

NOTICE OF MEETING



NOTICE OF 2007 ANNUAL GENERAL MEETING

Notice is given that the thirty ninth Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the Perth Convention Exhibition Centre, Riverside Theatre, 21 Mounts Bay Road, Perth, Western Australia on Tuesday, 18 December 2007 at 10.00am (Perth time).

BUSINESS

1. ANNUAL REPORTS

To consider the Annual Report, Financial Report and the Reports of the Directors and of the Auditor for the year ended 30 September 2007.

2. APPROVAL OF THE BUY BACK AGREEMENT AND A SELECTIVE REDUCTION OF CAPITAL RELATING TO THE PREFERENCE SHARES WHICH FORM PART OF ANZ StEPS

(a) To consider and, if thought fit, to pass the following resolution as a special resolution:

“That the terms and conditions of the selective buy back agreement relating to the buy back of the preference shares which form part of the ANZ Stapled Exchangeable Preferred Securities (**ANZ StEPS**) as described in the Explanatory Notes which accompany the Notice convening the 2007 Annual General Meeting, be approved.”

(b) To consider and, if thought fit, to pass the following resolution as a special resolution:

“That the terms and conditions of the selective reduction of capital relating to the preference shares which form part of the ANZ StEPS as described in the Explanatory Notes which accompany the Notice convening the 2007 Annual General Meeting, be approved.”

Voting restrictions

The Corporations Act requires the Company to disregard any votes cast in favour of Items 2(a) or 2(b) by a person who holds ANZ StEPS or by their associates or proxies in accordance with sections 256C(2)(a) and 257D(1)(a) of the Corporations Act. This voting restriction applies not only to the ANZ StEPS held by that person but also to any other shareholdings in the Company (e.g., ordinary shares) held by that person.

For Item 2(a) – the buy back resolution – the Company has sought and obtained an exemption from the Australian Securities

and Investments Commission (**ASIC**) which will be relevant for nominees and custodians who hold ANZ StEPS or other shares in the Company as trustee for the benefit of third parties (**Beneficial Holders**). This exemption enables such a nominee or custodian who holds ANZ StEPS (a **Nominee**), and who also has other separate ANZ shareholdings (**Other Holdings**), to vote shares, other than ANZ StEPS, in favour of the buy back resolution. This applies where:

- each Other Holding has a separate Holder Identification Number or Shareholder Reference Number; and
- the particular Other Holding has only shares (and no ANZ StEPS); and
- the Company receives confirmation from the Nominee that the Nominee has received written confirmation from the Beneficial Holder(s) of the shares voted by the Nominee, to the effect that the Beneficial Holder(s) does not have any ANZ StEPS.

No exemption was obtained for Item 2(b) as ASIC does not have power under the Corporations Act to provide an exemption in respect of the voting restrictions for the selective capital reduction under section 256C(2)(a).

The Company will not disregard a vote if it is cast by a person who holds ANZ StEPS (or their associate) as proxy for a shareholder who is entitled to vote, in accordance with the directions on the proxy form.

Shareholders who are not also ANZ StEPS holders, are not subject to any voting restrictions in relation to Items 2(a) or 2(b).

If shareholders (including nominees or custodians) have questions on the voting restrictions for Items 2(a) and 2(b), they should contact the Company's Share Registrar on 1800 11 33 99 (within Australia), 0800 174 007 (within New Zealand), 0870 702 0000 (within the United Kingdom) or 61 3 9415 4010 (outside Australia).

3. MODIFICATION OF THE CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That the Company adopt as its Constitution the document tabled at the 2007 Annual General Meeting and signed by the Chairman for the purposes of identification, in substitution for, and to the exclusion of, the existing Constitution.”

4. GRANT OF DEFERRED SHARES TO MR MICHAEL SMITH

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“In accordance with ASX Listing Rule 10.14, that approval be given for the allocation of A\$9 million worth of Deferred Shares for the benefit of Mr Michael Smith, the Managing Director and Chief Executive Officer of the Company, on the terms described in the Explanatory Notes which accompany the Notice convening the 2007 Annual General Meeting.”

5. GRANT OF PERFORMANCE RIGHTS TO MR MICHAEL SMITH

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“In accordance with ASX Listing Rule 10.14, that approval be given for the grant of 3 tranches of Performance Rights equivalent in value to A\$9 million to Mr Michael Smith, the Managing Director and Chief Executive Officer of the Company, on the terms described in the Explanatory Notes which accompany the Notice convening the 2007 Annual General Meeting.”

Voting restrictions

The Company will disregard any votes cast on Items 4 and 5 by Mr Smith, any other Director and their respective associates. However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a shareholder who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a shareholder who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. ADOPTION OF THE REMUNERATION REPORT

To adopt the Remuneration Report for the year ended 30 September 2007.

The vote on this resolution is advisory only.

7. ELECTION OF DIRECTORS

(a) To elect a Director – Mr R.J. Reeves

Mr Reeves, being eligible, offers himself for election.

(b) To re-elect a Director – Mr D.E. Meiklejohn

Mr Meiklejohn retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

(c) To re-elect a Director – Mr J.P. Morschel

Mr Morschel retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

(d) To elect a Director – Mr I.J. Macfarlane, AC

Mr Macfarlane retires in accordance with the Company's Constitution and, being eligible, offers himself for election.

(e) To re-elect a Director – Dr G.J. Clark

Dr Clark retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

UNDIRECTED PROXIES

Where permitted, the Chairman of the Meeting intends to vote undirected proxies in favour of all Items except the election of Mr Reeves, where he intends to vote against that Item.

ENTITLEMENT TO ATTEND AND VOTE

The Board has determined that, for the purposes of the Meeting (including voting at the Meeting), shareholders are those persons who are the registered holders of shares at 7.00pm (Melbourne time) on Sunday, 16 December 2007.

Holders of the Company's ordinary shares may vote on all Items of Business, subject to the voting restrictions described above for Items 2(a), 2(b), 4 and 5.

Holders of the Company's preference shares (which includes ANZ StEPS holders) may vote on Items 2(a) and 2(b) in this Notice of Meeting (subject to the voting restrictions described above for Items 2(a) and 2(b)) but not on any other Item of Business.

VOTING BY PROXY

A shareholder who is entitled to attend and cast a vote at the Meeting may appoint a proxy. A proxy need not be a shareholder. A person can appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, it must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meeting.

A shareholder who is entitled to cast 2 or more votes may appoint up to 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

The following addresses are specified for the purposes of receipt of proxy appointments and any authorities under which proxy appointments are signed (or certified copies of those authorities):

Australia

ANZ Share Registrar
GPO Box 242
Melbourne
Victoria 3001
Australia

ANZ Share Registrar
Yarra Falls
452 Johnston Street
Abbotsford
Victoria 3067
Australia

United Kingdom

ANZ Share Registrar
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH
United Kingdom

New Zealand

ANZ Share Registrar
Private Bag 92119
Auckland 1020
New Zealand

Proxy appointments and any authorities under which they are signed (or certified copies of those authorities) may be sent by fax to facsimile number (61 3) 9473 2555. Shareholders may also submit their proxy instructions electronically to ANZ's Share Registrar by visiting the Company's website

www.anz.com and clicking on the following links: shareholders (top of page) > Annual General Meeting (left hand side) > Electronic Proxy Form (body of text).

To be effective, a proxy appointment and, if the proxy appointment is signed by the shareholder's attorney, the authority under which the appointment is signed (or a certified copy of the authority) must be received by the Company at least 48 hours before the Meeting.

For more information concerning the appointment of proxies and the addresses to which proxy forms may be sent, please refer to the proxy form.

VOTING BY ATTORNEY

A shareholder may appoint an attorney to vote on his/her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or one of the addresses listed above for the receipt of proxy appointments at least 48 hours before the Meeting.

CORPORATE REPRESENTATIVES

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

By Order of the Board



Bob Santamaria
Secretary
Melbourne
16 November 2007

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EXPLANATORY NOTES

ITEM 1 ANNUAL REPORTS

A copy of the Company's 2007 Annual Report, including the Financial Report and the Reports of the Directors and of the Auditor for the year ended 30 September 2007, may be accessed by visiting the Company's website www.anz.com and clicking on the following links: shareholders (top of page) > Annual General Meeting (left hand side) > 2007 Annual Report (body of text).

A shareholder may elect to receive by mail, free of charge, the Company's Annual Report (which includes detailed financial statements and reports) or the Shareholder Review (a short form non-statutory document covering key performance areas, financial information and remuneration details). Shareholders who wish to receive a hard copy of either document should contact the Company's Share Registrar to obtain the necessary election form.

The Company mails a copy of the Annual Report or the Shareholder Review as applicable (when they are released each year) only to those shareholders who have made an election to receive it.

ITEM 2 APPROVAL OF THE BUY BACK AGREEMENT AND A SELECTIVE REDUCTION OF CAPITAL RELATING TO THE PREFERENCE SHARES WHICH FORM PART OF ANZ StEPS

Introduction

In September 2003, the Company issued 10 million ANZ Stapled Exchangeable Preferred Securities (**ANZ StEPS**) at an issue price of A\$100 each to raise A\$1,000 million in Tier 1 capital.

Each ANZ StEPS is a stapled security consisting of two fully paid securities that may not be traded separately. The securities are:

- an interest paying, reset, unsecured note (each a **Note**) issued by ANZ Holdings (New Zealand) Limited, a wholly-owned subsidiary of the Company; and
- a preference share in the share capital of the Company (each a **Preference Share**).

The ANZ StEPS are listed on the Australian Securities Exchange (**ASX**).

The full terms of issue of the Notes and the Preference Shares (including the terms of any exchange of the Preference Shares (see below)) are set out in Appendix A of the ANZ StEPS Prospectus dated and

lodged with the Australian Securities and Investments Commission on 14 August 2003 (**Prospectus**). You can obtain a free copy of the Prospectus from the Company by contacting Investor Relations on (61 3) 9273 6466 or you can access it on the Company's website at www.anz.com/anzsteps/prospectus.asp?agree=on.

Why are we seeking shareholder approval?

As part of the Company's capital management strategy, the Board regularly monitors and reviews the most cost efficient and effective forms of capital available. This has led to the Board forming the view that the Company should have the maximum flexibility to exchange the Preference Shares which form part of the ANZ StEPS at a future date without the need to convene a further general meeting of shareholders.

The terms of the ANZ StEPS contemplate that in certain circumstances, subject to obtaining the consent of the Australian Prudential Regulation Authority (**APRA**), the Company may, or may be required by a holder of ANZ StEPS to, exchange (**Exchange**) the Preference Shares by way of, in each case at the discretion of the Company:

- a redemption, buy back, transfer to a controlled entity of the Company (a **Group Entity**) or cancellation (each a **Repurchase**); or
- only in the case where an Exchange is required by a holder of ANZ StEPS, procuring the acquisition of the Preference Shares by a third party; or
- conversion into ordinary shares in the Company (**Ordinary Shares**) in accordance with a formula prescribed in the terms of issue of the Preference Shares (**Conversion**).

When any Preference Share is Exchanged, the corresponding Note which forms part of the relevant ANZ StEPS is unstapled from that Preference Share and automatically assigned (without further consideration) to ANZ Capital Funding Pty Ltd (**Assignee**) so that all amounts payable in respect of the Note after the date of Exchange are paid to the Assignee.

The terms of a Repurchase of Preference Shares may require prior approval by the Company's shareholders in accordance with the Corporations Act. In particular, the Corporations Act requires that:

- (**buy back**) the terms of a buy back agreement in relation to the Preference Shares be approved by a special resolution

passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose Preference Shares are proposed to be bought back or by their associates; and

- (**capital reduction**) a selective reduction of capital in relation to the Preference Shares, including involving cancellation of the Preference Shares, be approved by a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person who is to receive consideration as part of the reduction, or by their associates.

Accordingly, the Board is seeking shareholder approval of both a buy back and a capital reduction to give the Company flexibility to undertake a future Exchange of the Preference Shares in the most cost effective and efficient manner.

The special resolutions in relation to the buy back and capital reduction each operate as alternatives to the Company's other rights. No shareholder approval is required to effect any other form of Exchange, including a redemption of the Preference Shares or a Conversion. However, the Corporations Act prescribes that the Preference Shares may only be redeemed out of profits or the proceeds of a fresh issue of shares made for the purpose of the redemption. Such restrictions do not apply to the funding of a buy back or capital reduction in relation to the Preference Shares, if approved by shareholders, although, if any such capital reduction involves a cancellation of Preference Shares, then a further special resolution of only the holders of the Preference Shares forming part of the ANZ StEPS (**Holders**) which are to be cancelled is required to approve the capital reduction.

Will any Exchange of Preference Shares take place?

No decision has been made by the Board whether to Exchange the Preference Shares (whether by way of a Repurchase or other method of Exchange) or when any Exchange might occur.

The Board will only decide to Exchange Preference Shares if it considers it is in the best interests of the Company. This may depend, among other things, on the capital position of the Company and its consolidated group, conditions in domestic and international capital markets and changes in the prudential regulation of the Company.

What is the purpose of these Explanatory Notes?

The purpose of these Explanatory Notes in relation to Item 2 is to state all information known to the Company that is material to the decision on how to vote on the special resolutions. The following additional information may be material to the decision on how to vote in relation to a Repurchase of the Preference Shares by way of buy back or capital reduction:

(a) Summary of the material Repurchase terms and process

The terms of and process for implementing a Repurchase of the Preference Shares are set out in the terms of issue of the Preference Shares and the Notes in Appendix A of the Prospectus. Some or all of the 10 million Preference Shares on issue may be affected by any Repurchase.

In summary, in order to Repurchase some or all of the Preference Shares, whether at the Company's discretion or following receipt of notice to Exchange from a Holder or Holders:

- the Company must give irrevocable notice to the relevant Holder or Holders as applicable that some or all of the Preference Shares will be Repurchased, specifying the method of the proposed Repurchase and the date (**the Repurchase Date**) on which the Repurchase is to occur;
- APRA must have given its consent to the Repurchase; and
- on the Repurchase Date:
 - (i) each Preference Share to which a notice relates will be Repurchased by the Company in consideration of payment of A\$100 to the relevant Holder; and
 - (ii) except where a Preference Share is transferred to a Group Entity, all other rights conferred or restrictions imposed on those Repurchased Preference Shares under the terms of issue of the Preference Shares will no longer have effect, except for rights relating to declared dividends which have not been paid on or before the Repurchase Date.

All Preference Shares Repurchased by the Company (other than Preference Shares transferred to a Group Entity) will be cancelled.

(b) Interests of Directors

Each Director confirms that he or she does not have a beneficial interest in any ANZ StEPS or the associated Notes or Preference Shares.

(c) Financial effect of the Repurchase on the Company

The Repurchase of each Preference Share requires a payment by the Company of A\$100. The cost of Repurchasing all of the Preference Shares would be A\$1,000 million. The Company will not Repurchase Preference Shares if to do so would materially prejudice the Company's ability to pay its creditors.

As indicated above, the Repurchase of any Preference Share would be conducted in conjunction with the assignment of the corresponding Note forming part of the relevant ANZ StEPS to the Assignee. The Company is not required to pay Holders any cash in connection with the assignment of any Notes. Therefore, no funds, in addition to the consideration paid to the Holders for any Repurchase of any Preference Shares, are required for the assignment of the Notes.

(d) Source of funds for the Repurchase

The Company maintains significant cash reserves and has other funding alternatives that could be used to implement any Repurchase of some or all of the Preference Shares. The Directors of the Company would, at the relevant time, consider the best alternative or combination of alternatives for funding any Repurchase of the Preference Shares.

(e) Effect of Repurchase on control of the Company

Each Preference Share entitles a Holder to limited voting rights. Holders are entitled to vote at a general meeting of the Company, together with the holders of Ordinary Shares (to the extent such holders are entitled to vote), on the basis of one vote for each Preference Share held (if a poll is conducted) on a limited number of resolutions, including on any proposal to wind up the Company or any proposal to affect the rights attaching to the Preference Shares. (However, as set out in the details of the voting restrictions that apply in relation to Item 2 which are

included in this Notice of Meeting, Holders are not entitled to vote in favour of either of the special resolutions that form part of Item 2). In the circumstances that Holders are eligible to vote on a resolution, the total number of votes capable of being exercised by the Holders would be 10 million. The total number of votes capable of being exercised by holders of Ordinary Shares as at 15 October 2007 was 1,864,836,518. Given the limited circumstances in which Holders can vote, and the nature of the Preference Shares, the Board considers that any Repurchase of the Preference Shares would have no effect on the control of the Company.

(f) Current market price

The market price of ANZ StEPS shown on the ASX as at the close of trading on 15 October 2007 was A\$101.60 per ANZ StEPS.

(g) Fair and reasonable

The Corporations Act prescribes that the Company may only reduce its share capital in a way that is fair and reasonable to the Company's shareholders as a whole. The Company considers that any Repurchase of the Preference Shares by way of a capital reduction would be fair and reasonable to the Company's shareholders as a whole given that it is proposed merely as an alternative to other existing rights to Exchange the Preference Shares, including by redemption or buy back, and the Company would not effect a Repurchase if there would be any material prejudice to the Company's creditors.

Board Recommendation: The Board considers that giving the Company the ability to selectively buy back, or effect a reduction of capital in relation to, the Preference Shares forming part of the ANZ StEPS is in the interests of the Company as it provides the Company with greater flexibility to implement its capital management strategy. On this basis, the Board recommends that shareholders eligible to do so vote in favour of each of the special resolutions in Item 2.

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ITEM 3 MODIFICATION OF THE CONSTITUTION

The Company proposes certain changes to the Constitution to allow the Company to enable shareholders in the future to vote directly on resolutions considered at a general meeting by submitting their votes to the Company before the meeting.

A copy of the Constitution, marked-up to show the proposed changes to the existing Constitution, can be obtained prior to the Meeting from the Company's website www.anz.com by clicking on the following links: shareholders (top of page) > Annual General Meeting (left hand side) > Proposed Amended Constitution (body of text), or by contacting the Company's Share Registrar on 1800 11 33 99 (within Australia), 0800 174 007 (within New Zealand), 0870 702 0000 (within the United Kingdom) or 61 3 9415 4010 (outside Australia).

The changes to the Constitution to allow direct voting (rules 17.5 to 17.8) will enable shareholders to submit in advance of a general meeting (for example, by mail or email) a vote on a resolution to be considered at that meeting. This additional method of voting will provide shareholders with an alternative to appointing a proxy when they cannot attend the meeting in person (if the Company determines that direct voting should be permitted). Shareholders will continue to be entitled to appoint proxies if they so desire even if the Company decides to introduce direct voting at future meetings.

The rules dealing with direct voting authorise the Board to determine whether direct voting should be permitted for a particular meeting, and to make regulations for the form of a direct vote and the manner in which it may be cast. The proposed direct voting rules in the Constitution will also set out how a direct vote is to be treated in certain circumstances, for example:

- a direct vote is not counted if a resolution is decided on a show of hands;
- a direct vote received for a resolution before the meeting, is taken to be a vote on that resolution as amended, if the chairman of the meeting determines that that is appropriate;
- a direct vote received before the relevant deadline for the meeting has the effect of revoking any prior proxy or attorney appointments; and

- a direct vote is taken to be revoked if the shareholder attends the meeting in person, or if, before the relevant deadline for the meeting, a proxy or attorney for the meeting is appointed by the shareholder.

Board Recommendation: The Board considers that the proposed changes to the Company's Constitution are appropriate as they will provide the Company with the ability to expand the ways in which shareholders can exercise their voting rights at general meetings of the Company. Accordingly, the Board recommends that shareholders vote in favour of Item 3.

ITEM 4 GRANT OF DEFERRED SHARES TO MR MICHAEL SMITH

The Company announced on 12 June 2007 the appointment of Mr Smith as the Managing Director and Chief Executive Officer of the Company from 1 October 2007.

As part of Mr Smith's contract, the Board agreed to provide him A\$9 million compensation in consideration for remuneration foregone from his previous employer on joining ANZ.

In accordance with the terms of Mr Smith's contract, he was able to elect to receive this compensation as either Deferred Shares or Deferred Cash or a combination of each; Mr Smith elected at the commencement of his employment to receive this additional compensation in the form of A\$9 million worth of Deferred Shares (**ANZ Deferred Shares**). Shareholder approval is therefore sought for the allocation of Deferred Shares in accordance with Mr Smith's sign on arrangement.

The ANZ Deferred Shares will vest over the 3 year period as follows:

- One third (or A\$3 million worth) to vest on 1 October 2008.
- One third (or A\$3 million worth) to vest on 1 October 2009.
- One third (or A\$3 million worth) to vest on 1 October 2010.

Given the purpose of the sign on arrangement for Mr Smith is to compensate him for remuneration foregone from his previous employer, the ANZ Deferred Shares will not be subject to any performance hurdles. The allocation of ANZ Deferred Shares and the time vesting component, will however strengthen the alignment of Mr Smith's interests with shareholders.

If shareholder approval is not granted, the Company will pay the value of the Deferred Share component to Mr Smith in cash on the relevant vesting dates.

a) Deferred Shares

An ANZ Deferred Share is an ordinary fully paid share in the Company registered in the name of the trustee of the ANZ Employee Share Acquisition Plan, for the beneficial interest of Mr Smith. The ANZ Deferred Shares will be held in trust subject to:

- the rules of the ANZ Employee Share Acquisition Plan;
- meeting the time hurdles; and
- treatment on termination (refer to (d)).

Mr Smith will be entitled to receive any dividends, bonus issues and other benefits accruing in respect of normal ordinary shares.

Mr Smith is not entitled to trade, transfer or otherwise deal in (including entering into any hedging arrangements) the ANZ Deferred Shares prior to vesting.

b) Valuation of ANZ Deferred Shares

The actual number of ANZ Deferred Shares allocated to Mr Smith will depend upon the valuation at the 19 December 2007 grant date; however the value allocated will not exceed the maximum value of A\$9 million.

The share allocation valuation is set for ANZ Deferred Shares using the volume-weighted average price (**VWAP**) of the Company's shares traded in the week prior to and including the grant date.

For example, based on a grant value of A\$9 million and a VWAP of A\$30, the number of ANZ Deferred Shares that would be allocated is 300,000 (A\$9 million / A\$30 = 300,000).

c) Acquisition price and vesting

Mr Smith is not required to pay any amount for these ANZ Deferred Shares. At the end of the relevant vesting period, Mr Smith can choose to retain the relevant shares in trust, transfer them into his own name in the main share register of shareholders, or sell them (subject to the the Company's Securities Trading Policy).

While the ANZ Deferred Shares are held in trust, they will continue to be subject to forfeiture in the event of termination without notice by ANZ.

d) Treatment on termination

If Mr Smith:

- resigns, any unvested ANZ Deferred Shares will be forfeited;
- is terminated on notice, all ANZ Deferred Shares will vest in full;
- is terminated without notice, all ANZ Deferred Shares will be forfeited (including any vested or unvested ANZ Deferred Shares held in trust); or
- in the case of death or total and permanent disability, then all ANZ Deferred Shares will vest.

Subject to the above, the rules of the ANZ Employee Share Acquisition Plan will apply in respect of the ANZ Deferred Shares allocated to Mr Smith.

A copy of the ANZ Employee Share Acquisition Plan rules is available upon request from the Company Secretary.

e) Additional information

The ASX Listing Rules require that this Notice of Meeting include the following additional information in relation to the ANZ Deferred Shares to be allocated to Mr Smith.

Mr Smith is the only Director entitled to participate in the ANZ Employee Share Acquisition Plan and receive ANZ Deferred Shares. He has not previously received ANZ Deferred Shares under the ANZ Employee Share Acquisition Plan. No associate of any Director is entitled to participate.

There is no loan scheme in relation to the acquisition of the ANZ Deferred Shares as no payment is required.

It is currently intended that the ANZ Deferred Shares will be allocated on 19 December 2007. In any event they will be allocated no later than 12 months after the date of this Meeting, on the conditions described in these Explanatory Notes.

It is intended that the relevant ANZ Deferred Shares will be acquired on market. However, the rules of the ANZ Employee Share Acquisition Plan provide the Board with the flexibility to issue the ANZ Deferred Shares.

Board Recommendation: The Board considers that the granting of ANZ Deferred Shares (Item 4) and Performance Rights (Item 5) to Mr Smith is appropriate having regard to the need to attract and motivate Mr Smith as the Managing Director and Chief Executive Officer, and is in the best interests of both the Company and its shareholders, as the grants strengthen the alignment of

Mr Smith's interests with shareholders. Accordingly, the Board recommends that shareholders vote in favour of Item 4.

ITEM 5 GRANT OF PERFORMANCE RIGHTS TO MR MICHAEL SMITH

Shareholder approval is sought for the Board's proposal to grant Performance Rights to Mr Smith under the ANZ Employee Share Option Plan, on the terms and conditions outlined below.

As part of Mr Smith's contract, the Board agreed to provide Mr Smith with long term incentives for the first 3 years of Mr Smith's employment, comprising a grant of Performance Rights in 3 tranches as follows:

- Tranche 1: An allocation of Performance Rights to the value of A\$3 million. These Performance Rights will vest 3 years from the date of grant subject to satisfactorily meeting the time and performance hurdles.
- Tranche 2: An allocation of Performance Rights to the value of A\$3 million. These Performance Rights will vest 4 years from the date of grant subject to satisfactorily meeting the time and performance hurdles.
- Tranche 3: An allocation of Performance Rights to the value of A\$3 million. These Performance Rights will vest 5 years from the date of grant subject to satisfactorily meeting the time and performance hurdles.

For each of the 3 tranches, there will be an exercise period ending 12 months after the vesting date.

The Board is of the view that the longer term performance incentive component of Mr Smith's employment package should be closely aligned to that of the total return to shareholders. In this regard, the number of Performance Rights and the terms described below are designed to provide a continuing incentive for Mr Smith to produce value for shareholders and to reward him if he is successful. Consistent with this, the vesting of the Performance Rights will be subject to the performance hurdle as set out below.

In the event that shareholders do not approve the above grant of Performance Rights, then subject to meeting the time and performance hurdles, an equivalent value will be paid in cash.

a) Performance Rights

A Performance Right is a right to acquire an ordinary fully paid share in the Company at nil cost (i.e. nil exercise price), subject

to meeting time and performance hurdles. Upon exercise, each Performance Right entitles the holder to one ordinary ANZ share.

Performance Rights are designed to reward for share price growth based upon the Company's total shareholder return (TSR). Upon exercise, the holder will receive the full value of the share, similar to an ANZ Deferred Share.

Mr Smith will not be entitled to receive any dividends and other benefits accruing in respect of normal ordinary shares prior to the vesting and exercise of the Performance Rights.

Performance Rights will be available for exercise after the time and performance hurdles have been met. The performance hurdle is described below. Once a Performance Right has been exercised, it will no longer be subject to forfeiture.

Mr Smith is not entitled to trade, transfer or otherwise deal in (including entering into any hedging arrangements) the Performance Rights or the underlying shares prior to vesting.

If approved by shareholders, the Performance Rights will be granted to Mr Smith on 19 December 2007 on the conditions described in these Explanatory Notes.

b) Valuation of Performance Rights

The actual number of Performance Rights granted to Mr Smith will depend upon the valuation at the 19 December 2007 grant date; however the allocation value will not exceed the A\$3 million maximum for each of the 3 tranches. The dollar value at grant may also vary from the value at some future date, as it will depend on the TSR performance of the Company relative to the Comparative TSRs and the share price at the time (this is discussed at (d) below).

PricewaterhouseCoopers and Mercer Finance & Risk Consulting will independently value the Performance Rights for each of the 3 tranches. The valuation model takes into account a range of factors to determine the value of a Performance Right such as the life of the Performance Rights, the probability of vesting, the current price of the underlying shares, expected volatility of the share price and the dividends expected on the shares. In accordance with AASB 2, the model reflects both the performance hurdle that currently applies to the Performance Rights and the non-transferability of the Performance Rights.

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Under the terms of the Performance Rights, the performance hurdle must be met before the Performance Rights may be exercised during the exercise period. These valuations will be reviewed by KPMG and the highest acceptable value will then be approved by the Board as the allocation value.

For example, based on a grant value of A\$3 million and an approved allocation value of A\$14.35, the number of Performance Rights that would be allocated is 209,059 (A\$3 million / A\$14.35 = 209,059.23).

c) Acquisition and Exercise price

Mr Smith is not required to pay any amount for the grant of the Performance Rights, or upon the exercise of the Performance Rights to acquire ordinary fully paid shares of the Company. This means that, subject to meeting the time and performance vesting criteria, Mr Smith may convert his Performance Rights into fully paid ordinary shares at nil cost, any time during the relevant 12 month exercise period (subject to the Company's Securities Trading Policy).

d) How do Performance Rights vest?

The Performance Rights will be exercisable (subject to meeting the performance hurdle) as follows:

- Tranche 1: In the period starting on 19 December 2010 and ending on 19 December 2011.
- Tranche 2: In the period starting on 19 December 2011 and ending on 19 December 2012.
- Tranche 3: In the period starting on 19 December 2012 and ending on 19 December 2013.

The performance hurdle involves comparing the Company's TSR (**the ANZ TSR**) against the TSR of each entity in the following Board approved comparator group of major financial services companies in the S&P/ASX 100 Index.

Comparative TSRs

Commonwealth Bank of Australia, National Australia Bank Limited, Westpac Banking Corporation, St. George Bank Limited, Suncorp-Metway Limited, Macquarie Bank Limited, AMP Limited, AXA Asia Pacific Holdings Limited, QBE Insurance Group Limited and Insurance Australia Group Limited.

Broadly speaking, TSR is share price growth plus the value of the dividends and distributions on the relevant shares. The proportion of Performance Rights that will become exercisable will depend upon a single point testing (for each of the 3 tranches) of the TSR achieved by the Company relative to the Comparative TSRs at the end of the vesting period for each tranche. An average calculation will be used for TSR over a 90 day period for start and end values in order to reduce the impact of share price volatility.

No Performance Rights will vest unless the percentile ranking of the ANZ TSR as against the Comparative TSRs, is at or above the 50th percentile. At the 50th percentile, half of the Performance Rights will vest. Below that ranking, no Performance Rights will vest.

For each percentile above the 50th percentile, an additional 2% of the Performance Rights will vest. For example, if the ANZ TSR is at the 60th percentile (relative to the Comparative TSRs), 70% of the Performance Rights will vest.

If the ANZ TSR is ranked at or above the 75th percentile, as against the Comparative TSRs, 100% of the Performance Rights will vest.

Each of the three tranches will be measured separately at each of the vesting dates. Therefore, the level of vesting for any one tranche is independent of the other two tranches.

e) When are the performance hurdles tested?

The ANZ TSR and Comparative TSRs will be measured over the period starting from the grant date of the Performance Rights (being 19 December 2007) and ending on 19 December 2010 for Tranche 1, 19 December 2011 for Tranche 2, and 19 December 2012 for Tranche 3. Each tranche of Performance Rights will only be tested once at the end of the relevant vesting period and will not be re-tested.

f) Treatment on termination

If Mr Smith:

- resigns, all unexercised Performance Rights will be forfeited;
- is terminated on notice, all Performance Rights which have vested or which vest during the notice period will be retained and become exercisable; all Performance

Rights which have not yet vested will be retained and will vest and become exercisable, subject to the relevant time and performance hurdles;

- is terminated without notice, all Performance Rights will be forfeited (whether or not the Performance Rights have already vested); or
- in the case of death or total and permanent disability, any unvested Performance Rights will vest.

Subject to the above, the rules of the ANZ Employee Share Option Plan will apply in respect of the Performance Rights granted to Mr Smith.

A copy of the ANZ Employee Share Option Plan rules is available upon request from the Company Secretary.

g) Additional information

The ASX Listing Rules require that this Notice of Meeting include the following additional information in relation to the Performance Rights to be granted to Mr Smith.

Mr Smith is the only Director entitled to participate in the ANZ Employee Share Option Plan and receive Performance Rights. He has not previously received Performance Rights under the ANZ Employee Share Option Plan. No associate of any Director is entitled to participate.

There is no loan scheme in relation to the acquisition of the Performance Rights (or the shares underlying them) as no payment is required.

It is currently intended that the Performance Rights will be granted to Mr Smith on 19 December 2007. In any event they will be granted no later than 12 months after the date of this Meeting, on the conditions described in these Explanatory Notes.

On vesting of the Performance Rights, shares may be issued or acquired on market.

The rules of the ANZ Employee Share Option Plan address the impact of rights issues and bonus issues on the Performance Rights.

Board Recommendation: The Board considers that the granting of Performance Rights (Item 5) and ANZ Deferred Shares (Item 4) to Mr Smith is appropriate having regard to the need to attract and motivate Mr Smith as the Managing Director and Chief Executive Officer, and is in the best interests

of both the Company and its shareholders, as the grants strengthen the alignment of Mr Smith's interests with shareholders, and the Performance Rights provide a strong link between the reward for Mr Smith's performance and total shareholder returns over the next 3 to 5 year period. Accordingly, the Board recommends that shareholders vote in favour of Item 5.

ITEM 6 ADOPTION OF THE REMUNERATION REPORT

As required by the Corporations Act, the Board is presenting the Remuneration Report to shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- information about Board policy for determining the nature and amount of remuneration of the Company's Directors and most senior executives;
- a description of the relationship between the remuneration policy and the Company's performance;
- a detailed summary of relevant performance conditions, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for key management personnel (including the Directors of the Company, and the relevant executives who received the highest remuneration for the period ended 30 September 2007).

A copy of the Remuneration Report, which is part of the 2007 Annual Report, is available by contacting the Company's Share Registrar or by visiting the Company's website www.anz.com and clicking on the following links: shareholders (top of page) › Annual General Meeting (left hand side) › 2007 Annual Report (body of text).

Board Recommendation: The Board considers that the remuneration policies adopted by the Company are appropriately structured to provide rewards that are commensurate with the performance of the Company and competitive with the external market. On this basis, the Board recommends that shareholders vote in favour of Item 6.

ITEM 7 ELECTION OF DIRECTORS

Mr Meiklejohn, Mr Morschel, Mr Macfarlane and Dr Clark retire in accordance with the Company's Constitution. Each of these Directors offer themselves for re-election or election. Mr Reeves has nominated himself for election as a Director, although his candidacy is not supported by the Board.

While 5 candidates are standing, a maximum of 4 candidates may be elected as Directors in accordance with the Company's Constitution. To be elected, a candidate needs to receive more "for" votes than "against" votes. If all 5 candidates satisfy this condition, the candidates elected will be those 4 with the highest number of "for" votes. Each shareholder may vote in favour of up to 4 candidates, but not in favour of all 5 candidates. The proxy form contains further information on voting.

The order of candidates on this Notice of Meeting and the proxy form has been determined by ballot by the Company's Auditor.

Candidates for election and re-election as Directors:

Mr Reeves

Mr R.J. Reeves
BEC, FCPA, DPM

Lives in Melbourne. Age: 57

Mr Reeves has requested the following statement be included in this Notice of Meeting:

Following the successful settlement of a legal action against ANZ (in which I alleged misleading and deceptive conduct, breach of contract and defamation), I offer my services to ANZ Shareholders to assist in overcoming a recurrence of the related costly events. Federal Court Reference VID 339/05.

Based on my employment experiences with ANZ I believe ANZ's Governance practices and accountabilities need to be vastly improved.

I believe the action and subsequent settlement was avoidable and has cost the ANZ (and its Shareholders) in both monetary terms and reputation.

I am a Fellow Certified Practising Accountant with post graduate qualifications in Project Management. My experience includes roles as Deputy Secretary – Department of Treasury Victorian State Government, and with Price Waterhouse and BHP.

Board Recommendation: The Board does not endorse the election of Mr Reeves as a Director.

Important Note: The above information on Mr Reeves was provided by the candidate and has not been verified by the Company.

Mr Meiklejohn

Mr D.E. Meiklejohn
BCom, DipEd, FCPA, FAICD, FAIM
Company Director

Independent non-executive Director, appointed in October 2004.

Mr Meiklejohn is Chairman of the Audit Committee and a member of the Governance Committee and the Risk Committee. He is Chairman of PaperlinX Limited, a Director of Coca Cola Amatil Limited and Mirrabooka Investments Limited, and President of the Melbourne Cricket Club. He is a former Chairman of SPC Ardmona Limited, a former Deputy Chairman of GasNet Australia Limited, a former Director of WMC Resources Limited and OneSteel Limited, and a former Director and Chief Financial Officer of Amcor Limited.

Lives in Melbourne. Age: 65

Mr Meiklejohn is a Fellow of CPA Australia, and brings to the Board a strong background in finance and accounting as well as the benefit of his experience through his directorships of major Australian companies spanning a range of industries.

Board Recommendation: The Board (excluding Mr Meiklejohn because of his interest) endorses the re-election of Mr Meiklejohn as a Director.

NOTICE OF MEETING

Mr Morschel

Mr J.P. Morschel
DipQS, FAIM

Company Director

Independent non-executive Director,
appointed in October 2004.

Mr Morschel is Chairman of the Risk Committee and a member of the People Committee. He is a Director of Singapore Telecommunications Limited, Tenix Pty Limited and Gifford Communications Pty Limited. He is a former Chairman of Rinker Group Limited and Leighton Holdings Limited, and a former Director of Rio Tinto Plc and Rio Tinto Limited. Mr Morschel was Managing Director of Lend Lease Corporation from 1988 to 1995 and was a Director of Westpac Banking Corporation between 1993 and 2001, including two years as an Executive Director where his responsibilities included retail banking and wealth management.

Lives in Sydney. Age: 64

Mr Morschel has a strong background in banking, financial services, and property as well as a depth of experience as a Chairman and Director of major Australian and international companies.

Board Recommendation: The Board (excluding Mr Morschel because of his interest) endorses the re-election of Mr Morschel as a Director.

Mr Macfarlane, AC

Mr I.J. Macfarlane, AC
BEc (Hons), MEc, Hon DSc (Syd),
Hon DCom (Melb), Hon DLitt (Macq)
and Hon LLD (Monash)

Company Director

Independent non-executive Director,
appointed in February 2007.

Mr Macfarlane is Chairman of the Governance Committee and a member of the Risk Committee and the Technology Committee. He is a Director of Woolworths Limited and Leighton Holdings Limited, and a member of the International Advisory Board of Goldman Sachs International. He is also a Director of the Lowy Institute for International Policy. Mr Macfarlane was Governor of the Reserve Bank of Australia between 1996 and 2006.

Lives in Sydney. Age: 61

During his 28 year career at the Reserve Bank of Australia, Mr Macfarlane made a significant contribution to economic policy in Australia, and internationally where he was the Inaugural Chairman of the Asian Consultative Council for the Bank for International Settlements. Mr Macfarlane has been one of Australia's leading economic policy makers, and has a deep understanding of financial markets as well as a long involvement with Asia.

Board Recommendation: The Board (excluding Mr Macfarlane because of his interest) endorses the election of Mr Macfarlane as a Director.

Dr Clark

Dr G.J. Clark
BSc (Hons), PhD, FAPS, FTSE

Company Director

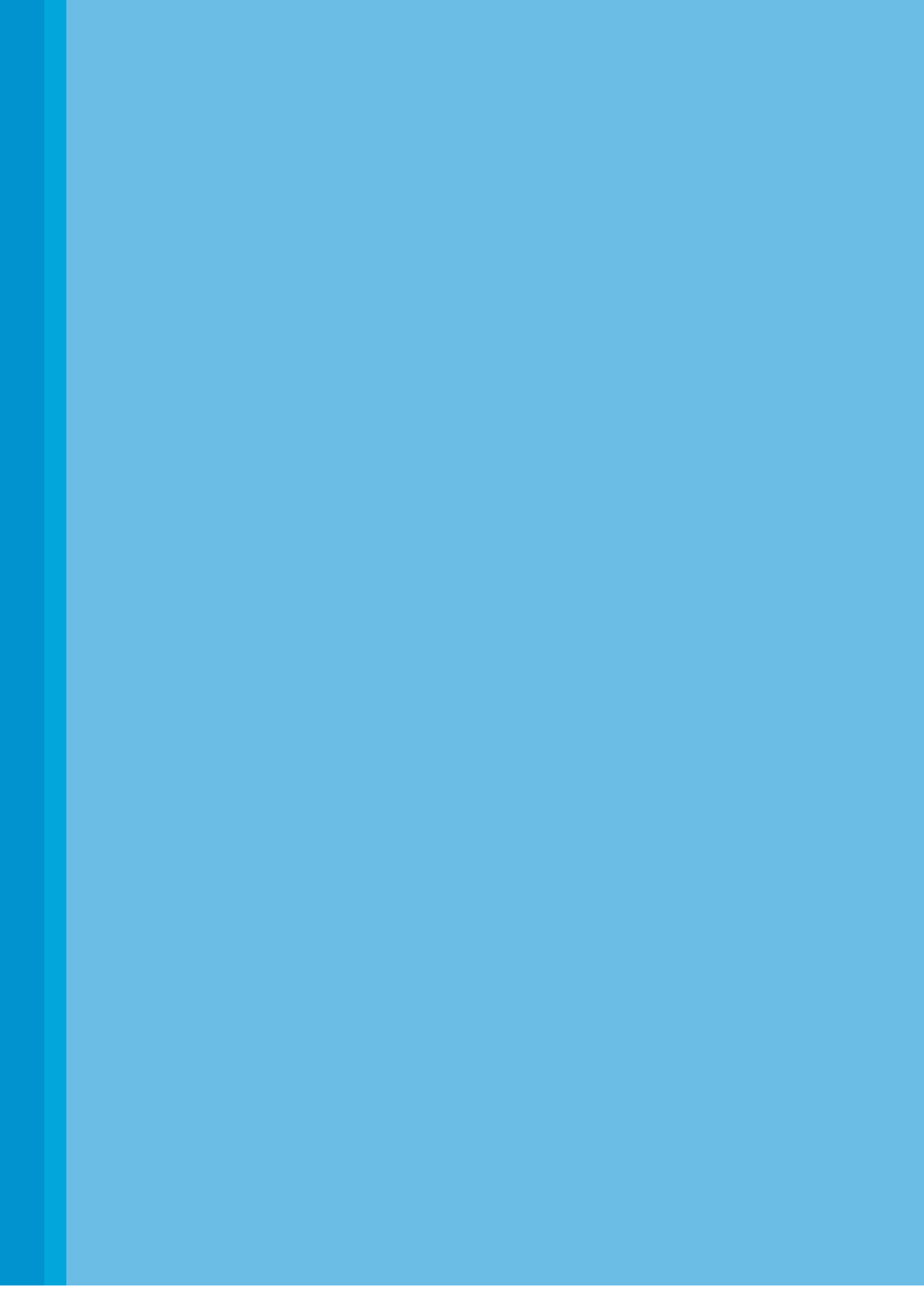
Independent non-executive Director,
appointed in February 2004.

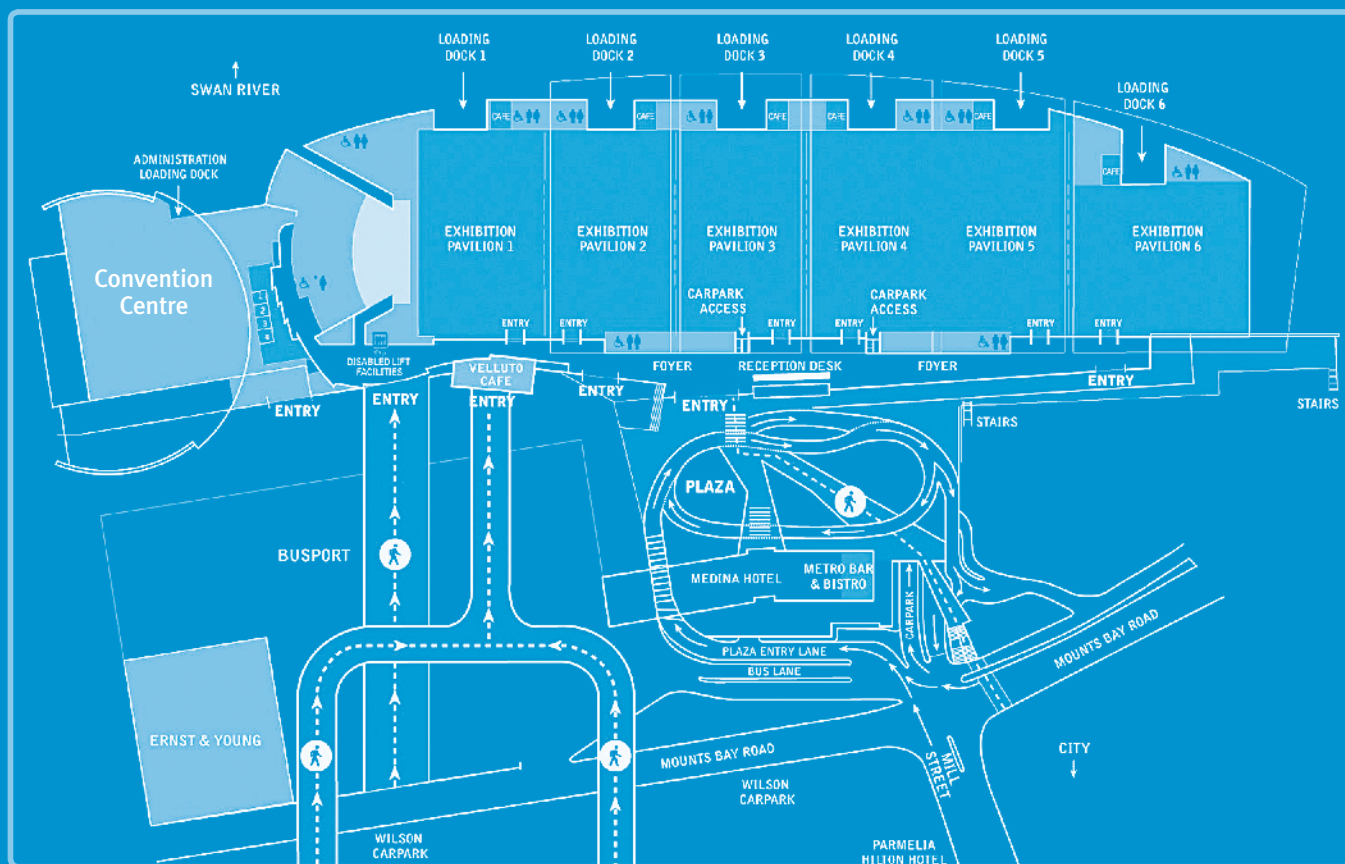
Dr Clark is Chairman of the Technology Committee and a member of the Governance Committee. Dr Clark is Principal of Clark Capital Partners, a US based firm that advises internationally on technology and the technology market place, Chairman of GPM Classified Directories, and a Director of Babcock & Brown Capital Limited and KaComm Communications Pty Ltd. He is a former Director of James Hardie Industries NV and Acton Semiconductor Pty Limited, and previously held senior executive positions in IBM, News Corporation, and Loral Space and Communications.

Currently based in New York, USA but also resides in Sydney. Age: 64

Dr Clark brings to the Board the benefits of international business experience, and a distinguished career in micro-electronics, computing and communications.

Board Recommendation: The Board (excluding Dr Clark because of his interest) endorses the re-election of Dr Clark as a Director.





AGM LOCATION Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia