2005 Interim Results

Australia and New Zealand Banking Group Limited

27 April 2005

A solid first half for ANZ

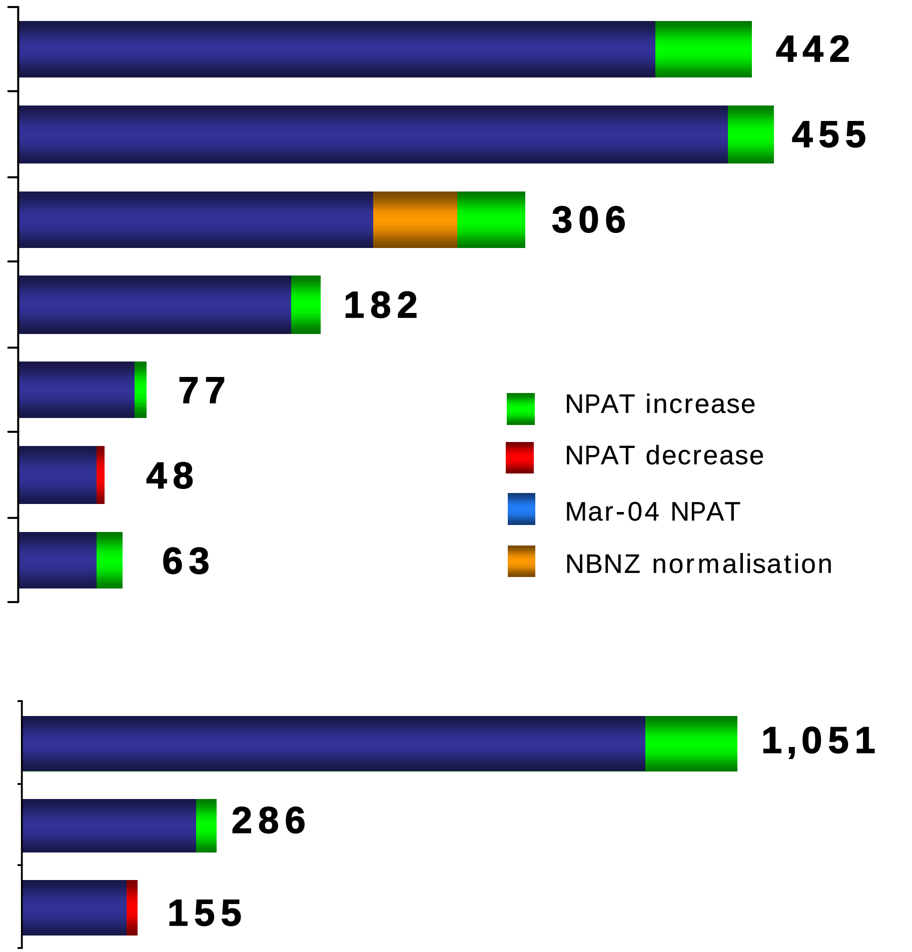
		pcp	pch
Cash EPS*	85.9c	↑ 8.9%	↑ 4.6%
NPAT*	$1,492m	↑ 13.7%	↑ 5.1%
Interim dividend	51c	↑ 8.5%	
Net non-accruals	$326m	↓ 37%	↓ 28%
Net specific provisions	$151m	↓ 23%	↓ 39%

*excluding NZ incremental integration costs and significant items

Good growth in major divisions and Australia

Division	Mar-05 v Sep 04 (%)	Mar-05 v Mar-04 (%)
Personal Banking	6	15
Institutional	4	7
New Zealand Bus	5 NZD 2	14* 9
Corporate	6	11
Esanda & UDC	4	12
Asia Pacific	(20)	(6)
ING JV	3	34
Geography		
Australia	8	15
New Zealand	1 NZD -2	12* 7
Other	(7)	(8)

NPAT ($m)



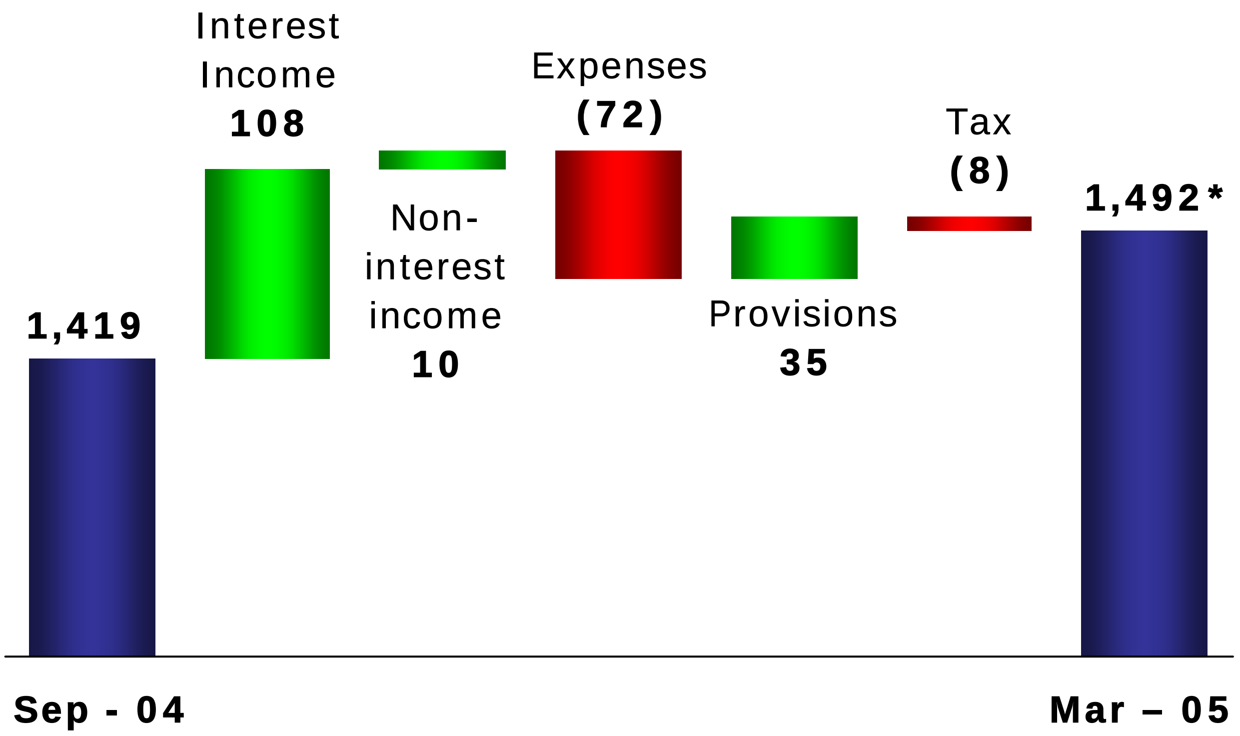
* Adjusted for impact of NBNZ acquisition

Results Review

Peter Marriott

Chief Financial Officer

A solid result, driven by strong interest income growth



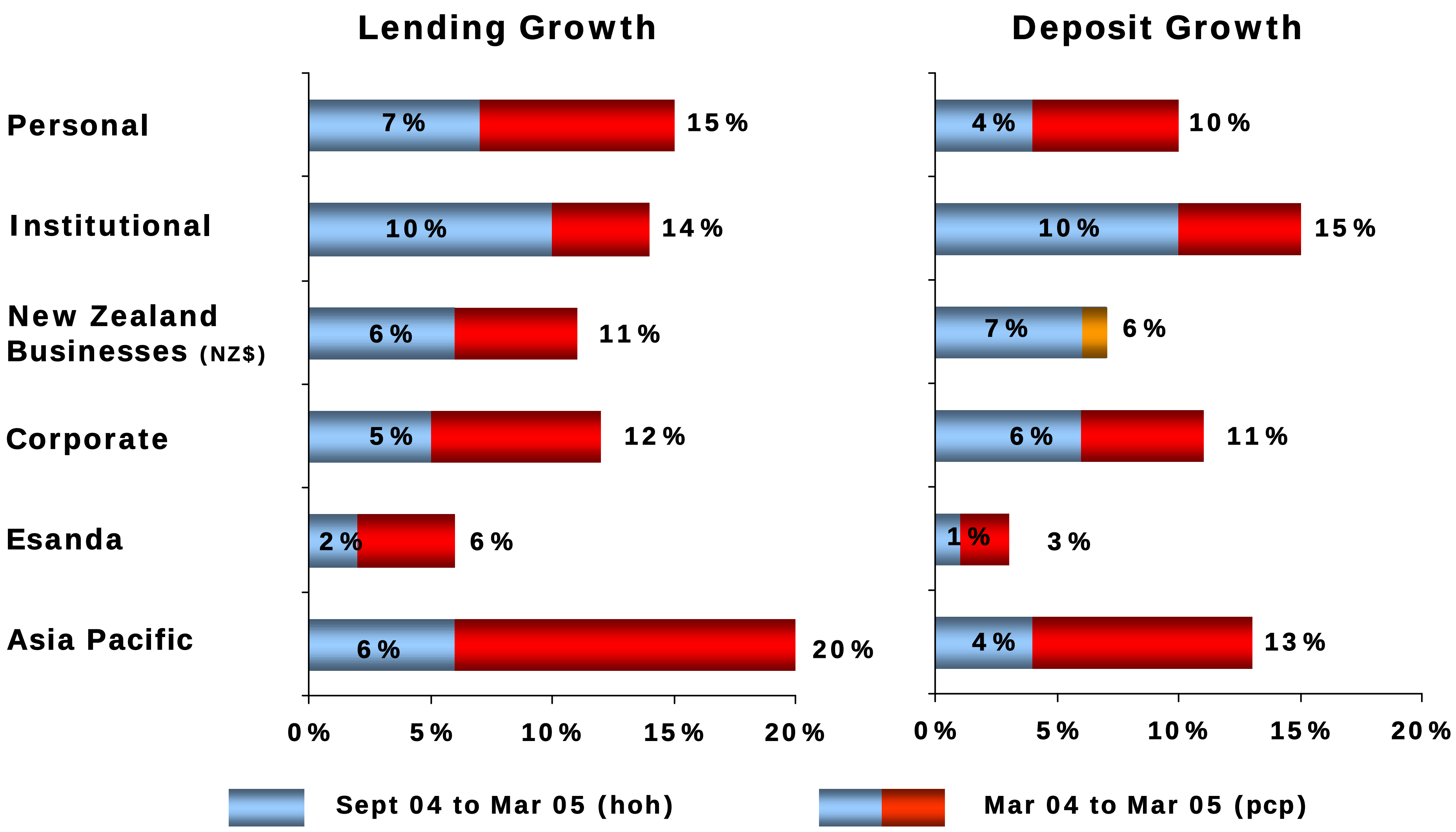
Cash EPS 82.1 —— 4.6% ——→ **Cash EPS 85.9**

Scorecard	
Volume Growth	✓ ✓
Interest Margin	✓
Non Int. Income	X
Expenses	✓
Provisions	✓ ✓
Tax	✓
Cash EPS	✓ ✓

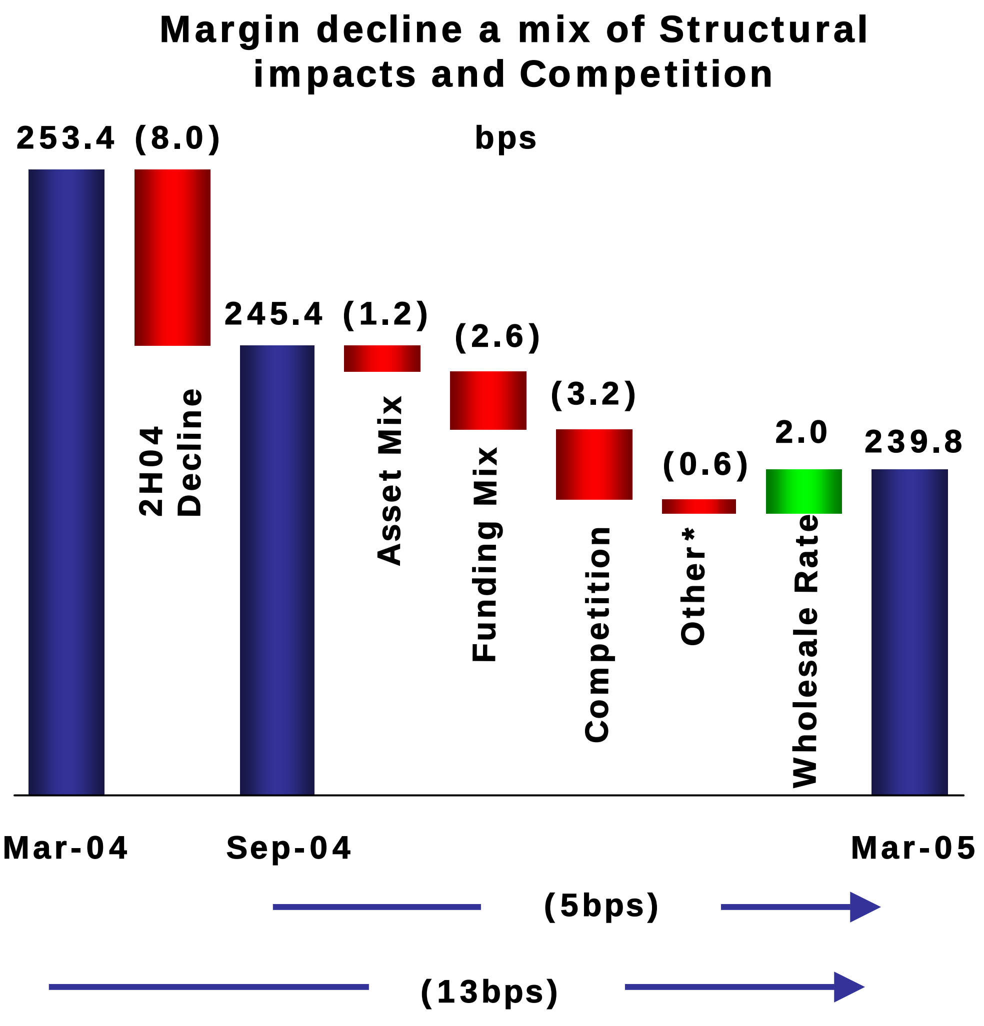
✓ ✓ - Ahead of expectations
✓ - In line with expectations
X – Below expectations

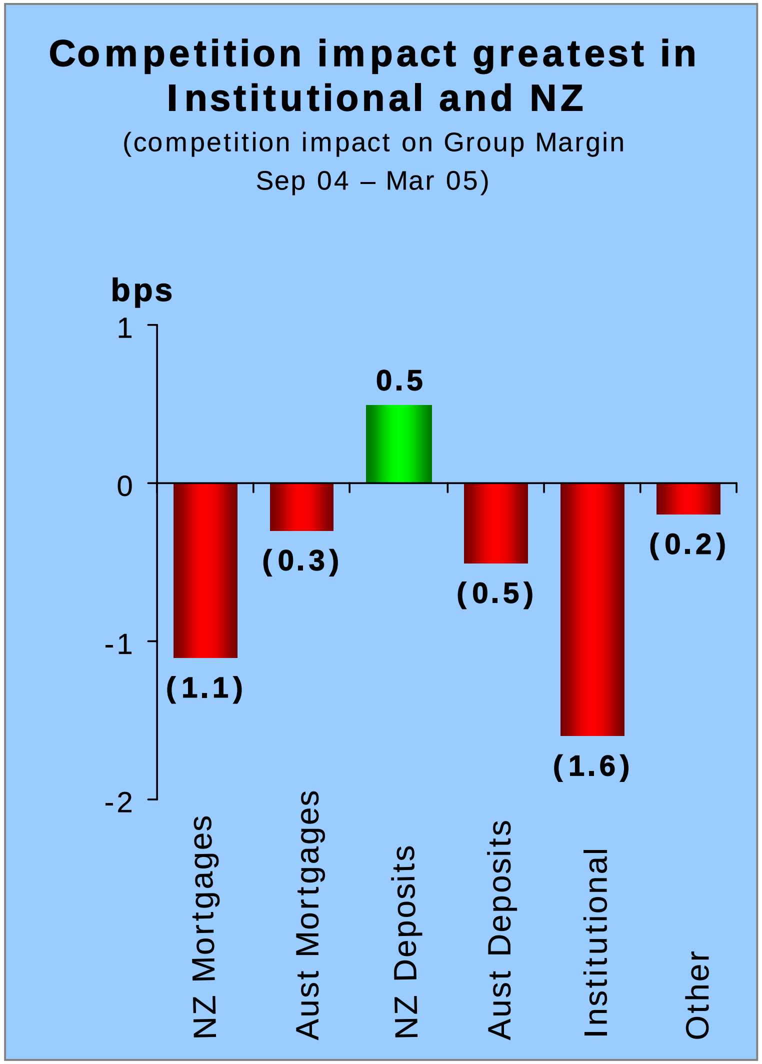
*excluding significant items and NBNZ incremental integration costs

Strong volume growth reflected in market share gains



First half margin decline driven by increased competition

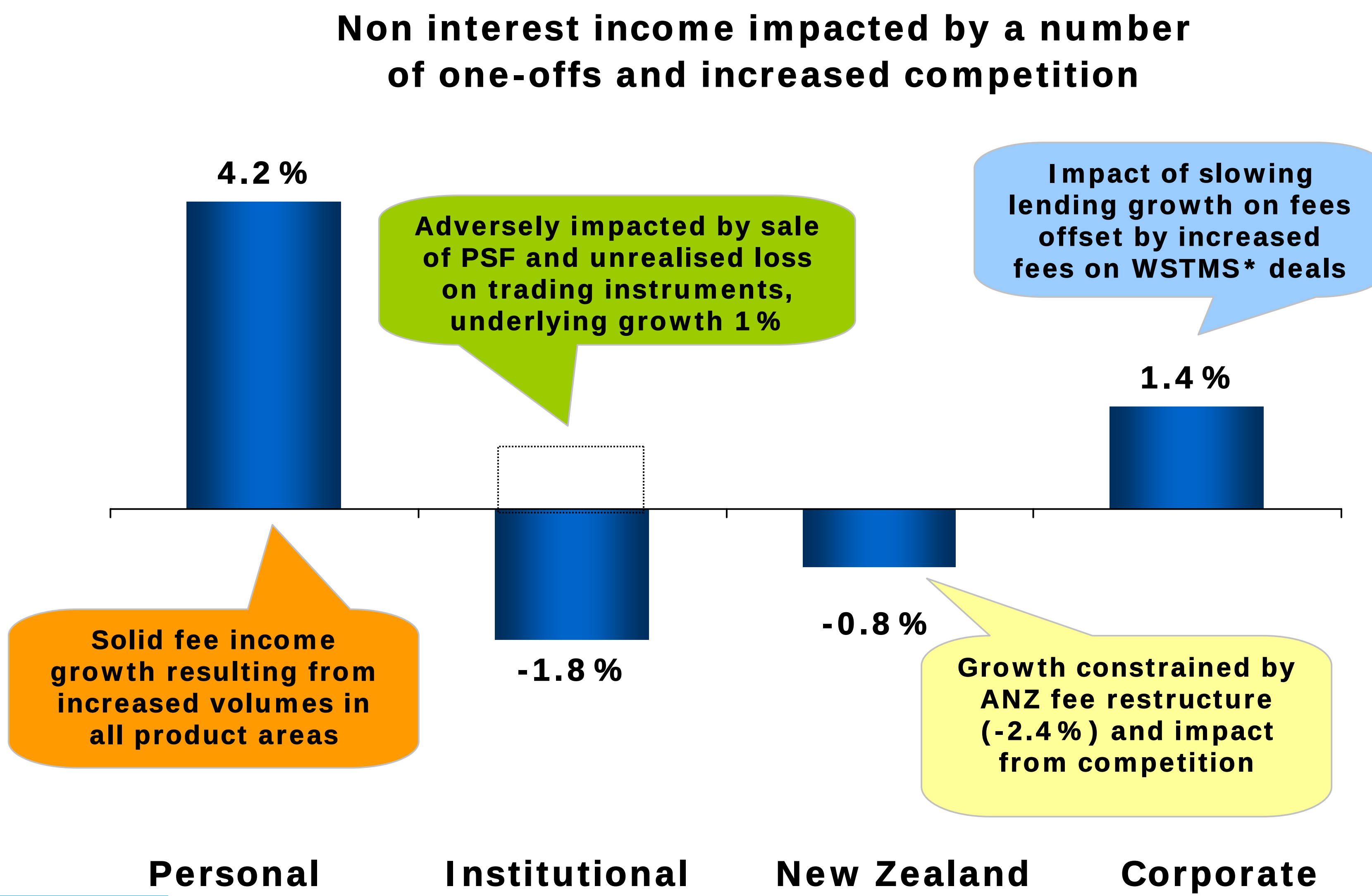




*refer page 36 for detail

ANZ NOW

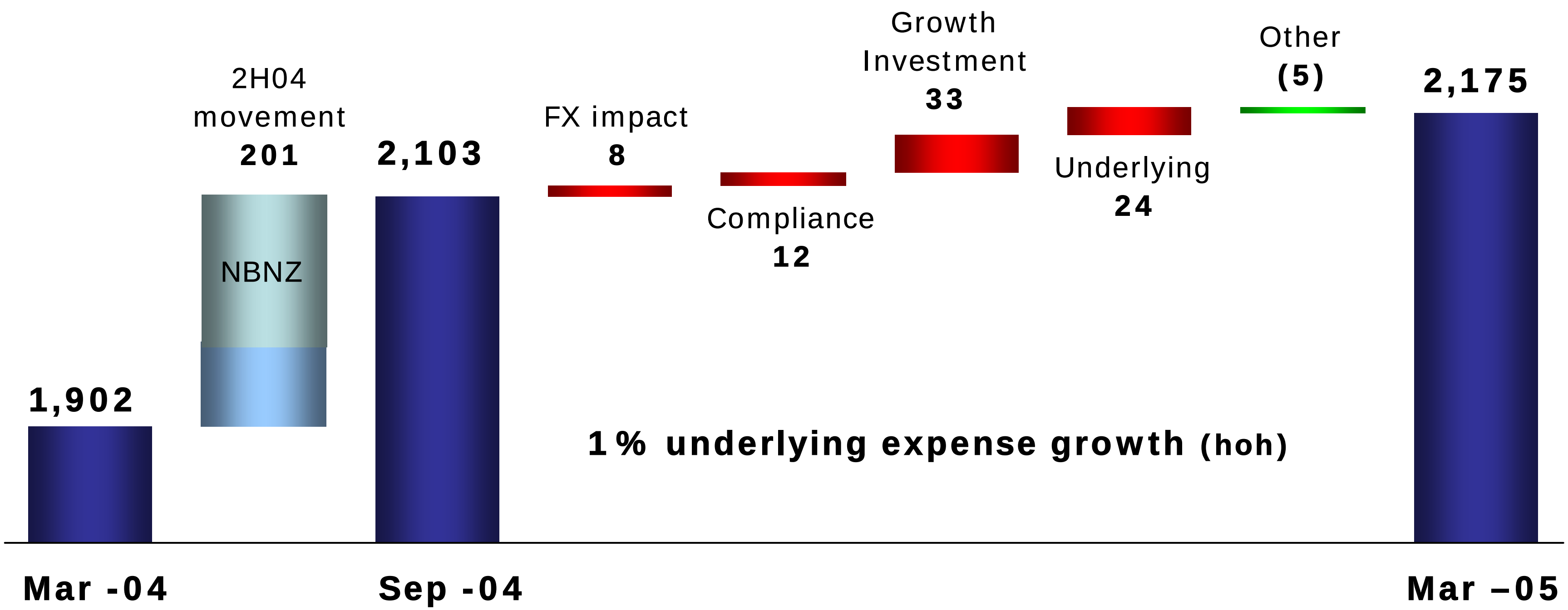
Impact of competition also reflected in non-interest income



*Wall Street to Main Street

Continued focus on operational efficiency to offset pressure on revenues…

Controlled underlying expense growth

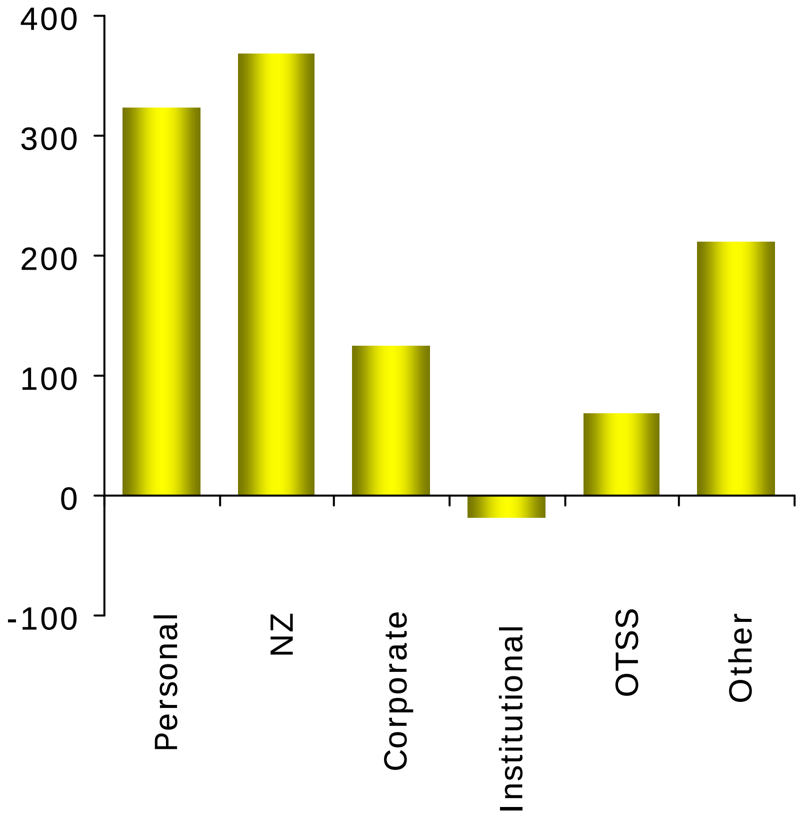


Growth investment includes

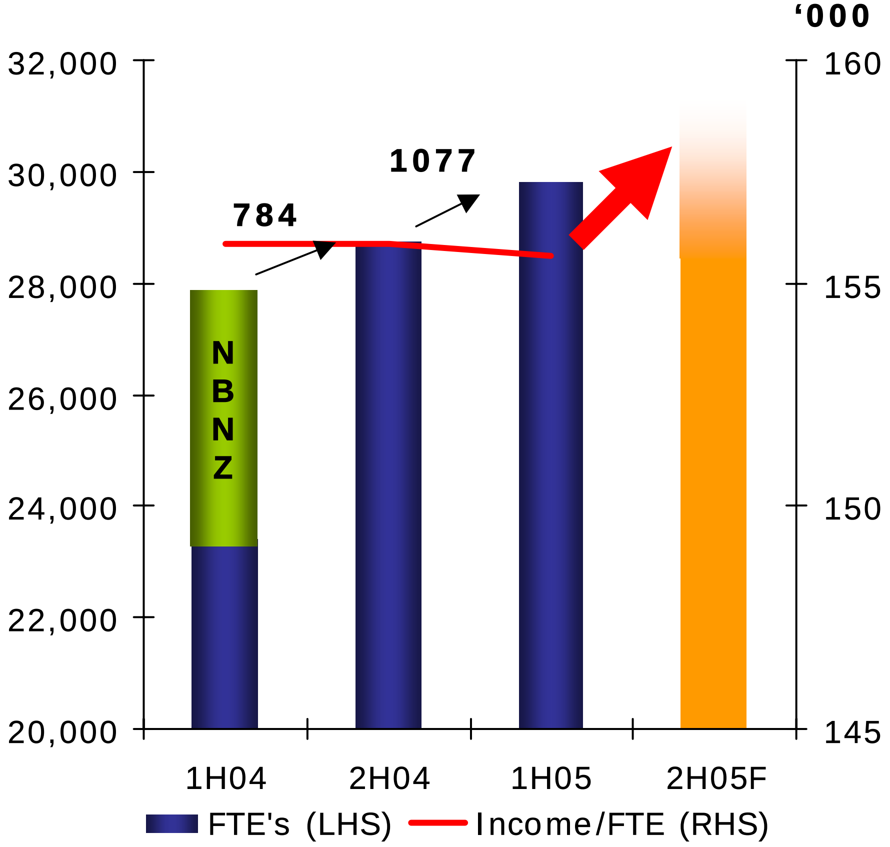
- additional advertising expenditure to build ANZ brand profile
- approx 700 new front line sales staff
- costs associated with new product development in Australia and launches and partnerships entered into in Asia during the half

…and provide capacity to fund significant investments in frontline capabilities

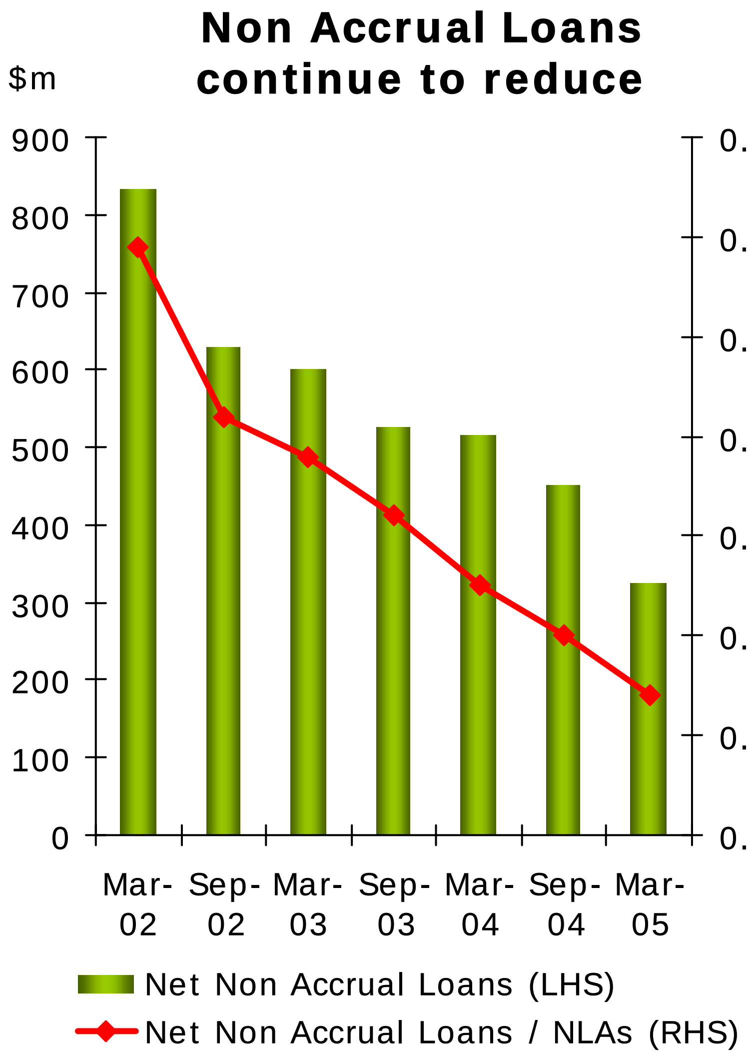
Additional Headcount Weighted to Front Line (1H05 FTE movement)

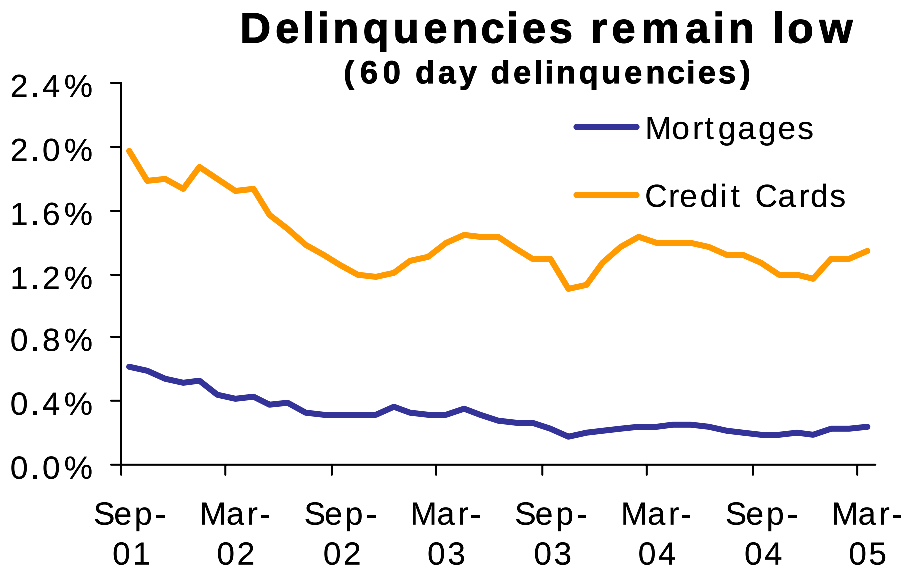


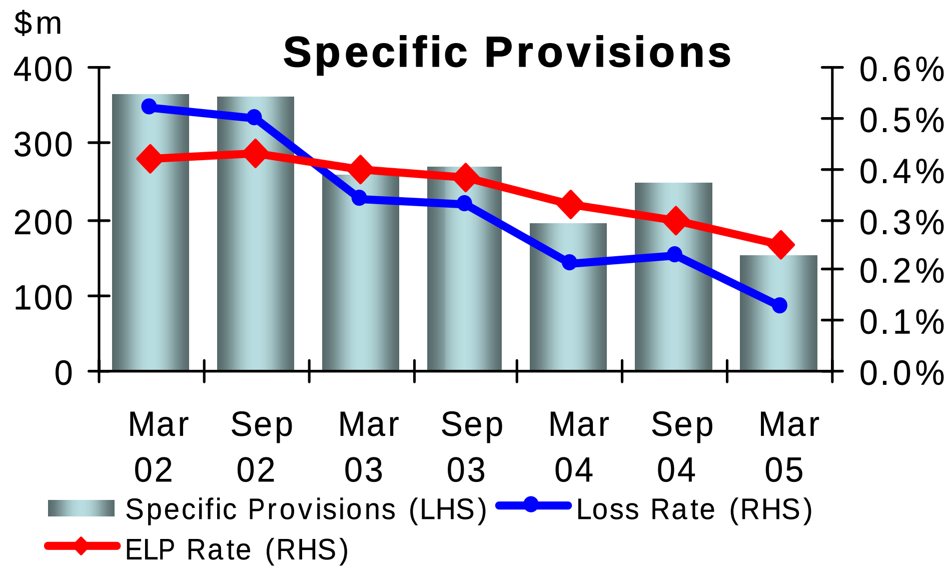
Productivity of new staff expected to increase over time



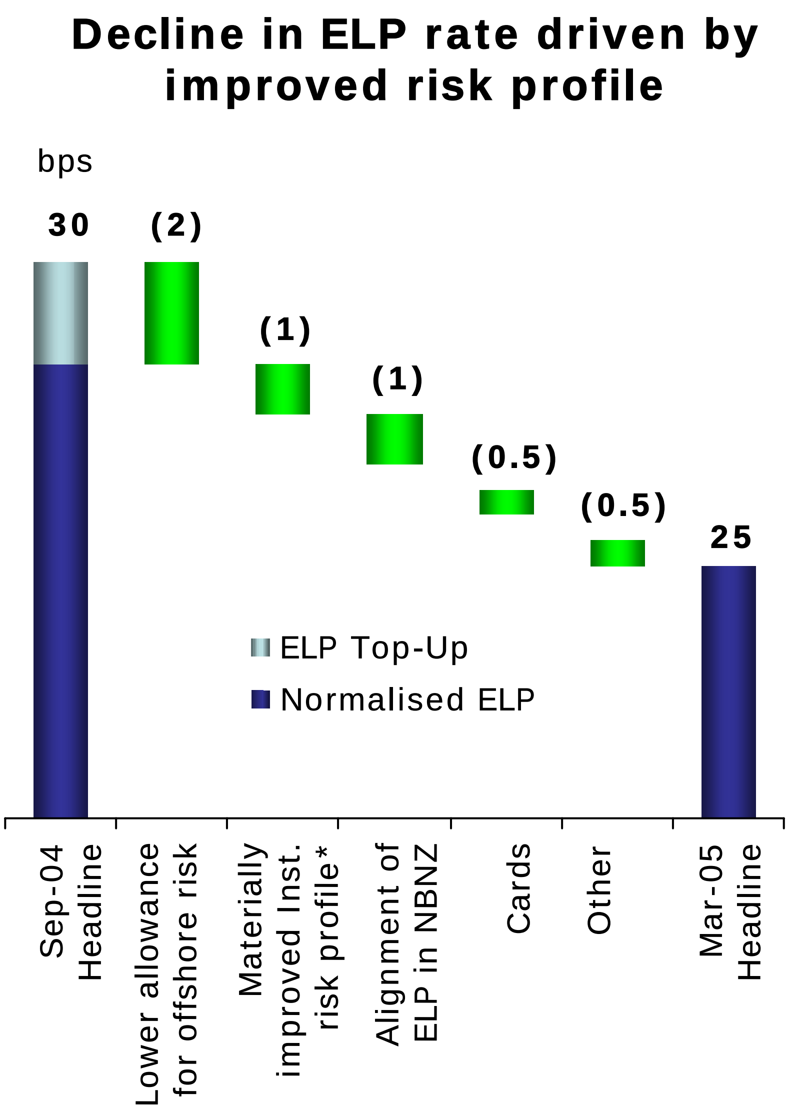
Risk reduction journey is delivering

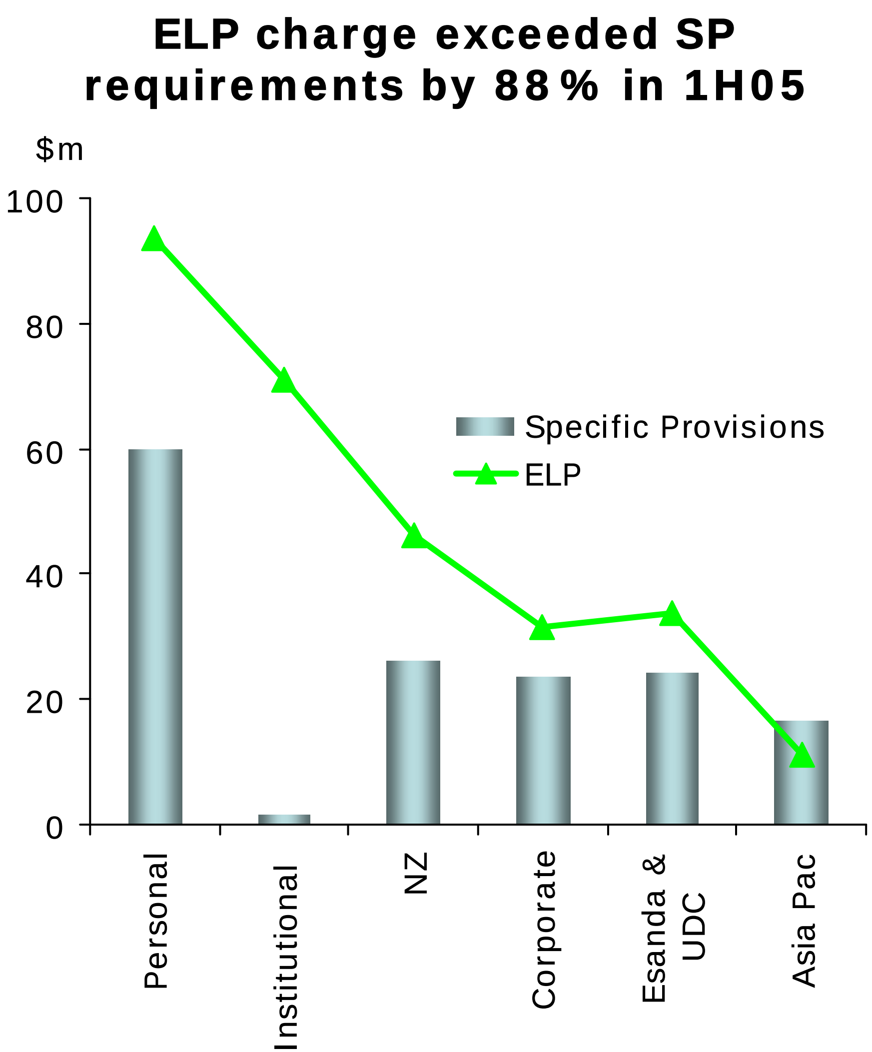






Improved risk profile driving lower ELP charge





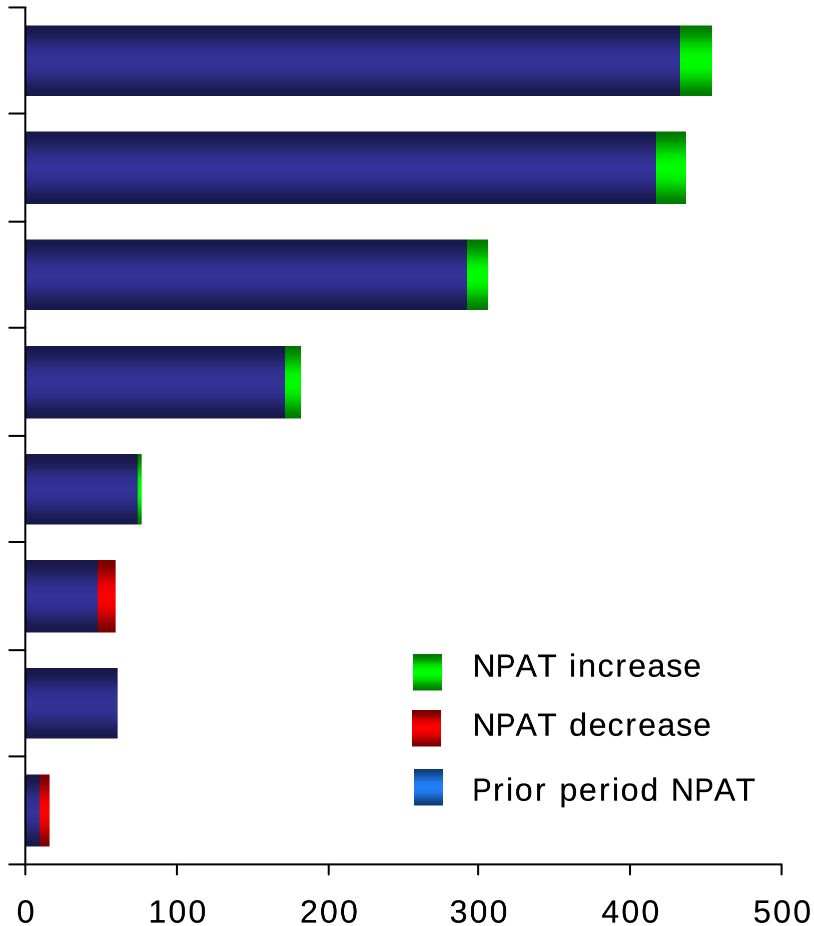
*refer page 51 for details

Good growth in key customer divisions

Half on Half

Division	Mar-05 ($m)	Sep-04 ($m)	Change (%)
Institutional	455	436	4
Personal Banking	442	417	6
New Zealand	306	291	5
NZD			2
Corporate	182	172	6
Esanda & UDC	77	74	4
Asia Pacific	48	60	(20)
ING JV	63	61	3
Treasury	9	16	(large)

NPAT ($m)



Divisional outlook for FY05

Division	Outlook	Drivers
Personal Banking	⬆⬆	• Continued strong FUM growth, stable margins at Divisional level, ongoing investment.
Institutional	⬆	• Strong volume growth in Institutional Banking (easing in 2H05) and TTS, offset by competitive margin pressure in IB and runoff of NZ structured finance deals
New Zealand Businesses	⬆	• Solid volume growth offset by ongoing margin pressure and investment in ANZ franchise
Corporate	⬆⬆	• Strong underlying growth supported by increased WSTMS* transactions, offset by investment in Small Business Banking
Esanda & UDC	⬆⬆	• Solid performance of non traditional, higher return businesses, supported by improved credit quality
Asia Pacific	⬇	• Reduced one-off gains in Panin, structural changes in PNG and investment in Asian partnerships, offset improved underlying Panin performance
ING	⇧	• Good FUM growth continues. Outlook for capital investment earnings appears weaker in 2H05
Treasury	⬇	• Continued drag on group earnings due to unfavourable rates at the long end of the yield curve and reduced offshore earnings

⬆⬆ High single digit and above ⬆ Low to Mid single digit ⬇ Profit decrease

*Wall Street to Main Street

Other financial issues

- Capital position slightly above target range, impact of IFRS/APRA uncertain
- $350m buyback to be completed in 2H05
- Dividend growth in line with cash EPS growth, expect full franking for the foreseeable future
- IFRS and Basel II programs on track
- Possibility of a modest change to guidance on integration costs. No change on NZ tax issues guidance

Summary

- Solid earnings for the half, above target
- Australia very strong, Personal a standout
- Very strong asset growth, but margins under pressure
- Risk reduction journey delivering bottom-line results, provisions and non-accruals down substantially
- NZ regulatory/integration now well in hand, priority shifting to franchise development and earnings growth
- FY05 cash EPS growth likely to be modestly ahead of 8% target

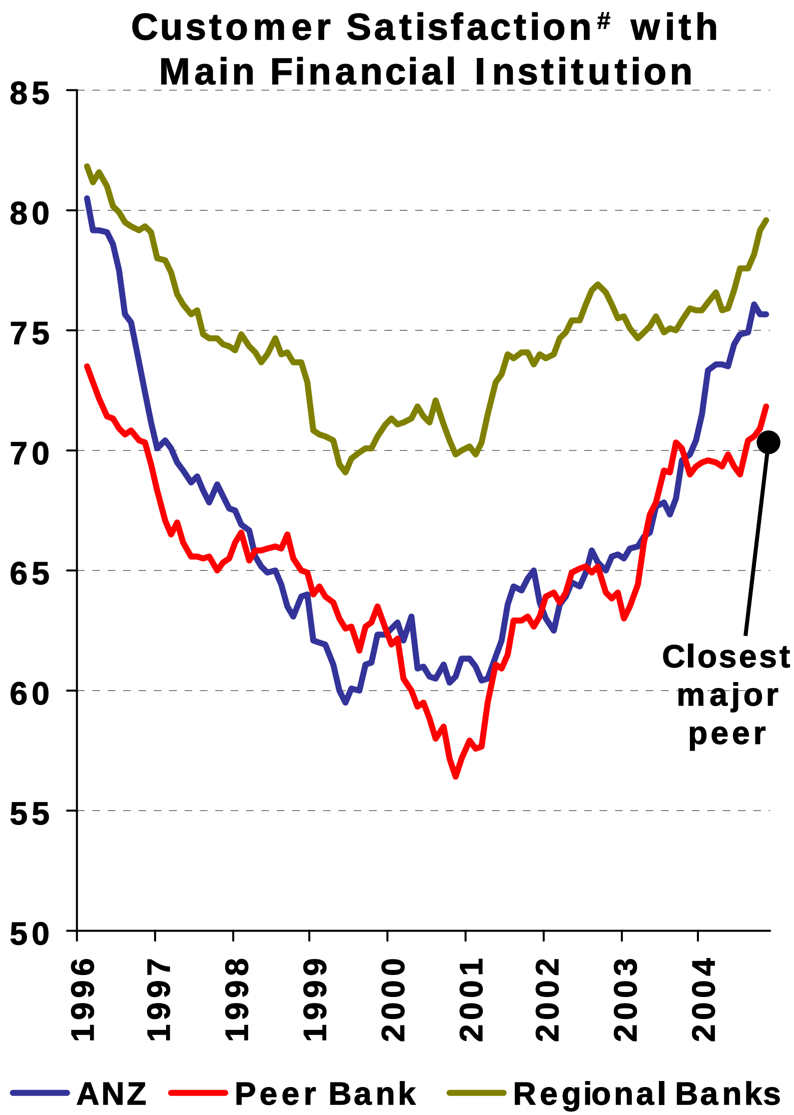
The face of ANZ is changing………

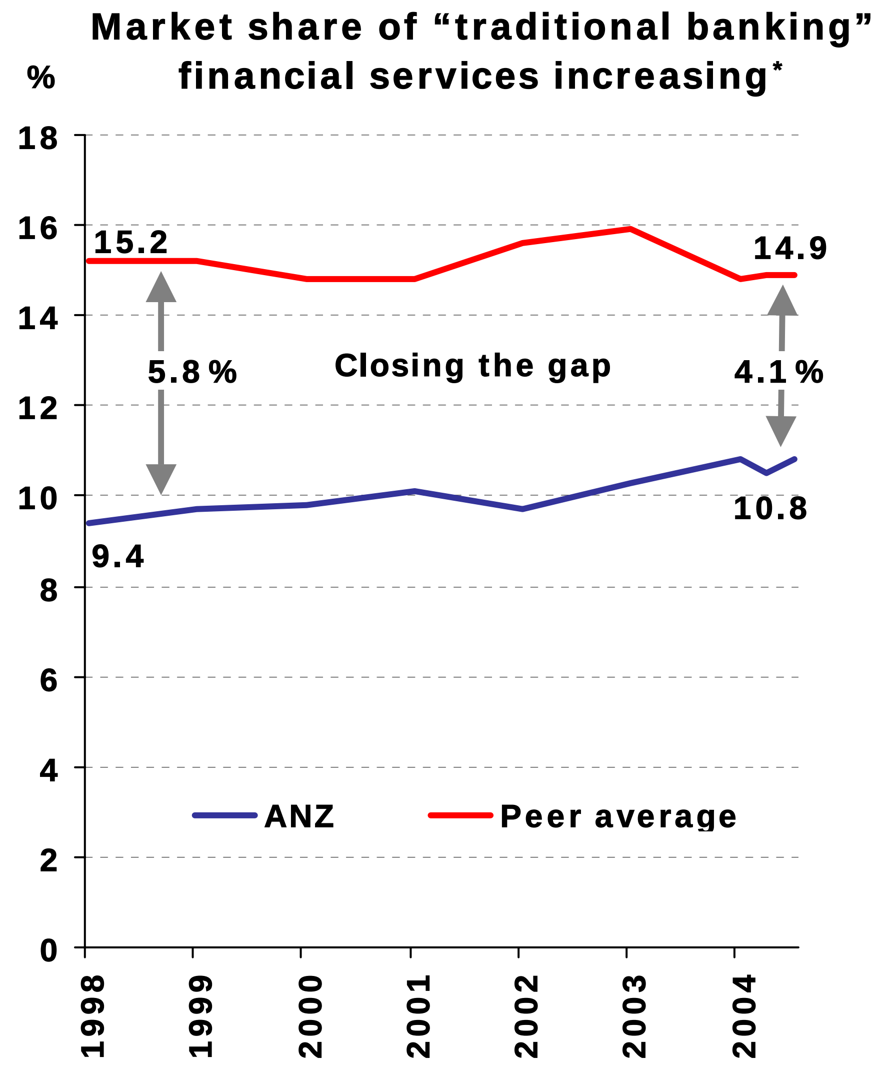
- Increasing market share across our Personal and Corporate businesses; dominant in NZ, progress in Asia-Pacific
- Best-regarded major bank for retail customers
- Highest staff engagement of major Australian companies
- Strong support for innovative community programs
- One of the most efficient banks in the world
- Lower risk and delivering consistently for shareholders

Supplementary Information

Divisional Performance

Focus on the customer is closing the market share gap

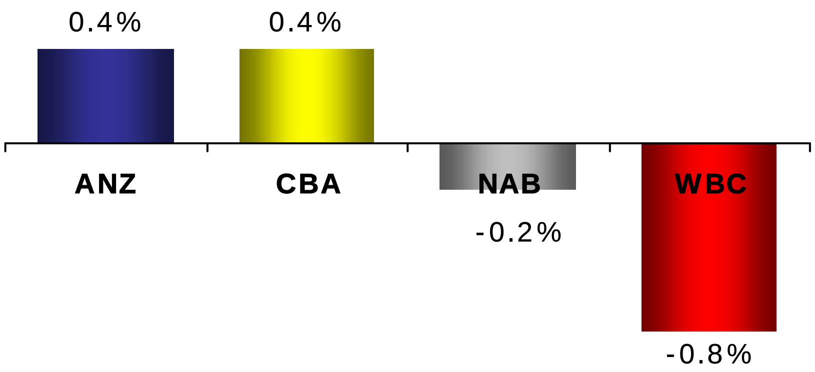




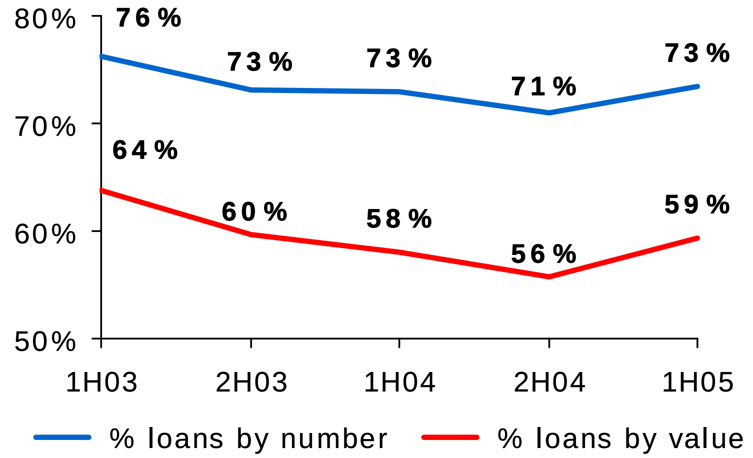
*Source: Roy Morgan Research – Main Financial Institution Satisfaction
#% Satisfied (very or fairly satisfied),
6 monthly moving average (March 2005 Preliminary results only)

Strong ANZ channels driving Mortgages momentum

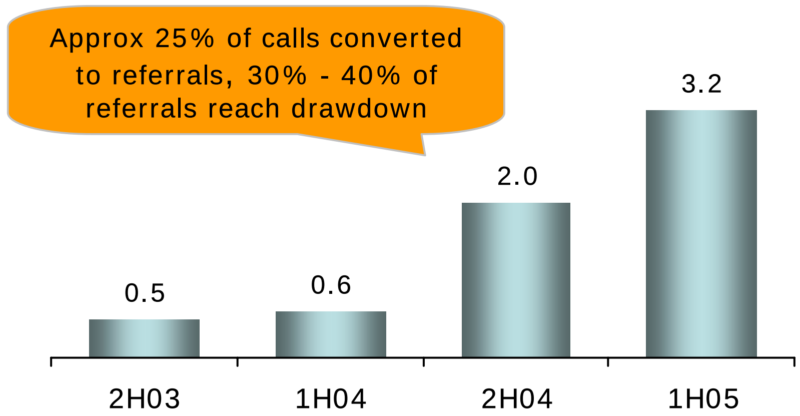
Significant housing market share gains# (Mar04- Feb05)



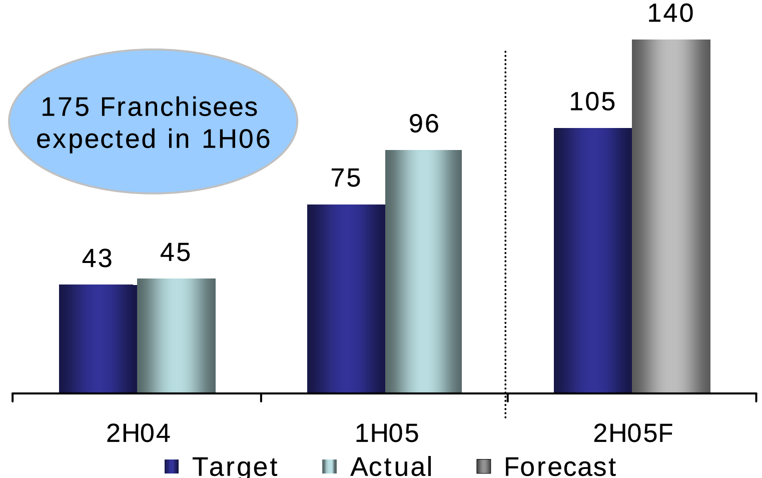
Increased ANZ channel sales



Significant growth in ANZ Direct* referrals ($b)



Franchisee sales are ahead of schedule (number sold)

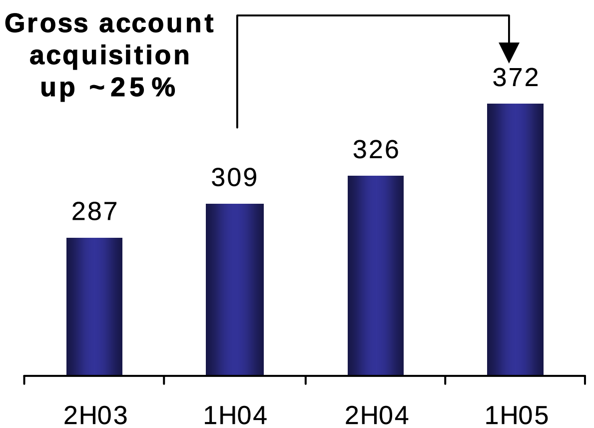


*ANZ Direct includes Phone and internet sales

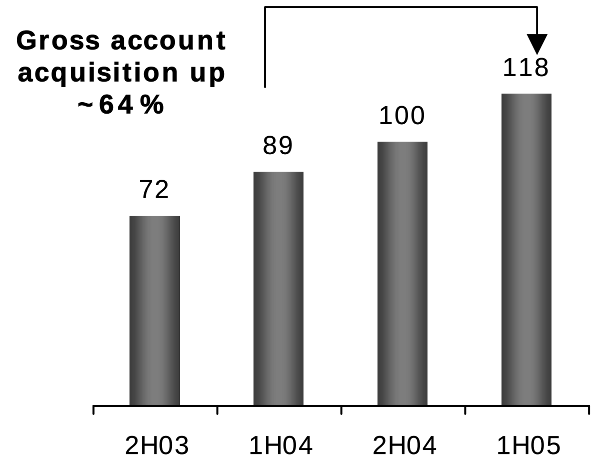
#Source APRA - mortgages market share, includes securitised assets

Banking Products and Consumer Finance performing well

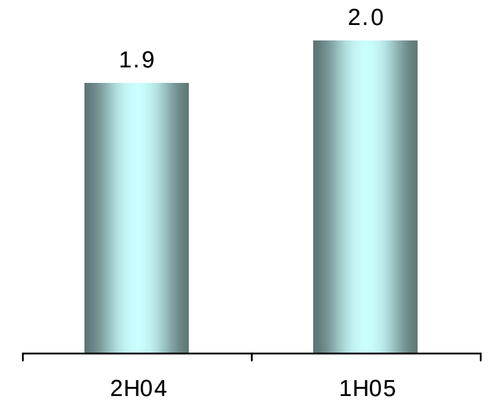
Good growth in new transaction and savings accounts (‘000s)



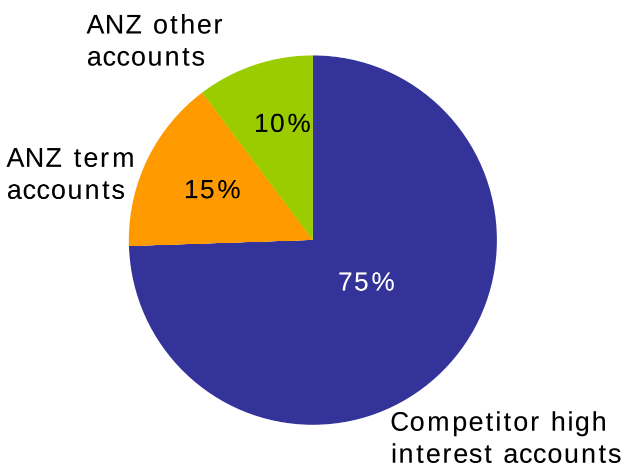
Continued growth in new credit card accounts (‘000s)



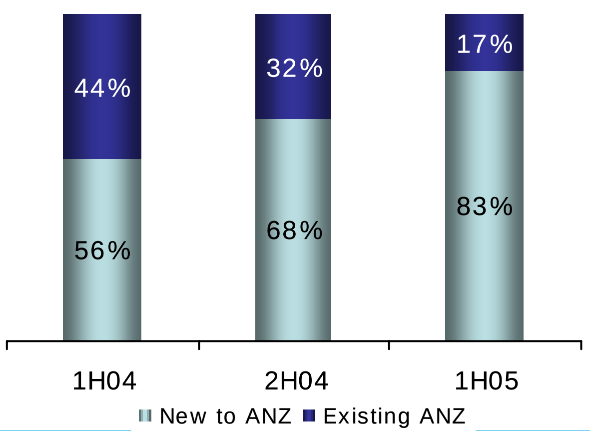
Increased cross sell results (avg product/cust - all Products)



ANZ online savings account attracting new customers

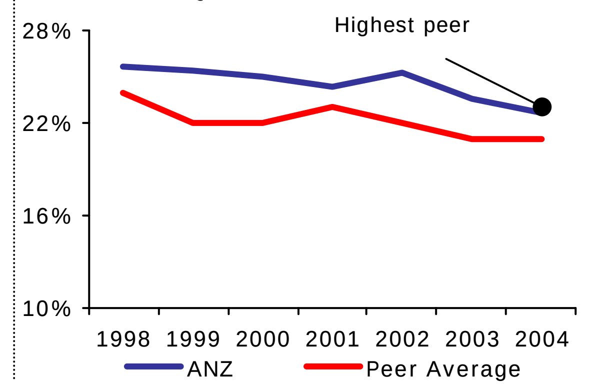


Low Rate Mastercard attracting increasing number of “new” to ANZ customers



Higher quality customers than peer average

% of AB Soc Econ Quintile Customers*



* AB Socio-Economic quintile is the highest socio-economic class grouping

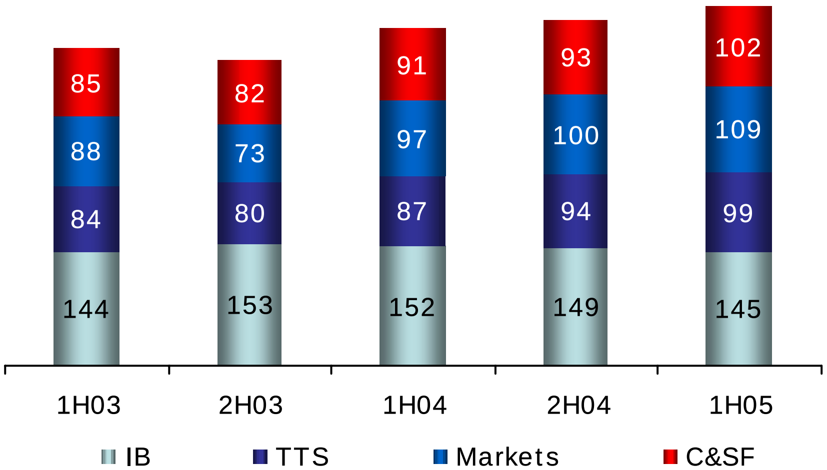
Institutional: building a foundation for growth

This half has seen good progress in building a foundation for growth – increasing efficiency, sustainability and strategic clarity

- Markets integration has organised the business more closely around customers and provides a leaner operating model
- Completed sale of London based Project Finance business - improved clarity of Institutional international strategy
- Refocused Asian strategy capitalises on specialist capabilities and ANZ's footprint in the region
- New Zealand integration progressing well – Institutional has had net addition of customers
- Institutional Banking – realigned industry segments to further strengthen our industry specialisation - new business model will encourage greater cross-sell
- Leadership team strengthened with three MD appointments and key senior appointments in Markets

Priority going forward is to fully implement the transformation agenda

Good NPAT growth after a period of flat earnings

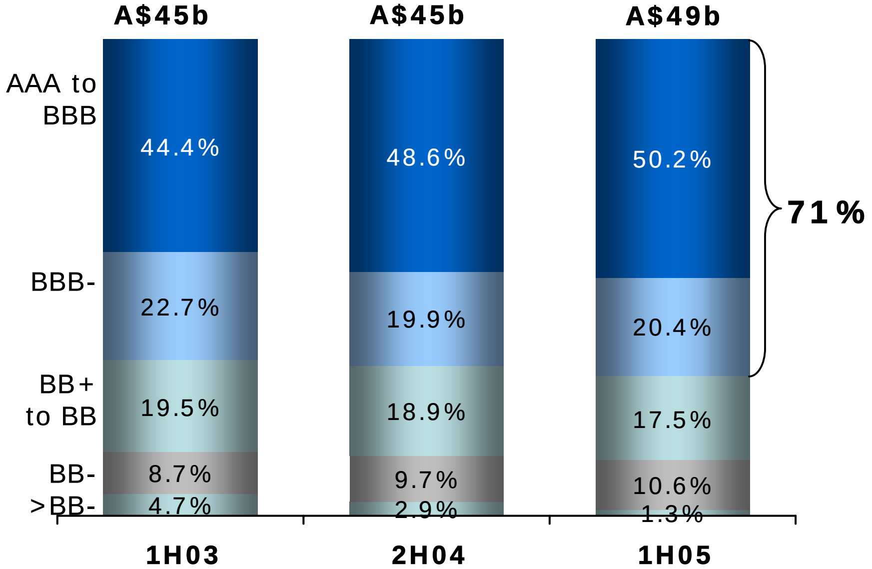


- Institutional NPAT increased 7% pcp (4% hoh) driven by strong lending growth at 14% pcp (10% hoh)
- Corporate & Structured Financing performed strongly - NPAT growth of 12% pcp (10% hoh), driven by private equity portfolio, sell down of Energy Infrastructure Trust and strong deal flow
- Markets and Trade & Transaction Services performed well with respective NPAT growth of 12% and 14% pcp (9% and 5% hoh)
- Institutional Banking NPAT was down 5% pcp (down 3% hoh), strong lending growth of 18% pcp (14% hoh) largely offset by margin squeeze due to competition and lower credit spreads

Earnings impacted by intense competition and falling credit spreads

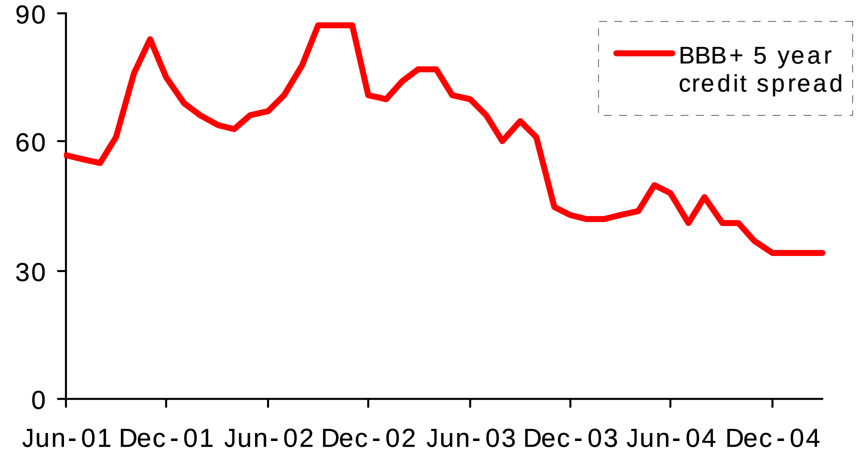
- A number of external factors have impacted performance
  - reducing credit spreads adversely impacting margins
  - Institutional market remains extremely competitive
- Asset quality continues to improve:
  - Investment grade assets now 71% of portfolio
  - Significant reduction in specific provisions

Growth in higher quality, lower yielding assets…

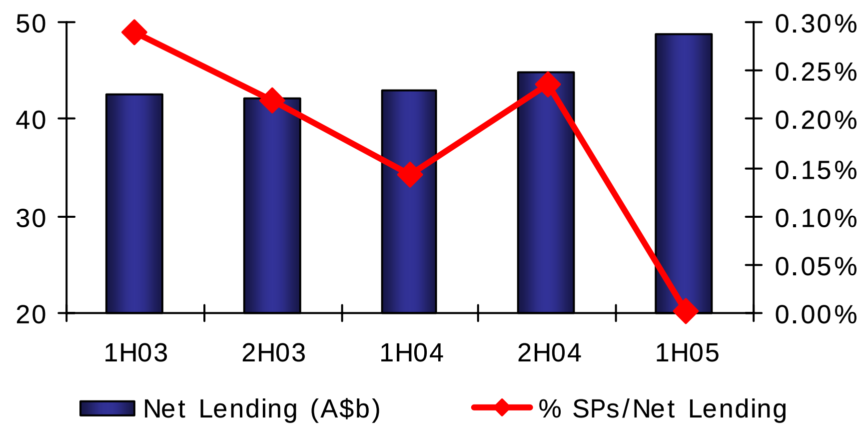


B+ to CC	3.0%	1.8%	0.7%
Non Accrual	1.7%	1.1%	0.6%

Reducing credit spreads have adversely impacted margins

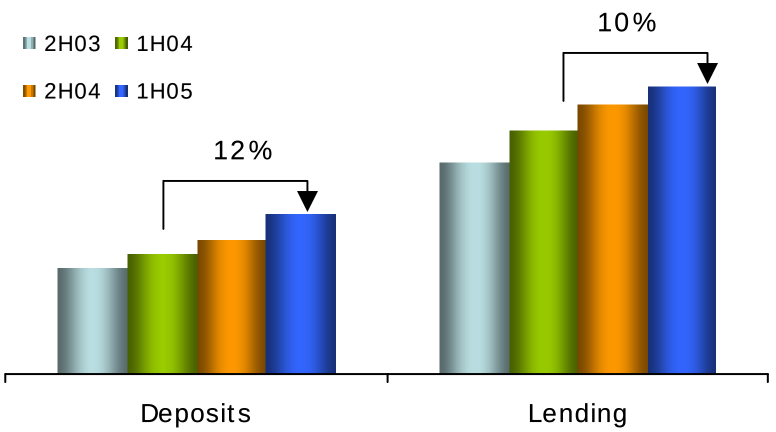


…reflected in lower specific provisions

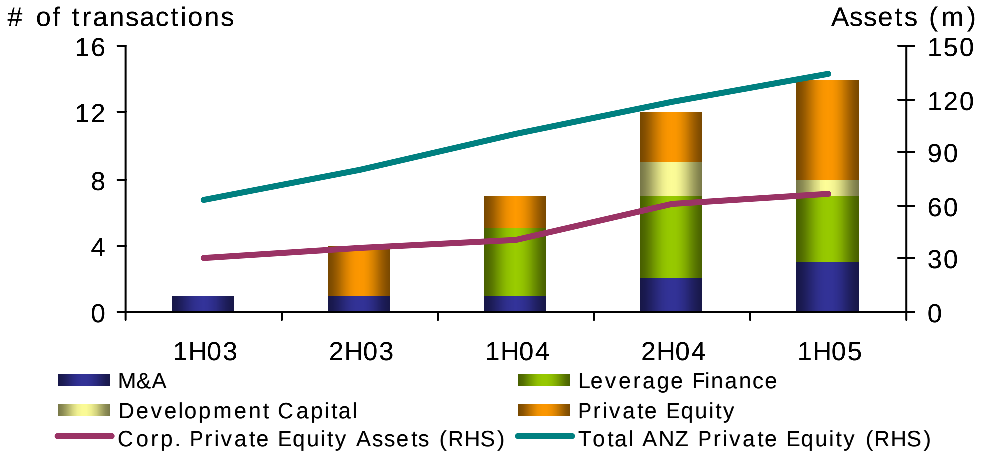


Corporate: solid performance despite increasing competition

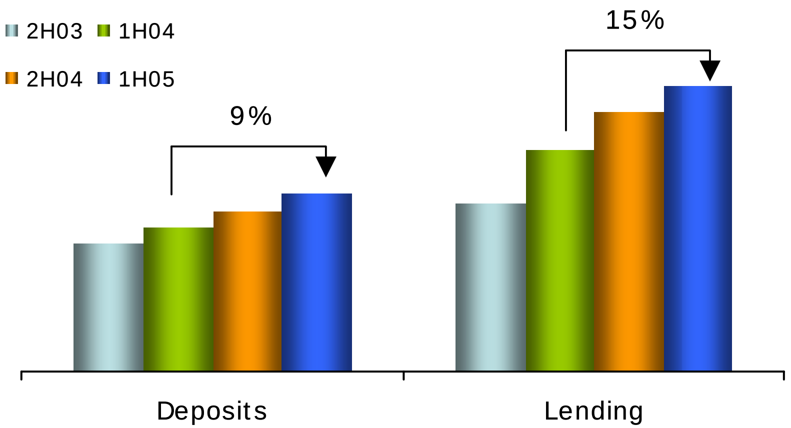
Corporate Banking – solid Balance Sheet growth



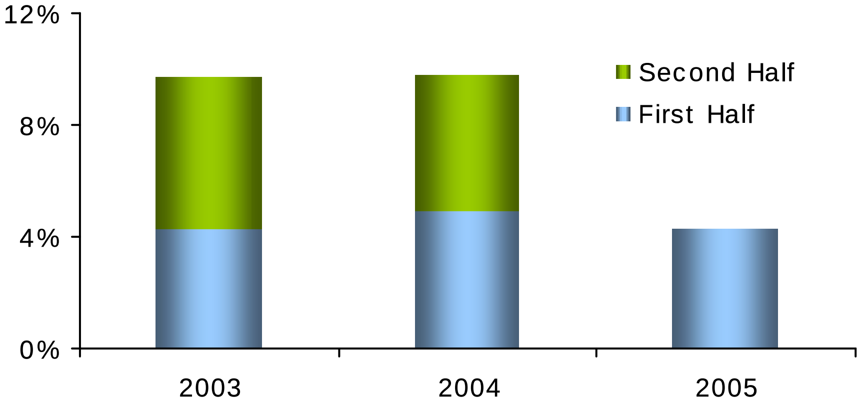
Strong growth in Wall Street to Main Street transactions



Business Banking – growth moderating to more sustainable levels…

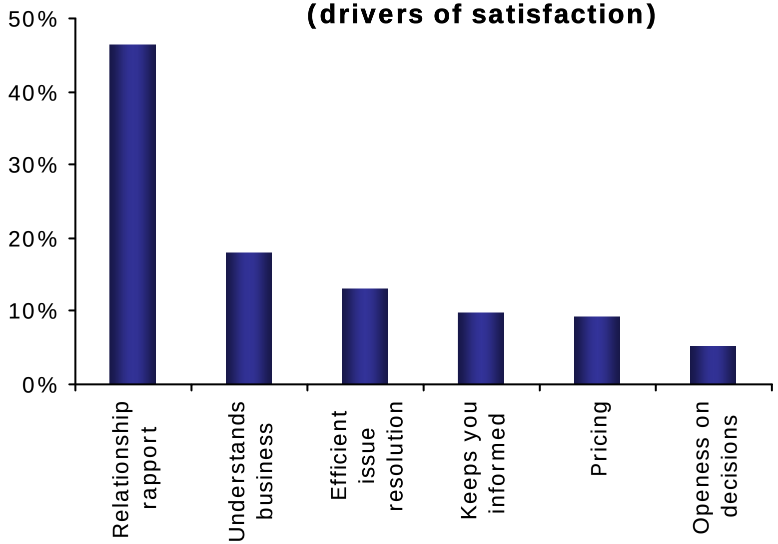


…with continued growth in new customers (net new customers)

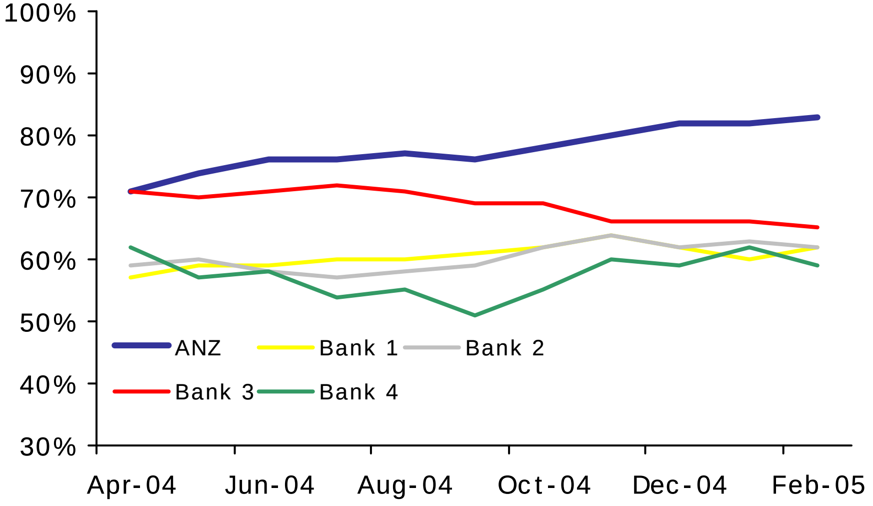


We are well positioned for future growth

Our Business Banking relationship proposition focuses on customer needs# …
(drivers of satisfaction)



…driving leading customer satisfaction* (FUM$250k-$5m)

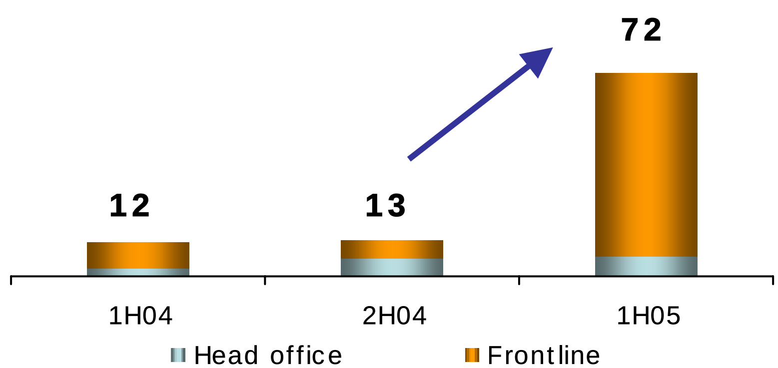


Small Business Banking ("SBB")

Implementation of small business banking strategy is progressing well

- Small business specialists recruited to serve customers and train branch staff
- Product and process simplification underway
- Greater use of credit scorecards and portfolio analytics to drive growth

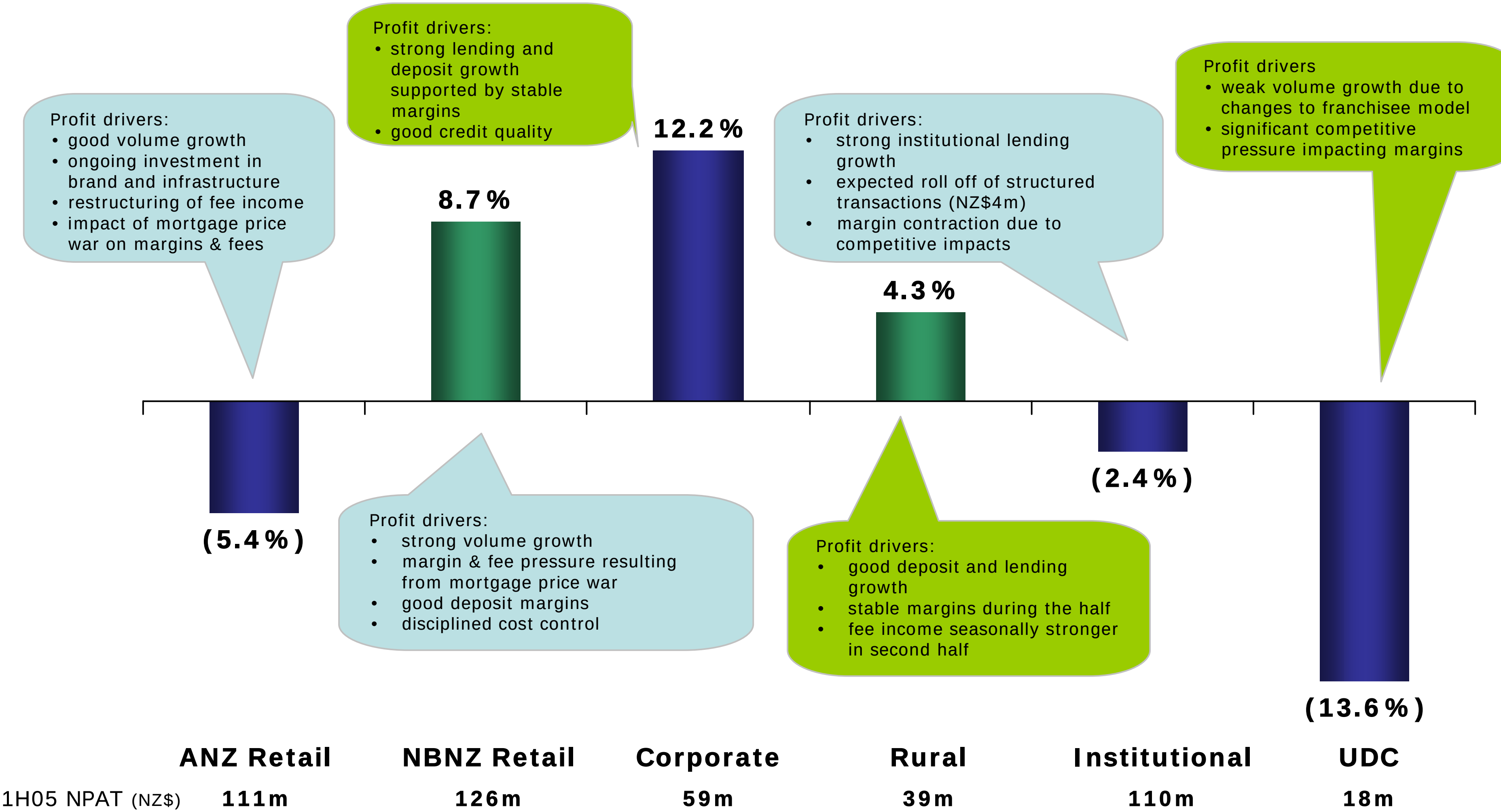
Frontline recruitment in place to rebuild momentum in SBB (# FTE's)



Sources – *Taylor Nelson Sofries, Business Finance Monitor(12 month rolling average)
#ANZ Business Banking Survey – October 2004

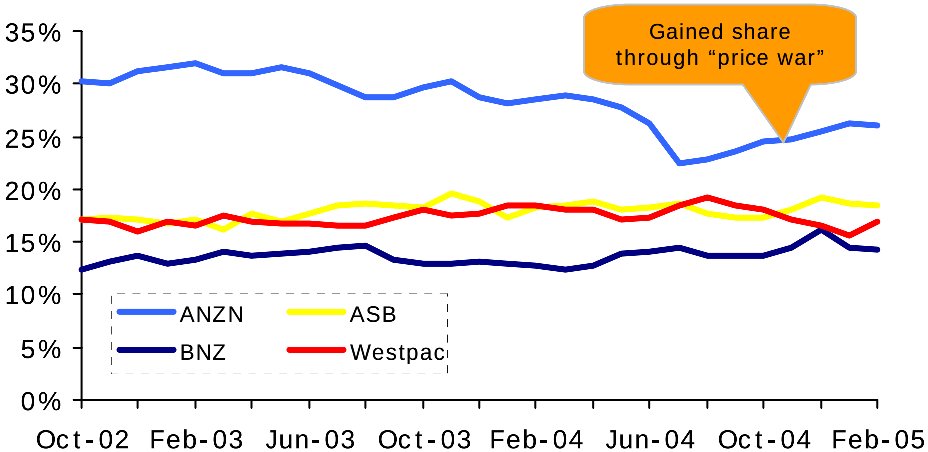
New Zealand: good volume growth offset by competitive impacts

Businesses performing as expected – ANZ Retail rebuilding continues, forecast customer attrition impacting Institutional (hoh NPAT growth NZ$)

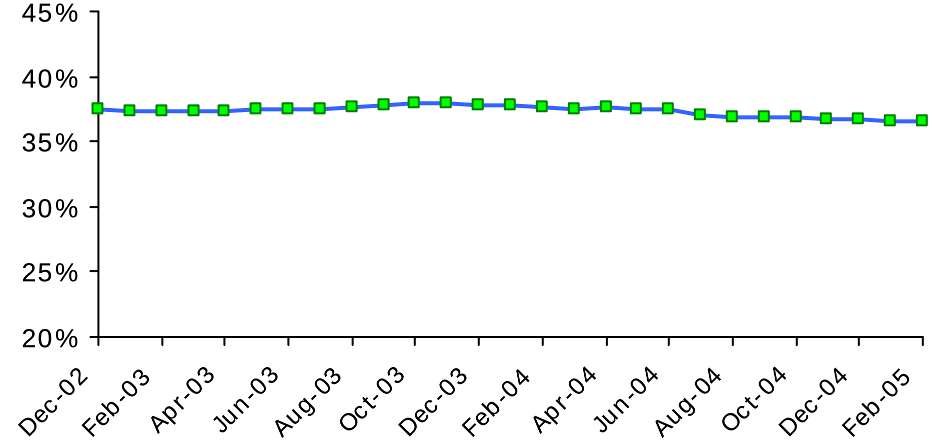


Market share trends are encouraging

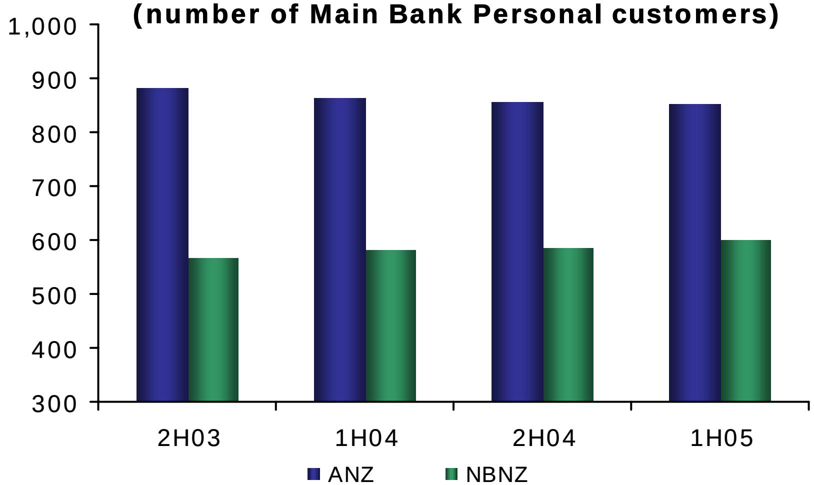
Regaining share in Mortgages*
(share of new mortgage registration by number)



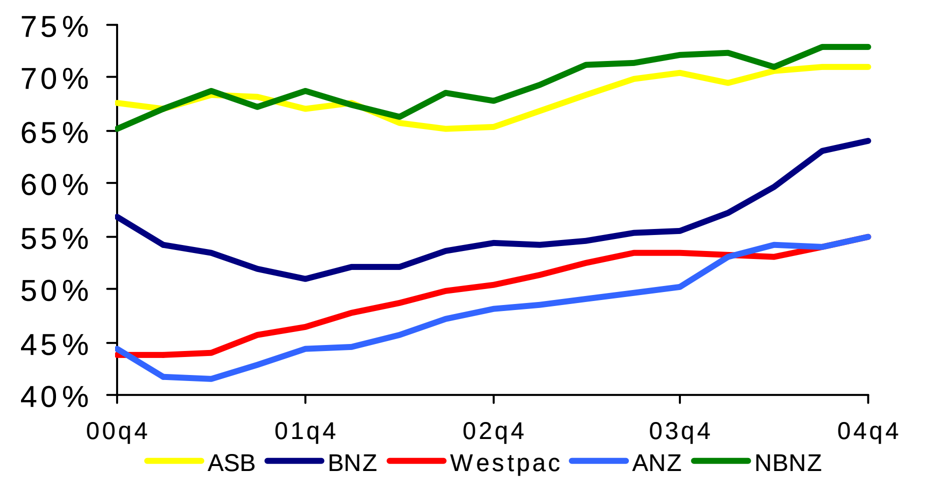
Stable share of household deposits**



ANZ customer attrition stabilising; NBNZ showing growth
(number of Main Bank Personal customers)



Improving Customer Service Rating for ANZ; NBNZ maintains leadership#



Sources – *Terralink International Ltd, NZ
**RBNZ Aggregate SSR & ANZN SSR

"Source: Copyright ACNielsen Consumer Finance Monitor. Rolling 12 month average of percentage of customers rating the bank as 'Excellent' or 'Very Good' in response to the question 'How would you rate your (main) provider of financial services on its overall service?'."

NBNZ integration to be completed by end of 2005

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

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

- No material change to forecast integration costs and benefits
- A risk exists that regulatory requirements may modestly increase costs, this is currently being assessed
- 1H05 total integration costs NZ$49m, incremental NZ$28m
- Integration on track to be completed by end of 2005 calendar year
- 1H05 integration tasks completed include
  - Agreement of IT migration plans with RBNZ
  - Establishing capability to support systems migrating from Aust.
  - Commenced new IT infrastructure establishment in NZ
  - Completed Rural integration program
- 2H05 focus on completion of IT integration

Asian businesses showing positive growth

ANZ Asian Network

- NPAT grew by 12% excluding Treasury
- Investments in Trade Finance and leveraging growth in trade flows has resulted in 47% NPAT growth from corresponding period
- Balance sheet remains flat as we focus on maintaining a high standard of asset quality

ANZ Retail Partnerships

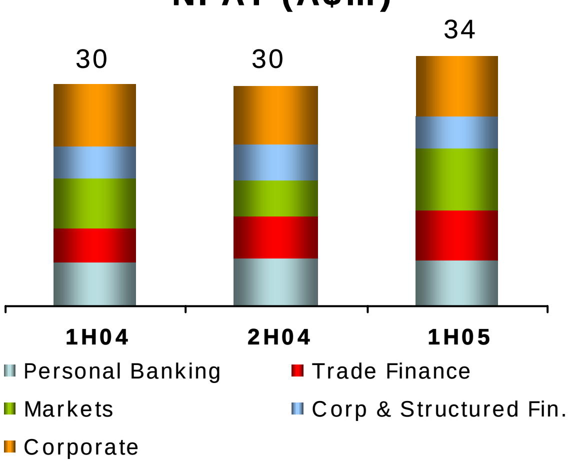
- NPAT reduced by 19% driven by cessation of provision write backs in Panin and set up costs for ANZ Royal Bank (Cambodia) and other partnerships
- Cards continues to perform well with an 11% increase in NPAT[1]
- Cambodia JV well progressed and announced intention to acquire 10% of Sacombank in Vietnam
- Focus on developing additional partnerships in the region

Panin Partnership

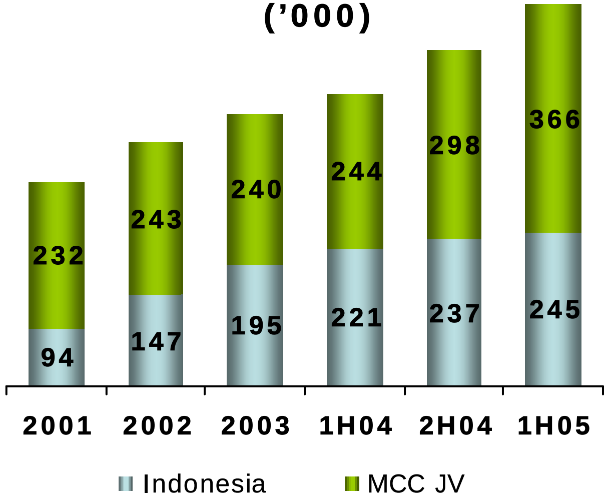
- Panin's underlying performance continues to be strong driven by high growth in the Consumer & SME businesses
- Since 2000
  - number of branches increased to 187 from 102
  - % of retail lending now 37% from 13%
- Outlook remains positive
- Book value of $143m against market value of $321m at Mar-05

Organic growth with gradual shift towards Trade business

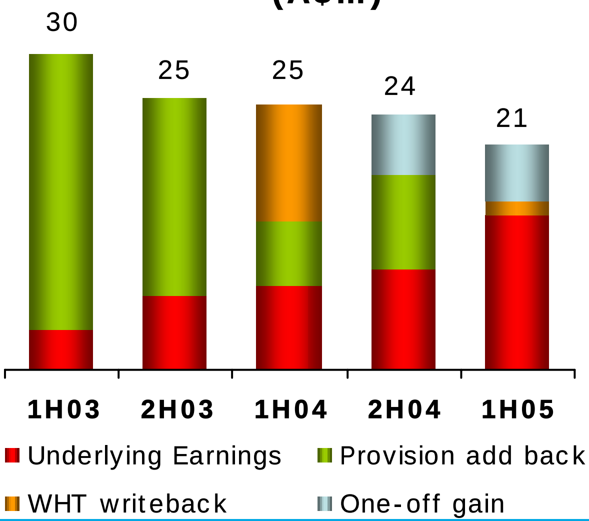
NPAT (A$m)



Strong growth in cards issued 12% uplift during the half ('000)



Strong underlying earnings momentum (A$m)

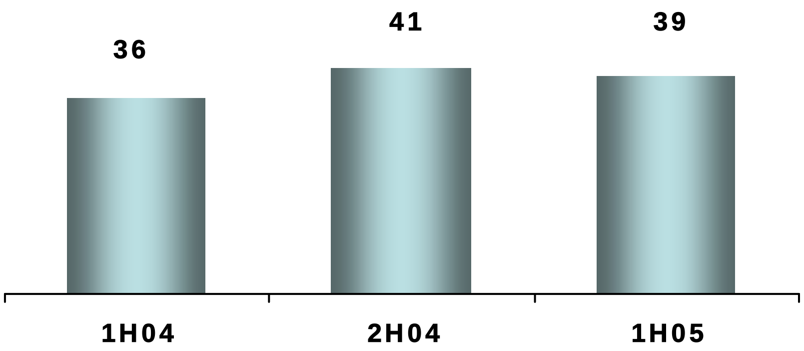


[1]excluding exchange rate movements

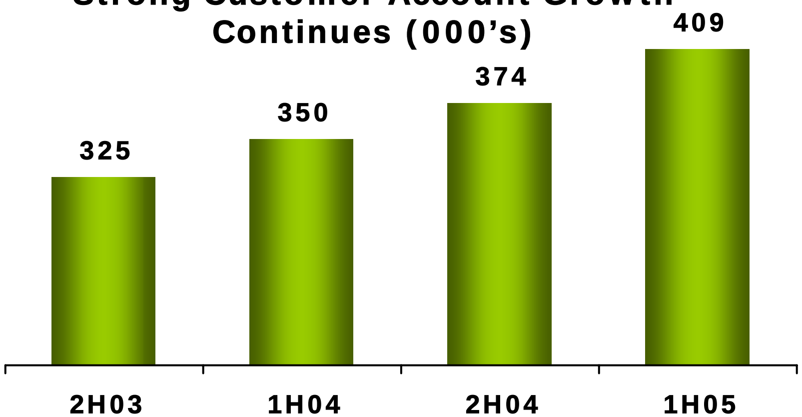
Pacific - solid momentum impacted by structural changes in economies

- NPAT grew 8% on 1H04. Property sales in 2H04 and structural changes in PNG resulting in a 6% fall in Treasury bill rates (10.9% to 4.9%) caused NPAT to be down 4% half on half
- Lending grew by 16% pcp (9% hoh)
- Deposits grew by 10% pcp (5% hoh)
- Continued areas of focus:
  - Improved share of customer wallet through cross sell
  - Centralising non customer facing activities
  - Exploring new product opportunities and new markets
  - Extending the Fiji Rural Banking model to other countries

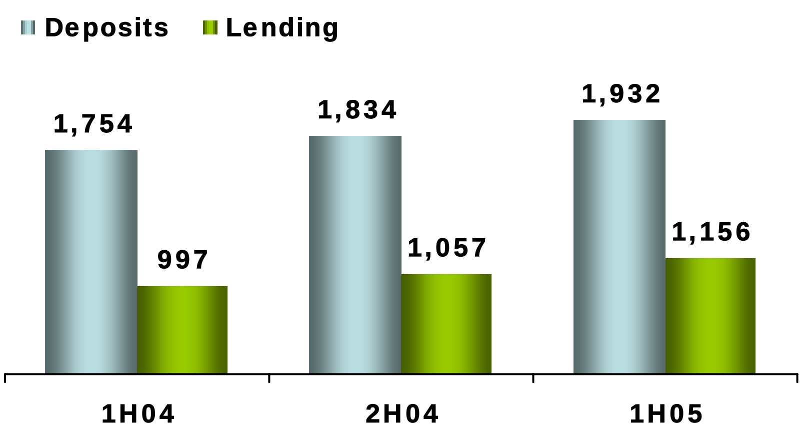
Earnings impacted by drop in PNG Treasury bill rate NPAT (A$m)



Strong Customer Account Growth Continues (000's)



Strong Lending & Deposit Growth (A$m)



Esanda: benefiting from reshaping our business

Over the past 3 years, Esanda & UDC businesses have been reshaped;

- Increasing focus on lower risk / higher growth ROE markets via
  - additional front line staff in growth areas
  - restructuring the UDC business structure from franchisees to relationship Managers
  - re-launching the Esanda and UDC brands
- Commitment to traditional businesses (eg. vehicle and equipment finance) has been maintained

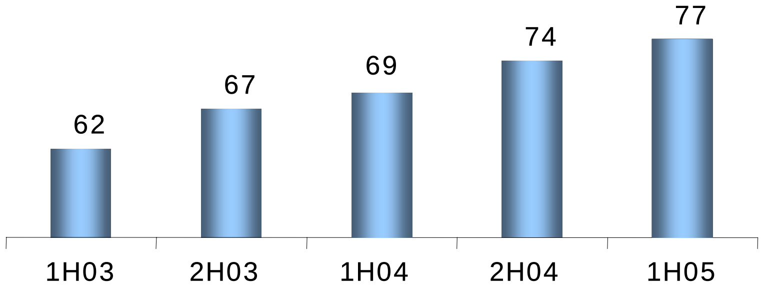
The benefits of reshaping the business are evident;

- Record profit of $77m for the half up 12% pcp (4% hoh),
  - – Australian business up 15% pcp (9% hoh),
  - – UDC down 11% pcp in NZ$ (-14% hoh) is still dealing with the flow on effects of the exit of franchising
- Net Lending Assets of approx $14b, up 6% (pcp)
- Net specific provisions at continued low levels

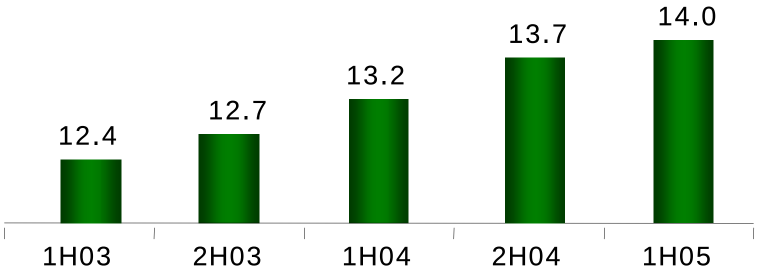
The reshaping of Esanda to drive growth continues in 2005 with the launch of Esanda Online Saver – an on line, high interest rate, no fees, no minimum deposit savings product

ESANDA Online Saver

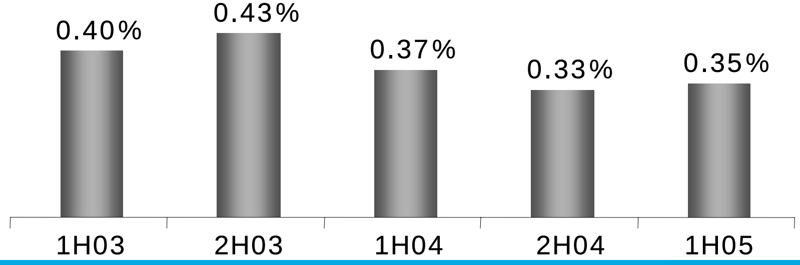
Steady NPAT growth (Esanda & UDC A$m)



Moderate lending growth (Esanda & UDC A$B)



Lower risk portfolio driving reduced ELP charge (SP / Net Lending Assets %)



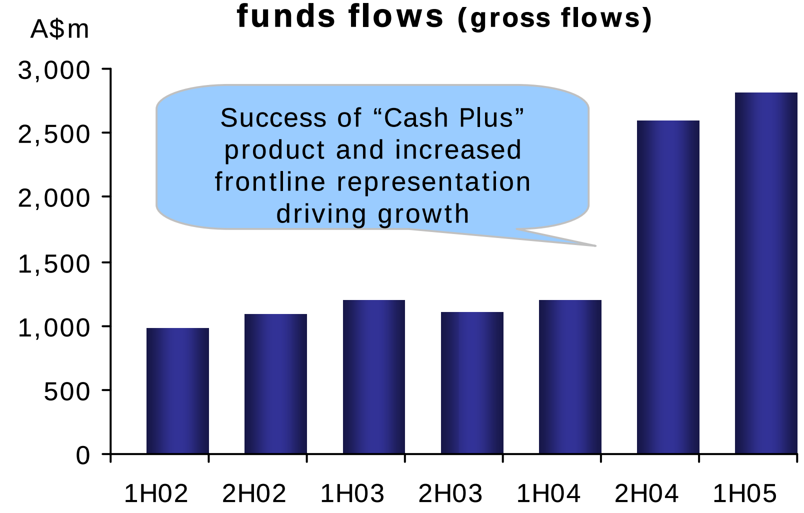
Improving INGA returns from strong insurance income

NPAT increased 5% driven by:

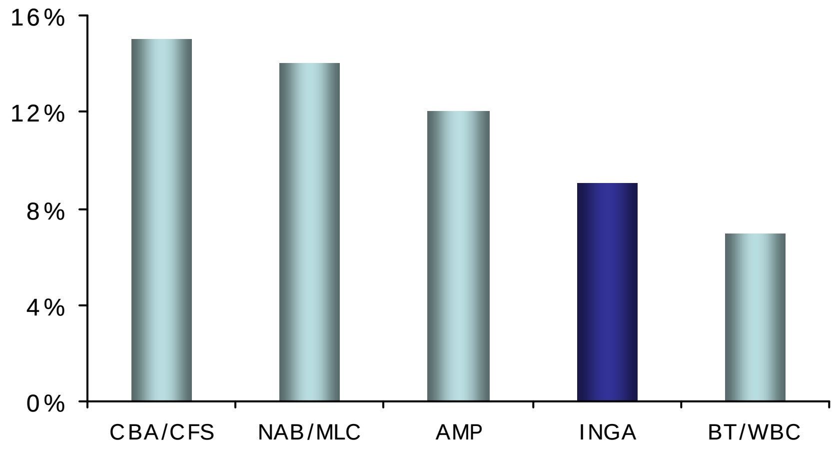
- Funds management income decreased by 5%, with higher fee income offset largely by an increase in distribution costs
- Risk income up 9% due to favourable claims experience together with increased sales of life insurance products through the ANZ network
- Higher capital investment earnings, up 2% due to continued strong equity & property trust markets which were partially offset by ANZ's capital hedge losses
- Costs decreased 5% due to tight expense control and lower project spend

Current JV Valuation	$m
Carrying value at Sep-04	**1,697**
Capital return	(245)
1H05 Equity accounted profits	
• Share of Profit	80
• Goodwill	(21)
Other	2
Carrying value at Mar-05	**1,513**

Significant increase in ANZ Network funds flows (gross flows)



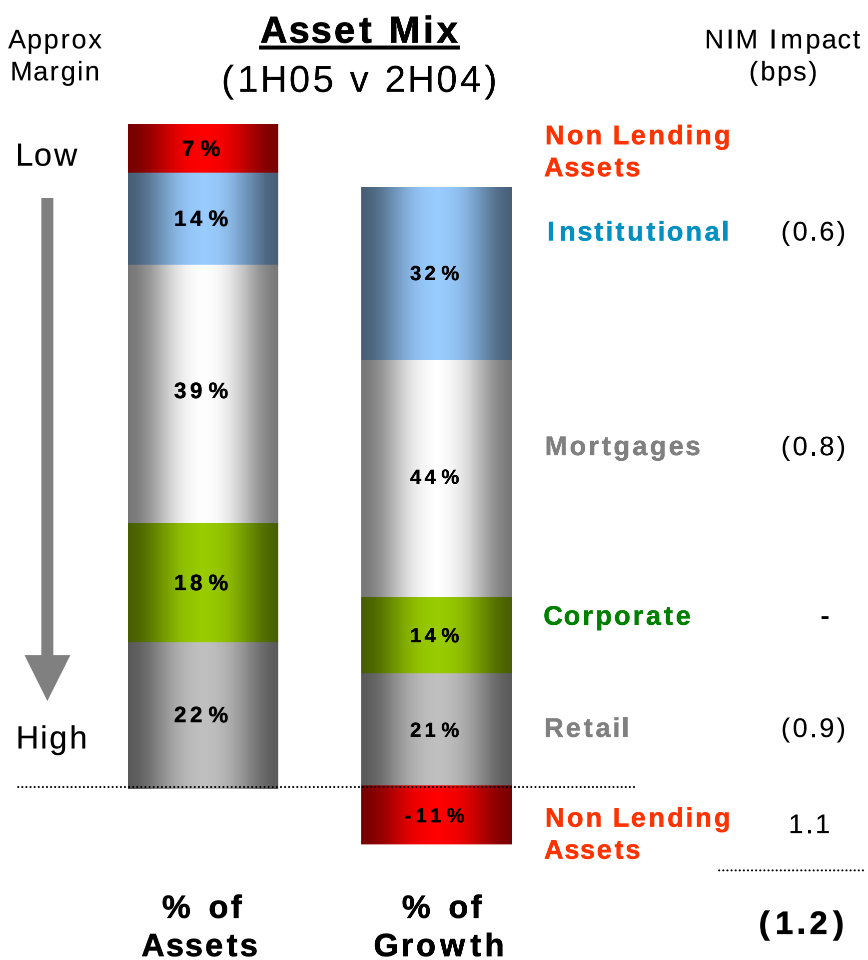
INGA maintains its number four ASSIRT ranking (market share of Retail FUM)



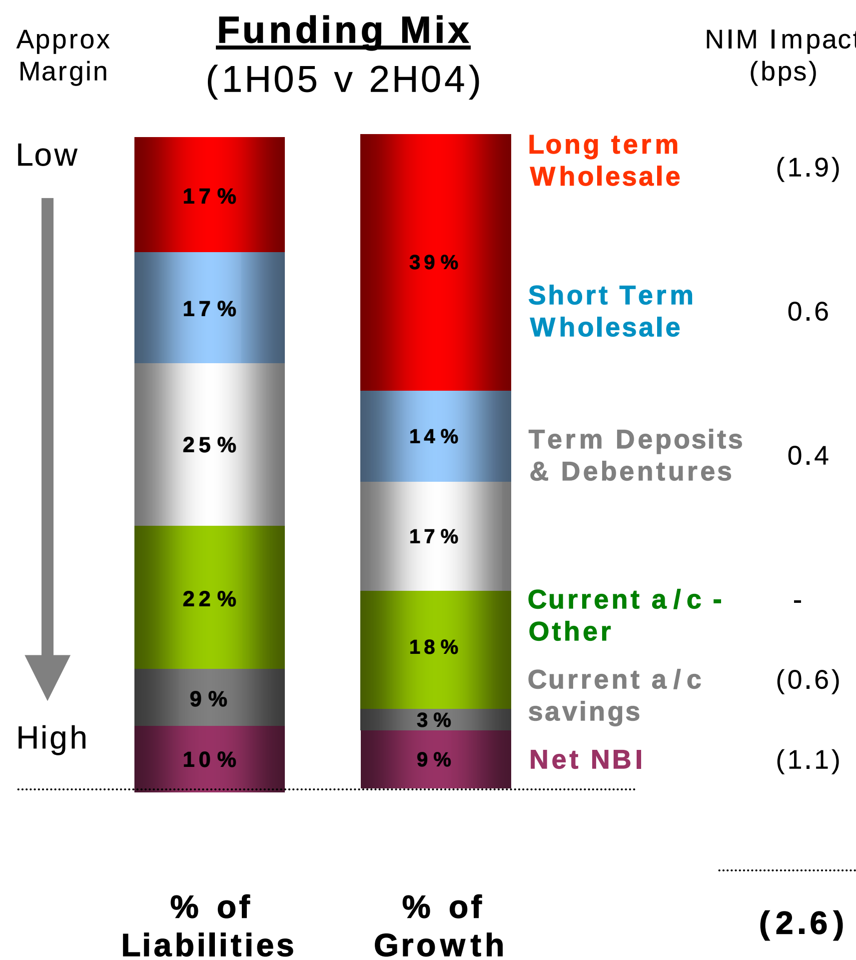
Financial Information

Solid growth in low yield assets continues to impact margins

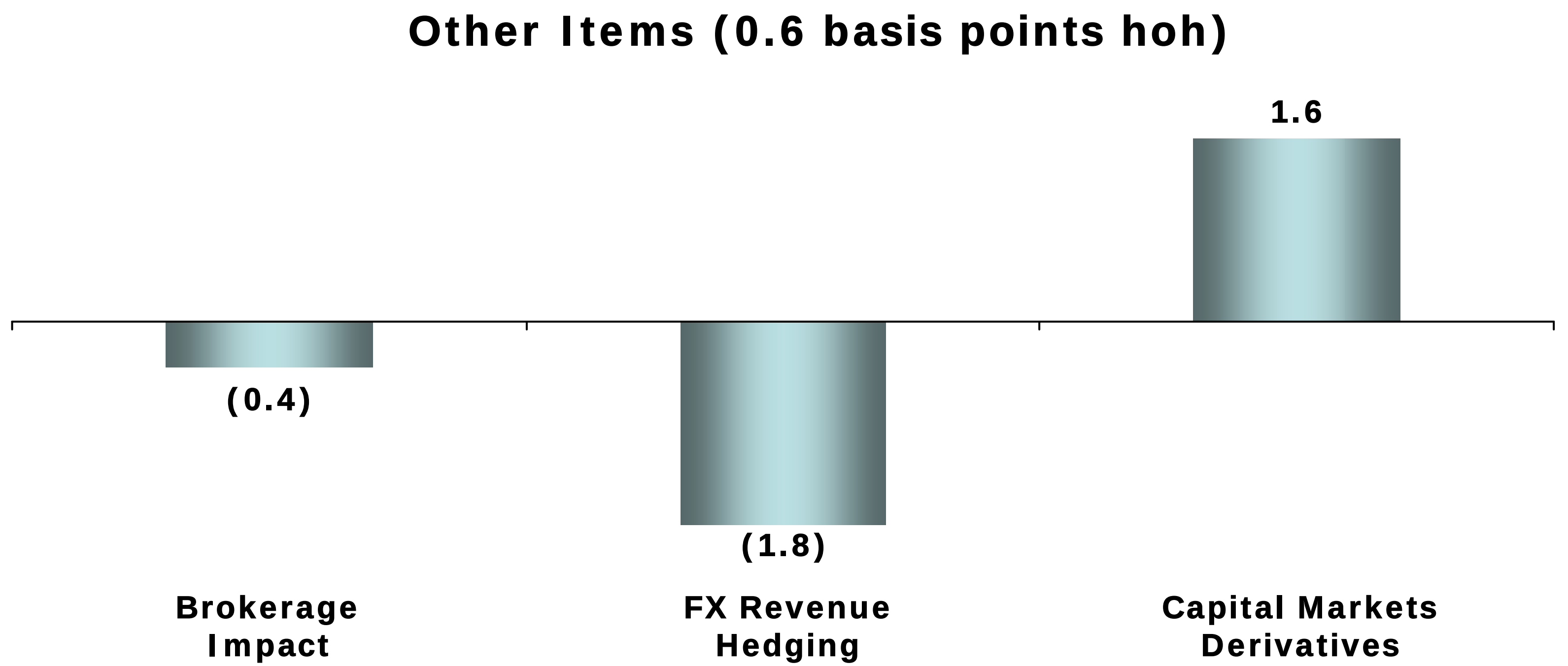
Increased Institutional and Mortgages growth driving asset mix impact



Growth in Long Term Wholesale Funding impacting margins



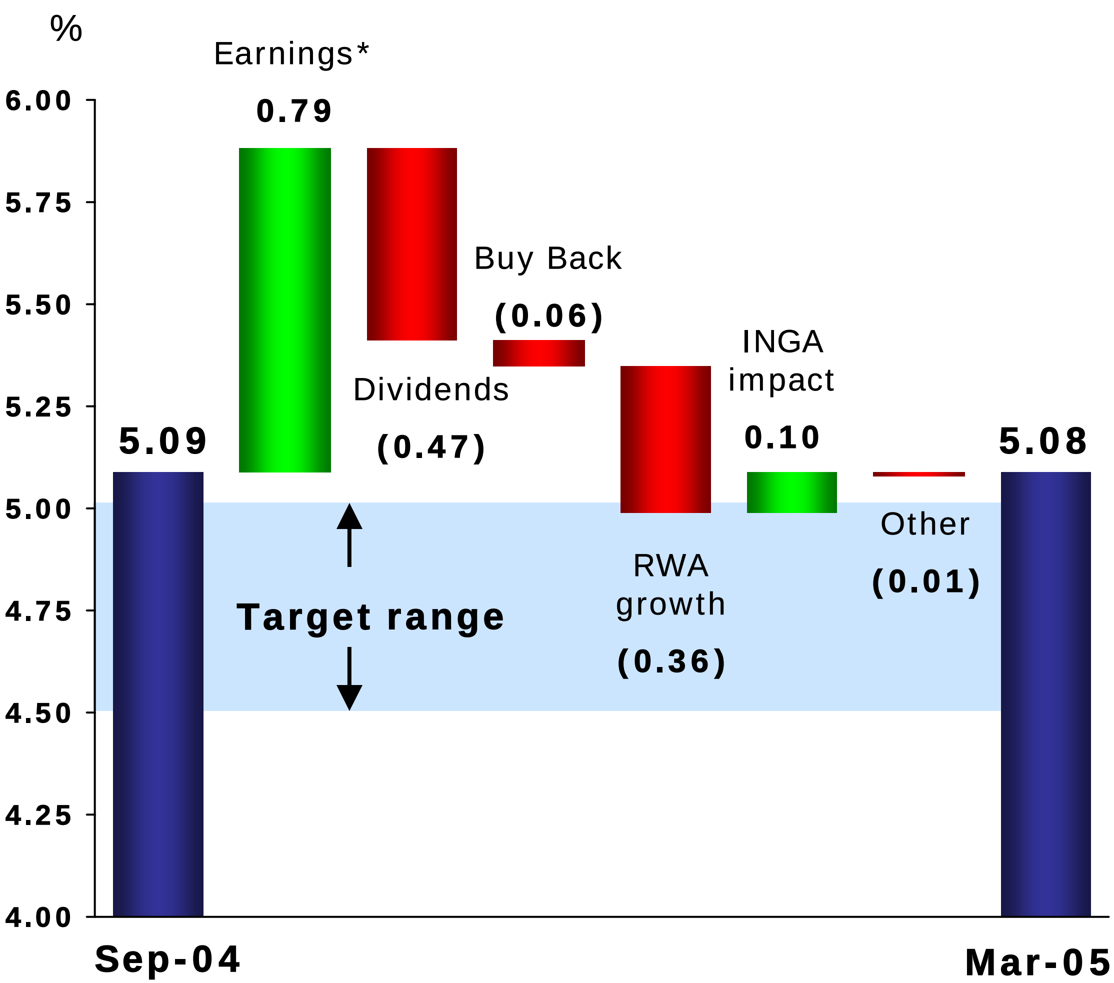
Composition of "other" in the high level margin analysis



- NIM increased resulting from reduced funding costs associated with unrealised gains (offset in P&L on Trading Securities)
- The following items reduced NIM:
  - Retail broker payments
  - Reduced earnings from foreign exchange revenue hedging

Capital position above target range

Drivers of the ACE ratio

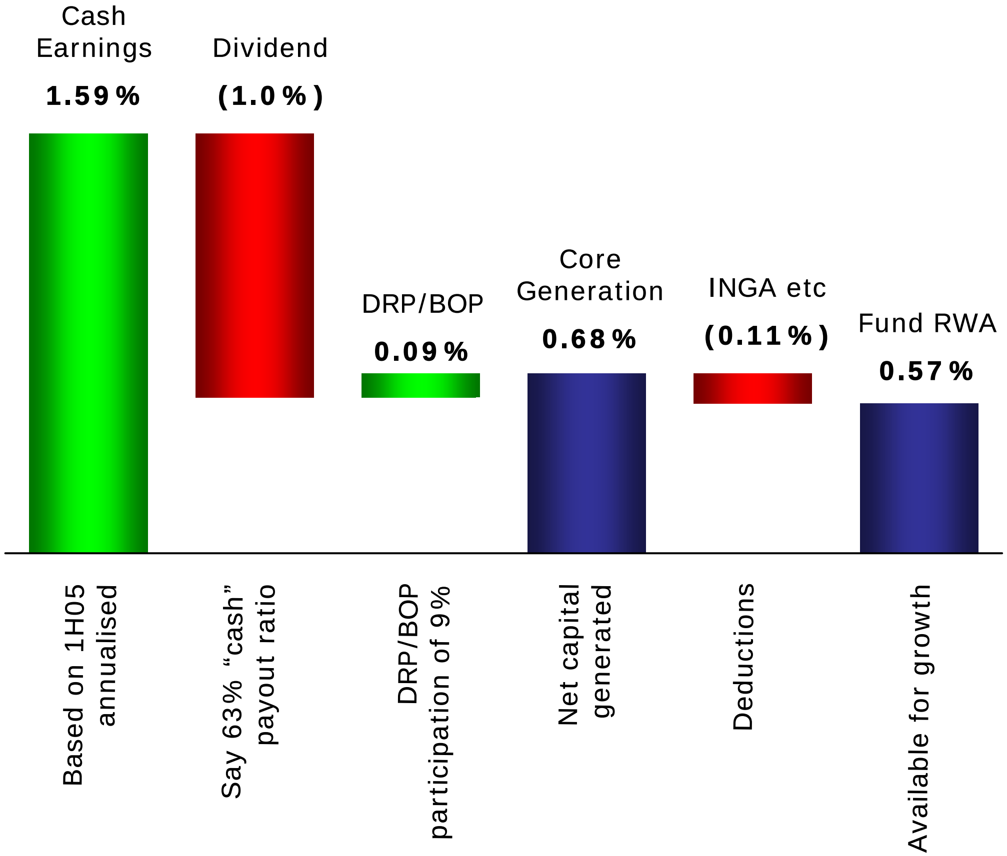


- Currently above target range
- Continue to generate surplus capital
- Uncertainty regarding ACE impact of IFRS
- $350m buy-back ongoing - anticipate completion in 2H05
- Retain flexibility to make small ‘in-fill’ acquisitions and address APRA/IFRS uncertainties

*Core Cash Earnings, defined as earnings after hybrid distributions, but before goodwill and significant items

APRA changes to Hybrid rules could reduce organic funding capacity

Capital Generation & Usage % of RWA



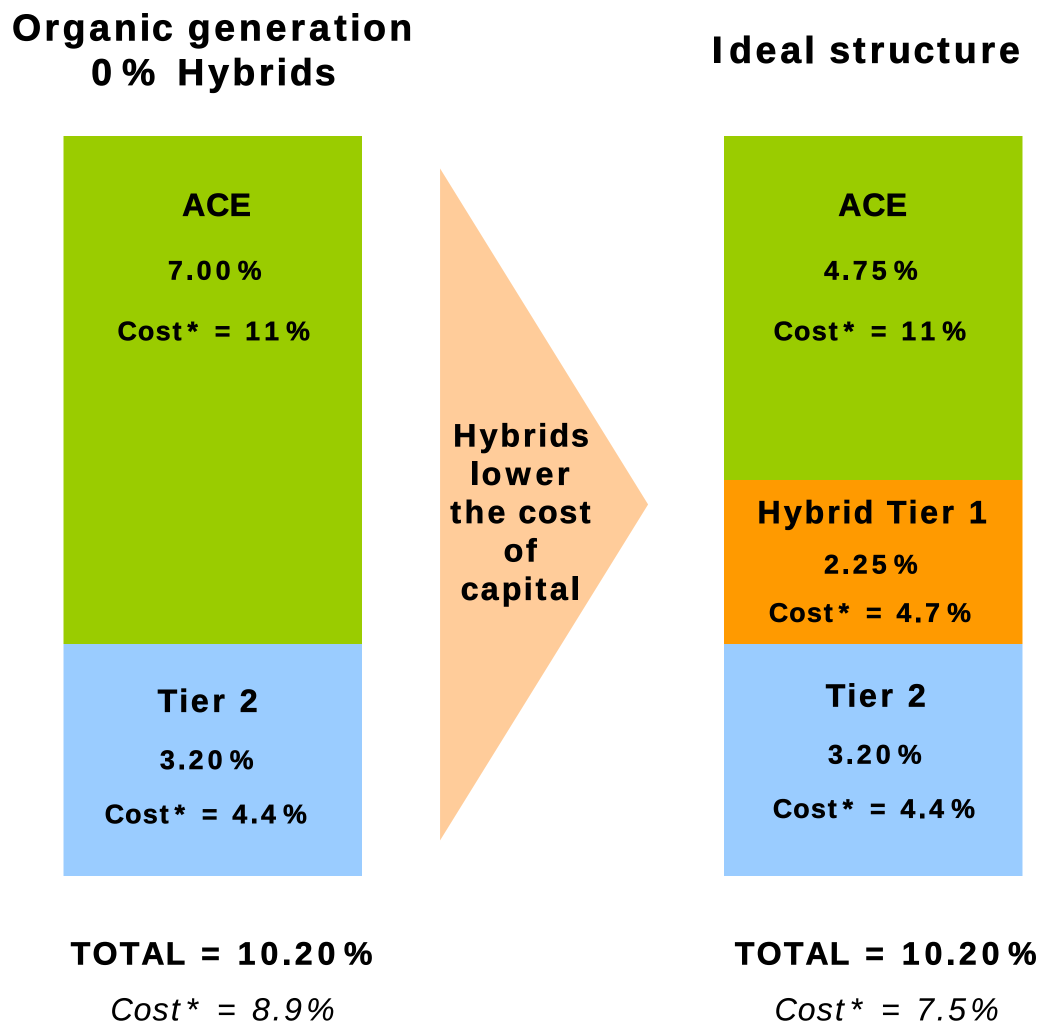
Capital ratio			
RWA growth	**ACE mid point 4.75%**	**15% hybrids 6.09%**	**0% hybrids 7.00%**
7%	0.33%	0.43%	0.49%
8%	0.38%	0.49%	0.56%
9%	0.43%	0.55%	0.63%
10%	0.48%	0.61%	0.70%
11%	0.52%	0.67%	0.77%
12%	0.57%	0.73%	0.84%
13%	0.62%	0.79%	0.91%

Options available for capital generation

- Non innovative hybrids as allowed in other jurisdictions (subject to APRA)
- Uncapped DRP
- Securitisation
- Capital raisings

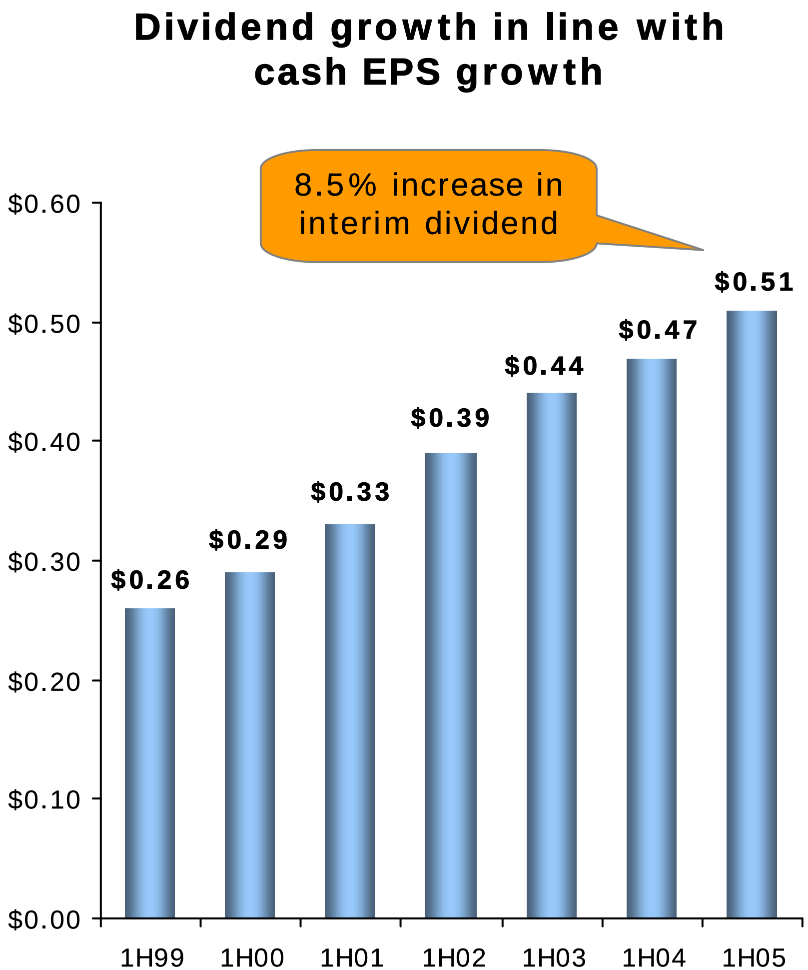
Ideal capital structure versus organic generation

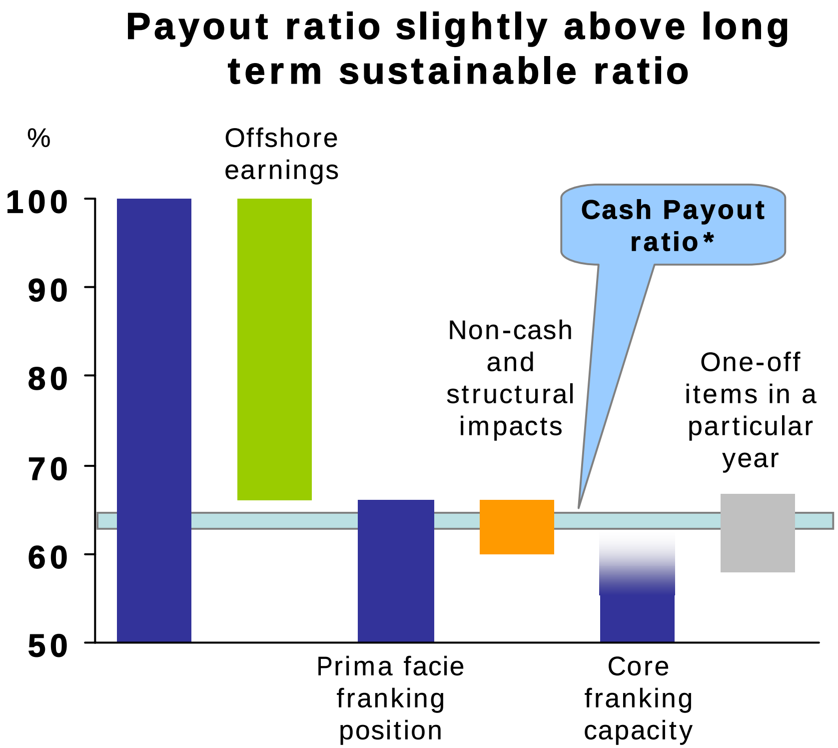
- Should APRA constrain the issuance of Hybrids, we may be unable to return surplus ACE to shareholders. Regulatory Tier 1 capital may be increasingly funded by ACE capital.
- Currently ANZ has $3.3 billion of Hybrids or 21% of Gross Tier 1
- This is a surplus of $1.6 billion over a benchmark of 15% net Tier 1



* after tax

Dividend growth in line with cash EPS growth





Based on current payout policy

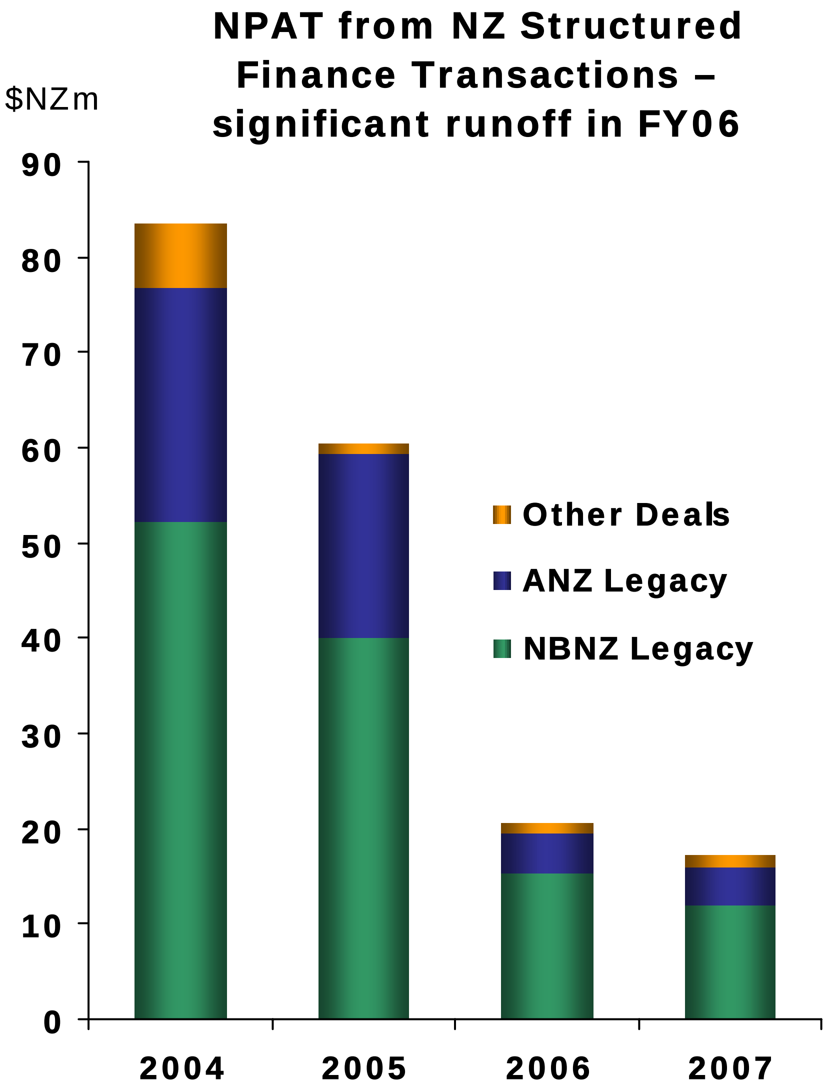
- expect dividend growth in line with cash earnings per share growth
- expect to be able to fully frank the dividend for foreseeable future due to timing differences generating future franking surpluses

*Cash Payout ratio is calculated against Core Cash Earnings, defined as earnings after hybrid distributions, but before goodwill and significant items.

New Zealand structured finance transactions

- IRD audit focused on so called "conduit" transactions
  - Notices of Proposed Adjustment and assessments received as expected
  - Net potential liability on all similar transactions $NZ268m*

- Legislative change to 'thin cap' rules in NZ will make these transactions economically unviable after 2005
  - No new conduit transactions entered into for almost 2 years
  - Expect that remaining conduit transactions will cease during 2H05
  - Likely to see more capital held in NZ – negligible profit impact. Franking impact limited by redirecting UK capital to NZ

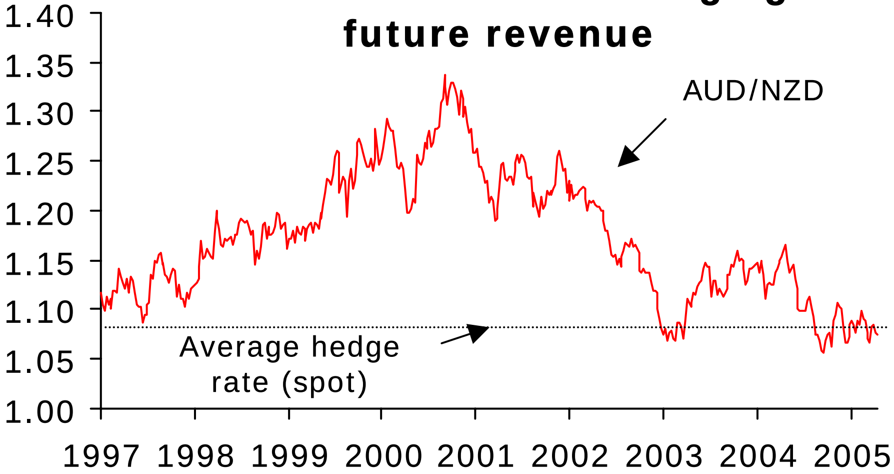


* including interest which is tax effected, up to 31 March 2005

New Zealand currency risk substantially hedged

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

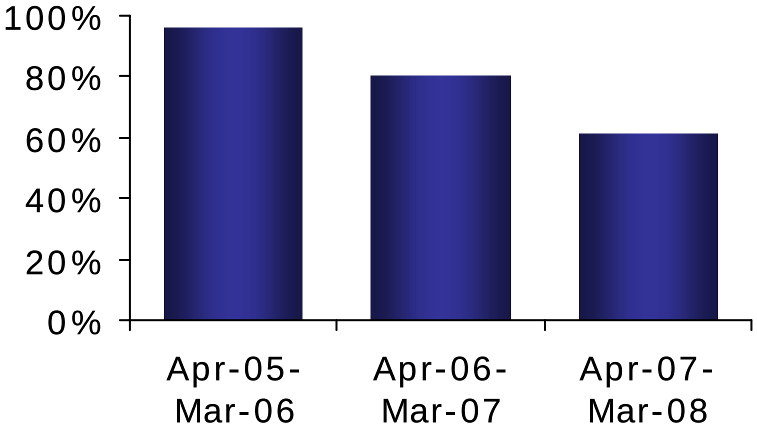
Attractive rates for hedging future revenue



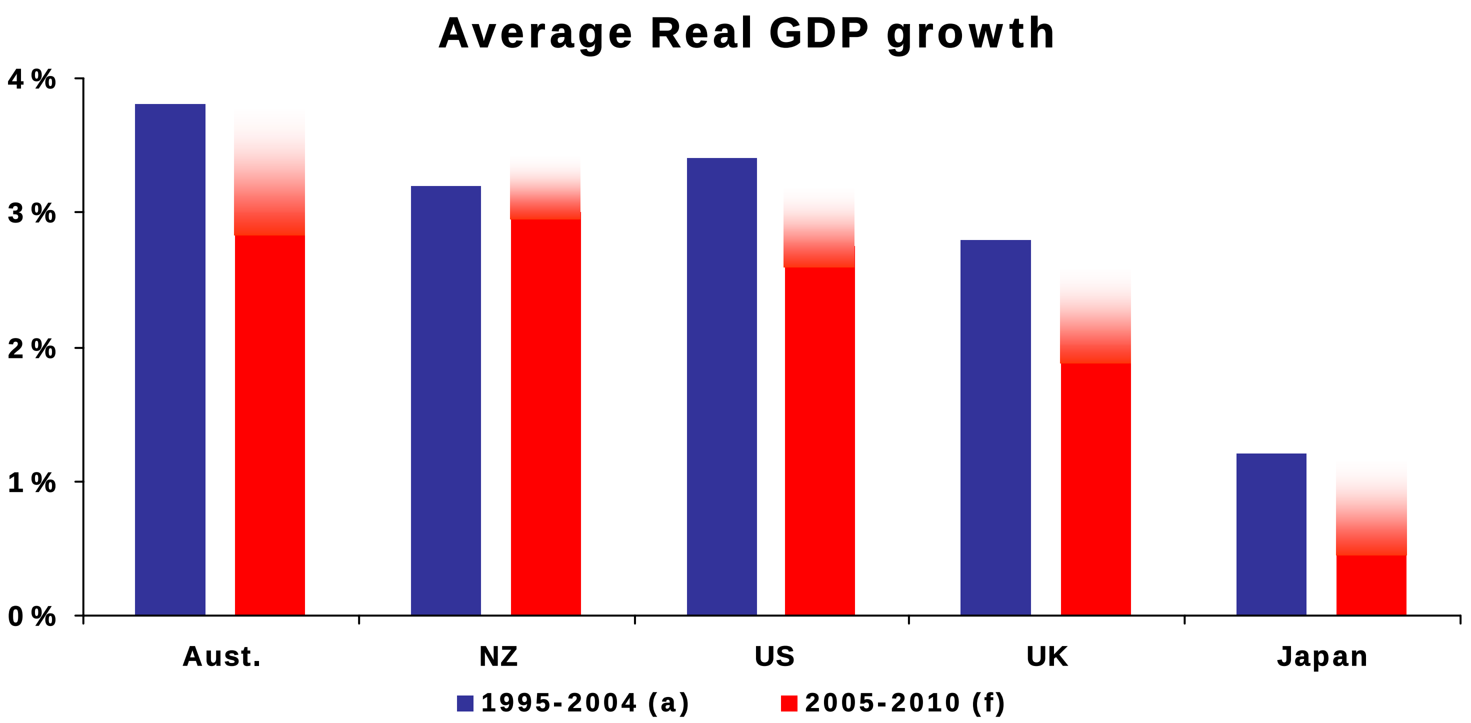
NZD revenue hedging position (A$m)

	1H05	2H04
Notional Principal	3,891	3,349
Income from hedge	(11)	-
Unrealised gain/(loss)	4	(58)
Exchange rate (spot)	~ 1.09	
Exchange rate (with forward points)	~ 1.11	

Estimated proportion of NZ earnings hedged
(rolling 12 month basis)



Australia and NZ remain attractive markets over the medium to long term



- Medium term outlook for Australia and NZ economies is to outperform major global markets
- Australia and NZ continue to provide attractive, low risk returns

Source – Economics@ANZ

ANZ NOW

Short term mismatch income driven by cash to 90 day spread

- **ANZ Group is subject to a mismatch between the 3 month rate and the cash rate**

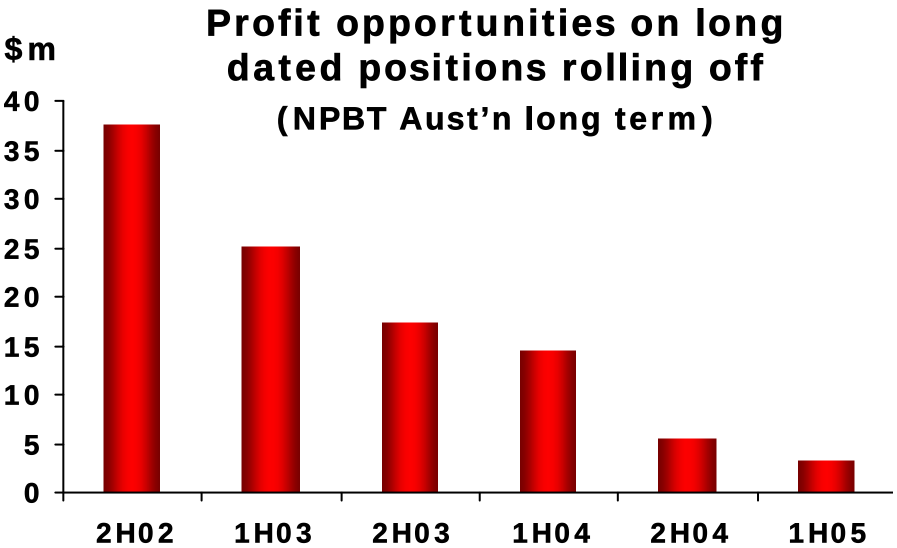
Rolling average rates (%)

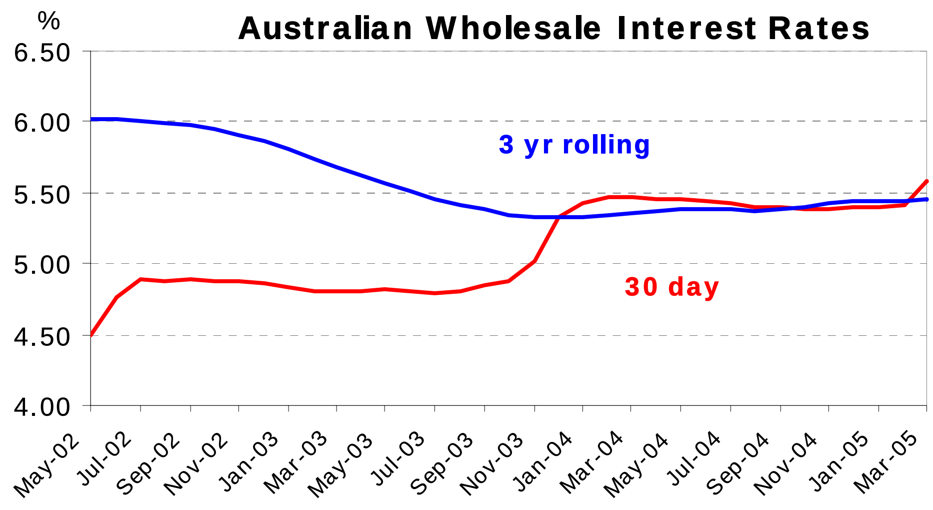
	Cash	90 Day	Spread
2H03	4.75	4.74	+0.01
1H04	5.12	5.21	-0.09
2H04	5.25	5.48	-0.23
1H05	5.29	5.42	-0.13

- All variable rate mortgages reprice each time the RBA changes the cash rate, which means that customer rates change each time the cash rate changes.
- ANZ cannot borrow large volumes of funding at the cash rate to fund its mortgages, due to liquidity constraints
- ANZ has some $73 billion of variable rate mortgages. Because of capacity constraints in the hedging market it is not likely to be able to hedge all of this exposure.

Long term mismatch income impacted by flat yield curves

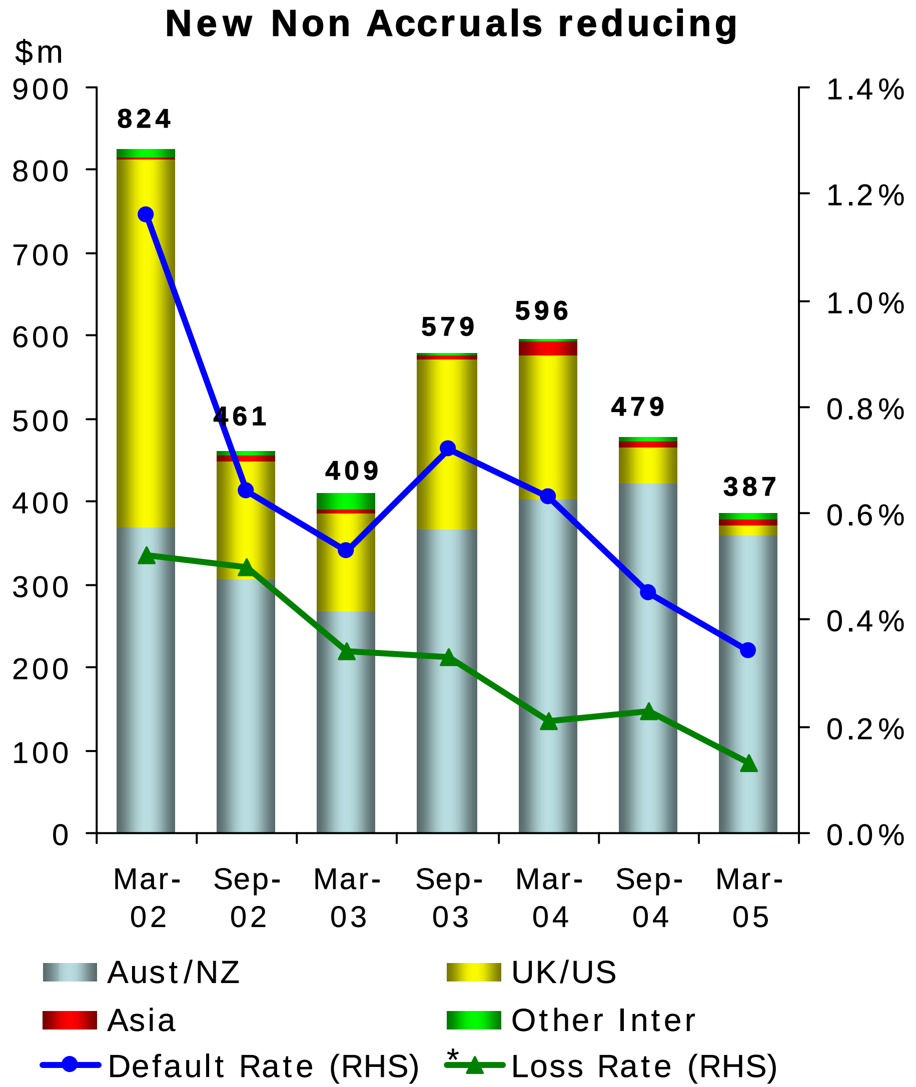
- We seek to adopt a conservative approach to Balance Sheet Management by
  - avoiding proprietary trading
  - seeking good opportunities for low risk earnings
- Treasury's income is expected to vary as the economic cycle changes and the shape of the yield curve varies
- Treasury's term earnings are impacted by long dated positions, taken at historically attractive yields. In recent times, yield curves have tended to be flat and stable, meaning that there are reduced opportunities in positioning the banking book to benefit
- Historical deals have been maturing and have not been replaced as the reward from such positions does not justify the risk
- Treasury income has also been adversely impacted by the runoff of offshore assets

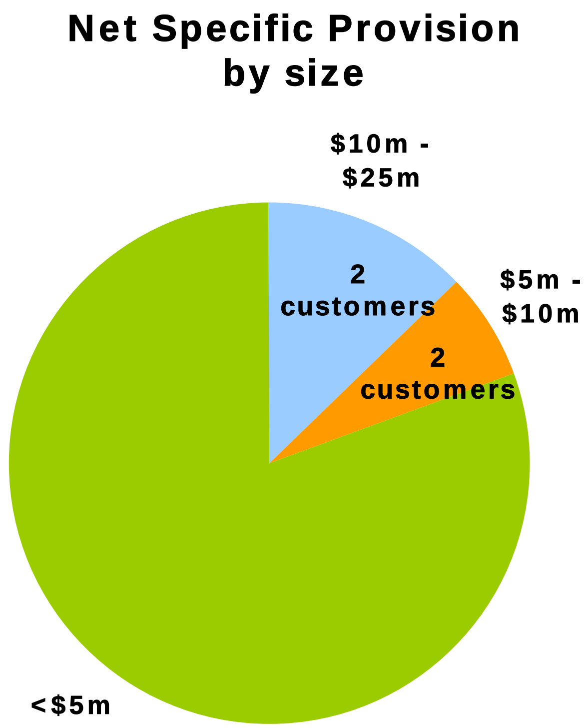




Credit Quality

Improvement in risk profile reflected in lower loss and default rates



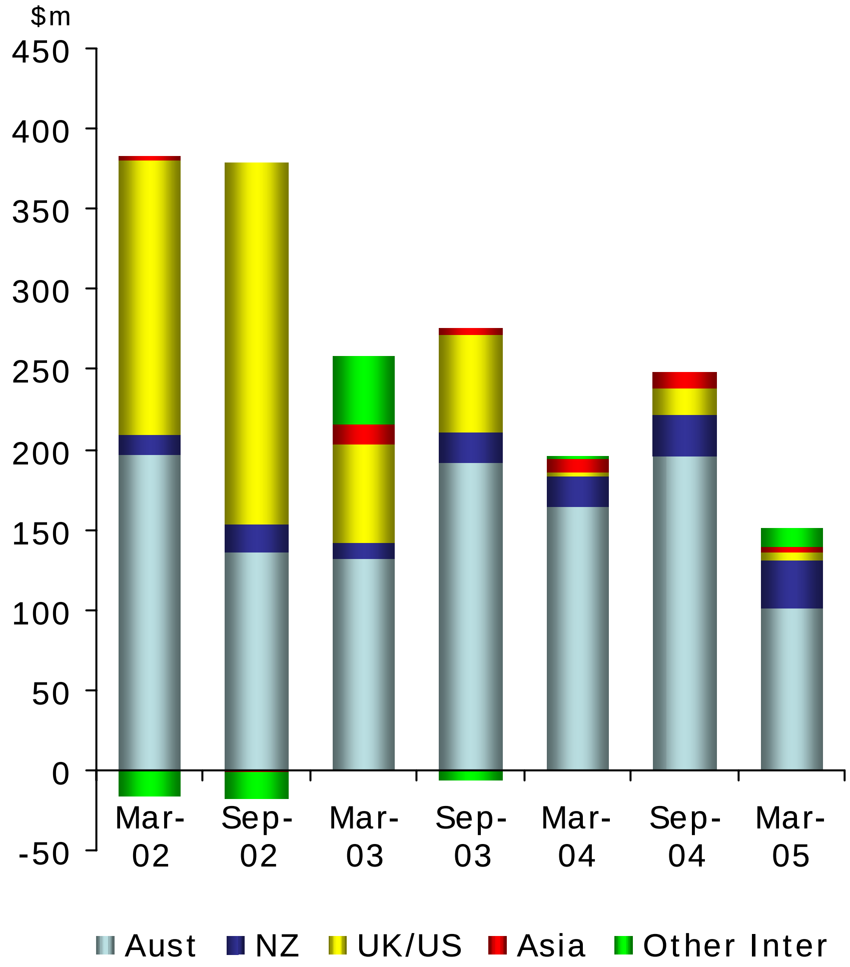


ANZ's level of new non accruals reflects the total level of new impaired exposures for the group, including all impaired exposures in the Credit Cards and Personal Lending portfolios.

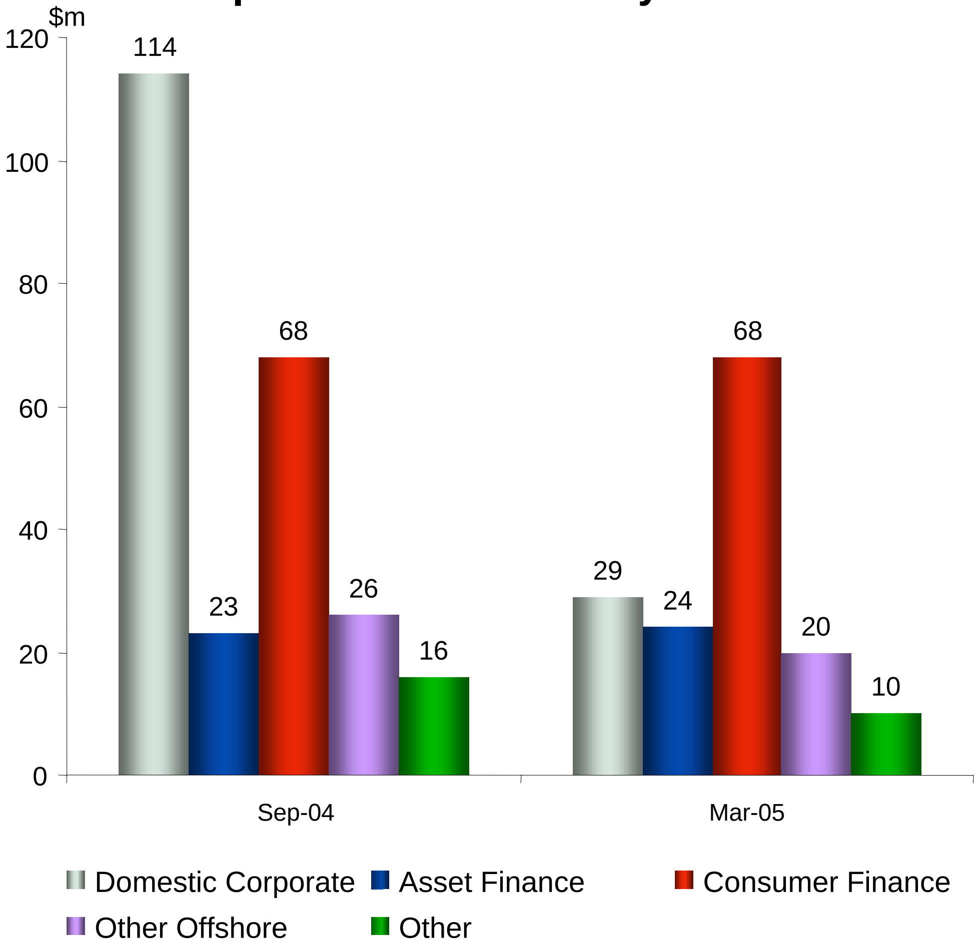
* Default rate is new non accruals/average gross lending assets annualised.

New Specific Provisions down 25% on 2H04

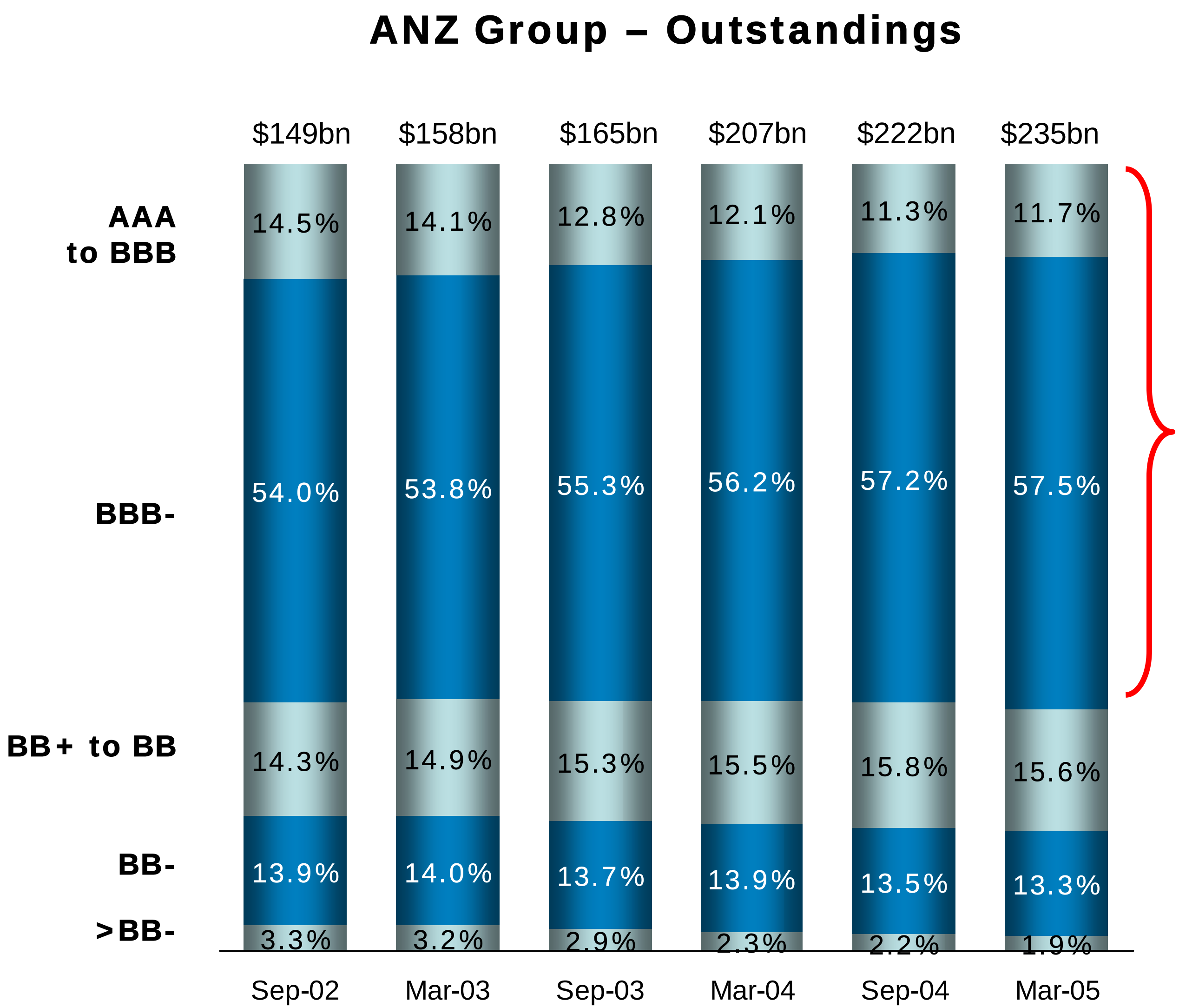
Geographic Specific Provisions



Specific Provisions by Source



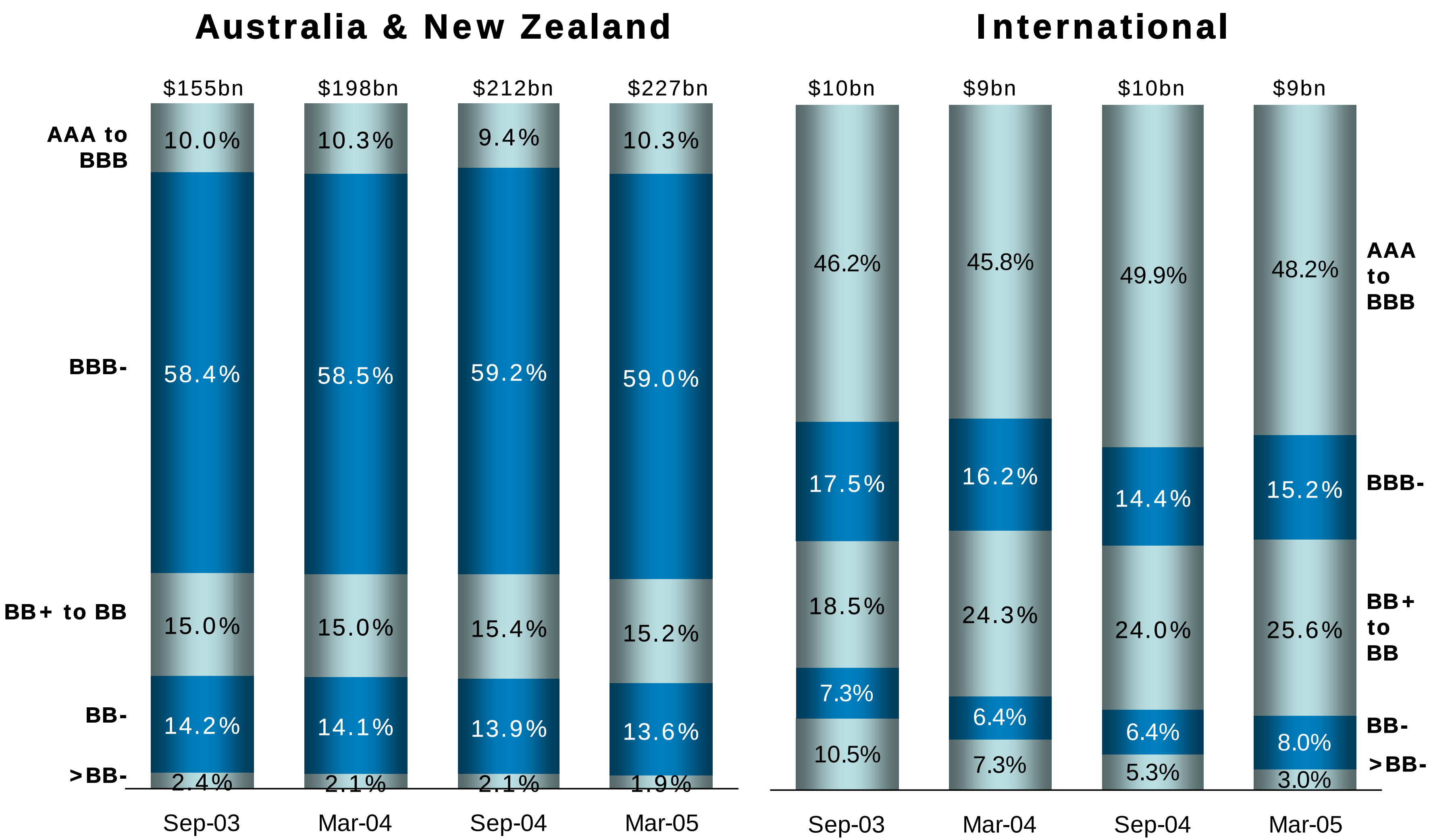
Group risk grade profile



- Total investment grade as at Mar 05 - $163bn or 69.2% of the portfolio
- 80% of lending growth has been investment grade

	Sep-02	Mar-03	Sep-03	Mar-04	Sep-04	Mar-05
B+ to CCC	2.5%	2.5%	2.3%	1.9%	1.8%	1.6%
Non Accrual	0.8%	0.7%	0.6%	0.4%	0.4%	0.3%

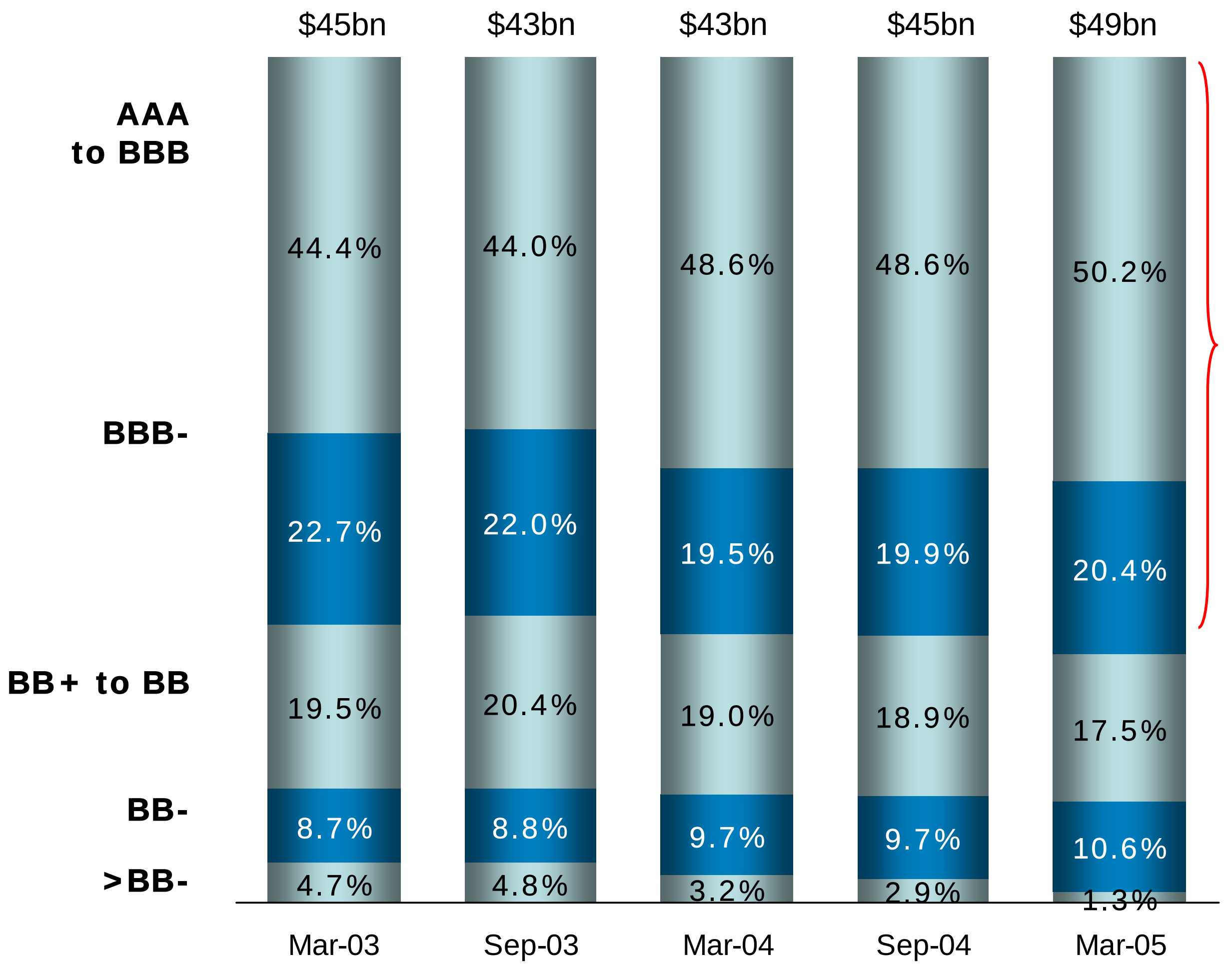
Geographic risk grade profiles



	Sep-03	Mar-04	Sep-04	Mar-05	Sep-03	Mar-04	Sep-04	Mar-05
B+ to CCC	2.0%	1.7%	1.8%	1.7%	6.1%	4.0%	2.4%	1.5%
Non Accrual	0.4%	0.4%	0.3%	0.2%	4.4%	3.3%	2.9%	1.5%

Institutional risk grade profile

Institutional - Outstandings



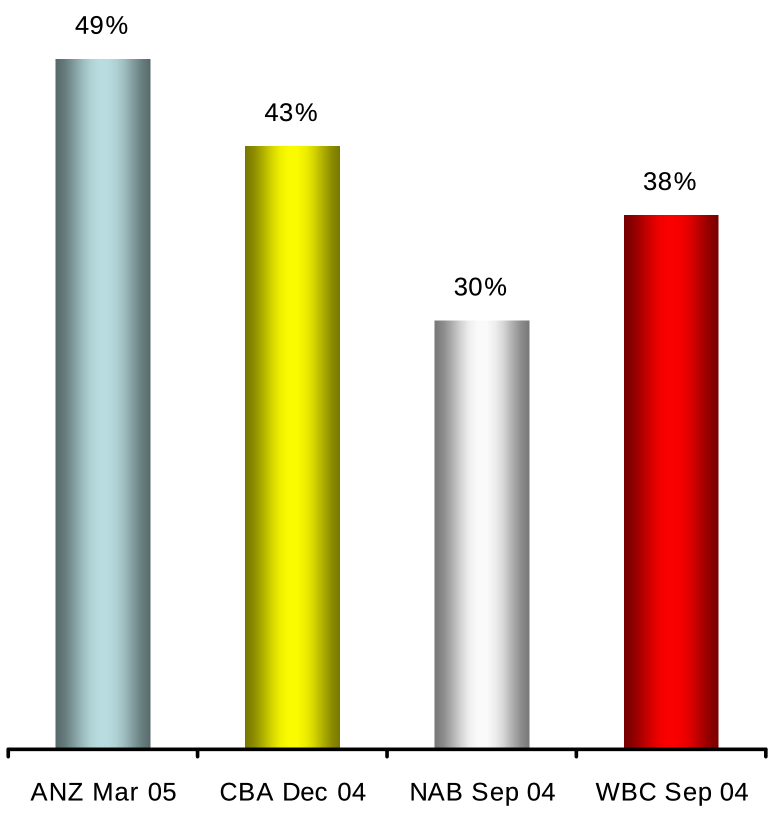
	Mar-03	Sep-03	Mar-04	Sep-04	Mar-05
B+ to CCC	3.0%	3.2%	1.9%	1.8%	0.7%
Non Accrual	1.7%	1.6%	1.3%	1.1%	0.6%

Total investment grade as at Mar 05: $34bn or 70.6% of the portfolio, up from $31bn or 68.5%

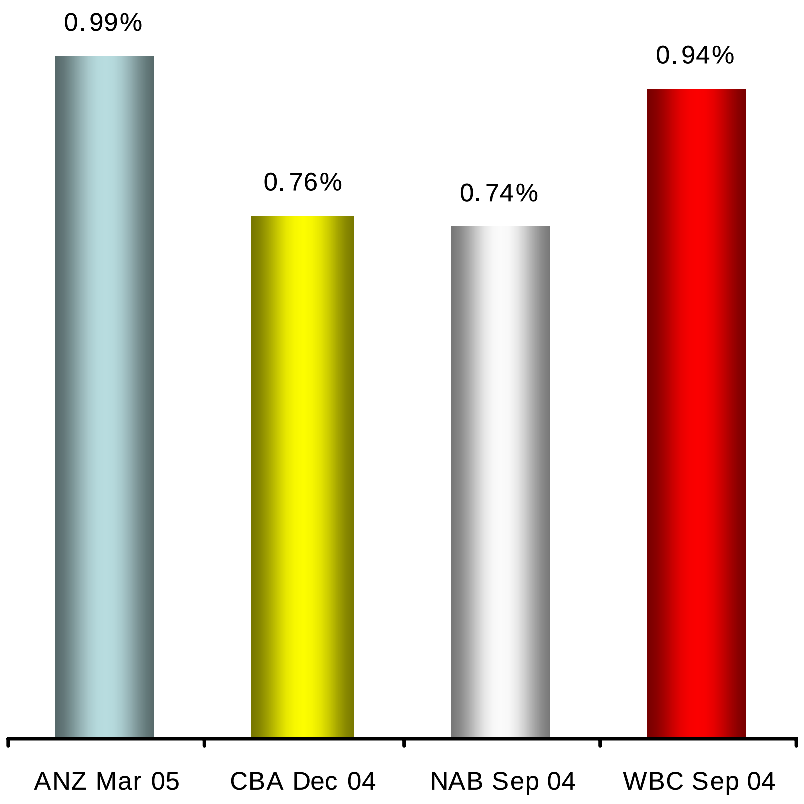
*March 2005 & September 2004 includes NBNZ

ANZ's provision levels remain strong

Specific Provision / Non-Accrual Loans



General Provision / RWAs

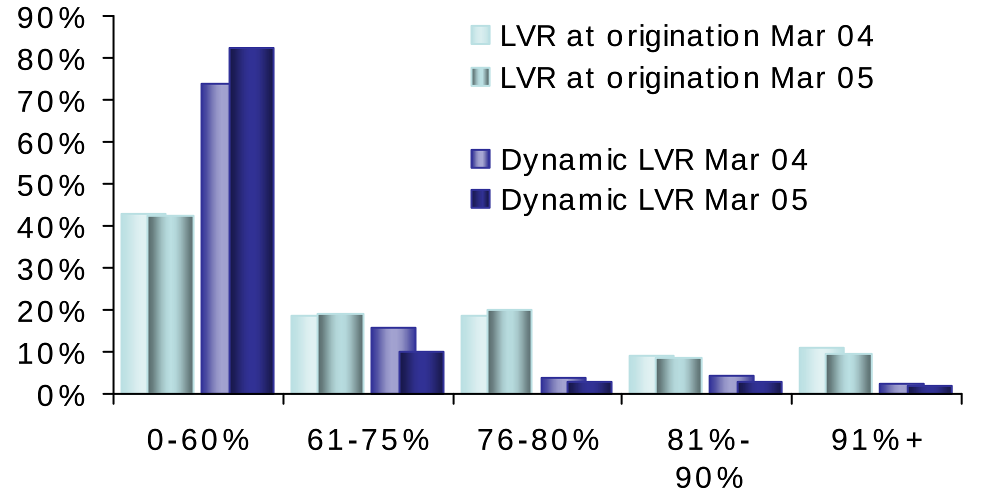


Note - As per most recent company financial reports for CBA, NAB and WBC

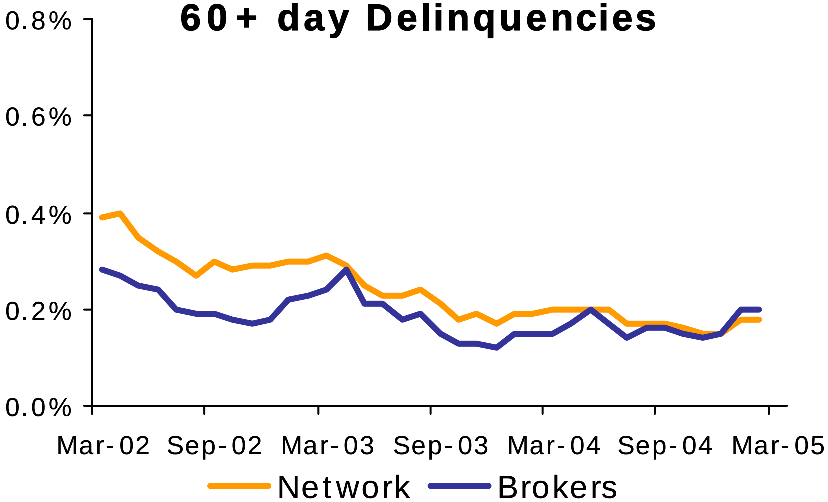
Continued strong growth in Mortgages

- LVR at origination consistent with 12 months ago
- Improved Dynamic LVR compared to March 2004 with strong residential asset appreciation
- Some up-tick in 60+ day delinquencies although portfolio credit quality remains sound
- The product mix remained stable

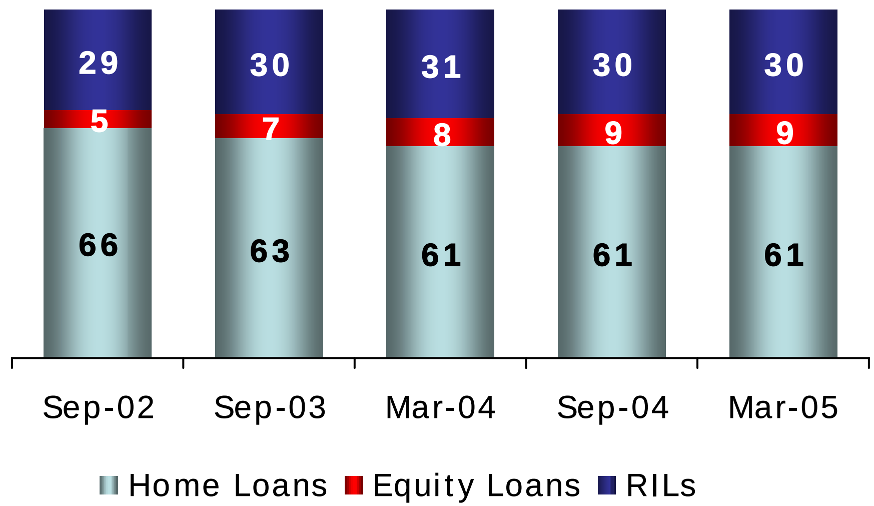
Strong LVR profile



Network vs Brokers 60+ day Delinquencies



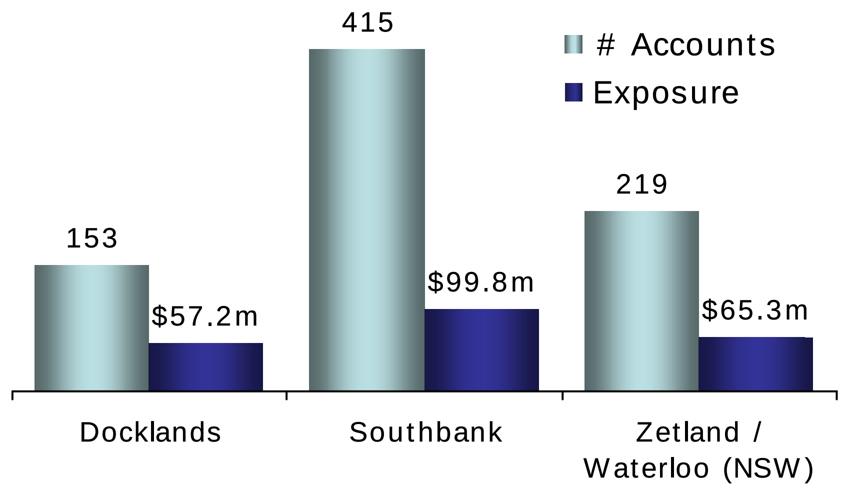
Portfolio by product



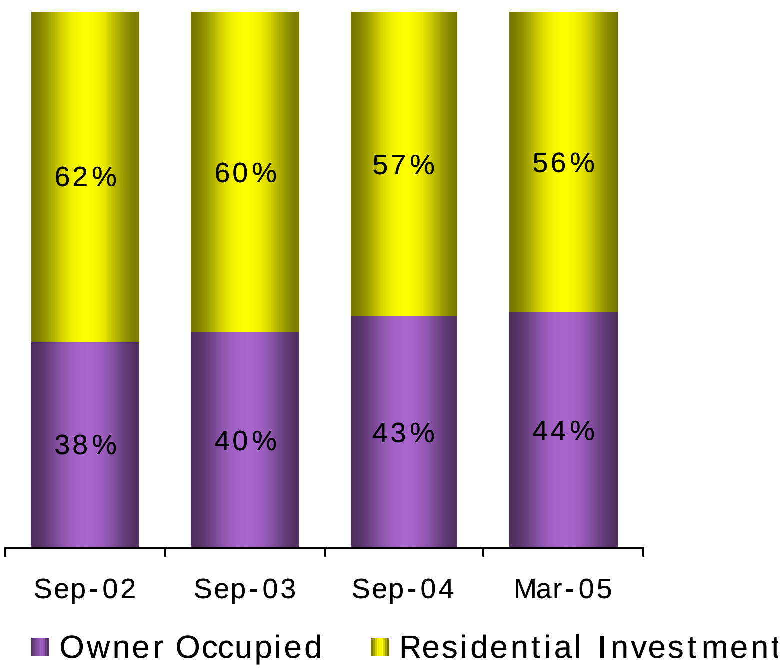
Inner City lending improving

- There has been a gradual shift toward Owner Occupied, although Investment loans remain more popular
- Inner City exposure represents 4% of the Mortgages Australia total portfolio
- There is only one delinquent account >60 days in the Docklands. There are no delinquencies in Southbank or Zetland

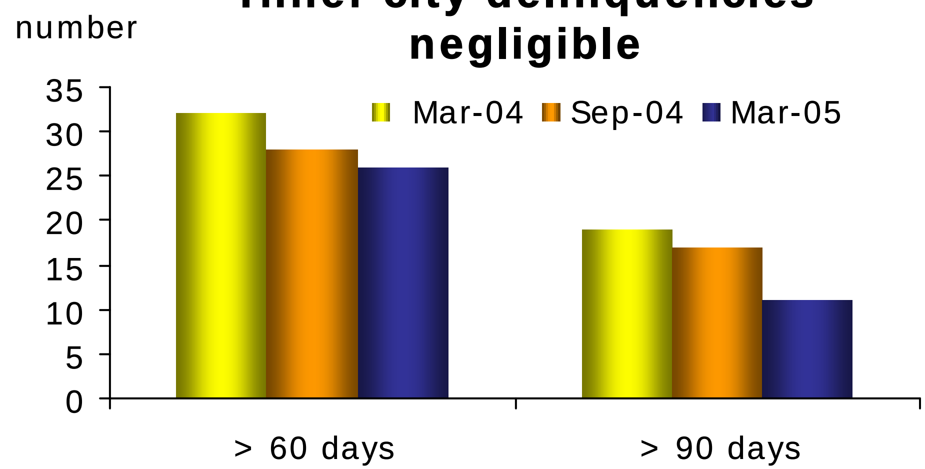
Inner City Accounts & Exposure



Purpose of inner city lending



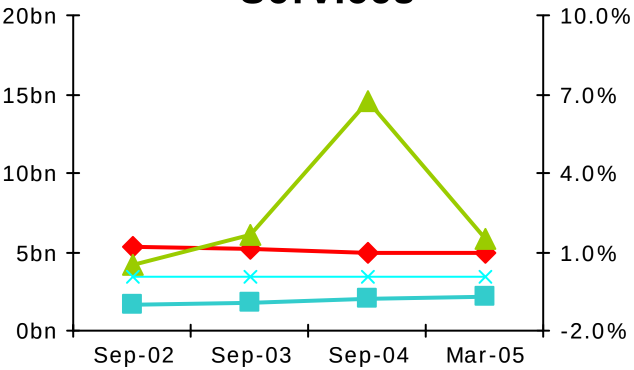
Inner city delinquencies negligible



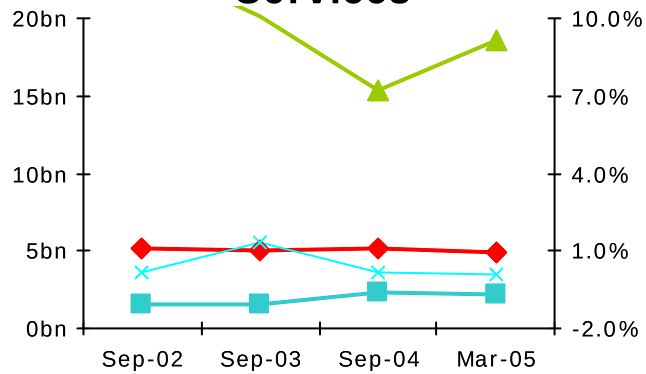
Industry exposures – Australia & New Zealand

Lending Assets (AUD)
% of Portfolio (RHS scale)
% in High Risk (RHS scale)
% in Non Accrual (RHS scale)

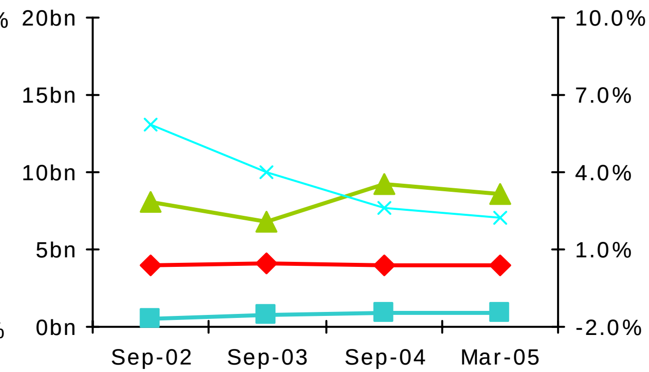
Health & Community Services



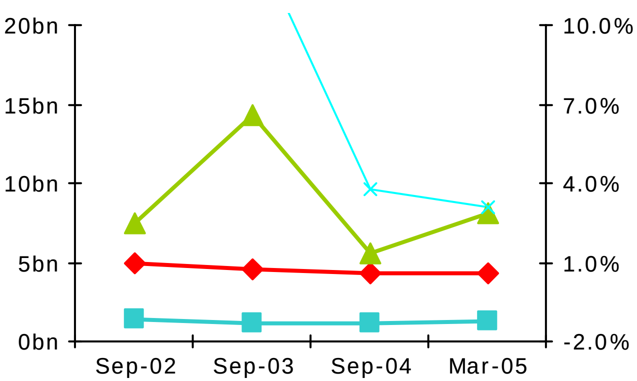
Cultural & Recreational Services



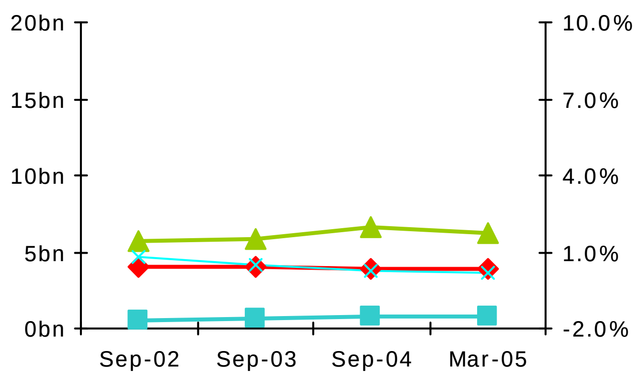
Forestry & Fishing



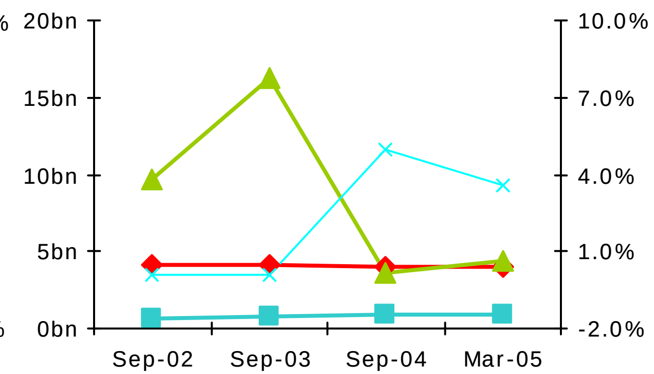
Mining



Personal & Other Services



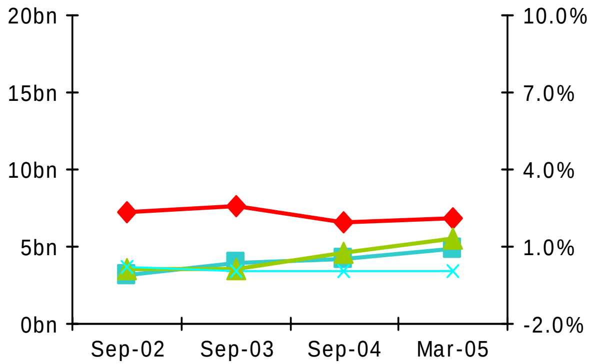
Communication Services



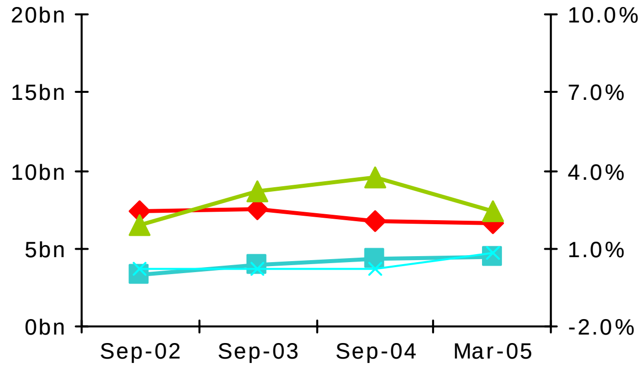
Industry exposures – Australia & New Zealand

Lending Assets (AUD)
% of Portfolio (RHS scale)
% in High Risk (RHS scale)
% in Non Accrual (RHS scale)

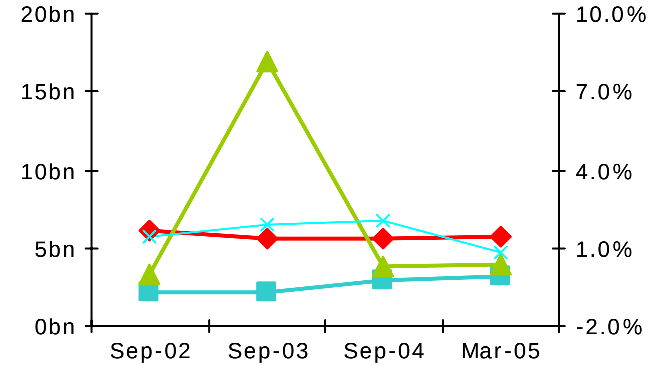
Finance - Other



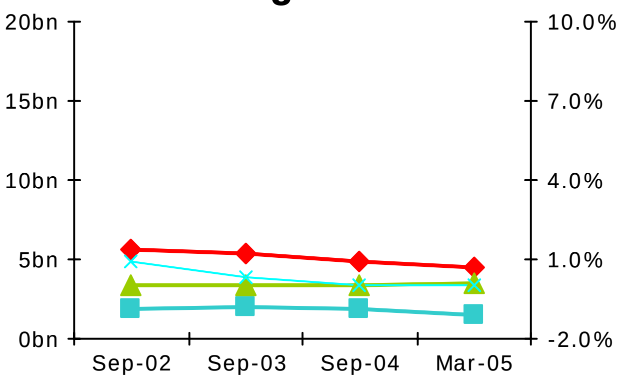
Transport & Storage



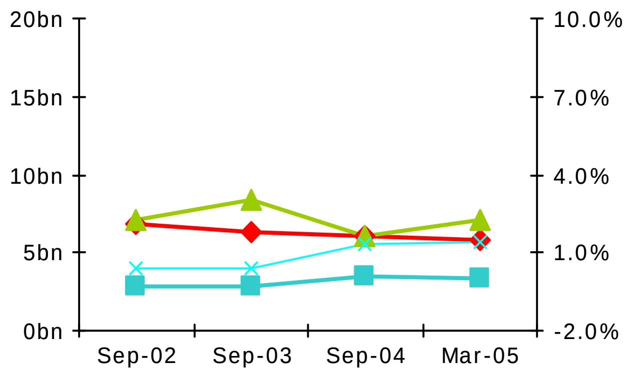
Utilities



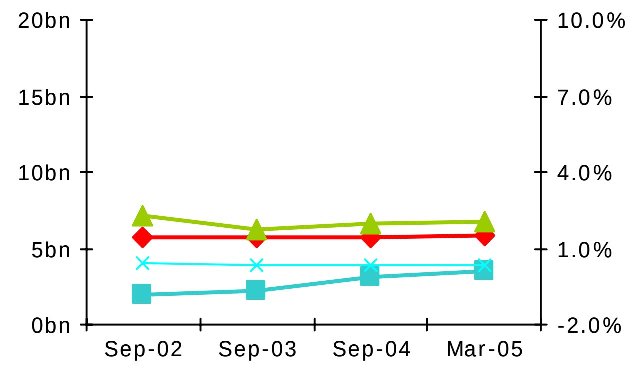
Finance – Banks, Building Soc etc.



Accommodation, Clubs, Pubs etc.



Construction

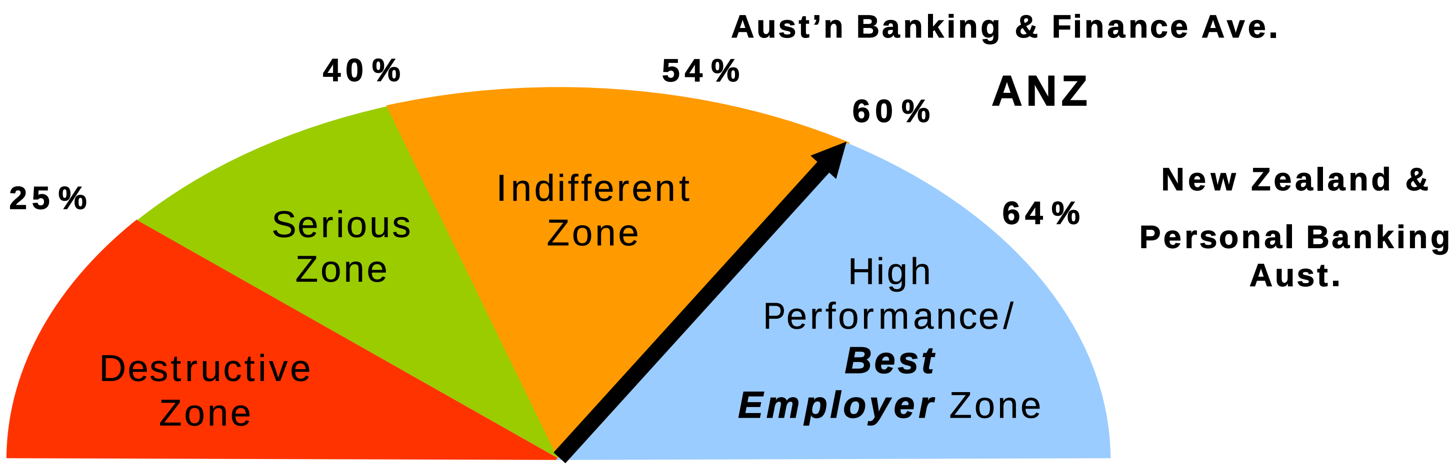


Industry exposures – Australia & New Zealand

Other Information

Building a competitive advantage through our people

High Staff Engagement



Focus on improving engagement…

- Full census conducted for first time in Nov 2004
- Highest engagement in frontline businesses - NZ and Personal Banking Aust.
- ANZ goal is to be Hewitt Best Employer by 2006
- More than 20,000 staff completed cultural change program, since its inception in 2001

…while building upon a great employment brand

- Successful graduate program – over 8,000 applicants for 200 jobs in 2004
- Recognition as an Employer of Choice for Women by the Equal Opportunity for Women in the Workplace Agency (EOWA) in 2002, 2003, 2004
- Female executives increased to 17% in 2004, from 6% in 1996
- Extended parental leave provisions in 2005 to 12 weeks paid leave, from 6 weeks

Source - Hewitt's Model & Benchmark

ANZ Community Investment

saverplus

- Financial literacy and matched savings program for low income families
- ANZ donates $2 for every $1 saved for children's educational needs
- In 2004, $240,500 was saved by the 257 participants - ANZ contributed $481,000
- 2005 target is to support a further 500 families and to provide $1m in matched funds

MoneyMinded
financial skills for the future

- Adult financial education program for financial counsellors and community educators to assist people, particularly those on low incomes, to build their financial knowledge
- ANZ has provided MoneyMinded facilitator training for 145 financial counsellors and community educators across Australia
- ANZ has funded Brotherhood of St Laurence, Berry Street Victoria, The Smith Family, The Benevolent Society and Anglicare SA to deliver MoneyMinded to their clients
- 2005 target to provide training to 250 financial counsellors and community educators and to facilitate the delivery of workshops to 10,000 people nationally

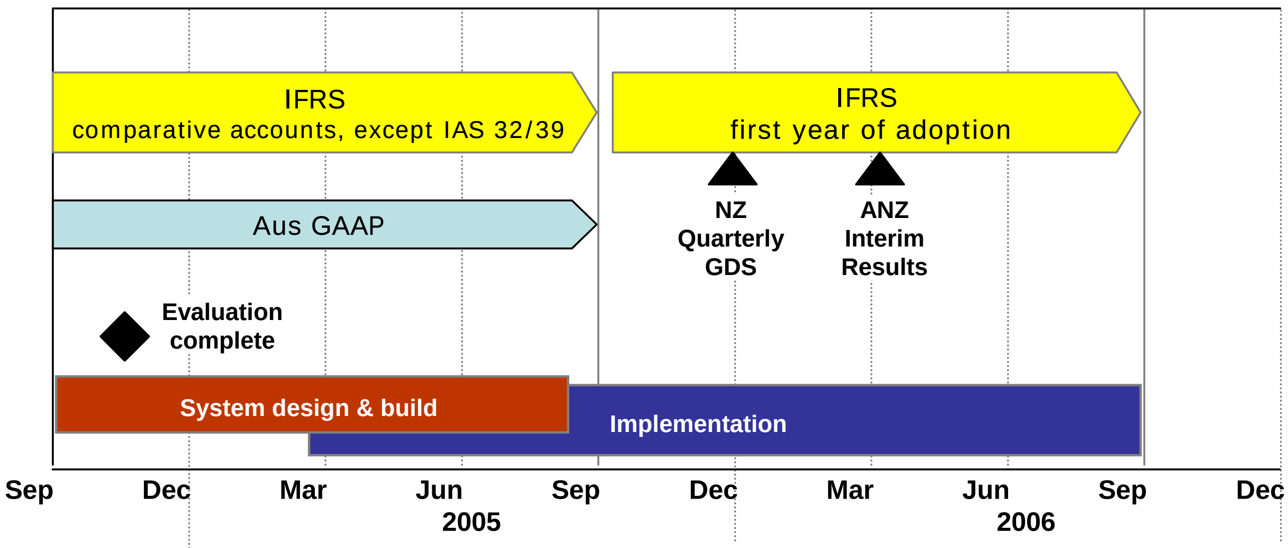
Community Development Finance

- Helping the financially excluded access mainstream banking
- In 2004, ANZ undertook a stakeholder consultation program and commissioned research into the extent of financial exclusion in Australia
- ANZ has committed to spend $3m over 3 years on areas such as:
  - expanding ANZ community programs to Indigenous communities
  - developing easy access small loans programs for low income earners
  - initiating micro-finance programs to facilitate development of Indigenous businesses

Community Giving
making your contribution count

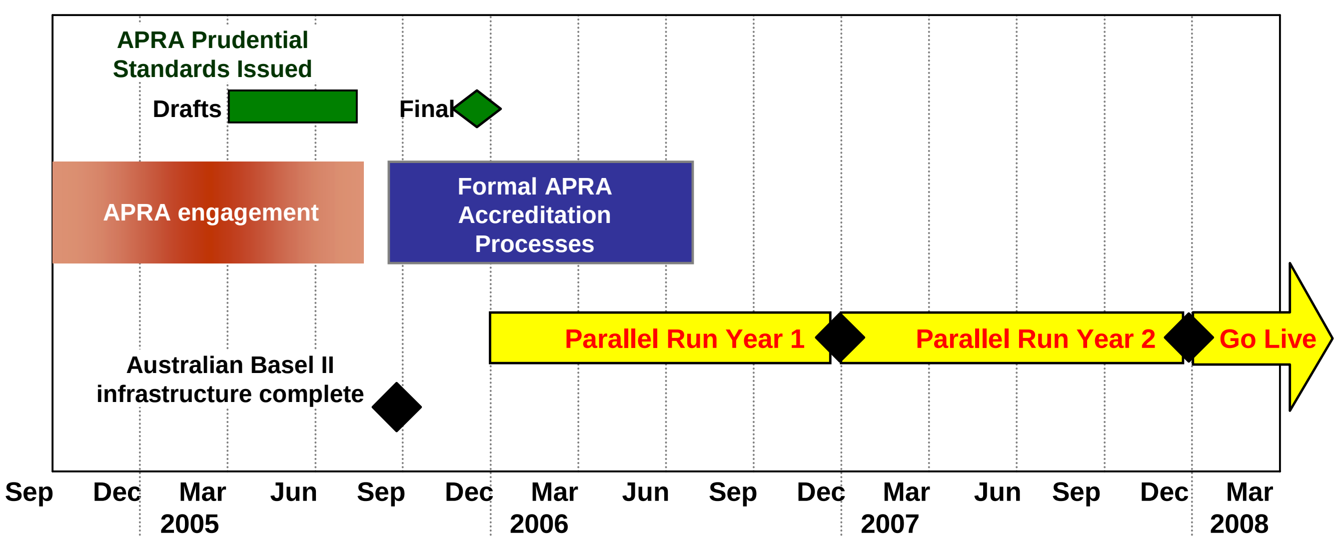
- **Boxing Day tsunami** – ANZ, our international offices and staff gave more than $2m to international appeals. 600 staff in Australia also gave more than 4,200 volunteer hours.
- **ANZ Community Fund** – our branches gave $330,000 to 151 local initiatives in FY04 and the target for FY05 is to give $350,000
- **Seeds of Renewal** – provided $277,000 in small grants to 59 rural communities in FY04. In FY05, another $350,000 will be contributed to rural initiatives
- **ANZ Volunteers** – staff have donated over 34,000 hours since October 01 and the target for FY05 is a further 20,000 hours
- **Community Giving** – ANZ's workplace giving program launched in April 2004 with target participation rate of 10% of staff

Update on Basel II and IFRS



IFRS Project

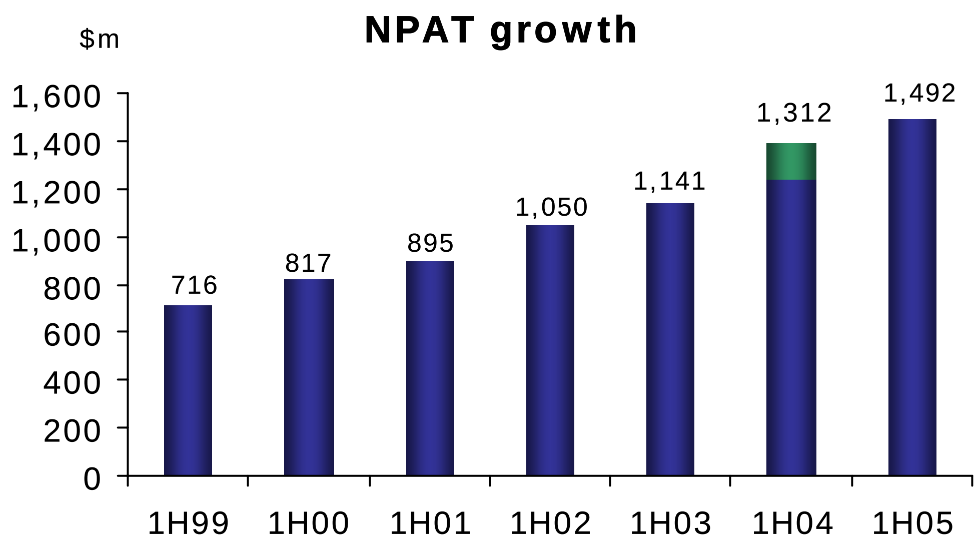
- Project on track
- Estimated project cost ~$20m
- Work effort is structured around specific streams

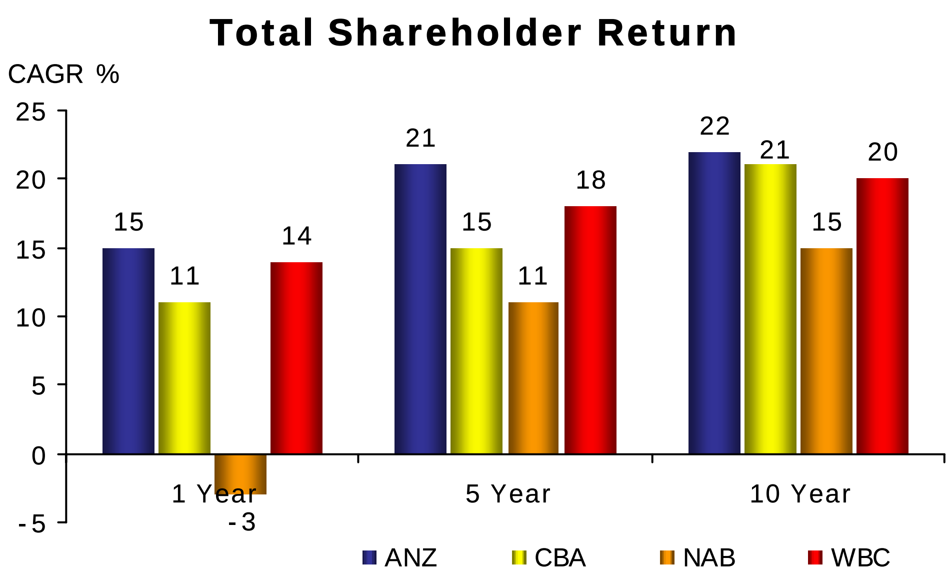


Basel II Project

- ANZ aiming to achieve Advanced Status
- Project on track
- Estimated project cost ~$60m, including bringing ANZ National to Advanced status

Delivering value to shareholders





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

For further information visit

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