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ANZ Network - Philippines

Australia and New Zealand Banking Group Limited

7 March 2006

Johnny Co

General Manager, ANZ Philippines

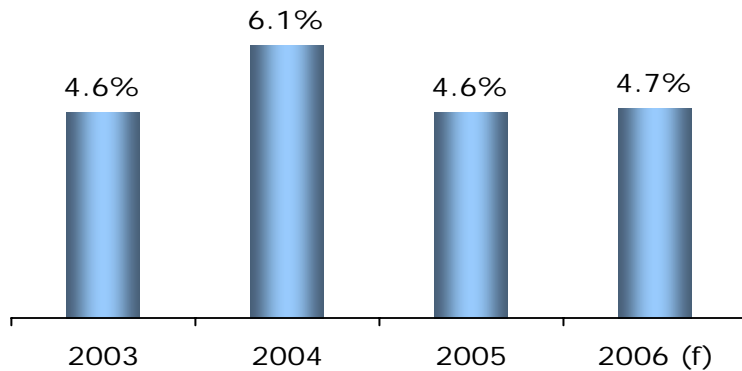
ANZ is Australia's leading bank in the Philippines

- Representative office established in 1990
- Full Commercial Banking License granted in 1995
- Only Australian bank with full commercial banking operations in the Philippines
- Single branch office in Manila CBD (license allows for 5 more)
- Consistently ranks amongst the Philippines top 3 most profitable banks in ROE terms
- 41 full time employees

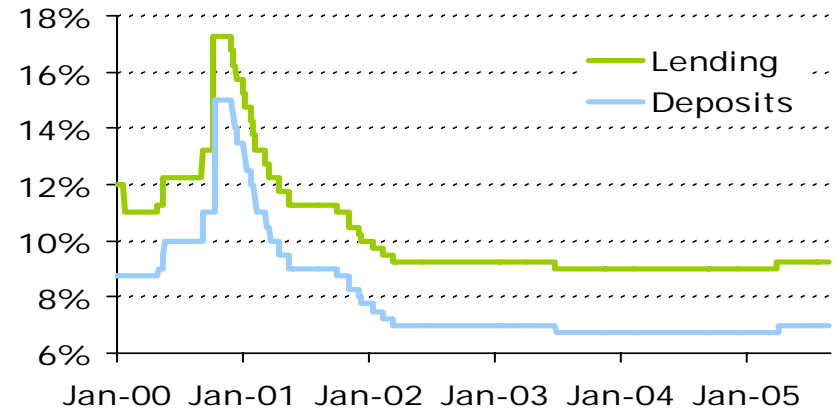


Philippines becoming a more attractive banking market

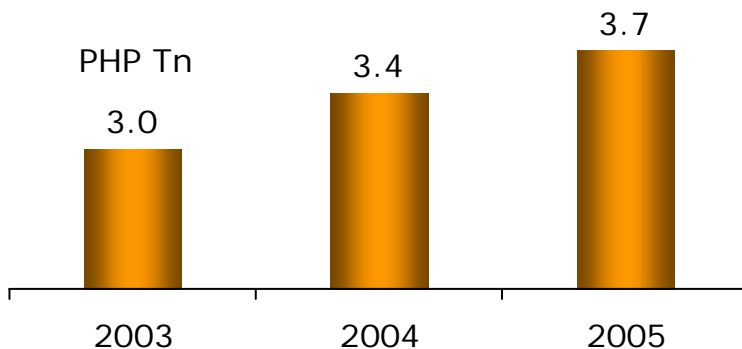
Strong real GDP growth forecast



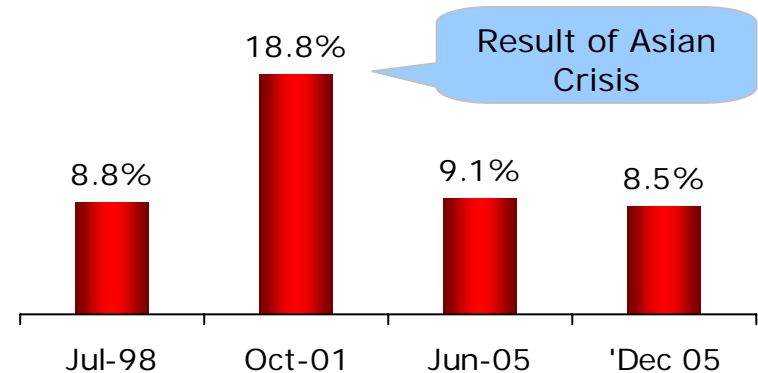
Stable interest rate environment in recent years



Solid growth in Banking Sector FUM*



Banking Sector Non Performing Loan levels returned to reasonable levels

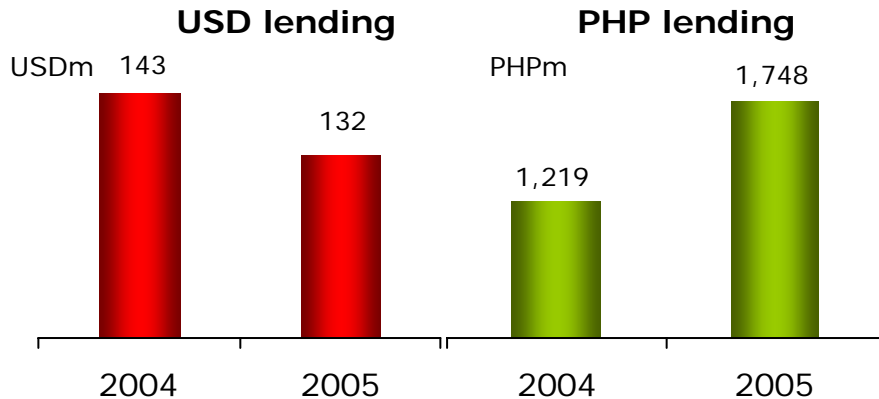


Our business is focussed around four core segments

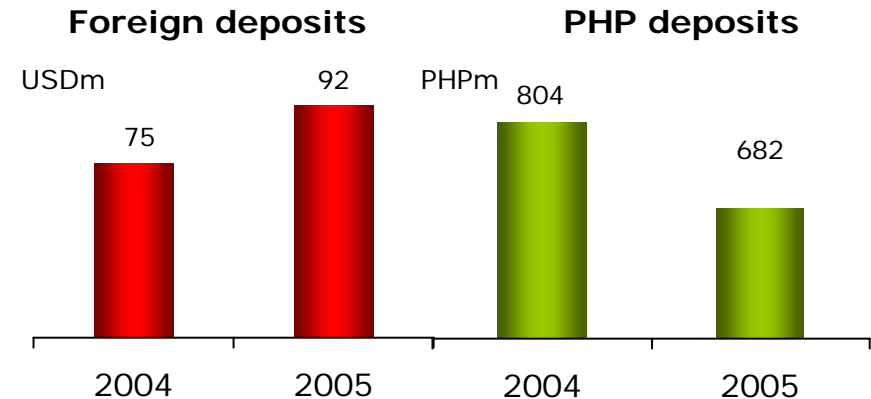
Segments	Commodity & Trade Finance	Markets & Risk Management	Financing	Deposits
Products / Competencies	<ul style="list-style-type: none"> • Range of trade finance solutions • Structured trade products • Facilitate trade to/from Aust/NZ and with Asia 	<ul style="list-style-type: none"> • FX and Interest Rates products • Facilitating risk management strategies for customers through derivatives 	<ul style="list-style-type: none"> • Short term working capital • Long term capital expenditure facilities • Financing in both USD and PHP 	<ul style="list-style-type: none"> • Local & Foreign currency deposit taking • ANZ strong credit rating a benefit • Savings, checking & term deposits offered
Customers	<ul style="list-style-type: none"> • Large, Blue Chip Local Corporations • Gov't of Philippines • Multinational Customers • Aust/NZ companies doing business in Philippines • Expats, High Net Worth individuals 			

Momentum returning to the business following de-risking

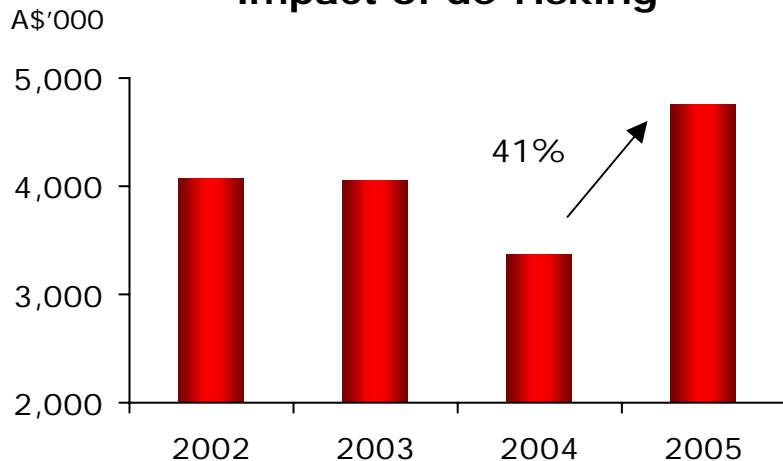
USD lending momentum impacted by de-risking



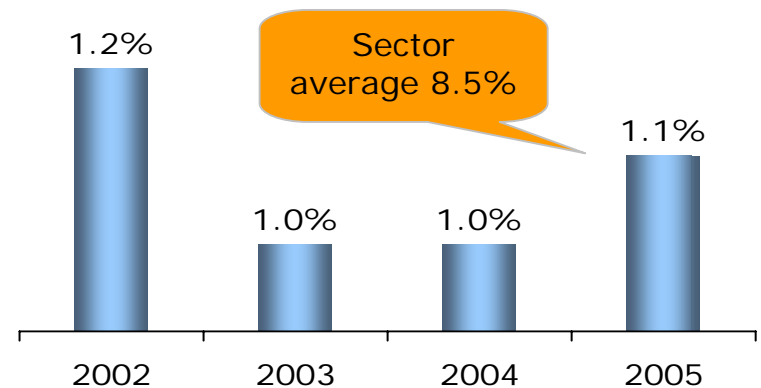
Good foreign deposits growth, focus is on PHP growth



Solid NPAT growth following impact of de-risking



Non Performing Loans at low levels



We have clear strategic responses to the challenges that we face

Challenge


- Uncertain political & commercial environment
- Limited presence of Aust/NZ companies in the Philippines
- Declining USD lending / lack of network to generate “cheap” peso funds

Strategic Response

- De-risking of portfolio undertaken
- Actively manage country, industry and customer limits
- Building relationships with customers with acceptable hedge mechanisms
- Introduce Aussie/Kiwi suppliers to Philippine importers (“making the market”)
- Significant involvement in FDIs into Australia
- Build capabilities in trade business – new sources of business and focus on “end to end” customer solutions
- Delivering increased share of non-lending collateral business
- Cooperation with Development Bank of Philippines to facilitate peso lending
- Exploring ATM network expansion opportunities

We are well positioned in a number of niche growth segments

- ✓ Project Finance opportunities with Australian mining companies
- ✓ Well positioned in recently formed securitisation market
- ✓ Exploring involvement in infrastructure & power privatisation
- ✓ Specialist skills enabling total customer relationship focus



Leveraging ANZ relationships & specialist capabilities to deliver growth

Summary

- ANZ remains the only Australian bank with a full banking licence in the Philippines
- Philippines is a growing market, systematic risk has reduced significantly since the Asian crisis
- Focus is on facilitating Aust/NZ trade and growing domestic and intra Asia business

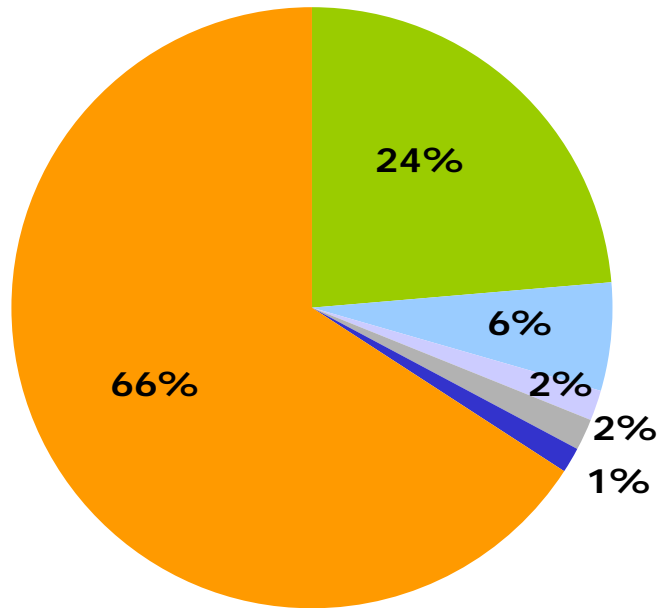
Additional Information

Philippines trade profile

Exports

(% share, January to October 2005)

Top 5 Products

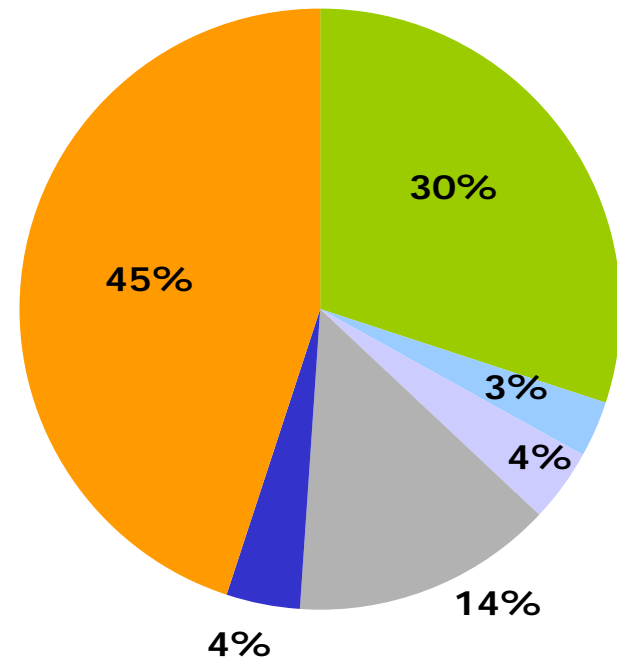


■ Others ■ Garments ■ Wiring Sets
■ Coconut Oil ■ Consignments ■ Electronics

Imports

(% share, January to October 2005)

Top 5 Products



■ Others ■ Iron & Steel
■ Transport Equipment ■ Mineral Fuels
■ Indust. Machinery & Equip. ■ Electronics

The background is a solid blue color. At the top, there is a white line-art illustration of a dragon, facing right, with its mouth open as if breathing fire. The dragon's body is covered in scales, and it has long, flowing whiskers. To the right of the dragon, the number '06' is written in a large, white, sans-serif font. The background also features faint, repeating patterns of numbers and symbols, such as '0', '1', '2', '3', '4', '5', '6', '7', '8', '9', and '\$', in a lighter shade of blue.

06

Metrobank Card Corporation

Australia and New Zealand Banking Group Limited

7 March 2006

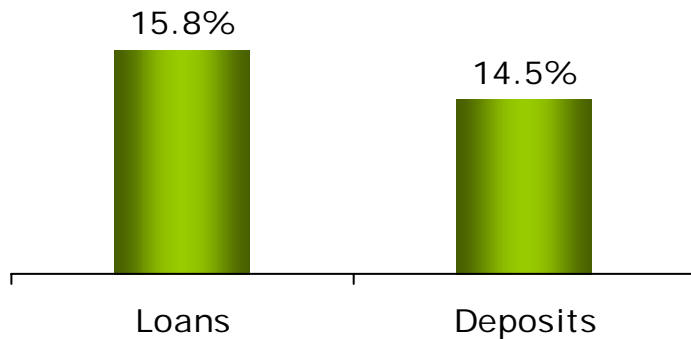
Anne Young

President, Metrobank Card Corporation

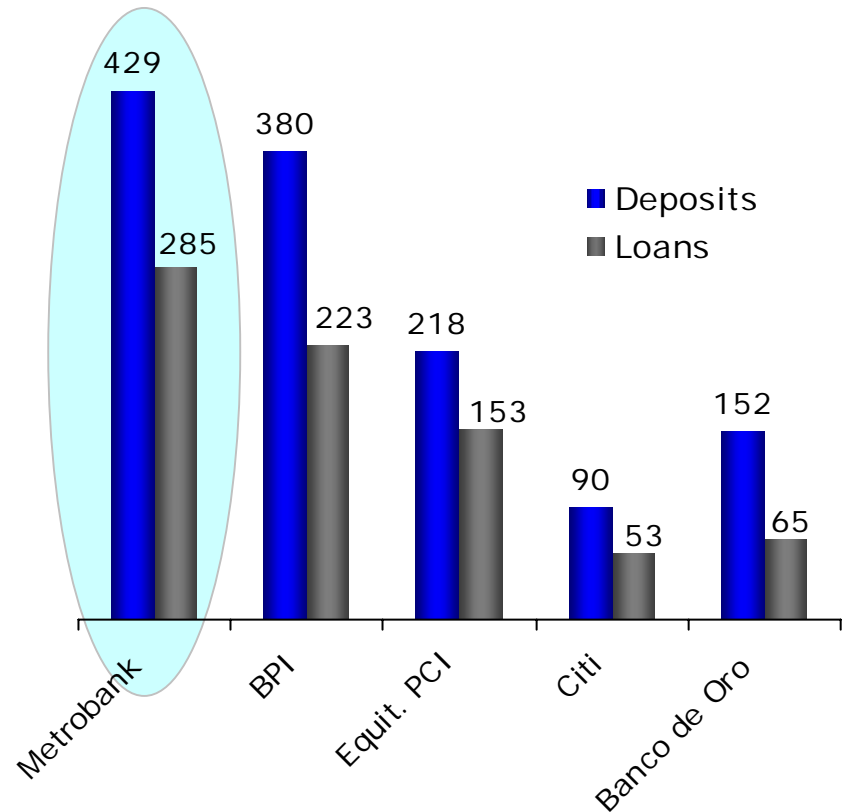
Metrobank is the Philippines largest bank

- Metrobank was founded in 1962
- Philippines largest bank by loans and deposits
- ~ 1,300 points of representation
- Business mix weighted towards Consumer & SME

Strong market position in both Lending & Deposits



Top five Philippine banks by loans & deposits (PHP billion)



ANZ and Metrobank formed a Cards partnership in 2003



ANZ has management influence through;

- Proportional board representation
- Right to appoint president and key senior management positions
- Board veto rights

Partnership model leverages Metrobank and ANZ's strengths



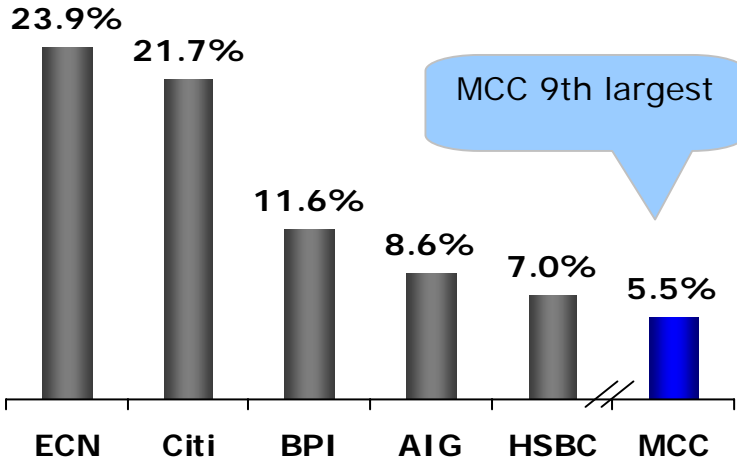
- Large customer base
- Significant distribution capability
- Strong brand
- Local knowledge and relationships



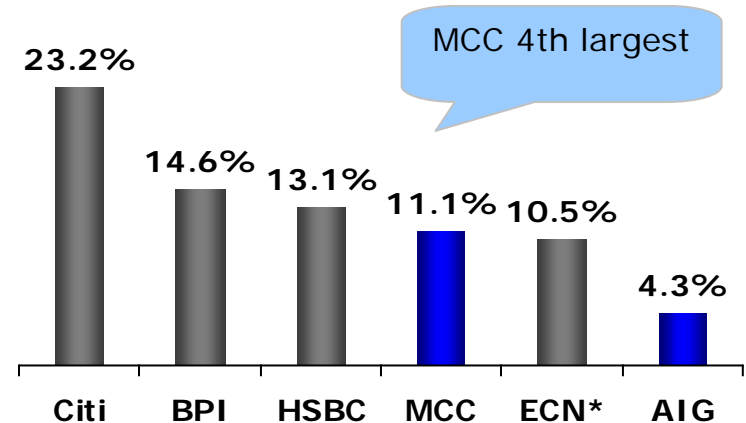
- Proven success in cards business
- Management expertise
- Strong product development & marketing capabilities
- Strong risk management capabilities

Since 2003 MCC has been built into one of the fastest growing card companies in the Philippines

2003 Credit Card Market Share

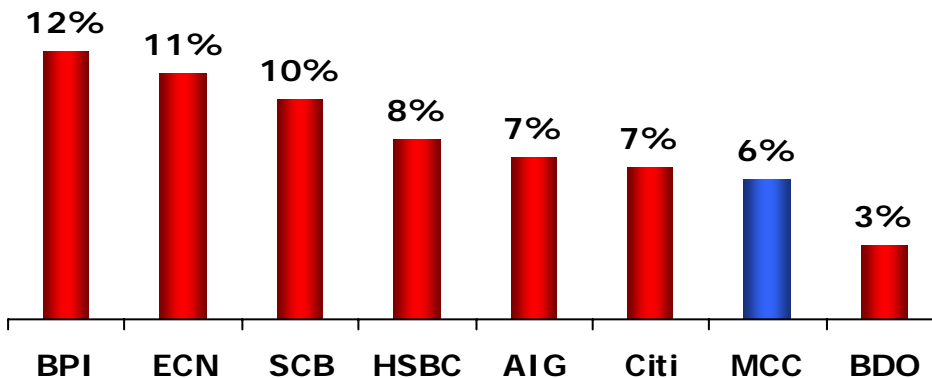


2005 Credit Card Market Share



Credit quality remains amongst industry leaders, and continues to improve

(% delinquencies 30+ days past due – Credit Cards)



Success has been built on a five step strategy for growth...

1. Building a strong brand

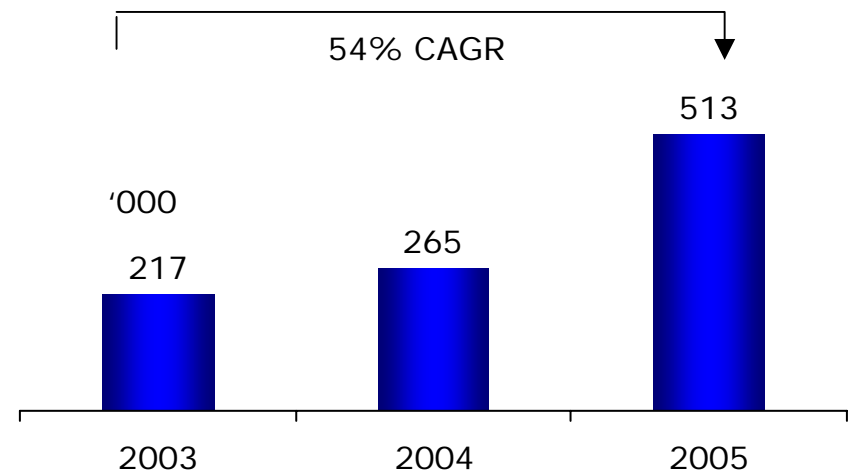
- Powerful Metrobank image of trust
- Leverage ANZ international capabilities
- Increased investment in advertising
- Innovative and attractive products
- Investment in front line staff



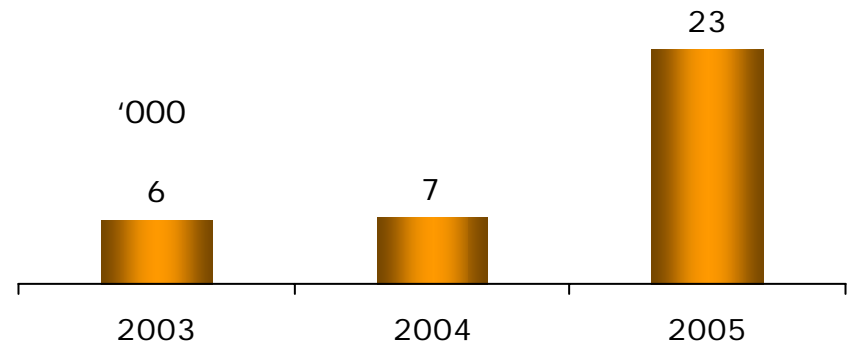
2. Customer acquisition

- Improving branch sales effectiveness
- Investment in customer analytics, tailoring products to customer segments
- Significant investment in credit risk management
- Introduction of direct sales agents
- Good service – “making it easy to get a card”
- Flexible, low cost technology

Strong growth in card numbers



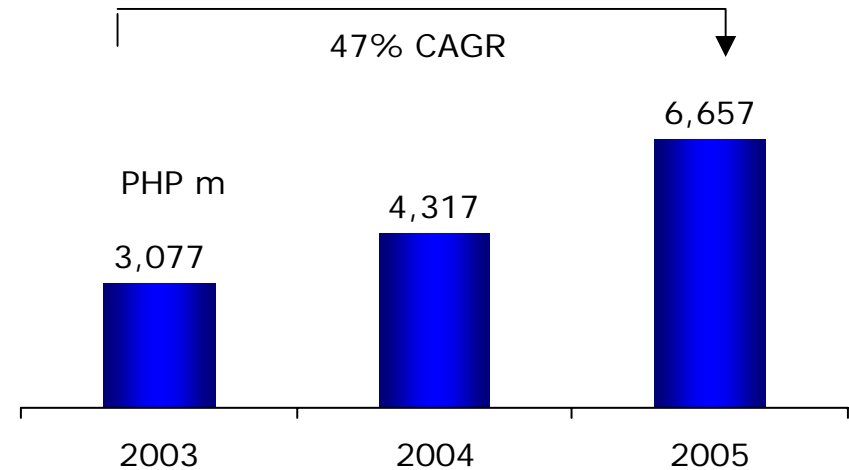
Continued growth in new cards approved per month (average)



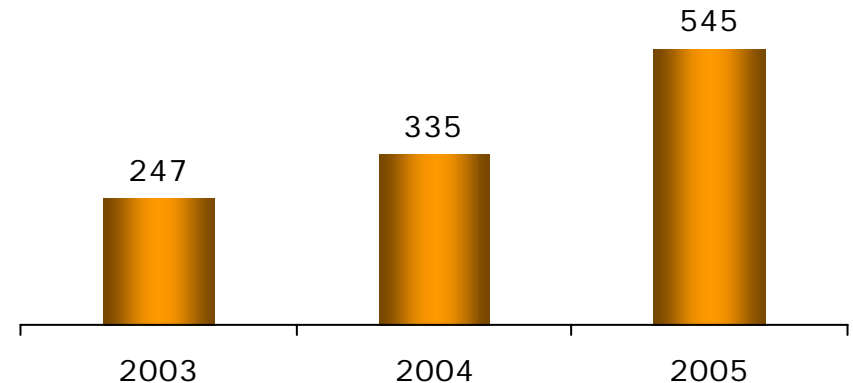
3. Deepen relationship with existing customers

- Enhanced customer profitability data
- Pricing for risk
- Focus on upgrading products and cross sell
- Increased training for front line staff
- Telemarketing capabilities developed

Strong growth in outstandings



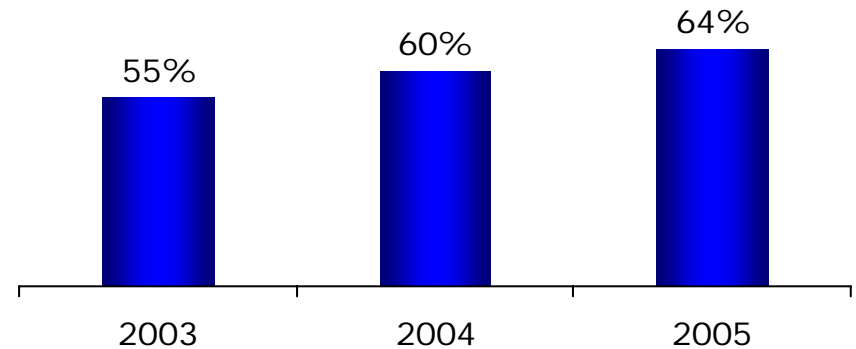
Increased penetration through the branch network (cards per branch ratio)



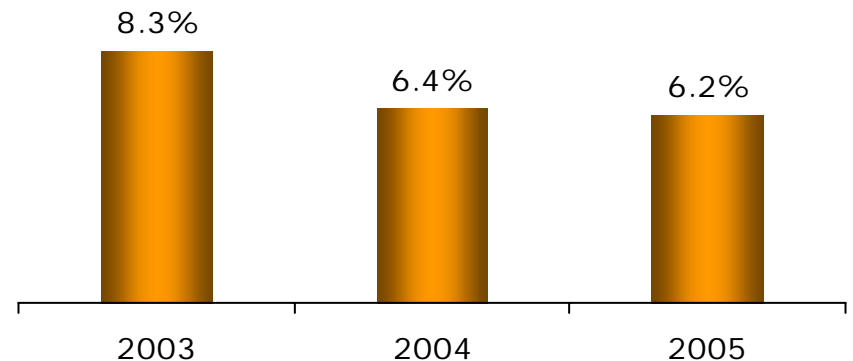
4. Retain profitable customers

- Reactive and proactive retention strategies tailored to customer segments
- ANZ retention strategies proven successful for MCC
- Improved credit and fraud risk management capabilities
- Fraud losses reduced from 0.17% in 2004 as % of billings to 0.04% in 2005

Revolver rate increasing



**Reducing delinquency levels
(30+ past due)**



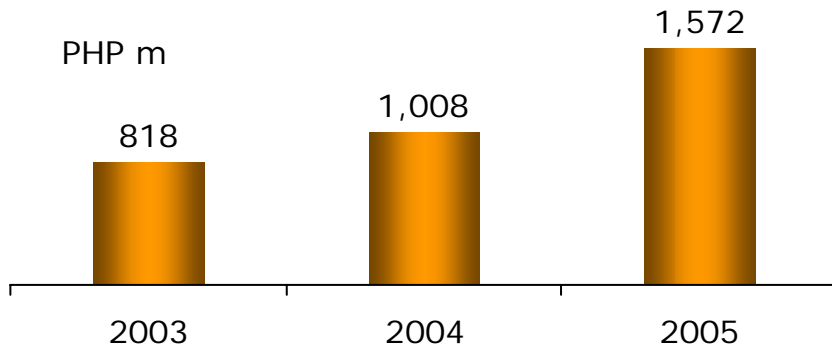
5. Extend in to new customer & product segments

- Increased geographic representation
- Continuous product development – recurring bills, instalment loans
- J G Summit White label card (featured) launched 22nd February 2006
- Extending cross sell to additional company's customers i.e. AXA

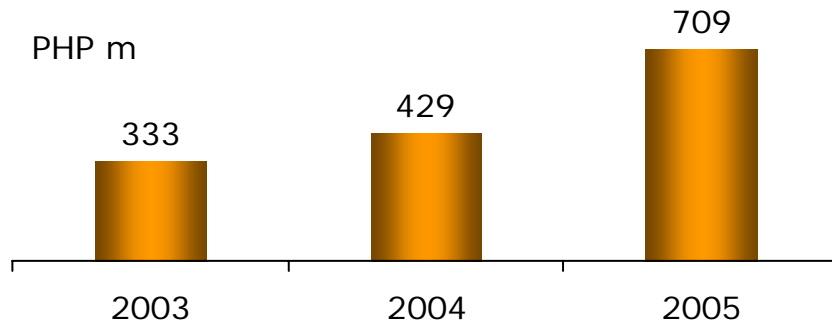


Financial performance has exceeded expectations

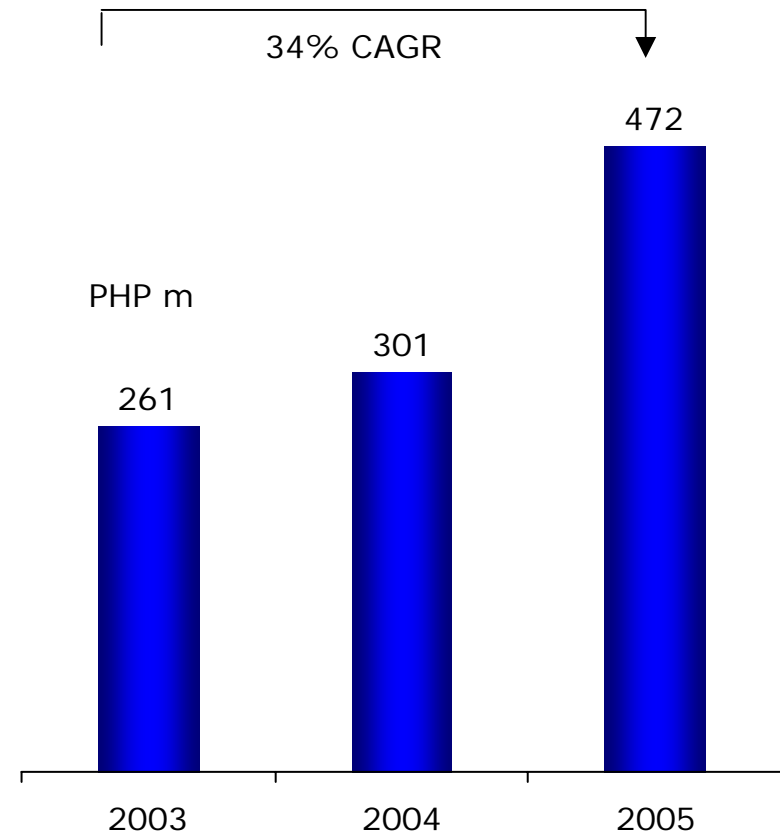
Exceptional revenue growth...



...allowing increased investment in the business (expenses)



Despite increased investment strong NPAT growth momentum maintained



Significant opportunities to continue growth agenda

Strengthen Metrobank Partnership

- Launching Debit card
- Implementing Metrobank Call Centre
- Developing Telesales Centre – AXA, Metrobank



Grow Metrobank Card Corporation

- Launch Business Card
- Launch Go White Label
- Gift Card Proposition
- Developing Acquiring – Subsidiaries and GO
- Issue ATM pins for cash Advance



Deliver on technology agenda

- Install Application Processing System
- Install Installment module
- Launch Intranet
- Upgrade Collection System
- Acquiring
- Chip

Summary

- Metrobank, the Philippines largest bank, has proven perfect fit for ANZ's partnership agenda
- Philippines economy and banking market continue to develop and offer significant opportunity
- ANZ's proven Credit Cards success has driven strong growth in the MCC partnership
- Performance has significantly exceeded expectations which is forecast to continue

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