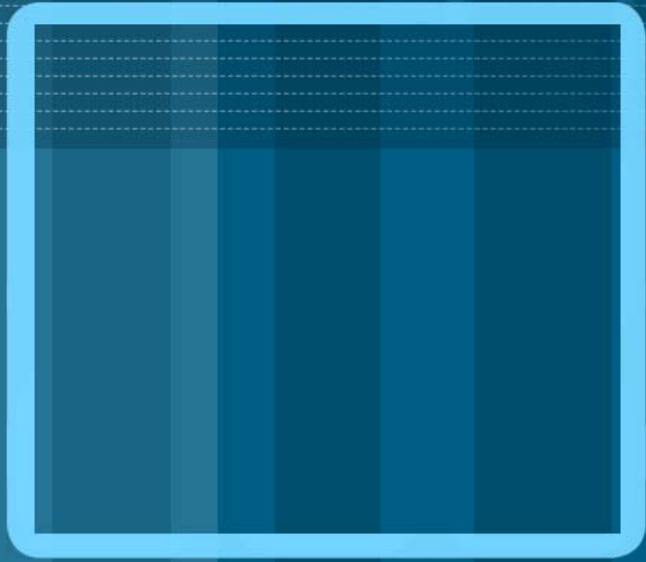




Annual General Meeting 2006





John McFarlane

Chief Executive Officer





## ANZ's journey to a 'very different bank'

- 1997 - Financial performance, shareholder value
- 2001 - Foundation for growth and sustainability
- 2006 – 'A very different bank'

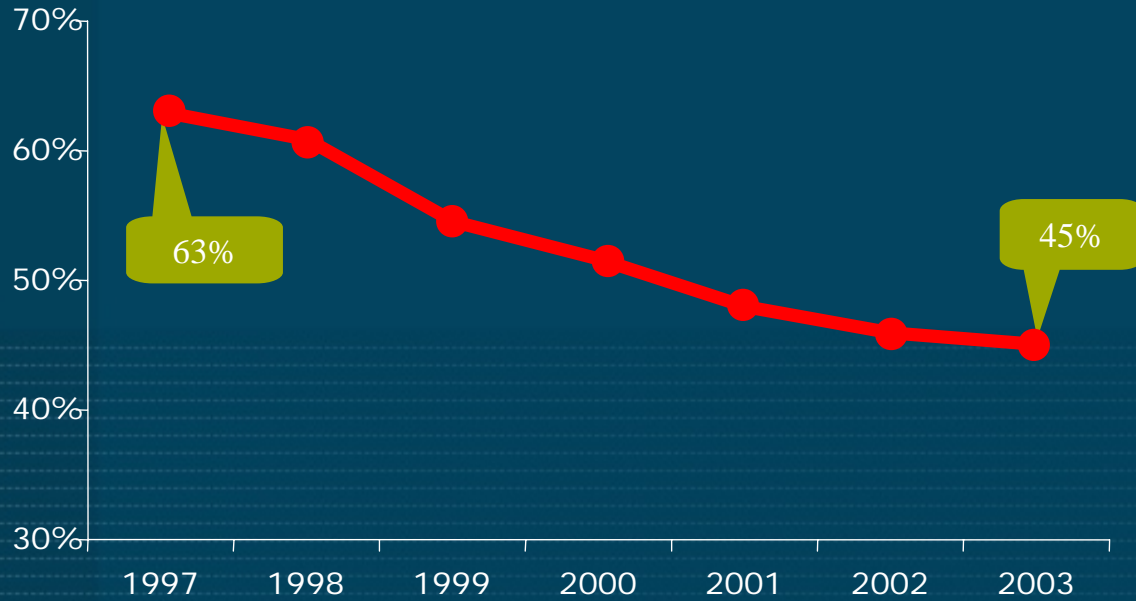


## ANZ's journey to 'a very different bank'

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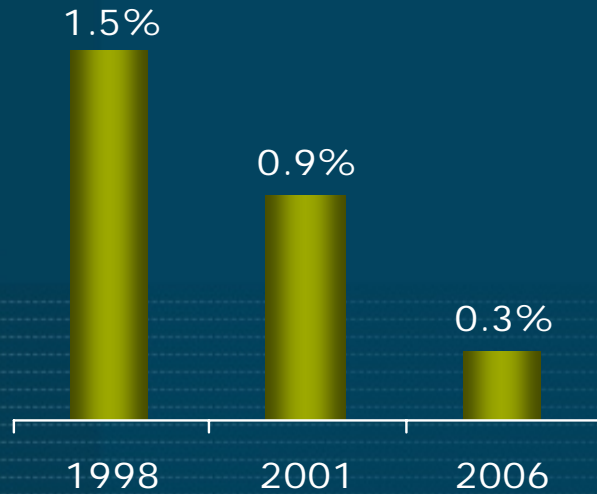
# 1st priority: become the most efficient bank

Cost to Income Ratio



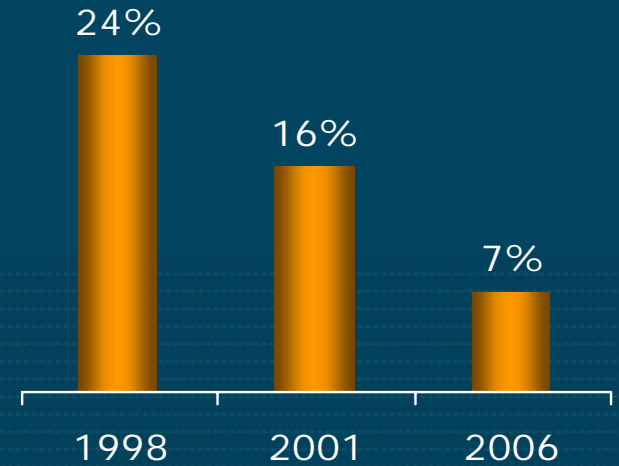
# Next priority: become a low-risk bank

## Non Accrual Loans



Gross Non Accrual Loans to Gross Loans & Acceptance

## International exposure



% International Assets (i.e. excluding Aust & NZ)



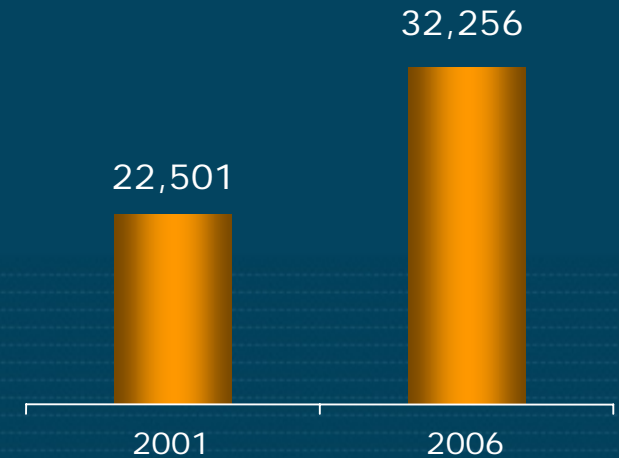
## ANZ's journey to 'a very different bank'

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# Investing in branches and customer service

New Branches

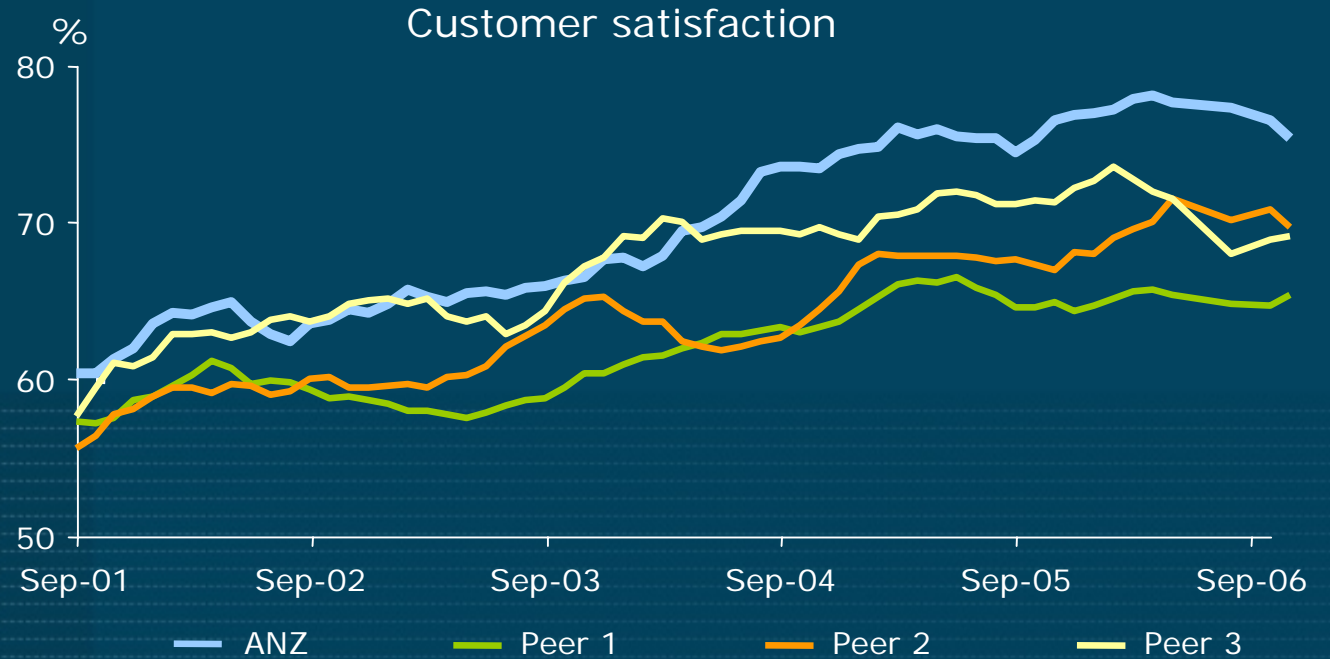
~ 10,000 additional staff\*



\*includes acquisition of National Bank of New Zealand



# Creating the highest customer satisfaction

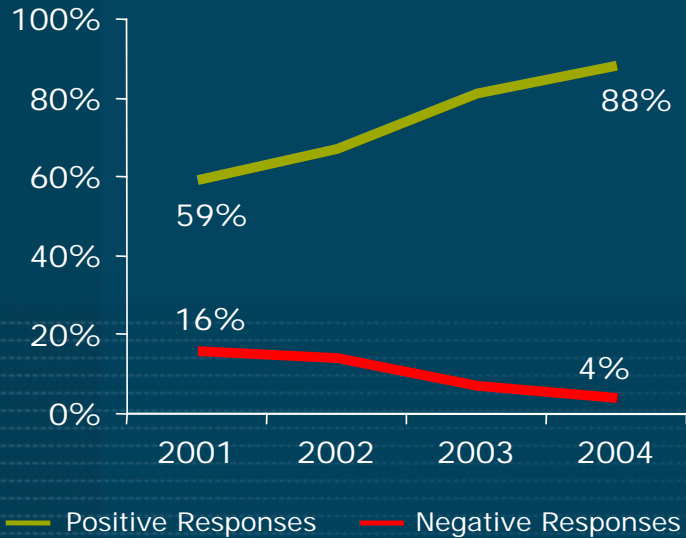


# Earning the trust of the community

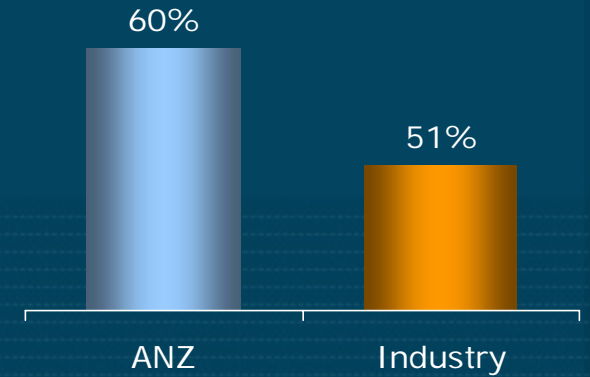


# Building a high-performance culture

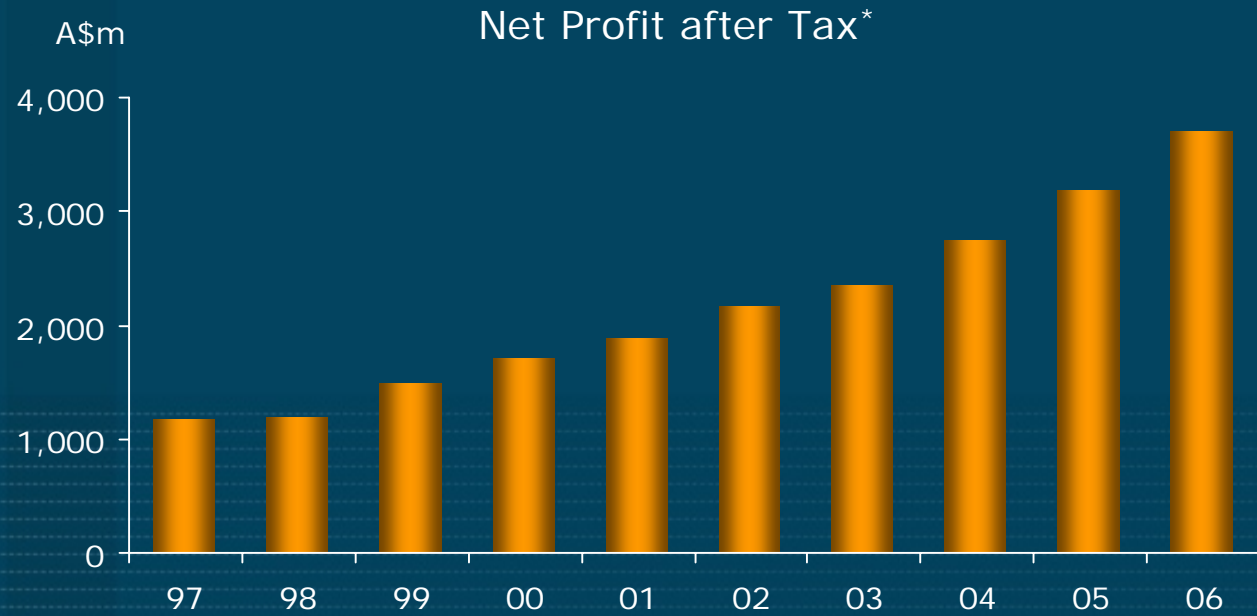
## Staff satisfaction



## Staff engagement



... all resulting in strong earnings momentum



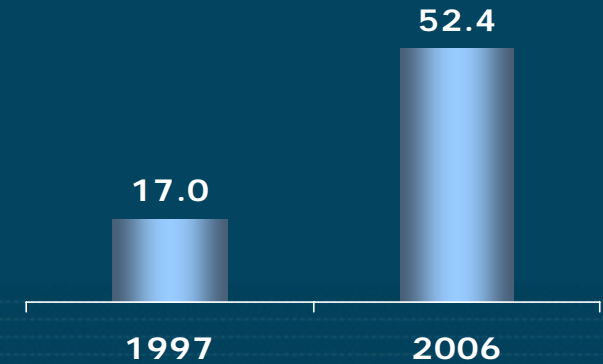
\*Before significant items, 1995–2004 AGAAP, 2005–2006 AIFRS

# ... and creating substantial shareholder return

ANZ share price



ANZ market capitalisation



\$40 billion of shareholder value added

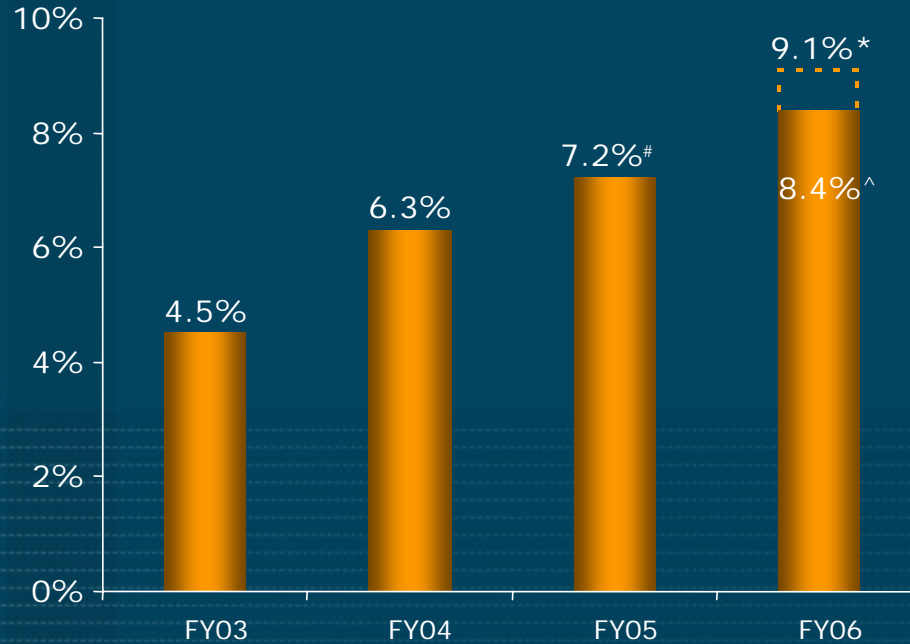
\*includes increase in Market Capitalisation and Dividends paid, adjusted for change in value of issued capital



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# Focus now is on higher revenue growth



\*fx adjusted growth, ^reported growth, #normalised for NBNZ

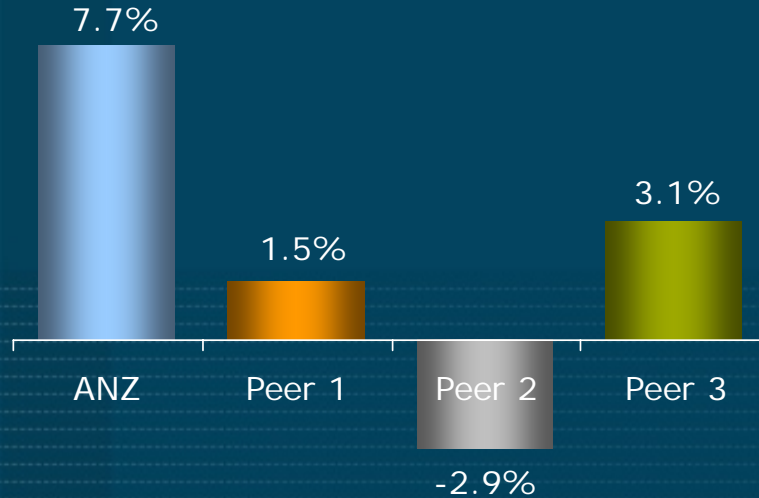


Revenue growth target of 7% - 10% per annum

# ... but there is no return without investment

## ANZ investing for the future

(FY06 Banking expense growth\*)



\*ANZ analysis

- Investment weighted to high-growth, high-return businesses
- Mainly customer and service staff
- New branches -
  - 25 in 2006
  - 40 in 2007





## 'A very different bank'

Customers

Why a customer should deal with us?

Community

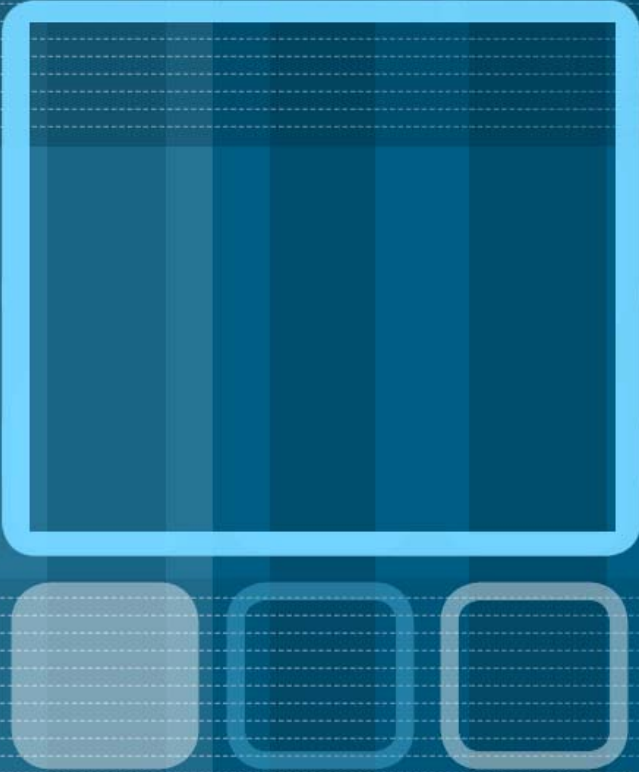
Why the community should trust us?

Staff

Why people should invest their working lives in us?

Shareholders

Why shareholders should invest in us?



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.

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