

Macquarie Equities World Champions Conference

Peter Hawkins

Group Managing Director, Group Strategic Development

Australia and New Zealand Banking Group Limited

November 2003

Table of contents

1. [ANZ 2003 Results](#) Page 3
2. [NBNZ Acquisition](#) Page 7
3. [Group strategy](#) Page 14

Important Notice:

Nothing in this document constitutes an offer of shares.

A Prospectus in respect of the entitlements offer dated 24 October 2003 was lodged with the Australian Securities & Investments Commission on that date.

Offers of shares will only be made in a copy of the Prospectus. Anyone wishing to acquire shares will need to complete the entitlement and acceptance form that will accompany the Prospectus.

Another Solid Result for ANZ, up 8.3%

v Sep 02

- NPAT \$2,348m ↑ 1.1%
- EPS 148.3 cents ↑ 0.7%

Before Significant Items

- NPAT \$2,348m ↑ 8.3%
- EPS 148.3 cents ↑ 8.2%
- EPS (Excluding goodwill) 152.4 cents ↑ 9.2%
- Dividend 95 cents ↑ 11.8%
- Net Specific Provisions \$527m ↓ (27.6%)

Full year result driven by asset and deposit growth

Full year NPAT growth increased **8.3%** with growth in net income, tight expense control, and improving credit quality being the highlights.

Net interest income

- strong lending growth resulted in a \$454m increase in net interest income, offset by a 10 bp margin decline, which reduced net interest income by \$161m.

Other income

- flat as a result of an under accrual of loyalty points on co-branded credit cards in prior years, higher cost of loyalty points, and sale of ANZ FM.

Expenses

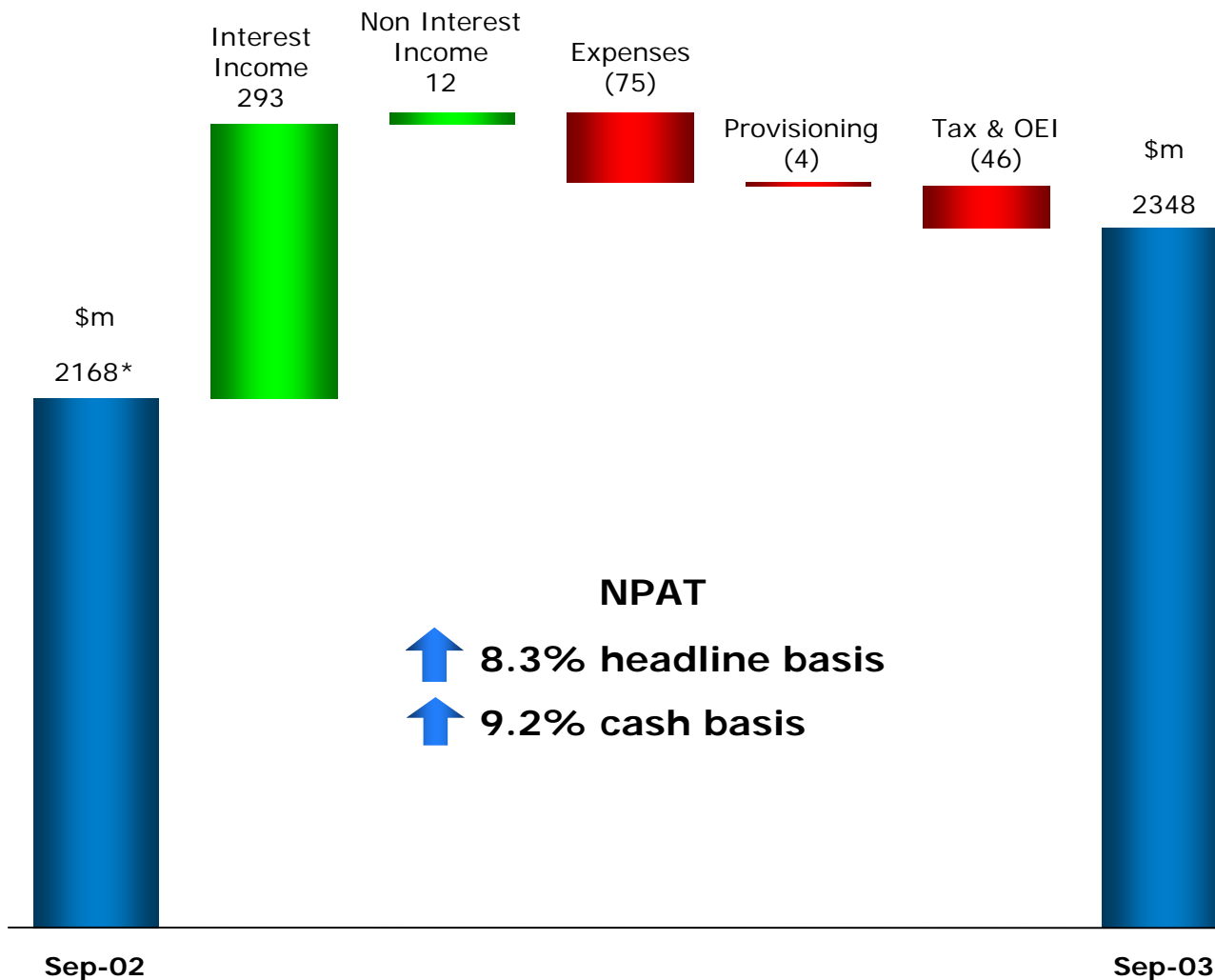
- were once again tightly controlled across the group, increasing 2%. Cost savings generated throughout the period were offset by a volume driven increase.

Provisioning

- asset quality improved with the ELP rate down offsetting volume growth, primarily in mortgages.

Tax

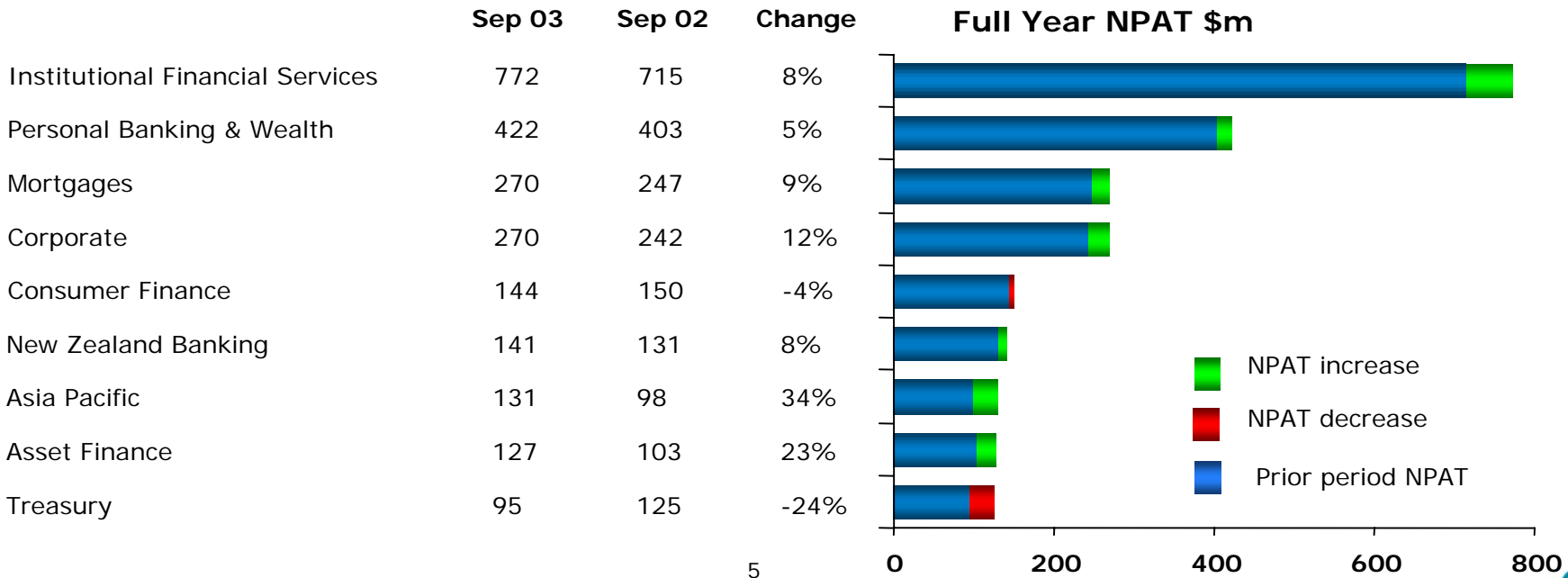
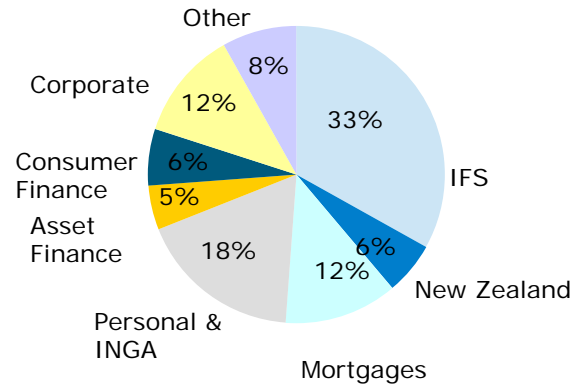
- reduction in tax rate by 0.4% due to a higher proportion of equity accounted income.



A specialised portfolio - efficient allocation of resources to deliver results

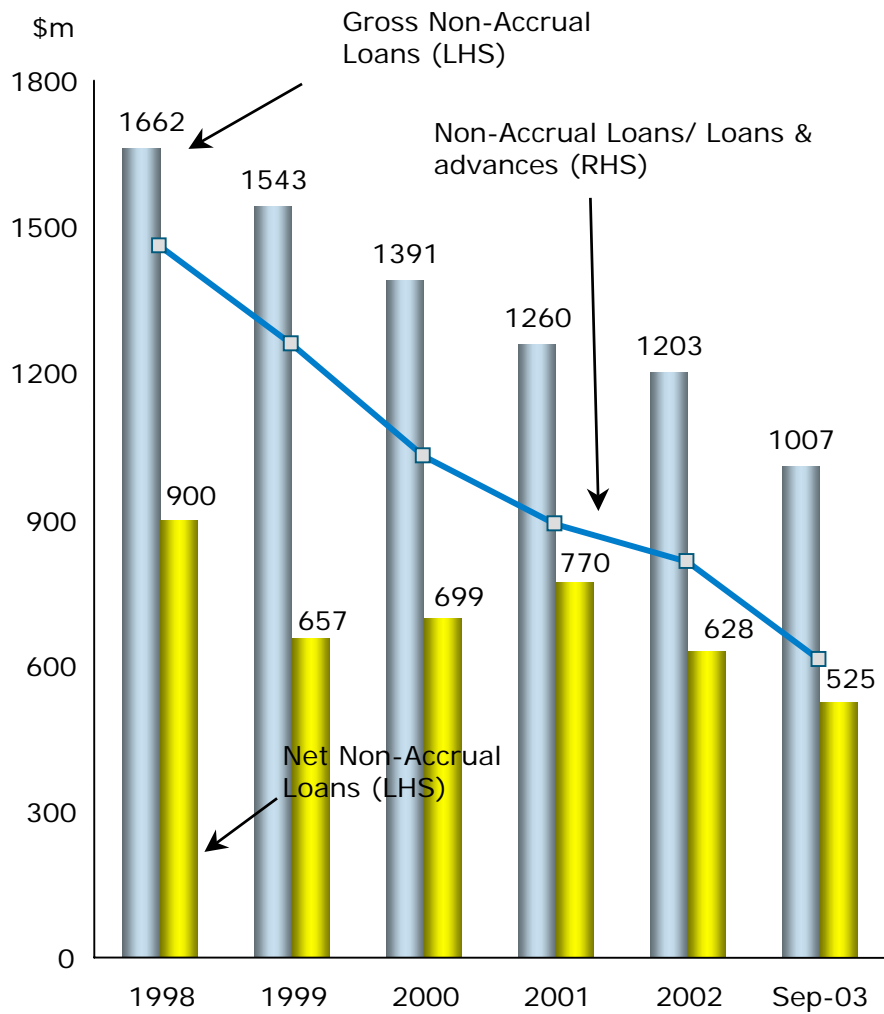
A specialised portfolio allows us to efficiently allocate resources to those businesses experiencing, or with the potential for growth and to reduce resources away from those businesses with lower growth prospects and/or higher risk profiles.

NPAT by business segment



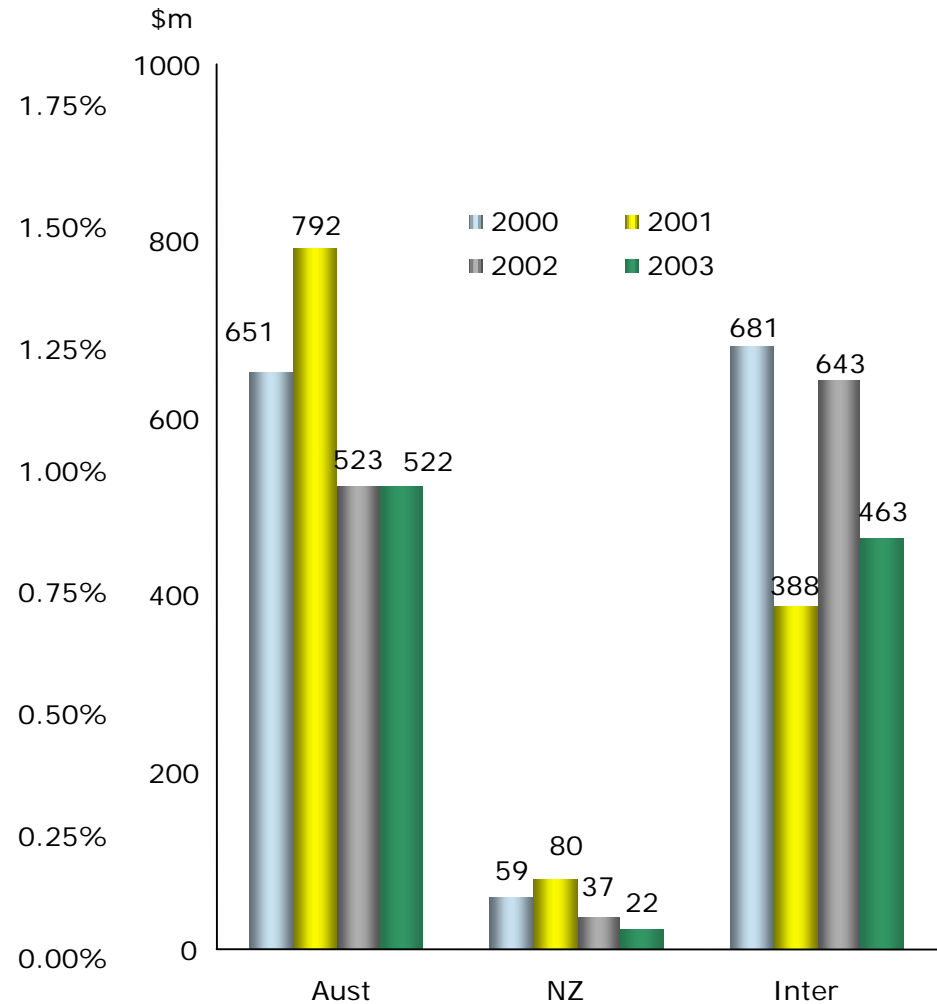
Non-accrual loans continue to fall

Historic



Geographic

Gross Non-Accrual Loans



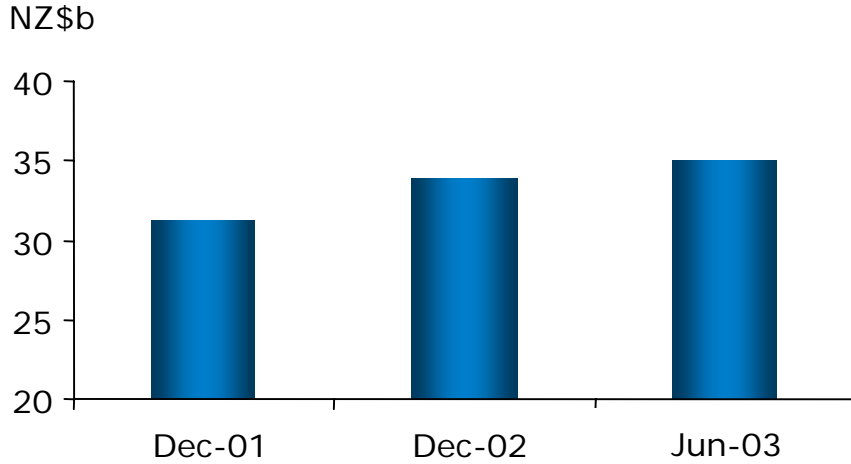
NBNZ Acquisition

NBNZ acquisition creates the leading bank in New Zealand

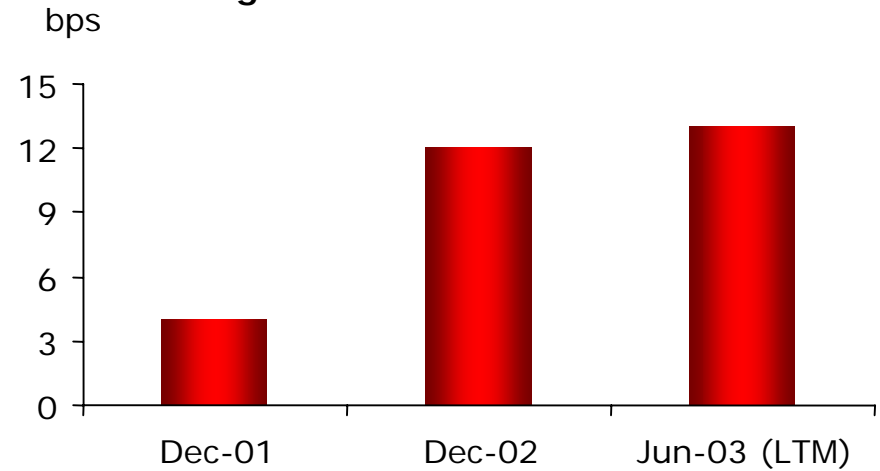
- Purchase price equivalent to A\$4.915 billion (at exchange rates on 23 October 2003)
- ANZ and NBNZ, when combined, will create:
 - The leading bank in New Zealand
 - One of New Zealand's top three companies
 - Market leadership in all major market segments
- A very different acquisition:
 - Based on customers and growth - leveraging the best of both banks
 - NBNZ CEO Sir John Anderson invited to head the combined company
 - The ANZ and NBNZ brands and branch networks to be maintained
 - No change intended in the total number of branches
 - Built on the foundation of the oldest bank and company in New Zealand
- Head office in Wellington with major office presence in Auckland and other cities
- ANZ may consider a partial minority listing on the NZ Stock Exchange post integration
- ANZ's strong capital and AA-/Aa3 credit rating preserved, & NBNZ's credit rating will be brought up to ANZ's rating upon completion of acquisition
- All necessary approvals obtained, and completion expected 1 December

NBNZ Group has a strong track record

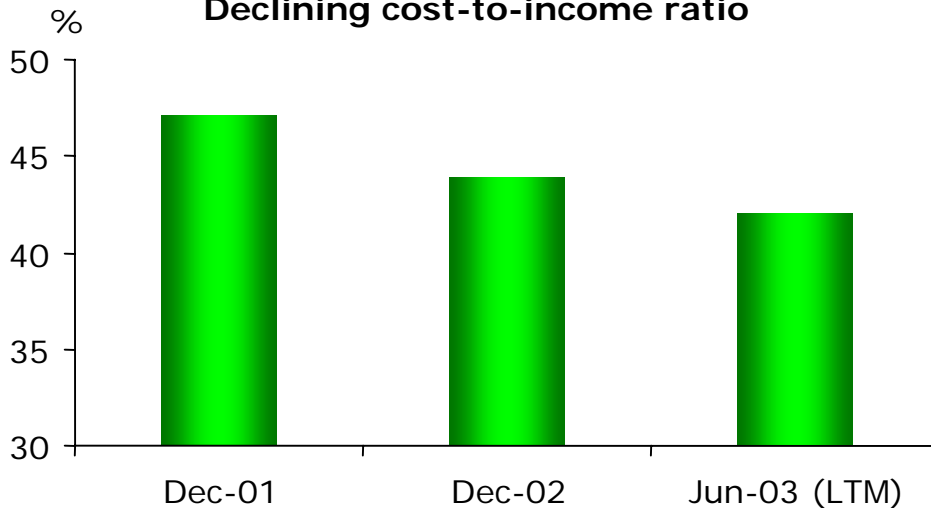
Strong growth in loans and advances



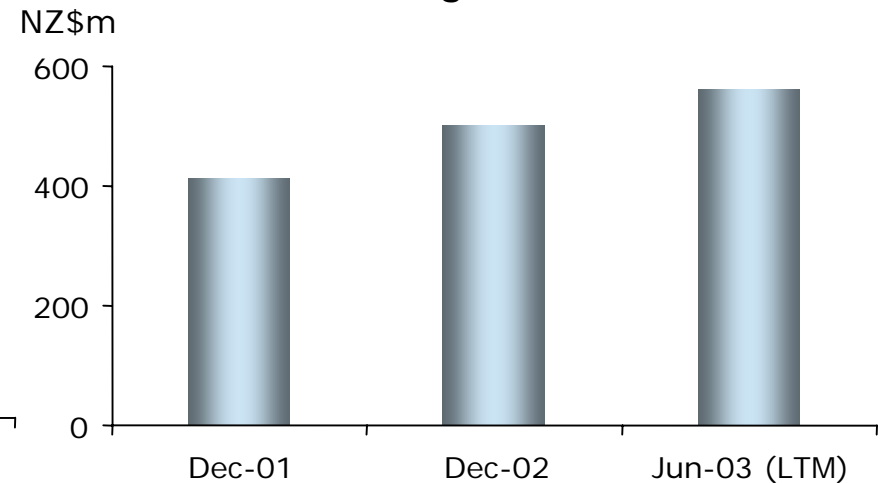
High asset quality – Provisioning charge as % of loans and advances



Declining cost-to-income ratio

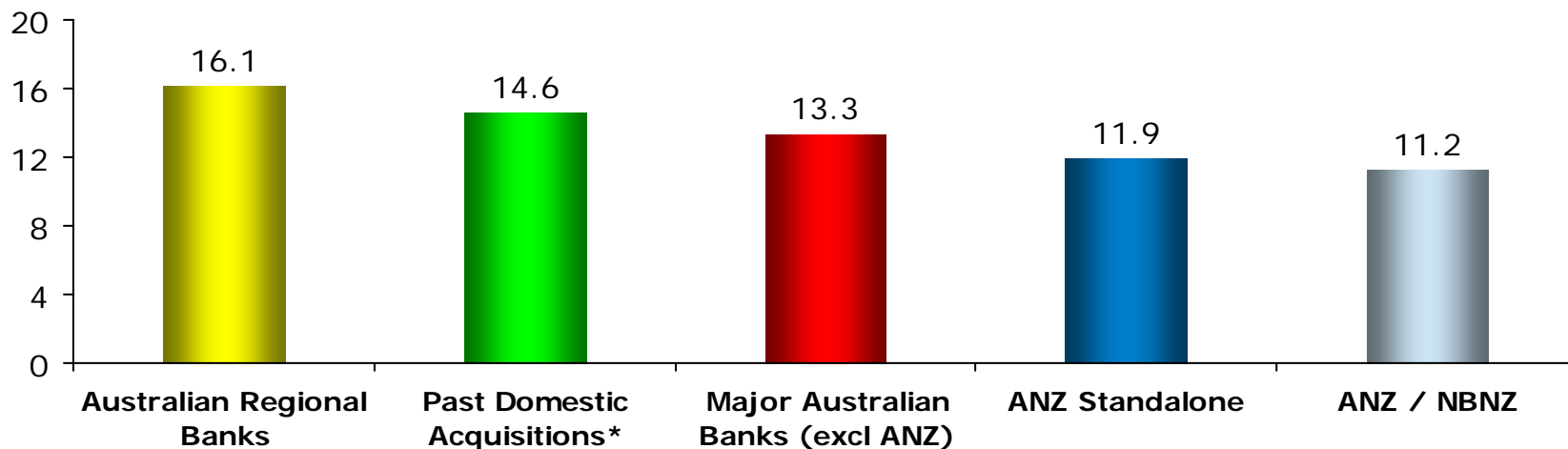


Consistent growth in NPAT

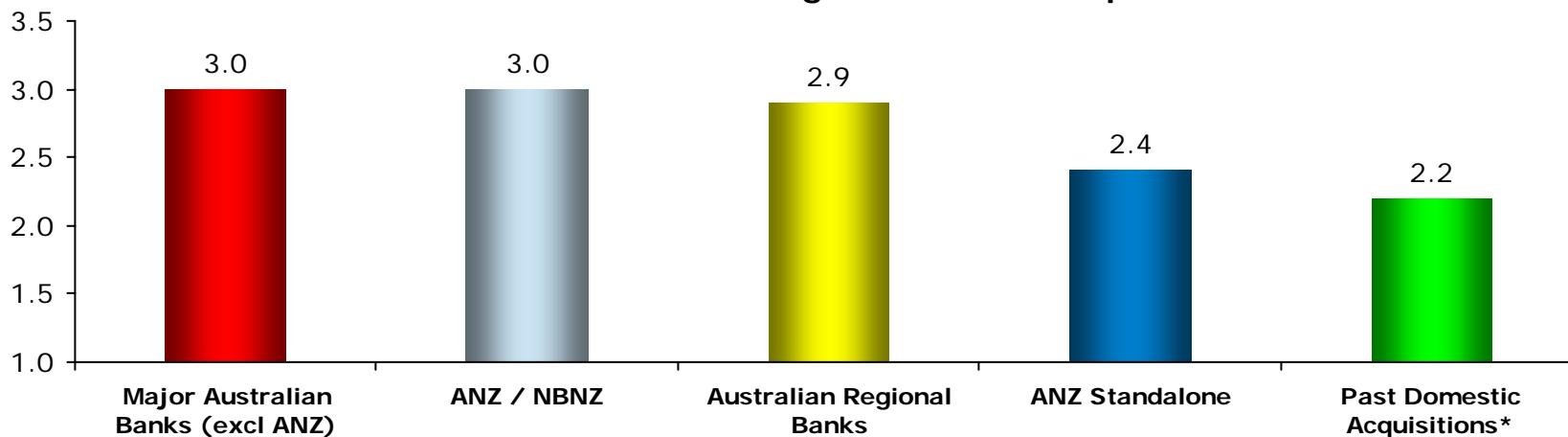


NBNZ purchased at attractive multiple

Price[#] / LTM cash earnings multiples



Price[#] / Net tangible assets multiples



* - Average of 10 past Australian and New Zealand transactions

- Price used in calculating LTM cash earnings multiples and NTA multiples for the major Australian banks and the Australian regional banks are 30-day volume weighted average prices as at 23 October 2003



Estimated operating cost synergies and integration costs

Operating Cost Synergies

Estimated at ~A\$110m pa (before tax)
within 3 years

- Expected cost synergies represent around 20% of NBNZ's cost base
 - Cost synergies to be fully phased in by end 2006
- Key areas of cost synergies:
 - Technology
 - Back office functions
 - Head office integration
- Synergies reflect no net branch closures in New Zealand
- Minimal impact in 2004

Integration Costs

Estimated at ~A\$230m (before tax)
over 3 years

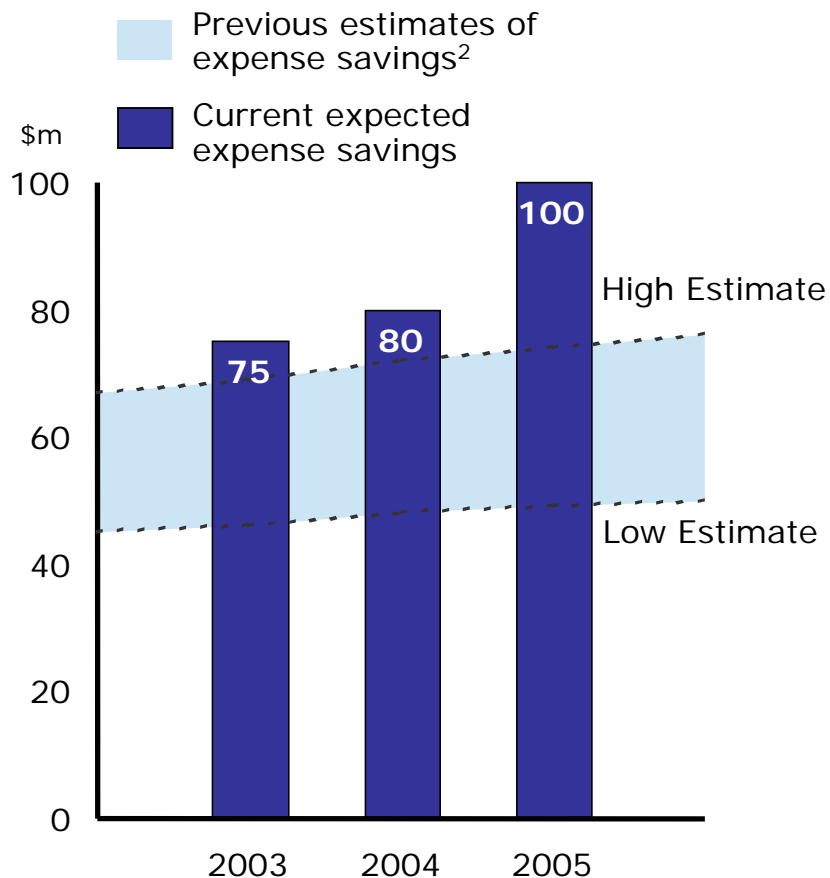
- Key integration cost components:
 - Core and subsidiary IT systems integration
 - Non-branch premises integration
- NBNZ senior management team has a strong track record in managing banking integrations

Managing key integration risks

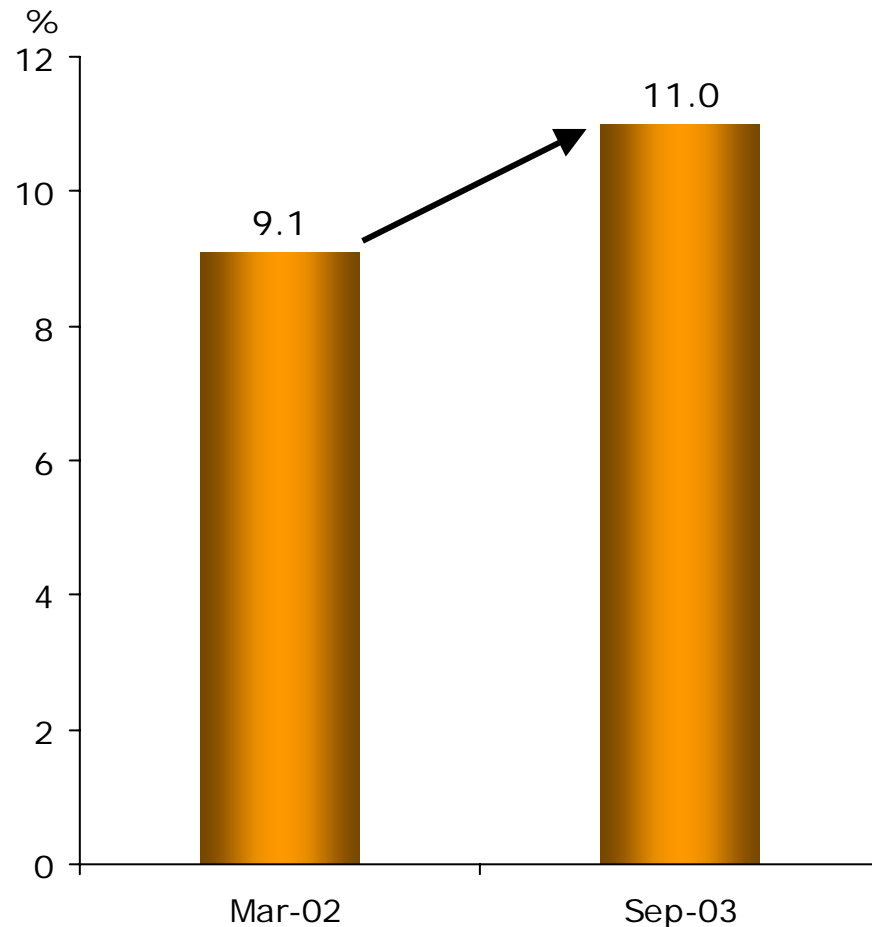
Consideration	Mitigant
Minimise Impact on Customers	<ul style="list-style-type: none"> • Maintain both brands and both branch networks • New Zealand centric retail business model leveraging NBNZ “client-facing” systems for retail, rural and SME • Manageable concentration issues in corporate and institutional
People	<ul style="list-style-type: none"> • Retain the best people from both organisations • Maintain headcount in “client-facing” roles
Technology	<ul style="list-style-type: none"> • A common core technology platform • Two year integration period for core systems conversion • Leverage expertise in IT integration

ING integration has been successful in terms of cost synergies and growth in market share

Progressive Joint Venture Expense Savings¹



Market share – Retail FUM



Note: 1) Annualised 2002 total operating expenses inflated for cpi & wage growth; 2) Previous estimates were 10-15% savings from base;

Strategy

Our specialisation strategy - Monolines win, but returns more volatile. Diversification reduces risk

Independent analysis* has found that monoline specialists create greater returns than generalists.

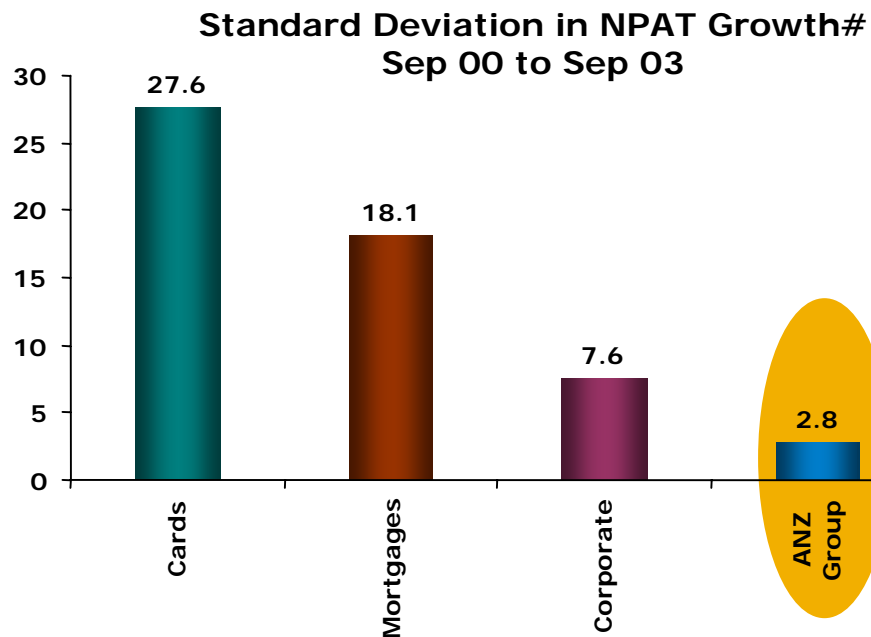
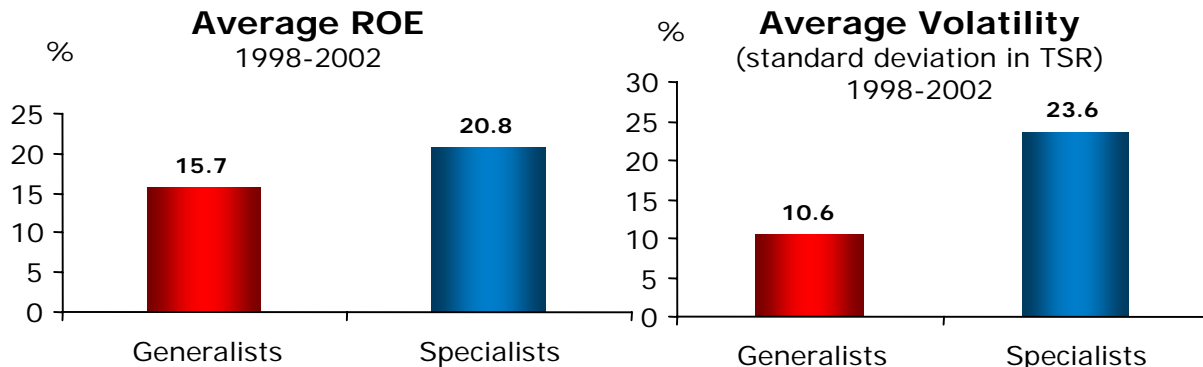
ANZ's response has been to create a portfolio of specialist businesses. Whilst the returns from individual business units within the portfolio have exhibited the volatility typical of monoline specialists, volatility is reduced for the portfolio as a whole.

A portfolio of specialist businesses reduces volatility and brings:

- **Responsiveness** – we believe that speed, flexibility and expert knowledge will prevail over large scale generalists
- **An Entrepreneurial approach**, which encourages innovation yet brings with it accountability and ownership from business management.

The portfolio model is strengthened by ensuring that governance, risk management and group oversight are centrally controlled.

*Source – Boston Consulting Group



Internationally, we will reduce our US & European exposures, and seek longer term growth options in East Asia and the Pacific

ANZ's international focus is twofold and remains clear

1. US and Europe – REDUCE

Involving:

- Focusing on core products and relationships
- Reallocating capital to fund growth options
- Returning excess capital, primarily to domestic markets

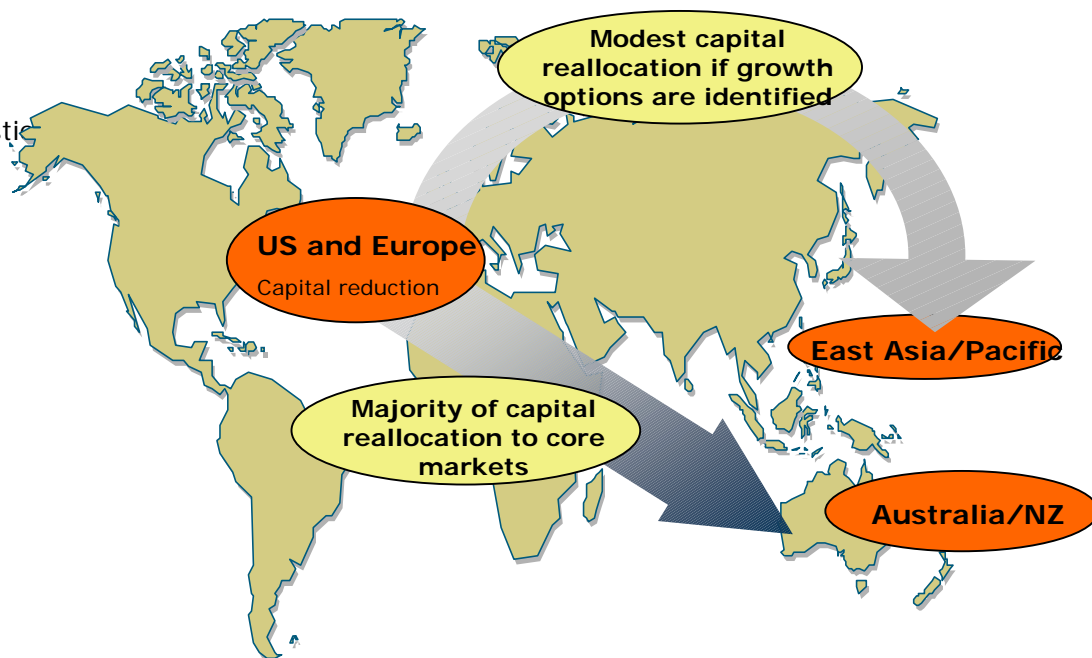
2. East Asia/Pacific – GROW LONG TERM

Involving seeking reward whilst carefully managing the risk through:

- Individual investments that are modest in value and low risk
- Adopting a portfolio approach
- Ensuring the potential for significant long term upside
- Investments must leverage ANZ's skills and capabilities

whilst avoiding investments that are:

- Corporate focused
- Require large capital investment
- Only require ANZ's financial resources rather than management skills
- Unduly distracting for group management



Summary

A solid result in 2003

- Cash EPS up 9.2%
- Portfolio well positioned
- Credit quality improving

NBNZ is a very different acquisition

- We have purchased a quality asset with quality management
- Focus on customers and growth
- No change intended in total number of branches
- Is transforming for ANZ in New Zealand ; leadership in all markets
- Recent integration experience includes the ING JV, which is delivering on both costs and market share

Our strategy

- A portfolio of specialist businesses is working
- Focus on domestic markets
- Reduction in US & European exposures
- Longer term, consider modest investments in East Asia/Pacific

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.

For further information visit

www.anz.com

or contact

Simon Fraser
Head of Investor Relations

ph: (613) 9273 4185 fax: (613) 9273 4091 e-mail: simon.fraser@anz.com

**Copy of presentation
available on
www.anz.com**