



# 06

## Personal Division Discussion Pack

Australia and New Zealand Banking Group Limited

July 2006

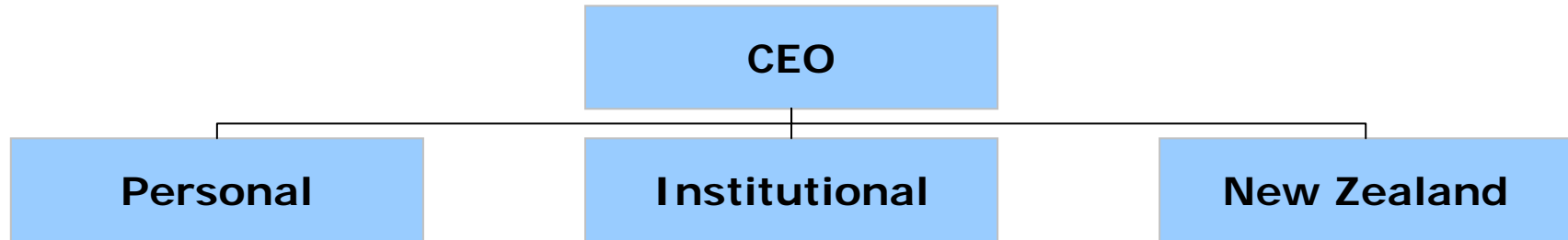
**Brian Hartzler**

Group MD Personal

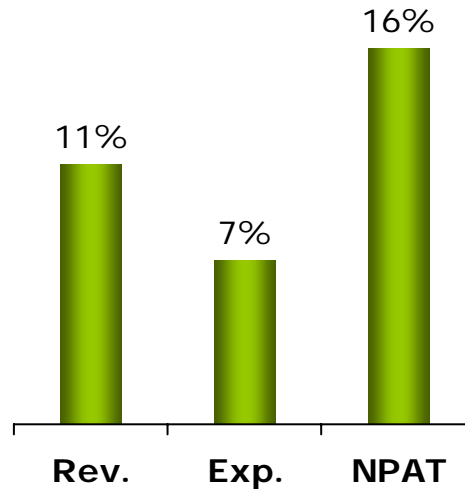
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# Personal Division Overview



Strong Divisional Revenue growth driving 1H06\* performance

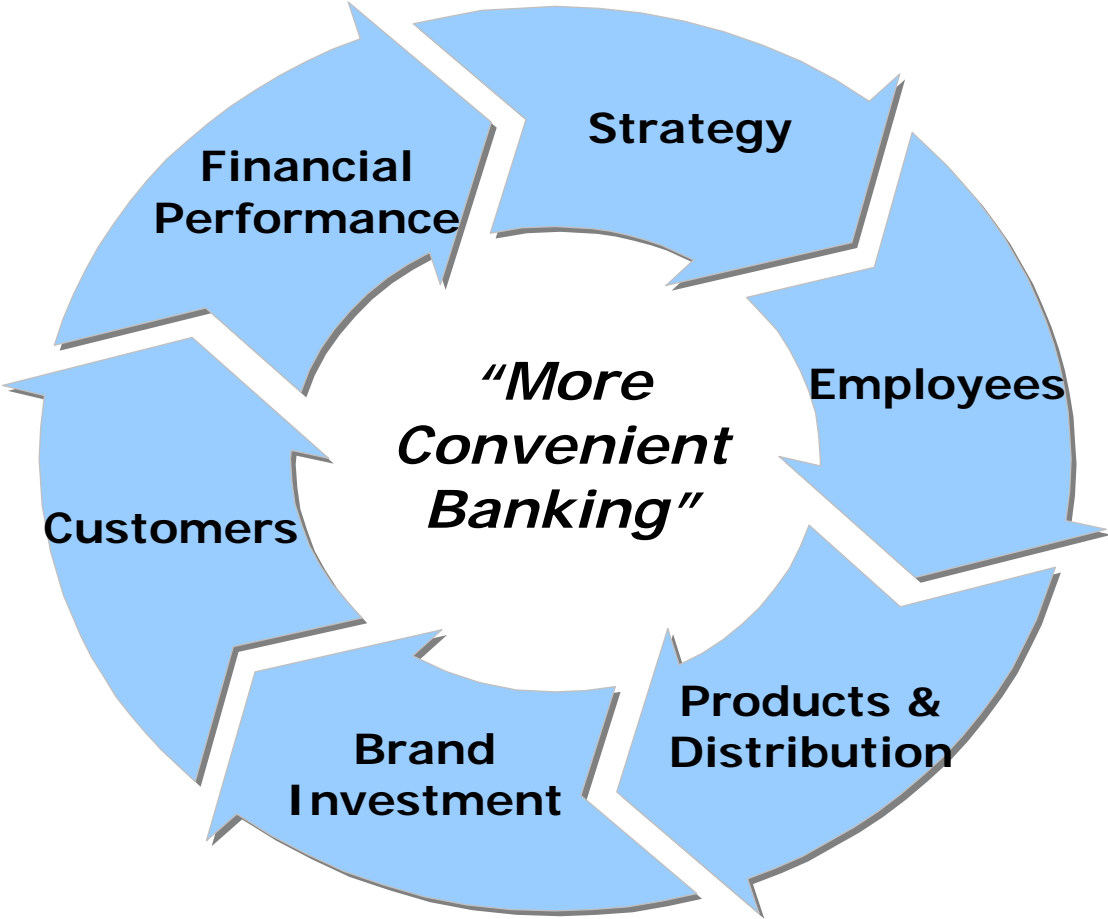


Product business performance\*

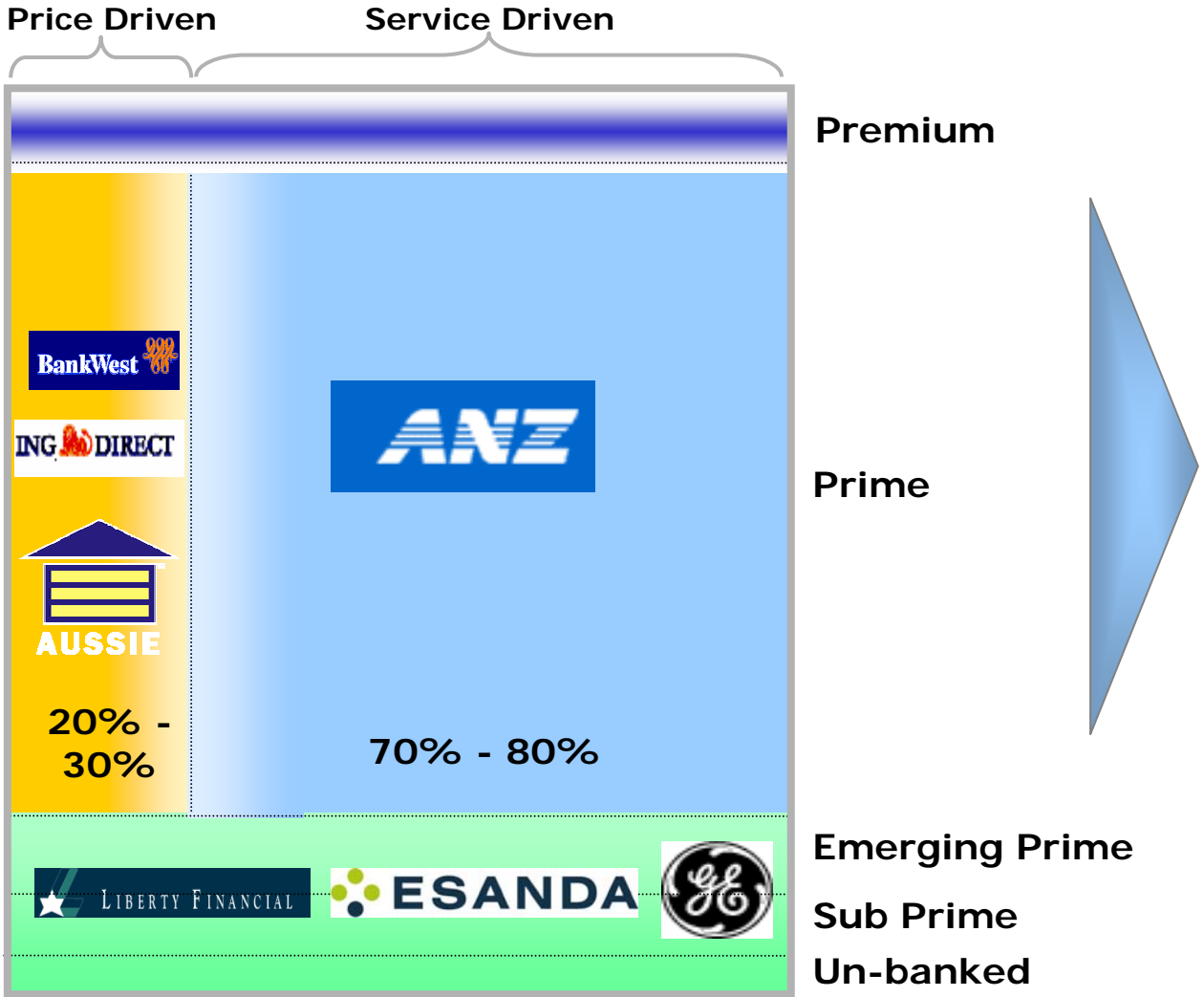
| Business         | NPAT Growth |
|------------------|-------------|
| Mortgages        | 21%         |
| Consumer Finance | 12%         |
| I & I            | 18%         |
| Banking Products | 12%         |
| Regional & Rural | 12%         |

# Success in Personal due to an effective business system

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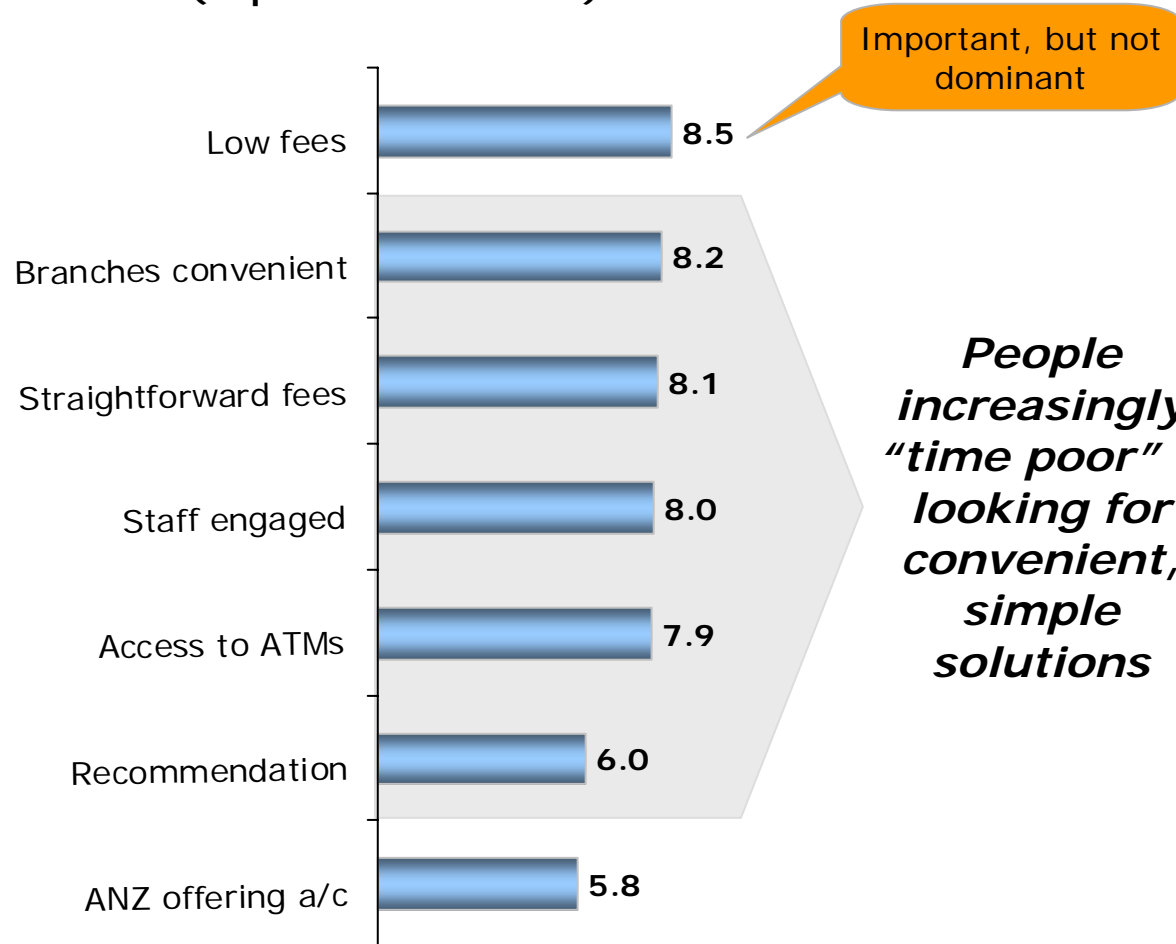
# Strategy starts with clear segmentation



- ANZ brand for non-price driven segments
- Use other brands for other segments
- Defend share via price where necessary

# Customer insights led to “More Convenient Banking”

Key Decision Factors for Customers  
(importance out of 10)

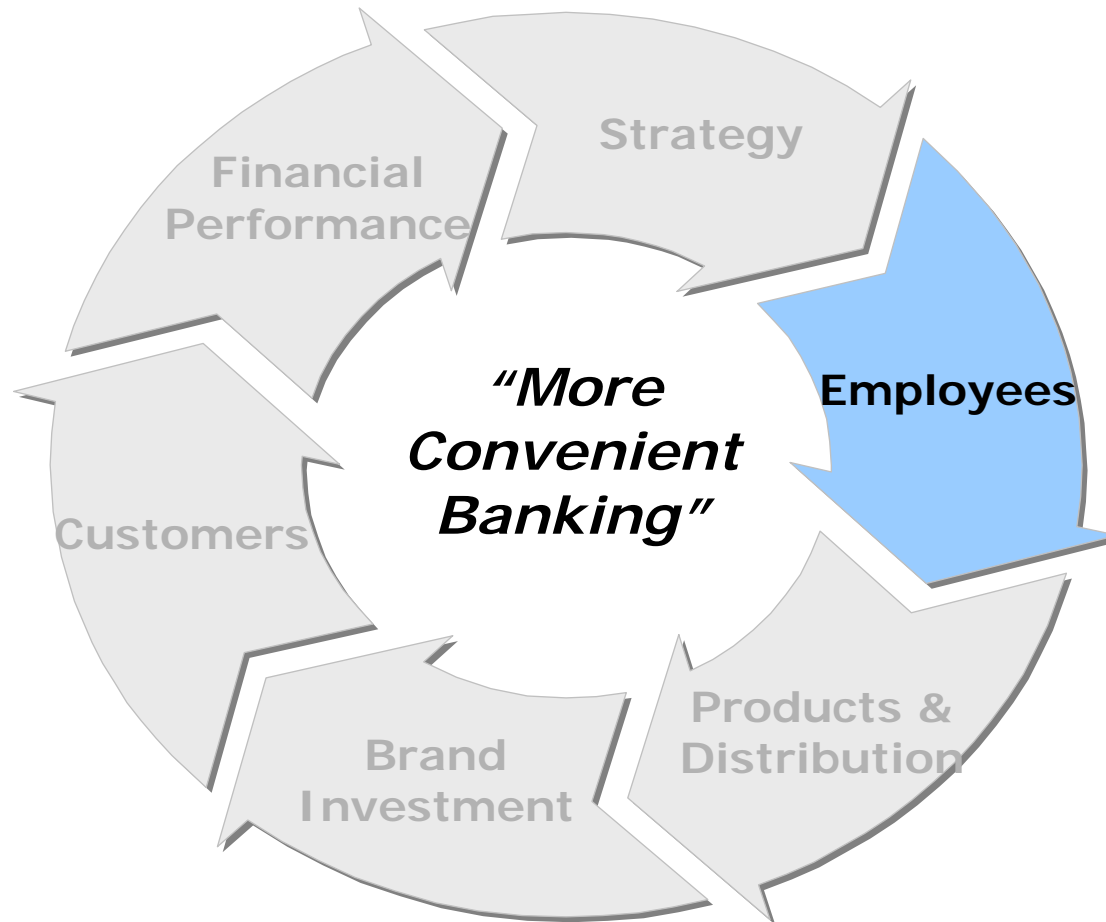


***Why should customers bank with ANZ (and not somebody else)??***

***People increasingly “time poor” – looking for convenient, simple solutions***

# Success in Personal due to an effective business system

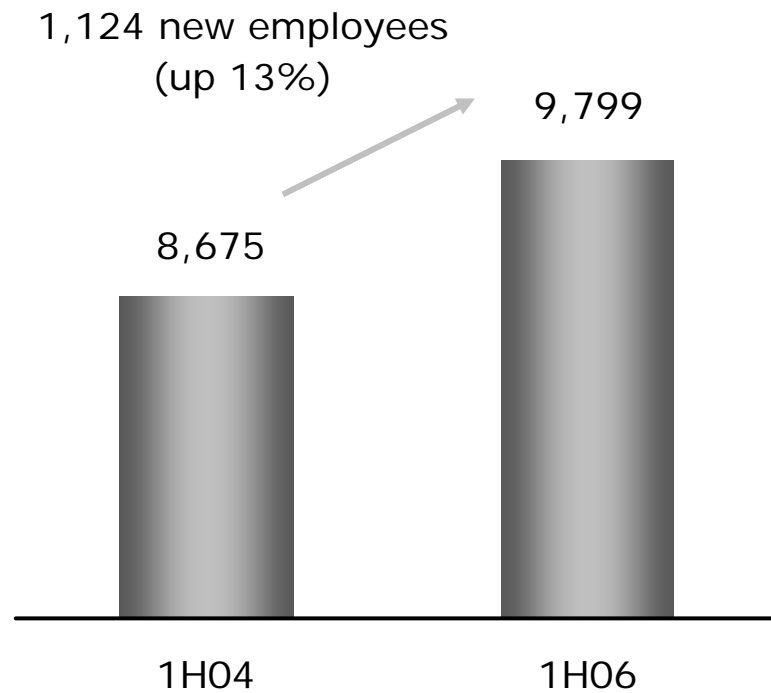
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# We have invested in our employees and our culture...

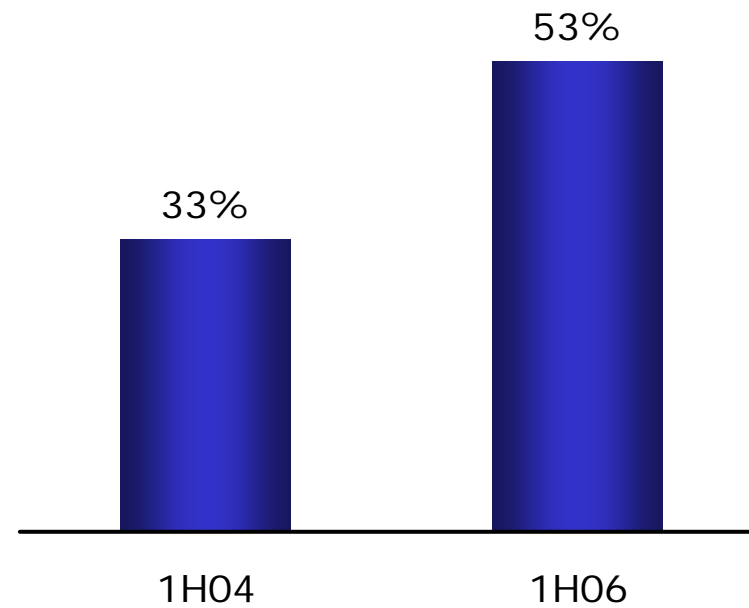
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## Significant investment in employees, largely frontline



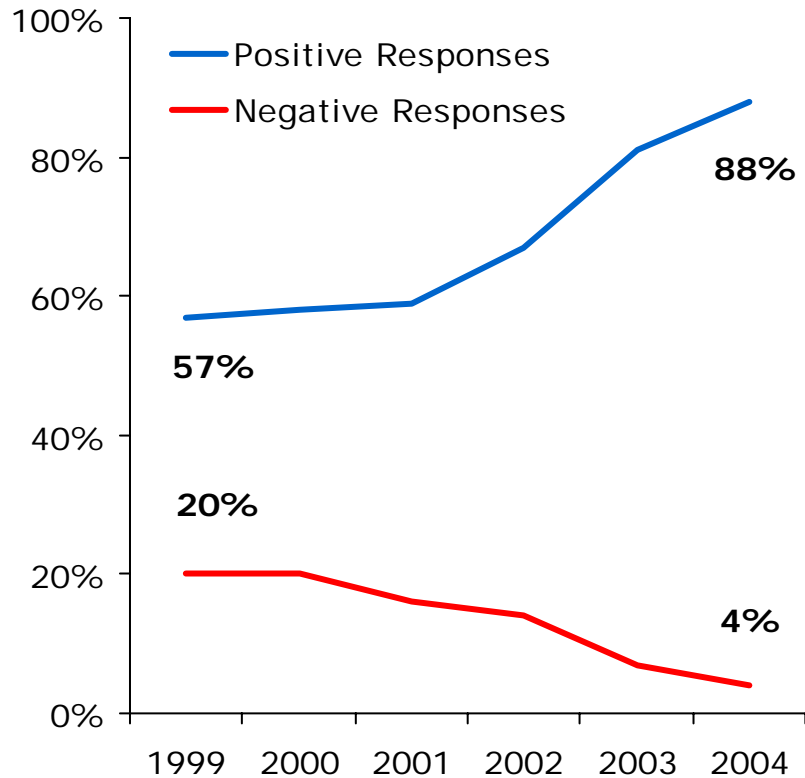
## Delivering on our commitment to cultural change

(% Personal employees completed "Breakout" program)



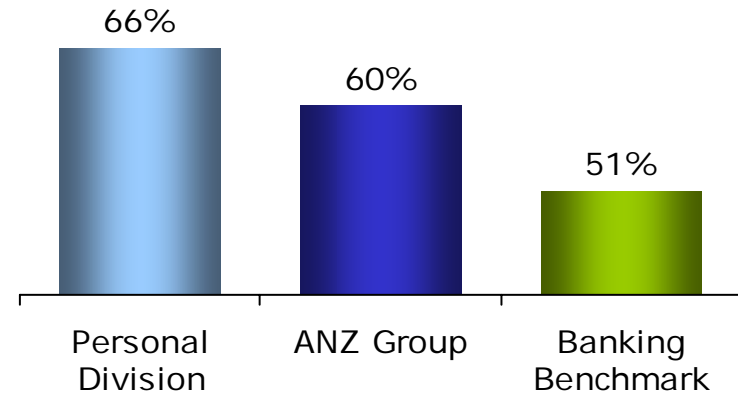
# ...resulting in a highly engaged workforce

**Dramatic shift in staff satisfaction**  
 ("am I satisfied working at ANZ?")

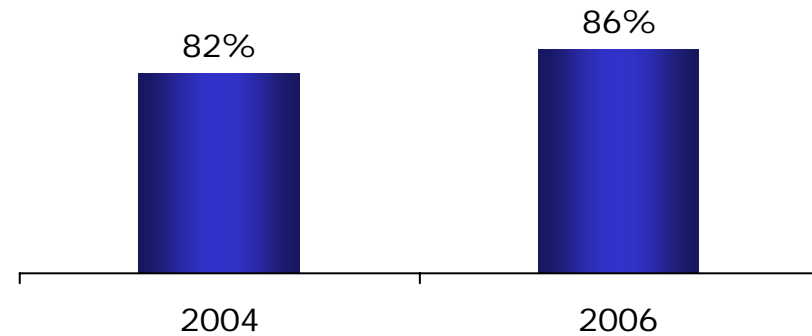


Shift to "engagement"

**High levels of engagement across the Personal Division**



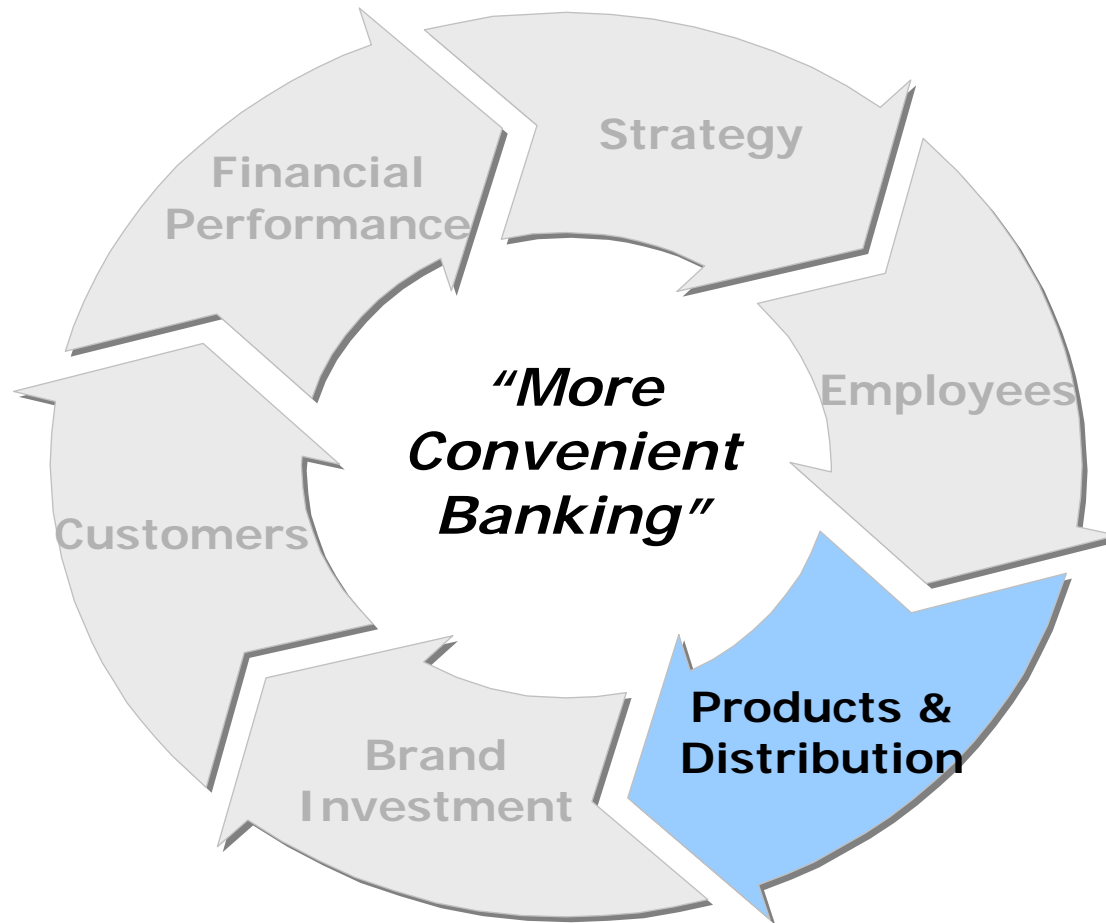
**Branch Manager engagement**





# Success in Personal due to an effective business system

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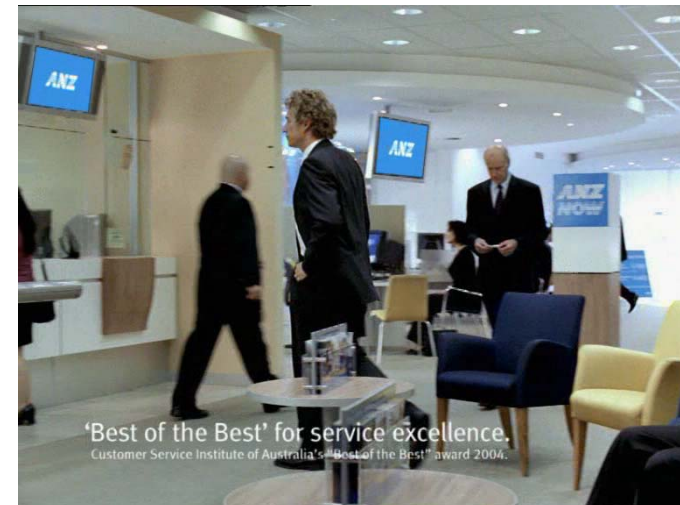
# Specialization has delivered product and service excellence

## Personal Investor Awards

- Home Lender of the Year
- Low Doc Money Saver of the Year
- Premium Banking Package of the Year
- "People's Choice" award

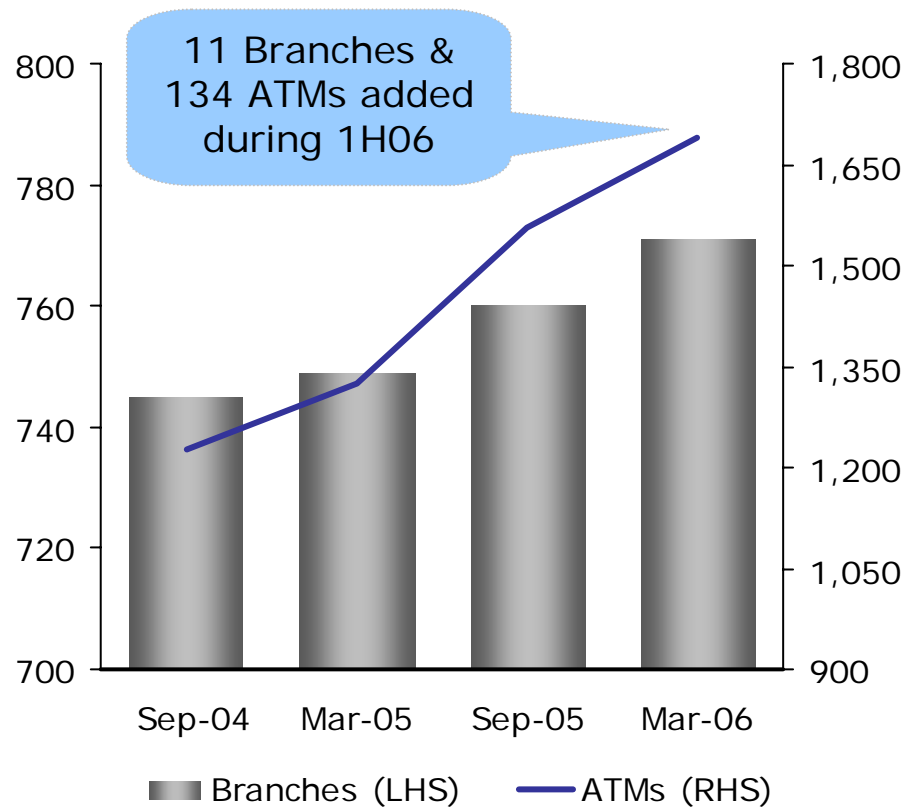
## Money Magazine Awards

- Money Minder of the year (Savings & Transactions Accounts)
- Home Lender of the Year
- Personal Banking Website of the Year



# Expanding distribution to improve convenience

## New Branches and ATMs

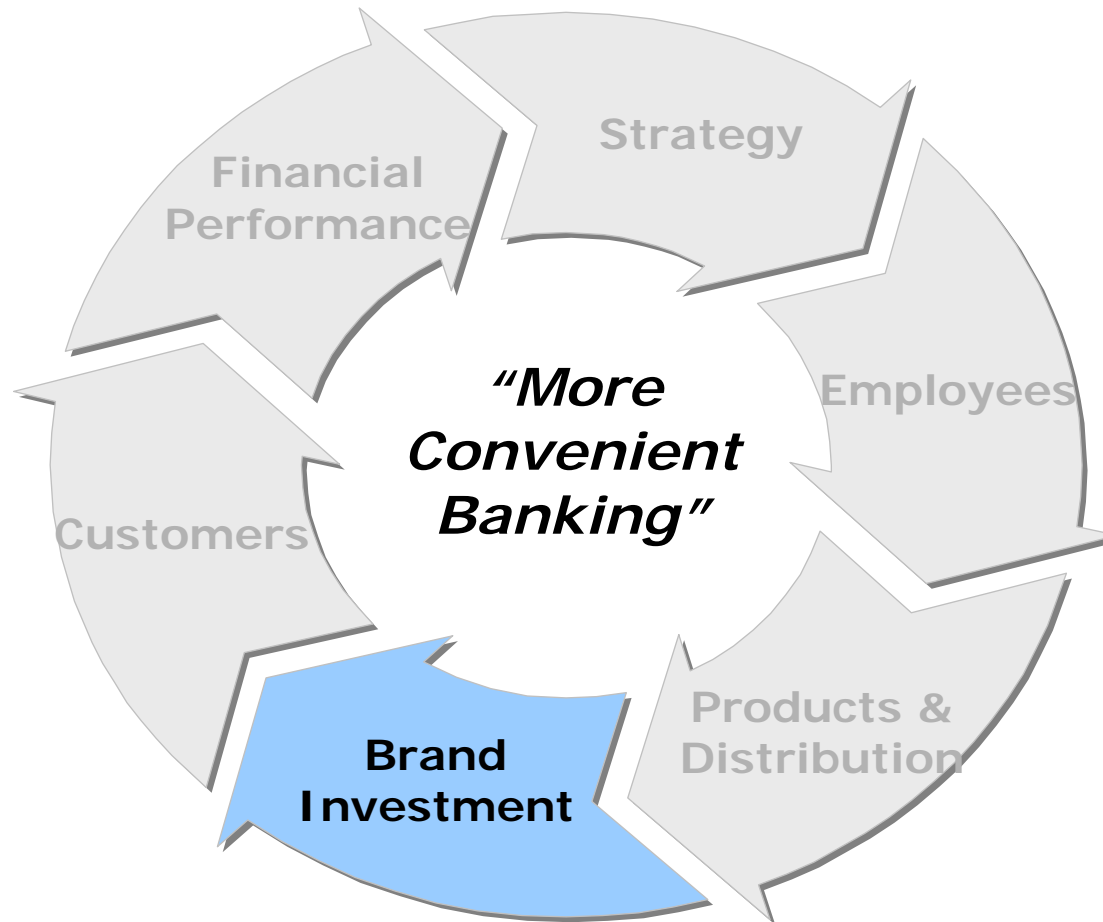


**Target:**  
80 new branches by 2007



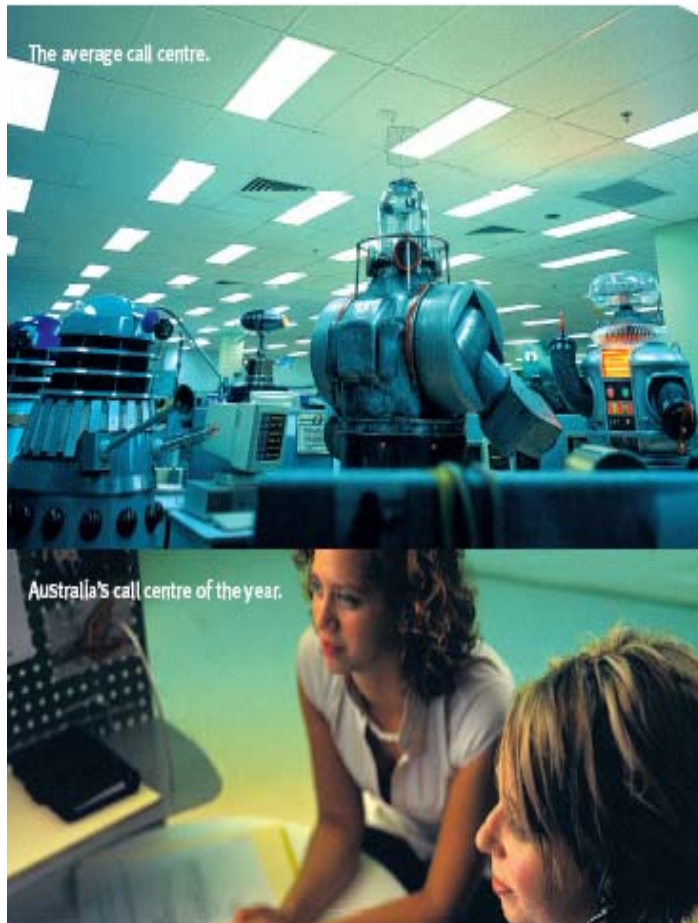
# Success in Personal due to an effective business system

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# “Proof points” starting to differentiate ANZ brand...

## Call Centres open 24/7



## More ATM locations in key areas

Welcome to the Blue Coast.

The most ATM locations on the GC.

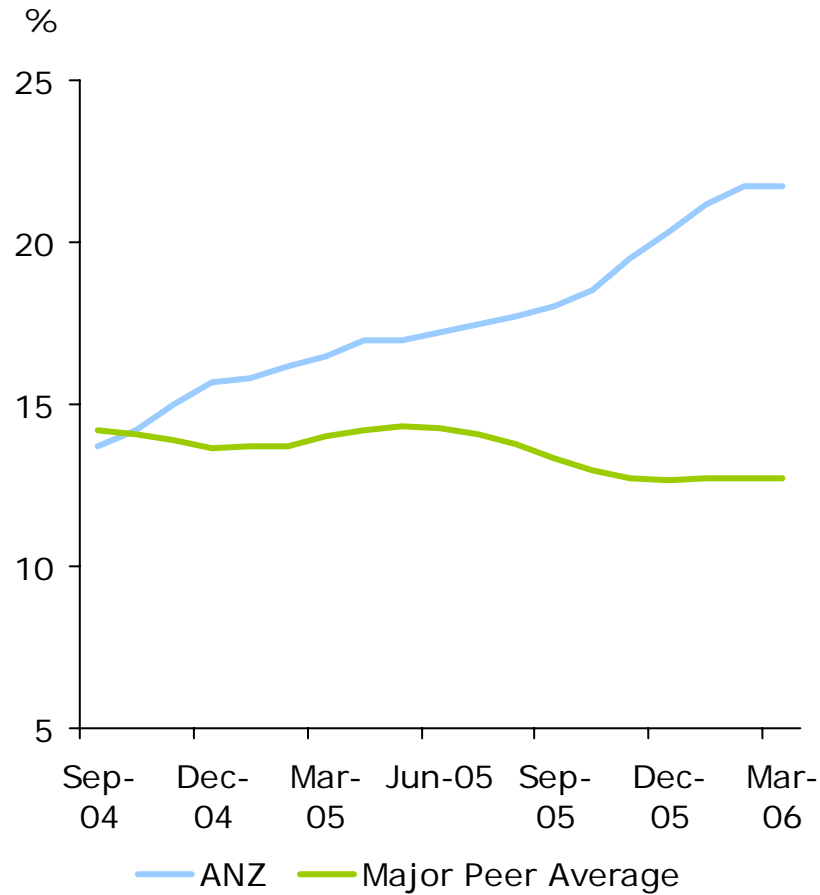
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## First major bank to launch Visa Debit card

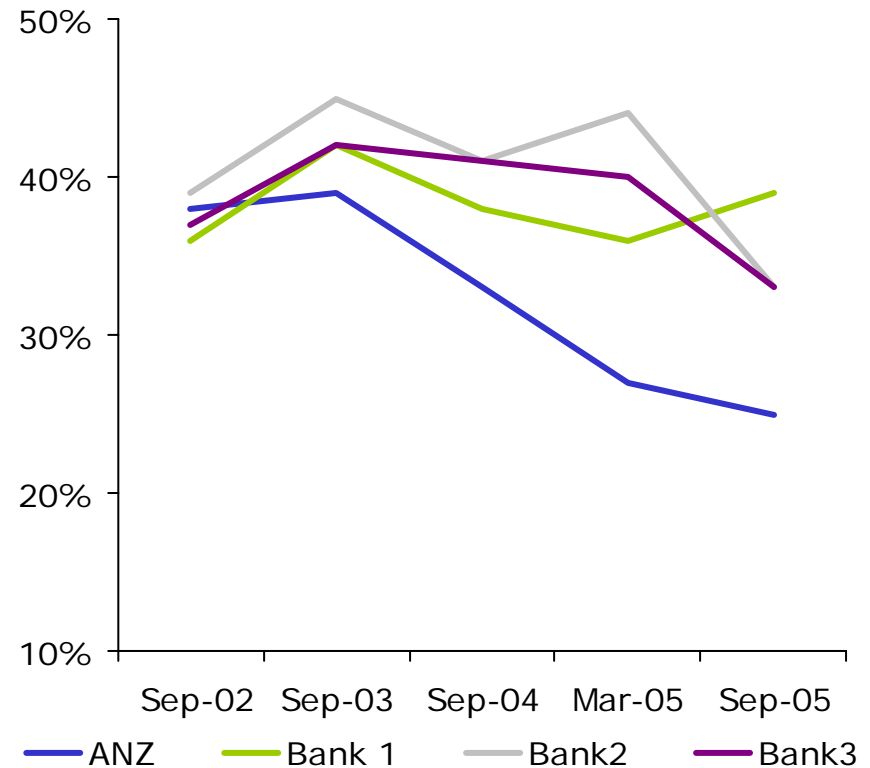


# ...which drives future acquisition and retention

**Improved "Trial Intention"**  
(Day to Day Transaction Accounts\*)

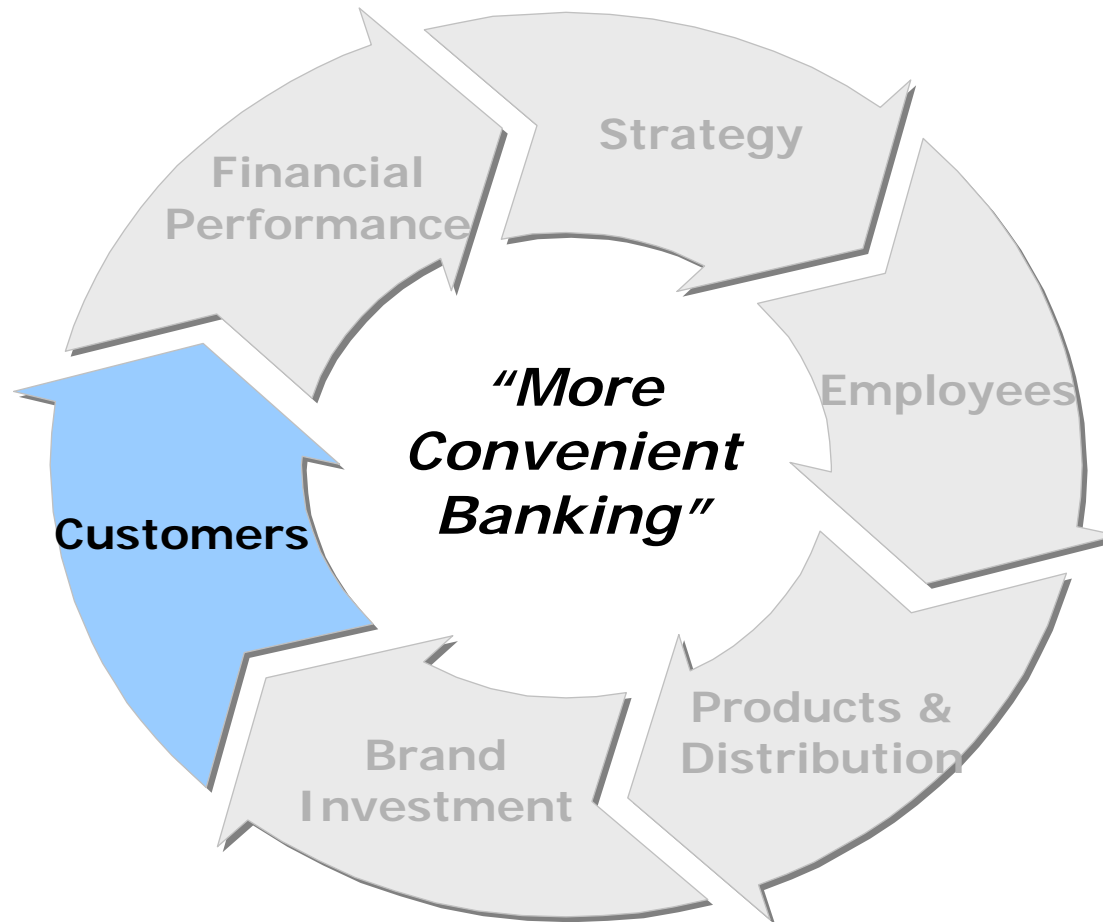


**Lowest propensity to defect#**



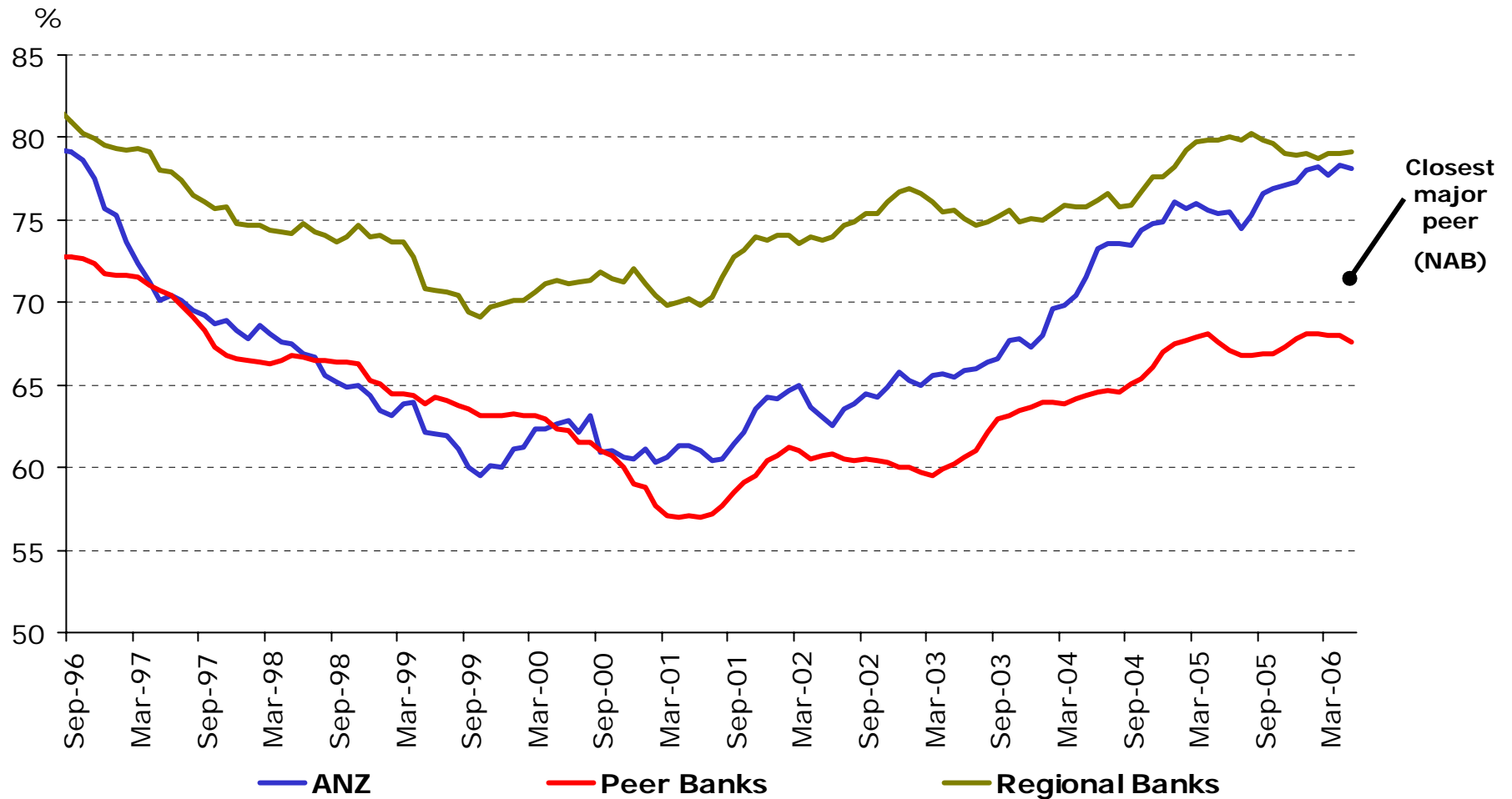
# Success in Personal due to an effective business system

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# Highest customer satisfaction of any major bank, and closed gap on Regionals...

Overall customer satisfaction  
(Main Financial Institution\*)

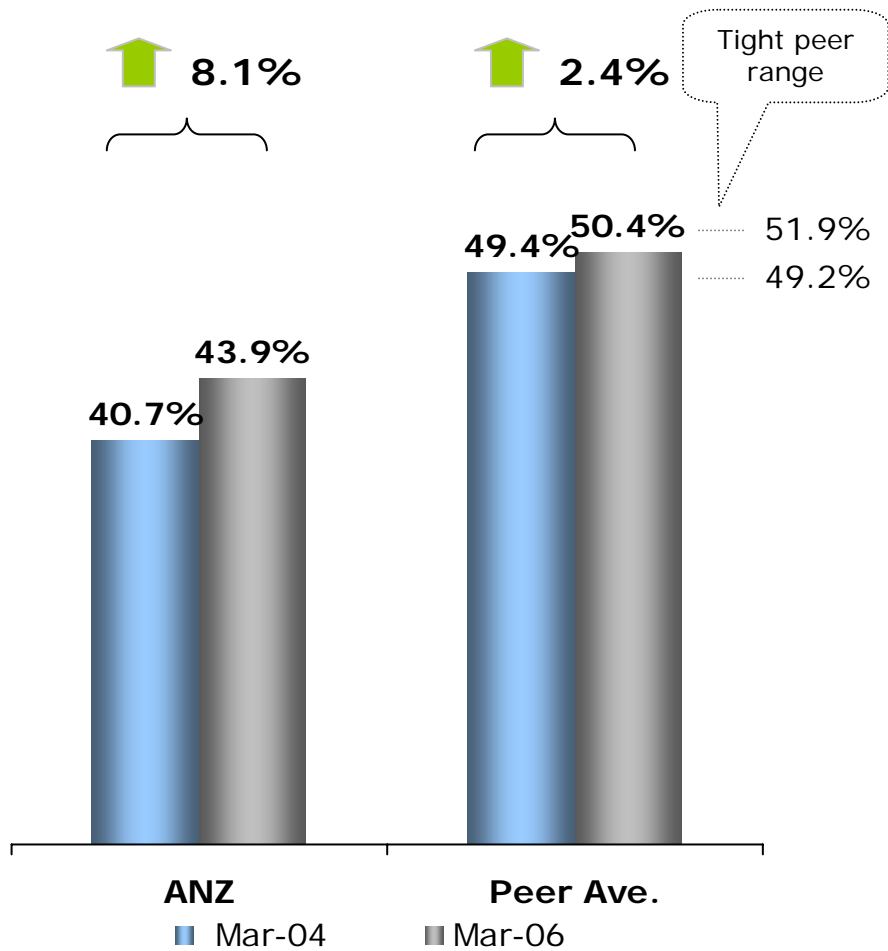


\*Source: Roy Morgan Research – Main Financial Institution Satisfaction  
#% Satisfied (very or fairly satisfied), 6 monthly moving average

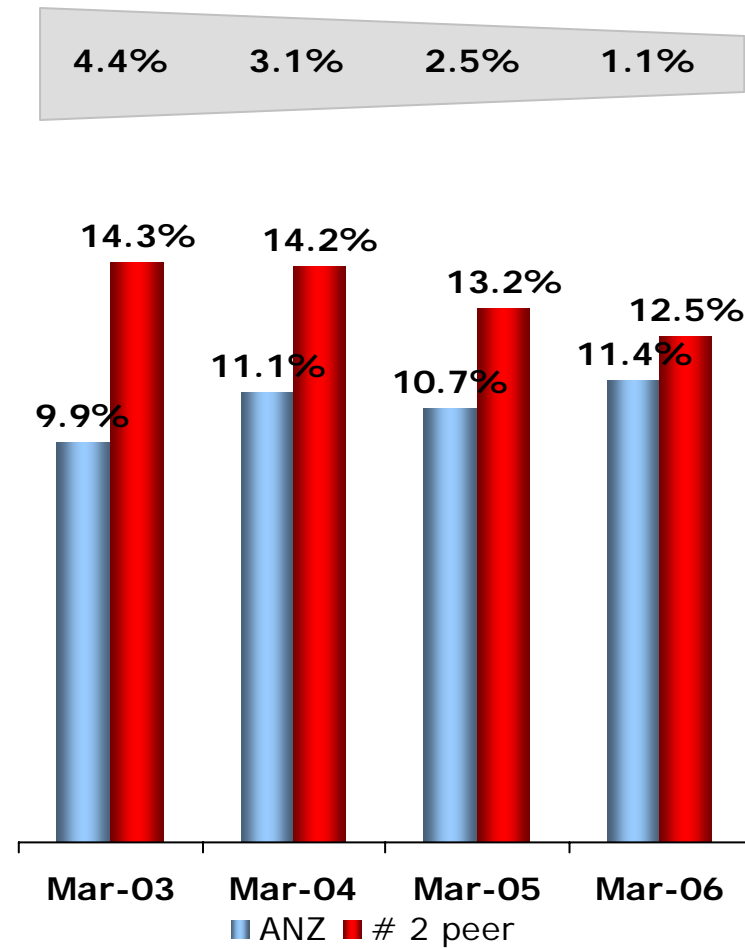


# ...leading to higher share of wallet and market share

**Share of wallet**  
(traditional banking products\*)



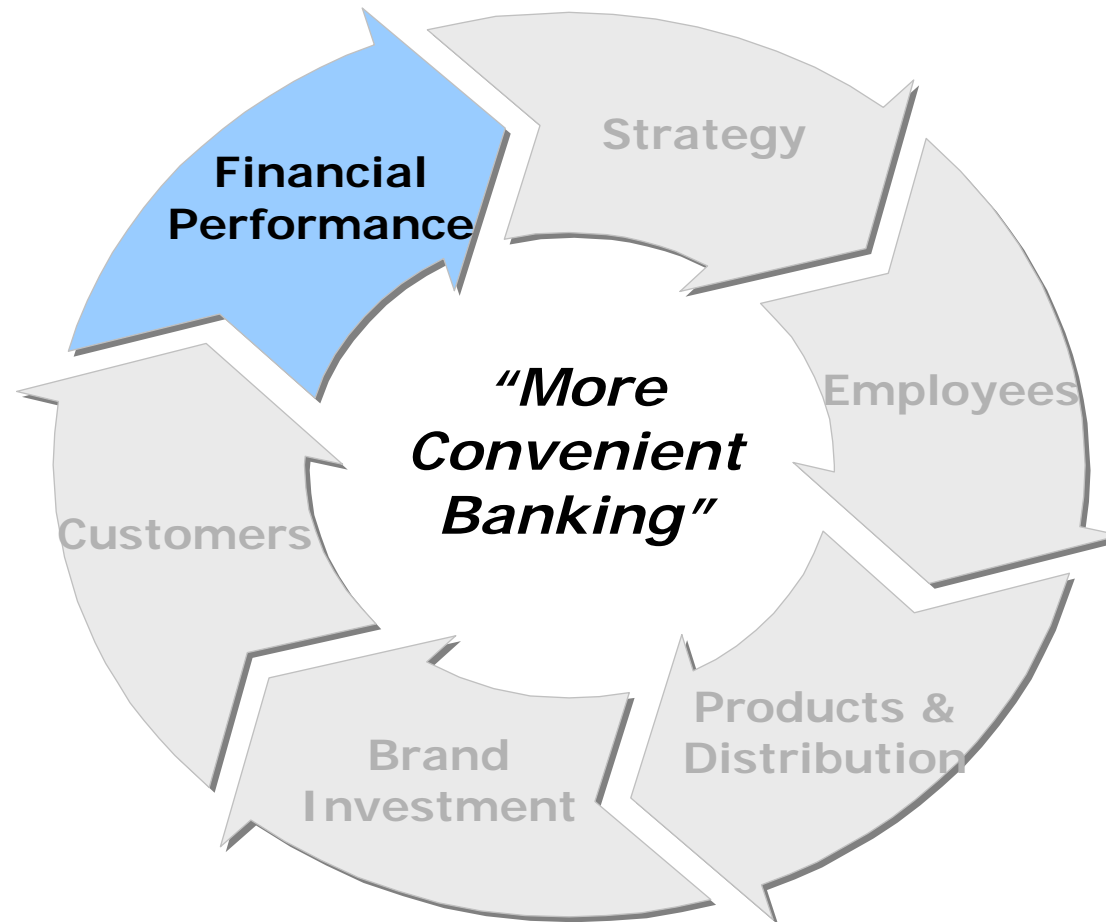
**Market Share Gap**



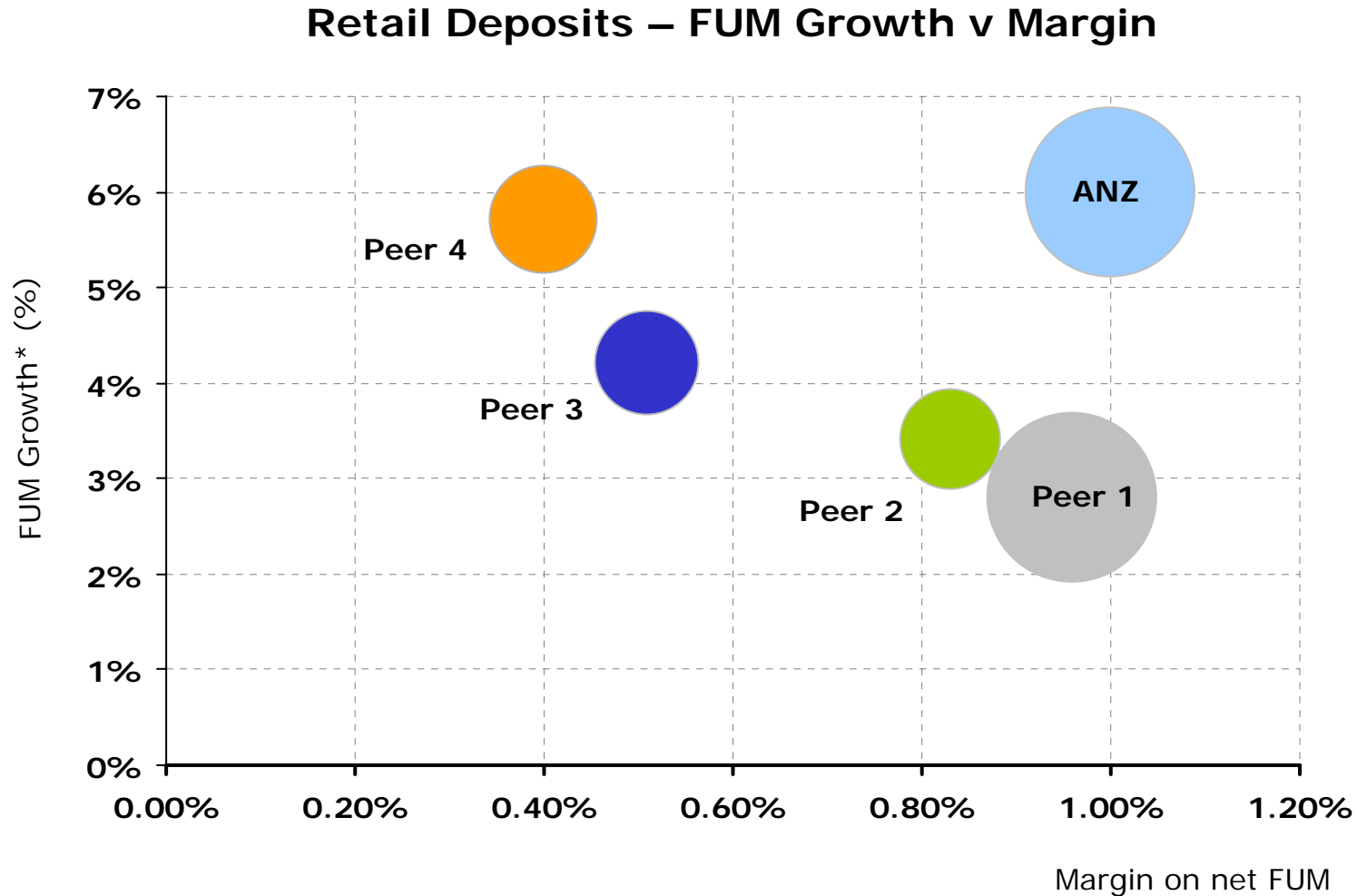
\*Source: Roy Morgan Research – Traditional Banking  
12 monthly moving average

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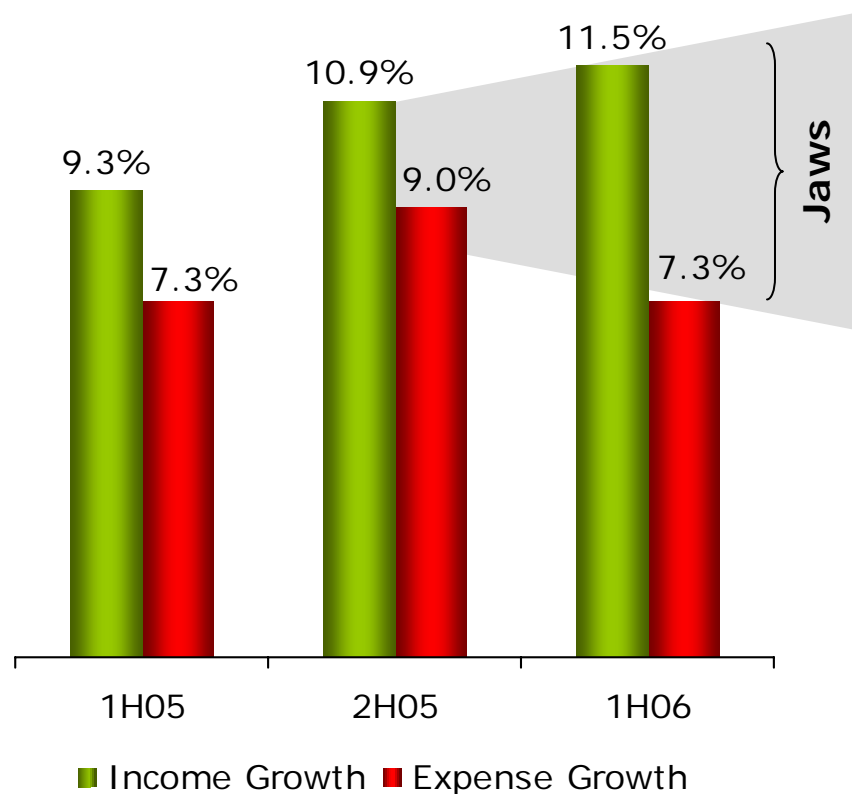
# Non price led strategy delivering attractive growth...



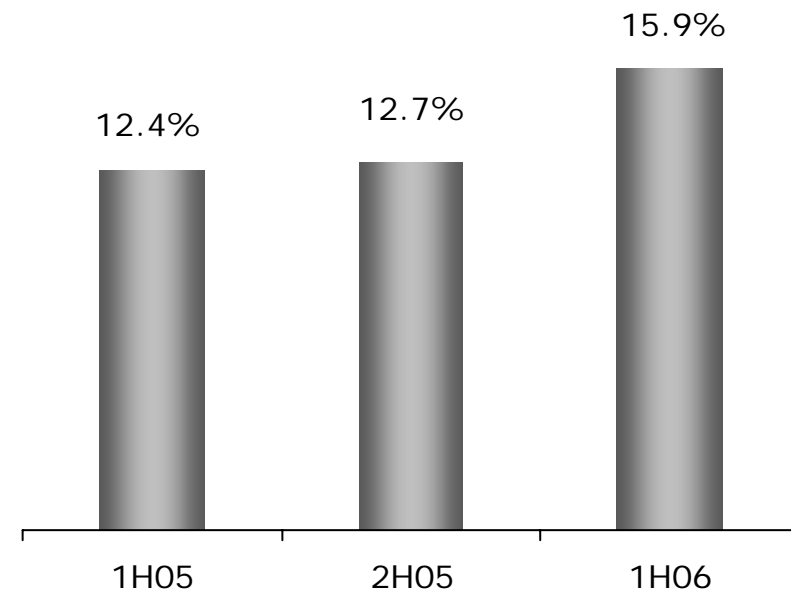
Note - size indicates Net Interest Income contribution of net growth (i.e. growth (A\$b) x margin)

## ...resulting in sustainable revenue and profit growth

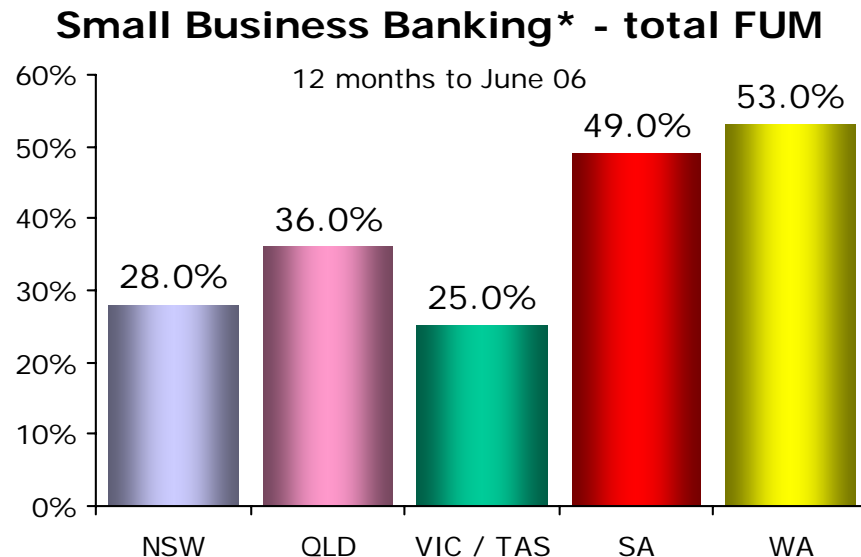
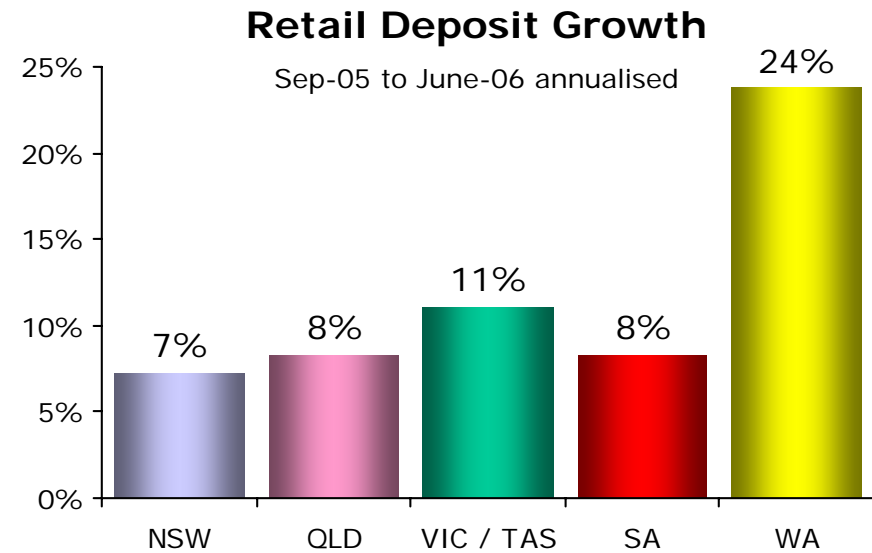
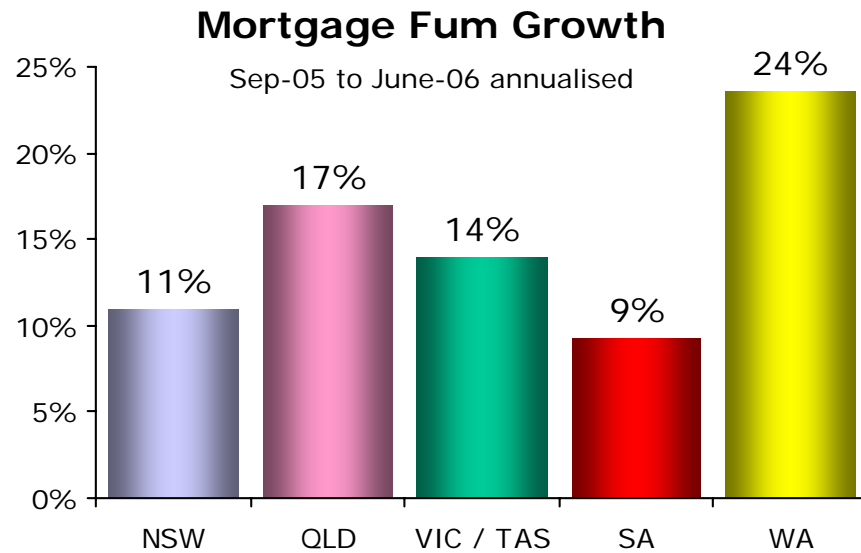
Actively managing the Revenue/Cost "jaws"...



...is delivering strong profit momentum (pcp)



# Growth varies significantly by State, and product



Strong growth in Small Business banking reflects:

- Specialisation focus
- FTE has grown from 6 to 146 since 2004
- Growth from low base – current FUM ~\$3b
- FUM ~90% deposits, ~10% lending



\* Small Business are those customers with business needs up to \$100k, and/or have no more than 5 employees

## Summary

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- No “silver bullet” explains ANZ’s Retail Banking success
- Our business system is delivering strong, sustainable growth
- We will continue to invest in “More Convenient Banking”
- Lots more upside in customer #s, wallet share, and efficiency

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