AUSTRALIA AND NEW ZEALAND BANKING GROUP

1995 ANNUAL REPORT

ANZ

FINANCIAL CALENDAR

Announcement of Final Results	22 November 1995
Books close for final dividend	15 December 1995
Annual General Meeting	**17 January 1996**
Payment of final dividend	**17 January 1996**
Announcement of Interim Results	**21 May 1996***
Books close for interim dividend	**7 June 1996***
Payment of interim dividend	**8 July 1996***
Announcement of Final Results	**20 November 1996***

*tentative dates only

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

Paper: Corporate Section – 100% Australian paper
Financial Statements – 100% Australian recycled paper

Unless otherwise stated, all amounts are expressed in Australian dollars

ANZ INTERNET ADDRESSES Home Page: **http://www.anz.com.au** Special Reports Page: **http:www.anz.com.au/spec.htm**

The banking industry is undergoing enormous change. To maintain focus and cohesion while effectively managing change, all ANZ staff share a common direction and set of values as shown below.

ANZ

ANZ is a banking and financial services group with three core sources of business:

- Australia, with some 60% of group assets,
- New Zealand, with some 14% of group assets, and
- internationally, with some 26% of group assets.

ANZ aspires to excellence. We seek to build value for our shareholders, customers and staff. We measure shareholder value in various ways, but high return on equity is a central and continuing goal.

ANZ in Australia and New Zealand

ANZ aims to be the outstanding financial services group, delivering a broad range of banking and non-banking services, to industry, government and consumers. We are differentiated from our competitors by the quality and efficiency of our services and our international coverage.

Servicing and meeting the banking needs of individuals is a principal focus. However, through our experience of efficiently delivering high quality commercial services, ANZ has built a mix of business which has a stronger commercial orientation than our peers. We aim to be recognised as the bank to deal with if you are in business, and particularly international business.

We aim to build value based on measurably superior customer service.

ANZ internationally

Spanning 41 countries, our international network is concentrated in the great arc of countries from the Middle East through South and East Asia to the Pacific. These increasingly constitute Australia and New Zealand's major trading markets. We are the only Australian and New Zealand based international bank operating across this region.

Within our international network, we already have, or are building, significant commercial banking businesses including high net worth personal business complemented by wholesale operations in the major financial centres.

ANZ's Vision

We will be renowned as the top performing banking group serving Australia, New Zealand and our international markets.

We will, relative to our competitors:

- Provide the greatest return to our shareholders by achieving sound profitable growth.
- Be perceived by customers and staff as the best wherever we operate.
- Have staff of the highest calibre.
- Excel in the way we work together to make decisions, manage change and get things done.

We will achieve this position by the end of 1998 and sustain it thereafter.

ANZ's Values

We are one ANZ. This means we hold the following values and are guided by them as we do our jobs.

- We have a strong customer focus and build relationships based on integrity, superior service and mutual benefit.
- We strive for profit and sound growth.
- We work as a team to serve the best interests of the Group.
- We are relentless in pursuit of business innovation and improvement.
- We value and respect people and make decisions about people based on merit.
- We base recognition and reward on performance.
- We value open and honest communication.
- We are responsible, trustworthy and law-abiding in all we do.

"Australia and New Zealand's international bank"

GROUP PROFILE

$113B	Group Assets
43	Countries of operation
39,240	Employees (FTE)
$5.7B	Shareholders' Equity
1,662	Total branches & representative offices

The Group originated in United Kingdom in 1835 when the Bank of Australasia was established by Royal Charter.

In 1951, Bank of Australasia merged with Union Bank of Australia to form Australia and New Zealand Bank Limited which in 1970 merged with The English, Scottish and Australian Bank Limited.

In 1977, the Bank transferred its domicile from the United Kingdom to Australia (Melbourne).

In 1984, the Bank acquired Grindlays Bank plc., in 1989 it acquired PostBank Limited (in New Zealand) and in 1990 acquired both the National Mutual Royal Bank Limited and the Town & Country Building Society in Australia.

AUSTRALIA

$68B (60%)	Assets (as % Group Assets)
23,129	Employees (FTE)
1,134	Branches
902	Automatic teller machines
8,848	EFTPOS machines

ANZ is one of the "big four" Australian domestic banks providing a full range of financial services. Within this spectrum ANZ's relative strengths are in business banking and trade finance.

Through wholly owned subsidiaries ANZ offers complementing financial services - investment and insurance services through ANZ Funds Management; personal and corporate stockbroking services through ANZ Stockbroking and ANZ McCaughan Securities Limited; and specialised leasing, motor vehicle and property finance services through Esanda Finance Corporation Limited, the largest finance company in Australia.

NEW ZEALAND

$15B (14%)	Assets (as % Group Assets)
6,205	Employees (FTE)
320	Branches
272	Automatic teller machines
4,951	EFTPOS machines

ANZ has been operating in New Zealand since 1840. ANZ is the oldest and the second largest bank in the country.

ANZ provides a complete range of products and services to the retail and business markets, and is known as New Zealand's export bank.

As in Australia, the finance subsidiary UDC Finance Limited is New Zealand's largest finance company specialising in leasing and motor vehicles.

The stockbroking arm, ANZ McCaughan Securities (NZ) Limited and the funds management arm ANZ Funds Management complete the range of investment management services.

INTERNATIONAL

$30B (26%)	Assets (as % Group Assets)
41	Countries of operation
9,906	Employees (FTE)
208	Branches & representative offices

ANZ has a network of niche banking operations (principally trading as ANZ and ANZ Grindlays) providing trade finance and commercial banking services in 41 countries outside Australia and New Zealand, mainly throughout Greater Asia (Pages 30 & 31 list ANZ's worldwide representation).

This network is complemented by an active presence in major global financial centres.

ANZ provides on-the-ground international banking services to support the international activity of ANZ's customers worldwide.

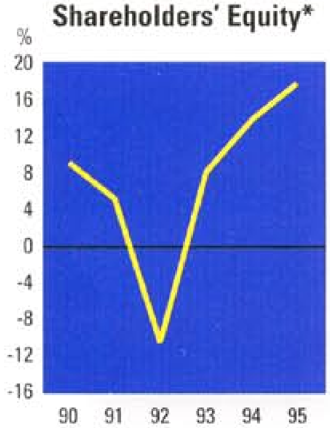
All data as at 30 September 1995

PERFORMANCE	HIGHLIGHTS	OUTLOOK
► Operating profit after tax* $1,033 million ► Return on Shareholders' equity* of 17.6% ► Earnings* per share 68.5 cents ► Annual dividend 33 cents ► Asset growth 8% ► Gross non-accrual loans down $1 billion	► Return of franking 33% of final dividend franked ► Conversion of Preference Shares and related buy-back ► New Board Committee Structure	► Further earnings per share growth ► Increasing franking percentage ► Application of new technology ► Institutionalised credit culture ► Performance linked remuneration ► Organic growth
► Operating profit after tax* $612 million • Banking $435 million • Esanda $114 million • ANZ Funds Management $63 million ► Return on average risk weighted assets* 1.2% ► Asset growth 6%	► Business growth ► Market share gains ► Hogan implementation completed ► Enterprise Bargaining Agreement implemented ► Sales and Service Incentive Plan ► Launch of Telstra Card ► Funds Management performance	► Competitive pressures ► Back office centralisation and streamline transaction processing ► Market segmentation ► Telephone banking ► Delivery channels-alternative modes and delivery sites ► New technology ► Launch ANZ Online/ electronic banking ► Smart cards, remote banking
► Operating profit after tax* $146 million ► Return on average risk weighted assets* 1.3% ► Asset growth 20% ► Another record year for UDC	► Strong business growth ► Branch rationalisation ► Expanded electronic network ► Customer migration to electronic banking ► Largest lender for housing ► Market share gains ► Telephone banking introduced	► Further branch rationalisation ► Completion of integration of ANZ and PostBank networks ► Further shift to electronic delivery ► Back office centralisation ► Market segmentation ► Direct marketing ► Intense competition
► Operating profit after tax* $275 million • Europe $83 million • Asia Pacific $79 million • South Asia $27 million • Americas $39 million • Middle East $47 million ► Return on average risk weighted assets* 1.6% ► Asset growth 8%	► Vietnam operation profitable ► Licence to open in Philippines ► Branch expansion in Sri Lanka ► Launch ANZLINK product ► Purchase of remaining 25% of Bank of Western Samoa ► Best Australian Service Provider in Asia award	► Electronic banking deployed ► Further branch expansion in Asia ► Implementation of new technology platform ► Build cross border corporate advisory capability

*before abnormal items

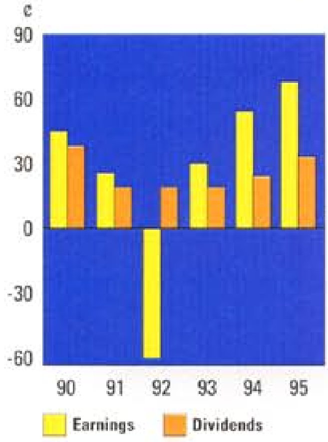
Mr Charles Goode
Chairman

Return on Average Shareholders' Equity*



*before abnormal items

Earnings* and Dividends# Per Share



*before abnormal items
#excludes preference shares

Dear Shareholder

The 1995 financial year was an excellent one for ANZ. We recorded, for the first time, an operating profit after tax of over one billion dollars while continuing to invest for the future in new technology, in building our presence in Asia, and in developing the professionalism of our people.

For shareholders, dividends have been increased, the company has recommenced franking and the share price has recovered considerably. While Directors believe shareholders can be satisfied with ANZ's performance in 1995, there can be no room for complacency. The financial services industry is highly competitive and changing rapidly. A major transformation program of the way ANZ delivers banking services is now under way to enable us to meet these competitive challenges.

In 1995 the profit before abnormal items was $1,033 million, a much improved result following the $803 million earned in 1994 and more than double the 1993 profit of $460 million. Abnormal factors contributed a further $19 million. The return on average shareholders' equity increased from 15.2% to 17.6% and earnings per share lifted from 54.5 cents to 68.5 cents. The entire Group is performing well and ANZ staff around the world deserve our thanks for their efforts.

Both the interim and final dividends were again increased, raising the full year dividend to 33 cents from 25 cents in 1994. Significantly, we were able to announce the partial franking of the 1995 final dividend to be paid on 17 January 1996.

We had not expected to return to franking until the 1996 financial year, but as a result of the strong improvement in the profitability of our Australian operations over the past three years, we have been able to advance this date and we expect the franking component of the dividend to be progressively increased.

Capital Position

The six million Converting Preference Shares issued in 1991 converted to Ordinary Shares on 11 July 1995. The Company made a cash buy-back offer for the ordinary shares issued as a result of the conversion as there was concern about the possibility of unsettled market conditions during the conversion period. We were pleased with the 77% acceptance of the buy-back offer, and the conversion and buy-back went smoothly.

One of the Board's key responsibilities is to manage the Group's capital resources. Directors view the Group's existing capital base as adequate for current operations and consider that the generation of retained earnings can comfortably accommodate anticipated growth. The same rationale underpinned the decision to remove the discount applicable to shares issued under the Dividend Reinvestment Plan and the Bonus Option Plan. Given the capital position, the issuing of shares at a discount under the plans could no longer be justified as being in the best interest of all shareholders. Shareholders who wish to accumulate additional shares without the imposition of brokerage or stamp duty will continue to be able to do so through the plans.

Corporate Governance

Corporate Governance is an area of increasing attention worldwide. During the year Directors undertook a major review of the Company's Corporate Governance framework, which confirmed that our arrangements closely matched best practice. However, some modification to the Committee structure to consolidate related issues under the jurisdiction of single committees was deemed appropriate and has been implemented. Details of our Corporate Governance framework are set out on pages 26 and 27 of this Report.

Board Changes

There were two changes during the year. Mr John Gough, a Director of ANZ since August 1986 and Chairman since July 1992, retired in August 1995. John has made an enormous contribution to the affairs of the company, particularly as Chairman during the past three years. His leadership, integrity and determination to restore ANZ's profitability and standing in the community was an inspiration to us all.

We thank John sincerely for his contribution and wish him well for the future.

We are pleased that Mr Jerry Ellis agreed to join the Board in October 1995. Mr Ellis, a Director of BHP since 1991, brings to ANZ a strong knowledge and understanding of the mining and manufacturing industries.

Outlook

While the rate of economic growth in Australia and New Zealand has slowed from the levels recorded last year, we expect a period of sustainable growth with low inflation. The world economy is similarly placed with strongest growth continuing in the Asian region.

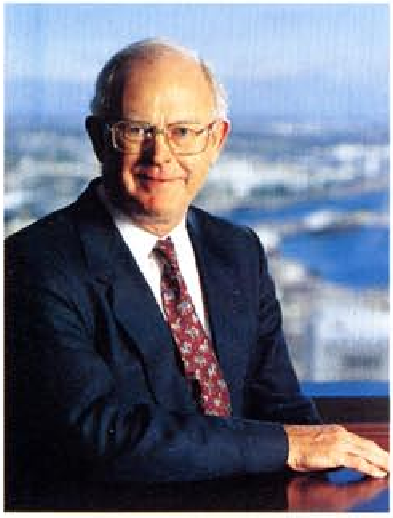
The expansion of international trade has been a significant, and much needed, feature of the Australian economy over recent decades. ANZ is committed to being an active participant in the international aspirations of our Australian and New Zealand customers and those who deal with us around the globe. ANZ earns 40% of profit from operations outside Australia which provides welcome diversification of earnings and strong growth prospects.

The rate of change in banking is accelerating. Technological developments are making it possible to deliver banking services in new and innovative ways that better meet customer requirements and reduce costs. Telephone banking, EFTPOS and smart cards are all part of the new wave of banking. ANZ is maintaining its position at the forefront of electronic banking in our home markets and is actively applying this expertise to our international operations. The capital requirements associated with the introduction of new technology require careful assessment.

With economic growth slowing, surplus capital in the industry and new providers of financial services emerging, competitive pressures are very evident. We intend to continue to build on our strengths of customer service, business focus and international representation while at the same time pursuing efficiency improvements.

Charles Goode

Charles Goode
Chairman



Mr Don Mercer
Chief Executive Officer

ANZ's profit result for 1995 of $1,033 million before abnormal items was a record. This was reflected in our share price performance and increased dividends. Strong lending growth and improved credit factors underpin the result and each of the main businesses worldwide is performing well and achieving a good rate of return on the assets employed. *(A discussion of operations and results is contained in the next 16 pages.)*

However, no matter how well we are performing today, it is clear that the banking industry is undergoing enormous change. Going forward, successful banks will be those that can respond to the needs of the market and are effective in managing change. To maintain focus and cohesion while effectively managing change, all ANZ staff share a common direction and set of values. *(Set out on page 1 of this Report).*

Competition is intensifying as new competitors emerge in key product segments from home loan origination to credit cards to computer processing services. The main factor driving this change is the evolution of information technology and customers' increasing willingness to use alternative methods to complete their banking transactions.

ANZ is a leader amongst Australian banks in implementing change. While many banks are now embarking on removing processing functions from branches, we commenced our program in 1990 and finished the first stage in 1992. But we know we must do more. We must develop ways to combine the power of our new technology platform and the enhanced customer information available from it, to tailor products and services to better meet customer needs and reduce the costs of delivering banking services. ANZ's existing strengths in electronic banking place us in a strong position to capitalise on these developments.

In New Zealand, for some customer groups, we have already successfully migrated more than half of all cash transactions previously undertaken in branches on to electronic systems using card based products. Customers are afforded more convenient access to their bank balances and we achieve improvements in efficiency.

In Australia, we are centralising back office processing functions on a national basis. This will provide ANZ with a world class platform to handle telephone banking, customer enquiries and loan applications efficiently, further freeing branch staff to focus on customer sales and service. In the business sector, through the introduction of a full suite of electronic banking services

Group Results*

	1995	1994	1993
Operating profit after tax ($M)	**1,033**	803	460
Operating profit before debt provisions ($M)	**1,722**	1,586	1,307
Return on average shareholders' equity (%)	**17.6**	15.2	9.4
Return on average risk weighted assets (%)	**1.3**	1.1	0.6
Cost to income (%)	**65.9**	66.0	69.2
Total assets ($B)	**113**	104	103
Capital adequacy (%)	**10.9**	11.3	10.8
Employees (full-time equivalents)	**39,240**	39,642	40,277

*before abnormal items

branded "ANZ Online", we will provide business customers with convenient electronic options to execute banking activity.

ANZ is Australia and New Zealand's international bank with our network of offices extending across 41 other countries, delivering superior trade and commercial services. Our "ANZ Link" product allows customers to conduct key elements of their international banking remotely, while our processing expertise in Melbourne is now supporting card activity in the Pacific Islands and India. ANZ is more than ready for the new environment.

A shift in bank charges will be an integral part of these changes. Branch services have never been "costless"– even post deregulation, cross subsidisation of transaction accounts has lingered. Now, in the face of new niche competitors who do not provide full service banking or a branch network, changes are inevitable. Banks will need to tailor products, prices and service levels more closely to customer needs. At the same time ANZ acknowledges community expectations reflected in the report by the Australian Prices Surveillance Authority and we will be introducing a new "basic banking" product in the new year.

While transformation of our delivery channels is a key imperative, it is only part of our forward strategy.

ANZ is committed to the provision of superior service to both personal and business customers. The "Teller Queue Guarantee" in Australia has been an outstanding success and provides a clear statement of this commitment.

Our funds management people are now working very effectively with branch staff to provide customers with complete financial advice and products. In addition, the investment performance of ANZ Funds Management has been outstanding.

Superior service for our business customers means understanding their businesses better and tailoring products and services to meet their needs. Getting out and calling on customers at their workplace is a priority for ANZ's business managers. The focus of these discussions is not only on traditional business banking services and products, but also, as more and more of our customers become involved in international trade and finance, on ANZ's capabilities in trade finance and international treasury services.

Geographic Profit Results*

	1995	1994	1993
Australia ($M)	**612**	457	200
New Zealand ($M)	**146**	95	96
International ($M)	**275**	251	164
TOTAL	**1,033**	803	460

*before abnormal items

These strengths are complementary to ANZ's international operations which we will continue to build to support the international aspirations of our customers. On 2 October 1995 we opened our first branch in the Philippines and a Representative Office opened in Argentina on 20 November 1995. We are looking to further branch expansion in Asia in the coming years.

Banking is a service industry and the expertise, experience and enthusiasm of our staff to deliver superior service to our customers is a critical element in our success and strategy. ANZ is committed to policies that value and respect our people, base recognition and reward on performance and build open and honest communication throughout the Group. We see this as a key strength in managing the enormous change confronting our industry. What's more, with much of the industry pursuing broadly similar domestic strategies, it will be in the implementation that comparative advantage is achieved. This is where ANZ's experience in recent years stands us in good stead.

Don Mercer
Chief Executive Officer

Mr John Ries
Executive Director – Australia

ANZ's Australian operations had a year of substantial progress with good lending growth and further improvement in asset quality driving the 34% increase in profit to $612 million. Our commitment to providing superior customer service to both retail and business customers is increasingly being recognised and valued. At the same time we have commenced major changes to the way we will deliver banking services in the future.

Lending assets grew by 8% with the strongest growth occurring in home loans within Retail Banking. The home loan portfolio increased by $1.5 billion to a total of $14.7 billion. Business lending showed a welcome return to growth, with momentum increasing during the year. There was also good growth in retail deposits, with higher interest rates for term deposits attracting increased volumes.

Overall interest rate margins were relatively stable for the year. Increased competition reduced customer spreads but this was offset by the lower cost of non-accrual loans (due to lower volumes and higher interest recoveries) and higher earnings on capital and interest free funds due to higher interest rates. The asset quality improvement continued. Net non-accrual loans were reduced by a further $479 million to less than $1 billion. With these loans now representing less than 2% of our Australian lending portfolio, asset quality issues which dominated in the early 1990s are now clearly behind us. Substantially freed from the intensive management of difficult accounts, our business bank managers have been able to be much more proactive in developing customer relationships.

Mr Peter Hawkins
Chief General Manager
Australian Retail Division

As Australia's banker to business, it has been pleasing to see a return to growth in business lending both in the Bank and Esanda. New business writings have been strong although competition has eroded customer margins and lending fees. Our focus continues to be on relationship banking based customer service and ANZ ranks above its peers in customer satisfaction surveys. This focus along with our significantly expanded trade finance services and highly regarded Treasury operations has seen ANZ rank above peers in surveys of customer satisfaction.

Retail financial services had an excellent year, with solid deposit growth underpinned by strong term deposit performance and pleasing growth in home loan market share despite intense competition and a softening market. Service initiatives including the Teller Queue Guarantee and customer call program

Mr Charles Carbonaro
Chief General Manager Australian
Operations & Payments Division

Australian Results*

	1995	1994	1993
Operating profit after tax ($M)	**612**	457	200
Operating profit before debt provisions ($M)	**1,055**	953	818
Return on average risk weighted assets (%)	**1.2**	0.9	0.4
Total assets ($B)	**68**	64	64
Employees (full-time equivalents)	**23,129**	23,596	24,042
Total points of representation	**1,322**	1,396	1,455

*before abnormal items

have increased customer satisfaction: our customers agree that we fulfil our new slogan "better service by all accounts". ANZ Funds Management produced a welcome profit of $63 million and overcame difficult industry conditions to grow funds under management by 2%. Their investment performance was outstanding, achieving the highest return for any portfolio manager in the year to September 1995 in the Mercer Survey.

The Cards business launched the co-branded ANZ Telstra Visa card which will further increase ANZ's market share of cards on issue. Image technology has been introduced to efficiently handle the processing of up to 5,000 applications per day.

452 Flinders Street, Melbourne – the new home for the centralised National Teleservicing Centre.

This year has seen the establishment of Australian Operations and Payments Division (AOPD). This centralises the back office operations across Australia and is central to our strategies for continuing to enhance customer service while driving efficiencies to world best practice standards.

The implementation of the Enterprise Agreement negotiated between ANZ and the Finance Sector Union in mid 1994 gave staff their first general salary increase since 1992. The Agreement introduced many measures to improve productivity and enhance working conditions.

Outlook

Competitive pressures for change in Australian banking are enormous. 1996 will see significant change in ANZ as we implement numerous projects designed to improve customer service and reduce costs through the more effective use of technology.

We have a major back office centralisation project underway. By December 1996 we will have reduced the number of enquiry and processing sites within AOPD from thirty-three to eight, generating significant cost saving. This will facilitate the introduction of telephone banking using Interactive Voice Response (IVR) systems to handle enquiries such as account balances and transfers. All Australian telephone enquiries will eventually be handled through the one centre.

Further substantial change to delivery systems for banking services are in train. Full public trials of smart cards (also called stored value cards) are also underway. Re-engineering of credit systems will allow the introduction of computer based credit scoring of consumer loan applications for online approval of the majority of loans.

For business banking, we will be launching our new fully integrated, PC based, remote banking product, ANZ Online. With this product, business customers from small to large, can execute banking and trade finance transactions from their own office. ANZ Online will provide customers with significant time and cost savings in doing their banking while also enabling cost savings for ANZ.

With an increasing proportion of business customers now involved in international trade, we are moving to capitalise on our markedly superior international capability.

Overall the medium term outlook for Australian banking is for increased competitive pressures, modest balance sheet growth in line with economic activity and enormous change in the way banking products are delivered. The extent of future lifts in profitability will be determined by the interplay between the improvements in efficiency and the impact of competitive pressures.

Mr Steve Jones
Managing Director
ANZ Banking Group
(New Zealand) Limited

ANZ's New Zealand operations had another excellent year with strong lending growth driving a 54% lift in profit to $146 million. It was also a year of major change, with the development of electronic banking products greatly reducing the demands on branches and allowing continuing consolidation of the ANZ and PostBank networks.

With total assets of $15.3 billion, ANZ is New Zealand's second largest bank and, with $5.8 billion in housing lending, the country's largest home mortgage lender. Also, ANZ's proven expertise in business banking, particularly in trade finance and Treasury products, coupled with the capability of the Group's international network, earns ANZ the label of New Zealand's "export bank".

Strong growth in lending volumes (up 20%), was achieved across all sectors leading to further market share gains. Active marketing programs led to a 15% increase in housing lending, which was supplemented by the acquisition of a portfolio of $285 million of mortgages from the Housing Corporation of New Zealand. Growth in business mirrored the strong level of investment spending in the earlier part of the year.

Importantly, this growth was achieved with a slight improvement in margins in the higher interest rate environment which prevailed during 1995. This reflects the strength of ANZ/PostBank's retail deposit base.

The finance subsidiary UDC, which is the largest finance company in New Zealand, had another outstanding year. Strong increases in lending volumes and operating lease activity and tight cost control offset the competitive pressure on lending margins to improve on 1994's record result.

Asset quality remains outstanding. Net non-accrual loans were reduced by 59% to $73 million, in particular, as a consequence of reduced exposure to meat companies flowing from the considerable restructuring of that industry.

A major change program has been underway in New Zealand for some time to rationalise the branch network and migrate simple over-the-counter transactions to more efficient electronic channels. The introduction of new card based products and telephone banking, customer education, and increased numbers of ATMs and EFTPOS terminals have been part of this strategy. Of all PostBank cash transactions over 80% are now done via ATM or EFTPOS, whereas 18 months ago the figure was 50%. For some customer groups electronic usage is as high as 95%. This shift of transactions away from branches, supported

New Zealand Results*

	1995	1994	1993
Operating profit after tax ($M)	**146**	95	96
Operating profit before debt provisions ($M)	**224**	159	169
Return on average risk weighted assets (%)	**1.3**	1.0	1.1
Total assets ($B)	**15**	13	12
Employees (full-time equivalents)	**6,205**	6,313	6,379
Total points of representation	**351**	424	477

*before abnormal items

by the earlier move to a single computer system, has allowed the rationalisation of the network with a reduction of 88 branches. However, the need to run dual systems, employ casual staff during the transition phase and refurbish branches has resulted in a temporary increase in costs.

Outlook

The outlook for our New Zealand operations remains favourable. Economic growth is expected to consolidate in the 3-4% range while tighter monetary policy is being used to bring underlying inflation back under the Reserve Bank of New Zealand's 2% target. The fiscal position of the country has improved significantly with the strong growth of budget surpluses leading to a general expectation of significant tax cuts in 1996/7. The 1996 election, the first under the new voting system, remains one area of uncertainty.

The re-engineering of the delivery of banking services to achieve efficiency gains will continue. Electronic delivery systems will be expanded leading to further consolidation of the branch network and complete the integration of ANZ and PostBank branches. This will be supported by the centralisation of back office support functions.

ANZ has a banking relationship with approximately 37% of all New Zealanders. There is considerable potential to build our consumer banking business by expanding existing customer relationships. The international banking capability of our extensive overseas network and the strong market position and reputation of ANZ as a business bank, also

Advertising material from the "PostBank Night and Day Card – the easier way to get cash" campaign to show customers a more economical way to obtain cash from their PostBank account.

Consolidation of the gains made during 1995 is the key objective for ANZ in 1996. Lending growth will not be as strong as last year, while competitive pressure on margins and lending fees is expected to remain intense. As in Australia, effective use of technology will be the critical factor in remaining competitive – with the recent changes, ANZ is well placed.

provide an unrivalled platform for growth as the New Zealand economy continues its international expansion.

Mr Alister Maitland
Executive Director – International

ANZ's international operations in 41 countries are performing well. The 1995 profit contribution of $275 million was an increase of 10% on 1994 (which included $41 million after tax from the receipt of Argentine interest arrears). Good growth in cross border business relating to trade and investment flows and further improvement in asset quality were the key features behind the strong result.

High levels of business growth were achieved across all regions resulting in an overall increase of 16% in risk weighted assets. There was good growth in cross-border trade and structured finance activity originating in London and New York and involving other points in the network, particularly India and Pakistan. The successful development of the London-based international project and structured finance capability was particularly pleasing with the Group currently mandated as an adviser or arranger for projects worth over $4 billion.

UK and Europe and the Middle East produced a very strong profit improvement, linked both to sound business growth and interest and provision recoveries. Improved credit factors were achieved across the board leading to a reduction in net non-accrual loans from $192 million to $96 million.

Strong income growth was achieved in Asia Pacific with both volumes and margins improving, while increased business volumes lifted the underlying profitability of our operations in America (the 1994 result included $41 million (after tax) from the receipt of Argentine interest arrears). In India, rising interest rates in the first half adversely affected the valuation of the statutory portfolio and the funding cost of the National Housing Bank of India (NHB) deposit. This offset business growth and improved margins.

The operation in Vietnam, established in 1993, passed "break even" during the year – well ahead of plan. The branch in Shanghai, also established in 1993, continues to build its business. PT ANZ Panin, the joint venture bank in Indonesia which we acquired in 1993, has been able to dramatically expand its customer base through effective marketing to Australian and New Zealand companies with a presence in Indonesia – some two thirds of these companies now bank with PT ANZ Panin.

ANZ was pleased to be allocated one of the ten commercial banking licences made available to overseas banks by the Government of the Philippines. Our branch in Manila opened for business on 2 October 1995. We view our

International Results*

	1995	1994	1993
Operating profit after tax ($M)	**275**	251	164
Operating profit before debt provisions ($M)	**443**	474	320
Return on average risk weighted assets (%)	**1.6**	1.6	1.0
Total assets ($B)	**30**	27	27
Employees (full-time equivalents)	**9,906**	9,733	9,856
Total points of representation	**208**	206	204

*before abnormal items

success in obtaining this licence as endorsement of ANZ's strategy to build itself into Australia and New Zealand's international bank and as recognition of Australia's increasing engagement with Asia.

ANZ won "Best Australian Service Activity in Asia" at the 1995 International Business Asia Awards. This achievement not only recognises our on-the-ground capability of assisting Australian companies develop new markets and suppliers overseas, but also the experience and professionalism of ANZ International Services staff located throughout Australia.

In India, arbitration of the dispute with the NHB continues. There is no change in our position and we are hopeful of resolution in the early months of 1996.

Outlook

The Asian region remains the most dynamic in the world economy. With trade and investment liberalisation policies being pursued by many countries, international trade is increasing at roughly twice the rate of overall economic activity. ANZ benefits through both business growth within each country of our network, and from the cross border business opportunities flowing between points of representation. We are looking to further branch expansion in Asia over coming years to extend the reach of our network.

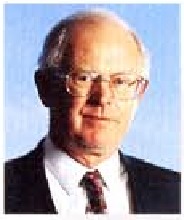
ANZ's operations in the established money centres of Europe and New York are focused on building cross-border business utilising the Group's capacity and experience not only in Australia and New Zealand but also in Asia - particularly South Asia. With the rapid increase in the number of new infrastructure projects in Asia, there is enormous potential for the Group's Corporate and Merchant Banking Division to gain business drawing on ANZ's capabilities in many countries.

The increasing trade and capital flows between Latin America and Australia, New Zealand and Asia are creating significant opportunities for international banking which are best developed by an active presence. We opened a representative office in Argentina (in Buenos Aires) in November 1995 to complement our network of offices in Latin America (Mexico, Brazil and Chile).

ANZ Hanoi branch.

A key component of our international strategy is the upgrading of the technology that supports the operations overseas. We currently have numerous computer systems in the different countries. We have developed a standard system with high levels of cross-border functionality which will be installed across the entire network. This system is being piloted early in the new year, with implementation planned to commence later in 1996.

The branch network is a major strategic advantage for us in meeting the international banking requirements of our customers. The experience of the international bankers who work in these offices (and back in Australia and New Zealand) adds real value to customer relationships. International banking skills cannot be created overnight – the business environment and risks overseas are very different from Australia. ANZ is committed to a development program to build the professionalism and effectiveness of the current, and next generation of international bankers. This will ensure that, over the medium term, ANZ will be able to generate increasing returns for shareholders from our international operations.



Chief Executive Officer
Don Mercer

Don Mercer joined ANZ in March 1984 as General Manager, Strategic Planning and Economics after many years with Shell International Petroleum Co. Ltd where he held positions in the United Kingdom, Holland, Canada, Indonesia and Australia. In 1988 he was appointed to the position of Chief General Manager Australian Retail Services which he held until 1992 when he became Managing Director and Chief Executive Officer.

Executive Director
– Australia
John Ries

John Ries joined ANZ in 1961 and has held senior management positions within the corporate banking and international banking divisions. In June 1988 he was appointed as Managing Director, Grindlays Bank, London. He returned to Melbourne in August 1990 to take up the position of Chief General Manager International Banking and was appointed to his current position in October 1992.

Executive Director
– International
Alister Maitland

Alister Maitland's career with ANZ spans 30 years. Following positions as an Economist in Australia, New Zealand and London he was appointed Chief Economist in 1979. He held a number of executive positions in Management Services, Retail Banking and Global Treasury before he was appointed Managing Director ANZ New Zealand in June 1990. He assumed his present post in November 1992.

Chief Financial Officer
& Company Secretary
David Craig

David Craig joined ANZ in January 1955 at Temuka, New Zealand. He has held senior positions in a number of divisions within the Bank in Australia and overseas including Executive Director ANZ Grindlays, Managing Director Esanda and Chief General Manager Business Banking. He was appointed to his present position in June 1992.

Managing Director
ANZ Banking Group
(New Zealand) Limited
Steve Jones

Steve Jones joined ANZ in February 1993 as Senior General Manager Retail Banking. He has worked with ANZ since 1988 as a management consultant, playing a leading role in the design and implementation of key initiatives aimed at creating a true 'sales and service' culture in the Bank's extensive retail network. He was appointed to his present position in February 1995.

Chief General Manager
Australian Retail Division
Peter Hawkins

Peter Hawkins joined ANZ in December 1971 and has had considerable experience in all aspects of banking. He was appointed to his present position in February 1995 after two and a half years as Managing Director ANZ Banking Group (New Zealand) Limited, where he re-oriented distribution and service delivery and oversaw the integration of PostBank into ANZ. Prior to that he was General Manager Asia Pacific.

Chief General Manager
Australian Operations &
Payments Division
Charles Carbonaro

Charles Carbonaro joined ANZ in January 1987. Subsequently he engineered the centralisation of ANZ's cards business and turned it into a highly successful operation. He was appointed to his current position in February 1995 and is responsible for the total service support of ANZ's banking distribution network in Australia, including computer processing, telecommunications and payments activities.

Group General Manager
Credit / Risk Management
Peter Marriott

Peter Marriott joined ANZ in February 1993 as General Manager Accounting. He was previously a partner in the Melbourne office of KPMG Peat Marwick and has been involved in the finance industry for more than 15 years. He was appointed to his current position in July 1995 and is responsible for the institutionalisation and operation of credit and other risk management systems and processes.

Group General Manager
Personnel
Ross Johnston

Ross Johnston joined ANZ in November 1993 from the Shell Group where he worked since he graduated in law and economics from Monash University. He has over 20 years experience in personnel management and policy development.

Chief Executive Officer
Don Mercer

General Manager Chief Executive's Office
Ken Mahar

General Manager Information Technology
Dave Richardson

Chief Manager Strategic Group
Mike Irvine

Executive Director – Australia
John Ries

Senior General Manager Australian Banking
John McConnell

Senior General Manager Business Banking
Bob Edgar

Managing Director Esanda Finance
Peter McMahon

Senior General Manager Institutional Banking
Roy Marsden

Managing Director ANZ McCaughan Limited
Bryan Madden

General Manager Global Treasury
Grahame Miller

General Manager Australian Asset & Liability Management
Richard Sawers

General Manager International Services
John Winders

General Manager Management Services
Charles Griss

Executive Director – International
Alister Maitland

Senior General Manager Europe, South Asia and Middle East & Managing Director ANZ Grindlays
Achut Bommakanti

General Manager South Asia
Mehli Mistri

General Manager Executive Support, South Asia
Bob Challis

General Manager Middle East
David Smith

General Manager Private Banking
Gerald Howard

General Manager Corporate & Merchant Banking
John Curry

Senior General Manager International Banking Division
David Valentine

General Manager Correspondent Banking
Jeff Clarkin

General Manager Nominees
John Sudholz

General Manager Americas
Holger von Paucker

General Manager Asia
Peter Meers

General Manager Pacific
Bob Lyon

Chief Financial Officer & Company Secretary
David Craig

General Manager Accounting
Ian Snape

General Manager Audit
Flav Belli

General Counsel
Robert Paterson

General Manager Group Investor Relations
David Ward

General Manager Group Public Affairs
Rob Gerrand

General Manager Group Regulatory Affairs
Susan McCarthy

Controller Group Risk Management
Dieter Telburn

General Manager Group Secretariat
Richard Jones

Controller Group Taxation
Stephen Green

Chief Economist
Saul Eslake

Managing Director ANZ Banking Group (New Zealand) Limited
Steve Jones

General Manager Retail Banking
Greg Camm

General Manager Business Banking & International Services
Brian Jolliffe

General Manager Finance & Treasury
David Butler

General Manager Personnel
Julie McDougall

Managing Director UDC Group
Mike Collinson

General Manager Operations & Payment Services
Andrew Ward

Chief General Manager Australian Retail Division
Peter Hawkins

Senior General Manager Marketing & Distribution
Peter Wilson

General Manager Consumer Banking
Jacqui Kirkby

Senior General Manager Private Banking
Russell Rechner

Managing Director ANZ Funds Management
Andrew Mohl

General Manager Retail Operations
Ray Pietsch

Managing Director Town & Country
Ray Turner

State Manager Retail NSW
Alastair Fotheringham

State Manager Retail VIC
John Crough

State Manager Retail QLD
Richard Uden

State Manager Retail SA
Kathryn Fagg

State Manager Retail WA
Guy Sanders

General Manager Tasmania
Don Jeffrey

Chief General Manager Australian Operations & Payments Division
Charles Carbonaro

General Manager Operations Implementation
Jeff Pitt

Assistant General Manager Strategy & International Payments
Richard Ham

Assistant General Manager Transaction Processing Centres
Denzil Lawson

Assistant General Manager Computer & Network Services
Ray Gruchy

Chief Manager Lending Services
Nixon Roberts

Chief Manager Cards Operations
David Pym

Chief Manager Development & Support
Graeme Chipp

Group General Manager Credit / Risk Management
Peter Marriott

General Manager Australian Credit Operations
Bob Barton

Assistant General Manager International Credit Operations
Richard Harding

General Manager New Zealand Credit Operations
Terry Brennan

Assistant General Manager Credit Policy Training and Administration
Gary Mason

General Manager Portfolio Management
Elmer Funke Kupper

General Manager Group Credit Management
Frank Danaher

Chief Manager Credit Inspection
Ian Benskin

Group General Manager Personnel
Ross Johnston

Chief Manager Personnel Planning & Organisation Effectiveness
Meredith Doig

Chief Manager Corporate & International Personnel
Ray Nicholson

Chief Manager Remuneration & Benefits
Graham O'Neill

Chief Manager Superannuation
Rob Runco

Chief Manager Employee Relations
Reg Smith

Chief Manager Australia and New Zealand Succession Planning
Arie Veenman

Chief Manager Training & Development
Denise Wheller

	1995 $M	1994 $M	1993 $M	1992 $M	1991 $M
Profit and loss					
Interest income	**8,310**	6,485	6,887	8,083	10,180
Interest expense	**(5,229)**	(3,685)	(4,344)	(5,645)	(7,578)
Net interest income	**3,081**	2,800	2,543	2,438	2,602
Other operating income	**1,975**	1,969	1,875	2,109	2,067
Net operating income	**5,056**	4,769	4,418	4,547	4,669
Operating expenses[1]	**(3,334)**	(3,183)	(3,111)	(3,329)	(3,153)
Operating profit before tax, debt provisions and abnormal items	**1,722**	1,586	1,307	1,218	1,516
Provisions for doubtful debts - specific	**(63)**	(368)	(629)	(1,600)	(1,037)
- general	**(111)**	(13)	(5)	(337)	(16)
Operating profit(loss) before abnormal items	**1,548**	1205	673	(719)	463
Net contribution - LFD Limited[2]	**-**	-	(13)	-	-
Income tax (expense)benefit	**(505)**	(395)	(193)	146	(193)
Outside equity interests	**(10)**	(7)	(7)	(5)	(4)
Operating profit(loss) before abnormal items	**1,033**	803	460	(578)	266
Net abnormal profit(loss)	**19**	19	(213)	(1)	1
Operating profit(loss) after income tax and outside equity interests	**1,052**	822	247	(579)	267
Balance sheet[3]					
Assets	**112,587**	103,874	103,045	101,138	98,212
Liabilities	**106,840**	98,370	97,912	96,547	93,194
Net assets	**5,747**	5,504	5,133	4,591	5,018
Issued and paid-up capital	**1,446**	1,360	1,315	1,165	1,026
Reserves and retained earnings	**4,254**	4,096	3,774	3,377	3,958
Outside equity interests	**47**	48	44	49	34
Share information (per fully paid share)					
Dividend - declared rate	**33.0¢**	25.0¢	20.0¢	20.0¢	20.0¢
Franked portion[4]	**18%**	-	-	50%	100%
Earnings[5] - basic	**69.9¢**	55.9¢	13.5¢	-60.2¢	26.9¢
- fully diluted[6]	**n/a**	54.9¢	17.5¢	-41.4¢	25.9¢
Net tangible assets - basic	**$3.94**	$3.58	$3.43	$3.40	$4.31
- fully diluted	**n/a**	$3.58	$3.45	$3.27	$4.18
Rights issue	**-**	-	-	1 for 5	-
Share price[7] - high	**$5.75**	$5.68	$4.40	$4.88	$4.20
- low	**$3.55**	$3.78	$2.53	$2.87	$2.92
Number of shares on issue (millions)					
Ordinary shares - fully paid	**1,446.0**	1,353.6	1,308.2	1,054.5	1,019.3
- paid to 50¢	**-**	-	-	207.2	-
- paid to 10¢	**0.9**	2.1	3.1	3.6	4.0
- preference shares	**-**	6.0	6.0	6.0	6.0
Dividend reinvestment plan					
Share price - interim	**$4.40**	$3.78	$3.42	$3.58	$3.42
- final	**-**	$3.73	$4.44	$2.51	$4.46
Ratios (after abnormal items)					
Dividend payout ratio (ordinary & preference)	**52.1%**	50.5%	133.3%	n/a	75.6%
Return on average shareholders' equity	**17.9%**	15.6%	5.0%	-11.4%	5.8%
Return on average assets	**0.9%**	0.8%	0.2%	-0.6%	0.3%
Capital adequacy - total	**10.9%**	11.3%	10.8%	9.0%	9.9%
Other information					
Total points of representation	**1,881**	2,026	2,136	2,302	2,367
Number of employees (full-time equivalents)	**39,240**	39,642	40,277	43,977	46,261
Number of shareholders	**114,829**	121,070	115,000	112,036	101,188

Footnotes at top of next page

[1] *Restructuring costs were previously disclosed separately in the Profit and Loss accounts, but are now included in operating expenses as restructuring costs are an ongoing part of banking*

[2] *The pastoral and shipping businesses of LFD Limited were sold on 30 September 1993. The remaining businesses (rural lending and property development) have now been integrated with those of the Economic entity*

[3] *Assets and liablities have been increased by $2,685 million at 30 September 1994 and by $3,112 million at 30 September 1993, due to the change in practice, effective 1 October 1994, whereby unrealised losses arising from marking to market trading derivative contracts are not offset against unrealised gains unless a legal right of set-off exists. Comparative information prior to 30 September 1993 is unavailable*

[4] *The 1995 final dividend is franked to 6 cents at 36%*

[5] *After abnormal items*

[6] *For 30 September 1994 and prior years, diluted earnings per share includes the effect of the conversion of non-redeemable non-cumulative converting preference shares to ordinary shares. For 30 September 1995, separate disclosure of diluted earnings per share has not been made as it is not materially different from basic earnings per share*

[7] *On ordinary shares*

Financial Highlights

Millions	1995 AUD	1995 USD[1]	1995 GBP[1]	1995 NZD[1]
Profit and loss				
Net income	**5,056**	3,744	2,355	5,767
Operating expenses	**(3,334)**	(2,469)	(1,553)	(3,803)
Profit before tax and doubtful debts	**1,722**	1,275	802	1,964
Provisions for doubtful debts - specific	**(63)**	(47)	(29)	(72)
- general	**(111)**	(82)	(52)	(126)
Profit before tax and abnormal items	**1,548**	1,146	721	1,766
Income tax expense	**(505)**	(374)	(235)	(576)
Outside equity interests	**(10)**	(7)	(5)	(12)
Profit after tax before abnormal items	**1,033**	765	481	1,178
Abnormal items	**19**	14	9	22
Profit after tax and abnormal items	**1,052**	779	490	1,200
Profit after tax by geographic segment				
Australia	**612**	453	285	698
New Zealand	**146**	108	68	166
UK & Europe	**83**	61	39	95
Asia Pacific	**79**	59	37	90
South Asia[2]	**27**	20	12	31
Americas	**39**	29	18	44
Middle East[3]	**47**	35	22	54
Profit after tax	**1,033**	765	481	1,178
Net abnormal gain	**19**	14	9	22
	1,052	779	490	1,200
Balance Sheet				
Assets	**112,587**	84,665	53,636	129,453
Liabilities	**106,840**	80,344	50,898	122,845
Shareholders' equity[4]	**5,747**	4,321	2,738	6,608
Ratios				
Earnings per share (after abnormal items)	**69.9¢**	51.8¢	32.6p	79.7¢
Dividends per share - declared rate	**33.0¢**	24.4¢	15.4p	37.6¢
Net tangible assets per share	**$3.94**	$2.96	£1.88	$4.53

[1] *USD, GBP and NZD amounts - profit and loss converted at average rates for financial year ended 30 September 1995 and balance sheet items at closing rates at 30 September 1995*

[2] *Includes Bangladesh, India and Nepal*

[3] *Includes Bahrain, Greece, Jordan, Oman, Pakistan, Qatar and United Arab Emirates*

[4] *Includes outside equity interests*

Overview

Australia and New Zealand Banking Group Limited (ANZ) achieved an operating profit after tax and before abnormal items of $1,033 million for the year ended 30 September 1995, up $230 million on 1994. Including abnormal items, the profit was $1,052 million up from $822 million in 1994.

Before abnormal items, earnings per share increased to 68.5 cents per share from 54.5 cents per share in 1994, and the return on shareholders' equity improved to 17.6%, from 15.2%.

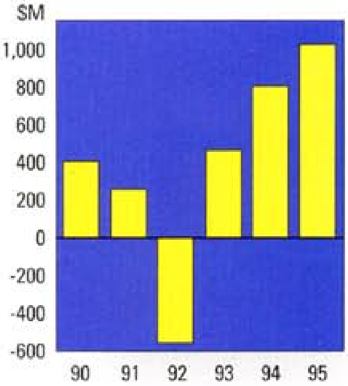
Underpinning the result were strong lending growth and improved credit factors. Overall, margins have been held, notwithstanding the impact of intense competition in Australia.

Costs increased by 4.7% over the year principally reflecting initiatives to change the way ANZ delivers banking services to meet competitive pressures and also increased business volumes.

The priority the Group has placed on addressing asset quality issues over the past three years continues to yield benefits. Gross non-accrual loans were again reduced by over $1 billion and there was a significant reduction in the specific provision charge. As a measure of prudence at this stage in the economic cycle, the general provision was bolstered by $80 million.

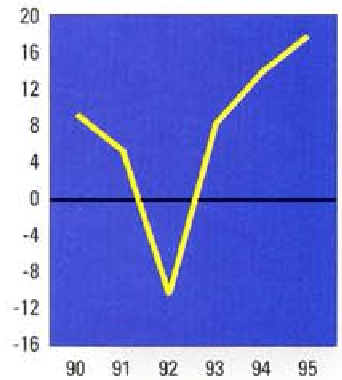
The capital position of the Group remains strong. Average shareholders' equity increased by 11% to $5.9 billion, even after the buyback relating to the converting preference shares, and the capital adequacy ratio stands at 10.9% with a 6.6% Tier 1 capital ratio.

Operating Profit*



*before abnormal items

Return on Average Shareholders' Equity*

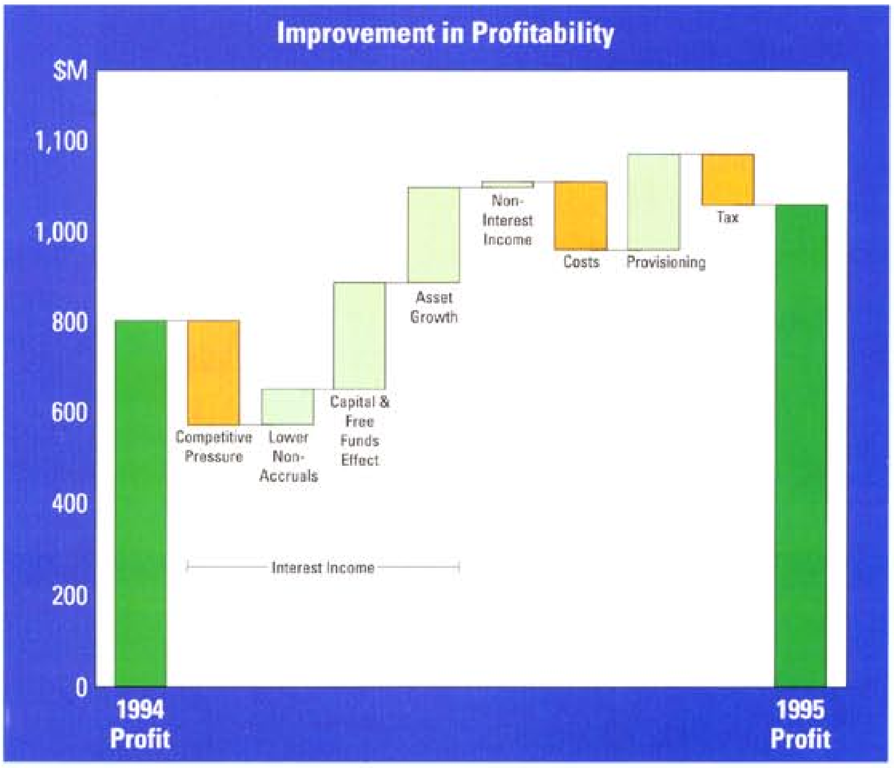


*before abnormal items

Profit and Loss Statement

	1995	1994 ($ millions)	1993
Interest income	**8,310**	6,485	6,887
Interest expense	**(5,229)**	(3,685)	(4,344)
Net interest income	**3,081**	2,800	2,543
Other operating income	**1,975**	1,969	1,875
TOTAL INCOME	**5,056**	4,769	4,418
Operating expenses	**(3,334)**	(3,183)	(3,111)
OPERATING PROFIT BEFORE DEBT PROVISIONS	**1,722**	1,586	1,307
Provision for doubtful debts	**(174)**	(381)	(634)
Contribution from LFD Limited(1)	**-**	-	(13)
Income tax expense	**(505)**	(395)	(193)
Outside equity interests	**(10)**	(7)	(7)
OPERATING PROFIT before abnormal items	**1,033**	803	460
Abnormal items	**19**	19	(213)
OPERATING PROFIT attributable to shareholders of the company	**1,052**	822	247

(1) LFD Limited was formerly named Dalgety Farmers Limited. The Group acquired and disposed of LFD Limited during 1993 and therefore its results are included in the Group results for that year only. In order to facilitate a meaningful analysis of the Group's operations, the impact of LFD Limited has been removed from the individual components of the Profit and Loss Statement and included as one item in the analysis in this section.



Income

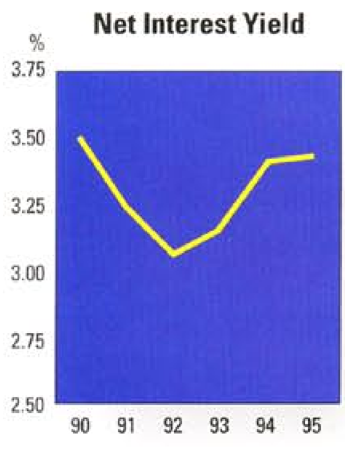
The Group's principal source of revenue is net interest income which arises from the difference between interest revenue and interest expense.

The level of net interest income is a function of the volume of interest earning assets and interest bearing liabilities and the general levels of interest rates.

Strong growth in lending assets and stable margins underpinned the 10% increase in net interest income.

Good lending growth was achieved in all businesses with the strongest growth in our international operations and New Zealand driving an overall increase in average lending assets of 11%.

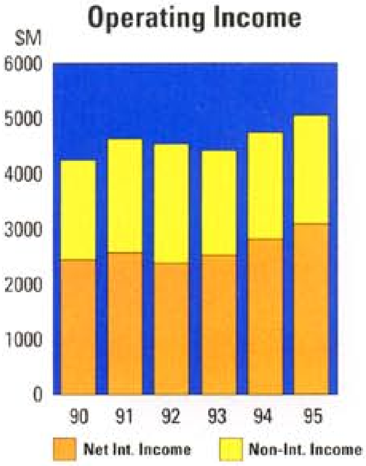
Competitive pressures have led to a decrease in the Group's gross interest spread, particularly in Australia. However, this has been offset by a reduction in the funding cost for non-accrual loans due to lower volumes and higher interest recoveries to leave net interest yield basically unchanged.



Net Interest Income

	1995	1994	1993
Interest income ($M)	**8,310**	6,485	6,887
Interest expense ($M)	**(5,229)**	(3,685)	(4,344)
NET INTEREST INCOME ($M)	**3,081**	2,800	2,543
Net interest yield* (%)	**3.4**	3.4	3.2
Average interest earning assets ($B)	**90.9**	83.5	82.6

*Net interest income as a percentage of average interest earning assets.



Other operating income for the Group comes from lending fees, other banking fees, foreign exchange earnings, the net profit or loss on securities and other income which includes rental and leasing income.

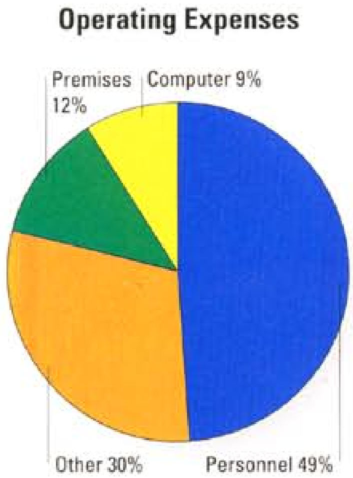
Intense competition, particularly in Australia, resulted in lower lending fees, notwithstanding increased lending volumes.

Other lending fee income increased primarily due to increases in credit card fees and volumes and significant growth in merchant turnover and electronic transaction business.

Foreign exchange income increased slightly in spite of difficult trading conditions. Increased customer-related transaction revenue in Australia offset lower earnings offshore.

Other Operating Income

	1995	1994 ($ millions)	1993
Fee income	**1,338**	1,322	1,296
Foreign exchange earnings	**226**	222	220
Profit on trading securities	**96**	126	148
Other income	**315**	299	211
TOTAL OTHER OPERATING INCOME	**1,975**	1,969	1,875

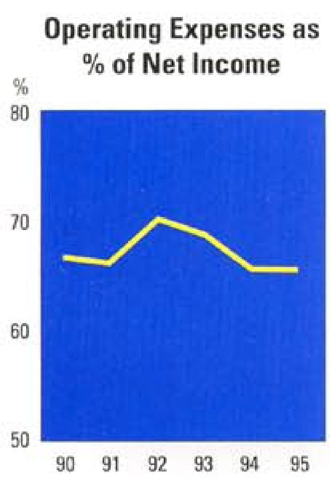


Profits on trading securities are significantly down on 1994. This reflects difficult trading conditions in offshore treasury operations, and the impact of higher interest rates on the Group's statutory portfolio in India during the first half. Conditions improved in the second half.

Other operating income increased as a result of the strong growth in the operating lease businesses in Australia and New Zealand together with the write-back of provisions previously made for property development ventures as this business is successfully wound down.

Operating Expenses

Operating expenses increased by 4.7% during the year reflecting salary increases for staff and moves to build capacity in the electronic delivery of financial services.



Personnel costs was the only area of significant increase, with the new Enterprise Bargaining Agreement covering our Australian staff providing scope for greater flexibility while delivering to staff the first general increase in salaries since 1992.

The branch rationalisation in New Zealand also required engagement of temporary staff, as did the expansion into Asia.

Premises expenses remained flat, with cost decreases in Australia being offset by closure and refurbishment costs in New Zealand as a result of the branch rationalisation program.

Operating Expenses	1995	1994	1993
Personnel expenses ($M)	**1,623**	1,468	1,420
Premises expenses ($M)	**401**	401	438
Computer expenses ($M)	**310**	282	303
Other expenses ($M)	**1,000**	1,032	950
TOTAL OPERATING EXPENSES ($M)	**3,334**	3,183	3,111
Personnel numbers (full time equivalent)	**39,240**	39,642	40,277

Increased transaction volumes, development expenditure on a new standard Commercial Banking System for our international operations and costs related to moving to a single technology platform in New Zealand led to an increase in computer expenses.

Other cost increases were principally volume related items, such as operating lease depreciation and interchange fees which were more than offset by corresponding increases in income.

Asset Quality

The pace of asset realisation programs has continued. Total gross non-accrual loans decreased by $1,052 million, or 37%, while net non-accruals decreased by $678 million, or 39%.

The improvement reflects the success of the asset realisation program, a decrease in the incidence of new non-accrual loans and higher transfer of non-accrual loans to productive status.

Non-Accrual Loans	1995	1994 ($ millions)	1993
Gross non-accrual loans*	**1,774**	2,826	3,884
Specific provision for doubtful debts	**694**	1,068	1,699
NET NON-ACCRUAL LOANS	**1,080**	1,758	2,185

*Includes rescheduled country debt from 30 September 1994.

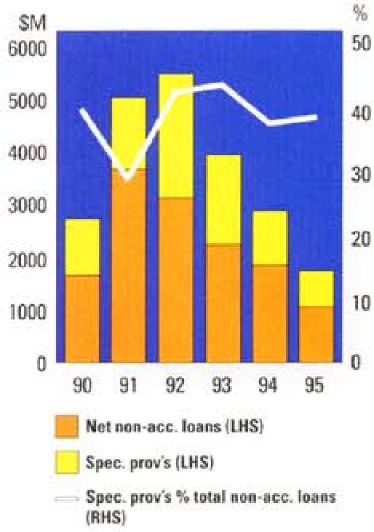
Net non-accruals represented 18.8% of shareholders' equity at 30 September 1995, down from 32.0% in 1994.

The ratio of specific provisions for doubtful debts to non-accrual loans (the coverage ratio) strengthened slightly to 39.1% from 37.8% in 1994.

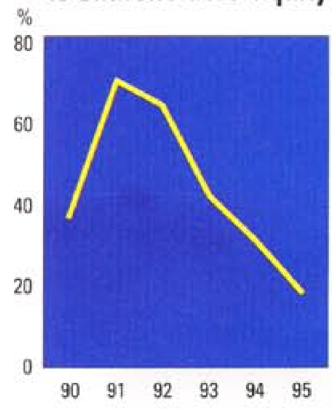
The total charge for doubtful debts reduced by 54% to $174 million reflecting the improved asset quality position.

Provisions for Doubtful Debts	1995	1994 ($ millions)	1993
Specific provision charge	**63**	368	629
General provision charge	**111**	13	5
TOTAL CHARGE FOR DOUBTFUL DEBTS	**174**	381	634

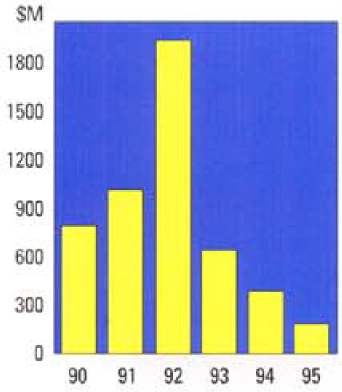
Non-Accrual Loans



Net Non-Accrual Loans to Shareholders' Equity



Provisions for Doubtful Debts



Specific provisions of $293 million were offset by releases and recoveries of $230 million.

The general provision charge of $111 million comprises two elements. First, $31 million reflects the increase in lending assets during the year. Second, as a measure of prudence at this stage of the economic cycle, and having regard to the level of releases and recoveries, the general provision was bolstered by $80 million.

Income Tax and Abnormal Item

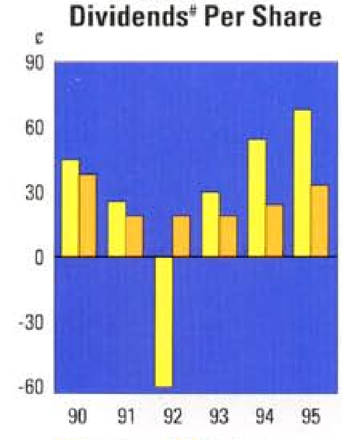
The effective tax rate in 1995 was 32.6% which approximates to the prima facie Australian corporate tax rate of 33% applicable during the year. The 36% corporate tax rate will apply from the 1995/96 financial year.

Income Tax Expense

	1995	1994	1993
TOTAL INCOME TAX EXPENSE* ($M)	505	395	193
Effective tax rate (%)	32.6	32.8	29.3

*before abnormal items

Earnings* and Dividends# Per Share



*before abnormal items
#excludes preference shares

The abnormal item of a profit of $19 million related to the restatement of the Group's net deferred tax balances as a result of the increase in the corporate tax rate to 36% from 1995/96.

Dividends

The strong growth in earnings per share during 1995 led to Directors increasing both the interim and final dividends (to 15 and 18 cents respectively).

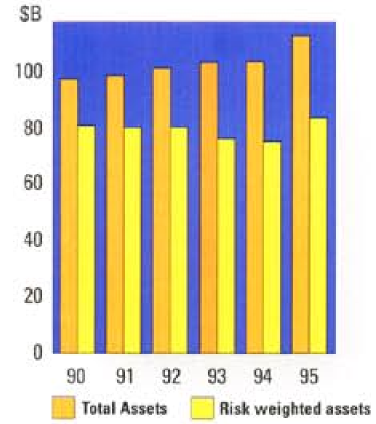
This raised the total dividend for 1995 to 33 cents per ordinary share, an increase of 32% over the 1994 total dividend of 25 cents per share.

As a result of the strong recovery in profitability of our operations in Australia, the final dividend will be franked to six cents at 36%. It is expected that the level of franking will be progressively increased.

Balance sheet

Group total assets have grown by $8.7 billion over 1994 levels to $112.6 billion. The increase comprises underlying asset growth of $8.3 billion and a $0.4 billion increase due to currency movements. Over the year, the Australian dollar strengthened against sterling and the United States dollar, but weakened against the New Zealand dollar.

Group Assets



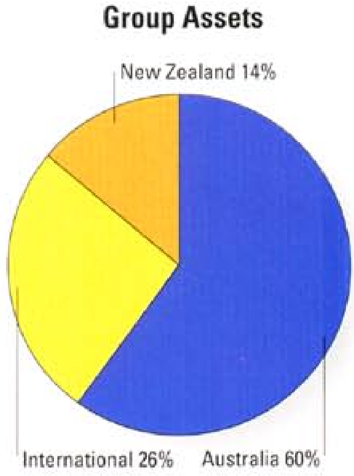
Increases in lending assets in each of ANZ's businesses was the principal driver of this growth. In Australia, growth was strongest in housing lending where ANZ has increased market share over the last eighteen months. Business lending steadily improved during the year.

New Zealand lending benefited from the strong growth in the New Zealand economy. Again, housing lending was robust, as a result of strong marketing initiatives and the purchase of $285 million of mortgages from the

Housing Corporation with the increased business lending reflecting stronger investment spending in the early part of the year.

Growth in assets in our international operation was across all regions.

In Australia and New Zealand deposits grew reflecting the additional retail funds attracted by higher interest rates. While the higher interest rates environment was a clear factor in the increased retail deposits, ANZ's focus on customer service appears to be having some positive impact.



Capital Resources

Shareholders' equity increased by $243 million to $5.7 billion during 1995 primarily due to the increase in retained earnings. The $600 million Converting Preference Shares converted to ordinary shares on 11 July 1995.

The buy-back facility, which was offered in connection with the conversion, was accepted by holders of 77% of the shares resulting in purchase of $516 million of the shares.

Loan capital which includes subordinated debt, the majority of which is denominated in foreign currencies, increased by $122 million was primarily due to a subordinated debt issue by ANZ Banking Group (New Zealand) Limited.

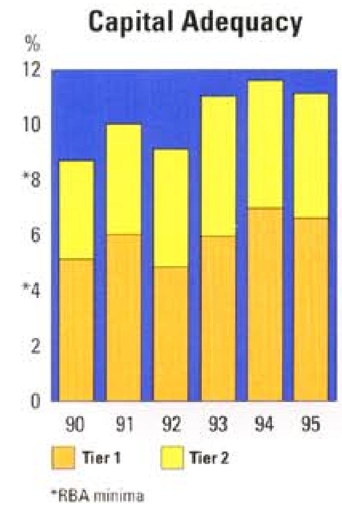
Capital Adequacy

ANZ continues to be a very soundly capitalised bank with overall capital adequacy ratio of 10.9%. This is in line with our domestic and international peers. Under the Reserve Bank of Australia (RBA) guidelines, the Bank must maintain a ratio of qualifying capital to risk weighted assets of at least 8%.

ANZ's Tier 1 capital (which consists principally of paid up ordinary shares and share reserves) increased by 7% during 1995 reflecting the increase in shareholders' equity discussed above.

Strong lending growth in all our businesses meant risk weighted assets (total assets adjusted by factors set by the RBA to reflect the potential risk attached to each asset) grew by 9% leading to a slight reduction in Tier 1 capital adequacy from 6.8% to 6.6%.

ANZ's Tier 2 capital (principally subordinated debt and general provision for doubtful debts) increased by $186 million during the year largely as a result of the decision to supplement the General Provision.



MR C B GOODE

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

Chairman

Company Director

Director since July 1991, appointed Chairman August 1995.

Director of CSR Limited, Pacific Dunlop Ltd, Queensland Investment Corporation, Woodside Petroleum Ltd and other companies. Non-Executive Chairman of Mercury Asset Management Ltd and Consultant to SBC Warburg Australia Limited. Former Chairman and Chief Executive of Potter Partners Group Ltd.

Lives in Melbourne. Age 57.

MR J C DAHLSEN

LLB, MBA (Melb)

Solicitor and Company Director

Director since May 1985. Consultant to and former Partner of the legal firm Corrs Chambers Westgarth. Director of Woolworths Ltd, Southern Cross Broadcasting (Australia) Ltd, Mining Project Investors Pty Ltd, Melbourne Business School Ltd, The Smith Family, and J. C. Dahlsen Pty Ltd Group. Former Chairman of The Herald and Weekly Times Ltd and Deputy Chairman Myer Emporium Ltd.

Lives in Melbourne. Age 60.

DR R S DEANE

PhD, B Com (Hons), FCA, FCIS, FNZIM

Chief Executive and Managing Director, Telecom New Zealand Limited

Director since September 1994. Director of Fletcher Challenge Limited, The Centre for Independent Studies Ltd and Institute of Policy Studies, Victoria University, Wellington. Formerly Chief Executive, Electricity Corporation of New Zealand Ltd, Chairman State Services Commission, Alternate Executive Director, International Monetary Fund and Deputy Governor, Reserve Bank of New Zealand.

Lives in Wellington, New Zealand. Age 54.

MR J K ELLIS

MA (Oxon) FAIMM FTS

Executive General Manager and Chief Executive Officer, BHP Minerals

Director since October 1995. Director of The Broken Hill Proprietary Co Ltd and Chairman of Sandvik Australia Pty Ltd. President of the Minerals Council of Australia, Board Member of the American Mining Congress and Executive Committee Member of the International Copper Association Ltd and the International Council on Metals and the Environment.

Lives in Melbourne. Age 58.

MR C J HARPER

CA (Scots)

Company Director

Director since October 1976. Chairman of CSL Ltd and Director of North Ltd. Former General Manager and Chief Executive of the merchant bank Australian United Corporation Ltd (1968–1976) and since then a professional non-executive director. Inaugural National Vice President of The Australian Institute of Company Directors.

Lives in Melbourne. Age 64.

MS M A JACKSON

MBA, B Econ, FCA

Company Director

Director since March 1994. Chairman of Transport Accident Commission (Victoria). Director of The Broken Hill Proprietary Co Ltd, Pacific Dunlop Ltd, Qantas Airways Ltd and other companies.

Lives in Melbourne. Age 42.

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. Thirty-two years experience in banking with the Group including Group Chief Economist (1979–1982) and Managing Director, ANZ Banking Group (New Zealand) Ltd (1990–1992). Director of the Committee for Economic Development of Australia, and member of the Australian Government's Trade Policy Advisory Council and APEC Committee.

Lives in Melbourne. Age 54.

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). Director and President of Australian Coalition of Services Industries Inc and Director and Victorian President of the Australian Institute of Company Directors. Former executive of Shell International Petroleum Co. Ltd. (1965–1984).

Lives in Melbourne. Age 54.

MR J F RIES

B Bus, FCPA, FAIB

Executive Director – Australia

Executive Director since August 1992 and appointed to his present position in October 1992. Thirty-five years experience in banking with the Group including Managing Director, ANZ Grindlays Bank plc, London (1988–1990) and Chief General Manager, International Banking (1990–1992).

Lives in Melbourne. Age 51.

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 Air Liquide Australia Ltd, the James N. Kirby Foundation and the Foundation for Development Co-operation. Australian member of the Board of Governors of the Asian Institute of Management and Chairman of the Australia-Korea Foundation. Former Chairman of the Australian Government's Trade Development Council (1984–1990).

Lives in Sydney. Age 60.

SIR RONALD TROTTER

B Com (Wellington), Hon LLD (Wellington), FCA, Cert in Agriculture

Company Director

Director since December 1988. Chairman of Ciba-Geigy New Zealand Ltd, Toyota New Zealand Ltd and Wrightson Limited. Director of Air New Zealand Ltd, Ciba-Geigy Australia Ltd and Wrightson Farmers Finance Limited. Formerly Chairman and Chief Executive of Fletcher Challenge Limited, Director of the Reserve Bank of New Zealand, Chairman of New Zealand Business Roundtable and a member of a number of government, economic, advisory and rural industry bodies.

Lives in Wellington, New Zealand. Age 68.

MR R B VAUGHAN AO

Company Director

Director since January 1988. Chairman of MIM Holdings Ltd. Deputy Chairman of National Commercial Union Assurance Limited and Electricity Transmission Authority. Chairman of the Federal Government's Trade Policy Advisory Council and Vice-President of the Australia Japan Business Co-operation Committee. Director of Tubemakers of Australia Ltd. Governor of the Committee of International Business Affairs. Member of a number of government, economic, trade advisory and rural industry bodies. Former Chairman and Chief Executive of Dalgety Farmers Ltd and former Chairman of ICI Australia Ltd.

Lives in Sydney. Age 67.

Director of ANZ 1986–1995

Chairman of ANZ 1992–1995

Chairman of Pacific Dunlop Ltd since 1990. Director of The Broken Hill Proprietary Co Ltd and CSR Ltd. Vice-President of The Walter and Eliza Hall Institute of Medical Research and of the Australia Japan Business Co-operation Committee. Member of the General Motors Australian Advisory Council.

Lives in Melbourne. Age 67.

MR J B GOUGH AO OBE Hon LLD (Melb), FTS

Retired as Chairman of ANZ on 23 August 1995

At its meeting on 23 August 1995, the Board passed the following resolution recording its thanks to John Gough for the outstanding leadership he gave to the Bank during his period as Chairman.

"He came to the Bank at a most important time in its history. At his first Annual General Meeting as Chairman he announced the largest loss in the Bank's history and two years later he announced the highest profit in the Bank's history to that date and a strong outlook for the year ahead.

His contribution to the remarkable recovery of the Bank's profitability, its standing in the community and the morale of its staff during the period 1992 to 1995 was substantial. He brought to the Chair many qualities of leadership including integrity, a determination to succeed combined with a sensitivity for individuals, and a focus on careful planning and strategic thinking.

At the same time he encouraged the Bank to extend its international representation particularly in South East Asia and was an active visitor to branches and representative offices.

He leaves the ANZ Board with our great respect and appreciation of his contribution, our thanks and our best wishes for the future."

To ensure ANZ is run in an ethical and effective manner to meet the objectives of our shareholders, employees, customers, regulators, and the community, a proper governance framework is required.

The Role of the ANZ Board

The Board of Directors is responsible for the Corporate Governance of ANZ. It is responsible to shareholders for charting the direction of the Bank by participating in the setting of objectives, strategy and key policy areas, such as risk management. It is then responsible for monitoring management's running of the business to ensure implementation is in accordance with the agreed framework.

To achieve these objectives a well structured Board is necessary. Details of the directors currently in office, their qualifications and experience are set out on pages 26 and 27. The Articles of Association of the Company state that there must be a majority of non-executive directors on the Board – this is to ensure the benefit of independent views. The executive directors provide continuity by being involved in both the setting of objectives and the day-to-day management of the Company.

ANZ's Board currently has nine non-executive directors and three executive directors, including the Chief Executive Officer. The Articles also provide that the role of Chairman cannot be held by an executive director ensuring that the roles of Chairman and Chief Executive Officer are separate. Non-executive directors appointed since 1993 have agreed that they will not seek re-election after 15 years service.

Procedural Guidelines

The Board has established guidelines setting out proper procedures for matters such as conduct of Board meetings, conflicts of interest, trading in the Bank's shares and obtaining independent professional advice.

Directors are required to refrain from dealing in the Company's shares for their personal benefit except in three four week periods following the announcement of half year and full year results and the Annual General Meeting, and in each case the Chairman of the Board must be informed prior to any trading.

The same restrictions are also imposed upon senior management and those staff in departments with access to market sensitive information, with the notification being required to the Chief Executive Officer.

Attendance of Board and Committee meetings for the period 1/10/94 – 30/9/95.

	Board		Credit Committee (replaced 31/3/95)		Audit (replaced 31/3/95)		Corporate Conduct (replaced 31/3/95)		Donations		Due Diligence (replaced 31/3/95)		Executive Appointments & Remuneration		Superannuation		Risk Management (established 1/4/95)		Audit & Compliance (established 1/4/95)		Personnel Committee (established 1/4/95)	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
C B Goode	10	10	17	11	2	1			2	2			4	4			11	8	1	1		
J C Dahlsen	10	10	17	14									4	4					3	3		
R S Deane	10	9									1	1	4	4			11	6			3	3
J B Gough*	9	9											4	4								
C J Harper	10	10	17	16	2	1	1	1					4	4			11	9				
M A Jackson	10	10											4	4			11	8				
Dame Leonie Kramer**																						
A T L Maitland	10	10	2	2					2	1							2	2				
D P Mercer	10	10	2	2	2	2	1	1	2	2			4	4			4	4				
J F Ries	10	9	12	12													5	5				
B W Scott	10	9	1	1	2	2	1	1			1	1	4	3	2	2			3	2	3	3
Sir Ronald Trotter	10	10					1	1	2	1			4	4					3	3		
R B Vaughan	10	10	1	1	2	2					1	1	4	4	12	12			3	3		

Column A – Indicates number of meetings held during the period the Director was a Member of the Board and/or Committee.
Column B – Indicates number of meetings attended during the period the Director was a Member of the Board and/or Committee.
*Mr Gough retired on 23/8/95 **Dame Leonie Kramer retired on 1/10/94 Mr J K Ellis was appointed on 1/10/95

To assist in the exercise of their responsibilities, Directors are entitled to seek independent professional advice. With the Chairman's prior approval the advice can be obtained at the Company's expense and is to be made available to the whole Board.

Committee Structure

The Board's function is to address issues in their broadest context. It is through the Board's committee structure that specific areas of detail are examined. There are six board committees, each with a Charter. Importantly the committees have direct access to specialist resources such as the internal and external Auditors and Group Risk Management personnel. These committees are charged with providing quality and independent advice to the Board as a whole.

During the year the Board revised its Committee structure to consolidate much of these activities under two major committees, the Audit and Compliance Committee and the Risk Management Committee.

The Audit and Compliance Committee
(Chairman – J C Dahlsen) All members of the Audit and Compliance Committee are non-executive directors. The internal and external auditors, the Chief Executive Officer and the Chief Financial Officer are invited to meetings.

The Committee's responsibilities include: reviewing Group accounting policies and practices; reviewing the Group's financial statements and monitoring compliance with approved policies and controls; liaising with internal and external auditors, approving audit plans and the audit fee of the external auditor; reviewing the due diligence processes in relation to capital raisings; and reviewing compliance with the Group's statutory responsibilities including those relating to Consumer Credit Legislation, Trade Practices law and privacy issues.

The Risk Management Committee
(Chairman – C J Harper) ANZ manages risks through an approval, delegation and limits structure which starts with the Board. The Risk Management Committee has the responsibility for directly supervising all aspects of risk management. This includes approving and overseeing the setting of delegation policies, standards and reporting mechanisms for credit risk, trading risk, balance sheet risk and operating risk. Executive committees and specialist units provide support to the Risk Management Committee.

A full description of the Group's Risk Management procedures is contained on pages 28 and 29 of this Report.

The Board Nominations Committee
(Chairman – C B Goode) reviews the composition of the Board to ensure that it has the appropriate mix of expertise and experience. Where it is considered that the Board would benefit from the service of a new director with particular skills, the Committee recommends the appointment to the Board.

The Donations Committee
(Chairman – C B Goode) advises on donations policy and considers requests for corporate contributions.

The Executive Appointments and Remuneration Committee (Chairman – C B Goode) comprises all the non-executive Directors and the Chief Executive Officer and reviews remuneration packages and policies applicable to the senior officers of the Bank including performance incentive packages and share option schemes. Remuneration levels are competitively set to attract the most qualified senior executives and the Committee obtains independent advice on the appropriateness of remuneration packages.

During the year the Committee was assisted by the **Personnel Committee** (Chairman – Dr B W Scott) which advises on new executive remuneration policies.

The Superannuation Committee
(Chairman – R B Vaughan) advises on staff superannuation issues. Members of the committee also sit on the Board of the main Australian Staff Superannuation and Pension companies.

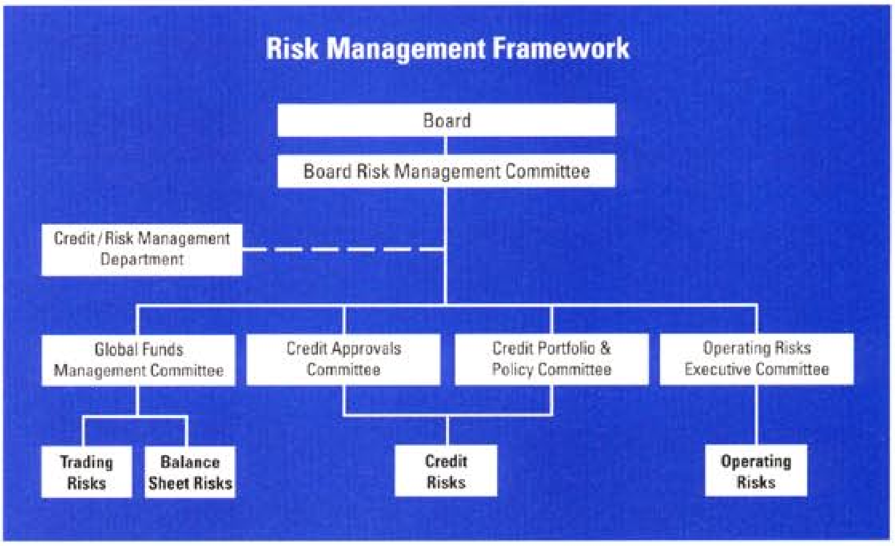
Directors have also participated in meetings of **Committees of the Board** (10 meetings during 1995) to declare dividends, to make allotments under the Company's various dividend reinvestment and employee share schemes and to sign the accounts. There is also an **Executive Committee of the Board** (which met five times during 1995) which has general executive authority to deal with all matters relating to the Company's affairs when normal Board timetables are inappropriate.

Management of risk is an essential part of business for any financial institution. Effective risk management requires a coordinated framework across the entire organisation. At ANZ we have been changing and strengthening our systems and procedures to ensure risk management is a core competency of the Group.

ANZ manages risks through an approval, delegation and limits structure that starts with the Board of Directors.

The Risk Management Committee of the Board approves and oversees the framework of risk standards, policies and processes. Delegations pass through Executive Committees to individual customer controllers and risk managers, with regular reports and compliance checks presented back through the Risk Management Committee to the Board.

The Credit/Risk Management department has overall responsibility for ensuring the coherence and adequacy of the Group's risk management framework and oversees the activities of all areas with responsibilities for risk policy and monitoring. There is also a clear process of independent review and audit by both the internal and external auditors to ensure compliance with the policies and procedures.



Credit Risk

Credit risk is the potential financial loss resulting from the failure of customers to honour fully the terms of a loan or contract.

ANZ's credit approvals structure ensures soundness of lending decisions and credit risk management practices. The Board establishes the framework of delegated authority limits for the approval of credit risk transactions. The larger transactions are approved by the Credit Approvals Committee.

The loan approval process requires independent specialist credit officers to be involved in all major lending decisions alongside relationship managers. A customer credit risk grading system systematically assesses both risk of default and risk of loss.

The Credit Portfolio and Policy Committee provides input on matters relating to credit portfolio strategy, policy and process. To ensure effective management of the lending portfolio, specialist credit areas have been established for the larger portfolios (eg. real estate and agricultural loans) while a specialist group exists for the management of problem loans.

The Risk Management Committee receives regular reports on asset quality issues, including portfolio composition, large customer exposures, and developments in credit management policy and processes.

Balance Sheet Risk

Balance sheet risk is the potential risk to earnings and capital resulting from changes in interest rates, liquidity conditions, and the impact of exchange rate fluctuations on foreign currency capital positions.

Balance sheet interest rate risks are managed through the Global Funds Management Committee within limits set by the Risk Management Committee. An independent department develops policies and monitors compliance. The objective is to minimise the fluctuations in net interest income that may occur over time as a result of changes in market interest rates. Gap and simulation modelling techniques are used to manage this risk.

Liquidity management policies ensure funds are available at all times (including possible "crisis" conditions) to meet maturing obligations as they fall due.

Structural foreign exchange exposures are managed with the objective of ensuring that ANZ's capital ratio is not adversely impacted by changes in the value of the Group's foreign currency capital as a result of movements in exchange rates.

Trading Risk

Trading risk is the potential risk to earnings resulting from changes in interest rates, currencies and equity and commodity prices.

The primary objective of the Group's business is to serve customer needs. The taking of proprietary positions is very limited and highly controlled.

Treasury operations are covered by a comprehensive set of standards, policies and controls and involve clear separation of trading and processing functions. ANZ has also adopted the industry best practice of managing trading risks in terms of value at risk (the potential loss of revenue – which a particular risk position may incur, based on historical data of fluctuations in market prices). Key policies and controls are approved by the Global Funds Management Committee within a framework set by the Risk Management Committee. Daily management and control is exercised by the respective country and business unit heads with periodic reporting to senior management in Global Treasury, Global Funds Management Committee or Risk Management Committee as required by Group policy.

Operating Risk

Operating risk is the potential inherent risks in day to day business operations. Risks include natural disaster, system failure, fraud and forgery.

Operating risks are managed by business units as part of the day to day running of all business operations. Specialist units assist business units in managing operating risks by setting standards and policies, providing advisory and investigatory services and monitoring compliance.

Australia

Group Headquarters
Australia and New Zealand Banking Group Limited,
100 Queen Street,
Melbourne,
Victoria 3000
GPO Box 537E,
Melbourne 3001
Telephone: (61-3) 9273 5555
Telex: AA 68210 (International)
AA 139920 (Domestic)
Fax: (61-3) 9273 4909

Principal State Offices

New South Wales
20 Martin Place,
Sydney 2000
GPO Box 495,
Sydney 2001
Telephone: (61-2) 227 1911

Queensland
324 Queen Street,
Brisbane 4000
GPO Box 1051,
Brisbane 4001
Telephone: (61-7) 3228 3228

South Australia
13 Grenfell Street,
Adelaide 5000
GPO Box 1819,
Adelaide 5001
Telephone: (61-8) 218 8122

Tasmania
1st Floor, 25 Argyle Street,
Hobart 7000,
GPO Box 504E, Hobart 7001
Telephone: (61-02) 212 601

Western Australia
77 St. George's Terrace,
Perth 6000
GPO Box L905, Perth 6001
Telephone: (61-9) 323 8111

Australian Capital Territory
25 Petrie Plaza,
Canberra City 2600
GPO Box 371,
Canberra City 2601
Telephone: (61-6) 276 4300

Northern Territory
43 The Mall,
Darwin 0800
GPO Box 1, Darwin 0800
Telephone: (61-89) 823 555

Subsidiary Companies
ANZ Funds Management,
(ANZ Managed Investments Limited/ANZ Life Assurance Company Limited/ANZ Executors and Trustee Company Limited)
68 Pitt Street, Sydney 2000
Telephone: (61-2) 216 2345
Fax: (61-2) 216 2350

ANZ McCaughan Securities Limited
10th Floor, 530 Collins Street,
Melbourne 3000
Telephone: (61-3) 9205 1400
Fax: (61-3) 9649 7023

Esanda Finance Corporation Limited,
85 Spring Street,
Melbourne 3000
Telephone: (61-3) 9666 9100
Fax: (61-3) 9666 9626

Town & Country Bank
(a division of Australia and New Zealand Banking Group Limited)
Chancery House,
37 St. George's Terrace,
Perth W.A. 6000
Telephone: (61-9) 327 3333
Fax: (61-9) 421 3311

New Zealand

Headquarters
ANZ Banking Group (New Zealand) Limited,
215-229 Lambton Quay, Wellington
PO Box 1492, Wellington
Telephone: (64-4) 496 7000
Telex: NZ 3385
Fax: (64-4) 473 6919

ANZ Bank House
Cnr Queen & Victoria Streets
Auckland
Telephone: (64-9) 358 9200
Fax: (64-9) 358 9339

104 Victoria Street,
Christchurch
Telephone: (64-3) 371 4100
Fax: (64-3) 371 4120

Subsidiary Companies
ANZ McCaughan Securities (NZ) Limited,
21st Floor, ASB Building,
135 Albert Street, Auckland
PO Box 6243,
Wellesley Street, Auckland
Telephone: (64-9) 308 9867
Freephone: 0800 800 611
Telex: 63372
Fax: (64-9) 309 9410

UDC Group Holdings Limited,
113-119 The Terrace, Wellington
PO Box 1616, Wellington
Telephone: (64-4) 471 4500
Fax: (64-4) 471 4592

International

Headquarters
Australia and New Zealand Banking Group Limited,
International Banking Division,
20th Floor, 100 Queen Street,
Melbourne, Victoria 3000
Telephone: (61-3) 9273 6042
Fax: (61-3) 9273 4777

Asia Pacific

China, Peoples Republic of
Australia and New Zealand Banking Group Limited,
201A West Wing Office Complex,
Equatorial Hotel,
65 Yanan Road West,
Shanghai 200040
Telephone: (86-21) 248 8877
Fax: (86-21) 248 0080

Cook Islands
Australia and New Zealand Banking Group Limited,
Development Bank Building,
PO Box 907,
Avarua, Rarotonga
Telephone: (682) 21750
Telex: 62038
Fax: (682) 21760

Fiji
Australia and New Zealand Banking Group Limited,
ANZ House,
PO Box 179, Suva
Telephone: (679) 302 144
Telex: 2194
Fax: (679) 300 267

Hong Kong
Australia and New Zealand Banking Group Limited/ANZ Asia Limited/ANZ McCaughan Securities (Asia) Limited,
27th Floor,
One Exchange Square,
8 Connaught Place Central,
Hong Kong
Telephone: (852) 2843 7111
Telex: 86019
Fax: (852) 2525 2475

Indonesia
PT ANZ Panin Bank
17th Floor, BNI Building
Jl. Jend.,
Sudirman No. 1
Jakarta Pusat 10220
Telephone: (62-21) 251 0530
Fax: (62-21) 570 5135

Japan
Australia and New Zealand Banking Group Limited/
ANZ McCaughan Limited,
8th Floor,
Yanmar Tokyo Bldg,
1-1 Yaesu 2-Chome,
Chuo-ku, Tokyo 104
Telephone: (81-3) 3271 1151
Telex: 24157
Fax: (81-3) 3281 8417

ANZ Banking Group (Merchant Banking),
Tokyo Representative Office,
8th Floor,
Yanmar Tokyo Bldg,
1-1 Yaesu 2-Chome,
Chuo-ku, Tokyo 104
Telephone:(81-3) 5202 0731
Fax: (81-3) 5202 0730

Korea
Australia and New Zealand Banking Group Limited,
18th Floor, Kyobo Building,
1 Chongro 1,
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
Australia and New Zealand Banking Group (PNG) Limited,
2nd Floor, Defens Haus,
Cnr Champion Parade and Hunter Street,
Port Moresby
Telephone: (675) 3223 333
Telex: 22178
Fax: (675) 3223 306

Philippines
Australia and New Zealand Banking Group Limited,
Tuscan Building,
114 Herrera 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: (677) 21835
Telex: 66321
Fax: (677) 22957

Sri Lanka
ANZ Grindlays Bank plc,
PO Box 112,
37 York Street,
Colombo 1
Telephone: (94-1) 446 130
Telex: 21130/21521/21845
Fax: (94-1) 446 158

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

Tonga
Australia and New Zealand Banking Group Limited,
Cnr Railway & Salote Roads,
Nuku' alofa
Tel: (676) 24944
Fax: (676) 23870

Thailand
Australia and New Zealand Banking Group Limited,
Representative Office
9th Floor, Tower A,
Diethelm Towers,
93/1 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, Socialist Republic of
Australia and New Zealand Banking Group Limited,
14 Le Thai To Street,
Hanoi
Telephone: (84-4) 258 190
Fax: (84-4) 258 188

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

South Asia

India
ANZ Grindlays Bank plc,
PO Box 725,
90 Mahatma Gandhi Road,
Bombay 400 001
Telephone: (91-22) 267 1295
Telex: 011-4792 RDSA IN
Fax: (91-22) 261 9903

Eastern India
PO Box 2465,
19 Netaji Subhas Road,
Calcutta 700 001
Telephone: (91-33) 208 346
Telex: 021 7341 GBCL IN
Fax: (91-33) 282 266

Northern India
PO Box 624,
'H' Block, Connaught Circus,
New Delhi 110 001
Telephone: (91-11) 332 0793
Telex: 031-66528 GBND IN
Fax: (91-11) 332 2364

Southern India
PO Box 1359,
19 Rajaji Salai,
Madras 600 001
Telephone: (91-44) 534 4025
Telex: 041-212 GBMS IN
Fax: (91-44) 534 1065

Western India
PO Box 141,
90 Mahatma Gandhi Road,
Bombay 400 001
Telephone: (91-22) 267 1295
Telex: 011-2240 GBBY IN
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: 642597/642841/642654
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) 225 999
Telex: 8335
Fax: (973) 224 482

ANZ Grindlays Bank plc,
Offshore Banking Unit,
PO Box 5793
1st Floor,
Manama Centre,
Manama
Telephone: (973) 224 210
Telex: 8722/8723/8796
Fax: (973) 224 478

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) 873 3554
Telex: 213948
Fax: (98-21) 873 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, Postal Code 112
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,
Tel: (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,
Al Maktoum Street
(Near Deira Clock Tower)
Deira, Dubai
Telephone: (971-4) 285 663/228 171
Telex: 45618
Fax: (971-4) 233 501

Europe

United Kingdom
Australia and New Zealand Banking Group Limited,
Minerva House,
PO Box 7,
Montague Close,
London SE1 9DH
Telephone: (44-171) 378 2121
Telex: 8812741-4 ANZBKAG
Fax: (44-171) 378 2378

ANZ Grindlays Bank plc,
Head Office,
Minerva House,
Montague Close,
London SE1 9DH
Telephone: (44-171) 378 2121
Telex: 885043 GRNDLY G
Fax: (44-171) 403 4182

ANZ Grindlays Bank plc,
Private Bank,
13 St. James's Square,
London SW1Y 4LF
Telephone: (44-171) 930 4611
Telex: 885043-6 GRNDLY G
Fax: (44-171) 930 5501

ANZ McCaughan Securities Limited
7th Floor,
3 Finsbury Square,
London EC2A 1AD
United Kingdom
Telephone: (44-171) 638 5656
Fax: (44-171) 638 7979

Channel Islands
ANZ Bank (Guernsey) Limited,
PO Box 153,
St. Peter Port,
Guernsey
Telephone: (44-1481) 72 6771
Telex: 4191663 ANZGSY G
Fax: (44-1481) 72 7851

ANZ Grindlays Bank (Jersey) Limited
PO Box 80,
West House, West's Centre,
Peter Street, St. Helier,
Jersey
Telephone: (44-1534) 874248
Telex: 4192062 GRNDLY G
Fax: (44-1534) 877695

ANZ Grindlays Trust Corporation (Jersey) Limited
West House,
West's Centre
Peter Street,
St Helier, Jersey
Tel: (44-1534) 607351
Fax: (44-1534) 37600

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

Germany
Australia and New Zealand Banking Group Limited,
Mainzer Landstr. 46,
60325
Frankfurt/Main 17
Telephone: (49-69) 710 0080
Telex: 4185126 ANZBD
Fax: (49-69) 710 00821

Greece
ANZ Grindlays Bank plc,
7 Merlin St.,
PO Box 30391,
Athens 10671
Telephone: (30-1) 3624 601
Telex: 214651 GRIN GR
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) 906 0111
Telex: 412521 ANZCH
Fax: (44-22) 906 0122

Americas

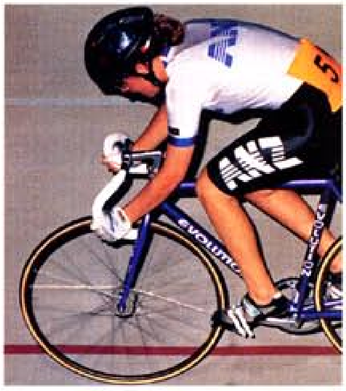
United States of America
New York
Australia and New Zealand Banking Group Limited/
ANZ McCaughan Securities (USA) Inc.,
1177 Avenue of the Americas
New York,
NY 10036
Telephone: (1-212) 801 9800
Telex: 667559
Fax: (1-212) 801 9859

Argentina
Australia and New Zealand Banking Group Limited
Bouchard 547,
10th Floor,
1106 Buenos Aires
Tel: (54-1) 315 4545
Fax: (54-1) 313 3967

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
Australia and New Zealand Banking Group Limited,
Representative Office,
Miraflores 222,
22nd Floor,
Santiago
Telephone: (56-2) 632 2350
Fax: (56-2) 632 3252

Mexico
Australia and New Zealand Banking Group Limited,
Representative Office
Ejercito Nacional
No 926-20 Piso
11510 Mexico D.F.
Tel: (52-5) 580 1036
Fax: (52-5) 580 1031



Left to Right

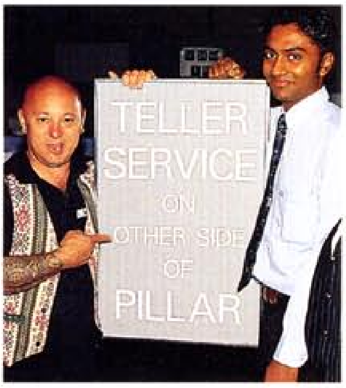
De-Ann Larcombe (Cairns branch) riding her way to gold at the Queensland State Track Championships.

Lorraine Slee accepts ANZ's certificate from the Blood Bank, Melbourne, in recognition of the support of ANZ donors.

ANZ Trustees assisted Victorian Community Foundation to establish Ross House, a unique building in the heart of Melbourne housing small self-help and community organisations.


Dame Margaret Scott, founding Director of the Australian Ballet School, tests computer equipment donated by ANZ.

Audience at the ANZ Opera in the Bowl, Sidney Myer Music Bowl, Melbourne.



Angry Anderson's "challenge" collection for childrens' charities.

Celebrating the Year of the Pig at the Chinese New Year Carnivale, Chinatown, Sydney.

The Victorian ANZ dragon boat crew won the Tattersalls Corporate Cup for the second year in succession.


Joanne Dinuzzo (Royal Branch, Melbourne) enters into the ANZ recycling initiative.

Celebrating Australia Day at the ANZ free day at the Australian National Maritime Museum, Sydney.

New Zealand National Agricultural Fieldday at Mystery Creek, Hamilton, sponsored by ANZ.

ANZ contributed towards a new "rubber ducky" for a Life Saving Club, Perth.

Enthusiastic participants in the ANZ Pacific Tennis Development Program, Rarotonga, Cook Islands.

1995 Financial Statements

The directors present their report together with the accounts of the parent entity (the Company) and the consolidated accounts of the Economic entity for the year ended 30 September 1995.

The information is provided in conformity with the Corporations Law.

Activities

The principal activities of the Economic entity during the year were general banking, mortgage and instalment lending, life insurance, leasing, hire purchase and general finance, international and investment banking, investment and portfolio management and advisory services, nominee and custodian services, stockbroking and executor and trustee services.

There has been no significant change in the nature of the principal activities of the Economic entity.

At 30 September 1995, the Economic entity had 1,881 points of representation.

Result

Consolidated operating profit after income tax and before abnormal items attributable to shareholders of the Company for the year was $1,033 million. Consolidated operating profit after income tax and abnormal items attributable to shareholders of the Company was $1,052 million. Further details are contained in the Chief Executive Officer's Review and the Review of Operations and Results on pages 6 and 7 and pages 18 to 23 respectively of the 1995 Annual Report.

Dividends

The directors propose payment of a final dividend of 18 cents per ordinary fully paid share, partially franked at 36%, to be formally declared on 18 December 1995 and to be paid on 17 January 1996. The proposed payment amounts to $260 million.

Since the end of the previous financial year, the following unfranked dividends on fully paid ordinary shares have been paid:

Type	Cents per share	Amount before bonus option $m	Date of payment
Final	14	189	20 Jan 1995
Interim	15	208	10 July 1995

The final dividend paid on 20 January 1995 was detailed in the directors' report dated 2 December 1994. Neither the interim dividend paid on 10 July 1995 nor the current proposed dividend have been mentioned in previous directors' reports.

Where shareholders of the Company in the United Kingdom elect to participate in the 'UK 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 (refer note 8, page 52).

Since the end of the previous financial year, the following preference share dividends have been paid:

	$m
11 January 1995	40
11 July 1995	40

The preference share dividend paid on 11 January 1995 was formally declared on 12 December 1994, and the dividend paid on 11 July 1995 was formally declared on 13 June 1995. Neither the dividend paid in January 1995 nor the July 1995 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 are contained in the Chairman's Report, the Chief Executive Officer's Review, the Review of Operations and Results and in the financial statements.

State of Affairs

In the directors' opinion, there have been no significant changes in the state of affairs of the Economic entity during the financial year, other than:

The Board's committee structure was changed with the establishment of the Risk Management Committee and the redefining of the role of the Audit and Compliance Committee. Further details of these changes are contained on pages 26 and 27 of the Corporate Governance Section of the 1995 Annual Report.

On 11 July 1995, the six million non-redeemable non-cumulative preference shares, issued at $100.00 each, converted to ordinary shares.

The conversion price was 10% less than the weighted average price of all fully paid ordinary shares in the Company sold on the Australian Stock Exchange during the five days immediately preceding the conversion date - $4.653 per ordinary share. The ordinary shares issued on conversion totalled 128,944,469.

On the same date, 99,766,809 ordinary shares resulting from the conversion were bought back by the Company, pursuant to a buy-back proposal approved by shareholders at the Annual General Meeting on 20 January 1995. The buy-back price was the weighted average price of all fully paid ordinary shares in the Company sold on the Australian Stock Exchange during the five days immediately preceding the conversion date - $5.17 per ordinary share. The total consideration paid was $515,794,403.

An abnormal profit of $19 million was recorded on restating the Economic entity's net deferred tax balances at 30 September 1995, as a result of the increase in the Australian corporate tax rate from 33% to 36%, which is effective for the financial year commencing 1 October 1995.

Net loans and advances increased by 14% from $60,031 million to $68,216 million, primarily from housing loan growth of $2,802 million and non-housing term loan growth of $4,619 million. Deposits and other borrowings increased by 10% from $63,784 million to $70,238 million, principally reflecting the additional retail funds attracted by higher interest rates.

The charge for provisions for doubtful debts reduced by 54% to $174 million reflecting, inter alia, the continued improvement in the economic environment with new and increased specific provisions of $293 million and releases and recoveries of $230 million. Non-accrual loans fell to $1,774 million, or 2.6% of net loans and advances, from $2,826 million at 30 September 1994. The general provision charge of $111 million comprises two elements. First, $31 million reflects the increase in lending assets during the year. Secondly, as a measure of prudence at this stage of the economic cycle, and having regard to the level of releases and recoveries, the general provision was bolstered by $80 million.

While the above matters are those considered to be significant changes in the state of affairs, reviews of matters affecting the Economic entity's state of affairs are contained in the Chairman's Report, the Chief Executive Officer's Review, the Review of Operations and Results and 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 1995 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.

A private bill was introduced in the United Kingdom Parliament on 27 November 1995 which, if it becomes law, will enable ANZ Holdings (UK) plc and ANZ Grindlays Bank plc to change their place of incorporation from the United Kingdom to Australia. It is intended that this will occur during 1996. This will facilitate improved interaction between the businesses of ANZ Grindlays Bank plc and the rest of the Economic entity.

Future Developments

Details of likely developments in the operations of the Economic entity in subsequent financial years are contained in the Chairman's Report and the Chief Executive Officer's Review on pages 4 and 5 and pages 6 and 7 respectively of the 1995 Annual Report.

In the opinion of the directors, disclosure of any further information would be likely to result in unreasonable prejudice to the Economic entity.

Rounding of Amounts

The Company is a company of the kind referred to in the Australian Securities Commission class order 94/1253, issued on 17 August 1994 pursuant to section 313(6) of the Corporations Law. As a result, amounts in this report and the accompanying financial statements have been rounded to the nearest million dollars except where otherwise indicated.

Shareholdings

The directors' interests, beneficial and non-beneficial, in the shares of the Company are detailed on page 123.

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

ANZ Group Share Option Scheme

At the date of this report, there are 7,710,000 outstanding options at an exercise price of $5.34 per share. The options cannot be exercised earlier than three years from the date of issue or later than 31 January 1999 and may only be exercised if the basic earnings per share of the Company (before abnormal items) for one of the financial years ending 30 September 1996, 1997 or 1998 are at least 50% over the equivalent figure for the 1993 financial year.

Directors' Share and Option Purchase Scheme

Unexercised options over ordinary shares of $1 each under the Directors' Share and Option Purchase Scheme at the date of this report amount to 50,000 at an exercise price of $4.08 per share and 150,000 at an exercise price of $3.43 per share with respective expiry dates of 28 February 1997 and 1 March 1998 or 90 days after cessation of a director's term of office.

Details of directors' shareholding interests are set out on page 123 of the Shareholder Information section of the 1995 Annual Report.

Directors' Qualifications and Experience

The Board includes nine non-executive directors who have a diversity of community and business experience and three directors with executive responsibilities who have extensive banking experience.

Special responsibilities, including attendance at meetings, are shown on pages 26 and 27 of the 1995 Annual Report.

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 controlled by the Company, 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 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 relating to retirement benefits of the type referred to in Article 79(b) of the Articles of Association of the Company which have been entered into between the Company and each of R S Deane, J K Ellis and M A Jackson; and

(ii) the subscription by certain directors for shares under the Directors' Share and Option Purchase Scheme;

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 consultant.

Further details are set out in note 41 to the Financial Statements dealing with Related Party Disclosures.

Directors' and Officers' Indemnity

Article 143 provides that to the extent permitted by the Corporations Law "every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto". The Corporations Law prohibits a company from indemnifying directors, secretaries, executive officers and auditors for liabilities except for a liability to a party, other than the Company or a related body corporate, where the liability arises out of conduct involving good faith, and for costs and expenses incurred in defending proceedings in which the officer or auditor is successful. An indemnity for officers or employees, who are not directors, secretaries or executive officers, is not expressly restricted by the Corporations Law.

In addition to its obligations under Article 143, it is the policy of the Company to:

(a) indemnify, in the same terms as Article 143, directors, secretaries and executive officers of related bodies corporate; and

(b) indemnify other employees of related bodies corporate for all liability incurred,

where they are acting in good faith in furtherance of the objectives of the Company and its related bodies corporate.

The directors, the secretaries of the Company, being D T Craig, R T Jones and J E Clark, and KPMG, the auditors of the Company, have the benefit of the indemnity in Article 143, which also applies to executive officers of the Company. It is the intention of the Company to seek shareholders' approval at the 1996 Annual General Meeting to amend Article 143 by deleting the reference to 'Auditor' and by replacing the words 'other officer' by the word 'employee'.

Since the end of the financial year, the Company has paid a premium for an insurance policy for the benefit of the directors, secretaries as named above and executive officers of the Company, and directors, secretaries and executive officers of related bodies corporate of the Company. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

Except for the above, during the financial year and since the end of it, no person has been indemnified nor has the Company or a related body corporate of the Company made an agreement for indemnifying any person who is or has been an officer or auditor of the Company or of a related body corporate.

Signed in accordance with a resolution of the directors.

Charles B Goode
Chairman

D P Mercer
Chief Executive Officer

Melbourne
1 December 1995

Profit and Loss Accounts
for the year ended 30 September 1995

	Note	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
Interest income	3	**8,310**	6,485	**5,230**	3,906
Interest expense	4	**(5,229)**	(3,685)	**(3,546)**	(2,257)
Net interest income		**3,081**	2,800	**1,684**	1,649
Other operating income	3	**1,975**	1,969	**1,447**	1,471
Operating income		**5,056**	4,769	**3,131**	3,120
Operating expenses	4	**(3,334)**	(3,183)	**(2,303)**	(2,211)
Operating profit before debt provisions and abnormal items		**1,722**	1,586	**828**	909
Provisions for doubtful debts	4	**(174)**	(381)	**(149)**	(304)
Operating profit before abnormal items		**1,548**	1,205	**679**	605
Abnormal profit	6	**-**	17	**-**	4
Operating profit		**1,548**	1,222	**679**	609
Income tax (expense)benefit					
Operating profit	7	**(505)**	(395)	**(271)**	(176)
Abnormal items	6	**19**	2	**22**	2
Income tax expense	7	**(486)**	(393)	**(249)**	(174)
Operating profit after income tax		**1,062**	829	**430**	435
Outside equity interests		**(10)**	(7)	**-**	-
Operating profit after income tax attributable to members of the Company		**1,052**	822	**430**	435
Retained profits at start of year		**585**	198	**337**	287
Total available for appropriation		**1,637**	1,020	**767**	722
Transfers (to)from reserves[1]		**(27)**	(42)	**46**	-
Dividends					
Ordinary shares	8	**(424)**	(313)	**(416)**	(305)
Preference shares	8	**(80)**	(80)	**(80)**	(80)
Retained profits at end of year		**1,106**	585	**317**	337
Earnings per share(cents)	9				
Before abnormal items		**68.5**	54.5		
After abnormal items		**69.9**	55.9		

The notes appearing on pages 44 to 100 form an integral part of these financial statements

[1] *Details of movements in reserves are contained in the Statements of Changes in Shareholders' Equity on pages 41 and 42*

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED AND CONTROLLED ENTITIES

Balance Sheets
as at 30 September 1995

	Note	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
Assets					
Liquid assets	10	**5,054**	6,068	**2,472**	3,519
Due from other banks	11	**8,759**	8,057	**5,352**	4,941
Trading securities	12	**5,785**	3,712	**4,840**	2,163
Investment securities	13	**2,833**	5,230	**832**	3,307
Net loans and advances	14	**68,216**	60,031	**41,686**	35,397
Customers' liabilities for acceptances		**12,646**	12,243	**11,766**	11,303
Due from controlled entities		**-**	-	**6,066**	6,489
Regulatory deposits	17	**1,174**	889	**553**	504
Shares in controlled entities and associates	18	**10**	8	**5,004**	4,445
Other assets	19	**6,119**	5,708	**3,796**	3,831
Premises and equipment	20	**1,991**	1,928	**403**	419
Total assets		**112,587**	103,874	**82,770**	76,318
Liabilities					
Due to other banks	21	**11,161**	10,655	**9,499**	8,770
Deposits and other borrowings	22	**70,238**	63,784	**42,776**	38,260
Liability for acceptances		**12,646**	12,243	**11,766**	11,303
Due to controlled entities		**-**	-	**3,068**	3,536
Income tax liability	23	**652**	488	**285**	175
Creditors and other liabilities	24	**6,481**	5,820	**4,731**	3,950
Provisions	25	**862**	767	**667**	609
Bonds and notes	26	**1,579**	1,514	**1,579**	1,514
Loan capital	27	**3,221**	3,099	**2,699**	2,745
Total liabilities		**106,840**	98,370	**77,070**	70,862
Net assets		**5,747**	5,504	**5,700**	5,456
Shareholders' equity[1]					
Issued and paid-up capital		**1,446**	1,360	**1,446**	1,360
Reserves		**3,148**	3,511	**3,937**	3,759
Retained profits		**1,106**	585	**317**	337
Share capital and reserves attributable to shareholders of the Company		**5,700**	5,456	**5,700**	5,456
Outside equity interests	28	**47**	48	**-**	-
Total shareholders' equity and outside equity interests		**5,747**	5,504	**5,700**	5,456
Commitments	33				
Derivative financial instruments	34				
Contingent liabilities and credit related commitments	35				

The notes appearing on pages 44 to 100 form an integral part of these financial statements

[1] *Details of movements are contained in the Statements of Changes in Shareholders' Equity on pages 41 and 42*

Statements of Changes in Shareholders' Equity
for the year ended 30 September 1995

	Consolidated		The Company	
	1995 $M	1994 $M	1995 $M	1994 $M
Authorised capital				
2,100,000,000 shares of $1 each	2,100	2,100	2,100	2,100
1,000,000,000 preference shares of $0.01 each	10	10	10	10
Total authorised capital	2,110	2,110	2,110	2,110
Issued and paid-up capital				
Balance at start of year	1,360	1,315	1,360	1,315
Conversion of preference shares	(6)	-	(6)	-
Ordinary shares[1]				
Shares issued on conversion of preference shares	129	-	129	-
Share buy-back	(100)	-	(100)	-
Dividend reinvestment plan[2]	47	34	47	34
Employee share purchase scheme[3]	2	2	2	2
Bonus option plan[4]	11	5	11	5
Senior officers' share purchase scheme[5]	3	4	3	4
Directors' share and option purchase scheme[6]	#	#	#	#
Total issued and paid-up capital	1,446	1,360	1,446	1,360
Share premium reserve				
Balance at start of year	2,905	2,783	2,905	2,783
Premium on issue of shares	621	122	621	122
Conversion of preference shares	(594)	-	(594)	-
Share buy-back	(416)	-	(416)	-
Total share premium reserve	2,516	2,905	2,516	2,905
Asset revaluation reserve				
Balance at start of year	-	-	574	370
Revaluation of investments in controlled entities	-	-	615	204
Transfer to retained profits	-	-	(46)	-
Total asset revaluation reserve	-	-	1,143	574
Foreign currency translation reserve				
Balance at start of year	(87)	142	225	267
Currency translation adjustments, net of hedges after tax	(1)	(229)	(2)	(42)
Total foreign currency translation reserve	(88)	(87)	223	225
General reserve				
Balance at start of year	544	502	55	55
Transfers from retained profits	27	42	-	-
Total general reserve	571	544	55	55
Capital reserve	149	149	-	-
Total reserves	3,148	3,511	3,937	3,759

Statements of Changes in Shareholders' Equity
for the year ended 30 September 1995

		Consolidated		The Company	
	Note	1995 $M	1994 $M	1995 $M	1994 $M
Retained profits					
Balance at start of year		**585**	198	**337**	287
Operating profit after income tax attributable to shareholders of the Company		**1,052**	822	**430**	435
Total available for appropriation		**1,637**	1,020	**767**	722
Transfers (to)from reserves		**(27)**	(42)	**46**	-
Dividends provided for or paid					
Ordinary shares	8	**(424)**	(313)	**(416)**	(305)
Preference shares	8	**(80)**	(80)	**(80)**	(80)
Retained profits at end of year		**1,106**	585	**317**	337
Total shareholders' equity attributable to shareholders of the Company		**5,700**	5,456	**5,700**	5,456

	The Company	
Number of issued shares	1995	1994
Ordinary shares of $1 each fully paid	**1,446,047,877**	1,353,580,687
Ordinary shares of $1 each paid to 10 cents per share	**929,500**	2,103,000
Non-redeemable non-cumulative 13.25% converting preference shares of $1 each fully paid	**-**	6,000,000
Total number of issued shares	**1,446,977,377**	1,361,683,687

Share buy-back

On 11 July 1995, the six million non-redeemable non-cumulative converting preference shares, issued at $100.00 each, converted to ordinary shares. The conversion price was 10% less than the weighted average price of all fully paid ordinary shares in the Company sold on the Australian Stock Exchange during the five days immediately preceding the conversion date - $4.653 per ordinary share. The ordinary shares issued on conversion totalled 128,944,469.

On the same date, 99,766,809 ordinary shares resulting from the conversion were bought back by the Company, pursuant to a buy-back proposal, approved by shareholders at the Annual General Meeting on 20 January 1995. The buy-back price was the weighted average price of all fully paid ordinary shares in the Company sold on the Australian Stock Exchange during the five days immediately preceding the conversion date - $5.17 per ordinary share. The total consideration paid was $515,794,403.

The notes appearing on pages 44 to 100 form an integral part of the financial statements.

 # Amounts less than $500,000

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

[2] Dividend reinvestment plan issues were
25,511,816 ordinary shares at $3.73 per share
22,114,122 ordinary shares at $4.40 per share

[3] Employee Share Purchase Scheme issues were
1,664,644 ordinary shares at $3.81 per share
125,950 ordinary shares at $3.80 per share

[4] Bonus option plan issues were
5,892,041 ordinary shares at $3.73 per share
5,096,457 ordinary shares at $4.40 per share

[5] Senior Officers' Share Purchase Scheme issue proceeds were
18,000 ordinary shares at $3.09 per share
9,000 ordinary shares at $3.42 per share
40,000 ordinary shares at $3.75 per share
11,000 ordinary shares at $4.55 per share
20,000 ordinary shares at $4.60 per share
11,000 ordinary shares at $4.68 per share
1,611,000 ordinary shares at $4.76 per share
8,000 ordinary shares at $4.85 per share
923,500 ordinary shares at $4.89 per share
21,000 ordinary shares at $4.90 per share
25,000 ordinary shares at $4.93 per share
43,000 ordinary shares at $5.04 per share
50,000 ordinary shares at $5.20 per share
59,000 ordinary shares at $5.36 per share
3,000 ordinary shares at $5.42 per share
23,000 ordinary shares at $5.46 per share
9,000 ordinary shares at $5.60 per share

[6] Directors' Share and Option Purchase Scheme issue of shares partly paid to $0.10 per share, was 100,000 at $4.76 per share

[7] Total uncalled capital at 30 September 1995 was $4.2m, comprising capital of $0.8m and share premium of $3.4m

Statements of Cash Flows
for the year ended 30 September 1995

	Note	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
		Inflows (Outflows)		Inflows (Outflows)	
Cash flows from operating activities					
Interest received		**7,945**	6,446	**5,035**	3,948
Dividends received		**4**	5	**8**	-
Fees and other income received		**1,918**	1,919	**1,423**	1,403
Interest paid		**(4,864)**	(3,789)	**(3,299)**	(2,328)
Personnel expenses paid		**(1,618)**	(1,459)	**(1,115)**	(1,011)
Premises expenses paid		**(362)**	(362)	**(364)**	(357)
Other operating expenses paid		**(1,118)**	(1,058)	**(727)**	(671)
Income taxes paid		**(153)**	(160)	**(12)**	(30)
Net (increase)decrease in trading securities		**(1,222)**	852	**(1,678)**	1,213
Net cash provided by(used in) operating activities	30(a)	**530**	2,394	**(729)**	2,167
Cash flows from investing activities					
Net (increase)decrease					
Due from other banks		**(1,801)**	(646)	**(1,584)**	(572)
Regulatory deposits		**(291)**	107	**(27)**	(27)
Loans and advances		**(7,487)**	(5,114)	**(3,798)**	(2,782)
Shares in controlled entities[1] and associates		**(6)**	-	**56**	(237)
Investment securities					
Purchases		**(6,949)**	(13,747)	**(4,875)**	(7,857)
Proceeds from sale or maturity		**8,573**	13,252	**6,491**	7,022
Controlled entities	30(c)				
Purchased (net of cash acquired)		**(81)**	12	**(22)**	(36)
Proceeds from sale (net of cash disposed)		**14**	23	**-**	9
Premises and equipment					
Purchases		**(361)**	(269)	**(95)**	(73)
Proceeds from sale		**69**	373	**16**	10
Other		**(44)**	464	**335**	268
Net cash used in investing activities		**(8,364)**	(5,545)	**(3,503)**	(4,275)
Cash flows from financing activities					
Net increase(decrease)					
Due to other banks		**520**	570	**780**	381
Deposits and other borrowings		**6,080**	3,839	**3,385**	2,413
Due from/to controlled entities		**-**	-	**(1,109)**	436
Creditors and other liabilities		**(186)**	259	**83**	360
Bonds and notes					
Issue proceeds		**655**	547	**655**	547
Redemptions		**(578)**	(592)	**(578)**	(592)
Loan capital					
Issue proceeds		**165**	353	**-**	353
Redemptions		**-**	(271)	**-**	(271)
Decrease in outside equity interests		**(8)**	(2)	**-**	-
Dividends paid		**(241)**	(198)	**(233)**	(190)
Share capital issues		**19**	31	**19**	31
Share buy-back		**(516)**	-	**(516)**	-
Net cash provided by financing activities		**5,910**	4,536	**2,486**	3,468
Net cash provided by(used in) operating activities		**530**	2,394	**(729)**	2,167
Net cash used in investing activities		**(8,364)**	(5,545)	**(3,503)**	(4,275)
Net cash provided by financing activities		**5,910**	4,536	**2,486**	3,468
Net (decrease)increase in cash and cash equivalents		**(1,924)**	1,385	**(1,746)**	1,360
Cash and cash equivalents at beginning of year		**9,092**	9,080	**5,044**	4,879
Foreign currency translation on opening balances		**(89)**	(1,373)	**(60)**	(1,195)
Cash and cash equivalents at end of year	30(b)	**7,079**	9,092	**3,238**	5,044

The notes appearing on pages 44 to 100 form an integral part of these financial statements

[1] *Represents increase of equity in an existing controlled entity*

1: Accounting Policies

The financial statements comply with the accounts provisions of the Banking Act, applicable Australian Accounting Standards, the accounts provisions of the Corporations Law and Urgent Issues Group Consensus Views. The policies are consistent with those adopted in the prior year with the exception of those changes disclosed in note 2.

(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 are not 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 Australia and New Zealand Banking Group Limited (the Company) and its controlled entities listed in note 31.

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.

(iii) Goodwill

Goodwill, representing the excess of the purchase consideration over the fair value of the identifiable net assets of a controlled entity at the date of gaining control, is recognised as an asset and amortised on a straight line basis over the period during which the benefits are expected to arise, not exceeding 20 years.

The unamortised balance of goodwill and the period of amortisation are reviewed annually. Where the balance exceeds the value of expected future benefits, the difference is charged to the profit and loss account.

(iv) Shares in controlled entities and associates

Shares in controlled entities are revalued annually based on the net tangible assets of the entity.

Associates are accounted for by the cost method. Supplementary equity financial statements are not prepared as the impact is immaterial.

(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.

Net translation differences arising from the translation of overseas branch capital positions and investments in overseas controlled entities considered to be self-sustaining operations are included in the foreign currency translation reserve, after allowing for those positions hedged by foreign exchange contracts and related currency borrowings.

Assets and liabilities denominated in foreign currencies are translated into Australian dollars at the rates of exchange ruling at balance date.

It is the Economic entity's general policy in respect of trading risk to maintain a substantially matched position in foreign currencies, and the total amount of unmatched foreign currency liabilities and assets and consequent foreign currency exposures are not material.

(vi) Comparative figures

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

(vii) Rounding of amounts

The Company is a company of the kind referred to in the Australian Securities Commission class order 94/1253, dated 17 August 1994. Consequently, amounts in the financial statements have been rounded to the nearest million dollars except where otherwise indicated.

The Company is a company of the kind referred to in Corporations Regulations 3.6.05(6) and, in accordance with section 311 and Corporations Regulation 3.6.05, amounts in the financial statements have been rounded to the nearest thousand dollars where indicated.

(viii) 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 its interest in the actuarially assessed surplus of ANZ Life's statutory funds for the year, after allowing for increases in policyholder reserves determined on a realistic basis. The result for the year of $52 million (1994: $42 million) has been included in the profit and loss account and then transferred to general reserve within the consolidated financial statements until available for distribution under the requirements and restrictions of the Life Insurance Act 1945 and statutory accounting practices.

The Economic entity's interest in the accumulated retained earnings of the life insurance statutory funds of $292 million (1994: $238 million), together with the net assets of the shareholders' fund of ANZ Life are included within the balance sheet of the Economic entity.

Due to the provisions of the Life Insurance Act 1945, the assets of the life insurance statutory funds attributable to policyholders of ANZ Life do not form part of the assets to which the Economic entity is entitled and are therefore not consolidated.

(ix) Funds under management

The Company and certain 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 $10 billion (1994: $10 billion). These funds have not been consolidated as the Company does not have direct or indirect control of the funds.

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 and it is therefore not probable that the Company or its controlled entities will be required to settle the 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.

(x) 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. 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. General provisions for doubtful debts are treated as permanent differences as the provisions do not relate to specific accounts for which a tax deduction would be available in the event of a loss.

Future tax benefits and deferred tax liabilities relating to timing differences and tax losses 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.

Provision for Australian income tax is made where the earnings of overseas controlled entities falls subject to Australian tax under the attribution rules for the taxation of foreign sourced income. Otherwise, no provision is made for overseas withholding tax or Australian income tax which may arise on repatriation of earnings from overseas controlled entities, where it is expected these earnings will be retained by those entities to finance their ongoing business.

(xi) 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.

(xii) Investment securities

Investment securities are those which the Economic entity purchased with the positive intent and ability to hold until maturity. Such securities are recorded at cost or at cost adjusted for amortisation of premiums or discounts. Premiums and discounts are capitalised and amortised from date of purchase to maturity. Interest and dividend income is accrued.

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

(xiii) Net loans and advances

Net loans and advances include 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.

Finance leases and hire purchase contracts are accounted for using the finance method whereby income is taken to account progressively over the life of the lease or the contract in proportion to the outstanding investment balance.

Investments in leveraged leases are recorded at an amount equal to the investment participation, and income is taken to account on an actuarial basis over the term of each lease.

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.

(xiv) Bad and doubtful debts

Specific provisions are maintained to cover identified doubtful debts.

General provisions are maintained for losses which, although not specifically identified, are known from experience to be inherent in any asset portfolio. The level of the general provision is determined having regard to economic conditions, the level of on and off-balance sheet assets and other general risk factors.

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.

(xv) Credit assessment

All loans are subject to regular scrutiny and graded according to the level of credit risk. Loans are classified as either productive or non-accrual. The Economic entity has adopted the Reserve Bank of Australia Impaired Assets Guidelines in assessing non-accrual loans. Non-accrual loans are loans where the accrual of interest and fees has ceased due to doubt as to full recovery. A specific provision is raised to cover the expected loss, where full recovery of principal is doubtful.

(xvi) Leasing

Leases entered into by the Economic entity as 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.

Assets relating to operating leases entered into by the Economic entity as lessor are included within premises and equipment with rental income and depreciation separately classified in income and expense.

(xvii) Premises and equipment

Premises and equipment (including computer equipment) are carried at cost less depreciation or amortisation, or at valuation. Any surplus on revaluation of a class of assets 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 for that class, and the excess debited to the profit and loss account. Potential capital gains tax arising from revaluations is not taken into account as the Economic entity has no current intention to dispose of the subject properties.

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 once every three years by independent valuers. Valuations are based on the estimated open market value and assume that the premises concerned continue to be used in their existing manner by the Economic entity.

An officers' valuation undertaken during the financial year indicated that the estimated market value of premises exceeded the book value by $88 million. This excess has not been booked in the financial statements.

Profit or loss on the disposal of premises and equipment 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 results of the Economic entity in the year of disposal.

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.

(xviii) 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 and to the extent they are considered to be recoverable.

Profit is recognised on sale 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 profit is offset against inventory value. Sales are recognised at date of settlement, or when a deposit (normally 10%) is received and it is virtually certain that settlement will proceed.

(xix) Acceptances

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

The Economic entity's own acceptances discounted are held as part of either the trading securities portfolio or the loan portfolio, depending on whether, at the time of such discount, the intention was to hold the acceptances for resale or until maturity.

(xx) Derivative financial instruments

Derivative financial instruments include foreign exchange contracts, forward rate agreements, interest rate and currency swaps, futures and options.

Trading derivative financial instruments, comprising derivatives entered into for customer-related or proprietary reasons or for hedging the trading portfolio, are measured at fair value and all gains and losses are taken to the profit and loss account (refer also note 2).

Derivative financial instruments designated, and effective, as hedges of underlying non-trading exposures are accounted for on the same basis as the underlying exposures.

Gains and losses on derivative financial instruments related to hedging exposures arising from anticipated transactions are deferred and recognised in the financial statements when the anticipated transaction occurs. These gains and losses are deferred only to the extent that there is an offsetting unrecognised (unrealised) gain or loss on the exposures being hedged. Deferred gains and losses are amortised over the expected term of the hedged exposure.

(xxi) Cash and cash equivalents
For the purpose of the statements of cash flows, cash and cash equivalents include liquid assets and amounts due from other banks with original term to maturity of 90 days or less.

(xxii) Repurchase agreements
Securities sold under repurchase agreements are retained in the financial statements and a counterparty liability is disclosed under the classifications of Due to other banks or Deposits and other borrowings. The difference between the sale price and the repurchase price is amortised over the life of the repurchase agreement and charged to interest expense in the profit and loss account.

Securities purchased under agreements to resell are recorded as Liquid assets, Net loans and advances, or Due from other banks, depending on the term of the agreement and counterparty.

(xxiii) Superannuation commitments
The Economic entity has a number of superannuation schemes which provide either defined benefits ("defined benefit schemes") or accumulated benefits ("defined contribution schemes") for employees and their dependants on retirement or death.

The benefits provided for by defined benefit schemes are based upon years of membership and/or salary levels.

The benefits provided by defined contribution schemes are determined by accumulated contributions made to the scheme, together with investment earnings thereon. These superannuation 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 varying rates.

Economic entity contributions in respect of the defined benefit schemes are made at levels necessary to ensure that the schemes are maintained with sufficient assets to meet their liabilities. Economic entity contributions in respect of the defined contribution schemes are at levels not exceeding specified 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 aggregate deficiencies arising from the actuarial valuations of the Economic entity's defined benefit schemes have been provided for in the financial statements.

The assets and liabilities of the schemes have not been consolidated as the Company does not have direct or indirect control of the schemes.

(xxiv) Employee entitlements
The amounts expected to be paid in respect of employees' entitlements to annual leave are accrued at current salary rates including on costs. Liability for long service leave is accrued in respect of all applicable employees at the present value of future amounts expected to be paid.

2: Changes in Accounting Policy

Derivative financial instruments
In previous years, the Economic entity offset the market value of trading derivative financial instruments in a loss position against the market value of those in a gain position. Effective 1 October 1994, the Economic entity amended this practice such that market value losses on derivative financial instruments are not offset against market value gains unless a legal right of set-off exists. Prior year comparatives have been restated to accord with this treatment. The financial effect of this amended treatment has been to increase Other assets and Creditors and other liabilities by $2,693 million as at 30 September 1995 (30 September 1994: $2,685 million).

Income recognition on impaired assets
Effective from 1 October 1994, the Economic entity has adopted the Reserve Bank of Australia (RBA) guidelines for the recognition of income on impaired assets. Under these guidelines, cash receipts on non-accrual accounts are, in the absence of a contrary agreement with the customer, to be applied as income or fees in priority to being applied as a reduction in principal, except where the cash receipt relates to proceeds from the sale of security. Under the Economic entity's previous policy, cash receipts were normally applied to reduce principal in priority to income recognition. It is not practicable to quantify the effect of this change in cash receipt priority allocation on the results for the year ended 30 September 1995, but it is not expected to be material.

The RBA guidelines also require that in placing a facility on non-accrual status, interest accrued since the commencement of the half year but remaining unpaid be reversed. Under the Economic entity's previous policy, unpaid interest since the commencement of the financial year was reversed. This change in policy has no material impact on the results for the year ended 30 September 1995.

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
3: Income				
Interest income				
From other banks	661	516	410	273
On regulatory deposits	43	33	30	22
On trading and investment securities	698	566	419	312
On loans and advances	6,502	5,080	3,744	2,933
Dividends from redeemable preference share finance	2	7	-	-
Other	404	283	191	147
	8,310	6,485	4,794	3,687
From controlled entities	-	-	436	219
Total interest income	8,310	6,485	5,230	3,906
Other operating income				
(i) Fee income				
Lending	537	559	420	447
Other	801	763	493	448
	1,338	1,322	913	895
From controlled entities	-	-	268	259
Total fee income	1,338	1,322	1,181	1,154
(ii)Other income				
Foreign exchange earnings	226	222	130	135
Foreign exchange gains on hedges of investments in controlled entities	-	-	2	20
Profit on trading instruments	96	126	60	46
Dividend income				
From controlled entities	-	-	8	91
From other persons	4	5	-	-
Rental income	33	34	43	41
Profit(loss) on sale of investment securities	5	24	1	(1)
Operating lease income	89	61	-	-
Life insurance fund surplus	52	42	-	-
Development ventures				
Income	13	12	(8)	(2)
Diminution in value	14	(21)	26	(18)
Profit on sale of premises and equipment	4	-	3	-
Other	101	142	1	5
Total other income	637	647	266	317
Total other operating income	1,975	1,969	1,447	1,471
Abnormal items (refer note 6)	-	19	-	4
Total income	10,285	8,473	6,677	5,381

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
4: Expenses				
Interest expense				
To other banks	809	637	647	466
On deposits	3,271	2,146	2,116	1,365
On borrowing corporations' debt	490	472	-	-
On commercial paper	179	88	59	49
On bonds and notes	114	61	113	61
On loan capital	254	207	217	173
Other	112	74	98	36
	5,229	3,685	3,250	2,150
To controlled entities	-	-	296	107
Total interest expense	5,229	3,685	3,546	2,257

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
4: Expenses (continued)				
Provisions for doubtful debts (refer note 16)				
New and increased provisions	**293**	n/a	**211**	n/a
Provision releases	**(178)**	n/a	**(144)**	n/a
	115	456	**67**	349
Recoveries of amounts previously written off	**(52)**	(88)	**(22)**	(47)
Specific provision	**63**	368	**45**	302
General provision	**111**	13	**104**	2
Total provisions for doubtful debts	**174**	381	**149**	304
Operating expenses				
(i) Personnel				
Salaries and wages	**1,270**	1,170	**911**	837
Pension fund	**93**	87	**8**	7
Employee taxes				
Payroll	**64**	57	**60**	54
Fringe benefits tax	**48**	28	**42**	23
Provision for employee entitlements	**19**	12	**14**	10
Other	**129**	114	**82**	69
Total personnel expenses	**1,623**	1,468	**1,117**	1,000
(ii) Premises				
Rent	**207**	216	**157**	164
Depreciation of buildings and integrals	**31**	30	**4**	4
Amortisation of leasehold improvements	**16**	16	**8**	9
Other	**147**	139	**98**	93
	401	401	**267**	270
To controlled entities	**-**	-	**98**	92
Total premises expenses	**401**	401	**365**	362
(iii) Other				
Computer costs[1]	**310**	282	**192**	183
Interchange fees	**150**	127	**121**	105
Brokerage paid	**67**	69	**27**	30
Non-lending losses, frauds and forgeries	**79**	98	**46**	73
Operating lease depreciation	**49**	34	**-**	-
Remuneration of auditors (refer note 5)	**8**	8	**3**	3
Depreciation of furniture and equipment	**49**	52	**32**	33
Depreciation of motor vehicles	**5**	7	**3**	4
Loss on disposal of premises and equipment	**5**	-	**-**	-
Management fees	**-**	1	**3**	2
Restructuring costs[2]	**-**	37	**-**	13
Other	**588**	599	**363**	378
	1,310	1,314	**790**	824
Management fees - controlled entities	**-**	-	**31**	25
Total other expenses	**1,310**	1,314	**821**	849
Total operating expenses	**3,334**	3,183	**2,303**	2,211
Total expenses	**8,737**	7,249	**5,998**	4,772

1 *Includes depreciation on computer equipment of $86m (1994: $70m) for the Economic entity and $55m (1994: $44m) for the Company*

2 *Restructuring costs were previously disclosed separately in the Profit and Loss Accounts, but are now included in the appropriate operating expense captions as the current low level of restructuring costs are an ongoing part of banking*

	Consolidated 1995 $'000	Consolidated 1994 $'000	The Company 1995 $'000	The Company 1994 $'000
5: Remuneration of Auditors				
Amounts received and due and receivable				
Auditing the accounts				
By KPMG	**3,566**	4,523	**1,360**	1,768
By other Economic entity auditors	**84**	230	**-**	-
	3,650	4,753	**1,360**	1,768
Other services				
By KPMG				
Audit related services[1]	**2,390**	2,145	**916**	787
Other	**2,186**	1,357	**468**	917
By other Economic entity auditors	**101**	75	**-**	-
	4,677	3,577	**1,384**	1,704
Total remuneration of auditors[2]	**8,327**	8,330	**2,744**	3,472

By virtue of an Australian Securities Commission Class Order dated 29 June 1992, the auditors of Australia and New Zealand Banking Group Limited and its related bodies corporate, KPMG, have been exempted from compliance with the requirements of Section 324(2) of the Corporations Law. The Class Order exemption applies in that partners and associates of KPMG not engaged on the audit of Australia and New Zealand Banking Group Limited and its related bodies corporate may be indebted to the Company, provided that such indebtedness arose upon ordinary commercial terms and conditions.

[1] *Audit related services are services other than those relating to the audit of the statutory financial statements of the Economic entity. These services include prudential supervision reviews for central banks, prospectus and half yearly reviews, trust audits and other audits required for local statutory purposes*

[2] *The auditors did not receive any other benefits*

	$M	$M	$M	$M
6: Abnormal Items				
Profits before tax				
Residual gain on sale of LFD Limited's pastoral and shipping businesses	**-**	12	**-**	-
Sale of controlled entities and associates	**-**	7	**-**	4
Sale of premises	**-**	-	**-**	#
	-	19	**-**	4
Losses before tax				
Sale of premises	**-**	2	**-**	-
Total abnormal profit before tax	**-**	17	**-**	4
Abnormal tax benefit				
Sale of controlled entities and associates	**-**	2	**-**	2
Restatement of net deferred tax balances to reflect the increase in the Australian corporate tax rate	**19**	-	**22**	-
Total abnormal tax benefit	**19**	2	**22**	2
Total abnormal profit after tax	**19**	19	**22**	6

 # Amounts less than $500,000

7: Income Tax Expense

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

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
Operating profit before income tax and before abnormal items	**1,548**	1,205	**679**	605
Prima facie income tax at 33%	**511**	398	**224**	200
Tax effect of permanent differences				
Overseas tax rate differential	**18**	44	**6**	12
Other non-assessable income	**(34)**	(33)	**(6)**	(7)
Rebateable and non-assessable dividends	**(4)**	(6)	**(3)**	(30)
Fringe benefits tax	**-**	2	**-**	1
Non-allowable depreciation and amortisation	**3**	3	**2**	2
General provision for doubtful debts	**37**	4	**35**	1
Other	**(10)**	(5)	**14**	(12)
	521	407	**272**	167
Income tax (over)under provided in prior years	**(16)**	(12)	**(1)**	9
Total income tax expense on operating profit before abnormal items	**505**	395	**271**	176
Abnormal profit before tax	**-**	17	**-**	4
Prima facie income tax at 33%	**-**	6	**-**	1
Tax effect of permanent differences				
Restatement of net deferred tax balances (refer note 6)	**(19)**	-	**(22)**	-
Loss on sale and revaluation of premises	**-**	1	**-**	#
Profit on controlled entities and associates	**-**	(5)	**-**	(3)
Residual gain on sale of LFD Limited's pastoral and shipping businesses	**-**	(4)	**-**	-
Total income tax benefit on abnormal items	**(19)**	(2)	**(22)**	(2)
Total income tax expense	**486**	393	**249**	174
Current income tax expense	**365**	185	**109**	25
Deferred income tax expense	**121**	208	**140**	149
Total income tax expense	**486**	393	**249**	174

 # Amounts less than $500,000

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
8: Dividends				
Ordinary dividends				
Unfranked interim dividend[1,2]	**208**	146	**200**	138
Proposed final dividend[3,4]	**260**	189	**260**	189
Bonus option plan adjustment (see below)	**(44)**	(22)	**(44)**	(22)
Dividends on ordinary shares	**424**	313	**416**	305
Preference dividends[5]				
Dividend paid in January 1995	**40**	40	**40**	40
Dividend paid in July 1995	**40**	40	**40**	40
Dividends on preference shares	**80**	80	**80**	80
Total dividends	**504**	393	**496**	385
Dividend imputation				
Retained profits and reserves which could be distributed as fully franked dividends			**78**	-

This comprises existing franking credits, plus franking credits expected to arise from the payment of Australian tax on profits for the year, less franking credits to be utilised in franking the final dividend, all converted to the new Australian corporate tax rate of 36%.

Bonus option plan

Dividends paid during the year have been reduced by way of certain shareholders participating in the bonus option plan and forgoing all or part of their right to dividends in return for the receipt of bonus shares.

	Declared Dividend $M	Bonus Options Exercised $M	Amount Paid $M
Final dividend 1994	189	22	167
Interim dividend 1995	208	22	186
	397	44	353

[1] *Dividend was at a rate of 15 cents per fully paid share (1994: 11 cents per fully paid share)*

[2] *The difference in the consolidated dividend and the Company dividend is due to dividends of $8m (1994: $8m) paid by ANZ U.K. Dividends (AUD) Limited, a wholly owned controlled entity, under the 'Dividend Selection Plan' available to the Company's shareholders in the United Kingdom*

[3] *The September 1995 final dividend of 18 cents is franked to 6 cents at 36%. The September 1994 final dividend was unfranked*

[4] *6 cents of the unfranked portion of the final dividend will be sourced from the Company's foreign dividend account (4.5 cents for the interim dividend). Non-resident shareholders will be exempt from dividend withholding tax on the franked portion of the dividend and on the portion sourced from the foreign dividend account*

[5] *At a rate of 13.25% per annum, unfranked*

	Consolidated 1995 $M	1994 $M
9: Earnings per Share		
Before abnormal items		
Basic[1]		
Operating profit after income tax attributable to shareholders of the Company	**1,052**	822
Abnormal items after tax	**(19)**	(19)
Operating profit after tax before abnormal items	**1,033**	803
Preference share dividend	**(80)**	(80)
Total adjusted earnings	**953**	723
Weighted average number of ordinary shares (millions)	**1,390.3**	1,327.6
Basic earnings per share (cents)	**68.5**	54.5
After abnormal items		
Basic[1]		
Operating profit after income tax attributable to shareholders of the Company	**1,052**	822
Preference share dividend	**(80)**	(80)
Total adjusted earnings	**972**	742
Weighted average number of ordinary shares (millions)	**1,390.3**	1,327.6
Basic earnings per share (cents)	**69.9**	55.9

[1] *Separate disclosure of diluted earnings per share has not been made as amounts are not materially different from basic earnings per share*

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
10: Liquid Assets				
Australia				
Coins, notes and cash at bankers	**256**	240	**240**	226
Loans to authorised dealers in Australian short term money market	**314**	286	**314**	240
Money at call	**30**	38	**-**	-
Other banks' certificates of deposit	**6**	153	**-**	-
Securities purchased under agreement to resell less than 90 days	**121**	304	**121**	293
Bills receivable and remittances in transit	**176**	306	**165**	302
	903	1,327	**840**	1,061
Overseas				
Coins, notes and cash at bankers	**259**	198	**33**	11
Money at call	**469**	709	**60**	405
Other banks' certificates of deposit	**2,756**	3,404	**1,212**	1,951
Securities purchased under agreement to resell less than 90 days	**146**	71	**125**	54
Bills receivable and remittances in transit	**521**	359	**202**	37
	4,151	4,741	**1,632**	2,458
Total liquid assets	**5,054**	6,068	**2,472**	3,519
Maturity analysis based on original term to maturity at 30 September				
Less than 90 days	**2,824**	3,771	**1,463**	2,119
More than 90 days	**2,230**	2,297	**1,009**	1,400
Total liquid assets	**5,054**	6,068	**2,472**	3,519

11: Due from Other Banks

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
Australia	**288**	421	**288**	421
Overseas	**8,471**	7,636	**5,064**	4,520
Total due from other banks	**8,759**	8,057	**5,352**	4,941
Maturity analysis based on original term to maturity at 30 September				
Less than 90 days	**4,255**	5,321	**1,775**	2,925
More than 90 days	**4,504**	2,736	**3,577**	2,016
Total due from other banks	**8,759**	8,057	**5,352**	4,941

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
12: Trading Securities				
Trading securities are allocated between Australia and Overseas based on the domicile of the issuer				
Listed - Australia				
Commonwealth securities	**2,517**	1,202	**2,517**	1,202
Local and semi-government securities	**10**	147	**10**	147
Other securities and equity investments	**39**	24	**-**	-
	2,566	1,373	**2,527**	1,349
Listed - Overseas				
Indian government securities	**247**	487	**-**	-
Local and semi-government securities	**-**	5	**-**	-
Other securities and equity investments	**303**	66	**233**	13
	550	558	**233**	13
Total listed	**3,116**	1,931	**2,760**	1,362
Unlisted				
Treasury notes and bills	**1,128**	244	**1,015**	97
Other government securities	**91**	133	**-**	-
Local and semi-government securities	**-**	16	**-**	-
ANZ accepted bills	**1,016**	718	**931**	643
Other securities and equity investments	**434**	670	**134**	61
Total unlisted	**2,669**	1,781	**2,080**	801
Total trading securities	**5,785**	3,712	**4,840**	2,163

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
13: Investment Securities				
Investment securities are allocated between Australia and Overseas based on the domicile of the issuer				
Listed - Australia				
Commonwealth securities	**4**	5	**4**	5
Local and semi-government securities	**29**	13	**7**	13
Other securities and equity investments	**116**	142	**53**	105
	149	160	**64**	123
Listed - Overseas				
Indian government securities	**352**	11	**12**	11
Other government securities	**200**	163	**90**	74
Other securities and equity investments	**162**	193	**47**	46
	714	367	**149**	131
Total listed	**863**	527	**213**	254
Unlisted - Australia				
Treasury notes	**-**	1,814	**-**	1,814
Local and semi-government securities	**-**	11	**-**	4
Other securities and equity investments	**477**	436	**472**	401
	477	2,261	**472**	2,219
Unlisted - Overseas				
New Zealand government securities	**618**	1,286	**9**	645
Indian government securities	**2**	259	**-**	-
Other government securities	**558**	638	**115**	122
Other securities and equity investments	**315**	259	**23**	67
	1,493	2,442	**147**	834
Total unlisted	**1,970**	4,703	**619**	3,053
Total investment securities	**2,833**	5,230	**832**	3,307

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
13: Investment Securities (continued)				
Market value information				
Listed - Australia				
Commonwealth securities	**4**	4	**4**	4
Local and semi-government securities	**29**	13	**7**	13
Other securities and equity investments	**117**	148	**55**	108
	150	165	**66**	125
Listed - Overseas				
Indian government securities	**348**	10	**12**	10
Other government securities	**203**	167	**90**	74
Other securities and equity investments	**164**	201	**48**	47
	715	378	**150**	131
Total market value of listed investment securities	**865**	543	**216**	256
Unlisted - Australia				
Treasury notes	**-**	1,813	**-**	1,813
Local and semi-government securities	**-**	11	**-**	4
Other securities and equity investments	**478**	436	**471**	400
	478	2,260	**471**	2,217
Unlisted - Overseas				
New Zealand government securities	**610**	1,264	**9**	642
Indian government securities	**2**	259	**-**	-
Other government securities	**558**	637	**115**	122
Other securities and equity investments	**313**	255	**23**	67
	1,483	2,415	**147**	831
Total market value of unlisted investment securities	**1,961**	4,675	**618**	3,048
Total market value of investment securities	**2,826**	5,218	**834**	3,304

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
14: Net Loans and Advances				
Loans and advances are classified between Australia and Overseas based on the domicile of the lending point				
Australia				
Overdrafts	3,887	4,098	3,872	4,042
Credit card outstandings	989	914	989	892
Term loans - housing	14,670	13,167	14,670	11,806
Term loans - non-housing	19,883	18,503	17,416	15,545
Lease finance (refer below)	3,138	3,179	651	818
Hire purchase	5,264	4,452	-	-
Commercial bills	304	39	270	-
Redeemable preference share finance	20	20	-	-
Other	117	395	97	98
	48,272	44,767	37,965	33,201
Overseas				
Overdrafts	2,732	2,657	436	633
Credit card outstandings	210	181	2	#
Term loans - housing	6,233	4,934	102	52
Term loans - non-housing	12,194	8,955	3,707	2,323
Lease finance (refer below)	50	52	9	18
Hire purchase	419	329	11	-
Commercial bills	921	815	462	400
Redeemable preference share finance	3	19	-	-
Other	260	451	10	-
	23,022	18,393	4,739	3,426
Total gross loans and advances	71,294	63,160	42,704	36,627
Provisions for doubtful debts (refer note 16)	(1,380)	(1,652)	(958)	(1,160)
Income yet to mature	(1,698)	(1,477)	(60)	(70)
	(3,078)	(3,129)	(1,018)	(1,230)
Total net loans and advances	68,216	60,031	41,686	35,397
Lease finance consists of gross lease receivables				
Current	1,170	1,074	105	284
Non-current	2,018	2,157	555	552
	3,188	3,231	660	836
Included in the above are receivables of controlled entity borrowing corporations net of income yet to mature				
Not later than 1 year	4,000	3,333		
Later than 1 year but not later than 2 years	2,126	2,594		
Later than 2 years but not later than 5 years	3,106	2,710		
Later than 5 years	198	148		
	9,430	8,785		

 # Amounts less than $500,000

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
15: Impaired Assets				
Summary of impaired assets				
Non-accrual loans	**1,774**	2,826	**1,305**	2,054
Restructured loans	**25**	43	**25**	43
Other real estate owned (OREO)	**n/a**	n/a	**n/a**	n/a
Unproductive facilities[1]	**86**	148	**29**	59
Gross impaired assets	**1,885**	3,017	**1,359**	2,156
Specific provisions				
Non-accrual loans	**(694)**	(1,068)	**(447)**	(754)
Unproductive facilities	**(8)**	(17)	**(6)**	(7)
Net impaired assets	**1,183**	1,932	**906**	1,395
Non-accrual loans				
Non-accrual loans	**1,774**	2,826	**1,305**	2,054
Specific provisions	**(694)**	(1,068)	**(447)**	(754)
Total net non-accrual loans	**1,080**	1,758	**858**	1,300
Restructured loans[2]				
For these loans interest and fees are recognised as income on an accruals basis	**25**	43	**25**	43
Other real estate owned (OREO)				
In the event of customer default, any loan security is held as mortgagee in possession and therefore the Economic entity does not hold any other real estate owned assets	**n/a**	n/a	**n/a**	n/a
Unproductive facilities				
Unproductive facilities[1]	**86**	148	**29**	59
Specific provisions	**(8)**	(17)	**(6)**	(7)
Net unproductive facilities	**78**	131	**23**	52
Accruing loans past due 90 days or more[3]				
These amounts are not classified as impaired assets and therefore are not included within the above summary	**153**	155	**114**	101

[1] *Unproductive facilities comprise facilities relating to standby letters of credit, bill endorsements, documentary letters of credit and guarantees to third parties*

[2] *Under RBA guidelines, restructured loans include loans with an effective yield above the Economic entity's cost of funds and below the yield applicable to a customer of equal credit standing. Restructured loans with an effective yield below the Economic entity's average cost of funds at the date of restructuring are classified as non-accrual loans*

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

15: Impaired Assets (continued)

Further analysis of non-accrual loans at 30 September 1995 and interest and/or other income received during the year under RBA guidelines is as follows

	Consolidated			The Company		
	Gross Balance Outstanding $M	Specific Provision $M	Interest and/or other income received $M	Gross Balance Outstanding $M	Specific Provision $M	Interest and/or other income received $M
Non-accrual loans						
Without provisions						
Australia	298	n/a	39	262	n/a	39
New Zealand	28	n/a	7	-	n/a	-
International markets	29	n/a	10	6	n/a	3
	355	n/a	56	268	n/a	42
With provisions and no, or partial performance[1]						
Australia	920	412	22	769	339	22
New Zealand	73	41	5	-	-	-
International markets	181	144	30	63	27	9
	1,174	597	57	832	366	31
With provisions and full performance[1]						
Australia	175	70	26	175	70	20
New Zealand	20	6	3	-	-	-
International markets	50	21	6	30	11	3
	245	97	35	205	81	23
Total non-accrual loans	1,774	694	148	1,305	447	96

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

Total interest forgone on impaired assets

The following tables show the estimated amount of interest income that would have been recorded had interest on non-accrual loans been accrued to income (or, in the case of restructured loans, had interest been accrued at the original contract rate), and the amount of interest income received with respect to such loans.

	Consolidated		The Company	
	1995 $M	1994 $M	**1995 $M**	1994 $M
Gross interest receivable on non-accrual loans and restructured loans				
Australia	**214**	276	**173**	215
New Zealand	**16**	15	**-**	-
International markets	**40**	66	**9**	26
Total gross interest receivable on non-accrual loans and restructured loans	**270**	357	**182**	241
Interest income received				
Australia	**87**	52	**81**	50
New Zealand	**15**	-	**-**	-
International markets	**46**	107	**15**	73
Total interest income received	**148**	159	**96**	123
Net interest forgone				
Australia	**127**	224	**92**	165
New Zealand	**1**	15	**-**	-
International markets	**(6)**	(41)	**(6)**	(47)
Total net interest forgone	**122**	198	**86**	118

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
16: Provisions for Doubtful Debts				
Specific provision				
Balance at start of year	**1,085**	2,125	**760**	1,307
Adjustment for exchange rate fluctuations	**(2)**	(71)	**-**	(17)
Bad debts written off	**(497)**	(1,427)	**(373)**	(919)
Transfer from profit and loss account (refer note 4)	**115**	456	**67**	349
Other	**1**	2	**-**	40
Total specific provision	**702**	1,085	**454**	760
General provision				
Balance at start of year	**567**	565	**400**	402
Adjustment for exchange rate fluctuations	**-**	(13)	**-**	(4)
Charge to profit and loss account (refer note 4)	**111**	13	**104**	2
Provisions acquired	**-**	3	**-**	-
Other	**-**	(1)	**-**	-
Total general provision	**678**	567	**504**	400
Total provisions for doubtful debts	**1,380**	1,652	**958**	1,160
Ratios				
Provisions[1] as a % of total advances[2]	**%**	%	**%**	%
Specific	**0.8**	1.4	**0.8**	1.6
General	**0.8**	0.8	**0.9**	0.8
Provisions as a % of risk weighted assets				
Specific	**0.8**	1.4	**0.7**	1.4
General	**0.8**	0.7	**0.8**	0.7
Bad debts written off as a % of total advances[2]	**0.6**	1.9	**0.7**	1.9
Specific provision charge as a % of total advances[2]	**0.1**	0.5	**0.1**	0.6

[1] *Excludes provisions for unproductive facilities*

[2] *Total advances comprises gross loans, advances, acceptances and ANZ accepted bills held as part of trading securities less income yet to mature*

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
17: Regulatory Deposits				
Reserve Bank of Australia	**505**	476	**505**	457
Overseas central banks	**669**	413	**48**	47
Total regulatory deposits	**1,174**	889	**553**	504

18: Shares in Controlled Entities and Associates

Refer notes 31 and 32 for details of controlled entities and associates

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
Controlled entities				
At directors' valuation 1994			**-**	4,444
At directors' valuation 1995			**5,003**	-
Total shares in controlled entities			**5,003**	4,444
Associates				
Unlisted	**10**	8	**1**	1
Total shares in associates	**10**	8	**1**	1
Total shares in controlled entities and associates	**10**	8	**5,004**	4,445

18: Shares in Controlled Entities and Associates (continued)

Acquisitions of controlled entities

	Date Acquired	Interest Acquired %	Consideration $M	Net Tangible Assets on Acquisition $M	Goodwill $M
Year ended 30 September 1995					
Sebrof Holdings Ltd[1]	7 August 1995	100.0	81	81	-
Bank of Western Samoa[2]	26 September 1995	25.0	7	3	4
			88	84	4
Year ended 30 September 1994					
PT ANZ Panin Bank	21 November 1993	85.0	36	31	5
International Corporate Park Management Pty Ltd	16 December 1993	92.5	#	#	-
Eriel Pty Limited	22 June 1994	100.0	#	#	-
			36	31	5

Disposals of controlled entities

The entire interest in these entities was disposed of during the year

	Profit on Disposal $M	Net Tangible Assets on Disposal $M
Year ended 30 September 1995 [3,4]		
Broadbeach Waters Pty Ltd	#	#
The Potter Mercantile Unit Trust No. 1	#	#
Year ended 30 September 1994		
South Centre Maintenance Pty Ltd	6	5

 # Amounts less than $500,000

[1] *The following entities were included in the acquisition of Sebrof Holdings Ltd by ANZ Banking Group (New Zealand) Limited*
Pukeko Holdings Ltd
Pukeko Investments Ltd

[2] *During the year, the remaining 25% interest in Bank of Western Samoa was acquired by ANZ Funds Pty Ltd, bringing the total interest to 100%*

[3] *The following controlled entities were liquidated during the year ended 30 September 1995 and had no impact on the financial statements*

Mutual Finance Limited
Town & Country Housing Bonds Limited
Tannadice Pty Ltd
Tirocourt Pty Ltd
ANZ Aval Limited
Crescent Pacific Properties Limited
Niugini International Bank Limited
Delfin Services Limited
Allied Australian Investments Limited
Belobek Pty Limited
Delfin Holdings Limited
Lepac Limited
Alliance Commercial Finance Limited
Alliance Credit (NSW) Pty Ltd
EPD Pty Ltd
Jarview Pty Ltd
Alliance Finance (Leasing) Pty Limited
MCL Holdings Pty Ltd
Mercantile Credits Financial Services Limited
MCL Finance Pty Limited
MCL Leasing Pty Limited
Mercredits Leasing Pty Limited
Trefold Pty Ltd
Endeavour Hills Pty Limited
Ironbark Developments Pty Ltd
Lefca Investments Pty Ltd
Iraklion Pty Limited
Canagong Pty Limited
Kobong Pty Limited
Koloban Pty Limited
Leash Nominees Pty Limited
Newpolar Limited

[4] *The following controlled entities had their final meeting prior to 30 September 1995 and will be liquidated within the statutory period (3 months), and had no impact on the financial statements*

A.N.Z. Custodians Limited
Abovewho Pty Ltd
DRE (Vic) Pty Ltd
ANZ Leasing No. 125 Ltd
Coral Gardens Pty Limited
Development Nominees Pty Limited
Bombora Pty Limited
Melbourne Safe Deposit Proprietary Limited
Nepean International Travel Pty Ltd

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
19: Other Assets				
Property held for resale				
Cost of acquisition	**88**	156	**7**	22
Development expenses capitalised	**84**	104	**12**	21
Interest, rates and taxes capitalised	**5**	9	**1**	1
	177	269	**20**	44
Provision for diminution in value	**(28)**	(72)	**(19)**	(26)
	149	197	**1**	18
Accrued interest/prepaid discounts	**1,102**	822	**699**	525
Accrued commission	**47**	53	**40**	43
Prepaid expenses	**56**	60	**30**	37
Future income tax benefits (refer below)	**666**	744	**399**	477
Treasury instruments revaluations (refer note 2)	**2,693**	2,685	**2,467**	2,483
Other receivables	**-**	72	**-**	72
National Housing Bank deposit (refer note 35)	**198**	218	**-**	-
Life insurance reserves (refer note 1[viii])	**292**	238	**-**	-
Other	**916**	619	**160**	176
Total other assets	**6,119**	5,708	**3,796**	3,831
Future income tax benefits comprises				
Provision for doubtful debts	**225**	311	**167**	243
Interest	**22**	23	**-**	-
Tax losses	**123**	118	**33**	38
Provision for employee entitlements	**91**	94	**64**	59
Provision for non-lending losses, frauds and forgeries	**48**	42	**35**	34
Provision for leased premises surplus to current requirements	**19**	21	**19**	21
Provision for diminution in development ventures	**11**	18	**7**	7
Development venture income	**34**	22	**8**	4
Treasury instruments	**5**	21	**5**	21
Leveraged leasing	**13**	-	**20**	-
Other	**75**	74	**41**	50
	666	744	**399**	477

Certain potential future income tax benefits within the Economic entity arising from tax losses and timing differences which could amount to $26 million (1994: $31 million) have not been recognised as assets because recovery cannot be regarded as virtually certain.

In addition, potential future income tax benefits within the Economic entity of $91 million (1994: $33 million) relating to capital losses for taxation purposes have not been recognised as assets because recovery cannot be regarded as virtually certain. Furthermore, there are unrealised capital losses in the United Kingdom which may be realised in due course.

These benefits, will only be obtained if

(i) the relevant 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 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.

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
20: Premises and Equipment				
Freehold and leasehold land and buildings				
At directors' valuation 1993	**997**	1,014	**32**	36
At cost	**10**	8	**2**	#
Provision for depreciation	**(13)**	(7)	**(1)**	(#)
	994	1,015	**33**	36
Leasehold improvements				
At cost	**149**	151	**95**	90
Provision for amortisation	**(85)**	(81)	**(52)**	(44)
	64	70	**43**	46
Furniture and equipment				
At cost	**861**	840	**411**	398
Provision for depreciation	**(457)**	(409)	**(240)**	(209)
	404	431	**171**	189
Computer equipment				
At cost	**547**	480	**317**	250
Provision for depreciation	**(329)**	(275)	**(183)**	(112)
	218	205	**134**	138
Motor vehicle operating lease assets				
At cost	**347**	230	**-**	-
Provision for depreciation	**(76)**	(50)	**-**	-
	271	180	**-**	-
Capital works in progress				
At cost	**40**	27	**22**	10
Total premises and equipment	**1,991**	1,928	**403**	419

 # Amounts less than $500,000

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
21: Due to Other Banks				
Australia	**648**	486	**648**	486
Overseas	**10,513**	10,169	**8,851**	8,284
Total due to other banks	**11,161**	10,655	**9,499**	8,770

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
22: Deposits and Other Borrowings				
Deposits and other borrowings are classified between Australia and Overseas based on the location of the deposit taking point				
Australia				
Certificates of deposit	**2,618**	3,274	**2,618**	3,274
Term deposits	**15,973**	12,193	**15,928**	11,458
Other deposits bearing interest	**14,910**	15,558	**14,910**	15,133
Deposits not bearing interest	**2,860**	2,969	**2,857**	2,936
Commercial paper	**2,044**	1,730	**1,221**	1,104
Borrowing corporations' debt	**5,044**	4,597	**-**	-
Other borrowings				
Secured	**128**	297	**128**	162
Unsecured	**109**	42	**109**	22
	43,686	40,660	**37,771**	34,089
Overseas				
Certificates of deposit	**2,077**	1,532	**596**	497
Term deposits	**14,315**	12,061	**3,673**	3,095
Other deposits bearing interest	**5,187**	4,970	**384**	267
Deposits not bearing interest	**2,396**	2,044	**158**	160
Commercial paper	**1,166**	1,375	**-**	-
Borrowing corporations' debt	**1,158**	980	**-**	-
Securities sold under agreement to repurchase	**155**	152	**103**	152
Other borrowings				
Secured	**7**	10	**-**	-
Unsecured	**91**	-	**91**	-
	26,552	23,124	**5,005**	4,171
Total deposits and other borrowings	**70,238**	63,784	**42,776**	38,260
Included in the above are liabilities of controlled entity borrowing corporations with remaining terms to maturity				
Not later than 1 year	**4,540**	3,707		
Later than 1 year but not later than 2 years	**1,476**	1,729		
Later than 2 years but not later than 5 years	**1,009**	754		
Later than 5 years	**-**	13		
	7,025	6,203		
Charges over assets in respect of these borrowings[1]				
Secured	**5,735**	5,119		
Unsecured	**1,290**	1,084		
	7,025	6,203		

[1] *Debenture stock of controlled entity borrowing corporations is constituted and secured by trust deeds and collateral debentures, giving floating charges over the assets of these controlled entities*

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
23: Income Tax Liability				
Australia				
Provision for income tax	181	-	88	-
Provision for deferred income tax (refer below)	349	333	168	145
	530	333	256	145
Overseas				
Provision for income tax	41	80	2	8
Provision for deferred income tax (refer below)	81	75	27	22
	122	155	29	30
Total income tax liability	652	488	285	175
Provision for deferred income tax comprises				
Lease finance	186	191	26	27
Depreciation	32	28	16	20
Investment income	6	13	1	2
Leveraged leasing	-	4	-	(3)
Other	206	172	152	121
	430	408	195	167

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
24: Creditors and Other Liabilities				
Australia				
Creditors	308	224	216	159
Accrued interest and unearned discounts	795	674	552	415
Treasury instruments revaluations (refer note 2)	1,448	1,566	1,446	1,561
Accrued charges	61	55	56	50
Security settlements	-	11	-	11
Other liabilities	289	349	122	54
	2,901	2,879	2,392	2,250
Overseas				
Creditors	146	133	15	13
Accrued interest and unearned discounts	802	560	341	235
Treasury instruments revaluations (refer note 2)	2,179	1,576	1,880	1,349
Accrued charges	105	113	35	26
Security settlements	112	338	3	31
Other liabilities	236	221	65	46
	3,580	2,941	2,339	1,700
Total creditors and other liabilities	6,481	5,820	4,731	3,950

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
25: Provisions				
Employee entitlements	260	251	182	180
Dividends (refer note 8)	260	189	260	189
Non-lending losses, frauds and forgeries	168	154	98	104
Leased premises surplus to current requirements	49	58	39	49
Other	125	115	88	87
Total provisions	862	767	667	609

	Consolidated		The Company	
	1995	1994	1995	1994
	$M	$M	$M	$M
26: Bonds and Notes				
USD medium term notes	**78**	94	**78**	94
GBP medium term notes	**84**	96	**84**	96
AUD medium term notes	**235**	85	**235**	85
JPY medium term notes	**105**	104	**105**	104
USD 150m floating rate notes due 1995	**-**	203	**-**	203
USD 125m floating rate notes due 1995	**-**	169	**-**	169
USD 125m floating rate notes due 1996	**165**	169	**165**	169
GBP 200m floating rate notes due 1997	**418**	427	**418**	427
GBP 78m floating rate notes due 1997	**163**	167	**163**	167
USD 250m floating rate notes due 1998	**331**	-	**331**	-
Total bonds and notes	**1,579**	1,514	**1,579**	1,514
Bonds and notes by currency				
USD United States dollars	**575**	635	**575**	635
GBP Great British pounds	**664**	690	**664**	690
JPY Japanese yen	**105**	104	**105**	104
AUD Australian dollars	**235**	85	**235**	85
	1,579	1,514	**1,579**	1,514
Bonds and notes by maturity				
Due not later than 1 year	**249**	536	**249**	536
Due later than 1 year but not later than 2 years	**644**	238	**644**	238
Due later than 2 years but not later than 5 years	**624**	740	**624**	740
Due later than 5 years	**62**	-	**62**	-
	1,579	1,514	**1,579**	1,514

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
27: Loan Capital				
Perpetual subordinated notes				
USD 300m floating rate notes[1]	**397**	406	**397**	406
USD 258.7m fixed rate notes[2]	**343**	350	**343**	350
USD 120m floating rate notes[3]	**159**	162	**-**	-
USD 30m floating rate notes[4]	**40**	41	**-**	-
	939	959	**740**	756
Subordinated notes				
LUX 1,000m fixed notes due 1998[5]	**45**	42	**45**	42
AUD 48.8m fixed notes due 1999[6]	**49**	49	**49**	49
JPY 10,000m fixed notes due 1999[7]	**135**	137	**135**	137
USD 30m floating rate notes due 1999[8]	**40**	41	**40**	41
USD 70m floating rate notes due 1999[9]	**93**	95	**93**	95
USD 200m floating rate notes due 1999[10]	**265**	270	**265**	270
GBP 22.7m fixed notes due 2000[11]	**48**	49	**-**	-
AUD 65m floating rate notes due 2000[12]	**65**	65	**65**	65
AUD 55.3m floating rate notes due 2000[13]	**55**	55	**55**	55
USD 140m floating rate notes due 2000[14]	**185**	189	**185**	189
USD 70m floating rate notes due 2000[15]	**93**	95	**93**	95
NZD 125m floating rate notes due 2000[16]	**109**	102	**-**	-
AUD 58.2m floating rate notes due 2001[17]	**58**	57	**58**	57
GBP 60m fixed notes due 2001[18]	**125**	128	**125**	128
USD 200m floating rate notes due 2002[19]	**265**	270	**265**	270
USD 250m fixed rate notes due 2004[20]	**331**	338	**331**	338
USD 125m floating rate notes due 2005[21]	**166**	-	**-**	-
USD 12.5m floating rate notes due 2007[22]	**17**	17	**17**	17
JPY 482m floating rate notes due 2007[23]	**6**	7	**6**	7
JPY 568.8m floating rate notes due 2008[24]	**8**	8	**8**	8
USD 14.3m floating rate notes due 2008[25]	**19**	19	**19**	19
USD 79m floating rate notes due 2008[26]	**105**	107	**105**	107
	2,282	2,140	**1,959**	1,989
Total loan capital	**3,221**	3,099	**2,699**	2,745
Loan capital by currency				
USD United States dollars	**2,518**	2,400	**2,153**	2,197
AUD Australian dollars	**227**	226	**227**	226
GBP Great British pounds	**173**	177	**125**	128
JPY Japanese yen	**149**	152	**149**	152
NZD New Zealand dollars	**109**	102	**-**	-
LUX Luxembourg francs	**45**	42	**45**	42
	3,221	3,099	**2,699**	2,745
Loan capital by maturity				
Due later than 2 years but not later than 5 years	**1,073**	269	**1,025**	269
Due later than 5 years	**1,209**	1,871	**934**	1,720
Perpetual	**939**	959	**740**	756
	3,221	3,099	**2,699**	2,745

27: 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 4 March 1993. Interest is payable quarterly in arrears in March, June, September and December at a rate of 9.125%*

[3] *Issued 30 November 1988. Interest is payable semi-annually in arrears in May and November. The interest rate is 0.80% 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 15 December 1988. Interest is payable semi-annually in arrears in May and November. The interest rate is 0.80% 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*

[5] *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.*

[6] *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 at a rate of 7.72% p.a.*

[7] *Issued 26 June 1989 in two equal JPY tranches, A and B, and will mature in June 1999. Interest on Tranche A is payable annually in arrears in June at the rate of 7.43% on a notional AUD issue value and interest on Tranche B is payable annually in arrears in June at the rate of 5.80% on the JPY value*

[8] *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*

[9] *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*

[10] *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*

[11] *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 at a rate of 7.05% p.a.*

[12] *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*

[13] *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 at a rate 0.40% p.a. above the stated average of Bank Bill rates*

[14] *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*

[15] *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*

[16] *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*

[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 12.50% 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 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.*

[19] *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*

[20] *Issued 7 February 1994 and will mature in February 2004. Interest on the notes is payable semi-annually in arrears in February and August at a rate of 6.25%*

[21] *Issued 8 September 1995 and will mature in September 2005. Interest on the notes is payable quarterly in arrears in March, June, September and December at a rate of 0.45% p.a. above LIBOR*

[22] *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*

[23] *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*

[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 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*

[26] *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*

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.

	The Company 1995 $M	1994 $M
28: Outside Equity Interests		
Issued and paid-up capital	**30**	31
Reserves	**14**	15
Retained profits	**3**	2
Total outside equity interests	**47**	48

29: Segment Analysis

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

	Consolidated 1995		1994	
Geographical	**$M**	**%**	$M	%
Income				
Australia	**6,145**	**60**	5,191	62
New Zealand	**1,657**	**16**	1,138	13
UK and Europe	**861**	**8**	740	9
Asia Pacific	**680**	**7**	504	6
South Asia[1]	**339**	**3**	369	4
Americas	**317**	**3**	265	3
Middle East[2]	**286**	**3**	266	3
	10,285	**100**	8,473	100
Operating profit before income tax				
Australia	**903**	**58**	639	53
New Zealand	**204**	**13**	141	12
UK and Europe	**116**	**8**	99	9
Asia Pacific	**124**	**8**	89	7
South Asia[1]	**57**	**4**	77	6
Americas	**60**	**4**	85	7
Middle East[2]	**84**	**5**	75	6
	1,548	**100**	1,205	100
Abnormal items[3]	**-**		17	
	1,548		1,222	
Operating profit after income tax				
Australia	**612**	**59**	457	57
New Zealand	**146**	**14**	95	12
UK and Europe	**83**	**8**	64	8
Asia Pacific	**79**	**8**	57	7
South Asia[1]	**27**	**3**	32	4
Americas	**39**	**4**	59	7
Middle East[2]	**47**	**4**	39	5
	1,033	**100**	803	100
Abnormal items[4]	**19**		19	
	1,052		822	
Total assets				
Australia	**67,594**	**60**	63,706	61
New Zealand	**15,310**	**13**	12,730	12
UK and Europe	**12,001**	**11**	10,279	10
Asia Pacific	**7,874**	**7**	7,582	7
South Asia[1]	**3,306**	**3**	3,299	3
Americas	**3,666**	**3**	3,701	4
Middle East[2]	**2,836**	**3**	2,577	3
	112,587	**100**	103,874	100

	Consolidated 1995 $M	1995 %	1994 $M	1994 %
29: Segment Analysis (continued)				
Risk weighted assets				
Australia	**53,531**	**65**	50,941	67
New Zealand	**11,748**	**14**	9,709	13
UK and Europe	**5,238**	**6**	4,687	6
Asia Pacific	**4,766**	**6**	4,110	5
South Asia[1]	**2,213**	**3**	2,111	3
Americas	**3,535**	**4**	2,838	4
Middle East[2]	**2,045**	**2**	1,631	2
	83,076	**100**	76,027	100
Industry				
Income				
General and investment banking	**8,955**	**87**	7,299	86
Finance	**1,154**	**11**	1,005	12
Insurance and funds management	**176**	**2**	169	2
	10,285	**100**	8,473	100
Operating profit before income tax				
General and investment banking	**1,217**	**79**	965	80
Finance	**234**	**15**	182	15
Insurance and funds management	**97**	**6**	58	5
	1,548	**100**	1,205	100
Abnormal items	**-**		17	
	1,548		1,222	
Operating profit after income tax				
General and investment banking	**793**	**77**	622	78
Finance	**158**	**15**	128	16
Insurance and funds management	**82**	**8**	53	6
	1,033	**100**	803	100
Abnormal items	**19**		19	
	1,052		822	
Total assets				
General and investment banking	**102,120**	**91**	94,512	91
Finance	**9,997**	**9**	8,968	9
Insurance and funds management	**470**	**-**	394	-
	112,587	**100**	103,874	100

[1] *Includes Bangladesh, India and Nepal*

[2] *Includes Bahrain, Greece, Jordan, Oman, Pakistan, Qatar and United Arab Emirates*

[3] *Abnormal items before tax*

	Consolidated ***1995 $M***	*1994 $M*
Australia	-	*14*
New Zealand	-	*3*
Total abnormal items before tax	-	*17*

[4] *Abnormal items after tax*

	Consolidated ***1995 $M***	*1994 $M*
Australia	***19***	*16*
New Zealand	-	*3*
Total abnormal items after tax	***19***	*19*

30: Notes to the Statements of Cash Flows

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

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
	Inflows (Outflows)		Inflows (Outflows)	
Operating profit after income tax	**1,052**	822	**430**	435
Adjustments to reconcile operating profit after income tax to net cash provided by operating activities				
Provision for doubtful debts	**174**	381	**149**	304
Depreciation and amortisation	**236**	209	**102**	95
Provisions for employee entitlements and other	**201**	199	**76**	109
Payments from provisions	**(190)**	(124)	**(86)**	(43)
Loss(profit) on sale of premises and equipment	**1**	2	**(3)**	(1)
Profit on sale of controlled entities and associates	**-**	(7)	**-**	(4)
Provision for surplus lease space	**2**	(7)	**-**	(7)
(Profit)loss on sale of investment securities	**(5)**	(24)	**(1)**	1
Net (increase)decrease				
Trading securities	**(1,222)**	852	**(1,678)**	1,212
Interest receivable	**(282)**	(3)	**(177)**	26
Accrued income	**6**	5	**3**	(86)
Net debit tax balances	**333**	233	**237**	145
Amortisation of discounts/premiums included in interest income	**(83)**	(50)	**(18)**	16
Net increase(decrease)				
Interest payable	**364**	(92)	**246**	(73)
Accrued expenses	**(2)**	26	**16**	18
Amortisation of discounts/premiums included in interest expense	**1**	2	**1**	2
Other	**(56)**	(30)	**(26)**	18
Total adjustments	**(522)**	1,572	**(1,159)**	1,732
Net cash provided by(used in) operating activities	**530**	2,394	**(729)**	2,167

b) Reconciliation of cash and cash equivalents

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

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
Liquid assets - less than 90 days	**2,824**	3,771	**1,463**	2,119
Due from other banks - less than 90 days	**4,255**	5,321	**1,775**	2,925
	7,079	9,092	**3,238**	5,044

30: Notes to the Statements of Cash Flows (continued)

c) Acquisitions and disposals

Details of aggregate assets and liabilities of controlled entities acquired, and disposed of, by the Economic entity are as follows

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
Fair value of net assets acquired				
Liquid assets	-	56	2	56
Due from other banks	-	12	-	12
Trading securities	-	-	145	-
Regulatory deposits	-	4	22	4
Net loans and advances	-	125	2,093	125
Other assets	81	3	9	3
Premises and equipment	-	1	2	1
Due to other banks	-	(107)	-	(107)
Creditors and other liabilities	-	(32)	(36)	(32)
Deposits and other borrowings	-	(19)	(1,195)	(19)
Due to controlled entities	-	-	(1,015)	-
Income tax liability	-	(1)	-	(1)
Provisions	-	(5)	(3)	(5)
Outside equity interests in controlled entities	-	(6)	-	(6)
Fair value of net assets acquired	81	31	24	31
Goodwill on acquisition	-	5	-	5
Consideration paid	81	36	24	36
Cash acquired	-	(48)	(2)	-
Cash consideration paid(received)	81	(12)	22	36
Fair value of net assets disposed				
Premises and equipment	-	5	-	5
Outside equity interests in controlled entities	-	(1)	-	(1)
Fair value of net assets disposed	-	4	-	4
Net profit on disposal	-	5	-	5
Consideration received/receivable	-	9	-	9
Deferred settlements	14	14	-	-
Cash consideration received	14	23	-	9

d) Non-cash financing and investing activities

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
Share capital issue				
Dividend reinvestment plan	192	137	192	137
Bonus option plan	11	5	11	5

	Incorporated in	Book value 1995 $M	Book value 1994 $M	Contribution to the consolidated result 1995 $M	Contribution to the consolidated result 1994 $M	Nature of Business

31: Controlled Entities

All controlled entities are 100% owned unless otherwise noted[1]

	Incorporated in	Book value 1995 $M	Book value 1994 $M	Contribution 1995 $M	Contribution 1994 $M	Nature of Business
Australia and New Zealand Banking Group Limited[2]				**417**	331	Banking
Adelaide Nominees Ltd *	England	-	-	-	-	Nominee Services
A.F.T. Property Management Pty Ltd ‡	Australia	-	#	-	-	Real Estate Manager
A.F.T. Property Services Pty Ltd ‡	Australia	1	1	-	-	Real Estate Manager
ANZ Adelaide Group Limited ‡ [4]	Australia	60	61	(1)	(4)	Property Owner
ANZ Bank (Guernsey) Ltd *	Guernsey	25	23	3	2	Banking
ANZ Management Company (Guernsey) Ltd *	Guernsey	#	#	-	#	Funds Management
ANZ Trust Company (Guernsey) Ltd *	Guernsey	#	#	-	-	Trustee
ANZ Business Licensing Pty Ltd ‡	Australia	-	-	-	-	Non-operative
ANZ Capital Hedging Ltd ‡	Australia	16	#	7	2	Capital Hedging
ANZ (Delaware) Inc. *	USA	-	-	-	-	Finance
ANZ Eurofinance B.V. *	Netherlands	2	1	#	#	Finance
ANZ Executors & Trustee Company Ltd	Australia	32	22	10	6	Trustee/Nominee
ANZ Executors Nominees Ltd	Australia	#	#	-	-	Trustee/Nominee
ANZ Executors and Trustee Co. (Canberra) Ltd	Australia	1	1	#	#	Trustee/Nominee
ANZ Executors and Trustee Co. (South Australia) Ltd	Australia	1	1	#	#	Trustee/Nominee
B. & R. Securities Pty Ltd	Australia	-	-	-	-	Trustee/Nominee
ANZ Finance (Far East) Limited ‡	Australia	22	22	#	#	Property Owner
ANZ Funds Pty Ltd ‡	Australia	3,548	3,762	55	5	Holding Company
ANZ International Pte Ltd *	Singapore	715	716	#	1	Holding Company
ANZ Asia Pacific Holdings Ltd *	Hong Kong	4	4	1	1	Holding Company
ANZ Asia Ltd *	Hong Kong	2	2	9	11	Finance
ANZ Bank (Vanuatu) Ltd *	Vanuatu	#	#	2	1	Banking
ANZ McCaughan Securities (Asia) Ltd *	Hong Kong	2	2	#	#	Merchant Banking
ANZCOVER Insurance Pte Ltd *	Singapore	25	25	6	3	Insurance
ANZ Holdings (New Zealand) Ltd *	New Zealand	199	186	(13)	(8)	Holding Company
ANZ Banking Group (New Zealand) Ltd * [3]	New Zealand	349	327	75	53	Banking
ANZ Finance (New Zealand) No. One Ltd *	New Zealand	-	-	1	#	Investment
ANZ Investment Services (New Zealand) Ltd *	New Zealand	-	-	-	-	Funds Management
ANZ Securities (New Zealand) Ltd *	New Zealand	-	-	-	-	Non-operative
Bage Investments Ltd *	New Zealand	217	204	10	11	Investment
Endeavour Investments (New Zealand) Ltd *	New Zealand	830	779	48	17	Holding Company
ANZ McCaughan Securities (NZ) Ltd *	New Zealand	1	-	(1)	#	Stockbroking
ANZMAC Securities (NZ) Nominees Ltd *	New Zealand	-	-	-	-	Nominee
Tui Nominees Ltd *	New Zealand	-	-	-	-	Nominee
UDC Group Holdings Ltd * [6]	New Zealand	65	61	-	#	Holding Company
UDC Finance Ltd * [5]	New Zealand	53	50	17	13	Finance
Mutual Leasing Ltd *	New Zealand	4	3	4	4	Motor Vehicle Leasing
Kea Car Sales Ltd *	New Zealand	1	1	-	-	Non-operative
Truck Leasing Ltd *	New Zealand	2	1	#	-	Leasing
Truck Rentals Limited *	New Zealand	-	#	-	-	Non-operative
UDC Developments Ltd *	New Zealand	#	#	(1)	(1)	Investment
UDC Finance (1991) Ltd *	New Zealand	39	35	3	5	Finance
Southland Development Corporation Ltd *	New Zealand	4	5	1	1	Finance
UDC Leasing Ltd * [7]	New Zealand	#	#	2	4	Lease Finance
Esanda Ltd *	New Zealand	-	-	-	-	Non-operative
National Mutual Permanent Building Society *	New Zealand	12	11	(1)	#	Building Society
Sebrof Holdings Ltd *	New Zealand	11	-	-	-	Investment
Pukeko Holdings Ltd *	New Zealand	11	-	-	-	Investment
Pukeko Investments Ltd *	New Zealand	11	-	-	-	Investment
ANZ Singapore Ltd *	Singapore	11	12	5	3	Merchant Banking
Index Computing Pte Ltd *	India	#	#	#	#	Computer Consultant
Siam Digest Ltd *	Thailand	#	#	#	#	Investment
Bank of Western Samoa * [8]	Western Samoa	18	11	2	2	Banking

	Incorporated in	Book value 1995 $M	Book value 1994 $M	Contribution to the consolidated result 1995 $M	Contribution to the consolidated result 1994 $M	Nature of Business
31: Controlled Entities (continued)						
LFD Ltd	Australia	201	201	(1)	14	Finance
Active Day Hospitals of Australia Pty Ltd	Australia	-	-	11	-	Finance
Asquith Investments Pty Ltd	Australia	-	-	-	-	Investment
Glen Gala Estates Pty Ltd	Australia	-	-	-	#	Property Development
BF Limited	Australia	1	1	-	-	Non-operative
Binnstone Pty Limited	Australia	-	-	-	-	Non-operative
Binnstone (Sydney) Limited §	Australia	#	#	#	-	Non-operative
Binnstone Traders Pty Limited	Australia	-	-	#	#	Non-operative
DAOL Limited	Australia	-	-	#	#	Non-operative
DBPL Pty Limited	Australia	-	-	-	#	Non-operative
Port Phillip Scouring Pty Ltd §	Australia	#	#	#	#	Non-operative
DET Pty Limited	Australia	-	-	6	-	Finance
DFN Pty Limited	Australia	#	#	-	-	Trustee
DPSPL Pty Limited	Australia	#	#	#	#	Rural Lending
GNPL Limited	Australia	11	11	#	#	Non-operative
G&DPL Pty Ltd §	Australia	#	#	-	-	Non-operative
Montage Pty Ltd	Australia	-	-	-	-	Non-operative
RFDL Limited	Australia	1	1	5	3	Finance
Town & Country Land Holdings Ltd [9]	Australia	115	115	27	14	Property Development
ANZ Lenders Mortgage Insurance Pty Ltd [10]	Australia	8	8	2	2	Mortgage Insurance
Glencove Pty Ltd	Australia	#	#	#	#	Non-operative
T&C Management Pty Ltd	Australia	#	#	#	#	Property Manager
T&C Technology Pty Ltd	Australia	#	#	-	-	Computer Software
Topgard Pty Ltd [11]	Australia	#	#	-	-	Mortgage Securities
GMBS International No.3 Ltd * [11]	Cayman Islands	#	#	-	-	Mortgage Securities
Town & Country Housing Trust	Australia	39	48	#	#	Property Investment
Town & Country Property Growth Trust	Australia	6	6	1	1	Property Investment
Town & Country Properties Ltd	Australia	#	#	1	1	Management
ANZ Grindlays International Ltd *	Hong Kong	-	-	#	#	Offshore Banking
A.N.Z Holdings Limited ‡	Australia	125	128	#	#	Property owner
ANZ Holdings (UK) plc *	England	1,120	1,024	(3)	#	Holding Company
ANZ Finance Corporation Ltd * §	England	-	-	-	#	Non-operative
ANZ Grindlays Bank plc * [12]	England	219	222	119	140	Banking
Anvid Ltd *	England	-	-	#	#	Property Finance
Anzstock Securities Ltd * §	England	-	-	-	-	Non-operative
ANZ Finanziaria Sp A * §	Italy	1	1	-	-	Non-operative
ANZ Grindlays Executor & Trustee Co. Ltd *	England	#	#	-	-	Non-operative
ANZ Grindlays Finance Corporation Ltd *	England	193	196	4	4	Holding Company
ANZ Grindlays Export Finance Ltd *	England	1	1	#	(1)	Export/Finance
Brandt's Nominees Ltd *	England	-	-	-	-	Nominee
Camberley Developments Ltd *	England	-	-	-	-	Non-operative
Grindlays Equipment Finance Ltd *	England	1	-	-	-	Non-operative
Minerva Holdings Ltd *	England	193	196	5	4	Holding Company
ANZ Grindlays Jersey Holdings Ltd *	Jersey	80	81	-	-	Holding Company
ANZ Grindlays Bank (Jersey) Ltd *	Jersey	80	81	17	17	Banking
ANZ Grindlays Bank Nominees (Jersey) Ltd *	Jersey	-	-	-	-	Nominee
ANZ Grindlays Trust Holdings Ltd *	Jersey	#	#	2	2	Holding Company
ANZ Grindlays Nominee Ltd *	Jersey	-	-	-	-	Nominee
ANZ Grindlays Secretaries Ltd *	Jersey	-	-	-	-	Company Administration
ANZ Grindlays Trust Corporation (Jersey) Ltd *	Jersey	-	3	-	-	Trust Manager
Olec Trustee Ltd *	Jersey	-	-	-	-	Trust Manager
ANZ Grindlays Trust (Jersey) Ltd *	Jersey	-	#	-	-	Non-operative
Valiant Heart Limited *	Jersey	-	-	-	-	Property Holder
ANZ Grindlays Yacht Services Ltd *	Jersey	-	-	-	-	Yacht Registration
ANZ One Ltd *	Jersey	-	-	-	-	Nominee
ANZ Three Ltd *	Jersey	-	-	-	-	Nominee
ANZ Two Ltd *	Jersey	-	-	-	-	Nominee
Olec Secretaries Ltd *	Jersey	-	-	-	-	Secretarial Services
ANZ Securities Inc. *	USA	1	1	#	-	Broker

	Incorporated in	Book value 1995 $M	Book value 1994 $M	Contribution to the consolidated result 1995 $M	Contribution to the consolidated result 1994 $M	Nature of Business
31: Controlled Entities (continued)						
ANZ Grindlays Pension Trustees Limited *	England	-	-	-	-	Pension Fund Trustee
ANZ Leasing Limited *	England	-	-	#	(1)	Lease Finance
ANZ Leasing (No.2) Ltd *	England	-	-	(1)	#	Lease Finance
ANZ McCaughan Securities (Switzerland) AG *	Switzerland	4	4	#	#	Holding Company
ANZ Grindlays Trust (Switzerland) SA *	Switzerland	-	#	-	-	Trust Manager
Societe Immobiliere Quai Du Mont-Blanc 7 *	Switzerland	3	2	#	#	Property Holder
Clive Street Nominees Private Limited †	India	-	-	-	-	Nominee
ES&A Properties (UK) Ltd *	England	#	#	-	-	Non-operative
Esanda Finanz and Leasing Limited * [13]	India	1	1	#	#	Lease Finance
Finanz Investments (Pte) Limited *	India	-	-	-	-	Non-operative
Grindlays Bahrain Bank B.S.C † [14]	Bahrain	5	5	2	1	Banking
Grindlays International (Cayman Islands) Limited †	Cayman Islands	-	-	-	-	Non-operative
Grindlays International (Nederland) BV †	Netherlands	#	#	#	#	Holding Company
Grindlays Modaraba Management (Private) Limited †	Pakistan	#	#	-	-	Fund Management
Grindlays Services of Pakistan (Private) Limited †	Pakistan	2	2	#	#	Fund Management
Hotel Regina SA * [15]	Switzerland	#	#	-	-	Non-operative
Minerva Nominees Limited *	England	-	-	-	-	Nominee
National and Grindlays Bank Trust Company Limited *	England	-	-	-	-	Trustee
Nepal Grindlays Bank Limited †	Nepal	1	1	2	2	Banking
PFP Finance Limited *	England	-	#	-	-	Nominee
Spey Industrials Ltd *	England	-	-	-	-	Non-operative
Gillespie Bros & Company Limited *	England	-	-	-	-	Non-operative
National and Grindlays Bank Limited *	England	-	-	-	-	Name Protection
ANZ McCaughan (UK) Ltd *	England	30	#	(6)	(6)	Holding Company
ANZMB Ltd *	England	59	60	3	2	Investment Banking
ANZ McCaughan Properties Ltd *	England	-	-	-	-	Non-operative
ANZ McCaughan Securities (UK) Ltd *	England	3	2	#	#	Investment Banking
ANZ Investment Holdings Limited ‡	Australia	27	#	1	(24)	Investment
530 Collins Street Property Trust	Australia	397	397	26	13	Investment Activities
A.N.Z. Investments Limited	Australia	16	15	1	2	Deposit Taker
A.N.Z Discounts Limited	Australia	-	-	(39)	(42)	Superannuation Contributor
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 Life Assurance Company Limited	Australia	292	248	52	42	Life Assurance
Greater Pacific Nominees Pty Limited	Australia	#	#	-	-	Trustee
ANZ Limited Partnership * [16]	USA	-	-	-	-	Non-operative
ANZ II Limited Partnership * [17]	USA	-	-	-	#	Non-operative
ANZ Managed Investments Limited	Australia	61	47	14	2	Unit Trust Manager
ANZ McCaughan Limited	Australia	73	69	(7)	(1)	Holding Company
ANZCAP Securities Limited §	Australia	#	2	-	-	Non-operative
ANZ McCaughan Clearing Services Limited	Australia	1	1	-	-	Futures Clearing
ANZ McCaughan Corporate Limited [18]	Australia	1	1	#	4	Consulting
ANZ McCaughan Futures Limited	Australia	#	#	1	1	Futures Trading
ANZ McCaughan Asset Management Limited [19]	Australia	#	#	-	-	Futures Clearing
ANZ McCaughan Securities Limited	Australia	6	6	15	9	Stockbroking
Bow Lane Nominees Pty Ltd	Australia	-	-	-	-	Nominee
Skeet Nominees Pty Ltd	Australia	-	-	-	-	Nominee
Snipe Nominees (1981) Pty Ltd	Australia	-	-	-	-	Nominee
ANZ McCaughan Securities (USA) Inc *	USA	2	2	2	2	Stockbroking
ANZ McCaughan Services Pty Limited	Australia	-	-	(8)	#	Administration
Australian International Limited *	Vanuatu	#	#	#	#	Merchant Banking
A.N.Z Nominees Limited ‡	Australia	-	-	-	-	Nominee Services
ANZ Nominees (Guernsey) Limited *	Guernsey	-	-	-	-	Nominee Services
ANZ Payment Services Pty Ltd [20]	Australia	-	-	-	-	Lockbox Services
ANZ Participacoes E Servicos Ltda *	Brazil	#	#	-	#	Representative Services

31: Controlled Entities (continued)

	Incorporated in	Book value 1995 $M	Book value 1994 $M	Contribution to the consolidated result 1995 $M	Contribution to the consolidated result 1994 $M	Nature of Business
ANZ Pensions (UK) Limited *	England	1	1	-	-	Pension Fund Trustee
A.N.Z Properties (Australia) Limited	Australia	22	25	-	-	Property Owner
Weelya Pty Ltd	Australia	4	4	-	-	Property Owner
ANZ Realty Holdings (USA) Inc. *	USA	-	-	-	-	Non-operative
ANZ Realty Holdings II (USA) Inc. *	USA	-	-	-	-	Non-operative
ANZ UK Dividends (AUD) Limited *	England	1	4	#	#	Dividend Plan
Australia and New Zealand Banking Group (PNG) Limited *	Papua New Guinea	14	5	11	7	Banking
Dinias Pty Ltd ‡	Australia	-	-	-	-	Non-operative
Development Finance Corporation Limited ‡ §	Australia	55	60	2	2	Holding Company
A.F.T. Investors Services Limited ‡	Australia	6	6	-	-	Unit Trust Manager
A.F.T. Limited ‡ §	Australia	#	#	-	-	Non-operative
Australian Fixed Trusts Limited ‡	Australia	1	1	-	-	Trustee
Durham Developments Pty Ltd [21] §	Australia	-	-	-	-	Non-operative
Eriel Pty Ltd ‡	Australia	-	-	-	-	Trustee
Erolnot Pty Limited [21] §	Australia	-	-	-	-	Non-operative
E.S.&A. Holdings Limited ‡	Australia	-	-	2	#	Property Owner
E.S.&A. Properties (Australia) Limited ‡	Australia	7	7	-	-	Property Owner
Esanda Finance Corporation Limited	Australia	834	727	94	126	General Finance
Esanda (Finance) Australia Limited	Australia	#	#	#	1	Lease Finance
Esanda (Wholesale) Proprietary Limited	Australia	#	#	-	-	Motor Vehicle Finance
Finance Corporation of Australia Limited	Australia	75	75	7	3	Real Estate Finance
Esanda Equipment Credit Pty Limited	Australia	8	8	#	3	Lease Finance
International Corporate Park Management Pty Ltd	Australia	#	#	-	-	Management Company
Mercantile Credits Limited	Australia	9	9	(2)	6	General Finance
Alliance Holdings Limited	Australia	119	119	#	#	Holding Company
Alliance Acceptance Co. Limited	Australia	2	2	#	2	Finance
The National Alliance Insurance Co. Limited §	Australia	1	1	-	-	Non-operative
ANZCAP Leasing Nominees Pty Limited	Australia	#	#	1	#	Lease Finance
ANZCAP Leasing Nominees (Vic) Pty Ltd	Australia	#	#	#	#	Lease Finance
ANZCAP Leasing Services Limited	Australia	#	#	4	(1)	Lease Finance
ANZCAP Leasing (Vic) Pty Ltd	Australia	#	#	2	2	Lease Finance
Mercantile Underwood Limited §	Australia	70	70	-	-	Investment
Mercredits Wholesale Limited §	Australia	#	#	-	-	Non-operative
Watlingford Real Estate Pty Ltd §	Australia	1	1	-	-	Non-operative
FCA Finance Pty Limited ‡	Australia	8	#	2	2	Real Estate Finance
Analed Pty Ltd ‡	Australia	#	#	5	(15)	Property Development
Grindlays Eurofinance BV *	Netherlands	6	5	#	#	Finance
Japan-Australia Venture Capital Fund (MIC) Ltd	Australia	6	6	#	#	Investment
Mardi Pty Ltd §	Australia	-	-	-	-	Non-operative
McCaughan Dyson Holdings Ltd §	Australia	11	11	-	-	Non-operative
NMRB Limited ‡	Australia	328	327	4	7	Holding Company
ANZ Capel Court Limited	Australia	57	57	1	3	Investment Banking
Capel Court Finance Limited ψ §	Australia	#	#	#	#	Investment
Capel Court Investments Pty Ltd ψ §	Australia	2	2	-	#	Non-operative
Capel Court Finance (Vic) Pty Ltd ψ §	Australia	-	-	-	-	Non-operative
Capel Court Inc. * §	USA	-	-	-	-	Non-operative
Capel Court International Investments Pty Ltd ψ	Australia	-	-	#	1	Investment
Capel Court Management Limited ψ	Australia	1	1	#	#	Investment
Bronzan Pty Ltd ψ	Australia	1	1	-	-	Investment
Capel Court Pacific Inc. * §	USA	#	#	-	-	Non-operative
Castle-Lane Nominees Pty Limited ψ §	Australia	-	-	-	-	Non-operative
Dalyee Pty Limited ψ §	Australia	2	2	-	-	Non-operative
Capel Court Nominees Limited §	Australia	-	-	-	-	Non-operative
Ceylonite Pty Limited ψ §	Australia	-	-	#	#	Non-operative
Fifth Mallatri Pty Ltd ψ §	Australia	-	-	#	-	Non-operative
Noreag Pty Ltd ψ §	Australia	#	#	#	-	Non-operative
Rinope Pty Limited ψ §	Australia	-	-	#	-	Non-operative
NMRB Australia Finance Limited ‡ §	Australia	#	#	-	#	Non-operative
NMRB Finance Limited ‡ §	Australia	-	-	1	(1)	Non-operative

	Incorporated in	Book value 1995 $M	Book value 1994 $M	Contribution to the consolidated result 1995 $M	Contribution to the consolidated result 1994 $M	Nature of Business
31: Controlled Entities (continued)						
NMRB Investments Limited ‡ §	Australia	#	#	-	-	Non-operative
NMRSB Ltd ‡	Australia	132	132	#	2	Holding Company
Ecomel Pty Limited ‡	Australia	-	-	#	#	Servicing Agent
Elgeba Pty Limited ‡	Australia	-	-	#	#	Agency
NMRB Insurance (Agents) Pty Limited ‡	Australia	1	1	-	#	Non-operative
NMRB Management Services Ltd ‡ §	Australia	#	#	#	1	Non-operative
Royaust Management Limited §	Australia	#	#	-	-	Non-operative
Pemarvin Pty Limited ‡ §	Australia	1	1	-	-	Non-operative
PT ANZ Panin Bank *	Indonesia	37	29	5	3	Banking
The Anchorage Port Stephens Pty Ltd [21]	Australia	21	17	-	-	Property Management
The Anchorage Unit Trust [21]	Australia	-	-	-	-	Property Development
Zan Investments Limited *	Singapore	128	130	(2)	(2)	Investment
Total contributions to the Economic entity result after income tax and abnormal items				1,052	822	
Adjustment for controlled entities sold/liquidated				#	#	
Adjustments on consolidation				#	#	
Consolidated operating profit after income tax				1,052	822	

* *Audited by overseas KPMG firms*

‡ *These controlled entities and the Company entered into a Deed of Cross Guarantee in respect of relief granted from specific accounting and financial reporting requirements in accordance with Australian Securities Commission class orders numbered 91/996 dated 19 December 1991, and 92/770 dated 20 July 1992*

ψ *These controlled entities and ANZ Capel Court Limited entered into a deed of Cross Guarantee in respect of relief granted from specific accounting and financial reporting requirements in accordance with Australian Securities Commission class orders numbered 91/996 dated 19 December 1991, and 92/770 dated 20 July 1992*

\# *Amounts less than $500,000*

† *Audited by firms other than members of KPMG*

§ *Company currently in liquidation*

1 *All controlled entities are 100% owned with the exception of Asquith Investments Pty Limited (94.5%), Australia and New Zealand Banking Group (PNG) Limited (92.6%), Binnstone (Sydney) Limited (63.8%), Durham Developments Pty Ltd (50%), Esanda Finanz and Leasing Limited (51%), Finanz Investments (Private) Ltd (51%), GMBS International No. 3 Limited (33.3%), Grindlays Bahrain Bank B.S.C (40%), International Corporate Park Management Pty Ltd (92.5%), Japan-Australia Venture Capital Fund (MIC) Ltd (77%), Kea Car Sales Ltd (80%), LFD Limited (95%), Mutual Leasing Ltd (80%), Nepal Grindlays Bank Limited (50%), Port Phillip Scouring Pty Ltd (65%), PT ANZ Panin Bank (85%), The Anchorage Port Stephens Pty Ltd (33%), The Anchorage Unit Trust (33%), Topgard Pty Ltd (33.3%), Town & Country Housing Trust (89.7% (1994: 88.1%)), Truck Leasing Limited (80%), and Truck Rentals Limited (80%)*

2 *Australia and New Zealand Banking Group Limited carries on business in various countries throughout the world. Overseas controlled entities carry on business in their country of incorporation with the exception of ANZ McCaughan Securities Limited, which has a branch office in the United Kingdom and representative offices in Japan and Hong Kong; ANZ Grindlays Bank plc, which has branch offices in Switzerland, Bangladesh, India, Bahrain, Dubai, Jordan, Oman, Pakistan, Qatar, UAE, Greece and Sri Lanka, and ANZ Nominees Limited which has operations in New Zealand*

3 *Outside equity interests hold ordinary shares or units in the following controlled entities;*
- *Asquith Investments Pty Ltd - 150,000 $1 shares (5.5%)*
- *Australia and New Zealand Banking Group (PNG) Limited - 371,507 PGK1 shares (7.4%)*
- *Binnstone (Sydney) Ltd - 56,834 fully paid $1 shares and 116,900 $1 shares partly paid to $0.01 (36.2%)*
- *Durham Developments Pty Ltd - 20,000 $1 shares (50%)*
- *Esanda Finanz and Leasing Limited - 23,651,000 INR10 shares (49%)*
- *Finanz Investments (Pte) Ltd - 49 INR10 shares (49%)*
- *GMBS International No. 3 Limited - 67 USD1 shares (66.7%)*
- *Grindlays Bahrain Bank B.S.C - 2,400,000 BHD1 shares (60%)*
- *International Corporate Park Management Pty Ltd - 520 $0.01 class 'A' shares (7.5%)*
- *Japan-Australia Venture Capital Fund (MIC) Limited - 19,244 $1 shares (23%)*
- *Kea Car Sales Ltd - 20,000 NZD1 shares (20%)*
- *LFD Limited - 19,012,236 $1 shares, 1,100,000 $1 class 'A' shares and 1,200,000 $1 class 'B' shares (5%)*

31: Controlled Entities (continued)

Mutual Leasing Ltd - 2,000,000 NZD1 shares (20%)
Nepal Grindlays Bank Limited - 500,000 NPR100 shares (50%)
Port Phillip Scouring Pty Ltd - 87,500 $1 shares (35%)
PT ANZ Panin Bank - 7,500 IDR1m shares (15%)
The Anchorage Port Stephens Pty Ltd - 66 $1 shares (67%)
The Anchorage Unit Trust - 19,702,673 $1 units (67%)
Topgard Pty Ltd - 200 $1 shares (66.7%)
Town & Country Housing Trust - 3,347,614 $1 units (10.3%)
Truck Leasing Limited - 633,000 NZD1 shares (20%)
Truck Rentals Limited - 20 NZD1 shares (20%)

[4] *ANZ Adelaide Group Limited owns 100% of the issued ordinary shares of Penplaza Investments Pty Limited but does not control that company as it does not have substantially all the risks and benefits incidental to ownership or control.*

[5] *During the year the assets and liabilities of Equitable Development Corporation Limited were amalgamated with those of UDC Finance Limited, and the assets and liabilities of ANZ Holdings (New Zealand) 1990 Limited, National Mutual Financial Services Limited, ANZ Pensions (New Zealand) Limited, ANZ McCaughan (NZ) Limited, New Zealand Merchant Nominees Limited, Charge Card Corporation Limited and Post Office Bank Limited were amalgamated with those of ANZ Banking Group (New Zealand) Limited. This amalgamation resulted in ANZ Securities (New Zealand) Limited becoming a 100% controlled entity of ANZ Banking Group (New Zealand) Limited*

[6] *ANZ Banking Group (New Zealand) Ltd owns an additional 21% of the issued ordinary shares of UDC Group Holdings Ltd. This investment is recorded in the books of ANZ Banking Group (New Zealand) Ltd at an amount of $8m*

[7] *UDC Developments Limited owns an additional 23% of the issued ordinary shares of UDC Leasing Limited. This investment is recorded in the books of UDC Developments Limited at an amount of nil*

[8] *ANZ Funds Pty Ltd acquired the remaining 25% interest in Bank of Western Samoa during the year. At 30 September, 1995 it is a 100% owned controlled entity (1994: 75%)*

[9] *Formerly Town & Country Bank Limited*

[10] *Formerly Guaranty Finance Insurance Pty Ltd*

[11] *Town & Country Land Holdings Limited controls Topgard Pty Limited and GMBS International No. 3 Ltd as it has substantially all the risks and benefits incidental to ownership*

[12] *Australia and New Zealand Banking Group Limited owns an additional 25% of the issued ordinary shares of ANZ Grindlays Bank plc. This investment is recorded in the books of Australia and New Zealand Banking Group Limited at an amount of $71m*

[13] *Index Computing Pte Limited owns an additional 21% (1994: 20.1%) of the issued ordinary shares of Esanda Finanz and Leasing Ltd. This investment is recorded in the books of Index Computing Pte Limited at an amount of $0.4m*

[14] *ANZ Grindlays Bank plc controls Grindlays Bahrain Bank B.S.C. due to the existence of a management contract that gives ANZ Grindlays Bank plc the capacity to dominate decision making*

[15] *ANZ McCaughan Securities (Switzerland) AG owns an additional 50% of the issued ordinary share capital of Hotel Regina SA. This investment is recorded in the books of ANZ McCaughan Securities (Switzerland) AG at an amount of $50*

[16] *ANZ Realty Holdings (USA) Inc. owns an additional 10.9% of the issued ordinary shares of ANZ Limited Partnership. This investment is recorded in the books of ANZ Realty Holdings (USA) Inc. at an amount of nil*

[17] *ANZ Realty Holdings II (USA) Inc. owns an additional 10.9% of the issued ordinary shares of ANZ II Limited Partnership. This investment is recorded in the books of ANZ Realty Holdings II (USA) Inc. at an amount of nil*

[18] *Formerly ANZ McCaughan Corporate and Financial Services Limited*

[19] *Formerly ANZ McCaughan Portfolio Allocation Limited*

[20] *Formerly Yarraga Pty Ltd*

[21] *The Company has no ownership interest in Durham Developments Pty Ltd, Erolnot Pty Ltd, The Anchorage Port Stephens Pty Ltd or The Anchorage Unit Trust but controls them because it has assumed responsibility for the business and operating decisions of these entities, in order to maximise the financial return to the Economic entity.*

[22] *The following entities: AFT (Canberra) Ltd, ANZASSS No. 2 (NMRBE) Pty Ltd, ANZASSS No. 3 (NMRBS) Pty Ltd, ANZASSS No. 4 (FCA) Pty Ltd, ANZASSS No. 5 (MCL) Pty Ltd, ANZASSS No. 6 (ANZCAP) Pty Ltd, ANZASSS No. 7 (T&C) Pty Ltd, ANZ McCaughan RBF Pty Ltd, ANZ Pensions Pty Ltd, ANZ Staff Superannuation (Australia) Pty Limited, and DPF Pty Ltd all of which act as the corporate trustee for a number of the ANZ staff superannuation funds, have not been consolidated into the accounts of the Economic entity, although the Company owns 100% of the issued ordinary share capital of these entities. These entities are not controlled entities as they do not meet the control criteria as specified in AASB 1024 "Consolidated Accounts". They currently act as the trustee of regulated superannuation funds, in accordance with the Superannuation Industry (Supervision) Act 1993 and Regulations ("SIS Legislation"). They exercise their powers and duties in the best interests of the beneficiaries. In addition, there is equal employer/employee director representation for each of these entities, in accordance with the SIS Legislation.*

32: Associates

The balance date of all associates is 30 September unless otherwise noted

	Incorporated in	Interest %	Book value 1995 $M	Book value 1994 $M	Held By	Principal Activity
AHL Property Developments Pty Ltd[1]	Australia	50.0	#	#	Mercantile Credits Limited	Non-operative
Amalgamated Finance Ltd[2]	New Zealand	50.0	4	3	UDC Finance Ltd	Finance
ANZ Grindlays 3i Investment Services Ltd[2]	Guernsey	50.0	#	#	ANZ Grindlays Bank plc	Fund Administration
Asian International Merchant Bankers Berhad[3]	Malaysia	26.5	4	4	ANZ Grindlays Bank plc	Merchant Banking
Autofleet Pty Ltd[1]	Australia	50.0	1	#	Esanda Finance Corporation Limited	Fleet Management
Cardlink Services Ltd[1]	Australia	20.0	#	#	Australia and New Zealand Banking Group Limited	Charge Card Services
Charge Card Services Ltd[1]	Australia	20.0	#	#	Australia and New Zealand Banking Group Limited	Property Management
Computer Services Ltd[4]	Western Samoa	22.8	#	#	Bank of Western Samoa	Computer Services
Copeland Mercantile Ventures Pty Ltd[1]	Australia	50.0	#	#	Mercantile Credits Limited	Non-operative
Cribellum Pty Ltd[1]	Australia	37.5	#	#	Australia and New Zealand Banking Group Limited	Property Development
Industrial Asset Management Pty Ltd[1]	Australia	50.0	#	#	Esanda Finance Corporation Limited	Lease Finance/ Management
Link Asset Management Pty Ltd[1]	Australia	50.0	1	1	Esanda Finance Corporation Limited	Lease Finance/ Management
Malcha Properties Limited[2]	India	50.0	#	#	ANZ Grindlays Bank plc	Property Owner
Meadow Springs Fairway Village Pty Ltd[1]	Australia	39.0	#	#	Town & Country Land Holdings Ltd	Property Development
Mulwala Unit Trust[1]	Australia	50.0	#	#	Mercantile Credits Limited	Non-operative
Network Trust[1]	Australia	37.5	#	#	Australia and New Zealand Banking Group Limited	Property Development
New Zealand Bankcard Associates Ltd §	New Zealand	50.0	#	#	ANZ Banking Group (New Zealand) Ltd	Non-operative
OBCR Pty Ltd[5] §	Australia	50.0	-	#	Mercantile Underwood Ltd	Non-operative
Renishaw Pty Ltd[1]	Australia	50.0	#	#	Mercantile Credits Limited	Non-operative
Rosignol Development Corporation	Panama	50.0	#	#	ANZ Grindlays Bank plc	Tanker Charter
Roslin Pty Ltd[1]	Australia	25.0	#	-	ANZ Capel Court Ltd	Investment
Tovepool Pty Ltd[1]	Australia	50.0	#	#	Mercantile Credits Limited	Non-operative
Valuta Group Pty Ltd[1]	Australia	33.0	#	#	Capel Court Management Ltd	Investment
Wool Exchange (Portland) Pty Ltd §	Australia	33.3	#	#	LFD Limited	Non-operative
Associates disposed of or reclassified as controlled entities or unlisted equity investments during the current year			#	-		
Total shares in associates			**10**	8		

 # Amounts less than $500,000
[1] Year ended 30 June
[2] Year ended 31 March
[3] Year ended 31 January
[4] Year ended 31 December
[5] Formerly Ocean Blue Club Resorts Pty Ltd
§ Company currently in liquidation

	Consolidated 1995 $M	Consolidated 1994 $M	The Company 1995 $M	The Company 1994 $M
33: Commitments				
Capital expenditure				
Contracts for outstanding capital expenditure				
Not later than 1 year	**49**	24	**19**	9
Later than 1 year but not later than 2 years	**-**	#	**-**	-
Total capital expenditure commitments	**49**	24	**19**	9
Lease rentals				
Future rentals in respect of leases				
Land and buildings				
Not later than 1 year	**142**	143	**110**	100
Later than 1 year but not later than 2 years	**133**	102	**106**	68
Later than 2 years but not later than 5 years	**267**	242	**210**	180
Later than 5 years	**420**	452	**371**	380
	962	939	**797**	728
Furniture and equipment				
Not later than 1 year	**16**	31	**12**	28
Later than 1 year but not later than 2 years	**4**	14	**1**	11
Later than 2 years but not later than 5 years	**5**	6	**1**	3
Later than 5 years	**2**	#	**-**	-
	27	51	**14**	42
Total lease rental commitments	**989**	990	**811**	770
Total commitments	**1,038**	1,014	**830**	779

 # Amounts less than $500,000

34: Derivative Financial Instruments

The Economic entity deals in various types of futures, forwards, swaps and option contracts (collectively known as derivative products). These products are entered into both on behalf of customers and for the Economic entity's own account in trading in the interest rate and foreign exchange markets. Additionally, they are used as hedges for balance sheet risk management.

Futures and forward contracts are commitments to buy or sell financial instruments 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 currency amounts based upon a notional principal amount. Option contracts give the acquirer the right to buy or sell a financial instrument at a specified price within a specified period.

The Economic entity generates trading income from its customer-related and trading activities. This income includes buy-sell spreads and income arising from the Economic entity's own positions. It is measured on a mark-to-market basis and included in Foreign exchange earnings and Profit on trading instruments in note 3 - Other operating income.

Interest rate exposures arising from imbalance in the interest rate term structure of the Economic entity's balance sheet are managed by using interest rate derivative products. Similarly, currency exposures from funding raised in foreign currencies or the value of the Economic entity's investment in overseas controlled entities or branches are reduced through foreign exchange derivatives.

34: Derivative Financial Instruments (continued)

Credit risk

The credit risk of derivative financial instruments arises from the potential for a counterparty to default on its contractual obligations. The Economic entity limits its credit risk within a conservative framework by dealing with creditworthy counterparties, setting credit limits on exposures to counterparties, and obtaining collateral where appropriate. The contract or notional amounts of derivative products represent the volume of outstanding transactions and are indicators of business activity. These amounts are used to measure changes in the value of derivative products and to determine the cash flows to be exchanged. Contract or notional amounts do not represent potential credit risk.

The replacement cost is the cost of replacing those financial instruments with a positive market value to the Economic entity. The amount represents the maximum potential credit loss had all counterparties defaulted on the reporting date and any collateral became worthless. The credit equivalent amount is calculated using the current exposure method as determined in accordance with the Reserve Bank of Australia's Capital Adequacy guidelines. It combines the aggregate replacement costs with an allowance for potential risk over the remaining term of all contracts, based on prescribed percentages.

	Consolidated			The Company		
	Contract or Notional Amount	Replacement Cost	Credit Equiv.	Contract or Notional Amount	Replacement Cost	Credit Equiv.
At 30 September 1995	$M	$M	$M	$M	$M	$M
Foreign exchange contracts						
Spot and forward contracts	**147,791**	**1,647**	**3,164**	**126,352**	**1,410**	**2,741**
Swap agreements	**3,127**	**35**	**162**	**2,677**	**32**	**145**
Options purchased	**6,569**	**103**	**175**	**5,831**	**94**	**152**
Options sold	**6,243**	**n/a**	**n/a**	**5,559**	**n/a**	**n/a**
	163,730	**1,785**	**3,501**	**140,419**	**1,536**	**3,038**
Interest rate contracts						
Forward rate agreements	**72,754**	**55**	**86**	**66,583**	**51**	**81**
Swap agreements	**94,676**	**1,146**	**1,346**	**88,466**	**1,058**	**1,242**
Futures contracts[1]	**56,488**	**n/a**	**n/a**	**55,831**	**n/a**	**n/a**
Options purchased	**3,376**	**9**	**12**	**2,192**	**7**	**10**
Options sold	**3,249**	**n/a**	**n/a**	**2,194**	**n/a**	**n/a**
Other contracts	**64**	**11**	**13**	**16**	**2**	**3**
	230,607	**1,221**	**1,457**	**215,282**	**1,118**	**1,336**
	394,337	**3,006**	**4,958**	**355,701**	**2,654**	**4,374**
At 30 September 1994						
Foreign exchange contracts						
Spot and forward contracts	131,838	1,343	2,710	113,655	1,216	2,426
Swap agreements	2,936	71	168	2,089	60	140
Options purchased	4,794	48	114	4,438	45	107
Options sold	4,881	n/a	n/a	4,460	n/a	n/a
	144,449	1,462	2,992	124,642	1,321	2,673
Interest rate contracts						
Forward rate agreements	138,025	108	145	132,846	104	140
Swap agreements	94,646	1,041	1,197	88,479	961	1,105
Futures contracts[1]	63,033	n/a	n/a	62,150	n/a	n/a
Options purchased	2,835	17	22	2,475	17	21
Options sold	2,834	n/a	n/a	2,212	n/a	n/a
Other contracts	49	1	2	24	#	2
	301,422	1,167	1,366	288,186	1,082	1,268
	445,871	2,629	4,358	412,828	2,403	3,941

 # Amounts less than $500,000

[1] Replacement costs have not been included as there is minimal credit risk associated with exchange traded futures, where the clearing house is the counterparty

34: Derivative Financial Instruments (continued)

Counterparty credit equivalent profile of derivative financial instruments

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

Credit equivalent amounts as at 30 September 1995 by class of counterparty and geographic location of the entity in the Economic entity which is party to the contract were as follows

	Consolidated		The Company	
	1995	1994	1995	1994
	$M	$M	$M	$M
Commonwealth and OECD governments	**99**	68	**98**	63
Australian and OECD banks	**3,993**	3,624	**3,571**	3,314
Corporations, non-OECD banks and others	**866**	666	**705**	564
	4,958	4,358	**4,374**	3,941

In excess of 80% of the Economic entity's exposures are with counterparties which are either Australian banks or banks based in other OECD countries.

	Consolidated	
	1995	1994
	$M	$M
Australia	**1,889**	1,597
New Zealand	**363**	332
International markets	**2,706**	2,429
	4,958	4,358

34: Derivative Financial Instruments (continued)

Maturity profile of derivative financial instruments (contract or notional amount)

The maturity structure of derivative activities is a primary component of potential credit exposure. Below is the remaining maturity profile by class of derivative product at as 30 September 1995 based on contract or notional amounts, for the Economic entity and the Company.

Consolidated

At 30 September 1995	Less than 1 year $M	1 to 5 years $M	Greater than 5 years $M	Total $M
Foreign exchange contracts				
Spot and forward contracts	145,087	2,686	18	**147,791**
Swap agreements	736	2,107	284	**3,127**
Options purchased	6,205	364	-	**6,569**
Options sold	6,033	210	-	**6,243**
	158,061	5,367	302	**163,730**
Interest rate contracts				
Forward rate agreements	66,639	6,115	-	**72,754**
Swap agreements	54,642	37,705	2,329	**94,676**
Futures contracts	40,221	16,224	43	**56,488**
Options purchased	2,426	868	82	**3,376**
Options sold	2,093	1,074	82	**3,249**
Other contracts	49	15	-	**64**
	166,070	62,001	2,536	**230,607**
Total	**324,131**	**67,368**	**2,838**	**394,337**

The Company

	Less than 1 year $M	1 to 5 years $M	Greater than 5 years $M	Total $M
Foreign exchange contracts				
Spot and forward contracts	124,224	2,110	18	**126,352**
Swap agreements	519	1,874	284	**2,677**
Options purchased	5,619	212	-	**5,831**
Options sold	5,360	199	-	**5,559**
	135,722	4,395	302	**140,419**
Interest rate contracts				
Forward rate agreements	60,550	6,033	-	**66,583**
Swap agreements	51,438	34,770	2,258	**88,466**
Futures contracts	39,578	16,211	42	**55,831**
Options purchased	1,447	663	82	**2,192**
Options sold	1,275	837	82	**2,194**
Other contracts	1	15	-	**16**
	154,289	58,529	2,464	**215,282**
Total	**290,011**	**62,924**	**2,766**	**355,701**

34: Derivative Financial Instruments (continued)

Market Risk

The market risk of derivative financial instruments arises from the potential for changes in value due to fluctuations in interest and foreign exchange rates. The Economic entity employs an historically based model of interest rate and exchange rate volatilities, and a 97.5% confidence level in its assessment of value at risk. This means that if value at risk is estimated to be $1 million then, based on historical experience, there is approximately one chance in 40 (2.5%) of seeing an adverse change in the value(loss) worse than $1 million for the specified period. Reflecting the nature of its trading activities, the Economic entity monitors its value at risk by reference to close-to-close (overnight) risk levels.

Below are the Economic entity's aggregate value at risk figures covering both physical and derivatives trading positions for its principal treasury trading centres.

	As at 30 Sep 95 $M	Maximum 1995 $M	Average 1995 $M
Value at risk at 97.5% confidence			
Foreign exchange	1	5	2
Interest rate	5	10	6

Below are the market or fair values by class of derivative products, disaggregated into gross unrealised gains and gross unrealised losses. The market or fair value of a derivative represents the aggregate of the positive or negative cash flows which would have occurred if the rights and obligations arising from the instrument were extinguished by the Economic entity in an orderly market as at the reporting date. Market or fair values at a particular point in time do not indicate future gains or losses.

	Market/fair value as at 30 Sep 1995[1] $M	Average market/fair value 1995[1] $M
Foreign exchange contracts		
Spot and forward contracts		
Gross unrealised gains	1,668	1,612
Gross unrealised losses	(1,801)	(1,788)
Swap agreements		
Gross unrealised gains	35	118
Gross unrealised losses	(254)	(266)
Options purchased	102	97
Options sold	(118)	(131)
	(368)	(358)
Interest rate contracts		
Forward rate agreements		
Gross unrealised gains	55	84
Gross unrealised losses	(65)	(86)
Swap agreements		
Gross unrealised gains	1,145	1,183
Gross unrealised losses	(1,504)	(1,415)
Futures contracts		
Gross unrealised gains	1	4
Gross unrealised losses	(14)	(7)
Options purchased	6	10
Options sold	(9)	(15)
Other contracts		
Gross unrealised gains	9	10
Gross unrealised losses	-	(1)
	(376)	(233)
Total	(744)	(591)

[1] *Comparatives are not available*

34: Derivative Financial Instruments (continued)

As noted, derivatives held or issued for customer-related or trading purposes are marked-to-market, and unrealised gains or losses are included in Other operating income. The market/fair value in the table above represents gross unrealised gains and losses on marking-to-market all the Economic entity's derivatives. The table below shows the split of those net unrealised gains and losses between derivatives issued for customer-related or trading purposes, and those issued for balance sheet hedging purposes.

The market/fair values of derivatives outstanding vary over time depending on the direction of interest and exchange rates and the nature of the trading or hedging strategies employed. The negative fair value as at 30 September 1995 on customer-related and trading derivatives does not represent the profitability from such transactions. It arises from trading strategies where contracts have generated net positive cash flows (ie realised gains) during the term since their inception but for which there are (lower) negative cash flows expected over the term remaining to maturity (ie a negative fair value or unrealised loss).

The Economic entity's principal objective in holding or issuing derivative financial instruments for purposes other than providing services to customers and trading is asset/liability management. The principal objectives of asset/liability management are to hedge the market value of the Economic entity's capital and to manage and control the sensitivity of the Economic entity's income while maintaining acceptable levels of interest rate and liquidity risk. To achieve these objectives, the Economic entity uses a combination of derivative financial instruments, including interest rate futures, forward rate agreements, swaps, options and other exchange contracts.

Income or expense on derivative financial instruments used to manage non-trading interest rate exposure is recorded on an accrual basis as an adjustment to the yield on the related interest rate exposures over the periods covered by the contracts.

The Economic entity uses a variety of foreign exchange forward, swaps and option contracts to hedge against adverse movement in the value of its foreign currency denominated assets and liabilities as a result of exchange rate fluctuations. Hedging is principally directed to the Economic entity's investments in overseas branches and controlled entities and its foreign currency denominated funding.

Further information (unaudited) on the interest rate risk associated with the Economic entity's derivative activities is contained in Financial Information note 5 "Interest Sensitivity Gap".

The table below shows the split of the contract or notional amount, replacement cost (of instruments with a positive market value) and net market/fair value between derivatives issued for customer-related or trading purposes, and those issued for balance sheet hedging purposes as at 30 September 1995.

At 30 September 1995	Contract or Notional amount $M	Replacement cost $M	Market/fair value $M
Foreign exchange contracts			
Customer-related and trading purposes	158,218	1,695	(326)
Balance sheet hedging purposes	5,512	90	(42)
	163,730	1,785	(368)
Interest rate contracts			
Customer-related and trading purposes	211,835	992	(447)
Balance sheet hedging purposes	18,772	229	71
	230,607	1,221	(376)
Total	**394,337**	**3,006**	**(744)**

34: Derivative Financial Instruments (continued)

Net deferred realised and unrealised gains and losses as at 30 September 1995 arising from hedging contracts used to manage interest rate exposure or used to hedge exposures arising from anticipated transactions are detailed below. These gains and losses are deferred only to the extent that there is an offsetting unrecognised (unrealised) gain or loss on the exposure being hedged. Deferred gains or losses are generally amortised over the expected term of the hedged exposure.

At 30 September 1995	Balance sheet hedging contracts $M
Expected recognition in income	
Within one year	43
One to two years	(20)
Two to five years	48
Greater than five years	(21)
	50

35: Contingent Liabilities and Credit Related Commitments

Contingent Liabilities

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 for 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		Controlled Entities	
	1995 Contract Amount $M	1994 Contract Amount $M	1995 Contract Amount $M	1994 Contract Amount $M	1995 Contract Amount $M	1994 Contract Amount $M
Guarantees	**2,165**	1,628	**1,402**	1,010	**763**	618
Standby letters of credit	**215**	63	**205**	56	**10**	7
Bill endorsements	**14**	23	**12**	19	**2**	4
Documentary letters of credit	**1,320**	1,300	**652**	764	**668**	536
Performance related contingents	**6,454**	6,052	**4,182**	3,646	**2,272**	2,406
Other	**1,049**	946	**772**	723	**277**	223
Total contingent liabilities	**11,217**	10,012	**7,225**	6,218	**3,992**	3,794

Credit Related Commitments

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

	Consolidated		The Company		Controlled Entities	
	1995 Contract Amount $M	1994 Contract Amount $M	1995 Contract Amount $M	1994 Contract Amount $M	1995 Contract Amount $M	1994 Contract Amount $M
Undrawn facilities	**25,453**	23,144	**17,228**	15,989	**8,225**	7,155
Underwriting facilities	**267**	216	**133**	93	**134**	123
	25,720	23,360	**17,361**	16,082	**8,359**	7,278

35: Contingent Liabilities and Credit Related Commitments (continued)

The details and estimated maximum amount of contingent liabilities classified according to the party from whom the contingent liability could arise are set out below

The Company

(i) In accordance with the clearing arrangements embodied in the Australian Paper Clearing System Regulations of the Australian Payments Clearing Association Limited, the Company has a commitment to provide liquidity support to the clearing system in the event of a failure to settle by a clearing institution.

(ii) There are no contingent liabilities for termination benefits under service agreement with directors or executives.

Controlled entities

(i) The Economic entity will indemnify each customer of controlled entities engaged in nominee activities against loss suffered by reason of such entities failing to perform any obligation undertaken by them to a customer.

(ii) Pursuant to class orders 91/996 and 92/770, issued on 19 December 1991 and 20 July 1992 respectively, relief was granted during the year to a number of wholly owned controlled entities (refer footnote ‡ in note 31) from the Corporations Law requirements for preparation, audit, and publication of accounts. It is the condition of the class order that the Company and each of its controlled entities enter into a Deed of Cross Guarantee.

A Deed of Cross Guarantee under the class orders 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 Corporations Law. The Company will only be liable in the event that after six months any creditor has not been paid in full.

The controlled entities have also given similar guarantees in the event that the Company is wound up. During the year, ANZ Investment Holdings Limited and Eriel Pty Ltd became parties to the Deed, by virtue of a Deed of Assumption approved by the Australian Securities Commission. ANZ Staff Superannuation (Australia) Pty Limited, ANZ Pensions Pty Limited, Yarraga Pty Ltd and A.F.T. (Canberra) Limited have been released from their obligations under the Deed by executing a Deed of Revocation approved by the Australian Securities Commission. At 30 September 1995 the controlled entities which are parties to the Deed had external aggregate assets of $2,960 million (1994: $3,263 million); external aggregate liabilities of $753 million (1994: $759 million); and their contribution to the consolidated operating profit after tax and abnormal items for the year was $16 million (1994: $5 million).

(iii) Pursuant to class orders 91/996 and 92/770, issued on 19 December 1991 and 20 July 1992 respectively, relief was granted during the year to a number of wholly owned controlled entities (refer footnote Ψ in note 31) from the Corporations Law requirements for preparation, audit and publication of accounts. It is the condition of the class order that ANZ Capel Court Limited and each of its controlled entities enter into a Deed of Cross Guarantee. A Deed of Cross Guarantee under the class orders was lodged and approved by the Australian Securities Commission. The effect of the Deed is that ANZ Capel Court Limited guarantees to each creditor payment in full of any debt in the event of winding up any controlled entities under certain provisions of the Corporations Law. ANZ Capel Court Limited will only be liable in the event that after six months any creditor has not been paid in full.
The controlled entities have also been given similar guarantees in the event that ANZ Capel Court Limited is wound up. At 30 September 1995 ANZ Capel Court Limited and its controlled entities which are party to the Deed had external aggregate assets of $279 million (1994: $244 million); external aggregate liabilities of $191 million (1994: $133 million); and their contribution to the consolidated operating profit after tax and abnormal items for the year was $1 million (1994: $4 million).

(iv) The Company has guaranteed payment on maturity of the principal and accrued interest of commercial paper notes issued by ANZ (Delaware) Inc. of $1,164 million (1994: $1,375 million).

(v) The Company is party to an underpinning agreement with ANZ Grindlays Bank plc whereby the Company undertakes to assume risk in relation to credit facilities extended by ANZ Grindlays Bank plc to individual customers which exceed 25% of ANZ Grindlays Bank plc's capital base.

35: Contingent Liabilities and Credit Related Commitments (continued)

General

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.

India - National Housing Bank

The branch of ANZ Grindlays Bank plc in India ("the Bank") has received a claim, aggregating approximately Indian Rupees 5.06 billion ($198 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.

On 4 November 1992, and pursuant to a directive from the Reserve Bank of India ("RBI"), the Bank made a 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 arbitration is currently in progress and arbitration arrangements provide that the matter is treated as sub-judice and therefore comment by the parties is limited.

The Economic entity has obtained firm legal advice from senior counsel and based on that advice no provision has been made in respect of the claim or the amount paid to NHB.

India - Financial markets scam

The after effects of the much publicised 1992 India financial markets scam continue. Banks, including ANZ Grindlays Bank plc, which provided banking services to banks and brokers subsequently identified as involved in the scam, are now facing legal issues as transactions are potentially unwound and the legality of some transactions which were commonly executed in the market are challenged. Resolution of these matters is likely to be protracted, especially because in many cases these issues are without legal precedent, and the Economic entity may be exposed to claims and potential losses the aggregate amount of which cannot be quantified. The Economic entity is being advised by senior counsel and no material loss is currently anticipated.

India - Foreign Exchange Regulation Act

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

The Indian authorities have served preliminary notices on the Bank and certain of its officers in India which could lead to proceedings and possible penalties. The Economic entity's lawyers in India have prepared responses to these notices, and the Economic entity considers that the outcome will have no material adverse effect on the financial statements.

36: Superannuation Commitments

A number of pension/superannuation schemes have been established by the Economic entity worldwide. The Economic entity is obliged to contribute to the schemes as a consequence of legislation and provisions of trust deeds. Legal enforceability is dependent on the terms of the legislation and trust deeds. The major schemes with assets in excess of $20 million are

Country	Scheme	Scheme Type	Contribution levels Employee	Employer	Last Formal Actuarial Valuation	Actuary
Australia	ANZGROUP (Australia) Staff Pension Scheme[1]	Defined Benefit Scheme	5.5%	Balance of cost	Dec 1992	C J Haberecht F.I.A.A.
Australia	ANZ Australian Staff Superannuation Scheme[2]	Defined Contribution Scheme	2.5% min	Balance of cost[3]	Dec 1992	C J Haberecht F.I.A.A.
New Zealand	ANZGROUP (New Zealand) Staff Superannuation Scheme[1,2]	Defined Benefit Scheme	5.5% min	Balance of cost	Dec 1993	William M Mercer Ltd
		or Defined Contribution Scheme	2.5% min	Balance of cost[4]	Dec 1993	William M Mercer Ltd
England	ANZ UK Staff Pension Scheme[1]	Defined Benefit Scheme	nil	Balance of cost	Dec 1993	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] *As recommended by the actuary, not to exceed 7.5% of members' superannuation salaries for the 1995-96 financial year*

[4] *7.5% of superannuation salaries*

Details of major defined benefit schemes are as follows

Scheme	Employer's contribution 1995 $M	Accrued benefits $M	Net market value of assets held by scheme $M	Excess of net market value of assets over accrued benefits $M	Vested benefits $M
ANZGROUP (Australia) Staff Pension Scheme[1]	5	66	50	(16)	54
ANZ UK Staff Pension Scheme[2]	-	433	545	112	397

[1] *Amounts were measured at 31 December 1994*

[2] *Amounts were measured at 30 September 1995*

Any aggregate deficit arising from the actuarial valuation of the Economic entity's defined benefit schemes has been provided for in the Economic entity's financial statements.

37: Assets and Liabilities of Non-Banking Controlled Entities

Under class order 92/621 issued by the Australian Securities Commission on 24 June 1992, the balance sheets 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". This standard requires assets and liabilities of a bank to be classified by their nature and to be disclosed in their approximate order of liquidity. The class order requires the amounts of total assets and total liabilities reported in the consolidated balance sheet that are attributable to controlled entities which are not prescribed corporations[1] at the end of the financial year to be separately disclosed.

	1995 $M	1994 $M
Total assets	**40,428**	35,572
Total liabilities	**32,872**	29,547

[1] *Defined in Section 408A(1) of the Corporations Law 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.

	1995		1994	
	Available $M	Unused $M	Available $M	Unused $M
Financing arrangements which are available to such controlled entities (under normal financial arrangements)				
Credit standby arrangements				
Commercial bills acceptance discount lines	**143**	**143**	141	141
Standby lines	**103**	**100**	102	101
Other financing arrangements				
Overdrafts and other financing arrangements	**71**	**66**	136	112
Total finance made available to such controlled entities	**317**	**309**	379	354
Financing arrangements which have been made available by such controlled entities (contractually arranged for each client)				
Loan and lease facilities	**270**		922	
Other	-		31	
Total finance made available by such controlled entities	**270**		953	

In addition, credit facilities of $111 million (1994: $29 million) have been made available to the Economic entity, of which $55 million is utilised as at 30 September 1995 (1994: $29 million).

39: 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

	1995		1994	
	Closing	Average	Closing	Average
Great British pound	**0.4764**	**0.4659**	0.4685	0.4653
United States dollar	**0.7520**	**0.7406**	0.7393	0.7064
New Zealand dollar	**1.1498**	**1.1407**	1.2254	1.2200

40: Employee Share Purchase and Share Option Schemes

The Company has four share purchase and share option schemes available for employees and directors of the Group: the ANZ Group Employee Share Purchase Scheme, the ANZ Group Senior Officers' Share Purchase Scheme, the ANZ Group Share Option Scheme and the Directors' Share and Option Purchase Scheme. Shareholders of the Company have approved the Rules of each of the schemes. Fully paid ordinary shares issued under these schemes rank equally with other existing fully paid ordinary shares. Partly paid ordinary shares, paid to 10 cents, issued under the ANZ Group Senior Officers' Share Purchase Scheme and the Directors' Share and Option Purchase Scheme are not entitled to dividends payable by the Company, but are entitled to one vote for every ten partly paid shares. They are also entitled to participate in rights and bonus issues.

Each option granted under the ANZ Group Share Option Scheme and the Directors' Share and Option Purchase Scheme entitles a holder to purchase one ordinary share subject to any attached terms and conditions.

An offer to employees and non-executive directors cannot be made under any of the schemes if an issue pursuant to that offer will result in the aggregate of shares issued and those liable to be issued pursuant to exercisable options granted under any of the schemes and bonus shares issued in respect of shares issued under these schemes exceeding 7% of the issued capital of the Company.

During the financial year, loans at concessional interest rates were available for financing shares purchased under the ANZ Group Employee Share Purchase Scheme and the ANZ Group Senior Officers' Share Purchase Scheme. Shares issued under these schemes are free of brokerage and stamp duty costs.

The market price of one ordinary share at 30 September 1995 was $5.67.

Amounts received from employee share purchase and share option schemes are accounted for as follows:
- the par value of fully paid shares and amounts received on partly paid shares are recognised as issued and paid-up capital;
- the difference between par value and issue price is credited to the share premium reserve; and
- amounts received for options are credited to the general reserve.

Amounts received from employee share purchase and share option schemes during the financial year, excluding calls on partly paid shares issued in prior financial years, were recognised as follows

	The Company $
Issued and paid-up capital	3,411,594
Share premium reserve	11,087,670
General reserve	64,100

ANZ Group Employee Share Purchase Scheme

All employees, excluding part-time service employees, who have had continuous service for one year with the Company or any of its controlled entities are eligible to participate in this scheme. Each eligible employee's entitlement depends on the employment level of the employee, and the maximum entitlement is 5,000 ordinary shares.

During the financial year, 1,790,594 fully paid ordinary shares were issued at a 20% discount to the market price at 28 February 1995 to 1,457 eligible employees for a total consideration of $6,820,904. 31,183 employees were eligible to participate in this offer. The total market value of the shares at issue date, which was 22 March 1995, was $8,576,945. At 30 September 1995, 36,513,852 ordinary shares had been issued since the commencement of this scheme.

ANZ Group Senior Officers' Share Purchase Scheme

Senior officers eligible to participate in this scheme may be offered fully paid or partly paid ordinary shares.

During the financial year, 1,611,000 fully paid ordinary shares were issued at market price to 358 eligible senior officers for a total consideration of $7,668,360, which was the total market value of the shares at issue date which was 28 February 1995. 767 senior officers were eligible to participate in this offer.

At 30 September 1995, 10,984,400 fully paid ordinary shares and 7,805,000 partly paid ordinary shares had been issued since the commencement of this scheme. These partly paid ordinary shares were paid to 10 cents on application and the balance payable either at the request of the employee or upon cessation of employment, except in the event of death, retirement or illness, in which case, the balance is payable three months after the event.

40: Employee Share Purchase and Share Option Schemes (continued)

ANZ Group Share Option Scheme

Executive directors and executive officers may be invited to purchase options at one cent each under this scheme. These options do not entitle the holder to participate in a share issue of any other body corporate apart from the Company.

During the financial year, 6,410,000 options issued at one cent with an exercise price of $5.34 were granted to 195 officers for a total consideration of $64,100. 50,000 options granted under this scheme lapsed during the financial year.

At 30 September 1995, 7,710,000 options were outstanding under this scheme. These options may only be exercised within the exercisable period if the basic earnings per share of the Economic entity (before abnormal items) for one of the financial years ending 30 September 1996, 1997 or 1998 is at least 50% over the 1993 equivalent figure.

No. of options outstanding at 30 September 1995	Exercise price	Exercisable period (subject to performance condition)
1,350,000	$5.34	These options are not exercisable before 31 Jan 1997, and expire on 31 Jan 1999
1,520,000	$5.34	These options are not exercisable before 22 Dec 1997, and expire on 31 Jan 1999
4,840,000	$5.34	These options are not exercisable before 23 Mar 1998, and expire on 31 Jan 1999

These options will expire immediately on termination of employment, except in the event of retirement, death or where agreed by the directors of the Company, in which case, the non-executive directors may allow the options to be exercised. In the event of a takeover offer or takeover announcement, the directors of the Company may allow the options to be exercised within thirty days from the date of notification.

If there is a bonus issue prior to the expiration or exercise of the options, option holders are entitled to those shares as if the options have been exercised prior to that issue. These shares will be allotted to the option holder when the options are exercised.

Directors' Share and Option Purchase Scheme

Each non-executive director is entitled to subscribe for up to 50,000 partly paid ordinary shares at market price, paid to 10 cents, under this scheme, with the balance payable any time at the request of the director or upon ceasing to be a director, except in the event of retirement, death or illness, in which case, the balance is payable ninety days after such date.

Each director is, subject to the Board's approval, eligible to subscribe for an equivalent number of options at one cent each under this scheme. Options granted under this scheme are exercisable within five years after issuance or within 90 days after ceasing to be a director, if earlier. The exercise price of an option is based on the market price of an ordinary share when the option is granted, less one cent, which is payable on issue of the option.

During the financial year, two directors were eligible to subscribe to 50,000 shares each under the scheme. 100,000 partly paid shares, paid to 10 cents, were issued on 28 February 1995 at $4.76, which was the market price as at that date.

No options were offered during the financial year. No options have lapsed or have been exercised during the financial year.

At 30 September 1995, 900,000 partly paid shares, paid to 10 cents and 1,100,000 options had been issued since the commencement of this scheme.

No. of options outstanding at 30 September 1995	Exercise Price	Expiry date
50,000	$4.08	28 February 1997
150,000	$3.43	1 March 1998

41: Related Party Disclosures

The directors during the year were

C B Goode
J C Dahlsen
Dr R S Deane
J B Gough (retired 23 August 1995)
C J Harper
M A Jackson
Dame Leonie Kramer (retired 1 October 1994)
A T L Maitland
D P Mercer
J F Ries
Dr B W Scott
Sir Ronald Trotter
R B Vaughan

Australian banks, parent entities of Australian banks and controlled entities of Australian banks have been exempted, subject to certain conditions, by an Australian Securities Commission class order, 93/837 dated 6 August 1993, from making disclosures of loans made, guaranteed or secured by a bank to related parties (other than specified categories of directors) and financial instrument transactions (other than shares and share options) of a bank where a director of the relevant entity is not a party to the transaction and where the loan or financial instrument transaction is lawfully made and occurs in the course of ordinary banking business either at arm's length or with the approval of a general meeting of the relevant entity and its ultimate chief entity (if any).

The class order does not apply to a loan or financial instrument transaction of which any director of the relevant entity should reasonably be aware that, if not disclosed, would have the potential to adversely affect the decisions made by users of the financial statements about the allocation of scarce resources.

A condition of the class order is that for each financial year to which it applies, the Company must provide evidence to the Commission that the Company has systems of internal controls and procedures which:

(i) in the case of any material financial instrument transaction, ensure that; and

(ii) in any other case, are designed to provide a reasonable degree of assurance that;

any financial instrument transaction of a bank which may be required to be disclosed in the Company's financial statements in accordance with AASB 1017 "Related Party Disclosures", and which is not entered into regularly, is drawn to the attention of the directors.

(a) Transactions with directors and director-related entities

Shares and Share Options

Aggregate number of shares and share options issued to directors of the Company and their director-related entities by the Company were as follows

	The Company 1995 No.	1994 No.
Fully paid ordinary shares in the Company	**56,508**	92,898
Partly paid ordinary shares in the Company	**100,000**	-
Share options over ordinary shares in the Company	**-**	1,100,000

Certain executive directors have acquired fully paid ordinary shares under the ANZ Group Senior Officers' Share Purchase Scheme on conditions no more favourable than those offered to other employees. All other fully paid ordinary shares were acquired on terms and conditions no more favourable than those offered to other shareholders.

Certain non-executive directors have acquired partly paid ordinary shares under the Directors' Share and Option Purchase Scheme, approved by shareholders in January 1988. No share options have been issued to directors under this scheme during the financial year.

Aggregate number of partly paid shares disposed of by directors of the Company and their director-related entities during the financial year were nil (1994: nil).

Aggregate number of shares and share options held directly, indirectly or beneficially by directors of the Company and their director-related entities, as at balance date, were as follows

	1995 No.	1994 No.
Fully paid ordinary shares in the Company	**698,315**	907,781
Partly paid ordinary shares, paid to 10 cents per share, in the Company	**340,000**	290,000
Share options over ordinary shares in the Company	**1,300,000**	1,300,000

41: Related Party Disclosures (continued)

Directors of the Company and their director-related entities received normal dividends on these shares, with the exception of partly paid ordinary shares, paid to 10 cents per share, which qualify for dividends only when fully paid.

Loans made to Directors

Loans made to non-executive directors of the Company and controlled entities are made in the course of ordinary business on normal commercial terms and conditions. Loans to executive directors of the Company and controlled entities are made pursuant to the Executive Directors' Loan Scheme authorised by shareholders on 18 January 1982, on the same terms and conditions applicable to other employees within the Economic entity in accordance with established policy.

Under the Australian Securities Commission class order referred to above, disclosure is limited to the aggregate amount of loans made, guaranteed or secured by

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

The directors involved are

A D Betham[1,2,3,4]
A K Bommakanti[1]
I Brandon[3]
T J Brennan[1]
A Buhindi[2]
M I Calderwood[1,3]
G J Camm[1,3]
J C Dahlsen[1,3]
P H Ellis[1,3,4]
R G Fell[3]
J C Gilbert[3,4]
E P Harnett[3,4]
C J Harper[1,3,4]
P J O Hawkins[1]
M B Hensley[1,2,3,4]
D A Hodgson[3,4]
P G Hollick[3]
P F Horsfall[1,2,3,4]
G G Howard[1,2,3,4]
W D B Johnstone[1,3]
B J Jolliffe[1,2]
R G Jones[1]
A Khanna[3]
C M Kiefel[3,4]
R E Knight[1,3]
P B Leigh[3]
J M Lineham[1,3]
A T L Maitland[1,2,3]
D W Manoa[1]
D P Mercer[1,2,3,4]
N D O'Brien[3]
J F Ries[1,2,3,4]
J L Roach[1,2,3,4]
J D Tait[1,3]
M Traviati[3,4]
R H C Turner[1,2,3,4]
D B Valentine[1,2,3,4]
A E Ward[1,3]
J B Wicking[3,4]
M W Wilson[3,4]
B N J Wood[3]

[1] *Repayments during the year*
[2] *Loans made during the year*
[3] *Repayments made during the prior year*
[4] *Loans made during the prior year*

The aggregate amount of such loans outstanding at 30 September was

	Consolidated		The Company	
	1995 $'000	1994 $'000	**1995 $'000**	1994 $'000
Balance outstanding at 30 September	**5,657**	5,594	**2,736**	2,576
Total interest received	**304**	323	**98**	127
The aggregate amount of repayments received from directors and their director-related entities during the year was				
Normal terms and conditions	**523**	762	**5**	476
Employee terms and conditions	**1,345**	1,541	**839**	838
The aggregate amount of loans made during the financial year was				
Normal terms and conditions	**696**	314	**-**	100
Employee terms and conditions	**1,382**	1,569	**1,004**	789

41: Related Party Disclosures (continued)

Other transactions of Directors and Director-Related Entities

In addition to the transactions referred to above, the Economic entity entered into the following transactions with Directors and their director-related entities.

Transactions with a value below $25,000 and which have occurred within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing with the director or director-related entity at arm's length in the same circumstances, and which do not have the potential to adversely affect decisions about the allocation of scarce resources, are deemed trivial. These transactions are disclosed by general description in accordance with AASB 1017.

(i) Financial instrument transactions

Under the Australian Securities Commission class order referred to above, disclosure of financial instrument transactions regularly made by a bank is limited to disclosure of such transactions with a director of the entity concerned.

Financial instrument transactions that have occurred during the financial year were

- Personal banking (including credit card facilities) and deposit transactions with directors of the Company and its controlled entities. These transactions have occurred on an arm's length basis and normal commercial terms and conditions no more favourable than those given to other employees or customers.

These transactions are all trivial or domestic in nature, except for those noted below.

- Deposit transactions with the directors listed below occurred during the financial year. The aggregate amount outstanding on these deposits at 30 September 1995 was $3,384,722 (1994: $2,307,965). These transactions were conducted on an arm's length basis in the normal course of banking business with interest paid being trivial. The directors involved were

G Armsworth	K J Hook*	I F Peterkin**
J Baudains	I Husain	P Quinton
A Burgio*	R E Knight**	D Schulz
D J Butler*	M LaBrooy**	Dr B W Scott**
R Chessari	J M Lineham*	G Scott**
J Crough	R Martin	P Smith
K Deeble	P McMahon	R M Taggart**
G Dowd	G Mills	J D Tait**
A Galbraith	D Morgan	K Tirmizey
B Gould	G Mourant	M Toohey
A Hamid	J F Murray	A E Ward*
D Harvey		

- Directors of the Company and controlled entities maintain bank cheque accounts with credit balances at 30 September 1995. The aggregate amount outstanding on these accounts at 30 September 1995 was $1,663,968 (1994: $1,055,661). These transactions were conducted on an arm's length basis in the normal course of banking business on normal commercial terms and conditions no more favourable than those given to other employees. The directors involved were

T J Brennan	K J Hook*	G Mills
A K Bommakanti*	W S Jones*	A Mohl*
A Burgio	P Karton	R B Morton*
D J Butler	A Khanna*	J F Murray
C Carbonaro	M LaBrooy	P A O'Hern*
B Corbett	A T L Maitland**	P J D Quinton*
K Deeble	P R Marriott**	Sir Ronald Trotter
L Gunawan	P McMahon	A E Ward**
P J O Hawkins**	G Miller**	P Wilson

- Directors of controlled entities have bank overdraft balances at 30 September 1995. The aggregate amount outstanding on these overdraft accounts at 30 September 1995 was $164,427 (1994: $472,462), with interest received and bank charges being trivial. These transactions were conducted on an arm's length basis in the normal course of banking business, on normal commercial terms and conditions no more favourable than those given to other employees. The directors involved were

J McConnell**	D Gibbs*	R Turner
P H Ellis*	P McMahon**	

41: Related Party Disclosures (continued)

- Directors of controlled entities have made deposits with non-bank controlled entities within the Economic entity. The directors involved in these transactions, which occurred on an arm's length basis on normal commercial terms and conditions no more favourable than those given to other employees, are listed below. The aggregate amount outstanding on the deposits at 30 September 1995 was $1,135,179 (1994: $590,574), with interest paid being trivial. The directors involved were

R E Baker*	R J Hughes*	P McMahon*
M I Calderwood	W D B Johnstone	J W Pitt*
G M Collinson	J C McDougall	

- Directors of controlled entities have invested in debentures of non-bank controlled entities. The directors involved in these transactions, which occurred on an arm's length basis on normal commercial terms and conditions no more favourable than those given to other employees, are listed below. The aggregate amount outstanding on the debentures at 30 September 1995 was $461,877 (1994: $294,541), with interest paid being trivial. The directors involved were

R E Baker**	M I Calderwood	R Srinivasan
T J Brennan*	W D B Johnstone*	

- Directors have conducted share trading and futures exchange trading transactions through ANZ McCaughan Limited, a wholly-owned controlled entity of the Company. Brokerage fees on these transactions with executive directors are charged in accordance with terms and conditions no more favourable than those offered to other employees. Brokerage fees charged to non-executive directors are in accordance with terms and conditions no more favourable than those offered to other shareholders.

* *denotes prior year transaction*

** *denotes current and prior year transactions*

(b) Transactions with associated entities

During the course of the year the Company and the Economic entity conducted transactions with associated entities (listed in note 32) on normal commercial terms and conditions, other than an interest free loan of $3,768,602 (1994: $3,768,602) to Network Trust and a loan of $2,390,000 (1994: $2,390,000) to Valuta Group Pty Ltd at a non-commercial interest rate of 2.5% below the prevailing bank bill rate. A provision for doubtful debts of $646,093 (1994: $646,093) is held against the loan to Network Trust. Transactions with associated entities are detailed below.

	Consolidated		The Company	
	1995	1994	**1995**	1994
	$'000	$'000	**$'000**	$'000
Aggregate				
Amounts receivable from associated entities	**12,795**	37,184	**4,069**	4,669
provision for doubtful debts	**846**	1,251	**646**	646
provision for doubtful debts - charge	**646**	896	**646**	646
Property held for resale in				
development ventures with associated entities	**356**	30,939	**356**	30,939
provision for diminution in value	**356**	20,710	**356**	20,710
provision for diminution in value - charge	**-**	19,432	**-**	19,432
Amounts payable to associated entities	**-**	460	**-**	-
Interest revenue	**1,092**	2,129	**39**	919
Dividend revenue	**1,639**	925	**-**	-
Management fee revenue	**-**	25	**-**	-
Rent received	**-**	37	**-**	-
Trust distribution received	**-**	123	**-**	123
Interest expense	**-**	19	**-**	-
Other expenses	**-**	112	**-**	-

41: Related Party Disclosures (continued)

(c) Transactions with controlled entities

Australia and New Zealand Banking Group Limited is the chief entity of all entities detailed in note 31 to these financial statements and undertakes transactions with those controlled entities, the effects of which are eliminated in the consolidated financial statements. These transactions principally arise out of the provision of banking services, the acceptance of funds on deposit, the granting of loans and other associated financial activities. Support services are also provided by and to the Company, including the provision of accounting and administrative assistance based on levels agreed by the respective parties and the rental of premises and/or equipment based on commercial rates. Transactions with controlled entities are on normal terms and conditions.

Details of transactions with controlled entities are

	The Company 1995 $'000	1994 $'000
Aggregate amounts receivable at balance date		
Entities in the wholly-owned group	**5,685,340**	6,305,963
Other controlled entities	**380,789**	182,887
Aggregate amounts payable at balance date		
Entities in the wholly-owned group	**2,790,257**	3,344,368
Other controlled entities	**278,011**	191,914
Interest revenue		
Entities in the wholly-owned group	**420,317**	215,561
Other controlled entities	**15,271**	3,634
Dividends received		
Entities in the wholly-owned group	**7,850**	90,841
Management fees received		
Entities in the wholly-owned group	**268,291**	259,130
Management fees paid		
Entities in the wholly-owned group	**30,291**	24,616
Other controlled entities	**623**	620
Interest expense		
Entities in the wholly-owned group	**286,111**	99,200
Other controlled entities	**10,308**	7,509
Rent received		
Entities in the wholly-owned group	**18,274**	19,864
Rent paid		
Entities in the wholly-owned group	**97,791**	92,314
Superannuation contributions		
Entity in the wholly-owned group	**56,127**	50,914

As detailed in note 37, the assets and liabilities of the Economic entity are not classified as current and non-current. Accordingly, the directors do not consider it practicable to classify amounts due to or from associated entities or controlled entities into current and non-current categories.

42: Remuneration of Directors

Remuneration includes salaries, bonuses, other benefits (including non-cash benefits) and retirement benefits and superannuation contributions. The maximum remuneration for non-executive directors of the company was set at the Annual General Meeting on 20 January, 1995 at $0.85 million. Total fees paid to non-executive directors by the Company for the year was $0.7 million (1994: $0.6 million).
The number of directors of the Company with total remuneration in each of the following bands was

	The Company			The Company	
	1995	1994		**1995**	1994
$1 to $10,000	-	1	$120,001 to $130,000	-	1
$20,001 to $30,000	-	1	$130,001 to $140,000	1	-
$40,001 to $50,000	-	3	$410,001 to $420,000	-	2
$50,001 to $60,000	1	1	$480,001 to $490,000	2	-
$60,001 to $70,000	2	-	$530,001 to $540,000	1	-
$70,001 to $80,000	3	1	$670,001 to $680,000	-	1
$80,001 to $90,000	1	2	$810,001 to $820,000	1	-
$90,001 to $100,000	1	-			
Total number of directors				**13**	13

	Consolidated		The Company	
	1995	1994	**1995**	1994
	$'000	$'000	**$'000**	$'000
Total remuneration received or due and receivable by directors of the Company and controlled entities from the Company or related body corporate[1]	**10,204**	7,261	**3,040**	2,098

[1] *Including the total remuneration of executive directors, excluding executive directors of controlled entities who are executives of the Company*

Under class order 95/741 issued by the Australian Securities Commission on 27 June 1995, the Company is relieved from the disclosure requirements in respect of directors' remuneration set out in Australian Accounting Standard AASB 1017 "Related Party Disclosures". The disclosure requirements in respect of directors' remuneration set out in Schedule 5 of the Corporations Law have been complied with. Remuneration amounts (including comparatives) are disclosed in accordance with the class order.

43: Remuneration of Executives

Remuneration includes salaries, bonuses, other benefits, and superannuation contributions. The remuneration of executives who work wholly or mainly outside Australia are excluded from this disclosure. The number of executives with total remuneration exceeding $100,000 in each of the following bands was

	Consolidated		The Company			Consolidated		The Company	
	1995	1994	1995	1994		1995	1994	1995	1994
$100,001 to $110,000	-	1[1]	-	1[1]	$340,001 to $350,000	1	1	1	1
$120,001 to $130,000	-	1	-	-	$350,001 to $360,000	1	1	1	1
$130,001 to $140,000	3	4	-	-	$370,001 to $380,000	3	-	3	-
$140,001 to $150,000	3	2	-	-	$390,001 to $400,000	-	1[1]	-	-
$150,001 to $160,000	1[1]	4	-	-	$400,001 to $410,000	2[1]	-	1	-
$160,001 to $170,000	3	2	-	-	$410,001 to $420,000	-	3[1]	-	2
$170,001 to $180,000	3	1	-	1	$430,001 to $440,000	-	1[1]	-	-
$180,001 to $190,000	2	5[1]	-	1	$460,001 to $470,000	1[1]	-	-	-
$190,001 to $200,000	1	1[1]	-	-	$480,001 to $490,000	2	-	2	-
$200,001 to $210,000	2	5[1]	2	2	$490,001 to $500,000	-	1[1]	-	-
$210,001 to $220,000	2	5	2	4	$520,001 to $530,000	1[1]	-	-	-
$220,001 to $230,000	2	5[1]	1	2	$540,001 to $550,000	1[1]	-	-	-
$230,001 to $240,000	3	4[1]	2	2[1]	$580,001 to $590,000	1[1]	-	-	-
$240,001 to $250,000	-	2[1]	-	2[1]	$640,001 to $650,000	1[1]	-	-	-
$250,001 to $260,000	3[1]	5[1]	-	3	$670,001 to $680,000	-	1	-	1
$260,001 to $270,000	4[1]	2[1]	3[1]	1	$720,001 to $730,000	1[1]	-	-	-
$270,001 to $280,000	2	-	1	-	$810,001 to $820,000	1	-	1	-
$280,001 to $290,000	2	3[1]	2	2	$900,001 to $910,000	-	1[1]	-	1[1]
$290,001 to $300,000	3	1[1]	3	-	$1,140,001 to $1,150,000	1[1]	-	1[1]	-
$300,001 to $310,000	2[1]	-	2[1]	-					
Total number of executives						58	63	28	27
Total remuneration received or due and receivable directly or indirectly by executives of the Company and controlled entities ($'000)						18,109	15,791	9,827	7,891

[1] *The Executives whose remuneration is recorded in these bands include fixed term employees with contracts which recognise their particular expertise and that they have been recruited by the Economic entity for specialised activities. These bands also include employees in the sharebroking industry whose income includes bonuses in accord with the practice of that industry*

44: Events Since the End of the Financial Year

There have been no significant events since 30 September 1995 to the date of this Report except that a private bill was introduced in the United Kingdom Parliament on 27 November 1995 which, if it becomes law, will enable ANZ Holdings (UK) plc and ANZ Grindlays Bank plc to change their place of incorporation from the United Kingdom to Australia. It is intended that this will occur during 1996. This will facilitate improved interaction between the businesses of ANZ Grindlays Bank plc and the rest of the Group.

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 financial statements set out on pages 39 to 100 are drawn up so as to give a true and fair view of the results and cash flows for the financial year ended 30 September 1995, and the state of affairs at 30 September 1995, of the Company and the Economic entity;

(ii) the consolidated accounts have been made out in accordance with Divisions 4A and 4B of Part 3.6 of the Corporations Law; and

(iii) 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 financial statements have been prepared in accordance with applicable Australian Accounting Standards and Urgent Issues Group Consensus Views.

The Company and some of its wholly owned controlled entities listed in note 31 executed a Deed of Cross-Guarantee enabling them to take advantage of the accounting and audit relief offered by the class orders 91/996 and 92/770, dated 19 December 1991 and 20 July 1992 respectively, 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 orders apply, are able, as an Economic entity, 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

Charles B Goode
Chairman

Melbourne
1 December 1995

D P Mercer
Chief Executive Officer

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 for the financial year ended 30 September 1995, consisting of the profit and loss accounts, balance sheets, statements of changes in shareholders' equity, statements of cash flows, accompanying notes and the directors' statement set out on pages 39 to 101. The financial statements comprise the accounts of the Company and the consolidated accounts of the Economic entity being the Company and its controlled entities. The Company's directors are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent 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 as to whether, in all material respects, the financial statements are presented fairly in accordance with accounting standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements in the manner authorised for a prescribed corporation being a banking corporation so as to present a view which is consistent with our understanding of the Company's and the Economic entity's financial position, the results of their operations and their cash flows.

The names of the controlled entities of which we have not acted as auditors are set out in note 31. We have received sufficient information and explanations concerning these controlled entities to enable us to form an opinion on the consolidated accounts.

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

Qualification

The audit reports on the financial statements for the year ended 30 September 1995 of two controlled entities of the Company, being ANZ Grindlays Bank plc and ANZ Holdings (UK) plc, state that the ultimate outcome of a claim against ANZ Grindlays Bank plc by the National Housing Bank of India is at present uncertain.

This material uncertainty is detailed within note 35 of the financial statements under the heading "India - National Housing Bank". In view of the circumstances, and in particular having regard to the legal opinion obtained by the Economic entity, we concur with the basis on which the financial statements of the Economic entity have been presented.

Qualified Audit Opinion

In our opinion, the financial statements of Australia and New Zealand Banking Group Limited, and, subject to the effects of such adjustments, if any, as might have been required had the ultimate resolution of the uncertainty discussed in the qualification paragraph been known, the financial statements of the Economic entity, are properly drawn up:

(a) so as to give a true and fair view of:
   (i) the state of affairs of the Company and the Economic entity at 30 September 1995 and of the results and cash flows of the Company and the Economic entity for the financial year ended on that date; and
   (ii) 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;

(b) in accordance with the provisions of the Corporations Law in the manner authorised for a prescribed corporation being a banking corporation; and

(c) in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements.

KPMG

KPMG
Chartered Accountants

Melbourne
1 December 1995

Patrick Burroughs.

P M Burroughs
Partner

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 ratio being used as a measure of a bank's capital adequacy in relation to its credit risk.

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. 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.

Qualifying capital	1995 $M	1994 $M	1995 $M	1994 $M	1995 $M	1994 $M
Tier 1						
Total shareholders' equity and outside equity interests					**5,747**	5,504
Unamortised goodwill					**(8)**	(4)
Net future income tax benefit					**(236)**	(336)
Tier 1 capital					**5,503**	5,164
Tier 2						
Perpetual notes - subordinated					**943**	959
General provision for doubtful debts					**678**	567
					1,621	1,526
Subordinated notes[1]					**2,213**	2,122
Tier 2 capital					**3,834**	3,648
Investment in ANZ Life					**(302)**	(248)
Total qualifying capital					**9,035**	8,564
Balance sheet assets			Assets		Risk weighted assets	
Liquid assets			**5,054**	6,068	**1,534**	1,739
Due from other banks			**8,759**	8,057	**1,771**	1,746
Trading securities			**5,785**	3,712	**1,809**	1,436
Investment securities			**2,833**	5,230	**840**	930
Net loans and advances			**68,216**	60,031	**52,449**	47,330
Customers' liabilities for acceptances			**12,646**	12,243	**12,178**	11,813
Regulatory deposits			**1,174**	889	**134**	59
Shares in associates			**10**	8	**10**	8
Other assets			**6,119**	5,708	**1,740**	1,361
Premises and equipment			**1,991**	1,928	**1,991**	1,928
			112,587	103,874	**74,456**	68,350
Off-balance sheet exposures	Contract/ Notional Amount	Credit Equivalent				
Direct credit substitutes	**3,419**	2,621	**3,419**	2,621	**2,437**	1,952
Trade and performance related items	**7,798**	7,391	**3,496**	3,294	**3,068**	2,906
Commitments	**25,720**	23,360	**2,204**	1,982	**1,898**	1,756
Foreign exchange, interest rate and other market related transactions	**394,337**	445,871	**4,958**	4,358	**1,217**	1,063
					8,620	7,677
Total risk weighted assets and off-balance sheet exposures					**83,076**	76,027
Capital adequacy ratios					**%**	%
Tier 1					**6.6**	6.8
Tier 2					**4.6**	4.8
Deductions					**(0.3)**	(0.3)
Total					**10.9**	11.3

[1] *Subordinated note issues are reduced each year by 20% of the original amount during the last five years to maturity*

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.

	1995			1994			1993		
	Average balance $M	Interest $M	Average rate %	Average balance $M	Interest $M	Average rate %	Average balance $M	Interest $M	Average rate %
Interest earning assets									
Due from other banks									
Australia	390	25	6.4	737	27	3.6	560	28	5.0
Overseas	9,279	635	6.8	7,662	489	6.4	8,493	591	7.0
Regulatory deposits with Reserve Bank of Australia	491	30	6.1	460	22	4.8	481	8	1.6
Investments in public securities									
Australia	4,464	332	7.4	4,485	238	5.3	4,904	287	5.8
Overseas	4,311	371	8.6	4,590	353	7.7	4,489	379	8.4
Loans, advances and bills discounted									
Australia	44,783	4,471	10.0	41,411	3,648	8.8	41,152	3,927	9.5
Overseas	21,447	2,065	9.6	18,313	1,457	8.0	17,600	1,463	8.3
Other assets									
Australia	861	61	7.1	779	47	6.0	534	35	6.7
Overseas	4,886	348	7.1	5,020	246	4.9	4,382	263	6.0
	90,912	8,338	9.2	83,457	6,527	7.8	82,595	6,981	8.5
Non-interest earning assets									
Acceptances									
Australia	11,521			10,708			12,377		
Overseas	1,258			1,443			1,640		
Premises and equipment	1,982			1,934			2,336		
Other assets	7,714			8,675			10,533		
Provisions for doubtful debts									
Australia	(1,163)			(1,607)			(2,369)		
Overseas	(396)			(749)			(835)		
	20,916			20,404			23,682		
Total assets	111,828			103,861			106,277		
Total assets									
Australia	66,095			62,743			65,104		
Overseas	45,733			41,118			41,173		
	111,828			103,861			106,277		
% of total assets attributable to overseas activities	40.9%			39.6%			38.7%		

2: Average Balance Sheet and Related Interest (continued)

	1995 Average balance $M	1995 Interest $M	1995 Average rate %	1994 Average balance $M	1994 Interest $M	1994 Average rate %	1993 Average balance $M	1993 Interest $M	1993 Average rate %
Interest bearing liabilities									
Time deposits									
Australia	17,605	1,251	7.1	14,374	757	5.3	15,171	967	6.4
Overseas	16,060	1,135	7.1	13,215	720	5.5	13,713	870	6.3
Savings deposits									
Australia	7,408	239	3.2	7,440	209	2.8	6,911	234	3.4
Overseas	3,117	107	3.4	2,968	89	3.0	2,715	92	3.4
Other demand deposits									
Australia	7,207	408	5.7	7,355	289	3.9	6,570	289	4.4
Overseas	2,023	133	6.6	2,020	82	4.1	1,764	84	4.8
Due to other banks									
Australia	213	15	7.0	340	15	4.3	243	12	5.2
Overseas	11,765	791	6.7	11,859	622	5.2	10,751	686	6.4
Commercial paper									
Australia	1,601	110	6.9	1,738	75	4.3	1,822	85	4.7
Overseas	1,173	68	5.8	932	39	4.2	1,568	53	3.4
Borrowing corporations' debt									
Australia	4,915	402	8.2	4,779	386	8.1	5,404	526	9.8
Overseas	1,139	87	7.6	877	59	6.8	745	60	8.0
Loan capital, bonds and notes									
Australia	4,060	314	7.7	4,194	223	5.3	4,390	233	5.3
Overseas	725	55	7.6	720	45	6.2	798	53	6.6
Other liabilities[1]									
Australia	727	78	n/a	469	45	n/a	619	80	n/a
Overseas	406	36	n/a	649	30	n/a	668	41	n/a
	80,144	5,229	6.5	73,929	3,685	5.0	73,852	4,365	5.9
Non-interest bearing liabilities									
Deposits									
Australia	3,340			3,581			3,123		
Overseas	2,214			1,937			1,716		
Acceptances									
Australia	11,521			10,708			12,377		
Overseas	1,258			1,443			1,639		
Other liabilities	7,420			6,935			8,662		
	25,753			24,604			27,517		
Total liabilities	105,897			98,533			101,369		
Total liabilities									
Australia	62,193			58,561			60,702		
Overseas	43,704			39,972			40,667		
	105,897			98,533			101,369		
Shareholders' equity	5,931			5,328			4,908		
Total liabilities and shareholders' equity	111,828			103,861			106,277		
% of total liabilities attributable to overseas activities	41.3%			40.6%			40.1%		

[1] *Includes foreign exchange swap costs*

3: Interest Spread and Net Interest Average Yield

	1995 $M	1994 $M	1993 $M
Net interest income			
Australia	**2,102**	1,983	1,858
Overseas	**1,007**	859	758
	3,109	2,842	2,616
Average interest earning assets			
Australia	**50,989**	47,871	47,631
Overseas	**39,923**	35,586	34,964
	90,912	83,457	82,595

	%	%	%
Gross earnings rate[1]			
Australia	**9.65**	8.32	9.00
Overseas	**8.56**	7.15	7.71
Total	**9.17**	7.82	8.45

Interest spread and net interest average yield may be analysed as follows

Australia			
Gross interest spread	**3.46**	3.87	4.04
Interest forgone on impaired assets[2]	**(0.25)**	(0.47)	(0.95)
Net interest spread[3]	**3.21**	3.40	3.09
Interest attributable to net non-interest bearing items	**0.91**	0.74	0.81
Net interest average yield[4] - Australia	**4.12**	4.14	3.90
Overseas			
Gross interest spread	**1.93**	2.01	1.99
Interest forgone on impaired assets[2]	**0.01**	0.07	(0.20)
Net interest spread[3]	**1.94**	2.08	1.79
Interest attributable to net non-interest bearing items	**0.58**	0.33	0.38
Net interest average yield[4] - Overseas	**2.52**	2.41	2.17
Group			
Gross interest spread	**2.79**	3.07	3.17
Interest forgone on impaired assets[2]	**(0.14)**	(0.24)	(0.63)
Net interest spread[3]	**2.65**	2.83	2.54
Interest attributable to net non-interest bearing items	**0.77**	0.57	0.63
Net interest average yield[4] - Group	**3.42**	3.40	3.17

[1] *Average interest rate received on interest earning assets*
[2] *Refer note 15 to the Financial Statements*
[3] *Average interest rate received on interest earning assets less the average interest rate paid on interest bearing liabilities*
[4] *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.

	1995 over 1994 Change due to			1994 over 1993 Change due to		
	Volume $M	Rate $M	Total $M	Volume $M	Rate $M	Total $M
Interest earning assets						
Due from other banks						
Australia	(16)	14	(2)	8	(9)	(1)
Overseas	108	38	146	(55)	(47)	(102)
Regulatory deposits with Reserve Bank of Australia	2	6	8	(1)	15	14
Investments in public securities						
Australia	(1)	95	94	(23)	(26)	(49)
Overseas	(22)	40	18	8	(34)	(26)
Loans, advances and bills discounted						
Australia	312	511	823	25	(304)	(279)
Overseas	273	335	608	58	(64)	(6)
Other assets						
Australia	5	9	14	15	(3)	12
Overseas	(7)	109	102	35	(52)	(17)
Change in interest income	654	1,157	1,811	70	(524)	(454)
Interest bearing liabilities						
Time deposits						
Australia	194	300	494	(49)	(161)	(210)
Overseas	174	241	415	(31)	(119)	(150)
Savings deposits						
Australia	(1)	31	30	17	(42)	(25)
Overseas	5	13	18	8	(11)	(3)
Other demand deposits						
Australia	(6)	125	119	32	(32)	-
Overseas	-	51	51	11	(13)	(2)
Due to other banks						
Australia	(7)	7	-	5	(2)	3
Overseas	(5)	174	169	66	(130)	(64)
Commercial paper						
Australia	(6)	41	35	(4)	(6)	(10)
Overseas	12	17	29	(25)	11	(14)
Borrowing corporations' debt						
Australia	11	5	16	(57)	(83)	(140)
Overseas	19	9	28	10	(11)	(1)
Loan capital, bonds and notes						
Australia	(7)	98	91	(10)	-	(10)
Overseas	-	10	10	(5)	(3)	(8)
Other liabilities						
Australia	27	6	33	(17)	(18)	(35)
Overseas	(14)	20	6	(1)	(10)	(11)
Change in interest expense	396	1,148	1,544	(50)	(630)	(680)
Change in net interest income	258	9	267	120	106	226

5: Interest Sensitivity Gap

The following table represents the interest rate sensitivity as at 30 September 1995 of the Economic entity's assets, liabilities and off-balance sheet instruments repricing (ie when interest rates applicable to each asset or liability can be changed) in the periods shown.

Sensitivity to interest rates arises from mismatches in the period to repricing of assets and that of the corresponding liability funding. These mismatches are managed within policy guidelines for gap positions. Major changes in gap positions can be made to adjust the profile as market outlooks change.

At 30 September 1995	To 3 months $M	3 to 6 months $M	6 to 12 months $M	1 to 5 years $M	Greater than 5 years $M	Not bearing interest $M	**Total $M**
Net loans and advances	42,574	5,224	5,797	13,502	717	402	**68,216**
Liquid assets and due from other banks	9,912	1,707	1,268	115	-	811	**13,813**
Trading and investment securities	3,372	761	360	3,057	1,001	67	**8,618**
Other assets	963	10	15	15	19	20,918	**21,940**
Total assets	56,821	7,702	7,440	16,689	1,737	22,198	**112,587**
Certificates of deposit and term deposits	26,344	5,314	4,754	3,548	52	15	**40,027**
Other deposits	19,192	484	182	477	-	5,019	**25,354**
Other borrowings and due to other banks	12,026	1,676	1,442	315	91	468	**16,018**
Bond, notes and loan capital	3,044	398	48	462	848	-	**4,800**
Other liabilities	182	6	1	2	-	20,450	**20,641**
Total liabilities	60,788	7,878	6,427	4,804	991	25,952	**106,840**
Shareholders' equity and outside equity interests	-	-	-	-	-	5,747	**5,747**
Off-balance sheet items affecting interest rate sensitivity	4,417	(2,526)	(187)	(2,086)	382	-	**-**
Interest sensitivity gap							
- net	450	(2,702)	826	9,799	1,128	(9,501)	**-**
- cumulative	450	(2,252)	(1,426)	8,373	9,501	-	**-**

6: Investment Securities by Maturities and Yields

Investment securities are allocated between Australia and Overseas based on the domicile of the issuer.

Based on remaining term to maturity at 30 September 1995

At book value	Due in 1 year or less $M	Due between 1 year and 5 years $M	Due between 5 years and 10 years $M	Due after 10 years $M	**Total $M**	Market Value Total $M
Australia						
Commonwealth securities	-	4	-	-	**4**	4
Local and semi-government securities	22	7	-	-	**29**	29
Other securities and equity investments	415	79	94	5	**593**	595
	437	90	94	5	**626**	628
Overseas						
New Zealand government securities	151	466	-	1	**618**	610
US treasury and government securities	22	5	-	-	**27**	27
Indian government securities	131	130	86	7	**354**	350
Other government securities	497	151	82	1	**731**	734
Other securities and equity investments	220	206	27	24	**477**	477
	1,021	958	195	33	**2,207**	2,198
Total book value	1,458	1,048	289	38	**2,833**	n/a
Total market value						2,826

Weighted average yields[1]	%	%	%	%
Australia				
Commonwealth securities	-	8.18	-	-
Local and semi-government securities	6.70	7.48	-	-
Other securities and equity investments	5.64	6.12	7.07	7.33
Overseas				
New Zealand government securities	8.17	8.02	-	-
US treasury and government securities	5.61	6.98	-	-
Indian government securities	12.84	8.27	12.88	13.41
Other government securities	8.70	9.79	13.77	17.28
Other securities and equity investments	9.32	7.98	8.47	4.22

[1] *Based on coupon rates for fixed interest securities, effective yields for discounted securities and dividend yield for equity investments at 30 September 1995*

7: Loans and Advances by Industry

The Economic entity's loans and advances classified according to industry segments are set out below

	1995 $M	1994 $M	1993 $M	1992[1] $M	1991[1] $M
Australia					
Agriculture, forestry, fishing and mining	**1,721**	1,884	1,802	1,889	1,899
Business service	**1,053**	851	759	727	n/a
Commercial and industrial	**n/a**	n/a	n/a	n/a	10,398
Entertainment, leisure and tourism	**1,079**	827	894	896	n/a
Financial, investment and insurance	**2,106**	2,359	1,638	2,333	4,182
Government and official institutions	**104**	345	205	327	287
Lease finance	**3,138**	3,179	3,212	3,610	3,846
Manufacturing	**2,639**	1,752	1,948	2,006	n/a
Personal	**7,109**	6,379	6,252	6,357	6,200
Real estate - construction	**817**	704	774	1,022	2,465
Real estate - mortgage[2]	**22,734**	21,674	19,676	19,245	13,187
Retail and wholesale trade	**3,615**	3,362	3,497	3,309	n/a
Other	**2,157**	1,451	2,042	2,257	n/a
	48,272	44,767	42,699	43,978	42,464
Overseas					
Agriculture, forestry, fishing and mining	**1,309**	750	901	722	n/a
Banks and other financial institutions	**n/a**	n/a	n/a	n/a	1,225
Business service	**501**	481	449	505	n/a
Commercial and industrial	**n/a**	n/a	n/a	n/a	8,153
Entertainment, leisure and tourism	**319**	237	227	356	n/a
Financial, investment and insurance	**2,066**	1,703	1,776	2,043	n/a
Government and official institutions	**320**	595	409	408	1,046
Lease finance	**51**	52	63	68	n/a
Manufacturing	**3,973**	2,598	2,821	2,912	n/a
Personal	**3,221**	2,388	2,366	2,251	n/a
Real estate - construction	**602**	373	331	414	n/a
Real estate - mortgage[2]	**7,488**	6,245	5,492	4,777	n/a
Retail and wholesale trade	**1,554**	1,485	1,524	1,375	n/a
Other	**1,618**	1,486	1,391	1,022	5,572
Rescheduled country debt	**n/a**	n/a	600	691	n/a
	23,022	18,393	18,350	17,544	15,996
Gross loans and advances	**71,294**	63,160	61,049	61,522	58,460
Provisions for doubtful debts	**(1,380)**	(1,652)	(2,690)	(3,338)	(1,994)
Income yet to mature[3]	**(1,698)**	(1,477)	(2,075)	(2,417)	(2,693)
	(3,078)	(3,129)	(4,765)	(5,755)	(4,687)
Net loans and advances	**68,216**	60,031	56,284	55,767	53,773

n/a Not available

[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 applicable new classifications is not available*

[2] *"Real estate mortgage" includes residential and commercial property exposure. Loans within this category must be for the purchase of such properties and must be secured by property*

[3] *Effective from 30 September 1994, the Economic entity ceased the practice of reserving interest on certain non-accrual loans. Reserved interest balances as at 30 September 1995 amounting to nil (1994: $286 million) for the Economic entity have been written back against the relevant loan accounts. Income yet to mature as at 30 September 1993 includes reserved interest of $517 million for the Economic entity*

8: Maturity Distribution and Interest Rate Sensitivity of Loans

Based on remaining term to maturity at 30 September 1995	Due in 1 year or less[1] $M	Due between 1 year and 5 years $M	Due over 5 years $M	Total $M
Australia				
Agriculture, forestry, fishing and mining	981	515	225	**1,721**
Business service	448	459	146	**1,053**
Entertainment, leisure and tourism	511	361	207	**1,079**
Financial, investment and insurance	856	528	722	**2,106**
Government and official institutions	14	41	49	**104**
Lease finance	1,151	1,750	237	**3,138**
Manufacturing	1,337	966	336	**2,639**
Personal	3,409	2,830	870	**7,109**
Real estate - construction	472	263	82	**817**
Real estate - mortgage	2,190	2,670	17,874	**22,734**
Retail and wholesale trade	1,934	1,270	411	**3,615**
Other	953	774	430	**2,157**
Overseas	11,390	7,033	4,599	**23,022**
Gross loans and advances	25,646	19,460	26,188	**71,294**
Interest rate sensitivity				
Fixed interest rates[2]	12,563	11,326	7,213	**31,102**
Variable interest rates	13,083	8,134	18,975	**40,192**
	25,646	19,460	26,188	**71,294**

[1] *Includes overdrafts*

[2] *Housing loans and other loans that are capped for an initial period are treated as fixed interest rate loans and maturity profiled on the principal repayments due over the term of the loan*

9: Fair Value Information

Statement of Financial Accounting Standards No. 107 (SFAS 107) "Disclosures about Fair Value of Financial Instruments", requires disclosure of the estimated fair value of on and off-balance sheet financial instruments for which it is practical to estimate fair value. The disclosures exclude all non-financial instruments, such as regulatory deposits, and specified financial instruments, such as leases and investments in controlled entities. Accordingly, the aggregate estimated fair value amounts do not represent the underlying value of the Economic entity.

Quoted market prices, when available, are used as the measure of fair value. In cases where quoted market prices are not available, fair values are based on present value estimates or other valuation techniques. For the majority of short term financial instruments, defined as those which reprice or mature in 90 days or less, with no significant change in credit risk, the fair value was assumed to equate to the carrying amount in the Economic entity's balance sheet.

The estimates of fair value are based on relevant information available to management as at 30 September 1995. While management uses its best judgement in estimating the fair value of financial instruments, there are inherent weaknesses in any estimation technique. Many of the estimates involve uncertainties and matters of significant judgement and cannot be determined with precision. Changes in management's underlying assumptions could significantly affect these estimates.

SFAS 107 requires that fair values be calculated by reference to the value of one trading unit without regard to any premium or discount that may result from concentrations of ownership of a financial instrument, possible taxes on the sale of financial instruments and estimated transaction costs. Furthermore, market prices or rates of discount are not available for many of the financial instruments valued and surrogates have been used which may not reflect the price that would apply in an actual sale. Therefore, for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts the Economic entity could have realised in a sale transaction as at 30 September 1995.

The estimated fair value amounts have not been updated for the purposes of these financial statements since 30 September 1995 and, therefore, the estimated fair value of these financial instruments subsequent to 30 September 1995 may be different from the amounts reported.

9: Fair Value Information (continued)

	Carrying value		Estimated fair value	
	1995	1994	1995	1994
	$M	$M	$M	$M
Significant financial assets				
Loans, advances and acceptances	**78,067**	69,671	**78,869**	69,967
Investment securities and shares in associates	**2,843**	5,238	**2,843**	5,226
Trading securities	**5,785**	3,712	**5,785**	3,712
Other financial assets	**19,083**	18,893	**19,179**	18,849

Loans, advances and acceptances

The carrying value of loans, advances and acceptances is net of specific and general provisions for doubtful debts and income yet to mature, and also excludes lease finance receivables. Lease finance receivables have a carrying value of $2,795 million (1994: $2,603 million) and an estimated fair value of $2,779 million (1994: $2,570 million). The estimated fair value of loans, advances and acceptances represent the discounted amount of estimated future cash flows and accordingly has not been adjusted for either specific or general provisions for doubtful debts.

Estimated contractual cash flows for performing loans are discounted at estimated current market rates to determine fair value. For loans with doubt as to collection, expected cash flows (inclusive of the value of security) are discounted using a rate which includes a premium for the uncertainty of the flows.

The difference between estimated fair value of loans, advances and acceptances and their carrying values reflects changes in interest rates and the credit worthiness of borrowers since loan origination. The excess of estimated fair value of loans, advances and acceptances over the carrying value is primarily a reflection of the offsetting of the general provision for doubtful debts against the carrying value and the effect of the decline in longer term interest rates in the year to 30 September 1995.

Investment securities and shares in associates

Fair value is based on quoted market prices or broker or dealer price quotations. If this information is not available, fair value has been estimated using quoted market prices for securities with similar credit, maturity and yield characteristics, or by reference to the net tangible asset backing of the investee.

Trading securities

Trading securities are carried at market value, with the resulting gains and losses included in trading revenue. Market value is generally based on quoted market prices, broker or dealer price quotations, or prices for securities with similar credit risk, maturity and yield characteristics.

Other financial assets

Included in this category are cash, amounts due from other banks, accrued interest and fees receivable. The carrying values of these financial instruments are considered to approximate their fair values as they are short term in nature or are receivable on demand.

The fair values of derivative financial instruments such as interest rate swaps and currency swaps were calculated using discounted cash flow models based on current market yields for similar types of instruments and the maturity of each instrument. Foreign exchange contracts and interest rate option contracts were valued using market prices and option valuation models as appropriate.

Properties held for resale, future income tax benefits and prepaid expenses are not considered financial assets.

9: Fair Value Information (continued)

	Carrying value		Estimated fair value	
	1995	1994	1995	1994
	$M	$M	$M	$M
Significant financial liabilities				
Deposits and other borrowings and acceptances	**82,884**	76,027	**82,894**	75,987
Loan capital and bonds and notes	**4,800**	4,613	**4,773**	4,523
Other financial liabilities	**17,412**	16,475	**17,441**	16,456

Deposits and other borrowings and acceptances

Under SFAS 107, the estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is deemed to equal the amount repayable on demand. SFAS 107 does not permit the fair value to be adjusted for any value expected to be derived from retaining the deposits for a future period of time.

For interest bearing fixed maturity deposits and other borrowings and acceptances without quoted market prices, market borrowing rates of interest for debt with a similar remaining maturity are used to discount contractual cash flows.

The estimated fair value of interest bearing deposits and other liabilities reflects the shortening term of the Economic entity's funding during the year to 30 September 1995.

Loan capital and bonds and notes

The aggregate fair value of loan capital and bonds and notes at 30 September 1995 was calculated based on quoted market prices. For those debt issues where quoted market prices were not available, a discounted cash flow model using a yield curve appropriate for the remaining term to maturity of the instrument was used.

Other financial liabilities

This category includes amounts due to other banks, accrued interest and fees payable for which the carrying amount is considered to be a reasonable estimate of fair value.

The fair values of derivative financial instruments were determined on the basis described under the caption "other financial assets".

Income tax liabilities, other provisions and accrued charges are not considered financial liabilities.

Commitments and contingencies

As outlined in note 35, the Economic entity has various credit-related commitments. Based upon the level of fees currently charged for granting such commitments, taking into account maturity and interest rates, together with any changes in the creditworthiness of counterparties since origination of the commitments, their estimated replacement or fair value is not material.

10: 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.

	1995				1994	
	Loans and advances $M	Acceptances $M	Total $M	Specific provision $M	Total $M	Specific provision $M
Australia						
Agriculture, forestry, fishing and mining	1,721	605	2,326	25	2,593	42
Business service	1,053	481	1,534	36	1,219	48
Entertainment, leisure and tourism	1,079	1,099	2,178	23	1,500	88
Financial, investment and insurance	2,106	1,628	3,734	32	3,493	36
Government and official institutions	104	10	114	-	389	#
Lease finance	3,138	-	3,138	14	3,179	21
Manufacturing	2,639	1,770	4,409	62	3,601	65
Personal[1]	7,109	308	7,417	40	6,832	69
Real estate - construction	817	184	1,001	15	939	14
Real estate - mortgage[2]	22,734	3,164	25,898	126	25,871	221
Retail and wholesale trade	3,615	1,768	5,383	75	4,584	107
Other	2,157	395	2,552	57	1,577	96
	48,272	11,412	59,684	505	55,777	807
Overseas						
Agriculture, forestry, fishing and mining	1,309	43	1,352	11	809	20
Business service	501	88	589	9	555	5
Entertainment, leisure and tourism	319	6	325	7	238	10
Financial, investment and insurance	2,066	290	2,356	26	1,840	30
Government and official institutions	320	2	322	3	595	17
Lease finance	51	-	51	-	52	#
Manufacturing	3,973	362	4,335	54	3,043	52
Personal[1]	3,221	41	3,262	11	2,396	17
Real estate - construction	602	34	636	16	403	38
Real estate - mortgage[2]	7,488	6	7,494	10	6,251	24
Retail and wholesale trade	1,554	144	1,698	27	1,683	27
Other	1,618	218	1,836	23	1,664	38
	23,022	1,234	24,256	197	19,529	278
Total portfolio	71,294	12,646	83,940	702	75,306	1,085

 # Amounts less than $500,000

[1] "Personal" includes non-business loans to individuals through overdrafts, personal loans, credit cards and fully drawn advances

[2] "Real estate mortgage" includes residential and commercial property exposure. Loans within this category must be for the purchase of such properties and must be secured by property

11: Cross Border Outstandings

Cross border outstandings of the Economic entity to countries which individually represented in excess of 0.75% of the Economic entity's 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. The Economic entity's gross unhedged investment in overseas branches and controlled entities is also included in the cross border risk of the respective countries.

	Governments and other official institutions $M	Banks and other financial institutions $M	Other commercial and industrial $M	Total $M	% of Economic entity assets	Commitments including irrevocable letters of credit $M
At 30 September 1995						
New Zealand	**77**	**724**	**3,134**	**3,935**	**3.5**	**1,871**
United Kingdom	**98**	**1,444**	**2,114**	**3,656**	**3.2**	**436**
USA	**87**	**479**	**910**	**1,476**	**1.3**	**560**
Japan	**94**	**1,165**	**493**	**1,752**	**1.6**	**678**
Singapore	**26**	**1,388**	**253**	**1,667**	**1.5**	**34**
India	**361**	**46**	**484**	**891**	**0.8**	**746**
At 30 September 1994						
New Zealand	643	764	2,670	4,077	3.9	950
United Kingdom	101	1,172	1,916	3,189	3.1	1,596
USA	178	1,132	1,304	2,614	2.5	381
Japan	2	910	439	1,351	1.3	759
Hong Kong	-	702	427	1,129	1.1	339
Singapore	28	733	167	928	0.9	218
India	327	114	436	877	0.8	736

12: Doubtful Debts - Industry Analysis

	1995 $M	1994 $M	1993 $M	1992[1] $M	1991[1] $M
Balance at start of year	**1,652**	2,690	3,338	1,993	1,715
Adjustment for exchange rate fluctuations	**(2)**	(84)	56	110	(1)
Write-offs (refer (i) below)	**(497)**	(1,427)	(1,440)	(769)	(862)
Transfer from/charge to profit and loss account	**226**	469	718	1,975	1,072
Provisions acquired(disposed)	**-**	3	(22)	40	46
Tax (liability)benefit realised on rescheduled debt	**-**	-	(2)	1	-
Recognition of provisions previously netted against tax benefits	**-**	-	35	-	-
Other	**1**	1	7	(12)	23
Total provisions for doubtful debts	**1,380**	1,652	2,690	3,338	1,993
(i) Total write-offs by industry					
Australia					
Agriculture, forestry, fishing and mining	**(19)**	(75)	(55)	(37)	(13)
Business service	**(11)**	(52)	(75)	(56)	n/a
Commercial and industrial	**n/a**	n/a	n/a	n/a	(391)
Entertainment, leisure and tourism	**(29)**	(95)	(22)	(21)	n/a
Financial, investment and insurance	**(11)**	(34)	(49)	(36)	(36)
Government and official institutions	**-**	(#)	-	(3)	(3)
Lease finance	**(45)**	(26)	(53)	(28)	(33)
Manufacturing	**(41)**	(79)	(46)	(45)	n/a
Personal[2]	**(47)**	(42)	(91)	(48)	(62)
Real estate - construction	**(6)**	(36)	(22)	(16)	(106)
Real estate - mortgage[3]	**(102)**	(382)	(576)	(206)	(#)
Retail and wholesale trade	**(50)**	(127)	(93)	(61)	n/a
Other	**(55)**	(21)	(18)	(38)	n/a
Overseas					
Rescheduled country debt	**n/a**	(321)	(82)	(11)	(81)
Other	**(81)**	(137)	(258)	(163)	(137)
Total write-offs	**(497)**	(1,427)	(1,440)	(769)	(862)
(ii) Total recoveries by industry					
Australia					
Agriculture, forestry, fishing and mining	**1**	4	1	1	#
Business service	**1**	1	2	1	n/a
Commercial and industrial	**n/a**	n/a	n/a	n/a	4
Entertainment, leisure and tourism	**3**	3	1	#	n/a
Financial, investment and insurance	**2**	4	5	1	#
Government and official institutions	**-**	-	-	-	n/a
Lease finance	**3**	4	5	4	-
Manufacturing	**1**	1	#	1	n/a
Personal[2]	**10**	11	8	10	9
Real estate - construction	**-**	1	#	#	#
Real estate - mortgage[3]	**3**	5	7	6	-
Retail and wholesale trade	**4**	6	2	1	n/a
Other	**3**	3	1	5	n/a
Overseas					
Rescheduled country debt	**n/a**	12	30	-	-
Other	**21**	33	9	7	6
Total recoveries	**52**	88	71	37	19
Net write-offs	**(445)**	(1,339)	(1,369)	(732)	(843)
Ratio of net write-offs to average loans and acceptances	**0.6%**	1.9%	1.9%	1.0%	1.1%

 # Amounts less than $500,000

[1] From 1 October 1991, the Economic entity restructured its classifications of loans by industry in line with Australian Industry Codes for both Australian and Overseas operations. Prior period data for applicable new classifications is not available

[2] "Personal" includes non-business loans to individuals through overdrafts, personal loans, credit cards and fully drawn advances

[3] "Real estate mortgage" includes residential and commercial property exposure. Loans within this category must be for the purchase of such properties and must be secured by property

n/a Not available

13: 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 $100,000 issued at 30 September 1995.

	Due in 3 months or less $M	Due between 3 months and 6 months $M	Due between 6 months and 1 year $M	Due in over 1 year $M	Total $M
Australia					
Certificates of deposit	1,358	815	41	404	**2,618**
Term deposits	10,142	875	916	613	**12,546**
	11,500	1,690	957	1,017	**15,164**
Overseas					
Certificates of deposit	1,385	302	379	4	**2,070**
Term deposits	7,620	1,039	823	570	**10,052**
	9,005	1,341	1,202	574	**12,122**
Total	20,505	3,031	2,159	1,591	**27,286**

14: Short Term Borrowings

The Economic entity's short term borrowings comprise commercial paper, as well as unsecured notes issued by subsidiary borrowing corporations with an original term to maturity of less than one year. The Economic entity has commercial paper programmes in the United States, where it issues paper through ANZ (Delaware) Inc., and in Europe and Asia, where the Economic entity issues paper direct.

	1995 $M	1994 $M	1993 $M
Balance at end of year			
Commercial paper - ANZ (Delaware) Inc.	**1,164**	1,375	350
Commercial paper - other	**2,046**	1,730	1,859
Unsecured notes	**382**	394	414
Weighted average interest rate at end of year			
Commercial paper - ANZ (Delaware) Inc.	**5.76%**	4.86%	3.29%
Commercial paper - other	**5.71%**	5.15%	4.04%
Unsecured notes	**7.40%**	6.95%	4.85%
Maximum amount outstanding at any month end during year			
Commercial paper - ANZ (Delaware) Inc.	**1,860**	1,439	1,705
Commercial paper - other	**2,396**	2,048	2,286
Unsecured notes	**419**	481	542
Average amount outstanding during year			
Commercial paper - ANZ (Delaware) Inc.	**1,172**	931	1,568
Commercial paper - other	**1,602**	1,740	1,822
Unsecured notes	**379**	466	504
Weighted average interest rate during year			
Commercial paper - ANZ (Delaware) Inc.	**5.80%**	4.16%	3.37%
Commercial paper - other	**6.90%**	4.29%	4.68%
Unsecured notes	**7.40%**	6.94%	4.99%

15: US GAAP Reconciliation

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

The following are reconciliations of the financial statements, applying US GAAP instead of Australian GAAP.

	Note	1995 $M	1994 $M	1993 $M
Operating profit after income tax using Australian GAAP		**1,052**	822	246
Items having the effect of increasing(decreasing) reported income				
Reversal of loss on revaluation of properties	(i)	**-**	-	30
Loss on sale of premises, 530 Collins Street, Melbourne	(i)	**-**	-	(90)
Depreciation charged on the difference between revaluation amount and historical cost of buildings	(i)	**2**	1	1
Difference in gain or loss on disposal of properties revalued under historical cost	(i)	**2**	3	1
Amortisation of goodwill	(ii)	**(36)**	(37)	(38)
Write-off of goodwill	(ii)	**(5)**	(5)	(45)
Amortisation of sale-leaseback gain over lease term	(iii)	**5**	17	17
Pension expense adjustment	(vii)	**2**	-	-
Amortisation of capitalised profit arising from sale of Coles Myer warrants	(iv)	**-**	10	10
Net income according to US GAAP		**1,022**	811	132
Shareholders' equity reported at year end using Australian GAAP		**5,700**	5,456	5,089
Elimination of gross asset revaluation reserves	(i)	**(370)**	(372)	(375)
Adjustment to provision for depreciation on buildings revalued	(i)	**32**	30	29
Restoration of previously deducted goodwill	(ii)	**807**	807	807
Accumulated amortisation and write-off of goodwill	(ii)	**(393)**	(352)	(310)
Provision for final dividend	(v)	**260**	189	131
Pension expense adjustment	(vii)	**30**	-	-
Restoration of deferred gain on sale-leaseback transactions less amortisation	(iii)	**(4)**	(9)	(27)
Restoration of deferred profit on Coles Myer warrants transactions less amortisation	(iv)	**-**	-	(10)
Shareholders' equity according to US GAAP		**6,062**	5,749	5,334
Total assets reported using Australian GAAP		**112,587**	103,874	103,045
Elimination of gross asset revaluation reserves	(i)	**(370)**	(372)	(375)
Adjustment to provision for depreciation on buildings revalued	(i)	**32**	30	29
Restoration of previously deducted goodwill	(ii)	**807**	807	807
Accumulated amortisation and write-off of goodwill	(ii)	**(393)**	(352)	(310)
Prepaid pension adjustment	(vii)	**26**	-	-
Reclassification of deferred tax assets against deferred tax liabilities	(vi)	**(350)**	(315)	(406)
Total assets according to US GAAP		**112,339**	103,672	102,790

15: US GAAP Reconciliation (continued)

(i) Premises and equipment

Properties have been revalued by the Economic entity at various times, increasing the book value of these assets (refer note 1 (xvii) in the Financial Statements). Under Australian GAAP, any increments on revaluation are credited directly to the Asset Revaluation Reserve ("ARR"), and decrements are debited to the ARR to the extent of any previous revaluation increments.

Decrements in excess of any previous revaluation increments are charged to the Profit and Loss Account. The ARR forms part of Shareholders' equity.

Under US GAAP, revaluation of properties is not permitted except for decrements which are regarded as permanent.

Accordingly, under Australian GAAP, depreciation charges are generally higher and profits on disposal are lower than those required under US GAAP. The depreciation charges, together with the profits and losses on revalued assets sold have been adjusted to historical cost in the US GAAP reconciliation statement.

(ii) Goodwill

The Economic entity changed its accounting policy in respect of goodwill in the financial year ended 30 September 1993. Previously, goodwill on acquisition was charged in full to the Economic entity's Profit and Loss Account in the year of acquisition. Under US GAAP, goodwill is capitalised and amortised over the period of time during which the benefits are expected to arise, such period not exceeding 40 years generally or 25 years in respect of bank acquisitions.

Adjustments have been made in the US GAAP reconciliation statement to writeback goodwill written-off in full and to amortise goodwill on acquisition over the period of the expected benefits.

Additionally, to the extent that periodic reviews of the carrying amount of goodwill lead to a writedown of goodwill previously capitalised for US purposes, this is adjusted in the US GAAP reconciliation statement.

(iii) Sale-leaseback transactions

Under Australian GAAP for operating leases, gains on disposal under sale-leaseback transactions can be recognised in the period of sale. Under US GAAP, the gain is amortised over the remaining lease term. This difference in treatment has been adjusted in the US GAAP reconciliation statement.

(iv) Option transactions - Coles Myer Warrants

Under US GAAP, premia on options written over equities held in portfolio are amortised over the term of the option. Adopting Australian GAAP, the Economic entity has recognised as profit that part of the option premium associated with the warrant issue representing the intrinsic value of the option, and amortised the remainder. This has been adjusted in the US GAAP reconciliation statement.

(v) Dividends

Under Australian GAAP, dividends are shown in the Profit and Loss Account in the period to which they relate rather than in the period when they are declared as required by US GAAP. This difference in treatment has been adjusted in the US GAAP shareholders' equity reconciliation.

(vi) Income taxes

Under Australian GAAP, tax benefits relating to carry forward tax losses must be "virtually certain" of being realised before being booked. Realisations of benefits relating to other timing differences must be "beyond a reasonable doubt" before they may be booked. These tests are as stringent as those applied under US GAAP and hence no write-down of future tax benefits is required.

Australian GAAP allows offsetting of future income tax benefits and liabilities to the extent they will reverse in the same period. US GAAP requires an offset of these two items where reversal will occur within twelve months and in the period exceeding twelve months. This has been adjusted in the US GAAP reconciliation statement.

(vii) Pension commitments

Under Australian GAAP, contributions in respect of defined benefits schemes are made at levels necessary to ensure that these schemes are maintained with sufficient assets to meet their actuarially assessed liabilities. Any net deficiency arising from the aggregation of assets and liabilities of the Economic entity's defined benefits schemes is provided for in the Economic entity's financial statements (refer note 36 in the Financial Statements). Under US SFAS 87, "Employer's Accounting for Pensions", pension expense is a function of an employee's service period, interest costs, actuarial return on the schemes' assets, amortisation of unrecognised prior service costs and unrecognised net gains or losses. No adjustment was made to the US GAAP reconciliation in prior years as the impact on net income, shareholders' equity and total assets was not material.

15: US GAAP Reconciliation (continued)

Adjustment has been made to the US GAAP reconciliation for the first time this year. $21 million of the transitional asset/obligation calculated as at 1 October 1994 has been credited directly to equity, in accordance with the US SEC guidelines. The remaining balance will be amortised over ten years (refer (xii)).

(viii) Post retirement benefits

Post retirement benefits other than pension payments are not material and no adjustment is required in the US GAAP reconciliation statement.

(ix) Trading securities

US GAAP requires that in instances where trading securities are not bought and held principally for the purpose of selling them in the near term, they should be classified as available for sale and recorded at market value with unrealised profits and losses in respect of market value adjustments recognised in Shareholders' equity.

No adjustment is required to be made in the US GAAP reconciliation as the effect of reclassifying certain trading securities as available for sale is not material.

(x) Foreclosed and in-substance foreclosed assets

The Economic entity does not carry assets acquired in foreclosure proceedings or assets that would be treated as in-substance foreclosures under US GAAP as a separate balance sheet item, because the Economic entity considers the management of security by the Economic entity to constitute part of the loan recovery program. These assets are carried on the Economic entity's balance sheet under Loans and Advances. As part of doubtful debt assessment procedures, provisions are raised to reflect any shortfall in the collateral value over the loan balance where full recovery of a loan is considered doubtful. As a result, these assets are effectively carried at the fair or market value of the collateral which approximates net realisable value. Therefore, the application of the Securities and Exchange Commission's Financial Reporting Policy 401.09 regarding in-substance foreclosures would not result in an adjustment in the US GAAP reconciliation statement.

(xi) Accounting for the impairment of loans

The Economic entity has not adopted the provisions of SFAS 114, which is not effective until financial years commencing on or after 15 December 1994. SFAS 114 requires the value of an impaired loan to be measured as the present value of future cash flows discounted at the loan's effective interest rate, the loan's observable market price or the fair value of the collateral, if the loan is collateral dependent. There is no requirement under Australian GAAP to discount the expected future cash flows attributable to impaired loans in assessing the level of specific provision for doubtful debts.

However, the general provision for doubtful debts, which amounts to $678 million as at 30 September 1995, would exceed the estimated write-down of impaired loans consequent to the adoption of the provisions of SFAS 114 as at 30 September 1995. Therefore, it is estimated that the adoption of the provisions of SFAS 114 by the Economic entity as at 30 September 1995 would not have resulted in an adjustment to the US GAAP reconciliation statement.

15: US GAAP Reconciliation (continued)

(xii) Details of Pension Schemes and Pension Expense

Reconciliations of the funded status of major defined benefit schemes as at 30 June 1995 are summarised below. Details of the funding of the schemes are set out in note 36.

	Australian Scheme accumulated benefits exceed assets	UK Scheme assets exceed accumulated benefits
	$M	$M
Accumulated benefit obligation - vested	61	431
Projected benefit obligation	61	482
Fair value of plan assets	49	570
(Deficiency)excess of assets over projected benefit obligation	(12)	88
Unrecognised net transition (gain)	(1)	(54)
Unrecognised net (gain)	-	(14)
Unrecognised prior service cost	9	6
Adjustment needed to recognise minimum liability	(11)	-
(Pension liability)prepaid pension cost	(15)	26

The assumptions used in the actuarial calculations are as follows

	Australian Scheme	UK Scheme
Discount rate used in determining present values		
- active members	7.50%	8.75%
- pensioners	9.00%	-
Annual increase in future compension levels		
- salary	5.00%	7.00%
- pensions	3.00%	-
Expected long-term rate of return on assets	8.00%	9.50%

The elements of the net periodic pension cost of the above schemes are as follows

	1995
	$M
Service cost	10
Interest cost	44
Actual (return) on schemes' assets	(84)
Net amortisation and deferral	33
Net periodic pension cost	3

The Economic entity also sponsors defined contribution schemes. Details of the major schemes are set out in note 36. The Economic entity's contributions to major defined contribution schemes amounted to $58 million for the year.

1: Major Shareholders

Ordinary shares

At 10 November 1995 the twenty largest holders of ordinary shares held 724,877,282 ordinary shares, equal to 50.1 per cent of the total issued ordinary capital.

	Number of shares	%
Chase Manhattan Nominees Ltd	145,350,867	10.0
National Nominees Limited	113,037,417	7.8
Westpac Custodian Nominees Limited	94,115,965	6.5
ANZ Nominees Ltd	83,393,214	5.8
Australian Mutual Provident Society	37,472,510	2.6
State Authorities Superannuation Board	34,216,909	2.4
Queensland Investment Corporation	27,162,880	1.9
The National Mutual Life Association of Australasia Limited	27,035,569	1.9
MLC Life Limited	23,941,734	1.6
CBA Nominees Limited	16,919,826	1.2
Citicorp Nominees Pty Limited	14,822,816	1.0
Perpetual Trustees Nominees Limited	14,370,171	1.0
Permanent Trustee Company Limited	13,196,688	0.9
Barclays Australian Custodian Services Limited	12,622,722	0.9
Perpetual Trustees Victoria Limited	12,510,370	0.9
Mercantile Mutual Life Insurance Company Limited	12,288,550	0.8
Prudential Corporation Australia Limited	11,993,979	0.8
HKBA Nominees Pty Limited	10,555,673	0.7
Pendal Nominees Pty Limited	10,165,922	0.7
The Equity Trustees Executors and Agency Company Limited	9,703,500	0.7
	724,877,282	50.1

2: Substantial Ordinary Shareholders

At 10 November 1995, there were no entries in the Register of Substantial Shareholdings.

During the year to 10 November 1995, notices were received from Templeton Worldwide Inc, advising on 16 December 1994 disclosing an interest in 67,753,934 ordinary shares and on 21 July 1995 advising that the corporation had ceased to be a substantial shareholder.

3: Average Size of Shareholdings

At 10 November 1995 the average size of holding of ordinary shareholdings was 12,594 (1994: 12,207) shares.

4: Distribution of Shareholdings

Ordinary shares - fully paid

At 10 November 1995 Range	Number of holders	% of holders	Number of shares '000	% of shares
1 to 1,000 shares	39,038	34.0	18,877	1.3
1,001 to 5,000 shares	54,981	47.9	132,435	9.2
5,001 to 10,000 shares	12,296	10.7	86,567	6.0
Over 10,001 shares	8,514	7.4	1,208,238	83.5
	114,829	100.0	1,446,117	100.0

5: Voting Rights of Shareholders

Ordinary shares - fully paid

The Articles provide for

(i) on show of hands 1 vote;

(ii) on a poll 1 vote for each ordinary 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.

6: Holders of Non-Marketable Parcels

Ordinary shares

At 10 November 1995, shareholdings of less than a marketable parcel (1 to 99 shares) were 4,838 (1994: 4,350), which is 4.21% of the total holdings of ordinary shares.

7: Employee Shareholder Information

At the January 1994 Annual General Meeting, shareholders approved a limit of 7% of the issued share capital of the Company on the number of shares which may be issued under the Employee and Senior Officers' Share Purchase Schemes and the unissued shares to which options may be granted under any incentive schemes for employees and directors of the Group.

At 10 November 1995, participants in the Employee and Senior Officers' Share Purchase Schemes held 1.9% (1994: 2.0%) of the issued share capital. Options to purchase 7,910,000 ordinary shares have been granted under the Directors' Share and Option Purchase and the ANZ Group Share Option Schemes.

8: Directors' Shareholding Interests

	A	B	C	D	E
J C Dahlsen	33,400	50,000	-	-	12,000
Dr R S Deane	25,000	50,000	-	-	-
J K Ellis	2,207	-	-	-	-
C B Goode	144,276	50,000	50,000	-	-
C J Harper	26,814	40,000	-	-	-
M A Jackson	18,861	50,000	-	-	-
A T L Maitland	82,730	-	50,000	300,000	-
D P Mercer	62,056	-	50,000	500,000	-
J F Ries	102,000	-	50,000	300,000	-
Dr B W Scott	30,404	50,000	-	-	-
Sir Ronald Trotter	12,400	50,000	-	-	-
R B Vaughan	79,027	-	-	-	-
	619,175	340,000	200,000	1,100,000	12,000

A Beneficially held - fully paid ordinary shares of $1.00 each

B Beneficially held - partly paid ordinary shares of $1.00 each, paid to 10 cents, issued pursuant to the Directors' Share and Option Purchase Scheme

C Beneficially held - 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 one cent, which was paid on issue of the option

D Beneficially held - options issued pursuant to the ANZ Group Share Option Scheme to take up shares in the Company no earlier than 3 years or later than 5 years after issue at market prices fixed as at the time of issue less one cent, which was paid on issue of the option, provided certain performance criteria are met

E Non-beneficially held - fully paid ordinary shares of $1.00 each

Annual General Meeting

The Annual General Meeting will be held at the Savoy Ballroom, Grand Hyatt Melbourne, 123 Collins Street, Melbourne on Wednesday, 17 January 1996.

Chairman's Address

A summary of the Chairman's address to the AGM will be published in the "Shareholder Contact" magazine issued in February 1996.

Stock Exchange Listings

The Group's ordinary shares are listed on the Australia Stock Exchange, the International Stock Exchange in London and the New Zealand Stock Exchange. The Capital Securities offered in February 1993 are listed on the New York Stock Exchange. Preference shares were converted to ordinary shares on 11 July 1995.

American Depositary Receipts

The Bank of New York sponsors an American Depositary Receipt program in the United States of America. The ADRs were listed on the New York Stock Exchange on 6 December 1994. ADR holders should deal directly with the Depositary, Bank of New York, New York (Telephone (212) 815-2729, Fax (212) 571-3050) on all matters relating to their ADRs.

Dividends

The final dividend of 18 cents per share will be paid on 17 January 1996 bringing the full year dividend to 33 cents per share. The interim dividend paid in July 1995 was unfranked and the final dividend is franked to 6 cents at 36% tax rate for Australian taxation purposes. Dividends may be paid directly to a bank account in Australia, New Zealand or United Kingdom. Shareholders who want their dividends paid this way should advise the relevant Share Registry in writing prior to books closing date. Dividend reinvestment plan and Bonus option plans are available to shareholders. The options are detailed in a booklet called "Shareholder Alternatives", copies of which are available from the Share Registrars at the addresses shown.

Enquiries

Shareholders who wish to contact the Company on any matter related to their shareholding are invited to telephone or write to the most convenient Share Registry.

Change of Address

It is important that shareholders notify the Company in writing if there is a change to their registered address. For added protection shareholders should quote their Holder Number.

Removal from Annual Report Mailing List

Shareholders who do not want the Annual Report or who are receiving more than one copy should advise the Share Registrar in writing. These shareholders will continue to receive all other shareholder information.

To Consolidate Shareholdings

Shareholders who wish to consolidate their separate holdings should advise the share registry in writing.

FINANCIAL CALENDAR

Books close for 1995 Final Dividend	**15 December 1995**
1995 Final Dividend Payment	**17 January 1996**
Annual General Meeting	**17 January 1996**
Interim Results Announcement	**21 May 1996***
Books Close Date for Interim Dividend	**7 June 1996***
1996 Interim Dividend Payment	**8 July 1996***
Final Results Announcement for Year End 30 September 1996	**20 November 1996***

*tentative dates only

Credit Ratings (December 1995)

Short Term Debt

Moody's Investor Service	P-1
Standard & Poor's Ratings Group	A1

Long Term Debt

Moody's Investor Service	A1
Standard & Poor's Ratings Group	A+

Registered Office

Level 2, 100 Queen Street, Melbourne,
Victoria 3000 Australia
Phone: (03) 9273-6141
Fax: (03) 9273-6142
Group Secretary: R T Jones
Chief Financial Officer: D T Craig
General Manager Investor Relations: D H Ward

Share Registrars

Australia

Coopers & Lybrand, Southbank Terrace,
71 City Road, Southbank, Victoria 3006
Phone: (03) 9205 4999 Toll Free: 1800 331 721
Fax: (03) 9205 4900

New Zealand

C/- ANZ Banking Group (New Zealand) Limited
8th Floor, 215-229 Lambton Quay, Wellington
Phone: (04) 496 7000
Fax: (04) 496 8872

United Kingdom

Barclays Registrars, Bourne House
34 Beckenham Road, Beckenham
Kent BR3 4TU
Phone: (181) 650 4866
Fax: (181) 639 2437

ANZ

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

Registered Office: Level 2, 100 Queen Street, Melbourne, Victoria 3000, Australia.
Telephone: (03) 9273 6141 Facsimile: (03) 9273 6142