

different.

our results

2006 INVESTOR SNAPSHOT

Customers

- Awarded the Best Call Centre in Australia for the third year in a row
- Number 1 lead bank for Institutional clients in Australia and New Zealand

Staff

- Most engaged staff amongst major Australian companies – 60%
- Named the Leading Organisation for the Advancement of Women in Australia among organisations with more than 500 employees

Community

- Received the Prime Minister's Award for Excellence in Community Business Partnership for Impact on a Community
- We offer staff members eight hours of volunteer leave each year.

Shareholders

- Our net profit attributable to shareholders of the company was \$3,688m, and our Cash Earnings Per Share was up 13.2%
- The total dividend for 2006 was 125 cents, up 13.6%



16%

Net Profit
After Tax
(\$m)



13%

Market
Capitalisation
(\$b)



14%

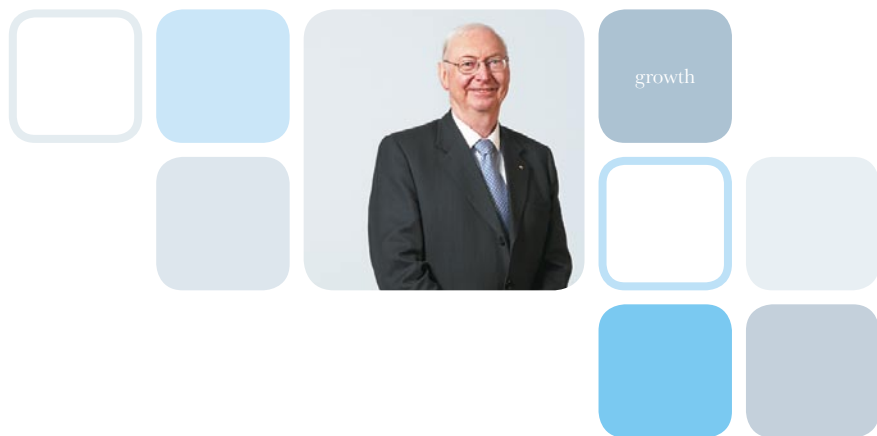
Dividend
(cents per share)



13%

Cash Earnings
Per Share
(cents)

- | | | | |
|---|----------------------------------|----|--|
| 1 | 2006 Investor Snapshot | 10 | The Board of Directors |
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chairman's report A MESSAGE FROM CHARLES GOODE

Our performance

Our profit after tax for the year ended 30 September 2006 was \$3,688 million, up by 16%; our cash profit (adjusted for AIFRS 2005 adjustments and non-core items) was \$3,587 million, up 14%; and our profit before provisions was up 10%.

The dividend for the year is 125 cents per share fully franked.

Revenue growth of 8% was the highest for many years. While costs increased by 6% our cost to income ratio fell by 1.0% to 45.6%. The overall credit environment was very favourable with provisions for credit impairment at cyclical lows.

Expansion and Growth

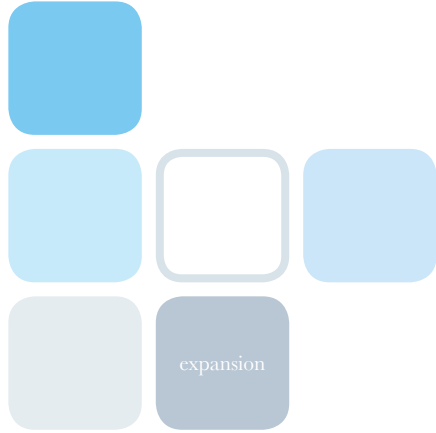
The Personal division achieved exceptional results, with revenue growth of 13% and earnings up 22%. Personal is reaping the benefits of a clear customer proposition – simpler and more convenient banking – along with an expanded branch network, more ATMs and longer opening hours.

In Institutional, good revenue growth of 8% and low credit losses led to growth in earnings of 11%.

In New Zealand, our integration program was successfully completed. The customer base has been maintained and is now growing. We have strong businesses with options for growth.

These results are the work of an outstanding group of people: our staff. On behalf of my fellow directors and all shareholders, I thank them for their effort and contribution.

Charles Goode - Chairman



Turning to East Asia we celebrated 20 years in China and expanded our presence with a 20% investment in Tianjin City Commercial Bank. In Vietnam, ANZ and Sacombank committed to a joint venture, and we launched banking services in Cambodia through ANZ Royal Bank, a joint venture with Royal Group.

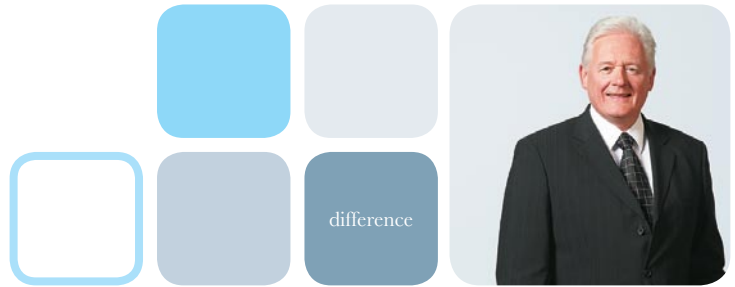
The Board

During the year, Dr Roderick Deane retired as an ANZ director, and as Chairman and Director of ANZ National Bank Limited. Dr Deane joined the ANZ Board in 1994 and made a very substantial contribution to our board. We thank Dr Deane and wish him well in retirement.

Outlook

We are optimistic about economic conditions in Australia and New Zealand. While growth in the Australian economy is unlikely to exceed current levels, conditions should still be conducive to reasonable earnings growth. New Zealand's economy may well be softer over the next two years, but nevertheless we remain confident of the long term future for our New Zealand business. Our position in Asia will continue to grow in importance.

Charles Goode - Chairman



chief executive officer's report A MESSAGE FROM JOHN McFARLANE

ANZ has once again performed well in 2006 for shareholders and we have invested and strengthened our foundation for sustainable growth in future years.

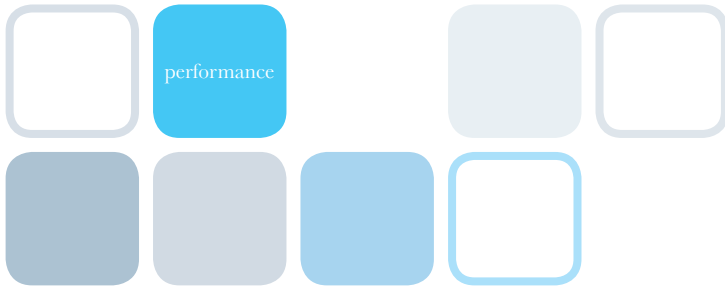
This performance is simply a milestone on a longer journey from the major banks being perceived as the same, to making ANZ “a very different bank”.

It concerns me that many believe all banks are the same. It would not be so prevalent a view if it was not true. Changing this required us to create tangible reasons:

- Why a customer should deal with us?
- Why the community should place its trust in us?
- Why people should invest their working lives in us?
- Why shareholders should invest in us?

So against the trend of cost-cutting, we decided to invest to make “a very different bank” a reality. This required a major change in emphasis where:

- People, customers and the community would become the main focus rather than costs and short-term return.
- We would build a culture and talent base that could not easily be replicated.
- We could all sleep at night with the level of risk.



In particular we recognised that the bank that comes up with ways to serve our customers better would win over the long run. Our progress demonstrates our commitment to simpler and more convenient banking:

- In 2006 in Australia, we opened a new branch every fortnight and in 2007 we will open a new branch almost every week.
- In the last four years we added 10,000 new people, including the acquisition of The National Bank of New Zealand.
- We had a very different acquisition in New Zealand, maintaining separate businesses and brands.
- With the sizeable opportunity presented by Asia's economic growth and the interdependence between Australia, New Zealand, and Asia, we have begun a major push into the region, including expanding our business in Tianjin and Shanghai in China.
- We leveraged the technology and operational capability in Bangalore built over 17 years while maintaining a policy of having customer contact at home in Australia and New Zealand.
- We received special recognition through the Prime Minister's Award for Impact on a Community.

I am genuinely pleased with our progress, but realise it is only the beginning. Therefore we are raising the bar on revenue growth and accelerating our efforts to become "a very different bank". Our achievements in 2006 demonstrate we are well positioned to do so.

All in all it has been a good year for shareholders and I want to thank you all for your continued confidence in us.

John McFarlane - Chief Executive Officer



Asia – NPAT \$125m

Other – NPAT \$132m

Australia – NPAT \$2,488m

Australia

New Zealand

Pacific

- American Samoa
- Cook Islands
- East Timor
- Fiji
- Kiribati
- Papua New Guinea
- Samoa
- Solomon Islands
- Tonga
- Vanuatu

Middle East & South Asia

Asia

- Cambodia
- China
- Hong Kong
- Indonesia
- Japan
- Korea
- Malaysia
- Philippines
- Singapore
- Taiwan
- Thailand
- Vietnam

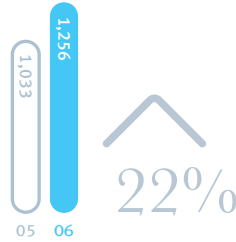
Europe

- United Kingdom
- United States of America

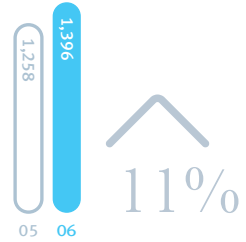
our focus

A UNIQUE GEOGRAPHICAL PRESENCE

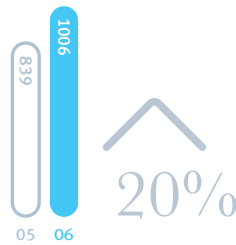
Our home markets of Australia and New Zealand represent 90% of the Group's profit. We have grown our Australian business significantly in recent years, and we are the largest bank in New Zealand.



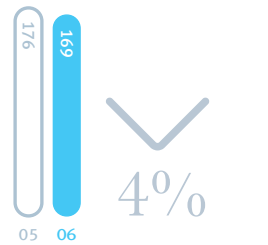
Personal NPAT - (\$m)



Institutional NPAT - (\$m)



New Zealand Banking NPAT - (NZDm)



Partnerships & Private Bank NPAT - (\$m)

Pacific – NPAT \$113m

New Zealand – NPAT \$830m

We are the only Australian bank with a significant presence in Asia, and our representation is amongst the largest in the region. We have a number of retail partnerships in the region, and during the year we entered into a new partnership with Tianjin City Commercial Bank in China. We continue to be in discussions with Shanghai Rural Commercial Bank, and hope to conclude these discussions soon.

We remain the number one bank in the Pacific, holding either number one or two position in each market in which operate. We also have a substantial presence in the key financial centres of London and New York.

five year summary

	AIFRS		Previous AGAAP		
	2006 \$m	2005 \$m	2004 \$m	2003 \$m	2002 \$m
Financial Performance					
Net interest income	6,943	6,371	5,252	4,311	4,018
Other operating income	3,146	2,935	3,267	2,808	2,796
Operating expenses	(4,605)	(4,340)	(4,005)	(3,228)	(3,153)
Profit before provisions and income tax	5,484	4,966	4,514	3,891	3,661
Provision for credit impairment	(407)	(565)	(632)	(614)	(610)
Income tax expense	(1,486)	(1,247)	(1,147)	(926)	(880)
Minority interest	(4)	(3)	(4)	(3)	(3)
Cash profit ¹	3,587	3,151	2,731	2,348	2,168
Non-core items ¹	101	24	84	-	154
Net profit after tax	3,688	3,175	2,815	2,348	2,322
Financial Position					
Assets ²	335,771	300,885	259,345	195,591	183,105
Net Assets	19,906	19,538	17,925	13,787	11,465
Tier 1 capital ratio ³	6.8%	6.9%	6.9%	7.7%	7.9%
Return on average ordinary equity ^{4,5}	20.1%	19.0%	17.8%	20.6%	21.6%
Cash earnings per share ¹	194.5	171.8	161.1	146.3	134.0
Cost to income ratio ⁶	45.6%	46.6%	45.3%	45.1%	46.0%
Shareholder value – ordinary shares					
Total return to shareholders (share price movement plus dividends)	17.1%	32.6%	17.0%	6.7%	15.3%
Market capitalisation	49,331	43,834	34,586	27,314	26,544
Dividend	125c	110c	101c	95c	85c
Share price ⁷ –30 Sep	\$26.86	\$24.00	\$19.02	\$17.17	\$16.88
Other information					
Points of representation ⁸	1,265	1,223	1,190	1,019	1,018
No. of employees (full time equivalents)	32,256	30,976	28,755	23,137	22,482
No. of shareholders ⁹	291,262	263,467	252,072	223,545	198,716

1 ANZ excludes from cash profit significant items, abnormalities, ANZ National Bank integration costs and volatility associated with fair value movements relating to economic hedges. ANZ excludes these items to provide a better indication of the core business performance. In addition, the 2005 cash profit result has been calculated on an AIFRS basis that is comparable with 2006, allowing readers to see the impact on 2005 results of accounting standards that have only been applied from 1 October 2005. The adjustment to restate 2005 to statutory basis is included in non-core items.

2 From 1998 to 2001, consolidated assets include the statutory funds of ANZ Life as required by an accounting standard. For the year 2004, consolidated assets include the statutory funds of NBNZ Life Insurance Limited.

ANZ Life was sold in May 2002 and NBNZ Life Insurance Limited was sold on 30 September 2005

3 Calculated in accordance with Australian Prudential Regulation Authority requirements effective at the relevant date

4 Excludes non-core items and minority interest. The 2005 ratio has been calculated on an AIFRS basis that is comparable with that of 2006

5 For the periods 1997 to 2002 the return on average ordinary equity calculation accrues the dividend over the year. From 2003, dividends may no longer be accrued and are not included in the calculation of return on average ordinary equity

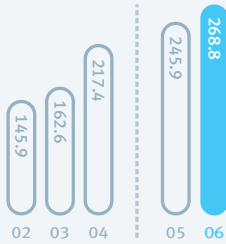
6 Excludes non-core items. Periods prior to 2005 also exclude goodwill amortisation. The 2005 ratio has been calculated on an AIFRS basis that is comparable with that of 2006

7 Periods prior to 2004 adjusted for the bonus elements of the November 2003 Rights Issue

8 Includes branches, offices, representative offices and agencies

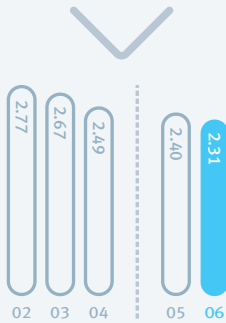
9 From 2000 onwards the number of shareholders does not include the number of employees whose only shares are held by ANZEST Pty Ltd as the trustee for shares issued under the terms of any ANZ employee incentive plan

Strong lending growth partly offset by lower interest margins.



Net Loans and Advances including Acceptances - (\$b)

Strong lending growth in Mortgages in Australia and New Zealand and in Corporate and Business Banking saw Net Loans and Advances up 9% in 2006.

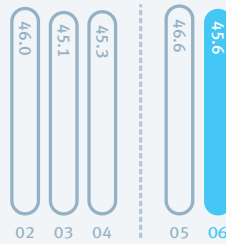


Net Interest Margin - (%)

----- Series break due to AIFRS

Increased competition largely in Australian Mortgages, the Institutional Division and New Zealand Deposits were the key drivers of the 9 basis point contraction in Net Interest Margin in 2006.

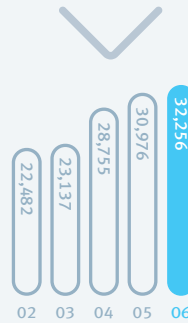
We continue to have world class efficiency which has permitted us to invest in more people.



Cost Income Ratio - (%)

----- Series break due to AIFRS

Strong income growth enabled continued investment in the business and a reduction of the Cost to Income Ratio to 45.6% in 2006.



Staff Numbers - (FTE)

An increase in FTEs of 1,280 in 2006 brought the number of new staff employed in the business in the last 4 years to over 10,000.

our board

BOARD OF DIRECTORS 2006



Mr C B Goode, AC

B COM (HONS), MBA, HON LLD (MELB), HON LLD (MONASH)

Chairman

Independent
Non-Executive Director

Non-executive director since July 1991. Mr Goode was appointed Chairman in August 1995 and is an ex officio member of all Board Committees.

Experience and expertise

Mr Goode has a background in the finance industry and has been a professional non-executive director since 1989. Mr Goode brings a wide range of skills and significant experience of the finance industry to his role as Chairman of the Board.

Age 68

Residence Melbourne.



Mr J McFarlane, OBE

MA, MBA, SFFIN, FSI, FHKIB, FRSA

Chief Executive Officer

Chief Executive Officer since October 1997.

Mr McFarlane is also a Director of ANZ's largest subsidiary, ANZ National Bank Limited in New Zealand.

Experience and expertise

Mr McFarlane brings broad leadership, management and banking skills following a 31-year career in banking. Mr McFarlane is a former Group Executive Director, Standard Chartered Plc, Head of Citibank in the United Kingdom and Managing Director of Citicorp Investment Bank Ltd.

Age 59

Residence Melbourne.



Dr G J Clark

PHD, BSC (HONS), FAP, FTSE

Independent

Non-Executive Director

Chairman of the
Technology Committee

Non-executive director since February 2004. Dr Clark is a member of the Governance Committee.

Experience and expertise

Dr Clark is Principal of Clark Capital Partners, a US based firm that advises internationally on technology and the technology market place. Previously he held senior executive positions in IBM, News Corporation and Loral Space and Communications. He brings to the Board international business experience and a distinguished career in micro-electronics, computing and communications.

Age 63, Residence Based in New York, United States of America but also resides in Sydney.



Mr J K Ellis

MA, FAICD, HON FIE AUST, FAus IMM, FTSE, HON DR ENG (CQU)

Independent

Non-Executive Director

Non-executive director since October 1995. Mr Ellis is a member of the the Audit Committee. Mr Ellis' term as Chairman of the Risk Committee ended on 30 September 2006 at which time he assumed the role of a Risk Committee member.

Experience and expertise

A trained engineer, Mr Ellis brings to the Board his analytical skills together with his practical understanding of operational issues, investments and acquisitions across a range of sectors including natural resources, manufacturing, biotechnology and education.

Age 69

Residence Melbourne.

The Board is responsible to shareholders for the governance of ANZ, and oversees its operations and financial performance. It sets the strategic direction and financial objectives, determines the appropriate risk appetite for the organisation, and monitors operational performance. It also monitors compliance in terms of ethical standards and regulatory requirements. The Board appoints the Chief Executive Officer and regularly reviews his performance.



Mr D M Gonski, AO

Ms M A Jackson, AC

Mr D E Meiklejohn

Mr J P Morschel

**B COM, LLB, S.I.A. (AFF),
FAICD, FCPA**

Independent
Non-Executive Director
Chairman of the
Governance Committee
Non-executive director
since February 2002. Mr
Gonski is a member of the
Risk Committee.

Experience and expertise
A lawyer, Mr Gonski has
a broad experience across
business, the law and
investment banking. He
also brings to his role on
the Board an appreciation
for the community through
his work in the arts and
the not-for-profit sector.

Age 53
Residence Sydney.

**B Ec, MBA, HON LLD (MONASH),
FAICD, FCA**

Independent
Non-Executive Director
Chairman of the People
Committee
Non-executive director
since March 1994. Ms
Jackson is a member
of the Audit Committee.

Experience and expertise
A Chartered Accountant,
with significant financial
expertise, Ms Jackson
has broad commercial
and industrial experience
including her involvement
in transportation, mining,
the media, manufacturing
and insurance. This
expertise coupled with
her work in health and
education contribute
to her role on the Board.

Age 53
Residence Melbourne.

**B COM, DIP. ED, FCPA,
FAICD, FAIM**

Independent
Non-Executive Director
Chairman of the Audit
Committee
Non-executive director
since October 2004.
Mr Meiklejohn is a member
of the Governance
Committee and Risk
Committee.

Experience and expertise
Mr Meiklejohn has a strong
background in finance and
accounting. He also brings
to the Board his experience
across a number of
directorships of major
Australian companies
spanning a range of
industries.

Age 64
Residence Melbourne.

DIP S, FAIM

Independent
Non-Executive Director
Chairman of the Risk
Committee

Non-executive director
since October 2004. Mr
Morschel is a member
of the Risk Committee
and, on 1 October 2006,
became its Chairman. He
is also a member of the
People Committee.

Experience and expertise
Mr Morschel has a strong
background in banking
and financial services,
and brings the experience
of being a director of
major Australian and
international companies.

Age 63
Residence Sydney.

For listings of current directorships visit our website
www.anz.com/about/anzc/corporate-governance

director and executive remuneration 2006

	Short Term Employee Benefits \$	Post- Employment \$	Long Term Employee Benefits \$	Share Based Payments \$	Total \$
Director Remuneration					
C Goode Independent Non Executive Director, Chairman	699,842	12,276	–	–	712,118
G Clark Independent Non Executive Director	217,796	12,276	–	–	230,072
R Deane (retired 30 June 2006) Independent Non Executive Director	282,016	9,104	–	–	291,120
J Ellis Independent Non Executive Director	248,477	12,276	–	–	260,753
D Gonski Independent Non Executive Director	229,742	12,276	–	–	242,018
M Jackson Independent Non Executive Director	248,500	12,276	–	–	260,776
D Meiklejohn Independent Non Executive Director	249,866	12,276	–	–	262,142
J Morschel Independent Non Executive Director	235,264	–	–	–	235,264
Total Non Executive Directors	2,411,503	82,760	–	–	2,494,263
J McFarlane Chief Executive Officer – Executive Director	4,710,617	428,700	59,376	2,066,960	7,265,653
Total of all Directors	7,122,120	511,460	59,376	2,066,960	9,759,916
Disclosed Executives¹					
R Edgar ² Senior Managing Director	1,651,856	49,725	37,607	996,030	2,735,218
E Funke Kupper (resigned effective 1 Feb 2006) Group Managing Director, Asia Pacific	236,593	14,663	–	551,566	802,822
B Hartzler Group Managing Director, Personal	2,243,266	58,500	40,575	661,114	3,003,455
G Hodges ³ Chief Executive, ANZ National Bank Ltd (NZ)	1,808,786	7,459	48,447	584,187	2,448,879
P Marriott Chief Financial Officer	1,928,931	52,650	34,830	750,228	2,766,639
S Targett Group Managing Director, Institutional	1,942,913	58,500	20,020	1,471,726	3,493,159
P Hodgson Chief Risk Officer	1,532,706	43,875	11,716	447,593	2,035,890
Total Disclosed Executives	11,345,051	285,372	193,195	5,462,444	17,286,062

1 For the year ended 30 September 2006, remuneration details of the Key Management Personnel (KMP) identified as executives of the Group (as required under AASB 124) and the five most highly remunerated executives in the Company and the Group (as required under the Corporations Act 2001), other than the Chief Executive Officer.

2 R Edgar was the Chief Operating Officer prior to October 2005.

3 Prior to November 2005, G Hodges was the Group Managing Director Corporate. Between 1 November 2005 and 31 December 2005, he was the Chief Executive Designate (New Zealand), with his position changing to Chief Executive, ANZ National Bank Limited, New Zealand effective 1 January 2006.

ANZ has the most engaged workforce of all major Australian companies.

our people

ANZ has long taken a very different approach to people. The people who work for us invest a large part of their lives in ANZ. In return, we aim to provide a workplace where values are real and respected, and where staff engagement is at a world-class level. Our goal is a vibrant, energetic and high performing culture – and we're well on the way to achieving it.

2007 Goals

- Launch a new learning facility for ANZ employees.
- Improve our performance on the ANZ Engagement and Culture Survey.

ANZ received the Special Award for Impact on the Community in the 2006 Prime Minister's Awards for Excellence in Community Business Partnerships.

our community

Our community investment strategy focuses on addressing the major social issues that affect the financial services industry, in particular financial literacy and inclusion. We also provide opportunities for our people to support causes that matter to them.

2007 Goals

- Enable 1,500 people to participate in Saver Plus and reach 20,000 people through MoneyMinded.
- Achieve 60,000 hours of staff volunteering and 15% participation in workplace giving.

ANZ has set itself apart among the FT500 by enacting a commendable response to global climate change.

Paul Dickinson
Carbon Disclosure
Project Co-ordinator

our environment

We have an obligation to operate in a way that seeks to minimise the social and environmental impacts associated with our business, while at the same time enabling opportunities for positive social and economic development.

2007 Goals

- Achieve our target to reduce our environmental footprint by a minimum of 5% by 2007.
- Continue to improve supply chain reporting and expand the reach of our Sustainable Procurement Policy.

important dates

Date	Event
15 December 2006	Annual General Meeting-Sydney
15 December 2006	Final Dividend Payment Date
26 April 2007	Interim Results Announcement
14 May 2007	Interim Dividend Ex-Date
18 May 2007	Interim Dividend Record Date
2 July 2007	Interim Dividend Payment Date
25 October 2007	Annual Results Announcement
8 November 2007	Final Dividend Ex-Date
14 November 2007	Final Dividend Record Date
18 December 2007	Final Dividend Payment Date
18 December 2007	Annual General Meeting-Perth

important dates for shareholders*

Date	Event
15 December 2006	Annual General Meeting-Sydney
15 December 2006	Final Dividend Payment Date
26 April 2007	Interim Results Announcement
14 May 2007	Interim Dividend Ex-Date
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25 October 2007	Annual Results Announcement
8 November 2007	Final Dividend Ex-Date
14 November 2007	Final Dividend Record Date
18 December 2007	Final Dividend Payment Date
18 December 2007	Annual General Meeting-Perth

*If there are any changes to these dates, the Australian Stock Exchange will be notified accordingly.

handy contacts

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