Australia and New Zealand Banking Group Limited
www.anz.com ABN 11 005 357 522

ANZ Concise Annual Report 2005

When people are inspired ...

Concise Annual Report 2005 / Part 1 of 2 / Annual Review

... and come together in teams, something very powerful happens ...

Pictured left: Jayant Rajan, Personal; Wesley Hall, Operations Technology & Shared Services; Sam D'amato, Institutional; Karen Kong, Corporate; and Jim Giles, Esanda.

The ANZ Concise Annual Report is a concise report and comprises two parts: Part 1 (Annual Review) and Part 2 (Concise Report). The two parts are distributed together as one document and should be read together. These documents may only be distributed by a person on the basis that Part 1 (Annual Review) and Part 2 (Concise Report) are distributed together.

A copy of the full Financial Report for the year ended 30 September 2005 for the Group, including the independent Auditor's Report, is available to all members, and will be sent to a member without charge upon request. The Financial Report can be requested by telephone (Australia 1800 11 33 99 Overseas +613 9415 4010), by email at investor.relations@anz.com or viewed directly on the Internet at www.anz.com

... they bring significant and sustainable change to a company year after year after year after year after year after year.

And that makes ANZ 'Bank of the Year' for the sixth year in a row.

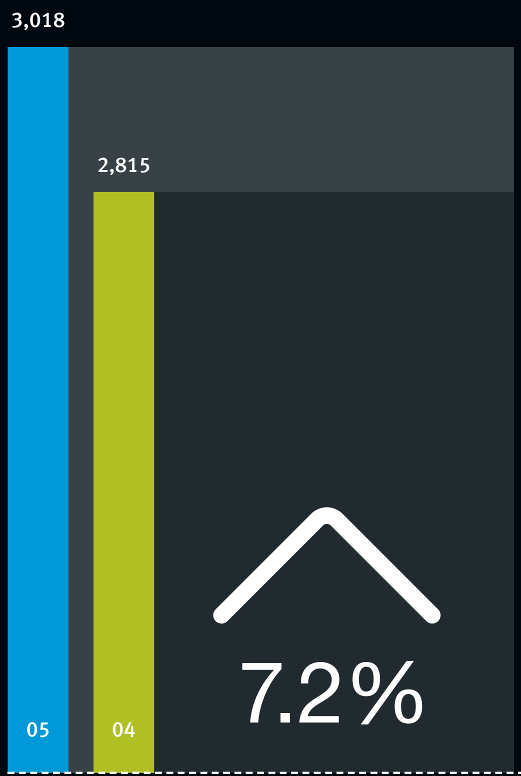
2005 INVESTOR SNAPSHOT
MEASURING PERFORMANCE

2005 has been another good year for ANZ as we continue to deliver for all our stakeholders. We have rewarded shareholders with strong returns and built a unique culture that continues to deliver leading staff engagement and customer satisfaction. Our community involvement and recognition has increased significantly. Our focus remains on building a sustainable business to deliver long term for all stakeholders.

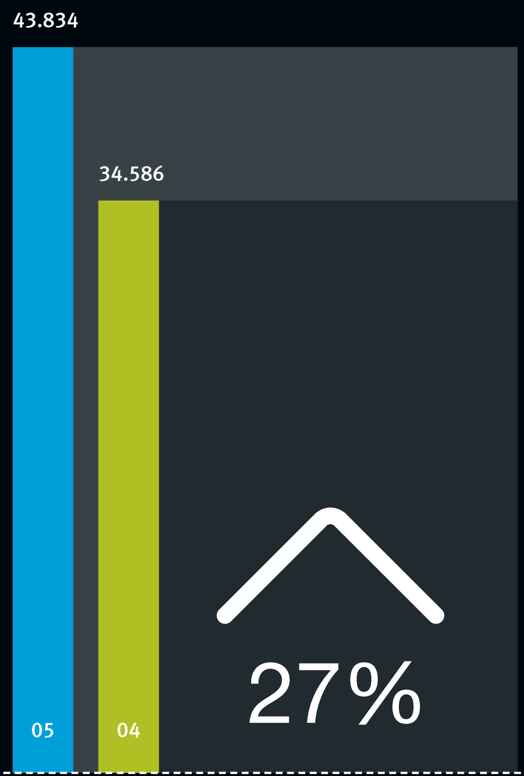
2005 HIGHLIGHTS

- Awarded 'Bank of the Year' for the sixth year in a row (as voted by Personal Investor Magazine)
- Awarded Best Call Centre and now open 24/7
- The leading large Australian organisation for the Advancement of Women
- Awarded New Zealand Bank of the Year

NET PROFIT AFTER TAX ($m)



MARKET CAPITALISATION ($b at 30 September)



DIVIDEND (cents)

CASH EARNINGS PER SHARE (cents)

IMPROVED CUSTOMER SATISFACTION

We are the leading major bank for customer satisfaction and we are now more than nine percentage points ahead of the average of the 'Big 4 banks' and five percentage points ahead of our closest major peer.

LEADING STAFF ENGAGEMENT

Staff engagement is the highest of any major Australian company at 63%, placing ANZ in the Best Employer Zone (see page 35). This follows our previous strong performance for staff satisfaction which increased from 49% in 1999 to 85% in 2004.

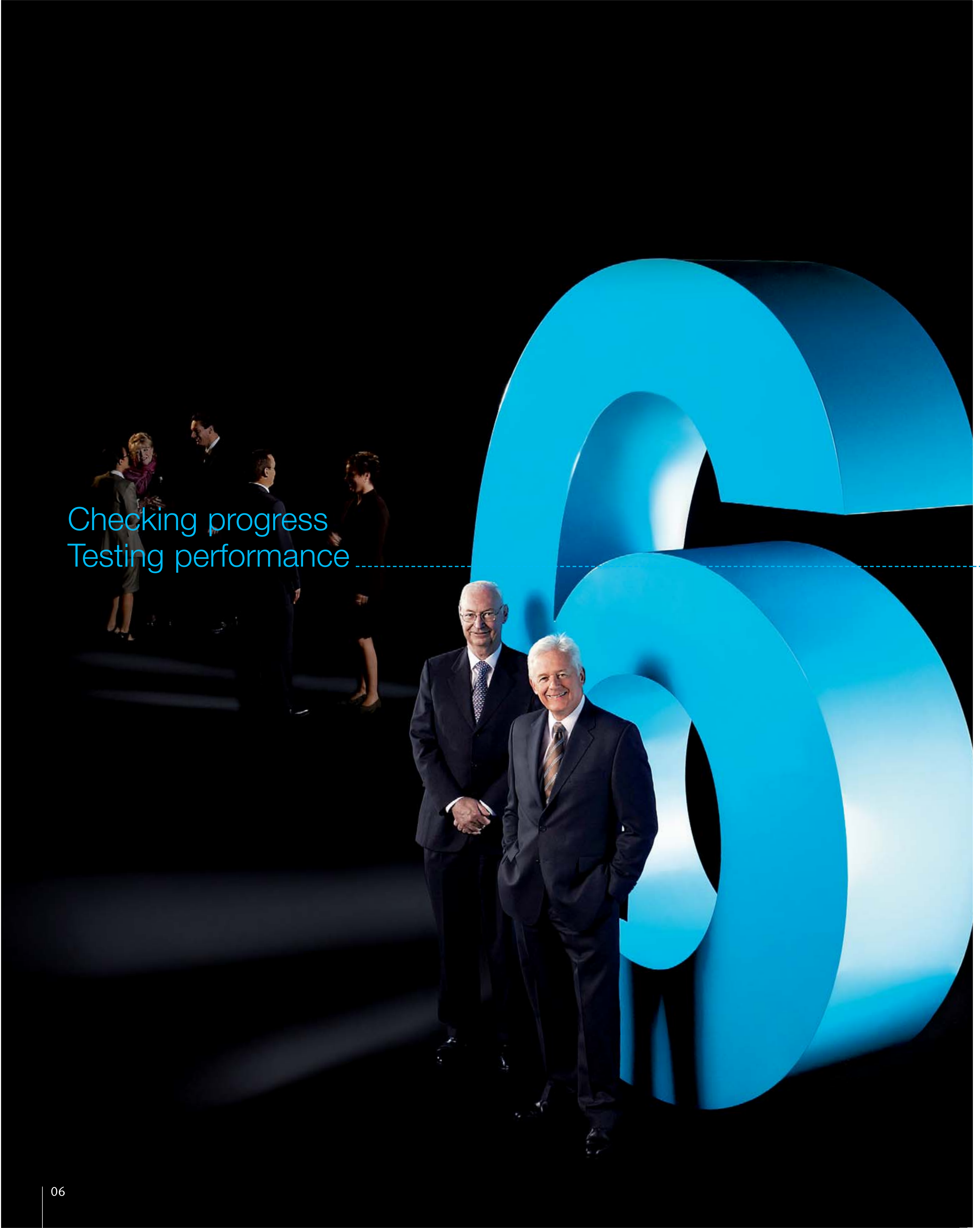
EARNING COMMUNITY TRUST

Our community investment strategy seeks to increase the financial literacy and inclusion of adult Australians and enable our people to support the causes important to them. More than 18% of our people contributed 24,000 hours of volunteer time in 2005 and 28% of our staff have donated funds through workplace giving.

MANAGING RESPONSIBLY

ANZ ranked in the top 10 of top 10% banks globally on the Dow Jones Sustainability Index. We scored 100% for our Community Management Practice on the Corporate Responsibility Index and we maintained our membership on the FTSE4Good Global Index.

Checking progress
Testing performance



01

CHAIRMAN AND CEO'S REPORT
SUSTAINING PERFORMANCE AND GROWTH

Last year we outlined strategic priorities for achieving our goal to become the most respected and fastest growing of the major Australian banks. These were to create shareholder value, build market leadership and achieve superior revenue growth; to run a low cost and low risk business with distinctive customer service, and to earn the trust of the community.

It is pleasing to report to shareholders that in 2005 we made good progress towards these goals. Through stable leadership and a consistent agenda, we have achieved 22% compound growth in total shareholder return over the past seven years, and 33% in the past year.

We have strengthened our strategic position during the year. In Australia we have increased our market share in our Personal business, and ANZ is now the third largest bank by share of retail customers, by assets, and by value.

Over the past nine years we have taken 20 percentage points off the cost to income ratio. Our current mid-40s ratio makes us one of the most efficient banks in the world.

In customer satisfaction, we rate nine percentage points higher than the industry average for major banks, and ANZ is the most well regarded of the major banks among retail customers. Our products have been highly rated. For the sixth consecutive year independent experts have voted us Bank of the Year.

On other leading indicators we have performed strongly. We have built a performance and results oriented culture and have the highest staff engagement of any major Australian company. Through our activities and programs in areas such as financial literacy and inclusion we are earning the trust of the community.

We made progress in 2005 and look forward to continuing it in 2006.

Pictured left - Maeva Fried, Asia Pacific; Elizabeth Povey, Esanda; Joe Farrugia, Personal; Graeme Poules, Operations Technology & Shared Services; Lynne Dunham, Institutional; Charles Goode, Chairman; and John McFarlane, Chief Executive Officer.

CHAIRMAN'S REPORT
A MESSAGE FROM CHARLES GOODE

The achievements of the past year would not have been possible without the commitment and dedication of our people. On behalf of my fellow Directors and all shareholders, I thank them for their contribution to ANZ's success and look forward to their continuing support.

ANZ has once again met its commitment to shareholders, producing a record profit, a 17.3% return on shareholder equity and a strong capital position.

For the year ended 30 September 2005, profit after tax was up 7% to a record $3,018 million. Excluding significant items and integration costs associated with The National Bank of New Zealand, our profit was up 12% to $3,056 million.

The Directors were pleased to increase the dividend by 9% to 110 cents per share fully franked. This was the 12th consecutive increase in our annual dividend.

Our Australian businesses performed well, particularly our Personal business which recorded growth above the average of the financial services sector. We are now, on many criteria, the best performing major retail bank in Australia, a noteworthy achievement given ANZ's heritage as a predominantly corporate bank.

Our Institutional business recorded a solid performance in what has been a highly competitive year. This business is under going a period of reinvigoration following a number of years of relatively flat earnings and low asset growth, arising from our de-risking program.

Both our Corporate business and Esanda continued to deliver solid and consistent earnings growth in an increasingly competitive environment.

In New Zealand, the competitive environment coupled with our continued investment in the ANZ retail business offset a good performance by The National Bank of New Zealand franchise.

Our Asia Pacific business delivered a good to invest in the region, establishing new partnerships this year in Vietnam and Cambodia. We are making good progress in establishing partnerships in China.

We are managing risks well and are seeing the results from the de-risking program undertaken in recent years. Net specific provisions were down by 19% to $357 million.

Our capital position is strong, with the Group's adjusted common equity ratio at 5.1% of risk weighted assets, above our target range of 4.5% to 5.0%.

Board changes

Directors Brian Scott and John Dahlsen, both of whom were on the ANZ Board for 20 years, retired during the year.

Their wise counsel and insightful contributions to Board deliberations over many years demonstrate the benefit of having some Directors with long-standing institutional knowledge of the company and the experience of all phases of the economic cycle. We thank them sincerely and wish them well in their retirement.

Outlook

It is likely that we are moving into a period of slightly lower economic growth and a more competitive environment. This calls for a systematic focus on costs and revenue growth and I believe that ANZ is well placed to meet future challenges.

In the coming year we should continue to benefit from the momentum we have built in our Australian businesses. In the medium term, we expect to see improved returns from the integrated business in New Zealand, while over the longer term our position in Asia should become of more importance.

We are focused on delivering sustainable returns for our shareholders.

Charles Goode

CHARLES GOODE
CHAIRMAN

CHIEF EXECUTIVE OFFICER'S REPORT
A MESSAGE FROM JOHN McFARLANE

For over a decade now, shareholders and other stakeholders have benefited from the strategic expansion and strength of our financial performance. Profits now exceed $3 billion, and we have expanded our position in Australia, become the leading bank in New Zealand and the South Pacific, and we are the leading Australian bank in Asia. We can be proud of these achievements.

Growth and Transformation

That is now, but what of the future? We have set ourselves a new challenge of becoming Australasia's leading bank. This requires a new agenda with two principal themes – Growth, and Transformation.

Growth is about expansion of our franchise and building leadership positions in our core domestic businesses in Australia and New Zealand and expanding into Asia and the Pacific, as well as serving our clients from these geographies across the world. We expect Australia will initially drive our growth and performance as it did in 2005. Later we expect our leadership position in New Zealand to bear fruit, and over the longer term, Asia will become increasingly meaningful.

Growth also means delivering strong returns for shareholders by raising our annual revenue growth to 7%–9% over the coming years. We made good progress in 2005 with a substantial increase in our investment spending; adding over 2,200 people in the year, mainly to increase our footprint and to expand our service to customers.

Transformation is about maintaining world-class productivity, demonstrated by a cost-income ratio of 40% or below. Last year, we also put plans in place to transform ANZ into a leaner, sharper, more agile, and more externally focused competitor. This will involve shifting our priorities towards customers and reallocating resources from internal activities. It means increased automation, redesign of our operational platforms, and leveraging low-cost offshore capabilities owned by ANZ.

These and other initiatives give us confidence that we will achieve our stated targets.

Sustainability involves a longer-term focus

To be successful long-term, our focus cannot exclusively be on today, but also on the longer-term. Winners, over time, will not be those who maximise short-term results, but those who invest wisely to produce superior returns tomorrow. Companies nevertheless need to produce reasonable results in the short-term to survive, while they pursue their long run ambitions.

The highest performing companies are not simply a financial construction of land, labour and capital. They are much more than this. A vibrant company is more than the sum of its pieces. It serves its customers well, it cares for its employees, it is part of the community in which it operates and these strengths create the foundation for success with shareholders.

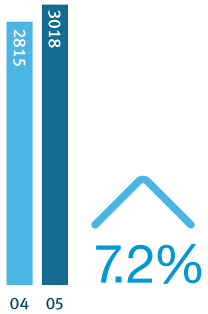
Beyond this, a truly successful company is also a community that is interdependent with other communities. It takes on the characteristics of those it engages with and, in turn, influences them.

So in taking our corporations forward, we need to think of advancing not a company but a community. This means a very different agenda for companies going forward and particularly for ANZ in the years to come.

JOHN McFARLANE
CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER'S REPORT
A SUMMARY FROM PETER MARRIOTT

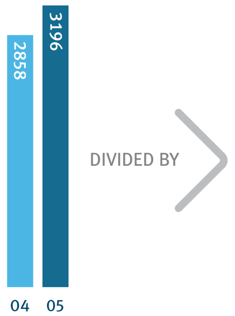
This year ANZ reported a record net profit after tax of $3,018 million, up 7.2% on 2004. Our dividend for the year was 110c per share, up 8.9% on 2004. This report explains how we get from our profit of $3,018 million to our dividend of 110c, and then on the following pages, we delve into our profit result in more detail.



Headline Profit - ($m)

Adjustments	2004	2005
+ Goodwill	$189m	$224m
- Hybrid dividend	$62m	$84m
- Non-core items	$84m	($38m)

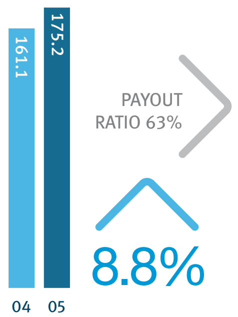
We make a series of adjustments to remove items like goodwill expense, dividends on hybrid instruments which reduce the amount of cash available to ordinary shareholders, and non-core items. These non-core items include incremental costs associated with merging our two banks in New Zealand of $52m ($14m in 2004) and non-recurring gains of $14m ($98m in 2004). By making these adjustments, we end up with what is commonly known as our 'cash' profit.



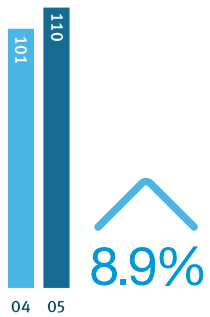
'Cash' Profit Available to Ordinary Shareholders - ($m)

Average Ordinary Shares on Issue - (m)

We then divide this 'cash' profit by the average number of ordinary shares on issue over the year. The increase in shares over the year is mainly due to the impact of the rights issue in 2004, shares being issued under the Dividend Re-investment Plan, and various option plans. This resulted in 'cash' Earnings Per Share growth of 8.8% in 2005.



'Cash' Earnings Per Share - (cents)

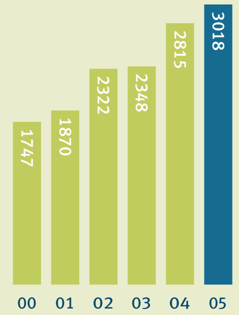


Dividend Per Share - (cents)

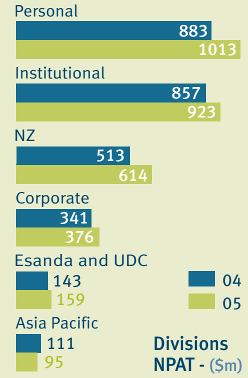
Our policy has been to grow our dividend per share approximately in line with growth in 'cash' Earnings Per Share.

This resulted in a dividend of 110 cents, and a payout ratio of approximately 63%, which also allows us to fully frank the dividend for the foreseeable future.

1 PROFIT



NPAT - ($m)



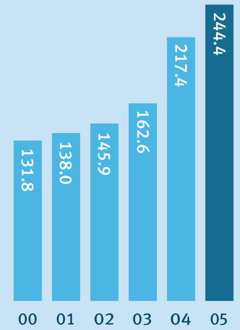
Divisions NPAT - ($m)

Profit and Loss Summary	2005 $m	2004 $m	Movt %
Net interest income	5,798	5,254	10%
Other operating income	3,552	3,391	5%
Operating income	9,350	8,645	8%
Operating expenses	(4,515)	(4,026)	12%
Profit before debt provision	4,835	4,619	5%
Provision for doubtful debts	(580)	(632)	(8%)
Profit before income tax	**4,255**	3,987	7%
Income tax expenses	(1,234)	(1,168)	6%
Outside equity interests	(3)	(4)	(25%)
Net Profit attributable to shareholders of the company	3,018	2,815	7%
Total significant items and NBNZ incremental integration costs after tax	(38)	84	large
Net profit excluding significant items and NBNZ incremental integration costs	3,056	2,731	12%

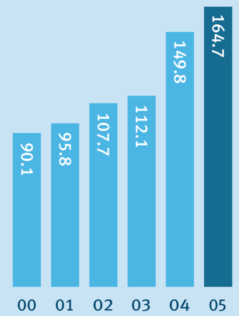
ANZ reported a profit of $3,018m for the 2005 year, up 7% on 2004, and our 8th consecutive year of increasing profits. This profit includes a number of items that distort the underlying performance of the business, such as incremental National Bank of New Zealand integration costs and significant one-off transactions.

To give a more accurate representation of the underlying performance, we also calculate our profit excluding these items. On this basis, our profit was $3,056m in 2005, up 12% on 2004. Growth in Earnings Per Share (EPS) excluding goodwill, significant items, and incremental integration costs, commonly known as 'cash' EPS, was 8.8%.

2 BALANCE SHEET GROWTH



Net Loans and Advances including Acceptances - ($b)



Deposits and other borrowings excluding commercial paper - ($b)

One of the key drivers of our performance has been strong overall balance sheet growth over the past 12 months. Balance sheet growth largely comprises:

a Asset Growth

The continued strong growth of recent periods continued in 2005, with total assets up 13% to $293 billion.

Most of ANZ's assets represent lending to individuals, businesses, large corporations and other entities. This includes mortgage lending, unsecured personal and credit card lending and loans for various business related activities.

Despite a softening in the rate of growth from recent years, mortgages continued to grow solidly in both Australia (14%) and New Zealand (11%).

Asset growth in our Corporate and Institutional segments was mixed during the year. Lending growth slowed in Corporate to 11%, down from 19% last year. Institutional lending growth of 15% was encouraging following a number of years of subdued growth resulting from our deliberate de-risking of the portfolio.

b Liability Growth

Consumer and Business deposits are the biggest items on the liability side of our balance sheet, with total customer deposits of $165 billion. In both consumer and business deposits, ANZ performed well in 2005.

Retail deposits was a highly competitive segment in the Australian market over the past twelve months due to the introduction of a number of high interest rate online products. ANZ was the only major bank to gain market share during the year with 10% growth.

In New Zealand retail deposits grew 7% and market share remained stable, a pleasing outcome given the ongoing integration of The National Bank of New Zealand.

We also experienced good deposit growth across our Corporate and Institutional segments over the year, up 12% and 10% respectively.

3 NET INTEREST INCOME

Net interest income ("NII") is the difference between interest received from customer lending and interest paid by ANZ to those providing our funding.

NII increased 10% in 2005 to $5,798m, reflecting strong growth in average interest earning assets of 17% partly offset by a decline in our Net Interest Margin.

Over the year, our net interest margin declined 14 basis points to 2.35% at September 2005, with the key drivers being:

a **Asset Mix** (-3 basis points) – this decline happens when we have stronger growth in lower margin assets i.e. Mortgages and Institutional, relative to growth in higher margin products, reducing our average margin.

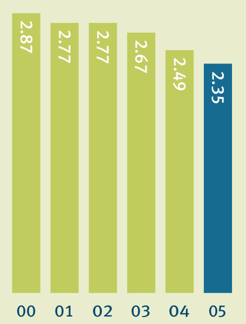
b **Funding Mix** (-3 basis points) – when asset growth outstrips deposit growth additional funds are sought from higher cost wholesale markets, negatively impacting net interest margin.

c **Competition** (-7 basis points) – the Australian and New Zealand banking markets remain highly competitive. During the year competition resulted in a 7 basis point reduction in our net interest margin.

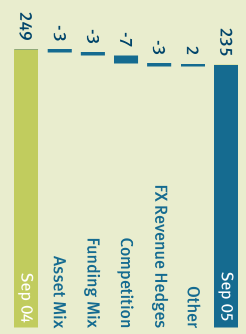
The key areas of competition included:

- **New Zealand Mortgages** – in late 2004 a competitor attempted to gain share by significantly reducing their interest rates on two year fixed mortgages. Despite largely maintaining market share, both ANZ and NBNZ margins were adversely impacted due to the lower market rates.
- **Institutional Banking** – interest margins remained under pressure as the Australian and large International banks continue to compete for business and as global credit spreads remain at low levels.

d **Foreign Currency revenue hedges** (-3 basis points) – due to losses on foreign currency revenue hedges reported in interest.



Net Interest Margin - (%)



Margin Drivers - (basis points)

4 OTHER OPERATING INCOME

Other operating income predominantly comprises fee income from across our businesses, foreign exchange and trading income generated by our Institutional markets business, and other items such as our share of earnings from the INGA Joint Venture. Other operating income increased $161m or 5% to $3,552 million in 2005.

Lending fee income increased 4% to $1,043m in 2005 driven by the 12% increase in our lending volumes. Non-lending fees increased 11% to $1,573m during the year, driven largely by our Personal Division, where good growth in customer numbers has helped drive higher revenue from areas like credit cards and transaction accounts.

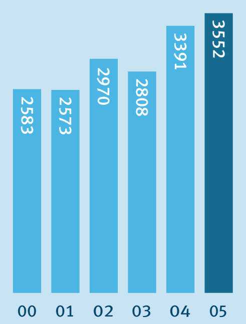
We also generated higher revenue from our financial planners, assisted by healthy market conditions. Institutional improved its non-lending fees, particularly in the second half of the year.

Other contributors to the improved Other operating income performance include:

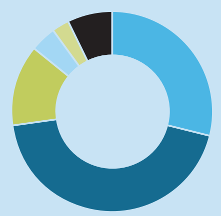
a Foreign exchange earnings, which were up 10% to $454 million, partly offset by lower earnings on trading instruments, which were down 11% to $134 million.

b Increased contribution from 'Wall Street to Main Street' ("WSTMS"). WSTMS is aimed at providing total capital solutions for mid market and business banking clients. Our success is reflected in the fact that we are now involved in the largest number of Private Equity transactions in Australia, including 22 in 2005.

c Earnings from our INGA Joint Venture were up 10% to $107 million, helped by buoyant equity markets.



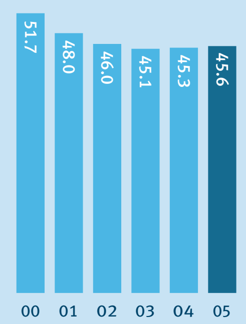
Other Operating Income - ($m)



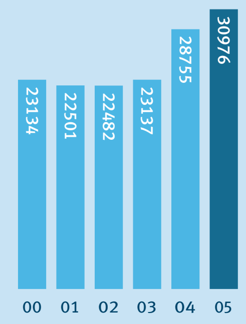
Other Operating Income Split

- 29% Lending Fee Income
- 44% Other Fee Income
- 13% FX Earnings
- 4% Trading Securities
- 3% INGA JV
- 7% Other

5 EXPENSES



Cost Income Ratio - (%)



Staff Numbers - Full Time Equivalent

In 2005 we increased expenses 12% to $4,515m continuing our commitment to invest in long-term earnings sustainability.

Since 1996 our cost to income ratio has reduced from 66% to 46%, making us one of the world's most efficient banks. Our current focus has shifted to growing revenue, requiring additional short-term investment. Over the past year, our personnel costs have risen 15%, or 11% adjusted for the additional two months contribution from NBNZ. The key driver of this increase has been an increase of more than 2,200 employees over the past 12 months.

Our premises expenses were up 12% over the year, driven by the additional two months from NBNZ, growth in our ATM and branch network, market rent increases, and higher security service costs.

Other notable changes in our expenses included an additional $31 million in advertising and public relations, as we seek to leverage our improved customer satisfaction and product awards, and higher travel costs.

a **Personal** – expenses up 7% to $1,639m reflecting significant investment in frontline personnel with 697 staff added in 2005 and continued investment in our branch network, with 15 new branches opened and an additional 75 refurbished.

b **Institutional** – expenses up 6% to $766m driven largely by increased personnel costs, up 12% due to incentive compensation and costs associated with restructuring the Markets business.

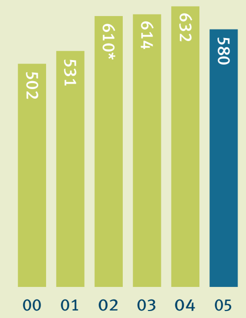
c **New Zealand** – expenses up 17% to $955m due to the additional two months of NBNZ, and as we have continued to invest in the ANZ (NZ) brand, adding 514 new staff and opening 4 new branches.

d **Corporate** – expenses up 5% to $294m following significant investment in front line personnel.

e **Esanda and UDC** – expenses were well controlled, increasing just 1% to $188m.

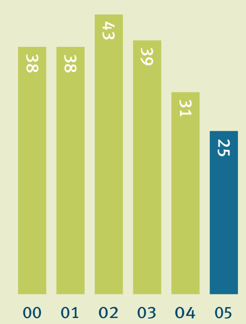
f **Asia Pacific** – expenses up 20% to $171m reflecting ongoing investment in the region.

6 BAD AND DOUBTFUL DEBTS CHARGE



ELP Charge - ($m)

*Excludes $250m additional charge



ELP Rate - (basis points)

ANZ recognises an expense for credit losses based on the expected long-term loss rate for each part of the loan portfolio. The method used for determining this expense is referred to as 'Economic Loss Provisioning' (ELP).

For larger individual loans, the ELP model calculates the expected loss by considering:

a The probability of default (that is, the probability of customers not meeting their agreed commitments).

b The loss given default (that is, how much we lose on a loan where the customer has defaulted).

For portfolios of smaller loans with similar characteristics such as credit cards and home loans, we take a portfolio approach. For example, with our $90 billion Australian mortgage portfolio, we estimate the long run loss rate to be around 5 basis points (or 0.05%), even though our recent loss experience has been significantly less.

In 2005 the ELP rate was 25 basis points, down from 31 basis points in 2004.

On a portfolio of net lending assets which averaged $235 billion over the year, this resulted in a charge to our profit and loss of $580m, down 8% on 2004.

The reduction in ANZ's ELP rate reflects improvement in the credit quality of the Group's portfolio driven by:

- significant de-risking in the Institutional division and the absence of offshore losses
- the acquisition of The National Bank of New Zealand, which is weighted to lower risk retail lending
- generally favourable macro environment, including record low unemployment, low interest rates and a healthy business environment with low levels of gearing

The improvement in the Group's portfolio has also been reflected in our level of Net Specific Provisions, which were down 19% to $357 million, and Non-Accrual loans, which were down 23% to $642 million.

AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("AIFRS")

ANZ currently prepares its financial statements in accordance with Australian Generally Accepted Accounting Principles. From 1 October 2005 the Group will report under AIFRS, as issued by the Australian Accounting Standards Board. It is important to note that in substance the day-to-day operations of ANZ will not change, AIFRS will only impact the way that we account for certain aspects of our business.

The following areas have been identified as significant for ANZ. Further details are included in the 2005 ANZ Financial Report.

Key Area [1]	AIFRS Accounting Change	Potential impact (after tax)
Goodwill	Goodwill currently amortised over expected period of benefit. This is to be replaced by periodic impairment testing.	Expenses reduced by $224m per annum based on 2005 full year results.
Fee Revenue	Larger number of fees deferred on initial payment and recognised over the expected life of the financial instrument.	Profit impact is not expected to be material. Reduction to retained earnings of $3m and $266 million as at 1 October 2004 and 1 October 2005 respectively.
Debt v Equity Classification	ANZ StEPS issue will be treated as debt rather than equity.	Current dividend of $66m will be reclassified as interest expense from 1 October 2005.
Share-Based Payments	All share-based payments required to be recognised as an expense upon issue. $1,000 employee shares, deferred shares and options will be amortised over relevant vesting periods.	Expenses increased by $64 million after tax per annum based on 2005 results. Reduction to retained earnings of $12m as at 1 October 2004.
Post Employment Benefits	ANZ will be required to recognise the net position of its defined benefit superannuation schemes in the statement of financial position.	Profit impact is not expected to be material. Reduction to retained earnings of $142 million as at 1 October 2004.
Hedging	Introduction of stringent criteria for application of hedge accounting. Ineffectiveness recorded in the statement of financial performance.	Impact of ineffectiveness uncertain, may result in increased volatility. This is not expected to be material. Reduction to retained earnings of $129m and increase in reserves of $162m as at 1 October 2005.
Credit Loss Provisioning	Economic Loss Provisioning will be replaced by a charge for individual provisions on impaired exposures plus movements in Collective Provision.	It is expected that the new credit loss provisioning charge will drive increased earnings volatility. Increase to retained earnings of $191m as at 1 October 2005.

(1) The total estimated impact of adopting AIFRS is likely to result in a net increase to retained earnings of $104 million as at 1 October 2004, and a net decrease to retained earnings of $386 million as at 1 October 2005 resulting in a cumulative decrease of $282 million in retained earnings.

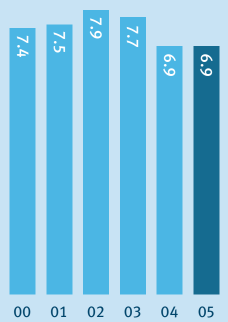
CAPITAL

Banks are required to maintain capital levels that comply with both regulatory and operational requirements. Capital adequacy is generally measured as capital as a percentage of risk weighted assets.

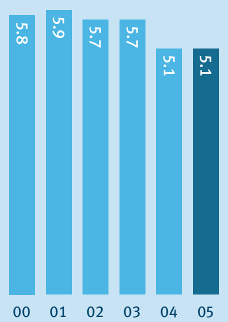
The key regulatory requirement is based on Tier 1 capital, which represents high quality capital, including ordinary shares, retained earnings and general reserves, less items like goodwill. ANZ's current Tier 1 ratio is 6.9%. ANZ also needs to maintain a certain level of Tier 2 capital, which includes items like subordinated debt and the general provision. Our current Tier 2 ratio is 3.9%. The level of capital is also a key focus for rating agencies when they determine our credit ratings.

The key measure used by ratings agencies is known as Adjusted Common Equity ("ACE"), which is Tier 1 capital less preference shares and a number of other deductions such as the value of our investment in the ING Joint Venture. ANZ has an ACE target range of 4.50% to 5.00% of Risk Weighted Assets. At September 2005 we were slightly above this, with an ACE ratio of 5.1%.

However it does mean that banks like ANZ are highly leveraged organisations, necessitating strong risk management frameworks and capabilities.



Tier 1 Ratio



ACE Ratio

RISK MANAGEMENT

ANZ recognises the importance of effective risk management to its business success. Management is committed to achieving strong risk control, resulting in 'no surprises' and a distinctive risk management capability.

1. Robust Risk Management Framework

ANZ's risk management framework combines Board policy setting and review with regular senior management oversight and independent business unit monitoring.

ANZ Board

- Risk Management Committee – oversees principles, policies, strategies, processes and control frameworks for the management of Risk and approves credit transactions beyond the approval discretion of executive management
- Audit Committee – reviews financial control frameworks and compliance

Senior Management

- Credit & Trading Risk Committee – oversees credit policy, major lending decisions, asset writing strategies and traded and non-traded market risk
- Group Asset & Liability Committee – oversees regulatory capital, balance sheet structure, liquidity and funding
- Operational Risk Executive Committee – oversees operational risk and compliance strategy

Business Unit Level

- Business Unit Risk Management – Discharge responsibilities for business, market, credit, operational, liquidity and reputational risk and compliance with internal and external obligations

2. Major inherent risks

The major inherent risks faced by ANZ can be grouped under the following categories:

a **Credit Risk** – is the risk of loss associated with customer lending, and is the major risk faced by ANZ. Credit risk policies and management are executed through dedicated Risk departments that report to the Chief Risk Officer. All major credit decisions require approval by independent Risk personnel. Net Specific Provisions for credit losses fell 19% in 2005 to $357 million.

b **Market Risk** – is the risk of losses from changes in interest rates, foreign exchange rates or the prices of equity shares and indices, commodities, debt securities and other financial contracts, including derivatives. An independent market risk team ensures traded and non-traded risks and liquidity profiles are within Board and Senior Management authorised limits. Value at Risk ("VaR") is a statistical estimate of the likely daily loss. The average traded VaR exposure for 2005 was $1.6m – at the lower end of peer banks.

c **Operational Risk** – is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events. The operational risk framework is set at Group level. Divisions are responsible for Operational Risks on a day-to-day basis.

d **Compliance** – is the risk of failure to comply with all applicable legal and regulatory requirements and industry standards and the corresponding impact on ANZ's business, reputation and financial condition.

3. Key risk developments

In recent years ANZ has significantly reduced its risk profile. This has been achieved through a number of strategies and structural drivers:

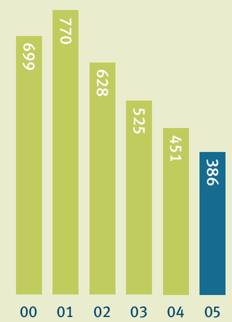
a **Increased Consumer Banking Assets**
Traditionally ANZ has had greater exposure to the higher risk Institutional and Corporate segments relative to Australian peers. While we continue to leverage our strengths in these divisions, we have increased our focus on the lower risk Consumer segment. In 2000 consumer lending comprised approximately 55% of net lending assets; this has increased to approximately 63% today. This shift in business mix and resulting reduction in risk can largely be attributed to strong growth in Mortgages, and the acquisition of The National Bank of New Zealand, with its consumer banking strength.

b **Reduction in Non-Accrual Loans**
Loans where we expect to lose at least some interest and/or principal, as a percentage of non- mortgage lending assets, is a useful measure of credit quality. Over the last five years, this has fallen from 1.65% to just 0.46% in 2005.

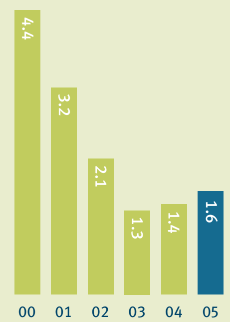
c **Reduction in Offshore Exposures**
Lending to non-core geographies and sectors has been significantly reduced. Since 2000 the percentage of the Group's offshore net lending assets has reduced from 11% to 4%. The deliberate re-balancing process was completed with the sale of our UK based Project and Structured Finance business in October 2004.

d **Industry and Single Name Exposure Limits**
Integral to the risk management frame work are concentration limits for countries, industries and individual customers. We constantly monitor and manage both limits and exposures to minimise the risk that ANZ is exposed to large unexpected credit losses.

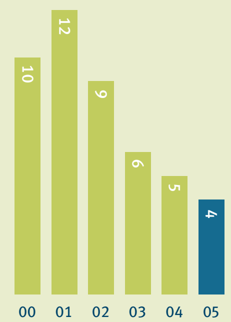
A detailed explanation of risk management at ANZ is available on our web site at www.anz.com/australia/aboutanz/corporateinformation/corpgovpolicy



Net Non-accrual Loans - ($m)



VaR (97.5% confidence) - ($m)



Offshore Lending Assets - (% of total)

Achieving goals
Reaching new heights

02

OUR BUSINESS PERFORMANCE
INSPIRED TEAMWORK BUILDS GROWTH

ANZ provides a wide range of banking products and services, from first home mortgages to complex derivatives for large institutional clients. We focus on our domestic markets in Australia and New Zealand and also operate internationally.

Australia

Personal Banking was again our best performing division, gaining market share in most areas and maintaining our major bank lead in customer satisfaction and staff engagement. We are now the third largest retail bank in Australia and closing in on the number two position.

Institutional is performing well after several years of constrained growth as we reduced risk.

Corporate once again delivered solid earnings growth. Despite slower growth in Business Banking, the focus on specialist strategies and segment propositions underpinned the overall performance.

Esanda's consistent performance continued, reflecting their strong market position.

New Zealand

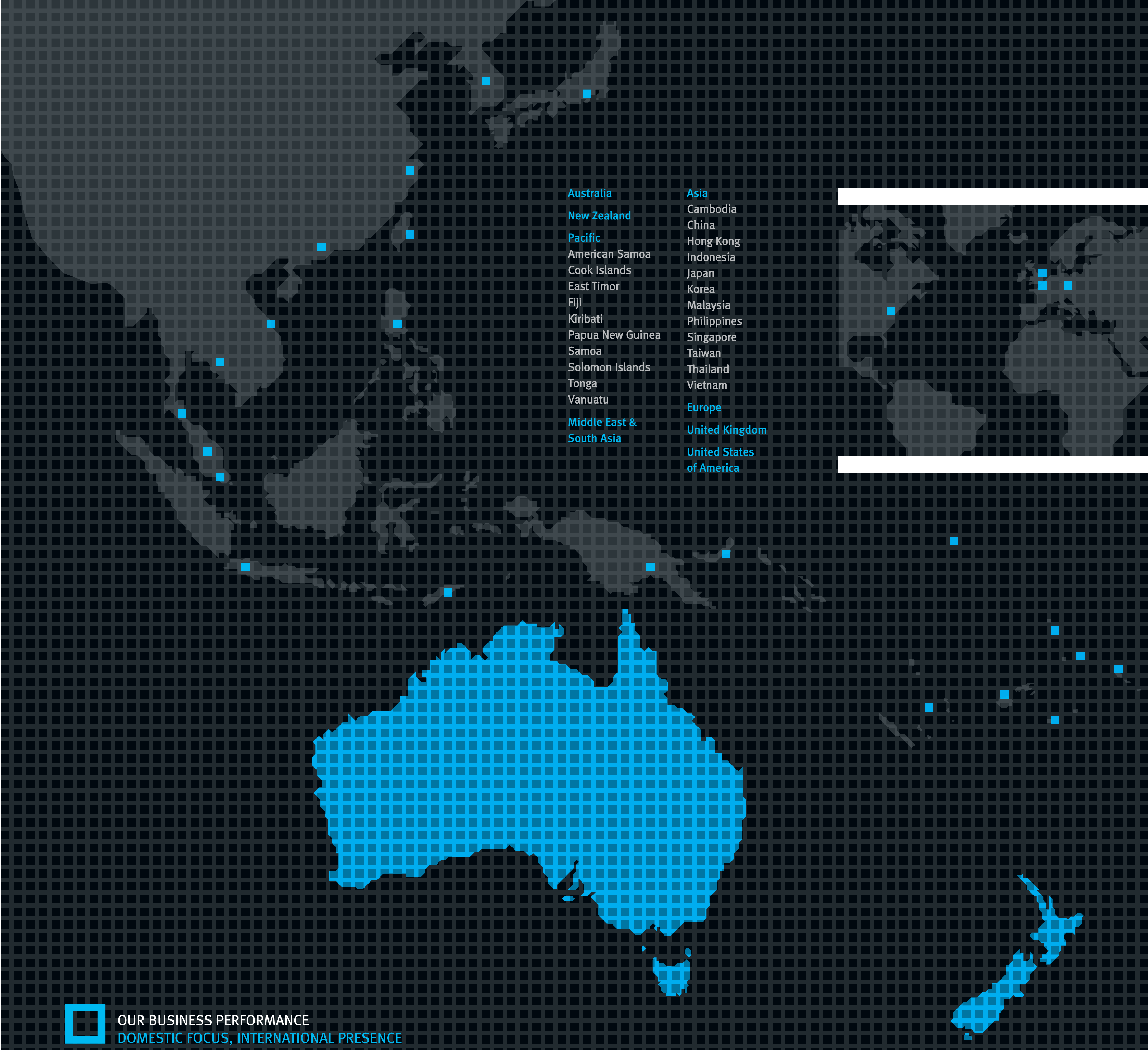
New Zealand Division performance was subdued due to The National Bank of New Zealand integration, intense competition in the mortgage segment, and the cost of continued investment in rebuilding the ANZ brand.

Significant progress was made on integration in 2005, particularly in systems. Integration will be largely complete by December 2005 with the focus shifting to business as usual and capitalising on our leading market positions.

Asia Pacific

Asia Pacific's performance in 2005 was adversely impacted by the non-recurrence of one-off items booked in 2004 and our continued investment in Asia. The Pacific business performed well reflecting our number one or two market position in all markets. Asia's performance was subdued by investment associated with new retail partnerships in Vietnam and Cambodia and 2004 one off gains from our PT Panin Bank partnership not repeated in 2005.

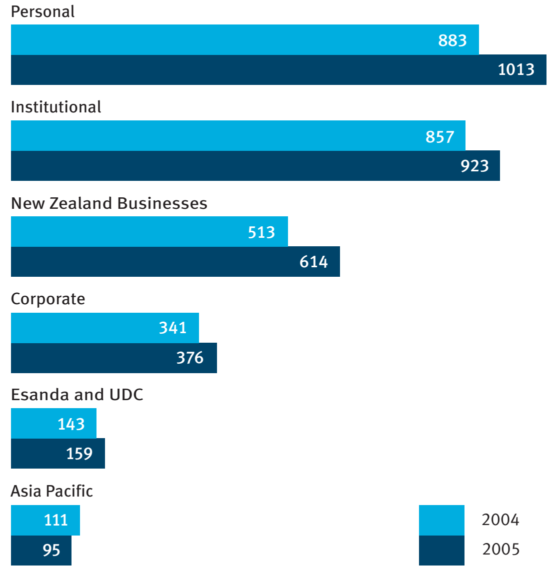
Pictured left - From top: Kym Darcy, Corporate; Carolyn Morris, Esanda; Jackie Walters, Asia Pacific; and Tania Turnbull, Personal.



OUR BUSINESS PERFORMANCE
DOMESTIC FOCUS, INTERNATIONAL PRESENCE

Our domestic markets, Australia and New Zealand, are the most significant contributors to our performance, comprising 89% of our 2005 profit. Our focus on these markets is evidenced by fact that 89% of our staff and 94% of our points of representation reside in these geographies.

NPAT by Divisions - ($m)



We are the only Australian bank with a significant presence in Asia, and during the year we extended this with two new retail partnerships in Vietnam and Cambodia. We continue to be in discussions with two Chinese financial institutions.

We remain the number one Australian bank in the Pacific, holding either the number one or two position in all markets in which we operate.

We have a substantial presence in the key finance centres of London and New York, and a smaller presence elsewhere in Europe, the Middle East, and South Asia, which allows us to support our domestic customers' international activities.

Australia	
Operating Income	$6,163m
Cost to Income	44.8%
NPAT	$2,159m
External Assets	$195,500m
Number of Employees	18,043
Points of representation	840

New Zealand	
Operating Income	$2,331m
Cost to Income	52.3%
NPAT	$528m
External Assets	$78,474m
Number of Employees	9,515
Points of representation	308

Pacific	
Operating Income	$250m
Cost to Income	44.0%
NPAT	$90m
External Assets	$2,118m
Number of Employees	1,606
Points of representation	50

Asia	
Operating Income	$256m
Cost to Income	49.2%
NPAT	$94m
External Assets	$7,297m
Number of Employees	826
Points of representation	19

Other	
Operating Income	$350m
Cost to Income	33.7%
NPAT	$147m
External Assets	$9,796m
Number of Employees	986
Points of representation	6

Personal Division

Brian Hartzer Group Managing Director

Encouraging individuals to be their best

Pictured right - Debbie Dela Cruze and Marie Agius, ANZ Wyndham Village Branch, Victoria.

Our growth philosophy is simple: we'll acquire new customers, retain existing customers, increase our share of their financial services spend, and pursue the extensive growth opportunities that still exist for ANZ. Our goal is to continue our market share growth towards number two in retail banking.

Financial performance

$m	2004	2005	%
Income	2,942	3,242	10%
Expenses	(1,533)	(1,639)	7%
Profit before provisions	**1,409**	**1,603**	**14%**
Debt provisions	(183)	(198)	8%
Tax & OEI	(343)	(392)	14%
Profit after tax	**883**	**1,013**	**15%**
Cost income ratio (CTI)	52.1%	50.6%	(3%)
Staff (FTE)	8,919	9,616	8%

Earnings by business

- 11% Regional Commercial & Agribusiness Products
- 23% Banking Products
- 31% Mortgages
- 24% Consumer Finance
- 10% Wealth Management
- 1% Other

What we do

Personal provides retail banking services to over 3 million Australian customers through its 756 branches. It is comprised of five specialist business units.

Our Mortgages business unit is the largest of these, and is responsible for our award winning residential mortgage products. Our Consumer Finance business provides credit cards and personal loans to retail customers, and is also responsible for our ATMs and Merchant Payments business. Banking Products is responsible for our transaction and savings accounts. Regional Commercial and Agribusiness products are sold by our branch network to our rural and regional customers. Wealth Management includes our financial planning business, ANZ Trustees, Margin Lending and our investments in e*Trade and in the INGA Joint Venture, but from 1 October 2005 was renamed Investment and Insurance Products, as we increase our focus on selling insurance products.

Achievements

ANZ's Personal Division continued to build a sustainable competitive advantage, recording market share gains across its product range, and strong growth in each of our business units.

In addition to gains in market share, ANZ is now the number three retail bank. This strategy has also delivered recognition in the broader market. We have been voted Bank of the Year for the sixth year in a row by Personal Investor Magazine.

- ANZ's market-leading product set delivered growth that exceeded that of the financial services sector on average. For example, Mortgages grew 14%, credit cards grew an impressive 20% and Deposits grew 10%. We have also seen solid growth in wealth management distribution.
- We invest a lot of time and effort trying to better understand what drives customer behaviour, and using these customer insights to drive strategy. This is clearly paying off as we now lead the major banks in customer satisfaction. Personal Division's customer satisfaction rating is 76.5%, more than nine points ahead of the "Big four banks" average of 67%. At the same time, risk of defection is falling, and is down 6% on 2004. ANZ retail customers are also the least likely to switch to other major banks.
- We've invested strongly in our brand. We're differentiating ANZ on "convenience and simplicity", bringing this to life through such initiatives as simplified technology, a $5 transaction account, 24/7 call centre, new branches and reduced queue times. In the past year we opened 15 new branches, installed 500 new ATMs, employed 697 new staff members and spent $100 million on branch upgrades.
- There has been much comment about the level of competition in recent times. We have taken a measured response to price-led competition, protecting our customer base through investment in our frontline, and in marketing and distribution. We are funding this through a reduction in back-office costs and productivity gains.

Goals for 2006

Personal banking remains an attractive market. We are operating in a favourable credit growth environment, with clear market segments.

Against this background, our growth philosophy is simple: we'll acquire new customers, retain existing customers, increase our share of their spend, and pursue the extensive growth opportunities that still exist for ANZ. Our goal is to continue our market share growth towards number two in retail banking.

- Customer acquisition will be driven through continued focus on understanding their needs. Over the next three years we'll expand the branch network by almost 10% or around 65 branches.
- Engaged staff, deep customer insight, market-leading products and increased convenience will continue to drive customer retention.
- We are also building strong customer relationship management (CRM) sales capability, growing our financial planning footprint to drive growth of joint venture funds under management and integrating cross sell into third party channels.
- Further growth opportunities will result from increasing our presence in high growth areas such as Western Australia and Queensland and extending our capabilities to new brands and segments.

Institutional Division

Steve Targett Group Managing Director

Steve Targett (left) with John Borghetti, Chief Financial Officer, Qantas which is a client of ANZ.

Inspiring our people to build on success

Pictured Right - Joseph Bowden, Andrew Mitchell and Suzie Hoey: ANZ Markets.

Institutional has built a strong base for future growth this year. We have refocused our client model, upgraded our capabilities in key products and leveraged our distinctive global product expertise. Our Risk Management processes foster ownership of risk management by all our people, and we continue to build our talent and skill base by providing world class training for our current staff and by recruiting top industry professionals.

Financial performance

$m	2004	2005	%
Income	2,041	2,165	6%
Expenses	(720)	(766)	6%
Profit before provisions	**1,321**	**1,399**	**6%**
Debt provisions	(160)	(139)	(13%)
Tax & OEI	(304)	(337)	11%
Profit after tax	**857**	**923**	**8%**
Cost income ratio (CTI)	35.3%	35.4%	0%
Staff (FTE)	2,936	3,103	6%

Earnings by business

- 32% Client Relationship Group
- 22% Trade & Transaction Services
- 24% Markets
- 22% Corporate and Structured Financing

What we do

Institutional has one client coverage team and three specialist businesses.

The Client Relationship Group is responsible for delivering solutions to meet client needs for those with turnover above $150 million.

Our Markets business is a major participant in the financial markets providing specialist services in foreign exchange, capital markets, commodities, structured derivatives and interest rate services. Corporate & Structured Financing provides advice in mergers and acquisitions, divestments, takeovers/ defences, project finance, corporate restructuring, cross-border structures, privatisations, private equity and tailored strategic and financial advice. Trade and Transaction Services is responsible for trade finance, transaction banking for larger clients, and our custody business.

We have strong long term relationships with our Institutional clients and are widely acknowledged leaders in relationship management. As the strongest advisor in complex and structured finance products, we have the best understanding of client funding and capital needs, and of offshore banking needs. We remain the leader in Trade Finance services, and a leader in transactional banking and foreign exchange across all segments.

Achievements

In addition to delivering 8% earnings growth this year, Institutional also rebuilt the foundations for strong future growth. We have sold non-core activities, focused our strategy on key strengths and new opportunities, targeted the most capable people and refreshed our product offering.

We completed our de-risking program during the year, which was a deliberate strategy to improve the quality of our portfolio.

We are now working to rebuild the market share lost during recent years. The intensely competitive markets experienced this year continued to put pressure on margins. We expect this margin pressure to continue, and aim to counter the impact on our results by reducing the amount of debt we hold on our balance sheet by improved distribution to our global investor base.

- We maintained the momentum of our successful Trade and Transaction Services business and our Wall Street to Main Street strategy, which provides investment banking type solutions for our non-Institutional clients.
- We've adopted a product neutral, customer -segmented approach, while maintaining the benefits our clients receive from our Specialised Industry knowledge. Our aim for 2006 is to improve our full service offering for clients.
- We have invested in skill based training for our people and recruited where we need specialist skills.
- We are building our product offering in debt capital markets and alternative asset capabilities. During the year we restructured our Markets business by successfully merging and integrating the Capital Markets and Foreign Exchange and Commodities business units.
- In capital markets, where ANZ has not traditionally been a strong player, our league table position has improved. We undertook the largest Commercial Mortgage Backed Securities transaction in the Australian market.
- Our cross sell is growing as evidenced by increased swaps activity within our investor and borrower base. We successfully sold down units in our Energy Infrastructure Trust and did four public-private partnership transactions, including the Royal Women's Hospital in Melbourne. Our Asian network provides us with a significant growth opportunity in an expanding market.

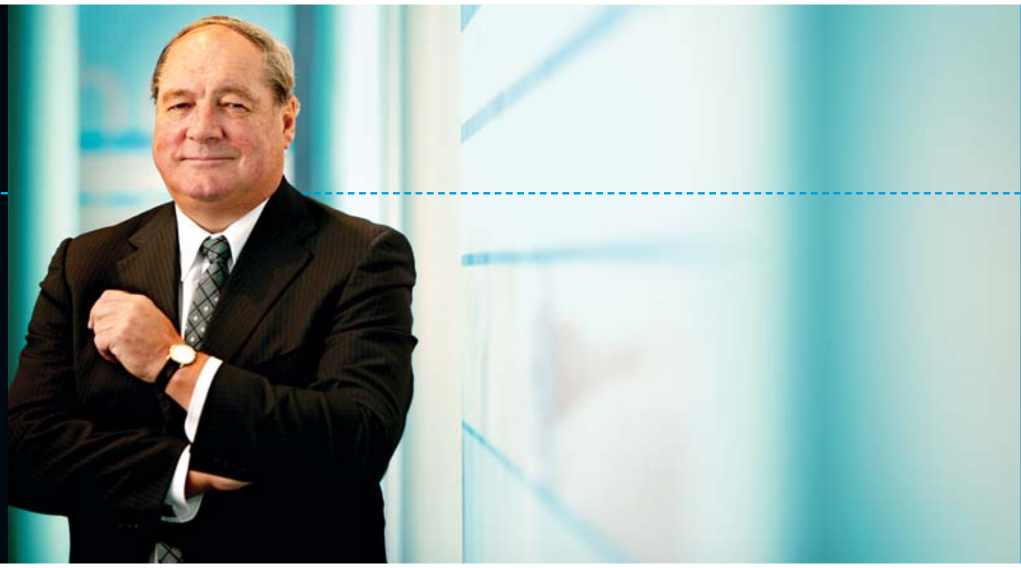
Goals for 2006

With the de-risking agenda now firmly behind us, Institutional will renew its focus on providing the full range of banking and investment banking services for our clients.

We will continue to leverage strong customer relationships, build on underweight segments, maintain focus on efficiency and risk management and retain and recruit the right people. At the same time Institutional will continue to build momentum in Trade, Wall Street to Main Street, and our current product range, while seeking the opportunities available from new markets.

New Zealand

Sir John Anderson
Chief Executive, ANZ National Bank Limited



Challenging people to work together in integrated teams

Pictured - Te Whetu Leef, The National Bank of New Zealand; Silla Mulitalo, ANZ; and Peter Coates, The National Bank of New Zealand.

ANZ National Bank has achieved a strong strategic position, as evidenced by its standing in all core banking markets. Customer attrition is significantly better than expected and market share of customers is close to 40% across all major sectors.

Financial performance

$m	2004	2005	%
Income	1,670	1,953	17%
Expenses	(818)	(955)	17%
Profit before provisions	**852**	**998**	**17%**
Debt provisions	(97)	(92)	(5%)
Tax & OEI	(242)	(292)	21%
Profit after tax	**513**	**614**	**20%**
Cost income ratio (CTI)	49.0%	48.9%	0%
Staff (FTE)	8,066	8,580	6%

What we do

The New Zealand Businesses division comprises all of ANZ's operations in New Zealand with the exception of Institutional and our UDC asset finance business. In the retail and business banking segments we continue to operate through both The National Bank of New Zealand (NBNZ) and ANZ brands, offering a full range of personal and business banking services.

Our Rural Banking business operates under the NBNZ brand and offers general and tailored banking services to our broad range of rural customers. Corporate Banking provides transactional banking services and meets the sophisticated product requirements of our customers under the ANZ brand. We hold leading market positions in all segments.

Achievements

Earnings for the New Zealand businesses were up 20%, assisted by an additional two months contribution from NBNZ.

This result for the merged ANZ National Bank was impacted by intense price competition in the retail market and subsequent margin compression, lower Treasury earnings along with our continued focus on amalgamation, integration and establishing capability for future growth. New Zealand remains an attractive banking environment, with sound credit quality and strong volume growth.

- We invested substantial resources in building our retail capability in both NBNZ and ANZ, with an emphasis on the ANZ brand. We opened four new branches, added 514 staff, established a mobile mortgage team, and provided 680 ATMs across the two brands.

ANZ customer service ratings hit a seven-year high in the first quarter of 2005 and NBNZ continues to lead the major banks in customer service.

- Much of the focus since the acquisition almost two years ago has been on maintaining our customer franchises and building the business. This customer-focus is beginning to pay off and the ANZ brand is clearly showing signs of turnaround. Customer attrition has slowed by 65% over 2004, while NBNZ has maintained its share of main bank customers. We have retained our share in the competitive deposit market and the ANZ on-line call account has been a major success with over $900 million deposited since its launch in December 2004.
- The gradual erosion in the home loan market has slowed since integration. We have maintained our dominant position in the rural market, though we had a small loss of share to niche players and new entrants to the market, who are competing primarily on price. Our commitment to this market remains strong through our experienced relationship management teams.
- The integration program is on track. Much ground has been covered during its first two phases, due to be completed in December this year. Teams have been restructured, operations co-located, the rural integration program is complete and work is nearing completion on establishing the new IT infrastructure. We are also on target to meet the Reserve Bank of New Zealand's mandated regulatory requirements.

Goals for 2006

Our aim is to be the leading bank in New Zealand. We will achieve this through:

- Sustainable and profitable revenue growth by investing for the long term, exploiting opportunities in markets in which we are under-represented and making better use of our strategic alliances (with ING, for example). We will maintain a conservative risk policy while being flexible to changing customer needs.
- Delivering a quality customer experience through operational excellence by continued investment in our front-line, ensuring we're easy to do business with, being agile and responsive, and continuously reviewing our customer systems and processes.
- Leveraging our scale to operate more efficiently, rationalising functions, integrating systems and processes and automating back-office processes.
- Harnessing our unique dual brand position to extend our reach.
- Developing and growing our people, translating their talent into a sustainable competitive advantage.

Corporate Division

Graham Hodges Group Managing Director

Pictured Right - Graham Hodges (right) with Rick Smith, Managing Director, PFD Food Services, a client of ANZ.

Recognising the performance of our people

Pictured Right - Aman Singh, Toni Nicholls and Rob Goudswaard: Small Business Banking.

A core advantage is the wide customer base, the segmentation of which has given us the flexibility to respond effectively and rapidly to changing market conditions. We expect the strength of our customer proposition will continue to drive customer satisfaction and market share, while our low cost to income and disciplined execution will enable footprint investment in the business.

Financial performance

$m	2004	2005	%
Income	829	897	8%
Expenses	(280)	(294)	5%
Profit before provisions	**549**	**603**	**10%**
Debt provisions	(61)	(66)	8%
Tax & OEI	(147)	(161)	10%
Profit after tax	**341**	**376**	**10%**
Cost income ratio (CTI)	33.8%	32.8%	(3%)
Staff (FTE)	1,761	1,941	10%

Earnings by business

- 49% Business Banking Australia
- 37% Corporate Banking Australia
- 14% Small Business Banking

What we do

Corporate division is comprised of three specialist businesses, each focused on the needs of a different tier of customers.

Corporate Banking provides relationship banking and a range of sophisticated financial solutions to around 3,000 clients who have annual turnover of $10 million to $150 million. Business Banking provides a more traditional relationship banking offering to around 38,000 business customers who have up to $50,000 in funds under management or annual turnover up to $10 million. Small Business Banking services around 170,000 small businesses with funds under management below $50,000 with service largely offered via the branch network.

Achievements

Corporate maintained its successful track record of strong financial performance and low risk growth in 2005.

Our earnings were up 10% to $376 million, with lending growth of 11% and deposit growth of 12%. We continued to invest heavily in our footprint, while keeping our cost to income ratio in the low 30s. High employee engagement (63% in Business Banking and 57% in Corporate Banking) combined with a strong customer proposition, places us in a leading position with customers.

- In Small Business Banking we invested heavily in frontline staff, employing 80 new small business specialists and simplifying processes.
- In Business Banking, the strategy has been to expand our geographic footprint and industry specialisation, as well as to develop a market leading customer service proposition, adopting a structured and sustainable approach to organic growth.

  This includes use of business brokers and an attractive mix of products to drive customer acquisition, increased product sales per customer and maintain a high rate of customer retention. The Business Banking portfolio is well secured and risk profiles remain low.
- Our Corporate Banking teams successfully operate in the mature mid-market business segment. ANZ has innovated in the mid-market, offering its Wall Street to Main Street (WSTMS) strategy of providing investment banking type solutions to business clients. The strategy is working and we are seeing a significant increase in these transactions. It meets two of a private company's main life-cycle needs: achieving growth or facilitating generational change. ANZ has a clear market leading position thanks to the way in which we've melded the culture of traditional relationship bankers with the services of WSTMS specialists. ANZ is now responsible for the greatest number of private equity deals in this segment in Australia.
- We continue to face a number of challenges. These include the entry of new players, commoditisation of the credit product, margin pressure, and changing business ownership resulting from generational change and the growth of the self employed sector.
- Our response to these challenges has been to strive to be the best, most engaged business bankers; to segment our customer base in a disciplined way; to offer industry specialisation, specialist customer solutions and innovative products; and to have the best possible business platforms, channels and processes.
- Independent research shows that in both Corporate and Business Banking, we have high customer satisfaction, and that among all major banks, the Corporate division's customers are the least likely to switch.

Goals for 2006

Corporate division's goal is to achieve growth above that of the financial services sector in each of our businesses. With the strong team we have established and a solid track record behind us, we seek to deepen existing relationships and win new customers.

We expect the strength of our customer proposition will continue to drive customer satisfaction and market share, while our low cost to income and disciplined execution will enable further investment in our business. We will continue to focus on our risk management capabilities and raise the bar in execution and leadership.

Asia Pacific

Elmer Funke Kupper
Group Managing Director

Investing in people and partnerships

Pictured Right - Tho Narith, Kuoung Muyleng, Heng Darany and Heak Lina: ANZ Royal Bank Cambodia.

With a presence in 23 countries, ANZ is already Australia's leading bank in the Asia Pacific region. This gives us a great starting point to make the most of the economic growth in the region. We will continue to invest in our existing businesses in the Pacific and Asia, and add skills, products and new distribution channels.

Financial performance - Geographic

$m	2004	2005	%
Income	484	506	5%
Expenses	(209)	(239)	14%
Profit before provisions	**275**	**267**	**(3%)**
Debt provisions	(34)	(31)	(9%)
Tax & OEI	(50)	(52)	4%
Profit after tax*	**191**	**184**	**(4%)**
Cost income ratio (CTI)	42.6%	46.6%	9%
Staff (FTE)	2,221	2,432	10%

*Includes profit from Institutional and Group Centre businesses in the Asia Pacific region of $89 million (2004: $80 million)

Earnings by business

- 46% Pacific
- 22% Asian Retail Partnerships
- 32% Asian Network

What we do

The Asia Pacific division comprises three geographically defined businesses in the South Pacific, and across East Asia and Southeast Asia.

Pacific offers a full range of retail and commercial banking services in 11 countries throughout the South Pacific. Our Asian network, which serves primarily Australian, New Zealand and Asian corporates who trade, operate and invest across 11 countries in the east Asia region. International Partnerships covers ANZ's retail partnerships with local banks in Indonesia, the Philippines, Vietnam and Southeast Asia. Together, these businesses make ANZ Australia's leading bank in Asia Pacific.

Achievements

Asia Pacific Division's profit was down 14% to $95 million in 2005. On a geographic basis, which includes all of our activities in Asia Pacific including Institutional, profit was down 4% to $184 million.

The core business performed well, with strong growth on volume and earnings. This underlying momentum was offset by lower earnings from our investment in Panin Bank in Indonesia, lower Treasury earnings in Asia, and the costs associated with establishing our International Partnership business.

- We are the leading bank in the South Pacific, with an average market share across the region of almost 40%. The business has one of the highest staff engagement levels in ANZ (68%) and in 2005 showed strong profit growth. We continue to strengthen our franchise by investing in training, new products and distribution.

Supporting local and regional economic development is an important component of our Pacific strategy. As one of the largest corporations and employers in the Pacific, ANZ contributes in a real way to local communities.

- In Asia, we are seeing strong growth in manufacturing, trade and infrastructure investment. For example, regional trade reached US$949 billion in 2004, fuelling strong demand for trade finance. ANZ's Asian Network is uniquely placed to service customers that trade or invest across the Asia Pacific region and into Australia and New Zealand.
- The international partnership agenda is taking shape. Our strategy is to participate in the growth in consumer banking in Asia by developing partnerships with local banks that can benefit from our experience in retail banking, Small to Medium Enterprises, Trade and Risk Management.

By combining the local franchise with ANZ's expertise, we can grow faster together than we could on our own.

We are adopting a portfolio approach, making modest initial investments and targeting a number of partnerships across the region. Today, we have partnerships in Indonesia (PT Panin Bank 29%), the Philippines (Metrobank Cards Corporation 40%), Vietnam (Sacombank 10%) and Cambodia (ANZ Royal Bank 55%). In addition, we are targeting two equity investments in China in 2006.

Goals for 2006

Pacific

- Maintain revenue momentum and grow market share
- Continue with investment in new products and distribution channels, including new branches
- Simplify and re-engineer our processes to improve customer service and productivity

Asia network

- Accelerate growth in the Institutional Banking segment
- Expand our skills and talent pool to support faster growth
- Invest in our Expatriate and Private Banking businesses

International Partnerships

- Make a number of strategic investments in local retail banks in Asia that will put us in a unique position to capture the growth in consumer banking.
- Work with existing partners to transfer ANZ skills to local markets
- Continue to grow our Asian credit card business at double digit rates.

We have built on the strong growth of the last 5 years and are facing up to increasing competitive pressures by re-doubling our focus on our core businesses and entering new businesses in adjacent markets, where we can win through leveraging core capabilities.

Esanda and UDC

Elizabeth Proust Managing Director

Pictured - Elizabeth Proust with Brett Jefferson of City Ford.

Financial performance

$m	2004	2005	%
Income	456	481	5%
Expenses	(186)	(188)	1%
Profit before provisions	270	293	9%
Debt provisions	(67)	(62)	(7%)
Tax & OEI	(60)	(72)	20%
Profit after tax	143	159	11%
Cost income ratio (CTI)	40.8%	39.1%	(4%)
Staff (FTE)	1,297	1,351	4%

What we do

Esanda celebrated a significant milestone in 2005 as it entered its 50th year of business, occupying a market leading position in virtually every segment in which it competes and a leadership position overall.

Esanda provides vehicle and equipment finance, rental services, and savings and investment products. It operates in Australia as Esanda and Esanda FleetPartners and in New Zealand as UDC and Esanda FleetPartners.

Achievements

Our focus on improving core business performance was rewarded with profit up 11% to $159 million.

Return on equity has grown to 24%, up from 11% just 5 years ago. Despite increased investment in frontline staff, cost to income ratio has fallen from around 50% in 2000, to just 40% today. The business' risk profile has improved, allowing a significant reduction in provisions.

- Our focus is now creating accelerated and sustainable growth through a combination of new product development and new business development in adjacent markets where we can leverage core capabilities. For example, we have expanded our fleet capabilities into the heavy equipment market (mining, farming and industrial) and have entered the private sales market–the fastest growing segment of the vehicle market.
- Likewise, our aim is to build our non-prime auto finance business, tapping into a market that is growing at three times the rate of the prime market.
- We are also expanding our cross-sell capabilities and focus, ensuring that we deliver to our customers the best financial products available.
- To assist our growth in the higher return fleet management segment, we have sharpened our sales and pricing focus in Esanda FleetPartners and Commercial Asset Finance with strong growth displayed in both businesses.
- In line with our strategy to grow the consumer market, we launched an internet based savings product called Esanda Online Saver which has attracted over $160 million funds under management since its launch in May 2005.

Goals for 2006

We will continue to extract efficiency gains to fund frontline investment and market extensions, and use our specialist product focus, strong partner relationships and the reputation for security and reliability that we have built over 50 years to deliver simple, easy to use products. We do this with a low cost base, leadership in almost every segment in which we operate and an accelerated growth agenda.

Through the Group Centre's leadership ANZ has achieved the highest staff engagement of Australia's major companies, a significantly reduced risk profile that is now in line with major peers and leading technology capabilities developed across Australia, New Zealand and India.

Corporate Centre

Pictured Right - Peter Hawkins, Shane Freeman, Peter Hodgson, Bob Edgar and Mike Grime.

What we do

The Group Centre comprises:
Operations, Technology and Share Services ("OTSS")
Group People Capital
Group Risk Management
Group Strategic Development
Group Financial Management, including Treasury

Achievements

The Group Centre reported a loss of $124 million in 2005, 6% higher than 2004. The key drivers included increased risk management and compliance costs, reduced Treasury and hedge earnings, partly offset by lower provisions for offshore losses.

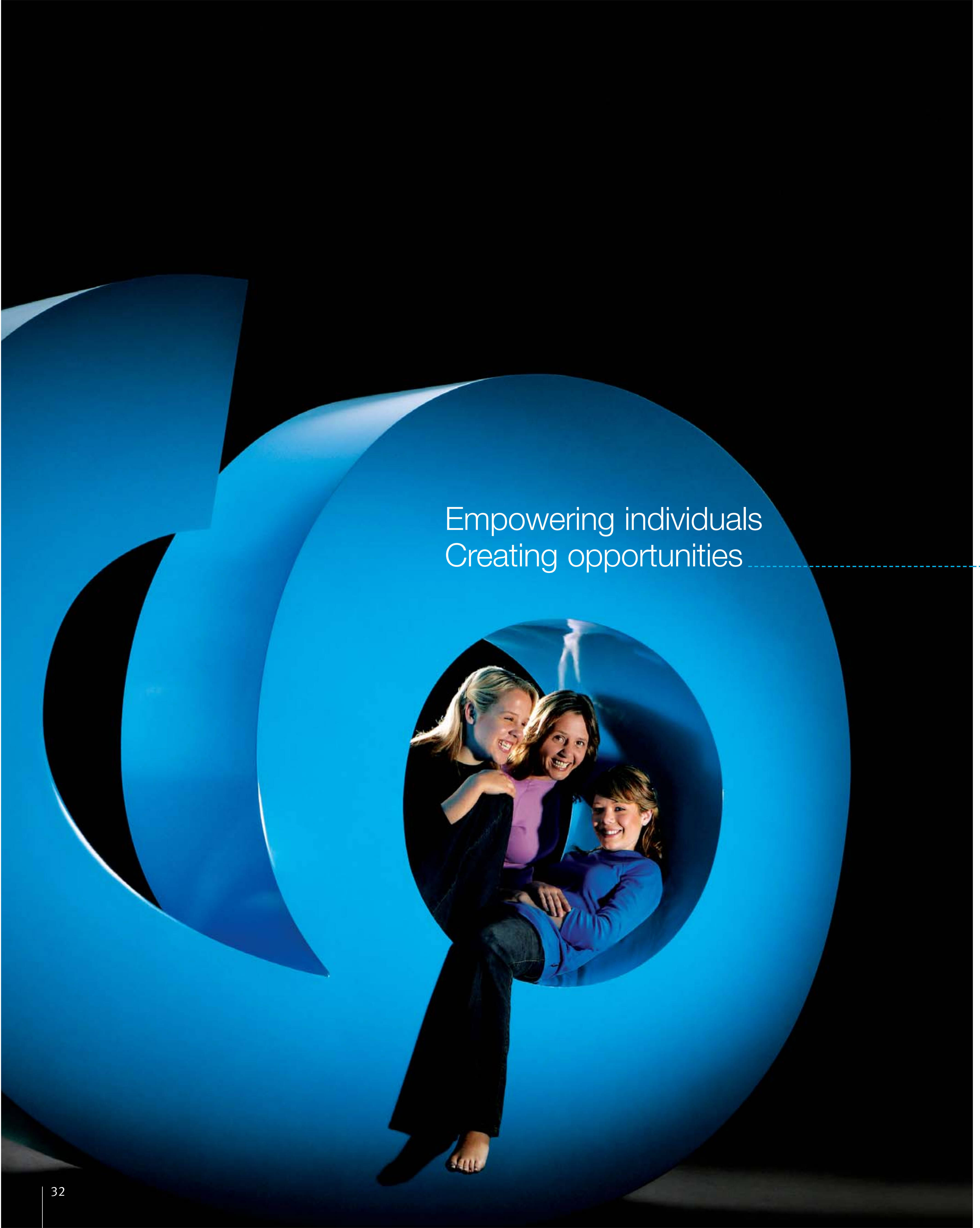
- Significant progress in finalising the New Zealand technology integration program, with over 900 separate changes successfully implemented.
- Successfully completed the "ANTS" project, which was focussed on simplying ANZ's core systems. This was one of the most complex and largest technology architecture projects in the bank's history and provides ANZ with a solid foundation for future systems requirements.
- Successful relocation of our Disaster Recovery Data Centre to a new, world class facility.
- Continued to expand our wholesale funding base, to meet the strong growth in demand for lending, raising A$21 billion in senior and subordinated debt and €500 million from a preference share issue.

Goals for 2006

- During 2005 OTSS conducted a long-term technology strategy review aimed at streamlining ANZ's core banking system and enhancing the single view of customer capabilities. We will continue to progress this agenda in 2006.
- The New Zealand technology integration is scheduled for completion by December 2005.
- We will continue to explore expansion opportunities of our Bangalore technology facility, which is focused on providing non-customer facing technology support.
- Treasury will continue to raise ANZ's wholesale funding requirements at globally competitive interest rates.
- Implement "International Financial Reporting Standards" and achieve Sarbanes Oxley s404 compliance.

Corporate Centre Leadership

Peter Hawkins, Group Managing Director, Group Strategic Development; **Shane Freeman**, Group General Manager People Capital; **Peter Hodgson**, Chief Risk Officer; **Bob Edgar**, Chief Operating Officer; **Mike Grime**, Managing Director, Operations Technology & Shared Services; and **Peter Marriott**, Chief Financial Officer (pictured page 10).



03

PEOPLE, COMMUNITY AND THE ENVIRONMENT
INSPIRING, ENERGISING AND BUILDING RELATIONSHIPS

ANZ aims to bring a human face to banking and build relationships of trust and mutual respect with the community.

In 2005 we continued to inspire and energise our people, bringing our Breakout cultural transformation workshops to branch staff around the country. We introduced innovative policies to create a more flexible and responsive workplace as ANZ was recognised as having the most engaged workforce of all major Australian companies.

We deepened our commitment to financial literacy and inclusion of adult Australians, particularly amongst the most vulnerable people in society. With the Commonwealth Government of Australia, we will provide financial education programs for remote Indigenous communities and expand our Saver Plus matched savings and financial literacy program to benefit low-income families. Over 400 financial counsellors and community educators were trained to deliver our MoneyMinded financial literacy program to help people with lower levels of financial literacy and those facing financial hardship. We are working to complete our second national survey of adult financial literacy in Australia. Our response will include a greater focus on providing convenient, simple and responsible financial products, services and marketing communication. We aim to rapidly expand our financial literacy and inclusion programs to help more people improve their financial knowledge, skills and confidence.

During 2005 our people came together with communities to achieve some remarkable outcomes. In our response to the Asia Tsunami disaster, we worked with community partners such as World Vision, volunteered our time and services, collected customer contributions and provided more than $1 million through donations made by staff and then matched dollar for dollar by ANZ. Our people also provided the entire volunteer network to support the inaugural Oxfam Community Aid Abroad Comic Relief fundraiser.

Pictured left - Saver Plus family: Leonie with daughters Lisa (left) and Jessica (right).

OUR PEOPLE AND CULTURE
INDIVIDUALS AT THE HEART OF CHANGE

We listen and respond to our people, providing programs and opportunities that aim to create a vibrant, energetic and high-performing culture. We invest in the development of our people and encourage them to use ANZ's values to guide their actions and decisions.

Building a vibrant, high-performing culture

ANZ has invested in its people over the past five years with the goal to create a vibrant, energetic and high-performing culture where ANZ's values are the basis for the actions our people take and the decisions they make each day.

This year, industry research revealed that ANZ has the most engaged workforce of all major companies in Australia.

"Employee engagement" means much more to us than simply a staff survey outcome. It's the result of a comprehensive strategy to inspire and energise our people to deliver their best every day. This involves attracting and nurturing the very best talent, investing in their development, and recognising and rewarding their contribution, values and behaviours.

Cultural transformation

Now in its fifth year, over 21,000 staff have participated in our "Breakout" program as part of ANZ's long-term commitment to transforming our culture. The program includes workshops to help staff use ANZ's values in their decision-making and to effectively balance the competing needs of staff, shareholders, customers and the community in their roles and activities.

This year we commenced "Breakout for the frontline", which will see some 7,000 branch staff participate in the program over the next 18 months. We also introduced "Breakout Recharge" which focuses on creating and building cohesive and effective teams.

Our people are actively involved in our efforts to make ANZ a great place to work.

We seek their ideas and feedback on our progress via our annual employee engagement survey. The survey is used to identify and address key issues and opportunities for improvement, and focus groups are subsequently held across the business to provide deeper guidance and appropriate responses.

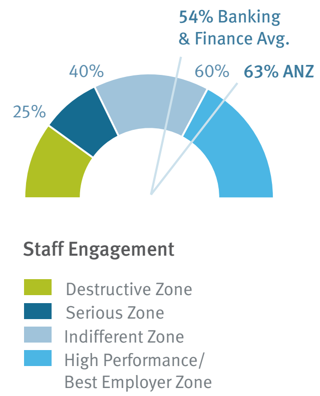
These and other investments have helped to radically change our culture over the past five years. In addition to our levels of employee engagement, we have also seen positive developments in organisational climate through our annual values assessment survey. The survey of senior leaders and a random sample of staff in 2005 showed that respondents rated the most visible values in our culture as "customer focus" and "community involvement". By comparison, in 2000, cost reduction was perceived to be our primary value.

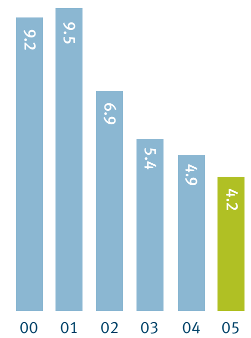
Attracting and nurturing talent

Over the past 18 months, we have added some 3,000 mostly customer-facing positions to support our growth agenda and network expansion. We are also one of the largest recruiters of graduates amongst all publicly listed companies in Australia.

We invest in the personal and professional development of our people and systematically identify and advance the top 20% of performers at each level.

Pictured - 12 weeks paid Parental Leave gives Natalie Paine and baby Jack a head start.





Lost Time Injury Frequency Rate
(Compensated claims per million hours worked)

Flexibility for a diverse workforce

ANZ has adopted a number of innovative workplace policies designed to create flexible working conditions responsive to the needs of our people at various stages of their lives. For example, this year we introduced a new policy guaranteeing those Australian staff aged over 55 the right to work part-time if they choose.

We have made diversity a real priority, with a particular focus on women. We have extended the priority childcare services available to our people through our partnership with ABC Learning Centres and provided 12 weeks paid parental leave for primary care givers, with no qualifying period and paid up front. We also introduced a mentoring program to increase representation of women in senior management. In 2005, more than 18% of our senior management positions were held by women.

ANZ was also recognised as the leading large Australian organisation for the Advancement of Women by the Equal Opportunity for Women in the Workplace Agency (EOWA).

Wellbeing

We introduced a significantly enhanced Health, Safety and Security strategy in 2005. This includes our Branchsafe program, designed to better manage and assess security and risk in our branches. Ongoing facilities improvement programs during the year included a significant investment in branch refurbishments and upgrades, particularly in New South Wales. Wecontinued to reduce our lost time injury frequency rate, which is the best among our peer group.

Our commitment to employee well-being extends to providing our people with free health information and services through My Health Online, and My Healthcheck- an initiative that offers a paid physical checkup during working hours once every two years to all staff.

Consistent with our broad commitment to improving the financial literacy of Australians, more than 5,000 staff participated in Financial Fitness workshops covering budgeting and savings, retirement planning and superannuation, and investment basics.

Employee community contributions

We offer our people opportunities to get involved in local community programs and the causes that are important to them, creating some extraordinary outcomes. In 2005, 3,675 or 18% of Australian staff contributed more than 24,000 hours as part of ANZ's Volunteers program, which provides employees with eight hours leave each year to complete volunteering activities of their choice. ANZ's program is amongst the leaders globally – the average corporate volunteering participation rate is 8.5%.

Throughout the year 28% of our Australian staff donated money to numerous community partners through our Community Giving program, where ANZ matches staff contributions dollar-for-dollar up to $1,000 per person. The high participation rate was achieved through staff donations to the Tsunami relief efforts, which resulted in ANZ and its people donating $1 million to support the work of World Vision. The average participation rate for similar schemes at large organisations is 3-4%.

THE COMMUNITY AND ENVIRONMENT
PERSONAL CHALLENGES AND SHARED GOALS

Our community investment strategy focuses on enhancing the well-being and prosperity of the communities where our people live and work, and where our business operates. Earning the trust of the community is one of our core values.

We aim to be leaders in addressing the major social issues that involve the financial services industry – in particular financial literacy and financial inclusion. Our programs also provide opportunities for our staff to support causes that are important to them.

Our Community

ANZ's community programs aim to build the financial knowledge, skills and confidence of all Australians, particularly the most vulnerable.

There is no short-term "fix" to these issues. It requires continued focus, passion and persistence across our entire business and deep partnerships with government, regulators and community organisations to achieve lasting change.

Together we aim to create confident, capable consumers who can access and use financial products and services to improve their personal financial well-being, which in turn will help to create stronger communities and a healthy economy.

Innovative programs

Saver Plus is a financial literacy program aimed at helping families on low-incomes to improve their financial knowledge, develop a long-term savings habit, and save for their children's education. As part of the program, ANZ rewards the efforts of participants by matching every dollar saved up to a total amount of $2,000. Participants agree to direct their savings towards their children's education and learning needs, such as the purchase of personal computers.

The program was created with the Brotherhood of St Laurence (BSL) and is delivered through partnerships with BSL, Berry Street Victoria, The Benevolent Society and The Smith Family.

Earlier this year ANZ provided $481,000 in matched savings to the 257 families who participated in the 2004 pilot program and, at the end of September 2005, a further 453 families had saved $384,703 to be matched by ANZ.

An RMIT University evaluation of the Saver Plus pilot program revealed that 92% of participants achieved their savings goal, and 35% exceeded their goal. A key finding was that three months after they completed the program 84% of participants were still saving regularly and 34% of these were saving more than they had previously.

MoneyMinded is Australia's first comprehensive adult financial literacy program, to help people, particularly low-income earners and those facing financial hardship, develop financial knowledge, skills and confidence. Its development was funded by ANZ, and guided by stakeholders such as the Australian Financial Counselling and Credit Reform Association and Australian Securities Investment Commission.

With 40 years experience in community work (including 20 in financial counselling), Jan Pentland sees MoneyMinded as an excellent financial literacy resource.

Jan Pentland
Financial Counsellor, AFCCRA Chair.

More than 400 financial counsellors and community educators have been trained to deliver the program around Australia with 3,500 people attending at least one MoneyMinded session and almost 1,000 people attending multiple workshops. Together with our community partners, our goal is to reach 100,000 people over the next five years.

Expanding our partnerships

In July this year ANZ and the Commonwealth Government Department of Family and Community Services, launched MoneyBusiness, a culturally specific program to bring financial literacy and money management skills to Indigenous people in six sites including Katherine, Tennant Creek, Nguiu (Tiwi Islands), Galiwinku (Elcho Island) in the Northern Territory and Geraldton and Kununurra in Western Australia.

ANZ will contribute $1 million in funding over the next 3 years and share our experience in developing financial literacy and matched savings programs to enable MoneyBusiness to reach 2,000 Indigenous people. We will also work with the Government and the local communities to adapt Saver Plus to reach up to 300 Indigenous families.

ANZ has also formed a partnership with Traditional Credit Union (TCU), an indigenous credit union based in Darwin. Together we are developing a financial inclusion strategy, including the delivery of MoneyBusiness to help TCU members build better lives for themselves and improve their living standards through enhanced money management skills.

The Victorian State Government, has funded Berry Street Victoria to translate and deliver MoneyMinded to the Iraqi community in Shepparton as part of its social policy action plan *A Fairer Victoria*. We are also investigating opportunities with the State Government to extend these programs to support other communities within Victoria.

Pictured - World Vision Chief Operating Officer, Toby Hall and Chief Executive Officer, Tim Costello with David Surtees ANZ (right) who worked with World Vision on Career Break from ANZ.

ENVIRONMENT

ANZ has established an Environment Charter, strategy and internal responsibilities for reducing the impact of our operations and business activities on the environment. Our aim is to align ANZ's environmental performance with our commitment to make a sustainable contribution to society.

Environment Charter

A significant step in ANZ's environmental commitment was the introduction in July 2005 of a new Group Environment Charter. It sets higher standards for managing our environmental footprint and provides guidance for improving environmental performance through our relationships with partners, customers and suppliers.

Responsible lending

An environmental and social issues screen of clients and transactions is being introduced across ANZ's Institutional & Corporate divisions. This allows key risks to be identified and addressed in the credit process. Formal internal engagement has been established to oversee more effective integration of environmental and social considerations in lending policies and decision-making principles and frameworks. This includes a program to build broad staff awareness and understanding of the business rationale for environmental and social issues.

Operational Environmental Footprint

Programs are in place to reduce the impact of our operations on the environment and in 2005 we fulfilled our commitments to:

- Reduce electricity consumption
- Reduce paper usage
- Enhance our existing procurement policies and practices to address environmental risks and opportunities in our supply chain
- We continue to work on implementing an environmental management system to identify, measures and track our environmental performance.

Company ethics
Perspective and knowledge

04

THE BOARD OF DIRECTORS
SUSTAINING PERFORMANCE AND GROWTH

The Board is responsible to shareholders for the governance of ANZ, and oversees its operations and financial performance.

It sets the strategic direction and financial objectives, determines the appropriate risk appetite for the organisation, and monitors operational performance. It also monitors compliance in terms of ethical standards and regulatory requirements. The Board appoints the Chief Executive Officer and regularly reviews his performance.

The Board Charter clearly sets out the Board's purpose, powers, and specific responsibilities. The business of ANZ is managed under the direction of the Board. The Board delegates to the Chief Executive Officer and through him, to other senior management, the authority and responsibility for managing the everyday affairs of ANZ. The Board monitors management and performance on behalf of shareholders.

The ANZ Board is chaired by a non-executive independent director. Its structure provides for a division of responsibility between the Chairman and the Chief Executive Officer. This is supported by the ANZ Board Charter (anz.com›about ANZ›corporate governance) which states that the Chairman must be an independent non-executive director and that the majority of the Board must comprise independent non-executive directors.

The Board strives to achieve a balance of skills, knowledge, experience and perspective among its directors. This is particularly important for the banking sector, as banks have deep relationships with customers across every sector of the economy, and need to understand what is happening across the broader economy. Banking can also be cyclical, so it is important that in achieving a balance of experience, the Board includes a number of longer serving directors.

Details regarding the skills, experience, and expertise of each director are on the following pages.

Pictured - From left: Greg Clark, Roderick Deane, Margaret Jackson, David Gonski and David Meiklejohn.

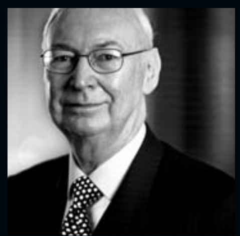
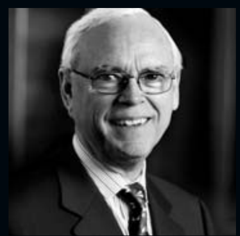
THE BOARD OF DIRECTORS

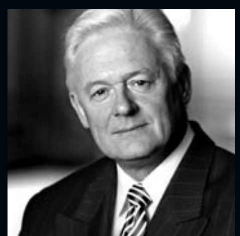
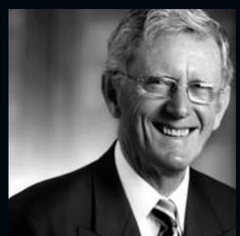
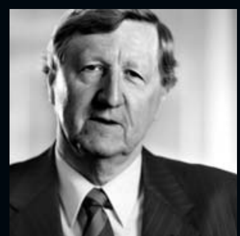
STRATEGIC DIRECTION AND EXPERIENCE

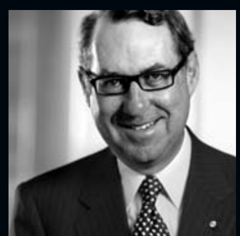
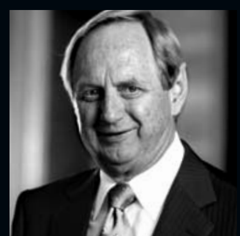
Mr C B Goode
Mr J McFarlane
Dr G J Clark

Dr R S Deane
Mr J K Ellis
Mr D M Gonski

Ms M A Jackson
Mr D E Meiklejohn
Mr J P Morschel

MR C B GOODE, AC

B COM (HONS) (MELB), MBA (COLUMBIA UNIVERSITY, NEW YORK), HON LLD (MELB), HON LLD (MONASH)

Chairman
Independent Non-Executive Director

Non-executive director since July 1991. Mr Goode was appointed Chairman in August 1995 and is an ex officio member of all Board Committees.

Experience and expertise
Mr Goode has a background in the finance industry and has been a professional non-executive director since 1989. He brings a wide range of skills and significant experience of the finance industry to his role as Chairman of the Board.

Age 67. **Residence** Melbourne.

MR J McFARLANE

MA, MBA

Chief Executive Officer

Chief Executive Officer since October 1997. Mr McFarlane is also a Director of ANZ National Bank Limited in New Zealand.

Experience and expertise
Mr McFarlane brings broad leadership, management and banking skills following a 30-year career in banking. Mr McFarlane is a former Group Executive Director, Standard Chartered Plc, Head of Citibank, United Kingdom and Managing Director, Citicorp Investment Bank Ltd.

Age 58. **Residence** Melbourne.

DR G J CLARK

PHD, BSC (HONS)

Independent Non-Executive Director
Chairman of the Technology Committee

Non-executive director since February 2004. Dr Clark is a member of the Nominations, Governance & Corporate Responsibility Committee.

Experience and expertise
Dr Clark is Principal of Clark Capital Partners, a US based firm that advises internationally on technology and the technology market place. Previously he held senior executive positions in IBM, News Corporation and Loral Space and Communications. He brings to the Board international business experience and a distinguished career in micro-electronics, computing and communications.

Age 62. Based in New York, United States of America but also resides in Sydney.

DR R S DEANE

PHD, B COM (HONS), FCA, FCIS, FNZIM

Independent Non-Executive Director
Chairman of ANZ National Bank Limited in New Zealand

Non-executive director since September 1994. Dr Deane is a member of the Compensation & Human Resources Committee and the Technology Committee.

Experience and expertise
Dr Deane has skills and experience across a variety of sectors including government, banking and finance, economics, and telecommunications, and also with charitable and cultural organisations.

Age 64. **Residence** Wellington, New Zealand.

MR J K ELLIS

MA (OXON), FAICD, HON FIE AUST, FAusIMM, FTSE, HON DR ENG (CQU)

Independent Non-Executive Director
Chairman of the Risk Management Committee

Non-executive director since October 1995. Mr Ellis is a member of the Audit Committee.

Experience and expertise
A trained engineer, Mr Ellis brings to the Board his analytical skills together with his practical understanding of operational issues, investments and acquisitions across a range of sectors including natural resources, manufacturing, biotechnology and education.

Age 68. **Residence** Melbourne.

MR D M GONSKI, AO

B COM, LLB, S.I.A. (AFF), FAICD, FCPA

Independent Non-Executive Director
Chairman of the Nominations, Governance & Corporate Responsibility Committee

Non-executive director since February 2002. Mr Gonski is a member of the Risk Management Committee.

Experience and expertise
A lawyer, Mr Gonski has a broad experience across business, the law and investment banking. He also brings to his role on the Board an appreciation for the community through his work in the arts and the not-for-profit sector.

Age 52. **Residence** Sydney.

MS M A JACKSON, AC

B EC, MBA, HON LLD, FAICD, FCA

Independent Non-Executive Director
Chairman of the Compensation & Human Resources Committee

Non-executive director since March 1994. Ms Jackson is a member of the Audit Committee.

Experience and expertise
A Chartered Accountant, with significant financial expertise, Ms Jackson has broad industrial experience including her involvement in transportation, mining, the media, manufacturing and insurance. This expertise coupled with her work in health and education contribute to her role on the Board.

Age 52. **Residence** Melbourne.

MR D E MEIKLEJOHN

B COM, DIP. ED, FCPA, FAICD, FAIM

Independent Non-Executive Director
Chairman of the Audit Committee

Non-executive director since October 2004. Mr Meiklejohn is a member of the Nominations, Governance & Corporate Responsibility Committee.

Experience and expertise
Mr Meiklejohn has a strong background in finance and accounting. He also brings to the Board his experience across a number of directorships of major Australian companies spanning a range of industries.

Age 63. **Residence** Melbourne.

MR J P MORSCHEL

DIPQS, FAIM

Independent Non-Executive Director

Non-executive director since October 2004. Mr Morschel is a member of the Risk Management Committee and the Compensation & Human Resources Committee.

Experience and expertise
Mr Morschel has a strong background in banking and financial services, and brings the experience of being a director of major Australian and international companies.

Age 62. **Residence** Sydney.

Visit our website at **www.anz.com** for listings of current directorships or see pages 51–53 of Part 2 of this Concise Report

DIRECTORS' MEETINGS

The number of Board meetings and meetings of Committees 1 October 2004 to 30 September 2005 that each director was eligible to attend, and the number of meetings attended by each director were:

	Board		Risk Management Committee		Audit Committee		Compensation & Human Resources Committee		Nominations, Governance & Corporate Responsibility Committee		Technology Committee		Executive Committee		Shares Committee		Committee of the Board	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Dr G J Clark	8	8	–	–	–	–	–	–	5	5	2	2	–	–	–	–	–	–
Mr J C Dahlsen*	3	3	–	–	4	4	–	–	–	–	–	–	1	1	–	–	1	1
Dr R S Deane	8	8	3	3	–	–	6	6	–	–	2	2	2	2	–	–	–	–
Mr J K Ellis	8	8	7	7	9	8	–	–	–	–	–	–	2	2	–	–	–	–
Mr D M Gonski	8	8	7	7	–	–	–	–	5	5	–	–	3	3	1	1	–	–
Mr C B Goode	8	8	7	7	9	9	6	6	5	5	2	2	7	7	4	4	4	4
Ms M A Jackson	8	8	–	–	9	9	6	6	–	–	–	–	3	3	–	–	–	–
Mr J McFarlane	8	8	–	–	–	–	–	–	–	–	–	–	7	7	1	1	3	3
Mr D E Meiklejohn	8	8	–	–	8	8	–	–	5	5	–	–	–	–	3	3	–	–
Mr J P Morschel	8	8	7	7	–	–	6	6	–	–	–	–	3	3	1	1	–	–
Mr B W Scott*	5	5	–	–	–	–	4	4	2	2	–	–	3	3	1	1	–	–

Column A - Indicates the number of meetings the Director was eligible to attend.
Column B - Indicates the number of meetings attended. The Chairman is an ex-officio member of the Risk Management, Audit, Compensation & Human Resources, Nominations, Governance & Corporate Responsibility, and Technology Committees.
*Retired during the year. Mr Dahlsen - 3 February 2005 & Dr Scott - 23 April 2005.

TEN YEAR SUMMARY[1,2]

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Financial Performance										
Net interest income	5,798	5,254	4,311	4,018	3,833	3,801	3,655	3,547	3,437	3,327
Other operating income	3,552	3,391	2,808	2,970	2,573	2,583	2,377	2,142	2,110	1,839
Operating expenses	(4,515)	(4,026)	(3,228)	(2,905)	(3,092)	(3,314)	(3,300)	(3,442)	(3,502)	(3,397)
Profit before tax, debt provision and prior period abnormals	4,835	4,619	3,891	4,083	3,314	3,070	2,732	2,247	2,045	1,769
Provision for doubtful debts[1]	(580)	(632)	(614)	(860)	(531)	(502)	(510)	(487)	(400)	(175)
Income tax expense	(1,234)	(1,168)	(926)	(898)	(911)	(863)	(736)	(576)	(466)	(469)
Outside equity interests	(3)	(4)	(3)	(3)	(2)	(2)	(6)	(9)	(8)	(9)
Net Profit after tax before prior period abnormals	3,018	2,815	2,348	2,322	1,870	1,703	1,480	1,175	1,171	1,116
Net prior period abnormal profit (loss)	–	–	–	–	–	44	–	(69)	(147)	–
Net profit after tax	**3,018**	2,815	2,348	2,322	1,870	1,747	1,480	1,106	1,024	1,116
Financial Position										
Assets[2]	293,185	259,345	195,591	183,105	185,493	172,467	152,801	153,215	138,241	127,604
Net Assets	19,488	17,925	13,787	11,465	10,551	9,807	9,429	8,391	6,993	6,336
Tier 1 capital ratio	6.9%	6.9%	7.7%	7.9%	7.5%	7.4%	7.9%	7.2%	6.6%	6.7%
Return on average ordinary equity[3,4]	17.5%	17.8%	20.6%	21.6%	20.2%	19.3%	17.6%	15.9%	17.2%	18.3%
Return on average assets[3]	1.1%	1.1%	1.2%	1.3%	1.1%	1.1%	1.0%	0.7%	0.7%	0.9%
Cost to income ratio[5]	45.6%	45.3%	45.1%	46.0%	48.0%	51.7%	54.5%	60.9%	63.1%	65.8%
Shareholder value – ordinary shares										
Total return to shareholders (share price movement plus dividends)	32.6%	17.0%	6.7%	15.3%	26.2%	36.3%	19.6%	–15.6%	62.4%	33.9%
Market capitalisation	43,834	34,586	27,314	26,544	23,783	20,002	16,045	13,885	17,017	10,687
Dividend	110c	101c	95c	85c	73c	64c	56c	52c	48c	42c
Franked portion –interim	100%	100%	100%	100%	100%	100%	75%	60%	100%	50%
–final	100%	100%	100%	100%	100%	100%	80%	60%	100%	100%
Share price[6] –high	$24.45	$19.44	$18.45	$19.70	$16.71	$12.87	$12.11	$11.52	$11.08	$6.96
–low	$19.02	$15.94	$15.01	$15.23	$12.63	$9.18	$8.12	$7.65	$6.79	$5.17
–30 Sep	$24.00	$19.02	$17.17	$16.88	$15.28	$12.70	$9.80	$8.62	$10.79	$6.91
Share information										
(per fully paid ordinary share)										
Earnings per share[6] –basic	160.9c	153.1c	142.4c	141.4c	112.7c	102.5c	86.9c	69.7c	65.8c	73.2c
Dividend payout ratio[7]	68.4%	67.5%	64.2%	57.8%	62.0%	59.1%	62.1%	67.8%	61.6%	55.5%
Net tangible assets[8]	$8.05	$7.51	$7.49	$6.58	$5.96	$5.49	$5.21	$4.98	$4.59	$4.24
No. of fully paid ordinary shares issued (millions)	1,826.4	1,818.4	1,521.7	1,503.9	1,488.3	1,506.2	1,565.4	1,539.4	1,508.6	1,478.1
DRP issue price[9] –interim	$21.85	$17.84	$18.48	$19.24	$15.05	$11.62	$10.95	$10.64	$9.77	$5.59
–final	–	$19.95	$16.61	$18.32	$18.33	$14.45	$11.50	$10.78	$9.92	$7.60
Other information										
Points of representation[10]	1,223	1,190	1,019	1,018	1,056	1,087	1,147	1,205	1,473	1,744
No. of employees (full time equivalents)[11]	30,976	28,755	23,137	22,482	22,501	23,134	30,171	32,072	36,830	39,721
No. of shareholders[12]	263,467	252,072	223,545	198,716	181,667	179,829	179,945	151,564	132,450	121,847

1 From 1997, the annual debt provision charge has been calculated based on economic loss provisioning; prior year data has not been restated for this change in measurement approach
2 From 1998 to 2001, consolidated assets include the statutory funds of ANZ Life as required by an accounting standard. For the year 2004, consolidated assets include the statutory funds of NBNZ Life Insurance Limited. ANZ Life was sold in May 2002 and NBNZ Life Insurance Limited was sold on 30 September 2005.
3 Excludes significant items and outside equity interests
4 For the periods 1997 to 2002 the return on average ordinary equity calculation accrues the dividend over the year. From 2003, dividends may no longer be accrued and as such are not included in the calculation of return on average ordinary equity
5 Excludes goodwill amortisation, abnormals and significant items
6 Periods prior to 2004 adjusted for the bonus elements of the November 2003 Rights Issue
7 From 2003 the dividend payout ratio includes the final dividend proposed but not provided for in terms of AASB 1044 Provisions, Contingent Liabilities and Contingent Assets which was effective from the September 2003 financial year.
8 Equals shareholders equity less preference share capital and unamortised goodwill
9 DRP represents Dividend Reinvestment Plan
10 Includes branches, offices, representative offices and agencies
11 Prior to 1997, excludes temporary staff
12 From 2000 onwards the number of shareholders does not include the number of employees whose only shares are held by ANZEST Pty Ltd as the trustee for shares issued under the terms of any ANZ employee incentive plan.

INFORMATION FOR SHAREHOLDERS
A SUMMARY

DIVIDENDS

The final dividend of 59 cents per share, fully franked, will be paid on 16 December 2005. A Dividend Reinvestment Plan (DRP) and Bonus Option Plan (BOP) are available to shareholders. Copies of the terms and conditions of the Plans are available from the ANZ Share Registry at the addresses shown below.

In order to reduce costs, minimise the potential for fraud and enhance convenience for shareholders, ANZ has implemented a direct credit payment policy regarding dividend payments to shareholders in Australia, New Zealand and the UK (other than to those who have elected to participate in either the DRP or the BOP).

REMOVAL FROM MAILING LIST

Shareholders who do not wish to receive a copy of the Concise Annual Report must advise the Share Registry in writing or you can register your email address via **www.anz.com** and elect to receive shareholder information via email instead of by mail.

CHANGE OF ADDRESS

Shareholders who have changed their address will need to advise the Share Registry in writing, quoting their shareholder number, name and company as applicable.

If you have purchased your shares through a broker you will need to inform your broker of the change.

ANZ is proud to be a foundation member of eTree, a Computershare initiative with Landcare Australia.

Register to receive all your shareholder communications electronically through eTree and in return ANZ will make a donation of up to $2 to Landcare Australia to support reforestation projects across Australia and New Zealand.

So far through this initiative ANZ has donated the equivalent of almost 200,000 trees and we encourage more shareholders to register and help give back to our environment.

www.eTree.com.au/anz

CREDIT RATINGS

Short Term

Moody's Investors Service	P-1
Standard & Poor's Rating Group	A1+

Long Term

Moody's Investors Service (outlook stable)	Aa3
Standard & Poor's Rating Group (outlook stable)	AA-

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IMPORTANT DATES FOR SHAREHOLDERS*

Date	Event
16 December 2005	Annual General Meeting Adelaide
16 December 2005	Final Dividend Payment
27 April 2006	Interim Results Announced
15 May 2006	Interim Dividend Ex-Date
19 May 2006	Interim Dividend Record Date
3 July 2006	Interim Dividend Payment
26 October 2006	Annual Results Announced
9 November 2006	Final Dividend Ex-Date
15 November 2006	Final Dividend Record Date
15 December 2006	Final Dividend Payment
15 December 2006	Annual General Meeting Sydney

* If there are any changes to these dates, the Australian Stock Exchange will be notified accordingly

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