

AUSTRALIA & NEW ZEALAND BANKING GROUP LTD  
Form 6-K  
August 06, 2003

## 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 June 2003

## 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-



**Media Release**

[LOGO]

**Corporate Affairs**

Level 22, 100 Queen Street  
Melbourne Vic 3000

Telephone 03 9273 6190

Facsimile 03 9273 4899

[www.anz.com](http://www.anz.com)

For Release: 12 June 2003

**ANZ to pay 4% salary increase to staff**

ANZ today announced it would pay eligible Australian staff a minimum 4% salary increase in July 2003.

Staff will continue to have access to additional performance pay of between 2% and 7%. ANZ has also introduced a range of other initiatives for staff in recent years including:

the ability for all staff to salary sacrifice for superannuation

providing staff with heavily subsidised PCs for home use

providing opportunities for staff to become shareholders through the issue of ANZ shares to all Australian staff and the introduction of a share save scheme

flexible leave options including parental leave, opportunities for career breaks and pro-rata access to long service leave for eligible staff

paid volunteering leave to support staff involved in community work.

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

ANZ Head of People Capital Mr Shane Freeman said the pay increase was fair in a more subdued operating environment.

The 2003 salary increase is above inflation and takes into account competitor and market pay rates, and ANZ's position as a leading employer, said Mr Freeman.

We are delivering on our promise to pay a fair and competitive salary increase to our people. Staff can expect a further pay increase in July 2004.

We are building a strong relationship with our people and it is pleasing that since July 2000 staff satisfaction has risen from 58% to 78% in February 2003, he said.

The increase follows the 4% increases paid to staff in 2001 and 2002. ANZ staff will continue to work under the terms and conditions of the 1998 Enterprise Bargaining Agreement.

Eligible staff will receive the 4% increase effective 11 July 2003.

For media enquiries, contact:

Paul Edwards

Head of Group Media Relations

Tel: 03-9273 6955 or 0409-655 550

Email: paul.edwards@anz.com

---

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*



*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*



*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*



*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*



*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*



*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*



*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*



*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*



*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*



*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*



*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*



*Link to searchable text of slide shown above*

*Link to searchable text of slide shown above*

**Searchable text section of graphics shown above**

---

[GRAPHIC]

**Corporate & SME Banking**

Graham Hodges  
Managing Director

12 June 2003

Australia and New Zealand Banking Group Limited

[LOGO]

---

**Outline**

Business Overview

Financial & risk performance

Market position & trends

SME Banking strategy update

Corporate Banking strategy update

Summary

UBS Presentation

**Overview of the businesses**

**SME Banking**

Traditional relationship management

Segment: \$50K business FUM to \$10M turnover

21 Business Districts (Metro Aust); total staff of 1021 (642 frontline); approx 35,000 customers

Manage end-to-end for customer

Frontline

Centralised Ops

Scoring/Modelling

Portfolio Management

Business Products

Centralised Credit

Approx 20% of customer wallet in other business units NPAT

**Corporate Banking**

Proposition ranges from traditional relationship banking to sophisticated financial solutions

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

Segment: turnover between \$10-\$100M

15 Corporate Regions (Aust); total staff of 505 (380 frontline); approx 2,700 customers

Product, Risk & Solutions Specialists co-located

Approx 45% of customer wallet in other business units NPAT

**Segment has strong financial momentum**

**SME**

Strong NPAT growth

[CHART]

Continue to exceed target of 15%+ pa NPAT growth

EVA growth in line with NPAT growth

**Corporate**

More modest NPAT growth

[CHART]

Lending growth in Corporate more subdued, with focus on non-traditional products to drive growth across the Bank



**SME – Disciplined investment strategy paying off**

**High investment levels**

[CHART]

Virtuous cycle of stronger revenues allowing increased cost (investment)

Efficient business platform

Effective investment in business

**Contributing to strong balance sheet growth**

[CHART]

Annualised growth 8 mths to end May 03

lending growth: 23.4%

deposit growth: 7.3%

**Corporate – creating value across the bank**

**Total customer NIACC/EVA\* growing strongly**

[CHART]

Total Customer profit (NIACC/EVA) has continued to increase strongly

The Corporate franchise contributes strongly to other Business Units

Major NIACC contributions to other Business Units in H1 03 included:

CF&A \$3.4m

Trans Services \$7.6m

Cap Mkts & FX \$12.8m

Cards/AAF \$9.5m

---

\* NIACC - Net income after capital charge, an EVA based measure of customer profitability

Decreasing level of specific provisions reflects quality of portfolio

	2H 01	1H 02	2H 02	1H 03
<b>Specific Provisions (\$m)</b>				
SME	12	7	6	2
Corporate	18	20	15	6
<b>Total</b>	<b>30</b>	<b>27</b>	<b>21</b>	<b>8</b>
<b>ELP (\$m)</b>				
SME	7	7	7	7
Corporate	20	18	16	16
<b>Total</b>	<b>27</b>	<b>25</b>	<b>23</b>	<b>23</b>
<b>ELP rate (bps)</b>	38	37	34	33

**Lending growth in SME sector has not been at the expense of credit quality**

**Portfolio is well secured**

[CHART]

Portfolio is ~80% fully secured with higher security at weaker end

**Behavioural risk profiles improving**

[CHART]

Portfolio reviewed dynamically via behaviour scoring on quarterly basis

New business of equivalent credit standard to existing business

---

\* Drop in Mar 03 partly due to scorecard enhancement

**Market position & trends**

**SME Banking**

**Market Share\*** - underweight

[CHART]

**Trends**

Healthy SME sector; credit growth broadly tracks nominal GDP

GST has driven improved customer cashflow management

Businesses are in good financial shape

Customers seeking business understanding, dealings with decision makers, flexibility, pro-activity

---

\* Market share measured by lending

**Corporate Banking**

**Market share** – stronger at top end

[CHART]

**Trends**

Good profitability; low gearing

Industry consolidation; uncertain environment

Less demand for credit and increased capacity to amortise debt

Growing need for smarter products and customised solutions

Source: Roberts Research 2002

**SME – Delivering on our commitments**

**In August 2001, we said:**

We were revitalising the business:

Focus on customer proposition

Re-engineering business & credit processes

MIS to support the strategy (EVA based customer profitability)

We were shifting mind-sets to:

Customer first

Culture of business ownership

80% staff & customer satisfaction by 2004

Average earnings growth of 15%+ to 2005

Our relatively weak market position created growth opportunities

**What's happened:**

Customer proposition competitive

Behavioural & credit scoring embedded

Straight through processing loan origination operating:

Intranet based

4 hour proposition within reach

**Staff satisfaction**

[CHART]

**Customer Satisfaction**

[CHART]

Cultural shift from admin focus to sales focus

Growth opportunities – unleashed energy



**SME – Continuing to invest for growth**

**Our August 2001 Investment Roadmap is being delivered**

[CHART]

**Footprint Expansion**

New SME staff (yr to May 03)

98 in frontline roles

18 in specialised businesses

**Specialised businesses a success in achieving focussed growth**

Steady growth in monthly revenue from Franchising sector

Rapid growth in monthly revenue from Broker introduced business

**Bolt on services**

e-Com led sales slow

SME Development Capital product launch Jul 03

**SME – Building a sustainable competitive position**

The virtuous cycle can be sustained to deliver NPAT growth

Effective investment a prerequisite

Balance between:

near-term revenue opportunities

medium-term platform development

[GRAPHIC]

Winning new business (not just X-sell) is key to accelerating the cycle

Disciplined execution and front-line leadership

New business and platform efficiency critical to achieving sustainable growth



**Corporate – Dual strategy in place**

**Business has a strong position in a more mature market place**

Proven business model

Efficient platforms & delivery

Moderate profit growth from traditional product range

Strong cross-sell via co-located specialists

Customer segment generates significant additional profit growth for other ANZ businesses

Dual strategy being followed

Lower end

Underweight share creates opportunity for new business growth

Focus on new customers but maintain x-sell discipline

Higher end

Very strong position at top-end

Growing demand for sophisticated solutions

**Wall St To Main St** Strategy

**Wall St to Main St - Customers seeking more sophisticated solutions**

Likely to use one or more sophisticated products\*

[CHART]

Strength of franchise, people and products positions us well

Investment banks less active in the middle market. Our points of differentiation are:

Large number of relationships

We are with the client before, during and after the transaction

We can provide both expertise and a balance sheet

Opportunity is substantial, driven by:

Generational change

Business expansion

Industry consolidation/divestments

Changes in ownership (MBO, Public/Private)

---

\* Source: Roberts Research 2002

**Wall St to Main St strategy requires investment in skills...**

**It takes time to develop Wall St to Main St capabilities**

**We are well progressed**

**Opportunities will increase**

**Phase 1 (pre 2000)  
Lender**

Detailed customer strategy plans

Regional Executives key transactors

Some non-traditional financing deals-mainly debt focused

**Phase 2 ( 00- 02)  
Trusted Advisor**

Significant training

Appointed dedicated investment banking specialists

Created awareness and generated different discussions

Significant deal-flow

**Phase 3 ( 03- 05)**  
**Strategic Partner**

Increased investment

Industry knowledge and focus generating opportunities

Proactively building client awareness

Goal is to create further mid market demand for this service



**...and success in converting opportunities**

**Corporate Life Cycle and Wall St to Main St Solutions**

[CHART]

A typical example of a completed deal originated in 2000 and completed in 2003:

MBO transaction

Private equity (approx \$7m); profit \$10.5m

Debt tranches; senior / mezzanine; W/C line:~ \$1.1m NII & \$0.1m fees

**Summary**

Businesses performing well, and we are delivering on our commitments

Risk performance strong, but watchful for emerging risks

Further opportunities for growth

Investment effectiveness, business leadership and disciplined execution are keys to sustained performance

**Goals for 2003 to 2005**

Double digit earnings growth for segment

Continue growth and diversification of customer revenue mix

Achieve 80% customer satisfaction and maintain staff satisfaction over 80%

Performing loans remain at 99% of total book

**Copy of presentation available on**

**[www.anz.com](http://www.anz.com)**

18

---

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

For further information visit

**[www.anz.com](http://www.anz.com)**

or contact

Philip Gentry

Head of Investor Relations

ph: (613) 9273 4185 fax: (613) 9273 4091 e-mail: [gentryp@anz.com](mailto:gentryp@anz.com)

[GRAPHIC]

**Australia and New Zealand Banking Group Limited**

**Judith Downes, Head of Finance and Business Information Centre**

**Ross Glasscock, Executive Treasurer, Group Wholesale Funding**

**16 June 2003**

[LOGO]

---

**Outline**

**Group overview**

Result review

Portfolio performance

Credit Quality

Other issues

Term debt funding

Supplementary information

2003 Interim Results

**Group Overview**

**One of the four major Australian banks**

**Established in 1835**

**Full range financial service provider**

**Distinctive specialist business strategy – 17 separate businesses**

**Assets**

**(as at 1H2003)**

**A\$190.5bn.(US\$115bn.)**

**Market Cap.**

**(as at 10 June 2003)**

**A\$28.7bn.(US\$18.8bn.)**

**Tier 1 Capital Ratio**

**7.7%**

**Credit Ratings**

**AA-/Aa3 (Stable)**

2003 Interim Results

v Mar 02

NPAT	\$	1,141m	8.7%
EPS		72cents	8.6%
Cash EPS		74cents	10.4%
Interim Dividend		44cents	12.8%
Net Specific Provisions	\$	259m	29%

Before Significant Items

NPAT	\$	1,141m	7.0%
EPS		72cents	6.8%
Cash EPS		74cents	8.7%



**A respectable result**

**A respectable result, with good underlying momentum**

**Strong interest income driven by asset growth**

**Non-interest income impacted by one-offs**

**Expenses well controlled**

**Majority of portfolio performing well**

**Credit quality strong in Australia, offshore issues containable**

**Remain well provisioned, with strong capital position**

**On target for approximately 8% full year NPAT growth**

**Outline**

Group overview

**Result review**

Portfolio performance

Credit Quality

Other issues

Term debt funding

Supplementary information

**Result driven by asset & deposit growth, non-interest income impacted by one offs**

[CHART]

---

\* Sep-02 excludes significant items

7

---

**Expenses well controlled, cost income ratio flat**

[CHART]

Growth spend held back due to lower income growth

Underlying half on half cost growth of 1.4%

Includes \$10m increase in software amortisation

Restructuring costs of \$32m taken, in line with previous half

Continued focus on re-engineering business as usual costs

**Provisioning charge reflects conservative management**

**ELP Charge**

[CHART]

ELP rate down 3bp- reflecting strong mortgage growth & improved risk profile

ELP Portfolio adjustment continued

accruing higher level of ELP, reflecting ongoing global economic uncertainty

**Outline**

Group overview

Result review

**Portfolio performance**

Credit Quality

Other issues

Term debt funding

Supplementary information

**A diversified portfolio performing well**

	Mar 03	Sep 02	Change
Institutional Banking	145	131	11%
Personal Banking	137	133	3%
Mortgages	131	124	6%
Transaction Services	84	77	9%
SME	78	72	8%
Consumer Finance	47	71	-34%
New Zealand	74	69	7%
Treasury	49	61	-20%
Asset Finance	60	54	11%
Corporate Banking	55	53	4%
Wealth Management	51	52	-2%
Asia Pacific	67	51	31%
Foreign Exchange	43	43	0%
Structured Finance	36	44	-18%
Corp Fin & Advisory	38	37	3%
Capital Markets	36	33	9%
INGA JV*	21	7	large

**1<sup>st</sup> half NPAT \$m**

[CHART]

---

\* Excludes funding costs

**JV performance – good insurance and expense performance, offset by FM**

**ING Australia NPAT\***

[CHART]

Life Insurance business performing well due to improved service, efficiency, and claims management

Subdued equity market conditions continue to impact Funds Management business

Improved capital investment returns, combined with hedge delivering cash rate of return

Synergies being extracted in line with expectations

---

\* Movements on a semi-annualised basis



**Valuation supports carrying value of investment in INGA JV**

[CHART]

**Outline**

Group overview

Result review

Portfolio performance

**Credit Quality**

Other issues

Term debt funding

Supplementary information

**Arrears profile close to historical lows**

**Arrears > 60 days**

[CHART]

Consumer sector in good shape, with continuing low levels of unemployment and low interest rates

Mortgage arrears remain very low

Ongoing focus on collections management

Upwards movement in cards arrears expected, will be carefully managed

Scorecards remain tight

---

\* excl Asset Finance, Pacific, Asia

**Mortgages portfolio healthy\***

**High quality arrears profile**

[CHART]

**Strong LVR profile**

[CHART]

**Increasing flexibility to service mortgage**

[CHART]

**Equity Loans remain modest**

[CHART]

**Domestic corporates well placed**

**Domestic corporates remain lowly geared**

[CHART]

**Reflected in healthy risk grade profile\***

[CHART]

---

\* Institutional & Corporate Australia & NZ

**Top 10 exposures further reduced**

**Top 10 committed exposures**

[CHART]

*Limits represent total 7 month limits excluding uncommitted and non-recourse, net of credit derivatives*

**Top 10 exposures as % of ACE**

[CHART]

**excludes non-recourse and uncommitted facilities**

**Specific provisions down 29% – no large single provisions**

**Provisions**

[CHART]

**1<sup>st</sup> half Specific Provisions by size**

[CHART]

No major individual specific provisions during the half

**Non-accrual loans continue to fall, reflecting overall health of portfolio**

**Historic**

[CHART]

**Geographic**

**Gross Non-Accrual Loans**

[CHART]



**New non-accruals down 50% on March 2002**

**Geographic**

**New Non-Accrual Loans**

[CHART]

**New non-accrual loans by source**

[CHART]

**Existing and future problem loans well provided for**

**SP/NALs**

[CHART]

**GP/RWA**

[CHART]

**Outline**

Group overview

Result review

Portfolio performance

Credit Quality

**Other issues**

Term debt funding

Supplementary information

**ANZ's capital position remains strong**

**Drivers of ACE ratio**

[CHART]

**Peer Comparison ACE/RWA**

[CHART]

**Buybacks likely if ACE ratio above target range**

**Outlook for second half**

**Australian & NZ economies to perform relatively well, despite weakness in offshore markets**

**Mortgage growth to be more subdued, moving towards 8-12% pa growth rate, offset by moderate rebound in business lending**

**Specific provisions below ELP**

**Cost growth rate to increase, but remain lower than revenue growth rate with resultant improvement in cost-income ratio**

**Second half outlook favourable, delivering approximately 8% full year NPAT growth**

**Outline**

Group overview

Result review

Portfolio performance

Credit Quality

Other issues

**Term debt funding**

Supplementary information

**Determining the term debt funding requirement**

**Customer Funding Indicator**

[CHART]

**Term Funding Indicator**

[CHART]

**Importance of stable funding base**

**Analysed domestic and offshore peer group**

**Businesses required to meet a self funding ratio – CFI (customer to total funding)**

**Wholesale funding ratio – TFI (term wholesale funding to term lending)**

**Securitisation as a balance sheet tool**

**ANZ's term funding requirement and strategy for 2003**

**A\$7 billion term debt funding requirement, since revised to A\$12 billion**

**a mix of senior debt, subordinated debt and securitisation dependent on maintenance of CFI targets**

**A\$8 billion raised since 1<sup>st</sup> October 2002**

**Maintain a prudent approach to management of the liability portfolio**

**avoiding maturity concentration and roll over risk**

**Issuance preference for senior debt**

**one to five year maturities**

**aim to achieve a weighted average maturity of four years**

**Focus on reverse enquiry MTNs**

**50/50 mix between private placement and public issuance**

**willingness to meet investor needs**

**timely response**



**Benefits of a consistent and widely communicated strategy**

**Presented to in excess of 200 investors over three years**

**More than 100 new investors in ANZ fixed rate € debt at primary issuance, substantially more in secondary market**

**Creditable spread performance despite volatile markets**

[CHART]

**The strategy to date has worked**

**Highest penetration of € investors of any of our domestic peers**

**Diverse investor base**

**Strong correlation between successfully executed public issuance and reverse enquiries received**

**Most proactive of Australian major banks to regularly update domestic and offshore debt investors**

**Access during difficult market conditions**

**Credit line availability**

**Rating agencies focus on liability management**

**Potential to issue Lower Tier II**

**Capital ratios**

[CHART]

**Adjusted Common Equity**

[CHART]

**Opportunity to restructure capital composition**

**Underweight Lower Tier II relative to domestic peer group**

**Amortisation of subordinated debt portfolio under APRA guidelines**

[GRAPHIC]

**Copy of presentation available on**

**[www.anz.com](http://www.anz.com)**

[LOGO]

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

For further information visit

**[www.anz.com](http://www.anz.com)**

or contact

Philip Gentry

Head of Investor Relations

ph: (613) 9273 4185 fax: (613) 9273 4091 e-mail: [gentryp@anz.com](mailto:gentryp@anz.com)

**Outline**

Group overview

Result review

Portfolio performance

Credit Quality

Other issues

Term debt funding

**Supplementary information**

**Additional information on businesses & strategy**

**Distinctive strategy and track record 4 clear themes going forward**

**Core themes**

**Leverage real capabilities to build sustainable strategic position**

**Grow value by creating a rich portfolio of specialised businesses**

**Become one of the most efficient and best-managed banks in the world**

**Bold and different, leveraging a unique performance culture and business approach**

**ANZ relative TSR**

[CHART]

---

\* CBA, NAB, WBC



**Leverage real capabilities to build sustainable strategic position**

**Leverage *specialisation* as distinctive strategy**

**Leverage leading *product* capability to increase share**

**Leverage superior *cost* position**

*To give customers the best deal*

*To give shareholders sustainable and growing returns*

**Leverage ANZ's emerging and distinctive *human face***

*Unique positioning against peers*

*Gain traction in earning the trust of the community*

**A rich portfolio of specialised businesses - material improvement in last 2 years**

**Source of profit**

[GRAPHIC]

**More sustainable portfolio foundation**

**Each business has clear differentiated approach**

**Systematically building capabilities to establish future growth options**

**Grow value by creating a rich and diversified portfolio of specialised businesses**

[GRAPHIC]

*Optimise portfolio for sustainability, growth and return*

*Raise revenue productivity in Personal Banking*

*Lift performance and productivity in Wealth Management*

*Develop sustainable post-interchange cards strategy*

*Regain position in Small Business*

*Develop Institutional while reducing risk concentrations*

*Leverage specialised distribution in Mortgages*

*Advance customer franchise in NZ through local approach*

*Turn Asset Finance into a sustainable growth proposition*

*Create a portfolio of growth options*

*Invest in high growth domestic franchises*

*Leverage capabilities with partners in Asia-Pacific*

**Aim to make ANZ one of the best managed and most efficient banks in the world**

**Make execution a distinctive capability**

**Accelerate revenue and productivity momentum in businesses**

**Rebalance higher risk segments**

**Simplify operations and technology infrastructure**

**World class efficiency**

[CHART]

**Lower relative risk**

[CHART]

**Bold and different, leveraging a unique performance culture and business approach**

[CHART]

**Systematic improvement**

**Aim to be distinctive**

**financial**

**values**

**Build on preferred employer status**

**Gain shareholder and community recognition**

**Raise our game in execution to minimise surprises**

---

\* Benchmark comprises 33 of Australia's Top 50 companies

**Higher interest income, driven by strong asset growth**

**Average Lending & Deposit Volumes**

[CHART]

**Interest Margins**

[CHART]

---

\* Business Lending includes Corporate & Small Business, and Institutional Segments. Deposits includes Esanda retail debentures

**Underlying non-interest income reasonable, but dominated by one-offs**

[CHART]

---

\* Sep-02 excludes significant items

# higher loyalty costs reflects change in pricing, and does not include higher volume impact

43

---



**Consumer Finance – challenges, but good underlying performance**

**Improved underlying performance (NPBT)\***

[CHART]

**Diversifying revenue\***

[CHART]

**Growth in Acquiring share**

[CHART]

**Issues**

Loyalty schemes increasingly costly to operate

Reduction in interchange and loyalty costs likely to impact 2004 NPAT by not more than \$40m

---

\* Adjusted for under-accrual of loyalty points

**Mortgages – well placed to benefit from shift to mortgage brokers**

**Growing presence**

[CHART]

80% of broker originated customers new to ANZ

92% purchase additional ANZ products (89% for network originated customers)

**And we are well placed to participate**

Low cost income ratio – efficient processing platform

+

Leading broker distribution model, with high quality MIS

+

Award winning products

+

Brokers strongest in states where ANZ has weaker branch presence



**Institutional & Investment Banking – a leading franchise**

**Consistently strong NPAT growth**

[CHART]

**More focused single customer limits**

[CHART]

**Corporate and SME – well positioned for upswing in business lending**

**A very strong Corporate franchise**

Market Share\*

[CHART]

Customer Satisfaction\*

[CHART]

Market advantage with Wall St to Main Street capability

Strong cross selling

Focus around total customer value to Group

---

\* Roberts Research 2002 (customers with turnover between \$10m-\$100m)

**Investment in SME has yielded strong balance sheet growth without loss of credit standards**

[CHART]

Enhanced customer service proposition

Disciplined business execution and a stronger performance culture

Investment in an expanded business footprint – customer facing staff up 10%

**Personal banking – impacted by margin squeeze on deposits and fee changes**

[CHART]

Overall 16 bp decline in margins due to

Lower interest rates over the half

Increased flows to higher rate deposit products such as TDs

Fees lower due to new transaction account fee structure and lower honour fees

RCF rolled out in NSW & Vic, remainder of States over calendar 2003

---

\* Includes tax impact

**...but strong account and deposit growth**

**Access Accounts**

[CHART]

<b>New accounts</b>	<b>up 14%</b>
<b>Closed accounts</b>	<b>down 15%</b>
<b>Net new accounts</b>	<b>up 229%</b>

**Deposits (\$b)**

[CHART]



**Asset Finance – a leading position, & developing new momentum**

**NPAT**

[CHART]

Reengineering undertaken in recent years now paying off

Significant reductions in unit processing costs achieved delivering strong competitive position

**NPAT/FTE**

[CHART]

**New Zealand – greater autonomy and a mandate to reinvest**

**Performance tapering off NPAT**

[CHART]

**Greater investment required**

Increased training, and greater number of sales specialists

Strengthen brand and increase community involvement

Upgrade branch network, and open new branches in key geographic growth centres

**Personal – significant opportunity, but clear challenges remain**

**Metro NPAT**

[CHART]

**Personal Banking Australia NPAT**

[CHART]

**Rural NPAT**

[CHART]

Underweight position

RCF rolled out to Victoria & NSW, to roll out to other states

Strong product capability

More traction required on improving customer proposition

Rural Banking completed roll out of local market model

Good progress in devolving responsibility to front line

Strong focus on community involvement

Increased focus on agribusiness

**Asia – circa 450 lending relationships with 85% investment grade**

[GRAPHIC]

*BEIJING & SHANGHAI, CHINA*

One of a small group of fully licensed foreign banks

Restricted transactions with locals expected to be lifted gradually with WTO membership

40 Lending Relationships, 95% Inv Gr

*HONG KONG*

Leading Australian/NZ bank

Focus to expand Trade Finance business

Excess liquidity driving margins down to dangerously low levels

60 Lending Relationships, 82% Inv Gr

*HANOI & HO CHI MINH, VIETNAM*

Leading foreign bank in Vietnam

Only Australian/NZ bank

Fastest-growing Asian operation

50 Lending Relationships, 72% Inv Gr

*MALAYSIA & THAILAND*

Representative offices

Regional Trade Finance support

FI & correspondent banking

*SINGAPORE*

Centre for GSF operations in ANZ Asia

Striving to carve a niche in the market amongst global banks operating here

4,000 customers/deposit base of \$2b

60 Lending Relationships, 87% Inv Gr

*REGIONAL OFFICE, SINGAPORE*

Product Support

Finance & Planning

Credit/Risk

Corporate Portfolio Management

Human Resource

*SEOUL, KOREA*

Strategic for Asia & network Trade

34 Lending Relationships, 52% Inv Gr

*TOKYO & OSAKA, JAPAN*

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

Largest Australian/NZ Bank

14,000 customers with deposit base of \$700m

38 Lending Relationships, 83% Inv Gr

*TAIPEI, TAIWAN*

Only Australian/NZ bank

Highly regulated/competitive environment

Largest number of corporate relationships in Asia

60 Lending Relationships, 68% Inv Gr

*MANILA, PHILIPPINES*

Top Ten foreign bank

Only Australian/NZ bank

50 Lending Relationships, 53% Inv Gr

*JAKARTA, INDONESIA*

Leading JV bank

130,000 cards issued

26 Lending Relationships, 69% Inv Gr

**A selective asset writing strategy in Asia**

<b>Customer Category</b>	<b>Customer Description</b>
Global MNCs	Parent – Investment Grade Typically listed on local exchange Subsidiaries in network countries per Cross Border Risk Policy (10/99)
Regional MNCs	Parent – Investment Grade Typically listed on local exchange (Top 50 blue chip ) Typically externally rated
Financial Institutions	Well-established and high quality FIs In top 20 FIs in country Strong correspondent banking relationships
Major Local Corporates	Top ranking, typically listed on local exchange and recognised as blue chip Investment Grade Significant foreign currency earnings in freely negotiable currencies Market capitalisation typically in excess of USD200m. Potential for significant non interest income, deposit, trade, FX or network opportunities
Middle Market Corporates	Not target market
SMEs	Not target market

*Small exceptions for Trade where collateralised, eg. Vietnam*

**Current/Target customer list represents:**

*established high quality names/groups, including Asian conglomerates, that have survived Asian crisis; recent CPM shadowing review has validated this;*

*core relationships;*

*network business for Australia/NZ and Asia;*

*good product penetration potential;*

*leveraging relationships across Asia network.*



**Additional credit quality information**

**Deterioration in global electricity sector has stabilised**

**KMV Median Expected Default Frequency**

[CHART]

Deterioration in US and European utility sectors largely occurred prior to our 2002 Annual Results announcement

In 2002, S&P ratings actions in US power industry resulted in 182 downgrades, against 15 upgrades

First half 2003 has seen some evidence of stabilisation

**US energy portfolio – some issues, remains containable**

[CHART]

(AUD)	Sep-02	Sep-02	Mar-03	Mar-03	Mar-03	No of cust Total 30
B+ to CCC	12.3%	13.0%	3.8%	3.9%	4.0%	2
Non Accrual	4.0%	4.2%	8.0%	8.2%	11.2%	3

>BB- = B+ B, B-, CCC & non-accrual

Excludes uncommitted facilities

Includes utilised guarantees and market related products

**Global Telco portfolio – no material issues expected**

[CHART]

(AUD)	Sep-02	Mar-03	Mar-03	Mar-03	No of cust total 41
<b>B+ to CCC</b>	1.9%	6.8%	7.8%	11.1%	5
<b>Non Accrual</b>	4.8%	3.5%	4.3%	7.2	3

>BB- = B+ B, B-, CCC & non-accrual

**Mortgages – low representation in inner city Sydney and Melbourne**

**Market Share by location**

[CHART]

Tightened assessment criteria for inner city investment properties

Delinquency profile of inner city borrowers in line with average

---

\* limited sample size

# source: Roy Morgan

**Group risk grade profile**

**ANZ Group - Outstandings**

[CHART]

	Sep-01	Mar-02	Sep-02	Mar-03
<b>B+ to CCC</b>	3.0%	2.8%	2.5%	2.5%
<b>Non Accrual</b>	0.9%	0.9%	0.8%	0.7%

60

**Institutional & Corporate Risk Grade Profiles**

**Institutional Banking (Outstandings)**

[CHART]

	Sep-01	Mar-02	Sep-02	Mar-03
<b>B+ to CCC</b>	2.7%	2.3%	2.6%	3.1%
<b>Non Accrual</b>	1.6%	2.0%	1.8%	1.7%

**Corporate Banking Aust. (Outstandings)**

[CHART]

	Sep-01	Mar-02	Sep-02	Mar-03
<b>B+ to CCC</b>	7.4%	6.4%	4.1%	2.8%
<b>Non Accrual</b>	1.7%	1.7%	1.3%	1.4%

**Specific provisions in most businesses lower than expected losses**

**Specific Provisions 1<sup>st</sup> Half 2003 v 2nd Half 2002**

[CHART]

**SP s v ELP<sup>1</sup> Half 2003**

[CHART]

**SP s v ELP<sup>2</sup> Half 2002**

[CHART]



**Offshore lending assets decreasing as a proportion of total lending assets**

[CHART]

**Increased industry diversification**

**% of Group Lending Assets**

**(Aust/NZ)**

[CHART]

**Industry exposures – Australia & NZ**

**Health & Community Services**

[CHART]

**Mining**

[CHART]

**Cultural & Recreational Services**

[CHART]

**Personal & Other Services**

[CHART]

**Forestry & Fishing**

[CHART]

**Communication Services**

[CHART]



**Finance - Other**

[CHART]

**Finance – Banks, Building Soc etc.**

[CHART]

**Transport & Storage**

[CHART]

**Accommodation, Clubs, Pubs etc.**

[CHART]

**Utilities**

[CHART]

**Construction**

[CHART]

**Real Estate Operators & Dev.**

[CHART]

**Manufacturing**

[CHART]

**Retail Trade**

[CHART]

**Wholesale Trade**

[CHART]

**Agriculture**

[CHART]

**Business Services**

[CHART]

**Media Release**

[LOGO]

**Corporate Affairs**

Level 22, 100 Queen Street  
Melbourne Vic 3000  
Telephone 03 9273 6190  
Facsimile 03 9273 4899  
[www.anz.com](http://www.anz.com)

For Release: 20 June 2003

**ANZ clarifies Thai Military Bank talks**

ANZ today confirmed it had asked for clarification regarding media statements made in Thailand in relation to ANZ's possible participation in a future recapitalisation of Thai Military Bank.

ANZ confirms there is currently no firm proposal that has been made to Thai Military Bank. Substantive issues are still to be resolved and the talks, while constructive, may take some time to reach a conclusion either way.

For media enquiries, contact:

Paul Edwards  
Head of Media Relations  
Tel: 03-9273 6955 or 0409-655 550  
Email: [paul.edwards@anz.com](mailto:paul.edwards@anz.com)

For analyst enquiries, contact:

Philip Gentry  
Head of Investor Relations  
Tel: 03-9273 4185 or 0411-125 474  
Email: [gentryp@anz.com](mailto:gentryp@anz.com)

---

[LOGO]

**Group General Counsel & Company Secretary**

Australia and New Zealand Banking Group Limited  
Level 6, 100 Queen Street  
Melbourne, VIC 3000  
Phone 61 3 9273 4950  
Fax 61 3 9273 0552  
www.anz.com

23 June 2003

Company Announcements  
Australian Stock Exchange  
Level 10, 20 Bond Street  
SYDNEY NSW 2000

**Appendix 3Y – Share Transactions by Mr John McFarlane**

The attached Appendix 3Y covers transactions in ANZ shares undertaken on 19 June 2003 by Mr John McFarlane, Chief Executive Officer of ANZ.

As a result of these transactions Mr McFarlane's indirect and direct holdings of ANZ shares has increased by 100,000 shares from 1,152,839 shares to 1,252,839 shares.

Details of the transactions in the Appendix 3Y are as follows:

Acquired 750,000 shares at \$11.49 through the exercise of options granted on 31 December 1999 following a resolution of shareholders at ANZ's 1999 Annual General Meeting.

Sold 650,000 shares at an average price of \$19.182.

Retained 100,000 shares.



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

The proceeds from these transactions will be used by Mr McFarlane to finance the exercise of options, to cover future income tax liability arising from the transaction and to reduce gearing related to his earlier share purchases.

Since the beginning of ANZ's financial year on 1 October 2002, Mr McFarlane has increased his holding in ANZ by 184,467 shares.

Tim Paine

**Company Secretary**

---

## Appendix 3Y

## Change of Director's Interest Notice

**Name of entity** Australia and New Zealand Banking Group Limited  
**ABN** 11 005 357 522

Australia and New Zealand Banking Group Limited gives ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

**Name of Director** Mr John McFarlane  
**Date of last Notice** 8 May 2003

## Part 1 – Change of director's relevant interest in securities

Ordinary Shares:

<b>Direct interest</b>		457,000
<b>Indirect interest</b>		695,839
<b>Nature of Indirect interest</b>	<b>Number &amp; Class of Securities</b>	
HSBC Custody Nominees (Australia) Limited (as nominee for – Self Invested personal Pension Scheme)	ordinary shares	245,000
ANZEST Pty Ltd		
ANZ Employee Share Acquisition Plan	ordinary shares	87,190
ANZ Directors' Share Plan	ordinary shares	363,649
	Total	695,839
<b>No of securities held prior to change</b>		<b>1,152,839</b>
<b>Date of change</b>	19 June 2003	
<b>Class</b>	ordinary shares	
<b>Number acquired</b>		750,000
<b>Number disposed of</b>		(650,000)
<b>Nature of Change</b>	Subscription for 750,000 shares upon exercise of options and subsequent on-market sale of 650,000 shares	
<b>Value / Consideration</b>	750,000 options exercised at \$11.49 650,000 shares sold at an average price of \$19.182	

<b>Number of securities held after change</b>	
<b>Direct Interest</b>	557,000
<b>Indirect Interest</b>	695,839
<b>Total of Interest</b>	<b>1,252,839</b>

---

**Options over unissued ordinary shares:**

<b>Direct Interest</b>		3,500,000
<b>Indirect Interest</b>		Nil
<b>No of securities held prior to change</b>		<b>3,500,000</b>
<b>Date of change</b>	19 June 2003	
<b>Class</b>	options over unissued ordinary shares	
<b>Number acquired</b>	(unchanged)	
<b>Number disposed of – Direct Interest</b>		(750,000)
<b>Nature of Change</b>	Exercised 750,000 options issued 31/12/99	
<b>Value/Consideration</b>	\$11.49 exercise price	
<b>Number of securities held after change</b>		
<b>Direct Interest</b>		2,750,000
<b>Indirect Interest</b>		Nil
<b>Total of Interest</b>		<b>2,750,000</b>

**Part 2 – Change of director s interests in contracts - Nil**

Tim Paine  
 Company Secretary  
 Australia and New Zealand Banking Group Limited  
 23 June 2003

**Media Release**

[LOGO]

**Corporate Affairs**

Level 22, 100 Queen Street  
Melbourne Vic 3000  
Telephone 03 9273 6190  
Facsimile 03 9273 4899  
[www.anz.com](http://www.anz.com)

For Release: 25 June 2003

**Thai Military Bank talks continuing**

ANZ today reiterated its statement made on Friday 20 June regarding discussions with Thai Military Bank following inaccurate media reporting.

ANZ confirms that there is currently no firm proposal that has been made to Thai Military Bank. Substantive issues are still to be resolved and the talks, while constructive, may take some time to reach a conclusion either way.

For media enquiries, contact:

Paul Edwards  
Head of Media Relations  
Tel: 03-9273 6955 or 0409-655 550  
Email: [paul.edwards@anz.com](mailto:paul.edwards@anz.com)

For analyst enquiries, contact:

Philip Gentry  
Head of Investor Relations  
Tel: 03-9273 4185 or 0411-125 474  
Email: [gentryp@anz.com](mailto:gentryp@anz.com)

---

**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/ Garry White*  
Assistant Company Secretary

Date 4 August 2003

---