

Salomon Smith Barney Financial Services Conference

Global Institutional & Investment Banking – Strong & consistent earnings growth

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Australia and New Zealand Banking Group Limited

4th March 2003

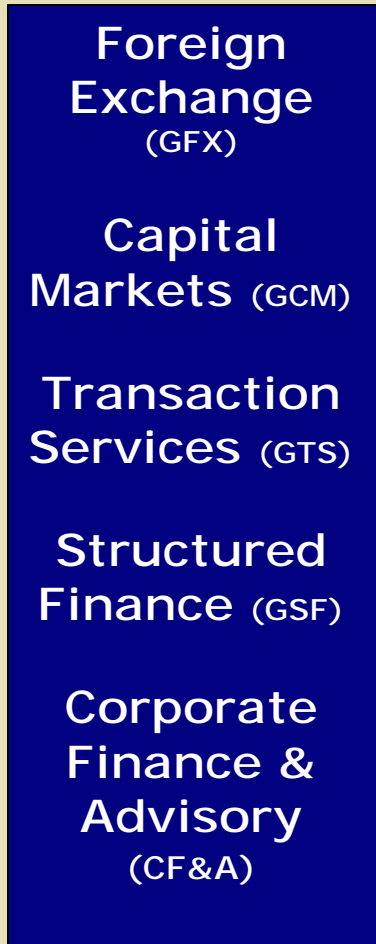


Outline

- Our business today
 - Definition
 - Performance
 - Credit Quality
- Why we are successful
- Strategy
- Outlook

Corporate Units – business relationships overview

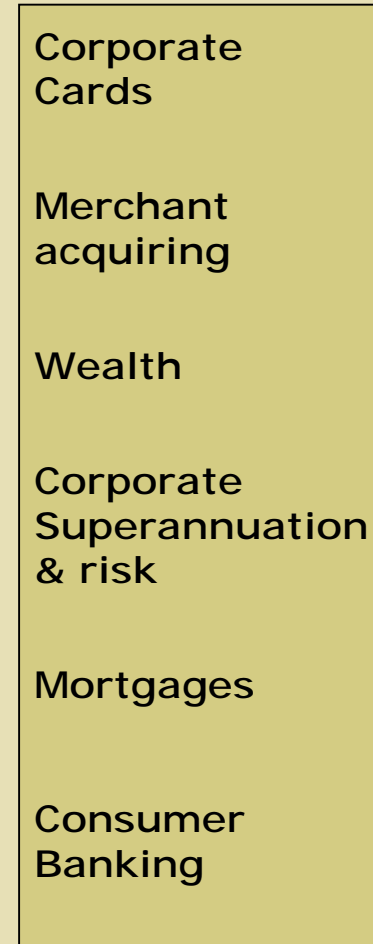
Corporate Product Businesses



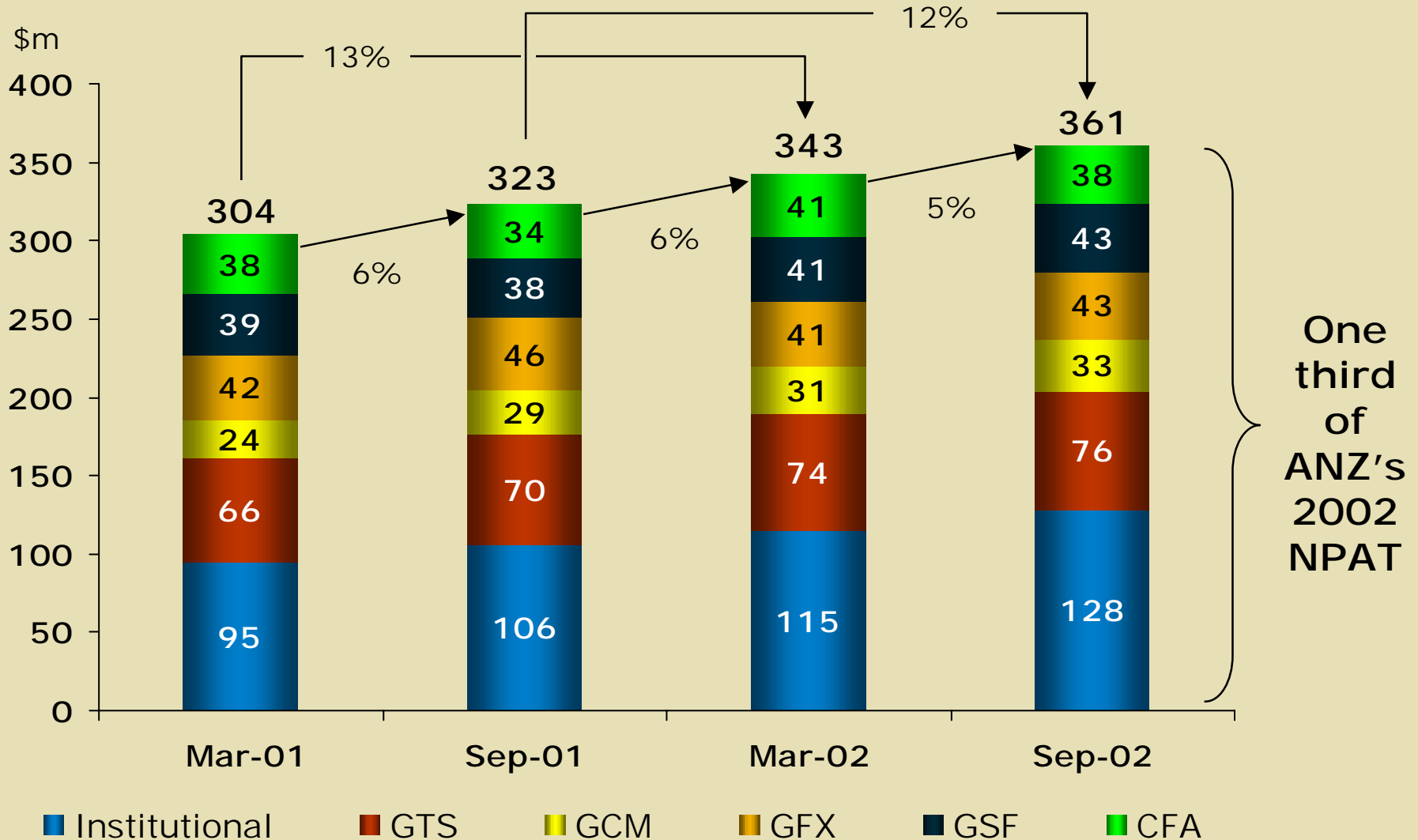
Customer Segments



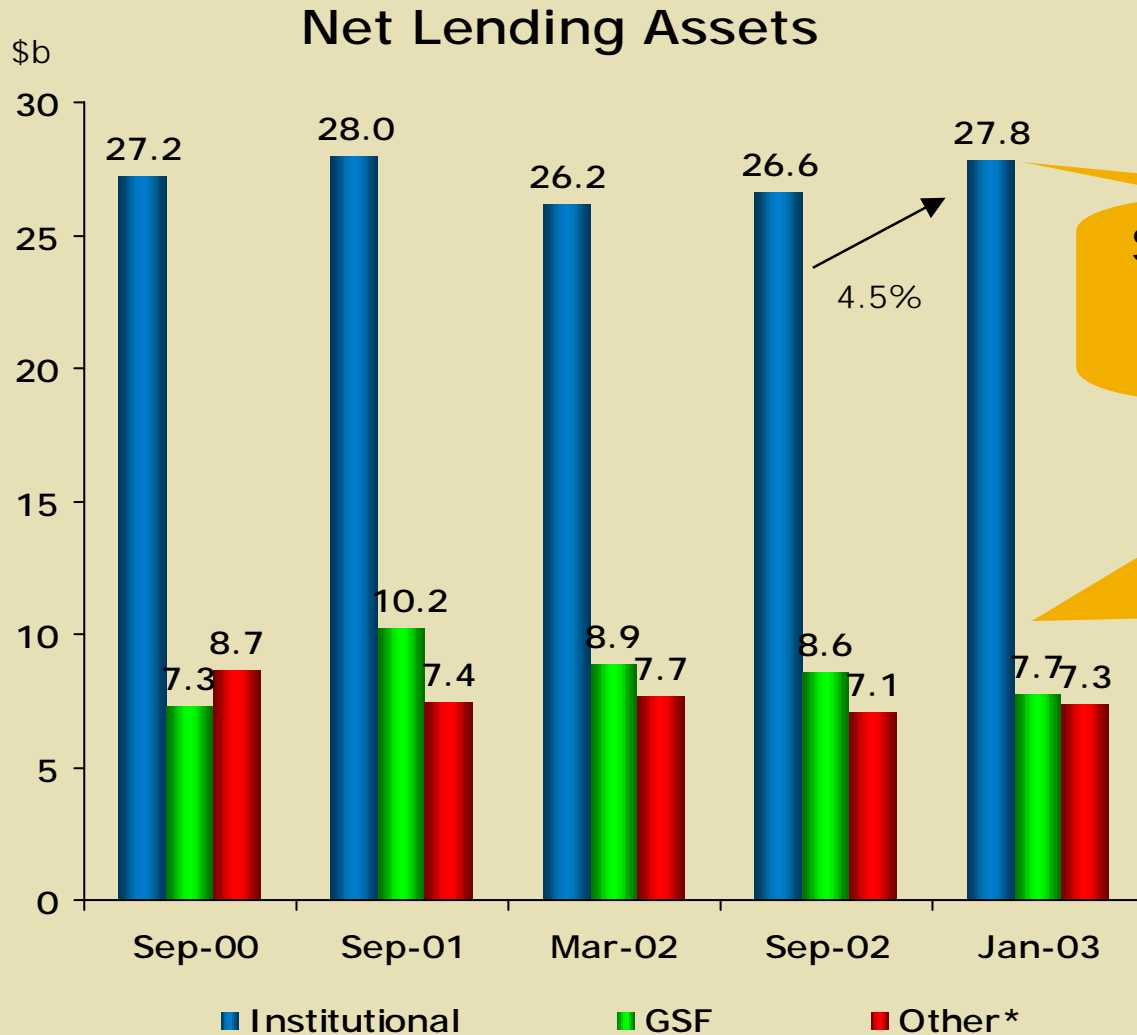
Personal Products Businesses



GI & IB – delivering consistent profit growth across the franchise



Profit growth has occurred despite relatively flat balance sheet growth



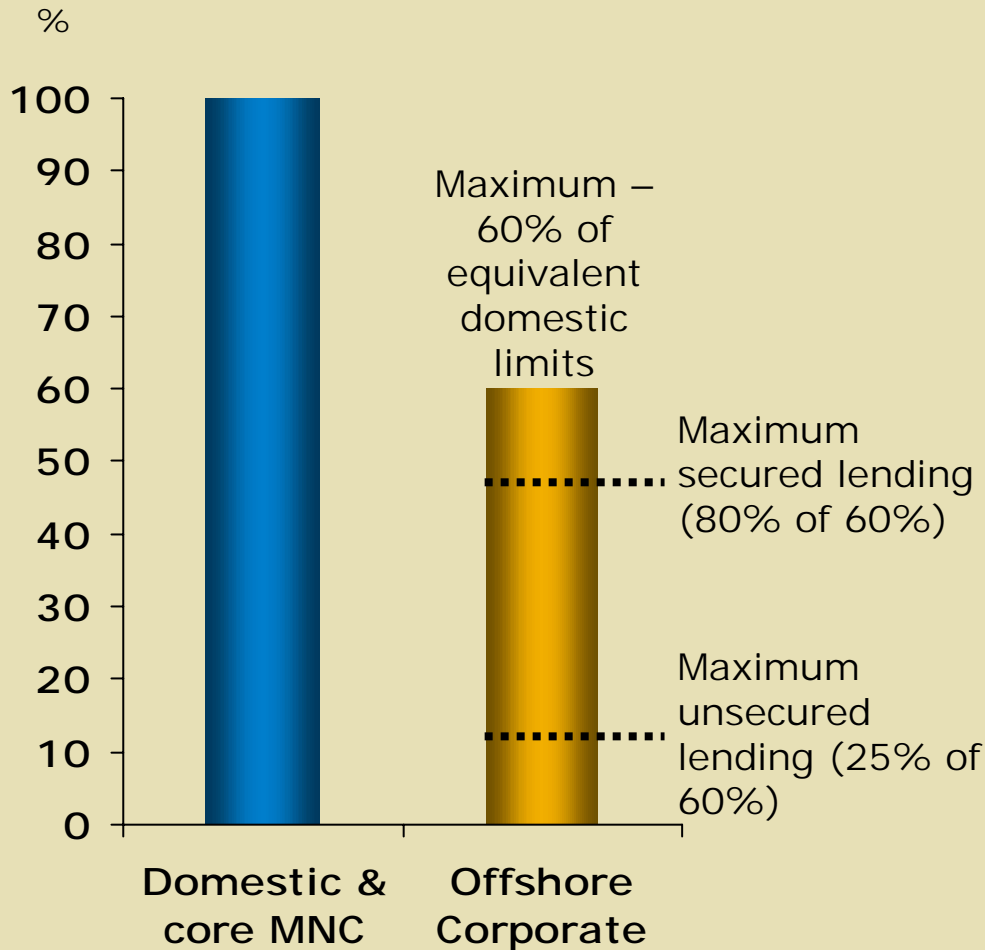
Some signs of domestic corporate borrowing increasing again

Reductions in GSF driven by FX impact and lower single customer limits (particularly for corporate lending)

* Other includes CFA, FX, GTS, & GCM

Transforming our offshore business

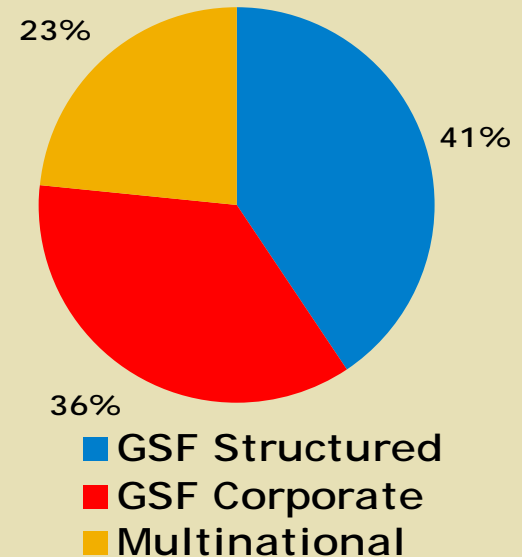
Lower single customer limits



Focused strategy

- Corporate lending will be disaggregated from GSF, and managed on global industry lines from Australia
- Non-core lending being exited

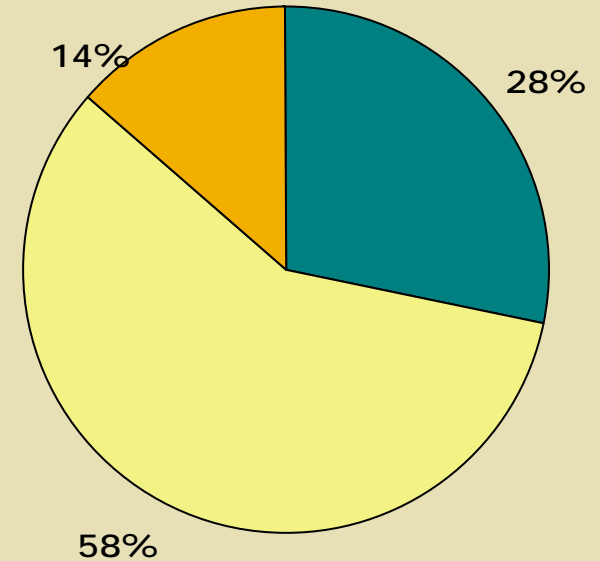
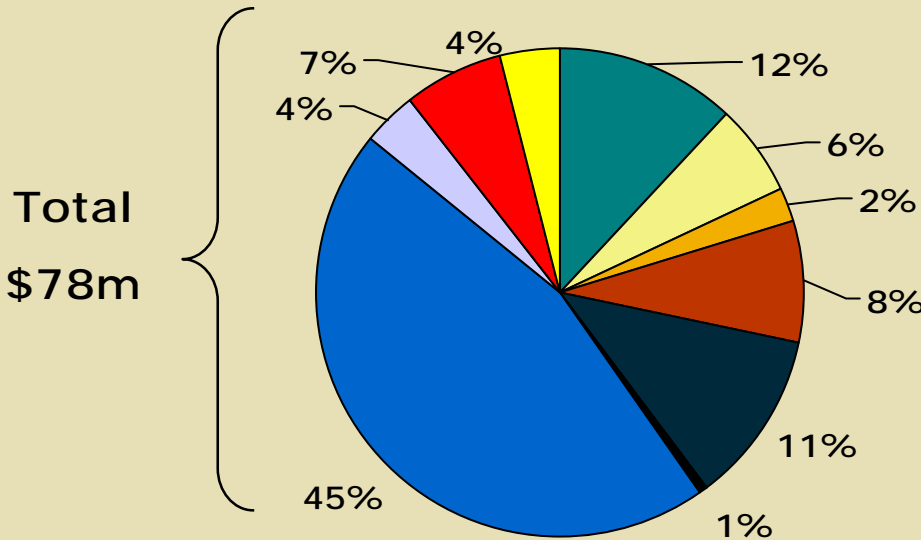
US/Europe GSF limits



Asia delivering a diversified profit stream – less than 30% from corporate lending

2002 NPAT by country

2002 NPAT by activity



- | | |
|-------------------------|-------------------|
| ■ Indonesia (exc Panin) | ■ Philippines |
| ■ Mainland China | ■ Hong Kong |
| ■ Japan | ■ Korea |
| ■ Singapore | ■ Taiwan |
| ■ Vietnam | ■ Other (incl HQ) |

- | |
|-------------------|
| ■ Corporate # |
| ■ Other* |
| ■ Consumer Asia ^ |

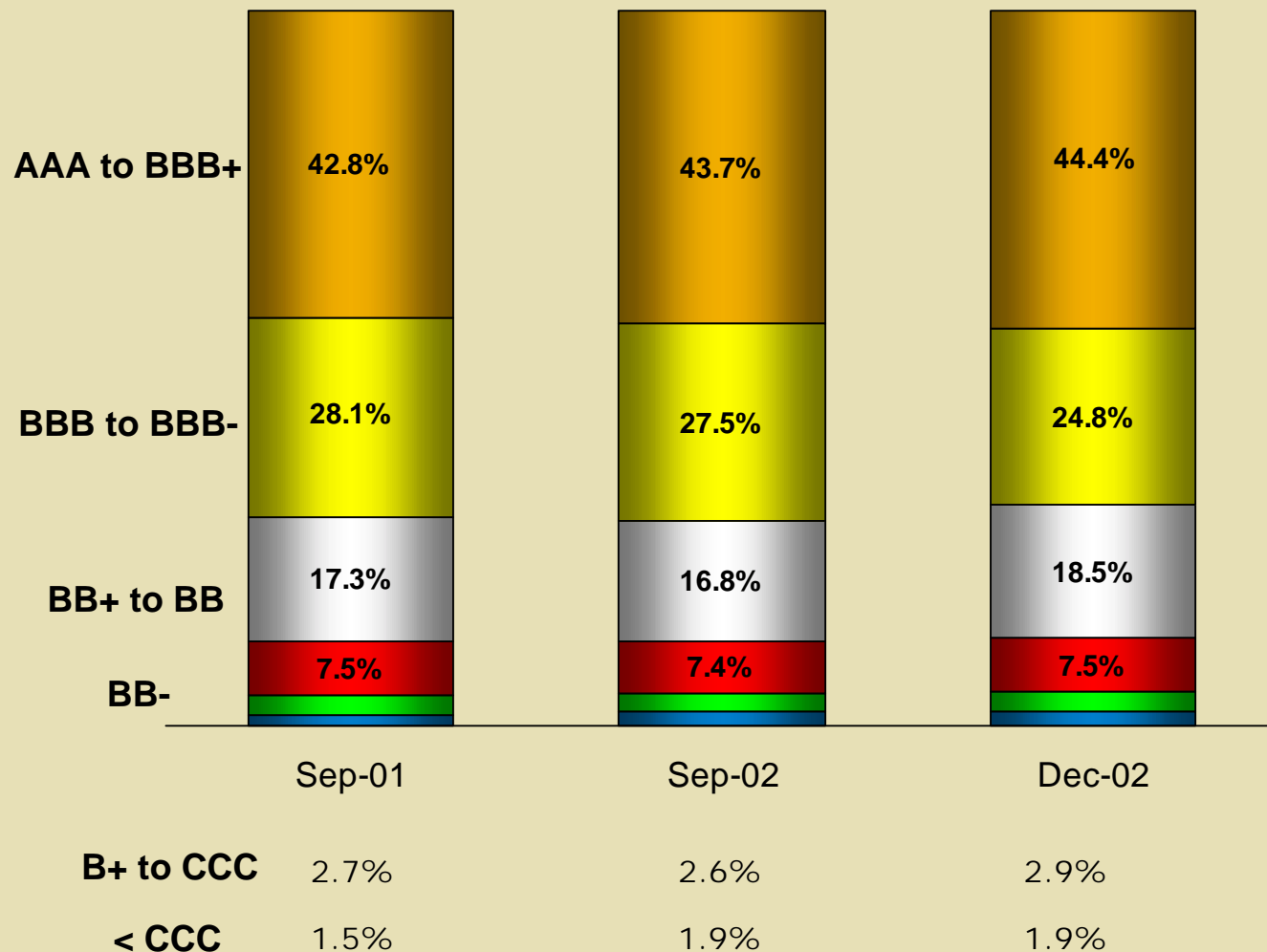
Corporate – principally corporate lending relationships

* Other - principally includes FX, Trade, Capital Markets, and Structured Finance

^ Consumer Asia – operates within the Asian network, however not part of GI&IB. Excl Panin

Offshore issues containable, modest deterioration within expectations

Global Institutional and Investment Banking*



- Exiting non-core lending
- Reducing industry concentrations
- Continue to expect Specific Provisions to be lower this year

* Based on lending assets

Outline

- Our business today
- Why we are successful
 - A strong franchise
 - Sophisticated MIS
 - Our customer proposition
- Strategy
- Outlook

Drivers of our success – simple, but hard to replicate

A strong franchise

+

Good execution

+

Strong customer proposition

- Historically a strong corporate banking franchise
- Strength in product areas
- Continuing presence in Asia

- Stability of structure and leadership
- Winning the war for talent
- Superior MIS
- Enhanced credit management

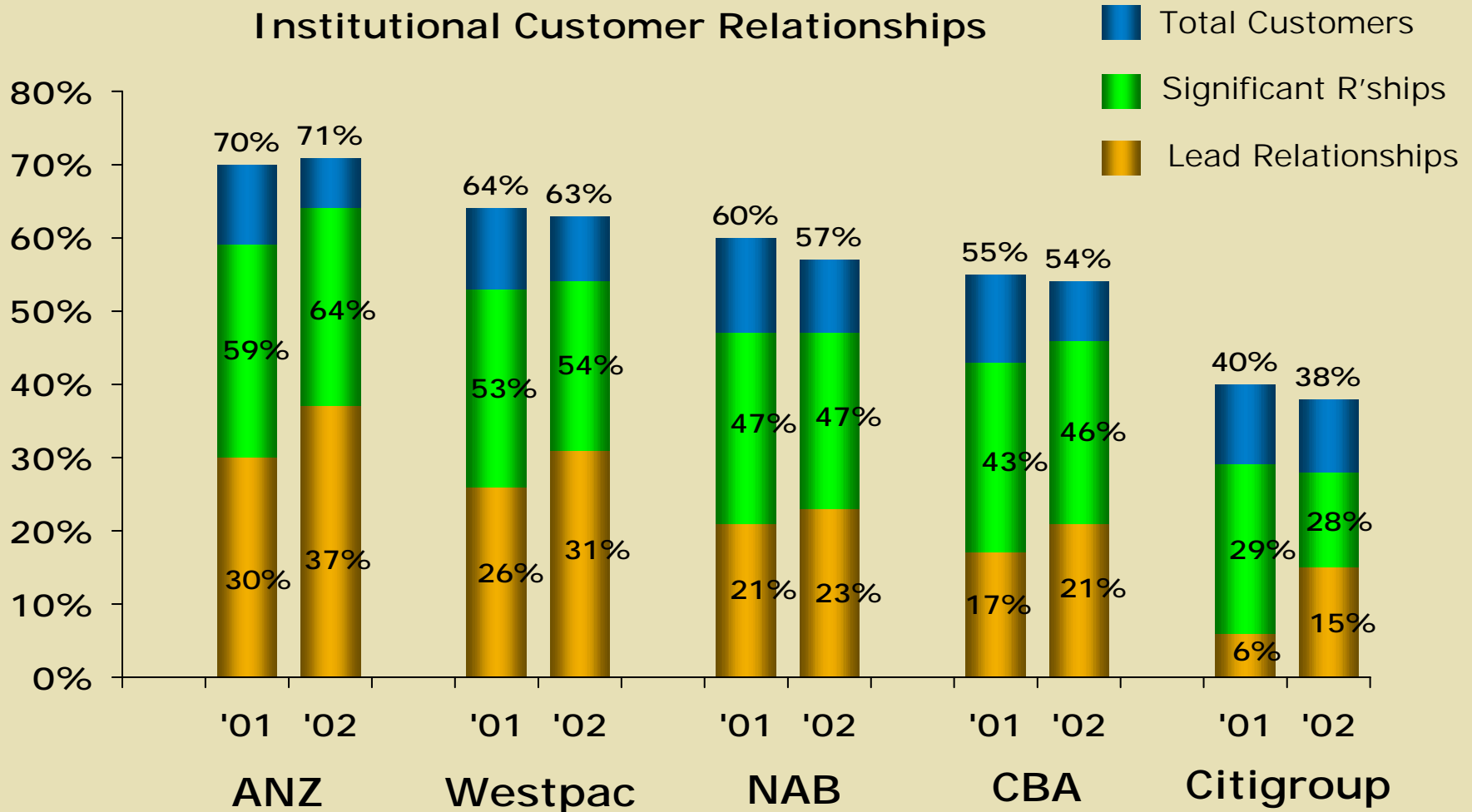
- Full product set
- Customer focus
- Understanding customer needs
- Industry specialisation
- Credit processes responsive to customer needs

What do customers think is important

- Relationship manager capability
- Industry knowledge
- Knowledge and understanding of needs
- Effective co-ordination of product specialists
- Creative ideas and solutions
- Strong advisory capacity

Source: Roberts Research

We have the strongest franchise, a product of consistent stewardship



* Source: Greenwich Associates

We have strong MIS capabilities



Can view customer & portfolio Data By on multiple dimensions eg trends, Risk, geography, products etc

Can view customer & portfolio Data on Point of Control or booking point

All numbers in AUD

By business units

By period

By risk

By industry

By business units

By country

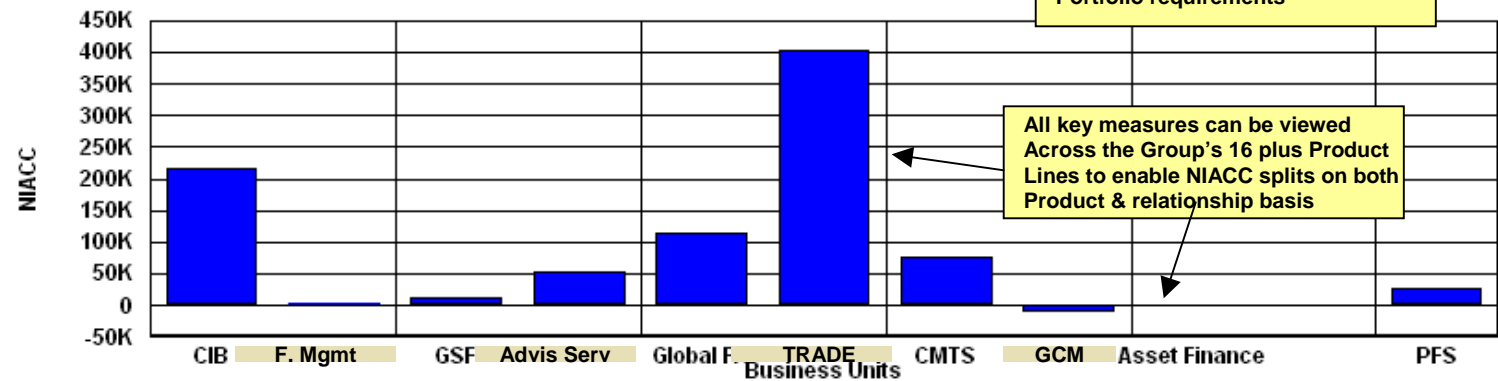
By measure

Measures: NIACC Periods: JAN Risks: All Risks Industries: All Industries

Customer Types: All Customer Types

Multiple performance measures are Available. NIACC (Net Income after Capital Charge) acts as primary Performance driver

Industry data used for managing Concentration limits and risk / return Portfolio requirements



All key measures can be viewed Across the Group's 16 plus Product Lines to enable NIACC splits on both Product & relationship basis

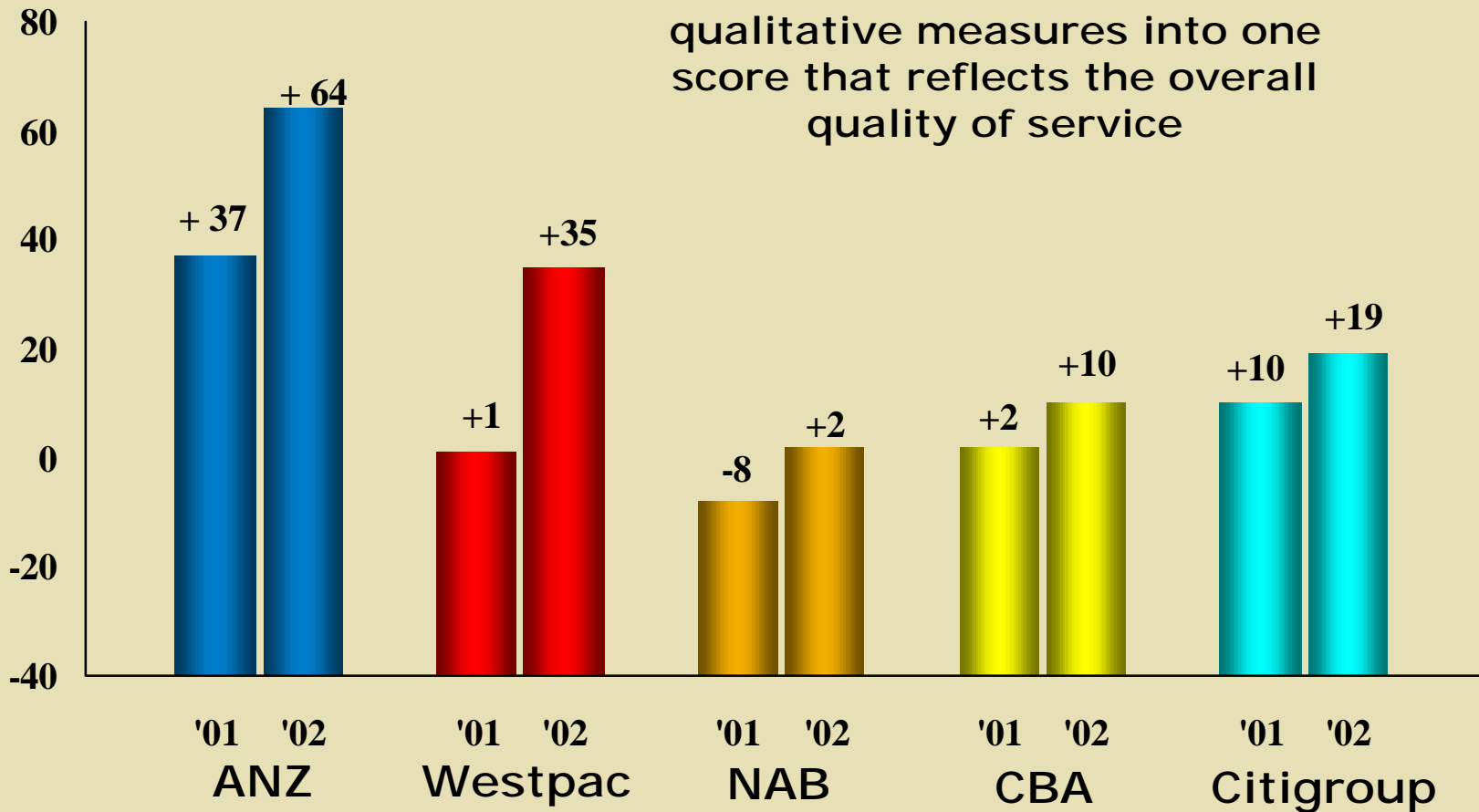
Global Control Points Business Units

Global Control Points	All Business Units	CIB	IBD	GSF	Financial Services	Global FX	INS	CM...
ABC Customer Master Group (total Relationship)				10,871	53,624	114,199	402,989	
ABC Subgroup Entity Level # 1						-3,053	17,881	
ABC Subgroup Entity Level # 2	112,539	-6,438		0	1,483	111,699	1,634	
ABC Subgroup Entity Level # 3	47,532	-35,144				7,180	40	
etc	20,000				20,000			

Can View data at all hierarchy levels From base customer entity to total Business units/ division levels (incl Reconciliation to financials)

We are regarded by our customers as providing the best service proposition

GQI - difference from average



GQI combines 16 different qualitative measures into one score that reflects the overall quality of service

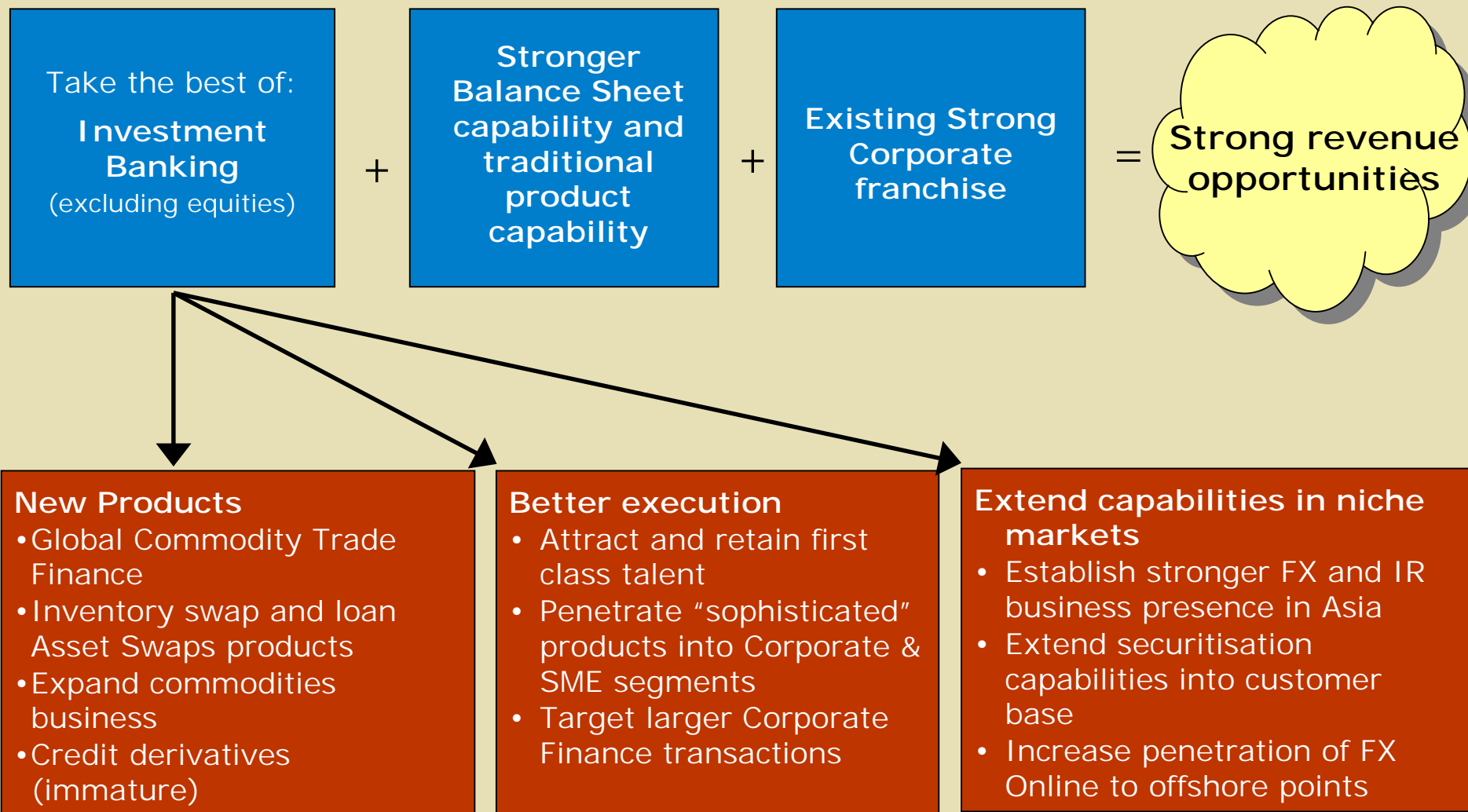
Source: Greenwich Associates

Outline

- Our business today
- Why we are successful
- Strategy
 - Extending our business model
- Outlook


GI & IB growth strategy overview

The overall vision for the GI & IB businesses is to move revenue balance more towards a fee based advisory, solutions, value added proposition, with a low risk balance sheet



Summary

- We are performing well, and continue to target double digit earnings growth
- Credit quality in good shape, international energy/telco issues containable
- We have a very strong franchise in the corporate market
- Our customers confirm that we have the no. 1 service proposition
- We will extend our capabilities further into ANZ's customer base and other niche markets, with some further rationalisation of offshore operations

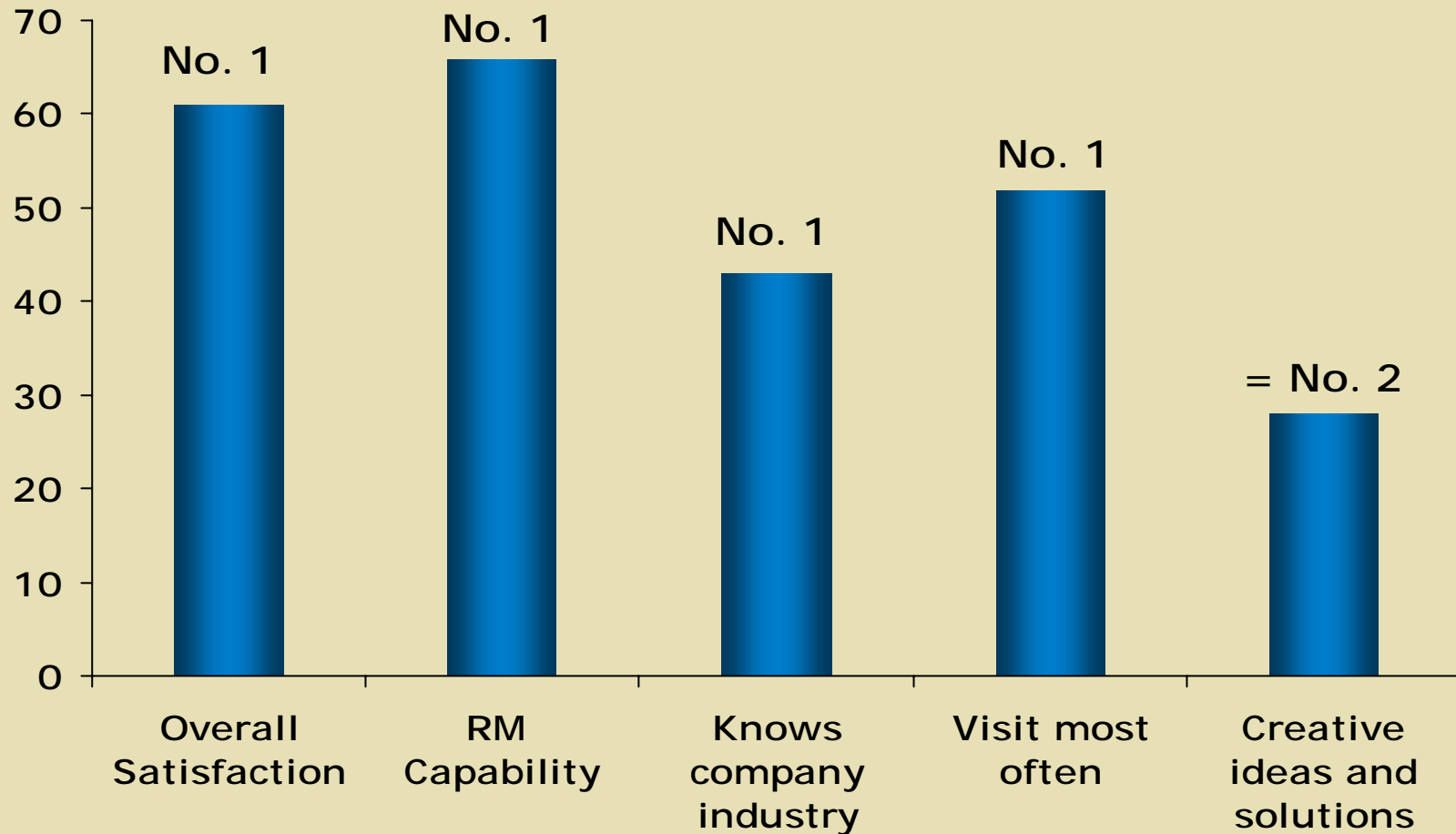


**GI & IB will
continue to
deliver strong,
stable earnings
growth for ANZ**

Supplementary information

We are regarded by our customers as providing the best service proposition

% of superior evaluations

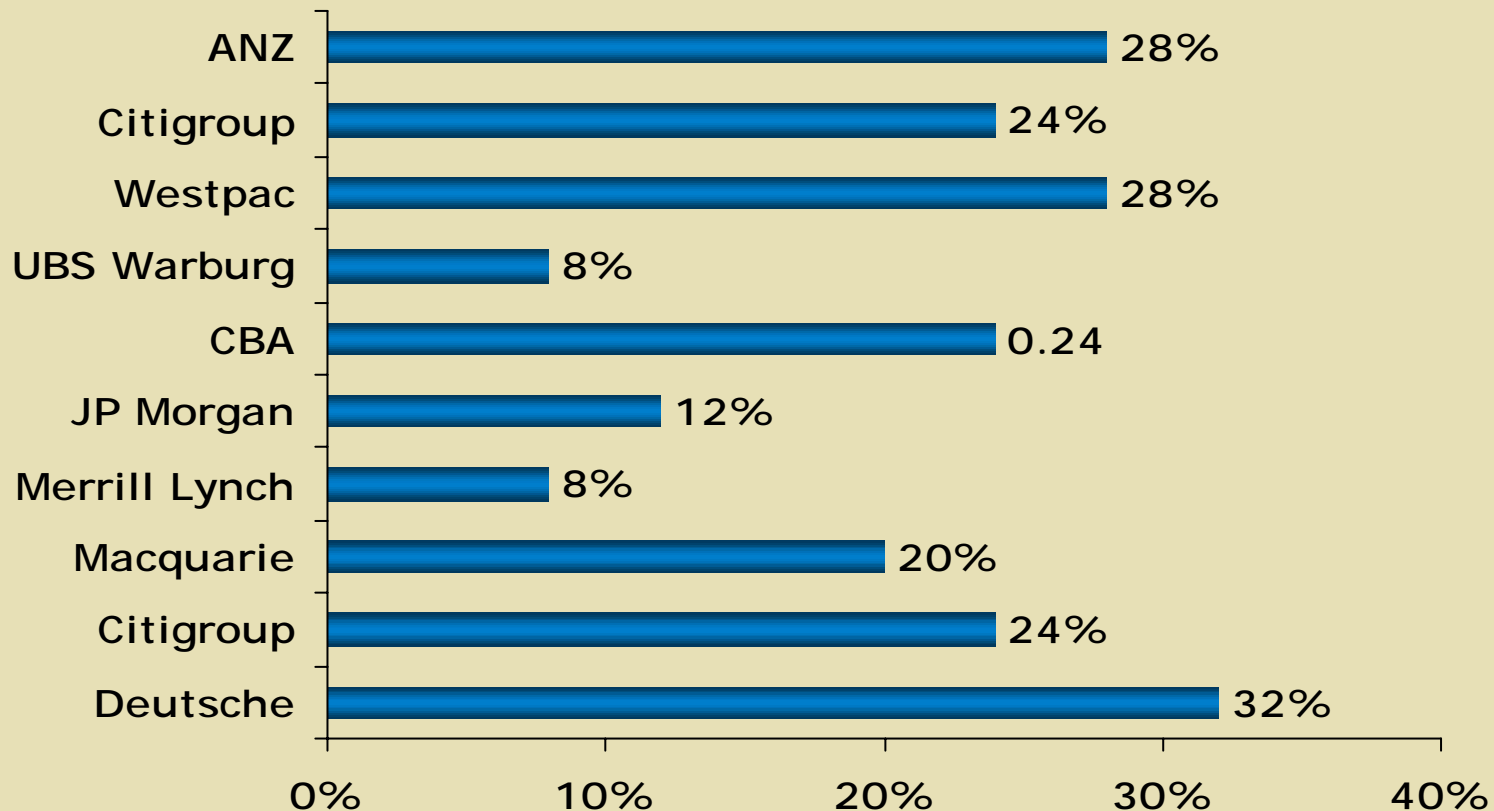


Source: Greenwich Associates

GI & IB Growth Strategy – more than a commercial bank

The Greenwich Survey indicates that ANZ has established a superior relationship proposition and is now recognised for its creativity.

Provides Creative Ideas & Solutions



Source: Greenwich Survey 2002

Asia - circa 450 lending relationships with 85% investment grade

ANZ BEIJING & SHANGHAI, CHINA

- One of a small group of fully licensed foreign banks
- Restricted transactions with locals expected to be lifted gradually with WTO membership
- 40 Lending Relationships, 95% Inv Gr

ANZ HONG KONG

- Leading Australian/NZ bank
- Focus to expand Trade Finance business
- Excess liquidity driving margins down to dangerously low levels
- 60 Lending Relationships, 82% Inv Gr

ANZ HANOI & HO CHI MINH, VIETNAM

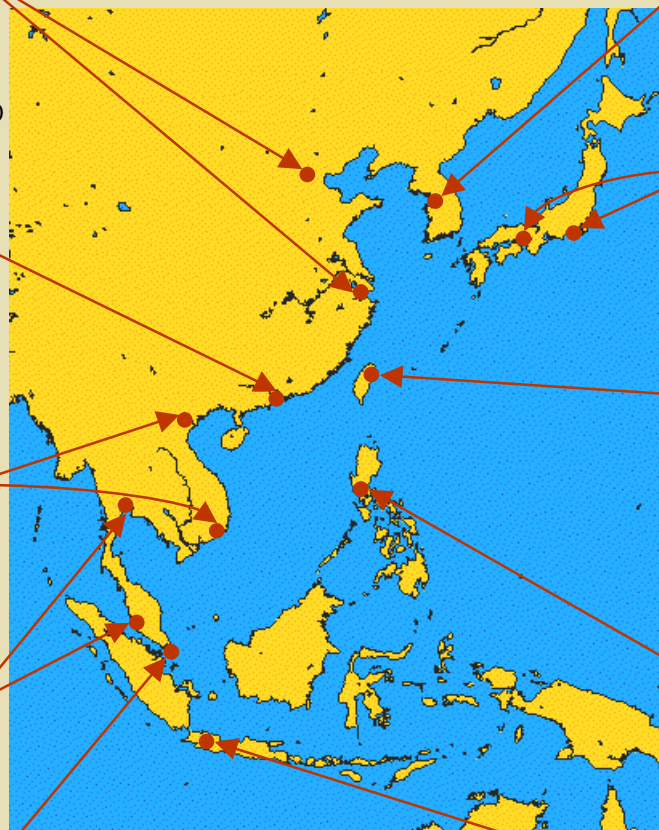
- Leading foreign bank in Vietnam
- Only Australian/NZ bank
- Fastest-growing Asian operation
- 50 Lending Relationships, 72% Inv Gr

ANZ MALAYSIA & THAILAND

- Representative offices
- Regional Trade Finance support
- FI & correspondent banking

ANZ SINGAPORE

- Centre for GSF operations in ANZ Asia
- Striving to carve a niche in the market amongst global banks operating here
- 4,000 customers/deposit base of \$2b
- 60 Lending Relationships, 87% Inv Gr



ANZ SEOUL, KOREA

- Strategic for Asia & network Trade
- Revenue largely booked outside Korea
- 34 Lending Relationships, 52% Inv Gr

ANZ TOKYO & OSAKA, JAPAN

- Largest Australian/NZ Bank
- 14,000 customers with deposit base of \$700m
- 38 Lending Relationships, 83% Inv Gr

ANZ TAIPEI, TAIWAN

- Only Australian/NZ bank
- Highly regulated/competitive environment
- Largest number of corporate relationships in Asia
- 60 Lending Relationships, 68% Inv Gr

ANZ MANILA, PHILIPPINES

- Top Ten foreign bank
- Only Australian/NZ bank
- 50 Lending Relationships, 53% Inv Gr

ANZ REGIONAL OFFICE, SINGAPORE

- Product Support
- Finance & Planning
- Credit/Risk
- Corporate Portfolio Management
- Human Resource

ANZ JAKARTA, INDONESIA

- Leading JV bank
- 130,000 cards issued
- 26 Lending Relationships, 69% Inv Gr

A selective asset writing strategy in Asia

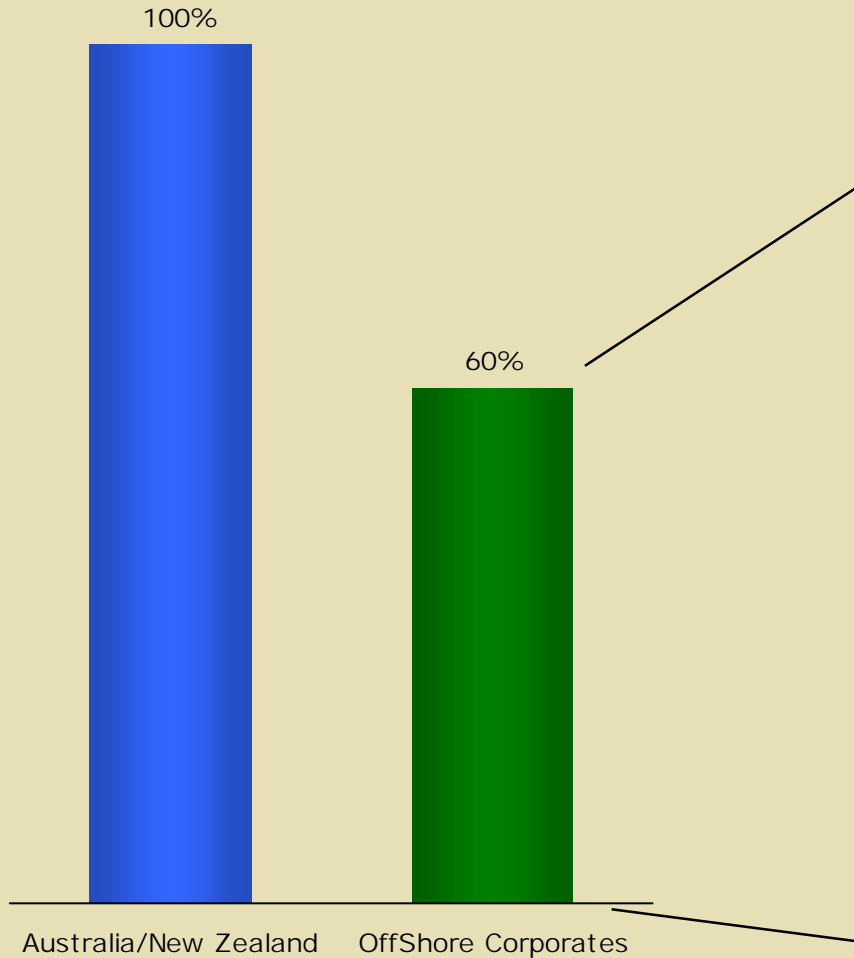
Customer Category	Customer Description
Global MNCs	Parent – Investment Grade Typically listed on local exchange Subsidiaries in network countries per Cross Border Risk Policy (10/99)
Regional MNCs	Parent – Investment Grade Typically listed on local exchange (Top 50 'blue chip') Typically externally rated
Financial Institutions	Well-established and high quality FIs In top 20 FIs in country Strong correspondent banking relationships
Major Local Corporates	Top ranking, typically listed on local exchange and recognised as 'blue chip' Investment Grade Significant foreign currency earnings in freely negotiable currencies Market capitalisation typically in excess of USD200m. Potential for significant non interest income, deposit, trade, FX or network opportunities
Middle Market Corporates	Not target market
SMEs	Not target market
	} <i>Small exceptions for Trade where collateralised, eg. Vietnam</i>

Current/Target customer list represents:

- established high quality names/groups, including Asian conglomerates, that have survived Asian crisis; recent CPM 'shadowing' review has validated this;
- core relationships;
- network business for Australia/NZ and Asia;
- good product penetration potential;
- leveraging relationships across Asia network.

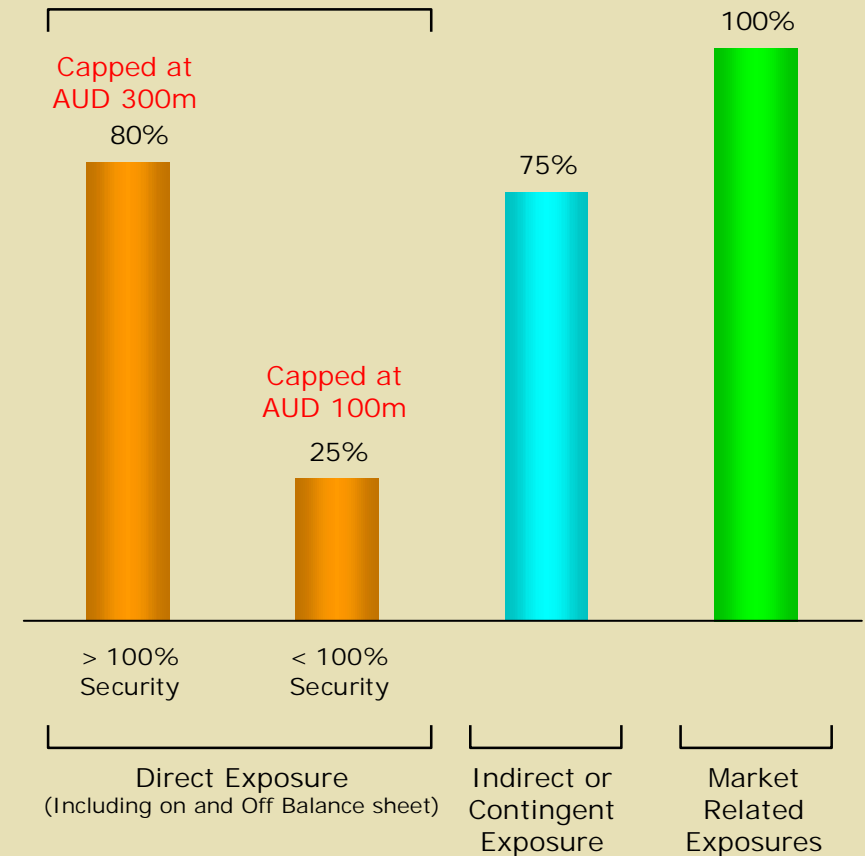
Offshore SCCLs in place

Comparative SCCL Customer Limits



Lending type SCCL % for offshore Corporates (excl. GSF)

indicative based on BBB- grading



GSF Direct Exposures capped at AUD 450m for > 100% Security and AUD 200m for < 100% Security

The material in this presentation is general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

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