

## Message from Mike Smith

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Welcome to ANZ's Shareholder Review video for 2009.

I'm Mike Smith, ANZ's CEO.

I wanted to take this opportunity to update you on our progress against the goal we set two years ago to transform ANZ into a super regional bank – a bank of global quality with regional focus.

This year we've delivered a good financial performance in what was an extraordinary operating environment. We've also made good progress with our strategy and as a result, I believe ANZ has reached a turning point in delivering on our aspiration.

We have made significant progress in remediating parts of the business and have completed a fundamental organisational change to make the bank customer focused.

At the same time, we've remained financially strong through careful, disciplined management of our balance sheet, particularly capital and liquidity.

This has now established us as one of the best capitalised banks in the world, with the capacity to take advantage of opportunities to grow, either organically or by acquisition.

The 2009 financial year was an extraordinary period in global financial markets and indeed the economy, starting just weeks after the collapse of Lehman Brothers, one of Wall Street's leading investment banks.

As the financial crisis unfolded, Australian banks stayed in good shape certainly relative to their international peers. Today, Australia's major banks – including ANZ – are among just 11 AA-rated banks left in the world.

In Australia, although the economic cycle is still playing out, the economy is showing early positive signs of recovery while in Asia – led by China and India – there continues to be solid growth.

In New Zealand the economy has stabilised after a very difficult period, but will take some time to recover.

We believe Asia will be an engine for global growth for years to come, and given the trade and investment flows between Australia, New Zealand and Asia, it's an essential part of the growth strategy for our business.

Turning to our performance in 2009, I'm sure you have seen details of our annual results which were released late in October.

ANZ delivered a strong operating result, despite the challenges we've faced from the global financial crisis and the world economic downturn.

Other highlights this year were the acquisitions we were able to make which will deliver significant value to the shareholder.

We agreed to acquire the remaining 51% stake of the ANZ-ING joint ventures in Australia and New Zealand. This is a

good business that we know well and gives us a great foundation to develop our Wealth business.

ANZ also continued to invest in Asia, including building our branch networks in Indonesia, Vietnam and China. We also agreed to acquire businesses in six countries in Asia from the Royal Bank of Scotland. This included retail, wealth and commercial businesses in Taiwan, Singapore, Indonesia and Hong Kong, and institutional businesses in Taiwan, the Philippines and Vietnam.

This acquisition is a further stepping stone in our super regional strategy and provides a significant boost for our retail and wealth ambitions in Asia.

We have also continued to build organisational capability. This year, we put in place a new customer-focused business model and structure. We are now organised around three key regions – Australia, New Zealand and Asia Pacific –with Institutional operating as a global business.

We've also continued to reshape our top management team with several new appointments, including:

Phil Chronican, CEO Australia, from Westpac;  
Joyce Phillips Group Managing Director, Strategy and M&A,  
from Citigroup and GE;  
and Shayne Elliott Group Managing Director Institutional  
Banking from Citigroup and EFG-Hermes.

This year, ANZ also invested in a new global brand identity and as part of the launch, we introduced a new global positioning, *'We live in your world'*.

The brand identity and positioning supports our super regional strategy and says that no matter where our customers deal with us, we want to give them one consistent high standard of experience, based on understanding their world better than anyone else.

We know there's a lot to do to really deliver this to our customers and all our people are committed to the task.

ANZ's people are also committed to ensuring we make a contribution to the communities in which we live and work.

During the year, I'm pleased to tell you that ANZ was named the most sustainable bank globally in the Dow Jones Sustainability Index. This is the third consecutive year we have been recognised for our global leadership in corporate responsibility.

As we near the end of 2009, we have remained strong through difficult times, we've maintained momentum in the business and we've worked hard to position ANZ for future growth.

In doing so, I believe we've delivered a good performance and created real value for our shareholders, our customers and the communities in which we operate.

On that note, I wish you all the very best for the festive season and I look forward to updating you on ANZ's progress during 2010.

Many thanks.