

06

ING Australia Market Update

Australia and New Zealand Banking Group Limited
21 March 2006

Dr. Bob Edgar

ANZ Senior Managing Director

www.anz.com

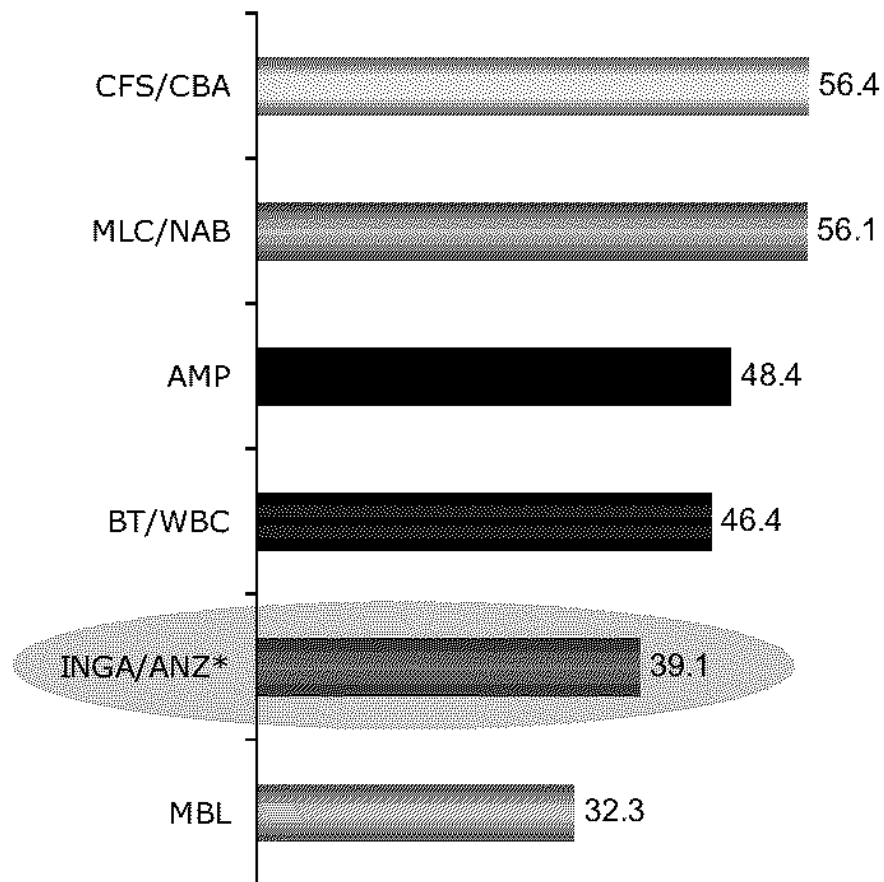


INGA JV provides ANZ with a solid position in an attractive market

- Strategic position in wealth management is important to ANZ
 - attractive high growth market (although cyclical)
 - Industry FUM continues to increase, driven by compulsory superannuation
 - allows ANZ to provide full customer service proposition
- Partnering with ING strategically sound
 - strong global brand
 - scale in Australian market
 - product manufacturing capabilities

INGA has a scale position in the Australian market[^]

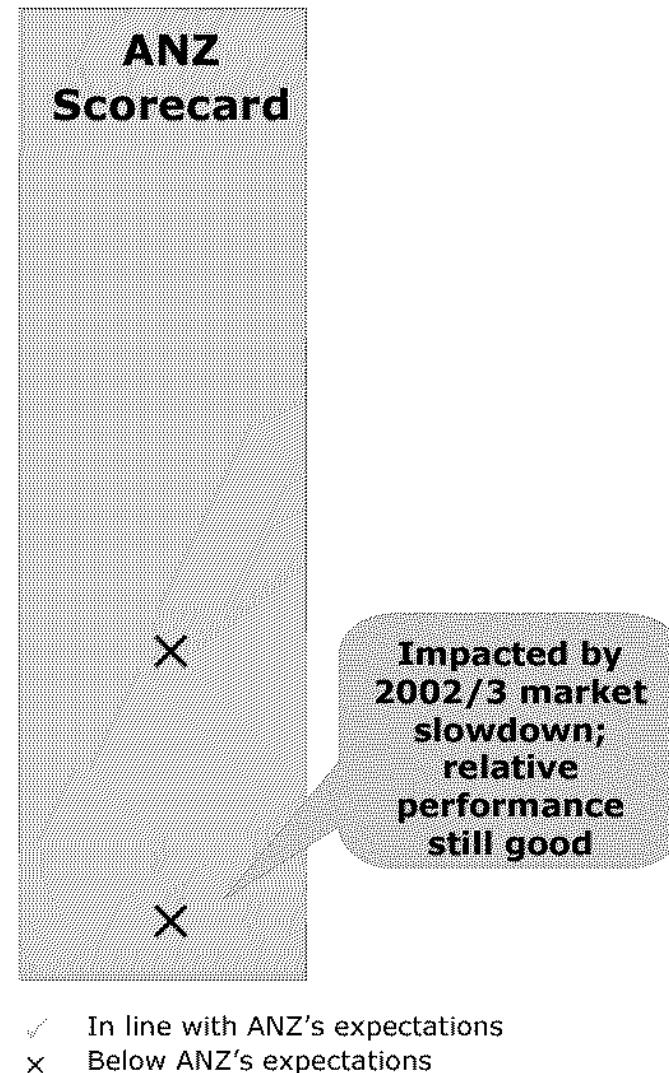
(Retail FUM (A\$b))



INGA has met many of ANZ's objectives, current focus is on improving profitability and leveraging adviser network

ANZ objectives at JV formation

- Create a strategic position in Wealth Management and Insurance in Australia & NZ
- Access to global brand and capabilities
- Platform to improve sales and customer management within ANZ's network
- Increase scale through leveraging extensive professional adviser networks
- Improve efficiency through cost synergies
- Very strong profit growth



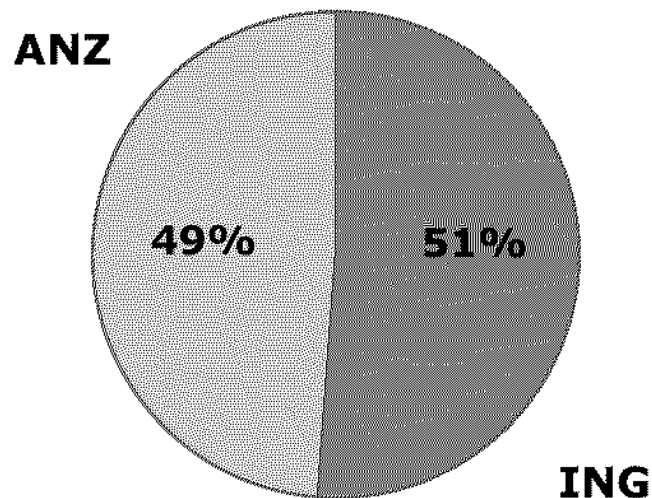
Summary

- Distribution of Wealth Management and Insurance products remains strategically important to ANZ
- INGA provides ANZ with a strong global brand, scale and product manufacturing capabilities in an attractive market
- The JV has met many of ANZ's objectives, focus is on improving 3rd party distribution and profit growth
- INGA has solid momentum and is well positioned for continued growth

Additional Information

ANZ owns 49% of the JV, governance is shared

Ownership Structure



Governance

- **Board Composition** – Equal Representation
- **Chairmanship** – Rotated every 3 years. By rotation, ANZ now appoints the Chair
- **Management** – Joint approval of key appointments
- **Voting** – Unanimous Board approval (no casting vote)

We have made solid progress on improving our return on equity

Improved INGA performance & capital distributions driving increase in ANZ's ROE

	May-02	Sept-05
ANZ Equity – Book Value^	\$1,839m	\$1,479m
ANZ share of INGA earnings	\$92m*	\$150m
ROE	~ 5%	~ 10%

- INGA formed at strong point in the investment cycle
- ROE improving, remains below Group ROE and WACC
- We are confident ROE will continue to improve through:
 - Ongoing strong performance by ANZ distribution channels
 - Increased focus on improving 3rd party distribution channels

^Book Value reduction a result of capital repatriation and dividends received

**2001 pro-forma earnings*

2002 JV formation slides

INGA was formed to create a strategic position in wealth management

ANZ Objectives

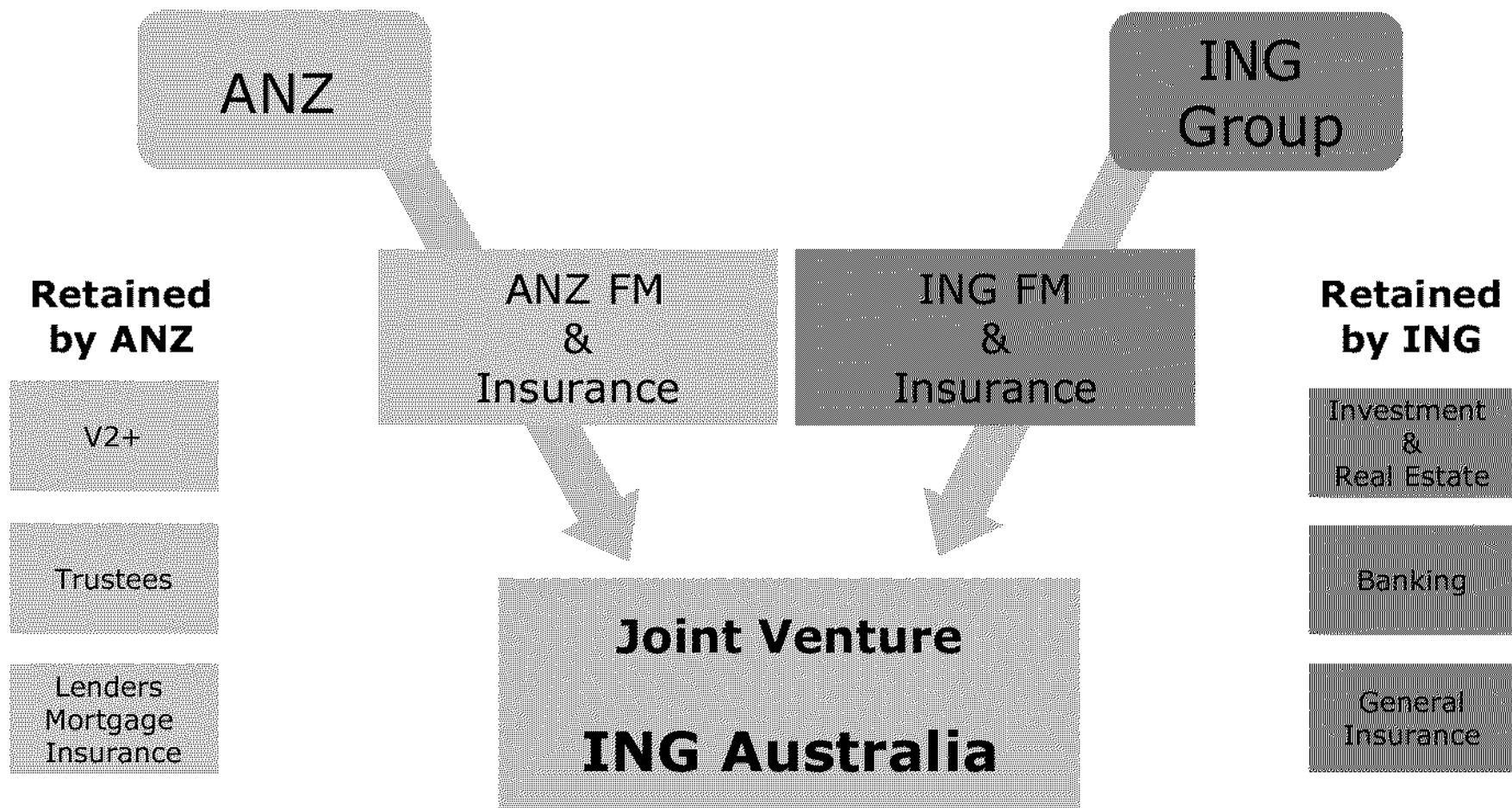
- Participation in strategic wealth management stream
- Increase scale
- Access global brand and capabilities
- Platform to improve sales & customer management
- Cost synergies
- Profit growth potential



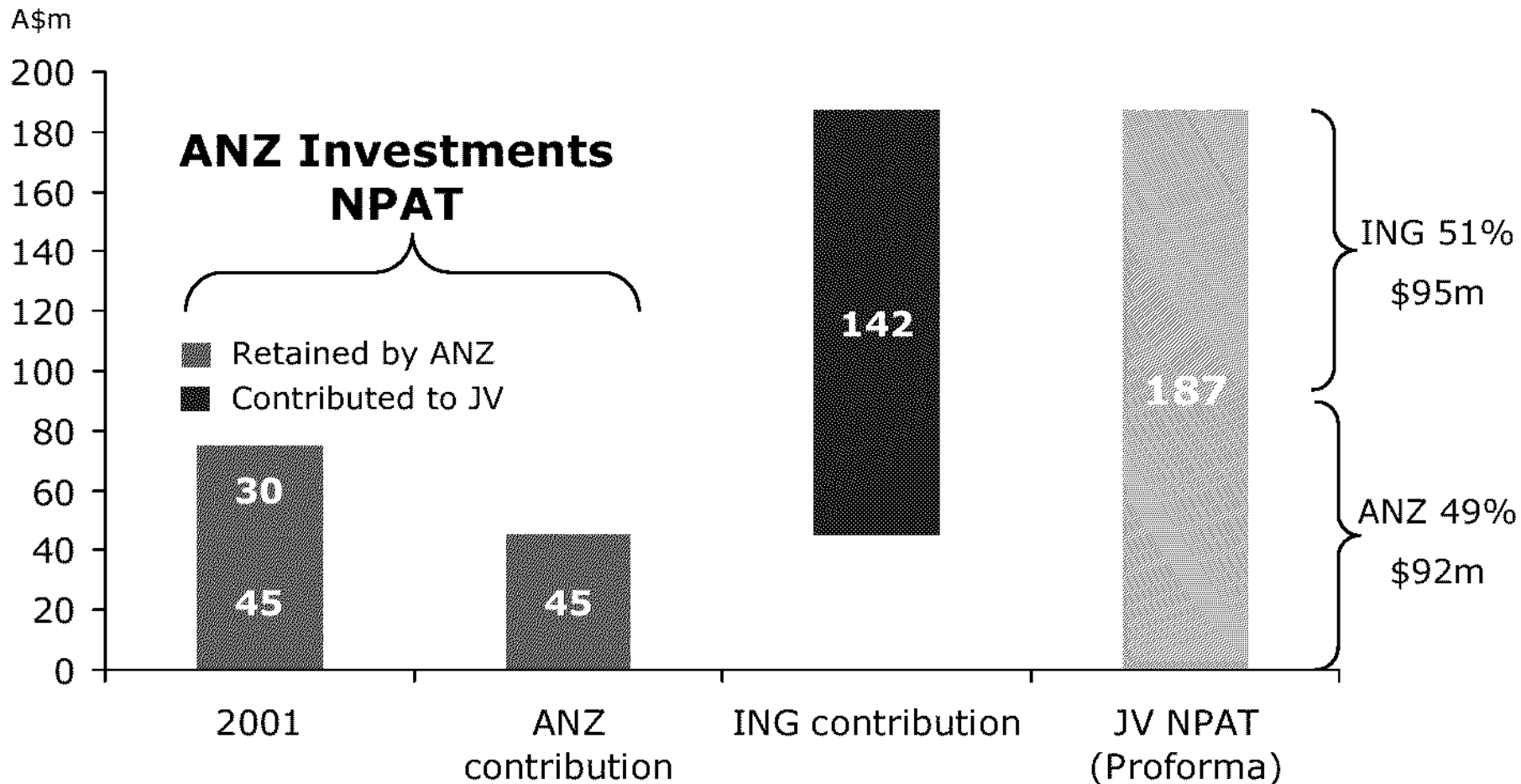
ING Objectives

- Secure a top tier position
- Build scale and efficiency
- Diversify distribution
- Leverage wealth management and bancassurance expertise
- Cost synergies
- Profit growth potential

Businesses that ANZ and ING contributed to the JV



The JV is a substantial wealth management vehicle - proforma 2001 NPAT of \$187m



Note: ANZ NPAT reflects year to 30/9 and normalisation adjustments
ING NPAT reflects year to 31/12 and normalisation adjustments

The JV is a substantial wealth management vehicle with a value of \$3.75b

	2001 PAT	FUM *	Value	PE (x)
ANZ	\$ 45m	\$14.1b	\$ 879m	19.5
ING	\$142m	\$24.2b	\$2,874m	20.2
	<u>\$187m</u>	<u>\$38.4b</u>	<u>\$3,753m</u>	<u>20.1</u>

ANZ's stake (\$3,753m @ 49%)	\$1,839m
Less value of ANZI	\$ 879m
Capital contribution	<u>\$ 960m</u>

** Includes \$4.7b V2+ FUM, and also includes Australia and New Zealand FUM*

JV established at fair value

	2001 PE	Value as % of FUM	PAT / FUM (%)	Retail as % of total FUM
ANZ	19.5 x	9.3%	0.48%	91%
ING	20.2 x	11.9%	0.59%	84%

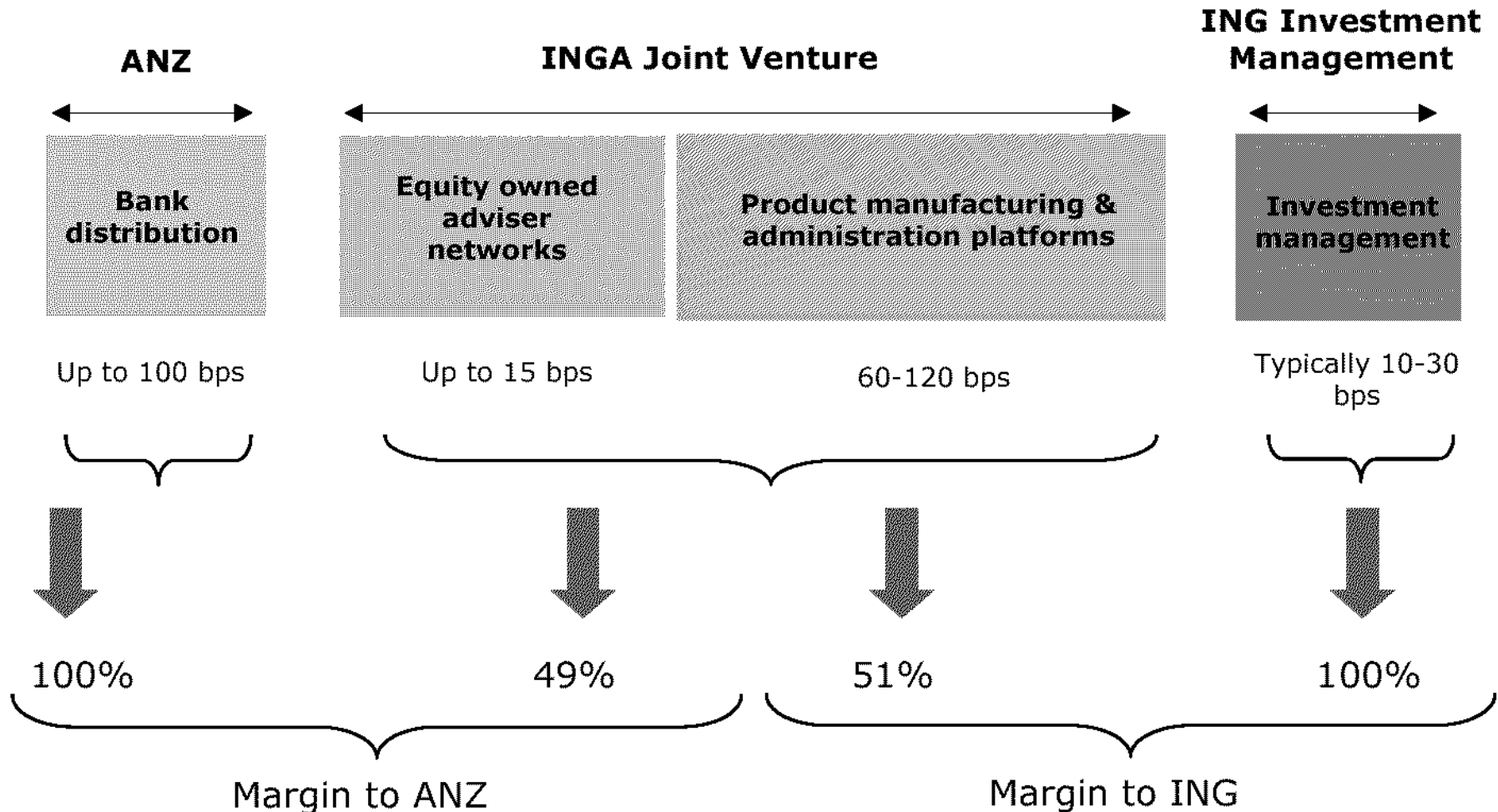
Recent transaction multiples	Historical PE (x)	Value as % of FUM	PAT / FUM (%)	Retail as % of total FUM
NAB/MLC	20.7 x	15.2%	0.73%	60%
Principal/BT	25.0 x	5.5%	0.22%	46%
Colonial/Prudential Life	17.8 x	13.5%	0.76%	67%
Colonial/Legal & General	19.2 x	15.4%	0.80%	38%

Source: Assirt and Company Reports

ANZ FUM excludes V2+

FUM includes Funds Under Administration

Sources of FM revenue to JV partners



*Note: principle of arms length/market based pricing for all commissions
Margins are indicative only and vary by product*



ING Australia Market Update

21 March 2006

Paul Bedbrook

CEO, ING Australia

INGA is well positioned for growth

- INGA is a significant player in wealth management
- Structured around five P&L business units – each with growth opportunities
- Solid financial results with good returns to shareholders
- Challenge is to capture growth while creating an efficient platform for the business

INGA is a significant player with a balanced business mix

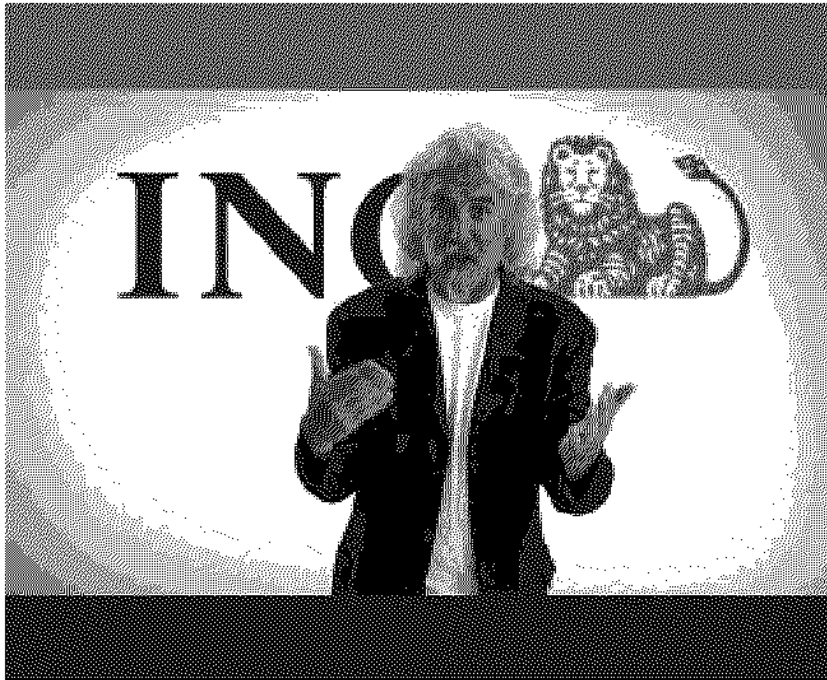
INGA Market Share/ Rankings

	FUM / Life Risk Inflows			New Business		
	\$	Market Share	Rank	\$	Market Share	Rank
Life Risk ¹	\$552m	11.3%	4	\$98m	9.8%	3
Employer Super ²	\$8.8bn	13.9%	3	\$1.8bn	-	-
Personal Investments ³	\$21.3bn	5.5%	5	\$4.4bn	4.8%	5
Advice ⁴ (#)		1,066	4	-	-	-

Source: 1) Life Risk – Plan For Life Sept. 05, Total Inflows, includes Direct Insurances underwriting; (2) Dextx&R Employer Super League table employer master trusts, Sept. 05., new business not available; (3) Funds Mgt - Plan for Life Sep.2005 Retail ex cash ex Corp Super Masterfund, Marketer View (rankings exclude badged wraps) New business = gross inflows Sep04-Sep05 note some overlap with employer super definition; (4) Money Management Top 100 Dealer Group survey June 2005, Adviser numbers, ING numbers updated to Jan 2006.

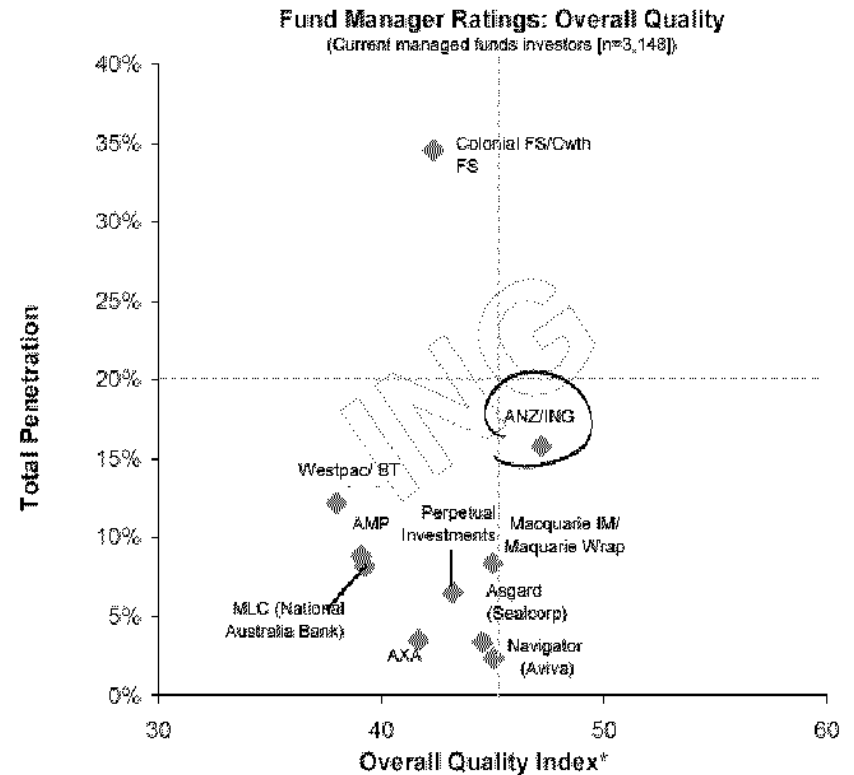
ING has the leading consumer brand in wealth management

Billy Connolly Advertising Campaign



Note: 1) 2005 AC Nielsen Survey end-customer survey, Main Fund Manager Overall Quality/Service Rating;

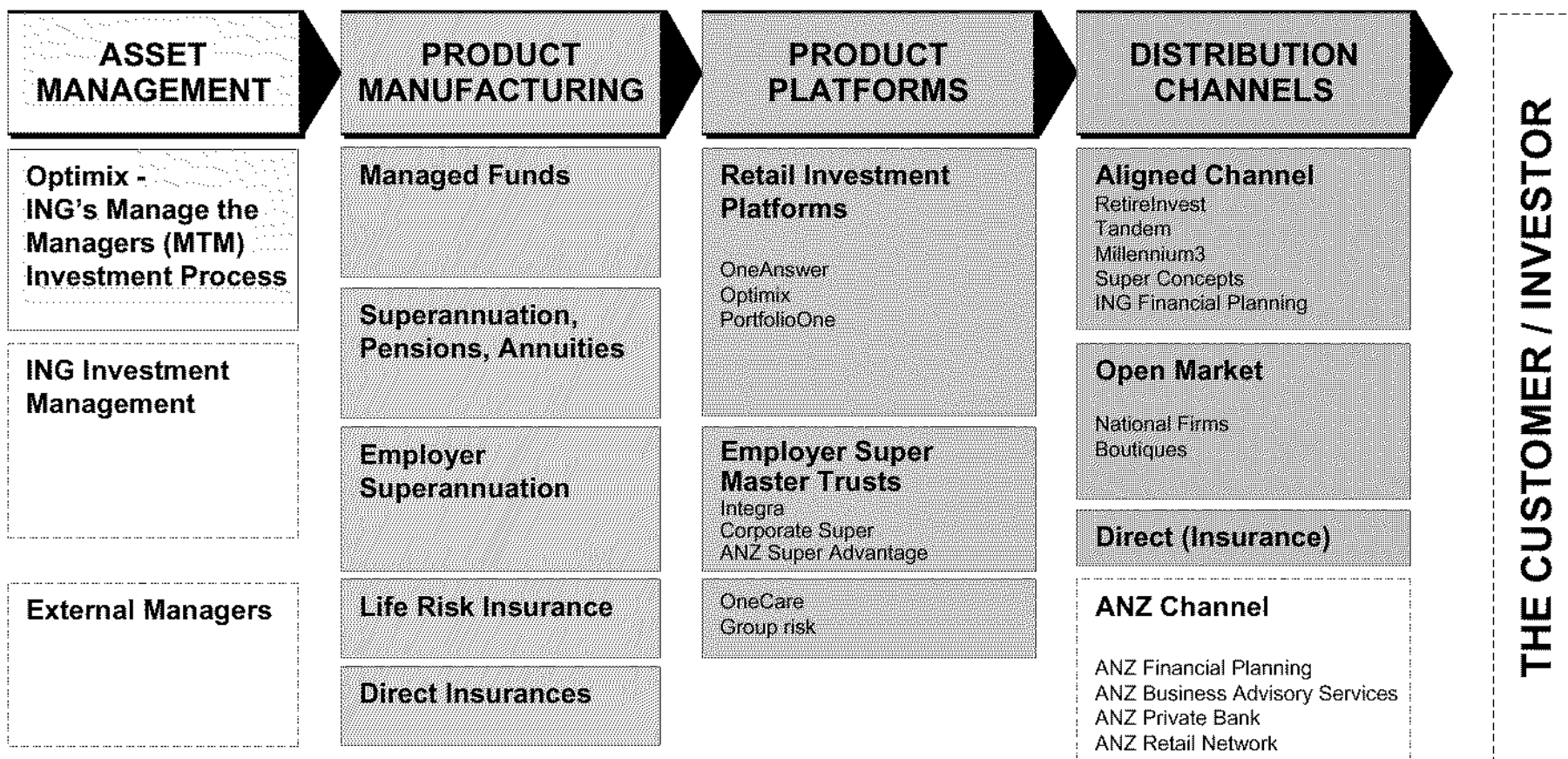
End-Customer View of Fund Manager Overall Quality¹



*Average Point Score of transformed scale ratings: Excellent=100, Above Average=50, Average=25, Below Average=25, Poor=0.

ING Australia links all parts of the value chain

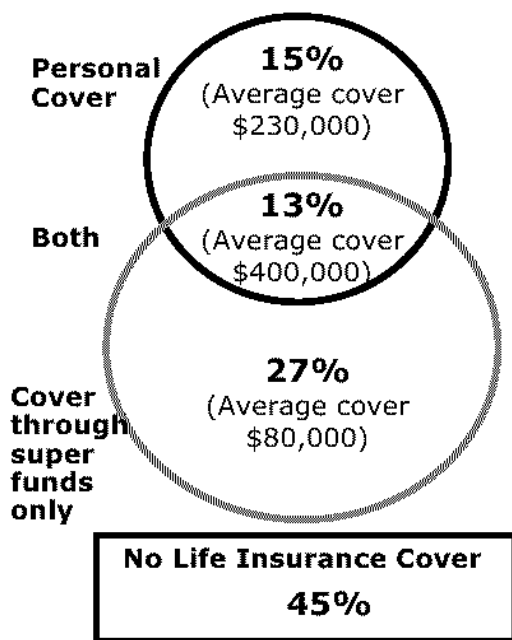
ING Australia's Operations



Life Risk - leading retail risk product growing our business rapidly

Australians are underinsured ...

Insurance Gap¹



... ING has launched the leading retail risk product 'OneCare'...

Innovative – new ways of looking at existing products, and introduces new products.

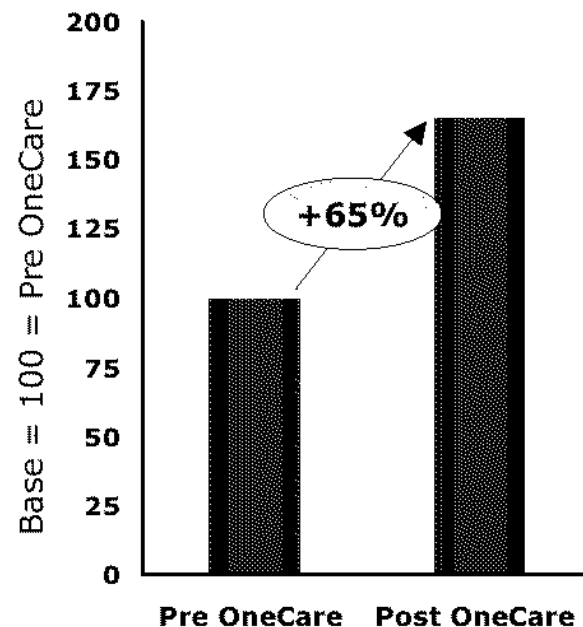
Flexible – changes in line with clients' changing needs.

Customer focussed solutions – rewards clients for having multiple relationships and/or covers with us.

Rated highly – Independent research houses have rated OneCare as a leading product

... which is growing rapidly

Weekly Application Value²



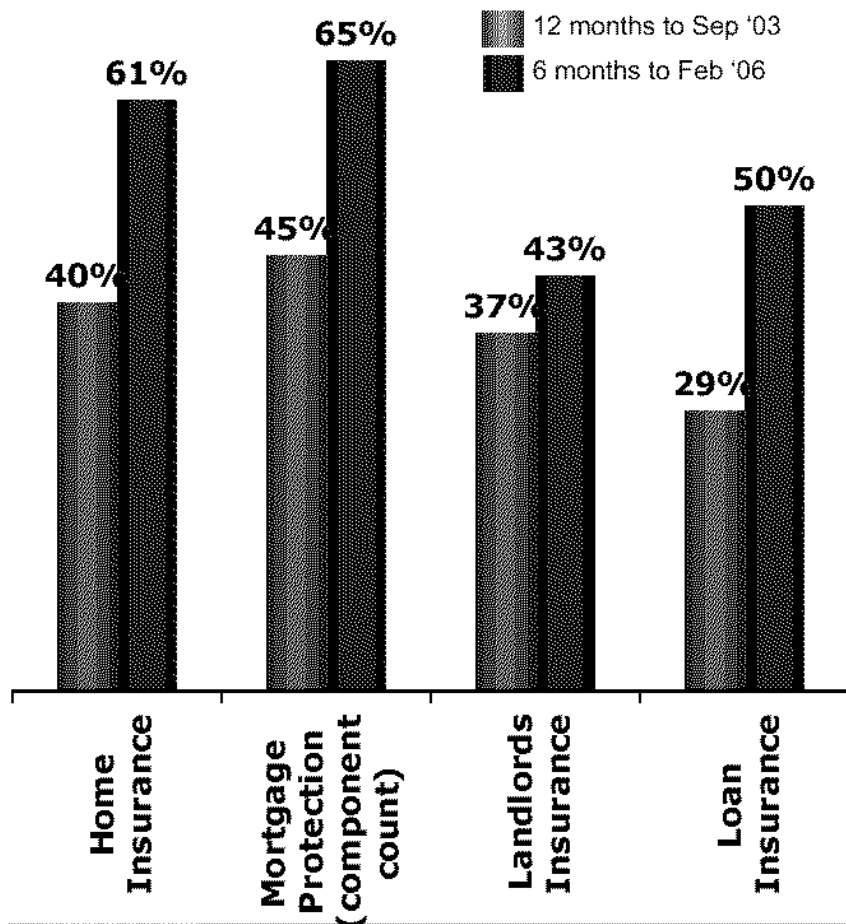
Note: 1) Source: IFSA/TNS report June/July 2005 – Investigating the Issue of Underinsurance in Australia Sample size – 606, over 21 years of age, at least one financially dependant child living at home, married or single

2) INGA began accepting OneCare business in November 2005; data to week ending 17 February 2006

Direct Insurances - successful cross-sell with ANZ branches and growing direct business

Loan Linked Insurances – Strike Rate

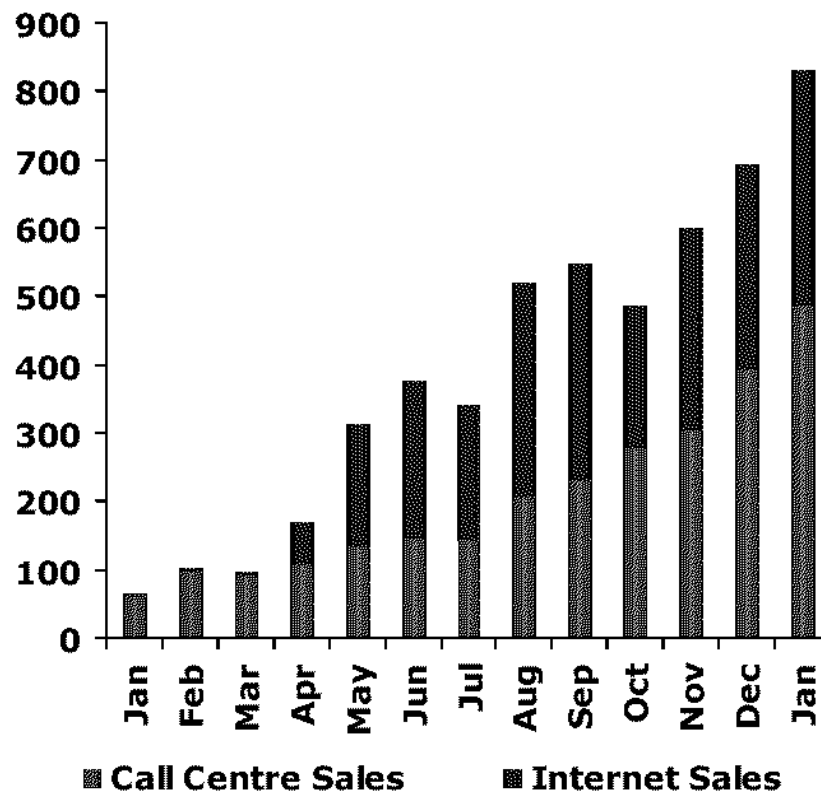
Policies sold as % of Loans Written – ANZ Network



Direct General Insurance Sales – ING Branded

(Jan 2005 – Jan 2006)

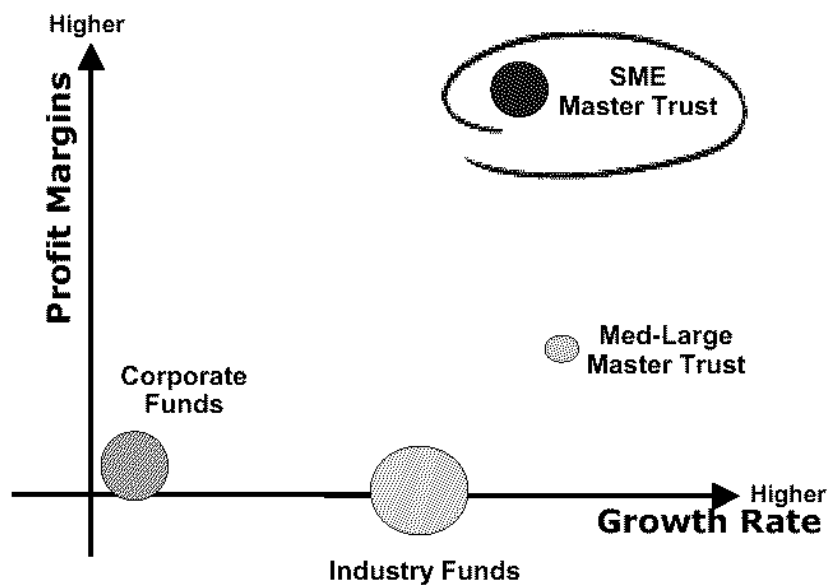
Policies sold



Employer Super - well positioned in favoured SME segment

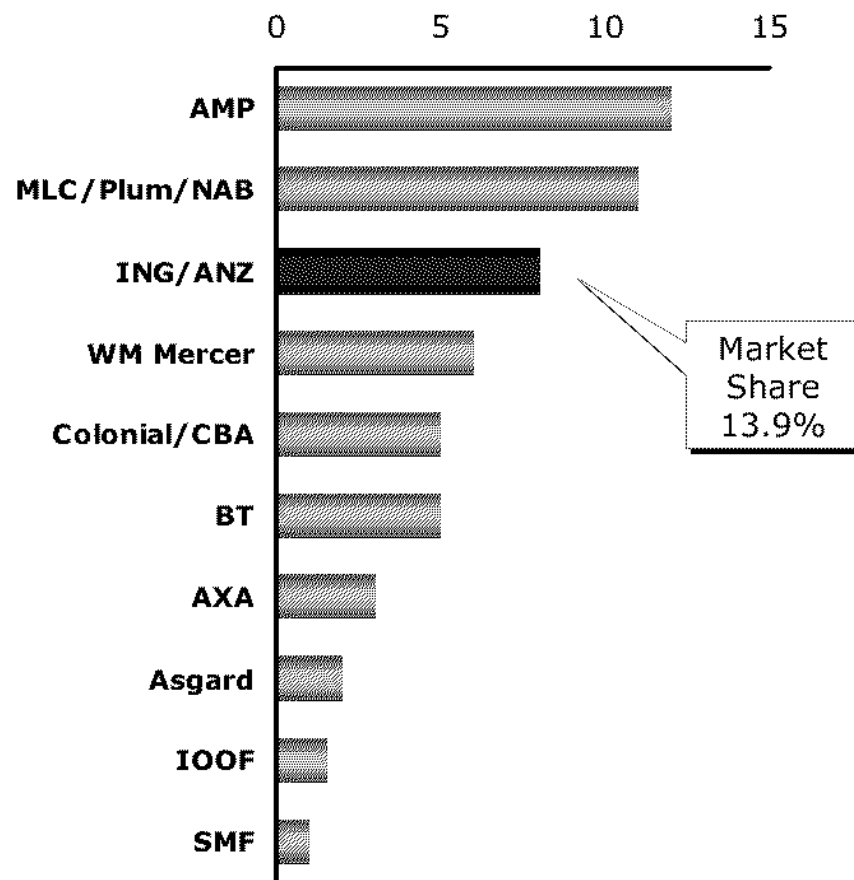
Employer Super Market¹

(Size of bubble reflects size of segment in FUM)



Employer Super Master Trust²

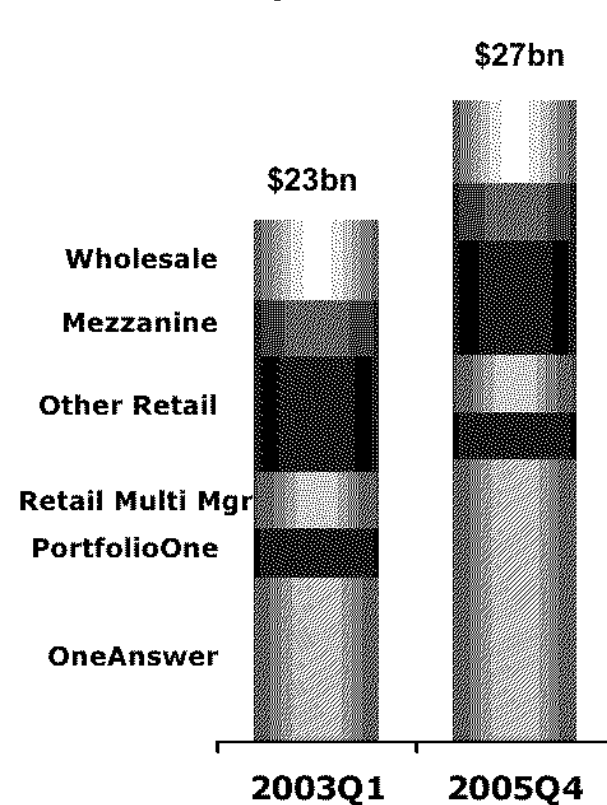
(SME and Med-Large, FUM \$bn)



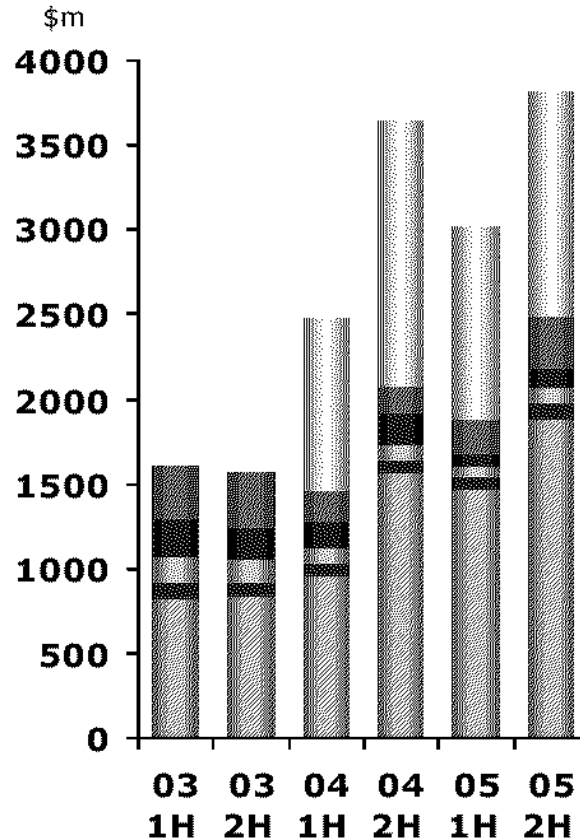
Note: (1) Source of data: ING estimate, DEXX&R, Plan for Life. (2) DEXX&R Report, September 2005

Personal Investments - focus on growing OneAnswer and managing mature legacy products

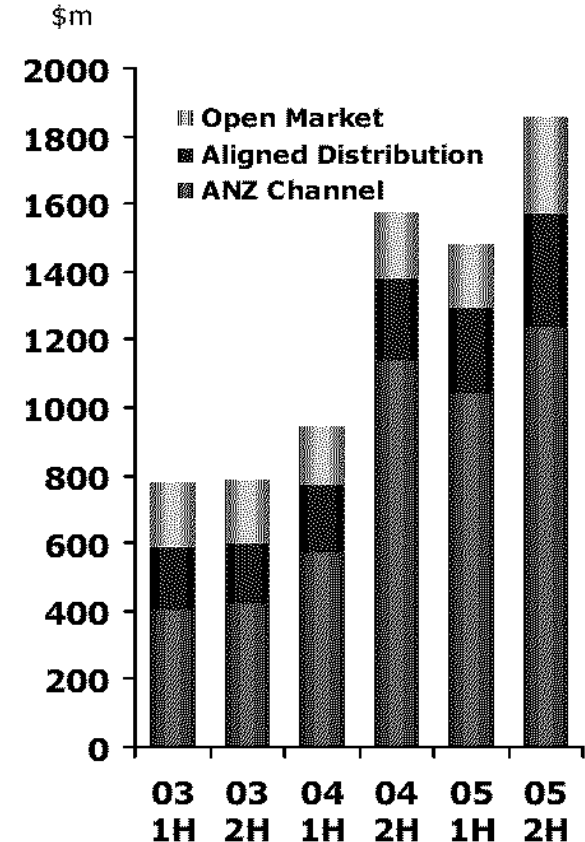
**Personal Investments
Funds Under Management
by Product**



**Personal Investments
Sales by Product**



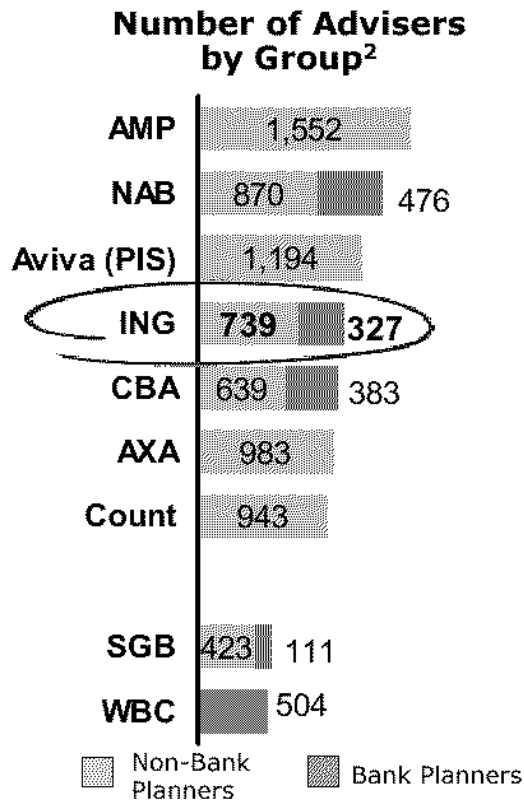
**OneAnswer Sales
by Channel**



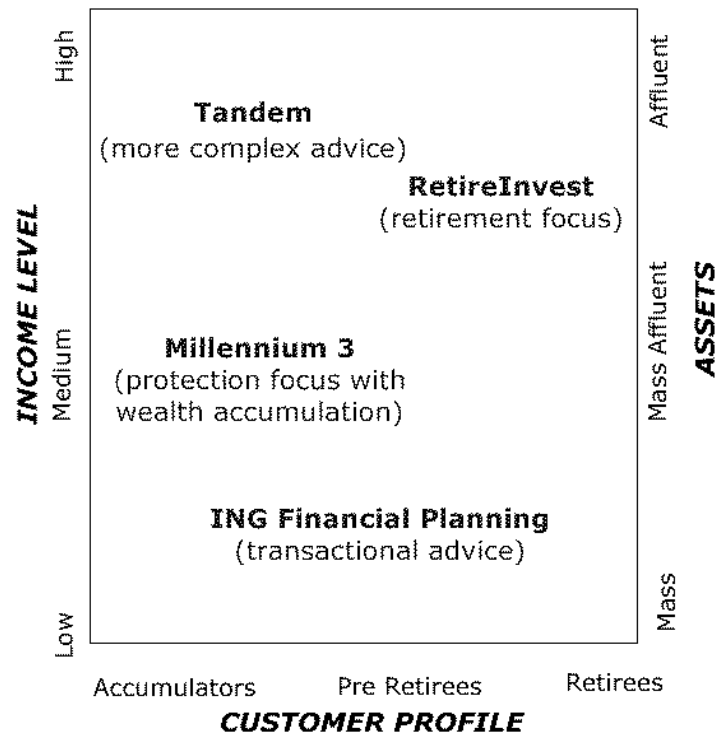
Notes: (1) INGA data

Advice - Adviser numbers growing, dealer group business models reviewed

Growing aligned and bank adviser numbers to top 3 ...



... through differentiated dealer group models ...



... and RetireInvest franchise recharged

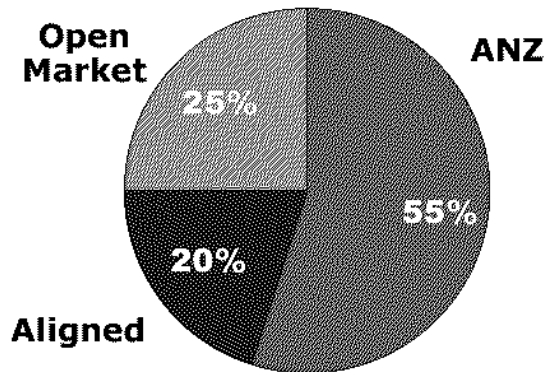
- Pioneer and one of Australia's most respected financial planning brands
- Leading market position in serving pre/post retirees
- Completed comprehensive restructure of business operations in 2004/5
- New franchise agreement and dealer services focus on growth and productivity
- As a result approximately 50 advisers left during 2005, immediately replaced in new business model
- Moving to fee-for-service
- Returned to growth

Source: (1) Channel production of Retail & Mezzanine investment products; (2) Money Management Top 100 Dealer Group survey June 2005, Adviser numbers, ING numbers updated

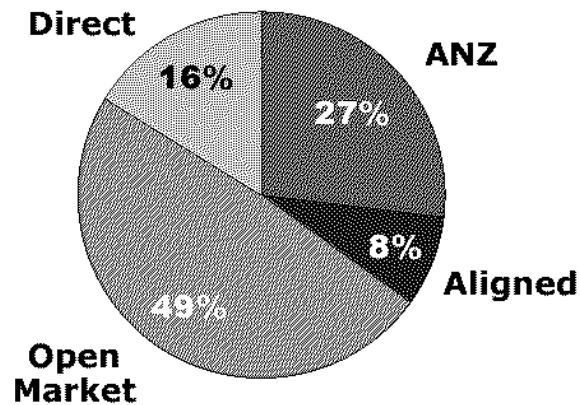
Diversified distribution

2005 Sales by Channel

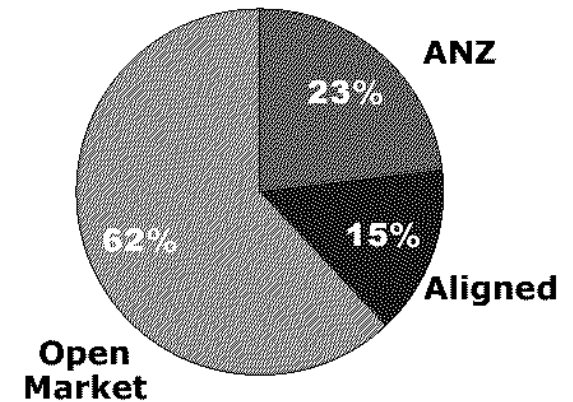
Personal Investments
(Retail + Mezzanine)



Employer Super



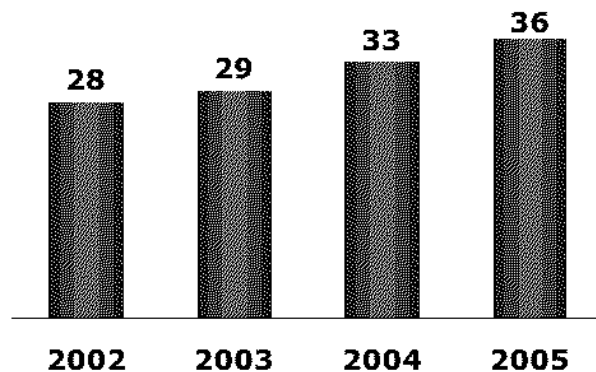
Life Risk
(Retail Risk)



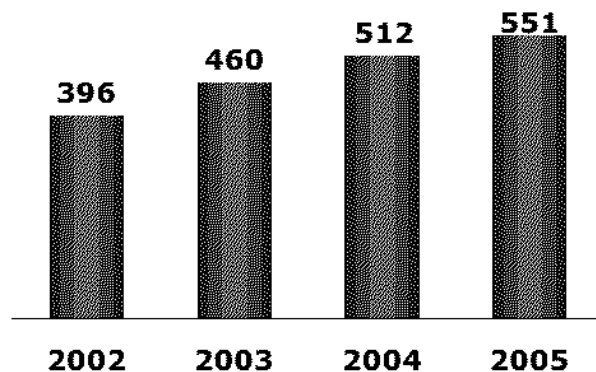
Source: (1) Personal Investments direct sales included in Open Market

Strong growth in key business drivers and improved efficiency...

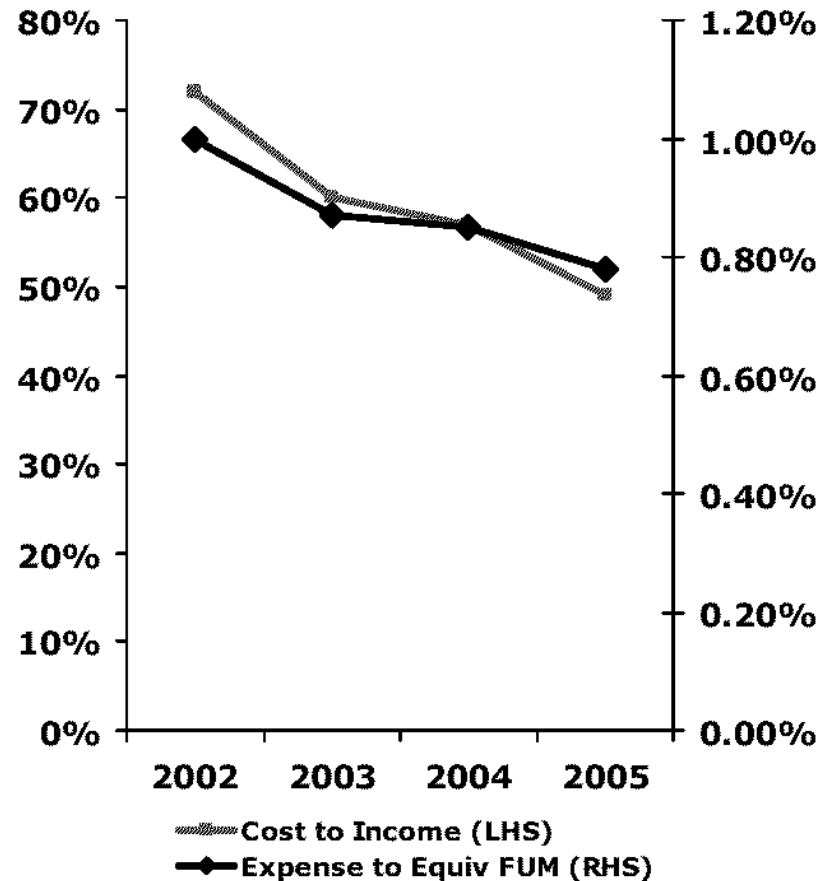
Funds Under Management¹
(AUD \$bn)



Life Risk In-force Premium²
\$AUD m



Efficiency^{3,4,5}



Note: (1) FUM for 100% of Joint Venture, excludes New Zealand, excludes V2+ cash product; (2) Life Risk in-force premium for 100% Joint Venture Australia only; (3) Efficiency ratios for joint venture excluding New Zealand; (4) Equivalent FUM converts life risk premiums using multipliers of individual 25, group 10, single premium 4; expenses are underlying Australian management expenses; (5) Income is fees less commission, expenses are underlying Australian management expenses

...driving improved underlying financial performance

Core financial results flat after absorbing remediation and loss of transitional tax relief - producing strong returns to shareholders

Profit and Loss¹

	2005	2004
Net Revenue Funds Mgt	401	384
Net Revenue Life Risk	227	200
Expenses	(373)	(351)
Remediation	(44)	(33)
Tax	(29)	(23)
Core Earnings	181	178
Capital Invest Earngs	121	122
Interest on Debt	(32)	(1)
Tax	(25)	(34)
Cap Invest after tax	65	87
Profit After Tax	246	264
Intangibles Amtsn	(3)	(8)
Profit After Tax & Amtsn	243	257
New Zealand	63	10
	306	267

Shareholder Returns

	2005	2004
• ROE (excl NZ)	16.5%	14.1%
• Dividends (FF)	\$260m	\$77m
• Commissions	\$100m	\$76m
• Growing global relationship		
• Custodians		
• Banking		
• Audit		
• IT Services		
• Sourcing		
• Wholesale banking for ING Group		

Results are for 12 months to 31 December, and prepared under AIFRS. Accordingly care should be taken in comparing these results to those previously disclosed by ANZ

Challenge is to capture growth while creating an efficient platform for the business

Challenges

INGA's Responses

Differentiation for growth



- Launched new retail risk product in 2005
- SME super segment focus
- Renew service proposition
- e-business capability improved

Resolving legacy issues



- Remediation project well advanced
- Restructured the Advice Business

Margin squeeze in investment
& need for greater efficiencies



- Rationalise legal entities & products
- Build scale
- BAU expenses flat

Compliance environment



- Risk management strengthened
- Compliance culture developed
- Strengthening compliance with a structured project regime

Summary

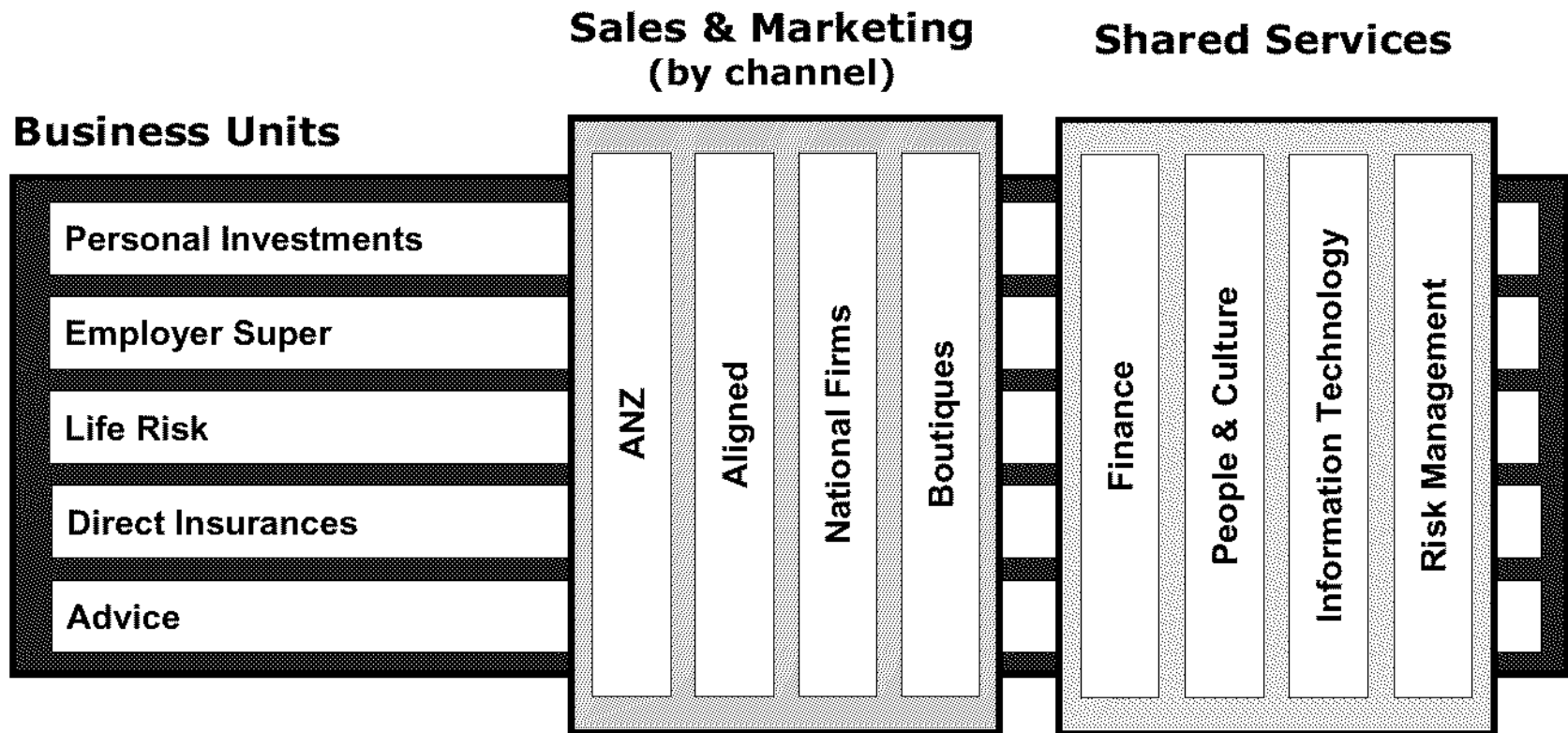
INGA is well positioned for growth

- INGA is a significant player in wealth management
 - Leading Consumer Brand
 - Integrated Value chain
 - Top 5 by market share
- Structured around five P&L business units
- Solid financial results with good returns to shareholders
- Challenge is to capture growth while creating an efficient platform for the business
 - Remediation ring fenced and complete by end 2006
 - Infrastructure
 - First! Think Customer program lifting service standards

Additional Information

INGA Structure

Organised around product/market segments



06

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Australia and New Zealand Banking Group Limited
21 March 2006

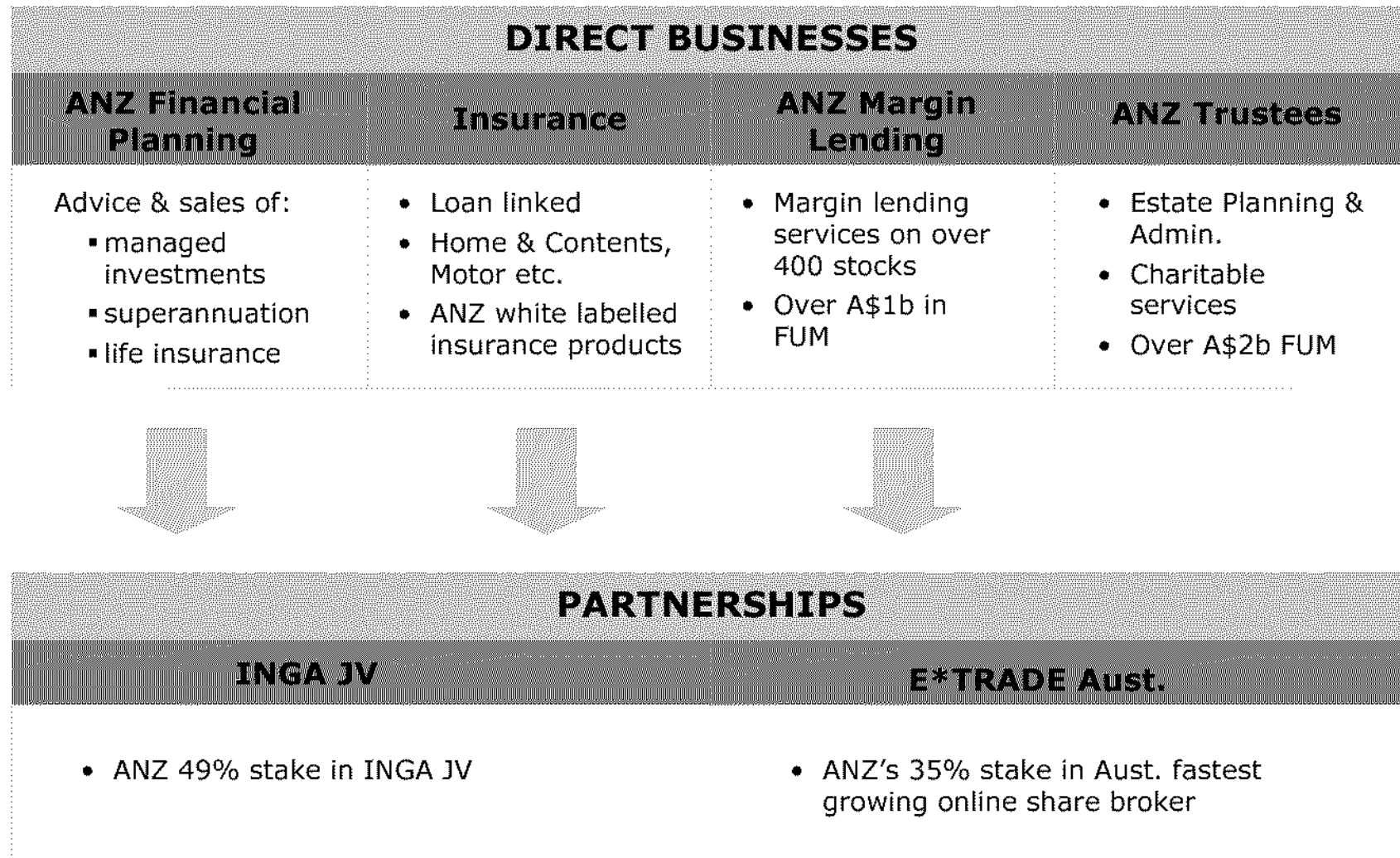
Geoff Cohen

MD, Investment & Insurance Products

www.anz.com



Investment and Insurance Products overview



Five key elements to ANZ Financial Planning (“ANZFP”) business model

1. Separation of distribution

- Distribution via ANZFP, manufacture via INGA

2. ‘Practice manager model’

- Specialist planners and specialist support function servicing defined region

3. Referral partners

- Retail Bank, Regional and Rural Bank, Business Bank and Mortgages

4. Products

- Focus on managed funds via platforms and best of breed risk products

5. Rollout of fee for advice model

Strong ‘specialist’ distribution network

Practice Managers

(34 across Australia)

Financial Planners

(170 across Australia)

Financial Planner Assoc.

(103 across Australia)

Support Planners

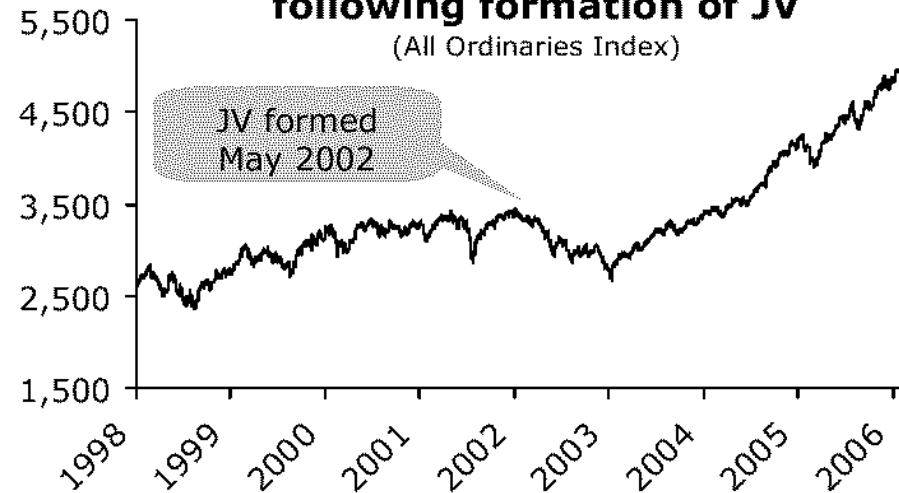
(28 across Australia)

ANZFP growing solidly after a period of rationalisation following JV formation

- Softening in market conditions following JV formation necessitated revision of original growth forecasts around;
 - Financial Planner numbers
 - FUM inflows
 - Number of referrals
- Material reduction in planner numbers undertaken in 2002/3
- Strong performance since 2003 reflects
 - Improved market conditions
 - More engaged and efficient financial planner network
 - Specialist focus on ANZFP

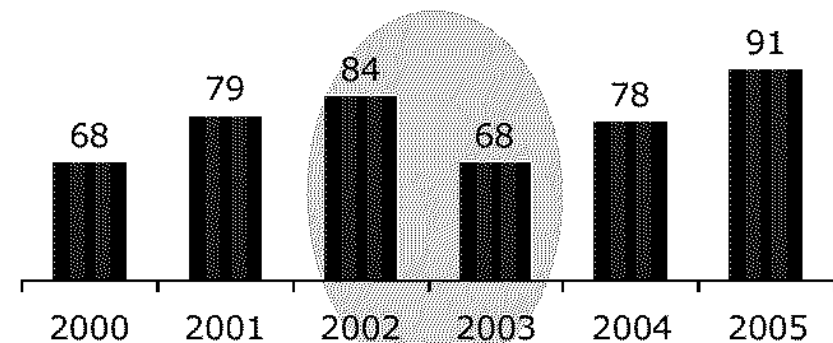
Stock market softened in 2002 following formation of JV

(All Ordinaries Index)



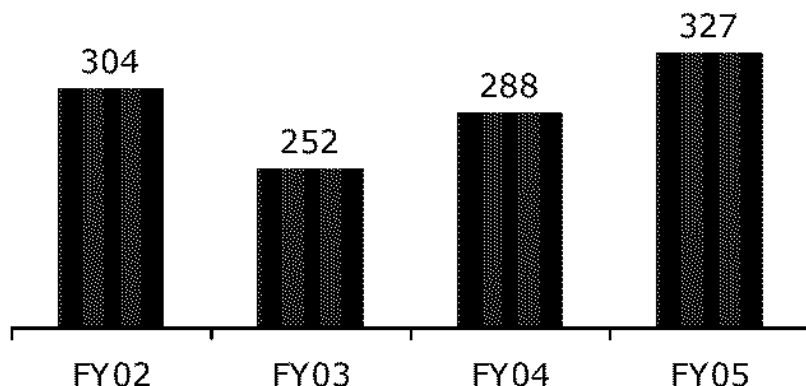
Sector retail inflows impacted by market downturn

(excl. Cash Management A\$b)

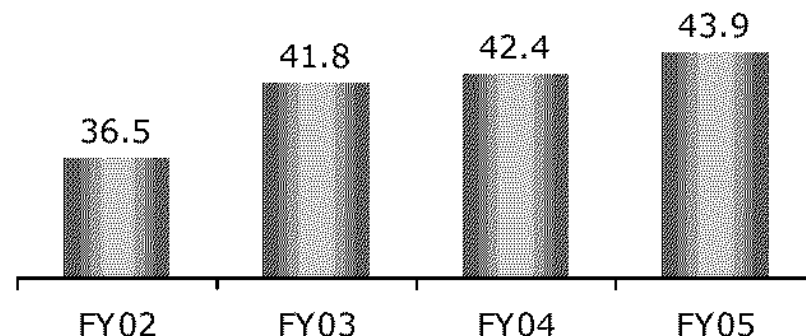


Solid momentum in all key business drivers

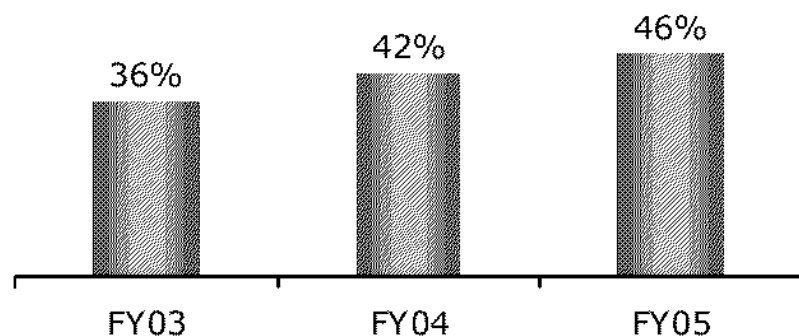
Solid growth in planner numbers following restructuring in FY02



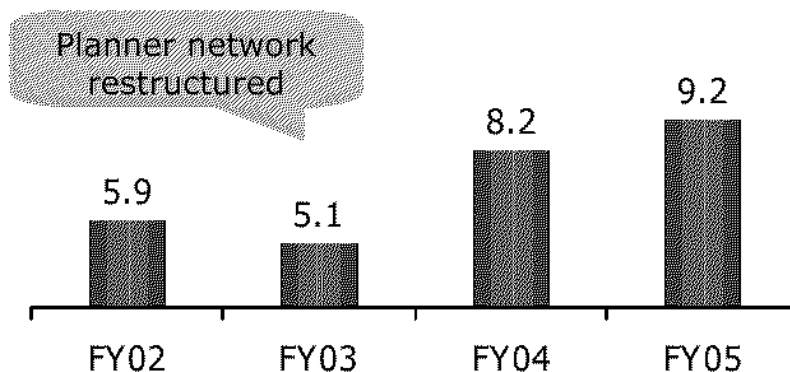
Referrals continue to increase ('000)



Improving referral conversion rate*

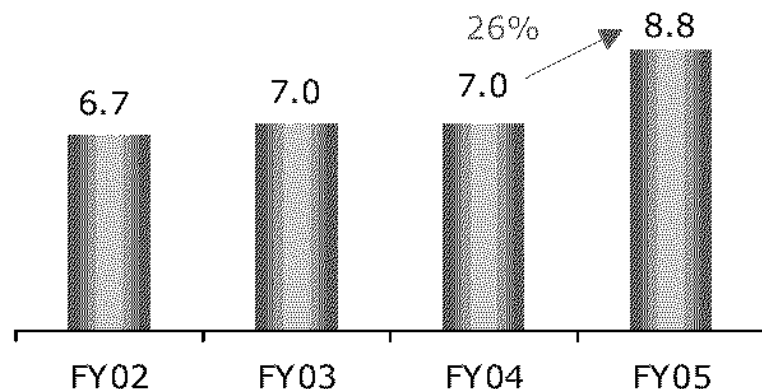


Increased productivity following restructuring (Managed Investment flows per adviser (\$m))

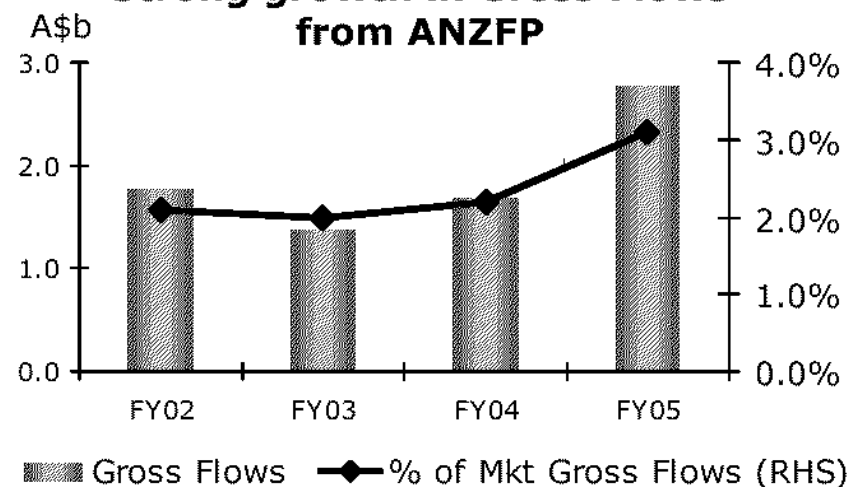


Profitable and productive business

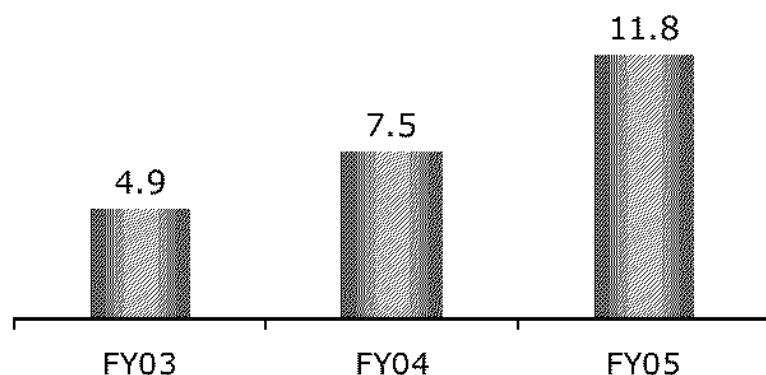
Strong FUM growth momentum (\$b)



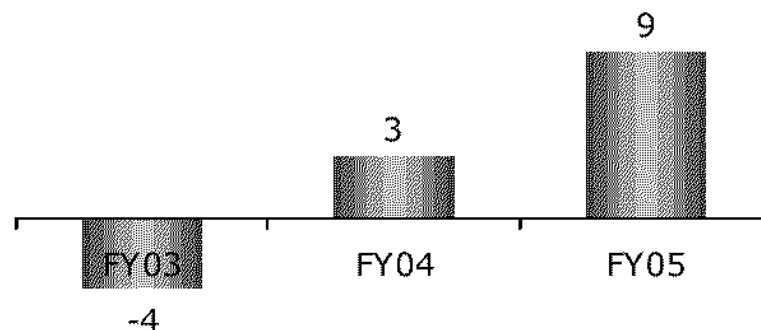
Strong growth in Gross Flows from ANZFP



Life insurance risk sales (\$m)



Good NPAT momentum resulting from increased focus (\$m)



ANZFP is well positioned for continued growth

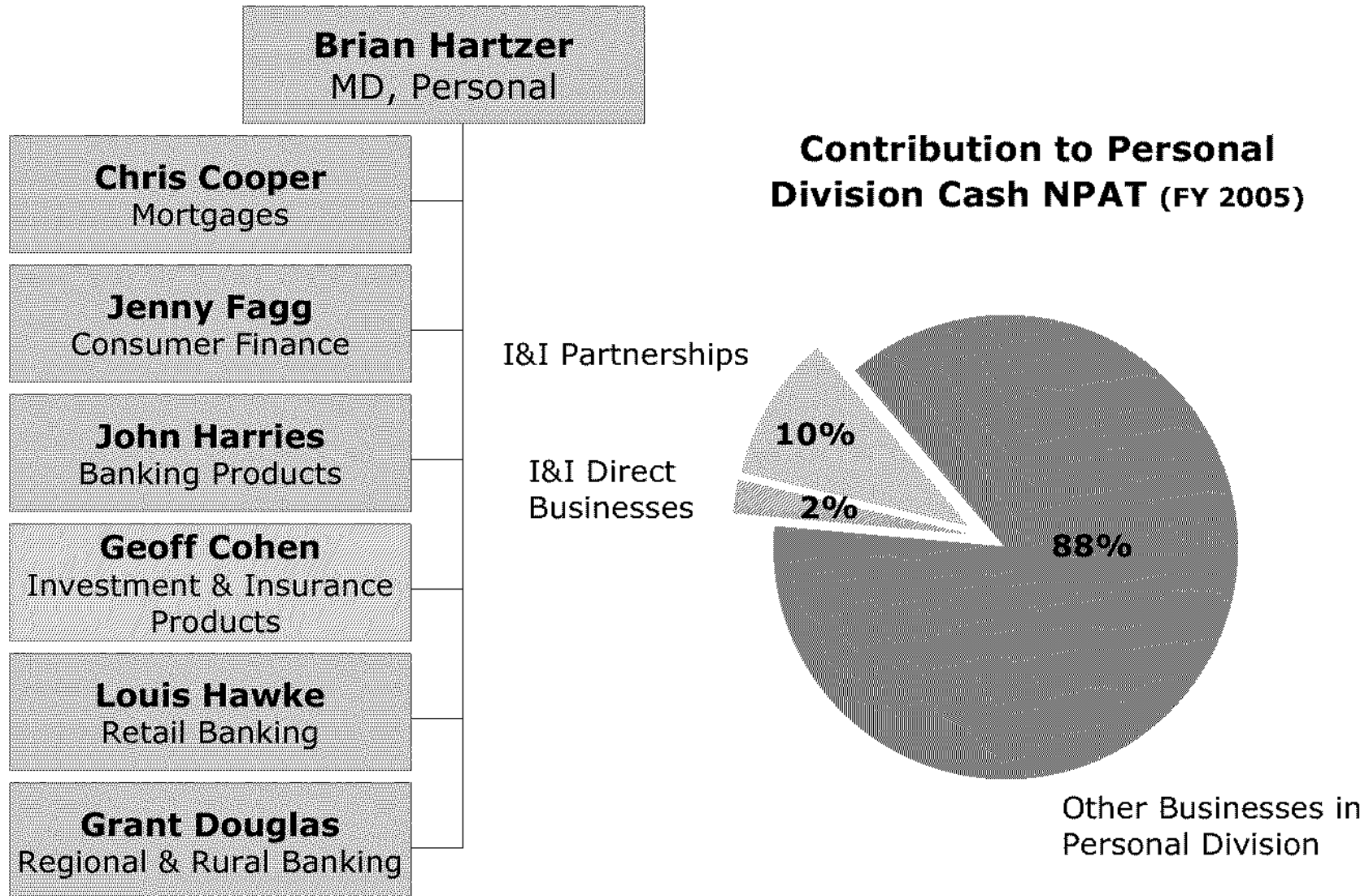
- Build upon strong current momentum through:
 - Continued investment in footprint
 - Improving relationships with referral partners
 - Increasing planner engagement to deliver improved referrals and conversions
 - Continuous sales process improvement and IT investment
 - Focus on convenience & simplicity eg fee for advice



***Strong
position to
increase
volume of
flows to
ING JV***

Additional Information

Personal Division Organisational Chart and I&I NPAT contribution



Funds under Management reconciliation*

	Sep-02 (A\$b)	Sep-03 (A\$b)	Sep-04 (A\$b)	Sep-05 (A\$b)
Retail & Mezzanine	24.0	26.1	27.2	31.7
Wholesale	2.6	2.5	3.6	3.8
Cash (includes V2+)	5.0	6.1	7.2	7.9
Total	31.6	34.7	38.0	43.4

*excludes New Zealand FUM

The material in this presentation is general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

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