

AUSTRALIA & NEW ZEALAND BANKING GROUP LTD  
Form 6-K  
March 18, 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**

For the month of **March, 2004**

**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  Form 40-F

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  No

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

---

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Australia and New Zealand  
Banking Group Limited

(Registrant)

By: /s/ John Priestley  
Assistant Company Secretary

Date 12 March 2004

**Media Release**

**Corporate Affairs**  
Level 22, 100 Queen Street  
Melbourne Vic 3000  
Facsimile 03 9273 4899  
[www.anz.com](http://www.anz.com)

For Release: 25 February 2004

**ANZ confirms 2004 earnings outlook**

ANZ today issued a shareholder update confirming it is on track to achieve earnings growth for full year 2004 in line with market expectations of around 9% cash earnings per share growth.\* This excludes expenditure on the integration of The National Bank of New Zealand, which is expected to be concentrated in 2005 rather than this year.

ANZ Chief Executive Officer Mr John McFarlane said: ANZ is performing well despite interchange reform, rising interest rates and the strengthening Australian dollar. Our progress demonstrates the quality of our underlying businesses, a strong performance culture and the strength of the Australian and New Zealand economies.

We are very pleased with our acquisition of The National Bank of New Zealand which is transformational and accretive for the Group. Customer attrition has been negligible and there have been no material financial or risk surprises.

The acquisition creates the leading banking franchise in all segments in New Zealand, which is an attractive low risk market, and improves the sustainability of the Group's business mix. It enriches our capabilities in retail banking, rural banking and small to medium business, which have not been areas of traditional strength in the Group. Integration planning is well advanced. As we anticipated, the regulatory and technology aspects are complex. We continue to expect cost synergies from integration however our main focus continues to be customer retention, franchise development and growth. Our ANZ branded business in New Zealand continues to improve.

Credit cards have performed above expectations despite the impact of Reserve Bank of Australia reforms. We are seeing progress in Personal Banking in Australia where recent Roy Morgan research showed ANZ ahead of the other major banks in customer satisfaction but still below some of the regional banks and our own expectations. The ING joint venture has continued to show improved performance. Strong demand in Mortgages however has been offset by the impact of rising interest rates on mortgage margins. Corporate and Small Business are performing well while in Institutional Financial Services overall performance has been flat, driven primarily by the continued reduction of non-core lending which has reduced higher risk revenue streams.

We have moved to increase costs as we invest in the customer franchise while maintaining our cost-income ratio at or below 45%.

In 1998 we began a journey to improve the quality of earnings by reducing risk, particularly by withdrawing from high-risk international markets, and reducing credit concentrations and market risk. As a result, the expected credit loss rate has been reduced and ANZ now has above average trading earnings, yet with the lowest traded value at risk of the major banks, Mr McFarlane said.

---

\* Excludes goodwill, net gains arising from significant transactions relating to hybrid capital and adjusting for the bonus element of the rights issue.

**Business Segment Update**

**Consumer Finance.** Our credit card business is performing well. Changes to our loyalty programs made in early November following the reforms introduced by the Reserve Bank were well managed and customer reaction has been more positive than we expected. As planned, the changes have moderated transaction use on loyalty cards and this, assisted by ANZ's partnership with Diners Club Australia, is significantly lowering overall loyalty expenses.

**Corporate and Small-Medium Business.** The Corporate and SME banking businesses are performing strongly. The middle market and SME sector in Australia remains relatively buoyant and ANZ's lending volumes at the end of January 2004 were up by more than 20% on January 2003. We are continuing to grow market share in the SME segment as we invest in growth initiatives such as an increased geographic footprint, broker channels and new services such as specialist franchisee banking.

**Institutional Financial Services.** The performance of this business has been relatively flat. In the half to date this has been driven primarily by the continued de-risking of the non-core lending portfolio, leading to a reduction in higher risk revenue streams, and the impact of the stronger Australian dollar. Transaction Services is expected to improve from a subdued second half in 2003. While Institutional Banking is starting to see improved lending opportunities, the benefits are more likely to be seen in the second half.

**Personal Banking Australia.** The business is performing well assisted by the rising interest rate environment, good deposit growth, strong mortgage sales and some increase in customer numbers. Deposit products are continuing to perform well with volumes at the end of January 2004 up 10% on January 2003.

**Mortgages.** As expected in a rising interest rate environment profit will be down as very strong volume growth has been more than offset by margin pressure. Volumes have remained strong with January 2004 FUM up 20% on January 2003. More recently there has been a modest slowing in approvals, although this is partly seasonal.

**New Zealand.** Our New Zealand businesses are performing in line with expectations - earnings are up materially following the acquisition of The National Bank of New Zealand. We have been encouraged by the initial staff and customer reaction to the acquisition. NBNZ has not experienced any adverse trend in customer attrition to date while ANZ New Zealand is performing strongly following a successful brand advertising campaign. Integration planning is well advanced. ANZ will provide an update to the market on its New Zealand businesses on 11 March 2004.

**Asset Finance.** As expected, the performance of Asset Finance is relatively flat. Car sales are beginning to slow

although the business is continuing to benefit from its new business model and market leadership position.

**Wealth Management.** ING Australia, ANZ's wealth management joint venture, continues to improve its performance and the momentum in this business is encouraging. Retail FUM grew by 15.8% during the year to December 2003 compared with an industry average growth rate of 13.5% based on Assirt data.

**Credit Quality.** Credit quality continues to improve and we are anticipating expected loss rates and specific provision levels to be lower. Domestic credit quality continues to be sound, reflecting the strength of the Australian and New Zealand economies. Arrears levels in our consumer businesses remain at very low levels. Specific provisions from the offshore investment banking portfolio have been low in the half to date. As foreshadowed at our 2003 full-year results, the de-risking in the offshore portfolio and stabilisation of credit conditions may lead to a reduction in the additional economic loss provision charge which has been recognised for the past two years in response to the unexpected level of offshore defaults.

ANZ will report its Interim Results for the period ended 31 March 2004 in Sydney on 27 April 2004.

For media enquiries contact:

Paul Edwards  
Head of Media Relations  
Tel: 03-92736955 or 0409-655 550  
Email: paul.edwards@anz.com

For analyst enquiries contact:

Simon Fraser  
Head of Investor Relations  
Tel: 03-9273 4185 or 0412-823 721  
Email: simon.fraser@anz.com

Stephen Higgins  
Senior Manager Investor Relations  
Tel: 0417-379 170  
Email: higgins@anz.com

---



NEWS RELEASE

Sydney, Australia Monday 1 March 2004

**ING Australia posts 50% increase in net profit**

Australia's fourth largest retail fund manager and life insurer, owned 51% by ING Group and 49% by ANZ, has posted a 50% increase\* in net profit after tax to \$215.4 million for the year ended December 2003.

ING Australia reduced its total expenses by 12.5 per cent to \$394.5 million, well ahead of the target outlined at the time of its formation as a joint venture on 1 May 2002.

Highlights were a strong profit result across the life risk portfolio and a rebound in investment earnings.

Paul Bedbrook, who took over as CEO in July 2003 said:

It's a good result in what has been a challenging operating environment. Given that investment markets and investor sentiment are recovering we are now well positioned for future growth. Our improved financial management means that any business growth should directly improve the bottom line.

Since the joint venture was formed we have held market share, substantially reduced our cost base and integrated the respective ING and ANZ operations. This has been achieved through a period of volatile investment markets, low investor confidence and substantial regulatory change.

We are now developing a strong channel distribution focus to better leverage our distribution strengths. With a very strong brand, full service capability, and ability to distribute through the bank network, our own dealer groups, other dealer groups and the so-called 'boutique' planner groups, we are well placed for the future.

## Edgar Filing: AUSTRALIA & NEW ZEALAND BANKING GROUP LTD - Form 6-K

Our challenge now is to continue to drive efficiencies throughout the company and work closely with our major distribution partners to grow the business.

Other 2003 business highlights included:

Launched ANZ OneAnswer investment, superannuation and retirement income product suite in June 2003

Very strong inflows of ANZ loan-linked insurance

Transition of ANZ multi-manager funds to ING's multi-manager Optimix, which now has \$4 billion in funds under management and has been included on all major ING and ANZ product platforms

Reorganised sales and distribution structure to leverage major distribution channels

Developed new business model and reorganised ING-owned dealer groups

Strengthened risk management and prepared for licensing under the new Financial Services Regime

Established common employment terms and conditions for staff from both ING and ANZ under a new Certified Agreement

**Press enquiries: ING Australia**

**Stephen Sinclair, Corporate Communications Manager, Ph. 02 9234 8468**

**stephen.sinclair@ing.com.au**

*Note to the editor:* \* All financial results comparisons to the previous year 2002 are based on annualised results for the eight months following the joint venture's formation on 1 May 2002.

#### **About ING**

*ING Australia Limited (ING Australia) is one of Australia's leading fund managers and life insurers with over \$38 billion in assets under management and 2,000 staff. ING Australia is a joint venture between the global ING Group, which owns 51%, and one of Australia's major banks, ANZ, which owns 49%.*

*ING Australia provides a broad range of financial products and services through an extensive network of professional financial advisers and financial institutions, including its own financial advice groups.*

*ING Group is one of the world's largest wealth managers with more than 60 million customers, \$800 billion in assets under management and 115,000 staff. ING Group's global head office is in Amsterdam, The Netherlands, with operational headquarters around the world including Sydney, Australia.*

**Company Secretary's Office**  
Australia and New Zealand Banking Group Limited  
Level 6, 100 Queen Street  
Melbourne, VIC 3000  
Phone 61 3 9273 6141  
Fax 61 3 9273 6142  
[www.anz.com](http://www.anz.com)

3 March 2004

The Manager

Company Announcements

Australian Stock Exchange

Level 10, 20 Bond Street

SYDNEY NSW 2000

#### **Advice of Tentative Dividend Dates 2004 and AGM**

Australia and New Zealand Banking Group Limited advises the following proposed dates. These dates may be subject to change.

#### Interim Dividend

Announcement of Interim Results:	27 April 2004
Ex Date:	14 May 2004
Record Date:	20 May 2004
Payment Date:	1 July 2004

#### Final Dividend

Announcement of Annual Results:	26 October 2004
Ex Date:	04 November 2004
Record Date:	10 November 2004
Payment Date:	17 December 2004

The Annual General Meeting of the Company will be held in Melbourne on Friday, 17 December 2004.

Tim L. Estrange

Company Secretary

---

*Media Release*

**Corporate Affairs**  
Level 22, 100 Queen Street  
Melbourne Vic 3000  
Facsimile 03 9273 4899  
[www.anz.com](http://www.anz.com)

For release: 11 March 2004

**New Zealand operations update highlights**

ANZ today held a New Zealand Operations Briefing in Auckland to update the market on its recent acquisition of The National Bank of New Zealand (NBNZ) and the performance of its New Zealand businesses.

Managing Director of ANZ New Zealand and Chief Executive of The National Bank of New Zealand, Sir John Anderson said: We are already seeing how well the dual brand and integration strategy is working with momentum in lending, new customers and high levels of staff satisfaction.

Key points of the briefing hosted by ANZ Chief Financial Officer, Mr Peter Marriott, and Sir John Anderson were:

ANZ reconfirmed its strong earnings momentum with Group earnings for 2004 expected to be in line with expectations of around 9% cash earnings per share growth. Credit quality is continuing to improve assisted by lower specific provisions in the Group's offshore portfolio.

Protecting and building the Group's franchise in New Zealand is central to integration planning following the acquisition of NBNZ with a very strong focus on customers and customer satisfaction. Integration is targeted for completion by the end of 2005.

Momentum in New Zealand lending in 2003(1) has continued in early 2004 following the removal of uncertainty regarding the acquisition and management actions to rebuild and grow market share. Total lending by NBNZ grew at 10.5%, above industry growth of 10% for the year ended December 2003. After two years of relatively flat lending growth, total lending by ANZ New Zealand grew at 6% as ANZ's program of management actions began to take effect.

NBNZ has continued to experience growth in net customer numbers in January and February 2004. This reflects a positive staff and customer reaction to the dual-branding strategy following an initial post-acquisition slow-down in growth in November and December 2004. ANZ customer acquisition has continued to show some weakness however management actions have been put in place to reinvest in the brand over the longer term including staff training programs and a new ANZ brand advertising campaign launched late in 2003.

Staff satisfaction(2) at ANZ New Zealand has improved from 78% in February 2003 to 86% in February 2004 while NBNZ's high level of staff satisfaction has been maintained at 85%. This reflects the removal of uncertainty following the acquisition, enthusiasm about the dual brand structure and the retention of an experienced management team across both franchises.

Despite acquisition uncertainties during 2003, NBNZ recorded a strong underlying performance in the year ended December 2003 with net profit after tax up 12.3% excluding pro-forma and acquisition adjustments. NBNZ's earnings for the period were released today in NBNZ's General Disclosure Statement, which were impacted, by acquisition adjustments and accounting policy changes to conform to ANZ Group standards.

---

(1) December 2003 General Disclosure Statements

(2) ANZ Snapshot Survey and NBNZ Viewpoint Survey.

Mr Marriott said the acquisition of The National Bank of New Zealand had been transforming for ANZ creating the leading bank in New Zealand at a good price.

In the three months since completion overall customer attrition has been negligible, there have been no material financial or risk surprises and we have continued to be impressed by the quality of the business, he said.

Sir John Anderson said customer and staff reaction to the acquisition, including the dual-branding strategy, had been very positive after some natural initial apprehension.

We are now over initial concerns about the acquisition and we are focussing on developing our franchise while carefully integrating the two businesses. It is very pleasing to see the evidence of this now showing through in lending growth, customer acquisition and staff satisfaction.

We are working through our integration planning and our next step is to commence detailed discussions on technology with the Reserve Bank of New Zealand, Sir John said.

Details of the presentations made at today's briefing can be found at [www.anz.com](http://www.anz.com). A financial update on integration will be provided at ANZ's Interim Results in Sydney on 27 April 2004.

For media enquiries, contact:

Paul Edwards  
Head of Group Media Relations  
Tel: +61-409-655 550  
email: [paul.edwards@anz.com](mailto:paul.edwards@anz.com)

Cynthia Brophy  
General Manager Corporate Affairs  
The National Bank of New Zealand  
Tel: +64-4-802 2382 or +64-21-832 500  
email: [cynthia.brophy@nbnz.co.nz](mailto:cynthia.brophy@nbnz.co.nz)

For analyst enquiries, contact:

Simon Fraser  
Head of Investor Relations  
Tel: +61-412-823 721  
email: [simon.fraser@anz.com](mailto:simon.fraser@anz.com)

Stephen Higgins  
Senior Manager Investor Relations  
Tel: +61-417-379 170  
email: [higgins@anz.com](mailto:higgins@anz.com)

---



**Appendix 3B**

**New issue announcement**

*Rule 2.7, 3.10.3, 3.10.4, 3.10.5*

**Appendix 3B**

**New issue announcement,  
application for quotation of additional securities  
and agreement**

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Australia and New Zealand Banking Group Limited

ABN

11 005 357 522

We (the entity) give ASX the following information.

**Part 1 - All issues**

Edgar Filing: AUSTRALIA & NEW ZEALAND BANKING GROUP LTD - Form 6-K

*You must complete the relevant sections (attach sheets if there is not enough space).*

1	+Class of +securities issued or to be issued	Transferable Certificates of Deposit
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	Fixed Rate    A\$675,000,000 Floating Rate    A\$400,000,000
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	See Information Memorandum dated 11 April 2003 previously lodged with ASX on 08 May 2003, and attached Pricing Supplements.

---

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?	New class of securities	
	<p>If the additional securities do not rank equally, please state:</p> <p style="padding-left: 20px;">the date from which they do</p> <p style="padding-left: 20px;">the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</p> <p style="padding-left: 20px;">the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</p>		
5	Issue price or consideration	Fixed Rate 99.236 Floating Rate 100	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	General corporate purposes	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	2 March 2004	
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<b>Number</b> Available on request	<b>+Class</b>

---

+ See chapter 19 for defined terms.

9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<b>Number</b> Available on request	<b>+Class</b>
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/a	

**Part 2 - Bonus issue or pro rata issue**

- 11 Is security holder approval required?
- 12 Is the issue renounceable or non- renounceable?
- 13 Ratio in which the + securities will be offered
- 14 +Class of +securities to which the offer relates
- 15 +Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents  
  
Note: Security holders must be told how their entitlements are to be dealt with.  
  
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations

---

+ See chapter 19 for defined terms.

- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of \*security holders
- 25 If the issue is contingent on \*security holders approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do \*security holders sell their entitlements *in full* through a broker?
- 31 How do \*security holders sell *part* of their entitlements through a broker and accept for the balance?

---

+ See chapter 19 for defined terms.

32 How do \*security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

35  If the \*securities are \*equity securities, the names of the 20 largest holders of the additional \*securities, and the number and percentage of additional \*securities held by those holders

36  If the \*securities are \*equity securities, a distribution schedule of the additional \*securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ý A copy of any trust deed for the additional \*securities

---

+ See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

38 Number of securities for which \*quotation is sought

39 Class of \*securities for which quotation is sought

40 Do the \*securities rank equally in all respects from the date of allotment with an existing \*class of quoted \*securities?

If the additional securities do not rank equally, please state:  
the date from which they do  
the extent to which they participate for the  
next dividend, (in the case of a trust, distribution)  
or interest payment  
the extent to which they do not rank equally,  
other than in relation to the next dividend,  
distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of  
restriction period

(if issued upon conversion of another security, clearly  
identify that other security)

42 Number and \*class of all \*securities quoted on ASX  
(including the securities in clause 38)

**Number**

**+Class**

---

+ See chapter 19 for defined terms.



**Quotation agreement**

1 +Quotation of our additional +securities is in ASX s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

There is no reason why those +securities should not be granted +quotation.

An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.

If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

---

+ See chapter 19 for defined terms.



3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Company Secretary

Date: 27 February 2004

Print name:

Timothy Paine

---

+ See chapter 19 for defined terms.

**PRICING SUPPLEMENT**

[ANZ LOGO]

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

(Australian Business Number 11 005 357 522)

Australian Dollar

Debt Issuance Programme

Series No: 16

Tranche No: 1

AUD 675,000,000 5.00% Fixed Rate Transferable Certificates of Deposit  
Issue Price: 99.236 per cent.

**ANZ CAPEL COURT LIMITED**

(Australian Business Number 30 004 768 807)

**ROYAL BANK OF CANADA**

(Australian Business Number 86 076 740 880)

**UBS AG, AUSTRALIA BRANCH**

(Australian Business Number 47 078 129 613)

Dealers

The date of this Pricing Supplement is 26 February 2004

1

---

Edgar Filing: AUSTRALIA & NEW ZEALAND BANKING GROUP LTD - Form 6-K

This document constitutes the Pricing Supplement relating to the issue of Securities described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 11 April 2003. This Pricing Supplement must be read in conjunction with the Information Memorandum.

1	Issuer:	Australia and New Zealand Banking Group Limited
2	(i) Series Number:	18
	(ii) Tranche Number:	
	(If fungible with an existing Series, details of that Series, the number including the date on which the Securities become fungible).	Not Applicable
3	Specified Currency:	Australian Dollars
4	Aggregate Nominal Amount:	\$875,000,000
5	(i) Issue Price:	99,236 per cent. of the Aggregate Nominal Amount
	(ii) Net Proceeds:	\$???,843,000
6	Specified Denomination(s):	\$1,000
7	(i) Issue Date:	2 March 2004
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	2 March 2009
9	Interest Basis:	6.00 Per cent. per annum Fixed Rate (Further Particulars specified Below)
10	Redemption/Payment Basis:	Redemption at Par
	Change of Interest or Redemption/Payment Basis:	Not applicable
12	Put/Call Options:	Not applicable
13	Status of the Securities:	Transferable Certificates of Deposit
14	Listing:	Australian Stock Exchange
15	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Security Provisions	Applicable
	(i) Rate of Interest:	6.00 per cent. per annum payable semi-annually in arrears
	(ii) Interest Payment Date(s):	2 March and 2 September in each year commencing 2 September 2004
	(iii) Fixed Coupon Amount[(s)]:	\$30 per \$1,000 on each interest Payment Date
	(iv) Broken Amount(s):	Not Applicable

	(v)	Business day Convention:	Following Business Day Convention
	(vi)	Day Count Fraction:	R?A Bond Basis
		Other terms relating to the method of calculating Interest for Fixed Rate Securities:	Not Applicable
	(viii)	Interest Determination Date	Not Applicable
17		Floating Rate Security Provisions	Not Applicable
18		Zero Coupon Security Provisions	Not Applicable
19		Index-Linked Interest Security Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21		Call Option	Not Applicable
22		Put Option	Not Applicable
23		Final Redemption Amount:	Outstanding Nominal Amount
24		Early Redemption Amount:	
		Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (if required or if different from that set out in the Conditions)	

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

25		Form of Securities:	Registered
26		Additional Financial Centre(s) or other special provisions relating to Interest Payment Dates:	Not Applicable
27		Public Offer Test compliant	Yes
28		Details relating to Instalment Notes, including Instalment Amount(s) and Instalment Data(s):	Not Applicable
29		Consolidation provisions:	Not Applicable
30		Governing law:	State of Victoria
31		Other terms or special conditions:	Not Applicable

DISTRIBUTION



Edgar Filing: AUSTRALIA & NEW ZEALAND BANKING GROUP LTD - Form 6-K

32	If syndicated, names of Lead Managers and the Dealers:	ANZ Capital Court Limited (Lead Manager and Dealer)  Royal Bank of Canada UBS AQ, Australia Branch (Dealers)
33	If non-syndicated, name of Dealer:	Not Applicable
34	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

35	ISIN:	AU0000ANZHC2
----	-------	--------------

36	Common Code	ANZHC
37	Any clearing system(s) other than Austraclear and the relevant identification number(s):	Clearstream Euroclear

LISTING APPLICATION

This Pricing Supplement enterprises the details required to list the Securities described herein pursuant to the Australian Dollar Debt Issuance programme as from 2 March 2004.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: /s/ [ILLEGIBLE]  
Duty Authorised Signatory

By: [ILLEGIBLE]  
Duty Authorised Signatory

**PRICING SUPPLEMENT**

[ANZ LOGO]

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

(Australian Business Number 11 005 357 522)

Australian Dollar

Debt Issuance Programme

Series No: 17

Tranche No: 1

AUD 400,000,000 Floating Rate Transferable Certificates of Deposit  
Issue Price: 100 per cent.

**ANZ CAPEL COURT LIMITED**

(Australian Business Number 30 004 768 807)

**ROYAL BANK OF CANADA**

(Australian Business Number 89 076 940 880)

**UBS AG, AUSTRALIA BRANCH**

(Australian Business Number 47 078 129 613)

*Dealers*

The date of this Pricing Supplement 26 February 2004

---

Edgar Filing: AUSTRALIA & NEW ZEALAND BANKING GROUP LTD - Form 6-K

This document constitutes the Pricing Supplement relating to the issue of Securities described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the information Memorandum dated 11 April 2003. This Pricing Supplement must be read in conjunction with the information Memorandum.

1	Issuer:	Australia and New Zealand Banking Group Limited
2	(i) Series Number:	17
	(ii) Tranche Number:	1
	(If fungible with an existing Series, details of that Series, the number including the date on which the Securities become fungible)	Not applicable
3	Specified Currency:	Australian Dollars
4	Aggregate Nominal Amount:	\$400,000.00
5	(i) Issue Price:	100 per cent, of the Aggregate Nominal Amount
	(ii) Not proceeds:	\$400,000.00
	Specified Denomination(s):	\$1,000
	(i) Issue Date:	2 March 2004
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	2 March 2009
9	Interest Basic:	3 month BBSW - 0.17 per cent Floating Rate (Further particulars specified below)
10	Redemption Payment Basis:	Redemption at Par
11	Change of interest or Redemption/Payment Basis:	Not applicable
12	Put/Call Options:	Not applicable
13	Status of the Securities:	Transferable Certificates of Deposit
14	Listing:	Australian Stock Exchange
15	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

Edgar Filing: AUSTRALIA & NEW ZEALAND BANKING GROUP LTD - Form 6-K

16	Fixed Rate Security Provisions	Not Applicable
17	Floating Rate Security Provisions	Applicable
(i)	Interest Period(s) Interest Payment Dates/Interest Period Date if not an Interest Payment Date:	3 months
(ii)	Business Day Convention:	Modified Following Business Day Convention
(iii)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(iv)	Calculation Agent responsible for calculating the Rate(s) of interest and interest	ANZ Investment Bank

	Amount(s):	
(v)	Screen Rate Determination:	Applicable
	? Reference Rate:	3 month BBSW
	Interest Determination Date(s):	The first day of each Interest Period
	Relevant Screen Page:	?? screen page BBSW
(vi)	Margin(s):	+ 0.17 per cent, per annum
(vii)	Minimum Rate of Interest:	Not Applicable
(viii)	Maximum Rate of Interest:	Not Applicable
(ix)	Rate Multiplier	Not Applicable
(x)	Day Count Fraction:	Actual/365
(xi)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions:	
18	Zero Coupon Security Provisions	Not Applicable
19	Index-Linked Interest Security Provisions	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
21	Call Option	Not Applicable
22	Put Option	Not Applicable
23	Final Redemption Amount:	Outstanding National Amount
24	Early Redemption Amount:	
	Early Redemption Amount(s) payable on redemption for taxation reasons of on Event of Default and/or the method of calculating the same (if required or if different from that ?? out in the Conditions)	
GENERAL PROVISIONS APPLICABLE TO THE SECURITIES		
25	Form of Securities:	Registered
26		Not Applicable

Edgar Filing: AUSTRALIA & NEW ZEALAND BANKING GROUP LTD - Form 6-K

Additional Financial Centre(s) or other special provisions ?? to Interest  
payment Dates:

27	Public Offer Test compliant	Yes
28	Details relating to Instalment Notes, including Instalment Amount(s) and Instalment Data(s):	Not Applicable
29	Consolidation provisions:	Not Applicable
30	Governing law:	State of Victoria
31	Other terms or special conditions:	Not Applicable



DISTRIBUTION

32	If syndicated, names of Lead Managers and the Dealers:	ANZ Capel Court Limited (Lead Manager and Dealer)
33	If non-syndicated, name of Dealer:	Not Applicable
34	Additional ?? restrictions:	Not Applicable

OPERATIONAL INFORMATION

35	ISIN:	??
36	Common Code	ANZH?
37	Any clearing system(s) other than Austraclear and the relevant identification number(s):	Clearstream Euroclear

LIFTING APPLICATION

This Pricing Supplement comprises the details required to list the Securities described herein pursuant to the Australian Dollar Debt Issuance programme as from 2 March 2004.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the ??

By: /s/ [ILLEGIBLE]  
Duty Authorised Signatory

By: [ILLEGIBLE]  
Duty Authorised Signatory

**The National Bank**

---

**Agenda**

Welcome	Simon Fraser
New Zealand Economic Review	John McDermott
Introduction	Peter Marriott
Strategic Overview	Sir John Anderson
Operational Overview	Steven Fyfe
NBNZ Branch Banking	Henry Ford
Business Banking	Craig Sims
Rural Banking	Charlie Graham
Integration	Grahame Miller
NBNZ GDS, Conclusion and Q&A	Peter Marriott

11 March 2004

*New Zealand  
Operational Briefing*

New Zealand Economic Review

John McDermott

Chief Economist, NBNZ

**The NZ economy: a quiet success over the last decade**

But this economic strength is not just a new phenomenon. Apart from 97/98 drought and the fallout from the Asian crisis, New Zealand's economic cycle has been close to that of Australia's over the past decade.

*Source: Stats NZ, Gross Domestic Product, RBA, Gross Domestic Product*

**NZ has been one of the leading economies over the past 10 years**

When compared other advanced countries over the past decade, New Zealand has been in the top half, in terms of economic growth.

*Source: OECD*

**The rural sector is a key driver of the New Zealand economy**

The direct contribution of New Zealand's rural sector to the rest of the economy is approximately 13%. However, the indirect and induced contribution is about this much again, illustrating the significance of the rural sector to New Zealand's economic performance.

*Source: Statistics NZ, Gross Domestic Product*

**Australian primary sector is of comparable size**

The size of the primary sectors in Australia and New Zealand are similar in contribution to total output. But the mix of commodities within the two are very different.

*Source: Reserve Bank of Australia*



**Therefore, commodity prices are a prime driver of the economy**

From late-1999 the value of New Zealand's commodity basket rose strongly in world price terms. Higher commodity prices benefited rural incomes, which in turn initiated a strong economic expansion. A low exchange rate over 1999 to 2003 accentuated this boom.

*Source: ANZ, NZ Commodity Price Index*

**Employment growth has been supported by the commodity boom**

With rising incomes and a low currency (making labour relatively cheap when compared to imported capital), the prospering rural and business communities fed through into the remainder of New Zealand. This contributed to rising employment levels.

*Source: Statistics NZ, Household Labour Force Statistics*

**Strong job prospects made NZ an attractive destination as well as a good place to stay**

Strong economic growth has made finding new employees increasingly difficult for employers, despite a surge in the number migrants adding to the size of the labour force.

*Source: Stats NZ, External Migration, NZIER, Survey of Business Opinion*

**which has fuelled strong housing demand**

The surge in the number of net migrants to historical highs has pushed up the demand for housing. Consequently, the price of houses has risen steeply.

*Source: QVNZ*

**and thus contributed to an expansion in credit growth**

Higher demand for housing and upgrading requires furnishings. Thus, householders credit has also grown strongly over the past 18 months.

*Source: RBNZ, Private sector credit ex repos*

**The outlook is that eventually the strength of the NZ dollar relative to the US dollar will slow the economy**

The exchange rate acts as a buffer on the economy. As economic growth has risen above trend, so the exchange has risen above its estimate of trend (fair value). This appreciation will act as an anchor for growth, pulling economic growth back towards average levels.

*Source: NBNZ. Fair value is based on a model of economic fundamentals, such as commodity prices, terms of trade, current account balance and interest rate differentials.*

**and a more normal, but still robust, growth rate will return**

The reversion to trend is also anticipated in specific, but high profile, indicators. Dairy Company payouts gain significant local media attention as the rural sector is such a large component of the New Zealand economy. Although dairy payouts are expected to fall in 2005, the payments are back at more normal levels, following surges in 2001 and 2002.

*Source: Livestock Statistics, The average dairy company total payout (per kilogram of milksolids) received by dairy farmers from seasonal supply dairy companies, NBNZ \* Estimate # Forecast*

**The Government has money to spend on infrastructure**

The strong economic growth of the previous years has built up a strong tax take for the Government. As the economy slows, the Government has the ability to ease fiscal policy in order to offset the economic slowdown.

*Source: The Treasury, \* Crown Revenue minus Crown Expenses*



**Key macroeconomic forecasts**

Calendar years	2003	2004	2005	2006
<b>Real GDP (aapc)</b>	<b>3.5</b>	<b>2.8</b>	<b>2.1</b>	<b>3.1</b>
<b>Unemployment Rate (Dec qtr)</b>	<b>4.6</b>	<b>4.8</b>	<b>5.2</b>	<b>4.9</b>
<b>CPI inflation</b>	<b>1.6</b>	<b>1.9</b>	<b>2.4</b>	<b>2.0</b>
<b>TWI</b>	<b>63.9</b>	<b>65.2</b>	<b>57.3</b>	<b>58.8</b>
<b>90 day bank bill rate</b>	<b>5.3</b>	<b>5.6</b>	<b>5.8</b>	<b>6.1</b>
<b>Current Account Balance (1)</b>	<b>-4.8</b>	<b>-5.7</b>	<b>-5.5</b>	<b>-4.8</b>
<b>Govt. Operating Balance (1, 2)</b>	<b>1.5</b>	<b>4.3</b>	<b>3.6</b>	<b>2.1</b>

---

*(1) Percent of GDP, (2) Refers to the June fiscal year. Underlying assumptions of these forecasts can be found in the Quarterly Economics Forecasts, found at <http://www.nbnz.co.nz/economics/forecasts/>*

**New Zealand's terms of trade have improved in the last decade**

It is well known that New Zealand's relative economic growth per capita has declined over the post-war era. In part, this can be attributed to the observed secular decline in New Zealand's terms of trade. However, the terms of trade decline has arrested over the past decade and thus New Zealand's long-term prospects have improved.

*Source: Statistics NZ*

**Summary**

The NZ economy has been one of the world's leading economies over the last decade

NZ is a low risk economy

Strong commodity prices have been a prime driver of economic growth

A strong employment market has fuelled increased housing demand driving recent credit growth

Government spending on infrastructure is expected to support economic activity

*The NZ economy is coming off a cyclical boom and reverting back to normal but still robust growth levels*

**11 March 2004**

*New Zealand*

*Operational Briefing*

**Introduction**

**Peter Marriott**

**Chief Financial Officer**

**ANZ's strong earnings momentum**

FY04 earnings is in line with expectations of around 9% cash EPS growth\*

Strong performance across our portfolio of specialist businesses

Credit quality continues to improve assisted by low specific provisions in our offshore portfolio

Cost to income ratio at or below 45% - increasing investment in our customer franchise

---

*\* Excludes goodwill, net gains arising from significant transactions relating to hybrid capital and adjusting for the bonus element of the rights issue.*

**ANZ - Specialist capabilities; Leading market positions**

ANZ has a strong platform for the future:

- Unique specialisation strategy
- Sustainable business portfolio
- World leading efficiency
- First mover cultural transformation
- Stable, well-regarded management
- Reduced risk exposure

NBNZ acquisition is a key step towards domestic leadership

This platform is building a leading franchise:

- The leading bank in New Zealand
- The leading bank in the South Pacific
- The leading Australasian bank in Asia
- Leading positions in Australia:
  - Institutional
  - Corporate
  - Cards
  - Esanda

**National Bank of New Zealand: A very different acquisition**

Transforming for ANZ at a modest price

New Zealand - a high return, low risk market

Creates the leading bank in New Zealand

Approx. 28% of ANZ NPAT now derived from NZ

Business model developed to leverage the best of both banks

Dual brand strategy and integration designed to minimise customer attrition

Working closely with RBNZ to meet its requirements for the banking industry

Initial customer and staff reaction more positive than expected

Financial update on integration on 27<sup>th</sup> April

---

*Source: \*International Monetary Fund*

*# 5 top NZ banks for 2002*

*^ 4 top Australian banks for 2003*



11 March 2004

*New Zealand*

*Operational Briefing*

**Strategic Overview**

**Sir John Anderson**

**Chief Executive Officer, The National Bank of New Zealand Limited &  
Managing Director, ANZ Banking Group (New Zealand) Limited**

**The National Bank of New Zealand: Strategic Overview**

1. **Introduction**
2. **The NBNZ story**
3. **Current Status**
4. **Future Outlook**
5. **Management Team**

**11 March 2004**

*New Zealand*

*Operational Briefing*

**Operational Overview**

**Steven Fyfe**

**Chief Operating Officer (designate)**

**NBNZ maintains a clear strategic focus**

Core Banking

Excelling in Customer Service

Relationship Banking

Consistent Brand Values

Leveraging NZ scale to drive efficient infrastructure

---

*\*Source - ACNielsen Consumer Finance Monitor*

**NBNZ has undergone a significant transformation consistent with our focus**

NBNZ market share has grown from  
9% in 1990 to 21% in 2003

driven by a combination of acquisition  
and market share growth

**We have a proven track record of successful integrations**

We have successfully integrated both Rural Bank and Countrywide

Since 1998, following the integration of Countrywide we have grown Market Share

We have driven substantial income growth (CAGR 8.3% 1998-2003) whilst significantly reducing Cost to Income

	<b>NBNZ/CW Pro-forma* 1998</b>	<b>NBNZ Actual** 2003</b>
<b>Income</b>	966	1,441
<b>Costs</b>	610	584
<b>Provisions</b>	33	34
<b>NPBT</b>	<b>323</b>	<b>823</b>
<b>CTI</b>	63%	41%

---

\* Merger Baseline: NBNZ and Countrywide combined for 12 months to 31/12/98

\*\* NBNZ Results to 31 December 2003, normalised for ANZ acquisition adjustments

**Quality loan portfolio, with low provisioning**

More than 80% of the portfolio is secured by real estate

Loan losses have averaged 0.10% since 1990



**NBNZ continued its business momentum in 2003, and ANZ growth rebounded**

NBNZ's total lending increased 10.5% in 2003, ahead of the market average (10%)

ANZ's total lending grew 6.0% after two years of flat growth reflecting new market and management initiatives in 2003

Source: December General Disclosure Statements

**and we are seeing a positive trend in terms of net customer acquisition**

**Our people are engaged, and satisfaction levels are strong**

Satisfaction levels measured in February 2004 remain strong after a period of uncertainty

Our people are enthusiastic about the dual branding structure

Appointment of Sir John Anderson has been well received

We have devoted substantial resources to engaging staff in both banks:

significant investment in change management training for staff and managers

implemented intensive two-way communication processes to keep staff fully informed

staff satisfaction survey completed, and ongoing pulse surveys

---

\* Based on ANZ Snapshot Survey and NBNZ Viewpoint Survey

**Summary**

We have a clear strategic focus

NBNZ has a strong financial track record

We have a history of successful integrations

Customer and growth trends are encouraging

Our people are engaged

**A history of  
success, and well  
placed to deliver  
into the future**

**11 March 2004**

*New Zealand*

*Operational Briefing*

**Retail Banking**

**Henry Ford**

**General Manager, Branch Network NBNZ**

**ANZ and NBNZ are well positioned in the retail banking market**

**ANZ and NBNZ Retail Banking**

Provides services to all customers of the Bank

Delivers full suite of retail banking products including Credit Cards and Insurance

Combined group has 1.9m retail customers

Includes 303 branches and 3 contact centres

including 8 specialist face to face outlets that deliver sales in Mall hours

We employ 5300 staff





**NBNZ branches a distinctive proposition**

**NBNZ Retail Banking has experienced strong growth**

We have consistently grown Home Loan FUM

Growth in last 12 months slightly below market

Slowdown in deposit growth in line with market

Retail deposits up 5.6% in year to January 04, against market growth of 5.2%



**We have a track record in growing market share**

---

*\*Source ACNielsen Consumer Finance Monitor*

*# - 5 month period*

**Strong staff satisfaction has significantly influenced customer satisfaction**

Staff satisfaction in the retail bank continues to reach record levels

All components of the business delivering increased satisfaction levels

NBNZ continues to hold a market leading position in customer satisfaction

ANZ making strong increases in customer satisfaction

---

*\*Source ACNielsen Consumer Finance Monitor, based on calendar year*

**A simple but effective strategy**

A combined focus on staff, customer and processes ensures a successful strategy

STAFF	CUSTOMERS	PROCESS
Recruit the right staff to deliver NBNZ service proposition complaints resolution	Detailed understanding of customer behaviour	Strong focus on customer service programs, including
Identify and nurture effective leaders patterns	Strategy tailored to exploit behavioural	Significant investment in capacity planning, to ensure staff never over burdened
Investment in staff skills development	Seamless customer service between channels	
Remuneration tied to skills level, team <i>and</i> individual performance	Customer ownership at point of contact..no historic ownership	Do not try and deliver too much ensuring superior service
<i>Focus is upon sincerity of service</i>	<i>Understand and meet customer requirements</i>	<i>Understand and control our environment</i>

40

**Well positioned to overcome our integration challenges**

Our focus is to minimise disruption to maximise retention

Risks	Key Focus	Opportunities
Customers	Two brand strategy will ensure minimal disruption to customer service	Two brands ongoing shared learning
	Current strategy not impacted by integration	Shared access to infrastructure i.e. ATM s

Provide genuine choice to customers

<b>Staff</b>	<p>Minimal impact of staff.</p> <p>Frontline staff unchanged.</p> <p>Strategic focus on right people and nurturing leaders unchanged</p>	<p>Leverage off training programs and remuneration and incentive structures</p> <p>Career development opportunities within ANZ group</p>
--------------	--	--

<b>Processes</b>	<p>Detailed planning and testing to ensure that systems and process changes have minimal business impact</p>	<p>Common banking operations and support functions generating cost savings</p>
------------------	--	--



**Summary**

A distinctive and market leading franchise

A simple, well executed strategy delivering results

A track record in growing market share

We focus on our people, who in turn deliver the highest level of customer satisfaction

*A distinctive retail  
franchise, well  
placed to continue  
growing*

The integration plan and business model going forward will maximise revenue opportunities

**11 March 2004**

*New Zealand*

*Operational Briefing*

**Business Banking**

**Craig Sims**

**General Manager, Business Banking**

**The SME sector is increasing in size and ANZ & NBNZ are well positioned**

**New Zealand SME Market**

270,000+ Small-Medium enterprises

Small businesses account for 30% of New Zealand's economic activity

92% of firms employ <10 people

Largely owner operated

---

*\* Source: Statistics New Zealand February 2003*

**ANZ & NBNZ Representation**

Combined, ANZ & NBNZ represents

~40% market share in all major geographic regions

Industry concentration is widely spread

79 points of representation

446 sales staff

*Note: ANZ and NBNZ Business units are not homogeneous due to differing segmentation criteria*

**Our customers are satisfied, and this has helped grow our market share**

---

*\*Source ACNielsen Small Business Banking Monitor; businesses up to \$2.5m turnover only #Customer satisfaction reported from 2002 only due to a change to the data series.*

**Growth in share is helping drive strong financial momentum**

Strong book growth has contributed to 9 - 10% revenue growth across both business units in 2003

Lending primarily secured by residential mortgages

**Our strategy is built around customer relationships**

**STAFF**

Recruit the right staff

Invest in business skills development

Significant investment in frontline staff

**Thinking and acting like a  
business owner**

**CUSTOMERS**

Providing customers with a choice of 3  
levels of relationship (offers)

Dedicated relationship manager

Focus on Value added services i.e.  
planning and support tools

**Helping business succeed**

**Franchise Investment**

Constant re-engineering of systems and processes

Significant investment in marketing and  
promotional material

**We are well positioned to deal with integration challenges and take advantage of the opportunities that arise**

Risks	Key focus	Opportunities
<b>Customers</b>	<ul style="list-style-type: none"> <li>Retain two brand strategy</li> <li>Separate integration from business as</li> <li>Minimise change at frontline and retain relationships where possible</li> <li>Ensure key messages are communicated</li> </ul>	<ul style="list-style-type: none"> <li>Bringing NBNZ's customer focus to a wider ANZ customer base</li> <li>Extending our market reach through a two brands strategy at customer touch points</li> <li>Enhanced product choice</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>One Leadership structure and common core values across both brands</li> <li>Keep staff informed</li> <li>Provide clear direction, personal development and career opportunities</li> <li>Sharing of expertise across brands</li> </ul>	<ul style="list-style-type: none"> <li>Staff development through skills transfer</li> <li>Further investment in staff - increase headcount and level of expertise</li> </ul>
<b>Processes</b>	<ul style="list-style-type: none"> <li>Identify and implement best practise from both businesses</li> <li>Work collaboratively with all service providers</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging best systems and processes enhancing customer service</li> <li>Knowledge sharing with Australian business to ensure industry best practice</li> </ul>



**Summary**

The Business/SME market is a growing, highly attractive market

NBNZ has a leading position in this market, ANZ has seen improvement from a low base

Our success driven by a superior customer service proposition and ensuring staff are highly skilled and satisfied

We are aware of the challenges posed by the integration, and have clear plans to deal with them

The integration presents some exciting opportunities for the business

*The outlook for the sector is positive and we are well placed to benefit*

**11 March 2004**

*New Zealand*

*Operational Briefing*

**Rural Banking**

**Charlie Graham**

**General Manager, Rural Banking**

**The rural sector is a large component of the NZ economy**

**ANZ & NBNZ Representation**

Combined, ANZ & NBNZ consists

19,500 customers in all major geographic segments

28 points of representation

357 fulltime employees

344 front line staff

**ANZ & NBNZ Sector Concentration**

ANZ and NBNZ have strong representation in the Dairy, Sheep and Beef industries

Sector concentrations reflect the national agricultural debt profile

---

\*Source Statistics NZ/NBNZ estimates

**NBNZ has strong financial momentum; ANZ performing well from low base**

---

*\*ANZ Rural business was combined with retail in 2001, rural specific metrics were not available*

**NBNZ's strong market presence justifies a single brand model**

NBNZ is a clear market leader with strong sector momentum

ANZ market share lags

Single brand franchise most feasible option

Both NBNZ and ANZ seeing increased customer satisfaction

Level of excellent service increasing for both franchises

---

\*Source ACNielsen Rural Banking Monitor

**ANZ customers will benefit from NBNZ's proven successful strategy**

**STAFF**

**CUSTOMERS**

**PROCESS**

Recruit people with empathy for the rural sector

Strong, personalised customer relationships,

A strong credit culture and robust processes resulting in minimal provisions

Highly trained sales and support staff

Delivering high customer satisfaction

Innovative products and services

Specialisation of staff roles where required

Ensuring minimal customer attrition

Targeted marketing

Market information leads to sales competitiveness

*Staff who understand the sector*

*Knowing the customer*

*Benefits of scale*



We are well positioned to deal with integration challenges and take advantage of the opportunities that arise

Risks	Key focus	Opportunities
<b>Customers</b>	Clearly defined single brand model (NBNZ) ensures rapid integration, minimising customer impact	ANZ customers will benefit from NBNZ's service proposition and sector experience
	Relationship staff continue to look after their customers	Single brand generates synergy benefits and greater efficiency
	Consistent approach to credit policy	
<b>Staff</b>	One leadership structure	Staff to benefit from increased scale and presence
	Clear sense of purpose and direction	Increased potential for training and knowledge sharing
	Comprehensive training for all staff to be implemented as part of the integration process	
<b>Processes</b>	Utilisation of NBNZ operating model and processes	More volume going through established infrastructure

**Summary**

The rural sector is a large component of the NZ economy

NBNZ is the market leader in this segment with 38% market share; combined market share will be 45%\*

NBNZ success driven by strong customer relationships and developing highly skilled staff

Through the rapid adoption of the NBNZ model we are well positioned to overcome any integration challenges

*Continued business momentum*

---

\* Source: RBNZ M3

**11 March 2004**

*New Zealand  
Operational Briefing*

**Integration**

**Grahame Miller**

**Head of Integration**

**Integration is focused on creating the leading bank in New Zealand**

**We have found the right partner at an attractive price**

**Post merger management is our key focus**

**A 1% change in revenue is equivalent to ~20% of cost synergies\* protecting and building the franchise is critical**

**Our integration objectives reflect this, with a very strong focus on the customer**

Source: A. T. Kearney Global PMI Survey (1998)

---

\* Based on prospectus cost synergies

**The customer is at the heart of our integration objectives**

**Integration Objectives**

**Customers**

Retain the combined customer base and market share, by leveraging the strengths of both organisations

Achieve market leading customer satisfaction ratings across all brands

**Key Principles**

In decision trade-offs regard for the customer will be the overriding principle

**Staff**

Create the best possible place to work

Employees will be treated in an open and honest fashion and will be kept informed of the progress of the integration

**Shareholders**

Integrate the businesses carefully and as quickly as possible, targeting integration by end 2005

Deliver the maximum revenue and cost synergies possible, without disruption to the customer base

Deliver a cost effective platform

Pursue practical solutions that achieve rapid results whilst maintaining quality objectives

A business as usual focus

**A number of key milestones have been achieved**

1. **Program Management** process and infrastructure established
2. **Organisational Structure** key management for the merged entity has been designated
3. **Business Model** agreement and buy-in from new management on new business model
4. **Technology** choice of systems agreed and communicated; integration planning underway
5. **Integration Planning** high level planning complete. Direction agreed on business model, structures, key people, technology set, products, customer segmentation, etc. Detailed planning well advanced (due for completion in April). Implementation can proceed upon receipt of RBNZ approval to amalgamate.

**Full integration on track for second half 2005**

**Targeted Timeline**

Acquisition announced	Acquisition completed	Workstream planning completed	Legal amalgamation (subject to Reserve Bank approval)	Non technology integration completed	Systems conversion complete
Workstreams mobilised	Transitional management structure announced		Management Integrated	Complete systems detail design	All business integration complete
	Integration principles agreed with regulator		NZ Board(s) approves integration and strategic plan	Complete non-customer systems integration	
	Integrated with group financial accounting processes		Group Board meeting in NZ- review integration plan		

**Dialogue with the RBNZ continues**

**RBNZ powers**

The RBNZ gained new regulatory powers in late 2003

These powers apply to the banking industry broadly, not just ANZ/NBNZ. For ANZ, the primary issue is the RBNZ concern about hollowing out

**Amalgamation the next step**

The next step to progressing integration is to obtain RBNZ approval for Amalgamation . Legal amalgamation is an important step, with the RBNZ restricting any substantial merging activities prior to amalgamation

We are about to commence detailed discussions with the RBNZ on technology and are confident our approach will meet their needs

We will be ready to amalgamate as soon as RBNZ approval is obtained

**RBNZ requirements**

RBNZ has stated that prior to approving amalgamation they want a significant level of comfort in four areas:

Outsourcing/ Off-shore provision of functions and systems

Director & Senior Appointments

Governance

Capital Requirements

These are industry issues, and would need to be dealt with in any case by ANZ and NBNZ irrespective of the merger



**Technology represents the core component of integration costs**

---

\* Indicative, and subject to finalisation of integration plans

**Decisions on technology reflect trade-offs between potential cost synergies and capabilities needed to build franchise**

Systems to be ANZ core suite  
eg Hogan

New Zealand version of ANZ core suite will accommodate product and customer features of NBNZ systems to minimise customer disruption

We will retain a number of NBNZ front end systems to minimise staff and customer impact  
eg internet banking, DirectLink, SDA branch system

Where appropriate, we will roll these systems out to the ANZ network, to maximise inter-operability

**Decisions involve trade- offs between maximising cost synergies and maximising revenue synergies**

**Success of the integration is far more heavily leveraged to revenue maximisation, and decisions reflect this**

**1% revenue growth equivalent to ~20% cost synergies**

**Summary**

Integration is focused on the customer, and we have been successful to date

Focus is growing revenue

We are well advanced in planning

***This integration is  
different***

Next milestone is legal amalgamation

We have a team that has demonstrated success in managing integrations, while growing revenue

**11 March 2004**

*New Zealand*

*Operational Briefing*

**NBNZ General Disclosure Statement**

**Peter Marriott**

**Chief Financial Officer**

**Strong performance by NBNZ, up 12.3%**

**Excluding Acquisition Related Adjustments  
and Excluding One off Items**

**V Dec 02**

<b>NPAT</b>	<b>NZ\$565m</b>	<b>12.3%</b>
<b>Net Interest Income</b>	<b>NZ\$1,049m</b>	<b>7.4%</b>
<b>Operating Expenses</b>	<b>NZ\$593m</b>	<b>1.2%</b>
<b>Specific Provisions</b>	<b>NZ\$28m</b>	<b>large</b>

**Including Acquisition Adjustments**

<b>NPAT</b>	<b>NZ\$296m</b>	<b>large</b>
-------------	-----------------	--------------

**Adjustments to results to reflect underlying performance**

NBNZ's December 2003 GDS results are impacted by the following:

**1. Completion Accounts**

A number of adjustments were agreed as part of the Share Sale Agreement. These adjustments impact NBNZ's profit and loss in the period to 31 December 2003

**2. Fair Value Adjustments**

As a result of the sale, the fair value of all assets and liabilities of NBNZ was reviewed by ANZ. This resulted in a number of fair value adjustments that have been posted in the NBNZ accounts

The fair value adjustments impacted NBNZ's December 2003 reported financial performance. However, on consolidation into ANZ (NZ) these fair value changes are reversed out of the profit and loss statement, and shown as balance sheet adjustments to goodwill

**3. One off transactions during the year**

Significant one off transactions have been adjusted so underlying performance is clear. These are as per the prospectus plus one off items in the fourth quarter

**4. Accounting Policy Changes**

NBNZ's accounting policies have been brought into line with ANZ group policies



**Strong underlying performance impacted by fair value adjustments**

\



**NBNZ accounting adjustments**

	NZ \$m (pre tax)	
<b>Completion Account Adjustments*</b>		
Superannuation contribution to cover shortfall in defined benefit scheme	(64)	
	(28)	
Additional provision for future staff retirement allowance	(12)	(104)
Market valuation of land and buildings		
<b>Fair Value Adjustments</b>		
Depreciation adjustment to certain assets to bring in line with ANZ rates	(11)	
Restructuring, impairment and vacant premises costs, representing best estimate of NBNZ exit costs	(22)	
Net Provisioning, including General Provision	(231)	(264)
based on APRA guidelines of at least 0.5% (after tax) of RWA s measured under APRA rules		
Tax provision (\$20m)		

---

*\*booked to NBNZ s profit and loss prior to completion*

**NBNZ accounting adjustments**

<b>One Off Items</b>	<b>NZ \$m (pre tax)</b>
Non-recurring provision releases	<b>31</b>
Adoption of ANZ accounting policies for ELP	<b>(6)</b>
Acquisition expenditure incurred by Lloyds TSB	<b>(8)</b>
Statistical provisioning recognised by NBNZ in the first half	<b>(16)</b>
	<b>1</b>

---

*\*booked to NBNZ's profit and loss prior to completion*

**NBNZ accounting policy changes**

NBNZ have made the following significant accounting policy changes to align with ANZ policies:

**Economic Loss Provisioning**

The adoption of ELP methodology for recognition of loan losses. The ELP charge for NBNZ for December 2003 is 25 basis points.

**Mortgage Broker Commissions**

Commissions paid to third party mortgage originators will be capitalised and amortised over the average life of the mortgage loan, currently 4 years. NBNZ has been expensing these commissions up front.

Forecast benefit in FY04 is estimated at NZ\$11 million before tax.

*Note - all changes are consistent with New Zealand and ANZ group accounting standards.*

**Goodwill on acquisition**

	Prospectus A\$m	Actual A\$m	Comments
Purchase Price	4,940	4,848	Movements from exchange rate movements and hedging acquisition costs currently \$9m less than estimated in prospectus
LESS NTA Purchased	(1,790)	(1,913)	Additional retained earnings, less amounts charged to P&L under share sale agreement
ADD Fair Value Adjustments	133	172	General Provision net of releases \$135m (\$133m in prospectus) Depreciation, restructuring and other minor adjustments
<b>Goodwill*</b>	<b>3,283</b>	<b>3,107</b>	Includes existing goodwill of \$417m relating to Countrywide purchase Goodwill will be amortised in line with Australian Accounting Standards

---

\* subject to finalisation of completion accounts with Lloyds TSB

**2H03 underlying performance impacted by margin compression, timing of specific provisions and unusually high 1<sup>st</sup> half institutional fees**

**NZ \$m (underlying performance)\***

	<b>FY02</b>	<b>1H03</b>	<b>2H03</b>	<b>FY03</b>	<b>YoY Change (%)</b>
Net Interest Income	977	525	524	1,049	7.4
Other Income	357	193	185	378	5.9
<b>Total Income</b>	<b>1,334</b>	<b>718</b>	<b>709</b>	<b>1,427</b>	<b>7.0</b>
Operating Expenses	(586)	(291)	(302)	(593)	(1.2)
<b>Operating Profit</b>	<b>748</b>	<b>427</b>	<b>407</b>	<b>834</b>	<b>11.5</b>
Provisions	(39)	(7)	(21)	(28)	28.2
<b>NPBT</b>	<b>709</b>	<b>420</b>	<b>386</b>	<b>806</b>	<b>13.7</b>
Income Tax	(206)	(122)	(119)	(241)	(17.0)
<b>NPAT</b>	<b>503</b>	<b>298</b>	<b>267</b>	<b>565</b>	<b>12.3</b>

*\*This table excludes items on pages 70 & 71*

**11 March 2004**

*New Zealand  
Operational Briefing*

**Conclusion**

**Peter Marriott**

**Chief Financial Officer**

**Conclusion**

NBNZ acquisition is transforming for ANZ creating New Zealand's leading bank

A different type of acquisition focus is on customers

Customer attrition has been negligible

Staff satisfaction at both banks is high

Key foundation for a successful acquisition: the right partner at a fair price

Detailed integration planning is well-progressed with a number of key milestones achieved

We are confident our approach will meet the RBNZ's requirements

We will be ready to amalgamate as soon as RBNZ approval is received