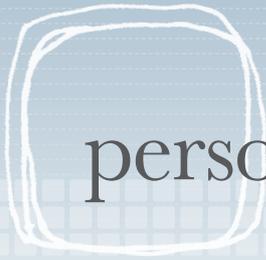


Convenience, simplicity and responsible values. That's what makes us a very different bank.





personal report

A MESSAGE FROM BRIAN HARTZER



“We want to deliver convenience and simplicity for our customers in a responsible manner”.

Brian Hartzer,
Group Managing Director, Personal.



ANZ's Customer Charter was updated and strengthened in November 2005 to reflect today's consumer. Our new Customer Charter includes nine commitments to convenient and simple banking and introduces a new responsible lending code – a first for an Australian bank.

The promises made in the Customer Charter reflects feedback from our people, consumer groups, community organisations and regulatory bodies, and most importantly our customers. It also helps us measure our progress in providing more convenient banking – helping our customers save time and manage their finances better.

Our performance against these targets is monitored monthly, independently reviewed and reported on annually.

Some highlights of our Customer Charter performance over the past year include:

- Opened 84 branches on Saturdays and 88 for extended hours on some weekdays (Thursday and/or Friday)
- Installed more than 300 ATMs during the year
- Serving 88% of our branch customers within 5 minutes, and 99% within 10 minutes*
- Our continued investment in community programs aimed at improving the financial literacy of Australians, particularly the most vulnerable and disadvantaged groups
- The only bank in Australia to introduce a responsible lending code.

Our commitments in the Customer Charter contributed to a number of independent awards over the past 12 months including:

- The continued highest customer satisfaction of any major bank in Australia, according to the Roy Morgan Finance Monitor.
- Awarded Home Lender of the Year for the eighth time.**
- Our Australian Call Centre was recognised as the best call centre in Australia for a third year in a row, by the International Customer Service Professionals. To achieve this award, our call centre and others were benchmarked against world's best practice and ANZ's call centre was judged to be the closest to best practice. Our customer call centres are located in Australia, where we have committed they will remain.
- Our branch network was awarded an Australian Service Excellence Award from the Customer Service Institute of Australia.
- Money magazine (with CANNEX) awarded ANZ the Reader's Choice for Service Excellence.
- We won the Special Award for Impact in the Community in the 2006 Prime Ministers Awards for Excellence in Community Business Partnerships. This award acknowledged our financial literacy and inclusion programs and partnerships as well as significant other partnerships and our staff engagement programs.

The Charter promises are comprehensive and designed to challenge us to deliver superior products and service and a very different banking experience every day. Achieving the target set is definitely not easy, but we know that a focus on the little and big things that matter to our customers is essential to our growth and continued success.

* Based on data from ANZ branches with Q-matic system.

** Money magazine's Home Loan Lender of the Year 2005 and 2006.
Personal Investor magazine's Home Lender of the Year 1999-2002, 2004 and 2005.



Brian Hartzler - Group Managing Director, Personal Division

Promise 1 Convenient access

We will:

- maintain our branch presence in the rural communities we serve;
- continue to expand our branch network by opening new branches;
- open selected branches on Saturdays and for extended hours on weekdays;
- keep our call centre open 24 hours a day, 7 days a week;
- install more than 200 ATMs over the next year;
- have our website www.anz.com, Internet Banking, Phone Banking and EFTPOS available at least 99% of the time.

How we performed

We maintained all our rural branches as promised. In fact, we have extended our branch presence by opening three new rural ANZ branches and by installing 63 new ATMs. Our new rural branches are located in Scone, NSW; Dunsborough, WA and Cooktown, QLD.

We continued to expand our retail branch network by opening 22 new branches over the past 12 months. Our new branches are located in Thirroul, Warringah, Macarthur Square, Plumpton, Chifley Square, Sydney Airport, Norwest, NSW; Clarkson, Livingston, Melville, Falcon Dawesville, WA; Woodcroft, SA;

Diamond Creek, Wyndham Village, Deakin University, Caroline Springs, Waverley Gardens, Somerville, VIC; Chancellor Park, Miami, Morayfield, QLD and Gungahlin, ACT.

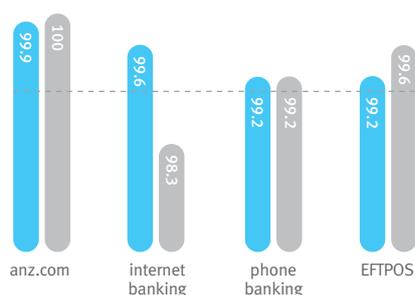
To provide our customers with more convenient banking options, we have extended banking hours in 125 branches (Thursday or Friday night until 7pm and/or Saturday mornings). 84 branches have opened on Saturdays, 69 have been open on Thursday and 19 on Friday for extended hours (until 7pm).

We added 330 (net) new ATMs over the past twelve months (exceeding our target of 200).

We continue to meet our performance targets for our website www.anz.com, Phone Banking and EFTPOS being available 100%, 99.2% and 99.6% respectively.

However, for Internet Banking, this was available 98.3% (unscheduled outages only) and 95.5% of the time, when we include both scheduled and unscheduled outages. This is due to an increase in scheduled outages, to support the upgrade of our Internet Banking platform. The platform was upgraded to enable ANZ Internet Banking to manage projected increases in customer registrations and transaction volumes and also reduce fraud via enhanced security, making it more convenient for our customers.

Percentage availability of anz.com, internet banking* phone banking and EFTPOS %



■ 2005 ■ 2006 --- Target

* Unscheduled outages only



Tim Davies, Environmental Sustainability Analyst, Operations Technology and Shared Services.

Promise 2 Quick, friendly and reliable service

We will:

- aim to serve you within five minutes in our branches;
- aim to answer your call to our call centre within 60 seconds;
- provide you with friendly and reliable service by staff that are qualified to serve you.

How we performed

This year we installed 53 Q-matic systems in selected branches, increasing our total to 187. This Q-matic system allows us to identify how long customers wait to be served and provides us with the ability to react in real time. Of these Q-matic branches, 88% of customers were served in less than 5 minutes and 99% were served within 10 minutes. This means that 12% of our customers waited more than 5 minutes compared to 10% the previous year.

Queue wait time results show that the average customer wait time in our branch is 2.26 minutes compared to 1.4 minutes last year.

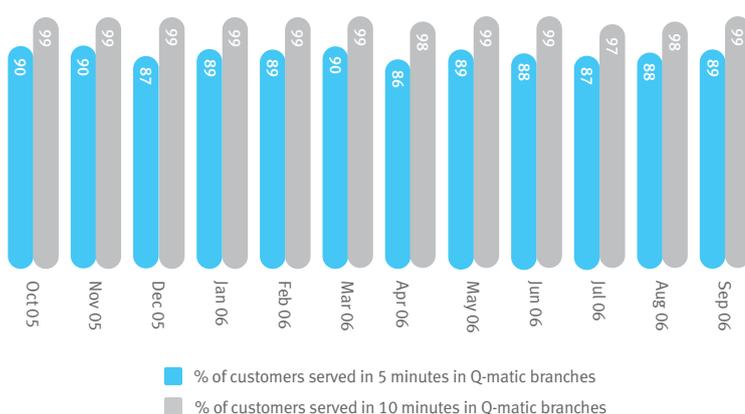
To obtain our queue wait times, Mystery Shopping was conducted by an independent third party monthly, in every branch within the network from Oct '05 – Apr '06.

Since May '06, the Q-matic system in 187 branches has been used to measure average queue wait times.

We answered 91% of our calls to our 13 13 14 number in 60 seconds (same as last year) and 90% of our calls to our 13 22 73 number in 60 seconds, compared to 92% last year.

To ensure our customers are provided with friendly and reliable service by our staff, our On-boarding outbound calling program was used to measure our performance against this promise. The On-boarding program aims to obtain real feedback from real customers by asking both new and existing customers, who have opened a new account (all accounts except mortgages and insurance) in a branch in the last two weeks, to provide feedback about their account opening experience. Customers are asked a series of six questions, in order to assess the sales process and get an overall satisfaction weighting for the experience. We achieved a 76.9% overall customer satisfaction rating since the program was introduced in April 2006.

Percentage of customers served in 5 and 10 minutes (based on Q-matic data)



Average queue wait times (minutes)



Promise 3 Swift resolution of complaints

We will:

- aim to resolve your complaint within 48 hours and within a maximum of five business days;
- let you know who is responsible for resolving your complaint if we expect this to take longer than 48 hours;
- offer to have your complaint reviewed by our Customer Advocate, if we can't resolve it to your satisfaction;
- provide you with information on external financial services dispute resolution if you are not satisfied with the steps taken by ANZ to resolve your complaint.

How we performed

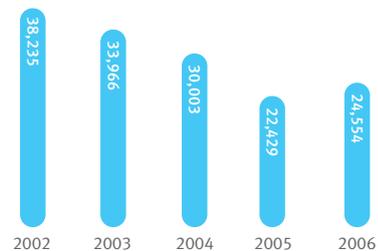
This year our Customer Response Centre received 24,554 complaints compared to 22,429 last year.

We responded to 99% of complaints within 48 hours, compared to 97% last year.

Of the complaints received, 90% were resolved within 48 hours and 96% (since December 2005) were resolved in five working days. The average number of days to resolve a customer complaint was 1.15 days, compared to 1 day last year.

The position of Customer Advocate was established in 2002 to facilitate prompt and impartial conclusions to more difficult complaints with a bias towards our customers. The complete Customer Advocate Report 2006 will be available on anz.com.

Number of complaints received



Number of complaints received by the Australian Customer Response Centre in the past five years.

Number of customer complaints



Promise 4 Simple products

We will provide you with clear choices in everyday personal banking accounts:

- an account with either unlimited ANZ transactions for a \$5 monthly fee, or an account which allows you to manage your monthly fees by limiting the type and number of withdrawals you do each month;
- fee-free Internet Banking for all everyday personal banking accounts;
- an everyday personal banking account with unlimited ANZ transactions and no monthly fee for seniors, health care cardholders, people under 18 and Centrelink payment recipients.

How we performed

We kept our promise by offering customers simple everyday personal banking accounts through our Access Advantage and our Access Select accounts.

We continue to offer fee-free Internet Banking for all everyday personal banking accounts.

The ANZ Access Advantage account provides unlimited ANZ transactions and no monthly fee for students, seniors, people under 18 and customers with a disability.

The ANZ Access Basic account provides unlimited ANZ transactions and no monthly fee for health card holders and Centrelink payment recipients.

Promise 5 Fast account opening

We will refund one month's standard fee or its equivalent if we do not meet our account opening standards:

- have your personal banking account available within 24 hours of satisfying identity requirements;
- answer standard loan applications quickly:
 - personal loan and car loan applications within one business day;
 - home loan applications within two business days;
- answer your standard credit card application within four business days.

How we performed

Personal Banking – Where identity requirements have been satisfied, 100% of accounts were opened within 24 hours in the branch network, telephone system and the Internet channel. No breaches were identified.

Personal Loans – We answered 100% of our standard applications (148,668) within one business day. No breaches were identified.

Home Loans – Out of a total 278,257 standard home loan applications answered 10,790 breaches were identified, resulting in a refund of \$107,900 to our customers. Last year \$52,960 was refunded to 5,296 customers. Breaches were the result of unexpectedly high application volumes through the first half of 2006 with significant efforts undertaken to reduce the breach rates in recent months.

Car loans – We answered 137,536 out of 137,548 standard car loan applications within one business day. Twelve breaches were identified, resulting in \$252 being refunded to customers. In the previous year, we answered 135,620 applications within one business day. A total of 127 breaches were identified and a total of \$2,625 was refunded to customers.

Credit cards – Since February 2006, we have answered 282,962 out of 282,971 standard credit card applications within four business days. Nine breaches were identified, resulting in \$90 being refunded to customers.

Promise 6 Simple and clear communication

We will:

- write our letters, brochures, ATM and website messages and other notices in plain language.

How we performed

We measured our performance on this promise by our customers' overall satisfaction with our communication. When customers were asked "overall, how satisfied are you with ANZ's communication?" they rated their satisfaction at 7.9 out of 10, compared to 7.4 last year.

Customers were also asked "how satisfied are you that letters, brochures, ATM messages and other notices are written in plain language?" This year satisfaction was rated at 7.9 out of 10, compared to 7.4 last year.

Customer satisfaction results quoted in this report for 2006 are from research surveys conducted for ANZ by The Social Research Centre.

Promise 7 Privacy

We will:

- keep your personal information private and secure.

How we performed

For the purpose of this report, the number of privacy-related enquiries and complaints we receive from our customers to our Customer Response Centre is used to measure our performance with this promise.

During this year, we received five such enquiries or complaints and we rectified four that required further action. This compares to 38 enquiries or complaints received last year and 20 cases that required further action.

Promise 8 Financial literacy

We will:

- continue to invest in community programs aimed at improving the financial literacy of Australians, particularly the most vulnerable and disadvantaged groups;
- work through our community partners to:
 - deliver our Saver Plus matched savings program to 1,000 low income families who are committed to improving their financial literacy, building a long term savings habit and saving for their children's education;
 - fund the training of financial counsellors and community educators to deliver our MoneyMinded program, aimed at building the skills, confidence and knowledge of low income earners, to 15,000 Australians.

How did we perform?

Continued investment in financial literacy programs for vulnerable Australians:

ANZ continues to build its commitment to issues of financial literacy and inclusion for vulnerable Australians as identified through our research. This includes low-income individuals and families, Indigenous Australians and others at risk of exclusion from safe, fair and appropriate mainstream banking. This investment is demonstrated with the description of some new and emerging initiatives:

MoneyBusiness - Indigenous financial literacy program

MoneyBusiness aims to build the money management and savings skills of Indigenous people and their families. The program's implementation is in progress in six remote sites in the Northern Territory and Western Australia as part of the pilot program in partnership with the Department of Families, Community Services and Indigenous Affairs (FaCSIA) and local community organisations. Eighteen local staff have been appointed from within Indigenous communities to manage the program. Training materials have been developed and a version of ANZ's Saver Plus financial literacy and matched savings program is being developed for pilot in three sites.

Partnership with the Traditional Credit Union

ANZ continues its partnership with the Traditional Credit Union to develop a financial literacy program and strategy for members and staff in Indigenous communities in the Northern Territory. The program will incorporate the use of the MoneyBusiness financial literacy resource.

Opening Financial Pathways

The Opening Financial Pathways project (supported by First Nations Foundation and ANZ) aims to improve the capability of Indigenous Australians in the Shepparton region to control, develop & secure their own economic wellbeing. The project includes development of a financial literacy program for the local Indigenous community that focuses on assisting individuals / families / communities to:

- Understand the way finance-related expectations, values, needs, aspirations and decisions can impact on their lives;
- Improve their knowledge of the costs, risks and benefits of financial instruments;
- Identify & engage tailored financial pathways to assist them achieve their personal & group goals.

Delivery of the Saver Plus and MoneyMinded financial literacy programs with community partners:

Saver Plus

ANZ has commenced significant expansion of its Saver Plus financial literacy and matched savings program by extending its partnerships with The Brotherhood of St Laurence, The Smith Family, The Benevolent Society and Berry Street Victoria. This program helps families on low incomes to achieve a savings goal and establish a long term savings habit by providing them with financial literacy training and the incentive to save by matching every \$1 saved with another \$1, up to \$1,000 in matched savings. The matched savings are then spent on educational expenses for children or adult vocational training.

New partnership agreements with ANZ's four community partners is seeing the implementation of Saver Plus in 18 sites nationally, enabling the involvement of up to 5,400 families over the next 3 years. This includes 6 sites in Victoria, which will be delivered in partnership with the Victorian Government. During 2005/06, over 700 participants were involved in the program, and recruitment is continuing to achieve the increased scale and reach outlined above.

MoneyMinded

MoneyMinded is an independent adult financial education program developed to help improve the financial skills, knowledge and confidence of Australians. The program is delivered by community sector workers in recognition of their appropriateness and ability to deliver genuine unbiased consumer education.

RMIT University has conducted independent measurement of the reach and impact of MoneyMinded, and has reported that 15,279 people have participated in our MoneyMinded financial education program through group workshops and one-to-one meetings with financial counsellors and community educators across Australia in 2005/06. ANZ partners with a range of community organisations to deliver MoneyMinded in the community. Additionally, MoneyMinded online, an interactive financial education website, has been launched and is currently reaching a large number of employees, customers and other members of the community.

Promise 9 Responsible lending

We will:

- not offer you a credit card limit increase if you have a recent poor performance or are struggling to meet repayments on your ANZ credit card – one indicator of this may be that you are only making minimum monthly repayments on that card;
- not offer you a credit limit increase if we know that you are on a fixed income, for example, receiving a government pension (e.g. old age pension, veteran's pension);
- provide you with information about easy and efficient ways to reduce your credit card limit;
- ensure your minimum monthly credit card repayment does not fall below 2% of the outstanding balance, unless:
 - you are in financial difficulty and we are assisting with reduced repayments;
 - you have accepted a special offer where for a specified period either no interest or a concessional interest rate is charged and no repayment required.
- with any credit card limit increase offer:
 - outline how much the minimum monthly repayment would increase if the offer was accepted;
 - recommend you reject the offer if your personal circumstances have changed;
 - include information about how to request a lower offer.
- explain in clear and simple terms how interest on your credit card or loan is calculated and charged, what fees may apply and when, and the consequences of paying late on your credit;

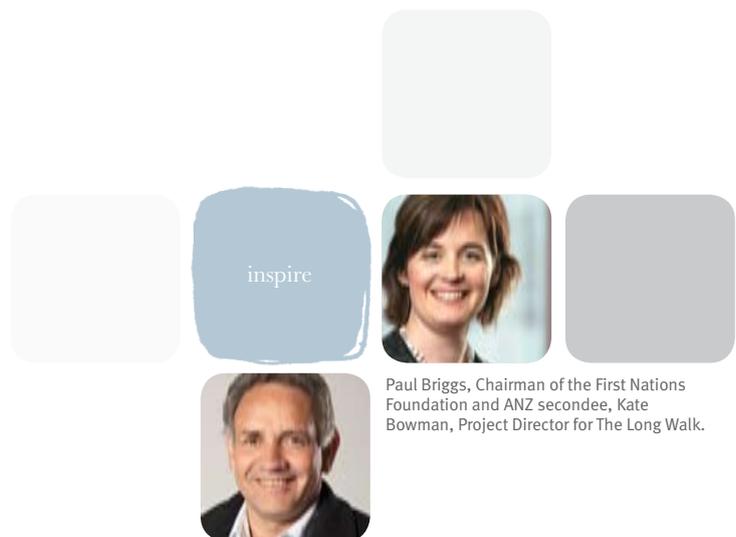
- respond to you within 48 hours if you have contacted us by telephone, and within five days if you have contacted us by letter, to advise us of your financial hardship. We may also refer you to an accredited financial counsellor.

What do the promises mean?

As part of the normal selection process customers first pass through a 'filter' based on behavioural scoring which eliminates customers with unreliable credit behaviour over the proceeding 12 months or who display signs they are struggling with their finance.

As a result of our responsible lending promises, customers must also pass through an additional series of 'filters' before they can receive a credit limit increase. Customers are excluded if they:

- have been reportedly overdue in making repayments in the last six months;
- have made only minimum payments (or slightly above) for the last six consecutive months;
- have an ANZ deposit account receiving Centrelink or Department of Veterans Affairs benefits; or
- have a deeming account or other ANZ account specifically designed to receive benefit payments.



Paul Briggs, Chairman of the First Nations Foundation and ANZ secondee, Kate Bowman, Project Director for The Long Walk.

Promise 9 Responsible lending continued

How we performed

As of September 2006, the pool of customers to whom ANZ would have otherwise issued credit limit increase offers reduced by around 11%, as a result of the introduction of the responsible lending promises and improvements to behaviour score filtering. Broken down into specific grounds for exclusion under ANZ's promises, this included:

- a 7% reduction was due to the exclusion of customers on fixed payments
- a 2% reduction was due to improvements to the behaviour score filter
- a 2% reduction was due to the exclusion of customers who have repeatedly missed payments or made only the minimum payments for the previous six months.

As a result, we experienced no credit card limit increase breaches for the year.

We continue to put systems in place to ensure that we do not offer credit limit increases to customers with poor credit performance or customers on a fixed income.

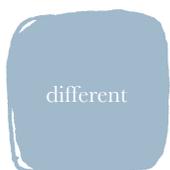
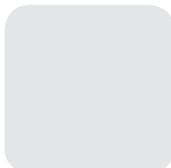
Procedures are also in place to ensure our customers are provided with all relevant information when opening a new credit card account or when offered a credit limit increase.

For example, we have information available on our website, www.anz.com about how customers can manage their credit limit via the 'Manage my Card' section and via our credit card enquiries hotline 13 22 73. The 'Understanding credit card interest' brochure is also available via www.anz.com and the branch network and provides information on how interest is calculated and charged.

With any credit limit increase offered to customers, we ensure that ANZ honours the responsible lending promise by:

- outlining how much the minimum monthly repayment would increase if the offer was accepted;
- recommending the customer reject the offer if their personal circumstances have changed;
- including information about how to request a lower offer, either by calling 13 22 73 or via the branch network.

Since February 2006, 4,569 customers contacted us regarding financial hardship. We responded to 100% of these customers within the promised time limits.



Peter Shelley, Environmental Sustainability Manager,
Operations Technology and Shared Services

See anz.com to find out more about our:

Community programs www.anz.com/cr/community

Corporate responsibility website www.anz.com/cr



Independent review report to the directors of Australia and New Zealand Banking Group Limited (“ANZ”)

Scope

We have reviewed the accompanying Performance Report of the ANZ Customer Service Charter (“the Charter”) for the period 1 October 2005 to 30 September 2006. The Performance Report provides information about the performance of ANZ against its promises as set out in the Charter under the heading “How we performed” for each promise. We note that in a number of instances measurement of performance does not encompass the entire year.

ANZ management are responsible for preparing a Performance Report that is accurate and not false or misleading, and for ensuring that there are systems, internal controls, procedures, and processes in place to enable accurate and complete measurement and monitoring of Charter performance.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review included a review of systems, procedures and controls implemented by management which monitor ANZ’s level of compliance with each of the promises set out in the Customer Service Charter. A review is limited primarily to enquiries of entity personnel, inspection of evidence and observation of, and inquiry about, the operation of the control procedures for a small number of transactions or events.

We have provided an opinion on the performance of the Charter taken as a whole. In addition, we do not provide an opinion on the appropriateness of the performance measures selected by management for each promise.

Inherent limitations

Because of the inherent limitations in any system of internal controls it is possible that errors or irregularities may occur and not be detected.

A review is not designed to detect all weaknesses in control procedures or compliance with the Charter as it is not performed continuously throughout the period and the tests performed are on a sample basis. Also a review does not provide all evidence that would be required in an audit thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Review statement

As a result of our review, which is not an audit, nothing has come to our attention to indicate that the level of performance reported by ANZ in respect of each promise under the heading “How We Performed” in the attached Performance Report for the period from 1 October 2005 to 30 September 2006 prepared by management is not fairly stated.

KPMG

Mitch Craig
Partner
Melbourne
24 November 2006



Australia and New Zealand Banking Group Limited
www.anz.com ABN 11 005 357 522