

2000 Interim Results

Australia and New Zealand Banking Group Limited

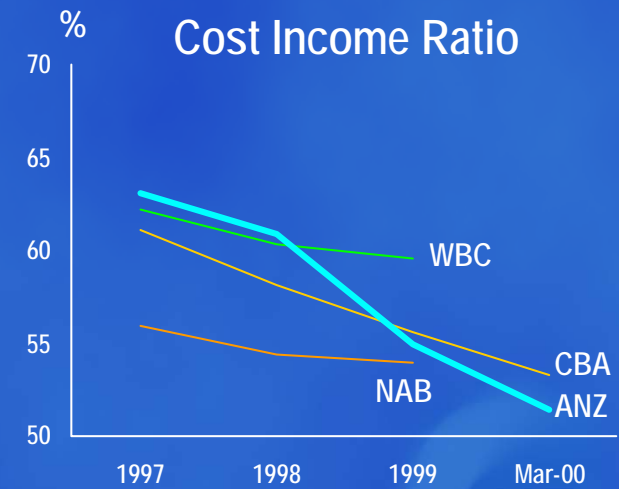
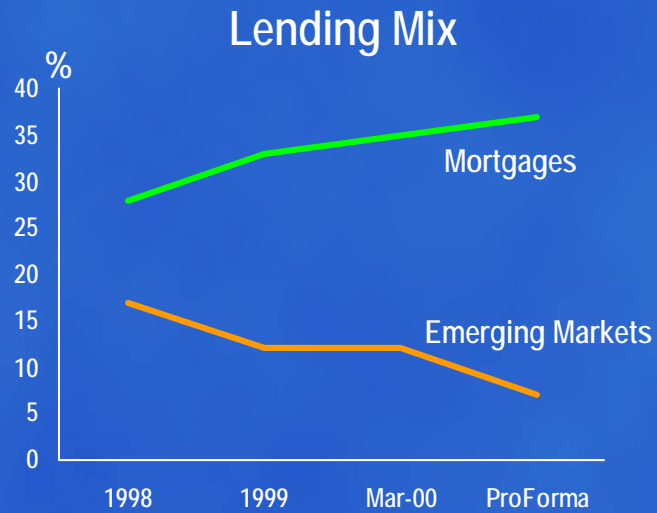
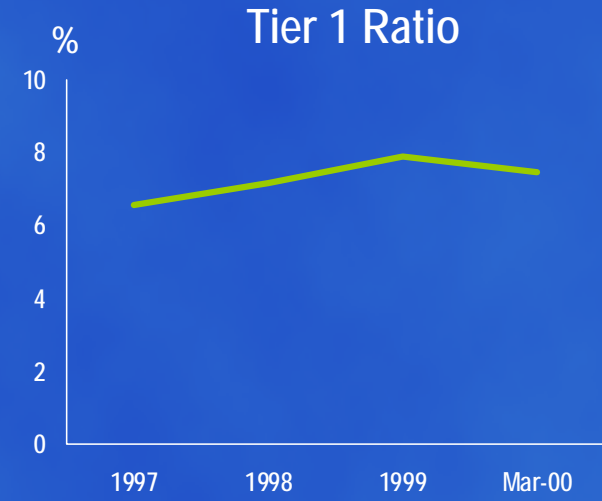
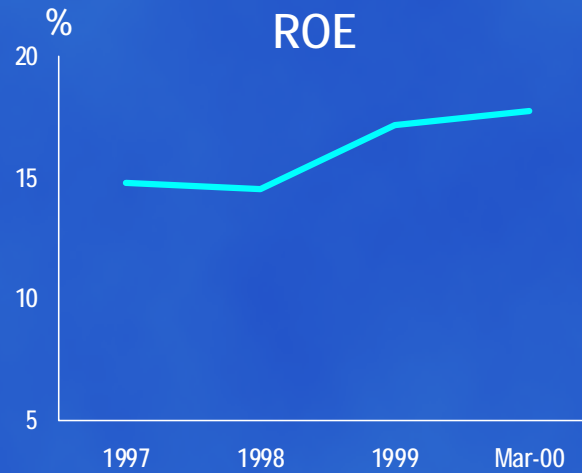
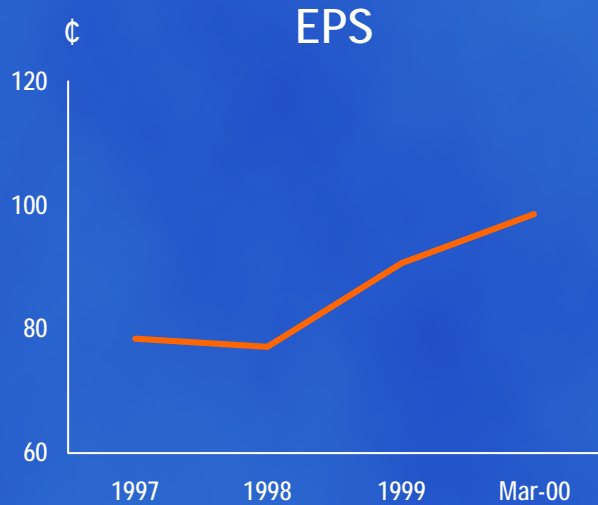
1 May 2000



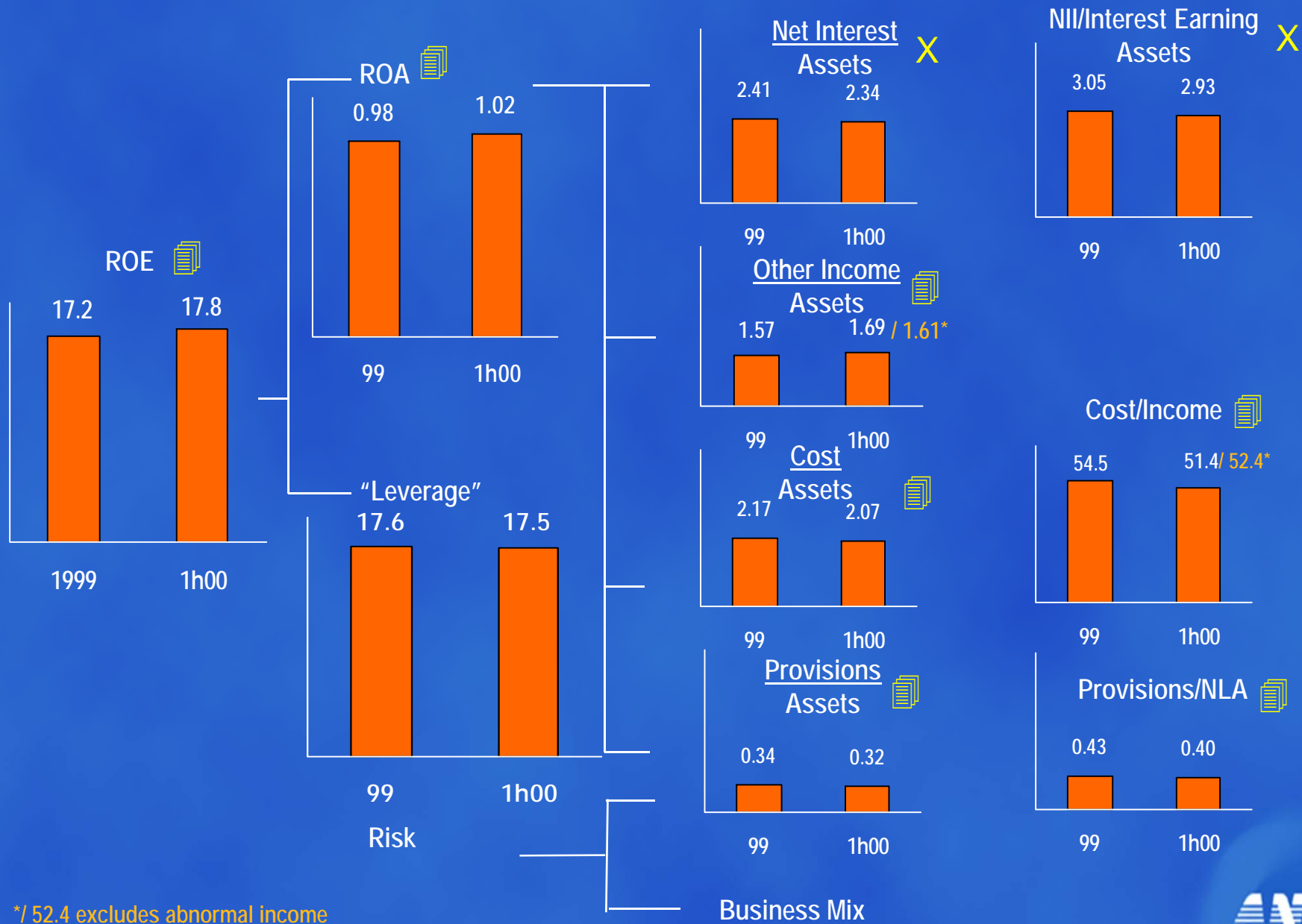
ANZ Delivers on Financial Commitments

- Double-digit earnings growth → 14%. EPS 10%
- Increase ROE towards 20% → 17.8% (17.3%)
- 53% cost income ratio → 51.4% Costs flat
- Reduce risk → Matches peers ex Grindlays
- Achieve an optimal capital structure → \$500m buyback completed
\$1bn buyback announced

Financial Performance

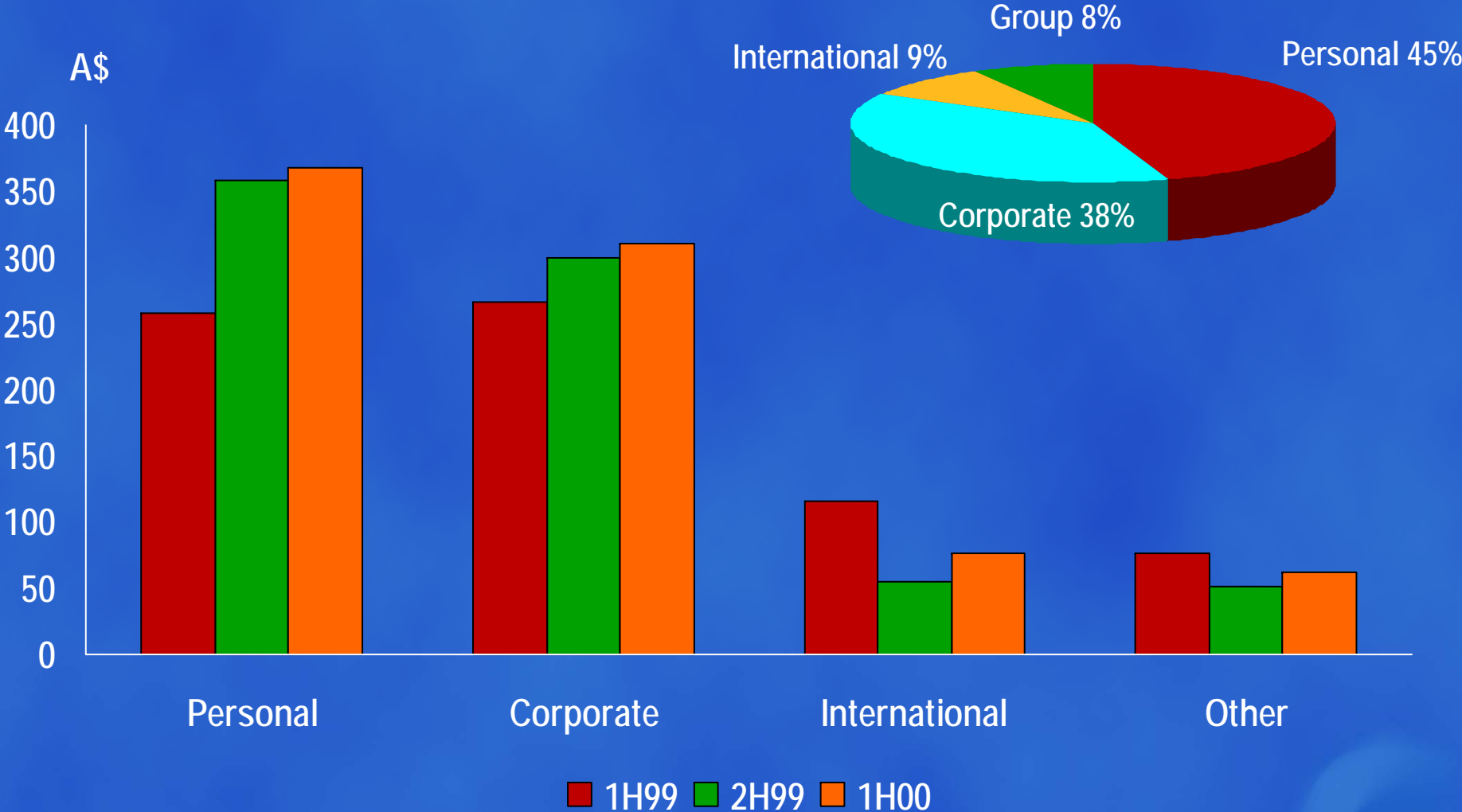


Drivers of Performance

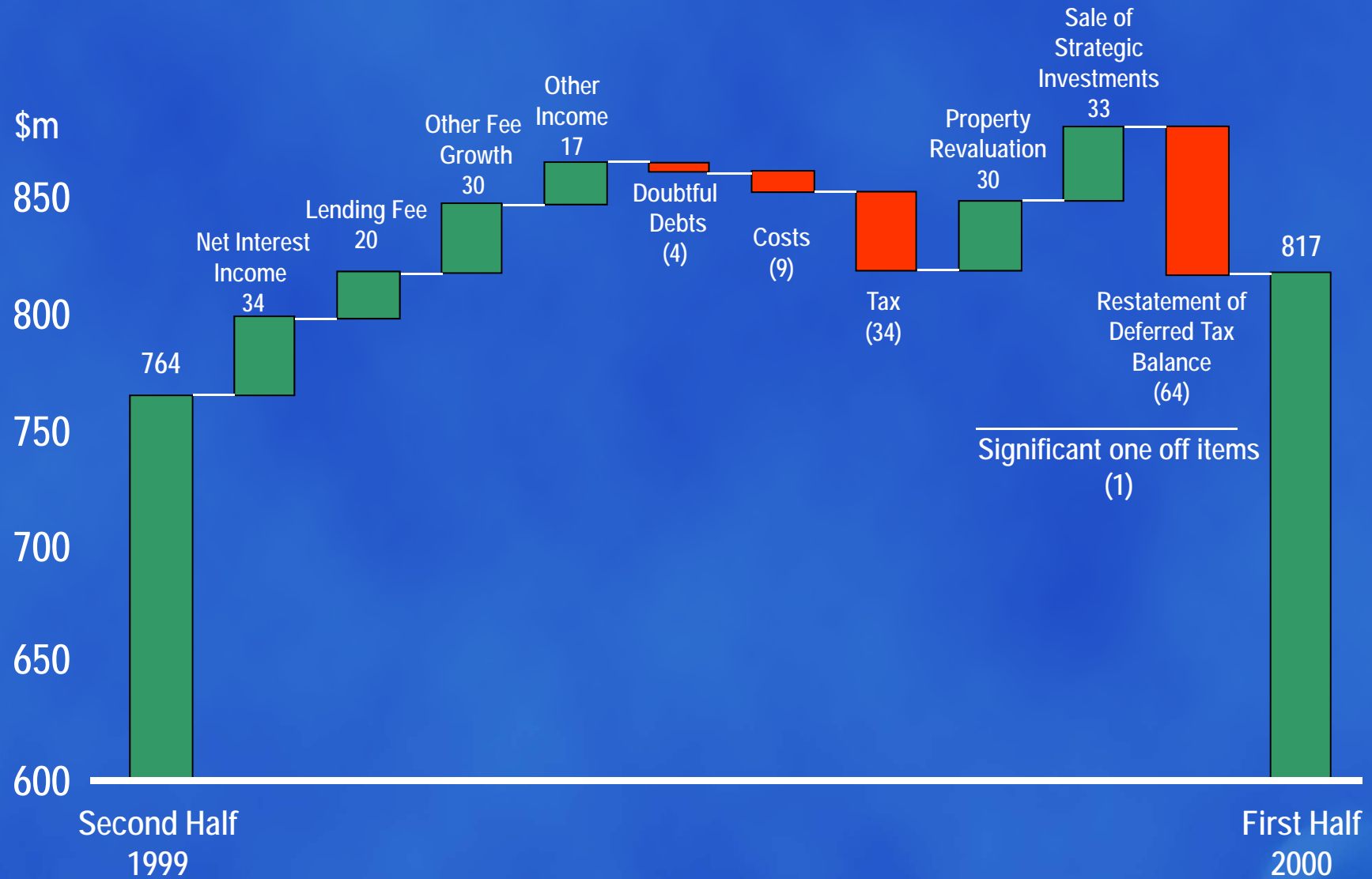


* / 52.4 excludes abnormal income

Business Unit Performance

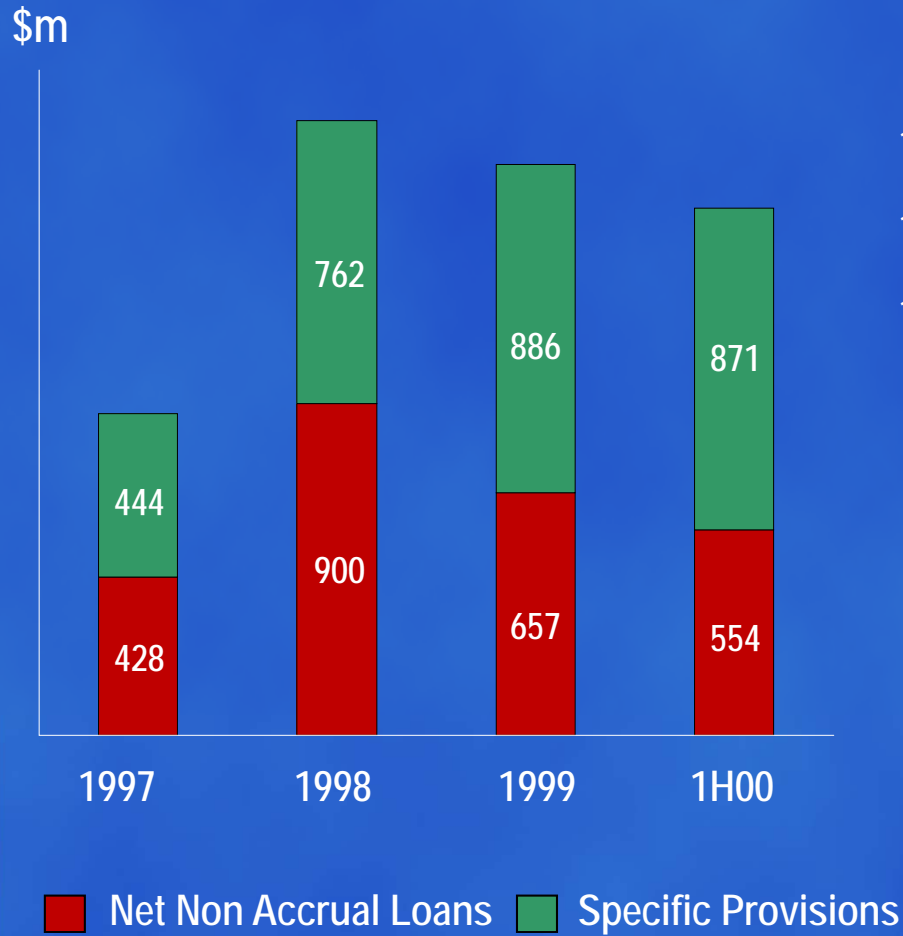


Change in Profit

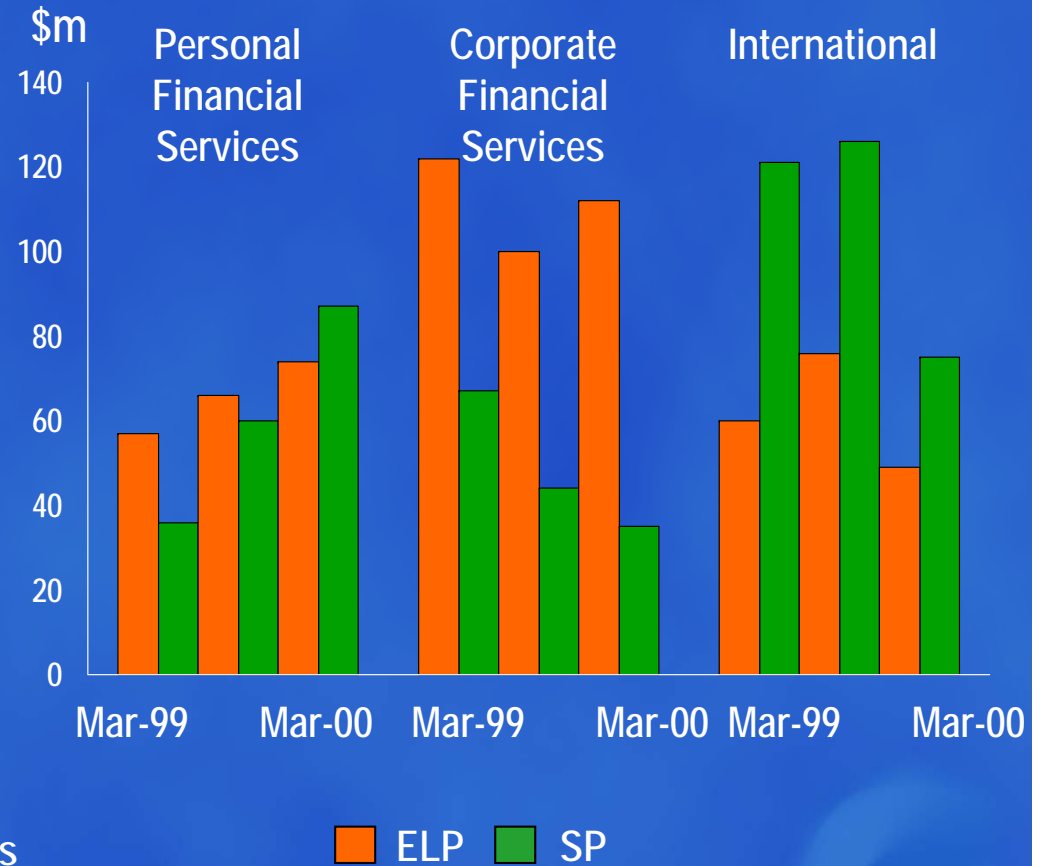


Improving Asset Quality

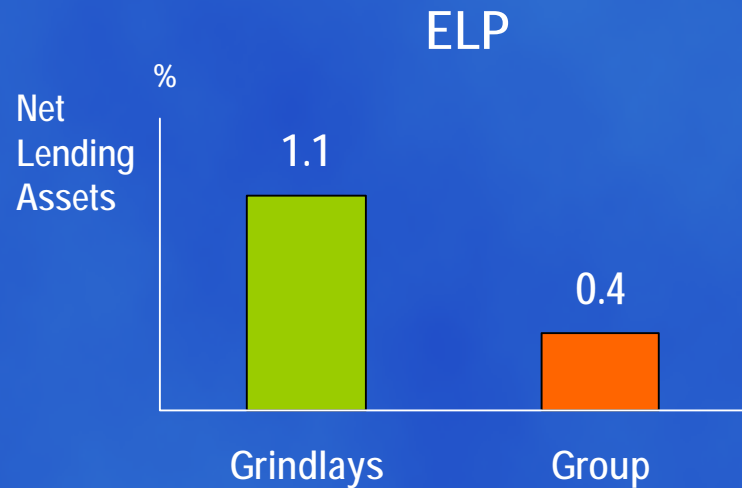
Non Accrual Loans



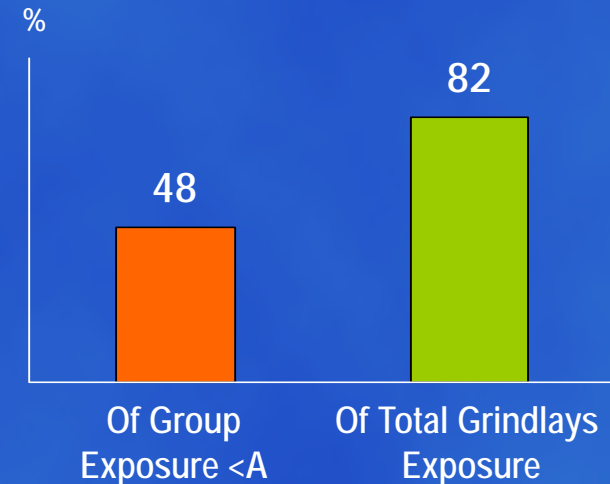
Provisioning: ELP v SP



Transformation from the Sale of Grindlays

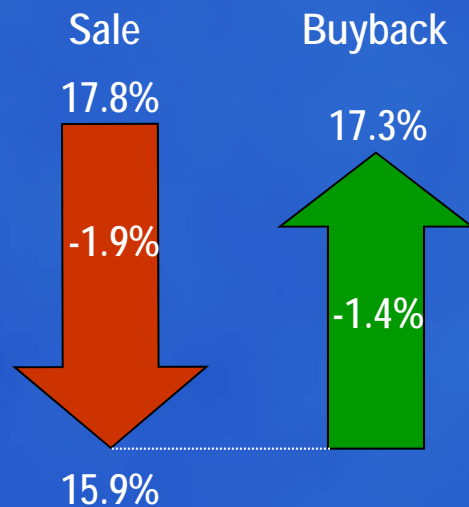


Percentage of Grindlays Exposure to Countries Rated below 'Single A'



Excludes warranties and indemnities

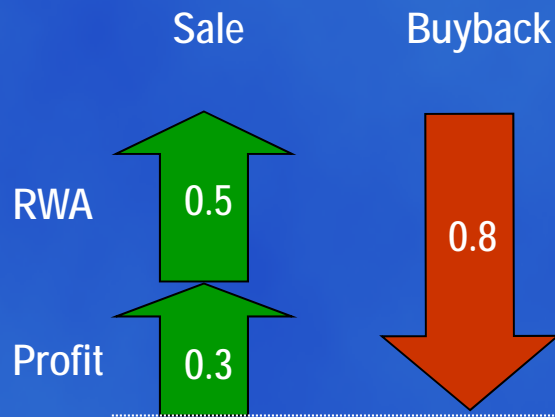
Proforma ROE March 00 Post Grindlays



- Comparable ROE and leverage yet much lower risk
- Scope for further capital management
- Proforma includes re-investment of sales price excluding "free funds" effect of sales provisions

Transformation from the Sale of Grindlays

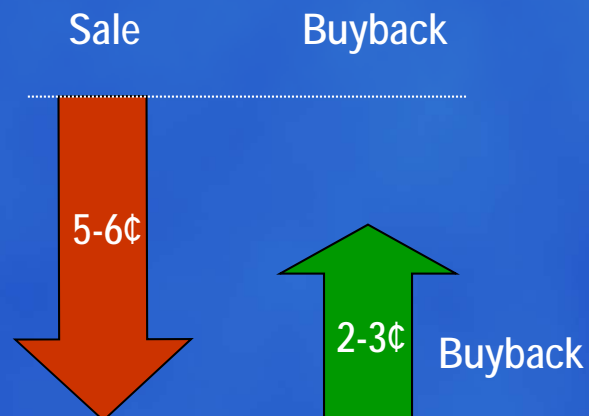
Tier 1 Ratios



Other Influences

- Lower risk implies move to lower end of 6.0 - 6.5% range
- NZ Tracking Stock
 - ↖ 0.4% Tier 1
 - ↖ 60/40 2000 & 2001

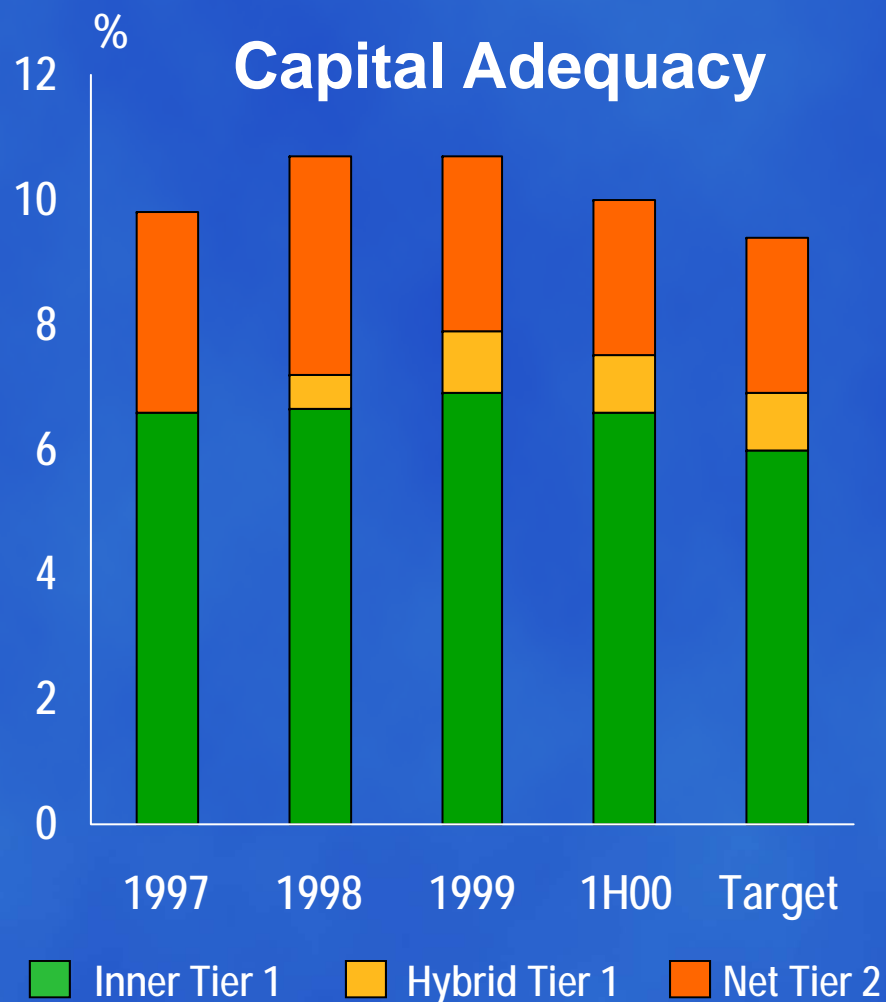
EPS - Proforma March 2000 (Annualised)



Other Influences

- Significantly lower risk
- Higher quality income streams
- More consistent business

Buyback to Reduce Capital Surplus



Capital Management Philosophy:

- Capital scarce resource to be managed effectively and efficiently
- Maintain capital consistent with ANZ's AA status and peer group ratings
 - ↖ Tier 1 (6.5 - 7.0%)
 - ↖ Inner Tier 1 (6.0% - 6.5%) aligned to Economic Capital
- \$500 million buyback completed
\$1B buyback announced

Good Progress on Business Strategies

Business Strategy

- Accelerate growth in Personal
- Build on strength in Corporate
- Simplify and focus International
- Build leadership in e-Commerce

Outcomes



Mortgage & cards share up
Personal 45% of group
profit FM challenging, new team



Leadership position enhanced
ROA 0.9% (0.7%)
Non accruals 0.4% (0.9%)



Grindlays sale
Latin America Offices closed
Asia-Pacific e-Commerce focus



Approaching leadership B2C
Strong portfolio B2B
Web enabled internal processes
Numerous venture investments

Delivering via the Web

B2C



B2B



Transformation



Clear Strategic Direction

Imperatives

- Improve sustainability of core franchise
- Radically transform the business
- Accelerate growth program
- Develop strategic international positions

Clear Strategic Direction

Imperative

Response

Improve sustainability of core franchise

Accelerate growth of up-scale segments in Personal
Address retail funds management strategic position
Seek value enhancing infill acquisitions in Personal
Continue to build leadership in Corporate

Radically transform the business

Revolutionise cost base with web-based technology
Rapidly enable ANZ customers on anz.com
Become a more customer-centric company
Build culture and talent to compete in the new economy

Accelerate growth program

Accelerate pace of investment in growth segments
Build substantial portfolio of e-products and businesses
Accelerate medium-term search for transforming acquisitions
Improve our capacity longer term to participate in industry consolidation on our terms

Develop strategic international positions

Build semi-global niche positions in trade, FX, structured finance, cards and e-Commerce
Rapidly roll-out e-Commerce investments in Asia

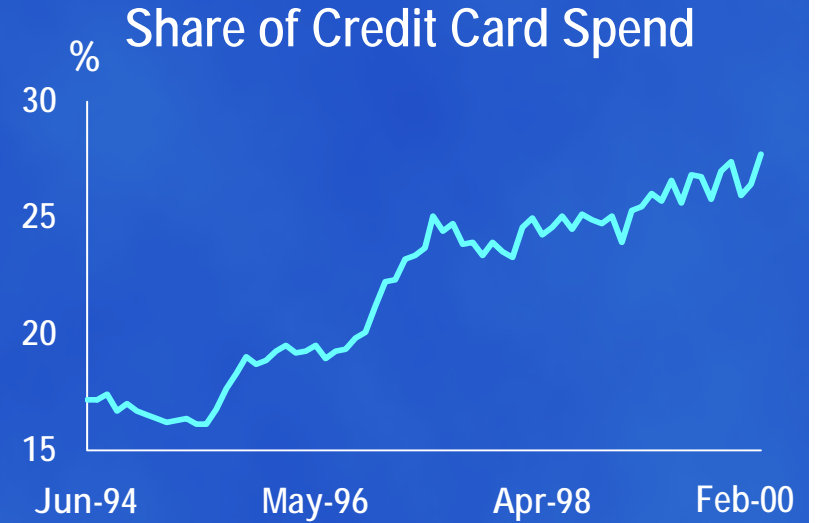
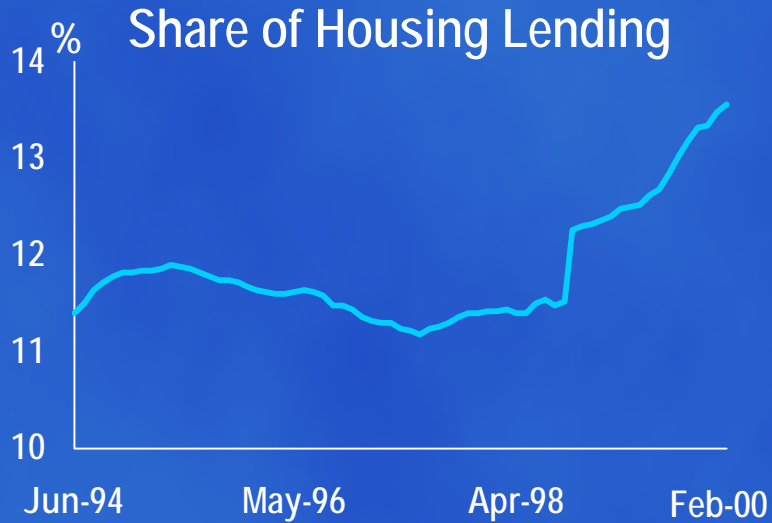


Financial Goals Going forward

- EPS growth that outperforms the average of our peer banks
- Increasing Return on Equity: Target 20%
- A cost income ratio comfortably below 50%
- An Inner Tier 1 ratio approaching 6%
- Maintenance of credit rating in AA category

ANZ

Personal Momentum



Internet Banking Users as % of Main Relationships



Source Ord Minnett and Roy Morgan Research

