



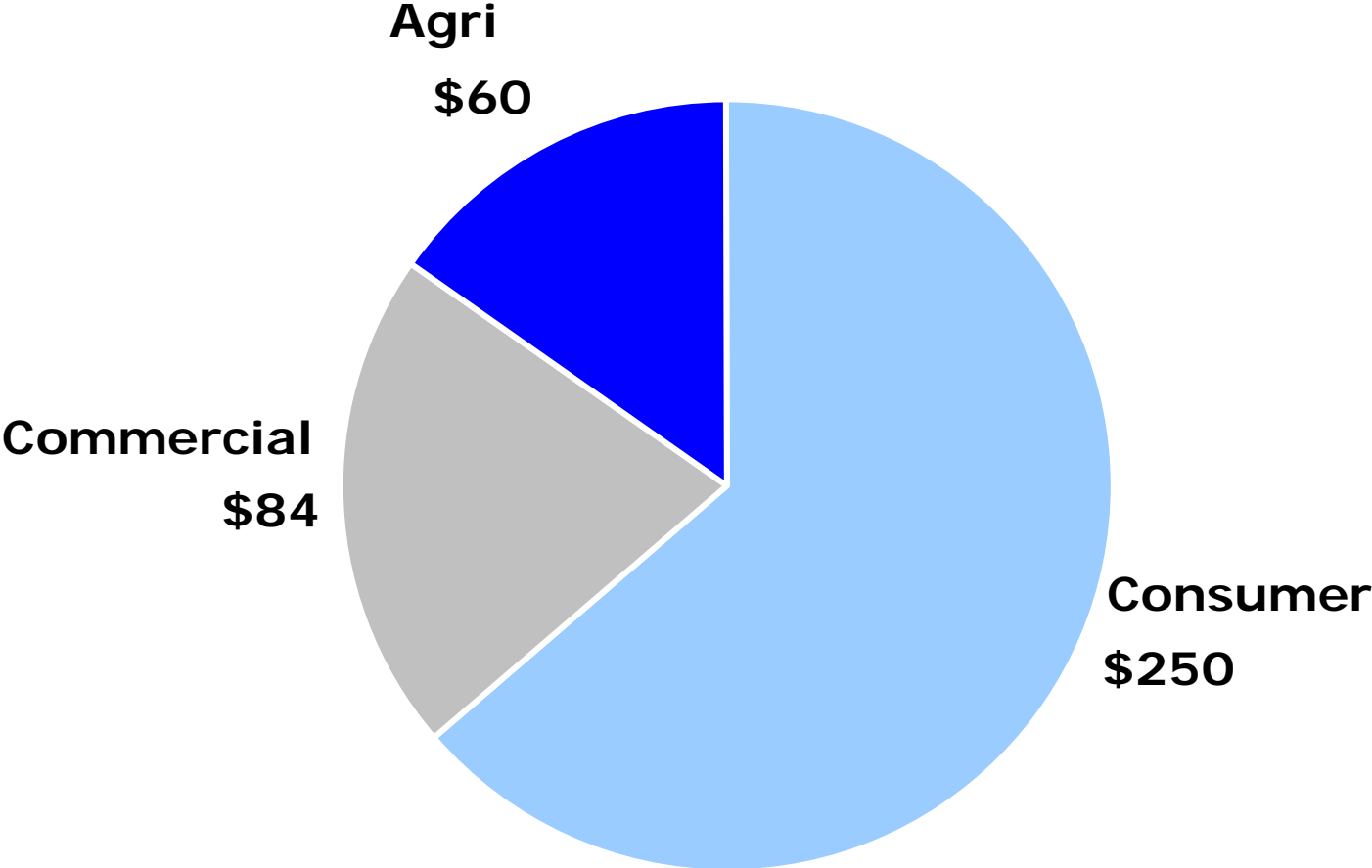
Regional & Rural

Rob Goudswaard
Managing Director Regional, Rural and Small Business Banking

Wednesday, September 19 2007

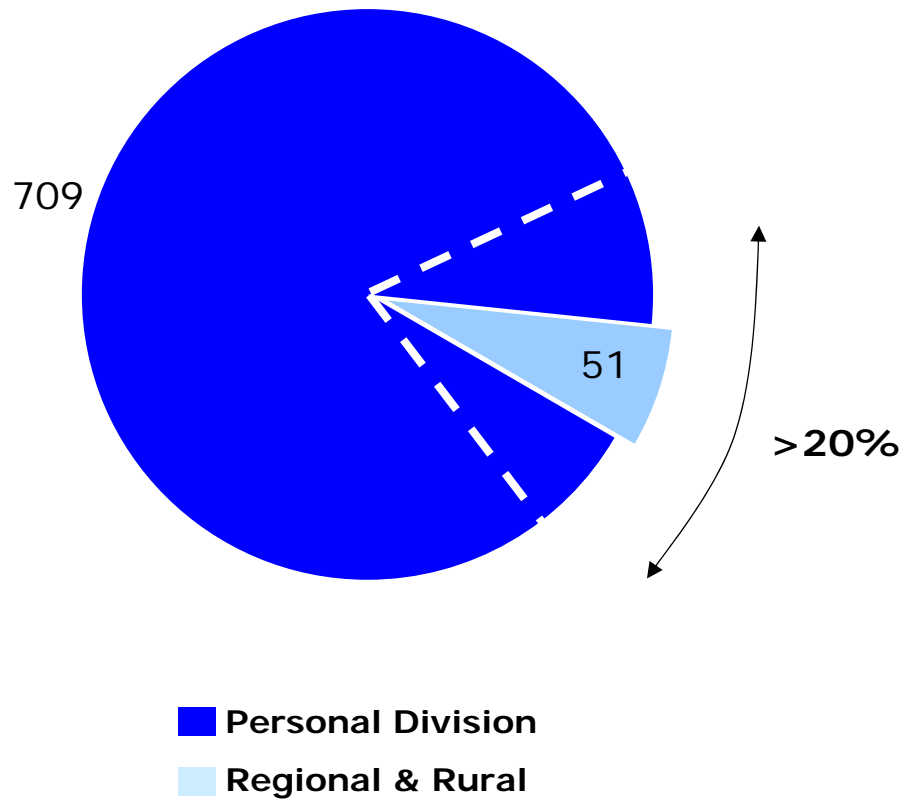
Regional & Rural banking is almost a \$400b market!

Regional & Rural Funds Under Management (\$b)

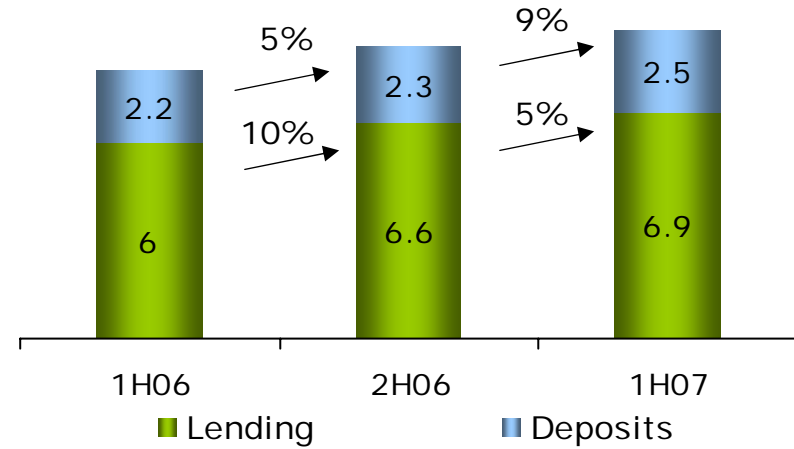


Regional and Rural contributes >20% of Personal Division's NPAT

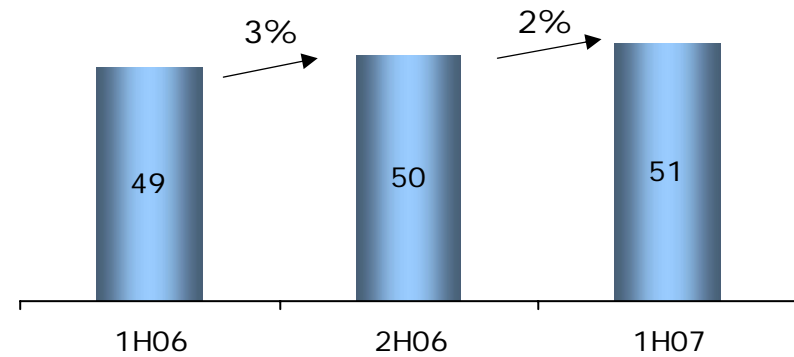
Personal Division's NPAT
(\$m, 1H07)



FUM Growth (\$b)

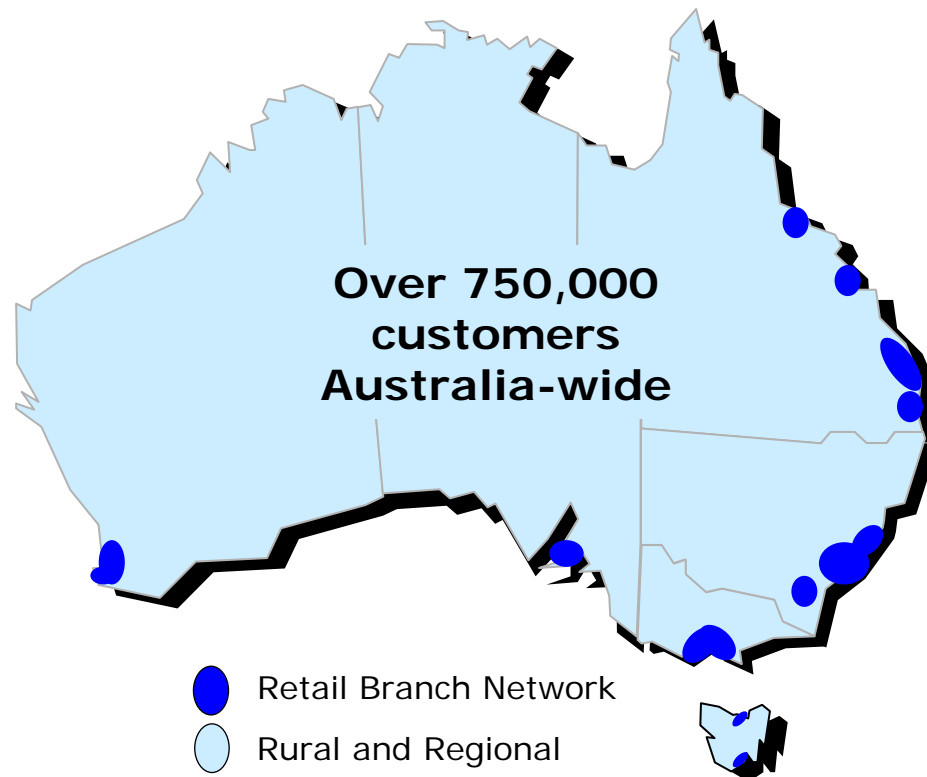


NPAT Growth (\$m)



Our business ranges from consumer transaction accounts to multi-million dollar farm-gate facilities

284 Branches, 396 ATMs
19 Regions, 2400 employees



Source: ANZ Customer Analytics, June 2007

Consumer Banking

- Focus on main bank customer growth
- Branch & ATM expansion and refurbishments promoting "convenience, simplicity and responsibility"
- Transaction & Savings accounts and Mortgages the major profit drivers
- 13.7% market share

Commercial Banking

- Business Lending up to \$10m
- Locally managed business relationships
- 16.8% market share

Agribusiness

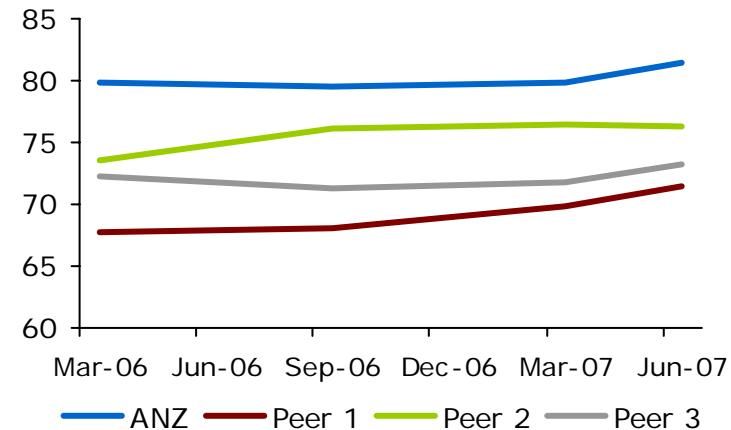
- Predominantly a lending business to grain and broadacre markets
- Increasing specialisation
- Recent periods impacted by drought, but strong growth outlook
- 10.9% market share

Unique conditions require a specialised strategy

Winning the hearts and minds of customers and staff: Our Priorities

<p>Deepen customer & community connections</p>	<ul style="list-style-type: none"> • Blue Week • Seeds of renewal grants • Reconciliation Action Plan • Staff Volunteering
<p>Build high staff engagement</p>	<ul style="list-style-type: none"> • Engagement scores are higher than ANZ Group and Personal Division • Leading culture values include "customer satisfaction" and "community involvement"
<p>Shift to a specialised model</p>	<ul style="list-style-type: none"> • Reposition front line from generalist to specialist segment focus • Supported by process transformation

Maintaining strong customer satisfaction* while supporting the rural community



FRRR/ANZ Seeds of Renewal 2007 Funding Round

Fostering enterprise in small rural communities affected by drought

A grants program to help small rural communities facing drought

Not-for-profit organisations can apply for funding of up to \$10,000 excluding GST, for projects and activities that aid the growth of their community. This program aims to be simple, with a swift, straight forward application and approval process.

FRRR independently assesses all applications to determine successful grant recipients.

Priorities to sustain growth in Regional & Rural

“More Convenient Banking”

- Bringing our convenience and simplicity proposition to life: Opened first 7 day a week branch
- Continued investment in the branch network, e.g. new branches, refurbished branches, new Local Link Agencies, more ATMs

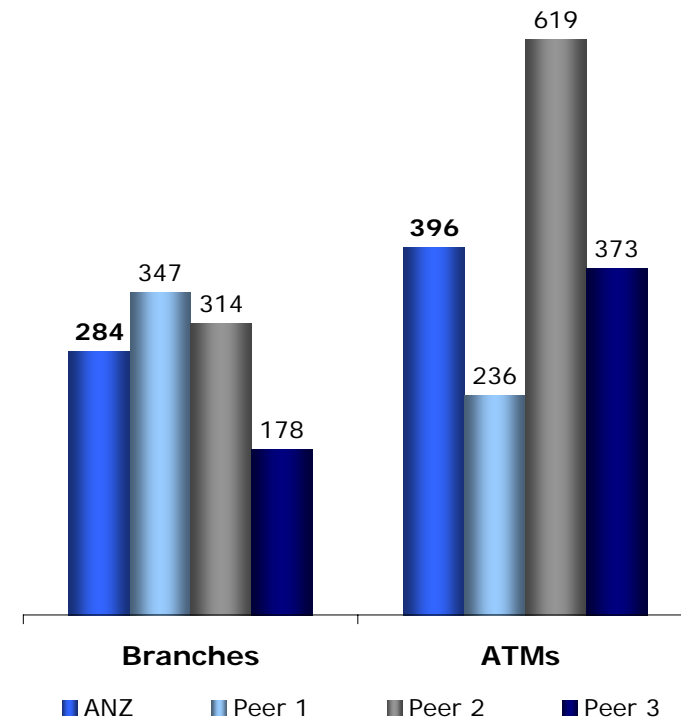
Transforming the customer experience

- Creating more time for staff to spend with customers
- Simplifying customer processes, e.g. Mortgage origination

Specialisation in Agribusiness

- Geographic and segment priorities
- Developing Agri-focused skills
- Agri recruitment pipeline

Representation in regional & rural Australia



Source: APRA, 2006



Small Business Banking

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Small business = big opportunity

- Market size today is \$26b
- 1.3 million small business owners
- Market growing at 95,000 customers net p.a.
- This is largely a *deposit* business, AND
- Credit growth forecast at 18.8%

ANZ is the only major dedicated to serving the small end of town

ANZ	Up to \$100k lending FUM
Peer 1	Up to \$500k lending FUM
Peer 2	Up to \$500k lending FUM
Peer 3	Up to \$1m lending FUM

Sources: ABS, ANZ Economics, TNS

Our Small Business model is working...

- Specialist Business model established in 2004
- More than half of our staff are located in the branch
- Focus to date on existing customer base
- High customer satisfaction and staff engagement

Rapid business expansion

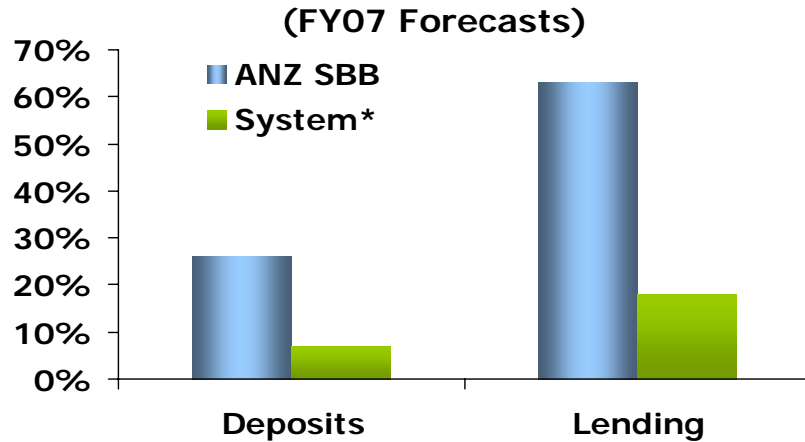
	Staff	Customers	FUM (\$m)
2004	6	190,000	1,980
2007	220	266,000	3,780

First marketing campaign launched March 2007

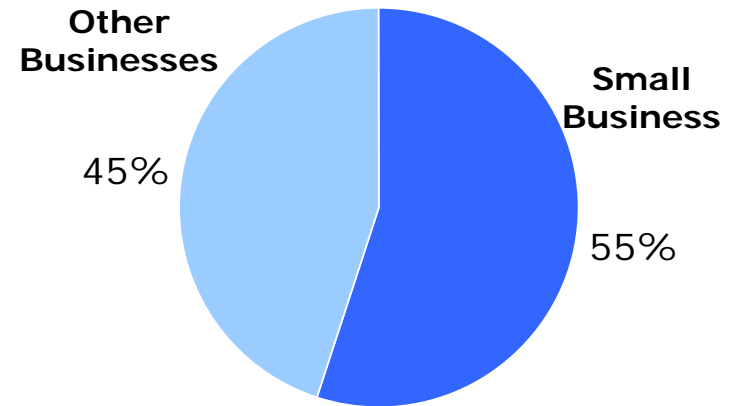


...and producing strong results

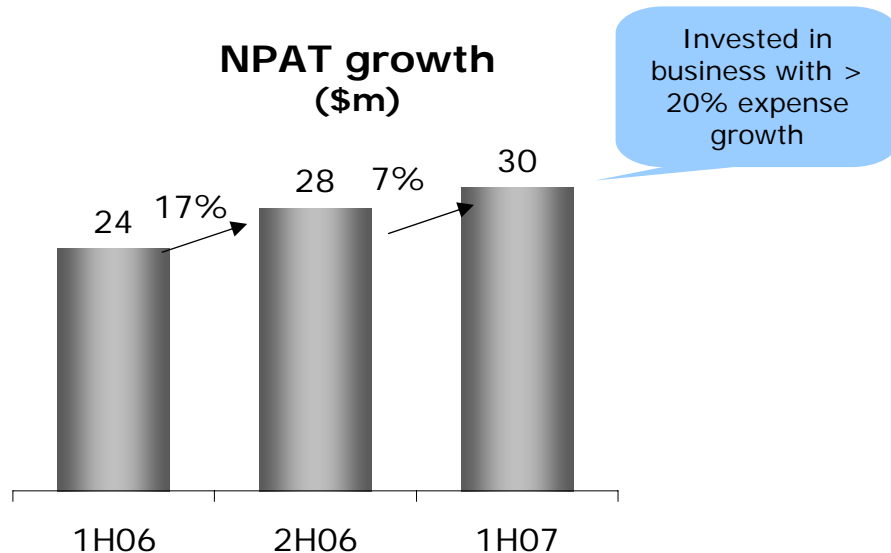
Volume growth is well above "system" growth measures



45% of Small Business income sits in other business units in Personal



NPAT growth (\$m)



Continuing to invest in growth

Expanding Distribution

- 50% increase in Small Business bankers
 - Close alignment with branch network
-

Segmentation

- Specialty focus on retail, new migrants, franchisees, women, home based, etc.
 - Exploring potential partnerships to access new customer groups
-

Increasing Skill Sets

- Specialised training
 - Revised incentive program
 - Staff engagement focus
-

New Products & Services

- Bundled products
- Small Business Hub