The theme of this year's Report is "Achievement and Momentum". We illustrate ANZ's role in assisting achievement-oriented people and organisations in meeting their goals in many aspects of human endeavour; sporting, artistic, academic, and business.

ANZ is proud to have associations with other successful Australasians on the world stage, and to put something back into the communities from which we earn our living.

We also seek to illustrate the momentum ANZ has developed in achieving returns for shareholders, through strength in our home markets, an unmatched international network, and a 'bottom-line' focused business unit structure.

Our cover shows Australasian achievers in action; the ANZ 12-Metre Challenge, held in Sydney in January 1989, was a series of races of equal boats, skippered by Australian Iain Murray, the eventual winner, and Dennis Conner of the USA; and the steel production control pulpit at the Western Port plant of the Coated Products Division of BHP Ltd, one of Australasia's leading companies, and one of ANZ's major corporate customers.

In the interests of the environment, we have printed the Financial Section of this Report on recycled paper.

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“...Recognising that domestic strength drives international success, we aim to be the leading provider of a comprehensive range of financial services in Australasia, with significant market shares in all major product and geographic areas; and to leverage off the strength provided by a sound domestic base into profitable niche banking activities primarily built around the trade and capital flows between Australasia and the rest of the world...”
THE YEAR IN BRIEF

- After tax profit, before abnormal items, increased by 42.8% to A$721.7 million.

- A$221 million provided as an abnormal item for exposure to debt rescheduling countries, bringing net exposure down to approximate value in secondary market at year-end.

- Return on average shareholders’ funds before abnormal items improved from 15.1% to 17.2%.

- Earnings per share before abnormal items increased by 19.9%, from 71 cents to 85.1 cents.

- Continuing productivity improvements saw operating costs fall from 65.5% of income to 64.1%.

- Acquisition of Post Office Bank Ltd (PostBank) in New Zealand, making ANZ the largest banking group in the country.

- Final fully franked dividend of 22 cents to be paid, amounting to total payment of 44 cents for the year, an increase of 27.5% (excluding Special Dividend paid April 1989).

- Profit contribution from international network up 89% to A$168.2 million, representing 23.3% of Group profit before abnormal items, up from 17.6% last year.

- Dividend Selection Plan announced for U.K. resident shareholders.

- Group assets up 14.8% to A$84.7 billion.

- Risk weighted capital ratio 8.7%, of which 5.3% was tier 1.

- Acquisition of Mercantile Credits Ltd, lifting our share of the Australian finance company market to 23%.
FINANCIAL PERFORMANCE

OPERATING PROFIT AFTER TAX

The after tax profit of A$721.7 million (before abnormal items) was an increase of 42.8% on the previous year ($505.4 million).

Lower corporate tax rates in Australia and New Zealand contributed A$77.9 million to the increased profit. Thus, without the tax changes, profit (before abnormal items) would have been up by 27%.

Before tax and abnormal items, operating profit was A$1122.6 million, up 16.7%.

The second half profit before abnormal items was down on the first half (A$318.6 million versus A$403.1 million) due to a significant increase in specific provisions for bad and doubtful debts in the second half, A$188.3 million, compared to A$119.5 million. New Zealand accounted for A$92.5 million of the total charge of A$307.8 for the year.

RETURN ON AVERAGE ASSETS & SHAREHOLDERS’ FUNDS

Return (before abnormal items) on average assets and shareholders’ funds continued to improve, reflecting the growing profitability of our international network, productivity measures and lower tax rates.

These two ratios have improved markedly from their lows of 1986 and 1987, following deregulation of the Australian financial sector and the Group’s strategic international diversification.

EARNINGS AND DIVIDENDS PER SHARE

Strong growth in earnings and dividends per share has been evident since 1987, with 1989 showing growth of 19.9% in EPS and 27.5% in DPS (excluding Special Dividend paid in April 1989).

Dividend payout ratio has increased from 32.4% in 1985 to 53.6% before abnormal items in 1989, reflecting the Board’s policy (stated in last year’s Annual Report) of a minimum payout of 50%.

It should be noted this graph does not show the April 1989 Special Dividend, which ensured tax effect in distribution of accumulated franking balances prior to 30 June 1989.)
**COSTS AS % OF INCOME**

This measure of productivity shows steady improvement since 1985, through rationalisation, efficiency measures, and asset growth.

Operating costs were A$2557.3 million (1988: A$2333.3 million), up 9.6%. Excluding those costs relating to the newly-acquired PostBank and Mercantile Credits, costs were up 4.8%.

We reorganised to a business unit basis in 1986 (our structure is shown on pages 30 and 31) and this brought about a clearer "bottom-line" focus throughout the Group.

Significant potential still exists to improve productivity, with trials of new retail concepts showing great promise.

The declining proportion of personnel costs to total costs also reflects, in part, the Group's significant investment in technology.

**GROUP ASSETS**

Group assets grew by A$10.9 billion, or 14.8%, to A$84.7 billion.

Australian assets grew by $7.1 billion, whilst New Zealand's jumped from $6.2 billion to $9.1 billion following the acquisition of PostBank.

Assets of the international network grew more slowly (4.4%), reflecting an increasing focus on network and transaction business, rather than on "balance sheet building."

**GEOGRAPHIC SOURCES OF PROFIT**

The international network contributed 23% of the Group profit before abnormal items, up from 18% last year.

This was a product of rationalisation, improved margins and earnings on capital employed (in a high interest rate environment) and some good recoveries from past write-offs.

Areas of the network worthy of particular note in terms of improvement included South Asia, United Kingdom, Asia Pacific, Middle East, Africa and International Private Banking.
FINANCIAL PERFORMANCE

NET LDC EXPOSURE

The Group moved to put its LDC exposure behind it.

By taking an abnormal charge to provisions of A$221 million, the Group's net exposure approximates, on a tax effected basis, secondary market values of approximately 60% of book values at year end. Thus, at current market values, no further provisioning will be required.

The net exposure of A$528.4 million is a 39.4% reduction on last year, and now represents only 0.6% of Group assets and 13.2% of shareholders' funds.

CAPITAL ADEQUACY

The Group's risk-weighted capital ratio increased to 8.7%, of which 5.3% was in tier 1.

Tier 1 capital fell from 5.7% to 5.3%, partially due to the Group's policy of writing off goodwill in full upon acquisitions. Goodwill of A$235.1 million was written off in respect of PostBank and Mercantile Credits.

The other major factors in the reduction of this ratio were the abnormal charge for LDC debt provisioning, and the payment of the Special Dividend in April 1989.

The Reserve Bank of Australia requires a minimum 4% tier 1 capital and 8% in total.

PROVISIONS FOR DOUBTFUL DEBTS

Provisions as a percentage of gross loans, advances, and acceptances rose from 2.29% in 1988 to 2.73% in 1989, reflecting difficult economic conditions in Australia and New Zealand, and the increase in provisions for LDC debt to reduce net exposure to approximate secondary market values.

In this chart, the general provision is shown notionally 'grossed-up' to reflect future tax benefits.
# Financial Highlights

## Profit and loss before abnormal items

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Net interest and other income</td>
<td>3,987.7</td>
<td>3,096.8</td>
<td>1,907.3</td>
<td>5,247.8</td>
<td>3,560.3</td>
</tr>
<tr>
<td>Bad and doubtful debts expense</td>
<td>367.8</td>
<td>239.0</td>
<td>147.2</td>
<td>405.1</td>
<td>264.8</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>2,557.3</td>
<td>1,986.0</td>
<td>1,223.2</td>
<td>3,365.4</td>
<td>2,333.3</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>1,122.6</td>
<td>871.8</td>
<td>536.9</td>
<td>1,477.3</td>
<td>962.2</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>400.0</td>
<td>310.6</td>
<td>191.3</td>
<td>526.4</td>
<td>455.6</td>
</tr>
<tr>
<td>Minority interest</td>
<td>0.9</td>
<td>0.7</td>
<td>0.4</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Profit after tax and minorities</strong></td>
<td><strong>721.7</strong></td>
<td><strong>560.5</strong></td>
<td><strong>345.2</strong></td>
<td><strong>949.7</strong></td>
<td><strong>505.4</strong></td>
</tr>
</tbody>
</table>

## Balance sheet

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>84,717</td>
<td>65,791</td>
<td>40,520</td>
<td>111,488</td>
<td>73,773</td>
</tr>
<tr>
<td>Liabilities</td>
<td>79,472</td>
<td>61,718</td>
<td>38,011</td>
<td>104,585</td>
<td>68,968</td>
</tr>
<tr>
<td>Shareholders' funds†</td>
<td>4,002</td>
<td>3,108</td>
<td>1,914</td>
<td>5,267</td>
<td>3,903</td>
</tr>
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</table>

## Key ratios

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Return on average shareholders' funds</td>
<td>17.2%</td>
<td>17.2%</td>
<td>17.2%</td>
<td>17.2%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Return on average assets</td>
<td>0.91%</td>
<td>0.91%</td>
<td>0.91%</td>
<td>0.91%</td>
<td>0.73%</td>
</tr>
<tr>
<td>Earnings per share (weighted average)</td>
<td>88.1c</td>
<td>66.1c</td>
<td>40.7p</td>
<td>112.0c</td>
<td>71.0c</td>
</tr>
<tr>
<td>Dividends per share*</td>
<td>44.0c</td>
<td>34.2c</td>
<td>21.0p</td>
<td>57.9c</td>
<td>34.5c</td>
</tr>
<tr>
<td>Net tangible assets per share</td>
<td>$4.49</td>
<td>$3.49</td>
<td>$2.15</td>
<td>$5.91</td>
<td>$4.78</td>
</tr>
<tr>
<td>Risk weighted capital ratio –tier 1</td>
<td>5.3%</td>
<td>5.3%</td>
<td>5.3%</td>
<td>5.3%</td>
<td>5.7%</td>
</tr>
<tr>
<td>–tier 1 and 2</td>
<td>8.7%</td>
<td>8.7%</td>
<td>8.7%</td>
<td>8.7%</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

## Profit after tax by geographic segment

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>489.0</td>
<td>379.8</td>
<td>233.9</td>
<td>643.5</td>
<td>325.1</td>
</tr>
<tr>
<td>New Zealand</td>
<td>64.5</td>
<td>50.1</td>
<td>30.9</td>
<td>84.9</td>
<td>91.3</td>
</tr>
<tr>
<td>International markets</td>
<td>168.2</td>
<td>130.6</td>
<td>80.4</td>
<td>221.3</td>
<td>89.0</td>
</tr>
<tr>
<td><strong>Total profit after tax</strong></td>
<td><strong>721.7</strong></td>
<td><strong>560.5</strong></td>
<td><strong>345.2</strong></td>
<td><strong>949.7</strong></td>
<td><strong>505.4</strong></td>
</tr>
</tbody>
</table>

*Excludes special dividend
†Excludes minority interests and loan capital
*Figures in USD, GBP and NZD converted at exchange rates as at 30/9/89

## Value added statement

<table>
<thead>
<tr>
<th>ANZ’s contribution to wealth creation</th>
<th>1989 $M</th>
<th>1988 $M</th>
<th>% movt 1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>9,936.6</td>
<td>8,114.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Less: interest paid, bad debt charges and other expenses</td>
<td>7,586.1</td>
<td>5,842.1</td>
<td>76.3</td>
</tr>
<tr>
<td>Total value added</td>
<td>2,350.5</td>
<td>2,272.5</td>
<td>23.7</td>
</tr>
</tbody>
</table>

## Distribution

<table>
<thead>
<tr>
<th>Distribution</th>
<th>1989 $M</th>
<th>1988 $M</th>
<th>% movt 1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders</td>
<td>555.1</td>
<td>246.4</td>
<td>10.8</td>
</tr>
<tr>
<td>Dividends to shareholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reinvestment</td>
<td>120.8</td>
<td>408.3</td>
<td>18.0</td>
</tr>
<tr>
<td>Depreciation/amortisation, retained earnings and reserves</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>1,194.1</td>
<td>1,093.8</td>
<td>48.1</td>
</tr>
<tr>
<td>Salaries, wages and other emoluments</td>
<td>480.5</td>
<td>524.0</td>
<td>23.1</td>
</tr>
<tr>
<td>Governments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income, payroll and fringe benefits taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,350.5</td>
<td>2,272.5</td>
<td>100.0</td>
</tr>
</tbody>
</table>
## FIVE YEAR STATISTICAL SUMMARY

### Profit and loss before abnormal items (AUD millions)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>8,238</td>
<td>6,634</td>
<td>6,437</td>
<td>5,600</td>
<td>4,537</td>
</tr>
<tr>
<td>Interest expense</td>
<td>5,920</td>
<td>4,554</td>
<td>4,819</td>
<td>4,264</td>
<td>3,301</td>
</tr>
<tr>
<td>Net interest income</td>
<td>2,318</td>
<td>2,080</td>
<td>1,618</td>
<td>1,336</td>
<td>1,236</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>1,670</td>
<td>1,480</td>
<td>1,337</td>
<td>1,107</td>
<td>787</td>
</tr>
<tr>
<td>Bad and doubtful debts</td>
<td>308</td>
<td>265</td>
<td>174</td>
<td>197</td>
<td>85°</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>2,557</td>
<td>2,333</td>
<td>1,967</td>
<td>1,666</td>
<td>1,349</td>
</tr>
<tr>
<td>Operating profit before income tax</td>
<td>1,123</td>
<td>962</td>
<td>814</td>
<td>580</td>
<td>589</td>
</tr>
<tr>
<td>Income tax</td>
<td>400</td>
<td>456</td>
<td>428</td>
<td>246</td>
<td>271</td>
</tr>
<tr>
<td>Minority interests</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>Operating profit after income tax and minorities</td>
<td>722</td>
<td>505</td>
<td>385</td>
<td>315</td>
<td>302</td>
</tr>
<tr>
<td>Abnormal items</td>
<td>(204)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>(167)</td>
<td>124</td>
<td>14</td>
<td>(151)</td>
<td>10</td>
</tr>
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</table>

### Balance sheet as at 30 September (AUD millions)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>84,717</td>
<td>73,773</td>
<td>65,310</td>
<td>56,631</td>
<td>42,782</td>
</tr>
<tr>
<td>Liabilities</td>
<td>79,472</td>
<td>68,968</td>
<td>61,473</td>
<td>53,895</td>
<td>40,568</td>
</tr>
<tr>
<td>Paid-up capital</td>
<td>891</td>
<td>818</td>
<td>700</td>
<td>450</td>
<td>336</td>
</tr>
<tr>
<td>Reserves and retained earnings</td>
<td>3,111</td>
<td>3,085</td>
<td>2,438</td>
<td>2,282</td>
<td>1,823</td>
</tr>
<tr>
<td>Minority interest</td>
<td>7</td>
<td>8</td>
<td>5</td>
<td>4</td>
<td>55</td>
</tr>
<tr>
<td>Loan capital</td>
<td>1,235</td>
<td>894</td>
<td>694</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>

### Share information (per fully paid share)

<table>
<thead>
<tr>
<th></th>
<th>1989</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend - declared rate</td>
<td>44.0c</td>
<td>34.5c</td>
</tr>
<tr>
<td>Earnings (adjusted for bonus issues)</td>
<td>85.1c</td>
<td>71.0c</td>
</tr>
<tr>
<td>Net tangible assets</td>
<td>$4.49</td>
<td>$4.78</td>
</tr>
<tr>
<td>Share price</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>$5.62</td>
<td>$5.47</td>
</tr>
<tr>
<td>Low</td>
<td>$4.48</td>
<td>$3.22</td>
</tr>
<tr>
<td>Number of shares on issue (millions)</td>
<td>870.8</td>
<td>797.2</td>
</tr>
<tr>
<td>Fully paid</td>
<td>40.2</td>
<td>40.2</td>
</tr>
<tr>
<td>Paid to 50c</td>
<td>5.4</td>
<td>5.8</td>
</tr>
</tbody>
</table>

### Ratios (%)

<table>
<thead>
<tr>
<th></th>
<th>1989</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend payout ratio</td>
<td>53.6%</td>
<td>48.8%</td>
</tr>
<tr>
<td>Return on average shareholders' funds</td>
<td>17.2%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Return on average assets</td>
<td>0.91%</td>
<td>0.73%</td>
</tr>
<tr>
<td>Capital gearing ratio</td>
<td>8.7%*</td>
<td>8.5%*</td>
</tr>
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</table>

### Other information

<table>
<thead>
<tr>
<th></th>
<th>1989</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>Points of representation</td>
<td>2,080</td>
<td>1,735</td>
</tr>
<tr>
<td>Number of employees (full-time and part-time)</td>
<td>47,009</td>
<td>42,445</td>
</tr>
<tr>
<td>Number of shareholders</td>
<td>83,345</td>
<td>72,935</td>
</tr>
</tbody>
</table>

*On risk-weighted basis from 1988
°Excludes special dividend of 26.6c paid in April 1989

ANZ is a major sponsor of the Arts in Australia and New Zealand, and has supported the Australian Opera since 1984.
I am pleased to present the 1989 Annual Report to shareholders at the conclusion of my first year as Chairman.

The year past has seen the reaping of some of the rewards for which the strategic seeds were sown several years ago. Both the international diversification, and subsequent restructuring of the Group to a business unit basis, are now starting to generate the returns our shareholders would expect of us. The net profit of $721.7 million before abnormal items, an increase of 42.8% on last year, is tangible evidence of the success of these moves.

Return on average shareholders' funds before abnormal items for the year was 17.2%, up from 15.1% last year, making ANZ once again comparable on a world-wide basis in profitability terms.

We are not ashamed of our profitability, we are proud of it; we do not believe our profits are excessive – in fact we feel there is still significant scope for improvement. During the year, our key home market of Australia saw an unprecedented level of often ill-informed "bank-bashing" by some politicians and elements of the media. I am pleased to report ANZ management took a leadership position in this debate which led to a material change in opinion around the nation.

ANZ has engendered the multiple benefits of a clear strategy, an unequalled international network, and most importantly, a depth of energetic and visionary management. In this regard I am particularly delighted to record that our Deputy Chairman and Group Chief Executive, Mr Will Bailey, was awarded an Order of Australia during the year in recognition of his services to commerce and banking.

It is with regret that I inform shareholders of the retirement of a long-serving director, Mr Lyndsay Papps. Lyndsay has been a Director since 1976, and Chairman of ANZ (New Zealand) since 1979. The second half of the year has seen him in poor health, and the Board would like to record its thanks for his efforts on behalf of the Group, and to wish him a speedy recovery.

Two new Directors were appointed in December 1988, Sir Ronald Trotter and Mr Kevan Gosper bring further experience and expertise to a Board which is already endowed with an outstanding breadth of qualifications and talent. Full particulars of the Board membership are shown on pages 28 and 29.

The theme of this year's report is "Achievement and Momentum". We are seeking to illustrate the link between ANZ and the many achievement-oriented people with whom we are associated; our staff, our customers, and the people we support through promotions and sponsorships.

We also seek to illustrate the momentum and vitality the Group has developed, since the bottom-line-focused business unit structure was adopted in 1986, and as the international network brings increasingly valuable returns.

Your Board and management are firmly committed to the continuing growth in earnings of the Group and we are pleased to present this Report as evidence of the success of that commitment.

M.D. Bridgland AO
Chairman
7 December 1989
Sydney Harbour was virtually leased as advertising space by the Group for three days in January 1989 as part of our then biggest sponsorship, the ANZ 12 Metre Challenge - a “war on water” between 1987 America’s Cup winner Dennis Conner and Australia’s Iain Murray, who unsuccessfully defended the Cup.

The races were telecast live Australia-wide and excerpts were shown in 11 countries where we are represented. The event, won by Murray, associated the Group with a highly-visible and successful international event.
It is my pleasure to report to shareholders on the year past, one in which we continued to demonstrate the strength of our business in Australasia, the potential of our international network and the value of a customer and profit driven organisation structure.

Results

The result for the year of a record operating profit after tax of $721.7m (before abnormal charges of $203.7m) is an increase of $216.3m or 42.8% on 1988. The improved profit reflects a significant increase in global banking operations and productivity improvements.

The Group’s exposure to “Debt Rescheduling Countries” has received much attention since the acquisition of Grindlays in 1984.

Although the exposure has never been high on an international comparison, and provisioning against it has been at the upper end of the international spectrum, it has been a cause of adverse comparison in the Australian banking context.

The Board decided this year to set aside a significant provision which would leave the net carrying value in the Group’s balance sheet (after notionally allowing for future tax benefits) at approximate secondary market values. The charge to profit of $221m has been treated as an abnormal item and brings the notional provision cover to approximately 60% of exposure.

The net exposure on this basis of $528.4m represents 0.6% of Group total assets and 13.2% of shareholders’ funds at year end. Provided there is no deterioration in secondary market values, further provisioning will not be required. We are pleased to say that the LDC exposure problem is now behind us.

The Group’s balance sheet grew by 14.8% to $84.7 billion; risk weighted assets grew by 9.3% to $74.2 billion. The Group’s core banking and finance business in Australia contributed to most of this growth. In Australia the acquisition by Esanda of Mercantile Credits and in New Zealand the acquisition of PostBank, also contributed to the growth in the Group’s assets.

Interest margins in Australia were lower in both banking and finance business than in the previous year. Borrowing costs increased in the second half, putting pressure on interest margins in all categories of lending. Demand for housing loans eased significantly during the year. In terms of the high borrowing costs experienced in the second half particularly, margins for this business were negative.

Management continues to focus on providing improved customer services in the most cost efficient manner. Group productivity continued to improve. Operating costs as a percentage of assets were 3.2% for the year, lower than in the previous year, and down from 3.4% five years ago. Operating costs as a percentage of income were 64.1% compared with 65.5% in 1988.

A pleasing aspect of the Group’s performance in recent reporting periods is that growth in revenue has been greater than the increase in operating costs. This has been achieved through a combination of business unit focus on “the bottom line” and rationalisation. Investment in technology continues to be at a high level to ensure that the Group is well placed to meet customer needs and the challenge of global banking and financial services.

A disappointing aspect of the Group’s performance was the large increase in provisions for bad and doubtful debts. The charge against profit for specific provisions increased by 36% from $221.6m to $301.3m. This outcome reflected adverse experience
in New Zealand and to a lesser extent banking in Australia. Esanda recorded a most satisfactory result. Offshore the experience was mixed, with some business units reporting improved positions and others a deterioration; overall these were not significant in the Group context.

Group operating profit after abnormal items was $518m, up 2.5%. Group profit after abnormal and extraordinary items was $350.7m. Extraordinary items included goodwill written off of $235.1m for the acquisitions of PostBank and Mercantile Credits.

All in all it was a sound result. Return on shareholders' funds, before abnormal items, was 17.2% (1988: 15.1%) and earnings per share increased from 71c to 85c. The Group benefitted by some $78m from lower corporate tax rates in Australia and New Zealand, a factor which will not be present in the 1989/90 year. Nevertheless, at this early stage expectations are for further profit growth in what will be a difficult economic environment in Australia, and a somewhat better one in New Zealand; the Group's principal domestic markets and the source of some 77% of the Group's profit (before abnormal items) in 1989.

Dividends
Consistent with our policy of a minimum dividend payout ratio of 50%, we declared an interim dividend of 22c per share which was paid on 14 July 1989, and have announced a final dividend of 22c, payable on 5 February 1990 bringing the total dividends for the year to 44c, an increase of 27.5% over last year (excluding the special dividend of 26c paid April 1989).

Investment Options
Last year, we announced our intention, and received shareholder approval, to introduce a Dividend Selection Plan. It was to allow shareholders to select an offshore source of dividends, to take advantage of dividend imputation schemes in their home countries. This plan was affected at the eleventh hour by an announcement in the Australian Federal Budget which effectively causes two franking credits to be used for each dollar of dividend paid through a dividend selection plan. We believe this is inequitable, and discriminates against the non-Australian resident shareholders of companies like ANZ, which has diversified its earnings, assets and

Above, staff survey plant life in the Daintree rainforest in North Queensland and, left, the excavation of dinosaur fossils in the Otago National Park, Victoria, is hard work.

Earthwatch is a non-profit international environmental group which has achieved wide support for its scientific field research around the world.

ANZ sponsors staff on Earthwatch field research trips around Australia, giving them the valuable experience of enhancing their knowledge of the earth and working together as a team.
shareholder base into international markets. We are actively pursuing a review of this situation.

Australian resident shareholders will continue to receive fully-franked dividends, and a Plan for UK resident shareholders has been announced which provides partial ‘franking’ of their dividends. This Plan takes effect from the Final dividend announced in November 1989.

The currently-operating Bonus Option Plan also may be affected by the Budget. At the date of this report, no firm ruling has been made by the Australian Tax Office, nor has the draft legislation been made available. In any case, our final dividend for this year will not be affected by these changes, as they are not to take effect until after 30 June 1990. Shareholders holding 10% of issued capital chose to participate in this Plan.

Our Dividend Reinvestment Plan continues to be very well supported, with 44% of 1989 dividends being reinvested through this scheme. The 10% discount on shares issued under this Plan will be maintained for the time being as it provides an attractive incentive for shareholders to participate in what is a convenient source of capital increments for the Group.

Also, we received approval last year from shareholders to enable the issue of equity capital denominated in foreign currencies. With the moderate growth in the Group’s balance sheet, and strong participation in the Dividend Reinvestment Plan, there was little incentive to pursue this avenue of capital raising. Nonetheless, this option remains open to us should the need and ‘window of opportunity’ be present.

Early in the year, we established an American Depository Receipts (ADR) facility in the US which will assist in gauging the possible use of this market for raising primary capital and in enhancing our investor relations activities.

As promised in last year’s Report, an explanatory guide on our investment options entitled “Shareholder Alternatives” was forwarded early in the year to all shareholders. We expect to publish an updated version of this booklet in mid-1990 when clarity on the taxation impact of the last Federal Budget will hopefully be evident.

**Investor Relations**

As further evidence of the Board’s ongoing commitment to our shareholders, a full-time Investor Relations function was established during the year. The objective of this unit is to keep markets fully informed on the Group’s strategy and performance, so as to ensure our securities are fairly priced. In this regard, it is pleasing to note a significant re-rating of our shares during the course of the year, to be rated a ‘preferred buy’ amongst our peer banking stocks by the majority of analysts surveyed as at the end of the financial year.

**Assets**

Total assets of the Group stand at $84.7 billion as at 30 September, 1989, an increase of 14.8% on last year-end. This moderate growth principally reflected our concern with the medium-term economic outlook in Australia, where we have been selective in acquiring lending assets over the past 18 months. Even so, we are far from content with the substantial increases in provisions and write-offs. Nevertheless we believe our lending stance in Australia and New Zealand has been appropriate, particularly when viewed against some of the very large losses reported by some competitors in both these countries.

**Capital Adequacy**

We remain strong by international standards. With risk-weighted assets of $74.2 billion, our tier 1 capital stands at $3.9 billion or 5.3%, and tier 2 at $2.6 billion or 3.4%. This puts us very comfortably over the tier 1 minimum of 4%, even after the significant increase in LDC provision, and well over the total 8% required.

**Acquisitions and Divestments**

The most notable acquisition was that of PostBank in New Zealand, for a total consideration of NZ$679m. It brought us to a market share of all financial institution assets in New Zealand of approximately 18%, making us the largest banking group in that country.

The acquisition also brought with it a balance to our New Zealand operation, which previously had a corporate/commercial bias. PostBank, with its ‘clean’ housing, consumer and treasury assets, together with a very strong customer franchise and image, is a welcome addition to the Group. Shareholders will be heartened
to know that the purchase was achieved without dilution to ANZ’s earnings. During the 7 months since its acquisition it has earned NZ$45.4 million which exceeded our expectations.

Another welcome addition was the acquisition of Mercantile Credits by Esanda, for a consideration of $136 million. This lifted Esanda’s market share to 23%, and is evidence of the ongoing rationalisation of the non-bank finance sector in Australia. This purchase brought significant opportunities for economics which are presently being exploited.

As part of the Group’s strong interest in the Asia Pacific region, a 25% interest in General Finance and Securities, Thailand’s largest investment banking concern, was acquired. Further mention of this region is made later in this report.

To place ourselves in a position of influence in the eventual rationalisation of the Australian financial sector, we acquired some strategic shareholdings in other banks. Whilst this rationalisation period may yet be some time away, opportunities to acquire strategic blocks of shares arise only occasionally, and these opportunities were grasped.

We continued a programme of divestment of non-core businesses, including significant rationalisation of the London office of ANZ McLaughan, and the offering for sale of small parts of the Group which no longer fit within our strategic direction. We have exchanged contracts for the sale of Melanesia International Trust Company Limited (“Melito”), which no longer fits with our private banking business.

BUSINESS CONDITIONS

International

The world economy went through the seventh year of an economic upswing during 1989. Production and profits remained high; in fact, production facilities were stretched in many countries and modest interest rate rises were needed to stem inflationary pressures.

Japan and Europe grew rapidly, and business spending on plant and equipment boomed. After seven years of above-average growth, the pace slowed in the US. Several years of low growth in spending are still needed if it is to reduce its large trade deficit.

The Asia Pacific region again enjoyed exceptionally strong economic growth. The established high achievers, Korea, Taiwan, Hong Kong and Singapore, also are now being emulated by other countries, namely Thailand, Indonesia and to some extent China.

But the rapid economic growth has been associated with certain stresses both in the economic infrastructure and, as shown in China in June, on the body politic.

Australia

Boom conditions continued in Australia for the first three quarters of 1989, in part sustained by order books carried over from 1988. Business profits were particularly buoyant and investment spending continued at record levels with production at full tilt and wage costs restrained.

But the pace of economic growth was too much for the economy to handle. Spending was far in excess of what local suppliers could deliver and imports were drawn in to fill the gap, which widened dramatically as the year unfolded.

Inflation was again about double that of major competitors - despite wage restraint and lower import prices - no doubt reflecting pressures on local capacity.
In response, the Government kept its own spending in check and the public sector as a whole became a net saver for the first time in several decades. But this was not enough to contain overall demand, and interest rates were progressively increased to take the heat out of the economy. This put pressure on the property sector, small and medium-sized businesses, and on highly-gear ed companies and individuals generally.

In the fourth quarter, it was apparent that the spending boom was subsiding. Provided wage constraint continues, this holds out the hope for lower interest rates in 1990, albeit within a low growth environment.

The tightening of monetary policy also led to a progressive squeeze on interest margins, in large part reflecting the subsidisation of home mortgage rates. The community concern and media focus on housing interest rates sadly overlooks the plight of small and medium-sized businesses which are facing increasing difficulties servicing their commitments at interest rates much higher than home owners.

Remarkable progress has been made in Australia in the past few years in restructuring the economy. But the task of reform is not yet complete. Although there are policies in place at the macro level that should be working, the micro-economic policies are still encouraging people in the wrong direction. Australians are told they should be saving, but the system encourages spending.

Australia desperately needs incentives to save rather than spend, and incentives to invest in longer-term productive business rather than short-term speculative ventures. And there is room for more equity in the system.

In our view, four steps to get the country back on course are:
1. Further fiscal reform to enable the economy to be directed with less reliance on monetary policy, viz;
   - a system of taxation based on consumption, not income
   - a rebate on an initial threshold of interest income to actively promote savings
   - a change in capital gains taxation, to focus more clearly on speculative investments, and for it to apply to all assets held for a short-term gain (say five years).
2. A real commitment to get inflation down to the levels of major trading partners;
3. Continuing reform of the labour market;
4. Greatly increased productivity.

**New Zealand**

After two years of recession - on the back of tight economic policies and substantial structural reform - the New Zealand economy bottomed out in late 1988 and showed signs of recovery in 1989.

Business profitability remained poor with economic activity still at low levels and interest rates high by world standards. Investment spending suffered as a result.

All these factors contributed to a weak banking environment characterised by slow growth in lending, narrow margins and a marked rise in business failures.

However, there is emerging evidence that the period of structural adjustment is beginning to bear fruit. On the macro-economic front, the Government has achieved an inflation rate in line with New Zealand’s trading partners and a big improvement in the foreign trade position.

Rodney King began refereeing basketball when he was at secondary school 27 years ago. He has held international qualifications for 12 years.

The retail representation office from Wellington, New Zealand, has supplied major international events including the First Ashburton Bakrie Memorial Invitational tournament in Indonesia (right) and other major domestic tournaments.

Productivity gains in manufacturing and a number of government enterprises are also encouraging. In fact, the Organisation for Economic Co-operation and Development (OECD) report on New Zealand described the re-orientation of micro-economic policies in the past four years as "an outstanding achievement".

**Organisation Structure**

Since moving to a business-unit structure in 1986, we have been 'fine-tuning' it to achieve the optimum position in terms of customer service, market focus, efficiency and cost. This process continued during the year, with the consolidation of ANZ Life, ANZCAP Management, AFT, and ANZ Investment & Trust Services into one business unit labelled "ANZ Funds Management".

Late in the year, we foreshadowed a further change, effectively splitting the accountability for the Americas and the Asia/Pacific Islands region into separate direct reports to the Chief Operating Officer. This will reflect the increasing importance we are putting on the latter region as its economic growth continues to lead the world.

What follows is a detailed report on our operations for the year, by sector, in line with the organisation structure.

**OPERATIONS REPORT BY SECTOR**

**Australian Corporate and Commercial Services Sector**

**Business Banking**

The provision of banking services to the business community has been, and remains, a cornerstone of ANZ's success. During the year, we continued to develop and maintain strong relationships with major Australian companies, to which we are prime banker for about one-third.

Business volumes in corporate markets paused after the extraordinary growth of 1987 and 1988. Tight monetary policies, the introduction of new capital adequacy requirements and the "flight to quality" after the 1987 stockmarket downturn all affected volume growth, as did a more conservative lending stance.

Improved customer-oriented reporting systems were introduced during the year, as part of the first stage of the introduction of an advanced computer environment for our business banking services. The new system has already begun to deliver an improved flow of customer and management information which allows higher levels of service to customers, improved exposure management, and
greater operational efficiency through lower cost processing. Customers will benefit further as programmed enhancements are made.

The Group’s worldwide network has helped many Australian companies obtain a greater international reach. Conversely, an ever-increasing number of global multinational corporations based in foreign countries are becoming ANZ Worldwide relationship clients. We now have international relationship arrangements with almost three hundred of the world’s largest and most respected companies. The coming year will bring continuing attention to the manner in which our approach to these customers is co-ordinated.

In the smaller end of the business market, ANZ has established its reputation by servicing the specific needs of “middle market” businesses across a broad range of industry sectors. We have a network of decentralised offices strategically located in areas where there is a concentration of commercial activity or industrial growth. Customers are offered fast, personalised professional services, access to skilled personnel who are responsive to customer needs, and a capability to benefit from the Group’s global network.

The first half of the year saw very strong growth in commercial outstandings, until continuing high levels of interest rates and a slowing economy reduced demand for credit. High interest rates also took their toll in increased provisions for doubtful debts in the second half, despite a more conservative lending stance over recent times. Small and middle-sized businesses are vulnerable to lengthy periods of high interest rates and they now face difficult times. Indeed, these businesses are the powerhouse of entrepreneurial endeavour and employment growth; to see them suffer, and indeed haemorrhage, through a high interest rate regime raises clear policy direction questions, when their output could be reducing import demand.

International Services

A full range of specialised international banking services is provided from the regional network throughout Australia, the most comprehensive available in the market. Combined with the continuing development and enhancement of computer-based systems for issuing documentary letters of credit and other products, we are expecting further significant gains in productivity in this area in the coming year.

Esanda Finance

During the year Esanda acquired two finance companies, Clark Equipment Credit Australia Limited, a specialist capital equipment financier, and Mercantile Credits Limited, Australia’s second oldest finance company, which specialises in commercial and property financing. These acquisitions strengthened Esanda’s position as Australia’s second largest asset-based financier and lifted its market share from 17 per cent to 23 per cent. Assets now total more than $7 billion.

The assets of Esanda were up 30% on last year, excluding the acquired assets of Mercantile Credits and Clark Equipment Credit, although growth is expected to slow somewhat in the next 12 months. Esanda’s total assets increased by 63.4% including the acquisitions.

There was increased demand for motor vehicles and plant and equipment for business, and buoyant sales in the property development area, lower bad debts and a reduced corporate tax rate. Competition for good quality business continued to affect lending margins.

Esanda was an active borrower in both the retail and wholesale markets with strong support for public issues. In the wholesale market $1 billion was raised, mainly in medium-term domestic and overseas issues. Esanda also continued to be prominent in the development of the corporate bond market, with outstandings now at more than $600 million.

An approved deposit fund, ANZ MaxiSafe, investing primarily in Esanda securities, was launched. This product targets the retiree investor market alongside the existing fixed interest rollover bond, both of which offer the investor security for capital and income.

Travel

ANZ Travel is one of Australia’s major travel agents, with annual gross sales this year increasing to $160 million. This was achieved in a competitive environment in a tightening economy.
We are continuing to target the business travel market, and concluded arrangements during the year with several major corporations. We also service a major part of the Australian Public Service travel business.

Australian Retail Services sector

Branch and Retail Banking

The reconfiguration of our branch network is continuing with the emphasis on providing superior levels of service while simultaneously reducing costs.

We are now successfully trialling new customer distribution concepts, emphasising customer service and mobile relationship management. An entire large region is operating in this new mode, and its implementation nationally is a priority.

The restructure has focused on the tasks performed by branch staff in a typical urban region with the challenge of simplifying jobs to allow our officers to do their work more efficiently. They are receiving all the support and training needed to adjust to any changes, and are fully supportive of the initiatives. Indeed, many of these initiatives have come from the staff themselves, and have been imaginative, productive and profitable.

Training is also being increased and improved at all levels. All programmes have been overhauled and implemented nationally; more are in the pipeline. Within 12 months we will have completed the introduction of our new retail training programme, covering induction through to specific skill training, including comprehensive management training.

In the middle of calendar 1989, we mounted the most significant staff communication exercise the Group has ever undertaken. A small team of General Management colleagues joined me in addressing meetings embracing around 9000 of our staff on a whirlwind tour of Australia. Staff were informed of our business and marketing plans, and their response was overwhelmingly positive and enthusiastic. An ongoing programme which exposes General Management to staff in the working environment is in place.

There were a number of new product and service initiatives during the year.

The long standing and popular ANZ Access account was further enhanced with the addition of a cheque issuing facility, and now becomes a principal interest-bearing transaction account.

During the year a variety of home loan packages were introduced, including a residential investment property loan which, despite increasing interest rates, was well received.

We launched Australia’s first Visa Business Card to complement our Visa Classic and ANZ Premier Card. Our Bankcard became a debit as well as a credit card when we introduced an interest-bearing savings feature. Customers can now shop with access to their own funds as well as being able to access credit.

We now have about three million electronically striped cards on issue, the majority of which have personal identification numbers (PINs). A self-select PIN system was introduced as a service enhancement as well as being part of a campaign to improve card security.

ANZ’s global representation allowed us to link with the Australian Government’s business migration programme. Managers were appointed in each State to work closely with our offshore offices and government representatives to attract successful business people to settle in Australia and contribute their capital and special skills.

Funds Management

The Group’s funds management businesses were integrated in April to form ANZ Funds Management. It controls the former Australian Fixed Trusts, ANZ Investment and Trust Services, ANZ Life, and the corporate superannuation funds manager, ANZCAP Management.

Funds under management total over $5 billion. The merger will reduce the overlap within the operations to generate greater efficiency and profitability through the provision of a focused and cohesive customer interface.

Funds Management has been structured to service the needs of existing ANZ customers through an internal sales force and the needs of prospective customers through an external sales team. Its products include unit trusts, insurance bonds, managed investment...
products, superannuation plans, rollovers, life and disability insurance and, on an agency basis, general insurance.

Growth in Australia's retail funds management market slowed considerably after the sharemarket downturn, and is still characterised by a high level of investor uncertainty.

Profitability was under pressure with reduced sales volumes, lower margins and increasing administrative complexities which reflect legislative changes, particularly in the superannuation and taxation areas. However, in difficult times the added quality and safety of ANZ ownership is proving a decided advantage.

**Executors and Trustee Services**

ANZ Executors and Trustee's funds under administration increased by 26 percent to $5.8 billion in a competitive, low growth market. The cash management common funds grew by 36 percent to $2.9 billion, and continue to be the dominant funds of their type in the market.

The value of estates and trusts under administration now totals $460 million, up 10 percent, and the Will Bank increased by 12 percent to more than 40,000.

The total value of charitable funds under administration increased to $125 million, which further consolidates our position as the administrator of the largest conglomeration of charitable trusts outside the USA.

**Australian Treasury**

Australian Treasury continued to enhance and develop its range of interest rate and foreign exchange products, including the introduction of currency options.

A specialist group within the client services department was established to advise customers on risk management techniques in respect of interest rate and foreign exchange exposures.

Information systems to support innovative and flexible customer services are under constant review and development.

During the year, a $500 million floating rate issue of certificates of deposit was well received in the market. This has taken ANZ's outrstandings in the Australian medium-term corporate debt market to $1 billion.

**New Zealand sector**

The Group acquired Post Office Bank Limited (PostBank) from the New Zealand Government leading to the largest merger of financial institutions in the country's history. The merger boosted our market share by about six percent to 18 percent of all financial intermediary business, making us the largest in New Zealand.

PostBank will continue as a nationwide retail bank offering a full range of traditional market products in an efficient and low cost way. We have formed a common executive and headquarter structure and are offering selected ANZ services to PostBank customers. A dual brand strategy (ANZ-PostBank) is being pursued in the market place.
The two "brands" are being successfully maintained. Each bank has conducted major advertising during the year. ANZ's theme is "Listening: Thinking: Action" to describe the three main areas involved in meeting customer needs. PostBank's theme is "Simply Banking" to describe the straightforward products and services it provides.

Also, there has been cross-selling of products. Our diverse range of international services and products will be integrated into those offered by PostBank on a product-by-product basis. Eventually, this will allow PostBank branches to offer a comprehensive range of international customer services.

Demand for banking services was relatively weak during the year because of the continuing economic recession. This, combined with the aftermath of the sharemarket downturn, caused corporate debt difficulties which required significantly increased write-offs.

In addition, the banking sector is feeling some adverse and unwarranted effects of the "statutory management" being imposed. The inability of a secured lender to place full reliance on his security due to the possibility of action under the statutes has major implications for future lending policies. Continuation of this undesirable intrusion will inevitably result in restriction of credit to the New Zealand business sector, and a higher cost of borrowing.

However, ANZ has been relatively well-placed in this difficult environment, compared with many other financial institutions. Cost restraints and improvements in market shares have underpinned profitability. An expanded commercial banking unit was established, focusing on the middle market, which widened its representation to provide greater personal attention to its existing customers and to increase market share. Units now operate in seven cities.

Our finance company, UDC, expanded its involvement in the motor vehicle financing sector, and major relationships were developed with multinational companies operating in New Zealand.

Priority was also given to risk management of the loan portfolio because of the difficult economic climate, and the senior management structure was re-organised to streamline the decision-making process and further strengthen risk management.

**ANZ Worldwide Network**

**Europe, South Asia, Middle East and Africa sector**

Late in the year, we announced the change of name of the wholly-owned subsidiary, Grindlays Bank plc, to ANZ Grindlays Bank plc. The change of name will apply to most Grindlays' operations around the world, subject to approval from local central banking authorities.

The objective is to project a global marketing image, whilst still retaining the value and reputation of the Grindlays' name.

**United Kingdom**

Our activities in London continue to be oriented towards supporting the Group's network strategy covering international customers and products.

The London specialist banking team worked with other ANZ points in arranging and successfully syndicating profitable and innovative loans in the US$80 - US$100 million range for public sector entities in Pakistan, Kenya and Zimbabwe among others.

There have been good recoveries in respect of shipping exposures.

In 1971, when he was 21, doctors discovered a cyst on Neville Reid's spinal cord. By 1981, he was confined to a wheelchair. Two years later Neville, manager, user liaison and accounting, data processing, South Australia, took up lawn bowls.

Since then he has recorded a string of successes in wheelchair competitions in Australia and at international wheelchair games in the UK. At the Paralympics in Seoul, South Korea, last year he won a bronze medal in the singles; this year, at the Far Eastern and South Pacific Games for the Disabled in Japan, he won gold in the singles and bronze in the pairs.

**Continental Europe**

Increasing business volumes in Europe confirmed ANZ's market acceptance, particularly among large European international customers who are now using our network.

In West Germany, the Frankfurt branch continued with a strong performance, particularly in providing treasury and network services to German multinational corporations.

In Paris, the ANZ branch, opened 12 months ago, is making encouraging progress in developing network business, whilst the more domestically oriented French subsidiary, Grindlays Bank SA, produced an improved performance over last year. The operations in Switzerland have received close management attention and improved results have been produced, particularly in private banking.

The branches in Greece returned good results, although recent changes to Central Bank requirements will impact negatively on future profitability. Our representative offices in Italy and Spain continued to produce worthwhile business opportunities for the network.

ANZ is the only Australasian bank with such a network in the major financial centres of Continental Europe and is well placed to take advantage of the opportunities the single market will create in 1992.
South Asia

The Indian Government and the Reserve Bank are progressively deregulating the financial market. This has seen an upsurge in capital markets activity and, for the first time, the amount raised in one year was more than Rs. 20 billion.

The Reserve Bank also recently introduced certificates of deposit and commercial paper to the market and freed interbank money market rates from controls.

The Indian banks are allowed to float subsidiary companies and managed funds, but these liberalisations have not yet been extended to the foreign banks, of which ANZ Grindlays is the largest. There is a distinct move towards disintermediation which will provide new opportunities.

A new organisation structure, introduced last year, has produced immediate benefits. The four market-oriented units - personal banking, business banking, institutional banking and investment banking - made an increased contribution to Group results by more clearly focusing on individual business objectives. Moreover, the automation of our 56 branches is almost complete; only a few smaller branches remain to be converted.

ANZ Grindlays became the first foreign bank to issue Visa cards and the first to issue a card which allows progressive repayments. Automated teller machines (ATMs) are being installed. Also, there is an increasing demand for technology-driven products.

The Group’s network is being used to improve our share of the non-resident Indian market segment where attractive rates of interest encourage non-residents to deposit funds in India.

Our merchant banking division has been involved in a number of large capital market flotations in the past year, helping to raise Rs. 1 billion. It has combined also with ANZ McLaughlin in London in a number of international mergers and acquisitions involving Indian companies.

The Group continues to be the leading foreign bank in Sri Lanka in terms of assets and profits, despite an unsettled economic and political climate. Results were particularly pleasing given an increased tax rate and momentum is expected to be maintained given a reasonable business environment.

In Bangladesh, despite a business climate which was subdued because of depressed economic activity after floods and drought, the Group continued its steady growth in both deposits and lending.

The operation in Nepal, which is 50 per cent owned by the Group, made its first contribution to Group results since operations began in Kathmandu in 1986.

Middle East

The ceasefire in the Iran/Iraq war has boosted business in the Gulf States, with a significant growth in trade finance, particularly in Dubai. The UAE is on a firm profitable footing again with solid prospects for the forthcoming year.

There were significant bad debt recoveries in Qatar and, to a lesser extent, in Jordan, where the profits grew strongly despite a deteriorating local economy. Our operations in Bahrain performed satisfactorily as was the case in Oman.

The performance in Pakistan again was very strong in a buoyant local economy. In a very competitive banking environment, we introduced new services to maintain our position as the leading foreign bank. Also, in conjunction with our specialist team in London, we won the mandate for an innovative US$100 million loan to the Government of Pakistan.

Africa

In close co-operation with the UK Banking team a short-term $62 million loan for the Coffee Board of Kenya was arranged and syndicated. Similarly, eurocurrency facilities were put in place for the Agricultural Marketing Authority of Zimbabwe where the syndicate involved some 26 international banks.
Results in Zaire and Zimbabwe exceeded expectations, but difficult conditions are still being experienced in Uganda and, to a lesser extent, Kenya. Our associates in Ghana and Nigeria had satisfactory results, managing to expand and diversify their business activities.

In Zambia we continued to assist with offshore finance for new projects which could eventually earn much-needed foreign exchange from exports. A number of significant short-term trade finance transactions also were concluded.

Governments in sub-Saharan Africa are having to reassess policies in order to encourage new investment and job creation as a result of strong population growth. This, coupled with bilateral debt forgiveness and increasing aid contributions, mainly from OECD countries, is generating a more optimistic business climate. As a result, we are confident about the Group’s prospects in Africa.

**Americas and Asia Pacific sector**

**Americas**

In the Americas we operate as a wholesale financial services institution with representation in New York, Chicago, Los Angeles, Houston, Toronto, Cayman Islands and Rio de Janeiro.

The year involved business change and refocusing of our strategic objectives. We are planning actively to expand our business base by capitalising on opportunities where ANZ has a competitive advantage through its worldwide network. US dollar clearing for Group business, trade finance, corporate banking services and correspondent banks are the key to this strategy.

We experienced a difficult year in respect of our credit portfolio where a level of specific provisioning was necessary. Factors influencing this situation included the effects on borrowers of a rising interest rate environment. Nevertheless, the trade finance department in Los Angeles had a successful year’s trading, concentrating on business opportunities emanating from the network, particularly Hong Kong, Taiwan and Singapore.

Treasury, with its traditionally profitable Australia/New Zealand dollar niche, is building on its recent inroads into the interest rate products market by expanding into US government securities dealing.

**Asia**

In Japan, strong growth continued in the retail deposit market, particularly for Australian dollars. The costs of operating a branch in Tokyo are high, but we are managing to hold costs to similar levels of the past two years.

A Japanese marketing officer was seconded to Karachi to add value to our business involvement with major Japanese contractors working in Pakistan. Japanese officers are also in Australia and India to help strengthen our growing network business.

Our performance bonding business with Japanese contractors working in South Asia provided increased foreign exchange and fee income. Also, there was better than expected Treasury activity and profitability in the face of increasing competition.

Despite a strongly regulated market in South Korea, Seoul branch increased its contribution to Group profit. Although the increase in revenue slowed from previous years, the result was pleasing in a declining economic environment. Expansion in the Treasury area and the promotion of network opportunities contributed significantly to the result.

In Taiwan, more emphasis was placed on Treasury operations and promoting an awareness of the opportunities in this country throughout our network, resulting in increased international and trade finance business.

There was a large increase in business migration and related banking business.

The political unrest in Beijing had an adverse effect on the business climate and investor confidence in Hong Kong, and the morale of its people. However, the economy remains stable and relatively buoyant with the Territory retaining its robust strength in manufacturing and as a financial and business centre. Hong Kong branch continued to perform well with another good profit contribution, involving strong performances by the trade finance and private banking areas.

In Singapore, there has been deliberate strategic emphasis towards three designated products - capital markets, trade finance and private banking. We are particularly pursuing fee-based activities including major capital raisings on behalf of Singaporean corporate and other ANZ customers.
The result of this activity was a significant increase in fee income earned by the branch, both in absolute terms and as a percentage of total income.

In Thailand, the acquisition of a 25% interest in General Finance and Securities Co Ltd., the largest non-bank affiliated finance and securities group, will give us a greatly enhanced presence. Good progress is being made in inter-Group communication and developing better business understanding, leading to increased mutual business.

Pacific Islands

The Pacific Islands, as part of the Pacific Rim trading and financial zone, enjoy trade concessions from Australia and New Zealand and accordingly our operations are well placed to take advantage of increasing South Pacific business opportunities, particularly in trade finance.

In Fiji, some political and economic stability has returned and foreign investment is increasing, benefiting our business. Our branches there are the largest contributor to the profits earned in the Islands.

Our operations in Vanuatu and the Solomon Islands showed pleasing business growth patterns with good profit results, although further progress will not be easy because of relatively confined business communities. The Cook Islands (Raratonga) branch, after 12 months operation, is now well placed to progress following its establishment year. Although business opportunities are limited by the size of the community, potential exists for future profitable growth.

Papua New Guinea

It was a year of increased activity and profitability. International business showed particularly good growth, with advantage being taken of new opportunities afforded by our worldwide network to increase market share. Continued emphasis was placed on staff training of Papua New Guinean nationals and during the year a pleasing number were promoted, including some to senior supervisory positions.

International and Investment Services sector

Investment Banking Services

Our global investment banking and securities group, ANZ McCAugham, formed on 1 October 1988, operated in a subdued environment for much of the financial year as international uncertainty kept stockmarket volumes at low levels.

As volumes improved in the latter months of the financial year, the significant position held by ANZ McCAugham in the local securities markets led to positive results for the company.

The period from 1 October 1988, while being less conducive to profit generation, did enable a number of strategic plans to come to fruition, particularly with the launch of the ANZ Group-guaranteed Australian Futures Fund, the setting of securities trading personnel in the existing Tokyo office and a substantial rationalisation of the securities division in London.

The opportunity to expand our domestic network was grasped in January of this year when Morgan Grenfell Securities (formerly Horden, Utz and Bode) was purchased, giving ANZ McCAugham greater coverage of the Sydney marketplace in particular. An office was opened in Adelaide in May and already is providing a steady flow of new business.

The Australian Futures Fund launch was a continuing sign of the success of ANZ McCAugham Futures which, for the second year in succession, was voted No. 1 Futures Broker in Australia by the Business Review Weekly annual survey. ANZ McCAugham Futures, in the last twelve months, has also developed both a retail and international futures capacity which is staffed 24 hours a day in Sydney for around-the-clock futures trading.

Capital markets activity in South East Asia was rewarded by being lead manager of notes, paper and CD issues by Asia Pacific borrowers again for the second year in succession. Internationally, the IFR magazine nominated ANZ McCAugham as the top dealer in Australian dollar euro-commercial paper.
The market environment has been difficult for most in the investment banking and stockbroking sector; ANZ McAlaghlan has taken the opportunity to undertake sizeable rationalisation of activities and strategic diversifications whilst at the same time addressing a number of efficiency measures to enable a more focused thrust in the coming year.

**International Network Services**

The international network services unit instigated a number of initiatives during the year to promote, develop and co-ordinate global business capabilities between the countries in which the Group has an active operating presence. These initiatives have produced significant advantages to our customers in dealing with the same bank at both ends of the transaction in terms of the quality of service provided in their international and trade finance activities. In recognition of the growth in international trade, plans are progressing for major enhancements to our trade finance services which will come into effect during the current year.

Our correspondent banking operations continued to perform strongly, particularly in Australia and New Zealand where high interest rates contributed to an increase in both business volumes and funds-based income. We are a leading provider of correspondent banking services in these countries.

In Australia, a new electronic customer data storage and retrieval system was instigated which has provided one of the fastest and most efficient high volume enquiry services for our correspondent banks around the world.

We have further improved our communications and systems capabilities in India, in line with our commitment to develop a strong correspondent banking operation on the sub-continent.

**Private Banking**

Our private banking units are established to provide banking, investment management, and trust and company administration services to high net worth individuals around the world, who require objective advice on the effective management of their assets internationally.

The international private banking units had an excellent year with aggregate profitability up significantly. The results from London, Jersey and Geneva were particularly pleasing.

International investment management services aimed at high net worth customers were launched in London and Jersey to complement our well-established capabilities in Geneva.

With offshore trusts, ANZ International Trustee Limited was set up to reinforce our trust and company administration services in Geneva, Jersey and the Cook Islands.

**Custodian Services**

ANZ Nominees Ltd has continued its market leadership in the field of custodianship of Australian securities for overseas investors. Not only has it the largest market share, it is recognised as the technological leader, with a system which offers customers and stockbrokers real-time dial-up access and input.

In addition to an ongoing commitment to full utilisation of the SWIFT system for securities reporting, ANZ Nominees is actively engaged in the promotion of a fully electronic settlement and registration system for Australian securities, in an effort to bring the Australian market up to international standards.

**PERSONNEL**

At 30 September 1989, Group staff worldwide totalled 47009, an increase of 10.8%. Staff in Australia and New Zealand, including all subsidiaries, numbered 37058 (32367 in 1988) with the higher figure due largely to the Group’s acquisition of PostBank in New Zealand (3551 staff) and Mercantile Credits in Australia (470).

Personnel costs amounted to $1263.6 million, or 49.4% of total operating costs (excluding interest paid and doubtful debts).

Productivity continues to improve with personnel costs per dollar of revenue earned reduced from 32.6 cents in 1988 to 31.7 cents.

**Human Resources Management**

A comprehensive Human Resources Strategy has been adopted to ensure that the Group’s most important non-financial assets are harnessed and developed now and for the future. Our “people strategy” is founded on the Group’s strategic business objectives and its ongoing review and implementation is an essential part of our business planning process.

This year, ANZ took the lead by becoming the first, and so far only, private Bank to take part in the Australian Government’s Aboriginal Employment Action Programme.
Profit Share and Staff Incentive Schemes

A total of $41.1 million will be paid to staff throughout the Group for the year through profit sharing and incentive schemes. A 'reward for performance' strategy continues to be developed throughout personnel systems within the Group.

Staff Share Purchases

During the year a further 1,600,527 shares were purchased under the employee share purchase scheme operating in Australia, New Zealand, the United Kingdom and 18 other countries. (43 per cent of eligible Australian staff hold shares under this scheme). In addition, 710,000 partly-paid shares and 365,500 fully-paid shares were issued under the senior officer's share purchase scheme. Total potential holdings under these schemes is limited to 7 per cent of issued capital.

Total staff shareholdings amount to 20,458,661 shares, or 2.23 per cent of issued capital. We are pleased and proud of the high level of staff shareholding, which is a distinguishing feature from our Australasian competitors. Again this year, we conducted Staff Shareholder Meetings around Australia, recognizing the dual importance of this group of 9,046 people, who both contribute to, and benefit from, the Group's success.

Australian Industrial Agreements

Salary movements continue to be negotiated under the structural efficiency principle of the Australian Industrial Relations Commission. ANZ and the Australian Bank Employees' Union have advised the Commission that they are committed to changing the existing award structure to one which is more flexible and relevant to modern competitive requirements. Progress is being made in this regard.

Training and Development

More than four per cent of the total Group payroll is devoted to training and development, with a significant proportion now going to management development programmes. We have established an executive development centre in rural Victoria, conveniently close to Melbourne Airport.

We designed, in conjunction with external consultants and educators, a 10-day senior executive programme, conducted at the centre, which is a rite of passage into senior management positions. An international management course was designed to update senior management with international business trends. Other programmes included those on human resource and leadership skills, strategy, risk management and technology.

We continue to send senior officers to advanced programmes at leading international business schools such as Harvard, Stanford and IMI, as well as Australia's leading business schools, and encourage and provide financial support to high potential managers to attend post-graduate studies at major institutions.

Senior Management Changes

A number of senior management changes have occurred during the year. Retirements included Mr TH. (Tom) Giles, Managing Director, Australian Fixed Trusts; Mr L.C. (Lawton) Graham, Group Secretary; and Mr B.J. (Bernie) Dawson, Assistant General Manager, Branch Banking, and Group Chief Executive's Representative, Queensland. Mr F.A. (Allan) McDonald also
completed his term as Director, International and Investment Services and left the Group to pursue business interests in Sydney. However, he maintains an active association with ANZ and continues on the Board of a subsidiary company.

The management structure of the Group is shown on pages 30 and 31, and a directory of senior personnel follows on page 32.

TECHNOLOGY

A strategic platform for our future information technology environment was adopted in the year under review.

A switching system is now in place which allows customers and staff access to Group products worldwide. This is an essential cornerstone for the introduction of new products and services.

A major achievement was the implementation of integrated banking applications software to service our corporate and commercial customers. Retail customers also will be progressively migrated to a similar system which will differentiate our production or "back-office" systems from the customer service "front-end", resulting in superior and more cost-effective service.

Improved systems covering global limits, exposure management and credit policy were installed during the year. Work has also started on an integrated treasury system designed to provide our dealing rooms worldwide with additional functionality for trading and risk management.

New organisational structures were established in May to emphasise the Group's commitment to global payment systems and communications. Global payments will build on an established electronic delivery capability to deploy a fully integrated payments system connecting all network points. This will give us a capability to meet the challenges of more customer needs in the 1990s.

We commenced pilot schemes in two areas of strategic significance during the year. ANZ was a pilot site for the development by Telecom Australia of its integrated services digital network (ISDN), which has now been launched. This will facilitate the transmission of voice, data, video and image over the same network, providing a cost-effective environment for customer service. We are the only Australian bank in a group of three international banks, piloting an Electronic Data Interchange (EDI) system, which has exciting possibilities for our international corporate customers.

Our worldwide communication network access is expanding, with India being the most recent addition. In Australia, the network extends to include all retail and branch banking regions. This year, ANZ's voice network processed about 83 million telephone calls. The network interconnects 24,800 telephones worldwide and, if laid end-to-end, the wires would stretch twice around the world.

ANZ has acquired the exclusive Australasian licence to the leading "knowledge-based" commercial lending software package. This "expert system" is designed as an aid to lending officers, in both analysis and documentation, and is currently being installed around Australia. The system will support the trained and experienced lender, improving the speed and refinement of the lending decision, as well as increasing productivity. In the area of advanced technology, we acquired a specialise database processor which allows us to analyse customer data in large volumes and at high speed. The resulting marketing and service enhancements are already providing worthwhile rewards.

Our data processing operations unit, a vital link between our businesses and customers, has adopted the management philosophy embodied in total quality management (TQM). This emphasises employee involvement, teamwork and measurement in the continuous improvement of work processes so that the focus is on quality service that meets the needs of customers. It is this focus on quality that will lead to sustainable cost effectiveness and increased productivity. Encouraging results are already evident.

COMMUNITY INVOLVEMENT

ANZ's sponsorship and donations programmes play the dual role of enhancing the Group's image as well as fulfilling its community responsibilities. To ensure an equitable spread of resources, our funding covers the arts, sport, health, medical research, education, social welfare and conservation.

One of the most significant events ever sponsored by the Group took place over three days in January 1989. The ANZ 12-Metre Challenge comprised a series of races on Sydney Harbour between 1987 America's Cup winner, Dennis Conner, and Australia's Iain Murray, the eventual Series winner. The races were telecast live in Australia, with excerpts being shown in 14 countries where the Group is represented. The sponsorship resulted in ANZ's name and the 12-Metre Challenge being a talking point across Australia, and associated us with a highly visible and successful international event.

Also on the nautical theme, ANZ will sponsor the new National Maritime Museum, scheduled to open in late 1990. The museum will be a prestigious addition to the development of Darling Harbour, Sydney, and will house the most important artefacts from Australia's maritime history as well as an impressive and diverse fleet of vessels.

We continued our sponsorship of the Australian Institute of Sport, supporting the National Sports Programme and the ANZ Youth Sports Scholarships scheme, which we initiated in 1986.

In education, ANZ funded the establishment of the Sir William Vines Chair of Strategic Marketing in honour of our immediate past chairman. Located at the University of Melbourne's Graduate School of Management, the Chair recognises the vital role Sir William played in developing the internationalisation of management skills in Australia, and particularly his role in the great marketing achievement of establishing the Woolmark. Also, it reinforces the importance ANZ places on marketing in a deregulated and international business environment.

Robert and Andrea Oliver, from Wellington, New Zealand, are freelance professional musicians who are recognized authorities on music and musical instruments, from the 15th to 19th century.

ANZ has sponsored their tours of schools and colleges throughout New Zealand for three years.
ANZ is widely recognised as a generous and constant supporter of the Arts in Australia. In 1989, we presented Eugene Von Guerard's *Weatherboard Creek Falls* to the National Gallery of Victoria in Melbourne. The painting, completed in 1862 by one of Australia's foremost colonial artists, is now the focal point of the Gallery's collection of early Australian Art.

Our support of the Australian Opera continued with our sponsorship of *The Gondoliers*. The imaginative treatment of an old Gilbert and Sullivan favourite ensured capacity houses.

An important criterion for ANZ sponsorship is the involvement of staff. One way in which this criterion is fulfilled is through our sponsorship of Earthwatch, a non-profit international environmental group that sponsors scientific field research around the world. This project offers staff the opportunity to travel to different parts of Australia to assist in research projects.

In New Zealand, our efforts also were directed towards the Arts, sport and community activities.

ANZ has supported the International Festival of the Arts, a biennial event, since 1986. In 1990, we will sponsor a concert by world-renowned jazz violinist Stephane Grappelli. We are also a supporter of the Auckland-based Perkel Opera, which presented *La Traviata* during the year.

In sport, the ANZ Bank International Festival of the Horse is a major equestrian series and the only annual event which features Olympic and international riders.

ANZ's involvement with the New Zealand Water Safety Council is our most significant community project and largest individual sponsorship. Its aim is to educate New Zealanders to be safety conscious in and on the water. An important new commitment this year was our sponsorship of the More ANZ Businesswoman of the Year award. This links ANZ to a nationally recognised award acknowledging the work and achievements of women in the community.

Our major role in the rural community was endorsed this year by sponsorship of the National Beef Competition. This is an extensive series of regional competitions which culminates in a national final which attracts significant media attention.

In India, we supported an innovative project for the Chief Minister's Flood Relief Fund in Bombay. We appealed to staff to donate a day's wages and matched the funds collected with an equal contribution.

The Indian Heritage Society awarded us the first Gold Urban Heritage Award, for the restoration of our main office in Bombay, erected in 1865.

In Bangladesh, we sponsored the Dhaka Junior Art and Music Festival. In Sri Lanka, we assisted more than 90 associations for the needy, and in Nepal, we funded the Pashupati Area Development Trust. The Pashupati Temple in Kathmandu is one of the world's most important Hindu temples, and is included on UNESCO's world heritage list.

In Africa, we continued to support a well established programme which provides fresh clean water to remote towns.

In addition thousands of smaller local branch events and appeals were supported throughout our extensive international network.
Trudy Woodhead, a typist at PostBank's credit office in Dunedin, has been a high jumper for 10 years and is the New Zealand title and record holder.

She was sixth in the high jump at the 1986 Commonwealth Games and has competed in the US, Canada, South Korea and France. She has "high hopes" for the Commonwealth Games in Auckland in January.

OUTLOOK

As we head into the final decade of this century, I am reminded of the words of James Baldwin:

"The future is like heaven; everyone exalts it, but no-one wants to go there now."

ANZ's view of the future is at odds with this fear of what is to come. We are positioning ourselves for a decade where our home region of Asia/Pacific will be a focal point of world economic growth, and where technology and international management skills will be the essential tools for capitalising on this growth.

In the immediate future, we face a slowing economy in our principal domestic market of Australia, and steadily improving environment in New Zealand.

We expect that the effect of sustained high interest rates will impact quite severely on the Australian small business sector, where our debt provisioning already reflects these difficult times. The slower rate of economic growth will also be reflected in a lower demand for funds, and consequently, asset growth.

However, our strong market position and an improving economic climate in New Zealand should see a better result than the year past, with both bad debts and provisioning returning to more normal and acceptable levels.

We will be paying very close attention to productivity in our retail operations, and will be implementing many of the cost-saving initiatives generated out of the trials that have been conducted during 1988/89.

Our ANZ Worldwide network will continue to gain momentum in its quest to generate profits through servicing customers across borders in trade and capital transactions.

Rationalisation of the finance sector is inevitable as the world becomes one global market and the cost benefits of critical mass become increasingly apparent. It is our view that the early 1990's may see some of the weaker institutions falter, providing the strong with good opportunities to consolidate their positions for the balance of the decade. We are well placed for these developments.

Our vision of the ANZ world of the early-to-mid 90's is of growth and prosperity; a prosperity in which we are determined to participate, to the benefit of our shareholders, our customers, and my colleagues, our people.

Will J. Bailey AO
Deputy Chairman and Group Chief Executive
7 December 1989
BOARD OF DIRECTORS

INTERNATIONAL BOARD OF ADVICE
The Rt. Hon. Lord Carrington
KGC, GCC, CH, MC, PC
Chairman, ANZ International Board of Advice, Former Secretary-General, Nato

Mr Milton Bridgeland AO
Chairman, Australia and New Zealand Banking Group Limited

Mr Will J Bailey AO
Deputy Chairman and Group Chief Executive, Australia and New Zealand Banking Group Limited

Sir Peter Basendon CBE
Chairman, Hawke Saddleby Group PLC - UK
Former Chairman, Shell International - UK

Sir John Bremridge KBE
Director, John Swire & Sons Limited - Hong Kong

Sir Richard Evans KCMG, KCMG
Former UK Ambassador to People’s Republic of China

The Rt. Hon. Malcolm Fraser MC, CH
Former Prime Minister of Australia

Sir Leslie Freggatt
Chairman, Pacific Dunlop Limited - Australia

Mr H Frans van den Hoven KBE
Former Chairman, Unicredit N.V. - The Netherlands

Dr K S Krishnaswamy
Former Deputy Governor, Central Bank of India

His Excellency Lawrence William Lenn Jr.
Former American Ambassador to Australia

Mr Roger Martin
Former Chairman and CEO, Alcan inc. Company of America - USA

Mr Charles Perry
Former Chairman and CEO, Alcan inc. Company of America - USA

Mr Karl Gustaf Rathe
Former Chairman, Metallgesellschaft AG - West Germany

Mr Williams F Ray AO
Partner, Brown Brothers Harriman & Co. and Chairman, America Australia Association - USA

Lord Reinstein CVO, OBE
Chairman, Touche Ross & Co. - UK

Mr Keizo Saji
Chairman of the Board, Sansui Limited - Japan

Sir Ronald Trotter
Chairman, Fletcher Challenge Limited - New Zealand

Mr William Viners MC, CSM
Former Chairman, Australia and New Zealand Banking Group Limited

Mr M.D. Bridgeland, AO
Age 67
Chairman
BSc, FTS, FPACI, FAMM
Company Director
A Director since February 1952, appointed Deputy Chairman, January 1957 and Chairman January 1959.
Mr Bridgeland has been Chairman of ICI Australia Ltd since 1970, Managing Director from 1969 - 1981. He is Chairman of Langlands Properties Ltd and a Director of Jennings Group Ltd.
He is a former Director of several public companies and has been a member of a number of industry, government advisory and community organisations. Mr Bridgeland lives in Melbourne.

Mr W.J. Bailey, AO
Age 56
Deputy Chairman and Group Chief Executive
AAM, FAMI, FAIM
Bank Executive
A Director since July 1984, appointed Group Managing Director and Chief Executive Officer in December 1984 and to his present position in August 1985. Mr Bailey is Chairman of ANZ Holdings (New Zealand) Ltd, ANZ Holdings (UK) plc, Australian and New Zealand Savings Bank Ltd, ANZ Executors & Trustee Co Ltd, ANZ Property (Australasia) Ltd, ANZ Staff Superannuation (Australia) Pty Ltd and Esanda Finance Corporation Ltd. He is Deputy Chairman of ANZ Holdings (New Zealand) Ltd and ANZ Executors & Trustee Co Ltd.
Mr Bailey is also a Director of Dolgelley Farmers Ltd, Deputy Chairman of The Australian Opera, Director and Hon Treasurer of The Queen Elizabeth II Jubilee Trust for Young Australians, Chairman of the University of Melbourne Graduate School of Management Foundation. He is a member of the Executive Council of Australia, the Economics Planning Advisory Council and Hon Treasurer of the Baker Medical Research Institute. He has 38 years experience in banking with the Group including Chief Manager International London (1977), Assistant General Manager Branch Banking Melbourne (1980), General Manager Management Services (1982) and Chief General Manager (1983). Mr Bailey lives in Melbourne.

Mr R.A.D. Nicolson
Age 58
Group Managing Director and Chief Operating Officer
AAM, FAIM
Bank Executive
A Director since July 1984, appointed Group Deputy Managing Director and Chief Operating Officer in December 1984 and to his present position in August 1985. Mr Nicolson has 39 years experience in banking with the Group including Representative for Japan (1972), Deputy General Manager Esanda Ltd (1975), General Manager Esanda Ltd (1979), General Manager Corporate and International (1982) and Chief General Manager (1983). Mr Nicolson lives in Melbourne.

Professor Dame Leonie Kramer, DBE
Age 65
BA (Melb), DPhil (Oxon), Hon D Laws (Melb) and ANZC University Professor and Company Director
A Director since August 1983, Dame Leonie is Deputy Chancellor, a Fellow of the Senate and Professor of Australian Literature at the University of Sydney and a noted author and editor who serves on a number of scholarship committees. She is also a Director of Western Mining Corporation Holdings Ltd, Western Mining Corporation Ltd and the Electricty Commission of New South Wales, National President of the Australia - Britain Society, Chairwoman of the Board of the National Institute of Dramatic Art, a member of the Council of the National Records and Archives Association, New South Wales, a Director of CARE Australia and a member of the Board of St Vincent’s Hospital, Sydney. She was a member of the Australian Broadcasting Commission from 1977 - 1982 and Chairman of the Commission from 1982 - 1983.

Dame Leonie lives in Sydney.

Mr D.C.L. Gibbs
Age 62
MA (Oxon)
Company Director
A Director since February 1976, Alternate Director 1974 - 1975, Mr Gibbs is also a Director of ANZ Executors & Trustee Co Ltd.
Mr Gibbs is Chairman of Fulkson Ltd and CT Reinsurance Australia Pty Ltd and a Director of Country Waste Holdings Ltd, Marsh & McLennan Pty Ltd, John Swire and Sons Pty Ltd and The British Real Estate Group plc.
Mr Gibbs is also a Director of Country Waste Holdings Ltd, Marsh & McLennan Pty Ltd, John Swire and Sons Pty Ltd and The British Real Estate Group plc.
Mr Gibbs lives in Melbourne.

Mr D.C.L. Gibbs
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Mr Gibbs is also a Director of Country Waste Holdings Ltd, Marsh & McLennan Pty Ltd, John Swire and Sons Pty Ltd and The British Real Estate Group plc.
Mr Gibbs lives in Melbourne and currently on Leave in Canberra.
Mr R.K. Gosper, AO  
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Fax: +61 3 8639 6401  
Website: www.anz.com.au

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Fax: +61 3 8639 6401  
Website: www.anz.com.au

Mr R.R. Vaughan lives in Sydney.

Mr R.K. Gosper lives in Melbourne.

Mr J.C. Dahlsten lives in Melbourne.

Sir Laurence Muir lives in Melbourne.

Mr J.B. Gough lives in Melbourne.

Sir Ronald Trotter lives in Wellington, New Zealand.

Mr C.J. Harper lives in Melbourne.

Dr S.W. Scott lives in Melbourne.

Sir Rodrick Carnegie lives in Melbourne.

Mr W.J. Hoberoft lives in Melbourne.

Mr R.R. Vaughan lives in Sydney.
MANAGEMENT STRUCTURE

Strategy and Policy

Group Executive

Audit

Community Relations

Finance

Global Treasury

Human Resources

Investor Relations

Strategic Planning and Economics

Technology

Operations and Marketing

Deputy Chairman and Group Chief Executive

Managing Director and Chief Operating Officer

Director assisting Chief Operating Officer

Group Secretary
<table>
<thead>
<tr>
<th>Sectors</th>
<th>Business Units</th>
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| Americas and Asia Pacific | Americas  
ANZ International  
- Singapore  
- Asian Countries  
ANZ Banking Group (PNG) Limited |
| Australian Retail Services | ANZ Funds Management  
ANZ Executors & Trustee  
Branch Banking |
| Australian Treasury | |
| Corporate and Commercial Services | Australian International Services  
Commercial Banking  
Corporate Banking |
| Europe, South Asia, Middle East and Africa | Banking - Middle East & Africa  
South Asia  
UK Banking |
| International and Investment Services | ANZ Mccaughaun  
Private Banking  
ANZ Nominees |
| New Zealand | Corporate & International  
Finance & Treasury  
Human Resources  
Information Technology |
| Support Services | Australian Personnel Unit  
Advertising  
Legal  
Services & Supply  
DP Operations |
| Japan | Japan  
General Finance & Securities  
Pacific Islands |
| Retail Banking | Retail Banking  
Retail Financial Services  
Retail Planning Services |
| Esconda | Esconda  
ANZ Property Group  
Travel Services |
| Banking & Support | Banking & Support  
- European Countries  
- Treasury |
| International Network Services | International Network Services  
International Services  
Correspondent Banking |
| Planning & Development | Planning & Development  
UDC  
Retail Banking |
| Employee Relations | Employee Relations  
Global Payment Services  
Global Technical Services  
Global Communications  
Group Security |
# MANAGEMENT DIRECTORY

## Group Headquarters

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>W J (Will) Bailey, AO</td>
<td>Deputy Chairman &amp; Group Chief Executive</td>
</tr>
<tr>
<td>R D (Reg) Nicolson, AAIB</td>
<td>Group Managing Director &amp; Chief Operating Officer</td>
</tr>
<tr>
<td>D (Jim) Nicolson, AAIB, AGA (NZ), FCA (NZ)</td>
<td>Director Assisting Chief Operating Officer</td>
</tr>
<tr>
<td>D J (David) Butler, BSc(Hons), FASA, CPA, AAIB</td>
<td>Group Executive-Finance (From 4/12/89)</td>
</tr>
<tr>
<td>R J (Bob) Edgar, PhD (Ee), MEc, BSc (Hons), AAIB</td>
<td>Group Executive-Strategic Planning &amp; Economics</td>
</tr>
<tr>
<td>A L (Alister) Maitland, BComm, AAIB</td>
<td>Group Executive-Global Treasury</td>
</tr>
<tr>
<td>B (Bruno) Sorrentino, PhD (Physics), BSc, AIB</td>
<td>Group Executive-Technology</td>
</tr>
<tr>
<td>B J (Brian) Waldron, LLLB, FASA, CPA</td>
<td>Group Executive-Audit</td>
</tr>
<tr>
<td>E J (John) White, AAIB, MIPMA</td>
<td>Group Executive-Human Resources</td>
</tr>
<tr>
<td>G J (Greg) Camm, B Bus, AASA, CPA</td>
<td>General Manager, Investor Relations</td>
</tr>
<tr>
<td>M P R (Matthew) Percival, BA</td>
<td>General Manager, Community Relations</td>
</tr>
<tr>
<td>R T (Richard) Jones, LLLB, FCIS</td>
<td>Group Secretary</td>
</tr>
</tbody>
</table>

## Australian Corporate and Commercial Services Sector

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>R W (Bob) Bennett, AAIB</td>
<td>Sector Director</td>
</tr>
<tr>
<td>C A (Charles) Griss, AAIB</td>
<td>Managing Director, Esanda Finance Corp Ltd (From 4/12/89)</td>
</tr>
<tr>
<td>T C W (Tim) Ingram, MA, MBA, FIB</td>
<td>General Manager, Commercial Banking</td>
</tr>
<tr>
<td>J R (John) McConnell, BComm, Dip Bkg (NZ), FAIB, AAMI</td>
<td>General Manager, Corporate Banking</td>
</tr>
<tr>
<td>B P (Brian) Martin, AO, Dip Acctg, FASA, FAIM, ACIS</td>
<td>General Manager, ANZ Property Group &amp; Managing Director, Delfin Property Group Ltd</td>
</tr>
</tbody>
</table>

## Australian Retail Services Sector

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>D P (Don) Mercer, BSc, MA(Act)</td>
<td>Sector Director</td>
</tr>
<tr>
<td>D T (David) Craig, AAIB, ACA (NZ)</td>
<td>General Manager, Branch Banking (From 4/12/89)</td>
</tr>
<tr>
<td>T C (Tim) Jenkins, FIA, FIAA</td>
<td>General Manager, ANZ Funds Management Ltd</td>
</tr>
<tr>
<td>C R (Robin) Pleydell, AAIB, FAIM</td>
<td>Managing Director, ANZ Executors &amp; Trustee Company Limited</td>
</tr>
<tr>
<td>R C (Rupert) Thomas, AAIB</td>
<td>General Manager, Retail Banking</td>
</tr>
<tr>
<td>L G (Glen) Twidale, AAIB, FIDA</td>
<td>General Manager, Branch Banking (Retired 1/12/89)</td>
</tr>
</tbody>
</table>

## Australian Treasury

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>R N (Bob) Challis, Dip Bkg, FAIB, ABINZ</td>
<td>General Manager, Australian Treasury</td>
</tr>
</tbody>
</table>

## New Zealand Sector

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>P J (Paul) Rizzo, MBA, BComm, AAIB</td>
<td>Sector Director &amp; Managing Director, ANZ Banking Group (NZ) Ltd</td>
</tr>
<tr>
<td>R E (Ted) Baker, ACA (NZ)</td>
<td>Managing Director, UDC Group Holdings Ltd (Retired 27/10/89)</td>
</tr>
<tr>
<td>P J O (Peter) Hawkins, ACANZ, BCA, BCA (Hon), FAIB</td>
<td>General Manager, Planning and Development</td>
</tr>
<tr>
<td>J W (Jeff) Patt, B Comm, BSc, BCA, AIAQ</td>
<td>Managing Director, UDC Group Holdings Ltd (From 30/10/89)</td>
</tr>
</tbody>
</table>

## Americas, Asia and Pacific Islands Sector

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>R (Roland) Isherwood, ASCA, ACIS</td>
<td>Sector Director (Retired 30/11/89)</td>
</tr>
<tr>
<td>I J (John) Buckley, BComm, AASA, AAIB</td>
<td>Executive Vice President, Americas</td>
</tr>
<tr>
<td>J R (John) Sudholz, BSc, AASA</td>
<td>General Manager, ANZ International Pte Ltd Singapore</td>
</tr>
<tr>
<td>D R (Doug) Watson, AAIB, AIBM, FCB, FCIS</td>
<td>General Manager, Asia and Pacific Islands (From 1/12/89)</td>
</tr>
</tbody>
</table>

## Europe, South Asia, Middle East and Africa Sector

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>J P (John) Ries, B Bus, AASA, AAIB</td>
<td>Sector Director &amp; Managing Director, ANZ Grindlays Bank plc</td>
</tr>
<tr>
<td>R N (Roger) Fenton, AIB</td>
<td>Regional General Manager, Banking (UK)</td>
</tr>
<tr>
<td>G G (Gerald) Howard, FICA</td>
<td>Regional Director, South Asia</td>
</tr>
<tr>
<td>A R D (Robin) Peatfield, MBA, BA, AAIB</td>
<td>General Manager, Banking &amp; Support &amp; Deputy Managing Director, ANZ Grindlays Bank plc</td>
</tr>
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## International and Investment Services Sector

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>E C J (Ted) Johnson, BSc, Dip Bus Admin, AAIB, FAIM</td>
<td>Sector Director</td>
</tr>
<tr>
<td>D W (David) Browne, ASIA</td>
<td>Managing Director, ANZ McCaughan Ltd</td>
</tr>
<tr>
<td>B P (Bevyn) Ranford, AIB</td>
<td>Deputy Managing Director, ANZ McCaughan Ltd</td>
</tr>
<tr>
<td>D B (David) Valentine, MBA, BA</td>
<td>Executive Director, Private Banking</td>
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## Support Services Sector

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<tr>
<th>Name</th>
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<tbody>
<tr>
<td>B (Brian) Weeks</td>
<td>Sector Director &amp; Director Assisting Group Chief Executive</td>
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<tr>
<td>A N (Alan) Findlay, AIB</td>
<td>General Manager, Global Technical Services</td>
</tr>
<tr>
<td>D W (Derek) Gall, AIB, AIB (Scot), FBGS</td>
<td>General Manager, Global Payment Services</td>
</tr>
<tr>
<td>B A (Bruce) Place-Leary, MBCS, MBIM, MDPMA</td>
<td>General Manager, Global Communication Services</td>
</tr>
<tr>
<td>J (John) Preston</td>
<td>General Manager, DP Operations</td>
</tr>
</tbody>
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Footnotes:
1. Chairmen, Management Executive Committee  
2. Members, Management Executive Committee  
3. Ages shown are as at 30 September 1989
PRINCIPAL ESTABLISHMENTS

ANZ Executors & Trustee Company Limited, 91 William St., Melbourne 3000  
Telex: 54436  
Fax: (03) 698 5854
ANZ Funds Management Limited, 16 O'Connell St., Sydney 2000  
Telex: 20135  
Fax: (02) 227 1313
Esanda Finance Corporation Limited, 85 Spring St., Melbourne 3000  
Telex: 154226 ESANDA  
Fax: (03) 666 9628
ANZ McQuaig Limited, 9th Floor, 860 Collins St., Melbourne 3000  
Telex: 33228  
Fax: (03) 602 4808
NEW ZEALAND
ANZ Banking Group (New Zealand) Limited, 215-229 Lambton Quay, Wellington  
Telex: 3385  
Fax: (4) 73 6919
UGD Group Holdings Limited, 113-119 The Terrace, PO Box 1616, Wellington  
Telex: 3507  
Fax: (4) 72 9687
ANZ McQuaig (NZ) Limited Level 6, Durham House, Chase Plaza, 92-96 Albert St., Auckland  
Telex: NZ251  
Fax: (9) 37 3543

ANZ Group World Wide Distribution (at 30 September 1989)

<table>
<thead>
<tr>
<th>Region</th>
<th>Representation</th>
<th>Personnel</th>
</tr>
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<tbody>
<tr>
<td>Australia</td>
<td>1,335</td>
<td>28,742</td>
</tr>
<tr>
<td>New Zealand</td>
<td>646</td>
<td>8,300</td>
</tr>
<tr>
<td>South Asia</td>
<td>71</td>
<td>4,485</td>
</tr>
<tr>
<td>Middle East</td>
<td>42</td>
<td>1,064</td>
</tr>
<tr>
<td>Africa</td>
<td>24</td>
<td>1,008</td>
</tr>
<tr>
<td>Pacific Islands</td>
<td>23</td>
<td>570</td>
</tr>
<tr>
<td>Continental Europe</td>
<td>21</td>
<td>613</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>10</td>
<td>395</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>8</td>
<td>318</td>
</tr>
<tr>
<td>Americas</td>
<td>6</td>
<td>298</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>5</td>
<td>1,216</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>2,191</strong></td>
<td><strong>47,009</strong></td>
</tr>
</tbody>
</table>

EUROPE, SOUTH ASIA, MIDDLE EAST AND AFRICA

UNITED KINGDOM
Australia and New Zealand Banking Group Limited, Minerva House, PO Box 7, Montague Close, London SE1 9DH  
Telex: 8912741-4 ANZBKA G  
Fax: 378 2378
ANZ Grindlays Bank plc, Minerva House, Montague Close, London SE1 9DH  
Telex: 885043 GRINDL Y G  
Fax: 403 4182
ANZ Grindlays Bank plc, Private Bank, 13 St. James’s Square, London SW1Y 4LF  
Telex: 885043-6  
Fax: 930 5501
ANZ McQuaig (UK) Limited, 65 Holborn Viaduct, London EC1A 2EU  
Telex: 88556/8956108 ANZMB G  
Fax: 248 1103

Channel Islands
ANZ Bank (Guernsey) Limited, PO Box 153, St. Peter Port, Guernsey  
Telex: 419663 ANZGYS G  
Fax: (0481) 27851
ANZ Grindlays Bank (Jersey) Limited, PO Box 80, West House, West’s Centre, Peter Street, St. Helier, Jersey  
Telex: GRINDL GY  
Fax: (0534) 77695

CONTINENTAL EUROPE

France
Australia and New Zealand Banking Group Limited, 96, Avenue Raymond Poincare, 75116 Paris  
Telex: 643311 FANZB  
Fax: (1) 4501 7741
Grindlays Bank S.A., 96, Avenue Raymond Poincare, 75116 Paris  
Telex: GRINDL F G  
Fax: (1) 4501 7741

Federal Republic of Germany
Australia and New Zealand Banking Group Limited, Maintzer Landstr. 46, 6000 Frankfurt-am-Main 17  
Telex: 4185126 ANZBIO  
Fax: (69) 72423

Greece
ANZ Grindlays Bank plc, 7 Melina St., PO Box 30091, GR-10671 Athens  
Telex: 214651 GRIN GR  
Fax: (1) 360 3811

Italy
Australia and New Zealand Banking Group Limited, Via F. Turati 25, 20121 Milan  
Telex: 332102  
Fax: (02) 659 0967

Monaco
Grindlays Bank S.A., 24, Avenue de Fontvieille, 98000 Monaco  
Telex: 479419 MCGIRNO  
Fax: (03) 501 8995

Spain
Australia and New Zealand Banking Group Limited/ANZ Grindlays Bank plc, Paseo de la Castellana 23, 28046, Madrid  
Telex: 46656 ANZGRE  
Fax: 532 3482

Switzerland
ANZ Grindlays Bank plc, Case Postale 875, 7 Quai du Mont Blanc, CH-1211 Geneva 1  
Telex: 22730 GRIN CH  
Fax: (022) 731 5589
ANZ Grindlays Bank plc, Giesshuebelstrasse 45, Postfach CH-8045 Zurich  
Telex: 813571 GBZ CH  
Fax: (01) 461 7997
ANZ McQuaig Securities (Switzerland) Limited AG, Giesshuebelstrasse 45, Postfach CH-8045 Zurich  
Telex: 817541 ANZ CH  
Fax: (01) 461 2034 or (01) 461 3171

SOUTH ASIA

India
Regional Directorate, ANZ Grindlays Bank plc, PO Box 725, 90 Mahatma Gandhi Road, Bombay 400 001  
Telex: 011-4792 RDSA IN  
Fax: 271 223

Eastern India
PO Box 278119, Netaji Subhas Road, Calcutta 700 001  
Telex: 021 7341 GBCL IN  
Fax: 282 266

Northern India
PO Box 624, “H” Block, Connaught Circus, New Delhi 110 001  
Telex: 031-66528 SGRD IN  
Fax: 332 2364

Southern India
PO Box 297, 19 Rajaji Salai, Madras 600 001  
Telex: 041-212 GBMS IN  
Fax: 591 065

Western India
PO Box 1175, 90 Mahatma Gandhi Road, Bombay 400 001  
Telex: 011-2240 GBBY IN  
Fax: 271 223
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Bulgadesh
ANZ Grindlays Bank plc,
PO Box 502, No. 2 Dilkusha C.A.,
Dhaka - 1000
Telex: 642841/642597 GBLD BJ
Fax: 41 2226

Sri Lanka
ANZ Grindlays Bank plc,
PO Box 112, 37 York Street,
Colombo 1
Telex: 21130/21521 GRNLAYC
Fax: 546 158

Nepal
Nepal Grindlays Bank Limited,
GPO Box 3990, Neya Bateswar,
Kathmandu, Nepal
Telex: 2531 GRNLAY NP
Fax: 226762

MIDDLE EAST

Bahrain
ANZ Grindlays International Limited,
Offshore Banking Unit,
PO Box 20324,
1st Floor, Manama Centre,
Enterance 3, Manama
Telex: 92544 GBLA BH BN
Fax: 25 4161

Bahrain Grindlays Bank BSC (c),
PO Box 793, Manama Centre,
Government Road, Manama
Telex: 8335 GRNLAY BN
Fax: 27 2708

Iran
Australia and New Zealand
Banking Group Limited/
ANZ Grindlays Bank plc,
3rd Floor, No. 37 Shahid Safaraz St.,
(ex-Darsaye Noor St.),
Ostad Ketabzadeh Avenue, Tehran
Telex: 213948 GRNL IR

Jordan
ANZ Grindlays Bank plc,
PO Box 9997, Shmeissani, Amman
Telex: 21209 MNERVAJO
Fax: 679911

Oman
ANZ Grindlays Bank plc,
PO Box 3550, Muscat
Telex: 3393/3219 GRNLAY ON
Fax: 706911

Pakistan
ANZ Grindlays Bank plc,
PO Box 55A,
LI Chaughtar Road, Karachi-2,
Telex 2755 GB PK
Fax: 739923

Qatar
ANZ Grindlays Bank plc,
PO Box 2001, Rayyan Road, Doha
Telex: 4209 GRNLAY DH
Fax: 42077

United Arab Emirates
ANZ Grindlays Bank plc,
PO Box 4166, Deira, Dubai
Telex: 49265 MINERV EM
Fax: 44 233 501

AFRICA

Ghana
Merchant Bank (Ghana) Limited,
Swammi Mill, Kwame Nkrumah Ave.,
PO Box 401, Accra
Telex: 2191 MERGAN GH
Fax: 667305

Kenya
Grindlays Bank International (Kenya) Limited,
PO Box 30113,
Kenyatta Ave., Nairobi
Telex: 22397 GRNDLY
Fax: (2) 330227

Nigeria
Grindlays Merchant Bank of
Nigeria Limited,
PO Box 5474, Falomo, Ikoji,
18 Awolowo Road, Lagos
Telex: 23014/20474 GRNMBK MG
Fax: 685934

Uganda
Grindlays Bank (Uganda) Limited,
PO Box 7131, 45 Kampala Road,
Kampala
Telex: 61012 GRNLAY

Zaire
Grindlays Bank (Zaire) s.a.r.l.,
Avenue de la Mongola No. 12,
BP 16, 207, Kinshasa 1
Telex: 21413 BZIR

Zambia
Grindlays Bank International (Zambia) Limited,
PO Box 31955, Woodgate House,
Cairo Road, Lusaka
Telex: 42461 GRNLAY ZA
Fax: 21 8938

Zimbabwe
ANZ Grindlays Bank (Zimbabwe) Limited,
(formerly 1 January 1990)
PO Box 300, Otamatone House,
59 Samora Machel Avenue, Harare
Telex: 26103/26104/24361 GBLZ
Fax: (4) 702270

AMERICAS

New York
Australia and New Zealand
Banking Group Limited,
120 Wall Street, New York,
NY 10005, USA
Telex: 667559
Fax: (212) 820 9859

Los Angeles
Suite 3290, 725 South Figueroa St.,
Los Angeles, California 90017, USA
Telex: 4720773
Fax: (213) 955 7266

Chicago
Suite 500/90 South La Salle Street,
Chicago, Illinois 60603, USA
Telex: 4330119
Fax: (312) 236 7112

Houston
Suite 3750, Gulf Tower,
1301 McKinney Street,
Houston, Texas 77010, USA
Telex: 662265
Fax: (713) 638 0406

Bahamas
ANZ Grindlays Bank plc,
PO Box N7788, Nassau

Brazil
Australia and New Zealand
Banking Group Limited/
ANZ Grindlays Bank plc,
Av Nilto Pecchan, 50 grupo 810,
20.044 Rio de Janeiro-RJ
Telex: 2130541
Fax: (21) 220 0840

Canada
ANZ Bank Canada,
18th Floor, North Tower,
Royal Bank Plaza,
Toronto, Ontario, M5J 2J3
Telex: 217530
Fax: (416) 367 3213

ASIA PACIFIC

Hong Kong
Australia and New Zealand
Banking Group Limited,
27th Floor, One Exchange Square,
8 Connaught Place, Central,
Hong Kong
Telex: 86619
Fax: (5) 27 90044 or (5) 868 0099

Indonesia
Australia and New Zealand
Banking Group Limited/
Grindlays Bank plc,
12 A Floor, Wisma Kosgoro,
Jalan M. Thamrin,
3 Jakarta, 10350
Telex: 61656
Fax: (21) 33 4910

Japan
Australia and New Zealand
Banking Group Limited,
11th Floor, Yamato Tokyo Building,
1-1 Yaesu 2 Chome,
Chuo-ku, Tokyo 104
Telex: J 24157
Fax: (3) 281 8417

McCaughan Limited
Room 1109,
Shin Yurakucho Building,
1-1 Yurakucho 1-Chome,
Chiyoda-ku, Tokyo 100
Telex: J 33927
Fax: (3) 216 5684

Korea
Australia and New Zealand
Banking Group Limited,
18th Floor, Kyobo Building,
1, Ika, Chongro, Chongro-ku,
Seoul
Telex: 27338
Fax: (2) 737 6325

Malaysia
Australia and New Zealand
Banking Group Limited/
ANZ Grindlays Bank plc,
Suite 1, 4th Floor,
Wisma Genius, Jalan Sultan Ismail,
50250 Kuala Lumpur
Telex: 31054
Fax: (3) 261 3210

People's Republic of China
ANZ Grindlays Bank plc,
Room 1906, Noble Tower,
22 Jianguoqiao Dajie, Beijing
Telex: 210232
Fax: (1) 512 3560

Singapore
Australia and New Zealand
Banking Group Limited,
10 Collyer Quay,
No. 17 02/05, Ocean Building,
Singapore 0104
Telex: 23336
Fax: (65) 532 3231

Korea International Private Limited
10 Collyer Quay,
No. 8 01/04, Ocean Building,
Singapore 0104
Telex: 85 44341
Fax: (65) 539 6094

Taiwan
ANZ Grindlays Bank plc/Branch/Australia and New Zealand
Banking Group Limited
Representative Office
2nd Floor, Shin Kong Building,
123 Nanjing East Road, Section 2,
Taipei
Telex: 11894
Fax: (2) 508 8035

Thailand
Australia and New Zealand
Banking Group Limited,
17th Floor, Sathorn Than Building,
Sathorn Road, Bangkok 10500
Telex: 21538
Fax: (2) 246 4200

Papua New Guinea
Australia and New Zealand
Banking Group (PNG) Limited,
1st Floor, Defens Haus,
Cnr. Champion Parade
and Hartert St., Port Moresby
Telex: 22178
Fax: 211 462

Fiji
Australia and New Zealand
Banking Group Limited,
4th Floor, Civic House,
Suva
Telex: 2194
Fax: 30 0267

Solomon Islands
Mendara Avenue, Honiara
Telex: 66321
Fax: 22957

Cook Islands
Development Bank Building,
Avarua, Rarotonga
Telex: 62035

Vanuatu
ANZ Bank (Vanuatu) Limited,
ANZ House, Kumul Highway,
Port Vila
Telex: 11012
Fax: 2814
INVESTOR INFORMATION

Shareholder Meetings
The Annual General Meeting will be held in the ANZ Pavilion, The Theatres, Victorian Arts Centre, St Kilda Road, Melbourne, at 10.30am on Friday 19 January 1990. Further details of the Meeting are contained in the separate Notice of Meeting enclosed with this Report.

In addition to the AGM, informal shareholder meetings will be held in Wellington on 25 January 1990 and in London on 12 February 1990. Details of these meetings will be separately advised to shareholders in New Zealand and the United Kingdom.

Chairman's Address
A summary of the Chairman's address to the AGM will be published in the Australian Financial Review and The Australian on 22 January 1990. Copies of the address will be available from:

- Group Community Relations, 55 Collins Street, Melbourne
- Group Publicity Department, Minerva House, Montague Close, London
- Branch Banking Services, 215-229 Lambton Quay, Wellington

Listings

Results Announcements - 1989
Interim: 24 May 1989
Final: 22 November 1989

Dividends
Several dividend options are available to shareholders. Full details of these are included in a booklet, "Shareholder Alternatives", available from the addresses shown below.

Share Registrars
Australia
Price Waterhouse, Price Waterhouse Centre, 3rd floor, 215 Spring Street, Melbourne

Branch Registers:
New South Wales: Price Waterhouse, 9th Floor, 201 Kent Street, Sydney
Queensland: Price Waterhouse, 18th Floor, 167 Eagle Street, Brisbane
South Australia: Price Waterhouse, 1st Floor, 186 Greenhill Road, Parkside
Western Australia: Price Waterhouse, 13th Floor, 200 St George’s Terrace, Perth
Tasmania: Price Waterhouse, AMP Building, 86 Collins Street, Hobart
ACT: Price Waterhouse, Price Waterhouse Centre, 19-23 Moore Street, Canberra City

New Zealand
8th Floor, 215-229 Lambton Quay, Wellington

United Kingdom
Cl- Barclays Registrars Ltd, 6 Greencoat Place, London SW1 P 1YU, England

Registered Office:
Level 13, 55 Collins Street, Melbourne, Victoria, 3000 Australia

Group Secretary: R.T. Jones
Group Executive, Finance: D.J. Butler
General Manager, Investor Relations: G.J. Camm
Solicitors: Blake Dawson Waldron
Auditors: Peat Marwick Hungerfords

VALUE OF $1000 INVESTED IN 1980

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- ANZ
- ALL ORDINARIES INDEX
- CPI

S THOUSANDS

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