



The Bank with a human face

This is a chronicle of 12 months in our organisation, the events that mattered, the impacts they made and the way we dealt with them.

02	Chairman's letter to shareholders
04	Chief Executive Officer's overview
06	ANZ Overview
08	Chief Financial Officer's review
12	Personal Financial Services
22	Corporate Financial Services
30	International and Subsidiaries
34	New Zealand
36	Risk Management
38	ANZ and Technology
42	Our People
44	The Community and the Environment
46	Board of Directors
48	Corporate Governance
49	Concise Financial Report

The past year has been about recognising realities and facing them.

About technology, people, leadership and having a go.

And if you're an ANZ customer, staff member or shareholder, it's about you.

To us, "growth" no longer means simply being a bigger version of what we were before. To truly grow today, we must break out from old paradigms, be different from what we have been in the past and distinct from what our competitors are today.

The following pages aim to give you a clear and transparent look at the 12 months from October 2000 to September 2001. As a shareholder, you'll learn more about how your investment grew in value. You'll also know more about how ANZ grew in strength, in scope and in creativity.

And perhaps, most importantly, you'll have a clearer picture of where we intend to go in the future, how well we're equipped to meet our objectives, and what foundations are being laid to help our customers, our staff and you, as our shareholder, grow with ANZ.



Prudence, performance, and momentum.

ANZ has again delivered on our promises to shareholders. In the year ended 30 September, 2001, earnings per share grew by 10% to \$1.17 and the dividend per share was increased by nine cents to 73 cents per share fully franked. The net operating profit after tax increased by 7% to \$1,870 million, a new record for the company.

Our return on ordinary shareholders' equity at 20.2% passed our 20% target and our cost income ratio was 48.3%. Our tier one capital was solid at 7.5%.

It is also pleasing to see this performance reflected in the share price, which rose by over 20% during the year and recorded all-time highs.

Management and staff are to be complimented for these achievements, which reflect a focussed approach to cost controls, risk management, and business generation, combined with good execution of a well thought out strategy.

During the year we moved to have a strategy focussed on 16 specialist businesses. We continued our application of eCommerce to both our internal organisation and to communication with our customers. We moved to be far more customer-oriented in our personal businesses and sought to improve our culture and values within the company and in our relations with customers. We have maintained continued attention to the control of our risk exposures.

We have sought to energise our staff to be bold and think differently about how things are done and to take the initiative and make a difference for their teams and their customers with our "Breakout" program. Our attention to people development and customer focus has been elevated to equal importance with financial performance. Our philosophy is to ensure that staff excel in their own business unit and also work collaboratively for the success of ANZ as a whole. This approach is helping to foster a new spirit in the organisation, and assisting us to reach out and connect more strongly with our customers and the community.

On 8 October 2001, Mr Gary Toomey resigned from the Board and I wish to express our appreciation of the contribution he made to our deliberations since his appointment in March 1998.

In looking to the year ahead we see continued progress in a more difficult environment. We expect some deterioration in credit quality in line with the weaker economic conditions. We also see opportunities for growth in many of our businesses and are optimistic that the Bank has the strategy and management capability to continue to grow, although at a more subdued rate.

Charles Goode
Chairman

A strong foundation with new momentum.

Specialise, eTransform, Perform, Grow and Breakout.

I am pleased to report another record result with the 2001 profit up 7% on last year (18% excluding discontinued businesses). Our good first half performance was repeated in the second half, despite the more subdued economy and weaker credit environment.

All but one of our specialist businesses grew their profits during the year, and all but four had double digit earnings growth. This demonstrates the robustness of our strategy, our disciplined management and risk approach, and the strength and depth of our management team. It emphasises our focus on growing the top line, our caution on risk, our rigour on capital allocation, and our decisiveness on costs.

The past four years has seen a major transformation of ANZ. We now have a more sustainable and balanced business mix, improved positions in a number of growth sectors, industry leading productivity, and considerably lower risk. The current uncertainties in the Middle East and South Asia provide further affirmation of our decision to sell Grindlays.

All of this has resulted in a record share price, market capitalisation, and shareholder dividend.



We have made good progress with our other stakeholders. The number of customers and market share across most measures has increased. Staff satisfaction has improved substantially. We have also taken a number of steps to earn the trust of the community, including a new ANZ Customer Service Charter, free transactional banking for those over 60, major concessions for Centrelink and Health cardholders and our moratorium on regional branch closures.

Of course, not everything has worked in our favour, and there are areas where we are not doing as well. Although we have made progress in the areas of customer and community satisfaction, we have a great deal yet to do. It is well known that banks are not held in high regard by personal customers or by the community. Changing this perception of ANZ and contributing to changes in the wider industry is a major priority of ours over the next few years.

Again, while we have made substantial progress in Personal Financial Services, we remain underweight strategically in this area. In particular we need to increase the number of customers in Metrobanking, Regionalbanking and Small to Medium Business. We also need a stronger position in Wealth Management.

We are also facing substantial competition for deposit funds, constraining our ability to grow assets – particularly from alternative investments. Plans are in place to increase deposits, but the real solution lies in diversifying our business by growing alternative revenue streams.

This year we launched the “Breakout” program to create a sustainable high performance culture at ANZ. One thousand of our top managers have now been through the program, and we are planning to extend this to 6,000 this year. We believe this initiative will be the foundation for sustainable performance differentiation in future years.

As we predicted in the first half, we have seen deterioration in asset quality in Australia as a result of the recent downturn. This has been evidenced particularly through some large corporate collapses and our specific provisions have therefore risen. To reflect the potential risk arising from global economic uncertainty and the events of September 11th, we increased the economic loss provision (ELP) for the year by \$41 million. Our specific provisions are now broadly in line with ELP for the year, albeit higher for the second half. We have provided for all known problem exposures.

The Australian and New Zealand economies are currently performing relatively well, but it is likely that the higher level of uncertainty will have a tangible effect. We are closely monitoring the situation and are preparing contingency plans to mitigate any adverse impact should the situation deteriorate. This will see us in a position to take appropriate action quickly, should this be necessary.

We will continue to invest in selected growth segments and to improve the sustainability of our business mix. We are also paying particular attention to customer and staff satisfaction, in building our strategic position in our core businesses, and in earning the trust of the community. We have plans for a major transformation of our branch network domestically over the next few years. Additionally, strategic opportunities at reasonable values are likely to present themselves, and we believe this will play to our advantage. As examples, we recently acquired a 75% shareholding in Bank of Kiribati and signed contracts to acquire Bank of Hawaii's businesses in Fiji, Papua New Guinea and Vanuatu.

We expect a slowing in revenue opportunities until such time as the economy rebounds. The credit environment is likely to remain subdued, but barring significant deterioration, losses will be containable. We are accordingly taking a deliberately cautious approach to our business, and will continue to manage costs toward a cost income ratio in the mid-40's, and constrain asset growth in economically sensitive areas.

Taking account of all factors, we remain positive about future performance, and are leaving our 2002 and 2003 financial targets unchanged.

John McFarlane
Chief Executive Officer

ANZ Overview

GROUP

Profile

The Bank with a human face

- > 22,501 employees
- > \$185b assets

Key Businesses

- > Personal Financial Services
- > Corporate Financial Services
- > International & Subsidiaries

Significant Events 2001

- > Implemented specialist business model
- > Established a customer charter
- > Completed \$1b buyback
- > Launched new Breakout Culture program
- > Launched staff volunteering program
- > Record share price

Performance

- > Profit \$1,870m
- > Return on Equity 20.2%
- > Cost Income 48.3%
- > Asset growth 8%
- > Staff Satisfaction 62%

Targets

The group has committed to achieving the following targets by 2003:

- > EPS growth > 10%
- > Return on Equity > 20%
- > Cost Income ratio – mid 40% range
- > Inner Tier 1 Capital – 6.0%
- > Maintain AA category credit rating

PERSONAL

Profile

Realising our unique growth opportunities

- > 11,474 employees
- > 4 million customers (Australia)
- > 1 million customers (NZ)
- > 775 branches (Australia)
- > 143 branches (NZ)
- > 750,000 internet banking customers (Australia)
- > 170,000 internet banking customers (NZ)

Key Businesses

- > Mortgages
 - > Metrobanking
 - > Regionalbanking
 - > Wealth Management
 - > Small to Medium Business
 - > Cards & ePayments
- More details about these businesses on pages 12–17

Significant Events 2001

- > Australian Savings Institution of the Year
- > Home Lender of the Year
- > On-line Bank of the Year
- > Best investment/financial website
- > Best Internet Bank in Australia and NZ
- > Doubled the number of internet customers

Performance

- > Profit \$879m
- > Income growth 9%
- > Cost Income 52.6%
- > Asset growth 10%
- > Staff Satisfaction 55%

Targets

- > Increase profit by 15%+ pa to 2005
- > Add 1 million new customers by 2005
- > Double customer and staff advocacy by 2004

CORPORATE

Profile

Dynamic, leading and growing

- > 3,126 employees
- > 10,000 customers

Key Businesses

- > Corporate Banking
- > Institutional Banking
- > Global Foreign Exchange
- > Global Structured Finance
- > Global Transaction Services
- > Global Capital Markets

More details about these businesses on pages 22–27

Significant Events 2001

- > Best FX Bank Australia
- > #1 Commercial Paper Australia & NZ
- > #1 Project Finance Loan Arranger Asia Pacific
- > #1 Overall Customer Satisfaction (Global Transaction Services)
- > #1 Overall Customer Satisfaction (Corporate & Institutional Banking)

Performance

- > Profit \$737m
- > Income growth 14%
- > Cost Income 38.5%
- > Asset growth 5%
- > Staff Satisfaction 68%

Targets

- > Profit after tax of \$1b by 2004
- > Maintain our #1 position in client satisfaction
- > Attain a top 3 position in each of our core businesses
- > Achieve a cost income ratio in the 30% range

The Bank with a human face

- > Put our customers first
- > Perform and grow to create value for our shareholders
- > Lead and inspire each other
- > Earn the trust of the community
- > Breakout, be bold and have the courage to be different

INTERNATIONAL & SUBSIDIARIES

Profile

Leveraging strengths for growth

- > 3,799 employees
- > 1 million customers

Key Businesses

- > Asia
- > Pacific
- > Asset Finance
- > ANZ Investments

More details about these businesses on pages 30–33

Significant Events 2001

- > New operations in East Timor, American Samoa and Kiribati
- > Announced purchase of Bank of Hawaii operations in PNG, Vanuatu, Fiji
- > Improved quality of loan portfolio in Asia
- > Significant efficiency improvements in asset finance
- > Launched new ANZ Investments brand

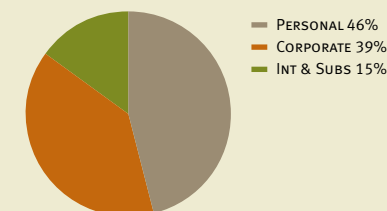
Performance

- > Profit \$284m
- > Income growth 7%
- > Cost Income 48.2%
- > Asset growth 8%
- > Staff Satisfaction 65%

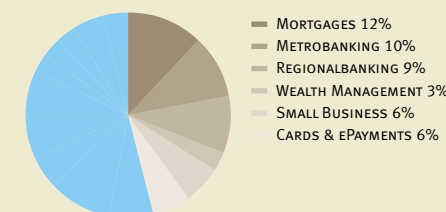
Targets

- > Grow the network business in Asia by leveraging core Group capabilities
- > Continue expanding in new and existing markets in the Pacific
- > Strengthen leading position in Asset Finance
- > Finalise joint venture with a major global fund manager

GROUP PROFIT AFTER TAX – OPERATING SEGMENTS



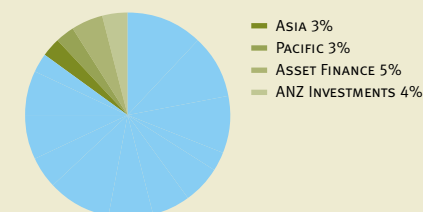
PERSONAL



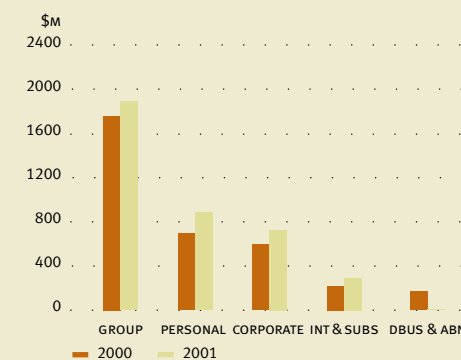
CORPORATE



INTERNATIONAL & SUBSIDIARIES



NET PROFIT AFTER TAX



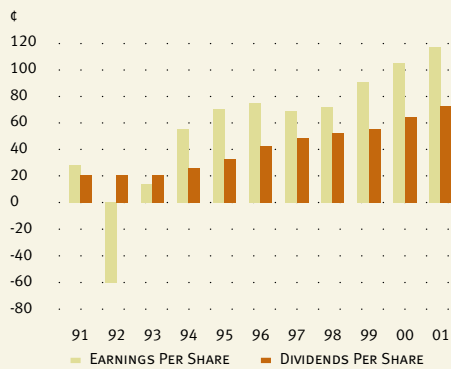
DBUS - DISCONTINUED BUSINESS
ABN - ABNORMALS

Another year of growth and increased shareholder returns.

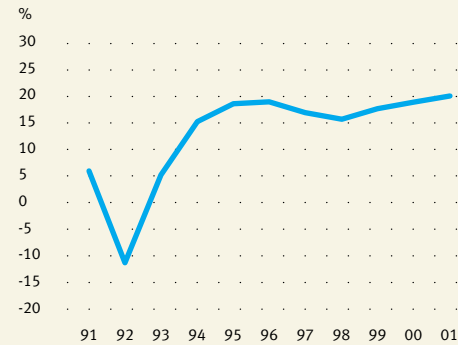
The figures are in and they tell a positive story. Earnings, dividends per share, income and profit are all 'up'.

We have good momentum in a more difficult environment.

EARNINGS AND DIVIDENDS PER SHARE UP



HIGHER RETURN ON EQUITY



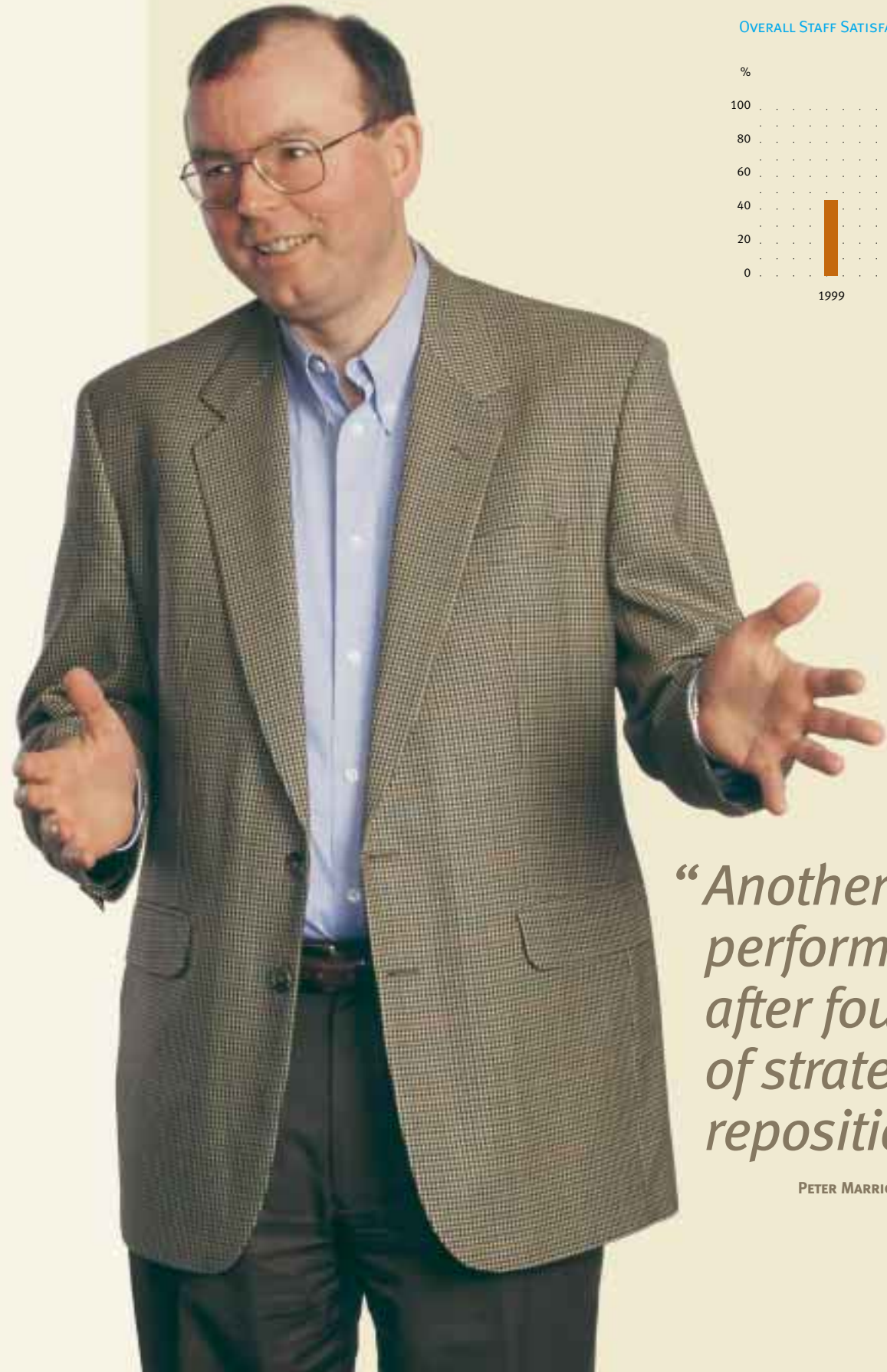
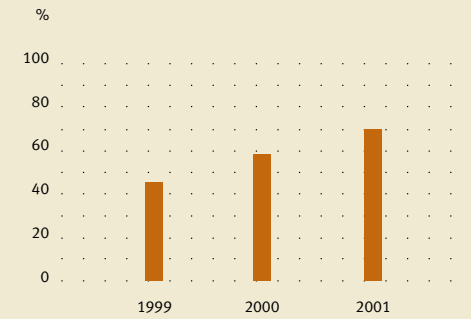
Increased Earnings & Dividends per share growth

- › Earnings per share 117.4 cents; up 10% (2000 – 106.8 cents).
- › Dividends per share 73 cents; up 14% (2000 – 64 cents).
- › Payout Ratio 62.0% (2000 – 59.1%).
- › Franking 100% interim, 100% final (2000 – 100% interim, 100% final).

We exceeded our Return on Equity target of 20%

- › The Group has achieved its goal of a Return on Equity greater than 20% two years earlier than targeted, with a Return on Equity of 20.2%.
- › Increase in Return on Equity is primarily due to Return on Assets improving from 1.05% to 1.07%.
- › Profit attributable to members of the company \$1,870m – up from \$1,747m notwithstanding the sale of Grindlays in 2000.
- › Average ordinary shareholders' equity \$8,666m (2000 – \$8,451m).

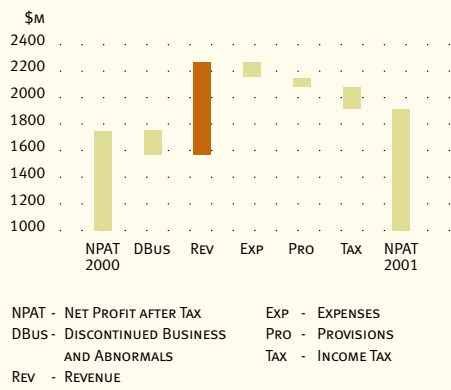
OVERALL STAFF SATISFACTION CFO'S UNIT



“Another positive performance after four years of strategic repositioning.”

PETER MARRIOTT CHIEF FINANCIAL OFFICER

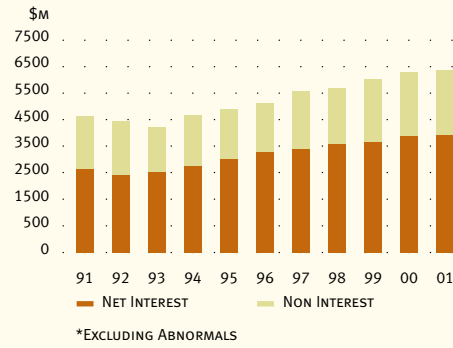
YEAR ON YEAR PROFIT COMPARISON



Profit growth of 7%

- › During the 2000 year, ANZ sold or discontinued a number of businesses, including Grindlays. In 2000, these businesses contributed a net profit of \$106m.
- › 2000 also included a net abnormal gain of \$44m.
- › Notwithstanding these factors profit grew by 7% (2000 – \$1,747m; 2001 – \$1,870m).
- › For continuing businesses, profit increased 18%, from \$1,597m to \$1,882m. A 2% decrease in the Australian corporate tax rate boosted profits by \$36m.
- › This was a good profit result driven by revenue growth and cost containment, offset by higher provisions.

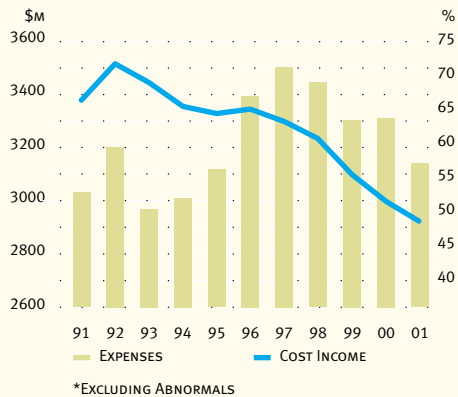
SOLID INCOME GROWTH*



Operating income

- › On a reported basis, net interest income grew 1%, from \$3,801m in 2000 to \$3,833m in 2001. For continuing businesses, net interest income was up 10%, driven by growth in average loans and advances of 10%, and by overall margins increasing from 2.75% to 2.77%.
- › Non-interest income was up 1%, however for the continuing businesses increased by 12%. This result was driven by:
 - Institutional Banking – up 23%
 - Asia – up 25%
 - Pacific – up 22%
 - Cards – up 24%
 - Global Foreign Exchange – up 19%
 - Wealth Management – up 17%

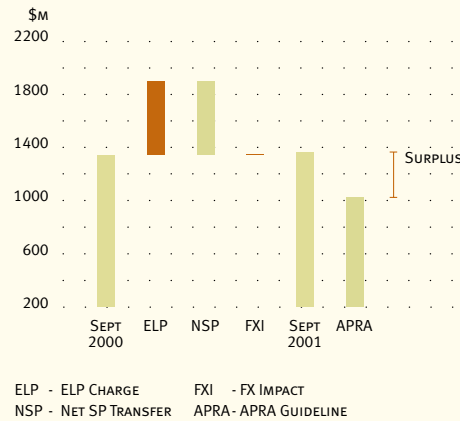
COST INCOME RATIO LOWER*



Progress in meeting our Cost Income Ratio commitment

- › In 2000, we made a commitment to reduce our cost income ratio to the mid 40's by 2003.
- › Our cost income ratio has reduced to 48.3%.
- › The reduction in the cost income ratio in 2001 was primarily the result of income growth and tight cost containment as all businesses focussed on increasing efficiency and lowering discretionary spending.
- › During the year, acquisitions and GST increased expenses by \$76m, largely accounting for the increase in expenses on a continuing basis from \$3,024m in 2000 to \$3,128m in 2001.
- › On a reported basis, expenses were down 6%, from \$3,314m in 2000 to \$3,131m in 2001.

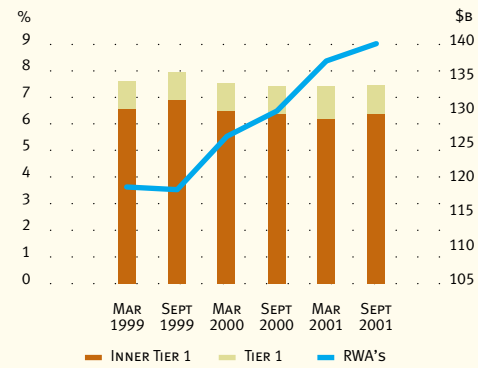
MOVEMENT IN GENERAL PROVISION



Asset quality

- › Reflecting the challenging economic environment, net specific provisions increased from \$383m in 2000 to \$520m in 2001.
- › Economic Loss Provision (ELP) increased moderately from \$502m to \$531m.
- › The ELP charge was increased by \$41m, based on modelling of the estimated impact of the weakening economic environment following the September 11 US terrorist attacks.
- › Risk profiles continue to be closely monitored.
- › Non-accrual loans declined from \$1,391m in 2000 to \$1,260m in 2001, assisted by write-offs and debt sales.
- › Our general provision of \$1,386m remains well above the APRA guideline (\$1,014m).

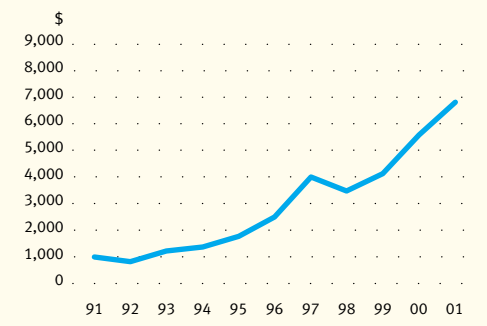
WE ARE CAPITALISED ABOVE REGULATORY LEVELS



Balance Sheet Management

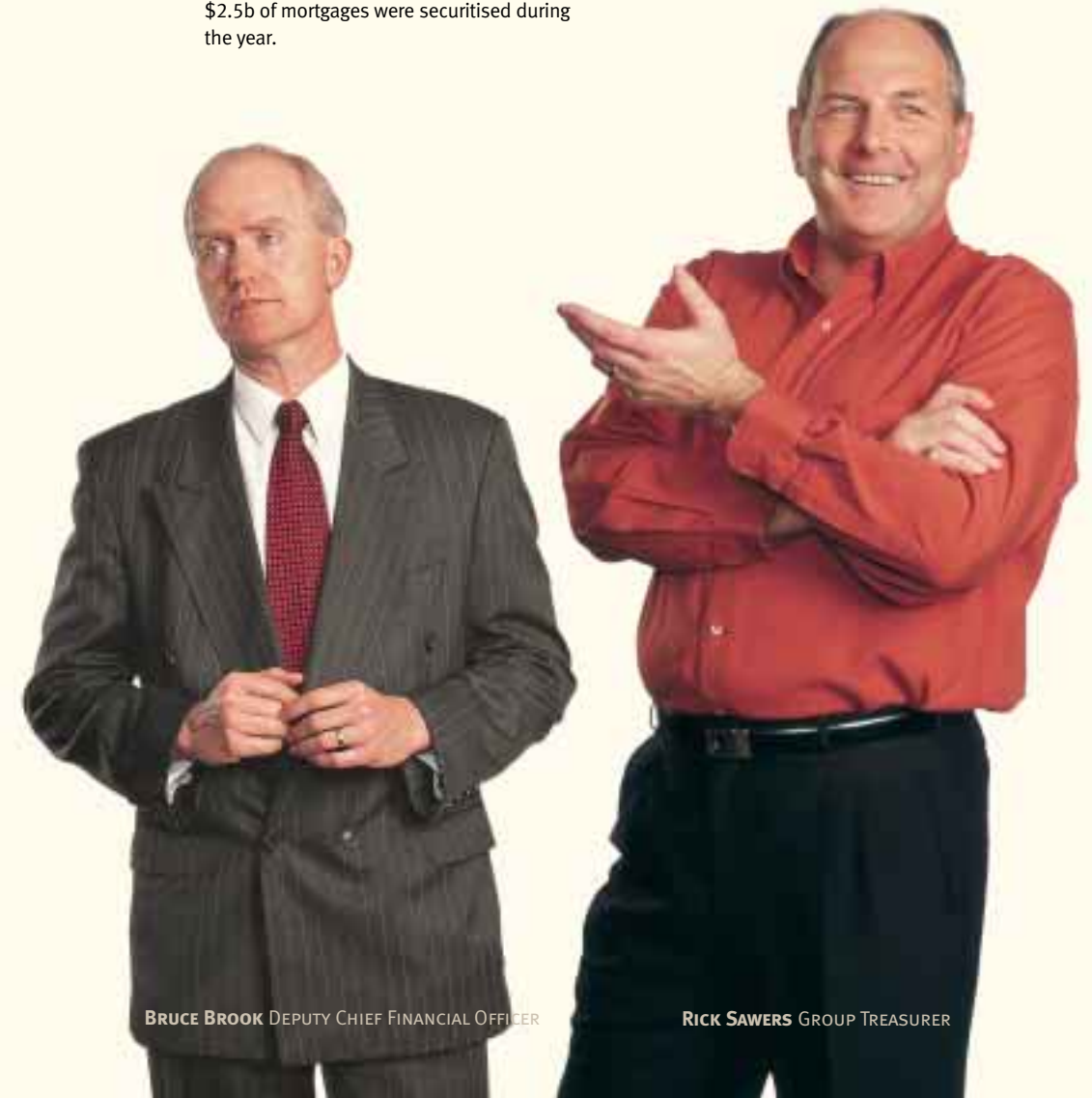
- › During the 2001 financial year, ANZ completed a \$1b on market buyback.
- › The dividend payout ratio increased from 59.1% to 62.0%.
- › Inner Tier 1 capital has remained steady at 6.4%, which is above our target of 6.0%. However we believe it is prudent to carry a higher level of capital given the current economic environment.
- › Balance sheet growth in Corporate and Institutional Banking is deliberately constrained as ANZ re-balances its lending portfolio. Consumer lending in Australia and New Zealand increased to 55% of net assets (2000 – 52%). \$2.5b of mortgages were securitised during the year.

VALUE OF \$1000 INVESTED IN 1991



Financial Goals

- ANZ is committed to maximising returns to shareholders. To achieve this going forward, we have set ourselves the following financial goals:
- › Earnings per share growth greater than 10%.
 - › Return on Equity above 20%.
 - › Cost income ratio in mid 40's by September 2003.
 - › Inner Tier 1 capital of 6%.
 - › Maintain credit rating in AA category.



BRUCE BROOK DEPUTY CHIEF FINANCIAL OFFICER

RICK SAWERS GROUP TREASURER

Realising our unique growth opportunities.

Financial Performance. Customer advocacy. Staff pride and fulfilment.

Our Personal portfolio is comprised of six specialist businesses. Together they serve more than five million individuals, families and small businesses.

Our customers range from young children to senior members of the community. People of modest means and the very wealthy. Diverse in race, gender, occupation, education and aspiration.

For all this diversity, however, nearly all have faced profound and numerous changes in the ways they can access our bank and its products.

These changes produced seemingly conflicting results. On the one hand, we increased our customer base by 600,000 over the past two and a half years while delivering outstanding results – a tribute to many of our new products and services, as well as the efforts of many people who made them come into fruition. Conversely, a significant number of these changes resulted in customer confusion. As a result, we've seen the emergence of a general downward trend in customer satisfaction, even while recording increases in profits and return to shareholders.

Clearly, these conflicting trends cannot co-exist in the long term. And just as clearly we have recognised the need to do something about it.

The customer agenda – a renaissance.

The momentum has started to build and our goals are already a matter of public record:

- › We are committed to doubling customer advocacy in the next three years. That is, we will have twice as many customers who are not just satisfied and loyal – but who actively recommend ANZ to their friends and associates.
- › We have set a target of gaining 1 million new customers by 2005.
- › We aim to provide for 50% of all our customers' financial needs (up from the current 40%) by 2005.

Achieving the goals of the new agenda will see a fundamental shift in power from head office and support areas to the branches. It also means the creation of a new kind of branch with new motivations, new mindsets and new approaches.

We have every confidence that this will deliver:

- › a more welcoming and team-oriented approach to customers.
- › a new path of success for all ANZ branches in the near future.

Award-winning products now.

While recognising we have a long road to travel before reaching our goals, we've already established some major milestones on the journey. This past year, for example, we have won several major banking awards:

- › Australian Savings Institution of the Year (*Personal Investor Magazine*).
- › Home Lender of the Year – 3 years running (*Personal Investor Magazine*).
- › On-Line Bank of the Year (*Personal Investor Magazine*).
- › Best Frequent Traveller Credit or Charge Card – International (*Inside Flyer Magazine 2001*).

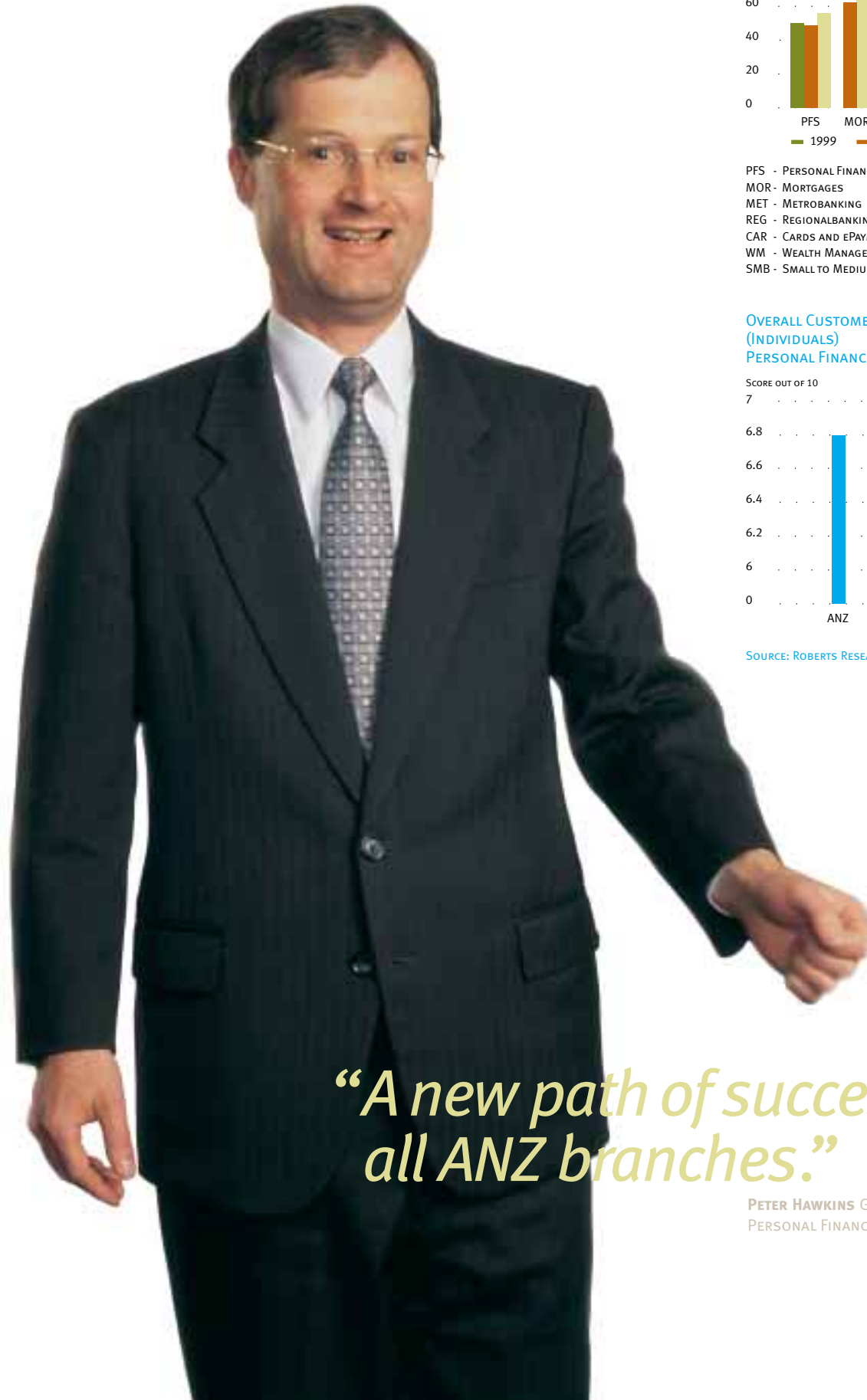
Other awards include Silver Medals:

- › Small Business Acceptance Facility of the Year (*Personal Investor Magazine*).
- › Margin Loan of the Year (1 Year Fixed) for the fourth consecutive year (*Personal Investor Magazine*).

A word about – and a message for – our branch staff.

There is no denying the changes of the past few years have sometimes been both painful and frustrating for our branch staff. For them, as it has been for everyone in the organisation, it has been a trying time and each ANZ staff member should be recognised and congratulated for their hard work, loyalty and professionalism during this period.

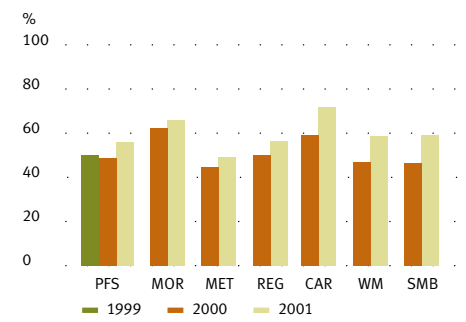
This report's message for them is that plans for a new era of pride, involvement and teamwork have already begun. Our goal is that each individual will have not just a job but an exciting place to work and a motivating mission to fulfil. This vision sees our branch staff being able to exceed customer expectations – and their own. We want to create an environment where our staff will be enabled as never before. And now, more than ever, our branch staff are vital to the future of ANZ.



“A new path of success for all ANZ branches.”

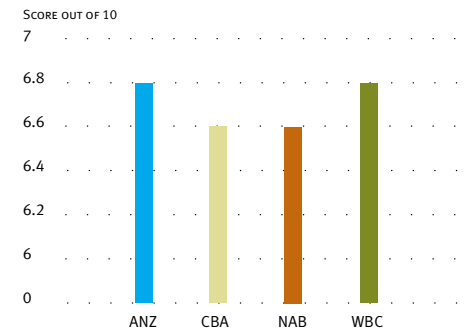
PETER HAWKINS GROUP MANAGING DIRECTOR
PERSONAL FINANCIAL SERVICES

OVERALL STAFF SATISFACTION PERSONAL FINANCIAL SERVICES



PFS - PERSONAL FINANCIAL SERVICES
MOR - MORTGAGES
MET - METROBANKING
REG - REGIONALBANKING
CAR - CARDS AND ePAYMENTS
WM - WEALTH MANAGEMENT
SMB - SMALL TO MEDIUM BUSINESS

OVERALL CUSTOMER SATISFACTION WITH BANK (INDIVIDUALS) PERSONAL FINANCIAL SERVICES



SOURCE: ROBERTS RESEARCH



GREG CAMM
MANAGING
DIRECTOR
MORTGAGES

ELIZABETH PROUST
MANAGING DIRECTOR
METROBANKING

ALISON WATKINS
MANAGING DIRECTOR
REGIONALBANKING

01 Mortgages

We have continued to provide our customers with the best mortgage products and services available and we are progressing the on-going development of Australia and New Zealand's leading mortgage business.

2000–2001 Achievements

- › Named *Personal Investor Magazine* Home Lender of the Year for the third year in a row.
- › Achieved strong share of new mortgage originations in Australia.
- › Completed implementation of unified technology platform across the business.
- › Issued US\$1 billion in mortgage-backed securities into the global markets – our first international issue.
- › Maintained our sound risk profile.

Future Objectives

- › Maintenance of our product and distribution leadership.
- › Enhanced automation and web-based delivery of services.
- › Development of additional third party alliances.
- › Strengthen our customer ethic to “best in class”.

02 Metrobanking

We are energising the new customer agenda while revitalising the metropolitan branch network with new staff motivation and enhanced capabilities.

2000–2001 Achievements

- › Creation of a dedicated Metrobanking business unit, effective from 1 March 2001 to focus specifically on serving the needs of metropolitan based personal customers.
- › Won numerous banking industry awards including:
 - Australian Savings Institution of the Year (*Personal Investor Magazine*).
 - On-line Bank of the Year (*Personal Investor Magazine*).
 - Best investment/financial site (*Financial Review Australian Internet Awards 2000*).
 - Best Internet Bank in Australia and New Zealand (*Global Finance Magazine*).

Future Objectives

- › Upgrade and optimise the locations of our branches.
- › Significantly improve both customer and staff satisfaction and advocacy.
- › Implement a new sales and service technology platform for front-line staff.
- › Increase staff involvement in their local communities.

03 Regionalbanking

This newly created, regionally dedicated business is reassessing and revitalising our role in serving the needs of regional customers, and establishing ANZ as the standout regional bank in Australia and New Zealand.

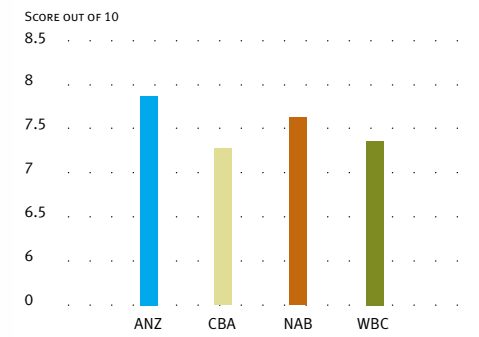
2000–2001 Achievements

- › The creation of a dedicated Regionalbanking business unit, effective from 1 April 2001 to focus specifically on meeting the needs of regional and rural personal and small to medium business customers.
- › Completed a comprehensive review of our regional and rural business leading to:
 - Clearer understanding of where potential lies.
 - Development of a distinctive strategy for achieving our goal of becoming the standout regional bank.

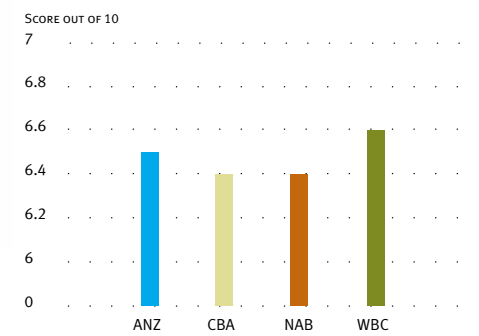
Future Objectives

- › Make the most of our strong branch network in our local communities.
- › Serve our rural customers better.
- › Support our people and drive revenue growth through the “Regional Reach” program.
 - Process changes to give staff more time to focus on customers.
 - Local market planning tools and disciplines to focus our activities.
 - Conduct training and “breakout” development programs to build staff confidence and capabilities.

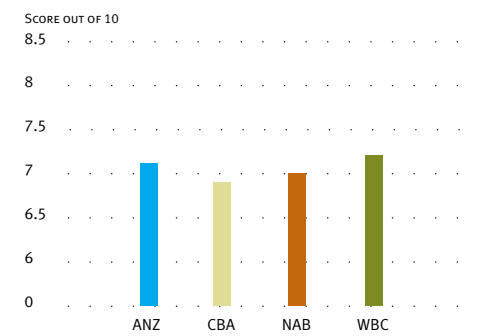
MORTGAGES
OVERALL CUSTOMER SATISFACTION WITH MORTGAGE



METROBANKING
OVERALL CUSTOMER SATISFACTION WITH BANK (INDIVIDUALS)



REGIONALBANKING
OVERALL CUSTOMER SATISFACTION WITH BANK (INDIVIDUALS)



SOURCE: ROBERTS RESEARCH

04 *Wealth Management*

Wealth Management delivers comprehensive financial advisory services, covering investment, risk lending and gearing. In addition, under the ANZ Private Bank sub-brand, Wealth Management provides “high touch” personalised banking services and access to a range of third party specialists through alliances.

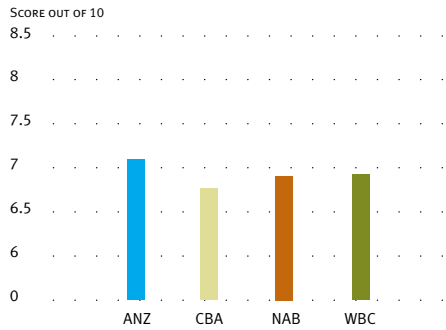
2000–2001 Achievements

- › Creation of a dedicated Wealth Management business unit which brings together Premier Financial Services, Financial Planning, ANZ Private Bank, Margin Lending and E*Trade (Online share trading).
- › Development of a unique customer proposition which:
 - is personalised but scaleable,
 - addresses customers’ total financial needs and,
 - minimises conflict by providing access to the best solutions available in the market.
- › Restructuring of staff around the customer into multi-disciplinary professional practices.

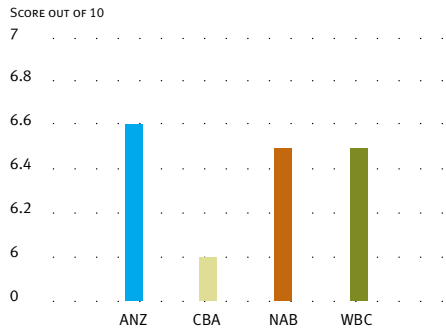
Future Objectives

- › Deliver a unique customer offer and experience.
- › Increase adviser numbers.
- › Improve infrastructure and adviser support.
- › Leverage product and service opportunities.
- › Achieve 25% annual growth in net profit after tax over the next three years.

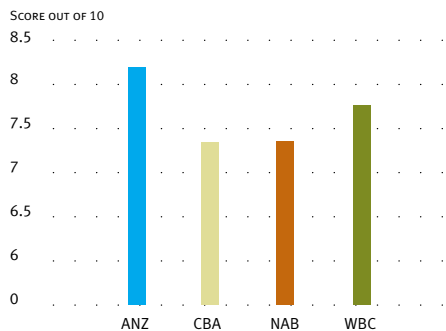
**WEALTH MANAGEMENT
OVERALL CUSTOMER SATISFACTION WITH BANK**



**SMALL TO MEDIUM BUSINESS
OVERALL CUSTOMER SATISFACTION WITH BANK**



**CARDS AND ePAYMENTS
OVERALL CUSTOMER SATISFACTION WITH CREDIT CARD**



SOURCE: ROBERTS RESEARCH

05 *Small to Medium Business*

The Small Business team aims to strengthen our ties with small and medium sized businesses. Our goal is to revitalise our business with SME’s and realise the full growth potential it holds for ANZ.

2000–2001 Achievements

- › Created a dedicated business unit effective from 1 October 2000 focussed on providing relevant products and services to small and medium enterprise customers.
- › Review of all facets of the business and strategy, leading to the development of a distinctive new service proposition.
- › A substantial lift in staff satisfaction that will underpin improved service levels for customers in the year ahead.
- › Simplification of previously over-engineered credit processes.

Future Objectives

- › Invest \$10m to support growth in customer numbers and improved service.
- › Launch ANZ Impact* and runningmybusiness.com** to enhance our customers’ experience.
- › Increase geographic coverage and establish industry sector specialists.
- › Lift staff and customer satisfaction to 80% by 2004.

* ANZ Impact is a cash flow modelling and scenario testing tool that will be offered to customers free on anz.com to help them better understand cash impacts of changes in their business.

**runningmybusiness is a new Small to Medium Business “portal” which will be on anz.com and offers a range of services other than banking that customers may look to access.

06 *Cards and ePayments*

We are building the leading Cards business in Australasia by focussing on product innovation and providing a distinctive and superior customer experience.

2000–2001 Achievements

- › Increased market share of credit card balances outstanding, credit card spend, and merchant transaction volumes.
- › Announced the rollout of chip-based cards, along with our new chip-capable MultiPOS merchant terminals, which lead the market in functionality, speed and price.
- › Launched a new platinum credit card, known as PT100 into the Hong Kong market.
- › Won recognition as the “Best Frequent Traveller Credit or Charge Card – International” (*Inside Flyer Magazine 2001*).
- › Launched several important customer experience improvements, including the ability to get instant decisions in many cases for applications over the phone and on the Internet.
- › Contained fraud losses from credit cards at around half the industry average.
- › Improved staff satisfaction, building on the strong progress made in the past two years.

Future Objectives

- › Continue to build a leading market position through product innovation and a high quality customer experience.
- › Leverage our distinctive capabilities into new growth areas, such as chip cards, and new markets such as Hong Kong.
- › Roll-out a state of the art technology and operations platform.
- › Continue to drive cultural change to support improvements for both staff and customers.



CRAIG COLEMAN
MANAGING DIRECTOR
WEALTH MANAGEMENT



SATYENDRA CHELVENDRA
HEAD OF RESTORING CUSTOMER
FAITH PROGRAM

GRAHAM HODGES
MANAGING DIRECTOR
SMALL TO MEDIUM BUSINESS

BRIAN HARTZLER
MANAGING DIRECTOR
CARDS AND ePAYMENTS



ANNE GREEN FROM THE 55 COLLINS STREET BRANCH IN MELBOURNE
DISCUSSES SOME FINANCIAL OPPORTUNITIES WITH REBECCA KING.



*“Being Home Lender
of the Year made the
decision to go with ANZ
an easy one for me.”*

Dynamic, leading and growing.

Partnering corporations for success.

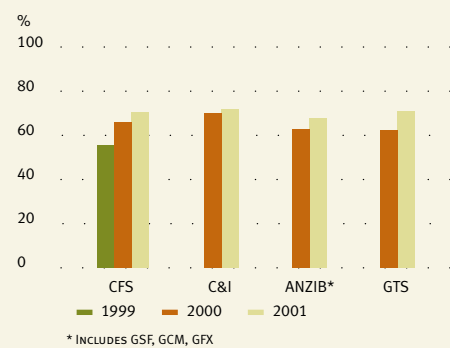
ANZ is the leading Australian bank for both the large and medium-sized corporate segments. Our customers enjoy the benefits of a product offering that is both priced competitively and offers a wide range of choice. Our service is a balanced blend of talented professionals, state of the art technology (we are leaders in web-enabled offerings) and knowledgeable, timely consultation.

While much of our business is based on long-standing relationships in our home markets of Australia and New Zealand, we also leverage our global "footprint" to attract customers who are looking to take advantage of our presence in the US, UK, and throughout Asia and the Pacific. This strong combination of Australasian strength and global perspective provide us with unique growth opportunities.

Our future growth will come from continued relationship excellence and providing increasingly value-added solutions for our global client base. Our targets for that growth are challenging ones – including doubling the size of our business and achieving a profit after tax of \$1 billion by 2004 – all within a strategy that carefully manages and mitigates risk.

While Corporate Financial Services is one of the least public of all the faces of ANZ, we are nevertheless a relationship oriented business based on outstanding people. Our resources and expertise assist our customers to employ thousands of people and – in the process – contribute to the financial well being of many shareholders. Moreover, the products we offer and the funding we provide supports every facet of our economy – from international trade and business financing to infrastructure projects such as power stations, freeways, and communication networks.

OVERALL STAFF SATISFACTION CORPORATE FINANCIAL SERVICES



CFS - CORPORATE FINANCIAL SERVICES
C&I - CORPORATE AND INSTITUTIONAL BANKING
ANZIB - ANZ INVESTMENT BANK
GTS - GLOBAL TRANSACTION SERVICES
GSF - GLOBAL STRUCTURED FINANCE
GCM - GLOBAL CAPITAL MARKETS
GFX - GLOBAL FOREIGN EXCHANGE



“Our Australian strength and global perspective provide us with unique growth opportunities.”

ROGER DAVIS GROUP MANAGING DIRECTOR
CORPORATE FINANCIAL SERVICES



GRAHAME MILLER
MANAGING DIRECTOR
ANZ INVESTMENT BANK



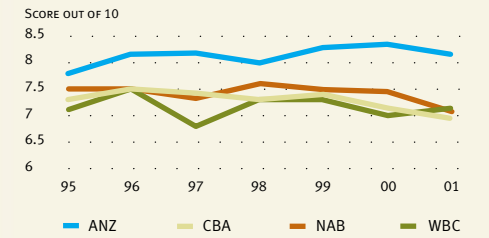
BOB EDGAR
MANAGING DIRECTOR
CORPORATE AND
INSTITUTIONAL BANKING

PETER HODGSON
HEAD OF INVESTMENT
BANKING SERVICES
AUSTRALASIA



CHRIS COOPER
GLOBAL HEAD OF
FOREIGN EXCHANGE

**CUSTOMER SATISFACTION WITH
RELATIONSHIP MANAGER (CORPORATE BANKING)**



SOURCE: ROBERTS RESEARCH

01 Corporate Banking

We have long-established relationships with our middle market corporate customer base. The experience and expertise of our people, coupled with their affinity with our customers' business, enables us to tailor products and services uniquely suited to our clients' needs.

2000–2001 Achievements

- › Maintained our leading market position in customer satisfaction (Source: Roberts Research).
- › Increased profitability by 12%.
- › Launched our Corporate Banking internet portal.

Future Objectives

- › Deliver the 'Wall Street to Main Street' program – the provision of investment banking style products to the middle market.
- › Increase the product cross-sell from our Personal businesses into the Corporate customer base (Cards, Superannuation, Insurance, Mortgages).
- › Leverage the Corporate portal to lower costs and enrich the customer experience.
- › Maintain performing loans at 99% of total book.

02 Institutional Banking

We have banking relationships with major Australian and international corporations. As such this business leverages the knowledge and experience we have gained through long-established relationships to provide maximum value to our institutional customer base.

2000–2001 Achievements

- › Received the leading industry ratings in overall customer satisfaction, quality of relationship management, innovation and industry knowledge.
- › Capitalised on our industry expertise to generate a 26% increase in revenue and 38% increase in profitability.
- › Achieved a substantial increase in revenue from the provision of investment banking style solutions for our customers.

Future Objectives

- › Continue to build on industry specialisation.
- › Maintain #1 customer satisfaction ratings.
- › Maintain focus on customer profitability, cross-selling, and the effective use of balance sheet.
- › Use the Corporate portal to lower cost, improve service and enrich the customer experience.
- › Maintain performing loans at 99% of total book.

03 Global Foreign Exchange

ANZ is the pre-eminent Australian Foreign Exchange bank.

2000–2001 Achievements

- › Performed strongly in a competitive industry with year on year profit up 26%.
- › Named Foreign Exchange Bank of the Year (Asia Money 2001).
- › Rated Australia's Best Foreign Exchange Bank (FX Week).
- › Conducted 25% of all corporate deals online with transaction values in excess of \$4billion.

Future Objectives

- › Capitalise on our core capabilities with a differentiated product and service proposition for customers.
- › Focus on foreign exchange solutions for investors.
- › Improve ANZ foreign exchange services for small business segment.
- › Focus on delivering commoditised FX product to our worldwide customer base.
- › Deliver double digit earnings growth with low volatility.

04 Global Structured Finance

This business is tasked with leveraging our global structured finance capabilities in chosen specialist markets both domestically and overseas.

2000–2001 Achievements

- › Increased focus on structured, higher-margin product solutions.
- › Reduced balance sheet intensity.
- › No 1 Project Finance Loan Arranger, Asia Pacific, (*Dealogic Capital Data Project Ware*).
- › No 1 Project Finance Loan Arranger, Asia, (*Dealogic Capital Data Project Ware*).

Future Objectives

- › Continue to build industry and product specialisation.
- › Increase geographic diversity.
- › Become the pre-eminent global structured finance house in the sectors and geographies in which we have chosen to compete.
- › Continue to exploit the intellectual capital of the business to leverage our specialist advantage.
- › Double digit earnings growth, with a cost income ratio in the 40% range.

05 Global Transaction Services

This growth business comprises a portfolio of product lines that assist corporate and institutional customers with working capital management, liquidity management and transaction processing.

2000–2001 Achievements

- › Launched Proponix, a global trade processing joint venture.
- › Recorded strong earnings growth with revenue up by 11% and profit up by 29%.
- › Maintained our position as the leading trade processing bank in Australia.

Future Objectives

- › Insource and wholesale relevant parts of core capabilities.
- › Further e-enable the business to improve productivity and service.
- › Double earnings by 2005, with a cost income ratio comfortably in the 40% range.

06 Global Capital Markets

This business is responsible for the delivery of capital markets, securitisation, fixed income and interest rate product services to our corporate, institutional and funds management clients.

2000–2001 Achievements

- › Recorded 22% increase in revenue and 59% profit growth while adopting a low risk profile.
- › Ranked Number One – Interest Rate products in Australia 2001 (*Asia Risk*).
- › Rated Number One in Commercial Paper Australia & New Zealand (*Asia Money*).
- › Named Lead Arranger Debt Issuer of the Year (*Insto*).

Future Objectives

- › e-enable, sell or exit those businesses subject to commoditisation and scale economics.
- › Grow our core business at 10%–15% compound, consolidating our top three status.
- › Focus on select, high growth, high intellectual property businesses, in which we have already built a strong pipeline such as securitisation.
- › Establish global leadership in Australian and NZ credit and derivative products.



GORDON BRANSTON
COUNTRY HEAD UK/EUROPE & EXECUTIVE
DIRECTOR GLOBAL STRUCTURED FINANCE

CAROLE ANDERSON
MANAGING DIRECTOR
GLOBAL TRANSACTION
SERVICES

DAVID HORNERY
GLOBAL HEAD OF
CAPITAL MARKETS

“We opened for business in 1917. ANZ’s support means we’ve never had to look elsewhere.”

FRANK TATE MANAGING DIRECTOR OF EVANS & TATE WINES, A FAMILY CUSTOMER SINCE 1925 AND UNDERTOOK A SUCCESSFUL INITIAL PUBLIC OFFERING WITH ANZ INVESTMENT BANK THIS YEAR.

HUGH BAYFORD BAYFORD’S FORD DEALERSHIP, ESANDA CUSTOMER.



NEVILLE MILLIN ANZ RELATIONSHIP MANAGER WITH CUSTOMERS **LEON RISS**, OWNER OF THE MITRE TAVERN AND A FAMILY CUSTOMER FOR 70 YEARS, AND **ROGER MASON**, SIRIUS TELECOMMUNICATIONS.

TUPUA FRED WETZELL
APIA CONCRETE PRODUCTS LTD, A WETZELL FAMILY-OWNED COMPANY AND VALUED CUSTOMER OF ANZ SAMOA.

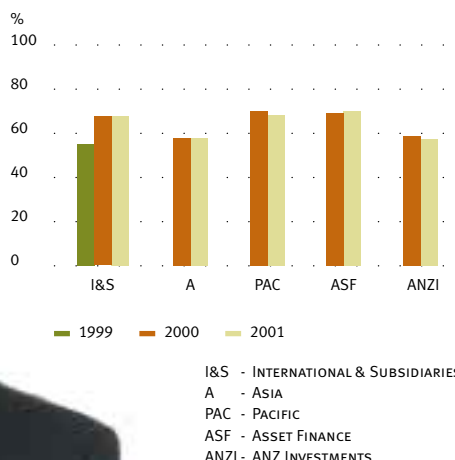
“At Sirius we look for sound and innovative financial solutions. ANZ has delivered for us.”

“We are not only providing a wide range of banking services in these countries, but also contributing to local development.”

ELMER FUNKE KUPPER
GROUP MANAGING DIRECTOR
INTERNATIONAL & SUBSIDIARIES



OVERALL STAFF SATISFACTION
INTERNATIONAL & SUBSIDIARIES



Asia
China, Hong Kong,
Indonesia, Japan,
Korea, Malaysia,
Philippines,
Singapore,
Taiwan, Thailand
and Vietnam.

Pacific
American Samoa,
Cook Islands, East Timor,
Fiji, Papua New Guinea,
Samoa, Solomon Islands,
Tonga and Vanuatu.

IAN RICHARDS
HEAD OF STRATEGY

Leveraging strengths for growth.

Australia and New Zealand's bank in Asia and the Pacific.

International

We are a corporate citizen – and a significant force not only in our countries of origin but throughout the Asia–Pacific region as well.

Asia

In Asia we specialise in serving the needs of a core group of “top end” corporate clients whose interests extend throughout the region. To that end, our strength in eleven different Asian markets, and across a number of leading product capabilities, not only makes us unique among Australian banks, but makes us an ideal partner for companies operating Asia-wide.

In addition, we are growing our personal banking franchise in several of the Asian markets, with excellent progress being made in Vietnam and Indonesia. In Indonesia, where ANZ owns a 29% stake in Panin Bank, we will continue to help build the consumer franchise.

The Asian region, with the possible exception of China, is experiencing a slowdown in immediate growth prospects. Coming out of the 1998 Asian economic crisis, ANZ has refocussed its strategy on its core strengths. As a result, our risk profile improved significantly, allowing us to better respond to changing conditions.

2000–2001 Achievements

- Asia maintained its performance momentum from the first half. This was achieved through:
- › Continued improvement in the quality of the loan portfolio with approximately 95% of relationships in the AAA to BB range. Other risks are essentially trade and product related in higher risk countries.
 - › Selective expansion of our product capabilities in Trade Finance, Foreign Exchange and Structured Finance to a variety of customers.

Future Objectives

- › Grow the network business by leveraging core Group capabilities in Trade Finance, Foreign Exchange, Structured Finance and Personal Banking.
- › Continue to re-balance resources to growth areas.
- › Maintain growth momentum in Panin Bank in Indonesia.

The Pacific

ANZ in the Pacific is already a strong force in commercial and retail banking. In many Pacific nations we hold a leading market position.

Over the past few years, we have made modern banking products and services available throughout the South Pacific. An example of our investment in the Pacific is our electronic banking strategy. Over the past 12 months, electronic banking volumes in the Pacific grew by 60%.

A highlight in 2001 was our entry into East Timor, where ANZ staff are building the infrastructure for banking from the ground up. As a result, we are providing a wide range of banking services, and we are also contributing to local development.

ANZ in the Pacific aspires to build on its leadership position by continuing to improve our product range and customer service model, and by entering new markets.

2000–2001 Achievements

- › Increased our coverage and presence with new operations in East Timor, American Samoa and a 75% shareholding in the Bank of Kiribati.
- › Extended our electronic and telephone banking channels across most countries.
- › Re-engineered our business processes to fund growth initiatives.
- › Launched ANZ Pacific region website at anz.com/pacific and introduced internet banking in Fiji.

- › Announced the acquisition of Bank of Hawaii's operations in Fiji, Papua New Guinea and Vanuatu. We are expecting to complete these acquisitions by the end of 2001 and they will strengthen our already strong franchises in the Pacific.

Future Objectives

- › Continue expanding our presence in new and existing markets throughout the Pacific.
- › Develop our local staff and provide them with new opportunities.
- › Increase our electronic delivery channels to reach more customers.
- › Continue improving and refining our successful business operations/management model.

Building a platform for growth.

Subsidiaries

Leveraging strengths to build a platform for growth.

Asset Finance

Esanda and UDC, ANZ's Asset Finance businesses in Australia and New Zealand, specialise in building relationships with customers through vehicle and equipment finance, vehicle fleet management and servicing, and debenture investments. They are predominantly 'first choice' providers in both vehicle and equipment finance, and are using this position to invest for growth.

A new technology platform is being activated in the 2001 calendar year, a systematic cost-control program is well in place and promising new growth channels are being established.

As a result, the business is positioning itself to provide premium products and services and deliver returns which reflect that quality.



EAST TIMOR NOW HAS ITS OWN ANZ BRANCH.

2000–2001 Achievements

- › Made significant efficiency improvements in Esanda in Australia and UDC in New Zealand through an ongoing program of technology investment and process re-engineering.
- › Launched a Vendor Finance business via a strategic alliance.
- › Launched insurance products via a joint venture to offer bundled product solutions to our customers.
- › Improved the profitability and market position of our fleet businesses in Australia and New Zealand.
- › Continued to improve the returns from the business via improved margins.

Future Objectives

- › Continue unit-cost improvements in the servicing and processing areas through e-transformation.
- › Utilise extensive customer base for the cross-selling of non-asset related products (such as insurance) to our customers.

ANZ Investments

One of the great strengths of our business lies in the size and stability of our customer base, both retail and corporate.

With the establishment of our customer businesses in Personal Financial Services, we have created the focus that will allow us to capture this growth potential.

At the same time, we recognise that funds management, as a product business, is an increasingly global one. Notwithstanding the good growth we have achieved in this business in the

recent past, we believe that the best way to further accelerate the growth in this business is to join force with a major player in the funds management business. We expect to announce details soon.

ANZ Investments aspires to be a leading manufacturer and supplier of funds management and insurance solutions in Australia and New Zealand.

2000–2001 Achievements

- › Recorded strong investment returns and good customer service.
- › Established a comprehensive new set of ANZ Investments products.
- › Launched the new ANZ Investments brand through the "Leave Work Early" campaign.
- › Substantially increased net sales of investment and insurance products leading to improved market share and profitability.

Future Objectives

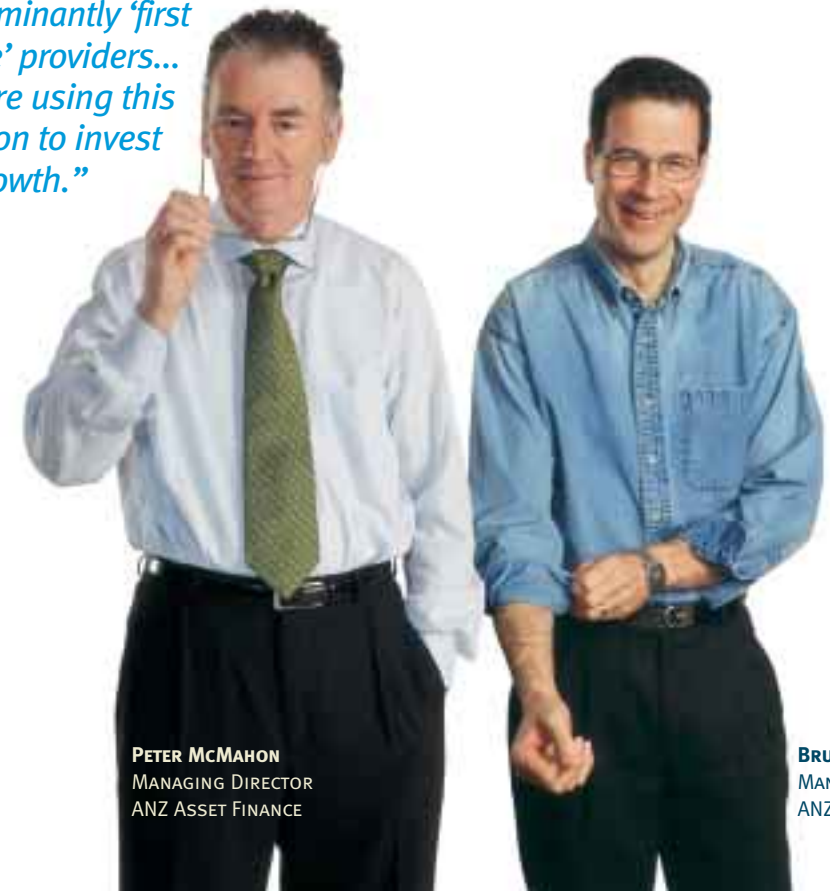
- › Develop new and distinctive product and service propositions to meet the special needs of ANZ's customer businesses.
- › Extend the "Leave Work Early" campaign to cement ANZ Investments as a leading investment brand.
- › Continue to profitably grow net sales, funds under management and insurance premiums by leveraging off the Wealth Management customer business.
- › Finalise the joint venture with a major global fund manager.

"Esanda and UDC are predominantly 'first choice' providers... and are using this position to invest for growth."



JOHN WINDERS
GENERAL MANAGER
ASIA

BOB LYON
GENERAL MANAGER
PACIFIC



PETER MCMAHON
MANAGING DIRECTOR
ANZ ASSET FINANCE

BRUCE BONYHADY
MANAGING DIRECTOR
ANZ INVESTMENTS

Strong performance in a competitive market.

ANZ provides the full range of financial services in New Zealand, with the Group's portfolio of specialist businesses well represented in the New Zealand market. ANZ also owns New Zealand's leading finance company (UDC) and leading EFTPOS provider (EFTPOS NZ).

ANZ is the fourth largest bank in New Zealand with total assets of A\$22b, and approximately 16% share of the New Zealand lending market.

ANZ's franchise in New Zealand is strong, represented by more than one million customers – the second largest of any NZ bank.

In a very competitive market, ANZ has substantially increased its efficiency and profitability over the past three years, moving from one of the poorer performing banks to one of the best.

2000–2001 Achievements

- › ANZ in New Zealand contributed A\$278m to the Group's 2001 result, an increase of 15% on the previous year (pre-abnormals in 2000). Costs are now less than 50% of revenues, return on assets is 1.3%.
- › The New Zealand business is now well aligned and integrated within the Group, due to the following factors:
 - A shift in business mix in favour of personal financial services (now about 64% of revenues).
 - Increased contribution from fee income (now 33% of total income).
 - Costs have been held and credit quality improved (specific provision charge 0.24% of loans and advances).
 - Core transactions and customer and account technology have been moved onto a common trans-Tasman platform.
 - Each business unit operates on a fully integrated trans-Tasman basis.

- › The past two years have seen double digit increases in the level of staff satisfaction. ANZ's overall staff satisfaction of 67% positive is now well above the SICORE all company average for financial institutions (59%).
- › Customer satisfaction on the corporate side of the business remains very strong. Our focus is now on improving personal customer satisfaction. This year we launched ANZSat, a program that surveys 6500 customers every six months, identifies business unit plans to address issues of customer concern and links the plans to individual rewards. We also launched the ANZ Personal Customer Charter promising fee refunds if minimum service standards are not met.
- › We continue to develop ANZ's historically very strong position on the corporate side of the business, with greater focus on deposits and on non-lending fee income. The introduction of a small ANZ Private Equity business during the year has substantially increased our profile in the mid-corporate market and provided some strong growth opportunities. Our Investment Bank has also had a very strong year, completing some high profile transactions.

On the personal side:

- Further development of the ANZSat and Customer Charter initiatives introduced this year.
- Improving our product range to better meet customer needs.
- Introducing our new sales and service technology platform.
- Strengthening our customer recognition program.
- › Invest in areas of higher growth, including cards and EFTPOS NZ, wealth and funds management, small business and corporate finance.
- › Further integrate trans-Tasman technology through the introduction of a Common Administration System; a common sales and service platform and a common international trade and payments processing platform.
- › Strengthen front-line customer focus and staff management by putting all line managers through an individualised leadership development program and increasing our focus on front-line training.

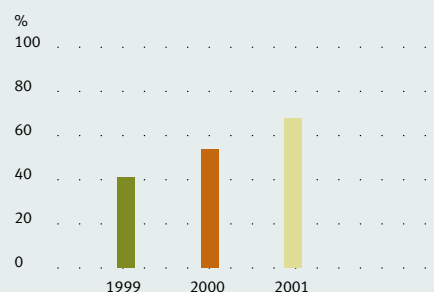
Future Objectives

- › Maintain strong on-going financial performance with further improvements in efficiency and profitability.
- › Grow the business by strengthening and deepening relationships with both our corporate and personal customers. On the corporate side, we continue building capability to deliver our "Wall Street to Main Street" customer strategy.



MURRAY HORN
MANAGING DIRECTOR
ANZ NEW ZEALAND

NEW ZEALAND OVERALL STAFF SATISFACTION



Minimising surprises. Maximising preparedness.

ANZ's Risk Management Vision

Risk management at ANZ is directed to achieve strong risk control and a distinctive risk management capability, which enables ANZ business units to meet their performance, growth and "breakout" objectives.

The identification and effective management of risk is an essential part of banking. Overall, our risk capabilities are considered to be a strategic asset and a source of competitive advantage. Through effective use of technology and strong management focus, we seek to further strengthen the Group's risk capabilities and culture to ensure that ANZ remains at the forefront of risk management capability within financial services.

Strategic Context

The overall strategy of an organisation fundamentally impacts the level of risk that it takes. Therefore, some of the most important decisions influencing the underlying risk of an organisation are those which determine the activities, businesses and regions in which the organisation engages. The major elements of risk management policies are approved by the Board of Directors, with the Board Risk Management Committee supervising implementation and adherence to policy.

In recent years, ANZ has made substantial changes to its strategy and activities in order to reduce risk and enhance the sustainability of earnings growth.



MARK LAWRENCE
GROUP GENERAL MANAGER
RISK MANAGEMENT



JOHN CONN
HEAD OF
WHOLESALE
RISK MANAGEMENT

MICK GREEN
HEAD OF
RETAIL RISK
MANAGEMENT

Examples of these changes include:

- › Sale of Grindlays Bank.
- › Reducing the risk profile of the remaining international businesses.
- › Exiting emerging markets bond trading and retail stockbroking activities.
- › Restrictions on corporate balance sheet growth – focus on higher quality assets and fee income.
- › Strong growth in the residential mortgage portfolio.
- › Increased emphasis on lower risk Personal Financial Services businesses.

These changes have been accompanied by significant enhancement of the Group's internal risk management systems and processes and more open, transparent disclosure of risk.

Three Key Areas of Risk:

1 Credit Risk

The potential financial loss resulting from the failure of a counterparty to honour fully the terms of a loan or contract.

- › Policy controls aimed at developing and maintaining a well diversified credit portfolio are supervised by the Board's Risk Management Committee. During the year, the Group's peak exposure limits to all categories of corporate customers were reduced to support this objective.
- › Major lending decisions require sign-off from an independent credit risk function as well as the business unit. The largest transactions require approval by the Credit and Trading Risk Committee of management and/or the Risk Management Committee.
- › The Group has continued to rebalance its lending portfolio towards lower risk consumer lending, particularly mortgages. This trend has been supported by the introduction of advanced behavioural and other credit scoring technology in Personal Financial Services.

2 Market Risk

Risk to earnings arising from movements in interest and exchange rates and bond, equity and commodity prices.

- › The Group Asset and Liability Committee oversees the Group's balance sheet risk – trading risk is monitored by the Credit and Trading Risk Committee. Further oversight is provided by the Risk Management Committee.
- › There have been no significant structural changes to the Group's market risk exposures over the past twelve months. Market risk continues to be managed within conservative bounds.

3 Operating Risk

Operating risk arises from the potential breakdown of day-to-day processes.

- › ANZ has spent significant time and effort during the past two years developing advanced operational risk measurement and management capabilities, with the Group's operational risk economic capital framework acknowledged as an example of leading practice globally.
- › The Operating Risk Executive Committee is responsible for development and oversight of operating risk policies.
- › A prime responsibility of Business Units is to ensure compliance with policies, regulations and laws.
- › Key focus areas over the past year have included fraud prevention, payments risk management and remote banking security.

“Breaking down the barriers and enhancing the ‘e’ experience.”

‘Information Technology’ or ‘IT’ can have a different meaning for different people. To some it’s merely a necessary business tool. To others, it represents a new way to access information and communicate with the world. But to those unfamiliar with its benefits, IT can provoke anxiety or fear, and may be seen as a barrier between people and business.

At ANZ, we are breaking down these barriers by embracing technology in partnership with the business. By harnessing technological advancements, we believe we can provide our customers with superior services and greater accessibility. We are also committed to eTransforming our internal processes and streamlining our business by adapting smarter and faster technology-based practices.

With these goals in mind we are putting technology to work to:

- › Provide our customers with a personalised, consistent experience.
- › Empower our customers and our people with real-time information access and online applications available via web technology anywhere and anytime.
- › Ensure our technology infrastructure is robust, flexible and cost effective.
- › Aggressively reduce costs, improving productivity, increasing “straight-through” processing, simplifying and automating administrative functions.
- › Provide low risk, high efficiency and state-of-the-art payment capabilities.

Technology, eTransformation and Shared Services

› This ANZ business unit (known as ‘TeSS’) is ANZ’s core support division. It is responsible for ANZ’s global technical platforms, development and maintenance of business applications, the Group’s payments business and provision of shared services including property, procurement, Human Resources services and outsourcing. TeSS is also responsible for ANZ’s eTransformation program to leverage the value of technology in creating better ways to work and serve our customers.

2000–2001 Achievements

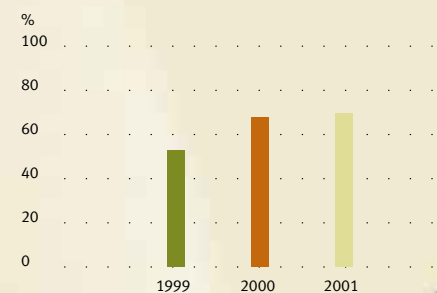
- › Commenced rollout of new hardware and Microsoft Windows 2000 operating system for the branch network in Australia and New Zealand – in readiness for the rollout of the new sales software application.
- › Delivered over 20 new online straight-through applications providing reduced costs and turnaround times and improving information accuracy.
- › Max (ANZ’s Intranet) awarded “Best communication and information service in a large organisation” by the Australian Telecommunications Users’ Group.
- › Restructured the technology organisation to deliver high quality solutions more rapidly and efficiently.

- › Developed enhanced project execution and reporting capability, including project management tools.
- › Attained Capability Maturity Model level 2 certification from the Software Engineering Institute (USA), a first for an Australian bank. The program has delivered significant productivity and quality improvements.
- › Delivered further procurement cost savings, including an additional \$4 million savings on telecommunications costs.
- › Introduced new online global payments technology, providing greater efficiencies and real time capabilities.
- › Substantially replaced existing proof of deposit equipment with a world class voucher image processing system that uses a “one pass” proof process.

Future Objectives

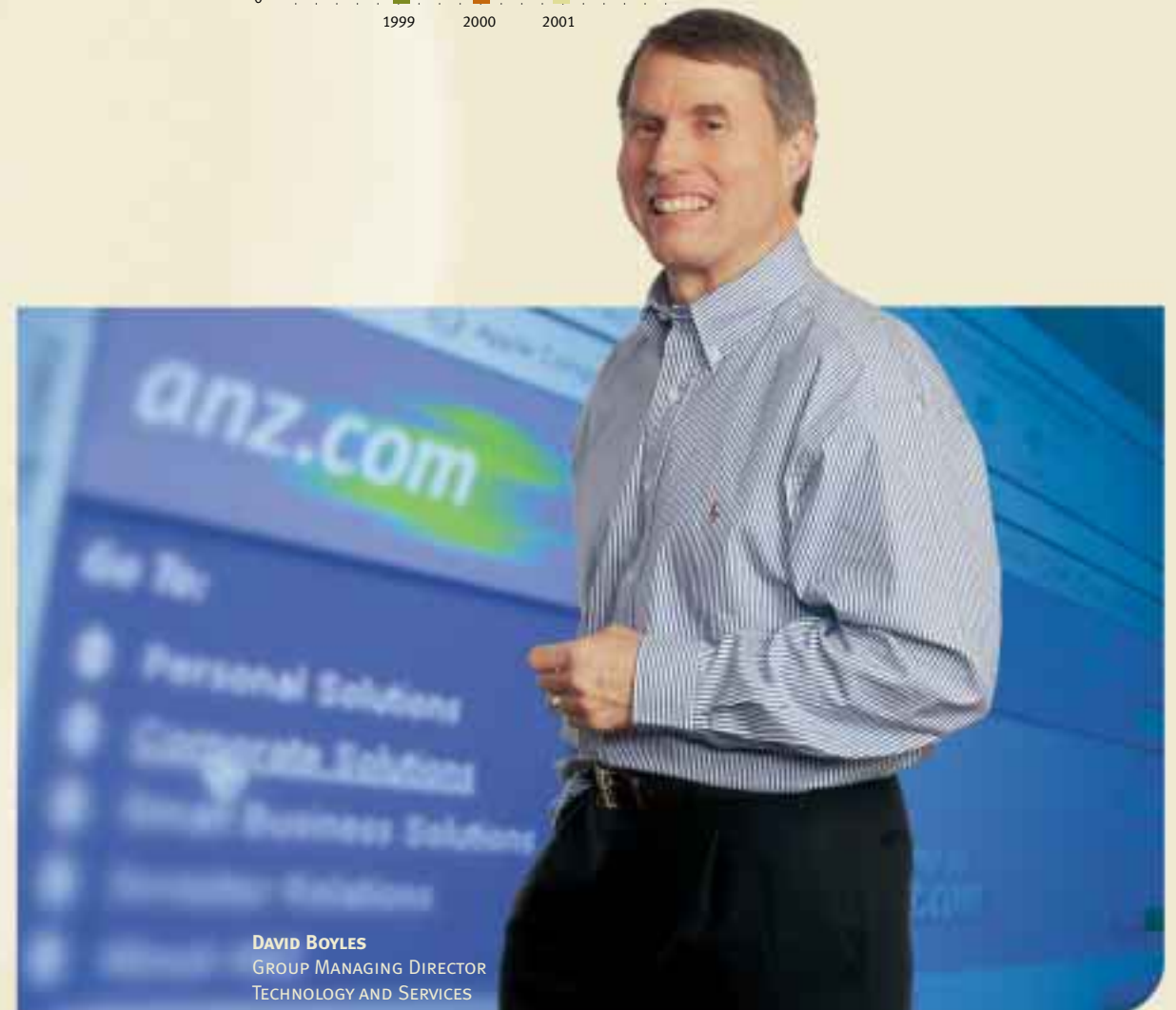
- › Continue the development of Customer Relationship Management (CRM) capability, to provide a single view of the customer.
- › Continue to develop advanced external web security capabilities including authentication certificates, firewalls, triple DES encryption and smart chip technology for EFTPOS and secure Internet shopping.
- › Continue to drive next wave efficiencies via component re-use and standardisation of technologies.
- › Continue to implement Common Administration Systems (PeopleSoft) with self-service and “straight-through” processing.
- › Rollout of new service model for all server and desktop environments which enables a standard operating environment and lowers the total cost of ownership.
- › Continue deployment of standard Microsoft Windows 2000 based computing platform across the group for new applications.
- › Enhance the single IP network to support rich media content and multi-media applications.
- › Continue consolidation of ANZ call centres with the development of a new purpose-built facility.
- › Continuously upgrade data centre capability to match growing demand for 24 hour, 7 day a week service availability.

STAFF SATISFACTION TECHNOLOGY, eTRANSFORMATION & SHARED SERVICES



JEFF PITT
HEAD OF PAYMENTS

RICHARD TAIT
HEAD OF CUSTOMER
TECHNOLOGIES



DAVID BOYLES
GROUP MANAGING DIRECTOR
TECHNOLOGY AND SERVICES

*Recognising that our people
are the key to our success.*

For Peter Savelli, Kristine McCann, Anneli Blundell,
Rosa Lucarelli, Daniel Ota, Jenny Hui Tong, Michelle Leung,
Suzie Pletvarec, Dee Bertram, Danny Dinicolo and
22,000 more, ANZ is a place to grow.



Whether serving customers over the branch counter, advising on the best way to structure a home loan, giving assistance over the phone, keeping our own internal systems running smoothly, financing the infrastructure of developing countries or looking after any one of thousands of essential tasks, our people – all 22,501 of them – are central to our success.

Our aspiration is to create an employment brand that not only reflects the needs and desires of our people, but also encourages them to actively recommend ANZ to friends and associates as the best financial institution to do business with and the best employer (in any sector).

The recognition that our people are key to driving our success is reflected in more than 1,000 employees recently participating in three-day “Breakout” workshops, as part of our cultural transformation program. As the name implies, these workshops are designed to encourage our people to “breakout” from previously accepted ways of thinking and doing things and to be bold and have the courage to be different. The resulting changes in mindset and behaviour will enable us to serve our customers and ourselves better and more proactively – and further develop a world-class performance culture which delivers value for our shareholders.

To provide greater incentives, we are sharpening our commitment to performance-based rewards by “breaking out” from traditional annual reviews and rewards and moving to a half-yearly performance, bonus and options cycle. Also, permanent staff have received \$1000 of shares in each year since 1999.

We recognise that e-enabling our organisation does not just extend to our customers and shareholders, but to our people as well. In this area, we are continuing our leadership in online learning through our recognised eLearning platform, ANZ eTrain. More than 450 courses, ranging from compliance training to a full online MBA, are now available to ANZ staff online. To date, 18,200 staff in Australia and New Zealand have used ANZ eTrain, and 24,900 online courses have been completed. As a result we have realised significant benefits in the cost effectiveness, quality, responsiveness and distribution of training.

The popular pcs@home offer has been rolled out again. This program allows staff in Australia and New Zealand to apply for a heavily subsidised PC, complete with Internet access. The package helps staff and families become more familiar with PC and Internet technology, and underlines the importance ANZ places on eTransformation.

And as part of our approach to refreshing the ANZ workforce we have again this year been one of Australia and New Zealand’s leading employers of university graduates with approximately 200 graduates in the 2002 intake.

Finally, we recognise the need for our people to have a healthy balance of work and life away from work. Putting this recognition into practice not only fosters a happier and more productive workplace, but also helps ANZ attract and retain the best talent as an employer of choice.

To this end, ANZ has a range of family-friendly policies covering areas such as parental leave, family leave, job sharing and telecommuting.

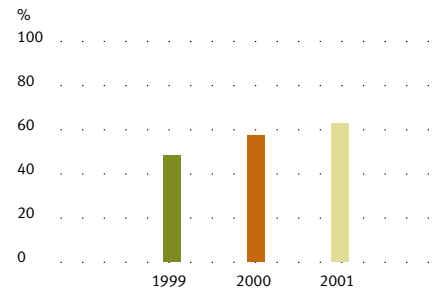
Our progressive stance on work-life balance has been recognised through ANZ being named a finalist in two categories in the Australian Chamber of Commerce and Industry National Work and Family Awards.

All these changes, and the strengthening company performance means that our ability to attract the best people to ANZ has never been better. Attracting the best people enables us to create a financial services experience that meets the needs of our customers, shareholders, and communities, and it makes ANZ a great place to work.

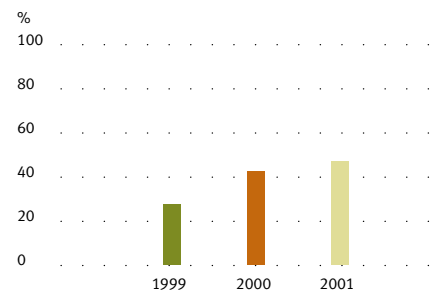
“We want our staff to be bold and have the courage to be different.”

SHANE FREEMAN HEAD OF PEOPLE CAPITAL

OVERALL STAFF SATISFACTION ANZ



STAFF BELIEVE MANAGEMENT WILL ACT ON ISSUES IDENTIFIED IN THIS SURVEY



SONIA STOJANOVIC
HEAD OF BREAKOUT AND
CULTURAL TRANSFORMATION

Fulfilling our Community Responsibilities.

At ANZ we are very clear about our responsibilities to our customers and shareholders, and to the communities in which we operate. We earn our living from these communities and we should do what we can to put something back. Our helping hand extends beyond the funding of projects and initiatives: we work closely with partnered organisations to help ensure their success, by providing professional, technical and volunteer support.

We are also placing an increasing emphasis in our community relations programs, on issues most relevant to financial services.

50,000 Hours

ANZ is proudly supporting the communities in which we operate through the 50,000 Hours program. The program provides up to one full day of paid leave for each staff member and up to 12 months continuous leave without pay for volunteer service in the community.

Many ANZ employees already devote significant personal time to not-for-profit organisations, including Youth at Risk and Foodbank Australia. ANZ wants to recognise these employees and it also wants to encourage a widespread commitment to the community throughout the organisation.

This move is part of an effort by ANZ to develop and foster a culture of good corporate citizenship that values the community and acknowledges staff already volunteering in the community.

ANZ's long term aim is to provide 50,000 hours per annum of volunteer work to local communities.

Youth at Risk

Recognising the need to encourage the development of our youth, ANZ is now one of the major sponsors of Youth at Risk.

Youth at Risk is a community based organisation that develops and delivers programs for disadvantaged youth. Most program participants come from difficult backgrounds and have had experiences with crime, suicide, drug abuse and prostitution.

This relationship began in 1998 and ANZ's involvement has evolved beyond a financial contribution. Staff regularly participate in the key program, Interviewing Your Future, which aims to prepare youth for future employment and aid in personal development.

Through the 50,000 Hours program ANZ staff conduct interview technique sessions and, in the months following the seminar, mentor the program's participants.

Youth at Risk has had great success and ANZ's support has allowed the program to be extended from metropolitan Victoria to rural and regional Victoria, as well as into NSW. Plans are also underway to move to other centres around the country.

Credit Helpline

Credit Helpline is a non-profit company that provides free, independent advice to Victorian consumers with credit or debt problems.

Credit Helpline was established in 1994 and relies on funding from several sources, including ANZ.

ANZ's support for Credit Helpline is not only financial – staff volunteers are involved in setting up new networks, an email system and a new website.

Through this affiliation with Credit Helpline, ANZ underscores its commitment to assist individuals with their financial needs, and to support the development of the communities in which ANZ operates.

Foodbank

ANZ has committed \$1m to support Foodbank nationally for 5 years. ANZ gives Foodbank the opportunity to help welfare agencies around Australia meet the most basic need of people – food. The partnership with Foodbank gives ANZ staff the opportunity to volunteer to assist Foodbank in its work.

ANZ STAFF IN MELBOURNE TOOK PART IN A WALKATHON TO RAISE MONEY FOR THE ROYAL CHILDREN'S HOSPITAL AND THE ANTI-CANCER COUNCIL



Wet 'n' Wise

Wet 'n' Wise is a community partnership between Royal Lifesaving Society Australia and ANZ.

The aim of the program is to reduce the number of water-related deaths that occur each year.

Using an interactive resource kit and website, Wet 'n' Wise focusses on encouraging schools to teach children the rules of common sense and safety in and around water.

Launched in November 2000, the Wet 'n' Wise program is being utilised by swimming centres, local councils, schools and education departments throughout Australia.

Intensive Care Appeal

The Intensive Care Appeal aims to increase the survival rate of intensive care patients. Its financial goal is to raise \$10m over three years. It is estimated these funds could help save an additional 2,000 lives a year. ANZ is a major partner in this endeavour and has already contributed \$750,000 to the appeal.

ANZ and the Environment

ANZ realises that it cannot separate its financial operations from the environmental impact and has appreciated the need to incorporate environmental considerations into its decision-making process. To this end, the group appointed an Environmental Initiatives Manager during the year, who was given the role of assessing ways that ANZ could reduce its overall environmental impact. The Environmental Initiatives Manager meets regularly with a group of senior management representatives, to formulate the best way forward for ANZ. These are early days for us and ANZ is still assessing the best way it can address the issue of sustainability. However we feel that each of the initiatives undertaken so far will help keep the Bank firmly on the right path.

2000–2001 Achievements

- > Joining the Australian Greenhouse Office's Greenhouse Challenge.
- > Joining the Victorian Government's Wastewise program.
- > Joining the Sustainable Energy Authority of Victoria as an Energy Smart Partner.
- > Liaising with City West Water to assess ways of reducing our water consumption.
- > The start of a trial of best practice waste diversion strategies in 100 Queen Street, with the intention that these will be replicated across all sites over the next two years.
- > Undertaking a green building rating of 100 Queen Street.
- > Participation in the Property Council of Australia's Energy Smart Leader's Program.
- > Having been assessed as being in the top 10% of the leading sustainability organisations in the banking sector globally, ANZ shares will form a component part of the Dow Jones Sustainability World Index from October 2001.

Political Donations

In Australia in the year to September 2001, ANZ donated \$75,000 to the Liberal Party, \$50,000 to the Labor Party and \$10,000 to the National Party.

Board of Directors.

Mr C B Goode AC

B Com (Hons) (Melb), MBA
(Columbia University, New York)
Hon LLD (Melb)

Chairman.

Company Director.
Director since July 1991,
appointed Chairman
August 1995.
Chairman of Woodside
Petroleum Ltd, Australian
United Investment Co. Ltd,
Diversified United
Investment Ltd,
The Ian Potter Foundation,
and the Howard Florey
Institute of Experimental
Physiology and Medicine.
Director of Singapore
Airlines Ltd.

Lives in Melbourne.
Age 63

Mr J McFarlane OBE

MA, MBA

Managing Director and Chief Executive Officer.

Appointed Managing
Director and Chief Executive
Officer in October 1997.
Director of Australian
Graduate School of
Management and The
Financial Markets
Foundation for Children.
Former Group Executive
Director, Standard Chartered
plc (1993–1997), Head of
Citibank, United Kingdom
(1990–1993), Managing
Director, Citicorp Investment
Bank Ltd (1987–1990),
Director London Stock
Exchange (1989–1991).

Lives in Melbourne.
Age 54

Dr B W Scott AO

B Ec, MBA, DBA

Company Director.

Director since August 1985.
Chairman of Management
Frontiers Pty Ltd, and The
Foundation for Development
Co-operation Ltd. Director
of Air Liquide Australia Ltd
and the James N. Kirby
Foundation Ltd. Australian
member of the Board
of Governors of the Asian
Institute of Management.
Former Chairman of the
Australian Government's
Trade Development Council
(1984–1990), and
Federal President, Institute
of Directors in Australia
(1982–1986).

Lives in Sydney.
Age 66

Mr J K Ellis

MA (Oxon), FAICD, Hon FIE Aust,
FAusIMM, FTSE

Company Director.

Director since October 1995.
Chairman of Sandvik
Australia Pty Ltd,
Australia–Japan Foundation,
Australian Minerals & Energy
Environment Foundation
and Black Range Minerals
Limited. Director of Aurora
Gold Limited, GroPep
Limited and Pacifica Group
Limited. Chancellor of
Monash University, and a
Council Member of the
Victorian College of the Arts.
Former Chairman, BHP
Limited, International
Copper Association Ltd,
and Board Member of the
Museum of Contemporary Art.

Lives in Melbourne.
Age 64

Ms M A Jackson

B Econ, MBA, FCA

Company Director.

Director since March 1994.
Chairman of Qantas Airways
Limited, Chairperson of
Methodist Ladies' College
and Deputy Chairman of
People Telecom Ltd. Director
of The Brain Research
Institute and Billabong
International Ltd.
Board Member of
the Howard Florey Institute
of Experimental Physiology
and Medicine.

Lives in Melbourne.
Age 48

Dr R S Deane

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

Company Director.

Director since September
1994. Chairman of Telecom
New Zealand Limited, Fletcher
Building Limited and Te Papa
Tongarewa (Museum of New
Zealand). He has a number
of directorships including
TransAlta Corporation
(Canada) and Woolworths
Limited. Former Chief
Executive and Managing
Director, Telecom New Zealand
Limited, Chief Executive,
Electricity Corporation of New
Zealand Ltd, Chairman of
Fletcher Challenge Limited,
State Services Commission,
Alternate Executive Director,
International Monetary
Fund and Deputy Governor,
Reserve Bank of New Zealand.

Lives in Wellington.
Age 60

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 Southern Cross
Broadcasting (Australia) Ltd,
Mining Project Investors Pty
Ltd, The Smith Family and
J. C. Dahlsen Pty Ltd Group.
Former Chairman of
Woolworths Ltd, Melbourne
Business School Ltd, The
Herald and Weekly Times Ltd
and Deputy Chairman Myer
Emporium Ltd.

Lives in Melbourne.
Age 66

Mr G K Toomey

B Com, FCPA, FCA, FCIS

Company Director.

Director since March 1998.
Former President and
Chief Executive Officer of Air
New Zealand Group (January
2001 to October 2001),
Deputy Chief Executive
Officer and Executive
Director of Qantas Airways
Limited (December 1993 to
September 2000),
Non-Executive Director of
Air Pacific Limited (May
1998 to September 2000).

Lives in Auckland.
Age 46
Resigned October 2001



Accountability. Responsibility. Prudence.

This corporate governance statement is a reflection of our respect for the responsibilities we hold and our firm intent to serve all those associated with ANZ in an honest and ethical manner.

Board of Directors

Role and responsibility

The Board is responsible for:

- › charting the direction, strategies and financial objectives for the Group and monitoring the implementation of those policies, strategies and financial objectives;
- › ensuring regulatory requirements are observed and ethical standards are met; and
- › appointing, and reviewing performance of the Chief Executive Officer.

The Board of Directors, working with the CEO and senior management, is responsible for the Group's performance.

Composition, independence and meetings

The Board currently comprises the CEO and independent non-executive directors, who are neither a substantial supplier or customer, nor a past ANZ executive. The Company's policy is for the Chairman to be an independent non-executive director and the Board comprise a majority of non-executive directors.

Board size (five minimum) and composition are regularly reviewed. The performance of each non-executive director is reviewed by the Chairman. The Chairman's performance is reviewed by the full Board. Details of the experience of directors are set out on pages 46–47.

The Board meets at least 8 times a year. Board agendas ensure that each of the Board's significant responsibilities (strategy, financial performance and risk), are addressed. In addition, directors hold regular meetings with senior staff to increase their knowledge of the business.

Board nominations

When a Board vacancy exists, candidates are identified with a mix of experience, skills, knowledge and perspective the Board considers necessary to enable it to carry out its responsibilities. The Board engages external consultants to assist in identifying candidates. Directors appointed to fill a vacancy stand for election at the Company's next AGM.

Share qualification

Each director must hold at least 2,000 shares.

Retirement policy

One-third of directors stand for re-election by rotation at each AGM. Directors appointed after 1993 retire after 15 years of service.

Independent advice and access to information

Each director has the right, with the prior approval of the Chairman, to seek independent professional advice regarding their responsibilities, at the Company's expense.

Each director has the benefit of a deed that clarifies the circumstances in which he or she is entitled to obtain access to company documents and information.

Committees

There are three main Board committees, each with their own charter, which assist the Board to review audit, risk, and human resources. All committees meet regularly and are chaired by a non-executive director. Details of committee memberships and the primary responsibilities of those committees are set out on page 55.

Policies and other matters

Ethics

The Company has developed a code of conduct which sets high standards for ethical behaviour and business practice, beyond complying with the law, in relation to:

- › ensuring confidentiality and privacy are respected;
- › acting with honesty and integrity at all times;
- › requiring personal transactions remain separate;
- › not accepting material personal benefits; and
- › avoiding conflicts of interest.

The code also covers conflict of interest procedures.

Continuous disclosure

The Company has written policies and procedures for information disclosure that ensures it meets its obligations under the ASX continuous disclosure regime, including prior disclosure of material given to analysts. All material information disclosed to ASX is posted on the Group's website.

Share Trading

The Company has a policy that prohibits directors and employees from acquiring, selling or otherwise trading in the Company's shares if they possess material price-sensitive information which is not yet public.

Remuneration

The Group's policy is to ensure that remuneration packages properly reflect the responsibilities of the senior executives and are adequate to attract, retain and motivate quality personnel. Details of the broad remuneration policy for directors and senior executives are set out on pages 52–53.

Concise Financial Report.

The 2001 Concise Financial Report has been derived from the Group's 2001 Financial Report. This Concise Financial Report cannot be expected to provide as full an understanding of the Group's financial performance, financial position and financing and investing activities as the Group's 2001 Financial Report.

The Chief Financial Officer's review on pages 8 to 11 provides a discussion and analysis of the concise financial statements.

Contents

10 Year Summary	50
Directors' Report	51
Directors' Meetings	55
Major Committees	55
Directors' Shareholdings	55
Statement of Financial Performance	56
Statement of Financial Position	57
Statement of Cash Flows	58
Notes to the Concise Financial Statements	59
Directors' Declaration	62
Auditors' Report	63
Financial Highlights in Key Currencies	63
Exchange Rates	63
Shareholder Information	64

2001 Financial Report

A copy of the Group's 2001 Financial Report, including the independent Auditors' Report, is available to all shareholders, and will be sent to shareholders without charge upon request. The Financial Report can be requested by telephone (Australia: 1800 11 33 99, Overseas: (61 3) 9205 4892) and by internet at investor.relations@anz.com

	2001 \$m	2000 \$m	1999 \$m	1998 \$m	1997 \$m	1996 \$m	1995 \$m	1994 \$m	1993 \$m	1992 \$m
Statement of Financial Performance										
Net interest income	3,833	3,801	3,655	3,547	3,437	3,327	3,084	2,794	2,539	2,427
Other operating income	2,612	2,583	2,377	2,142	2,110	1,839	1,754	1,793	1,730	1,990
Operating expenses	(3,131)	(3,314)	(3,300)	(3,442)	(3,502)	(3,397)	(3,116)	(3,001)	(2,975)	(3,199)
Profit before tax, debt provision and prior period abnormalities	3,314	3,070	2,732	2,247	2,045	1,769	1,722	1,586	1,294	1,218
Debt provision ²	(531)	(502)	(510)	(487)	(400)	(175)	(237)	(388)	(637)	(2,127)
Income tax (expense) benefit	(911)	(863)	(736)	(576)	(466)	(469)	(442)	(388)	(190)	336
Outside equity interests	(2)	(2)	(6)	(9)	(8)	(9)	(10)	(7)	(7)	(5)
Profit (loss) after tax before prior period abnormalities	1,870	1,703	1,480	1,175	1,171	1,116	1,033	803	460	(578)
Net prior period abnormal profit (loss)	–	44	–	(69)	(147)	–	19	19	(213)	(1)
Profit (loss) after tax	1,870	1,747	1,480	1,106	1,024	1,116	1,052	822	247	(579)
Statement of Financial Position										
Assets	185,493	172,467	152,801	153,215	138,241	127,604	112,587	103,874	103,045	101,138
Net Assets	10,551	9,807	9,429	8,391	6,993	6,336	5,747	5,504	5,133	4,591
Tier 1 capital ratio	7.5%	7.4%	7.9%	7.2%	6.6%	6.7%	6.6%	6.8%	5.9%	4.8%
Return on average ordinary equity ^{3,4}	20.2%	19.3%	17.6%	15.9%	17.2%	18.3%	17.9%	15.6%	5.0%	-11.4%
Return on average assets ³	1.1%	1.1%	1.0%	0.7%	0.7%	0.9%	0.9%	0.8%	0.2%	-0.6%
Cost income ratio ⁵	48.3%	51.7%	54.5%	60.9%	63.1%	65.8%	64.4%	65.4%	69.7%	72.4%
Shareholder value – ordinary shares										
Total return to shareholders (share price movement plus dividends)	25.5%	35.3%	19.6%	-15.6%	62.4%	33.9%	52.4%	2.0%	47.2%	-19.6%
Market capitalisation	23,783	20,002	16,045	13,885	17,017	10,687	8,199	5,293	5,285	3,037
Dividend	73.0c	64.0c	56.0c	52.0c	48.0c	42.0c	33.0c	25.0c	20.0c	20.0c
Franked portion										
– interim	100%	100%	75%	60%	100%	50%	0%	0%	0%	100%
– final	100%	100%	80%	60%	100%	100%	33%	0%	0%	0%
Closing share price										
– high	\$17.39	\$13.46	\$12.45	\$11.88	\$11.58	\$7.28	\$5.75	\$5.68	\$4.40	\$4.88
– low	\$13.44	\$9.60	\$8.58	\$8.45	\$7.10	\$5.41	\$3.55	\$3.78	\$2.53	\$2.87
– 30 Sep	\$15.98	\$13.28	\$10.25	\$9.02	\$11.28	\$7.23	\$5.67	\$3.91	\$4.04	\$2.88
Share information (per fully paid ordinary share)										
Earnings per share – basic	117.4c	106.8c	90.6c	72.6c	68.6c	76.3c	69.9c	55.9c	13.5c	-60.2c
Dividend payout ratio	62.0%	59.1%	62.1%	67.8%	61.6%	55.5%	49.1%	46.4%	65.6%	n/a
Net tangible assets	\$5.96	\$5.49	\$5.21	\$4.98	\$4.59	\$4.24	\$3.94	\$3.58	\$3.43	\$3.40
No. of fully paid ordinary shares issued (millions)	1,488.3	1,506.2	1,565.4	1,539.4	1,508.6	1,478.1	1,446.0	1,353.6	1,308.2	1,054.5
DRP issue price										
– interim	\$15.05	\$11.62	\$10.95	\$10.64	\$9.77	\$5.59	\$4.40	\$3.78	\$3.42	\$3.58
– final	–	\$14.45	\$11.50	\$10.78	\$9.92	\$7.60	\$6.27	\$3.73	\$4.44	\$2.51
Other information										
Points of representation	1,056	1,087	1,147	1,205	1,473	1,744	1,881	2,026	2,136	2,302
No. of employees (full time equivalents) ⁶	22,501	23,134	30,171	32,072	36,830	39,721	39,240	39,642	40,277	43,977
No. of shareholders ⁷	181,035	179,244	214,151	151,564	132,450	121,847	114,829	121,070	115,000	112,036

¹ Data for 1998, 1999, 2000 and 2001 includes the consolidation of assets in the statutory funds of ANZ Life as required by an accounting standard applicable from 1 October 1999

² From 1997, the annual debt provision charge has been calculated based on economic loss provisioning; prior year data has not been restated for this change in measurement approach

³ After abnormalities

⁴ From 2001, the return on average ordinary equity calculation accrues the dividend over the year; prior year data from 1997 has been restated for this change in calculation

⁵ Before goodwill amortisation and abnormalities

⁶ Prior to 1997 excludes temporary staff

⁷ For 2000 and 2001 the number of shareholders does not include the number of employees whose shares are held by ANZEST Pty Ltd as the trustee for shares issued under the terms of any employee incentive plan

The directors present their report together with the concise financial report of the consolidated entity (the Group), being Australia and New Zealand Banking Group Limited (the Company) and its controlled entities, for the year ended 30 September 2001 and the auditors' report thereon. The information is provided in conformity with the Corporations Act 2001.

Principal Activities

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

There has been no significant change in the nature of the principal activities of the Group during the financial year.

At 30 September 2001, the Group had 1,056 points of representation.

Result

Consolidated net profit after income tax attributable to shareholders of the Company was \$1,870 million. Further details are contained in the Chief Executive Officer's Overview and the Chief Financial Officer's Review commencing on pages 4 and 8 respectively of the 2001 Annual Report.

Dividends

The directors propose that a final fully franked dividend of 40 cents per fully paid ordinary share be declared on 19 November 2001 and be paid on 14 December 2001. The proposed payment amounts to \$595 million.

During the financial year, the following fully franked dividends were paid on fully paid ordinary shares:

Type	Cents per share	Amount before bonus options \$m	Date of payment
Final	35	528	15 December 2000
Interim	33	491	2 July 2001

The final dividend for the year ended 30 September 2000 was paid on 15 December 2000 and is detailed in the Directors' Report dated 6 November 2000.

Review of Operations

A review of the operations of the Group during the financial year and the results of those operations are contained in the Chairman's Letter to Shareholders, the Chief Executive Officer's Overview and the Chief Financial Officer's Review.

State of Affairs

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

- › Net loans and advances increased by 6.3% from \$116,315 million to \$123,657 million, primarily from growth in mortgage lending and commercial lending in Australia and New Zealand.
- › Deposits and other borrowings increased by 4.2% from \$100,602 million to \$104,874 million.
- › The charge for doubtful debts has been determined using economic loss provisioning and is based on the Group's risk management models.
 - › The economic loss provision charge increased from \$502 million to \$531 million reflecting a down grade in the overall risk profile due to the slowing world economy.
 - › Net specific provisions were \$520 million, up from \$383 million.
 - › Gross non-accrual loans decreased to \$1,260 million, or 1.0% of net loans and advances.
- › On 27 April 2000 the Group announced an on-market buyback of ordinary shares. This was completed on 8 May 2001 and 75.4 million ordinary shares were bought back at a total cost of \$1 billion.

While the above matters are those considered to be significant changes, reviews of matters affecting the Group's state of affairs are also contained in the Chairman's Letter to Shareholders, the Chief Executive Officer's Overview and the Chief Financial Officer's Review.

Events since the End of the Financial Year

Other than the proposed purchase of banking operations in Fiji, Papua New Guinea and Vanuatu (subject to regulatory approval), no matter or circumstance has arisen between 30 September 2001 and the date of this report that has significantly affected or may significantly affect the operations of the Group in future financial years, the results of those operations or the state of affairs of the Group in future years.

Future Developments

Details of likely developments in the operations of the Group in future financial years are contained in the Chairman's Letter to Shareholders and the Chief Executive Officer's Overview. In the opinion of the directors, disclosure of any further information would be likely to result in unreasonable prejudice to the Group.

Rounding of Amounts

The Company is a company of the kind referred to in the Australian Securities and Investments Commission class order 98/100 dated 10 July 1998 pursuant to section 341(1) of the Corporations Act 2001. 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' shareholdings, both beneficial and non-beneficial, in the shares of the Company are detailed on page 55 of the 2001 Annual Report.

Share Options

Details of share options issued over un-issued shares granted to directors, senior executives and officers, are shown under Directors' and Executive Officers' Emoluments in this report, and in note 49 of the Financial Report.

No person entitled to exercise any option has or had, by virtue of an option, a right to participate in any share issue of any other body corporate.

The names of all persons who currently hold options granted under the schemes are entered in the register kept by the Company pursuant to section 170 of the Corporations Act 2001. This register may be inspected free of charge.

Directors' Qualifications and Experience

The Board includes six non-executive directors who have a diversity of business and community experience and one executive director who has extensive banking experience. The names, qualifications and experience of the directors who are in office at the date of this report are contained on pages 46 and 47 of the 2001 Annual Report and those pages are incorporated in and form part of this report.

G K Toomey resigned as a director on 8 October 2001, having held office since before the commencement of the financial year.

Special responsibilities and attendance at meetings by directors, are shown on page 55.

Directors' and Executive Officers' Emoluments

The Human Resources Committee (the Committee) of the Board assists the Board in its oversight of major policies and guidelines relating to the management of human resources.

The Committee consists of the executive and non-executive directors shown in the table on page 55.

The Committee's responsibilities include the review of proposed remuneration and profit sharing programs. The Committee recommends these programs to the Board for approval and monitors their ongoing operation. It also reviews and approves all remuneration entitlements for senior executives, approving the same or, in the case of Board appointees, makes recommendations to the Board. The Managing Director does not participate in discussions and decisions relating to his own remuneration.

The Committee does not set fees for the Chairman or other non-executive directors. These are based on advice received from external advisors and approved by the Board. Non-executive directors' fees are within the limit set by shareholders at the Annual General Meeting held on 21 January 1998, and are set at levels which fairly represent the responsibilities of, and time spent by, the non-executive directors on Group matters. Regard is also had to the level of fees payable to non-executive directors in comparable companies.

The Group's remuneration policy is to ensure that remuneration packages properly reflect the duties and responsibilities of the senior executives and are sufficient to attract, retain and motivate personnel of the requisite quality.

Remuneration packages are structured in such a way that a significant part of the individual's reward depends upon the achievement of business objectives and the profitability of the Group as measured by the Economic Value Added™ methodology.

All senior executives have performance objectives, including the achievement of key strategic milestones and operating performance targets. These objectives are agreed at the beginning of the performance period. Performance bonus payments are contingent on the achievement of agreed performance goals, assessed through the semi-annual performance management process.

Two thirds of the performance related bonus of senior executives, other than the Managing Director, is paid as deferred shares in the Company, with half of these shares deferred a minimum of twelve months and half deferred for a minimum of three years. The issue price of deferred shares is based on the average closing price of the Company's shares during the five trading days prior to the relevant Board or Shares Committee meeting which approves the issue of the shares.

Deferred shares are held in trust by ANZEST Pty Ltd (the trustee of employee incentive plans) and may vest with the senior executive after a minimum relevant period. If the senior executive resigns or is dismissed during a deferral period, the shares are forfeited.

Long term incentives in the form of options and shares are also provided to eligible executives in consideration of future performance.

Details of the emoluments of each director and of the five most highly paid executives for the Group and the Company are shown on page 53.

Director Emoluments

Amounts in \$	Fees Paid		Subsidiary Board	Committee Chairman's fee	Superannuation contributions	Total
	Cash	Value of deferred shares ¹				
Non-executive directors						
C B Goode (Chairman)	76,000	239,000	–	–	8,416	323,416
J C Dahlsen	95,000	–	–	10,000	8,400	113,400
R S Deane	95,000	–	90,196	–	7,600	192,796
J K Ellis	74,000	21,000	–	10,000	8,400	113,400
M A Jackson	95,000	–	10,000	–	8,400	113,400
B W Scott	68,750	26,250	–	10,000	8,400	113,400
G K Toomey ²	92,418	–	–	–	7,393	99,811
	596,168	286,250	100,196	30,000	57,009	1,069,623

¹ Participation in Directors' Share Plan. Value of shares at the date they were purchased on market

² Commenced leave of absence from 20 September 2001, resigned 8 October 2001

Executive Emoluments**Cash and benefits**

Amounts in \$	Salary or fees	Performance related bonus (cash component)	Benefits ¹	Superannuation contributions	Total cash and other benefits
Executive Management Committee					
J McFarlane (Managing Director)	1,422,000	–	–	78,000	1,500,000
D L Boyles	628,372	200,333	35,228	36,400	900,333
R A Davis	644,049	198,000	19,551	36,400	898,000
E Funke Kupper	660,100	200,333	3,500	36,400	900,333
P J O Hawkins	707,500	219,333	3,500	39,000	969,333
P R Marriott	660,100	205,000	3,500	36,400	905,000

¹ Benefits include the provision of housing, cars and parking, private health insurance, subsidised loans and certain other expenses

Deferred shares and options

	Deferred Shares ¹				Options granted ^{2,3,4}		
	Number	Type I Value \$	Type II Value \$	Number	Number Issued	Date	Exercise Price \$
J McFarlane (Managing Director)	100,922	1,593,686	–	–	750,000	31/12/00	14.78
D L Boyles	13,231	200,330	25,131	381,785	170,000	21/11/00	14.34
					80,000	24/04/01	13.70
					70,000	24/10/01	17.05
R A Davis	13,118	197,996	25,018	379,451	170,000	21/11/00	14.34
					80,000	24/04/01	13.70
					70,000	24/10/01	17.05
E Funke Kupper	13,031	200,335	26,731	408,125	270,000	21/11/00	14.34
					95,000	24/04/01	13.70
					77,000	24/10/01	17.05
P J O Hawkins	14,370	219,334	26,770	409,314	170,000	21/11/00	14.34
					80,000	24/04/01	13.70
					77,000	24/10/01	17.05
P R Marriott	13,505	205,001	25,605	389,866	170,000	21/11/00	14.34
					80,000	24/04/01	13.70
					73,000	24/10/01	17.05

¹ Deferred shares are held in trust for up to 10 years and are restricted for periods of one year (Type I) or three years (Type II). Subject to the Board determining otherwise the shares are forfeited if the recipient leaves the Group within the restricted period for reasons other than retirement, retrenchment, death or disablement or commits gross misconduct. For J McFarlane, deferred shares are purchased under the Directors' Share Plan. For the other senior executives deferred shares are issued in lieu of bonus, or as part of long term incentive arrangements. The number of shares issued under long term incentive arrangements is predicated on a market competitive assessment of long term compensation benchmarks. These shares have an additional restriction, and entitlement will only vest in the event of individual performance conditions being met. In the event of retrenchment or retirement the release of long term incentive shares will be pro-rated.

² All options expire seven years from the date of grant except for J McFarlane's which expire four years from the date of grant. These options are exercisable between three and seven years of the date of grant if certain performance conditions are met. Each option entitles the holder to purchase one ordinary fully paid share in the company. The estimated value is calculated using a modified Black Scholes model. Estimated values, per option, at the dates of issue, were: \$2.21 (21 November 2000), \$2.24 (31 December 2000), \$2.21 (24 April 2001), \$2.68 (24 October 2001).

³ All options issued except for J McFarlane's may be exercised only if the ANZ Accumulation Index over the period from the date of grant to the last trading day of any month occurring during the relevant measurement period equals or exceeds (for 50% of the options issued) the ASX 100 Accumulation Index and (for the remaining 50% of the options issued) the Accumulated Banking and Finance Index, both calculated over the same period.

⁴ J McFarlane's options may be exercised only if the ANZ Accumulation Index over the period from the date on which the options are granted to the last trading day of any month occurring during the relevant exercise period equals or exceeds the ASX 100 Accumulation Index calculated over the same period. Subject to the performance conditions being met, J McFarlane's options are exercisable from 31 December 2003 to 31 December 2004, both dates inclusive.

Directors' and Officers' Indemnity

The Company's Constitution (Rule 11.1) permits the Company to indemnify each officer or employee of the Company against liabilities (so far as may be permitted under the Corporations Act 2001) incurred in the execution and discharge of the officer's or employee's duties.

It is the Company's policy that its employees should not incur any liability for acting in the course of their employment.

Under the policy, the Company will indemnify employees against any liability they incur in carrying out their role. The indemnity protects employees and former employees who incur a liability when acting as an employee, trustee or officer of the Company, or a subsidiary of the Company at the request of the Company.

The indemnity is subject to the Corporations Act 2001 and will not apply in respect of any liability arising from:

- › a claim by the Company;
- › a claim by a related body corporate;
- › a lack of good faith;
- › illegal or dishonest conduct; or
- › non compliance with the Company's policies or discretions.

The Company has entered into Deeds of Access, Insurance and Indemnity with each of its directors and secretaries and with certain employees and certain other individuals who act as directors of related body corporates or of another company.

To the extent permitted by law, the Company indemnifies the individual for all liabilities, including costs, damages and expenses incurred in their capacity as an officer of the company to which they have been appointed.

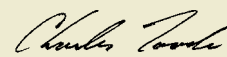
The Company has indemnified the trustees and former trustees of certain of the Company's superannuation funds and directors, former directors, officers and former officers of trustees of various Company sponsored superannuation schemes in Australia. Under the relevant Deeds of Indemnity, the Company must indemnify each indemnified person if the assets of the relevant fund are insufficient to cover any loss, damage, liability or cost incurred by the indemnified person in connection with the fund, being loss, damage, liability or costs for which the indemnified person would have been entitled to be indemnified out of the assets of the fund in accordance with the trust deed and the Superannuation Industry (Supervision) Act 1993. This indemnity survives the termination of the fund. Some of the indemnified persons are or were directors or executive officers of the Company.

The Company has also indemnified certain employees of the Company, being trustees and administrators of a trust which is a subsidiary entity, from and against any loss, damage, liability, tax, penalty, expense or claim of any kind or nature arising out of or in connection with the creation, operation or dissolution of the trust, where they are acting in good faith and in a manner that they reasonably believed to be within the scope of the authority conferred by the trust.

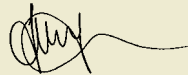
Except for the above, no person has been indemnified nor has the Company or a related body corporate of the Company made an agreement to indemnify any person who is or has been an officer or auditor of the Company or of a related body corporate.

During the financial year, and again since the end of the financial year, the Company has paid a premium for an insurance policy for the benefit of the directors, secretaries, 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.

Signed in accordance with a resolution of the directors.



Charles Goode
Chairman
5 November 2001



John McFarlane
Chief Executive Officer

Directors' Meetings

The number of Board meetings and Committee meetings held during the year, and attended by each director are set out in the following table:

	Board		Risk Management		Audit		Human Resources		Executive Committee		Shares Committee		Committee of the Board	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
C B Goode	9	9	11	9	8	7	7	7	2	2	7	7	1	1
J C Dahlsen	9	9	–	–	8	8	–	–	1	1	5	5	–	–
R S Deane ¹	9	8	11	8	–	–	–	–	–	–	–	–	–	–
J K Ellis	9	9	11	10	–	–	6	5	–	–	3	3	1	1
M A Jackson	9	8	–	–	8	6	–	–	1	1	–	–	2	2
J McFarlane	9	9	11	8	–	–	6	5	2	2	1	1	4	4
B W Scott	9	9	–	–	8	8	7	7	–	–	8	8	–	–
G K Toomey ²	8	6	10	5	–	–	6	4	–	–	2	2	–	–

Column A - The number of meetings the director was eligible to attend

Column B - The number of meetings attended. The Chairman is an ex-officio member of all Board Committees

¹ New Zealand resident

² New Zealand resident from January 2001; on leave of absence from 20 September 2001; resigned 8 October 2001

Major Committees

Audit (Chairman - J C Dahlsen) reviews the Group's accounting policies and practices; reviews financial statements, due diligence processes in relation to capital raisings and compliance with the Group's statutory responsibilities; monitors compliance with approved policies and controls; and approves audit plans and the audit fee of the external auditor.

Risk Management (Chairman - J K Ellis) oversees all aspects of risk management; and approves the delegation policies, standards and reporting mechanisms for credit risk, market risk, balance sheet risk and operating risk.

Human Resources (Chairman - B W Scott) oversees human resources policies and guidelines including remuneration schemes, industrial relations strategies, staff development programs, and assessment of the performance of senior executives.

Directors' Shareholdings

	Shares ¹	Beneficially held		Non-beneficially held Shares
		Options		
C B Goode	214,782	–		142,093
J C Dahlsen	83,400	–		12,000
R S Deane	75,000	–		–
J K Ellis	56,370	–		–
M A Jackson	70,803	–		–
J McFarlane	631,039	2,500,000 ²		–
B W Scott	65,609	–		–
G K Toomey	2,364	–		–
Total	1,199,367	2,500,000		154,093

¹ Shares include deferred shares

² 500,000 options exercisable at \$12.12 after 1 February 2000; 500,000 options exercisable at \$11.40 after 1 June 2001; 750,000 options exercisable at \$11.49 after 31 December 2002 and 750,000 options exercisable at \$14.78 after 31 December 2003 with the latter two subject to a performance hurdle that the ANZ accumulation index exceeds the ASX 100 accumulation index calculated over a stated period.

	Note	2001 \$m	Consolidated 2000 \$m	1999 \$m
Total income		12,863	14,031	11,061
Interest income		10,251	10,241	8,684
Interest expense		(6,418)	(6,440)	(5,029)
Net interest income		3,833	3,801	3,655
Other operating income		2,612	2,583	2,377
Prior period abnormal income	2	–	1,207	–
Operating income		6,445	7,591	6,032
Operating expenses		(3,131)	(3,314)	(3,300)
Prior period abnormal expenses	2	–	(986)	–
Profit before debt provision		3,314	3,291	2,732
Provision for doubtful debts		(531)	(502)	(510)
Profit before income tax		2,783	2,789	2,222
Income tax expense		(911)	(863)	(736)
Prior period abnormal tax	2	–	(177)	–
Total income tax expense		(911)	(1,040)	(736)
Profit after income tax		1,872	1,749	1,486
Net profit attributable to outside equity interests		(2)	(2)	(6)
Net profit attributable to shareholders of the Company		1,870	1,747	1,480
Currency translation adjustments, net of hedges after tax		197	170	(215)
Revaluation of properties		–	31	–
Total adjustments attributable to shareholders of the Company recognised directly into equity		197	201	(215)
Total changes in equity other than those resulting from transactions with shareholders as owners		2,067	1,948	1,265
Earnings per ordinary share (cents)				
Basic		117.4	106.8	90.6
Diluted		116.3	106.3	90.3
Dividend per ordinary share (cents)		73	64	56
Net tangible assets per ordinary share (\$)		5.96	5.49	5.21

	Note	2001 \$m	Consolidated 2000 \$m
Assets			
Liquid assets		7,794	5,648
Due from other financial institutions		4,829	5,822
Trading securities		4,827	4,126
Investment securities		3,487	3,006
Net loans and advances		123,657	116,315
Customers' liabilities for acceptances		14,324	15,482
Life insurance investment assets		4,774	4,739
Regulatory deposits		133	103
Shares in associates		64	29
Income tax assets		1,200	1,227
Goodwill		137	145
Other assets		18,906	14,566
Premises and equipment		1,361	1,259
Total assets		185,493	172,467
Liabilities			
Due to other financial institutions		12,690	12,247
Deposits and other borrowings		104,874	100,602
Liability for acceptances		14,324	15,482
Income tax liabilities		1,335	1,303
Creditors and other liabilities		15,948	13,371
Provisions		2,142	2,089
Life insurance policy liabilities		4,458	4,360
Bonds and notes		15,340	9,519
Loan capital		3,831	3,687
Total liabilities		174,942	162,660
Net assets		10,551	9,807
Shareholders' equity			
Ordinary share capital	4	3,733	4,028
Preference share capital		1,526	1,374
Reserves		717	786
Retained profits		4,562	3,607
Share capital and reserves attributable to shareholders of the Company		10,538	9,795
Outside equity interests		13	12
Total shareholders' equity		10,551	9,807
Contingent liabilities	5		

	2001 \$m	Consolidated 2000 \$m	1999 \$m
		Inflows (Outflows)	
Cash flows from operating activities			
Interest received	11,054	9,916	8,679
Dividends received	75	192	157
Fees and other income received	2,783	2,460	2,089
Interest paid	(6,703)	(6,108)	(5,039)
Personnel expenses paid	(1,827)	(1,735)	(1,840)
Premises expenses paid	(253)	(283)	(282)
Other operating expenses paid	(1,775)	(1,199)	(977)
Income taxes paid	(823)	(754)	(535)
Goods and services tax received (paid)	(53)	4	-
Net (increase) decrease in trading securities	(629)	(25)	1,442
Net cash provided by operating activities	1,849	2,468	3,694
Cash flows from investing activities			
Net decrease (increase)			
Due from other financial institutions	909	(792)	616
Regulatory deposits	(27)	(90)	828
Loans and advances	(4,829)	(17,633)	(12,936)
Shares in controlled entities and associates	(36)	(50)	-
Investment securities			
Purchases	(4,005)	(8,109)	(5,527)
Proceeds from sale or maturity	3,630	8,553	4,670
Controlled entities and associates			
Purchased (net of cash acquired)	(36)	(43)	(2)
Proceeds from sale (net of cash disposed)	-	1,510	-
Transferred from controlled entities to associates (net of cash)	-	-	(94)
Premises and equipment			
Purchases	(452)	(275)	(177)
Proceeds from sale	127	249	142
Other	529	(3,160)	(610)
Net cash (used in) investing activities	(4,190)	(19,840)	(13,090)
Cash flows from financing activities			
Net (decrease) increase			
Due to other financial institutions	(826)	3,111	(779)
Deposits and other borrowings	890	12,763	5,202
Creditors and other liabilities	581	(843)	743
Bonds and notes			
Issue proceeds	7,542	5,555	4,330
Redemptions	(2,878)	(1,341)	(479)
Loan capital			
Issue proceeds	-	152	-
Redemptions	(244)	(147)	(256)
Decrease in outside equity interests	(1)	(19)	(1)
Dividends paid	(1,028)	(749)	(671)
Share capital issues	114	36	591
Share buyback	(495)	(1,014)	-
Net cash provided by financing activities	3,655	17,504	8,680
Net cash provided by operating activities	1,849	2,468	3,694
Net cash (used in) investing activities	(4,190)	(19,840)	(13,090)
Net cash provided by financing activities	3,655	17,504	8,680
Net increase (decrease) in cash and cash equivalents	1,314	132	(716)
Cash and cash equivalents at beginning of year	6,462	6,634	8,981
Foreign currency translation on opening balances	1,295	(304)	(1,631)
Cash and cash equivalents at end of year	9,071	6,462	6,634

1: Accounting Policies

This concise financial report has been derived from the Group's 2001 Financial Report which complies with the Corporations Act 2001, Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. A full description of the accounting policies adopted by the Group is provided in the 2001 Financial Report. The accounting policies are consistent with those of the previous financial year except for the change disclosed.

The directors have elected to adopt early the revised Accounting Standard AASB 1005 'Segment Reporting'.

Change in Accounting Policy

On applying AASB 1041 'Revaluation of Non-Current Assets' with effect from 1 October 2000, the Group has elected to revert to the cost basis for measuring the class of assets land and buildings. Previously, this class of assets was revalued periodically.

In changing from a revaluation to a cost policy, the carrying amount of the class of assets land and buildings at the date of first applying the standard is deemed to be their cost. Writedowns of previously revalued assets may no longer be made through the asset revaluation reserve. This change in accounting policy had no impact for the year ended 30 September 2001.

2: Items Reported as Abnormal in Prior Periods

	2001 \$m	Consolidated 2000 \$m	1999 \$m
Profit before tax			
Revaluation of properties	-	30	-
Gain on sale of investment in Colonial Limited	-	33	-
Income from sale of Grindlays and associated businesses	-	1,225	-
(Loss) before tax			
Provisions raised on sale of Grindlays and associated businesses	-	(575)	-
Restructuring provision	-	(361)	-
Provision for litigation	-	(50)	-
Writedown of investment in Panin Bank	-	(81)	-
Total prior period abnormal profit before tax	-	221	-
Income tax (expense) benefit applicable to			
Restatement of deferred tax balances	-	(64)	-
Sale of Grindlays and associated businesses and provisions raised	-	(246)	-
Restructuring provision	-	116	-
Provision for litigation	-	17	-
Total prior period abnormal income tax expense	-	(177)	-
Total prior period abnormal profit after tax	-	44	-

3: Dividends

Ordinary Dividends	2001 \$m	2000 \$m	1999 \$m
Interim dividend	491	445	404
Final dividend	595	528	470
Bonus option plan adjustment	(24)	(32)	(60)
Dividends on ordinary shares	1,062	941	814

A fully franked final dividend of 40 cents, is proposed to be paid on each fully paid ordinary share on 14 December 2001 (2000: final dividend of 35 cents, paid 15 December 2000, fully franked; 1999: final dividend of 30 cents, paid 20 December 1999, partially franked to 80%). The 2001 interim dividend of 33 cents, paid 2 July 2001, was fully franked (2000: interim dividend of 29 cents, paid 3 July 2000, fully franked; 1999: interim dividend of 26 cents, paid 5 July 1999, partially franked to 75%).

The tax rate applicable to the franking credits attached to the interim dividend and to be attached to the proposed final dividend is 30% (2000: 34%, 1999: 36%).

Preference Dividends

Preference Dividends	2001 \$m	2000 \$m	1999 \$m
Dividends on preference shares	119	102	72

In 1998 the Company issued 124,032,000 preference shares, raising USD 775 million via Trust Securities issues. The Trust Securities carry an entitlement to a distribution of 8.00% (on USD 400 million) and 8.08% (on USD 375 million). The amounts are payable quarterly in arrears. Shown above are amounts paid for the year to 30 September 2001 (2000: full year to 30 September 2000; 1999: from their dates of issue, 23 September 1998 and 19 November 1998, to 30 September 1999). Payment dates are the fifteenth days of January, April, July and October in each year.

Dividend Franking Account

The amount of franking credits available for the subsequent financial year is nil (2000 and 1999: nil), after adjusting for franking credits that will arise from the payment of tax on Australian profits for the 2001 financial year less franking credits which will be utilised in franking the proposed final dividend and franking credits that may not be accessible by the Company at present.

4: Share Buybacks

The Company conducted the following on-market buybacks during the year to 30 September 2001:

Date of Announcement ¹	Date Buyback Completed	No. of ordinary shares bought back	% of ordinary shares bought back	Average price per share	Total Consideration ² \$m
27 April 2000	8 May 2001	34.6 million	2.3%	\$14.30	495

¹ Date of the directors' resolution approving the buyback

² Consideration is allocated to Share Capital

5: Contingent Liabilities

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

Details covering indemnities and other matters arising from the Grindlays sale on 31 July 2000 are contained in the 2001 Financial Report.

6: Segment Analysis

During the year ended 30 September 2001, the Group managed its activities along the following lines of business: Personal, Corporate and International and Subsidiaries. Corporate Centre, Technology and Finance combines the central support and shared service units of the Group, including the results of asset and liability management and earnings on central capital. A description of each of the operating business segments, including the types of products and services the segments provide to customers, is detailed in the 2001 Financial Report.

Business Segment Analysis^{1,2}

Consolidated 30 September 2001	Personal \$m	Corporate \$m	International & Subsidiaries \$m	Corporate Centre, Technology & Finance \$m	Discontinued Businesses \$m	Consolidated Total \$m
Total income	6,306	4,524	1,977	48	8	12,863
Net interest income	2,196	819	615	174	29	3,833
Other external operating income	951	1,140	508	31	(18)	2,612
Net intersegment income	118	(36)	(91)	9	–	–
Operating income	3,265	1,923	1,032	214	11	6,445
Other external expenses	(1,372)	(594)	(417)	(750)	2	(3,131)
Net intersegment expenses	(359)	(146)	(83)	593	(5)	–
Operating expenses	(1,731)	(740)	(500)	(157)	(3)	(3,131)
Profit before debt provision	1,534	1,183	532	57	8	3,314
Doubtful debt provision	(205)	(178)	(91)	(42)	(15)	(531)
Income tax and outside equity interests	(450)	(268)	(157)	(33)	(5)	(913)
Profit after income tax	879	737	284	(18)	(12)	1,870
Total assets	73,528	68,191	26,416	16,270	1,088	185,493
Total liabilities	40,228	58,818	26,978	47,950	968	174,942

Business Segment Analysis^{1,2}

Consolidated 30 September 2000	Personal \$m	Corporate \$m	International & Subsidiaries \$m	Corporate Centre, Technology & Finance \$m	Discontinued Businesses & Abnormals ^{3,4} \$m	Consolidated Total \$m
Total income	5,517	4,041	1,789	1,743	941	14,031
Net interest income	1,985	723	613	143	337	3,801
Other external operating income	869	1,004	446	27	1,444	3,790
Net intersegment income	146	(45)	(92)	(9)	–	–
Operating income	3,000	1,682	967	161	1,781	7,591
Other external expenses	(1,332)	(574)	(450)	(709)	(1,235)	(4,300)
Net intersegment expenses	(374)	(141)	(40)	596	(41)	–
Operating expenses	(1,706)	(715)	(490)	(113)	(1,276)	(4,300)
Profit before debt provision	1,294	967	477	48	505	3,291
Doubtful debt provision	(192)	(153)	(87)	(8)	(62)	(502)
Income tax and outside equity interests	(391)	(212)	(170)	24	(293)	(1,042)
Profit after income tax	711	602	220	64	150	1,747
Total assets	66,896	65,161	24,372	15,129	909	172,467
Total liabilities	36,004	50,705	25,325	48,442	2,184	162,660

¹ Results are equity standardised

² Intersegment transfers are accounted for and determined on an arms length basis

³ Results of Grindlays and associated businesses sold on 31 July 2000 to Standard Chartered Bank are included here

⁴ Includes abnormal items in year ended 30 September 2000

6: Segment Analysis (continued)

The Group operates in Australia, New Zealand and Overseas markets. Overseas operations are conducted in UK and Europe, Asia, Pacific and Americas. As a result of the sale of the Grindlays operations, the Group no longer has material operations in South Asia and the Middle East.

Geographic Segment Analysis

	2001		2000	
	Income \$m	Assets \$m	Income \$m	Assets \$m
Australia	9,046	133,035	7,991	127,306
New Zealand	2,024	22,337	1,843	20,354
Overseas markets	1,793	30,121	4,197	24,807
Total	12,863	185,493	14,031	172,467

7: Events Since the End of the Financial Year

On 8 October 2001, ANZ announced, subject to regulatory approval, the acquisition of operations in Papua New Guinea, Fiji and Vanuatu, for approximately USD 50 million. The acquisitions comprise the operations of the Bank of Hawaii in those countries.

Directors' Declaration

The directors of Australia and New Zealand Banking Group Limited declare that the accompanying concise financial report of the consolidated Group is fairly presented as an abbreviation of the Group's 30 September 2001 Financial Report and complies with Australian Accounting Standard AASB 1039 'Concise Financial Reports'.

In our report on the Group's 2001 Financial Report we declared that:

- (a) the financial statements and notes comply with the Corporations Act 2001, including:
- complying with applicable Australian Accounting Standards and other mandatory professional reporting requirements; and
 - giving a true and fair view of the financial position of the Company and of the consolidated Group and of their performance as represented by the results of their operations and their cash flows; and
- (b) in the directors' opinion at the date of this declaration there are reasonable grounds to believe that the Company and consolidated Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors



Charles Goode
Chairman
5 November 2001



John McFarlane
Chief Executive Officer

To the members of Australia and New Zealand Banking Group Limited**Scope**

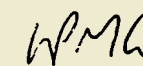
We have audited the concise financial report of Australia and New Zealand Banking Group Limited and its controlled entities for the financial year ended 30 September 2001 consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes as set out on pages 56 to 62, and the accompanying discussion and analysis on pages 8 to 11 in order to express an opinion on it to the members of the Company. The Company's directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Australia and New Zealand Banking Group Limited and its controlled entities for the year ended 30 September 2001. Our audit report on the full financial report was signed on 5 November 2001, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 'Concise Financial Reports' issued in Australia. The audit opinion in this report has been formed on the above basis.

Audit Opinion

In our opinion, the concise financial report of Australia and New Zealand Banking Group Limited and its controlled entities for the year ended 30 September 2001 complies with AASB 1039 'Concise Financial Reports'.



KPMG
Chartered Accountants
Melbourne
5 November 2001



P S Nash
Partner

Financial Highlights in Key Currencies

Millions	2001 AUD	2001 USD ¹	2001 GBP ¹	2001 NZD ¹
Profit and loss				
Net income	6,445	3,371	2,338	8,039
Operating expenses	(3,131)	(1,638)	(1,136)	(3,905)
Profit before tax and debt provision	3,314	1,733	1,202	4,134
Provision for doubtful debts	(531)	(278)	(193)	(662)
Profit before tax	2,783	1,455	1,009	3,472
Income tax expense	(911)	(476)	(330)	(1,136)
Outside equity interests	(2)	(1)	(1)	(2)
Profit after tax	1,870	978	678	2,334
Balance Sheet				
Assets	185,493	90,947	61,788	224,947
Liabilities	174,942	85,774	58,273	212,152
Shareholders' equity ²	10,551	5,173	3,515	12,795
Ratios – per ordinary share				
Earnings per share – basic	117.4	61.4	42.6	146.4
Dividends per share – declared rate	73	38	26	91
Net tangible assets per share	\$5.96	\$2.92	\$1.99	\$7.23

¹ USD, GBP and NZD amounts – profit and loss converted at average rates for financial year 30 September 2001 and balance sheet items at closing rates at 30 September 2001

² Includes outside equity interests

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:

	2001		2000		1999	
	Closing	Average	Closing	Average	Closing	Average
Great British pound	0.3331	0.3627	0.3720	0.3903	0.3972	0.3932
United States dollar	0.4903	0.5230	0.5444	0.6101	0.6533	0.6403
New Zealand dollar	1.2127	1.2473	1.3324	1.2647	1.2598	1.2014

Ordinary shares

At 9 October 2001 the twenty largest holders of ordinary shares held 879,019,333 ordinary shares, equal to 59.1 per cent of the total issued ordinary capital.

Name	Number of shares	%	Name	Number of Shares	%
Chase Manhattan Nominees Ltd	259,425,473	17.43	Cogent Nominees Pty Ltd	17,186,097	1.15
National Nominees Ltd	164,911,251	11.08	ING Life Ltd	14,923,462	1.00
Westpac Custodian Nominees Ltd	129,970,745	8.73	HSBC Custody Nominees Ltd	13,803,993	0.93
Citicorp Nominees Pty Ltd	62,257,042	4.18	ANZEST Pty Ltd	10,628,264	0.71
ANZ Nominees Ltd	40,797,225	2.74	Perpetual Trustees Nominees Ltd	8,754,900	0.59
AMP Life Ltd	29,485,998	1.98	NRMA Nominees Pty Ltd	7,332,734	0.49
RBC Global Services Australia Nominees Pty Ltd	28,281,407	1.90	The National Mutual Life Association of Australasia	6,486,755	0.44
Commonwealth Custodial Services Ltd	26,635,838	1.79	Government Superannuation Office	6,020,779	0.40
Queensland Investment Corporation	22,661,039	1.52	Perpetual Trustees Victoria Ltd	4,933,409	0.33
MLC Ltd	19,845,873	1.33	Australian Foundation Investment Company Ltd	4,677,049	0.31
				879,019,333	59.06

Distribution of shareholdings

At 9 October 2001 Range	Number of holders	% of holders	Number of shares	% of shares
1 to 1,000 shares	93,015	51.4	44,184,391	3.0
1,001 to 5,000 shares	68,479	37.8	155,789,882	10.5
5,001 to 10,000 shares	11,693	6.5	83,198,231	5.6
10,001 to 100,000 shares	7,436	4.1	161,086,569	10.8
Over 100,001 shares	412	0.2	1,044,017,447	70.1
Total	181,035	100	1,488,276,520	100

At 9 October 2001:

- › there was one entry in the Register of Substantial Shareholdings. Franklin Resources Inc. and its affiliates held 97,535,676 shares equal to 6.55 percent of the total issued ordinary capital; and
- › the average size of holdings of ordinary shares was 8,221 (2000: 8,403) shares; and
- › there were 1,772 holdings of less than a marketable parcel (less than \$500 in value (or 30 shares based on a market price of \$16.45)), (2000: 1,762 holdings), which is less than 1% of the total holdings of ordinary shares.

Voting rights of ordinary shares

The Constitution provides for votes to be cast:

- (i) on show of hands, 1 vote for each shareholder; and
- (ii) on a poll, 1 vote for each fully paid ordinary share.

Preference shares

At 9 October 2001 Hare and Co was the only holder of preference shares and held 124,032,000 preference shares, being 100 per cent of the total issued preference capital.

Voting rights of preference shares

A preference shareholder may not vote in normal circumstances, but may vote:

- (i) when a preference share dividend (or equivalent) is not paid by the prescribed quarterly payment date. This entitlement to vote ceases after full payment of four consecutive quarterly preference share dividends; and
- (ii) on proposals or resolutions that affect the rights attached to the preference shares including proposals to restructure or wind up ANZ.

Employee shareholder information

At the Annual General Meeting in January 1994, shareholders approved an aggregate limit of 7% of all classes of shares and options, which remain subject to the rules of a relevant incentive plan, being held by employees and directors.

At 30 September 2001 participants held 2.27% of the issued shares and options of ANZ under the following incentive plans:

- › ANZ Employee Share Acquisition Plan; and
- › ANZ Share Option Plan.

Shareholder Information

Dividends

The final dividend of 40 cents per share will be paid on 14 December 2001, 100% franked. Dividends may be paid directly to a bank account in Australia, New Zealand or the United Kingdom. Shareholders who want their dividends paid this way should contact ANZ Share Registry at the addresses shown below. Dividend Reinvestment and Bonus Option plans are available to shareholders. The plans are detailed in a booklet called 'Shareholder Alternatives', copies of which are available from ANZ Share Registry at the addresses shown below.

Stock Exchange Listings

The Group's ordinary shares are listed on the Australian Stock Exchange and the New Zealand Stock Exchange. The Capital Securities offered in 1993 and the Preference Shares issued in 1998 are listed on the New York Stock Exchange.

American Depositary Receipts

The Bank of New York sponsors an American Depositary Receipt (ADR) program in the United States of America and ADRs are listed on the New York Stock Exchange. ADR holders should deal directly with the Bank of New York, New York, telephone (212) 462 6618, fax (212) 462 6211 on all matters relating to their ADR holdings.

Credit Ratings**Short Term**

Moody's Investors Service	P-1
Standard & Poor's Rating Group	A1+

Long Term

Moody's Investors Service	Aa3 (outlook stable)
Standard & Poor's Rating Group	AA- (outlook stable)

ANZ

Registered Office
Level 6, 100 Queen Street
Melbourne, Victoria 3000
Australia
Tel: (61 3) 9273 6141
Fax: (61 3) 9273 6142
Secretary: J. Slatter

Investor Relations
Level 20, 100 Queen Street
Melbourne, Victoria 3000
Australia
Tel: (61 3) 9273 6466
Fax: (61 3) 9273 4899
investor.relations@anz.com

ANZ Share Registry

Australia
Level 12, 565 Bourke Street
Melbourne, Victoria 3000
Australia
Tel: 1800 11 33 99
Fax: (61 3) 9611 5710
anzshareregistry@computershare.com.au

New Zealand
Private Bag 92119
Auckland 1020
New Zealand
Tel: 0800 174 007
Fax: (64 9) 488 8787

United Kingdom
Tel: (44 870) 702 0000

2001 Financial Report

A copy of the Group's 2001 Financial Report, including the independent Auditors' Report, is available to all shareholders, and will be sent to shareholders without charge upon request. The Financial Report can be requested by telephone (Australia 1800 11 33 99, Overseas 61 3 9615 5989) by email at investor.relations@anz.com or viewed directly on the internet at www.anz.com.

Annual General Meeting

The Annual General Meeting will be held on 14 December 2001, at The Westin, No. 1 Martin Place, Sydney commencing at 10:00am.

