AUSTRALIA & NEW ZEALAND BANKING GROUP LTD
Form 6-K
October 29, 2004

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

Australia and New Zealand Banking Group Limited

(Translation of registrant s name into English)

Level 6, 100 Queen Street Melbourne Victoria Australia

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ý Form 40 -F o

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ý No o

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

Company Secretary s Office

Level 6, 100 Queen Street

Melbourne VIC 3000

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Fax 03 9273 6142

www.anz.com

Change to the Registered Office and Address for Service of ANZ Holdings (New Zealand) Limited

On 6 October 2004, the registered office and address for service for ANZ Holdings (New Zealand) Limited changed to Level 10, 2 Hunter Street, Wellington.

This address is consistent with the registered office and address for service for ANZ National Bank Limited, ANZ s registered bank in New Zealand.

ANZ Holdings (New Zealand) Limited is the issuer of reset unsecured notes which comprise part of the ASX listed ANZ Stapled Exchangeable Preferred Securities (ANZ StEPS). It is also the holding company of ANZ National Bank Limited.

John Priestley

Company Secretary

Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

for and on behalf of
Australia and New Zealand Banking Group Limited and
ANZ Holdings (New Zealand) Limited

ARBN 105 689 932

Corporate Affairs

100 Queen Street

Melbourne Vic 3000

Facsimile 03 9273 4899

www.anz.com

For Release: 12 October 2004

ANZ Trustees to merge with Equity Trustees

ANZ today announced it had signed a Heads of Agreement with Equity Trustees Limited to merge ANZ s trustee business with Equity Trustees creating Australia s third largest trustee company and the country s leading manager of charitable foundations.

Agreement Key Points

In consideration for ANZ s trustee business, ANZ will become the major shareholder in Equity Trustees with a 37.5% share of the expanded issued capital and will receive $3 million in cash.

The merged entity will be Australia s largest manager of charitable funds with over $800 million in assets.

ANZ s traditional role in the charitable trust sector will be maintained in the merged company through the formation of a new ANZ Philanthropy Board to oversee grants by the charitable trusts connected with Equity

Trustees.

ANZ will have the right to nominate two members of the Equity Trustees Board.

ANZ Group Managing Director Strategic Development, Mr Peter Hawkins, said: The merger will create a leading national trustee company and allow ANZ to retain a strategic interest in the trustee sector and in philanthropic activities.

We are pleased to have reached agreement with Equity on the terms of a strategic partnership. The partnership will allow us to participate in their growth and success and also to continue our involvement in the important philanthropic work done by our clients charitable trusts, he said.

Managing Director of ANZ Trustees, Mr David Ward said: Together the businesses will be stronger and enjoy the benefit of greater economies of scale than each of the current stand-alone businesses. This will be a good outcome for the clients of both companies.

Completion of the merger is expected early in 2005 subject to the outcomes of due diligence, regulatory and government approvals and approval by Equity Trustees shareholders.

For media enquiries contact:

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Head of Group Media Relations

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

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For Release: 22 October 2004

ANZ 2004 Results reporting format

ANZ will announce its 2004 Results on Tuesday, 26 October 2004. ANZ will continue to provide relevant financial information at the business segment level. To assist market participants preparing for their analysis and to understand what disclosures ANZ will make in its Annual Results, a draft pro-forma detailing how ANZ will report individual business units is attached. Prior period numbers in the proforma have been restated to reflect the changes outlined below.

Personal Banking Australia clusters all ANZ s specialised businesses primarily serving personal customers in Australia. Personal Banking Australia consists of Mortgages Australia, Cards and Merchant Services, Banking Products and Personal Banking Distribution (including Private Banking).

The business called Consumer Finance in the 2004 Interim Results has been renamed Cards and Merchant Services and now excludes ANZ New Zealand Consumer Finance (which is reported as part of New Zealand Business) and the Asian Cards business (which is reported as part of the Asia Pacific Division). Within Personal Banking Australia the ATM business has transferred from Banking Products to Cards and Merchant Services. Small Business Banking is reported as part of Corporate.

Institutional Financial Services. The operations of Capital Markets and Foreign Exchange have been brought together as one business called Markets. Markets now also includes the Pacific Foreign Exchange business which was previously reported as part of the Asia Pacific Division.

New Zealand Business consists of The National Bank of New Zealand, ANZ New Zealand Banking, ANZ New Zealand Mortgages and now also includes ANZ New Zealand Consumer Finance.

Corporate Australia consists of Corporate Banking, Business Banking (formerly called Small to Medium Enterprises Australia) and now also includes Small Business Banking that was previously reported within Personal Banking Australia.

Asia Pacific now includes the Asian Cards business and excludes the Pacific Foreign Exchange business.

In addition, there have been a number of function transfers including some minor segmentation between Institutional Banking and Corporate together with a number of relatively minor methodology changes to revenue and cost allocations.

For media enquiries contact:

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Australia and New Zealand Banking Group Limited ABN 11 005 357 855

BUSINESS PERFORMANCE REVIEW

Profit & Loss

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Net profit after income tax						
Personal Banking Australia		385			693	
Institutional Financial Services		396			802	
New Zealand Business		248			211	
Corporate Australia		168			311	
Esanda and UDC		69			129	
Asia Pacific		51			100	
ING Australia		47			82	
Group Centre(1)		(52)			20	
Net profit (excl significant items)		1,312			2,348	
Significant items		84				
Net profit		1,396			2,348	

(1). Group Centre includes the operations of Treasury.

Personal Banking Australia

Brian Hartzer

Personal Banking Distribution (incl. Rural and Private Banking)

Banking Products

Cards and Merchant Services

Mortgages

	Half year Sep 04 $M	**Half year Mar 04 $M**	**Movt Sep 04 v. Mar 04 %**	**Full year Sep 04 $M**	**Full year Sep 03 $M**	**Movt Sep 04 v. Sep 03 %**
Net interest income		933			1,771	
Other external operating income		405			701	
Net inter business unit fees		66			121	
Operating income		1,404			2,593	
External operating expenses		(622)			(1,144)	
Net inter business unit expenses		(143)			(295)	
Operating expenses		(765)			(1,439)	
Profit before debt provision		639			1,154	
Provision for doubtful debts		(89)			(169)	
Profit before income tax		550			985	
Income tax expense and outside equity interests		(165)			(292)	
Net profit attributable to members of the Company		385			693	
Consisting of:						
Personal Banking Distribution (including Private Bank)		105			199	
Banking Products		82			143	
Mortgages		111			229	
Cards and Merchant Services		87			122	
		385			693	
Balance Sheet						
Net loans & advances including acceptances		85,378			77,991	
Other external assets		2,067			1,838	
External assets		87,445			79,829	
Deposits and other borrowings		35,818			33,980	
Other external liabilities		1,940			1,680	
External liabilities		37,758			35,660	
Ratios						
Net interest average margin		2.29%			2.52%	
Return on assets		0.92%			0.96%	
Return on risk weighted assets		1.66%			1.74%	
Operating expenses to operating income		54.5%			55.5%	
Operating expenses to average assets		1.83%			1.98%	
Net specific provisions		(72)			(131)	

Net specific provision as a % of average net advances	0.18%	0.19%
Net non-accrual loans	14	23
Net non-accrual loans as a % of net advances	0.02%	0.03%
Total employees	8,701	8,795

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Institutional Financial Services

Steve Targett

Institutional Banking

Markets (formerly Foreign Exchange and Capital Markets)

Trade & Transaction Services

Corporate & Structured Financing

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Net interest income		322			703	
Other external operating income		641			1,245	
Net inter business unit fees		(10)			(26)	
Operating income		953			1,922	
External operating expenses		(278)			(551)	
Net inter business unit expenses		(62)			(124)	
Operating expenses		(340)			(675)	
Profit before debt provision		613			1,247	
Provision for doubtful debts		(86)			(165)	
Profit before income tax		527			1,082	
Income tax expense and outside equity interests		(131)			(280)	
Net profit attributable to members of the Company		396			802	
Consisting of:						
Institutional Banking		151			302	
Transaction Services		87			164	
Markets		94			189	
Corporate and Stuctured Financing		64			147	
		396			802	
Balance Sheet						
Net loans & advances including acceptances		39,285			40,911	
Other external assets		15,821			16,066	
External assets		55,106			56,977	
Deposits and other borrowings		28,583			27,170	
Other external liabilities		20,188			20,835	
External liabilities		48,771			48,005	
Ratios						
Net interest average margin		1.62%			1.68%	
Return on assets		1.40%			1.34%	
Return on risk weighted assets		1.10%			1.22%	
Operating expenses to operating income		35.6%			35.1%	
Operating expenses to average assets		1.20%			1.13%	

Net specific provisions	(62)	(217)
Net specific provision as a % of average net advances	0.31%	0.52%
Net non-accrual loans	360	352
Net non-accrual loans as a % of net advances	0.92%	0.86%
Total employees	2,872	2,795

New Zealand Business(1)

Sir John Anderson

ANZ New Zealand Banking

ANZ New Zealand Mortgages

National Bank of New Zealand

ANZ New Zealand Consumer Finance

	Half year Sep 04 $M	**Half year Mar 04 $M**	**Movt Sep 04 v. Mar 04 %**	**Full year Sep 04 $M**	**Full year Sep 03 $M**	**Movt Sep 04 v. Sep 03 %**
Net interest income		548			497	
Other external operating income		232			254	
Net inter business unit fees		3			5	
Operating income		783			756	
External operating expenses		(316)			(280)	
Net inter business unit expenses		(61)			(122)	
Operating expenses		(377)			(402)	
Profit before debt provision		406			354	
Provision for doubtful debts		(45)			(37)	
Profit before income tax		361			317	
Income tax expense and outside equity interests		(113)			(106)	
Net profit attributable to members of the Company		248			211	
Balance Sheet						
Net loans & advances including acceptances		45,232			13,926	
Other external assets		8,823			453	
External assets		54,055			14,379	
Deposits and other borrowings		43,322			11,708	
Other external liabilities		4,765			308	
External liabilities		48,087			12,016	
Ratios						
Net interest average margin		2.85%			3.57%	
Return on assets		1.23%			1.49%	
Return on risk weighted assets		1.74%			2.15%	
Operating expenses to operating income		48.1%			53.2%	
Operating expenses to average assets		1.87%			2.84%	
Net specific provisions		(11)			(20)	
Net specific provision as a % of average net advances		0.06%			0.15%	
Net non-accrual loans		25			8	
Net non-accrual loans as a % of net advances		0.06%			0.06%	
Total employees		7,784			2,939	

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Corporate Australia

Graham Hodges

Corporate Banking Australia

Business Banking Australia

Small Business Banking

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Net interest income		313			574	
Other external operating income		132			251	
Net inter business unit fees		(49)			(92)	
Operating income		396			733	
External operating expenses		(98)			(180)	
Net inter business unit expenses		(29)			(54)	
Operating expenses		(127)			(234)	
Profit before debt provision		269			499	
Provision for doubtful debts		(28)			(55)	
Profit before income tax		241			444	
Income tax expense and outside equity interests		(73)			(133)	
Net profit attributable to members of the Company		168			311	
Consisting of:						
Business Banking Australia		86			159	
Corporate Banking Australia		57			106	
Small Business Banking		25			46	
		168			311	
Balance Sheet						
Net loans & advances including acceptances		17,635			15,937	
Other external assets		63			56	
External assets		17,698			15,993	
Deposits and other borrowings		15,080			14,408	
Other external liabilities		5,397			5,100	
External liabilities		20,477			19,508	
Ratios						
Net interest average margin		4.01%			4.05%	
Return on assets		1.67%			1.72%	
Return on risk weighted assets		1.97%			2.09%	
Operating expenses to operating income		32.1%			31.9%	
Operating expenses to average assets		1.26%			1.29%	
Net specific provisions		(20)			(63)	
Net specific provision as a % of average net advances		0.24%			0.43%	
Net non-accrual loans		42			77	
Net non-accrual loans as a % of net advances		0.24%			0.48%	

Total employees	1,635	1,596

Esanda and UDC

Elizabeth Proust

Provides vehicle and equipment finance and rental services. Operates in Australia as Esanda and Esanda FleetPartners and in New Zealand as UDC and Esanda FleetPartners

	Half year Sep 04 $M	**Half year Mar 04 $M**	**Movt Sep 04 v. Mar 04 %**	**Full year Sep 04 $M**	**Full year Sep 03 $M**	**Movt Sep 04 v. Sep 03 %**
Net interest income		179			350	
Other external operating income		48			86	
Net inter business unit fees		(5)			(8)	
Operating income		222			428	
External operating expenses		(75)			(155)	
Net inter business unit expenses		(14)			(24)	
Operating expenses		(89)			(179)	
Profit before debt provision		133			249	
Provision for doubtful debts		(33)			(63)	
Profit before income tax		100			186	
Income tax expense and outside equity interests		(31)			(57)	
Net profit attributable to members of the Company		69			129	
Operating expenses to operating income		40.1%			41.8%	
Net specific provisions		(24)			(72)	
Net non-accrual loans		59			49	
Total employees		1,247			1,311	

Asia Pacific

Elmer Funke Kupper

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 included in the geographic results for Asia Pacific which are included in IFS results

	Half year Sep 04 $M	**Half year Mar 04 $M**	**Movt Sep 04 v. Mar 04 %**	**Full year Sep 04 $M**	**Full year Sep 03 $M**	**Movt Sep 04 v. Sep 03 %**
Net interest income		72			140	
Other external operating income		72			149	
Net inter business unit fees						
Operating income		144			289	
External operating expenses		(53)			(111)	
Net inter business unit expenses		(14)			(31)	
Operating expenses		(67)			(142)	
Profit before debt provision		77			147	
Provision for doubtful debts		(11)			(19)	
Profit before income tax		66			128	
Income tax expense and outside equity interests		(15)			(28)	
Net profit attributable to members of the Company		51			100	
Operating expenses to operating income		46.5%			49.1%	
Net specific provisions		(7)			(1)	
Net non-accrual loans		17			17	
Total employees		1,632			1,624	

ING Australia

Paul Bedbrook

INGA, 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

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Funds management income		206			392	
Risk income		80			158	
		286			550	
Costs (excl goodwill on purchase of ANZ business)		(198)			(403)	
		88			147	
Capital investment earnings		65			85	
Net income		153			232	
Income tax expense		(27)			(29)	
Profit after tax		126			203	
ANZ share						
ANZ share of INGA earnings @ 49%		62			99	
ANZ capital hedges		(6)			(6)	
Net funding cost		(9)			(11)	
Net return to ANZ		47			82	

Other Units

Group People Capital

Group Risk Management

Treasury

Group Strategic Development

Group Financial Management

Operations, Technology & Shared Services

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Net interest income		152			292	
Other external operating income		(10)			32	
Net inter business unit fees		(5)				
Operating income		137			324	
External operating expenses		(461)			(809)	
Net inter business unit expenses		324			652	
Operating expenses		(137)			(157)	
Profit before debt provision					167	
Provision for doubtful debts		(21)			(106)	
Profit before income tax		(21)			61	
Income tax expense and outside equity interests		(31)			(41)	
Net profit attributable to members of the Company		(52)			20	
Including:						
Treasury		45			95	
Total employees		4,100			4,077	

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2004 Annual Results

Australia and New Zealand Banking Group Limited

26 October 2004

www.anz.com

Contents

2004 Annual Results

2004 Annual Result

John McFarlane

Chief Executive Officer

A good 2004 result

Strong financial performance

NPAT	$	**2,815m**	**19.9%**
Cash EPS		**161.1Cents**	**10.1%**

Shareholders rewarded

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

Year Total Shareholder Return

%

Market Capitalisation

$bn

ANZ has come a long way this year

Strong momentum in Personal businesses in Australia

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

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

ANZ now 5th on ASX by market capitalisation

ANZ recognised for community, staff and cultural development

Sale of International Project Finance completes international restructuring

Improved sustainability: Structural de-risking largely complete

Offshore lending assets significantly reduced

(% of group NLA*)

Net Non-Accrual Loans

More sustainable business mix
(lending assets)

Net specific provision rate
(% of average NLA*)

NZ integration complete end 2005   low risk approach adopted

ANZ and NBNZ share of Personal

Customers (Main Bank) is stable

Source: ACNielsen Consumer Finance Monitor

A good acquisition; 2.3 cents cash EPS accretive in year 1

Integration has made good progress since regulatory approval obtained

Levels of attrition well below expectations and comparable acquisitions

However potential risk of retail integration demanded a more conservative approach:

Two brand strategy

Existing retail systems retained

This has changed mix of costs and benefits, but at lower risk

Carefully balancing investment and producing current returns

Strong revenue growth; absorbed highest margin contraction in recent years

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

Focused investment creating more sustainable business

Numbers not adjusted for exchange rate impacts and excl. NBNZ and significant items

* 2H04 annualised

Result Review

Peter Marriott
Chief Financial Officer

Cash EPS growth driven by strong underlying performance

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

** Excludes significant items and incremental integration costs*

includes funding

Margin decline is predominantly structural/cyclical

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

**Refer page 68 for additional detail*

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

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

Increased long term wholesale debt required to fund asset growth

The changing shape of the domestic yield curve has impacted earnings

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

Asset wholesale rate impact

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

Liability wholesale rate impact

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

Australian yield curve history

Rolling average rates (%)

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

Strong balance sheet growth across most businesses

Continued strong volume growth in mortgages, FUM up 18%

Institutional lending up marginally with good growth in 2H04

Continued strong growth in Corporate

10% increase in Banking Products deposit FUM reflected in strong Personal growth

Institutional & Corporate both experience solid growth

Strong growth in NZ retail deposits

Net Lending Volumes ($b)

* *Other deposits include Esanda retail debentures*

Non-interest income growing well

**reflects P&L impact of hedge income earned in FY03, not earned in FY04*

Expenses - investing for sustainable growth

Key drivers of growth

Increased FTE (829 in 2H04) and wage rises

Investment and increased amortisation in Retail telling platform

Investment in branch network - new openings and refurbishment of existing branches

Increased compliance costs of ~ $25m

Higher UK superannuation charges ($7m), insurance costs ($10m), marketing spend ($14m)

**includes operating expenses, acquisition & funding and non incremental integration costs*

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

Where we are putting additional people

Growth in FTEs (% of existing Division FTEs)

Increasing frontline capabilities in our businesses

Increased technology resources to assist in NBNZ integration and compliance requirements

Investment in frontline Small Business personnel driving growth in Corporate

Continued growth in retail frontline resources

Previous growth investments in Personal/Corporate paying off

Division	**Sep-04 ($m)**	**Sep-03 ($m)**	**Change (%)**
Personal Banking#	802	693	16
Institutional	788	802	(2)
New Zealand	584	211	large
Corporate	344	311	11
Esanda & UDC	143	129	11
Asia Pacific	111	100	11
ING JV	108	82	32
Treasury	64	95	(33)

Full Year NPAT ($m)

not adjusted for 1H03 Cards under Accrual

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

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

Decline in ELP Rate driven by improved risk profile

Credit quality in good shape

Risk has markedly improved in our international portfolios

Housing market headed for soft landing, consumer arrears remain at low levels

Domestic corporates in good shape

Specific provisions and non accruals lower, despite impact of Telstra s Reach joint venture

Some lagged effects from Energy & Telco portfolios, but largely yesterday s story

Well provisioned

Delinquencies remain low

Specific Provisions continue to reduce

Non-accrual loans to Loans & Advances well down

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

New Zealand businesses delivering sound results

NBNZ performance slightly ahead of proforma (NZ$)

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

NPAT comparison distorted by following one-offs

FY03 includes NZ$18m one-off structured finance transactions

Amalgamation and integration of NBNZ reduced FY04 NPAT by NZ$4m

Various other factors

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

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

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

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* *10 months to 30 September 2004*

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

Source: ACNielsen Consumer Finance Monitor

Share of Rural lending is steady

Source: RBNZ Table C7, ANZ National

Share of household deposits has actually increased since acquisition

Source: RBNZ Table C8, ANZ National

Home loans - losing share, initiatives in place to arrest decline

Source: RBNZ Table C6,

ANZ National 50% risk weighted assets

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

* *ANZ renounceable rights issue prospectus page 56: Integration costs A$230m, Cost synergies A$110m.*

Timing of integration costs and benefits

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,

15% covered by restructuring provision, and;

10%-20% from existing resources

30% of integration activities were completed in 2004 including:

Amalgamation on 26 June 2004

Business and organisational structures in place

Systems platforms for all businesses agreed and integration proceeding

Central Head Office and functional units integrated

ERP systems implementation proceeding to plan

Institutional and Corporate integration underway

Rural integration well progressed to complete by end 2004

Initial IT and payments infrastructure in place

RBNZ requirements agreed and solutions underway

Integration is well placed for practical completion in 2005

New Zealand currency risk actively managed

Revenue hedging undertaken when currency is believed to be outside its normal trading range and inconsistent with their value.

Revenue from FX hedges is reported as Interest Income within the Group Centre.

NZD revenue hedging position* (A$m)

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

Estimated proportion of NZ earnings hedged

New Zealand structured finance transactions

IRD audit focused on so called conduit transactions

Notices of Proposed Adjustment received on 30 September 2004

Net potential liability on all similar transactions $NZ232m*

Do not currently expect to raise additional provisions

Legislative change to thin cap rules in NZ will make these transactions economically unviable after 2005

No new conduit transactions entered into for almost 2 years

Expect that remaining conduit transactions will cease before 2006

Likely to see more capital held in NZ negligible profit impact, but may impact franking position

NPAT from NZ Structured Finance Transactions

Approx 48% of NZ structured finance profits in 2004 related to conduit transactions

* *including interest which is tax effected, up to 30 September 2004*

Dividend growth in line with cash EPS growth

Dividend growth in line with cash EPS growth

Payout ratio slightly above long term sustainable ratio

Based on current payout policy

expect dividend growth in line with cash earnings per share growth

expect to be able to fully frank the dividend for foreseeable future due to timing differences generating future franking surpluses

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

Capital position strong, above the top end of our range

Capital management initiatives likely in first half

Capital Management Philosophy

Capital is a scarce resource to be managed efficiently

Currently above target range

Continue to generate surplus capital

Sale of London based structured finance business to free up ~USD1.3b RWA

but

Uncertainty regarding negative ACE impact of IFRS

Retain flexibility to make small in-fill acquisitions

Our Response

Conservative approach pending Regulatory and Rating Agency response to IFRS

Hybrid Tier 1 raising in Europe of ~A$700 million

Will increase Tier 1 but little ACE impact

Capacity for $350m+ buyback to offset dilution from current year s DRP and Group Share Schemes likely execution following completion of Hybrid Tier 1 capital raising and APRA approval

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Divisional Outlook for 2005

Division	Outlook	Drivers
Personal Banking		Solid growth in all product business. Continued investment in the franchise. Margin improvement anticipated
Institutional		Return to modest growth following de-risking. Improved environment anticipated particularly in Markets business
New Zealand		Solid underlying growth offset by impact of NBNZ structured deal run-off, and continued restructure of ANZ (NZ) franchise
Corporate		Strong performances in Corporate and Business Banking offset by significant investment in Small Business Banking
Esanda & UDC		Continued strong growth in higher return markets. Benefits from brand and growth investment anticipated
Asia Pacific		Declining Panin contribution, due to reduced one-offs and provision adjustments, offsetting solid underlying performance
ING		Capital investment earnings uncertainty
Treasury		Continued drag on group earnings due to unfavourable rates at the long end of the yield curve

Group Outlook for 2005

Item	Outlook (normalised for NBNZ and excl. integration costs)
Revenue	6.5% - 8% growth: Lending growth to remain robust; Improving margin environment Benefit from growth investments, weighted towards second half Weighed down by Panin and Group Treasury
Expenses	5% to 7% growth: Expense growth weighted towards first half Investing for sustainable growth, with a focus on increasing frontline capabilities in growth markets
Provision for Doubtful Debts	ELP Rate 28bps to 30bps : Lending growth partly offset by mix effect (likely to moderate) Reduction in ELP top-up
Taxation	Tax rate slightly above FY04
Cash EPS Growth	Stretch target of 8%, but facing headwinds around 7 more realistic

2004 result part of a series of consistent performances

Total Shareholder Return

161.1 cents cash EPS a good result

ANZ has come a long way in 2004

Focus and discipline again delivered strong performance

Shareholders rewarded - ANZ has outperformed major peers TSR over last 10 years

Balanced outlook investing for medium-term growth while producing acceptable short-term returns

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04

Supplementary Information

Australia and New Zealand Banking Group Limited

26 October 2004

www.anz.com

Business Unit Performance

Personal Banking Australia   strong momentum

Solid NPAT growth

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

Strong growth in Cards & Merchant Services, up 30%* reflecting reduction in transactors following RBA interchange reform and increases in merchant numbers

Banking Products performing well following 10% increase in average deposit volumes and favourable margin trends due to increases in the cash rate during the year

Growth in mortgages average FUM of 21% was offset by reduced net interest margin

despite significant investment in the franchise (expenses $m)

Significant investment in FY04 reflecting:

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

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

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

* *excludes impact of Cards under accrua*

Mortgage distribution

Mortgage franchises selling ahead of schedule (% sold)

and we are attracting skilled applicants

driven by an attractive proposition

Brokers continue to be an important distribution channel

Mortage prepayment level falling

Retail deposits: good growth, changing customer behaviour

Continuing to generate good growth in transaction accounts

000s

Change in FUM distribution of low interest retail accounts

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

Socio-economic profile of transaction account customers increasingly attractive

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

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

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

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

Source: Roy Morgan Demographic survey data of Transaction Account Holders (Data consists of 12 month rolling averages to June each period)

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

Personal business unit results

Personal Banking Australia

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

* *includes Private and Rural Banking*

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

Underlying business momentum adversely impacted by

- Strategy to lower risk which has significantly reduced offshore assets
- $10m NPAT foregone through run-off of structured transactions

While de-risking has been a priority, we have also invested in growth

- Transaction Services NPAT up 10% reflecting recent investment and management focus in the business

Focus is now upon re-shaping the business to deliver future growth

- Integration of Foreign Exchange and Capital Markets businesses delivering integrated customer focus and cost savings
- Refocus of offshore business following completion of de-risking
- Increased specialisation in Institutional Banking and revised business model

NPAT growth impacted by degree of de-risking

Positive trend in Institutional lending growth **.. as de-risking is largely completed**

Institutional business unit results

Institutional Financial Services

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

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

Growth numbers in the ANZ National GDS

Growth

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

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

Corporate Banking Australia

NPAT up 11% for the year

Strong lending and deposit growth up 17% and 13%

Wall Street to Main Street continues to deliver solid revenue growth - 19 deals completed in FY04 vs 5 deals in FY03

Revenue growth opportunities include:

Expanding business footprint in key geographies

Increased cross sell of ANZ product suite

Continued investment in specialist teams and products

Business Banking Australia

Continued strong FUM growth

NPAT up 11% for the year

Revenue increased 14% driven by 27% lending and 13% deposit growth

Expenses up 17%, reflecting:

70 new frontline FTE employed

Continued focus on industry specialisation e.g. pharmacy model performing strongly

Revenue growth opportunities include:

Further investment in footprint and industry specialisation

Strong presence in third party origination

Research and investment in new product opportunities

Small Business Banking

Significant opportunity to grow market share (# of customers)

Nearly 1 million businesses with less than 4 employees and more than half of those are sole operators

ANZ estimated to have links to around 20% of customers and 15% of FUM; we have a significant opportunity to increase both

Focus in FY05 is upon growing the business through

Significant investment, particularly in skilled frontline personnel

Developing specialist capabilities

Corporate business unit results

Corporate Australia

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

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

Esanda including UDC, have reshaped its business, increasing its focus on higher growth markets, whilst maintaining its commitment to traditional businesses. This is being achieved through the following initiatives:

Restructure: In May 2004 Esanda restructured its internal business model by:

creating a new division which brings together Operations, Dealer and Broker channels allowing much closer co-ordination between the business, its customers and those that provide support

creating a new business segment focused exclusively on growth markets, products and services

Growth Funding: Funds have has been set aside in FY05 for new revenue growth initiatives including the appointment of 15 additional staff in growth segments in Australia

NZ Franchise restructure: 25 Relationship Managers have been employed in UDC (NZ) following the winding up of the franchise model during 2004. The managers will be located in ANZ and National Bank branches

Brand Development: In 2004 an additional 30% was spent on the re-launch of the Esanda and UDC brands. In FY05 we plan to invest further in promoting both brands

Esanda & UDC NPAT % - 2000

Esanda & UDC NPAT % - 2004

Pacific strong performance in most markets

NPAT grew 15.5% (17.6% excluding impact of exchange rate movements) driven by solid lending growth, up 12%

Expenses grew 4.9% reflecting increased investment in the region:

Mobile rural banking model rolled out in Fiji, offering banking services to ~ 300k unbanked Fijians

Increased compliance costs and spend upgrading key front-end systems.

Key areas of focus:

Improved efficiency through greater use of our centralised support facility in Fiji (Quest)

Gaining greater share of wallet by improving cross sell and adding new products and services

Exploring opportunities in new markets

Asia retail partnerships delivering solid underlying growth

ANZ Asian Network (geographic)

Strong performance by Personal Banking, NPAT up 5%

IFS subdued with NPAT down 1.3%. Continued de-risking of the business, now largely completed

Increased investment in Trade Finance and Capital Markets resources to support future growth

Contribution to NPAT (%)

ANZ Retail Partnerships

Panin NPAT contribution down 10%. Strong underlying profit growth was offset by a change in equity accounting policy.

International Cards continued to perform well, with a 23% increase in cards on issue during the year

Continuing to work with Shanghai Rural Credit Cooperatives Union to formalise partnership

Focus is on developing additional relationships through the region to leverage ANZ s skills base with local partners

Strong growth in cards on issue

Panin Partnership

Book value of $160m against market value of $224m at 30 Sep 2004

Equity profit booked by ANZ is adjusted for excess provisions held by Panin. As this the provision balance approaches more reasonable levels, profit adjustments are being reduced

One-off profit of $23m from bond sales in 2003 and $17m from withholding tax write-backs and tax credits in 2004

Outlook for underlying earnings growth remains positive

Treasury strong performance despite difficult environment

Mismatch earnings were very strong during 1H04, but were much lower during 2H04.

Group Treasury mismatch income is partially the function of the steepness of the yield curve (ie, rolling avg 3yr assets funded at rolling 90 days), which has been declining. Also, the absolute shape of the short end (ie, 30 days to 180 days) is very relevant to the Group s funding cost.

1H04 earnings benefited from the decision to lengthen the term of funding prior to the two RBA cash rate tightenings in late 2004.

Although lower than 1H04, the result for 2H04 was expected given the adverse impact of high funding costs (generally at 90 days), relative to the cash and one month rates, and a term interest rate environment which provided limited investment opportunities.

The current interest rate environment remains benign.

Australian & New Zealand Mismatch

Note: Excludes NBNZ

Mismatch earnings significantly reduced

Composition of Treasury Income $m

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

Improving INGA returns reflect strengthening investment markets

NPAT increased 39% driven by:

Funds management income increased 13%, driven by strong investment markets

Risk income up 15% with increased sales of life insurance products through the ANZ network

Higher capital investment earnings, up 93% due to strong equity & property trust markets which were partially offset by ANZ s capital hedge losses.

Costs increased 11% due to

certain investment management fees included in costs in 2004

increased investment in product systems and process improvements

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

Current JV Valuation

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

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

Additional Risk Information

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

Net Specific Provisions

Specific Provision Balance
by size

New Specific Provisions down 7% on FY 2003

Geographic Specific Provisions

Specific Provisions by Source

Mortgages Growth strong, albeit some slowing in second half

Mortgages Portfolio continues to experience strong growth off the back of excellent products and strong distribution networks

Growth has been strongest in owner occupied and equity products, whilst some slowing has been noted in investment lending

Strong LVR profile*

Portfolio by product*

**Australian portfolio only*

Low exposure to Inner City residential mortgage lending

Lending policies driving shift from investment loans to owner occupier loans

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

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

Inner City Dynamic LVR - August 2004

US power exposures continue to reduce

Total US Limits(1)

US: September 2004

Outstandings: $0.6bn (75%)

Other Committed: $0.2bn (19%)

Uncommitted: <$0.1bn (6%)

Customers

Non Accrual: 4 [$0.2b]

Total: 16

We continue to actively manage our exposure to the US power sector

Over the past two years, exposure to the merchant energy sector and other non-core segments has reduced substantially through repayments, sell-downs and restructuring

During 1H04, non accrual loans increased in the US portfolio due to lagged credit effects from previously identified high risk exposures, however any future losses are expected to be lower and readily absorbed within existing General Provision levels.

New non-accrual loans in 2H04 of just AUD5m

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

Power markets improving & offshore power exposures reducing

Total Limits Split by Geography

KMV Median Expected Default Frequency

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

Note:

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

The quality of the Telcos book has continued to improve

Total Telcos Limits(1)

September 2004

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

KMV Median Expected Default Frequency

Note:

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

Group risk grade profile

B+ to CCC	2.8%	2.5%	2.5%	2.3%	1.9%	1.8%
Non Accrual	0.9%	0.8%	0.7%	0.6%	0.4%	0.4%

*March & September 2004 includes NBNZ

Geographic risk profiles

Australia & New Zealand

International

B+ to CCC	2.3%	2.0%	1.7%	1.8%	6.1%	6.1%	4.0%	2.4%
Non Accrual	0.4%	0.4%	0.4%	0.3%	4.5%	4.4%	3.3%	2.9%

**March & September 2004 includes NBNZ*

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

The continued high level of our General Provisioning reflects the lower level of actual losses in 2004.

The ELP methodology that drives the General Provision is different to other Bank s Dynamic Provisioning and takes a conservative longer term view of the economic credit risk cycle

In 2004, profit and loss charge of $632m was 30% higher than the actual loss experience.

Note:

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

Industry exposures Australia & New Zealand

Health & Community Services

Mining

Cultural & Recreational Services

Personal & Other Services

Forestry & Fishing

Communication Services

* Sep 04 includes NBNZ

Finance - Other

Finance Banks, Building Soc etc.

Transport & Storage

Accommodation, Clubs, Pubs etc.

Utilities

Construction

* Sep 04 includes NBNZ

Real Estate Operators & Dev.

Manufacturing

Retail Trade

Wholesale Trade

Agriculture

Business Services

* Sep 04 includes NBNZ

Other Information

Profit & Loss impact TrUEPrS versus StEPS

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

	Impact (A$m)		
	TrUEPrS FY03	StEPS FY04	Movement
Interest Income			
TrUEPrS invested in USD, StEPS in AUD*	16	53	37
Non Interest Income			
Income from interest rate swap	72	0	(72)
Income Tax			
Tax on income	(28)	(16)	11
Tax credit on dividend	31	19	(12)
NPAT Impact (pre distributions)	**91**	**56**	**(35)**
Distributions	(102)	(62)	40
EPS Impact	**(11)**	**(6)**	**5**

Update on Basel II and IFRS

IFRS Project

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

Basel II Project

ANZ aiming to achieve Advanced Status

Project on track

Estimated project cost ~$43m, which incorporates enhancements to a number of corporate systems

Additional cost of ~NZ12m to bring ANZ National to Advanced status

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

Other items

2 basis points

Cashflow mismatch on Capital Markets cross currency swaps negatively impacted the Group s NIM.

The following items improved NIM:

Increased earnings from FX revenue hedging.

Increases in the proportion of credit card volumes earning interest.

Higher investment earnings from the substitution of USD TrUEPrS with AUD StEPS.

Improvements in interest foregone.

Summary of forecasts Australia (bank year)

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

Summary of forecasts New Zealand (bank year)

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

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

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Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

Financial Results Dividend Announcement and Appendix 4E

Full Year 30 September 2004

RESULTS FOR ANNOUNCEMENT TO THE MARKET ***APPENDIX 4E***

Name of Company: Australia and New Zealand Banking Group Limited
ABN 11 005 357 522

Report for the full year ended 30 September 2004

				A$ million
Group operating revenue	up	21%	to	8,645
Operating profit after tax attributable to shareholders	up	20%	to	2,815
Extraordinary items after tax attributable to shareholders		Nil		Nil
Operating profit and extraordinary items after tax attributable to shareholders	up	20%	to	2,815
Final dividend per ordinary share, fully franked at 30% tax rate (previous corresponding period 51 cents, fully franked at 30% tax rate)				54 cents
Interim 2004 dividend per ordinary share, fully franked at 30% tax rate				47 cents
Record date for the final dividend				12 November 2004
The final dividend will be payable to shareholders registered in the books of the Company at close of business on 12 November 2004. Transfers must be lodged before 5:00 pm on that day to participate.				
Payment date for the final dividend				17 December 2004

Highlights

(all comparisons are with September 2003 final results)

Profit after tax

$2,815 million - **up 19.9%**

excluding significant items $2,731 million - **up 16.3%**

Earnings per share

EPS 153.1 cents - **up 7.5%**

Cash EPS 161.1 cents - **up 10.1%** *(excluding significant items)*

Total Shareholder Return **17%**

NBNZ acquisition **2.3 cents** cash EPS accretive

Dividend

Full year 101 cents fully franked - **up 10.8%** *(adjusted for rights)*

Final **54 cents** fully franked

Capital

Adjusted Common Equity ratio **5.1%**

Sale announced of international Project Finance business

Planned on-market share buyback of at least $350 million

Ratios

Cost-income ratio **45.3%** (from 45.1%) *(excluding significant items)*

Return on equity **18.1%** (from 20.6%)

Risk

Net specific provisions $443 million - **down 16%**

Net non-accrual loans $451 million - **down 14%**

Offshore exposure now 4.6% of total lending

NBNZ integration risk substantially reduced

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

ABN 11 005 357 522

CONSOLIDATED RESULTS, DIVIDEND ANNOUNCEMENT and APPENDIX 4E

Full year ended 30 September 2004

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All amounts are in Australian dollars unless otherwise stated. The information on which this announcement is based is in the process of being audited 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 25 October, 2004.

This Consolidated Results and Dividend Announcement constitutes the Appendix 4E required by the Australian Stock Exchange, and should be read in conjunction with the September 2004 Annual and Financial Reports.

HIGHLIGHTS

Media Release

For Release: 26 October 2004

ANZ cash earnings per share up 10.1%

Profit after tax

$2,815 million - up 19.9%

Excluding significant items $2,731 million - up 16.3%

Earnings per share

EPS 153.1 cents - up 7.5%

Cash EPS 161.1 cents - up 10.1% *(excluding significant items)*

Total Shareholder Return 17%

NBNZ acquisition 2.3 cents cash EPS accretive

Dividend

Full year 101 cents fully franked - up 10.8% *(adjusted for rights)*

Final 54 cents fully franked

Capital

Adjusted Common Equity ratio 5.1%

Sale announced of international Project Finance business

Planned on-market share buyback of at least $350 million

Ratios

Cost-income ratio 45.3% (from 45.1%) *(excluding significant items)*

Return on equity 18.1% (from 20.6%)

Risk

Net specific provisions $443 million - down 16%

Net non-accrual loans $451 million - down 14%

Offshore exposure now 4.6% of total lending

NBNZ integration risk substantially reduced

ANZ today announced a record operating profit after tax of $2,815 million for the year ended 30 September 2004, up 19.9%. Cash earnings per share were 161.1 cents, up 10.1% (excluding significant items).

ANZ announced it has signed a Memorandum of Understanding for the transfer of the majority of ANZ s London-headquartered Project Finance business to Standard Chartered Bank.

ANZ also announced a planned on-market share buyback of at least $350 million.

Total Shareholder Return over the financial year was 17%, which exceeded that of other major Australian banks over the same period. ANZ has delivered similar relative out-performance over both five and ten years.

ANZ s 2004 earnings include 10 months contribution from the acquisition of The National Bank of New Zealand (NBNZ), which was 2.3 cents accretive to cash earnings per share in the year.

The final dividend is 54 cents fully franked, bringing the full year dividend to 101 cents. This is an increase of 10.8% on the previous year, adjusted for the recent discounted rights issue, and is comparable to the increase in cash earnings per share.

ANZ Chief Executive Officer Mr John McFarlane said: ANZ has come a long way in 2004 while at the same time delivering another good financial performance.

The benefit to shareholders is reflected in strong Total Shareholder Return of 17% despite a significant capital raising during the year.

Our results were assisted by good economic conditions in Australia and New Zealand and the momentum that has developed in our Personal and Corporate businesses in Australia through increased investment and management focus.

The acquisition of The National Bank of New Zealand has now made us the leading bank in New Zealand. We are now focused on organic expansion in Australia, selective investments in Asia-Pacific and on consolidating our position in New Zealand.

The sale of our international Project Finance business largely completes the withdrawal from non-core activities that previously included the sale of Grindlays and the refocusing of our Asian business around our core strengths, he said.

Business Performance

Despite intense competition throughout the year, underlying asset growth was particularly strong, with advances growing by 13%, excluding the effect of consolidating NBNZ. The funding of this asset growth was the major contributor to a decline in net interest margins of 18 basis points over the year and 8 basis points in the second half.

As previously announced, ANZ continued to increase the rate of organic investment in its Australian franchise to increase market share, particularly in Personal Banking and Corporate Banking. As a consequence of investing for growth and increased compliance requirements, Australian expenses rose by 8% in 2004. Despite this the Group cost-income ratio remained broadly stable at 45.3%.

Commenting on each of the business divisions, Mr McFarlane said:

Personal was one of the highlights, with better than expected results in Consumer Finance where changes to credit card programs following Reserve Bank reforms were well-managed, and in Personal Banking Distribution and Banking Products, which benefited from the rising interest rate environment and 11% deposit growth. Mortgages had strong volumes with asset growth up 18%, offset by continued margin squeeze mainly associated with increased funding costs.

Institutional was subdued, reflecting a softer overall market, adverse exchange rate movements and a strategic decision to reduce risk and sacrifice earnings. Nevertheless, we have now established a more sustainable foundation for Institutional, having increased economic value added through more efficient use of capital and lower risk. This positions Institutional to build sustainable shareholder value in future years.

Corporate produced a good performance with earnings up 11%, driven by strong lending and deposit growth in both the Corporate and Business Banking segments. For 2005, we have created three new managing director positions, to give greater weight and focus to the three specialised businesses of Corporate Banking, Business Banking and Small Business.

Financial performance in the New Zealand business was acceptable in the face of significant competitive attack and the uncertainties associated with a major acquisition.

Esanda has also performed well and ING Australia has continued to show improvement. Our Pacific businesses performed well but Asia was subdued, he said.

New Zealand Integration

With respect to New Zealand, ANZ recently decided to reduce the scope of integration and to accelerate its completion. This substantially reduces the risk and complexity of the program and enables greater management emphasis to be placed on stabilisation of market share, future growth and financial performance.

ANZ now expects to complete the formal integration by the end of calendar 2005. This will consist of integrating head office activities, operational and functional support areas and the Institutional, Corporate and Rural businesses. International systems are part of ANZ s global Institutional franchise and will continue to be run from Australia, with disaster recovery capability in New Zealand. ANZ is well advanced with this program.

ANZ no longer plans to integrate the retail banking platforms as the payback is not compelling. This avoids the cost and risk of combining very different legacy platforms that will not advance the business strategically. The personal and small business segments in New Zealand now operate under two brands, ANZ and NBNZ. These are under separate management to enhance active competition in the market place and are headquartered in different cities. At some time in the future, ANZ may merge the technology and operational support for these segments, however the costs and benefits of this will be taken as business as usual and the development costs of any new platform will be spread across both Australia and New Zealand.

The revised plans for New Zealand integration substantially reduce the management challenge and integration risk and allow management to focus on customer retention, growth and financial performance, Mr McFarlane said.

Legal amalgamation and non-systems integration is largely completed, and we are confident that integration and systems transfers to New Zealand to meet regulatory requirements, will all be completed in 2005. We therefore expect to see the benefits of integration beginning in

2006, with the first full year benefit in 2007, he said.

ANZ now expects the core cost of integration to be NZ$175 million, including NZ$49 million taken in 2004. Synergies expected in 2007 consist of cost savings of NZ$75 million and revenue benefits of NZ$47 million, offset by revenue attrition of NZ$34 million.

Over and above the core integration costs, there have been some unanticipated additional costs in New Zealand, mainly associated with regulatory changes. The conditions of registration from the Reserve Bank of New Zealand require ANZ to move certain systems and operations, which support the ANZ retail brand, enterprise systems, and disaster recovery facilities from Australia to New Zealand. This will result in restructuring investment in 2005 of NZ$31 million, and ongoing running costs of NZ$12 million. Additionally an investment of NZ$14 million is anticipated in 2005 for essential infrastructure including Basel II and payments.

Taking all of these costs into account, the total cost of integration is expected to be NZ$220 million, with net synergies of NZ$76 million, consisting of cost savings of NZ$63 million and revenue benefits of $NZ47 million, offset by revenue attrition of $NZ34 million. This compares with original estimates of NZ$265 million integration costs, and net synergies of NZ$69 million, consisting of cost savings of NZ$126 million and revenue benefits of $NZ31 million, offset by revenue attrition of $NZ88 million.

As anticipated, we have experienced some revenue attrition with the consequent loss of market share, particularly in Institutional, as large customers rebalance their lines with the merged entity, and where substantial price competition has taken place. Notwithstanding this, the overall level of revenue attrition is less than half of that anticipated at the time of acquisition,
Mr McFarlane said.

Strategic Risk Reduction

During the past seven years ANZ has been actively reducing the overall risk profile of the Group and the effects of this were particularly evident this year. Net specific provisions of $443 million were down 16%. This was well below the amount accrued for doubtful debts in the income statement of $632 million. Net non-accruals of $451 million are now down to the lowest level in recent years at 2.5% of ordinary shareholders equity.

ANZ is comfortable with its overall risk profile, which is now comparable with other major Australian banks, Mr McFarlane said.

Capital Position

ANZ s capital position with an adjusted common equity ratio of 5.1% is above the Group s target range. ANZ has also submitted an application for a new offshore hybrid equity transaction, which, together with the planned sale of around US$1.5 billion of international project finance assets would increase its capital position.

ANZ therefore intends to undertake an on-market share buyback of at least $350 million, subject to regulatory approvals for the hybrid.

Community and Staff initiatives

We have also taken further steps this year to advance our community programs through the expansion of our matched savings program, Saver Plus, and in expanding financial literacy through the launch of MoneyMinded, Mr McFarlane said.

Staff satisfaction is now at a record 85% across the group. How people feel about working in the organisation and how passionate and engaged they are with our agenda, is what makes the difference between a good and a great company. Over the past few years, we have been transforming ANZ from a traditional banking type culture into a modern, vibrant organisation through a range of initiatives which emphasise leadership, diversity, coaching and development and creates a shared vision of an exciting organisation. Our achievements in this area have received recognition both here and internationally.

Outlook

Over the next few years we will have a greater emphasis on superior revenue growth and increased investment to achieve this. While we recognise that cost reduction opportunities are becoming more limited, we intend to continue reducing our cost-income ratio but more moderately than in previous years.

For 2005, we believe the external environment will remain favourable and expect continued good underlying business performance. We intend to continue with higher expense growth to build our core franchise in Australia, particularly in Personal Banking, which is now gaining momentum after some years of nurturing.

A number of one-off factors in the year will however impact earnings, which on balance will have a negative impact. These include the loss of earnings arising from the sale of London-headquartered project finance activities, reduced earnings from Panin Bank and Group Treasury, more subdued investment earnings at ING Australia, and measures in New Zealand to arrest customer attrition in ANZ s retail arm, together with the roll-off of historical tax structured transactions.

For 2005, we have adopted an internal stretch target of 8% cash earnings per share, however taking into account these one-off factors, a guidance level of 7% cash earnings per share would be more realistic, Mr McFarlane said.

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FINANCIAL HIGHLIGHTS

Net Profit

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Net interest income	2,745	2,509	9%	**5,254**	4,311	22%
Other operating income	1,708	1,683	1%	**3,391**	2,808	21%
Operating income	4,453	4,192	6%	**8,645**	7,119	21%
Operating expenses	(2,124)	(1,902)	12%	**(4,026)**	(3,228)	25%
Profit before debt provision	2,329	2,290	2%	**4,619**	3,891	19%
Provision for doubtful debts	(319)	(313)	2%	**(632)**	(614)	3%
Profit before income tax	2,010	1,977	2%	**3,987**	3,277	22%
Income tax expense	(590)	(578)	2%	**(1,168)**	(926)	26%
Outside equity interests	(1)	(3)	-67%	**(4)**	(3)	33%
Net profit attributable to shareholders of the Company	1,419	1,396	2%	**2,815**	2,348	20%

Significant items in the profit and loss(1)

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
TrUEPrS						
Swap income		110	-100%	**110**		n/a
Interest		2	-100%	**2**		n/a
Income tax expense		(28)	-100%	**(28)**		n/a
Cash dividends(2)			n/a			n/a
Gain on finalising INGA completion accounts after tax(3)	14		n/a	**14**		n/a
Incremental NBNZ integration costs after tax(3)	(14)		n/a	**(14)**		n/a
Net profit attributable to shareholders of the Company		84	-100%	**84**		n/a

Profit excluding significant items in the profit and loss(1)

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Net interest income	2,745	2,507	9%	**5,252**	4,311	22%
Other operating income	1,694	1,573	8%	**3,267**	2,808	16%
Operating income	4,439	4,080	9%	**8,519**	7,119	20%
Operating expenses	(2,103)	(1,902)	11%	**(4,005)**	(3,228)	24%

Profit before debt provision	2,336	2,178	7%	**4,514**	3,891	16%
Provision for doubtful debts	(319)	(313)	2%	**(632)**	(614)	3%
Profit before income tax	2,017	1,865	8%	**3,882**	3,277	18%
Income tax expense	(597)	(550)	9%	**(1,147)**	(926)	24%
Outside equity interests	(1)	(3)	-67%	**(4)**	(3)	33%
Net profit excluding significant items	1,419	1,312	8%	**2,731**	2,348	16%

(1). *See page 12 for an explanation of significant items*

(2). *Dividends on TrUEPrS preference shares ($36 million) do not impact net profit*

(3). *Tax on gain on INGA completion accounts: nil. Tax on incremental NBNZ integration costs: $7 million*

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

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Net profit after income tax						
Personal Banking Australia	417	385	8%	**802**	693	16%
Institutional	392	396	-1%	**788**	802	-2%
New Zealand Business	336	248	35%	**584**	211	large
Corporate Australia	176	168	5%	**344**	311	11%
Esanda and UDC	74	69	7%	**143**	129	11%
Asia Pacific	60	51	18%	**111**	100	11%
ING Australia	61	47	30%	**108**	82	32%
Group Centre(1)	(97)	(52)	87%	**(149)**	20	large
Net profit (excl Significant items)	1,419	1,312	8%	**2,731**	2,348	16%
Significant items(2)		84	-100%	**84**		n/a
Net profit	1,419	1,396	2%	**2,815**	2,348	20%

(1). *Group Centre includes the operations of Treasury.*

(2). *ANZ has classified the $14 million profit after tax on final settlement of the INGA completion accounts, $14 million after tax incremental integration costs, $84 million net profit after tax and $36 million dividends arising from the TrUEPrS transaction as significant items (refer page 12). ANZ excludes significant items to eliminate the distorting effect of one-off transactions on the results of its core business*

Net loans and advances including acceptances

	As at Sep 04 $M	As at Mar 04 $M	As at Sep 03 $M	Movt Sep 04 v. Mar 04 %	Movt Sep 04 v. Sep 03 %
Net advances					
Personal Banking Australia	91,767	85,378	77,991	7%	18%
Institutional	40,990	39,285	40,911	4%	0%
New Zealand Business	50,385	45,232	13,926	11%	large
Corporate Australia	18,940	17,635	15,937	7%	19%
Esanda and UDC	13,588	13,043	12,579	4%	8%
Asia Pacific	1,528	1,340	1,336	14%	14%
ING Australia	24	24	24	0%	0%
Group Centre	206	279	(61)	-26%	large
Net advances	217,428	202,216	162,643	8%	34%
less Customers liabilities for acceptances	(12,466)	(13,358)	(13,178)	-7%	-5%
Net loans and advances	204,962	188,858	149,465	9%	37%

Impact of National Bank of New Zealand acquisition (excluding significant items)

Full Year September 2004

	Group ex significant items $M	**NBNZ(1) $M**	**Acquisition & funding(2) $M**	**Group ex NBNZ & sig items $M**
Net interest income	**5,252**	786	(78)	**4,544**
Other operating income	**3,267**	259		**3,008**
Operating income	**8,519**	1,045	(78)	**7,552**
Operating expenses	**(4,005)**	(443)	(129)	**(3,433)**
Profit before debt provision	**4,514**	602	(207)	**4,119**
Provision for doubtful debts	**(632)**	(62)		**(570)**
Profit before income tax	**3,882**	540	(207)	**3,549**
Income tax expense	**(1,147)**	(164)	27	**(1,010)**
Outside equity interests	**(4)**	(1)		**(3)**
Net profit	**2,731**	375	(180)	**2,536**

The internal funding of the NBNZ acquisition was provided to New Zealand by way of equity and interest bearing debt from Australia and interest bearing debt from the UK. The following table shows the geographic distribution of the acquisition and funding costs shown above.

	Acquisition & funding(3) $M	**Goodwill $M**	**Tax $M**	**Profit $M**
New Zealand	(146)	(129)	48	**(227)**
Australia	19		(6)	**13**
United Kingdom	49		(15)	**34**
	(78)	(129)	27	**(180)**

Group excluding NBNZ and significant items(4)

	Half year Sep 04 $M	**Half year Mar 04 $M**	**Movt Sep 04 v. Mar 04 %**	**Full year Sep 04 $M**	**Full year Sep 03 $M**	**Movt Sep 04 v. Sep 03 %**
Net interest income	2,310	2,234	3%	**4,544**	4,311	5%
Other operating income	1,541	1,467	5%	**3,008**	2,808	7%
Operating income	3,851	3,701	4%	**7,552**	7,119	6%
Operating expenses	(1,753)	(1,680)	4%	**(3,433)**	(3,228)	6%
Profit before debt provision	2,098	2,021	4%	**4,119**	3,891	6%
Provision for doubtful debts	(284)	(286)	-1%	**(570)**	(614)	-7%
Profit before income tax	1,814	1,735	5%	**3,549**	3,277	8%
Income tax expense	(513)	(497)	3%	**(1,010)**	(926)	9%
Outside equity interests	(1)	(2)	-50%	**(3)**	(3)	0%
Net profit	1,300	1,236	5%	**2,536**	2,348	8%

(1). Ten months profit since acquisition on 1 December 2003

(2). Includes goodwill amortisation of $129 million

(3). Includes employee share acquisition scheme costs of $4 million in New Zealand offset in Australia

(4). Refer page 12 for discussion of significant items

Statement of Financial Position

	As at Sep 04 $M	As at Mar 04 $M	As at Sep 03 $M	Movt Sep 04 v. Mar 04 %	Movt Sep 04 v. Sep 03 %
Assets					
Liquid assets	**6,363**	5,732	6,592	11%	-3%
Due from other financial institutions	**4,781**	7,093	2,427	-33%	97%
Trading and investment securities	**13,224**	13,062	8,980	1%	47%
Net loans and advances including acceptances	**217,428**	202,216	162,643	8%	34%
Other	**17,549**	19,185	14,949	-9%	17%
Total assets	**259,345**	247,288	195,591	5%	33%
Liabilities					
Due to other financial institutions	**7,349**	7,143	6,467	3%	14%
Deposits and other borrowings	**168,557**	163,208	124,494	3%	35%
Liability for acceptances	**12,466**	13,358	13,178	-7%	-5%
Bonds and notes	**27,602**	21,245	16,572	30%	67%
Other	**25,446**	25,586	21,093	-1%	21%
Total liabilities	**241,420**	230,540	181,804	5%	33%
Total shareholders equity	**17,925**	16,748	13,787	7%	30%

As at September 2004

	Group $M	NBNZ $M
Assets		
Liquid assets	**6,363**	603
Due from other financial institutions	**4,781**	1,818
Trading and investment securities	**13,224**	659
Net loans and advances including acceptances	**217,428**	34,151
Other	**17,549**	1,846
Total assets	**259,345**	39,077
Liabilities		
Due to other financial institutions	**7,349**	1,152
Deposits and other borrowings(1)	**168,557**	28,399
Liability for acceptances	**12,466**	
Bonds and notes	**27,602**	2,149
Other(2)	**25,446**	4,687
Total liabilities	**241,420**	36,387
Total shareholders equity	**17,925**	2,690

(1). NBNZ includes wholesale funding of $9.3 billion

(2). NBNZ includes balances with related entities of $2.4 billion

Financial Ratios

	Half year Sep 04 $M	Half year Mar 04 $M	Full year Sep 04 $M	Full year Sep 03 $M
EVA TM(1)	880	870	**1,750**	1,572
Profitability ratios				
Return on:				
Average ordinary shareholders equity(2)	17.3%	19.1%	**18.1%**	20.6%
Average ordinary shareholders equity(2) (excluding significant items)(3)	17.3%	18.4%	**17.8%**	20.6%
Average ordinary shareholders equity(2) (excluding significant items and goodwill amortisation)(3)	18.3%	19.3%	**18.8%**	20.7%
Average assets	1.11%	1.21%	**1.16%**	1.23%
Average risk weighted assets	1.48%	1.60%	**1.54%**	1.59%
Total income	14.9%	16.2%	**15.5%**	17.2%
Net interest average margin	2.45%	2.53%	**2.49%**	2.67%
Profit per average FTE ($)	51,887	53,226	**102,933**	103,779
Efficiency ratios(4)				
Operating expenses to operating income (excluding significant items(3))	45.5%	45.1%	**45.3%**	45.1%
Operating expenses to operating income	45.8%	43.9%	**44.9%**	45.1%
Operating expenses (excluding significant items(3)) to average assets	1.6%	1.6%	**1.6%**	1.7%
Operating expenses to average assets	1.6%	1.6%	**1.6%**	1.7%
Debt provisioning				
Economic loss provisioning ($M)	319	313	**632**	614
Net specific provisions ($M)	247	196	**443**	527
Earnings per ordinary share (cents)(5)				
Earnings per ordinary share (basic)	76.4	76.8	**153.1**	142.4
Earnings per ordinary share (diluted)	74.4	75.3	**149.7**	141.7
Earnings per ordinary share (basic) excluding significant items(3)	76.4	74.0	**150.4**	142.4
Earnings per ordinary share (basic) excluding significant items and goodwill amortisation(6)	82.1	78.9	**161.1**	146.3
Ordinary share dividends (cents)				
Interim - 100% franked (Mar 03: 100% franked)	n/a	47	**47**	44
Final - 100% franked (Sep 03: 100% franked)	54	n/a	**54**	51
Dividend payout ratio(7)	71.0%	63.8%	**67.5%**	64.2%
Preference share dividend				
Dividend paid ($M)(8)	34	64	**98**	102

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(1). EVA™ refers to Economic Value Added, a measure of shareholder value. See page 21 for a reconciliation of EVA™ to reported net profit and a discussion of EVA™ and an explanation of its usefulness as a performance measure

(2). Average ordinary shareholders equity excludes outside equity interests

(3). Refer footnote 2 on page 6 for an explanation of the usefulness of adjusting profit to remove the impact of significant items. For a reconciliation to net profit, see page 5

(4). Excludes goodwill amortisation

(5). Prior period EPS measures have been adjusted for the rights issue in November 2003. Refer page 70 for

details

(6). Earnings used in ratio of $2,858 million (full year 2003: $2,308 million; Sep 2004 half: $1,490 million; Mar 2004 half: $1,368 million; excludes significant items $nil (full year 2003: $nil; Sep 2004 half: $nil; Mar 2004 half: $84 million) and goodwill and notional goodwill amortisation $189 million (full year 2003: $62 million; Sep 2004 half: $104 million; Mar 2004 half: $85 million) and deducts $36 million (full year 2003: $nil; Sep 2004 half: $1 million; Mar 2004 half: $35 million) of preference share dividends

(7). Dividend payout ratio is calculated using the proposed dividend as at 30 September 2004, 31 March 2004 and 30 September 2003

(8). Includes $36 million treated as significant items (Sep 2004 half: $1 million; Mar 2004 half: $35 million)

	As at Sep 04	As at Mar 04	As at Sep 03	Movt Sep 04 v. Mar 04 %	Movt Sep 04 v. Sep 03 %
Net Assets					
Net tangible assets(1) per ordinary share ($)	**7.51**	6.94	7.49	8%	0%
Net tangible assets(1) attributable to ordinary shareholders ($M)	**13,651**	12,542	11,398	9%	20%
Total number of ordinary shares (M)	**1,818.4**	1,808.2	1,521.7	1%	19%
Capital adequacy ratio (%)					
Tier 1	**6.9%**	7.0%	7.7%		
Tier 2	**4.0%**	3.7%	4.0%		
Total capital ratio	**10.4%**	10.2%	11.1%		
Adjusted common equity ratio(2)	**5.1%**	5.2%	5.7%		
Impaired assets					
General provision ($M)	**1,992**	1,828	1,534	9%	30%
General provision as a % of risk weighted assets	**1.01%**	0.98%	1.01%	3%	0%
Gross non-accrual loans ($M)	**829**	931	1,007	-11%	-18%
Specific provisions ($M)	**(378)**	(414)	(482)	-9%	-22%
Net non-accrual loans	**451**	517	525	-13%	-14%
Specific provision as a % of total non-accrual loans	**45.6%**	44.5%	47.9%	2%	-5%
Total provisions(3) as a % of non-accrual loans	**285.9%**	240.8%	200.2%	19%	43%
Gross non-accrual loans as % of net advances	**0.4%**	0.5%	0.6%	-20%	-33%
Net non-accrual loans as a % of net advances	**0.2%**	0.3%	0.3%	-33%	-33%
Net non-accrual loans as a % of shareholders equity(4)	**2.5%**	3.1%	3.8%	-19%	-34%
Other information					
Full time equivalent staff (FTE s)	**28,755**	27,971	23,137	3%	24%
Assets per FTE ($M)	**9.0**	8.8	8.5	2%	6%
Market capitalisation of ordinary shares ($M)	**34,586**	34,284	27,314	1%	27%

(1). *Equals Shareholders equity less preference share capital and unamortised goodwill*

(2). *Adjusted common equity is calculated as Tier 1 capital less preference shares at current rates and deductions from total capital. This measure is commonly used to assess the adequacy of common equity held. See page 77 for a reconciliation to Tier 1 capital*

(3). *General provision plus specific provision on non-accrual loans*

(4). *Includes outside equity interest*

RESULTS COMMENTARY

Full year result

Australia and New Zealand Banking Group Limited (ANZ, or the Group) recorded a profit after tax of $2,815 million for the full year ended 30 September 2004, an increase of 20% over the September 2003 full year. However, excluding the significant items referred to on page 12, profit increased 16% to $2,731 million. Basic earnings per share increased 8% (10.7 cents) to 153.1 cents.

EPS excluding significant items and goodwill amortisation increased 10.1% to 161.1 cents affected by:

Growth in existing ANZ businesses (+14.3 cents).

Accretion from the NBNZ purchase, and its capital funding (+2.3 cents). Refer page 52 for commentary on NBNZ results.

The issuance of shares under the dividend reinvestment and bonus option plans and employee share option schemes (-1.8 cents).

The result was driven by strong performances across most business segments with:

New Zealand Businesses up $373 million after tax following the acquisition of the NBNZ.

Personal Banking Australia up 16% as a result of growth in consumer deposits, lending growth, an increased proportion of card balances paying interest and 2003 being impacted by the $27 million after tax under-accrual of Card loyalty points. The contribution from mortgages reduced 2% with lending growth offset by reduced net interest margin.

Corporate up 11% driven by strong lending and deposit growth in both the Corporate and Business Banking segments.

Esanda and UDC up 11% with continued strong new business writings and increased fleet management fee revenues.

Asia Pacific up 11% with significant growth in the Indonesian cards business and increased trade flows.

ING Australia (INGA) up 32% with improved equity market performances and growth in funds under management.

Institutional reduced 2% reflecting the de-risking of the offshore portfolio and the impact of an appreciating AUD on offshore USD denominated earnings.

Group Centre profit reduced with lower Treasury earnings following an extended period of low and flat yield curves, a reduction in profit associated with the TrUEPrS transaction and the additional funding and goodwill amortisation costs associated with the acquisition of NBNZ.

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Net profit	1,419	1,396	2%	**2,815**	2,348	20%
Less Significant items		84	-100%	**84**		n/a
Net profit excluding significant items	1,419	1,312	8%	**2,731**	2,348	16%
Less NBNZ, Acquisition & Funding	119	76	57%	**195**		n/a
Net profit excluding significant items & NBNZ(1)	1,300	1,236	5%	**2,536**	2,348	8%

(1). *Refer pages 5 and 7 for reconciliation*

Profit excluding significant items and NBNZ increased by 8% to $2,536 million:

Net interest increased by 5% with solid lending growth particularly in Mortgages and deposit growth in Personal Banking Australia and Corporate. This growth was suppressed by reduced asset margins.

Other income increased 7% driven by growth in non-lending fees based on higher business volumes, the under-accrual of card loyalty points in 2003 and an increased contribution from INGA. The reduction in swap income from TrUEPrS is offset in EPS by lower dividends but has reduced reported profit by 1%.

Operating expenses increased 6% driven by a 4% increase in staff numbers as the focus turns to income growth.

The combined effect of the replacement of TrUEPrS with StEPS is a reduction in net profit after tax of $35 million or 1% of reported profit.

Asset quality continued to improve with the ELP rate down 6 basis points. This has largely been driven by the growth in Personal Banking Australia and continued de-risking which has also enabled the additional charge taken in the corporate centre for unexpected offshore losses to be reduced.

The appreciation of the AUD over 2003 has resulted in a $32 million (1%) reduction in the contribution from earnings denominated in foreign currencies (net of an $18 million increase in profit after tax income on contracts put in place to hedge USD and NZD revenues).

Comparison with March 2004 half

Australia and New Zealand Banking Group Limited recorded a profit after tax of $1,419 million for the half year ended 30 September 2004, an increase of 2% over the March half.

Profit excluding significant items and NBNZ increased 5% to $1,300 million:

Net interest increased by 3% with solid lending growth particularly in Mortgages and deposit growth in Personal Banking Australia and Corporate. This growth was suppressed by reduced asset margins.

Other income increased 5% driven by increased fee income from higher business volumes in Personal Banking and Corporate.

Operating expenses increased 4% driven by a 3% increase in staff numbers.

Asset quality was stable with gross non-accrual loans reducing and ELP reducing 3 basis points to 30 basis points.

Significant items in the profit and loss

Significant items in the profit and loss are those items that management believe do not form part of the core business, and as such, should be removed from profit when analysing the core business performance. The following are considered significant items in 2004:

TrUEPrS

During the March half, the Group bought back TrUEPrS, a hybrid Tier 1 instrument. Previously deferred income that was earned on close out of interest rate swaps that had been hedging the TrUEPrS distributions was recognised in profit. The impact of TrUEPrS on the current year, being the release of deferred swap income of $108 million before tax, $2 million other swap income, the periodic and final cash dividends paid to holders of TrUEPrS ($36 million), and the funding benefit from holding TrUEPrS for part of the year, have been classified as significant items.

INGA completion account profit

In the September half ANZ finalised the completion accounts on the sale of ANZ funds management and insurance businesses to INGA. This sale occurred in 2002. The final settlement of this transaction resulted in a $14 million after tax profit.

Incremental NBNZ integration costs

Expenditure on the integration of NBNZ includes both the reallocation of existing resources and incurring incremental costs. Incremental costs are those costs that will not recur once integration is complete, and thus do not form part of the core ongoing cost base. During 2004 $14 million after tax of incremental integration costs were incurred.

Income and expenses

Net Interest

	Half year Sep 04	Half year Mar 04	Movt Sep 04 v. Mar 04 %	Full year Sep 04	Full year Sep 03	Movt Sep 04 v.Sep 03 %
Net interest income ($M)(1)	2,745	2,509	9%	**5,254**	4,311	22%
Net interest average margin (%)	2.45	2.53	n/a	**2.49**	2.67	n/a
Average interest earning assets ($M)	225,220	199,086	13%	**212,153**	162,154	31%

(1). *Includes $2 million significant items in March 2004 half*

2004 result

Net interest income at $5,254 million was 22% ($943 million) higher than the September 2003 year. Excluding significant items and NBNZ, net interest increased 5% ($233 million) to $4,544 million.

Volume

Average net loans and advances grew by $44.8 billion (32%) overall with growth attributable to the acquisition of NBNZ ($26.4 billion), Personal Banking Australia ($14.4 billion or 22% with $13.0 billion in Mortgages), Corporate ($2.3 billion or 22%) and Institutional Australia ($1.8 billion or 10%). Average net loans and advances reduced by $2.4 billion (20%) in overseas markets as a result of the strategy to reduce higher risk exposures ($1.1 billion) and the exchange rate impact of a stronger Australian dollar ($1.3 billion).

Average deposits and other borrowings grew $37.2 billion (31%), with growth from the NBNZ acquisition ($25.3 billion), Treasury ($3.4 billion) to fund asset growth, Personal Banking Australia ($3.4 billion or 10%), and Corporate ($1.7 billion or 13%). Average deposits and other borrowings were flat in overseas markets, with increases resulting from greater commercial paper issuance in the US offset by a $2.6 billion reduction resulting from exchange rate movements.

Margin

Net interest average margin contracted by 18 basis points for the full year:

Changes in the composition of the portfolio negatively impacted the net interest margin by 6 basis points, with a higher proportion of mortgages (1 basis point), and changes in the funding mix, from substitution of wholesale funding for customer deposits, together with transfer from higher margin retail deposits to lower margin retail deposits such as cash management, term deposits and V2 plus (3.5 basis points) and a reduction in net non-bearing interest items (1.5 basis points).

Competitive pressures reduced margins by 3 basis points with this impact arising mainly in mortgages and institutional.

Wholesale rate movements had a significant impact, reducing the net interest margin by 6 basis points. Variable rate mortgages, funded by short term liabilities, cost 3 basis points as the yield curve steepened following the RBA s move to a tightening bias, plus the relatively low level of term interest rates during 2004, as interest rates reached the bottom of the cycle, reduced mismatch earnings (3 basis points).

Other items include increases in retail broker payments (-2 basis points), offset by increased earnings from foreign exchange revenue hedging (+2 basis points), higher levels of credit card balances becoming interest earning in the 2004 year (+1 basis point), falling levels of interest foregone (+1 basis point), together with impacts from the replacement of TrUEPrS (+2 basis points)

Funding costs associated with unrealised trading gains increased as a result of the appreciation in the AUD. Whilst this 4 basis point decline is reflected in the net interest margin, it is directly offset by an equivalent gain in trading income.

The acquisition of NBNZ resulted in a 3 basis point decline in the Group s interest margin as a result of the partial funding of the transaction with term wholesale issuances.

	2004	**2003**	**2002**	**2001**	**2000**	**1999**	**1998**
Net interest average margin (%)	2.49	2.67	2.77	2.77	2.87	3.05	2.97

Comparison with March 2004 half

Net interest increased $236 million (9%).

Volume

Average net loans and advances grew by $22.8 billion (13%) overall with growth attributable to the acquisition of NBNZ ($12.3 billion), Personal Banking Australia ($6.8 billion with Mortgages contributing $5.9 billion), Corporate ($1.2 billion) and Institutional ($1.0 billion). Average net loans and advances increased by $0.4 billion (4%) in overseas markets with this growth attributable to exchange rate movements.

Average deposits and other borrowings grew $18.6 billion (13%), with growth from NBNZ ($10.6 billion), Treasury ($3.0 billion) due to increases in time deposits and commercial paper, ANZ New Zealand ($1.5 billion) and Personal Banking ($1.7 billion). Average deposits and other borrowings decreased $0.5 billion (2%) in overseas markets as a result of reductions in UK and Europe and Americas ($1.7 billion) offset by favourable exchange rate variances.

Margin

Net interest average margin contracted by 8 basis points:

Higher proportions of more expensive wholesale and retail liabilities within the portfolio reduced the net interest margin (2 basis points).

Wholesale rate impacts from the funding of variable rate mortgages were unchanged during the half to September 2004 due to a constant official cash rate and a relatively stable short end of the yield curve.

Lower mismatch earnings, from a flatter yield curve and limited investment opportunities in the current interest rate environment, impacted margins (4 basis points).

The acquisition of NBNZ resulted in a further 2 basis point decline in the Group s interest margin.

Other Operating Income

	Half Year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Other operating income						
Total fee income	1,260	1,161	9%	**2,421**	2,048	18%
Foreign exchange earnings	213	198	8%	**411**	348	18%
Profit on trading instruments	71	80	-11%	**151**	110	37%
Other	150	134	12%	**284**	302	-6%
Total other income excluding significant items	1,694	1,573	8%	**3,267**	2,808	16%
Significant items(1)	14	110	-87%	**124**		n/a
Total other income	1,708	1,683	1%	**3,391**	2,808	21%

(1). *Refer page 12*

2004 result

Other operating income, at $3,391 million, was $583 million (21%) higher than the September 2003 year. Excluding $124 million significant items (refer page 12 for details), other operating income increased $459 million (16%).

Other operating income excluding significant items and NBNZ increased 7% ($200 million). The following explanations exclude NBNZ and significant items:

Fee income increased $183 million (9%)

Lending fee income increased $18 million (2%):

Corporate Banking Australia increased $15 million (8%) with $4 million higher loan approval fees with increased lending volumes arising from an increased investment in front line staff and $7 million additional commercial bill fees.

Personal Banking Australia increased $9 million (5%) with Banking Products up $5 million (9%) driven by growth in Breakfree package fees (banking products package for home buyers and residential property investors) with stronger marketing of this offer in 2004. There was also an increase in Cards and Merchant Services ($3 million) due to the popularity of the Premier Select product (packaged fee for mortgage and card products).

Esanda and UDC increased $8 million (23%) due primarily to changes in the fee structure for business lending and higher new business writings.

Institutional reduced $16 million (3%) due to a $17 million (25%) reduction in Corporate and Structured Financing reflecting our offshore risk reduction strategy but offset with increased non-lending fees ($21 million).

Non-lending fee income increased $165 million (15%):

Personal Banking Australia increased $112 million (23%) due largely to the $38 million under-accrual of loyalty points on co-branded cards which reduced income in 2003, higher merchant revenue and improved business conditions generally. In addition there was a $13 million increase in Banking Products, with growth in fees from core deposit transaction products, higher volume related non-ANZ ATM fees and Executor and Trustee management fees, $3 million increase in insurance commissions and $6 million increase from financial planners driven by an improving Funds Management industry outlook and changes to the pension rules.

Institutional increased $39 million (14%) largely due to Corporate and Structured Financing increasing $21 million (39%) reflecting strong performance in the leasing business and a shift in revenue mix away from net interest and lending fee income with a reduction in balance sheet risk. Trade and Transaction Services increased $16 million (9%) due to strong performance in structured commodity trade transactions and improved revenue from international payments.

Esanda and UDC grew $9 million (27%) with an emphasis on generating revenue through the provision of value-added fleet management services.

The appreciation of the AUD over 2003 suppressed fee income growth by 2%.

Foreign exchange earnings increased $16 million (4%)

Earnings in Markets increased $12 million (5%) with increased commodity and structured product sales and a book structured to take advantage of the strengthening USD.

Trade and Transaction Services increased $6 million (14%) reflecting improved foreign exchange spreads and volumes.

A strengthening of the AUD against the NZD and USD since 2003 suppressed foreign exchange earnings growth by $12 million (3%).

Profit on trading instruments increased $31 million (28%)

Markets increased $46 million (38%) where a lower proportion of revenue was booked as interest due to funding of cash flows. Total income in Markets was up $11 million (5%) despite difficult market conditions with reduced corporate hedging activity and tightening credit spreads.

Treasury increased $5 million with 2003 impacted by the downward revaluation of the liquidity portfolio (trading securities and allocated hedges).

Income on the hedge of capital investment earnings in INGA reduced $10 million, reflecting stronger equity markets in 2004.

Corporate and Structured Financing decreased $5 million as profit on sale of available for sale securities in 2003 was not repeated.

Other operating income decreased $30 million (10%)

A reduction in swap income on the TrUEPrS transaction that contributed $71 million in 2003. This reduction has suppressed growth in profit after tax by 2% with the offset being lower preference share coupons.

Equity accounted income increased $39 million. ANZ s share of the joint venture profit from INGA increased by $42 million (76%) driven by stronger investment markets with the first half of 2003 impacted by global uncertainty.

Mortgages contributed an additional $12 million (37%) with an increase in Lenders Mortgage Insurance (LMI) sales driven by strong lending volume growth and the favourable impact of a change in recognition of LMI insurance revenues in March 2004.

In the Group Centre the release of ING warranty provisions was largely offset by a provision for loss on sale of the Martin Place property.

Institutional Banking reduced with a $27 million profit before tax on the sale of development properties in 2003.

Comparison with March 2004 half

Other operating income increased $25 million (1%), or $121 million (8%) after excluding significant items (refer page 12).

Excluding significant items and NBNZ (which together reduced other income by a net $47 million) other operating income increased $74 million (5%) as a result of the following factors:

Fee income increased $58 million (5%)

Lending fee income was flat:

Institutional reduced $8 million (3%) with Corporate and Structured Financing reducing $8 million.

There were offsetting increases of $5 million in Corporate and $2 million in both New Zealand and Esanda.

Non-lending fee income increased $58 million (9%):

Personal Banking Australia increased $28 million (10%) with Cards and Merchant Services up $12 million (6%) driven by a 4% growth in card outstandings, a decreased proportion of transactor volumes and increased Merchant activity. Personal Distribution increased $8 million (20%) and Banking Products $5 million (9%) due to higher insurance product sales and increased deposit volumes reflecting the success of the flat fee account and higher volumes of non-ANZ ATM fees.

Institutional increased $18 million (12%) with Corporate and Structured Financing up $9 million (28%) reflecting strong performance in the leasing business and Trade and Transaction Services up $6 million (6%) with increased trade flows through Asia and increased international payments.

Foreign exchange earnings increased $14 million (8%). Markets increased $10 million (7%) with increased customer activity and a book structured to take advantage of the strengthening USD, partly offset by reduced profit on trading securities (refer below). Total revenue in Markets increased $3 million (1%). Trade and Transaction Services increased $4 million (20%) reflecting improved foreign exchange spreads.

Profit on trading instruments decreased $14 million (18%), impacted by reduced corporate demand for interest rate products and tightening credit spreads.

Other operating income increased $15 million (12%):

The release of ING warranty provisions in the Group Centre was largely offset by a provision for loss on sale of the Martin Place Property.

Equity accounted income increased $11 million (16%) with increased profit from INGA ($17 million) and $2 million higher equity accounted income in Corporate and Structured Financing offset by lower equity accounted profits from PT Panin Bank ($7 million) due to the one off withholding tax credit in the March half of $11 million.

Mortgage insurance premiums reduced largely as a result of the change in recognition of LMI insurance revenues which increased income in the March 2004 half by $6 million.

Institutional Banking increased $6 million due to the release of income from the sale of development properties relating to the 2003 year previously held back to cover outstanding issues which were recognised in tax expense.

A weakening of the AUD against the NZD and USD over the half contributed an additional $8 million (1%) to total other income.

Expenses

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Operating expenses						
Personnel expenses	1,110	1,012	10%	**2,122**	1,750	21%
Premises expenses	186	167	11%	**353**	295	20%
Computer expenses	278	274	1%	**552**	465	19%
Goodwill amortisation	83	63	32%	**146**	18	large
Other expenses	417	355	17%	**772**	640	21%
Restructuring costs	29	31	-6%	**60**	60	0%
NBNZ incremental integration costs	21		n/a	**21**		n/a
Total operating expenses	2,124	1,902	12%	**4,026**	3,228	25%
Total employees	28,755	27,971	3%	**28,755**	23,137	24%

2004 result

Operating expenses increased $798 million (25%) with a $572 million increase (including $128 million goodwill amortisation) largely as a result of the NBNZ acquisition and $21 million NBNZ incremental integration costs. Excluding these factors operating costs increased $205 million (6%) driven by:

Personnel expenses increased $110 million (6%) as a result of annual salary increases together with an increase in staff of 775 (3%) mainly in the following business units:

New Zealand Businesses staff increased by 205 (7%) largely in New Zealand Banking with increased front line staff to cope with increased business volumes and improving service standards.

Institutional staff increased by 131 (5%) with further investment in Foreign Exchange capability in London and Asia, together with an increased Capital Markets and Trade Finance presence in Asia.

Personal Banking Australia increased by 138 (2%) with an increased number of financial planners in Personal Distribution, front line staff in Rural Banking, and operations staff in Mortgages to service continued high levels of customer activity offset by a reduction in Cards and Merchant Services following the wind down of temporary staff in the customer service team to handle a higher level of calls associated with the RBA interchange reform project has reduced.

Group Centre up 155 (4%) with Central Functions staff numbers increasing by 96 driven principally by the escalating focus on compliance and an additional 54 staff in Operations, Technology and Shared Services largely due to technology resources and project related activity.

Premises costs increased $17 million (6%):

Personal Banking Australia increased $10 million (6%) with an increased investment in the branch network including 3 new branches, 9 branch relocations and associated refurbishments and 37 completed branch refurbishments.

Operations, Technology and Shared Services increased $6 million (17%) reflecting the impact of a change in the method of accounting for rental costs in 2003.

Computer costs increased $44 million (9%):

Personal Banking Australia increased $37 million (23%) largely due to costs associated with the rollout of the new telling platform and increased depreciation associated with investments in technology.

Operations, Technology and Shared Services increased $5 million (3%) as a result of lower capitalisation of project work.

Other expenses increased by $36 million (6%):

Marketing expenses increased $14 million (15%) mainly in Personal Banking Australia due to expenditure on campaigns including the ANZ Now , ANZ Bank of the Year and the low rate MasterCard campaigns.

Travel costs increased $10 million across business units.

Insurance costs increased $10 million as a result of a market wide increase in insurance premiums and the renewal of ANZ s long term insurance contract.

Restructuring expenses were flat. The main components were the write-off of capitalised software on the Next Generation Switching project following the decision to consolidate the ATM and EFTPOS networks for ANZ and NBNZ on the Tandem platform and the write-down of hardware and software developed to significantly increase the functionality of ATM s.

The appreciation of the AUD suppressed cost growth by $39 million (1%).

Comparison with March 2004 half

Operating expenses increased $222 million (12%) primarily due to the additional costs and goodwill amortisation of $128 million from NBNZ for the full six months compared to the four month impact in the first half and $21 million NBNZ incremental integration costs booked in the second half (these are treated as significant items).

Excluding NBNZ and significant items operating expenses increased $73 million (4%) with:

Personnel costs up $35 million (4%) reflecting an approximately 4% increase in most salaries in July 2004 and a 720 (3%) increase in staff numbers mainly in the following business units:

Personal Banking Australia increased 232 (3%) with an increased number of financial planners in Personal Distribution, front line staff in Rural Banking, and operations staff in Mortgages to service continued high levels of customer activity.

New Zealand Businesses staff increased by 140 (5%) largely in New Zealand Banking with increased front line staff to cope with increased business volumes and raise service standards.

Group Centre up 133 (3%) with an additional 82 (2%) staff in Operations, Technology and Shared Services, largely due to technology resources and project related activity. Central Functions staff numbers increased by 51 (9%) driven by the escalating focus on compliance.

Premises costs increased $9 million (6%) as a result of higher repairs and maintenance costs and increased security costs and our branch expansion and refurbishment program.

Computer costs reduced $2 million (1%) as a result of lower repairs, data communication costs and software purchases offset by increases in depreciation and computer contractors.

Other expenses were $38 million (12%) higher mainly due to a higher advertising spend ($12 million) on marketing campaigns including the ANZ Now and ANZ Bank of the Year campaigns, increased travel ($5 million) and increased use of consultants on compliance activities including Sarbanes Oxley, GST and APRA compliance.

The depreciation of the AUD against the USD and NZD over the half increased overseas cost growth by $19 million.

Income Tax Expense

	Half year Sep 04 $M	Half year Mar 04 $M	Movt Sep 04 v. Mar 04 %	Full year Sep 04 $M	Full year Sep 03 $M	Movt Sep 04 v. Sep 03 %
Total income tax expense on profit	590	578	2%	**1,168**	926	26%
Effective tax rate	29.4%	29.2%	1%	**29.3%**	28.3%	4%

2004 result

The Group s income tax expense increased by $242 million to $1,168 million resulting in an effective tax rate of 29.3%, an increase of 1.0% from 30 September 2003. The increase in the effective tax rate was largely due to an increase in goodwill amortisation expense, which is non-deductible, and a higher overseas tax rate differential due to higher earnings in New Zealand, where the statutory tax rate is 33%, partly offset by an increase in non assessable equity accounted income.

Comparison with March 2004 half

The Group s effective tax rate for the half year ending 30 September 2004 increased 0.2% from March 2004. The increase was due to a $20 million increase in goodwill amortisation expense, which is non-deductible, whilst the March half included a $4 million tax benefit from the issue of shares under the employee share scheme. These transactions were partially offset by a $6 million tax benefit, booked in the September half, which arose from the repayment of foreign currency loans upon the exercise of options in PT Panin Bank.

Earnings per share

EPS excluding goodwill and significant items for the Group (Cash EPS) increased to 161.1 cents, up 10.1% or 14.8 cents on the September 2003 year. EPS excluding goodwill and significant items for the September 2004 half at 82.1 cents increased 3.2 cents (4%) on the March 2004 half. Prior period EPS measures have been recalculated for the rights issue in November 2003 (refer below).

	Half year Sep 04 $M	**Half year Mar 04 $M**	**Movt Sep 04 v. Mar 04 %**	**Full year Sep 04 $M**	**Full year Sep 03 $M**	**Movt Sep 04 v. Sep 03 %**
Earnings per share						
Basic	76.4	76.8	-1%	**153.1**	142.4	8%
Cash (excluding goodwill and significant items)	82.1	78.9	4%	**161.1**	146.3	10%

Growth in Cash EPS was affected by:

Increased earnings in the existing ANZ businesses increasing EPS by 14.3 cents.

Impact of NBNZ purchase, and its capital funding structure resulted in an accretion in EPS by 2.3 cents

The issuance of shares under the dividend reinvestment and bonus option plans and employee share option schemes reducing EPS by 1.8 cents.

The EPS figures in the above table are different to those published at September 2003, having been adjusted for the bonus element of the two for eleven rights issue. AASB 1027 Earnings per Share requires restatement of prior period Basic EPS and Diluted EPS for the bonus element included in the rights issue. In a rights issue, if the exercise price is less than the market price of the shares, the rights issue includes a bonus element. EPS for all reporting periods have been adjusted by the following factor:

Theoretical ex-rights value per share
Market price per share immediately prior to exercise of rights

The theoretical ex-rights value per share is:

Aggregate market price per share immediately prior to exercise of rights
+ proceeds from exercise of rights
Number of shares outstanding after exercise of rights

Calculation of discount factors is as follows:

The last date existing shares traded cum