Media Release

Australia and New Zealand Banking Group Limited
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For release: 3 November 1999

ANZ Delivers Strong Earnings Growth Announces $500m Buyback

Australia and New Zealand Banking Group Limited (ANZ) today reported an operating profit after tax of $1,480 million for the year ended 30 September 1999. There were no abnormal items. The profit for the previous year was $1,106 million or $1,175 million before abnormal items. Comparisons with the previous year are complicated by the preference share issue and an accounting change for software. After adjusting for these items the profit increase was 18%. Earnings per share grew by 17% to 90.6 cents.

The final dividend will be 30 cents, bringing the full-year dividend to 56 cents. This is up 8% from 1998. Franking has been increased to 80% in the second half, from 75% in the first half. Franking last year was 60%. ANZ expects to increase the level of franking again in the year ahead.

ANZ Chairman, Mr Charles Goode, made the following comment about the result:
“It has been a very good year for ANZ with substantial progress in implementing a focused strategy and in improving performance. The dividend has again been increased. We have put in place an excellent management team, which is performing well. There is a strong foundation for ANZ to continue to perform and deliver value for shareholders.”

Chief Executive Officer, Mr John McFarlane, said: “The 1999 result demonstrates that ANZ is delivering on the commitments we made to shareholders to generate strong earnings growth, to reduce costs, to lower risk and to improve the return on equity.

“At the same time, we have re-balanced our business mix towards higher return, lower risk businesses. We are also delighted with our rapid progress in e-Commerce through anz.com with more than 100,000 customers now registered for Internet banking. The rollout of our Premier Banking offering underscores our commitment to improving the customer experience.

“The effective management of capital is a priority for ANZ. The high level of internal capital generated from strong earnings growth, the implementation of risk reduction programs, and the preference share issue, have all created a capital surplus for the Group. We are therefore announcing today an on market ordinary share buyback of up to $500 million, as the first step in addressing our surplus capital. We have examined a number of acquisition opportunities in South East Asia. With the exception of Panin Bank, these have not met our hurdle criteria and the likelihood of our making a major international acquisition this year is low.

“For this year, we have set ourselves performance targets to outperform our peers. Plans are in place to achieve this”, Mr McFarlane concluded.

ANZ’s 1999 Financial Results are available on
www.anz.com

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Australia and New Zealand Banking Group Limited

ACN 005 357 522

Consolidated Results and Dividend Announcement

Year Ended 30 September 1999

FOR PRIORITY TRANSMISSION

Name of Company: Australia and New Zealand Banking Group Limited
ACN 005 357 522

Report for the year ended 30 September 1999

	A$ Million
Group operating revenue	10,995
Group operating profit after income tax and outside equity interests	1,480
Final ordinary dividend per fully paid share, 80% franked at 36%	30 cents
Record date for final ordinary dividend	19 November 1999
Payment of final ordinary dividend	20 December 1999

The final dividend will be payable to shareholders registered in the books of the Company at close of business on 19 November 1999. Transfers must be lodged before 5:00 pm on that day to participate.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
ACN 005 357 522
CONSOLIDATED RESULTS AND DIVIDEND ANNOUNCEMENT
Year Ended 30 September 1999

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All amounts are in Australian dollars unless otherwise stated. The results on which this announcement is based have been audited by the Group's auditors, KPMG. The Company has a formally constituted Audit, Compliance & Finance Committee of the Board of Directors. This report was approved by resolution of a Committee of the Board of Directors on 3 November 1999.

HIGHLIGHTS

- Operating profit after tax before abnormals $1,480 million ($1,175 million)
- Operating profit after tax after abnormals $1,480 million ($1,106 million)
- Final dividend 30 cents per share, up 2 cents, with franking increased to 80% from 60%. Full year dividend 56 cents, up 8%
- Ordinary share buyback of up to $500 million announced

- Earnings per ordinary share up 17% to 90.6 cents, from 77.2 cents
- Return on ordinary shareholders' equity 17.2% (15.5%)
- Cost income ratio down to 55.0% (60.9%)
- Operating expenses down to $3,294 million ($3,438 million)
- Gross and net non-accrual loans down (7% and 27% respectively)

- Material improvement in business mix and earnings quality

Operating profit after tax before abnormals	**1999 $M**	1998 $M
Geographic segments		
Domestic Markets		
Australia	**1,042**	819
New Zealand	**200**	167
	1,242	986
Overseas Markets	**238**	189
	1,480 [1]	1,175

Business segments	**1999 $M**	1998 $M	% of Group Total 1999	% of Group Total 1998
Personal Financial Services	**622**	466	42%	40%
Corporate Financial Services	**550**	472	37%	40%
International[2]	**176**	220	12%	19%
Group (including discontinued businesses)[3]	**132**	17	9%	1%
	1,480	1,175	100%	100%

[1] *The 1999 result includes the benefit of capitalisation of software costs ($39 million after tax) and the replacement of debt funding with preference share capital*
2 *Refer definition on page 20*
3 *Includes loss making discontinued businesses (1999: $6 million loss, 1998: $87 million loss)*

CHIEF EXECUTIVE OFFICER'S REVIEW

Strong result and strategic progress in 1999.

The 1999 result at ANZ demonstrates a commitment to delivering value for our shareholders. With earnings per share growth of 17%, we are now delivering good earnings momentum. Australia and New Zealand both showed much higher than trend growth, with the strongest performance in Personal Financial Services, which now accounts for 42% of Group earnings.

Strategic Priorities.

Our aim is to deliver superior returns for our shareholders. This will require a higher return on equity, improved sustainability of earnings, increased productivity, fewer surprises and unexpected losses, and a capability to execute consistently. To achieve these objectives we have enunciated a clear strategy to:

- Improve **performance** to deliver Economic Value Added (EVA™) by:
  - Turning around sub-optimal segments, particularly in International
  - Reducing costs and risks
  - Optimising our capital structure
- Re-balance the **strategic business mix** by:
  - Accelerating growth in Personal Financial Services
  - Building on our strong position with domestic Corporate customers
  - Simplifying and focusing our International business
  - Building a leading e-Commerce business
  - Withdrawing from all high-risk and non-core segments
- Leverage **technology** as a competitive advantage, particularly utilising web-based systems
- Improve the **customer experience**
- Build a strong management team and create an environment where **people** excel

We Have Made Strong Progress in 1999 Against Each of These Priorities:

Performance. We improved the EVA™ in all of our major business segments this year, and continue to make substantial improvements in efficiency. Our costs are down 4% on the previous year and our cost income ratio at 55.0% is on target against the commitment we made two years ago. Asset quality has significantly improved and the risk profile of the Group materially reduced. Domestically, higher risk credits account for only 3.7% of our lending assets versus 9% three years ago. Higher risk international exposures continue to be managed down. Gross and net non-accrual loans have stabilised. Trading market risk has been reduced significantly.

Business Mix. We now have a higher quality business mix and a stronger foundation for a more consistent future earnings performance. Domestic Personal and Corporate Financial Services account for 79% of our earnings. Personal Financial Services is now our largest contributor within the Group. Financial services and banking businesses have been integrated. We have withdrawn from the higher risk investment banking that was once a material focus of the Group. Our progress on e-Commerce has been substantial. We now have over 100,000 registered customers on **anz.com**. **FXOnline** has been very successful. **ANZ E*Trade** commenced in October, and we are actively marketing this service to our customer base.

Technology. We have delivered on major projects such as the migration of New Zealand back office systems processing to Australia, completing our preparations for Y2K and the Euro, rolling out a new platform in our overseas operations and launching of Internet banking. We have upgraded our technological capability and are now recognised as an employer of choice in this area. Additionally, Board meetings went fully on-line during the year.

Customer Experience. Satisfaction levels in our corporate businesses continue to run at very high levels. Although we have made good progress, there remains a great deal to do in the personal and small business areas. The customer base has been re-segmented, and we are in the process of reorganising these businesses around our customers and have also put in place detailed plans for providing a differentiated service to each segment. In particular the pilot of our new Premier branches has proven very successful.

People. We now have a high-calibre management team of international as well as domestic standing. Good progress has also been made in building a performance-orientated culture through the implementation of stretch targets, and the introduction of incentive schemes, throughout the company. Programs to identify and develop key talent have also been introduced with good success.

Outlook for 2000

This year we will give particular attention to:
Performance:

- Achieving a 53% cost income ratio
- Making progress towards our 20% ROE target
- Improving the asset quality in International businesses
- Implementing stretch performance disciplines throughout the Group
- Successfully managing the Y2K transition

Strategy:

- Achieving superior growth and improvement in customer experience in Personal Financial Services, particularly in the Premier and small business segments and in Retail Funds Management
- Improving the asset mix and return in Corporate Financial Services
- Completing the strategic re-positioning of our International business
- Building a leading domestic market position in e-Commerce

Y2K. We are well prepared in our own operations for Y2K and remain comfortable that the event will proceed smoothly. However, as with other large companies, we are dependent on the external infrastructure around us. With Y2K, we are entering uncharted territory, and there is therefore a small but significant risk that issues outside our control may arise, particularly in less developed countries, and this could impact profitability adversely.

Capital Management. The effective management of capital is a priority for ANZ. The high level of internal capital generated from strong earnings growth, the implementation of risk reduction programs, and the preference share issue, have all created a capital surplus for the Group. We are therefore announcing today an on market ordinary share buyback of up to $500 million, as the first step in addressing our surplus capital. We have examined a number of acquisition opportunities in South East Asia. With the exception of Panin Bank, these have not met our hurdle criteria and the likelihood of our making a major international acquisition this year is low.

For this year, we have set ourselves performance targets to outperform our peers. Plans are in place to achieve this.

FINANCIAL HIGHLIGHTS

PROFIT & LOSS

	1999 $M	1998 $M	Movt %
Net interest income	**3,645**	3,547	3%
Other operating income	**2,321**	2,099	11%
Net operating income	**5,966**	5,646	6%
Operating expenses	**(3,294)**	(3,438)	-4%
Operating profit before debt provisions	**2,672**	2,208	21%
Provision for doubtful debts	**(510)**	(487)	5%
Income tax expense	**(676)**	(537)	26%
Outside equity interests	**(6)**	(9)	-33%
Operating profit after tax before abnormals	**1,480**	1,175	26%
Abnormal loss after tax	**-**	(69)	n/a
Operating profit attributable to members of the Company	**1,480**	1,106	34%
CONTINUING/DISCONTINUED OPERATIONS			
Operating profit after tax before abnormals			
Continuing operations	**1,486**	1,262	18%
Discontinued operations	**(6)**	(87)	n/a
	1,480	1,175	26%

BALANCE SHEET

	1999 $M	1998 $M	Movt %
Assets			
Liquid assets	**5,283**	7,527	-30%
Due from other financial institutions	**3,472**	4,158	-16%
Trading and investment securities	**8,954**	9,952	-10%
Net loans and advances including acceptances	**118,921**	110,105	8%
Other	**12,377**	17,978	-31%
Total assets	**149,007**	149,720	0%
Liabilities			
Due to other financial institutions	**9,001**	10,758	-16%
Deposits and borrowings	**96,559**	94,599	2%
Acceptances	**14,858**	15,648	-5%
Other	**19,160**	20,324	-6%
Total liabilities	**139,578**	141,329	-1%
Total shareholders' equity and outside equity interests	**9,429**	8,391	12%

FINANCIAL HIGHLIGHTS (continued)

PERFORMANCE MEASUREMENTS

	1999	1998
Profitability ratios		
Before abnormal items		
Return on:		
Average ordinary shareholders' equity [1]	**17.2%**	15.5%
Average assets	**1.0%**	0.8%
Average risk weighted assets	**1.2%**	1.0%
Total income	**12.8%**	10.1%
After abnormal items		
Return on:		
Average ordinary shareholders' equity [1]	**17.2%**	14.6%
Average assets	**1.0%**	0.7%
Average risk weighted assets	**1.2%**	1.0%
Total income	**12.8%**	9.6%
Net interest average margin	**3.05%**	2.97%
Efficiency ratios [2]		
Operating expenses to net operating income [3]	**55.0%**	60.9%
Operating expenses to average assets	**2.2%**	2.3%
Debt provisioning		
Economic loss provisioning ($M)	**510**	487
Net specific provisions ($M)	**482**	512
Earnings per ordinary share (cents)		
Basic		
Before abnormal items	**90.6**	77.2
After abnormal items	**90.6**	72.6
Diluted		
Before abnormal items	**90.3**	76.9
After abnormal items	**90.3**	72.4
Ordinary share dividends		
Dividend rate (cents)		
Interim - 75% franked (1998: 60% franked)	**26**	24
Final - 80% franked (1998: 60% franked)	**30**	28
Dividend payout ratio		
Before abnormal items	**62.1%**	67.8%
After abnormal items	**62.1%**	72.1%
Preference share dividend		
Dividend paid ($M)	**72**	n/a

[1] *Ordinary shareholders' equity excluding outside equity interests*

[2] *Before abnormal items*

[3] *1999 Operating expenses to net operating income ratio excludes the impact of goodwill amortisation of $10 million. Prior year amounts of goodwill amortisation were immaterial*

FINANCIAL HIGHLIGHTS (continued)

ASSETS AND CAPITAL

	1999	1998	Movt %
Total assets ($M)	**149,007**	149,720	0%
Risk weighted assets ($M)	**118,037**	116,096	2%
Shareholders' equity [1, 2] ($M)	**9,403**	8,335	13%
Total advances ($M)	**122,453**	113,707	8%
Net tangible assets per ordinary share ($)	**5.21**	4.98	4%
Capital adequacy ratio (%)			
- Tier 1	**7.9%**	7.2%	n/a
- Total	**10.7%**	10.7%	n/a
General provision ($M)	**1,395**	1,401	0%
General provision as a % of risk weighted assets	**1.2%**	1.2%	n/a
Non-accrual loans ($M)			
Non-accrual loans	**1,543**	1,662	-7%
Specific provisions	**(886)**	(762)	16%
Net non-accrual loans	**657**	900	-27%
Specific provision as a % of total non-accrual loans	**57.4%**	45.8%	n/a
Net non-accrual loans as a % of net advances	**0.5%**	0.8%	n/a
Net non-accrual loans as a % of shareholders' equity [3]	**7.0%**	10.7%	n/a
Other information			
Full time equivalent staff	**30,171**	32,072	-6%
Market capitalisation of ordinary shares ($M)	**16,045**	13,885	16%

[1] *Excludes outside equity interests*
[2] *Includes preference share capital of $1,145 million (Sep 98: $645 million)*
[3] *Includes outside equity interests*

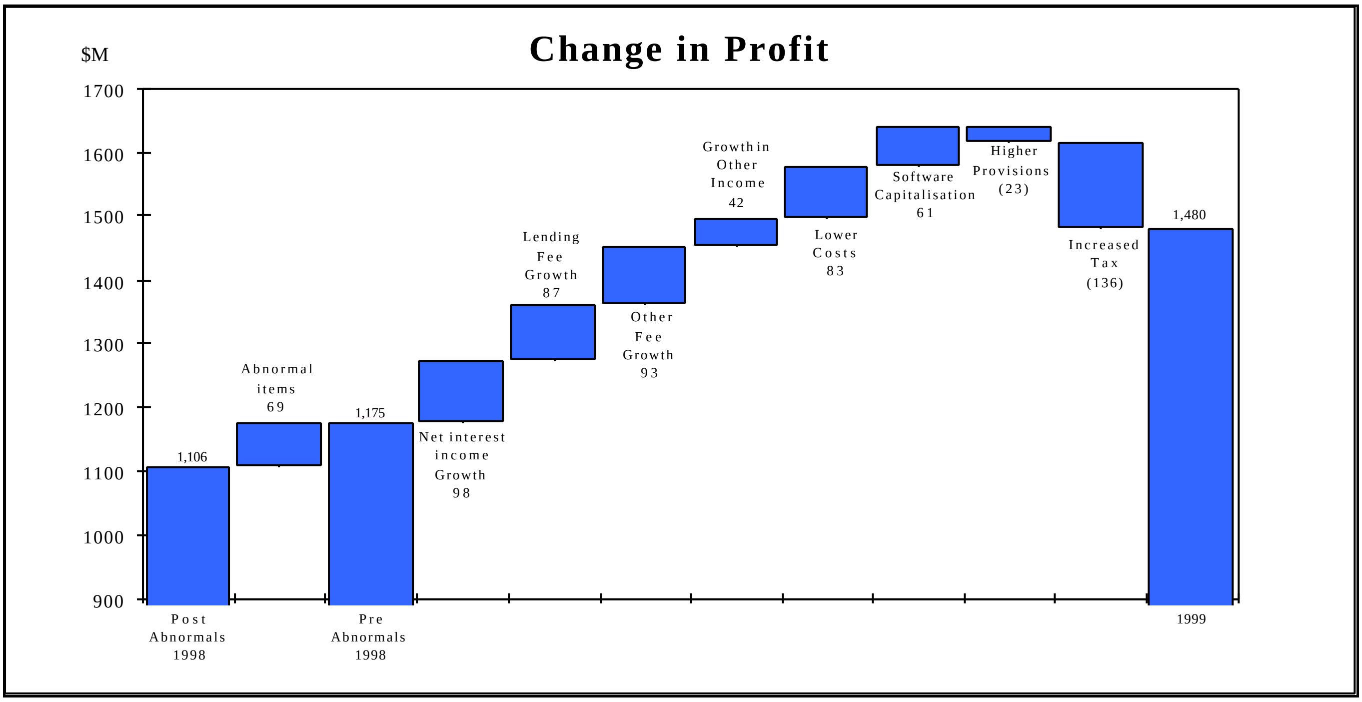
CHIEF FINANCIAL OFFICER'S REVIEW

Overview

Australia and New Zealand Banking Group Limited (ANZ) recorded an operating profit after tax of $1,480 million for the year ended 30 September 1999. (There were no abnormals items in 1999). The 1998 result before abnormals was $1,175 million (and $1,106 million after abnormals). Earnings per ordinary share before abnormals was 90.6 cents, up 17% from 77.2 cents. The return on ordinary shareholders' equity before abnormals was 17.2% (1998 15.5%).

This result has been achieved as the Group rebalances its business mix toward lower risk consumer related activities. The cost income ratio was reduced to 55.0% from 60.9%, reflecting the benefits of efficiency programs put in place last year. Risk has been contained with non-accrual loans stabilised and Asian exposures reduced further.

The 1999 result includes the benefit of capitalisation of software costs ($39 million after tax) and the replacement of debt funding with preference share capital ($57 million after tax). After adjusting for these, the profit increase was 18%.



Net interest income increased $98 million on 1998, with 16% mortgage lending growth in Australia and New Zealand, and the replacement of debt funding with preference share capital (4 basis points), offsetting the reduction in wholesale assets offshore.

Strong growth in fee income reflected higher activity levels in banking and funds management, and the realignment of fee structures to better reflect the costs of service.

Other income benefited from profit and loss on trading instruments returning to more normal levels after the losses incurred in 1998.

Operating expenses decreased 4% ($144 million) on 1998 ($62 million excluding the impact of change in the software capitalisation policy and netting of sub-rental income) reflecting the Group's continued focus on cost containment. The cost income ratio was reduced to 55.0% from 60.9% in 1998.

The economic loss provision (ELP) charge for the year to September 1999 was $510 million, up from $487 million in 1998, reflecting average net lending asset growth of 9%, offset by the Group's improved risk profile. Actual loss experience of $482 million (down from $512 million in 1998) was contained within the ELP charge.

CHIEF FINANCIAL OFFICER'S REVIEW (continued)

There were no abnormal items in 1999.

The final dividend will be increased to 30 cents, bringing the full year dividend to 56 cents, up 8 % on 1998. The dividend is franked to 80%, up from 60% in 1998, and is to be paid on 20 December 1999.

The Group's capital position is strong with a Group Tier 1 capital ratio of 7.9%, up from 7.2% at September 1998. The total capital ratio was stable on 1998 at 10.7%.

On 3 November 1999 the Group announced its intention to undertake an on market ordinary share buyback of up to $500 million.

The Group is being managed to maximise value for our shareholders. Internally, total return to shareholders is measured through EVA™ (Economic Value Added) a measure of economic profit. EVA™ is based on operating profits after tax adjusted for the cost of capital, the assessed value of imputation credits, and economic credit costs. EVA™ for the year ended 30 September 1999 was $834 million up from $579 million for the year ended 30 September 1998, using a cost of capital of 11% (a hurdle rate of 15% is used for internal purposes).

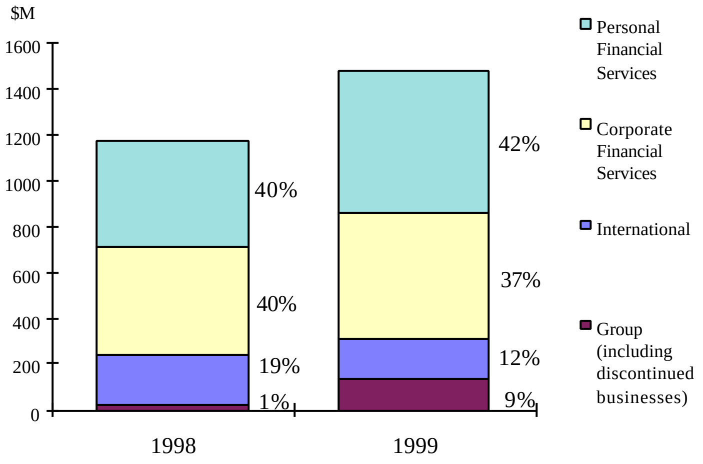
Line of Business Profit After Tax

Personal Financial Services increased profits by 33% to $622 million from $466 million and represents 42% of the profit (up from 40% in 1998). Strong growth was seen in the mortgage lending portfolio in Australia and New Zealand ($7 billion growth in net lending assets), non lending fees rose and costs were reduced.

Corporate Financial Services increased profits by 17% to $550 million, from $472 million and represents 37% of the profit. The result reflected growth in commercial bill lending and reduced costs.

The International network contributed $176 million to the result, down from the September 1998 result of $220 million. This reflects the deterioration in asset quality and the decision to rebalance the international network to reduce risk by reducing exposures.

Line of Business Profit After Tax [1]



[1] Before abnormal items

The results of Group (including discontinued businesses) improved on 1998 mainly due to the exit from loss making businesses, with an $81 million turn around on the 1998 loss of $87 million before abnormals.

CHIEF FINANCIAL OFFICER'S REVIEW (continued)

Net interest income

	1999 $M	1998 $M	Movt %
Interest income	**8,674**	9,499	-9%
Interest expense	**(5,029)**	(5,952)	-16%
Net interest income	**3,645**	3,547	3%
Interest spread and net interest average margin	**%**	%	
Gross interest spread	**2.57**	2.40	n/a
Interest forgone on impaired assets	**(0.10)**	(0.07)	n/a
Net interest spread	**2.47**	2.33	n/a
Interest attributable to net non-interest bearing items	**0.58**	0.64	n/a
Net interest average margin	**3.05**	2.97	n/a
Average interest earning assets ($M)	**120,191**	119,728	0%

Net interest income increased 3% on 1998 reflecting:

- the growth in mortgage and corporate lending in Australia, up $6 billion and $4 billion respectively

offset by

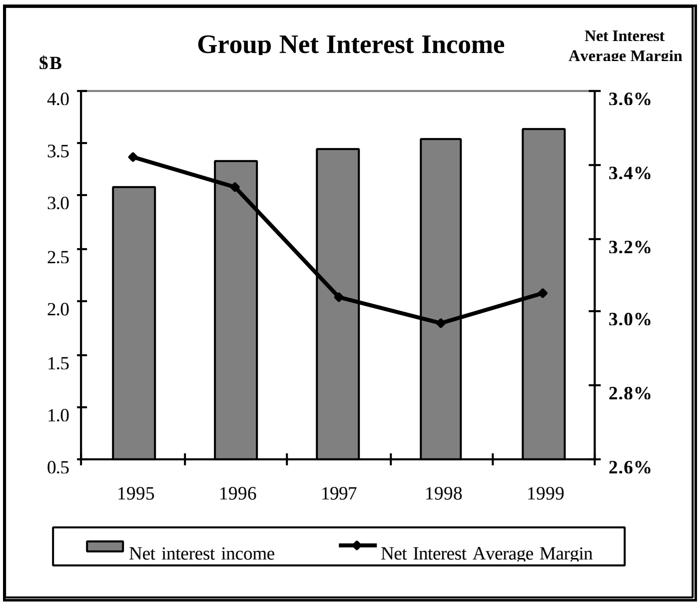
- reduction in wholesale banking and capital markets activities.

The Group net interest margin increased 8 basis points reflecting:

- the replacement of debt funding with preference share capital (4 basis points)
- change in asset mix away from lower margin interbank lending to higher margin loans and advances, following the wind down of wholesale banking and capital markets activities in late 1998
- positive asset and liability management position, mainly in New Zealand, which benefited from the positioning of the book and the lower interest rate environment

offset by

- volume growth in lower margin mortgage origination business
- reduced benefit of free funds due to lower interest rates
- increased interest forgone on non-accrual loans.



Other operating income

	1999 $M	1998 $M	Movt %
Fee income			
Lending	**679**	592	15%
Other including commissions[1]	**1,075**	982	9%
Total fee income	**1,754**	1,574	11%
Foreign exchange earnings	**340**	373	-9%
Profit(loss) on trading instruments	**89**	(83)	n/a
Other income	**138**	235	-41%
Total other operating income	**2,321**	2,099	11%

[1] *Includes commissions from funds management business; comparatives restated*

The 11% growth in other operating income reflected the success of the Group's objective to diversify income streams.

Lending fees were up 15% from 1998 reflecting:

- improved collection procedures and realignment of fee structures across businesses, including Personal Financial Services and Asset Finance, to better reflect the costs of service
- growth in commercial bill volumes, particularly trade related bills in Corporate Financial Services.

Non-lending fees were up 9% as a result of:

- growth in card fees due to increased transaction activity as the success of co-branded cards continues - 1.5 million cards are on issue
- increased commission income due to ongoing expansion in our funds management businesses with funds under management and administration increasing by $1.8 billion to $14.7 billion in Australia and New Zealand
- increased volumes and realignment of fee structures to better reflect the cost of providing services
- growth in "ANZ On Line", the PC based banking products for Corporate customers.

Foreign exchange income benefited from strengthening in the AUD against USD, but reduced overall from 1998 record levels, reflecting the reduction in volatility of Asian currencies.

Profit and loss on trading instruments is now back to more normal levels, having rebounded from the losses in London capital markets in 1998. Activity mainly reflects customer flow business in Australia and New Zealand.

Other income in 1998 benefited from:

- $26 million gain on the demutualisation of the Credit Reference Association of Australia (CRAA)
- sale of our residual interest in the Commercial Bank of Oman ($8 million)

In addition, the netting of sub-lease rental income in the 1999 year ($21 million), and the cessation of ANZ Securities Institutional broking activities, have decreased the level of 1999 Other income.

CHIEF FINANCIAL OFFICER'S REVIEW (continued)

Operating expenses

	1999 $M	1998 $M	Movt %
Personnel expenses	**1,732**	1,854	-7%
Premises expenses	**314**	347	-10%
Computer expenses	**344**	341	1%
Other expenses	**813**	776	5%
Restructuring [1]	**91**	120	-24%
Total operating expenses	**3,294**	3,438	-4%
Employees (FTE) - Permanent	**28,744**	30,827	-7%
Employees (FTE) - Temporary	**1,427**	1,245	15%
Total employees	**30,171**	32,072	-6%

[1] *Restructuring expenses of $32 million relating to discontinued businesses were treated as abnormal in the year ended 30 September 1998*

Operating expenses reduced by 4% ($144 million) from 1998 ($62 million excluding the impact of the change in software capitalisation policy and netting of sub-rental income) reflecting the Group's continued focus on cost containment and objective of flat lining costs. Costs were stable in the second half of 1999.

The decrease in personnel costs reflects the benefits of the Group's restructuring programs, with the number of full time equivalent staff falling by a further 6% from September 1998. This was offset to some extent by increased performance related payments as trading profits rebounded to more normal levels following the losses incurred in 1998 and sales incentive/performance schemes were introduced across the Group.

Premises costs were down, as the Group exited surplus premises and through the netting of sub-rental income. Computer expenses were up on 1998 reflecting Year 2000 compliance work, and additional expenditure incurred as the Group developed its e-Commerce presence, partly mitigated by the capitalisation of software costs.

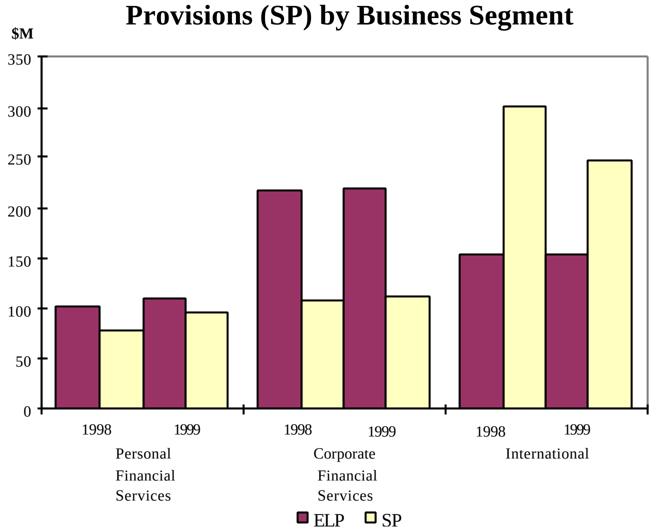
Other expenses were up on 1998, mainly in professional fees and non-lending losses.

Asset quality

The charge for doubtful debts was determined under economic loss provision principles (ELP) and derived from our risk management models. The increase in ELP charge from $487 million to $510 million reflects average net lending asset growth (9%) offset by an improvement in the risk profile of the Group during the year. The charge equates to approximately 43 basis points on average net lending assets, down from 45 basis points at September 1998.

Actual loss experience or net specific provisions during the year totalled $482 million, a reduction of $30 million from 1998. Net specific provisions were lower than expected loss in Personal and Corporate Financial Services, but still higher in International.

Economic Loss Provision (ELP) v Net Specific Provisions (SP) by Business Segment



Asset quality (continued)

The current year net specific provisions include:
- $113 million on Asian exposures (mostly China) (1998: $263 million)
- $179 million on Australian and New Zealand exposures (1998: $139 million)
- $118 million on Middle East exposures (1998: $60 million)
- $38 million on UK and Europe exposures (including Russia) (1998: $35 million)
- $26 million on South Asian exposures (1998: $17 million).

The Group's aggregate Asian exposure reduced by 8.2% (in US dollar terms) over the year, from USD6.1 billion to USD5.6 billion (refer page 61). The reduction was largely achieved in China, Indonesia and Japan.

At 30 September 1999, the general provision stood at $1,395 million, a surplus of $428 million (on a pre-tax equivalent basis) over the 0.5% of risk weighted assets guideline indicated by the Australian Prudential Regulation Authority.

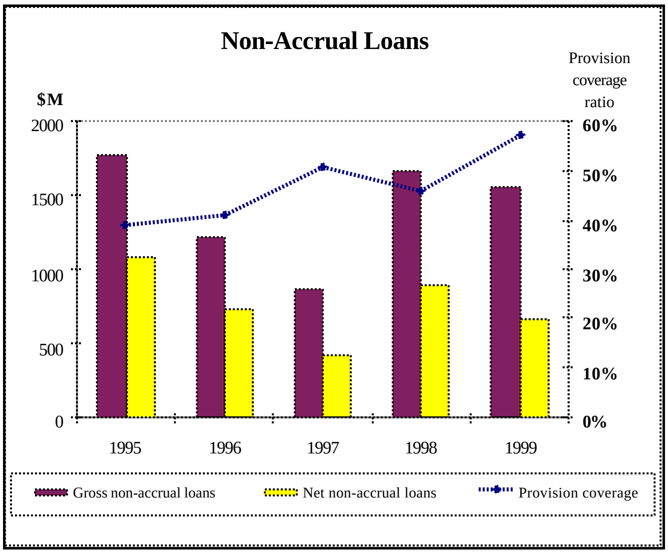
Non-accrual loans

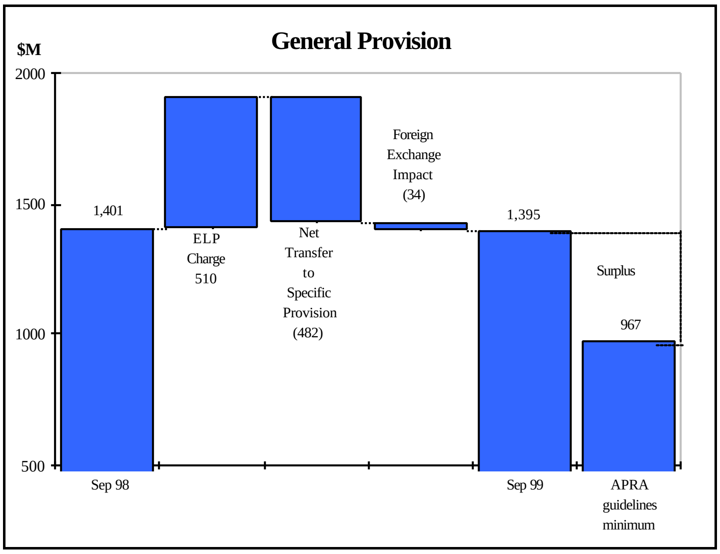
Gross non-accrual loans have decreased by $119 million on September 1998 to $1,543 million. New non-accruals of $293 million were booked in Asia and $100 million in Middle East, offset by realisations and write-offs, mainly in Australia including the realisation of a large non-accrual loan.

The Group remains well provided with a coverage ratio of 57%, up from 46% at September 1998.

Net non-accruals reduced by $243 million to $657 million and represent 7.0% of shareholders' equity at September 1999.

	1999		1998		% Movt	
	Gross $M	Net $M	Gross $M	Net $M	Gross	Net
Australia	623	345	852	561	-27%	-39%
New Zealand	50	30	116	83	-57%	-64%
Overseas Markets	870	282	694	256	25%	10%
Total	1,543	657	1,662	900	-7%	-27%





CHIEF FINANCIAL OFFICER'S REVIEW (continued)

Income Tax Expense

	1999	1998
Effective tax rate		
- before abnormal items	**31.3%**	31.2%
- after abnormal items	**31.3%**	31.1%

There was no significant change in the Group's effective tax rate.

The Goods and Services Tax (GST) becomes fully operational from 1 July 2000. ANZ is well advanced on a program to implement the technical requirements, to inform our staff and customers, and to determine the impact on our products and services.

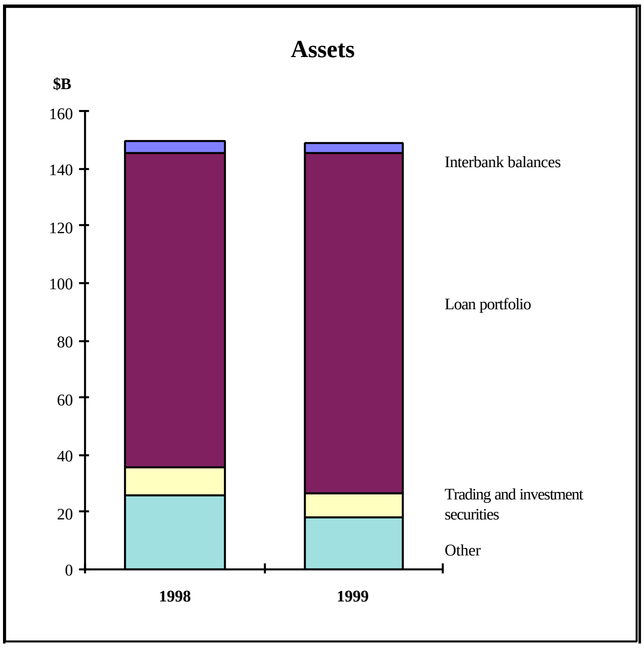
Most of ANZ's banking services are exempt from GST, that is, ANZ pays GST on inputs but there is no GST collected on most of the services provided. ANZ expects that the impost of GST will add approximately $40 million to costs on an annual basis. It is the Group's intention to seek to cover this additional cost through higher charges.

Balance sheet

Group assets were stable on September 1998 at $149 billion.

Lending assets increased 8% reflecting:

- strong mortgage lending growth in Personal Financial Services, with growth of 16% in the mortgage portfolio ($6 billion including Primary Industry Bank of Australia (PIBA) mortgage portfolio acquisition of $1.4 billion)
- growth in Corporate lending in Australia and New Zealand, up 10%.



Trading and investment securities have reduced following the exit from proprietary trading activities. Other assets are down due to lower gross derivatives valuations.

Group liabilities:

- deposits increased by 2%, mainly in Australia
- interbank activity in London continues to reduce.

Total shareholders' equity increased by 12%, from the further issue of USD 375 million preference shares in November 1998 and retained profits.

The Group has announced that it plans to issue a new "tracking stock" equity instrument in New Zealand in the first quarter of 2000. Regulatory approvals are currently being sought.

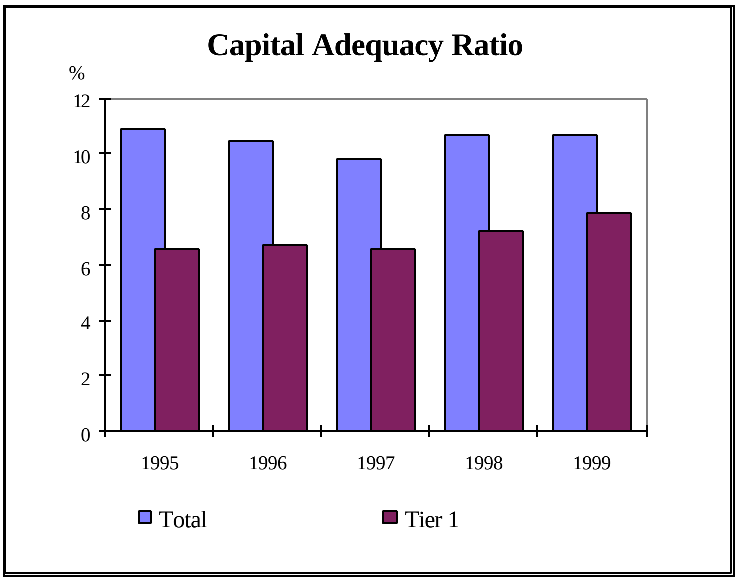
Capital Adequacy

The Group's capital position is very strong. On 3 November 1999 the Group announced its intention to undertake an on market ordinary share buyback of up to $500 million.

The Australian Prudential Regulation Authority (APRA) guideline ratio of qualifying capital to risk weighted assets is a minimum of 8% of which Tier 1 capital must be at least 4%.

The Group's total capital adequacy ratio was stable at 10.7%.

The Tier 1 ratio of 7.9% is up from 7.2% at September 1998, due to the issue of a further USD 375 million of preference shares in November 1998 and retained profits.



Risk Management

ANZ continues to engender a robust culture of sound risk management principles and processes throughout all lines of business and across all risk dimensions, and is committed to achieving global best practice in our risk management processes. Last year, ANZ announced a strategy to re-balance the risk profile of the Group and increase the emphasis on lower risk consumer related activities that create a more stable earnings stream. Substantial progress has been made in 1999:

- **Investment Banking restructuring**
  ANZ Investment Bank management has transferred to Melbourne, and the sale of the emerging markets funds management business has been completed. The residual emerging market bond portfolio has been reduced to $43 million.

- **Traded market risk**
  Traded market risk has been reduced substantially, with exposure now typically less than one third of those seen last year. This reduction in exposure has been accompanied by an enhanced level of market risk management expertise within Group Risk Management and increased focus on stress testing, which has enabled the Group to significantly reduce potential losses in extreme market conditions.

- **Credit risk**
  ANZ is re-balancing the international portfolio, placing emphasis on lower risk assets reflecting the Group's areas of traditional strength in trade, foreign exchange and supporting the needs of our network customers and consumer related activities.

Australia and New Zealand: Strong growth in the mortgage lending book, boosted by strategic acquisitions and alliances has progressed the Group's strategic imperative towards a heavier emphasis on consumer related business. Within Australia and New Zealand, mortgage lending now accounts for 41% of on-balance sheet lending exposure (39% in 1998) with the mortgage lending portfolio increasing by 16%. There has been continued improvement in the risk profile of corporate lending activities in Australia and New Zealand and good progress in reducing risk concentrations by customer and industry – commercial property lending is now less than 10% of Australia and New Zealand lending assets.

CHIEF FINANCIAL OFFICER'S REVIEW (continued)

Asia: During the past 12 months ANZ has continued to manage down its exposures in Asia. There has been a strategic refocus towards higher quality credit exposures and developing network business, particularly trade finance, rather than foreign currency lending to local entities. Asia contributed $113 million to our total specific provisions in 1999, compared with $263 million last year. Looking forward, we expect further improvement in many of the Asian economies, although continued problems in Korea, China and Indonesia may impact any significant improvement overall.

Middle East and South Asia: Clearly the recent developments in Pakistan are of concern. The military leaders have stated that their intervention is temporary in order that they may stabilise the country's position. While it is expected that any instability will be contained, it is difficult to predict whether recent re-scheduling of debt negotiations (Paris/London clubs) will remain unchanged.

Total lending in Pakistan is USD704 million of which Trade and local currency lending represents 59%. The higher risk cross border term lending (USD113 million) is appropriately provisioned. ANZ will continue to take a conservative view of developments and make specific provisions for defaulted assets.

While conditions elsewhere in the region are still unsettled, the only other material issue is a customer fraud in the Middle East involving several other international banks for which ANZ has an exposure of $40 million, which is fully provisioned.

Year 2000

ANZ has been preparing for the transition to Year 2000 since 1996, and these preparations are now almost complete. A central Group 2000 Project manages implementation of the plans for ANZ's operations in 39 countries and across all its wholly owned subsidiaries.

ANZ is committed to addressing Year-2000-specific issues throughout its operations. ANZ's aim is to minimise the effect on its shareholders, customers and business partners of any problems ANZ might encounter in the transition to Year 2000.

ANZ remains comfortable that the event will proceed smoothly. However, as with other large organisations, we are dependent on the external infrastructures around us operating normally. We are entering uncharted territory, and there is therefore a small but significant risk that issues outside our control may arise, particularly in less developed countries and this could impact profitability adversely.

Deposits in ANZ Bank accounts and its customers' bank account records are safe. All of ANZ's own banking facilities are expected to function as usual.

ANZ released a Year 2000 statement to the Australian Stock Exchange on 30 September 1999. A full copy of this statement is available on www.anz.com

National Housing Bank of India

Following the Arbitration Award handed down in the Group's favour on 29 March 1997, the National Housing Bank of India (NHB) had the award reviewed by the Special Court in Mumbai, which on 4 February 1998 ordered that the award be set aside. ANZ has filed an appeal with the Supreme Court of India seeking that the Special Court's order be set aside. As the matter is sub judice comment by the parties is limited. The Group has obtained legal advice from Senior Counsel and based on that advice no provision has been made in respect of the claim.

GEOGRAPHIC SEGMENT PERFORMANCE

Operating profit after tax before abnormals	1999 $M	Contribution to profit %	1998 $M	Movt Sep 99 v. Sep 98 %
Domestic Markets				
Australia	**1,042**	70%	819	27%
New Zealand	**200**	14%	167	20%
	1,242	84%	986	26%
Overseas Markets	**238**	16%	189	26%
	1,480	100%	1,175	26%

DOMESTIC MARKETS

	1999 $M	1998 $M	Movt %
Net interest income	**2,924**	2,750	6%
Fee income	**1,428**	1,244	15%
Other operating income	**379**	497	-24%
Net operating income	**4,731**	4,491	5%
Operating expenses	**(2,630)**	(2,799)	-6%
Operating profit before debt provisions	**2,101**	1,692	24%
Provision for doubtful debts	**(317)**	(304)	4%
Income tax expense	**(542)**	(402)	35%
Operating profit after income tax before abnormal items	**1,242**	986	26%
Net abnormal loss after tax	**-**	(11)	n/a
Operating profit after income tax and abnormal items	**1,242**	975	27%
Net interest average margin	**3.09%**	3.23%	n/a
Return on ordinary book equity (before abnormals)	**19.3%**	17.6%	n/a
Operating profit after tax as a % of average risk weighted assets (before abnormals)	**1.4%**	1.2%	n/a
Operating expenses to net operating income	**55.4%**	62.3%	n/a
Operating expenses to average assets	**2.2%**	2.6%	n/a
Net specific provision as a % of average net advances	**0.2%**	0.2%	n/a
Net non-accrual loans	**375**	644	-42%
Net non-accrual loans as a % of net advances	**0.4%**	0.7%	n/a
Employees (FTE) - Permanent	**20,197**	21,668	-7%
Employees (FTE) - Temporary	**1,240**	982	26%
Total employees	**21,437**	22,650	-5%
Lending growth (including FX impact)	**10.8%**	11.7%	n/a
Total assets	**123,487**	114,349	8%
Risk weighted assets	**94,008**	88,829	6%

CHIEF FINANCIAL OFFICER'S REVIEW (continued)

GEOGRAPHIC SEGMENT - AUSTRALIA

	1999 $M	1998 $M	Movt %
Net interest income	**2,447**	2,271	8%
Fee income	**1,188**	1,032	15%
Other operating income	**308**	395	-22%
Net operating income	**3,943**	3,698	7%
Operating expenses	**(2,161)**	(2,288)	-6%
Operating profit before debt provisions	**1,782**	1,410	26%
Provision for doubtful debts	**(280)**	(264)	6%
Income tax expense	**(460)**	(327)	41%
Operating profit after income tax before abnormal items	**1,042**	819	27%
Net abnormal loss after tax	**-**	(11)	n/a
Operating profit after income tax and abnormal items	**1,042**	808	29%
Net interest average margin	**3.17%**	3.38%	n/a
Return on ordinary book equity (before abnormals)	**18.5%**	16.8%	n/a
Operating profit after tax as a % of average risk weighted assets (before abnormals)	**1.3%**	1.2%	n/a
Operating expenses to net operating income	**54.6%**	61.9%	n/a
Operating expenses to average assets	**2.2%**	2.6%	n/a
Net specific provision as a % of average net advances	**0.2%**	0.2%	n/a
Net non-accrual loans	**345**	561	-39%
Net non-accrual loans as a % of net advances	**0.4%**	0.7%	n/a
Employees (FTE) - Permanent	**16,248**	17,395	-7%
Employees (FTE) - Temporary	**899**	756	19%
Total employees	**17,147**	18,151	-6%
Lending growth	**12.6%**	13.8%	n/a
Total assets	**103,757**	94,194	10%
Risk weighted assets	**80,462**	75,063	7%

Profit after tax before abnormals increased 27% in 1999 reflecting:

- strong growth in net interest income as mortgages increased 16% through both organic growth and acquisition of a mortgage origination business, partially offset by a contraction in margins reflecting competitive pressures
- the net interest funding benefit of issuing preference share capital
- growth in fee income in Personal Financial Services due to volume growth as well as revised fee structures, and in Corporate Financial Services, due to increased commercial bill volumes, and a new fee structure in Esanda

offset by

- lower other operating income due to less "one-off" items and exit from institutional stockbroking.

The cost income ratio reduced from 61.9% to 54.6%, with operating expenses down 6% as a result of:

- lower personnel and premises expenses following continued cost containment and benefits of restructuring programs (lower FTEs, down 6%)
- the impact of the adoption of software capitalisation ($57 million) and netting of sub-rental income
- cost savings from centralisation of functions and back office re-engineering

offset by

- higher computer costs due to Year 2000 compliance testing and e-Commerce development.

The increase in the economic loss provision charge reflects volume growth partially offset by improved credit quality.

CHIEF FINANCIAL OFFICER'S REVIEW (continued)

GEOGRAPHIC SEGMENT - NEW ZEALAND

	1999 $M	1998 $M	Movt %
Net interest income	**477**	479	0%
Fee income	**240**	212	13%
Other operating income	**71**	102	-30%
Net operating income	**788**	793	-1%
Operating expenses	**(469)**	(511)	-8%
Operating profit before debt provisions	**319**	282	13%
Provision for doubtful debts	**(37)**	(40)	-8%
Income tax expense	**(82)**	(75)	9%
Operating profit after income tax	**200**	167	20%
Net interest average margin	**2.73%**	2.70%	n/a
Return on ordinary book equity (before abnormals)	**24.5%**	22.3%	n/a
Operating profit after tax as a % of average risk weighted assets (before abnormals)	**1.4%**	1.2%	n/a
Operating expenses to net operating income	**59.4%**	64.4%	n/a
Operating expenses to average assets	**2.4%**	2.6%	n/a
Net specific provision as a % of average net advances	**0.1%**	0.2%	n/a
Net non-accrual loans	**30**	83	-64%
Net non-accrual loans as a % of net advances	**0.2%**	0.5%	n/a
Employees (FTE) - Permanent	**3,949**	4,273	-8%
Employees (FTE) - Temporary	**341**	226	51%
Total employees	**4,290**	4,499	-5%
Lending growth (including FX impact)	**1.4%**	2.0%	n/a
Lending growth (excluding FX impact)	**7.7%**	7.4%	n/a
Total assets	**19,730**	20,155	-2%
Risk weighted assets	**13,546**	13,766	-2%

A weakening in the average NZD/AUD exchange rate has masked a strong underlying New Zealand result.

The 20% increase in profits over 1998 reflects:

- stable net interest income with lower cost of funding structured financing activities being offset by higher long term funding costs
- lending volume growth offset by foreign exchange impact
- increased fee income, reflecting growth in lending and funds under management, new services and revised fee structures
- reduced other operating income from lower net payments from derivatives associated with structured financing activities (offset in net interest income) and lower gains on foreign exchange trading
- lower operating costs, in particular personnel costs, reflecting the benefits of restructuring undertaken in the past two years
- improved credit quality resulting in a lower economic loss provision charge.

CHIEF FINANCIAL OFFICER'S REVIEW (continued)

GEOGRAPHIC SEGMENT - OVERSEAS MARKETS

	1999 $M	1998 $M	Movt %
Net interest income	**721**	797	-10%
Fee income	**326**	330	-1%
Other operating income	**188**	28	large
Net operating income	**1,235**	1,155	7%
Operating expenses	**(664)**	(639)	4%
Operating profit before debt provisions	**571**	516	11%
Provision for doubtful debts	**(193)**	(183)	5%
Income tax expense	**(134)**	(135)	-1%
Outside equity interests	**(6)**	(9)	-33%
Operating profit after income tax before abnormal items	**238**	189	26%
Net abnormal loss after tax	**-**	(58)	n/a
Operating profit after tax and abnormal items	**238**	131	82%
Net interest average margin	**2.25%**	2.14%	n/a
Return on ordinary book equity (before abnormals)	**10.9%**	9.4%	n/a
Operating profit after tax as a % of average risk weighted assets (before abnormals)	**0.9%**	0.7%	n/a
Operating expenses to net operating income	**53.8%**	55.3%	n/a
Operating expenses to average assets	**2.3%**	1.5%	n/a
Net specific provision as a % of average net advances	**1.7%**	2.0%	n/a
Net non-accrual loans	**282**	256	10%
Net non-accrual loans as a % of net advances	**1.7%**	1.4%	n/a
Total employees	**8,735**	9,422	-7%
Lending growth (including FX impact)	**(9.0%)**	11.8%	n/a
Lending growth (excluding FX impact)	**0.7%**	(2.6%)	n/a
Total assets	**25,520**	35,371	-28%
Risk weighted assets	**24,029**	27,267	-12%

Operating profit before abnormals increased 26% on 1998 reflecting:

- the rebound from trading losses incurred in London in 1998
- strong trade and origination activity in Americas

offset by

- reduced interbank activity
- the impact of deterioration in asset quality in Asia and Middle East
- tighter margins reflecting increased competitive pressure in Middle East and South Asia
- higher costs in South Asia and Middle East reflecting award wage increases and inflationary pressures and growth in costs in the continuing businesses of New York and London.

The Group's aggregate Asian exposures reduced in US dollar terms over September 1998 by USD 0.4 billion. The reduction from September 1998 was largely achieved in China, Indonesia and Japan.

Gross non-accrual loans in Overseas are $870 million, up from $694 million, mainly due to new non-accruals booked in Asia (China ITICs, which total $56 million, and Korea $80 million).

Net specific provisions representing new and increased provisions less specific provision releases, less recoveries totalled $297 million for Overseas, including $113 million for Asia (mainly China).

The Asian non-accrual loan portfolio continues to be well provided with a coverage ratio of 59%

Reduced Treasury and interbank activity in London and lower Asian exposures reduced total Overseas assets.

BUSINESS SEGMENT PERFORMANCE

ANZ manages its activities along the following lines of business: Personal Financial Services, Corporate Financial Services and International.

- Personal Financial Services comprises Personal Banking (including Private Banking) and Funds Management operations in Australia and New Zealand
- Corporate Financial Services comprises Corporate Relationships (including Asset Finance, Relationship Banking and Structured Finance), Foreign Exchange and Capital Markets operations in Australia, New Zealand and the mature markets of UK, Europe and Americas
- International comprises countries outside Australia and New Zealand, excluding the investment bank operations in the mature markets of UK, Europe and Americas.
- Group (including discontinued businesses) comprises the results of asset and liability management; earnings on central capital; costs relating to hedging capital positions; certain central costs not recharged to business units and the results of discontinued businesses. Discontinued businesses comprise London capital markets activities, interbank money market activities, institutional broking and the gain on demutualisation of CRAA in 1998.

Operating profit after tax before abnormals after service transfer pricing (equity standardised)[1]

	1999 $M	Contribution to profit %	1998 $M	Movt Sep 99 v. Sep 98 %
Personal Financial Services	**622**	42%	466	33%
Corporate Financial Services	**550**	37%	472	17%
International	**176**	12%	220	-20%
Group (including discontinued businesses)	**132**	9%	17	large
	1,480	100%	1,175	26%

[1] *Refer definitions on page 63*

The result for discontinued businesses after tax was a $6 million loss, an $81 million turnaround on the 1998 loss of $87 million before abnormal items. The 1998 result was affected by the $202 million of trading losses (before tax) incurred in London capital markets.

The remainder of the improvement in Group (including discontinued businesses) comprises a small increase over 1998 profitability from the asset and liability management functions of the Group and an earnings benefit flowing from the preference share capital issue in late 1998.

Following exit from institutional stockbroking in November 1998, the Group announced the sale of its retail stockbroking business in September 1999.

BUSINESS SEGMENT - PERSONAL FINANCIAL SERVICES

	1999 $M	1998 $M	Movt %
Net interest income	**1,861**	1,808	3%
Fee income	**896**	784	14%
Other operating income	**58**	41	41%
Net operating income	**2,815**	2,633	7%
Operating expenses	**(1,778)**	(1,840)	-3%
Operating profit before debt provisions	**1,037**	793	31%
Provision for doubtful debts	**(110)**	(103)	7%
Income tax expense	**(305)**	(224)	36%
Operating profit after tax before abnormals	**622**	466	33%
Operating profit after tax before abnormals			
Personal Banking	**532**	396	34%
Funds Management	**90**	70	29%
	622	466	33%
Net specific provisions	**96**	79	22%
Operating profit after tax as a % of average risk weighted assets (%)	**2.0%**	1.4%	n/a
Operating expenses to net operating income (%)	**62.9%**	69.9%	n/a
Total assets	**55,915**	47,229	18%

The key factors influencing the result of Personal Financial Services were:

- record growth in mortgage lending, leading to increased market share albeit with lower margins on third party origination business
- increased volumes and realignment of fee structures to better reflect the cost of providing services
- 14% increase in funds under management to $15 billion (Gateway now exceeds $3 billion).

Expenses continue to fall, driven by:

- reduction in staff numbers to 12,919 following extensive platform rationalisation
- integration of Town and Country in Western Australia
- capitalisation of software developed for Tasman project ($38 million).

The increased economic loss provision charge reflects growth in average lending assets, offset by asset mix. Net specific provisions and non-accrual loans have increased, reflecting the growth in volumes. Asset quality has been relatively stable, other than in Cards where relatively higher loss experiences on new products has resulted in an increase in net specific provisions.

CHIEF FINANCIAL OFFICER'S REVIEW (continued)

BUSINESS SEGMENT - CORPORATE FINANCIAL SERVICES

	1999 $M	1998 $M	Movt %
Net interest income	**956**	900	6%
Fee income	**596**	527	13%
Other operating income	**307**	359	-14%
Net operating income	**1,859**	1,786	4%
Operating expenses	**(883)**	(920)	-4%
Operating profit before debt provisions	**976**	866	13%
Provision for doubtful debts	**(219)**	(217)	1%
Income tax expense	**(207)**	(177)	17%
Operating profit after tax before abnormals	**550**	472	17%
Operating profit after tax before abnormals			
Corporate Relationships	**445**	361	23%
Foreign Exchange	**63**	78	-19%
Capital Markets	**42**	33	27%
	550	472	17%
Net specific provisions	**111**	109	2%
Operating profit after tax as a % of average risk weighted assets (%)	**0.8%**	0.8%	n/a
Operating expenses to net operating income (%)	**47.3%**	51.5%	n/a
Total assets	**67,185**	70,718	-5%

The growth in Corporate Financial Services primarily reflects:

- growth in Corporate sector business in Australia and New Zealand, up 10%
- the windback of lower margin money market activity in UK and Europe, offset by shrinking margins in Asset Finance
- higher earnings in Structured Finance
- strong growth in fee income through increased commercial bill activity, particularly trade related bills and a new fee structure in Esanda
- growth in "ANZ On Line", the PC based banking product for Corporate customers
- reduction in personnel expenses (FTEs reduced 12% from September 1998 to 4,802), offset by increases in profit share payments as trading profits returned to normal levels after the 1998 losses.

Esanda has acquired a 10% stake in Auto Group Limited, Australia's largest automotive auction group. Auto Group has an expanding e-Commerce presence through carnet.com.au and will enhance Esanda's e-Commerce capacity. Esanda is already the leading provider of on-line car loans.

The economic loss provision charge was stable with average net lending asset volume growth of 9% offset by improved credit factors as the portfolio continues to be rebalanced away from higher risk customers.

CHIEF FINANCIAL OFFICER'S REVIEW (continued)

BUSINESS SEGMENT - INTERNATIONAL

	1999 $M	1998 $M	Movt %
Net interest income	**569**	597	-5%
Fee income	**240**	251	-4%
Other operating income	**144**	189	-24%
Net operating income	**953**	1,037	-8%
Operating expenses	**(521)**	(533)	-2%
Operating profit before debt provisions	**432**	504	-14%
Provision for doubtful debts	**(154)**	(155)	-1%
Income tax expense	**(102)**	(129)	-21%
Operating profit after tax before abnormals	**176**	220	-20%
Net specific provisions	**247**	301	-18%
Operating profit after tax as a % of average risk weighted assets (%)	**1.2%**	1.5%	n/a
Operating expenses to net operating income (%)	**54.7%**	51.4%	n/a
Total assets	**18,078**	19,232	-6%

The International business segment result is different from the Overseas markets result included on page 19. International business segment results are equity standardised and reflect management of the commercial International network, thus excluding the Investment Banking operations of the mature markets of UK, Europe and Americas, which are included in Corporate Financial Services.

The key drivers of International's results were:

- lower lending volumes in Asia
- the funding drag of higher non-accrual loans, mainly in China and Pakistan
- the simplification of the international network as productivity improvements followed implementation of the commercial banking platform across international sites
- decline in other operating income from 1998, when foreign exchange earnings benefited favourably from the volatility in exchange rates, particularly Asian currencies
- small reductions in personnel expenses, as a result of a decrease in the FTE numbers (down to 8,130), offset by award wage increases in India and inflationary pressures in Middle East.

FIVE YEAR SUMMARY

	1999 $M	1998 $M	1997 $M	1996 $M	1995 $M
Profit and loss					
Net interest income	**3,645**	3,547	3,437	3,327	3,084
Other operating income	**2,321**	2,099	2,110	1,839	1,754
Operating expenses	**(3,294)**	(3,438)	(3,502)	(3,397)	(3,116)
Operating profit before tax, debt provision and abnormals	**2,672**	2,208	2,045	1,769	1,722
Provision for doubtful debts	**(510)**	(487)	(400)	(175)	(237)
Operating profit before abnormals	**2,162**	1,721	1,645	1,594	1,485
Income tax expense	**(676)**	(537)	(466)	(469)	(442)
Outside equity interests	**(6)**	(9)	(8)	(9)	(10)
Operating profit after tax before abnormals	**1,480**	1,175	1,171	1,116	1,033
Net abnormal (loss)profit	-	(69)	(147)	-	19
Operating profit after tax	**1,480**	1,106	1,024	1,116	1,052
Balance Sheet					
Assets	**149,007**	149,720	138,241	127,604	112,587
Net Assets	**9,429**	8,391	6,993	6,336	5,747
Ratios (after abnormals)					
Return on average ordinary equity	**17.2%**	14.6%	14.8%	18.3%	17.9%
Return on average assets	**1.0%**	0.7%	0.7%	0.9%	0.9%
Tier 1 capital ratio	**7.9%**	7.2%	6.6%	6.7%	6.6%
Ratios (before abnormals)					
Cost to income [1]	**55.0%**	60.9%	63.1%	65.8%	64.4%
Shareholder value - ordinary shares					
Total return to shareholders (share price movement plus dividends)	**19.6%**	-15.6%	62.4%	33.9%	52.4%
Market capitalisation	**16,045**	13,885	17,017	10,687	8,199
Dividend	**56.0c**	52.0c	48.0c	42.0c	33.0c
Franked portion - interim	**75%**	60%	100%	50%	0%
- final	**80%**	60%	100%	100%	33%
Share price					
- high	**$12.45**	$11.88	$11.58	$7.28	$5.75
- low	**$8.58**	$8.45	$7.10	$5.41	$3.55
- closing	**$10.25**	$9.02	$11.28	$7.23	$5.67
Share information (per fully paid ordinary share)					
Earnings before abnormals - basic	**90.6c**	77.2c	78.4c	76.3c	68.5c
Earnings after abnormals - basic	**90.6c**	72.6c	68.6c	76.3c	69.9c
Dividend payout ratio (before abnormals)	**62.1%**	67.8%	61.6%	55.5%	49.1%
Net tangible assets	**$5.21**	$4.98	$4.59	$4.24	$3.94
Number of fully paid ordinary shares on issue (millions)	**1,565.4**	1,539.4	1,508.6	1,478.1	1,446.0
Other information					
Permanent employees (full time equivalents)	**28,744**	30,827	35,926	39,721	39,240
Temporary employees (full time equivalents)	**1,427**	1,245	904	n/a	n/a
Total employees	**30,171**	32,072	36,830	n/a	n/a
Points of representation	**1,147**	1,205	1,473	1,744	1,881
Number of shareholders	**214,151**	151,564	132,450	121,847	114,829

[1] *1999 Cost to income ratio excludes the impact of goodwill amortisation of $10 million. Prior year amounts of goodwill amortisation were immaterial*

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

FINANCIAL INFORMATION

Year Ended

30 September 1999

PROFIT AND LOSS ACCOUNT

	Page Ref	Full year Sep 99 $M	Full year Sep 98 $M	Movt Sep 99 v. Sep 98 %	Half year Sep 99 $M	Half year Mar 99 $M	Movt Sep 99 v. Mar 99 %
Total income	30	**10,995**	11,528	-5%	**5,478**	5,517	-1%
Interest income		**8,674**	9,499	-9%	**4,291**	4,383	-2%
Interest expense		**(5,029)**	(5,952)	-16%	**(2,457)**	(2,572)	-4%
Net interest income		**3,645**	3,547	3%	**1,834**	1,811	1%
Other operating income	30	**2,321**	2,099	11%	**1,187**	1,134	5%
Total net operating income		**5,966**	5,646	6%	**3,021**	2,945	3%
Operating expenses	31	**(3,294)**	(3,438)	-4%	**(1,651)**	(1,643)	0%
Operating profit before debt provision		**2,672**	2,208	21%	**1,370**	1,302	5%
Provision for doubtful debts	39	**(510)**	(487)	5%	**(252)**	(258)	-2%
Operating profit before abnormal items		**2,162**	1,721	26%	**1,118**	1,044	7%
Abnormal loss	32	**-**	(102)	n/a	**-**	-	n/a
Operating profit before tax		**2,162**	1,619	34%	**1,118**	1,044	7%
Income tax (expense)benefit							
Operating profit		**(676)**	(537)	26%	**(352)**	(324)	9%
Abnormal loss	32	**-**	33	n/a	**-**	-	n/a
Income tax expense	33	**(676)**	(504)	34%	**(352)**	(324)	9%
Operating profit after income tax		**1,486**	1,115	33%	**766**	720	6%
Outside equity interests		**(6)**	(9)	-33%	**(2)**	(4)	-50%
Operating profit after income tax attributable to members of the Company		**1,480**	1,106	34%	**764**	716	7%
Retained profits at start of period		**2,412**	1,830	32%	**2,702**	2,412	12%
Total available for appropriation		**3,892**	2,936	33%	**3,466**	3,128	11%
Transfers (to)from reserves		**(54)**	223	n/a	**(29)**	(25)	16%
Dividends provided for/paid - ordinary shares	34	**(814)**	(747)	9%	**(437)**	(377)	16%
Dividends paid - preference shares	34	**(72)**	n/a	n/a	**(48)**	(24)	large
Retained profits at end of period		**2,952**	2,412	22%	**2,952**	2,702	9%

BALANCE SHEET

	Page Ref	As at Sep 99 $M	As at Mar 99 $M	As at Sep 98 $M	Movt Sep 99 v. Sep 98 %
Assets					
Liquid assets		**5,283**	6,442	7,527	-30%
Due from other financial institutions		**3,472**	3,354	4,158	-16%
Trading securities		**4,259**	4,195	5,973	-29%
Investment securities	35	**4,695**	4,473	3,979	18%
Net loans and advances	35	**104,063**	99,566	94,457	10%
Customers' liability for acceptances		**14,858**	16,565	15,648	-5%
Regulatory deposits		**616**	1,366	1,530	-60%
Shares in associates		**32**	30	11	large
Other assets		**10,305**	11,271	14,864	-31%
Premises and equipment		**1,424**	1,527	1,573	-9%
Total assets		**149,007**	148,789	149,720	0%
Liabilities					
Due to other financial institutions		**9,001**	8,851	10,758	-16%
Deposits and other borrowings		**96,559**	97,269	94,599	2%
Liability for acceptances		**14,858**	16,565	15,648	-5%
Income tax liability		**1,051**	975	914	15%
Creditors and other liabilities		**9,422**	9,552	14,009	-33%
Provisions		**1,010**	923	987	2%
Bonds and notes		**4,456**	1,952	666	large
Loan capital		**3,221**	3,468	3,748	-14%
Total liabilities		**139,578**	139,555	141,329	-1%
Net assets		**9,429**	9,234	8,391	12%
Shareholders' equity					
Ordinary share capital		**4,770**	4,686	4,581	4%
Preference share capital	40	**1,145**	1,190	645	78%
Reserves		**536**	632	697	-23%
Retained profits		**2,952**	2,702	2,412	22%
Share capital and reserves attributable to members of the Company		**9,403**	9,210	8,335	13%
Outside equity interests		**26**	24	56	-54%
Total shareholders' equity and outside equity interests		**9,429**	9,234	8,391	12%
Derivative financial instruments	51				
Contingent liabilities	54				

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Full year Sep 99 $M	Full year Sep 98 $M	Movt Sep 99 v. Sep 98 %	Half year Sep 99 $M	Half year Mar 99 $M	Movt Sep 99 v. Mar 99 %
Share capital						
Balance at start of period	**5,226**	4,335	21%	**5,876**	5,226	12%
Ordinary share issues						
Dividend reinvestment plan	**176**	218	-19%	**84**	92	-9%
Group employee share acquisition scheme	**4**	5	-20%	**-**	4	-100%
Group share option scheme	**9**	22	-59%	**-**	9	-100%
Group share purchase scheme	**#**	1	n/a	**-**	#	n/a
Directors' share and option purchase scheme	**-**	#	n/a	**-**	-	n/a
Preference share issues	**500**	645	-22%	**(45)**	545	n/a
Total share capital	**5,915**	5,226	13%	**5,915**	5,876	1%
Foreign currency translation reserve						
Balance at start of period	**63**	(79)	n/a	**(27)**	63	n/a
Currency translation adjustments, net of hedges after tax	**(215)**	142	n/a	**(125)**	(90)	39%
	(152)	63	n/a	**(152)**	(27)	n/a
General reserve						
Balance at start of period	**485**	708	-31%	**510**	485	5%
Transfers from(to) retained profits	**54**	(223)	n/a	**29**	25	16%
	539	485	11%	**539**	510	6%
Capital reserves	**149**	149	0%	**149**	149	0%
Total reserves	**536**	697	-23%	**536**	632	-15%
Retained profits						
Balance at start of period	**2,412**	1,830	32%	**2,702**	2,412	12%
Operating profit after income tax attributable to members of the Company	**1,480**	1,106	34%	**764**	716	7%
Total available for appropriation	**3,892**	2,936	33%	**3,466**	3,128	11%
Transfers (to)from reserves	**(54)**	223	n/a	**(29)**	(25)	16%
Dividends provided for or paid - ordinary shares	**(814)**	(747)	9%	**(437)**	(377)	16%
Dividends paid - preference shares	**(72)**	n/a	n/a	**(48)**	(24)	large
Retained profits at end of period	**2,952**	2,412	22%	**2,952**	2,702	9%

 # Amounts less than $500,000

STATEMENT OF CASH FLOWS

	Page Ref	Full year Sep 99 Inflows (Outflows) $M	Half year Sep 99 Inflows (Outflows) $M	Half year Mar 99 Inflows (Outflows) $M	Full year Sep 98 Inflows (Outflows) $M
Cash flows from operating activities					
Interest received		**8,679**	4,368	4,311	9,403
Dividends received		**157**	81	76	169
Fees and other income received		**2,089**	1,007	1,082	1,797
Interest paid		**(5,039)**	(2,432)	(2,607)	(6,238)
Personnel expenses paid		**(1,840)**	(907)	(933)	(2,001)
Premises expenses paid		**(282)**	(139)	(143)	(291)
Other operating expenses paid		**(977)**	(433)	(544)	(1,085)
Income taxes paid					
Australia		**(303)**	(98)	(205)	(184)
Overseas		**(232)**	(131)	(101)	(239)
Net decrease(increase) in trading securities		**1,442**	(158)	1,600	926
Net cash provided by operating activities	55	**3,694**	1,158	2,536	2,257
Cash flows from investing activities					
Net decrease(increase) in					
Due from other financial institutions		**616**	(61)	677	2,299
Regulatory deposits		**828**	704	124	(308)
Net loans and advances		**(12,936)**	(6,344)	(6,592)	(9,680)
Investment securities					
Purchases		**(5,527)**	(767)	(4,760)	(5,490)
Proceeds from sale or maturity		**4,670**	406	4,264	5,279
Associates					
Purchased (net of cash acquired)		**(2)**	(2)	-	(8)
Transferred from controlled entities (net of cash)		**(94)**	-	(94)	-
Premises and equipment					
Purchases		**(177)**	(128)	(49)	(143)
Proceeds from sale		**142**	134	8	75
Other		**(610)**	565	(1,175)	1,483
Net cash (used in) investing activities		**(13,090)**	(5,493)	(7,597)	(6,493)
Cash flows from financing activities					
Net (decrease)increase in					
Due to other financial institutions		**(779)**	442	(1,221)	(2,047)
Deposits and other borrowings		**5,202**	959	4,243	2,131
Creditors and other liabilities		**743**	1,056	(313)	(288)
Bonds and notes					
Issue proceeds		**4,330**	2,678	1,652	802
Redemptions		**(479)**	(122)	(357)	(2,174)
Loan capital					
Issue proceeds		**-**	-	-	559
Redemptions		**(256)**	(143)	(113)	(273)
(Decrease)increase in outside equity interests		**(1)**	2	(3)	(3)
Dividends paid		**(671)**	(335)	(336)	(491)
Share capital issues		**591**	14	577	714
Net cash provided by(used in) financing activities		**8,680**	4,551	4,129	(1,070)
Net cash provided by operating activities		**3,694**	1,158	2,536	2,257
Net cash (used in) investing activities		**(13,090)**	(5,493)	(7,597)	(6,493)
Net cash provided by(used in) financing activities		**8,680**	4,551	4,129	(1,070)
Net (decrease)increase in cash and cash equivalents		**(716)**	216	(932)	(5,306)
Cash and cash equivalents at beginning of period		**8,981**	7,307	8,981	12,456
Foreign currency translation on opening balances		**(1,631)**	(889)	(742)	1,831
Cash and cash equivalents at end of period	55	**6,634**	6,634	7,307	8,981

INCOME

	Full year Sep 99 $M	Full year Sep 98 $M	Movt Sep 99 v. Sep 98 %	Half year Sep 99 $M	Half year Mar 99 $M	Movt Sep 99 v. Mar 99 %
Interest income	**8,674**	9,499	-9%	**4,291**	4,383	-2%
Other operating income						
Fee income						
Lending	**679**	592	15%	**346**	333	4%
Other including commissions[1]	**1,075**	982	9%	**558**	517	8%
Total fee income	**1,754**	1,574	11%	**904**	850	6%
Other income						
Foreign exchange earnings	**340**	373	-9%	**160**	180	-11%
Profit(loss) on trading instruments	**89**	(83)	n/a	**45**	44	2%
Life insurance fund surplus	**53**	38	39%	**27**	26	4%
Rental income	**10**	34	-71%	**5**	5	0%
Profit on sale of premises and equipment	**19**	18	6%	**19**	-	n/a
Other	**56**	145	-61%	**27**	29	-7%
Total other income	**567**	525	8%	**283**	284	0%
Total other operating income	**2,321**	2,099	11%	**1,187**	1,134	5%
Total income before abnormal items	**10,995**	11,598	-5%	**5,478**	5,517	-1%
Abnormal loss	**-**	(70)	n/a	**-**	-	n/a
Total income[2] after abnormal items[3]	**10,995**	11,528	-5%	**5,478**	5,517	-1%

[1] *Includes commissions from funds management business; comparatives restated*
[2] *Includes dividend income of $157 million (Half-year Sep 99: $81 million, Half-year Mar 99: $76 million, Full year Sep 98: $152m)*
[3] *Refer page 48 for a geographic analysis of income*

ANZ

OPERATING EXPENSES

	Full year Sep 99 $M	Full year Sep 98 $M	Movt Sep 99 v. Sep 98 %	Half year Sep 99 $M	Half year Mar 99 $M	Movt Sep 99 v. Mar 99 %
Operating expenses						
Personnel						
Employee taxes						
Fringe benefits tax	**38**	44	-14%	**20**	18	11%
Payroll tax	**63**	69	-9%	**31**	32	-3%
Pension fund	**95**	88	8%	**49**	46	7%
Provision for employee entitlements	**33**	29	14%	**21**	12	75%
Salaries and wages	**1,237**	1,427	-13%	**600**	637	-6%
Other	**266**	197	35%	**151**	115	31%
Total personnel expenses	**1,732**	1,854	-7%	**872**	860	1%
Premises						
Amortisation of leasehold improvements	**14**	16	-13%	**7**	7	0%
Depreciation of buildings	**31**	30	3%	**17**	14	21%
Rent	**159**	181	-12%	**77**	82	-6%
Utilities and other outgoings	**102**	113	-10%	**51**	51	0%
Other	**8**	7	14%	**5**	3	67%
Total premises expenses	**314**	347	-10%	**157**	157	0%
Computer						
Computer contractors	**32**	46	-30%	**8**	24	-67%
Data communications	**43**	47	-9%	**21**	22	-5%
Depreciation	**94**	93	1%	**46**	48	-4%
Rentals and repairs	**65**	53	23%	**35**	30	17%
Other	**110**	102	8%	**48**	62	-23%
Total computer expenses	**344**	341	1%	**158**	186	-15%
Other						
Advertising and public relations	**84**	83	1%	**37**	47	-21%
Audit fees	**3**	3	0%	**1**	2	-50%
Depreciation of furniture and equipment	**46**	49	-6%	**23**	23	0%
Freight and cartage	**29**	40	-28%	**14**	15	-7%
Goodwill amortisation	**10**	3	large	**5**	5	0%
Loss on disposal of premises and equipment	**6**	8	-25%	**3**	3	0%
Non-lending losses, frauds and forgeries	**53**	15	large	**36**	17	large
Postage	**44**	43	2%	**23**	21	10%
Professional fees	**130**	112	16%	**79**	51	55%
Stationery	**61**	66	-8%	**30**	31	-3%
Telephone	**90**	99	-9%	**44**	46	-4%
Travel	**77**	90	-14%	**40**	37	8%
Other	**180**	165	9%	**87**	93	-6%
Total other expenses	**813**	776	5%	**422**	391	8%
Restructuring [1]	**91**	120	-24%	**42**	49	-14%
Total operating expenses	**3,294**	3,438	-4%	**1,651**	1,643	0%

[1] *Restructuring costs of $32 million were treated as abnormal in the year ended 30 September 1998*

OPERATING EXPENSES (continued)

Total operating expenses by geographic segmentation

	Full year Sep 99 $M	Full year Sep 98 $M	Movt Sep 99 v. Sep 98 %	Half year Sep 99 $M	Half year Mar 99 $M	Movt Sep 99 v. Mar 99 %
Domestic Markets						
Australia	**2,161**	2,288	-6%	**1,075**	1,086	-1%
New Zealand	**469**	511	-8%	**238**	231	3%
	2,630	2,799	-6%	**1,313**	1,317	0%
Overseas markets	**664**	639	4%	**338**	326	4%
	3,294	3,438	-4%	**1,651**	1,643	0%

ABNORMAL ITEMS

	Full year Sep 99 $M	Full year Sep 98 $M	Movt Sep 99 v. Sep 98 %	Half year Sep 99 $M	Half year Mar 99 $M	Movt Sep 99 v. Mar 99 %
Loss before tax						
Costs of exiting businesses						
Restructuring	-	(32)	n/a	-	-	n/a
Write down of residual emerging markets securities portfolio (previously classified as investment)	-	(70)	n/a	-	-	n/a
Total abnormal loss before tax	-	(102)	n/a	-	-	n/a
Income tax benefit applicable to						
Costs of exiting businesses						
Restructuring	-	11	n/a	-	-	n/a
Write down of residual emerging markets securities portfolio (previously classified as investment)	-	22	n/a	-	-	n/a
Total income tax benefit on abnormal items	-	33	n/a	-	-	n/a
Abnormal loss after tax	-	(69)	n/a	-	-	n/a

INCOME TAX EXPENSE

Reconciliation of the prima facie income tax payable on operating profit and abnormal items with the income tax expense charged in the profit and loss account.

	Full year Sep 99 $M	Full year Sep 98 $M	Movt Sep 99 v. Sep 98 %	Half year Sep 99 $M	Half year Mar 99 $M	Movt Sep 99 v. Mar 99 %
Operating profit before income tax and abnormal items	**2,162**	1,721	26%	**1,118**	1,044	7%
Prima facie income tax at 36%	**778**	620	25%	**402**	376	7%
Tax effect of permanent differences						
Overseas tax rate differential	**2**	14	-86%	**5**	(3)	n/a
Rebateable and non-assessable dividends	**(55)**	(55)	0%	**(28)**	(27)	4%
Other non-assessable income	**(37)**	(45)	-18%	**(18)**	(19)	-5%
Other	**(2)**	3	n/a	**(4)**	2	n/a
	686	537	28%	**357**	329	9%
Income tax (over) provided in prior years	**(10)**	-	n/a	**(5)**	(5)	0%
Total income tax expense on operating profit before abnormal items	**676**	537	26%	**352**	324	9%
Abnormal items						
Prima facie income tax benefit at 36%	-	(37)	n/a	-	-	n/a
Tax effect of permanent differences						
Overseas tax rate differential	-	4	n/a	-	-	n/a
Total income tax benefit on abnormal items	-	(33)	n/a	-	-	n/a
Total income tax expense on operating profit after abnormal items	**676**	504	34%	**352**	324	9%
Australia	**460**	305	51%	**250**	210	19%
Overseas	**216**	199	9%	**102**	114	-11%
	676	504	34%	**352**	324	9%
Effective tax rate						
- before abnormal items	**31.3%**	31.2%	n/a	**31.5%**	31.0%	n/a
- after abnormal items	**31.3%**	31.1%	n/a	**31.5%**	31.0%	n/a

DIVIDENDS

Dividend per ordinary share (cents)	Full year Sep 99	Full year Sep 98	Half year Sep 99	Half year Mar 99
Interim [1]	**26**	24	n/a	26
Final [2]	**30**	28	30	n/a
Ordinary share dividend ($M)				
Interim [1]	**404**	366	n/a	404
Final [2]	**470**	431	470	n/a
Bonus option plan	**(60)**	(50)	(33)	(27)
Total	**814**	747	437	377
Ordinary share dividend payout ratio (%)				
Before abnormal items	**62.1%**	67.8%	65.6%	58.4%
After abnormal items	**62.1%**	72.1%	65.6%	58.4%

[1] *The Mar 1999 interim dividend of 26 cents was 75% franked (Mar 1998: 60% franked)*

[2] *The Sep 1999 final dividend of 30 cents is 80% franked (Sep 1998: 60% franked)*

The directors propose that a final dividend of 30 cents per share be paid on each fully paid ordinary share. The dividend will be partially franked to 80% and the unfranked portion will be sourced from the Company's foreign dividend account. As a result, non-resident shareholders will be exempt from dividend withholding tax.

The proposed final dividend will be formally declared on 22 November 1999 and will be payable on 20 December 1999 to shareholders registered in the books of the Company at close of business on 19 November 1999. Transfers must be lodged before 5.00pm on that day to participate. Dividends payable to shareholders in the United Kingdom and New Zealand will be converted to local currency at the appropriate rate for telegraphic transfers on 19 November 1999.

The Company has issued 124,032,000 preference shares, raising USD 775 million via Trust Securities issues. The Trust Securities carry an entitlement to a distribution of 8% (USD 400 million) or 8.08% (USD 375 million). The amounts are payable quarterly in arrears; shown below are amounts paid from the dates of issue (23 September 1998 and 19 November 1998) to 30 September 1999. Payment dates are the fifteenth day of January, April, July and October.

Preference share dividend	Full year Sep 99	Full year Sep 98	Half year Sep 99	Half year Mar 99
Dividend paid ($M)	**72**	n/a	48	24

EARNINGS PER ORDINARY SHARE

	Full year Sep 99	Full year Sep 98	Half year Sep 99	Half year Mar 99
Earnings per share (cents)				
Basic				
Before abnormal items	**90.6**	77.2	**45.9**	44.7
After abnormal items	**90.6**	72.6	**45.9**	44.7
Diluted				
Before abnormal items	**90.3**	76.9	**45.7**	44.6
After abnormal items	**90.3**	72.4	**45.7**	44.6
Weighted average number of ordinary shares used in the calculation of basic earnings per share (millions)	**1,553.5**	1,522.9	**1,559.6**	1,547.4
Weighted average number of ordinary shares used in the calculation of diluted earnings per share (millions)	**1,561.0**	1,529.5	**1,568.6**	1,553.4

INVESTMENT SECURITIES

	As at Sep 99 $M	As at Mar 99 $M	As at Sep 98 $M
Total book value	**4,695**	4,473	3,979
Total market value	**4,730**	4,500	3,971

NET LOANS AND ADVANCES

	As at Sep 99 $M	As at Mar 99 $M	As at Sep 98 $M
Total gross loans and advances[1]	**106,365**	101,895	96,677
Less: provisions for doubtful debts	**(2,302)**	(2,329)	(2,220)
Total net loans and advances	**104,063**	99,566	94,457

[1] *Net of income yet to mature*

IMPAIRED ASSETS

	As at Sep 99 $M	As at Mar 99 $M	As at Sep 98 $M
Summary of impaired assets			
Non-accrual loans	**1,543**	1,719	1,662
Restructured loans	**7**	7	4
Unproductive facilities	**91**	106	104
Gross impaired assets	**1,641**	1,832	1,770
Less: Specific provisions			
Non-accrual loans	**(886)**	(860)	(762)
Unproductive facilities	**(21)**	(48)	(57)
Net impaired assets	**734**	924	951

Non-accrual loans			
Non-accrual loans	**1,543**	1,719	1,662
Specific provisions	**(886)**	(860)	(762)
	657	859	900
Before specific provisions			
Australia	**623**	827	852
New Zealand	**50**	58	116
Domestic markets	**673**	885	968
Overseas markets	**870**	834	694
Total non-accrual loans	**1,543**	1,719	1,662

After specific provisions			
Australia	**345**	515	561
New Zealand	**30**	33	83
Domestic markets	**375**	548	644
Overseas markets	**282**	311	256
Total net non-accrual loans	**657**	859	900

IMPAIRED ASSETS (continued)

	As at Sep 99 $M	As at Mar 99 $M	As at Sep 98 $M
Restructured loans			
Australia	**7**	7	4
	7	7	4
Other real estate owned (OREO)	**-**	-	-

In the event of customer default, any loan security is held as mortgagee in possession and therefore the Group does not hold any other real estate owned assets.

Unproductive facilities

Australia	**43**	34	35
New Zealand	**1**	1	-
Overseas markets	**47**	71	69
	91	106	104
Specific provisions	**(21)**	(48)	(57)
Net unproductive facilities	**70**	58	47

Accruing loans past due 90 days or more[1]

The following amounts are not classified as impaired assets and therefore are not included within the summary on page 36.

Australia	**245**	248	216
New Zealand	**23**	35	50
Overseas markets	**15**	14	17
	283	297	283

[1] *Less than $100,000 or fully secured*

IMPAIRED ASSETS (continued)

Further analysis of non-accrual loans at 30 September 1999 and interest and/or other income received during the period is as follows:

Non-accrual loans	Gross balance outstanding $M	Specific provision $M	Interest and/or other income received $M
Without provisions			
Australia	**93**	**-**	**5**
New Zealand	**17**	**-**	**1**
Overseas markets	**145**	**-**	**3**
	255	**-**	**9**
With provisions and no, or partial, performance[1]			
Australia	**429**	**238**	**20**
New Zealand	**29**	**17**	**1**
Overseas markets	**694**	**557**	**13**
	1,152	**812**	**34**
With provisions and full performance[1]			
Australia	**101**	**40**	**4**
New Zealand	**4**	**3**	**-**
Overseas markets	**31**	**31**	**6**
	136	**74**	**10**
Total non-accrual loans	**1,543**	**886**	**53**

[1] *A loan's performance is assessed against its contractual repayment schedule*

Interest and other income forgone on impaired assets

The following table shows the estimated amount of interest and other income forgone, net of interest recoveries, on average impaired assets during the period.

	Full year Sep 99 $M	Full year Sep 98 $M	Half year Sep 99 $M	Half year Mar 99 $M
Gross interest and other income receivable on impaired assets				
Australia	**73**	77	35	38
New Zealand	**7**	8	3	4
Overseas markets	**92**	37	44	48
Total gross interest and other income receivable on impaired assets	**172**	122	82	90
Interest income and other income received				
Australia	**(29)**	(29)	(21)	(8)
New Zealand	**(2)**	(3)	(1)	(1)
Overseas markets	**(22)**	(7)	(15)	(7)
Total interest income and other income received	**(53)**	(39)	(37)	(16)
Net interest and other income forgone				
Australia	**44**	48	14	30
New Zealand	**5**	5	2	3
Overseas markets	**70**	30	29	41
Total net interest and other income forgone	**119**	83	45	74

PROVISIONS FOR DOUBTFUL DEBTS

	As at Sep 99 $M	As at Mar 99 $M	As at Sep 98 $M
Specific provision balance			
Australia	**281**	317	297
New Zealand	**20**	25	33
Domestic markets	**301**	342	330
Overseas markets	**606**	566	489
Total specific provision	**907**	908	819
General provision	**1,395**	1,421	1,401
Total provisions for doubtful debts	**2,302**	2,329	2,220

	Full year Sep 99 $M	Half year Sep 99 $M	Half year Mar 99 $M	Full year Sep 98 $M
General provision				
Balance at start of period	**1,401**	1,421	1,401	1,430
Adjustment for exchange rate fluctuations	**(34)**	(30)	(4)	(4)
Charge to profit and loss	**510**	252	258	487
Transfer to specific provision	**(515)**	(267)	(248)	(549)
Recoveries	**33**	19	14	37
	1,395	1,395	1,421	1,401
Specific provision				
Balance at start of period	**819**	908	819	453
Adjustment for exchange rate fluctuations	**(45)**	(22)	(23)	38
Bad debts written off	**(382)**	(246)	(136)	(221)
Transfer from general provision	**515**	267	248	549
	907	907	908	819
Total provisions for doubtful debts	**2,302**	2,302	2,329	2,220
Provision movement analysis				
New and increased provisions				
Australia	**253**	143	110	239
New Zealand	**32**	20	12	41
Asia	**150**	80	70	263
Other overseas markets	**211**	96	115	127
	646	339	307	670
Provision releases	**(131)**	(72)	(59)	(121)
	515	267	248	549
Recoveries of amounts previously written off	**(33)**	(19)	(14)	(37)
Net specific provisions	**482**	248	234	512
Net credit(debit) to general provision	**28**	4	24	(25)
Charge to profit and loss	**510**	252	258	487

PREFERENCE SHARE CAPITAL

		As at Sep 99 $M	As at Mar 99 $M	As at Sep 98 $M
Preference share capital				
Issued	USD	**775**	775	400
less: issue costs	USD	**27**	27	15
	USD	**748**	748	385
Preference share net proceeds translated to AUD at period end rate	AUD	**1,145**	1,190	645

On 19 November 1998, the Company issued 56,016,000 fully paid non-converting non-cumulative preference shares for USD 6.25 per share raising capital of USD 350 million for the Group via a Trust Securities Issue.

On 24 November 1998, the Company issued a further 4,000,000 fully paid non-converting non-cumulative preference shares for USD 6.25 per share raising capital of USD 25 million. These additional shares resulted from the exercise of an option by the underwriters.

The Trust Securities are mandatorily exchangeable for the preference shares issued by the Company and carry an entitlement to a non-cumulative trust distribution of 8.08% per annum payable quarterly in arrears. The Trust Securities were issued by a non diversified closed end management investment company registered under the US Investment Company Act of 1940. The preference shares themselves carry no present entitlement to dividends. Distributions to investors in the Trust Securities are funded by income distributions made by the Group.

Upon maturity of the Trust Securities in 2048, investors will mandatorily exchange the Trust Securities for the preference shares and thereupon the preference shares will carry an entitlement to non-cumulative dividends of 8.08% per annum payable quarterly in arrears. The mandatory exchange of the Trust Securities for preference shares may occur earlier at the Company's option or in specified circumstances.

With the prior consent of the Australian Prudential Regulation Authority, the preference shares are redeemable at the Company's option after 5 years, or within 5 years in limited circumstances. The entitlement of investors to distributions on the Trust Securities will cease on redemption of the preference shares.

The conditions of issue of these preference shares are the same as those of the preference shares issued in September 1998, however the distribution to Trust Security holders is 8.08% compared to 8%. The transaction costs arising on the issue of these instruments were recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

SHARE CAPITAL AND OPTIONS

	As at Sep 99	As at Mar 99	As at Sep 98
Number of issued shares			
Ordinary shares fully paid (listed)	**1,565,428,469**	1,554,324,560	1,539,440,677
Ordinary shares paid to 10 cents per share	**95,000**	139,000	169,000
Preference shares fully paid	**124,032,000**	124,032,000	64,016,000
	1,689,555,469	1,678,495,560	1,603,625,677

Options	**Latest date of conversion**	**Number**	**Conversion price**
ANZ Group Share Option Scheme			$
On issue at 30 September 1999	30 January 1999	-	-
Exercised during the year	-	1,570,000	5.34
On issue at 30 September 1999	30 January 2002	249,357	8.76
Exercised during the year	-	31,104	8.76
Lapsed during the year	-	184	-
On issue at 30 September 1999	13 February 2002	35,204	8.76
Exercised during the year	-	1,134	8.76
On issue at 30 September 1999	23 March 2002	100,000	8.76
On issue at 30 September 1999	1 June 2002	800,000	8.76
On issue at 30 September 1999	22 January 2003	173,592	11.45
Exercised during the year	-	22,128	11.45
Lapsed during the year	-	2,536	-
On issue at 30 September 1999	1 October 2002	500,000	12.12
On issue at 30 September 1999	1 October 2002	500,000	11.40
On issue at 30 September 1999	21 January 2003	100,000	10.65
On issue at 30 September 1999	21 January 2003	100,000	11.40
On issue at 30 September 1999	17 February 2003	10,480	11.45
On issue at 30 September 1999	23 February 2003	1,450,000	9.51
On issue at 30 September 1999	21 June 2003	175,000	10.64
Lapsed during the year	-	100,000	-
On issue at 30 September 1999	30 July 2003	50,000	10.76
On issue at 30 September 1999	1 October 2003	200,000	8.93
Issued during the year	-	200,000	8.93
On issue at 30 September 1999	27 October 2003	1,125,000	8.97
Issued during the year	-	1,125,000	8.97
On issue at 30 September 1999	10 December 2003	755,000	10.34
Issued during the year	-	755,000	10.34
On issue at 30 September 1999	27 January 2004	10,000	10.41
Issued during the year	-	10,000	10.41
On issue at 30 September 1999	23 February 2004	150,000	10.44
Issued during the year	-	150,000	10.44
On issue at 30 September 1999	24 March 2004	175,000	11.44
Issued during the year	-	175,000	11.44
On issue at 30 September 1999	1 June 2004	382,500	11.20
Issued during the year	-	385,000	11.20
Lapsed during the year	-	2,500	-
On issue at 30 September 1999	1 June 2004	2,795,000	11.20
Issued during the year	-	2,795,000	11.20
On issue at 30 September 1999	6 June 2004	7,500	11.26
Issued during the year	-	12,500	11.26
Lapsed during the year	-	5,000	-
On issue at 30 September 1999	4 July 2004	25,000	11.29
Issued during the year	-	25,000	11.29
On issue at 30 September 1999	11 July 2004	150,000	11.30
Issued during the year	-	150,000	11.30

AVERAGE BALANCE SHEET AND RELATED INTEREST

Averages used in the following tables are predominantly daily averages. Interest income figures are presented on a tax-equivalent basis. Non-accrual loans are included under the interest earning asset category, "Loans, advances and bills discounted". Intragroup interest earning assets and interest bearing liabilities are treated as external assets and liabilities for the geographic segments. This is a change from prior periods and comparatives have been adjusted.

FULL YEAR AVERAGE BALANCE SHEET

	Sep 1999 Full Year			Sep 1998 Full Year		
	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %
Interest earning assets						
Due from other financial institutions						
Australia	**1,237**	**45**	**3.6%**	754	30	3.9%
New Zealand	**545**	**21**	**3.9%**	269	16	6.0%
Overseas markets	**2,486**	**161**	**6.5%**	7,463	510	6.8%
Regulatory deposits with						
Reserve Bank of Australia	**501**	**-**	**-**	606	-	-
Investments in public securities						
Australia	**4,686**	**222**	**4.7%**	4,814	254	5.3%
New Zealand	**1,009**	**47**	**4.7%**	1,763	135	7.7%
Overseas markets	**2,585**	**270**	**10.5%**	4,383	431	9.8%
Loans, advances and bills discounted						
Australia	**69,251**	**4,960**	**7.2%**	59,133	4,575	7.7%
New Zealand	**15,288**	**1,178**	**7.7%**	14,717	1,443	9.8%
Overseas markets	**16,918**	**1,411**	**8.3%**	17,546	1,484	8.5%
Other assets						
Australia	**1,593**	**82**	**5.1%**	2,143	112	5.2%
New Zealand	**960**	**75**	**7.9%**	1,097	109	9.9%
Overseas markets	**3,132**	**218**	**6.9%**	5,040	407	8.1%
Intragroup assets						
Overseas markets	**7,238**	**388**	**5.4%**	2,781	165	5.9%
	127,429	**9,078**		122,509	9,671	
Intragroup elimination	**(7,238)**	**(388)**		(2,781)	(165)	
	120,191	**8,690**	**7.2%**	119,728	9,506	7.9%
Non-interest earning assets						
Acceptances						
Australia	**16,045**			15,052		
New Zealand	**49**			233		
Overseas markets	**420**			540		
Premises and equipment	**1,457**			1,544		
Other assets	**12,308**			14,795		
Provisions for doubtful debts						
Australia	**(1,664)**			(1,487)		
New Zealand	**(168)**			(178)		
Overseas markets	**(437)**			(367)		
	28,010			30,132		
Total assets	**148,201**			149,860		

AVERAGE BALANCE SHEET AND RELATED INTEREST (continued)

	Sep 1999 Full Year			Sep 1998 Full Year		
	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %
Interest bearing liabilities						
Time deposits						
Australia	**21,337**	**1,008**	**4.7%**	19,537	975	5.0%
New Zealand	**8,035**	**406**	**5.1%**	8,358	657	7.9%
Overseas markets	**14,569**	**872**	**6.0%**	17,971	1,243	6.9%
Savings deposits						
Australia	**9,006**	**202**	**2.3%**	8,705	186	2.1%
New Zealand	**3,330**	**90**	**2.7%**	2,883	109	3.8%
Overseas markets	**1,599**	**84**	**5.3%**	1,562	87	5.6%
Other demand deposits						
Australia	**14,638**	**522**	**3.6%**	13,114	476	3.6%
New Zealand	**1,633**	**58**	**3.5%**	1,913	134	7.0%
Overseas markets	**1,525**	**58**	**3.8%**	1,482	62	4.2%
Due to other financial institutions						
Australia	**276**	**12**	**4.3%**	387	17	4.5%
New Zealand	**631**	**39**	**6.2%**	752	56	7.5%
Overseas markets	**8,544**	**467**	**5.5%**	10,160	614	6.0%
Commercial paper						
Australia	**3,844**	**187**	**4.9%**	3,806	188	4.9%
Overseas markets	**2,597**	**127**	**4.9%**	720	40	5.6%
Borrowing corporations' debt						
Australia	**5,414**	**317**	**5.9%**	5,171	332	6.4%
New Zealand	**1,067**	**65**	**6.1%**	1,073	83	7.8%
Loan capital, bonds and notes						
Australia	**4,677**	**270**	**5.8%**	3,913	247	6.3%
New Zealand	**160**	**9**	**5.6%**	167	15	9.0%
Overseas markets	**380**	**22**	**5.7%**	417	28	6.8%
Other liabilities[1]						
Australia	**1,727**	**61**	**n/a**	2,094	138	n/a
New Zealand	**193**	**62**	**n/a**	766	140	n/a
Overseas markets	**508**	**91**	**n/a**	1,142	125	n/a
Intragroup Liabilities						
Australia	**5,018**	**280**	**5.6%**	1,673	137	8.2%
New Zealand	**2,220**	**108**	**4.9%**	1,108	28	2.5%
	112,928	**5,417**		108,874	6,117	
Intragroup elimination	**(7,238)**	**(388)**		(2,781)	(165)	
	105,690	**5,029**	**4.8%**	106,093	5,952	5.6%
Non-interest bearing liabilities						
Deposits						
Australia	**3,204**			3,041		
New Zealand	**730**			836		
Overseas markets	**1,481**			1,636		
Acceptances						
Australia	**16,045**			15,052		
New Zealand	**49**			233		
Overseas markets	**420**			540		
Other liabilities	**11,255**			14,797		
	33,184			36,135		
Total liabilities	**138,874**			142,228		

[1] *Includes foreign exchange swap costs*

AVERAGE BALANCE SHEET AND RELATED INTEREST (continued)

HALF YEAR AVERAGE BALANCE SHEET

	Sep 1999 Half Year			Mar 1999 Half Year		
	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %
Interest earning assets						
Due from other financial institutions						
Australia	**1,182**	**24**	**4.1%**	1,285	21	3.2%
New Zealand	**330**	**7**	**4.2%**	757	14	3.6%
Overseas markets	**2,260**	**72**	**6.4%**	2,698	89	6.6%
Regulatory deposits with Reserve Bank of Australia	**338**	**-**	**-**	660	-	-
Investments in public securities						
Australia	**4,938**	**117**	**4.7%**	4,409	105	4.8%
New Zealand	**913**	**22**	**4.8%**	1,101	25	4.6%
Overseas markets	**2,292**	**120**	**10.4%**	2,862	150	10.6%
Loans, advances and bills discounted						
Australia	**71,306**	**2,548**	**7.1%**	66,818	2,412	7.2%
New Zealand	**15,329**	**569**	**7.4%**	15,163	609	8.1%
Overseas markets	**16,233**	**666**	**8.2%**	17,511	745	8.5%
Other assets						
Australia	**1,657**	**38**	**4.6%**	1,521	44	5.8%
New Zealand	**865**	**32**	**7.5%**	1,050	43	8.2%
Overseas markets	**2,056**	**82**	**8.0%**	4,192	136	6.5%
Intragroup assets						
Overseas markets	**8,072**	**203**	**5.0%**	6,363	185	5.8%
	127,771	**4,500**		126,390	4,578	
Intragroup elimination	**(8,072)**	**(203)**		(6,363)	(185)	
	119,699	**4,297**	**7.2%**	120,027	4,393	7.3%
Non-interest earning assets						
Acceptances						
Australia	**15,978**			16,025		
New Zealand	**-**			100		
Overseas markets	**392**			447		
Premises and equipment	**1,452**			1,453		
Other assets	**11,366**			13,182		
Provisions for doubtful debts						
Australia	**(1,684)**			(1,635)		
New Zealand	**(162)**			(172)		
Overseas markets	**(443)**			(429)		
	26,899			28,971		
Total assets	**146,598**			148,998		

AVERAGE BALANCE SHEET AND RELATED INTEREST (continued)

	Sep 1999 Half Year			Mar 1999 Half Year		
	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %
Interest bearing liabilities						
Time deposits						
Australia	**21,525**	**512**	**4.7%**	21,032	496	4.7%
New Zealand	**7,599**	**180**	**4.7%**	8,428	226	5.4%
Overseas markets	**13,863**	**396**	**5.7%**	15,195	476	6.3%
Savings deposits						
Australia	**8,956**	**102**	**2.3%**	9,007	100	2.2%
New Zealand	**3,246**	**43**	**2.6%**	3,395	47	2.8%
Overseas markets	**1,626**	**42**	**5.2%**	1,563	42	5.4%
Other demand deposits						
Australia	**14,866**	**264**	**3.6%**	14,331	258	3.6%
New Zealand	**1,621**	**29**	**3.6%**	1,636	29	3.6%
Overseas markets	**1,543**	**29**	**3.7%**	1,500	29	3.9%
Due to other financial institutions						
Australia	**237**	**6**	**4.8%**	314	6	3.9%
New Zealand	**683**	**22**	**6.3%**	575	17	6.1%
Overseas markets	**7,016**	**196**	**5.6%**	10,026	271	5.4%
Commercial paper						
Australia	**4,236**	**103**	**4.9%**	3,431	84	4.9%
Overseas markets	**3,401**	**84**	**4.9%**	1,778	43	4.9%
Borrowing corporations' debt						
Australia	**5,451**	**157**	**5.8%**	5,348	160	6.0%
New Zealand	**1,068**	**30**	**5.6%**	1,059	35	6.6%
Loan capital, bonds and notes						
Australia	**5,622**	**156**	**5.6%**	3,706	114	6.2%
New Zealand	**157**	**4**	**5.7%**	163	5	5.6%
Overseas markets	**328**	**9**	**5.5%**	431	13	6.1%
Other liabilities[1]						
Australia	**1,969**	**33**	**n/a**	1,477	28	n/a
New Zealand	**132**	**28**	**n/a**	252	34	n/a
Overseas markets	**202**	**32**	**n/a**	813	59	n/a
Intragroup Liabilities						
Australia	**5,824**	**147**	**5.0%**	4,182	133	6.4%
New Zealand	**2,248**	**56**	**5.0%**	2,181	52	4.8%
	113,419	**2,660**		111,823	2,757	
Intragroup elimination	**(8,072)**	**(203)**		(6,363)	(185)	
	105,347	**2,457**	**4.7%**	105,460	2,572	4.9%
Non-interest bearing liabilities						
Deposits						
Australia	**3,231**			3,160		
New Zealand	**798**			659		
Overseas markets	**1,410**			1,543		
Acceptances						
Australia	**15,978**			16,025		
New Zealand	**-**			100		
Overseas markets	**392**			447		
Other liabilities	**9,909**			12,537		
	31,718			34,471		
Total liabilities	**137,065**			139,931		

[1] *Includes foreign exchange swap costs*

AVERAGE BALANCE SHEET AND RELATED INTEREST (continued)

	Full year Sep 99 $M	Full year Sep 98 $M	Half year Sep 99 $M	Half year Mar 99 $M
Total average assets				
Australia	**99,509**	87,652	**102,125**	96,350
New Zealand	**19,366**	19,673	**18,969**	19,661
Overseas markets	**36,564**	45,316	**33,576**	39,350
less intragroup elimination	**(7,238)**	(2,781)	**(8,072)**	(6,363)
	148,201	149,860	**146,598**	148,998
% of total average assets attributable to overseas activities	**32.9%**	41.5%	**30.3%**	35.3%
Total average liabilities				
Australia	**91,900**	82,295	**94,617**	88,682
New Zealand	**18,548**	18,924	**18,118**	18,877
Overseas markets	**35,664**	43,790	**32,402**	38,735
less intragroup elimination	**(7,238)**	(2,781)	**(8,072)**	(6,363)
	138,874	142,228	**137,065**	139,931
Total average shareholders' equity				
Ordinary share capital	**8,237**	7,620	**8,389**	8,037
Preference share capital	**1,090**	12	**1,144**	1,030
	9,327	7,632	**9,533**	9,067
Total average liabilities and shareholders' equity	**148,201**	149,860	**146,598**	148,998
% of total average liabilities attributable to overseas activities	**37.3%**	43.3%	**34.9%**	39.6%

SEGMENT ANALYSIS

The following analysis shows segment income, operating profit and total assets by industry segments and segment income, operating profit, total assets and risk weighted assets based on geographical locations.

INDUSTRY

	Full year Sep 99 $M	Full year Sep 98 $M	Movt Sep 99 v. Sep 98 %	**Half year Sep 99 $M**	Half year Mar 99 $M	Movt Sep 99 v. Mar 99 %
Income (equity standardised) [1, 2]						
Personal Financial Services	**4,697**	4,739	-1%	**2,395**	2,302	4%
Corporate Financial Services	**4,068**	3,856	5%	**1,986**	2,082	-5%
International	**1,871**	2,145	-13%	**909**	962	-6%
Group (including discontinued businesses)	**359**	788	-54%	**188**	171	10%
	10,995	11,528	-5%	**5,478**	5,517	-1%
Operating profit before tax (equity standardised) [2]						
Personal Financial Services	**927**	690	34%	**517**	410	26%
Corporate Financial Services	**757**	649	17%	**406**	351	16%
International	**278**	349	-20%	**104**	174	-40%
Group (including discontinued businesses)	**200**	33	large	**91**	109	-17%
	2,162	1,721	26%	**1,118**	1,044	7%
Operating profit after tax (equity standardised) [2]						
Personal Financial Services	**622**	466	33%	**349**	273	28%
Corporate Financial Services	**550**	472	17%	**278**	272	2%
International	**176**	220	-20%	**83**	93	-11%
Group (including discontinued businesses)	**132**	17	large	**54**	78	-31%
	1,480	1,175	26%	**764**	716	7%

	As at Sep 99 $M	As at Mar 99 $M	As at Sep 98 $M
Total assets			
Personal Financial Services	**55,915**	51,679	47,229
Corporate Financial Services	**67,185**	70,109	70,718
International	**18,078**	18,455	19,232
Group (including discontinued businesses)	**7,829**	8,546	12,541
	149,007	148,789	149,720

[1] *Includes abnormal items*
[2] *Refer definitions on page 63*

SEGMENT ANALYSIS (continued)

GEOGRAPHICAL

	Full year Sep 99 $M	Full year Sep 98 $M	Movt Sep 99 v. Sep 98 %	Half year Sep 99 $M	Half year Mar 99 $M	Movt Sep 99 v. Mar 99 %
Income [1]						
Australia	**6,802**	6,403	6%	**3,509**	3,293	7%
New Zealand	**1,625**	2,008	-19%	**787**	838	-6%
Domestic Markets	**8,427**	8,411	0%	**4,296**	4,131	4%
UK and Europe	**620**	800	-23%	**259**	361	-28%
Asia Pacific	**620**	868	-29%	**281**	339	-17%
South Asia	**585**	572	2%	**278**	307	-9%
Americas	**348**	419	-17%	**169**	179	-6%
Middle East	**395**	458	-14%	**195**	200	-3%
Overseas Markets	**2,568**	3,117	-18%	**1,182**	1,386	-15%
	10,995	11,528	-5%	**5,478**	5,517	-1%
Operating profit before tax						
Australia	**1,502**	1,146	31%	**819**	683	20%
New Zealand	**282**	242	17%	**141**	141	0%
Domestic Markets	**1,784**	1,388	29%	**960**	824	17%
UK and Europe	**49**	(89)	n/a	**18**	31	-42%
Asia Pacific	**102**	145	-30%	**43**	59	-27%
South Asia	**104**	134	-22%	**47**	57	-18%
Americas	**66**	65	2%	**28**	38	-26%
Middle East	**57**	78	-27%	**22**	35	-37%
Overseas Markets	**378**	333	14%	**158**	220	-28%
	2,162	1,721	26%	**1,118**	1,044	7%
Abnormal loss [2]	**-**	(102)	n/a	**-**	-	n/a
	2,162	1,619	34%	**1,118**	1,044	7%
Operating profit after tax						
Australia	**1,042**	819	27%	**566**	476	19%
New Zealand	**200**	167	20%	**98**	102	-4%
Domestic Markets	**1,242**	986	26%	**664**	578	15%
UK and Europe	**39**	(59)	n/a	**15**	24	-38%
Asia Pacific	**59**	100	-41%	**21**	38	-45%
South Asia	**61**	72	-15%	**27**	34	-21%
Americas	**46**	36	28%	**20**	26	-23%
Middle East	**33**	40	-18%	**17**	16	6%
Overseas Markets	**238**	189	26%	**100**	138	-28%
	1,480	1,175	26%	**764**	716	7%
Abnormal loss [3]	**-**	(69)	n/a	**-**	-	n/a
	1,480	1,106	34%	**764**	716	7%

[1] *Includes abnormal items*
[2] *See page 50*
[3] *See page 50*

SEGMENT ANALYSIS (continued)

	As at Sep 99 $M	As at Mar 99 $M	As at Sep 98 $M	Movt Sep 99 v. Sep 98 %
Total Assets				
Australia	**103,757**	99,557	94,194	10%
New Zealand	**19,730**	19,364	20,155	-2%
Domestic markets	**123,487**	118,921	114,349	8%
UK and Europe	**6,426**	10,229	13,803	-53%
Asia Pacific	**5,934**	6,436	7,104	-16%
South Asia	**4,471**	5,083	5,008	-11%
Americas	**4,988**	4,080	4,919	1%
Middle East	**3,701**	4,040	4,537	-18%
Overseas markets	**25,520**	29,868	35,371	-28%
	149,007	148,789	149,720	0%
Risk weighted assets				
Australia	**80,462**	78,700	75,063	7%
New Zealand	**13,546**	14,265	13,766	-2%
Domestic markets	**94,008**	92,965	88,829	6%
UK and Europe	**6,733**	7,205	8,597	-22%
Asia Pacific	**5,527**	5,878	6,034	-8%
South Asia	**3,456**	3,711	3,642	-5%
Americas	**4,786**	5,027	5,081	-6%
Middle East	**3,527**	3,838	3,913	-10%
Overseas markets	**24,029**	25,659	27,267	-12%
	118,037	118,624	116,096	2%

SEGMENT ANALYSIS (continued)

Abnormal items before tax

	Full year Sep 99 $M	Full year Sep 98 $M	**Half year Sep 99 $M**	Half year Mar 99 $M
Australia	-	(17)	-	-
New Zealand	-	-	-	-
UK and Europe	-	(85)	-	-
Asia Pacific	-	-	-	-
South Asia	-	-	-	-
Americas	-	-	-	-
Middle East	-	-	-	-
Total abnormal loss before tax	-	(102)	-	-

Abnormal items after tax

	Full year Sep 99 $M	Full year Sep 98 $M	**Half year Sep 99 $M**	Half year Mar 99 $M
Australia	-	(11)	-	-
New Zealand	-	-	-	-
UK and Europe	-	(58)	-	-
Asia Pacific	-	-	-	-
South Asia	-	-	-	-
Americas	-	-	-	-
Middle East	-	-	-	-
Total abnormal loss after tax	-	(69)	-	-

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives

Derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices. They include swaps, forward rate agreements, futures, options and combinations of these instruments. The use of derivatives and their sale to customers as risk management products is an integral part of the Group's trading activities. Derivatives are also used to manage the Group's own exposure to fluctuations in exchange and interest rates as part of its asset and liability management activities. Derivatives are subject to the same types of credit and market risk as other financial instruments, and the Group manages these risks in a consistent manner.

The following table provides an overview of the Group's exchange rate and interest rate derivatives. It includes all contracts, both trading and other than trading.

	30 September 1999			30 September 1998		
	Notional Principal Amount $M	Credit Equivalent Amount $M	Fair Value $M	Notional Principal Amount $M	Credit Equivalent Amount $M	Fair Value $M
Foreign exchange contracts						
Spot and forward contracts	**159,229**	**3,091**	**24**	212,883	6,649	742
Swap agreements	**20,938**	**1,947**	**659**	19,890	2,063	770
Options purchased	**12,914**	**516**	**302**	16,566	1,033	784
Options sold [1]	**14,497**	**n/a**	**(360)**	15,867	n/a	(566)
Other contracts	**5,201**	**313**	**-**	925	46	(49)
	212,779	**5,867**	**625**	266,131	9,791	1,681
Interest rate contracts						
Forward rate agreements	**84,114**	**59**	**2**	46,995	86	11
Swap agreements	**215,238**	**2,604**	**(98)**	175,696	3,613	(20)
Futures contracts [2]	**74,545**	**n/a**	**(27)**	68,303	n/a	(3)
Options purchased	**5,131**	**42**	**25**	18,630	27	41
Options sold [1]	**5,706**	**n/a**	**(29)**	19,869	n/a	(39)
Other contracts	**-**	**-**	**-**	12	1	(6)
	384,734	**2,705**	**(127)**	329,505	3,727	(16)
	597,513	**8,572**	**498**	595,636	13,518	1,665

[1] Options sold have no credit exposures as they represent obligations rather than assets
[2] Credit equivalent amounts have not been included as there is minimal credit risk associated with exchange traded futures, where the clearing house is the counterparty

Notional principal amount is the face value of the contract and represents the volume of outstanding transactions. Credit equivalent amount is calculated in accordance with the APRA capital adequacy guidelines and combines the aggregate value of all contracts in a positive market position plus an allowance for the potential increase in value over the remaining term of the transaction. Fair value is the net position of contracts with positive market values and negative market values.

DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Concentrations of credit risk exist for groups of counterparties when they have similar economic characteristics. Major concentrations of credit risk arise by location and type of customer.

The following table shows the concentrations of credit risk, by class of counterparty and by geographic location, measured by credit equivalent amount. In excess of 65% of the Group's exposures are with counterparties which are either Australian banks or banks based in other OECD countries.

As at 30 September 1999	Commonwealth and OECD Governments $M	Australian and OECD banks $M	Corporations, non-OECD banks, others $M	Total $M
Australia	**364**	**2,474**	**1,943**	**4,781**
New Zealand	**2**	**537**	**366**	**905**
UK and Europe	**21**	**2,015**	**365**	**2,401**
Other International	**3**	**389**	**93**	**485**
	390	**5,415**	**2,767**	**8,572**
As at 30 September 1998				
Australia	298	3,301	2,987	6,586
New Zealand	15	754	340	1,109
UK and Europe	6	3,718	865	4,589
Other International	119	953	162	1,234
	438	8,726	4,354	13,518

MARKET RISK

The market risk of derivatives arises from the potential for changes in value due to movements in market rates and prices.

The value at risk is a statistical estimate of the maximum **daily** trading loss with a 97.5% confidence. Conversely there is a 2.5% probability of the trading loss exceeding the value at risk estimate. The Group has adopted the variance/covariance methodology as its standard for the calculation of value at risk. This methodology is based on historic estimates of the volatility and correlation of market rates and prices. Reflecting the nature of its trading activities, the Group monitors its value at risk by reference to close-to-close (overnight) risk levels.

Below are the Group's aggregate value at risk figures covering both physical and derivatives trading positions for its principal trading centres. The reduction in value at risk from 30 September 1998 reflects the withdrawal from capital markets activities in London and cessation of proprietary trading activities.

	As at Sep 99 $M	Max for period Sep 99 $M	Min for period Sep 99 $M	Avg for period Sep 99 $M	As at Sep 98 $M	Max for period Sep 98 $M	Min for period Sep 98 $M	Avg for period Sep 98 $M
Value at risk at 97.5% confidence								
Foreign exchange	**2**	**3**	**1**	**2**	2	4	1	2
Interest rate	**3**	**9**	**3**	**5**	8	28	8	18
Equities	-	-	-	-	-	5	-	3

DERIVATIVE FINANCIAL INSTRUMENTS (continued)

In addition to customer and trading activities, the Group uses, inter alia, derivatives to manage the risk associated with its balance sheet and future revenue streams.

The table below shows the notional principal amount, credit equivalent amount and fair value of derivatives held by the Group, split between those entered into for customer-related and trading purposes and those entered into for other than trading purposes.

	30 September 1999			30 September 1998		
	Notional Principal Amount $M	Credit Equiv. Amount $M	Fair Value $M	Notional Principal Amount $M	Credit Equiv. Amount $M	Fair Value $M
Foreign exchange contracts						
Customer-related and trading purposes	**193,539**	**5,006**	**187**	250,339	8,462	648
Balance sheet hedging purposes	**19,240**	**861**	**438**	15,792	1,329	1,033
	212,779	**5,867**	**625**	266,131	9,791	1,681
Interest rate contracts						
Customer-related and trading purposes	**352,242**	**2,480**	**(80)**	306,363	3,311	(99)
Balance sheet hedging purposes	**32,492**	**225**	**(47)**	23,142	416	83
	384,734	**2,705**	**(127)**	329,505	3,727	(16)
Total	**597,513**	**8,572**	**498**	595,636	13,518	1,665

CONTINGENT LIABILITIES

General

There are outstanding court proceedings, claims and possible claims against the Group, the aggregate amount of which cannot readily be quantified. Appropriate legal advice has been obtained and, in the light of such advice, provisions as deemed necessary have been made.

India - National Housing Bank

In 1992 the branch of ANZ Grindlays Bank Limited in India (the Bank) received a claim, aggregating approximately Indian Rupees 5.06 billion ($178 million at 30 September 1999 rates) from the National Housing Bank (NHB) in that country. The claim arose out of certain cheques drawn by NHB in favour of the Bank, the proceeds of which were credited into the account of one of the customers of the Bank.

On 29 March 1997, pursuant to an Arbitration Agreement entered into on 4 November 1992, the Arbitrators made an award on this dispute in favour of the Bank. NHB paid to the Bank the principal and interest due under the award (aggregating Indian Rupees 9.05 billion ($318 million at 30 September 1999 rates)). Subsequently, NHB had the award reviewed by the Special Court (Trial of Offences Relating to Transactions in Securities) at Mumbai, which on 4 February 1998 ordered that the award be set aside. ANZ has filed an appeal with the Supreme Court of India seeking that the Special Court's order be set aside.

As the matter is sub judice, comment by the parties is limited.

The Group has obtained firm legal advice from Senior Counsel and based on that advice no provision has been made in respect of the claim.

India - Foreign Exchange Regulation Act

In 1991, certain amounts were transferred from non-convertible Indian Rupee Accounts maintained with ANZ Grindlays Bank Ltd (the Bank) in India. In making these transactions it would appear that the provisions of the Foreign Exchange Regulation Act, 1973 were inadvertently not complied with. The Bank, on its own initiative, brought these transactions to the attention of the Reserve Bank of India.

The Indian authorities have served notices on the Bank and certain of its officers in India which could lead to prosecutions and possible penalties. The Bank is contesting through the courts in India, the validity of the notices that have been served. Separate to these court proceedings, adjudications in respect to two of the notices have been heard. No decision has been given in respect of these adjudications. Adjudications in respect of the other notices issued to the Bank are expected to take place this year. ANZ considers that the outcome will have no material adverse effect on the 30 September 1999 financial statements.

NOTES TO THE STATEMENT OF CASH FLOWS

	Full year Sep 99 Inflows (Outflows) $M	Half year Sep 99 Inflows (Outflows) $M	Half year Mar 99 Inflows (Outflows) $M	Full year Sep 98 Inflows (Outflows) $M
Reconciliation of operating profit after income tax to net cash provided by operating activities				
Operating profit after income tax	**1,480**	764	716	1,106
Adjustments to reconcile to net cash provided by operating activities				
Provision for doubtful debts	**510**	252	258	487
Depreciation and amortisation	**195**	98	97	191
Provision for restructuring and other provisions	**272**	148	124	284
Payments from provisions	**(290)**	(126)	(164)	(521)
Provision for surplus lease space	**1**	-	1	(12)
(Profit)loss on property disposals	**(13)**	(16)	3	(10)
Decrease in interest receivable	**78**	61	17	16
(Decrease)increase in interest payable	**(10)**	25	(35)	(239)
Decrease(increase) in trading securities	**1,442**	(158)	1,600	926
Decrease in net tax assets	**95**	77	18	115
Other	**(66)**	33	(99)	(86)
Net cash provided by operating activities	**3,694**	1,158	2,536	2,257
Reconciliation of cash and cash equivalents [1]				
Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows				
Liquid assets - less than 3 months	**4,243**	4,243	5,035	6,687
Due from other financial institutions - less than 3 months	**2,391**	2,391	2,272	2,294
	6,634	6,634	7,307	8,981
Non-cash financing and investment activities				
Share capital issues				
Dividend reinvestment plan	**176**	84	92	218
Bonus option plan	**-**	-	-	2

[1] *At 30 September 1999, cash and cash equivalents totalling $357 million (Sep 98: $294 million) were not available for use outside the local operations of India ($123 million (Sep 1998: $207 million)), Pakistan ($137 million (Sep 98: $87 million)), Bangladesh ($77 million (Sep 98: nil)), Sri Lanka ($2 million (Sep 98: nil)) and Nepal ($18 million (Sep 98: nil)) due to exchange control regulations*

CAPITAL ADEQUACY

Qualifying capital	As at Sep 99 $M	As at Mar 99 $M	As at Sep 98 $M	Movt Sep 99 v. Sep 98 %
Tier 1				
Total shareholders' equity and outside equity interests	**9,429**	9,234	8,391	12%
Less: net future income tax benefit	**-**	(28)	(46)	-100%
unamortised goodwill	**(82)**	(81)	(18)	large
investment in ANZ Lenders Mortgage Insurance	**(18)**	(18)	(18)	0%
Tier 1 capital	**9,329**	9,107	8,309	12%
Tier 2				
Perpetual subordinated notes	**855**	889	936	-9%
General provision for doubtful debts [1]	**851**	873	889	-4%
	1,706	1,762	1,825	-7%
Subordinated notes [2]	**2,211**	2,352	2,567	-14%
Tier 2 capital	**3,917**	4,114	4,392	-11%
Less: deductions	**(584)**	(342)	(305)	91%
Total qualifying capital	**12,662**	12,879	12,396	2%
Ratios (%)				
Tier 1	**7.9%**	7.7%	7.2%	n/a
Tier 2	**3.3%**	3.5%	3.8%	n/a
	11.2%	11.2%	11.0%	n/a
Less: deductions	**(0.5%)**	(0.3%)	(0.3%)	n/a
Total	**10.7%**	10.9%	10.7%	n/a
Risk weighted assets	**118,037**	118,624	116,096	2%

[1] *Excluding attributable future income tax benefit*
[2] *For capital adequacy calculation purposes, subordinated note issues are reduced each year by 20% of the original amount during the last five years to maturity*

INTEREST SPREADS AND NET INTEREST AVERAGE MARGINS

Intragroup interest earning assets and interest bearing liabilities are treated as external assets and liabilities for the geographic segments. This is a change from prior periods and comparatives have been adjusted.

	Full year Sep 99 $M	Full year Sep 98 $M	Half year Sep 99 $M	Half year Mar 99 $M
Average interest earning assets				
Australia	**77,268**	67,450	79,421	74,693
New Zealand	**17,802**	17,846	17,437	18,071
Overseas markets	**32,359**	37,213	30,913	33,626
less intragroup elimination	**(7,238)**	(2,781)	(8,072)	(6,363)
	120,191	119,728	119,699	120,027
Gross earnings rate [1]	**%**	%	%	%
Australia	**6.87**	7.37	6.85	6.93
New Zealand	**7.43**	9.54	7.21	7.67
Overseas markets	**7.56**	8.05	7.37	7.78
Total Group	**7.23**	7.94	7.16	7.34

Interest spread and net interest average margin may be analysed as follows:

	Full year Sep 99	Full year Sep 98	Half year Sep 99	Half year Mar 99
Australia				
Gross interest spread	**2.59**	2.82	2.58	2.61
Interest forgone on impaired assets	**(0.06)**	(0.07)	(0.03)	(0.08)
Net interest spread	**2.53**	2.75	2.55	2.53
Interest attributable to net non-interest bearing items	**0.64**	0.63	0.58	0.69
Net interest average margin - Australia	**3.17**	3.38	3.13	3.22
New Zealand				
Gross interest spread	**2.62**	2.39	2.58	2.65
Interest forgone on impaired assets	**(0.03)**	(0.03)	(0.03)	(0.03)
Net interest spread	**2.59**	2.36	2.55	2.62
Interest attributable to net non-interest bearing items	**0.14**	0.34	0.18	0.12
Net interest average margin - New Zealand	**2.73**	2.70	2.73	2.74
Overseas markets				
Gross interest spread	**1.99**	1.56	1.84	2.04
Interest forgone on impaired assets	**(0.22)**	(0.08)	(0.09)	(0.24)
Net interest spread	**1.77**	1.48	1.75	1.80
Interest attributable to net non-interest bearing items	**0.48**	0.66	0.55	0.42
Net interest average margin - Overseas markets	**2.25**	2.14	2.30	2.22
Group				
Gross interest spread	**2.57**	2.40	2.58	2.57
Interest forgone on impaired assets	**(0.10)**	(0.07)	(0.07)	(0.12)
Net interest spread	**2.47**	2.33	2.51	2.45
Interest attributable to net non-interest bearing items	**0.58**	0.64	0.56	0.59
Net interest average margin - Group	**3.05**	2.97	3.07	3.04

[1] *Average interest rate received on interest earning assets*

US GAAP RECONCILIATION

The consolidated financial statements of the Group are prepared in accordance with Generally Accepted Accounting Principles applicable in Australia (Australian GAAP) which differ in some respects from Generally Accepted Accounting Principles in the United States (US GAAP).

The following are reconciliations of the operating profit after income tax, shareholders' equity and total assets, applying US GAAP instead of Australian GAAP.

	Full year Sep 99 $M	Full year Sep 98 $M	Half year Sep 99 $M	Half year Mar 99 $M
Operating profit after income tax according to Australian GAAP[1]	**1,480**	1,106	**764**	716
Items having the effect of increasing(decreasing) reported income:				
Employee share issue	**(23)**	-	**(3)**	(20)
Depreciation charged on the difference between revaluation amount and historical cost of buildings	**2**	3	**1**	1
Difference in gain or loss on disposal of properties revalued under historical cost	**-**	9	**-**	-
Deferred profit on sale and leaseback transactions	**(12)**	-	**(12)**	-
Amortisation of goodwill	**(36)**	(36)	**(18)**	(18)
Pension expense adjustment	**(1)**	14	**2**	(3)
Net income according to US GAAP	**1,410**	1,096	**734**	676
Other comprehensive income				
Currency translation adjustments, net of hedges after tax	**(215)**	142	**(125)**	(90)
Unrealised profit on available for sale securities	**7**	-	**7**	-
Total comprehensive income according to US GAAP	**1,202**	1,238	**616**	586
Shareholders' equity according to Australian GAAP[2]	**9,403**	8,335	**9,403**	9,210
Elimination of gross asset revaluation reserves	**(340)**	(340)	**(340)**	(340)
Unrealised profit on available for sale securities	**7**	-	**7**	-
Adjustment to accumulated depreciation on buildings revalued	**41**	39	**41**	40
Restoration of previously deducted goodwill	**807**	807	**807**	807
Accumulated amortisation and write-off of goodwill	**(544)**	(508)	**(544)**	(526)
Deferred profit on sale and leaseback transactions	**(12)**	-	**(12)**	-
Provision for dividend	**470**	431	**470**	404
Pension expense adjustment	**57**	58	**57**	55
Shareholders' equity according to US GAAP	**9,889**	8,822	**9,889**	9,650
Total assets according to Australian GAAP	**149,007**	149,720	**149,007**	148,789
Elimination of gross asset revaluation reserves	**(340)**	(340)	**(340)**	(340)
Unrealised profit on available for sale securities	**11**	-	**11**	-
Adjustment to accumulated depreciation on buildings revalued	**41**	39	**41**	40
Restoration of previously deducted goodwill	**807**	807	**807**	807
Accumulated amortisation and write-off of goodwill	**(544)**	(508)	**(544)**	(526)
Prepaid pension adjustment	**39**	44	**39**	39
Reclassification of deferred tax assets against deferred tax liabilities	**(400)**	(484)	**(400)**	(407)
Total assets according to US GAAP	**148,621**	149,278	**148,621**	148,402

[1] *After abnormal items*

[2] ***Excluding outside equity interest***

ACCOUNTING POLICIES

This report has been based on financial data which has been prepared in compliance with the accounting provisions of the Banking Act, the Corporations Law, applicable Australian Accounting Standards and Urgent Issues Group Consensus Views. Where necessary, amounts shown for previous periods have been reclassified to facilitate comparison.

The accounting policies have been consistently applied by entities in the Group and are consistent with those of the previous financial year except for the changes disclosed below.

CHANGES IN ACCOUNTING POLICY

Software Development costs

Effective 1 October 1998, costs incurred in developing, acquiring and enhancing application software are capitalised and amortised over the estimated useful life which generally ranges from 3 to 5 years. The Group previously expensed these costs. The change results from adoption of the US Statement of Position 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use".

Operating profit after tax for the year ended 30 September 1999 increased by $39 million as a result of the change in accounting policy.

EXCHANGE RATES

Major exchange rates used in translation of results of offshore controlled entities and branches into the Group accounts for the year were as follows:

	Balance Sheet			Profit and Loss Average			
	As at Sep 99	**As at Mar 99**	**As at Sep 98**	**Full year Sep 99**	**Full year Sep 98**	**Half year Sep 99**	**Half year Mar 99**
NZD/AUD	**1.2598**	1.1814	1.1868	**1.2014**	1.1581	**1.2150**	1.1812
GBP/AUD	**0.3972**	0.3900	0.3496	**0.3932**	0.3913	**0.4043**	0.3800
USD/AUD	**0.6533**	0.6285	0.5972	**0.6403**	0.6468	**0.6484**	0.6287

SIGNIFICANT EVENTS SINCE BALANCE DATE

On 3 November 1999 the Group announced its intention to undertake an on market ordinary share buyback of up to $500 million. Other than this, there have been no significant events since 30 September 1999 to the date of this report.

Charles Goode
Chairman

John McFarlane
Chief Executive Officer

Melbourne
3 November 1999

COUNTRY EXPOSURES

The exposure definitions in the following tables are consistent with the ones used by Standard & Poor's in their assessment of regional risk published in February 1998.

Both local currency and cross border exposures are included.

Trade finance is captured at 100% of face value.

Exposure to regional banks assumes the country of the parent and includes all foreign subsidiaries. For example, bank data includes UK subsidiaries of Japanese banks.

Treasury funded exposures includes predominantly bank Money Market lines and Certificates of Deposit.

Treasury unfunded exposure includes Foreign Exchange and Interest Rate contracts (forwards, options and swaps). The exposure is calculated using a conservative "Mark to market plus potential exposure" methodology. This methodology calculates the market value of a contract and adds a factor for the potential change in value from the valuation date to maturity.

Financial guarantees represents lending to entities outside of Asia (typically Australia) where there is relationship with the parent entity through a guarantee or letter of awareness/letter of comfort.

Term lending is split into three categories: exposure to multinationals covers lending in Asian countries to international or global companies, frequently involving Australian parents or joint venture partners, term lending in local currency which is principally franchise countries, and cross border term lending (mostly USD).

Project finance includes a mix of products and is net of Political Risk Insurance (PRI) cover provided by either a large Government Multi Lateral Agency or a large Global Private Insurance company.

Securities include traded debt instruments and are measured at assessed market value (mark-to-market).

COUNTRY EXPOSURES (continued)

PRODUCT DISCLOSURE BY SELECTED REGIONS

As at 30 September 1999 in USD millions (gross exposures)

	CROSS BORDER RISK											
Countries	Trade	Treasury On B/Sht	Treasury Off B/Sht	Performance Bonds	Financial Guarantees[1]	Term Lending Multinationals	Term Lending XBR	Term Lending LCY	Underwriting & Project Risk[2]	Investment Securities[3]	Combined Total	Movement From 30/9/98
ASIA												
Japan	44	-	362	433	324	81	237	20	-	-	1,501	(143)
Singapore	35	38	55	8	97	25	203	18	-	-	479	52
Hong Kong	106	13	24	49	73	20	184	126	-	-	595	(30)
China	180	21	27	29	72	67	100	-	27	1	524	(263)
Macau	9	-	-	-	-	-	39	-	-	-	48	48
Taiwan	161	23	2	42	29	-	37	163	-	-	457	141
South Korea	554	267	-	61	14	12	95	18	-	-	1,021	5
Indonesia	98	35	1	7	12	24	102	16	63	8	366	(146)
Thailand	20	-	1	22	-	-	42	-	2	-	87	(48)
Malaysia	28	-	2	6	53	15	4	-	30	-	138	26
Philippines	53	90	-	-	1	9	43	9	9	-	214	(70)
Laos	-	-	-	-	-	-	-	-	1	-	1	1
Vietnam	84	-	-	4	5	8	50	45	-	-	196	(13)
Total	**1,372**	**487**	**474**	**661**	**680**	**261**	**1,136**	**415**	**132**	**9**	**5,627**	**(440)**
SOUTH ASIA												
Bangladesh	100	-	-	18	-	5	10	281	-	-	414	39
India	603	-	66	434	82	76	75	1,135	130	19	2,620	(277)
Nepal	51	-	-	3	-	-	2	55	-	-	111	(6)
Sri Lanka	66	-	-	2	-	13	23	69	-	-	173	(26)
Total	**820**	**-**	**66**	**457**	**82**	**94**	**110**	**1,540**	**130**	**19**	**3,318**	**(270)**
LATIN AMERICA												
Argentina	195	1	18	-	1	-	61	-	36	-	312	133
Brazil	280	-	-	-	-	161	52	-	1	-	494	26
Chile	34	25	-	-	-	-	33	-	35	1	128	69
Colombia	-	-	-	-	-	-	-	-	-	-	-	(2)
Cuba	-	-	-	-	-	-	-	-	-	-	-	(4)
Ecuador	-	-	-	-	-	-	-	-	-	-	-	(7)
Mexico	134	-	-	-	-	-	37	-	64	-	235	73
Panama	-	-	-	-	-	-	-	-	-	-	-	(2)
Peru	5	-	-	-	-	-	-	-	-	-	5	(72)
Uruguay	-	-	-	-	-	-	-	-	-	-	-	(2)
Venezuela	1	-	-	-	-	-	2	-	32	-	35	(41)
Total	**649**	**26**	**18**	**-**	**1**	**161**	**185**	**-**	**168**	**1**	**1,209**	**171**
MIDDLE EAST												
Bahrain	6	6	2	3	53	-	15	-	12	-	97	1
Egypt	29	-	-	-	-	-	-	-	-	-	29	29
Greece	22	-	1	4	28	68	62	89	-	-	274	42
Iran	61	-	-	-	-	-	2	-	-	-	63	6
Iraq	-	-	-	-	-	-	-	-	-	-	-	(3)
Israel	9	5	5	15	46	-	15	12	-	-	107	28
Jordan/West Bank	16	-	1	45	2	-	14	141	-	-	219	35
Kuwait	4	-	1	-	21	-	-	-	-	-	26	(11)
Lebanon	-	-	-	-	-	-	-	-	-	-	-	(1)
Oman	11	-	-	1	1	-	35	-	5	2	55	16
Pakistan	141	-	38	88	25	10	113	272	17	-	704	38
Qatar	36	45	-	13	-	-	134	151	191	-	570	290
Saudi Arabia	1	-	5	2	9	-	149	-	213	-	379	(19)
U.A.E.	427	16	2	35	2	98	148	298	265	2	1,293	384
Total	**763**	**72**	**55**	**206**	**187**	**176**	**687**	**963**	**703**	**4**	**3,816**	**835**
EASTERN EUROPE												
Czech Republic	-	-	-	-	-	-	-	-	-	-	-	(1)
Russia	-	-	-	-	-	-	-	-	-	19	19	(4)
Ukraine	-	-	-	-	-	-	-	-	-	-	-	(7)
Bulgaria	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19**	**19**	**(12)**

[1] *Securing regional lending in countries not detailed*
[2] *Less political risk insurance cover*
[3] *At market value*

GROUP MANAGEMENT

EXECUTIVE MANAGEMENT COMMITTEE

Chief Executive Officer	John McFarlane
Chief Information Officer	David Boyles
Corporate Financial Services	Roger Davis
Personal Financial Services	Peter Hawkins
Chief Financial Officer	Peter Marriott

CHIEF EXECUTIVE'S GROUP

Mortgages	Greg Camm
Australasian Distribution	Larry Crawford
Business Banking	Bob Edgar
Banking Products	Kathryn Fagg
International	Elmer Funke Kupper
Cards	Brian Hartzer
Risk Management	Mark Lawrence
Asset Finance	Peter McMahon
Investment Banking	Grahame Miller
Corporate Affairs & Human Resources	Elizabeth Proust
Strategy & Brand Management	Alison Watkins

DEFINITIONS

Corporate Financial Services comprises Corporate Relationships (including Asset Finance, relationship banking and structured finance), foreign exchange and capital markets operations in Australia, New Zealand and the mature markets of UK, Europe and Americas.

Economic loss provisioning (ELP) charge is determined based on the expected average annual loss of principal derived from the Group's risk management models.

Equity standardisation Economic Value Added (EVA™) principles are in use throughout the Group, whereby risk adjusted capital is allocated and charged against business units. Equity standardised profit is determined by eliminating the impact of earnings on each business unit's book capital and attributing earnings on the business unit's risk adjusted capital. This enhances comparability of business unit performance. Geographic results are not equity standardised.

Geographic segmentation
UK and Europe includes France, Germany, Guernsey, Jersey, Switzerland and United Kingdom.
Asia Pacific includes Cook Islands, Fiji, Indonesia, Japan, Korea, Malaysia, Papua New Guinea, Philippines, Samoa, Singapore, Solomon Islands, Sri Lanka, Taiwan, Thailand, The People's Republic of China, Tonga, Vanuatu and Vietnam.
South Asia includes Bangladesh, India and Nepal.
Americas includes United States of America.
Middle East includes Bahrain, Greece, Iran, Israel, Jordan, Pakistan, Palestine, Qatar and United Arab Emirates.

Group (including discontinued businesses) comprises the results of asset and liability management; earnings on central capital; costs relating to hedging capital positions; certain central costs not recharged to business units and the results of discontinued businesses.

Impaired assets are loans or other credit facilities where there is reasonable doubt about the collectability of interest, fees (past and future) or principal outstanding, or where concessional terms have been provided because of the financial difficulties of the customer.

International comprises the results of operations outside Australia and New Zealand for personal banking (including Private Banking), funds management, business banking and structured finance, and the foreign exchange and capital markets operations of other countries, excluding the mature markets of UK, Europe and Americas.

Net advances include gross loans and advances, acceptances and ANZ accepted bills held as part of trading securities less income yet to mature and specific provisions (for both as at and average volumes).

Net interest average margin is net interest income as a percentage of average interest earning assets. Non-assessable interest income is grossed up to the equivalent before tax amount for the purpose of these calculations.

Net interest spread is the average interest rate received on interest earning assets less the average interest rate paid on interest bearing liabilities. Non-assessable interest income is grossed up to the equivalent before tax amount for the purpose of these calculations.

Net non-interest bearing items, referred to in the analysis of interest spread and net interest average margin, includes shareholders' equity, provisions for doubtful debts, and deposits not bearing interest and other liabilities not bearing interest, offset by premises and equipment and other non-interest earning assets. Non-accrual loans are included within interest bearing loans, advances and bills discounted.

Net specific provision is the transfer from the general provision to the specific provision (representing new and increased specific provisions less specific provision releases) less recoveries.

Operating expenses exclude charge for doubtful debts and abnormal items.

Overseas geographic segment includes the results from all operations outside Australia and New Zealand.

Personal Financial Services comprises Personal Banking (including Private Banking) and Funds Management operations in Australia and New Zealand.

Service Transfer Pricing is in use throughout the Group, whereby business and support units recover the cost of services provided to other units. There are some head office costs which are not recharged.

Total advances include gross loans and advances, acceptances and ANZ accepted bills held as part of trading securities less income yet to mature (for both as at and average volumes).

Unproductive facilities comprise standby letters of credit, bill endorsements, documentary letters of credit, guarantees to third parties, undrawn facilities to which the Group is irrevocably committed and market related exposures.

ALPHABETICAL INDEX