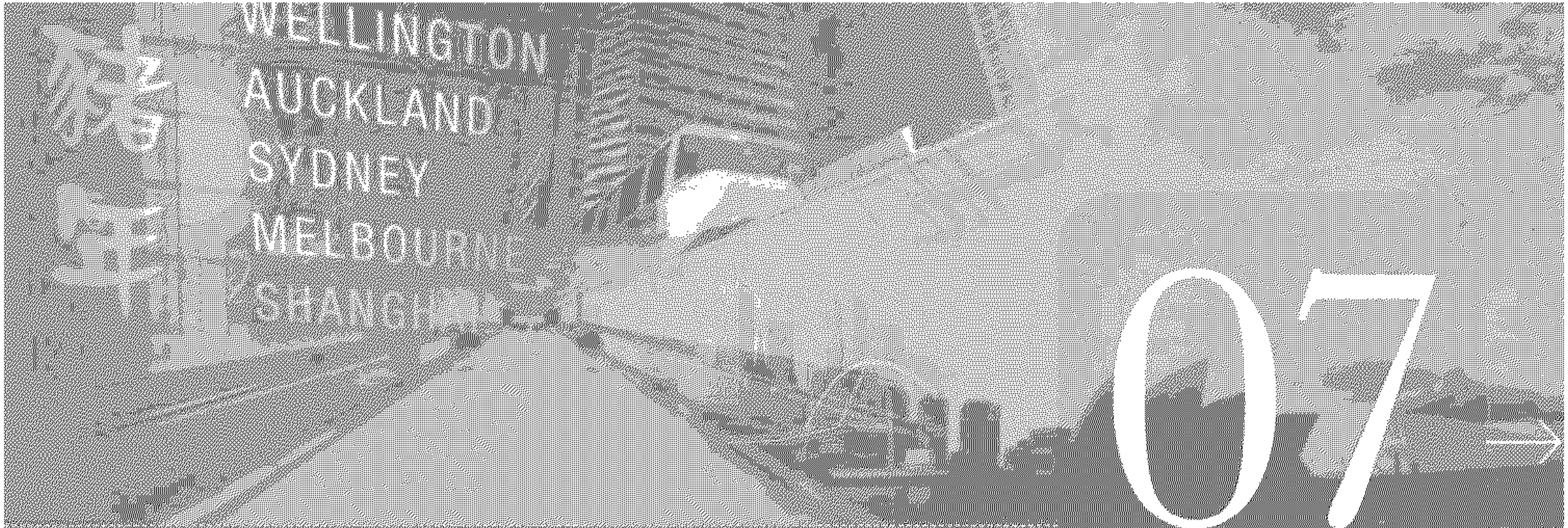


UBS Financial Services Conference

Australia and New Zealand Banking Group Limited

14 May 2007

John McFarlane
Chief Executive Officer

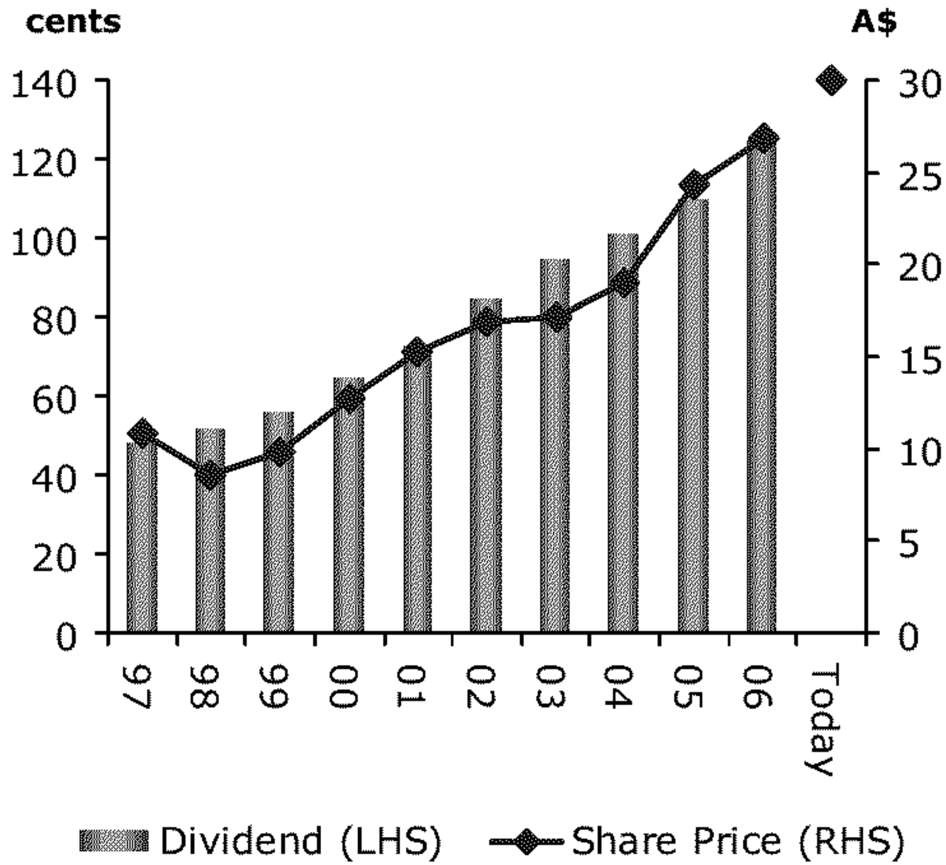
www.anz.com

ANZ today

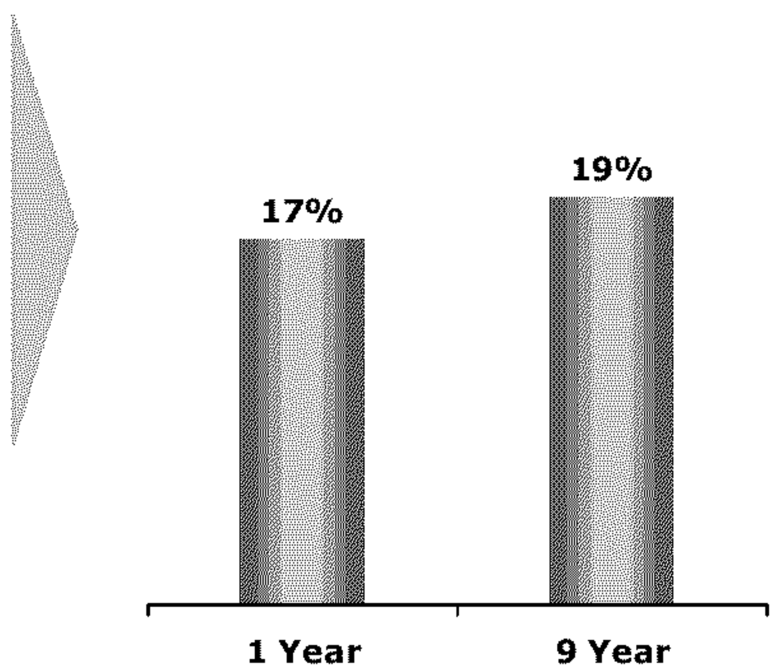
- 6th largest company in Australia, largest in New Zealand
- 33,000 staff, 6 million customers
- Market Capitalisation A$57b
- 30 countries, focus on Australia, New Zealand, Asia, Pacific
- Asia, customer focus, and our engaged culture are key points of difference

We have consistently delivered for shareholders

Share Price & Dividends



Total Shareholder Return*



*Total Shareholder Return Compound Annual Growth Rate to 30 March 2007

...and we continued that performance in the first half

	Mar 07 v Mar 06	
Profit after tax	**↑ 16.1%**	
Cash* profit after tax	**↑ 11.8%**	
Revenue Growth	**↑ 9.1%**	(10.4%#)
Cash* profit before provisions	**↑ 12.1%**	
Cash* EPS	**↑ 10.9%**	
Dividend	**↑ 10.7%**	

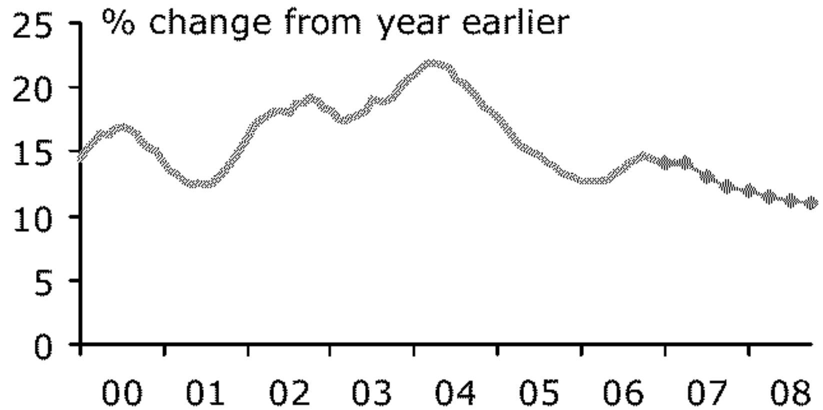
Cost-income ratio improved 1.5%

Provisions rising to more normal levels, offset by large recovery

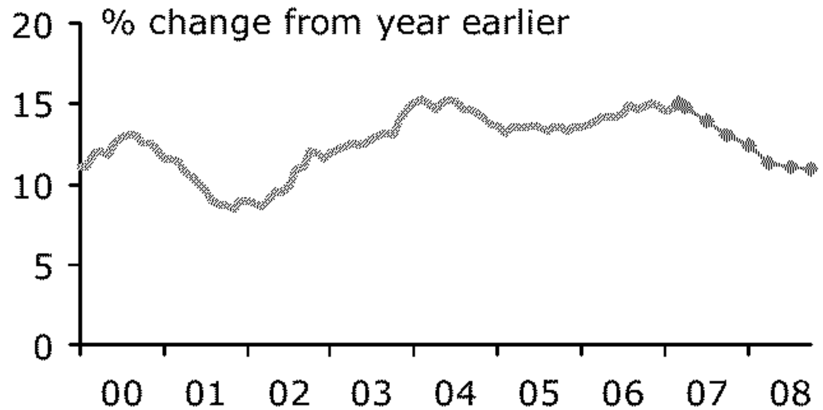
**adjusts headline numbers significant items & inc integration costs & fair value hedge gains/losses*
 # FX adjusted

Environment has been supportive, but slowing a little

<u>Housing credit</u> has been strong for an extended period, but slowing



<u>Total credit</u> growth benefiting from business lending, but also expected to slow



Going forward, it will be even more important to make clear choices about:

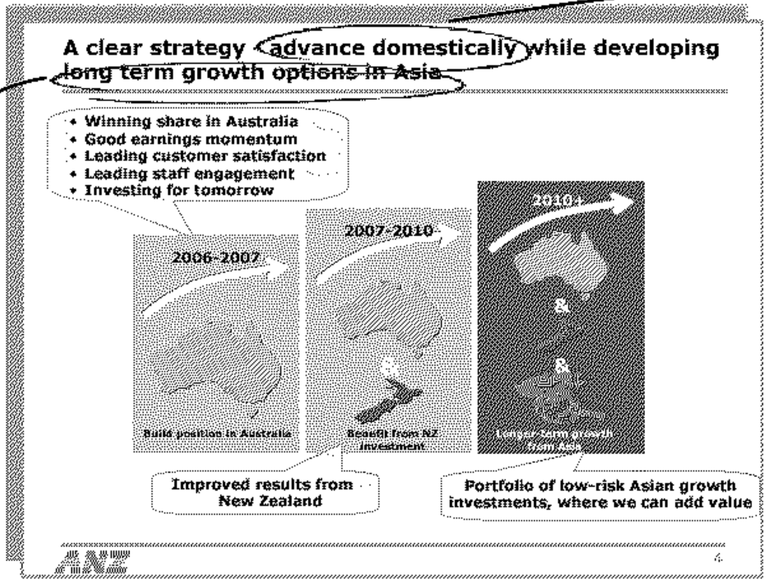
where you play

<u>and</u>

how you play

ANZ

Where you play: we've had a consistent and clear strategy



Domestic advancement

Personal
- ANZ now best-regarded major retail bank
- Opening 40 branches in 2007
- "More convenient banking" positioning
- Strong record of execution

Institutional
- Continued to reposition
  - De-emphasising non-core tax structured business
  - Diversifying from reliance on asset income
- Regained #1 lead bank position
- Substantial growth in Asia

New Zealand
- Dual-brand strategy working effectively
- Good outcome on customer retention
- Increased focus on efficiency gains
- Now seeing improved financial results

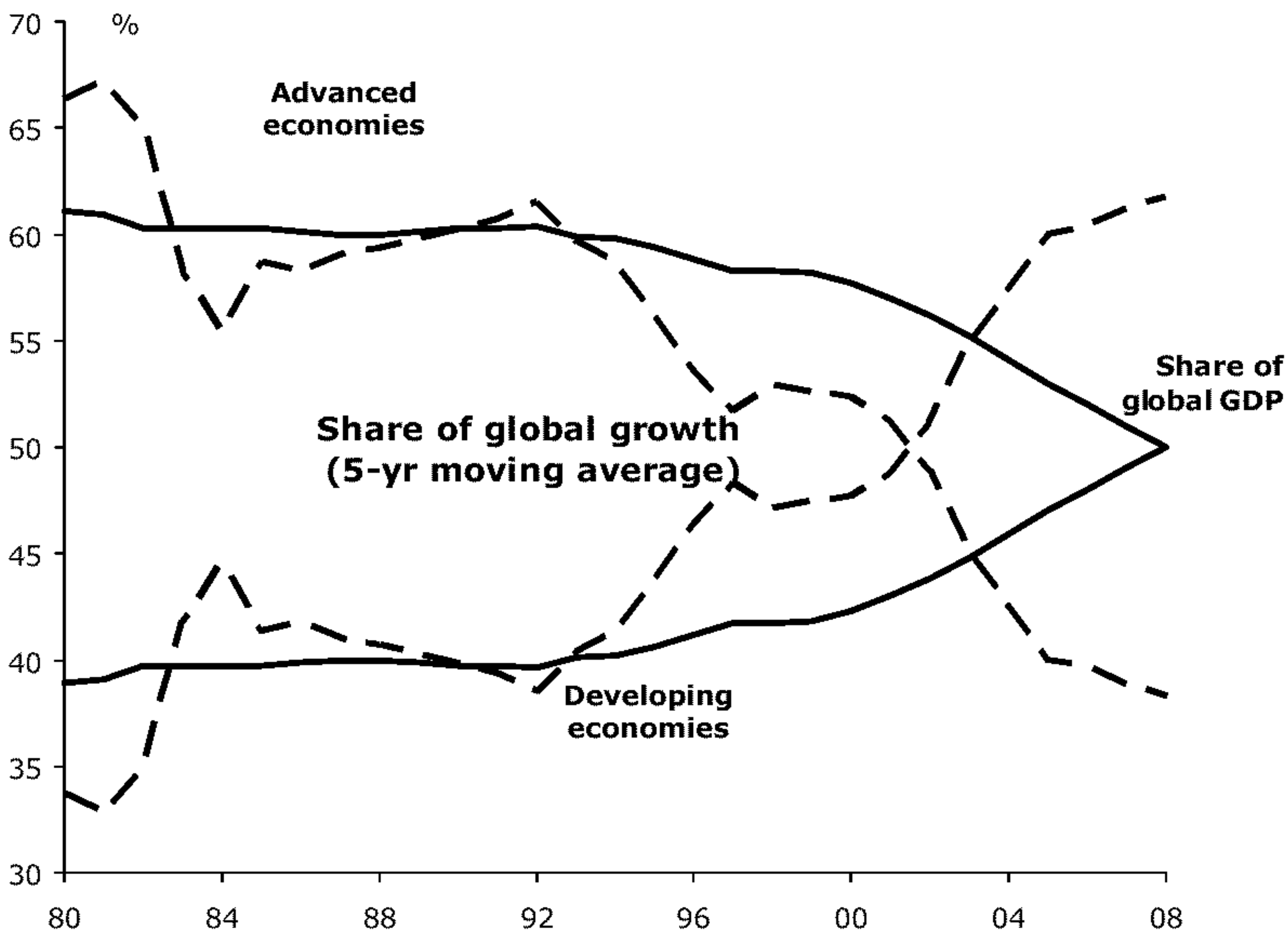
Wealth
- Improved performance from INGA
- Current bid for E*Trade
- Seeking opportunities, timing difficult

Asian expansion

Partnerships
- China/Malaysia/Indonesia/Vietnam/Philippines
- Seeking other expansion opportunities
- Focus on delivering value from investments

Institutional network
- Leading Australian bank franchise
- Present in all major markets in region

The big picture – the world economy is shifting...



'Advanced' economies comprise the US, Western Europe, Japan, Canada, Australia, New Zealand, Korea, Taiwan, Hong Kong, Singapore and Israel.
Sources: IMF, *World Economic Outlook*; Economics@ANZ.

...and as one of the leading banks in Asia with a presence in 14 markets, we are well placed to capitalise

* Memorandum of Understanding signed June 2006 for the development of a credit card joint venture with Sacombank

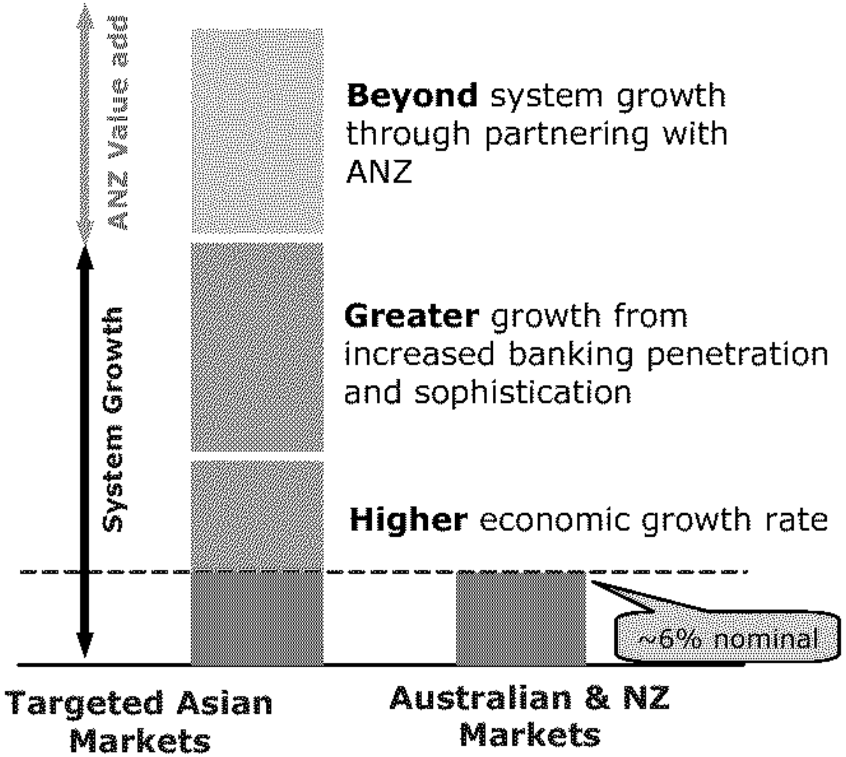
Growth rates in Asia will be sustainably higher, and more than compensate for the risk

Core Elements

1. **Markets with higher economic growth rates than Aust/NZ**
2. **Markets interconnecting strongly with Aust/NZ**
3. **Markets which are underbanked & less developed***
4. **Partners with good footprints in their markets**
5. **Opportunities for ANZ to add value**

Prospective Growth

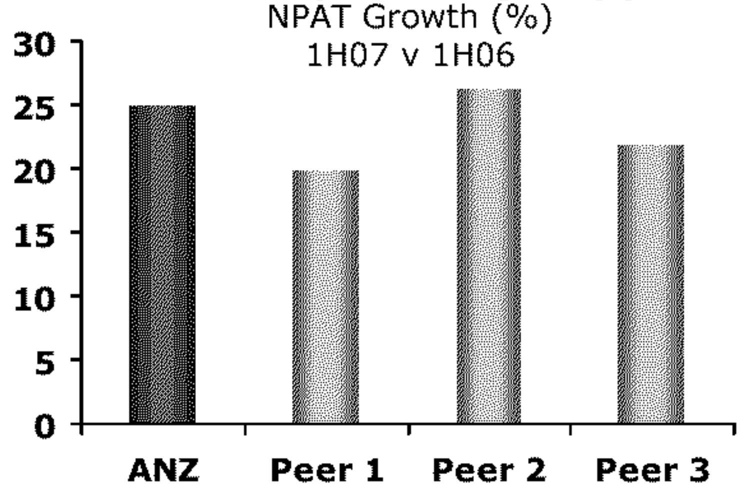
We are entering markets with much higher growth prospects Illustrative



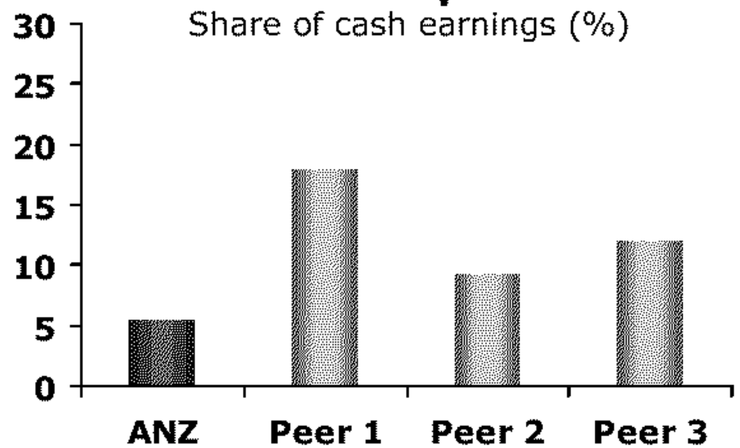
**focus on Consumer & SME Banking*

What about Wealth Management? An attractive segment, but need to take a balanced view

Growth rates have been strong, markets exceptionally supportive



ANZ has a smaller position in WM than peers



- Supported by superannuation laws
- But, late cycle in one of strongest bull markets in history, which is delivering average WM revenue growth across sector of 14-15% pa, not significantly greater than traditional retail banking
- Medium term FUM growth around 12% out to 2015*. Some margin decline expected
- Total revenue likely to be less than half of expected 20%-30%+ for Asia retail banking

- Prepared to acquire at a sensible price, but no sensible opportunities at the moment in the Australian market
- Now seeing much healthier returns from INGA Joint Venture, growing at or above peer average

Sources: ABS, RBA, Economics@ANZ

How you play - culture a key differentiator

Change in ANZ's values, as perceived by staff

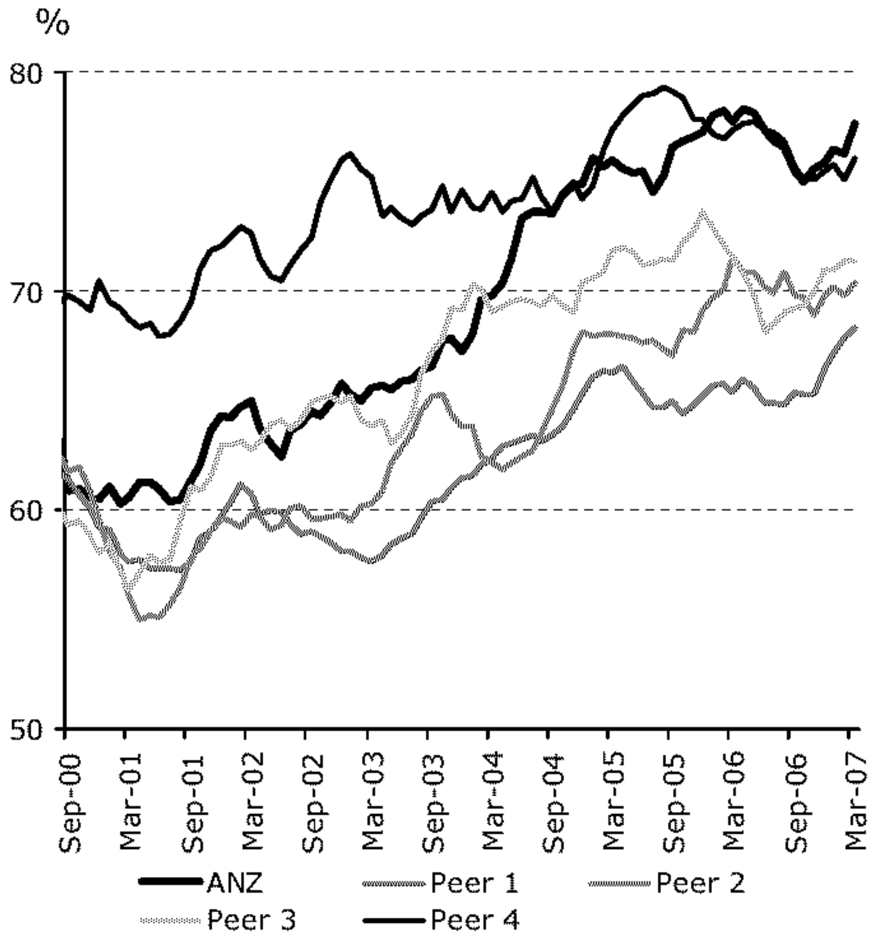
	2000	2002	2004/5	2006	2007
1	cost reduction	cost reduction	customer focus	profit	customer satisfaction
2	profit	customer focus	community involvement	customer focus	customer focus
3	shareholder value	shareholder value	cost reduction	community involvement	profit
4	accountability	accountability	accountability	accountability	community involvement
5	continuous improvement	continuous improvement	results orientation	organisational growth	results orientation
6	customer focus	profit	brand image	achievement	brand image
7	bureaucracy (L)	results orientation	achievement	brand image	shareholder value
8	achievement	achievement	profit	results orientation	accountability
9	goals orientation	community involvement	bureaucracy (L)	shareholder value	organisational growth
10	hierarchical (L)	customer satisfaction	customer satisfaction	cost reduction	teamwork
11	short term focus (L)	teamwork	continuous improvement	customer satisfaction	achievement
12	long hours (L)	being the best	shareholder value	being the best	cost reduction
13	commitment	organisational growth	teamwork	teamwork	being the best
14	risk-averse (L)	bureaucracy ((L)	being the best	perform	staff engagement
15		balance (home/work)	balance (home/work)	balance (home/work)	risk conscious
16		long hours (L)	perform	continuous improvement	balance (home/work)
17		productivity	best practice	best practice	values driven
18		brand image	long hours (L)	professionalism	diversity
19		hierarchical (L)	organisational growth	productivity	continuous improvement
20		can do approach	hierarchical (L)	risk-averse (L)	social responsibility
21					making a difference

Internal Classification (L) = potentially limiting value

A strong customer focus is helping drive revenue growth

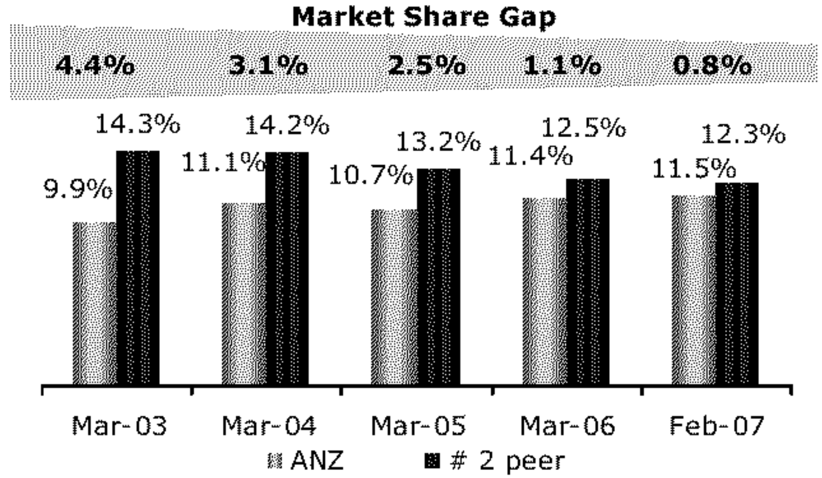
Highest Customer Satisfaction of the majors incl. St George

(Main Financial Institution*)



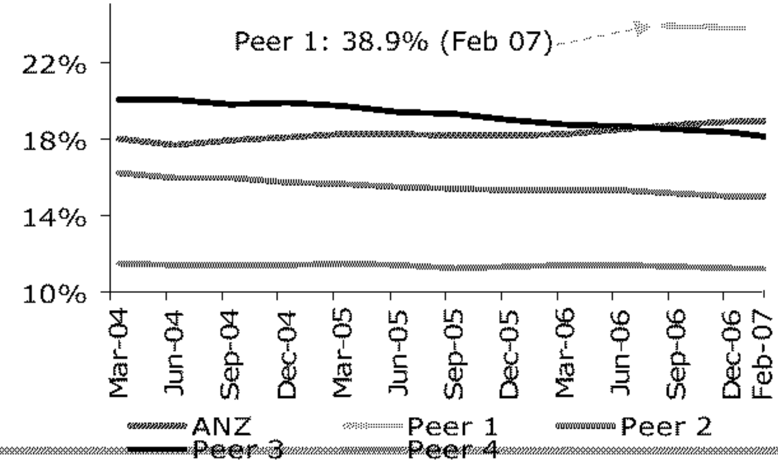
Continue to close on #2 market position

(share of Traditional Banking products)**



Number 2 in customer numbers

(Traditional Banking customer share)**



**Source: Roy Morgan Research – Aust MFI Pop'n aged 14+, % Satisfied (Very or Fairly Satisfied), 6 mth moving average*

***Source: Roy Morgan Research – Traditional Banking includes customers aged 14+ with accounts, loans or cards. 12 mth moving average*

To wrap up - four key priorities

Superior revenue growth	Target 7-10% over the medium term Position in growth segments Superior service execution
Strategic expansion	Expand footprint in Australia Consolidate leading position in NZ Make Asia substantive and diversified
World-class productivity	Target CTI below 40% Annual positive revenue-expense jaws Multifaceted group-wide productivity initiative
Stakeholders and capabilities	Leading position with all stakeholders Build leadership and execution capability Global banking cultural leadership

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