
Institutional & Business Services

Michael Ullmer, Group Executive

14 May 2002



Disclaimer

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Speaker's Notes

- Speaker's notes for these presentations are attached below each slide.
- To access them, you may need to save the slides in PowerPoint and view/print in "notes view."



Agenda

- Description Of Business And Structure
- Strategic Emphasis
- Implementation
- Issues Going Forward



Description of Business & Structure



Description Of Business

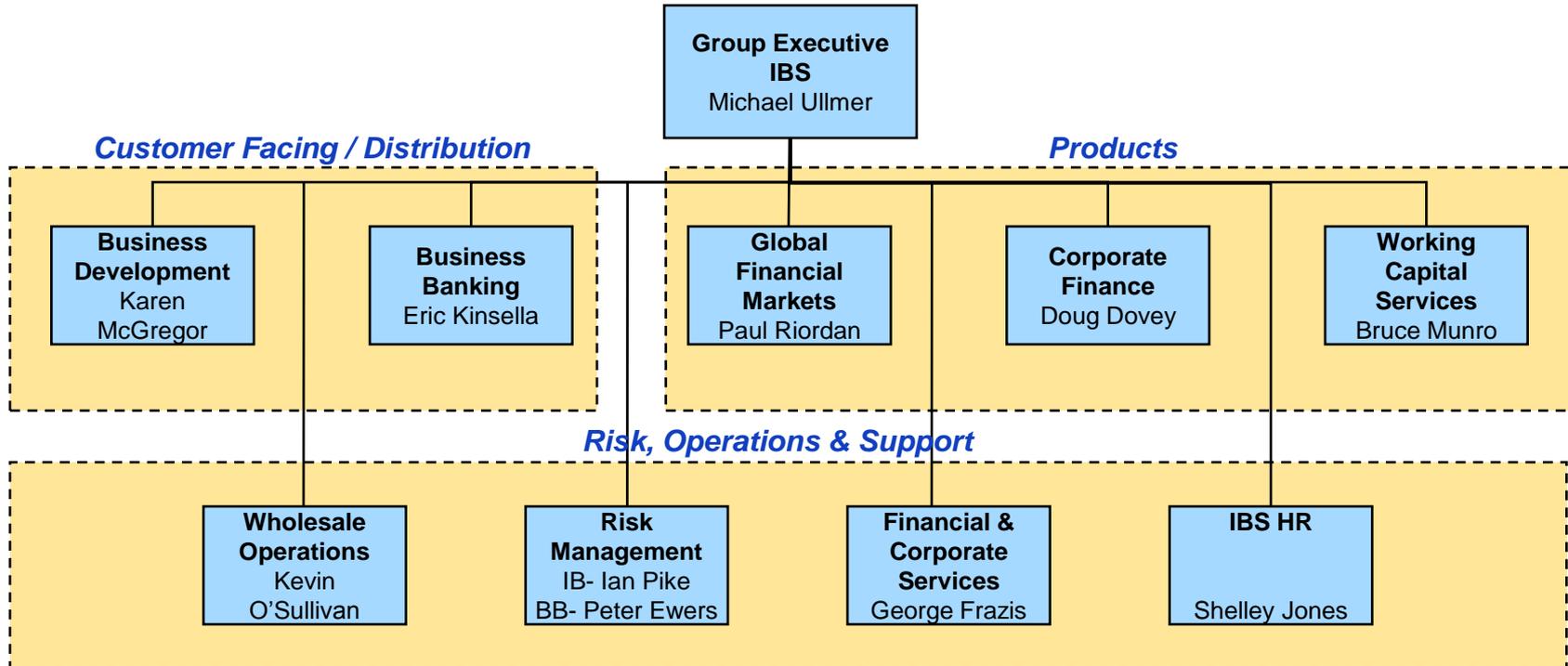
Clients
<ul style="list-style-type: none">• Top tier• Corporate• Middle Market• Business Middle market• Agriculture & regional• Small business

Products/ Services
<ul style="list-style-type: none">• Institutional and business banking• Structured finance• Corporate lending• Leasing• Transaction services• Merchant acquiring• Trading & financial markets• Custody• Risk management

Clients	202,500
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Employees	5750
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IBS Structure



- Rationale**
- Segmented relationship model
 - Excellent products and innovation
 - Centralised support to leverage scale
 - Clear accountabilities and responsibilities

IB: Institutional Banking; BB: Business Banking

Strategic Emphasis



IBS Strategic Emphasis

1

People are key to delivery on the strategy and meeting the client promise

2

Align client segmentation according to need and economics, redesign business model and processes

3

Develop world class products to meet client's financial needs

4

Competitive cost position, and an optimised portfolio



1. People Are Key To Delivery On The Strategy And Meeting The Client Promise

Coordinated career development and learning program

End-to-end accountability for client experience

Align risk management framework to business objectives

Systematic communication program

Strong values embedded in culture

Flexible performance-based employment and remuneration models

2. Align client segmentation according to needs and economics, redesign business models and processes

Review current clients and develop appropriate relationship models by segment

- **Top Tier**
 - Corporate**
 - Middle Market**
 - Business Middle Market**
 - Agricultural and Regional**
 - Small Business**

Improve sales, service and risk management, delivering flawless execution

Provide a robust core offering, then develop value-added services to cement relationships

Develop bundled offering that meets changing needs over time

- **Increase share of wallet**

Grow market share



3. Develop World Class Products To Meet Client's Financial Needs

Rationalise product sets

Bundling of products to provide leading finance, capital and risk management services

Economically translate Institutional Banking service model into Business Banking

Align incentives, distribution and client knowledge to achieve best practice cross-selling

Understand true drivers of product economics

Provide compelling own distribution channels, but also use third party distribution as an entry point

4. Competitive Cost Position, And An Optimised Portfolio

Scale and shared services

Prioritise IT spend and improve cost effectiveness

Full Profit & Loss and Balance Sheet accountability with active Portfolio Management

Increase mix of low capital intensive services/products

Risk framework developed to support business strategy

Develop models that leverage capital of third parties

Implementation

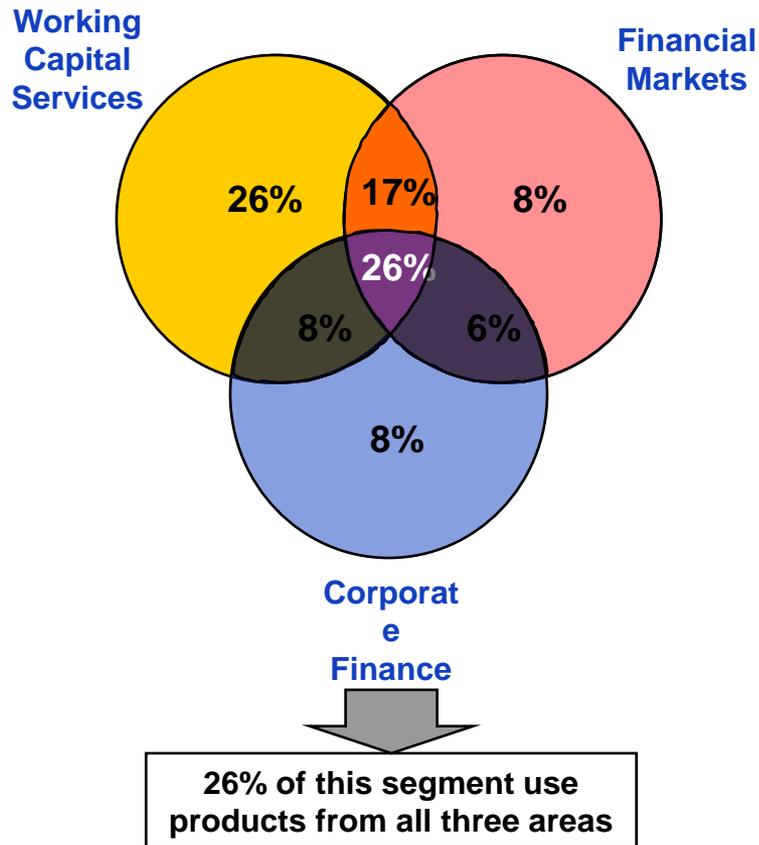


Major Programs Well Underway To Achieve Improved Results

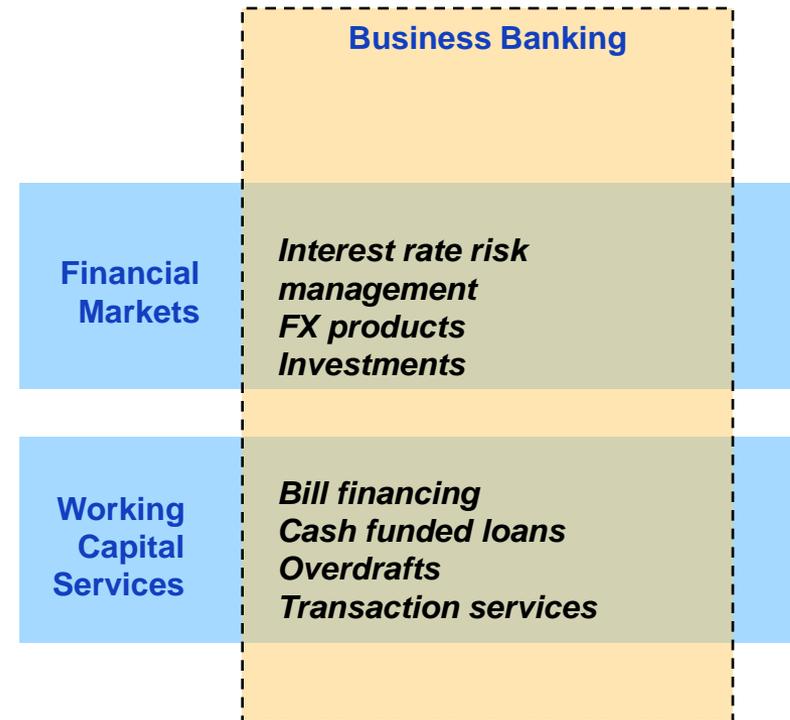
- Organising For the Future
- Client Segmentation and Business Model Redesign
- Credit Portfolio Management
- Cross-selling initiatives
- Complete product range
- Competitive Cost Review

Cross-selling Initiative Is Building From A Good Base

Corporate Segment Example



Example Bundled Products



Issues Going Forward



Issues Going Forward

- Significant change agenda to redesign Business Banking
- Structure to be bedded down this year
- Short-term market aversion to product complexity
- Developing models that leverage capital of third parties

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