

AUSTRALIA & NEW ZEALAND BANKING GROUP LTD
Form 6-K
April 04, 2006

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the Month of March 2006

Australia and New Zealand Banking Group Limited

ACN 005 357 522

(Translation of registrant's name into English)

Level 6, 100 Queen Street Melbourne Victoria 3000 Australia

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of 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.

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Yes No :

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

This Form 6-K may contain certain forward-looking statements, including statements regarding (i) economic and financial forecasts, (ii) anticipated implementation of certain control systems and programs, (iii) the expected outcomes of legal proceedings and (iv) strategic priorities. Such forward- looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control and which may cause actual results to differ materially from those expressed in the forward-looking statement contained in these forward- looking statements. For example, these forward-looking statements may be affected by movements in exchange rates and interest rates, general economic conditions, our ability to acquire or develop necessary technology, our ability to attract and retain qualified personnel, government regulation, the competitive environment and political and regulatory policies.

ING Australia Market Update

Australia and New Zealand Banking Group Limited
21 March 2006

Dr. Bob Edgar
ANZ Senior Managing Director

www.anz.com

INGA JV provides ANZ with a solid position in an attractive market

Strategic position in wealth management is important to ANZ

attractive high growth market (although cyclical)

Industry FUM continues to increase, driven by compulsory superannuation

allows ANZ to provide full customer service proposition

Partnering with ING strategically sound

strong global brand

scale in Australian market

product manufacturing capabilities

**INGA has a scale position in the Australian market^
(Retail FUM (A\$b))**

^Source ASSIRT at 31/12/05 *excludes V2+

INGA has met many of ANZ's objectives, current focus is on improving profitability and leveraging adviser network

ANZ objectives at JV formation

Create a strategic position in Wealth
Management and Insurance in Australia
& NZ

Access to global brand and capabilities

Platform to improve sales and customer
management within ANZ's network

Increase scale through leveraging
extensive professional adviser networks

Improve efficiency through cost synergies

Very strong profit growth

Summary

Distribution of Wealth Management and Insurance products remains strategically important to ANZ

INGA provides ANZ with a strong global brand, scale and product manufacturing capabilities in an attractive market

The JV has met many of ANZ's objectives, focus is on improving 3rd party distribution and profit growth

INGA has solid momentum and is well positioned for continued growth

Additional Information

ANZ owns 49% of the JV, governance is shared

Ownership Structure

Governance

Board Composition Equal Representation

Chairmanship Rotated every 3 years. By rotation, ANZ now appoints the Chair

Management Joint approval of key appointments

Voting Unanimous Board approval (no casting vote)

We have made solid progress on improving our return on equity

Improved INGA performance & capital distributions driving increase in ANZ s ROE

	May-02		Sept-05	
ANZ Equity Book Value^	\$	1,839m	\$	1,479m
ANZ share of INGA earnings	\$	92m*	\$	150m
ROE		~ 5%		~ 10%

^Book Value reduction a result of capital repatriation and dividends received

**2001 pro-forma earnings*

INGA formed at strong point in the investment cycle

ROE improving, remains below Group ROE and WACC

We are confident ROE will continue to improve through:

Ongoing strong performance by ANZ distribution channels

Increased focus on improving 3rd party distribution channels

2002 JV formation slides

INGA was formed to create a strategic position in wealth management

ANZ Objectives

ING Objectives

Participation in strategic wealth management stream

Secure a top tier position

Increase scale

Build scale and efficiency

Access global brand and capabilities

Diversify distribution

Platform to improve sales & customer management

Leverage wealth management and bancassurance expertise

Cost synergies

Cost synergies

Profit growth potential

Profit growth potential

Businesses that ANZ and ING contributed to the JV

The JV is a substantial wealth management vehicle - pro forma 2001 NPAT of \$187m

Note: ANZ NPAT reflects year to 30/9 and normalisation adjustments
ING NPAT reflects year to 31/12 and normalisation adjustments

The JV is a substantial wealth management vehicle with a value of \$3.75b

	2001 PAT	FUM *	Value	PE (x)
ANZ	\$ 45m	\$ 14.1b	\$ 879m	19.5
ING	\$ 142m	\$ 24.2b	\$ 2,874m	20.2
	\$ 187m	\$ 38.4b	\$ 3,753m	20.1

ANZ's stake (\$3,753m @ 49%)	\$ 1,839m
Less value of ANZI	\$ 879m
Capital contribution	\$ 960m

* Includes \$4.7b V2+ FUM, and also includes Australia and New Zealand FUM

JV established at fair value

	2001 PE	Value as % of FUM	PAT / FUM (%)	Retail as % of total FUM
ANZ	19.5x	9.3%	0.48%	91%
ING	20.2x	11.9%	0.59%	84%

Recent transaction multiples	Historical PE (x)	Value as % of FUM	PAT / FUM (%)	Retail as % of total FUM
NAB/MLC	20.7x	15.2%	0.73%	60%
Principal/BT	25.0x	5.5%	0.22%	46%
Colonial/Prudential Life	17.8x	13.5%	0.76%	67%
Colonial/Legal & General	19.2x	15.4%	0.80%	38%

Source: Assirt and Company Reports

ANZ FUM excludes V2+

FUM includes Funds Under Administration

Sources of FM revenue to JV partners

*Note: principle of arms length/market based pricing for all commissions
Margins are indicative only and vary by product*

ING Australia Market Update

21 March 2006

Paul Bedbrook
CEO, ING Australia

INGA is well positioned for growth

INGA is a significant player in wealth management

Structured around five P&L business units each with growth opportunities

Solid financial results with good returns to shareholders

Challenge is to capture growth while creating an efficient platform for the business

INGA is a significant player with a balanced business mix

INGA Market Share/ Rankings

	\$	FUM / Life Risk Inflows Market Share	Rank	\$	New Business Market Share	Rank
Life Risk (1)	\$ 552m	11.3%	4	\$ 98m	9.8%	3
Employer Super (2)	\$ 8.8bn	13.9%	3	\$ 1.8bn		
Personal Investments (3)	\$ 21.3bn	5.5%	5	\$ 4.4bn	4.8%	5
Advice(4) (#)		1,066	4			

Source: 1) Life Risk Plan For Life Sept. 05, Total Inflows, includes Direct Insurances underwriting; (2) DEXX&R Employer Super League table employer master trusts, Sept. 05., new business not available; (3) Funds Mgt - Plan for Life Sep.2005 Retail ex cash ex Corp Super Masterfund, Marketer View (rankings exclude badged wraps) New business = gross inflows Sep04-Sep05 note some overlap with employer super definition; (4) Money Management Top 100 Dealer Group survey June 2005, Adviser numbers, ING numbers updated to Jan 2006.

ING has the leading consumer brand in wealth management

Billy Connolly Advertising Campaign

End-Customer View of Fund Manager Overall Quality(1)

Note: 1) 2005 AC Nielsen Survey end-customer survey, Main Fund Manager Overall Quality/Service Rating;

* Average Point Score of transformed scale ratings: Excellent=100, Above Average=50, Average=25, Below Average=25, Poor=0.

ING Australia links all parts of the value chain

ING Australia s Operations

Life Risk - leading retail risk product growing our business rapidly

Australians are underinsured

Insurance Gap(1)

ING has launched the leading retail risk product OneCare

which is growing rapidly

Innovative new ways of looking at existing products, and introduces new products.

Weekly Application Value(2)

Flexible changes in line with clients changing needs.

Customer focussed solutions rewards clients for having multiple relationships and/or covers with us.

Rated highly Independent research houses have rated OneCare as a leading product

Note: 1) Source: IFSA/TNS report June/July 2005 Investigating the Issue of Underinsurance in Australia Sample size 606, over 21 years of age, at least one financially dependant child living at home, married or single

2) INGA began accepting OneCare business in November 2005; data to week ending 17 February 2006

Direct Insurances - successful cross-sell with ANZ branches and growing direct business

Loan Linked Insurances Strike Rate
Policies sold as % of Loans Written ANZ Network

Direct General Insurance Sales ING Branded
(Jan 2005 Jan 2006)

Employer Super - well positioned in favoured SME segment

Employer Super Market(1)

(Size of bubble reflects size of segment in FUM)

Employer Super Master Trust(2)

(SME and Med-Large, FUM \$bn)

Note: (1) Source of data: ING estimate, DEXX&R, Plan for Life. (2) DEXX&R Report, September 2005

Personal Investments - focus on growing OneAnswer and managing mature legacy products

Personal Investments Funds Under Management by Product

Personal Investments Sales by Product

OneAnswer Sales by Channel

Notes: (1) INGA data

Advice - Adviser numbers growing, dealer group business models reviewed

Growing aligned and bank adviser numbers to top 3

**Number of Advisers
by Group²**

through differentiated dealer group models

and RetireInvest franchise recharged

Pioneer and one of Australia's most respected financial planning brands

Leading market position in serving pre/post retirees

Completed comprehensive restructure of business operations in 2004/5

New franchise agreement and dealer services focus on growth and productivity

As a result approximately 50 advisers left during 2005, immediately replaced in new business model

Moving to fee-for-service

Returned to growth

Source: (1) Channel production of Retail & Mezzanine investment products; (2) Money Management Top 100 Dealer Group survey June 2005, Adviser numbers, ING numbers updated

Diversified distribution

2005 Sales by Channel

Personal Investments

(Retail + Mezzanine)

Employer Super

Life Risk

(Retail Risk)

Source: (1) Personal Investments direct sales included in Open Market

Strong growth in key business drivers and improved efficiency

Funds Under Management(1)

(AUD \$bn)

Life Risk In-force Premium(2)

\$AUD m

Efficiency(3),(4),(5)

Note: (1) FUM for 100% of Joint Venture, excludes New Zealand, excludes V2+ cash product; (2) Life Risk in-force premium for 100% Joint Venture Australia only; (3) Efficiency ratios for joint venture excluding New Zealand; (4) Equivalent FUM converts life risk premiums using multipliers of individual 25, group 10, single premium 4; expenses are underlying Australian management expenses; (5) Income is fees less commission, expenses are underlying Australian management expenses

driving improved underlying financial performance

Core financial results flat after absorbing remediation and loss of transitional tax relief - producing strong returns to shareholders

Profit and Loss(1)

	2005	2004
Net Revenue Funds Mgt	401	384
Net Revenue Life Risk	227	200
Expenses	(373)	(351)
Remediation	(44)	(33)
Tax	(29)	(23)
Core Earnings	181	178
Capital Invest Earngs	121	122
Interest on Debt	(32)	(1)
Tax	(25)	(34)
Cap Invest after tax	65	87
Profit After Tax	246	264
Intangibles Amtsn	(3)	(8)
Profit After Tax & Amtsn	243	257
New Zealand	63	10
	306	267

Shareholder Returns

	2004	2005
ROE (excl NZ)	16.5%	14.1
Dividends (FF)	\$ 260m	\$ 77m
Commissions	\$ 100m	\$ 76m

Growing global relationship

Custodians

Banking

Audit

IT Services

Sourcing

Wholesale banking for ING Group

Results are for 12 months to 31 December, and prepared under AIFRS. Accordingly care should be taken in comparing these results to those previously disclosed by ANZ

Challenge is to capture growth while creating an efficient platform for the business

Challenges

INGA's Responses

Differentiation for growth	<ul style="list-style-type: none"> Launched new retail risk product in 2005 SME super segment focus Renew service proposition e-business capability improved
Resolving legacy issues	<ul style="list-style-type: none"> Remediation project well advanced Restructured the Advice Business
Margin squeeze in investment & need for greater efficiencies	<ul style="list-style-type: none"> Rationalise legal entities & products Build scale BAU expenses flat
Compliance environment	<ul style="list-style-type: none"> Risk management strengthened Compliance culture developed Strengthening compliance with a structured project regime

Summary

INGA is well positioned for growth

INGA is a significant player in wealth management

Leading Consumer Brand

Integrated Value chain

Top 5 by market share

Structured around five P&L business units

Solid financial results with good returns to shareholders

Challenge is to capture growth while creating an efficient platform for the business

Remediation ring fenced and complete by end 2006

Infrastructure

First! Think Customer program lifting service standards

Additional Information

INGA Structure

Organised around product/market segments

ING Australia Market Update

Australia and New Zealand Banking Group Limited
21 March 2006

Geoff Cohen

MD, Investment & Insurance Products

www.anz.com

Investment and Insurance Products overview

DIRECT BUSINESSES

ANZ Financial Planning	Insurance	ANZ Margin Lending	ANZ Trustees
Advice & sales of:	Loan linked	Margin lending	Estate Planning & Admin.
managed investments	Home & Contents, Motor etc.	services on over 400 stocks	Charitable services
superannuation	ANZ white labelled insurance products	Over A\$1b in FUM	Over A\$2b FUM
life insurance			

PARTNERSHIPS

INGA JV

E*TRADE Aust.

ANZ 49% stake in INGA JV

ANZ s 35% stake in Aust. fastest growing online share broker

Five key elements to ANZ Financial Planning (ANZFP) business model

1. Separation of distribution

Distribution via ANZFP, manufacture via INGA

2. Practice manager model

Specialist planners and specialist support function servicing defined region

3. Referral partners

Retail Bank, Regional and Rural Bank, Business Bank and Mortgages

4. Products

Focus on managed funds via platforms and best of breed risk products

5. Rollout of fee for advice model

Strong specialist distribution network

ANZFP growing solidly after a period of rationalisation following JV formation

Softening in market conditions following JV formation necessitated revision of original growth forecasts around;

Financial Planner numbers

FUM inflows

Number of referrals

Material reduction in planner numbers undertaken in 2002/3

Strong performance since 2003 reflects

Improved market conditions

More engaged and efficient financial planner network

Specialist focus on ANZFP

Sector retail inflows impacted by market downturn

(excl. Cash Management A\$b)

Solid momentum in all key business drivers

Solid growth in planner numbers following restructuring in FY02

Improving referral conversion rate*

Referrals continue to increase (000)

Increased productivity following restructuring

(Managed Investment flows per adviser (\$m))

*Based on 12 month average

Profitable and productive business

Strong FUM growth momentum (\$b)

Life insurance risk sales (\$m)

Good NPAT momentum resulting from increased focus (\$m)

ANZFP is well positioned for continued growth

Build upon strong current momentum through:

Continued investment in footprint

Improving relationships with referral partners

Increasing planner engagement to deliver improved referrals and conversions

Continuous sales process improvement and IT investment

Focus on convenience & simplicity eg fee for advice

Strong position to increase volume of flows to ING JV

Additional Information

Personal Division Organisational Chart and I&I NPAT contribution

Funds under Management reconciliation*

	Sep-02 (A\$ b)	Sep-03 (A\$ b)	Sep-04 (A\$ b)	Sep-05 (A\$ b)
Retail & Mezzanine	24.0	26.1	27.2	31.7
Wholesale	2.6	2.5	3.6	3.8
Cash (includes V2+)	5.0	6.1	7.2	7.9
Total	31.6	34.7	38.0	43.4

*excludes New Zealand FUM

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

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ANZ StEPS quarterly distribution

On 15 March 2006 ANZ paid the quarterly distribution on its ANZ Stapled Exchangeable Preferred Securities (ANZ StEPS) and set the Distribution Rate for the payment due on 15 June 2006.

The distribution paid for the quarter ended 15 March 2006 for each ANZ StEPS was based on a Distribution Rate of 6.6400% p.a. as announced on 19 December 2005.

The Distribution Rate for the quarter ending 15 June 2006 has been set in accordance with clause 3.1 of the Note Terms set out in the Prospectus dated 14 August 2003. The Distribution Rate was calculated as follows:

Market Rate (90 day bank bill rate as at 15 March 2006)	5.6050% p.a.
Plus the initial margin	1.0000% p.a.
Distribution Rate	6.6050% p.a.

This distribution of \$1.6648 for each ANZ StEPS will be paid on 15 June 2006 with the record date being 30 May 2006.

John Priestley

Company Secretary

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Australia and New Zealand Banking Group Limited

for and on behalf of

Australia and New Zealand Banking Group Limited and

ANZ Holdings (New Zealand) Limited

16 March 2006

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There can be no assurance that actual outcomes will not differ materially from the forward-looking statements contained in the Form 6-K.

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
Company Secretary
(Signature)*

Date 03 April 2006

* Print the name and title of the signing officer under his signature.
