

猪  
年

WELLINGTON  
AUCKLAND  
SYDNEY  
MELBOURNE  
SHANGHAI

07 →

# Maintaining the Momentum

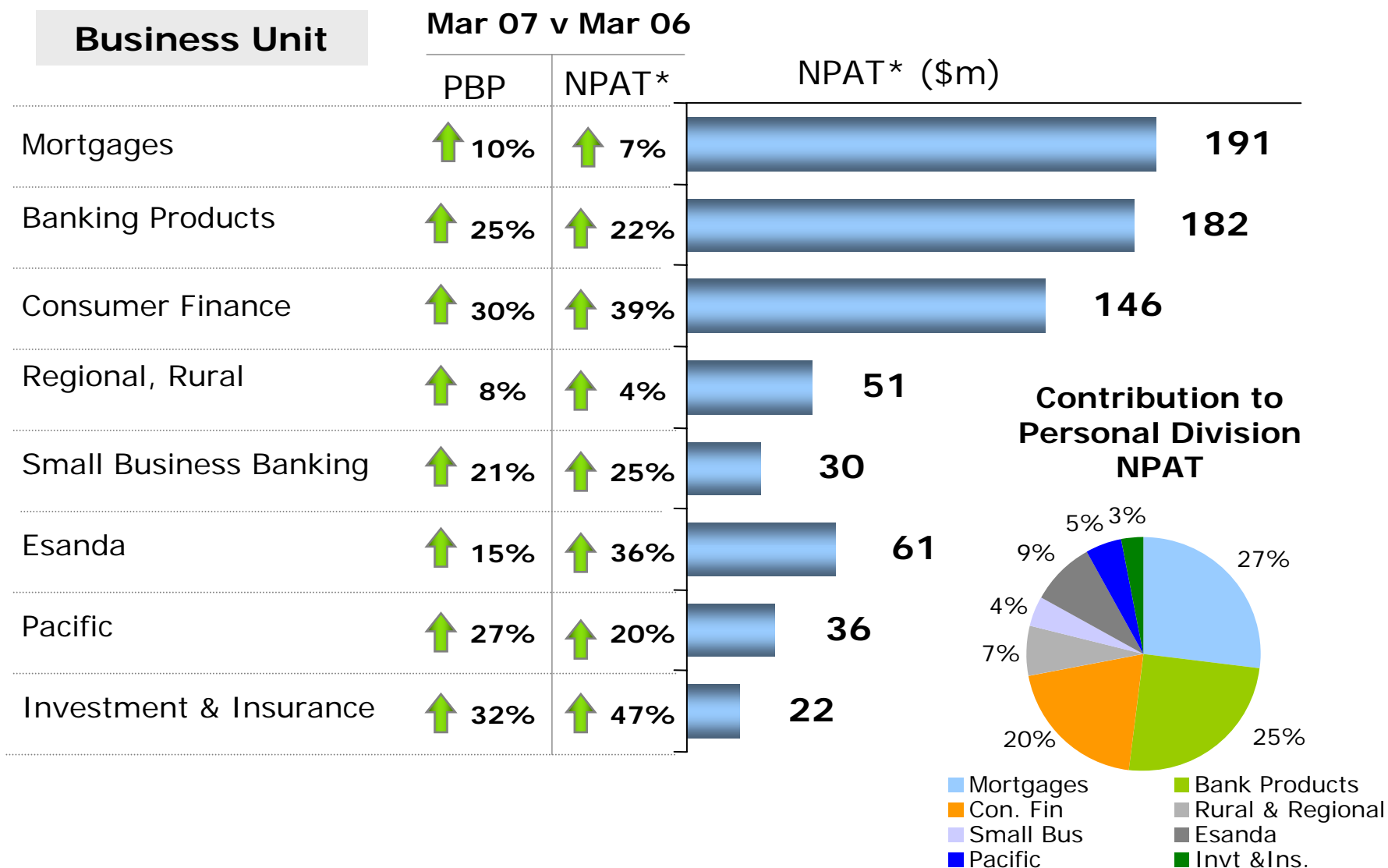
Australia and New Zealand Banking Group Limited

20 June 2007

**Brian Hartzler**

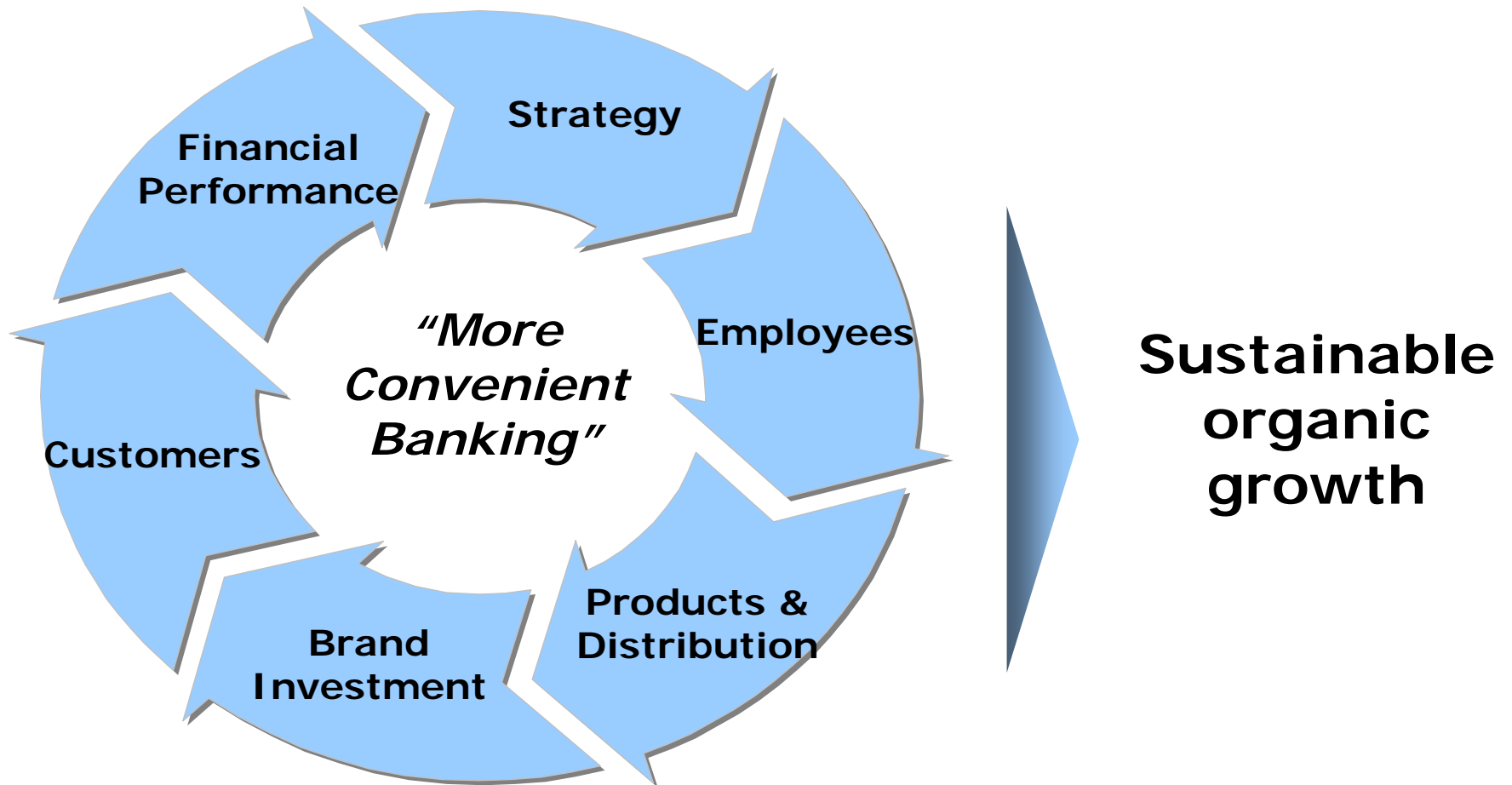
**Group Managing Director Personal Division**

# A quick recap on the first half



# An effective business system

---

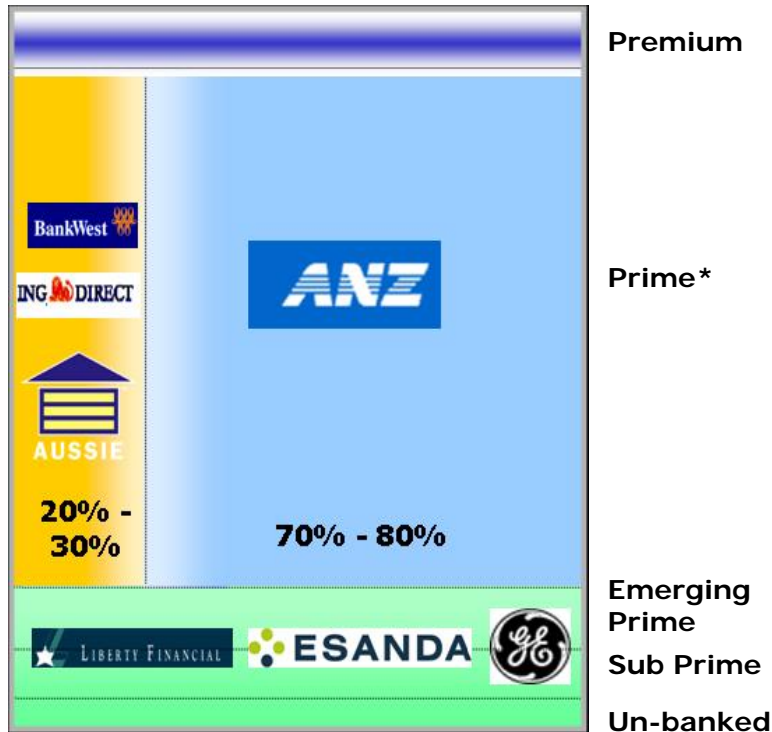


# Customer research led to "Convenience and Simplicity"

## Clear segmentation

Price Driven

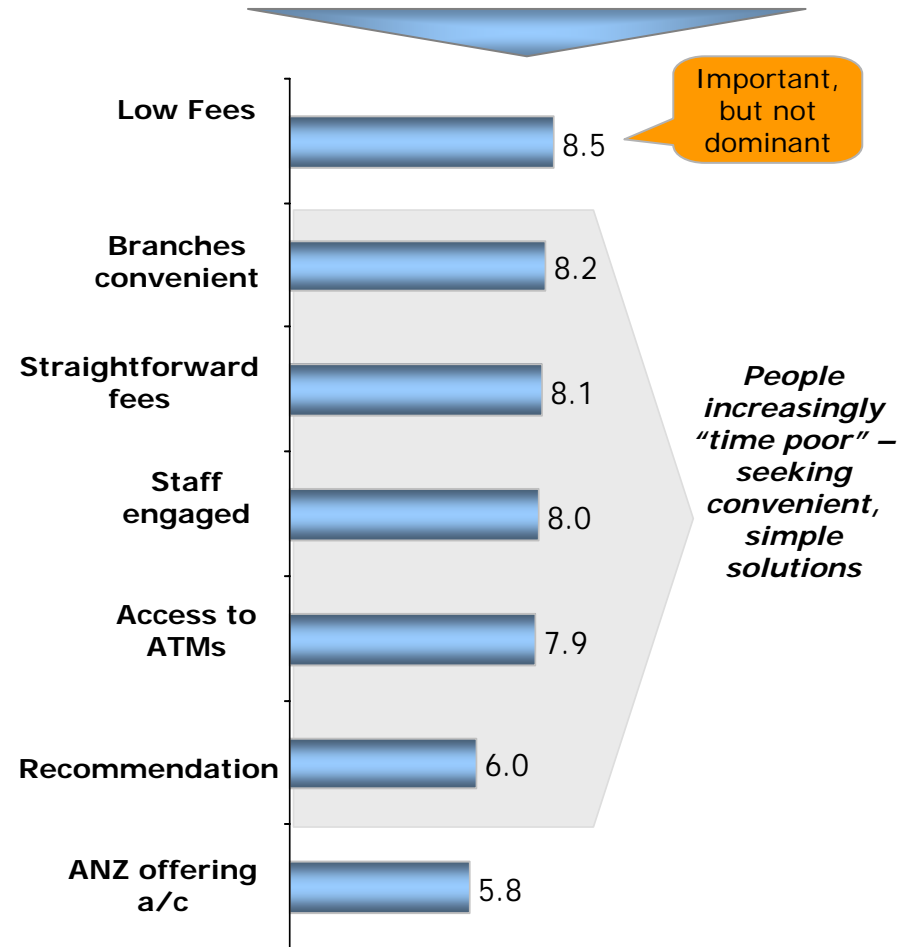
Service Driven



\* ANZ brand for non price-driven segments  
 Other brands for other segments  
 Defend share via price where necessary

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

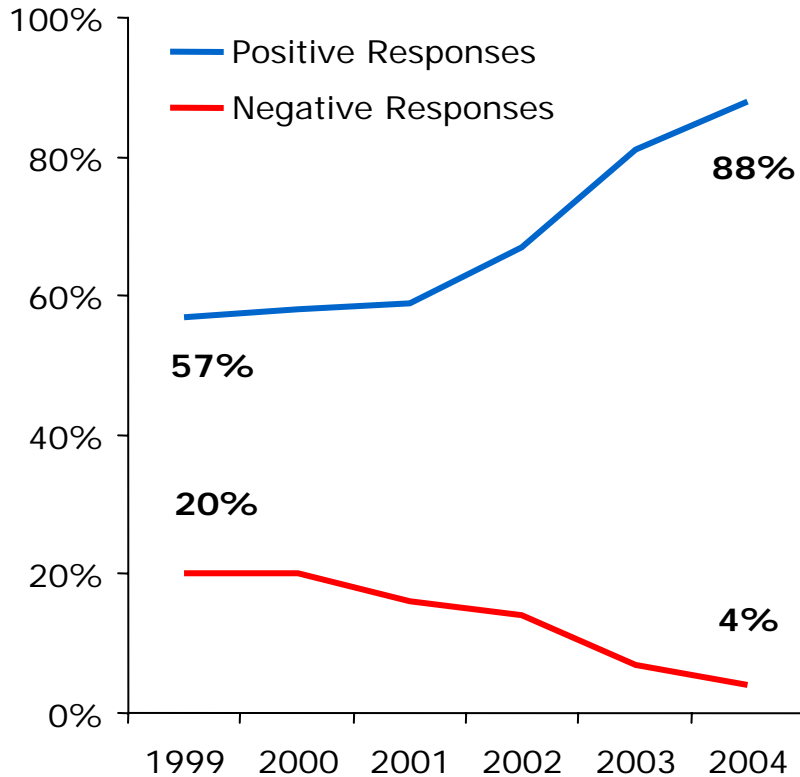
Importance out of 10



# Combined with an engaged and committed workforce...

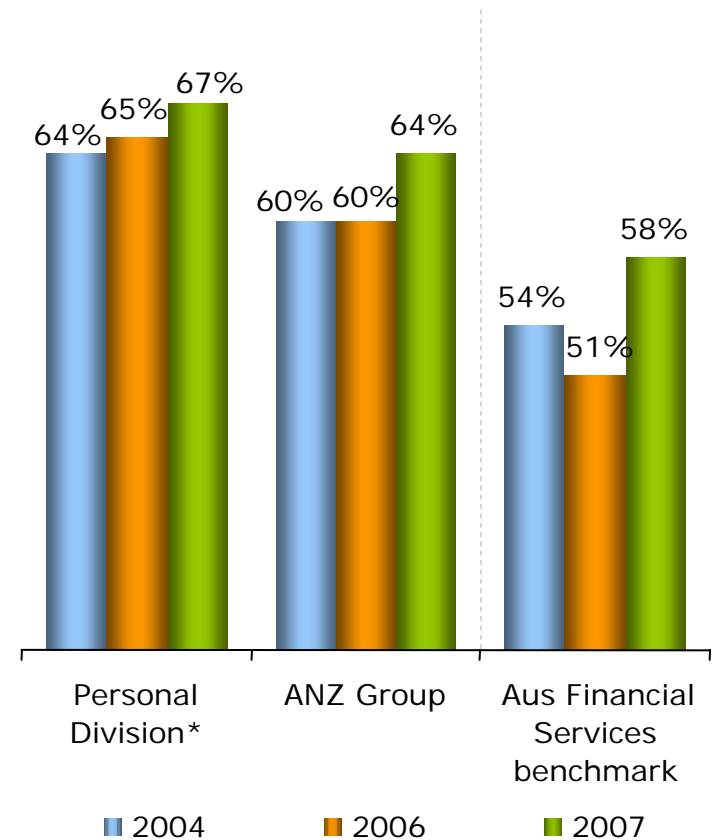
## Dramatic shift in staff satisfaction

("am I satisfied working at the ANZ?")



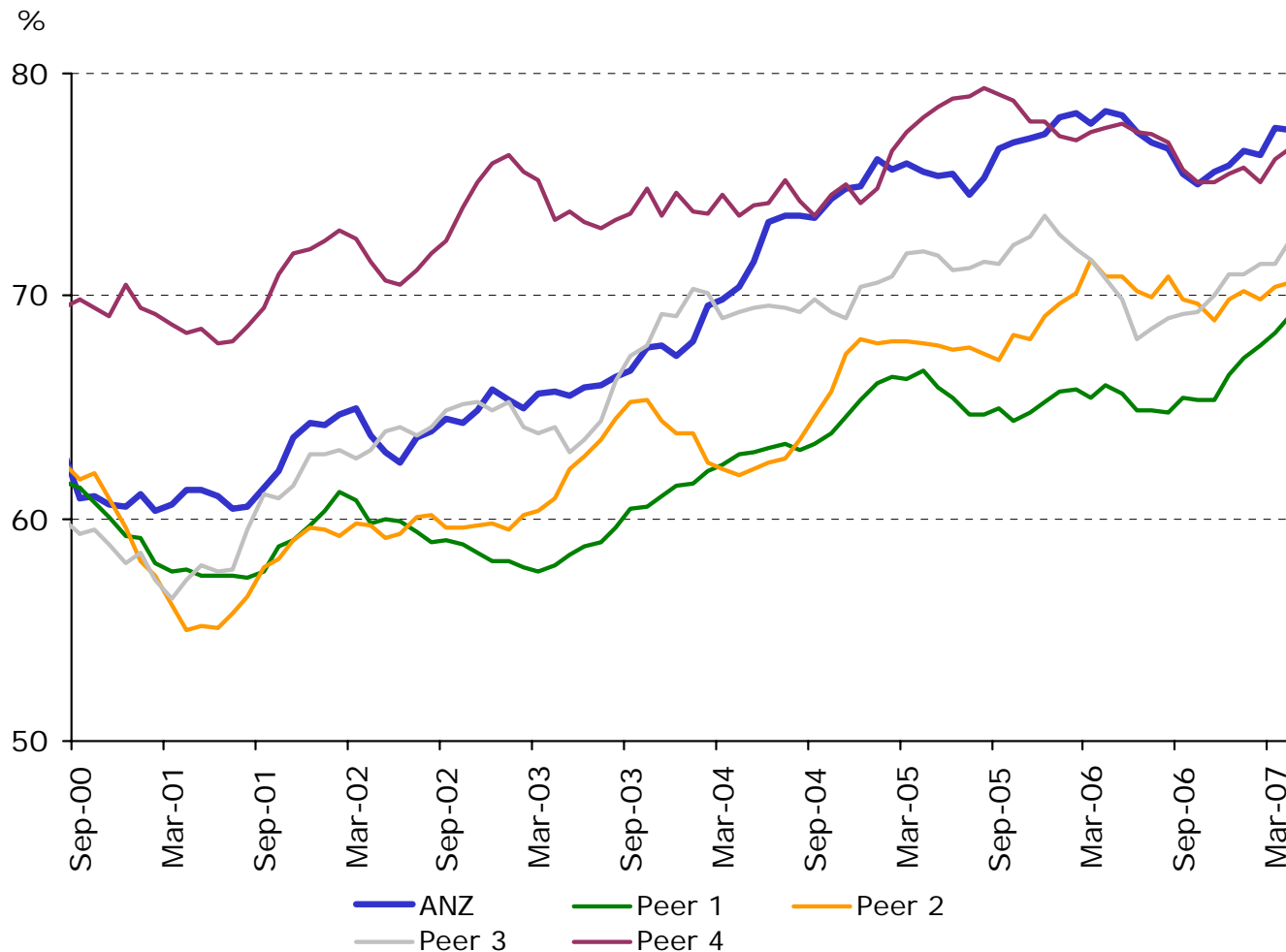
Shift to "engagement"

## Personal division staff remain highly engaged



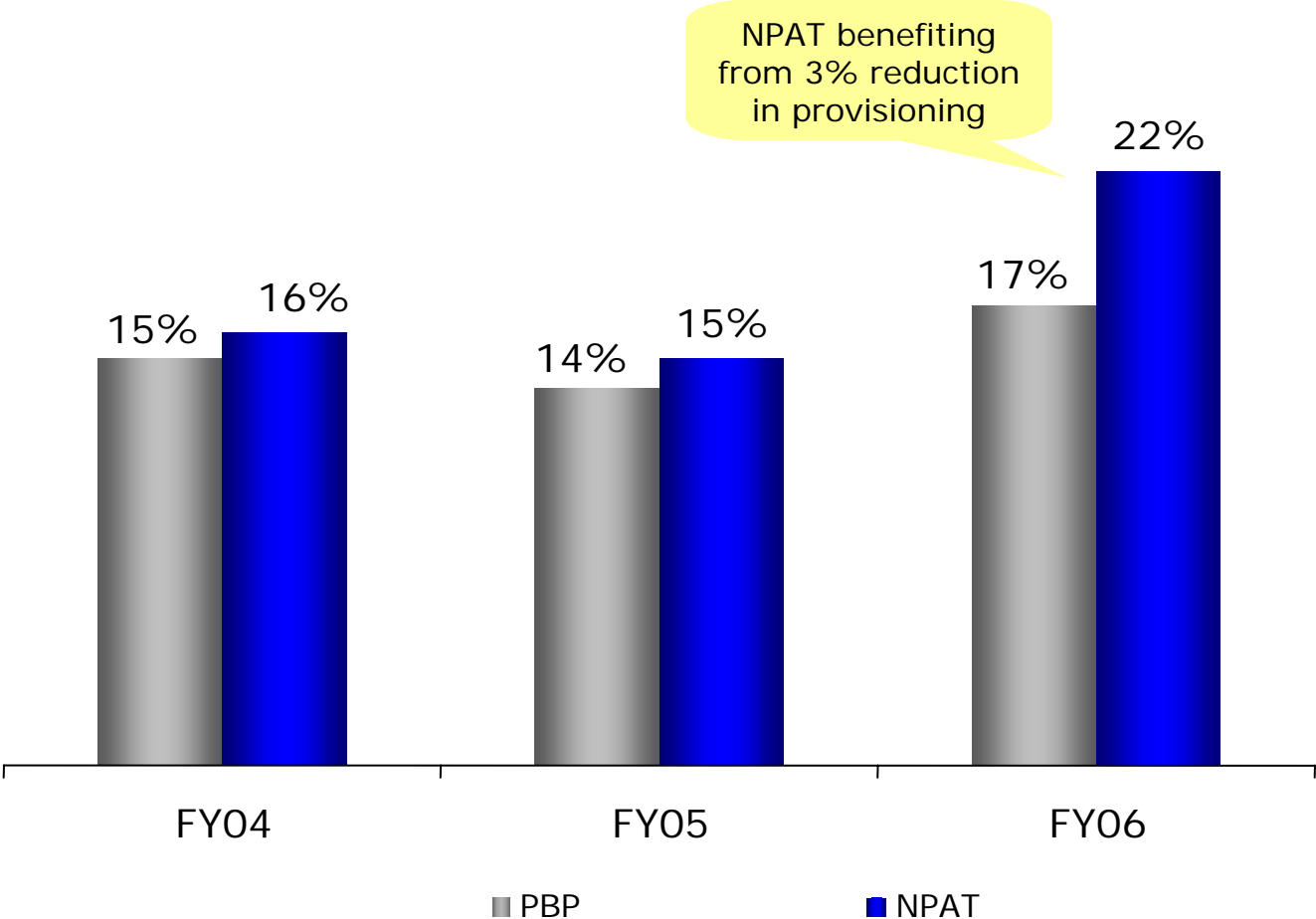
# Has made ANZ the leader in Customer Satisfaction...

Highest Customer Satisfaction of the majors incl. St George  
(Main Financial Institution\*)

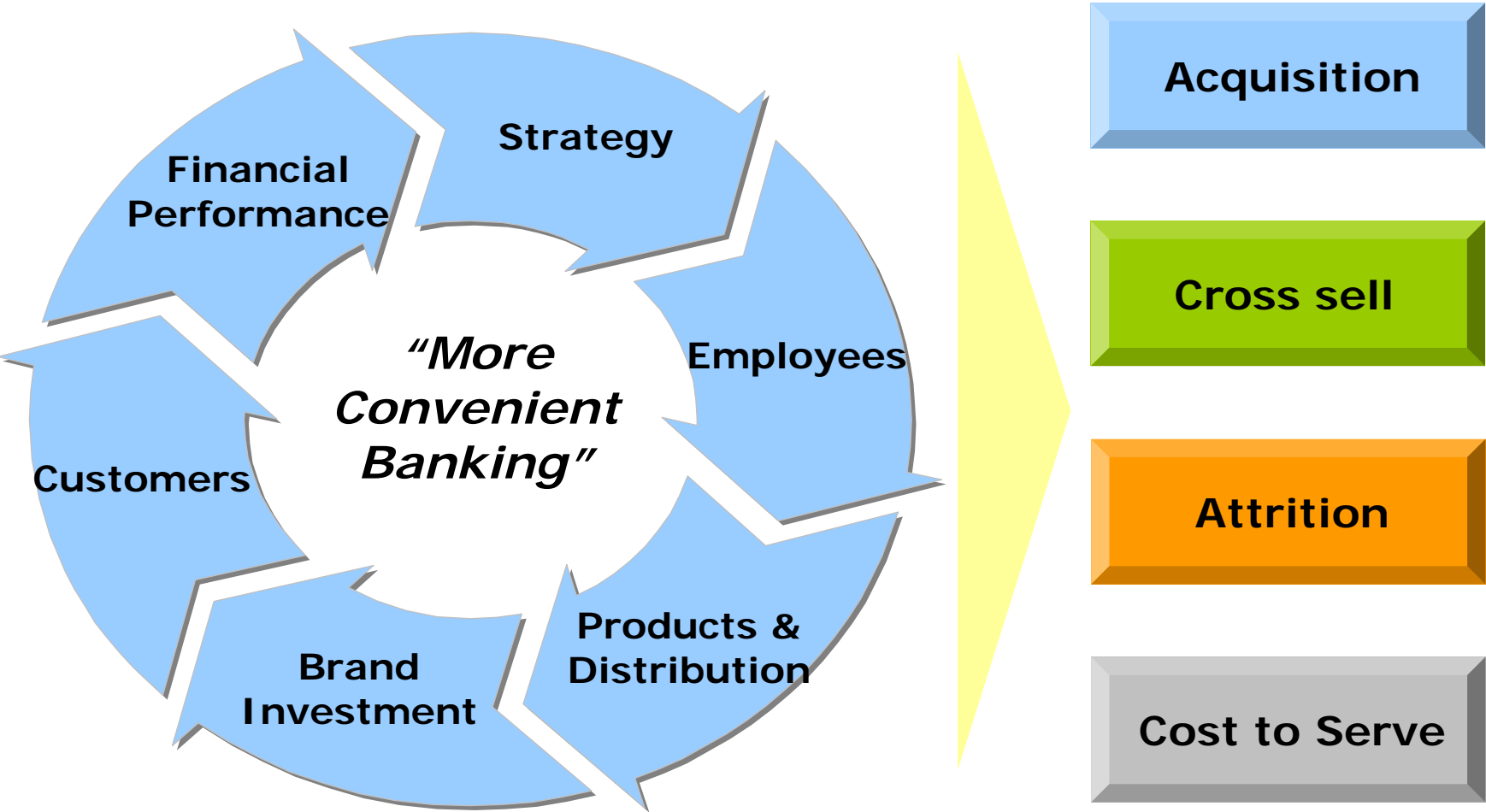


# ...and delivered rewards for shareholders

## Personal division profit growth



# Our Business System generates sustainable organic growth

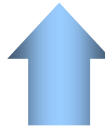




# Customer acquisition is the basis for future growth

---

**Customer Acquisition**



- Strong brand – “More Convenient Banking”
- Simple, market leading products
- Expanded distribution (branches, ATMs, Internet)
- Strong local marketing and sales disciplines

+

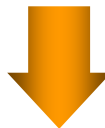
**Cross sell**



- Customer Satisfaction
- Length of Relationship
- Sales Training and Incentives
- Sales Process Integration

-

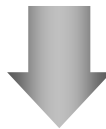
**Attrition**



- Higher customer satisfaction
- Problem resolution
- Leading net promoter score

-

**Cost to Serve**



- Investments in future growth
- Lean Six Sigma
- Unique Bangalore capability

=

**Growth**

# Acquisition: A strong track record, but “traditional account” growth may slow as competitors improve

## Strong Brands



More Convenient Banking



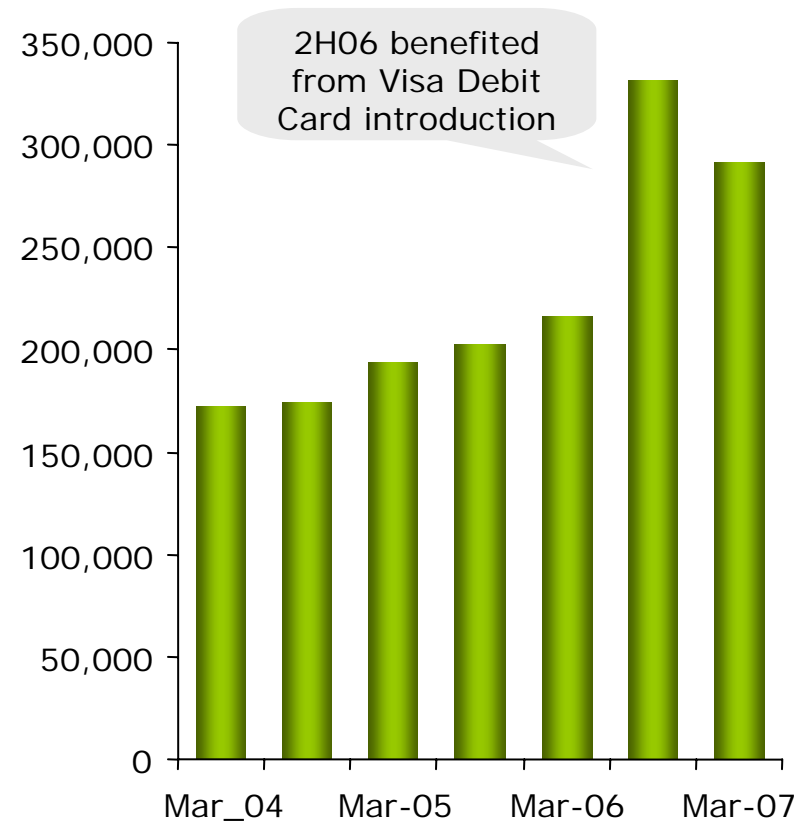
## Expanded distribution



## Compelling products



## Total Accounts opened



# High growth in customer numbers creates opportunity...

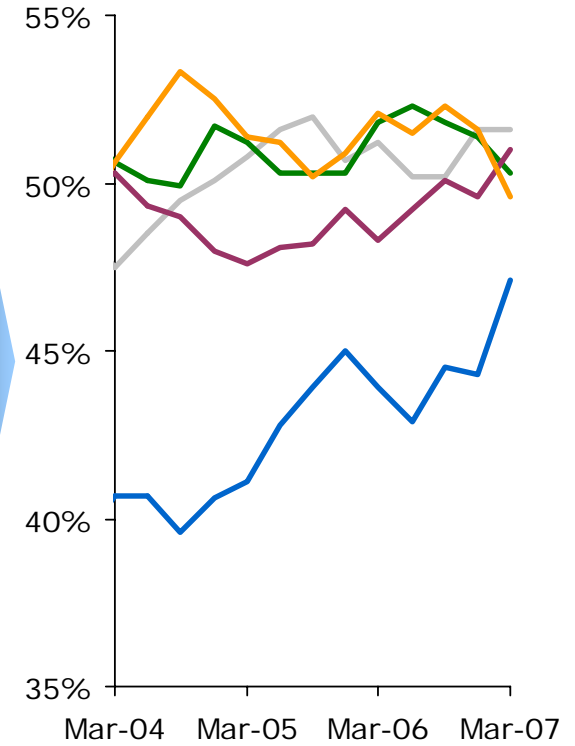
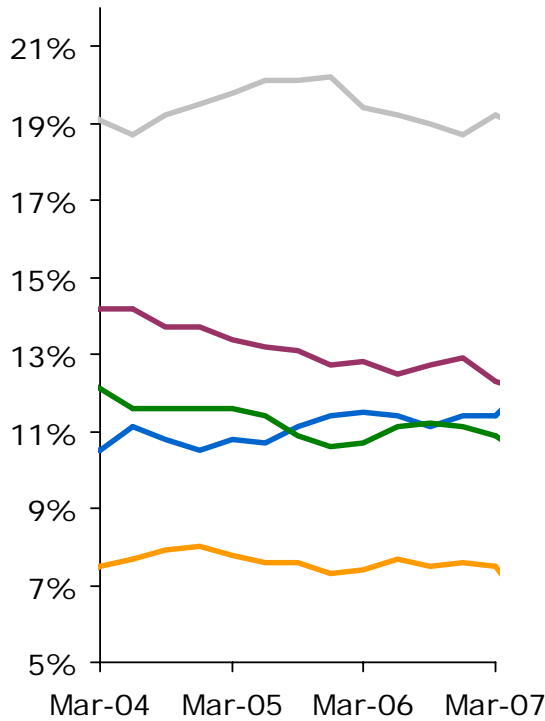
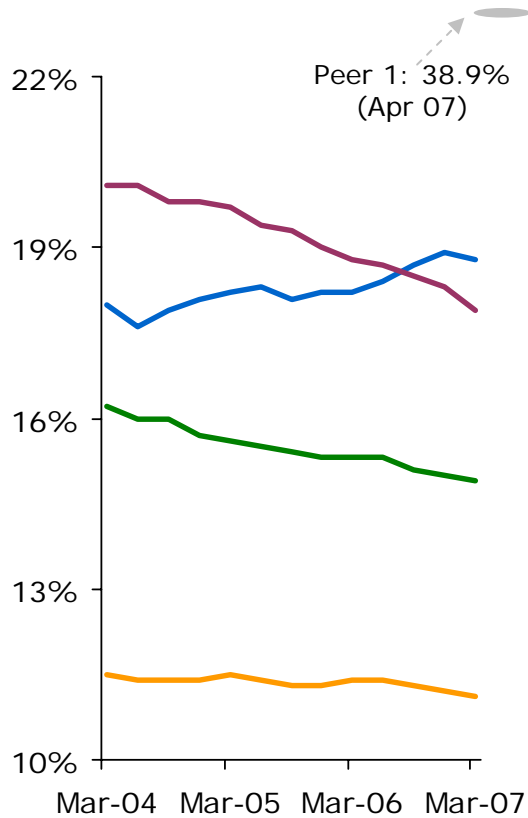
Number 2 in customer numbers...

(Traditional Banking customer share\*)

...but not yet #2 in overall share

(Traditional Banking Market share\*)

With share of wallet still below peers (but growing)\*  
lower base from acquisition success



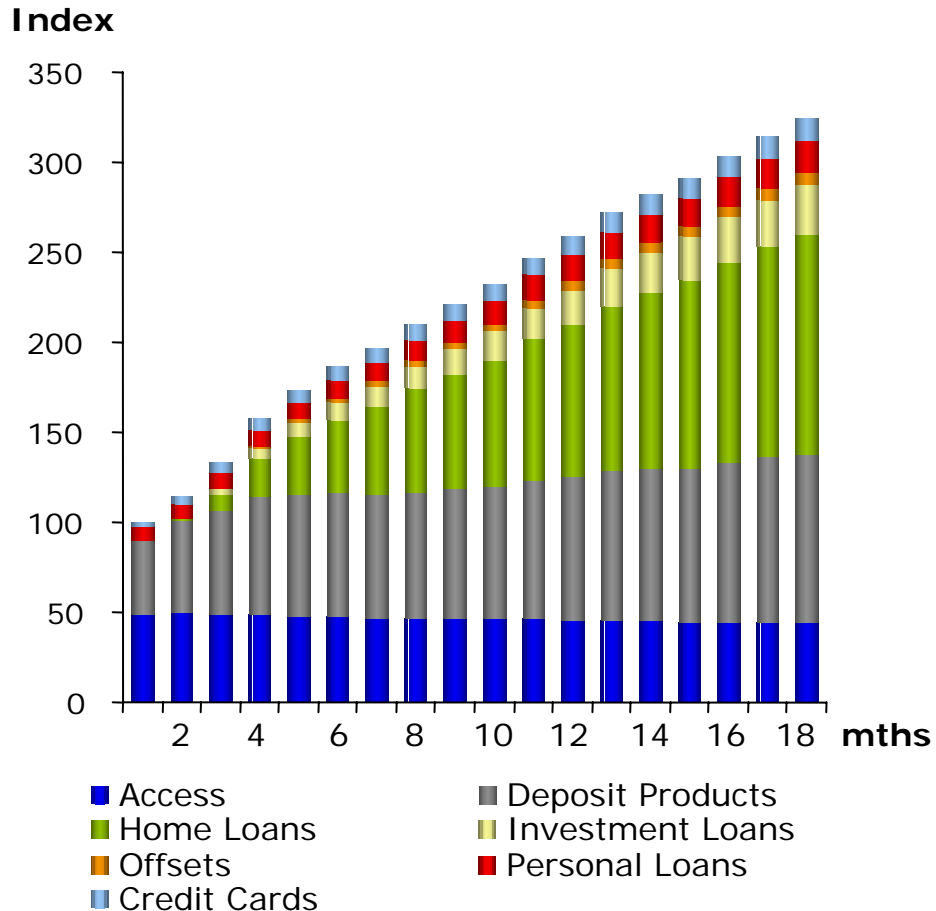
ANZ Peer 1 Peer 2 Peer 3 Peer 4

# Cross-sell: Well placed to grow our share of wallet

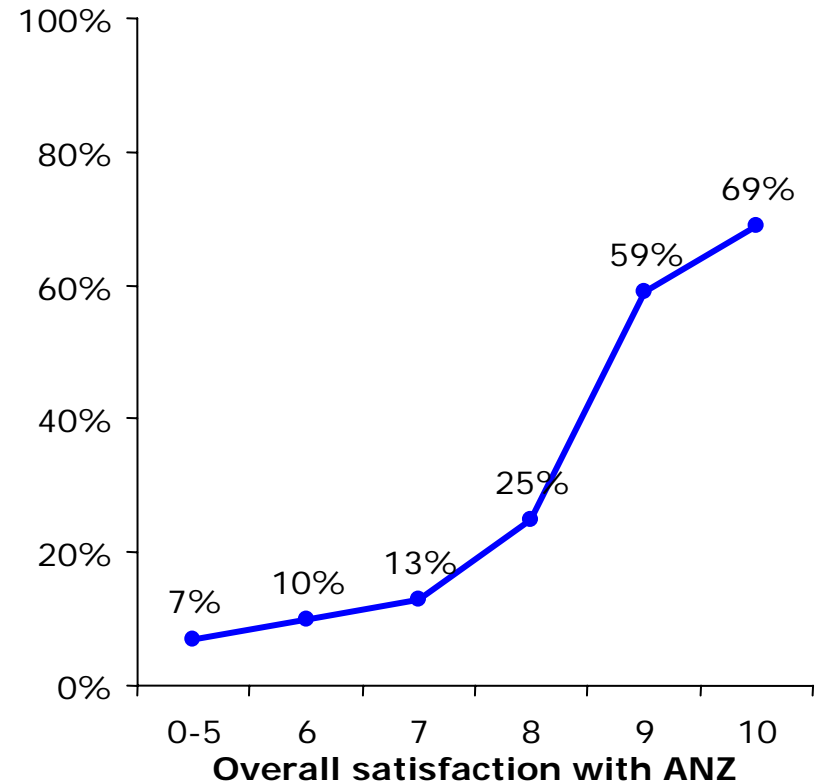
Age of accounts drives cross sell...

...as does customer satisfaction

(FUM change for new customers over time  
Month 1 index = 100)



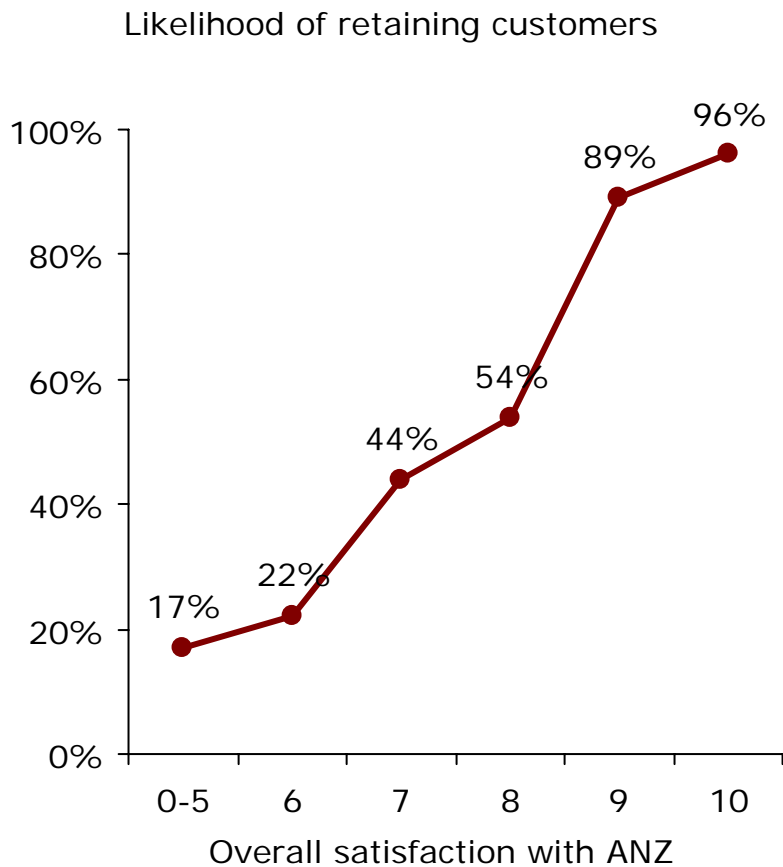
Likelihood of buying new products



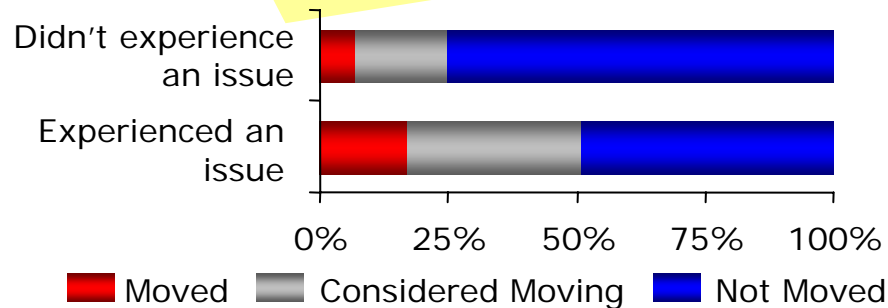
# Attrition: Minimise through satisfied customers and effective complaint resolution

High customer satisfaction...

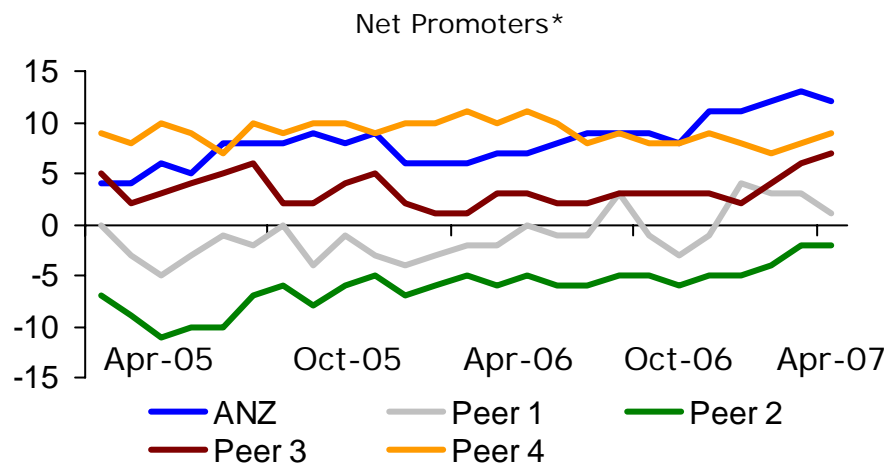
...and effective complaint resolution



99% of ANZ complaints responded to in 48 hours, 90% resolved in 48 hours

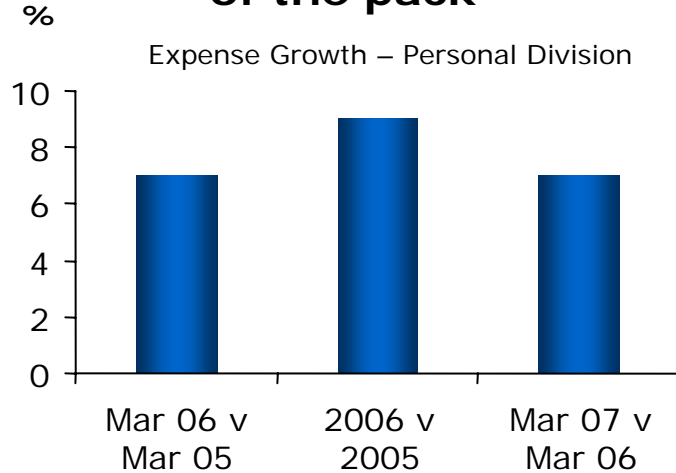


= Highest "net Promoter" score



# Cost to serve: We have front-ended growth investments; efficiencies will help sustain future investment

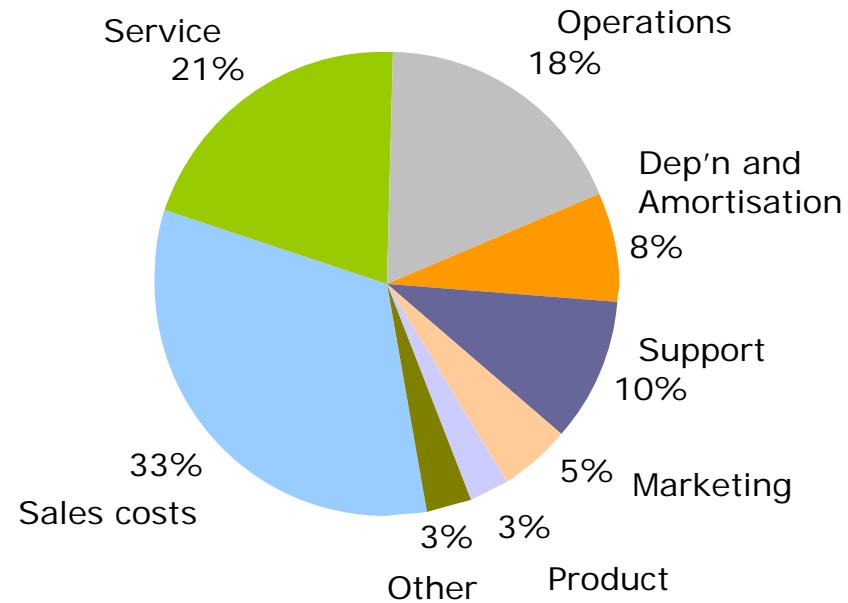
## Investing in growth ahead of the pack



- 49 new branches
- 860 new ATMs since 2004
- ~ 1,200 additional staff over last 18 months
- New telling system installed

## Significant opportunity to shift cost from “back” to “front”

Cost by function



~ \$2.2 billion annual OpEx

## Transformation an increasing priority

---

- **Lean/Six Sigma methodology adopted to develop more efficient work flows, minimising double handling and inefficient processes**
- **240 people trained in Lean/Six Sigma methodology in the Personal Division in the last 12 months (700 in ANZ overall)**
- **69 projects underway (107 in ANZ overall). *Example:* Finance project already reduced restatements by 60%+**
- **Further leverage unique Bangalore capability**

# Summary

---

- **Retail banking remains an attractive business**
- **Clear strategy and integrated business system will help drive sustainable organic growth**
- **Strong brand, highly satisfied customers, and highly engaged staff are hard to replicate**
- **Continued investment, increasingly self funded, should deliver ongoing profit growth**



---

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

Stephen Higgins  
Head of Investor Relations

ph: (613) 9273 4185 fax: (613) 9273 4899 e-mail: [stephen.higgins@anz.com](mailto:stephen.higgins@anz.com)