

*Personal Division Market Update  
September 2004*

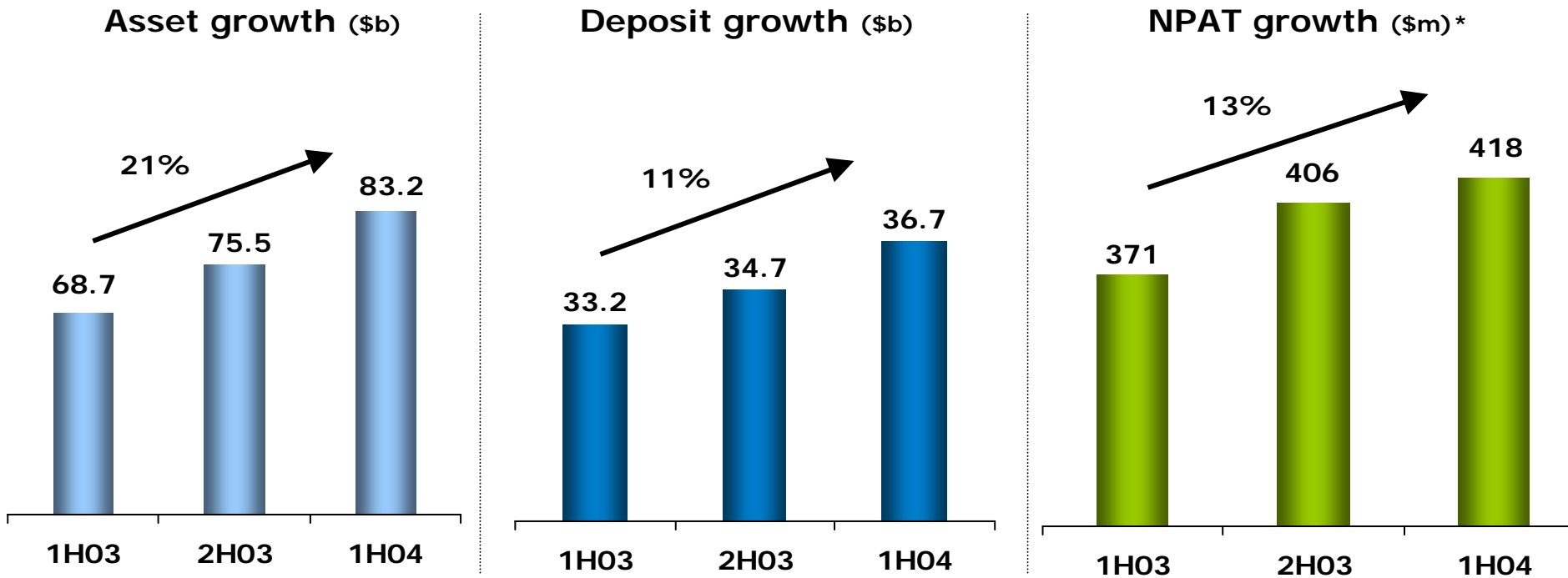
**Overview  
Brian Hartzler**

9.5679834	9.5679834	9.5679834	9.5679834
2323.4567	2323.4567	2323.4567	2323.4567
482.567	482.567	482.567	482.567
753.687123	753.687123	753.687123	753.687123
5.678	5.678	5.678	5.678
85.82346	85.82346	85.82346	85.82346
1568.0211	1568.0211	1568.0211	1568.0211
1.58463	1.58463	1.58463	1.58463



# ANZ has transformed Personal into a successful growth business

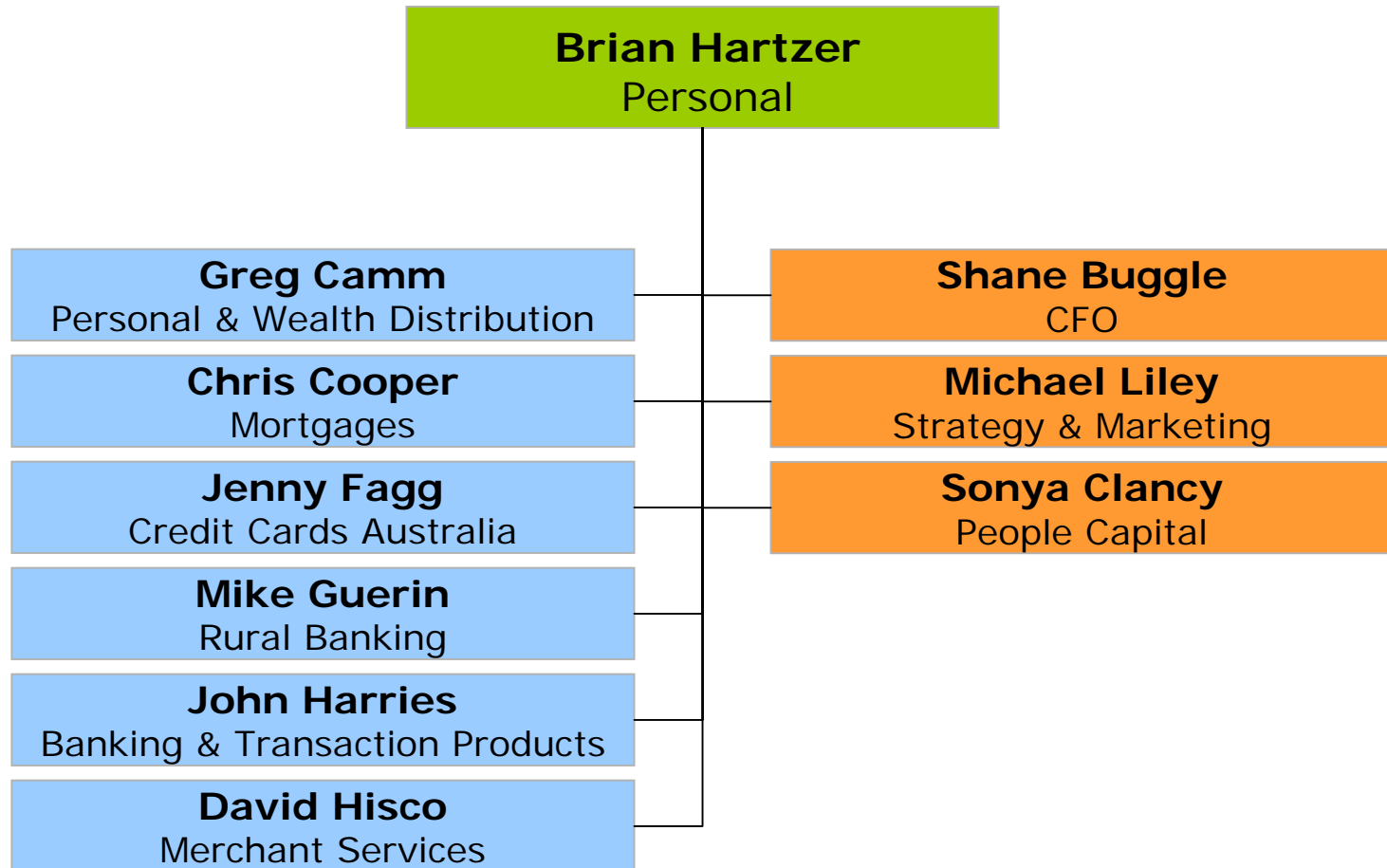
*Strong momentum evident in underlying performance*



\* adjusted for 1H03 under-accrual and NZ and International Cards operations

## A proven management team

---



# Personal business update: addressing some of your issues

## Presentation focus

### Brian Hartzler - Overview

- ANZ Personal Banking journey and current business momentum
- Future priorities



## Market issues

- Personal Banking has not been a traditional strength for ANZ – how are we addressing this?

---

### Greg Camm – Personal & Wealth Distribution

- Retail franchise journey and current business momentum
- Restoring Customer Faith program



- What happened to Restoring Customer Faith?
- Performance of our branch network
- Branch network cross sell of ING products

---

### Chris Cooper – Mortgages

- Business momentum and portfolio credit quality
- Net interest margin dynamics
- Growth strategies
- Mortgage broker strategy



- Use of mortgage brokers
- Sectoral net interest margin pressures
- Earnings growth in slowing housing market

---

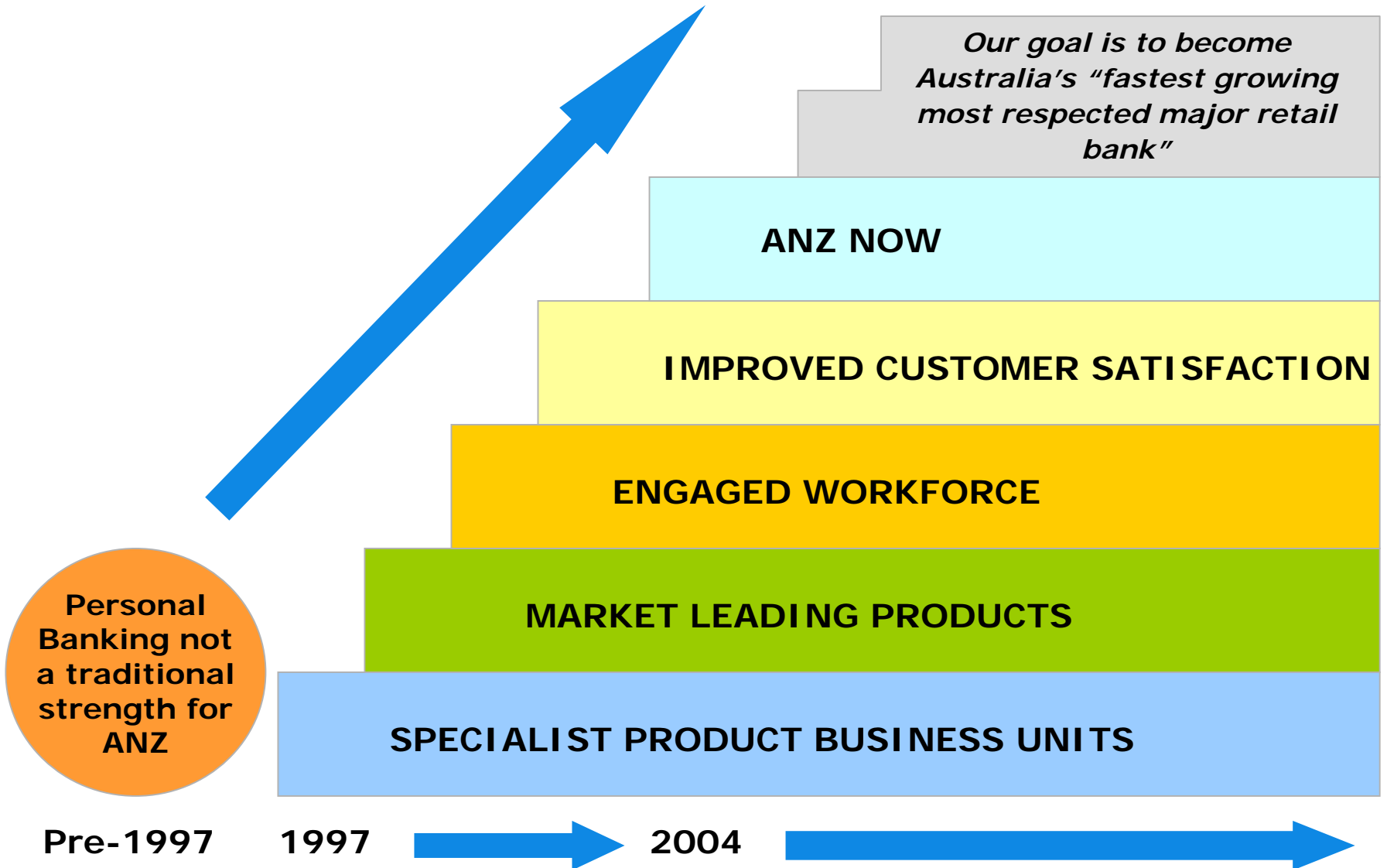
### Brian Hartzler – Consumer Finance

- Business momentum and portfolio credit quality
- Credit Cards response to interchange reform
- Merchant acquiring repositioning strategy



- Impact of interchange reform on Consumer Finance business

We have built a strong retail business.... block by block.....



# Specialisation and deep research helped us design the best products

## Transaction Account of the Year

2003, 2002, 2001 (Personal Investor)

## Best Transaction Accounts

2004 (Money Magazine)

## Savings Institution of the Year

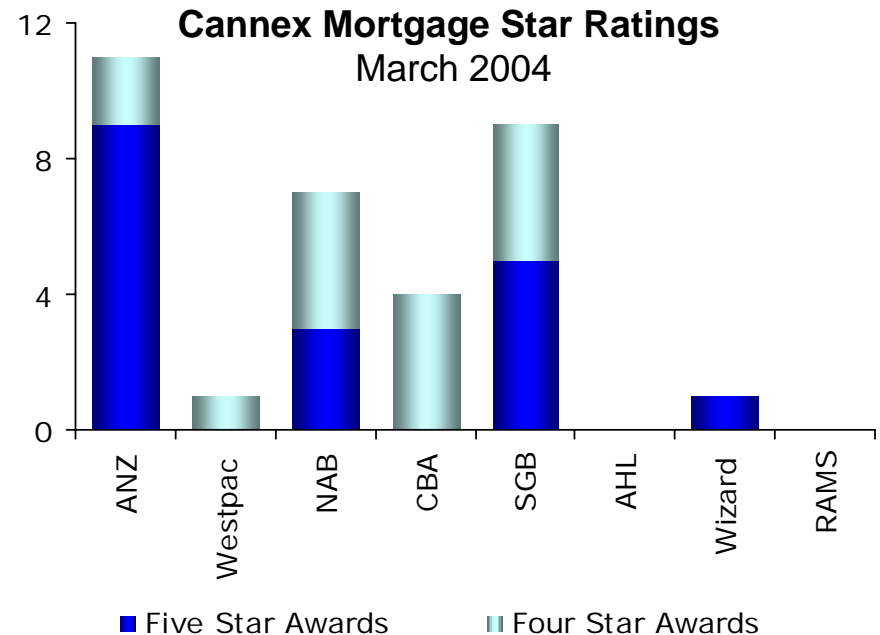
2003, 2002, 2001, 2000, 1998, 1997

*ANZ's dominance of the awards shows an incredible consistency: products with excellent features and lower fees.*

*Personal Investor Magazine, 2002*

## Home Lender of the Year

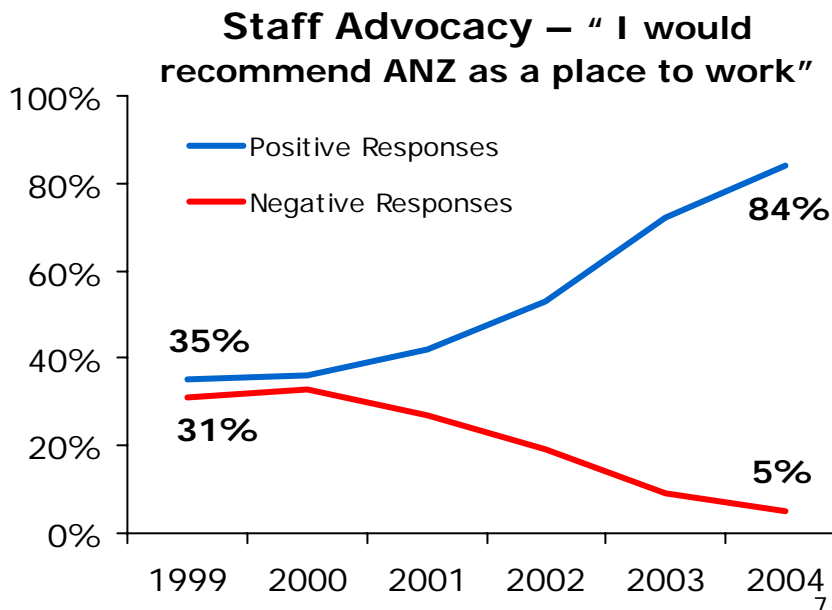
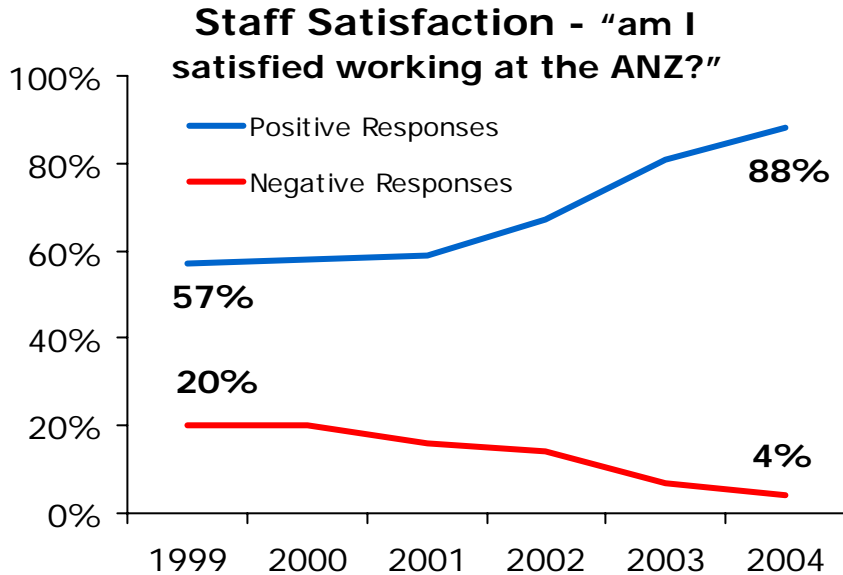
2004, "oops!", 2002, 2001, 2000



**Personal Investor  
Bank of the Year  
2000 - 2004**



# 'Breakout' has built an engaged, productive workforce



## Staff are critical to retail success:

- Sense of "ownership and accountability"
- 5000 staff trained in sales and compliance since 2002
- Staff initiatives include:
  - State based training schools
  - ANZ Talent and Emerging Leaders Program
  - More women in senior roles
  - New "life balance" policies for female and mature age staff
  - Alliance with ABC Learning Centres (childcare)
  - *pcs@home*

## Restoring Customer Faith was the critical next step

---

### RCF turns the Bank “inside out”

- Acknowledgement that we “got it wrong” in the 90’s
- Local CEO model
- Freedom with accountability
- Community orientation
- Detailed MIS and sales disciplines
- “Customer Charter” service guarantee
- Independent risk and compliance checking



### What does it achieve?

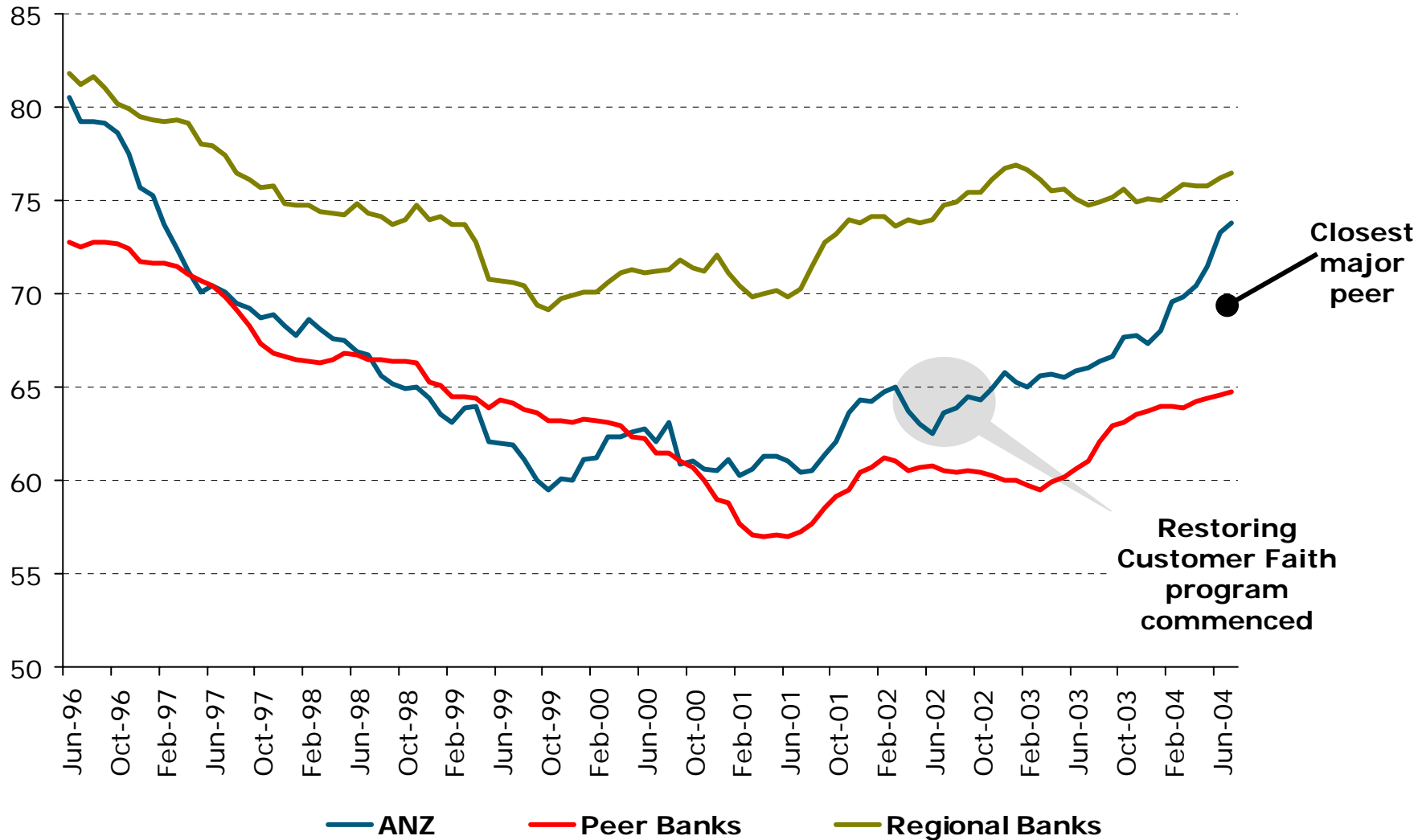
- Sense of ownership and commitment
- Engaged staff
- Higher customer satisfaction
- Higher sales and market share
- Talent pool of future leaders
- Stronger community bonds
- Strong risk and compliance focus

***RCF has taken time but the results are now clear***



# RCF has dramatically improved customer satisfaction

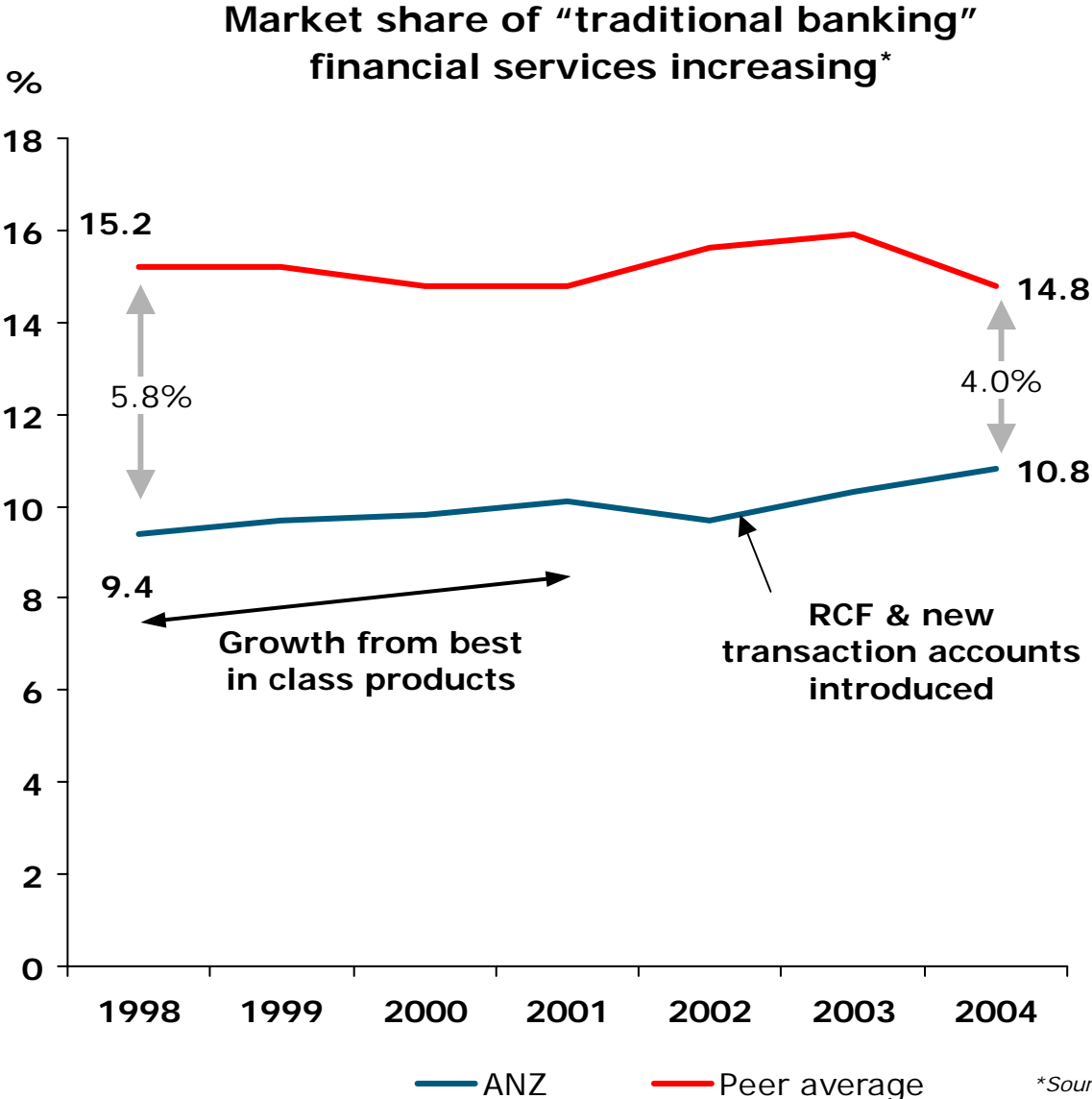
## Customer Satisfaction# with Main Financial Institution



\*Source: Roy Morgan Research – Main Financial Institution Satisfaction

#% Satisfied (very or fairly satisfied), 6 monthly moving average

Bottom line: real momentum, growing market share, more upside



Gap in market share between ANZ & peers has reduced by 1/3

\*Source: Roy Morgan Research  
 Traditional banking includes deposit & transaction accounts, cards, mortgages and personal/other loans

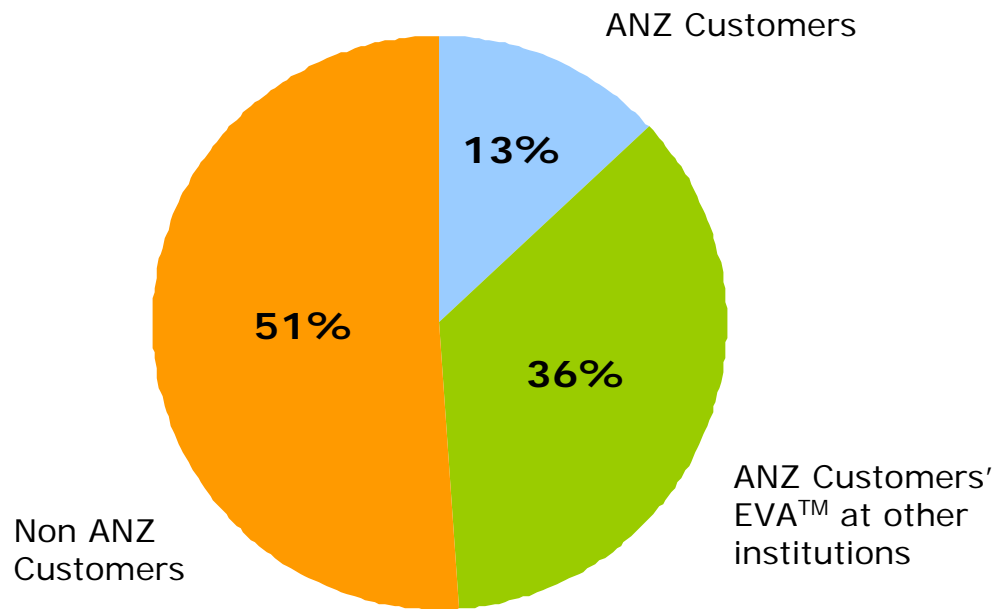


# Upside case study: deepening the relationships

## Untapped high growth Private & Premier Customers

(all products\*)

Est. share of market EVA™



- **Clear opportunity to increase share of wallet**
- **Challenge is to create an integrated proposition**
- **Execution is the key**

## What we are doing now:

---

Priority	→	Enabler (examples)
Accelerate the momentum in specialist businesses	→	<ul style="list-style-type: none"><li>• Share best practices</li><li>• Segment marketing capability</li></ul>
Grow deposit share	→	<ul style="list-style-type: none"><li>• Strong brand</li><li>• Targeted customer acquisition strategies</li></ul>
Deepen relationships	→	<ul style="list-style-type: none"><li>• “Easy to do business with”</li><li>• Single customer view</li></ul>
Move costs from “back” to “front”	→	<ul style="list-style-type: none"><li>• Strong branch network</li><li>• Streamlined process costs</li></ul>
Strengthen the lead on people and culture	→	<ul style="list-style-type: none"><li>• Engage our people</li><li>• Breakout for all the front line</li></ul>

## Summary

---

- **The strategy is paying off:**
  - Profit is growing
  - Market share is growing
  - Customer satisfaction is growing
  - Staff engagement is growing
- **Retail takes time but we now have the momentum**

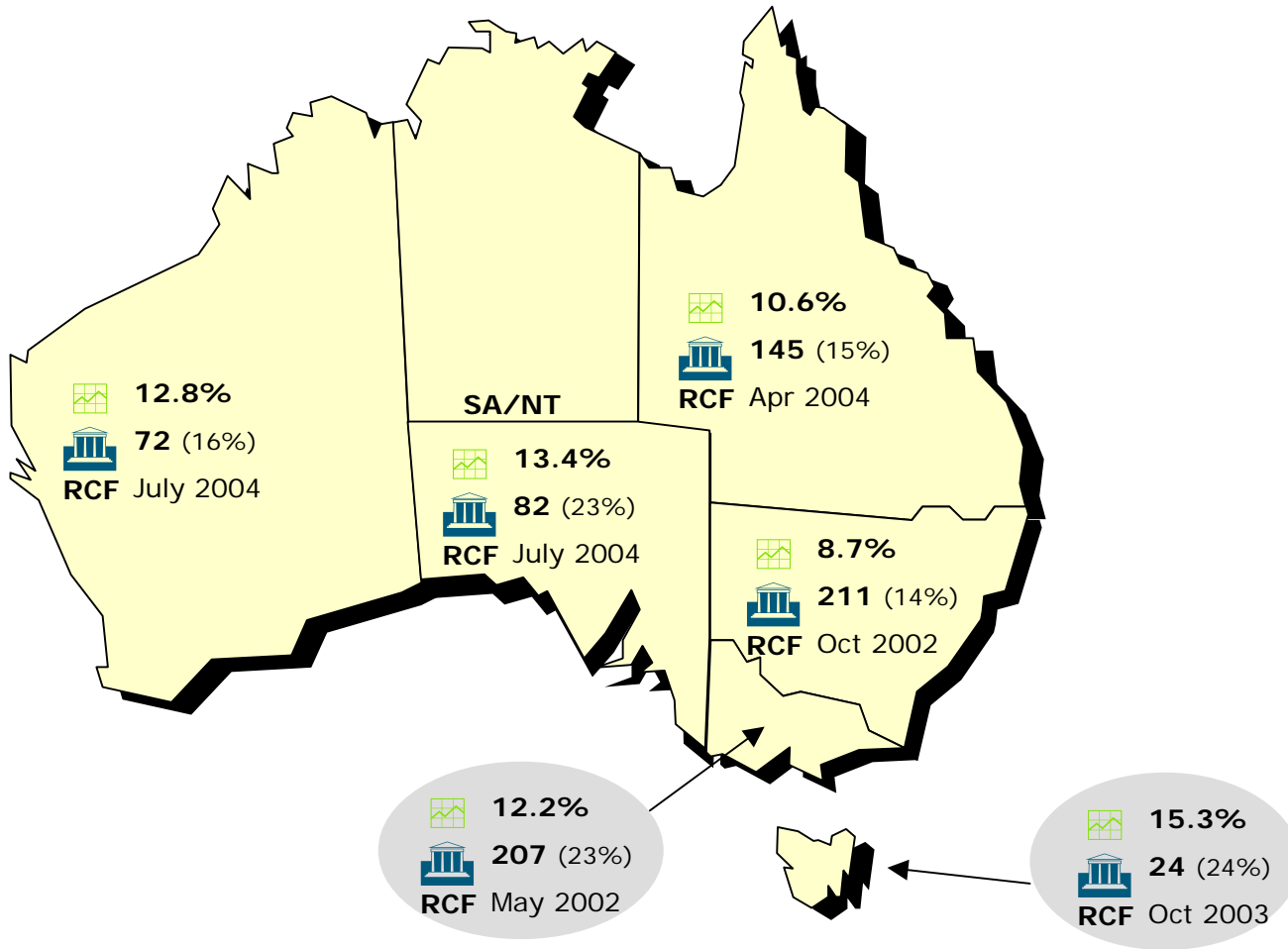
*Personal Division Market Update  
September 2004*

**Distribution  
Greg Camm**

9.5679834	9.5679834	9.5679834	9.5679834
2323.4567	2323.4567	2323.4567	2323.4567
482.567	482.567	482.567	482.567
753.687123	753.687123	753.687123	753.687123
5.678	5.678	5.678	5.678
85.82346	85.82346	85.82346	85.82346
1568.0211	1568.0211	1568.0211	1568.0211
1.58463	1.58463	1.58463	1.58463


**ANZ  
NOW**

# Strong distribution network: Underweight share



## Legend

 Share of "traditional banking"\*

 Branches (share of branches)

**RCF** Date Restoring Customer Faith fully rolled out

\* Source: Roy Morgan Research – "traditional banking includes deposit & transaction account products, cards, mortgages and personal/other loans. Market share figures based on 12 months to June 2004

- ➔ **Building a distinctive culture**
- ➔ **Strengthening our Retail network**
- ➔ **Building our customer experience leadership**
- ➔ **Improving our sales capability**



Australian  
Service  
Excellence  
Awards





# We are building a distinctive culture

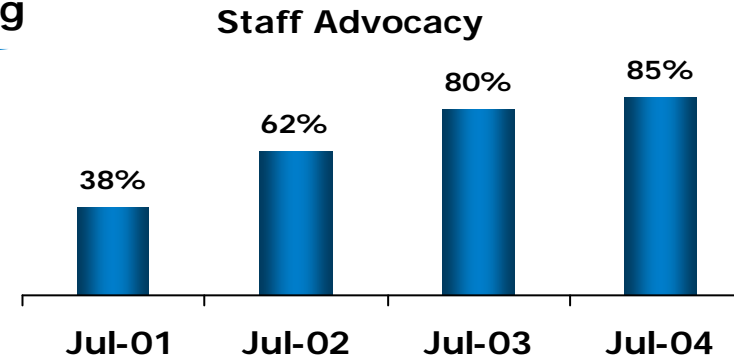
## What we've been doing

- Upgraded performance management
- 20 new Branch Managers from retailing/outside ANZ
- New recruitment process
- Established training schools
- Stronger communications
- New, transparent reporting down to branch level
- Strong incentive to think like a customer and act like an owner

## What our people are saying

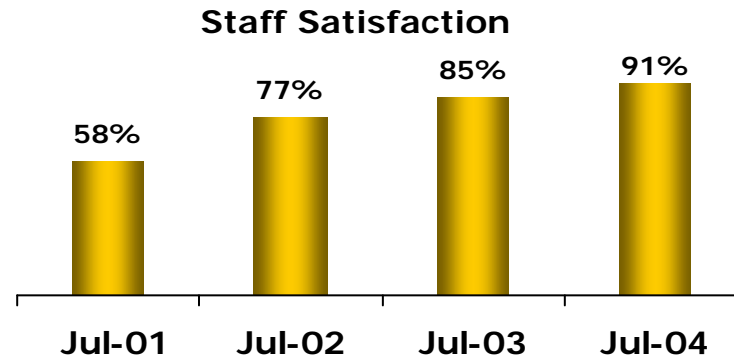
### Advocacy

- More than 4/5 would recommend ANZ as a place to work



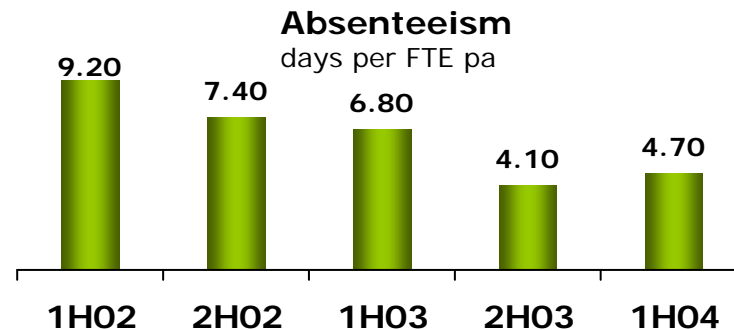
### Satisfaction

- Satisfaction score now higher than the ANZ average
- 16% uplift in 2 years



### Absenteeism

- Down 36% in 18 months



## Strengthening our Retail network

---

### Our Goals

Lift the quality of branches

Open new branches

### Our Objectives

❖ A better and safer environment for Customers and Staff

❖ A better customer experience

### Our Achievements so Far

✓ 103 branches refurbished since 2002 (additional 89 in Rural)

✓ 292 branches re-branded and re-signed (additional 274 in Rural)

✓ New Telling platform rolled out in 2004

## Building on our customer experience leadership

---

### Our Goals

**Restore Customer Faith**  
**Provide a distinctive customer experience**

### Our Objectives

- ❖ Rebuild relationship
- ❖ Improve
  - ❖ Loyalty
  - ❖ Advocacy
  - ❖ Share of wallet

### Our Achievements so Far

- ✓ Customer Charter the foundation
- ✓ Mystery shopping metrics strong
- ✓ Leading queue management
- ✓ Strong complaint resolution process

**Improve operational efficiency and sales capability**

- ❖ Increase staff engagement
- ❖ Move decision making closer to our customers

- ✓ 40 Local Markets created and managed by "Local CEO's"
- ✓ Performance Management reorientated around Local Market profitability
- ✓ All front line sales staff trained in "Oneway" sales process

# Customer Charter the foundation for Restoring Customer Faith

## Our promises

1. Simple accounts, fees and charges
2. Simple, fast account opening
3. Quick, convenient branch banking
4. 24 hour, 7 day accessibility
5. Fast, efficient phone service
6. Respect for personal information and privacy
7. Helping you understand our communications
8. Swift resolution of complaints - if we make a mistake, we will put it right
9. Building relationships with the community
10. Accountability through an independent review



### Promise 9 Building relationships with the community

We are committed to contributing to the communities to which we belong:

- We will maintain our banking presence in the rural communities we are currently servicing.
- We will continue to provide:
  - › Unlimited fee-free over the counter transactions for customers aged 60 and over.
  - › 15 fee-free transactions and no monthly fee for Centrelink payment recipients and health care cardholders.
  - › Paid leave for staff who volunteer for community service.

#### How we performed

We maintained all our rural branches, as promised, and opened 6 new ones in metropolitan, regional and rural locations – Mangrove River (QLD), Werimbula (NSW), Eden, FAH (NSW), Mango Hill (NSW), Tuggerah (NSW) and Wagga Wagga (NSW). We continued to offer fee-free over the counter banking to seniors, and we also continued our 15 fee-free transactions offer for Centrelink payment recipients and health care cardholders.

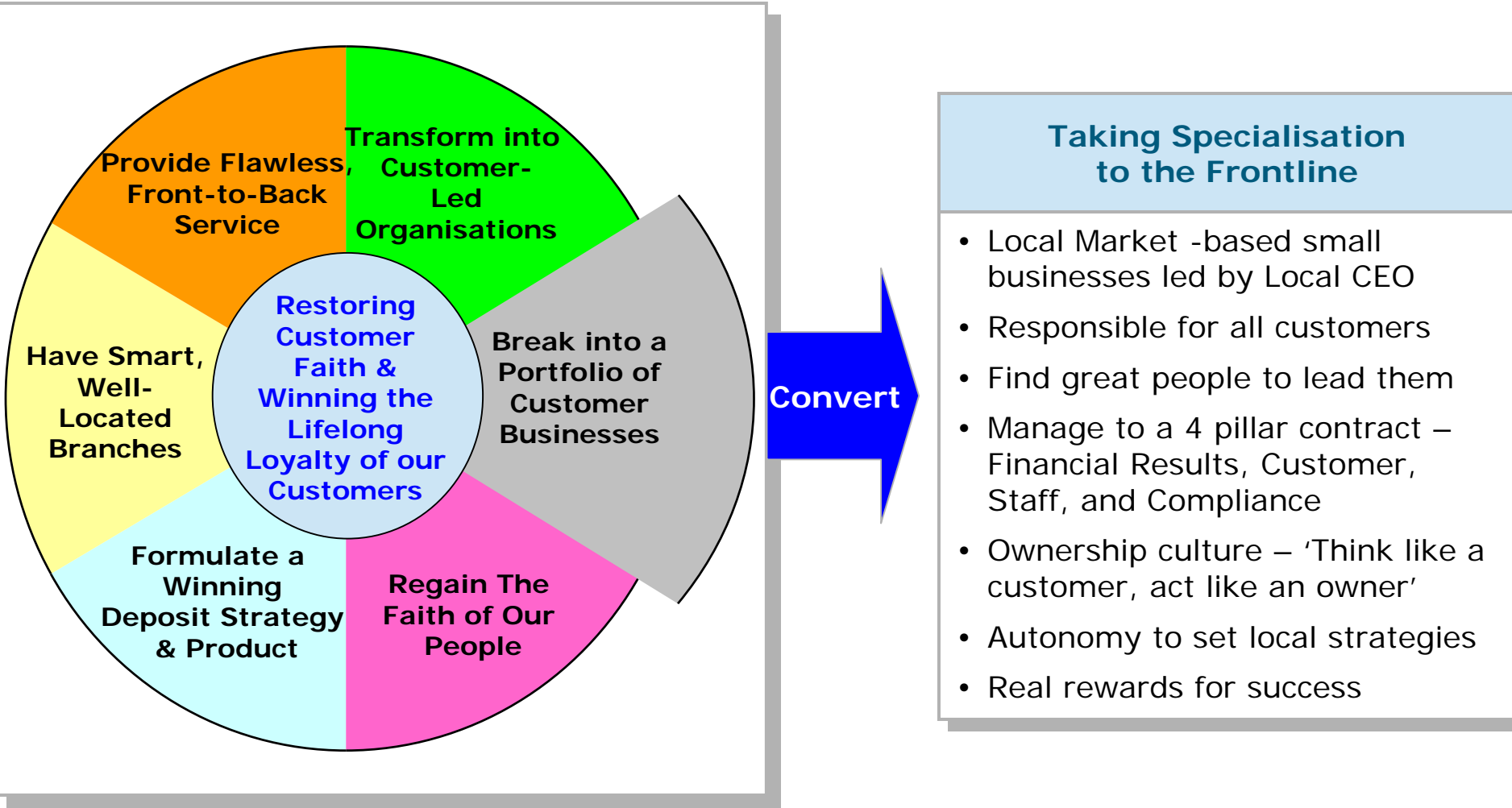
Our policy is to continue to provide one day's paid leave for staff who volunteer for community service.

#### Comments & Actions

We are demonstrating our commitment to the communities we serve in many ways, and we will stay focused on this area going forward. We made a significant contribution to the communities we serve through efforts such as:

- The ANZ Community Fund, which allocates funding to frontline teams to spend on local community initiatives and organisations
- The Seeds of Renewal developed in partnership with the Foundation for Rural and Regional Renewal to provide small grants to rural communities severely affected by the drought.
- Our Financial Literacy program. This began with Australia's first national survey into Adult Financial Literacy and is now manifesting in a number of targeted initiatives such as training for our service staff to identify and assist customers with low levels of financial literacy, a customer brochure dedicated to helping customers get on top of their basic finances, an Adult Learning Program and a matched saving account for eligible customers.

# We had to rebuild the relationship



# Rural Banking has been transformed with its own local market model

**ANZ Rural Banking - Microsoft Internet Explorer provided by ANZ**

File Edit View Favorites Tools Help

Address [http://www.anz.com/australia/rural/ANZ\\_rural.asp](http://www.anz.com/australia/rural/ANZ_rural.asp)

**ANZ** contact us | locate us | help centre | about ANZ | shareholders | careers | Search ANZ... go

› ANZ homepage | › Individuals | › Financial Advice | › Business | › Corporate | › Rural

▶ **Rural Banking**  
 Internet Banking  
 Agribusiness Solutions  
 Community Commitment  
 Events and Sponsorship  
 Manager Locator

**Up to \$400 for your community group.\***

**Rural Banking**

▶ Agribusiness Solutions | ▶ Community Programs | ▶ Contact Local Manager

**Take a fresh look - Consider ANZ**

*News and Offers*

- ▶ Victorian Beef Week 2005
- ▶ Beef and Dairy AUSFTA Brief
- ▶ ANZ Revolving Agri Line

**Agribusiness Solutions**

- ▶ Agribusiness Services
- ▶ Capital and Long Term finance
- ▶ Seasonal Finance
- ▶ more...

**Community Commitment**

- ▶ ANZ in Rural Communities
- ▶ ANZ in the Community
- ▶ Events and Sponsorships
- ▶ Career Opportunities

**Internet Banking**

**ANZ E\*TRADE**

log on register

**ANZ Spotlight**

- ▶ Internet Banking Demonstration
- ▶ Access to Economic News
- ▶ ANZ Customer Charter

**Apply now**

- ▶ Applying for Finance

**Tools & Calculators**

- ▶ Farm Budget Planners
- ▶ Forms
- ▶ Fees/Rates/Taxes/Terms
- ▶ Calculators and Product Selectors
- ▶ Agribusiness Credit Forms
- ▶ Financial Dictionary

\* Terms and conditions apply.

**Our people**



*"Someone local to turn to"*

**Our customers**



*"Meet their needs every time"*

**Our Service**



*"Easy to do business with"*



**Increasing rural share**

## We are improving our sales effectiveness

---

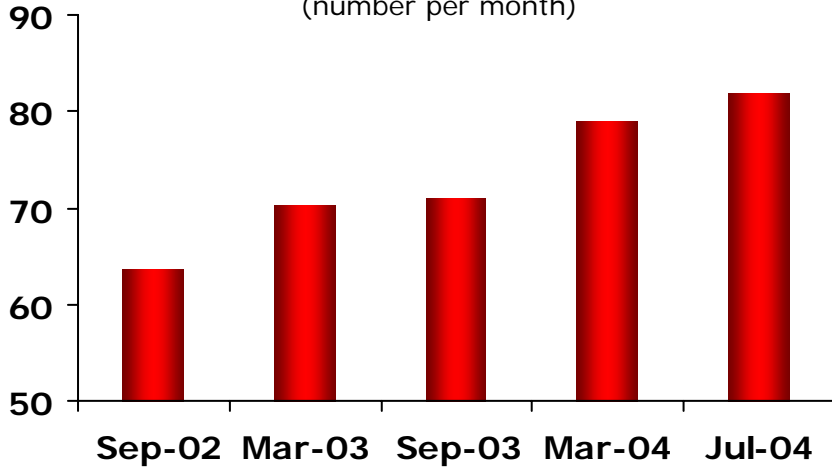
- ✓ CRM is lifting sales effectiveness
- ✓ Our products are more customer friendly
- ✓ Referrals and more planners are improving Wealth product sales



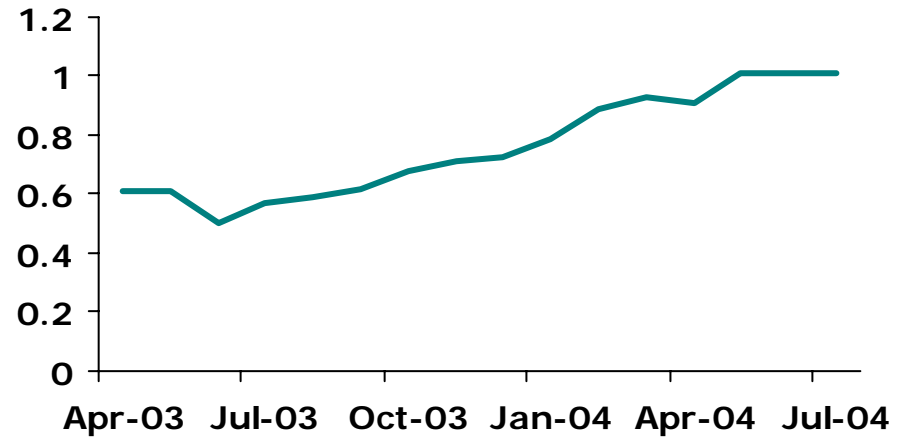
Customer satisfaction is up 

# Network sales efficiency growing, helped by CRM...

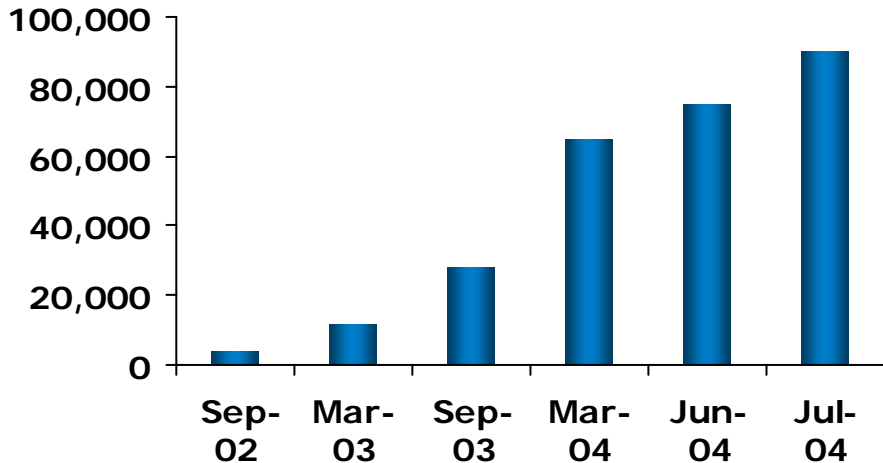
**Sales events per effective sales FTE increasing**  
(number per month)



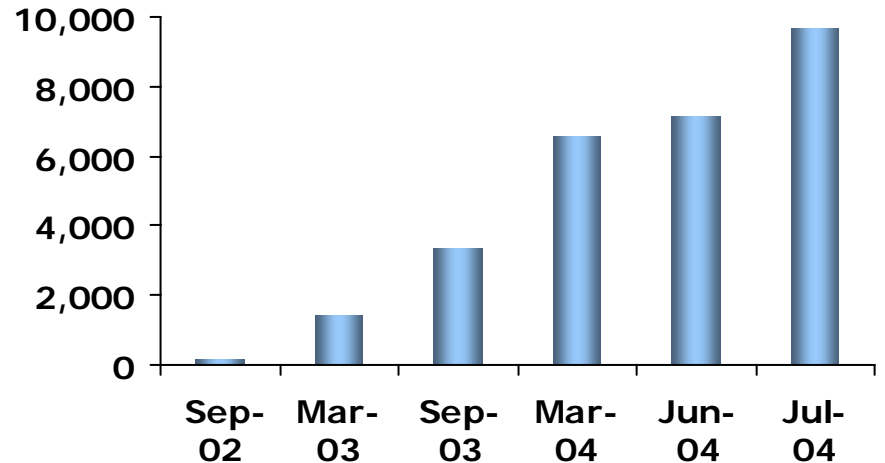
**Cross Sales – Average number of general insurance sales per loan sold**



**MySales customers contacted (quarterly)**



**New Accounts opened by contacted customers (quarterly)**

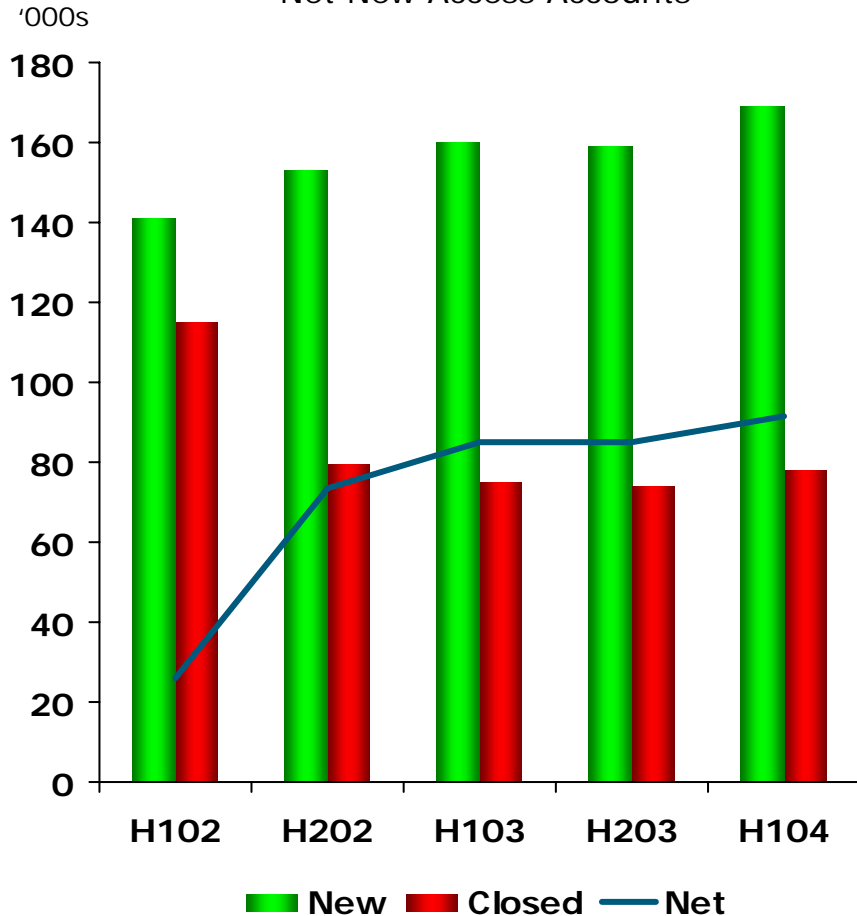




## ...and market leading products

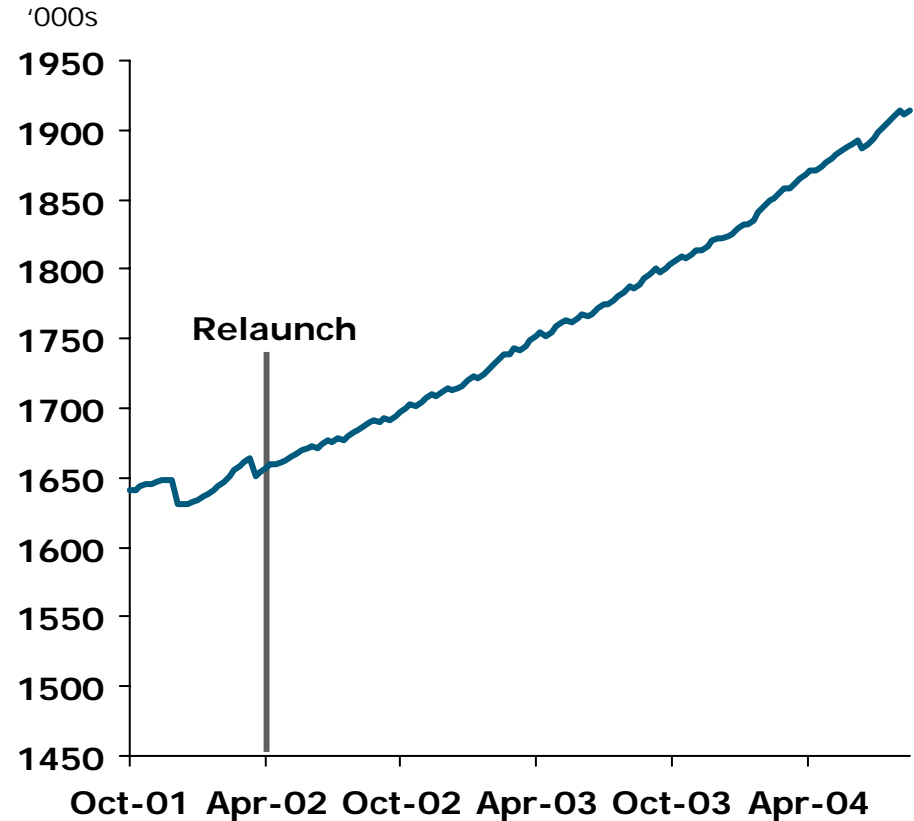
### New accounts have improved acquisition, reduced attrition

Net New Access Accounts



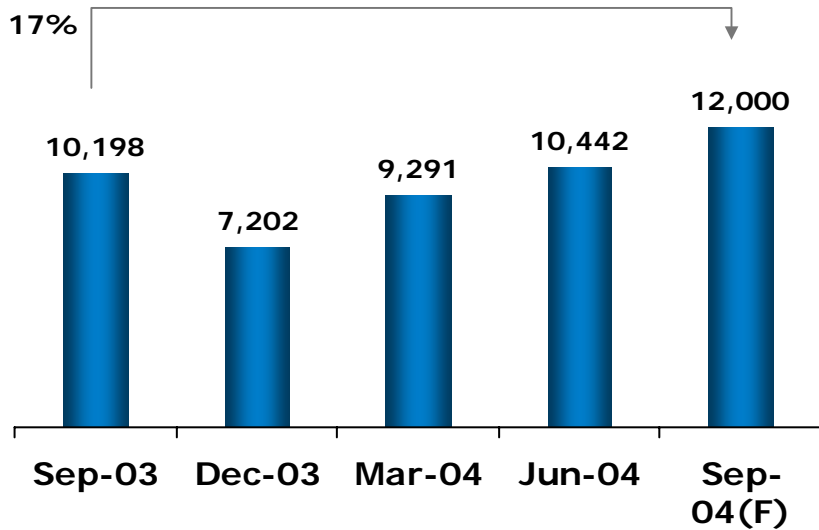
### Leading to good growth in the number of accounts

Total access accounts

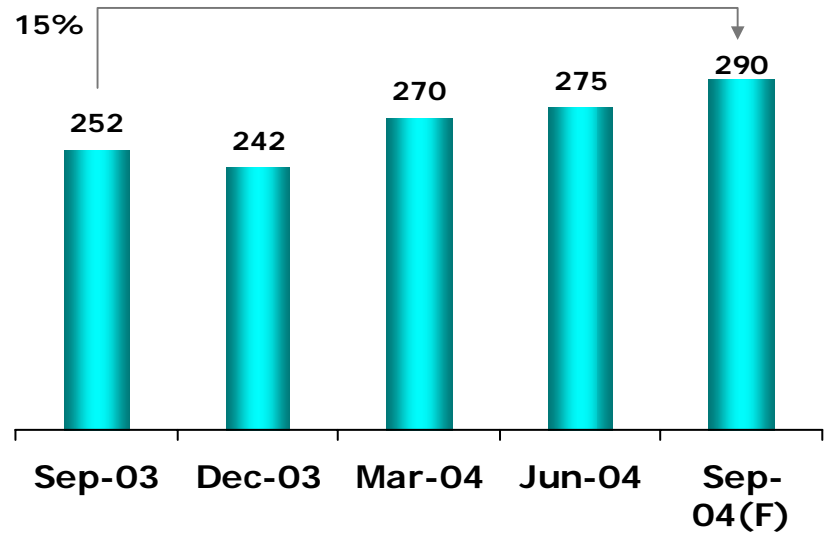


# Referrals and expanded Planner force driving growth in Wealth

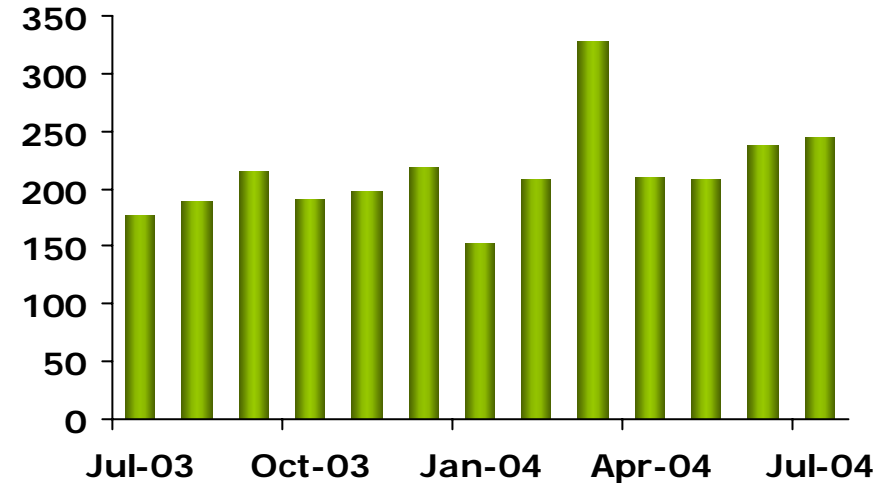
### Network Referrals



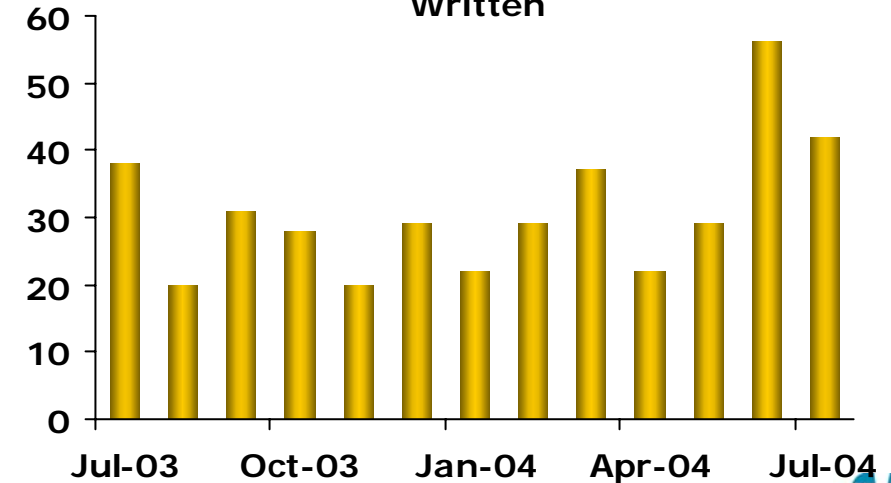
### Planner Numbers



### Managed Investments - Gross Flows

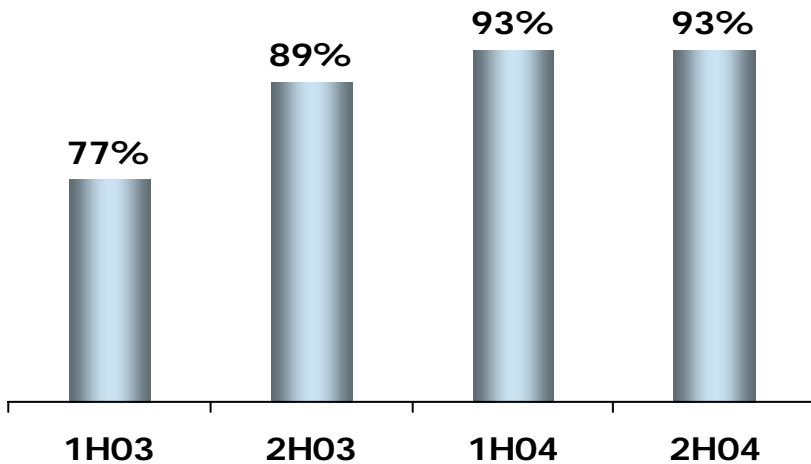


### Insurance - Annual Premiums Written

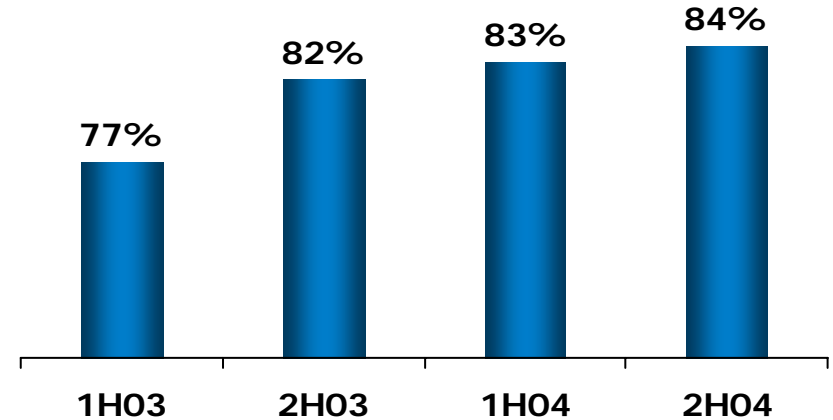


# Our face to face performance has improved significantly

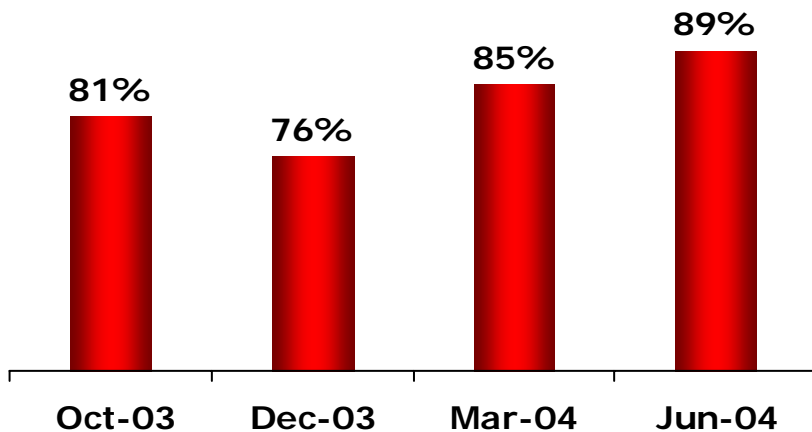
Contact Centre calls answered within 1 minute



Call handling in our Contact Centre has also improved  
(% first point contact resolution)



Branch wait times have shortened  
(% customers served within 5 minutes)



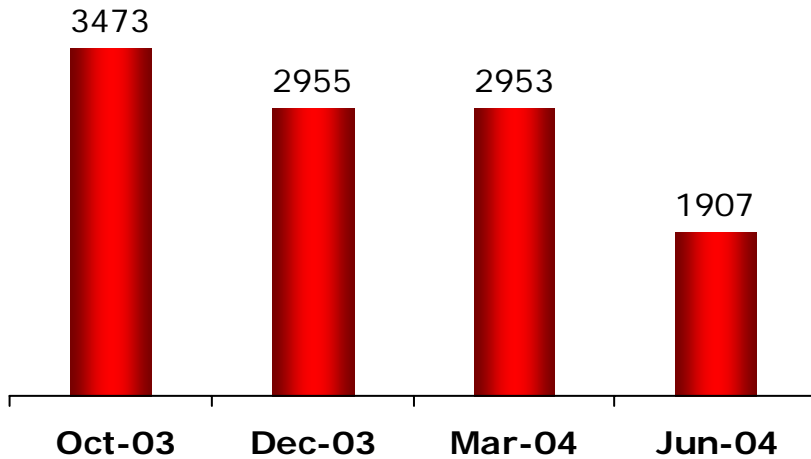
Branch Mystery Shopping results are strong



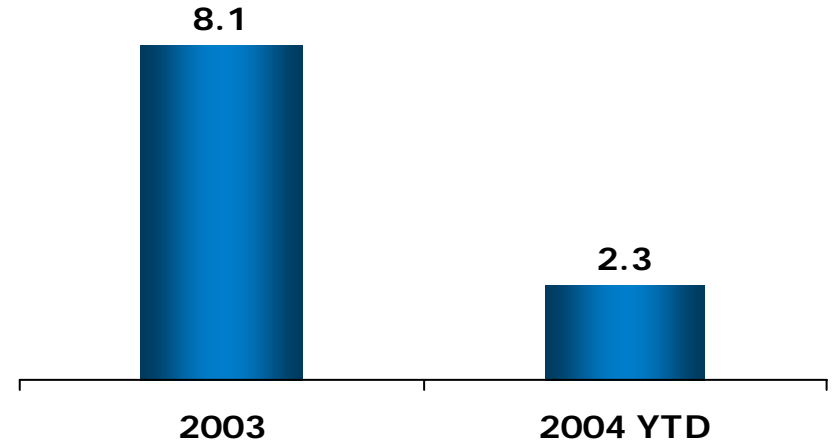
Source: branches with Qmatic systems

# Customers are responding very positively

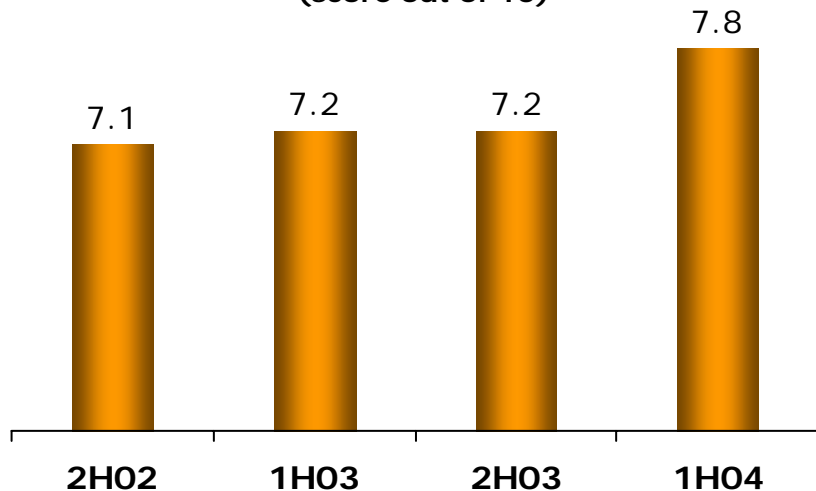
Group complaints are down ...



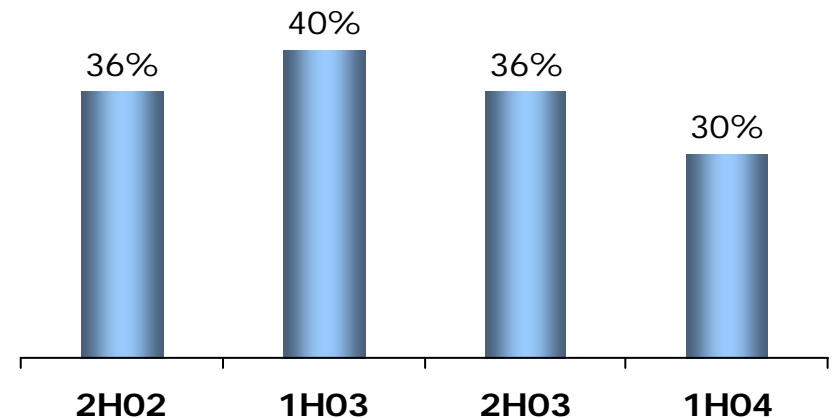
... and are being resolved faster  
(avg days to resolve)



Customer Satisfaction is up\* ...  
(score out of 10)



... and risk of defection is falling\*  
(customers moved or seriously considering moving)



\* Source: Roberts Research, for both Metro and Rural networks

## We are building on this momentum

Strategic Goal	Initiatives	Targeted Outcomes
Build a compelling retail banking brand	<ul style="list-style-type: none"> <li>➤ Continue to enhance our customer proposition around our Customer Charter</li> </ul>	<ul style="list-style-type: none"> <li>* Be recognised as providing the best service proposition of the “majors”</li> </ul>
Further improve operational efficiency and sales capability	<ul style="list-style-type: none"> <li>➤ Strengthen Outbound Calling capability</li> <li>➤ Simplify and align remuneration and incentives to customer value creation</li> <li>➤ Fine tune sales training and sales management</li> <li>➤ Selectively leverage technology to simplify Branch processes</li> </ul>	<ul style="list-style-type: none"> <li>* Double the number of outbound sales calls</li> <li>* Align employee rewards to shareholder value creation</li> <li>* Further gains in sales productivity</li> <li>* Free up capacity from within existing fixed cost base for additional revenue generation</li> </ul>
Extend Sales footprint	<ul style="list-style-type: none"> <li>➤ Continue to upgrade our Branches</li> <li>➤ Strengthen our presence in growth corridors</li> </ul>	<ul style="list-style-type: none"> <li>* Refurbish a further 78 Branches in 2005 (plus 59 in Rural)</li> <li>* Complete re-signage of network</li> <li>* A sustainable Branch expansion program</li> </ul>

## Summary

---

- We have strong momentum and great upside:

- Leading customer experience
- Higher sales effectiveness
- Growing market share
- Record Staff satisfaction



**We are  
unlocking  
the value in  
our retail  
network**

*Personal Division Market Update  
September 2004*

**Mortgages  
Chris Cooper**

9.5679834	9.5679834	9.5679834	9.5679834
2323.4567	2323.4567	2323.4567	2323.4567
482.567	482.567	482.567	482.567
753.687123	753.687123	753.687123	753.687123
5.678	5.678	5.678	5.678
85.82346	85.82346	85.82346	85.82346
1568.0211	1568.0211	1568.0211	1568.0211
1.58463	1.58463	1.58463	1.58463



## Leveraging product expertise with improved distribution

---

- ➔ **A strong track record in an attractive market**

---

---
- ➔ **High quality portfolio**

---

---
- ➔ **Brokers remain fundamentally attractive**

---

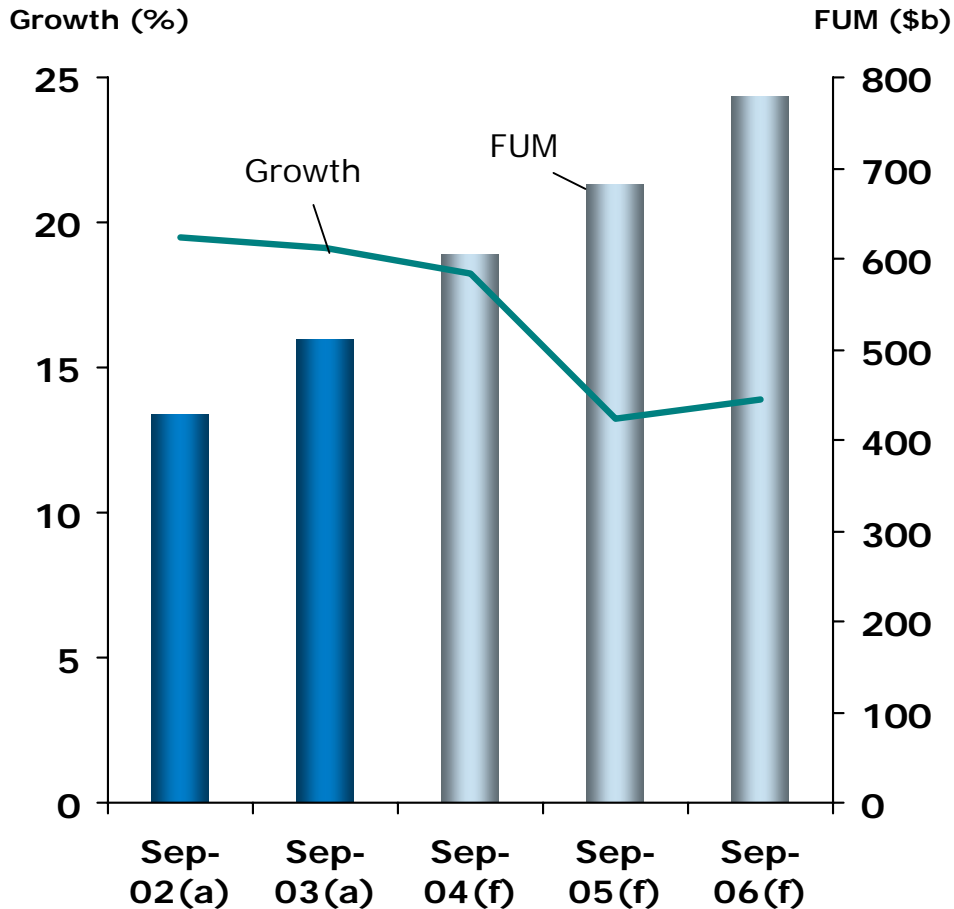
---
- ➔ **Diversifying distribution and process automation**



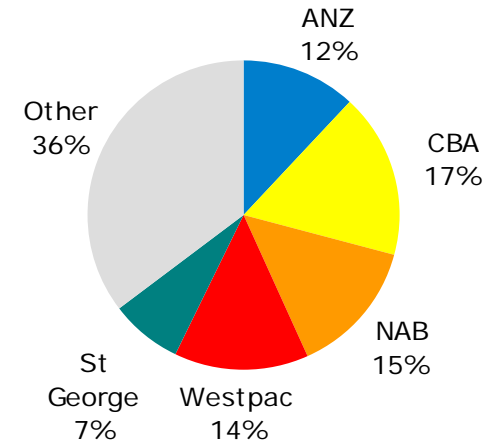


# Mortgage market is attractive and expected to deliver reasonable growth

## Australian Mortgage Lending

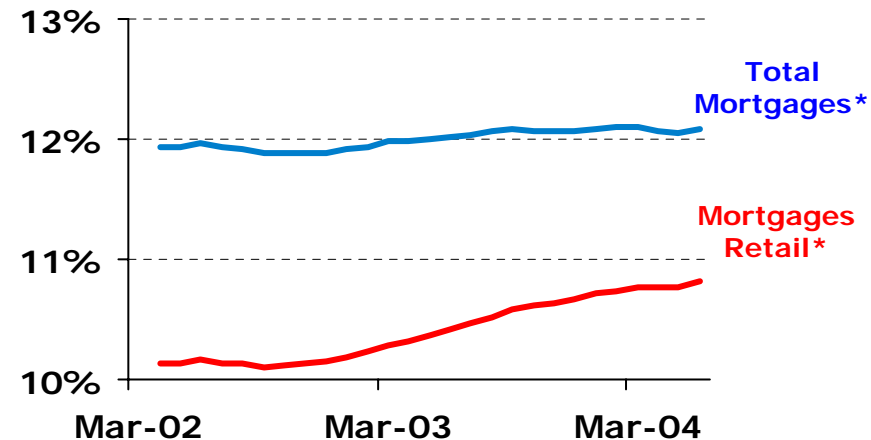


## Mortgages Market Share as at Mar 04



Source: RBA, Annual reports, includes Equity Lines

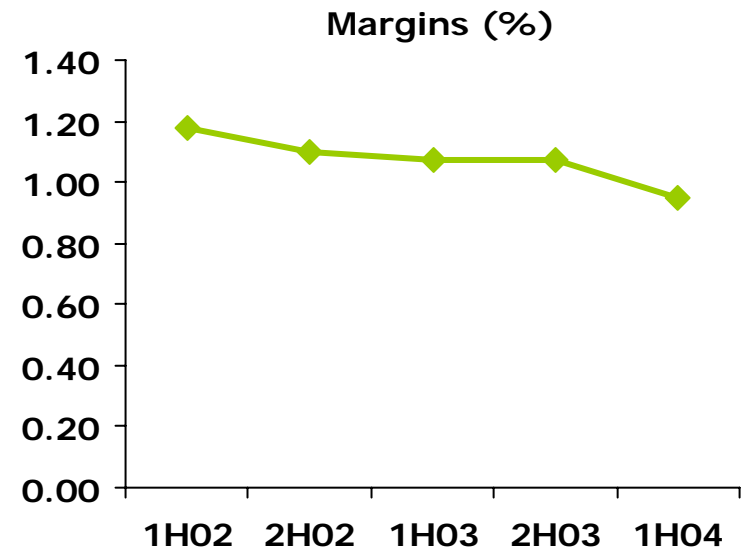
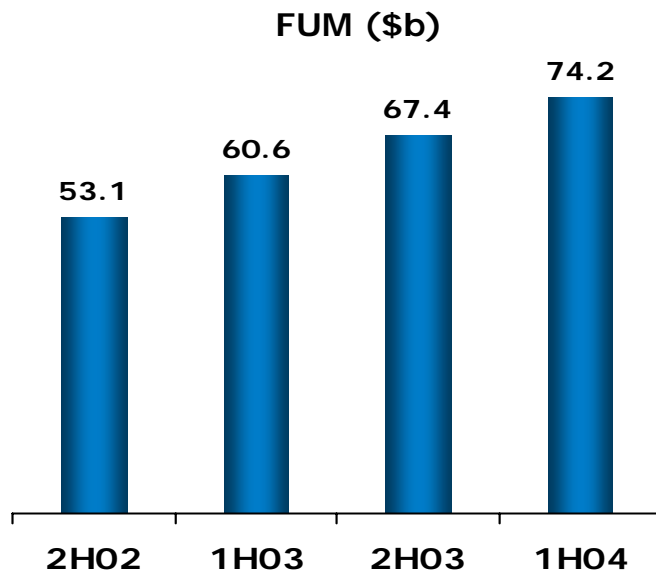
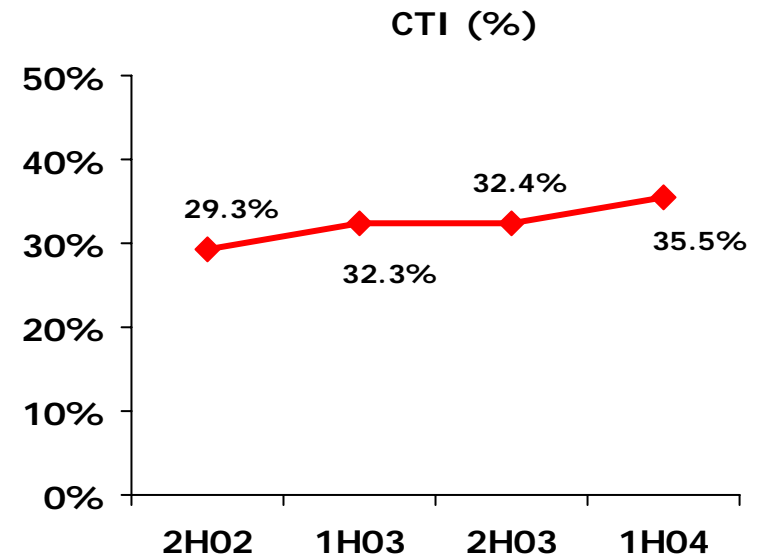
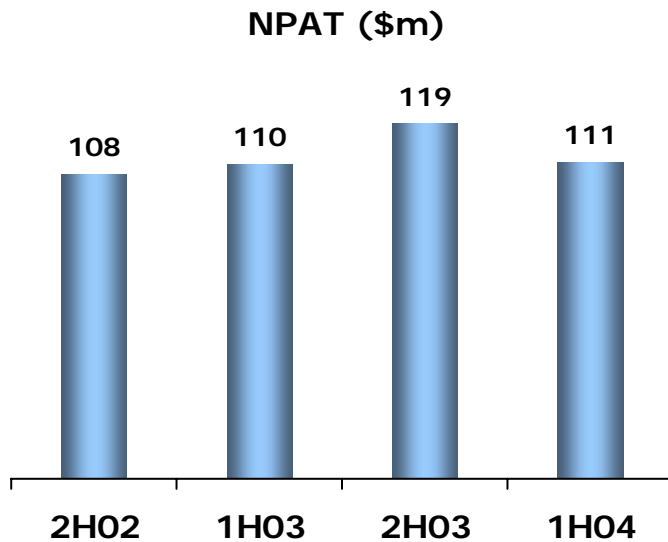
## ANZ Market Share



Source: ANZ Economics; RBA, Annual reports, (includes Equity lines)

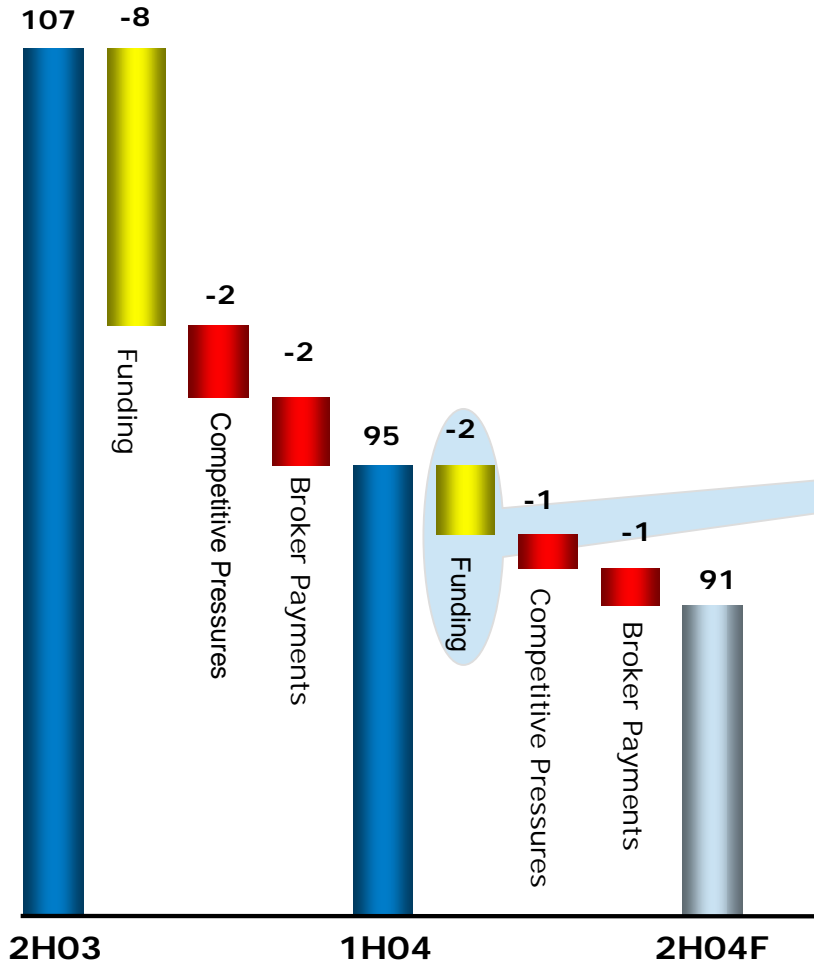
\* "Mortgages Retail" represents ANZ branded mortgages sourced from our own distribution network and brokers. "Total Mortgages" includes white-labelled mortgages written through our Origin subsidiary

# A strong track record, but recent performance impacted by margins



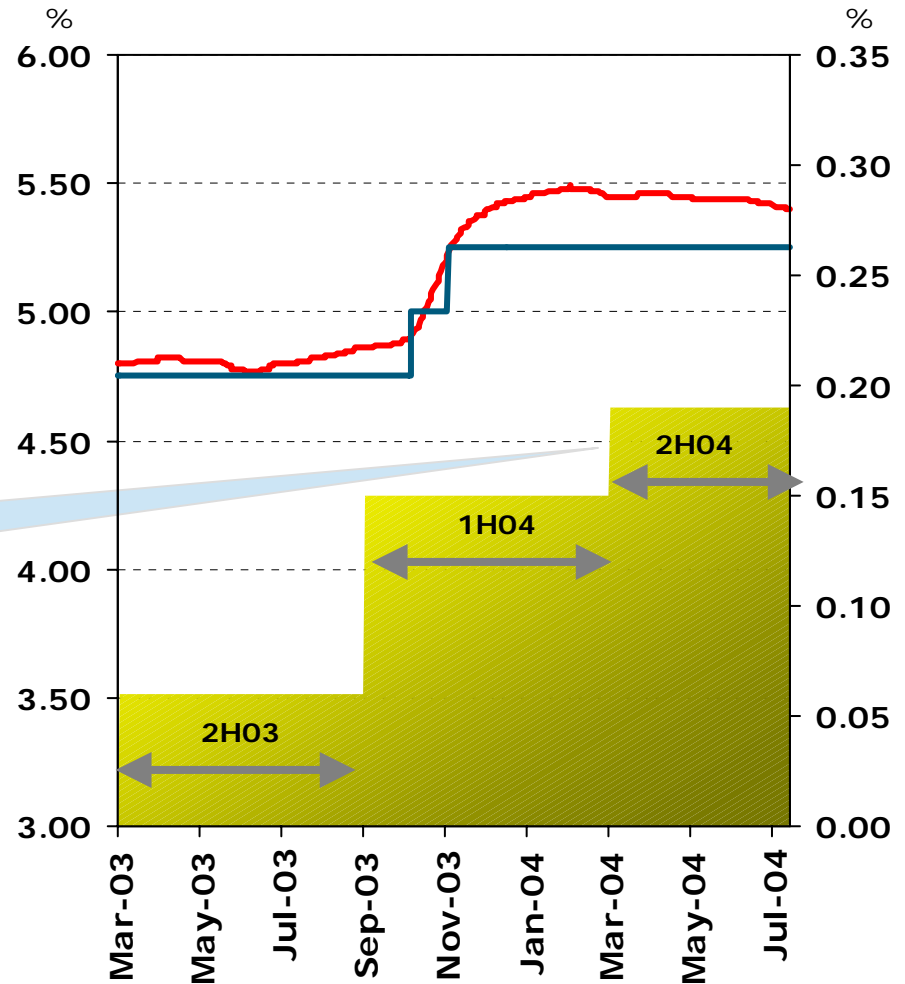
# Cyclical funding costs the key driver of margin contraction

Mortgages Average Margin



Units = basis points

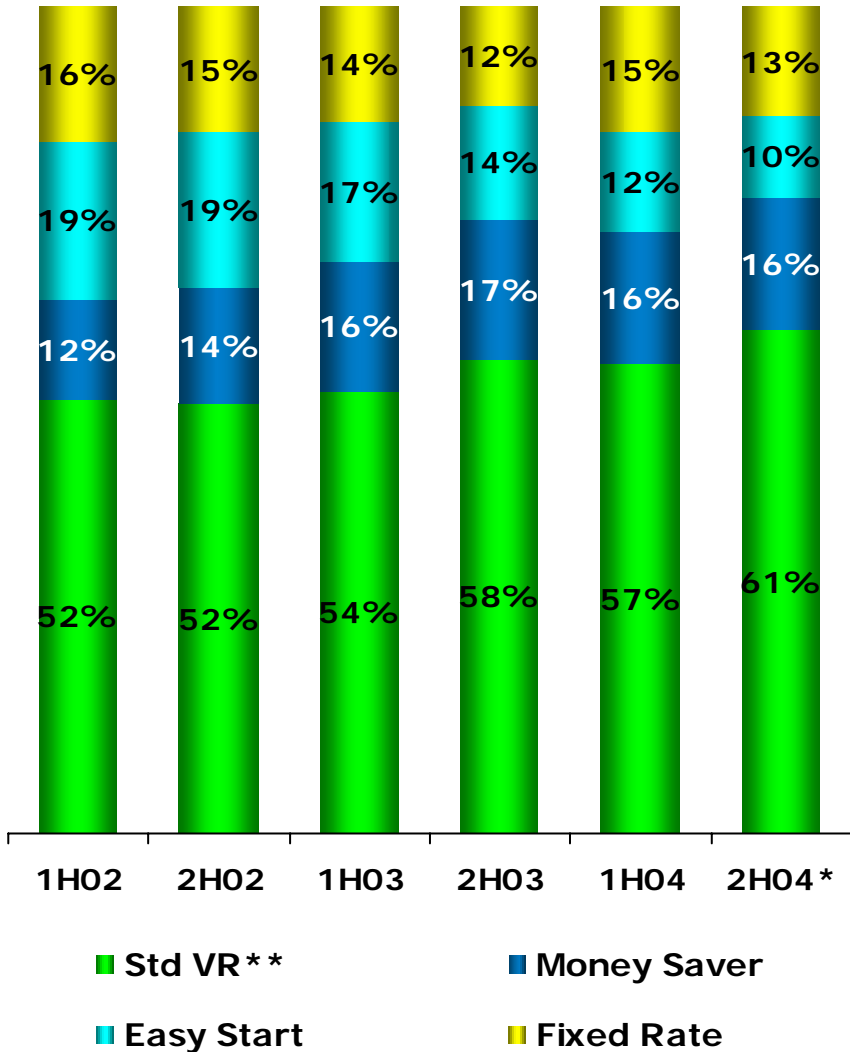
Cash / 30 Day Bill Spread



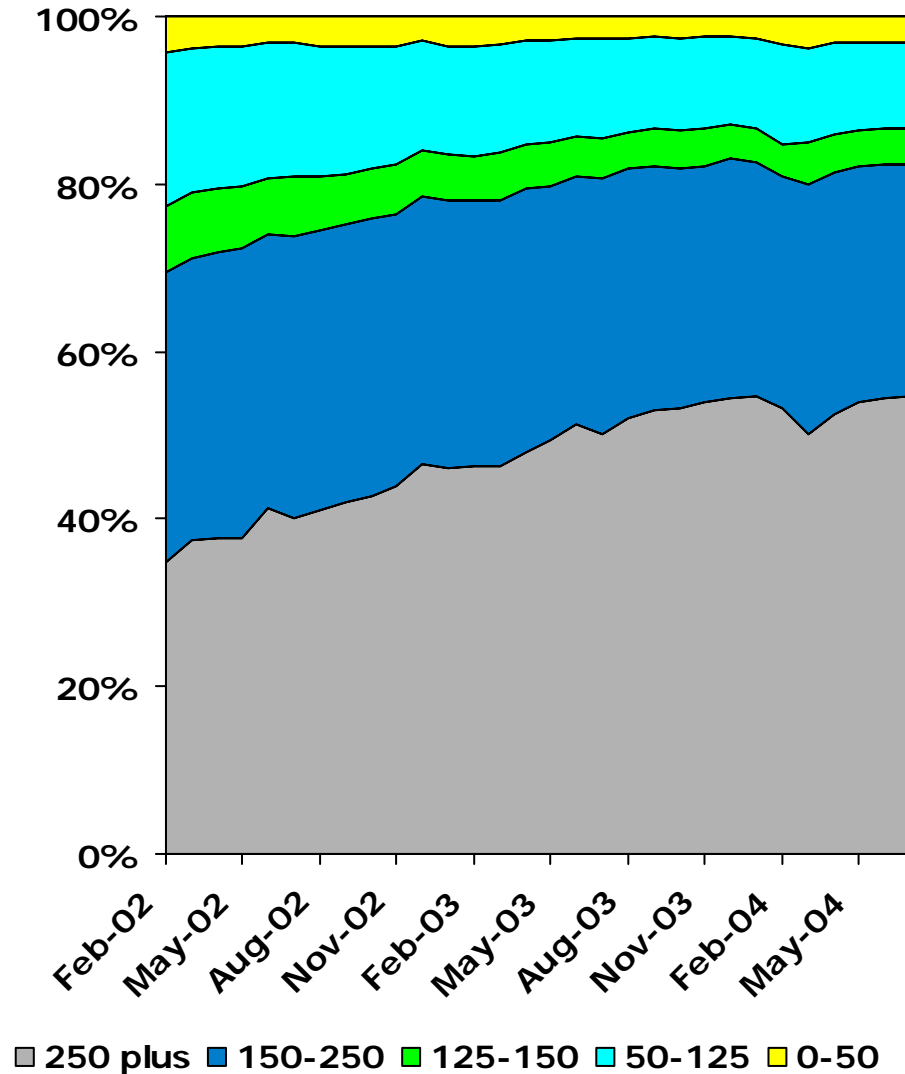
■ Average Difference  
— Rolling 30 day  
— cash

# Margins also impacted by product mix and loan size

### Product Mix



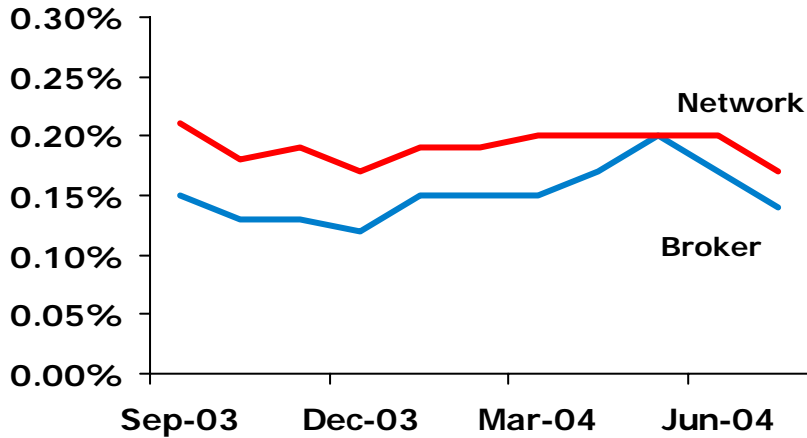
### Loan Size



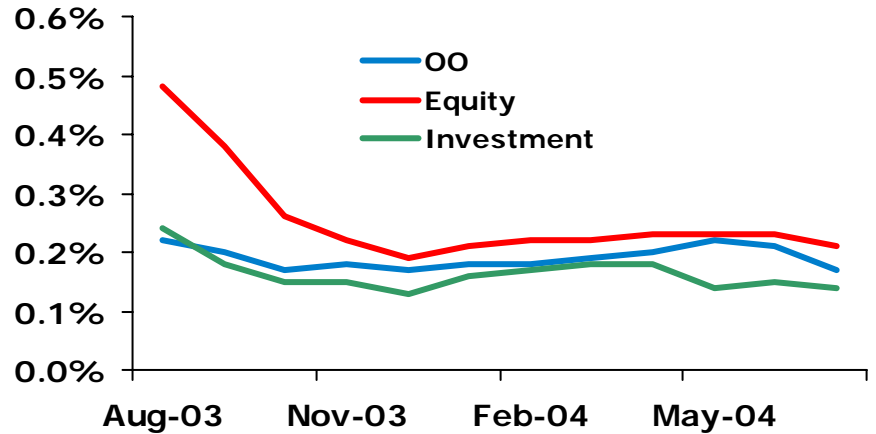
\* Based on half to date. \*\*Std Variable includes Equity Loans 36

# Portfolio continues to be very high quality

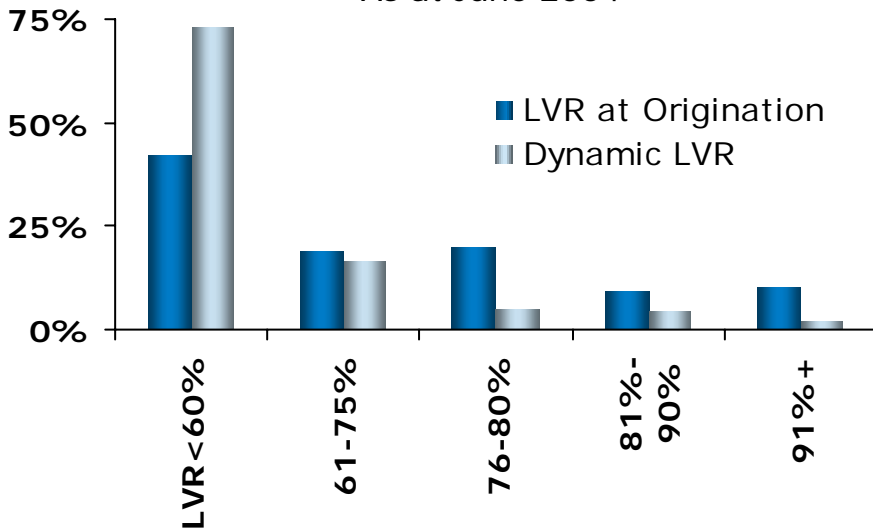
**Delinquency Trends (>60 days arrears)**  
ANZ Network and Brokers



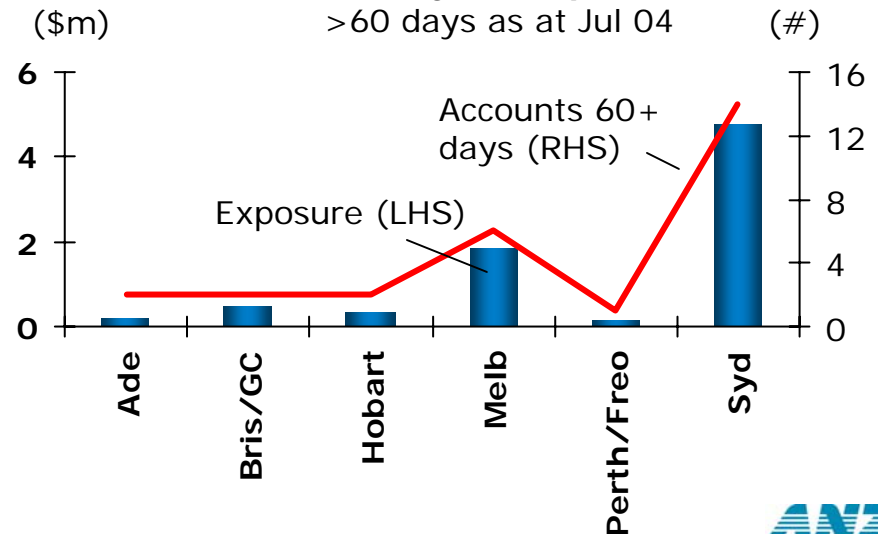
**Delinquency Trends (>60 days arrears)**  
(Owner Occupied, Investment, Equity Manager)



**ANZ Portfolio by LVR – Australia**  
As at June 2004

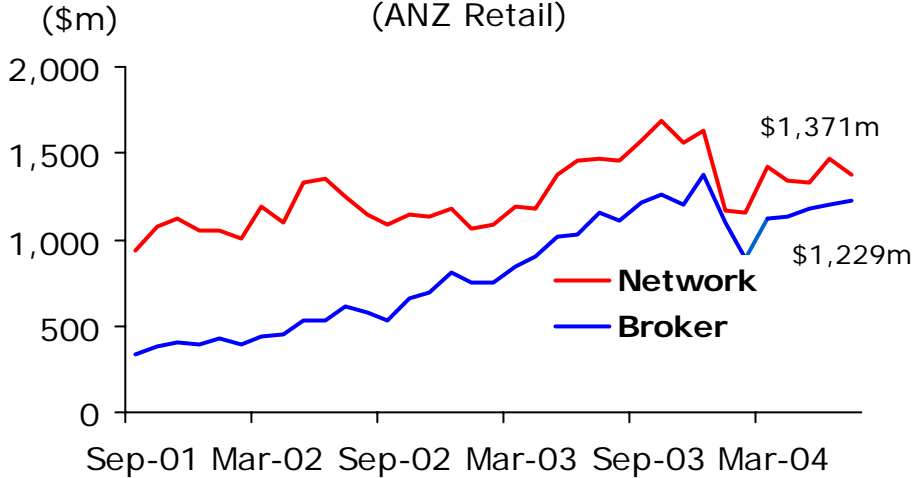


**Inner City Delinquencies**

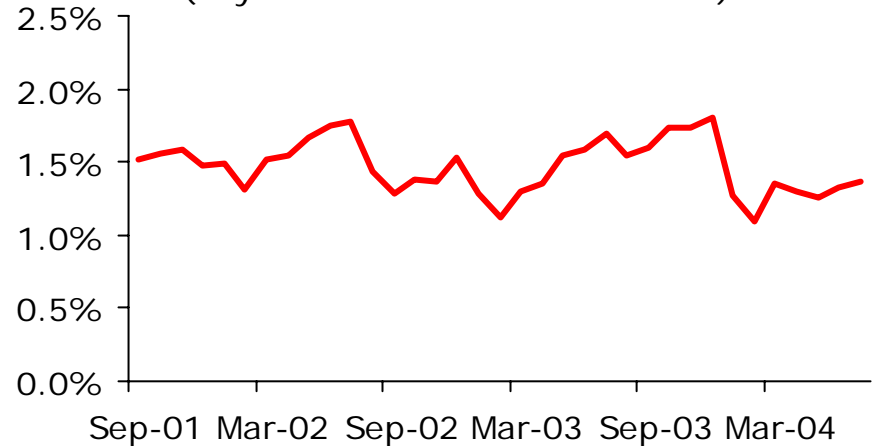


# Sales still strong; Mortgage Solutions to drive further growth

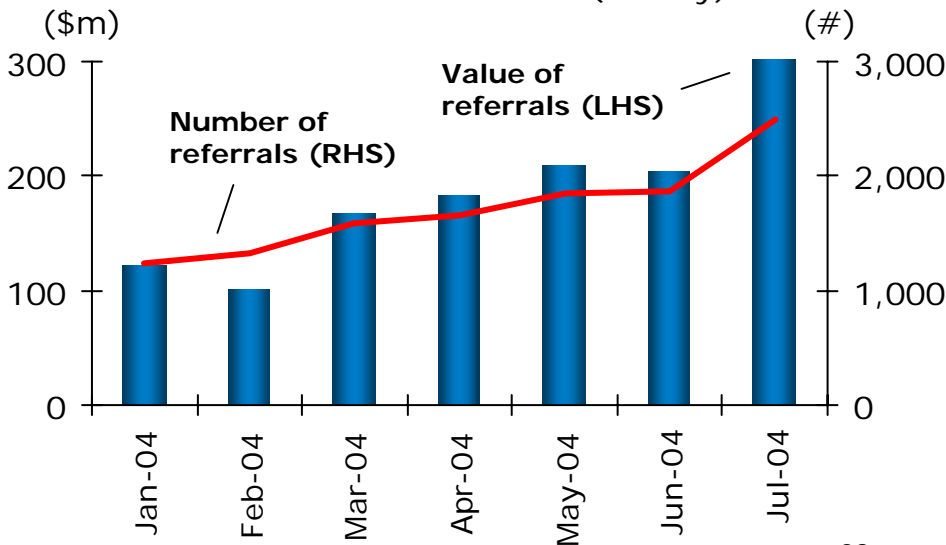
**Monthly Sales remain strong**  
(ANZ Retail)



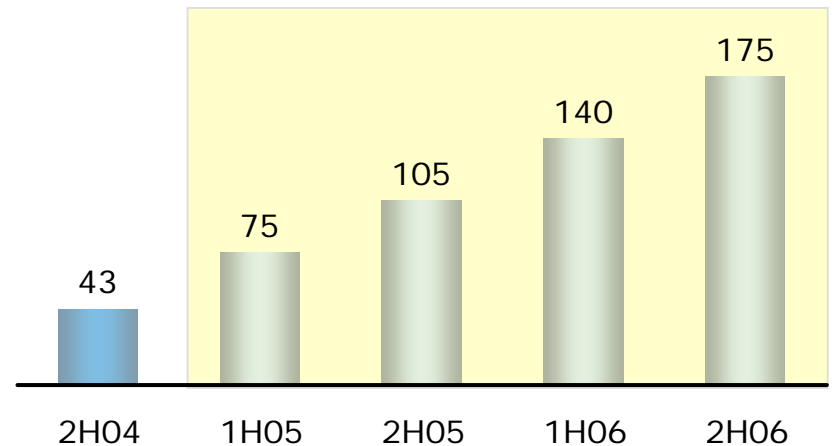
**Lower Monthly Prepayment Rates support FUM growth**  
(Payment in advance of schedule)



**Mortgages Direct Referrals Growing**  
Numbers and Volumes (weekly)



**Forecast rollout of ANZ Mortgage Solutions Franchises**



# ANZ Mortgage Solutions will drive growth and diversify distribution

The screenshot shows a webpage titled "6 ways to apply for an ANZ Home Loan". A navigation menu on the left lists six options: 1. Call the Home Buyers Line, 2. Personal Mortgage Manager, 3. Mobile lender (highlighted), 4. Visit an ANZ branch, 5. Print and send, and 6. Apply online. The main content area is titled "3. Talk to your local mobile lender" and describes the "ANZ Mortgage Solutions - Mobile home lending service". It states that a local representative will assist with home loan needs at a convenient time and place. Key features listed are: Accessibility (meeting at a suitable time and place), Products (access to ANZ's award-winning mortgage products), Expertise (expert assistance for all mortgage needs), and The best deal (strong, competitive pricing and flexible loan features). Contact information is provided: "Contact your local ANZ Mortgage Solutions representative on 13 37 50, 8am to 11pm (EST) 7 days a week." A "close" button is visible in the top right corner of the screenshot.

© Copyright Australia and New Zealand Banking Group Limited ABN 11 005 357 522, 1996-2004  
[Web Site Terms of Use](#) | [About This Site](#) | [ANZ Web Site Security and Privacy Statement](#)

- Will fill a gap in our distribution model with an innovative solution
- Offers customer choice and convenience
- With 12% of the Australian mortgage market, tremendous opportunity from remaining 88%
- Specialist sales forces achieve rapid growth through mobility and flexibility
- Lower origination costs than broker channel
- ***27 franchises already on the road***

## Our aim is to have

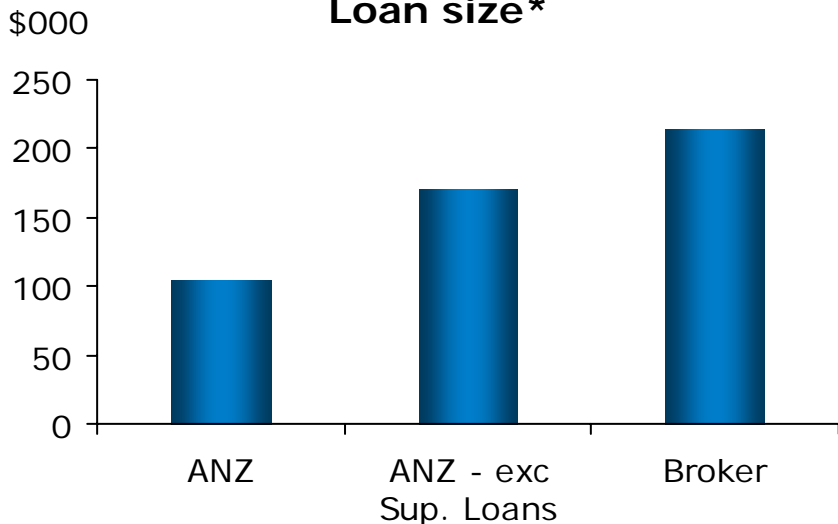
- 1/3 of sales from our branch network
- 1/3 of sales from brokers
- 1/3 of sales from Specialist channels

# Broker channel remains financially and strategically attractive

## Broker channel EVA positive

- Detailed review of Broker channel performed this half in conjunction with Trowbridge Deloitte
- Broker Channel ROE comfortably above Group ROE
- Distribution costs fully variable
- Delivers larger new loan size

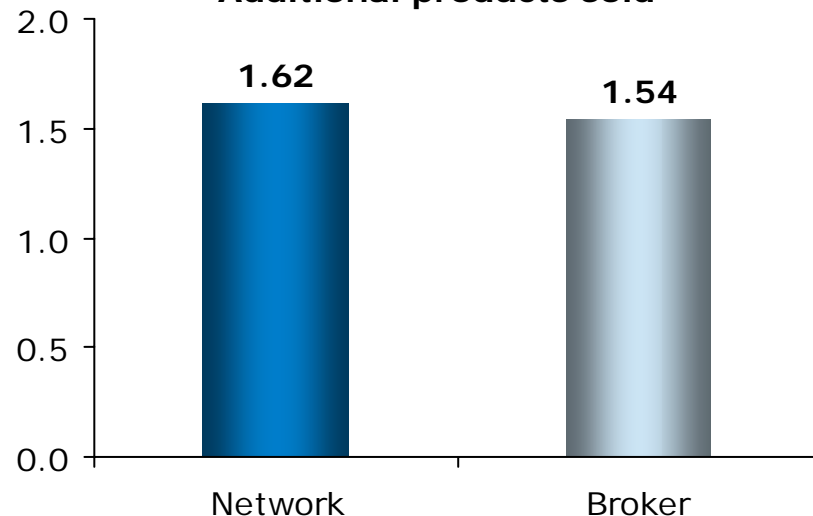
**Loan size\***



\* Based on drawn amount; Sup Loans refer to Supplementary Loans, which are written through the branch network and tend to be smaller in size

## Delivers significant opportunity for cross sell

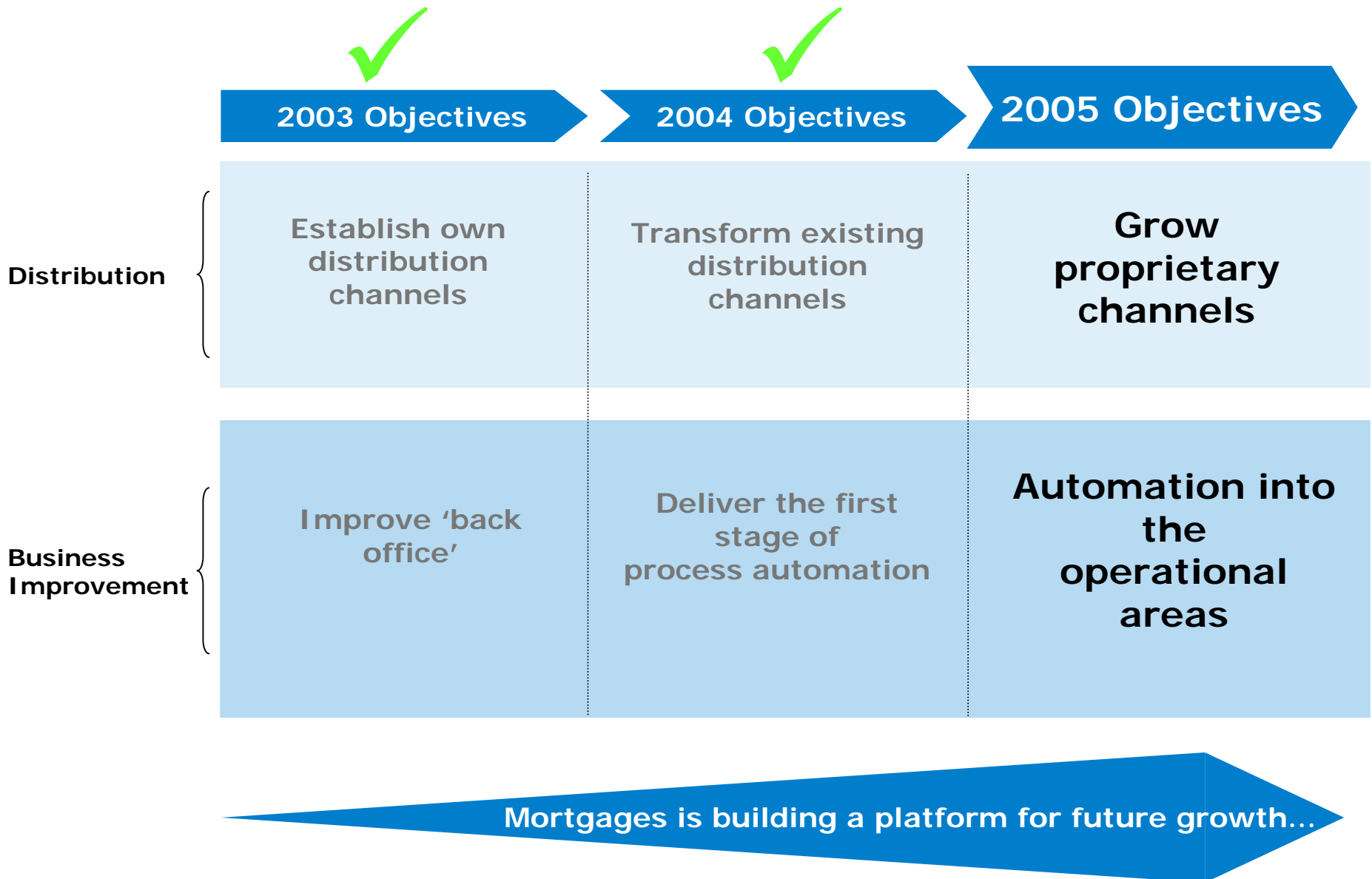
**Additional products sold**



- Valuable source of new customer acquisition for overall Group
- Expands distribution footprint



# Clearly defined strategy focuses on distribution and business improvement



*Personal Division Market Update  
September 2004*


**Consumer Finance  
Brian Hartzler**

9.5679834	9.5679834	9.5679834	9.5679834
2323.4567	2323.4567	2323.4567	2323.4567
482.567	482.567	482.567	482.567
753.687123	753.687123	753.687123	753.687123
5.678	5.678	5.678	5.678
85.82346	85.82346	85.82346	85.82346
1568.0211	1568.0211	1568.0211	1568.0211
1.58463	1.58463	1.58463	1.58463



## Successfully dealing with the challenges

---

 **Consumer Finance has a strong track record**

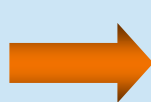
---

---

 **Portfolio remains healthy**

---

---

 **Focus on the customer and understanding of the business has delivered a good post-interchange outcome for our Issuing business**

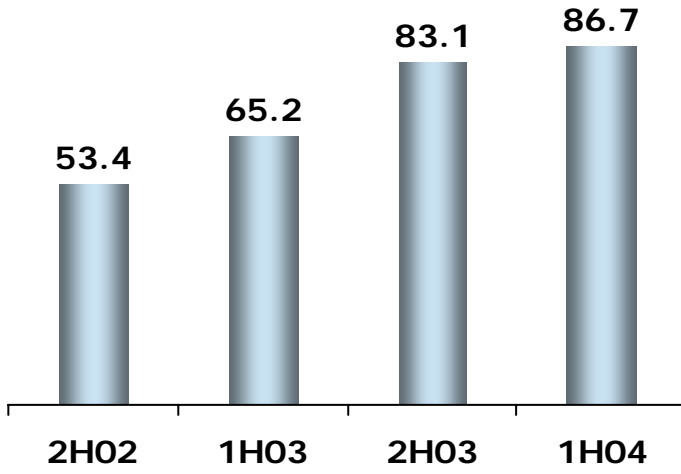
---

---

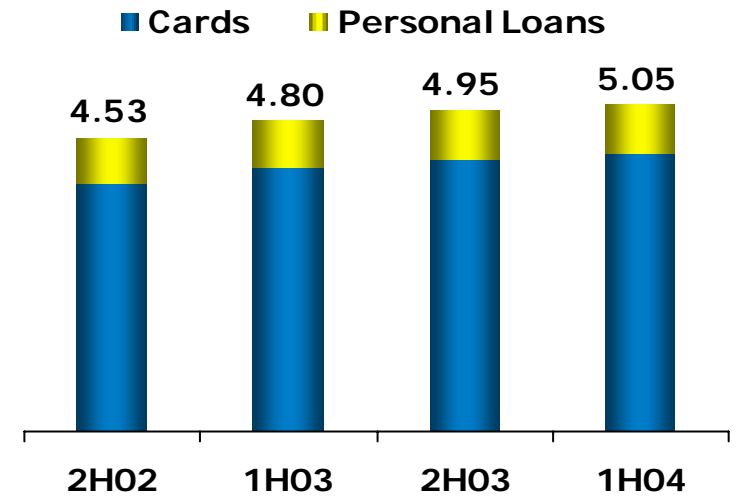
 **Acquiring business transformed, growing share**

# Delivering strong performance

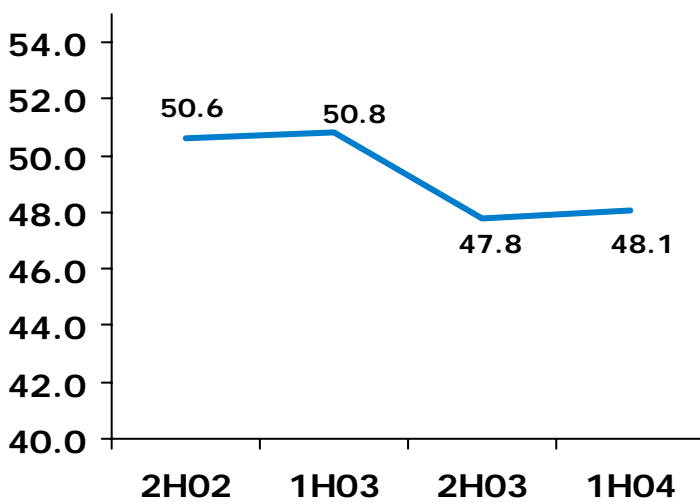
Strong NPAT growth (\$m)\*



Steady FUM growth (\$b)

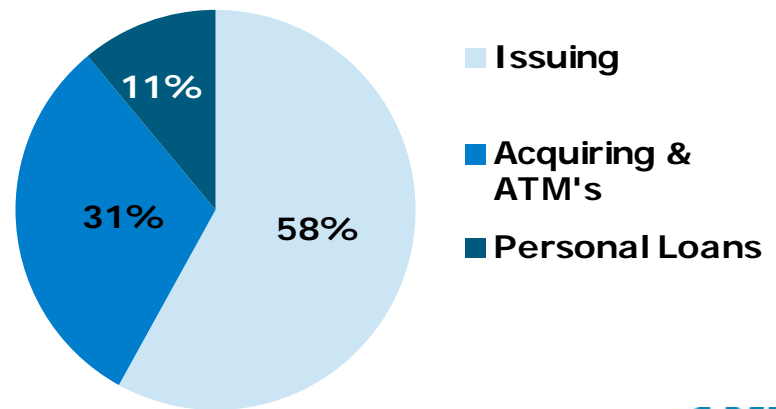


Cost Income Ratio %\*



Source of Revenue

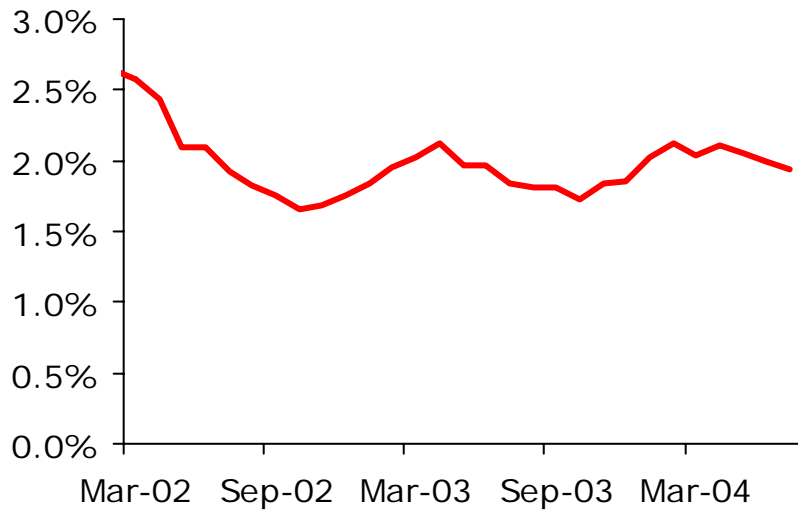
As at March 2004



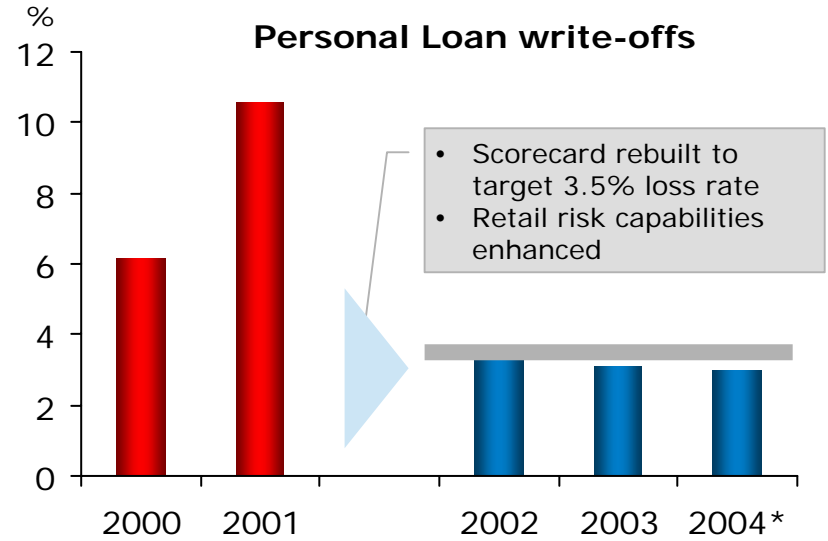
\* adjusted for 1H03 under-accrual and NZ and International Cards operations

# Credit quality in good shape

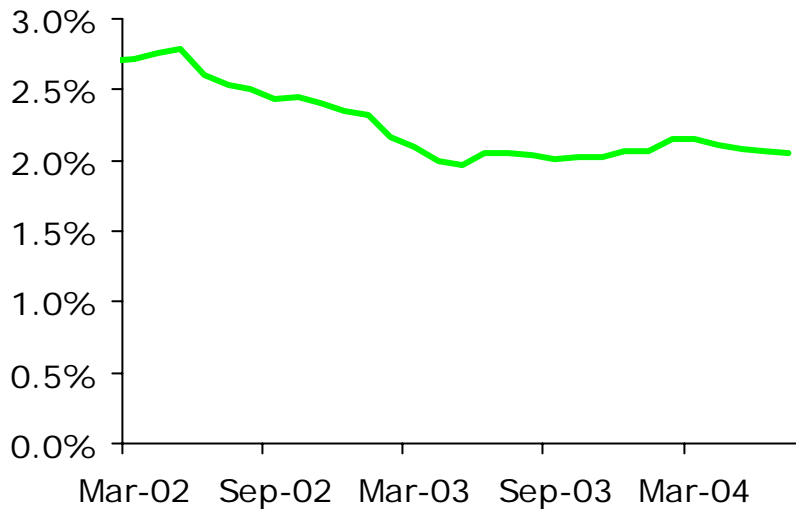
**Credit Card 30 Day + delinquencies**



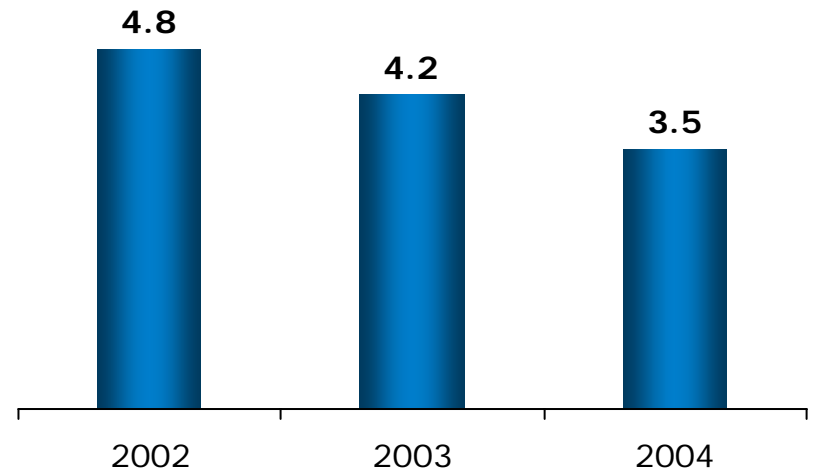
**Personal Loan write-offs**



**Credit Card write-offs**



**Fraud Losses reducing  
(% of turnover bps)**



# Successfully repositioning our cards portfolio post interchange reforms

## Understanding our Customers

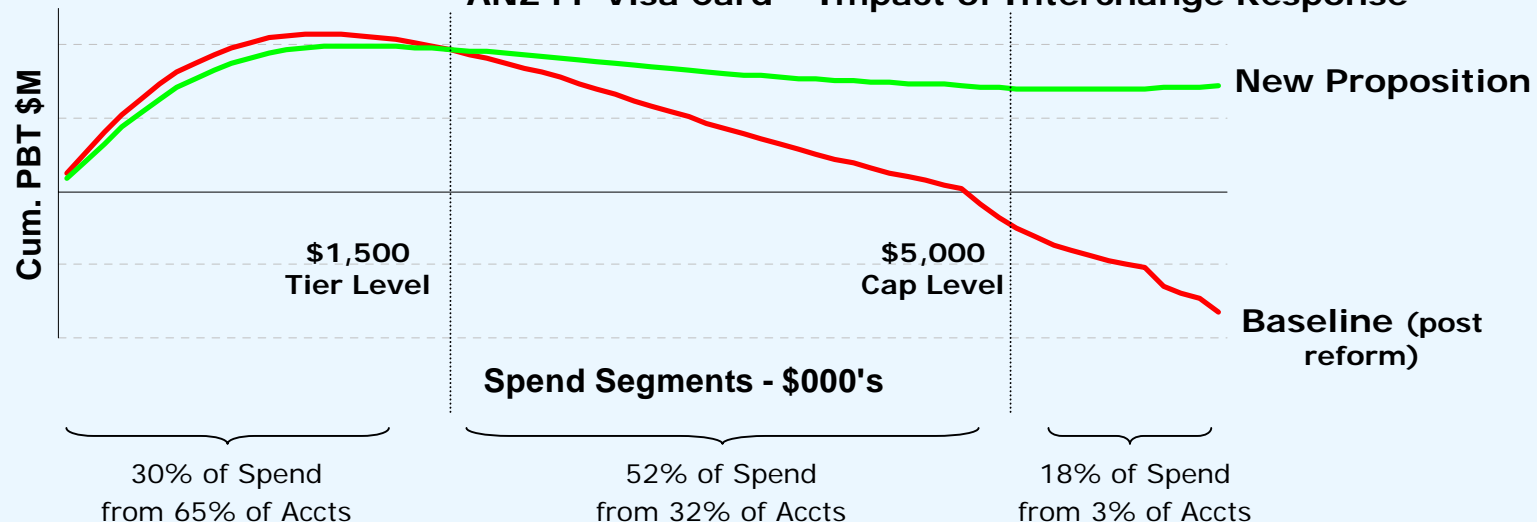
- **Customer Research:** 1,200 existing AFFV customers surveyed to understand the perceived impact of different product changes

### Key Findings:

- Increased **Annual Fees** found to be the greatest attrition catalyst
- **Points:** Flat reduction in earn rate would result in a significant negative impact on perceived value and affect our most valuable customers

## Understanding our Business

### ANZ FF Visa Card – Impact of Interchange Response



# Customer attrition minimised via segment specific tactics

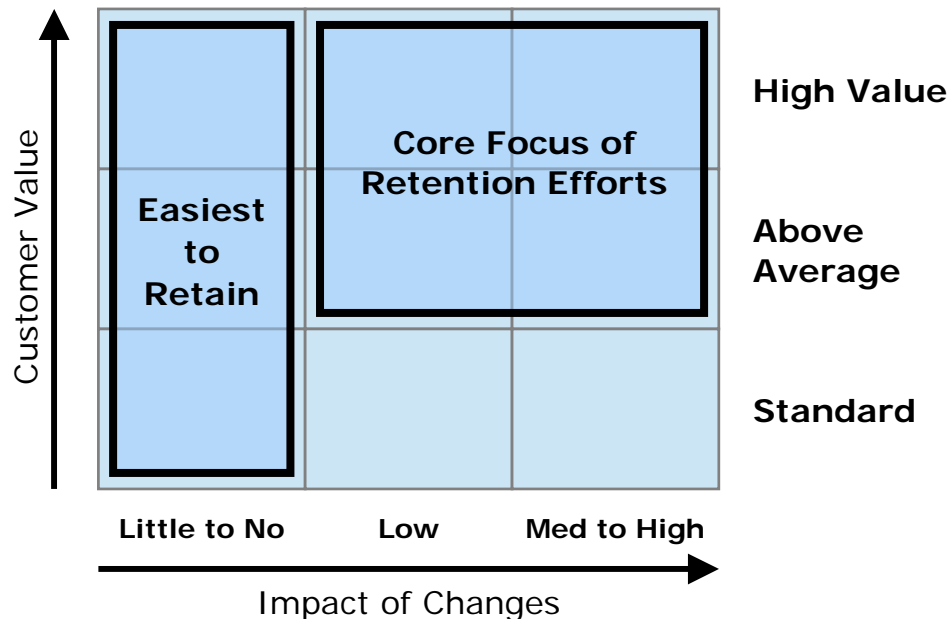
## Proactive Retention

- Proactive strategy implemented via **letters**
- Offers that improve the value of the product
- Primary purpose: **prevent closure requests**, particularly from high value customers

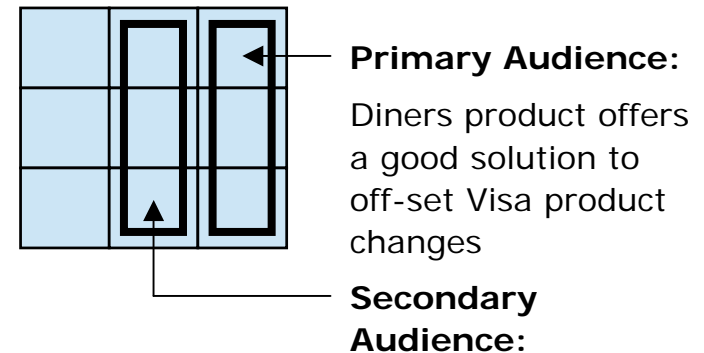
## Reactive Retention

- Reactive strategy implemented by an **inbound Retention team**
- Purpose: **intercept closure requests and save** the account

## Segmentation Approach: ANZ FF Visa Example



## The Role of Diners Club...



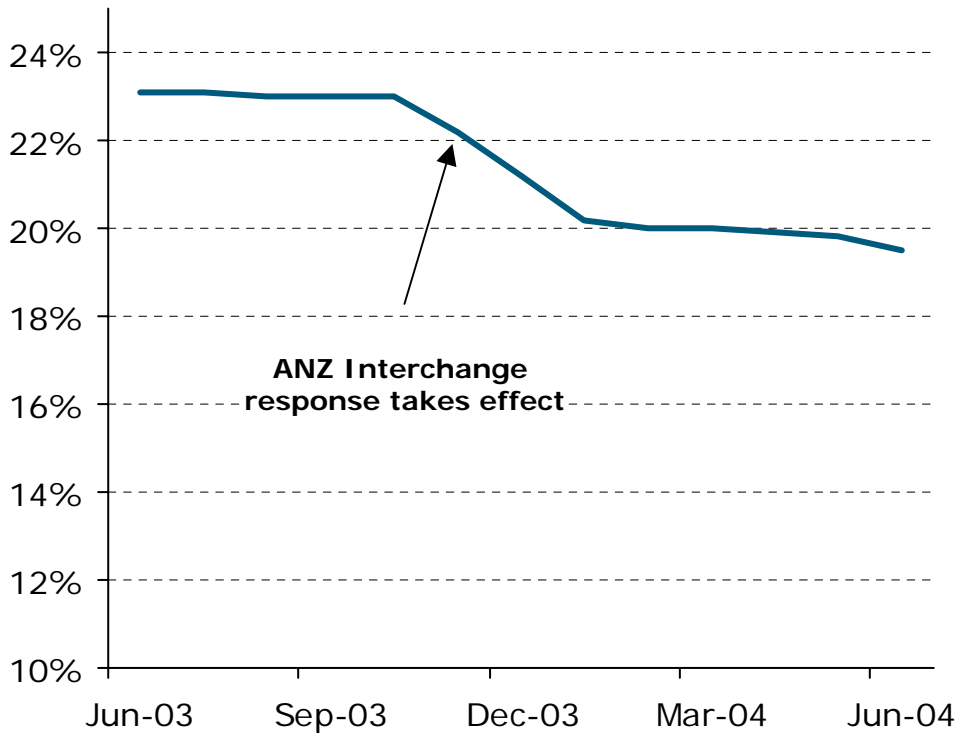
## A Strong Outcome:

- Attrition well below budget
- The Annualised Attrition rate of our highest value segment decreased by 15%

# We have made a conscious market share trade-off...

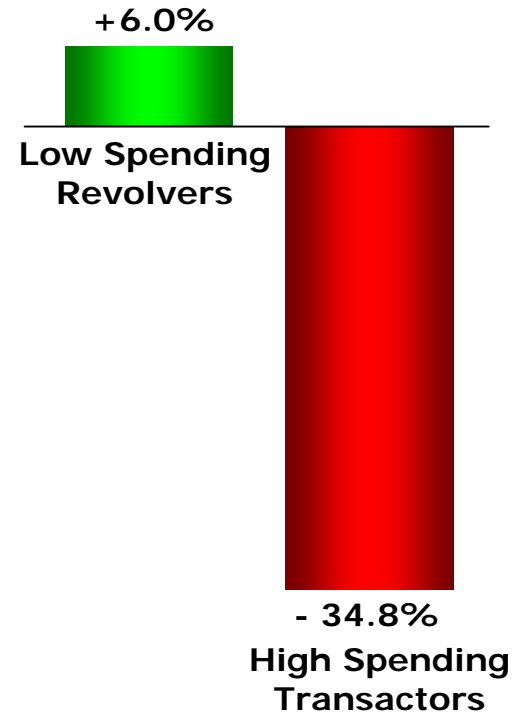
A lower share of spend.....

**Market Share of Spend**  
(3 Month Moving Avg Adj for DC Spend)



...but significantly more attractive profile

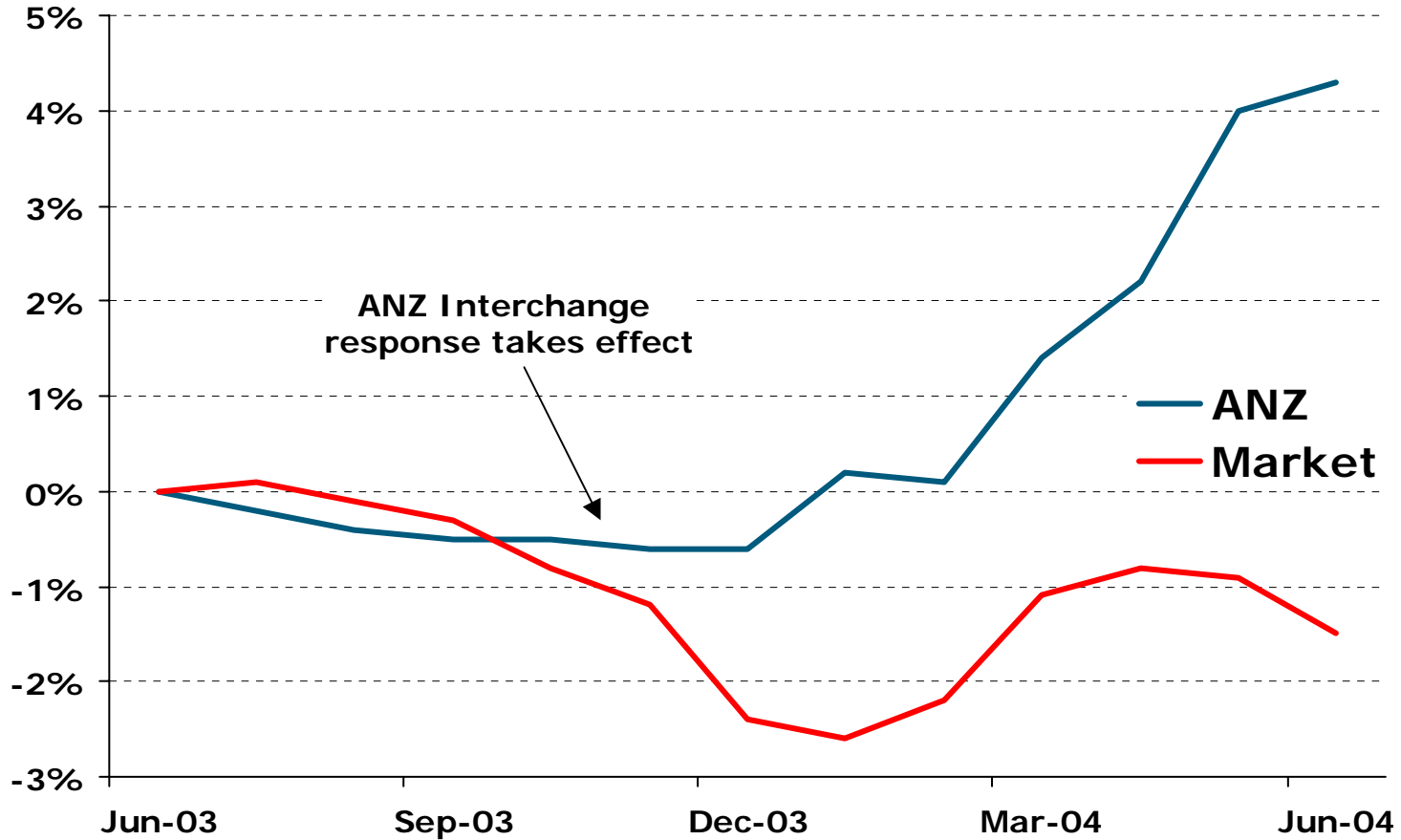
**% Change in Spend Per Account**  
Jun 03 – Jun 04





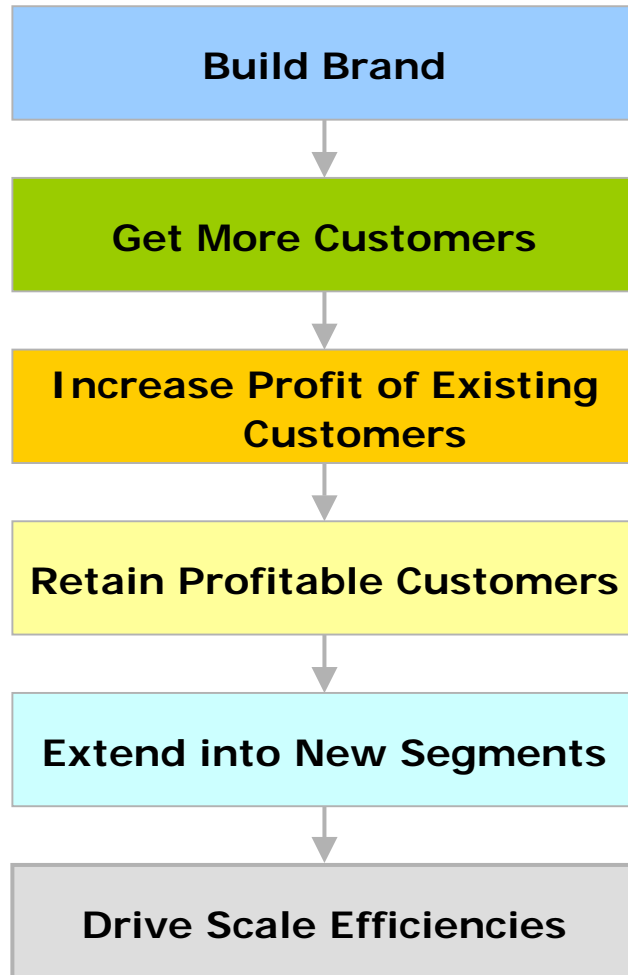
## ...to achieve a more attractive portfolio

Change in Outstandings Earning Interest%  
(3 Month Moving Avg.)

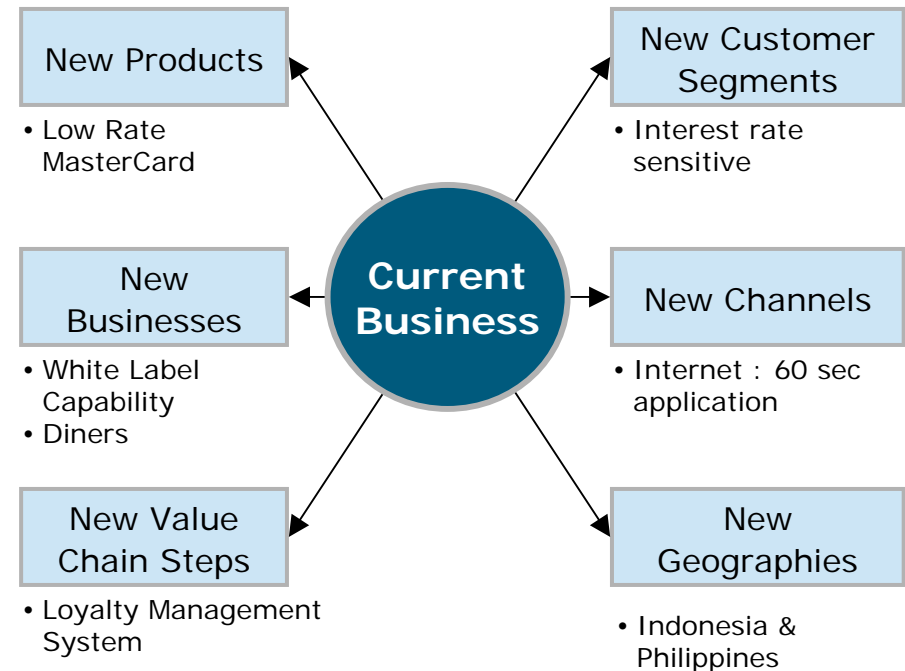


# Issuing strategy – sustain growth through adjacent segments

## Repeatable Formula



## Adjacent Customer/Product Segments



# We have transformed our Merchant Acquiring business...

**1999**

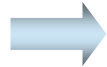
- 16 different terminal types from multiple vendors; Software changes require physical visit



**2004**

- Terminal fleet streamlined to MultiPOS; Remote software download capability

- Minimal fraud detection systems



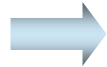
- Neural network fraud system

- Portfolio skewed to small number of large customers



- Strong focus on small business; >20% year-on-year growth

- Low penetration of ANZ banking customer base



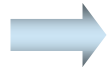
- Cross-sell "win back" campaigns >90% immediate success; now institutionalised

- Low staff satisfaction at around 70%



- >90% staff satisfaction (since 2002)

- 96% cost-income ratio



- 49% cost-income ratio

- Declining customer numbers

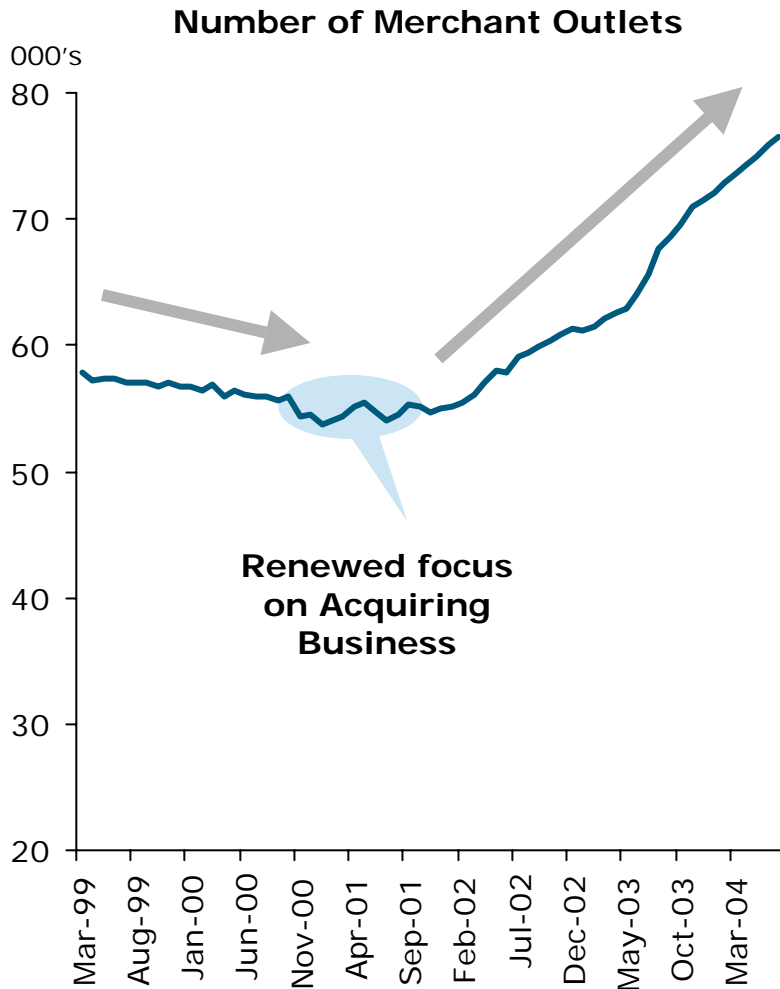


- Growing SME market share



# ...delivering strong growth with clear plans going forward

## Strong growth in Merchant Outlets...



## ...with opportunities ahead

➔ **“Do more Acquiring” – focus on targeted profit pools/segments**

➔ **Expand into new segments**

➔ **Develop Adjacent Opportunities**

## Summary

---

- Market remains attractive
- A strong track record of growth
- Strong focus on the customer delivers successful interchange outcome
- Acquiring business has been transformed and is delivering strong growth
- Well positioned to compete successfully against traditional and new competitors

*Personal Division Market Update  
September 2004*

**Summary  
Brian Hartzler**

9.5679834	9.5679834	9.5679834	9.5679834
2323.4567	2323.4567	2323.4567	2323.4567
482.567	482.567	482.567	482.567
753.687123	753.687123	753.687123	753.687123
5.678	5.678	5.678	5.678
85.82346	85.82346	85.82346	85.82346
1568.0211	1568.0211	1568.0211	1568.0211
1.58463	1.58463	1.58463	1.58463



## A solid foundation for growth

---

- Experienced and Proven Management Team
- Leading Products
- Engaged Workforce
- Increasingly Satisfied Customers



*Our goal is to become  
"Australia's fastest  
growing most respected  
major retail bank"*

*Personal Division Market Update  
September 2004*

9.5679834	9.5679834	9.5679834	9.5679834
2323.4567	2323.4567	2323.4567	2323.4567
482.567	482.567	482.567	482.567
753.687123	753.687123	753.687123	753.687123
5.678	5.678	5.678	5.678
85.82346	85.82346	85.82346	85.82346
1568.0211	1568.0211	1568.0211	1568.0211
1.58463	1.58463	1.58463	1.58463

**ANZ**  
**NOW**



## Brian Hartzer

---

Brian Hartzer is Group Managing Director of Personal Banking.

This division primarily serves ANZ's retail customers in Australia. It includes the following businesses: Personal and Wealth Distribution, Mortgages, Credit Cards, Merchant Services, Banking Products and Rural Banking.

Brian was previously Managing Director of ANZ's Consumer Finance business where he was responsible for credit cards, merchant acquiring and personal loans.

Prior to this, Brian was Managing Director of ANZ's Cards and ePayments business.

Before joining ANZ, Brian was Vice President and head of the San Francisco office of First Manhattan Consulting Group, a leading strategic consulting firm to the financial services industry. During 10 years with First Manhattan, he consulted to major banks, credit card companies and brokerage firms.

As a consultant, Brian was seconded to ANZ from 1994 to 1997 in a number of roles, including Head of Consumer Marketing and Head of Database Marketing. He also worked on a variety of Group-level strategic projects including retail distribution strategy, retail and commercial market segmentation, and the introduction of Economic Value Added (EVA)-based management accounting principles.

Brian holds a Bachelor of European History (highest honours) from Princeton University and is also a Chartered Financial Analyst.



### **Key Dates**

#### **May 2004**

Appointed Group Managing Director, Personal Banking

#### **April 2002**

Appointed Managing Director, Consumer Finance

#### **September 1999**

Joined ANZ as Managing Director Global Cards

#### **December 1996**

Appointed Head of Consumer Marketing (Acting)

#### **July 1996**

Appointed Head of Database Marketing and Market Research (Acting)

#### **June 1994**

Appointed Consultant to ANZ

## Greg Camm

---

Greg Camm is Managing Director, Personal and Wealth Distribution.

This includes the teams in ANZ's metropolitan branch network, the contact centre, and our network of financial planners.

Greg was previously Managing Director, New Zealand, and before that was Managing Director, Mortgages.

From March 1996, Greg was General Manager Retail Marketing. Before this, he was General Manager of Retail Banking in New Zealand. He previously held the position of General Manager of the Chief Executive's Office.

Greg joined ANZ in April 1989 as General Manager Investor Relations.

Before joining ANZ, Greg was General Manager at National Mortgage Market Corporation Ltd. Prior to that, he was the Manager of Victoria and Tasmania for mortgage insurer MGICA Ltd, having joined them from the credit union industry.

Greg holds a Bachelor of Business, majoring in accounting and finance and a Master of Business Administration.

He serves on the Appeal Board of the Australia and New Zealand Intensive Care Foundation, and is a Trustee of the Australian Cancer Research Foundation.



### **Key Dates**

#### **May 2004**

Appointed Managing Director, Personal and Wealth Distribution

#### **December 2002**

Appointed Managing Director, New Zealand

#### **February 1998**

Appointed Managing Director Mortgages, Personal Financial Services

#### **March 1996**

Appointed General Manager Retail Marketing

#### **July 1993**

Appointed General Manager Retail Banking (New Zealand)

#### **June 1992**

Appointed General Manager Chief Executive's Office

#### **April 1989**

Joined ANZ as General Manager Investor Relations

## Chris Cooper

---

Chris Cooper is Managing Director, Mortgages.

He is responsible for all residential mortgage security lending activities. He oversees the management of all aspects of mortgages including marketing, product development, operations and securities.

Chris was previously ANZ's Global Head of Foreign Exchange and before this he worked with ANZ in the FX area from 1978 to 1994.

He has served in many senior positions covering ANZ businesses in Melbourne, London, New York and New Zealand.

During his period outside ANZ, Chris was Australian Treasurer for Standard Chartered Bank.



### **Key Dates**

#### **December 2002**

Appointed Managing Director,  
Mortgages

#### **November 1994**

Appointed Global Head of  
Foreign Exchange – ANZ

#### **January 1994**

Australian Treasurer –  
Standard Chartered

#### **January 1992**

New Zealand Treasurer – ANZ

#### **April 1984**

Executive Vice President,  
FX Americas – ANZ

## Jenny Fagg

---

Jenny Fagg is Managing Director, Credit Cards Australia.

She is responsible for the business that provides consumer and commercial credit cards to ANZ's customers.

Jenny joined ANZ in 2000 as General Manager, Consumer Finance Risk Management and Personal Loans.

She was appointed Managing Director, Credit Cards Australia, in October 2002.

Before joining ANZ, Jenny worked at KPMG where she developed a retail risk management practice.

She was previously at Citibank where she had a number of general manager positions in credit cards and risk management, along with business ownership of mortgages, small business and share finance.

Jenny has a Bachelor of Economics and Psychology and a PhD in Risk Management.



### **Key Dates**

#### **October 2002**

Appointed Managing Director,  
Credit Cards Australia

#### **January 2000**

Appointed General Manager,  
Consumer Finance  
Risk Management and  
Personal Loans, ANZ

#### **1998**

Director and Retail Lending  
Specialist, KPMG

#### **1996**

General Manager,  
Customer Finance Marketing

#### **1993**

General Manager,  
Consumer Credit

## David Hisco

---

David Hisco is Managing Director, Merchant Services.

This business includes the merchant acquiring businesses in Australia and New Zealand, as well as the smart card development unit.

Prior to this, David was General Manager Merchant Acquiring in Australia.

Before joining the merchant business in ANZ, David was General Manager of UDC Finance, New Zealand's largest finance company and part of ANZ's asset finance business.

David has previously had six years in Corporate Banking management roles, and five years in senior management at Esanda.

David is a Director of Eftpos New Zealand Ltd (a wholly owned subsidiary of ANZ), and Mondex Australia. He holds a Bachelor of Business (Accounting) from Deakin University, a Graduate Diploma in Business Administration from Monash University, and an Executive Masters of Business Administration from Monash University (Mt Eliza).

He is a Fellow of the Australian Institute of Banking and Finance and an Associate of the Australian Society of Accountants.



### Key Dates

#### **October 2002**

Appointed Managing Director, Merchant Payment Solutions, now Merchant Services

#### **February 2000**

Appointed General Manager, Merchant Acquiring and Smartcards

#### **January 1998**

Appointed General Manager, UDC Finance, New Zealand

#### **September 1996**

Appointed National Manager, Specialised Leasing, Esanda

# Mike Guerin

---

Mike Guerin is Head of Rural Banking Australia.

He is responsible for ANZ's Australian Rural Banking network, which includes more than 280 branches and more than 60 agencies.

Mike's role is to provide the vision and framework to build a stronger and more sustainable business in regional and rural Australia for ANZ.

Mike joined ANZ in 1989 and has held a variety of roles, including Regional Manager Auckland, National Manager of Small to Medium Business New Zealand and General Manager of UDC Finance. He was appointed Head of Rural Banking Australia in April 2002.

Mike holds an MBA, a Bachelor of Commerce and a Diploma of Banking.



## **Key Dates**

### **April 2002**

Appointed Head of Rural Banking Australia

### **May 2000**

Appointed General Manager UDC Finance

### **June 1998**

Appointed National Manager, Small to Medium Business, New Zealand

### **1989**

Joined ANZ

## John Harries

---

John is the acting Managing Director, Bankings Products. He is responsible for ANZ's consumer deposit products as well as ANZ's wealth products V2+, Trustees, margin lending and ANZ's E\*TRADE relationship.

John was previously General Manager, Retail Mortgages Australia, where he developed a leading mortgage product range. He oversaw record growth and sales in the last year for ANZ's Australian mortgage products.

Before this, he was Head of Marketing for Mortgages and National Manager, Consumer Marketing.

John was previously Head of Marketing from 1988 to 1996 with Town & Country Building Society in Western Australia and acting General Manager in 1996. This integrated financial services and property business was acquired by ANZ in 1990 and ran independently until full integration in 1999.

From 1982 to 1988, John held a number of senior positions with Perth Building Society/Challenge Bank Group. During this time, he was responsible for managing the conversion of Perth Building Society, Hotham Building Society, Trade Credits Ltd and National Permanent Finance Corporation into Challenge Bank.

John holds a Bachelor of Commerce from the University of Western Australia and is on the Council of Chatham Primary School and leads the Education and Heritage Committee.



### Key Dates

#### July 2004

Appointed Managing Director Banking Products (acting)

#### June 2002

Appointed Head of Retail Mortgages Australia

#### February 1998

Appointed Head of Marketing for Mortgages

#### April 1997

National Manager Consumer Marketing

#### July 1990

Joined ANZ

# Shane Buggle

---

Shane is Chief Financial Officer Personal Division.

Shane has over 20 years experience in banking and finance.

Shane rejoined ANZ in 2003 as CFO for the Consumer Finance business, before moving to his current role, having previously worked for ANZ between 1993 -1999 in the Group Finance area. In between ANZ engagements, Shane held the position of CFO for Zurich Financial Services Ireland, based in Ireland, and CFO for CPA Australia.

Prior to joining ANZ in 1993, Shane was a senior manager with PricewaterhouseCoopers in Corporate Finance and before that in Audit and Assurance.



## **Key Dates**

### **August 2004**

Appointed Chief Financial Officer, Personal Division

### **May 2003**

Appointed Chief Financial Officer, Consumer Finance

### **September 2002**

Appointed Chief Financial Officer, CPA Australia

### **October 1999**

Appointed Chief Financial Officer, Zurich Financial Services, Ireland

### **August 1993**

Joined ANZ



# Michael Liley

---

Michael is Head of Strategy and Marketing..

Before joining ANZ in July 2004, Michael was a partner in a boutique venture capital firm during which time amongst other things he managed one of the major investments, an international technology company in the UK, for most of 2003.

Previously he was a member of National Australia Bank's senior executive group where, amongst other roles he was General Manager, Global Retailing and Channel Development responsible for modernising the bank's channels globally, as well as running the retail banks globally. Immediately prior to his leaving the Bank in mid 2001, he was responsible for the establishment of a new division focused on developing new businesses of the future, especially as they related to online and new economy activities.

Michael joined NAB in 1988 to head up Consumer Marketing. In 1992 he moved to London with NAB to oversee the marketing activities of its European Operations. In 1995 he moved to Hong Kong to run the bank's Asian division, covering 12 countries. Michael oversaw an acceleration in the growth of the bank's Asia wholesaling banking business as well as introducing selected retail banking activities.



## Key Dates

### July 2004

Appointed Head of Strategy and Marketing, ANZ Personal Division

### 2003

Partner, Venture Capital, UK

### 1995

Appointed Head of NAB Asia

### 1992

Appointed NAB Europe, Head of Marketing

### 1998

Joined National Australia Bank, Head of Consumer Marketing

# Sonya Clancy

---

Sonya Clancy is Head of People Capital, Personal Banking Division.

Sonya works closely with the leadership team and focuses on strategic People Capital issues, opportunities and priorities facing the Division and ANZ.

Joining ANZ in 1998, Sonya has held various senior people capital roles including Head of People Capital for the Operations, Technology and Shared Services Division, Head of People Capital, Metro & Regional Banking and Head of People Capital Shared Services.

Sonya has a Bachelor of Arts Degree and brings over 15 years executive experience in corporate strategic Human Resource issues in financial services and pharmaceutical industries.



## **Key Dates**

### **September 2004**

Appointed Head People Capital, ANZ Personal Division

### **March 2002**

Appointed Head People Capital, OTSS

### **April 2001**

Appointed Head People Capital, Metro & Regional Banking

### **August 1999**

Appointed Head People Capital, Shared Services

### **September 1998**

Joined ANZ

---

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](http://www.anz.com)**

or contact

Simon Fraser  
Head of Investor Relations

ph: (613) 9273 4185 fax: (613) 9273 4091 e-mail: [simon.fraser@anz.com](mailto:simon.fraser@anz.com)