

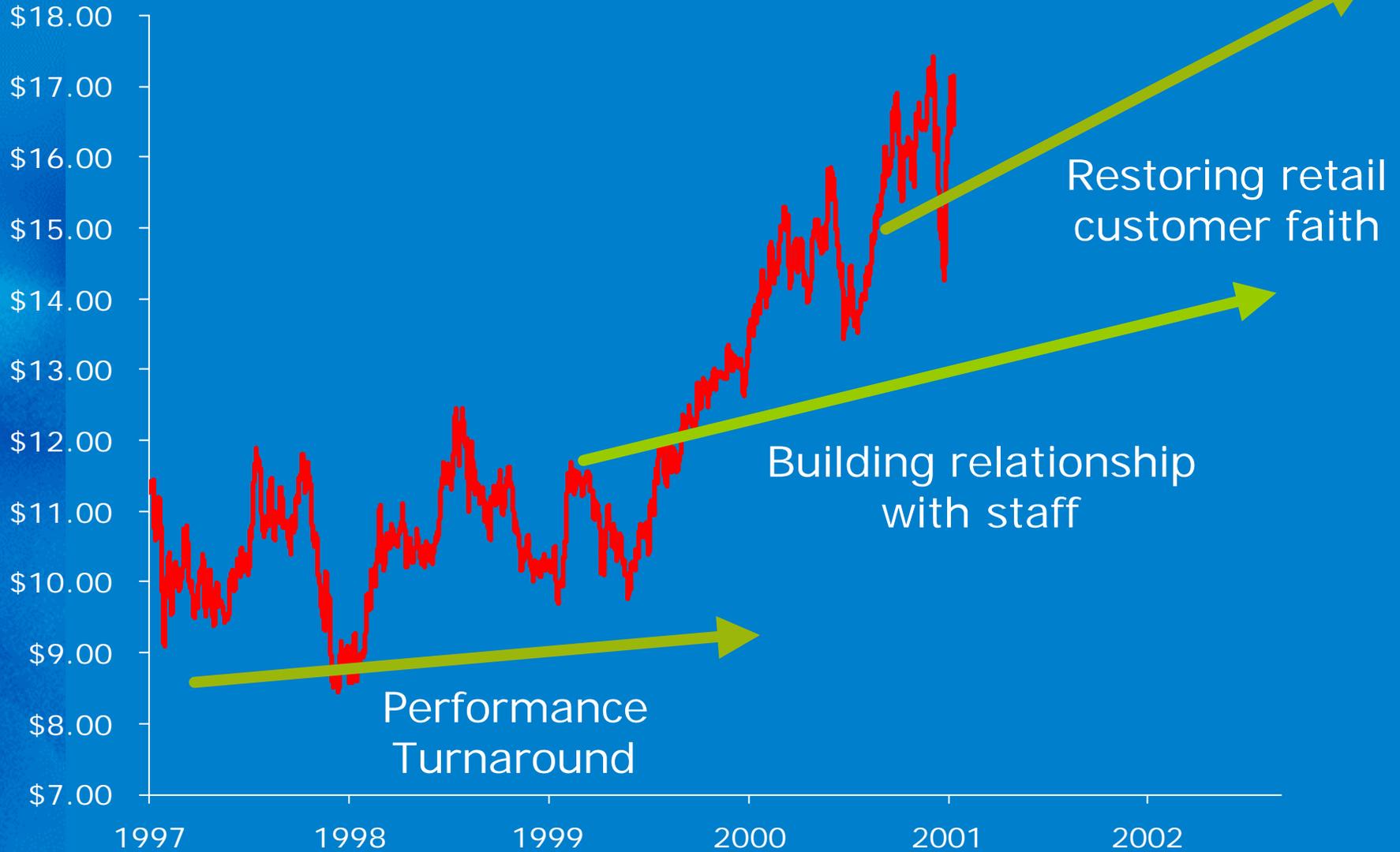
Transformation – Building the Bank with a Human Face

**John McFarlane
Chief Executive Officer**

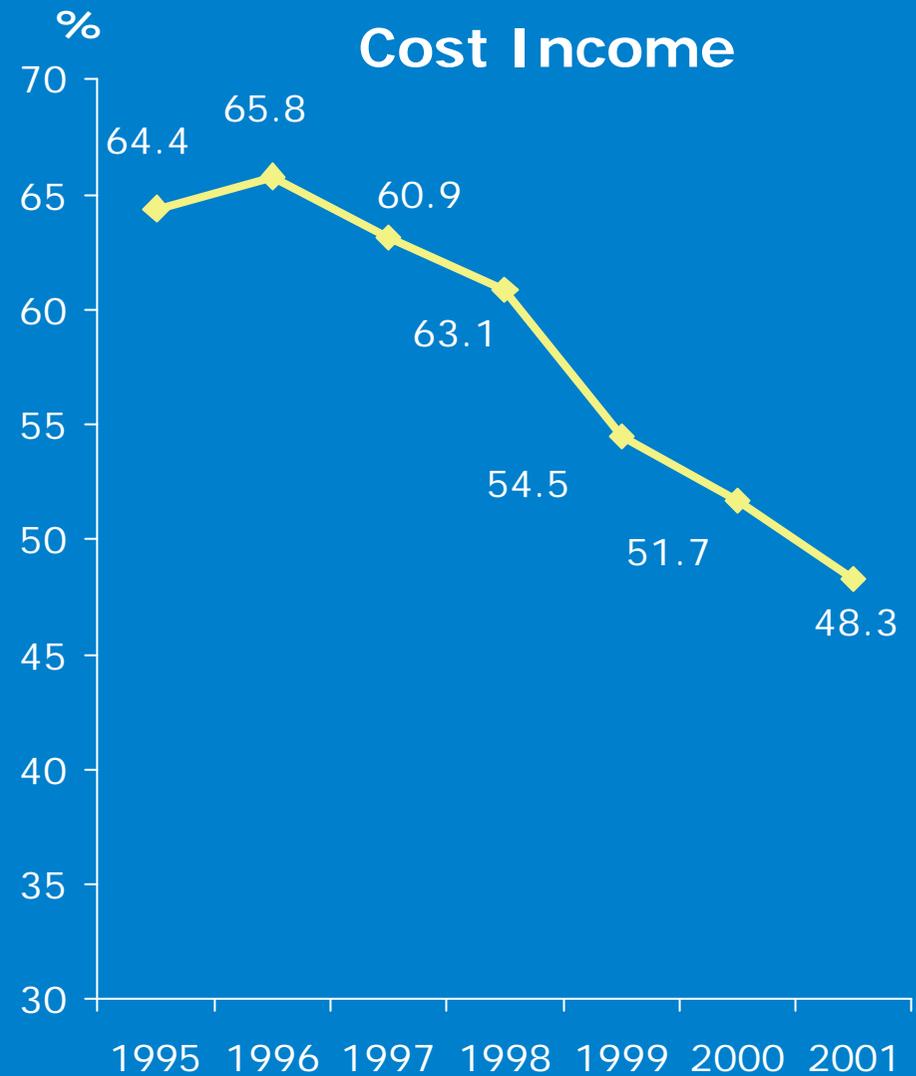
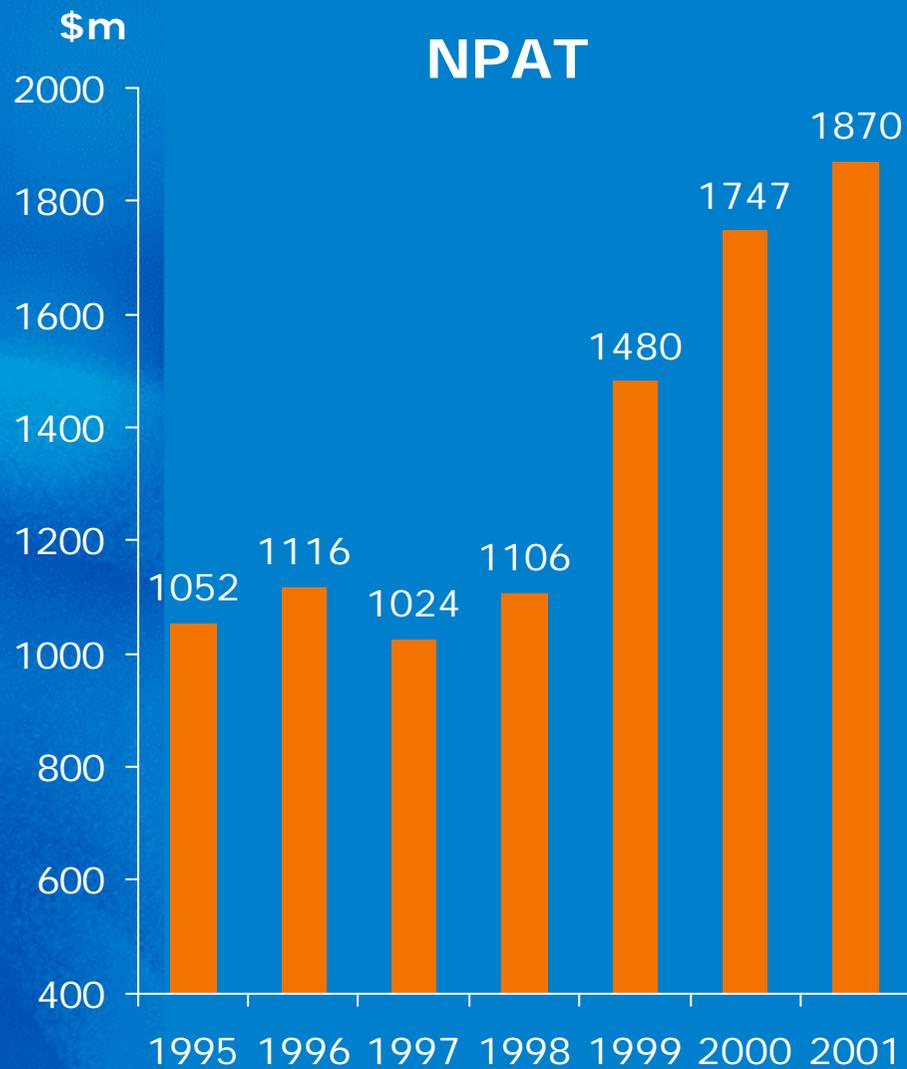
Australia and New Zealand Banking Group Limited

Repositioning, new momentum

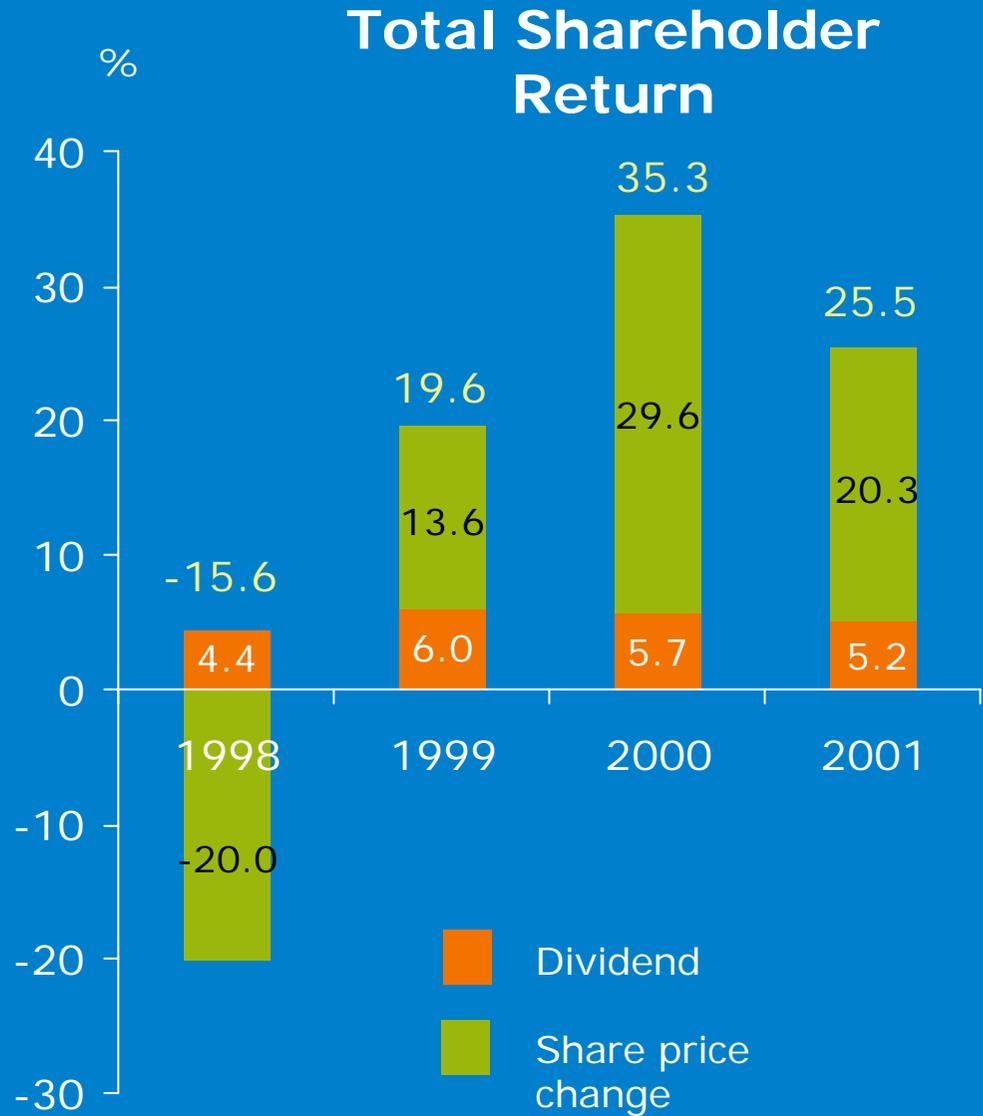
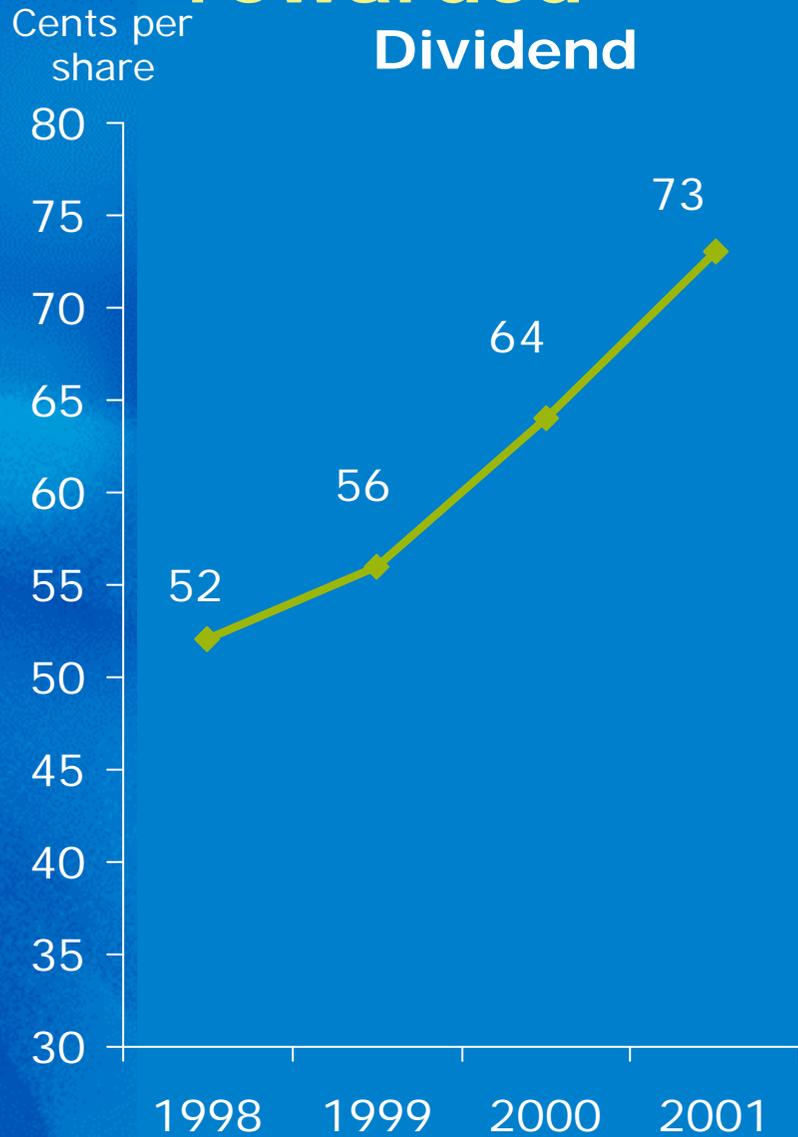
ANZ
Share Price



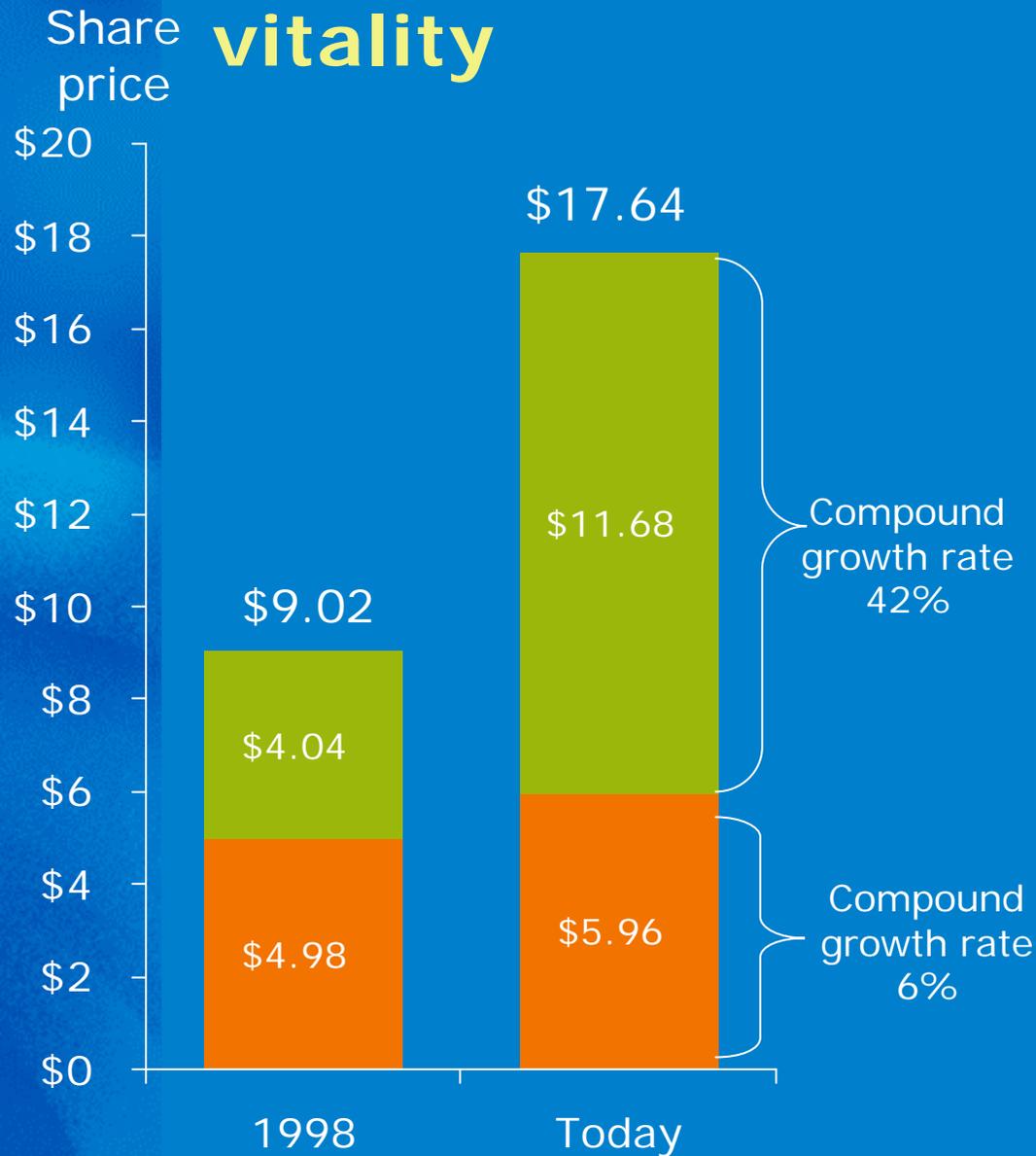
Beginning to deliver strong performance



...and shareholders are being rewarded



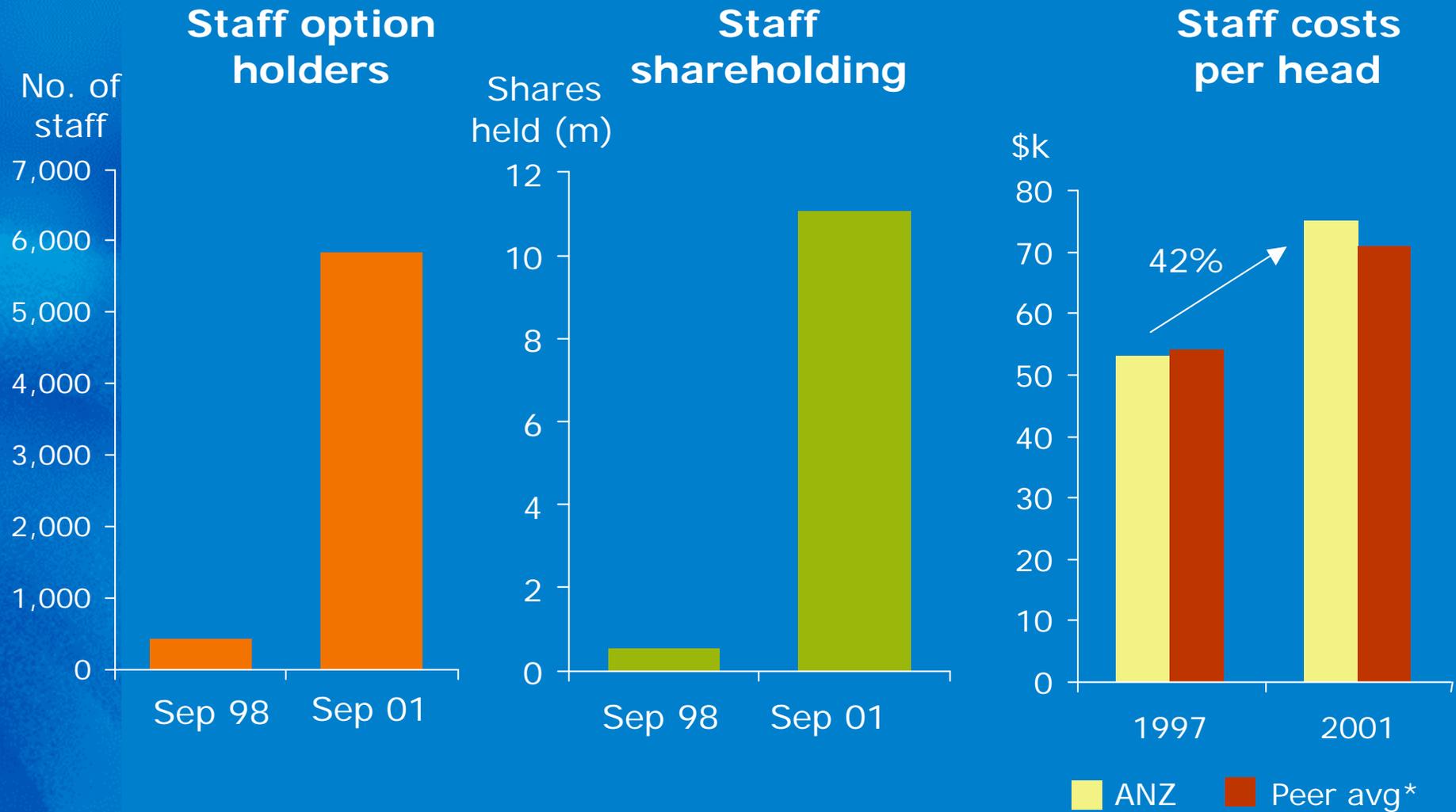
Growth depends on creativity and vitality



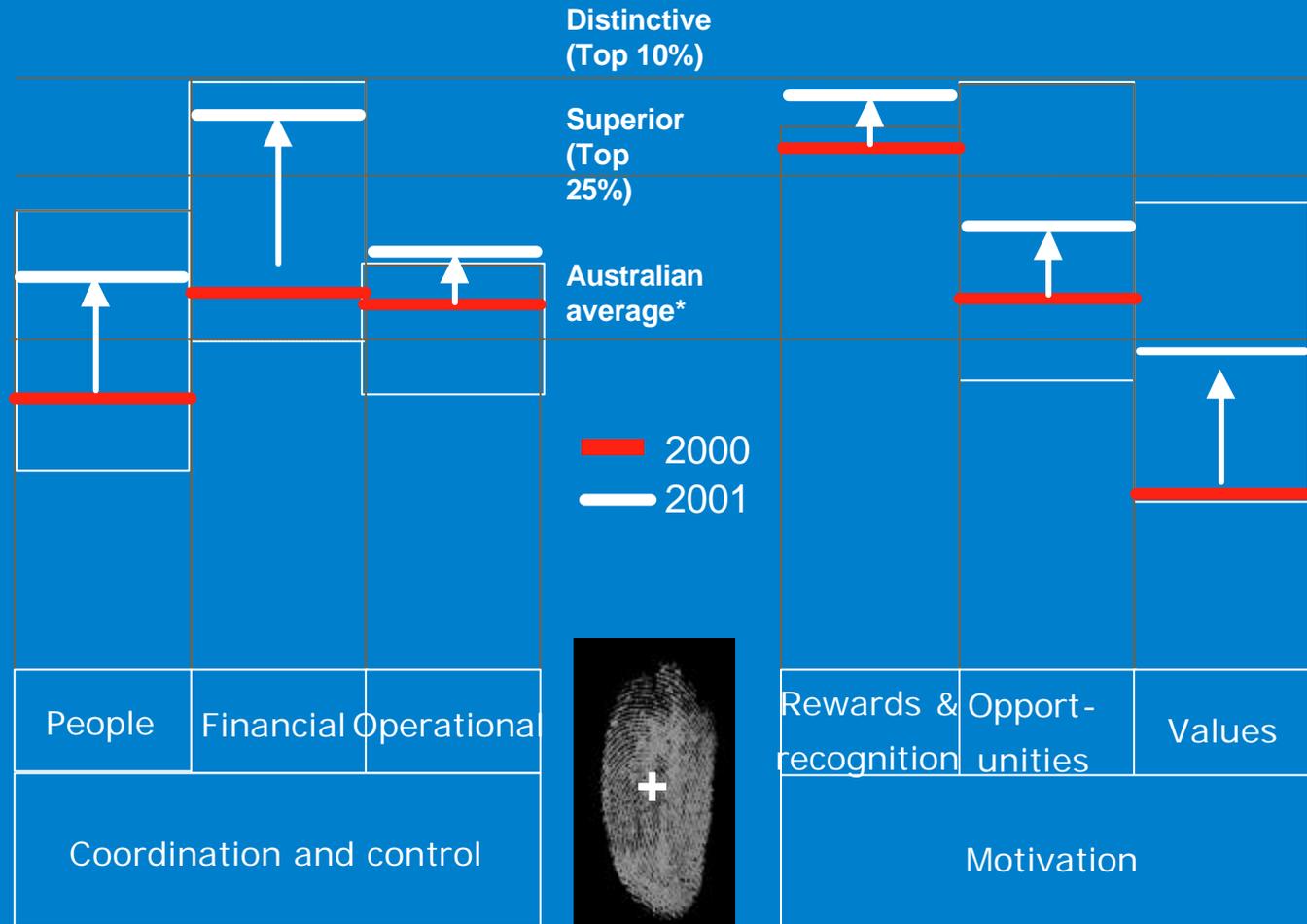
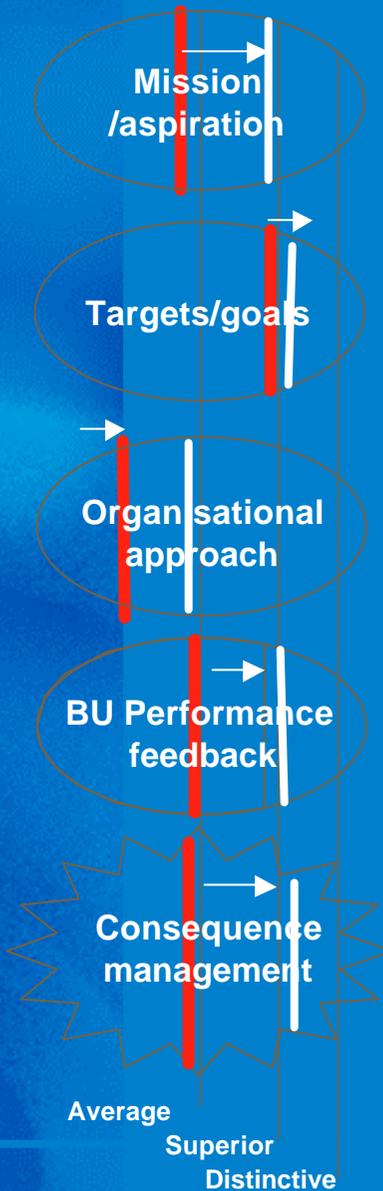
Unique strategy
 Sustainable leadership
 Growth opportunities
 Return on equity
 Cost of capital
 Strong brand
 Talented people
 Vibrant culture

 Intangible net assets per share
 Tangible net assets per share

Our people are increasingly sharing in our growth



Performance ethic: strong progress



* Benchmark comprises 33 of Australia's Top 50 companies



Values survey comparison –2001 vs 2000

	TOP 10 CURRENT VALUES
NEW	Accountability Achievement Customer focus Continuous improvement Perform or out
OUT	Bureaucracy Hierarchy Control Short term focus Internal competition
COMMON	Cost reduction Shareholder value Results orientation Profit Risk averse Goals orientation

Leadership culture improving

My business retains its high performers



I would rather work for ANZ than any other bank



We have a can-do culture; we say yes more often than no



Note: Survey of top 100 senior executives

We are increasingly engaging our people...



Restoring retail customer faith...

To come

2001

Basic account

- Low cost account
- For benefit recipients & Health Care Card holders

Seniors Privilege

- Fee-free banking for customers aged 60 and over

Customer Charter

- Simple, fast account opening
- Access to services
- Privacy
- Plain language
- Complaint resolution

Customer Investment

- Measuring customer satisfaction
- Management accountable for service quality

Restoring customer faith

- Addressing core concerns
 - Queues
 - Fees
 - Errors
- Service quality
- Empowered staff

Developing a vibrant culture

Breakout workshops

Work-life balance

Staff shares

Manager share options

Talent Program

Graduate recruitment

Degree sponsorship

MAX staff website

eTrain / online MBA

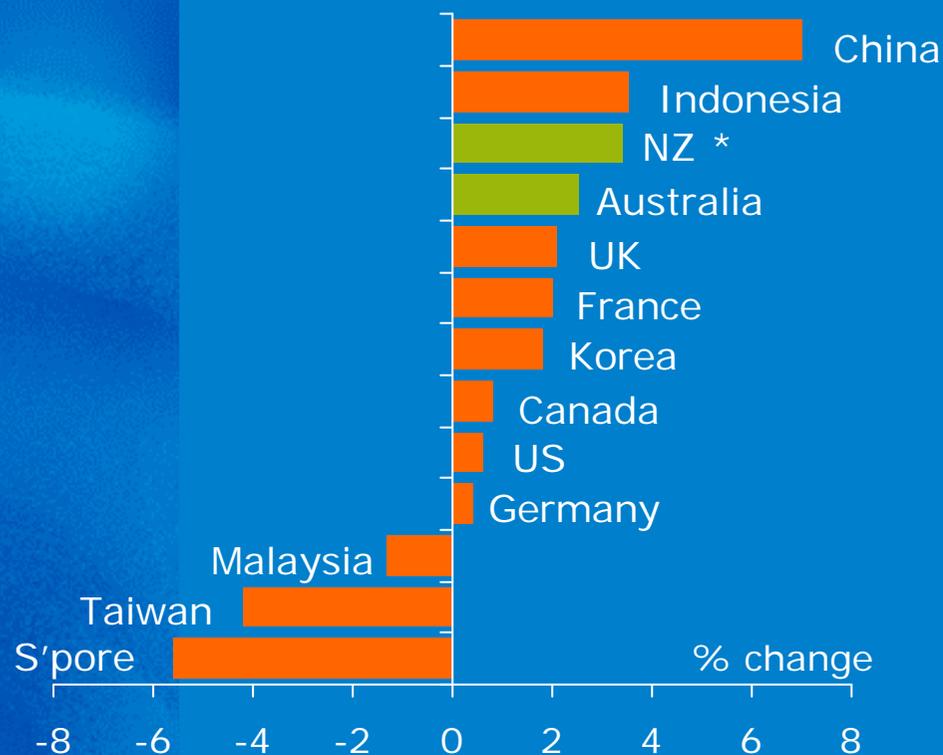
PC's @ home

Demonstrating people really matter

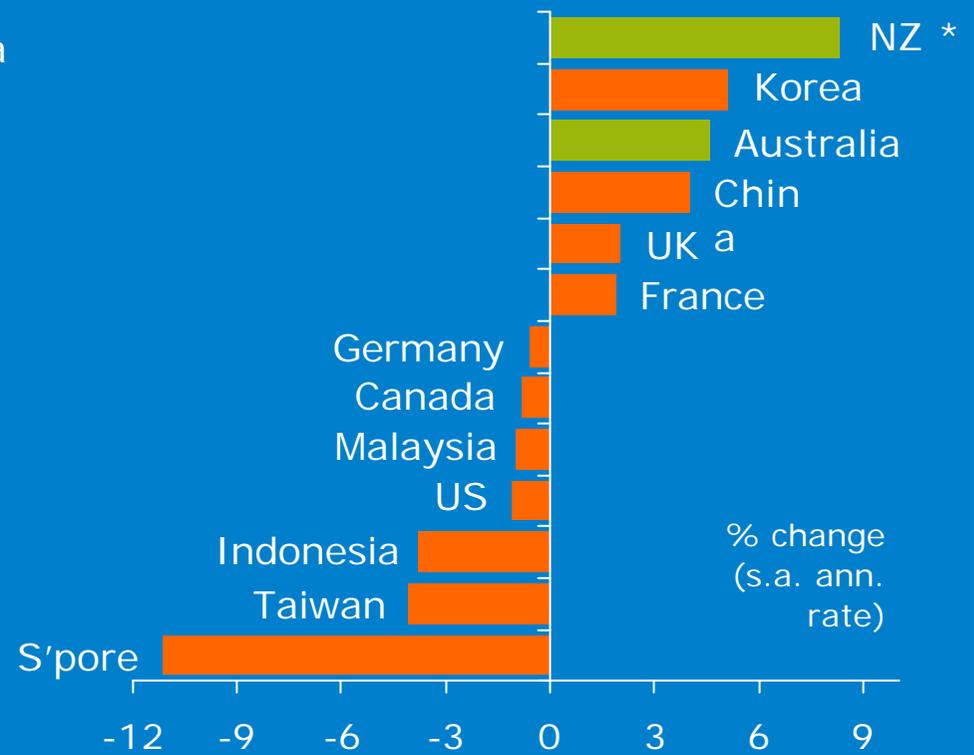
September quarter GDP data show strong growth in Australia & New Zealand despite global slowdown

Real GDP growth

Year ended September quarter



September quarter



* Most recent NZ data is for June quarter

Sources: Datastream; national agencies; JP Morgan; Economics@ANZ



Outlook – optimistic but cautious

- Good momentum in our business
- Economy in reasonable shape but greater uncertainty from external pressures
- Revenue growth more subdued until upturn
- Credit environment difficult but containable
- Approaching business cautiously – constraining costs and credit
- Selective investment in growth
- Focus on restoring customer/community faith
- Building on our distinctive strategy

Our targets are unchanged

- Return on Equity – target 20%+
- Earnings per share – target 10%+

Staff key to great result



ANZ