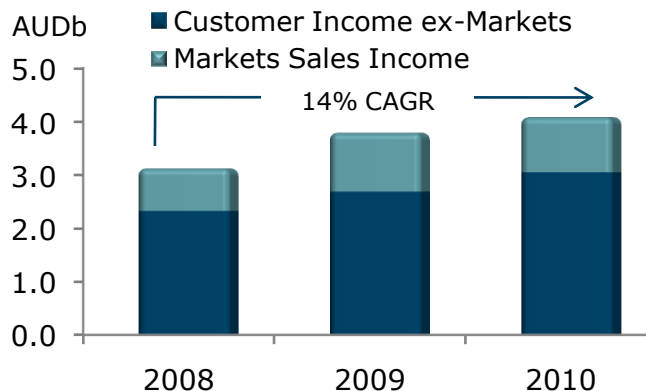
Customer Growth

>1,100 new relationship managed customers ex-acquisitions



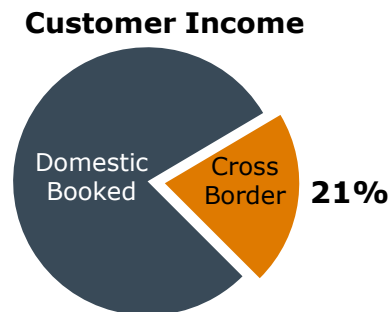
Customer Income¹

AUDb



Cross Border Income

Super Regional strategy increasingly capturing cross border revenue flows



Strong Customer Relationships

- Peter Lee Associates survey of corporate and institutional clients in Australia ranked ANZ:
 - First, or equal first, on 14 of the 26 qualitative relationship categories (up from 8 in FY09)
 - First in "overall penetration" (domestic plus offshore)
- Peter Lee Associates survey of corporate and institutional clients in New Zealand ranked ANZ first on overall satisfaction, relationship strength, penetration and a further 17 measures
- These results reflect the strength and quality of our client relationships

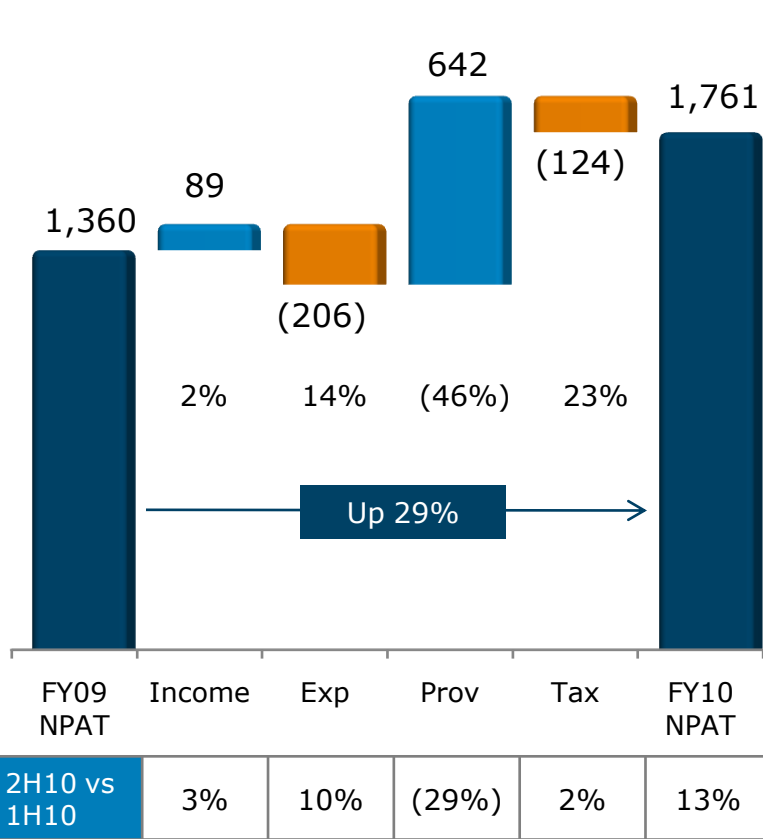
Debt Capital Markets a key strength

- #1 Bookrunner in Australia/NZ for Q1-Q3 2010 in terms of volume and number of transactions
- #1 Mandated Lead Arranger in Asia-Pacific (ex Japan) for Q1-Q3 2010 in terms of number of transactions
- #1 Arranger of syndicated loans in Asia-Pacific (ex Japan) over the last five years in terms of total loan volume on a cumulative basis
- #1 on the A\$ Corporate Bond League Table (INSTO)
- #1 in the utilities & infrastructure sector - ANZ has led over half of all Australian utility and infrastructure transactions and raised over A\$2.3bn in this sector

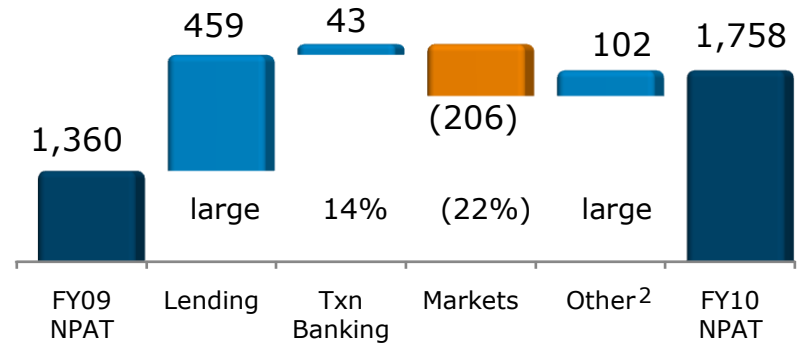
1. Total income adjusted for Global Markets trading income.

Global Institutional P&L drivers

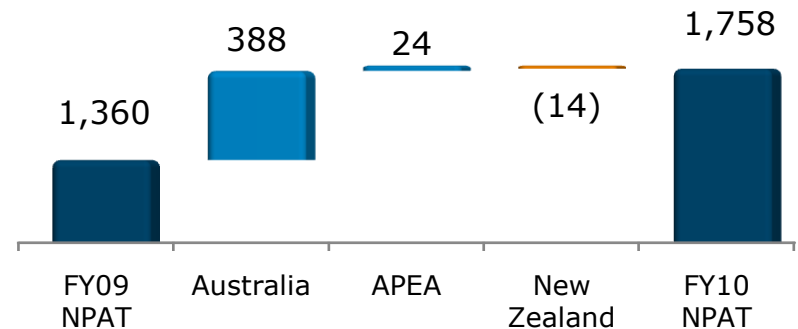
Underlying Performance¹
 YOY Movement (FY10 vs FY09) AUDm



Business Segment Performance¹
 YOY Movement (FY10 vs FY09) AUDm



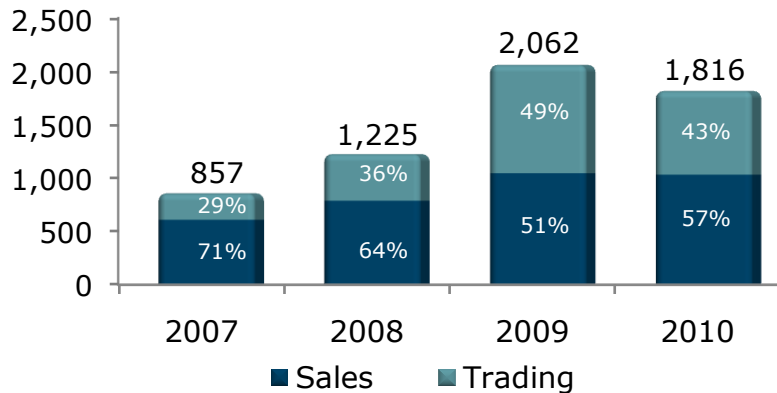
Geographic Performance¹
 YOY Movement (FY10 vs FY09) AUDm



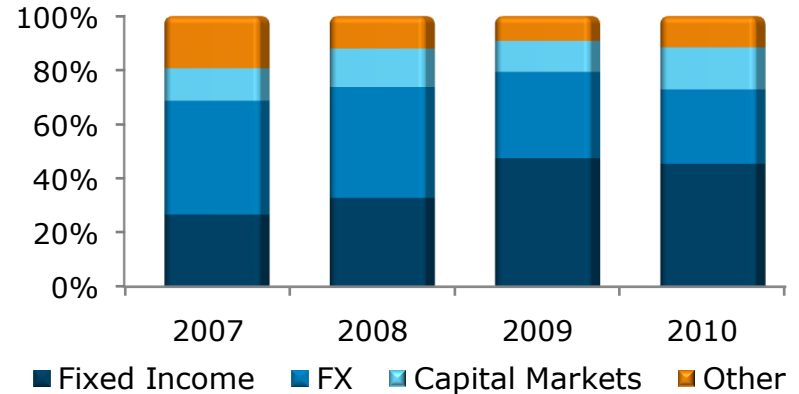
1. Pro Forma FX Adjusted.
 2. Increase largely due to provisions in FY09 related to divested custody business.

Global Markets

**Global Markets Income
Sales & Trading Mix (AUDm)¹**

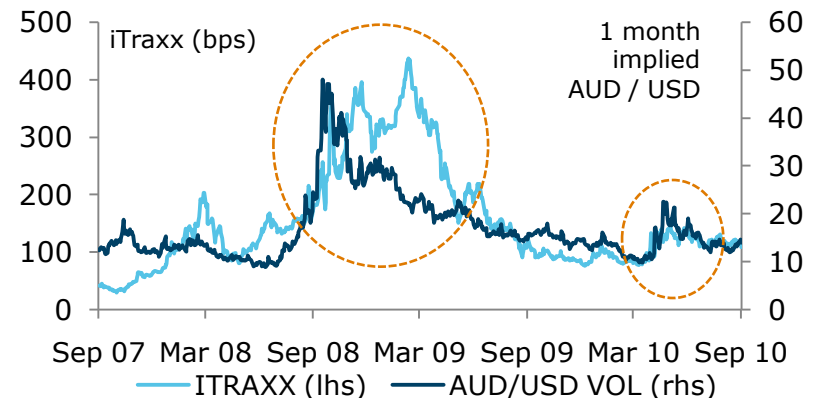


**Product Contribution
% Total Income**



- Capital Markets growth underlines the benefits of Asian network expansion, ensuring we are well placed to connect our institutional customers with Asian liquidity pools.
- Income diversification by geography and product line helping to offset revenue normalisation as volatility recedes.
- 2H10 investment in Global Markets management team to deliver scalable growth in coming years.

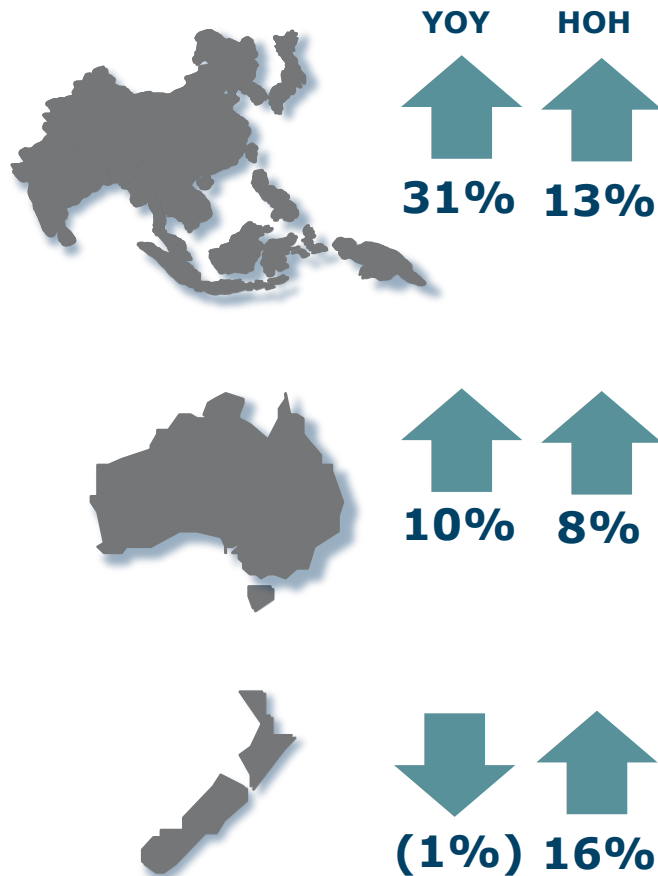
Whilst lower than 2009, market volatility evident in 2010



1. FX Adjusted.

Investing across the business in systems and people

Expense Growth¹



Asia Pacific, Europe & America

- Continued investment in growing the Asia franchise and driving customer acquisition
- Investment in support infrastructure to underpin revenue growth

Australia

- Investment in frontline capability - people and CRM tools - to drive revenue uplift
- Rollout of cash management platform (Transactive) - with in excess of 2,500 Institutional clients now on boarded.
- Investment in systems to enhance process automation and integrated work flow management and in enablement staff to ensure an efficient, well controlled environment

New Zealand

- Strong cost management led to a YoY reduction in expenses
- HoH increase reflects investment in payments systems (including settlement before interchange) and in cash management platform

1. Pro Forma basis

10 FULL YEAR RESULTS

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

28 October 2010

Investor Discussion Pack
Economics - Forecasts



Economic updates

	Australia				New Zealand			
	2009	2010	2011	2012	2009	2010	2011	2012
GDP	0.8	3.7	3.8	4.1	-1.7	1.9	3.9	2.6
Inflation	1.3	2.9	2.9	3.2	2.0	4.6 ¹	3.0	2.4
Unemployment	5.8	5.0	4.7	4.5	7.1	6.4	5.4	5.6
Current A/C (% GDP)	-4.4	-2.9	-3.4	-4.9	-2.9	-3.0	-3.6	-4.4
Cash rate	3.00	4.50	5.75	6.00	2.50	3.00	4.25	5.25
10 year bonds	5.36	4.96	5.80	5.70	5.8	5.2	6.2	6.3
AUD/USD	0.88	0.97	1.00	0.92	N/A	N/A	N/A	N/A
AUD/NZD	1.22	1.32	1.35	1.35	1.23	1.31	1.30	1.30
Credit	1.8	3.4	5.2	6.0	3.6	0.3	4.5	5.7
- Housing	7.6	7.6	5.7	6.0	3.7	2.9	3.5	5.1
- Business ²	-4.6	-2.7	4.1	5.8	3.9	-3.3	5.9	6.5
- Other	-5.5	2.6	6.9	6.8	-1.4	1.6	4.1	4.9

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

1. Impacted by an increase in the Goods and Services tax rate from 12.5% to 15% effective 1 October 2010

2. In New Zealand Business includes Rural lending

Growth Forecasts – Asia

Emerging Asia GDP Growth Forecasts						
	2007	2008	2009	2010	2011	2012
China	13.1	9.0	8.8	9.9	10.0	10.3
India	9.5	7.5	6.7	8.3	6.7	7.5
NIEs						
Hong Kong	6.4	2.4	-2.8	5.5	5.0	5.2
Korea	5.1	2.5	0.1	6.1	4.0	4.7
Singapore	8.6	1.9	-1.3	15.0	4.9	4.5
Taiwan	5.9	1.1	-2.0	11.3	7.0	5.7
ASEAN						
Indonesia	6.3	6.0	4.5	6.0	6.1	5.6
Malaysia	6.5	4.8	-1.7	6.8	4.7	5.6
Philippines	7.1	3.9	0.9	7.6	4.4	5.2
Thailand	4.9	2.6	-2.2	7.8	5.0	6.5
Vietnam	8.4	6.4	5.1	6.8	8.7	7.7
Total	10.3	7.1	5.9	8.9	7.9	8.3
Total (ex. China & India)	6.1	3.4	0.4	7.5	5.3	5.5
Sources: CEIC, ANZ Economics.						

Based on calendar year.

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