AUSTRALIA & NEW ZEALAND BANKING GROUP LTD
Form 6-K
March 01, 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 February 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: ý Form 40-F o

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

Yes o No : ý

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.

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

ANZ National Bank Limited

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Media Release

For Release: 28 February 2006

ANZ National Bank records strong

December Quarter result

ANZ National Bank today announced a profit of NZ$274m for the December 2005 quarter(1), up 19% on the previous corresponding quarter, with good momentum emerging in operating performance.

The result reflects solid asset and deposit growth, lower credit provisioning charges and stronger earnings from Institutional Markets. In addition $15 million post tax was received as income in the December 2005 quarter from Lloyds TSB Group plc relating to an adjustment to the purchase price for The National Bank of New Zealand Limited Group (Lloyds receipt).

These favourable impacts were offset by reduced net interest margins in Retail, Rural and Corporate businesses from price competition, the run-off of discontinued structured finance transactions and higher integration costs.

December Quarter 2005 Performance Summary

Profit after tax of NZ$274 million, a 19% increase over the December 2004 quarter ($230 million).

Underlying profit after tax of $247 million, an 8% increase over the December 2004 quarter ($228 million). Refer Appendix for an outline of the Underlying calculations.

Underlying cost-to-income ratio decreased to 44.1% from 45.1% in the December 2004 quarter.

Net loans and advances were up NZ$1,801 million (10% annualised) on the September 2005 position and up 13% from December 2004. Total customer deposits were up NZ$2,058 million (18% annualised) on the September 2005 position and up 10% from December 2004.

(1) The December 2005 quarter was the first financial reporting period for ANZ National Bank under IFRS. Comparative figures have not been restated for NZ IAS 32:Financial Instruments: Disclosure and Presentation, NZ IAS 39: Financial Instruments: Recognition and Measurement and NZ IFRS 4: Insurance Contracts.

ANZ National Bank maintained good balance sheet growth with net loans and advances increasing 13.1% in the 12 months to December and by NZ$1,801 million (10% annualised) to NZ$70.9 billion in the December quarter.

Total mortgage growth was NZ$1,256 million for the December quarter - up from growth of NZ$1,141 million in the December 2004 quarter, and an increase of 13.6% in the 12 months to December 2005 to NZ$39.6 billion. Customer deposits increased 9.5% in the 12 months to December, after growth of NZ$2,058 million (18% annualised) to NZ$47.5 billion in the December quarter.

Underlying costs of NZ$316 million were up 4% on the same period last year (refer Appendix), with an increased focus on efficiency helping offset continuing investment in branches and staff.

An improved Institutional Markets performance (capital markets and foreign exchange earnings) was the main driver of the stronger Institutional segment result for the quarter. Good lending growth drove an improved result in the Relationship Banking segment.

The ongoing impact from last year s intense price competition in mortgages, and the cost of the ongoing enhancement to the customer service proposition, constrained growth in the retail banking businesses. Restructuring, and competitive pressures on lending volumes and margins impacted the UDC performance for the quarter.

The credit environment remains benign, and this was reflected in a lower provisioning charge. The application of IFRS doubtful debts provisioning methodology also favourably impacted the provisioning charge.

Adjusting the headline profit for the impacts of adopting IFRS which are not reflected in the December 2004 results, relating to changed accounting treatment of derivative valuations, yield related fee income, credit provisioning and hedging relationships, and excluding integration costs, the Lloyds receipt and the run-off of discontinued structured finance transactions, profit after tax increased by 8% over the December 2004 quarter.

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APPENDIX KEY CALCULATIONS OF UNDERLYING RESULT

		QUARTER TO DEC-05 $m	QUARTER TO DEC-04 $m
Headline profit after tax		274	230
Add back:	Integration costs (post tax)	17	8
	IFRS adjustments		
	Mark to market of hedges	(12)	
	Credit provisioning	(21)	
	Fee income amortisation	6	
	Lloyds receipt	(15)	
	Discontinued business (structured finance)	(2)	(10)
Underlying profit after tax		**247**	**228**
Headline operating expenses		342	316
Add back:	Integration costs	(26)	(12)
	Discontinued business (structured finance)		(1)
Underlying operating expenses		**316**	**303**
Headline net operating income		742	679
Add back:	IFRS adjustments		
	Mark to market of hedges	(17)	
	Fee income amortisation	8	
	Lloyds receipt	(15)	
	Discontinued business (structured finance)	(1)	(7)
Underlying net operating income		**717**	**672**

ANZ NATIONAL BANK LIMITED GROUP

General Short Form

Disclosure Statement

for the three months ended 31 December 2005

Number 40 Issued February 2006

ANZ National Bank Limited

ANZ NATIONAL BANK LIMITED AND SUBSIDIARY COMPANIES

GENERAL SHORT FORM DISCLOSURE STATEMENT for the three months ended 31 December 2005

Contents

ANZ NATIONAL BANK LIMITED AND SUBSIDIARY COMPANIES

GENERAL DISCLOSURES

This Short Form Disclosure Statement has been issued in accordance with the Registered Bank Disclosure Statement (Off-Quarter - New Zealand Incorporated Registered Banks) Order 2005 (the Order).

In this Short Form Disclosure Statement unless the context otherwise requires:

a) Banking Group means ANZ National Bank Limited and all its subsidiaries; and

b) any term or expression which is defined in, or in the manner prescribed by, the Registered Bank Disclosure Statement (Off-Quarter - New Zealand Incorporated Registered Banks) Order 2005 shall have the meaning given in or prescribed by that Order.

General Matters

The full name of the registered bank is ANZ National Bank Limited (the Bank) and its address for service is Level 14, ANZ Tower, 215-229 Lambton Quay, Wellington, New Zealand.

The Bank was incorporated under the Companies Act 1955 by virtue of the ANZ Banking Group (New Zealand) Act 1979 on 23 October 1979, and was reregistered under the Companies Act 1993 on 13 June 1997.

The immediate parent company of the Bank is ANZ Holdings (New Zealand) Limited (incorporated in New Zealand). The immediate parent company is owned by ANZ Funds Pty Limited (incorporated in Australia).

The Ultimate Parent Bank is Australia and New Zealand Banking Group Limited, which is incorporated in Australia, and its address for service is 100 Queen Street, Melbourne, Australia.

The Bank is wholly owned by its immediate parent company and ultimately the Ultimate Parent Bank. The immediate parent company has the power under the Bank s Constitution to appoint any person as a Director of the Bank either to fill a casual vacancy or as an additional Director or to remove any person from the office of Director, from time to time by giving written notice to the Bank. The Reserve Bank of New Zealand must approve all appointments of Directors.

Material Financial Support

In accordance with the requirements issued by the Australian Prudential Regulatory Authority pursuant to the Prudential Statements, Australia and New Zealand Banking Group Limited, as the Ultimate Parent Bank, may not provide material financial support to the Bank contrary to the following:

the Ultimate Parent Bank should not undertake any third party dealings with the prime purpose of supporting the business of the Bank;

the Ultimate Parent Bank should not hold unlimited exposures (should be limited as to specified time and amount) in the Bank (e.g. not provide a general guarantee covering any of the Bank s obligations);

the Ultimate Parent Bank should not enter into cross default clauses whereby a default by the Bank on an obligation (whether financial or otherwise) is deemed to trigger a default of the Ultimate Parent Bank in its obligations;

the Board of the Ultimate Parent Bank in determining limits on acceptable levels of exposure to the Bank should have regard to:

the level of exposure that would be approved to third parties of broadly equivalent credit status. In this regard, prior consultation (and in cases approval) is required before entering exceptionally large exposures; and

the impact on the Ultimate Parent Bank s capital and liquidity position and its ability to continue operating in the event of a failure by the Bank.

the level of exposure to the Bank not exceeding:

50% on an individual exposure basis; and

150% in aggregate (being exposures to all similar regulated entities related to the Ultimate Parent Bank)

of the Ultimate Parent Bank s capital base.

Additionally, the Ultimate Parent Bank may not provide material financial support in breach of the Australian Banking Act (1959). This requires the Australian Prudential Regulatory Authority to exercise its powers and functions for the protection of a bank s depositors and in the event of a bank becoming unable to meet its obligations or suspending payment the assets of the bank in Australia shall be available to meet that bank s deposit liabilities in Australia in priority to all other liabilities of the bank.

The Ultimate Parent Bank has not provided material financial support to the Bank contrary to any of the above requirements.

Guarantors

The material obligations of the Bank are not guaranteed.

Directorate

Since the publication of the previous Disclosure Statement on 21 November 2005, Sir John Anderson resigned as Chief Executive of the Bank on 31 December 2005. Graham Kennedy Hodges was appointed Chief Executive of the Bank on 1 January 2006, having been appointed Chief Executive Designate of the Bank on 14 October 2005.

ANZ NATIONAL BANK LIMITED AND SUBSIDIARY COMPANIES

CONDITIONS OF REGISTRATION

Conditions of Registration, applicable as at 16 February 2006. These

Conditions of Registration have applied from 2 December 2005.

The registration of ANZ National Bank Limited (the Bank) as a registered bank is subject to the following conditions:

1. That the Banking Group complies with the following requirements at all times:

Capital of the Banking Group is not less than 8 percent of risk weighted exposures.

Tier 1 capital of the Banking Group is not less than 4 percent of risk weighted exposures.

Capital of the Banking Group is not less than NZ $15 million.

That the Bank complies with the following requirements at all times:

Capital of the Bank is not less than 8 percent of risk weighted exposures.

Tier 1 capital of the Bank is not less than 4 percent of risk weighted exposures.

Capital of the Bank is not less than NZ $15 million.

For the purposes of this condition of registration, capital, Tier 1 capital and risk weighted exposures shall be calculated in accordance with the Reserve Bank of New Zealand document entitled Capital Adequacy Framework (BS2) dated March 2005.

In its disclosure statements under the Registered Bank Disclosure Statement (Off-Quarter New Zealand Incorporated Registered Banks) Order 2005, the Bank must include all of the information relating to the capital position of both the Bank and the Banking Group which would be required if the second schedule of that Order was replaced by the second schedule of the Registered Bank Disclosure Statement (Full and Half-Year New Zealand Incorporated Registered Banks) Order 2005 in respect of the relevant quarter.

2. That the Banking Group does not conduct any non-financial activities that in aggregate are material relative to its total activities, where the term material is based on generally accepted accounting practice, as defined in the Financial Reporting Act 1993.

3. That the Banking Group s insurance business is not greater than 1% of its total consolidated assets. For the purposes of this condition:

(i) Insurance business means any business of the nature referred to in section 4 of the Insurance Companies (Ratings and Inspections) Act 1994 (including those to which the Act is disapplied by sections 4(1)(a) and (b) and 9 of that Act), or any business of the nature referred to in section 3(1) of the Life Insurance Act 1908;

(ii) In measuring the size of the Banking Group s insurance business:

(a) Where insurance business is conducted by any entity whose business predominantly consists of insurance business, the size of that insurance business shall be:

The total consolidated assets of the group headed by that entity;

Or if the entity is a subsidiary of another entity whose business predominantly consists of insurance business, the total consolidated assets of the group headed by the latter entity;

(b) Otherwise, the size of each insurance business conducted by any entity within the Banking Group shall equal the total liabilities relating to that insurance business, plus the equity retained by the entity to meet the solvency or financial soundness needs of the insurance business;

(c) The amounts measured in relation to parts a) and b) shall be summed and compared to the total consolidated assets of the Banking Group. All amounts in parts a) and b) shall relate to on balance sheet items only, and shall be determined in accordance with generally accepted accounting practice, as defined in the Financial Reporting Act 1993;

(d) Where products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets shall be considered part of the insurance business.

4. That aggregate credit exposures (of a non-capital nature and net of specific provisions) of the Banking Group to all connected persons do not exceed the rating-contingent limit outlined in the following matrix:

Credit Rating	**Connected exposure limit (% of the Banking Group s Tier 1 capital)**
AA/Aa2 and above	75
AA-/Aa3	70

A+/A1	60
A/A2	40
A-/A3	30
BBB+/Baa1 and below	15

Within the rating-contingent limit, credit exposures (of a non-capital nature and net of specific provisions) to non-bank connected persons shall not exceed 15 percent of the Banking Group s Tier 1 capital.

For the purposes of this condition of registration, compliance with the rating-contingent connected exposure limit is determined in accordance with the Reserve Bank of New Zealand document entitled Connected Exposure Policy (BS8) dated March 2005.

5. That exposures to connected persons are not on more favourable terms (e.g. as relates to such matters as credit assessment, tenor, interest rates, amortisation schedules and requirement for collateral) than corresponding exposures to non-connected persons.

6. That the board of the Bank contains at least two independent directors and that alternates for those directors, if any, are also independent. In this context an independent director (or alternate) is a director (or alternate) who is not an employee of the Bank, and who is not a director, trustee, or employee of any holding company (as that term is defined in section 5 of the Companies Act 1993) of the Bank, or any other entity capable of controlling or significantly influencing the Bank.

7. That the chairperson of the Bank s board is not an employee of the Bank.

8. That the Bank s constitution does not include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the company (i.e. the Bank).

9. That a substantial proportion of the Bank s business is conducted in and from New Zealand.

10. That none of the following actions may be taken except with the consent of the Reserve Bank:

(i) Any transfer to another person or entity (other than the Bank or any member of the Banking Group which is incorporated in, and operating in, New Zealand) of all or a material part of any business (which term shall include the customers of the business) carried on by the Bank (or any member of the Banking Group); and

(ii) Any transfer or change by which all or a material part of the management, operational capacity or systems of the Bank (or any member of the Banking Group) is transferred to, or is to be performed by, another person or entity other than the Bank (or any member of the Banking Group which is incorporated in, and operating in, New Zealand); and

(iii) Any action affecting, or other change in, the arrangements by which any function relating to any business carried on by the Bank (or any member of the Banking Group) is performed, which has or may have the effect that all or a material part of any such function will be performed by another person or entity other than the Bank (or any member of the Banking Group which is incorporated in, and operating in, New Zealand); and

(iv) Any action that prohibits, prevents or restricts the authority or ability of the board of the Bank or any statutory manager of the Bank (or the board of any member of the Banking Group or any statutory manager of any member of the Banking Group) to have unambiguous legal authority and practical ability to control and operate any business or activity of the Bank (or any member of the Banking Group).

11. That no appointment of any director, chief executive officer, or executive who reports or is accountable directly to the chief executive officer, shall be made in respect of the Bank unless:

(i) The Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee, and

(ii) The Reserve Bank has advised that it has no objection to that appointment.

12. (i) That the management of the Bank by its chief executive officer shall be carried out solely under the direction and supervision of the board of directors of the Bank.

(ii) hat the employment contract of the chief executive officer of the Bank shall be with the Bank. The chief executive officer s responsibilities shall be owed solely to the Bank and the terms and conditions of the chief executive officer s employment agreement shall be determined by, and any decision relating to the employment or termination of employment of the chief executive officer shall be made by, the board of directors of the Bank.

(iii) That all staff employed by the Bank shall have their remunerationdetermined by (or under the delegated authority of) the chief executive officer of the Bank and be accountable (directly or indirectly) solely to the chief executive officer of the Bank.

13. (i) That no later than 31 December 2005 the Bank shall locate and continue to operate in New Zealand the Bank s domestic system and the board of directors of the Bank will have legal and practical ability to control the management and operation of the domestic system.

(ii) That in respect of the international system the board of directorsof the Bank will, no later than 31 December 2006, have legal and practical ability to control the management and operation of the international system.

For the purposes of these conditions of registration, the term Banking Group means ANZ National Bank Limited s financial reporting group (as defined in section 2(1) of the Financial Reporting Act 1993).

For the purposes of these conditions of registration, the term domestic system means all property, assets, systems and resources (including in particular (but without limitation) the management, administrative and information technology systems) owned, operated, or used, by the Bank supporting, relating to, or connected with:

(a) the New Zealand dollar accounts and channels servicing the consumer banking market (but potentially also other customer segments); and

(b) the general ledger covering subsidiary ledgers for (a) above,together with a daily updated summary of the subsidiary ledgers running on the international system; and

(c) any other functions, operations or business of, or carried on by,the Bank (now or at any time in the future) that are not included in, or form part of, the international system;

other than property, assets, systems and resources that are not material to the domestic system, both individually and in aggregate.

For the purposes of these conditions of registration the term international system means those systems of the Bank generally having one or more of the following characteristics:

(a) supports foreign currency accounts/transactions;

(b) supports cross-border trade, payments and other transactions;

(c) supports businesses that operate in global markets;

(d) supports accounts and transactions undertaken by institutions, corporates and banks;

(e) used to manage large, volatile risk businesses which operate on a global basis;

(f) used to service customers who conduct accounts and transactions with the Bank in multiple countries;

(g) used by the non-Bank subsidiary companies.

ANZ NATIONAL BANK LIMITED AND SUBSIDIARY COMPANIES

CREDIT RATING INFORMATION

The Bank has two current credit ratings, which are applicable to its long-term senior unsecured obligations which are payable in New Zealand in New Zealand dollars. The credit ratings are:

Standard & Poor s	**AA-**
Moody s Investors Service	**Aa3**

The Standard & Poor s revised rating was first issued on 11 September 1996. There have been no changes in the credit rating issued in the past two years ended 31 December 2005. The rating is not subject to any qualifications.

The Moody s Investors Service rating was first issued on 31 July 2000. There have been no changes in the credit rating issued in the past two years ended 31 December 2005. The rating is not subject to any qualifications.

The following is a description of the major ratings categories by Ratings Agency:

Standard & Poor s Credit rating scale for long-term ratings:

Ratings scale	Description
AAA	Extremely strong capacity to pay interest and repay principal in a timely manner. Highest rating assigned.
AA	Very strong capacity to pay interest and repay principal in a timely manner. This differs from the highest rating only in a small degree.
A	Strong capacity to pay interest and repay principal in a timely manner, but may be more susceptible to the adverse effects of changes in circumstances and economic conditions than higher rated entities.
BBB	Adequate capacity to pay interest and repay principal in a timely manner, however adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to meet debt servicing commitments than higher rated entities.
BB	A degree of speculation exists with respect to the ability of an entity with this credit rating to pay interest and repay principal in a timely manner. Adverse business, financial, or economic conditions could impair the borrower s capacity to meet debt service commitments in a timely manner.

B	Entities rated B are more vulnerable to adverse business, financial or economic conditions than entities in higher rating categories. Adverse business, financial or economic conditions will likely impair the borrower s capacity or willingness to meet debt service commitments in a timely manner.
CCC	Entities rated CCC are currently vulnerable to default and are dependent on favourable business, financial and economic conditions to meet debt service commitments in a timely manner. In the event of adverse business, financial or economic conditions the entity is likely to default.
CC	Entities rated CC are currently highly vulnerable to non-payment of interest and principal.
C	Entities rated C have filed a bankruptcy petition or taken similar action, but payment of obligations are being continued.
D	D rated entities are in default. This is assigned when interest or principal payments are not made on the date due or when an insolvency petition or a request to appoint a receiver is filed.

Plus (+) or Minus (-): The ratings from **AA** to **CCC** may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Moody s Investors Service - Credit rating scale for long-term ratings:

Ratings scale	**Description**
Aaa	Judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as gilt edged . Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualised are most unlikely to impair the fundamentally strong position of such issues.
Aa	Judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat larger than the Aaa securities.
A	Possess many favourable investment attributes and are to be considered as upper-medium-grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment some time in the future.
Baa	Considered as medium-grade obligations (i.e. they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.
Ba	Judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate, and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterises bonds in this class.
B	Generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.
Caa	These bonds are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.
Ca	Represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.
C	These are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Moody s Investors Service bond ratings, where specified, are applied to financial contracts, senior bank obligations and insurance company senior policyholder and claims obligations with an original maturity in excess of one year.

Moody s Investors Service applies numerical modifiers **1**, **2** and **3** in each generic rating classification from **Aa** through **Caa** . The modifier **1** indicates that the obligation ranks in the higher end of its generic rating category; the modifier **2** indicates a mid-range ranking; and the modifier **3** indicates a ranking in the lower end of that generic rating category.

ANZ NATIONAL BANK LIMITED AND SUBSIDIARY COMPANIES

INCOME STATEMENT for the three months ended 31 December 2005

	Note	Unaudited 3 months to 31/12/2005 $m	Consolidated Unaudited 3 months to 31/12/2004 $m	Audited Year to 30/09/2005 $m
Interest income		**1,726**	1,413	5,985
Interest expense		**1,213**	931	4,069
Net interest income		**513**	482	1,916
Net trading gains		**54**	24	127
Other operating income		**170**	173	723
Share of profit of equity accounted associates and jointly controlled entities		**5**		1
Net operating income		**742**	679	2,767
Operating expenses		**342**	316	1,324
Profit before impairment losses and income tax		**400**	363	1,443
Impairment losses on loans and advances	**10**	**1**	32	122
Profit before income tax		**399**	331	1,321
Income tax expense	**3**	**125**	101	404
Profit for the period		**274**	230	917

The notes on pages 11 to 47 form part of and should be read in conjunction with these financial statements.

ANZ NATIONAL BANK LIMITED AND SUBSIDIARY COMPANIES

STATEMENT OF RECOGNISED INCOME AND EXPENSE for the three months ended 31 December 2005

	Note	Unaudited 3 months to 31/12/2005 $m	Consolidated Unaudited 3 months to 31/12/2004 $m	Audited Year to 30/09/2005 $m
Available-for-sale revaluation reserve:				
Valuation gain recognised after tax		**1**		
Cash flow hedges:				
Loss recognised after tax		**(11)**		
Actuarial gain on defined benefit plans after tax			1	4
Net (expense) income recognised directly in equity	**14**	**(10)**	1	4
Profit for the period		**274**	**230**	917
Total recognised income and expense for the period		**264**	**231**	921

The notes on pages 11 to 47 form part of and should be read in conjunction with these financial statements.

ANZ NATIONAL BANK LIMITED AND SUBSIDIARY COMPANIES

BALANCE SHEET as at 31 December 2005

	Note	Unaudited 31/12/2005 $m	Consolidated Unaudited 31/12/2004 $m	Audited 30/09/2005 $m
Assets				
Liquid assets	**4**	**1,852**	2,365	1,857
Due from other financial institutions	**5**	**5,624**	3,189	5,472
Trading securities	**6**	**751**	1,060	912
Derivative financial instruments		**1,490**	1,937	1,270
Investment securities	**7**	**1,250**	1,294	1,270
Net loans and advances	**8, 9, 10**	**70,940**	62,712	69,139
Shares in associates and jointly controlled entities		**167**	23	158
Current tax assets		**4**		66
Other assets		**623**	866	945
Deferred tax assets		**350**	390	415
Premises and equipment		**733**	652	718
Goodwill and other intangible assets		**3,281**	3,410	3,279
Total assets		**87,065**	77,898	85,501
Liabilities				
Due to other financial institutions		**2,747**	1,533	4,204
Deposits and other borrowings	**11**	**58,638**	57,458	59,546
Derivative financial instruments		**1,583**	2,298	1,660
Payables and other liabilities		**1,513**	1,714	1,589
Current income tax liabilities			143	
Deferred tax liabilities		**169**	115	150
Provisions		**147**	141	142
Bonds and notes		**9,857**	2,901	6,139
Related party funding		**2,643**	2,616	2,650
Loan capital	**12**	**1,457**	1,363	1,475
Total liabilities		**78,754**	70,282	77,555
Net assets		**8,311**	7,616	7,946
Equity				
Paid in share capital	**13**	**5,943**	5,943	5,943
Reserves	**14**	**30**		
Retained profits	**14**	**2,338**	1,673	2,003
Total equity		**8,311**	7,616	7,946

The notes on pages 11 to 47 form part of and should be read in conjunction with these financial statements.

ANZ NATIONAL BANK LIMITED AND SUBSIDIARY COMPANIES

CASH FLOW STATEMENT for the three months ended 31 December 2005

	Note	Unaudited 3 months to 31/12/2005 $m	Consolidated Unaudited 3 months to 31/12/2004 $m	Audited Year to 30/09/2005 $m
Cash flows from operating activities				
Interest received		**1,458**	1,362	5,861
Dividends received				1
Fees and other income received		**254**	207	953
Interest paid		**(1,100)**	(799)	(3,589)
Operating expenses paid		**(330)**	(297)	(1,288)
Income taxes paid		**(23)**	(57)	(521)
Cash flows from operating profits before changes in operating assets and liabilities		**259**	416	1,417
Changes in operating assets and liabilities:				
Net (increase) decrease in due from other financial institutions - term		**(195)**	686	(840)
Net decrease (increase) in trading securities		**161**	(380)	(232)
Net increase in derivative financial instruments		**(227)**	(485)	(456)
Net increase in loans and advances		**(1,388)**	(2,359)	(8,870)
Net decrease in other assets		**503**	271	222
Net (decrease) increase in due to other financial institutions - term		**(467)**	(42)	1,814
Net (decrease) increase in deposits and other borrowings		**(1,395)**	3,463	5,301
Net decrease in payables and other liabilities		**(72)**	(152)	(344)
Net cash flows (used in) provided by operating activities	**21**	**(2,821)**	1,418	(1,988)
Cash flows from investing activities				
Proceeds from sale of shares in associates and jointly controlled entities				9
Proceeds from sale of shares in subsidiaries				158
Proceeds from sale of premises and equipment		**15**	14	66
Net decrease in investment securities		**102**	79	296
Purchase of shares in associates and jointly controlled entities		**(4)**	(2)	(166)
Purchase of premises and equipment		**(63)**	(59)	(263)
Net cash flows provided by investing activities		**50**	32	100
Cash flows from financing activities				
Proceeds from bonds and notes		**3,718**	184	3,425
Redemptions of bonds and notes				(82)
Proceeds from loan capital				200
Redemptions of loan capital				(100)
Net decrease in related party funding		**(7)**		(127)
Dividends paid				(360)
Net cash flows provided by financing activities		**3,711**	184	2,956

Net cash flows (used in) provided by operating activities	**(2,821)**	1,418	(1,988)
Net cash flows from investing activities	**50**	32	100
Net cash flows from financing activities	**3,711**	184	2,956
Net increase in cash and cash equivalents	**940**	1,634	1,068
Cash and cash equivalents at beginning of the period	**3,242**	2,174	2,174
Cash and cash equivalents at end of the period	**4,182**	3,808	3,242
Reconciliation of cash and cash equivalents to the balance sheet			
Liquid assets	**1,852**	2,365	1,857
Due from other financial institutions - less than 90 days	**3,282**	2,648	3,405
Due to other financial institutions - less than 90 days	**(952)**	(1,205)	(2,020)