



AUSTRALIA AND NEW ZEALAND
BANKING GROUP
LIMITED

REPORT TO SHAREHOLDERS
1992

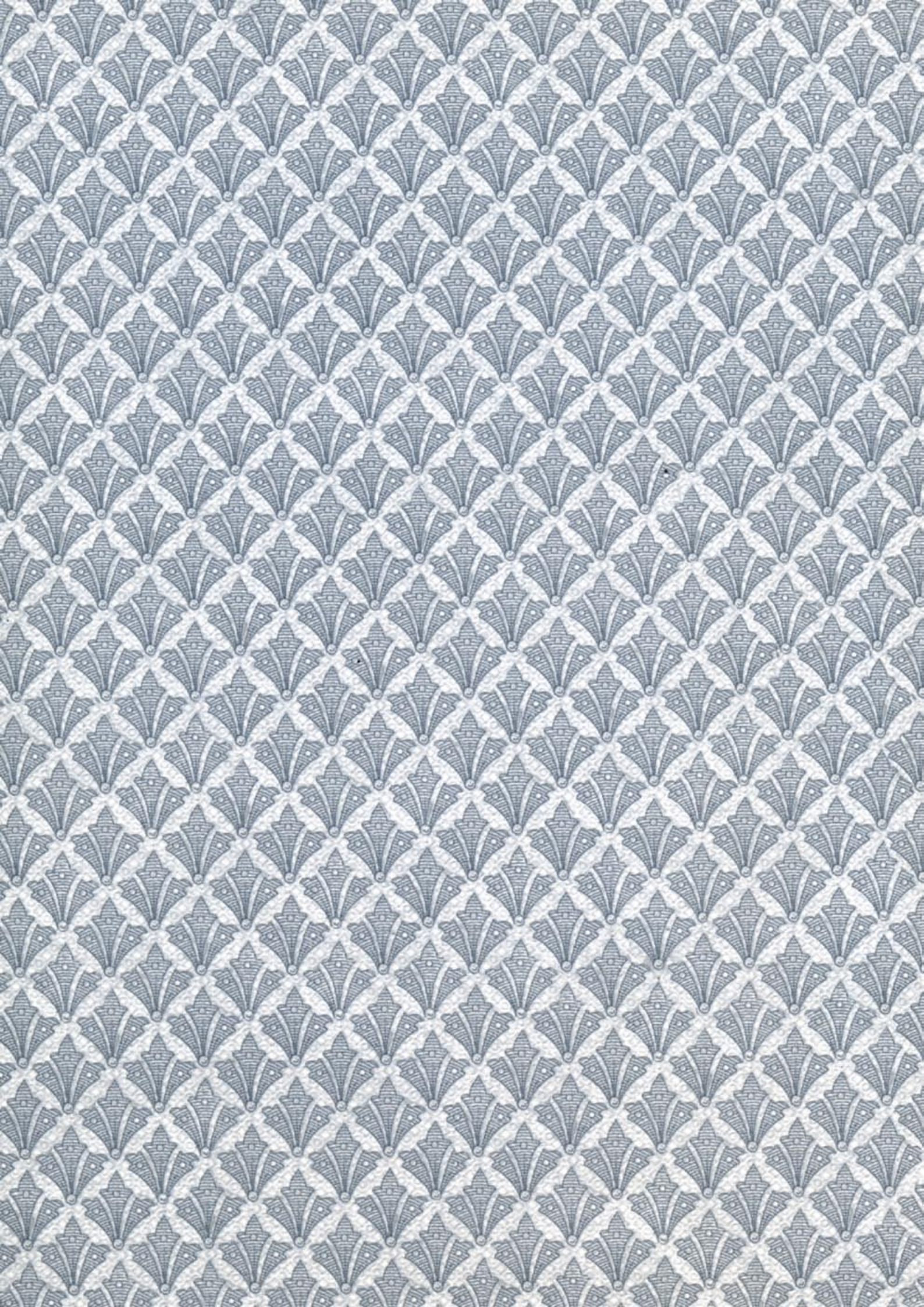
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STERLING

ONE POUND

FOR

THE BANK



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Australia and New Zealand Banking Group Limited
A.C.N. 005 357 522

The cover depicts detail from a £1 note issued in 1892 by one of ANZ's forebear banks, the Bank of Adelaide, and printed by Bradbury, Wilkinson & Co. London.

The front section of this Report is printed on 50% recycled paper (15% post-, 35% pre-consumer waste and the remainder cotton or wood fibre) and the financial section on 100% Australian recycled paper.



Mr John Gough, left, Chairman, and Mr Don Mercer, Chief Executive Officer.

REPORT TO SHAREHOLDERS

WE EXPECT A REASONABLE PROFIT RECOVERY IN THE CURRENT YEAR AND A PROGRESSIVE IMPROVEMENT IN ANZ'S PERFORMANCE OVER THE NEXT TWO TO THREE YEARS.

The Group result for the year was an after-tax loss, before abnormal items, of \$578.1 million (1991: \$266.2 million profit). This result was after charging to profit total provisions for bad and doubtful debts of \$1,600.1 million and a transfer of \$337.3 million to the General Provision. The net loss after tax and abnormal items was \$579.0 million (1991: \$267.3 million profit).

This is an extremely disappointing and unsatisfactory result for all concerned.

The Board and management have revised their value judgement of the prevailing economic conditions. In May, we believed that the outlook for ANZ was improving gradually, but observed in our interim results announcement that

'The timing of profit recovery relies heavily on economic conditions and on the improvement of asset values in particular'.

In the second half of the year a deterioration in the outlook for property values and economic recovery became apparent.

In our view, the current very subdued conditions will continue for some time. Australia's economic recovery is likely to be slow, and the State of Victoria in particular faces very difficult economic problems for a considerable period. ANZ, as Victoria's leading banker to business, is particularly exposed to these conditions.

Not all our problems have been of the economy's making. Undoubtedly, there was some imprudent lending during the boom period of the

late 1980's, particularly in the small and medium business sectors, where the battle for market share following deregulation was hardest fought.

Against this background, we have rigorously reviewed our loan portfolio and provisioning of non-accrual loans. This is reflected in the results announced in November.

Our task is now to focus on the efficient management of the Bank for improved profitability. We expect a reasonable profit recovery in the current year and a progressive improvement in ANZ's performance over the next two to three years.

The Bank's asset base is strong, and we have competitive and profitable businesses. The asset quality problems have been largely confined to the Business Banking and Esanda units, primarily in the State of Victoria.

The Bank has strong underlying profitability, as evidenced by earnings before provisions, restructuring costs and tax of \$1.3 billion in 1992. As the non-accrual loans are reduced over the next few years and continuing efficiency gains are made, profits for shareholders should significantly improve.

The management team's attention over the coming year will be focused on five primary objectives:

- Achieving a good profit recovery in the current year
- Implementing strategies for a substantial profit improvement in subsequent years
- Reducing substantially the size of the non-accrual loan portfolio in Australia
- Improving productivity across the Group to best international standards
- Continuing to develop a reputation for excellent customer service.

We are determined to restore shareholder value, and we have in place, or are putting in place, the appropriate management, processes and structures to ensure this is achieved.

We have considerably strengthened our General Provision to bring us more into line with our peer banking group, reflecting the Board's view of the risks in the global economy. The new level provides us with the capacity to absorb unexpected or unusual losses.

1993 is a transition year, a step towards rebuilding profits which we know this Bank is capable of achieving, and has achieved in the past.

We have outstanding business franchises in Australia and New Zealand. These will be the platforms for profit growth, notwithstanding difficult economic conditions around the world.

Directors

Mr Milton Bridgland retired in July 1992 as Chairman, upon his 70th birthday, after over ten years of service as a director, with three of those years as Chairman. Mr Bridgland chaired the Board through a period of great change in banking and the economy, and we would like to place on record the appreciation of the Board and senior management for his efforts over that period.

Mr Will Bailey retired as Deputy Chairman and Group Chief Executive on 30 September, after 42 years service, the last eight as Chief Executive. His energy and undoubted dedication to the organisation was acknowledged widely, as was his contribution to the community outside the immediate sphere of the Bank's operations.

We wish both gentlemen well in their retirements.

During the year Mr Don Mercer was appointed to the Board and on 1 October became Chief Executive Officer.

Mr Alister Maitland and Mr John Ries were appointed Executive Directors during the year. Mr Maitland is responsible for the International Division, and Mr Ries is responsible for Australian operations.

REVIEW OF THE YEAR

THE 1992/93 YEAR RESULT WILL BE ONLY AN
INTERIM STEP TOWARDS ACHIEVING THE FULL PROFIT
POTENTIAL OF THIS BANK.

Operating performance

Outside the Australian Business Banking Division, ANZ's businesses performed well in a difficult global climate.

Australian Retail again performed creditably, contributing \$170.3 million in profit after tax, whilst International made another sound contribution of \$161 million. New Zealand Division, operating in an economy coming out of several years of difficult economic conditions, recorded a steady result at \$77.8 million.

These sound results from the rest of the Bank demonstrate our excellent businesses and growth prospects. Before provisions, restructuring costs and tax, ANZ earned \$1.3 billion, reflecting the strong market positions we enjoy in Australia and New Zealand, and the quality and diversity of our international operations.

The one area of the Bank which seriously underperformed was the Australian Business Banking Division, which, including Esanda, reported an after-tax loss of \$796.9 million. The main components of this result were Esanda, loss of \$113.5 million; and the Business Banking unit, loss of \$659.5 million.

Loan portfolio review

We have conducted a comprehensive review of the loan portfolio in Australia and overseas. The review included all non-accrual loans in Australia over \$1 million (representing 92% by dollar value), account by account, with particular focus on account management strategy and adequacy of provisioning. Sampling

was also done on non-accrual loans in New Zealand and elsewhere overseas.

It is important to emphasise the composition of our non-accrual loan portfolio. The security for the sampled loans comprises properties which are residential, retail, tourism, industrial and rural in nature. The average property value is around \$3 million, with 51% of the properties in Victoria. We have only eight properties held as security over \$20 million, and none above \$65 million at current market values.

We continue to be affected by the traditional bias in our business lending book towards Victoria. There is no doubt that businesses in that State have suffered a deeper and more protracted recession than those elsewhere. As the State's leading banker to business, our bad debt experience in Victoria has been disproportionately large. Of the total Australian specific provision charge for the year of \$1,460.9 million, 70% or \$1,030 million related to Victorian exposures.

In addition to our own rigorous examination of values and provisions, Baillicu Knight Frank was commissioned to value 300 properties in Australia. Other valuers, along BKF principles, valued a further 450 Australian properties, as well as a sample of overseas properties over \$1 million in value. BKF check-valued about 30% of these other firms' valuations for consistency.

Where accounts were classified as 'hold' strategies, the valuers were instructed to value on the basis of putting the property to market and achieving sale within two years; i.e. by 30 September 1994. Those classed as 'sells' were valued on a realisation by 30 September 1993 basis.

About one-third by number and value were classed as 'sell' strategies. This does not necessarily mean all these properties will be placed on the market immediately. It means that management has the flexibility to dispose of those properties quickly, if circumstances dictate that is the best course of action for the Bank and its customers.

The independent valuations were adopted for provisioning purposes in all cases.

The provisioning for bad and doubtful debts charged in 1991/92 increases the level of cover ANZ carries against non-accrual loans to 43% (1991: 28%).

In addition to this specific provisioning against non-accrual loans, the General Provision (excluding provision for rescheduled country debt) has been boosted by \$337.3 million, to \$556.6 million, or 0.7% of risk-weighted assets. This provides a further degree of security against future unspecified losses, against the background of an uncertain global economy.

Management has also reviewed its approach to problem loans. The expectation of a more hopeful economic outlook earlier in the year provided optimism that many of the affected customers would be able to trade through their difficulties. We are continuing to support viable businesses with a realistic chance of survival. However, with economic recovery now likely to be patchy and slower than we previously expected, we cannot, in the interests of both our shareholders and customers, responsibly continue to carry non-accrual loans at the current level.

We have established an Asset Management Group to focus specialist resources on our problem accounts, and enable the rest of the management of the Bank to get on with servicing good profitable business. Mr Brian Weeks, an Executive Director, is guiding the formation of this unit.

While the mandate of the Asset Management Group will be for an accelerated

reduction of the level of non-accrual loans, it will not be conducting a 'fire sale'. We see no virtue in such a policy, and an orderly disposal in a rational fashion will be our strategy. This programme will be assisted by the nature of the portfolio we carry. The vast majority are smaller properties, for which there is a more ready market.

Reduction in non-accrual loans can also be achieved through work-outs and restructures, and these will be pursued where sensible.

The transfer of most of the non-accrual accounts to the new Asset Management Group will enable the Business Banking and Esanda managements and staff to get on with developing good business.

Increased attention is being paid to the whole question of credit quality throughout ANZ. The position of Group General Manager – Credit has been created, centralising, and elevating the importance of, credit approval processes and asset quality monitoring. Mr Achut Bommakanti, formerly General Manager, Global Treasury, has assumed this new role.

ANZ Premises

As a matter of policy, the Bank obtains external valuations on all its own real estate holdings every three years. Such valuations were last obtained in 1991.

In recognition of the continuing fall in real estate values since September 1991, the Board decided to again commission valuations of Group-owned property. All Australian and New Zealand properties in excess of \$1.5 million in value at September 1991 and certain other key overseas properties were valued by external valuers, whilst those below \$1.5 million were valued internally.

The overall result was a diminution in value of \$288 million, or about a 16% fall over 12 months, which has been fully reflected in our accounts.

The bulk of the fall in value can be attributed to four buildings:

- 20 Martin Place, Sydney, our New South Wales head office
- Pitt & Hunter Streets, Sydney
- Minerva House, London, headquarters of ANZ Grindlays Bank plc
- 380 Collins Street, Melbourne, our headquarters from 1994.

Indian dispute

Just after the end of the financial year, our subsidiary ANZ Grindlays Bank plc was directed by the Reserve Bank of India to make payment to the National Housing Bank (a wholly owned subsidiary of the Reserve Bank), of an amount of 5.06 billion Indian rupees, or approximately A\$250 million.

This direction arose following a claim on ANZ Grindlays from the National Housing Bank. This claim arises out of certain cheques drawn by NHB in favour of ANZ Grindlays, the proceeds of which were credited into the account of one of the customers of ANZ Grindlays. NHB claims that the consideration for the issue of these cheques was certain securities transactions allegedly entered into between ANZ Grindlays and NHB. According to our records no such transaction exists and, furthermore, NHB has produced no documentary evidence to support their claim.

ANZ Grindlays has complied with the Reserve Bank of India's direction, and made the payment to the National Housing Bank. The payment has been made under protest, without admission of liability, and subject to an agreement simultaneously entered into with the NHB providing for arbitration of the dispute. The Reserve Bank of India has confirmed in writing that NHB will meet its liabilities to us under this arbitration agreement.

We have firm legal advice that the NHB case has no merit, and accordingly, the Board considers that a specific provision is not appropriate.

Capital and Dividends

At the 1992 Annual General Meeting, a 1-for-5 renounceable rights issue of ordinary shares was announced. The issue was in two instalments, the first being subscribed in March 1992 with the second due in March 1993. When completed, the issue will have raised approximately \$779 million to strengthen our capital base.

After the substantial additional provisioning charged in 1991/92, the reduction in value of Bank premises and increased General Provisions, our capital ratios are above Reserve Bank guidelines and accepted international standards, with Tier 1 at 4.8%, and the total ratio at 9.0%. On a pro-forma basis, including the second instalment of the 1992 rights issue due in March 1993, Tier 1 capital would be around 5.3%, with the total ratio at about 9.7%.

Our intention is to manage the Bank efficiently within our existing equity base, and over time increase primary capital through retained earnings. Measures have been initiated to further strengthen capital ratios which do not involve a call on our shareholders. Preparation for a Tier 2 capital raising is under way, which, when completed, should add between 0.3 to 0.4% to our capital ratio. This will largely offset the deduction of the General Provision in respect of rescheduled country debt from capital adequacy calculations with effect from 30 September 1993. In addition, growth of risk-weighted assets will be carefully controlled, with reductions targeted in both non-accrual loans and remaining non-core assets.

The programme of disposal of non-core assets has continued with the sale of our African operations at a premium to book value. This sale will reduce our risk-weighted assets, providing a further small improvement to our capital ratios.

Directors have decided to declare a final dividend of 10 cents per ordinary share (5 cents per new partly paid share), making a total

of 20 cents for the year, unchanged from 1990/91. In line with previous indications to shareholders of minimal franking capacity, the final dividend will be unfranked.

We have kept the Reserve Bank of Australia fully informed of our actions, and it is completely supportive of the approach we have taken. International credit rating agencies have supported our actions, through confirming our ratings immediately following the announcement of our results.

Organisation changes

To fully capture the benefits we see in our franchise, we need to deliver high quality service at the customer interface, whilst having a competitive cost structure.

In furtherance of these objectives, some organisational changes were effected late in 1992.

The first was the formation of a single Australian Division to be headed by Executive Director, Australia, Mr John Ries. It was recognised that there was a need for greater integration of our diverse Australian operations. As a result, all Australian operations – including Retail Banking, Business Banking, Institutional Financial Services, Esanda and ANZ Funds Management now report directly to Mr Ries.

The second was the creation of the Asset Management Group, mentioned earlier in this report.

The third major change was the appointment of Executive Director, International, Mr Alister Maitland. Mr Maitland will be responsible for our international operations, with a heightened emphasis on the key Asia Pacific region. Mr Peter Hawkins, previously General Manager Asia Pacific, will replace Mr Maitland as Managing Director in New Zealand.

Another major change was the appointment of Mr David Craig as Chief Financial Officer. Mr Craig has executives

reporting to him responsible for finance, strategic planning and economics, investor relations, audit, secretarial and treasury, giving him an overview of the Group's financial management and balance sheet planning.

A number of management changes flowed from these initiatives. A list of key management personnel can be found on the inside back cover of this Report.

Staff

At 30 September 1992, full-time equivalent staff numbers totalled 43,977 worldwide, a decrease of 2,284 over the year.

Developments in Australia and New Zealand have enabled the Group to establish strengthened enterprise focus in employee relations. The Bank and relevant Unions in New Zealand agreed the details of a new ANZ Collective Employment Contract effective 1 March 1992, providing for enhanced flexibility in matters such as operating hours and penalty rates. In May 1992, ANZ in Australia reached agreement with the Finance Sector Union on details of an Enterprise Agreement which will provide for greater future flexibility in deployment of staff. Agreement on proposals for flexible scheduling of working hours and for part-time employment is expected by the end of 1992.

Ongoing priority will be given in training and development to the areas of credit, sales, service, management, operations and trainer training, including the development of tools for line managers to enable them to assume responsibility for training.

In February 3,073 staff participated in the staff share scheme, taking up 3.6 million shares, an increase of 5.9% compared with the February 1991 issue. At year-end approximately 13,800 staff held almost 31.7 million shares, representing about 3% of the Group's issued capital.

AGM date

We announced our annual results one week earlier than usual. Our review of provisioning and property valuations had been underway for four months, and as soon as all this information could be collated we wished to inform shareholders. With the requirement on companies to limit the time between signing accounts and holding the Annual General Meeting, we are required to move forward our AGM to Friday 15 January 1993.

Outlook for 1992/93

A reasonable profit recovery is expected in the current year.

The principal factor in the return to profitability will be a major reduction in the provisioning charge from the abnormally high levels of recent years.

The provisioning charge is extremely difficult to predict, particularly in economic conditions as at present. Future movement in asset values will remain the dominant influence in this regard.

We believe that the provisioning charge for 1993 will be high by historical standards, but much reduced from the levels of 1991 and 1992. Further reductions in the charge are anticipated in ensuing years, especially as the level of gross non-accrual loans is reduced.

Operating profit before provisions and tax is budgeted to show a slight improvement over 1991/92. This improvement is to be seen in the context of economic conditions which are expected to remain weak. Asset growth is forecast to be modest and interest spreads are expected to be subject to greater competitive pressure. Positive contributions are expected to be made by a reduction in the level of non-accrual loans and an improvement in total operating expenses.

Improved efficiency is a key objective. One of the first actions initiated by the management team towards this objective is a freeze on the management salary structure for the 1992/93 financial year (covering about 1,000 employees worldwide) and a suspension of incentive payments.

Other initiatives will be taken across a broad range of the Bank's activities although it is expected these will have only a modest impact on the 1992/93 result, and be more fully reflected in the following year.

The 1992/93 year result will be only an interim step towards achieving the full profit potential of this Bank. While steady progress will be made based on the management policies now in place, full potential profitability will be greatly assisted by a return to a better economic environment.

We see 1993 as a transition year, a step towards rebuilding profits which we know this Bank is capable of achieving, and has achieved in the past.



John B Gough
Chairman



D P Mercer
Chief Executive Officer

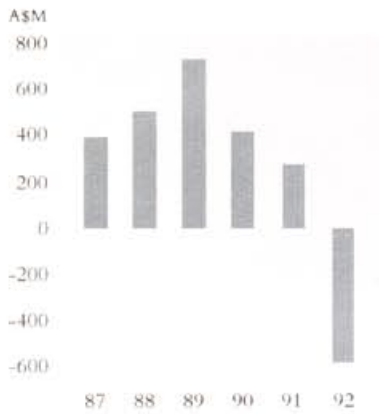
For the year ended 30 September 1992, an operating loss, after tax, of \$578.1 million was announced. This compared with a profit after tax of \$266.2 million for the previous year.

This result followed a comprehensive review of the loan portfolio which saw the bad and doubtful debts expense for the year reach \$1,937.4 million (\$1,053.3 million in 1991) of which \$1,600.1 million was in specific provisions (\$1,037.1 million in 1991).

The specific provision coverage of non-accrual loans carrying specific provisions increased from 46% to 55%. Coverage of total non-accrual loans increased from 28% to 43%.

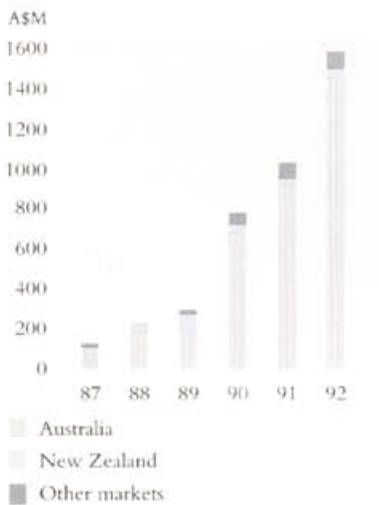
The State of Victoria continued to be the location of the bulk of our provisioning, a product of our strong market position there, particularly in the business sector. Here the recession has been deeper and more protracted than other states in Australia.

OPERATING PROFIT AFTER TAX*



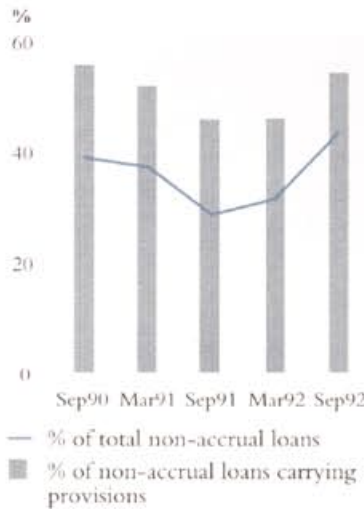
*Before abnormal items

BAD AND DOUBTFUL DEBTS EXPENSE*



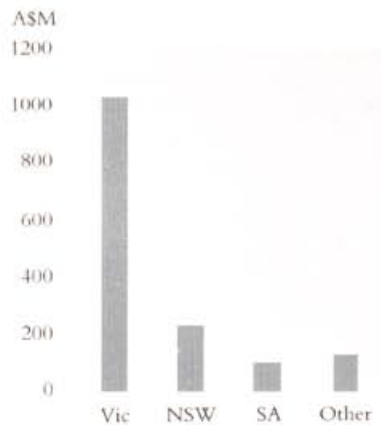
*Specific provision charge excluding rescheduled country debt

SPECIFIC PROVISIONS FOR BAD & DOUBTFUL DEBTS



— % of total non-accrual loans
■ % of non-accrual loans carrying provisions

SPECIFIC PROVISION CHARGE AUSTRALIA-BY STATE



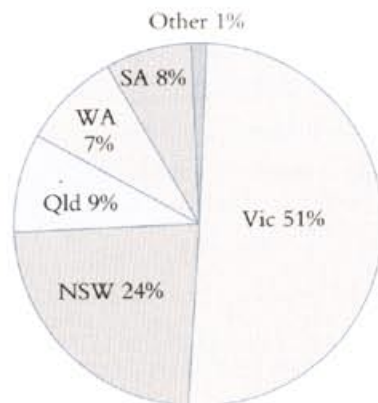
The continued deterioration in asset values in Australia (particularly property) over the past twelve months, combined with a more cautious outlook for the economy, were major factors behind the increase in provisioning. As a part of the comprehensive review of our loan portfolio, all properties over \$1 million securing loans over \$1 million were valued by professional external valuers.

Of properties surveyed, there was a heavy concentration in the State of Victoria. However, they represented a diverse range of sectors of the economy with commercial, residential, tourism and retail sectors representing significant proportions.

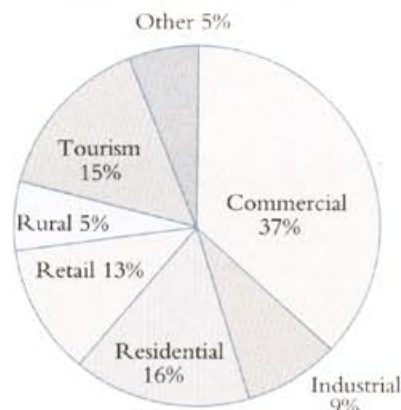
Properties were predominantly small to medium in size. There were only eight properties over \$20 million in value.

As a result of the increase in specific provisions, the level of net non-accrual loans fell by \$532.7 million since September 1991. The establishment of the Asset Management Group will focus specialist resources on problem accounts to accelerate the reduction of non-accrual loans.

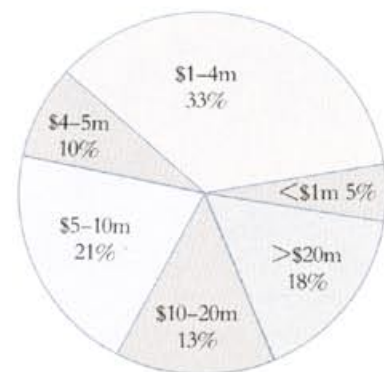
PROPERTIES SECURING NON-ACCUAL LOANS BY STATE
Greater than \$1 million



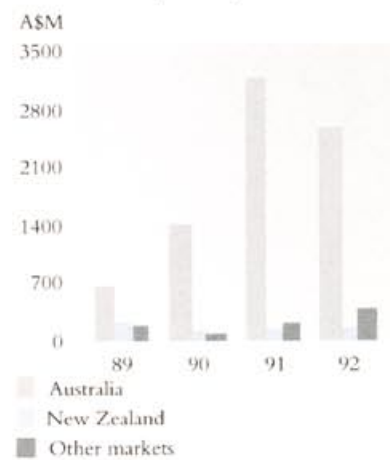
PROPERTIES SECURING NON-ACCUAL LOANS BY TYPE
Greater than \$1 million



PROPERTIES SECURING NON-ACCUAL LOANS BY SIZE RANGE
Greater than \$1 million



NET NON-ACCUAL LOANS*
After specific provisions



* Excluding rescheduled country debt

Returns (before abnormal items) on average risk-weighted assets and shareholders' equity were unsatisfactory. Our primary task is to restore an acceptable level of profitability in Australia.

The directors have maintained the dividend rate at 20¢ per share for the year. In line with previous indications to shareholders of minimal franking capacity, the final dividend of 10¢ is unfranked.

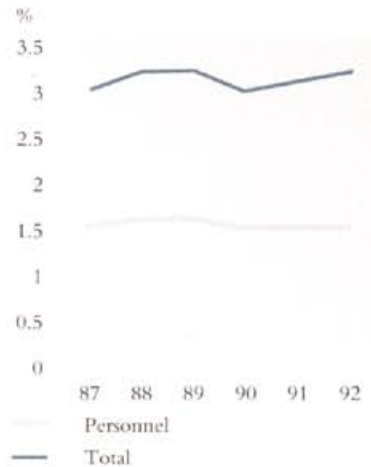
Several initiatives have been implemented to reduce costs. These include a freeze on the managerial salary structure and reward/incentive payments, and disposal of non-core and underperforming assets.

Once again staff numbers fell during 1992. In Australia they were reduced by 1,809 and globally by 2,284. Further reductions are expected in line with moves to increase productivity and efficiency.

EARNINGS AND DIVIDENDS PER SHARE*



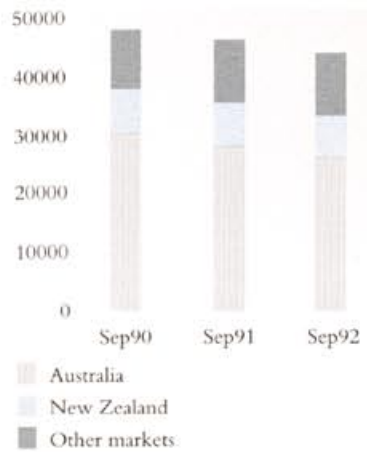
OPERATING EXPENSES AS % OF AVERAGE ASSETS



RETURN ON ASSETS* & SHAREHOLDERS' EQUITY



PERSONNEL NUMBERS
Full-time equivalent



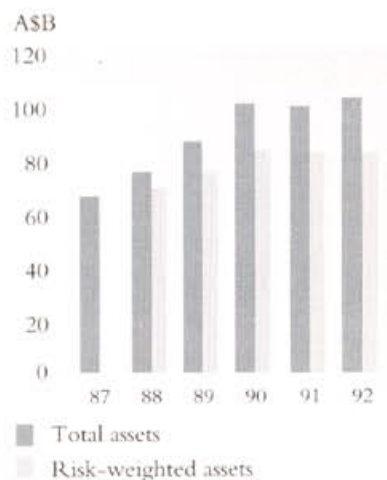
In risk-weighted terms, Australian assets accounted for \$56.1 billion or 69% of total risk-weighted assets, New Zealand \$8.0 billion or 10% and Other markets \$16.6 billion or 21%.

Total Group assets increased slightly to \$101.1 billion, while risk-weighted assets remained stable at \$80.7 billion. Subdued levels of economic activity in our home bases of Australia and New Zealand will mean slow growth in assets during 1993.

GEOGRAPHIC DISTRIBUTION OF GROUP ASSETS*



GROUP ASSETS

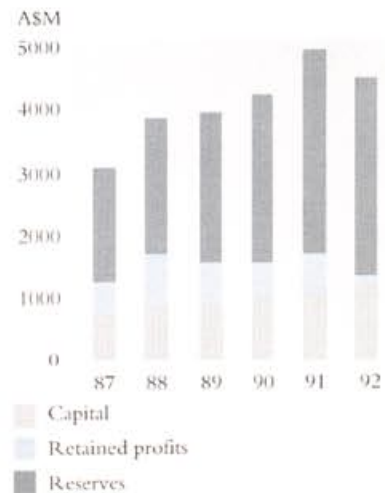


Shareholders' equity (excluding outside equity interests) fell by 8.9% to \$4,542.3 million.

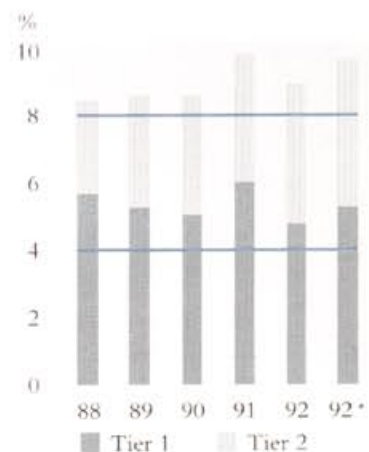
The second instalment of the rights issue, due March 1993, will boost equity levels by \$389 million.

Our risk-weighted capital ratio was recorded at 9.0% of which 4.8% was in Tier one. These ratios are well within Reserve Bank of Australia guidelines. Following adjustment for the second instalment of the rights issue, our total ratio would increase to 9.7% on a pro forma basis.

SHAREHOLDERS' EQUITY



CAPITAL ADEQUACY



* Proforma post second instalment Rights Issue

FINANCIAL HIGHLIGHTS

Millions	1992 AUD	1992 USD ¹	1992 GBP ¹	1992 NZD ¹	1991 AUD
Profit and loss before abnormal items					
Net income	4,548.1	3,431.6	1,890.7	6,285.1	4,669.4
Operating expenses ²	3,329.3	2,512.0	1,384.0	4,600.8	3,152.9
Profit before tax and doubtful debts	1,218.8	919.6	506.7	1,684.3	1,516.5
Provision for doubtful debts - specific	1,600.1	1,207.3	665.2	2,211.2	1,037.1
- general	337.3	254.5	140.2	466.1	16.2
(Loss) profit before tax before abnormal items	(718.6)	(542.2)	(298.7)	(993.0)	463.2
Less: income tax (benefit) expense	(145.5)	(109.8)	(60.5)	(201.0)	192.9
Outside equity interests	(5.0)	(3.8)	(2.1)	(6.9)	(4.1)
(Loss) profit after tax before abnormal items	(578.1)	(436.2)	(240.3)	(798.9)	266.2
Net abnormal (loss) profit	(0.9)	(0.7)	(0.4)	(1.2)	1.1
(Loss) profit after tax after abnormal items	(579.0)	(436.9)	(240.7)	(800.1)	267.3
(Loss) profit after tax by geographic segment					
Australia	(806.0)	(608.2)	(335.0)	(1,113.8)	5.2
New Zealand	77.8	58.7	32.3	107.5	92.7
Other markets	150.1	113.3	62.4	207.4	168.3
(Loss) profit after tax	(578.1)	(436.2)	(240.3)	(798.9)	266.2
Abnormal (loss) profit	(0.9)	(0.7)	(0.4)	(1.2)	1.1
	(579.0)	(436.9)	(240.7)	(800.1)	267.3
Balance sheet					
Assets	101,137.7	72,242.7	40,343.8	134,695.2	98,212.3
Liabilities	96,546.6	68,963.2	38,512.4	128,580.8	93,194.2
Shareholders' equity ³	4,542.3	3,244.6	1,811.9	6,049.4	4,983.7
Key ratios⁴					
Return on average shareholders' equity	-11.4%	-11.4%	-11.4%	-11.4%	5.8%
Return on average assets	-0.6%	-0.6%	-0.6%	-0.6%	0.3%
Return on average risk weighted assets	-0.7%	-0.7%	-0.7%	-0.7%	0.3%
Return on gross income	-5.7%	-5.7%	-5.7%	-5.7%	2.2%
Earnings per share					
- basic	-60.5¢	-45.6¢	-25.1p	-83.6¢	26.7 ¢
- fully diluted ⁵	-42.2¢	-31.8¢	-17.5p	-58.3¢	25.5 ¢
Dividends per share - declared rate	20.0¢	15.1¢	8.3p	27.6¢	20.0 ¢
Net tangible assets per share - basic	\$3.40	\$2.43	£1.36	\$4.53	\$4.31
- diluted	\$3.27	\$2.33	£1.30	\$4.35	\$4.18
Capital adequacy ratio					
- tier 1	4.8%	4.8%	4.8%	4.8%	6.0%
- tier 1 and 2	9.0%	9.0%	9.0%	9.0%	9.9%

¹ USD, GBP and NZD amounts - profit and loss converted at average rates at 30 September 1992 and balance sheet items at closing rates at 30 September 1992

² Includes restructuring costs

³ Excludes minority interest

⁴ Before abnormal items

⁵ Diluted earnings per share includes the effect of the conversion of non-redeemable non-cumulative converting preference shares to ordinary shares and the rights issue

DIVISIONAL STRUCTURE





Detail from Commonwealth of Australia £1 note issued between 1933-1953.

AUSTRALIAN DIVISION

ON MOST MEASURES, THE ECONOMY
HAS EXPERIENCED ITS WORST RECESSION SINCE
THE 1930's.

Business Conditions

On most measures, the Australian economy has experienced its worst recession since the 1930's. During 1991/92, the economy began a slow recovery, with growth in economic activity (real Gross Domestic Product) rising by 1.6% over the year to the June quarter 1992. This contrasts with around 8% real GDP growth in the first year of recovery from the 1982/83 recession.

The recovery so far has been unbalanced, both in terms of sectoral performance and geographic mix.

The housing sector and consumer spending have shown some recovery, as households have increased spending in response to the sharp fall

in interest rates and heavy price discounting. However, job losses and rising unemployment have undermined household incomes and consumer confidence, preventing the recovery from gaining momentum.

To date, the recovery in economic activity has been strongest in Queensland and Western Australia, followed by New South Wales. Recovery in Victoria has been slower and from a lower base. Activity is still declining in South Australia and is stabilising in Tasmania.

The sluggish international recovery, reluctance by business and consumers to take on additional indebtedness and weak labour market conditions suggest that Australia will continue to experience difficult conditions in 1993.

The recession has produced the important benefit of an inflation rate below 2%. While Australia appears capable of holding inflation at much lower levels than in the 1980's, the current account remains a serious constraint on economic performance.

One of the casualties of the recession has been Australia's national savings rate. The ANZ Savings Measures show that Australia has been dissaving for the past year.

Australia's savings performance is crucial in determining its long term economic growth and living standards. Any shortfall of domestic savings below desired levels of investment must be met by external borrowings or increased foreign ownership of Australian assets.

The considerable savings shortfalls of the 1980's led to large current account deficits and high foreign debt. In the next few years, not only will governments need to tackle the difficult job of reducing the public sector's call on the savings pool but further measures designed to boost private sector savings will be necessary.

Organisation

Late in the financial year, all Australian operations were brought together under the leadership of Mr John Ries, Executive Director – Australia. Our objective is to retain the customer focus inherent in our former decentralised structure, but engender economies through the integration of support and infrastructure activities, such as human resource and finance functions, and technology services.

The integration is expected to take most of 1993 to complete, but the benefits should begin to emerge early in the year.

Retail Banking

The Retail Bank has performed solidly over the past twelve months. The year was

characterised by modest overall balance sheet growth (though good increases were achieved in housing loans), significant productivity improvements and the emergence of benefits from a strong focus on credit.

Despite flat demand for loans in general, there has been a substantial and sustained increase in the volume of new home loan approvals, underpinned by demand for the ANZ Fixed Rate Home Loan. Innovation through attention to customer needs should ensure that further gains are made through product initiatives planned for the coming year.

A significant reduction in staff numbers was part of the productivity gains achieved in 1991/92. These will continue to flow from reconfiguration of the branch network, which is supported by the phased introduction of the new Hogan customer accounting system.

The reconfiguration involves re-engineering branch jobs with the aim of providing excellent service to customers while simultaneously cutting operating costs. Roles have been redefined to become more specialised, allowing training to be more focused and intensive.

Each suburban branch is now essentially a customer service centre, requiring about half its former floorspace because lending, administrative and accounting functions have been centralised. The application of strict time-management principles to branch staffing has produced savings in staff costs while improving service to customers. Further gains will be achieved in 1992/93.

The centralisation of lending functions allows expert lenders to concentrate on meeting customers borrowing needs without the distraction of branch administration duties. It also allows a separate focus on loans which are not performing well so they can receive increased and more specialised attention.

Over the coming year Retail's focus will remain on improving customer service while achieving productivity gains.

TOWN & COUNTRY BANK

Wholly owned Western Australian subsidiary Town & Country Bank Ltd., formerly Town & Country W.A. Building Society, received its authority to commence operations as a bank on October 1, 1991. It has announced a pre-tax operating profit of \$19.4 million for year 1991/92, the second highest in its history and significantly in excess of the result of \$14.1 million for the previous period of 17 months. Town & Country continues to service the localised needs of Western Australians, specifically focusing on mortgage loans and retail deposit accounts. Continued growth in these markets is expected in the coming year.

ANZ FUNDS MANAGEMENT

ANZ Funds Management (which includes ANZ Life) continues to perform strongly in the retail investment, insurance and superannuation industries. Sales, funds under management and profit have all exceeded expectations.

The Superannuation Savings Account was successfully launched. Studies are underway to determine the most effective way the product can benefit from the expected growth in the superannuation market.

ANZ TRUSTEES

ANZ Trustees continues to pursue its strategy of providing quality service to its clients in the administration of estates, personal and charitable trusts and personal financial management.

ANZ CARDS

This unit continued the improved performance evidenced in 1990/91, earning its first profit. Gains came from vigorous pursuit of best practice, expansion of electronic transaction processing and customer service enhancements.

With increasing use of credit cards for payments instead of extended credit, reliance on income from cardholders who revolve balances and pay interest is growing. The introduction of fees would more equitably distribute the costs of payment services whilst reducing card interest rates.

ANZ has contributed to several government enquiries into credit card pricing and supports the changes recommended by the Prices Surveillance Authority to the current restrictions imposed by the Credit Acts. A fully deregulated market and informed customers will produce a greater choice of credit card products.

Business Banking

The business market in Australia was characterised by subdued activity and low confidence levels during 1992.

This difficult environment, coupled with debt reduction strategies by many customers, provided limited opportunities for growth in quality loans. It is unlikely that these conditions will turn around in the year ahead notwithstanding the lower interest rate structure now prevailing in Australia.

Our commitment to the business market remains firm and was reinforced by the introduction during the year of improved credit assessment procedures and specialist support functions. These initiatives will improve customer service, provide quicker response times to proposals and facilitate better communication between our customers and their relationship managers.

The Business Bank is conscious of the responsibility it carries to develop and maintain quality assets priced appropriately for the risk inherent in its portfolio. Our management team is equipped to say 'yes' to customers more often with a better appreciation of the underlying risks and an understanding of the appropriate compensation required for those risks.

Above all else, we are committed to providing finance for all viable propositions.

INTERNATIONAL SERVICES

During the year a range of initiatives were completed to reduce costs and improve productivity. At the forefront has been the recognition that enhanced customer service can only be sustained by providing superior technology to our staff responsible for the processing of International transactions.

Accordingly, International Services has continued its pursuit of technological leadership and each of its 32 processing offices throughout Australia now has an automated system which provides access to a wide range of trade services and other applications.

ESANDA FINANCE

In the most difficult period in the company's history, and at a time when the finance industry has undergone significant change, Esanda has maintained a strong market leadership position.

Esanda's loss of \$113.5 million after tax directly reflects falling asset values, particularly in the troubled property sector.

Esanda's business focus within the ANZ Group is now predominantly as a specialist vehicle and equipment financier. Whilst not without problems in the current depressed economic climate, new lending in the dealer business segment increased by 18% over the previous year and overall this area remained profitable.

Investors continued to provide strong support to the Company's prospectus issues, with debentures totalling \$2.6 billion issued during the year.

Institutional Financial Services

The Institutional Financial Services unit was established in 1990 with the aim of focusing on developing and enhancing relationships with large Australian and international corporates, Governments and Government Business Enterprises.

The unit has forged a sound reputation in its target market. Concentration on multi-skilling and the fusion of merchant banking and relationship banking expertise has greatly enhanced the Group's capabilities to service this market.

Independent market research reveals that ANZ's rating by institutional customers has improved dramatically.

The *Capital Markets* section's role is to assist the debt raising activities of major institutions through a strategy based on the strength of securities placement, primarily in the domestic and Asian markets. ANZ was placed first in the Commercial Paper market with 37 transactions and with \$22.7 billion on issue.

ANZ Capel Court focuses on specialised finance arrangements such as private and public infrastructure finance, limited recourse debt, agency arrangements and advisory services.

The *Securitisation* section provides advisory services and programme management. The section is well placed, from an experience of some five years operation, to position the Group as a major participant in this developing market.

The Group's stockbroker, *ANZ McCaughan*, focuses on broking in the Australian Equities, Futures and Corporate markets, and made a return to profit in 1992.

ANZ McCaughan in association with the Bank has been a leading contender in the field of privatisation and is well positioned to assist clients in this key sector.

Global Treasury

The past year has seen Global Treasury continue to streamline its activities to focus strongly on distribution and customer service to support the Group's core business in international markets. ANZ has a comprehensive range of services to assist customers in managing financial exposures.

THE LOW INFLATION AND INTEREST RATE ENVIRONMENT, REINFORCED BY MICROECONOMIC REFORMS, APPEARS TO HAVE SET THE SCENE FOR THE EMERGENCE OF A SOUND RECOVERY.

Business Conditions

Recent evidence suggests the New Zealand economy has turned the corner. The keystone to the recovery has been a big improvement in competitiveness. While it is still early days, the low inflation and low interest rate environment, reinforced by microeconomic reforms, appears to have set the scene for the emergence of a sound recovery.

To date the recovery has centred on exports, which have grown over 20% in volume in the last two years. In the near term, growth will be concentrated in the export sector, with domestic growth subdued.

Operations

New Zealand Division reported a profit contribution of \$77.8 million (NZ\$107.5 million).

Interest rate levels were significantly lower than in the previous year. This had an adverse impact on the net interest margin which was also squeezed by heightened competition. The Division has thus faced the continuing need to focus on reducing costs while enhancing customer service. These remain crucial competitive factors in the overbanked New Zealand market.

An important strategic development was the conclusion with the two unions involved of a single employment contract for both PostBank and ANZ staff, and the subsequent achievement of consistent terms and conditions of employment.

Efficiency reviews in head office and support functions achieved significant productivity gains during the year, allowing reduction of staffing in these areas by 12.5%.

Further reviews will proceed in the year ahead.

In *Retail Banking*, we have continued with the brand strategies through the ongoing promotion of the "Yes Bank" for the ANZ brand, and "Simply Banking" for PostBank. Special emphasis is being placed on targeting attractive market segments, which include relationship banking, small business and consumer banking.

The first stage of the reconfiguration of ANZ Bank's retail network was implemented during the year with all stages scheduled for completion by September 1993. The reorganisation enhances customer service through the removal of 'back office' functions from branches to a small number of sites spread throughout New Zealand. Customer reaction to the new service-oriented network structure has been very pleasing.

The establishment of further co-locations between ANZ and PostBank continued in areas where business levels do not justify the cost of separate operations and customers' needs can be met from one outlet. There were 45 co-locations at the end of the year. Rationalisation of the network continued with the closure of 57 unprofitable outlets during the year.

To reflect the changing needs of customers, the Bank re-entered the EFTPOS market, and the rapid growth in the use of this facility by our customers was very gratifying. Our three card strategy in the credit card market, offering customers the choice of Visa, Mastercard and Bankcard also led to impressive share gains in this relatively mature market.

Government policy is increasingly requiring individuals to become more self-reliant in providing social services, including

superannuation. The Bank has responded to this trend with an innovative Education Trust savings scheme which has been well received and which we expect to continue to grow. This is also likely to be the case with new superannuation products due for launching by both ANZ and PostBank in late 1992.

The year was one of further consolidation for *Business Banking*. The investment and economic climate led to many companies trying to reduce debt. As a result, we placed special emphasis on the maintenance of high quality customer service as our chief competitive factor.

A highlight of the year was the lead manager role undertaken by ANZ McCaughan Securities of the extremely successful float of the Port of Tauranga.

In *International Services* we retained our market leadership role in trade finance with strategically located branches in the regions, as well as in the major centres, being an important factor.

UDC Finance Ltd placed increased focus on its core business of financing motor vehicles and other capital equipment, including lease finance, and motor vehicle dealerships. The company made a satisfactory and much improved contribution to the overall Division result.

The Bank's *Treasury* in New Zealand enhanced customer service levels throughout the year. Interest rate and currency options trading capabilities were introduced. Fixed interest instrument distribution and trading activities were refocused with emphasis placed on both domestic and off-shore customers.

In addition, the risk management and customer advisory services have been strengthened. All initiatives have proven to be successful and independent research indicates that the Bank's Treasury is well regarded by the market.

Outlook

The slow economic recovery which has begun is expected to consolidate over the coming year. This will provide an improved environment for business growth, but customers are still anticipated to remain relatively cautious given the prospect of weak growth in overall incomes and in the wake of the current high level of unemployment and bankruptcies.

The rate at which the benefits of the export-led recovery spread from provincial areas to the centres of Auckland and Wellington is an important factor in determining the pace of the recovery. This will also depend on the strength and speed of a world economic recovery, and the extent to which there are further easings in monetary policy, now that the 0-2% inflation goal has been achieved.

1992 WAS A YEAR IN WHICH INTERNATIONAL BANKING DIVISION MADE A STRONG CONTRIBUTION TO ANZ'S OVERALL PERFORMANCE.

1992 was a year in which International Banking Division not only made a strong contribution to ANZ's overall performance, producing a profit of \$161.0 million, but was also a period which saw continuing implementation of the Group's re-focused international strategy.

ANZ's competitive advantage in international markets is based strongly on its 'commercial banking' operations, which demonstrate the combined benefits of a diversified business base, coupled with broad product lines and stable funding resources. Operations of a 'wholesale' nature focus on a narrower range of niche activities related mainly to the cross-border requirements of customers.

Against this background, the emphasis over the last twelve months has been on repositioning towards a commercial banking presence in the Asian region and the strengthening and development of existing commercial banking businesses in the Middle East and South Asia. ANZ's operations in Europe and the Americas have been re-focused and re-structured.

The dynamic economies of Asia, as well as those where the Group has a strong historical base in South Asia and the Middle East, are expected to consistently experience above average economic growth rates when compared with the more developed economies. The intra-regional trade and investment flows in these areas will also continue to be an important part of economic growth and a key component of the sustained profitability of ANZ's international operations.

Asia

1992 has seen significant progress in the strategic re-positioning of the Group's businesses in Asia towards a 'commercial' banking

environment and away from the 'wholesale' banking environment of previous years.

Financial performance has reflected strong growth in trade finance and personal banking operations throughout the region and these two businesses are both key elements of the commercial banking business strategy.

In the main treasury centres of Tokyo, Singapore and Hong Kong, performance has been constrained in part by the narrowing interest rate differentials between the Australian dollar and other currencies, as well as by more competitive conditions in the inter-bank markets.

ANZ has received permission to open a branch in Hanoi, Vietnam, which will be the base for the development of a commercial banking network in that country. A representative office in Ho Chi Minh City is expected to open shortly after the Hanoi branch opening scheduled for early 1993.

In Thailand, the re-positioning of the business took the form of the sale of the Group's 25% investment in General Finance and Securities (GFS), a stock-broking and finance company. ANZ intends to develop further the possibilities for commercial banking in Thailand and to build on the knowledge gained through its involvement with GFS as well as the experience of the Group's representative office in Bangkok.

ANZ recognises the growing importance of the People's Republic of China in the region's economic structure. We will seek to progressively establish appropriate representation which will best serve our customers consistent with the development priorities of the country.

In Taiwan, ANZ's operation was moved to new premises, and has built upon a strong trade finance and travel related customer base to

improve profits. In Korea, following the successful restructuring last year, the branch is now trading profitably.

Business prospects in China, Indonesia, Malaysia and the Philippines were enhanced through a more concentrated approach to marketing ANZ's international presence through the representative offices in these countries.

Pacific Islands and Papua New Guinea

ANZ's operations in the Pacific Islands and Papua New Guinea produced a mixed contribution to the Group's results.

Branch rationalisation in Papua New Guinea and Fiji is now substantially completed and the financial benefits are expected to progressively emerge over the next few years.

Economic conditions and over-exposure to the coffee sector continue to depress results from Papua New Guinea, while slower economic conditions in Fiji have also constrained profitability.

The underlying profitability in the smaller islands in the region has been good, and the business as a whole is well positioned to take advantage of an economic upturn.

United Kingdom and Europe

The strategic focus in the Corporate and Merchant Banking businesses in Europe continues to be on building capabilities and reputation in international cross-border finance. Continuing last year's market dominance, a significant volume of cross-border finance was arranged for India and Pakistan, representing over half of all cross-border financing for these two countries.

In continental Europe, ANZ is the major Australian based bank and as part of the Group's international repositioning, the Paris and Frankfurt offices are now more closely integrated with the U.K. Corporate and Merchant Banking operations.

London Treasury had another successful year and continues to be a key centre in ANZ Group's 24 hour dealing network. ANZ's position in London as the leading market maker in Australasian currencies has enabled the Group to offer improved dealing services to major Australasian corporations and to other multinational clients.

South Asia

With a strong performance, particularly during the first eight months of the year, the South Asian region continued to be a significant source of Group profits. This was the result of a relatively stable political environment (compared to the previous year), which enabled the new Governments in the region to initiate market oriented economic reforms. However, the buoyant and optimistic climate was tempered during the latter part of the year by the 'securities' scandal which has affected almost the entire financial sector in India and brought activity in the money and securities markets to a virtual standstill.

Deposit raising efforts bore excellent results both on the domestic and non-resident fronts, allowing controlled expansion of the asset base and the Group was able to diversify its lending activities. Treasury activities also contributed significantly. ANZ Group was rated by 'Euromoney' as the largest arranger of syndicated finance for India.

The Group continues to adapt and position itself to take advantage of the opportunities which the liberalisation process has and will continue to provide. The distribution network is being strengthened and there are plans to upgrade and extend communications systems to maintain and increase competitive advantage. Although there has been a slowdown in India's performance over the past few months, there is an underlying optimism in the region and it is anticipated that South Asia will continue to contribute effectively in the coming year.

The Group's businesses in Bangladesh and Nepal both made increased contributions to the South Asian result.

The business in Sri Lanka continues to perform well, and the emphasis in 1992 has been on the extension of the branch network to build a solid funding base for the future. Two new branches have been opened and further extension of the network is planned for 1993.

Middle East

The Gulf area has made a good recovery from the effects of the war. This has contributed to a marked growth in profits.

In Pakistan, further deregulation has encouraged economic growth in the private sector and this, together with strong cross-border expertise, has enabled the Bank to produce excellent results.

In Jordan, despite a difficult economic and political environment, a solid performance was also recorded.

Americas

Performance has been satisfactory, assisted by lesser provisioning as the problem loan portfolio was managed down.

The offices in Chicago and Houston were closed, and the Los Angeles office converted into a business development unit. All back office functions have now been concentrated into New York branch, resulting in considerable cost savings.

The Group's position as the leading Australian bank in the Latin American markets has produced a steady increase in transactions. After two years of consolidation, growth in corporate and cross-border trade finance will be the main business focus.

As part of the restructuring process in the Americas the Group's Canadian subsidiary will be progressively wound down.

Africa

We carried out a strategic review of the Group's African operations and concluded that

they can no longer be seen as an integral or strategic part of our international network.

Consequently we have sold our African businesses to Standard Bank Investment Corporation (SBIC), a South African based bank holding company.

Private Banking

ANZ Group's Private Banking operations in London, Jersey, Guernsey and Geneva, together with representation in the Middle East, provide banking, investment management, treasury, trust and company administration services to high net worth clients.

The Private Bank continued to perform satisfactorily although the effects of the recession in the U.K. constrained profitability.

Correspondent Banking Services

Correspondent Banking Services again achieved a satisfactory result. Central to this was an emphasis on customer service, systems development and cost control.

In the coming financial year Correspondent Banking will look to expand its marketing efforts, and consolidate further the strong position it holds in its market.

ANZ Nominees

While activity in the securities markets remained subdued over the past year, ANZ Nominees was able to increase the value of securities under custody significantly.

With revenue down as a result of lower activity, ANZ Nominees continued to focus on two specific areas; cost containment and service improvements. Significant results were achieved in both areas.

Once again ANZ achieved the 'top rating' in the annual survey of Australian agent banks used by global custodians and international brokerage firms dealing in Australian securities. In addition ANZ was rated number three worldwide as a provider of quality and responsive custody services.

The Board includes eight non-executive directors who have a diversity of community and business experience and four directors with executive responsibilities within ANZ Group who have extensive banking experience.

Set out below are statements which provide particulars of the qualifications and broad experience of each director. Special responsibilities are shown on the page opposite.

Mr J B GOUGH AO OBE

Chairman

Hon LLD (Melb), FAIM

Company Director

Director since August 1986, appointed Chairman July 1992. Chairman of Pacific Dunlop Ltd since 1990 (first appointed Director in 1976, Managing Director 1980 – 1987). Director of The Broken Hill Proprietary Co Ltd and CSR Ltd. Chairman of The Graduate School of Management Ltd, Director of The Walter and Eliza Hall Institute of Medical Research and Vice President of the Australia Japan Business Co-operation Committee. Member of the General Motors Australian Advisory Council, the Alexander Proudfoot plc – International Advisory Board and the SICPA Group – Asia Pacific Advisory Board. Former Vice President of the Business Council of Australia. Lives in Melbourne. Age 64.

Mr J C DAHLSSEN

LLB, MBA

Solicitor and Company Director

Director since May 1985. Partner of the legal firm Corrs Chambers Westgarth. Chairman of Sandridge City Development Co Pty Ltd. Director of Woolworths Ltd, Southern Cross Broadcasting (Australia) Ltd, Mining Project Investors Pty Ltd, The Graduate School of Management Ltd and other companies. Lives in Melbourne. Age 57.

Mr C B GOODE

B Com (Hons) (Melb), MBA (Columbia University, New York), FCPA, FSIA

Company Director

Director since July 1991. Former Chairman and Chief Executive of Potter Partners Group Ltd. Director of Legal & General Assurance Holdings (Australia) Ltd, Pacific Dunlop Ltd, Queensland Investment Corporation, Woodside Petroleum Ltd and other companies. Chairman of Potter Warburg Asset Management Ltd and consultant to Potter Warburg Ltd. Lives in Melbourne. Age 54.

Mr C J HARPER

CA (Scots)

Company Director

Director since October 1976. Chairman of Legal & General Assurance Holdings (Australia) Ltd and CSL Ltd. Director of North Broken Hill Peko Ltd, IBM Australia Ltd and other companies. Former General Manager and Chief Executive of the merchant bank Australian United Corporation Ltd (1968 – 1976) and since then a professional non-executive director. Past National Vice President of The Australian Institute of Company Directors. Lives in Melbourne. Age 61.

Emeritus Professor DAME LEONIE KRAMER DBE

BA (Melb), D Phil (Oxon) MA Hons (Sydney),

Hon D Litt (Tasmania), Hon LLD (Melb and ANU),

FAHA, FACE

Emeritus Professor and Company Director

Director since August 1983. Chancellor and Emeritus Professor of Australian Literature of the University of Sydney. Director of Western Mining Corporation Holdings Ltd, Western Mining Corporation Ltd and NRMA Ltd. Commissioner of the Electricity Commission of New South Wales. Former member of the Australian Broadcasting Commission (1977 – 1982) and Chairman (1982 – 1983). Lives in Sydney. Age 68.

Mr A T L MAITLAND

B Com, AAIB, FAIM

Executive Director-International

Executive Director since April 1992 and appointed to his present position in November 1992. Twenty-nine years experience in banking with the Group including Group Chief Economist (1979 – 1982) and Managing Director, ANZ Banking Group (New Zealand) Ltd (1990 – 1992). Lives in Melbourne. Age 51.

Mr D P MERCER

BSc (Hons), MA (Econ)

Chief Executive Officer

Executive Director since April 1992, appointed Group Managing Director in June 1992 and to his present position in October 1992. A senior executive of the Group since 1984 including Chief General Manager, Australian Retail Services (1988 – 1992). Former executive Shell International Petroleum Co Ltd (1965 – 1984). Lives in Melbourne. Age 51.

Mr J FRIES

B Bus, FCPA, FAIB

Executive Director-Australia

Executive Director since August 1992 and appointed to his present position in October 1992. Thirty-two years experience in banking with the Group including Managing Director, ANZ Grindlays Bank plc, London and ANZ McCaughan (UK) Ltd (1988 - 1990) and Chief General Manager, International Banking (1990 - 1992). Lives in Melbourne. Age 48.

Dr B W SCOTT AO

B Ec, MBA, DBA

Company Director

Director since August 1985. Chairman of Management Frontiers Pty Ltd, W.D. Scott International Development Consultants Pty Ltd and Television Makers Pty Ltd. Director of Liquid Air Australia Ltd, the James N. Kirby Foundation and the Foundation for Development Co-operation. Fellow of the Senate of the University of Sydney, Australian member of the Board of Governors of the Asian Institute of Management and Chairman of the Australia-Korea Foundation. Former Federal President of the Institute of Directors in Australia (1982 - 1986) and Chairman of the Australian Government's Trade Development Council (1984 - 1990). Lives in Sydney. Age 57.

SIR RONALD TROTTER

B Com (Wellington), Hon LLD (Wellington), FCA,

Cert in Agriculture

Company Director

Director since December 1988. Chairman and former Chief Executive of Fletcher Challenge Ltd. Chairman of Ciba-Geigy New Zealand Ltd. Director of Air New Zealand Ltd, Ciba-Geigy Australia Ltd and Toyota New Zealand Ltd. Former Director of the Reserve Bank of New Zealand, Chairman of The New Zealand Business Roundtable and a member of a number of Government, economic, advisory and rural industry bodies. Lives in Wellington, New Zealand. Age 65.

Mr R B VAUGHAN AO

Company Director

Director since January 1988. Chairman and former Chief Executive of Dalgety Farmers Ltd. Chairman of M.V.L. Holdings Ltd, Dalgety Rural Finance Ltd and MIM Holdings Ltd. Deputy Chairman of National Commercial Union Ltd, Chairman Elect/ Director of ICI Australia Ltd and Director of Tubemakers of Australia Ltd. Member of a number of Government, economic, trade advisory and rural industry bodies. Lives in Sydney. Age 64.

Mr B WEEKS

FAIB

Executive Director-Asset Management

Executive Director since August 1991 and appointed to his present position in September 1992. Thirty-seven years experience in banking with the Group including Managing Director, ANZ Banking Group (New Zealand) Ltd (1986) and a number of general management appointments since 1988. Lives in Melbourne. Age 60.

BOARD COMMITTEES

Audit Committee

Mr C B Goode (Chairman)

Dr B W Scott

Mr R B Vaughan

Credit Committee

Mr C J Harper (Chairman)

Mr J C Dahlsen

Mr C B Goode

Mr B Weeks

AUSTRALIA

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25 Peteric Plaza,
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GPO Box 371,
Canberra City 2601
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43 The Mall, Darwin 0800,
GPO Box 1, Darwin 0801
Telephone: (61-89) 823 5555
Fax: (61-89) 410 129

Subsidiary Companies

ANZ Executors & Trustee
Company Limited,
91 William Street, Melbourne 3000
Telephone: (61-3) 648 5800
Fax: (61-3) 648 5854

ANZ Managed Investments
Limited/ANZ Life Assurance
Company Limited,
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Woolloomooloo 2011
Telephone: (61-2) 358 0123
Fax: (61-2) 358 0150

ANZ McCaughan Limited,
9th Floor, 360 Collins Street,
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Fax: (61-3) 602 4808

Esanda Finance Corporation
Limited,
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Fax: (61-3) 666 9626

Town & Country Bank Limited,
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Telex: ANZMAC 63372
Fax: (64-9) 309 9410

Post Office Bank Limited,
215-229 Lambton Quay, Wellington
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UDC Group Holdings Limited,
113-119 The Terrace, Wellington
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Fax: (682) 21760

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8 Connaught Place Central,
Hong Kong
Telephone: (852) 843 7111
Telex: 86019
Fax: (852) 527 9084/868 0089

Indonesia

Australia and New Zealand
Banking Group Limited/
ANZ Grindlays Bank plc,
Joint Representative Office,
12 A Floor, Wisma Kosgoro,
Jalan M H Thamrin,
53 Jakarta, 10350
Telephone: (21) 32 2979
Telex: 61656
Fax: (21) 32 2960

Japan

Australia and New Zealand
Banking Group Limited,
8th Floor, Yanmar Tokyo Building,
1-1 Yaesu 2-Chome,
Chuo-ku, Tokyo 104
Telephone: (81-3) 3217 1151
Telex: 24157
Fax: (81-3) 3281 8417

ANZ Merchant Bank Limited/
ANZ McCaughan Limited/ANZ
Banking Group (Merchant
Banking),
Joint Representative Office,
Room 1109, Shin Yurakucho
Building,
12-1 Yurakucho 1-Chome,
Chiyoda-ku, Tokyo 100
Telephone: (81-3) 3216 5681
Telex: 33927
Fax: (81-3) 3216 5684

Korea

Australia and New Zealand
Banking Group Limited,
18th Floor, Kyobo Building,
1 Chongro 1-Ka
Chongro-Ku, KPO 1065, Seoul
Telephone: (82-2) 730 3151
Telex: 27338
Fax: (82-2) 737 6325

Malaysia

Australia and New Zealand
Banking Group Limited/
ANZ Grindlays Bank plc,
Joint Representative Office,
Suite 1, 4th Floor, Wisma Genting,
Jalan Sultan Ismail 50250
Kuala Lumpur
Telephone: (60-3) 261 6088
Telex: 31054
Fax: (60-3) 261 3210

Papua New Guinea

ANZ Banking Group (PNG)
Limited,
2nd Floor, Defens Haus,
Cnr Champion Parade and Hunter
Street,
Port Moresby
Telephone: (675) 223 333
Telex: 22178
Fax: (675) 211 462

Peoples Republic of China

Australia and New Zealand
Banking Group Limited/
ANZ Grindlays Bank plc,
Joint Representative Office,
Suite 1530, China World Tower,
China World Trade Centre,
1 Jianguomenwai Dajie, Beijing
Telephone: (86-1) 505 1602
Telex: 210323
Fax: (86-1) 505 1604

Philippines

Australia and New Zealand
Banking Group Limited
Representative Office,
6th Floor, Salustina Dec Ty Tower,
104 Paseo De Roxas, Cnr Perea
Street,
Legaspi Village, Makati, Metro,
Manila
Telephone: (623) 812 7293
Fax: (623) 812 7294

Singapore

Australia and New Zealand
Banking Group Limited/ANZ
Singapore Limited/ANZ
International Pte Limited,
10 Collyer Quay,
No 17 02/05, Ocean Building,
Singapore 0104
Telephone: (65) 535 8355
Telex: 23336
Fax: (65) 539 6111

Solomon Islands

Australia and New Zealand
Banking Group Limited,
Mendana Avenue, Honiara
Telephone: (667) 21835
Telex: 66321
Fax: (667) 22957

Sri Lanka

ANZ Grindlays Bank plc,
PO Box 112, 37 York Street,
Colombo 1
Telephone: (94-1) 446 160
Telex: 21130/21521/21845
Fax: (94-1) 446 158

**ANZ GROUP WORLDWIDE DISTRIBUTION
(AT 30 SEPTEMBER 1992)**

	Representation	Personnel	
		FTE**	Total***
Australia	1,541	26,052	29,399
New Zealand	524	7,110	7,820
Asia Pacific	88	2,404	2,407
South Asia	71	4,842	4,844
Middle East	38	1,256	1,256
Africa*	27	1,118	1,119
Europe	9	988	1,031
Americas	4	207	207
Totals	2,302	43,977	48,083

* African operations sold on 2 November 1992.

** Full-time equivalents.

*** Headcount.

Taiwan

Australia and New Zealand Banking Group Limited, 8F, 44 Chung Shan North Road, Taipei
 Telephone: (886-2) 568 3353
 Telex: 11894
 Fax: (886-2) 511 1232

Thailand

Australia and New Zealand Banking Group Limited, Representative Office
 9th Floor, Tower A, Diethelm Towers,
 Wireless Road, Bangkok 10330
 Telephone: (66-2) 256 6350
 Telex: 21583
 Fax: (66-2) 256 6347

Vanuatu

ANZ Bank (Vanuatu) Limited, ANZ House, Kumul Highway, Port Vila
 Telephone: (678) 22536
 Telex: 21012
 Fax: (678) 22814

Vietnam

Australia and New Zealand Banking Group Limited,
Address to be announced

Western Samoa

Bank of Western Samoa, PO Box L1855, Apia
 Telephone: (685) 22422
 Telex: 258 BWS SX
 Fax: (685) 24595

Europe

United Kingdom

Australia and New Zealand Banking Group Limited, Minerva House, PO Box 7, Montague Close, London SE1 9DH
 Telephone: (44-71) 378 2121
 Telex: 8812741-4
 Fax: (44-71) 378 2378

ANZ Grindlays Bank plc, Headquarters, Minerva House, Montague Close, London SE1 9DH
 Telephone: (44-71) 378 2121
 Telex: 885043
 Fax: (44-71) 403 4182

ANZ Grindlays Bank plc, Private Bank, 13 St. James's Square, London SW1Y 4LF
 Telephone: (44-71) 930 4611
 Telex: 885043-6
 Fax: (44-71) 930 5501

Channel Islands

ANZ Bank (Guernsey) Limited, PO Box 153, St. Peter Port, Guernsey
 Telephone: (44-481) 72 6771
 Telex: 4191663
 Fax: (44-481) 72 7851

ANZ Grindlays Bank (Jersey) Limited/ANZ Grindlays Trust Corporation (Jersey) Limited, PO Box 80, West House, West's Centre, Peter Street, St. Helier, Jersey
 Telephone: (44-534) 74248
 Telex: 4192062
 Fax: (44-534) 77695

France

Australia and New Zealand Banking Group Limited, 6 rue de Berri 75008 Paris
 Telephone: (33-1) 40 75 0537
 Telex: 643311
 Fax: (33-1) 40 75 0546

Germany

Australia and New Zealand Banking Group Limited, Mainzer Landstr. 46, 6000 Frankfurt/Main 17
 Telephone: (49-69) 710 0080
 Telex: 4185126
 Fax: (49-69) 72 4231

Greece

ANZ Grindlays Bank plc, 7 Merlin Street, PO Box 30391, 10671 Athens
 Telephone: (30-1) 3624 601/5
 Telex: 214651
 Fax: (30-1) 3603 811

Switzerland

ANZ Grindlays Bank plc, Case Postale 1560, 7 Quai du Mont Blanc, CH-1211 Geneva 1
 Telephone: (44-22) 731 9851
 Telex: 412521
 Fax: (44-22) 731 5589

South Asia

India

ANZ Grindlays Bank plc, PO Box 725, 90 Mahatma Gandhi Road, Bombay 400 001
 Telephone: (91-22) 27 1495
 Telex: 011-4792
 Fax: (91-22) 261 9903

Esanda Finanz and Leasing Limited, 3rd Floor, 270 Dadabhai Naoroji Road, Bombay 400 001
 Telephone: (91-22) 204 9363
 Telex: 011-5135
 Fax: (91-22) 226 017

Eastern India

PO Box 2465, 19 Netaji Subhas Road, Calcutta 700 001
 Telephone: (91-33) 201 732
 Telex: 021 7341
 Fax: (91-33) 282 266

Northern India

PO Box 624, 'H' Block, Connaught Circus, New Delhi 110 001
 Telephone: (91-11) 332 3735/320 883
 Telex: 031-66528
 Fax: (91-11) 332 2364

Southern India

PO Box 1359, 19 Rajaji Salai, Madras 600 001
 Telephone: (91-44) 585 612/583 968
 Telex: 041-212
 Fax: (91-44) 581 065

Western India

PO Box 141, 90 Mahatma Gandhi Road, Bombay 400 001
 Telephone: (91-22) 270 162
 Telex: 011-2240
 Fax: (91-22) 261 9903

Bangladesh

ANZ Grindlays Bank plc, PO Box 502, No. 2 Dilkusha C.A., Dhaka - 1000
 Telephone: (880-2) 833 958
 Telex: 64597/642841/642654
 Fax: (880-2) 833 347

Nepal

Nepal Grindlays Bank Limited, Kantipath PO Box 3990, Kathmandu
 Telephone: (977-1) 228 474
 Telex: 2531/2532
 Fax: (977-1) 228 692

Middle East

Bahrain

Grindlays Bahrain Bank B.S.C.(c), PO Box 793, Manama Centre, Government Road, Manama
 Telephone: (973) 25 0805
 Telex: 8335
 Fax: (973) 27 2708

ANZ Grindlays Bank plc, Offshore Banking Unit, PO Box 5793
 1st Floor, Manama Centre, Manama
 Telephone: (973) 233 210
 Telex: 8722/8723/8796
 Fax: (973) 254 161

Iran

Australia and New Zealand Banking Group Limited/ANZ Grindlays Bank plc, Joint Representative Office, 3rd Floor, No. 14, 4th Alley, Shahid Ahmad Ghasir, (ex Bucharest Avenue), Tehran 15146
 Telephone: (98-21) 886 3557
 Telex: 213948
 Fax: (98-21) 886 3559

Jordan

ANZ Grindlays Bank plc, PO Box 9997, Shmeissani, Amman
 Telephone: (962-6) 660201/7
 Telex: 21980/21209
 Fax: (962-6) 679115

Oman

ANZ Grindlays Bank plc, PO Box 3550, Ruwi
 Telephone: (968) 70 3013/4035/5826
 Telex: 3393
 Fax: (968) 70 6911

Pakistan

ANZ Grindlays Bank plc, PO Box 5556, I.I. Chundrigar Road, Karachi,
 Telephone: (92-21) 241 4131/2671
 Telex: 2755
 Fax: (92-21) 241 4914

Qatar

ANZ Grindlays Bank plc, PO Box 2001, Doha
 Telephone: (974) 418 222
 Telex: 4209
 Fax: (974) 428 077/423 956

United Arab Emirates

ANZ Grindlays Bank plc, PO Box 4166, Deira, Dubai
 Telephone: (971-4) 285 663/228 171
 Telex: 45618
 Fax: (971-4) 222 501/018

Americas

United States of America

New York
 Australia and New Zealand Banking Group Limited, 120 Wall Street, New York, NY 10005

Telephone: (1-212) 820 9800
 Telex: 667559
 Fax: (1-212) 820 9859

ANZ McCaughan Securities, 150 East 52nd Street, New York, NY 10021
 Telephone: (1-212) 755 5480/752 0951

Telex: 680 1482
 Fax: (1-212) 752 0951/0965

Los Angeles

Suite 3290, 725 South Figueroa Street, Los Angeles, California 90017
 Telephone: (1-213) 955 7200
 Telex: 472 0773
 Fax: (1-213) 955 7266

Brazil

Australia and New Zealand Banking Group Limited/ANZ Grindlays Bank plc, Joint Representative Office, Av Nilo Pecanha, 50 Grupo 810, 20.044 Rio de Janeiro-RJ
 Telephone: (55-21) 240 2294
 Fax: (55-21) 220 0840

Chile

ANZ Banking Group Limited, Representative Office, Miraflores 178, Suite 2001, Santiago
 Telephone: (56-2) 632 2350
 Fax: (56-2) 632 3252

SIX YEAR STATISTICAL SUMMARY

	1992 \$M	1991 \$M	1990 \$M	1989 \$M	1988 \$M	1987 \$M
Profit and loss before abnormal items						
Interest income	8,073	10,180	10,188	8,556	6,952	6,465
Interest expense	5,645	7,578	7,713	6,220	4,881	4,819
Net interest income	2,428	2,602	2,475	2,336	2,071	1,646
Other operating income	2,120	2,067	1,765	1,652	1,489	1,309
Net income	4,548	4,669	4,240	3,988	3,560	2,955
Operating expenses ¹	3,330	3,153	2,848	2,557	2,333	1,967
Profit before tax and doubtful debts	1,218	1,516	1,392	1,431	1,227	988
Provision for doubtful debts - specific	1,600	1,037	788	301	222	124
- general	337	16	5	7	43	50
Operating (loss) profit before income tax	(719)	463	599	1,123	962	814
Less: income tax (benefit) expense	(146)	193	186	400	456	428
Outside equity interests	(5)	(4)	(1)	(1)	(1)	(1)
Net abnormal (loss) profit	(1)	1	(191)	(371)	124	14
Operating (loss) profit after income tax and outside equity interests	(579)	267	221	351	629	399
Balance sheet						
Assets	101,138	98,212	99,300	84,624	73,773	65,310
Liabilities	96,547	93,194	94,977	80,615	69,862	62,167
Net assets	4,591	5,018	4,323	4,009	3,911	3,143
Paid-up capital	1,165	1,026	972	891	818	700
Reserves and retained earnings	3,377	3,958	3,340	3,111	3,085	2,438
Outside equity interests	49	34	11	7	8	5
Share information (per fully paid share)						
Dividend - declared rate	20.0¢	20.0¢	38.0¢	44.0¢	34.5¢ ⁵	21.0¢
Franked portion	50%	100%	100%	100%	100%	n/a
Earnings ² - basic	-60.5¢	26.7¢	45.0¢	85.1¢	71.0¢	56.1¢
- fully diluted ³	-42.2¢	25.5¢	43.3¢	-	-	-
Net tangible assets - basic	\$3.40	\$4.31	\$4.45	\$4.49	\$4.78	\$4.48
- fully diluted	\$3.27	\$4.18	\$4.09	-	-	-
Bonus issue	-	-	-	-	-	1 for 2
Rights issue	1 for 5	-	-	-	1 for 6	-
Share price ⁴ - high	\$4.88	\$4.20	\$6.38	\$5.62	\$5.47	\$5.78
- low	\$2.87	\$2.92	\$3.95	\$4.48	\$3.22	\$3.27
Number of shares on issue (millions)						
Ordinary shares - fully paid	1,054.5	1,019.3	971.1	870.8	797.2	699.9
- paid to 50¢	207.2	-	-	40.2	40.2	-
- paid to 10¢	3.6	4.0	4.5	5.4	5.8	4.9
- preference shares	6.0	6.0	-	-	-	-
Dividend reinvestment plan						
Share price - Interim	3.58	3.42	4.35	4.30	4.57	3.91
- Final	-	4.46	2.72	5.43	4.85	3.28
- Special	-	-	-	4.34	-	-
Ratios²						
Dividend payout ratio ⁵	n/a	69.9%	77.5%	49.0%	48.8%	33.5%
Return on average shareholders' equity	-11.4%	5.8%	10.0%	17.2%	15.1%	13.1%
Return on average assets	-0.6%	0.3%	0.4%	0.9%	0.7%	0.6%
Capital adequacy ratio ⁶	9.0%	9.9%	8.6%	8.7%	8.5%	6.5%
Other information						
Points of representation	2,302	2,367	2,431	2,080	1,735	1,690
Number of employees ⁷	43,977	46,261	48,182	47,009	42,445	41,187
Number of shareholders	112,036	101,188	92,606	83,345	72,935	65,552

¹ Includes restructuring costs

² Before abnormal items

³ Diluted earnings per share includes the effect of the conversion of non-redeemable non-cumulative converting preference shares to ordinary shares and the rights issue

⁴ On ordinary shares

⁵ Excludes special dividend of 26 cents paid in April 1989 and 1991 preference share dividend

⁶ On risk weighted basis from 1988

⁷ Full-time equivalent basis 1990, 1991, and 1992, headcount basis 1987, 1988 and 1989

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Directors' Report

The following information is provided in conformity with the Corporations Law.

Activities

The principal activities of the parent entity (the Company) and its controlled entities during the year were general banking, hire purchase and general finance, life insurance, property development, mortgage and instalment lending, leasing, international and investment banking, investment and portfolio management and advisory services, nominee and custodian services, stockbroking and executor and trustee services.

At 30 September 1992 the Company and its controlled entities had 2,302 points of representation.

Result

Consolidated operating loss after tax and before abnormal items for the year was \$578.1 million. Consolidated operating loss after tax and abnormal items was \$579.0 million. More details are contained in the Report to Shareholders on page 2 of the Annual Report.

Dividends

The directors propose payment of an unfranked final dividend of 10 cents per ordinary fully paid share and 5 cents per ordinary partly paid (to 50 cents) share, amounting to \$115.8 million to be declared on 14 December 1992 and to be paid on 15 January 1993. Since the end of the previous financial year the following fully franked dividends have been paid:

Type	Cents per share	Amount before bonus option \$ million	Date of payment
Final	10	101.9	29 Jan 1992
Interim	10	103.6	13 July 1992

The final dividend paid on 29 January 1992 was detailed in the directors' report dated 4 December 1991. Neither the interim dividend paid on 13 July 1992 nor the current proposed dividend have been mentioned in previous directors' reports.

Where shareholders in the United Kingdom elect to participate in the 'dividend selection plan', the amount declared by way of dividend by the Company will be reduced accordingly and the dividend will be paid by ANZ U.K. Dividends (AUD) Limited in lieu thereof.

Preference share dividend	\$ million
January 1992	39.7
July 1992	39.7

The preference share dividend paid on 10 January 1992 was formally declared on 11 December 1991 and the dividend paid on 10 July 1992 was declared on 10 June 1992. Neither the dividend paid on 10 January nor the 10 July 1992 dividend have been mentioned in previous directors' reports.

Review of operations

A review of the operations of the Economic entity during the financial year and the results of those operations is contained in the Report to Shareholders and in the financial statements.

State of Affairs

There was no significant change in the state of affairs of the Economic entity that occurred during the financial year not otherwise disclosed in the Report to Shareholders and in the financial statements.

Events since the end of the financial year

No item, transaction or event of a material and unusual nature has arisen between 30 September 1992 and the date of this report that has significantly affected or may significantly affect the operations of the Economic entity, the results of those operations or the state of affairs of the Economic entity in subsequent years except for the following events.

The Economic entity sold its African operations for \$53.0 million. The sale, which took place on 2 November, 1992 was at a premium over book value and involved total assets in excess of \$600 million.

The branch of ANZ Grindlays Bank plc in India ('the Bank') has received a claim, of approximately \$250 million, from the National Housing Bank ('NHB') in that country. The claim arises out of certain cheques drawn by NHB in favour of the Bank, the proceeds of which were credited into the account of one of the customers of the Bank. NHB claims that the consideration for the issue of these cheques was certain securities transactions allegedly entered into between the Bank and NHB. According to the Bank's records no such transactions exist and, furthermore, NHB has produced no documentary evidence to support this claim.

Subsequent to the balance sheet date, the Bank in India has received a directive from the Indian Central Bank, the Reserve Bank of India ('RBI'), directing it to make a payment to NHB in the amount of approximately Indian Rupees 5.06 billion. On 4 November, 1992, the Bank made the payment to NHB under protest, without admission of liability, and subject to an agreement with NHB, entered into on the same date, providing for arbitration of the disputes between the parties. The RBI, which is NHB's parent company, has confirmed, in writing, that it will ensure that NHB meets its liabilities under this arbitration agreement, including repaying the Bank if NHB loses the arbitration. The Bank has received firm legal advice that the NHB claim has no merit. Accordingly, no provision has been made in respect of the claim or the amount paid to NHB.

Recognising the material uncertainty in relation to this matter, a qualified audit report has been issued on the financial statements of ANZ Grindlays Bank plc and ANZ Holdings (UK) plc. The qualification states that the financial statements of the two controlled entities present a true and fair view subject to the adjustments, if any, that might have been necessary if the eventual outcome of this matter was known. This qualification is also referred to in the audit report on the Economic entity and the auditors have indicated their concurrence with the basis on which the financial statements of the Economic entity are presented.

Future developments

Likely developments in the operations of the Economic entity in subsequent financial years is contained in the Report to Shareholders on pages 2 to 8 of the Annual Report.

In the opinion of the directors, disclosure of any further information would be prejudicial to the Economic entity's interests.

Shareholdings

The directors' shareholding interests, beneficial and non-beneficial, in the share capital of the Company are detailed on page 94.

The directors are not aware of any single beneficial interest of ten per cent or more in the share capital of the Company.

Share options

Details of share options are set out in note 26 of the financial statements.

Directors' interests in contracts

Since the last report no director has declared any interest in a contract or proposed contract with the Company in accordance with Section 231(1) of the Corporations Law (the Law) or a corresponding previous Law. The following directors have declared pursuant to Section 231(5) of the Law that they are to be regarded as interested in any contract that may be made with the Company by virtue of their directorships, memberships or trusteeships of the companies and organisations listed:

J B Gough

Alexander Proudfoot plc - International
 Advisory Board
 Belper Pty Ltd
 Committee for Melbourne
 CSR Ltd
 General Motors Australian Advisory Council
 Haematite Pty Ltd
 Haematite No 2 Pty Ltd
 Marstone Pty Ltd
 Pacific Dunlop Ltd
 SICPA Group - Asia Pacific Advisory Board
 The Asia Society - International Council
 The Broken Hill Proprietary Co Ltd
 The Graduate School of Management Ltd
 The Walter and Eliza Hall Institute of Medical Research

J C Dahlsen

C&C Services Pty Ltd
 Corrs Chambers Westgarth
 Institute of Public Affairs Ltd
 International Brass Ware Pty Ltd
 J C Dahlsen Pty Ltd (Group)
 Johndahl Nominees Pty Ltd
 K T D (Nominees) Pty Ltd
 Latrobe Custodians Pty Ltd
 Maleela Holdings Pty Ltd
 McKechnie Pacific (NZ) Ltd

McKechnie Pacific Pty Ltd
 Melbourne Business School Ltd
 Mining Project Investors Pty Ltd
 Sandridge City Development Co Pty Ltd
 Southern Cross Broadcasting (Australia) Ltd
 The Byvest Management Buyout Group
 The Graduate School of Management Ltd
 The Twenty-Fourth Tribute Pty Ltd
 W J M Pty Ltd
 Woolworths Ltd

C B Goode

Hallmark Cards Australia Ltd
 Legal & General Assurance Holdings
 (Australia) Ltd (Group)
 Oliver J Nilsen (Australia) Ltd (Group)
 Pacific Dunlop Ltd
 Potter Warburg Asset Management Ltd
 Potter Warburg Ltd (Group)
 Queensland Investment Corporation
 Woodside Petroleum Ltd (Group)

C J Harper

Australian National Memorial Theatre Ltd
 CSL Ltd
 Hyster Australia Pty Ltd
 IBM Australia Ltd (Group)
 ICI Group - Dulux Advisory Panel
 Institute of Public Affairs Ltd
 Legal & General Assurance Holdings
 (Australia) Ltd (Group)
 North Broken Hill Peko Ltd (Group)
 R E Ross Nominees Pty Ltd (Group)

Emeritus Professor Dame Leonie Kramer

Electricity Commission of New South Wales
 Enterprise Australia Ltd
 NRMA Limited (Group)
 Quadrant Magazine Ltd
 University of Sydney - Senate
 Western Mining Corporation Holdings Ltd
 (Group)

A T L Maitland

Databank Systems Ltd

D P Mercer

Nil

J F Ries

The Australian Banking Industry Ombudsman Ltd

Dr B W Scott

Asian Institute of Management
 Australia - Korea Foundation
 Foundation for Development Co-operation Ltd
 James N Kirby Foundation Ltd
 Liquid Air Australia Ltd
 Management Frontiers Pty Ltd (Group)
 Television Makers Pty Ltd
 University of Sydney - Senate
 W D Scott International Development
 Consultants Pty Ltd

Directors' Report

Sir Ronald Trotter

Air New Zealand Ltd
Alexander Proudfoot plc - International Advisory Board
Ciba-Geigy Australia Ltd
Ciba-Geigy New Zealand Ltd
Fletcher Challenge Ltd
Toyota New Zealand Ltd

R B Vaughan

Diple Pty Ltd (Group)
ICI Australia Ltd
MIM Holdings Ltd (Group)
National Commercial Union Ltd
Tubemakers of Australia Ltd

B Weeks

Nil

Directors' benefits

No director has, during or since the end of the financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received, or due and receivable, by directors shown in the Company's financial statements for the financial year or the fixed salary of a full-time employee of the Company, or an entity that the Company controlled, or a body corporate that was related to the Company, at a relevant time) because of a contract that the director, or a firm of which the director is a member, or an entity in which the director has a substantial financial interest, has made with the Company or an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the director received, or became entitled to receive the benefit, with the exception of benefits which may arise pursuant to:-

Signed in accordance with a resolution of the directors.



J B Gough
Chairman

Melbourne
27 November 1992

- (i) agreements entered into between the Company and each of J C Dahlsen, C B Goode, J B Gough, R B Vaughan, Dr B W Scott and Sir Ronald Trotter, amending existing retirement benefit agreements made pursuant to Article 79(b) so that the basis of accrual was altered from annual to monthly rests;
- (ii) agreements relating to the preservation of retirement benefits which have been entered into during or since the financial year between the Company and each of A T L Maitland, D P Mercer and J F Ries;
- (iii) agreements entered into between the Company and each of D P Mercer, A T L Maitland and J F Ries varying their respective terms and conditions of employment to provide for security of employment and compensation;
- (iv) the subscription by certain directors, under the Directors' Share and Option Purchase Scheme of the Company, for Scheme shares and options to take up unissued shares;
- (v) the subscription by certain executive directors, under the ANZ Group Senior Officers' Share Purchase Scheme, for Scheme shares and the granting of loans pursuant to Rule 17 of the Scheme to fund payment for the said shares;

or benefits that may be deemed to have arisen because legal fees have been paid or are payable to Corrs Chambers Westgarth of which J C Dahlsen is a partner, fees and commissions have been paid or are payable to Potter Warburg Ltd, or any of its controlled entities, in which C B Goode has a related interest, management service fees have been paid or are payable to Management Frontiers Pty Ltd of which Dr B W Scott is a director and payments in the nature of consulting fees have been made to Sir Ronald Trotter as a member of the Company's International Board of Advice.



D P Mercer
Chief Executive Officer

Profit and Loss Accounts

for the year ended 30 September 1992

	Note	CONSOLIDATED		THE COMPANY	
		1992 \$M	1991 \$M	1992 \$M	1991 \$M
Interest received	2	8,073.5	10,180.1	4,235.9	5,252.1
Less: interest paid	3	5,645.1	7,578.4	3,246.1	4,274.7
Net interest income		2,428.4	2,601.7	989.8	977.4
Other operating income	2	2,119.7	2,067.7	1,738.4	2,578.0
Total net operating income		4,548.1	4,669.4	2,728.2	3,555.4
Less: operating expenses	3	3,234.2	3,113.7	2,254.5	2,022.3
Operating profit before income tax, doubtful debts, restructuring costs and abnormal items		1,313.9	1,555.7	473.7	1,533.1
Less: specific provision for doubtful debts	3	1,600.1	1,037.1	1,229.3	732.3
restructuring costs	3	95.1	39.2	65.2	24.3
general provision for doubtful debts	3	337.3	16.2	333.8	1.2
Operating (loss) profit before income tax and before abnormal items		(718.6)	463.2	(1,154.6)	775.3
Abnormal profit (loss)	4	11.7	18.5	(30.6)	41.3
Operating (loss) profit before income tax		(706.9)	481.7	(1,185.2)	816.6
Less: income tax (benefit) expense	5	(132.9)	210.3	(311.4)	23.2
Operating (loss) profit after income tax and before outside equity interests		(574.0)	271.4	(873.8)	793.4
Outside equity interests		(5.0)	(4.1)	-	-
Operating (loss) profit after income tax attributable to members of the Company		(579.0)	267.3	(873.8)	793.4
Retained profits					
- at start of year		657.5	548.4	868.8	255.3
- vested - Australia and New Zealand Savings Bank Limited	1	-	-	131.9	-
Total available for appropriation		78.5	815.7	126.9	1,048.7
Dividends provided for or paid					
- ordinary shares	6	202.8	186.1	198.3	179.9
- preference shares	6	79.4	-	79.4	-
Transfers from reserves	27	(376.9)	(27.9)	(400.0)	-
Retained profits at end of year		173.2	657.5	249.2	868.8

The notes appearing on pages 37 to 79 form an integral part of these financial statements

Balance Sheets

at 30 September 1992

	Note	CONSOLIDATED		THE COMPANY	
		1992 \$M	1991 \$M	1992 \$M	1991 \$M
Liquid assets	7	1,750.7	2,481.2	802.7	1,331.1
Due from other banks	8	11,142.0	10,834.8	6,913.3	6,842.8
Trading securities	9	2,433.3	2,091.7	1,613.4	1,494.2
Investment securities	10	7,269.5	6,429.3	4,547.5	3,623.6
Regulatory deposits	11	1,129.2	1,109.9	495.9	477.1
Net loans and advances	12	55,405.6	53,773.1	33,216.6	21,880.6
Customers' liabilities for acceptances		14,813.8	15,429.8	13,178.7	13,713.6
Due from controlled entities		-	-	5,343.5	7,931.8
Shares in controlled entities and associates	16	20.9	40.1	3,590.5	5,635.8
Other assets	17	4,869.2	3,797.2	2,683.7	1,651.7
Premises and equipment	18	2,303.5	2,225.2	432.4	360.4
Total assets		101,137.7	98,212.3	72,818.2	64,942.7
Due to other banks	19	9,063.2	7,021.7	7,686.9	5,876.1
Deposits and other borrowings	20	62,732.9	60,310.7	36,493.2	28,018.7
Liability for acceptances		14,813.8	15,429.8	13,178.7	13,713.6
Due to controlled entities		-	-	3,614.3	6,039.2
Income tax liability	21	658.0	761.0	262.9	314.1
Creditors and other liabilities	22	3,693.0	4,554.0	2,078.7	1,862.6
Provisions	23	524.1	447.5	369.1	338.6
Bonds and notes	24	2,215.2	2,118.5	2,135.7	2,042.5
Loan capital	25	2,846.4	2,551.0	2,392.2	1,999.2
Total liabilities		96,546.6	93,194.2	68,211.7	60,204.6
Net assets		4,591.1	5,018.1	4,606.5	4,738.1
Paid-up capital	26	1,164.5	1,025.6	1,164.5	1,025.6
Reserves	27	3,204.6	3,300.6	3,192.8	2,843.7
Retained profits		173.2	657.5	249.2	868.8
Share capital and reserves applicable to shareholders of the Company		4,542.3	4,983.7	4,606.5	4,738.1
Outside equity interests	28	48.8	34.4	-	-
Total shareholders' equity and outside equity interests		4,591.1	5,018.1	4,606.5	4,738.1
Commitments	35				
Contingent liabilities and off-balance sheet exposures	36				

The notes appearing on pages 37 to 79 form an integral part of these financial statements

Statements of Cash Flows

for the year ended 30 September 1992

	NOTE	CONSOLIDATED		THE COMPANY	
		1992 \$M	1991 \$M	1992 \$M	1991 \$M
		INFLOWS (OUTFLOWS)		INFLOWS (OUTFLOWS)	
Cash flows from operating activities:					
Interest received		8,113.4	10,232.9	4,302.0	5,279.6
Dividends received		57.0	50.7	17.4	889.5
Fees and other income received		1,963.5	2,027.3	1,681.1	1,713.9
Interest paid		(5,887.1)	(7,886.0)	(3,284.8)	(4,405.5)
Personnel expenses paid		(1,538.5)	(1,490.1)	(1,091.0)	(991.4)
Premises expenses paid		(394.0)	(342.0)	(349.9)	(290.5)
Other operating expenses paid		(1,107.7)	(1,126.5)	(792.8)	(599.2)
Income taxes paid		(230.9)	(382.8)	(92.0)	(149.8)
Net (increase) decrease in trading securities		(341.6)	202.7	(119.2)	111.7
Net cash provided by operating activities	31(a)	634.1	1,286.2	270.8	1,558.3
Cash flows from investing activities:					
Net (increase) decrease:					
Due from other banks		(533.7)	777.6	(722.3)	351.9
Regulatory deposits		(19.3)	(185.9)	(18.8)	86.3
Loans and advances		(1,990.3)	(2,293.2)	(1,002.4)	(947.8)
Shares in controlled entities and associates		28.8	23.7	(255.3)	(2,149.6)
Investment securities:					
Purchases		(17,538.5)	(20,596.3)	(7,345.6)	(7,680.7)
Proceeds from sale		16,915.5	20,618.3	7,295.4	7,184.0
Controlled entities:					
Purchased (net of cash acquired)	31(c)	(90.3)	(136.0)	(432.3)	-
Proceeds from sale (net of cash disposed)		34.6	198.4	-	-
Premises and equipment:					
Purchases		(342.8)	(678.1)	(140.1)	(160.3)
Proceeds from sale		43.2	175.4	6.4	127.0
Other		(9.5)	(411.7)	(318.0)	33.5
Net cash used in investing activities		(3,502.3)	(2,507.8)	(2,933.0)	(3,155.7)
Cash flows from financing activities:					
Net increase (decrease):					
Due to other banks		1,103.1	(3,298.5)	1,810.8	(3,024.7)
Deposits and other borrowings		157.8	1,098.8	860.1	2,933.4
Due from controlled entities		-	-	(2,020.4)	(1,119.3)
Creditors and other liabilities		(758.8)	539.9	25.2	304.8
Bonds and notes:					
Issue proceeds		684.2	756.9	684.2	756.9
Redemptions		(757.7)	(512.4)	(757.7)	(512.4)
Loan capital:					
Issue proceeds		160.4	596.4	160.4	506.8
Redemptions		(140.7)	-	-	-
Increase in outside equity interests		3.5	19.4	-	-
Dividends paid		(167.4)	(124.0)	(162.9)	(117.8)
Share capital issues		400.2	616.3	400.2	616.3
Net cash provided by (used in) financing activities		684.6	(307.2)	999.9	344.0
Net cash provided by operating activities		634.1	1,286.2	270.8	1,558.3
Net cash used in investing activities		(3,502.3)	(2,507.8)	(2,933.0)	(3,155.7)
Net cash provided by (used in) financing activities		684.6	(307.2)	999.9	344.0
Net decrease in cash and cash equivalents		(2,183.6)	(1,528.8)	(1,662.3)	(1,253.4)
Cash and cash equivalents at beginning of year		8,946.2	10,497.2	5,051.9	6,203.0
Foreign currency translation on opening balance		757.0	(22.2)	393.1	102.3
Cash and cash equivalents at end of year	31(b)	7,519.6	8,946.2	3,782.7	5,051.9

¹ Represents increased equity in existing controlled entities

The notes appearing on pages 37 to 79 form an integral part of these financial statements

Notes to the Financial Statements

1: ACCOUNTING POLICIES

Under section 409 of the Corporations Law (the Law) financial statements prepared by banks in accordance with the Banking Act are deemed to comply with the accounts provisions of the Law. Australia and New Zealand Banking Group Limited and Town and Country Bank Limited are banking corporations under section 409 of the Law. For the Economic entity's (previously referred to as the 'Group') financial statements purposes, ANZ Banking Group (New Zealand) Limited, ANZ Savings Bank (New Zealand) Limited, Post Office Bank Limited, ANZ Bank (Guernsey) Limited, ANZ Bank Canada, ANZ Bank (Vanuatu) Limited, ANZ Grindlays Bank plc, ANZ Bank (Cook Islands) Ltd, Australia and New Zealand Banking Group (PNG) Ltd and Bank of Western Samoa are also considered to be banks by virtue of their status in their respective countries of incorporation.

The financial statements comply with the accounts provisions of the Banking Act, Statements of Accounting Concepts and, to the extent applicable to a bank, applicable Accounting Standards (AASB's) and the accounts provisions of the Corporations Law, including Schedule 5 of the Corporations Regulations. The policies are consistent with those adopted in the prior year except where otherwise stated.

(i) Bases of accounting

These financial statements have been prepared in accordance with the historical cost convention except where otherwise stated.

The carrying values of all non-current assets have been assessed and they are not carried in the balance sheet in excess of their recoverable amounts.

In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

(ii) Consolidation

The financial statements of the Economic entity are a consolidation of the financial statements of the parent entity (the Company) and all its controlled entities listed in note 32.

Controlled entities are defined as those entities which are controlled by the Company. AASB 1024 'Consolidated Accounts' defines control as the capacity of an entity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of another entity so as to enable the other entity to operate with it in pursuing the objectives of the controlling entity.

Associates are defined as those entities which are not controlled entities but over which the Economic entity has significant influence. Typically, an equity interest of between 20% to 50% is held. Associates are accounted for by the cost method and only dividends received or receivable are recognised.

The Economic entity does not prepare supplementary equity financial statements as any impact is immaterial.

Where controlled entities have been sold or acquired during the year, their operating results have been included to the date of disposal or from the date of acquisition.

All balances and transactions within the Economic entity have been eliminated on consolidation.

(iii) Integration of the Company and Australia and New Zealand Savings Bank Limited

The Bank Integration Act 1991 (C'wealth) and the Bank Integration Act 1992 (Vic) provided a mechanism to enable the business, assets and liabilities of Australia and New Zealand Savings Bank Limited to vest in (integrate with) the Company.

Vesting occurred on 1 July 1992 and Australia and New Zealand Savings Bank Limited was dissolved.

At the date of vesting, the assets, liabilities and reserves of Australia and New Zealand Savings Bank Limited were aggregated with those of the Company and all balances between the Company and Australia and New Zealand Savings Bank Limited were eliminated. The financial impact of the integration upon the financial statements of the Company as at 1 July 1992 is summarised in note 16.

The contribution to the consolidated operating result after income tax by Australia and New Zealand Savings Bank Limited for the period to 1 July 1992 is disclosed in note 32.

(iv) Life insurance business

The Economic entity conducts life insurance business through ANZ Life Assurance Co. Limited (ANZ Life). The Economic entity's financial statements include the results of ANZ Life's shareholders' fund and the actuarially assessed profit from ANZ Life statutory funds after allowing for the increase in policy holder reserves determined on a realistic basis. These amounts, which total \$23.3 million (1991: \$22.0 million) have been included in the profit and loss account and then transferred to general reserve within the consolidated financial statements as they are not fully available for distribution due to the requirements and restrictions of the Life Insurance Act 1945 and statutory accounting practices.

The statutory funds have not been consolidated as the Company does not have direct or indirect control of these funds, as defined by AASB 1024, due to the provisions of the Life Insurance Act 1945.

(v) Foreign currency

All amounts are expressed in Australian dollars unless otherwise stated.

Profits and losses of overseas branches and controlled entities are translated at average exchange rates for the year. Assets and liabilities of overseas branches and controlled entities are translated at the mid-point rates of exchange ruling at balance date. The net translation difference arising from the conversion of overseas branch capital positions and investment in overseas controlled entities, after allowing for those positions hedged by foreign exchange contracts and related currency borrowings, is transferred to the foreign currency translation reserve.

Overseas branches and controlled entities engaged in banking operations have loans and deposits and borrowings in their local currencies and in other major currencies. The Company also has loans and deposits and borrowings in Australia in currencies other than Australian dollars. Assets and liabilities denominated in foreign currencies are converted into reporting currencies at the rates of exchange ruling at balance date.

(vi) Goodwill

Investments in controlled entities are valued on acquisition at the Economic entity's interest in the fair value of the net assets of the controlled entity at the date of acquisition. Any difference between the fair value of net assets and cost is written off through the profit and loss account as an abnormal item in the year of acquisition, together with, in the consolidated profit and loss account, the equivalent amount being attributable to goodwill on consolidation.

This policy has been applied consistently with the treatment of such items in prior years and represents a departure from AASB 1013 'Accounting for Goodwill', but is considered to be an appropriate and prudent policy for a banking group. The policy is consistent with capital adequacy requirements endorsed by the Group of Ten central bank Governors and adopted by the Reserve Bank of Australia which require goodwill to be deducted from capital for prudential supervision purposes. Under section 409 of the Law, accounts prepared by banks in accordance with the Banking Act are deemed to comply with the accounts provisions of the Law.

No goodwill was written off during the current year (1991: \$26.9 million).

(vii) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents includes coins, notes, cash at bank, loans to authorised dealers in short term money markets, money at call, bills receivable, remittances in transit and amounts due from other banks with original maturity of 90 days or less, and on demand borrowings which are integral to the cash management function.

(viii) Trading securities

Securities held for trading purposes are recorded at market value.

Unrealised gains and losses on revaluation are taken to the profit and loss account. This is a departure from the historical cost convention but is considered to be a more appropriate method of accounting for results arising from trading in highly liquid financial assets.

(ix) Investment securities

Securities held for investment purposes are recorded at cost or at cost adjusted for premium or discount amortisation. Interest and dividend income is accrued. Premiums and discounts are capitalised and amortised from date of purchase to maturity.

Changes in market values of the securities are not taken into account unless there is considered to be a permanent diminution in value.

(x) Net loans and advances

Net loans and advances includes all forms of lending and direct finance provided to customers such as bank overdrafts, credit cards, term loans, lease finance, hire purchase finance and commercial bills.

Overdrafts, credit cards and term loans are carried at principal balances outstanding. Interest on amounts outstanding is accounted for on an accruals basis.

Lease finance is accounted for using the finance method whereby the lease receivable represents the net present value of total receivables discounted using the interest rate implicit in the lease. Income yet to mature represents the gross income arising from outstandings apportioned over the terms of the contracts to which it relates using the interest rate implicit in the lease and the actuarial method of calculation.

Hire purchase is accounted for using the finance method, whereby the total hire purchase receivable is offset by income yet to mature which is amortised over the term of finance on an actuarial basis.

Customer financing through redeemable preference shares is included within net loans and advances. Dividends received on redeemable preference shares are taken to the profit and loss account as part of interest income.

(xi) Credit assessment

All loans are subject to continuous scrutiny and graded according to the level of credit risk. Loans are classified as either productive or non-accrual. Non-accrual loans are loans where the accrual of interest and fees has ceased due to doubt as to full recovery. Where full recovery of principal is doubtful, a specific provision is raised to cover the expected loss.

(xii) Bad and doubtful debts

Specific provisions are maintained to cover identified doubtful debts. General provisions are maintained for unidentified future losses which are inherent in any finance facility. The level of the general provision is determined with regard to the risk profile of the Economic entity's finance facilities.

All known bad debts are written off in the year in which they are identified

Provisions for doubtful debts are deducted from loans and advances in the balance sheet. Controlled entities within the Economic entity maintain appropriate provisions for doubtful debts.

(xiii) Acceptances

Commercial bills accepted but not held in portfolio are accounted for and disclosed as a liability with a corresponding contra asset.

(xiv) Funds under management

The Company and some of its controlled entities act as trustee and/or manager for a number of investment funds and trusts including retirement funds, mortgage funds, approved deposit funds, and equity and property unit trusts. The value of funds under management by the Economic entity exceeds \$9.7 billion (1991: \$10 billion).

These funds have not been consolidated as the Company does not have direct or indirect control of the funds as defined by AASB 1024.

Where the Company or its controlled entities incur liabilities in respect of these operations as trustee, a right of indemnity exists against the assets of the applicable funds or trusts, and as these assets are sufficient to cover liabilities, the liabilities are not included in the financial statements. Commissions and fees earned in respect of the Economic entity's trust activities are included in the profit and loss account.

(xv) Property held for resale

Property held for resale comprises properties held for development and sale. These are recorded at the lower of net investment level or estimated realisable value.

To determine estimated realisable value, estimated future cash flows associated with each development are expressed in present value terms using an appropriate discount rate.

Marketing and holding costs such as interest, rates and taxes associated with each development are not capitalised (except in the case of selected major developments and only then to the extent that they are considered recoverable).

Other development costs are capitalised to the extent that they enhance the value of the development.

Costs are capitalised only to the extent that they are considered to be recoverable.

Profit is recognised on settlement of a development or in the case of 'multi-staged' developments, when the value of the sales in a particular stage equals or exceeds 30% of the total value of lots available for sale in that stage; until that time the recognised profit is offset against carrying value. For profit purposes, sales are recognised at date of settlement, or when a deposit (normally 10%) is received and it is virtually certain that settlement will proceed.

(xvi) Premises and equipment

Premises and equipment (including computer equipment) are carried at cost or at valuation. When booked, any surplus on revaluation is credited directly to the asset revaluation reserve. Where a deficit arises, this is debited to the asset revaluation reserve to the extent of any previous revaluation surplus, and the excess debited to the profit and loss account. Potential capital gains tax arising from revaluations is not material and has not been taken into account in determining the revalued amounts.

Valuations of premises are assessed annually by officers of the Economic entity. All premises over a specified value are also subject to external valuation at least every three years by independent valuers. The directors carried out a valuation in September 1992 supported by the independent valuation. Valuations are based on the estimated open market value and assume that the buildings concerned continue to be used in their existing manner by the Economic entity.

Profit or loss on the disposal of premises is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal, and is included in the result of the Economic entity in the year of disposal as an abnormal item. Profit or loss on the sale of furniture and equipment is included as part of the operating result.

Assets other than freehold land are depreciated at rates based upon their expected useful economic lives, using the straight line method. Leasehold improvements are amortised on a straight line basis over the remaining period of each lease.

(xvii) Leasing

Leases entered into by the Economic entity as a lessee are predominantly operating leases, and the operating lease payments are included in the profit and loss account in equal instalments over the lease term.

(xviii) Income tax

The Economic entity adopts the liability method of tax effect accounting whereby income tax expense is calculated based on accounting profit adjusted for permanent differences. General provisions for doubtful debts are treated as permanent differences. Permanent differences are items of expense and revenue which are recognised in the profit and loss account but are not part of taxable income or vice-versa.

Future tax benefits and deferred tax liabilities relating to timing differences are carried forward at tax rates applicable to future periods. Future tax benefits relating to tax losses are only carried forward where realisation of the benefit is considered virtually certain.

No provision has been made for overseas withholding tax and Australian income tax on earnings that are expected to be retained by overseas controlled entities to finance their ongoing businesses apart from tax provided on income attributed to Australia pursuant to the rules for the taxation of foreign sourced income.

(xix) Off-balance sheet transactions

The Economic entity enters into a significant volume of off-balance sheet transactions. These include foreign exchange contracts, forward rate agreements, interest rate and currency swaps, futures and options.

Off-balance sheet transactions taken up as hedges against underlying asset/liability exposures are accounted for on the same basis as the underlying exposures. Off-balance sheet transactions taken up as part of trading activities are recorded at market value and all gains and losses, whether realised or unrealised, are taken to the profit and loss account.

(xx) Superannuation commitments

The Economic entity has a number of superannuation schemes which provide either defined or accumulated benefits for employees and their dependants on retirement or death. These schemes cover the majority of Economic entity employees throughout the world. The benefits under the schemes are provided from contributions by employee members and the Economic entity, and income from assets of the schemes. Members' contributions are at variable rates. Economic entity contributions in respect of the defined benefits schemes are made at levels necessary to ensure that these schemes are maintained with sufficient assets to meet their liabilities. Economic entity contributions in respect of the accumulation schemes are at fixed rates. The rate of Economic entity contributions is determined by actuarial valuations which are carried out at regular intervals not exceeding three years. Any deficiencies arising from the actuarial valuations have been provided for in the Economic entity financial statements.

The assets of the schemes have not been consolidated as the Company does not have direct or indirect control of the schemes as defined by AASB 1024.

(xxi) Comparative figures

Where necessary amounts shown for the previous year have been reclassified to facilitate comparison.

(xxii) Rounding of amounts

The Company is a company of the kind referred to in the Australian Securities Commission class order of 15 April 1991. Consequently amounts in the financial statements, where appropriate, have been rounded to the nearest hundred thousand dollars.

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992	1991	1992	1991
	\$M	\$M	\$M	\$M
2: INCOME				
Interest received or receivable				
From other banks	977.0	1,344.4	597.4	849.4
On regulatory deposits	35.8	66.2	12.3	33.0
On trading and investment securities	772.9	980.1	438.4	552.6
On loans and advances	6,154.2	7,695.4	2,599.7	3,144.0
Dividends from redeemable preference share finance	37.3	49.2	-	-
Other	96.3	44.8	59.9	18.6
	8,073.5	10,180.1	3,707.7	4,597.6
From controlled entities	-	-	528.2	654.5
Total interest received	8,073.5	10,180.1	4,235.9	5,252.1
Other operating income				
Fee income	1,310.5	1,288.2	1,367.3	1,434.5
Foreign exchange earnings	239.5	244.1	121.4	155.4
Profit on sale of securities	298.2	119.8	173.9	37.5
Profit on sale of lease finance assets	56.7	93.1	44.6	30.1
Dividends from other companies	52.1	48.4	12.6	12.4
Dividends from controlled entities	-	-	-	874.3
Rents	44.1	37.9	13.5	14.3
Development ventures - income	30.8	78.7	1.8	-
- diminution in value	(94.4)	(0.6)	(39.5)	-
Other	182.2	158.1	42.8	19.5
Total other operating income	2,119.7	2,067.7	1,738.4	2,578.0
Total income	10,193.2	12,247.8	5,974.3	7,830.1

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
3: EXPENSES				
Interest paid or payable				
To other banks	846.0	1,068.1	621.0	881.7
On deposits	3,333.0	4,659.2	1,967.7	2,505.9
On short term borrowings	538.3	723.2	34.5	76.5
On long term borrowings	362.4	450.6	0.6	0.5
On commercial paper	152.3	238.4	97.9	135.5
On bonds and notes	170.4	175.3	165.1	167.5
On loan capital	183.0	200.7	134.3	135.6
Other	59.7	62.9	11.7	31.8
	5,645.1	7,578.4	3,032.8	3,935.0
To controlled entities	-	-	213.3	339.7
Total interest paid	5,645.1	7,578.4	3,246.1	4,274.7
Provisions for doubtful debts (refer note 14)				
Specific provision	1,600.1	1,037.1	1,229.3	732.3
General provision	337.3	16.2	333.8	1.2
Total provisions for doubtful debts	1,937.4	1,053.3	1,563.1	733.5
Restructuring costs	95.1	39.2	65.2	24.3
Operating expenses				
(i) Personnel				
Salaries and wages	1,211.9	1,232.2	884.0	840.4
Employee taxes - payroll	62.5	63.6	59.1	56.0
- fringe benefits tax	27.6	41.3	21.4	32.3
Pension fund	68.2	60.9	3.9	2.9
Provision for employee entitlements and annual leave	32.7	35.0	28.7	28.1
Performance rewards	9.6	3.2	9.6	3.2
Other	68.0	80.8	38.5	41.4
Total personnel expenses	1,480.5	1,517.0	1,045.2	1,004.3
(ii) Premises				
Rent	221.4	217.4	245.8	205.7
Depreciation of furniture and equipment	47.6	47.2	30.4	27.7
Depreciation of buildings	36.1	24.5	1.1	1.1
Amortisation of leasehold improvements	21.2	13.2	11.5	7.6
Other	162.2	151.8	97.0	84.8
Total premises expenses	488.5	454.1	385.8	326.9
(iii) Other				
Computer costs ¹	315.4	291.0	223.3	182.4
Non-lending losses, frauds and forgeries	75.5	32.9	50.2	23.3
Remuneration of auditors (refer note 40)	8.9	8.7	2.2	2.2
Other ²	865.4	810.0	547.8	483.2
Total other operating expenses	1,265.2	1,142.6	823.5	691.1
Total operating expenses	3,234.2	3,113.7	2,254.5	2,022.3
Total expenses	10,911.8	11,784.6	7,128.9	7,054.8

¹ includes depreciation on computer equipment of \$44.7m (1991: \$77.8m) for the Economic entity and \$21.2m (1991: \$51.3m) for the Company

² includes depreciation on motor vehicles of \$28.9m (1991: \$27.2m) for the Economic entity and \$6.8m (1991: \$6.5m) for the Company

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
4: ABNORMAL ITEMS				
Profits before tax				
Sale of equity investments	35.5	-	-	-
Sale of controlled entities and associates	8.0	4.1	-	-
Sale of premises	2.3	14.0	0.4	1.7
Sale of warrants on equity investments	-	49.8	-	49.8
	45.8	67.9	0.4	51.5
Losses before tax				
Writedown of investments in associates	31.0	10.0	31.0	10.0
Closure costs	3.1	5.0	-	-
Goodwill on acquisitions ¹	-	26.9	-	0.2
Provision and loss on equity investments	-	7.5	-	-
	34.1	49.4	31.0	10.2
Total abnormal profit (loss) before tax	11.7	18.5	(30.6)	41.3
¹ Fully written off in year of acquisition				
5: INCOME TAX (BENEFIT) EXPENSE				
Reconciliation of the prima facie income tax payable on operating (loss) profit and abnormal items with the income tax (benefit) expense charged in the profit and loss account				
Operating (loss) profit before income tax and before abnormal items	(718.6)	463.2	(1,154.6)	775.3
Prima facie income tax at 39%	(280.2)	180.6	(450.3)	302.4
Tax effect of permanent differences				
General provision for doubtful debts	131.5	6.6	130.2	7.2
Overseas tax rate differential	31.0	21.6	3.4	5.2
Fringe benefits tax	8.9	13.6	8.3	12.6
Non-allowable depreciation and amortisation	5.4	6.3	3.4	2.8
Rebateable and non-assessable dividends	(29.1)	(32.9)	(4.9)	(345.8)
Other non-assessable income	(25.4)	(8.6)	(14.8)	-
Other	13.8	1.2	8.9	18.7
	(144.1)	188.4	(315.8)	3.1
Income tax under provided in prior years	(1.4)	4.5	4.4	0.7
Total income tax (benefit) expense	(145.5)	192.9	(311.4)	3.8
Abnormal profit (loss) before tax	11.7	18.5	(30.6)	41.3
Prima facie income tax at 39%	4.6	7.2	(11.9)	16.1
Tax effect of permanent differences				
Closure costs	14.1	0.3	-	-
Writedown of investments in associates	12.0	3.9	12.0	3.9
(Profit) loss on equity investments	(13.8)	2.9	-	-
Profit on sale of controlled entities and associates	(3.1)	(1.9)	-	-
Sale of premises	(1.2)	(5.5)	(0.1)	(0.7)
Goodwill on acquisitions	-	10.5	-	0.1
Total income tax expense on abnormal items	12.6	17.4	-	19.4
Total income tax (benefit) expense	(132.9)	210.3	(311.4)	23.2
Income tax liability	192.4	329.5	13.0	120.3
Less: future income tax benefit	325.3	119.2	324.4	97.1
	(132.9)	210.3	(311.4)	23.2
Australia	(309.8)	74.6	(329.4)	4.8
Overseas	176.9	135.7	18.0	18.4
	(132.9)	210.3	(311.4)	23.2

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992	1991	1992	1991
	\$M	\$M	\$M	\$M
6: DIVIDENDS				
Ordinary dividends				
Fully franked interim dividend paid of 10 cents per share (1991: 10c per share) ¹	103.6	100.3	99.1	94.1
Unfranked proposed final dividend ²	115.8	101.9	115.8	101.9
Bonus option plan adjustment (see below)	(16.6)	(16.1)	(16.6)	(16.1)
Dividends on ordinary shares	202.8	186.1	198.3	179.9
Preference dividends³				
Dividend paid in January 1992	39.7	-	39.7	-
Dividend paid in July 1992	39.7	-	39.7	-
Dividends on preference shares	79.4	-	79.4	-
Total dividends	282.2	186.1	277.7	179.9
Dividend imputation				
Retained profits and reserves which could be distributed as fully franked dividends			2.1	107.3
Bonus option plan				
Dividends paid during the year have been reduced by certain shareholders participating in the bonus option plan and foregoing all or part of their right to dividends and instead receiving bonus shares				
	Declared dividend	Bonus options exercised	Amount paid	
Final dividend 1991	101.9	(7.3)	94.6	
Interim dividend 1992	103.6	(9.3)	94.3	
	205.5	(16.6)	188.9	
¹ The difference in the total dividend between consolidated and the Company is due to dividends paid of \$4.5 million (1991: \$6.2 million) by ANZ U.K. Dividends (AUD) Limited, a wholly owned controlled entity of the Economic entity, under the 'dividend selection plan' to the Company shareholders in the United Kingdom ² At a rate of 10 cents per share on fully paid shares and 5 cents per share on partly paid 50 cent shares (1991: 10 cents per fully paid share fully franked) ³ At a rate of 13.25% per annum unfranked				
7: LIQUID ASSETS				
Australia				
Coins, notes and cash at bankers	219.4	249.0	210.1	224.9
Loans to authorised dealers in Australian short term money market	54.7	35.8	30.9	7.6
Money at call	108.1	96.1	-	-
Securities purchased under agreements to resell	73.6	587.9	73.6	516.1
Bills receivable and remittances in transit	371.4	409.2	311.2	360.3
	827.2	1,378.0	625.8	1,108.9
Overseas				
Coins, notes and cash at bankers	228.1	285.3	62.4	9.6
Money at call	325.4	595.3	88.8	160.8
Bills receivable and remittances in transit	370.0	222.6	25.7	51.8
	923.5	1,103.2	176.9	222.2
Total liquid assets	1,750.7	2,481.2	802.7	1,331.1
Maturity analysis based on original term to maturity at 30 September				
Less than 90 days	1,596.7	2,310.5	684.0	1,251.1
More than 90 days	154.0	170.7	118.7	80.0
Total liquid assets	1,750.7	2,481.2	802.7	1,331.1

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
8: DUE FROM OTHER BANKS				
Australia	977.7	1,903.6	956.5	1,491.9
Overseas	10,164.3	8,931.2	5,956.8	5,350.9
Total due from other banks	11,142.0	10,834.8	6,913.3	6,842.8
Maturity analysis based on original term to maturity at 30 September				
Less than 90 days	5,922.9	6,635.7	3,098.7	3,800.8
More than 90 days	5,219.1	4,199.1	3,814.6	3,042.0
Total due from other banks	11,142.0	10,834.8	6,913.3	6,842.8
9: TRADING SECURITIES				
Trading securities are allocated between Australia and overseas based on the domicile of the issuer				
Listed				
Australia	61.8	231.2	61.8	105.4
Overseas	429.6	0.5	-	-
Total listed	491.4	231.7	61.8	105.4
Unlisted	1,941.9	1,860.0	1,551.6	1,388.8
Total trading securities	2,433.3	2,091.7	1,613.4	1,494.2
10: INVESTMENT SECURITIES				
Investment securities are allocated between Australia and overseas based on the domicile of the issuer				
Listed - Australia				
Commonwealth securities	1,010.4	1,884.4	1,010.4	1,381.0
Local and semi-government securities	41.3	93.7	41.2	91.6
Other securities and equity investments	396.0	364.5	373.6	348.4
	1,447.7	2,342.6	1,425.2	1,821.0
Listed - Overseas				
New Zealand government securities	8.0	-	8.0	-
US treasury and government securities	23.5	21.1	23.5	21.1
Indian government securities	344.9	544.6	11.5	8.7
Other government securities	481.6	158.4	295.7	56.7
Other securities and equity investments	157.0	338.1	89.3	69.7
	1,015.0	1,062.2	428.0	156.2
Total listed	2,462.7	3,404.8	1,853.2	1,977.2
Unlisted - Australia				
Treasury notes	2,183.9	1,611.5	2,100.3	1,220.1
Local and semi-government securities	34.2	78.6	31.3	60.3
Other securities and equity investments	310.3	259.6	233.4	109.5
	2,528.4	1,949.7	2,365.0	1,389.9
Unlisted - Overseas				
New Zealand government securities	1,111.7	538.3	111.2	135.7
Other government securities	905.2	254.2	65.5	27.8
Other securities and equity investments	261.5	282.3	152.6	93.0
	2,278.4	1,074.8	329.3	256.5
Total unlisted	4,806.8	3,024.5	2,694.3	1,646.4
Total investment securities	7,269.5	6,429.3	4,547.5	3,623.6

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
10: INVESTMENT SECURITIES (CONTINUED)				
Market value information				
Listed - Australia				
Commonwealth securities	1,006.1	1,908.2	1,006.1	1,398.1
Local and semi-government securities	42.6	95.5	42.4	93.1
Other securities and equity investments ¹	397.2	360.9	376.1	345.7
	1,445.9	2,364.6	1,424.6	1,836.9
Listed - Overseas				
New Zealand government securities	7.5	-	7.5	-
US treasury and government securities	23.3	20.9	23.3	20.9
Indian government securities	342.4	536.2	9.0	6.0
Other government securities	481.0	163.9	292.5	55.0
Other securities and equity investments	165.2	370.3	89.2	69.4
	1,019.4	1,091.3	421.5	151.3
Total market value of listed investment securities	2,465.3	3,455.9	1,846.1	1,988.2
Unlisted - Australia				
Treasury notes	2,184.7	1,611.1	2,100.3	1,219.7
Local and semi-government securities	34.3	78.2	31.3	60.0
Other securities and equity investments	306.4	259.1	233.5	108.9
	2,525.4	1,948.4	2,365.1	1,388.6
Unlisted - Overseas				
New Zealand government securities	1,131.1	547.3	112.0	135.8
Other government securities	904.6	236.6	65.5	27.8
Other securities and equity investments	260.9	253.8	152.4	93.0
	2,296.6	1,037.7	329.9	256.6
Total market value of unlisted investment securities	4,822.0	2,986.1	2,695.0	1,645.2
Total market value of investment securities	7,287.3	6,442.0	4,541.1	3,633.4
¹ Certain equity investments are subject to call options granted and are valued at exercise price				
11: REGULATORY DEPOSITS				
Reserve Bank of Australia	477.7	486.7	464.4	446.7
Overseas central banks	651.5	623.2	31.5	30.4
Total regulatory deposits	1,129.2	1,109.9	495.9	477.1

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992	1991	1992	1991
	\$M	\$M	\$M	\$M
12: NET LOANS AND ADVANCES				
Loans and advances are allocated between Australia and overseas based on the location of the lending point				
Australia				
Overdrawn accounts	5,494.8	6,476.5	5,345.8	6,301.7
Credit card outstandings	844.7	848.5	822.5	808.1
Term loans - housing	9,937.6	9,220.7	8,906.6	94.1
Term loans - non housing	19,439.9	18,233.9	15,570.0	11,581.8
Lease finance	3,346.2	3,969.1	770.2	1,167.6
Hire purchase	3,586.1	3,343.9	-	-
Commercial bills	1,041.3	160.8	918.3	26.5
Redeemable preference share finance	29.0	25.0	-	-
Other	153.2	185.4	90.4	66.5
	43,872.8	42,463.8	32,423.8	20,046.3
Overseas				
Overdrawn accounts	4,698.5	4,251.9	1,021.0	1,057.2
Credit card outstandings	172.5	159.4	0.1	-
Term loans - housing	3,418.8	2,985.1	33.2	25.1
Term loans - non housing	7,277.4	7,053.6	2,076.7	2,088.3
Lease finance	68.1	37.9	28.6	10.8
Hire purchase	263.3	36.4	-	-
Commercial bills	765.1	686.9	226.9	105.7
Redeemable preference share finance	354.7	434.9	-	-
Other	269.4	349.9	-	-
	17,287.8	15,996.0	3,386.5	3,287.1
Total gross loans and advances	61,160.6	58,459.8	35,810.3	23,333.4
Less: provisions for doubtful debts (refer note 14)	3,337.6	1,993.4	2,188.9	1,100.5
income yet to mature ¹	2,417.4	2,693.3	404.8	352.3
	5,755.0	4,686.7	2,593.7	1,452.8
Total net loans and advances	55,405.6	53,773.1	33,216.6	21,880.6
Included in the above are receivables of controlled entity borrowing corporations net of income yet to mature				
Not later than 1 year	4,216.0	4,339.9		
Later than 1 year but not later than 2 years	1,858.4	2,253.5		
Later than 2 years but not later than 5 years	2,468.7	2,570.2		
Later than 5 years	259.1	301.8		
	8,802.2	9,465.4		

¹ Including reserved interest of \$550.9 million (1991: \$361.3 million) for the Economic entity and \$244.0 million (1991: \$121.5 million) for the Company on certain non-accrual loans, where interest is charged but not recognised in the profit and loss account

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992	1991	1992	1991
	\$M	\$M	\$M	\$M
13: LOAN QUALITY				
All loans are subject to continuous scrutiny and graded according to the level of credit risk. Loans are classified as either productive or non-accrual. This analysis excludes rescheduled country debt (refer note 15).				
Accruing loans past due 90 days or more				
Loans which are 90 days or more in arrears in terms of interest servicing or principal repayments, but remain on an interest accrual basis.				
No loss of principal or interest is expected.	474.1	710.7	184.1	153.1
Troubled loan restructurings				
There have been a number of loans where the original contract terms have been modified to provide concessions of interest and/or principal due to the financial difficulties of the customer. For these loans interest and fees are recognised as income on an accruals basis.				
	311.1	369.3	303.1	357.1
Other potential problem loans				
The Economic entity does not use the category 'potential problem loans' for loans that continue to accrue interest. If a loan is identified as a potential problem, it is classified as non-accrual, and if necessary, a provision is raised.				
	-	-	-	-
Non-accrual loans¹				
Loans where the accrual of interest and fees has ceased. Where full recovery of principal is doubtful, a specific provision is raised to cover the expected loss.				
- loans where no loss of principal is anticipated	1,145.7	1,910.7	555.1	1,196.6
- loans subject to provisioning	4,279.7	3,115.1	2,954.8	2,096.9
	5,425.4	5,025.8	3,509.9	3,293.5
Specific provisions	2,354.7	1,422.4	1,595.3	877.3
Total non-accrual loans after specific provisions	3,070.7	3,603.4	1,914.6	2,416.2
Non-accrual loans after specific provisions - by geographic segment				
Australia	2,544.3	3,197.7	1,820.6	2,307.0
New Zealand	160.9	174.5	-	-
Other markets	365.5	231.2	94.0	109.2
	3,070.7	3,603.4	1,914.6	2,416.2

¹ Excluding unproductive facilities of \$79.5 million (1991: \$97.1 million) for the Economic entity and \$30.7 million (1991: \$60.5 million) for the Company from which provisions of \$20.3 million (1991: \$3.9 million) for the Economic entity and \$17.5 million (1991: \$3.2 million) for the Company have been deducted

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
14: PROVISIONS FOR DOUBTFUL DEBTS				
Specific provision				
Balance at start of year	1,452.7	1,139.4	881.7	656.6
Adjustment for exchange rate fluctuations	47.4	(5.2)	13.5	(0.7)
Bad debts written off	(757.3)	(780.8)	(537.5)	(528.5)
Recoveries	36.9	18.8	13.9	11.7
Charge to profit and loss account	1,600.1	1,037.1	1,229.3	732.3
Provisions acquired	38.0	38.1	-	9.0
Provisions vested - Australia and New Zealand Savings Bank Limited	-	-	25.5	-
Other	(13.0)	5.3	(13.6)	1.3
	2,404.8	1,452.7	1,612.8	881.7
General provision				
Balance at start of year	540.7	575.6	218.8	250.2
Adjustment for exchange rate fluctuations	62.8	4.0	20.5	3.7
Charge to profit and loss account	337.3	16.2	333.8	1.2
Provisions acquired	1.9	7.8	-	-
Provisions vested - Australia and New Zealand Savings Bank Limited	-	-	12.2	-
Rescheduled country debt written off or sold	(11.3)	(80.7)	(9.1)	(52.0)
Tax benefit realised on rescheduled country debt	1.2	17.2	-	17.2
Other	0.2	0.6	(0.1)	(1.5)
	932.8	540.7	576.1	218.8
Total provisions for doubtful debts	3,337.6	1,993.4	2,188.9	1,100.5
Analysis				
General provision balance comprises				
General	556.6	207.5	476.8	122.5
General rescheduled country debt	376.2	333.2	99.3	96.3
Total general provisions	932.8	540.7	576.1	218.8
Rescheduled country debt provisions				
General	376.2	333.2	99.3	96.3
Notional tax benefits ¹	32.1	19.1	26.9	14.4
	408.3	352.3	126.2	110.7
Specific	29.8	26.4	-	1.2
Total rescheduled country debt cover	438.1	378.7	126.2	111.9
Ratios				
All ratios exclude rescheduled country debt provisions and exposures (refer note 15)				
Provisions ² as a % of total advances ³				
Specific	3.2	2.0	3.4	2.4
General ⁴	0.8	0.3	1.0	0.3
Total	4.0	2.3	4.4	2.7
Provisions as a % of risk weighted assets				
Specific	2.9	1.8	2.7	1.8
General ⁴	0.7	0.3	0.8	0.2
Total	3.6	2.1	3.5	2.0
Bad debts written off as a % of total advances ³	1.0	1.1	1.1	1.4
Doubtful debts charge as a % of total advances ³	2.7	1.5	3.2	2.0

¹ It is the Economic entity's policy not to tax effect the general provision on rescheduled country debt. The notional amount represents the potential tax benefits of deductions for rescheduled country debt provisions which have yet to be realised

² Excludes unproductive facilities

³ Advances comprises gross loans, advances and acceptances less income yet to mature

⁴ Not grossed up for notional tax

Notes to the Financial Statements

CONSOLIDATED		THE COMPANY	
1992	1991	1992	1991
\$M	\$M	\$M	\$M

15: EXPOSURE TO DEBT RESCHEDULING COUNTRIES

Total exposure to countries subject to debt rescheduling arrangements, including non discretionary short term trade finance and interbank lending is set out below. The increase in total exposure reflects the introduction of debt owed by former USSR countries and the depreciation of the Australian dollar which were partially offset by the regrading of Mexican debt in accordance with US regulatory authority requirements, and the transfer of certain loans out of rescheduled country debt.

During the year no charge (1991: nil) was made to the profit and loss account to increase provisions against loans to rescheduling countries. Specific and general provisions are held amounting to 63.4% (1991: 62.9%) of total exposure, after a notional allowance for tax relief where applicable. Net exposure continues to approximate secondary market values.

The amounts shown are Australian dollar conversions of predominantly US dollar denominated loans and represent a net exposure of 0.3% (1991: 0.2%) of Economic entity total assets and 5.6% (1991: 4.5%) of shareholders' equity.

Central and South America	313.4	359.3	100.2	157.2
Eastern Europe	188.1	74.5	112.7	48.0
Africa and Middle East	117.2	109.0	17.9	21.4
Asia and Pacific	72.6	59.6	10.2	9.1
Total exposure	691.3	602.4	241.0	235.7
Specific and general provisions ¹	438.1	378.7	126.2	111.9
Net exposure	253.2	223.7	114.8	123.8
US dollar equivalents	180.9	178.5	82.0	98.8

¹ Including notional tax benefits (refer note 14)

16: SHARES IN CONTROLLED ENTITIES AND ASSOCIATES

Refer notes 32 and 33 for details of controlled entities and associates

Controlled entities

At cost		-	4,795.0
At directors' valuation 1981		-	143.1
At directors' valuation 1985		-	369.4
At directors' valuation 1987		-	300.7
At directors' valuation 1992 ¹		3,590.0	-
Total shares in controlled entities		3,590.0	5,608.2

Associates

Unquoted	20.9	40.1	0.5	27.6
Total shares in associates	20.9	40.1	0.5	27.6
Total shares in controlled entities and associates	20.9	40.1	3,590.5	5,635.8

Acquisitions of controlled entities during the year

	INTEREST		NET TANGIBLE	GOODWILL
	ACQUIRED	CONSIDERATION	ASSETS ON	
	%	\$M	ACQUISITION	\$M
Dalgety Farmers Ltd	95.0 ²	94.7	94.7	-

16: SHARES IN CONTROLLED ENTITIES AND ASSOCIATES (CONTINUED)**Disposals of controlled entities during the year**

	PROFIT ON DISPOSAL	NET TANGIBLE ASSETS ON DISPOSAL
	\$M	\$M
Delfin Property Group Ltd ¹	8.0	18.0
Bernina Securities Ltd	#	0.1
	8.0	18.1

¹ 1992 Directors valuation based on net tangible asset value

² Prior to 30 September 1992, the Economic entity's interest was 35.0%

³ The following controlled entities were included in the sale of Delfin Property Group Ltd

Abeam Pty Ltd

Delfin Constructions Pty Ltd

Delfin Management Services Pty Ltd

Delfin Project Management (Qld) Pty Ltd

Delfin Realty Pty Ltd

Delfin Realty (NSW) Pty Ltd

Delfin Retirement Properties Pty Ltd

Delfin Securities Pty Ltd

Lakes Shore Hotel Pty Ltd

Reillo Holdings Pty Ltd

Seaford Development Corporation Pty Ltd

West Lakes Ltd

Other controlled entities that were sold during the year but have no impact on the financial statements are

Grindlays Vanguard Management Ltd

Olec Consultancy Services Ltd

Amounts less than \$50,000

Integration of Australia and New Zealand Savings Bank Limited

On 1 July 1992, the balance sheet of Australia and New Zealand Savings Bank Limited was vested in the Company (refer note 1 (iii)).

Australia and New Zealand Savings Bank Limited

Balance Sheet Summary as at 30 June 1992

	\$M
Assets	
Due from the Company	4.3
Investment securities	677.2
Net loans and advances	10,676.0
Due from related entities	41.2
Shares in controlled entities	105.0
Other assets	80.4
Total assets	11,584.1
Liabilities	
Due to the Company	4,586.5
Deposits and other borrowings	6,319.7
Due to related entities	177.9
Income tax liability	76.2
Creditors and other liabilities	26.6
Total liabilities	11,186.9
Net assets	397.2
Shareholders' equity	
Paid-up capital	9.1
Share premium reserve	156.4
Asset revaluation reserve	100.0
Foreign currency translation reserve	(0.2)
Retained profits	131.9
Total shareholders' equity	397.2

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
17: OTHER ASSETS				
Property held for resale				
Cost of acquisition	376.7	334.9	127.7	-
Development expenses capitalised	300.9	260.6	115.4	-
Interest, rates and taxes capitalised	21.5	10.1	5.2	-
	699.1	605.6	248.3	-
Less: provision for diminution in value	94.4	3.1	39.5	-
	604.7	602.5	208.8	-
Accrued interest/prepaid discounts	1,068.4	1,159.5	729.4	794.3
Future income tax benefits (refer below)	1,256.1	837.9	866.2	569.1
Treasury instrument revaluations	359.1	(3.0)	272.9	(4.1)
Other receivables	370.6	-	-	-
Accrued commission	60.9	73.7	52.2	58.4
Other	1,149.4	1,126.6	554.2	234.0
Total other assets	4,869.2	3,797.2	2,683.7	1,651.7
Future income tax benefits comprises				
Provision for doubtful debts	793.5	450.9	610.4	319.6
Reserved interest	89.4	52.9	55.8	43.0
Tax losses	86.0	50.0	27.6	20.9
Provision for employee entitlements and annual leave	85.9	72.7	67.6	63.5
Provision for non-lending losses, frauds and forgeries	28.2	11.2	25.4	9.3
Other interest	28.2	22.2	-	-
Lease incentive income	13.6	2.3	13.6	2.3
Bills discounted	8.8	39.2	6.9	36.7
Other	122.5	136.5	58.9	73.8
	1,256.1	837.9	866.2	569.1

Potential future income tax benefits within the Economic entity arising from tax losses and timing differences have not been recognised as assets because recovery cannot be regarded as virtually certain. These benefits, which could amount to \$153.8m (1991: \$119.9m) will only be obtained if

- (i) the relevant controlled entities derive future assessable income of a nature and amount sufficient to enable the benefit of the taxation deductions to be realised;
- (ii) the relevant controlled entities continue to comply with the conditions for deductibility imposed by law; and
- (iii) there are no changes in taxation legislation adversely affecting the benefit of the taxation deductions.

In addition potential future income tax benefits of \$27.6m (1991: \$30.0m) relating to capital losses for taxation purposes have not been recognised as assets because recovery cannot be regarded as virtually certain.

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
18: PREMISES AND EQUIPMENT				
Freehold and leasehold land and buildings ¹				
At directors' valuation 1983	-	0.9	-	-
At directors' valuation 1984	-	97.5	-	8.5
At independent valuation 1984	-	163.7	-	1.2
At independent valuation 1985	-	48.1	-	0.5
At directors' valuation 1986	-	62.2	-	-
At directors' valuation 1987	-	0.8	-	-
At directors' valuation 1989	-	0.6	-	0.6
At directors' valuation 1990	-	250.4	-	-
At directors' valuation 1991	-	223.7	-	-
At directors' valuation 1992	1,411.7	-	56.4	-
At cost	-	629.2	-	43.9
	1,411.7	1,477.1	56.4	54.7
Less: provision for depreciation	-	26.4	-	1.3
	1,411.7	1,450.7	56.4	53.4
Leasehold improvements				
At cost	166.2	111.1	92.7	68.0
Less: provision for amortisation	63.5	46.2	36.2	33.0
	102.7	64.9	56.5	35.0
Furniture and equipment ²				
At cost	1,003.1	897.9	365.4	353.3
Less: provision for depreciation	389.4	299.0	152.7	132.6
	613.7	598.9	212.7	220.7
Computer equipment				
At cost	338.2	220.3	142.8	65.0
Less: provision for depreciation	162.8	109.6	36.0	13.7
	175.4	110.7	106.8	51.3
Total premises and equipment	2,303.5	2,225.2	432.4	360.4

¹ The current value of the Economic entity's freehold land is \$513.7m (1991: \$638.6m) and the current value of the Company's freehold land is \$8.4m (1991: \$9.8m). The current value of the Economic entity's freehold and leasehold buildings (including integral fixtures) is \$1,083.2m (1991: \$1,130.3m) and the current value of the Company's freehold and leasehold buildings (including integral fixtures) is \$51.9m (1991: \$56.0m). The excess of current value over book value for the Economic entity's freehold and leasehold land and buildings (including integral fixtures) is nil (1991: \$124.9m) and for the Company is nil (1991: \$8.2m)

The excess of current value over book value for both land and buildings in 1991 constituted tier 2 capital as defined by the Reserve Bank of Australia for capital adequacy purposes

² Includes integrals of which the book value is \$185.2m (1991: \$193.3m) for the Economic entity and \$3.9m (1991: \$4.2m) for the Company

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
19: DUE TO OTHER BANKS				
Australia	1,054.1	1,056.5	1,053.4	992.6
Overseas	8,009.1	5,965.2	6,633.5	4,883.5
Total due to other banks	9,063.2	7,021.7	7,686.9	5,876.1
20: DEPOSITS AND OTHER BORROWINGS				
Deposits and other borrowings are allocated between Australia and overseas based on the location of the deposit taking point				
Australia				
Certificates of deposit	5,902.9	5,640.2	5,902.9	5,640.2
Term deposits	11,675.8	11,972.9	10,840.3	10,299.9
Other deposits bearing interest	11,164.9	11,017.1	10,808.7	3,370.3
Deposits not bearing interest	2,800.5	2,288.4	2,799.8	2,256.9
Commercial paper	1,276.0	1,494.1	1,276.0	1,494.1
Other borrowings	6,839.7	7,627.9	142.3	930.9
	39,659.8	40,040.6	31,770.0	23,992.3
Overseas				
Certificates of deposit	1,433.7	1,575.1	243.5	342.8
Term deposits	13,230.1	11,220.7	4,135.6	3,231.5
Other deposits bearing interest	4,273.0	3,860.1	207.7	110.9
Deposits not bearing interest	1,636.6	1,413.5	127.0	103.6
Commercial paper	1,649.8	1,210.7	-	-
Other borrowings	849.9	990.0	9.4	237.6
	23,073.1	20,270.1	4,723.2	4,026.4
Total deposits and other borrowings	62,732.9	60,310.7	36,493.2	28,018.7
Included in the above are liabilities of controlled entity borrowing corporations				
Not later than 1 year	4,223.0	4,285.9		
Later than 1 year but not later than 2 years	1,573.5	1,726.1		
Later than 2 years but not later than 5 years	1,177.7	1,006.2		
Later than 5 years	0.7	0.8		
	6,974.9	7,019.0		

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992	1991	1992	1991
	\$M	\$M	\$M	\$M
21: INCOME TAX LIABILITY				
Australia				
Provision for income tax	-	177.0	-	125.4
Provision for deferred tax (refer below)	469.4	436.0	222.8	152.7
	469.4	613.0	222.8	278.1
Overseas				
Provision for income tax	114.5	95.9	26.2	22.7
Provision for deferred tax (refer below)	74.1	52.1	13.9	13.3
	188.6	148.0	40.1	36.0
Total income tax liability	658.0	761.0	262.9	314.1
Provision for deferred tax comprises				
Lease finance	271.6	295.6	70.1	77.5
Treasury instruments	74.6	35.3	43.9	33.9
Depreciation	49.0	31.2	38.8	21.3
Investment income	18.6	22.0	0.3	2.2
Leveraged leasing	18.4	42.3	11.5	12.0
Other	111.3	61.7	72.1	19.1
	543.5	488.1	236.7	166.0

22: CREDITORS AND OTHER LIABILITIES

Australia				
Creditors	549.2	895.6	412.9	252.4
Accrued interest and unearned discounts	750.8	938.4	482.6	508.5
Accrued charges	107.6	51.2	59.4	33.0
Other liabilities	435.6	502.2	319.9	216.9
	1,843.2	2,387.4	1,274.8	1,010.8
Overseas				
Creditors	293.2	644.7	8.1	49.6
Accrued interest and unearned discounts	1,036.6	1,092.7	668.9	683.5
Accrued charges	55.1	71.7	12.5	12.4
Other liabilities	464.9	357.5	114.4	106.3
	1,849.8	2,166.6	803.9	851.8
Total creditors and other liabilities	3,693.0	4,554.0	2,078.7	1,862.6

23: PROVISIONS

Employee entitlements ¹	208.6	187.7	153.5	142.6
Annual leave	34.5	27.4	22.2	20.8
Dividends (refer note 6)	115.8	101.9	115.8	101.9
Non-lending losses, frauds and forgeries	101.9	36.6	58.8	27.4
Other	63.3	93.9	18.8	45.9
Total provisions	524.1	447.5	369.1	338.6

¹ Includes provisions on long service and pension payments

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
24: BONDS AND NOTES				
LUX 300m 7.25% bearer notes due 1993	14.5	11.0	14.5	11.0
ECU 100m 8.0% bonds due 1993	194.1	154.5	194.1	154.5
LUX 300m 8.125% bearer notes due 1995	14.5	11.0	-	-
GBP 50m 9.125% bonds due 1993	125.3	109.9	125.3	109.9
ECU 50m 9.75% bonds due 1992	-	77.3	-	77.3
AUD 100m 12.625% bonds due 1992	-	100.0	-	100.0
AUD 75m 13.0% bonds due 1992	-	75.0	-	75.0
AUD 65m 13.125% deposit notes due 1993	65.0	65.0	-	-
NZD 60m 13.25% bonds due 1992	-	43.0	-	43.0
AUD 60m 13.5% bonds due 1992	-	60.0	-	60.0
AUD 50m 14.0% bonds due 1992	-	50.0	-	50.0
NZD 60m 14.0% bonds due 1992	-	43.0	-	43.0
NZD 50m 14.0% bonds due 1992	-	35.8	-	35.8
AUD 50m 14.25% bonds due 1992	-	50.0	-	50.0
AUD 75m 14.75% bonds due 1993	75.0	75.0	75.0	75.0
AUD 50m 16.0% bonds due 1992	-	50.0	-	50.0
AUD 60m 16.25% bonds due 1992	-	60.0	-	60.0
AUD 50m floating rate notes due 1992	-	50.0	-	50.0
GBP 78m floating rate notes due 1997	195.5	171.4	195.5	171.4
USD 200m floating rate notes due 1994	280.0	250.6	280.0	250.6
USD 200m floating rate notes due 1994	280.0	250.6	280.0	250.6
USD 150m floating rate notes due 1995	210.0	-	210.0	-
USD 125m floating rate notes due 1995	175.0	-	175.0	-
AUD medium term notes	50.0	57.2	50.0	57.2
GBP medium term notes	151.7	22.0	151.7	22.0
USD medium term notes	367.0	246.2	367.0	246.2
JPY medium term notes	17.6	-	17.6	-
Total bonds and notes	2,215.2	2,118.5	2,135.7	2,042.5
Bonds and notes by currency				
USD United States dollars	1,312.0	747.4	1,312.0	747.4
GBP British pounds	472.5	303.3	472.5	303.3
ECU European currency units	194.1	231.8	194.1	231.8
AUD Australian dollars	190.0	692.2	125.0	627.2
LUX Luxembourg francs	29.0	22.0	14.5	11.0
JPY Japanese yen	17.6	-	17.6	-
NZD New Zealand dollars	-	121.8	-	121.8
	2,215.2	2,118.5	2,135.7	2,042.5
Bonds and notes by maturity				
Due not later than 1 year	766.0	757.7	766.0	757.7
Due later than 1 year but not later than 2 years	633.6	572.0	568.6	507.0
Due later than 2 years but not later than 5 years	620.1	617.4	605.6	606.4
Due later than 5 years	195.5	171.4	195.5	171.4
	2,215.2	2,118.5	2,135.7	2,042.5

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
25: LOAN CAPITAL				
Perpetual floating rate notes				
USD 300m subordinated floating rate notes ¹	420.0	375.9	420.0	375.9
USD 120m subordinated floating rate notes ²	168.0	150.3	-	-
USD 30m subordinated floating rate notes ³	42.0	37.6	-	-
	630.0	563.8	420.0	375.9
Subordinated notes				
USD 200m subordinated floating rate notes due 1998 ⁴	280.0	250.6	280.0	250.6
USD 200m subordinated floating rate notes due 1999 ⁵	280.0	250.6	280.0	250.6
USD 200m subordinated floating rate notes due 2002 ⁶	280.0	250.6	280.0	250.6
USD 140m subordinated floating rate notes due 2000 ⁷	196.0	175.4	196.0	175.4
GBP 60m subordinated notes due 2001 ⁸	150.4	131.9	150.4	131.9
JPY 10,000m subordinated notes due 1999 ⁹	117.3	94.5	117.3	94.5
USD 79m subordinated floating rate notes due 2008 ¹⁰	110.6	-	110.6	-
USD 70m subordinated floating rate notes due 1999 ¹¹	98.0	87.7	98.0	87.7
USD 70m subordinated floating rate notes due 2000 ¹²	98.0	87.7	98.0	87.7
NZD 125m subordinated floating rate notes due 2000 ¹³	93.9	89.6	-	-
USD 100m subordinated floating rate notes due 1994 ¹⁴	93.4	99.0	-	-
AUD 65m subordinated floating rate notes due 2000 ¹⁵	65.0	65.0	65.0	65.0
GBP 22.7m subordinated notes due 2000 ¹⁶	56.9	50.0	-	-
AUD 58.2m subordinated floating rate notes due 2001 ¹⁷	55.4	54.6	55.4	54.6
AUD 55.3m subordinated floating rate notes due 2000 ¹⁸	52.7	51.7	52.7	51.7
AUD 48.8m subordinated notes due 1999 ¹⁹	48.8	48.8	48.8	48.8
LUX 1,000m subordinated notes due 1998 ²⁰	48.2	36.6	48.2	36.6
USD 30m subordinated floating rate notes due 1999 ²¹	42.0	37.6	42.0	37.6
USD 14.3m subordinated floating rate notes due 2008 ²²	20.0	-	20.0	-
USD 12.5m subordinated floating rate notes due 2007 ²³	17.5	-	17.5	-
JPY 568.8m subordinated floating rate notes due 2008 ²⁴	6.7	-	6.7	-
JPY 482m subordinated floating rate notes due 2007 ²⁵	5.6	-	5.6	-
USD 100m subordinated floating rate notes due 1992 ²⁶	-	125.3	-	-
	2,216.4	1,987.2	1,972.2	1,623.3
Total loan capital	2,846.4	2,551.0	2,392.2	1,999.2
Loan capital by currency				
USD United States dollars	2,145.5	1,928.3	1,842.1	1,516.1
AUD Australian dollars	221.9	220.1	221.9	220.1
GBP British pounds	207.3	181.9	150.4	131.9
JPY Japanese yen	129.6	94.5	129.6	94.5
NZD New Zealand dollars	93.9	89.6	-	-
LUX Luxembourg francs	48.2	36.6	48.2	36.6
	2,846.4	2,551.0	2,392.2	1,999.2
Loan capital by maturity				
Due not later than 1 year	-	125.3	-	-
Due later than 1 year but not later than 2 years	93.4	-	-	-
Due later than 2 years but not later than 5 years	-	99.0	-	-
Due later than 5 years	2,123.0	1,762.9	1,972.2	1,623.3
Perpetual	630.0	563.8	420.0	375.9
	2,846.4	2,551.0	2,392.2	1,999.2

25: LOAN CAPITAL (CONTINUED)

- ¹ Issued 30 October 1986. Interest is payable semi-annually in arrears in April and October at a rate of 0.15% p.a. above rates offered for US dollar deposits by leading banks in London (LIBOR) for each six month period.
- ² Issued 30 November 1988. Interest is payable semi-annually in arrears in May and November. The interest rate is equal to 0.8% p.a. above LIBOR. The notes are issued with a repricing option in 1998 and each 10 years thereafter. Under certain circumstances these notes can be converted to ordinary shares of the Company at a prevailing market price.
- ³ Issued 15 December 1988. Interest is payable semi-annually in arrears in May and November. The interest rate is equal to 0.8% p.a. above LIBOR. The notes are issued with a repricing option in 1998 and each 10 years thereafter. Under certain circumstances these notes can be converted to ordinary shares of the Company at a prevailing market price.
- ⁴ Issued 10 March 1988 and will mature in March 1998. Interest on the notes is payable semi-annually in arrears in March and September at a rate 0.50% p.a. above LIBOR.
- ⁵ Issued 20 December 1989 and will mature in December 1999. Interest on the notes is payable semi-annually in arrears in June and December at a rate 0.50% p.a. above LIBOR.
- ⁶ Issued on 11 October 1990 and will mature in five equal annual instalments in October of 1998 to 2002. Interest on the notes is payable quarterly in arrears in January, April, July and October at a variable rate over LIBOR with a ceiling of 0.60% p.a. until October 1995 and 0.70% p.a. thereafter until maturity.
- ⁷ Issued 24 April 1990 and will mature in April 2000. Interest on the notes is payable semi-annually in arrears in April and October at a rate of 0.50% p.a. above LIBOR.
- ⁸ Issued 16 May 1991 and will mature in May 2001. Interest on the notes is payable annually in arrears in May at a rate of 12.625% p.a.
- ⁹ Issued 26 June 1989 and will mature in June 1999. The redemption amount of these notes is linked by a formula to future foreign exchange rates. Interest is payable annually in arrears in June.
- ¹⁰ Issued 12 December 1991 and will mature in December 2008 with progressive amortisation commencing in January 2008. Interest on the debt is payable semi-annually in arrears in January and July. The interest rate is 1.03% p.a. above LIBOR until January 2002, thereafter the interest rate will be 0.53% p.a. above LIBOR.
- ¹¹ Issued 15 November 1989 and will mature in October 1999. Interest on the notes is payable semi-annually in arrears in April and October at a rate 0.46% p.a. above LIBOR.
- ¹² Issued on 24 October 1990 and will mature in April 2000. Interest on the notes is payable semi-annually in arrears in April and October at a rate 0.625% p.a. above LIBOR.
- ¹³ Issued 30 November 1990 and will mature in November 2000. Interest on the notes is payable semi-annually in arrears in May and November at an interest rate of 14.25% p.a. until November 1995. Thereafter, interest will be payable quarterly in arrears in February, May, August and November at a rate 0.80% p.a. above the stated average of Bank Bill rates.
- ¹⁴ Issued 1 February 1984 and will mature in February 1994. Interest on the notes is payable semi-annually in arrears in February and August at a rate 0.125% p.a. above LIBOR. During 1992 USD 12.3m (1991 USD 21m) was purchased on the open market reducing the outstanding balance to USD 66.7m (1991 USD 79m).
- ¹⁵ Issued 4 April 1990 and will mature in March 2000. Interest is payable quarterly in arrears in March, June, September and December at a rate 0.40% p.a. above the stated average of Bank Bill rates.
- ¹⁶ Issued 24 January 1990 and will mature in January 2000. The redemption amount of these notes is linked by a formula to future foreign exchange rates. Interest is payable annually in arrears in January.
- ¹⁷ Issued 27 August 1990 at a discount and will mature in January 2001. Interest on the notes is payable semi-annually in arrears in January and July. The interest rate is 12.5% p.a. until July 1996, thereafter the interest will be at a rate 0.40% p.a. above the stated average of Bank Bill rates.
- ¹⁸ Issued 16 March 1990 at a discount and will mature in March 2000. Interest on the notes is payable semi-annually in arrears in March and September. The interest rate is 12.5% p.a. until March 1995, thereafter the interest will be at a rate 0.40% p.a. above the stated average of Bank Bill rates.
- ¹⁹ Issued 29 March 1989 and will mature in March 1999. The redemption amount of these notes is linked by a formula to future foreign exchange rates. Interest is payable annually in arrears in March.
- ²⁰ Issued 16 April 1991 and will mature in April 1998. Interest on the notes is payable annually in arrears in April at a rate of 9.375% p.a.
- ²¹ Issued 15 November 1989 and will mature in September 1999. Interest on the notes is payable semi-annually in arrears in March and September at a rate 0.46% p.a. above LIBOR.
- ²² Issued 27 March 1992 and will mature in March 2008 with progressive amortisation occurring in 2002, 2003, 2004, 2005, 2006, 2007 and 2008. Interest on the debt is payable semi-annually in arrears in February and August at a rate 0.50% p.a. above LIBOR.
- ²³ Issued 17 October 1991 and will mature in October 2007 with progressive amortisation occurring in 2002, 2003, 2004, 2005, 2006 and 2007. Interest on the debt is payable semi-annually in arrears in March and September at a rate 0.50% p.a. above LIBOR.
- ²⁴ Issued 27 March 1992 and will mature in March 2008 with progressive amortisation occurring in 2006 and 2007. Interest on the debt is payable semi-annually in arrears in February and August at a rate 0.55% p.a. above LIBOR.
- ²⁵ Issued 17 October 1991 and will mature in October 2007 with progressive amortisation occurring in 2005, 2006 and 2007. Interest on the debt is payable semi-annually in arrears in March and September at a rate 0.50% p.a. above LIBOR.
- ²⁶ Issued 29 September 1982 and matured in September 1992. Interest on the notes was payable semi-annually in arrears in March and September at a rate 0.25% p.a. above LIBOR.

Loan capital is subordinated in right of payment to the claims of depositors and all other creditors of the Company and its controlled entities which have issued the notes and constitutes tier 2 capital as defined by the Reserve Bank of Australia for capital adequacy purposes.

Notes to the Financial Statements

	THE COMPANY	
	1992 \$M	1991 \$M
26: PAID-UP CAPITAL		
Authorised capital		
2,100,000,000 shares of \$1 each	2,100.0	2,100.0
1,000,000,000 preference shares of \$0.01 each	10.0	10.0
Total authorised capital	2,110.0	2,110.0
Issued and paid-up capital		
Balance at start of period	1,025.6	971.5
Ordinary shares ¹		
Rights issue ²	103.6	-
Dividend reinvestment plan ³	25.6	37.6
Employee share purchase scheme ⁴	3.6	3.4
Bonus option plan ⁵	4.2	5.5
Senior officers' share purchase scheme ⁶	1.1	1.5
Exercise of warrant rights ⁷	0.8	-
Directors' share and option purchase scheme ⁸	-	0.1
Preference shares		
Non-redeemable non-cumulative converting preference shares	-	6.0
Total paid-up capital	1,164.5	1,025.6
Number of issued shares	NO.	NO.
Ordinary shares of \$1 each fully paid	1,054,524,274	1,019,292,523
Ordinary shares of \$1 each paid to 50¢ per share	207,223,415	-
Ordinary shares of \$1 each paid to 10¢ per share	3,557,000	3,971,000
Non-redeemable non-cumulative converting preference shares of \$1 each fully paid	6,000,000	6,000,000
Total number of issued shares	1,271,304,689	1,029,263,523

Share options

During the financial year, in terms of the 'Directors share and option purchase scheme' approved by shareholders, the Company granted 100,000 options to purchase ordinary shares of \$1 each in the Company at an exercise price of \$4.08 per share. The date of expiration of these options is 28 February 1997 or 90 days after a director ceases to be a director, if before 28 February 1997.

Unissued ordinary shares of \$1 each under the 'Directors share and option purchase scheme' at the date of these accounts are 200,000 shares at an exercise price of \$3.74 per share, 100,000 shares at an exercise price of \$5.45 per share and 100,000 shares at an exercise price of \$4.08 per share with respective expiration dates of 28 February 1993, 28 February 1994 and 28 February 1997 or 90 days after cessation of a director's term of office.

¹ The purpose of the issues of ordinary shares was to strengthen the Economic entity's capital base and to raise funds for general purpose

² Rights issue was
207,223,415 ordinary shares at \$3.76 per share partly paid to 50 cents par value and \$1.38 premium with the balance payable on 26 March 1993

³ Dividend reinvestment plan issues were
10,551,154 ordinary shares at \$4.46 per share
15,053,077 ordinary shares at \$3.58 per share

⁴ Employee share purchase scheme issues were
3,245,754 ordinary shares at \$3.27 per share
316,908 ordinary shares at \$3.17 per share

⁵ Bonus option plan issues were
1,627,305 ordinary shares at \$4.46 per share
2,616,553 ordinary shares at \$3.58 per share

⁷ Exercise of warrants
810,000 ordinary shares at \$4.59 per share

⁸ Directors' share and option purchase scheme issues were
14,000 ordinary shares at \$3.75 per share

⁶ Senior officers' share purchase scheme issues were
17,000 ordinary shares at \$5.60 per share
25,000 ordinary shares at \$5.46 per share
18,000 ordinary shares at \$5.42 per share
74,500 ordinary shares at \$5.36 per share
35,000 ordinary shares at \$5.26 per share
30,000 ordinary shares at \$5.20 per share
64,000 ordinary shares at \$5.04 per share
19,500 ordinary shares at \$4.93 per share
16,000 ordinary shares at \$4.90 per share
27,000 ordinary shares at \$4.85 per share
10,000 ordinary shares at \$4.72 per share
11,000 ordinary shares at \$4.68 per share
37,500 ordinary shares at \$4.60 per share
10,000 ordinary shares at \$4.55 per share
507,000 ordinary shares at \$4.09 per share
43,000 ordinary shares at \$3.75 per share
52,500 ordinary shares at \$3.42 per share

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
27: RESERVES				
Share premium reserve				
Balance at start of year	2,069.8	1,404.0	2,069.8	1,404.0
Premium on issue of shares	371.4	674.6	371.4	674.6
Transfers between reserves	0.5	-	0.5	-
Issue costs ¹	(9.2)	(8.8)	(9.2)	(8.8)
	2,432.5	2,069.8	2,432.5	2,069.8
Asset revaluation reserve				
Balance at start of year	170.9	163.3	26.8	26.8
Revaluation of premises	(162.3)	9.2	8.8	-
Revaluation of investments in controlled entities	-	-	234.1	-
Vested -				
Australia and New Zealand Savings Bank Limited ²	-	-	100.0	-
Transfer to profit and loss account	(0.7)	(0.9)	-	-
Other	-	(0.7)	-	-
	7.9	170.9	369.7	26.8
Foreign currency translation reserve				
Balance at start of year	(52.0)	96.5	191.2	221.0
Currency translation adjustments	200.2	(143.3)	44.2	(33.2)
Transfer to profit and loss account	-	(10.8)	-	-
Net gain (loss) on hedge contracts	(118.2)	5.6	-	3.4
Vested -				
Australia and New Zealand Savings Bank Limited ²	-	-	(0.2)	-
	30.0	(52.0)	235.2	191.2
General reserve				
Balance at start of year	945.4	961.6	539.3	539.3
Transfer to profit and loss account	(376.2)	(16.2)	(400.0)	-
Transfer between reserves	16.1	-	16.1	-
	585.3	945.4	155.4	539.3
Capital reserve				
Balance at start of year	166.5	166.5	16.6	16.6
Transfer between reserves	(16.6)	-	(16.6)	-
Other	(1.0)	-	-	-
	148.9	166.5	-	16.6
Total reserves	3,204.6	3,300.6	3,192.8	2,843.7
¹ Relates to March 1992 rights issue costs (refer note 26) (1991: preference share issue costs)				
² Details of the integration of the Company and Australia and New Zealand Savings Bank Limited are disclosed in note 1 and note 16				
28: OUTSIDE EQUITY INTERESTS				
Analysis of outside equity interests:				
Paid-up capital	27.6	17.3		
Reserves	15.5	13.5		
Retained profits	5.7	3.6		
Total outside equity interests	48.8	34.4		

29: EXCHANGE RATES

The exchange rates used in the translation of the results and the assets and liabilities of major overseas branches and controlled entities are

	1992		1991	
	CLOSING	AVERAGE	CLOSING	AVERAGE
British pound	0.3989	0.4157	0.4549	0.4292
United States dollar	0.7143	0.7545	0.7981	0.7762
New Zealand dollar	1.3318	1.3819	1.3960	1.3109

30: SEGMENT ANALYSIS

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

The Economic entity's principal operations are in its domestic markets of Australia and New Zealand although it also has significant international operations, being represented in 50 countries worldwide. Geographic segmentation of domicile and risk is not considered appropriate to the Economic entity's presentation of the results.

Geographical	CONSOLIDATED			
	1992		1991	
	\$M	%	\$M	%
Income				
Australia	6,419.4	63.0	7,828.5	63.9
New Zealand	1,165.9	11.4	1,459.0	11.9
Other markets	2,607.9	25.6	2,960.3	24.2
	10,193.2	100.0	12,247.8	100.0
Pre tax (loss) profit				
Australia	(1,117.8)	155.5	62.2	13.4
New Zealand	82.8	(11.5)	107.2	23.2
Other markets	316.4	(44.0)	293.8	63.4
	(718.6)	100.0	463.2	100.0
Abnormal items	11.7		18.5	
	(706.9)		481.7	
Post tax (loss) profit				
Australia	(806.0)	139.4	5.2	2.0
New Zealand	77.8	(13.5)	92.7	34.8
Other markets	150.1	(25.9)	168.3	63.2
	(578.1)	100.0	266.2	100.0
Abnormal items	(0.9)		1.1	
	(579.0)		267.3	
Total assets				
Australia	65,478.6	64.7	66,169.2	67.4
New Zealand	10,517.9	10.4	10,192.1	10.4
Other markets	25,141.2	24.9	21,851.0	22.2
	101,137.7	100.0	98,212.3	100.0
Risk weighted assets				
Australia	56,116.9	69.5	57,295.5	71.0
New Zealand	8,010.9	9.9	8,149.4	10.1
Other markets	16,592.8	20.6	15,260.6	18.9
	80,720.6	100.0	80,705.5	100.0

Notes to the Financial Statements

	CONSOLIDATED			
	SM	1992 %	SM	1991 %
30: SEGMENT ANALYSIS (CONTINUED)				
Industry				
Income				
General banking	8,765.4	86.0	10,517.8	85.9
Finance	1,262.1	12.4	1,564.2	12.8
Insurance and funds management	148.1	1.4	138.1	1.1
Other	17.6	0.2	27.7	0.2
	10,193.2	100.0	12,247.8	100.0
Pre tax (loss) profit				
General banking	(560.2)	78.0	459.5	99.2
Finance	(208.8)	29.0	(62.6)	(13.5)
Insurance and funds management	43.8	(6.1)	47.1	10.2
Other	6.6	(0.9)	19.2	4.1
	(718.6)	100.0	463.2	100.0
Abnormal items	11.7		18.5	
	(706.9)		481.7	
Post tax (loss) profit				
General banking	(489.0)	84.6	252.0	94.6
Finance	(125.5)	21.7	(36.8)	(13.8)
Insurance and funds management	34.9	(6.0)	36.2	13.6
Other	1.5	(0.3)	14.8	5.6
	(578.1)	100.0	266.2	100.0
Abnormal items	(0.9)		1.1	
	(579.0)		267.3	
Total assets				
General banking	90,401.9	89.4	87,472.5	89.0
Finance	9,012.6	8.9	9,781.5	10.0
Insurance and funds management	402.8	0.4	249.1	0.3
Other	1,320.4	1.3	709.2	0.7
	101,137.7	100.0	98,212.3	100.0

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992	1991	1992	1991
	\$M	\$M	\$M	\$M

31: NOTES TO THE STATEMENTS OF CASH FLOWS

a) Reconciliation of operating (loss) profit after income tax to net cash provided by operating activities:

	INFLOWS (OUTFLOWS)		INFLOWS (OUTFLOWS)	
Operating (loss) profit after income tax	(579.0)	267.3	(873.8)	793.4
Adjustments to reconcile operating (loss) profit after income tax to net cash provided by operating activities:				
Provision for doubtful debts	1,937.4	1,053.3	1,563.1	733.5
Depreciation and amortisation	178.5	189.9	71.0	94.2
Provision for employee entitlements and others	182.3	114.2	82.8	89.2
Payments from provisions	(155.1)	(137.3)	(92.6)	(36.3)
Profit on sale of premises	(2.3)	(14.0)	(0.4)	(1.7)
Profit on sale of controlled entities	(8.0)	(4.1)	-	-
Profit on sale of investment securities	(156.4)	(91.3)	(50.9)	(63.3)
Goodwill on acquisition	-	26.9	-	0.2
Net (increase) decrease				
Trading securities	(341.6)	202.7	(119.2)	111.7
Interest receivable	39.9	161.5	66.2	27.5
Accrued income	17.7	69.3	11.0	48.9
Net increase (decrease)				
Provision for income tax	(363.8)	(172.5)	(403.4)	(126.6)
Interest payable	(242.0)	(307.6)	(38.7)	(130.8)
Accrued expenses	131.1	23.1	65.7	8.4
Other	(4.6)	(95.2)	(10.0)	10.0
Total adjustments	1,213.1	1,018.9	1,144.6	764.9
Net cash provided by operating activities	634.1	1,286.2	270.8	1,558.3

b) Reconciliation of cash

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheets as follows:

Liquid assets - less than 90 days	1,596.7	2,310.5	684.0	1,251.1
Due from other banks - less than 90 days	5,922.9	6,635.7	3,098.7	3,800.8
	7,519.6	8,946.2	3,782.7	5,051.9

Notes to the Financial Statements

	CONSOLIDATED		THE COMPANY	
	1992	1991	1992	1991
	\$M	\$M	\$M	\$M

31: NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

c) Acquisitions and disposals

Details of controlled entities acquired and disposed of by the Economic entity and assets and liabilities acquired by and vested in the Company¹ included in the financial statements are as follows:

	INFLOWS (OUTFLOWS)		INFLOWS (OUTFLOWS)	
Fair value of net assets acquired				
Liquid assets	4.4	3.3	51.4	-
Due from other banks	-	-	37.5	-
Investment securities	9.6	93.1	824.1	-
Regulatory deposits	-	23.6	-	-
Due from (to) controlled entities	-	-	(3,252.2)	-
Net loans and advances	104.1	478.9	11,833.1	-
Shares in controlled entities and associates	-	1.3	105.0	-
Other assets	171.6	4.7	553.1	-
Premises and equipment	117.3	38.9	0.1	-
Creditors and other liabilities	(115.9)	(24.5)	(204.9)	-
Deposits and other borrowings	(169.8)	(506.1)	(7,614.4)	-
Income tax liability	(0.2)	-	(76.2)	-
Provisions	(20.5)	(0.8)	(11.3)	-
Outside equity interests in controlled entities	(5.9)	-	-	-
Fair value of net assets acquired	94.7	112.4	2,245.3	-
Goodwill on acquisition	-	26.9	-	-
	94.7	139.3	2,245.3	-
Shareholders' equity of Australia and New Zealand Savings Bank Limited integrated:				
Investment in controlled entity	-	-	(165.5)	-
Reserves vested	-	-	(99.8)	-
Retained earnings vested	-	-	(131.9)	-
Consideration	94.7	139.3	1,848.1	-
Less: Amounts due to controlled entities	-	-	1,415.8	-
Cash balances acquired	4.4	3.3	-	-
Cash outflow	90.3	136.0	432.3	-

Details of the assets and liabilities disposed of during the year were not material at the date of disposal.

d) Non-cash financing and investing activities

Share capital issue:

Dividend reinvestment plan	100.9	112.4
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¹ Includes assets and liabilities of the controlled entity, Australia and New Zealand Savings Bank Limited, vested in the Company on 1 July 1992 (refer note 1 (iii)) together with certain assets and liabilities acquired from the controlled entities NMRB Ltd (formerly National Mutual Royal Bank Limited), NMRSB Ltd (formerly National Mutual Royal Savings Bank Limited) and Esanda Finance Corporation Ltd.

	INCORPORATED IN	CONTRIBUTION TO THE CONSOLIDATED				NATURE OF BUSINESS
		BOOK VALUE		RESULT		
		1992 \$M	1991 \$M	1992 \$M	1991 \$M	
32: CONTROLLED ENTITIES						
All controlled entities are 100% owned unless otherwise noted						
Australia and New Zealand Banking Group Limited						
				(846.2)	(110.0)	Banking
* ANZ Bank (Guernsey) Ltd	Guernsey	21.6	0.5	2.2	2.3	Banking
* ANZ Management Company (Guernsey) Ltd	Guernsey	0.2	0.1	0.1	0.1	Fund management
* ANZ Trust Company (Guernsey) Ltd	Guernsey	#	#	#	#	Trustee
ANZ Executors & Trustee Company Ltd						
ANZ Executors Nominees Ltd	Australia	#	#	#	#	Trustee/nominee
ANZ Executors & Trustee Co. (Canberra) Ltd	Australia	0.6	0.6	0.2	0.2	Trustee/nominee
ANZ Executors & Trustee Co. (South Australia) Ltd	Australia	0.8	0.8	0.6	0.7	Trustee/nominee
ANZ V2 Plus Ltd	Australia	#	-	#	-	Trustee/nominee
B. & R. Securities Pty Ltd	Australia	#	#	#	#	Trustee/nominee
ANZ Funds Pty Ltd						
† Dalgety Farmers Ltd ¹	Australia	94.7	-	-	-	Rural industry broker/agent
† Abovewho Pty Ltd	Australia	#	-	-	-	Non-operative
† Active Day Hospitals of Australia Pty Ltd	Australia	#	-	-	-	Property development
† Asquith Investments Pty Ltd ²	Australia	#	-	-	-	Property development
† Australia Wool Exchange Pty Ltd	Australia	#	-	-	-	Non-operative
† Bennetts Farmers Ltd	Australia	0.5	-	-	-	Property rental
† Dalgety Australia Operations Ltd	Australia	#	-	-	-	Wool trading & scouring
† Dalgety Bridge Pty Ltd	Australia	#	-	-	-	Investment
† Dalgety Essex Technology Pty Ltd	Australia	#	-	-	-	Farm technology
† Dalgety Farmers Nominees Pty Ltd	Australia	#	-	-	-	Non-operative
† Dalgety Pension Fund Pty Ltd	Australia	#	-	-	-	Non-operative
† Dalgety Primary Services Pty Ltd	Australia	0.2	-	-	-	Rural lending
† Dalgety Real Estate (Qld) Pty Ltd	Australia	#	-	-	-	Real estate agent
† Dalgety Real Estate (Vic) Pty Ltd	Australia	#	-	-	-	Real estate agent
† Dalgety Rural Finance Ltd	Australia	0.6	-	-	-	Finance
† Gippsland and Northern Properties Ltd	Australia	12.9	-	-	-	Agribusiness
† Glen Gala Estates Pty Ltd	Australia	#	-	-	-	Property development
† Goodman & Donoghue Pty Ltd	Australia	0.4	-	-	-	Agribusiness
† Montage Pty Ltd	Australia	#	-	-	-	Property management
† Port Phillip Scouring Pty Ltd ³	Australia	0.5	-	-	-	Wool processing
† Port Phillip Wool Traders Pty Ltd	Australia	0.1	-	-	-	Wool buyer/seller
† Watlingford Real Estate Pty Ltd	Australia	0.6	-	-	-	Property management
† Wooldumpers (Sydney) Ltd ⁴	Australia	0.2	-	-	-	Non-operative
* ANZ Holdings (New Zealand) Ltd	New Zealand	172.3	163.7	(12.7)	(48.3)	Holding company
* ANZ Banking Group (New Zealand) Ltd	New Zealand	301.2	287.3	9.5	24.9	Banking
* ANZ Finance (New Zealand) No. One Ltd ⁵	New Zealand	#	#	(0.1)	#	Investment
* ANZ Holdings (New Zealand) 1990 Ltd	New Zealand	34.3	132.2	(2.6)	1.2	Holding company
* ANZ Investment Services (New Zealand) Ltd	New Zealand	#	#	13.4	#	Trust management
* ANZ McCaughan (NZ) Ltd	New Zealand	#	#	#	0.4	Non-operative
* ANZ McCaughan Securities (NZ) Ltd	New Zealand	#	#	0.7	(0.2)	Stockbroking
* ANZ Pensions (New Zealand) Ltd	New Zealand	#	#	#	#	Staff pension funds
* ANZ Properties (New Zealand) Ltd	New Zealand	10.0	9.5	(3.2)	2.3	Property owner
* ANZ Savings Bank (New Zealand) Ltd	New Zealand	7.6	7.3	(4.3)	(0.3)	Banking
* ANZ Securities (New Zealand) Ltd	New Zealand	#	#	#	#	Non-operative
* ANZMAC Securities (NZ) Nominees Ltd	New Zealand	#	#	#	#	Nominee
* Bage Investments Ltd	New Zealand	187.7	179.1	11.6	17.8	Investment
* Charge Card Corporation Ltd	New Zealand	#	#	0.7	#	Charge card services
* Coast Cash Orders and Finance Ltd	New Zealand	0.1	0.1	0.1	0.1	Finance
* Endeavour Investments (New Zealand) Ltd	New Zealand	416.6	397.4	49.3	47.0	Holding company
* Equitable Development Corporation Ltd	New Zealand	#	#	(0.1)	#	Lease finance
* Esanda Ltd	New Zealand	#	#	#	#	Non-operative
* Genfin Holdings Ltd	New Zealand	0.9	0.9	#	#	Non-operative
* Kea Car Sales Ltd ⁶	New Zealand	0.8	0.7	#	#	Non-operative
* Leverage Lease Nominee Ltd	New Zealand	#	#	#	#	Nominee
* Mutual Finance Ltd ⁷	New Zealand	0.8	0.4	#	#	Finance
* Mutual Leasing Ltd ⁸	New Zealand	1.8	2.2	0.1	(0.2)	Motor vehicle leasing
§ * National Mutual Financial Services Ltd	New Zealand	38.2	36.4	#	#	Non-operative
* National Mutual Permanent Building Society	New Zealand	10.4	10.1	#	2.1	Building society
* New Zealand Merchant Nominees Ltd	New Zealand	#	0.1	#	#	Lease finance
* Post Office Bank Ltd	New Zealand	262.0	249.9	7.9	34.2	Banking

	INCORPORATED IN	CONTRIBUTION TO THE CONSOLIDATED RESULT				NATURE OF BUSINESS
		BOOK VALUE				
		1992 \$M	1991 \$M	1992 \$M	1991 \$M	
32: CONTROLLED ENTITIES (CONTINUED)						
* Southland Development Corporation Ltd	New Zealand	3.0	5.0	0.9	0.6	Finance
* Southland Development Properties Ltd	New Zealand	0.7	0.6	#	#	Property development
* Tui Nominees Ltd	New Zealand	#	-	#	-	Nominee
* UDC Developments Ltd	New Zealand	#	#	(0.5)	(2.9)	Investment
* UDC Finance Ltd	New Zealand	45.8	43.7	(1.5)	2.3	Finance
* UDC Finance 88 Ltd ⁹	New Zealand	10.3	13.5	1.1	1.0	Finance
* UDC Finance (1991) Ltd ¹⁰	New Zealand	33.7	11.1	6.1	6.2	Finance
* UDC Group Holdings Ltd	New Zealand	55.8	59.9	(1.1)	(0.2)	Holding company
* UDC Leasing Ltd	New Zealand	0.1	0.1	2.4	4.4	Lease finance
* UDC Mercantile Securities Ltd	New Zealand	7.5	7.2	0.1	0.2	Finance
* UDC Nominees Ltd	New Zealand	#	#	#	#	Nominee
* ANZ International Pte Ltd	Singapore	224.1	260.1	1.4	1.3	Holding company
* ANZ Asia Ltd	Hong Kong	1.8	1.6	7.6	6.9	Finance
* ANZ Asia Pacific Holdings Ltd	Hong Kong	4.2	3.8	0.5	(0.1)	Holding company
* ANZ Bank (Cook Islands) Ltd	Cook Islands	#	#	#	#	Banking
* ANZ Bank (Vanuatu) Ltd	Vanuatu	1.0	1.0	1.4	1.6	Banking
* ANZ Managed Investments (Asia) Pte Ltd	Singapore	0.4	0.4	#	#	Investment
* ANZ McCaughan Securities (Asia) Ltd	Hong Kong	1.9	1.7	0.9	1.0	Merchant banking
* ANZ Singapore Ltd	Singapore	11.7	10.4	2.0	2.9	Merchant banking
* ANZCOVER Insurance Pte Ltd	Singapore	5.3	4.5	(5.2)	1.2	Insurance
* Bank of Western Samoa ¹¹	Western Samoa	7.9	7.9	2.8	1.3	Banking
* Beneficial Acceptance Ltd	Vanuatu	0.1	0.1	#	#	Property owner
* Index Computing Pte Ltd	India	0.3	0.3	1.6	1.0	Computer consultant
* Siam Digest Ltd	Thailand	#	#	0.1	#	Investment
Town & Country Bank Ltd	Australia	99.1	99.1	10.1	9.0	Finance
Glencove Pty Ltd	Australia	#	#	0.2	#	Management
* GMB International No. 3 Ltd	Cayman Islands	#	-	#	-	Mortgage securities
Guaranty Finance Insurance Pty Ltd	Australia	5.0	5.0	1.3	(2.4)	Mortgage insurance
T & C Management Pty Ltd	Australia	#	#	0.1	#	Property manager
T & C Technology Pty Ltd	Australia	#	#	(4.9)	1.6	Computer software
† Topgard Pty Ltd ¹²	Australia	#	#	#	#	Mortgage securities
† Town & Country Housing Bonds Ltd ¹³	Australia	#	#	#	#	Mortgage securities
† Town & Country Housing Trust ¹⁴	Australia	41.4	-	0.2	-	Mortgage securities
Town & Country Properties Ltd	Australia	#	#	0.8	(1.4)	Management
† Town & Country Property Growth Trust	Australia	10.6	-	1.1	-	Property investment
† Wetsum Pty Ltd ¹⁵	Australia	#	#	#	#	Mortgage securities
‡ A.N.Z. Holdings Ltd	Australia	127.9	54.8	5.3	7.5	Property owner
‡ Tannadice Pty Ltd	Australia	#	#	#	#	Investment
‡ Tirocourt Pty Ltd	Australia	#	#	#	#	Property owner
* ANZ Holdings (UK) plc	England	350.4	307.3	(7.0)	#	Holding company
* Anvid Ltd	England	#	#	0.1	(0.1)	Property finance
* Anzstock Securities Ltd	England	#	#	#	(0.1)	Market maker
* ANZ Aval Ltd	England	#	#	#	#	Factoring
* ANZ Finance Corporation Ltd	England	#	#	#	5.2	Holding company
§ ANZ Finanziaria Sp A	Italy	1.0	1.1	#	#	Non-operative
* ANZ Grindlays Bank (Botswana) Ltd	Botswana	7.1	6.2	(1.2)	#	Banking
* ANZ Grindlays Bank (Jersey) Ltd	Jersey	95.6	83.9	17.2	14.3	Banking
* ANZ Grindlays Bank (Zambia) Ltd	Zambia	2.8	2.5	0.9	1.4	Banking
* A.N.Z. Grindlays Bank (Zimbabwe) Ltd	Zimbabwe	14.7	13.6	2.7	5.4	Banking
* ANZ Grindlays Bank Nominees (Jersey) Ltd	Jersey	#	#	#	#	Nominee
* ANZ Grindlays Bank plc	England	261.0	228.8	106.7	109.1	Banking
* ANZ Grindlays Executor & Trustee Co. Ltd	England	0.3	0.2	#	#	Corporate trustee
* ANZ Grindlays Export Finance Ltd	England	0.7	0.6	0.3	1.2	Export finance
* ANZ Grindlays Finance (Zimbabwe) Ltd	Zimbabwe	1.8	1.6	0.5	0.8	Hire purchase
* ANZ Grindlays Finance Corporation Ltd	England	230.5	200.0	7.4	(2.9)	Holding company
* ANZ Grindlays Industrial Holdings Ltd	England	45.3	37.6	0.8	0.3	Holding company
* ANZ Grindlays Jersey Holdings Ltd	Jersey	109.1	#	#	#	Holding company
* ANZ Grindlays Leasing (Zambia) Ltd	Zambia	0.4	0.2	0.3	(0.5)	Lease finance
* ANZ Grindlays Nominee Ltd	Jersey	#	#	#	#	Nominee
* ANZ Grindlays Secretaries Ltd	Jersey	#	#	#	#	Company administration
* ANZ Grindlays Trust Company SA	Switzerland	0.1	#	#	#	Trust manager
* ANZ Grindlays Trust Corporation (Jersey) Ltd	Jersey	3.4	#	0.9	#	Trust manager
* ANZ Grindlays Trust Holdings Ltd	Jersey	0.1	#	#	#	Holding company
* ANZ Grindlays Trust (Jersey) Ltd	Jersey	#	#	#	#	Trust manager
* ANZ Grindlays Yacht Services Ltd	Jersey	#	#	#	#	Yacht registration
* ANZ Leasing Ltd	England	#	#	(1.6)	(2.3)	Lease finance

	INCORPORATED IN	CONTRIBUTION TO THE CONSOLIDATED				NATURE OF BUSINESS
		BOOK VALUE		RESULT		
		1992 \$M	1991 \$M	1992 \$M	1991 \$M	
32: CONTROLLED ENTITIES (CONTINUED)						
* ANZ Leasing (No 2) Ltd	England	#	#	(0.3)	#	Lease finance
* ANZ McCaughan Properties Ltd	England	#	#	1.7	(2.2)	Property owner
* ANZ McCaughan Securities (Switzerland) AG	Switzerland	4.7	4.1	0.2	(0.1)	Finance/banking
* ANZ McCaughan Securities (UK) Ltd	England	2.6	2.3	(0.8)	(0.8)	Investment banking
* ANZ McCaughan (UK) Ltd	England	#	#	(12.4)	(12.7)	Holding company
* ANZ MB Ltd ¹⁶	England	79.2	60.1	5.7	14.6	Investment banking
* ANZ MB Nominees Ltd ¹⁷	England	#	#	#	#	Nominee
* ANZ One Ltd	Jersey	#	#	#	#	Nominee
* ANZ Overseas Finance Ltd	England	0.1	0.1	#	#	Non-operative
* ANZ Participacoes E Servicos Ltda	Brazil	0.1	#	0.5	0.1	Representative services
§ * ANZ Securities (Agency Broking) Ltd	England	#	1.1	#	#	Non-operative
* ANZ Three Ltd	Jersey	#	#	#	#	Nominee
* ANZ Two Ltd	Jersey	#	#	#	#	Nominee
* Brandts Nominees Ltd	England	#	#	#	#	Nominee
* Camberley Developments Ltd	England	#	#	#	#	Property development
* Clive Street Nominees Pte Ltd	India	#	#	#	#	Nominee
* E.S.& A. Properties (UK) Ltd	England	0.3	0.3	#	#	Non-operative
* Esanda Finanz & Leasing Ltd ¹⁸	India	0.7	0.1	0.2	#	Lease finance
* Gillespie Bros & Company Ltd	England	#	#	#	(0.2)	Non-operative
† Grindlays Bahrain Bank B.S.C. ¹⁹	Bahrain	5.7	5.0	1.7	0.3	Banking
* Grindlays Bank International (Kenya) Ltd ²⁰	Kenya	0.9	0.8	1.3	1.1	Banking
† Grindlays Bank International (Uganda) Ltd	Uganda	0.6	0.2	0.6	0.5	Banking
* Grindlays Bank International (Uganda) Forex Bureau Ltd	Uganda	#	#	#	#	Foreign exchange dealing
† Grindlays Bank (Uganda) Ltd ²¹	Uganda	1.5	0.5	0.5	0.5	Banking
† Grindlays Bank (Zaire) S.Z.A.R.L.	Zaire	0.5	0.5	0.7	1.6	Banking
† Grindlays Equipment Finance Ltd	England	#	#	0.1	0.1	Lease finance
* Grindlays Executor & Trust Company (Pte) Ltd	Zimbabwe	#	#	#	#	Trust company
§ * Grindlays Export Finance AG	Switzerland	0.1	#	#	#	Non-operative
* Grindlays International (Cayman Islands) Ltd	Cayman Islands	#	#	#	#	Non-operative
* Grindlays International (Nederland) B.V.	Netherlands	0.5	0.5	#	(0.1)	Non-operative
* Grindlays International Finance (Kenya) Ltd ²²	Kenya	#	#	#	#	Project finance
* Grindlays Nominees (Kenya) Ltd ²³	Kenya	#	#	#	#	Nominee
* Grindlays Nominees (Private) Ltd	Zimbabwe	#	#	#	#	Nominee
* Grindlays Nominees (Zambia) Ltd	Zambia	#	#	#	#	Nominee
† Grindlays Services of Pakistan (Pte) Ltd	Pakistan	2.5	0.9	0.5	(0.3)	Unit trust
* Hotel Regina SA	Switzerland	#	#	#	#	Non-operative
* Minerva Holdings Ltd	England	230.5	202.0	5.1	18.7	Holding company
* Minerva Nominees Ltd	England	#	#	#	#	Nominee
* National and Grindlays Bank Ltd	England	#	#	#	#	Non-operative
* National and Grindlays Bank Trust Co. Ltd	England	#	#	#	#	Trustee
* Nepal Grindlays Bank Ltd ²⁴	Nepal	1.3	1.1	1.0	2.1	Banking
* Olec Secretaries Ltd	Jersey	#	#	#	#	Secretarial services
* Olec Trustee Ltd	Jersey	#	#	#	#	Trustee
§ * Pargola (Shipping) Ltd	England	#	#	#	#	Non-operative
* Property Finance Partnership Ltd	England	0.3	0.1	#	#	Nominee
* Soci�t� Immobili�re Quai du Mont-Blanc 7	Switzerland	2.6	2.0	0.1	0.1	Property holder
* Spey Industrials Ltd	England	#	#	#	#	Non-operative
ANZ Life Assurance Company Ltd	Australia	185.0	100.1	23.3	22.0	Life assurance
Crescent Pacific Properties Ltd	Australia	#	#	#	#	Investment
§ Greater Pacific Casualty Ltd	Australia	0.2	0.2	#	0.2	Non-operative
§ Greater Pacific Financial Services Ltd	Australia	0.4	0.4	#	0.1	Non-operative
Greater Pacific Nominees Pty Ltd	Australia	#	#	#	#	Trustee
ANZ McCaughan Ltd	Australia	49.7	41.7	0.8	5.5	Merchant banking
ANZCAP Commercial Development Ltd	Australia	#	#	#	#	Consulting
ANZCAP Securities Ltd	Australia	2.0	2.0	#	#	Securities dealer
ANZ McCaughan Clearing Services Ltd	Australia	1.0	1.0	#	#	Funds management
ANZ McCaughan Corporate & Financial Services Ltd	Australia	0.8	0.8	1.1	(0.5)	Consulting
ANZ McCaughan Futures Ltd	Australia	#	#	0.5	0.4	Futures trading
ANZ McCaughan Portfolio Allocation Ltd	Australia	0.1	0.1	#	#	Futures clearing
ANZ McCaughan Securities Ltd	Australia	6.4	6.4	0.5	(6.0)	Stockbroking
ANZ McCaughan Services Pty Ltd	Australia	#	#	(0.2)	(1.8)	Administration
* Australian International Ltd	Vanuatu	0.2	0.2	(0.4)	(1.8)	Merchant banking
Bow Lane Nominees Pty Ltd	Australia	#	#	#	#	Nominee

	INCORPORATED IN	CONTRIBUTION TO THE CONSOLIDATED				NATURE OF BUSINESS
		BOOK VALUE		RESULT		
		1992 \$M	1991 \$M	1992 \$M	1991 \$M	
32: CONTROLLED ENTITIES (CONTINUED)						
Kite Nominees Pty Ltd	Australia	#	#	#	#	Nominee
* McCaughan Dyson International Holdings B.V.	Netherlands	#	0.1	#	#	Holding company
Skeet Nominees Pty Ltd	Australia	#	#	#	#	Nominee
Snipe Nominees (1981) Pty Ltd	Australia	#	#	#	#	Nominee
Teal Nominees Pty Ltd	Australia	#	#	#	#	Nominee
A.N.Z. Properties (Australia) Ltd	Australia	47.8	105.0	14.1	6.3	Property owner
Weelya Pty Ltd	Australia	7.4	#	0.8	0.9	Property owner
* Australia and New Zealand Banking Group (PNG) Ltd²⁵						
* Niugini International Bank Ltd	PNG	3.4	3.1	#	#	Non-operative
Australia and New Zealand Savings Bank Ltd²⁶	Australia	-	165.5	131.9	105.6	Banking
Development Finance Corporation Ltd	Australia	51.8	64.1	2.2	0.9	Investment banking
A.F.T. Investors Services Ltd	Australia	5.7	5.7	#	#	Unit trust manager
A.F.T. Ltd	Australia	#	1.0	#	0.1	Non-operative
A.F.T. (Canberra) Ltd	Australia	#	#	#	#	Retirement fund
Allied Australian Investments Ltd	Australia	3.1	3.1	0.5	#	Investment
Australian Fixed Trusts Ltd	Australia	#	0.8	#	#	Superfund trustee
§ Australian Fixed Trusts (Victoria) Ltd	Australia	#	#	#	#	Non-operative
Belobek Pty Ltd	Australia	#	#	#	#	Securities investment
§ Buzila Pty Ltd	Australia	#	#	#	#	Non-operative
§ Cyplan Ltd	Australia	#	0.3	#	#	Non-operative
§ Delfin Acceptances Ltd	Australia	6.8	6.8	#	#	Non-operative
§ Delfin Financial Services Ltd	Australia	#	#	#	#	Non-operative
Delfin Holdings Ltd	Australia	15.9	15.9	0.8	0.7	Investment
§ Delfin Investment Services Ltd	Australia	#	#	#	#	Non-operative
§ Delfin Properties Pty Ltd	Australia	#	5.0	#	#	Non-operative
Delfin Services Ltd	Australia	1.5	1.5	#	#	Investment
§ Delfin Underwriting Ltd	Australia	0.5	0.5	#	#	Non-operative
Development Nominees Pty Ltd	Australia	#	#	#	#	Nominee
§ Japan-Australia Investment Co. Ltd	Australia	#	0.9	#	#	Non-operative
§ Vabeta Pty Ltd	Australia	#	#	#	#	Non-operative
‡ E.S. & A. Holdings Ltd	Australia	#	22.2	5.4	4.3	Property investment
‡ E.S. & A. Properties (Australia) Ltd	Australia	2.7	2.3	#	#	Property owner
Esanda Finance Corporation Ltd	Australia	499.9	569.5	(138.7)	(33.2)	General finance
Alliance Acceptance Co. Ltd	Australia	1.8	12.3	(2.6)	5.2	Finance
Alliance Commercial Finance Ltd	Australia	#	#	#	#	Trade finance
Alliance Credit (N.S.W.) Pty Ltd	Australia	0.1	0.8	0.1	#	Finance
Alliance Finance (Leasing) Pty Ltd	Australia	#	#	#	0.1	Finance
Alliance Holdings Ltd	Australia	58.4	132.0	(0.5)	0.7	Holding company
ANZCAP Leasing Nominees Pty Ltd	Australia	#	0.4	0.5	0.3	Lease finance
ANZCAP Leasing Nominees (Vic) Pty Ltd	Australia	#	#	0.4	(0.1)	Lease finance
ANZCAP Leasing Services Ltd	Australia	#	0.5	1.3	0.4	Lease finance
ANZCAP Leasing (Vic) Pty Ltd	Australia	#	1.4	1.8	1.1	Lease finance
EPD Pty Ltd	Australia	#	#	#	#	Land development
Esanda Equipment Credit Pty Ltd	Australia	#	#	1.3	1.3	Lease finance
Esanda (Finance) Australia Ltd	Australia	#	#	0.5	#	Lease finance
Esanda (Wholesale) Pty Ltd	Australia	#	#	#	#	Motor vehicle finance
Finance Corporation of Australia Ltd	Australia	75.0	77.8	17.5	4.8	Real estate finance
Lepac Ltd	Australia	62.0	126.2	#	0.1	Equity investment
MCL Finance Pty Ltd	Australia	#	#	#	(1.3)	Finance
MCL Holdings Pty Ltd	Australia	7.2	8.9	#	#	Holding company
MCL Leasing Pty Ltd	Australia	#	#	#	(0.5)	Finance
Mercantile Credits Ltd	Australia	31.2	83.8	4.9	(16.3)	General finance
Mercantile Credits Financial Services Ltd	Australia	#	14.3	#	(5.1)	Insurance broker
Mercantile Underwood Ltd	Australia	70.0	78.4	#	0.5	Investment
Mercredits Leasing Ltd	Australia	#	#	#	#	Finance
Mercredits Wholesale Ltd	Australia	0.4	1.2	#	#	Finance
The National Alliance Insurance Co. Ltd	Australia	1.5	1.8	#	#	Insurance
‡ F.C.A. Finance Pty Ltd	Australia	#	34.1	15.3	22.2	Real estate finance
‡ Analed Pty Ltd	Australia	#	#	(38.3)	(22.7)	Guarantor corporation
‡ Endeavour Hills Pty Ltd	Australia	#	#	#	#	Custodian/trustee
‡ Ironbark Developments Pty Ltd	Australia	#	#	#	#	Agent/trustee
‡ Lefca Investments Pty Ltd	Australia	#	#	#	#	Agent/trustee

	INCORPORATED IN	CONTRIBUTION TO THE CONSOLIDATED				NATURE OF BUSINESS
		BOOK VALUE		RESULT		
		1992 \$M	1991 \$M	1992 \$M	1991 \$M	
32: CONTROLLED ENTITIES (CONTINUED)						
McCaughan Dyson Holdings Ltd	Australia	11.4	13.2	#	#	Holding Company
* ANZ McCaughan Securities (USA) Inc.	USA	#	2.1	0.1	#	Stockbroking
‡ Melbourne Safe Deposit Pty Ltd	Australia	34.4	10.0	#	#	Holding company
ANZ Funds Management Ltd	Australia	#	0.2	14.6	7.3	Unit trust manager
§ ANZ Group Insurance Brokers Ltd	Australia	#	#	#	#	Non-operative
‡ NMRB Ltd ²⁷	Australia	357.1	236.5	(8.6)	10.7	Banking
ANZ Capel Court Ltd	Australia	57.4	57.4	3.0	4.3	Investment banking
Bronzan Pty Ltd	Australia	0.6	#	#	#	Investment
Capel Court Finance Ltd	Australia	#	#	#	#	Investment
Capel Court Finance (Vic) Pty Ltd	Australia	#	#	#	#	Non-operative
† Capel Court Inc.	USA	#	#	#	#	Investment
Capel Court International Investments Pty Ltd	Australia	#	#	0.6	0.2	Investment
Capel Court Investments Pty Ltd	Australia	2.2	#	#	#	Investment
† Capel Court Investments (Singapore) Pte Ltd	Singapore	#	#	#	#	Non-operative
Capel Court Management Ltd	Australia	0.9	0.9	0.9	1.1	Investment
§ Capel Court Nominees Ltd	Australia	#	#	#	#	Non-operative
† Capel Court Pacific Inc.	USA	#	#	#	(0.1)	Investment advisory
† Capel Court (Asia) Ltd	Hong Kong	#	#	#	#	Non-operative
§* Capel Court (UK) Ltd	England	#	#	#	#	Non-operative
Castle-Lane (Nominees) Pty Ltd	Australia	0.1	#	#	#	Nominee
Ceylonite Pty Ltd	Australia	#	#	#	#	Investment
Dalyee Pty Ltd	Australia	1.6	#	#	#	Investment
‡ Ecomel Pty Ltd	Australia	#	#	(0.2)	0.2	Servicing agent
‡ Elgeba Pty Ltd	Australia	#	#	0.1	0.1	Agency
Fifth Mallatri Pty Ltd	Australia	#	#	#	(0.1)	Investment
§† Newpolar Ltd	England	#	#	#	#	Non-operative
‡ NMRB Australia Finance Ltd ²⁸	Australia	#	#	0.1	0.1	Medium term finance
‡ NMRB Finance Ltd	Australia	0.5	#	3.3	0.1	Leasing
NMRB Insurance (Agents) Pty Ltd	Australia	0.7	0.7	#	0.2	Insurance agent
‡ NMRB Investments Ltd	Australia	#	#	#	#	Investment
‡ NMRB Management Services Ltd	Australia	#	#	11.1	(7.7)	Fixed assets manager
§ NMRB Travel Services Pty Ltd	Australia	#	0.1	#	#	Non-operative
‡ NMRSB Ltd ²⁹	Australia	132.1	132.1	5.9	19.5	Banking
Noreag Pty Ltd	Australia	#	#	#	(0.2)	Investment
Rinope Pty Ltd	Australia	#	#	#	#	Lease finance
§ Royauat Management Ltd	Australia	0.1	0.1	#	#	Non-operative
§ Royauat Properties Pty Ltd	Australia	#	#	#	#	Non-operative
§ T.C.P. Nominees Pty Ltd	Australia	#	#	#	#	Non-operative
§ T.C.P. Personnel Pty Ltd	Australia	#	#	#	0.1	Non-operative
Other controlled entities owned by the Company						
* Adelaide Nominees Ltd	England	#	#	#	#	Nominee services
A.F.T. Property Management Pty Ltd	Australia	0.5	#	#	#	Real estate manager
A.F.T. Property Services Pty Ltd	Australia	0.9	#	#	#	Real estate manager
‡ A.N.Z. Custodians Ltd	Australia	#	#	#	#	Custodian services
A.N.Z. Discounts Ltd	Australia	#	#	(27.8)	(26.0)	Superfund contributor
A.N.Z. Investments Ltd	Australia	9.7	#	1.5	2.0	Deposit taker
‡ A.N.Z. Nominees Ltd	Australia	#	#	#	#	Nominee services
‡ ANZ Adelaide Group Ltd	Australia	64.9	66.1	0.9	1.7	Property owner
* ANZ Bank Canada	Canada	1.4	45.3	(10.3)	(4.0)	Banking
ANZ Business Licensing Pty Ltd	Australia	#	-	#	-	Software licensing
ANZ Capital Hedging Ltd	Australia	#	#	3.3	(3.3)	Capital hedging
* ANZ Eurofinance BV	Netherlands	1.2	#	0.1	0.3	Finance
ANZ Finance (Far East) Ltd	Australia	22.8	16.2	0.1	0.3	Property owner
* ANZ Grindlays International Ltd	Hong Kong	#	#	#	(6.7)	Offshore banking
ANZ Investment Holdings Ltd	Australia	#	#	(20.1)	(10.8)	Investment
‡ ANZ Leasing Pty Ltd	Australia	#	#	#	#	Leveraged leasing
‡ ANZ Leasing (ACT) Pty Ltd	Australia	#	#	#	#	Leveraged leasing
‡ ANZ Leasing (NSW) Pty Ltd	Australia	#	#	#	#	Leveraged leasing
‡ ANZ Leasing (NT) Pty Ltd	Australia	#	#	#	#	Leveraged leasing
‡ ANZ Leasing (Vic) Pty Ltd	Australia	#	#	#	#	Leveraged leasing
ANZ Leasing No 125 Ltd ³⁰	Australia	2.9	3.0	#	#	Aircraft leasing
ANZ Limited Partnership	USA	6.3	-	#	-	Property holding
ANZ II Limited Partnership	USA	3.2	-	#	-	Property holding
* ANZ Nominees (Guernsey) Ltd	Guernsey	#	#	#	#	Nominee services

	INCORPORATED IN	CONTRIBUTION TO THE CONSOLIDATED RESULT				NATURE OF BUSINESS
		BOOK VALUE				
		1992 \$M	1991 \$M	1992 \$M	1991 \$M	
32: CONTROLLED ENTITIES (CONTINUED)						
‡ ANZ Pensions Pty Ltd	Australia	#	#	#	#	Pension fund trustee
‡ ANZ Pensions (Adelaide) Ltd	Australia	#	#	#	#	Pension fund trustee
* ANZ Pensions (UK) Ltd	England	#	0.6	#	#	Pension fund trustee
ANZ Realty Holdings (USA) Inc.	USA	0.7	-	#	-	Property holding
ANZ Realty Holdings II (USA) Inc.	USA	0.4	-	#	-	Property holding
‡ ANZ Staff Superannuation (Australia) Pty Ltd	Australia	#	#	#	#	Pension fund trustee
* ANZ U.K. Dividends (AUD) Ltd	England	#	#	0.4	0.2	Dividend plan
* ANZ (Delaware) Inc.	USA	#	#	#	#	Finance
Bombora Pty Ltd	Australia	#	#	#	#	Investment
Canagong Pty Ltd	Australia	#	#	#	#	Investment
Dinias Pty Ltd	Australia	#	#	#	#	Property developer
‡ E. S. & A. Nominees (Australia) Pty Ltd	Australia	#	#	#	#	Nominee services
* Grindlays Eurofinance BV	Netherlands	4.7	0.3	0.8	1.2	Finance
Iraklion Pty Ltd	Australia	#	#	#	#	Investment
Japan-Australia Venture Capital Fund (MIC) Ltd ³¹	Australia	8.1	6.4	(0.3)	0.2	Investment
Kobong Pty Ltd	Australia	#	#	#	#	Investment
Leash Nominees Pty Ltd	Australia	#	#	#	#	Nominee
Nepean International Travel Pty Ltd	Australia	#	0.1	(0.2)	#	Air charter services
‡ Pemarvin Pty Ltd	Australia	0.5	0.5	10.5	9.4	Property unit trustee
530 Collins Street Property Trust	Australia	399.5	374.0	#	#	Property holding
† South Centre Maintenance Pty Ltd ³²	Australia	9.6	14.0	(2.4)	(2.6)	Aviation maintenance
‡ Yarraga Pty Ltd	Australia	#	#	#	#	Pension fund trustee
* Zan Investments Ltd	Singapore	884.1	874.3	0.2	0.3	Investment
Total contributions to the Economic entity result				(578.1)	263.0	
Adjustment for controlled entities sold/liquidated				-	3.2	
Consolidated operating (loss) profit after income tax and before abnormal items				(578.1)	266.2	
Net abnormal items				(0.9)	1.1	
Consolidated operating (loss) profit after income tax				(579.0)	267.3	

During the year, 37 non-operative controlled entities were liquidated. These controlled entities were not material in the context of the Economic entity.

* Audited by overseas KPMG firms

† Audited by firms other than members of KPMG

‡ These controlled entities and the Company entered into a Deed of Cross Guarantee in respect of relief granted from specified accounting and financial reporting requirements in accordance with a class order numbered 91/996 & 92/770 of the Australian Securities Commission dated 19 December 1991

Amounts less than \$50,000

§ Company currently in liquidation

¹ Dalgety Farmers Ltd - 95.0%. Acquired 30 September 1992. Balance date: 30 June

² Asquith Investments Pty Ltd - 62.0%

³ Port Phillip Scouring Pty Ltd - 65.0%

⁴ Wooldumpers (Sydney) Ltd - 63.8%

⁵ Formerly ANZ Name Protection Company Ltd

⁶ Kea Car Sales Ltd - 80.0%

⁷ Mutual Finance Ltd - 80.0%

⁸ Mutual Leasing Ltd - 80.0%

⁹ Formerly National Mutual Finance (1988) Ltd

¹⁰ Formerly National Mutual Finance Ltd

¹¹ Bank of Western Samoa - 75.0%

¹² Toppard Pty Ltd - 33.3%

¹³ Town & Country Housing Bonds Ltd - 33.3%

¹⁴ Town & Country Housing Trust - 84.9%

¹⁵ Wetsum Pty Ltd - 33.3%

¹⁶ Formerly ANZ Merchant Bank Ltd

¹⁷ Formerly ANZ Merchant Bank Nominees Ltd

¹⁸ Esanda Finanz & Leasing Ltd - 39.1%

¹⁹ Grindlays Bahrain Bank B.S.C. - 40.0%

²⁰ Grindlays Bank International (Kenya) Ltd - 60.0%

²¹ Grindlays Bank (Uganda) Ltd - 51.0%

²² Grindlays International Finance (Kenya) Ltd - 60.0%

²³ Grindlays Nominees (Kenya) Ltd - 60.0%

²⁴ Nepal Grindlays Bank Ltd - 50.0%

²⁵ Australia and New Zealand Banking Group (PNG) Ltd - 83.2%

²⁶ Contribution is for the nine months prior to vesting. Refer Note 1 (iii)

²⁷ Formerly National Mutual Royal Bank Ltd. Its authority to carry on banking business was relinquished by National Mutual Royal Bank Ltd on 30 November 1991

²⁸ Formerly RBC Australia Finance Ltd

²⁹ Formerly National Mutual Royal Savings Bank Ltd. Its authority to carry on banking business was relinquished by National Mutual Royal Savings Bank Ltd on 30 November 1991

³⁰ Formerly ANZ Aviation Services Ltd

³¹ Japan-Australia Venture Capital Fund (MIC) Ltd - 77.2%

³² Formerly Melbourne Jet Base Pty Ltd - 87.5%

Notes to the Financial Statements

	INCORPORATED IN	INTEREST %	BOOKVALUE		HELD BY	NATURE OF BUSINESS
			1992 \$M	1991 \$M		
33: ASSOCIATES						
Associates have 30 September financial years unless otherwise noted						
ACD Holdings Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits Ltd	Property development
AHL Property Developments Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits Ltd	Property development
Amalgamated Finance Ltd ²	New Zealand	50.0	1.5	1.1	UDC Finance Ltd	Finance
Anchorage Port Stephens Pty Ltd ¹	Australia	33.3	6.3	2.5	Mercantile Credits Ltd	Holiday resort
ANZ Grindlays 3i Investment Services Ltd	Guernsey	50.0	0.1	0.1	ANZ Grindlays Bank plc	Fund administration
Asian International Merchant Bankers Berhad ³	Malaysia	26.5	4.4	3.6	ANZ Grindlays Bank plc	Merchant banking
Autofleet Pty Ltd	Australia	27.5	#	#	Esanda Finance Corp.	Fleet management
Cardlink Services Ltd	Australia	20.0	0.2	0.2	ANZ Bank	Charge card services
Charge Card Services Ltd	Australia	20.0	0.3	0.3	ANZ Bank	Charge card services
Chartwell Enterprises Ltd ²	Singapore	20.0	#	#	Development Finance Corporation Ltd	Consultant
Citie Centre Projects Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits Ltd	Property development
Cloudland Village Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits Ltd	Property development
Computer Services Ltd ³	Western Samoa	22.5	0.1	0.1	Bank of Western Samoa	Computer services
Copeland Mercantile Ventures Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits Ltd	Property development
Cribellum Pty Ltd	Australia	37.5	#	#	ANZ Bank	Property development
Databank Systems Ltd ²	New Zealand	20.0	#	#	ANZ Bank (NZ)	Computer network
Devine Belmont Estates Pty Ltd ¹	Australia	50.0	#	#	Mercantile Underwood	Property development
Durham Developments Pty Ltd ¹	Australia	50.0	#	#	Alliance Acceptance Co.	Property development
Edgeworth Projects Pty Ltd ¹	Australia	50.0	#	#	Alliance Acceptance Co.	Property development
Erolnot Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits Ltd	Property development
Evaciff Pty Ltd ¹	Australia	33.3	#	#	Mercantile Credits Ltd	Property development
Fifty-Seven Willis Street Ltd ²	New Zealand	15.4	0.8	0.7	ANZ Bank (NZ)	Property owner
§ Flick Developments Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits Ltd	Property development
Genman Holdings Ltd ²	New Zealand	50.0	#	#	UDC Finance (1991) Ltd	Property development
Grindlays Merchant Bank of Nigeria Ltd	Nigeria	40.0	2.0	1.9	ANZ Grindlays Industrial Holdings Ltd	Banking
Industrial Asset Management Pty Ltd	Australia	50.0	#	-	Esanda Finance Corp.	Lease finance/ management
Jarview Pty Ltd ¹	Australia	50.0	#	#	Alliance Acceptance Co.	Property development
Keystart Bonds Ltd ¹	Australia	33.3	#	#	Town & Country Bank	Bond issuer
Keystart Loans Ltd ¹	Australia	33.3	#	#	Town & Country Bank	Trustee
Link Asset Management Pty Ltd	Australia	50.0	0.3	0.3	Esanda Finance Corp.	Lease finance/ management
Malcha Properties Ltd	India	50.0	#	-	ANZ Grindlays Bank plc	Property owner
Mardi Pty Ltd	Australia	50.0	#	#	ANZ Bank	Agent
Meadow Springs Fairway Village Pty Ltd ¹	Australia	33.3	#	#	Town & Country Bank	Property development
Merchant Bank (Ghana) Ltd ³	Ghana	30.0	0.2	0.1	ANZ Grindlays Industrial Holdings Ltd	Banking
Mimosa Developments Pty Ltd ¹	Australia	50.0	#	#	Mercantile Underwood	Property development
Network Trust ¹	Australia	37.5	#	#	ANZ Bank	Property development
New Zealand Bankcard Associates Ltd	New Zealand	50.0	#	#	ANZ Bank (NZ)	Charge card services
Ocean Blue Club Resorts Pty Ltd ¹	Australia	50.0	#	#	Mercantile Underwood	Holiday resort
Overland Agencies Pty Ltd ¹	Australia	50.0	#	#	Development Finance Corporation Ltd	Investment banking
Renishaw Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits Ltd	Property development
Rosignol Development Corporation	Panama	50.0	#	-	ANZ Grindlays Bank plc	Tanker charter
Salamander Projects Pty Ltd ¹	Australia	50.0	0.1	0.1	Alliance Acceptance Co.	Property development
Salamander Sales Pty Ltd ¹	Australia	50.0	#	#	Alliance Acceptance Co.	Property development

Notes to the Financial Statements

	INCORPORATED IN	INTEREST %	BOOK VALUE		HELD BY	NATURE OF BUSINESS
			1992 \$M	1991 \$M		
33: ASSOCIATES (CONTINUED)						
South Pacific Investment Corporation Ltd ¹	Australia	20.0	#	#	Delfin Holdings Ltd	Investment banking
Strathford Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits Ltd	Property development
Television Australia-Satellite Systems Ltd	Australia	21.2	#	#	Delfin Holdings Ltd	Satellite television
Tovepool Pty Ltd ¹	Australia	50.0	2.5	#	Mercantile Credits Ltd	Property development
Trans-Atlantic Capital Ltd ²	England	50.0	#	#	ANZ Grindlays Bank plc	Fund management
Trefold Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits Ltd	Entertainment
Truck Leasing Ltd ¹	New Zealand	33.3	0.5	0.3	UDC Finance Ltd	Leasing
Valuta Group Pty Ltd	Australia	33.0	#	#	Capel Court Management Ltd	Investment
Von Seidel Grindlays Trust Co. Ltd	Zimbabwe	35.0	#	-	ANZ Grindlays Bank (Zimbabwe) Ltd	Trade finance
Westland Management Ltd ¹	Australia	20.0	1.6	1.5	Town & Country Bank	Property management
			20.9	12.8		
Associates disposed or reclassified as controlled entities during the year			-	27.3		
Total shares in associates			20.9	40.1		

Amounts less than \$50,000

¹ year ended 30 June

² year ended 31 March

³ year ended 31 December

⁴ year ended 31 January

⁵ year ended 31 July

‡ The Economic entity holds 27.0% of voting rights

§ Company currently in liquidation

34: SUPERANNUATION COMMITMENTS

A total of 70 pension/superannuation schemes have been established by the Economic entity worldwide. The liabilities of all superannuation schemes are covered by the assets in the schemes or by specific provisions created in the Economic entity. The Economic entity is obliged to contribute to the schemes as a consequence of legislation or provisions of trust deeds. Legal enforceability is dependent on the terms of the legislation or trust deeds.

The major schemes with assets in excess of \$20m are

COUNTRY	SCHEME	CONTRIBUTION LEVELS		LAST ACTUARIAL VALUATION ACTUARY	
		EMPLOYEE	EMPLOYER		
Australia	ANZGROUP (Australia) Staff Pension Scheme ¹	5.5%	Balance of cost	Dec 1990	C J White F.I.A. F.I.A.A.
Australia	ANZ Australian Staff Superannuation Scheme ²	2.5%		Dec 1990	C J White F.I.A. F.I.A.A.
		minimum	Balance of cost ³		
Australia	National Mutual Royal Bank Executives Superannuation Scheme ²	2.5%		Oct 1991	J Smith B.A. F.I.A.A.
		minimum	Balance of cost ³		
New Zealand	ANZGROUP (New Zealand) Staff Pension Scheme ²	2.5%		Dec 1990	William M Mercer-Eriksen Ltd
		minimum	Balance of cost ⁴		
England	ANZ UK Staff Pension Scheme ¹	nil	Balance of cost	Jul 1990	R. Watson & Sons
England	ANZ McCaughan (UK) Ltd Staff Pension Scheme ¹	nil	Balance of cost	Dec 1990	R. Watson & Sons

Balance of cost: the Economic entity's contribution is assessed by the actuary after taking account of members' contributions and the value of the schemes' assets

¹ These schemes provide for pension benefits

² These schemes provide for lump sum benefits

³ With a maximum of 7% of superannuation salaries, plus death and disablement premiums

⁴ With a maximum of 7.5% of superannuation salaries

35: COMMITMENTS

	CONSOLIDATED		THE COMPANY	
	1992 \$M	1991 \$M	1992 \$M	1991 \$M
Capital expenditure				
Contracts for outstanding capital expenditure not provided for				
Not later than 1 year	189.4	271.0	44.1	85.3
Later than 1 year but not later than 2 years	13.9	154.3	-	64.2
Later than 2 years but not later than 5 years	0.3	25.6	-	9.2
Later than 5 years	0.1	-	-	-
Total capital expenditure commitments	203.7	450.9	44.1	158.7
Lease rentals				
Future rentals in respect of leases not provided for				
Land and buildings				
Not later than 1 year	180.4	170.7	127.0	108.2
Later than 1 year but not later than 2 years	149.7	145.1	102.0	91.2
Later than 2 years but not later than 5 years	263.6	255.6	164.6	152.9
Later than 5 years	545.5	507.7	389.4	387.9
	1,139.2	1,079.1	783.0	740.2
Furniture and equipment				
Not later than 1 year	65.2	62.0	44.9	49.7
Later than 1 year but not later than 2 years	57.2	71.5	43.9	61.5
Later than 2 years but not later than 5 years	60.9	53.5	41.8	29.0
Later than 5 years	9.5	12.2	-	-
	192.8	199.2	130.6	140.2
Total lease rental commitments	1,332.0	1,278.3	913.6	880.4
Total commitments	1,535.7	1,729.2	957.7	1,039.1

36: CONTINGENT LIABILITIES AND OFF-BALANCE SHEET EXPOSURES

In the course of providing financial services to its customers, managing its exposure to fluctuations in interest rates and foreign exchange rates and trading in various financial markets for profit, the Economic entity uses various financial instruments and facilities. The gross value of the instruments and facilities reflects the level of the Economic entity's activity in the various products and not its much smaller net risk exposure. Adequate provisions have been made in the profit and loss account for unrealised losses arising from instruments or facilities with risks that are not recognised on the balance sheet, and it is not envisaged that any irrecoverable liability will arise from the settlement of these transactions.

Financial instruments and facilities are subject to the following types of risk

- (i) Credit risk is the potential loss arising from the non-performance by the counterparty to an instrument or facility. Credit risk is controlled through credit approvals, limits and monitoring procedures, the level of which is set having regard to the potential exposure to loss that could arise through the purchase or issue of that instrument or facility.
- (ii) Market risk is the potential loss arising from the decline in the market value of a financial instrument and is a function of the type of product, the volume of transactions, the terms of the agreement and the volatility of the underlying instrument. It is affected by the mix of the portfolio and the extent to which positions have offsetting exposures. Trading limits and monitoring procedures are used to control overall exposure to market risk.

The Economic entity guarantees the performance of customers by issuing standby letters of credit and guarantees to third parties. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers, therefore these transactions are subjected to the same credit origination, portfolio maintenance and collateral requirements applied to customers applying for loans. As the facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements.

The credit risk of these facilities may be less than the notional amount, but as it cannot be accurately determined, the credit risk has been taken to be the contract or notional amount.

	CONSOLIDATED		THE COMPANY	
	1992 EFFECTIVE CREDIT OR MARKET RISK SM	1991 EFFECTIVE CREDITOR MARKET RISK SM	1992 EFFECTIVE CREDIT OR MARKET RISK SM	1991 EFFECTIVE CREDITOR MARKET RISK SM
Guarantees	1,335.0	1,292.2	643.3	584.3
Standby letters of credit	197.0	671.8	162.6	612.5
Bill endorsements	24.7	53.3	19.2	33.3
Documentary letters of credit	1,652.6	1,254.4	1,061.0	705.6
Performance related contingents	5,859.0	4,812.8	3,114.1	2,754.0
Other	1,043.3	1,019.2	850.1	806.2
Total contingent liabilities	10,111.6	9,103.7	5,850.3	5,495.9

Other guarantees and indemnities

The Company has

- (i) guaranteed payment on maturity of the principal and accrued interest of commercial paper notes issued by ANZ (Delaware) Inc. of \$1,649.8 million;
- (ii) Pursuant to a class order issued on 19 December 1991, during the year relief was granted to the wholly owned controlled entities listed below from the Corporations Law requirements for preparation, audit, and publication of accounts. This class order replaced the former NCSC class order 633 and various interim class orders issued by the Australian Securities Commission. It is the condition of the new class order that the Company and each of its controlled entities enter into a Deed of Cross Guarantee. A Deed of Cross Guarantee under class order numbered 91/996 & 92/770 was lodged and approved by the Australian Securities Commission. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up any of the controlled entities under certain provisions of the Law. The Company will only be liable in the event that after six months any creditor has not been paid in full.

36: CONTINGENT LIABILITIES AND OFF-BALANCE SHEET EXPOSURES (CONTINUED)

The controlled entities have also given similar guarantees in the event that the Company is wound up.

The controlled entities subject to the Deed are:

- ANZ Adelaide Group Limited
- A.N.Z. Holdings Limited
- E.S.&A Holdings Limited
- E.S.&A. Properties (Australia) Limited
- Melbourne Safe Deposit Proprietary Limited
- A.N.Z. Custodians Limited
- A.N.Z. Nominees Ltd
- ANZ Leasing Pty Ltd
- ANZ Leasing (ACT) Pty Ltd
- ANZ Leasing (NSW) Pty Ltd
- ANZ Leasing (NT) Pty Ltd
- ANZ Leasing (Vic) Pty Ltd
- ANZ Pensions Pty Limited
- ANZ Pensions (Adelaide) Limited
- E.S.&A. Nominees (Australia) Pty Limited
- Yarraga Pty Ltd.
- ANZ Staff Superannuation (Australia) Pty. Limited
- Pemarvin Pty Limited
- NMRB Limited
- NMRB Finance Limited
- NMRB Investments Limited
- NMRB Management Services Limited
- NMRB Australia Finance Limited
- NMRSB Limited
- Ecomel Pty. Limited
- Elgeba Pty. Ltd.
- Tannadice Pty. Ltd.
- Tirocourt Pty. Ltd.
- Analed Pty. Ltd.
- Endeavour Hills Pty. Limited
- F.C.A. Finance Pty. Limited
- Ironbark Developments Pty. Ltd.
- Lefca Investments Pty. Limited

At 30 September 1992 the controlled entities which are parties to the Deed have aggregate assets of \$1,464.6 million; aggregate liabilities of \$80.4 million; and their contribution to the consolidated operating (loss) profit after tax and abnormals for the year was \$8.0 million.

Commitments

The credit risk of the following facilities may be less than the notional amount, but as it cannot be accurately determined, the credit risk has been taken to be the contract or notional amount.

	CONSOLIDATED		THE COMPANY	
	1992 EFFECTIVE CREDITOR MARKET RISK \$M	1991 EFFECTIVE CREDITOR MARKET RISK \$M	1992 EFFECTIVE CREDITOR MARKET RISK \$M	1991 EFFECTIVE CREDITOR MARKET RISK \$M
Undrawn facilities	22,085.9	18,970.4	15,013.3	12,980.0
Underwriting facilities	526.2	716.4	410.8	528.3
Other	-	145.4	-	17.7
	22,612.1	19,832.2	15,424.1	13,526.0

Market related items

The Economic entity deals in interest rate and foreign exchange futures, forward contracts, options and swaps which enable customers and the Economic entity to transfer, modify or reduce their interest rate and foreign exchange exposures. Futures and forward contracts are commitments to deliver financial instruments to the seller on a future date at a specified price or yield. Swap contracts are commitments to settle in cash on a future date or dates, interest rate commitments or foreign currency amounts based upon a notional principal amount. Option contracts give the acquirer the right to buy or sell a financial instrument or currency amount at a specified price within a specified time period. The Economic entity manages the exposures related to these instruments as part of its overall interest rate and foreign exchange risk management.

The credit risk has been based upon the credit equivalent amount determined in accordance with the Reserve Bank of Australia's capital adequacy guidelines.

36: CONTINGENT LIABILITIES AND OFF-BALANCE SHEET EXPOSURES (CONTINUED)

	CONSOLIDATED				THE COMPANY			
	1992		1991		1992		1991	
	CONTRACT OR NOTIONAL AMOUNT	EFFECTIVE CREDIT OR MARKET RISK	CONTRACT OR NOTIONAL AMOUNT	EFFECTIVE CREDIT OR MARKET RISK	CONTRACT OR NOTIONAL AMOUNT	EFFECTIVE CREDIT OR MARKET RISK	CONTRACT OR NOTIONAL AMOUNT	EFFECTIVE CREDIT OR MARKET RISK
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Currency swap agreements	3,872.9	295.5	4,150.5	255.5	2,770.5	253.2	3,147.7	209.3
Currency options purchased	4,841.4	136.8	3,424.1	64.1	4,603.5	124.2	1,907.5	43.4
Currency futures contracts	2,394.6	-	389.7	-	2,394.6	-	389.7	-
Forward rate agreements	162,186.7	362.7	82,108.2	132.8	157,537.6	355.6	78,232.4	125.4
Interest rate swap agreements	61,877.2	1,050.2	50,460.8	796.5	56,923.2	926.4	37,495.1	499.4
Interest rate futures contracts	24,657.2	-	29,155.8	-	23,757.5	-	28,456.7	-
Interest rate options purchased	3,025.4	22.5	2,703.9	16.5	2,800.7	22.4	2,703.9	16.5
Foreign exchange transactions	143,679.2	3,953.1	96,537.1	2,770.0	123,340.6	3,461.4	81,883.0	2,372.0
Other	19.1	3.0	3.9	0.1	19.1	3.0	3.9	0.1
	406,553.7	5,823.8	268,934.0	4,035.5	374,147.3	5,146.2	234,219.9	3,266.1

Litigation

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

The branch of ANZ Grindlays Bank plc in India ('the Bank') has received a claim, of approximately \$250.0 million, from the National Housing Bank ('NHB') in that country. The claim arises out of certain cheques drawn by NHB in favour of the Bank, the proceeds of which were credited into the account of one of the customers of the Bank. NHB claims that the consideration for the issue of these cheques was certain securities transactions allegedly entered into by the Bank and NHB. According to the Bank's records no such transactions exist, and furthermore, NHB has produced no documentary evidence to support this claim.

Subsequent to the balance sheet date, the Bank in India has received a directive from the Indian Central Bank - the Reserve Bank of India ('RBI'), directing it to make a payment to NHB in the amount of approximately Indian Rupees 5.06 billion. On 4 November 1992, the Bank made the payment to NHB under protest, without admission of liability, and subject to an agreement with NHB, entered into on the same date, providing for arbitration of the disputes between the parties. The RBI, which is NHB's parent company, has confirmed, in writing, that it will ensure that NHB meets its liabilities under this arbitration agreement, including repaying the Bank if NHB loses the arbitration. The Bank has received firm legal advice that the NHB claim has no merit. Accordingly, no provision has been made in respect of the claim or the amount paid to NHB.

37: ASSETS AND LIABILITIES OF NON-BANKING CONTROLLED ENTITIES

A class order was issued by the Australian Securities Commission on 24 June 1992. Under this class order the balance sheet of the Economic entity and the Company are presented in accordance with International Accounting Standard (IAS 30) Disclosures in the financial statements of Banks and similar Financial Institutions. The standard requires assets and liabilities of a bank to be classified by their nature and to be disclosed in their approximate order of liquidity. Current and non-current items are not to be presented separately because most can be realised or settled in the near future. This accords with past practice. The class order requires the amount of total assets and total liabilities reported in the consolidated balance sheet that are attributable to controlled entities which are not prescribed corporations¹ at the end of the financial year to be separately disclosed.

	1992	1991
	\$M	\$M
Total assets	35,678.8	33,648.3
Total liabilities	30,907.7	29,997.8

¹ Defined as either an Australian Bank or a body corporate that is registered under the Life Insurance Act 1945

38: FINANCING ARRANGEMENTS

The financing arrangements of controlled entity borrowing corporations and controlled entities registered under the Financial Corporations Act (Australia) 1974 are detailed below

Financing arrangements which are available to such controlled entities (under normal financial arrangements)	1992		1991	
	AVAILABLE \$M	UNUSED \$M	AVAILABLE \$M	UNUSED \$M
Credit standby arrangements				
Commercial bills acceptance discount lines	272.0	232.0	100.0	100.0
Standby lines	29.0	23.3	12.5	12.5
Overdrafts	-	-	0.5	0.5
Other financing arrangements				
Subordinated loan	15.0	-	15.0	-
Overdrafts and other financing arrangements	64.6	12.6	11.1	1.1
Total finance made available to controlled entity borrowing corporations	380.6	267.9	139.1	114.1
Financing arrangements which have been made available by such controlled entities (contractually arranged for each client)				
Loan rollover facilities				
Commercial bill facilities	52.3	32.3	0.6	0.6
Other financial arrangements				
Loan and lease facilities	560.1	536.5	464.6	464.6
Other	85.1	85.1	471.9	471.9
Total finance made available by controlled entity borrowing corporations	697.5	653.9	937.1	937.1

39: RELATED PARTY DISCLOSURES

The directors during the year were:

W J Bailey (retired 30 September 1992) ²	A T L Maitland (appointed 22 April 1992) ²
M D Bridgland (resigned 8 July 1992)	D P Mercer (appointed 22 April 1992) ²
J C Dahlsen	J F Ries (appointed 26 August 1992) ²
C B Goode	Dr B W Scott
J B Gough	Sir Ronald Trotter
C J Harper	R B Vaughan
Emeritus Professor Dame Leonie Kramer	B Weeks ^{1 2}

During the year there have been transactions between the Company and its controlled entities and related entities. Loans and deposits are disclosed in the balance sheet. Interest received and paid at commercial rates is disclosed in notes 2 and 3. Management fees of \$503.7 million (1991: \$611.5 million) were received from and \$26.5 million (1991: \$24.2 million) paid to controlled entities for the provision of accounting and administrative assistance based on levels agreed by the respective parties. Rents of \$82.9 million (1991: \$65.8 million) were paid at commercial rates to controlled entities for accommodation provided. A controlled entity elected to make employer superannuation contributions of \$45.6 million (1991: \$42.7 million) on behalf of the Company.

No director has, during or since the end of the financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received, or due and receivable, by directors shown in the Company's financial statements for the financial year or the fixed salary of a full-time employee of the Company, or an entity that the Company controlled, or a body corporate that was related to the Company, at a relevant time) because of a contract that the director, or a firm of which the director is a member, or an entity in which the director has a substantial financial interest, has made with the Company or an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the director received, or became entitled to receive the benefit, with the exception of benefits which may arise pursuant to:-

- (i) agreements entered into between the Company and each of J C Dahlsen, C B Goode, J B Gough, R B Vaughan, Dr B W Scott and Sir Ronald Trotter, amending existing retirement benefit agreements made pursuant to Article 79(b) so that the basis of accrual was altered from annual to monthly rests;
- (ii) agreements relating to the preservation of retirement benefits which have been entered into during or since the financial year between the Company and each of A T L Maitland, D P Mercer and J F Ries;

39: RELATED PARTY DISCLOSURES (CONTINUED)

- (iii) agreements entered into between the Company and each of D P Mercer, A T L Maitland and J F Ries varying their respective terms and conditions of employment to provide for security of employment and compensation;
- (iv) the subscription by certain directors, under the Directors' Share and Option Purchase Scheme of the Company, for Scheme shares and options to take up unissued shares;
- (v) the subscription by certain executive directors, under the ANZ Group Senior Officers' Share Purchase Scheme, for Scheme shares and the granting of loans pursuant to Rule 17 of the Scheme to fund payment for the said shares;

or benefits that may be deemed to have arisen because legal fees have been paid or are payable to Corrs Chambers Westgarth of which J C Dahlsen is a partner, fees and commissions have been paid or are payable to Potter Warburg Ltd, or any of its controlled entities, in which C B Goode has a related interest, management service fees have been paid or are payable to Management Frontiers Pty Ltd of which Dr B W Scott is a director and payments in the nature of consulting fees have been made to Sir Ronald Trotter as a member of the Company's International Board of Advice.

Loans made to Directors of the Company and controlled entities are made in the ordinary course of business on normal commercial terms and conditions. Loans to Executive Directors of controlled entities are made on the same terms and conditions applicable to other employees within the Economic entity, in accordance with established policy.

A class order issued by the Australian Securities Commission on 21 May 1992, grants banking corporations relief from requirements of Schedule 5 of the Corporations Regulations and Applicable Accounting Standard AASB 1017 in relation to the disclosure of loans to directors, has been applied in the preparation of these financial statements. This class order limits the disclosure required to the aggregate amount of loans made or guaranteed by

- (i) the Company to its directors;
- (ii) banking corporation controlled entities to their directors; and
- (iii) non-banking corporation controlled entities to directors of such controlled entities and to parties related to them.

The aggregate amount of such loans outstanding at 30 September 1992 was \$11.8 million (1991: \$12.5 million). Similarly, the class order applies in respect of loans made to and repayments received from directors during the financial year.

¹ The aggregate amount of loans made to these directors during the year on normal terms and conditions was \$0.07 million.

² The aggregate amount of repayments received from these directors during the year was \$0.9 million.

40: REMUNERATION OF AUDITORS

	CONSOLIDATED		THE COMPANY	
	1992	1991	1992	1991
Amounts due and receivable for	\$M	\$M	\$M	\$M
Auditing financial statements				
By KPMG Peat Marwick	4.8	4.5	1.5	1.3
By other Economic entity auditors	0.3	0.8	-	-
	5.1	5.3	1.5	1.3
Other services				
By KPMG Peat Marwick	2.5	2.2	0.7	0.8
By other Economic entity auditors	1.3	1.2	-	0.1
Total remuneration of auditors¹	8.9	8.7	2.2	2.2

An Australian Securities Commission class order issued on 28 March 1991 relieved KPMG Peat Marwick from compliance with certain sub-sections of section 324 of the Corporations Law for the period from 1 April 1991 to 1 July 1992. This order was extended on 29 June 1992 to 1 October 1992.

The class order applies to the Company and any corporations related to the Company and relates to the indebtedness (due to the merger of KPMG Peat Marwick and Touche Ross & Co.) of KPMG Peat Marwick prior to 1 April 1990. It requires such indebtedness to be on normal commercial terms and conditions throughout the period of the class order. Furthermore the class order states that no partner involved in the control of the audit may be indebted to the Company or a controlled entity, nor may he/she provide security or obtain any interest whatsoever in any property charged.

¹ The auditors did not receive any other benefits

41: REMUNERATION OF DIRECTORS

Remuneration includes salaries, bonuses and other benefits. The number of directors of the Company with total remuneration in each of the following bands was

	THE COMPANY			THE COMPANY	
	1992	1991		1992	1991
\$10,001 to \$20,000	-	3	\$120,001 to \$130,000	1	-
\$30,001 to \$40,000	1	2	\$260,001 to \$270,000	-	1
\$40,001 to \$50,000	3	4	\$280,001 to \$290,000	3	-
\$50,001 to \$60,000	1	1	\$300,001 to \$310,000	1	-
\$60,001 to \$70,000	2	1	\$420,001 to \$430,000	-	1
\$70,001 to \$80,000	1	1	\$610,001 to \$620,000	1	-
\$110,001 to \$120,000	-	1	\$650,001 to \$660,000	-	1
Total number of directors				14	16

	CONSOLIDATED		THE COMPANY	
	1992	1991	1992	1991
Total remuneration ¹	\$M	\$M	\$M	\$M
	26.6	22.1	2.3	2.0

¹ Including the total remuneration of executive directors, excluding executive directors of controlled entities who are executives of the Company but including executive directors of the Company

42: RETIREMENT BENEFITS

Retirement benefits paid to directors ¹	4.1	4.0	2.4	1.6
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¹ Including superannuation contributions and amounts paid in connection with the retirement of directors and principal executive officers of the Company and its controlled entities

The directors believe that the provision of full particulars would be unreasonable

43: REMUNERATION OF EXECUTIVES

Remuneration includes salaries, bonuses and other benefits, excluding superannuation contributions. The number of executives with total remuneration in each of the following bands was

	CONSOLIDATED		THE COMPANY			CONSOLIDATED		THE COMPANY	
	1992	1991	1992	1991		1992	1991	1992	1991
\$100,001 to \$110,000	2	2	1	-	\$220,001 to \$230,000	1	2	1	2
\$110,001 to \$120,000	9	9	-	1	\$230,001 to \$240,000	1	2	-	1
\$120,001 to \$130,000	3	6	1	-	\$240,001 to \$250,000	1	2	1	1
\$130,001 to \$140,000	5	8	1	1	\$250,001 to \$260,000	1	1	-	-
\$140,001 to \$150,000	6	8	2	2	\$260,001 to \$270,000	3	4	1	2
\$150,001 to \$160,000	7	6	3	1	\$270,001 to \$280,000	1	1	-	-
\$160,001 to \$170,000	3	2	2	-	\$280,001 to \$290,000	2	-	2	-
\$170,001 to \$180,000	3	7	1	4	\$290,001 to \$300,000	2	1	-	-
\$180,001 to \$190,000	4	5	2	2	\$300,001 to \$310,000	1	1	1	1
\$190,001 to \$200,000	4	3	3	2	\$420,001 to \$430,000	-	1	-	1
\$200,001 to \$210,000	3	5	1	2	\$610,001 to \$620,000	1	-	1	-
\$210,001 to \$220,000	2	3	1	1	\$650,001 to \$660,000	-	1	-	1
Total number of executives						65	80	25	25
Total remuneration (\$M)						12.0	14.6	5.2	5.6

44: EVENTS SINCE THE END OF THE FINANCIAL YEAR

Since the end of the financial year the following events have occurred.

The Economic entity sold its African operations for \$53.0 million. The sale took place on 2 November 1992 at a premium over book value and involved total assets in excess of \$600 million.

A controlled entity, ANZ Grindlays Bank plc in India paid certain amounts on direction by the Reserve Bank of India to the National Housing Bank. Details are described in note 36 under the heading 'Litigation'.

Directors' Statement

In the opinion of the directors of Australia and New Zealand Banking Group Limited the accompanying financial statements of the Company and the Economic entity are properly drawn up in accordance with the provisions of the Corporations Law in the manner authorised for a prescribed corporation being a bank and on this basis

- (i) the accompanying profit and loss accounts and statements of cash flows are drawn up so as to give a true and fair view of the results and cash flows of the Company and the Economic entity for the year ended 30 September 1992;
- (ii) the accompanying balance sheets are drawn up so as to give a true and fair view of the state of affairs of the Company and the Economic entity at 30 September 1992;
- (iii) are in accordance with Statements of Accounting Concepts and applicable Accounting Standards apart from the departure referred to in note 1; and

- (iv) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The Company and some of its wholly owned controlled entities listed in note 32 and note 36, executed a Deed of Cross guarantee enabling them to take advantage of the accounting and audit relief offered by the class order 91/996 and 92/770 dated 19 December 1991 issued by the Australian Securities Commission.

The nature of the Deed of Cross guarantee is to guarantee each creditor payment in full of any debt in accordance with the terms of the Deed of Cross guarantee.

At the date of this statement, there are reasonable grounds to believe that the Company and its controlled entities to which the class order applies, are able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross guarantee.

Signed in accordance with a resolution of the directors



J B Gough
Chairman
Melbourne
27 November 1992



D P Mercer
Chief Executive Officer

Auditors' Report

To the members of Australia and New Zealand Banking Group Limited

Scope

We have audited the financial statements of Australia and New Zealand Banking Group Limited and of the Economic entity for the year ended 30 September, 1992, consisting of the balance sheets, profit and loss accounts, statements of cash flows and accompanying notes as set out on pages 34 to 80. The Company's directors are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an audit of these financial statements in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Concepts and Standards and statutory requirements so as to present a view of the Company and the Economic entity which is consistent with our understanding of their operations.

The names of the controlled entities audited by overseas KPMG member firms and other auditors are set out in note 32.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

Qualified audit reports have been issued in respect of the financial statements for two controlled entities of the Company, being ANZ Grindlays Bank plc and ANZ Holdings (UK) plc, for the year ended 30 September, 1992.

These qualifications relate to a claim against ANZ Grindlays Bank plc by the National Housing Bank in India the details of which are described in note 36 under the heading 'Litigation'.

The audit reports on the financial statements of the two controlled entities state that subject to the adjustments, if any, that might have been necessary if the eventual outcome of this matter was known, the financial statements give a true and fair view of the state of affairs of these controlled entities as at 30 September, 1992 and of the profit and cash flows of the controlled entities for the year then ended. In view of the circumstances as described in note 36, and in particular having regard to the legal opinions obtained by the Company's directors, we concur with the basis on which the financial statements of the Economic entity have been presented.

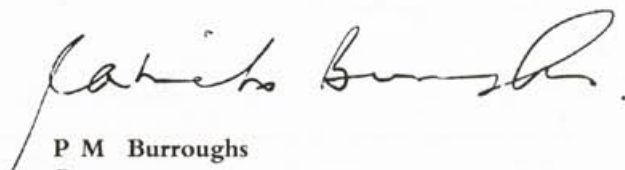
Audit Opinion

In our opinion, the financial statements of Australia and New Zealand Banking Group Limited, and, subject to the outcome of the matter referred to above, the financial statements of the Economic entity, are properly drawn up

- (i) so as to give a true and fair view of:
 - (a) the state of affairs of the Company and the Economic entity at 30 September 1992 and of the results and cash flows of the Company and the Economic entity for the year ended on that date; and
 - (b) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements;
- (ii) in accordance with the provisions of the Corporations Law in the manner authorised for a prescribed corporation being a banking corporation; and
- (iii) in accordance with Statements of Accounting Concepts and applicable Accounting Standards apart from the departure referred to in note 1 in respect of banking corporations with which we agree for the reasons therein stated.

KPMG Peat Marwick

KPMG Peat Marwick
Chartered Accountants


P M Burroughs
Partner

Melbourne
27 November 1992

Financial Information

1: CAPITAL ADEQUACY

The Reserve Bank of Australia (RBA) adopts a risk-based capital assessment framework for Australian banks based on internationally accepted capital measurement standards. This risk-based approach requires eligible capital to be divided by total risk-weighted assets, with the resultant capital adequacy ratio being used as a measure of credit exposure.

Capital is divided into tier 1, or 'core' capital, and tier 2, or 'supplementary' capital. For capital adequacy purposes, eligible tier 2 capital cannot exceed the level of tier 1 capital. Banks are required to deduct their investments in non-consolidated controlled entities and holdings of other banks' capital instruments from total capital. From 30 September 1992, net future income tax benefit is also deducted from Tier 1 capital. Under RBA guidelines, banks must maintain a ratio of qualifying capital to risk-weighted assets of at least 8 per cent.

Risk weightings are applied to balance sheet assets and to credit converted off-balance sheet exposures to determine total risk weighted assets. Categories of risk weights are assigned based upon the nature of the counterparty and the relative liquidity of the assets concerned.

	1992	1991	1992	1991	1992	1991
	\$M	\$M	\$M	\$M	\$M	\$M
Qualifying capital						
Tier 1						
Total shareholders' equity and outside equity interests					4,591.1	5,018.1
Less: asset revaluation reserve					7.9	170.9
Less: net future income tax benefit					712.6	-
Tier 1 capital					3,870.6	4,847.2
Tier 2						
Asset revaluation reserve - booked					7.9	170.9
- unbooked ¹					-	98.2
Perpetual notes - subordinated					630.0	563.8
General provision for doubtful debts					932.8	540.7
					1,570.7	1,373.6
Subordinated notes ²					2,174.5	1,859.5
Less: deductions ³					239.2	-
Tier 2 capital					3,506.0	3,233.1
Deductions ⁴					118.6	115.6
Total qualifying capital					7,258.0	7,964.7
Balance sheet assets			ASSETS		RISK-WEIGHTED ASSETS	
Liquid assets			1,750.7	2,481.2	439.4	695.7
Due from other banks			11,142.0	10,834.8	2,261.2	2,259.6
Trading securities			2,433.3	2,091.7	2,141.6	1,812.0
Investment securities			7,269.5	6,429.3	1,408.8	1,507.4
Regulatory deposits			1,129.2	1,109.9	65.2	62.3
Net loans and advances			55,405.6	53,773.1	46,628.5	46,379.0
Customers' liabilities for acceptances			14,813.8	15,429.8	14,639.5	15,164.7
Shares in associates			20.9	40.1	20.9	40.1
Other assets			4,869.2	3,797.2	2,598.8	2,963.5
Premises and equipment			2,303.5	2,225.2	2,303.5	2,323.2 ⁵
			101,137.7	98,212.3	72,507.4	73,207.5
Off-balance sheet exposures			CONTRACT/ NOTIONAL AMOUNT	CREDIT EQUIVALENT AMOUNT		
Direct credit substitutes			2,564.0	2,833.7	2,096.7	2,441.2
Trade and performance related items			7,547.6	6,270.0	3,267.2	2,697.8
Commitments			22,612.1	19,832.2	2,122.2	1,976.5
Foreign exchange, interest rate and other market related transactions			406,553.7	268,934.0	5,823.8	4,035.5
					1,393.1	966.8
					8,213.2	7,498.0
Total risk-weighted assets and off-balance sheet exposures					80,720.6	80,705.5
Capital adequacy ratios					%	%
Tier 1					4.8	6.0
Tier 2					4.3	4.0
Deductions					(0.1)	(0.1)
Total					9.0	9.9

¹ There was no deduction of potential capital gains tax in the financial year (1991: \$26.7 million)

² Subordinated note issues are amortised at 20% per annum of the original amount during the last five years to maturity

³ Subordinated note issues cannot exceed 50% of Tier 1 capital

⁴ Investments in ANZ Life and bank shareholdings

⁵ For capital adequacy purposes it is necessary to add back the unbooked asset revaluation reserve. This has been included in the risk-weighted amount of premises and equipment

Financial Information

2: AVERAGE BALANCE SHEET AND RELATED INTEREST

Averages used in the following table are predominantly daily averages. Interest income figures are presented on a 'tax-equivalent' basis. Non-accrual loans are included under the interest earning asset category 'loans, advances and bills discounted'. Amounts classified as 'overseas' represent assets and liabilities of the Economic entity's non-Australian banking offices and controlled entities.

Years ended 30 September

	1992			1991			1990		
	AVERAGE BALANCE \$M	AVERAGE INTEREST \$M	AVERAGE RATE %	AVERAGE BALANCE \$M	AVERAGE INTEREST \$M	AVERAGE RATE %	AVERAGE BALANCE \$M	AVERAGE INTEREST \$M	AVERAGE RATE %
Interest earning assets									
Due from other banks									
Australia	677.3	50.8	7.5	608.8	57.7	9.5	762.6	87.5	11.5
Overseas	11,163.0	927.2	8.3	12,755.7	1,286.7	10.1	10,664.2	1,238.7	11.6
Regulatory deposits with Reserve Bank of Australia	479.6	11.6	2.4	518.9	34.9	6.7	631.3	68.4	10.8
Investments in public securities									
Australia	5,125.5	400.6	7.8	4,764.1	569.0	11.9	4,819.8	679.1	14.1
Overseas	4,517.6	399.0	8.8	3,907.5	427.5	10.9	3,649.1	463.7	12.7
Loans, advances and bills discounted									
Australia	41,009.0	4,506.0	11.0	41,238.7	5,684.0	13.8	34,464.9	5,699.8	16.5
Overseas	17,159.6	1,702.9	9.9	17,043.1	2,085.8	12.2	15,076.5	1,866.4	12.4
Other assets	1,889.0	120.6	6.4	854.6	76.1	8.9	1,029.0	120.9	11.7
	82,020.6	8,118.7	9.9	81,691.4	10,221.7	12.5	71,097.4	10,224.5	14.4
Non-interest earning assets									
Acceptances									
Australia	13,354.5			14,568.9			14,763.1		
Overseas	1,870.2			2,167.8			1,844.7		
Premises and equipment	2,215.1			2,288.3			1,578.2		
Other assets	5,298.8			5,702.6			4,221.2		
Provisions for doubtful debts	(2,544.3)			(2,182.3)			(1,555.7)		
	20,194.3			22,545.3			20,851.5		
Total assets	102,214.9			104,236.7			91,948.9		
% of total overseas	37.2%			37.0%			37.4%		
Interest bearing liabilities									
Time deposits									
Australia	17,605.1	1,491.4	8.5	17,962.8	2,097.7	11.7	14,605.2	2,281.4	15.6
Overseas	13,277.2	1,078.6	8.1	12,848.6	1,347.1	10.5	10,068.2	1,119.6	11.1
Savings deposits									
Australia	6,626.2	312.7	4.7	7,668.2	602.4	7.9	6,186.5	639.0	10.3
Overseas	2,117.5	84.5	4.0	2,167.7	106.9	4.9	2,188.6	106.7	4.9
Other demand deposits									
Australia	3,966.0	248.9	6.3	3,197.0	309.2	9.7	2,359.9	306.9	13.0
Overseas	2,040.2	116.9	5.7	2,361.1	195.9	8.3	2,275.4	220.9	9.7
Due to other banks									
Australia	247.9	18.4	7.4	367.2	35.0	9.5	257.6	35.5	13.8
Overseas	9,863.5	827.6	8.4	9,982.2	1,033.1	10.3	8,311.5	1,050.7	12.6
Short term borrowings									
Australia	6,432.7	657.6	10.2	6,317.7	794.3	12.6	5,838.2	887.4	15.2
Overseas	1,943.8	117.4	6.0	2,334.9	199.6	8.5	1,961.4	196.4	10.0
Long term borrowings									
Australia	6,493.9	555.4	8.6	5,949.9	686.3	11.5	5,058.0	629.4	12.4
Overseas	928.2	76.0	8.2	1,066.1	108.0	10.1	926.2	93.3	10.1
Other liabilities	767.5	59.7	7.8	495.7	62.9	12.7	984.7	146.2	14.8
	72,309.7	5,645.1	7.8	72,719.1	7,578.4	10.4	61,021.4	7,713.4	12.6
Non-interest bearing liabilities									
Deposits									
Australia	3,227.3			3,242.4			3,600.8		
Overseas	1,592.0			1,464.0			1,558.8		
Acceptances									
Australia	13,354.5			14,568.9			14,763.1		
Overseas	1,870.2			2,167.8			1,844.7		
Other liabilities	4,743.5			5,451.8			5,017.2		
	24,787.5			26,894.9			26,784.6		
Total liabilities	97,097.2			99,614.0			87,806.0		
Shareholders' equity	5,117.7			4,622.7			4,142.9		
Total liabilities and shareholders' equity	102,214.9			104,236.7			91,948.9		
% of total overseas	38.1%			37.2%			36.9%		

3: INTEREST SPREAD AND NET INTEREST AVERAGE YIELD

	1992 %	1991 %	1990 %
Gross earnings rate¹			
Australia	10.5	13.5	16.1
Overseas	9.1	11.2	12.1
Total	9.9	12.5	14.4
Interest spread²			
Australia	2.5	2.6	2.3
Overseas	1.5	1.5	1.1
Total	2.1	2.1	1.8
Net interest average yield³			
Australia	3.6	3.8	4.0
Overseas	2.2	2.4	2.8
Total	3.0	3.2	3.5

¹ Average interest rate received on interest earning assets

² Average interest rate received on interest earning assets less the average interest rate paid on interest bearing liabilities

³ Net interest income as a percentage of average interest earning assets

4: VOLUME AND RATE ANALYSIS

The following table allocates changes in interest income and interest expense between changes in volume and changes in rate for the past two years. Volume and rate variances have been calculated on the movement in average balances and the change in the interest rates on average interest earning assets and average interest bearing liabilities. The variance caused by the change of both volume and rate has been allocated in proportion to the relationship of the absolute dollar amounts of each change to the total.

Years ended 30 September

	1992 OVER 1991			1991 OVER 1990		
	CHANGE DUE TO VOLUME \$M	RATE \$M	TOTAL \$M	CHANGE DUE TO VOLUME \$M	RATE \$M	TOTAL \$M
Interest earning assets						
Due from other banks						
Australia	6.0	(12.9)	(6.9)	(16.0)	(13.8)	(29.8)
Overseas	(148.9)	(210.5)	(359.4)	223.8	(175.8)	48.0
Regulatory deposits with Reserve Bank of Australia	(2.5)	(20.8)	(23.3)	(10.7)	(22.8)	(33.5)
Investments in public securities						
Australia	40.5	(208.9)	(168.4)	(7.8)	(102.3)	(110.1)
Overseas	61.0	(89.5)	(28.5)	31.3	(67.5)	(36.2)
Loans, advances and bills discounted						
Australia	(31.5)	(1,146.5)	(1,178.0)	1,019.2	(1,035.0)	(15.8)
Overseas	14.2	(397.1)	(382.9)	240.9	(21.5)	219.4
Other assets	70.9	(26.5)	44.4	(18.4)	(26.4)	(44.8)
	9.7	(2,112.7)	(2,103.0)	1,462.3	(1,465.1)	(2.8)
Interest bearing liabilities						
Time deposits						
Australia	(41.0)	(565.3)	(606.3)	461.4	(645.1)	(183.7)
Overseas	43.6	(312.1)	(268.5)	294.5	(67.0)	227.5
Savings deposits						
Australia	(73.6)	(216.1)	(289.7)	134.7	(171.3)	(36.6)
Overseas	(2.4)	(20.0)	(22.4)	(1.0)	1.2	0.2
Other demand deposits						
Australia	63.8	(124.1)	(60.3)	92.7	(90.4)	2.3
Overseas	(24.1)	(54.9)	(79.0)	8.1	(33.1)	(25.0)
Due to other banks						
Australia	(9.9)	(6.7)	(16.6)	12.4	(12.9)	(0.5)
Overseas	(12.1)	(193.4)	(205.5)	191.1	(208.7)	(17.6)
Short term borrowings						
Australia	14.2	(150.9)	(136.7)	68.8	(161.9)	(93.1)
Overseas	(29.9)	(52.3)	(82.2)	34.3	(31.1)	3.2
Long term borrowings						
Australia	58.5	(189.4)	(130.9)	105.3	(48.4)	56.9
Overseas	(12.9)	(19.1)	(32.0)	14.2	0.5	14.7
Other liabilities	26.7	(29.9)	(3.2)	(64.4)	(18.9)	(83.3)
	0.9	(1,934.2)	(1,933.3)	1,352.1	(1,487.1)	(135.0)
Change in net interest income	8.8	(178.5)	(169.7)	110.2	22.0	132.2

Financial Information

5: INVESTMENT SECURITIES BY MATURITIES AND YIELDS

Based on remaining term to maturity at 30 September 1992

At book value	DUE IN 1 YEAR	DUE BETWEEN	DUE BETWEEN	DUE AFTER	TOTAL	MARKET VALUE TOTAL
	OR LESS	1 YEAR AND	5 YEARS AND	10 YEARS		
	\$M	\$M	\$M	\$M	\$M	\$M
Australia						
Treasury notes	2,183.9	-	-	-	2,183.9	2,184.7
Commonwealth securities	10.9	999.5	-	-	1,010.4	1,006.1
Local and semi-government securities	48.3	26.2	1.0	-	75.5	76.9
Other securities and equity investments	219.1	437.2	44.0	6.0	706.3	703.6
	2,462.2	1,462.9	45.0	6.0	3,976.1	3,971.3
Overseas						
New Zealand government securities	274.3	802.4	42.7	0.3	1,119.7	1,138.6
US treasury and government securities	23.5	-	-	-	23.5	23.3
Indian government securities	587.4	78.3	93.2	22.1	781.0	778.6
Other government securities	485.7	131.0	72.3	261.7	950.7	949.4
Other securities and equity investments	220.8	177.3	6.1	14.3	418.5	426.1
	1,591.7	1,189.0	214.3	298.4	3,293.4	3,316.0
Total investment securities	4,053.9	2,651.9	259.3	304.4	7,269.5	7,287.3
Weighted average yields¹						
	%	%	%	%		
Australia						
Treasury notes	5.7	-	-	-		
Commonwealth securities	12.9	11.8	-	-		
Local and semi-government securities	8.4	12.9	13.6	-		
Other securities and equity investments	6.3	5.0	-	3.1		
Overseas						
New Zealand government securities	6.5	9.2	8.2	8.0		
US treasury and government securities	3.6	-	-	-		
Indian government securities	12.8	9.1	12.3	12.9		
Other government securities	8.4	10.8	13.0	5.1		
Other securities and equity investments	6.6	6.8	4.9	3.9		

¹ Based on coupon rates for fixed interest securities and effective yields for discounted securities

Financial Information

6: LOANS AND ADVANCES BY INDUSTRY

At 30 September	1992 \$M	1991 ² \$M	1990 ² \$M	1989 ² \$M	1988 ² \$M
Australia					
Agriculture, forestry, fishing and mining	1,560.8	1,899.0	2,271.3	2,181.6	1,747.6
Business and personal services	1,221.2	n/a	n/a	n/a	n/a
Commercial and industrial	n/a	10,397.5	10,153.4	9,784.3	6,945.4
Entertainment, leisure and tourism	1,237.6	n/a	n/a	n/a	n/a
Financial, investment and insurance	4,271.6	4,182.4	5,734.4	3,401.9	3,697.3
Government and official institutions	120.5	287.0	351.3	239.1	166.1
Lease finance	3,550.8	3,845.6	4,349.3	3,973.8	3,406.5
Manufacturing	1,789.3	n/a	n/a	n/a	n/a
Personal	6,012.4	6,199.9	5,845.2	6,055.4	4,896.8
Real estate - construction	923.4	2,465.1	1,986.0	1,248.1	627.3
Real estate - mortgage ³	18,774.6	13,187.3	10,989.9	6,483.5	4,573.5
Retail and wholesale trade	2,828.4	n/a	n/a	n/a	n/a
Other	1,582.2	n/a	n/a	n/a	n/a
	43,872.8	42,463.8	41,680.8	33,367.7	26,060.5
Overseas					
Agriculture, forestry, fishing and mining	771.0	n/a	n/a	n/a	n/a
Banks and other financial institutions	n/a	1,225.4	1,526.9	1,387.2	1,545.6
Business and personal services	503.1	n/a	n/a	n/a	n/a
Commercial and industrial	n/a	8,152.5	7,508.0	7,431.0	7,973.1
Entertainment, leisure and tourism	415.0	n/a	n/a	n/a	n/a
Financial, investment and insurance	2,201.5	n/a	n/a	n/a	n/a
Government and official institutions	783.5	1,046.0	921.6	670.0	714.9
Lease Finance	85.3	n/a	n/a	n/a	n/a
Manufacturing	3,021.4	n/a	n/a	n/a	n/a
Personal	1,067.0	n/a	n/a	n/a	n/a
Real estate - construction	947.7	n/a	n/a	n/a	n/a
Real estate - mortgage ³	4,152.0	n/a	n/a	n/a	n/a
Retail and wholesale trade	1,452.1	n/a	n/a	n/a	n/a
Other	1,888.2	5,572.1	5,042.8	4,520.4	2,352.9
	17,287.8	15,996.0	14,999.3	14,008.6	12,586.5
Gross loans and advances	61,160.6	58,459.8	56,680.1	47,376.3	38,647.0
Less: provisions for doubtful debts	3,337.6	1,993.4	1,715.0	1,287.2	948.2
income yet to mature ¹	2,417.4	2,693.3	2,801.1	2,440.8	1,814.3
	5,755.0	4,686.7	4,516.1	3,728.0	2,762.5
Net loans and advances	55,405.6	53,773.1	52,164.0	43,648.3	35,884.5

At 30 September 1992 the Economic entity was not exposed to any significant loan concentrations other than those disclosed above

¹ Including reserved interest of \$550.9 million (1991: \$361.3 million)

² From 1 October 1991 the Economic entity restructured its classifications of loans by industry in line with Australian Standard Industry Codes for both Australian and Overseas operations. Prior period data for these new classifications is not available and comparison between periods is indicative only

³ Real estate mortgage includes residential and commercial property exposures

n/a Not available

7: MATURITY DISTRIBUTION AND INTEREST RATE SENSITIVITY OF LOANS

Based on remaining term to
maturity at 30 September 1992

	DUE IN 1 YEAR OR LESS ¹ \$M	DUE BETWEEN 1 YEAR AND 5 YEARS \$M	DUE OVER 5 YEARS \$M	TOTAL \$M
Australia²				
Agriculture, forestry, fishing and mining	891.7	477.8	191.3	1,560.8
Business and personal services	320.9	638.4	261.9	1,221.2
Entertainment, leisure and tourism	416.7	730.0	90.9	1,237.6
Financial, investment and insurance	2,825.0	1,261.0	185.6	4,271.6
Government and official institutions	12.2	27.5	80.8	120.5
Lease finance	1,276.0	1,874.1	400.7	3,550.8
Manufacturing	910.8	577.8	300.7	1,789.3
Personal	3,012.1	1,793.8	1,206.5	6,012.4
Real estate - construction	644.6	216.5	62.3	923.4
Real estate - mortgage ³	3,528.7	4,304.0	10,941.9	18,774.6
Retail and wholesale trade	1,384.0	1,167.8	276.6	2,828.4
Other	629.2	669.3	283.7	1,582.2
Overseas	9,387.3	3,704.0	4,196.5	17,287.8
Gross loans and advances	25,239.2	17,442.0	18,479.4	61,160.6
Interest rate sensitivity				
Fixed interest rates	12,556.2	8,404.8	2,536.3	23,497.3
Variable interest rates	12,683.0	9,037.2	15,943.1	37,663.3
	25,239.2	17,442.0	18,479.4	61,160.6

¹ Includes overdrafts

² From 1 October 1991 the Economic entity restructured its classifications of loans by industry in line with Australian Standard Industry Codes for both Australian and Overseas operations

³ Real estate mortgage includes residential and commercial property exposures

8: CONCENTRATIONS OF CREDIT RISK

Concentrations of credit risk exist if a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Off-balance sheet transactions of the Economic entity are substantially with other banks.

At 30 September

	1992			1991 ¹
	LOANS AND ADVANCES SM	ACCEPTANCES SM	TOTAL SM	TOTAL SM
Australia				
Agriculture, forestry, fishing and mining	1,560.8	1,117.6	2,678.4	2,811.0
Business and personal services	1,221.2	944.0	2,165.2	n/a
Commercial and industrial	n/a	n/a	n/a	20,559.7
Entertainment, leisure and tourism	1,237.6	802.8	2,040.4	n/a
Financial, investment and insurance	4,271.6	2,292.6	6,564.2	7,560.4
Government and official institutions	120.5	207.4	327.9	710.0
Lease finance	3,550.8	-	3,550.8	3,845.6
Manufacturing	1,789.3	2,380.0	4,169.3	n/a
Personal	6,012.4	879.0	6,891.4	7,144.3
Real estate - construction	923.4	486.6	1,410.0	2,981.5
Real estate - mortgage ²	18,774.6	1,401.3	20,175.9	10,667.4
Retail and wholesale trade	2,828.4	1,968.0	4,796.4	n/a
Other	1,582.2	465.8	2,048.0	n/a
	43,872.8	12,945.1	56,817.9	56,279.9
Overseas				
Agriculture, forestry, fishing and mining	771.0	102.2	873.2	n/a
Banks and other financial institutions	n/a	n/a	n/a	1,669.1
Business and personal services	503.1	132.1	635.2	n/a
Commercial and industrial	n/a	n/a	n/a	8,934.9
Entertainment, leisure and tourism	415.0	1.5	416.5	n/a
Financial, investment and insurance	2,201.5	342.9	2,544.4	n/a
Government and official institutions	783.5	42.6	826.1	1,050.0
Lease finance	85.3	-	85.3	n/a
Manufacturing	3,021.4	587.5	3,608.9	n/a
Personal	1,067.0	1.5	1,068.5	n/a
Real estate - construction	947.7	37.4	985.1	n/a
Real estate - mortgage ²	4,152.0	-	4,152.0	n/a
Retail and wholesale trade	1,452.1	272.8	1,724.9	n/a
Other	1,888.2	348.2	2,236.4	5,955.7
	17,287.8	1,868.7	19,156.5	17,609.7
Total portfolio	61,160.6	14,813.8	75,974.4	73,889.6

¹ From 1 October 1991 the Economic entity restructured its classifications of loans by industry in line with Australian Standard Industry Codes for both Australian and Overseas operations. Prior period data for these new classifications is not available and comparison between periods is indicative only

² Real estate mortgage includes residential and commercial property exposures
n/a Not applicable.

9: CROSS BORDER OUTSTANDINGS

Cross border outstandings of the Economic entity to countries which individually represented in excess of 0.75% of the Economic entity total assets are shown below. There were no cross border outstandings to any other country exceeding 0.75% of total assets.

Cross border foreign outstandings are based on the country of domicile of the borrower or guarantor of the ultimate risk and comprise loans (including accrued interest), placements with banks, acceptances and other monetary assets denominated in currencies other than the borrower's local currency.

	GOVERNMENTS AND OTHER OFFICIAL INSTITUTIONS SM	BANKS AND OTHER FINANCIAL INSTITUTIONS SM	OTHER COMMERCIAL AND INDUSTRIAL SM	TOTAL SM	% OF THE ECONOMIC ENTITY
At 30 September 1992					
United Kingdom	98.9	1,259.8	824.0	2,182.7	2.2
New Zealand	107.7	411.3	1,400.9	1,919.9	1.9
USA	29.3	338.1	1,469.5	1,836.9	1.8
Japan	2.2	990.3	468.4	1,460.9	1.4
India	385.8	217.1	367.6	970.5	1.0
Hong Kong	0.1	676.8	185.4	862.3	0.9

10: DOUBTFUL DEBTS - INDUSTRY ANALYSIS

	1992	1991	1990	1989	1988
	\$M	\$M	\$M	\$M	\$M
Balance at start of year	1,993.4	1,715.0	1,287.2	948.2	929.7
Adjustment for exchange rate fluctuations	110.2	(1.2)	(11.9)	(9.9)	(64.9)
Write-offs (refer (i) below)	(757.3)	(861.5)	(527.1)	(264.4)	(195.6)
Recoveries (refer (ii) below)	36.9	18.8	29.2	32.9	15.8
Charge to profit and loss account	1,937.4	1,053.3	793.2	528.8	264.8
Provisions acquired (disposed)	39.9	45.9	62.3	16.9	(1.6)
Tax benefits realised on rescheduled debt	1.2	-	58.7	-	-
Transfer from deferred tax	-	-	-	19.9	-
Transfer from interest suspense	-	-	-	14.8	-
Other	(24.1)	23.1	23.4	-	-
Total provisions for doubtful debts	3,337.6	1,993.4	1,715.0	1,287.2	948.2
(i) Total write-offs by industry¹					
Australia					
Agriculture, forestry, fishing and mining	(36.6)	(13.1)	(14.9)	(6.2)	(3.2)
Business and personal services	(55.7)	n/a	n/a	n/a	n/a
Commercial and industrial	n/a	(391.2)	(135.4)	(92.3)	(92.2)
Entertainment, leisure and tourism	(21.3)	n/a	n/a	n/a	n/a
Financial, investment and insurance	(36.2)	(36.2)	(1.7)	(19.2)	(3.9)
Government and official institutions	(2.8)	(3.4)	(0.3)	-	-
Lease finance	(28.1)	(32.9)	(10.8)	(13.4)	(10.5)
Manufacturing	(45.2)	n/a	n/a	n/a	n/a
Personal	(47.9)	(61.9)	(6.2)	(26.1)	(36.7)
Real estate - construction	(16.2)	(105.8)	(10.8)	(15.0)	(1.3)
Real estate - mortgage ²	(205.4)	(0.1)	(2.8)	-	-
Retail and wholesale trade	(61.1)	n/a	n/a	n/a	n/a
Other	(37.9)	n/a	n/a	n/a	n/a
Overseas					
Rescheduled country debt	(11.3)	(80.7)	(218.1)	(40.0)	-
Other	(151.6)	(136.2)	(126.1)	(52.2)	(47.8)
Total write-offs	(757.3)	(861.5)	(527.1)	(264.4)	(195.6)
(ii) Recoveries by industry¹					
Australia					
Agriculture, forestry, fishing and mining	0.9	0.3	0.9	0.5	0.1
Business and personal services	0.7	n/a	n/a	n/a	n/a
Commercial and industrial	n/a	4.0	15.0	13.5	8.6
Entertainment, leisure and tourism	0.2	n/a	n/a	n/a	n/a
Financial investment and insurance	0.9	0.2	0.2	-	0.1
Government and official institutions	-	n/a	n/a	n/a	n/a
Lease finance	4.3	-	7.1	6.0	2.7
Manufacturing	0.7	n/a	n/a	n/a	n/a
Personal	9.7	8.8	0.4	7.6	3.5
Real estate - construction	0.3	0.1	0.1	1.3	0.1
Real estate - mortgage ²	5.7	-	1.0	-	-
Retail and wholesale trade	1.0	n/a	n/a	n/a	n/a
Other	5.0	n/a	n/a	n/a	n/a
Overseas					
	7.5	5.4	4.5	4.0	0.7
Total recoveries	36.9	18.8	29.2	32.9	15.8
Net write-offs	(720.4)	(842.7)	(497.9)	(231.5)	(179.8)
Ratio of net write-offs to average loans and acceptances	0.98%	1.12%	0.75%	0.41%	0.35%

¹ From 1 October 1991 the Economic entity restructured its classifications of loans by industry in line with Australian Standard Industry Codes for both Australian and Overseas operations. Prior period data for these new classifications is not available and comparison between periods is indicative only

² Real estate mortgage includes residential and commercial property exposures

n/a Not applicable.

11: CERTIFICATES OF DEPOSIT AND TERM DEPOSIT MATURITIES

The following table shows the maturity profile of the Economic entity's certificates of deposit and term deposits in excess of \$A100,000 issued at 30 September 1992

	DUE IN 3 MONTHS OR LESS \$M	DUE BETWEEN 3 MONTHS AND 6 MONTHS \$M	DUE BETWEEN 6 MONTHS AND 1 YEAR \$M	DUE OVER 1 YEAR \$M	TOTAL \$M
Australia					
Certificates of deposit	1,973.2	131.4	515.8	2,030.1	4,650.5
Term deposits	5,237.9	767.5	267.5	732.0	7,004.9
	7,211.1	898.9	783.3	2,762.1	11,655.4
Overseas					
Certificates of deposit	693.8	569.5	160.0	0.3	1,423.6
Term deposits	7,006.1	910.4	625.6	288.3	8,830.4
	7,699.9	1,479.9	785.6	288.6	10,254.0
Total	14,911.0	2,378.8	1,568.9	3,050.7	21,909.4

12: SHORT TERM BORROWINGS

The Economic entity's short term borrowings include commercial paper, debenture stock (secured debt securities), unsecured notes and deposits, subordinated and unsubordinated debt, with a remaining term to maturity of one year or less. The Economic entity has commercial paper programmes in the United States, where it issues paper through its controlled entity ANZ (Delaware) Inc., and in Europe and Asia, where the Economic entity issues paper direct.

Years ended 30 September	1992 \$M	1991 \$M	1990 \$M
Balance at end of year			
Commercial paper - ANZ (Delaware) Inc.	1,649.8	1,210.7	1,187.8
Commercial paper - other	1,276.0	1,494.1	1,147.8
Debenture stock	3,156.1	2,892.8	3,150.1
Other secured borrowings	38.1	23.5	11.8
Unsecured notes and deposits	2,176.1	3,010.6	2,226.4
Weighted average interest rate at end of year			
Commercial paper - ANZ (Delaware) Inc.	3.56%	5.98%	8.02%
Commercial paper - other	4.59%	7.58%	12.74%
Debenture stock	12.16%	13.07%	14.99%
Other secured borrowings	7.51%	7.53%	13.19%
Unsecured notes and deposits	8.71%	10.56%	12.98%
Maximum amount outstanding at any month end during year			
Commercial paper - ANZ (Delaware) Inc.	1,649.8	1,910.7	1,762.5
Commercial paper - other	2,370.7	1,950.9	1,691.9
Debenture stock	3,489.7	3,560.2	3,265.3
Other secured borrowings	44.5	101.5	39.0
Unsecured notes and deposits	3,697.3	4,482.5	3,523.7
Average amount outstanding during year			
Commercial paper - ANZ (Delaware) Inc.	1,177.5	1,452.4	1,187.0
Commercial paper - other	1,541.0	1,373.3	1,118.5
Debenture stock	3,153.7	3,165.3	2,880.8
Other secured borrowings	21.5	39.5	20.5
Unsecured notes and deposits	2,482.8	2,622.1	2,592.8
Weighted average interest rate during year			
Commercial paper - ANZ (Delaware) Inc.	4.62%	7.08%	8.33%
Commercial paper - other	6.35%	9.87%	14.48%
Debenture stock	12.14%	14.38%	15.54%
Other secured borrowings	9.67%	9.41%	12.53%
Unsecured notes and deposits	9.57%	12.10%	14.33%

Shareholder Information

1: MAJOR SHAREHOLDERS

(i) Ordinary shares

At 6 November 1992 the twenty largest holders of ordinary shares held 516,098,405 ordinary shares, equal to 48.9 per cent of the total issued capital

	NUMBER OF SHARES	%
National Nominees Ltd	108,162,103	10.3
Westpac Custodian Nominees Limited	82,239,903	7.8
Australian Mutual Provident Society	64,952,149	6.2
ANZ Nominees Ltd	61,181,335	5.8
Chase Manhattan Nominees Ltd	28,165,959	2.7
Citicorp Nominees Pty Limited	25,195,552	2.4
Pendal Nominees Pty Limited	18,417,018	1.7
MLC Life Limited	17,010,718	1.6
Queensland Investment Corporation	16,739,694	1.6
The National Mutual Life Association of Australasia Limited	16,300,363	1.5
State Authorities Superannuation Board	15,676,171	1.5
Bank of New South Wales Nominees Pty Limited	13,619,780	1.3
CBA Nominees Limited	13,179,483	1.2
NRMA Investments (Pty) Limited	6,311,309	0.6
The Commonwealth Superannuation Board of Trustees	5,680,088	0.5
GIO Life Ltd	5,323,776	0.5
Transport Accident Commission	4,762,587	0.5
The Equity Trustees Executors & Agency Co Ltd	4,570,500	0.4
Australian Foundation Investment Company Limited	4,329,809	0.4
Suncorp Insurance and Finance	4,280,108	0.4
	516,098,405	48.9

(ii) Partly paid to 50 cents shares

At 6 November 1992 the twenty largest partly paid shareholders held 98,788,680 partly paid shares equal to 47.6 per cent of the total partly paid shares issued

National Nominees Ltd	26,804,745	12.9
ANZ Nominees Ltd	20,682,211	10.0
Chase Manhattan Nominees Ltd	8,735,168	4.2
Citicorp Nominees Pty Limited	7,092,603	3.4
Pendal Nominees Pty Limited	5,864,506	2.8
MLC Life Limited	5,668,257	2.7
Mercantile Mutual Life Insurance Company Limited	4,418,241	2.1
Queensland Investment Corporation	3,684,962	1.8
Bank of New South Wales Nominees Pty Limited	2,761,918	1.3
Australian Mutual Provident Society	1,893,183	0.9
UOB Nominees (Australia) Limited	1,826,740	0.9
The Commonwealth Superannuation Board of Trustees	1,698,353	0.8
NRMA Investments (Pty) Limited	1,256,261	0.6
Barclays Australia Custodian Services Limited	995,264	0.5
WIS(A) L (HK) Nominees Pty Ltd	988,740	0.5
Perpetual Trustees WA Limited	966,000	0.5
Cigna Insurance Australia Limited	950,000	0.5
Equity Margins Nominees Ltd	914,393	0.4
Australian Foundation Investment Company Limited	825,912	0.4
HKBA Nominees Limited	761,223	0.4
	98,788,680	47.6

Shareholder Information

1: MAJOR SHAREHOLDERS (CONTINUED)

(iii) Preference shares

At 6 November 1992 the twenty largest preference shareholders held 3,387,968 preference shares equal to 56.5 per cent of the total preference shares allotted of 6,000,000 shares of \$1 each.

	NUMBER OF SHARES	%
The National Mutual Life Association of Australasia Ltd	1,248,740	20.8
Pendal Nominees Pty Ltd	597,300	10.0
Permanent Trustee Company Limited	231,520	3.9
Mercantile Mutual Life Insurance Company Ltd	200,000	3.3
BT Custodians Limited	150,000	2.5
Perpetual Trustees (Canberra) Limited	145,000	2.4
Perpetual Trustee Company Limited	145,000	2.4
Equity Life Ltd	101,591	1.7
Norwich Union Life Australia Limited	100,000	1.7
National Nominees Limited	74,020	1.2
Suncorp Insurance and Finance	65,510	1.1
Fulcrum Capital Corporation Limited	53,550	0.9
NRMA Investments (Pty) Limited	50,000	0.8
The Australian National University	48,770	0.8
ANZ Nominees Limited	35,167	0.6
Bankers Trust Life Limited	30,000	0.5
State Electricity Commission Of Victoria	29,500	0.5
Cigna Insurance Australia Limited	29,000	0.5
Westfarmers Provident Fund Pty Ltd	28,300	0.5
The Queensland Local Government Superannuation Board	25,000	0.4
	3,387,968	56.5

2: SUBSTANTIAL ORDINARY SHAREHOLDERS

At 6 November 1992, the following entries were contained in the register of substantial shareholdings

	NUMBER OF SHARES
Westpac Banking Corporation	74,347,327
Australian Mutual Provident Society	60,169,275
National Australia Bank Ltd	51,294,883

3: AVERAGE SIZE OF SHAREHOLDINGS

(i) Ordinary shares - fully paid

At 6 November 1992 the average size of ordinary shareholdings was 10,142 (1991: 10,112) shares.

(ii) Ordinary shares - partly paid

At 6 November 1992 the average size of partly paid shareholdings was 3,030 (1991: nil) shares.

(iii) Preference shares

At 6 November 1992 the average size of preference shareholdings was 606 (1991: 712) shares.

Shareholder Information

4: DISTRIBUTION OF SHAREHOLDINGS

(i) Ordinary shares - fully paid

At 6 November 1992

Range	NUMBER OF HOLDERS	% OF HOLDERS	NUMBER OF SHARES 000's	% OF SHARES
1 to 1,000 shares	37,850	36.4	19,819	1.9
1,001 to 5,000 shares	48,915	47.0	117,862	11.2
5,001 to 10,000 shares	10,352	10.0	73,271	6.9
Over 10,000 shares	6,863	6.6	843,572	80.0
	103,980	100.0	1,054,524	100.0

(ii) Ordinary shares - partly paid

At 6 November 1992

Range	NUMBER OF HOLDERS	% OF HOLDERS	NUMBER OF SHARES 000's	% OF SHARES
1 to 1,000 shares	53,000	77.5	17,766	8.6
1,001 to 5,000 shares	12,682	18.5	27,193	13.1
5,001 to 10,000 shares	1,500	2.2	11,107	5.4
Over 10,000 shares	1,198	1.8	151,157	72.9
	68,380	100.0	207,223	100.0

(iii) Preference shares

At 6 November 1992

Range	NUMBER OF HOLDERS	% OF HOLDERS	NUMBER OF SHARES 000's	% OF SHARES
1 to 1,000 shares	9,580	96.8	1,493	24.9
1,001 to 5,000 shares	242	2.4	526	8.8
5,001 to 10,000 shares	31	0.3	234	3.9
Over 10,000 shares	49	0.5	3,747	62.4
	9,902	100.0	6,000	100.0

5: CATEGORIES OF ORDINARY SHAREHOLDERS

At 6 November 1992

	NUMBER OF HOLDERS	% OF HOLDERS	NUMBER OF SHARES 000's	% OF SHARES
Holders (non corporate)	93,581	90.0	291,120	27.6
Banks, insurance and pension companies	199	0.2	69,329	6.6
Trustee companies	614	0.6	39,096	3.7
Nominee companies	1,590	1.5	357,296	33.9
Other companies	7,996	7.7	297,683	28.2
	103,980	100.0	1,054,524	100.0

6: VOTING RIGHTS OF SHAREHOLDERS

(i) Ordinary shares - fully paid and partly paid

The articles provide for

- (i) on show of hands 1 vote
- (ii) on a poll 1 vote for each fully-paid ordinary share held and 50 cent paid share held; and
- (iii) 1 vote for every 10, 10 cent paid shares issued pursuant to the Company's senior officers' share purchase scheme and the directors' share and option purchase scheme.

(ii) Preference shares

Preference shareholders may vote only upon

- (i) a proposal to reduce the share capital of the Company
- (ii) a proposal to wind up the Company
- (iii) a proposal for the sale of the undertaking of the Company
- (iv) a proposal which directly affects the rights, powers and privileges attaching to the preference shares and during a period when a dividend payable on the preference shares is more than six months in arrears.

7: HOLDERS OF NON-MARKETABLE PARCELS

(i) Ordinary shares - fully paid

At 6 November 1992, shareholdings of less than a marketable parcel (1 to 99 shares) were 3,353 (1991: 3,205) which is 3.2% of the total holdings of ordinary shares.

(ii) Ordinary shares - partly paid

At 6 November 1992, shareholdings of less than a marketable parcel (1 to 99 shares) were 7,861 (1991: nil) which is 11.5% of the total holdings of partly paid shares.

(iii) Preference Shares

At 6 November 1992, preference shareholdings of less than a marketable parcel (1 to 49 preference shares) were 462 (1991: 162) which is 4.7% of the total number of preference shareholdings.

8: EMPLOYEE SHAREHOLDER INFORMATION

At 6 November 1992, participants in the employee and senior officers' share purchase schemes held 2.5% (1991: 3.0%) of the issued share capital.

9: DIRECTORS' SHAREHOLDING INTERESTS

At 27 November 1992

	BENEFICIALLY HELD				NON-BENEFICIALLY HELD	
	FULLY PAID ¹	PARTLY PAID ²	PARTLY PAID ³	OPTIONS ⁴	FULLY PAID ¹	PARTLY PAID ²
	SHARES	SHARES	SHARES		SHARES	SHARES
J C Dahlsen	19,500	13,900	50,000	50,000	10,000	2,000
C B Goode	40,255	81,831	50,000	50,000	-	-
J B Gough	110,209	31,442	50,000	-	-	-
C J Harper	20,679	12,135	40,000	50,000	-	-
Dame Leonie Kramer	30,590	-	21,000	50,000	-	-
A T L Maitland	79,775	2,955	-	-	-	-
D P Mercer	62,056	-	-	-	-	-
J F Ries	96,249	18,249	-	-	-	-
Dr B W Scott	13,038	12,536	50,000	50,000	-	-
Sir Ronald Trotter	2,000	10,400	50,000	50,000	-	-
R B Vaughan	8,453	11,644	50,000	50,000	-	-
B Weeks	119,694	-	-	50,000	-	-
	602,498	195,092	361,000	400,000	10,000	2,000

¹ Ordinary shares of \$1.00 each

² Partly paid ordinary shares of \$1.00 each paid as to 50 cents with \$1.88 payable on 26 March 1993 (being 50 cents capital and \$1.38 premium)

³ Ordinary shares of \$1.00 each paid as to 10 cents only issued pursuant to the Directors' Share and Option Purchase Scheme

⁴ Options issued pursuant to the Directors' Share and Option Purchase Scheme to take up shares in the Company during the period of 5 years after issue at market prices fixed as at the time of issue less 1 cent which amount of 1 cent was paid on issue of the option

NOTES

SHAREHOLDER MEETINGS

The Annual General Meeting will be held at the Savoy Ballroom, The Grand Hyatt, Collins Street, Melbourne on Friday 15 January 1993.

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 Sydney on 18 January 1993, Wellington 3 February 1993 and London 10 February 1993. Further details of these meetings are included in the Chairman's Letter accompanying the Notice of Meeting.

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 18 January 1993. 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

LISTINGS

The Group's shares are listed on the Australian Stock Exchange, the International Stock Exchange in London and the New Zealand Stock Exchange.

Additionally, the Bank of New York sponsors an ADR programme in the United States of America.

DIVIDENDS

Several dividend options are available to Shareholders. These options are detailed in a booklet called "Shareholder Alternatives", copies of which are available from the Share Registrars at the addresses shown.

REGISTERED OFFICE

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

Group Secretary: R T Jones
 Chief Financial Officer: D T Craig
 General Manager - Investor Relations: G J Camm
 Solicitors: Blake Dawson Waldron
 Auditors: KPMG Peat Marwick

SHARE REGISTRARS

Australia

Coopers & Lybrand
 7th Floor, 150 Queen Street, Melbourne
 Phone: (03) 602 5688 Toll Free: 008 331 721

New Zealand

ANZ Banking Group (New Zealand) Limited,
 8th Floor, 215-229 Lambton Quay, Wellington

United Kingdom

Barclays Registrars, Bourne House,
 34 Beckenham Road, Beckenham,
 Kent BR3 4TU

FINANCIAL CALENDAR 1992/93

Books close for Final Dividend	11 December
Annual General Meeting	15 January
Final Dividend Payment	15 January
Sydney Shareholder Information Meeting	18 January
Wellington Shareholder Information Meeting	3 February
London Shareholder Information Meeting	10 February
Interim results announcement	26 May*
Final results announcement	24 November*

* Tentative dates only

RATINGS (DECEMBER 1992)

Short Term Debt

Australian Ratings - Standard & Poor's Corporation	A1
Moody's Investor Services	Prime-1

Long Term Debt

Australian Ratings - Standard & Poor's Corporation	A+
Moody's Investor Services	A2

VALUE OF \$1000 INVESTED IN 1980



MANAGEMENT DIRECTORY

GROUP HEADQUARTERS

Chief Executive Officer	Don Mercer
Chief Financial Officer	David Craig
Group General Manager – Audit	Flav Belli
Group General Manager – Credit	Achut Bommakanti
Group General Manager – Finance	David Butler
General Manager – Group Investor Relations	Greg Camm
General Manager – Global Treasury	Bob Challis
Group Secretary	Richard Jones
Group General Manager – Personnel	Roy Marsden
General Manager – Group Public Affairs	Matthew Percival

AUSTRALIA

Executive Director – Australia	John Ries
Senior General Manager – Retail Banking	John McConnell
Senior General Manager – Business Banking	Rupert Thomas
General Manager – Payment Services	Charles Carbonaro
Deputy Managing Director ANZ Funds Management	Melda Donnelly
Managing Director – Esanda Finance	Bob Edgar
Managing Director – ANZ Funds Management	Tim Jenkins
Assistant General Manager – Corporate Affairs	Sue McCarthy
General Manager – Management Services	Russell Rechner
General Manager – Institutional Financial Services	Doug Watson

ASSET MANAGEMENT

Executive Director – Asset Management	Brian Weeks
Assistant General Manager – Asset Management	Graeme Irving
General Manager – Special Projects	Peter McMahon
Assistant General Manager – Asset Management	Gary Mason
Assistant General Manager – Asset Management	Andrew Ward

NEW ZEALAND

Managing Director – New Zealand	Peter Hawkins
General Manager – Planning & Development	Jeff Pitt
General Manager – Retail Services	Michael Calderwood
General Manager – Finance & Treasury	Don Jeffrey
Managing Director – UDC Group	Brian Johnstone
General Manager – Personnel	Ray Nicholson
General Manager – Retail Banking	Mike O'Neill
General Manager – Business Banking	Alan Pickering

INTERNATIONAL

Executive Director – International	Alister Maitland
Senior General Manager Europe, South Asia, Middle East & Managing Director ANZ Grindlays	Bevyn Ranford
General Manager – Credit & Risk Management	Bob Barton
General Manager – Correspondent Banking	Angelo Briganti
General Manager – UK Corporate & Merchant Banking	John Curry
General Manager – Private Banking	Gerald Howard
General Manager – South Asia	Barry McCance
General Manager – Finance & Planning	Ian Snape
General Manager – Nominees	John Sudholz
General Manager – UK Treasury	David Valentine
General Manager – Americas	Holger von Paucker
General Manager – Asia Pacific	Peter Wilson
Regional General Manager – Middle East	to be announced

