

BEING DIFFERENT



2007 Annual General Meeting

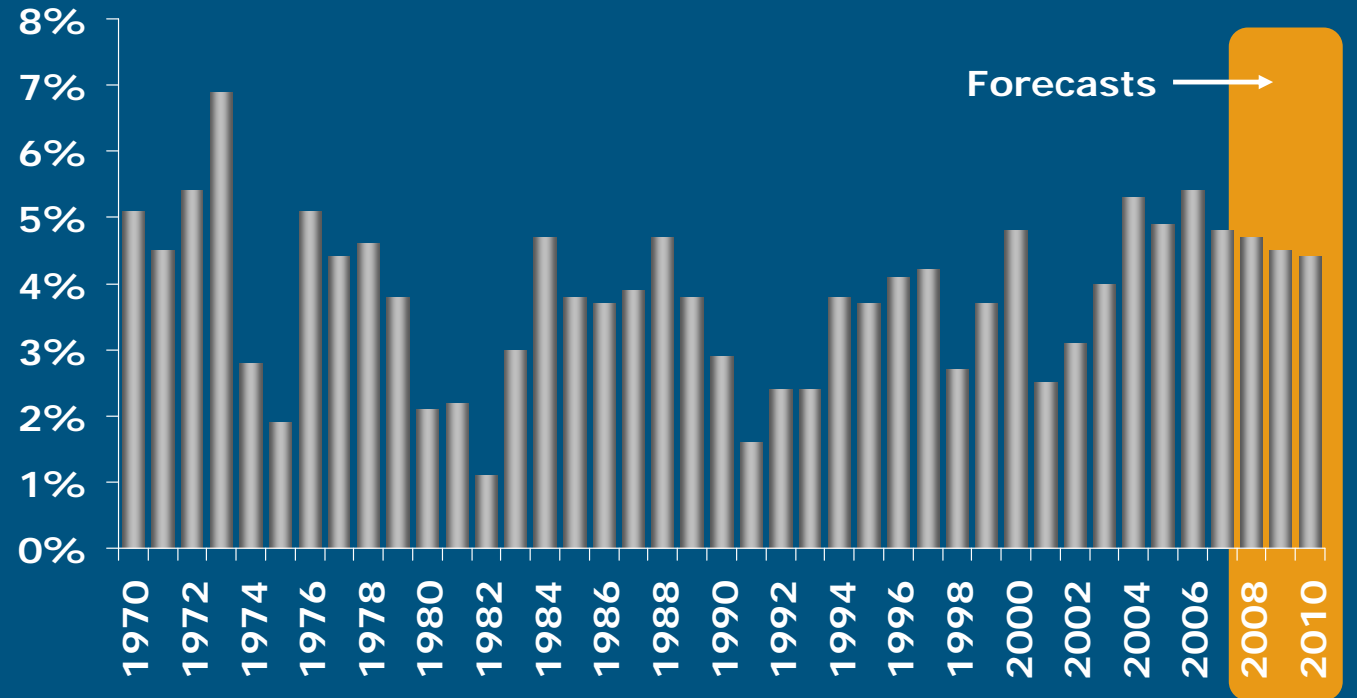


Michael Smith
Chief Executive Officer

2007 Annual General Meeting

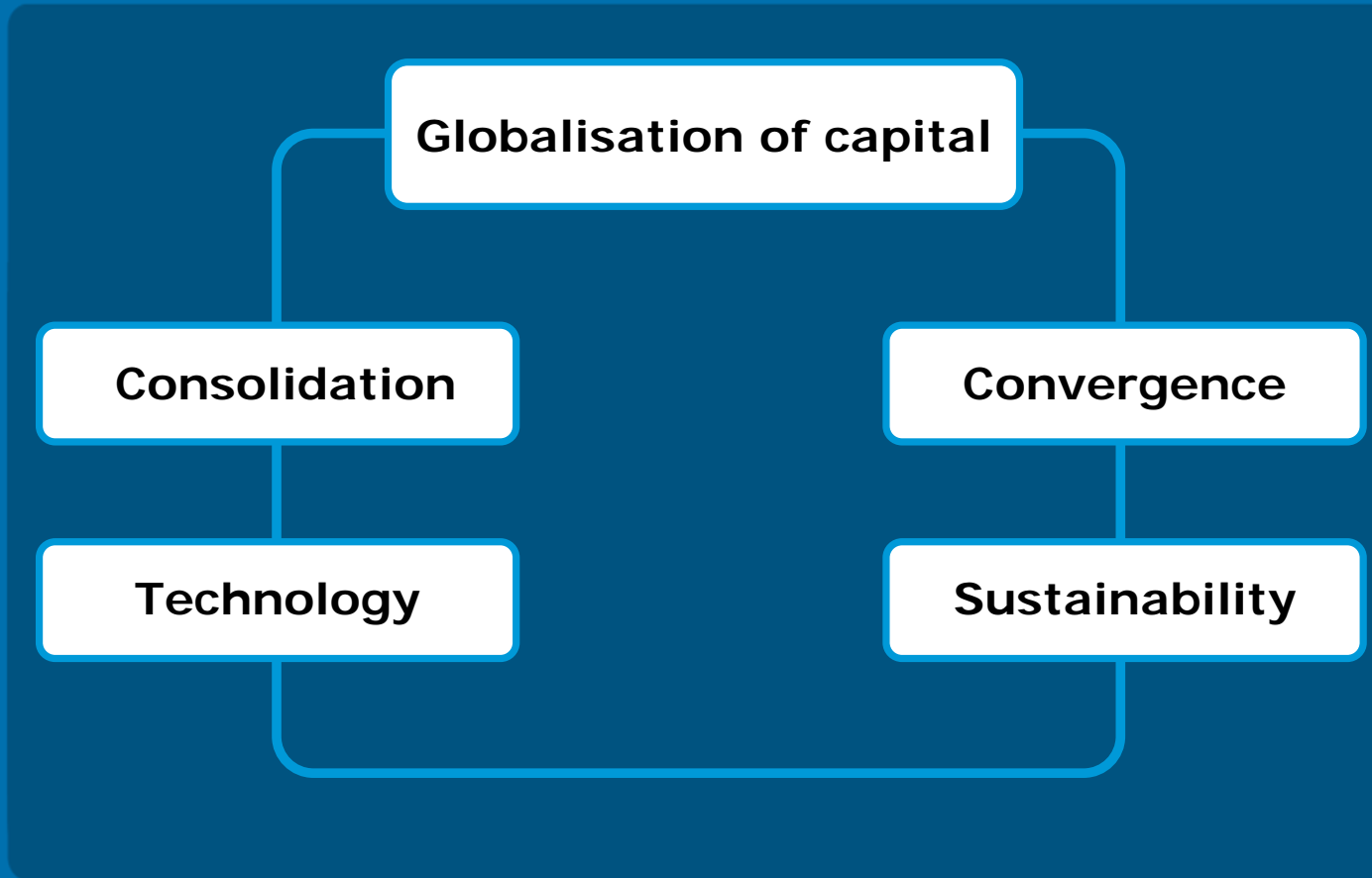
Views on the global economy

Global economic growth



Sources: IMF and Economics@ANZ . Note: GDP is measured in US\$ at purchasing power parities

Major trends changing the world for banks and financial institutions



Asia – an important driver of growth

- Top 10 European banks on average generate 11% of revenue from Asia Pacific
- HSBC, Standard Chartered, UBS and Deutsche Bank generate \$41bn revenue in Asia
- In contrast, Australian banks generate ~1% of revenue from Asia

Consolidation and convergence

- Expect continued consolidation of financial services businesses
- 700 European banks expected to disappear through mergers over the next three years*
- Increased competition and greater reliance on technology

*based on analysis from Deloitte Accounting and Consulting firm

Investing in people

ANZ has great people



and a great culture

The next stage

- Greater self confidence
- Develop and recruit people who want to be the best

My early impressions

Divisional level

Personal

Great shape

Share of wallet
opportunity

Institutional

Strong franchise

Under-performing
peers

New Zealand

Performing well

Constrained by
the economy

Asia/Pacific

Largest exposure
of Aus banks

High potential
Missed
opportunities

Group level

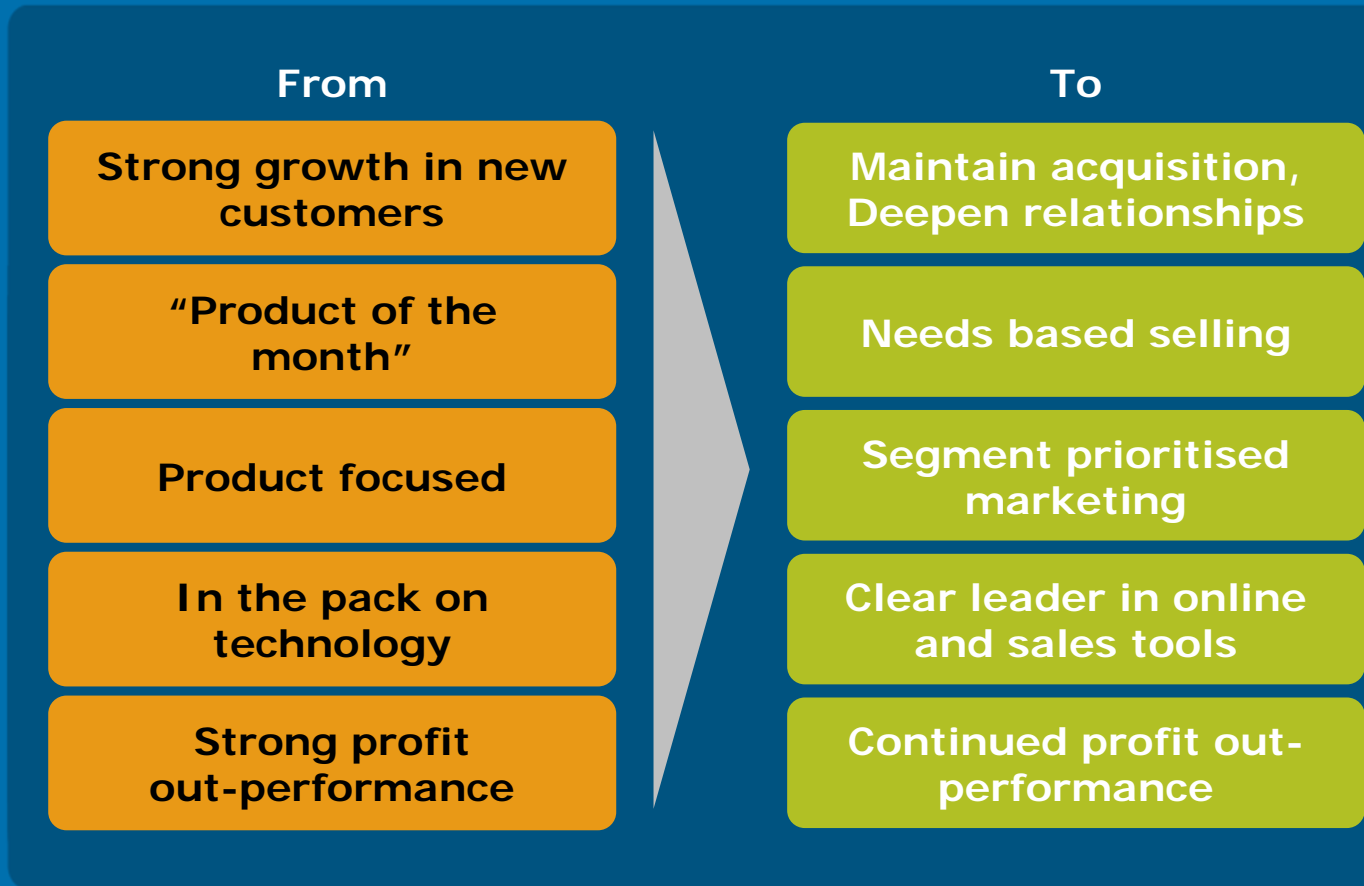
- Leadership strength
- Great culture ... but needs more edge

- Sights set too low
- Systems a constraint
- Issues with business mix

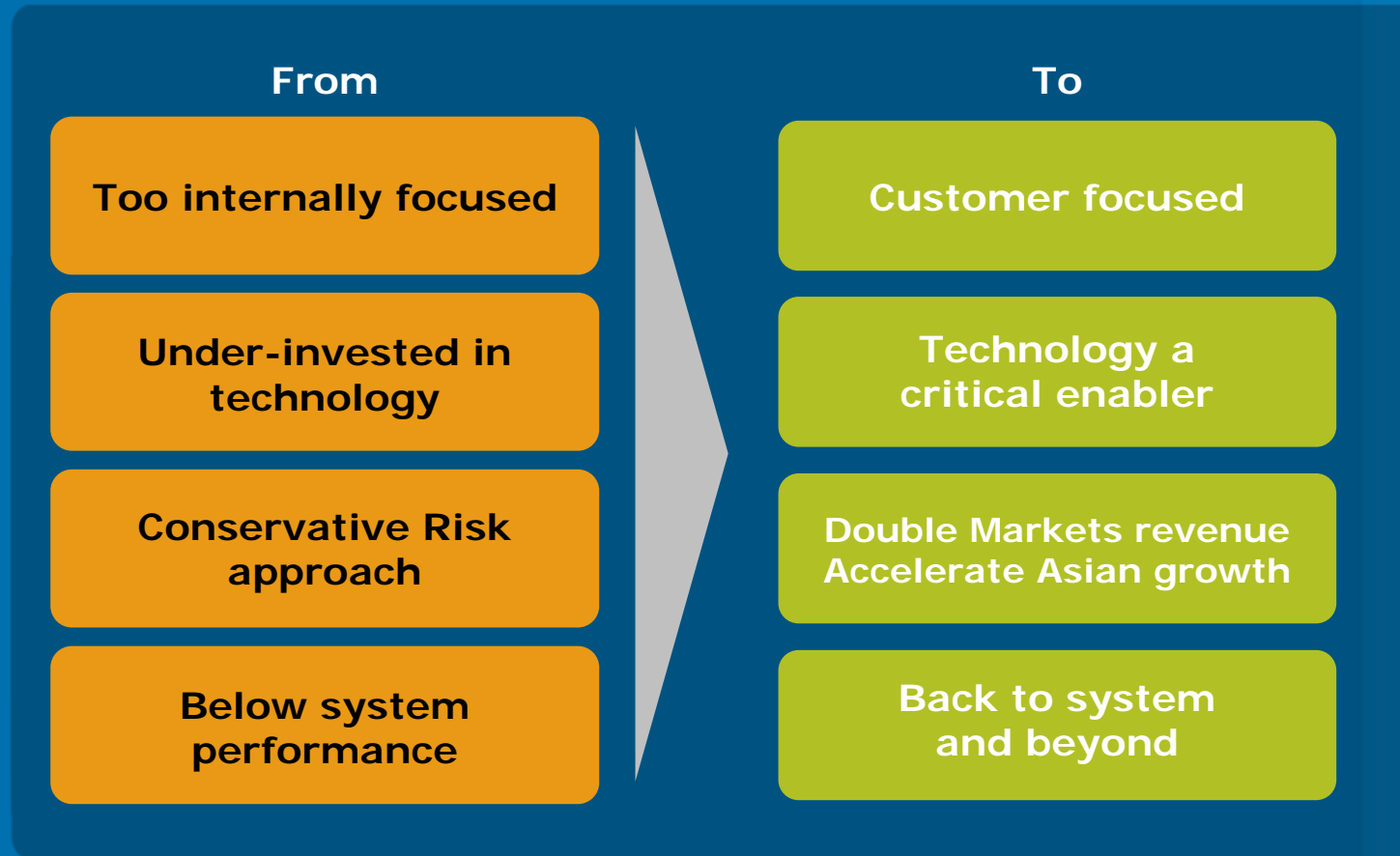
Overall impression: call to action

- Aim higher
- Drive growth and out-performance

Personal – Leading share of wallet



Institutional – Back to system



New Zealand – Growing share, sub 40% CTI

From

Defending share,
repositioning ANZ

Incremental cost
improvement

Duplicate retail
systems

Stable performance in
line with market

To

Customer acquisition,
targeted segments

Drive cost to income
below 40%

Single system

Sustained
out performance

Asia-Pacific – As big as NZ by 2012

From

**Maintaining our
network franchise**

**Focus on Australia/NZ
linked customers**

**Asia platform via
Partnerships**

**7 per cent of Group
Net Profit After Tax**

To

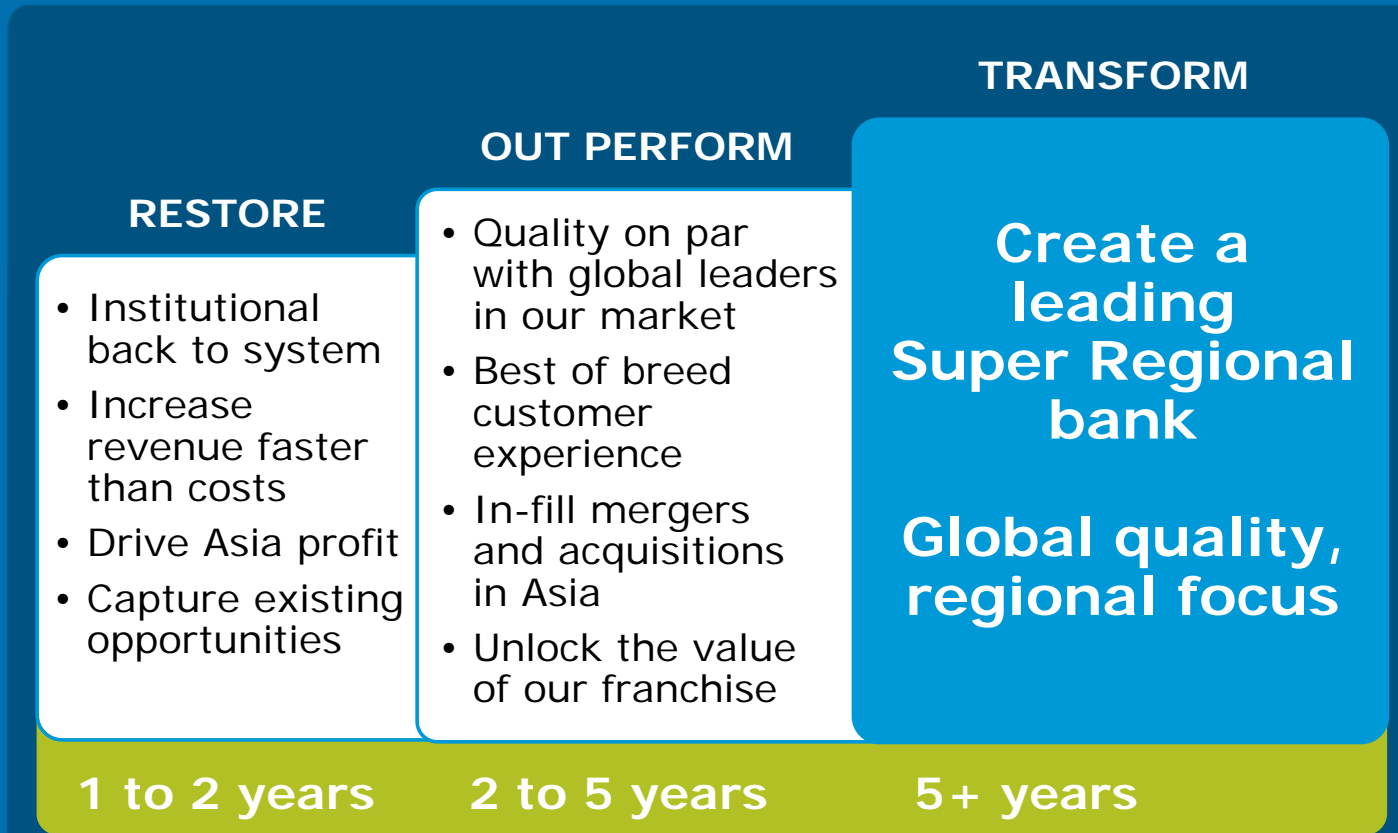
**Deepening franchise,
customer base &
capabilities**

Broaden focus

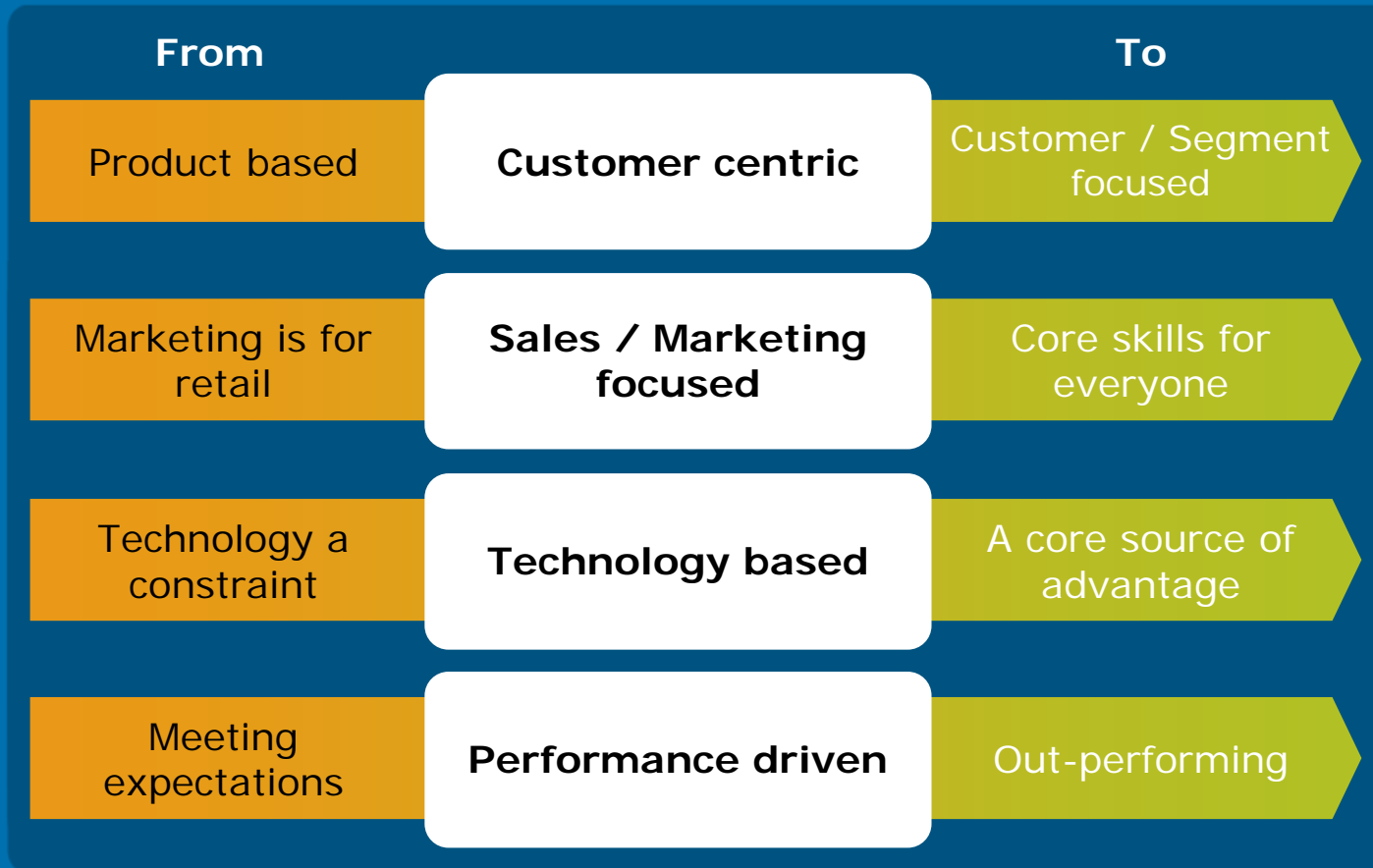
**Focused on core
geographies**

**As big as NZ by 2012
(~20%)**

Our journey to becoming a super regional bank



Growth based on four core capabilities



Our vision is for ANZ to be a super regional bank

