

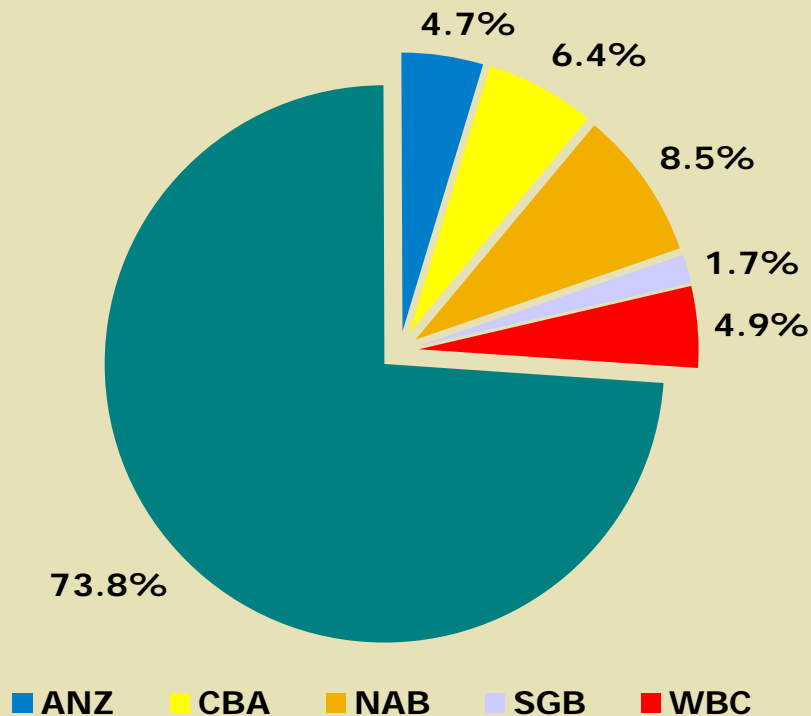
JB Were Private Client Forum Presentation

Australia and New Zealand Banking Group Limited
September 2003

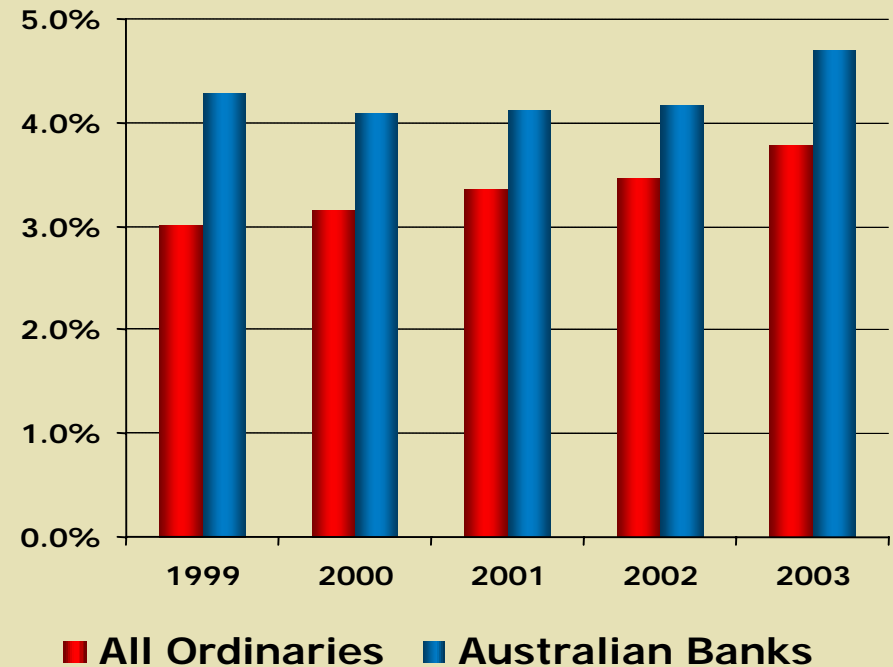


The Australian banking sector

Top 5 banks account for more than 25% of the ASX



Banks provide above average dividend yields*

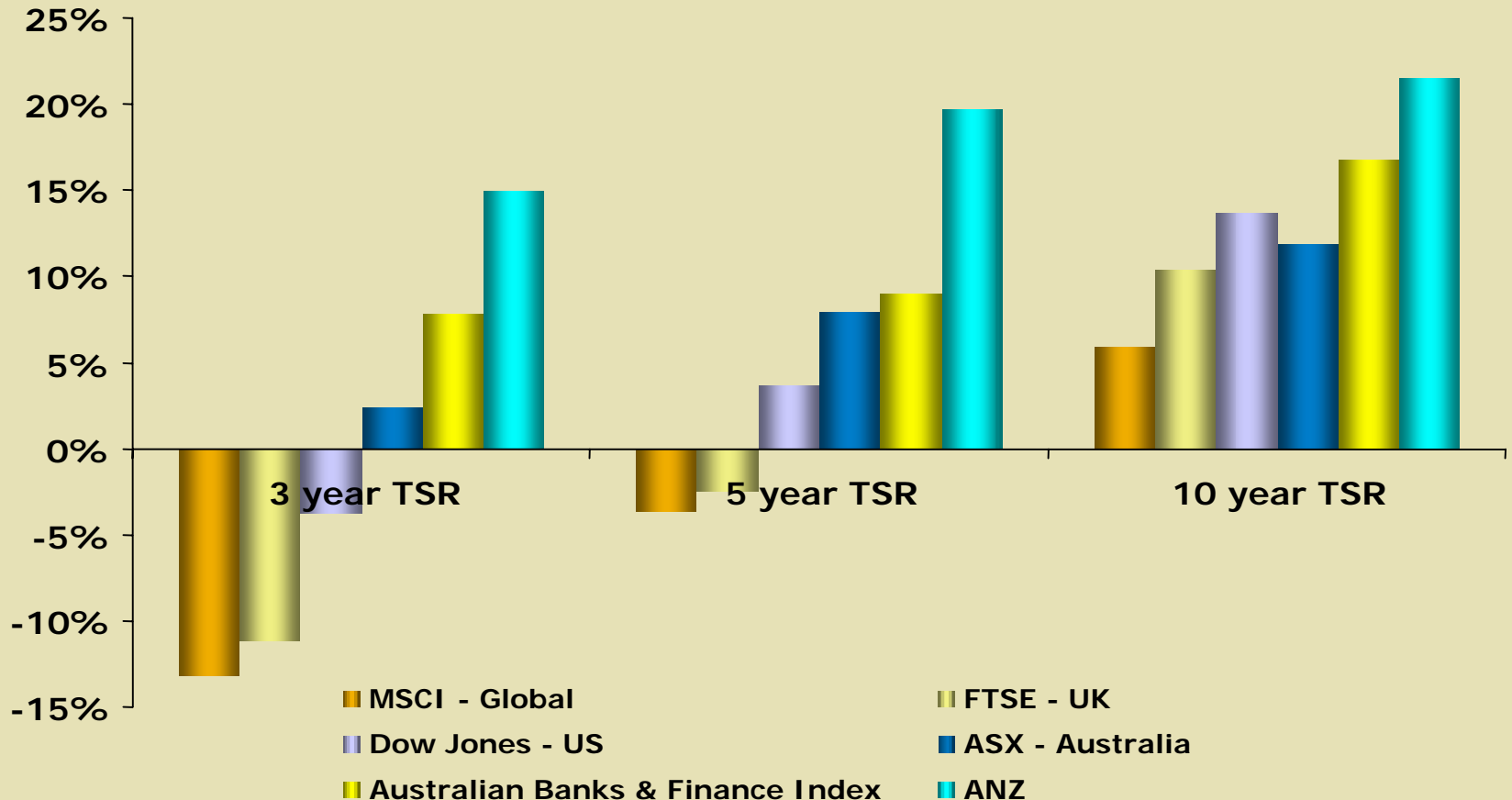


*Source - DataStream

Bank dividends generally fully franked, average All Ordinaries franking at 64%

Australian banks have performed well: ANZ has outperformed

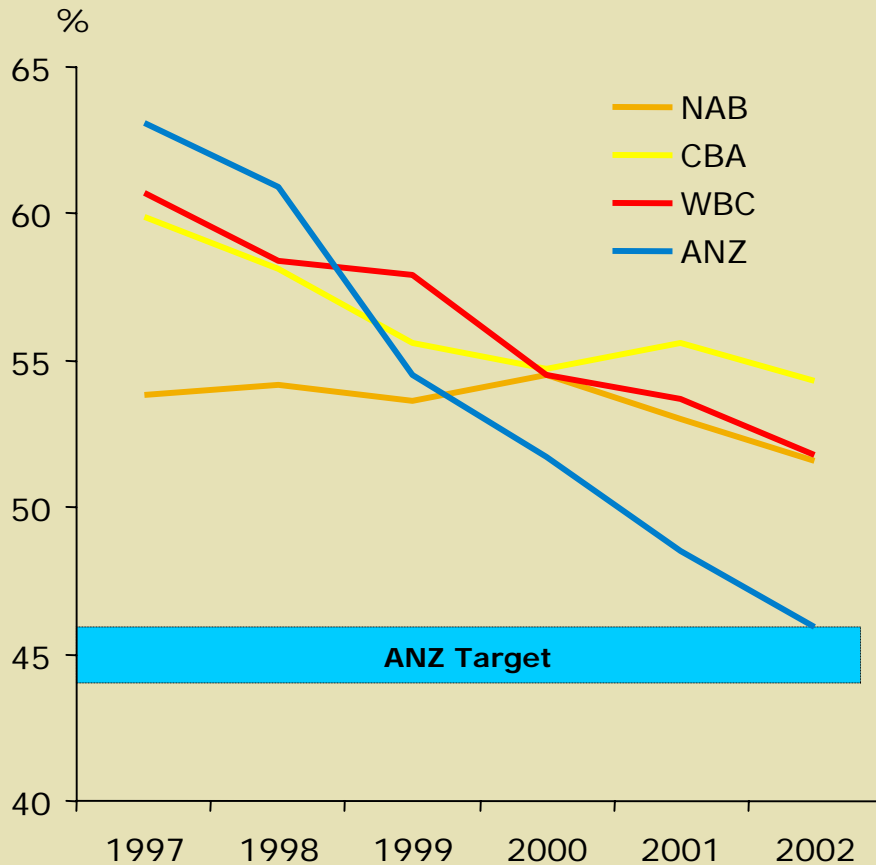
Average Total Shareholder Return (pa) *



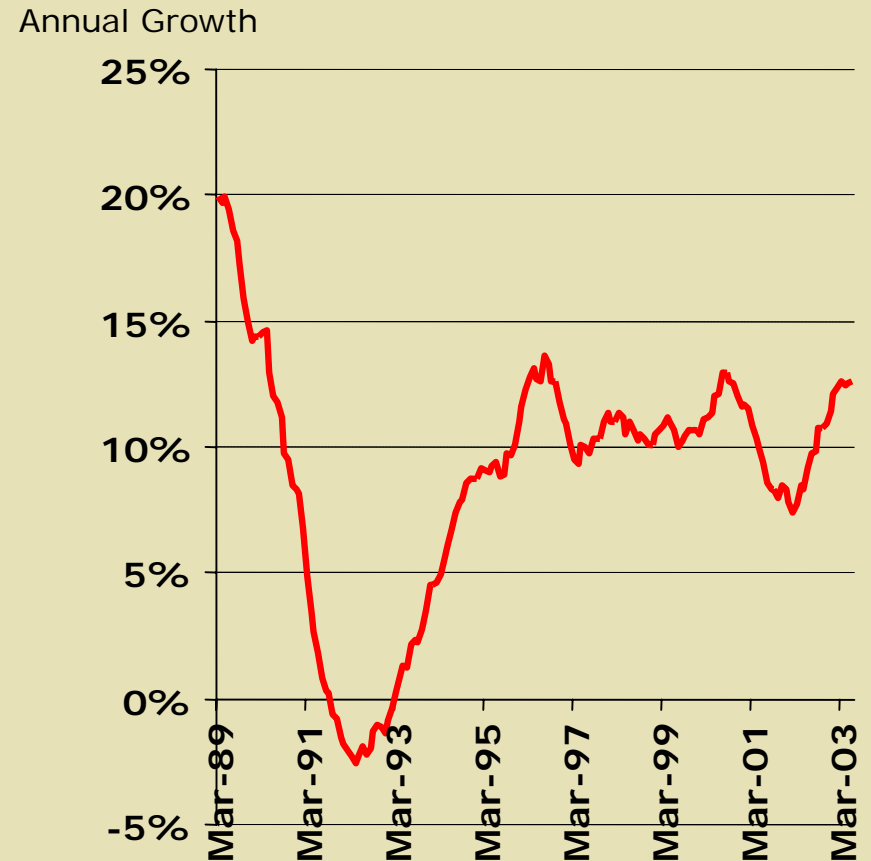
* source: CSFB, ANZ

Performance driven largely by efficiency gains and lending growth

Cost to Income Ratio

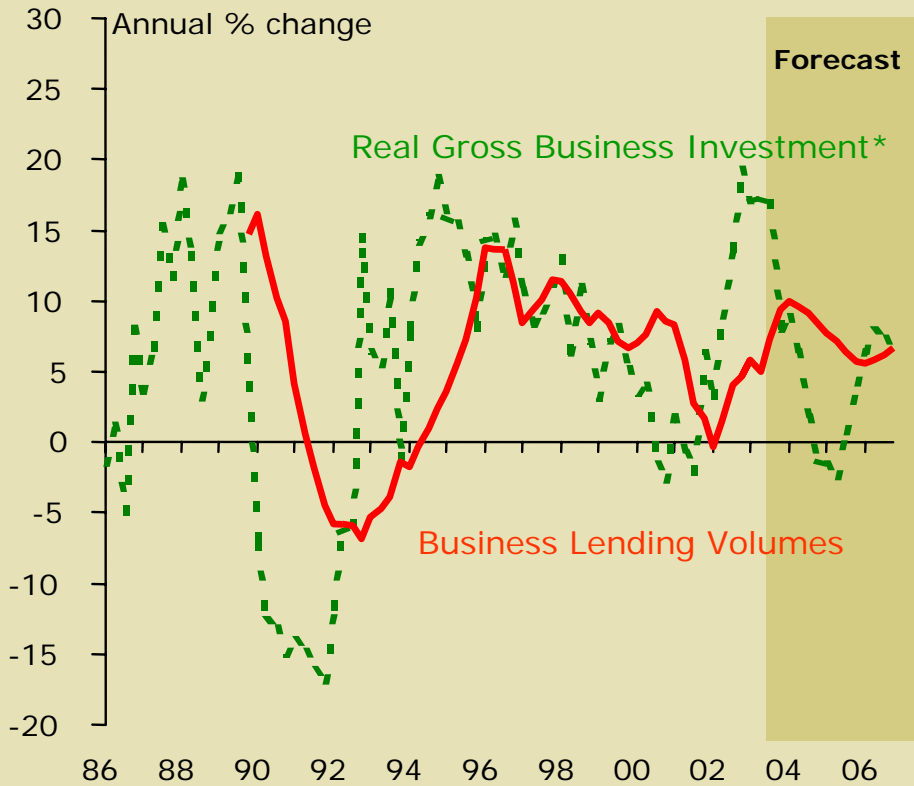


Australian Credit Growth

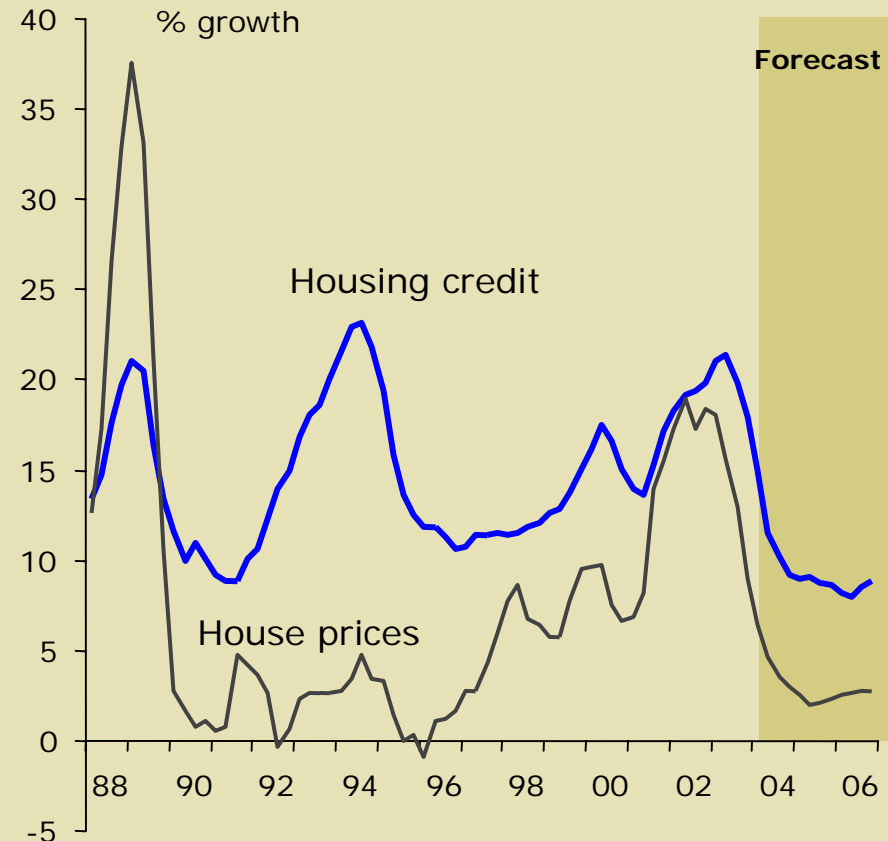


Credit growth is expected to remain positive...

Business lending growth lags business investment



Housing credit growth likely to be lower



*including replacement investment

Source – ABS, Economics @ANZ

Source – RBA, Economics @ANZ

...but other challenges remain

- Diminishing returns from efficiency gains, focus turns to revenue growth
- Factors which may impact growth potential
 - Near term
 - > Interest rate environment
 - > Slowdown in mortgage growth
 - > Stronger AUD
 - > Credit card interchange reform
 - Longer term
 - > Globalisation
 - > Mature domestic economies
 - > Demographics

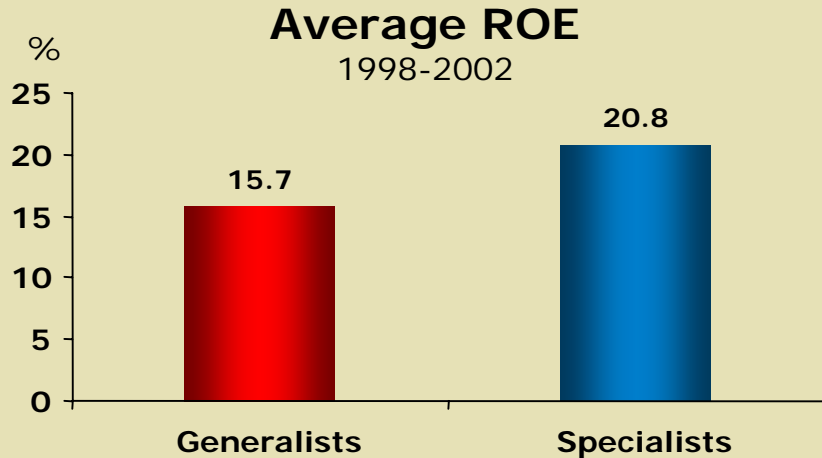
ANZ is well placed to meet market challenges

ANZ has positioned itself to meet market challenges through:

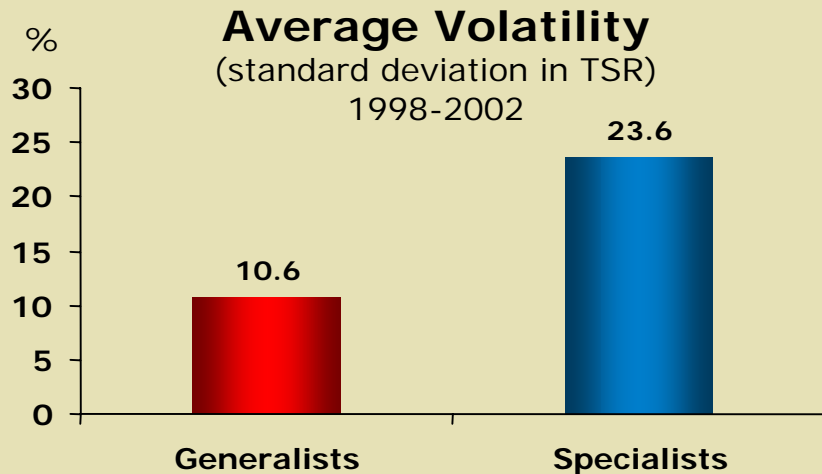
- Efficiency and structural flexibility
- First mover on cultural transformation journey
- Highly respected management team
- Unique specialist business model
- Diversified portfolio of businesses

Specialists win over generalists...but returns are more volatile

A Boston Consulting Group study reported that;



- *Generalists* focus on size and scale as the basis of competition
- *Specialists* insight is on speed, focus and flexibility
- *Specialist* business units encourage product and process innovation



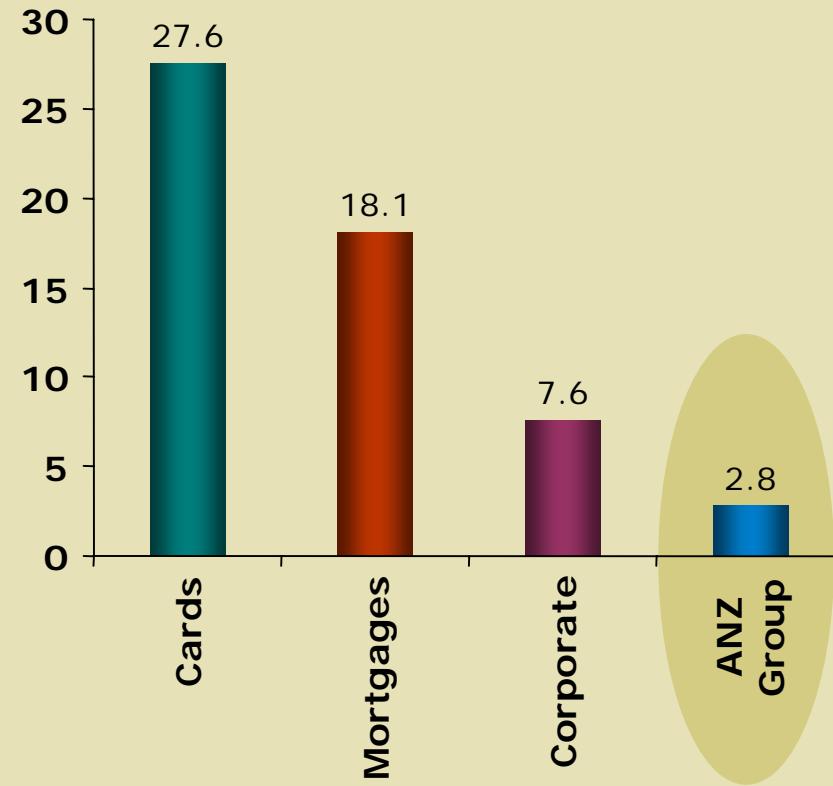
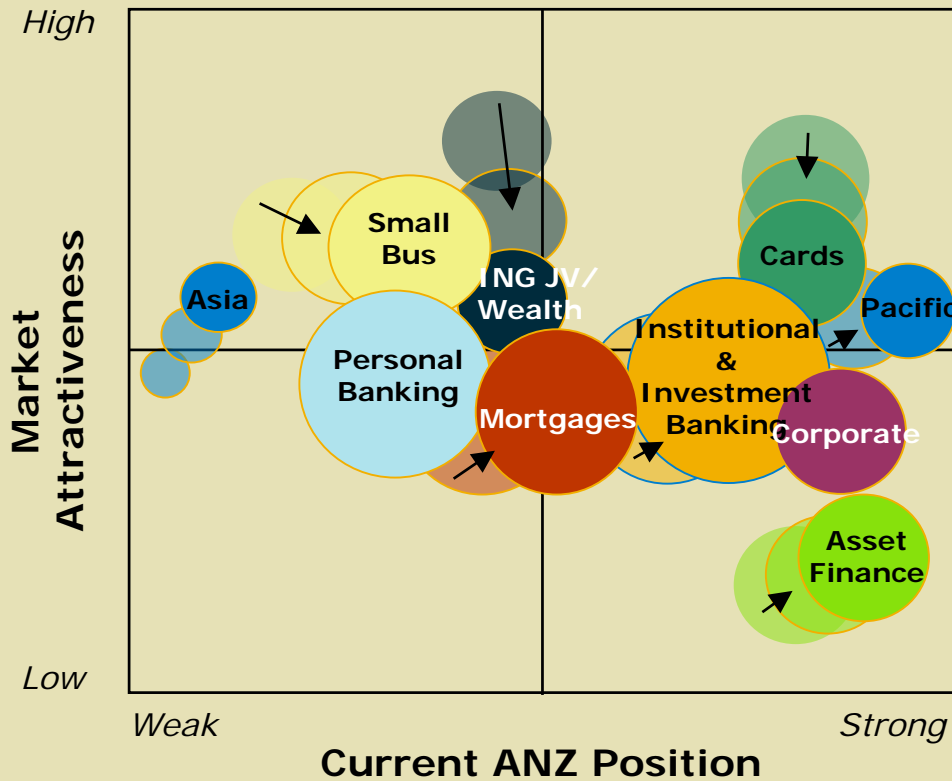
- *Specialists* are more volatile
- A *portfolio* of specialist businesses reduces total volatility

ANZ has developed a rich *portfolio* of *specialised* businesses

A specialist portfolio, each with a distinctive strategy

Portfolio approach reduces volatility of returns

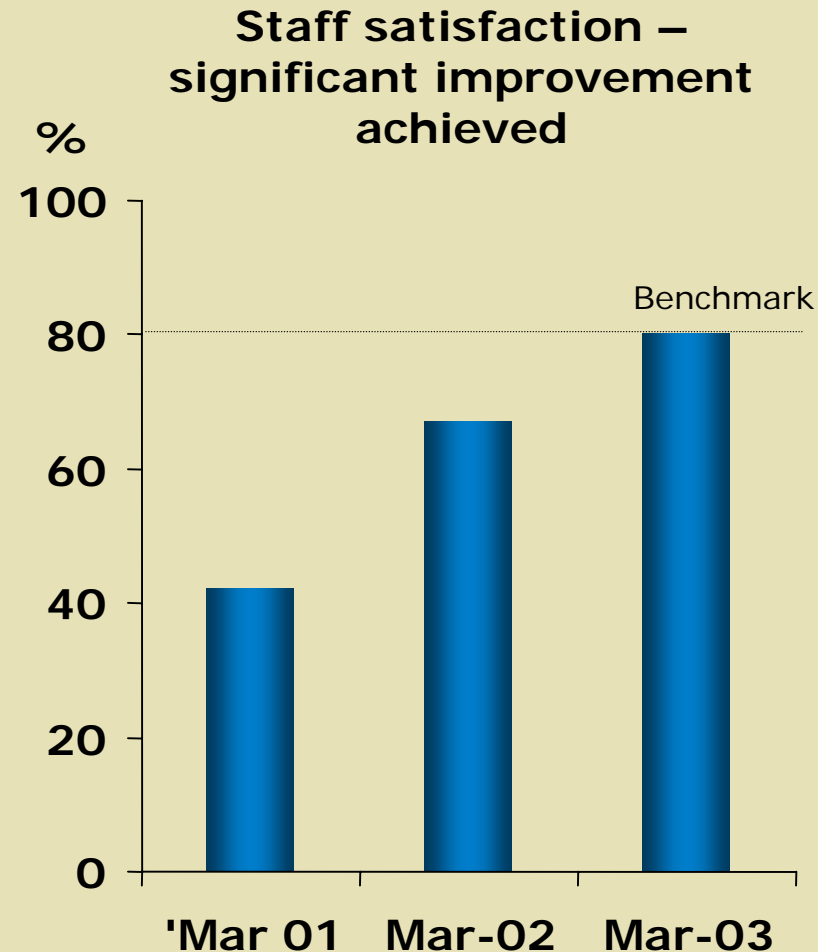
Standard Deviation in NPAT Growth
Sep 00 to Mar 03



Size of bubble representative of contribution to group performance

A case study of our strategy in action – SME Banking

- Staff satisfaction precursor to improved customer satisfaction and financial performance
- First business unit to put all staff through Breakout program to help drive cultural change
- Shift from administration to sales focus
- Increased commitment to human capital - new graduates growth from 4 in 2000 to 36 in 2004



...improved customer satisfaction helping deliver better financial performance

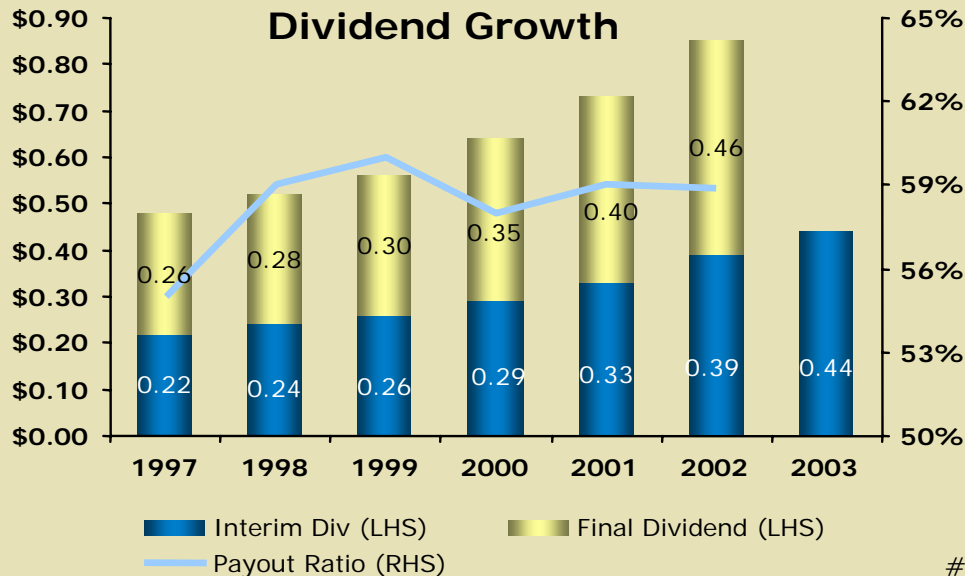
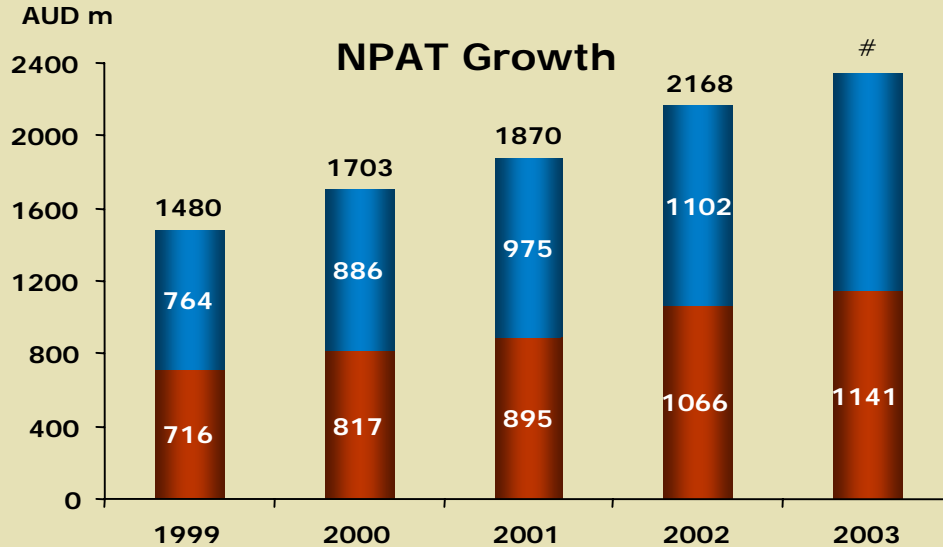


- Customer first mindset
- Competitive customer proposition



- Strong growth from both existing and new customers
- Continue to exceed target of 15%+ pa NPAT growth

The ANZ investment proposition



- market consensus earnings

- A unique portfolio of specialist businesses, delivering sustainable returns
- Good progress on Cultural Transformation
- Increased focus on growth
- Continuing risk reduction

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