Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

Consolidated Financial Report Dividend Announcement and Appendix 4B

Half year
31 March 2003

Media Release

Corporate Affairs
Level 20, 100 Queen Street
Melbourne Vic 3000
Telephone 03 9273 6190
Facsimile 03 9273 4899
www.anz.com

For Release: 24 April 2003

ANZ 2003 Interim Results

Australia and New Zealand Banking Group Limited (ANZ) today announced an operating profit after tax of $1,141 million for the half year ended March 2003 up 8.7% for the same period last year. Earnings per share were up 8.6% to 72 cents.

Results Summary

- **Profit after tax of $1,141 million up 8.7% including significant items. Excluding significant items profit after tax was up 7.0%.**
- **Earnings per ordinary share up 8.6% to 72 cents per share.**
- **Interim dividend 44 cents up 12.8%.**
- **Cost-income ratio further reduced to 45.6%.**
- **Specific provisions down 29% to $259 million.**

All comparisons with 2002 Interim Results.

ANZ Chief Executive Officer Mr John McFarlane said: "The overall result is reasonable. It reflects a strong performance by most of our specialist businesses offset by the one-off charge in our Credit Card business. We are on track to deliver 8% underlying earnings growth for the full year.

"In recent years our financial performance based on superior execution has helped make ANZ a very different bank.   The issue we experienced in Cards was below standard and the bottom-line is we need to do better than this.

"The agenda at ANZ is about a distinctive strategy that is well executed and consistently delivers superior performance for shareholders, our staff, our customers and the community.

"Our specialist business portfolio is performing well. However there is clearly an opportunity to raise our game further," Mr McFarlane said.

For media enquiries, contact:
Paul Edwards
Head of Group Media Relations
Tel: 03-9273 6955 or 0409-655 550
Email: paul.edwards@anz.com

For analyst enquiries, contact:
Philip Gentry
Head of Investor Relations
Tel: 03-9273 4185 or 0411-125 474
Email: gentryp@anz.com

Chief Executive Officer's Review
2003 Interim Results

Stronger underlying performance offset by one-off Cards charge

In the six-month period ending 31 March 2003, ANZ recorded a net profit after tax of $1,141 million, up 8.7% on the same period last year. Earnings per share rose by 8.6% to 72 cents and cash EPS by 10.4%. The interim dividend was increased by 12.8% to 44 cents, reflecting our strong capital position.

Excluding significant transactions, net profit after tax rose 7%, EPS rose 6.8% and cash EPS rose by 8.7%.

Return on equity was down marginally to 20.3%, but above our 20% target. Our productivity continues to be in the top five per cent of major banks globally with the cost-income ratio further reduced to 45.6%, from 46.5%.

In the half, we took a one-off charge of $27 million in the Consumer Finance business. This related to the under-accrual of loyalty points for past years. This was inconsistent with ANZ's normally high execution standards and action has been taken to avoid similar issues in future. Despite this, Consumer Finance has been one of our fastest growing businesses during recent years and the underlying growth in that business remains strong.

Of significance, in the half we settled a long-standing tax dispute with the Australian Taxation Office relating to equity product transactions, mainly from the late 1990s. The settlement of $262 million was met from ANZ's existing tax provisions.

Risk levels have improved. Specific provisions were down by 29% to $259 million, net non-accrual loans were down 28%, and the economic loss provisioning charge as a percentage of risk-weighted assets was reduced.

We also ended the half with strong common equity and general reserves, and maintained our double A category rating.

The first half result follows a particularly strong 2002 performance. In an environment that continues to be difficult for banks around the world, this is a reasonable result, but marginally below our internal target.

Our portfolio of specialist businesses is performing well

Our specialisation strategy is distinctive. Eight of our seventeen specialist businesses delivered double-digit earnings growth and eleven delivered profit increases.

Institutional, Corporate, Mortgages, Asset Finance and Asia Pacific all produced strong performances. Results from the ING Joint Venture were subdued in difficult equity markets, while Consumer Finance and Treasury recorded profit decreases.

Personal Banking Australia is worthy of special mention in the context that we are working to revitalise a business that has not been a traditional strength of ANZ. Although earnings were not as strong as its sister businesses we are investing heavily in this segment for the long run. The Restoring Customer Faith program, together with much of the group’s technology investment, relates to upgrading our strategic capability in this area. Additionally we are currently experiencing the early impact of reducing the prices of our everyday banking accounts. These are now the simplest products offering the best deal in Australia, and we expect earnings growth to remain subdued in the near term, as we work to increase market share and generate a more sustainable strategic position in this segment.

Risks levels have been brought down

The credit quality of our portfolio of assets has improved with economic loss provisioning (ELP) as a percentage of risk-weighted assets down to 40 basis points (bp) from 43bp. Gross non-accrual loans, net non-accrual loans, new non-accrual loans and specific provisions are all down materially. Domestic credit quality remains particularly strong.

The risk of our offshore energy and telecommunications exposures appears to have stabilised. Nonetheless, we are taking steps to further reduce exposure. While some losses are inevitable, they are containable, and we continue to expect full year specific provisions to be less than our ELP for 2003.

We are focused on four key priorities for the future

Leveraging real capabilities to build a sustainable strategic position

- Leverage specialisation as a distinctive strategy
- Leverage leading product capability to increase customer share
- Leverage superior cost position:
  - To give customers the best deal
  - To give shareholders sustainable and growing returns
- Leverage ANZ's emerging and distinctive "human face" to gain:
  - Unique positioning against peers
  - Traction in earning the trust of the community

Growing value by creating a rich, diversified portfolio of specialised businesses

- Leverage decentralisation and focus to gain distinctive momentum
- Actively manage the portfolio to optimise sustainability, growth and return
- Substantially raise revenue productivity in Personal Banking:
  - Develop new Banking Product and Transaction Services business
  - Further decentralise autonomy to Local CEOs
  - Enrich Restoring Customer Faith with a retailing culture
  - Upgrade customer service levels and reliability
- Enhance productivity and financial performance in Wealth Management
- Develop sustainable post-interchange Consumer Finance strategy
- Regain leading position in Small to Medium Business
- Develop the Institutional portfolio while reducing risk concentrations
- Leverage specialised distribution in Mortgages
- Advance the customer franchise in New Zealand through a local approach
- Turn Asset Finance into a sustainable growth proposition
- Create a portfolio of growth options:
  - Invest in high growth domestic franchises
  - Leverage distinctive capabilities with local partners in Asia-Pacific

Becoming one of the best managed and most efficient banks in the world

- Make execution a distinctive capability
- Accelerate revenue and productivity momentum in businesses
- Rebalance higher risk segments
- Simplify and streamline operations and technology infrastructure:
  - End-to-end rationalisation of major processes
  - Substantial cutback in technology project load
  - Leverage low-cost international locations
  - Focus on core activities and eliminate the tail

Being bold and different, leveraging a unique performance culture and approach

- Systematically improve across all measures of high performance culture
- Make financial management and values orientation distinctive capabilities
- Build on ANZ's position as a preferred employer
- Gain community and shareholder recognition
- Raise our game in execution to minimise surprises

The domestic economies remain strong in an uncertain global environment

The global economic environment remains challenging; in part reflecting heightened levels of geopolitical uncertainty and more recently the potential effect of SARS. The US and world economies are likely to be weighed down over the medium-term by the continued after-effects of the collapse of the 1990's equity market bubble.

Despite this relatively unfavourable external environment, the Australian and New Zealand economies are still likely to record reasonable growth in 2003. In particular, Australia does not have to cope with the direct fallout from the collapse of an equity market bubble, which is one factor likely to underpin continued growth in business investment and businesses demand for credit. The expected breaking of the drought in Australia could also provide a boost to economic growth this year.

There are clearly a number of downside risks to the outlook. Activity in the housing market is likely to soften and weigh on housing credit growth over the period ahead. Widespread house price declines in Australia are not expected, partly due to the benign interest rate outlook and partly because the strong rises of recent years reflect the structural decline in interest rates over the last decade. There is also the risk that business sentiment continues to be affected by geopolitical uncertainties and leads to some deferral of investment intentions.

We remain on track for target earnings growth in full-year 2003 and for 2004

We believe domestic economic growth over the balance of 2003 is likely to remain reasonable.

The outlook for 2004 is likely to be similar. In a broader sense, ANZ's performance in 2004 will in part be a function of the economic environment, general levels of confidence and activity and the extent to which slowing mortgage growth is offset by business credit growth.

An important challenge is positioning the Consumer Finance business for the changes in credit card interchange levels announced by the Reserve Bank of Australia. In this respect, we announced the combined impact of changes in credit card interchange and increased costs of loyalty programs are expected to cause a $40 million negative impact on earnings in 2004. While the strategy for the Consumer Finance business for the period ahead is still evolving, we are confident the impact won't exceed this $40 million estimate.

With respect to dividend policy, given our strong capital generation, as in this half, our current view is that we are likely to pursue a higher level of dividend growth than earnings growth, resulting in an increase over the next few years in the dividend payout ratio to an upper sixty percent level.

All in all, we are confident overall growth in net profit after tax for 2003 (excluding significant transactions in 2002) will be in line with market expectations of approximately 8%. Additionally, notwithstanding the challenges of the global economy and in credit cards, we believe there are reasonable prospects of a similar performance level in 2004.

ANZ Group Management Structure

Group Leadership

Chief Executive Officer
John McFarlane

Group Finance
Peter Marriott

Group Treasury

Group Strategic Development
Peter Hawkins

Asia Pacific

Group Risk
Mark Lawrence

Group People Capital
Shane Freeman

Major Investment Programs
Grahame Miller

Operations, Technology & Shared Services
David Boyles

Segment Leadership

New Zealand Banking
Greg Camm

Consumer Finance
Brian Hartzer

Mortgages
Chris Cooper

Corporate
Graham Hodges

Small to Medium Enterprises Australia
Corporate Banking Australia

Institutional
Bob Edgar

Institutional Banking
Transaction Services
Foreign Exchange
Capital Markets
Structured Finance International
Corporate Financing & Advisory

Asset Finance
Elizabeth Proust

Personal Banking Australia
Elmer Funke Kupper

Personal Banking
Wealth Management
ING Australia

Australia and New Zealand Banking Group Limited
ABN 11 005 357 522

CONSOLIDATED FINANCIAL REPORT AND DIVIDEND ANNOUNCEMENT
Half year ended 31 March 2003

CONTENTS ***PAGE***

All amounts are in Australian dollars unless otherwise stated. The information on which this announcement is based has been reviewed by the Group's auditors, KPMG. The Company has a formally constituted Audit Committee of the Board of Directors. This report was approved by resolution of a Committee of the Board of Directors on 23 April 2003.

HIGHLIGHTS

CHIEF EXECUTIVE OFFICER
John McFarlane

Half year results

		Change	Mar '02
Net profit after tax	**$1,141 million**	**up 8.7%**	$1,050m
Earnings per ordinary share	**72.0 cents**	**up 8.6%**	66.3 cents
Cash EPS	**74.0 cents**	**up 10.4%**	67.0 cents
Interim dividend	**44 cents**	**up 12.8%**	39 cents

- Net specific provisions, improved to $259 million, from $366 million
- Return on ordinary shareholders equity weakened to 20.3%, from 21.6%

Half year results excluding significant transactions[1]

		Change	Mar '02
Net profit after tax	**$1,141 million**	**up 7.0%**	$1,066m
Earnings per ordinary share	**72.0 cents**	**up 6.8%**	67.4 cents
Cash EPS	**74.0 cents**	**up 8.7%**	68.1 cents
Return on ordinary shareholders' equity	**20.3%**	**down 1.7%**	22.0%
Cost to income	**45.6%**	**down 0.9%**	46.5%

1. *Significant transactions during half year ended 31 March 2002 were NHB recovery ($159 million after tax) and special provision for doubtful debts ($175 million after tax)*

FINANCIAL HIGHLIGHTS

Net Profit

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	2,140	2,053	1,965	4%	9%
Other operating income	1,352	1,561	1,409	-13%	-4%
Operating income	3,492	3,614	3,374	-3%	3%
Operating expenses	(1,602)	(1,575)	(1,330)	2%	20%
Profit before debt provision	1,890	2,039	2,044	-7%	-8%
Provision for doubtful debts	(303)	(309)	(551)	-2%	-45%
Profit before income tax	1,587	1,730	1,493	-8%	6%
Income tax expense	(444)	(457)	(441)	-3%	1%
Outside equity interests	(2)	(1)	(2)	100%	-
Net profit attributable to members of the Company	1,141	1,272	1,050	-10%	9%

Net Profit Reconciliation

Profit excluding profit after tax from sale of businesses to joint venture NHB recovery and special general provision for doubtful debts	1,141	1,102	1,066	4%	7%
Special general provision for doubtful debts after tax	-	-	(175)	n/a	n/a
Recovery from NHB litigation after tax	-	-	159	n/a	n/a
Profit on sale of businesses to ING joint venture after tax	-	170	-	-100%	n/a
Net profit attributable to members of the Company	1,141	1,272	1,050	-10%	9%

Profit excluding profit on sale of businesses to joint venture, NHB recovery and special general provision for doubtful debts

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	2,140	2,053	1,965	4%	9%
Other operating income	1,352	1,387	1,409	-3%	-4%
Operating income	3,492	3,440	3,374	2%	3%
Operating expenses	(1,602)	(1,575)	(1,578)	2%	2%
Profit before debt provision	1,890	1,865	1,796	1%	5%
Provision for doubtful debts	(303)	(309)	(301)	-2%	1%
Profit before income tax	1,587	1,556	1,495	2%	6%
Income tax expense	(444)	(453)	(427)	-2%	4%
Outside equity interests	(2)	(1)	(2)	100%	-
Net profit adjusted for significant transactions	1,141	1,102	1,066	4%	7%

FINANCIAL HIGHLIGHTS (continued)

Performance Measurements

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M
EVA™ [1]	735	736	702
Profitability ratios			
Return on:			
Average ordinary shareholders' equity[2]	20.3%	24.8%	21.6%
Average ordinary shareholders' equity[2] excluding significant transactions[4]	20.3%	21.3%	22.0%
Average assets	1.22%	1.43%	1.18%
Average risk weighted assets	1.57%	1.83%	1.54%
Total income	17.1%	19.6%	17.1%
Net interest average margin	2.71%	2.79%	2.75%
Profit per average FTE ($)	51,077	56,011	46,464
Efficiency ratios[3]			
Operating expenses to operating income (excluding significant transactions[4])	45.6%	45.5%	46.5%
Operating expenses to operating income	45.6%	43.3%	39.1%
Operating expenses (excluding significant transactions)[4] to average assets	1.7%	1.8%	1.8%
Operating expenses to average assets	1.7%	1.8%	1.5%
Debt provisioning			
Economic loss provisioning ($M)	303	309	301
Special general provision charge ($M)	-	-	250
Net specific provisions ($M)	259	362	366
Earnings per ordinary share (cents)			
Earnings per ordinary share (basic)	72.0	81.0	66.3
Earnings per ordinary share (diluted)	71.7	80.6	66.0
Earnings per ordinary share (basic) excluding significant transactions[4]	72.0	69.6	67.4
Earnings per ordinary share (basic) excluding significant transactions and goodwill amortisation[5]	74.0	71.5	68.1
Ordinary share dividends (cents)			
Interim - 100% franked (Mar 02: 100% franked)	44	n/a	39
Final - 100% franked (Sep 02: 100% franked)	n/a	46	n/a
Dividend payout ratio[6]	61.3%	57.0%	58.9%
Preference share dividend			
Dividend paid ($M)	54	57	60

1. *See page 10 for reconciliation to reported net profit*
2. *Ordinary shareholders' equity excluding outside equity interests*
3. *Operating expenses $1,593 million (Sep 2002: $1,565 million; Mar 2002: $1,320 million) excludes goodwill amortisation $9 million (Sep 2002: $10 million; Mar 2002: $10 million). Excluding goodwill amortisation decreases the ratio by 0.3% (Sep 2002: 0.3%; Mar 2002: 0.3%)*
4. *Significant transaction during the half year ended 30 September 2002 was sale of business to INGA; during half year ended 31 March 2002 were NHB recovery and special general provision for doubtful debts. See page 2 for reconciliation of net profit excluding significant transactions to reported net profit*
5. *Earnings used in ratio of $1,118 million (Sep 2002: $1,073 million; Mar 2002: $1,016 million) excludes significant transactions $nil (Sep 2002: $170 million net profit; Mar 2002: ($16 million) net loss) and goodwill amortisation $31 million (Sep 2002: $28 million; Mar 2002: $10 million)*
6. *Dividend payout ratio is calculated using the dividend declared but not paid at 31 March 2003*

Statement of Financial Position

	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Assets					
Liquid assets	7,759	7,410	6,752	5%	15%
Due from other financial institutions	3,123	3,815	3,468	-18%	-10%
Trading and investment securities	9,520	9,482	7,905	-	20%
Net loans and advances including acceptances	155,235	145,856	139,779	6%	11%
Other	14,881	16,542	18,685	-10%	-20%
Total assets	190,518	183,105	176,589	4%	8%
Liabilities					
Due to other financial institutions	8,824	10,860	8,215	-19%	7%
Deposits and other borrowings	122,256	113,297	105,616	8%	16%
Liability for acceptances	13,270	13,796	14,512	-4%	-9%
Bonds and notes	14,917	14,708	14,437	1%	3%
Other	18,766	18,979	23,006	-1%	-18%
Total liabilities	178,033	171,640	165,786	4%	7%
Total shareholders' equity	12,485	11,465	10,803	9%	16%

Assets and Capital

	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Total assets	190,518	183,105	176,589	4%	8%
Risk weighted assets	148,603	141,390	135,418	5%	10%
Shareholders' equity[1, 2]	12,468	11,448	10,789	9%	16%
Total advances	157,323	147,937	141,914	6%	11%
Net advances	155,235	145,856	139,779	6%	11%
Net tangible assets per ordinary share ($)	7.32	6.58	6.14	11%	19%
Net tangible assets attributable to ordinary shareholders	11,072	9,893	9,191	12%	20%
Total number of ordinary shares (M)	1,513.4	1,503.9	1,495.7	1%	1%

	As at Mar 03 %	As at Sep 02 %	As at Mar 02 %	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Capital adequacy ratio (%)					
Inner Tier 1	6.9%	6.9%	6.8%	-	1%
Tier 1	7.7%	7.9%	7.8%	-3%	-1%
Tier 2	3.4%	2.8%	3.1%	21%	10%
Total capital ratio	9.9%	9.5%	10.4%	4%	-5%
Adjusted common equity ratio	5.7%	5.7%	6.3%	-	-10%

	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Impaired assets					
General provision	1,530	1,496	1,546	2%	-1%
General provision as a % of risk weighted assets	1.03%	1.06%	1.14%	-3%	-10%
Gross non-accrual loans	1,153	1,203	1,357	-4%	-15%
Specific provisions	(553)	(575)	(524)	-4%	6%
Net non-accrual loans	600	628	833	-4%	-28%
Specific provision as a % of total non-accrual loans	48.0%	47.8%	38.6%	-	24%
Total provisions[3] as a % of non-accrual loans	180.7%	172.2%	152.5%	5%	18%
Net non-accrual loans as a % of net advances	0.4%	0.4%	0.6%	-	-33%
Net non-accrual loans as a % of shareholders' equity[4]	4.8%	5.5%	7.7%	-13%	-38%
Other information					
Full time equivalent staff (FTE's)	22,483	22,482	22,737	0%	-1%
Assets per FTE ($M)	8.5	8.1	7.8	5%	9%
Market capitalisation of ordinary shares ($M)	27,135	26,544	26,579	2%	2%

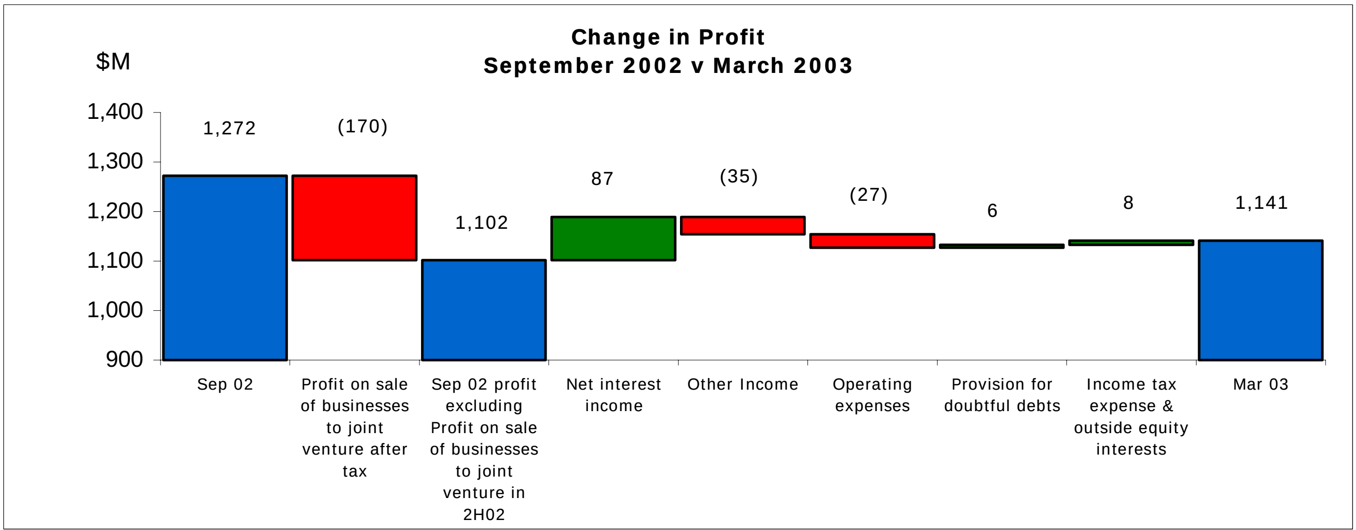
1. *Excludes outside equity interests*
2. *Includes preference share capital of $1,225 million (Sep 2002: $1,375 million; Mar 2002: $1,410 million)*
3. *General provision plus specific provisions on non-accrual loans*
4. *Includes outside equity interests*

This page has been left blank intentionally

CHIEF FINANCIAL OFFICER
Peter Marriott

March 2003 half year

Comparison of March 2003 half year with the September 2002 half year



Australia and New Zealand Banking Group Limited (ANZ, or the Group) recorded a profit after tax of $1,141 million for the half year ended 31 March 2003, a reduction of 10% over the September 2002 half year. Earnings per ordinary share were 11.1% lower, at 72.0 cents, and return on ordinary shareholders' equity was down from 24.8% to 20.3%.

However, the September 2002 half year included $170 million profit from the sale of businesses to ING Australia (INGA). Excluding this profit, profit after tax grew by 3.5%, and EPS by 3.4%. Cash earnings grew by 3.7%, and EPS on cash earnings by 3.4% (refer page 9).

Institutional, Corporate and Mortgages business segments performed strongly this half, with growth of 5%, 6% and 6% respectively. The retail businesses, Personal Banking Australia and New Zealand Banking (adjusted for the impact of foreign exchange movements) were subdued; traditionally these businesses perform more strongly in the second half. Our product businesses, Consumer Finance and Asset Finance, had strong underlying performance, although Consumer Finance was adversely impacted by a one-off charge for under-accrual of loyalty points.

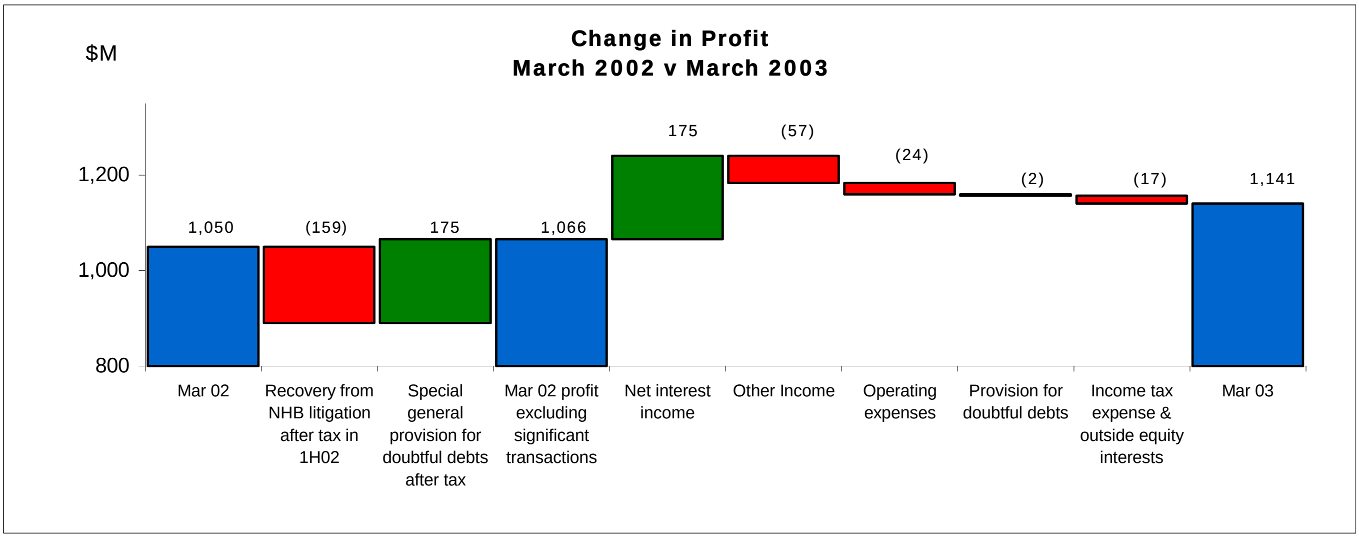
Key influences on the operating result for the year were:

- Growth of 4% in net interest income. Net lending assets grew by $9.4 billion (6%) overall, with growth of $6.0 billion (9%) in Mortgages and $1.3 billion in Corporate. Deposits grew by $6.2 billion overall, with growth in Personal Banking Australia of $1.2 billion, growth in New Zealand Banking of $1.2 billion, $2.6 billion in Institutional and $0.7 billion in Corporate. The deposit growth was encouraged by uncertainty in global equity markets.
- Net interest margin contracted by 8 basis points. Net interest income in Global Treasury fell by $20 million, as a result of run off of the existing portfolio and flat yield curves and represented 3 basis points. Margins fell in deposit businesses which had previously benefited from cash rate increases in the September half.
- A 13% reduction in other operating income. Non-lending fees reduced by 13% ($78 million) principally from a $38 million under-accrual of loyalty points on co-branded credit cards in prior years, higher cost of loyalty points and new fee arrangements in Personal Banking Australia. As announced in February, shortcomings were identified in the methodology used to accrue loyalty points for some co-branded cards. Non-fee other income increased by 10%, including a one-off equity accounted gain in PT Panin and higher earnings from INGA.

Comparison of March 2003 half year with the September 2002 half year (continued)

- Expenses increased by 2%. Personnel numbers were held steady. Increases in computer expenses were primarily driven by increased software amortisation. Removing the foreign exchange impact, expenses increased by $16 million (1%). Costs were constrained during the half as it became clear that income growth was weak.
- The provision for doubtful debts reduced by 2%, as overall average credit quality improved slightly during the half.
- The tax rate decreased owing to a higher amount of equity accounted earnings and other small permanent differences.

Comparison of March 2003 half year with the March 2002 half year



Profit after tax for the March 2003 half year at $1,141 million was 9% higher than the prior comparative half year. Earnings per share increased 9% to 72.0 cents while return on ordinary shareholders' equity was down from 21.6% to 20.3%.

The March 2002 half-year included two significant transactions:

- In January 2002, the Group settled its long standing litigation with National Housing Bank in India (NHB). This resulted in the recovery of $248 million ($159 million after tax), from the net amount of $575 million, which had been provided when the Group sold Grindlays to Standard Chartered Bank.
- In March 2002, a special provision for doubtful debts of $250 million ($175 million after tax) was charged in order to restore the provision balance to an appropriate level in an environment of unexpected investment grade defaults.

Profit after tax grew by 7% excluding the NHB recovery and the special provision for doubtful debts. Key factors affecting the result were:

- Net interest growth of 9%. Net lending asset volumes grew by $16 billion, primarily in Mortgages while deposits grew $12.8 billion across the businesses.
- Overall net interest margin reduced by 4 basis points, with reduced margins in the lending based units which benefited from falling cash rates and the lag in repricing customer loans in the March 2002 half year. Treasury net interest fell $17 million as high yielding assets matured.
- Non-interest income reduced by $57 million. Adjusting for the sale of ANZ Funds Management business and the $38 million under-accrual in Consumer Finance, non-interest income increased $44 million or 3%.
- Operating expenses grew by 1% or 4% after adjusting for the sale of ANZ Funds Management businesses to INGA. Personnel costs increased by 2% and software amortisation increased.
- Provision for doubtful debts remained stable with a lower charge to operating segments offsetting an increased charge to reflect higher levels of default in the US and European portfolios.

Our focus going forward remains on investment in more attractive sectors to grow income, whilst continuing to maintain a healthy buffer between income growth and cost growth and thus continuing to moderately lower the cost income ratio. Constantly re-engineering "business as usual" costs to ensure tight cost control remains a key aspect of our financial management.

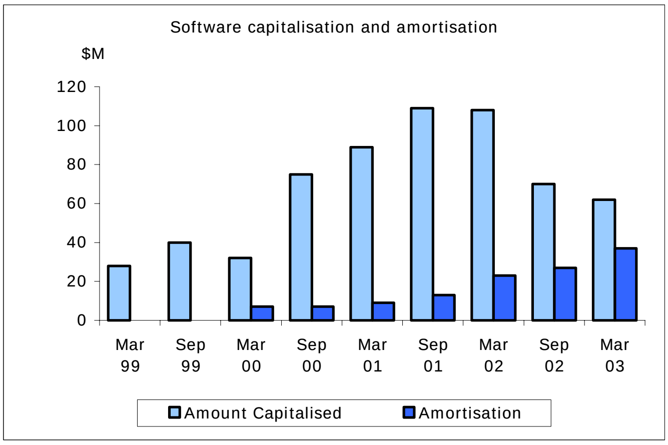
Cash earnings reconciliation

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Cash earnings reconciliation					
Cash earnings before significant transactions	1,172	1,130	1,076	4%	9%
Net profit (loss) on significant transactions	-	170	(16)	-100%	-100%
Amortisation of goodwill on ING Australia JV	(22)	(18)	-	22%	n/a
Amortisation of other goodwill	(9)	(10)	(10)	-10%	-10%
Net profit attributable to members of the Company	1,141	1,272	1,050	-10%	9%

The cash earnings measure analyses the core operating result without the distortion of one-off significant transactions, the impact of the amortisation of goodwill and certain revaluations. ANZ has not revalued subsidiary entities or other assets in the periods shown. These earnings do not include any impact from appraisal value movements.

Software Capitalisation

The Group capitalises the development of software for major projects. As at March 2003, the balance of software capitalised was $451 million ($419 million at September 2002 and $381 million at March 2002). Software is amortised over 3 to 5 years, commencing on the date of implementation (the only exception is the branch network platform, which is amortised over 7 years). During the first half, software amortisation of $37 million was recognised and a further $62 million of software build costs were capitalised. The build up in capitalised projects has been at a time when the Group has had an unusually high number of long term infrastructure projects.



Risk

The Group economic loss provision (ELP) was $303 million, compared with $309 million in the half year to September 2002. The ELP charge to operating segments at $251 million reduced slightly compared to the September 2002. A charge of $52 million (7 basis points) was taken to recognise continued uncertainty in the offshore lending portfolio. The ELP rate decreased over the half-year to 40 basis points compared to 43 basis points for the September 2002 half year, with an increase in the percentage of low risk (principally mortgages) assets in the portfolio and a reduction in the average risk across the half.

Net specific provisions were $259 million, down $103 million on the September 2002 half year with the reduction due principally to lower offshore losses. Net specific provisions included $27 million relating to the finalisation of our credit warranty with Standard Chartered (this warranty was given on the sale of Grindlays). Net specific provisions were $123 million in Institutional, $65 million in Consumer Finance, and $25 million in Asset Finance.

Risk (continued)

There was some further minor deterioration in the Power and Telecommunications portfolios, with additional provisions of $72 million raised during the half compared to $207 million in the September 2002 half year. There were minimal large single name losses experienced this half as compared to last half. As a percentage of average net lending assets net specific provisions reduced to 34 basis points this half, from 50 basis points last half.

Net non-accrual loans were $600 million at March 2003 compared with $628 million at September 2002. The general provision balance at 31 March 2003 remains strong at $1,530 million (1.03% of risk weighted assets), compared with $1,496 million (1.06% of risk weighted assets) at 30 September 2002.

Capital management

The Group's total capital adequacy ratio increased by 0.4% to 9.9% due to the net issuance of $1.4 billion of Tier 2 capital.

The Group's ACE (Adjusted common equity; refer page 117 for definition) ratio remained unchanged at 5.7%, which is at the upper end of our target range of 5.25% to 5.75%, with very strong growth in risk weighted assets and a small increase in deductions absorbing retained earnings growth. The Tier 1 ratio decreased in the half by 0.2% to 7.7%, with the 5% growth in RWA being slightly stronger than the 3% growth in capital. Preference share capital, which is denominated in USD, has been re-translated to the spot rates applicable at the date of issue on the introduction of a revised foreign currency standard.

The dividend payout ratio is 61.3%. The Group is aiming to increase its dividend payout ratio over the next few years in order to realise the value of its franking capacity whilst sustaining sufficient levels of internal capital generation to cater for business investment requirements and RWA growth. The Group's current plans are to increase the dividends at a higher rate than earnings, to give shareholders the benefit of our strong capital position. This will result progressively over a number of years in a dividend payout ratio in the high sixties.

	Mar 03 $B	Sep 02 $B	Mar 02 $B
Tier 1	11.5	11.2	10.6
Preference Shares	(1.3)	(1.4)	(1.4)
Deductions	(1.8)	(1.7)	(0.7)
Adjusted Common Equity ($B)	**8.4**	**8.1**	**8.5**
% of risk weighted assets	**5.7%**	**5.7%**	**6.3%**

The Group is managed to maximise value for our shareholders. One measure of shareholder value is EVA™ (Economic Value Added) growth relative to prior periods. EVA™ for the half year ended 31 March was $735 million, up from $702 million for the year ended 31 March 2002, but flat compared with $736 million for the September 2002 half.

EVA reconciliation

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
EVA™					
Profit (excl INGA notional goodwill)					
after tax excluding significant transactions[1]	1,163	1,120	1,066	4%	9%
Imputation credits	215	233	216	-8%	0%
Risk adjusted profit	1,378	1,353	1,282	2%	7%
Cost of capital	(589)	(560)	(520)	5%	13%
Cost of preference share capital	(54)	(57)	(60)	-5%	-10%
EVA™	735	736	702	0%	5%

1. *Profit equates to reported net profit $1,141 million (Sep 2002: $1,272 million; Mar 2002: $1,050 million) excluding INGA notional goodwill $22 million (Sep 2002: $18 million) and significant transactions (per page 2) $nil (Sep 2002: $170 million net profit; Mar 2002: ($16 million) net loss)*

EVA reconciliation (continued)

EVA™ is a measure of risk adjusted accounting profit. It is based on operating profit after tax, adjusted for one-off items, the cost of capital, imputation credits (measured at 70% of Australian tax) and economic credit costs. Of these, the major component is the cost of capital, which is calculated on the risk adjusted or economic capital at a rate of 11%. At the Group level, total capital is used so the cost of capital reflects the full resources provided by shareholders.

At ANZ, economic capital is the equity allocated according to a business unit's inherent risk profile. It is allocated for several risk categories including: credit risk, operating risk, interest rate risk, basis risk, mismatch risk, investment risk, trading risk and other risk. The methodology used to allocate capital to business units for risk is designed to help drive appropriate risk management and business strategies throughout the Group.

EVA™ is a key measure for evaluating business unit performance and correspondingly is a key factor in determining the variable component of remuneration packages. Business unit results are equity standardised, by eliminating the impact of earnings on each business unit's book capital and attributing earnings on the business unit's risk adjusted or economic capital.

This page has been left blank intentionally

Business Segment Performance

Analysis of the segment and business unit results appears on pages 13 to 51. The principles used to compile business unit results are explained in the glossary on page 117.

Net profit for each business is determined after service transfer pricing and equity standardisation.

The Group from time to time modifies the organisation of its businesses to enhance the focus on delivery of specialised products or services to customers. Prior period numbers are adjusted for such organisational changes to allow comparability. During the last half a number of changes were made as follows:

- Following the integration of Global Institutional and Investment Banking as part of the October announcement, ANZ has strengthened the alignment of its international operations with ANZ's core Australasian franchise, and more clearly defined Structured Finance International's (formerly GSF) core activities.
  As a result, international corporate relationships with an Australasian connection are managed by the relevant industry Segment heads in Institutional Banking Australia and reported under Institutional Banking. Structured Finance International now focuses on its core business, project and structured finance.
- The increased level of autonomy provided to ANZ New Zealand results in Corporate Banking and Small to Medium Enterprises in New Zealand being reported within New Zealand segment, rather than within the Corporate Segment.
- In addition, there were a number of minor restatements as a result of changes in internal transfer pricing methodologies and realignment of support functions.

Prior period comparatives have been adjusted to reflect these changes.

The recent re-organisation within Personal Banking and Wealth Management was effective from 1 April 2003, and will be reflected in the full year results announcement.

Profit & Loss (including effect of movements in foreign currencies)

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net profit after income tax					
Personal Banking Australia	188	185	169	2%	11%
Institutional	382	364	348	5%	10%
Corporate	133	125	120	6%	11%
New Zealand Banking	74	69	61	7%	21%
Mortgages	131	124	123	6%	7%
Consumer Finance	47	71	79	-34%	-41%
Asset Finance	60	54	48	11%	25%
ING Australia[1]	7	8	25	-13%	-72%
Asia Pacific	67	51	45	31%	49%
Treasury	49	61	63	-20%	-22%
Group Centre	3	(10)	(15)	large	large
Net profit (excl significant transactions)	1,141	1,102	1,066	4%	7%
Significant transactions[2]	-	170	(16)	-100%	-100%
Net profit	1,141	1,272	1,050	-10%	9%

1. *Includes the results of the ING Australia (INGA) in the period from 1 May 2002; and the results of the businesses sold into INGA for the prior periods*
2. *Significant transaction during the half year ended 30 September 2002 was sale of business to INGA; during half year ended 31 March 2002 were NHB recovery and special general provision for doubtful debts*

Business Segment Performance (continued)

Profit & Loss (prior period figures restated to remove effect of movements in foreign currencies)

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net profit after income tax					
Personal Banking Australia	188	185	169	2%	11%
Institutional	382	366	351	4%	9%
Corporate	133	125	120	6%	11%
New Zealand Banking	74	74	68	0%	9%
Mortgages	131	125	125	5%	5%
Consumer Finance	47	72	80	-35%	-41%
Asset Finance	60	55	49	9%	22%
ING Australia[1]	7	8	25	-13%	-72%
Asia Pacific	67	50	42	34%	60%
Treasury	49	61	62	-20%	-21%
Group Centre	3	(13)	(20)	large	large
Net profit (excl significant transactions)	1,141	1,108	1,071	3%	7%
Significant transactions[2]	-	173	(16)	-100%	-100%
Net profit	1,141	1,281	1,055	-11%	8%
FX impact on reported Net Profit	-	(9)	(5)	-100%	-100%
Reported net profit	1,141	1,272	1,050	-10%	9%

1. *Includes the results of the ING Australia (INGA) in the period from 1 May 2002; and the results of the businesses sold into INGA for the prior periods*
2. *Significant transaction during the half year ended 30 September 2002 was sale of business to INGA; during half year ended 31 March 2002 were NHB recovery and special general provision for doubtful debts*

This page has been left blank intentionally

PERSONAL BANKING AUSTRALIA
Elmer Funke Kupper

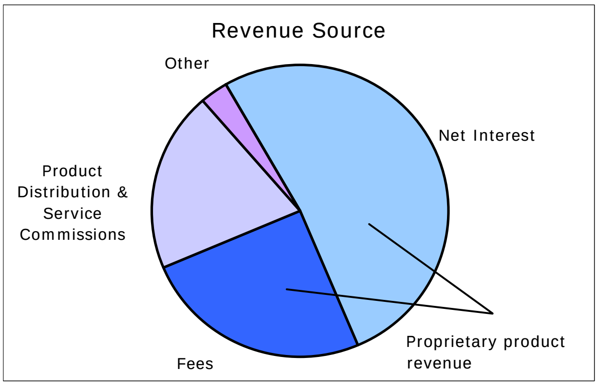
- Personal Banking
- Wealth Management

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	420	408	380	3%	11%
Other external operating income	189	201	166	-6%	14%
Net inter business unit fees	149	147	177	1%	-16%
Operating income	758	756	723	0%	5%
External operating expenses	(374)	(395)	(364)	-5%	3%
Net inter business unit expenses	(104)	(85)	(106)	22%	-2%
Operating expenses	(478)	(480)	(470)	0%	2%
Profit before debt provision	280	276	253	1%	11%
Provision for doubtful debts	(13)	(11)	(12)	18%	8%
Profit before income tax	267	265	241	1%	11%
Income tax expense and outside equity interests	(79)	(80)	(72)	-1%	10%
Net profit attributable to members of the Company	188	185	169	2%	11%
Net loans & advances including acceptances	5,197	4,945	4,700	5%	11%
Other external assets	1,029	887	1,508	16%	-32%
External assets	6,226	5,832	6,208	7%	0%
Deposits and other borrowings	24,662	24,058	22,890	3%	8%
Other external liabilities	1,099	1,104	1,033	0%	6%
External liabilities	25,761	25,162	23,923	2%	8%
Net interest average margin	3.47%	3.63%	3.51%	-4%	-1%
Return on assets	1.46%	1.53%	1.42%	-5%	3%
Return on risk weighted assets	4.24%	4.60%	4.21%	-8%	1%
Operating expenses to operating income	63.1%	63.5%	65.3%	-1%	-3%
Operating expenses to average assets	3.72%	3.98%	4.02%	-7%	-7%
Net specific provisions	(9)	(8)	(9)	13%	0%
Net specific provision as a % of average net advances	0.34%	0.33%	0.39%	3%	-13%
Net non-accrual loans	7	10	8	-30%	-13%
Net non-accrual loans as a % of net advances	0.13%	0.20%	0.17%	-35%	-24%
Total employees	5,866	5,598	5,534	5%	6%

PERSONAL BANKING AUSTRALIA
Elmer Funke Kupper

Our business
Our business generates revenue through four major activities:

Activity	Key drivers
Managing and selling proprietary products (savings products and transaction accounts) from which we earn interest and fees	Deposit & loan balances Interest margin
Selling other ANZ products from which we earn sales commissions and, in some cases, trailer commissions.	Sales volume Sales mix
Providing branch services to ANZ's personal and corporate customers (eg. cash deposit facilities), on a cost-recovery basis	Unit costs Transaction volumes
Providing financial advice to individuals and distributing investment products	Managed investment flows



Key Performance Indicators	Half year Mar 03	Half year Sep 02	Half year Mar 02
Deposit balances ($ billion) *	30.4	29.0	27.7
Product interest margin (%)	2.3	2.4	2.4
Sales commissions ($ million) **	54.7	52.3	45.8
Managed investment flows ($ million)	970	1,083	977
Customers (million)	3.2	3.1	3.1

* *includes V2 Plus; deposits shown on page 16 exclude V2 Plus*
** *excludes Wealth Management*

External considerations
Our business has three significant economic sensitivities:
- GDP growth, which impacts domestic savings and borrowing. We expect our deposits to grow by 4-5% and our loans by 8-10% over the next 6 months based on Australian GDP growth of around 3%.
- Interest rates. Our margins are normally higher in higher interest rate environments.
- Demand for mortgages. 60% of our sales commissions come from mortgage sales. Demand is expected to soften over 2003 as the residential property market consolidates after several years of high growth.

Business environment measures	Half year Mar 03	Half year Sep 02	Half year Mar 02
Real GDP growth (%)	2.5	2.9	3.1
Official cash rate (%)	4.8	4.8	4.3
Residential mortgage growth (%)	8.5	9.9	8.5

Source: economics@anz

Executing our strategy
We are a sales-orientated business, and are looking to improve our sales performance and customer retention. We have two main strategic initiatives:

Initiative	Main drivers impacted	Progress	Goals for Sep 2003
Restoring Customer Faith	• Sales volume • Sales mix • Customer numbers	Implemented in NSW and Victoria	• Roll out to remaining states of Australia
Development of Deposits and Transaction Banking business	• Deposit & loan balances • Sales volume • Sales mix	Implemented 1 April 2003	• Market leadership in cash management accounts • Market share increases

PERSONAL BANKING
Elmer Funke Kupper

Provides a full range of banking services to personal customers and small to medium rural business customers in Australia through branches, call centres, ATMs, and on-line banking

	Half Year			Movement	
	Mar 03 $M	Sep 02 $M	Mar 02 $M	Mar 03 v. Sep 02 %	Mar 03 v. Mar 02 %
Net profit after tax	137	133	121	3%	13%
Revenue	600	591	563	2%	7%
Operating expenses	(394)	(391)	(380)	1%	4%
Provision for doubtful debts	(12)	(10)	(11)	20%	9%
Net specific provisions	(9)	(8)	(8)	13%	13%
Net non-accrual loans	6	12	7	-50%	-14%

Comparison with September 2002 half
Profit after tax increased by 3%. Significant influences on the result were:

- Personal Banking's Metro performance declined by 3%, while Rural Banking grew by 13%.
- Revenue increased slightly with higher net interest resulting from continued growth in deposit balances and increased rural lending volumes. However, much of this benefit was eroded by lower deposit margins compared to the September half. The business is predominantly deposit driven.
- Other operating income was flat, partly reflecting the seasonality in this business where revenues are typically stronger in the second half. Increased sales and retention commissions from growth in sales of ANZ products through the branch network have been partly offset by the impact of reduced fees following a reduction in dishonour fees and the migration of customers to new low fee products.
- Operating expenses growth has been contained to 1%, notwithstanding several significant investments in the business including the Restoring Customer Faith initiative, ATM installations, branch refurbishments and the new sales and service platform.
- Net non-accruals and net specific provisions remain low reflecting the soundness of underlying asset quality.

Comparison with March 2002 half
Profit after tax increased 13% with a 7% increase in revenue driven by higher net interest on increased deposits, agribusiness lending, and higher sales and retention commissions, principally on mortgages. Operating expenses increased 4% reflecting higher technology costs, Enterprise Bargaining Agreement salary increases, and higher property costs emanating from the refurbishment program under way within the network.

WEALTH MANAGEMENT
Craig Coleman

Wealth Management delivers comprehensive financial advisory, trustee and distribution services to high net worth customers in Australia covering investment, risk, lending and banking

	Half Year			Movement	
	Mar 03 $M	Sep 02 $M	Mar 02 $M	Mar 03 v. Sep 02 %	Mar 03 v. Mar 02 %
Net profit after tax	51	52	48	-2%	6%
Revenue	158	165	160	-4%	-1%
Operating expenses	(84)	(89)	(91)	-6%	-8%
Provision for doubtful debts	(1)	(1)	(1)	-	-

Comparison with September 2002 half
Profit after tax has reduced by 2%. Significant factors influencing this result were:

- Revenues were down 4% principally due to the negative impact of sustained downturn in equity markets on retail funds management sales and balances. The reduction in fund management revenues was partly offset by the growth in our cash management deposit account (V2 Plus).
- Operating costs were down 6% principally through lower incentive payments to staff (as a consequence of lower sales) and efficiency savings arising from the integration of INGA activities.

Comparison with March 2002 half
Profit increased by 6% over the comparable seasonal half. Revenue performance was flat, due largely to the impact of equity markets on funds management retail sales. Expenses were down 8% due to integration benefits arising from INGA, tighter control on discretionary expenses, pacing of business initiatives and lower incentive payments to staff (as a consequence of lower sales). Whilst operating expenses have reduced, the number of authorised sales representatives has remained the same.

INSTITUTIONAL
Bob Edgar

- Institutional Banking
- Transaction Services
- Foreign Exchange
- Capital Markets
- Structured Finance International
- Corporate Financing & Advisory

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	369	363	348	2%	6%
Other external operating income	578	572	546	1%	6%
Net inter business unit fees	(13)	(14)	(15)	-7%	-13%
Operating income	934	921	879	1%	6%
External operating expenses	(277)	(280)	(281)	-1%	-1%
Net inter business unit expenses	(64)	(61)	(60)	5%	7%
Operating expenses	(341)	(341)	(341)	-	-
Profit before debt provision	593	580	538	2%	10%
Provision for doubtful debts	(80)	(86)	(86)	-7%	-7%
Profit before income tax	513	494	452	4%	13%
Income tax expense and outside equity interests	(131)	(130)	(104)	1%	26%
Net profit attributable to members of the Company	382	364	348	5%	10%
Net loans & advances including acceptances	42,181	41,702	42,676	1%	-1%
Other external assets	17,151	17,292	15,695	-1%	9%
External assets	59,332	58,994	58,371	1%	2%
Deposits and other borrowings	28,772	26,568	24,101	8%	19%
Other external liabilities	20,822	23,879	24,260	-13%	-14%
External liabilities	49,594	50,447	48,361	-2%	3%
Net interest average margin	1.74%	1.82%	1.67%	-4%	4%
Return on assets	1.26%	1.23%	1.12%	2%	13%
Return on risk weighted assets	1.15%	1.13%	1.04%	2%	11%
Operating expenses to operating income	36.5%	37.0%	38.8%	-1%	-6%
Operating expenses to average assets	1.13%	1.15%	1.09%	-2%	4%
Net specific provisions	(123)	(220)	(233)	-44%	-47%
Net specific provision as a % of average net advances	0.56%	1.03%	1.02%	-46%	-45%
Net non-accrual loans	405	449	627	-10%	-35%
Net non-accrual loans as a % of net advances	0.92%	1.03%	1.42%	-11%	-35%
Total employees	2,641	2,583	2,622	2%	1%

INSTITUTIONAL
Bob Edgar

Our business

Institutional brings together the Institutional Banking customer segment and the specialised wholesale product segments to provide a complete range of financial solutions for our customers. The operations of each of these segments covers:

Institutional Banking

- This business is accountable for managing the full customer relationship for our larger clients globally. We provide lending facilities and co-ordinate product specialists from other ANZ businesses in order to provide complete financial solutions to customers.

Transaction Services

- Assist corporates to manage their international trade activities, working capital facilities and associated risks by providing liquidity, short-term debt/investment options, trade finance and international settlements.
- Customer base is mainly Australasian corporates and institutions, with capability that extends to Europe, the Americas and Asia.

Foreign Exchange

- Trading desks are maintained in key global financial centres, including the Pacific.
- Industry recognition through presentation of awards - Best FX Bank in Australia and New Zealand – *Asiamoney*, Best FX Bank in Australia – *INSTO*, Top 10 FX Bank Globally – *FX Week*, Best FX Bank in Australia – *Global Finance*, and 1st Internet-based Execution House in Australia and New Zealand - *Asiamoney FX Poll 2002.*

Capital Markets

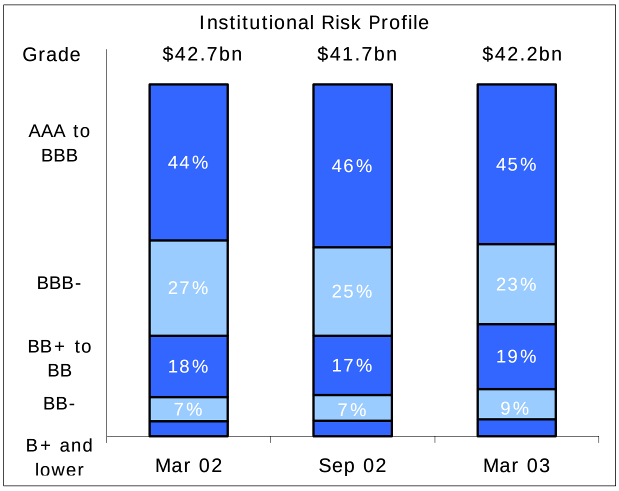
- The provision of interest rate, credit and funding solutions including risk management.
- An Australian and NZ leader in the syndicated loan, securitisation and derivative markets.
- A presence in major offshore financial centres to enable ANZ to be a leading provider to the global markets of Australian and New Zealand credit and interest rate products.

Structured Finance International

- Provides project finance to selected geographies in partnership with infrastructure developers. Projects are largely in Power, Infrastructure, Mining & Minerals, Oil & Gas, Media & Telecommunications, Transportation & Leasing Finance, Corporate Finance and Export Credit & Capital Goods.
- Recent Project Finance Deals of the Year Awards included *Project Finance International, Finance Asia, Asiamoney,* and *Project Finance* magazines, *International Financing Review*, plus Oil & Gas Financial Adviser of the Year - *Infrastructure Journal.*
- In 2002, ANZ achieved a top 10 position globally in the Dealogic Project Finance Arranger league tables and Top 5 position as a Project Finance Provider.

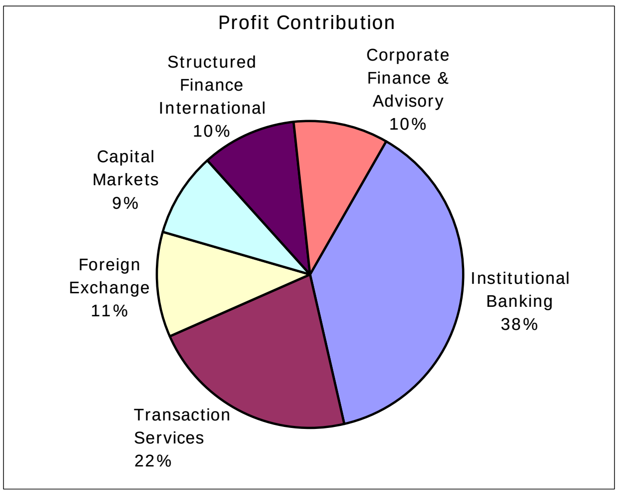
Corporate Financing & Advisory

- Provision of complex financing and advisory services, structured financial products, leasing, private equity, project, export and leveraged finance and infrastructure investment in Australia and New Zealand.



Grade	Mar 02	Sep 02	Mar 03
B+ to CCC	2.3%	2.6%	3.1%
CCC and lower	2.0%	1.8%	1.7%

Internal credit ratings have been mapped to external credit grades in this table



INSTITUTIONAL
Bob Edgar

External considerations

- This half has seen the Australian and NZ businesses contribute significantly to revenue and asset growth. Uncertainty in the global market provided both trading opportunities and challenges.
- Overall our domestic lending volumes have increased at levels above business system growth.
- The downgrades, mainly from BBB- to BB+ and BB, were account specific but this was not reflective of a wider industry or ANZ portfolio trend.
- Financial markets growth continues to focus on new financing techniques, securitisation and structured products. Securitisation growth has been around 30% pa for the last 5 years.
- Increasing competition, uncertain global economic conditions and instability in the Middle East could impact second half growth opportunities.

Executing our strategy

The overall vision for the Institutional business is to move the mix of business increasingly towards a fee based advisory, solutions oriented, value added proposition with a low risk balance sheet. The best of investment banking together with our stronger balance sheet and traditional product capability and our existing corporate franchise are expected to deliver strong revenue opportunities.

New Products

- Global Commodity Trade Finance
- Inventory swap and loan Asset Swaps products
- Provision of banking capability to "third party providers"
- Expand commodities business
- Credit derivatives (not a new product but a developing market)

Better execution

- Attract and retain first class talent
- Penetrate "sophisticated" products into Corporate & Small to Medium Enterprise segments
- Target larger Corporate Finance transactions

Extend capabilities in niche markets

- Establish stronger Foreign Exchange and Interest Rate business presence in Asia
- Extend securitisation capabilities into customer base
- Increase penetration of FX Online to offshore points
- Acquire and/or launch of specialist wholesale funds for infrastructure finance

Transforming our business offshore

- Corporate lending has been disaggregated from Structured Finance International and will be managed on global industry lines from Australia. Non-core lending is being exited
- A selective asset writing strategy has been put in place in Asia that excludes lending to middle market corporates and Small to Medium Enterprises
- Lower single customer limits are now in place offshore which will reduce the size of offshore customer exposures

INSTITUTIONAL BANKING
Murray Horn

Managing customer relationships through nine specialised industry segments. Developing financial services solutions and strategies for large businesses (turnover greater than $100 million) in Australia & New Zealand, and through corporates where we have an existing customer relationship in United Kingdom, United States and Asia

	Half Year			Movement	
	Mar 03 $M	Sep 02 $M	Mar 02 $M	Mar 03 v. Sep 02 %	Mar 03 v. Mar 02 %
Net profit after tax	145	131	119	11%	22%
Revenue	351	335	317	5%	11%
Operating expenses	(86)	(84)	(83)	2%	4%
Provision for doubtful debts	(56)	(63)	(60)	-11%	-7%
Net specific provisions	(42)	(166)	(186)	-75%	-77%
Net non-accrual loans	198	265	415	-25%	-52%

Comparison with September 2002 half
Net profit increased by $14 million or 11% with Australasia results contributing growth of $12 million and offshore contributing an additional $2 million.

- Net interest income growth of 4% resulted from an increase in lending volumes in Australia and New Zealand, partly offset by a reduction in offshore exposures. Margins were flat.
- Other income grew 5% with 12% growth in lending fees on increased volumes being offset by a reduction in commercial bill revenue.
- Operating expenses increased 2% which reflects a change in personnel mix with more higher paid front line staff offsetting efficiency savings in back office areas.
- Provision for doubtful debts reduced 11%. Improvements in credit quality in Australia and continued work in reducing exposures to certain industries offshore has offset volume growth. September 2002 half year also included a special $4 million ELP charge for a hedging transaction. Net specific provisions relate to offshore loans (with 2002 including Enron and Marconi) with no new major provisions booked in Australasia during the half. Approximately 70% of the portfolio is investment grade.

Comparison with March 2002 half
Profit grew 22%, driven by income growth of 11%. Strong increases in both net interest and fees were offset by a reduction in income due to a one-off profit on the sale of securities in March 2002. Cost growth of 4% mainly reflects higher personnel costs with a change in mix to more higher paid front line staff and reduced back office staff. Doubtful debt provisioning reduced 7% with improvements in credit quality in Australia and reductions in offshore corporate exposures offsetting volume growth. Specific provisions have reduced significantly, mainly in offshore units which were inflated by losses on Enron.

	Half Year			Movement	
Lending volume	Mar 03 $M	Sep 02 $M	Mar 02 $M	Mar 03 v. Sep 02 %	Mar 03 v. Mar 02 %
Australia	23,132	22,710	22,592	2%	2%
New Zealand	2,906	2,372	1,994	23%	46%
Asia	2,260	2,515	2,656	-10%	-15%
UK/USA/Other	2,304	2,728	2,680	-16%	-14%
Lending volume (incl commercial bills)	30,602	30,325	29,922	1%	2%

TRANSACTION SERVICES

Mark Paton

Provision of cash management, trade finance, international payments, clearing and custodian services principally to institutional and corporate customers in Australasia and overseas

	Half Year			Movement	
	Mar 03 $M	Sep 02 $M	Mar 02 $M	Mar 03 v. Sep 02 %	Mar 03 v. Mar 02 %
Net profit after tax	84	77	76	9%	11%
Revenue	212	208	208	2%	2%
Operating expenses	(92)	(94)	(94)	-2%	-2%
Provision for doubtful debts	(4)	(4)	(5)	-	-20%
Net specific provisions	3	2	(7)	50%	large
Net non-accrual loans	4	4	4	-	-

Comparison with September 2002 half

Profit after tax increased 9%. Significant influences on the result were:

- Higher net interest income arising from growth in deposit volumes (corporate and institutional clients increased cash holdings), increased securities lending income and strong domestic trade finance activity. This has offset reductions in clearing account balances with the introduction of Continuous Linked Settlement, and reduced trade in the UK and US markets.
- An improvement in other operating income resulted from increased international payment fees, predominantly foreign exchange drafts, coupled with higher domestic structured trade transactions and on-line service fees.
- Operating expenses were well contained with process efficiencies from our trade-processing platform, reduced technology expenses and lower non-lending losses. This result was achieved despite increased investment in our custody system replacement.
- During the half, the Proponix Joint Venture was restructured with ANZ acquiring the Australian trade-processing hub.

Comparison with March 2002 half

Profit after tax grew 11% with increased fee income from international payments, strong deposit growth and solid domestic trade finance activity, offsetting lower revenue on reduced clearing account balances and the risk reduction strategy in the March 2002 half to wind down Latin American exposures. Costs reduced notwithstanding the investment in our custody replacement system.

FOREIGN EXCHANGE
Rick Sawers

Provision of foreign exchange and commodity trading and sales related services to corporate and institutional clients globally

	Half Year			Movement	
	Mar 03 $M	Sep 02 $M	Mar 02 $M	Mar 03 v. Sep 02 %	Mar 03 v. Mar 02 %
Net profit after tax	43	43	41	-	5%
Revenue	126	125	123	1%	2%
Operating expenses	(63)	(62)	(61)	2%	3%
Provision for doubtful debts	(1)	(1)	(2)	-	-50%
Net specific provisions	(24)	-	1	n/a	large
Net non-accrual loans	53	77	77	-31%	-31%

Comparison with September 2002 half

Profit after tax was level with the previous half's results. Significant influences on the result were:

- Operating income growth of 1% was achieved despite a weak global economy, low volatility and suppressed customer activity for much of the half.
- New commodity activity (primarily soft commodities and base metals) largely offset the flat level of the precious metals activity as commodity customers merged and rationalised their hedging activities.
- Operating expenses increased 2% as a result of the costs of implementing and operating Continuous Linked Settlement (CLS).
- Net specific provisions of $24 million relate to increases in specific provisions on foreign exchange options and forward exposures to one large Australian corporate which defaulted in 2001.

Comparison with March 2002 half

Profit after tax increased 5%. Revenue grew 2% with increased volatility, and greater sales and eFX penetration. Cost growth at 3% resulted from CLS expenditure as previously detailed and increased investment in customer facing technology, which now captures 40% of customer transactions.

CAPITAL MARKETS

David Hornery

Provision of origination, underwriting, structuring, risk management, advice and sale of credit and derivative products globally

	Half Year			Movement	
	Mar 03 $M	**Sep 02 $M**	**Mar 02 $M**	**Mar 03 v. Sep 02 %**	**Mar 03 v. Mar 02 %**
Net profit after tax	36	33	31	9%	16%
Revenue	98	92	90	7%	9%
Operating expenses	(45)	(44)	(44)	2%	2%
Provision for doubtful debts	(1)	(1)	(1)	-	-
Net specific provisions	-	(3)	-	-100%	n/a
Net non-accrual loans	19	4	-	large	n/a

Comparison with September 2002 half

Profit after tax grew 9%. Significant influences on the result were:

- Operating revenue increased 7%. This is particularly pleasing given the impact of global economic and geopolitical issues on deal volumes. Revenue was impacted by the historically low level of interest rates and growth of credit derivative and securitisation markets, promoting improved turnover in specific areas of our business.
- Both trading and sales activities contributed strongly to revenue and profit growth.
- GCM On-line, our internet based trading platform, was deployed in the second half of last year. Turnover across this application is growing strongly with the addition of some 1,000 accounts over the last six months.
- Costs remained flat with savings generated within the business used to fund major improvements to our infrastructure, such as the replacement of our front to back operating systems, and GCM On-line.
- The increase in non-accrual loans related to exposures to the UK and US power sectors.

Comparison with March 2002 half

Profit after tax grew strongly by 16%. This was driven by 9% revenue growth across the broad product range, and an increased share of wallet of our corporate customer base. Operating expenses increased slightly despite investment in distribution and infrastructure replacement.

STRUCTURED FINANCE INTERNATIONAL

Gordon Branston

Provision of advisory, arranging, underwriting, financial engineering and funding services outside Australia and New Zealand in relation to structured project transactions

	Half Year			Movement	
	Mar 03 $M	Sep 02 $M	Mar 02 $M	Mar 03 v. Sep 02 %	Mar 03 v. Mar 02 %
Net profit after tax	36	44	40	-18%	-10%
Revenue	101	111	91	-9%	11%
Operating expenses	(37)	(37)	(39)	-	-5%
Provision for doubtful debts	(11)	(11)	(12)	-	-8%
Net specific provisions	(55)	(53)	(3)	4%	large
Net non-accrual loans	117	77	106	52%	10%

The Structured Finance International result reflects the realignment of non-project international corporate relationships with ANZ's core Australasian franchise, which are now reported under Institutional Banking. Prior period financial data has also been restated.

Comparison with September 2002 half

Profit after tax was lower at $36 million primarily as a result of the 5% appreciation in the AUD, the wind down of the tax-based leasing business, uncertainty surrounding the Gulf war and more subdued markets generally. (Excluding the impact of exchange rate movements the reduction in profit after tax was approximately 11%). The level of specific provisions was the negative for the half with losses on power projects reflecting a breakdown in market pricing arrangements following regulatory changes and over-building of capacity. Significant factors affecting the result were:

- Lower revenue reflecting subdued market conditions and in particular, a decision to effect reductions in net lending assets in a difficult credit environment and the impact of the AUD appreciation. This was partly offset by the acquisition and subsequent syndication of high yielding structured assets, coupled with interest recoveries from non-performing loans.
- Fee income was supported by further international project financing deals, although the difficult market conditions resulted in increased time being taken to bring mandated projects to financial close.
- Operating expenses remained flat, with the favourable impact of the appreciation in the AUD and reduced staffing levels largely offset by increased restructuring costs.
- Provision for doubtful debts was flat, reflecting a combination of the reduction in the credit portfolio mentioned above and an increase in the economic loss provision rate. The net specific provisions largely reflected principally further provisions on previously identified accounts following the failure of offtake arrangements. Losses in the last two halves are in contrast to previous years of little losses and reflect the cyclical nature of credit.

Comparison with March 2002 half

Profit after tax was 10% lower, which, after adjusting for the impact of AUD appreciation, represents an effective 8% increase. This strong performance in a difficult environment was driven by revenue growth of 11% (22% excluding exchange rate impact) achieved through increased interest income on large structured transactions and interest recoveries on non-performing loans offsetting a fall in fee income. Revenue growth was partly offset by a reduction in tax credits from tax-based leasing transactions. Operating expenses were 5% lower reflecting the appreciation of the AUD, partly offset by restructuring costs associated with a reduced headcount. Provision for doubtful debts was down 8% given a reduction in net lending assets and specific provisioning relates to a small number of previously identified exposures.

CORPORATE FINANCING & ADVISORY

Peter Hodgson

Provision of complex financing and advisory services, structured financial products, leasing, private equity, project, export and leveraged finance and infrastructure investment in Australia and New Zealand

	Half Year			Movement	
	Mar 03 $M	Sep 02 $M	Mar 02 $M	Mar 03 v. Sep 02 %	Mar 03 v. Mar 02 %
Net profit after tax	38	37	41	3%	-7%
Revenue	48	50	49	-4%	-2%
Operating expenses	(20)	(21)	(19)	-5%	5%
Provision for doubtful debts	(7)	(6)	(6)	17%	17%
Net specific provisions	(5)	-	(38)	n/a	-87%
Net non-accrual loans	13	21	25	-38%	-48%

Comparison with September 2002 half

Profit after tax increased 3% to $38 million. Significant factors affecting the result were:

- Net interest income remained stable with little growth in project and structured finance asset volumes. The current environment resulted in a reduced number of transactions coming to market and an increase in the time to bring projects to completion.
- Other operating income reduced with project finance and corporate finance advisory fees tending cyclically lower, however, improvements were recorded in both the leasing and structured export finance businesses.
- Operating expenses remained stable.
- Provision for doubtful debts increased slightly with a mild deterioration in the quality of the credit portfolio. Non-accrual loans reduced while the net specific provision related to two corporate exposures.

Comparison with March 2002 half

Profit reduced by 7%. Revenue was slightly lower with the March 2002 half boosted by the sale of a private equity investment and profit on the sale of legacy assets. Core costs were well controlled with investment in growth initiatives stable. Specific provisions were significantly lower as March 2002 contained a provision for one large US corporate.

This page has been left blank intentionally

CORPORATE
Graham Hodges

- Small to Medium Enterprises Australia
- Corporate Banking Australia

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	240	228	223	5%	8%
Other external operating income	99	99	96	-	3%
Net inter business unit fees	(22)	(20)	(20)	10%	10%
Operating income	317	307	299	3%	6%
External operating expenses	(87)	(88)	(85)	-1%	2%
Net inter business unit expenses	(17)	(18)	(17)	-6%	-
Operating expenses	(104)	(106)	(102)	-2%	2%
Profit before debt provision	213	201	197	6%	8%
Provision for doubtful debts	(23)	(23)	(25)	-	-8%
Profit before income tax	190	178	172	7%	10%
Income tax expense and outside equity interests	(57)	(53)	(52)	8%	10%
Net profit attributable to members of the Company	133	125	120	6%	11%
Net loans & advances including acceptances	14,909	13,633	12,948	9%	15%
Other external assets	58	66	53	-12%	9%
External assets	14,967	13,699	13,001	9%	15%
Deposits and other borrowings	11,881	11,155	10,212	7%	16%
Other external liabilities	4,653	4,561	4,267	2%	9%
External liabilities	16,534	15,716	14,479	5%	14%
Net interest average margin	3.83%	3.97%	4.18%	-4%	-8%
Return on assets	1.63%	1.64%	1.65%	-1%	-1%
Return on risk weighted assets	1.88%	1.88%	1.82%	-	3%
Operating expenses to operating income	32.8%	34.5%	34.1%	-5%	-4%
Operating expenses to average assets	1.27%	1.39%	1.40%	-9%	-9%
Net specific provisions	(8)	(21)	(27)	-62%	-70%
Net specific provision as a % of average net advances	0.11%	0.31%	0.40%	-65%	-73%
Net non-accrual loans	87	77	93	13%	-6%
Net non-accrual loans as a % of net advances	0.59%	0.55%	0.70%	7%	-16%
Total employees	1,521	1,491	1,454	2%	5%

CORPORATE
Graham Hodges

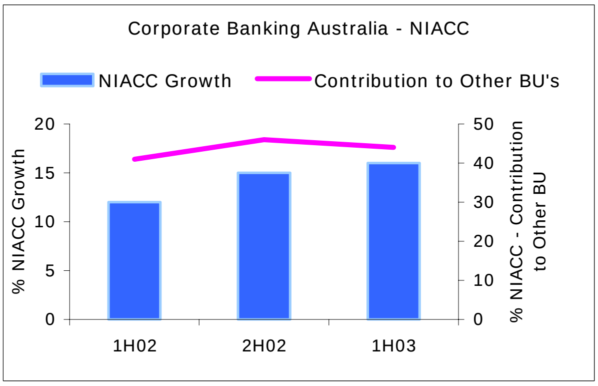
Our business

Small to Medium Enterprises Australia
The key objective is to achieve sustainable competitive advantage in SME business. The business is on track to double over the four years to 2004. A core part of the strategy is to enhance the customer service proposition and build the capability of the frontline teams. The success of this approach is demonstrated by the ongoing growth of the business. Growth in revenues has been driven by new customers, including industry specialisation and higher average balances from existing customers. The business has also continued to invest in Risk Management practices to ensure that the growth rates achieved are sustainable.

Corporate Banking Australia
Our relationship management team is focused on providing financial services and solutions, which range from sophisticated investment banking products ("Wall Street to Main Street" initiative) to more traditional debt and transaction services.

A key indicator of the value of the Corporate Banking business is our total customer net income after capital charge (NIACC). Growth in NIACC is a broader measure of business performance than Corporate Banking PAT.

Key drivers of NIACC within our business (i.e. not arising from cross sell) are our risk profile (measured by the ELP rate), deposit and loan balances, and interest margins.



External considerations

- Demand for business lending depends primarily on the growth in the broader economy (indicated by GDP growth), business investment and interest rates.
- ANZ has a strong market position in the Corporate Banking customer segment, with 26% market share (based on lead relationships). The Small to Medium Enterprises business has expanded at a faster rate than nominal GDP and, if sustained, will lead to a gain in market share.

Executing our strategy
Combining our Corporate and Small to Medium Enterprise businesses into one segment has allowed us to identify and extract synergies around the customer proposition and product offering.

Initiative	Main drivers impacted	Progress
Expansion of the business geographic coverage ('footprint') in the SME sector	• Customer numbers • Average volume per customer • NIACC per customer • Revenue per FTE	Customer numbers have increased by 2.5%. Increases were also achieved in average volume per customer, NIACC per customer and Revenue per FTE.
Wall Street to Main Street (provision of sophisticated financial solutions to middle market business)	• Total NIACC growth • NIACC contribution to other business units	Total NIACC has grown 16%

SMALL TO MEDIUM ENTERPRISES AUSTRALIA
Graham Hodges

Provides a full range of banking services for metropolitan based small to medium business in Australia with turnover up to $10 million

	Half Year			Movement	
	Mar 03 $M	Sep 02 $M	Mar 02 $M	Mar 03 v. Sep 02 %	Mar 03 v. Mar 02 %
Net profit after tax	78	72	65	8%	20%
Revenue	171	160	149	7%	15%
Operating expenses	(53)	(51)	(49)	4%	8%
Provision for doubtful debts	(7)	(7)	(7)	-	-
Net specific provisions	(2)	(6)	(7)	-67%	-71%
Net non-accrual loans	6	5	6	20%	-

Comparison with September 2002 half
Profit after tax increased 8%. Significant factors influencing the result were:

- Net interest income has increased 9% with lending and deposit volumes growing strongly. This growth has come from an increase in activity with existing customers and significant growth in new customers to ANZ.
- The success in generating new business reflects several factors, including:
  - an increased geographical 'footprint' (new relationship managers);
  - success in our industry specialisation segments; and
  - a higher performance culture leading to improved business outcomes.
- Other external income increased on the back of strong growth in lending volumes.
- Operating expenses were up 4% largely due to investment in growth initiatives, new hiring and training of relationship teams.
- Provision for doubtful debts was stable despite growth in new lending, with the quality of the portfolio remaining sound. Specific provisions have reduced with economic loss provisioning in excess of specific provisioning.

Comparison with March 2002 half
Profit after tax grew strongly over the year rising by 20%. This performance reflects the successful execution of growth initiatives and a more disciplined and effective business culture. Significant investment has been made in industry specialisation segments and the business 'footprint' with a 14% increase in staff numbers contributing to an 8% increase in expenses. Operating revenues have increased 15% due to growth in both loans and deposits.

CORPORATE BANKING AUSTRALIA

Graham Hodges

Managing customer relationships and developing financial solutions for medium sized businesses (turnover $10 million to $100 million) in Australia

	Half Year			Movement	
	Mar 03 $M	Sep 02 $M	Mar 02 $M	Mar 03 v. Sep 02 %	Mar 03 v. Mar 02 %
Net profit after tax	55	53	55	4%	-
Revenue	146	147	151	-1%	-3%
Operating expenses	(51)	(55)	(54)	-7%	-6%
Provision for doubtful debts	(16)	(16)	(18)	-	-11%
Net specific provisions	(6)	(15)	(20)	-60%	-70%
Net non-accrual loans	81	72	87	13%	-7%

Comparison with September 2002 half

Profit after tax increased 4%. Significant factors influencing the result include:

- Net interest income has increased with higher deposit volumes. A subdued environment for business investment and reasonable underlying profitability has contributed to corporate customers reducing debt and maintaining higher levels of deposits. Competition in this environment has resulted in a squeeze on interest margins, which has partly offset the impact of volume growth.
- Other operating income reduced in part due to a squeeze on commercial bill margins and a relatively subdued environment for corporate lending.
- The business has continued its focus on cross-selling the products of other ANZ business segments. Total customer profitability (NIACC) has grown 16% in the half with 44% of that being reported in the profits of other Product businesses.
- Costs have reduced with restructuring of middle office processes creating efficiency savings.
- Provision for doubtful debts remained stable while specific provisions have decreased.

Comparison with March 2002 half

Profit after tax remained steady, with reduced costs following middle office process restructuring and improved credit quality leading to a reduced doubtful debt provision charge. Revenue decreased 3% with lower interest margins and lower interest recoveries on impaired assets.

NEW ZEALAND BANKING

Greg Camm

Provides a full range of banking services, including wealth management, for personal, small business and corporate customers in New Zealand through branches, call centres, relationship managers and on-line banking; New Zealand Banking excludes the Mortgages, Cards, Asset Finance and Institutional businesses in NZ and certain central NZ units. New Zealand geography (page 54) includes all ANZ operations in NZ.

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	161	148	128	9%	26%
Other external operating income	91	85	83	7%	10%
Net inter business unit fees	22	23	22	-4%	-
Operating income	274	256	233	7%	18%
External operating expenses	(107)	(109)	(101)	-2%	6%
Net inter business unit expenses	(49)	(37)	(34)	32%	44%
Operating expenses	(156)	(146)	(135)	7%	16%
Profit before debt provision	118	110	98	7%	20%
Provision for doubtful debts	(7)	(7)	(7)	-	-
Profit before income tax	111	103	91	8%	22%
Income tax expense and outside equity interests	(37)	(34)	(30)	9%	23%
Net profit attributable to members of the Company	74	69	61	7%	21%
Operating expenses to operating income	56.9%	57.0%	57.9%	-0%	-2%
Net specific provisions	3	(2)	(3)	large	large
Net non-accrual loans	5	3	2	67%	large
Total employees	2,399	2,329	2,247	3%	7%

Comparison with September 2002 half

Profit after tax was 7% higher driven by an appreciation in the New Zealand dollar. Excluding the exchange rate impact profit was flat. Key influences on the result excluding the exchange rate impact include:

- Net interest income grew by 2%, with growth in deposits and lending in small and medium business. Deposit growth was modest. Margins remained stable.
- Fee income was flat, with higher ATM interchange fees from an expanded ATM network being offset by a reducing contribution from some transaction fees.
- Operating expenses were flat. The cost of increased investment in the branch network, including increased staffing as part of the Restoring Customer Faith initiative, was largely absorbed.
- Credit quality is sound.

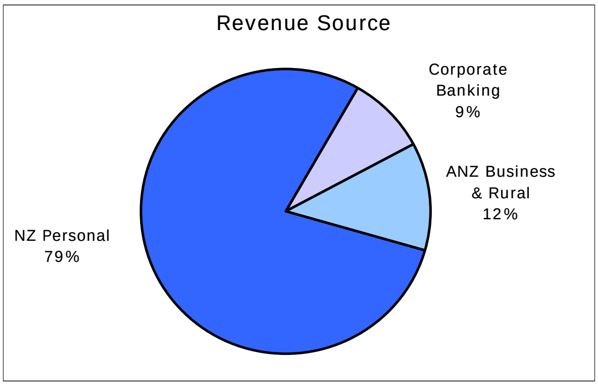
Comparison with March 2002 half

Profit after tax grew 21%, (9% excluding foreign exchange impact) from March 2002. Underlying income grew 6% with higher deposit volumes and margins in personal banking and lending growth in small to medium business. Expenses were 4% higher in real terms due to investment in the Restoring Customer Faith initiative with increased sales staff, a new sales platform and branch refurbishments.

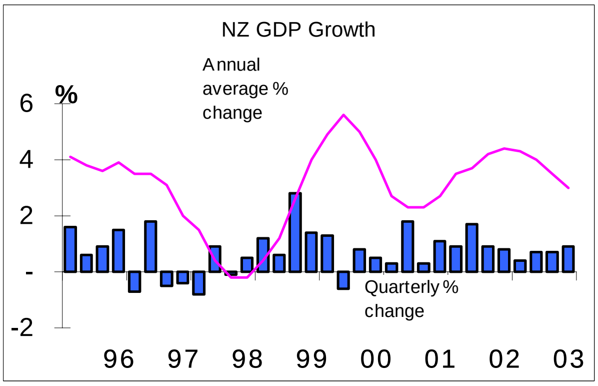
NEW ZEALAND
Greg Camm

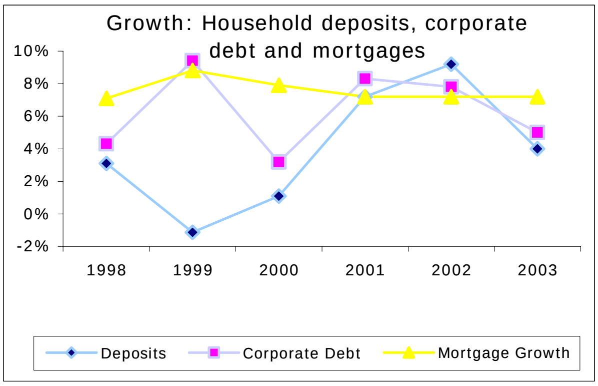
Our business
We operate in the personal, corporate, business and rural sectors in New Zealand:

- Personal Banking is being re-shaped with the Restoring Customer Faith rollout and provision of improved customer choice with new, simplified banking products.
- ANZ Business and Rural has experienced strong lending growth, culminating in an increase in market share in the business market. Prospects for continued growth in both the business and rural sectors are strong.
- Corporate Banking maintains a strong market share position, with clear market leadership in the middle market.



External considerations
- Overall business environment. This remains relatively strong with GDP growth of 3% forecast for 2003. International uncertainty may have a negative impact on consumer and business confidence.
- Household deposit growth. This remains robust, assisted by the under performance of equity markets and current international uncertainty.
- Corporate debt. This is expected to sustain reasonable growth. Despite the general downturn in the agricultural sector that is a key driver of domestic economic activity and corporate debt levels; investment intentions remain strong, partly due to high capacity utilisation in recent years.





Source: economics@anz

Executing our strategy
In October 2002, ANZ restructured its specialised businesses around the needs of customers. As part of this restructure, ANZ New Zealand was provided with greater management autonomy to respond to customers and the NZ community generally. We are now better positioned to build our New Zealand franchise. We enjoy high levels of customer satisfaction in the business sector, which contrasts with low customer satisfaction in the personal sector. The recently completed Restoring Customer Faith project will significantly improve the customer service proposition and strengthen the links between branches and their local communities. Over the next six months we will:

- Grow our sales capability by investing more in training and increasing the number of sales specialists.
- Develop proposals to strengthen the brand and identity and increase community involvement.
- Commence the upgrade of our branch network and increase branches in key geographical growth centres.

MORTGAGES
Chris Cooper

Provision of mortgage finance secured by residential real estate in Australia and New Zealand

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	368	342	340	8%	8%
Other external operating income	44	45	44	-2%	-
Net inter business unit fees	(124)	(118)	(112)	5%	11%
Operating income	288	269	272	7%	6%
External operating expenses	(67)	(58)	(62)	16%	8%
Net inter business unit expenses	(19)	(20)	(20)	-5%	-5%
Operating expenses	(86)	(78)	(82)	10%	5%
Profit before debt provision	202	191	190	6%	6%
Provision for doubtful debts	(15)	(15)	(13)	-	15%
Profit before income tax	187	176	177	6%	6%
Income tax expense and outside equity interests	(56)	(52)	(54)	8%	4%
Net profit attributable to members of the Company	131	124	123	6%	7%
Operating expenses[1] to operating income	28.5%	27.5%	28.7%	4%	-1%
Net specific provisions	(9)	(7)	(4)	29%	large
Net non-accrual loans	32	29	38	10%	-16%
Total employees	1,144	1,048	963	9%	19%

1. *Operating expenses $82 million (Sep 2002: $74 million; Mar 2002: $78 million) excludes goodwill amortisation $4 million (Sep 2002: $4 million; Mar 2002: $4 million). Excluding goodwill amortisation decreases the ratio to operating income 1.4% (Sep 2002: 1.5%; Mar 2002: 1.5%)*

Comparison with September 2002 half
Profit after tax was 6% higher than the previous half year.

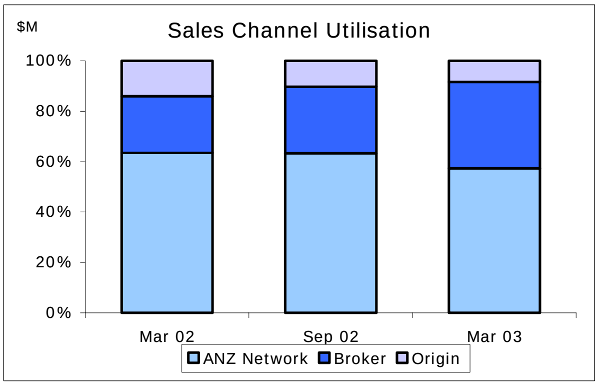
- Net interest income increased 8% driven by strong volume growth in the Australian market with record volumes written - particularly through the third party channel. After two half years of flat or declining mortgage volumes, New Zealand has experienced an increase in volumes in the current half.
- Other operating income reduced 2%. Volume related increases in approval fees were offset by higher valuation and search costs, along with a reduction in non-lending fees in Origin.
- Sales and retention commissions paid to Wealth Management and Personal Banking increased in line with business volumes.
- Operating expenses increased 10% due to seasonally higher marketing spend in the first half of the year and investment in process re-engineering, which will be progressively implemented, commencing in the second half year. In addition, an increase in staffing levels was required to ensure maintenance of service standards with the increased volume flow.
- Provision for doubtful debts was flat. Specific provisions increased marginally, due to one-off higher losses on equity lines, but remain at very low levels.

Comparison with March 2002 half
Profit after tax was 7% higher. Mortgage lending (excluding securitised loans) grew 18.5%, resulting in higher net interest. Expenses were higher due to amortisation of new mortgage origination software and investment in process re-engineering. In addition, as noted above, to maintain our service standards we increased staffing levels to service the additional business volumes. A higher provision for doubtful debts also reflects increased business volumes.

MORTGAGES
Chris Cooper

Our business
ANZ Mortgages has 11.4% of the home finance market in Australia and 15% in New Zealand. Mortgages are sourced through the Bank's branch network and mortgage brokers, with the business having written in excess of 20% of broker loans in Australia. The business also provides wholesale mortgage funding to other non-bank mortgage lenders. Current critical success factors are:

- Developing products which best meet customer needs (measured by product awards received).
- Maintaining market leadership in sales by mortgage brokers (measured by independent surveys).
- Controlling costs of distribution and servicing (measured by average acquisition cost per mortgage).
- Managing risk (measured by provisioning).



Key Performance Indicators	Half year Mar 03	Half year Sep 02	Half year Mar 02
Interest margin (%)	1.10	1.10	1.19
Loans balance growth (%)	9.4	8.3	7.1
Proportion of sales through brokers (%)	34	26	22

External considerations
Our business has four significant external sensitivities:

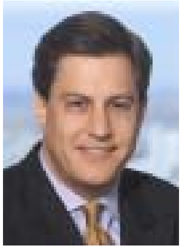
- Demand for mortgages. We expect our total loan balances to grow by 6-7% over the next 6 months based on residential mortgage growth of 6-7% in Australia and 8% in New Zealand.
- Interest yield curve. Mortgages are priced with reference to the cash rate, however funding is generally priced with reference to the 90 day bill rate.
- Competitor pricing. Aggressive pricing from competitors may lead to margin reduction.
- Broker utilisation. Mortgage borrowers are increasingly using brokers to obtain loans, making broker relationships critical for market share growth.

Business environment measures	Half year Mar 03	Half year Sep 02	Half year Mar 02
Residential mortgage growth Australia (%)	8.5	9.9	8.5
Official cash rate Australia (%)	4.75	4.75	4.25
90 day bill rate Australia (%)	4.77	4.88	4.62

Source: economics@anz. Refer to NZ page for NZ mortgage information.

Executing our strategy
Our primary focus is on delivering the best products in the market to our customers efficiently. There are five key initiatives underway to help achieve our strategy in the next 6-12 months.

Initiative	Main drivers impacted	Progress
Re-engineering of support services	• Cost/income • Customer satisfaction	Diagnostic review completed and quick wins implemented
Introduce new products	• Mortgage sales • Product awards	Range of new product initiatives being progressed
Automate loan approvals for brokers	• Broker sales share	System in pilot phase
Enhance risk analysis	• Provisions • Arrears levels	Enhanced portfolio modelling and risk management implemented
Improve valuation process	• Customer satisfaction • Avg acquisition cost	Infrastructure developed



CONSUMER FINANCE
Brian Hartzer

Provides consumer and commercial credit cards, ePayment products, personal loans, and merchant payment facilities in Australia, New Zealand, and selected overseas markets

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	213	192	197	11%	8%
Other external operating income	152	195	200	-22%	-24%
Net inter business unit fees	(48)	(44)	(45)	9%	7%
Operating income	317	343	352	-8%	-10%
External operating expenses	(127)	(120)	(114)	6%	11%
Net inter business unit expenses	(44)	(40)	(36)	10%	22%
Operating expenses	(171)	(160)	(150)	7%	14%
Profit before debt provision	146	183	202	-20%	-28%
Provision for doubtful debts	(75)	(75)	(86)	-	-13%
Profit before income tax	71	108	116	-34%	-39%
Income tax expense and outside equity interests	(24)	(37)	(37)	-35%	-35%
Net profit attributable to members of the Company	47	71	79	-34%	-41%
Operating expenses[1] to operating income	53.3%	45.5%	41.5%	17%	28%
Net specific provisions	(65)	(63)	(70)	3%	-7%
Net non-accrual loans	1	2	2	-50%	-50%
Total employees	1,043	1,156	1,174	-10%	-11%

1. *Operating expenses $169 million (Sep 2002: $156 million; Mar 2002: $146 million) excludes goodwill amortisation $2 million (Sep 2002: $4 million; Mar 2002: $4 million). Excluding goodwill amortisation decreases the ratio to operating income 0.6% (Sep 2002: 1.1%; Mar 2002: 1.1%)*

Comparison with September 2002 half

Profit after tax reduced $24 million. Significant factors affecting the result were:

- Net interest income increased 11%. Card outstandings grew 8%, while personal loan volumes increased 7%. The run-off of higher-risk personal loan accounts is now largely complete, and tighter credit procedures are in place. Interest margins were slightly higher due to an increase in the proportion of credit card balances paying interest.
- Other income reduced by $43 million. During the half there has been a one-off charge of $38 million ($27 million after tax) as a result of an under-accrual of loyalty points on co-branded cards since 1999.
- Underlying other operating income fell by $5 million. While underlying volume growth remains strong, the Australian issuing business has been impacted by the significant increase in the cost of loyalty programs. Repricing, designed to partially offset these higher loyalty costs, went into effect in December.
- Operating costs increased 7% reflecting strong volume growth and increased amortisation costs of new technology and our upgraded MultiPOS terminal network. Personnel costs were flat, reflecting productivity improvements from our new operating platform.
- Provision for doubtful debts was flat, with improved credit quality and reduced delinquency rates offsetting volume growth.

Comparison with March 2002 half

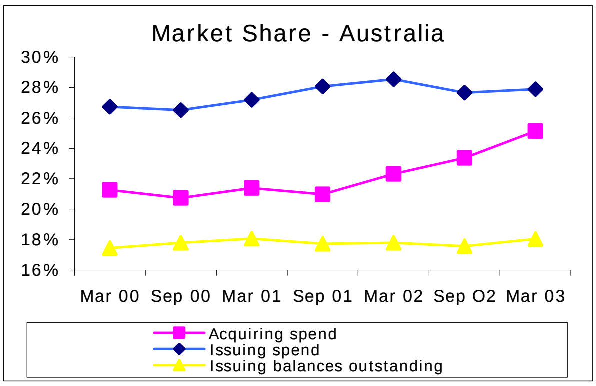
Profit after tax was 41% lower. Operating revenue reduced 10% with strong underlying growth being offset by the impact of the one-off under-accrual of card loyalty points in prior years, and a significant increase in the cost of loyalty points on co-branded cards. Expenses were 14% higher, reflecting growth in business volume and significant investments in new technology. Provision for doubtful debts reduced with a decrease in losses on the personal loan book and improvement in credit quality and delinquencies in the cards book.

CONSUMER FINANCE
Brian Hartzer

Our business

Cards Issuing [Australia, New Zealand, Indonesia and Hong Kong]

- We earn interest income on cardholder outstandings (excluding those within an interest free period), fee income on each account, and interchange revenue. Outstandings earning interest across the Cards portfolio varies in the range of 65% - 75%.
- Loyalty programs form an important part of our customer proposition, however, they are increasingly costly to operate. Normalised loyalty costs in the first half amounted to $148 million, an increase of $49 million on the first half last year.



Cards Acquiring [Australia and New Zealand]

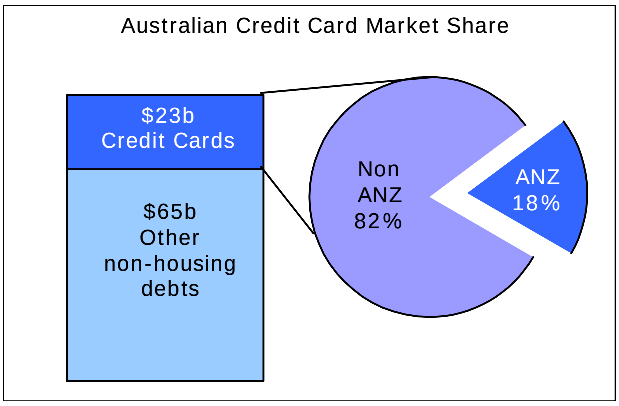
- We earn transaction and terminal fees from merchants using our MultiPOS terminals. We also earn processing fees from merchants using their own terminals. ANZ has approximately 65,000 terminals across Australia and around 25,000 in New Zealand under the "EFTPOS NZ" brand.

Personal Loans [Australia and New Zealand]

- We provide unsecured personal instalment loans to customers through our Australasian branch network and through direct channels which generate interest and fee income.

External considerations

- Non-housing consumer lending in Australia totalled $88 billion as at 31 January 2003, of which credit card debt represents $23 billion.
- economics@anz is forecasting consumer credit growth of 7.5% in the year to September 2003 down from 10.9% in the year to September 2002. Card outstandings have grown faster than these rates, however we expect some slowing in overall outstandings growth over the medium term.
- The Reserve Bank of Australia has introduced a new interchange standard, which will significantly reduce industry revenue in 2004.
- While credit delinquency has continued to fall, we expect a modest increase in market default rates over the next 18 months, reflecting a tougher credit environment.



Executing our strategy

- Loyalty costs have had a significant impact on our performance. The under-accrual of loyalty costs identified during the half spans the period since 1999. The full impact of repricing on our co-brand programs will be reflected in the second half.
- The reduction in interchange revenue later in the year will require us to make further changes to our loyalty programs. Whilst the strategy is still evolving, the combined impact of changes to loyalty programs, and reductions in interchange revenue, is expected to have a net impact on our Australian credit card annual profit of not more than $40 million after tax in 2004.
- During the period, we made progress on several key customer and product strategy initiatives:
  - Completed roll-out of our "Sphere" loyalty program and MultiPOS chip-enabled terminal network.
  - Improved customer experience and service reliability, particularly on new card delivery (now 80% within 3 days), expanded Internet banking functionality, and created a "single-point-of-contact" for resolving urgent customer issues.
  - Signed a Memorandum of Understanding to provide credit card services to Metrobank in the Philippines.

ASSET FINANCE
Elizabeth Proust

Operating under the Esanda and UDC brands, our vision is to be the leading provider of vehicle and equipment finance and rental services. This means delivering superior shareholder returns, fast, convenient and excellent customer experience, an environment for our people to excel, value for our channel partners and a contribution to our community.

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	172	169	167	2%	3%
Other external operating income	42	37	32	14%	31%
Net inter business unit fees	(4)	(4)	(3)	-	33%
Operating income	210	202	196	4%	7%
External operating expenses	(79)	(75)	(76)	5%	4%
Net inter business unit expenses	(12)	(14)	(15)	-14%	-20%
Operating expenses	(91)	(89)	(91)	2%	-
Profit before debt provision	119	113	105	5%	13%
Provision for doubtful debts	(32)	(34)	(35)	-6%	-9%
Profit before income tax	87	79	70	10%	24%
Income tax expense and outside equity interests	(27)	(25)	(22)	8%	23%
Net profit attributable to members of the Company	60	54	48	11%	25%
Operating expenses[1] to operating income	42.9%	43.6%	45.9%	-2%	-7%
Net specific provisions	(25)	(32)	(26)	-22%	-4%
Net non-accrual loans	55	56	64	-2%	-14%
Total employees	1,290	1,303	1,315	-1%	-2%

1. *Operating expenses $90 million (Sep 2002: $88 million; Mar 2002: $90 million) excludes goodwill amortisation $1 million (Sep 2002: $1 million; Mar 2002: $1 million). Excluding goodwill amortisation decreases the ratio to operating income 0.4% (Sep 2002: 0.5%; Mar 2002: 0.5%)*

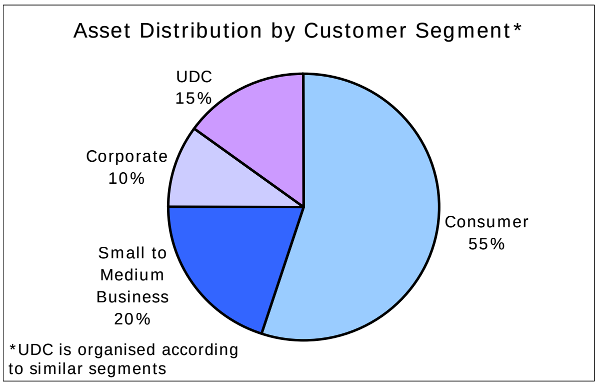
Comparison with September 2002 half
Profit after tax increased 11%. Significant influences on the result were:

- Operating income grew by 4%, driven by increased lending fees and interest income.
- Lending volumes continued to show growth from last half, as the new car releases and the equipment financing market improved. Margins remained solid in a competitive market.
- Operating expenses increased 2% with annual salary increases. Headcount reduced slightly as a result of continuing back office process efficiencies.
- Provision for doubtful debts and net specific provisions reduced with an improvement in the quality of the portfolio.

Comparison with March 2002 half
Profit after tax grew by 25%. Income was 7% higher with increased lending volumes and solid margins. Operating costs increased slightly with higher salary costs and the successful integration of an acquired business in the March 2002 half year, being largely funded by efficiency improvements. Provision for doubtful debts and net specific provisions reduced with an improvement in the quality of the portfolio.

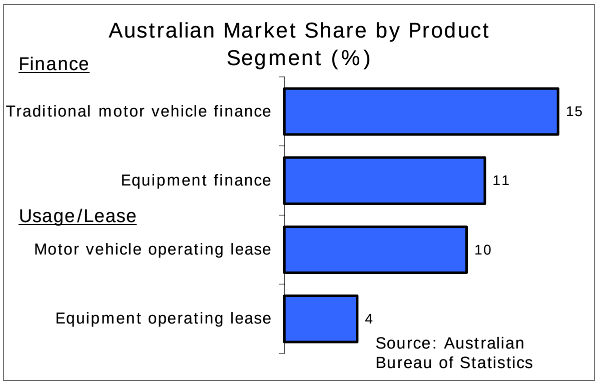
ASSET FINANCE
Elizabeth Proust

Our business



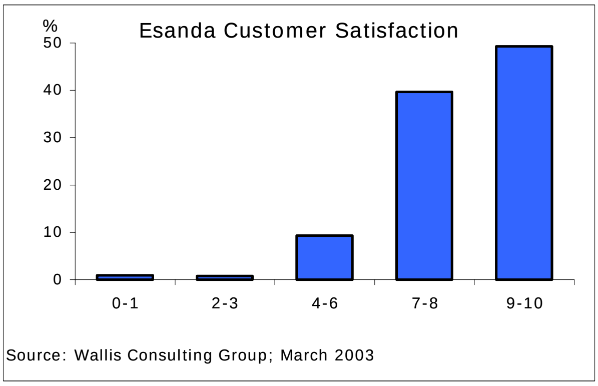
- We provide finance and operating leases for vehicles and business equipment. We operate as Esanda in Australia (approximately 75% profit) and UDC in New Zealand (approximately 25% profit).
- Being a separate legal entity, we raise money to fund our loans by issuing debentures and borrowing from wholesale markets and Group Treasury.
- Our primary distribution channels for providing finance are our dealer and broker networks in both Australia and New Zealand, and the ANZ branch network.
- Critical success factors for us are:
  - Acquiring new business (our average loan duration is 3-4 years).
  - Cost control (over 120,000 loans are approved annually).
  - Capturing growth opportunities in the operating lease market.
  - Risk management (which has improved as indicated by lower provisions relative to assets).

External considerations



- Finance segment growth. The total new lending market for vehicles is estimated to be $20 billion per annum, of which we have approximately 15%.
- Operating lease segments growth. These segments provide strong growth opportunities; we expect to capture a larger share of these segments through our Fleet Partners and Specialised Asset Finance businesses.
- Debentures. Esanda's share of debenture sales has improved after AGC's withdrawal from this market in 2002.

Executing our strategy



The past 6 months have seen us transition our business from a distribution channel focus to a customer focus. We are changing our organisation and processes to improve the service we provide to our customers and to achieve sustainable growth. Continued reduction in processing costs and improving customer satisfaction are key measures of our success in this endeavour. Our objectives for the next period are to:

- Be the leading provider of vehicle and equipment finance and rental services in domestic markets.
- Position our business to capture growth opportunities in the asset finance market and further improve profitability.
- Provide an operationally excellent platform to our customers and business partners.

ING AUSTRALIA (JOINT VENTURE)
John Wylie

ING Australia, the joint venture between ANZ and ING Group, provides integrated manufacture and distribution of wealth creation, management and protection products and services aligned to ANZ distribution and the open market

ING Australia and former ANZ businesses

	Half Year			Movement	
	Mar 03 $M	Sep 02 $M	Mar 02 $M	Mar 03 v. Sep 02 %	Mar 03 v. Mar 02 %
Net profit after tax	7	8	25	-13%	-72%
Revenue	2	12	87	-83%	-98%
Operating expenses	-	(6)	(37)	-100%	-100%
Net profit after tax reconciliation					
Sold Businesses	-	15	25	-100%	-100%
ING Australia	7	(7)	-	large	n/a
	7	8	25	-13%	-72%

ING Australia

	6 months to Mar 03 $M	5 months to Sep 02 $M	Annualised Movt Mar 03 v. Sep 02 %
Funds management income	190	183	-13%
Risk income	76	58	9%
	266	241	-8%
Costs (excl goodwill on purchase of ANZ business)	(207)	(188)	-8%
	59	53	-7%
Capital investment earnings	24	(6)	large
Net income	83	47	47%
Income tax expense	-	(5)	-100%
Profit after tax	83	42	65%
ANZ share			
ANZ share of INGA earnings @ 49%	41	20	71%
Notional goodwill	(22)	(18)	2%
ANZ equity accounted profits	19	2	large
ANZ capital hedges	2	5	-67%
Net funding cost	(14)	(14)	-16%
Net return to ANZ	7	(7)	large

On 23 April, the Board of ING Australia announced the appointment of Paul Bedbrook as Chief Executive Officer of INGA, effective 1 July 2003. John Wylie will take up an Asian regional management role for ING Group.

Comparison with 5 months to September 2002
Funds management income decreased by 13% (annualised) compared to 30 September primarily as a result of reduced net inflows to retail products and equity market devaluation. This result reflects a better outcome than the market generally, which experienced a significant reduction in retail inflows to the industry over the same period. Based on ASSIRT information, net retail inflows to the industry decreased by 49% in the December 2002 quarter compared to the September 2002 quarter.

Comparison with 5 months to September 2002, continued

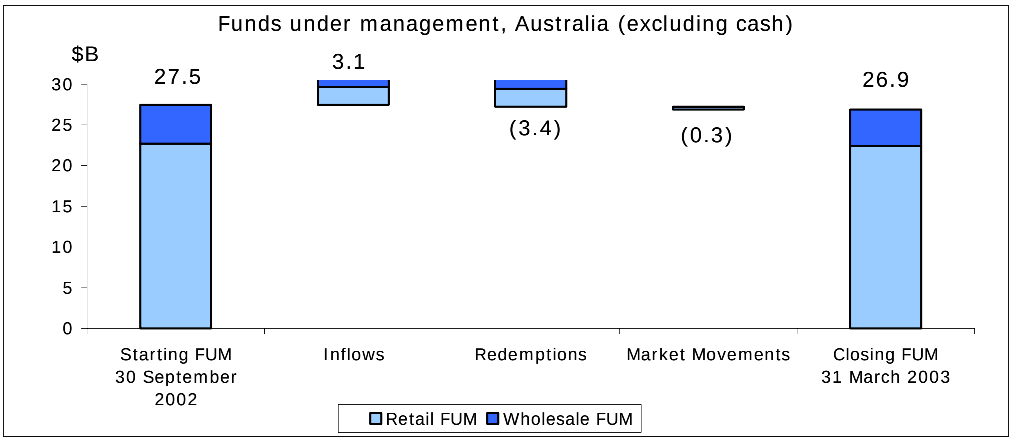
The launch of ING OneAnswer and other retail products was successful in the half year, generating strong inflows and helped underpin INGA's #4 position in Retail FUM as at December 2002. INGA was #1 in Retail funds flow for December 2002 quarter as measured by ASSIRT on the back of strong V2 Plus flows. In this context, the sales and funds under management result for the half was satisfactory.

Revenues from the Risk business have been better than expected reflecting a number of initiatives to improve new premium inflows and the efficiency of this business. In particular, continued strong new business premiums and improved efficiency in claims management have been the major contributors to this result.

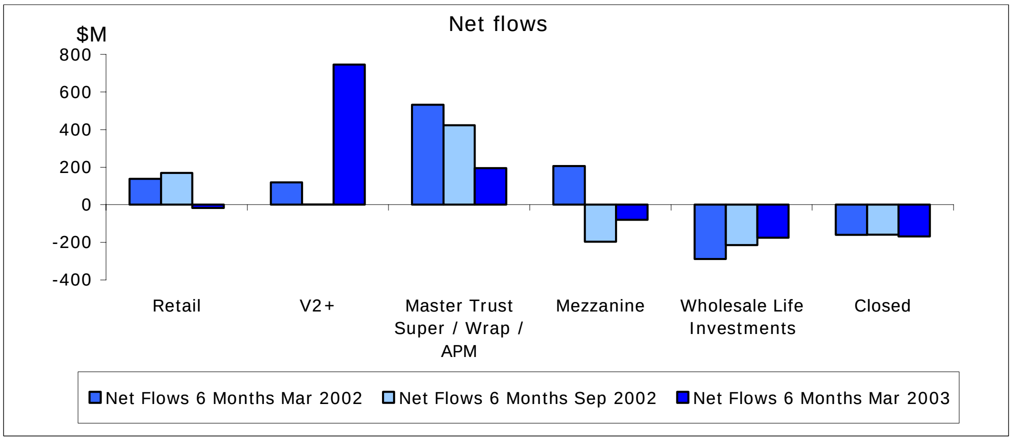
Costs reduced compared to September 2002 reflecting the early benefits of successful integration. At the time of the launch of INGA, cost synergy benefits were estimated to be 10% to 15% of the combined cost base by 2004. Initiatives are now completed to deliver cost reductions at the higher end of the estimated cost reduction range. Up to 31 December, the planned costs of integration exceeded the cost synergies delivered. From 1 January 2003 the benefits of integration synergies will be reflected in INGA's cost base.

Capital investment earnings were significantly enhanced compared to September 2002 due to a modest improvement in equity markets and reflecting the relatively conservative investment of shareholders capital by INGA.

The result for the half year to March 2003 also benefited from a one-off tax credit recorded following changed treatment of the assessability of certain fees and charges derived by the life companies in the current and prior periods.



Funds under management marginally decreased over the half year reflecting relatively strong inflows, particularly for ING OneAnswer and other retail products offset by outflows driven by negative investor sentiment, low equity market returns and specific wholesale outflows. However the result is pleasing given the marked reduction in inflows to the industry over the period.



Key retail products and platforms recorded positive net inflows for the half. This result supports INGA's objective of focusing growth on key retail platforms. The mezzanine and wholesale products are generally more volatile and reflect specific individual outflows.

ING AUSTRALIA (JOINT VENTURE)

Achievements and outlook

- INGA integration – 97% of integration milestones are complete with no significant issues outstanding, and with business as usual maintained and system connectivity and relocation of personnel achieved. Headcount reduction of 250 was achieved in line with original expectations with ING and ANZ teams merged. Integration costs were below expectations.
- Product enhancements – all major products were reviewed and relaunched to underpin improved capability and future revenue growth.
- Culture – organisation wide initiatives continue to create a 'Fast, Focused, Open' culture.
- Outlook – the business outlook is for continued subdued investor sentiment likely in this period of continued global uncertainty.
- Focus – in the next period the following key initiatives will be driven – continued efficiency focus, product rationalisation, launch of the ANZ version of OneAnswer product, funds under management retention, insurance sales initiatives in ANZ Branch network and improved planner productivity.

Valuation of Investment in INGA

ANZ engaged Ernst & Young ABC Pty Ltd (EY ABC) to provide an independent valuation of INGA. The valuation is a stand alone market based assessment of economic value, and excludes ANZ specific synergies and hedging arrangements. The valuation is at 31 December 2002, and in the opinion of EY ABC there has been no material net movement in the value in the period to 31 March 2003.

The valuation uses a discounted cash flow approach, with allowance for the cost of capital.

The base valuation provided by EY ABC has been presented as a range from $3.30 billion to $3.69 billion, which gives a range of $1.62 billion to $1.81 billion for ANZ's 49% share and excludes the value of synergies which accrue to the ANZ network. ANZ's carrying value at 31 March 2003 is $1.61 billion. Accordingly, the directors do not recommend any change to the carrying amount of INGA.

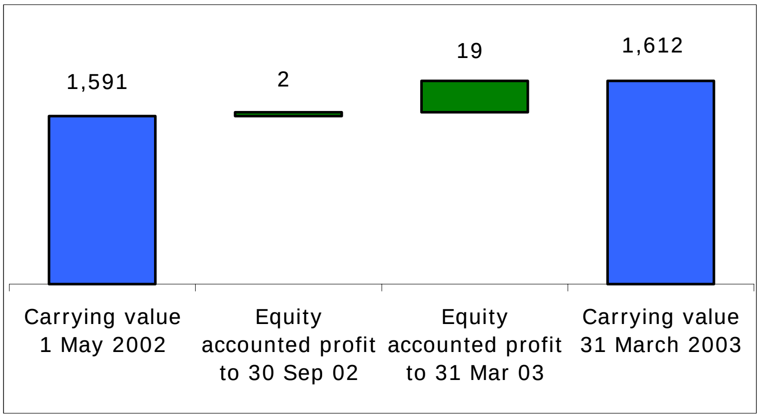
Valuation of Investment in INGA

The following table shows the components of the independent valuation performed.

	Low Value $B	High Value $B
Net Worth	0.36	0.36
Value of In-Force Business	1.68	1.73
Embedded Value	**2.04**	**2.09**
Value of Future New Business	1.27	1.60
Total Value	**3.30**	**3.69**

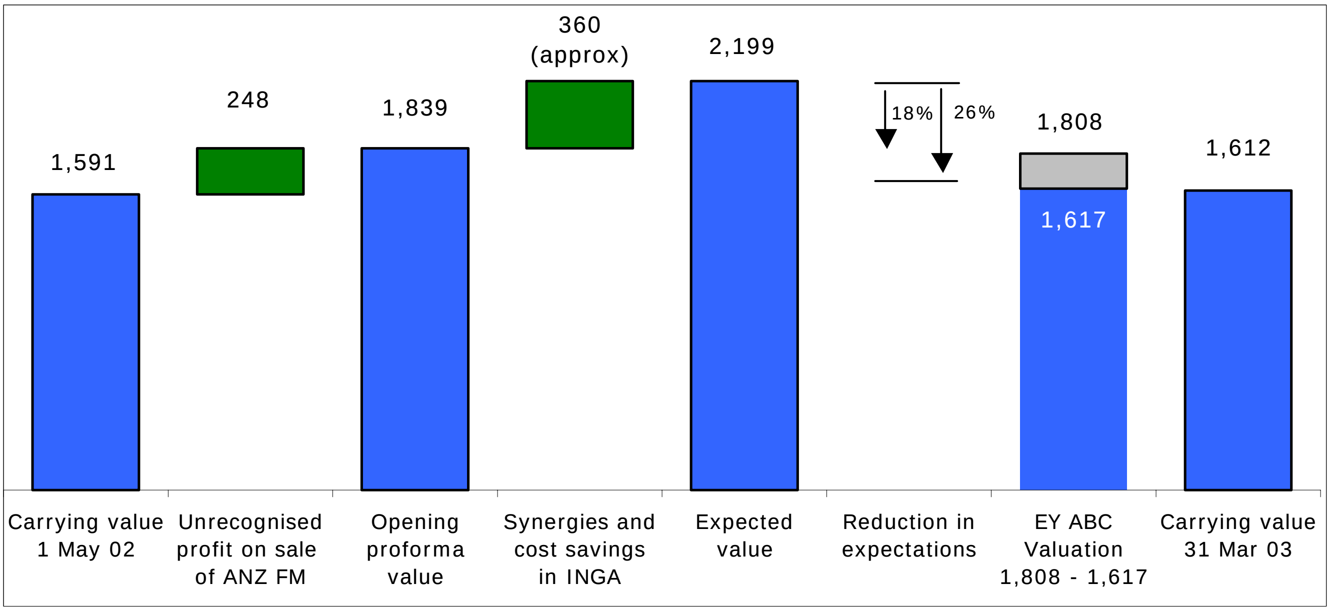
Note: For some of the smaller entities of INGA, separate figures for the value of in-force and the value of future new business have not been determined and the total value for these entities has been included in the value of in-force. Also, figures in the above table may not appear to add correctly due to rounding.

Carrying Value in ANZ Group Accounts
$M



ING AUSTRALIA (JOINT VENTURE)

Valuation
$M



- At inception, the sum of the value ascribed to the entities contributed to INGA was $3.75 billion. ANZ's 49% share equalled $1.84 billion. ANZ's carrying value of $1.59 billion arises after deduction of the profit associated with the 49% of ANZ entities that in substance were not sold.
- The value of INGA was expected to increase by approximately $720 million ($360 million impact on ANZ's share). The additional value was expected to arise mainly from the distribution of ING products through ANZ channels, and through cost savings. In addition, ANZ was expected to gain value from synergies created within ANZ and these have not been reflected in the valuation.
- Based on the additional value expected to be created in INGA, we could have expected the value to ANZ to now be around $2.2 billion. However, offsetting the creation of extra value has been a significant overall decline in the value of all funds management and life insurance businesses domestically and internationally. The loss in value has been less than the expected value created, plus the non-recognised profit. Accordingly no write down is required.

Key Assumptions

The valuation was based on a discounted cash flow approach comprising the present value of estimated future distributable profits after corporate tax, together with (in Australia only) the present value of 70% of the attaching imputation credits.

The assumptions underlying the cash flow projections were generally based on a long term view, together with an assessment of the current market environment.

The following gross of tax risk discount rates were used:
- Australian life insurance businesses 10.75% p.a.
- Australian funds management businesses 11.75% p.a.
- New Zealand businesses 13.00% p.a.

These, along with other economic assumptions, including future investment earnings, have been derived on a consistent basis using the Capital Asset Pricing Model.

The value of future new business was based on a projection of 20 years of future new business allowing for anticipated new business sales volumes and growth, together with an allowance for future margin squeeze.

Other business assumptions have been set relative to the experience of the business and the industry as well as management business plans. Some allowance has been made for near term cost savings based on management forecasts.

The range of values determined by EY ABC represent a range of reasonable sales and cost base assumptions.

ASIA PACIFIC

Bob Lyon

Provision of primarily retail banking services in the Pacific Region and Asia, including ANZ's share of PT Panin Bank in Indonesia; this business unit excludes Institutional and Corporate transactions that are included in the geographic results for Asia

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	59	61	58	-3%	2%
Other external operating income	99	78	67	27%	48%
Net inter business unit fees	-	-	-	n/a	n/a
Operating income	158	139	125	14%	26%
External operating expenses	(51)	(50)	(45)	2%	13%
Net inter business unit expenses	(17)	(15)	(14)	13%	21%
Operating expenses	(68)	(65)	(59)	5%	15%
Profit before debt provision	90	74	66	22%	36%
Provision for doubtful debts	(5)	(5)	(5)	-	-
Profit before income tax	85	69	61	23%	39%
Income tax expense and outside equity interests	(18)	(18)	(16)	-	13%
Net profit attributable to members of the Company	67	51	45	31%	49%
Operating expenses[1] to operating income	41.8%	45.3%	46.4%	-8%	-10%
Net specific provisions	1	(5)	-	large	n/a
Net non-accrual loans	12	11	14	9%	-14%
Total employees	1,562	1,558	1,578	0%	-1%

1. Operating expenses $66 million (Sep 2002: $63 million; Mar 2002: $58 million) excludes goodwill amortisation $2 million (Sep 2002: $2 million; Mar 2002: $1 million). Excluding goodwill amortisation decreases the ratio to operating income 1.2% (Sep 2002: 1.5%; Mar 2002: 0.8%)

Comparison with September 2002 half

Profit after tax increased 31%. Significant factors affecting the result were:

- Net interest reduced 3%. Margins in PNG have reduced significantly as a result of competitive pressure following the rationalisation of the number of banks and increased regulatory pressure. This and an appreciation in the AUD has offset the impact of volume growth.
- External operating income has increased 27%. A one-off profit on the sale of bonds by PT Panin has increased equity accounted income by $16 million. Total profit from PT Panin was $29 million up from $17 million in the September half. FX earnings increased with volatility in Pacific and Asian currency markets combined with ANZ's strong market position. Fee revenue has increased with the standardisation of fees following a review of fee structures.
- External operating expenses increased 2% following a review of the technology support required for the Pacific and Asia businesses.
- Income tax expense was flat, despite a 23% increase in profit before tax as the bond profits in PT Panin are equity accounted on an after tax basis.

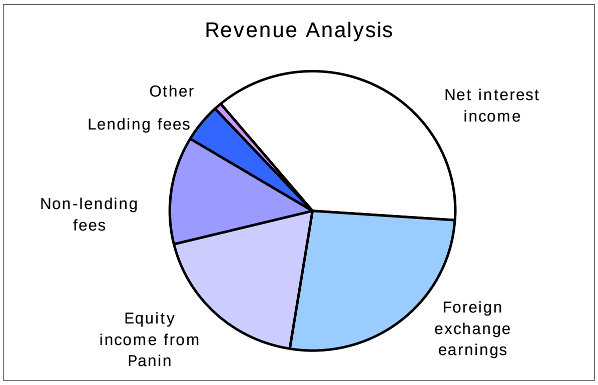
Comparison with March 2002 half

Profit after tax increased 49%. Increased equity accounted revenue, higher foreign exchange earnings and volume growth have offset a margin contraction and the impact of an appreciation in the AUD. Operating expenses have increased reflecting the impact on costs of the acquisition of the Bank of Hawaii businesses and an increased investment in electronic banking and our technology infrastructure.

ASIA PACIFIC
Bob Lyon

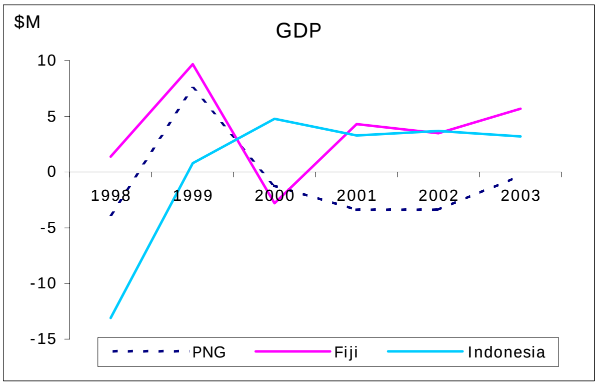
Our business

- ANZ is a clear banking leader in the South Pacific, being number 1 or 2 in the 10 countries in which we operate.
- We service both consumer and business customers, and leverage operational expertise from the broader ANZ group.
- In addition to traditional banking services, we offer foreign exchange services, which benefit from exchange volatility and tourism.
- We equity account 29% of the profits of PT Panin due to our equity investment in this bank. In the last half, PT Panin achieved a one-off gain due to early realisation of a bond product increasing our share of profit by $16 million.
- We also manage ANZ's consumer banking business in Asia which comprises around 10% of our profit, and grew by 13% in the previous half.



External considerations

- Papua New Guinea and Fiji together comprise 35% of our profit.
- Fiji is expecting GDP growth of 5.7% for 2003 from increased tourism, partially due to the South Pacific Games to be held in June.
- The PNG economy is looking fragile with many prospects running off and little new investment on the horizon. In addition, competitive pressures have increased following the recent merger of PNGBC/Bank of South Pacific which has further dampened the earnings outlook.
- Our foreign exchange earnings continues to benefit from currency volatility. For example, the PNG kina devalued by 10% in early 2003.



Executing our strategy

- Bank of Hawaii businesses in Vanuatu, Fiji and Papua New Guinea. Synergies following the 2002 acquisition of these operations have now been extracted, with cost savings in line with expectations.
- Quest. A 100% owned subsidiary company, Quest, was established in Fiji in November 2002 to centralise operational support functions. Quest provides low cost support for our business as well as enabling the insourcing of other Pacific banks processing. Cost savings to date have been utilised to expand our service proposition.
- Operating business model. We have completed a review of our business model and refined it in Samoa to focus on quality, efficiency and improved customer service. This model will be aggressively installed in all other Pacific sites over the next 12 months.
- Industry alliances. We have secured unique alliances with a number of key leading industry players in the Pacific Region over the last 12 months. For example, we offer a mobile phone top-up arrangement through the ATM network in Fiji with Vodafone.
- Our staff. We focus on developing the skills and capabilities of our national staff, enabling them to have a significant role in the leadership of their country.

TREASURY

Peter Prasser (Acting Group Treasurer)

The banker to all ANZ businesses. Charged with providing cash flow support, ensuring liquidity, managing interest rate risk and providing capital to the businesses

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	81	101	98	-20%	-17%
Other external operating income	-	(4)	4	-100%	-100%
Net inter business unit fees	-	-	-	n/a	n/a
Operating income	81	97	102	-16%	-21%
External operating expenses	(7)	(7)	(8)	-	-13%
Net inter business unit expenses	(3)	(3)	(3)	-	-
Operating expenses	(10)	(10)	(11)	-	-9%
Profit before debt provision	71	87	91	-18%	-22%
Provision for doubtful debts	-	-	-	n/a	n/a
Profit before income tax	71	87	91	-18%	-22%
Income tax expense and outside equity interests	(22)	(26)	(28)	-15%	-21%
Net profit attributable to members of the Company	49	61	63	-20%	-22%
Total employees	43	46	45	-7%	-4%

Comparison with September 2002 half

- Net profit in the first half of 2003 was down on prior periods, falling $12 million (20% decrease on the previous half). This was a function of ageing within the existing portfolio and global market uncertainty, leading to flat yield curves, limiting the opportunity for investment in term assets.
- The RBA & RBNZ moved to a tightening bias in mid 2002. Expectations of further cash rate increases towards the end of the financial year added slightly to the cost of funding term assets. However this impact on earnings was somewhat offset by the Federal Reserve's decision to cut its cash rate by 0.50% in early November 2002.
- Looking ahead to 2004, the continued uncertainty of the state of the global economy, potential adverse impacts from the war in Iraq and continued flat yield curves are expected to favour reductions in the duration of assets. Group Treasury's priority is to ensure that the balance sheet is structured to take account of various economic scenarios so as to ensure earnings stability for the Group.

Comparison with March 2002 half

The March 2002 half benefited from higher levels of risk and an easing interest rate environment. By comparison, income for the half to March 2003 declined due to lower levels of risk, the runoff of higher yielding assets within the portfolio, plus limited opportunities to increase the duration of assets due to historically low interest rates.

TREASURY
Peter Prasser (Acting Group Treasurer)

Economic environment

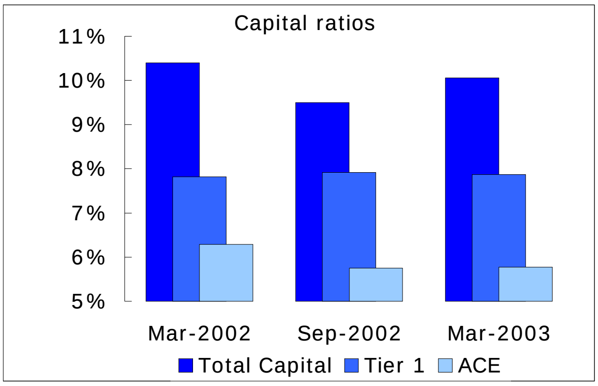
The absolute level of interest rates, shape of yield curves and liquidity affect Group Treasury's operations. Geopolitical risks and the Iraq conflict have dominated financial markets leading to business and consumer uncertainty and a dampening effect on global markets. This has resulted in lower interest rates and yield curves around the world flattening (the spread between the AUD three year rate and 90 day rate was negative by up to 21 basis points during the period). Whilst this has adversely impacted Treasury's result through lower margins on term assets, it has benefited the Group's funding activities due to increased liquidity as investors moved towards risk averse investments.

Credit spreads for AA rated financials have remained stable to slightly improved. Significant offshore AUD debt issuance, predominantly AUD Uridashi (Japanese retail market) flows have dramatically reduced the basis swap margin to convert foreign currency proceeds to AUD, resulting in a lower cost of funds for debt issued offshore.

Our business

Capital Management
Our principal target ratio for capital management is Adjusted Common Equity divided by Risk Weighted Assets. The current target for ACE/RWA is 5.25%-5.75%. This is set by the Board and management who consider:

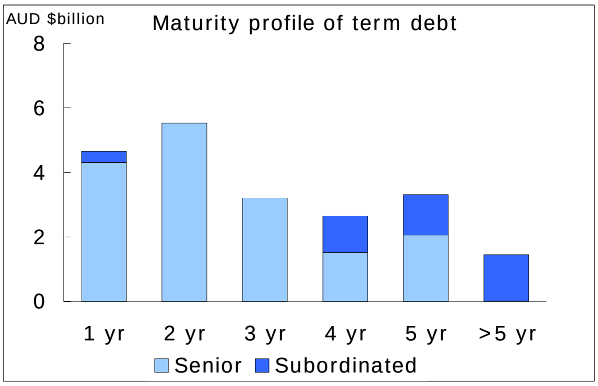
- Business conditions and risk
- Compliance with prudential standards
- Strategic flexibility
- Requirements to support our AA credit status
- Costs of alternate capital structures



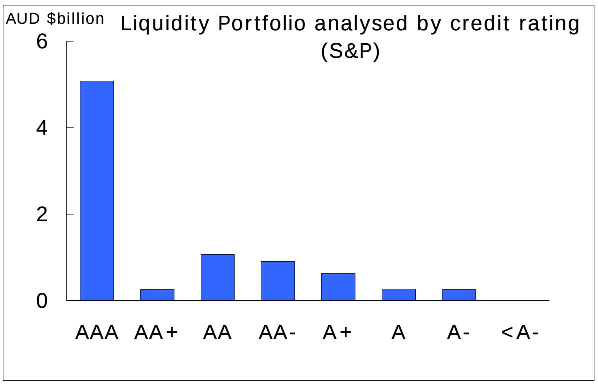
Wholesale Funding
Term wholesale funding of $20 billion is managed within Board approved metrics which are designed to achieve:

- Diversification of funding sources as to geography, investor class and maturity profile
- Minimisation of overall funding cost, balanced against operational, structural and strategic imperatives

In the first half, we raised over $5 billion of debt (including $1.8 billion subordinated debt) achieving a weighted average term to maturity of 4.2 years.



Liquidity Management
The liquidity position is continually assessed against internal metrics, designed in consultation with APRA, encompassing requirements in both normal and extreme business conditions. To support this ANZ maintains an $8.5 billion portfolio of high quality, diversified, highly liquid securities in a number of major currencies to support payment obligations and contingent funding in the event of a market disruption.



Non-traded interest rate risk
Non-traded interest rate risk arises principally from the mismatch in repricing terms of interest bearing assets and liabilities, and the investment of capital and other non-interest bearing items. This interest rate exposure must be managed to enhance net interest income and, ultimately, shareholder value.

Interest rate exposures must be managed within clearly prescribed parameters from the Board, which limit both earnings at risk over the next 12 months and the variation in the balance sheet's overall fair value.

Earnings from non-traded interest rate risk were weaker in the half, reflecting reduced market volatility and an inverse yield curve out to 3-4 years. We expect these factors to continue during the second half.

GROUP CENTRE

David Boyles Shane Freeman Peter Hawkins Mark Lawrence Peter Marriott

- Group People Capital
- Group Risk Management
- Call Centre
- Group Strategic Development
- CFO Units
- Operations, Technology & Shared Services

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	76	57	24	33%	large
Other external operating income	37	47	46	-21%	-20%
Net inter business unit fees	38	35	35	9%	9%
Operating income	151	139	105	9%	44%
External operating expenses	(426)	(392)	(392)	9%	9%
Net inter business unit expenses	331	298	292	11%	13%
Operating expenses	(95)	(94)	(100)	1%	-5%
Profit before debt provision	56	45	5	24%	large
Provision for doubtful debts	(53)	(53)	(32)	-	66%
Profit before income tax	3	(8)	(27)	large	large
Income tax expense and outside equity interests	-	(2)	12	-100%	-100%
Net profit attributable to members of the Company	3	(10)	(15)	large	large
Total employees	4,970	5,266	5,150	-6%	-3%

Comparison with September 2002 half

The result for the Group Centre was a profit of $3 million compared with a loss of $10 million in the September half-year. Significant influences on the result were:

- In February 2003, the ANZ's dispute with the Australian Taxation Office relating to equity products was settled.
- The continued strengthening of the AUD over the half resulted in gains on contracts put in place to hedge offshore earnings. These hedges are mainly over interest income. Interest income also increased from earnings on central capital.
- ANZ wrote down its investment in E*Trade by $6 million to market value; write downs of $24 million after tax in the value of our investment in Proponix were taken against a provision that was recognised in prior periods.
- External operating expenses increased by 8% largely as a result of an increased technology spend. These costs are on-charged to business units through the Net inter business unit expense line.
- Provision for doubtful debts principally represents a special provision reflecting the unexpected rate of default in the offshore (particularly US and Europe) lending portfolios. This has remained relatively constant and will be revisited once offshore defaults stabilise.

Comparison with March 2002 half

The profit of $3 million reported an increase of $18 million from the prior comparative half. Increased operating income resulted from increased interest on capital repatriated from Tokyo and gains on foreign currency earnings hedges. This was partly offset by an increase in the provision for doubtful debts in recognition of the uncertain economic outlook in international markets.

Group Risk Management

- Our largest corporate exposures were further managed down over the half.
- ANZ's level of corporate defaults was significantly down over the half compared to the 2002 year.
- Over the last half year Group Risk has been active in managing and monitoring the Group's risks in an uncertain and changing global environment. Group Risk continues to embed a strong risk culture across the Group and is an integral component of ANZ strategic decision making.

Operations, Technology and Shared Services (OTSS)

- Completed the deployment of Windows 2000 software to all desktops throughout Australia, New Zealand and the Pacific.
- ANZ's information technology subsidiary in India achieved world class accreditation for its software development capability (CMM Level 5).
- Completed a commercial arrangement with SecureNet for the hosting of Public Key Infrastructure services.
- Successfully participated in the launch of the Continuous Linked Settlement (CLS) system which has enhanced the global foreign exchange markets.
- Voucher imaging processing, which was introduced in Australia last year to facilitate faster response to customer enquiries and internal efficiency, was implemented in New Zealand.
- Delivered major new projects for corporate banking and investment banking and a program of major upgrades to the retail core systems is progressing. The November 2002 component of this program had significant settling-in issues, which were addressed.
- OTSS continues to ensure its technology infrastructure is robust, secure, flexible and cost effective, with productivity improving.

People Capital

- ANZ's staff survey results continue to be very positive with 78% of staff indicating satisfaction with the organisation, despite a more difficult operating climate than six months ago.
- Specific focus has been directed to creating broader career development opportunities for staff outside the boundaries of their normal work environment. One such initiative has been the introduction of the ANZ "Opportunities Bank" designed as an on-line job posting facility for short-term development opportunities.
- A leadership assessment and development program has been established and is designed to surface emerging leaders in the organisation judged as having senior executive potential.

Cultural Transformation

- Breakout events/programs have now been experienced by over 10,000 ANZ staff. The next wave of the Breakout Transformational experience is now being established - Inspiring Leaders is currently being run through ANZ Senior Management.
- Results of Performance Ethic and Barretts surveys show that ANZ is making progress in relation to our values.
- One of the highest profile Breakout Charters is an initiative on Sustainability which has begun to explore the bank's societal purpose beyond shareholder value.
- Moving from Breakout as an 'event' to 'a way of life' continues to be a focus - embedding Breakout into the way we operate has been facilitated by a range of consulting, relationship management and Breakout Champion interventions with Business Units.

CFO Units

- ANZ has received several awards for our level of disclosure, transparency, integrity and openness.
- CFO Units have been key in developing a strong performance culture throughout the organisation and putting into place the necessary financial management framework to ensure that the specialist business unit model operates effectively.
- Our capital management is effective and clearly articulated.
- Settlement of a material dispute with the Australian Tax Office removes a large uncertainty.
- The legal function has effectively achieved a professional legal services function and a close alignment with the business unit.

Group Strategy

- We have continued to pursue the Group's organic growth strategy across all of the Group's business in Australia and New Zealand. Internationally, we have played a leading role in furthering the creation of a number of consumer focussed business partnerships in Asia. These include the Memorandum of Understanding in relation to credit cards with Metrobank in the Philippines and the recently announced Co-operation Agreement with the Shanghai Rural Credit Co-operative Union.

Geographic Segment Performance
includes significant transactions

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net profit attributable to members of the Company					
Australia	804	934	774	-14%	4%
New Zealand	172	188	142	-9%	21%
UK / USA and Other	72	63	61	14%	18%
Asia	60	56	45	7%	33%
Pacific	33	31	28	6%	18%
	1,141	1,272	1,050	-10%	9%

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
External assets					
Australia	142,547	135,050	131,655	6%	8%
New Zealand	26,037	23,799	22,540	9%	16%
UK / USA and Other	13,417	15,337	14,236	-13%	-6%
Asia	6,941	7,368	6,600	-6%	5%
Pacific	1,576	1,551	1,558	2%	1%
	190,518	183,105	176,589	4%	8%
Risk weighted assets					
Australia	110,001	104,537	98,894	5%	11%
New Zealand	18,758	15,867	14,936	18%	26%
UK / USA and Other	13,442	14,547	14,971	-8%	-10%
Asia	5,161	5,340	5,512	-3%	-6%
Pacific	1,241	1,099	1,105	13%	12%
	148,603	141,390	135,418	5%	10%

Geographic Segment – Australia

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	1,584	1,530	1,477	4%	7%
Fee income	711	780	742	-9%	-4%
Other operating income	215	337	294	-36%	-27%
Operating income	2,510	2,647	2,513	-5%	-0%
Operating expenses	(1,160)	(1,141)	(917)	2%	26%
Profit before debt provision	1,350	1,506	1,596	-10%	-15%
Provision for doubtful debts	(234)	(236)	(475)	-1%	-51%
Income tax expense	(312)	(336)	(347)	-7%	-10%
Net profit attributable to members of the Company	804	934	774	-14%	4%
Net interest average margin	2.77%	2.88%	2.94%	-4%	-6%
Return on risk weighted assets	1.50%	1.85%	1.57%	-19%	-4%
Operating expenses[1] to operating income	46.1%	43.0%	36.3%	7%	27%
Operating expenses[1] to average assets	1.68%	1.74%	1.40%	-4%	20%
Net specific provision	(132)	(135)	(196)	-2%	-33%
Net specific provision as a % of average net advances	0.22%	0.24%	0.36%	-8%	-39%
Net non-accrual loans	286	315	367	-9%	-22%
Net non-accrual loans as a % of net advances	0.23%	0.27%	0.33%	-15%	-30%
Total employees	15,894	15,879	16,121	-	-1%
Lending growth	6.5%	5.8%	2.7%	n/a	n/a
External assets	142,547	135,050	131,655	6%	8%
Risk weighted assets	110,001	104,537	98,894	5%	11%

1. *Operating expenses $1,156 million (Sep 2002: $1,137 million; Mar 2002: $913 million) excludes goodwill amortisation $4 million (Sep 2002: $4 million; Mar 2002: $4 million). Excluding goodwill amortisation decreases the ratio to operating income 0.1% (Sep 2002: 0.1%; Mar 2002: 0.2%) and average assets 0.01% (Sep 2002: 0.01%; Mar 2002: 0.01%)*

The Australian results have been impacted by three significant transactions:

- Sale of ANZ's Funds Management businesses to INGA, $138 million profit after tax, (Sep 2002 half).
- Settlement of litigation with India's National Housing Bank, $159 million profit after tax, (Mar 2002 half).
- Special increase in the general provision, $175 million cost after tax, (Mar 2002 half).

Comparison with September 2002 half

Profit after tax declined by 14%. Excluding significant transactions underlying profit grew 1% reflecting:

- Net interest income increasing 4% with higher lending volumes in Mortgages, Institutional and Corporate, and higher customer deposit volumes. These were partly offset by reduced deposit margins and Treasury earnings in a low and flat interest rate environment.
- Fee income declining 9% largely in Consumer Finance, due to under accrual of loyalty points ($38 million) and ongoing costs of credit card loyalty programs, and in Personal Banking with customers choosing new transaction products with simpler fee structures.
- Other operating income increasing mainly in Capital Markets.
- Operating expenses increased 2% reflecting higher staff costs and increased software amortisation as new systems became operational.

Comparison with March 2002 half

Profit after tax increased 4% (2% excluding significant transactions), with higher net interest reflecting increased margin, higher lending volumes (primarily mortgages) and higher customer deposit volumes. Offsetting this, net return from INGA was $7 million in March 2003 compared with $25 million profit in March 2002 from the ANZ businesses sold to INGA. Economic loss provisioning was steady, while net specific provisions and non-accrual loans reduced reflecting an improvement in the overall portfolio credit quality.

Geographic Segment – New Zealand (Greg Camm)

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	329	304	276	8%	19%
Fee income	159	145	142	10%	12%
Other operating income	43	78	41	-45%	5%
Operating income	531	527	459	1%	16%
Operating expenses	(259)	(247)	(229)	5%	13%
Profit before debt provision	272	280	230	-3%	18%
Provision for doubtful debts	(28)	(26)	(28)	8%	-
Income tax expense	(72)	(66)	(60)	9%	20%
Net profit attributable to members of the Company	172	188	142	-9%	21%
Net interest average margin	2.84%	2.90%	2.74%	-2%	4%
Return on risk weighted assets	1.96%	2.42%	1.93%	-19%	2%
Operating expenses[1] to operating income	48.2%	46.1%	49.0%	5%	-2%
Operating expenses[1] to average assets	2.02%	2.08%	2.06%	-3%	-2%
Net specific provision	(10)	(18)	(13)	-44%	-23%
Net specific provision as a % of average net advances	0.10%	0.19%	0.15%	-47%	-33%
Net non-accrual loans	22	17	17	29%	29%
Net non-accrual loans as a % of net advances	0.10%	0.09%	0.09%	11%	11%
Total employees	3,716	3,698	3,706	-	0%
Lending growth (including FX impact)	12.4%	3.3%	0.9%	n/a	n/a
Lending growth (excluding FX impact)	5.8%	-1.3%	7.2%	n/a	n/a
External assets	26,037	23,799	22,540	9%	16%
Risk weighted assets	18,758	15,867	14,936	18%	26%

1. *Operating expenses $256 million (Sep 2002: $243 million; Mar 2002: $225 million) excludes goodwill amortisation $3 million (Sep 2002: $4 million; Mar 2002: $4 million). Excluding goodwill amortisation decreases the ratio to operating income 0.6% (Sep 2002: 0.8%; Mar 2002: 0.9%) and average assets 0.02% (Sep 2002: 0.03%; Mar 2002: 0.04%)*

Comparison with September 2002 half

Underlying profit growth for the half was 3% after adjusting for the one off gain from the sale, in the preceding half, of the funds management business to the INGA ($32 million); and for the appreciation of the New Zealand dollar. The main features (excluding the impact of exchange rates) were:

- Net interest income increased 1%, from growth in deposits and modest lending growth in the Institutional Banking, Small and Medium Business, and Consumer Finance businesses. Following a decline in the preceding half, Mortgage volumes recorded modest gains. Lower net interest income from Group Treasury driven by maturing high yielding assets and lower risk levels taken with a flat yield curve caused overall margins to fall and offset the volume increases.
- Fee Income grew 3%, primarily derived from corporate financing activities. Fees in personal banking were flat, with higher volume related fees from an expanded ATM network being offset by lower transaction fees.
- Other income declined due to the inclusion in the September 2002 half of the gain on sale of funds management businesses to INGA.
- Operating expenses declined 2% with the cost of an increased investment in the branch network, as part of the Restoring Customer Faith initiative being largely absorbed by savings in other costs.

Comparison with March 2002 half

Profit after tax grew 21% due largely to the appreciation of the New Zealand dollar. Excluding the exchange rate impact profit grew 9% as a result of a 7% growth in net interest income on higher lending and deposit volumes. Fee income was flat with volume related increases offset by lower transaction fees. Operating expenses were contained to the levels of the March 2002 half.

Geographic Segment – UK / USA and Other

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	118	104	100	13%	18%
Fee income	67	84	76	-20%	-12%
Other operating income	20	20	5	-	large
Operating income	205	208	181	-1%	13%
Operating expenses	(72)	(80)	(80)	-10%	-10%
Profit before debt provision	133	128	101	4%	32%
Provision for doubtful debts	(25)	(33)	(30)	-24%	-17%
Income tax expense	(35)	(32)	(10)	9%	large
Outside equity interests	(1)	-	-	n/a	n/a
Net profit attributable to members of the Company	72	63	61	14%	18%
Operating expenses to operating income	35.1%	38.5%	44.2%	-9%	-21%
Net specific provision	(100)	(204)	(153)	-51%	-35%
Net non-accrual loans	261	246	379	6%	-31%
Total employees	807	853	837	-5%	-4%

Comparison with September 2002 half
Profit after tax increased by 14%. Excluding the impact of the significant appreciation in the AUD profit after tax increased 16%. Features of the first half excluding exchange rate impacts include:

- Net interest income increased 15% due mainly to higher earnings on capital injected into London and the acquisition and subsequent syndication of high yielding structured assets in the US.
- Fee income reduced 19% largely due to lower structured finance activity reflecting general market conditions and an increased time to bring mandated deals to financial close.
- Operating expenses declined 9% reflecting a reduction in the number of technology contractors in South Asia and lower profit based incentive payments.
- Net specific provisions exceeded doubtful debt provision, however reduced from the September 2002 half which included provisioning for the Marconi exposure. Net non-accrual loans increased with a small number of previously identified high risk accounts deteriorating to non-accrual status. Power exposures were again the principal source of the net specific provisions along with the $27 million relating to finalisation of the credit indemnity given to Standard Chartered as part of the Grindlays sale. Provisions for doubtful debts charge reduced with lower volumes, some portfolio improvement and the absence of a hedging cost component in the second half of 2002.

Comparison with March 2002 half
Profit after tax increased 18% (23% excluding foreign currency movements) largely driven by higher net interest income from structured finance activities in the United States, improved structured finance trading income and higher foreign exchange earnings in the United Kingdom. Net specific provisions declined with the March 2002 half including a small number of large provisions, notably Enron.

Geographic Segment – Asia
John Winders

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	60	65	66	-8%	-9%
Fee income	30	27	34	11%	-12%
Other operating income	49	39	30	26%	63%
Operating income	139	131	130	6%	7%
Operating expenses	(56)	(56)	(58)	-	-3%
Profit before debt provision	83	75	72	11%	15%
Provision for doubtful debts	(11)	(9)	(13)	22%	-15%
Income tax expense	(11)	(9)	(12)	22%	-8%
Outside equity interests	(1)	(1)	(2)	-	-50%
Net profit attributable to members of the Company	60	56	45	7%	33%
Operating expenses[1] to operating income	39.6%	42.0%	43.8%	-6%	-10%
Net specific provision	(13)	1	(3)	n/a	large
Net non-accrual loans	17	32	43	-47%	-60%
Total employees	628	617	619	2%	1%

1. *Operating expenses $55 million (Sep 2002: $55 million; Mar 2002: $57 million) excludes goodwill amortisation $1 million (Sep 2002: $1 million; Mar 2002: $1 million). Excluding goodwill amortisation decreases the ratio to operating income 0.7% (Sep 2002: 0.7%; Mar 2002: 0.8%)*

Comparison with September 2002 half
The half year result of $60 million represents a 7% growth over the previous half notwithstanding difficult regional and global market conditions. In particular, Asia's results were influenced by:

- Increased equity accounted contribution from our investment in PT Panin. The Indonesian-based bank continued to perform well with organic growth and a one-off profit of $16 million from bond sales.
- Improvement in fee-based income including a significant project finance transaction in Vietnam.
- The favourable contributions were partially offset by lower interest income reflecting further risk reduction in the corporate book and high levels of liquidity across the Asian region, bringing down margins.
- Tight cost control ensured that operating expenses were kept in check and cost to income ratio improved to 39.6% compared to 42.0% in the previous half.
- The increase in specific provisioning relates to top-up of provisioning for an existing non-accrual project loan. Asia continues to rebalance its portfolio towards lower risk and has not had any major new non-performing loans for the last two years.

Comparison with March 2002 half
Net profit improved by 33% over the March 2002 half, largely brought about by the improvement in performance of PT Panin. The ongoing focus on cost control and risk reduction has kept operating expenses flatlined over the last two halves and a high quality Asian credit portfolio that continues to improve.

Geographic Segment – Pacific
Bob Lyon

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net interest income	48	50	46	-4%	4%
Fee income	23	21	20	10%	15%
Other operating income	36	30	25	20%	44%
Operating income	107	101	91	6%	18%
Operating expenses	(55)	(51)	(46)	8%	20%
Profit before debt provision	52	50	45	4%	16%
Provision for doubtful debts	(5)	(5)	(5)	-	-
Income tax expense	(14)	(14)	(12)	-	17%
Outside equity interests	-	-	-	n/a	n/a
Net profit attributable to members of the Company	33	31	28	6%	18%
Operating expenses[1] to operating income	50.5%	49.5%	49.5%	2%	2%
Net specific provision	1	(5)	-	n/a	n/a
Net non-accrual loans	12	11	14	9%	-14%
Total employees	1,434	1,434	1,454	-	-1%

[1] *Operating expenses $54 million (Sep 2002: $50 million; Mar 2002: $45 million) excludes goodwill amortisation $1 million (Sep 2002: $1 million; Mar 2002: $1 million). Excluding goodwill amortisation decreases the ratio to operating income 1.0% (Sep 2002: 1.0%; Mar 2002: 1.0%)*

Comparison with September 2002 half
Profit after tax increased 6% despite a significant appreciation in the AUD. Excluding the exchange rate impact, profit grew by 10%. Key influences on the result excluding the exchange rate impact include:

- Net interest income reduced 1% driven by declining margins in Papua New Guinea resulting from regulatory pressure and increased competition following a rationalisation of the number of banks.
- Other operating income grew 25% largely driven by increased foreign exchange earnings with volatility in Pacific currencies combined with ANZ's strong market position, while fee revenue increased with a standardisation of fees following a review of fee structures.
- Expenses grew 11% following a review of the technology support required for Pacific businesses.

Comparison with March 2002 half
Profit after tax increased by 18%. After adjusting for the impact of exchange rate movements, profit increased 28%. Excluding the exchange rate impact operating income increased 27% with the full integration of the businesses acquired from the Bank of Hawaii, increased foreign exchange earnings and higher fees following an increased focus on electronic distribution and a review of fee structures across the region. Increased expenses largely reflect the impact of the integration of the businesses acquired from the Bank of Hawaii.

This page has been left blank intentionally

GROUP RISK
Mark Lawrence

ANZ'S RISK MANAGEMENT VISION AND STRATEGY

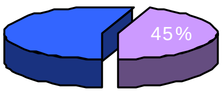
ANZ is underpinned by an ongoing focus on risk issues and strategy at the highest levels and a comprehensive risk management framework comprising:

- The Board, providing leadership, overseeing risk appetite and strategy and monitoring progress.
- A strong framework for development and maintenance of Group-wide risk management policies, procedures and systems, overseen by an independent central team of risk professionals reporting directly to the Chief Executive Officer.
- The use of sophisticated risk tools, applications and processes to execute our global risk management strategy across the Group.
- Primary Business Unit-level accountability for management of risks in alignment with the Group's strategy.

The various risks inherent in the operations of the Group may be broadly grouped together under the following three categories:

% of Economic Capital

Credit Risk

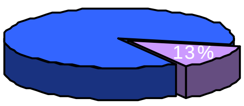


Group Risk Management's responsibilities for credit risk policy and management are principally executed through two dedicated departments - Wholesale Risk and Retail Risk.

Wholesale Risk supports the Group's Corporate, Institutional and Global Investment Banking activities, while Retail Risk services the Group's consumer-based businesses.

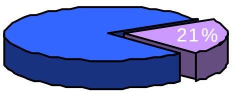
All major credit decisions (and automated decision processes) for the Group's corporate and consumer businesses require dual approval by both Group Risk Management and Business Unit-based personnel.

Market Risk



Market Risk is the risk that the Group will incur 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. It is managed by a variety of different techniques with Group Risk Management setting limits to control trading positions and interest rate risk up to a Board authorised total.

Operating Risk

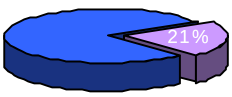


Operating risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Group Risk Management is responsible for establishing Group policy; for the measurement, monitoring and reporting of operational risk across the Group; for providing leadership in the overall development of ANZ's operational risk capability and specialists in key risk areas.

Each business unit has its own operating risk management function responsible for the performance of operating risk in the business.

Other



There are a number of other risks, which are not classified as either Market, Credit or Operating Risk which ANZ holds economic capital for. These include, but are not limited to, items such as investment risk and fixed asset risk.

RISK MANAGEMENT (continued)

Key risk issues for the Group are:

- ***Offshore Exposures***

  This half year has continued to exhibit a significant degree of uncertainty in the global economic environment. The hostilities in Iraq and on-going concerns in the US have negatively impacted upon the global credit environment. This continued uncertainty has heightened the need for risk vigilance and closely managing the risks within our portfolios. In this regard it has been pleasing to see the reduced levels of default and loss within our portfolio this half year, compared to the September 2002 year.

  Two sectors of continuing special focus for the Group remain Power (US power particularly) and Telecommunications.
  - US Power – total committed limits currently comprise $2.0 billion of which $1.2 billion comprises actual drawn exposures.
  - Offshore Telecommunications - total committed limits currently comprise $1.7 billion of which $1.0 billion comprises actual drawn exposures.

  It should be noted that whilst we had some significant defaults in project and corporate lending to these sectors in 2002, ANZ has strong asset writing guidelines in place to ensure we pursue only top quality infrastructure related projects and that a diversified portfolio mix is maintained. These include:
  - Focus on secured well-structured project finance transactions.
  - Loan covenants and controls that keep a tight reign on a project's financial and operating integrity.
  - Avoid deals with any exposure to significant merchant/market risk in the mix.

- ***Global Economic uncertainty created from the Iraq war***

  During late 2002 and early 2003 there was significant uncertainty in the global markets and particularly in oil prices which led to a large increase in the per barrel price in early 2003. The start of the Iraq war in mid March coincided with USD barrel prices coming back down to more manageable levels. With the war now largely over and Iraqi oil fields substantially intact, markets have settled down with more certainty now evident. Assuming there are no further hostilities in the Middle East we expect minimal impact upon our portfolios.

- ***Drought***

  The impact of continuing drought in many rural locations is being closely monitored by our specialist agricultural divisions. The drought impact on our portfolios has so far been minimal, which is a factor of: our relatively small market presence in rural NSW & QLD, excellent seasons in the lead up to the drought and consistent conservative lending practices. ANZ recognises that drought is an inherent factor of Australian agriculture and is committed to supporting our affected farming and business customers, who over the long term have viable operations.

- ***Residential Property***

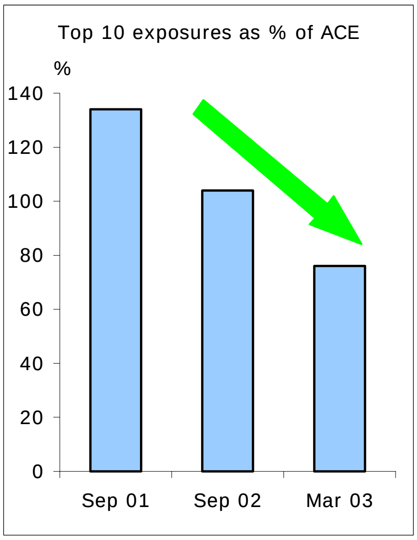
  A softening in the Australian housing market is expected as we consider it to be moderately oversupplied, fuelled in part by unrealistic expectations of rapid appreciation in the investment market. Evidence of increasing rental vacancies, reducing yields and declining building approvals, indicates this softening may already have begun. A significant market correction is not considered likely, as we believe the rapid asset appreciation is primarily the result of a one-off structural shift from an economy of high and variable inflation and interest rates, to one of low stable inflation and interest rates. As monetary policy remains consistent and unemployment close to record lows, we regard the risk of a significant market collapse as low. Notwithstanding, pockets of risk exist within specific locations and markets, including some outer suburban development belts and close to city apartment developments. These risks continue to be monitored closely, and where necessary, policies have been implemented to mitigate them.

Key risk issues for the Group (continued)

- ***Large Single Name Exposure Risk***

  Over the last 2 years ANZ has experienced increased credit losses primarily driven by large single name losses as a result of the “fallen angels” phenomenon, where a few large investment grade exposures rapidly became non accrual assets. ANZ has maintained its focus on managing down its large exposure risks and over the last 6 months has further reduced portfolio concentrations. Over this time we have also experienced a significantly lower level of corporate defaults and losses when compared to the 2002 year.

  One measure of the concentration of large exposures in the Group’s portfolio is the aggregate of the 10 largest committed corporate exposures as a percentage of adjusted common equity (ACE). This ratio has declined significantly over the past 18 months.



Key Risk Enhancements:

- ***Credit Derivatives***

  Credit derivative activity over the half has continued to be modest, with close ongoing monitoring by the Market Risk team. Credit derivatives are being used as an efficient mechanism for reducing large exposures and diversifying the risk in lending portfolios. A comprehensive policy framework of strong controls exists around these activities, including restricting the sale of credit derivatives (undertaken to reshape the portfolio “mix”) to Australian and New Zealand names that meet specific investment grade and other specific criteria.

Credit Default Swap positions

A$M	Bought	Sold	Net
Portfolio Management	863	(252)	611
Matched Trades	1,557	(1,557)	0
Outright Positions	752	(332)	420
Trading Book	2,309	(1,889)	420
Total CDS	**3,172**	**(2,141)**	**1,031**

  New activity continues to be related to active portfolio management of the Group’s overall Banking Book, and the undertaking of trades that are quickly matched off into the market. This trading continues to be bound by the usual market risk controls such as VaR limits, term limitations, asset quality requirements, and daily revaluation of all positions independently performed by Market Risk.

  In addition to direct use of credit derivatives for Portfolio Management and Trading Book purposes, as reflected in the above table, ANZ holds investments in three structured transactions. Each of these investments is in the amount of USD250 million, where ANZ has indirect exposure to a sold “First-to-Default” basket of credit derivatives in the amount of USD500 million, with a first-loss limit of USD250 million. The underlying exposures are to a highly diversified group of 73 names, with no individual exposure in excess of USD40 million. As with credit derivative activity associated with Portfolio Management and the Trading Book, these exposures are independently monitored by Group Risk Management, with key trigger points established to proactively manage the risk. To date, credit protection totaling USD93 million has been purchased as a hedge against seven of the underlying names.

- ***Reduced limits***

  To further reduce risk in the Group’s credit portfolio, Single Customer Concentration Limits (SCCL’s) have been reduced and increased granularity applied to ensure the portfolio mix is maintained within the Group’s risk appetite. This includes reduced limits applied to facilities domiciled outside Australia and New Zealand and those that are unsecured.

Key Risk Enhancements (continued)

- ***Technology and Business Continuity***

  In light of ongoing security issues arising from the heightened incidence of global terrorism, our business continuity and crisis management capabilities have been reviewed, tested and, where necessary, strengthened as new threats emerge. Special precautions have been put in place in response to the war in Iraq and the Severe Acute Respiratory Syndrome (SARS) virus.

  New and enhanced standards, tools and monitoring are being put in place to ensure ANZ provides a secure and reliable information technology capability for our customers, with an Information Security Executive Committee to drive continuous improvement in that area.

  Our focus on project and change-management risks has been strengthened. The Group has a substantial portfolio of projects and other change initiatives. These projects and initiatives continue to receive extensive Executive Management focus and are subject to a variety of enhanced risk management disciplines and controls.

- ***Further Operational Risk Enhancements***

  Considerable focus continues to be placed on regulatory compliance across the Group. Areas of particular focus include the prevention of money laundering and financing of terrorism, compliance with the updated Code of Banking Practice and preparation for the Implementation of the Financial Services Reform Act.

Basel II

- The common framework for determining the appropriate quantum of bank regulatory capital is set by the “Basel Committee”, a sub-committee of the Bank for International Settlements, and a new framework has been developed over the past four years that is commonly known as “Basel II”. A key objective of Basel II is to improve stability of the global financial system by encouraging improved risk management practices and requiring banks to hold levels of regulatory capital commensurate with their risk profile. In particular, Basel II will introduce a more risk-sensitive and detailed regulatory capital regime for credit risk and will introduce for the first time an explicit regulatory capital charge for operational risk.
- Preparation for the implementation of the new Accord has been and continues to be an area of significant focus and activity across the ANZ Group.
- A major innovation of the new Accord is that Basel II allows banks of varying sophistication in their risk management practices to enter the new regulatory capital framework at one of three levels, with incentives embedded (by way of reduced regulatory capital requirements) to attract banks with more sophisticated risk measurement and management approaches to reach the more advanced levels. Banks will need to choose their approach and be accredited at a level of compliance in each of credit and operational risk. Market risk will remain largely unchanged from the current Accord, following its revision in 1996.
- ANZ has completed an evaluation of the work effort required and high level cost estimates of complying with the requirements of the new Accord. At this time ANZ intends pursuing accreditation under the most advanced approaches for both credit and operational risk, in line with the Group’s vision of risk management as a strategic asset and source of competitive advantage. It has projects underway to address all of the necessary requirements for accreditation at the most advanced levels for both areas under Basel II. Indeed, certain requirements, such as a credit risk rating system that measures default probabilities and likely losses in the event of default, and a framework for operation risk measurement and capital allocation, are already in place.
- Basel II is still being finalised, with the final version due to be released in the fourth quarter 2003. ANZ recently took part in an international exercise to help refine the calibration of the capital functions within the new Accord. The results indicate that under the more advanced approaches which are planned to be incorporated within Basel II, ANZ would need less regulatory capital than must be held under current rules. Although the precise details are yet to be finalised, APRA has stated that it is likely there will be some differences in the way Basel II is implemented in Australia.

COUNTRY EXPOSURES

The exposure definitions in the following tables are consistent with the ones used by Standard & Poor's in their assessment of regional risk published in February 1998.

Both local currency and cross border exposures are included.

Trade finance is captured at 100% of face value.

All cross border exposure is recorded on the basis of the Country where the asset is booked.

Treasury funded exposures includes predominantly bank Money Market lines and Certificates of Deposit.

Treasury unfunded exposure includes Foreign Exchange and Interest Rate contracts (forwards, options and swaps). The exposure is calculated using a conservative "mark to market plus potential exposure" methodology. This methodology calculates the market value of a contract and adds a factor for the potential change in value from the valuation date to maturity. The mark to market of off balance sheet exposures is netted by counterparty where the Group holds a valid legally enforceable netting agreement with that counterparty.

Financial guarantees represents lending to entities outside of Asia (typically Australia) where there is a relationship with the parent entity through a guarantee standby letter of credit.

Term lending is split into three categories: exposure to multinationals covers lending in countries to international or global companies, frequently involving US, UK, European or Australian parents of joint venture partners, term lending in local currency which is principally franchise countries, and cross border term lending (mostly USD).

Project finance includes a mix of products and is net of Political Risk Insurance (PRI) cover provided by either a large Government Multi Lateral Agency or a large Global Private Insurance company.

Securities include traded debt instruments and are measured at assessed market value (mark to market).

COUNTRY EXPOSURES (continued)

Product disclosure by selected regions

As at 31 March 2003 in USD millions (net exposures)

Countries	Trade	Treasury On Balance Sheet	Treasury Off Balance Sheet	Performance Bonds	Financial Guarantees Securing Regional Lending in Countries not detailed	Term Lending MNC's	Term Lending XBR	Term Lending LCY	Mortgage Loans Properties Domicled in Aust / NZ	Underwriting & Project Risk	Securities Investment at Market Value	Total	Movement from Sep 02
	CROSS BORDER RISK AND LOCAL CURRENCY RISK												
ASIA													
Brunei	1											1	1
China	601	68	21		28	3	27	100		30		878	212
Hong Kong	89		239	21	250	87	87	210	8			991	-51
Indonesia	109		2	12	1	13	25	100		44		306	17
Japan	21		141	130	27	97	26					442	-87
Laos										1		1	1
Macau			2									2	-1
Malaysia	102	16	2		6					16		142	17
Philippines	58	85	2	2		10	22	19		26		224	70
Singapore	224	29	520	74	234	86	314	38	32			1,551	177
South Korea	915		69	15	32	10	3	17		11		1,072	26
Taiwan	210		15	22	5	21	50	138				461	-12
Thailand	10		4	2			6			17		39	-9
Vietnam	62		12	1		18	21	70				184	51
Total	2,402	198	1,029	279	583	345	581	692	40	145		**6,294**	**412**
SOUTH ASIA													
Bangladesh	29		37							23		89	-4
India	84	4			1		106			50	13	258	16
Nepal	1											1	1
Sri Lanka			16	2								18	1
Total	114	4	53	2	1		106			73	13	**366**	**14**
LATIN AMERICA													
Argentina	1		2				11			20		34	12
Brazil	93									60		153	0
Chile	15						97			51		163	1
Colombia							4					4	-1
Mexico	29		6	3			20			110		168	6
Panama			1									1	1
Peru	1									16		17	0
Venezuela										51		51	-1
Total	139		9	3		0	132			308		**591**	**18**
MIDDLE EAST													
Bahrain	8		1									9	-2
Egypt	15											15	5
Greece							5					5	-16
Iran	56									9		65	7
Israel	1		5	17	39							62	-2
Jordan	5											5	4
Kuwait	34				1							35	10
Oman			41							25		66	19
Pakistan	10		34							13		57	10
Qatar	5		22				5			5		37	15
Saudi Arabia	5			5	13					10		33	-8
U.A.E.	164						34			4		202	-45
Political Risk Insurance First Loss[1]										40		40	0
Total	303		103	22	53		44			106		**631**	**-3**
EASTERN EUROPE													
Hungary	1											1	0
Romania	4											4	4
Total	5											**5**	**4**

	Total	Movement from Sep 02
Total Countries externally rated A or Better	5,738	**895**
	73%	**8%**
Total Countries externally rated below A	2,144	**-455**
	27%	**-8%**
Total all Countries	**7,887**	**445**

1. *Middle East project exposure is USD408 million, however ANZ has Political Risk Insurance. ANZ is liable for the first loss of USD40 million*

FOUR YEAR SUMMARY

	Note	Mar 03 $M	Sep 02 $M	Mar 02 $M	Sep 01 $M	Mar 01 $M	Sep 00 $M	Mar 00 $M	Sep 99 $M
Statement of Financial Performance									
Net interest income		**2,140**	2,053	1,965	1,954	1,879	1,929	1,872	1,839
Other operating income		**1,352**	1,561	1,409	1,333	1,240	2,422	1,335	1,221
Operating expenses		**(1,602)**	(1,575)	(1,330)	(1,553)	(1,539)	(2,622)	(1,645)	(1,654)
Provision for doubtful debts		**(303)**	(309)	(551)	(290)	(241)	(246)	(256)	(252)
Profit before income tax		**1,587**	1,730	1,493	1,444	1,339	1,483	1,306	1,154
Income tax expense		**(444)**	(457)	(441)	(468)	(443)	(552)	(488)	(389)
Outside equity interests		**(2)**	(1)	(2)	(1)	(1)	(1)	(1)	(2)
Net profit attributable									
to members of the Company		**1,141**	1,272	1,050	975	895	930	817	763
Statement of Financial Position									
Assets		**190,518**	183,105	176,589	185,493	180,967	172,467	166,958	152,801
Net assets		**12,485**	11,465	10,803	10,551	10,200	9,807	9,662	9,429
Ratios									
Return on average ordinary equity		**20.3%**	24.8%	21.6%	20.9%	19.6%	19.7%	17.8%	17.1%
Return on average assets		**1.2%**	1.4%	1.2%	1.1%	1.0%	1.1%	1.0%	1.0%
Tier 1 capital ratio		**7.7%**	7.9%	7.8%	7.5%	7.3%	7.4%	7.5%	7.9%
Operating expenses[1] to operating income		**45.6%**	45.5%	46.5%	47.0%	49.1%	60.1%	51.1%	53.9%
Shareholder value - ordinary shares									
Total return to shareholders									
(share price movement plus dividends)		**4.1%**	1.4%	13.7%	18.4%	6.4%	30.5%	4.4%	-8.2%
Market capitalisation		**27,135**	26,544	26,579	23,783	20,488	20,002	15,948	16,045
Dividend		**44 cents**	46 cents	39 cents	40 cents	33 cents	35 cents	29 cents	30 cents
Franked portion									
- interim		**100.0%**	-	100.0%	-	100.0%	-	100.0%	-
- final		**-**	100.0%	-	100.0%	-	100.0%	-	80.0%
Share price									
- high		**$ 18.96**	$20.38	$18.61	$17.39	$16.08	$13.46	$11.67	$12.45
- low		**$ 15.95**	$16.33	$16.36	$13.44	$13.20	$9.60	$9.71	$8.58
- closing		**$ 17.93**	$17.65	$17.77	$15.98	$13.78	$13.28	$10.40	$10.25
Share information (per fully paid									
ordinary share)									
Earnings per share - basic		**72.0**	81.0c	66.3c	61.6c	55.8c	57.6c	49.3C	45.9c
Dividend payout ratio		**61.3%**	57.0%	58.9%	65.0%	58.7%	60.2%	57.9%	65.6%
Net tangible assets		**$ 7.32**	$ 6.58	$ 6.14	$ 5.96	$ 5.71	$ 5.49	$ 5.42	$ 5.21
Number of fully paid ordinary shares									
on issue (millions)		**1,513.4**	1,503.9	1,495.7	1,488.3	1,486.8	1,506.2	1,533.4	1,565.4
Other information									
Permanent employees (FTE's)		**21,218**	21,380	21,508	21,403	21,617	21,774	27,703	28,744
Temporary employees (FTE's)		**1,265**	1,102	1,229	1,098	1,198	1,360	1,237	1,427
Total employees		**22,483**	22,482	22,737	22,501	22,815	23,134	28,940	30,171
Number of shareholders		**210,512**	198,715	190,133	181,035	180,108	179,244	223,803	214,151

1. *Operating expenses $1,593 million (Sep 2002: $1,565 million; Mar 2002: $1,320 million, Sep 2001: $1,545 million; Mar 2001: $1,530 million, Sep 2000: $2,615 million; Mar 2000: $1,640 million, Sep 1999: $1,649 million) excludes goodwill amortisation and significant transactions $9 million (Sep 2002: $10 million; Mar 2002: $10 million, Sep 2001: $8 million; Mar 2001: $9 million, Sep 2000: $7 million; Mar 2000: $5 million, Sep 1999: $5 million). Excluding these items decreases the ratio by 0.3% (Sep 2002: 0.3%; Mar 2002: 0.3%, Sep 2001: 0.3%; Mar 2001: 0.1%, Sep 2000: 0.2%; Mar 2000: 0.2%, Sep 1999: 0.2%)*

This page has been left blank intentionally

Australia and New Zealand Banking Group Limited

CONSOLIDATED FINANCIAL STATEMENTS & OTHER DISCLOSURES

Half year ended
31 March 2003

This Financial Report on the consolidated Group constitutes the Appendix 4B required by the Australian Stock Exchange, and should be read in conjunction with the September 2002 Annual Financial Report. The financial statements and notes to the financial statements have been reviewed by KPMG.

DIRECTORS' REPORT

The directors present their report on the consolidated accounts for the half year ended 31 March 2003.

Directors

The names of the directors of the Company who held office during and since the end of the half year are:

Mr CB Goode AC - Chairman
Mr J McFarlane OBE - Chief Executive Officer
Mr JC Dahlsen
Dr RS Deane
Mr JK Ellis
Mr DM Gonski AO
Ms MA Jackson
Dr BW Scott AO

Result

The consolidated profit from ordinary activities after income tax attributable to shareholders of the Company was $1,141 million. Further details are contained in the Chief Financial Officer's Review on pages 7 to 57 and in the financial report.

Review of Operations

A review of the operations of the Group during the half year and the results of those operations are contained in the Chief Financial Officer's Review on pages 7 to 57 and in the financial report.

Rounding of Amounts

The Company is a company of the kind referred to in the Australian Securities and Investments Commission class order 98/100 dated 10 July 1998 pursuant to section 341(1) of the Corporations Act 2001. Consequently, amounts in this report and the accompanying financial report have been rounded to the nearest million dollars except where otherwise indicated.

Signed in accordance with a resolution of the directors

Charles Goode
Chairman

John McFarlane
Chief Executive Officer

23 April 2003

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Note	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Total income	2	6,364	6,211	5,796	2%	10%
Interest income		5,012	4,650	4,387	8%	14%
Interest expense		(2,872)	(2,597)	(2,422)	11%	19%
Net interest income		2,140	2,053	1,965	4%	9%
Proceeds, net of costs, on disposal of investments		-	566	-	-100%	n/a
Carrying amount of assets given up		-	(392)	-	-100%	n/a
Net profit on disposal of investments	2	-	174	-	-100%	n/a
Other operating income	2	1,352	1,387	1,409	-3%	-4%
Operating income		3,492	3,614	3,374	-3%	3%
Operating expenses	3	(1,602)	(1,575)	(1,330)	2%	20%
Profit before debt provision		1,890	2,039	2,044	-7%	-8%
Provision for doubtful debts	10	(303)	(309)	(551)	-2%	-45%
Profit before income tax		1,587	1,730	1,493	-8%	6%
Income tax expense	4	(444)	(457)	(441)	-3%	1%
Profit after income tax		1,143	1,273	1,052	-10%	9%
Net profit attributable to outside equity interests		(2)	(1)	(2)	100%	-
Net profit attributable to members of the Company		1,141	1,272	1,050	-10%	9%
Currency translation adjustments, net of hedges after tax		(49)	45	(143)	n/a	-66%
Total changes in equity other than those resulting from transactions with shareholders as owners		1,092	1,317	907	-17%	20%
Earnings per ordinary share (cents)						
Basic	6	72.0	81.0	66.3	-11%	9%
Diluted		71.7	80.6	66.0	-11%	9%
Dividend per ordinary share (cents)	5	44	46	39	-4%	13%
Net tangible assets per ordinary share ($)		7.32	6.58	6.14	11%	19%

The notes appearing on pages 74 - 114 form an integral part of these financial statements

Equity instruments issued to employees

Under existing Australian Accounting Standards, certain equity instruments issued to employees are not required to be expensed. The impact of expensing options, and shares issued under the $1,000 employee share plan, have been calculated and are disclosed below.

	Half year Mar 03 $M
Net profit attributable to members of the Company	**1,141**
Expenses attributable to:	
Options issued to Management Board[1]	**(4)**
Options issued to general management[1]	**(11)**
Shares issued under $1,000 employee share plan	**(18)**
Revised net profit attributable to members of the Company	**1,108**
Revised earnings per share basic (cents)	**69.8**

1. *Based on fair values estimated at grant date using a modified Black Scholes model. Value of options amortised over vesting period.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Assets						
Liquid assets		7,759	7,410	6,752	5%	15%
Due from other financial institutions		3,123	3,815	3,468	-18%	-10%
Trading securities[1]		5,219	5,873	5,189	-11%	1%
Investment securities	7	4,301	3,609	2,716	19%	58%
Net loans and advances	8	141,965	132,060	125,267	8%	13%
Customers' liabilities for acceptances		13,270	13,796	14,512	-4%	-9%
Life insurance investment assets		-	-	5,064	n/a	-100%
Regulatory deposits		205	178	128	15%	60%
Shares in associates and joint venture entities		1,759	1,692	76	4%	large
Deferred tax assets		1,239	1,218	1,185	2%	5%
Goodwill[2]		171	180	188	-5%	-9%
Other assets[3]		9,965	11,810	10,613	-16%	-6%
Premises and equipment		1,542	1,464	1,431	5%	8%
Total assets		190,518	183,105	176,589	4%	8%
Liabilities						
Due to other financial institutions		8,824	10,860	8,215	-19%	7%
Deposits and other borrowings		122,256	113,297	105,616	8%	16%
Liability for acceptances		13,270	13,796	14,512	-4%	-9%
Income tax liabilities		1,031	1,340	1,193	-23%	-14%
Payables and other liabilities		12,298	12,450	11,958	-1%	3%
Provisions		929	1,744	1,611	-47%	-42%
Life insurance policy liabilities		-	-	4,754	n/a	-100%
Bonds and notes		14,917	14,708	14,437	1%	3%
Loan capital		4,508	3,445	3,490	31%	29%
Total liabilities		178,033	171,640	165,786	4%	7%
Net assets		12,485	11,465	10,803	9%	16%
Shareholders' equity						
Ordinary share capital		4,058	3,939	3,824	3%	6%
Preference share capital		1,225	1,375	1,410	-11%	-13%
Reserves		485	534	523	-9%	-7%
Retained Profits		6,700	5,600	5,032	20%	33%
Share capital and reserves attributable to members of the Company		12,468	11,448	10,789	9%	16%
Outside equity interests		17	17	14	0%	21%
Total shareholders' equity		12,485	11,465	10,803	9%	16%
Derivative financial instruments	16					
Contingent liabilities	17					

1. *Includes bills held in portfolio (Mar 2003: $905 million; Sep 2002: $1,453 million; Mar 2002: $1,021 million) which are part of net advances*
2. *Excludes notional goodwill of $843 million included in the net carrying value of the INGA joint venture.*
3. *Includes interest revenue receivable (Mar 2003: $978 million; Sep 2002: $941 million; Mar 2002: $985 million)*

The notes appearing on pages 74 - 114 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Share capital					
Balance at start of period	5,314	5,234	5,259	2%	1%
Ordinary share					
Dividend reinvestment plan	58	48	46	21%	26%
Group employee share acquisition scheme	25	26	29	-4%	-14%
Group share option scheme	36	41	16	-12%	large
Small shareholder voluntary top up scheme	-	-	-	n/a	n/a
New issues	-	-	-	n/a	n/a
Share buyback	-	-	-	n/a	n/a
Retranslation of preference shares	(150)	(35)	(116)	large	29%
Total share capital	5,283	5,314	5,234	-1%	1%
Foreign currency translation reserve					
Balance at start of period	117	72	215	63%	-46%
Currency translation adjustments,					
net of hedges after tax	(49)	45	(143)	n/a	-66%
	68	117	72	-42%	-6%
General reserve					
Balance at start of period	237	271	322	-13%	-26%
Transfers (to) from retained profits	-	(34)	(51)	-100%	-100%
	237	237	271	-	-13%
Asset revaluation reserve	31	31	31	-	0%
Capital reserve	149	149	149	-	0%
Total reserves	485	534	523	-9%	-7%
Retained profits					
Balance at start of period	5,600	5,032	4,562	11%	23%
Net profit attributable					
to members of the Company	1,141	1,272	1,050	-10%	9%
Total available for appropriation	6,741	6,304	5,612	7%	20%
Transfers from (to) reserves	-	34	51	-100%	-100%
Ordinary share dividends provided for or paid	13	(681)	(571)	n/a	large
Preference share dividends paid	(54)	(57)	(60)	-5%	-10%
Retained profits at end of period	6,700	5,600	5,032	20%	33%
Total shareholders' equity attributable to					
members of the Company	12,468	11,448	10,789	9%	16%

The notes appearing on pages 74 - 114 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Half year Mar 03 Inflows (Outflows) $M	Half year Sep 02 Inflows (Outflows) $M	Half year Mar 02 Inflows (Outflows) $M
Cash flows from operating activities				
Interest received		**5,365**	5,137	5,011
Dividends received		**4**	3	-
Fees and other income received		**1,410**	1,397	1,522
Interest paid		**(2,763)**	(2,638)	(2,729)
Personnel expenses paid		**(938)**	(958)	(942)
Premises expenses paid		**(124)**	(134)	(134)
Other operating expenses paid		**(968)**	(972)	(921)
Income taxes paid				
Australia		**(890)**	(162)	(515)
Overseas		**(32)**	(101)	(75)
Net GST paid		**1**	3	(31)
Net (increase) decrease in trading securities		**695**	(667)	(363)
Net cash provided by operating activities	18	**1,760**	908	823
Cash flows from investing activities				
Net decrease(increase)				
Liquid assets - greater than three months		**(531)**	(736)	294
Due from other financial institutions		**230**	292	262
Regulatory deposits		**(40)**	(53)	90
Loans and advances		**(10,210)**	(5,964)	(3,477)
Shares in controlled entities and associates		**2**	1	(2)
Investment securities				
Purchases		**(2,188)**	(1,718)	(1,133)
Proceeds from sale or maturity		**1,358**	738	1,698
Controlled entities and associates				
Purchased (net of cash acquired)		**-**	(981)	(69)
Proceeds from sale (net of cash disposed)		**-**	-	-
Premises and equipment				
Purchases		**(253)**	(172)	(213)
Proceeds from sale		**41**	70	31
Recovery from NHB litigation		**-**	-	248
Other		**1,201**	(313)	514
Net cash (used in) investing activities		**(10,390)**	(8,836)	(1,757)
Cash flows from financing activities				
Net (decrease)increase				
Due to other financial institutions		**(1,289)**	2,423	(3,634)
Deposits and other borrowings		**9,432**	6,753	2,399
Due from/to controlled entities and associates		**-**	-	-
Payables and other liabilities		**495**	(529)	891
Bonds and notes				
Issue proceeds		**3,431**	2,162	2,376
Redemptions		**(2,107)**	(1,768)	(1,751)
Loan capital				
Issue proceeds		**1,857**	259	500
Redemptions		**(437)**	(191)	(398)
Decrease in outside equity interests		**(1)**	1	-
Dividends paid		**(676)**	(581)	(597)
Share capital issues		**61**	68	44
Share buyback		**-**	-	-
Net cash provided by financing activities		**10,766**	8,597	(170)
Net cash provided by operating activities		**1,760**	908	823
Net cash (used in) investing activities		**(10,390)**	(8,836)	(1,757)
Net cash provided by financing activities		**10,766**	8,597	(170)
Net (decrease)increase in cash and cash equivalents		**2,136**	669	(1,104)
Cash and cash equivalents at beginning of period		**7,925**	7,352	9,071
Foreign currency translation on opening balances		**(2,488)**	(96)	(615)
Cash and cash equivalents at end of period	18	**7,573**	7,925	7,352

The notes appearing on pages 74 - 114 form an integral part of these financial statements

1. Accounting policies

These consolidated financial statements:

- should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 September 2002 and with any public announcements made by the Group and its controlled entities during the year ended 30 September 2002 in accordance with the continuous disclosure obligations under the Corporations Act 2001.
- are made out in accordance with the Corporations Act 2001, listing rules, applicable Accounting Standards, Urgent Issues Group Consensus Views and other mandatory reporting requirements.
- are condensed financial statements as defined in AASB 1029 Interim Financial Reporting. This report does not include all notes of the type normally included in the annual financial report.
- have been prepared in accordance with the historical cost convention, as modified by the revaluation of trading instruments and life insurance assets and liabilities and the deemed cost of properties.

Where necessary, amounts shown for previous periods have been reclassified to facilitate comparison.

The accounting policies followed in preparing these consolidated financial statements are the same as those applied in the 30 September 2002 Annual Financial Report, except as noted below.

Changes in Accounting Policies

AASB 1044, Provisions, Contingent Liabilities and Contingent Assets became effective for the Group from 1 October 2002. Under the new Standard, provisions for dividends cannot be booked unless dividends are declared, determined or publicly recommended on or before balance date. Accordingly the dividend applicable to the current reporting period has not been booked in this report. However, dividends declared after balance date still need to be disclosed in the notes. The adoption of AASB 1044 results in an increase in Shareholders' Equity of $666 million and a reduction in return of ordinary shareholders' equity of 0.7%.

The Group will continue its current practice of making a public announcement of the dividend after balance date. Dividend information for the current period is provided in Note 5, Dividends.

AASB 1012, Foreign Currency Standard Translation became effective for the Group from 1 October 2002. Under this new Standard foreign denominated equity must be reported using the spot rate applicable at the date of issue and not be retranslated using the current spot rate at each reporting period. The Group has retranslated its US preference share capital to the historical spot rates. As the translation adjustment is reported in the foreign currency translation reserve the impact of these changes are neutral on equity.

Critical Accounting Policies

The Group prepares its consolidated financial statements in accordance with Australian Accounting Standards and other authoritative accounting pronouncements. However, notwithstanding the existence of relevant accounting standards, there are a number of critical accounting treatments, which include complex or subjective decisions or assessments. The Group requires all such applications of judgement to be reviewed and agreed by Group Finance, and where the impact is material, the accounting treatment be reviewed during the audit process by the Group's external auditors. All material changes to accounting policy are approved by the Audit Committee of the Board.

Historical changes

Details of all critical accounting policies are provided in the 30 September 2002 Annual Report. There have been no material changes to the Group's critical accounting policies since 30 September 2002.

The financial impact of the critical accounting policies on the Group, follows:

1. Accounting policies (continued)

Economic Loss Provisioning

As at March 2003, the balance of the General Provision of $1,530 million (Sep 2002: $1,496 million; Mar 2002: $1,546 million) represents 1.03% (Sep 2002: 1.06%; Mar 2002: 1.14%) of risk weighted assets.

Specifically identified credit losses net of recoveries during the half year were $259 million (Sep 2002 half: $362 million; Mar 2002: $366 million). During the same period, the average charge to profit for ELP was 0.40% of average net lending assets (Sep 2002: 0.43%; Mar 2002: 0.42%) excluding the special general provision.

Specific Provisioning

The recognition of losses has an impact on the size of the General Provision rather than directly impacting profit. However, to the extent that the General Provision is drawn down beyond a prudent amount it will be restored through a transfer from the current year's earnings. The amount of draw down from the General Provision to the Specific Provision during the half was $259 million (Sep 2002: $362 million; Mar 2002: $366 million).

Deferred acquisition costs, software assets and deferred income

Deferred acquisition costs - At 31 March, the Group's assets included $323 million (Sep 2002: $289 million; Mar 2002: $272 million) in relation to costs incurred in acquiring interest earning assets. During the half, amortisation of $90 million (Sep 2002: $76 million; Mar 2002: $76 million) was recognised as an adjustment to the yield earned on interest earning assets.

Software assets - At 31 March, the Group's fixed assets included $451 million (Sep 2002: $419 million; Mar 2002: $381 million) in relation to costs incurred in acquiring and developing software. During the half, depreciation expense of $37 million (Sep 2002: $27 million; Mar 2002: $23 million) was recognised and $9 million (Sep 2002: $5 million; Mar 2002: $19 million) was written off in relation to software assets.

Deferred income - At 31 March, the Group's liabilities included $182 million (Sep 2002: $128 million; Mar 2002: $155 million) in relation to income received in advance.

International Financial Reporting Standards

From 1 January 2005, all Australian entities will be required to prepare their financial statements under International Financial Reporting Standards (IFRS) as adopted by the Australian Accounting Standards Board. IFRS are determined by the International Accounting Standards Board (IASB).

ANZ will report for the first time under IFRS when the results for the half year ended 31 March 2006 are announced. It is currently expected that comparatives will be required to be restated on initial adoption of IFRS.

The final IFRS that will be applicable to ANZ in 2005/2006 are not yet available. In particular, the IASB has yet to finalise the standard on recognition and measurement of financial instruments. Based on exposure drafts of this standard, adoption of IFRS may result in changes to accounting for hedges, doubtful debt provisioning and the status of the general provision, securitisation and the recognition of fee income. Once this standard is final, ANZ will assess how the standard will be interpreted in practice and provide a detailed explanation of the changes that will be made to ANZ's accounting policies.

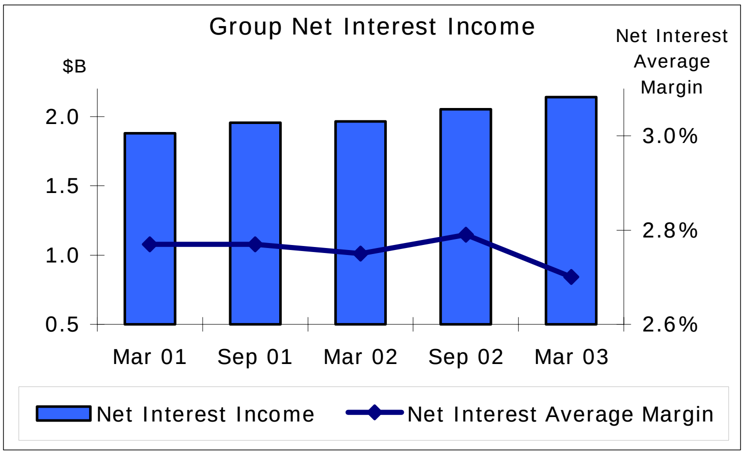
The Group has established a Steering Committee to monitor developments in IFRS and to assess the likely impact on ANZ's financial statements, accounting policies and systems. In addition, the Steering Committee is considering how IFRS will impact the financial statements of our customers, our credit assessments of customers and the changes required to credit policies and debt covenants.

2. Income

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v.Sep 02 %	Movt Mar 03 v.Mar 02 %
Interest income	5,012	4,650	4,387	8%	14%
Interest expense	(2,872)	(2,597)	(2,422)	11%	19%
Net interest income	2,140	2,053	1,965	4%	9%
Interest spread and net interest average margin (%)					
Gross interest spread	2.29	2.34	2.28	n/a	n/a
Interest forgone on impaired assets	(0.02)	(0.03)	(0.04)	n/a	n/a
Net interest spread	2.27	2.31	2.24	n/a	n/a
Interest attributable to net non-interest bearing items	0.44	0.48	0.51	n/a	n/a
Net interest average margin	2.71	2.79	2.75	n/a	n/a
Average interest earning assets ($M)	159,152	147,880	143,948	8%	11%

Comparison with September 2002 half

Net interest income at $2,140 million was 4% ($87 million) higher than the September 2002 half, primarily due to an 8% increase in interest earning asset volumes, largely in Mortgages ($5.6 billion), Institutional ($2.3 billion) and Corporate ($1.3 billion).



Gross spread decreased in Australia and New Zealand due to:

- Reduced margins in deposit based businesses.
- The mix effect of increased mortgage volumes.
- Lower asset and liability management earnings in a stable and low interest rate environment (3 basis points).

Offset by:

- Increased spreads in overseas markets with an increased proportion of high margin structured assets

The interest benefit from non-interest bearing items reduced due to a reduction in the volume of net non-interest bearing items, notably in Capital Markets where reduced net interest on non-interest bearing items was offset by increased profit on trading instruments.

Comparison with March 2002 half

Net interest income at $2,140 million was 9% ($175 million) higher than the March 2002 half, primarily due to a 11% increase in interest earning asset volumes.

Gross Spread has remained unchanged due to:

- Increased margins in overseas markets with the maturity of low yielding assets in 2002 and an increased proportion of high margin structured assets.

Offset by:

- Lower asset and liability earnings in a low and stable interest rate environment. The March 2002 half year benefited from falling interest rates.
- Lower margins on asset based businesses in Australia.

The interest benefit from non-interest bearing items reduced with lower net non-interest bearing volumes offsetting an increase in the investment rate of these funds in Australia and New Zealand.

2. Income (continued)

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Interest income	5,012	4,650	4,387	8%	14%
Other operating income					
Fee income					
Lending	469	459	417	2%	12%
Other, commissions[1]	521	599	597	-13%	-13%
Total fee income	990	1,058	1,014	-6%	-2%
Other income					
Foreign exchange earnings	185	181	184	2%	1%
Profit on trading instruments	47	26	33	81%	42%
Life insurance margin on services operating income	-	14	85	-100%	-100%
Net profit before tax from sale of business to ING Australia	-	174	-	-100%	n/a
Hedge of TrUEPrs[2] Cash Flows	36	37	35	-3%	3%
Profit from associated entities	23	16	13	44%	77%
Profit from ING Australia	19	2	-	large	n/a
Other	52	53	45	-2%	16%
Total other income	362	503	395	-28%	-8%
Total other operating income	1,352	1,561	1,409	-13%	-4%
Total income	6,364	6,211	5,796	2%	10%
Profit before income tax as a % of total income	24.9%	27.9%	25.8%	-11%	-3%

1. *Includes commissions from funds management business*
2. *Preference shares are issued via the TrUEPrs structure*

Comparison with September 2002 half

Other operating income, at $1,352 million, was 13% ($209 million) lower than the second half of last year. Excluding profit on sale of business to INGA, other operating income decreased by 3%.

- Non-lending fee income was lower due to a one-off charge of $38 million as a result of an under-accrual of loyalty points on co-branded cards covering the period back to 1999, the ongoing impact of higher loyalty program costs, lower structured finance fee income reflecting difficult market conditions, and fees in Personal Banking as customers are choosing transaction products with simpler fee structures and the sale of ANZ's funds management businesses to INGA.
- Profit on trading instruments increased 81% ($21 million) largely due to Capital Markets activities where a lower proportion of trading revenue was booked as interest (total income in Capital Markets is up $6 million).
- The reduction in life insurance margin on services income is offset by increased profit from INGA following the sale of the funds management business into INGA.
- The increased equity accounted profit from associated entities principally relates to a $16 million profit on bond sales by PT Panin, partly offset by a $6 million write down of our holding in E*Trade.
- Profit from INGA increased $17 million, with increased risk income and capital investment earnings, together with reduced costs reflecting integration benefits.

Comparison with March 2002 half

Other operating income was 4% ($57 million) lower than the first half of last year. Lending fee income was 12% higher largely in Institutional Banking, resulting from volume growth in the domestic lending portfolio. Non-lending fee income was lower due to the same issues identified above in relation to comparison with the September 2002 half. The increased equity accounted profit from associated entities principally arises from PT Panin.

3. Operating expenses

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Personnel					
Employee taxes					
Fringe benefits tax	16	14	17	14%	-6%
Payroll tax	33	33	33	-	-
Pension fund	55	51	52	8%	6%
Provision for employee entitlements	16	20	12	-20%	33%
Salaries and wages	586	557	577	5%	2%
Other	167	186	162	-10%	3%
Total personnel expenses	873	861	853	1%	2%
Premises					
Amortisation of leasehold improvements	7	7	7	-	-
Depreciation of buildings and integrals	8	9	8	-11%	-
Rent	73	80	81	-9%	-10%
Utilities and other outgoings	44	49	43	-10%	2%
Other	7	5	10	40%	-30%
Total premises expenses	139	150	149	-7%	-7%
Computer					
Computer contractors	13	15	19	-13%	-32%
Data communications	30	33	29	-9%	3%
Depreciation and amortisation	88	75	65	17%	35%
Rentals and repairs	36	27	32	33%	13%
Software purchased	53	53	52	-	2%
Other	17	12	12	42%	42%
Total computer expenses	237	215	209	10%	13%
Other					
Advertising and public relations	43	47	51	-9%	-16%
Amortisation of goodwill	9	10	10	-10%	-10%
Audit fees	2	2	1	-	100%
Depreciation of furniture and equipment	16	17	18	-6%	-11%
Freight and cartage	18	19	17	-5%	6%
Loss on disposal of premises and equipment	3	1	1	large	large
Non-lending losses, frauds and forgeries	25	28	23	-11%	9%
Postage	23	24	23	-4%	0%
Professional fees	46	54	43	-15%	7%
Stationery	23	25	25	-8%	-8%
Telephone	26	23	30	13%	-13%
Travel	38	42	35	-10%	9%
Other	49	26	58	88%	-16%
Total other expenses	321	318	335	1%	-4%
Restructuring	32	31	32	3%	-
Operating expenses excluding NHB recovery	1,602	1,575	1,578	2%	2%
Recovery from NHB litigation	-	-	(248)	n/a	-100%
Total operating expenses	1,602	1,575	1,330	2%	20%
Employees (FTE) - Permanent	21,218	21,380	21,508	-1%	-1%
Employees (FTE) - Temporary	1,265	1,102	1,229	15%	3%
Total employees	22,483	22,482	22,737	-	-1%

3. Operating expenses (continued)

Comparison with September 2002 half

Operating expenses increased by 2% ($27 million) compared to the second half of 2002. This increase was largely driven by:

- Personnel expenses increasing by 1% mainly due to the full half impact from the Enterprise Bargaining Agreement effective July 2002 as well as the impact of performance related salary increases for non-award staff. Further, permanent staff numbers were higher due to an investment in the Restoring Customer Faith initiative in Personal Banking as well as a higher headcount in Mortgages required to service the higher volumes offset by lower use of temporary staff.
- Premises costs reducing largely from a change in the method of accounting for rental costs.
- Computer costs increasing 10% due to higher software amortisation charges as new systems (eg, sales and service platform, Vision Plus and Nexus) became operational as well as increased rentals and repairs offset by lower use of computer contractors.
- Other expense increases were contained to 1%.
- Restructuring expenses were flat reflecting the ongoing business as usual restructuring consistent with recent levels.
- Exchange rate movements increased operating expenses by $11 million with an increase in New Zealand of $15 million offset by a reduction in other offshore markets of $4 million.

Comparison with March 2002 half

Operating expenses excluding the NHB recovery increased by 2% ($24 million) compared to the first half of 2002. This increase reflected salary increases from the 2002 EBA agreement as well as the impact of performance related salary increases for non-award staff, higher software amortisation offset by lower rent charges, reduced usage of computer contractors, lower marketing spend and lower professional fees. These increases were offset by a $50 million reduction in operating expenses related to the funds management businesses sold into INGA.

4. Income tax expense

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Operating profit before income tax	1,587	1,730	1,493	-8%	6%
Prima facie income tax at 30%	476	519	448	-8%	6%
Tax effect of permanent differences					
Overseas tax rate differential	15	12	12	25%	25%
Rebateable and non-assessable dividends	(9)	(6)	(5)	50%	80%
Other non-assessable income	(16)	(19)	(20)	-16%	-20%
Profit from associated entities and joint venture entities	(13)	(5)	(4)	large	large
Life insurance accounting	-	(3)	10	-100%	-100%
NHB settlement tax rate differential	-	-	15	n/a	-100%
Sale of business to ING joint venture	-	(48)	-	-100%	n/a
Other	(12)	2	(12)	large	-
	441	452	444	-2%	-1%
Income tax (over) under provided in prior years	3	5	(3)	-40%	large
Total income tax expense on profit	444	457	441	-3%	1%
Australia	312	336	347	-7%	-10%
Overseas	132	121	94	9%	40%
	444	457	441	-3%	1%
Effective tax rate	28.0%	26.4%	29.5%	6%	-5%

Comparison with September 2002 half
The Group's effective tax rate for the March 2003 half increased 1.6% from the September 2002 half largely due to roll-over relief which shields from tax the capital gain arising on the sale of businesses to the joint venture with INGA in the second half of 2002. Tax payable was also decreased by higher equity accounted earnings, recognition of tax losses in Korea, a tax deduction for the employee share issue and research and development incentives.

Comparison with March 2002 half
The Group's effective tax rate for the March 2003 half decreased 1.5% from the March 2002 half year due to the NHB settlement tax rate differential booked in the first half of 2002 coupled with the life insurance accounting permanent difference booked in the first half of 2002 but not repeated in 2003 due to the sale of businesses to the joint venture with INGA.

5. Dividends

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Dividend per ordinary share[1, 2] (cents)					
Interim (fully franked)	44	n/a	39	n/a	13%
Final (fully franked)	-	46	n/a	-100%	n/a
Ordinary share dividend[1] ($M)					
Interim dividend accrued	-	n/a	583	n/a	-100%
Proposed final dividend	-	692	n/a	n/a	n/a
Bonus option plan adjustment[3]	(13)	(11)	(12)	18%	8%
Total	(13)	681	571	large	large
Ordinary share dividend payout ratio (%)[4]	61.3%	57.0%	58.9%	8%	4%

1. *Excludes preference share dividend*
2. *Change in accounting standard. Refer to Note 1 Accounting Policies*
3. *This relates to prior period dividend payment*
4. *Dividend payout ratio calculated using proposed interim dividend for March 2003 of $666 million not included in the above table. 2002 ratios calculated using accrued amounts*

The directors propose that an interim dividend of 44 cents per share be paid on each ordinary share. The dividend will be fully franked.

The Group has a dividend reinvestment plan and a bonus option plan. Participation in these plans is limited to 50,000 shares in each plan. Election notices for these plans must be received by 22 May 2003.

The interim dividend will be payable on 1 July 2003. Dividends payable to shareholders resident in the United Kingdom and New Zealand will be converted to their local currency at ANZ's daily forward exchange rate on 22 May 2003.

In 1998 the Company issued 124,032,000 preference shares which raised USD775 million (net USD748 million after costs) via Trust Securities issues. The Trust Securities carry an entitlement to a distribution of 8% (USD400 million) or 8.08% (USD375 million). The amounts are payable quarterly in arrears.

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Preference share dividend					
Dividend paid ($M)	54	57	60	-5%	-10%
Dividend per preference share (USD cents)	25.1	25.1	25.1	-	-

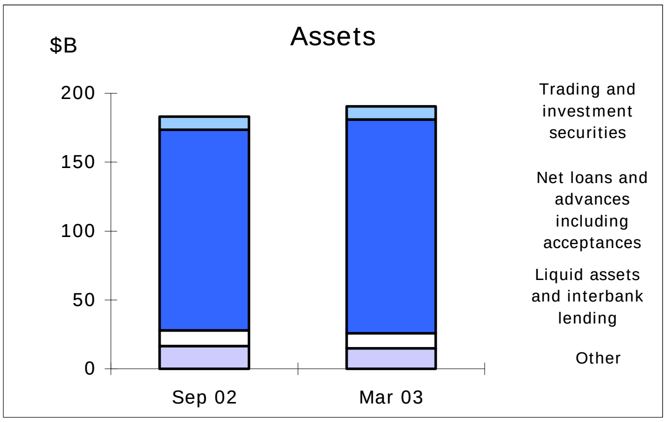
6. Earnings per ordinary share

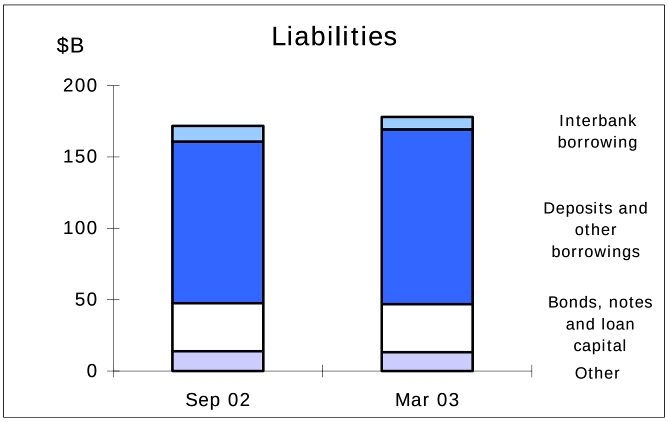
	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Number of fully paid ordinary shares on issue (M)	1,513.4	1,503.9	1,495.7	1%	1%
Basic					
Net profit attributable to members of the Company[1] ($M)	1,087	1,215	990	-11%	10%
Weighted average number of ordinary shares (M)	1,510.2	1,501.5	1,492.2	1%	1%
Basic earnings per share (cents)	72.0	81.0	66.3	-11%	9%
Diluted					
Weighted average number of shares - diluted (M)	1,515.1	1,509.2	1,499.7	-	1%
Diluted earnings per share (cents)	71.7	80.6	66.0	-11%	9%
Adjusted Basic					
Net profit attributable to members of the Company[1] ($M)	1,087	1,215	990	-11%	10%
Significant transactions	-	(170)	16	-100%	-100%
Earnings excluding significant transactions	1,087	1,045	1,006	4%	8%
Earnings per share (cents) excluding significant transactions	72.0	69.6	67.4	3%	7%
Net profit attributable to members of the Company[1] ($M)	1,087	1,215	990	-11%	10%
Significant transactions	-	(170)	16	-100%	-100%
Goodwill amortisation[2]	31	28	10	11%	large
Earnings excluding significant transactions and goodwill amortisation	1,118	1,073	1,016	4%	10%
Earnings per share (cents) excluding significant transactions and goodwill amortisation	74.0	71.5	68.1	4%	9%

1. *Excludes preference share dividend*
2. *Includes INGA notional goodwill amortisation*

NOTES TO THE FINANCIAL STATEMENTS

Statement of Financial Position





Total group assets increased by $7.4 billion (4%) over September 2002. The increase consisted of a $0.6 billion decrease due to exchange rate movements and an underlying increase of $8.0 billion. The explanations below are movements from 30 September 2002 excluding the exchange rate movements.

- Net loans and advances including acceptances increased $9.4 billion with a $5.5 billion increase in Mortgages helped by continued low interest rates and a buoyant housing market in Australia. There was solid growth in Australia and New Zealand, in Institutional ($0.6 billion), Small to Medium Enterprises ($1.0 billion), Asset Finance ($0.5 billion), and Consumer Finance ($0.3 billion) while offshore lending was relatively flat.
- Liquid assets increased by $0.6 billion offsetting a $0.6 billion reduction in due from financial institutions.
- Investment securities increased $0.8 billion as Treasury increased its holdings of longer dated securities, while Trading securities decreased $0.7 billion.
- Other assets decreased by $1.7 billion mainly due to the revaluation of off balance sheet derivative instruments.

Total group liabilities increased by $6.4 billion (4%) over September 2002. The increase included a $1.4 billion decrease due to exchange rate movements partly offsetting an underlying 5% increase of $7.8 billion. The explanations below are movements from 30 September 2002 excluding the exchange rate movements:

- Deposits and other borrowings increased $9.4 billion reflecting:
  - Higher deposit volumes in Institutional ($2.6 billion), Personal Banking ($1.4 billion including V2 Plus), Corporate ($0.7 billion), Asset Finance ($0.6 billion) and Asia Pacific ($0.4 billion) as customers have increased their cash holding in the uncertain economic environment.
  - Increased Treasury funding ($3.2 billion) driven by balance sheet growth with a $4.9 billion increase in commercial paper, facilitating a reduced reliance on certificate of deposit funding.
- Amounts due to other financial institutions were $1.3 billion lower than September 2002 resulting from a lower demand for short term funds, and increased funding from other sources.
- Bonds, notes and loan capital increased by $1.3 billion with $1.7 billion in medium term note issuances during the half year, in response to increased term funding requirements in Australia.
- Provisions decreased by $0.8 billion mainly due to a change in accounting standards whereby the Group no longer accrues dividends.

7. Investment securities

	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Total book value	4,301	3,609	2,716	19%	58%
Total market value	4,302	3,611	2,712	19%	59%

8. Net loans and advances

	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Australia					
Term loans - housing	56,942	52,381	47,812	9%	19%
Term loans - non housing	37,493	34,212	33,333	10%	12%
Lease finance/hire purchase	8,349	7,914	7,697	5%	8%
Overdrafts	3,406	3,151	2,752	8%	24%
Credit card outstandings	4,119	3,888	3,604	6%	14%
Other	876	992	751	-12%	17%
	111,185	102,538	95,949	8%	16%
New Zealand					
Term loans - housing	10,618	9,796	9,384	8%	13%
Term loans - non housing	7,697	6,460	6,157	19%	25%
Lease finance/hire purchase	899	852	765	6%	18%
Overdrafts	650	619	596	5%	9%
Credit card outstandings	515	462	425	11%	21%
Other	1,084	908	1,140	19%	-5%
	21,463	19,097	18,467	12%	16%
Overseas markets					
Term loans - housing	338	323	297	5%	14%
Term loans - non housing	10,844	11,938	12,518	-9%	-13%
Lease finance/hire purchase	427	469	557	-9%	-23%
Overdrafts	872	860	625	1%	40%
Credit card outstandings	117	108	79	8%	48%
Other	79	16	15	large	large
	12,677	13,714	14,091	-8%	-10%
Total gross loans and advances[1,2]	145,325	135,349	128,507	7%	13%
Less:					
Provisions for doubtful debts	(2,088)	(2,081)	(2,135)	0%	-2%
Income yet to mature	(1,272)	(1,208)	(1,105)	5%	15%
Total net loans and advances[1,2]	141,965	132,060	125,267	8%	13%

1. *Bills held in portfolio, $1,223 million (Sep 2002: $1,453 million; Mar 2002: $1,021 million) are included in trading securities*
2. *Securitised mortgages outstanding $1,681 million (Sep 2002: $1,925 million; Mar 2002: $2,240 million) not included in net loans and advances*

Comparison with September 2002 half

Net loans and advances grew by $9.9 billion with a $1.2 billion increase from an appreciating NZD offset by a $1.2 billion reduction in overseas markets with a depreciation in the USD. Excluding these exchange rate effects lending increased in:

- Australia with a $4.6 billion growth in mortgages together with growth in term loans, largely in Institutional Banking ($1.1 billion) and Corporate and Small to Medium Enterprises ($0.9 billion), overdrafts, lease finance and credit card receivables.
- New Zealand by $1.1 billion due to significant growth in non-housing loans ($0.8 billion) in Institutional, New Zealand Banking and Asset Finance. Housing loans grew $0.2 billion following two half years of subdued growth.
- Overseas by $0.2 billion reflecting constrained lending to corporates in UK and US markets.

8. Net loans and advances (continued)

Comparison with March 2002 half

Net loans and advances grew by $16.7 billion with exchange rate movements accounting for an increase of $2.0 billion in New Zealand and a $0.9 billion reduction in overseas markets. Growth in Australia was dominated by Mortgage growth of $9.1 billion, with term loan growth in Institutional Banking ($1.8 billion), Small Business lending ($1.2 billion), overdrafts ($0.7 billion), lease finance ($0.7 billion) and credit card receivables ($0.5 billion). Excluding the exchange rate impact, lending in New Zealand grew $0.9 billion and overseas decreased by $0.5 billion.

Net loans and advances including commercial bills

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net advances					
Personal Banking Australia	5,197	4,945	4,700	5%	11%
Institutional	42,181	41,702	42,676	1%	-1%
Corporate	14,909	13,633	12,948	9%	15%
New Zealand Banking	3,871	3,466	3,176	12%	22%
Mortgages	70,182	64,139	59,213	9%	19%
Consumer Finance	5,523	5,184	4,858	7%	14%
Asset Finance	12,243	11,623	11,263	5%	9%
Asia Pacific	1,222	1,204	1,165	1%	5%
Other	(93)	(40)	(220)	large	-58%
Net advances	155,235	145,856	139,779	6%	11%
less Customers' liabilities for acceptances	(13,270)	(13,796)	(14,512)	-4%	-9%
Net loans and advances	141,965	132,060	125,267	8%	13%

Net loans and advances including commercial bills, excluding foreign exchange impact

Net advances					
Personal Banking Australia	5,197	4,945	4,700	5%	11%
Institutional	42,181	40,838	42,272	3%	0%
Corporate	14,909	13,633	12,948	9%	15%
New Zealand Banking	3,871	3,682	3,530	5%	10%
Mortgages	70,182	64,718	60,215	8%	17%
Consumer Finance	5,523	5,210	4,911	6%	12%
Asset Finance	12,243	11,732	11,441	4%	7%
Asia Pacific	1,222	1,150	1,100	6%	11%
Other	(93)	(65)	(225)	43%	-59%
Net advances (excl FX impact)	155,235	145,843	140,892	6%	10%
FX impact on reported net advances	-	13	(1,113)	-100%	-100%
Net advances	155,235	145,856	139,779	6%	11%
less Customers' liabilities for acceptances	(13,270)	(13,796)	(14,512)	-4%	-9%
Reported net loans and advances	141,965	132,060	125,267	8%	13%

The foreign exchange impact is calculated by retranslating prior period numbers at March 2003 exchange rates.

9. Impaired assets

Provision for doubtful debts

The charge for doubtful debts was determined under economic loss provisioning principles (ELP) and represents the expected average annual loss on principal over the economic cycle for the average risk profile of the lending portfolio during the half. The ELP charge was $303 million for the March 2003 half year as compared to $309 million for the September 2002 half year. Due to the continued uncertainty in the offshore lending portfolio, particularly in the Power and Telecommunications industries in US and Europe, in addition to the standard modelled ELP charge, a further $52 million has been provided. This is consistent with the second half of 2002 and represents 0.07% of average net lending assets.

The March 2003 half year charge as a percentage of average net lending assets was 40 basis points, representing a 3 basis point decrease on the level reported for the September 2002 half year with a modest improvement in average credit quality and continuing increase in the proportion of mortgages.

	Half year Mar 03 %	Half year Sep 02 %	Half year Mar 02 %
ELP rates[1]			
Personal Banking Australia	0.49%	0.48%	0.53%
Institutional	0.37%	0.40%	0.38%
Corporate	0.34%	0.34%	0.36%
New Zealand Banking	0.39%	0.40%	0.43%
Mortgages	0.05%	0.05%	0.05%
Consumer Finance	2.68%	2.87%	3.51%
Asset Finance	0.53%	0.59%	0.62%
Asia Pacific	0.82%	0.86%	0.82%
Operating segments total	0.33%	0.36%	0.38%
Group Centre	0.07%	0.07%	0.40%
Total	0.40%	0.43%	0.78%
ELP charge ($million)	**303**	**309**	**551**

1. *ELP rate = Annualised economic loss provisioning divided by net lending assets*

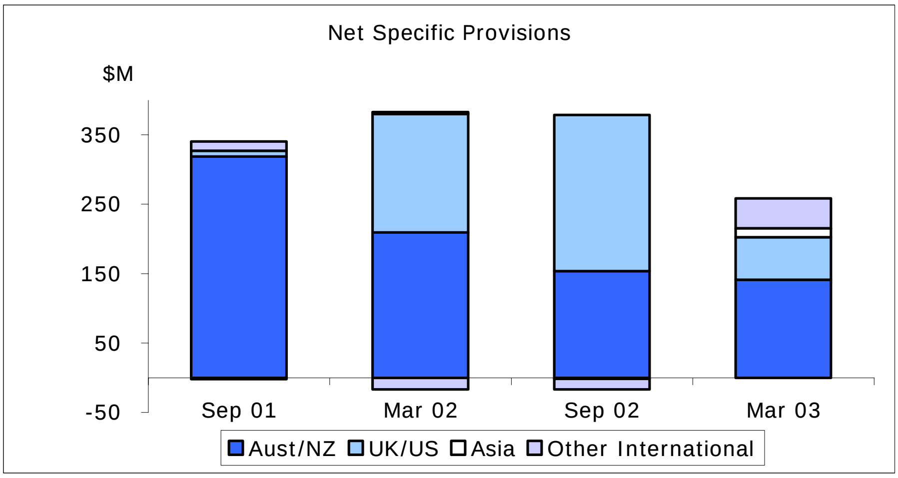
	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Provision movement analysis					
New and increased provisions					
Australia	176	181	242	-3%	-27%
New Zealand	22	25	29	-12%	-24%
Overseas markets	134	241	180	-44%	-26%
	332	447	451	-26%	-26%
Provision releases	(47)	(52)	(58)	-10%	-19%
	285	395	393	-28%	-27%
Recoveries of amounts previously written off	(26)	(33)	(27)	-21%	-4%
Net specific provisions	259	362	366	-28%	-29%
Net credit to general provision	44	(53)	185	n/a	-76%
Charge to statement of financial performance	303	309	551	-2%	-45%

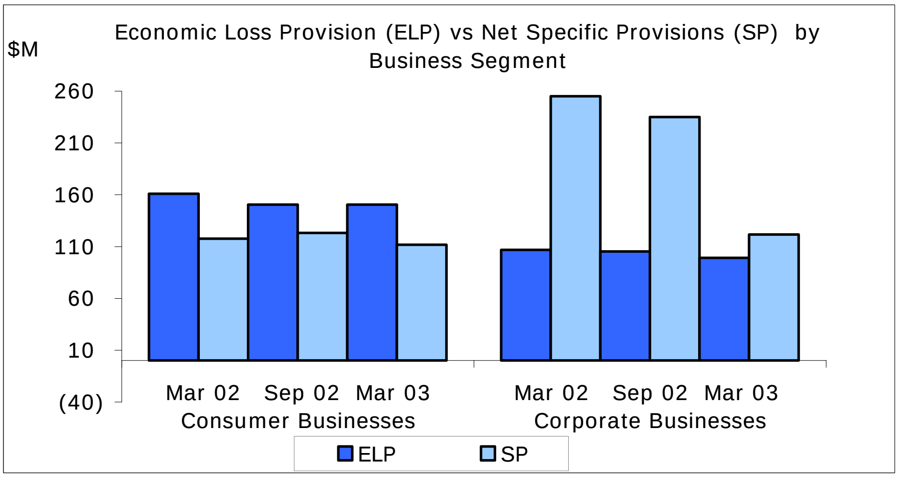
9. Impaired assets (continued)

Provision for doubtful debts (continued)

Actual loss experience or net specific provisions for the half year to 31 March totalled $259 million, a decrease of $103 million over the half year to 30 September 2002. The reduction was mainly due to no large single name losses in the March 2003 half, compared to the September 2002 full year where 43% of losses were due to two large amounts in the offshore portfolios. While the Australian and New Zealand portfolio losses remained relatively stable over the half year, the international portfolio reduced by 44%. Settlement of the Grindlays credit warranties ($27 million) was included in net specific provisions for the half.

At 31 March 2003, the general provision was strong and stood at $1,530 million, a surplus of $429 million over the tax effected 0.5% of risk weighted assets guidelines indicated by the Australian Prudential Regulation Authority.

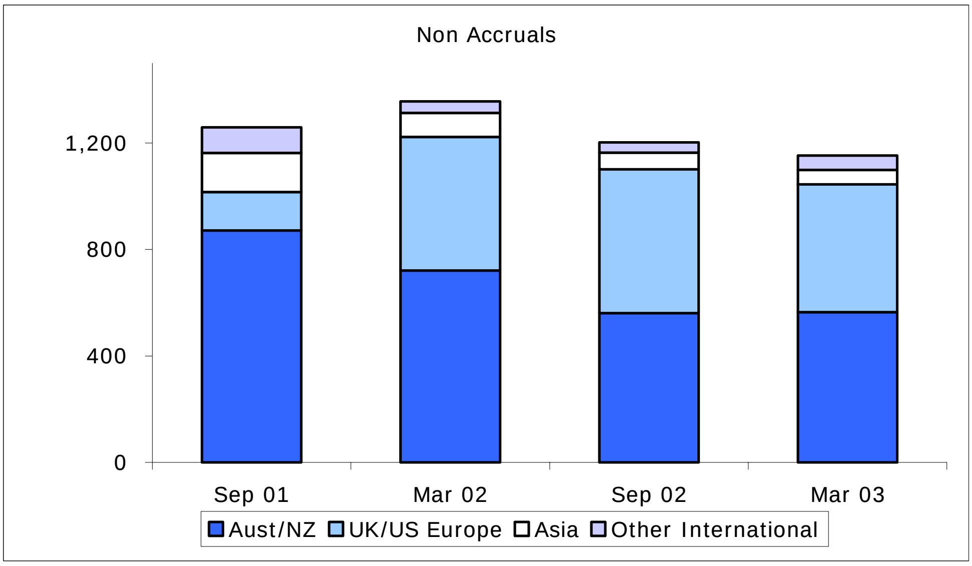


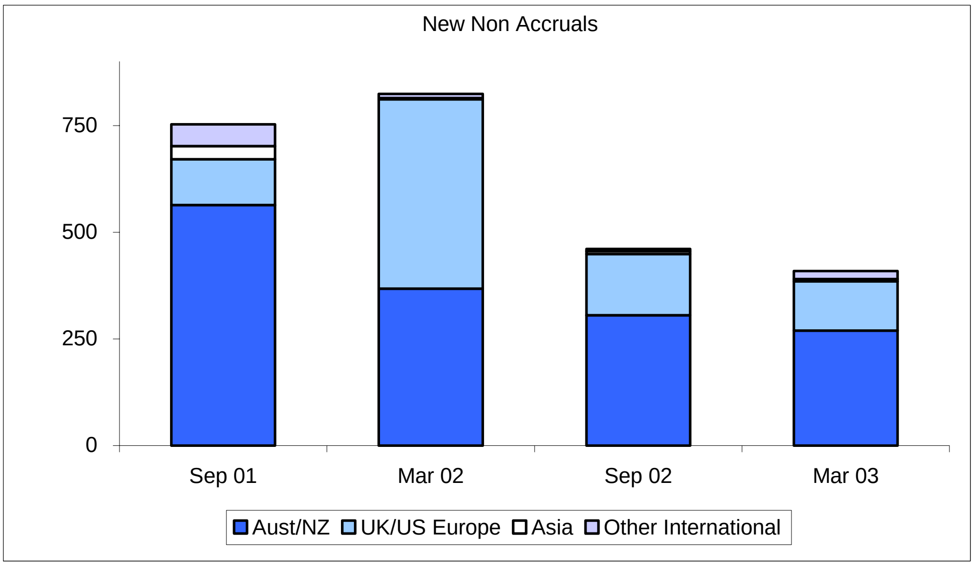


9. Impaired assets (continued)

Non-accrual loans

Gross non-accrual loans decreased to $1,153 million from $1,203 million at September 2002 mainly due to a reduction in the International portfolio as a result of a stable level of non-accruals and write-offs. New non-accruals of $409 million in the March 2003 half represent a reduction of $52 million compared to the September 2002 half and well down on the September 2001 and March 2002 halves where 'Fallen Angels' boosted the level of non-accruals.



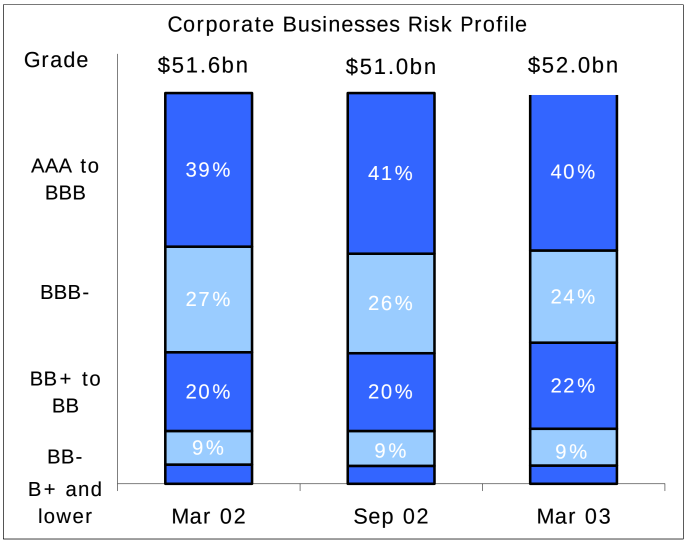


The Group remains well provided with a specific provision coverage ratio of 48%. Net non-accruals are $600 million (September 2002: $628 million) and represents 4.8% of shareholders' equity at March 2003.

9. Impaired assets (continued)

Corporate Businesses Risk profile

The Corporate Business lending risk grade profile shows a small amount of slippage over the last half, particularly in the BB+ to BB category. Given the weakening in the Australian equity markets, this was not unexpected. The downgrades mainly from BBB- to BB+ and BB were account specific and at this point not reflective of any wider industry or portfolio trend. There has been a slight reduction in non-accrual loans as a result of the partial write off of offshore corporate loans.

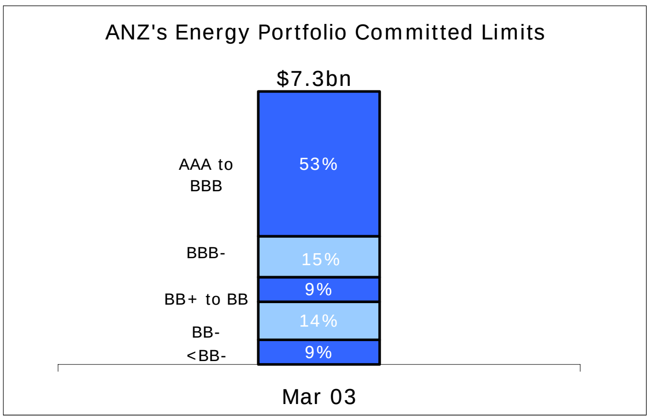


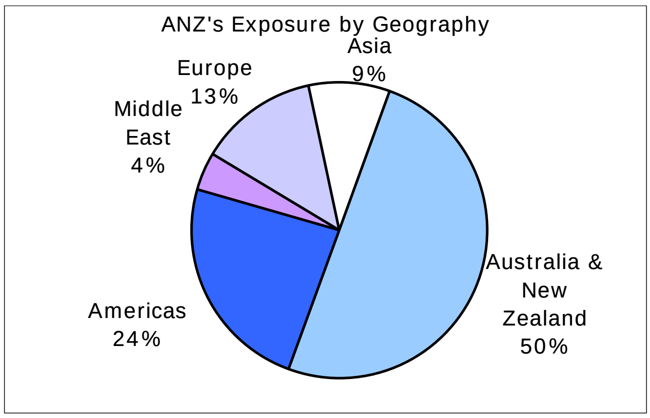
Grade	Mar 02	Sep 02	Mar 03
B+ to CCC	3.0%	2.9%	3.1%
CCC and lower	1.9%	1.7%	1.6%

Internal credit ratings have been mapped to external credit grades in this table

The two industry sectors that emerged as problems during the 2002 year were power and telecommunications. These continue to be closely monitored.

Power industry exposure



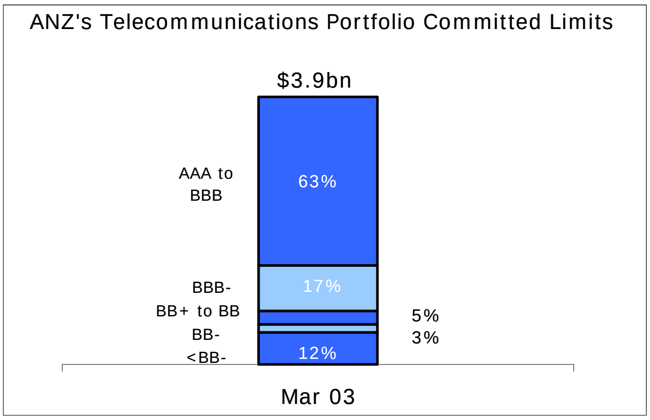


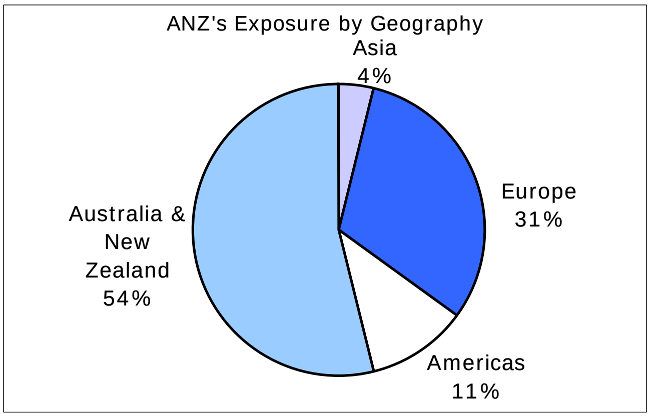
Approximately 68% of ANZ's exposure to the power industry is investment grade. Last year the US power industry underwent some specific sectoral stress following market deregulation and ensuing expansions. While last year ANZ had been adversely affected by a small number of single name exposures (most notably Enron), ANZ is of the view that the worst is past for the US electricity sector and that the sector will start to stabilise.

9. Impaired assets (continued)

Corporate Businesses Risk profile, continued

Telecommunication industry exposure





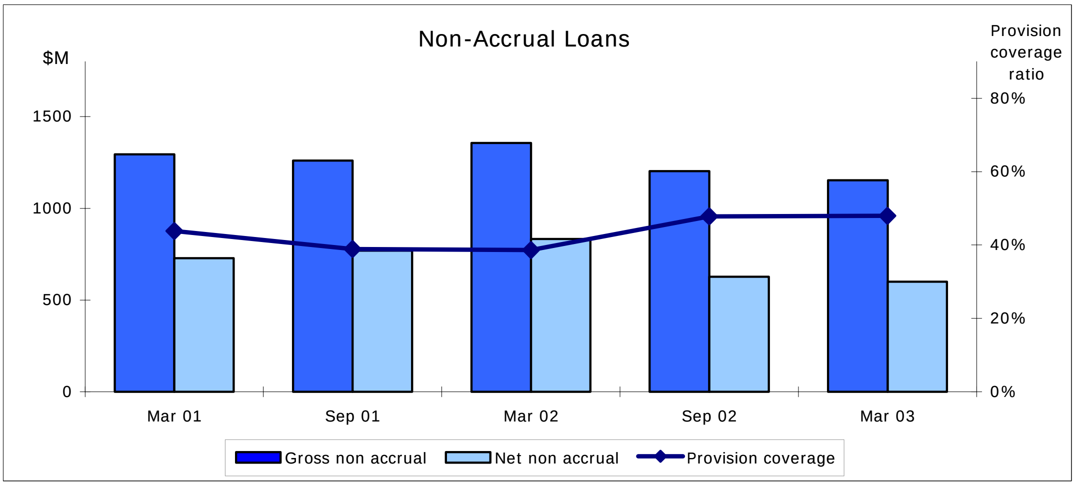
Many foreign Telecommunications companies continue to be exposed to high levels of debt. Last year ANZ had been adversely affected by its exposures to Marconi and one other customer. This year the situation appears to have stabilized, although the Group remains cautious about this sector internationally. Half of the limits are Australian and New Zealand based, and 80% are investment grade.

Australian and New Zealand Industry Exposure

Industry	**As at Mar 03**	As at Sep 02	As at Mar 02
Real estate operators and developers	7.6%	7.4%	7.6%
Manufacturing	6.1%	6.6%	7.0%
Retail Trade	3.9%	4.0%	4.1%
Wholesale Trade	2.4%	2.8%	2.9%
Agriculture	2.7%	2.6%	2.8%
Business Services	2.0%	2.3%	2.3%
Finance - Other	2.6%	2.2%	2.4%
Finance Banks, Building Societies, Authorised Money Markets	2.1%	2.3%	2.4%
Transport & Storage	2.2%	2.1%	2.1%
Accommodation, Clubs, Pubs, Cafes & Restaurants	1.9%	2.0%	2.0%
Utilities	1.4%	1.6%	1.5%
Construction	1.2%	1.2%	1.3%
Health & Community Services	1.1%	1.2%	1.1%
Mining	0.8%	1.0%	1.0%
Cultural & Recreational Services	1.0%	1.1%	1.2%
Personal & Other Services	0.4%	0.4%	0.4%
Forestry & Fishing	0.5%	0.4%	0.4%
Communication Services	0.3%	0.4%	0.3%
Education	0.2%	0.2%	0.2%
Finance - Insurance & Superannuation	0.3%	0.2%	0.2%
Government Administration & Defence	0.1%	0.2%	0.1%
Consumer	59.2%	57.8%	56.7%
Total	100%	100%	100%

9. Impaired Assets (continued)

	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Summary of impaired assets					
Non-accrual loans	1,153	1,203	1,357	-4%	-15%
Restructured loans	-	1	1	-100%	-100%
Unproductive facilities	55	54	144	2%	-62%
Gross impaired assets	1,208	1,258	1,502	-4%	-20%
Less specific provisions:					
Non-accrual loans	(553)	(575)	(524)	-4%	6%
Unproductive facilities	(5)	(10)	(65)	-50%	-92%
Net impaired assets	650	673	913	-3%	-29%
Non-accrual loans					
Non-accrual loans	1,153	1,203	1,357	-4%	-15%
Specific provisions	(553)	(575)	(524)	-4%	6%
Total net non-accrual loans	600	628	833	-4%	-28%
Before specific provisions					
Australia	527	523	688	1%	-23%
New Zealand	38	37	34	3%	12%
Overseas markets	588	643	635	-9%	-7%
Total non-accrual loans	1,153	1,203	1,357	-4%	-15%
After specific provisions					
Australia	286	315	367	-9%	-22%
New Zealand	22	17	17	29%	29%
Overseas markets	292	296	449	-1%	-35%
Total net non-accrual loans	600	628	833	-4%	-28%



9. Impaired Assets (continued)

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
New and increased non accrual loans					
Australia	219	248	329	-12%	-33%
New Zealand	50	58	39	-14%	28%
Overseas markets	140	155	456	-10%	-69%
Total new non accrual loans	409	461	824	-11%	-50%

Further analysis on non-accrual loans at 31 March 2003 and interest and/or other income received during the period is as follows:

	Gross balance outstanding $M	Specific provision $M	Interest and/or other income received
Non-accrual loans			
Without provisions			
Australia	58	-	2
New Zealand	4	-	-
Overseas markets	36	-	-
	98	-	2
With provisions and no, or partial, performance[1]			
Australia	463	236	4
New Zealand	34	16	1
Overseas markets	550	295	7
	1,047	547	12
With provisions and full performance[1]			
Australia	6	5	-
New Zealand	-	-	-
Overseas markets	2	1	1
	8	6	1
Total non-accrual loans	1,153	553	15
Restructured loans	-	-	-
Unproductive facilities	55	5	-
Total	1,208	558	15

1. *A loan's performance is assessed against its contractual repayment schedule*

9. Impaired assets (continued)

Interest and other income forgone on impaired assets

The following table shows the estimated amount of interest and other income forgone, net of interest recoveries, on average impaired assets during the period.

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Gross interest and other income receivable on non-accrual loans, restructured loans and unproductive facilities					
Australia	18	27	23	-33%	-22%
New Zealand	1	2	1	-50%	-
Overseas markets	15	12	18	25%	-17%
Total gross interest and other income receivable on impaired assets	34	41	42	-17%	-19%
Interest and other income received					
Australia	(6)	(4)	(6)	50%	-
New Zealand	(1)	(2)	(1)	-50%	-
Overseas markets	(8)	(12)	(4)	-33%	100%
Total interest income and other income received	(15)	(18)	(11)	-17%	36%
Net interest and other income forgone					
Australia	12	23	17	-48%	-29%
New Zealand	-	-	-	n/a	n/a
Overseas markets	7	-	14	n/a	-50%
Total net interest and other income forgone	19	23	31	-17%	-39%

	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Restructured loans					
Australia	-	1	1	-100%	-100%
New Zealand	-	-	-	n/a	n/a
Overseas markets	-	-	-	n/a	n/a
	-	1	1	-100%	-100%
Other real estate owned (OREO)	-	-	-	n/a	n/a

In the event of customer default, any loan security is held as mortgagee in possession and therefore the Group does not hold any other real estate owned assets.

9. Impaired assets (continued)

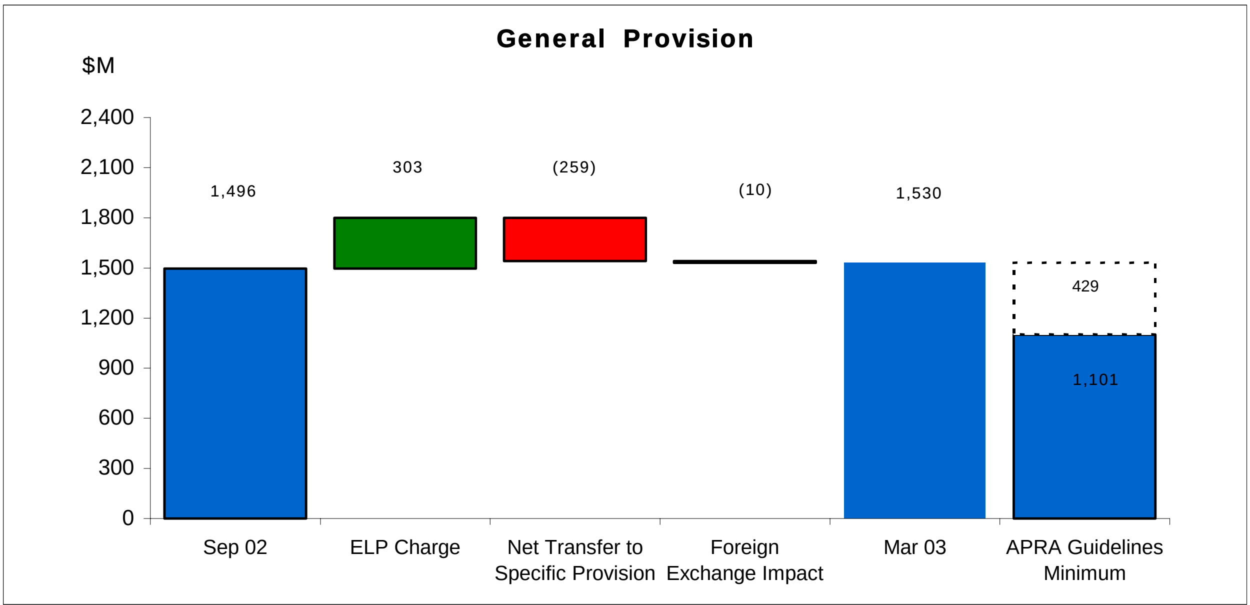
	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Unproductive facilities					
Australia	27	34	34	-21%	-21%
Overseas markets	28	20	110	40%	-75%
Gross unproductive facilities	55	54	144	2%	-62%
Specific provision					
Australia	1	4	-	-75%	n/a
Overseas markets	4	6	65	-33%	-94%
Specific provision	5	10	65	-50%	-92%
Net unproductive facilities	50	44	79	14%	-37%

The following amounts are not classified as impaired assets and therefore are not included within the summary on page 93.

Accruing loans past due 90 days or more					
Australia	199	176	220	13%	-10%
New Zealand	23	25	51	-8%	-55%
Overseas markets	21	15	7	40%	large
	243	216	278	13%	-13%

10. Provisions for doubtful debts

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
General provision					
Balance at start of period	1,496	1,546	1,386	-3%	8%
Adjustment for exchange rate fluctuations	(10)	3	(25)	large	-60%
Charge to statement of financial performance	303	309	551	-2%	-45%
Transfer to specific provision	(285)	(395)	(393)	-28%	-27%
Recoveries	26	33	27	-21%	-4%
Total general provision	1,530	1,496	1,546	2%	-1%
Specific provision					
Balance at start of period	585	589	500	-1%	17%
Adjustment for exchange rate fluctuations	(29)	5	(11)	large	large
Bad debts written off	(283)	(404)	(293)	-30%	-3%
Transfer from general provision	285	395	393	-28%	-27%
Total specific provision	558	585	589	-5%	-5%
Total provisions for doubtful debts	2,088	2,081	2,135	-	-2%



	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Specific provision balance					
Australia	242	211	321	15%	-25%
New Zealand	16	20	17	-20%	-6%
Domestic Markets	258	231	338	12%	-24%
Overseas markets	300	354	251	-15%	20%
Total specific provision	558	585	589	-5%	-5%
General provision	1,530	1,496	1,546	2%	-1%
Total provisions for doubtful debts	2,088	2,081	2,135	0%	-2%

11. Capital adequacy

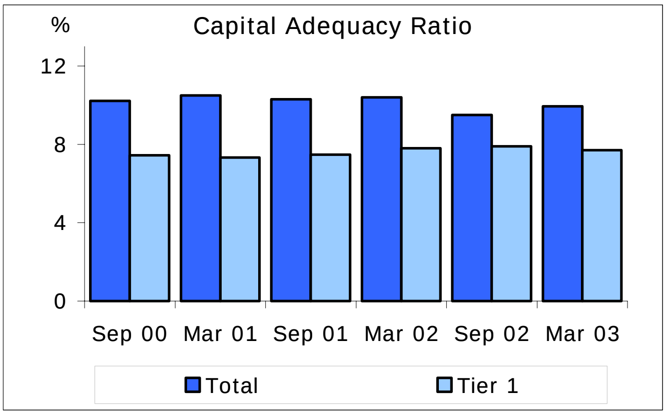
	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Qualifying capital					
Tier 1					
Total shareholders' equity and outside equity interests	12,485	11,465	10,803	9%	16%
Less: Asset revaluation reserve	(31)	(31)	(31)	-	-
Interim dividend	(666)	-	-	n/a	n/a
Accumulated retained profits of insurance and reserves of insurance, trustee and securitisation entities	(99)	(48)	-	large	n/a
Unamortised goodwill	(151)	(158)	(165)	-4%	-8%
Investment in ANZ Lenders Mortgage Insurance	(27)	(27)	(18)	-	50%
Tier 1 capital	11,511	11,201	10,589	3%	9%
Tier 2					
Asset revaluation reserve	31	31	31	-	-
Perpetual subordinated notes	497	1,027	1,053	-52%	-53%
General provision for doubtful debts[1]	1,033	1,007	1,045	3%	-1%
	1,561	2,065	2,129	-24%	-27%
Subordinated notes[2]	3,482	1,872	2,017	86%	73%
Tier 2 capital	5,043	3,937	4,146	28%	22%
Deductions					
Investment in trustee and securitisation entities	57	45	608	27%	-91%
Investment in joint venture with ING	1,591	1,591	-	-	n/a
Other	136	67	49	large	large
Total deductions	1,784	1,703	657	5%	large
Total qualifying capital	14,770	13,435	14,078	10%	5%
Adjusted common equity					
Tier 1 capital	11,511	11,201	10,589	3%	9%
Less: Preference share capital[3]	1,284	1,425	1,461	-10%	-12%
Deductions	1,784	1,703	657	5%	large
Adjusted common equity	8,443	8,073	8,471	5%	-
Ratios (%)					
Inner Tier 1	6.9%	6.9%	6.8%	-	1%
Tier 1	7.7%	7.9%	7.8%	-3%	-1%
Tier 2	3.4%	2.8%	3.1%	21%	10%
	11.1%	10.7%	10.9%	4%	2%
Less: Deductions	(1.2%)	(1.2%)	(0.5%)	-	large
Total	9.9%	9.5%	10.4%	4%	-5%
Adjusted common equity	5.7%	5.7%	6.3%	-	-10%
Risk weighted assets	148,603	141,390	135,418	5%	10%

1. *Excluding attributable future income tax benefit*
2. *For capital adequacy calculation purposes, subordinated note issues are reduced each year by 20% of the original amount during the last five years to maturity*
3. *At current exchange rates, excluding issue costs*

The increase in total capital position was driven by the increase in Tier 2 capital with $1.9 billion in new issues during the half year. The total capital ratio is well above APRA's minimum guideline ratio of 8%.

Tier 1 capital ratio was slightly reduced as a result of an increase in deduction for the deconsolidation items for funds, insurance and trust companies.

The ACE ratio remained at 5.7%, within our target range of 5.25% to 5.75%, with strong risk weighted assets growth absorbing internal capital generation.



12. Share capital and options

Issued and quoted securities

	Number quoted	Issue price per share	Amount paid up per share
Ordinary shares			
Total at 31 March 2003	1,513,387,858		
Issued during half year	9,501,776		
Preference shares			
Total at 31 March 2003	124,032,000	US$6.25	US$6.25

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Net profit as a % of shareholder's equity					
including preference shares at end of period	18.3%	22.2%	19.5%	-18%	-6%

12. Share capital and options (continued)

Options	Number issued	Exercise price	Expiry date
On issue	35,194	$0.00	24/10/2003
	75,000	$8.97	27/10/2003
	30,000	$10.34	10/12/2003
	10,000	$10.41	27/01/2004
	62,000	$11.44	24/03/2004
	23,186	$0.00	24/04/2004
	562,500	$11.20	01/06/2004
	150,000	$11.30	11/07/2004
	700,000	$9.94	26/10/2004
	750,000	$11.49	31/12/2004
	750,000	$14.78	31/12/2004
	500,000	$17.20	31/12/2005
	849,000	$10.11	22/02/2007
	350,000	$10.20	07/03/2007
	427,500	$11.81	23/05/2007
	200,000	$12.23	06/06/2007
	65,000	$12.75	25/09/2007
	2,137,258	$14.34	21/11/2007
	500,000	$17.52	31/12/2007
	1,000,000	$17.41	31/12/2007
	2,542,500	$14.63	07/02/2008
	4,309,075	$14.92	20/02/2008
	75,000	$15.47	26/02/2008
	3,387,077	$13.70	24/04/2008
	194,800	$13.70	06/05/2008
	433,250	$15.33	31/05/2008
	76,000	$16.49	20/08/2008
	78,750	$16.81	26/08/2008
	50,000	$17.05	23/10/2008
	4,169,025	$17.05	24/10/2008
	20,000	$18.21	25/02/2009
	4,649,823	$18.75	24/04/2009
	145,000	$19.27	13/05/2009
	294,970	$19.27	27/06/2009
	17,000	$17.90	21/07/2009
	4,944,479	$18.06	22/10/2009[1]
	40,000	$18.28	19/11/2009

Options	Number issued	Exercise price	Expiry date
Issued during current half year	1,000,000	$17.41	31/12/2007
	4,984,824	$18.06	22/10/2009
	40,000	$18.28	19/11/2009

1. *The exercise price on these options is a minimum of $18.06 and increases with any appreciation in the banking and finance index from the date of issue*

12. SHARE CAPITAL AND OPTIONS (CONTINUED)

Options	Number issued	Exercise price	Expiry date
Exercised during current half year	2,565	$11.45	22/01/2003
	325,000	$9.51	23/02/2003
	36,307	$0.00	24/10/2003
	175,000	$8.97	27/10/2003
	165,000	$10.34	10/12/2003
	20,000	$11.44	24/03/2004
	1,290,000	$11.20	01/06/2004
	2,500	$11.26	06/06/2004
	200,000	$9.94	26/10/2004
	100,000	$10.63	30/01/2005
	171,000	$10.11	22/02/2007
	10,000	$11.81	23/05/2007
	7,500	$12.75	25/09/2007
	216,000	$14.34	21/11/2007
	71,900	$14.63	07/02/2008
	121,450	$14.92	20/02/2008
	50,000	$15.66	06/03/2008
	93,550	$13.70	24/04/2008
	17,250	$15.33	31/05/2008
	3,000	$16.81	26/08/2008
	79,850	$17.05	24/10/2008
	347	$18.75	24/04/2009

Options	Number issued	Exercise price	Expiry date
Lapsed and surrendered during current half year	235	$0.00	24/04/2004
	30,000	$10.11	22/02/2007
	10,000	$11.81	23/05/2007
	2,500	$12.75	25/09/2007
	20,000	$14.34	21/11/2007
	62,350	$14.63	07/02/2008
	79,500	$14.92	20/02/2008
	124,500	$13.70	24/04/2008
	3,000	$15.33	31/05/2008
	2,250	$16.81	26/08/2008
	150,750	$17.05	24/10/2008
	172,010	$18.75	24/04/2009
	3,000	$19.27	27/06/2009
	40,345	$18.06	22/10/2009

13. Average Balance Sheet and related interest

Averages used in the following tables are predominantly daily averages. Interest income figures are presented on a tax-equivalent basis. Non-accrual loans are included under the interest earning asset category, "loans, advances an
d bills discounted". Intragroup interest earning assets and interest bearing liabilities are treated as external assets and liabilities for the geographic segments.

Half year Average Balance Sheet

	Half year Mar 03			Half Year Sep 2002			Half Year Mar 02		
	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %
Interest earning assets									
Due from other financial institutions									
Australia	**499**	**11**	**4.6%**	470	8	3.4%	837	18	4.4%
New Zealand	**649**	**13**	**4.0%**	595	14	4.7%	545	12	4.3%
Overseas markets	**2,013**	**25**	**2.5%**	2,354	31	2.6%	2,454	38	3.1%
Investments in public securities									
Australia	**6,130**	**149**	**4.9%**	5,875	145	4.9%	4,890	114	4.7%
New Zealand	**1,763**	**42**	**4.7%**	1,247	28	4.5%	1,259	27	4.2%
Overseas markets	**1,861**	**40**	**4.3%**	1,668	39	4.7%	1,431	43	5.9%
Loans, advances and bills discounted									
Australia	**106,031**	**3,507**	**6.6%**	98,154	3,254	6.6%	93,525	3,001	6.5%
New Zealand	**20,189**	**786**	**7.8%**	18,512	711	7.7%	17,744	652	7.4%
Overseas markets	**13,310**	**276**	**4.2%**	13,065	292	4.5%	15,331	335	4.4%
Other assets									
Australia	**1,922**	**46**	**4.8%**	1,721	12	1.4%	1,204	22	3.7%
New Zealand	**1,256**	**46**	**7.3%**	1,349	46	6.8%	1,349	37	5.5%
Overseas markets	**3,529**	**80**	**4.5%**	2,870	81	5.6%	3,379	98	5.8%
Intragroup assets									
Overseas markets	**9,002**	**98**	**2.2%**	9,343	103	2.2%	9,708	108	2.2%
	168,154	**5,119**		157,223	4,764		153,656	4,505	
Intragroup elimination	**(9,002)**	**(98)**		(9,343)	(103)		(9,708)	(108)	
	159,152	**5,021**	**6.3%**	147,880	4,661	6.3%	143,948	4,397	6.1%
Non-interest earning assets									
Acceptances									
Australia	**13,577**			14,287			14,826		
Overseas markets	**115**			89			215		
Premises and equipment	**1,436**			1,351			1,347		
Other assets	**15,239**			16,471			19,918		
Provisions for doubtful debts									
Australia	**(1,806)**			(1,928)			(1,681)		
New Zealand	**(207)**			(184)			(168)		
Overseas markets	**(143)**			(33)			(83)		
	28,211			30,053			34,374		
Total assets	**187,363**			177,933			178,322		

13. Average Balance Sheet and related interest (continued)

	Half year Mar 03			Half Year Sep 2002			Half Year Mar 02		
	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %
Interest bearing liabilities									
Time deposits									
Australia	**24,291**	**567**	**4.7%**	22,046	506	4.6%	19,429	431	4.5%
New Zealand	**10,881**	**298**	**5.5%**	9,219	240	5.2%	8,567	216	5.1%
Overseas markets	**15,077**	**180**	**2.4%**	14,541	199	2.7%	15,688	218	2.8%
Savings deposits									
Australia	**11,797**	**131**	**2.2%**	11,338	122	2.2%	10,588	123	2.3%
New Zealand	**3,313**	**40**	**2.4%**	3,176	37	2.3%	3,050	39	2.5%
Overseas markets	**466**	**3**	**1.2%**	499	4	1.6%	399	3	1.4%
Other demand deposits									
Australia	**26,591**	**476**	**3.6%**	24,034	435	3.6%	22,756	357	3.1%
New Zealand	**2,070**	**49**	**4.7%**	1,959	44	4.5%	1,847	34	3.7%
Overseas markets	**660**	**4**	**1.3%**	707	5	1.4%	701	6	1.8%
Due to other financial institutions									
Australia	**1,027**	**24**	**4.6%**	1,000	26	5.2%	884	23	5.1%
New Zealand	**606**	**12**	**3.8%**	507	8	3.2%	521	9	3.4%
Overseas markets	**7,018**	**64**	**1.8%**	6,548	72	2.2%	8,255	108	2.6%
Commercial paper									
Australia	**5,104**	**125**	**4.9%**	3,711	88	4.7%	4,066	90	4.4%
Overseas markets	**3,355**	**24**	**1.4%**	3,878	35	1.8%	3,403	38	2.3%
Borrowing corporations' debt									
Australia	**6,561**	**178**	**5.4%**	6,217	161	5.2%	5,976	155	5.2%
New Zealand	**1,828**	**55**	**6.0%**	1,578	47	5.9%	1,365	41	6.0%
Loan capital, bonds and notes									
Australia	**18,359**	**466**	**5.1%**	16,048	405	5.0%	15,228	351	4.6%
New Zealand	**453**	**17**	**7.4%**	472	17	7.2%	410	13	6.4%
Overseas markets	**196**	**2**	**2.1%**	455	6	2.6%	625	9	2.9%
Other liabilities [1]									
Australia	**2,346**	**100**	**n/a**	1,757	81	n/a	1,167	84	n/a
New Zealand	**103**	**42**	**n/a**	87	49	n/a	147	49	n/a
Overseas markets	**4**	**15**	**n/a**	63	7	n/a	11	26	n/a
Intragroup liabilities									
Australia	**6,993**	**62**	**1.8%**	6,770	62	1.8%	6,786	66	2.0%
New Zealand	**2,009**	**36**	**3.6%**	2,573	41	3.2%	2,922	42	2.9%
	151,108	**2,970**		139,183	2,697		134,791	2,531	
Intragroup elimination	**(9,002)**	**(98)**		(9,343)	(103)		(9,708)	(108)	
	142,106	**2,872**	**4.0%**	129,840	2,594	4.0%	125,083	2,423	3.9%
Non-interest bearing liabilities									
Deposits									
Australia	**3,585**			3,795			4,056		
New Zealand	**1,107**			860			886		
Overseas markets	**689**			590			604		
Acceptances									
Australia	**13,577**			14,287			14,826		
Overseas markets	**115**			89			215		
Other liabilities	**14,198**			17,306			21,975		
	33,271			36,927			42,562		
Total liabilities	**175,377**			166,767			167,645		

1. *Includes foreign exchange swap costs*

13. Average Balance Sheet and related interest (continued)

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M
Total average assets			
Australia	**137,678**	130,354	130,676
New Zealand	**25,327**	23,379	21,831
Overseas markets	**33,360**	33,543	35,523
less intragroup elimination	**(9,002)**	(9,343)	(9,708)
	187,363	177,933	178,322
% of total average assets attributable to overseas activities	**26.5%**	26.7%	26.7%
Total average liabilities			
Australia	**129,825**	122,978	123,706
New Zealand	**24,136**	22,189	20,821
Overseas markets	**30,418**	30,943	32,826
less intragroup elimination	**(9,002)**	(9,343)	(9,708)
	175,377	166,767	167,645
Total average shareholders' equity			
Ordinary share capital	**10,761**	9,807	9,205
Preference share capital	**1,225**	1,359	1,472
	11,986	11,166	10,677
Total average liabilities and shareholders' equity	**187,363**	177,933	178,322
% of total average liabilities attributable to overseas activities	**30.0%**	30.3%	30.3%
Average interest earning assets			
Australia	**114,581**	106,220	100,456
New Zealand	**23,857**	21,703	20,897
Overseas markets	**29,716**	29,300	32,303
less intragroup elimination	**(9,002)**	(9,343)	(9,708)
	159,152	147,880	143,948

14. Interest spreads and net interest average margins

Intragroup interest earning assets and interest bearing liabilities are treated as external assets and liabilities for the geographic segments.

	Half year Mar 03 %	Half year Sep 02 %	Half year Mar 02 %
Gross earnings rate[1]			
Australia	**6.50**	6.42	6.30
New Zealand	**7.45**	7.34	6.98
Overseas markets	**3.50**	3.72	3.86
Total Group	**6.33**	6.29	6.13

Interest spread and net interest average margin may be analysed as follows:

	Half year Mar 03 %	Half year Sep 02 %	Half year Mar 02 %
Australia			
Gross interest spread	**2.38**	2.42	2.45
Interest forgone on impaired assets	**(0.02)**	(0.05)	(0.03)
Net interest spread	**2.36**	2.37	2.42
Interest attributable to net non-interest bearing items	**0.41**	0.51	0.53
Net interest average margin - Australia	**2.77**	2.88	2.95
New Zealand			
Gross interest spread	**2.28**	2.42	2.27
Interest forgone on impaired assets	**-**	-	-
Net interest spread	**2.28**	2.42	2.27
Interest attributable to net non-interest bearing items	**0.56**	0.48	0.47
Net interest average margin - New Zealand	**2.84**	2.90	2.74
Overseas markets			
Gross interest spread	**1.35**	1.26	1.13
Interest forgone on impaired assets	**(0.04)**	0.01	(0.09)
Net interest spread	**1.31**	1.27	1.04
Interest attributable to net non-interest bearing items	**0.22**	0.21	0.29
Net interest average margin - Overseas markets	**1.53**	1.48	1.33
Group			
Gross interest spread	**2.29**	2.34	2.28
Interest forgone on impaired assets	**(0.02)**	(0.03)	(0.04)
Net interest spread	**2.27**	2.31	2.24
Interest attributable to net non-interest bearing items	**0.44**	0.48	0.51
Net interest average margin - Group	**2.71**	2.79	2.75

1. *Average interest rate received on interest earning assets*

15. Segment analysis

The following analysis shows segment revenue, total assets and result for each business segment[1].

Industry

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Income[1]					
Personal Banking Australia	1,077	1,044	992	3%	9%
Institutional	1,914	1,955	1,841	-2%	4%
Corporate	534	503	461	6%	16%
New Zealand Banking	516	467	419	10%	23%
Mortgages	2,178	1,997	1,795	9%	21%
Consumer Finance	505	515	507	-2%	0%
Asset Finance	540	526	511	3%	6%
ING Australia	55	40	137	38%	-60%
Asia Pacific	225	200	189	13%	19%
Treasury	731	583	554	25%	32%
Group Centre	383	312	274	23%	40%
Income from disposal of investments	-	174	-	-100%	n/a
Intragroup Eliminations	(2,294)	(2,105)	(1,884)	9%	22%
	6,364	6,211	5,796	2%	10%
Net profit after income tax[2]					
Personal Banking Australia	188	185	169	2%	11%
Institutional	382	364	348	5%	10%
Corporate	133	125	120	6%	11%
New Zealand Banking	74	69	61	7%	21%
Mortgages	131	124	123	6%	7%
Consumer Finance	47	71	79	-34%	-41%
Asset Finance	60	54	48	11%	25%
ING Australia	7	8	25	-13%	-72%
Asia Pacific	67	51	45	31%	49%
Treasury	49	61	63	-20%	-22%
Group Centre	3	(10)	(15)	large	large
Net profit (excl significant transactions)	1,141	1,102	1,066	4%	7%
Significant transactions	-	170	(16)	-100%	-100%
	1,141	1,272	1,050	-10%	9%
Total assets					
Personal Banking Australia	6,226	5,832	6,208	7%	0%
Institutional	59,332	58,994	58,371	1%	2%
Corporate	14,967	13,699	13,001	9%	15%
New Zealand Banking	4,310	3,796	3,492	14%	23%
Mortgages	70,981	64,826	59,838	9%	19%
Consumer Finance	5,930	5,551	5,182	7%	14%
Asset Finance	13,069	12,410	11,992	5%	9%
ING Australia	1,696	1,638	5,170	4%	-67%
Asia Pacific	1,980	1,932	1,869	2%	6%
Treasury	9,827	11,692	9,134	-16%	8%
Group Centre	2,200	2,735	2,332	-20%	-6%
	190,518	183,105	176,589	4%	8%

1. *Refer definitions on pages 117 - 118*
2. *Equity standardised including intersegment income*

Further information on business segments and Group Centre is shown on pages 13 to 51 of the Consolidated Results and Dividend Announcement.

16. Derivative financial instruments

Derivatives

Derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices. They include swaps, forward rate agreements, futures, options and combinations of these instruments. The use of derivatives and their sale to customers as risk management products is an integral part of the Group's trading activities. Derivatives are also used to manage the Group's own exposure to fluctuations in exchange and interest rates as part of its asset and liability management activities. Derivatives are subject to the same types of credit and market risk as other financial instruments, and the Group manages these risks in a consistent manner.

The following table provides an overview of the Group's exchange rate and interest rate derivatives. It includes all contracts, both trading and other than trading.

	31 March 2003			30 September 2002		
	Notional Principal Amount	Credit Equivalent Amount	Fair Value	Notional Principal Amount	Credit Equivalent Amount	Fair Value
	$M	$M	$M	$M	$M	$M
Foreign exchange and commodities contracts						
Spot and forward contracts	**137,878**	**3,252**	**(51)**	140,867	3,390	815
Swap agreements	**27,728**	**1,900**	**(28)**	23,834	1,807	(13)
Futures contracts[1]	**380**	**n/a**	**-**	337	n/a	-
Options purchased	**8,441**	**333**	**166**	8,779	435	272
Options sold [2]	**14,996**	**0**	**(229)**	11,741	n/a	(216)
Other contracts	**4,397**	**600**	**202**	3,046	623	456
	193,820	**6,085**	**60**	188,604	6,255	1,314
Interest rate contracts						
Forward rate agreements	**58,938**	**11**	**4**	35,890	18	5
Swap agreements	**227,824**	**3,626**	**896**	212,765	3,491	634
Futures contracts [1]	**22,893**	**n/a**	**14**	26,934	n/a	(4)
Options purchased	**24,587**	**128**	**89**	16,118	127	88
Options sold [2]	**8,264**	**n/a**	**(74)**	9,244	n/a	(65)
	342,506	**3,765**	**929**	300,951	3,636	658
Credit Contracts						
Credit default swaps [3]	**7,954**	**3,203**	**46**	5,722	3,277	(13)
	544,280	**13,053**	**1,035**	495,277	13,168	1,959

1. *Credit equivalent amounts have not been included as there is minimal credit risk associated with the exchange traded futures, where the clearing house is the counterparty*
2. *Options sold have no credit exposures as they represent obligations rather than assets*
3. *The Group has entered structured transactions that expose it to the performance of certain assets under credit default swaps. The total investment of the Group in these transactions is USD 750 million*

Notional principal amount is the face value of the contract and represents the volume of outstanding transactions. Credit equivalent amount is calculated in accordance with the APRA capital adequacy guidelines and combines the aggregate value of all contracts in a positive market position plus an allowance for the potential increase in value over the remaining term of the transaction. Fair value is the net position of contracts with positive market values and negative market values.

16. Derivative financial instruments (continued)

Market Risk

Market risk is the risk to earnings arising from changes in interest rates, currency exchange rates, or from fluctuations in bond, commodity or equity prices.

The Value at Risk (VaR) measure

A key measure of market risk is Value at Risk ("VaR"). VaR is a statistical estimate of the likely daily loss, which is based on historical market movements. The confidence level is such that there is 97.5% probability that the loss will not exceed the Value at Risk estimate on any given day.

The Bank's standard VaR approach is historical simulation. The bank calculates VaR using historical changes in market rates and prices over the previous 500 business days.

It should be noted that because VaR is driven by actual historical observations, the methodology is not an estimate of the maximum loss that the Bank could experience from an extreme market event.

Trading activities are focused on customer trading, distribution and underwriting of a range of securities and derivative instruments. The principal activities include foreign exchange, interest rate and capital markets. These activities are well diversified and managed on a global product basis.

Below are aggregate VaR exposures covering both physical and derivatives trading positions for the Bank's principal trading centres.

	As at Mar 03 $M	High for period Mar 03 $M	Low for period Mar 03 $M	Ave for period Mar 03 $M	As at Sep 02 $M	High for period Sep 02 $M	Low for period Sep 02 $M	Ave for period Sep 02 $M
Value at risk at 97.5% confidence								
Foreign exchange	0.6	1.7	0.5	1.0	1.1	2.3	0.5	1.1
Interest rate	1.8	2.1	0.6	1.0	1.0	3.4	0.7	1.5
Diversification benefit	(0.6)	(0.9)	(0.3)	(0.6)	(0.6)	(1.8)	(0.2)	(0.5)
Total VaR	**1.8**	**2.9**	**0.8**	**1.4**	**1.5**	**3.9**	**1.0**	**2.1**

Hedging

In addition to customer and trading activities, the Group uses, inter alia, derivatives to manage the risk associated with its balance sheet and future revenue streams. During the half year $1.4 billion hedges of NZD revenue were put in place to lock in historically high NZD exchange rates.

The table below shows the notional principal amount, credit equivalent amount and fair value of derivatives held by the Group, split between those entered into for customer-related and trading purposes and those entered into for other than trading purposes.

	31 March 03			30 September 02		
External	Notional Principal Amount $M	Credit Equiv. Amount $M	Fair Value $M	Notional Principal Amount $M	Credit Equiv. Amount $M	Fair Value $M
Foreign exchange and commodities contracts						
Customer-related and trading purposes	**157,816**	**3,414**	**124**	161,290	3,689	(26)
Balance sheet hedging purposes	**34,317**	**2,654**	**(92)**	26,926	2,562	1,361
Revenue related hedging	**1,687**	**17**	**28**	388	4	(21)
	193,820	**6,085**	**60**	188,604	6,255	1,314
Interest rate and debt contracts						
Customer-related and trading purposes	**292,631**	**3,001**	**654**	257,947	2,992	320
Balance sheet hedging purposes	**49,875**	**764**	**275**	43,004	644	338
	342,506	**3,765**	**929**	300,951	3,636	658
Credit Derivatives						
Customer-related and trading purposes	**4,199**	**465**	**1**	1,718	189	2
Balance sheet hedging purposes	**3,755**	**2,738**	**45**	4,004	3,088	(15)
	7,954	**3,203**	**46**	5,722	3,277	(13)
Total	**544,280**	**13,053**	**1,035**	495,277	13,168	1,959

17. Contingent liabilities

General

There are outstanding court proceedings, claims and possible claims against the Group, the aggregate amount of which cannot readily be quantified. Appropriate legal advice has been obtained and, in the light of such advice, provisions as deemed necessary have been made.

Sale of Grindlays businesses

As part of the sale on 31 July 2000 of ANZ Grindlays Bank Limited and the private banking business of ANZ in the United Kingdom and Jersey, together with ANZ Grindlays (Jersey) Holdings Limited and its subsidiaries (the Grindlays businesses), to Standard Chartered Bank (SCB), ANZ provided warranties relating to those businesses. Where it was anticipated that payments were likely under these warranties, provisions were made to cover the anticipated liability. In addition ANZ provided SCB and/or Grindlays with certain indemnities.

Claims have been made under the above indemnities and also in relation to the warranties provided by ANZ at the time of sale. During the half year ended 31 March 2003, the credit indemnity provided at the time of sale was settled, with $27 million recorded against specific provisions. Other warranty claims made by SCB were also settled against provisions taken at the time of sale. The indemnities under which ANZ remains exposed as at 31 March 2003 are:

- an indemnity relating to liabilities Grindlays may incur as a result of certain claims made against Grindlays and its officers in India (the Indian Indemnity). Details of this indemnity are set out below; and
- an indemnity relating to tax liabilities of Grindlays (and its subsidiaries) and the Jersey Sub-Group to the extent to which such liabilities have not been provided for in the Grindlays accounts as at 31 July 2000.

At present the Group is confident that resolution of the residual outstanding matters will occur within existing provisions.

The Indian Indemnity requires ANZ to pay SCB for losses that Grindlays incurs as a result of certain claims that have been or may be made against Grindlays and its officers in India. Under the terms of the Indian Indemnity, ANZ will have control of matters for which it is potentially liable. No settlement offer can be made or paid by Grindlays without the prior agreement of ANZ. ANZ will continue to manage these matters in the best interests of shareholders taking into account its legal obligations.

ANZ remains liable for certain claims under the Indian Indemnity, including in relation to the following two matters that are the subject of current proceedings involving Grindlays or its officers:

- In 1991, certain amounts were transferred from non-convertible Indian Rupee accounts maintained with Grindlays in India. In making these transactions it would appear that the provisions of the Foreign Exchange Regulation Act 1973 were inadvertently not complied with. Grindlays on its own initiative, brought these transactions to the attention of the Reserve Bank of India. The Indian authorities have served notices on Grindlays and certain of its officers in India that could lead to possible penalties. Grindlays has commenced proceedings in the courts contesting the validity of these notices.
- In July 2002, Grindlays was ordered to repay, with interest, two payments it received from a stockbroker in 1991 in connection with securities transactions. Grindlays has commenced proceedings challenging the validity of these orders, which direct repayment of Indian Rupees 24 million (AUD 0.8 million at 31 March 2003 rates), plus interest accruing at 24% since 1991. Since July 2002 Grindlays has been given notice of hearings in relation to further payments received by it in 1991 in similar circumstances totalling Indian Rupees 302 million (AUD 10.5 million at 31 March 2003 rates).

17. Contingent liabilities (continued)

Contingent tax liability

ANZ in Australia is being audited by the Australian Taxation Office (ATO). There are several issues that the ATO is considering, including:

- Lease assignments in 1991 and 1992. Tax assessments have been received and are being contested in the Federal Court. Profit after tax of approximately $50 million was earned from these transactions.
- Sale of Grindlays in 2000. At ANZ's request the ATO is reviewing the taxation treatment of this transaction. ANZ's profit after tax from this transaction was $404 million.

Based on external advice, ANZ has assessed the likely progress of these issues, and believes that it holds appropriate provisions.

During the years 1996 - 2002 ANZ was involved in securities lending, equity swaps, and other similar kinds of transactions in the normal course of its business of banking. The ATO had been reviewing these transactions for some time. On 21 February 2003, a settlement was reached between the ATO and ANZ which involved the payment of $262 million to the ATO. The amount was met from ANZ's existing tax provisions.

Interbank Deposit Agreement

ANZ has entered into an Interbank Deposit Agreement with the major banks in the payments system. This agreement is a payment system support facility certified by the Australian Prudential Regulation Authority, where the terms are such that if any bank is experiencing liquidity problems, the other participants are required to deposit equal amounts of up to $2 billion for a period of 30 days. At the end of 30 days the deposit holder has the option to repay the deposit in cash or by way of assignment of mortgages to the value of the deposit.

Clearing and Settlement Obligations

The Company has a commitment to participate in a loss sharing arrangement, in the event of a failure to settle by a member institution, in the Continuous Linked Settlement System. This commitment is detailed in our Settlement Member Agreement with CLS Bank International and CLS Group Holdings AG.

18. Note to the Statement of Cash Flows

	Half year Mar 03 Inflows (Outflows) $M	Half year Sep 02 Inflows (Outflows) $M	Half year Mar 02 Inflows (Outflows) $M
Reconciliation of profit after income tax to net cash provided by operating activities			
Profit after income tax	**1,141**	1,272	1,050
Adjustments to reconcile to net cash provided by operating activities			
Provision for doubtful debts	**303**	309	551
Depreciation and amortisation	**128**	117	109
Profit on sale of businesses to joint venture	**-**	(170)	-
Recovery from NHB litigation	**-**	-	(248)
Provision for restructuring and other provisions	**106**	109	139
Payments from provisions	**(241)**	(197)	(239)
Provision for surplus lease space	**1**	1	-
(Profit) loss on property disposals	**-**	(4)	(1)
Decrease (increase) in interest receivable	**(56)**	51	277
(Decrease) increase in interest payable	**109**	(41)	(307)
(Increase) decrease in trading securities	**695**	(667)	(363)
(Increase) decrease in net tax assets	**(478)**	194	(148)
Other	**52**	(66)	3
Net cash provided by operating activities	**1,760**	908	823
Reconciliation of cash and cash equivalents			
Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows			
Liquid assets - less than 3 months	**4,863**	4,821	4,900
Due from other financial institutions - less than 3 months	**2,710**	3,104	2,452
	7,573	7,925	7,352
Non-cash financing and investment activities			
Share capital issues			
Dividend reinvestment plan	**58**	48	46

19. Changes in composition of the Group

Acquisition of controlled entities

There were no material controlled entities acquired during the half year.

Disposal of controlled entities

On 1 May 2002, the controlled entities ANZ Life Assurance Company Limited, ANZ Managed Investments Limited and ANZ General Insurance Pty Limited were sold. The profit before tax on disposal was $174 million ($170 million after tax). The after-tax contribution prior to disposal was $15 million in the September 2002 half year and $25 million in the March 2002 half year.

20. Associates, joint venture entities and investments

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M
Aggregate associates and joint venture entities			
Operating profit (loss)	**42**	18	13
Income tax (expense) benefit	**-**	-	-
Profit (loss) after income tax	**42**	18	13

Material contributions to profit

	Contribution to Group pre-tax profit			Ownership interest held by Group		
	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	As at Mar 03 %	As at Sep 02 %	As at Mar 02 %
Associates						
PT Panin Indonesia Bank[1]	**29**	17	13	**11**	11	11
E*Trade[2]	**(6)**	**-**	5	**35**	35	35
Joint Ventures						
ING Australia Limited	**19**	2	-	**49**	49	-

1. *In addition the Group holds options over a further 18% of PT Panin*
2. *The value of the investment in E*Trade was written down by $6 million*

21. US GAAP reconciliation

The consolidated financial statements of the Group are prepared in accordance with Generally Accepted Accounting Principles applicable in Australia (Australian GAAP) which differ in some respects from Generally Accepted Accounting Principles in the United States (US GAAP).

The following are reconciliations of the profit from ordinary activities after income tax, equity and total assets, applying US GAAP instead of Australian GAAP.

	Half year Mar 03 $M	Half year Sep 02 $M	Half year Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Operating profit after income tax according to					
Australian GAAP	1,141	1,272	1,050	-10%	9%
Items having the effect of increasing(decreasing)					
reported income:					
Employee share issue and options	(21)	3	(43)	n/a	-51%
Depreciation charged on the difference between					
revaluation amount and historical cost of buildings	1	1	1	-	-
Difference in gain or loss on disposal of properties					
revalued under historical cost	1	1	4	-	-75%
Deferred profit on sale and leaseback transactions	-	(1)	(8)	-100%	-100%
Amortisation of sale and leaseback gain over lease term	12	13	12	-8%	-
Amortisation of goodwill	31	6	(12)	large	large
Pension expense adjustment	5	8	10	-38%	-50%
Adjustment of gain and non-capitalised costs recognised on entering joint venture[1]	-	(205)	-	-100%	n/a
Mark to market of non compliant derivative hedges (under SFAS 133)	28	107	(124)	-74%	large
Taxation on the above adjustments	(11)	(31)	33	-65%	large
Net income according to US GAAP	1,187	1,174	923	1%	29%
Other comprehensive income					
Currency translation adjustments, net of hedges after tax	(49)	45	(143)	n/a	-66%
Unrealised profit(loss) on available for sale securities	4	1	2	large	100%
Mark to market of cash flow hedges (under SFAS 133)	34	31	29	10%	17%
Total comprehensive income according to US GAAP	1,176	1,251	811	-6%	45%

1. *Australian GAAP required INGA transaction to be accounted for at fair value. US GAAP requires the use of historical cost for this specific transaction*

21. US GAAP reconciliation (continued)

	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Shareholders' equity according to Australian GAAP[1]	12,468	11,448	10,789	9%	16%
Elimination of gross asset revaluation reserves	(256)	(266)	(274)	-4%	-7%
Unrealised profit on available for sale securities	7	3	2	large	large
Adjustment to accumulated depreciation on buildings revalued	49	48	47	2%	4%
Restoration of previously deducted goodwill	745	714	692	4%	8%
Accumulated amortisation and impairment	(533)	(533)	(517)	0%	3%
Deferred profit on sale and leaseback transactions	(12)	(14)	(17)	-14%	-29%
Provision for dividend	-	681	571	-100%	-100%
Pension expense adjustment	91	88	82	3%	11%
Derivative and hedging activities	227	173	139	31%	63%
Adjustment on entering joint venture	(203)	(203)	0	0%	n/a
Shareholders' equity according to US GAAP	12,583	12,139	11,514	4%	9%

	As at Mar 03 $M	As at Sep 02 $M	As at Mar 02 $M	Movt Mar 03 v. Sep 02 %	Movt Mar 03 v. Mar 02 %
Total assets according to Australian GAAP	190,518	183,105	176,589	4%	8%
Elimination of gross asset revaluation reserves	(204)	(205)	(206)	0%	-1%
Unrealised profit(loss) on available for sale securities	10	3	3	large	large
Adjustment to accumulated depreciation on buildings revalued	49	48	47	2%	4%
Restoration of previously deducted goodwill	745	714	692	4%	8%
Accumulated amortisation and impairment	(533)	(533)	(517)	0%	3%
Prepaid pension adjustment	67	67	65	0%	3%
Reclassification of deferred tax assets against deferred tax liabilities	(611)	(462)	(532)	32%	15%
Revaluation of hedges (under SFAS 133)	620	501	123	24%	large
Adjustment to carrying value of ING joint venture	(203)	(203)	-	0%	n/a
Total assets according to US GAAP	190,458	183,035	176,264	4%	8%

22. Exchange rates

Major exchange rates used in translation of results of offshore controlled entities and branches into the Group accounts for each reporting period were as follows:

	Balance Sheet			Profit and Loss Average		
	As at Mar 03	As at Sep 02	As at Mar 02	Half year Mar 03	Half year Sep 02	Half year Mar 02
Great British pound	0.3828	0.3477	0.3721	0.3624	0.3653	0.3589
United States dollar	0.6035	0.5441	0.5306	0.5756	0.5494	0.5151
New Zealand dollar	1.0904	1.1585	1.2122	1.1025	1.1747	1.2256

23. Significant events since balance date

There have been no significant events since 31 March 2003 to the date of this report.

DIRECTORS' DECLARATION AND APPENDIX 4B STATEMENT

The directors of Australia and New Zealand Banking Group Limited declare that the financial statements and notes of the consolidated entity set out on pages 70 to 114 are in accordance with the Corporations Act 2001, and

(a) that they comply with AASB Standards, other AASB authoritative pronouncements, Urgent Issues Group Consensus Views, APRA standards and other mandatory reporting requirements; and

(b) that they have been prepared using the same accounting policies as those applied for the 30 September 2002 Annual Financial Reports other than the changes noted on page 74; and

(c) that they give a true and fair view of the financial position of the consolidated entity as at 31 March 2003 and of its performance as represented by the results of its operations and its cash flows, for the half year ended on that date; and

(d) in the directors' opinion at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(e) confirm that the financial statements and notes of the consolidated entity set out on pages 70 to 114 have been reviewed by the Group's auditors, KPMG; and

(f) confirm that Australia and New Zealand Banking Group Limited has a formally constituted Audit Committee.

Signed in accordance with a resolution of the directors.

Charles Goode
Chairman

John McFarlane
Chief Executive Officer

23 April 2003

AUDITORS' REVIEW REPORT

Independent review report to the members of Australia and New Zealand Banking Group Limited

Scope

We have reviewed the financial report of Australia and New Zealand Banking Group Limited for the half-year ended 31 March 2003, consisting of the consolidated statement of financial performance, consolidated statement of financial position, statement of changes in equity and consolidated statement of cash flows, accompanying notes and the directors' declaration set out on pages 70 to 115. The financial report includes the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the end of the half-year or from time to time during the half-year. The Company's directors are responsible for the financial report.

We have performed an independent review of the financial report in order to state whether, on the basis of procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. The review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. Our review has not involved a study and evaluation of internal accounting controls, tests of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Australia and New Zealand Banking Group Limited is not in accordance with:

(a) the Corporations Act 2001, including:
- (i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2003 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

KPMG

KPMG
Chartered Accountants
Melbourne

PS Nash
Partner

23 April 2003

DEFINITIONS

Adjusted common equity is Tier 1 capital less preference shares at current rates and deductions from total capital.

Consumer businesses comprise the following specialist business units; Personal Banking Australia, Wealth Management, New Zealand Banking, Small to Medium Enterprises Australia, Mortgages, Consumer Finance, Asset Finance, and Asia Pacific.

Corporate business comprises the following specialist business units; Institutional Banking, Transaction Services, Structured Finance International, Capital Markets, Foreign Exchange, Corporate Finance and Advisory and Corporate Banking.

Economic loss provisioning (ELP) charge is determined based on the expected average annual loss of principal over the economic cycle for the current risk profile of the lending portfolio.

Equity standardisation Economic Value Added (EVA™) principles are in use throughout the Group, whereby risk adjusted capital is allocated and charged against business units. Equity standardised profit is determined by eliminating the impact of earnings on each business unit's book capital and attributing earnings on the business unit's risk adjusted capital. This enhances comparability of business unit performance. Geographic results are not equity standardised.

Impaired assets are loans or other credit facilities where there is reasonable doubt about the collectability of interest, fees (past and future) or principal outstanding, or where concessional terms have been provided because of the financial difficulties of the customer.

Net advances include gross loans and advances and acceptances less income yet to mature and provisions (for both as at and average volumes).

Net income after capital charge (NIACC) is the measure used by Corporate as a proxy for EVA. It is an aggregate measure of the value added from all activities including managing Corporate banking products and cross sell of other ANZ products. As NIACC includes the value of cross sell activities, a proportion of our NIACC is a contribution to the profit of other business units.

Net interest average margin is net interest income as a percentage of average interest earning assets. Non-assessable interest income is grossed up to the equivalent before tax amount for the purpose of these calculations.

Net interest spread is the average interest rate received on interest earning assets less the average interest rate paid on interest bearing liabilities. Non-assessable interest income is grossed up to the equivalent before tax amount for the purpose of these calculations.

Net non-interest bearing items, referred to in the analysis of interest spread and net interest average margin, includes shareholders' equity, provisions for doubtful debts, and deposits not bearing interest and other liabilities not bearing interest, offset by premises and equipment and other non-interest earning assets. Non-accrual loans are included within interest bearing loans, advances and bills discounted.

Net specific provision is the transfer from the general provision to the specific provision (representing new and increased specific provisions less specific provision releases) less recoveries.

Operating expenses exclude charge for doubtful debts.

DEFINITIONS (continued)

Service Transfer Pricing is used to allocate services that are provided by central areas to each of its business units. The objective of service transfer pricing is to remove cross-subsidies between business units, and ensure each business accounts for the costs of the services it uses. Transfer pricing arrangements are reviewed periodically. The basis of pricing for internal services varies from cost recovery, to market equivalent. Changes in transfer pricing arrangements in current periods are, to the extent possible, reflected in prior period comparatives to assist comparability.

The profit and loss statement of each business unit includes net inter business unit fees and net inter business unit expenses. This treatment is consistent with the Group's strategy of managing along specialist business lines. Net inter business unit fees includes intra-group receipts or payments for sales commissions. A product business (for example, Mortgages) will pay a distribution channel (for example, Personal Banking) for product sales. Both the payment and receipt are shown as net inter business unit fees. Net inter business unit expenses consist of the charges made to business units for the provision of support services. Examples of services provided include technology and payments, risk management, finance and human resources management. Both payments by business units and receipts by service providers are shown as net inter business unit expenses.

The results of segments may include business units and a support unit. The services provided by the support unit are allocated to the business units. As a result of this allocation, the sum of individual profit and loss line items of the business units may not equal the corresponding line item in the profit and loss statement of the segment.

Return on asset ratios include net intra group assets which are risk weighted at 0% for return on risk weighted assets calculations.

Total advances include gross loans and advances and acceptances less income yet to mature (for both as at and average volumes).

Unproductive facilities comprise facilities (such as standby letters of credit, bill endorsements, documentary letters of credit, guarantees to third parties, undrawn facilities to which the Group is irrevocably committed and market related exposures) where the customer status is non-accrual.

ALPHABETICAL INDEX