

04

2004 Annual Results

Australia and New Zealand Banking Group Limited

26 October 2004

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2004 Annual Result

John McFarlane
Chief Executive Officer

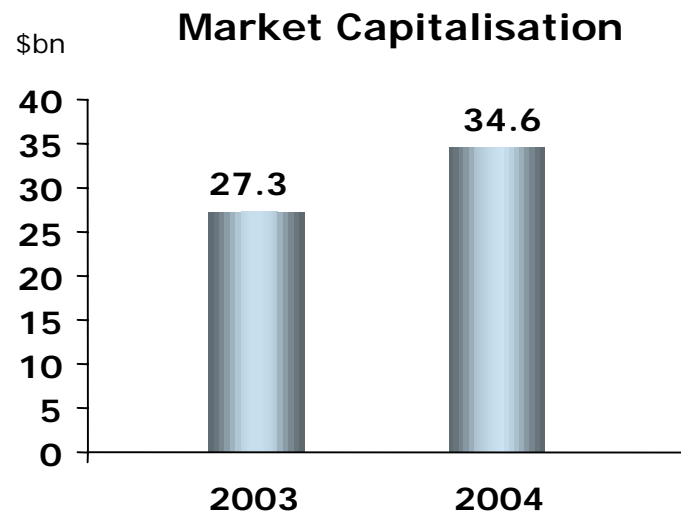
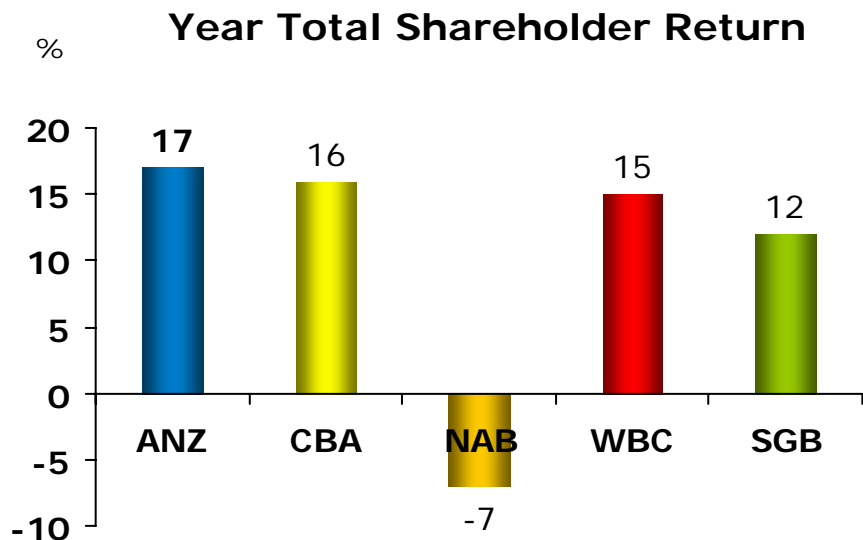
A good 2004 result

Strong financial performance

■ NPAT	\$2,815m	↑ 19.9%
■ Cash EPS	161.1 cents	↑ 10.1%

Shareholders rewarded

■ Dividend	101 cents	↑ 10.8%
■ Total shareholder return	17%	
■ On-market share buyback of at least \$350 million planned		



ANZ has come a long way this year

Strong momentum in Personal businesses in Australia

With NBNZ acquisition, ANZ now dominant in New Zealand and Pacific

\$4.9b acquisition of NBNZ: \$3.6b rights issue

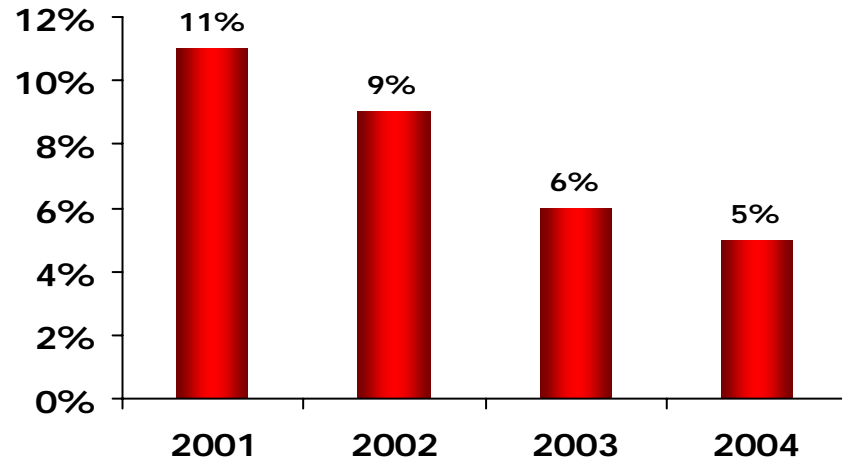
ANZ now 5th on ASX by market capitalisation

ANZ recognised for community, staff and cultural development

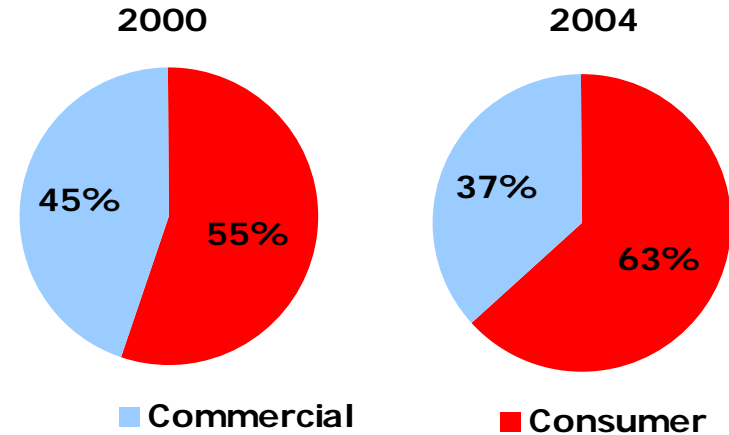
Sale of International Project Finance completes international restructuring

Improved sustainability: Structural de-risking largely complete

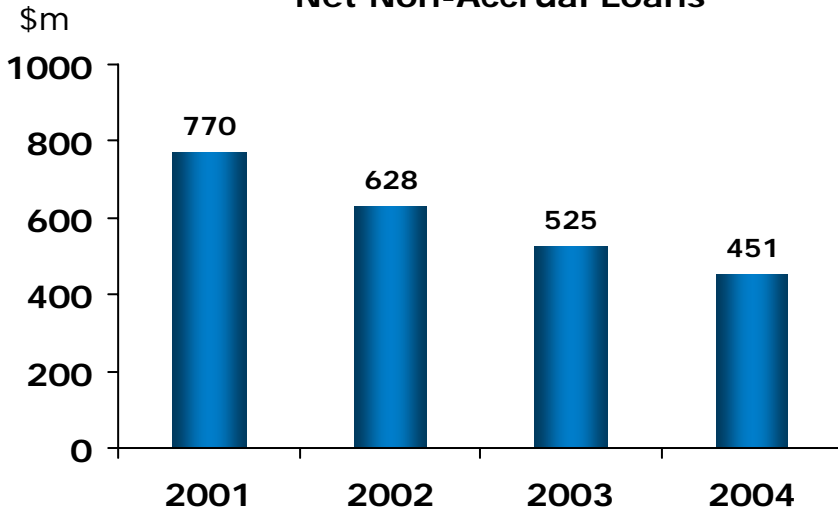
Offshore lending assets significantly reduced
(% of group NLA*)



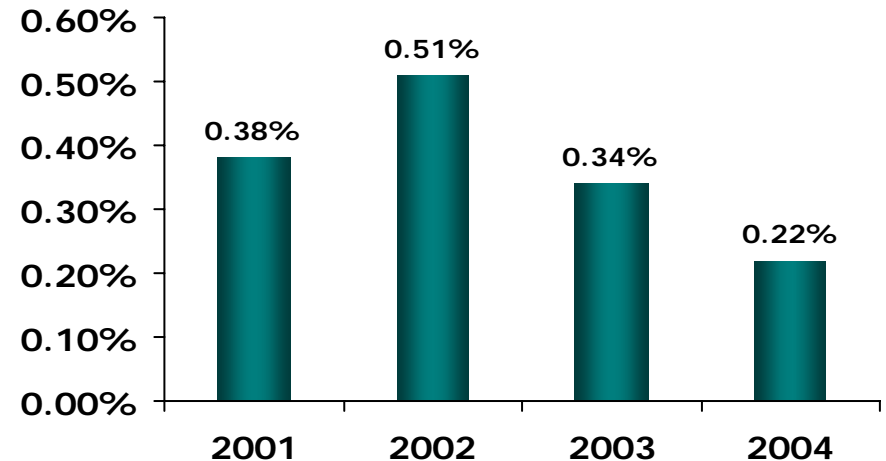
More sustainable business mix
(lending assets)



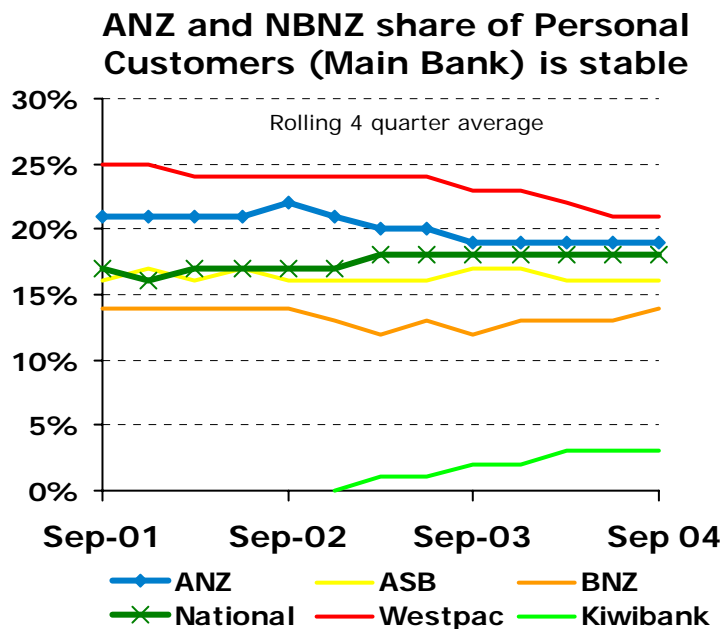
Net Non-Accrual Loans



Net specific provision rate
(% of average NLA*)



NZ integration complete end 2005 – low risk approach adopted



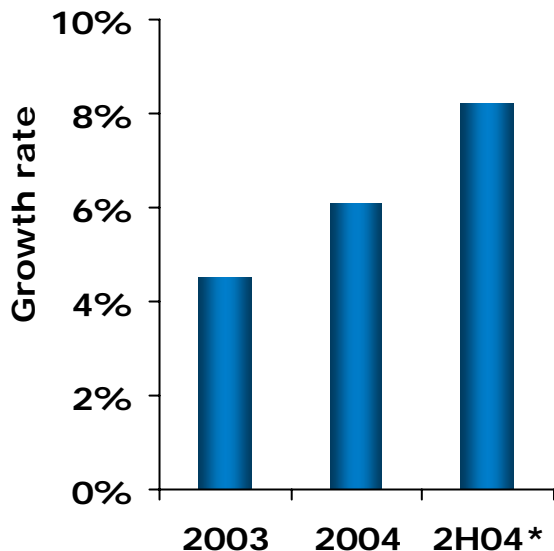
Source: ACNielsen Consumer Finance Monitor

- A good acquisition; 2.3 cents cash EPS accretive in year 1
- Integration has made good progress since regulatory approval obtained
- Levels of attrition well below expectations and comparable acquisitions
- However potential risk of retail integration demanded a more conservative approach:
 - Two brand strategy
 - Existing retail systems retained
- This has changed mix of costs and benefits, but at lower risk

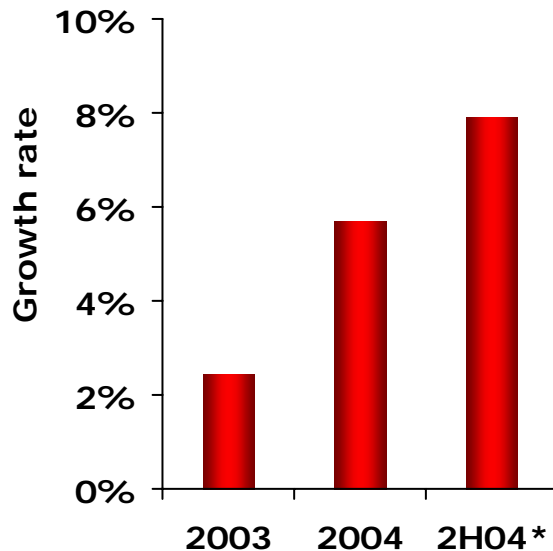
Carefully balancing investment and producing current returns

Strong revenue growth; absorbed highest margin contraction in recent years

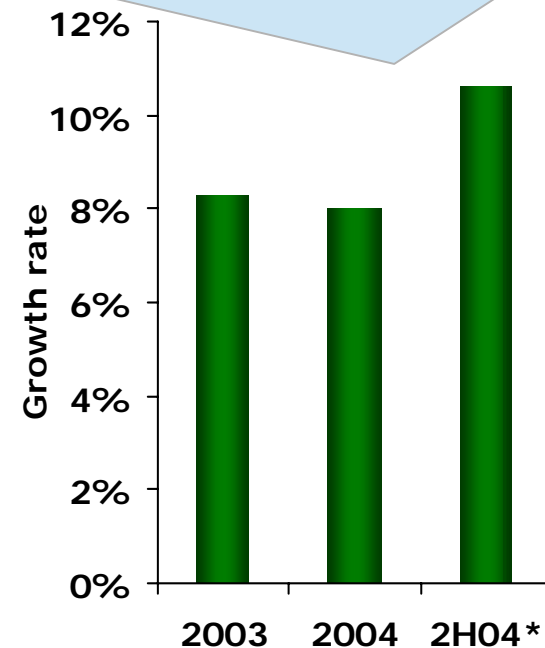
Higher revenue has increased our capacity to invest and produce future growth and return



■ Income



■ Expenses



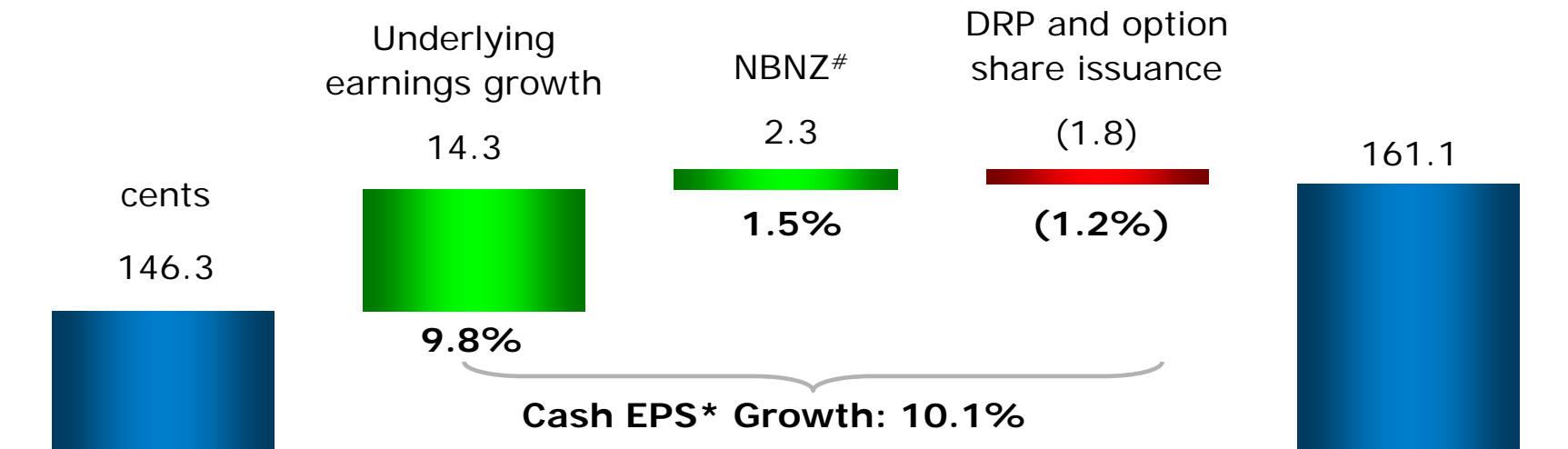
■ NPAT

Focused investment creating more sustainable business

Result Review

Peter Marriott
Chief Financial Officer

Cash EPS growth driven by strong underlying performance



Sept-03

Sept-04

Drivers:

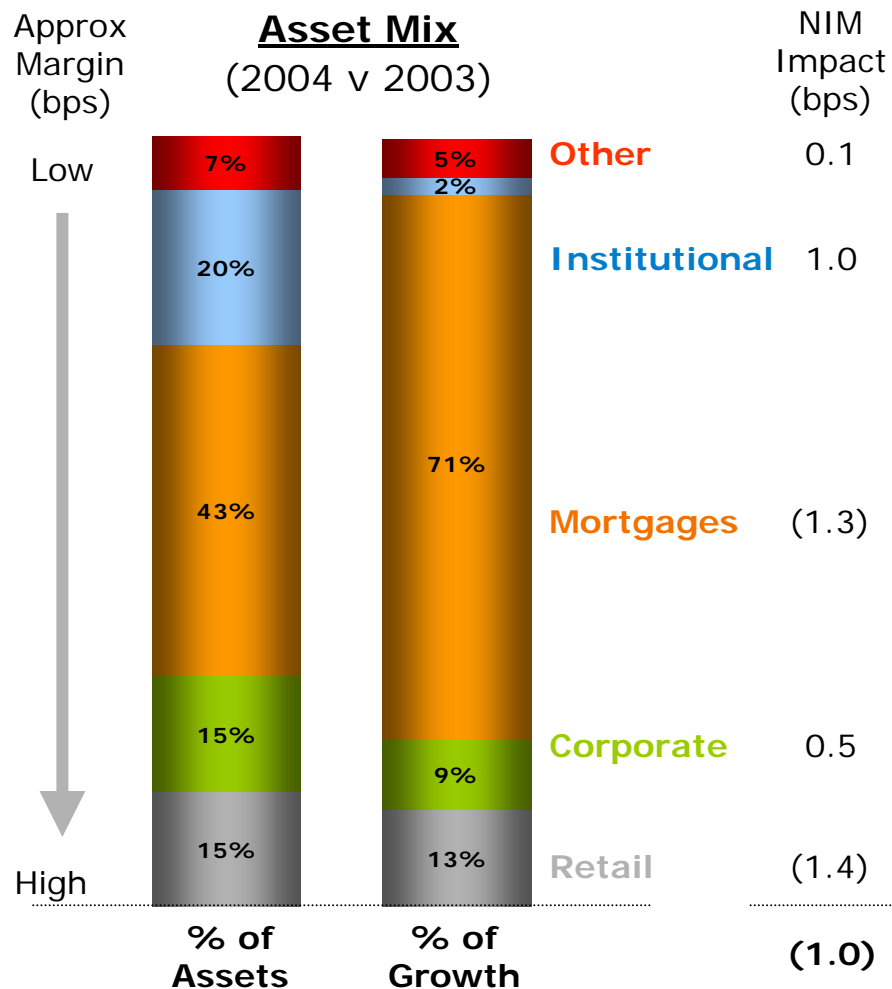
- Margin decline
- Strong volume growth
- Non interest income growth
- Increased investment
- Improved risk profile
- Acquired at an attractive P/E
- Good core business growth
- Low risk integration approach
- Dividend policy
- Capital management initiatives

Margin decline is predominantly structural/cyclical

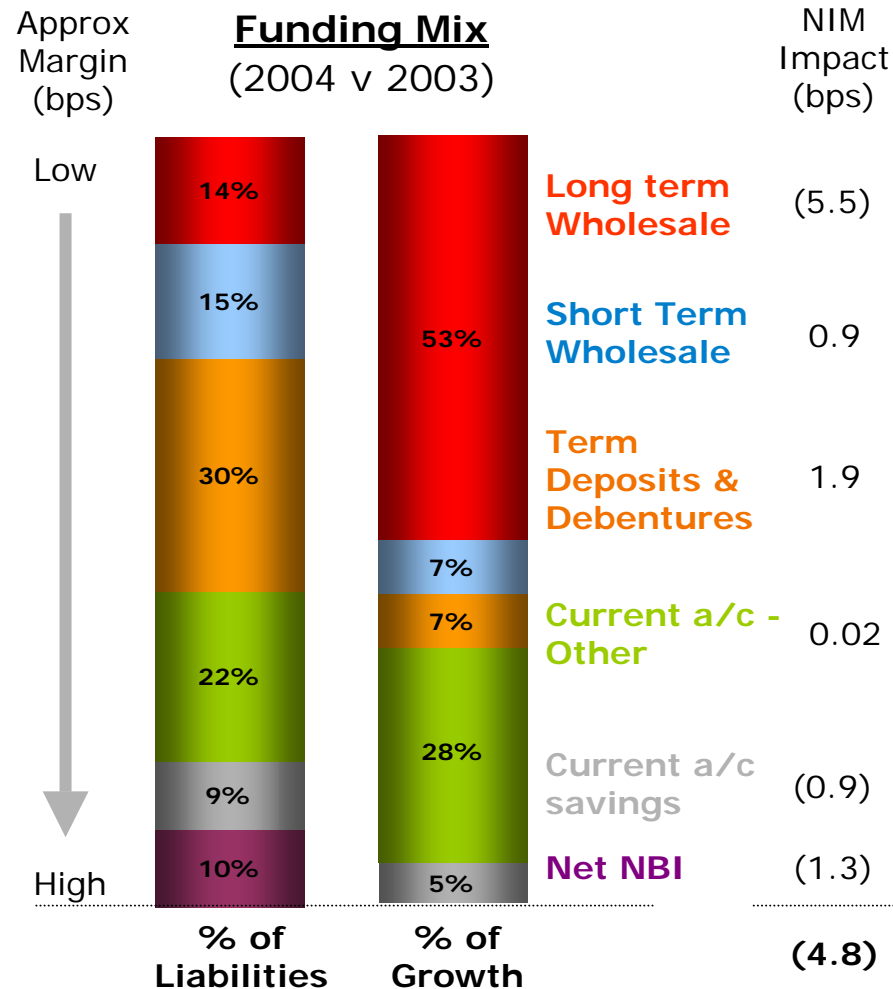
Drivers	2004 v 2003	2H04 v 1H04	Outlook
	bps	bps	
NBNZ	(3)	(2)	↔
Asset Mix	(1)	(1)	↔
Funding Mix	(5)	(2)	↓
Asset/Liability Wholesale Rate Impact	(6)	(3)	↑
Competition	(3)	(1)	↓
Brokerage Impact	(2)	0	↓
Other	2*	1	
Total	(18)	(8)	

Increasing Mortgages business has reduced NIM through lower asset yields and increased wholesale debt issuance

Increase levels of lower risk, lower yielding assets have reduced NIM



Increased long term wholesale debt required to fund asset growth



The changing shape of the domestic yield curve has impacted earnings

- The shape of the curve in FY04 has negatively impacted the funding of mortgages as well as income from the interest rate mismatch position and investment in replicating portfolios.

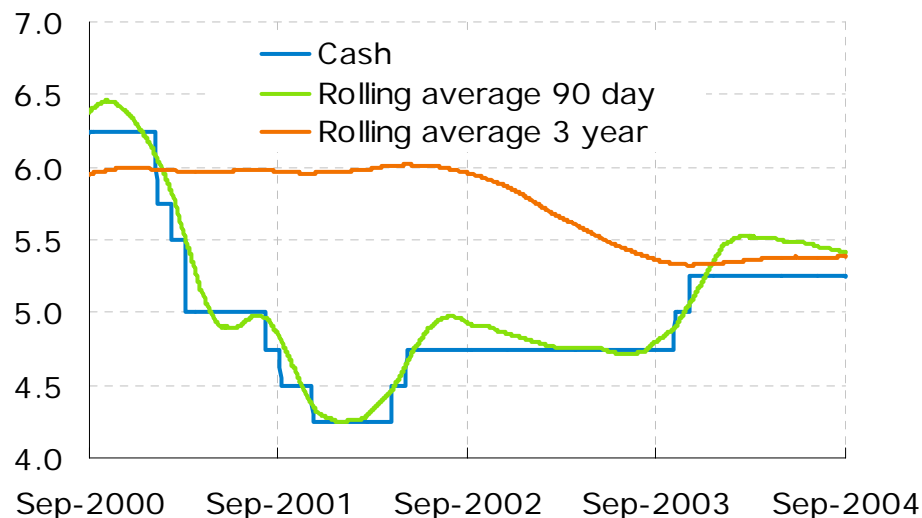
Asset wholesale rate impact

	NIM Impact (bps)
• Change in Group Treasury mismatch earnings	(3.2)
• Mortgages and Cards basis risk impacts	(3.4)
Total Impact	(6.6)

Liability wholesale rate impact

	NIM Impact (bps)
• Replicated & rate insensitive deposits	1.1
• Investment income on Group SHE	(0.2)
Total Impact	0.9

Australian yield curve history



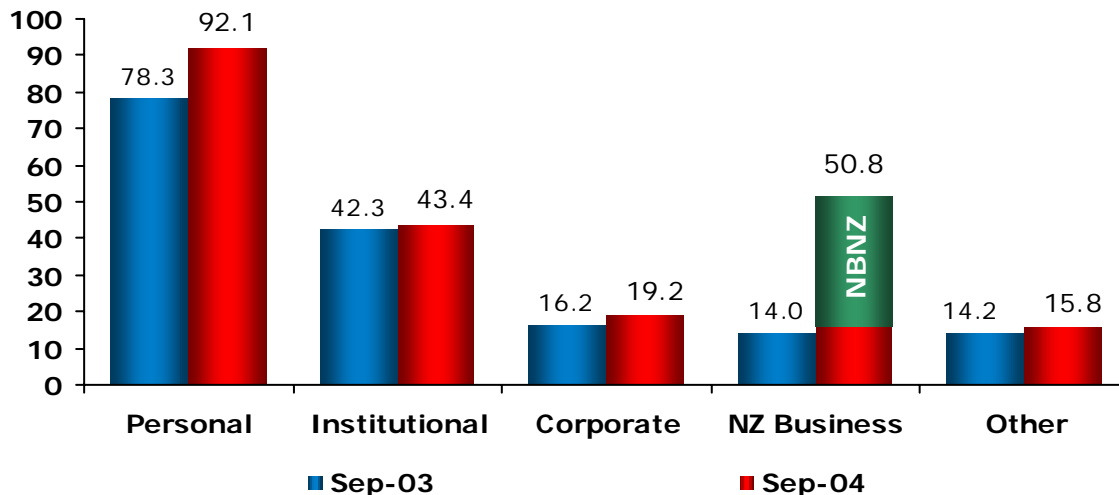
Rolling average rates (%)

	Cash	90 Day	3 Year
FY01	5.52	5.61	5.98
FY02	4.48	4.56	5.99
FY03	4.75	4.79	5.66
FY04	5.18	5.34	5.36

Strong balance sheet growth across most businesses

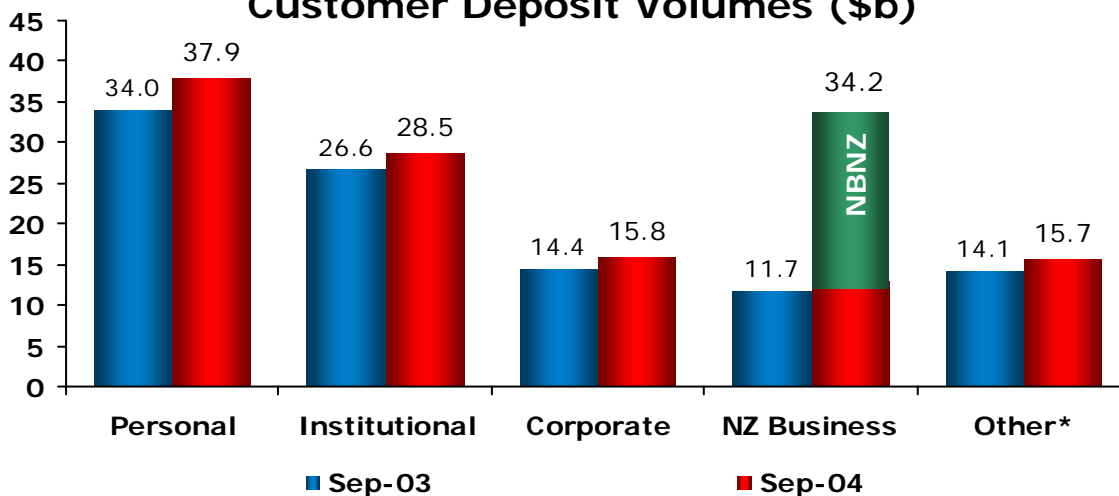
- Continued strong volume growth in mortgages, FUM up 18%
- Institutional lending up marginally with good growth in 2H04
- Continued strong growth in Corporate

Net Lending Volumes (\$b)

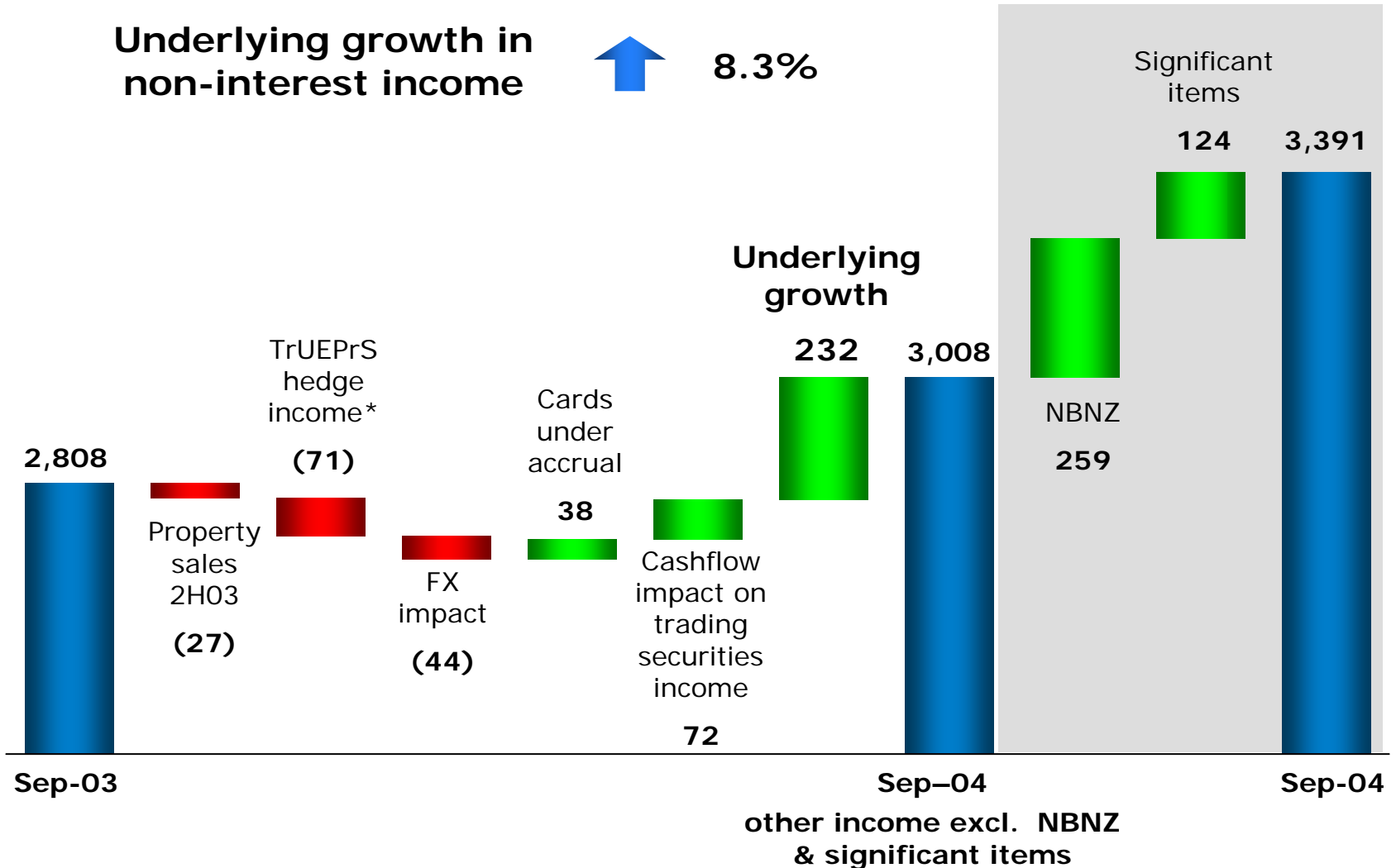


- 10% increase in Banking Products deposit FUM reflected in strong Personal growth
- Institutional & Corporate both experience solid growth
- Strong growth in NZ retail deposits

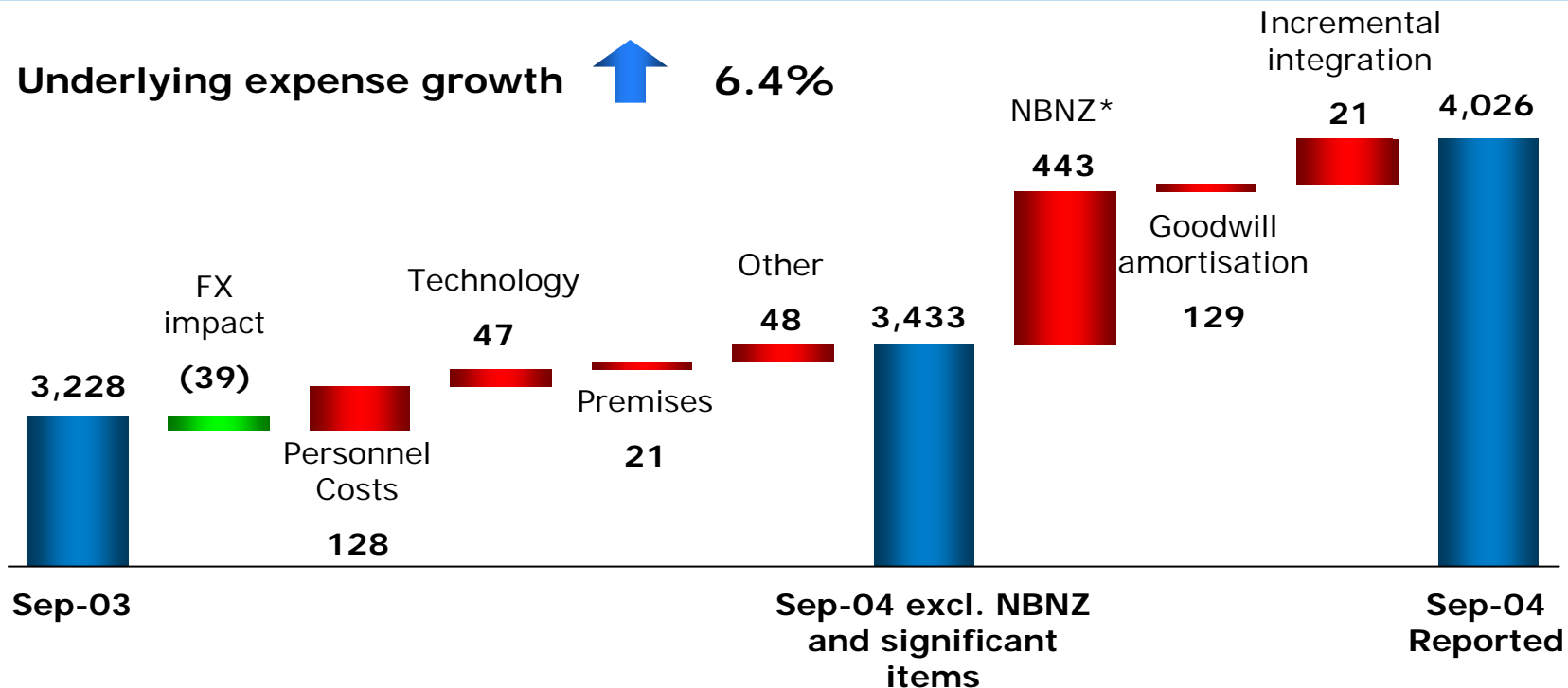
Customer Deposit Volumes (\$b)



Non-interest income growing well



Expenses - investing for sustainable growth

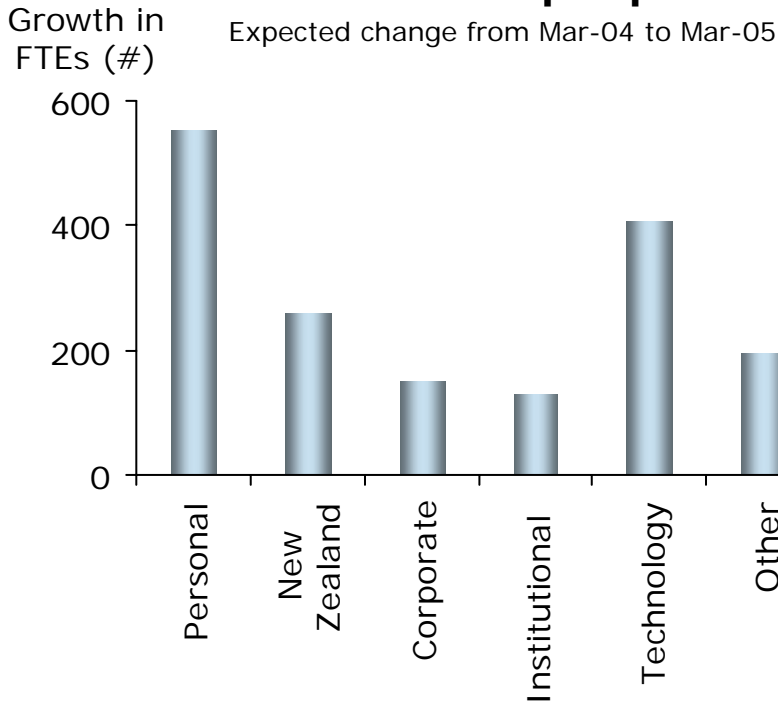


Key drivers of growth

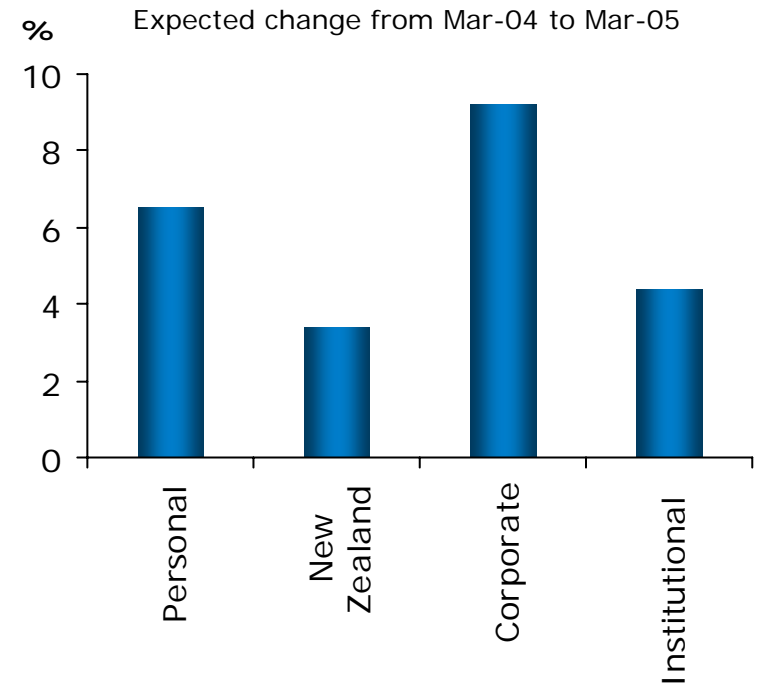
- Increased FTE (829 in 2H04) and wage rises
- Investment and increased amortisation in Retail telling platform
- Investment in branch network - new openings and refurbishment of existing branches
- Increased compliance costs of ~ \$25m
- Higher UK superannuation charges (\$7m), insurance costs (\$10m), marketing spend (\$14m)

Cost management still a core capability; now a strategically sensible time for measured investment in growth

Where we are putting additional people



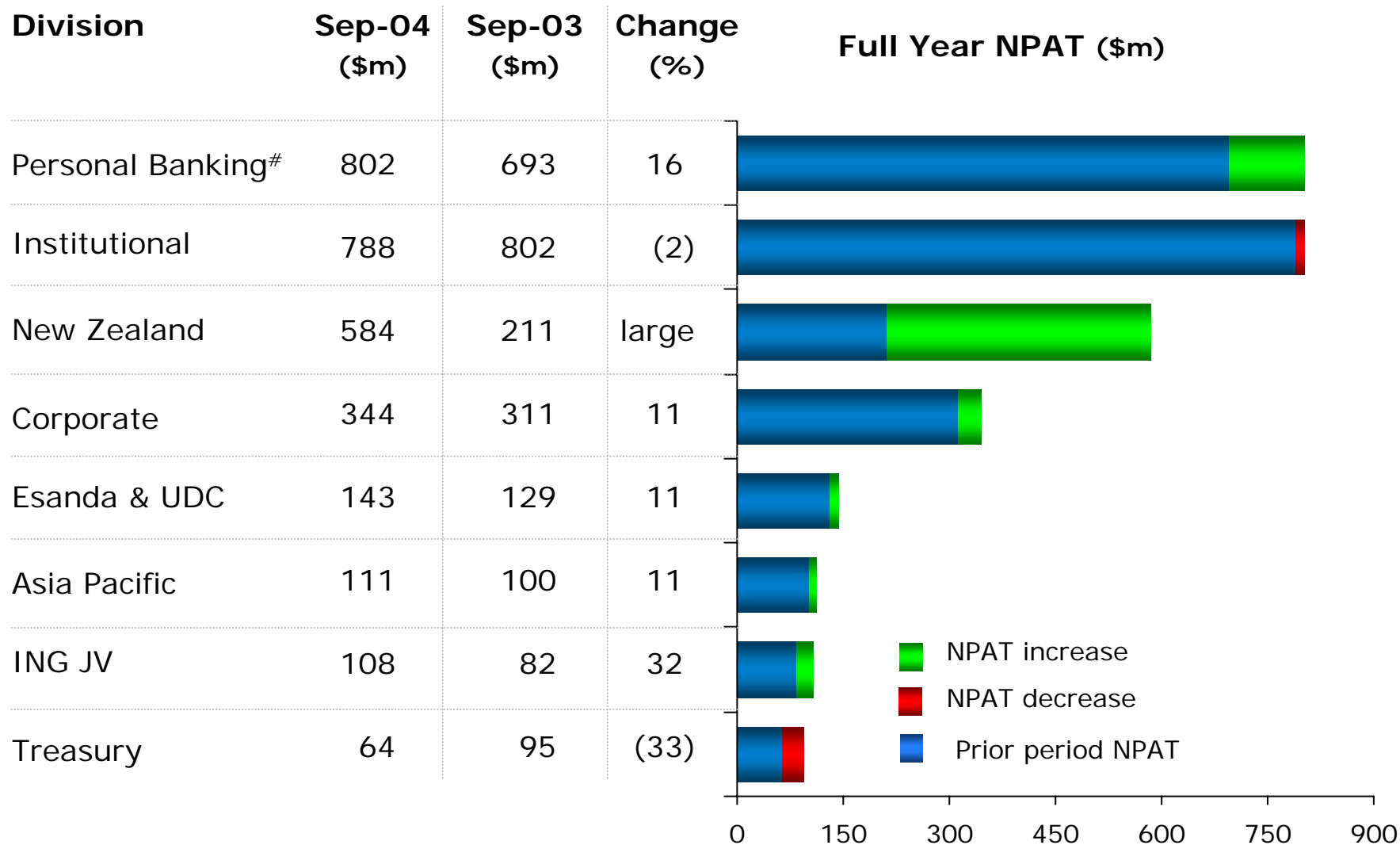
Growth in FTEs (% of existing Division FTEs)



- Increasing frontline capabilities in our businesses
- Increased technology resources to assist in NBNZ integration and compliance requirements

- Investment in frontline Small Business personnel driving growth in Corporate
- Continued growth in retail frontline resources

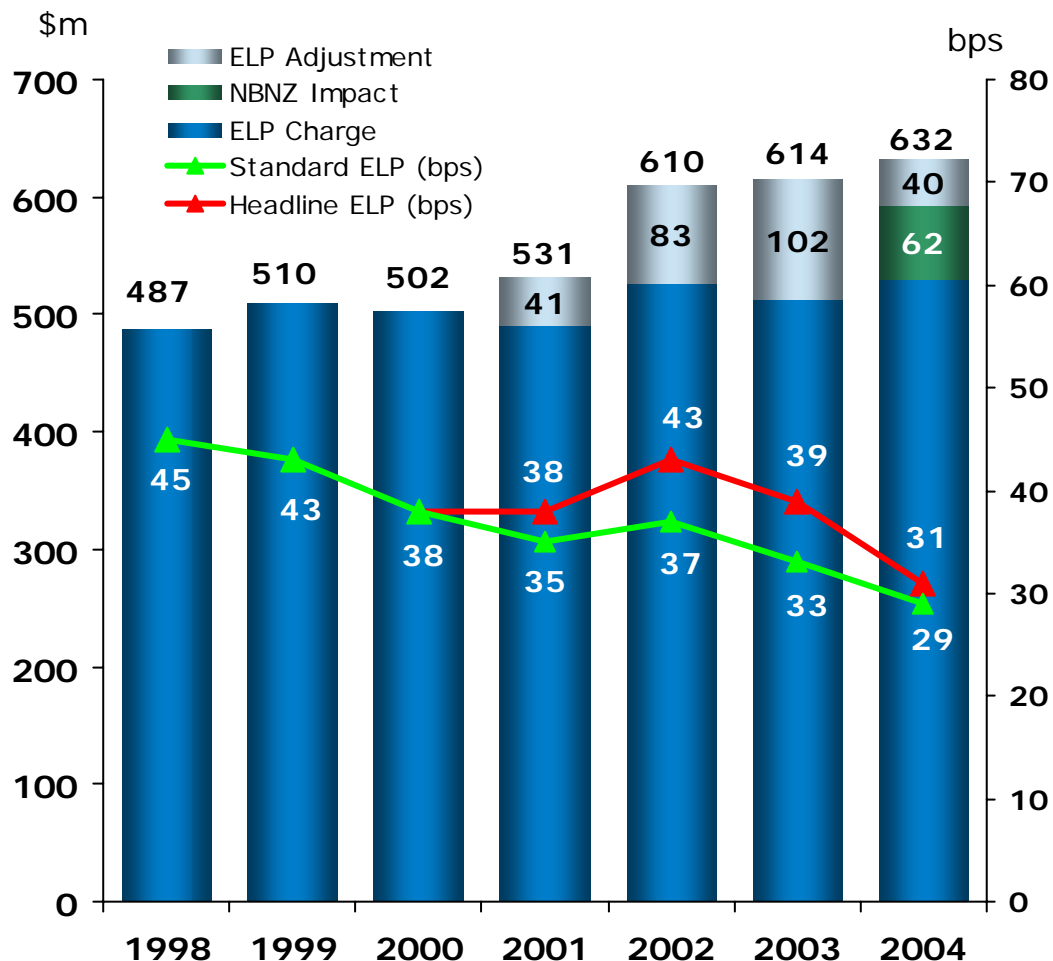
Previous growth investments in Personal/Corporate paying off



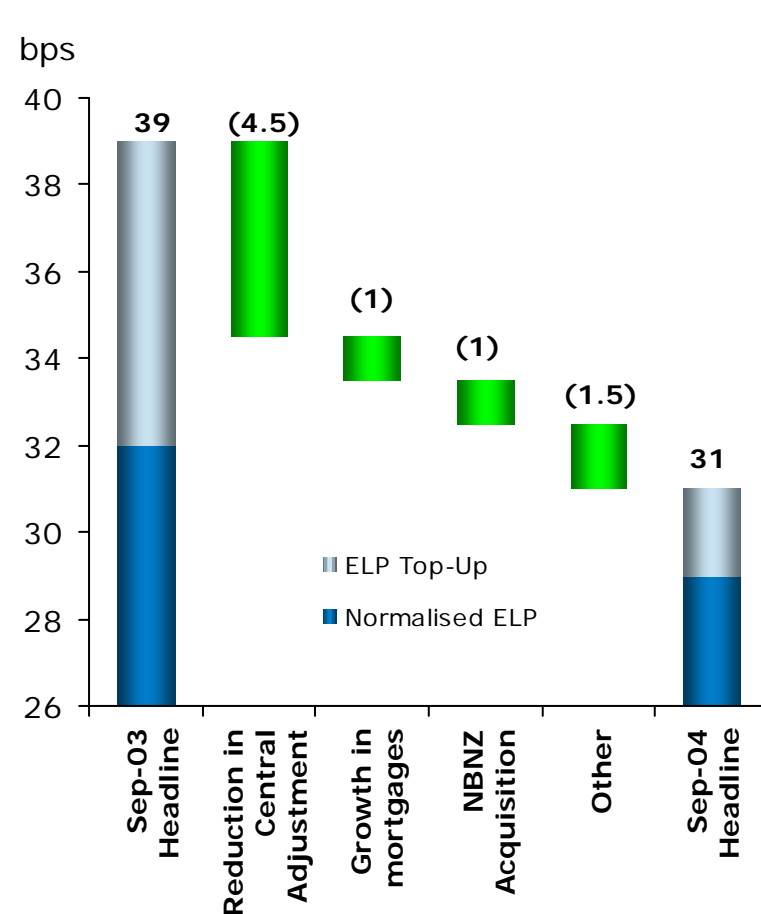
[#]not adjusted for 1H03 Cards under Accrual

Doubtful Debts charge higher due to lending growth, partly offset by improved risk profile

Bad Debt charge higher due to volume growth, ELP Rate lower



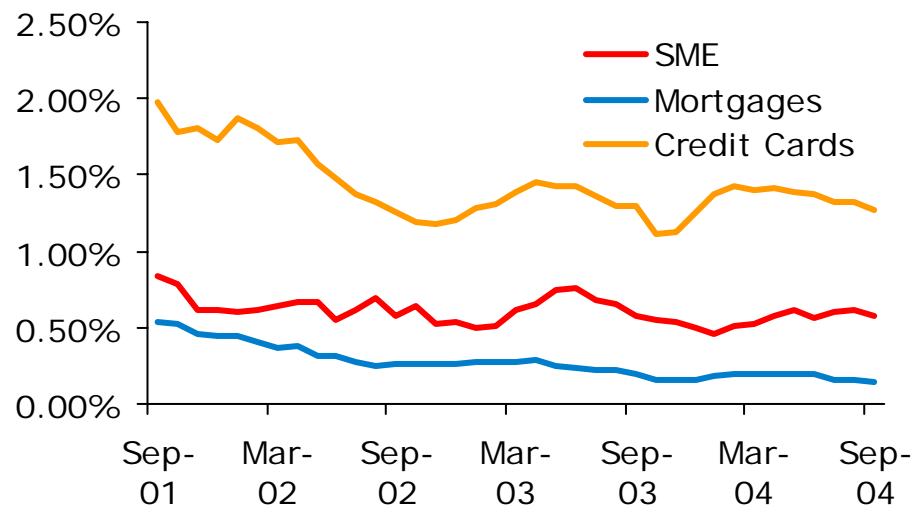
Decline in ELP Rate driven by improved risk profile



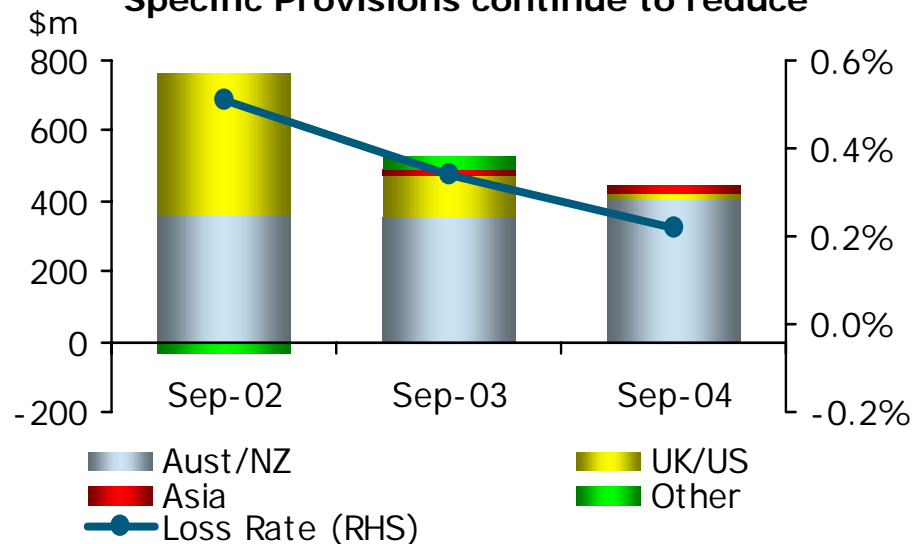
Credit quality in good shape

- Risk has markedly improved in our international portfolios
- Housing market headed for soft landing, consumer arrears remain at low levels
- Domestic corporates in good shape
- Specific provisions and non accruals lower, despite impact of Telstra's Reach joint venture
- Some lagged effects from Energy & Telco portfolios, but largely yesterday's story
- Well provisioned

Delinquencies remain low

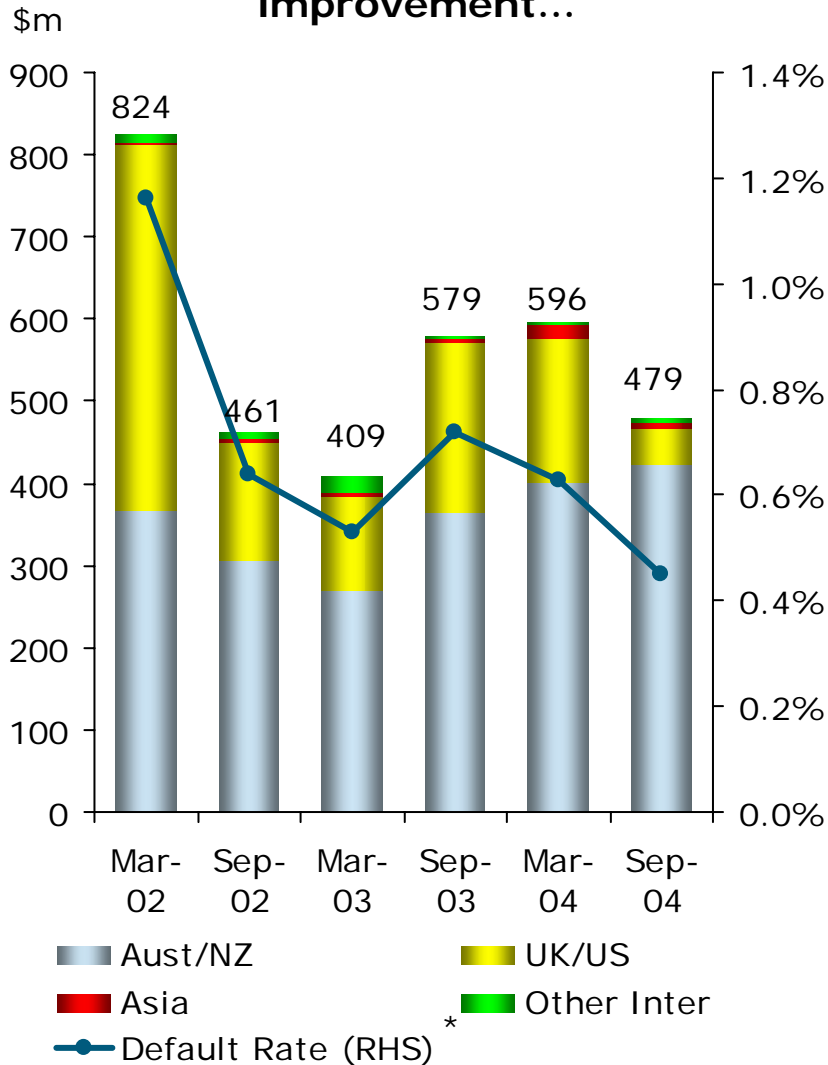


Specific Provisions continue to reduce

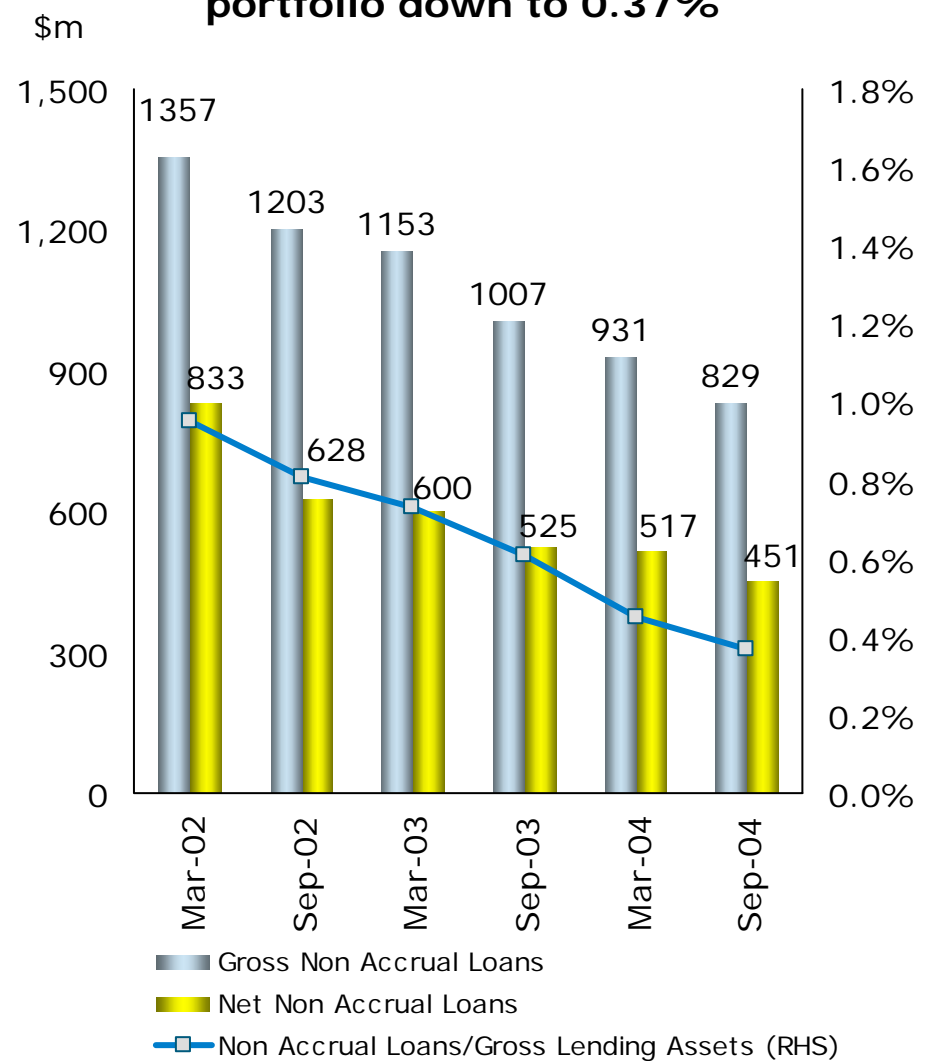


Non-accrual loans to Loans & Advances well down

Default rate continued to show improvement...



...Non-Accrual Loans as a % of the portfolio down to 0.37%



New Zealand businesses delivering sound results

NBNZ performance slightly ahead of proforma (NZ\$)

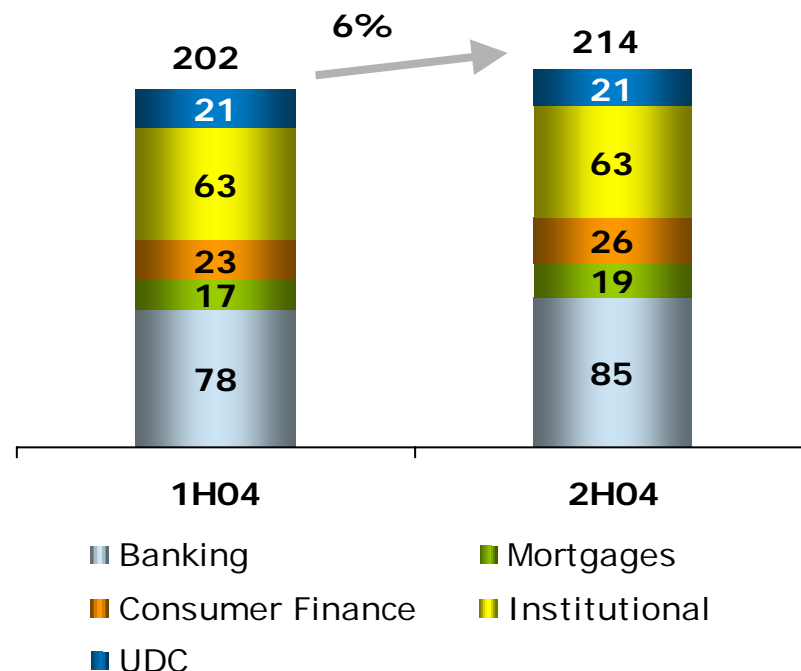
Item	NBNZ Actual*	NBNZ Proforma	Variance
Net Interest Income	885	841	5%
Other Income	291	290	-
Operating Expenses	(498)	(487)	2%
PDD	(70)	(74)	(5%)
Income Tax & OEI	(186)	(163)	14%
NPAT	422	407	4%

NPAT comparison distorted by following one-offs

- FY03 includes NZ\$18m one-off structured finance transactions
- Amalgamation and integration of NBNZ reduced FY04 NPAT by NZ\$4m
- Various other factors

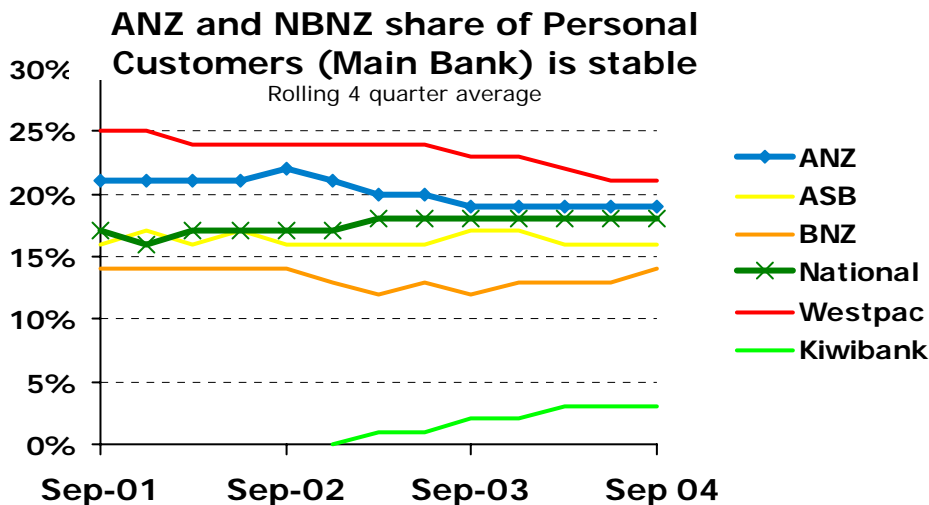
Excluding impact of one-offs, Actual performance up 8% on Proforma

Good underlying NPAT momentum in ANZ (NZ) businesses (NZ\$m)

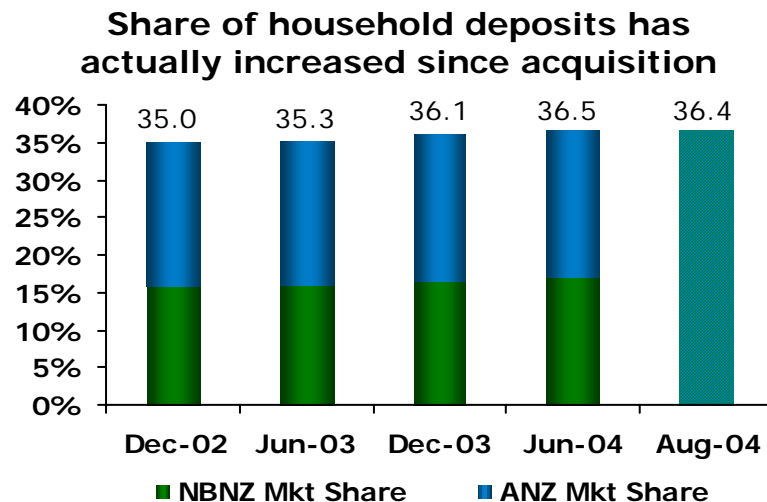


- Solid performance by Banking reflecting increased deposit margins and continued growth in deposit FUM

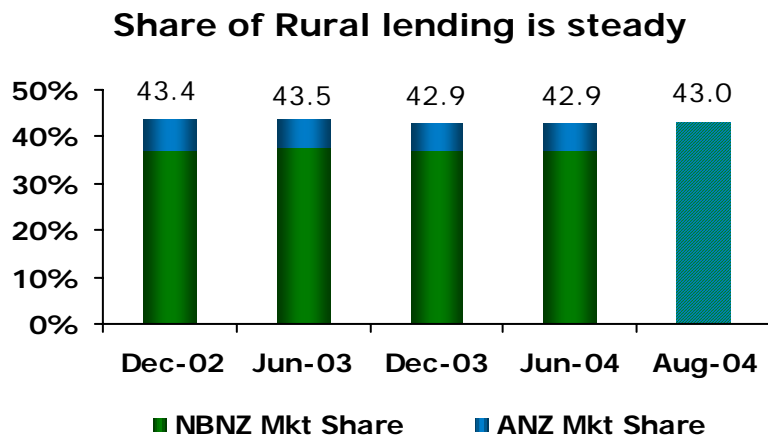
Market share in New Zealand holding up well, particularly in the context of an acquisition



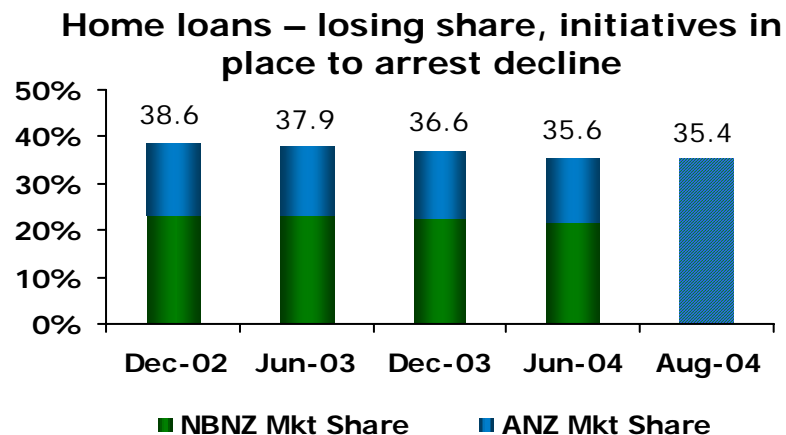
Source: ACNielsen Consumer Finance Monitor



Source: RBNZ Table C8, ANZ National









Source: RBNZ Table C7, ANZ National



Source: RBNZ Table C6, ANZ National 50% risk weighted assets

Integration economics, adjusted for risk, compare favourably to previous estimates

Costs & Benefits	Prospectus* / Business case	2004 Interim Results	September 2004			Comment
			Core program	RBNZ	Infra-structure	
Total Integration Costs	NZ\$265m	NZ\$265m	NZ\$175m	NZ\$31m	NZ\$14m	RBNZ requirements increase costs by NZ\$31m. Retail systems integration costs saved
			= NZ\$220m			
Revenue Benefits 2007 pa	NZ\$31m	NZ\$45m	NZ\$47m			Detailed reviews have identified further benefits, particularly with Institutional. Retail still delivers 50% of original benefits
Cost Synergies 2007 pa	NZ\$126m	NZ\$126m	NZ\$75m	-NZ\$12m	-	Dual systems significantly limits opportunities for synergies plus RBNZ has a negative impact
			= NZ\$63m			
Revenue Attrition 2007 pa	NZ\$88m	NZ\$42m	NZ\$34m			Exclusion of Retail reduces attrition.
Risk						Integration risk significantly reduced under current option

-  Lower risk
-  Medium risk
-  Higher risk

Timing of integration costs and benefits

NZ\$m	2004	2005	2006	2007
Total Integration costs	49	153	18	0
<i>Incremental Integration costs</i>	29			
Cost synergies	6	33	53	63
Revenue synergies	1	24	39	47
Attrition	20	32	34	34

Likely to be approximately

- 10% costs capitalised,
- 15% covered by restructuring provision, and;
- 10%-20% from existing resources

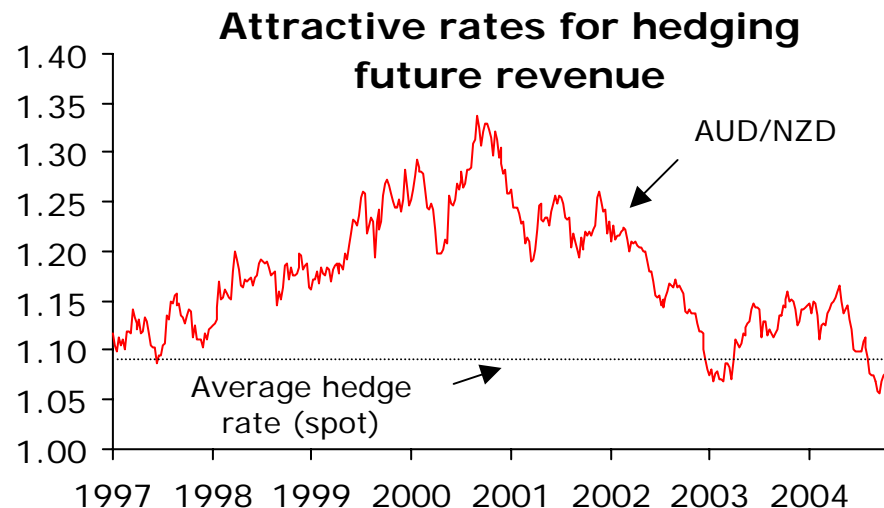
30% of integration activities were completed in 2004 including:

- Amalgamation on 26 June 2004
- Business and organisational structures in place
- Systems platforms for all businesses agreed and integration proceeding
- Central Head Office and functional units integrated
- ERP systems implementation proceeding to plan
- Institutional and Corporate integration underway
- Rural integration well progressed – to complete by end 2004
- Initial IT and payments infrastructure in place
- RBNZ requirements agreed and solutions underway

Integration is well placed for practical completion in 2005

New Zealand currency risk actively managed

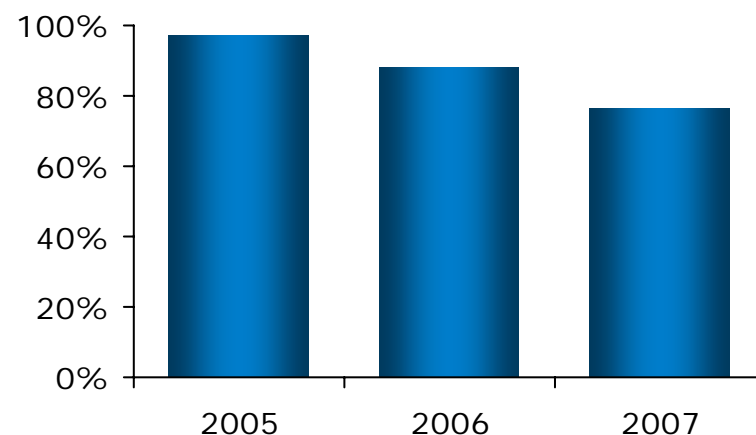
- Revenue hedging undertaken when currency is believed to be outside its normal trading range and inconsistent with their value.
- Revenue from FX hedges is reported as Interest Income within the Group Centre.



NZD revenue hedging position* (A\$m)

	Sep-04	Sep-03
Notional Principal	3,349	1,126
Income from hedge	14	8
Unrealised gain/(loss)	(58)	53
Exchange rate (spot)	~ 1.09	
Exchange rate (with forward points)	~ 1.11	

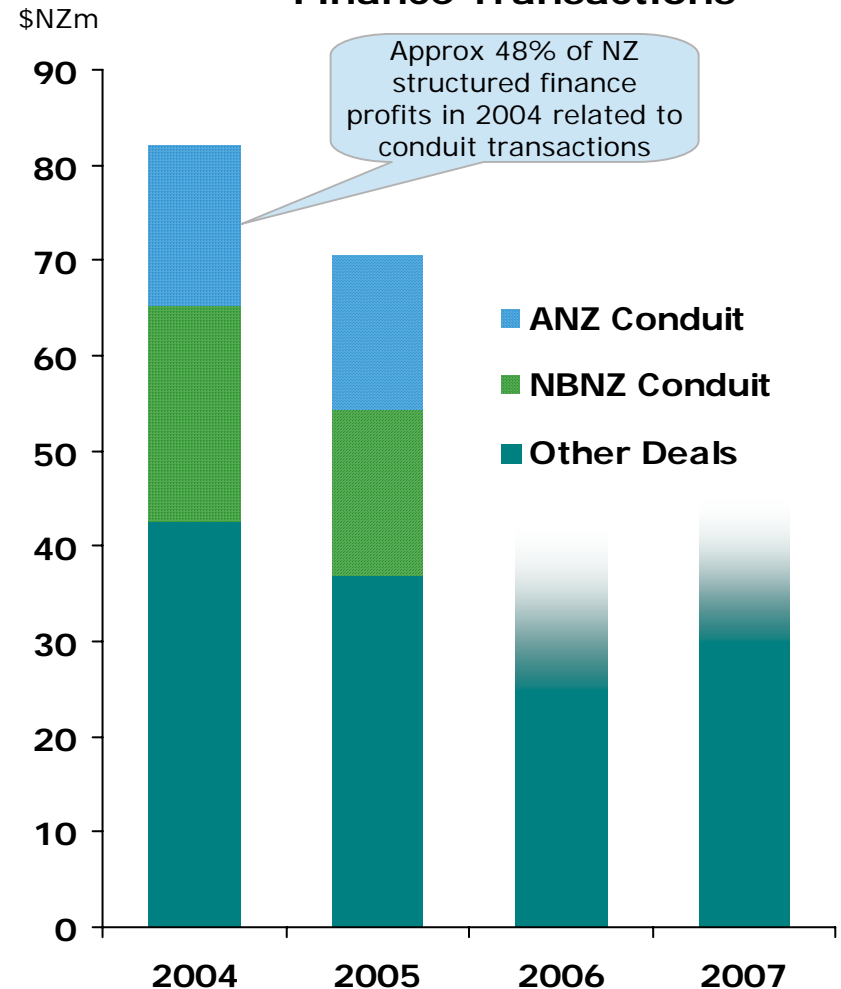
Estimated proportion of NZ earnings hedged



New Zealand structured finance transactions

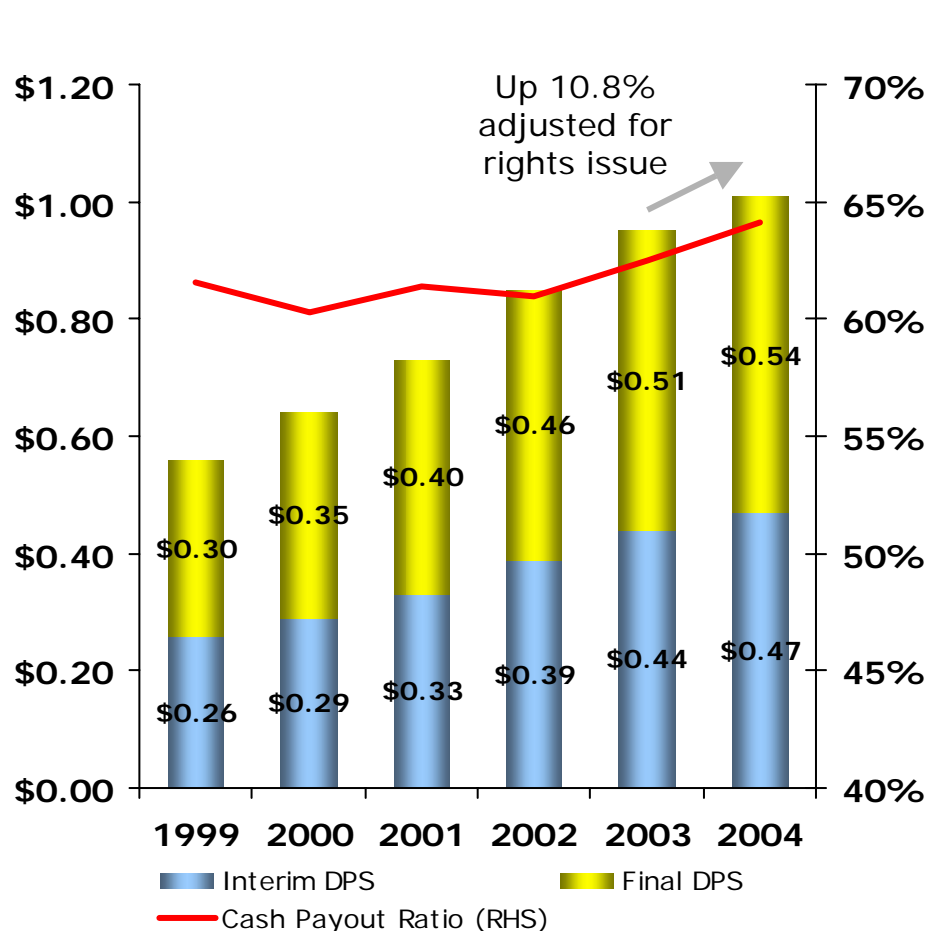
- IRD audit focused on so called “conduit” transactions
 - Notices of Proposed Adjustment received on 30 September 2004
 - Net potential liability on all similar transactions \$NZ232m*
 - Do not currently expect to raise additional provisions
- Legislative change to ‘thin cap’ rules in NZ will make these transactions economically unviable after 2005
 - No new conduit transactions entered into for almost 2 years
 - Expect that remaining conduit transactions will cease before 2006
 - Likely to see more capital held in NZ – negligible profit impact, but may impact franking position

NPAT from NZ Structured Finance Transactions

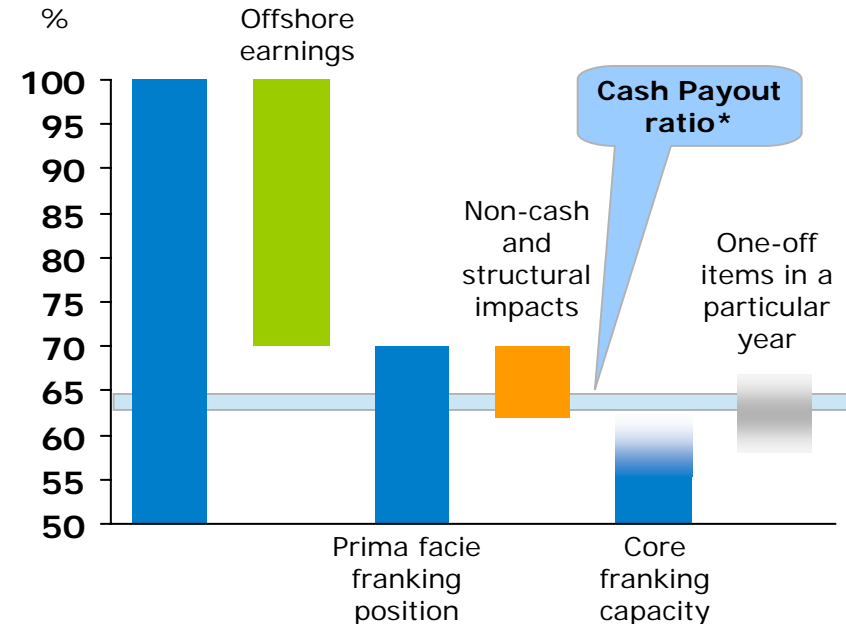


Dividend growth in line with cash EPS growth

Dividend growth in line with cash EPS growth



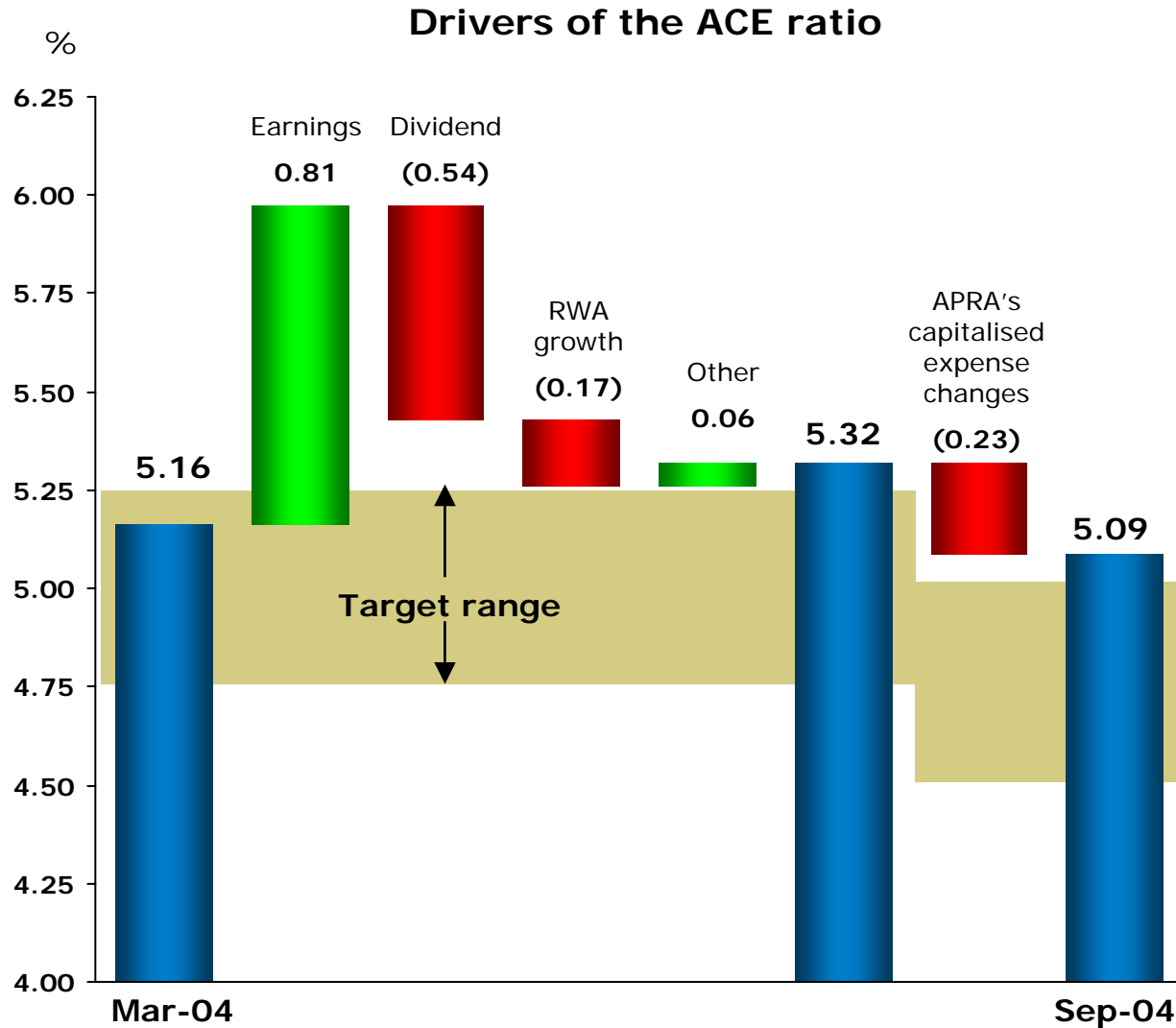
Payout ratio slightly above long term sustainable ratio



Based on current payout policy

- expect dividend growth in line with cash earnings per share growth
- expect to be able to fully frank the dividend for foreseeable future due to timing differences generating future franking surpluses

Capital position strong, above the top end of our range

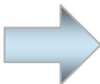


Target range reduced by 25bp

APRA's changes to capitalised expenses did not change the substance of our financial position.

As a result, Ratings Agencies have allowed a corresponding adjustment to our target

Capital management initiatives likely in first half

Capital Management Philosophy  Capital is a scarce resource to be managed efficiently

- Currently above target range
- Continue to generate surplus capital
- Sale of London based structured finance business to free up ~USD1.3b RWA









but

- Uncertainty regarding negative ACE impact of IFRS
- Retain flexibility to make small 'in-fill' acquisitions

Our Response

- Conservative approach pending Regulatory and Rating Agency response to IFRS
- Hybrid Tier 1 raising in Europe of ~A\$700 million
 - Will increase Tier 1 but little ACE impact
- Capacity for \$350m+ buyback to offset dilution from current year's DRP and Group Share Schemes – likely execution following completion of Hybrid Tier 1 capital raising and APRA approval

Divisional Outlook for 2005

Division	Outlook	Drivers
Personal Banking		<ul style="list-style-type: none"> • Solid growth in all product business. Continued investment in the franchise. Margin improvement anticipated
Institutional		<ul style="list-style-type: none"> • Return to modest growth following de-risking. Improved environment anticipated particularly in Markets business
New Zealand		<ul style="list-style-type: none"> • Solid underlying growth offset by impact of NBNZ structured deal run-off, and continued restructure of ANZ (NZ) franchise
Corporate		<ul style="list-style-type: none"> • Strong performances in Corporate and Business Banking offset by significant investment in Small Business Banking
Esanda & UDC		<ul style="list-style-type: none"> • Continued strong growth in higher return markets. Benefits from brand and growth investment anticipated
Asia Pacific		<ul style="list-style-type: none"> • Declining Panin contribution, due to reduced one-offs and provision adjustments, offsetting solid underlying performance
ING		<ul style="list-style-type: none"> • Capital investment earnings uncertainty
Treasury		<ul style="list-style-type: none"> • Continued drag on group earnings due to unfavourable rates at the long end of the yield curve



High single digit and above



Low to Mid single digit

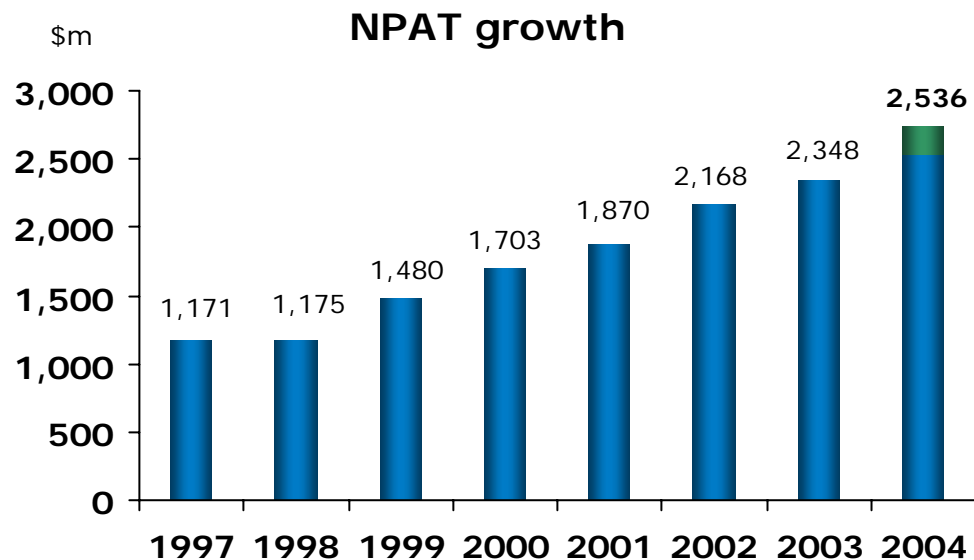


Profit decrease

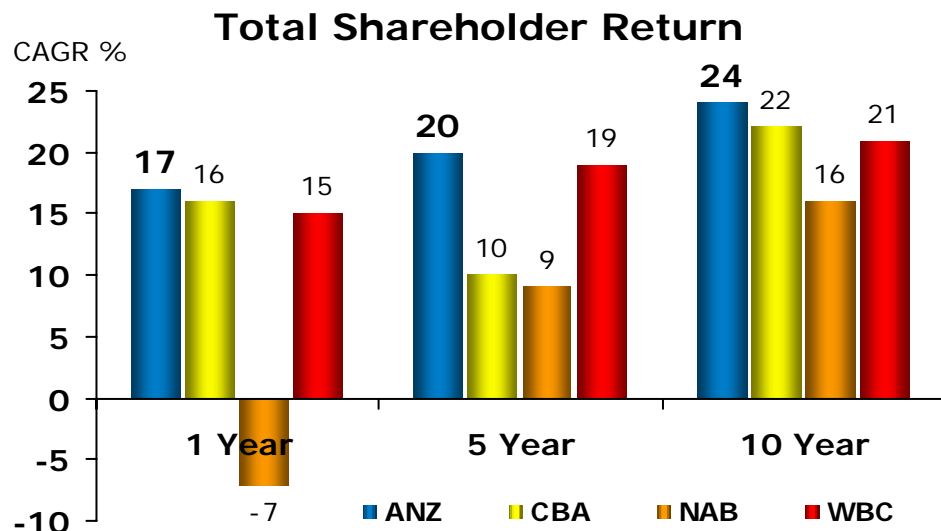
Group Outlook for 2005

Item	Outlook (normalised for NBNZ and excl. integration costs)
Revenue	<ul style="list-style-type: none">• 6.5% - 8% growth:<ul style="list-style-type: none">• Lending growth to remain robust; Improving margin environment• Benefit from growth investments, weighted towards second half• Weighed down by Panin and Group Treasury
Expenses	<ul style="list-style-type: none">• 5% to 7% growth:<ul style="list-style-type: none">• Expense growth weighted towards first half• Investing for sustainable growth, with a focus on increasing frontline capabilities in growth markets
Provision for Doubtful Debts	<ul style="list-style-type: none">• ELP Rate 28bps to 30bps :<ul style="list-style-type: none">• Lending growth partly offset by mix effect (likely to moderate)• Reduction in ELP top-up
Taxation	<ul style="list-style-type: none">• Tax rate slightly above FY04
Cash EPS Growth	<ul style="list-style-type: none">• Stretch target of 8%, but facing headwinds – around 7% more realistic

2004 result part of a series of consistent performances



- 161.1 cents cash EPS a good result
- ANZ has come a long way in 2004
- Focus and discipline again delivered strong performance
- Shareholders rewarded - ANZ has outperformed major peers TSR over last 10 years
- Balanced outlook – investing for medium-term growth while producing acceptable short-term returns



04

Supplementary Information

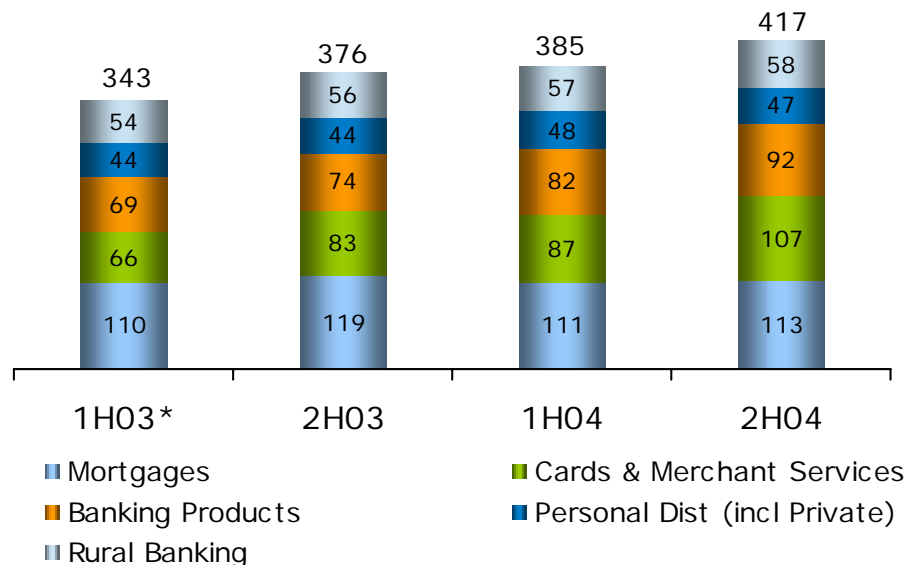
Australia and New Zealand Banking Group Limited

26 October 2004

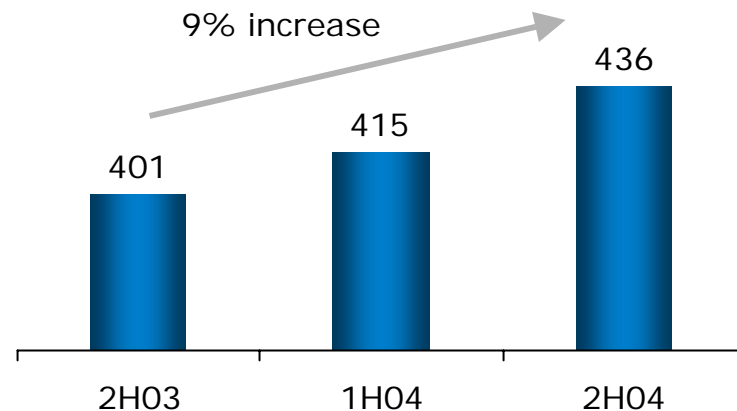
Business Unit Performance

Personal Banking Australia – strong momentum

Solid NPAT growth...



...despite significant investment in the franchise (expenses \$m)



NPAT growth of 11%* for the year, up 8% in 2H04:

- Strong growth in Cards & Merchant Services, up 30%* reflecting reduction in "transactors" following RBA interchange reform and increases in merchant numbers
- Banking Products performing well following 10% increase in average deposit volumes and favourable margin trends due to increases in the cash rate during the year
- Growth in mortgages average FUM of 21% was offset by reduced net interest margin

Significant investment in FY04 reflecting:

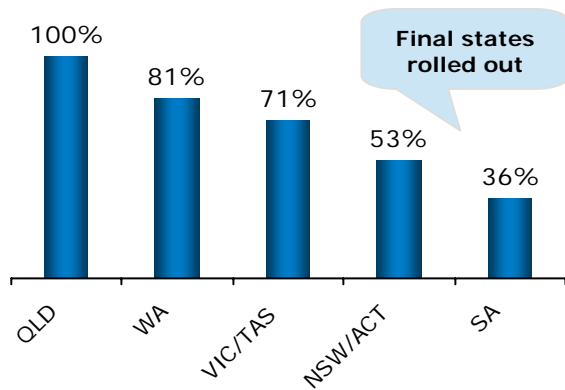
- Costs associated with new telling platform
- Increased frontline personnel
- Significant investment in staff training, particularly in sales skills

FY05 investment forecast to be in line with FY04, key areas of focus include:

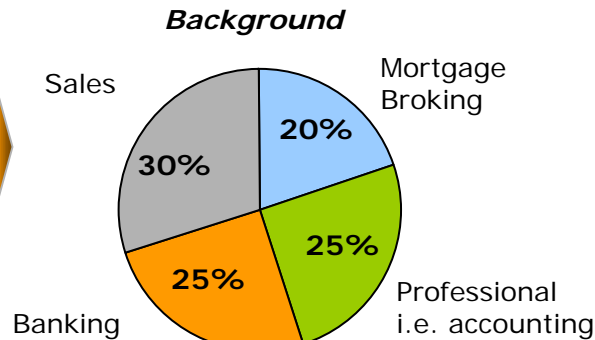
- Further increases in frontline personnel and financial planners in the network
- Increase in points of representation
- Ongoing refurbishment of existing branch network

Mortgage distribution

Mortgage franchises selling ahead of schedule (% sold)...



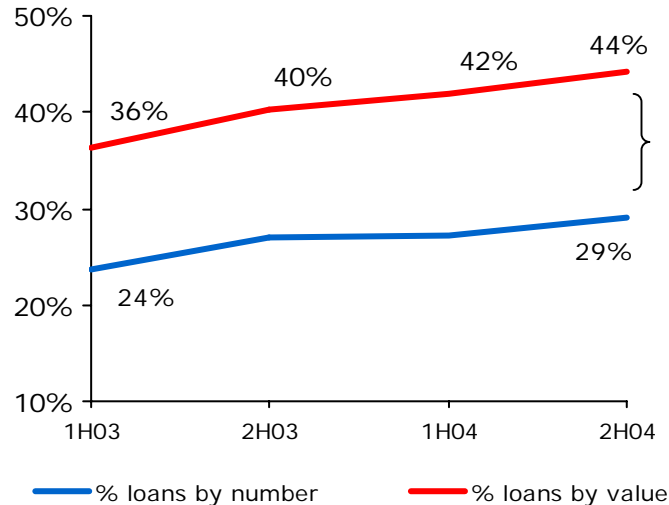
...and we are attracting skilled applicants



...driven by an attractive proposition

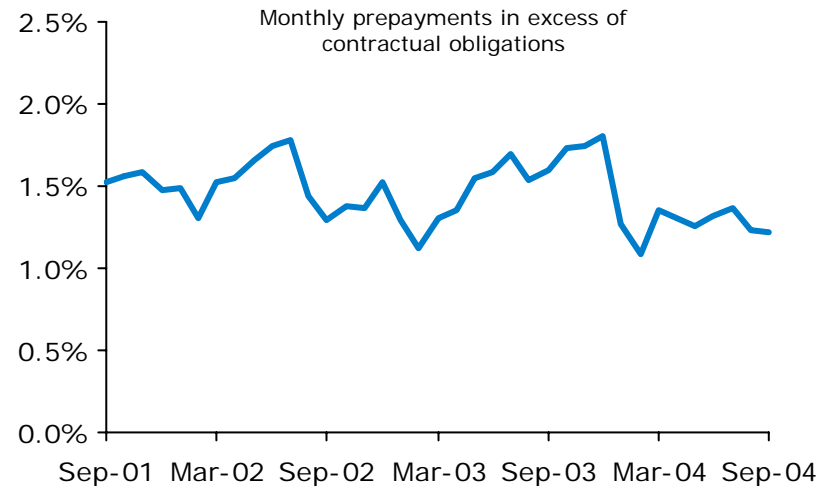
- No "middle man" in the commission structure
- Sales leads and technical support provided by ANZ
- Market leading products

Brokers continue to be an important distribution channel



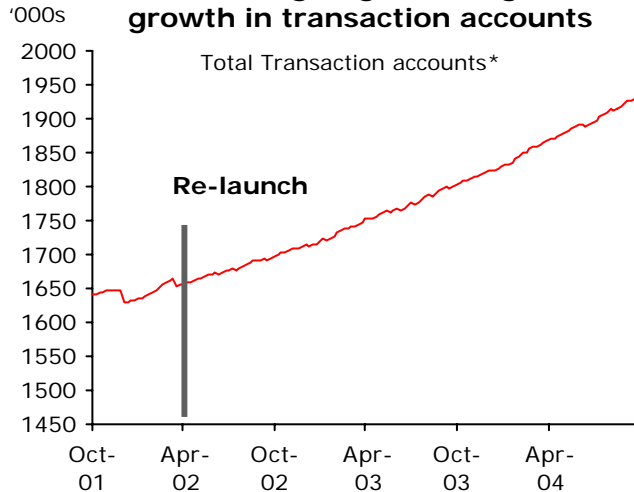
Reflects higher proportion of supplementary loans through ANZ network, and higher proportion of broker loans from urban areas

Mortgage prepayment level falling

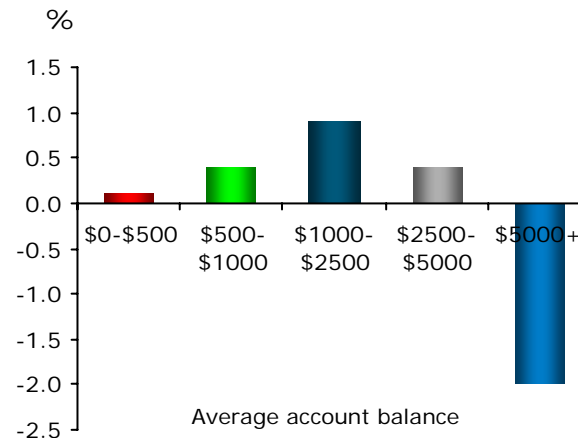


Retail deposits: good growth, changing customer behaviour

Continuing to generate good growth in transaction accounts



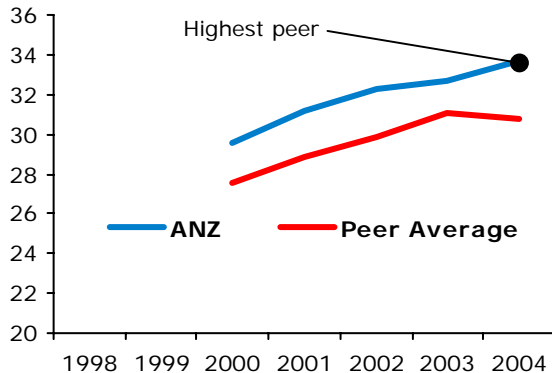
Change in FUM distribution of low interest retail accounts



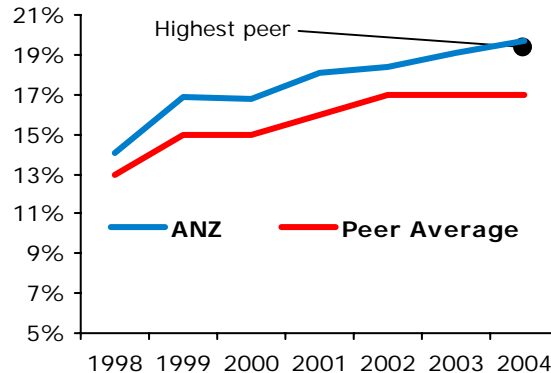
- Customers with high balances self selecting to higher rate products
- New account structures delivering good growth in \$500-\$5000 balance range
- ~2%/3% of ANZ account holders transfer funds to ING Direct

Socio-economic profile of transaction account customers increasingly attractive

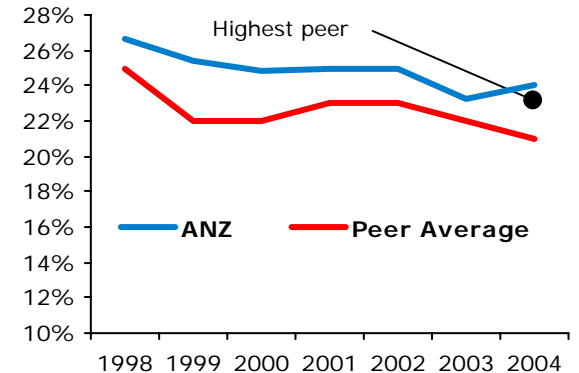
Mean Income of Transaction Account Holders aged 14+ (\$000's)



Of Transaction Account Holders - % that are Managers/Professionals & Small Bus Owners



Of Transaction Account Holders - % that are in the AB Socio-Economic Quintile aged 14+*



Note - Peer average is defined as the arithmetic average of peers

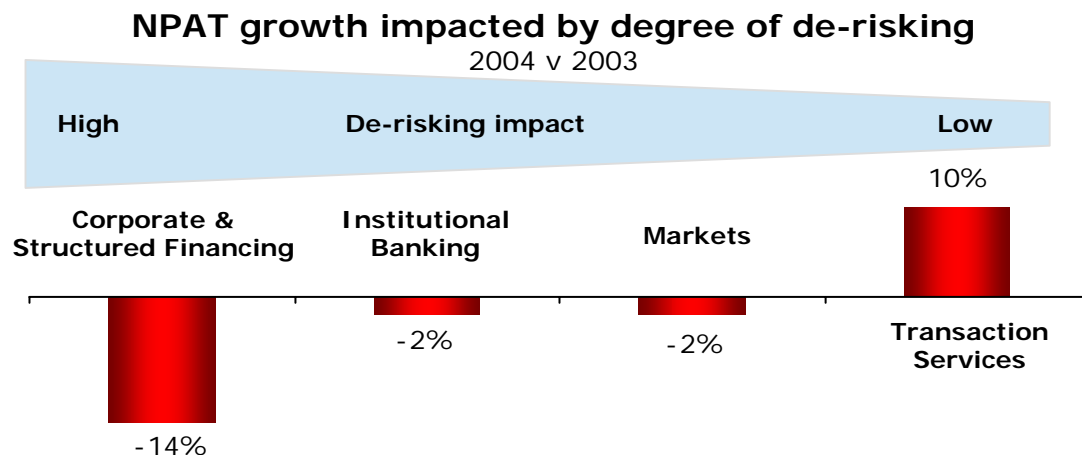
Personal business unit results

Personal Banking Australia

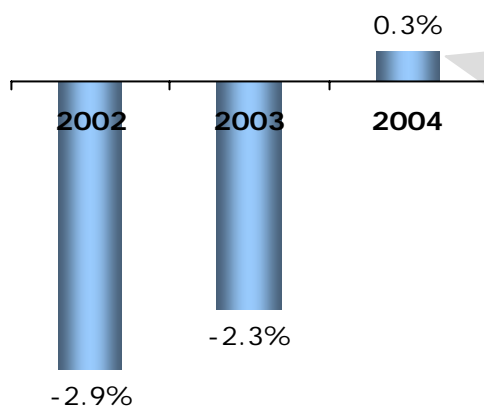
	Personal Banking Distribution*				Mortgages				Card & Merchant Services				Banking Products			
	2H04	1H04	2004	2003	2H04	1H04	2004	2003	2H04	1H04	2004	2003	2H04	1H04	2004	2003
Revenue	593	571	1,164	1,077	279	271	549	524	391	361	753	626	212	201	413	365
Operating Expenses	(436)	(415)	(851)	(789)	(99)	(96)	(195)	(170)	(173)	(174)	(347)	(329)	(78)	(80)	(158)	(151)
Provision for Doubtful Debts	(6)	(6)	(12)	(9)	(17)	(16)	(33)	(27)	(66)	(63)	(130)	(123)	(5)	(4)	(8)	(10)
PBIT	151	150	301	279	163	159	321	327	152	124	276	174	129	117	247	204
Income Tax Expense	(45)	(45)	(90)	(80)	(50)	(48)	(97)	(98)	(45)	(37)	(83)	(52)	(37)	(35)	(73)	(61)
NPAT	106	105	211	199	113	111	224	229	107	87	193	122	92	82	174	143

Institutional: we have largely completed a structural de-risking program that has been underway for a number of years

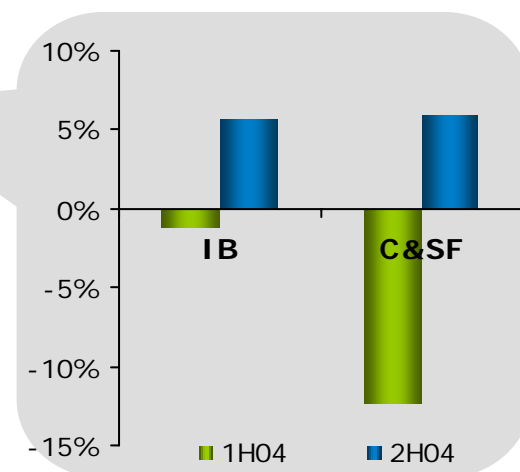
- Underlying business momentum adversely impacted by
 - Strategy to lower risk which has significantly reduced offshore assets
 - \$10m NPAT foregone through run-off of structured transactions
- While de-risking has been a priority, we have also invested in growth
 - Transaction Services NPAT up 10% reflecting recent investment and management focus in the business
- Focus is now upon re-shaping the business to deliver future growth
 - Integration of Foreign Exchange and Capital Markets businesses delivering integrated customer focus and cost savings
 - Refocus of offshore business following completion of de-risking
 - Increased specialisation in Institutional Banking and revised business model



Positive trend in Institutional lending growth ...



.. as de-risking is largely completed



Institutional business unit results

Institutional Financial Services

	Institutional Banking				Transaction Services				Foreign Exchange			
	2H04	1H04	2004	2003	2H04	1H04	2004	2003	2H04	1H04	2004	2003
Revenue	344	347	691	718	243	225	467	426	146	138	287	287
Operating Expenses	(83)	(82)	(165)	(170)	(103)	(97)	(200)	(189)	(64)	(62)	(125)	(124)
Provision for Doubtful Debts	(48)	(58)	(106)	(115)	(5)	(4)	(9)	(7)	(2)	(1)	(4)	(1)
PBIT	213	207	420	432	135	124	258	230	80	75	157	163
Income Tax Expense	(68)	(56)	(124)	(129)	(41)	(38)	(79)	(66)	(24)	(23)	(47)	(48)
NPAT	145	151	296	302	94	86	180	164	56	53	110	114

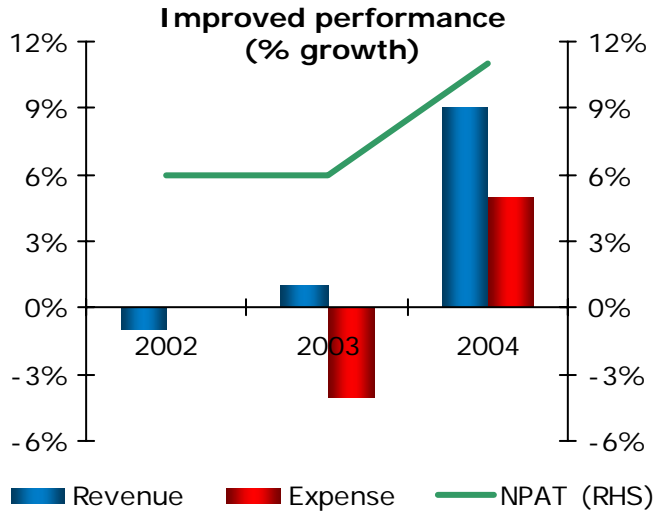
	Capital Markets				Corporate & Structured Financing			
	2H04	1H04	2004	2003	2H04	1H04	2004	2003
Revenue	103	106	209	198	137	136	273	291
Operating Expenses	(48)	(44)	(92)	(87)	(61)	(56)	(117)	(105)
Provision for Doubtful Debts	(3)	(3)	(6)	(3)	(17)	(20)	(36)	(39)
PBIT	52	59	111	109	59	60	119	147
Income Tax Expense	(16)	(18)	(34)	(33)	3	4	7	0
NPAT	36	41	77	75	62	64	126	147

Growth numbers in the ANZ National GDS

	Growth			Commentary
	September Quarter	June Quarter	Last half annualised	
Loans & Advances	1.19%	1.51%	5.44%	
•Mortgages	1.99%	2.09%	8.26%	• Mortgage growth remains steady
•Rural	3.50%	3.70%	14.4%	• Rural growth driven by the June annual settlement period (7% normalised annual growth)
•Business Lending	0.59%	1.80%	4.80%	• Business Lending includes strong Corporate lending growth impacted by large repayments in Institutional Banking
Retail Deposits	0.54%	2.74%	6.60%	• Retail Deposit growth in line with prior year in a rising OCR environment
Headline NPAT NZD	180m	192m		• Headline NPAT down 6% driven by mainly by increased Integration costs (+\$27m).
Underlying NPAT NZD	253m	235m		• Underlying NPAT adjusted for goodwill amortisation and Integration costs was up 7% in the quarter

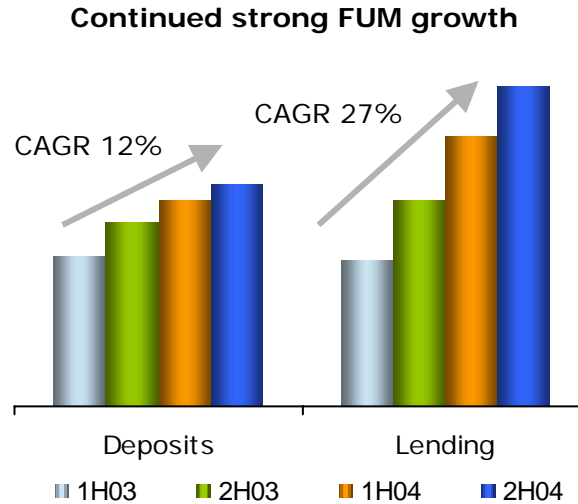
Corporate: increased momentum in Corporate Banking, continued strong investment and growth in Business Banking

Corporate Banking Australia



- NPAT up 11% for the year
- Strong lending and deposit growth up 17% and 13%
- Wall Street to Main Street continues to deliver solid revenue growth - 19 deals completed in FY04 vs 5 deals in FY03
- Revenue growth opportunities include:
 - Expanding business footprint in key geographies
 - Increased cross sell of ANZ product suite
 - Continued investment in specialist teams and products

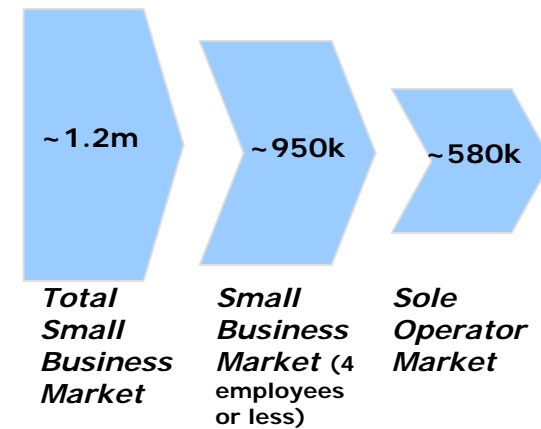
Business Banking Australia



- NPAT up 11% for the year
- Revenue increased 14% driven by 27% lending and 13% deposit growth
- Expenses up 17%, reflecting:
 - 70 new frontline FTE employed
 - Continued focus on industry specialisation – e.g. pharmacy model performing strongly
- Revenue growth opportunities include:
 - Further investment in footprint and industry specialisation
 - Strong presence in third party origination
 - Research and investment in new product opportunities

Small Business Banking

Significant opportunity to grow market share (# of customers)



- Nearly 1 million businesses with less than 4 employees and more than half of those are sole operators
- ANZ estimated to have links to around 20% of customers and 15% of FUM; we have a significant opportunity to increase both
- Focus in FY05 is upon growing the business through
 - Significant investment, particularly in skilled frontline personnel
 - Developing specialist capabilities

Corporate business unit results

Corporate Australia

	Small Business Banking				Corporate Banking Australia				Business Banking Australia			
	2H04	1H04	2004	2003	2H04	1H04	2004	2003	2H04	1H04	2004	2003
Revenue	45	44	89	88	163	155	318	291	207	197	404	354
Operating Expenses	(8)	(7)	(15)	(14)	(57)	(56)	(114)	(108)	(67)	(64)	(130)	(111)
Provision for Doubtful Debts	(2)	(1)	(4)	(8)	(18)	(17)	(35)	(31)	(10)	(10)	(20)	(16)
PBIT	35	36	70	66	88	82	169	152	130	123	254	227
Income Tax Expense	(11)	(11)	(21)	(20)	(27)	(25)	(51)	(46)	(39)	(37)	(77)	(68)
NPAT	24	25	49	46	61	57	118	106	91	86	177	159

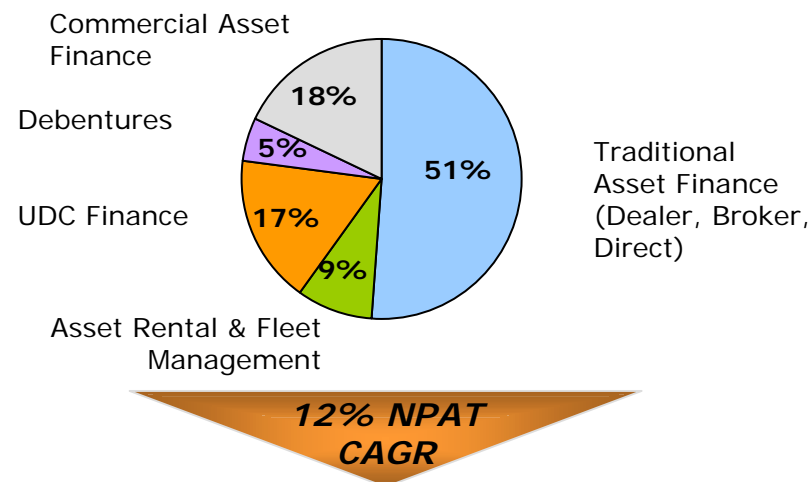
The Esanda Group has reshaped its business and is focused on growth

Esanda including UDC, have reshaped its business, increasing its focus on higher growth markets, whilst maintaining its commitment to traditional businesses.

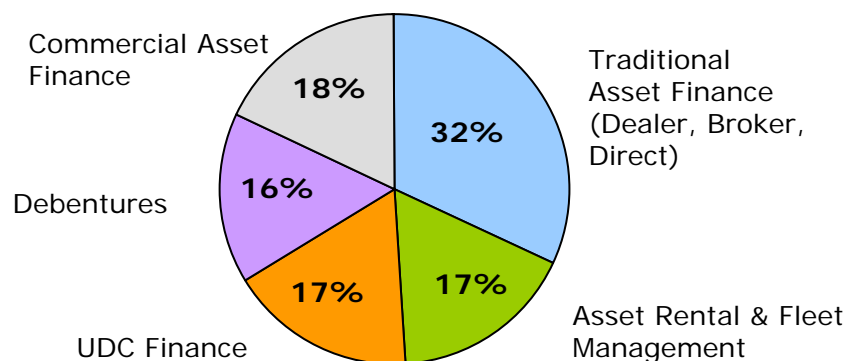
This is being achieved through the following initiatives:

- **Restructure:** In May 2004 Esanda restructured its internal business model by:
 - creating a new division which brings together Operations, Dealer and Broker channels allowing much closer co-ordination between the business, its customers and those that provide support
 - creating a new business segment focused exclusively on growth markets, products and services
- **Growth Funding:** Funds have been set aside in FY05 for new revenue growth initiatives including the appointment of 15 additional staff in growth segments in Australia
- **NZ Franchise restructure:** 25 Relationship Managers have been employed in UDC (NZ) following the winding up of the franchise model during 2004. The managers will be located in ANZ and National Bank branches
- **Brand Development:** In 2004 an additional 30% was spent on the re-launch of the Esanda and UDC brands. In FY05 we plan to invest further in promoting both brands

Esanda & UDC NPAT % - 2000

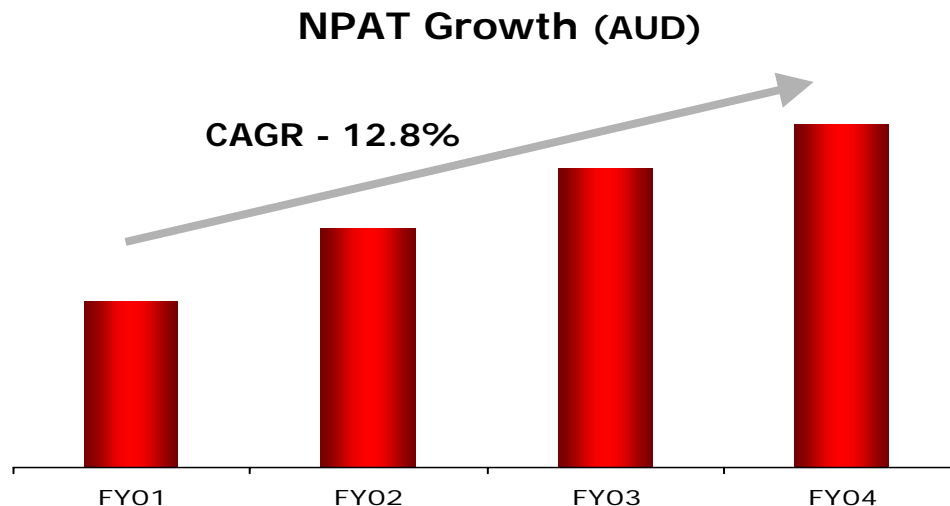
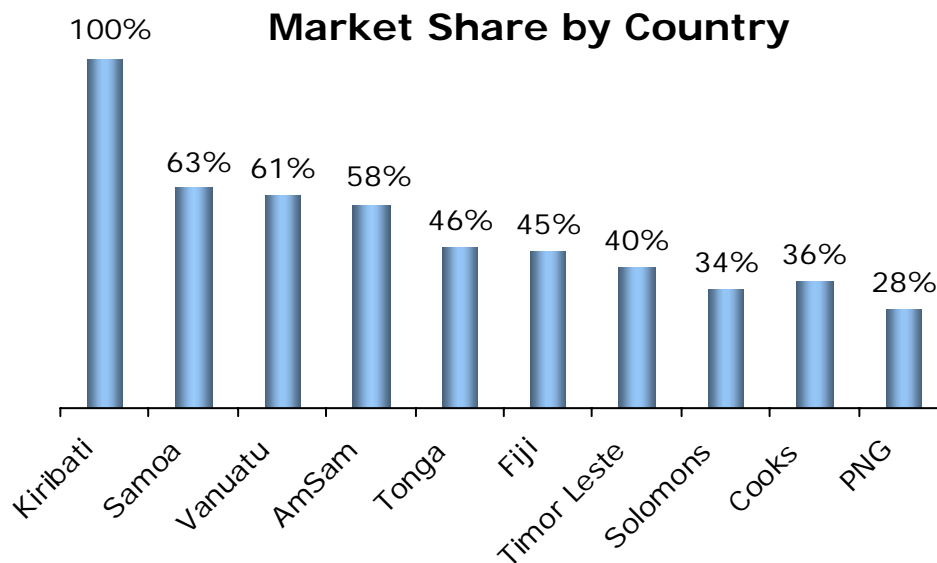


Esanda & UDC NPAT % - 2004



Pacific – strong performance in most markets

- NPAT grew 15.5% (17.6% excluding impact of exchange rate movements) driven by solid lending growth, up 12%
- Expenses grew 4.9% reflecting increased investment in the region:
 - Mobile rural banking model rolled out in Fiji, offering banking services to ~ 300k “unbanked” Fijians
 - Increased compliance costs and spend upgrading key front-end systems.
- Key areas of focus:
 - Improved efficiency through greater use of our centralised support facility in Fiji (Quest)
 - Gaining greater share of wallet by improving cross sell and adding new products and services
 - Exploring opportunities in new markets



Asia – retail partnerships delivering solid underlying growth

ANZ Asian Network (geographic)

- Strong performance by Personal Banking, NPAT up 5%
- IFS subdued with NPAT down 1.3%. Continued de-risking of the business, now largely completed
- Increased investment in Trade Finance and Capital Markets resources to support future growth

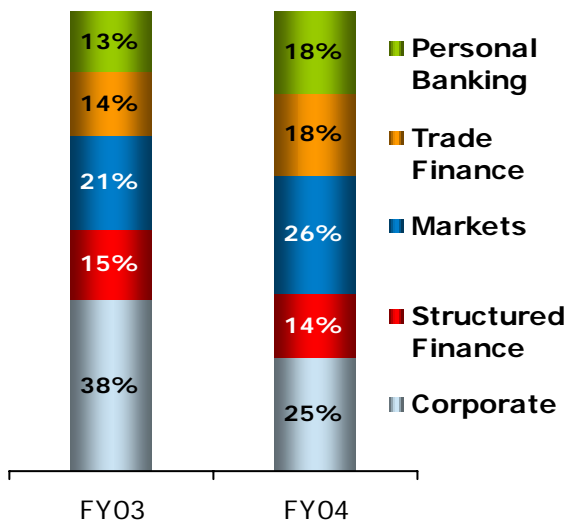
ANZ Retail Partnerships

- Panin NPAT contribution down 10%. Strong underlying profit growth was offset by a change in equity accounting policy.
- International Cards continued to perform well, with a 23% increase in cards on issue during the year
- Continuing to work with Shanghai Rural Credit Cooperatives Union to formalise partnership
- Focus is on developing additional relationships through the region to leverage ANZ's skills base with local partners

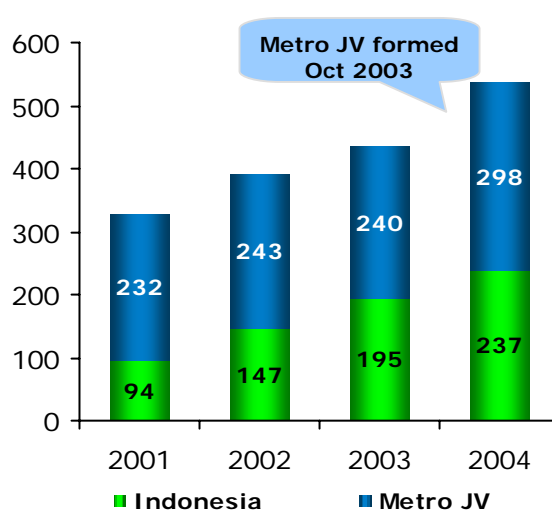
Panin Partnership

- Book value of \$160m against market value of \$224m at 30 Sep 2004
- Equity profit booked by ANZ is adjusted for excess provisions held by Panin. As this the provision balance approaches more reasonable levels, profit adjustments are being reduced
- One-off profit of \$23m from bond sales in 2003 and \$17m from withholding tax write-backs and tax credits in 2004
- Outlook for underlying earnings growth remains positive

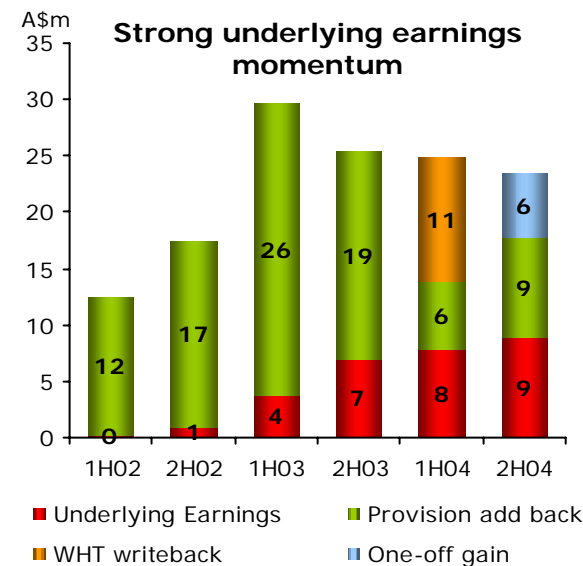
Contribution to NPAT (%)



Strong growth in cards on issue



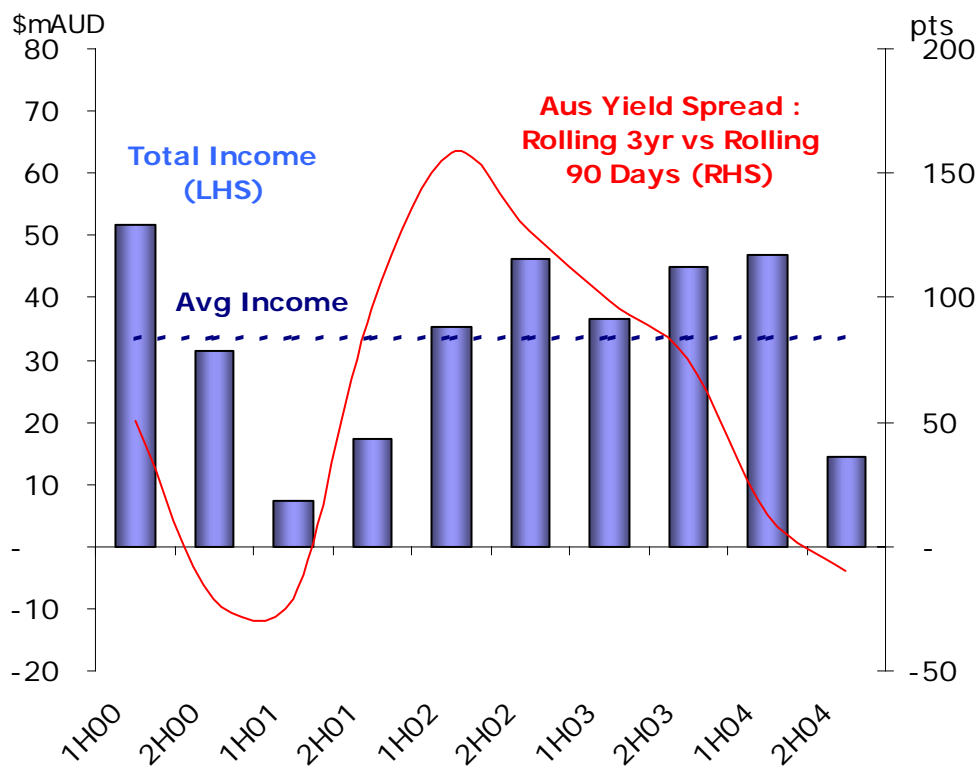
Strong underlying earnings momentum



Treasury – strong performance despite difficult environment

- Mismatch earnings were very strong during 1H04, but were much lower during 2H04.
- Group Treasury mismatch income is partially the function of the steepness of the yield curve (ie, rolling avg 3yr assets funded at rolling 90 days), which has been declining. Also, the absolute shape of the short end (ie, 30 days to 180 days) is very relevant to the Group's funding cost.
- 1H04 earnings benefited from the decision to lengthen the term of funding prior to the two RBA cash rate tightenings in late 2004.
- Although lower than 1H04, the result for 2H04 was expected given the adverse impact of high funding costs (generally at 90 days), relative to the cash and one month rates, and a term interest rate environment which provided limited investment opportunities.
- The current interest rate environment remains benign.

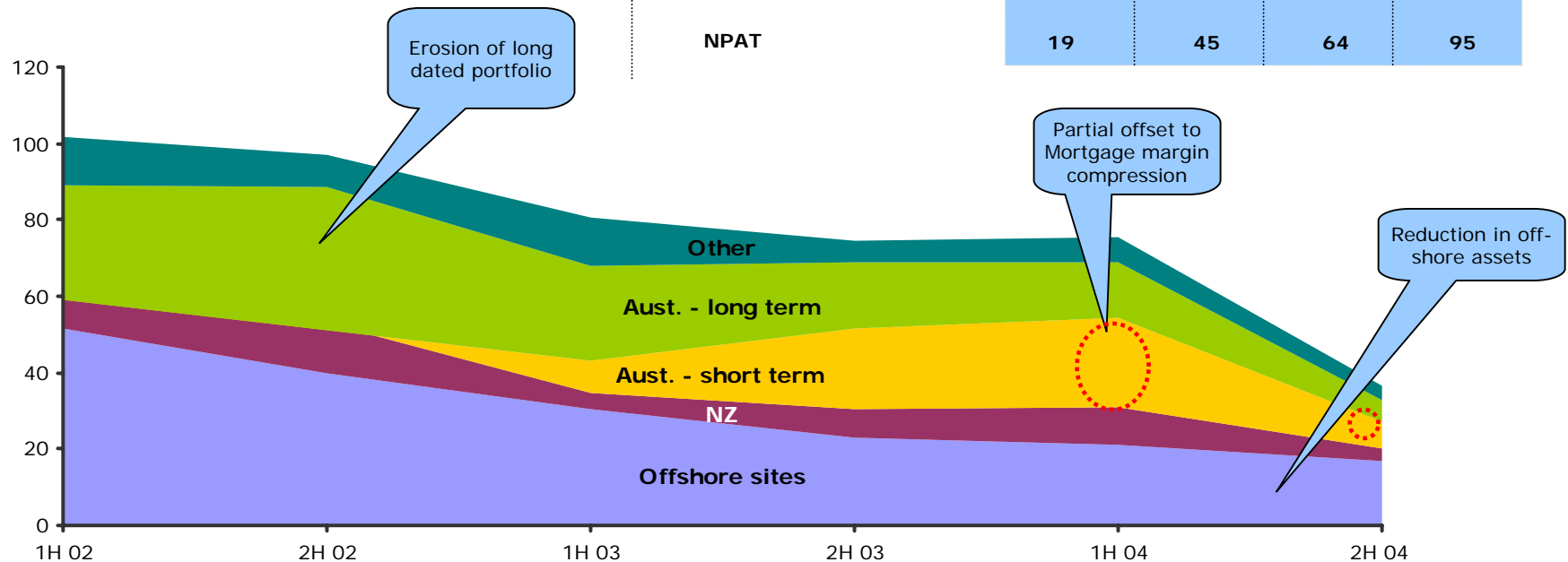
Australian & New Zealand Mismatch



Note: Excludes NBNZ

Mismatch earnings significantly reduced

Composition of Treasury Income \$m



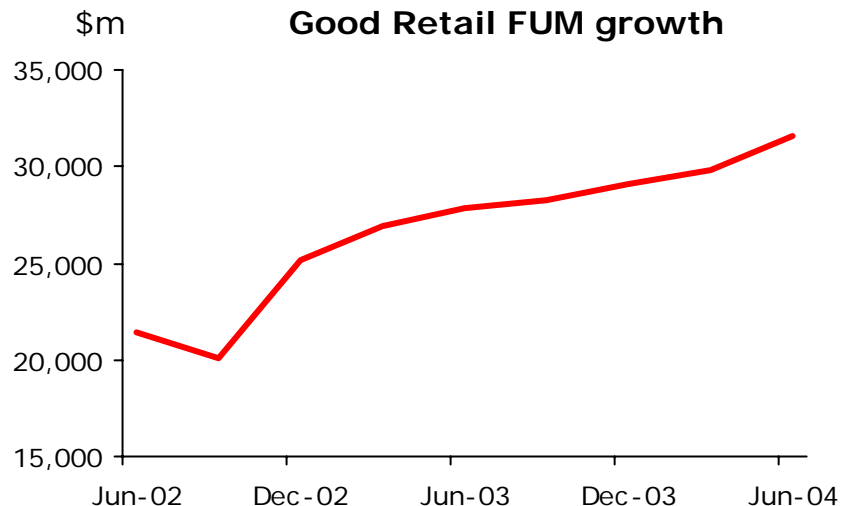
	Group Treasury			
	2H04	1H04	2004	2003
Revenue	37	75	112	155
Operating Expenses	(10)	(10)	(20)	(19)
Provision for Doubtful Debts	0	0	0	0
PBIT	27	65	92	136
Income Tax Expense	(8)	(20)	(28)	(41)
NPAT	19	45	64	95

Improving INGA returns reflect strengthening investment markets

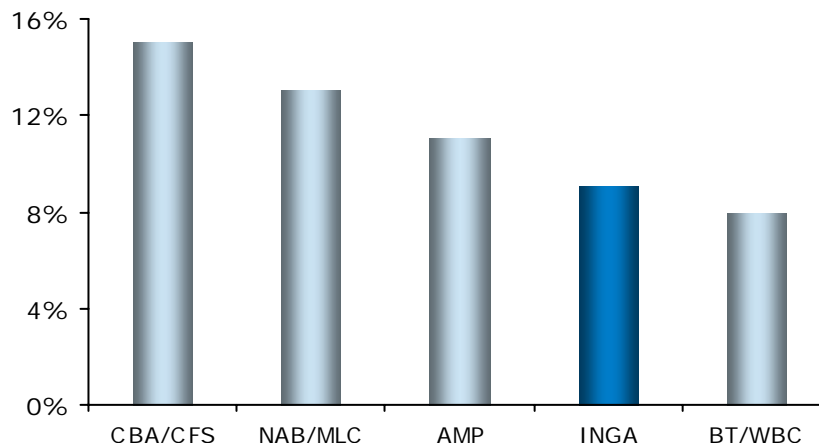
NPAT increased 39% driven by:

- Funds management income increased 13%, driven by strong investment markets
- Risk income up 15% with increased sales of life insurance products through the ANZ network
- Higher capital investment earnings, up 93% due to strong equity & property trust markets which were partially offset by ANZ's capital hedge losses.
- Costs increased 11% due to
 - certain investment management fees included in costs in 2004
 - increased investment in product systems and process improvements

INGA maintained its number four Retail FUM position as measured by ASSIRT



INGA maintains its number four ASSIRT ranking (market share of Retail FUM)



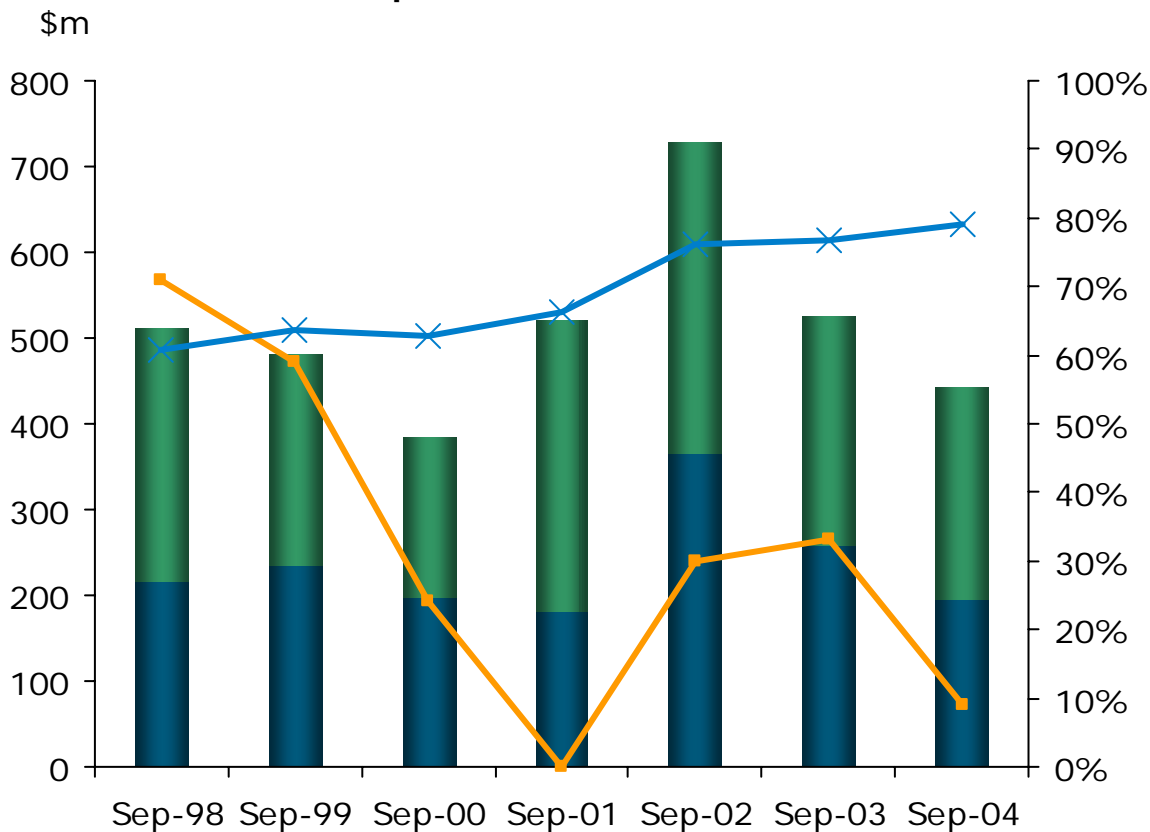
Current JV Valuation

	\$m
Carrying value at Mar-04	1,690
Completion accounts adjustments	(11)
2H04 dividend	(38)
2H04 Equity accounted profits	56
Carrying value at Sep-04	1,697

Additional Risk Information

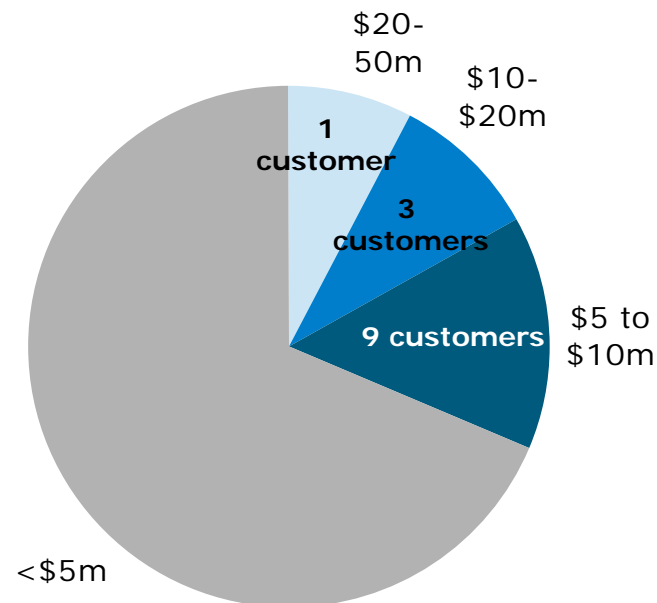
Specific Provisions lower, despite impact from our exposure to Telstra's Reach Joint Venture

Net Specific Provisions



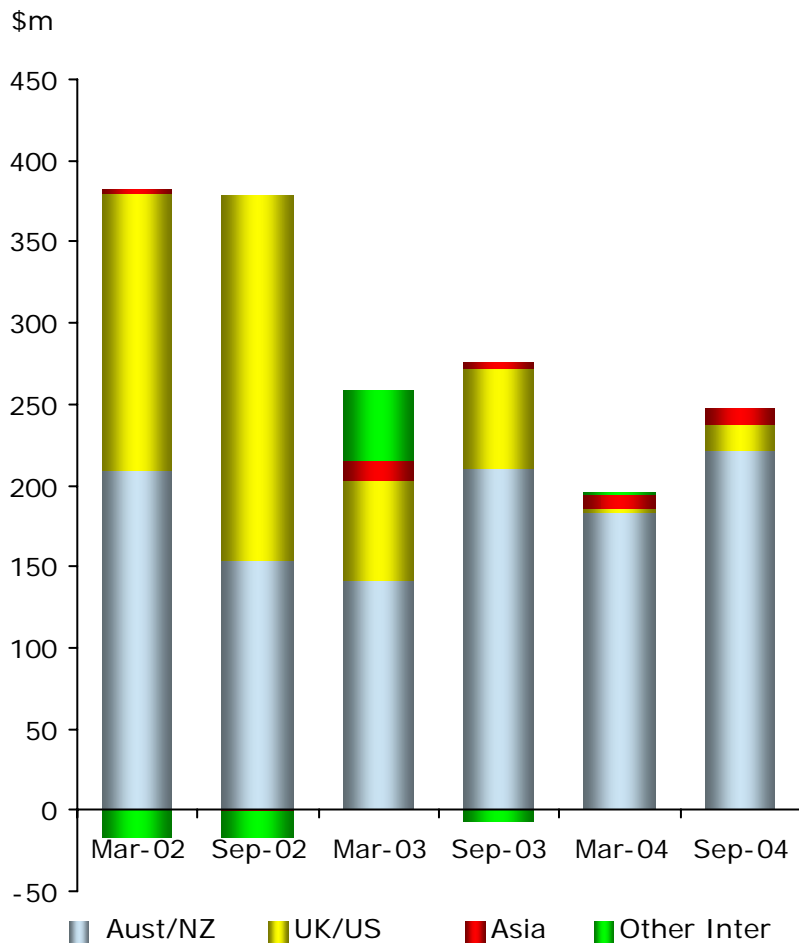
- 2nd Half Net specific provisions - \$m (LHS)
- 1st Half Net specific provisions - \$m (LHS)
- % International Specific Provisions (RHS)
- x— ELP charge - \$m (LHS)

Specific Provision Balance by size

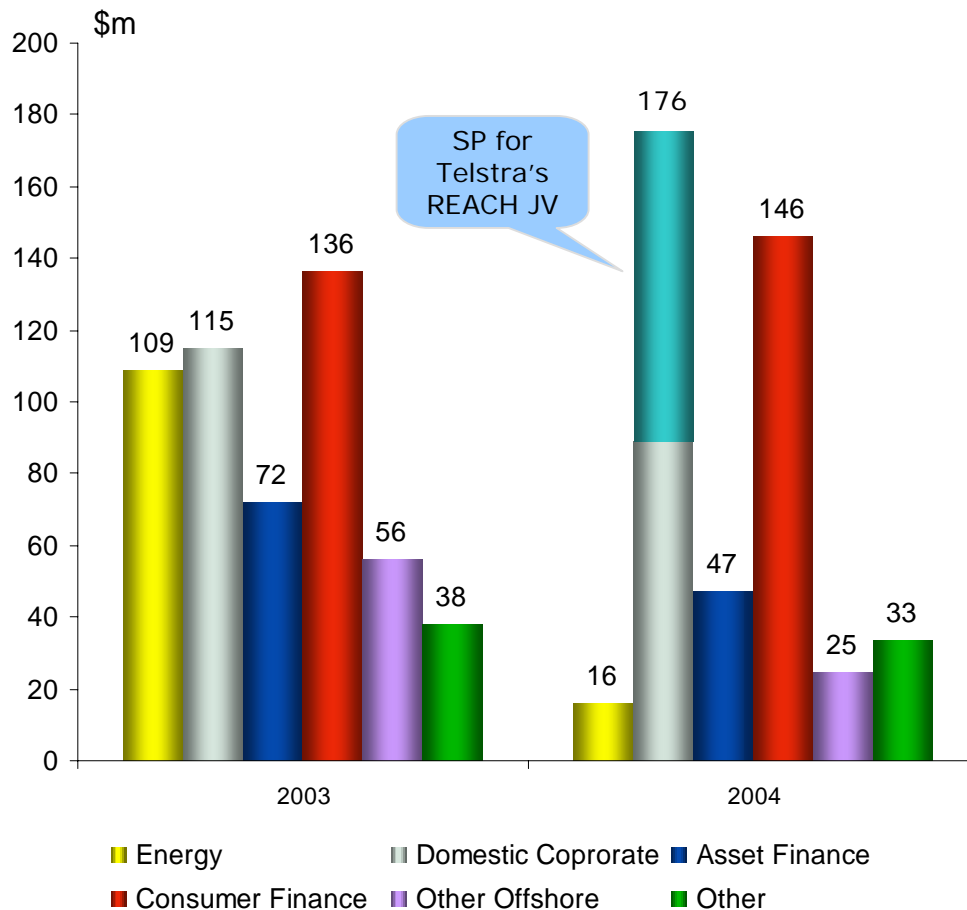


New Specific Provisions down 7% on FY 2003

Geographic Specific Provisions



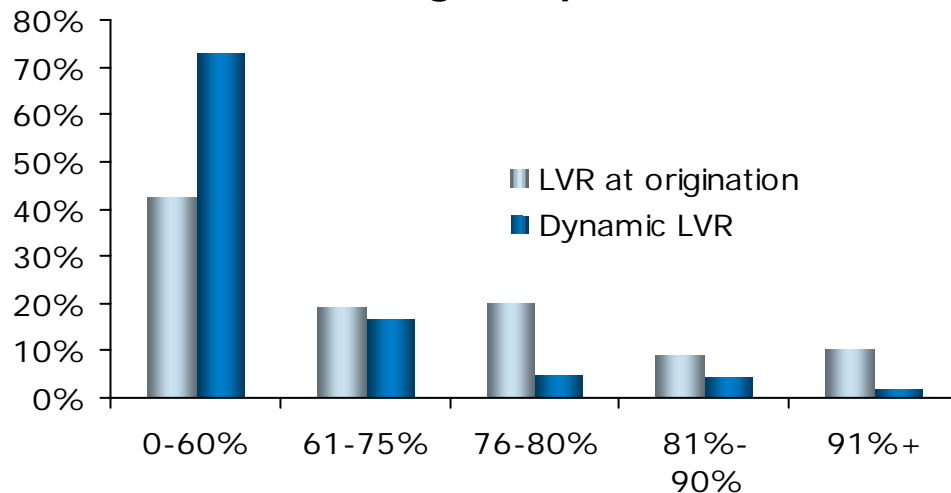
Specific Provisions by Source



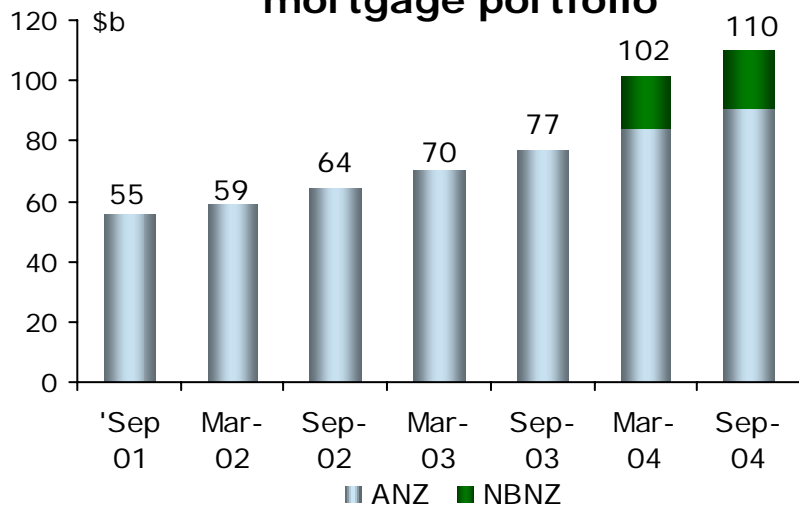
Mortgages Growth strong, albeit some slowing in second half

- Mortgages Portfolio continues to experience strong growth off the back of excellent products and strong distribution networks
- Growth has been strongest in owner occupied and equity products, whilst some slowing has been noted in investment lending

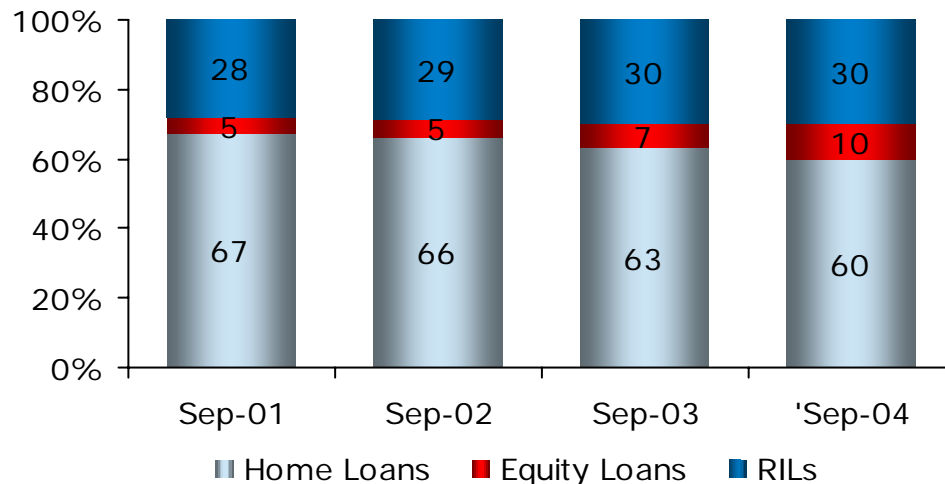
Strong LVR profile*



Strong growth in the mortgage portfolio

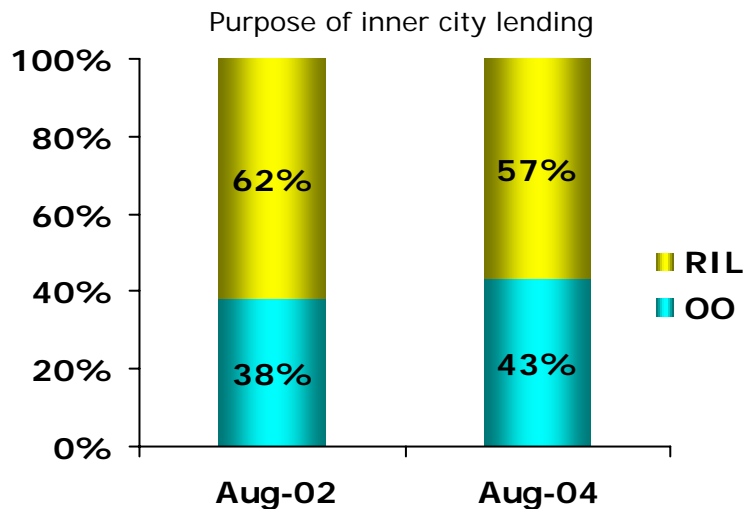


Portfolio by product*

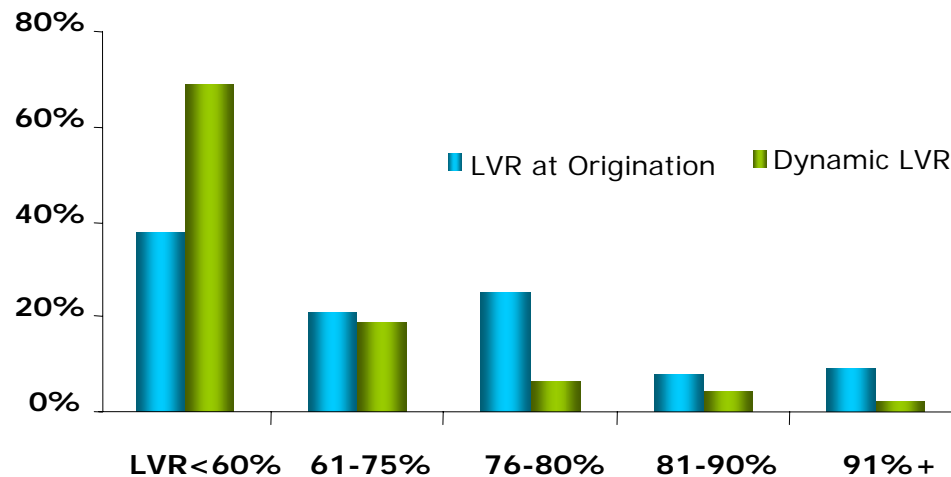


Low exposure to Inner City residential mortgage lending

Lending policies driving shift from investment loans to owner occupier loans



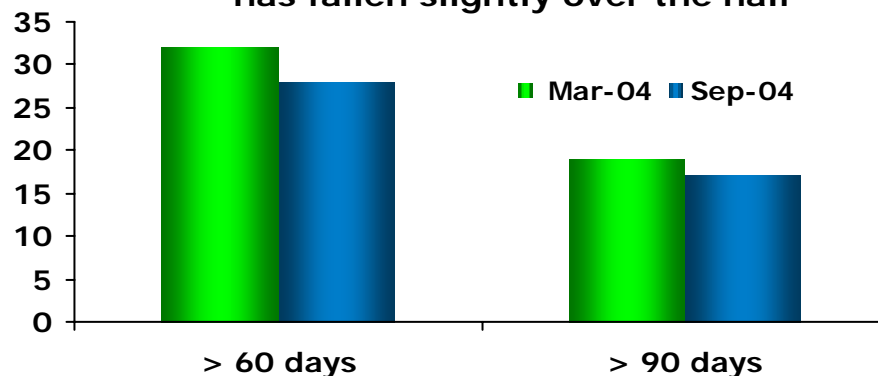
Inner City Dynamic LVR - August 2004



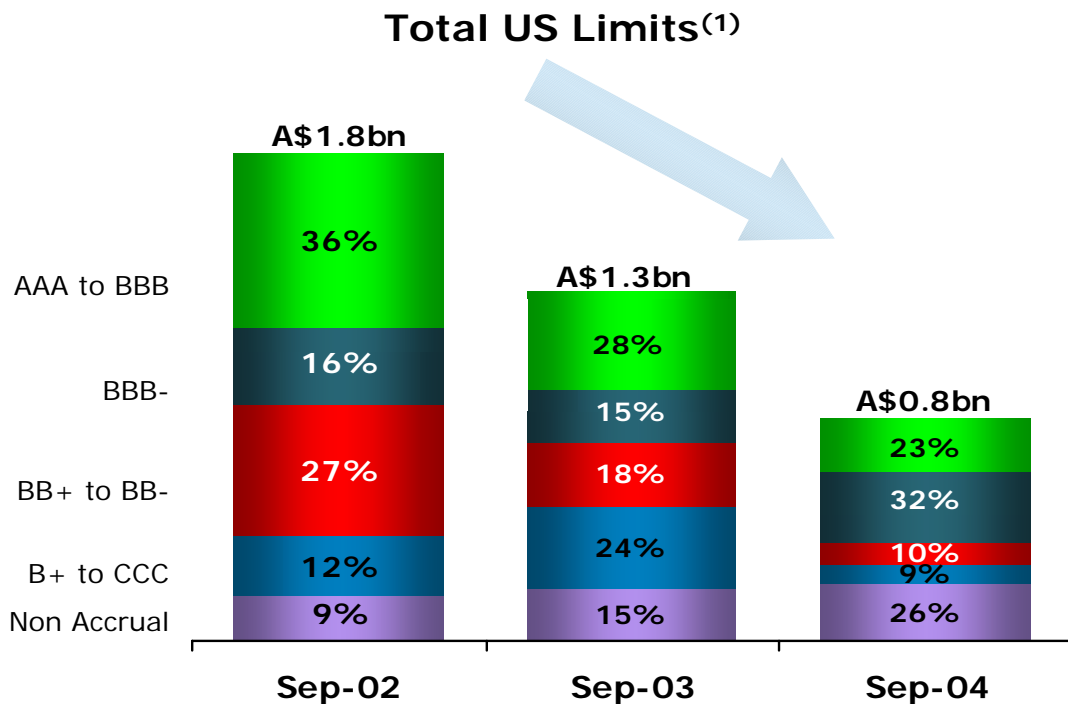
Detailed analysis has been completed on Docklands, Southbank and Zetland/Waterloo (NSW) given a focus in these areas. There are no delinquencies in these postcodes >60 days. Exposure to each area as at August 04 were:

Docklands	\$51.1m (128 loans)
Southbank	\$74.0m (330 loans)
Zetland/Waterloo (NSW)	\$55.9m (184 loans)

The number of inner city delinquencies has fallen slightly over the half



US power exposures continue to reduce



US: September 2004

- Outstandings: \$0.6bn (75%)
- Other Committed: \$0.2bn (19%)
- Uncommitted: <\$0.1bn (6%)

Customers

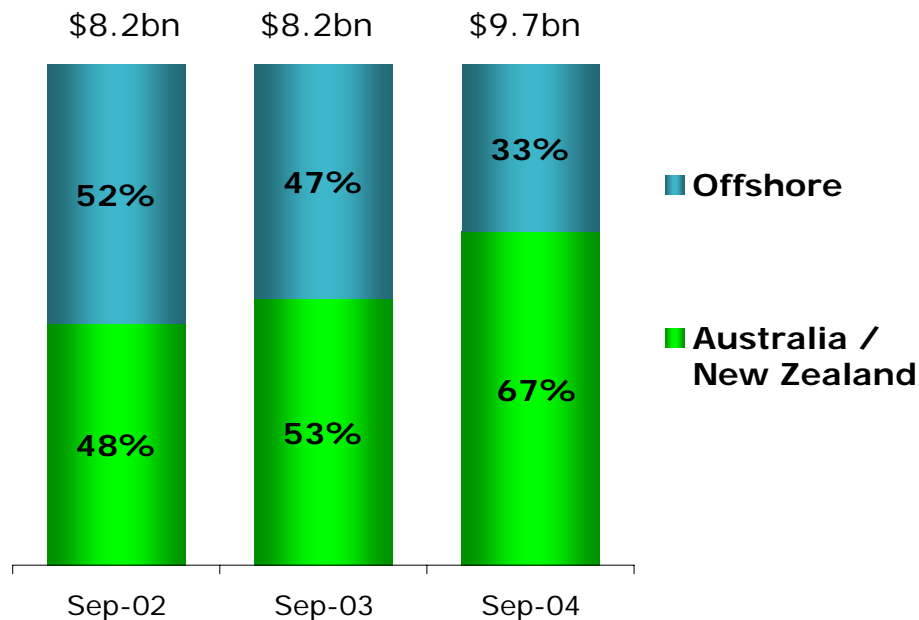
- Non Accrual: 4 [\$0.2b]
- Total: 16

- We continue to actively manage our exposure to the US power sector
- Over the past two years, exposure to the merchant energy sector and other non-core segments has reduced substantially through repayments, sell-downs and restructuring
- During 1H04, non accrual loans increased in the US portfolio due to lagged credit effects from previously identified high risk exposures, however any future losses are expected to be lower and readily absorbed within existing General Provision levels.
- New non-accrual loans in 2H04 of just AUD5m

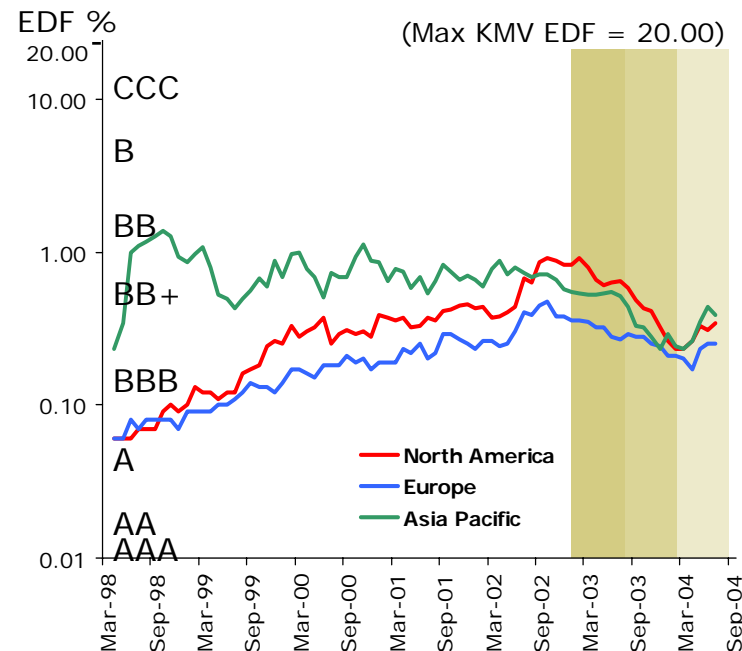
1. Excludes Settlement Limits but includes Contingent and Market-Related products domiciled in the US.

Power markets improving & offshore power exposures reducing

Total Limits Split by Geography



KMV Median Expected Default Frequency



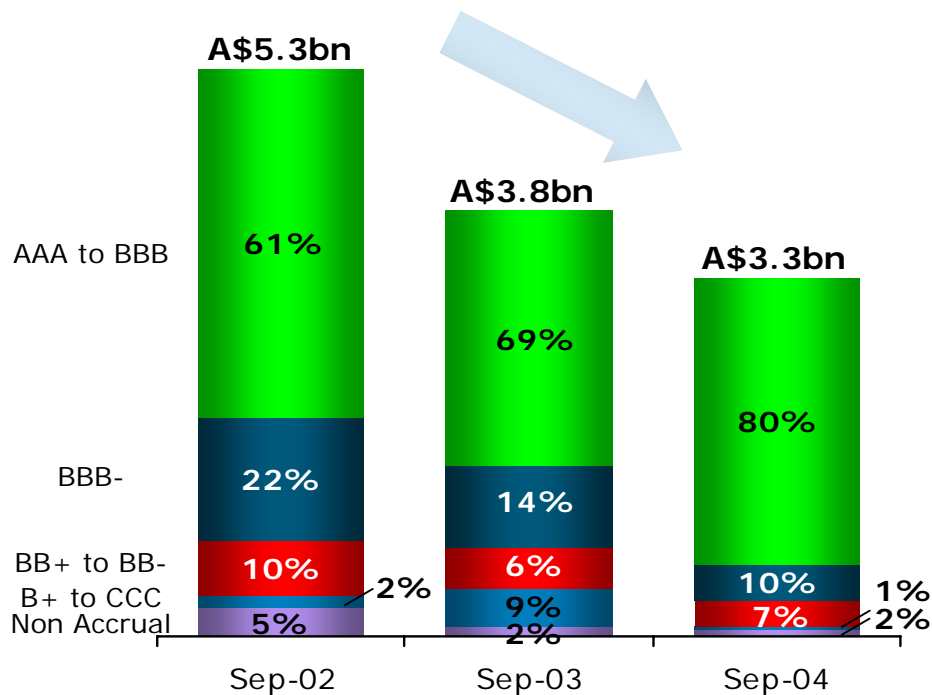
- ANZ's exposure to offshore power companies has reduced by 23% since since 2002, with the portfolio becoming increasingly Australasian-centric. Domestic markets will continue to be buoyed by traditional regulated businesses.

Note:

1. Excludes Settlement Limits but includes Contingent and Market-Related products.

The quality of the Telcos book has continued to improve

Total Telcos Limits⁽¹⁾



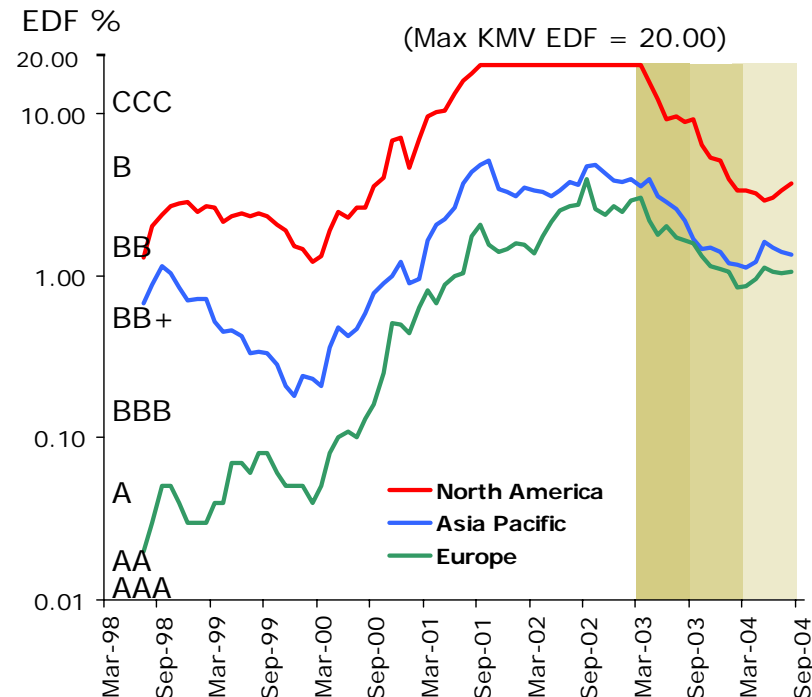
September 2004

- Outstandings: \$1.4bn (43%)
- Other Committed: \$1.1bn (33%)
- Uncommitted: \$0.8bn (24%)

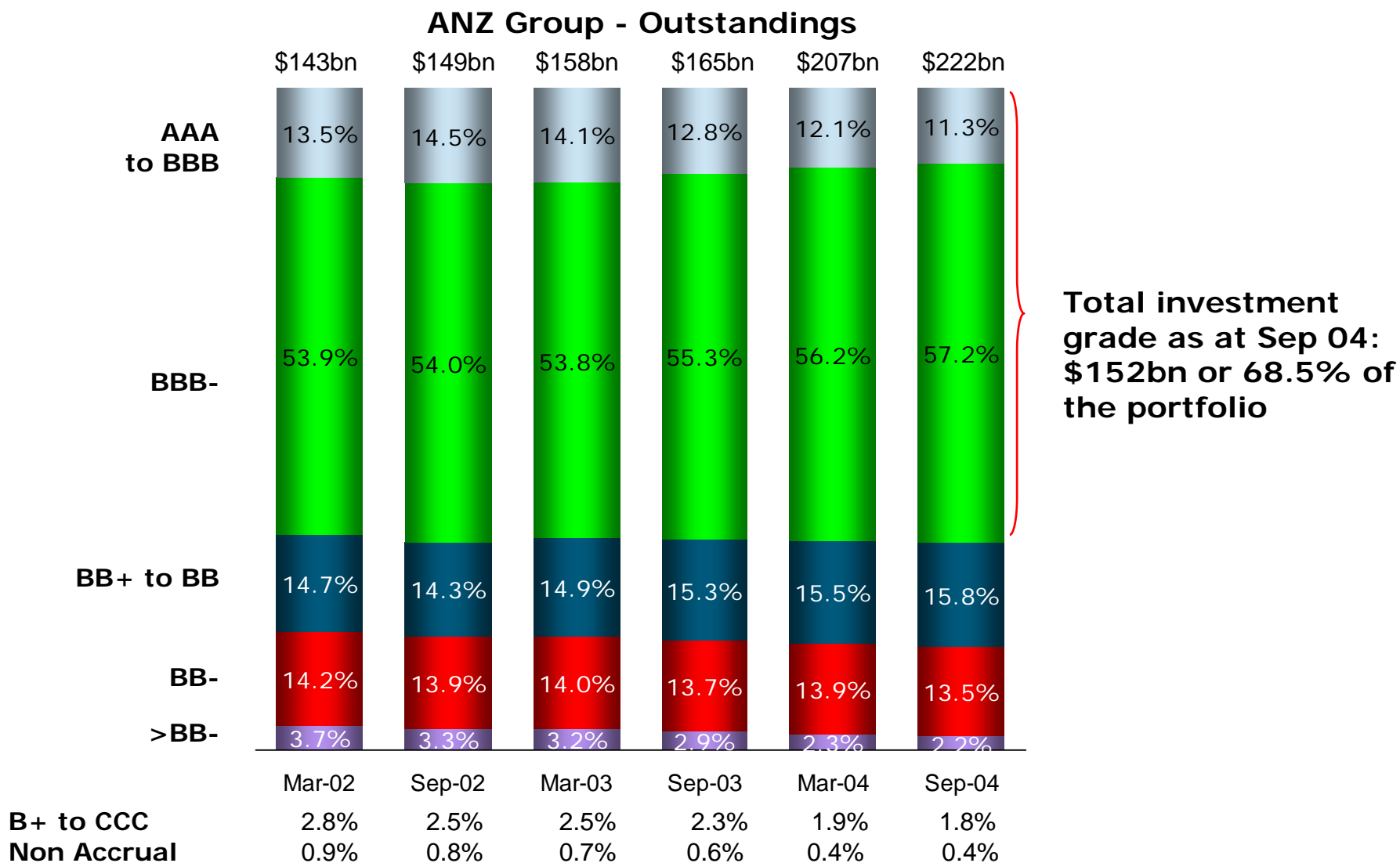
Note:

1. Excludes Settlement Limits but includes Contingent and Market-Related products.

KMV Median Expected Default Frequency



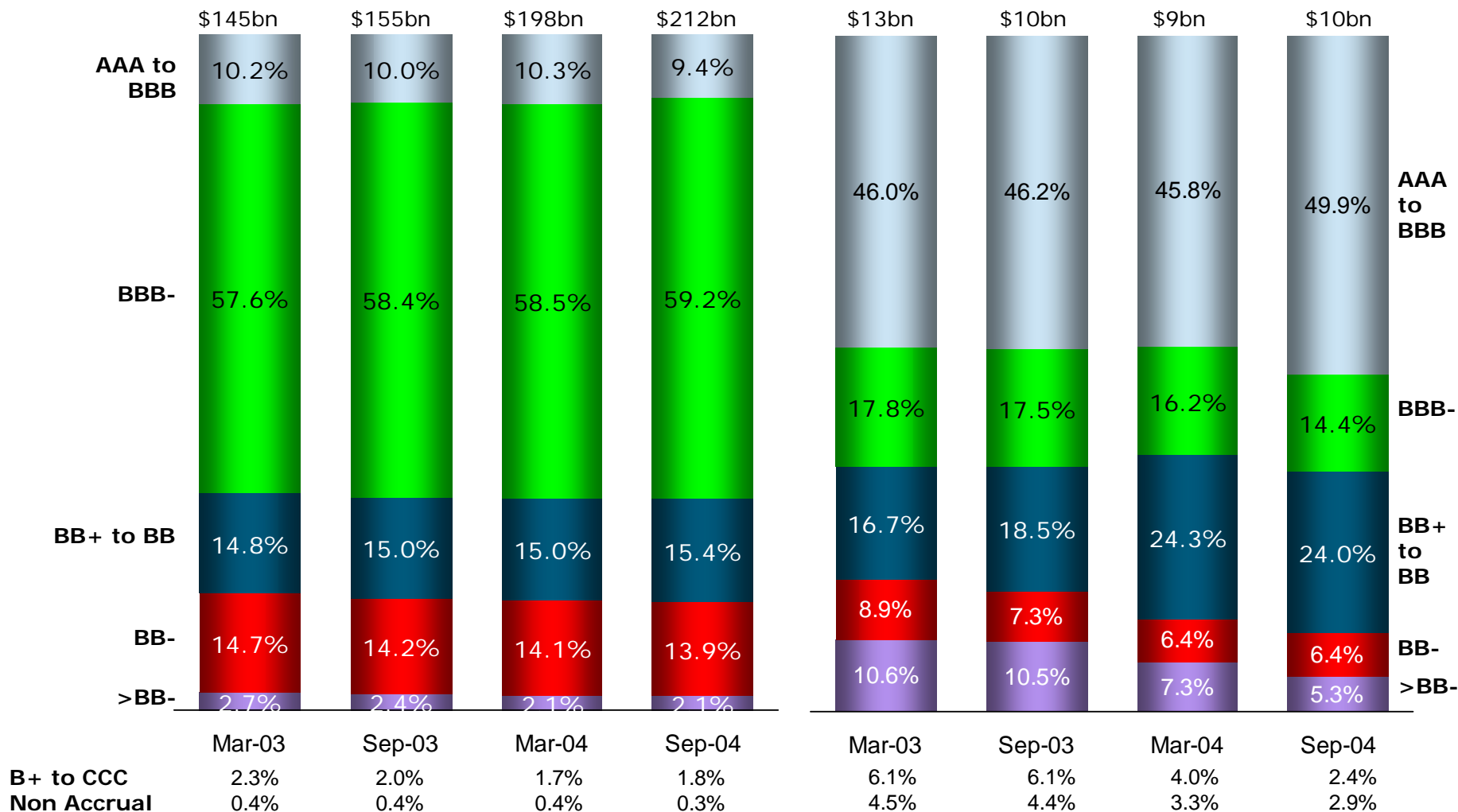
Group risk grade profile



Geographic risk profiles

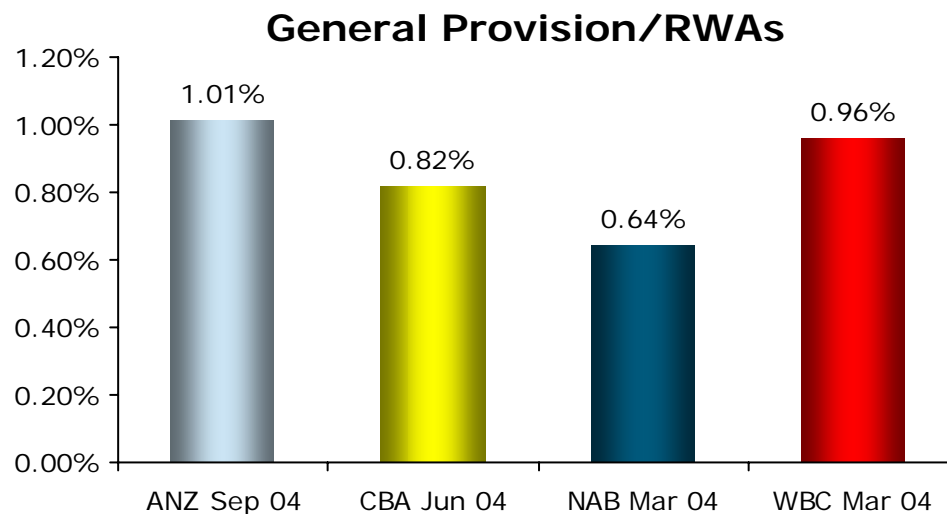
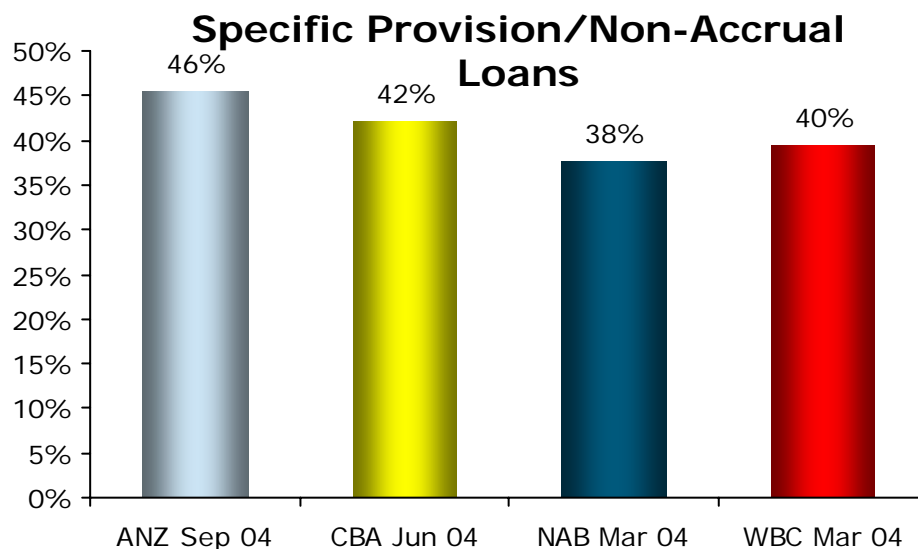
Australia & New Zealand

International



ANZ maintains the largest safety net for both expected and unexpected losses

- The continued high level of our General Provisioning reflects the lower level of actual losses in 2004.
- The ELP methodology that drives the General Provision is different to other Bank's Dynamic Provisioning and takes a conservative longer term view of the economic credit risk cycle
- In 2004, profit and loss charge of \$632m was 30% higher than the actual loss experience.



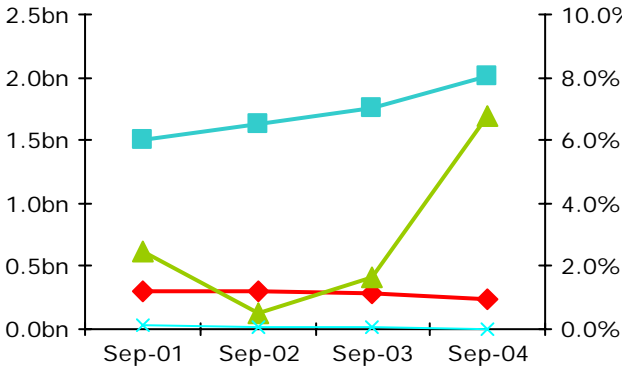
Note:

1. As per most recent company financial reports for CBA, NAB and WBC

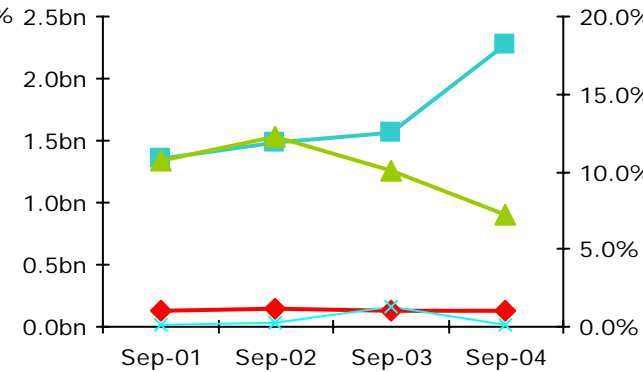
Industry exposures – Australia & New Zealand

■ Lending Assets (AUD)
◆ % of Portfolio (RHS scale)
▲ % in High Risk – excl NBNZ (RHS scale)
× % in Non Accrual – excl NBNZ (RHS scale)

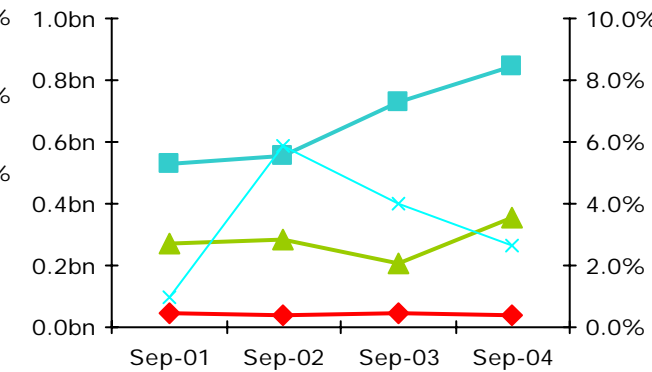
Health & Community Services



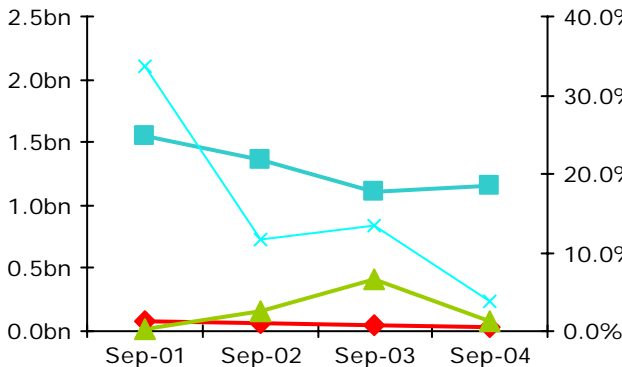
Cultural & Recreational Services



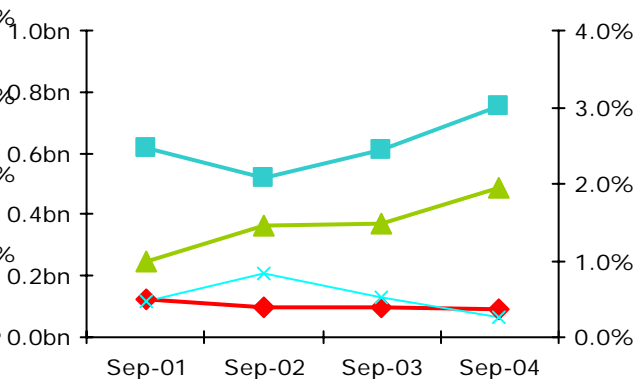
Forestry & Fishing



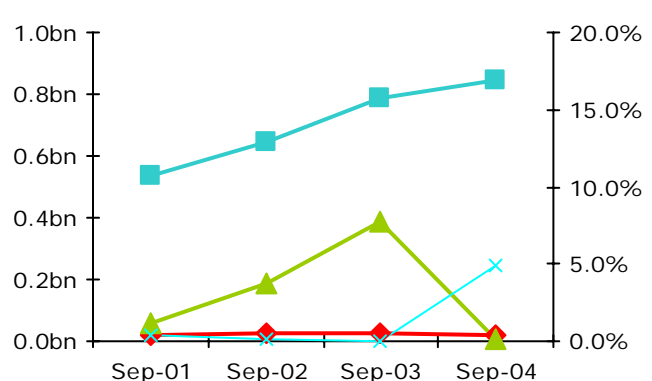
Mining



Personal & Other Services



Communication Services

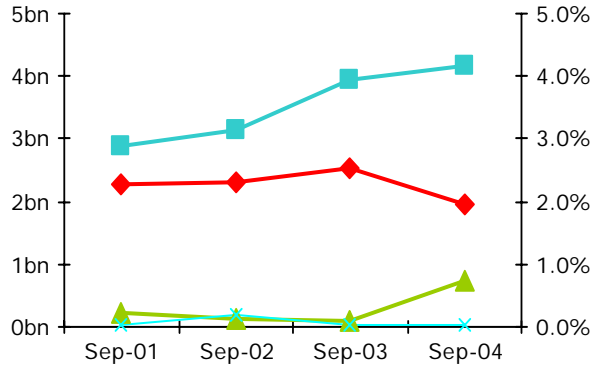


* Sep 04 includes NBNZ

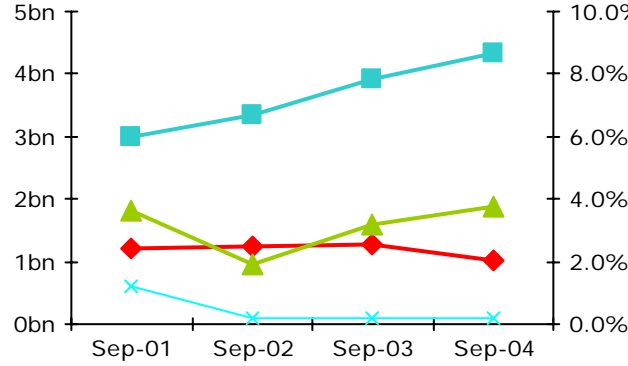
Industry exposures – Australia & New Zealand

- Lending Assets (AUD)
- ◆ % of Portfolio (RHS scale)
- ▲ % in High Risk – excl NBNZ (RHS scale)
- × % in Non Accrual – excl NBNZ (RHS scale)

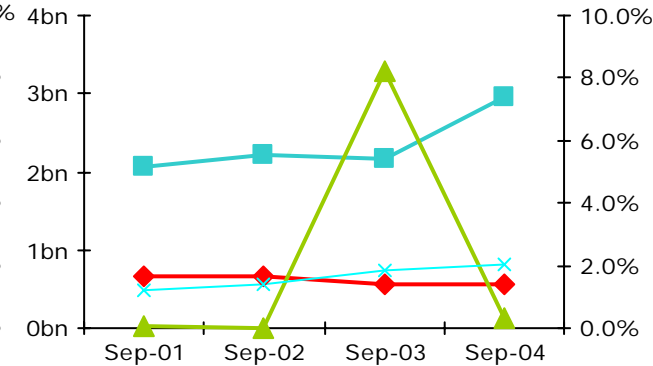
Finance - Other



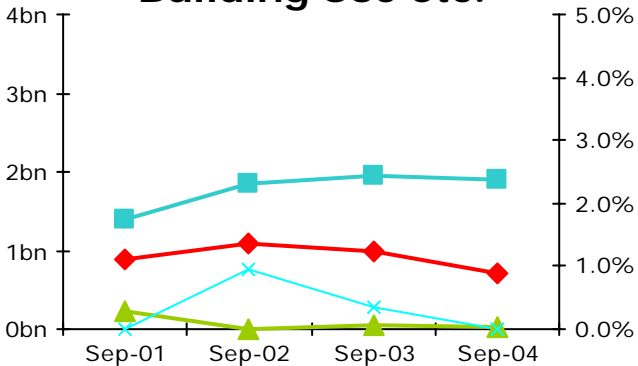
Transport & Storage



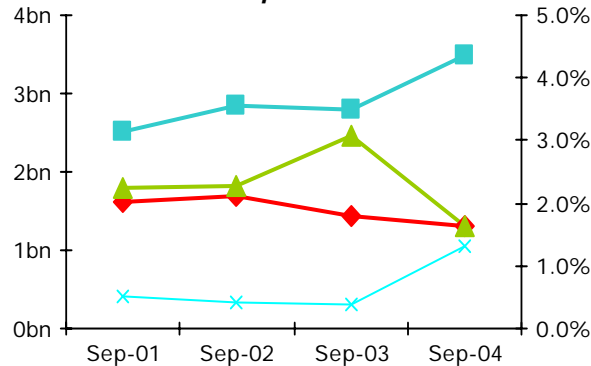
Utilities



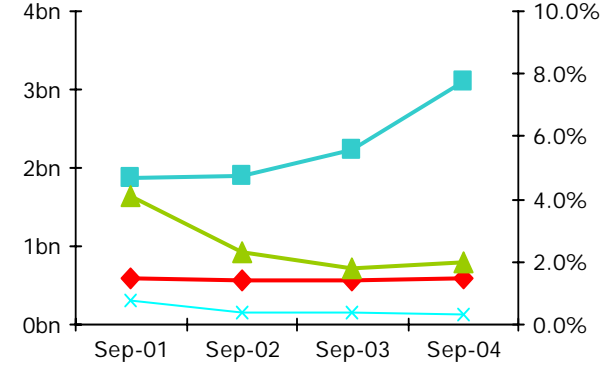
Finance – Banks, Building Soc etc.



Accommodation, Clubs, Pubs etc.



Construction

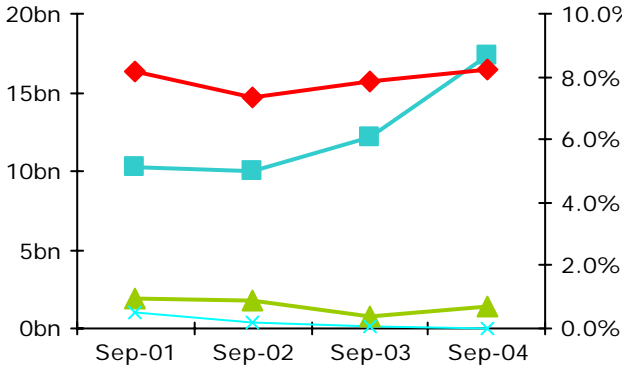


* Sep 04 includes NBNZ

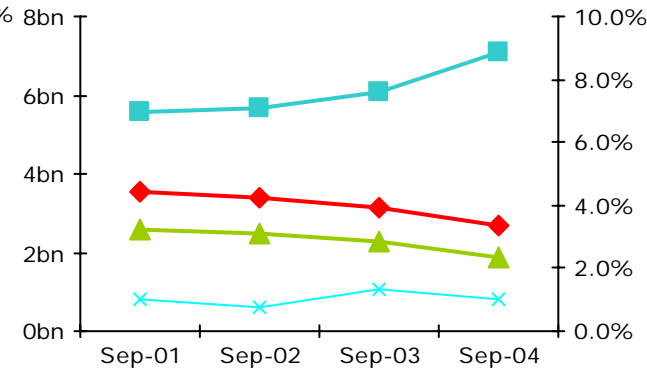
Industry exposures – Australia & New Zealand

■ Lending Assets (AUD)
◆ % of Portfolio (RHS scale)
▲ % in High Risk – excl NBNZ (RHS scale)
× % in Non Accrual – excl NBNZ (RHS scale)

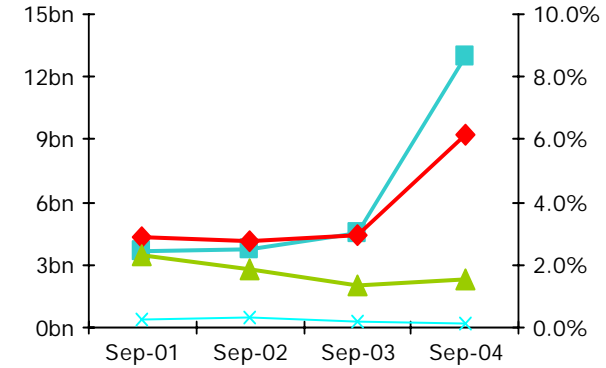
Real Estate Operators & Dev.



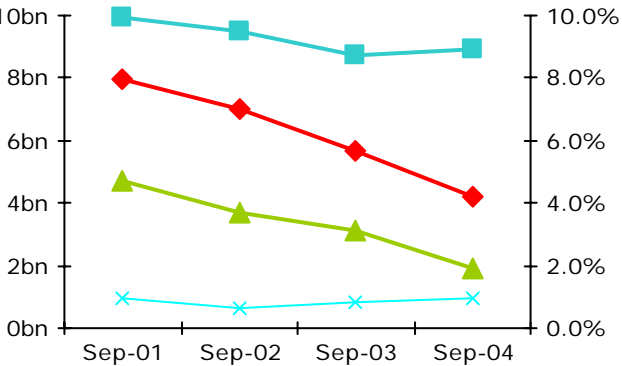
Retail Trade



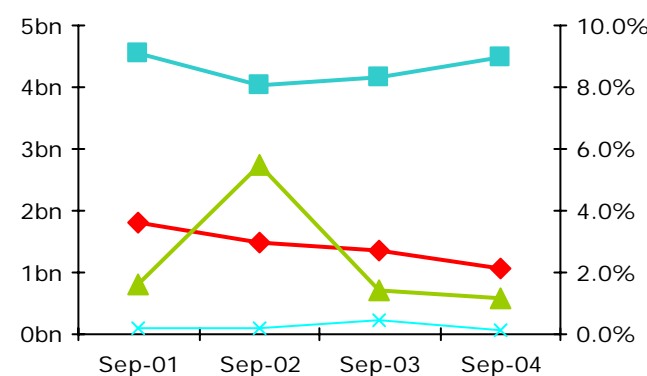
Agriculture



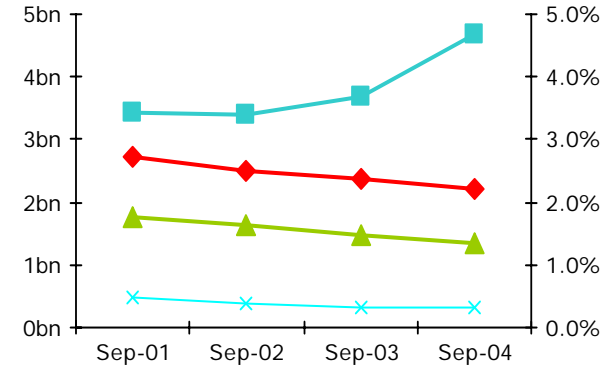
Manufacturing



Wholesale Trade



Business Services



* Sep 04 includes NBNZ

Other Information

Profit & Loss impact TrUEPrS versus StEPS

This analysis excludes the impact of the TrUEPrS buy-back which has been reported as a significant item

Interest Income

- TrUEPrS invested in USD, StEPS in AUD*

Non Interest Income

- Income from interest rate swap

Income Tax

- Tax on income

- Tax credit on dividend

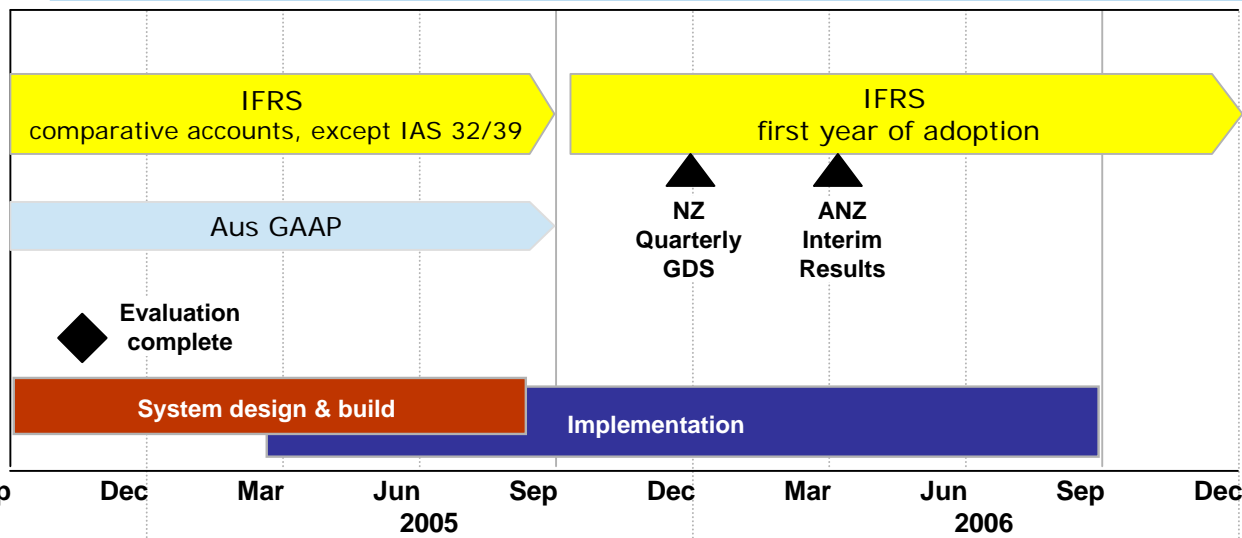
NPAT Impact (pre distributions)

Distributions

EPS Impact

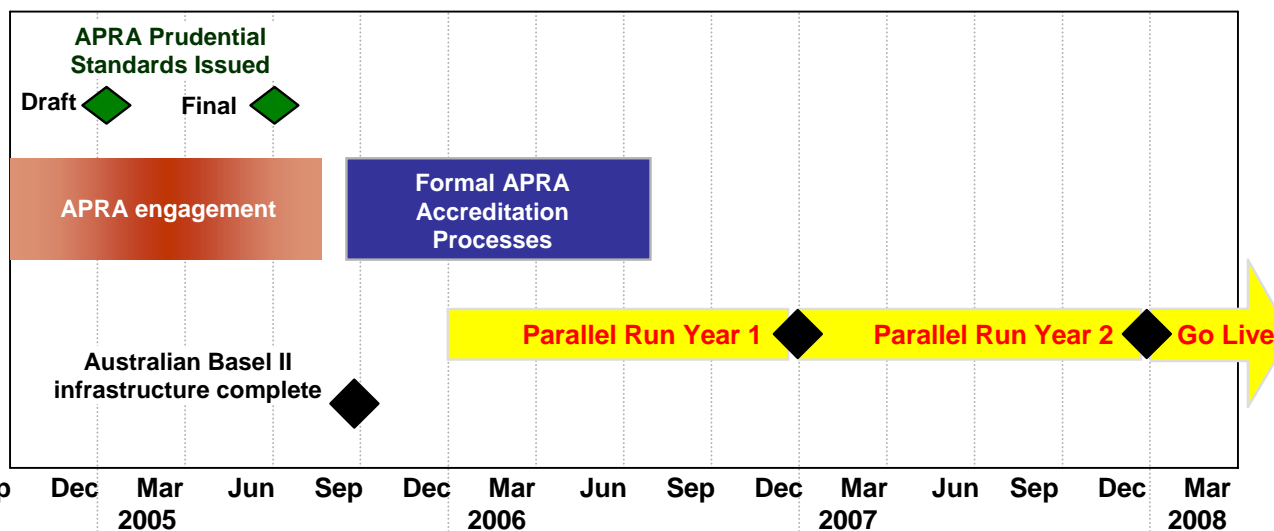
	Impact (A\$m)		
	TrUEPrS FY03	StEPS FY04	Movement
	16	53	37
	72	0	(72)
	(28)	(16)	11
	31	19	(12)
	91	56	(35)
	(102)	(62)	40
	(11)	(6)	5

Update on Basel II and IFRS



IFRS Project

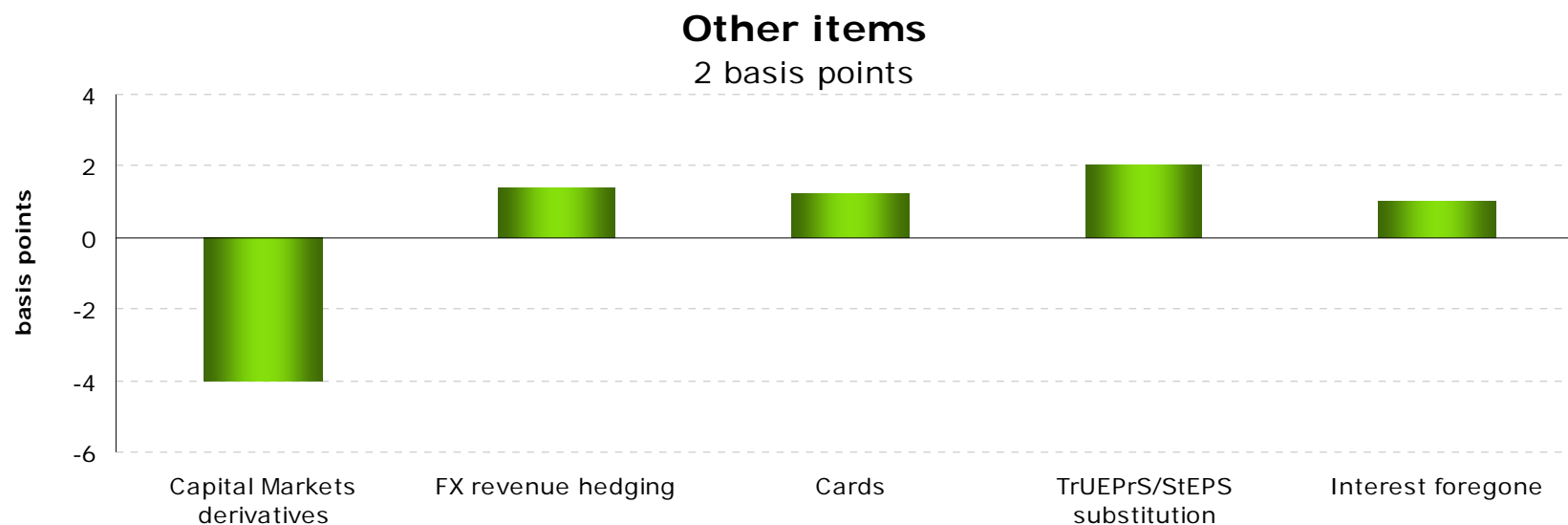
- Project on track
- Estimated project cost ~\$20m
- Work effort is structured around specific streams
- Further commentary is given in the Financial Results and Dividend Announcement (pages 33 to 34)



Basel II Project

- ANZ aiming to achieve Advanced Status
- Project on track
- Estimated project cost ~\$43m, which incorporates enhancements to a number of corporate systems
- Additional cost of ~NZ12m to bring ANZ National to Advanced status

Composition of "other" in the high level margin analysis (pcp)



- Cashflow mismatch on Capital Markets cross currency swaps negatively impacted the Group's NIM.
- The following items improved NIM:
 - Increased earnings from FX revenue hedging.
 - Increases in the proportion of credit card volumes earning interest.
 - Higher investment earnings from the substitution of USD TrUEPrS with AUD StEPS.
 - Improvements in interest foregone.

Summary of forecasts – Australia (bank year)

	2004	2005	2006
GDP	3.7	3.6	3.0
Inflation	2.4	2.4	2.7
Unemployment (Sep)	6.2	5.6	5.8
Cash rate (Sep)	5.25	5.75	5.75
10 year bonds (Sep)	5.5	6.7	5.5
\$A/\$US (Sep)	0.71	0.77	0.71
Credit	14.5	12.0	11.0
- Housing	19.9	14.7	13.6
- Business	7.6	8.2	7.1
- Other	14.3	11.3	10.1

Summary of forecasts – New Zealand (bank year)

	2004	2005	2006
GDP	4.6	3.2	2.0
Inflation	2.7	2.9	2.3
Unemployment (Sep)	4.1	4.1	4.7
Cash rate (Sep)	6.25	6.5	6.0
\$A/\$NZ (Sep)	1.07	1.18	1.23
Credit	11.3	5.0	na
- Housing	15.5	5.0	na
- Business	7.0	5.0	na
- Other	3.8	4.0	na

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

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