Australia and New Zealand Banking Group Limited is one of Australasia’s leading financial services groups.

Its growth strategy is to be a leading provider of a comprehensive range of financial services in its home markets of Australia, New Zealand and the Pacific Islands; and to leverage off its domestic strength into profitable niche banking activities primarily built around the trade and capital flows between its home markets and the rest of the world.

ANZ has a representation network covering fifty countries and holds a pre-eminent position in most of the markets it calls home.

_The ANZ Coat of Arms_

The cover of this Report is embossed with the Coat of Arms of Australia and New Zealand Banking Group Limited. The Arms signify ANZ’s traditions, history and experience.

The Shield is divided in the centre in an allusion to the Bank’s principal operations in Australia and New Zealand. This reference is also repeated by the Supporters to the Shield – the Kiwi and the Kangaroo; they stand on grass and desert – a reference to the pastoral, mineral and other industries which are served by ANZ.

The balanced triangular figure (in heraldry known as the Pile) in the Shield denotes the importance of maintaining the confidence of the public, depositors and shareholders in banking. It has a circular design of bezants and billets which symbolise coin, notes, cheques and other paper which circulate through and by means of the banking system.

The Crest comprises the heraldic antelope and unicorn which support a sword and a key, symbolic of defence of depositors’, customers’ and shareholders’ interests and security. The Crest is placed upon the traditional Wreath and Helm of a corporation.

The Arms appear on selected items of staff attire.
It has been an increasingly difficult and disappointing year for ANZ, as well as for many other banks and business enterprises around the world. You may recall that at the time of the announcement of our half-year results in May, I commented that we had seen the end of a buoyant period for banking and that it would be difficult to achieve any growth in profits in the period immediately ahead. Later, in August, as the Australian economy and business conditions showed further deterioration, I announced that ANZ was now expecting a lower profit in the second half of the year.

The result for the year reflects the continuing deterioration of the economies in which we operate and the mounting portfolio of unproductive loans and provisions for bad debts.

ANZ’s bad debt experience has been significantly influenced by the Bank’s major involvement in the provision of finance for businesses. In the past year an increasing number of small and medium-sized businesses have failed under the combined burdens of declining markets and long-sustained high interest rates.

We would like to think that we are through the worst of our problems but there is much evidence that recovery of our domestic economies will be protracted. There are, in addition, great uncertainties in the international political and economic scene which make any predictions hazardous.

In these circumstances we judged it appropriate to pay a final dividend which, taken with the interim, reflects the significant business downturn and will safeguard the Bank’s capital base during an uncertain period of recovery.

Despite the current adversity, which is affecting most business activities, ANZ’s prospects for the longer term continue to be very sound.

DIREKTORS

During the year
Sir Roderick Carnegie resigned from the Board. He had been asked to undertake some significant consulting assignments for major companies and considered some conflict of interest may arise. Sir Roderick joined the Board in February 1986. He has subsequently joined the Board of ANZ Executors & Trustee Company Limited as an independent director.

At the conclusion of the Annual General Meeting three of the Board’s longer serving members will retire.

Mr. Warwick Holcroft was appointed a Director on the transfer of incorporation of the Bank from the United Kingdom in 1976. Since then he has been a director of a number of ANZ Group companies including AFT and the ANZ Staff Superannuation and Pensions Companies. Mr. Holcroft is nearing the compulsory age for retirement under the Articles and is reducing his commitments.

Mr. David Gibbs has been a member of the Board since 1979, and was an alternate director from 1976-79. During the year he was appointed Chairman of ANZ Executors & Trustee Company Limited. As it is considered desirable that the Chairman of that Company be independent of management and the parent Board, Mr. Gibbs has elected to retire from the Board.

Sir Laurence Muir joined the ANZ Board in 1980 following his retirement as senior partner of Potter Partners. In addition to his service as a director on a number of Board committees, he has brought his experience and knowledge to the ANZ Staff Superannuation and Pensions Companies. On medical advice Sir Laurence has decided to reduce his commitments.

Each of these Directors has made a significant contribution to the deliberations of the Board and to the Group over the years. On behalf of the Board and the shareholders I express my thanks to them.

Milton Bridgland AO
Chairman
NOVEMBER 1989
ANZ McCaughan downsized its UK equities stockbroking operations and increased to 100% its shareholding in New Zealand stockbroker Whiteman McCaughan Dyson Limited which became ANZ McCaughan Securities (NZ) Limited.

DECEMBER 1989
The sale of the retail-oriented Grindlays Bank SA, France announced.

FEBRUARY 1990
The acquisition of the Fijian operations of the Bank of New Zealand, and contracts signed to acquire BNZ’s 50% share of the Bank of Western Samoa.

APRIL 1990
The proposed merger of ANZ and National Mutual Life announced.
“Finituning” of the organisation structure with the establishment of five operating divisions.
Bid announced for the acquisition of the operations of Niugini Lloyds International Bank Ltd in Papua New Guinea.

MAY 1990
An operating profit of $310.3 million after tax and before abnormal items announced for the half-year ended 31 March 1990.
An interim fully franked dividend of 22c announced.
The Australian Government decided the proposed merger between ANZ and National Mutual Life should not proceed. However, the acquisitions of NML’s banking arms, National Mutual Royal Bank in Australia and National Mutual Bank New Zealand Ltd proceeded.

JULY 1990
Acquisition of the Western Australia-based Town & Country W.A. Building Society announced.

AUGUST 1990
The sale of ANZ Travel announced.

OCTOBER 1990
Acquisition of a further 25% of the Bank of Western Samoa bringing our total interest in the Bank to 75%.
The successful conversion of ANZ’s branch accounting system from Honeywell to an IBM environment completed.

NOVEMBER 1990
Operating profit of $412.5 million after tax and before abnormal items announced for the full year ended 30 September 1990. A final fully franked dividend of 16c announced bringing total dividend payments for the year to 38c.
The Group’s market share in its domestic markets increased, growing from 11% in 1985 to 15% in 1990 in Australia and from 13% in 1985 to 16% in 1990 in New Zealand, and we became the leading bank in the Pacific Islands.
An improvement in the New Zealand results was registered. Profit contribution was up 35% to $87 million, representing 21% of Group profit.
Profit contribution from the International network up 31% to $220.4 million representing 53% of Group profit before abnormal items, up from 23% last year.
Net exposure to debt rescheduling countries reduced to $373.3 million reflecting the conversion of some Mexican debt to discount bonds bought by US Government Securities under the US Brady initiative and selected disposals and writedowns. No additional provisions against these loans required.
Group Assets up 16.7% to $98.7 billion.
Risk-weighted capital ratio of 8.6% recorded, of which 5.1% is tier 1. (Since balance date, tier 2 raisings have increased the overall ratio to over 9.0%).
The operating environment in our home base over the past year was particularly difficult for the Group. This was reflected in an after tax profit of $412.5 million (before abnormal items) for the year ended 30 September 1990, a decrease of 42.8% on the previous year ($721.7 million).

Earnings per share (before abnormal items) fell to 45.0c, compared with 86.1c in 1989. A final dividend of 16c per share was declared, bringing total dividend payments to 38c per share against 44c in 1989. The dividend payout ratio rose to 77.6% from 49.2% in 1989.

Return (before abnormal items) on average assets was also lower than the previous year at 0.4% while return on average shareholders' funds fell to 10.0%.

The reduced profit result is largely due to the 157.7% increase in provisioning for bad and doubtful debts to $793.2 million. As a result, total provisions (tax-effect) for doubtful debts as a percentage of loans and acceptances, excluding rescheduled debt provisions and exposure, have risen to 2.02% from 1.41% in 1989. Total provisions as a percentage of risk-weighted assets have also increased, reaching 1.71% in 1990 from 1.11% in 1989.

Shareholders' funds (excluding minority interests) grew by 7.7% to $4311.8 million. Group assets grew to $38.7 billion, an increase of 16.7% on 1989, largely reflecting the Group's acquisitions in Australia, New Zealand and the Pacific.
Australian assets grew by $11.6 billion and reached 68.0% of total assets, New Zealand by $0.7 billion to 9.9% and the international network by $1.9 billion to 24.1%.

The international network contributed 53.4% of Group profit before abnormal items, up from 23.3% last year, providing further evidence of its value to the Group, particularly in difficult domestic times.

Another achievement was the consolidation of the Group’s deposit market share in its home base as a result of strategic acquisitions. Market share in Australia has increased from 11% in 1985 to 15% in 1990 and in New Zealand from 13% to 18%.

And we improved our deposit market share in the Pacific Region, including Australia, New Zealand and the Pacific Islands, from 11% in 1985 to 15% in 1990.
The Group's net rescheduled debt exposure was further reduced in the past year, due to the conversion of some Mexican Debt to collateralised discount bonds backed by US Government Securities under the Brady initiative, and selected disposals and writedowns. Net exposure now represents 0.4% of Group Assets and 8.7% of shareholders' funds. The net exposure of $373.3 million continues to approximate secondary market values.

The downward trend in costs as a percentage of income was interrupted in 1990 due to the increase in premises costs caused by the sale and lease back of premises in Australia and New Zealand, and the digestion of acquisitions. Another measure of productivity is costs as a percentage of average assets. This ratio has shown a steady improvement since 1988 and the restructuring of core business activities and further cost reductions in the technology and communications areas in particular, should see greater improvement in productivity in the coming year.

Despite the difficulties of the past year, the Group's risk-weighted capital ratio, although marginally down to 8.6% (5.1% in tier 1) from 8.7% in 1989, was well within the Reserve Bank of Australia's requirement of a minimum 4% tier 1 capital and 8% in total. Since balance date, tier 2 raisings have increased the overall ratio to over 9.0%.
# Financial Highlights

## Profit and Loss Before Abnormal Items

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest and other income</td>
<td>4,240.5</td>
<td>3,295.7</td>
<td>1,953.2</td>
<td>5,551.3</td>
<td>3,987.8</td>
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<tr>
<td>Bad and doubtful debts</td>
<td>793.2</td>
<td>616.5</td>
<td>366.3</td>
<td>1,038.4</td>
<td>307.8</td>
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<tr>
<td>Operating expenses</td>
<td>2,848.4</td>
<td>2,213.8</td>
<td>1,312.0</td>
<td>3,728.8</td>
<td>2,557.5</td>
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<tr>
<td>Profit before tax</td>
<td>598.9</td>
<td>465.4</td>
<td>275.9</td>
<td>784.1</td>
<td>1,122.5</td>
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<tr>
<td>Income tax expense</td>
<td>185.6</td>
<td>144.2</td>
<td>85.5</td>
<td>243.0</td>
<td>400.0</td>
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<tr>
<td>Minority interest</td>
<td>0.8</td>
<td>0.6</td>
<td>0.4</td>
<td>1.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>412.5</td>
<td>320.6</td>
<td>190.0</td>
<td>540.1</td>
<td>721.7</td>
</tr>
</tbody>
</table>

## Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>98,741.6</td>
<td>81,471.7</td>
<td>43,347.6</td>
<td>131,958.3</td>
<td>84,624.2</td>
</tr>
<tr>
<td>Liabilities</td>
<td>92,488.4</td>
<td>76,312.2</td>
<td>40,602.4</td>
<td>123,601.5</td>
<td>79,379.7</td>
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<tr>
<td>Shareholders’ funds</td>
<td>4,311.8</td>
<td>3,557.7</td>
<td>1,892.9</td>
<td>2,366.8</td>
<td>4,002.3</td>
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</table>

## Key Ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th>1990 %</th>
<th>1990 %</th>
<th>1990 %</th>
<th>1990 %</th>
<th>1989 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average shareholders’ funds</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Return on average assets</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Earnings per share (weighted average)</td>
<td>45.0c</td>
<td>35.0c</td>
<td>20.7p</td>
<td>58.9c</td>
<td>85.1c</td>
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<tr>
<td>Dividends per share*</td>
<td>38.0c</td>
<td>34.2c</td>
<td>20.3p</td>
<td>57.6c</td>
<td>44.0c</td>
</tr>
<tr>
<td>Net tangible assets per share</td>
<td>$4.45</td>
<td>$3.67</td>
<td>$1.92</td>
<td>$5.95</td>
<td>$4.49</td>
</tr>
<tr>
<td>Risk-weighted capital ratio - tier 1</td>
<td>5.1%</td>
<td>5.1%</td>
<td>5.1%</td>
<td>5.1%</td>
<td>5.3%</td>
</tr>
<tr>
<td>- tier 1 and 2</td>
<td>8.6%</td>
<td>8.6%</td>
<td>8.6%</td>
<td>8.6%</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

## Profit After Tax by Geographic Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>1990 millions</th>
<th>1990 millions</th>
<th>1990 millions</th>
<th>1990 millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>106.1</td>
<td>81.7</td>
<td>48.4</td>
<td>137.6</td>
</tr>
<tr>
<td>New Zealand</td>
<td>87.0</td>
<td>67.6</td>
<td>40.1</td>
<td>113.9</td>
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<tr>
<td>International markets</td>
<td>220.4</td>
<td>171.3</td>
<td>101.5</td>
<td>288.5</td>
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<tr>
<td>Profit after tax</td>
<td>412.5</td>
<td>320.6</td>
<td>190.0</td>
<td>540.0</td>
</tr>
</tbody>
</table>

* Excludes special dividend

# Value Added Statement

<table>
<thead>
<tr>
<th>ANZ’s contribution to wealth creation</th>
<th>1990 $m</th>
<th>1989 $m</th>
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</thead>
<tbody>
<tr>
<td>Total income</td>
<td>12,066.0</td>
<td>10,365.2</td>
</tr>
<tr>
<td>Less: interest paid, bad debt charges and other expenses</td>
<td>9,834.0</td>
<td>7,666.3</td>
</tr>
<tr>
<td>Total value added</td>
<td>2,232.0</td>
<td>2,438.9</td>
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</tbody>
</table>

## Distribution

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>1990 $m</th>
<th>1989 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends to shareholders</td>
<td>319.8</td>
<td>555.1</td>
</tr>
<tr>
<td>Reinvestment</td>
<td>330.3</td>
<td>189.3</td>
</tr>
<tr>
<td>Depreciation/amortisation, retained earnings and reserves</td>
<td>1,316.0</td>
<td>1,222.4</td>
</tr>
<tr>
<td>Employees</td>
<td>265.9</td>
<td>472.1</td>
</tr>
<tr>
<td>Salaries, wages, and other emoluments</td>
<td>472.1</td>
<td>2,438.9</td>
</tr>
<tr>
<td>Governments</td>
<td>2,232.0</td>
<td>2,438.9</td>
</tr>
</tbody>
</table>
# Five Year Statistical Summary

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

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>10,194</td>
<td>8,538</td>
<td>6,952</td>
<td>6,465</td>
<td>5,600</td>
</tr>
<tr>
<td>Interest expense</td>
<td>7,714</td>
<td>6,220</td>
<td>4,881</td>
<td>4,819</td>
<td>4,264</td>
</tr>
<tr>
<td>Net interest income</td>
<td>2,480</td>
<td>2,318</td>
<td>2,071</td>
<td>1,646</td>
<td>1,336</td>
</tr>
<tr>
<td>Non interest income</td>
<td>1,760</td>
<td>1,670</td>
<td>1,489</td>
<td>1,309</td>
<td>1,107</td>
</tr>
<tr>
<td>Bad and doubtful debts</td>
<td>793</td>
<td>308</td>
<td>265</td>
<td>174</td>
<td>197</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>2,848</td>
<td>2,557</td>
<td>2,333</td>
<td>1,967</td>
<td>1,666</td>
</tr>
<tr>
<td>Operating profit before income tax</td>
<td>599</td>
<td>1,123</td>
<td>962</td>
<td>814</td>
<td>580</td>
</tr>
<tr>
<td>Income tax</td>
<td>186</td>
<td>400</td>
<td>456</td>
<td>428</td>
<td>246</td>
</tr>
<tr>
<td>Minority interest</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Operating profit after income tax and minorities</td>
<td>412</td>
<td>722</td>
<td>505</td>
<td>385</td>
<td>315</td>
</tr>
<tr>
<td>Abnormal items</td>
<td>(191)</td>
<td>(371)</td>
<td>124</td>
<td>14</td>
<td>(151)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>98,742</td>
<td>84,624</td>
<td>73,773</td>
<td>65,310</td>
<td>56,631</td>
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<tr>
<td>Liabilities</td>
<td>92,488</td>
<td>79,380</td>
<td>68,968</td>
<td>61,473</td>
<td>53,895</td>
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<tr>
<td>Paid-up capital</td>
<td>972</td>
<td>891</td>
<td>818</td>
<td>700</td>
<td>450</td>
</tr>
<tr>
<td>Reserves and retained earnings</td>
<td>3,340</td>
<td>3,111</td>
<td>3,085</td>
<td>2,438</td>
<td>2,282</td>
</tr>
<tr>
<td>Minority interests</td>
<td>11</td>
<td>7</td>
<td>8</td>
<td>5</td>
<td>4</td>
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<tr>
<td>Loan capital</td>
<td>1,931</td>
<td>1,235</td>
<td>894</td>
<td>694</td>
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<tr>
<td>Share information (per fully paid share)</td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Dividend - declared rate</td>
<td>38.0c</td>
<td>44.0c</td>
<td>34.5c</td>
<td>21.0c</td>
<td>31.0c</td>
</tr>
<tr>
<td>Franked %</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Earnings (adjusted for bonus issue)</td>
<td>45.0c</td>
<td>85.1c</td>
<td>71.0c</td>
<td>56.1c</td>
<td>51.2c</td>
</tr>
<tr>
<td>Bonus issues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1 for 2</td>
<td>-</td>
</tr>
<tr>
<td>Net tangible assets</td>
<td>$4.45</td>
<td>$4.49</td>
<td>$4.78</td>
<td>$4.48</td>
<td>$4.05</td>
</tr>
<tr>
<td>Share price</td>
<td>High</td>
<td>$6.38</td>
<td>$5.62</td>
<td>$5.47</td>
<td>$5.78</td>
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<tr>
<td></td>
<td>Low</td>
<td>$3.95</td>
<td>$4.48</td>
<td>$3.22</td>
<td>$3.27</td>
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<tr>
<td>Number of shares on issue (millions)</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Fully paid</td>
<td>930.9</td>
<td>870.8</td>
<td>797.2</td>
<td>699.9</td>
<td>449.5</td>
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<tr>
<td>Fully paid - new</td>
<td>40.2</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Paid to 50c</td>
<td>-</td>
<td>40.2</td>
<td>40.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Paid to 10c</td>
<td>4.5</td>
<td>5.4</td>
<td>5.8</td>
<td>4.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Ratios (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend payout ratio</td>
<td>77.5%</td>
<td>52.6%</td>
<td>48.8%</td>
<td>33.6%</td>
<td>42.2%</td>
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<tr>
<td>Return on average shareholders' funds</td>
<td>10.0%</td>
<td>17.2%</td>
<td>15.1%</td>
<td>13.1%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Return on average assets</td>
<td>0.4%</td>
<td>0.9%</td>
<td>0.7%</td>
<td>0.6%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Capital adequacy ratio</td>
<td>8.6%*</td>
<td>8.7%*</td>
<td>8.5%*</td>
<td>6.5%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

## Other information

- Points of representation: 2,431
- Number of employees (full and part-time): 50,367
- Number of shareholders: 92,606

*On risk weighted basis from 1988
**Excluded special dividend of 26.0c paid in April 1989
INTERNATIONAL COMPETITIVENESS
IS ESSENTIAL IN TODAY'S GLOBALISED
FINANCIAL SERVICES INDUSTRY. OUR CENTRAL
PRINCIPLE IS THAT INTERNATIONAL SUCCESS CAN ONLY SPRING
FROM STRENGTH IN HOME MARKETS.
RESULTS

Often one can gain pleasure from seeing one's forecasts become reality. On this occasion, however, there is little pleasure to be gained.

In last year's Report, I forecast that "the sustained effect of high interest rates will impact quite severely on the Australian small business sector". It is now sad indeed to realize how tragically accurate that statement would be.

By far the most material item in our results for the year was a 158% increase in provisioning for bad and doubtful debts, to $793.2 million. Combined with the more subtle, but equally damaging, impact of a sharp (85%) rise in interest on which we do not recognise income, bad and doubtful debts in the business sector of our lending were the principal cause of a drop in after-tax operating profit (before abnormal item) to $412.5 million, down 43% on last year.

This result meant a decline in return on shareholders' funds to 10%, down from 17.3% last year, and a return on average assets of 0.4% (1999-0.9%). These results are clearly below acceptable levels, and management has programmes in place to address problems at source and to restore profitability. The current problems principally reflect the economic difficulties experienced by our small and medium-sized business customers in Australia.

Of a total charge to profits of $675.2 million for Australian bad and doubtful debts, $490.2 million or 73% related to accounts smaller than $10 million. The State of Victoria, where we have our strongest market position and consequently our greatest exposure to the business sector, was the location of the bulk of the problem accounts. The Victorian economy deteriorated severely in the second half of the year, compounding the problems already experienced by our customers in a high interest rate environment. The charge to profits in respect of Victorian borrowers was $465.4 million, 69% of the Australian total.

"Non-performing loans" have come into public focus over the past year. It is important that our policy on the recognition of income on loans is well understood, as we believe our stance to be conservative and prudent by international standards.

Our policy is to stop recognising interest as income, whether or not received, whenever a risk of loss of principal or interest emerges. Thus, our non-accrual loan portfolio carries some loans which are in fact being serviced in part or full, but on which we deem prudent not to recognise the interest as income.

At the end of the year, these unproductive loans had risen to $2962.5 million (1990-$1543.7 million), of which $2189.9 million were in Australia (1989-$738.1 million). An active management programme for these assets has been instituted, and is starting to show results in Australia just as it has in New Zealand where useful benefits have accrued this year.

Abnormal items totalled a net charge to profits of $191 million, with the two main components being a charge for goodwill on acquisitions written off in full of $257.4 million, in accordance with long-standing Group policy and profits on sale of properties and subsidiaries of $102.3 million.

Total assets of the Group grew by 17% to $987.7 billion; $5.8 billion of this growth was as a result of the acquisitions during the year.

Operating costs rose 11%, but excluding acquisitions this increase would have been held to 8%.

Despite the poor results for the year, our capital adequacy ratios changed only slightly, down from 8.7% last year to 8.6%. Since balance date, this has increased to 9.2% as a result of subordinated debt issues. It is our intention to further bolster these ratios during 1991.

Shareholders should be heartened by a further sound performance from our International Banking Division, and an improved result from New Zealand. These operations provide significant support in times of economic distress in our principal market, Australia.

DIVIDENDS AND INVESTMENT OPTIONS

An interim dividend of 22c per share was paid on 13th July 1990, and we have announced a final dividend of 16c payable on 30 January 1991. This total level of dividend for the year of 38c per share is the maximum level your Board considers prudent in the current uncertain economic environment.

Our dividends are "fully-franked", thus passing maximum taxation imputation credits through to Australian resident shareholders. For shareholders who are not Australian residents for taxation purposes, the "fully-franked" nature of the dividends exempts them from Australian dividend withholding tax otherwise paid by non-resident shareholders.

The United Kingdom Dividend Selection Plan was launched late in 1988, and provides United Kingdom tax-paid dividends to those shareholders who choose to participate. This Plan provides taxation imputation benefits for United Kingdom resident shareholders and residents of certain other countries with which the United Kingdom has a double-taxation treaty. Shareholders holding 2.5% of issued shares participated in this Plan.

Our Dividend

Reinvestment and Bonus Option Plans continued to be well supported by shareholders, with 48% of 1990 dividends being reinvested through the former Plan and shareholders holding 9% of shares choosing to participate in the latter.

The Board has indicated that the current discount of 10% applying to shares issued under these Plans will be reviewed ahead of the 1991 interim dividend. Shareholders will be notified in writing of any change arising from this review.
We have been espousing a consistent message on our strategic direction for several years. We believe that international competitiveness is essential in today's globalised financial services industry. Our central principle is that international success can only spring from strength in home markets. Thus, we have been in recent years acquiring businesses which strengthen our core financial services position in Australia, New Zealand, and the Pacific and disposing of activities which were not consistent with that objective. This attention to core domestic strength has resulted in ANZ emerging as New Zealand's pre-eminent banking group, and as Australia's second largest, from a position of fourth only five years ago. Significantly, when the markets of Australia, New Zealand and the Pacific Islands are viewed as one, we are now equal number one in retail deposit market share terms.

During the year, we acquired National Mutual Royal Bank, lifting our market share in Australia's most populous State, New South Wales, from around 7% to almost 11%. The goodwill component of the purchase price was $185.9 million, which in accordance with our long-standing policy, was written off in full at the date of acquisition and is shown in this year's accounts as an abnormal item. Similarly, we acquired Tow & Country W.A. Building Society in Western Australia, lifting market share from 10% to 16%. Goodwill of $48.5 million was again written off in full as an abnormal item.

With an eye to the long-term potential of our region, we have also taken a pre-eminent position in many of the Pacific Islands.

We acquired the Fijian operations of the Bank of New Zealand and the Papua New Guinea operations of Lloyds Bank. Since the end of the year, contracts have been exchanged for the purchase of a 75% interest in the Bank of Western Samoa.

Businesses not consistent with our strategic direction were downsized or disposed of during the year. These included the U.K. equities broking operation in London, the retail banking subsidiary in France and our Travel operation in Australia. The disposal of the corporate trusteeship segment of ANZ Trustees is well advanced.

The proposal to merge with National Mutual Life Association unveiled during the year was a perfectly consistent development of our strategy.

Worldwide, the banking and life assurance/managed fund/retirement savings industries are converging. There is a clear trend evident in our home markets of the savings of the community increasingly flowing into the managed fund industry, at the expense of banks and other intermediaries.

Most banking groups, including our own, already have interests in this industry. The National Mutual proposal was a unique opportunity to achieve a 'quantum leap' in our position in the business, and at the same time achieve a number of economies of scale and synergies that would have enhanced our international competitiveness. This initiative is being echoed by other banking and insurance groups in Europe and elsewhere around the world.

Regrettably, the Australian Federal Treasurer blocked the merger on 'national interest' grounds, citing the potential for a reduction in domestic competition. If Australian industry is to be internationally competitive, politicians will need to recognise that we are a small country which cannot afford the luxury of over-serviced domestic industries in the name of competition and consumer protection, when in the end, the consumer is better served by efficient globally competitive players. It is far better to have fewer Australian businesses of real size in global terms operating around the world than a plethora of smaller companies confined mainly to the limited domestic market by their size.

Indeed in a new decade, where capital will be less readily available and debt financing used more prudently, it will be essential to maximise the value of equity. Clearly, the allocation of capital to the financial services industry in Australia will come under scrutiny just as it is in other countries. Continuing rationalisation in the industry will be a feature of the 1990's.
BUSINESS CONDITIONS

**International**

By 1990, the world had seen its eighth year of sustained economic growth, making the current expansion the most enduring since the Second World War. Although the English-speaking countries were showing signs of recessionary conditions, Asia and Continental Europe continued to expand.

Gradual interest rate rises were promoted by inflationary pressures in the major Western economies, but concern that a global slowdown could emerge abated as the movement towards more open regimes in Eastern Europe took hold. Global demand was expected to be supported by infrastructure investment and consumer spending behind the remains of the Iron Curtain. Clearly, by mid-1990, an air of optimism had entered the international political and economic arena.

But in August the oil price rose 50% or more as tensions in the Middle East flared into armed confrontation. The oil shock served to highlight the sometimes fragile nature of international relations, and a renewed degree of uncertainty now pervades the world economic outlook for the early 1990s.

**Australia**

In Australia, the past year provided a particularly difficult operating environment for the Group.

After several boom years for Australian business, the economy entered recession in 1990. This was in response to the Government’s policy, since mid-1988, of constraining the overheated economy by lifting interest rates.

Disappointingly, the total government sector’s own spending at times grew excessively, with the laudable earlier restraint shown by the Federal Government negated by the spending of other levels of government, putting more pressure on interest rates and the private sector to slow the economy.

Australians were once again reminded of the boom-bust nature of the local economy. The plight of investors in property markets and related non-bank financial intermediaries, as well as highly geared entrepreneurs, has received much publicity. More importantly, many small businesses have also wilted under the interest rate burden, with their cash flows further squeezed by lower demand, high costs of operation and accelerated rates of tax payments. The high value of the Australian dollar compounded these problems for many exporters. Of great concern is the gloomy outlook for rural Australia. Both grain and sheep farmers face serious problems in a complex global market for their produce.

The State of Victoria saw a severe deterioration in the second half, in the wake of a number of collapses of Victorian-based financial institutions and the downturn in the Australian manufacturing industry, a sector concentrated in Victoria. Business and consumer confidence fell much more sharply than the national average, as did asset values.

As spending in the national economy slowed, so too did the demand for imports, but the resulting improvement on the Balance of Payments still fell far short of that required to stabilise, let alone reduce, Australia’s foreign debt.

A positive development flowing from the weak economy has been a welcome decline in Australia’s inflation rate to around 6% per annum. Depressed trading conditions have forced retailers and manufacturers to keep prices low, thereby offsetting the impact of increased fuel prices and higher government charges.

Serious efforts should be made now to improve the productive capacity of Australian enterprises. This will require a continuation of the reform in the labour market where some progress has been made, more efficient transport and communication systems and measures to bolster the community’s savings incentives and to further reduce inflation. A tall order indeed, but vital if Australia is to compete successfully in the world economy of the 1990s.

**New Zealand**

International events and the anti-inflation focus of the Reserve Bank have delayed an upturn in the fragile New Zealand economy. Higher world interest rates, weaker commodity prices and the Middle East crisis have combined to restrain the domestic economy and worsen the external account.

A dogged determination on the part of the authorities to keep interest rates high to quell inflation has had severe adverse effects on business confidence. Supported by high interest rates, the high value of the currency is making life particularly difficult for exporters. However, company profits are showing signs of increasing this year, as the raft of microeconomic reforms continue to boost productivity. Similar to Australia, the outlook for agricultural based industries is clouded.

The newly elected National Party Government needs to move quickly to strike a better balance of economic policy. The Government’s own spending needs to be curtailed to take some weight off interest rates in demand management. Then, in line with lower inflation and the extensive structural reforms that have been undertaken, the economy will be well placed to enjoy a period of sustained growth.

**Technology**

During the past twelve months a complete rationalisation of the technology activities of the Group has been undertaken. The Group’s activities in this area are now more clearly focused and in a better position to provide improved service to the Group’s customers as well as improving the business operations and cost effectiveness of the Group as a whole. As part of this rationalisation process, Global Payment Services was substantially reduced in size during the third quarter of 1990 by the transfer of functions to other Business Units where similar functions already existed.

A highlight of the past year was the implementation of a system to better monitor our interbank exposures which was subsequently extended to cover the Group’s dealings with corporate customers. Retail banking systems have been successfully converted and migrated from Honeywell computers to an IBM based environment, at a significant ongoing reduction in costs, in the order of $18 million per annum. The Group’s wholly owned subsidiary, Index Computing (Pty) Ltd, based in Bangalore, India continues its production of high quality software. Applications for the successful management of accounts with our Correspondent Banks have also been implemented.
The Group’s communications facilities are a vital strategic resource and considered one of the backbones of the Group’s infrastructure. An achievement during the year has been a realisation and integrating voice and data networks. Cost savings are expected to be $10 million per annum. The communications network continues to grow, partly due to the Group’s increasing facilities to the African sub-continent.

**Human Resources**

The Group’s success is critically linked to the quality of its service to customers, which in turn is dependent upon the quality of our people and their effectiveness in the management of their work. The Group aims to ensure that the management of people directly enhances the achievement of our business goals. Line managers are, accordingly, supported by Human Resource professionals who are in close touch with the Group’s business needs.

**Productivity Enhancement**

Refocusing core business activities to give greater customer responsiveness, organisational effectiveness and improved productivity means that some jobs become redundant. Our first priority for staff displaced as a consequence of restructuring is their redeployment within the Group. If this is not practicable, we will retrain and relocate staff to what we believe is the only viable option, and outstanding situations are handled in an ethical and equitable manner.

**Redeployment and Retrenchment**

Agreements negotiated with Bank Employees’ Unions in Australia and New Zealand (the first ones by a major bank) reflect the Group’s commitment to handle redundancy situations with the sensitivity they deserve.

**Training and Development**

The Group in Australia devotes 4% of its payroll to formal training, (excluding on-the-job training because of measurement difficulties). This exceeds the requirements of the Australian Government’s Training Guarantee Act 1990, whereby 1% of salary budgets in the 1990/91 financial year, and 1.5% thereafter must be devoted to formal training. The Group’s attention, however, is focused on maximising the value for money achieved by our current investment in training and development; that is, the pursuit of quality rather than quantity, whilst ensuring compliance with statutory obligations.

After a period of intensive effort, the past year has seen the consolidation of Executive Development activities. A total of 40 in-house programmes for Senior Executives were conducted involving around 500 individual participants, almost 100 of whom were from offshore. In addition, the Group sponsored many participants in external development programmes, both within Australia and offshore, and in full-time Master of Business Administration degrees. In addition, discussions with two major business schools are well advanced aimed at providing selected officers with tertiary qualifications which can be earned part-time in-house work playing a meaningful role.

Major staff training programmes are run in Australia, New Zealand, India, Zimbabwe and the United Kingdom, concentrating on developing skills appropriate to those regions.

**Early in 1990, the Group reached agreement with Monash University in Melbourne to sponsor the Monash ANZ International Briefing Centre. The Centre provides comprehensive briefings to the Australian business community and their families, on the range of business, economic, social and cultural issues which are vital to business success offshore. Initial priority in the Centre's work is being given to the conduct of briefings on countries in the Asia-Pacific Region. The Centre draws on expertise available from the business and Government community, as well as from the extensive international academic expertise available within the University. The Group expects to be a major user of this important facility.**

**Staff Incentive Schemes**

For the year ended September 1990, $4.9 million was awarded to staff under the Group’s incentive schemes. This figure is substantially lower than the $37.4 million paid in 1989, as a payment under the Group’s Profit Share Scheme was not declared for 1990.

**Staff Share Schemes**

In January, the shareholders approved changes to the Group’s staff Share Purchase Schemes. These amendments reinforced the Schemes’ objectives to promote staff identification with the Group as shareholders with a financial stake in ANZ’s corporate success. Shares taken up by eligible staff in 1990 totalled a record 9.5 million. At year-end, 11,570 staff held 27 million shares under the Schemes, representing just under 3% of the Group’s issued capital.

**Management Changes**

Chief General Managers

PKW (Bob) Bennett and D. (Jim) Nicolson, General Managers R. (Roland) Isharwood, LG (Glenn) Twidale, and BJ (Brian) Waldron together with RE (Ted) Baker, Managing Director, UDC Group Holdings Ltd, CR (Robin) Flevdell, Managing Director, ANZ Executors and Trustee Company Limited, and AKR (Kevin) Watson, Assistant General Manager, Branch Banking all retired from the Group. Their collective service totalled more than 200 years and we thank them for their valued and sterling contribution to the Group. **Community Involvement**

An active sponsorship and philanthropy programme is a successful way of projecting ANZ to the community. Our funding worldwide covers the arts and cultural events, sport, health, medical research, education and community and environmental projects. In Australia, the Group has a well established reputation as a supporter of the arts, with sponsorship of opera, theatre and the visual arts. In many cases, these are sponsorships that help make the arts more accessible to our customers, staff and the general community. In the national capital, Canberra, 12,000 people took advantage of free public access to the Australian National Gallery during monthly ANZ Evenings at the Gallery. ANZ’s Opera in the Bowl—an outdoor opera in concert for the people—played to a capacity crowd of around 20,000 in Melbourne.

Sponsorship of the Australian National Maritime Museum in Sydney provided us with naming rights in two key areas, the stunning ANZ Tall Gallery, which spans the height of the building and houses exhibits from the museum’s naval and leisure collection, and the 220-seat ANZ Theatre.
We continued a range of sponsorship across many major sporting events, with significant television and press advertising synergies. The ANZ 12 Metre Challenge on Sydney Harbour held on Australia Day gave many thousands of people great enjoyment as well as providing the Group with a high profile in Australia’s largest city. A special recruitment drive was developed to support young Australian athletes aiming for Olympic representation. The ANZ Sports Stars programme supports elite athletes from a range of sports who have been recruited to work for ANZ in the lead up to the 1992 Olympic Games. The programme allows the athletes the flexibility they need to train and attend major sporting events, and at the same time provides valuable work experience and financial support.

On environmental issues, the Group is a major sponsor of the Earthwatch project, which enables staff to join expeditions to gather important research data from remote Australian locations.

We continued our policy of providing financial support to a wide range of charities and worthy organisations. A major commitment during the year was a donation of $180,000 over five years to Melbourne’s Royal Children’s Hospital for the development of the ANZ Cardiac Surgery unit.

In New Zealand, both the Group and New Zealand celebrated their sesquicentennial. Our most visible and sustained exposure came from television sponsorship of a series called “Magic Minutes”, which featured newsfilm of people, places and events which have found a place in the country’s history. The series won ANZ a national television award for the most preferred advertising in 1990.

Another major activity was a re-enactment flight from Australia of the replica of the “Southern Cross”, in which Australian aviator Charles (later Sir Charles) Kingsford Smith pioneered crossings of the Pacific and Tasman oceans. The replica was flown around the country, with the proceeds from the sale of memorabilia going to the New Zealand Crippled Children’s Society.

Staff in the United Kingdom achieved a world record for the largest cheque. And it was all in a good cause, the BBC Children in Need Appeal. Staff efforts raised GBP26,096, which was augmented by GBP10,000 from the Group, and the cheque staff presented-22.5 feet wide by 45 feet long—has been recognised as a world record by the Guinness Book of Records.

In India, we contributed to a number of community groups, including Child Relief and You, the Cancer Centre and Welfare Home, the Escorts Heart Institute and Research Centre, and Helpage India, which assists the elderly. In Nepal, for the tenth Social Service Day, the Nepal Children’s Organisation organised a nationwide competition of children’s art, music, dance and reading, which the Group sponsored. In Sri Lanka, mattresses were given to the Orphanage at Dehiwela, run by the Salvation Army in the suburbs of Colombo.

In other countries many local community projects were supported to ensure the reputation of the Group as a good and caring corporate citizen was maintained.

Regrettably, it will not be possible in the current year for the Group to provide the same levels of support as in 1990. Our total budget is linked to profit performance and in the light of this year’s results our budget has been reduced.

OUTLOOK

With both our key domestic markets at low points in the economic cycle and, at the time of writing, an oil crisis threatening, it is difficult to forecast the timing of a return to better times.

However, we should not forget that Australia’s economic fundamentals in many areas have been improving for some years, interest rates are now falling and lower asset prices and deregulation of infrastructure industries should assist business cost structures. New Zealand’s productivity is at a record level, whilst the inflation rate is amongst the world’s lowest. Nor should we forget that Australia’s mining and wool industries stand to gain market share from more expensive oil-based energy and fibre products. An important ingredient necessary in both countries to achieve economic recovery is confidence—both on the part of business and the consumer. This will be engendered by strong political leadership which takes an international view rather than a parochial inward-looking perspective.

We believe it is necessary to “look across the valley” to see the opportunities ahead, whilst at the same time ensuring we are fit enough for the crossing. In a slower growth environment, the elimination of unnecessary costs takes an even higher priority and is being pursued relentlessly.

There will be continuing attention to our home market strength and selective expansion in our international representation network where appropriate and profitable.

Our best estimate is that profitability will show a satisfactory recovery in the current financial year, following improvement in our domestic markets in the second half of calendar 1991. This improvement will however be patchy, and we have particular concern for the rural sectors in both Australia and New Zealand, although these sectors have shown great resilience in the past.

We will retain our commitment to Australian and New Zealand business customers, as many of our competitors are exiting this market sector for the perceived safer haven of retail banking. As the trend develops, we expect retail banking in our home markets to become even more overcrowded, leading to low profitability in many products and markets.

A balance between business, rural and consumer banking has been a hallmark of ANZ’s success over many decades, and we confidently expect this to continue.

I take this opportunity to thank my management and staff for their efforts in what has been the most difficult operating environment I can remember in my long banking career. These conditions test the mettle of people and I am pleased to say my colleagues have the ability, dedication and commitment to succeed in returning performance to the level that both they and shareholders will find acceptable.

WILL J. BAILEY AO
Deputy Chairman
and Group Chief Executive

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The final result for the year was a disappointment to us all in that net operating profit after tax was well below expectations.

As has been explained elsewhere the primary cause was the marked slowdown in economic activity in Australia, particularly in Victoria, resulting in sharp increases in the levels of specific provisions and non-performing loans.

The whole process of our credit approval and credit control is presently undergoing change to correct any weaknesses which may have contributed, in a secondary way, to the disappointing performance. Where necessary additional resources are being allocated to the management of our lending portfolio.

In addition we continue to concentrate efforts towards improving the customer focus of our activities and during the year we made some minor amendments to our organisation structure which saw the creation of five operating Divisions, each under the control of a Chief General Manager. Each of these officers provides commentary in this report on his own sphere of responsibility.

In order to provide support to both Mr. Bailey and me the post of Chief General Manager–Executive Directors' Office, was created during the year and filled by Mr. Brian Weeks.

In addition to the support role, Mr. Weeks will provide direct top management oversight of risk management, credit and treasury policy, and control of major infrastructure expenditure projects. He is currently Chairman of the Australian Bankers' Association Executive Committee.

During the past year we have placed the Group in a position where our overall business is better balanced than before, and this will stand us in good stead in the future.

We are committed to improving productivity at the same time as satisfying the needs of our customers and our staff have embraced this commitment with enthusiasm.

With a well balanced business, a sound strategic direction, and management and staff pursuing greater productivity, I am confident that our operations should produce more satisfying results for our shareholders in the coming year. My only concern is the spectre of a deterioration in both the local and international economic scenes.
STRONG, NATURAL
GROWTH HAS
BEEN IMPLEMENTED IN ACQUISITIONS IN THE TWO
STATES WHERE WE HAVE HAD HISTORICAL WEAKNESS.

IMPROVING CUSTOMER SERVICE AND PRODUCTIVITY CONTINUES
TO BE THE FOCUS OF OUR EFFORTS.
We can look back on the year past with some pride, in the knowledge that significant progress has been made.

In a difficult year, the Division turned in a solidly profitable performance, with all parts contributing. Good progress was made towards our objective of providing a better quality of customer service than competitors (although customer expectations continued to rise as fast as or faster than our rate of improvement!).

Strong natural growth has been supplemented in the two States where we have had historical weakness, New South Wales and Western Australia, through the acquisitions of National Mutual Royal Bank and Town & Country W.A. Building Society.

Improving customer service and productivity continues to be the focus of our efforts. The branch management structure was changed to bring senior people closer to their customers in the decision chain, and to reduce the need for centralised control of our people in the field. Principally, the restructure meant Australia being divided into 13 zones, each under the control of a Chief Manager.

Banking in the 1990’s is a complex business, requiring more specialist and less generalist skills. We see three streams of specialisation as being of particular importance—“sales and service”, lending and administration. Training needs are being identified and met with high quality, state-of-the-art approaches which supplement a drive to improve our recruitment and career development practices. The aim is for better jobs for our staff, better service for our customers and better returns for our shareholders.

**CARD SERVICES**

During the year, all card activities were combined into one business unit. This is to ensure co-ordinated management of merchant relationships—both electronic and paper based—and of card issuing programmes, and to allow sharper commercial focus on this important part of retail financial services. Card processing is being centralised in Melbourne to achieve significant cost savings and improved service. Mastercard is being introduced as an alternative to the highly successful market-leading Visa Card, providing a comprehensive transaction capture service to merchants and a full range of card choice to our customers.

**FUNDS MANAGEMENT**

Earlier in this Report the flow of savings into life assurance, superannuation, and managed funds was mentioned.

Recognizing the significance of this development, ANZ Funds Management was created last year out of smaller predecessor operations including ANZ Life, AFT and Investment and Trust Services, and has been highly successful in its short life. With over $5 billion under management, and quite profitable, it is emerging as a major contributor to Retail Services Division's earnings. With the demise of the National Mutual Life merger, ANZ Funds Management will be given added resources to accelerate development focused on provision of services to the bank’s customers through the branch network.

**EXECUTORS & TRUSTEES**

ANZ Executors & Trustees is increasing its emphasis on the personal sector, and withdrawing from the corporate trustee business.

We see an important service opportunity in will writing and estate and charitable trust planning and management, and continue to be the leader in the cash management area.

**INFRASTRUCTURE**

During the year, much of the Group support service area which is primarily used by Retail Services Division was transferred to the control of its principal user. The most significant of these units is DP Operations, where there is strong support for Total Quality Management concepts and significant cost reductions are being achieved.

**OUTLOOK**

The immediate future holds some concern for us, as the Australian economy continues to suffer with the impact of business failures, and politicians continue to endeavour to constrain interest margins and deflect popular anger at monetary policy on to the banks.

The expected increase in unemployment almost certainly bodes poorly for our bad debt experience in the consumer and small business sector. The rural sector is causing us concern as markets deteriorate for grain and wool products.

Against that, we enter the 1990’s with a stronger retail market position than ever before, and an unshakeable commitment to customer service, productivity, and bottom line.

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**DEPOSIT SHARE IN W.A.**

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**DEPOSIT SHARE IN N.S.W.**

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THE PROVISION OF FINANCIAL SERVICES TO THE COMMUNITY REMAINS A CORNERSTONE OF ANZ'S SUCCESS.

CONSIDERABLE ATTENTION HAS BEEN GIVEN TO HELPING CUSTOMERS THROUGH DIFFICULT TRADING CONDITIONS.
The provision of financial and associated information services to the business community has been, and remains, a cornerstone of ANZ’s success.

We are continually seeking means of improving the quality of service to business customers. As part of this process, the Australian Business Banking Division was formed during 1990. Its primary objective is to further enhance the relationship management approach in dealing with business customers. Specialist expertise in lending, international, treasury, investment and electronic products are being brought closer to the customer.

Tight monetary policy and prolonged high interest rates have created significant pressures for businesses. Small and medium-sized businesses are typically more highly geared than the larger corporates, and high interest rates combined with a slowing economy have impacted most severely on this important sector. In this environment considerable attention has been given to helping customers through difficult trading conditions. Viable businesses will continue to receive our strong support and assistance.

Unfortunately, many businesses have failed, resulting in increased provisions for doubtful debts and higher costs of funding loans on which interest cannot prudently be accrued. A most rigorous approach is adopted to identify those loans where provisions are necessary. However, given the economic environment and high level of business failures, there are likely to be flow-on effects and we are anticipating the continuation of higher than normal levels of debt provisions through to 1991.

INTERNATIONAL SERVICES

During the year, International Services successfully completed a productivity review of the thirty-nine decentralised processing offices throughout Australia with the main objective being the further enhancement of the delivery of international products to our importing and exporting customers.

In addition to the efficient processing of transactions, customers are also offered personalised professional advice from International Customer Services specialists who form part of customer account relationship teams. These specialists utilise our extensive global network to our customers’ advantage.

TREASURY SERVICES

Treasury specialists provide customers with the full range of treasury services, including market information on interest rate and currency trends. Treasury also undertakes the role of banker to ANZ’s Australian banking operations, incorporating responsibility for managing the associated liquidity and interest rate risks.

During the year, priority has been given to increasing customer awareness of treasury products and the techniques that are available to manage interest rate and currency exposures. Treasury staff are placed with the banking relationship teams for ready customer access and a specialist group is available to handle the more complex risk management and deal structuring requirements.

ESANDA

Esanda has seen a reduction in business activity; however it has maintained a strong position in the marketplace and is prepared for difficult trading conditions ahead.

As Australia’s second largest asset-based financier, Esanda has a market share of 23%. This includes the previous year’s acquisition and successful integration of Mercantile Credits and Clark Equipment Credit. Total assets for the Esanda group are approximately $9 billion, reflecting 7.8% growth for the year.
The creation of this division, with its mandate to serve our largest corporate and government customers, provides scope for more value-added services and improved profitability from this customer base.
The Division was established in 1990 with the objective of focusing Group resources on enhancing our relationships with a select number of major corporates, Government, and Semi-Government bodies.

We had been concerned for some time that the quality of service to major institutions had not been as comprehensive as they should expect. The changes that have been implemented fulfill two objectives. Firstly, executives with specialised skills have been given direct responsibility for customer relationships, and secondly the decision-making chain has been significantly reduced. Customer access to specialised skills has been improved, and response time to requests is shortened.

The new Division has engaged key staff from three sources: from within the Bank, from ANZ McCaughan, and from the former National Mutual Royal Bank-Capitc Court Advisory operations. This group forms a well qualified and experienced team of bankers with diverse specialised skills.

The Division is organised into four major areas. These are:
- Banking Relationships
- Merchant Banking
- Capital Markets
- Stockbroking

**Banking Relationships**

Each Senior Relationship Executive has been given total responsibility for ensuring that all requirements of our customers are met.

They ensure that appropriate products and services are supplied to the people responsible at the customer's place of business, whether it be Treasury Services, Trade Finance, Advisory Services, etc.

Principal offices are located in Melbourne, Sydney, and Auckland, with supporting offices in Brisbane, Adelaide, Perth, and Wellington.

**Merchant Banking**

The merger with NMRB has resulted in the retention of the skills of the Capitc Court Merchant Banking unit, which consists of a capable group of specialists with advisory skills.

The advisory activities include project advisory, structured finance, corporate advisory and merger/acquisition services.

The Project Advisory group provides advice on project-specific transactions embracing project feasibility and cash flow analysis; private sector resources projects; including oil and gas related infrastructure, property, health and tourism projects; public sector infrastructure financing; and debt and equity funds arrangement and participation.

**The Structured Finance team advises on off-balance sheet financing, property sale and lease-back proposals, and equipment leasing packaging and participation. Corporate Advisory has skills in corporate reconstructions, independent valuation reports, quasi-equity/debt funding, privatisation, mezzanine finance advice and structuring, and management buy-outs.**

**Mergers and Acquisitions**

Group can provide advice on divestments, bid strategy, legal and regulatory requirements, assistance with negotiations, arrangement of funding, takeover defence strategies, valuation of overseas companies, and initiation of takeovers.

**Capital Markets**

Capitc Market operations are located in Melbourne, Sydney, Auckland, Hong Kong, Tokyo, and London.

Major activities of this area include:
- Public and Private securities origination:
  - Commercial paper
  - Fixed and Floating interest rate term instruments
- Management, advisory, and information Services
- Underwriting, distribution, trading and price-making in co-operation with ANZ Global Treasury

ANZ McCaughan recorded a very disappointing result for the year, due to the world-wide malaise in equity markets. Its international activities have been significantly down sized and it will continue to operate as a separate legal entity within Institutional Financial Services, concentrating on a core service including equities trading, underwriting and placement, options trading in equities, and trading on the Sydney Futures Exchange.

Its primary operations will continue to be in Australia and New Zealand and dealing desk capacity will be maintained in London, New York, Tokyo and Hong Kong. It is comforting to record that following the changes this year ANZ McCaughan is now trading profitably.

**Outlook**

Institutional Financial Services faces a challenging period ahead. With a greater focus on our largest customers and additional advisory services to offer them, we have a unique opportunity to continue to develop specialised services for a more sophisticated sector of the market, and to overcome the poor profitability experience of most major banks when dealing with their large multinational customers.

---

**Melbourne**

Assistant General Manager, Institutional Financial Services: RJ McAndrew

Chief Manager, Institutional Financial Services: BA Masi & RJ Marsden

Chief Manager, Institutional Financial Services: GJ Riley

**Sydney**

Assistant General Manager, Institutional Financial Services: AE Archer

Chief Manager, Institutional Financial Services: DP Schoetz

Chief Manager, Institutional Financial Services: JR Eglishaw

**Auckland**

Chief Manager, Institutional Financial Services: RSZ Henderson

ANZ McCaughan Ltd

Deputy Chairman: DW Brown

Managing Director: RD Dowerhurst

ANZ Capitc Court Corporate Services

General Manager: RJ Kirk
ANZ has consolidated its position as the largest financial services group in the New Zealand market. Balance sheet growth was relatively strong, especially in the first half, with State Owned Enterprises borrowing to repay debt to the government a major contributor to Business Bank growth. In the Retail Bank growth in assets, and market share, was more steady during the year.

As in Australia, a more segmented approach to the banking market, and the desire to build appropriate relationships with each segment, was reflected in the organisation restructure into Institutional Financial Services (Incorporating the Group’s merchant banking services), Business Banking (Incorporating International Services), and Retail Banking Business Units.

The major focus of the Retail Bank has been on consolidating the market position of both the ANZ and PostBank brands, capturing economies of scale in support functions, and further developing the sales and service culture. Central to achieving these goals was the integration of head office functions and the implementation of a new organisation structure to support both branch networks.

The two brands are to continue to remain distinct and the opportunity has been taken to market re-branded insurance and international payments products and the UDC prospectus through the PostBank network. The refurbishment of branches, especially PostBank, to more customer-oriented design has continued. Plans are also well advanced to trial co-locations. If successful, this will increase the scope for outlet rationalisation, and consequent cost savings.

In the Treasury area, foreign exchange and domestic trading activity continued to be difficult during the year, with tight monetary policy, a relatively stable currency and reduced trade flows resulting in pressure on Treasury income. Greater focus on product delivery, customer service and utilising the Group’s global network has helped to offset this pressure. Particular emphasis is now being placed on marketing Treasury risk-management products to the corporate sector.

The emphasis in Information Technology continues to be on linking the ANZ and PostBank delivery and processing systems, and achieving efficiencies in product and service delivery. A significant move in this direction was the introduction of a single integrated ATM network early in the new financial year. Other technology initiatives included the introduction of the ANZcash electronic banking and cash management system, and a management and customer information system for Business Bank customers.

Outlook

Indications are that the situation will improve only slowly. Initiatives in this and previous years will ensure, however, that the Division is well placed to meet the challenges, and build on its position of market leadership as business conditions improve.

General Manager, Retail Services: M. Colenwood
General Manager, Planning & Development: P.J. Hawkins
General Manager, Finance & Treasury: D.R. Jeffrey
General Manager, Human Resources: R.J. Nicholsen
General Manager, Retail Banking: M.I. O'Neill
General Manager, Business Banking: A.D. Picken
Managing Director, UDC Group: N.W. Fram
General Manager, Information Technology: C.D. Snow
ONE OF ANZ'S KEY

COMPETITIVE

ADVANTAGES IS AN EXTENSIVE INTERNATIONAL

NETWORK, WITH A REACH GREATER THAN ANY

AUSTRALASIAN COMPETITOR AND INDEED MOST OTHER

BANKS AROUND THE WORLD.
The International Banking Division conducts business in 50 countries, almost every nation with which our Australasian customers have significant trading relationships.

Our international strategy is to leverage off our strength in our home markets of Australasia into profitable niche banking activities primarily (but not exclusively) based on the trade and capital flows between both our home markets and the rest of the world. Principally, these banking activities are treasury and capital markets services, trade finance, payments services and private banking.

1990 saw the benefits of the approach we have taken internationally with a well-diversified profit stream emerging from most activities and locations.

We believe one of ANZ’s key competitive advantages is its extensive international network, with a reach greater than any Australasian competitor and indeed many other banks around the world.

UNITED KINGDOM

The year saw the relocation and consolidation of our remaining merchant banking activities in a move which will strengthen our position in both the UK and international markets for cross-border structured finance and risk syndication, along with traditional segments such as shipping and property finance. The UK equities business was significantly downsized as part of the consolidation process.

In Treasury, foreign exchange trading has remained the major income-generating activity, with our strength being as a significant market-maker in Australasian currencies.

CONTINENTAL EUROPE

ANZ has confirmed its position as the major Australasian bank in Continental Europe with representation in all main financial centres, and many large European international customers have been showing an increasing interest in the opportunities offered by our international network. In West Germany, Frankfurt branch had another successful year providing treasury and network services to German multinationals.

In France, the Group sold its retail-oriented subsidiary Grindleys Bank SA, in order to focus its efforts on treasury and network activities through a restructured Paris branch.

Our two branches in Greece again made an excellent contribution in spite of difficult economic conditions. The representative offices in Italy and Spain continue to work actively in providing good opportunities for the Group, and subject to regulatory approval, a full branch will be opened in Milan during the coming year.

The Group is positioning itself to take advantage of the opportunities offered by the creation of the single market in Europe, and of the developments which the changes in Eastern Europe may bring.

SOUTH ASIA

In India, the authorities have encouraged an increasing rate of deregulation and disintermediation, with new money market instruments being introduced into a broader based and deepening financial market. Within this context, the Group produced another excellent result reflecting the strategies adopted over the last two to three years.

Deposit growth has been particularly satisfactory, reflecting enhanced levels of customer service in both the domestic and non-resident markets. The automation benefits now evident in our 56 branches throughout India provide a strong base for further improvement.

The Group has long been recognised as a leading provider of Merchant Banking services in India and along with the Institutional, Investment and Commercial Banking operations, enjoyed significant improvement throughout the year.

In Bangladesh a change in interest rate policy has improved market opportunities and has proved broadly beneficial. Overall profitability of South Asia, including Sri Lanka, Nepal and Bangladesh, has seen further improvement. The economic difficulties of the region will however be exacerbated by the Gulf crisis—not only will higher energy costs and disruption to exports adversely impact on Balance of
Payments, but the loss of remittances from the many thousands of workers who are being evacuated from Iraq/Kuwait will also have severe implications. Despite this and the degree of political unrest in the area, we are confident of a continuing improvement over the coming year.

MIDDLE EAST

To the end of July all units in the Middle East had performed above budget levels and there had been a marked improvement in the quality of our core earnings. Following the invasion of Kuwait, the region witnessed an outflow of capital and business confidence has been badly affected. It is anticipated that, even if stability returns, and despite availability of additional oil based revenues, it will be mid-1991 before economic activity recovers and investment returns to the region.

Despite political difficulties in Pakistan through the year our positive growth rate continued with the development of Merchant Bank activities augmenting our traditional branch network and corporate strengths.

AFRICA

Notwithstanding the continuing shortage of foreign exchange in most African countries, the results from our operations in Africa were again significantly improved.

Our business in Kenya continued to feel the effects of the Government's tight liquidity policies; nevertheless progress has been encouraging. During the year, our branches in Zimbabwe were locally incorporated, and the business there continues to grow with the accent on increasing our share of the corporate and agricultural sectors. Plans are well in hand to open three further branches next year.

With an improved political situation in Uganda, our results are most encouraging. In Zambia, the Government was assisted with short term finance, the focus being on providing finance to export related projects. Results in Zaire again exceeded expectations and our associates in Ghana and Nigeria also produced significant contributions.

Increased network business should be evident through the establishment of a subsidiary in Botswana in 1991, subject to regulatory approvals.

During 1990, we commenced upgrading the technology used in our African operations, and this will progress through 1991 and should provide for improved productivity and better communications with a view to improving customer services.

The improvement in the political scene in South Africa is encouraging and any political settlement which leads to the lifting of sanctions should result in trade opportunities through the ANZ network and particularly in the short-term with our African network. The developments in South Africa are being monitored closely.

ASIA PACIFIC REGION

The Group's representation covers some 16 countries in the region with a concentration on trade and structured finance, treasury, foreign exchange and deposit/lending services as appropriate to individual market conditions.

The region enjoyed a successful year reflecting buoyant conditions in Japan and Singapore and an expansion of our interests in the Pacific region. The acquisitions in Papua New Guinea, Fiji and Western Samoa have cemented our position as the leading bank in the Pacific islands.

In Asia mixed trading conditions were experienced with some markets affected by restrictive conditions having a particular impact on foreign banks. However, in Japan an enhanced profit was achieved and survey show our operations rank amongst the most profitable of the foreign banks; particularly in respect of our foreign exchange and treasury activity. Other major money centre operations, including Hong Kong and Singapore, continued to register good results. The quality of our asset book for the region is good as a result of concentration on short term self-funding proposals and good quality names.

Expansion in the Asian region has included a concentration and strengthening of our regional trade and finance centre in Singapore, and in Thailand, the consolidation of our relationship with General Finance & Securities (a leading finance and securities company).

The coming year will see the establishment of offices in Manila and Osaka, and overall, the region will continue to provide good opportunities for increased activity by ANZ.

AMERICAS

The Group's operations cover Toronto, Chicago, New York, Los Angeles, Houston and Rio de Janeiro. During 1991 our presence along the Pacific Rim will be further strengthened by opening an office in Santiago, Chile.

The Americas operations have been refocused. We have withdrawn from middle-market lending where an unsatisfactory level of bad debts has been experienced. The Americas is now more aligned with the Group's network strategy, concentrating on international representation and product strength. Marketing initiatives designed to expand our trade finance, treasury, nominee and correspondent banking services have been strengthened.

Latin America provides good trade finance opportunities due to growing export volumes from Australia and New Zealand to this region.

CUSTODIAN SERVICES

ANZ Nominees Ltd remains the market leader in custody of Australian securities for overseas investors. Its services are based around the widely accepted SWIFT system for communicating securities instructions and reports. Moreover, clients are offered direct on-line access to their security and monetary accounts through a sophisticated computer interface facility. The authoritative industry magazine "Global Custodian" awarded ANZ "top rating" in its survey of Australian custodians.

PRIVATE BANKING

ANZ Group's private banking units provide banking, investment management and trust and company administration services to high net worth individuals who wish to use the services of a major worldwide banking group to protect and manage their assets internationally.

The Private Bank had another excellent year with all units showing increased profitability. The results from Geneva and Jersey were particularly satisfactory.

The uncertain outlook for the world's equity and bond markets resulted in only modest growth being achieved in the volume of investment business handled, but high interest rates, combined with political and economic uncertainties, led to a significant increase in the volume of deposit funds managed.
Since the year end the Group has acquired control of one of the largest and best established Jersey-based trust companies, Colec Trustee Limited, which will be merged with the Group's existing trust operations in Jersey.

GLOBAL TREASURY

Treasury functions in Australia have been streamlined as part of the changes effected to the Group's organisation structure. Customer-related activities in money markets are now integrated with account relationship management in the respective Australian banking operations. Trading activities in professional money markets, foreign exchange, fixed income securities and derivative products, together with central administrative functions for Group-wide treasury activities, have been brought together in a single responsibility centre. These changes are intended to provide a more appropriate balance of central risk management and decentralised business thrust.

The Group's trading activities in foreign exchange and interest rate markets yielded satisfactory results, despite turbulent markets at certain times of the year. Customer relationship management training was stepped up and the range of treasury activities is continually being increased to meet customer expectations. ANZ was voted the top bank for AS and NZS foreign exchange by corporate treasurers worldwide in the 1990 "Euromoney" survey.

In Australia, the acquisition of National Mutual Royal Bank has brought additional innovative services and skilled staff to Global Treasury.

Treasury operations in the major international financial centres are under constant review to optimise contribution to the Group's core banking activities. As part of this review, the Group's treasury profile in Chicago and Los Angeles is being enhanced, while operations in Zurich have been wound back.

The Group's issues of long term liabilities in international markets during the year were well received. The issues covered senior debt securities for operational funding requirements, and long term subordinated loans to augment the capital base. These issues were in addition to short term commercial paper and medium term note programmes in USA, Europe and Asian markets which continue to be well supported by investors.

CORRESPONDENT BANKING

 Tight economic conditions and reduced offshore investment in our major domestic markets of Australia and New Zealand have had some adverse effect on our Correspondent Banking operations. In spite of these factors, another sound performance has been achieved and ANZ continues to be a leading provider of correspondent banking services.

<table>
<thead>
<tr>
<th>Bombay</th>
<th>General Manager, South Asia: R J Edgar</th>
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<tbody>
<tr>
<td>London</td>
<td>Senior General Manager, Europe, South Asia, Africa, Middle East and Managing Director, ANZ Grindlays Bank plc: BP Ranford</td>
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<td>General Manager, UK Treasury: DB Valentine</td>
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<td>General Manager, Banking &amp; Support: RN Fenton</td>
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<td>General Manager, Private Banking: GM Howard</td>
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<td>Regional General Manager, Middle East: BM McConno</td>
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<td>Regional General Manager, Africa: ADB Wright</td>
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<td>General Manager, Corporate &amp; Merchant Banking: J Curry</td>
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<td>Melbourne General Manager, Asia Pacific: DR Wattson</td>
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<td>General Manager, Nominations: JR Sucholt</td>
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<td>General Manager, Global Treasury: AK Bommali</td>
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<td>General Manager, International Network Services: DG Morgan</td>
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<td>New York General Manager, Americas: RCL Barnes</td>
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DEPOSIT SHARE IN PACIFIC ISLANDS*(EST) %

| 85 | 35 |
| 30 |
| 25 |
| 20 |
| 15 |
| 10 |
| 5  |
| 0  |

* Fiji, PNG, W Samoa, Vanuatu, Solomon Is, Cook Is
Mr. M.D. Bridgland 4C
Chairman
ICL (Aust.) Limited
Company Director
Age 63
A Director since January 1962, appointed Deputy Chairman in January 1983 and Chairman in January 1989
Mr. Bridgland has been Chairman of ICL Australia Ltd since 1980. He is also Chief Executive Officer of He is former Director of several public companies and has been a member of a number of industry, government advisory and community organisations.
Mr. Bridgland lives in Melbourne.

Mr. W.J. Bailey 4D
Deputy Chairman and Group Chief Executive
ANZ - HAMI
Bank Executive
Age 57
A Director since July 1984, appointed Group Managing Director and Chief Executive Officer in December 1984 and to his present position in August 1986. Mr. Bailey is Chairman of Australia and New Zealand Sovereigns Ltd and ANZ Financial Services Ltd. He is also a Director of ANZ Banking Group Ltd and ANZ Banking Group (New Zealand) Ltd. Mr. Bailey has been a Director of the ANZ Group since 1980 and is Deputy Chairman of ANZ Banking Group Ltd.
Mr. Bailey's main interests include Deputy Chairman of the ANZ Group, Deputy Chairman of ANZ Banking Group Ltd and Director of the ANZ Group.
Mr. Bailey lives in Melbourne.

Mr. R.A.D. Nicholson 4E
Group Managing Director and Chief Operating Officer
ANZ - HAMI
Bank Executive
Age 56
A Director since July 1984, appointed Group Managing Director and Chief Operating Officer in December 1984 and to his present position in August 1986. He is also a Director of Australia and New Zealand Sovereigns Ltd and ANZ Financial Services Ltd. He is also Deputy Chairman of ANZ Banking Group Ltd and ANZ Banking Group (New Zealand) Ltd and Group Managing Director of ANZ Banking Group (New Zealand) Ltd and Post Office Bank Ltd.
Mr. Nicholson has 40 years experience in banking with the Group, including representation on the board of the Victoria State Opera Board, President of the Victorian Choral Association and a member of the Victoria State Opera Board.
Mr. Nicholson lives in Melbourne.

Mr. D.C.L. Gibbs 5F
MA (Hons) Company Director
Age 65
A Director since February 1979, Alternate Director 1979 –1980
Mr. Gibbs is Chairman of ANZ Executors & Trustee Co. Ltd. He is also Chairman of the Board of the ANZ Group and a member of the Victoria State Opera Board, President of the Victorian Choral Association and a member of the Board of Trustees of the ANZ Group.
Mr. Gibbs lives in Melbourne.

BOARD COMMITTEES
Audit Committee
Dr. B.W. Scott (Chairman)
Mr. J.C. Day
S.R. Lawrence
Mr. P.B. Vaughan
Credit Committee
Mr. C.J. Harper (Chairman)
Mr. W.J. Bailey
Mr. R.A.D. Nicholson
Remuneration, Appointments and Nominations Committee
Mr. M.D. Bridgland (Chairman)
Mr. W.J. Bailey
Mr. W.J. Gough
Mr. W.J. Hobbs
Mr. D.C.L. Gibbs
Mr. R.B. Vaughan
WJ (Will) Bailey AO, AAM, FAMI, FAIM
F (Flav) Bell PSM, FCMA
DJ (David) Butler, BSc (Hons), FCMA, AAM
GJ (Greg) Cann, B Bus, CFA
RT (Richard) Jones, LLB, FCIS
ARD (Robin) Peatfield, BA (Hons), AAM, MBA
MFR (Matthew) Percival, BA
B (Bruno) Sorrentino, PhD (Physical, BSc, AII (Lon)
EJ (John) White, AAIB, MPMa
PS (Peter) Wilson, B Com, MA

RAD (Reg) Nicolson, AAIB, FAIM
B (Brian) Weeks
DT (David) Craig, AAIB, ACA (NZ)
ECJ (Ted) Johnson, BSc, Dip Bus Admin, AAIB, FAIM
ATL (Alister) Maitland, B Comm, AAIB
DP (Don) Mercer, BSc, MA (Econ)
JF (John) Rias, B Ext, AAIB, ASA

57 Deputy Chairman & Group Chief Executive
54 Group General Manager–Audit
42 Group General Manager–Finance
35 General Manager–Group Investor Relations
43 Group Secretary
45 General Manager–Special Duties
39 General Manager–Group Public Affairs
48 General Manager–Technology
46 Group General Manager–Human Resources
39 Group General Manager–Strategic Planning & Economics
59 Group Managing Director & Chief Operating Officer
58 Chief General Manager–Executive Directors' Office
50 Chief General Manager–Australian Business Banking
51 Chief General Manager–Institutional Financial Services
49 Managing Director–ANZ Banking Group (New Zealand) Ltd
49 Chief General Manager–Australian Retail Services
45 Chief General Manager–International Banking

CHIEF EXECUTIVE'S REPRESENTATIVES
TJ (Terry) Brennan, AAIB
DN (David) Butcher, AFAIM
LF (Lloyd) Guthrey, FCMA, AAIB
TC (Tim) Jenkins, FA, FAAA
RC (Rupert) Thomas, AAIB
KW (Keith) Witney, B Comm, AAIB, ASA

South Australia
Tasmania
Western Australia
New South Wales
New South Wales
Queensland
SHAREHOLDER MEETINGS

The Annual General Meeting will be held at the Savoy Ballroom, Hyatt on Collins, Collins Street, Melbourne on Wednesday 30 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 Information Meetings will be held in Wellington on 5 February 1991, in London on 11 February 1991 and in Sydney on 23 May 1991. Further details of these meetings will be advised separately.

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 31 January 1991. Copies of the address will be available from:

- Group Public Affairs, 19th Floor, 55 Collins Street, Melbourne
- Group Publicity Department, Minerva House, Montague Close, London
- Branch Banking Services, 215–229 Lambton Quay, Wellington

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

Coopers & Lybrand
7th Floor, 150 Queen Street, Melbourne.
Phone: (03) 602 5688 Toll Free: 1800 33 1721

Branch Registrars

New South Wales:
Coopers & Lybrand,
Coopers & Lybrand Tower,
680 George Street, Sydney

Queensland:
Coopers & Lybrand,
Waterfront Place,
1 Eagle Street, Brisbane

South Australia:
Coopers & Lybrand House,
41 Currie Street, Adelaide

Western Australia:
Coopers & Lybrand, Capita Centre,
197 St George’s Terrace, Perth

Tasmania:
Coopers & Lybrand,
10 Cameron Street, Launceston

ACT:
Coopers & Lybrand,
24 Marcus Clarke Street, Canberra City

New Zealand:
ANZ Bank Group (New Zealand) Limited,
8th Floor, 215–229 Lambton Quay, Wellington

United Kingdom:
Barclays Registrars Limited,
Bourne House, 34 Beckenham Road,
Beckenham, Kent BR3 4TU

REGISTERED OFFICE

13th Floor, 55 Collins Street, Melbourne,
Victoria 3000, Australia

Group Secretary: RT Jones
Group General Manager Finance: DJ Butler
General Manager, Group Investor Relations: GJ Camm
Solicitors: Blake Dawson Waldron
Auditors: KPMG Peat Marwick

LISTINGS


1991 RESULTS ANNOUNCED

Interim: 22 May
Final: 27 November

DEBT RATINGS – NOV. 1990

<table>
<thead>
<tr>
<th>Short Term</th>
<th>Long Term</th>
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<tbody>
<tr>
<td>Australian Ratings</td>
<td>A++</td>
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<tr>
<td>Moody’s Investors Service</td>
<td>A1</td>
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<tr>
<td>Standard &amp; Poor’s Corp.</td>
<td>A+</td>
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VALUE OF $1000 INVESTED IN 1980

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
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<tbody>
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<td>80</td>
<td>3,900</td>
</tr>
<tr>
<td>81</td>
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<td>13,000</td>
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<tr>
<td>90</td>
<td>14,000</td>
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- ANZ
- All Ordinaries Accum. Index
- CPI